

## HUNTSVILLE INTERNATIONAL AIRPORT • INTERNATIONAL INTERMODAL CENTER • JETPLEX INDUSTRIAL PARK

## March 7, 2016

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Dear Mr. Elliott, Ms. Miller and Ms. Begeman:

I am writing to express my concerns with Canadian Pacific Railway's efforts to bring consolidation to the railroad industry by continuing to press an unwanted takeover bid for Norfolk Southern Corp.

The Port of Huntsville, which encompasses Huntsville International Airport, International Intermodal Center and Jetplex Industrial Park, has been serving the North Alabama and South Central Tennessee region to promote economic growth and access to the global market place for nearly 50 years. Our mission is to provide quality multi-modal transportation services to a diverse regional customer base throughout the Tennessee Valley region and we strive to stimulate regional economic growth by recruiting industry to our region and meeting the transportation infrastructure needs of existing commerce and industry.

In 1986 we opened the International Intermodal Center which includes a rail intermodal terminal capable of handling over 100,000 containers annually, which is three times our record volume. The reason we have so much capacity is that we are focused on growth and we need a rail partner focused on growth, with the flexibility to think and act strategically. Our business is dependent on a customercentric, service oriented rail partner and Norfolk Southern has been a solid partner, focused on restoring service, investing in infrastructure, and growing traffic efficiently.

When evaluating this effort to consolidate the rail industry, it is difficult to see how this could be in the public interest. As I mentioned above, the Port of Huntsville also owns and operates the Huntsville International Airport (HSV). Surface Transportation Board Page Two March 7, 2016

I am sure you are aware of the consolidation within the airline industry since congress deregulated the airlines in 1978, which accelerated during the last decade. As a small community we have been the victim of the most recent consolidation, the merger between Southwest Airlines and Airtran. Prior to the merger, Airtran offered 3 daily nonstop flights to/from Baltimore and Orlando, with low fare service. When Southwest announced their intent to acquire Airtran, they indicated their intent to continue serving the small community airports served by Airtran.

Unfortunately, shortly after government approval of the merger Southwest announced cessation of service from approximately 75% of those small communities and even more small communities have lost Southwest service since then. As a result, HSV lost two nonstop destinations, air fares increased and traffic declined. To say the least, there is very little true competition between the legacy air carriers that remain. Even industry experts are describing Southwest more like a legacy carrier and less like a low cost carrier.

The Port of Huntsville is concerned that consolidation within the rail industry will result in an adverse impact to our customers, similar to our experience with the recent merger in the airline industry.

Thank you for your consideration of our concerns.

Sincerely.

Richard Tucker Executive Director

RT/lb