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ATTENTION: Surface Transportation Board

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

ENTERED
Office of Proceedings
April 29, 2021
Part of
Public Record

To Whom It May Concern:

I am writing on behalf of Global Upholstery Co. Inc. in regards to the recently proposed unsolicited offer by Canadian National (CN) to acquire the Kansas City Southern (KCS) railroad. As a shipper of goods that consumers and businesses in North America rely on, we require a marketplace for rail transportation that is both service and commercially competitive. We believe that the CN's proposal for the KCS will create a high degree of market dominance that will negatively impact service for shippers across Canada, the USA and North America. In contrast, Canadian Pacific's proposal will help enhance competition by levelling the advantages that CN holds in the market today in Canada and the USA.

Today, CN's network holds unique single-line access to markets in Canada like Prince Rupert, British Columbia; Halifax, Nova Scotia; New Orleans, Louisiana; Mobile, Alabama; and Jackson, Mississippi. This single-line access is used advantageously when customers seek alternative transportation solutions with CN's competitors. By creating a CN network that adds the coverage of KCS' network, their competitive behavior will become even more punitive. They will be able to leverage their access to intermodal markets in the Southern USA and Mexico to force shippers to pay more to move goods on their network in Canada and the US Midwest that is subject to competition. Furthermore, with their control over key markets and transportation lanes, CN will have no incentive to improve service. Ultimately it will be consumers that will suffer as a result of CN's market dominance. This simply cannot happen.

In comparison, CP's proposal to acquire the KCS will create a more balanced and competitive marketplace that will compete with the CN in markets like the US Gulf and afford shippers more single-line options for goods moving between the USA and Canada. CN will continue to hold monopoly positions in Prince Rupert and Halifax, but will have to compete in more markets and hold an overall less dominant position. CP's proposal, if successful, should enhance the competitive landscape and be to the benefit of the rail transportation market in North America.

Because of these reasons, I believe that at a CN-KCS merger should be resoundingly rejected while a CP-KCS merger be authorized to create a safer, more efficient, and more competitive North American rail network. It will be in the best interest of all North American shippers to support the CP-KCS proposal and reject the unsolicited CN-KCS proposal.

Regards,

A handwritten signature in dark ink, appearing to read "Barry Chypyha", written over a horizontal line.

Barry Chypyha
Director of Operations
Global Upholstery Co. Inc.

CC: All Parties of Record