



“the” Delaware-Lackawanna Railroad Company, Incorporated

a Subsidiary of

GENESEE VALLEY TRANSPORTATION COMPANY, INC.

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February 10, 2016

Surface Transportation Board
395 East Street, South West
Suite 1220
Washington, District of Columbia 20423-001

Attention:
Chairman Daniel R. Elliott, III
Vice Chairman Deb Miller
Member Ann D. Begeman

Subject: Canadian Pacific Attempted Acquisition of Norfolk Southern Railway

Dear Members:

The Delaware-Lackawanna Railroad Company Inc. (DL) would like to submit this letter as a directly involved shortline that is vehemently against the acquisition or merger of the Norfolk Southern Railway Company (NS) into/by the Canadian Pacific Railway (CP).

The DL operates over ninety miles of railroad, services over 20 industries and employs thirty people in northeast Pennsylvania, within eighty miles of the densest population centers in the United States. Prior to the NS acquisition of the Delaware & Hudson South Lines in September 2015, the DL was a direct interchange partner with CP in Scranton, Pennsylvania. Since the sale of CP's trackage in this area NS' business practices have improved the reliability and quality of rail service to the DL and to its customer base.

The DL's relationship with NS started back 1999 with their acquisition of Conrail, creating an improved interchange for cars destined to the DL. Since the CP sale in 2015, NS has assumed the role as the DL's interchange partner while still handling CP traffic to the DL in haulage. Since this transition NS has displayed a professional, regimented approach to the operation of their train services with the DL. On most days DL and NS trains arrive at interchange at the same time exchanging cars with great efficiency.

Prior to the 2015 NS purchase CP's operational practices drove many of the DL's customers to NS. Most significant in this scenario was in 2014 when large shipper on the DL chose to switch all of their traffic to NS after being sole sourced to CP for over 15 years. They chose NS delivery because of the inconsistent service levels offered by CP that had put the plant in a shutdown mode on numerous occasions.

In addition the NS Industrial Development and Marketing, and Shortline personnel have been instrumental in arranging programs that have allowed the DL to experience a 15% growth in business in 2014. The DL has been assigned a marketing executive that is continuing to work with DL personnel in the development of new traffic opportunities. Prior to the CP sale to NS in 2015, it had been over 8 years where there were virtually no industrial development or shortline opportunities or communications brought to the DL.

The DL and NS are currently working on to projects that will bring new traffic to the DL in the next 2-3 years, and we do not want to return to the era of being unknown and ignored by Calgary. The DL respectfully requests that the Board keep these issues in mind in their review and consideration of the acquisition of Norfolk Southern by Canadian Pacific.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'David J. Monte Verde', written over a horizontal line.

David J. Monte Verde
President Delaware Lackawanna Railroad
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