

BEFORE THE
SURFACE TRANSPORTATION BOARD

ENTERED
Office of Proceedings
June 22, 2022
Part of
Public Record

FINANCE DOCKET NO. 36500

CANADIAN PACIFIC RAILWAY LIMITED, ET AL. – CONTROL – KANSAS CITY SOUTHERN, ET AL.

VERIFIED STATEMENT OF MR. BOB KNIEF

1. I am Bob Knief - President of Bartlett Grain Co., LP ("Bartlett") and President, Savage Agriculture Sector. I am submitting this verified statement in STB Finance Docket 36500 to address comments and responsive applications filed by certain parties.
2. Bartlett supports the CP/KCS transaction, which we see as bringing important benefits to shippers, and we oppose CN's proposal that KCS's Kansas City-Springfield/St. Louis line be severed from the CPKC system and sold to CN or another purchaser.
3. Bartlett was established in 1907 and joined the Savage family of companies in 2018. Bartlett is a diverse agribusiness is focused on the acquisition, storage, transportation, processing, and merchandising of grain, and the company is a leading U.S. exporter of grain to Mexico. Bartlett supplies all classes of wheat, feed grains, food-grade corn, and soybeans to millers and processors and produces a full line of commercial patent flours and animal feeds.
4. Among our facilities is a grain facility located in Jacksonville, Illinois. This facility is located on the KCS line between Kansas City and Springfield, Il. I understand that in this proceeding that line has been referred to as the Springfield Line and is a line that Canadian National has asked the Board to divest that line to Canadian National, while granting haulage rights back to KCS.
5. First, Bartlett strongly opposes Canadian National's Inconsistent Application that requests that the Board divest the Springfield Line to it.
6. In 2012, Bartlett invested for the future by spending over \$25 million to build a new facility at Jacksonville that included a rail loop that is 7,000 feet long and can hold up to 100 railcars and shown below.



7. That facility opened in August 2013. We have made significant further investments in Jacksonville since that time to expand capacity.
8. Nearly all our shipments from Jacksonville go to Mexico. We made that investment to support shuttle service to Mexico that is a direct move from origin to destination on KCS. It was designed because that shuttle service enhances the supply chain to Mexico. In fact the project was highlighted in Progressive Railroading for that reason. See https://www.progressiverailroading.com/kansas_city_southern/news/KCS-helps-Bartlett-Grain-inaugurate-Illinois-facility-installs-Smith-as-AVP--37236.
9. Bartlett does not want to jeopardize its substantial investments in delivering grain to the Mexican market and serving the central IL grain producers. We shipped almost 11,000 cars from Jacksonville to Mexico on KCS last year. To support our Mexico business, Bartlett has bought and made significant investments in three train unloading facilities in Mexico. Specifically, we bought facilities at Aguascalientes in 2015, Cuautitlán in 2017, and San Luis Potosí in 2019. Each of those has been expanded since we purchased them to add capacity.
10. We do not want our Mexican investments stranded by a CN takeover of the KCS line that serves our Jacksonville facility, which would deprive us of the single-line service on KCS that we benefit from today. Even if CPKC were allowed to quote rates to Mexico from Jacksonville, we would be hostage to CN's operations and the need for a new interchange at Kansas City. The last thing that Bartlett wants, and the North American rail network needs, is to destroy the efficiency we have worked to build and invested in by unnecessarily injecting Canadian National into this movement when it do anything to improve or correct any aspect of the trade flow in this market. Adding an unnecessary handoff between CN and CPKC (whether CN begins to serve the plant directly or serves the plant by providing haulage to KCS) to move our grain to Mexico makes no sense when we have an efficient shuttle operation. We don't want our single line service to Mexico to be converted into a joint line move with haulage to Kansas City for handoff to CPKC to go to Mexico. Slowing things down by injecting extra handling and potential interchange delays is regressive.

11. We are also concerned that CN might impose rate structures that try to force our grain away from Mexico and other Western destinations in favor of moving the grain East toward their network.
12. Bartlett urges the STB to reject Canadian National's Inconsistent Application.
13. Second, we understand that some commenters have suggested that KCS's acquisition of control of what is now KCSM in 2005 led KCS to "foreclose" BNSF-KCSM and UP-KCSM routing options and in effect force shippers to choose KCS single-line options.
14. For many of Bartlett's facilities, such as Council Bluffs, IA, we could choose service to Mexico via UP, BNSF or KCS. Since 2005 we have directed most of our traffic to Mexico from those facilities to Mexico via KCS-KCSM routes. I can state categorically that we were never forced to choose those options. UP and BNSF options were always available to us, but we chose KCS single-line routes on the merits because they best met our transportation needs by serving our end-markets best.
15. Third, we are very interested in the approval of this Transaction. We are actively considering new investments in both the US and Mexico if the Transaction is approved.
16. For these reasons, we urge approval of the CP-KCS Transaction and rejection of Canadian National's Inconsistent Application.

VERIFICATION AND CERTIFICATION

I, Bob Knief, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. I also certify that I have this day served a copy of the foregoing Verified Statement upon all other parties of record by depositing a copy in the U S mail in a properly addressed envelope with adequate first-class postage thereon prepaid, or by other, more expeditious means.

Executed June 20th, 2022



Mr. Bob Knief

President

Bartlett Grain Co., LP, and Savage Agriculture Sector