



Phoenix Park Energy Marketing LLC
Remington Square Office Bid. B
10613 West Sam Houston Parkway North
Suite 100 Houston, Texas 77064
www.phoenixpark.co

302185

ENTERED
Office of Proceedings
April 27, 2021
Part of
Public Record

Date: April 27, 2021

ATTENTION: Surface Transportation Board

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

Phoenix Park Energy Marketing LLC (PPEM) hereby 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, PPEM supports swift approval of the CP-KCS combination because of the significant benefits the combination would bring, including expanded markets and Gulf port options for imports, year round barge terminal access, improved service options, and invigorated transportation competition.

By contrast, a CN acquisition of KCS would lead to a reduction in competition and deprive shippers like PPEM of the many tangible benefits offered by the CP/KCS deal. Specifically, if CN were to acquire KCS, the merged firm would not provide PPEM a year-round, competitive option into our customer markets in Gulf port and Mexico. If the CP/KCS deal is not approved because CN prevails—or for any other reason—we will simply not be competitive in shipping to these markets as we will be required to continue interlining with other railroads or only serve these markets seasonally 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 globally. The bid by CN jeopardizes this access and the increased competition it would generate.

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.

Regards,

Donnie Schubert

President

CC: All Parties of Record