

April 12, 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

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Office of Proceedings  
April 13, 2021  
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Public Record

**Re: Canadian Pacific Railway and Kansas City S**  
Finance Docket No. 36500 – Reply to Objection

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My name is John De Rose and my business address is 1 Maritime Ontario Blvd, Brampton, ON, Canada. I am Vice President of Logistics at The Logistics Alliance Inc. In my role, I am responsible for all freight and transportation-related services of Intermodal traffic in North America.

Logistics Alliance has previously submitted to the Board a letter supporting approval of the proposed CP-KCS combination. I have attached a copy of that letter for the Board's convenience. As expressed in our previous letter, Logistics Alliance supports swift approval of the CP-KCS combination because of the significant benefits we expect to realize from this transaction.

Logistics Alliance is 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. Logistics Alliance wishes to reply to those objections by urging the Board not to revoke the KCS waiver. The pre-2001 rules provide the Board and all interested parties all the tools that are needed to fully evaluate the proposed 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 to the railway system. From our perspective, the unique nature of the CP-KCS transaction alleviates the concerns that motivated the new rules adopted in 2001. Reviewing the CP-KCS combination under the tried and true pre-2001 merger standards will prevent undue delay, while still allowing for a thorough public interest assessment by the Board.

As we have mentioned in our initial support letter, the end-to-end CP-KCS transaction will improve 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 to public and private fleets. The unique synergies of a CP-KCS combination promise significant public benefits to Logistics Alliance and similarly situated shippers. We are eager to see these benefits realized as soon as possible, without the delays and additional burdens that would result from applying the 2001 rules for the first time to this transaction.

Nothing about the CP-KCS transaction should raise the kinds of concerns that would flow from a merger of the much larger Class I railroads. The issues should be simple - the transaction improves competitive options and service – and any concerns any party has should be easy to address under the pre-2000 rules. The 2001 rules were designed for much more complex transactions raised much more serious issues than in this case.

Logistics Alliance and our shipping partners are looking forward to a stronger CPKC network that will increase our access to diversified market opportunities. As such, we urge the Board to apply the KCS waiver provision it thoughtfully included in its 2001 Major Merger Rules. An elongated period of review will delay and potentially reduce the positive synergies this merger promises especially as economies are trying to recover during this post pandemic period. The KCS waiver will allow the Board to conduct a thorough but efficient and fair review and allow for the benefits of the new CPKC network to come to fruition more quickly.

The CP-KCS merger is unlike other Class I merger combinations, in that it is a straightforward transaction between the two smallest U.S. Class I railroads, and it promises substantially more benefits than risks to the public interest. We also know that this transaction, among all possible Class I mergers, is unique in not posing any serious concerns about lost competition, service disruption, or other harms. Interpreting and applying the 2001 rules to this transaction could encourage other Class I railroads to see an easier path for their own Class I merger proposals without the same unique benefits of the CP-KCS transaction.

For these reasons, Logistics Alliance urges the Board to maintain the 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,



John De Rose  
Vice President, Logistics Alliance

CC: Parties of Record

**STB Finance Docket No. 36500**  
**CP-KCS Proposed Combination**

**ATTENTION:** Surface Transportation Board

My name is John De Rose and my business address is 1 Maritime-Ontario Boulevard, Brampton, Ontario, L6S 6G4. I am Vice President of The Logistics Alliance. In my role, I am responsible for transportation functions across all modes for Logistics Alliance which includes financial and service accountability.

Logistics Alliance works with CP today to move domestic Canadian traffic. CP plays a critical role in the Logistics Alliance supply chain, transporting dry and perishable product. The relationship is strategic in nature as we challenge each other to work more efficiently with an eye on reducing costs and delivering a more environmentally sustainable solution for the movement of goods

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

From 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 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. The Logistics Alliance has not often spoken favourably about railroad consolidation, but we see this transaction as uniquely beneficial.

Logistics Alliance ships dry and perishable product from the Southern U.S. and Mexico that move via truck today. The CP/KCS combination would provide opportunity to convert truck traffic to intermodal, the single line option will provide competitive transit times and improved access to markets that could not be serviced by the rail prior.

CP has provided us with excellent service, but its market reach is limited today, as its lines only go as far south as Kansas City. CP must interline with other railroads to access origin points in the Southern United States and Mexico. The CP/KCS combination will extend market reach and provide more options for Logistics Alliance in these key corridors.

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 food and retail product from Mexico and the Southern United States to Canada.
- 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 improve our efficiency and drive volume through modal conversation opportunities.

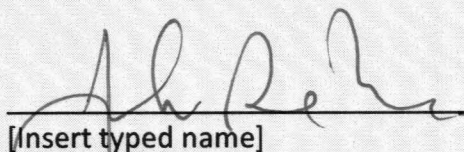
We also recognize the attention of CP and KCS to safety and operational effectiveness. Given the straightforward network connectivity between CP and KCS, and the fact that CP and KCS are the two smallest U.S. Class I railroads, we are confident that they will be able to implement their transaction without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

For these reasons, The Logistics Alliance 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. The Logistics Alliance 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 John De Rose declare [or certify, verify, or state] under penalty of perjury ["under the laws of the United States," if executed outside of the United States] that the foregoing is true and correct. Further, I certify that I am qualified and authorized to submit this letter.

Executed on Mar 25, 2024 [date].

 [Signature]  
[Insert typed name]