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May 17, 2021

Office of Proceedings  
Surface Transportation Board  
395 E. Street, SW  
Washington, DC 20423-0001

ENTERED  
Office of Proceedings  
June 14, 2021  
Part of  
Public Record

File: 10.04.CN/MAYOR

Attention: Cynthia T. Brown, Chief, Section of Administration

Dear Ms. Brown:

**Re: FD 36514, Canadian National 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**

The City of Dauphin is a municipal partner of CN, with CN rail infrastructure running through the heart of our small woodland prairie city.

The City of Dauphin supports CN's acquisition of Kansas City Southern (KCS) because of the significant benefits a CN-KCS railway would bring by offering faster, safer, cleaner, and more direct service for North-South trade.

We believe that a combination of CN and KCS would help their customers to win their markets. CN's strong track record of success with superior service, intermodal, and safety gives us confidence that a combined CN-KCS would be best positioned to serve customers' needs. Additionally, CN's successful track record of acquisitions over the past 25+ years also provides assurance that CN will effectively and seamlessly be able to integrate and partner with KCS.

The combined company would create a network and enhanced end-to-end single-owner, single-operator service, which will result in a faster, safer, and more economical rail option for customers where they currently rely on trucks and provide shorter distances on many key routes. We are hopeful about this transaction as a CN-KCS rail will be able to provide seamless transportation and service that would not be available through KCS should it go forward with an alternative combination.

For example:

- The combined company's single-owner, single-operator service would enhance customers' ability to be competitive in the markets in which we operate, benefitting important sectors of our economy, such as grain, forestry, and industrial products.
- CN's significant experience providing seamless intermodal service throughout their network and across borders.
- CN's strong commitment to engage with local communities and support to local stakeholders.

Central to CN's bid for KCS is the establishment of a voting trust that benefits KCS shareholders. The City of Dauphin supports approval of CN's voting trust. We believe CN's proposed voting trust benefits KCS and its shareholders by creating the opportunity for them to make a fair, informed decision when choosing between the competing offers and by shielding them from a lengthy regulatory approval process that would arise following an acquisition of KCS by either CN or CP.

To ensure fair and transparent review of CN's voting trust, the City of Dauphin also supports CN's request that the Surface Transportation Board review CN's voting trust agreement simultaneously with CP's proposed voting trust and that the review process include a brief public comment period. Such a review would ensure a level playing field for the bids.

The City of Dauphin is confident in and strongly supports CN's proposed acquisition of KCS for all the reasons stated above. We hope to see the premier 21<sup>st</sup>-century railway come to life. Dauphin City Council's resolution #2021-287 supporting CN's KCS proposal, passed at their regular meeting of May 10, 2021, is attached.

Sincerely,

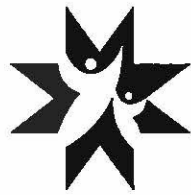


Allen Dowhan, FCPA, FCMA  
Mayor

Cc: Council for Information

Ec: Sharla Griffiths, BSc CE, CMMA, City Manager  
Mike VanAlstyne, P.Eng., Director of Public Works & Operations

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# Dauphin

MOVED BY: COUNCILLOR BELLEMARE

MOTION #: 2021-287

SECONDED BY: COUNCILLOR SHTYKALO

DATE: May 10, 2021

Agenda Item 9.e)

BE IT RESOLVED that Council accepts as information correspondence from Jasdeep Devgan, Manager, Western Canada, Public and Government Affairs, Canadian National Railway Company (CN) regarding their proposed combination with Kansas City Southern (KCS) and requesting a letter of support regarding this merger from the City of Dauphin to the Surface Transportation Board;

FURTHER BE IT RESOLVED that the City of Dauphin does support CN's acquisition of KCS and believes the enhanced rail network under CN and CN's commitment to safe reliable service will enhance North-South trade.

MOTION CARRIED

Allen Dowhan  
Mayor



Dauphin  
City Hall

CERTIFIED a true and correct copy of Resolution No. 2021-287 duly passed by Council of the City of Dauphin the 10<sup>th</sup> day of May 2021.

WITNESS MY HAND and the Corporate Seal of the City of Dauphin this 18th day of May 2021.

Sharla Griffiths, BSc CE, CMMMA  
City Manager