

April 29, 2024

308267

The Honorable Martin J. Oberman
Chairman
U.S. Surface Transportation Board
395 E Street SW
Washington, DC 20423

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Office of Proceedings
April 30, 2024
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Public Record

Re: STB Docket No. FD 36744, Canadian National Railway Company, and Grand Trunk Corporation—Control—Iowa Northern Railway Company

Dear Chairman, Oberman:

I am writing in my capacity as President of the United Food and Commercial Workers (UFCW) Local 431. Our Local represents thousands of workers across Iowa and Illinois, including members who work at the Tyson Foods plant in Waterloo, Iowa.

The potential of inflated rail rates and associated cost pressures threatens to weaken labor power and undermine our members' ability to negotiate the best contract possible for themselves and their communities in the future.

Our members' labor is what makes it possible for goods such as Tyson frozen foods and egg products to get to the kitchen table. Products like these are currently shipped from Tyson's plant in Waterloo using Iowa Northern Railway.¹ If the goods produced by our UFCW members are subject to increased rail costs by Canadian National post-acquisition, we are concerned that shippers like Tyson will look to hold down costs elsewhere, namely labor costs.

While it is true that Canadian National argues this acquisition will "keep shipping costs down,"² we are skeptical. As rail industry consolidation has increased over the years, rail rates have also increased at a level outpacing the growth in costs borne by railroads themselves.³ We fear it's wishful thinking that this acquisition would be an exception to that rule, if not in the short term, then certainly over the long term once it's no longer being as closely scrutinized.

Beyond these acute concerns, we also want to note our general opposition to excessive industry concentration and its consequent effects on workers in particular⁴. In Iowa, we are especially wary of company men and women pushing slick lobbying efforts and too-good-to-be-true PR speak in favor of more consolidation.⁵ History shows us that these words often end up as empty as the hollowed-out communities they eventually leave behind.

Thank you to you and your colleagues for your service and thank you for taking the time to consider our concerns as you evaluate this transaction.

¹ <https://www.govtech.com/transportation/eastern-iowa-railroad-company-nets-7-2m-to-modernize-lines>

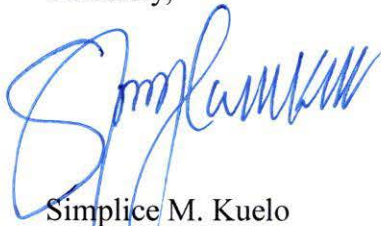
² <https://www.cniowanorthern.com/facts/>

³ <https://www.freighttrainreform.com/wp-content/uploads/2021/07/Rail-Rates-Climb-Higher-as-Competition-Gets-More-Scarce.pdf>

⁴ <https://www.openmarketsinstitute.org/learn/workers-monopoly>

⁵ <https://www.bleedingheartland.com/2024/02/28/iowa-northern-railway-deal-warrants-heightened-scrutiny/>

Sincerely,

A handwritten signature in blue ink, appearing to read 'Simplicite M. Kuelo', with a large, stylized initial 'S'.

Simplice M. Kuelo
UFCW Local 431 President

CC: All Parties of Record

Certificate of Service

I certify that on this 29th day of April, 2024, I served a copy of this filing by electronic mail upon all parties of record on the official service list for Docket No. FD 36744, and by U.S. postal mail to the U.S. Department of Transportation and the U.S. Department of Justice.

Sincerely,

/s/ Sam Stokes

Sam Stokes

Business Agent, UFCW Local 431