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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
September 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 Twelfth 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,

Charles W. Webster



Robert A. Johnson
Senior Vice President
Operations Southern Region

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September 12, 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, Commissioner
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 as well as the recent order dated August 18, 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 Twelfth 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. Furthermore, transparency and accountability will be improved. The open car request system allowed customers to enter as many free car requests as they desired, without any consideration of actual weekly rail car supply. This created a significant misalignment of the expectations of some customers and the service CP could actually provide.

For Week 5 of the 2014/15 crop year, new requests totaled 1663, including those on the Rapid City, Pierre & Eastern Railroad (RCP&E). We fulfilled 2566 grain orders this week, our best performance in 2014. Orders fulfilled exceeded new requests by 903. Of the total orders fulfilled, 267 orders related to the RCP&E. The lower car supply to the RCP&E has continued at their request in order to allow them to catch-up on outbound volume. CP continues to provide the RCP&E additional locomotive power. See, Appendix 2.

As of today, the number of open grain car requests is 5,974. Of these requests 3,641 will be serviced through our existing car request program. The remaining 2,303 of these requests represent cars that will move in train service. Most of this demand will transition to the new train program system. Below is the view to the open requests by state, split between train service demand and carload requests.

- North Dakota: 1,903 train service cars, and 3,281 carload requests
- Minnesota: 400 train service cars, and 340 carload requests

Over the next few weeks, we anticipate the number of open requests will continue to drop as customers transition to the new train program, and we continue to fulfill older requests at a rate that exceeds new ones. Harvest has been delayed this year, with approximately half as much new crop harvested compared to this time last year in North Dakota. The actions we are taking will position us well as the new crop harvest ramps up.

I would also like to comment on ongoing issues regarding car cycle times. We have fewer empty cars available to spot when they are not unloaded in a timely manner at destination. For example, this week destination terminals in the Pacific North West requested that inbound trains be staged due to capacity issues with unloading. As a result, 400 cars will be held for 4-5 days as they wait to be unloaded. Turning to eastbound shipments, we are actively working with customers with respect to 400 cars dwelling at various destinations. Delays in the unloading of these cars have been from two to six days. We will continue to work with customers to ensure they are handling cars expeditiously. As Canadian Pacific's performance improves we will keep destination and supply chain capacity at the forefront of our decision making process to ensure that we maintain velocity and move even more grain.

Additionally, in response to concerns expressed regarding CP reporting, we are in the process of changing how we present the data. Our new report will simplify the view to open requests as well as incorporate metrics on our new train program, such as cycle times. Initial cycles in the dedicated train program have been encouraging, averaging 11-13 days with some trips taking less than 10 days. Our report next week will provide this detail.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert Johnson", written in a cursive style.

Robert Johnson
Senior Vice President Operations

APPENDIX 1

GRAIN WEEK 05	ND	MN	RCPE	IA	IL	SD	WI	WY	MO
Total New Requests (unconstrained)	846	517	300	0	0	0	0	0	0
Cancelled by Customer	186	0	0	0	0	0	0	0	0
Cancelled by CP	0	0	0	0	0	0	0	0	0
Cumulative Open Requests (unconstrained)	5,184	740	N/A	0	0	50	0	0	0
Average Age of Open Requests (weeks)	11.81	14.56	N/A	0	0	16.5	0	0	0
Orders Accepted - week 05	1,353	400	300						
Orders Fulfilled - week 05	1,715	584	267						

Summary

Week 05

Total Orders Fulfilled	2,566
Variance to Orders Planned	513
Variance to New Requests	903

Fleet

CP Grain Hoppers Online in the US	3,523
CP Grain Hoppers Offline in the US	5,113
Private grain hopper billed previous week	144

APPENDIX 2

REPORT_TMS	LOCOMOTIVES DELIVERED BY CP TO RCPE			LOCOMOTIVES DELIVERED BY RCPE TO CP		
	CP UNITS	RCPE UNITS	TOTAL	CP UNITS	RCPE UNITS	TOTAL
29-Aug-14	4		4			
30-Aug-14	9		9		3	3
31-Aug-14	12		12			
01-Sep-14	5	4	9	5		5
02-Sep-14	4	4	8	9		9
03-Sep-14	9	2	11	7	2	9
04-Sep-14	2		2	6		6
			55			32
05-Sep-14	4		4	4		4
06-Sep-14	3		3	5		5
07-Sep-14	4		4	5	3	8
08-Sep-14	2		2	5	6	11
09-Sep-14	2	1	3	3		3
10-Sep-14	4		4	3	1	4
			20			35

