



# MOVING YOU FORWARD

January 18, 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 Deb Miller  
Member, United States Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-0001

Dear Chairman Elliott and Surface Transportation Board Members,

Fully realizing the responsibilities of guiding the Nation's rail network to the next level (which is nothing less than critical for America's future), I feel more than ever all of the esteemed members of the Surface Transportation Board need to hear from a Minnesota short line railroad owner.

Progressive Rail Incorporated is in complete support of the proposed Canadian Pacific Railway/Norfolk Southern combination.

Why?

America's industrial base has a rare opportunity to truly regain its world dominance with the benefit of lower energy expenses in concert with an exploding growth in global demand for the exact set of products best manufactured in the USA. However, none of this industrial renaissance can truly take root without a streamlined rail network that can efficiently transport the raw materials and finished goods between buyers and sellers.

The CP/NS combination would in fact create a dynamic transportation network that spans from coast to coast and creates a conduit of commerce that will reignite America's industrial base.

Consider these examples:

#### COIL STEEL

There are countless wins for steel mills that are served by the NS that, with a NS/CP combination, will reach a myriad of fabrication firms in the Midwest. High paying careers on both ends of this supply chain will be preserved and expanded upon with a more efficient link between producer and manufacturer. It is interesting to note that "transportation" expenses generally reside in the top ten line item expenses of P&L statements for major industry. Imagine for a moment the immediate benefit generated from a more focused, customer centric rail network that would help industries lower a key cost component in addition to being able to respond more quickly to market opportunities. The CP/NS combination would deliver that and much more.



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## CLAY BRICKS

A majority of clay brick traffic has defected to the highway chiefly because of bottlenecks in Chicago, Illinois and noncompetitive rail rates. The CP/NS combination would create a single line haul network that brings together the brick production region of America to the door step of some of the fastest growing housing markets in America. The CP/NS team would make the American dream of owning a home more achievable for many families.

## TIRE DERIVED FUEL CHIPS

Everyone wants a cleaner and greener world. The CP/NS team can deliver both by way of moving tire derived fuel chips (TDF's) from the Midwest to power hungry plants in the South and Southeast regions. Unfortunately, millions of used tires are piled up with no efficient way to access the markets that need the product most. Hence, more fossil fuels are needlessly burned because the transportation link between the Midwest to the South and Eastern seaboard is costly and time consuming. CP/NS opens up the traditional restrictive gateways with single line haul routes and rates.

For all of the above, plus many more compelling reasons, I would like to reiterate Progressive Rail's full support for the Canadian Pacific Railway's proposal for a CP-NS combination.

In parting, please consider one more future focused fact.

The United States Government has predicted that freight moving in America will double by 2035. This is significant as America can in fact regain our manufacturing super power status, but it depends upon being able to deploy an efficient transcontinental railroad. CP/NS would be just that. As you review all the comments, please look ahead for the future generations of Americans that can benefit from a manufacturing-based society, versus total dependence on low paying service sector jobs. Efficient rail transportation will be the game changer that our country needs, now more than ever.

The CP/NS combination is presenting a rare opportunity to clear the way for a new level of prosperity for the citizens of America.

I would welcome additional interaction on this historic opportunity to make America great again.

Sincerely,

A handwritten signature in black ink that reads "Dave Fellon". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Dave Fellon  
Owner / President

cc: Keith Creel  
President and Chief Operating Officer  
Canadian Pacific