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April 22, 2021

ATTENTION: Surface Transportation Board

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

ENTERED
Office of Proceedings
April 23, 2021
Part of
Public Record

My name is Greg Sylvester and my business address is 2431 121 Ave NE, Edmonton, AB. I am the owner/manager of Trendwood Limited. I am responsible for shipping railcars of forest products into the United States.

Trendwood Limited is a reload facility that has been serviced by CP Rail since it opened in 1983. Trendwood has shipped tens of thousands of railcars into the United States since and continues to do so with our strong partnership of CP Rail.

Trendwood Limited hereby files this letter to express its opposition to 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 April 12, 2021, Trendwood Ltd. supports swift approval of the CP-KCS combination because of the significant benefits the combination would bring and allow us to compete in new markets. This combination will increase competition against the other, larger rail carriers and trucks that serve the Louisiana, Texas, Mexican and overseas markets.

All of our forest products moves by rail and we are currently limited to destinations that they serve. We feel that we are at a disadvantage because we lack the same market access to destinations as our competitors who can utilize a competing railroad that has single line access to markets and ports in Texas, Louisiana and the Gulf of Mexico. We have not been able to compete in those markets because CP must interline with other railroads to reach these destinations, which increases costs and reduces efficiency. A CP-KCS combination would place us on a more even playing field and greatly expand access to growing markets across the United States, Mexico, Canada, and even internationally. The bid by CN jeopardizes this access and a once-in-a-lifetime opportunity to level the field and grow businesses. Further, this bid by CN would jeopardize business already moving to the Midwest.

In addition, a CPKC network would strengthen competition against other rail carriers and trucks that serve our members' markets. 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. As mentioned, we do not have single line routing as an option currently, but a CPKC network would provide alternatives that would increase competition. A CPKC combination would remain the smallest of the Class One Railways. A CN-KCS combination would do nothing to benefit us but would instead decrease competition overall.

Trendwood 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.

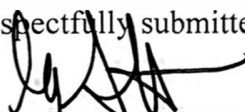
The kind of transaction that is in the interests of shippers and the public would:

- ***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

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,



Greg Sylvester, Owner/Manager

April 22, 2021

CC: All Parties of Record