



Michigan Agri-Business Association

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The Honorable Daniel R. Elliott III
Chairman

The Honorable Ann D. Begeman
Vice Chairman

The Honorable Deb Miller
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Chairman Elliott and Surface Transportation Board Members:

On behalf of more than 500 members of the Michigan Agri-Business Association, I am writing to urge your close scrutiny of the proposal by Canadian Pacific Railway (CP) to acquire Norfolk Southern (NS). An acquisition would have wide-ranging impacts, including several that pose concern for Michigan agriculture.

Michigan is already facing significant uncertainty regarding our rail infrastructure, which has long been critical to the economic success of agriculture and agribusiness across Michigan.

Short line carriers are also under pressure from a variety of factors. The proposed acquisition raises serious questions about the future of rail investment and infrastructure in these short line railroads, and it is unclear whether CP plans to maintain existing NS lines that serve Michigan. An acquisition of NS could further change the landscape and reduce options for rail freight in and out of Michigan, ultimately having a detrimental impact on Michigan's agriculture and food processing sectors.

NS has been active in our state, partnering with industry and with the State of Michigan to improve critical rail infrastructure. NS has invested heavily in industrial development initiatives on its lines as well as with its partners, including the Jackson & Lansing Railroad between Jackson and Lansing, and is an ongoing day-to-day partner enabling Amtrak service to Michigan destinations. NS has also invested in the State of Michigan's Detroit Intermodal Freight Terminal (DIFT) in the past and is working with the State to develop a model intermodal terminal for Southwest Michigan. Grand Elk Railroad operates a former NS line between Grand Rapids and Elkhart, IN that is significant for agriculture in west and southwest Michigan.

NS is also providing options to Michigan shippers in the face of significantly higher rail rates from CSX, the other major class one railroad that services Michigan.

CP provides no direct freight rail service in Michigan today – with the company’s closest hubs located in Chicago and Ontario – and has undertaken no investment to maintain or upgrade rail lines and infrastructure in Michigan. CP has had a minimal role in Michigan, and their investment activity signals no interest in making new investments in Michigan.

We are concerned that an acquisition by CP will be detrimental to service in and out of the Detroit, Chicago, Toledo, and Elkhart critical gateways for freight traffic; put additional pressure on local and regional freight carriers; reduce options to move Michigan-grown products; and continue to force agribusinesses and producers to “swim upstream” when it comes to moving products to global markets. We urge you to provide close scrutiny over any proposed acquisition.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "James E. Byrum". The signature is stylized with overlapping loops and a long horizontal stroke at the end.

James E. Byrum, President
Michigan Agri-Business Association
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