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

John Henderson 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.

As the General Manager of two small shortline railroads in the state of Iowa served by the Canadian Pacific Railway, I am in a unique position to see the disadvantage of a Canadian National/Kansas City Southern combination on the small Iowan communities that we serve. In the last few years' businesses have started and flourished under our Class One connection with the Canadian Pacific. I fear that the positive momentum with a CP connection could be curtailed and even dissolved with a CN/KCS merger. On the other hand, I can see that with a CP/KCS merger this positive trend can be enhanced and even accelerated. Thus, I support and hope your decision would be, to grant a CP/KCS merger.

As a Progressive Rail, Inc General Manager, I have 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.

I am aware of CN's competing bid to acquire KCS.

Nonetheless, I have 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,

John Henderson
General Manager
jhenderson@progressiverail.com
715-651-4740

CC: All Parties Of Record