



1273 North Service Rd., East, Unit F3
Oakville, Ontario
L6H 1A7

Phone: (905) 845-3153
Fax: (905) 845-7400
Toll Free: 877-845-3153

301987

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 Orlando Mazzuca and my business address is 1273 North Service Road, Unit F3, Oakville, ON, L6H 1A7. I am General Manager of Keltic Transportation I am responsible for operations, P&L, carrier relations, sales & marketing.

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

Keltic Transportation 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. Keltic Transportation 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 in 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 March 24th 2021 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 Keltic Transportation and similarly situated shippers, which we are eager to see realized as soon as possible, without the

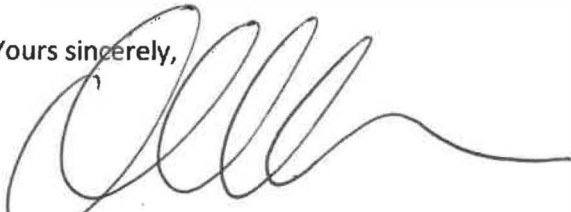
"Transportation Solutions Made Simple"

delays and additional burdens that would result from applying the 2001 rules for the first time ever to this transaction.

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. 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.

Keltic Transportation 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,



Orlando Mazzuca

General Manager

Keltic Transportation & Logistics

CC: Parties of Record

ATTENTION: Surface Transportation Board

My name is Orlando Mazzuca and my business address is 1273 North Service Road, Unit F3, Oakville, ON, L6H 1A7. I am General Manager of Keltic Transportation I am responsible for operations, P&L, carrier relations, sales & marketing.

Canadian Pacific Railway is my primary intermodal carrier in Domestic Canada.

Keltic Transportation 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 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. Keltic Transportation believes that this is a very unique consolidation transaction that will not have a downside.

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 intermodal shipments from Toronto, Montreal and Moncton to The Southern United States & Mexico.
- 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. By having a single source solution that avoid interchanges.
- Having a tested partner carrier I can rely to deliver a quality product to service my organizations requirements.

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 of their other existing interline partners.

For these reasons, Keltic Transportation 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. Keltic Transportation 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 Orlando Mazzuca, 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 _____ 03/24/2021.

 [Signature]