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MARTIN A. SANDOVAL  
11<sup>TH</sup> LEGISLATIVE DISTRICT**

OFFICE OF CHAIRMAN

2016 FEB 22 AM 9:32

January 27, 2016

The Honorable Daniel R. Elliott III, Chairman  
The Honorable Ann D. Begeman, Vice Chairman  
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:

I am writing to you as I am very concerned about Canadian Pacific Railway's proposal to acquire Norfolk Southern Corporation. The State of Illinois is home to 1,625 Norfolk Southern employees who operate 1,256 miles of rail. As the largest state in the country for rail carloads and the second largest state for rail miles, Illinois relies heavily upon a robust freight rail network anchored by all seven Class I railroads as well as 33 shortlines to drive our state economy.

Norfolk Southern is an important source for economic development in Illinois with \$106 million in capital investments in 2014 alone that led to \$400 million of industrial development activity and 350 new jobs by 5 rail served customers. Nowhere are those capital investments more evident or important than the company's integral partnership with the other freight railroads, Amtrak, Metra, the Chicago Department of Transportation and the Illinois Department of Transportation within the CREATE Program. The result of a more than decade long commitment to complete those 70 projects is markedly improved service metrics for Metra, Amtrak, and freight rail customers within the state and throughout the nation. Sustaining CREATE's momentum to reduce passenger and freight delays further is key – any deviation which changes the dynamics of the CREATE partnership could quite conceivably marginalize the impact \$1.2 billion of federal, state, local and private contributions have had thus far.

Long-term infrastructure projects however are not in and of themselves a transportation network panacea for Illinois. Rail improvement projects within the CREATE Program and throughout the state take years of thoughtful planning before all the stars align to realize the benefits – in the meantime, little inconveniences like weather and economic headwinds often throw a wrench in the transportation network's performance. To keep the gears of this well-oiled system running, Norfolk Southern recognizes the importance operational planning and coordination amongst the other railroads can have on system performance. This is why from the first day of its creation through to the present Norfolk Southern actively participates in the Chicago Transportation

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Coordination Office (CTCO). It is extremely concerning to hear that Canadian Pacific does not share the same spirit of collaboration and communication, having pulled their senior transportation officer from the CTCO in recent years. If a merger were to take place the stakes would be even higher for the state's economy given the significantly more volume Norfolk Southern handles through the Chicago gateway compared to Canadian Pacific – lack of cooperation on behalf of Canadian Pacific would make an already complex operating environment even more volatile.

Illinois understands the crucial role an efficient and robust freight rail industry can have on the state's economy. Those efficiency gains however should not come at the expense of progress on the CREATE Program, operations collaboration with the state's other railroads, infrastructure investments, rail shipper service, and the quality of life for the hundreds of communities Norfolk Southern operates throughout the state. I encourage the Surface Transportation Board to review any proposal by Canadian Pacific very closely in light of the potential significant public interest harms.

Sincerely,

A handwritten signature in black ink, appearing to read "Martin A. Sandoval". The signature is fluid and cursive, with a large initial "M".

Hon. Martin A. Sandoval  
Illinois Senate Transportation Chairman