

# Osage, Inc.

6500 Harbour View Court, Suite 202, Midlothian, VA 23112

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February 11, 2016

Chairman Daniel R. Elliott, III  
Vice Chairman Deb Miller  
Member Ann D. Begeman  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0000

Dear Chairman Elliott and Surface Transportation Board Members:

I write to you today because I am deeply troubled by the potential acquisition of Norfolk Southern (NS) by Canadian Pacific (CP) or by the potential merger of NS and CP.

Since 1986, Osage, Inc. has been a shipper of railcars and a customer of other shippers of railcars to its business destinations in Virginia, North Carolina, South Carolina, and Maryland, and recently to Pennsylvania. We have shipped many thousands of railcars by NS and by other Class 1 railroads. During this time, the services provided by NS have been far superior to the services provided by other railroads.

I am particularly concerned about the lack of competition and the poor service that will result if CP purchases or merges with NS. Why? Because if CP controls the freight rates from many of the points of origin west of Chicago, all the way to Osage destinations, CP will have no incentive to provide aggressive rates from these points of origin. Currently, NS must compete for Osage business that moves through Chicago and, at the same time, must compete to secure switching agreements with inbound carriers to Chicago. Furthermore, Osage has experienced poor service by other railroads in moving cars toward and to Osage destinations.

Osage's success is totally dependent upon reliably providing its customers quality products, fairly priced, on a timely basis. We have long ago learned by experience that NS provides the service Osage needs at reasonable prices to facilitate the opportunity for Osage to compete in its existing markets and to have the confidence to grow in new markets, such as Pennsylvania and Ohio.

As you can see, Osage is heavily dependent upon efficient logistics management. I have studied and experienced the management decision making process of NS relative to investing in infrastructure, investing in reliable equipment, managing labor fairly to achieve outstanding service and contributing to providing a high caliber quality of life for its employees, its customers, its vendors, and the public that is impacted in positive ways by the decisions of NS management.

The reputation of CP speaks for itself. I do not understand how a takeover of NS by CP would be in the public interest. It is certainly not in the best of Osage. Furthermore, if CP and NS are combined in any way, it will set a precedent that may lead to the consolidation of other Class 1 railroads that will inevitably result in less competition and the degradation of service. Osage appreciates the solid

reputation of the Surface Transportation Board in managing its responsibilities and I thank you for considering my input.

Sincerely,

A handwritten signature in blue ink that reads "W. Earle Spruill, Jr." The signature is written in a cursive style with a large, stylized "W" and "S".

W. Earle Spruill, Jr.

President

Osage, Inc.