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

Re: Acquisition of Kansas City Southern by Canadian Pacific Railway

Dear Ms. Brown,

I am writing to you as the Executive Director of Cargo Montreal. We are the logistics and transportation metropolitan cluster of Montreal. Our mission is to bring together all Greater Montreal area freight transport and logistics stakeholders whose activities promote Montreal as an industry hub around common goals to increase cohesion, competitiveness, growth, and reach to market. Cargo Montreal's members produce and ship a large variety of commodities to national and international markets.

Cargo Montreal firmly supports the acquisition of Kansas City Southern (KCS) by a Canadian Class 1 railroad company, such as Canadian Pacific Railway (CP), because of the several benefits such a transaction would generate all along the supply chain.

This would result in opening and accessing more markets for shippers in North America in respect to the USMCA spirit and goals, where the integration of the supply chain is key. Moreover, we strongly believe that the new combined company would produce a more economical rail option for our members and unlock large potentials of the networks across America.

We are confident that a deal between CP and KCS would be beneficial to low-carbon objectives of both the United States of America and Canada, since Canada's Class 1 railroads companies are already showing leadership in fighting against climate change and also because transportation by rail is the most energy-efficient method of moving freight over land.

Therefore, Cargo Montreal strongly believes that an acquisition of KCS by Canadian Pacific, a Canadian Class 1 railroad company, would offer a faster, safer, cleaner and a better competitive market access option than the status quo.

As a regulator, the Surface Transportation Board must ensure competition options will remain for shippers with limited downstream consolidation impacts of any potential transaction between two large companies. Cargo Montreal believes shippers will continue to have access to a competitive landscape with, in fact, an improved access to new markets. We are also hopeful that such a transaction could result in cheaper options for our members.

In terms of potential downstream consolidation impacts, past transactions tell us that Canadian Class 1 railroad companies have a great track record of acquisitions; we do not see why it would be any different this time. We trust this transaction would integrate KCS as a partner in an effective and seamlessly way.

At a glance, here are some other reasons why Cargo Montreal is optimistic for a potential transaction:

- A combined company's single-owner, single-operator service, would result in faster transit times, more economical rail option and shorter distances on many key routes;
- Enhanced service and competition linked to this transaction should provide cheaper and more competitive options to our members;
- Customers of both companies would benefit from faster, safer, more direct, and more efficient service. It would most likely reduce our members' equipment costs and increase fleet capacity in terms of total shipments.

For all reasons stated above, Cargo Montreal is expressing support for the acquisition of Kansas City Southern (KCS) by Canadian Pacific Railway (CP), a deal that would greatly improve the North American Transportation Network.

Sincerely,



Mathieu Charbonneau
Executive Director
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CC: Parties of Record

Canadian Pacific Railway Limited
Kansas City Southern, The Kansas City Southern Railway Company, Gateway Eastern Railway Company, and The Kansas Mexican Railway Company