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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 2026 TRAFFIC DIVERSION SUBMISSION

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CPKC’S JANUARY 2026 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 sixth semiannual report on the traffic impacts of the CP/KCS transaction, covering the period from November 1, 2025 through April 30, 2026 (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 sixth 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 “Legacy-CP”); The Kansas City Southern Railway Company, Gateway Eastern Railway Company; and The Texas Mexican Railway Company (collectively, “Legacy-KCS”).

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_2026_07_202606291652.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, 2025 to April 30, 2026;
- 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 in the pertinent corridors);
- Rail-to-Rail Extended Haul Traffic gains (reflecting CPKC’s estimate of traffic previously handled by Legacy-CP or Legacy-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 support substantial procompetitive traffic growth on the combined CPKC network as compared with the separate pre-merger CP and KCS networks. In the aggregate, CPKC estimates that as a result of the Transaction during the Reporting Period (November 1, 2025 through April 30, 2026) it was able to attract 65.3% more incremental traffic to the CPKC network than it had during the same Reporting Period a year previous (November 1, 2024 through April 30, 2025)—*i.e.*, 94,308 incremental units as compared with 57,038 units. (Likewise, incremental traffic during the most recent two Reporting Periods (May 1, 2025 through April 30, 2026) was 87.2% greater than during the previous 12 months (May 1, 2024 through April 30, 2025)—*i.e.*, 196,729 incremental units as compared with 105,068 units. The magnitude of incremental diversions during the Reporting Period was somewhat lower (by 7.9%) than in the previous Reporting Period for several reasons unrelated to CPKC’s progress in pursuing Transaction-related gains, primarily related to market seasonality associated with lower volumes during winter months than summer and fall peak demand.²

² As previously noted, instances where the magnitude of estimated diversions in a particular category (commodity, corridor, type of diversion) is lower in the current Reporting Period than in the previous one are to be expected as a result of seasonal differences in traffic mix between the May-October and November-April reporting periods, and variations in incremental traffic growth will 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.

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: Legacy-CP Network to Legacy-KCS Network	8,136	32,087	4,684	9,753	54,660
Northbound: Legacy-KCS Network to Legacy-CP Network	3,347	22,128	4,666	9,507	39,648
TOTALS	11,483	54,215	9,350	19,260	94,308

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 continues to find that the expanded network reach resulting from the combination leads 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-

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.

Transaction CP or KCS network. One example of these traffic gains is the new traffic moving between CPKC's network and points in the Southeastern United States via the new SMX service via the Myrtlewood, Alabama gateway in conjunction with CSX.⁴ That service, which is built upon the foundation of CPKC's long-haul Mexico-Chicago "Midwest-Mexico Midwest Express" ("MMX") intermodal service, is anticipated to attract substantial truck traffic to rail and has already begun to achieve substantial up-take in the marketplace. Because the SMX service does not touch any part of the Legacy-CP network, however, the new rail traffic is not included in the diversion counts reported in Table 1 above.

Second, as previously reported, 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. Among the material sources of this new competition has been UP's so-called "Falcon Service" interline initiative in coordination with CN, which competes head-to-head with CPKC's single-line services between Mexico and Canada.

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.

⁴ See CPKC Press Release, "CPKC, CSX Upgrade Southeast Mexico Express with Dedicated Train, Faster Transit Times" (May 6, 2026), available at <https://www.cpkcr.com/en/media/SMX-May2026>.

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

**TABLE 2
CORRIDOR 1 TRAFFIC GAINS**

CORRIDOR BETWEEN LEGACY-CP NETWORK AND MEXICO	TRUCK-TO-RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound:	5,207	17,723	2,796	2,021	27,747
Northbound:	2,772	17,101	3,535	2,674	26,082
TOTALS	7,979	34,824	6,331	4,695	53,829

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.

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

TABLE 3
CORRIDOR 2 TRAFFIC GAINS

CORRIDOR BETWEEN U.S. GULF COAST AND LEGACY-CP NETWORK	TRUCK-TO- RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound:	92	6,439	51	684	7,266
Northbound:	33	2,698	405	541	3,677
TOTALS	125	9,137	456	1,225	10,943

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 moving from Saskatchewan to Galveston, TX and liquid propane gas moving from Edmonton to the Gulf Coast.⁵

C. Corridor 3: Between St. Louis and Legacy-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 Legacy-KCS-served areas of Illinois and eastern Missouri), and points on the Legacy-CP network in Canada and the Upper Midwest).

⁵ This traffic is reported as Commodity Codes 130 (potash) and 460 (L.P.G.)

TABLE 4
CORRIDOR 3 TRAFFIC GAINS

CORRIDOR BETWEEN ST. LOUIS AREA AND LEGACY-CP NETWORK	TRUCK-TO- RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound:	5	2,933	185	1,310	4,433
Northbound:	0	31	6	1,529	1,566
TOTALS	5	2,964	191	2,839	5,999

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 continued growth in fertilizers moving from East St. Louis to points in Alberta, Saskatchewan, and Manitoba.⁶

D. Corridor 4: Between Dallas and Legacy-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 Legacy-KCSR-served areas of eastern Texas), and points on the Legacy-CP network in Canada and the Upper Midwest).

⁶ This traffic is reported as Commodity Codes 652 (urea) and 653 (phosphate).

TABLE 5
CORRIDOR 4 TRAFFIC GAINS

CORRIDOR BETWEEN DALLAS AREA AND LEGACY- CP NETWORK	TRUCK-TO- RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound:	645	2,347	906	2,328	6,226
Northbound:	54	954	41	161	1,210
TOTALS	699	3,301	947	2,489	7,436

The developments in this corridor highlighted in previous Submissions have continued to attract additional rail traffic, including asphalt moving from Saskatchewan to points in Texas, paperboard moving from eastern Texas to Wisconsin, and gypsum moving from eastern Texas to Ontario.⁷

E. Corridor 5: Between Legacy-KCSR-Served Regions in the South Central States and Legacy-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 Legacy-KCS-served areas of the South Central States (and points in Southeastern states reached by Legacy-KCS via interchange with shortlines or Eastern railroads) and points on the Legacy-CP network in Canada and the Upper Midwest).

⁷ This traffic is reported as Commodity Codes 210 (gypsum); 473 (asphalt); and 540 (paperboard).

TABLE 6
CORRIDOR 5 TRAFFIC GAINS

CORRIDOR BETWEEN SOUTH CENTRAL STATES AND LEGACY-CP NETWORK	TRUCK-TO- RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
Southbound:	2,187	2,645	746	3,410	8,988
Northbound:	488	1,344	679	4,602	7,113
TOTALS	2,675	3,989	1,425	8,012	16,101

The developments in this corridor highlighted in previous Submissions have continued to attract additional rail traffic, including steel moving from Iowa to multiple destinations across the Southern United States.⁸

F. The Estimated Traffic Gains Involve All Portions of the Legacy-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 Legacy-CP network. Table 7 below breaks down the traffic gains summarized in Table 1 above into the three geographic regions reported in detail 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.

⁸ This traffic is reported as Commodity Code 330 (iron & steel).

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

CORRIDOR BETWEEN LEGACY-KCS NETWORK AND LEGACY-CP NETWORK	TRUCK-TO- RAIL TRAFFIC	RAIL-TO-RAIL		NEW “GROWTH” TRAFFIC	TOTALS
		EXTENDED HAUL TRAFFIC	NEW SINGLE LINE TRAFFIC		
U.S. Midwest					
Southbound	6,666	19,669	2,364	2,213	30,912
Northbound	1,870	15,692	1,881	2,657	22,100
Subtotal	8,536	35,361	4,245	4,870	53,012
Western Canada					
Southbound	323	10,279	1,891	5,448	17,941
Northbound	410	2,100	1,072	4,699	8,281
Subtotal	733	12,379	2,963	10,147	26,222
Eastern Canada					
Southbound	1,147	2,139	429	2,092	5,807
Northbound	1,067	4,336	1,713	2,151	9,267
Subtotal	2,214	6,475	2,142	4,243	15,074
Entire CP Network ⁹					
Southbound	8,136	32,087	4,684	9,753	54,660
Northbound	3,347	22,128	4,666	9,507	39,648
TOTALS	11,483	54,215	9,350	19,260	94,308

⁹ These figures match those summarized in Table 1 above.

Respectfully submitted,



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July 15, 2026

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing CPKC's July 2026 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, 2026