



301946

April 12, 2021

The Honorable Cynthia T. Brown
Chief, Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

ENTERED
Office of Proceedings
April 13, 2021
Part of
Public Record

Re: Finance Docket No. 36500 – Reply to Objections to KCS Waiver

I am Vice-President, Transportation for Richardson International Limited ("Richardson"), Canada's leading agribusiness. Richardson has previously submitted a letter to the Surface Transportation Board supporting the proposed CP-KCS transaction, a copy of which is attached herewith.

It is my understanding that objections by various parties have been raised with respect to the application of the pre-2001 merger rules to the CP-KCS transaction resulting from the 2001 waiver issued for transactions involving KCS. Richardson is of the opinion that the waiver should not be revoked in the review of the proposed transaction, particularly since the pre-2001 rules provide the Board and all interested parties with the tools and remedies required to adequately review the proposed transaction. Furthermore, the unique nature of the proposed transaction significantly alleviates the risk of rail service disruptions and/or public interest concerns – which were the motivation for adopting the new rules in 2001. Reviewing the proposed transaction using the pre-2001 rules will, in our opinion, offer the right balance of thorough review without undue delay.

The unique nature of the parties, combined with the obvious resulting synergies, limits the scope of issues that would otherwise arise from the merger of Class 1 railroads. Conversely, the obvious benefits that would be gained by shippers, including Richardson, as a result of the proposed transaction warrant the more efficient and timely review provided under the pre-2001 merger rules.

For these reasons, Richardson respectfully submits that the Surface Transportation Board maintain the KCS waiver and proceed with its review expeditiously.

Yours truly,

A handwritten signature in black ink, reading "Bielik". The signature is written in a cursive, flowing style.

Robert Bielik,
Vice-President, Transportation

Email: robert.bielik@richardson.ca
Direct Phone: 204.934.5498
CC: Parties of Record

Richardson International Limited

2800 One Lombard Place, Winnipeg, MB, Canada R3B 0X8 P: 204.934.5961 F: 204.947.2647

www.richardson.ca



March 31, 2021

ATTENTION: Surface Transportation Board

I am Vice-President, Transportation for Richardson International Limited ("Richardson"), Canada's leading agribusiness. Richardson was established in 1857, making it one of Canada's oldest companies. It continues to be privately-owned by the Richardson family, with its headquarters situated in Winnipeg, Manitoba.

Richardson is a vertically-integrated agribusiness, involved in the purchasing, handling, processing and export of North American grains and oilseeds. It owns and operates a network of grain terminals and crop input locations situated throughout Western Canada, along with port terminals in Vancouver and Prince Rupert (British Columbia), Thunder Bay and Hamilton (Ontario) and Sorel (Quebec).

Richardson canola processing plants are located in Yorkton (Saskatchewan) and Lethbridge (Alberta), with packaging operations in Lethbridge, Oakville (Ontario) and Memphis (Tennessee). In 2013, Richardson expanded its processing business to include oat milling and currently operates mills in Portage la Prairie (Manitoba), Martensville (Saskatchewan), Barrhead (Alberta), South Sioux City (Nebraska) and Bedford (United Kingdom).

Transportation logistics play a critical role in Richardson's operations and involve a number of transportation means including truck, rail and marine (barge, lakers and ocean freight). Approximately 50% of Richardson's facilities are served by CP. As a result, Richardson relies heavily on CP's service in order to achieve its business objectives. Quite simply put, if CP fails to provide adequate rail service, then Richardson's business will certainly fail.

When considering the proposed CP/KCS combination, Richardson sees the potential of resulting improved rail service. In particular, CP's ability to directly ship railcars from Richardson facilities in Canada to a wider number of destinations in the United States, including destinations significantly closer to Richardson's Memphis plant, offers obvious opportunities. Similarly, the ability for CP to move unit trains directly to Richardson customers situated in Mexico provides shipping opportunities that are currently limited. The growing opportunities for cross-border North American trade under the USMCA are more likely to be achieved with an efficient cross-border rail carrier such as the one that would result from the CP/KCS combination. Furthermore, we fail to see any prejudice that would result from the proposed combination.

For these reasons, Richardson supports the combination of CP and KCS and requests the Surface Transportation Board to grant its approval. We would be pleased to provide any further information that you may require for that purpose.

Richardson International Limited

2800 One Lombard Place, Winnipeg, MB, Canada R3B 0X8 P: 204.934.5961 F: 204.947.2647

www.richardson.ca



Yours truly,

A handwritten signature in black ink, reading "Bielik". The signature is fluid and cursive, with a large, sweeping initial "B".

Robert Bielik,
Vice-President, Transportation

Email: robert.bielik@richardson.ca
Direct Phone: 204.934.5498