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## MISSOURI SENATE

JEFFERSON CITY

## MICHAEL L. PARSON 28TH DISTRICT

February 3, 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 Small Business, Insurance and Industry Committee, I am particularly interested in the impact this merger may have on current rail customers in my State.

Recently, I read a letter submitted to the Surface Transportation Board from the Alliance of Automobile Manufacturers and Association of Global Automakers. I found their concerns regarding service disruption particularly troubling. Missouri has been fortunate to develop a strong auto manufacturing industry. A rail merger that threatens that industry's productivity would certainly not be in the best interests of the State.

Norfolk Southern currently maintains an important rail network in Missouri. This network is vital to many industries, among them the automobile manufacturing industry. Moreover, Missouri is focused on the continued development of manufacturing. Competitive rail access and service are critical to our efforts in growing this sector of our State's economy. Norfolk Southern has been a very reliable partner in providing timely investment and cooperation to improve their

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network, resulting in an environment conducive to manufacturing growth. As the Automobile Manufacturers have alluded, a rail merger seems to place much of this current partnership in jeopardy.

As you are well aware the Surface Transportation Board's current rules set a high bar for further consolidation, recognizing that such consolidation may lead to 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.

Sincerely,

Michael L. Parson State Senator

MLP:msl