

WESTERN KENTUCKY COAL ASSOCIATION
P.O. BOX 65
MADISONVILLE, KY 42431
PH:270-825-8311 FAX:270-821-5307

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 proposal to acquire Norfolk Southern Corporation. As a Board member of the Western Kentucky Coal Association, I am concerned about the impact the proposed merger may have on the State's economy.

Norfolk Southern has long been an important part of the Kentucky economy. Historically the company has supported the movement of coal. More recently, NS has assisted the diversification of the State's economy, servicing Toyota production facilities in Georgetown and an intermodal terminal in Louisville to name a few. The continued investment in rail infrastructure and dedication to quality service has allowed for the development of these industries. The merger, being proposed by CP, has the ability to upset the long standing relationship NS has enjoyed with this State and its business community.

Recent news reports have revealed that CP expects to realize up to \$1.8 billion in "synergies" from a merger with NS. I am concerned that much of this savings could result from deferred investment in infrastructure, inadequate train crew staffing and other methods designed to achieve a lower operating ratio and increase profits. I believe that such methods will only result in less efficient service and perhaps even be detrimental to safety.

As you are well aware the Surface Transportation Board's current rules set a high bar for further consolidation, recognizing that such consolidation inevitably would lead to massive

OFFICE OF CHAIRMAN

2016 FEB -8 AM 9:35

service disruptions for shippers, reduced competition between carriers, and momentum for further consolidation among remaining railroads. It goes without saying that any or all of these circumstances would be contrary to the greater good of the economy which relies on freight rail service.

Given these facts and the current economic pressures on the entire industry, I believe the Board should be focused on public policy solutions that boost economic growth, support strong sustainable rail competition and protect the recent service gains that are helping our shippers and communities. I encourage the Surface Transportation Board to review any proposal by Canadian Pacific very closely in light of the potential significant public interest harms.

Very truly yours,

A handwritten signature in cursive script that reads "Brad Baldwin". The signature is written in dark ink and is positioned above the printed name and title.

Brad Baldwin
Director