
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 262 Session of
2015

INTRODUCED BY RAFFERTY, YAW, ALLOWAY, GREENLEAF, VULAKOVICH,
SCHWANK, WOZNIAK AND BARTOLOTTA, JANUARY 19, 2016

REFERRED TO TRANSPORTATION, JANUARY 19, 2016

A RESOLUTION

1 Urging the United States Surface Transportation Board, the
2 United States Department of Justice, the United States
3 Department of Transportation and the Congress of the United
4 States to reject any plans submitted by Canadian Pacific
5 Railway to acquire Norfolk Southern Corporation and to
6 consider the potential negative impact of the proposal with
7 respect to building a more efficient freight network in this
8 Commonwealth.

9 WHEREAS, Norfolk Southern employs more than 5,200
10 Pennsylvania residents, operates more than 2,300 route miles of
11 track and 22 rail yards and intermodal terminals throughout this
12 Commonwealth, has operating division headquarters in Pittsburgh
13 and Harrisburg, maintains its primary locomotive repair shop in
14 Altoona and connects with 48 Class 2 and Class 3 railroads in
15 this State; and

16 WHEREAS, In 2014, Norfolk Southern Corporation invested
17 \$151,000,000 in its tracks and facilities in this Commonwealth,
18 purchased more than \$1,000,000,000 in goods and services from
19 Pennsylvania vendors, was responsible for \$34,400,000 in State
20 and local taxes and originated or terminated more than 1,700,000
21 freight shipments in this State; and

1 WHEREAS, This Commonwealth has more freight railroads than
2 any other state in the United States and has worked successfully
3 with Norfolk Southern Corporation on a series of significant
4 public-private partnerships to further strengthen the
5 Commonwealth's freight rail network; and

6 WHEREAS, On November 9, 2015, Canadian Pacific Railway
7 submitted an unsolicited proposal to acquire Norfolk Southern
8 Corporation and has subsequently made public statements that if
9 it acquires Norfolk Southern Corporation it is targeting
10 \$1,800,000,000 in "synergies" that would be achieved through
11 locomotive and rolling stock fleet reductions, the
12 rationalization of rail yards and other facilities, a lower tax
13 rate, potentially resulting in significant employment
14 reductions, decreased investment in transportation
15 infrastructure and poor freight rail service to shippers doing
16 business in Pennsylvania; and

17 WHEREAS, The chief executive officer of Canadian Pacific
18 Railway expressed his intent to immediately assume control of
19 Norfolk Southern Corporation by taking over as chief executive
20 officer of Norfolk Southern Corporation during the United States
21 Surface Transportation Board's review of the transaction through
22 a "voting trust"; and

23 WHEREAS, Congress has given the United States Surface
24 Transportation Board the power to keep the best interest of
25 consumers in mind when considering proposed mergers, especially
26 an acquisition of this scale; and

27 WHEREAS, Any attempt to circumvent the role of the United
28 States Surface Transportation Board and threaten the sovereignty
29 of a competing railroad should be taken seriously; and

30 WHEREAS, The public interest of Pennsylvania is not served by

1 indiscriminate actions that would result in poor freight rail
2 service to shippers doing business in Pennsylvania; and

3 WHEREAS, The men and women of Pennsylvania who serve in the
4 United States Armed Forces benefit from American-owned
5 infrastructure used to transport military equipment and that
6 infrastructure should not be jeopardized by the sale to a
7 foreign company; and

8 WHEREAS, Any potential shift in traffic as a result of a
9 transaction proposed by Canadian Pacific Railway should be
10 carefully reviewed to protect the residents of Pennsylvania from
11 shifts in the transportation of hazardous materials, including
12 crude oil; and

13 WHEREAS, The Congress of the United States should review the
14 rail industry's current antitrust exemption which prevents the
15 United States Department of Justice from stopping the merger
16 even if a review produces evidence of restricted competition;
17 therefore be it

18 RESOLVED, That the Senate of Pennsylvania urge the Congress
19 of the United States to exercise due diligence on behalf of the
20 citizens of this Commonwealth and of this nation by exercising
21 regulatory control and oversight in order to maintain fair
22 competition, adequate connections with short line railroads and
23 efficient, low-cost service for rail shippers; and be it further

24 RESOLVED, That copies of this resolution be transmitted to
25 the members of the United States Surface Transportation Board,
26 the United States Secretary of Transportation, the United States
27 Attorney General, the Speaker of the United States House of
28 Representatives, the President Pro Tempore of the United States
29 Senate and to each member of Congress from Pennsylvania.