



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington DC 20515

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Sam Graves
Ranking Member

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Republican Staff Director

June 24, 2021

The Honorable Cynthia T. Brown
Chief, Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Re: FD 36514 Canadian National Railway Company, et al. – Control – Kansas City Southern, et al.

Dear Ms. Brown:

I write the Surface Transportation Board (STB) to urge approval of the voting trust proposed by Canadian National (CN) railroad with respect to its proposed merger with Kansas City Southern railroad (KCS). I hope that the proposed voting trust is reviewed in a manner consistent with the STB's previously approved trust arrangement for the proposed Canadian Pacific (CP) and KCS voting trust.

Exercising even-handedness in consideration of the voting trusts is essential to ensuring a neutral and balanced review process. In approving CP's proposed voting trust, the STB determined that the trust structure meets the two criteria for approval. Specifically, that the voting trust would not cause unlawful, premature control, and that the trust was in the public interest, meaning the carriers were financially sound and would not suffer financial hardship in the event KCS had to be divested from the trust.¹

The proposed CN/KCS trust is identical to the trust that the STB recently approved for the proposed CP/KCS transaction, including through proposed use of the same trustee.² As such, the CN/KCS trust should meet the unlawful control test, and also meet the public interest financial test. Moreover, I understand that CN has agreed to forgo share repurchases until its debt ratio returns to pre-deal levels. Accordingly, having approved the CP trust, it only seems consistent for the STB to approve the CN trust.

¹ See Surface Transportation Board (STB) Docket No. FD 36500.

² See Surface Transportation Board (STB) Docket No. FD 36514.

KCS is well-established and well respected within the Kansas City area and merging with CN will create new opportunities for trade and economic growth in the metro area and beyond. From a national and international perspective, the CN/KCS merger has the potential to improve commerce and access to markets by creating a single railroad that will streamline the movement of goods among Canada, the United States, and Mexico. The approval of the CN/KCS voting trust is an important step towards this merger, and I look forward to following the STB's process.

Thank you for the opportunity to comment on the voting trust and I hope that you will review it fairly and expeditiously.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sam Graves", with a horizontal line underneath it.

Sam Graves
Ranking Member