



# INDIANA BOXCAR CORPORATION

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Chairman Daniel R. Elliot, III  
Vice Chairman Deb Miller  
Member Ann D. Begeman  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-000

Dear Chairman Elliot, Vice Chairman Miller and Member Begeman:

On behalf of Indiana Boxcar Corporation and its four short line railroads, I wish to comment on the present activity related to Canadian Pacific and Norfolk Southern. I began my railroad career in 1978 and believe I have some perspective to offer with regard to the industry. My career has focused on short line railroads, the first mile and last mile of rail service to much of North America. I have survived multiple mergers and consolidations in the rail industry. Some have been much needed and beneficial. Others have been implementation disasters and left indelible scars on the industry.

Throughout my career, the burden of commercial rules and regulations has diminished with favorable results. However, there remains a fundamental level of rules, that while frustrating at times, retain an inherent value to the entire industry. One of these rules is that mergers and acquisitions among major railroads need serious review and thorough vetting. The consequences of errors can be irreversible and very regrettable after the fact.

The current situation of the railroad industry in terms of the alignment of major railroads may not be perfect, but it is balanced and stable. The entire industry, short lines included, is facing a barrage of challenges with a shifting traffic base and overall economic slowdown. This requires concentration of all efforts to deal with these challenges. Distraction from these efforts is unneeded and unwelcome. This brings me back the CP – NS situation.

There may or may not be merits in future mergers and acquisition among the major rail carriers. Any potential combination of CP and NS does not afford any particular overriding benefits versus any other potential sets of combinations. NS, like other major railroads, is struggling to deal with the sifting economic situation. My railroads deal with NS on a daily basis and we share the pain of any failures in this struggle. While there are failures, there are also successes, and I can not envision what magic CP can bring to the table that is greater than that possessed by NS. If CP claims to have some magic solution to the industry's challenges, they have done a remarkable job of keeping it well hidden.

There may be merit to CP-NS, or more appropriately NS-CP, but there is a process to explore and verify any such claims of merit. That is my message in this letter, that the process, at times despised and frustrating, must still be respected. The entire rail industry has a stake in every potential combination, for we are interdependent, glued together for better or worse. Competition is welcome and an innovator with a better idea can move a company, along with the entire industry, forward. However, a rouge actor, left unchecked by process, can crater a company and damage the entire industry.

The STB has a key place in the protection of this process involving any potential combinations of major carriers. The usurpation of this process via stock market or boards of directors manipulation must not be permitted. It falls the STB on the US side of the boarder to take the lead in dealing with attempts that violate this process. Time is not an enemy of this process and no major carriers are in jeopardy of bankruptcy as we work though the present challenges.

I urge the Board to consider using every avenue to assure that the integrity of the process of reviewing and vetting major mergers, regardless as to their being overt or vailed, be preserved. End runs around the process are unwelcome, disrespectful of the public interest, and should be dealt with accordingly. If the Board must impose disciplinary or punitive measures on a railroad that does not respect the collective value of process, so be it.

Respectfully submitted.

A handwritten signature in cursive script that reads "R. Powell Felix".

R. Powell Felix  
President