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1151 Bronte Road
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June 28, 2021

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

Re: FD 36514, Canadian National Railway Company and others (collectively, CN or Applicants) – Control – Kansas City Southern and others (collectively, KCS)

Dear Ms. Brown:

We write to pursuant to the Board's request for comment on the proposed acquisition by CN of KCS. "KCS").

I write as the Chief Administrative Officer of The Regional Municipality of Halton (Halton Government) in southern Ontario – one of Canada's fastest growing municipal governments representing more than 500,000 residents. I am writing on behalf of and with the support of Mr. Andrew Siltala, the Chief Administrative Officer of The Corporation of the Town of Milton (Milton Government). The Milton Government is a lower-tier municipal government within Halton Region that is home to more than 100,000 residents.

Halton Region contains portions of the existing CN main line track that extends to the U.S. border. Halton and Milton are currently subject to a CN proposal to establish a new intermodal freight terminal in Milton (Proposed Milton Terminal). The Halton and Milton Governments - together with three additional municipal governments in Halton (collectively, the Halton Municipalities) and the Halton Region Conservation Authority - have initiated litigation over the Proposed Milton Terminal in two levels of court and before the Canadian Transportation Agency. Relevant to your proceedings, CN's Proposed Milton Terminal received federal approval on the basis that its future container volumes are strictly limited. This condition arose following a public hearing that concluded that the Proposed Milton Terminal - even at its limited scale - is likely to cause significant adverse environmental effects on air quality, human health, natural heritage and agriculture that cannot be mitigated.

We understand that the specific matter before the Board at this time is CN's Joint Motion for Approval of Voting Trust Agreement, with public comment invited in the Board's decision dated June 8, 2021.

We have reviewed the CN submissions on its Joint Motion, including the verified statement from CN's CEO and President, Mr. Ruest, dated May 25, 2021 and the CN presentation attached to Mr. Ruest's Statement. We note in particular:

- CN President Ruest describes the CN-Kansas City Southern combination as a "transformative opportunity to create the North American railway for the 21st century – a single-line-north-south-rail network in the United States, Canada, and Mexico" (page 1).

The Regional Municipality of Halton

- CN President Ruest's Verified Statement addresses the effect of the merger on CN's intermodal network:

"The CN-KCS combination will continue CN's efforts over the last ten years to grow its own intermodal network. From 2010 to 2020, CN developed the fastest growing intermodal network in North America. CN is committed to continued development of its intermodal network, and **we see significant opportunities for a CN-KCS combination to increase north-south intermodal traffic** and intermodal port activities..." (page 7).

- CN President Ruest's Verified Statement addresses the effect of the merger on the automotive supply chain:

"Slide 12 illustrates the **substantial benefits to the automotive supply chain from a new CN-KCS single-line rail option to connect Ontario** and Michigan with Texas and Mexico...The new single-line service would connect automotive original equipment manufacturers (OEM's) and their suppliers in Texas and Kansas City and Mexico with markets in Michigan and Southern Ontario served by CN..." (pages 8-9).

- CN President Ruest's Verified Statement sets out a vision for the CN-KCS combination of converting highway truck loads to CN-KCS intermodal rail service truck loads:

"One of our visions for the CN-KCS combination is to **convert to intermodal rail service truck loads that are currently moving over highways between Mexico/Texas and Michigan/Southern Ontario**. Our routing for this traffic growth would take trucks off the highways and utilize double-stack containers on trains that would travel north to Matteson, Illinois (which is south of Chicago) and turn east toward Indiana..." (pages 10,13).

- CN President Ruest's Verified Statement and attached slide deck both maps of North America. CN has included Toronto and Milton on those maps: see Verified Statement page 11 and presentation slides 5-18. We also note, for example, that slide 14 includes Milton within the area circled for the automotive manufacturer parts supply chain. Notably, however, no CN maps include any reference to Brampton where CN has a major existing intermodal facility. Brampton is west of Toronto in roughly the same location as Milton on these maps. Throughout the federal regulatory process in Canada, the Halton Government (and the four municipal governments of its constituent municipalities) expressed concern that the Proposed Milton Terminal would replace CN's existing Brampton facility because the Milton site is more than double the size of Brampton. To date, CN has denied this scenario. Instead, CN has projected that the Proposed Milton Terminal would be limited to 450,000 containers per year in comparison to the existing Brampton Terminal that handles more than 1 million containers per year. In these circumstances, it is notable but inexplicable from the publicly available information on this transaction that CN is highlighting Milton and excluding Brampton in all maps filed with your Board.

These many references to Ontario and Milton give rise to serious municipal concern in Halton.

Nevertheless, none of this information is sufficient for our governments or communities to understand or evaluate the significance of the impacts of this proposed transaction on what CN proposes in Milton.

The Halton and Milton Governments are thus very interested in obtaining additional information on the impacts and benefits of this CN acquisition.

As elected governments, the Halton and Milton Government are concerned about the current constraints requested by CN on accessing all CN information. Without access to publicly available information in this proceeding, our governments will not be able to properly assess or consult our local communities on the impact the proposed transaction would have on the Proposed Milton Terminal and on Halton as a whole. This will in turn constrain what these Governments can submit to this Board on the breadth and severity of impacts of the proposed acquisition in relation to the benefits claimed by CN and the overall public interest.

Very respectfully, we close by specifically asking this Board to make publicly available as much information as possible on the impacts and benefits of this proposed CN acquisition. We believe greater available information is in the public interest.

Sincerely,

A handwritten signature in black ink, reading "Jane MacCaskill". The signature is fluid and cursive, with the first name "Jane" being more prominent than the last name "MacCaskill".

Jane MacCaskill, CPA, CA, MBA
Chief Administrative Officer

cc: All parties of record

CERTIFICATE OF SERVICE

I certify that on the 28th day of June, 2021, served a copy of the foregoing Comment upon all parties of record in this proceeding, by email and mail.

McDonald, Nichole
Digitally signed by: McDonald, Nichole
DN: CN = McDonald, Nichole
Date: 2021.06.28 14:55:42 -04'00'

[Signature]

Nichole McDonald, on behalf of Jane MacCaskill

[Date]

June 28, 2021