



April 22, 2021

The Honorable Cynthia T. Brown
Chief, Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

302115

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

My name is David Dunning and my business address is 811 Main St, Suite 2800, Houston, TX 77002. I am Vice President of Corporate Development and Strategy in support of the Guanajuato Energy Terminal LLC ("GET"). GET 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 30, 2021, we support 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-KCS will provide, among other benefits: service options to customers across North America through integrated networks; GET's ability to reach existing and new markets through single-line hauls; access to premier ports on the U.S. Gulf, Atlantic, and Pacific coasts as well as to key overseas markets; and a continued focus on safety and operational excellence.

By contrast, a CN acquisition of KCS would lead to a reduction in competition and deprive shippers of the many tangible benefits offered by the CP/KCS deal. Specifically, if CN were to acquire KCS, the merged firm would not provide a single-line haul to customers we aim to serve and potentially add more complexity in completing shipments on existing routs. And, we have no indication of CN's receptivity to potential expansion into markets desired by our current and future customers both in Mexico and North America. We believe a CN-KCS merger would provide inferior service options.

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. Conversely, a CN-KCS combination appears to limit competitive carrier options to markets and ports south of Kansas City.

Respectfully submitted,


David Dunning

**Vice President Corporate Development and Strategy
Guanajuato Energy Terminal LLC**

CC: All Parties of Record