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March 2, 2016

MAYOR Matthew Pacifico

COUNCIL MEMBERS
Michael Haire. Vice-Mayor
Dave Butterbaugh
Matt Cacciotti
Erik Cagle
Christie Jordan
William Neugebauer

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

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

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

FFICE OF CHAIRMA

RE: THE PROPOSED MERGER OF CANADIAN PACIFIC RAILWAY AND NORFOLK SOUTHERN

Dear Chairman Elliott and Surface Transportation Board Members,

On behalf of the residents and taxpayers of the City of Altoona, Blair County, Pennsylvania we, as the Mayor and Council of the City of Altoona, are contacting you with regard to the proposed merger of Canadian Pacific Railway and Norfolk Southern. Altoona has been the home to Norfolk Southern's Juniata Locomotive Shop, the largest locomotive repair shop in North America, since the time it was constructed by what was then the Pennsylvania Railroad. The Juniata Shop continues to be a major employer in the Altoona area and today employs over 1,000 people at above average wage rates for this part of Pennsylvania.

Norfolk Southern has been and continues to be an integral part of the transportation system in Pennsylvania. It has 2,278 miles of track, 1,468

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bridges and 1,988 grade crossings in the Commonwealth of Pennsylvania and serves a vast number of customers. Norfolk Southern employs 5,200 people in Pennsylvania and provides retirement benefits to another 2,240 people. In addition, Norfolk Southern pays \$340 million in wages and benefits to its employees, \$34.4 million in state and local taxes, invests \$151 million per year in track and facilities and spends \$1 billion per year for purchases and payments for its operation.

It is also important to note that Norfolk Southern plays a significant role in helping economic development within Pennsylvania. In 2014, Norfolk Southern assisted 16 industries in locating to or expanding in Pennsylvania resulting in at least \$2 billion of economic investment and 1,170 new jobs. As such a major employer in the Altoona area, Norfolk Southern plays a huge role in our local and regional economy and anything that would affect the operations of the Juniata Locomotive Shop is of great concern, not just to Altoona, but the whole central Pennsylvania area.

Therefore, we request that the Surface Transportation Board members, and in fact all regulatory and governmental agencies involved in the proposed merger, undertake extensive due diligence in evaluating the economic impact of the merger to not only the City of Altoona and the Commonwealth of Pennsylvania but also our entire nation. We are sure that you would agree that the viability of the rail system is of the utmost importance to all of us.

Thank you for your time and careful consideration of this matter. Should you have any questions and/or desire for us to appear before your Board to give testimony or clarify our stated position, please contact Mayor Matthew Pacifico at the above address, or by telephone at 814-949-2476 or email at mpacifico@altoonapa.gov.

cc: Governor Tom Wolf
Congressman Bill Shuster
Senator Pat Toomey
Senator Robert Casey Jr.
Senator John Eichelberger
Representative John McGinnis
Representative Judy Ward
Blair County Commissioners
Pat Miller, Executive Vice-President,
ABCD Corp.

Matt Pacifico, Mayor

Michael Haire, Vice-Mayor

Erik Cagle, Councilman

Bill Neugebauer, Councilman

Matt Cacciotti, Councilman

Christie Jordan, Councilwoman

Dave Butterbaugh, Councilman