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JEREMY R. FERGUSON
President

June 13, 2021

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

Sent via Electronic Filing

Re: *STB Docket No. FD 36514 – Canadian National Railway – Control – Kansas City Southern*

Dear Madam,

As the President of the SMART-Transportation Division I am writing to communicate our position and the reasons we urge the STB to reject the proposed CN voting trust.

The approval of the CN voting trust by the STB would be risky for the railway industry and quite possibly will negatively impact our involved SMART-TD members. Approval of the CN voting trust proposal would harm employees of both KCS and CN due to the amount of debt CN will carry and the real possibility that the CN transaction would fail the regulatory test in the end.

CN has publicly stated they intend on carrying significant additional debt of approximately \$19B in addition to theirs and KCS current debt load that will exceed \$30B, which has potential to impact jobs, infrastructure and maintenance improvements that will negatively affect employees, shippers, and most importantly public safety.

The CN/KCS transaction is the opposite of an end-to-end merger and would be anti-competitive due to the overlap of existing rail lines and affected customers. The CN already has a high-capacity mainline route from Chicago, IL straight to New Orleans, LA, therefore with CN acquiring KCS there would be no need for parallel routes such as the KCS line from Kansas City through to New Orleans.

If the CN voting trust and proposed merger were granted approval, we fully significant expect job losses on either CN or KCS because ultimately the transaction would require either a sale or abandonment of duplicative rail lines. The consequences for SMART-TD members would be uncertain, adverse, and certainly contrary to the public interest.

By comparison, CPR has a route that extends south only as far as Kansas City, MO. This is CPR's only connection with the KCS and we anticipate growth in both rail business and jobs for SMART-TD members. The CN/KCS transaction is just the opposite and would be anti-competitive.

Accordingly, for the reasons described above, I encourage the STB to thoroughly consider the implications on this proposed transaction. Consequently, on behalf of the members of the SMART-Transportation Division, I urge the Board to reject CN's motion to approve its proposed voting trust.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Jeremy R. Ferguson". The signature is fluid and cursive, with a prominent initial "J" and "F".

Jeremy R Ferguson
President, SMART-Transportation Division

CC: All Parties of Record