



KAPSTONE
PAPER AND PACKAGING CORPORATION

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February 23, 2016

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

Dear Chairman Elliott:

KapStone Paper and Packaging Corporation submits this letter to express our opposition to the proposal by Canadian Pacific Railway Limited to acquire Norfolk Southern Corporation.

KapStone is a leading producer of Kraft paper and corrugated packaging products in North America. Our operations handle in excess of 25,000 car loads of raw materials and finished products annually. Our distribution network reaches coast to coast and includes long-standing direct business relationships with four Class 1 railroads including Norfolk Southern, as well as frequent interactions with every Class 1 railroad in the United States and Canada.

As a major user of rail services, KapStone depends on a rail network that provides outstanding reliability and high levels of customer service at competitive costs. It is our belief that if this proposed acquisition is allowed to occur, it would significantly alter the competitive landscape among North American railways in a negative manner. As a major user of Norfolk Southern services, we also believe that the proposed acquisition together with Canadian Pacific's associated plans to sell assets and reduce operations would undermine both the service and reliability we and our customers require.

In summary, it is our position that this acquisition is inconsistent with the public interest, as well the interests of KapStone and our customers. As such, we request that the Surface Transportation Board reject the proposal by Canadian Pacific to acquire Norfolk Southern and maintain a very high bar for consideration of any further consolidation between Class 1 railroads of North America.

Thank you for the opportunity to share our thoughts on this matter. We urge you to give very careful consideration to our concerns, and to ensure the continuation of an efficient, reliable and competitive North American rail system.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Kaplan', with a long horizontal stroke extending to the right.

Matthew Kaplan
President and Chief Operating Officer
KapStone Paper and Packaging Corporation