## Congress of the United States

Washington, DC 20510

January 27, 2016

The Honorable Daniel R. Elliott III, Chairman United States Surface Transportation Board 395 E Street, SW Washington, DC 20423-0001

The Honorable Ann D. Begeman, Vice Chairman United States Surface Transportation Board 395 E Street, SW Washington, DC 20423-0001

The Honorable Debra Miller United States Surface Transportation Board 395 E Street, SW Washington, DC 20423-0001

Dear Chairman Elliott and Surface Transportation Board Members:

We write to express our concern about Canadian Pacific Railway's proposal to acquire Norfolk Southern and the adverse impacts it could have on the West Virginia economy. The State of West Virginia has invested millions in public-private partnerships with Norfolk Southern because we believe in building things and investing in our people. Since Hunter Harrison took over in 2012, Canadian Pacific has slashed 6,000 jobs, and they have identified \$1.8 billion in additional profits that they will wring out of the combined company. West Virginia cannot afford a corporate partner more focused on short-term gains for stockholders than the hard-working men and women who show up to work every day.

Reliable rail service has played a critical role in the growth and development of the Mountain State since the Baltimore & Ohio railroad first arrived in Wheeling, West Virginia on Christmas Eve 1852, and we still depend on railroads today to bring our abundant natural resources and manufactured goods to markets around the world. The Norfolk Southern Heartland Corridor, for example, is one of the critical commercial arteries connecting Chicago, Illinois with Norfolk, Virginia, and it runs right through Southern West Virginia. For more than four years, Norfolk Southern worked with the State of West Virginia, the neighboring states of Virginia and Ohio, and the federal government to develop the \$350 million Heartland Corridor. Between Bluefield and Kenova, West Virginia, Norfolk Southern raised vertical clearances on 28 tunnels and removed 24 overhead obstacles on one of its main lines connecting the Mid-Atlantic to the Midwest. Norfolk Southern investments in West Virginia totaled more than \$84 million in 2014, or roughly \$102,000 for every mile of its network in the Mountain State.

In 2012, the State of West Virginia, in partnership with Norfolk Southern and the U.S. Department of Transportation, invested \$30 million to develop the Pritchard Intermodal Facility helping connect

central Appalachia and West Virginia manufacturing with the world. This state of the art intermodal facility is a key part of the future logistics plan for our state. We are very concerned that any merger related cuts could ultimately jeopardize service to this facility and render millions of public investment moot.

The seven Class I railroads currently operating in the United States own and maintain 69% of our domestic freight rail mileage and employ 90% of the rail workforce. In West Virginia alone, the industry supports nearly 2,800 railroad workers and approximately 7,900 retirees, spouses, and survivors. The recent comments made by Mr. Hunter Harrison, CEO of Canadian Pacific, regarding the estimated \$1.8 billion in cost savings he believes could be achieved through locomotive, line, and workforce rationalization have led many to believe that this merger will result in less investment in infrastructure and more workforce reductions, both of which create real and present dangers to people of West Virginia.

The Surface Transportation Board has the responsibility to review this proposed merger and determine whether or not it will serve the public interest and promote competition among rail carriers. The West Virginia Manufacturers Association, the West Virginia Coal Association, Democratic and Republican leaders in the West Virginia State Legislature, and all 232 municipalities in the state represented by the West Virginia Municipal Association have clearly stated that they do not believe this merger is in the best interest of our state. We urge you to carefully review all of the issues they have raised in addition to those included in this letter before allowing any element of this transaction to proceed, including the voting trust arrangement recommended by Canadian Pacific.

We appreciate this opportunity to offer our perspective on this important matter. The Surface Transportation Board plays a critical role in protecting and preserving a competitive domestic rail industry, and we fully support a thorough and thoughtful review of this proposed acquisition.

Thank you for your consideration of these important issues.

Sincerely,

Joe Manchin II

United States Senator

Shelley Moore Capito

United States Senator

Evan Jenkins

United States Representative

David McKinley

United States Representative