



MIDSTREAM TEXAS

OPERATING LLC

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Cynthia T. Brown

Chief, Section of Administration ENTERED

Office of Proceedings Office of Proceedings

Surface Transportation Board June 14, 2021

395 E. Street, S.W.

Part of

Washington, DC 20423-0001 Public Record



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

Dear Ms. Brown:

Midstream Texas Operating LLC (MTO) is a business partner with the Kansas City Southern. MTO provides transloading assets and services for our joint customers with the Kansas City Southern that allow for refined products to be exported from Texas into Mexico.

MTO supports the combination of Canadian National and Kansas City Southern because it will create faster, safer, cleaner and more direct service for North-South trade. The combination will help achieve the potential of the USMCA.

We believe that a combination of Canadian National and Kansas City Southern would help us to win in our markets. Canadian National's strong track record of success providing superior service, intermodal capabilities and safety gives us confidence that a combined Canadian National-Kansas City Southern entity would be best positioned to serve our needs. Additionally, Canadian National's successful track record of combinations over the past 25+ years also provides assurance that Canadian National will effectively and seamlessly be able to integrate and partner with Kansas City Southern.

The combined company would create a network with enhanced end-to-end single-owner, single-operator service which will result in a faster, safer and more economical rail option for us. We are hopeful this transaction will be able to provide the seamless transportation and service that is not otherwise available.

For example:

- The combined company's single-owner, single-operator service would enhance our ability to be competitive in the markets in which we operate, benefiting our shipments of refined products from South Texas to various markets in Mexico.



- Canadian National has significant experience providing seamless intermodal service throughout their network and across borders.
- Kansas City Southern has significant experience providing rail service from their US sites to the markets they serve in Mexico.

Central to the Canadian National's bid for Kansas City Southern is the establishment of a voting trust that benefits Kansas City Southern shareholders. MTO unequivocally supports approval of Canadian National's voting trust. Canadian National proposes the same voting trust structure as Canadian Pacific, which the Board recently approved with a modification. For the reasons the STB provided in making its decision, we believe Canadian National's voting trust should also receive approval. This outcome will allow Kansas City Southern's shareholders to make a fair and informed decision on combining with Canadian National.

MTO is confident in and strongly supports Canadian National's proposed acquisition of Kansas City Southern for all of the reasons as stated above. We hope to see the premier 21st century railway come to life.

Sincerely,
Midstream Texas Operating LLC

A handwritten signature in blue ink, appearing to read "David C. Vattimo", is written over the printed name.

David C. Vattimo
President and CEO

cc: Parties of Record