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August 15, 2014

VIA E-FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
United States Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

ENTERED
Office of Proceedings
August 15, 2014
Part of
Public Record

Re: *STB Docket No. EP 724-2, United States Rail Service Issues- Grain*

Dear Ms. Brown:

Attached for electronic filing in the above proceeding is Canadian Pacific's Eighth Weekly Report in response to the Board's order of June 20, 2014.

Thank you for your courtesy and cooperation in this matter.

Very truly yours,

Charles W. Webster



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Senior Vice President
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August 15, 2014

The Honorable Daniel R. Elliott III, Chairman
United States Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

The Honorable Debra Miller, Vice Chairman
United States Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

The Honorable Ann D. Begeman, Member
United States Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Re: *STB Docket No. EP 724-2*

Dear Chairman Elliott, Vice Chairman Miller, and the Honorable Ms Begeman:

I am writing in response to the Board's Order in Docket No. EP 724 (Sub-No 2) dated June 20, 2014 directing Canadian Pacific Railway Company (CP) to produce a grain order backlog plan, and provide weekly status reports on various metrics. This is CP's Eighth Weekly Report. In addition to our report I would like to update you on discussions with our customers.

For Week 1 of the 2014/15 crop year, new requests totaled 1,072, including those on the Rapid City, Pierre & Eastern Railroad (RCP&E). We fulfilled 1901 grain orders this week, of which 441 were cars delivered to the RCP&E. See Appendix 1. An update on CP locomotive supply to the RCP&E is set forth at Appendix 2.

The numbers show that order fulfillment was down slightly in North Dakota. This was due to an increase in cars offline (i.e., on other railways) and increased dwell at unloading locations. We have been working with customers to unload cars as promptly as possible and get empties flowing back for loading. Over the last few days we have seen an improvement in empty car supply. As discussed with you previously, much of the demand being presented to CP over the last few weeks is for movement east over Chicago for destinations located on other railroads.

The open request system, which was unique to CP, allowed customers to enter as many train and carload requests as they desired, without consideration of actual weekly rail car supply. Given the difficult operating conditions for all railroads, strong demand and premiums charged by other carriers, some customers entered a significant number of requests that went way beyond historical shipping levels. These phantom requests are exceedingly large, numbering in the thousands, and cannot be considered, in good faith, a backlog on CP.

We are working with our customers to make an orderly transition away from the open request system. The plan is being positively received, discussions with customers are progressing, and we are confident our customers' actual demand will be better managed under the new system. As part of these discussions, open requests will be removed.

For smaller volume customers, as we make the transition to a new system we will identify and work with them to satisfy their transportation needs. We have communicated with the majority of our customers directly over the last few days to determine current demand. Based on this, our expectation is we will see a significant reduction of outstanding requests.

We remain focused on moving as much grain as possible and communicating with our customers across the network

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Johnson". The signature is fluid and cursive, with a large initial "R" and "J".

Robert Johnson
Senior Vice President Operations

APPENDIX 1

GRAIN WEEK 01

	ND	MN	RCPE	IA	IL	WI	WY	MC
Total New Requests (unconstrained)	560		500	10			2	
Cancelled by Customer	100							
Cancelled by CP								
Cumulative Open Requests (unconstrained)	21,518*	6,645	N/A	80			2	
Average Age of Open Requests (weeks)	12.7	14.06	N/A	2.33				
Orders Accepted - week 01	1,418	250	500	10				
Orders Fulfilled - week 01	1,078	382	441					

	Week 01
Summary	
Total Orders Fulfilled	1,901
Variance to Orders Planned	(277)
Variance to New Requests	829

Fleet

CP Grain Hoppers Online in the US	3,276
CP Grain Hoppers Offline in the US	5,242
Private grain hopper billed previous week	128

*Note: this number does not reflect 4,057 open requests that were cancelled by customers on August 15, 2014.

APPENDIX 2

Net Locomotives on RCPE

