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Surface Transportation Board
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June 17, 2025

Mr. Keith Creel
President and Chief Executive Officer
Canadian Pacific Kansas City Limited
7550 Ogden Dale Road S.E.
Calgary, AB T2C 4X9
Canada

Dear Mr. Creel:

I write to express my concern about technology changeover-related service disruptions on parts of the Canadian Pacific Kansas City (CPKC) network. As you know, these problems are acute in the southern United States. The agency has engaged with CPKC customers who continue to report elevated delays, missed switches, and congestion. Compared to CPKC's performance before the changeover, the Board's oversight data show higher terminal dwell at key yards, slower average velocity, and decreased on-time performance and industry spot and pull. Based on the agency's review of the most recent data submitted by CPKC and my continual discussions with you and the CPKC team, **I expect CPKC to provide the Board—by June 20, 2025—a Service Action Plan** detailing the railroad's plans to address these challenges.

As a condition to the Board's approval of the CPKC merger, the Board required CPKC to adhere to the terms of the CPKC Service Promise to address post-transaction service disruptions.¹ As part of its Service Promise, CPKC pledged to monitor service-related metrics on a regular basis. If monitoring revealed adverse trends triggering specified thresholds for three key metrics, CPKC would implement a "Service Action Plan" identifying the root cause of those trends, addressing associated issues, and reporting the Plan to the Board and public.² The Service Promise also included commitments to proactively communicate and consult with customers and promptly fix any issues that

¹ Canadian Pac. Ry.—Control—Kan. City S., FD 36500 et al., slip op. at 174 (STB served Mar. 15, 2023).

² These "Customer Experience" metrics and thresholds (calculated over a four-week rolling average) contained in the Service Promise are as follows:

- Manifest On-Time Performance: 55% threshold
- Industry Spot and Pull: 75% threshold
- Bulk Train On-Time Performance: 75% threshold

Applicants Final Br. 8-9 & App. A, Rider 1, Table 1.1, Canadian Pac. Ry.—Control—Kan. City S., Docket FD 36500 et al.

arise, including, where necessary, through cross-functional teams, an escalation process, and independent mediation.³

I expect the Service Action Plan will transparently detail the specific, concrete steps CPKC intends to take to recover from its current state, communicate effectively with its customers, and interchange efficiently with other carriers. Understanding that a four-week rolling average may not capture the latest progress following CPKC's increased resource deployment, I also expect the Plan to include key performance indicators, the railroad's best estimate for the timing of recovery, and relevant information about any forthcoming technological changes. In presenting its recovery steps, CPKC should address the railroad's efforts for customers who have been or could be embargoed.

The STB will continue to closely monitor this situation, help resolve customer problems, and take appropriate action to support the nation's supply chain. If you have any questions, please contact me or Ms. Janie Sheng, Director of the Board's Office of Public Assistance, Governmental Affairs, and Compliance, at 202-245-0238.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick J. Fuchs", written in a cursive style.

Patrick J. Fuchs
Chairman

³ Applicants Final Br. App. A, Rider 1, Canadian Pac. Ry.—Control—Kan. City S., Docket FD 36500 et al.; see also Applicants Reb., Vol. 2, R.V.S. Brooks, paras. 36-37, Canadian Pac. Ry.—Control—Kan. City S., Docket FD 36500 et al.