

IMCO International Steel Trading Inc.

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April 22, 2021

ATTENTION: Surface Transportation Board
RE: STB Finance Docket No. 36500 (CP-KCS Potential Combination)

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IMCO International hereby files this letter to express its views about the bid by Canadian National ("CN") to acquire Kansas City Southern ("KCS") and to reiterate its support for Canadian Pacific's ("CP") proposed combination with KCS.

IMCO ships steel pipe from CP-served facilities in St. Catherine, Quebec, to IMCO customer yards in Alberta. We see possibilities with shipping from Ports in Texas to Alberta with a more competitive option with the CPKC proposed routing.

IMCO International has previously voiced support for the proposed CP/KCS transaction. Based on our experience, we believe that the CP/KCS combination promises to deliver tremendous benefits, including new and better competitive transport options.

IMCO International nonetheless has strong views about the kind of railroad combination that the STB should allow – and indeed expedite – versus the kind of combination that it should not permit to proceed.

The kind of transaction that is in the interests of shippers and the public would:

- **Not have competitive overlaps** that reduce the number of independent rail options, even if the railroads might think they can propose "remedies" to overcome the lost competition.
- **Improve competitive options**, including by adding new single-line routes where other, larger railroads currently dominate.
- **Not pose a risk of stimulating further industry consolidation**, such as by destabilizing the six large carrier balance in North America

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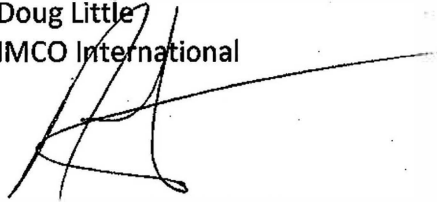
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A transaction meeting these criteria is in the public interest and should receive swift Board approval. Quick approval of procompetitive transactions is critical to helping shippers and other stakeholders reap the benefits sooner rather than later, and we have no objection to the use of a voting trust mechanism to facilitate such a transaction. For transactions that do not meet the three criteria set out above, we would strongly object to the Board allowing the transaction to proceed even as far as a voting trust, which itself could diminish competition and lead to downstream concerns.

We trust the Board to assess the two proposals for KCS in light of these criteria.

Respectfully submitted,

Doug Little
IMCO International

A handwritten signature in black ink, appearing to be 'DL', with a long horizontal line extending to the right.

CC: All Parties of Record