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February 17, 2016

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

RE: Potential Merger between Norfolk Southern Railroad and Canadian Pacific

Dear Chairman Daniel R. Elliott, III:

I am writing you on behalf of The Kearney Companies, Inc. We are a third party Logistics company that has partnerships with all six US Class One railroads in an effort to provide our customers with integrated rail transload solutions in New Orleans, LA and Savannah, GA. Since 1996, our company has been able to grow significantly through these partnerships with these rail carriers to help convert business from truck to rail. In many cases, we have been able to help customers develop new supply chains using rail as the primary mode of transportation which ensures freight competition between freight modes and in many cases between railroads as well.

Please accept this letter outlining our concerns over the potential merger between Norfolk Southern Railway and the Canadian Pacific Railway. The concerns that we would like to express include the following:

- NS is a service-oriented railroad with valued product offerings. Our business is dependent on a customer-centric, service oriented rail partner with a deep understanding of local freight needs in the ports that we service in New Orleans, LA and Savannah, GA.
- We have witnessed firsthand with the Merger of Canadian National Railroad and the Illinois Central (IC) railroads a long term favoritism and focus on Canadian traffic/volumes that has resulted in a "de-marketing" or reduced focus on the US / Gulf volumes that we support. This was especially evident in 2014 as rail volume surged. All the Canadian growth and volume demands were prioritized over US

north south cargo movement on CN. Our ability to grow this business with CN has been significantly reduced due to higher pricing and a general effort to prioritize the East/West Canadian volumes vs North/South US volumes to and from the Gulf of Mexico gateway ports.

- We strongly support maintaining rail partners that are interested in growth across multiple commodities, including those businesses that are most service-sensitive, like intermodal and automotive. Those are business segments in which CP has failed to invest or show much interest.

- We are very concerned about one rail merger transaction leading to further rail consolidation (which would reduce competition).

- We do not see how this merger and consolidation of rail interest could be in the American public interest and or the overall competiveness of the United States of America and its port and rail systems.

Sincerely,

David W Kearney
President 2-17-2016