January 13, 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 are writing to you regarding the Canadian Pacific Railway proposal to acquire Norfolk Southern Corporation. For more than 100 years, Norfolk Southern has been a strong and productive corporate citizen in the State of Georgia, operating 1,700 route miles of track with numerous rail yards across the state and housing its operational headquarters in downtown Atlanta. As such, we believe that preserving these important infrastructure investments is critically important to Georgia’s economic future.

Norfolk Southern employs more than 4,700 of our constituents and pays retiree benefits to 2,400 more former employees, spouses, and survivors across the state. Norfolk Southern also partners with twelve Georgia short line railroads and with the Georgia Ports Authority to expand the reach of the manufacturers, consumers, and communities we represent. For example, Norfolk Southern’s service at the ports of Brunswick and Savannah, Georgia, allows our local businesses and communities to access international markets in order to achieve significant economic growth and industrial development.

Railroading in the United States requires significant investments in rail infrastructure, including crews, locomotives, and other resources, to maintain strong and efficient service levels in the face of growing and shifting shipper demands. Norfolk Southern has responded to shipper demands with prudent investments and infrastructure projects. For example, the 450 acre Austell Intermodal Facility, first opened in 2001, conducted nearly 500,000 transfers of over-the-road trailers to rail (or vice-versa) in 2015, an increase from 300,000 such lifts just four years prior.

We are concerned that this element of the logistics network could be adversely impacted if a new ownership group sought to improve short-term returns by withdrawing resources and cutting operations. Any disinvestment from existing infrastructure has the potential to harm Georgia’s local economies, communities, industries, and government institutions, as well as diverting back to congested highways a portion of the 500,000 truckloads of freight currently traveling on freight railroads. We respectfully request that the Surface Transportation Board take these factors and potential public interest harms into consideration in evaluating the proposed acquisition.
We also ask that the Surface Transportation Board monitor this situation closely and ensure that any merger or acquisition is fully reviewed and consistent with the law and intent of Congress. Of particular concern is any situation or voting trust arrangement which Canadian Pacific could use to prematurely control Norfolk Southern and circumvent the Surface Transportation Board’s merger review process.

We thank you for your continuing attention to our concerns.

Sincerely,

Johnny Isakson  
United States Senator

David Perdue  
United States Senator