

PIONEER RAILCORP
A RAILROAD HOLDING COMPANY

1318 SOUTH JOHANSON ROAD
PEORIA, ILLINOIS 61607

TELEPHONE: (309) 697-1400
FAX: (309) 697-1677

J. MICHAEL CARR
PRESIDENT AND CHIEF EXECUTIVE OFFICER

December 10, 2015

The Honorable Daniel R. Elliott III
Chairman
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

Re: Potential Merger Between Canadian Pacific Railway and Norfolk Southern
Railway

Dear Chairman Elliott:

As Chairman, President, and CEO of Pioneer Railcorp ("Pioneer"), I am writing to express Pioneer's significant concerns regarding the proposal by Canadian Pacific Railway ("CP") to merge with Norfolk Southern Railway ("NS"). Pioneer is a railroad holding company that owns 23 short line railroads operating in 13 states with over 600 miles of track and serving approximately 100 customers. Pioneer also owns several other railroad related businesses, including a railroad equipment company and a contract switching services company.


Several of Pioneer's short lines interchange with NS. Our working relationship with NS has been positive. NS service and interchange has generally been timely, efficient, safe, and satisfactory to Pioneer, our short lines, and our customers. NS management and NS short line representatives also have been responsive to the needs of Pioneer short lines and customers. Pioneer is concerned that a merger between CP and NS would adversely impact this longstanding relationship.

Pioneer's experience with prior mergers has not been positive, as we previously have suffered from fewer interchange options, equipment problems, and reduced service levels. We do not see how a CP/NS merger would be any different. A CP/NS merger would be subject to a lengthy review, creating significant regulatory uncertainties and risks that could lead to service deterioration, both in the short term and long term. We are also concerned about a long term loss of routing options for our customers and the potential for disruptions in asset utilization once CP takes the NS helm.

The Honorable Daniel R. Elliott III
December 9, 2015
Page 2

Accordingly, at this time, Pioneer opposes any CP/NS merger and requests the Surface Transportation Board to closely scrutinize any claims that such a merger would be beneficial to short lines, shippers, and the freight rail industry.

Respectfully submitted,



J. Michael Carr

Chairman, President, and CEO

cc: Jim Hixon
John Friedmann
Alan Shaw