

Pickens Railway Company

119 Martin Road Anderson, SC 29626

February 12, 2016

Chairman Daniel R. Elliott, III
Vice Chairman Deb Miller
Member Ann D. Begeman
Surface Transportation Board
395 E. Street, S.W.
Washington, D.C. 20423-000

Dear Chairman Elliot and Board Members,

Pickens Railway Company (PKHP) is a family owned Class III shortline railroad. Our small business has successfully partnered with Norfolk Southern (NS) for 20 years. We foresee both short term and long term issues with the proposed CP/NS takeover or merger and oppose the action.

NS has been instrumental in developing several large economic development projects located on our line. Their management and operating teams are a vital part of both our success as a small business and the improvement of the rural economy of South Carolina. NS management and operating teams are close enough geographically to be informed and involved in our local markets. We have great concern that a merged entity would not have the same interest in our local customers, especially the smaller customers requiring rail service. Losing this vital association with our Class 1 connection has the potential to negatively impact both our business and that of our customers.

Our customers depend on reliable consistent rail service. Short term disruptions associated with a merger can cause our customers to divert shipments to other modes of transport. Long term service reductions are likely to occur with cost cutting reductions in the rail workforce. Our customers have transportation choices and will choose the most dependable mode. Poor service drives customers out of the rail market to the overstressed highway system.

Our viability depends on the quality of management and service of our Class 1 connections. Our local economy depends on a customer-centric, service oriented Class 1 railroad. Our nation depends on a U.S. rail system working to grow the economy of its local citizens.

Sincerely,

Chipley H. Johnson, President

Nancy H. Johnson, CFO

Hunter J. Sims, Vice President

Donald E. Sims, General Manager

