February 4, 2016

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

The Honorable Ann D. Begeman
Vice Chairman
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

The Honorable Debra Miller
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Chairman Elliott and Surface Transportation Board Members:

We write to share our concerns regarding Canadian Pacific Railway’s proposal to acquire the Norfolk Southern Corporation. We believe that the proposal, if allowed to proceed, would potentially have very negative impacts for the rail shippers, communities, and freight rail installations across the State of New York.

The State of New York has been working for the past fifteen years to reinvigorate rail competition in the Northeast. The Surface Transportation Board’s final decision to split control of Conrail between CSX and NS was predicated on bringing two strong Class I railroads with broad network reach into the Northeast. Norfolk Southern, in particular, has spent billions of dollars in infrastructure improvements to seamlessly connect its network in the years since the divestiture of Conrail. Such long-term investments will serve our economy for at least the next half century, and serve the needs of thousands of New Yorkers, including the 21,300 rail retirees, spouses, and survivors who rely on a healthy and robust rail industry for benefits.

The State of New York has also supported small-scale line acquisitions to help increase rail competition in our state. The most recent transaction was the sale by Canadian Pacific to Norfolk Southern of approximately 280 miles of line from Schenectady, NY to Sunbury, PA. This transaction, which only closed in September 2015, is already enhancing rail competition. This transaction allows Norfolk Southern to compete more effectively against other major rail companies, to connect with existing intermodal investments in the Northeast, and to provide better service for intermodal shippers. This collaborative relationship among transportation modes will help achieve our shared public interest goals of reducing highway truck congestion.
and environmental pollutants. Norfolk Southern is prudently expending capital and restoring service levels to address shipper needs, and providing stable job opportunities for employees on the former Canadian Pacific line.

The State has also recently entered into a partnership with Norfolk Southern to build a new rail bridge on the Southern Tier Line near the village of Portageville, NY. The existing bridge is 140 years old and functionally obsolete. The new bridge will cost approximately $70 million over the next three years. Without this major piece of infrastructure, manufacturers and consumers along the Southern Tier Line, which connects Buffalo, NY with the ports in New York City, would continue to face major inefficiencies. Norfolk Southern has been a committed partner on this front, and is supporting economic growth along this important rail line for New York manufacturers and New York short line railroads.

We fear that the Canadian Pacific proposal to acquire Norfolk Southern would jeopardize these ongoing public interest investments and projects. Recent public statements made by Canadian Pacific leadership indicate that its business model is about cutting costs and reducing investments, which would have potentially negative impacts on numerous local economies, industries, and citizens across New York.

After reviewing public comments made by Canadian Pacific, we are concerned that Canadian Pacific’s acquisition of Norfolk Southern would not be in the public interest of the State of New York or of the country. We respectfully request that the Surface Transportation Board conduct a thorough review of the significant anticipated public interest harms.

Thank you for your careful consideration of this important matter.

Sincerely,

[Signature]
JERROLD NADLER
Member of Congress

[Signature]
SEAN PATRICK MALONEY
Member of Congress