



January 15, 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 Deb Miller
Member, United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Chairman Elliott and Surface Transportation Board Members,

I am writing you today, to express our support regarding Canadian Pacific Railway Limited's (CP) proposal for a CP-Norfolk Southern Corporation (NS) combination.

As one of the largest utility contractors in North America, employing over 4,000 people and operating over 10,000 pieces of construction equipment, we would welcome the merger of the CP and the NS railroads. It would provide us with a more economical means of transporting our equipment and supplies throughout North America and particularly to the Northeast and Mid-Atlantic states, thereby reducing trucks on the highways.

Our company believes a CP-NS combination will create a transcontinental railroad with the scale and reach to deliver improved levels of service to us and enable us to better serve our own customers and communities, while improving safety and enhancing competition.

CP's proposal is timely and introduces a number of positive, future-focused ideas to vastly improve North America's transportation network. We believe the proposal is in the public interest as it would improve overall service while meaningfully enhancing competition amongst the Class 1s and with other transportation modes. Specifically, we believe the following points in CP's proposal are key:

- alleviating the long-standing issue of congestion in Chicago
- providing flexibility to avoid choke points as they arise on the network whether at Chicago or elsewhere
- increasing capacity for all shippers without creating the need for more infrastructure
- creating efficient, reliable single-line service thereby reducing shipper equipment costs and inventory carry requirements
- opening up new market opportunities
- eliminating the "bottleneck approach" when quoting rates and instead quoting rates to the gateway the shipper requests
- reducing highway congestion while lowering fuel consumption on the joint network
- offering unparalleled customer service and competitive rates
- allowing another railroad access to CP-NS served shippers in terminal areas if service is not adequate and/or rates are non-competitive
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For the above reasons, Michels Corporation, supports the proposed CP-NS combination.

Should the combination be presented to the Surface Transportation Board for consideration, we urge you to judge the proposal on its merits.

Please feel free to contact us at www.michels.us for more information.

Sincerely,

M. O. Bohrer

M. O. Bohrer

Sales & Marketing Manager

Michels Corporation

cc: Keith Creel

President and Chief Operating Officer

Canadian Pacific