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Office of Proceedings
April 21, 2021
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Public Record

04/21/2021

ATTENTION: Surface Transportation Board

RE: STB Finance Docket No. 36500
CP-KCS Potential Combination

La Milanaise hereby files this letter to express its concerns about the bid by CN to acquire KCS and re-iterate its support for the CP-KCS combination.

As expressed in our initial letter to the Board dated March 26, 2021, La Milanaise supports swift approval of the CP-KCS combination because of the significant benefits the combination would bring, including expanded markets and port options, improved service options, and invigorated transportation competition. The combination of CP and KCS would allow La Milanaise to grow our market share in the United States and Mexico and create additional opportunities for import of cereals from the United States. It would also provide access to fertilizers for farmers in North Dakota and Western Canada in a cost effective manner which is of great importance for our grain producers.

By contrast, a CN acquisition of KCS would lead to a reduction in competition and deprive shippers like La Milanaise of the many tangible benefits offered by the CP/KCS deal. Specifically, if CN were to acquire KCS, the merged firm would not provide La Milanaise a single-line haul, competitive option into our customer markets south of Kansas City, e.g. Texas and Mexico, and would also eliminate the opportunity for inbound cereals from the United States.

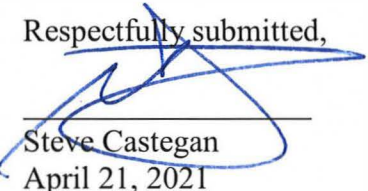
From our perspective, the only combination involving KCS that is in the public interest is the one that CP has proposed. Unlike the CP/KCS combination, the acquisition of KCS by CN would result in harm to competition because the two railroads today serve many locations and shippers in common. Indeed, they operate parallel lines between Baton Rouge and New Orleans and Eastern Mississippi; they both serve grain and other shippers in large swaths of the Midwest and Southern United States; and they both reach the port of Mobile, Alabama. Even more fundamentally, between the Upper Midwest and Gulf Coast, a CN/KCS combination would reduce the number of independent routing options from four to three.



We expect a combined CPKC network to offer seamless, single-line service that will improve our transportation options and provide a better alternative to the options that already exist. A CN-

KCS combination would limit competitive carrier options to markets and ports South of Kansas City.

Respectfully submitted,


Steve Castegan
April 21, 2021

CC: All Parties of Record