



2001 Quarrier Street  
Charleston, WV 25311  
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[www.wvma.com](http://www.wvma.com)

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. As you and the board are aware, West Virginia has a proud heritage of railroading dating back to the foundation of the industry. In fact, thousands of West Virginians still rely on railroads for jobs, industrial development, intermodal transportation, coal mining and chemical production and distribution. In 2014, nearly 2,800 railroad workers and approximately 7,900 retirees, spouses and survivors remain dependent on a robust and secure rail industry.

Members of the West Virginia Manufacturers Association rely on a strong and competitive freight rail industry to move product and receive components vital to the manufacturing process. West Virginia is the foundation of one of two mainline networks linking the Chicago hub with a major east coast port in Norfolk. Additionally, the public development of new intermodal facility located along this corridor offers the potential to revitalize the movement and distribution of intermodal commodities for central Appalachia, including goods manufactured in our state. Norfolk Southern takes a proactive approach to line maintenance, modernizing bridges, tunnels and mainline track to move goods efficiently for West Virginia and the nation. West Virginia has been a proud partner in that investment with Norfolk Southern and has spent additional public funds to leverage Norfolk Southern's private investment so that West Virginia can offer the latest in network improvements to shippers from all over the world.

At this critical intersection in the manufacturing industry, the West Virginia Manufacturers Association cannot support a proposed merger that would begin to unravel the proactive improvements to much needed shipping infrastructure, and a merger that would lead to disinvestment and further job loss in our state. I believe Norfolk Southern has worked hard to serve industry in West Virginia and this merger proposes nothing that would benefit the needs of companies who are looking for ways to grow and invest in the West Virginia economy.

Early this week, Canadian Pacific's Chief Executive Officer suggested that should a transaction proceed, he or his deputy might become Norfolk Southern's CEO prior to receipt of regulatory approval. Mr. Harrison has a history of eliminating jobs and operations and has stated that he is targeting \$1.8 billion of "synergies" that would be achieved through fleet and operations rationalization. The recent history of railroading in the United States demonstrates that a railroad's failure to invest in adequate locomotives, crew, and other resources makes it highly vulnerable to catastrophic service collapse in response to growing or shifting shipper demands. The WVMA is concerned that Canadian Pacific's proposal to slash resources available to Norfolk Southern could threaten the investments our state has made in partnership with the US Department of Transportation, and make it more difficult and costly to ship goods in and out of industrial facilities in West Virginia.

With increased federal regulation that will result in an increase in energy costs for the manufacturing, industry faces enough challenges given the state of the economy at present. Canadian Pacific acquiring Norfolk Southern would be a detriment to manufacturing growth and product transportation in West Virginia. The WVMA urges the Surface Transportation Board follow this situation and its broad implications closely.

Should you have any additional questions, please feel free to reach me at 304-342-2123.

Sincerely,



Rebecca R. McPhail  
President



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