

January 14th 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,

I am writing you today, to express our support regarding Canadian Pacific Railway Limited's (CP) proposal for a CP-Norfolk Southern Corporation (NS) combination.

RONA inc. is a major Canadian distributor and retailer of hardware, building materials and home renovation products. The Corporation operates a network of over 500 corporate and independent affiliate stores of complementary formats. With its nine distribution centers, RONA serves its own network as well as many independent affiliated stores operating under different banners, including Ace, for which RONA owns licensing rights and is the exclusive distributor in Canada. With the help of its nearly 24,000 employees, the Corporation generates annual consolidated sales of \$4.1 billion.

Our organization believes a CP-NS combination will create a transcontinental railroad with the scale and reach to deliver improved levels of service to us and enable us to better serve our own customers and communities, while improving safety and enhancing competition.

CP's proposal is timely and introduces a number of positive, future-focussed ideas to vastly improve North America's transportation network. We believe the proposal is in the public interest as it would improve overall service while meaningfully enhancing competition amongst the Class 1s and with other transportation modes. Specifically, we believe the following points in CP's proposal are key:

- increasing capacity for all shippers without creating the need for more infrastructure
- creating efficient, reliable single-line service thereby reducing shipper equipment costs and inventory carry requirements
- opening up new market opportunities
- reducing highway congestion while lowering fuel consumption on the joint network
- offering unparalleled customer service and competitive rates
- allowing another railroad access to CP-NS served shippers in terminal areas if service is not adequate and/or rates are non-competitive



For the above reasons, Rona Inc., supports the proposed CP-NS combination. Should the combination be presented to the Surface Transportation Board for consideration, we urge you to judge the proposal on its merits.

Please contact us at 514-599-5900 # 5102 for more information.

Sincerely,

Esther Lavertu Logistics Director

Rona Inc.

cc:

Keith Creel

President and Chief Operating Officer

Canadian Pacific

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