



301806

ENTERED
Office of Proceedings
March 24, 2021
Part of
Public Record

ATTENTION: Surface Transportation Board Docket # FD36500

My name is Stephen Banahan, and my business address is 482 Milo Rd. Dover-Foxcroft, ME. I am the Industrial Sales Manager of Pleasant River Lumber Co. Inc. In my role, I am responsible for managing all rail traffic for our 5 Sawmills.

Pleasant River Lumber ships from two locations on the CP. We ship approximately 325 cars per year and hope to increase that to 500 cars in the future.

Pleasant River Lumber supports approval of the CP/KCS combination. The transaction would provide significant benefits that we are eager to see realized as soon as possible.

For our perspective, the transaction promises to provide improved service options and invigorate transportation competition in the markets we serve. The combined CPKC network – with new single-line hauls and access to premier ports on the U.S. Gulf, Atlantic and Pacific coasts as well as to key overseas markets – would help us reach our existing markets and new markets more efficiently. And, with the two railroads' strong focus on safety and their track record of operational excellence, I have no doubt that CPKC will be able to integrate their operations seamlessly to the benefit of rail customers and other stakeholders. Pleasant River Lumber has not spoken in favor of railroad consolidation, but we believe this merger will be beneficial to our business. Our company needs to ship approximately one third of our annual production by rail. It enables us to ship to a much wider geographic customer base than we are shipping via Flat Bed Trucks. It makes us more competitive in distant markets, and it reduces our reliance on trucking.

We are very excited about the transaction because it will allow a combined CPKC to provide new, more efficient, and reliable rail service options. This will strengthen competition against the other, larger rail carriers and trucks that serve our markets. For example,

- CPKC's new single-line haul offerings will expand market reach and offer new competitive transportation options for our shipments of lumber from Maine to various destinations in the Midwest and South.
- We are particularly enthusiastic about the role new CPKC single-line routes will play in expanding access to growing markets across the United States, Mexico,

and Canada under the USMCA trade agreement. It is important that there be a true USMCA railroad option.

- CPKC's new service offerings will improve transit times and reliability, which will reduce our equipment costs and improve our efficiency.

KCS and CP have had a cooperative relationship in the past, and CP-KCS joint routes are among our transportation options, but as separate companies they have not been able to offer the kind of seamless, single-line service we have come to expect from our transportation providers. This transaction will improve our transportation options.

At the same time, the entirely complementary nature of CP's and KCS' networks – connecting only at Kansas City and not overlapping anywhere – means that the transaction will not have any adverse effects on competition. It will only make these carriers a better alternative relative to the other options that already exist, since CPKC will continue to interchange with all their other existing interline partners.

We have been struck by the attention of CP and KCS to safety and operational effectiveness. Given the straightforward network connectivity between CP and KCS, and the fact that CP and KCS are the two smallest U.S. Class I railroads, we are confident that they will be able to implement their transaction without the service disruptions that have accompanied some past rail mergers.

For these reasons, Pleasant River Lumber is voicing strong support for the combination of CP and KCS, because it will enhance competition, provide expanded options, and drive efficiencies for customers of all sizes. Pleasant River urges the STB to approve CP's acquisition of KCS as swiftly as possible so that these systems can be integrated, and the end-to-end benefits of this deal can be realized for the benefit of all stakeholders.

VERIFICATION

I, Stephen Banahan, declare under penalty of perjury under US Law that the foregoing is true and correct. Further, I certify that I am qualified and authorized to submit this letter.

Executed on March 23, 2021

Stephen Banahan

Cc: ALL PARTIES OF RECORD