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August 22, 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 Augsut 22, 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 Ninth Weekly Report in response to the Board's orders of June 20 and August 18, 2014.

Thank you for your courtesy and cooperation in this matter.

Very truly yours,

Chankn Uno

Charles W. Webster



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August 22, 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<sup>th</sup>, 2014 as well as the recent order dated August 18<sup>th</sup>, 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 Ninth Weekly Report.

As noted in our previous report we continue to work with all our customers on a bilateral basis in a collaborative manner to make an orderly transition away from the open request system. We are confident our customers' needs will be better managed under the new system.

Current to today, customers have removed over 16,256 open requests from our system. Consequently, the number of open requests is now below 11,989. Over the next couple of weeks, as other customers remove additional open requests we expect the number of open requests to continue to come down significantly.

From now to harvest, we plan to continue to outstrip new requests by a significant margin as we have done since this reporting commenced. Furthermore, as we transition to our new system, we expect a 15% to 20% improvement in our ability to move grain into the fall harvest.

For Week 2 of the 2014/15 crop year, new requests totaled 1,457, including those on the Rapid City, Pierre & Eastern Railroad (RCP&E). We fulfilled 1,883 grain orders this week, of which 173 related to the RCP&E. The lower car supply to the RCP&E was at their request in order to allow them to catch-up on outbound volume to CP. To support these efforts, over the past 10 days CP also provided RCP&E with a significant influx of power. An update on CP locomotive supply to the RCP&E is set forth at Appendix 2.

We continue to be focused on moving as much grain as possible. To that end we are:

- modifying and improving the planning process and operational processes for small block shipments;
- bringing on additional operating employees in key locations;
- deploying a new shuttle service with customers;
- continuing to validate customer's needs on a bilateral basis;
- discussing with customers routing alternatives to avoid congested areas during winter;
- continuing to supply RCP&E with incremental locomotives above the design requirement which will allow them to run an extra train every second day ; and
- improving operational protocols and communication with interline carriers.

Sincerely,

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Robert Johnson Senior Vice President Operations

## **APPENDIX 1**

<b>GRAIN WEEK 02</b> Total New Requests (unconstrained) Cancelled by Customer Cancelled by CP	<b>ND</b> 947 2	<b>MN</b> 6 4	<b>RCPE</b> 600 100	<b>IA</b> 10	IL	WI	WY	N
Cumulative Open Requests (unconstrained)	10,266	1,653	N/A	70				
Average Age of Open Requests (weeks)	12.71	18.05	N/A	3.2				
Orders Accepted - week 02	1,290	325	500					
Orders Fulfilled - week 02	1,288	422	173					
<b>Summary</b> Total Orders Fulfilled Variance to Orders Planned Variance to New Requests	Week 02 1,883 (232) 320							
Fleet								
CP Grain Hoppers Online in the US CP Grain Hoppers Offline in the US	3,521 4,837							
Private grain hopper billed previous week	82							

## **APPENDIX 2**

	LOCOMOTIVES DELIVERED BY CP TO RCPE			LOCOMOTIVES DELIVERED BY RCPE TO CP			
REPORT_TMS	CP UNITS	RCPE UNITS	TOTAL	CP UNITS	RCPE UNITS	TOTAL	
01-Aug-14	1	2	3	3	4	7	
02-Aug-14	6		6	2	2	4	
03-Aug-14	3		3	1	7	8	
04-Aug-14	9	5	14	1	2	3	
05-Aug-14			0	5		5	
06-Aug-14	2	4	6	4		4	
07-Aug-14		5	5	3	2	5	
			37			36	
08-Aug-14	7	3	10	5	4	9	
09-Aug-14	6	2	8	1	2	3	
10-Aug-14	1	3	4			0	
11-Aug-14	2	2	4	1	8	9	
12-Aug-14	8	4	12	3		3	
13-Aug-14				2	3	5	
14-Aug-14	3	1	4	8		8	
			42			37	
15-Aug-14	3	5	8	7	5	12	
16-Aug-14	9		9	3		3	
17-Aug-14		2	2	4		4	
18-Aug-14	7	1	9	6	2	8	
19-Aug-14	5	3	8		4	4	
20-Aug-14	24		24	4		4	
21-Aug-14	6	4	10	9		9	
			71			44	



\* All locomotive counts reflect total Locomotive Horse Power. The base train requirements for CP/RCP&E factors in the usage of SD40 locomotives with 3000 Horse Power. CP will, when available, provide AC4400 HP locomotives to supplement RCP&E requirements, which increases the carrying capacity of the locomotive fleet. The number of units provided is therefore calculated as "Total Horse Power/ Base Horsepower per unit (3000 HP with an SD40)".