

302390

BAKER & MILLER PLLC

ATTORNEYS and COUNSELLORS

2401 PENNSYLVANIA AVENUE, NW

SUITE 300

WASHINGTON, DC 20037

TELEPHONE: (202) 663-7820

FACSIMILE: (202) 663-7849

ENTERED
Office of Proceedings
May 21, 2021
Part of
Public Record

William A. Mullins

Direct Dial: (202) 663-7823

May 21, 2021

VIA E-FILING

Cynthia T. Brown
Chief of the Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

Re: FD 36500
Canadian Pacific Railway Limited; Canadian Pacific Railway Company; Soo Line Railroad Company; Central Maine & Quebec Railway US Inc., Dakota, Minnesota & Eastern Railroad Corporation; and Delaware & Hudson Railway Company, Inc. – Control – Kansas City Southern; The Kansas City Southern Railway Company; Gateway Eastern Railway Company; And The Texas Mexican Railway Company

and

FD 36514
Canadian National Railway Company, Grand Trunk Railway Company, Grand Trunk Corporation, And CN's Rail Operating Subsidiaries – Control – Kansas City Southern, The Kansas City Southern Railway Company, Gateway Eastern Railway Company, And The Texas Mexican Railway Company

Dear Ms. Brown:

I write on behalf of Kansas City Southern, The Kansas City Southern Railway Company, Gateway Eastern Railway Company, And The Texas Mexican Railway Company (collectively, "KCS"). This morning, KCS's Board of Directors, in consultation with its financial and legal advisors, has unanimously determined that the acquisition proposal KCS received from Canadian National Railway Company ("CN") on May 13, 2021 continues to constitute a "Company Superior Proposal" under KCS's pending merger agreement with Canadian Pacific Railway Limited ("CP"). As such, KCS has terminated the CP merger agreement and entered into a merger agreement with CN.

BAKER & MILLER PLLC

Ms. Cynthia T. Brown
May 21, 2021
Page 2

KCS believes the combination with CN will provide customers access to new single-line transportation services at the best value for their transportation dollar. The resulting combination will increase competition among the Class 1 railroads, while preserving access to all existing gateways to enhance route choices and ensure robust price competition. It will yield demonstrable benefits for the environment by converting significant volumes of truck traffic onto rails, delivering better fuel efficiency at lower cost. The two companies' cultures are strongly aligned, and they share a commitment to environmental stewardship, safe operations, reliable service, outstanding performance, and in preserving and enhancing competition. The combined entity provides a strong platform for revenue growth, continued capital investment, and job creation. It will be well positioned to deliver on the transaction's powerful synergies, creating new growth opportunities for its customers and its employees.

Due to the termination of the merger agreement with CP, KCS is withdrawing as a co-applicant in the FD 36500 proceeding. To the extent FD 36500 continues and is not terminated due to the lack of a merger agreement, KCS intends to remain a party of record and will carefully monitor the proceeding. KCS will continue to be represented by the following as counsel of record:

Adam J. Godderz, Esq.
KANSAS CITY SOUTHERN
P.O. Box 219335
Kansas City, MO 64121-9335
Telephone: (816) 983-1324
Facsimile: (816) 983-1227

William A. Mullins, Esq.
BAKER & MILLER PLLC
2401 Pennsylvania Ave., N.W.
Suite 300
Washington, DC 20037
Telephone: (202) 663-7823
Facsimile: (202) 663-7849

On May 3rd, the above named counsel submitted their request to be made a party of record in FD 36514. By this letter, KCS notifies the Surface Transportation Board that it joins in CN's notice of intent to file an application for a major merger application, filed on April 20, 2021. KCS intends to be a co-applicant in the CN application. KCS also joins in the petition to establish a procedural schedule, also filed on April 20, 2021.

Respectfully submitted,

/s/ William A. Mullins

William A. Mullins

cc: Parties of Record