

April 10, 2021

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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

My name is Vishnu Sharma and I am Global Head of Sourcing and Logistics for Pulp Business of Aditya Birla Group, which operates 5 Pulp mills globally, 3 of them being in Canada.

AVTB had previously submitted to the Board a letter supporting approval of the proposed CP-KCS combination, attached for ready reference. As expressed in our previous letter, AVTB supports swift approval of the CP-KCS combination because of the benefits we expect to realize from this transaction.

AVTB has been made aware that several parties have filed objections to the application of the pre-2001 merger rules to the CP-KCS transaction under the “waiver” issued in 2001 for transactions involving KCS.

As stated in our previous letter of March 30th, 2021 letter, the end-to-end CP-KCS transaction will benefit AVTB by providing direct connectivity service options, with new single-line hauls and broader access to markets across North America. Our experience shows us that single-line rail service options are far superior as it not only speeds up cargo movement but also avoids dealing with various service providers. We are of the opinion that the unique synergies of a CP-KCS combination promise significant public benefits not only to AVTB but also to similarly situated shippers which are served solely by CP and hence we are eager to see the CP KCS deal realized as soon as possible, without the delays and additional burdens. In said context, we request your goodself to please evaluate the CP-KCS transactions using pre -2001 rules, which in our view would help in an expedited approval for the transaction.

We are fully cognizant of the Board’s mandate to ensure that Class I mergers are in the public interest, and do not risk significant disruptions in the railway system. We believe that pre-2001 rules provide the Board and all interested parties all the tools that are needed to fully evaluate the proposed transaction.

CP & KCS are the two smallest U.S. Class I railroads and therefore the deal, in our opinion, promises substantially more benefits than risks to the public interest.

We hope that you will take note of our submission while deciding on the maintenance of KCS waiver and reject calls to revoke it, and to proceed to review and approve the CP-KCS proposed combination as expeditiously as possible. We look forward to seeing CPKC as a stronger competitor in the industry.

Yours sincerely,



(Vishnu Sharma)
Global Head – Sourcing and Logistics
Pulp Business - Aditya Birla Group

CC: Parties of Record

30th Mar 2021

Surface Transportation Board

Re: CP Rail's proposed acquisition of Kansas City Southern Railways (KCS)

My name is Vishnu Sharma and I am Global Head of Sourcing and Logistics for Pulp Business of Aditya Birla Group, which operates 5 Pulp mills globally, 3 of them being in Canada.

Our relationship with CP is relative to one of our Pulp Mill in Canada – AV Terrace Bay Inc (AVTB), where we produce NBSK pulp. AVTB, being on CP rail network, is dependent on a reliable CP network to move our Pulp, both in Canada and US, directly or through interchanges with other rail companies. Annually we move close to 3000 rail cars as part of outbound logistics from the mill. We appreciate the relationship we have built with CP as our railway partner

The proposed acquisition of KCS by CP Rail is a welcome news as far as AVTB is concerned. A direct connectivity to Southern US and Mexico, as currently being served by KCS, will help us over a period of time to widen our market base. A direct connectivity is always a better option as it not only speeds up the cargo movement but also avoids dealing with multiple rail companies under Rule 11 besides avoiding billing errors etc. We also appreciate that CP and KCS are extremely safety focused which is important to us and our customers.

I do hope that the proposed acquisition of KCS by CP rail, will receive necessary approval from your office at the earliest.

Regards



(Vishnu Sharma)

Global Head – Sourcing and Logistics
Pulp Business – Aditya Birla Group