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FINANCE DOCKET NO. 36500 (SUB-NO. 6)

**CANADIAN PACIFIC RAILWAY LIMITED, ET AL. – CONTROL – KANSAS CITY SOUTHERN, ET AL.
(GENERAL OVERSIGHT)**

CPKC'S JULY 2025 TRAFFIC DIVERSION SUBMISSION**CANADIAN PACIFIC KANSAS CITY LIMITED**

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CPKC’S JULY 2025 TRAFFIC DIVERSION SUBMISSION

In accord with Oversight Decision No. 1 served on September 1, 2023, Canadian Pacific Kansas City Limited (“CPKC”), on behalf of itself and its U.S. rail carrier subsidiaries,¹ provides this fourth semiannual report on the traffic impacts of the CP/KCS transaction, covering the period from November 1, 2024 through April 30, 2025 (the “Reporting Period”).

I. INTRODUCTION

Decision No. 35 required CPKC to report, on a biannual basis, the following:

“With respect to the following, Applicants will be required to report information on a biannual basis (every six months), categorized by two-digit STCC and on a carload basis:

- Truck-to-rail diversions on the CP and KCS lines subject to this proceeding.
- Rail-to-rail diversions on the CP and KCS lines subject to this proceeding broken out in the following categories:
 - Joint-line movements converted to single-line service
 - Movements that CPKC has diverted from other railroads on to the merged system.”

Finance Docket No. 36500, Decision No. 35 at 82.

CPKC’s first biannual report, submitted on January 16, 2024, explained in detail the methodology CPKC used to analyze and report on post-Transaction traffic changes. *See* January 2024 Traffic Diversion Submission (CPKC-8) at 4-11. This fourth Traffic Diversion Submission follows the same methodology and reporting format. Section II summarizes the estimated traffic gains resulting from the Transaction in each of the categories required by Decision No. 35.

¹ CPKC’s U.S. rail carrier subsidiaries include Soo Line Railroad Company; Central Maine & Quebec Railway US Inc.; Dakota, Minnesota & Eastern Railroad Corporation; Delaware & Hudson Railway Company, Inc. (collectively “CP” or “CP/Soo”); The Kansas City Southern Railway Company, Gateway Eastern Railway Company, and The Texas Mexican Railway Company (collectively, “KCSR”).

Section III reports those gains on a corridor-by-corridor basis, providing additional specific examples of the ways the Transaction has attracted new traffic to the CPKC network.

II. OVERVIEW OF TRAFFIC GAINS ARISING FROM CP/KCS TRANSACTION DURING REPORTING PERIOD

CPKC’s best estimate of the magnitude of traffic (in terms of carloads and intermodal units) attracted to the CPKC network during the Reporting Period as a result of the Transaction and within the scope of this analysis is set forth in File “STB_FD_36500_6_DIVERSION_HC_2025_07_202507091621.csv” (the “Diversion Estimate File”). CPKC has designated that file as Highly Confidential in its entirety because it reflects detailed information about traffic flows on the CPKC network. Disclosure of such information to the public—and especially to competing railroads—would cause commercial and competitive harm to CPKC and undermine the competitive process. Table 1 and Section III below provide considerable detail regarding CPKC’s traffic diversion estimates, albeit in sufficiently aggregated form so as to mitigate the commercial and competitive concerns associated with disclosure of the underlying details.

The Diversion Estimate File contains, for each directional corridor (*e.g.*, Western Canada to Gulf States) and for each separate CPKC commodity code, the following fields:

- Reporting Period: November 1, 2024 to April 30, 2025;
- Corridor (*e.g.*, “CP Midwest to Mexico”);
- Commodity (*e.g.*, “022 – CORN”) and associated two-digit STCC codes;
- Truck-to-Rail Traffic gains (reflecting CPKC’s estimate of new traffic attracted from trucks);
- Rail-to-Rail Extended Haul Traffic gains (reflecting CPKC’s estimate of traffic previously handled by CP or KCS to an interchange point and now handled via a new CPKC single-system route);
- Rail-to-Rail New Single Line Traffic gains (reflecting CPKC’s estimate of traffic previously handled by another rail carrier and now handled via a new CPKC single-system route); and

- New “Growth” Traffic gains (reflecting CPKC’s estimate of traffic not previously transported by the shipper, but made possible by the improved transportation options provided by new CPKC single-system routes).

The Transaction continues to stimulate substantial procompetitive traffic growth on the combined CPKC network. In the aggregate, CPKC estimates that as a result of the Transaction it was able to attract 18.8 percent more incremental traffic to the CPKC network during the Reporting Period than it had during the prior six month Reporting Period (May 2024 through October 2024)—*i.e.*, 57,038 units as compared with 48,030 units).²

² The Diversion Estimate File and the corridor data reported in Tables 1-7 below reflect that in a few instances the magnitude of estimated diversions in a particular category (commodity, corridor, type of diversion) was lower in the current Reporting Period than in the previous one. This is to be expected as a result of seasonal differences in traffic mix between the May-October and November-April reporting periods. In addition, variations in incremental traffic growth likely reflect fluctuations in traffic volumes for a host of reasons, including general levels of economic activity, shipper decisions to shift production or sourcing from one place to another, competitive responses to CPKC initiatives, and many more. As the data demonstrate, however, in the aggregate CPKC continues to attract greater volumes of traffic to its network as a result of the Transaction.

TABLE 1
SUMMARY OF ESTIMATED TRANSACTION-RELATED TRAFFIC GROWTH

CORRIDOR	TRUCK-TO-RAIL TRAFFIC ³	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound: CP Network to KCS Network	2,443	16,720	4,561	6,488	30,212
Northbound: KCS Network to CP Network	2,588	14,947	5,881	3,410	26,826
TOTALS	5,031	31,667	10,442	9,898	57,038

As noted in previous Traffic Diversion Submissions, the scope of this Submission covers only one category of evidence of the pro-competitive impacts of the CP/KCS Transaction: the direct impact on CPKC traffic levels of Transaction-related improvements in CP-KCS cross-network lanes. There are at least two additional ways that the CP/KCS Transaction continues to provide shippers with improved, more competitive rail transportation options.

First, the data presented in the Diversion Estimate File and the specific gains summarized in Section III below cover only the corridors most directly affected by the Transaction. CPKC has found that the expanded network reach resulting from the combination continues to lead customers to view CPKC as a more attractive transportation service provider for an array of shipments that include those *occurring entirely within* the boundaries of either the pre-Transaction CP or KCS network. In the aggregate, CPKC estimates that gains such as these that are *indirectly* attributable to the Transaction have driven significant additional growth for

³ The total estimated gains from trucks reported in this column represent CPKC intermodal units, each of which is approximately equivalent to one over-the-road truck removed from the highway.

CPKC—approximately 51,000 carloads and 159,000 intermodal units during the Reporting Period.

Second, CPKC has continued to experience invigorated competition from larger Class 1 railroads, particularly with respect to traffic moving between Mexico and the United States. CPKC has observed substantial volumes of intermodal traffic handled by intermodal intermediaries working with UP and BNSF shifting to the Eagle Pass gateway (and movement via Ferromex within Mexico) by virtue of the new services that these railroads developed in response to the CP/KCS combination.

III. CORRIDOR-BY-CORRIDOR REVIEW OF TRAFFIC IMPACTS

As set forth in the Diversion Estimate File, the CP/KCS Transaction continues to contribute to the improved competitiveness of the CPKC network, as reflected in CPKC's ability to attract new rail traffic across all of the corridors affected by the Transaction.

A. Corridor 1: Between KCSM-Served Regions of Mexico and CP-Served Regions of Canada and the Upper Midwest

Table 2 below summarizes CPKC's best estimate of the magnitude of traffic (in terms of carloads and intermodal units) attracted to the CPKC network as a result of the Transaction in Corridor 1 (*i.e.*, traffic moving on the CPKC network between Mexico and points on the CP network in Canada and the Upper Midwest).

TABLE 2
CORRIDOR 1 TRAFFIC GAINS

CORRIDOR BETWEEN CP NETWORK AND MEXICO	TRUCK-TO- RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound:	1,991	10,526	1,843	4,649	19,009
Northbound:	1,272	12,792	5,289	1,433	20,786
TOTALS	3,263	23,318	7,132	6,082	39,795

CPKC’s ability to attract new traffic in this corridor has benefitted from CPKC’s single-system service design initiatives, including CPKC’s MMX service, deeper run-through blocking, and disciplined attention to service reliability in this corridor (including within Mexico), coupled with the broader market reach enabled by the Transaction. Examples of the additional traffic flows attracted to the CPKC network during the Reporting Period in this Corridor (in addition to the examples provided in previous Submissions) include liquified petroleum gas (LPG) moving from multiple origins in western Canada to multiple destinations in Mexico,⁴ wheat moving from multiple origins in Minnesota and North Dakota to destinations in Mexico,⁵ and further growth in intermodal traffic moving between Mexico and the U.S. Midwest.⁶

B. Corridor 2: Between KCSR-Served Regions of the U.S. Gulf Coast and CP-Served Regions of Canada and the Upper Midwest

Table 3 below summarizes CPKC’s best estimate of the magnitude of traffic (in terms of carloads and intermodal units) attracted to the CPKC network as a result of the Transaction in

⁴ This traffic is reported as Commodity Code 460 (L.P.G.).

⁵ This traffic is reported as Commodity Code 010 (wheat).

⁶ This traffic is reported as Commodity Code Domestic Intermodal.

Corridor 2 (*i.e.*, traffic moving on the CPKC network between the KCS-served areas of the Gulf Coast, including the ports of Port Arthur and New Orleans, and points on the CP network in Canada and the Upper Midwest).

TABLE 3
CORRIDOR 2 TRAFFIC GAINS

CORRIDOR BETWEEN U.S. GULF COAST AND CP NETWORK	TRUCK-TO- RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound:	0	132	81	39	252
Northbound:	3	600	193	227	1,023
TOTALS	3	732	274	266	1,275

Examples of the additional traffic flows attracted to the CPKC network during the Reporting Period in this corridor (in addition to the examples provided in previous Submissions) include fuel oil and chemicals moving from origins in Louisiana to destinations in Canada and caustic soda moving from Louisiana to legacy-CP destinations in the U.S. Midwest.⁷

C. Corridor 3: Between St. Louis and CP-Served Regions of Canada and the Upper Midwest

Table 4 below summarizes CPKC’s best estimate of the magnitude of traffic (in terms of carloads and intermodal units) attracted to the CPKC network as a result of the Transaction in Corridor 3 (*i.e.*, traffic moving on the CPKC network between St. Louis (and nearby KCS-served

⁷ This traffic is reported as Commodity Codes 470 (other refined petroleum), 510 (all other chemicals), and 513 (caustic soda).

areas of Illinois and eastern Missouri), and points on the CP network in Canada and the Upper Midwest).

TABLE 4
CORRIDOR 3 TRAFFIC GAINS

CORRIDOR BETWEEN ST. LOUIS AREA AND CP NETWORK	TRUCK-TO-RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound:	83	3,542	689	132	4,446
Northbound:	5	143	17	536	701
TOTALS	88	3,685	706	668	5,147

Examples of the additional traffic flows attracted to the CPKC network during the Reporting Period in this corridor (in addition to the examples provided in previous Submissions) include potash and durum moving from origins in Saskatchewan to destinations in the St. Louis area,⁸ and fertilizers moving from origins in the St. Louis area to destinations in Manitoba and Saskatchewan.⁹

D. Corridor 4: Between Dallas and CP-Served Regions of Canada and the Upper Midwest

Table 5 below summarizes CPKC’s best estimate of the magnitude of traffic (in terms of carloads and intermodal units) attracted to the CPKC network as a result of the Transaction in Corridor 4 (*i.e.*, traffic moving on the CPKC network between Dallas/Fort Worth (and nearby

⁸ This traffic is reported as Commodity Codes 130 (potash) and 011 (durum).

⁹ This traffic is reported as Commodity Codes 650 (dry fertilizers) and 653 (phosphate).

KCSR-served areas of eastern Texas), and points on the CP network in Canada and the Upper Midwest).

TABLE 5
CORRIDOR 4 TRAFFIC GAINS

CORRIDOR BETWEEN DALLAS AREA AND CP NETWORK	TRUCK-TO- RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound:	173	1,743	1,256	727	3,899
Northbound:	0	549	49	42	640
TOTALS	173	2,292	1,305	769	4,539

The developments in this corridor highlighted in previous Submissions have continued to bear fruit, including additional forest products traffic moving from origins in western Canada to destinations in the Dallas area and plastics moving from legacy-KCS origins to legacy-CP destinations in the U.S. Midwest.¹⁰

E. Corridor 5: Between KCSR-Served Regions in the South Central States and CP-Served Regions of Canada and the Upper Midwest

Table 6 below summarizes CPKC’s best estimate of the magnitude of traffic attracted to the CPKC network as a result of the Transaction in Corridor 5 (*i.e.*, traffic moving on the CPKC network between KCSR-served areas of the South Central States (and points in Southeastern states reached by KCSR via interchange with shortlines or Eastern railroads) and points on the CP network in Canada and the Upper Midwest).

¹⁰ This traffic is reported as Commodity Codes 270 (lumber) and 640 (plastics).

TABLE 6
CORRIDOR 5 TRAFFIC GAINS

CORRIDOR BETWEEN SOUTH CENTRAL STATES AND CP NETWORK	TRUCK-TO- RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound:	196	777	692	941	2,606
Northbound:	1,308	863	333	1,172	3,676
TOTALS	1,504	1,640	1,025	2,113	6,282

CPKC has attracted a variety of additional incremental manifest traffic in this corridor, including corn moving from origins in the U.S. Midwest to Arkansas,¹¹ canola oil moving from Canadian origins to Louisiana,¹² cement moving from Kansas to destinations reached by the legacy-CP network,¹³ and paperboard moving from Louisiana and Oklahoma origins to destinations in the U.S. Midwest.¹⁴

F. The Estimated Traffic Gains Involve All Portions of the Pre-Transaction CP Network

As shown in the Diversion Estimate File and in the discussion above of illustrative traffic gains in this report and previous Submissions, the new traffic that CPKC has attracted to the CPKC network spans all parts of the pre-Transaction CP network. Table 7 below breaks down the traffic gains summarized in Table 1 above into the three geographic regions reported in detail

¹¹ This traffic is reported as Commodity Code 022 (corn).

¹² This traffic is reported as Commodity Code 632 (canola oil).

¹³ This traffic is reported as Commodity Code 220 (cement).

¹⁴ This traffic is reported as Commodity Code 540 (paperboard).

in the Diversion Estimate File. As Table 7 shows, by far the greatest portion of the traffic gains involve traffic moving to/from the U.S. Upper Midwest.

TABLE 7
PORTIONS OF CP NETWORK WHERE ESTIMATED
TRAFFIC GAINS ORIGINATE/TERMINATE

CORRIDOR BETWEEN KCS NETWORK AND CP NETWORK	TRUCK-TO- RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
U.S. Midwest					
Southbound	2,150	11,158	2,356	2,114	17,778
Northbound	1,217	11,345	3,012	1,725	17,299
Subtotal	3,367	22,503	5,368	3,839	35,077
Western Canada					
Southbound	118	4,332	1,117	3,823	9,390
Northbound	614	946	776	1,043	3,379
Subtotal	732	5,278	1,893	4,866	12,769
Eastern Canada					
Southbound	175	1,230	1,088	551	3,044
Northbound	757	2,656	2,093	642	6,148
Subtotal	932	3,886	3,181	1,193	9,192
Entire CP Network ¹⁵					
Southbound	2,443	16,720	4,561	6,488	30,212
Northbound	2,588	14,947	5,881	3,410	26,826
TOTALS	5,031	31,667	10,442	9,898	57,038

¹⁵ These figures match those summarized in Table 1 above.

Respectfully submitted,



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July 15, 2025

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing CPKC's July 2025 Traffic Diversion Submission to be served electronically or by first class mail, postage pre-paid, on all parties of record in this proceeding.

/s/ David L. Meyer
David L. Meyer

July 15, 2025