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April 13th., 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 Francisco Javier Vera Lima, and my business address is Calle Manuel Gomez Morin 3870, Interior 603, Piso 4, Colonia Centro Sur, Queretaro, Qro. I am the President & CEO of the Board of V Modal Mexicana, S.C.

V Modal Mexicana, S.C. 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, V Modal Mexicana, S.C. supports swift approval of the CP-KCS combination because of the significant benefits that the industry is expecting to realize from this transaction.

V Modal Mexicana, S.C. 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. V Modal Mexicana, S.C. 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 V Modal Mexicana, S.C. 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.

V Modal Mexicana, S.C. 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. 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.

V Modal Mexicana, S.C. 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, V Modal Mexicana, S.C. 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,



Francisco Javier Vera Lima
President & CEO

CC: All Parties of Record



STB Finance Docket No. 36500
CP-KCS Proposed Combination

ATTENTION: Surface Transportation Board

My name is Francisco Javier Vera Lima, and my business address is Calle Manuel Gomez Morin 3870, Interior 603, Piso 4, Colonia Centro Sur, Queretaro, Qro. I am the President & CEO of the Board of V Modal Mexicana, Sociedad Civil.

V Modal Mexicana is a company created in 2010 to provide excellent logistics coordination services, combining rail, road and maritime transportation. We strive to provide efficient transportation in the supply chain of our customers, with a "Friendly with the Environment" focus on reducing the carbon footprint and road congestion on highways and main cities, as well as on reducing the insecurity of road routes in the door-to-door services that we provide.

V Modal Mexicana has been working for long time with KCS to increase movements between Mexico City and Salinas Victoria through the Intra-Mexico Service, which connects the industrial zone of the State of Nuevo Leon and the border area of Laredo, TX with Mexico City and the industrial cities of surrounding states.

Additionally, V Modal Mexicana and KCS have been working together to connect the ports of Lazaro Cardenas, Veracruz, and Tampico/Altamira with the industrial zones of Mexico City, Bajio, San Luis Potosi, Guadalajara, Monterrey and surrounding states.

V Modal Mexicana 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. V Modal Mexicana has not often spoken favorably about railroad consolidation, but we see this transaction as uniquely beneficial, with none of the downsides that might result from another round of Class I consolidation.

As mentioned before, the commercial relationship we have with KCS is great and at present, we are working together to develop a boxcar movement from Monterrey to Ontario over the CPR, including the Cross-Dock operation at Henry Warehousing facility in Weston, ON.

CP has provided us with good 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 reach destinations beyond Kansas City that our customers ship to and from.

And we know from experience that single-line rail service options are far superior.

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,

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- CPKC's new single-line haul offerings will expand market reach and offer new competitive transportation options.
- 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, for sure, transportation costs, and improve efficiency and the safety conditions of cargo.

In addition, CPKC's low pollutant emissions will benefit the environment.

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.

We have been struck by 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 service disruptions.

For these reasons, V Modal Mexicana 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. V Modal Mexicana 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 Francisco Javier Vera Lima, President & CEO of the Board of V Modal Mexicana, Sociedad Civil, declare under penalty of perjury and under the laws 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 March 24th, 2021.


VModal Mexicana, Sociedad Civil
Francisco Javier Vera Lima
President & CEO



March 29th., 2021.

SURFACE TRANSPORTATION BOARD SHIPPER SUPPORT LETTER

To whom it may concern:

My name is Francisco Javier Vera Lima, and my business address is Calle Manuel Gomez Morin 3870, Interior 603, Piso 4, Colonia Centro Sur, Queretaro, Qro. I am the President & CEO of the Board of V Modal Mexicana, Sociedad Civil.

V Modal Mexicana, is a company created in 2010 to provide excellent Logistics Coordination services, combining rail, road and maritime transportation, through the Intermodal service and the General Cargo in railroad, making efficient the cost of transportation in the supply chain of the companies and our customers, with a "Friendly with the Environment" proposal, reducing the carbon footprint, road congestion on highways and main cities, as well as the insecurity on road routes in the Door to Door services that we provide.

V Modal Mexicana has been working for long time with KCS to increase movements between Mexico City and Salinas Victoria thru the Intra-Mexico Service, connecting the industrial zone of the State of Nuevo Leon and the border area of Laredo, TX with Mexico City and the industrial cities of surrounding states.

V Modal Mexicana and KCS, have been working together to connect the ports of Lazaro Cardenas, Veracruz, and Tampico/Altamira with the industrial zones of Mexico City, Bajio, San Luis Potosi, Guadalajara, Monterrey and surrounding states.

The commercial relationship that we have with the KCS and the CP has allowed V Modal to work in the analysis of a boxcar movement from Monterrey to Ontario, including a Cross-Dock operation at Henry Warehousing facility in Weston, ON, which could be developed in the short term.

V Modal Mexicana has been requested to support the approval of the CP/KCS combination and for our perspective, the transaction promises to provide improved

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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, we have no doubt that CPKC will be able to integrate their operations seamlessly to the benefit of rail customers and other stakeholders.

Even though V Modal Mexicana has not often spoken about railroad consolidation, we believe that this transaction is uniquely beneficial, with none of the downsides that might result from another round of Class I consolidation. We are sure that this transaction would provide significant benefits that we are eager to see realized as soon as possible.

We are very excited about the transaction because it will allow a combined CPKC to provide new, more efficient and reliable rail service options. We know from experience, that single-line rail service options are far superior and we believe that this unique rail service will strength 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.
- 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, for sure, our transportation costs, improve our efficiency and the safety conditions of cargo.
- CPKC’s green logistics with low pollutant emissions in benefit of the environment.

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.



We have been struck by 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, like the one that affected Transportacion Ferroviaria Mexicana (TFM) in the beginning of its operations during the Concession of the Northeast Railroad of Ferrocarriles Nacionales de Mexico (FNM).

For these reasons, V Modal Mexicana 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. V Modal Mexicana 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.

I Francisco Javier Vera Lima, President & CEO of the Board of V Modal Mexicana, Sociedad Civil, declare under penalty of perjury and under the laws 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 March 29th, 2021.



V Modal Mexicana, Sociedad Civil
Francisco Javier Vera Lima
President & CEO