



Senator Frank LaRose
27th Ohio Senate District
*Serving Wayne and portions of
Summit & Stark Counties*

Committees:
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Finance
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Government Oversight and Reform
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Transportation, Commerce and Labor
Joint Committee on Agency Rule Review

January 12, 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 have been following the recent public developments between Canadian Pacific Railway (CP) and Norfolk Southern Corporation (NS) with interest. I have concerns that CP's unsolicited proposal to acquire NS, if allowed to proceed, would have a negative impact on the State of Ohio and for the transportation throughout the country.

The CP CEO E. Hunter Harrison made statements about reductions to NS physical plant and employment levels on November 19, 2015 that indicate severe cuts in resources will be a primary focus. These comments lead me to believe that there would be negative implications for employment and service levels, as well as, possibly to safety if a merger were to occur.

NS has been a great partner to the State. Ohio 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. In addition, the 250 acre NS Rickenbacker Intermodal Yard is

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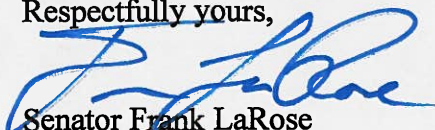
an important central hub for both domestic and international goods being transported across the United States.

I am concerned that a combination between CP and NS would have a negative impact on the well-paying jobs and facilities as outlined above. I also have significant concerns regarding the impact that a railroad merger would have on the many businesses in Ohio and across the country that depend on railroads to get their products to market. Finally, I am concerned that a cost-cutting transaction as proposed by CP would result in decreased investment in our transportation infrastructure.

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,



Senator Frank LaRose
Ohio State Senator
27th Senate District