



April 29, 2021

Mailing address:

350 3rd Ave N, Suite 205
Saskatoon, SK, S7K 6G7
Canada

Contact:

info@standardrail.com

Toll Free:

(800) 936-1643



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ATTENTION: Surface Transportation Board

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

Standard Rail Corporation (formerly MGH Railcar) hereby files this Public Record its views about the bid by Canadian National ("CN") to acquire Kansas City Southern ("KCS") and to provide support for Canadian Pacific's ("CP") proposed combination with KCS.

Standard Rail Corporation offers a wide range of services, such as; mobile railcar cleaning, railcar dismantling, derailment service, transloading services, rail car remarking and mobile railcar repair. We work closely with CP partnered shortlines to transport and store cars off CP's mainline.

Standard Rail Corporation has not previously addressed either of the two proposals involving the acquisition of KCS.

Standard Rail Corporation is reliant on CN for transportation services in certain markets and therefore does not wish to voice a position taking CP's side over CN's.

Standard Rail Corporation 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,

Jaime DeKolver, CCLP
Vice President

CC: All Parties of Record

Standard Rail Corporation

www.standardrail.com