Surface Transportation Board
Washington, D.C. 20423-0001

Office of the Chairman

August 19, 2014

Mr. E. Hunter Harrison
Chief Executive Officer and Director
Canadian Pacific Railway Company
7550 Ogden Dale Road S.E.
Calgary, AB T2C 4X9
Canada

Re: Railroad Service Outlook Fall 2014

Dear Hunter:

The Surface Transportation Board is again asking each Class I railroad to provide an assessment of its ability to meet expected rail service demands during the traditional "fall peak" period. The last year has been challenging for the United States' freight rail network due to a combination of volume, capacity, equipment and weather related issues. Rail service issues continue to have an adverse impact on many rail customers.

Over the past year, in response to Board orders/requests, Canadian Pacific Railway Company (CP) has provided information to the Board regarding its progress and plans toward improving rail service. In order to prepare for this year's peak, I am requesting that CP provide to the Board its general outlook and plans through the remainder of 2014 and for the winter season.

In your response, please include:

- Expectations for any seasonal or other projected peaks in carload, unit and intermodal traffic and the actions your railroad will take to prepare for those peaks, including a discussion of freight car, locomotive, and crew availability.

- Please detail any predicted changes in historical volumes or train speeds for commodities such as coal, automobiles, grain, chemicals, crude oil and other energy-related products, and describe your commodity-specific plans for this traffic.

- A description of any geographic areas and/or commodities for which you anticipate particular challenges in meeting customer service expectations. Stakeholders have raised recent concerns with the Board about supply chain fluidity for coal, automobiles, ethanol, and propane among other commodities. Your response should include a description of

how your company anticipates working with customers to avoid or mitigate critical shortfalls of commodities during periods of heavy rail congestion.

- A summary of the investments in freight service and capacity improvements year-to-date and planned for the year. Please include a discussion of any technology and business process improvements that have the potential to improve network fluidity and resilience in the face of continued service delays and severe winter weather conditions.

- A detailed discussion of efforts to improve fluidity through and around Chicago. Please discuss what steps can and will be taken to minimize disruption and congestion in Chicago this winter. If there are significant unrealized opportunities to improve performance through Chicago of a non-capital nature (e.g., better cooperation, communication, joint use of assets, traffic reroutes), please elaborate.

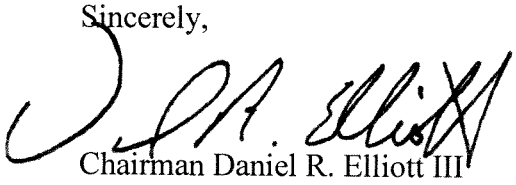
- The Board's August 18 order in EP 724 *et al.* directed CP to provide certain plans and data related to CP's interchange with Rapid City, Pierre and Eastern Railroad, Inc. (RCP&E). CP's response to this letter should also address CP's expectations for its coordination with RCP&E - in particular, with respect to the coming peak season.

- Concrete steps taken and planned to improve Amtrak performance.

The Board has announced that it will hold a hearing on September 4 in Fargo, N.D. to address continuing rail service issues, and has directed CP to appear. The Board's notice raises several areas of concerns regarding CP's service. So that CP may tailor its fall peak response to particular topics discussed at the hearing, I request that you respond to this letter by September 15, 2014. Additionally, in your response, it is not necessary to duplicate information that you are already providing to the Board in response to the orders in EP 724 (Sub-No. 2), *United States Rail Issues - Grain*; however, to the extent you have more recent plans and/or information, please include this in your response to this letter. As has been the case in the past, the Board intends to make your response public.

I look forward to your response and to continuing to work together to ensure the shipping public has efficient and reliable rail service.

Sincerely,



Chairman Daniel R. Elliott III

cc: The Honorable Deb Miller, Vice Chairman
The Honorable Ann D. Begeman, Commissioner