



# City of Chicago



R2016-134

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:**

2/10/2016

**Sponsor(s):**

Lopez (15)  
Moreno (1)  
Hopkins (2)  
Dowell (3)  
Burns (4)  
Hairston (5)  
Sawyer (6)  
Mitchell (7)  
Sadlowski Garza (10)  
Thompson (11)  
Cardenas (12)  
Burke (14)  
Foulkes (16)  
Moore (17)  
Curtis (18)  
O'Shea (19)  
Cochran (20)  
Munoz (22)  
Zalewski (23)  
Scott, Jr. (24)  
Solis (25)  
Maldonado (26)  
Burnett (27)  
Reboyas (30)  
Santiago (31)  
Waguespack (32)  
Ramirez-Rosa (35)  
Villegas (36)  
Mitts (37)  
Sposato (38)  
Laurino (39)  
Reilly (42)  
Smith (43)  
Arena (45)  
Cappleman (46)  
Osterman (48)  
Moore (49)  
Silverstein (50)

**Type:**

Resolution

**Title:**

Call for Surface Transportation Board to consider the interests of Chicago when reviewing proposed hostile

takeover of Norfolk Southern Corporation by Canadian  
Pacific Railway

**Committee(s) Assignment:**

**Chicago City Council Resolution**

**February 10, 2016**

**Subject: Canadian Pacific Railway's Hostile Takeover Proposal of Norfolk Southern Corporation**

Whereas, the Canadian Pacific Railway has proposed an acquisition of the Norfolk Southern Corporation, and

Whereas, the Norfolk Southern Railway Company, a wholly owned operating subsidiary of Norfolk Southern Corporation, operates more rail yards and intermodal facilities in the City of Chicago than any other Class I freight railroad, and

Whereas, Norfolk Southern employs a diverse workforce among its more than 600 Chicago-based employees including approximately 50% whom are of a minority descent, and

Whereas, Norfolk Southern operates four major intermodal facilities in the City of Chicago located at 361 West 47<sup>th</sup> Street, 169 East 63<sup>rd</sup> Street, 2040 East 106<sup>th</sup> St and 7540 South Western Avenue, and

Whereas, these four intermodal facilities provide a competitive edge to Chicago manufacturers and distributors connecting Chicago businesses to more markets in the Northeast, Mid-Atlantic and Southeast than any other railroad, and

Whereas, Norfolk Southern has invested tens of millions of dollars into each facility in recent years to accommodate the growth of business resulting in construction jobs for many Chicagoans, and

Whereas, the logistics savings to Chicago shippers from these four facilities generates billions of dollars of economic impact and millions of dollars of tax revenue to Chicago annually, and

Whereas, Norfolk Southern's other large rail yards within the City are located at 4016 South Ashland Avenue, 13227 South Torrence Avenue, and 2040 East 106<sup>th</sup> Street, and

Whereas, these rail yards provide critical service to rail shippers throughout the City including the Stockyards and the Port of Chicago, and

Whereas, Amtrak's Pere Marquette, Wolverine, Blue Water, Capitol Limited, and Lake Shore Limited trains operate on Norfolk Southern in Chicago to get to and from Chicago Union Station, and

Whereas, Norfolk Southern's partnership with Amtrak has facilitated strong ridership growth for several years now resulting in more business travelers and tourists coming to Chicago, and

Whereas, much of Metra Southwest Service operates on Norfolk Southern tracks bringing commuters into Chicago for both work and leisure resulting in additional tax dollars to the City, and

Whereas, Congress has provided the Surface Transportation Board with the power to disapprove mergers and acquisitions in the railroad industry, and

Whereas, U.S. Senator Richard Durbin and the entire Illinois Congressional delegation have requested the Surface Transportation Board to move carefully in their examination of the hostile proposal by Canadian Pacific Railway to acquire Norfolk Southern Corporation, and

Whereas, Chicago is effectively the western terminus for the Norfolk Southern Railway and the Canadian Pacific Railway has minimal impact on Chicago's economy, and

Whereas, Norfolk Southern Railway has proven an effective partner with federal, state, and municipal agencies in the Chicago Region Environmental and Transportation Efficiency "CREATE" Program to reduce rail congestion within and through the City of Chicago, and

Whereas, since the CREATE Program's inception more than a decade ago Norfolk Southern has played an instrumental role planning, constructing, and paying for the private benefits of several CREATE projects resulting in a substantial reduction of freight, Metra, and Amtrak delays in recent years, and

Whereas, Canadian Pacific Railway refuses to acknowledge the substantial benefits the CREATE Program has already delivered and will deliver as more projects are constructed, and

Whereas, Canadian Pacific believes the only way to generate new rail capacity is through the hostile takeover proposal of Norfolk Southern and not by working collaboratively with federal, state, and local public agencies to complete more of the CREATE Program, and

Whereas, the Chicago Transportation Coordination Office "CTCO" located at 1501 South Canal Street was established by the railroads to better coordinate operational planning by appointing a senior transportation official from each respective company to be physically located in one building, and

Whereas, Canadian Pacific removed its senior transportation official from the CTCO and is the only Class I freight railroad not to participate in the CTCO, and

Whereas, the Chicago rail network is simply too complex and important for the nation's economy for any railroad to unilaterally decide it no longer needs to work collaboratively with public agencies and the rest of the railroad industry, and

Whereas, Norfolk Southern and Canadian Pacific interchange volumes through Chicago are too small to make a difference on congestion if a merger were to occur accounting for approximately 1.5% of Chicago freight volumes, and

Whereas, Canadian Pacific and Norfolk Southern do not physically connect in Chicago leading to an even heavier reliance upon the Belt Railroad of Chicago and Indiana Harbor Belt, two already congested terminal railroads with several conflicts with commuter and passenger trains, and

Whereas, any discussion of alternative gateways diverting freight trains should be carefully scrutinized as these few alternative gateways between Canadian Pacific and Norfolk Southern will add hundreds of additional miles for freight rail customers that can be used as alternative interchange points today, and

Whereas, any attempt at a proxy fight where Canadian Pacific and its major shareholders actively move to unseat Norfolk Southern's Board of Directors and senior management will needlessly take away

attention from CREATE, the CTCO, passenger and commuter rail collaboration, Chicago rail shippers and Norfolk Southern's ongoing capital investments within the City,

Now therefore, the City Council of the City of Chicago, in formal session, does hereby Resolve, that the Surface Transportation Board keep the best interests of the economy and citizenry of the City of Chicago uppermost in mind in reviewing the hostile takeover of Norfolk Southern proposed by Canadian Pacific.

Raymond L. (35)  
Edward M. (31)  
Linda E. (31)  
Carol Davis (35)  
Linda (48)

Susan Salloum (10)

Rob M. (22)  
Daniel L. (25)  
Pat Howell (34)  
John J. (16)  
M. (17)  
Walter (27)  
Ralph A. (16)  
Michael A. (38)  
Scott W. (32)  
Andrew (23)  
John A. Houston (5)  
L. (45)

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James Cappleman 46	Arthur B. Cohen 20th Ward
Margaret Lawrence 39	Don 30
Patricia Ray 11	James A. Connel 12th
Wang O'Brien 19	Robert M. Ford 26th
<del>Spencer 37th</del>	James A. Connel 37th
Don L. L. L. 151	B. 42
Joe Moran	Don 36th
Joseph A. Moore 49	Ben Howman 2
Paul S. 24	Donna C. 18
William D. R. 14	Frankie L. 4
Don 48	

