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MACTRANS LOGISTICS INC.
TRANSPORTATION REINVENTED!

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

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

My name is Joel MacKay and my business address is 81 Zenway Blvd Unit 16, Vaughan, ON. I am President for Mactrans Logistics Inc.

Mactrans Logistics 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, Mactrans Logistics supports swift approval of the CP-KCS combination because of the significant benefits we expect to realize from this transaction.

Mactrans Logistics 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. Mactrans Logistics 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, 29, 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 Mactrans Logistics and similarly situated shippers, which we are eager to see realized as soon as possible, without the delays and additional burdens that would result from applying the 2001 rules for the first time ever to this transaction.

Nothing about the CP-KCS transaction raises 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, and they should not be tested out in this case.

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Mactrans Logistics is 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.

Mactrans Logistics is additionally concerned that applying the 2001 Major Merger Rules to the CP-KCS merger, a transaction the rules were not designed for, would lead to precedent with unintended consequences and might also create an easier path for some other Class I merger proposals that would be problematic in ways CP-KCS is not. 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, Mactrans Logistics 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,

Joel MacKay
President
Mactrans Logistics Inc.

CC: Parties of Record



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March 29, 2021

STB Finance Docket No. 36500
CP-KCS Proposed Combination

To Whom It May Concern:

On behalf Mactrans Logistics Inc, we are writing to provide written support for the combination of Canadian Pacific Railway (CP) and Kansas City Southern (KCS). We believe this combination of railroads will open up new opportunities and new markets for North American shippers large and small. 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 these markets today. For example,

- Improved transit times, and direct access to ports on the U.S. Gulf, Atlantic, and Pacific coast – this improves efficiency and asset utilization and de risk supply chains, shippers will have the ability to develop multi gate way strategies
- Both CP & KCS have an unrivaled commitment to safety & operational efficiency, and with a cooperative relationship in the past, we are confident that the implementation will be strategic & collaborate will be without the service disruptions and result in environmentally sustainable supply chain solutions
- This transaction will be creating opportunity for shippers large & small that simply does not exist today. This transaction will be taking trucks off the road, enabling new supply chains and creating competitive, efficient markets for shippers in North America.

From our perspective, the transaction promises to provide improved service options and competition for shippers across North America while creating new opportunities for them to source materials more competitively.

For these reasons, Mactrans Logistics Inc. is voicing strong support for the combination of CP and KCS, because it will enhance competition, provide expanded options and drive efficiencies for shippers of all sizes. Mactrans Logistics Inc. 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.

Regards,

Joel MacKay
President, Mactrans Logistics Inc.