



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

March 6, 2014

Mr. E. Hunter Harrison  
Chief Executive Officer and Director  
Canadian Pacific Railway Company  
401 9th Avenue, SW  
Calgary, AB T2P4Z4  
Canada

Dear Mr. Harrison:

The Surface Transportation Board has been closely monitoring the rail industry's performance metrics. We are very concerned about the progressive deterioration in service that has been occurring across significant portions of the Canadian Pacific Railway Company ("CP") network in the United States. These service issues appear to be negatively affecting rail transportation for a number of commodities, particularly agricultural goods and chemicals.

Numerous CP customers, large and small, have now contacted the Board, expressing their concerns and frustrations about declining service levels and negative impacts on their businesses. These customers have described a common experience, including a significant backlog of unfilled car orders, multiple failures to pick up loaded trains, extended delay of loaded trains on sidings, prioritization of other traffic, and a failure by CP to provide reliable updates on the status of traffic. Although we appreciate CP's ongoing efforts to resolve one particularly critical service issue in consultation with the Board's Rail Customer and Public Assistance staff, we remain very concerned about the frequency and urgency of customer complaints.

We request that CP review with the Board the scope, severity, and underlying causes of its current service problems, and why CP is experiencing such difficulty meeting its customers' service expectations. The Board needs to be informed on how CP plans to restore appropriate service levels and its timeframe for doing so.

The Board has been reviewing CP's publicly available performance data, which confirms the anecdotal reports that operations have slowed and that congestion has increased system-wide. In order to better understand the magnitude of these service issues, we request that CP provide its U.S. operational data, broken out on a weekly basis, for 2013 and 2014 to date, as follows:

1. Carload volumes (totals as well as specific figures for grain, frac sand, crude oil, intermodal, chemical, and general merchandise);
2. Train speeds (for all trains as well as specific figures for grain, frac sand, crude oil, intermodal, chemical, and general merchandise);

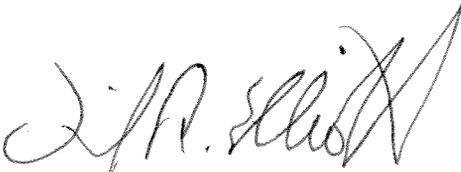
3. Average dwell by terminal (excluding run through trains); and
4. Cars on line.

Further, given the significant service issues that we are hearing about from agricultural shippers, please also provide detailed information about CP's agricultural traffic, including total grain car orders, average number of days to fulfill grain car orders, grain car orders outstanding, and the estimated timeline for fulfilling such outstanding orders. Please provide the requested data by March 17, 2014. In addition to the information above, we also request that you make available appropriate staff for weekly teleconferences with our Rail Customer and Public Assistance Office to discuss service issues and to review 2014 performance data on a continuing basis, until the situation has improved.

The Board understands that it is not possible for a railroad to predict precisely its traffic flows, equipment needs, crew resources, and external challenges (such as weather). However, as a Class I carrier, CP has the requisite experience to anticipate emerging challenges and to reallocate resources accordingly.

Thank you for your attention to this request. We look forward to hearing your company's plans for swift progress. Lucille Marvin, the STB's Director of Public Assistance, Governmental Affairs and Compliance, is available to answer any questions and will contact your office to arrange the weekly calls.

Sincerely,



Daniel R. Elliott III  
Chairman



Ann D. Begeman  
Vice Chairman

cc: Lucille Marvin  
Director, Office of Public Assistance, Governmental Affairs and Compliance  
Surface Transportation Board