January 14, 2016

The Honorable Daniel R. Elliott III
Chairman, United States Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

Dear Chairman Elliott and Surface Transportation Board Members:

I write to express concern over Canadian Pacific Railway’s continued efforts to acquire Norfolk Southern Corporation. I am troubled by reports that Canadian Pacific intends to take control of Norfolk Southern prior to the Surface Transportation Board making a determination of whether a hostile merger is in the public interest. Canadian Pacific has expressed its desire to control both entities by placing Norfolk Southern into a voting trust during the Surface Transportation Board’s review process. This would be contrary to the prohibition on unlawful control set forth in STB’s regulations.

Additionally, it is concerning that Canadian Pacific’s stated intention to cut costs would mean job losses and significant reductions in investment in South Carolina. This would in turn hurt South Carolina working families, small businesses, and consumers. Moreover, studies have shown that railroad consolidations result in skyrocketing freight rates. This again can only harm the South Carolina economy.

South Carolina is home to more than 1,700 railroad employees, 6,500 railroad retirement beneficiaries, and the Port of Charleston—one of the largest and most vital ports in the United States and the fastest growing major U.S. port since 2011. Norfolk Southern has a significant presence in our state, employing over 600 people, operating more than 750 miles of track, and servicing the Port of Charleston. The railroad has always been a great corporate citizen in South Carolina.

As Attorney General, I am charged with ensuring that businesses in South Carolina compete fairly and honestly in the marketplace, which in turn promotes a healthy, competitive business environment. A combined Canadian Pacific-Norfolk Southern entity brings the potential for a negative impact on the railway market in South Carolina as well as economic harm to South Carolina businesses and consumers. I know that the STB shares these concerns. Thus, I urge a careful review of this hostile consolidation.

Sincerely,

Alan Wilson

AW/db