



COMMONWEALTH of VIRGINIA

Office of the Governor

Aubrey L. Layne, Jr.
Secretary of Transportation

December 21, 2015

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 Debra Miller
United States Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Chairman Elliott and Surface Transportation Board Members:

I am writing to you regarding Canadian Pacific Railway's unsolicited proposal to acquire Norfolk Southern Corporation. The Commonwealth of Virginia long has been home to this great American railroad, and the economic benefits it creates for Virginia are significant. As such, I want to bring this important matter to your attention and share my views.

Norfolk Southern provides 4,700 jobs and pays retiree benefits to more than 3,100 people in Virginia. In 2014, this accounted for more than \$380 million in wages. However, the railroad's contributions go beyond employing our residents. Last year, Norfolk Southern contributed \$150 million in infrastructure investments, \$254 million in purchases and payments, and \$6.3 million in charitable giving. It has partnerships with seven Virginia short line railroads – Bay Coast Railroad, Chesapeake and Albemarle, Buckingham Branch, Virginia Southern, Commonwealth Railway, Norfolk and Portsmouth Belt Line, and Shenandoah Valley – that help expand the reach of businesses and communities.

The positive impact Norfolk Southern has on Virginia does not stop there. Norfolk Southern and its connection to the Port of Virginia are vital to the companies in our state, linking them to markets around the world and supporting significant economic and industrial development. The Port of Virginia is one of Virginia's economic drivers. It is critical that the movement of goods to and from the Port not be compromised.

Norfolk Southern maintains a strong partnership with Amtrak, as four regularly-scheduled passenger trains connect Virginia to other cities in the Northeast such as Washington, Baltimore, Philadelphia, New York, and Boston. The Commonwealth recently establish two new state sponsored trains that utilize Norfolk Southern track – one traveling from Norfolk to Richmond and another traveling from Lynchburg to DC. We are currently in the process of working with Norfolk-Southern to add two additional trains on the Norfolk service and one additional train on the Lynchburg service.

Given these factors, I have significant reservations regarding Canadian Pacific's potential acquisition of Norfolk Southern would be in the public interest of the Commonwealth of Virginia. Please know that I consider this matter to be of the utmost importance to the Commonwealth and my constituents. I ask that the Surface Transportation Board follow this situation closely with particular attention to any potential impacts to the Port of Virginia, Amtrak service and Virginia jobs.

Sincerely,



Terence R. McAuliffe

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