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

New Ulm Steel and Recycling 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 previous letters to the Board dated March 24, 2021, New Ulm Steel and Recycling 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 New Ulm Steel and Recycling of the many tangible benefits offered by the CP/KCS deal. Specifically, if CN were to acquire KCS, the merged firm would not provide New Ulm Steel and Recycling competitive options into our existing customer markets, or the US Gulf Coast 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.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "JLuneburg", is written over a light blue horizontal line.

Josh Luneburg, Chief Executive Officer

cc: All Parties of Record