



# State of Indiana

# Senate

Senator Carlin J. Yoder  
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Committees:  
Homeland Security & Transportation, Chair  
Education & Career Development, R.M.  
Veterans Affairs & The Military, R.M.  
Appropriations

January 21, 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 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 regarding Canadian Pacific Railway's proposal to acquire Norfolk Southern Corporation. As Chairman of the Senate Transportation Committee, I am concerned about the impact the proposed NS-CP merger will have on freight rail service and the State's economy

Indiana is rich in manufacturing. Important to the success of that sector of the economy is the ability to ship and receive goods in an efficient and cost effective manner. Norfolk Southern plays an extremely important part in that process, maintaining roughly 1,500 miles of track in the State. Through timely investment and cooperation Norfolk Southern has continued to improve their network here, resulting in an environment conducive to not only retention of manufacturing but growth as well. The proposed rail merger places the relationship shippers maintain with their current freight rail partner in jeopardy.

Norfolk Southern is also an important employer throughout the State. The company currently maintains a Division Headquarters in Fort Wayne and a large classification yard in my

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home county of Elkhart. In total the company employees 2,200 people. I am apprehensive that a merger would lead to significant job reductions through realignment of the workforce.

Over the past several years as Chairman, my committee has heard testimony regarding freight rail traffic in and around Chicago. During the winter of 2014-2015 this issue significantly impacted my district as freight traffic became snarled. This caused vehicular crossings to be blocked on a regular basis. Norfolk Southern and other industry leaders worked diligently to alleviate this gridlock through coordinated improvements in infrastructure and participation in the Chicago Transportation Coordination Office ("CTCO"). It is my understanding that Canadian Pacific does not participate in the CTCO or similar coordinating efforts. If a merger were to take place this lack of cooperation on behalf of Canadian Pacific would seem to unravel the improvements that have been made to date.

Finally, as you are well aware the Surface Transportation Board's current rules set a high bar for further consolidation, recognizing that such consolidation inevitably would lead to massive service disruptions for shippers, reduced competition between carriers, and momentum for further consolidation among remaining railroads. It goes without saying that any or all of these circumstances would be contrary to the greater good of the economy which relies on freight rail service.

Given these facts and the current economic pressures on the entire industry, I believe the Board should be focused on public policy solutions that boost economic growth, support strong sustainable rail competition and protect the recent service gains that are helping our shippers and communities. I encourage the Surface Transportation Board to review any proposal by Canadian Pacific very closely in light of the potential significant public interest harms.

Respectfully,

A handwritten signature in black ink, appearing to read 'Carlin Yoder', written in a cursive style.

Carlin Yoder  
State Senator  
District 12