



Surface Transportation Board
Washington, D.C. 20423-0001

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Office of Proceedings
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MEMORANDUM

TO: Cynthia T. Brown, Chief, Section of Administration, Office of Proceedings

FROM: Martin J. Oberman, Chairman

RE: Ex Parte Communication Related to Docket Nos. FD 36500 & FD 36514

DATE: May 12, 2021

On April 21, 2021, my Chief of Staff, Ellen Erichsen, and I received an email from Paul Denton expressing views regarding the notices by Canadian Pacific Railway Limited (Canadian Pacific) and Canadian National Railway Company (Canadian National) of their respective intents to purchase Kansas City Southern and its railroad affiliates (KCS). I have enclosed a copy of the email to this memorandum. Because Canadian Pacific filed a notice of intent to file an application to acquire KCS on March 23, 2021, in Docket No. FD 36500, and Canadian National filed a notice of intent to file an application to acquire KCS on April 20, 2021, in Docket No. FD 36514, this communication is a prohibited ex parte communication pursuant to the Board's decision in Petition of Fieldston Co., Inc. to Establish Procedures Regarding Ex Parte Communication in Railroad Merger Proceedings, Docket No. EP 619 (STB served Jan. 8, 1997). Please place this memo and the enclosed material in the public docket of Docket Nos. FD 36500 and FD 36514.

From: [Paul Denton](#)
To: [Paul Denton](#)
Subject: CN makes rival bid of \$30 Billion for KCS, WSJ 4/21/21
Date: Wednesday, April 21, 2021 10:53:17 AM

Well, well, well.....How the pot boils!!!!!!!

While I learned long ago no one really cares about what an old, retired Shortline CEO thinks, hey, we have time to ponder such things, so here it is anyway.

First, classic maneuver by CN to muddy the water, Ruest's way of sticking it to Creel.

Second, drag it out ploy, force STB to abandon Short approval process, go long, generate controversy and confusion, making hundreds, if not thousands, of transportation lawyers rich in the process.

Third, make CP spend more money, put a hurt to them financially, while big KCS investors get so giddy they have trouble controlling bodily functions. Small investors just foam at the mouth.

Fourth, hope/plan for a version of CSX/NS bidding war for Conrail where KCS prize gets divided up somehow---many more rich transportation lawyers.

Notice, nowhere do I mention any consideration for rail customers, Regionals, Shortlines and benefits/risks for our Country's rail transportation system. (Oh yes, we will get all of the 'competitive benefits, better service, environmental goodness, etc. hype but wait for the reality shoe to drop).

Bottom line; STB has huge task to do here and a splendid opportunity to enhance real, true competitive rail transportation in and for our Country. One of the best ways to do that, in my opinion, is to embrace and require the Conditions I submitted in ExParte 711 as part of the consideration and inclusion in the approval process. That said, it's hard for me to see how CP's bid should not prevail.

Paul