



**ADRIAN & BLISSFIELD RAIL ROAD COMPANY**

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

Re: Proposal by Canadian Pacific Railway (CP) to acquire Norfolk  
Southern (NS)

Dear Chairman Elliott and Board Members:

Adrian & Blissfield Rail Road Company (ADBF) is a Class III rail carrier operating a 20-mile line of railroad in rural Lenawee County, Michigan. ADBF also owns and operates four (4) other Class III rail carriers in Michigan, including: Charlotte Southern Railroad Company (CHS), a 3-mile line in Eaton County, Michigan; Detroit Connecting Railroad Company (DCON), a 2-mile line in Detroit, Wayne County, Michigan; Lapeer Industrial Railroad Company (LIRR), a 1.5-mile line in Lapeer, Michigan; and Jackson & Lansing Railroad Company (JAIL), a 46-mile line between Jackson and Lansing, Michigan. ADBF and its sister companies employ 56 full-time employees, serves over two dozen rail customers, and is either the "first mile" or "last mile" hauler of over 15,000 freight car loads each year.

As a rail carrier actively involved in interstate commerce, ADBF has extensive concerns regarding the proposal by Canadian Pacific Railway to acquire Norfolk Southern Railway. It is our firm belief that such a merger would have a far reach negative impact upon rail commerce, especially in the Michigan region. Of all the States, the Michigan economy was one of the most negatively

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impacted during the economic downturn of 2009 and, although recovering, remains very fragile.

Since ADBF and its sister companies only handle the “first mile” or “last mile” of haulage of our customers’ rail carloads, ADBF and its sister companies are *totally* dependent upon the relationships with its Class I haulage “partners.” ADBF interchanges with NS at Adrian, Michigan; CHS interchanges with CN at Charlotte, Michigan; DCON interchanges with CN at Detroit, Michigan; LIRR interchanges with CN at Lapeer, Michigan; and JAIL interchanges with NS at Jackson, Michigan, and CN and CSX at Lansing, Michigan.

**We believe that the proposed CP acquisition of NS would prove devastating to our ADBF and JAIL lines.** While ADBF and its sister companies do not directly interchange with CP, we have had extensive prior experience dealing with the President and CEO of CP, E. Hunter Harrison. From 2003 through 2009, E. Hunter Harrison was President of Canadian National Railway (CN). During Mr. Harrison’s tenure at CN, many of the “business improvements” which Mr. Harrison implemented at CN had negative consequences for ADBF and its sister companies, and more directly, negative consequences for those customers served by ADBF and its sister companies where ADBF was captive to CN as its sole interchange carrier. Industry publications are rife with customer reports critical of many of the changes Mr. Harrison made while at CN.

As an example, ADBF’s sister company, Charlotte Southern Railroad (CHS) serves a grain elevator. CN is CHS’ only interchange carrier. Under E. Hunter Harrison’s leadership and direction, CN eliminated the local train that would switch the Charlotte interchange, instead directing that “road” trains would switch the interchange. However, due to the “precision scheduled railroad” philosophy that Harrison implemented, the road trains were on too tight of a schedule to be able to stop and switch the Charlotte interchange. Due to the inability to ship or receive railcars in interchange, the grain elevator customer was forced to utilize trucks to receive and ship its grain products.

**You can’t teach an old dog to learn new tricks.** E. Hunter Harrison is clearly the proverbial “old dog.” When Harrison went from CN to CP, he was seen to be doing to same “old tricks” at CP that he had done at CN. Thus, it is rationale to expect that, were Harrison to get control of NS, he would bring the same “old tricks” to NS. E. Hunter Harrison’s focus is solely on the “bottom line”, and not on customer service. While at CN, Harrison viewed Michigan as “insignificant” to the CN network and the CN Michigan trackage was merely a bridge to allow the Canadian railroad to have access to the Chicago, Illinois rail gateway. During his CN tenure, Harrison wanted freight to move as quickly as possible from Toronto to Chicago, without stopping any of his trains along the way; thus, Michigan suffered.

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The past history of mega-rail mergers should be cause enough for the STB to outright put a stop to the instant proposal to allow CP to acquire NS. The famous merger of New York Central Railroad and Pennsylvania Railroad into Penn Central was a disaster which almost instantly turned into the then-largest bankruptcy ever. Almost half of the merged rail network eventually was abandoned and "evaporated." The nation suffered as a result. The merger of Southern Pacific Railroad with Union Pacific Railroad went extremely poorly, with both operations going into a "meltdown" mode for almost an entire year.

ADBF is also deeply concerned with the numerous comments E. Hunter Harrison has made with respect to his proposal that CP acquire NS. Of significance, Mr. Harrison has made clear his intent to immediately assume control over NS during the pendency of the STB's review process, which is contrary to the statutory requirement for review and approval by the STB prior to their being a change in control. The STB should carefully ponder what other regulatory requirements Mr. Harrison will bypass and ignore in his zeal to do whatever it is he wants to do.

The United States Congress has charged the STB with the responsibility to determine whether the public interest, convenience, and necessity will be facilitated by any proposed merger. ADBF urges the STB to put a stop to Mr. Harrison's "merger-mania" now. The proposed acquisition by CP of NS would not benefit the public interest, would negatively impact competition, and make many, many, many rail interests captive to one rail carrier.

Thank you for taking the time to understand our concerns.

Very truly yours,

**ADRIAN & BLISSFIELD RAIL ROAD COMPANY**



Mark W. Dobronski  
President

MWD/hp