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November 13, 2026

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Danielle Gosselin
Director
Office of Environmental Analysis
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Re: Docket No. FD 36873 (sub-no. 42) – Union Pacific Corp. & Union Pacific R.R. – Control – Norfolk Southern Corp. & Norfolk Southern Ry. – CPKC Responsive Application (Texas Trackage Rights)

Dear Ms. Gosselin:

Canadian Pacific Railway Company, d/b/a Canadian Pacific Kansas City, on behalf of itself and the Kansas City Southern Railway Company (collectively, CPKC), submits to the Surface Transportation Board's Office of Environmental Analysis this environmental information for CPKC's Texas Trackage Rights Responsive Application, which CPKC will file on November 18, 2026 in Docket No. FD 36873 (sub-no. 42).

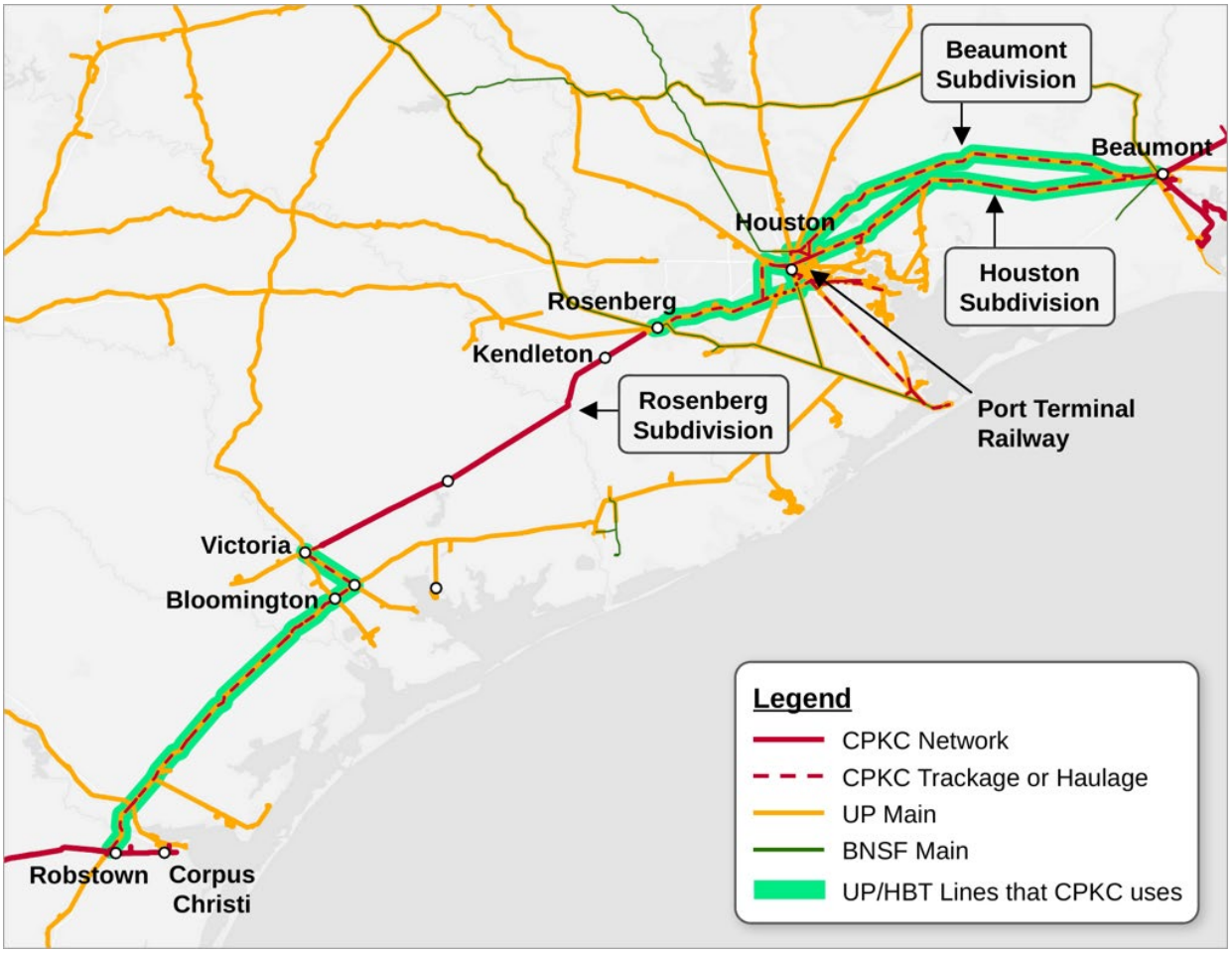
Relief Sought

The relief CPKC seeks in the Texas Trackage Rights Responsive Application would be necessary only if the Board approves the underlying UP-NS merger—which CPKC urges the Board not to do. For reasons CPKC has explained and will continue to explain in its merits-docket filings, the UP-NS merger is not in the public interest and the Board should deny it. If the Board concludes otherwise, it should mitigate the merger's anticompetitive effects by imposing the conditions proposed in CPKC's Texas Trackage Rights Responsive Application.

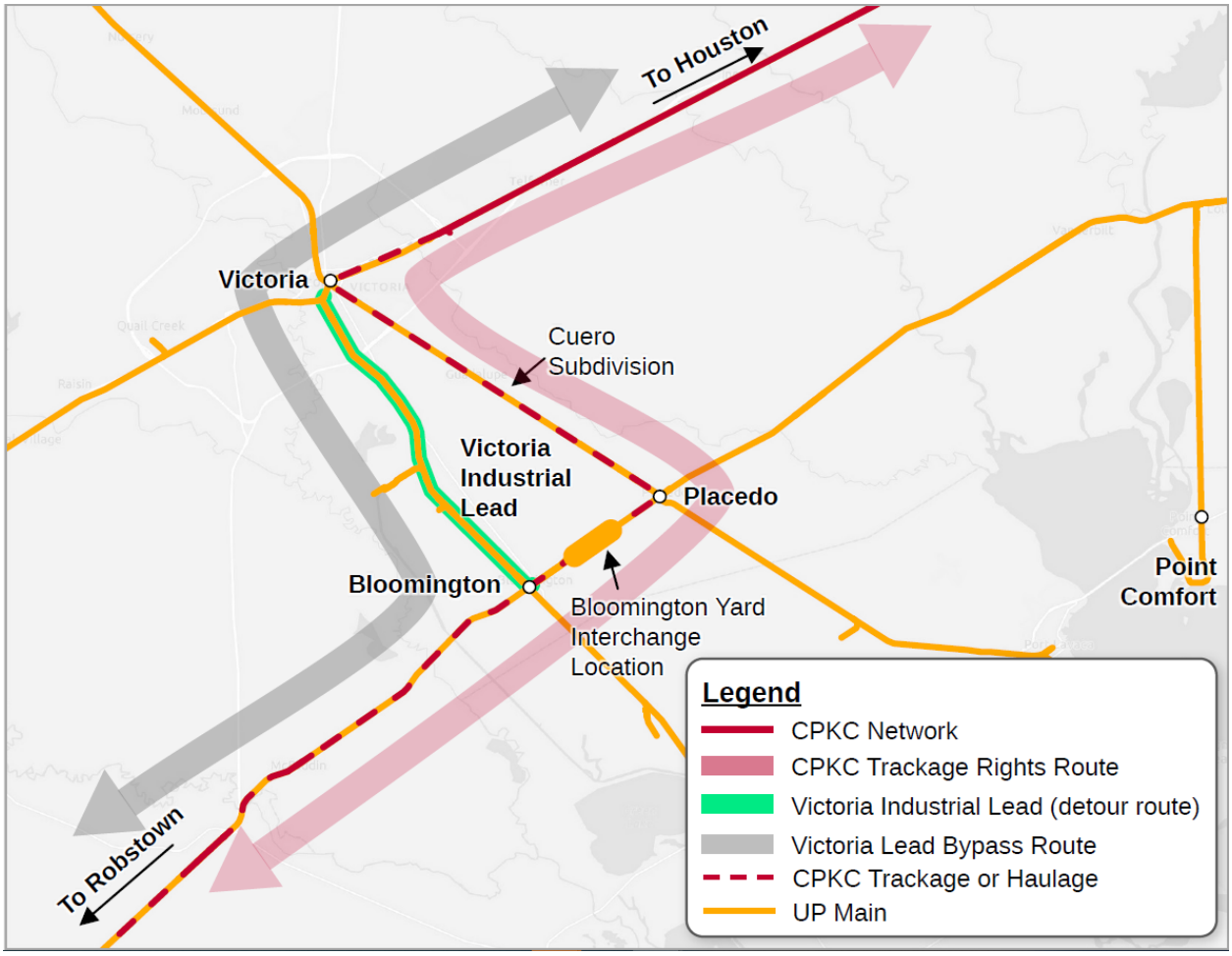
If the merger is approved, the Texas Trackage Rights Responsive Application focuses on CPKC's operations between Robstown and Beaumont, Texas. Today, CPKC uses trackage rights on UP lines to move trains between these points and beyond. The relief requested in the Texas Trackage Rights Responsive Application asks the Board to condition any merger approval on protecting these operations and

improving competition in the corridor. More specifically, CPKC asks for three forms of relief.

First, CPKC asks the Board to adjust CPKC's existing trackage rights over UP and Houston Belt & Terminal Railway (HBT) lines between Robstown and Victoria, Texas, and between Rosenberg and Beaumont, Texas. These adjustments would remove paper-barrier-like restrictions on the traffic CPKC can handle and restrictions on CPKC's serving local customers; adjust trackage rights terms that allow UP to hinder capacity additions, limit service levels, and impose arbitrary operating rules; provide a springing transfer of dispatching; and bar UP from terminating CPKC's trackage rights on UP's Houston Subdivision, which is used for directional running. Below is a map of the area in which this relief is requested.



Second, the Texas Trackage Rights Responsive Application asks the Board to grant CPKC rights over UP's Victoria Industrial Lead between Victoria and Bloomington, TX, for through trains consistent with current practice and for local service. CPKC already operates on this line in practice, as a result of UP dispatching decisions meant to avoid congestion in UP's Bloomington Yard. Permanent trackage rights would make those operations more secure, as shown below.



Third, the Texas Trackage Rights Responsive Application asks the Board to grant springing direct access over additional UP trackage between Victoria and Robstown if UP's reciprocal switching service fails.

All these requests will be described in more detail in the Texas Trackage Rights Responsive Application.

No Environmental Documentation Required

Most of the conditions that CPKC seeks in the Texas Trackage Rights Responsive Application are adjustments to existing trackage rights or grants of new trackage rights. Acquiring trackage rights under 49 U.S.C. § 11323(a)(6) normally requires no environmental documentation under 49 C.F.R. § 1105.6(c)(3), which excludes "[c]ommon use of rail terminals and *trackage rights*" from environmental review. (Emphasis added.) Because § 1105.6(c)(3) applies to the trackage rights requested in the Texas Trackage Rights Responsive Application, no environmental documentation of those requests is required. Indeed, most of what the Texas Trackage Rights Responsive Application seeks would simply protect CPKC operations that are already occurring on UP's lines via existing trackage rights.

Aside from trackage rights, the Texas Trackage Rights Responsive Application also seeks "springing" rights. These rights would not be triggered unless UP experiences service failures on its lines between Robstown and Victoria. Because such springing rights would merely keep in place operations that are already occurring today, they would not cause the kind of "significant changes in carrier operations" that might trigger environmental review under 49 C.F.R. § 1105.6(c)(1). Nor is such a "springing condition" reasonably foreseeable for purposes of environmental review. Rather, it is a potential future condition that will not occur unless future circumstances justify it. Either way, no environmental documentation of the springing conditions in the Texas Trackage Rights Responsive Application is required.

No Extraordinary Circumstances

The Texas Trackage Rights Responsive Application presents no extraordinary circumstances that indicate significant adverse effects are likely. To the contrary, the requested relief essentially formalizes or preserves CPKC's

current operations, protecting competition in the corridor. CPKC today operates about 15 trains per day over its Robstown–Victoria rights and about the same number over its Rosenberg–Beaumont rights. CPKC will continue operating those same overhead trains. UP dispatchers also already route CPKC through trains over the Victoria Industrial Lead up to six times per day to avoid congestion at Bloomington. And CPKC already operates directionally between Houston and Beaumont. On each of these fronts, the requested relief would preserve the status quo and protect competition in the corridor, as discussed below.

Traffic Effects

1. No change in overhead operations. Today, CPKC operates about 15 trains each day on UP tracks between Robstown and Victoria, and about the same number on UP tracks between Rosenberg and Beaumont. Making these trackage rights permanent, as the Texas Trackage Rights Responsive Application requests, would not change those numbers.

2. No change on Victoria Industrial Lead. Similarly, UP dispatchers already route CPKC trains along the Victoria Industrial Lead to avoid congestion at UP's Bloomington Yard. The Texas Trackage Rights Responsive Application would simply formalize that arrangement. Traffic would not change.

3. No change between Houston and Beaumont. Eastbound CPKC trains today operate between Houston and Beaumont along UP's Beaumont Subdivision, while westbound CPKC trains use UP's Houston Subdivision. Again, the Texas Trackage Rights Responsive Application would simply formalize this routing. It would not change traffic.

4. New traffic in CPKC's account. The removal of traffic restrictions requested in the Texas Trackage Rights Responsive Application should enable CPKC to serve customers that it cannot currently serve. But these customers would be new to CPKC, not new to the UP lines. Thus, the access CPKC requests would not increase traffic on the rail corridor between Robstown and Beaumont. That some traffic between Bloomington and Rosenberg could shift from UP's line to CPKC's line is not the kind of change that is likely to have a reasonably foreseeable significant adverse effect on the environment, especially given the existing traffic levels on CPKC's Victoria-to-Rosenberg line.

Yard and Truck Effects

UP already processes at Bloomington Yard most of the traffic to which CPKC seeks access. If the relief requested in the Texas Trackage Rights Responsive Application were granted, that traffic would move through the same yards, it would just be in CPKC's account rather than UP's.

The Texas Trackage Rights Responsive Application also asks that CPKC be allowed to originate and terminate at Port Terminal Railroad Association. If that request is granted, CPKC's Kendleton Yard would handle the new traffic. But this change would still be the result of a trackage-rights grant that would not normally require environmental review, and any operational changes that could become necessary at the existing Kendleton Yard as a result of those rights, and the competition that they would allow, are not the sort of extraordinary circumstances that would likely result in significant adverse environmental effects.

Potential Physical Change

If CPKC gains access to new customers, and those new cars are processed at UP's Bloomington Yard, UP would need to build new blocks for CPKC at the yard. That work may require investment in new trackage at or near Bloomington Yard. If new trackage became necessary, CPKC would likely propose to extend Bloomington Siding by about 4,000 feet toward Placedo and to install a crossover between the main track and the siding. CPKC would work with UP to design, fund, and install the improvements. At the same time, any such extension of the trackage at Bloomington Yard is contingent on traffic changes that may not materialize and congestion at the Bloomington Yard that may be resolved in other ways. Thus, while the Texas Trackage Rights Responsive Application would require UP to allow this improvement if it becomes necessary, the improvement is not reasonably foreseeable for NEPA purposes, nor does it qualify as an extraordinary circumstance that is likely to cause adverse environmental effects for purposes of the Texas Trackage Rights Responsive Application.

Operating Plan and Supporting Evidence

CPKC will file an operating plan and the verified statement of Mark Redd with the Texas Trackage Rights Responsive Application on November 18, 2026.

Those materials, which are still being finalized, will provide additional support for the operational facts discussed in this letter, and CPKC incorporates them by reference. If the final Responsive Application is materially different from what is described in this letter, CPKC will supplement its submission to OEA.

* * *

For all the reasons discussed above, CPKC requests that OEA confirm that no environmental documentation is required for the Texas Trackage Rights Responsive Application.

CPKC is happy to provide any additional information OEA may need. Please contact me if you have any questions.

Sincerely,



Jay C. Johnson

cc: Elizabeth Webster
Joe Van Humbeck
Glen Wilson
Alan Summerville
Waymon Peer