

O&H



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OFFICE OF CHAIRMAN

Date 2/2/2016

Mr. Daniel Elliott, Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

RE: Potential CPRS / NS Merger

Esteemed Chairman Elliott,

My name is Steven May, and I am the President of four Short Line Railroad Companies, including Owego Harford Railway in New York. Collectively, those railroads compose approximately 225 miles of operating track serving 50 customers. I am writing today to express my concerns over the potential merger / acquisition transaction of Norfolk Southern which is currently being proposed by Canadian Pacific's President and CEO E. Hunter Harrison. It is my opinion that our short lines and the customers we serve would suffer a negative impact if the proposed CPRS / NS Merger were to proceed.

Until the recent purchase of the D&H South Lines by NS, we had connections to the CPRS on two of our Short Lines. The CPRS service was inadequate at best, in terms of operations, and customer service. In fact, CPRS service was so bad that we actually lost a major customer due lack of reliable, consistent service. Over the 20 + years of CPRS service much of the traffic turned over to NS routings as CPRS simply couldn't perform, and NS service was far superior. We were delighted at the purchase of the D&H by NS as it provided a streamlined transportation network for our lines and minimized our exposure to CPRS and its philosophies.

Our customers too, had been disappointed with the poor performance of CPRS service and are voicing their concerns to us regarding working with CPRS again, should said merger be allowed to come to fruition. CPRS is well known for service cuts, cutting staff, and infrequent switches, and other policies which affect their performance. These issues are extremely critical to the railroad supply chain and our customers, and will impact our ability to service customers greatly.

The current practices CPRS uses have shown that the company is a proponent of disinvestment. In the 'stream lining' which has occurred so far, (*closing down some yard facilities, cutting operating crews, and reorganizing its operations*) in order to make profit the number one goal, not efficient train movement and customer service. Much like it did with the D&H South Lines, it is our fear that CPRS may 'spin off', so to speak, many of the NS lines which currently interchange with our railroads.

If this were to happen, we could end up being served by a third party railroad, rather than direct interchange we currently receive from Norfolk Southern.

Another of my concerns is the fact that other Class I railroads (most notably BNSF), have stated that they would considered getting involved in any sort of merger involving CPRS and NS. It is my opinion that this would lead to several other mergers, whether for competition with or fear of, one large railroad, and eliminate the ability of businesses to be competitive by reducing their number of options for shipping freight.

In closing, it is my sincerest believe that this merger is not in the best interest of the general public, rail customers, other Class I railroads, and Short Lines in general. Thank you for allowing me to share my thoughts with you. I appreciate any consideration that you may give to my comments when reviewing the proposed merger.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven May", written over a horizontal line.

Steven May
President