

BEFORE THE SURFACE TRANSPORTATION BOARD

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

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

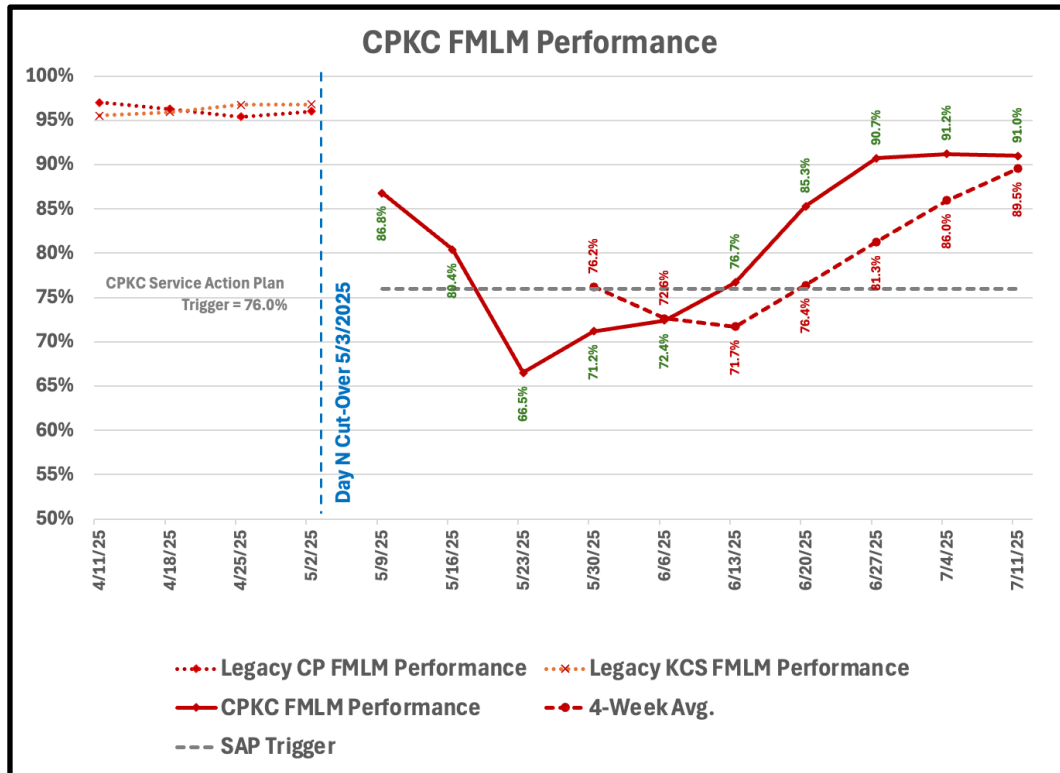
CPKC’S JULY 16, 2025 UPDATE TO SERVICE ACTION PLAN

Canadian Pacific Kansas City Limited (“CPKC”), on behalf of its U.S. rail carrier subsidiaries,¹ is providing this update to the “Service Action Plan” reported herein on June 20 (CPKC-34). Figures 1 and 2 below provide more recent data regarding CPKC’s First-Mile Last-Mile (Industry Spot and Pull) (“FMLM”) and manifest on-time (“Manifest OTP”) performance through the week ending July 12.

As shown in Figure 1, FMLM performance continued to be strong over the past week, with the CPKC-wide average at 91.0% for the week ending July 11. CPKC’s four-week rolling average FMLM performance (of 89.5%) increased significantly week-over-week and remains well above the service action plan trigger associated with this metric (*i.e.*, 76.0%). For many customers on the legacy-KCS portion of the CPKC network, local service has largely returned to normal. As before, Figure 1 depicts four-week rolling average performance with the dashed red line, with weekly performance levels shown in solid red.

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, “KCS”).

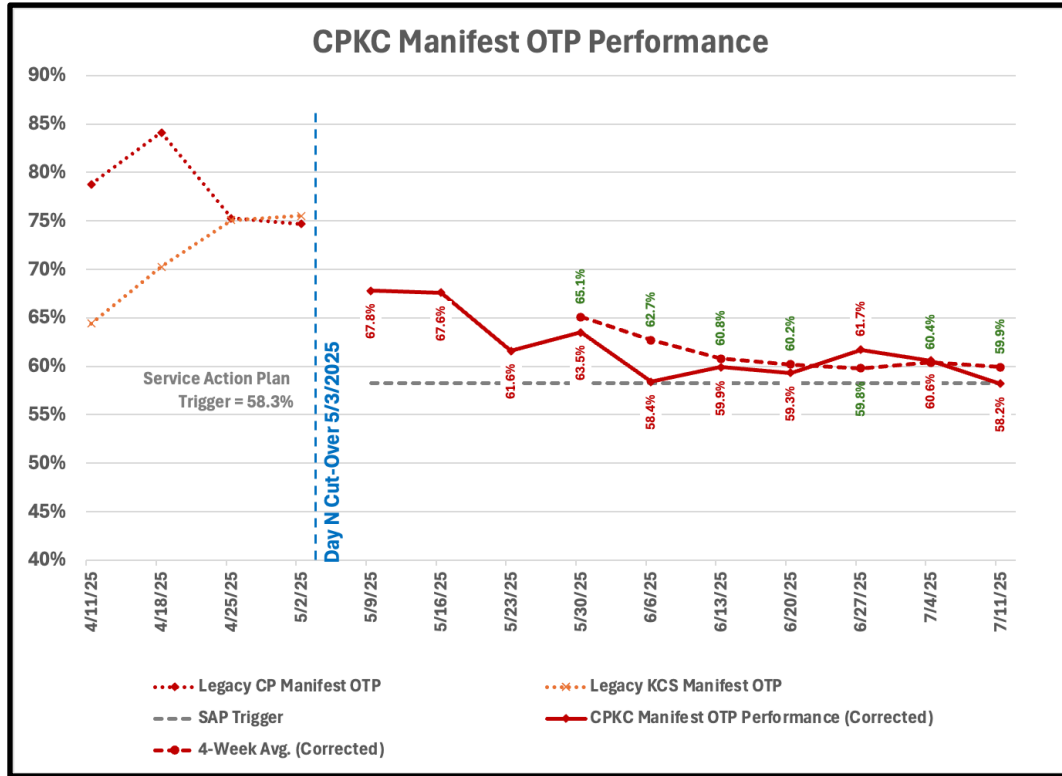
FIGURE 1



CPKC's Manifest OTP performance is shown in Figure 2 below. In the course of preparing this week's update, CPKC discovered a data error that had affected (negatively) reported Manifest OTP performance for the period since May 3. Essentially, null values associated with a material number of shipments were replaced with zeroes,² which led to those zero values being averaged into the calculations of average Manifest OTP. Figure 2 depicts the correct values for the week ending July 11 (58.2% and a four-week average of 59.9%), and it also shows the corrected values for the period since May 3.

² A null value indicates the absence of an applicable value rather than a value of zero.

FIGURE 2



As shown in Figure 2, with the corrections to reported Manifest OTP performance, CPKC’s four-week average performance (the red dashed line) has never fallen below the threshold triggering a Service Action Plan. In addition, performance during the week ending July 11 (58.2%) is improved compared to what was reported on July 9 for the week ending July 4 (56.0%).

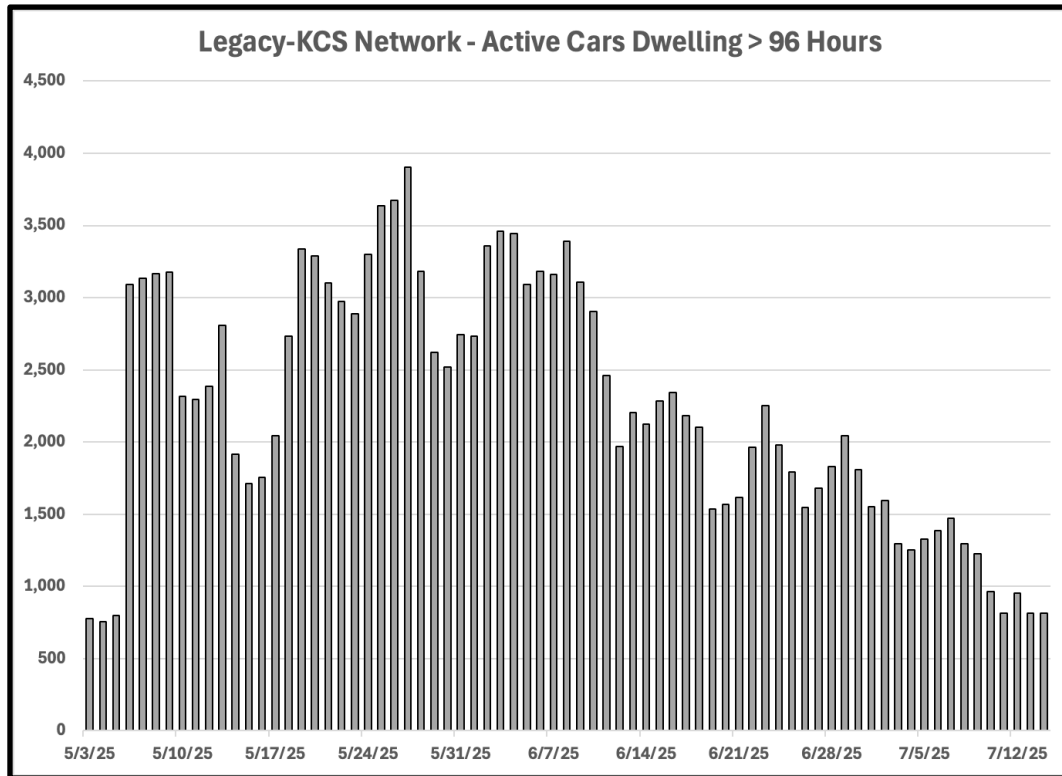
Although no formal Service Action Plan was triggered by CPKC’s Manifest OTP performance, CPKC continues to be laser focused on achieving further improvement in this service metric for customers on the legacy-KCS portion of the network. Despite the relatively flat week-over-week trends in Manifest OTP performance over the past six weeks, CPKC continues to expect meaningful improvement in the near term for several reasons.

First, performance levels were essentially flat last week despite the reporting week including the July 4th holiday, when railcars are not delivered to many customer facilities,

resulting for many shipments in an incremental 24-hours of “transit time” that would tend to suppress measured performance relative to the original trip plan.

Second, because Manifest OTP is measured at the end of a railcar’s cycle when it is delivered to the receiver, the measure inherently reflects performance levels for cars that have been moving on the network for some time. The disruptions and resulting congestion associated with the Day N transition caused the legacy-KCS portion of CPKC’s U.S. network to build up a large inventory of shipments that dwelled for long periods. CPKC has been successful in completing the trips for many of those shipments in recent weeks, but their previous long dwells have continued to suppress Manifest OTP performance. Much of the backlog has been cleared, however. As shown in Figure 3 below, the volume of railcars with dwells in excess of 96 hours has fallen steadily in recent weeks, and as a result CPKC expects that the manifest trips concluded in the coming weeks will involve much lower average dwell times, and thus much improved OTP measures.

FIGURE 3



Third, numerous other operating metrics show steady improvement in the fluidity of the legacy-KCS portion of the CPKC U.S. network. Specifically:

- Car miles per car day, a measure of how rapidly railcars are moving across the network, is up 32.5% from the week ending May 25;
- Dwell is down 29.0% from the week ending June 1;
- Net train speed is up 7.5% from the week ending June 29; and
- The average number of railcars on-line (referred to as “ACOL”) is down 18.5% from the week ending May 25.

All of these signs of network health provide a strong basis for expecting reported Manifest OTP performance to continue to improve in the coming weeks.

Despite the near-normal levels of FMLM performance in recent weeks and strong reason for optimism about the likelihood of significant improvements in Manifest OTP performance in the near term, CPKC is continuing to devote resources and focused attention to ensuring that service levels on the legacy-KCS portion of the CPKC network meet customer expectations. CPKC's key areas of focus for the upcoming week are the following:

Operations:

- CPKC Operations has restored local service at levels well above service-action plan thresholds, and will continue to seek incremental improvement where needed and monitor performance closely to ensure sustained success;
- CPKC's Operating leaders will always have boots on the ground leading operations and a precision scheduled railroad; and
- CPKC Operations will continue to manage active cars online, train speed, and reduce dwell.

Information Technology:

- Although CPKC's IT personnel are no longer working in the field at legacy-KCS network locations, CPKC will maintain a dedicated Customer Service Swat Team supporting customer communications, operating personnel, and customers;
- CPKC IT will continue to support Operations' focus on improved car inventories through the implementation of new internal location reporting and data validation; and
- CPKC IT will continue to review and implement systems enhancements as necessary to improve CPKC's internal operational processes and address customer needs with respect to waybilling, car ordering, and car tracking.

Customer Communications:

- CPKC is regularly issuing customer bulletins to share timely updates on operational improvements and highlight the actions being taken to address service recovery;
- CPKC continues to collaborate with customers through proactive outreach, listening to concerns, gathering actionable feedback, and ensuring that recovery efforts align appropriately with specific customer needs; and
- CPKC is organizing a series of customer-focused webinars to spotlight improved Customer Station capabilities, including areas that have seen the most improvement through IT solutions or inventory management.

CPKC continues to project that it will achieve a return of service performance to the normal range for the majority of customers in the second half of July. CPKC will provide its next weekly update on Wednesday, July 23.

Respectfully submitted,



CANADIAN PACIFIC KANSAS CITY LIMITED

Cassandra P. Quach
7550 Ogden Dale Road S.E.
Calgary, AB T2C 4X9 Canada
Email: Cassandra.Quach@cpkcr.com

Nizam Hasham
1290 Central Parkway West, Suite 800
Mississauga, ON L5C 4R3 Canada
Email: Nizam.Hasham@cpkcr.com

Telephone: (888) 333-6370

**THE KANSAS CITY SOUTHERN RAILWAY
COMPANY**

David C. Reeves
427 West 12th Street
Kansas City, MO 64105-1403
Email: David.Reeves@cpkcr.com
Telephone: (816) 983-1387

David L. Meyer
LAW OFFICE OF DAVID L. MEYER
1105 S Street N.W.
Washington, D.C. 20009
Email: David@MeyerLawDC.com
Telephone: (202) 294-1399

Attorneys for CPKC

July 16, 2025

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing CPKC's July 16, 2025 Update to Service Action Plan 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 16, 2025