



April 23, 2021

Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E. Street, S.W.  
Washington, DC 20423-0001

Re: FD 36514, Canadian National Railway Company, Grand Trunk Corporation, and CN's Rail Operating Subsidiaries—Control—Kansas City Southern, the Kansas City Southern Railway Company, Gateway Eastern Railway Company, and the Texas Mexican Railway Company

Dear Ms. Brown:

The Halifax Port Authority has a longstanding relationship with CN that dates to the beginning of both our organizations. As our sole rail provider in Halifax, CN is a very important partner, and we work closely with CN, as we do with all our key stakeholders, to develop and promote trade growth through our international gateway.

The role that our railway system plays in shaping Canada's commerce and its communities cannot be underestimated. This is especially true in Nova Scotia, where the Port of Halifax, an international gateway, depends on rail to move vast quantities of goods throughout the province, and then across the entire country.

The Port of Halifax is primarily a container cargo port and the only Eastern Canadian container port capable of handling ultra-class container vessels over 10,000 TEU/350 metres overall length. Over 60% of our supply chain throughputs move with CN. During the last five years, CN has handled 778,000 loaded containers, or 1,347,135 loaded TEU, and during that same time, 22,227,745 ft of CN intermodal loaded rail cars have moved through the Port of Halifax.

CN continues to build on the critical links between Nova Scotia and the global marketplace. Streamlining supply chain infrastructure continues to cement CN's position as a world leader in intermodal transport and, in doing so, solidifies Nova Scotia's place in the North American economy.

The Halifax Port Authority and CN share many of the same Environmental, Social, and Sustainability goals. CN is a key investor in our rail solution project, a National Trade Corridor Fund project that will significantly reduce the number of port-related trucks in the downtown core of our city. We would also like to highlight CN's recent involvement in a new initiative we are developing. We are in the process of converting one of our existing buildings into "*The PIER*" at the Seaport, a living lab for the transportation industry. PIER is short for Port Innovation, Engagement & Research. This will be a collaborative space where we bring partners together to work on problem-solving and explore new technologies in a live environment. CN is a founding partner and major contributor.

Halifax Port Authority	Administration portuaire de Halifax
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T 902.426.8222 F 902.426.7335 [www.portofhalifax.ca](http://www.portofhalifax.ca) ISO 14001:2004 Reg: 1040847

The word "Canada" in a bold, black, serif font, with a small red and white Canadian flag icon to the right of the letter 'a'.



The Port of Halifax has the highest level of intermodal fluidity in North America. In 2017, CN, the Halifax Port Authority and its terminal operators agreed upon a new industry standard of managing import container dwell to no longer than 90% in 72 hours and 100% in 96 hours. The achievement in 2018 averaged 2.4 days, in 2019 1.8 days and 2020 in 3.7 days. CN provides competitive intermodal pricing and customer service. Between 2015 to 2019 our Intermodal CAGR was 8.35%.

We believe that the combination of CN and KCS would help us to further develop our key markets which include Europe, the Mediterranean, South East Asia, Canada, and the upper US Midwest States. A combined CN-KCS would provide single access to USMCA markets for Atlantic Canadian provinces with short sea shipping services to Halifax connecting to CN. A combined CN-KCS would create or enhance direct connectivity to Minneapolis -St Paul, Omaha, Kansas City, St Louis, Dallas, Houston, Mexico City and Vera Cruz. This would allow shippers and cargo owners to leverage the Port of Halifax position with a seven-day transit time between Europe into a mini-land bridge service to the US. Gulf and Mexico for faster transit than all water service.

We are hopeful about this transaction as a CN-KCS rail will be able to provide the seamless transportation and service that would not be available through KCS should it go forward with an alternative combination.

The Halifax Port Authority strongly supports CN's proposed acquisition of KCS.

Sincerely,

A handwritten signature in black ink that reads "A. Gray".

Allan Gray, Cpt.  
President and CEO

cc. JJ Ruest, President and CEO, CN  
Keith Reardon, Senior Vice President, Consumer Product Supply Chain, CN  
Dan Bresolin, Vice President, Intermodal, CN

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