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January 11, 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 to acquire Norfolk Southern Corporation (NS).

**ABOUT SGR Energy LLC** 

SGR Energy LLC 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 a timely one that 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 creating meaningful competition amongst the Class 1s. Specifically, we believe the following points in CP's proposal are key:

- alleviating the long-standing issue of congestion in Chicago
- increasing capacity for all shippers without creating the need for more infrastructure
- creating efficient, reliable single-line service
- eliminating the "bottleneck approach" when quoting rates and instead quoting rates to which gateway the shipper requests
- reducing highway congestion while lowering fuel consumption on the joint network
- offering unparalleled customer service and competitive rates
- allowing another railroad access to CP served shippers in terminal areas when service is not adequate and/or rates are non-competitive

For the above reasons, SGR Energy LLC, supports the proposed CP-NS combination. We urge the Surface Transportation Board to judge the proposal on its merits and we look forward to a positive outcome.

Please contact us at 832-286-1524 for more information

Sincerely.

Tommy San Miguel
President/CEO
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cc: Keith Creel

**President and Chief Operating Officer** 

Canadian Pacific