

November 21, 2023

The Honorable Cynthia T. Brown

Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

VIA E-FILING

Re: *Canadian Pacific Kansas City Limited and The Kansas City Southern Railway Company, d/b/a CPKC—Acquisition and Operation— Certain Rail Line of Meridian & Bigbee Railroad, L.L.C. in Lauderdale County, Mississippi and Choctaw and Marengo Counties, Alabama*

Finance Docket No. 36732

Dear Ms. Brown:

As directed by the Board in its Decisions Nos. 1 and 2, attached for filing in the above-captioned proceeding are two versions of the Supplemental Information (marked CPKC-7) to the Minor Transaction of Applicants Canadian Pacific Kansas City Limited and The Kansas City Southern Railway Company, d/b/a CPKC. One version, marked as "PUBLIC," and from which competitively sensitive commercial information has been redacted, is to be filed on the public record. The second, marked as "HIGHLY CONFIDENTIAL," is an unredacted version to be filed under seal.

Sincerely,

Stinson LLP

/s/ David F. Rifkind

David Rifkind

DFR:kr

Attachments

cc (Parties of Record; Secretary of Transportation; Department of Justice)

CPKC-7

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 36732

**CANADIAN PACIFIC KANSAS CITY LIMITED AND THE KANSAS CITY
SOUTHERN RAILWAY COMPANY, D/B/A CPKC**

—ACQUISITION AND OPERATION—

**CERTAIN RAIL LINE OF MERIDIAN & BIGBEE RAILROAD, L.L.C., IN
LAUDERDALE COUNTY, MISSISSIPPI AND CHOCTAW AND MARENGO
COUNTIES, ALABAMA**

CPKC'S SUPPLEMENTAL INFORMATION

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City Limited and The Kansas City
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COUNTIES, ALABAMA**

CPKC’S SUPPLEMENTAL INFORMATION

Applicants Canadian Pacific Kansas City Limited and The Kansas City Southern Railway Company, d/b/a CPKC, hereby submit this Supplemental Information as directed by the Board in its Decision Nos. 1 and 2.

I. GATEWAY ISSUES

STB Request:

Describe in detail the scope of “KCSR’s 2004 commitment not to close the Laredo gateway,” the intersection between the 2004 commitment and the conditions imposed in CPKC Approval Decision, FD 36500 et al., and the commitment’s potential implications on the Board’s final analysis of the competitive effects of the Proposed Transaction.

CPKC Response:

Scope of the 2004 Laredo Gateway Commitment. Among KCSR’s commitments in the 2004 KCS/Tex Mex proceeding was to “keep the Laredo gateway open on commercially reasonable terms.” That commitment was expressly referenced by the Board in its decision approving that transaction, and the Board imposed compliance with the commitment as a

condition thereof.¹ KCSR's commitment necessarily applied to traffic moving via the Laredo gateway as to which KCS's acquisition of control of Tex Mex and TFM could give the combined KCSR/Tex Mex/TFM network an extended or single-system haul. That scope included traffic that TFM interchanged with UP at Laredo that was destined for points in the Southeastern United States; whereas TFM's network ended at Laredo, KCSR could deliver such traffic to Eastern railroads via Meridian and other interchanges.

Implications of the Board's Decision in the CP/KCS Proceeding. The CP/KCS transaction had no impact on available rail routing options for traffic moving between Mexico and the Southeastern United States because the CP network did not extend south of Kansas City. Nonetheless, Applicants made clear that the Board's approval of the CP/KCS transaction would not extinguish the commitments made by KCSR in the *KCS/Tex Mex* proceeding.² The Board's approval decision expressly noted this representation.³ As a result, as Applicants' witness Brooks explained: CPKC "will inherit KCS's commitment to keep the Laredo Gateway open on commercially reasonable terms, which KCS made in 2003 when it proposed to acquire Tex Mex and TFM (which is now KCSM)."⁴

The "intersection" between the 2004 KCSR commitment and the condition the Board imposed in *CP/KCS* requiring CPKC to "keep gateways open on commercially reasonable terms" is first and foremost one of geographic scope. As Decision No. 35 explains, the *CP/KCS*

¹ *Kansas City Southern – Control – The Kansas City Southern Ry., Gateway Eastern Ry., and The Texas Mexican Ry.*, Decision No. 12, 7 S.T.B. 933, 950, 956 (ordering paragraph 4) (2004) ("*KCS/Tex Mex*").

² Specifically, Applicants stated that "CPKC will not take the position that the Transaction overrides or otherwise affects KCS's obligation to adhere to the commitments made in the *KCS/Tex Mex/TFM* proceeding." *CP/KCS*, Finance Docket No. 36500, Applicant Brief at App. A, A7 & A11.

³ *CP/KCS*, Decision No. 35 at 73 (STB served Mar. 15, 2023).

⁴ *CP/KCS*, Finance Docket No. 36500, Application, Vol. I, Brooks V.S. at ¶ 42 (Oct. 29, 2021).

gateway condition applies to “traffic interchanged through any gateway for which the Transaction creates a new single-line or extended haul for the combined entity.” As such, the CP/KCS condition does not apply to traffic moving between Mexico and the Southeastern United States. However, the 2004 *KCS/Tex Mex* commitment does apply to such traffic, because combining the TFM network with KCS’s network did “create[] a new single-line or extended haul for the combined entity.”

Implications for Competitive Analysis of CPKC/MNBR Transaction. Fundamentally, the CPKC-MNBR transaction does not combine railroads operating on opposite sides of any gateway.⁵ It merely improves the efficiency of one set of interline routes – *i.e.*, those connecting CPKC’s network west of Meridian with CSXT’s network east of Montgomery. CPKC anticipates that those improvements will lead to some traffic being rerouted from other existing interline routes, but this effect will not involve any gateway foreclosure. All railroads and all shippers *always have an ongoing incentive* to favor the routes that offer the best service and best economics, and the new Myrtlewood routing’s ability to thrive will likewise depend on its ability to offer an attractive option in comparison with other available routings. Gateway foreclosure will not enter into the equation.

An examination of the flows of traffic that Applicants anticipate would be attracted to the improved CPKC-CSXT routing via Myrtlewood shows why gateway foreclosure is not a concern, and even if there were a theoretical concern it would be extinguished by the continued vitality of KCSR’s 2004 commitment to keep the Laredo gateway open on commercially

⁵ The same railroads will continue to interchange the same traffic but in a different manner. MNBR will continue to interchange local traffic and AGR traffic with NS and CPKC; AGR will continue to interchange with CSX and MNBR; and CSXT and CPKC will continue to interchange, albeit directly rather than via MNBR haulage.

reasonable terms. In Section II below we respond to the Board's request to identify origin/destination areas and gateways for traffic flows affected by the CPKC/MNBR transaction. There are three categories of traffic that CPKC expects will be attracted from other rail routings by an improved Myrtlewood route: (1) traffic interchanged between CPKC and CSXT today at other gateways; (2) traffic interchanged between CPKC and NS at Meridian that may be attracted to an improved CPKC-CSXT route via Meridian and Myrtlewood; and (3) traffic moving between CSXT-served points in the Southeastern United States and KCSM-served points in Mexico via the Laredo and New Orleans gateways with UP as an intermediate carrier. We address each such category below:

Rerouting of CPKC-CSXT Interchange Traffic.

There is no gateway foreclosure issue associated with traffic that moves today on CPKC-CSXT interline routings and might in the future be shifted to more efficient routings via Myrtlewood. Any such rerouting would reflect the procompetitive efficiencies that would be the fruits of the parties' investments in the Myrtlewood routing. CPKC and CSXT would work together to determine the most efficient routings for their shared interline traffic, just as all railroads do.

Traffic Interchange between CPKC and NS at Meridian.

Similarly, there is no gateway foreclosure issue associated with traffic that might shift from CPKC-Meridian-NS routings to CPKC-Myrtlewood-CSXT routings as a result of improvements in the efficiency and attractiveness of the Myrtlewood routing. NS has no contractual entitlement to this traffic. And CPKC would not gain a materially longer haul by taking traffic to Myrtlewood instead of to Meridian. Instead, the newly-invigorated Myrtlewood option would simply enable CSXT routing options to compete more effectively against options involving NS. CPKC will not have any incentive, or any ability, to "force" the traffic over the

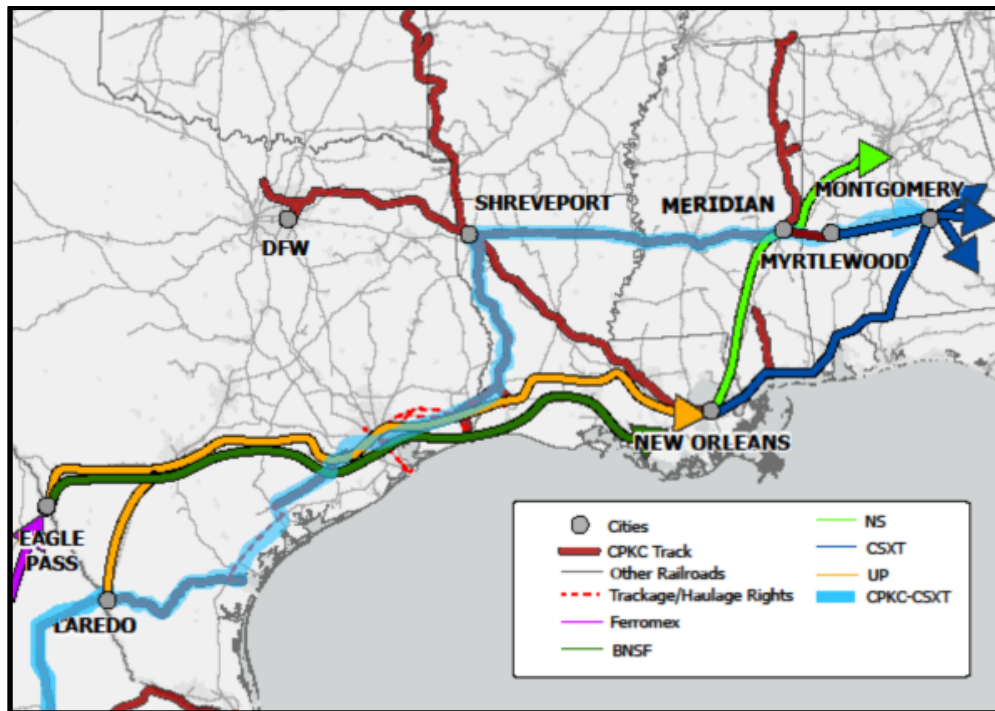
Myrtlewood routing. Instead, the transaction will merely enable NS and CSXT to compete on a more equal footing to attract the traffic to their respective eastern networks.

Traffic Between Southeastern United States and Mexico via Laredo and New Orleans Gateways.

Among the anticipated “diverted” and new traffic flows, the only category for which use of the Myrtlewood routing would give CPKC “a new single-line or extended haul” is automotive and other traffic that KCSM delivers to UP at Laredo and UP handles between Laredo and New Orleans, where UP delivers the traffic to CSXT. As Mr. Wahba’s Verified Statement accompanying the Application explains, the CPKC/MNBR transaction will create an efficient new routing option for this traffic by enabling CPKC to interchange efficiently with CSXT via Myrtlewood, AL, and as a result some traffic that currently moves via UP and the New Orleans gateway could be attracted to a route that involves CPKC service direct to Myrtlewood.

Nonetheless, there is no gateway foreclosure concern. As shown in Figure 1 below, KCSR would have no incentive or ability to “force” traffic over a CPKC direct routing to Myrtlewood, in substantial part because any such effort could lead shippers to shift to traffic routings via Eagle Pass that bypass CPKC entirely. And even if KCSR could “force” a long haul for this traffic, it could already be doing so by taking the traffic to the existing interchange with NS at Meridian (or to NS or CSXT at other Eastern gateways reached by KCSR’s network). Instead, the new CPKC-Myrtlewood-CSXT direct routing will merely add one attractive new option for shippers of traffic between Mexico and CSXT-served points in the Southeastern United States.

FIGURE 1
FOR MEXICO-SE TRAFFIC, MYRTLEWOOD WOULD BE ONE NEW OPTION WITH NO CPKC
ABILITY TO CLOSE KCSM-UP LAREDO ROUTINGS



But the Board need not reach this issue, because KCSR’s 2004 Laredo gateway commitment (and the related condition imposed by the Board) means that – regardless of CPKC’s incentives or abilities to “foreclose” – CPKC must continue to keep the Laredo gateway open on commercially reasonable terms. That means that CPKC cannot “force” traffic away from UP to the new CPKC-CSXT direct connection at Myrtlewood. That new route will attract the traffic only if shippers prefer it to KCSM-UP-CSXT routings or movements of the same intermodal and automotive traffic using the FXE network in Mexico to UP or BNSF via the Eagle Pass gateway.

For traffic moving in the reverse direction, from CSXT-served points in the Southeastern United States to Mexico, the analysis is just as straightforward. There is not even a theoretical possibility of gateway foreclosure concerns for westbound traffic moving via the new

Myrtlewood routing because CSXT would not be obtaining a longer haul for this traffic by moving it via Myrtlewood. Instead, as CSXT explains in detail in the Supplemental Information it is filing in Finance Docket No. 36727, the routing via New Orleans provides CSXT with line hauls that are more than a *hundred miles longer* than via Myrtlewood. As a result, the only reason why CSXT might favor a Myrtlewood routing is because it would be more efficient (by reducing overall mileage, avoiding the congested New Orleans gateway, eliminating one interchange, or for other reasons), and in the process provide customers with better service and economic outcomes.

II. PROJECTED NEW AND “DIVERTED” TRAFFIC

STB Request:

Provide a list of all origination/destination areas, including gateways, for the projected diverted and new traffic; identify any interchange partners participating in current movements of this traffic as well as projected diverted and new movements (if applicable); and provide the associated volumes by origination/destination areas for projected diverted and new traffic.

CPKC Response:

Exhibit “A” attached hereto contains four tables with the requested information. Tables 1-3 detail existing CPKC-CSXT carload traffic which currently moves over New Orleans (Table 1), Brookwood (Table 2), and East St. Louis (Table 3). Table 4 details automotive, automotive parts, and intermodal traffic that were included in CPKC’s forecasts for “projected diverted and new traffic.”

These tables identify the origin and destination areas by regional groupings of states in the United States and at the country level for Mexico. This level of geographic specificity provides the Board with a view of the current intermodal and intramodal traffic flows and how those flows, and competition for traffic in those corridors, are likely to be impacted by the establishment of a

new and efficient CPKC-CSXT direct route between Mexico and the Southwestern United States, on the one hand, and the Southeastern United States and beyond, on the other.

III. OPERATIONAL ISSUES

STB Request:

Detail any impacts anticipated on other rail operations, including (1) potential impacts on any passenger rail operations that involve crossing the Western Line and (2) delays that may be occasioned because a line is scheduled to handle increased traffic due to route consolidations or traffic diversions.

CPKC Response:

Potential impacts on any passenger rail operations crossing the Western Line

No passenger rail operations either operate on or cross the Western Line. Accordingly, there are no potential impacts on any current passenger rail operations.

Delays that may be occasioned because a line is scheduled to handle increased traffic due to route consolidations or traffic diversions.

As discussed below, no delays to passenger or freight rail service should be occasioned on any line due to Transaction-related traffic. In the first five years, CPKC forecasts that the Transaction will result in CPKC adding an additional train pair that will operate between Shreveport and Myrtlewood. CPKC does not forecast the need to operate a regularly scheduled second train pair until, at the earliest, year eight. Existing capacity between Shreveport and Meridian can easily accommodate this modest additional train service with no material impact on the fluidity of rail operations. Beyond Shreveport, new and diverted traffic will be handled in existing train service and similarly will not impact fluid operations on these lines. Below we address the potential impacts of the new train starts on the Meridian gateway, the Meridian Speedway, and other connecting lines.

Meridian Gateway

As illustrated in Figure 2 below, at Meridian, NS's north-south line connects to and crosses the east-west Meridian Speedway which terminates at Meridian. The crossing is facilitated by crossovers approximately [200 feet in length] and takes approximately 7 minutes for a 100-car train to clear. The crossover switches are manual switches that in their default position are lined for the Meridian Speedway's mainline, and are controlled and dispatched by CPKC. Additionally, CPKC's line north to Artesia crosses NS's mainline just north of the Amtrak station. The Western Line extends east, and the Meridian Southern Railway's ("MDS") line extends south, from Meridian.

Figure 2



Approximately, 18 trains a day, including two Amtrak trains, operate daily on NS north-south line. CPKC currently operates four trains daily that use the crossovers. CPKC and NS

operating teams communicate regularly and coordinate to ensure fluid operations on both lines. CPKC is unaware of any specific concerns, complaints, or alleged delays to NS's operations as a result of any CPKC traffic or of CPKC's dispatch and control of the crossovers.

Meridian can easily accommodate more cross traffic without negatively impacting fluid operations on NS's line. It can certainly accommodate the Transaction related additional train in each direction through Meridian. In sum, the addition of one (or more) train pair(s) daily through Meridian should not occasion delays to other traffic operating through Meridian.

CPKC-MNBR Interchange Will Not Negatively Affect NS Mainline Operations

The CPKC – MNBR interchange of traffic at Meridian does not interfere with NS mainline operations today and that will not change as a result of the Transaction. CPKC's yard, NS's interchange tracks, and MNBR's yard in Meridian are both located east of the crossovers. MNBR sets out and lifts cars from CPKC's interchange yard and NS's interchange tracks in Meridian. The interchange operations require MNBR to move between its yard, on the one hand, and CPKC's and NS's respective interchange yards on the other hand, and does not require it to enter on, or operate across, the NS mainline. Post Transaction, MNBR will continue to interchange traffic with CPKC and NS as it does today—clear of the NS mainline.

Further, the Transaction will result in fewer cars interchanged between CPKC and MNBR in Meridian which reduces yard activity and dwell in Meridian. Currently, CPKC interchanges haulage and other traffic with MNBR in CPKC's yard in Meridian. Following the Transaction, the CPKC-CSXT train will handle the traffic MNBR formerly handled in haulage, on a through train between Myrtlewood and Jackson, thereby reducing the amount of traffic interchanged between CPKC and MNBR in Meridian. As a result, the eastbound CPKC-CSXT train (train 998) will operate through Meridian without stopping, allowing 998 to pass through the Meridian terminal

more quickly. The westbound train from Myrtlewood (train 999) will pick up local and short line interchange traffic on the south side of Meridian clear of Norfolk Southern and Amtrak. Currently, this pick up of local and short line interchange traffic is performed by the CPKC crew on train 257 received from NS at Meridian. 257 is a CPKC-NS interline manifest train that operates between Birmingham and Jackson and is interchanged in Meridian. Following its arrival in Meridian, a CPKC crew shoves the train across NS's mainline tracks to retrieve interchange traffic from the CPKC yard before departing for Jackson. These interchange operations take about one hour, during which, at least one of NS's mainline tracks is tied up. In the future, 999 will perform this work clear of NS's mainline, freeing 257 to operate through Meridian with just a brief stop for crew change. These changes should allow for more efficient, streamlined operations in and through Meridian.

The CPKC-MNBR Transaction should also reduce the amount of traffic moving over Brookwood, benefitting NS. Traffic moving over Brookwood between CPKC and CSXT currently must cross the NS mainline both at the Meridian Speedway crossovers and at the crossover north of the Amtrak station. Some of the Brookwood traffic will shift to the more efficient Myrtlewood routing which, in turn, will reduce the amount of traffic crossing NS's mainline north of the Amtrak station in Meridian. While Brookwood volumes are relatively modest, as volumes grow over the long term, the benefit of having streamlined operations through Meridian will increase.

With respect to passenger traffic operating on NS's mainline, Amtrak's Crescent service runs through Meridian on the NS's north-south main line stopping briefly at the Amtrak station in Meridian. South of Amtrak's Meridian station, the Crescent crosses over the Meridian Speedway track via the crossovers. In designing its schedule for the new train service, CPKC accounted for Amtrak's schedule by scheduling in a cushion between CPKC's scheduled use of the crossovers

and Amtrak's scheduled use. As shown in Table 1, CPKC's planned schedule ensures sufficient temporal separation to avoid a conflict and greatly reduce the possibility that the trains will arrive at the crossovers at the same time. See Table 1.

Table 1
Amtrak and CPKC Meridian Post-Transaction Schedules

Train	Arrive	Depart
CPKC – eastbound	07:55	07:55
CPKC – westbound	13:15	
Crescent – northbound	13:32	13:37
CPKC – westbound		15:00
Crescent – southbound	16:13	16:19

While the CPKC westbound train is scheduled to arrive in Meridian shortly before Amtrak, it will lift and set off cars in Meridian east of the crossover while Amtrak operates through Meridian. CPKC's westbound train is scheduled to enter the crossover at 15:00, long after the northbound Crescent and well before the southbound Crescent are scheduled through Meridian. Any additional trains that might be added in the future would similarly be scheduled to avoid conflict with Amtrak service. In the unlikely event that Amtrak and CPKC arrive or depart at the same time, Amtrak's train is entitled to priority.

Meridian Speedway

The Meridian Speedway is a 320-mile single track line between Shreveport, LA and Meridian, MS. It is jointly owned by CPKC and NS and is operated by CPKC on behalf of MSLLC. The line was upgraded beginning in 2006 when the Meridian Speedway LLC was formed. The upgrades resulted in estimated capacity of approximately 25 trains per day provided train lengths are consistent with the capacity of existing sidings. Subsequent improvements, including installation of CTC, have increased capacity to an estimated 30 trains per day. Currently, the Meridian Speedway operates well below that capacity. Typically, volumes range

between ten and fourteen trains daily with an average of approximately twelve trains daily. Accordingly, the Transaction-related traffic falls within the daily variability, can easily be accommodated, and should not have a material impact on freight operations.

If in the future, NS and CPKC volumes are expected to exceed capacity, NS and CPKC can invest in additional infrastructure under the terms of their agreements. Moreover, the MSLLC agreement governs service and addresses infrastructure needs.

As to passenger operations, as Amtrak's only "A" rated host, CPKC has demonstrated its commitment to Amtrak's on time performance. While presently Amtrak does not operate east-west service on the Meridian Speedway, during the CP – KCS control proceeding, CP and Amtrak agreed to participate in a joint study with other stakeholders, "with the goal of the introduction of a single round trip Amtrak train between Meridian, MS and Dallas TX and with the potential for a 2nd daily round trip..." See Exhibit "B," Amtrak-Canadian Pacific Agreement. The new service to be studied would operate on the Meridian Speedway between Shreveport and Meridian. At Shreveport it would connect to UP's line and at Meridian it would connect to NS's line. CPKC remains fully committed to working with Amtrak on the Meridian – Dallas project.

The introduction of passenger traffic on a freight line involves different considerations than are at issue when adding more freight traffic. A primary consideration for passenger traffic, is whether there is sufficient infrastructure, such as passing sidings, crossovers, stations, and other required infrastructure, to support effective passenger train service in parallel with freight traffic. The addition of the Transaction-related traffic should have little or no impact on what additional infrastructure is needed to support passenger operations. Nor is there a basis for concern regarding Amtrak' future performance should it establish service on this corridor.

Amtrak's north-south City of New Orleans service operates on CN which crosses the Meridian Speedway near Jackson, MS. See Figure 3 below. For approximately .4 miles (KCS MP 95.8 to 95.4) CPKC and CN share CN's line (the "Joint Tracks"). CPKC operates over the Joint Tracks via trackage rights. CN controls and dispatches the CN Jackson Switch Tender and accordingly, whether Amtrak trains are accorded priority is entirely up to CN.⁶ CPKC's High Oak Yard is located approximately 4 miles east of the Joint Tracks.

Figure 3



As with the Crescent service, as shown in Table 2 below, CPKC's schedule for the new CPKC-CSXT train service avoids the slots used by the City of New Orleans.

⁶ In 2011, at MSLLC request and expense, CN made signal and other improvements to the Joint Tracks and related infrastructure.

Table 1
Amtrak and CPKC Jackson Joint Tracks Post-Transaction Schedules

Train	Arrive	Depart
CPKC – eastbound	03:10	05:25
City of New Orleans – southbound	12:12	12:20
CPKC – westbound	17:40	
City of New Orleans – northbound	18:28	18:44
CPKC – westbound		19:60

Other Connecting Lines

New and diverted traffic from Mexico, the Southwest, and from the areas around Shreveport and Jackson will be handled on existing CPKC train service. Traffic will be consolidated on the new CPKC train to Myrtlewood at Shreveport and Jackson. Likewise, westbound Transaction-related traffic will be allocated among existing train service operating out of Shreveport or Jackson as appropriate. Because this traffic will be distributed among multiple trains, the effect of this traffic on these lines including on train lengths will be diluted. Accordingly, CPKC expects no adverse operational impacts on these lines related to the Transaction.

IV. DEFERRED MAINTENANCE AND IMPROVEMENTS

STB Request:

Applicants also shall provide a description of the effect of any deferred maintenance or delayed capital improvements on the subject lines and associated equipment. This should include the schedule for eliminating such deferrals, details of general system rehabilitation (including rehabilitation relating to the transaction, such as proposed yard and terminal modifications), and how these activities will lead to service improvements or operating economies anticipated from the transaction.

CPKC Response:

Effect of Deferred Maintenance on the Western Line and Associated Equipment:

CPKC's engineering team recently conducted an inspection of the Western Line in which they

found that it is currently maintained to a level that, at most, allows for short line freight rail operations at slow speeds.

During its inspection, CPKC observed the following conditions on the Western Line: Most of the rail is jointed, 90 lb. rail. Significant portions of the Western Line are near the minimum geometry thresholds for surface, cross level and alignment and qualify as Class I track by FRA standards. The switches are small with sharp curves and hook plates, which are subject to high spreading forces during rail operations. Many of the ties must be replaced in order to support higher speeds and heavier weights. Anchors are placed only approximately every 4th or 5th tie.

Track bed conditions are similarly below CPKC's standards. Much of the ballast has broken down and is contaminated with mud and fines. Such conditions compromise the ballast's ability to provide a stable track base. CPKC observed several areas where the spaces between the ties and shoulders needed additional ballast. MNBR's maintenance of way employees try to keep up with the ballast issues using hand tools, rather than the mechanized tools that are generally necessary to address such issues in a comprehensive and effective manner to support Class I operations.

Several public crossings used small ballast to level the track with the grade. Small ballast crossings interfere with the proper inspection of the underlying ballast and tie conditions, among other disadvantages.

There are 31 bridges on the Western Line and most of those are timber trestle bridges approaching 100 years old and which will repair, rehabilitation or replacement in the future to continue to handle rail traffic. Further, the Western Line traverses large swaths of swamp land. The soil in this area referred to as "gumbo soil" consists of clay, pea gravel, sand and silt. Gumbo

soil tends to trap moisture and swell and then contract when dry. As a result, the soil is less than an ideal base for timber bridges.

In addition, there is considerable beaver activity in the area that results in frequent clogged culverts which, in turn, can lead to washouts and saturated road beds. Increased culvert sizes would help to reduce the frequency and impact of clogging.

CPKC observed a large amount of brush and vegetation in the right-of-way that is nearing the track and threatening the track integrity.

MNBR relies on small flip point derails which are less robust than the type of derails that CPKC uses.

This track conditions on the Western Line described above have several negative effects. First, significant portions of the Western Line can withstand maximum sustainable speeds of just 5 to 10 MPH. Thus, it takes several hours to traverse the approximately 50-mile Western Line resulting in slow service and higher crew costs.

Second, the Western Line is not currently capable of supporting heavy tonnage operations, limiting the volumes of traffic that can move over the line, today.

Third, the anchor spacing and other track issues increase the risk of sun kinks on high heat days. Accordingly, when daytime temperatures exceed 95 degrees Fahrenheit, the line is out of service during the daytime. In light of climate change, such outages are likely to become more frequent.

Fourth, the line is less resilient and more vulnerable to disruption. The risk of washouts, derailments due to track issues such as wide gauge, sun kinks, and other issues, is heightened.

Fifth, if the issues described above are not addressed in a comprehensive manner – an undertaking that will require substantial investment – service will inevitably deteriorate,

potentially driving local customers from rail to truck. As traffic decreases, MNBR would have less revenue available to conduct maintenance. Eventually, much of the Western Line would cease to be operable.

The schedule for eliminating such deferrals and details of general system rehabilitation.

CPKC plans to get to work on eliminating deferrals as soon as the Transaction is consummated. Exhibit “C” contains CPKC’s current plan for completing the track work maintenance and Exhibit “D” contains CPKC’s current plan for addressing bridge maintenance. CPKC anticipates that within the first year of the Transaction, it will have eliminated enough of the deferred maintenance items and completed upgrades to the track sufficient to support sustained maximum speeds of 25 MPH and reducing transit time between Meridian and Myrtlewood to enable the trip between Jackson and Myrtlewood to be made by one crew.

As to yard and terminal modifications related to the Transaction, CPKC and CSXT expect to extend the short siding in the existing rail right of way near Myrtlewood in order to accommodate MNBR, AGR, and CSXT interchange traffic while keeping the mainline and second siding clear for CPKC-CSXT operations. Only a small amount of the extended yard track would be in CPKC’s right of way; the rest will be in CSXT’s right of way. No other yard, and no terminal, modifications are contemplated.

Resulting service improvements and operating economies.

As a result of CPKC’s improvements to the Western Line, CPKC and MNBR will be able to operate over the line at maximum sustained track speeds of 25 MPH including on high heat days. This will more than halve the time it takes CPKC to traverse the Western Line, which will allow it to operate with one crew between Jackson, MS and Myrtlewood, AL. The track will also

be more stable, reliable and resilient, which in turn will support more reliable local and overhead service and reduce the risk of derailments.

Likewise, CPKC's bridge and culvert program will support higher speeds and reinforce the rail infrastructure against climate change. CPKC expects to replace many of the timber-trestle bridges which are at the end of their useful lifespan with pre-cast concrete bridges with steel pilings. The steel pilings are more stable in the gumbo soil than timber pilings. They also allow for faster water flow which makes the bridge and surrounding area less vulnerable to flooding. Likewise, larger culverts will reduce the risk to the track bed from flooding.

The replacement of jointed rail with continuously welded rail likewise improves track resilience and reduces maintenance demands. It has an added environmental benefit of reducing noise from rail operations.

An aggressive brush and vegetation control program will improve sight lines for grade crossings, thereby increasing safety.

The replacement of small ballast crossings will reduce risk to both the railroad and to the general public. Likewise, the installation of switch point derails will increase safety appropriate for a line that will host both CPKC and MNBR operations, and reduce the risk of a service disruption caused by rail equipment fouling the main line.

Lastly, CPKC's Class I resources and its planned investments in eliminating deferred maintenance and improving the Western Line will assure the Western Line's long term viability.

Dated: November 21, 2023

Respectfully submitted,

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Company d/b/a CPKC*

VERIFICATION

I, Jonathan Wahba, verify under penalty of perjury under the laws of the United States that Sections I and II of the foregoing are true and correct. Further, I certify that I am qualified and authorized to sponsor this Verified Statement.

Executed on this 21 day of November, 2023.

A handwritten signature in black ink, appearing to read 'J. Wahba', is written above a horizontal line.

Jonathan Wahba

VERIFICATION

I, Raymond A. Elphick, verify under penalty of perjury under the laws of the United States that Sections III of the foregoing is true and correct. Further, I certify that I am qualified and authorized to sponsor this Verified Statement.

Executed on this 21 day of November, 2023.

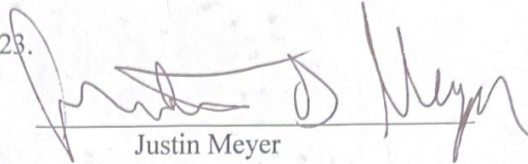


Raymond A. Elphick

VERIFICATION

I, Justin Meyer, verify under penalty of perjury under the laws of the United States that Sections IV of the foregoing is true and correct. Further, I certify that I am qualified and authorized to sponsor this Verified Statement.

Executed on this ___ day of November, 2023.


Justin Meyer

CERTIFICATE OF SERVICE

Undersigned counsel for Canadian Pacific Kansas City Limited, a noncarrier, on behalf of itself and its wholly owned subsidiary, The Kansas City Southern Railway Company (KCS) d/b/a CPKC, hereby certifies that on this 21st day of November, 2023, the foregoing Supplemental Information in Docket No. FD 36732 has been served electronically or by first-class mail, postage prepaid, on all Parties of Record, the Secretary of Transportation, and the Attorney General of the United States.

Dated: November 21, 2023

/s/ David F. Rifkind

EXHIBIT A

NEW & "DIVERTED" TRAFFIC DATA

Table 1
EXISTING CPKC-CSXT CARLOAD¹ TRAFFIC I/C AT NEW ORLEANS VIA NOPB

Origin	Destination	Est. “Diverted” Volume (cars)	Total Volume (cars)	Est. Percent Diverted	STCC	Total Volume by STCC (cars)	Est. “Diverted” Volume by STCC (cars)
Northeast (MA, ME, NJ, NY, PA)	South (LA, OK, TX)						
Midwest (IL, IN, MI, OH)	South (AR, LA, MS, OK, TX)						
South (AL, FL, GA, KY, LA, MD, MS, NC, SC, TN, VA, WV)	South (AR, LA, MS, OK, TX)						

¹ Carload traffic based on June 2022-July 2023 data.
² "E" = empty car moving without an STCC code.

Origin	Destination	Est. “Diverted” Volume (cars)	Total Volume (cars)	Est. Percent Diverted	STCC	Total Volume by STCC (cars)	Est. “Diverted” Volume by STCC (cars)
Northeast (CT, MA, NJ, NY, PA)	Mexico						
Midwest (IL, IN, MI, OH)	Mexico						
South (AL, FL, GA, KY, MS, NC, SC, TN, VA)	Mexico						

Table 2
EXISTING CPKC-CSXT CARLOAD TRAFFIC I/C AT BROOKWOOD VIA ABS

Origin	Destination	Est. “Diverted” Volume (cars)	Total Volume (cars)	Est. Percent Diverted	STCC	Volume (cars)	Est. “Diverted” Volume by STCC
Northeast (MA, ME, NJ, NY, PA)	South (LA, MS, OK)						
Midwest (IL, IN, MI, OH)	South (AR, LA, MS, OK, TX)						
South (AL, FL, GA, KY, LA, MD, NC, SC, TN, VA, WV)	South (AR, LA, MS, OK, TX)						
Northeast (MA, PA)	Mexico						
Midwest (IL, IN, MI, OH)	Mexico						
South (AL, FL, GA, KY, LA, MD, NC, SC, TN, VA, WV)	Mexico						

Table 3
EXISTING CPKC-CSXT CARLOAD TRAFFIC I/C AT EAST ST. LOUIS

Origin	Destination	Est. “Diverted” Volume (cars)	Total Volume (cars)	Est. Percent Diverted	STCC	Volume (cars)	Est. “Diverted” Volume by STCC (cars)
Northeast Midwest (IL, IN, OH)	South South (AR, OK)						
South (KY, TX)	South (TX)						
Northeast (NY)	Mexico						
Midwest (IL, IN, MI, OH)	Mexico						
South	Mexico						

Origin	Destination	Est. “Diverted” Volume (cars)	Total Volume (cars)	Est. Percent Diverted	STCC	Volume (cars)	Est. “Diverted” Volume by STCC (cars)
(AL, FL, GA, KY, MS, NC, SC, TN, VA)							

Table 4
FINISHED AUTOS, AUTO PARTS AND INTERMODAL TRAFFIC

Traffic	Origin	Destination	Route	Est. New Volume (cars)	Est. "Diverted" Volume (cars)	Total Volume (cars)	Est. Percent New & "Diverted"	ST CC	Volume (cars)
CSXT Finished Autos (plants / imports)	South (AL, GA)	Mexico	CSXT-NOLA- UP-LAREDO-CPKC						
Mexican Auto Parts Suppliers	Mexico	South (FL, GA, TN)	Truck						
Mexican Finished Autos	Mexico	South (FL, GA, SC)	CPKC-LAREDO-UP-NOLA-CSXT						
Mexican Finished Autos	Mexico	South (FL, GA, SC)	Truck-Short Sea Vessel-Truck						
Mexican Intermodal (excluding reefers)	Mexico, Laredo	South (FL, GA, NC)	CPKC-MEDIAN-NS						
US Intermodal (excluding reefers)	South (FL, GA, NC)	Mexico, Laredo	NS-MERIDIAN-CPKC						
Reefers	Mexico, Laredo	South (FL, GA, NC)	Truck						

EXHIBIT B

AMTRAK AGREEMENT

LANDMAN CORSI BALLAINE & FORD P.C.

A NEW YORK PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

120 BROADWAY

13TH FLOOR

NEW YORK, NEW YORK 10271

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ENTERED
Office of Proceedings
February 2, 2022
Part of
Public Record

SOPHIA REE

MEMBER

TEL: (212) 393-7923

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One Gateway Center
22nd Floor
Newark, NJ 07102
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1617 JFK Boulevard, Suite 955
Philadelphia, PA 19103
Tel: (215) 561-8540

February 2, 2022

VIA E-FILING

Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, S.W., Room 1034
Washington, D.C. 20423

Re: **Docket No. FD 36500**
Canadian Pacific Railway Limited; Canadian Pacific Railway Company; Soo Line Railroad Company, Central Maine & Quebec Railway US Inc.; Dakota, Minnesota & Eastern Railroad Corporation; and Delaware & Hudson Railway Company, Inc.—Control—Kansas City Southern, The Kansas City Southern Railway Company, Gateway Eastern Railway Company, and the Texas Mexican Railway Company

Dear Ms. Brown:

The National Railroad Passenger Corporation (“Amtrak”) is pleased to report to the Board that Amtrak has reached the enclosed agreement with Canadian Pacific Railway Company and its United States rail operating subsidiaries Soo Line Railroad Company, Central Maine & Quebec Railway US Inc., Dakota, Minnesota & Eastern Railroad Corporation, and Delaware and Hudson Railway Company, Inc. (collectively, “CP”) in connection with CP’s application in the above-referenced proceeding.

Given CP’s excellent record as an Amtrak host railroad and CP’s commitments to Amtrak’s efforts with states and others as detailed in the agreement, Amtrak is pleased to have reached an agreement formalizing CP’s support of Amtrak expansion in the Midwest and the South. Amtrak supports CP’s Application, which promises significant public benefits for the U.S. rail network.

LANDMAN CORSI BALLAINE & FORD P.C.

Cynthia T. Brown
February 2, 2022
Page 2

Pursuant to paragraph 8 of the agreement, Amtrak hereby requests that the Board impose the terms of the enclosed agreement as a condition of the Board's approval of the Application.

Respectfully Submitted,

/s/ Sophia Ree
Sophia Ree

Enclosure

cc: All Parties of Record

**AMTRAK-CANADIAN PACIFIC
AGREEMENT**

The following Agreement to Cooperate (“Agreement”) is entered into this 17th day of December, 2021 between the National Railroad Passenger Corporation, having its headquarters in Washington, D.C., herein referred to as “Amtrak,” and Canadian Pacific Railway Company’s United States rail operating subsidiaries, Soo Line Railroad Company, Central Maine & Quebec Railway US Inc., Dakota, Minnesota & Eastern Railroad Corporation, and Delaware and Hudson Railway Company, Inc., referred to collectively as “Canadian Pacific,” or “CP”. Amtrak and Canadian Pacific are collectively referred to as “Parties.”

WHEREAS, Amtrak is in the process of making certain infrastructure improvements to facilitate additional round-trip Hiawatha trains operating on lines owned by Canadian Pacific between Chicago, Illinois and Milwaukee, Wisconsin;

WHEREAS, Amtrak is in the process of making certain infrastructure improvements to facilitate the expansion of intercity passenger service to Minneapolis-St. Paul, Minnesota on lines owned by Canadian Pacific;

WHEREAS, Amtrak’s long-term vision includes intercity passenger service between New Orleans and Baton Rouge, Louisiana on lines owned by Kansas City Southern, which would require certain infrastructure improvements that have not yet been funded;

WHEREAS, Amtrak’s long-term vision includes passenger service through the Detroit River Tunnel, initially between Detroit, Michigan and Windsor, Ontario, Canada;

WHEREAS, Amtrak desires further study of a possible passenger route between Dallas, Texas and Meridian, Mississippi;

WHEREAS, on October 29, 2021, Canadian Pacific filed with the Surface Transportation Board (“STB” or “Board”) an application in STB Finance Docket No. 36500 for authority to acquire control of Kansas City Southern and its railroad affiliates (collectively, “Kansas City Southern”); and

WHEREAS, Amtrak is prepared to support that application in return for certain commitments by Canadian Pacific;

THEREFORE, Amtrak and Canadian Pacific hereby agree to the following:

1. Hiawatha Service.

- a. Canadian Pacific will add operation of a 7th Sunday round-trip *Hiawatha* train upon Amtrak’s fourteen (14) days’ advance written notice to CP prior to Amtrak’s requested implementation. Amtrak’s notice to CP shall acknowledge the Parties’ agreement to compensation on a per-train mile basis and scheduled trip times equal to that of other *Hiawatha* trains operating on Canadian Pacific per the then current agreement between Amtrak and CP regarding *Hiawatha* trains.

- b. Canadian Pacific agrees to permit Amtrak to add (as Amtrak planned independent of CP's proposed acquisition of KCS) an 8th daily round trip *Hiawatha* train upon: (i) completion of the following projects (some or all of which may have been necessary to support this additional train with or without CP's proposed acquisition of KCS) (A) the installation of CTC between Cut-off and the Milwaukee Intermodal Passenger Station; (B) completion of the addition of the second passenger platform at the Milwaukee Airport Rail Station; and (C) not less than thirty (30) days after receipt of a written commitment by the relevant funding agencies to fully fund the Muskego Yard Improvements Project ("MYIP") (described in Exhibit A attached hereto), during which time CP may commence engineering and construction for the MYIP; and (ii) Amtrak's fourteen (14) days' advance written notice to CP acknowledging the Parties' agreement to (A) compensation on a per-train mile basis equal to that of other *Hiawatha* trains operating on Canadian Pacific; and (B) scheduled trip times temporarily adjusted for *Hiawatha* trains to offset the impact of construction related activities during the MYIP, and after completion of the MYIP, scheduled trip times equal to that of other *Hiawatha* trains operating on Canadian Pacific, per the then current agreement between Amtrak and CP regarding *Hiawatha* trains. If, upon the operation of the 8th daily round-trip *Hiawatha*, CP demonstrates that the quality of freight transportation provided to shippers has been materially impacted by the introduction of the 8th daily round-trip *Hiawatha*, Amtrak and CP agree to work in good faith to make such additional adjustments to the *Hiawatha* train schedules to mitigate such material impact.
- c. Canadian Pacific agrees to permit Amtrak to add (as Amtrak planned independent of CP's proposed acquisition of KCS) a 9th and 10th daily round trip *Hiawatha* train upon (i) (A) completion of the projects detailed in Exhibit A attached hereto (some or all of which may have been necessary to support these additional trains with or without CP's proposed acquisition of KCS), and if a project identified in Exhibit A is not implemented or completed, then the Parties shall cooperate to identify and agree upon a replacement for each project not implemented or completed; or (B) upon a material reduction in combined passenger and freight service volumes on the *Hiawatha* service corridor (measurement period beginning anytime following execution of this Agreement versus calendar year 2019 combined passenger and freight service volumes) for a minimum of two (2) years; and (ii) fourteen (14) days' advance written notice to CP acknowledging the Parties' agreement to compensation on a per-train mile basis and scheduled trip times equal to that of other *Hiawatha* trains operating on Canadian Pacific, per the then current agreement between Amtrak and CP regarding *Hiawatha* trains. The Parties agree to cooperate to secure funding for the projects and acknowledge that nothing in this agreement shall obligate CP to contribute to such funding.

2. **Twin Cities-Milwaukee-Chicago (TCMC).**

- a. Canadian Pacific agrees to permit Amtrak's operation of the 1st daily round trip (as Amtrak planned independent of CP's proposed acquisition of KCS), which shall initially be an extension of an existing *Hiawatha* service train, prior to the

completion of the infrastructure improvements detailed in Exhibit B attached hereto (the “TCMC Improvements”) or such other alternative projects agreed upon by CP and Amtrak, upon (i) Amtrak’s sixty (60) days’ advance written notice to CP including (A) a commitment by all funding agencies for the TCMC Improvements to fully fund the TCMC Improvements (some or all of which may have been necessary to support this additional train with or without CP’s proposed acquisition of KCS); (B) acknowledging the Parties’ agreement to compensation on a per-train mile basis equal to that of *Hiawatha* trains operating on Canadian Pacific; and (C) acknowledging scheduled trip times temporarily adjusted to reflect the impact of construction activities during the TCMC Improvements, and after completing of the TCMC Improvements, equal to the agreed-upon schedules between Amtrak and CP for *TCMC* trains.

- b. Canadian Pacific agrees to permit the operation of a 2nd daily *TCMC* round trip (as Amtrak planned independent of CP’s proposed acquisition of KCS) upon the later of both (i) the completion of the TCMC Improvements, satisfaction of the terms in Subparagraph 1.b.(i) through (iii) above, and upon the Parties’ completion within one (1) year or less, of the process outlined in Section 3.2 of the Second Amendment Agreement between National Railroad Passenger Corporation and Chicago, Milwaukee, St. Paul and Pacific Railroad Company, dated September 1, 1976, as amended (the “Second Amendment Agreement”); and (ii) Amtrak’s sixty (60) days’ advance written notice to CP including (A) a commitment by the relevant funding agencies to fully fund any additional agreed-upon improvements to support the 2nd daily *TCMC* round trip (some or all of which may have been necessary to support these trains with or without CP’s proposed acquisition of KCS); (B) acknowledging the Parties’ agreement to compensation on a per-train mile basis equal to that of other *TCMC* trains operating on Canadian Pacific; and (C) acknowledging the temporary adjustment of scheduled trip times during the construction of agreed-upon infrastructure improvements, if any, that are required to (i) support scheduled trip times equal to or lesser than the initial *TCMC* daily round trip times; and (ii) mitigate any unreasonable impairment of CP’s freight transportation resulting from the 2nd daily *TCMC* round trip.

3. **New Orleans to Baton Rouge.**

- a. If the STB approves Canadian Pacific’s acquisition of control of Kansas City Southern and not sooner than two (2) years following such approval in order to permit infrastructure improvements as outlined below to be completed, Canadian Pacific agrees to permit Amtrak, in conjunction with other stakeholders, to introduce one (1) daily round trip Amtrak intercity passenger train between New Orleans (IC Junction) and Baton Rouge, Louisiana (“New Orleans-Baton Rouge Service”) (i) at maximum authorized speeds, reflecting passenger train differentials; (ii) with compensation on a per-train mile basis equal to that of *Hiawatha* trains currently operating on Canadian Pacific; and (iii) without capital contribution from Amtrak for any additional main lines or sidings which CP may construct to support freight operations. Amtrak and CP acknowledge that certain improvements, which may include station(s), CTC/PTC, accelerated speeds and other improvements, may be required

because of Amtrak operations to facilitate the introduction of safe, trip-time-competitive intercity passenger rail service on the KCS rail line between IC Junction and Baton Rouge. The Parties commit to work together in good faith to determine what improvements are required because of Amtrak operations for the start of service, to cooperate in securing funding for such improvements, and to implement such improvements as promptly as possible; however, nothing in this agreement shall obligate CP to contribute funding to such improvements.

- b. CP and Amtrak agree to review monthly the performance of the 1st round trip New Orleans-Baton Rouge Service train. Promptly after six (6) months of operation, the Parties agree to meet and review in detail the performance of the 1st round trip New Orleans-Baton Rouge Service train to determine if any schedule modifications or additional improvements are required to facilitate the reliable, trip-time-competitive operation of a 2nd daily round trip Amtrak train between New Orleans (IC Junction) and Baton Rouge, Louisiana.
 - i. If the Parties agree that schedule modifications or additional improvements are required to facilitate the reliable, trip-time-competitive operation of a 2nd daily round trip New Orleans-Baton Rouge Service train, the Parties shall work together in good faith, to promptly implement such schedule modifications or additional improvements. Immediately following completion of such schedule modifications or agreed-upon improvements, the Parties will implement the 2nd daily round trip New Orleans-Baton Rouge Service train in accordance with Subparagraph 3.c. below.
 - ii. If the Parties agree that no further schedule modifications or improvements are required to facilitate the reliable, trip-time-competitive operation of a 2nd daily round trip New Orleans-Baton Rouge Service train, the Parties will implement the 2nd daily round trip New Orleans-Baton Rouge Service train in accordance with Subparagraph 3.c. below.
 - iii. If the Parties fail to agree on any schedule modifications or additional improvements, the Parties shall, at the request of either, jointly undertake and fund a third-party capacity analysis of the rail line between New Orleans (IC Junction) and Baton Rouge, which shall be completed no more than six (6) months after the date of such request. Within thirty (30) days of such request, the Parties shall jointly select a third party to conduct such analysis, and shall promptly share all operating, engineering, and other data as the third party may request. If the third party analysis determines that the rail line between New Orleans (IC Junction) and Baton Rouge can reasonably accommodate the 2nd daily Amtrak round trip, the Parties will implement such 2nd daily round trip Amtrak train in accordance with Subparagraph 3.c. below. If the third party analysis determines that the rail line between New Orleans (IC Junction) and Baton Rouge cannot reasonably accommodate the 2nd daily Amtrak round trip, the Parties shall, within

sixty (60) days of the completion of the capacity analysis, select and implement a mitigation strategy, after which the Parties shall implement the 2nd daily round trip New Orleans-Baton Rouge Service train in accordance with Subparagraph 3.c. below.

- c. Subject to the relevant conditions outlined in Subparagraph 3.b. above, CP agrees to permit the operation of a 2nd daily round trip New Orleans-Baton Rouge Service train upon sixty (60) days' advance written notice from Amtrak to CP including (i) a commitment by the relevant funding agencies to fully fund any additional improvements to support the 2nd daily round trip New Orleans-Baton Rouge Service train; (ii) acknowledging the Parties' agreement to compensation equal to that of the 1st round trip New Orleans-Baton Rouge Service train; and (iii) acknowledging the temporary adjustment of scheduled trip times during the construction of agreed-upon infrastructure improvements, if any, that are required to (A) support scheduled trip times equal to or lesser than the 1st round trip New Orleans-Baton Rouge Service train; and (B) mitigate any unreasonable impairment of CP's freight transportation resulting from the 2nd daily round trip New Orleans-Baton Rouge Service train.

4. **Detroit/Windsor.**

- a. Upon Amtrak's sixty (60) days' advance written notice to CP, Canadian Pacific will permit Amtrak to use the Detroit River Tunnel to connect one (1) round trip passenger train per day with Via Rail Canada (VIA) at Windsor, Ontario not sooner than one (1) year following the execution date of this Agreement (i) at maximum authorized speeds, reflecting passenger train differentials; (ii) with compensation on a per-train mile basis, equal to that of *Hiawatha* trains currently operating on Canadian Pacific; and (iii) with no required capital contribution from Amtrak for capacity improvements for the first (1st) round trip train identified in this Subparagraph 4.a. herein, except as may be required for station facilities, but excluding dedicated station tracks.
- b. Following the Parties' completion within one (1) year or less, of the process outlined in Section 3.2 of the Second Amendment Agreement and not sooner than four (4) years following the execution date of this Agreement, upon Amtrak's sixty (60) days' advance written notice to CP, CP agrees to permit Amtrak to introduce a 2nd daily Detroit/Windsor round trip, subject to identical terms as the first Detroit/Windsor round trip train.

- 5. **Dallas to Shreveport to Meridian.** If the STB approves Canadian Pacific's acquisition of control of Kansas City Southern and not sooner than two (2) years following such approval of control, Canadian Pacific agrees to participate in a joint study including Amtrak, Norfolk Southern Railway, Union Pacific Railroad, and relevant governmental agencies, with the goal of the introduction of a single round trip Amtrak train between Meridian, MS and Dallas, TX and with the potential for a 2nd daily round trip, subject to identical terms, not sooner than four (4) years following such STB approval.

6. **Metrics and Minimum Standards.** If the STB approves Canadian Pacific's acquisition of control of Kansas City Southern, Canadian Pacific agrees that any changes in operations stemming directly or indirectly from such acquisition of control, including but not limited to changes in freight traffic volumes, scheduling, infrastructure, and dispatching, will not cause the Customer OTP of Amtrak trains currently operating on Canadian Pacific lines to fall below the minimum standard as defined in the Federal Railroad Administration's (FRA) Final Rule published November 16, 2020.
7. **Commitment to Cooperation.** Consistent with current practice, Canadian Pacific and Amtrak will continue to cooperate regarding published schedules and schedule modifications for all Amtrak trains operating on Canadian Pacific lines, including those identified above, and will cooperate to obtain third-party funding for joint benefit and intercity passenger rail sole-benefit projects which will contribute to the success of Amtrak's Intercity Rail Passenger Service and CP freight service.

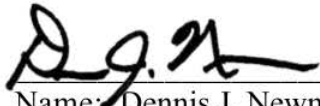
Discussions between the parties pursuant to this Agreement, including but not limited to the process outlined in Section 3.2 of the Second Amendment Agreement referenced above, will be subject to the terms and conditions of a Nondisclosure Agreement that the parties will negotiate in good faith. Amtrak shall not disclose to any third-party prior or future discussions concerning CP's trade secrets and other confidential business information except as required by law, such as by court order, subpoena, or the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552. Amtrak shall consult with CP prior to responding to any court order, subpoena or FOIA request that includes prior or future discussions or information exchanged between the parties under this Agreement. For the avoidance of doubt, nothing in this paragraph shall be construed as prohibiting Amtrak from complying with its obligations under FOIA.

8. **Letter of Support.** Subject to CP's review and approval and no later than February 28, 2022 or by another date certain at CP's request, Amtrak will file a letter addressed to the Board stating that Amtrak supports Canadian Pacific's application to acquire control of Kansas City Southern in STB Finance Docket No. 36500. CP understands and acknowledges that Amtrak may request that the Board impose a condition requiring CP to honor its commitments to Amtrak as described in this Agreement, and Amtrak understands and acknowledges that CP is free to oppose such a request by Amtrak. Amtrak agrees it will not seek additional conditions in connection with CP's application. Amtrak reserves the right to oppose any condition sought in STB Finance Docket No. 36500 that conflicts with the provisions of this Agreement or that would otherwise impair Amtrak service, but if that were to occur, it would not affect Amtrak's commitments under this Agreement.
9. **Dispute Resolution.** The Parties agree that the commitments contained in this Agreement shall be enforceable in accordance with the dispute resolution process identified in Article Six of the Agreement between National Railroad Passenger Corporation and Chicago, Milwaukee, St. Paul and Pacific Railroad Company, dated September 1, 1976, as amended.

10. **Governing Law.** This Agreement is binding on the Parties and their successors and shall be construed in accordance with and governed by the internal laws of the District of Columbia without reference to its conflict of laws principles.

AGREED:

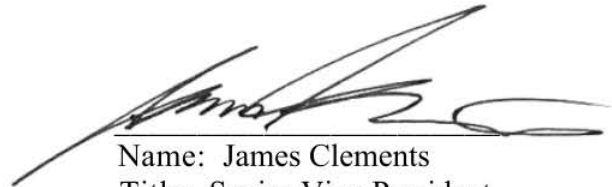
National Railroad Passenger Corporation



Name: Dennis J. Newman
Title: Executive Vice-President
Planning & Asset Development

AGREED:

Soo Line Railroad Company,
Central Maine & Quebec Railway
US Inc., Dakota, Minnesota &
Eastern Railroad Corporation, and
Delaware and Hudson Railway
Company, Inc.



Name: James Clements
Title: Senior Vice-President
Strategic Planning & Technology
Transformation

Exhibit A: Paragraph 1.b. Project Descriptions

Projects previously identified and included in the *Hiawatha* initiative

1. MARS Second Platform
 - Construction of west platform with canopy, elevator towers, overhead pedestrian bridge, and track improvements at Milwaukee Airport Rail Station (MARS). Includes track resurfacing and inter-track fencing.
2. MIS-Cut-Off CTC
 - CTC installation from Menomonee to Cut-Off.
3. Muskego Yard Freight Bypass of Milwaukee Intermodal Station–(MYIP)
 - Create a new double-track mainline through Muskego yard that will become the primary route for freight traffic traveling through Milwaukee, including reconfiguration of east and west track yard approaches.
 - Install a new Centralized Traffic Control (CTC) system to allow signals to automatically change in response to track occupancy and remote control.
 - Replace the 100+ year-old structure across Burnham Canal and the Menomonee Valley River to accommodate higher loading capacity and speed and rehabilitate other bridges.
4. Speed Increase between A-20 and Rondout for certain freight trains
 - Increase speeds of non-heavy CP trains from 40 to 50 MPH. If necessary, may involve some grade crossing modifications. Inspect signals to check if rewiring is needed.
5. Rondout interlocking signal and track improvements
 - Install new interlocking equipment, crossovers and new track to enable simultaneous bi-directional movements between C&M and Fox Lake sub. Includes second track on Fox Lake Sub, and a 1,000-ft third track on C&M Sub.
6. Lake Forest Crossovers¹
 - Universal crossover constructed between IL Route 60 and Conway Rd, including associated signal work.
7. Glenview Universal Crossover²
 - Universal crossover installed south of Glenview Rd in Glenview, IL, including associated signal work.

¹ The Federal Railroad Administration, Wisconsin Department of Transportation, the Illinois Department of Transportation (“IDOT”), other relevant stakeholders and CP previously identified and agreed to several rail infrastructure improvements to support a proposed increase of Amtrak’s Hiawatha passenger rail service on CP trackage between Milwaukee and Chicago, including the Lake Forest Crossovers (“Lake Forest”) and Glenview Universal Crossover (“Glenview”) projects included in Exhibit A of this Agreement. Subsequently, IDOT issued a May 2, 2019 letter declining to seek federal funding for the Lake Forest and Glenview projects. If one or both of the Lake Forest or Glenview projects are not implemented, then the Parties shall cooperate to identify and agree upon a replacement for each missing project.

² See previous footnote.

Exhibit B: Paragraph 2.a. Project Descriptions

Project	Municipality	Description
Midway Maintenance Facility	St. Paul, MN	Implement minor improvements to the retired Midway Station for reuse as a layover/maintenance facility.
Tower CK	Winona, MN	Alleviate congestion west of the Winona Depot. Extends the siding connecting the main track to the CP Waseca Subdivision over ½ mile east, with power switches and signals. Includes new turnouts, new signals, and reconstruction of Bierce Street at-grade crossing.
Winona Siding	Winona, MN	Upgrade two miles of existing siding track with power switches and signals to allow more efficient train meets and allow the ability to clear the main track more quickly and efficiently when working Winona. Includes constructions of new turnouts, new signals and communications, and reconstruction of track and panels at six crossings.
River Junction	La Crescent, MN	Converts an un-sigaled yard track to a signaled second main track from Bridge Switch directly west of the Mississippi River Bridge through River Junction to West River Junction. Power switches would be installed at the junction with the Marquette Subdivision. The alignment of the Bridge Switch would be modified to allow for increased train speeds through the switch, and the new main track speeds would be increased from 10 mph to 25 mph. Includes signal improvements, new mainline track, turnouts, and an upgrade to the existing yard track.
Mississippi River Bridge	La Crescent Township, MN	Realign the track approaches at both the west and east ends, replace the west bridge switch and replace the bridge special trackwork at the moveable points of the bridge. These improvements will increase the speed across the bridge from 10 mph to 15 mph.
La Crosse Yard and Depot Area Improvements	La Crosse, WI	Re-establishes the second main track through the La Crosse depot area and convert the existing La Crosse Yard lead to a signaled second main track from Grand Crossing west to the foot of the Black River Bridge at East Wye. Also includes extension of the existing yard lead to the west, reconstruction of the passenger platform at the La Crosse Amtrak Depot, and reconstruction of crossings at Saint Cloud/Liberty streets and Avon/Hagar streets.

CERTIFICATE OF SERVICE

I, Sophia Ree, declare under penalty of perjury that the foregoing is true and correct.

Pursuant to 49 § 1104.12, I hereby certify that on the 2nd day of February, 2022 I have caused to be served a copy of the foregoing Letter to Surface Transportation Board upon all parties of record via electronic mail.

Executed on: February 2, 2022

By: /s/ Sophia Ree
Sophia Ree

CERTIFICATE OF SERVICE

I, Sophia Ree, declare under penalty of perjury that the foregoing is true and correct.

Pursuant to 49 § 1104.12, I hereby certify that on the 2nd day of February, 2022 I have caused to be served a copy of the foregoing Letter to Surface Transportation Board upon the following parties of record in this proceeding via mail:

Secretary of Transportation
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Attorney General of the United States,
c/o Assistant Attorney General
Antitrust Division, Room 3109
Department of Justice
Washington, DC 20530

Lance Lin
Attorneys for Yang Ming (America) Corp
1085 Raymond Boulevard
Newark, NJ 07102

Brad Chase
Attorneys for Bison Transport
1001 Sherwin Road
Winnipeg, MB R3H 0T8
Canada

Executed on: February 2, 2022

By: /s/ Sophia Ree
Sophia Ree

EXHIBIT C

TRACK MAINTENANCE & IMPROVEMENT - YEAR 1 PLAN

Proposed Year 1 MNBR Schedule

November 18/2023

Item	Quantity	Unit	Mile From	Mile To	Day 1	D1+30	D1+60	D1+90	D1+120	D1+150	D1+180	D1 +210	D1+240	D1+270	D1+300	D1+330	D1+360	Comments
Track Ties	5,650	Tie	0	5.65														1000/day with HD Tie crew and 8 hour block assumption, working 8/6 or 9/5 schedule
Track Ties	10,000	Tie	6	16														1000/day with HD Tie crew working 8/6 or 9/5 schedule
Track Ties	36,487	Tie	15.83	49														1000/day with HD Tie crew working 8/6 or 9/5 schedule
Switch Ties	12	Sets	0	50														
Rail	5.5	Track Miles	0.15	5.65														OOF rail at 4500'/day with HD Rail consist and 8 hour block assumption
Rail	4.8	Track Miles	45.2	50														Curve rail at 1200'/day with HD Rail consist and 8 hour block assumption
Joint Elimination	10,709	Welds	5.65	45.2														JE ahead of tie program in limits without OOF rail replacement
Additional Anchors	257,000	Anchors	5.65	45.2														applied during rail and tie programs, stand alone utility crew to apply outside those limits
Grinding	118.65	Pass Miles	5.65	45.2														<30 days work and timing will depend on overall system schedule. Do after rail install
Frogs	10	Each	0	50														install spread over project duration, plan to shadow tie and rail blocks.
#15 Switches (90# to 136#)	2	Each	0	50														install spread over project duration, plan to shadow tie and rail blocks.
#15 Switches (115# to 136#)	8	Each	0	50														install spread over project duration, plan to shadow tie and rail blocks.
Crossing Rehabs	16	Each	0	50														install spread over project duration, plan to shadow tie and rail blocks.
Stabilization	1	n/a																
Ditching	1	n/a																on track ditcher achieving average production of 0.5 miles per day
Shoulder Cleaning	50	Track Miles																planned in parallel with tie installation work
Brush Cutting	50	Track Miles	0	50														brush cutting planned in appropriate calendar month based on foliage (dependent on day 1)
Ballast	18,525	Tons	0	50														Ballast to be dumped during and at end of tie program to address shy ballast shoulders
Structures (All excluding M. 46.3)																		requires multiple contract & consultant resources to work concurrently on bridges
Structure M. 46.3 (Tombigbee)	1		46.3	46.5														Large structure with extensive work which will push 12 month timeline (possible 10MPH)

Assumptions:

- Production crews on a 8/6 or 9/5 schedule
- 8 hour track blocks for crews
- Day 1 is April 1 or later to allow for material delivery
- Ditching to be done by badger ditcher or equivalent
- Crossing rehabs will not be delayed by road authority approvals, etc.
- Consultant and Contractor resources secured ahead of Day 1 to execute Structures work
- Approval for long lead times materials is provided Dec 31/23 at latest

EXHIBIT D

STRUCTURES MAINTENANCE & IMPROVEMENT - YEAR 1 PLAN

Milepost	Br. Number	Asset Type	Crossing	Total Length	Total Spans	Timber Piers	Repl Length	Total Spans By Type	Total Decks by Type	Plan							Track Alignment	Year Built
										# Caps	# Piles Post/ Frame	Sway/ Sash Brace # Bents	Longit Brace # Spans	Girts # Spans	Back-walls	Riprap (Tons)		
0.60	0.6	Bridge	Sowashee Creek	264.5	19	11	264.5	10-TBS, 1-RBS, 1-TPG, 1-RBS, 6-TBS	10-OD, 1-OD, 1-OD, 1-OD, 6-OD			9	9				Tangent	1927
1.80	1.8	Bridge	Ditch	13	1	2	13	1-TBS	1-OD							500	Tangent	1927
4.30	4.3	Bridge	Ditch	10	1	2	10	1-TBS	1-OD								Curve Right	1927
5.2	5.2	Culvert	Ditch	39	3			3-PIPE	N/A								Tangent	
7.80	7.8	Bridge	Causeyville Road	86	7	6	86	3-TBS, 1-RBS, 3-TBS	3-BD, 1-BD, 1-BD		1	4	4				Curve Left	1927
8.80	8.8	Bridge	Creek	60	5	6	60	5-TBS	5-OD		18	4	3				Tangent	1927
9.80	9.8	Bridge	Buckatunna Creek	134.74	11	12	134.74	11-TBS	11-OD			10	9		1		Tangent	1968
11.20	11.2	Bridge	Creek	122	10	11	122	10-TBS	10-OD		4	9	8		1		Tangent	1966
12.70	12.7	Bridge	Creek	70	5	6	70	5-TBS	5-BD			4	3				Tangent	1927
13.30	13.3	Bridge	Stream	12.5	1	2	12.5	1-TBS	1-OD						1		Tangent	1927
13.80	13.8	Bridge	Stream	36	3	4	36	3-TBS	3-BD	4	24	2	1				Tangent	1927
17.80	17.8	Bridge	Slough	48	4	5	48	4-TBS	4-BD	5	18	3	2				Tangent	1927
22.10	22.1	Bridge	Stream	36	3	4	36	3-TBS	3-OD	8	8	2	1		2		Tangent	1927
25.50	25.5	Bridge	Stream	48.5	4	5	48.5	4-TBS	4-OD	10	23	3	2				Tangent	1927
26.40	26.4	Bridge	Stream	60	5	6	60	5-TBS	5-BD	6	13	4	3		1		Tangent	1927
26.60	26.6	Bridge	Stream	49	4	5	49	4-TBS	4-OD	5	24	3	2				Curve	1927
28.40	28.4	Bridge	Yantley Creek	122	10	11	122	10-TBS	10-OD	2	32	9	8			200	Tangent	1970
29.20	29.2	Bridge	Stream	48	4	5	48	4-TBS	4-OD	10	18	3	2				Tangent	1927
30.60	30.6	Bridge	Wildcat Branch	72.25	6	7	72.25	6-TBS	6-BD	6	5	5	4		1		Tangent	1934
31	31	Culvert	Ditch	8	1			1-PIPE	N/A								Tangent	1934
31.90	31.9	Bridge	Stream	61	5	6	61	5-TBS	5-BD	2	8	4	3				Tangent	1934
33.80	33.8	Bridge	Stream	71	6	7	71	6-TBS	6-BD	7	18	5	4				Tangent	1934
34.40	34.4	Bridge	Stream	48	4	5	48	4-TBS	4-BD	2	10	3	2		2		Tangent	1927
35.80	35.8	Bridge	Clear Creek	112	9	10	112	9-TBS	9-BD		12	8	7				Tangent	1935
36.3	36.3	Culvert	Ditch	7	1			1-PIPE	N/A								Curve Right	
39.80	39.8	Bridge	Mill Creek	85.1	7	8	85.1	7-TBS	7-OD		2	6	5		2	200	Curve Right	1972
40.40	40.4	Bridge	Deans Branch	35.5	3	4	35.5	3-TBS	3-OD	8		2	1		2		Tangent	1934
41.50	41.5	Bridge	Horn Branch	23.5	2	3	23.5	2-TBS	2-OD	6		1			2		Tangent	1960

PUBLIC VERSION

Milepost	Br. Number	Asset Type	Crossing	Total Length	Total Spans	Timber Piers	Repl Length	Total Spans By Type	Total Decks by Type	Plan							Track Alignment	Year Built
										# Caps	# Piles Post/ Frame	Sway/ Sash Brace # Bents	Longit Brace # Spans	Girts # Spans	Back-walls	Riprap (Tons)		
41.70	41.7	Bridge	Threemile Branch	84.75	7	8	84.75	7-TBS	7-BD	4	7	6	5				Tangent	1934
46.30	46.3	Bridge	Tom Bigbee River	2970	202	194	2369	10-TBS, 1-RBS, 3-TTS, 188-TBS	10-OD, 1-OD, 3-OD, 188-OD	65	304	194	192	192			Tangent / Curve Left	1934
47.00	47	Bridge	Swamp	1480.75	123	124	1480.75	123-TBS	123-OD	34	125	122					Tangent	1934
47.60	47.6	Bridge	Creek	518	43	44	518	43-TBS	43-BD	10	25	42				200	Tangent	
48.80	48.8	Bridge	Slough	250	10			10-RBS	10-BD	**** NEW BRIDGE ****							Tangent	2008
48.9	48.9	Culvert	Drainage	27	3			3-PIPE	N/A								Tangent	