



John Eklund
State Senator, 18th District

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Committees:

- Criminal Justice, *Chair*
- Financial Institutions, *Vice-Chair*
- Civil Justice
- Public Utilities
- Transportation, Commerce and Labor
Ways and Means
- Finance Sub-Committee:
- General Government
- Joint Committee on Gaming and Wagering

January 14, 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

2016 FEB - 8 AM 9:19
OFFICE OF CHAIRMAN

Dear Chairman Elliott and Surface Transportation Board Members:

The recent public developments between Canadian Pacific Railway (CP) and Norfolk Southern Corporation (NS) raise significant concerns for me. CP's November 9, 2015 unsolicited proposal to acquire NS, and recent public comments made by Mr. Hunter Harrison, CP's Chief Executive Officer (CEO), strongly suggest that CP's plans, if allowed to proceed, would have a negative impact on the State of Ohio and the United States of America.

On November 19, 2015 CP CEO E. Hunter Harrison made statements about reductions to NS physical plant and employment levels, clearly indicating that severe cuts in resources would be CP's primary focus. The negative implications of such a strategy for employment and service levels if a merger were to occur are serious, particularly in Ohio.

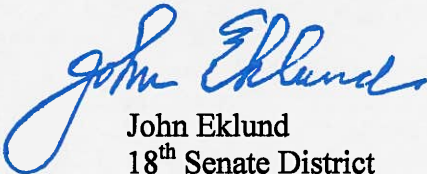
NS has been a great partner to the State. It is the home to over 3,990 Norfolk Southern employees, who operate 2,200 miles of track and 24 rail yards and facilities integral to the state's industry and communities. In 2014 alone, NS helped 9 industries locate or expand in Ohio, resulting in \$75 million in customer investment and 283 additional jobs. They also invested \$160 million and nearly doubled the size of Bellevue Yard, positioning Bellevue as a key nexus on the railroad's busy Northern Region.

I am concerned that a combination between CP and NS would negatively impact these well-paying jobs and facilities. I also have significant concerns that a CP/NS merger could harm the many businesses in Ohio and across the country that depend on railroads to get their products to market. And, clearly, a capacity-slashing transaction as proposed by CP would result in decreased investment in our transportation infrastructure and impair consumer, i.e. customer, welfare.

I believe any major railroad combination requires a compelling benefit to freight customers, which I have not seen demonstrated at all by the unilateral CP move on NS. As such, I intend to follow future developments between CP and NS closely and urge the Surface Transportation Board to do the same.

Thank you for your careful consideration of this important matter.

Respectfully yours,

A handwritten signature in blue ink that reads "John Eklund". The signature is written in a cursive style with a large, looping initial "J".

John Eklund
18th Senate District