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April 26, 2021

ATTENTION: Surface Transportation Board

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

ENTERED
Office of Proceedings
April 26, 2021
Part of
Public Record

Pattison Sand Company hereby files this letter to express its concerns 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 11, 2021, we support swift approval of the CP-KCS combination because of the significant benefits the combination would bring added to our current unit train facility – underground storage facility on the Mississippi River, including expanded markets and port options, improved service options, and invigorated transportation competition. The combination of CP and KCS would also provide great access to fertilizers and grain markets for farmers in a cost-effective manner of which we are in the perfect spot for this in NE Iowa.

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 any of the benefits just mentioned. Actually, I believe we would be harmed in that it will make it harder for us to access our current markets to the south that the KCS gives us access to that I believe the CN would not.

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,

Kyle Pattison
Manager

CC: All Parties of Record