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December 28, 2021

**BY ELECTRONIC FILING**

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

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**Re: Finance Docket No. 36500, *Canadian Pacific Ry., et al. – Control – Kansas City Southern, et al.***

Dear Ms. Brown and Mr. Mecone:

In accordance with the procedural schedule established in Board Decision No. 11, enclosed for e-filing in the above-referenced proceeding is Applicants'<sup>1</sup> proposed Safety Integration Plan.

Please contact me with any questions.

Respectfully submitted,

/s/ David L. Meyer

David L. Meyer

*Attorney for Canadian Pacific Railway  
Limited*

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<sup>1</sup> Applicants are Canadian Pacific Railway Limited, Canadian Pacific Railway Company, and their U.S. rail carrier subsidiaries Soo Line Railroad Company, Central Maine & Quebec Railway US Inc., Dakota, Minnesota & Eastern Railroad Corporation, Delaware and Hudson Railway Company, Inc., Kansas City Southern Applicants are Kansas City Southern and its U.S. rail carrier subsidiaries The Kansas City Southern Railway Company, Gateway Eastern Railway Company, and The Texas Mexican Railway Company.

The Honorable Cynthia T. Brown and Mr. James M. Mecone  
December 28, 2021  
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Attachment

cc: All Parties of Record

BEFORE THE SURFACE TRANSPORTATION BOARD

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FINANCE DOCKET NO. 36500

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**CANADIAN PACIFIC RAILWAY LIMITED, *ET AL.* – CONTROL – KANSAS CITY  
SOUTHERN, *ET AL.***

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**SAFETY INTEGRATION PLAN**

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December 28, 2021

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Appendix 1: Safety Integration Plan Accountabilities Chart

Appendix 2: Highway-Rail Grade Crossings at Existing Quiet Zones where Increased Traffic Is Anticipated as a Result of the Transaction

Appendix 3: List of CP Federal and State Funding Grants

## TABLE OF ABBREVIATIONS

AAR	Association of American Railroads
ABS	Automatic Block System
ACC	American Chemistry Council
AEI	Automatic Equipment Identification
Applicants	CP and KCS
AREMA	American Railway Engineering and Maintenance-Of-Way Association
AVP	Assistant Vice President
BCF	Business Continuity Facility
BIMS	Bridge Inspection Management System
Board	Surface Transportation Board
BMP	Bridge Management Plan
CAD	Computer Aided Dispatch System
CBT	Computer-Based Training
CID	Critical Incident Desk
CL	Consequence Leadership
CMA	Crew Management Application
CMDB	Configuration Management Database
CMQ	Central Maine & Quebec Railway U.S. Inc.
COSRP	Comprehensive Oil Spill Response Plan
CP	Canadian Pacific Railway Limited, Canadian Pacific Railway Company, and their U.S. rail carrier subsidiaries Soo Line Railroad Company, Central Maine & Quebec Railway U.S. Inc., Dakota, Minnesota & Eastern Railroad Corporation, and Delaware and Hudson Railway Company, Inc.
CPKC	Canadian Pacific Kansas City
CPPS	CP Police Service
CP Risk Reduction Plan	Risk Reduction Program Implementation Plan
CPRC	Canadian Pacific Railway Company
CRB	Car Repair Billing
CRISI	Consolidated Rail Infrastructure and Safety Improvements
CTC	Centralized Traffic Control
D&H	Delaware and Hudson Railway Company
DER	Designated Employer Representative
DM&E	Dakota, Minnesota & Eastern Railroad Corporation
DSLE	Designated Supervisor of Locomotive Engineers

DSRCO	Designated Supervisor of Remote Control Operators
DTN	Digital Track Notebook
Engineering Red Book	Engineering Red Book of Track & Structures Requirements
EHS&S	Environment, Health, Safety and Security
ENS	Emergency Notification Signs
EWM	Enterprise Workforce Management
FHWA	Federal Highway Administration
FRA	Federal Railroad Administration
GCOR	General Code of Operating Rules
GOI	General Operating Instructions
GPS	Global Positioning System
GTB	General Track Bulletin
HOS	Hours of Service
HSE	Health, Safety, and Environmental
HSSE MS	Health, Safety, Security & Environment Management System
ICP	Integrated Contingency Plan
I-ETMS	Interoperable Electronic Train Management System
KCS	Kansas City Southern
KCSM	Kansas City Southern de México, S.A. de C.V.
KCS Risk Reduction Plan	Risk Reduction Program Implementation Plan
KCSR	The Kansas City Southern Railway Company and its U.S. rail carrier subsidiaries
LEPP	Local Emergency Preparedness Plan
LMP	Locomotive Management Planning
MCS	Management Control System
MOP	Manager Operating Practices
MOR	Manager of Rules
MUTCD	Manual on Uniform Traffic Control Devices
NFPA	National Fire Protection Association
NSC	Network Service Center
NSSC	Network Safety Steering Committee
OC	Operations Center
OCS	Occupancy Control System
Operation Lifesaver	Operation Lifesaver, Inc.
OJT	On-the-job-training
OSHA	Occupational Safety and Health Administration
OSRP	Oil Spill Response Plans

OTS	On Track Safety
PHMSA	U.S. Pipeline and Hazardous Materials Safety Administration
PSCC	Public Safety Communication Centre
PSR	Precision Scheduled Railroading
PTC	Positive Train Control
RCL	Remote Control Locomotive
RCMS	Responsible Care Management System
REB	Railroad Education Bureau
RPM	Railway Performance Monitoring
RS&I	Rules Standards and Instructions
SAM	Structures Asset Management
SAP	Systems Applications and Products
Section 130	Railway-Highway Crossings Section 130 Program
SIP	Safety Integration Plan
SMS	Safety Management System
Soo Line	Soo Line Railroad Company
STAR	Safety Through Awareness and Responsibility
STEP	Railroad Safety Grants for the Safe Transportation of Energy Products by Rail Program
STS	Signal Training School
TAM	Track Asset Management
TEaM	Transportation, Engineering, and Mechanical
Tex Mex	The Texas Mexican Railway Company
TGBO	Tabular General Bulletin Order
TMDS	Train Management Dispatch System
TOMS	Track Order Management System
Training Department	CP's Technical Training department
TPE	Trip Plan Engine
TWC	Track Warrant Control
TYES	Train and Yard Execution System
USHMI	United States Hazardous Materials Instructions for Rail
VRU	Voice Response Units
Wabtec	Wabtec Railway Electronics
WHSC	Workplace Health and Safety Committee

## I. INTRODUCTION AND OVERVIEW OF THE PROPOSED TRANSACTION

On October 29, 2021, Canadian Pacific Railway Limited, Canadian Pacific Railway Company (“CPRC”), and their U.S. rail carrier subsidiaries Soo Line Railroad Company (“Soo Line”), Central Maine & Quebec Railway US Inc. (“CMQ”), Dakota, Minnesota & Eastern Railroad Corporation (“DM&E”), and Delaware and Hudson Railway Company, Inc. (“D&H”) (collectively “CP”) and Kansas City Southern (“KCS”) filed an application seeking authority from the Surface Transportation Board (the “Board”) pursuant to 49 U.S.C. §§ 11323–11325 for the acquisition of control by CP through its wholly owned subsidiary Cygnus Merger Sub 2 Corp., of KCS, and, through it, of The Kansas City Southern Railway Company and its U.S. rail carrier subsidiaries (“KCSR”), and for the resulting common control by CP of its U.S. railroad subsidiaries, and KCSR and its railroad affiliates. The Board issued a decision, effective on November 26, 2021, accepting this application (the “Application”) and adopting a procedural schedule. *Canadian Pacific Limited, et al.—Control—Kansas City Southern, et al.* FD 36500 (STB Decision No. 11, served November 23, 2021).

In the United States, CPRC owns rail property in Michigan through its subsidiary the Detroit River Tunnel Company, Soo Line owns rail property in Illinois, Minnesota, North Dakota, South Dakota, and Wisconsin, CMQ owns rail property in Maine and Vermont, DM&E owns rail property in Illinois, Iowa, Minnesota, Missouri, and Wisconsin, and D&H owns rail property in New York. CP’s main routes in the United States extend from six Canada/United States border crossings: North Portal, SK/Portal, ND; Emerson, MN/Noyes, MN; Windsor, ON/Detroit; Buffalo; Rouses Point, NY; and a point near Jackman, ME, on the Quebec/Maine border. CP also operates a short stretch of branch line trackage between Abercorn, QC and Richford, VT.

The KCS rail network extends in a north-south corridor from Kansas City south to the Pacific Ocean at the Port of Lazaro Cardenas, Mexico. In the United States, KCSR owns rail property in Alabama, Arkansas, Illinois, Kansas, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee, and Texas while Gateway Eastern Railway Company owns rail property in Illinois, and The Texas Mexican Railway Company (“Tex Mex”) owns rail property in Texas. KCSR’s network is centered on Shreveport, LA, with lines radiating in five directions. KCSR’s key north-south corridor extends from the Mexican border at Laredo, TX, to Kansas City through Shreveport through a combination of KCS’s own line and trackage rights. The “Meridian Speedway” line runs east-west through Shreveport, between the Dallas, TX area and a connection with Norfolk Southern Railway Company at Meridian, MS. The portion of this line from Shreveport to Meridian is 70% owned by KCS affiliate Meridian Speedway, LLC and operated by KCSR. In addition, KCSR operates a secondary line that extends southeast from Shreveport to New Orleans, LA. KCSR also operates the former “Gateway Western” lines extending east from Kansas City to Springfield, IL, and East St. Louis, IL, and several former “MidSouth” branch lines in Mississippi and Tennessee.

The proposed CP/KCS combination is purely “end-to-end” because the CP and KCS networks do not overlap anywhere. CP and KCS connect only at Kansas City, with joint agency only at Kansas City, where they already share a joint-facility rail yard (Knoche Yard, also known as the Joint Agency). Because of this end-to-end orientation, the transaction will not result in any internal re-routes, integration of terminal facilities, or downgrading or rationalization of rail lines. In addition, the lack of competitive overlap means that the CP/KCS combination will strengthen competition among rail carriers and with trucks in every market served by the integrated Canadian Pacific Kansas City (“CPKC,” the future name of the parent company of CP/KCS following Board

approval) and will result in no shippers facing any reduction in competition. Below is Figure 1, showing both CP's and KCS's networks.

**FIGURE 1**  
**FUTURE CPKC SYSTEM**



Further, because the CP and KCS systems are complementary, CP and KCS anticipate a smooth and seamless transition to a combined system and will take steps to ensure this smooth and seamless transition.

## **II. EXECUTIVE SUMMARY**

CP is the safest carrier in North America and has been for 15 years. CP will continue to maintain its safety standards during and following its integration with KCS. CPKC will spend more than \$275 million to upgrade the main lines between Louisiana and Minnesota by adding double track, adding and lengthening sidings, and installing Centralized Traffic Control (“CTC”) to enable increased capacity, service reliability, and safety.

Present in both Canada and the United States for at least one hundred years, CP has also showcased its ability to operate safely across borders and effectively navigate regulations and requirements in two different countries. CP has a well-established track record of careful planning and flawless execution. For example, CP has been successful in implementing precision scheduled railroading (“PSR”) and bringing disciplined attention to the level of service every rail shipment receives.

CP intends to keep learning from the best practices in its cross-border operations and to apply them to its integration with KCS and KCS’s own cross-border operations.

In addition, CP will bring its deep expertise related to its network and its capabilities and to the integration process. CP’s ability to deploy this institutional knowledge to facilitate the smooth integration in the acquisition context was demonstrated during its combination with DM&E in 2009 and most recently with CMQ in 2020, during which there were no material service disruptions. KCS similarly has a proven safety record and maintains strong operating practices. KCS’s ability to successfully and safely integrate was demonstrated during its combination with Tex Mex and Transportación Ferroviaria Mexicana in 2005, which, like CP’s recent acquisitions, involved no material service disruptions. Particularly because the CP/KCS combination involves two Class I railroads with mature processes, demonstrated safety performance, a history of

successful integrations, and no geographic overlap, CP and KCS (“Applicants”) have no doubt that the integration of CP and KCS will be safe and successful.

This Safety Integration Plan (“SIP”), developed in accordance with the regulations of the Federal Railroad Administration (“FRA”) and the Board, describes how CP and KCS intend to implement the combination safely and in compliance with applicable safety laws and regulations. While integration planning has already begun, the integration process will continue over the three years following Board approval of CP control (the “Control Date”) to ensure that there will be no disruptions in safe operations or the service provided to customers.

This SIP will address all the subjects required to be addressed in a combination involving an amalgamation of operations at 49 C.F.R. § 244.13, including corporate culture, training, operating practices (including operating rules, alcohol drug, qualification and certification of locomotive engineers, and hours of service laws), motive power and equipment, signal and train control, track safety standards and bridge structures, hazardous materials, dispatching operations, highway-rail grade crossing systems, personnel staffing, capital investment, and information systems compatibility. Each section of the SIP will also include the requisite discussion of integration issues.

Because this SIP is being filed early in the process, as required, CP’s planning of the integration remains underway. Applicants have been engaging with the FRA in advance of filing the SIP and have incorporated the FRA’s input into the SIP. Applicants will continue to engage in these discussions with the FRA as integration plans are refined to ensure that the SIP is comprehensive. **Appendix 1** sets forth the major workstreams, the estimated resource allocation for each, and the corresponding estimated start and completion dates for the elements of the SIP.

Further, CP is committed to using the period before and after the Control Date to assess and understand each company's practices and plan a successful integration while both CP and KCS continue to operate safely. But because the CP/KCS combination is "end-to-end," CP anticipates fewer issues than combinations where overlaps and rationalization were key motivators for the transaction. For these reasons and as described in the SIP, CP does not anticipate any adverse impact to safety as a result of the combination. In fact, as described in various sections throughout the SIP, it is expected that safety will be improved through investment, growth, enhanced use of technology, strengthened processes, and an even greater focus on employees.

The remainder of the Executive Summary provides an overview of the distinct sections of the SIP.

**Corporate Culture.** CP places a premium on safety, which is reflected in its corporate culture. In fact, one of CP's five foundational principles, as described in Section III.A.1, is to "operate safely." CP's focus on safety starts at the very top with its leadership. Every year, CP's leadership sets goals and targets, establishes strategies and specific tactics to address issues, creates and adjusts policies and processes to manage issues and monitor progress, and recognizes and rewards safety achievements, while recommitting to CP's Corporate Safety Policy. Each territory is represented by a senior manager and a workplace and health safety committee that jointly address and discuss concerns and remedial actions. Employees actively engage in the development and evaluation of safety items through various channels, programs, and committees. These efforts are supported by CP's implementation of manager safety accountabilities and the use of audits as well as CP's prioritization of investments in technology to enhance safety. CP's stellar safety record is proof that these efforts have been successful.

KCS's culture likewise values safety and this like-mindedness ensures CPKC will continue CP's legacy as the safest Class I railroad, particularly once CPKC adopts certain of CP's proven programs. Applicants have identified certain safety aspects it deems critical to CPKC's safety operations, and they intend to implement the following programs, which are further described in the SIP:

- *Adopting CP's coordinated, centralized safety management system ("SMS").*
- *Deploying CP's safety technology across the combined system.*
- *Consequence Leadership program.*
- *Home Safe.*
- *Workplace Health and Safety Committees.*
- *Risk Reduction Program.*
- *Efficiency Testing and Manager Accountabilities.*

**Training.** Consistent with its focus on safety, CP maintains a robust training program, which involves a dedicated team of safety-minded professional Training Instructors, along with a state-of-the-art training facility in St. Paul, MN. A range of CP professionals participate in the training program, as demonstrated by the fact that CP Training Instructors deliver more than 100 training courses and programs. KCS maintains similar facilities in the United States and Mexico, as well as virtual options.

CP conducted an initial review of CP's and KCS's training programs and determined that both CP and KCS deliver quality training programs that meet or exceed applicable federal requirements. Applicants anticipate that, immediately following the Control Date, the training centers in St. Paul and Shreveport will remain open as their locations in the network will aid in efficient training across the combined system. CPKC will ultimately adopt CP's training

programs, adapted to KCS best practices, but CPKC will maintain separate training programs while KCS training staff are brought up to speed on CP's training material and processes. CP and KCS will work together to identify a comprehensive list of differences surrounding safety and operating rules. Once the differences are appropriately assessed, a comprehensive package of rules will be developed and delivered and CPKC will adopt uniform training across the United States. Maintenance of a single training program will, in turn, enable efficient internal and external oversight, as delivery will be the same at each location across the new property.

**Operating Practices.** Both CP and KCS have operating practices relating to operating rules, alcohol and drugs, the qualification and certification of locomotive engineers, and hours of service laws. Applicants expect that these operating practices will remain separate for some period post-Control Date. Following the CP/KCS combination, CPKC will perform a comprehensive review of all operating rules and practices to determine the best fit for the combined company. Once CPKC has sufficient information to determine the best path forward toward one common set of operating practices in a safe and efficient manner, it will implement that plan and submit the appropriate joint filings to the FRA.

**Motive Power and Equipment.** CP maintains eight major locomotive inspection and repair facilities across its network, including a facility in St. Paul, while KCS has locomotive maintenance facilities at Shreveport and San Luis Potosi in Mexico. Following the CP/KCS combination, CP expects the mechanical facilities in St. Paul and Shreveport to remain the primary U.S. locations for locomotive maintenance. Once operations are integrated post-Control Date and operating patterns are established, CPKC will assess the appropriateness of any changes to network repair and service locations.

Qualification standards for mechanical and locomotive personnel will remain separate for a period following the combination but CPKC will eventually adopt CP's qualification standards.

**Signal and Train Control.** Given the complexity of signal and train control and the Applicants' goal of ensuring a smooth and safe integration, CP and KCS have created a team to lead planning and integration post-Control Date. The team is currently developing a detailed plan to integrate signal and train control design, maintenance, and construction activities, systems, and processes, including integration of the Positive Train Control ("PTC") system by analyzing which processes, standards, and systems are the most appropriate fit for CPKC. Once the team has identified the appropriate processes, standards and systems, it will prepare an integration plan including milestones and checkpoints to determine progress and considerations for testing prior to implementation as well as generating back-up procedures.

**Track Safety Standards and Bridge Structures.** CP's policies and processes governing inspection and maintenance of bridges, retaining walls, tunnels, and culverts are set forth in its Engineering Red Book of Track & Structures Requirements ("Engineering Red Book") and its Bridge Management Plan ("BMP"). The Engineering Red Book also details CP's standards and processes governing inspection and maintenance of track assets. CP uses the Structures Asset Management ("SAM") system to maintain data on bridge inspections and assets while KCS uses two programs to store the same information: Bridge Inspection Management System ("BIMS") to store data on bridge inspections and Task Order Management System ("TOMS") to monitor the repair of defects found during inspections in the U.S. Though CP and KCS both currently use Digital Track Notebook ("DTN") to ensure inspection compliance, CP has slowly been rolling out Track Asset Management ("TAM") across the CP system as a replacement for DTN.

Post-Control Date, CP and KCS will continue to follow their current guidelines while CPKC employees are trained on the Engineering Red Book and BMP. CPKC will transition to the Engineering Red Book after the requisite training occurs. Similarly, CPKC will use SAM after it migrates all data in BIMS and TOMS to SAM and employees are sufficiently trained on SAM. CPKC will also use DTN until the mapping of assets is complete and all employees are trained on TAM.

Regarding earthquake response protocol and weather monitoring, post-Control Date, CPKC will perform a comprehensive review of earthquake response protocol and weather monitoring, and will determine what practices will be used for CPKC. On track and roadway maintenance and testing and internal rail flaw detection, CP and KCS will continue with the programs and inspections in place at the legacy railroad while evaluating the best way forward for CPKC. This will be accomplished by performing a comprehensive review of Track and Roadway Maintenance and Testing and internal flaw detection practices, while also determining what inspection frequencies and practices are the best fit for CPKC.

Regarding the training of roadway workers, a comprehensive analysis will be completed post-Control Date to determine where and how training on these topics can be effectively handled but, during the process, CPKC will use CP training standards to train all employees. The CP new hire training program will also be implemented across CPKC to ensure proper training and proficiency and safety in tasks being performed.

**Hazardous Materials.** To ensure the safe handling of hazardous materials, CP employs various training programs, emergency procedures, and communication and notification systems. Additionally, CP conducts periodic inspections and tests to ensure its programs are operating effectively. Applicants anticipate that, following an initial transition period post-Control Date,

KCS will adopt many of CP's program and systems, including CP's training programs, CP's Integrated Contingency Planning process, and CP's documentation system. CPKC will also incorporate KCS's emergency response third-party contract resources into CP's emergency response contractor network and KCS-owned emergency response assets into CP's response network.

For a short period following the combination, CP and KCS will maintain their own sets of United States Hazardous Materials Instructions for Rail ("USHMI") and their own reporting systems for hazardous materials. However, CPKC staff will analyze these plans and work together to develop one set of materials and systems for the combined CP/KCS.

During this process, KCS's staff will be incorporated into CP's Hazardous Materials organizational structure and CPKC will continuously review staffing levels and other resource levels to ensure there are sufficient resources to manage the Hazardous Materials program.

**Dispatching.** Currently, CP dispatches trains in the United States from an Operations Center ("OC") based in Minneapolis, MN while KCS dispatches trains in the United States from OCs in Kansas City and Spring, TX. During the early stages of integration, the former CP and KCS territories will continue operating separately according to their established train control systems. However, CP plans to migrate the Minneapolis, MN OC to Kansas City, and to integrate CP's OC with KCS's at the appropriate time post-Control Date. While relocation of employees is underway, the move will focus on maintaining safe operational practices in Minneapolis, MN, including the use of qualified train dispatchers to fill vacancies that may result from employee relocation.

With regard to systems, CPKC will carefully evaluate each independent train control system, focusing on operating rule requirements, operational safeguards, efficiencies, and the

ability to accommodate the needs of customers and the newly merged company. Appropriate stakeholders in affected departments will conduct this review and establish implementation plans. CPKC will ensure that train control changes are properly vetted and tested prior to implementation, and that no changes will be made unless and until safe operations can be maintained.

**Highway-Rail Grade Crossing Systems.** CP and KCS are both committed to the safety of citizens of the local communities in which they operate and CPKC will continue this dedication to safety. CP and KCS have similar established practices and programs for managing and improving the safety of at-grade crossings. Both companies work closely with state and local road authorities and emergency responders to support grade crossing safety improvements. The current practices and programs will continue with CPKC adopting the best practices of both railroads.

**Personnel Staffing.** CP anticipates that KCS's Kansas City headquarters will become the U.S. headquarters for the combined railroad, creating net-positive impacts on employment there, and that CP's Minneapolis, MN headquarters will eventually close. As a result, the operational consolidations arising from the combination of these two railroads will entail some adjustments in work arrangements, including (1) in the region centered on Kansas City, the one point where CP and KCS's rail networks connect, and (2) as a result of the relocation of CP's U.S. headquarters from Minneapolis to Kansas City. Though these moves will yield some changes in the level of employment and assignment of personnel, CPKC will take action to prevent these changes from raising safety issues. CPKC will ensure that all personnel receive the requisite training and recertification required to prevent any adverse impacts on safety and personnel.

**Capital Investment.** Both CP and KCS spend heavily to ensure that their respective networks are safe and efficient. For example, CP spent \$1.26 billion on capital expenditures in 2020 including on track and roadway, while in the past five years, KCS has invested heavily in

foundational programs, including over \$1.8B in roadway (infrastructure) and equipment, and \$440M in capacity enhancements to promote service levels for customers and to achieve growth opportunities. As previously discussed, CPKC will invest more than \$275 million in capital improvement projects to add capacity and improve safety on its core North-South rail corridor. These capital investments will transform the North-South lines on the combined system into a more efficient and higher-capacity network. CPKC plans to install additional sidings and extend sidings as set out in the Application, to support longer trains and accommodate the expected increase in train volume, expand the railcar fleet, invest in line infrastructure, among others.

**Information systems compatibility.** Because of the importance of information systems to the safety of a railroad, the overall goal while integrating CP and KCS information technology is to minimize train network disruption by having operations that focus on providing a safe working environment. This goal will be made easier by the fact that the CP/KCS combination is “end-to-end” and lacks geographical overlaps.

Currently, CP and KCS each possess information systems that meet each railroad’s freight operations’ needs. To ensure a safe and efficient transition, CP and KCS plan to continue to use each railroad’s existing systems for an initial period following the Control Date. However, CP and KCS have been and will continue to assess the information systems from multiple angles: their intended functions, their capabilities, and issues relating to integration with comparable systems on the other railroad. Over time, CPKC will migrate operations across both networks to a single set of platforms, choosing the best options based on the following factors: technological capabilities, ability to meet current and future needs of the CPKC network, and the ease with which a platform can accommodate a seamless transition.

### III. SAFETY INTEGRATION PLAN

#### A. CORPORATE CULTURE

##### 1. Focus on Safety at CP

CP's safety culture starts at the top with its leadership. As stated in the Verified Statement of Keith Creel, CP's CEO (filed in Volume 1 of the Application), "CP's commitment to safety is ingrained in every aspect of [its] business and at every level of [its] organization."<sup>1</sup> Safety is foundational to everything CP does, and as such, CP never prioritizes business objectives above safety. CP strongly believes that safeguarding people and communities contributes to long-term sustainable growth and success, and continues to enhance its safety measures to ensure ongoing safety compliance. In addition to its leadership, CP maintains its safety culture through a variety of measures, including its coordinated, centralized SMS, effective employee safety programming, and emergency preparedness. CP's commitment to safety is demonstrated by its safety performance: CP has led the industry with the lowest train accident frequency rate in North America for 15 years, illustrating the effectiveness of its efforts to enhance public safety and protect the environment.

**Centralized Safety Management System.** The foundation for CP's safety culture is grounded in SMS. SMS is an organizational framework that contains CP's safety activities, programs, and approaches that make up CP's safety culture. SMS provides a structural template for managing all safety-related procedures and standards, and includes CP's efficiency testing, safety accountabilities, employee engagement, and workplace inspections. SMS is based on a plan, do, check, and act model. CP understands the importance of continual improvement and the

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<sup>1</sup> Unless otherwise noted, referenced verified statements were submitted in connection with the Application.

importance of system audits, and conducts rigorous internal, external, and regulatory auditing of its SMS.

**Leadership.** Leadership is the primary driving force behind CP's culture of safety. *See* Keith Creel's Verified Statement. Senior executives in CP's Operations team and Corporate Risk team are responsible for setting the tone and direction for safety management. This includes setting goals and targets, establishing strategies and specific tactics to address issues, creating policies and processes to manage issues and monitor progress and recognizing and rewarding safety achievements. Each year, CP's President/CEO and Executive Vice President of Operations review and recommit to CP's Corporate Safety Policy. This commitment empowers the executive leadership group to develop, maintain and adjust any aspect of its SMS in a continual effort to operate safely. CP's Managing Director of Safety manages CP's safety team, and reports to the Assistant Vice President of Operations Support, who in turn, reports to the Executive Vice President of Operations.

CP believes that feedback is at the core of improving safety. CP created a centralized program for its leadership known as Consequence Leadership ("CL") that equips each leader with the tools necessary to navigate simple and complex situations alike, and implement positive change through feedback and action. CL is founded on sound, data-driven behavioral science that develops the safest, most effective, and efficient railroad in the industry.

**Foundations and Values.** CP's foundations and values foster a culture of safety. Each employee at CP strives to align with the following five foundational principles: provide service, control costs, optimize assets, operate safely, and develop people. In addition, CP's core values of accountability, diversity, and pride promote a family-like culture, in which employees work together with courage and integrity to provide world-class service. Employees at CP are taught

and incentivized to do what is right, even when it is not easy, which promotes CP's overall safety-centered culture.

**Technology.** CP prioritizes investments in technology to enhance safety. CP has invested in the following technology: wheel life forecasting, cracked wheel detection technology, wheel impact load detectors, predictive bearing failure using acoustic sensors, broken rail detection in dark territory (non-signaled track), enhanced rail flaw detection, and autonomous track geometry measurement systems. These technological advancements enable CP to approach safety from a preventative standpoint and to enhance CP's operational safety overall.

**Employee Involvement, Collaboration, and Communication.** CP views its unions and employees as critical partners in its safety culture, success, and systems. In order to achieve safety excellence, CP communicates and collaborates with its employees on safety items, and regularly involves them in safety planning and discussions. CP's employees actively engage in the development and evaluation of the SMS through various channels, including local and executive-level health and safety committees.

For example, CP's Workplace Health and Safety Committees ("WHSCs") identify, evaluate, and control hazards across CP's property by participating in workplace inspections and customer safety audits. WHSC representatives conduct peer observations of various tasks and provide feedback to individual employees on their observations. Management is not provided any individual employee results and receives only the blended results for a given location. This anonymized approach encourages committee representatives to provide open and honest feedback. As a result, management receives direct insight into compliance at the ground level.

CP's quarterly Safety Walkabouts are another example of employee involvement in safety-related processes. The Safety Walkabouts involve all levels of the Operations Department

(including Vice Presidents and General Managers) conducting on-property tours with local managers, WHSC members, and craft employees. During the Safety Walkabouts, leaders in the Operations Department seek employee ideas regarding safety exchange views with employees that drive employee engagement.

CP also employs a reporting feature by which employees are able to report hazards that are not immediately resolvable to protect others from the hazard. Using CP's online application, "Report a Safety Hazard" and the related safety hazard dashboard, employees are instructed to report hazards into the safety hazard reporting tool, which enables any employee to report a safety hazard. Following the report, management informs the employee how the hazard will be resolved. These tools and the supporting policies are designed to facilitate immediate reporting and enhance employee engagement. In 2020, CP management resolved over 1,600 employee-reported hazards.

**Programming.** CP's employee engagement initiative, "Home Safe," requires the following commitment and action, which work together to create a "team" approach to safety:

- give a heads-up;
- offer and ask for help;
- warn people who are putting themselves at risk; and
- identify, report, and remove hazards.

Home Safe embodies CP's desire to improve safety by tapping into the human side of safety and promoting employee engagement and feedback. This program—among others—conveys the message that every employee is responsible for instilling a culture of safety at CP. Through Home Safe, CP empowers its employees to take responsibility and do everything in their power to make sure that everyone goes home safe, every day. Following the inception of Home

Safe in 2016, CP observed a steady decrease in personal injury frequency rates. In 2020, CP remained a leader in the FRA reportable train accident frequency rate and had the lowest FRA-reportable personal injury frequency rate in CP's company history, demonstrating the effectiveness of its efforts to strengthen safety and protect the environment. Today, CP can proudly characterize its safety culture as being among the most progressive of all North American rail companies.

**Public Safety and Emergency Preparedness.** CP proactively plans and trains for emergency events to protect its workforce, the environment and the communities in which it operates. CP strategically invests in personnel, infrastructure, resources, and training to maintain high standards for public safety. CP is prepared to quickly deploy hazardous materials and emergency response teams to implement its Integrated Contingency Plan in cooperation with local emergency response organizations and CP's network of emergency response contractors. CP's Emergency Operations Centre personnel interface directly with field operators to ensure that the right resources are in place should an incident arise.

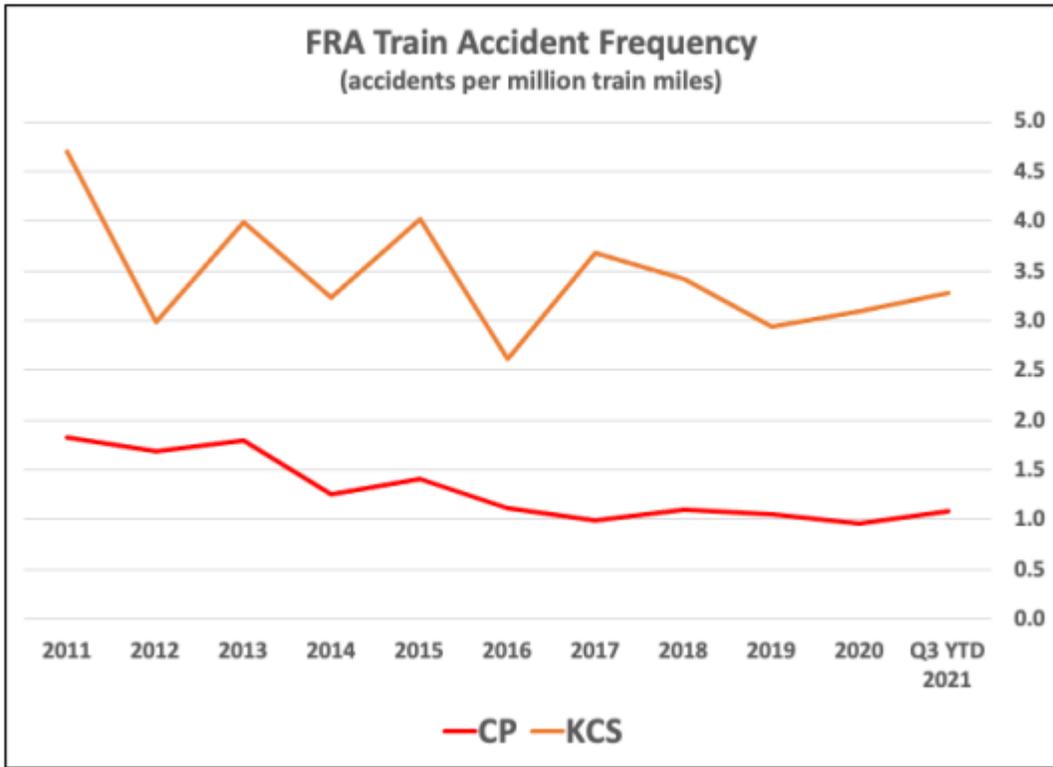
Moreover, CP's emergency preparedness goes beyond its workforce. Each year, CP supports local firefighters across its network to obtain rail-specific hazardous materials training at the Security and Emergency Response Training Center. Since 2012, CP has trained more than 30,000 emergency responders on hazardous materials response.

**Supervision and Monitoring.** The success of any safety requirement or initiative relies not only on a strong plan, but also the ability to validate a successful execution of that plan. CP's supervision and monitoring practices are developed to ensure safety compliance is regularly audited and operational practices are executed according to its safety policies. To ensure the quality and effectiveness of its safety rules, managers conduct efficiency testing to validate employee compliance with safety requirements, and also conduct safety audits to ensure safety

rules regarding operational practices are followed. The Manager Safety Accountabilities standards document prescribes which managers must perform efficiency testing along with the frequency at which the tests should be performed. During efficiency testing, managers observe employees to validate their ability to follow rules and requirements and provide feedback to employees. Managers also engage in joint testing, in which two or more managers provide feedback to each other following safety testing activities. Managers conduct visual inspections of workplace and customer locations to ensure no hazards exist, and also engage in Safety Walkabouts described above. Managers provide mentoring and coaching to employees regarding safety standards, and assist with training new hires during orientation. Select managers utilize locomotive event recorder data and video analysis to monitor whether employees comply with operating rules and practices. Additionally, Road Foremen perform inward facing camera audits to ensure compliance. WHSCs assist in supervision and monitoring by participating in hazard identification, escalation, and correction.

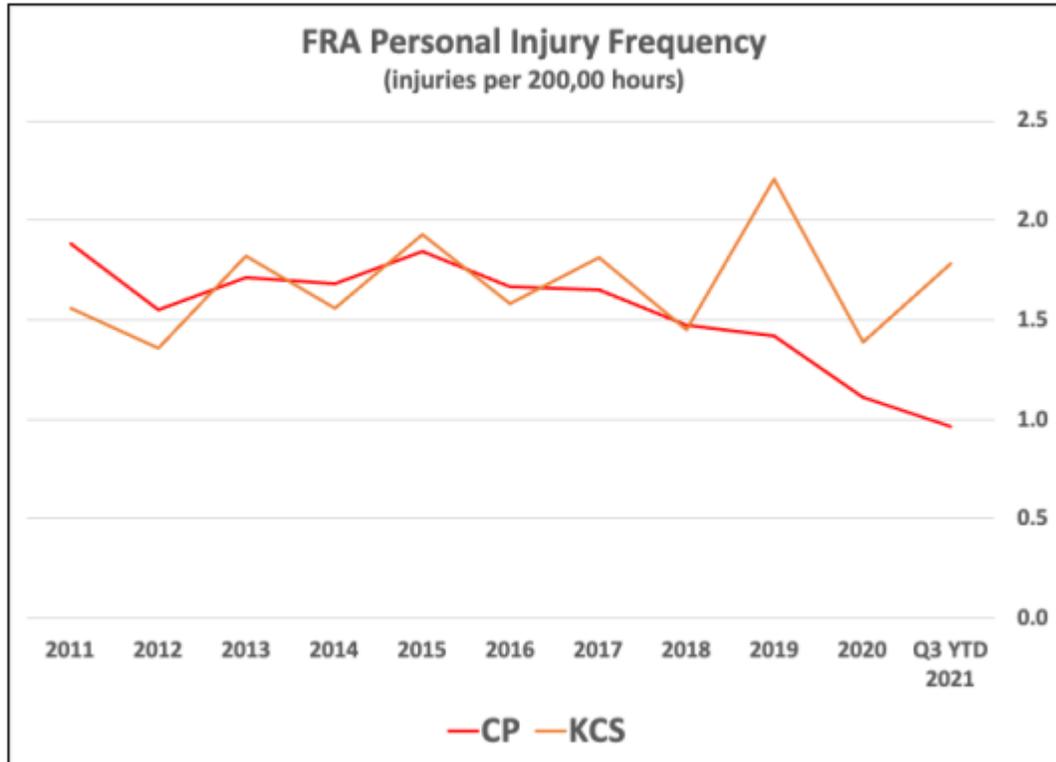
**Safety Performance.** CP's commitment to safety is reflected in its record-setting performance against two of the FRA's leading safety metrics. CP has achieved the lowest FRA train accident frequency of all large railroads for 15 years straight, and in July 2021, announced that it set a new record all-time low for any large railroad for a calendar quarter. CP's reportable accident rate has fallen 80 percent since 2013, as shown in Figure 2.

**FIGURE 2**  
**CP SAFETY PERFORMANCE**



CP has also achieved steady improvement in the key FRA personal injury frequency metric, as shown in Figure 3 below:

**FIGURE 3**  
**CP SAFETY PERFORMANCE**



**Risk Reduction Program**. Separate from the Application, and as required by 49 C.F.R. § 271, CP filed its Risk Reduction Program Implementation Plan (“CP Risk Reduction Plan”) prior to the FRA deadline of August 16, 2021. Per regulation, all Class I railroads are required to develop a Risk Reduction Plan. The CP Risk Reduction Plan is designed to be implemented as part of CP’s overall SMS. CP’s Executive Vice President of Operations will serve as the Risk Reduction Program’s Chief Official, and is responsible for overseeing the Risk Reduction Program. CP’s Managing Director of Safety will manage the Risk Reduction Program. The CP

Risk Reduction Plan covers topics such as overall objectives, roles and responsibilities, and hazard management for CP's Risk Reduction Program.

## **2. Focus on Safety at KCS**

Safety is the foundation for KCS operations. KCS is similarly deeply committed to operating a safe railroad. To this end, KCS has built a strong corporate culture focused on safety and has instituted a number of supporting safety programs. At KCS, safety is first and foremost, and KCS approaches safety as an obligation rather than an option. KCS always demonstrates its commitment to safety for its employees, customers, contractors and others. KCS's goal is to achieve the highest level of safety performance while meeting or exceeding regulatory standards.

KCS's executive leaders care deeply about their employees and regularly demonstrate the value of safety through their actions. As expressed in KCS's Vision, Values & Culture statement, safety is its most important value. Each year, the Chief Operating Office and Chief Safety Officer together set enterprise goals for safety improvement; achievement of those goals is a critical component of variable compensation for the operations teams. Also, the "President's Award" ranks the Injury Frequency Rate for each operating function (i.e., Transportation, Engineering and Mechanical) by location, recognizing each top-performing group with the Vice President's award, and the overall top performer with the President's award. The KCS Health, Safety, Security and Environmental Statement, publicly available on its website, further affirms top leadership's commitment to, among other things, workplace and public safety.

KCS's Vice President, Health, Safety, and Environmental, leads KCS's Health, Safety, and Environmental group within KCS's Operations Department. This group consolidates occupational health, workplace and public safety, Critical Incident Desk ("CID"), and Environmental, Social, and Governance reporting functions in both the United States and Mexico under a single

management head who is a peer to the Vice Presidents of Transportation, Mechanical, and Engineering Department. These reporting functions work together in the Operations Department and report to KCS's Chief Operating Officer.

In an effort to continuously improve its safety performance, KCS reorganized its safety department in 2021, increasing and realigning its staff of field safety managers. Previously, three subject matter experts (one each for mechanical, transportation and engineering) in the U.S. and the same number in Mexico were responsible for Safety Department responsibilities across the network for their specialty. Following the reorganization, 12 cross-functional field safety managers (six of whom work in the United States) are strategically placed throughout KCS's U.S. and Mexican enterprise. Each safety professional is responsible for all Safety Department responsibilities for his/her assigned territory. These highly trained and experienced safety professionals promptly respond to incidents and assist with investigations, attend all safety committee meetings, routinely audit for hazards, identify mitigation strategies and assure they are implemented, perform operational testing, assist with operational testing plans, are familiar with people, facilities, and safety concerns on a local level, have a deep and personal responsibility for safety on his/her territory, maintain relationships with local managers, front-line workers, and union leadership, and otherwise are a consistent and reliable safety presence for the assigned section of KCS's railroad.

These safety professionals report the Assistant Vice President for Safety in the United States, who reports to KCS's Vice President of Health, Safety and Environmental ("HSE"). Through this organization, KCS strategically manages safety assets through the U.S. and Mexico to provide support to all parts of the cross-border network. KCS's HSE team also includes hazmat

preparedness and response, internal safety reporting, compliance programs, public safety, and critical incident personnel.

At the core of KCS's safety administration is its Health, Safety, Security & Environment Management System ("HSSE MS"), which sets out KCS's safety policies and procedures. The HSSE MS was initially designed in compliance with the American Chemistry Council's ("ACC") Responsible Care Management System 2013 Technical Specification, and the KCSR rail network is certified by an independent, accredited auditing firm as a Responsible Care partner company. HSSE MS uses a risk-based hazard analysis approach to evaluate and prioritize identified potential hazards. Key areas in which KCS monitors risks include workforce health and safety, community awareness, emergency response, product safety, pollution prevention, and security. KCS uses standardized methods to evaluate and continually improve the HSSE MS. The HSSE MS covers topics such as KCS's expectations about how to conduct audits, continuous improvement plans, and safety committee meetings. Most recently, KCS has taken the further step of evolving its Safety Management System to make it International Standards Organization compliant, which KCS aims to accomplish by the first quarter of 2022. KCS continuously improves work practices in consultation with its works and their representatives.

KCS educates and empowers its employees to work safely. Through its *One Team: Living a Speak Up Culture* initiative, KCS fosters an environment of learning and growth by soliciting, embracing, and positively acting on relevant information from all workers so that opportunities are promptly addressed and relationships are strengthened. Among other benefits, the initiative is shifting the safety culture from "compliant" to "committed," as employees learn to speak up confidently and receive feedback in the spirit of continuous improvement. KCS also administers or facilitates a number of other initiatives to promote safety, including:

- CIDs in both the United States and Mexico, 24/7 call service centers that KCS personnel may use to report service interruptions; the Desk also makes phone calls to give important safety-related updates;
- a trained hazardous materials response team;
- safety tariffs that shift the costs of hazardous materials cleanup to customers whose negligence has resulted in spills, incentivizing customers to better secure their cargo for transport;
- safety-related compensation goals for executives;
- local safety committee meetings that allow workers to discuss and resolve concerns with safety conditions and to escalate unresolved issues to KCS’s Network Safety Steering Committee, which includes the Vice President for Health, Safety, and Environmental; and
- 50 internal dashboards that allow KCS to dissect and detect trends in safety data.

KCS developed the Transportation, Engineering, and Mechanical (“TEaM”) Training Center in the U.S. (Shreveport) and the Technical Training Center in Mexico (TEaM Capacitacion Mexico). These centers offer certification and training programs for all operations groups, both on-site and remotely, as business needs require. Due to the COVID-19 pandemic, many training programs were moved to virtual settings in 2020, but the important work continued:

- In 2020, the TEaM Training Center provided 12,110 employee training hours in the U.S., covering safety, operating rules, and proper work practices.
- In 2020, the KCSM Operations Training Group provided 46,442 employee training hours in Mexico, covering safety, operating rules, and proper work practices.

From 2017 to 2020, KCS's reportable train accidents per million train miles steadily decreased from 3.68 to 3.09, a 16% improvement.<sup>2</sup> KCS has safety committees at every major location on its network. These committees have monthly meetings to discuss safety issues at that location. Some larger locations, such as major yards, will have separate committees for specific functions. For example, at Shreveport there are separate committees for mechanical, engineering, and transportation, with a terminal committee that coordinates for the entire location. These committees are required by law in Mexico but in the United States they are a mix of negotiated agreements with unions and KCS practice, and are required by KCS's HSSE MS. Safety concerns that are not promptly resolved at a local level are referred to the Network Safety Steering Committee ("NSSC") through an escalation process. The NSSC is comprised of the Chief Operating Officer, Chief Transportation Officer, Chief Engineer, Chief Mechanical Officer, and the Chief Safety Officer.

KCS filed its Risk Reduction Program Implementation Plan ("KCS Risk Reduction Plan") with the FRA in advance of the August 16, 2021 filing deadline. The KCS Risk Reduction Plan describes KCS's safety program vision and operation. KCS's U.S. Vice President Health Safety and Environmental will be the KCS Risk Reduction Program's Chief Official. The KCS Risk Reduction Plan covers topics such as overall objectives, roles and responsibilities, and hazard management, to name a few.

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<sup>2</sup> In 2017, there were 3.68 reportable train accidents per million train miles. In 2018, there were 3.40 reportable train accidents per million train miles. In 2019, there were 2.94 reportable train accidents per million train miles.

### 3. Safety Integration – Corporate Culture

CPKC will bring a new standard of safety to the North American rail landscape. As the Verified Statement of Keith Creel explains, CP has been the safest North American railroad for many years, and it will implement the CP/KCS combination with safety at the forefront of its goals. CP's and KCS's company cultures are complementary to one another. CP's culture of safety will integrate well with KCS's like-minded safety-oriented culture, allowing the combined system to operate at the apex of rail safety. CP and KCS's plan for integration intends to draw from the best aspects of both cultures and the best practices that reinforce the dedication for both cultures to safety. The integration plan includes integration of the following:

- *Safety Management System.* CP's SMS will become the core of the combined system three years following the Control Date. CP will assess KCS's SMS and appropriately augment CP's SMS to enhance the combined SMS.
- *Deploying CP's safety technology across the combined system.* The CP/KCS network will be supported by the infrastructure investments in signaling and line capacity on the core North-South mainline of the combined system. CP and KCS are actively working to plan for the safe integration of the two systems, giving attention to all of the modern threats to safe train operations.
- *Consequence Leadership Program.* CPKC will maintain CP's Consequence Leadership program, and intends to implement this program across the combined entity within two years following the combination.
- *Home Safe.* Consistent with CP's current practice, CPKC will continue CP's Home Safe Program, and train employees of all crafts and locations in line with CP's Home Safe practices.

- *WHSC.* CPKC will adopt CP’s WHSC structure within the first year following the combination to facilitate a seamless transition of safety reporting across the combined entity.
- *Risk Reduction Program.* CPKC will adopt CP’s Risk Reduction Program by 2024. CP and KCS developed their respective Risk Reduction Programs with integration in mind, and CP and KCS are committed to ensuring safety and compliance are adhered to before integration of the respective programs is complete.
- *Efficiency Testing and Manager Accountabilities.* CPKC will adopt CP’s program within three years. CP relies heavily on its efficiency testing program to identify focus areas that require supervisor validation, and coaching opportunities to correct or reinforce existing work practices and ensure compliance with regulatory requirements.

## **B. TRAINING**

### **1. Training at CP**

CP’s Technical Training department (“Training Department”) is comprised of a dedicated team of safety-minded, professional Training Instructors. CP’s Training Instructors are committed to the development of each employee’s ability to perform to their highest level of proficiency within their respective craft. CP’s state of the art training facility is located in St. Paul, and is CP’s main location for major training in the United States. The facility has ten Training Instructors and houses six training rooms and two locomotive simulators. Three additional Rules Instructors are located at remote locations across the network to supplement major training or offer safety and training programs that do not require the use of CP’s main training facility.

To facilitate their professional development, CP’s Training Instructors are encouraged to participate in continuing education to enhance their technical training abilities. Examples of

continuing education include university course work, completion of certification programs, and computer software skill coursework. Focusing on improvement for CP's Training Instructors increases the quality of delivery for participants in CP's training programs.

In total, CP Training Instructors deliver more than 100 training courses and programs. Training Instructors lead the majority of these programs which are comprised of three categories: safety, rule, and technical training. To enhance the learning experience, many programs include computer-based training ("CBT") and simulations. Simulations are beneficial as they allow employees to engage in realistic activities while maintaining a controlled environment, can be repeated as needed until employees are able to demonstrate knowledge and understanding, and prepare employees for real-life situations they may encounter outside of training or may experience once promoted.

Internal instructional designers or contractors with instructional design credentials design the training programs. Design processes are mapped and reviewed, and train-the-trainer sessions are conducted for all new courses. CP records training results in its Learning Management System and retains them in accordance with regulatory requirements. The Learning Management System allows CP to access historical information and enables appropriate managers to generate reports and monitor progress. Additionally, CP submits its in-house training program to the FRA as 49 C.F.R. § 243 requires.

All training is organized into cycles in alignment with federal requirements. CP provides training programs for the following employees:

**Employees who perform train and engine service.** CP's Training Department delivers all new hire employee training. New hire Conductor candidates receive classroom training covering all aspects of the Conductor roles and responsibilities. During the course training, each candidate

is required to pass examinations related to operating rules and practices, safety, federal regulations, and hazardous materials. Each examination requires a passing score of 90 percent. The classroom training includes multiple days of simulated training that focuses on job tasks such as paperwork completion, radio communication with various craft employees such as Dispatching and Engineering employees, proper job briefing, and rules compliance. Prior to beginning on-the-job training (“OJT”), new hire Conductors will participate in field exercises and receive critical task sign-off by Training Instructors. During OJT, management will perform evaluation rides with each candidate to validate performance and ensure the employee is on track or ready for promotion.

CP’s Training Department also delivers all Locomotive Engineer training programs. Locomotive Engineer students receive instruction on locomotive operation, machinery, air brake systems, relevant FRA regulations, General Code of Operating Rules (“GCOR”), safety, hazardous materials, train handling, track and train dynamics, PTC, and distributed power operations, where required. A minimum score of 90 percent is required on all mechanical and operating rule examinations.

Type II Simulators are incorporated into the Locomotive Engineer training program to connect the theory of practice with hands-on experience. These simulations place the candidate at the controls of a variety of trains operating over different territories. Each simulation introduces the candidate to a rule or practice, and includes instructor oversight and a lecture on proper operation and execution.

Locomotive Engineer trainees are required to perform OJT for a set duration or amount of throttle time. Each candidate participates in evaluation rides with a designated supervisor of Locomotive Engineers who is responsible for validating performance and ensuring the employee is on track or ready for promotion.

Remote Control Operator candidates receive a total of 80 hours of training, including classroom and OJT. The candidate must complete an examination and achieve a passing grade of 90 percent. OJT is conducted under the direction of a qualified Remote Control Operator. A designated supervisor of Remote Control Operators performs an evaluation ride to evaluate whether the candidate is eligible for promotion.

All promoted Conductors, Remote Control Operators, and Locomotive Engineers in the United States receive recertification training and testing within a period not to exceed 36 months as required by regulation.

**Employees who inspect and maintain track and bridges.** Prior to beginning a rules-qualified position, each Engineering employee attends a four-hour class covering the U.S. Rulebook for Engineering Employees and Timetable Special Instructions, which includes current General Orders. After completing the class, each employee must pass a comprehensive examination with a minimum score of 90 percent.

Engineering employees receive training on FRA track safety standards with a program developed with requirements sourced from CP's Engineering Red Book of Standards and federal regulations. In addition, engineering employees receive training on CP's Standard Practice Circulars, which contain construction standards, best practices and work methods, as well as the Engineering Red Book requirements, which provides Track Inspectors, Track Foremen and other qualified track maintenance staff with specific track standards in a clear and readable format.

Engineering employees who perform track maintenance receive training on various topics including:

- on track safety ("OTS");
- lockout / tag out procedures;

- use of respirators;
- hazardous communication;
- crane operation;
- basic machine operator orientation;
- 49 C.F.R. § 213 awareness;
- track basics and confined spaces; and
- field orientation on the use of tools and basic track components.

Track inspection training at CP includes an FRA-approved seven day track inspection training program, a track maintenance Foreman course, a Foreman leadership skills course, and periodic supervisor best practices workshops. The track inspection course includes classroom training on roadbed and track structure, rail, turnout inspection, track geometry, records input, movement over rail breaks, plan reading, shimming, continuous welded rail, and handling of vehicle track interaction exceptions. The course also includes a hands-on practical where the trainee identifies defects in a track, inspects turnouts, and plots a curve. All new Track Inspector trainees' complete a task-based checklist to ensure feedback is received on their performance. At intervals throughout the training, management performs validation checks to ensure the employee is in compliance with performance standards and on track for completion of the program. The track inspection course must be recertified every three years.

**Employees who inspect, maintain and repair any type of on-track equipment, including locomotives, passenger cars, and freight cars of all types.** All mechanical car and locomotive employees receive CP Training Department classroom instruction, which covers the GCOR, safety, and other duty specific rules and best practices. Training also covers topics such as job briefings, blue flag protection, hazard communication, annual safety, emergency response, rail

security, and fall protection. After participating in the classroom instruction, each employee is required to pass a comprehensive examination with a minimum score of 90 percent.

CP qualifies all mechanical employees who inspect, maintain, or repair locomotives or freight cars through a combination of Designated Instructor-led classroom-based training, OJT, and CBT under the direct supervision of a Qualified Person. Competency evaluations are conducted by a Designated Instructor. Designated Instructor-led classroom-based training is facilitated through CP's training center located in Saint Paul, Minnesota, and OJT and qualification checks are conducted in each candidate's respective location throughout the network.

Candidates participate in a training program which utilizes periods of directed OJT under the direct supervision of a Qualified Person accompanied with Designated Instructor-led classroom-based training. The program is designed for candidates to develop fundamental skills and competencies, consolidate OJT learning in a Designated Instructor-led classroom-based environment, and graduate to advanced topics upon demonstrating competency of the fundamental learning objective. OJT tracking and progress is facilitated through the use of an application deployed in all facilities, which is used by each candidate's respective supervisor. Qualified management provide sign-off using OJT checklists, required by 49 C.F.R. § 243, which are utilized to ensure trainees can perform the tasks required by their positions.

Employees also receive training specific to their duties covering topics such as:

- freight car inspection;
- locomotive service inspection;
- electrical and mechanical safety;
- track mobile operations (including remote operation);
- utility vehicles;

- shop track operations program (fueling and sanding locomotives); and
- dimensional load measuring and reporting, and FRA equipment safety inspections.

Mechanical Machinists and Electricians receive an extensive training curriculum that covers aspects of inspection and maintenance of locomotives. This training covers topics such as:

- trucks, body, air brake systems;
- draft gear; and
- fuel systems, cooling system, electrical systems, and PTC.

**Dispatchers or Operators.** CP's Training Department delivers all Train Dispatcher training. The Train Dispatcher training program is up to 20 weeks long and covers GCOR, Timetable Special Instructions, Train Dispatcher Manual, General Operating Instructions, and OTS. Candidates must pass periodic quizzes and receive a score of 90 percent or higher on a promotional exam. Training includes use of the train dispatching computer systems, train control simulation exercises, OJT, and a territory familiarization trip for the candidate's training territory. Train Dispatcher trainees receive simulation training before working on the desk to become familiar with required tasks and controls of the job. Candidates spend multiple weeks on the various subdivision desks working under the guidance of that day's dispatcher—in this program, they perform all facets of the job.

Train Dispatchers are required to pass a GCOR rules exam biannually with a score of 90 percent or higher. In addition, Train Dispatchers attend daily job briefings to ensure they understand any rule changes and any operational abnormalities.

**Employees who inspect and maintain signal and train control devices and systems and employees who maintain or upgrade communication systems affecting rail operations.** CP's Training Department delivers all signal and communication training programs. Signal Maintainer

trainees attend class in St. Paul, Minnesota where they learn in a training lab, which includes all of the necessary equipment with which a Signal Maintainer must be acquainted. As part of the training, Signal Maintainer trainees simulate trouble calls and make adjustments in an effort to build proficiency. Each employee receives ten weeks of training delivered in classrooms or on-site locations. This training covers numerous topics such as track circuitry, crossings, signalized control methods, and PTC. Employees also receive training specific to the equipment and control systems present on the territories where they will be working.

Job-specific training includes topics such as:

- crane operation;
- fall protection;
- software management control protocols;
- radio and wayside interface training;
- signal and communication standards;
- grade crossing maintenance; and
- trackside warning detectors.

To ensure continual compliance with safety and knowledge standards, CP has an internal efficiency testing system, which is customized for Signals and Communications employees to ensure targeted knowledge-based training.

**Hazardous materials personnel, including information technology personnel who affect the transportation of hazardous materials.** CP prioritizes training programs for personnel handling dangerous goods and hazardous materials. In the United States, employees covered by DOT's hazardous materials regulations receive hazardous materials training. This includes train crews, dispatchers, engineering maintenance of way employees, mechanical employees, and

customer service staff who produce waybills. This training covers general awareness, familiarization, function specific items, safety training, and rail security training.

Select field managers also attend the Transportation Technology Center in Pueblo, CO, to receive specialized hazardous materials training.

**Supervisors of Employees.** CP trains its craft supervisors on topics such as:

- job briefings;
- safety training;
- GCOR or OTS rules;
- hazardous materials, hazard communication, and emergency response;
- air brake and train handling;
- switching operations fatality analysis; and
- rail security awareness.

Supervisors must complete efficiency test training in order to conduct efficiency tests in the field. The training covers testing, manuals, and data entry. The training also includes a hands-on piece, which includes exposure to qualified managers entering test results into the compliance management program. Training sessions are followed by OJT in the field with an experienced manager. Final qualification is determined by an experienced manager and reported to the Manager of Rules on the appropriate document.

## **2. Training at KCS**

KCS has a similarly robust set of training programs offered through sites in the United States and Mexico, as well as virtual options. All programs comply with regulatory requirements but also go above and beyond to make sure the workforce is adequately prepared for the array of

challenges they may face. KCS also submits its in-house safety training programs to the FRA under 49 C.F.R § 243.

KCS's catalog of training programs contains hundreds of courses, almost all of which are safety-related. KCS's Technical Training and Organizational Development Group is responsible for the development and delivery of training across KCS's network and reports to the Assistant Vice President of Organizational Development and Employee Relations.

**Employees who perform train and engine service.** KCS training staff provide formal classroom training, written examinations, and informal training on an ongoing basis to ensure safe operations and rules compliance. Training classes include: operating and safety rules, air brake and train handling, system timetable, system special instructions, emergency response, PTC, Conductor training, Locomotive Engineer training, and Remote Control Operator training.

Initial Locomotive Engineer training in the United States includes five weeks of classroom training and 17 weeks of training with an experienced engineer. Initial Hostler Helper training in Mexico consists of five weeks of classroom training and 12 weeks of training with an experienced Hostler Helper. Subsequent promotions to Hostler, Yard Engineer and Road Engineer require the same classroom and field training as the initial Hostler Helper course. Classroom training is provided at the TEaM training center in Shreveport or San Luis Potosi. All field training is conducted at the trainee's home location.

Initial training for Conductors in the United States includes four weeks of classroom training and 12 weeks of field training with an experienced Conductor. All new Yard Brakeman in Mexico receive five weeks of classroom training and 12 weeks of field training. Subsequent promotions to Yard Foreman, Road Brakeman and Conductor require the same classroom and field

training as the initial Yard Brakeman. Classroom training is provided at the TEaM Training Center in Shreveport or San Luis Potosi. All field training is conducted at the trainee's home location.

All promoted Conductors, Remote Control Operators, and Locomotive Engineers in the United States receive recertification training and testing within a period not to exceed 36 months as required by regulation.

Safety focus blitzes, operations testing, peer coaching and CBT all provide learning opportunities for transportation employees. Testing and observation continue to be an integral part of these programs.

**Employees who inspect and maintain track and bridges.** All KCS bridge inspectors must successfully complete formal bridge inspection training as provided by KCS. All Track Inspectors (Track Supervisors, Roadmasters and Division Engineers) on KCS are trained on FRA track inspection standards and receive OJT. The Track Inspectors attend FRA track inspection classes that are offered in-house by KCS instructors. Division Engineers provide oversight, records review, and coaching of inspectors to help ensure that high standards are maintained.

Below are some examples of training programs KCS provides to Engineering Department employees:

- GCOR, safety, lone worker, and roadway worker protection;
- fork truck, platforms, man lifts, and ladder safety;
- lockout / tag out procedures and electrical safety;
- crane safety, rigging, and fall protection;
- job briefings, hazard communication, and emergency preparedness;
- CPR / first aid and fire extinguisher training; and
- hazardous materials.

**Employees who inspect, maintain and repair any type of on-track equipment, including locomotives, passenger cars, and freight cars of all types.** New hire mechanical employees attend rules and safety training at the TEaM Training Center in Shreveport or San Luis Potosi. Based on a three-year topic rotation, the TEaM Training Center also delivers annual Occupational Safety and Health Administration (“OSHA”) and OSHA refresher training.

All KCS Carmen must attend an apprentice program delivered by the Railroad Education Bureau (“REB”) based in Omaha, NE. The apprentice training program contains 108 lessons, which must be completed within three years as a condition of employment. The apprentice training program complies with FRA regulations.

Locomotive employees at KCS also participate in a formal apprentice program for both Machinists and Electricians through REB. This program also contains 108 lessons, which must be completed within three years as a condition of employment, and complies with FRA regulations.

In order to meet the new training requirements of 49 C.F.R. § 243, all newly hired employees receive OJT checklist assignments, which are specific to each job to ensure they are meeting knowledge and skill levels required for those positions.

Mechanical employees returning to work after having been off for an extended period of time due to injury, illness, discipline or other reasons will also receive manager consultation with any required rules training and / or OJT prior to returning to full duty.

Below are some examples of training programs KCS provides to Mechanical employees:

- operating and safety rules / PTC;
- lockout / tag out procedures and electrical safety;
- emergency preparedness, job briefings, and hazard communication;

- CPR / first aid and fire extinguisher training;
- fall protection, crane safety, and rigging;
- fork truck safety, platforms, man lift, and ladder safety;
- Qualified Mechanical Inspector; and
- Locomotive Mover.

**Dispatchers or Operators.** New Train Dispatchers participate in a ten-section, 64-hour class which covers all aspects of dispatching and the Train Dispatch Manual. The course includes use of home study modules and as well as a Train Management and Dispatch System simulator for virtual real-world training and assessment. Each candidate is required to participate in on-the-job training under the direction of a qualified dispatcher, which runs for no less than 60 days. Additional training time may be allowed based on railroad assessment. Each week, Train Dispatchers are required to submit an evaluation form for student dispatchers to management.

During the training phase, and when possible, student dispatchers take road trips on the territories or districts for which they will have dispatching responsibility. Upon completion of each road trip, student dispatchers are required to submit a review of their findings to the supervisor.

Train Dispatchers are also required to attend and complete an annual rules class which covers rules related to GCOR, air brake and train handling, train dispatcher manual, hazardous materials, PTC, passenger train emergency preparedness, roadway worker rules, and safety rules. Each course is four to eight hours.

**Employees who inspect and maintain signal and train control devices and systems and employees who maintain or upgrade communication systems affecting rail operations.** Signal employees receive the same rules training as other Engineering Department employees as

identified above. All new employees also attend Signal Training School for a six-week training course. The course covers basic to advanced signaling. KCS suppliers also provide product-specific training as new products are approved and become available. Remedial training is also offered on a case-by-case basis. Employees and contractors who maintain or upgrade communications systems and equipment on or adjacent to the right-of-way are trained annually in OTS, as Roadway Workers, and Watchmen / Lookouts, and every other year on hazardous materials and GCOR. Changes to the operating rules are communicated through General Order, and all GCOR qualified personnel are required to have copies of all active and current General Orders in their possession prior to fouling track. New employees and contractors are prohibited from fouling the track until they have completed the necessary OTS and/or GCOR classes.

**Hazardous materials personnel, including information technology personnel who affect the transportation of hazardous materials.** Applicable KCS employees receive hazardous materials training at least once every three years. The course has been customized based on the area of responsibility and complies with the applicable federal regulatory requirements. Applicable Transportation, Engineering, and Mechanical Department employees are provided traditional classroom training and testing. Testing is an integral part of both classroom and CBT.

**Supervisors of Employees.** Supervisors are expected to attend training equivalent to the individuals under their supervision. In addition, supervisors will receive periodic Management Development Training. Management Development Training includes training in areas such as safety leadership, safety fundamentals, drugs and alcohol, time management, regulatory reporting, operations testing, and derailment prevention.

### 3. Safety Integration – Training

CP realizes the importance of training and is dedicated to applying the focus and attention necessary to ensure a seamless transition when CP and KCS are combined. Given the remarkable job creation projected as a result of the transaction, CP has analyzed the current estimated maximum training levels at both railroads. Collectively, CP and KCS provide initial training to approximately 540 new hires and re-certifies 2,225 employees each year.

As noted in Table 1 below, in the 36-month period following combination, the projected initial training requirement does not exceed 304 employees in any given year. This equates to only 56% of the average training counts provided by both railroads today. Additionally, it has been determined that each railroad will be able to manage peak training beyond the average initial training provided. For example, in 2021, CP alone is expected to deliver initial training to almost 500 employees, which is substantially higher than the expected initial training needs for CPKC in a typical year. This highlights CPKC’s ability to accommodate increased training demands and maintain world-class training for all employees.

**TABLE 1**  
**CPKC JOB GROWTH PROJECTIONS**

CPKC Job Growth Projections	Job Creation Counts		
	Year		
Role Description	1	2	3
Car Mechanical	28	35	47
Engineers	126	71	113
Locomotive Mechanics	10	10	0
Signals Maintainers	4	4	5
Track Maintainers	8	17	34
Trainmen	119	65	105
<b>Total</b>	<b>295</b>	<b>202</b>	<b>304</b>

To ensure continued safety, CPKC will also monitor staffing requirements and make adjustments to staffing, where necessary.

CPKC's training will continue unabated. Applicants expect the training centers located in St. Paul and Shreveport to remain open as their locations in the network will aid in efficient training across the combined system.

Immediately following the Control Date, CPKC will maintain separate training programs while KCS training staff are brought up to speed with CP training material and processes. CP and KCS each deliver quality training programs that meet or exceed applicable federal requirements. To ensure uniform training exists across the CPKC U.S. network, KCS will adopt CP's training programs and methodology. This will enable efficient internal and external oversight, as delivery will be the same at each location across the new property.

CPKC will also work to identify a comprehensive list of differences between CP and KCS safety and operating rules for employees in Train and Engine, Engineering, Dispatching, Mechanical, and Signal and Communication roles. Once the differences are appropriately assessed, a comprehensive package of rules will be developed and delivered to each KCS craft as needed.

Post-Control Date, CPKC intends to consolidate both Mechanical and Engineering qualification programs and using CP's programming and standards. CPKC programs will meet requirements set forth by the FRA. CPKC will use the FRA-approved CP training program for qualifying new Inspectors and also use a course to retrain existing track Inspectors every three years. This requalification system also meets the requirements set forth by the FRA.

To promote a positive training experience, CP will also assess technological differences that exist between each railroad. CP will look to expand use of its Smart Board system and other

CBT methodologies. These decisions will be based on varying needs and the overall information system review.

Train the trainer sessions will be conducted as needed to familiarize training staff with new content and ensure consistent delivery. CPKC will provide appropriate support and guidance to training staff while delivering new material. The timelines surrounding delivery will be based on the complexity of differences found during the review, training of KCS staff, and timelines associated with rulebook alignment.

## **C. OPERATING PRACTICES**

### **1. Operating Rules**

#### *a) Operating Rules at CP*

At CP, responsibility for operating rules and practices falls under the Corporate Risk umbrella. The Manager of Rules – U.S. (“MOR”), based in St. Paul, is responsible for developing, implementing, and enforcing operating rules, OTS Rules, Timetables and Special Instructions, and General Orders. The MOR function reports to the Director of Operations, Standards and Rules. The MOR also oversees CP’s Operational Testing Program (pursuant to 49 C.F.R. § 217.9), which has been filed with the FRA. This program contains safety tests and efficiency tests, both of which are performed by field supervisors and documented in CP’s Compliance Management system. If an employee fails these tests, this information is communicated to the relevant employee and CP undertakes corrective measures to ensure proper understanding. Progress is monitored closely and completion is compared against pre-defined quarterly standards. Minimum manager requirements are assigned by position and are detailed within CP’s 49 C.F.R. § 217.9 Efficiency Testing program.

CP's Manager Operating Practices – U.S. (“MOP”) is responsible for developing, implementing, and enforcing rules related to air brake and train handling, conductor and engineer certification, and remote control operations. This position works directly with ten designated supervisors of locomotive engineers, who are located across the United States and are strategically spaced to execute annual monitoring and other federally required activities. The MOP also provides oversight to CP's Random Inward Camera Audit program, which utilizes state-of-the-art in-cab audio, video, and event recorder systems to monitor operations rule compliance. Information regarding the certification of locomotive engineers and conductors is covered later in the Operating Practices section.

Both MOP and MOR positions work closely with the training center to ensure the delivery of current and relevant content and interact with employees in the field to provide uniform interpretation of rules.

CP uses timetables, tabular general bulletin orders, and other circulars to provide operating instructions to operations employees. CP makes updates to rulebooks by General Order or MOP notice. CP groups General Orders by letter. A-Orders are applicable to all employees and contain the following nine streams: Designated Clinics, Utility Radio Instructions Manual, Safety Manual Changes, Manuals in Effect, USHMI, PTC Instructions, Mechanical Safety Manual Changes, Engineering Safety Manual Changes, and Rule Changes. MOP Notices are divided into four streams: Remote Control Locomotive Changes, Technical Bulletins, Positive Train Control Operating Instructions, and General Operating Instructions (“GOI”) Changes.

Rulebooks are available on CP-provided electronic devices through an application called “E-Binder.” This application allows the Operating Practices and Rules team to deliver newly created or modified rules information to Operating Crews expeditiously.

CP utilizes the following rulebooks and documents to inform its employees, create a safe work environment, and give its employees the information that they need to remain compliant with federal regulations, operating rules, and safety rules:

- GCOR 8th Edition, effective April 1, 2020;
- GOI, effective September 15, 2013;
- Chicago Operating Rules Association Guide in the Chicago Terminal for movements over foreign line railroads;
- Timetable, dated March 25, 2021;
- U.S. Rulebook for Engineering Employees (OTS Manual) in compliance with 49 C.F.R. § 214, effective January 25, 2021;
- Train Dispatcher and Control Operator Manual, which supplements operating rules and procedures;
- Safety Rules and Recommended Practices/Safe Work Procedures for Intermodal, March 2014;
- Train & Engine Safety Rule Book, May 2013;
- Mechanical Safety Book, May 2017;
- Engineering Safety Book, January 2014;
- U.S. Hazardous Material Instructions for Rail, November 2015;
- General Managers Notices; and
- Superintendent Bulletins.

*b) Operating Rules at KCS*

The Operating Practices group at KCS helps ensure the highest degree of safety and productivity in day-to-day operations. The Operating Practices group is responsible for developing, implementing, and enforcing the Operating Rules, Safety Through Awareness and Responsibility (“STAR”) Rules, Air Brake and Train Handling Rules, System Timetables, and System Special Instructions, as well as the Program of Operational Testing and the Locomotive Engineer Certification Program.

KCS has adopted a modified version of the GCOR, and also maintains its own safety rulebook, the STAR Rulebook, which addresses safety rules for all crafts. KCS maintains separate rulebooks for handling hazardous material, air brake and train handling, on-track safety and roadway worker rules, and maintenance of way and signal department rules. KCS’s core and general safety rules include rules on air brake and train handling, train dispatch, hazmat, PTC, passenger train emergency preparedness, roadway worker rules, and general safety rules. Train-specific information and restrictions are communicated to the train and engine crews through General Track Bulletins. KCS timely issues General Orders, Circulars, or Bulletins to reflect changes in the GCOR or special instructions for essential operating instructions and information. These rulebooks are updated as necessary.

In compliance with 49 C.F.R. § 217, the KCS Program of Operational Testing ensures each manager has specific testing targets for each month to evaluate employee knowledge and application of the rules. The operational test results are entered into the Operational Testing System to monitor each employee’s history and identify non-compliance trends for developing action plans as needed.

KCS utilizes the follow rulebooks and documents:

- Air Brake Systems and Train Handling Rules and Instructions, effective April 1, 2020;
- OTS and Roadway Worker Rules, effective April 1, 2020;
- Maintenance of Way and Signal Department Rules, effective April 1, 2020;
- Remote Control Operating Rules, effective April 1, 2020;
- Safety Rules, effective April 1, 2020;
- GCOR 8th Edition, effective April 1, 2020;
- System Special Instructions and Instructions for Handling Hazardous Materials No. 15, Effective April 1, 2020 and Updated through General Order No. 137 effective October 29, 2021;
- Train Dispatcher’s Manual, Effective April 1, 2020 and updated through Corridor Manager Circular #26; and
- System Special Instructions and Instructions for Handling Hazardous Materials No. 15, effective April 1, 2020 and updated through General Order No. 137 effective October 29, 2021.

*c) Safety Integration*

Applicants expect that Operating Practices governance, operational testing programs, and related rulebook information will remain separate in the early stages of safety integration. CPKC expects to continue utilizing the GCOR rules in the United States, as it was in effect with regards to each railroad prior to the combination. This will minimize integration hurdles with respect to rulebook adoption.

Following the combination, CPKC will perform a comprehensive review of all other operating rules and practices to determine the best fit for the combined company. This review includes Air Brake and Train Handling, Remote Control Operations, Train Dispatcher instructions, System Timetables and Special Instructions, and hazardous materials, as well as the other rulebooks listed above. To ensure proper communication and efficient integration, CPKC's Operating Practices and Rules team will work closely with the Training Department team during an interdepartmental review to ensure that chosen rule sets and training programs are properly aligned. Once the comprehensive review is complete, CPKC will move toward one common set of Operating Rules and Practices.

Applicants anticipate that CPKC will retain each railroad's established Operational Testing program, at least in the near term, following the combination. Applicants anticipate amalgamating Operational Testing programs, with timing dependent on other integration decisions, such as information systems and organizational structure. CPKC will ensure that the consolidation of its Operational Testing program will align with federal requirements and be filed with the FRA as required. CPKC will also ensure that affected employees receive appropriate training.

CPKC will implement a standard format for the communication of rule changes across the United States. To accomplish this, CPKC will perform a review of the processes used by each railroad to update, modify, or otherwise communicate Operating Rules and Practices information to employees. Once complete, CPKC will provide the training necessary to bring employees up to speed on delivery processes and adopted rules.

Finally, CPKC will monitor rules performance throughout the integration process and make adjustments necessary to ensure safe operations. CPKC will carefully consider existing rules before making modifications, and will ensure that it is providing sufficient training to employees.

CPKC will also keep FRA apprised of rule consolidation plans, when necessary, and provide updated rulebooks when consolidation occurs.

## **2. Alcohol and Drug**

### *a) Alcohol and Drug Program at CP*

CP is committed to the safety and health of its employees and the general public and complying with DOT's drug and alcohol testing requirements, including the FRA's Control of Alcohol and Drug Use regulations set forth at 49 C.F.R. § 219. CP's Designated Employer Representative ("DER") manages CP's Federal and Company Regulated Drug and Alcohol Programs.

In accordance with applicable federal regulations, CP's drug and alcohol programs apply to individuals regulated by the federal hours of service laws, i.e., covered employees as defined at 49 C.F.R. § 219.5, as well as roadway workers, i.e., maintenance-of way employees as defined at 49 C.F.R. § 214.7.

Canadian Pacific prohibits:

- Alcohol and drug use as defined by 49 C.F.R. § 219.101
- Abuse of controlled substances as defined by 49 C.F.R. § 219.102

CP's established programs also require employees to submit to the following tests when appropriate:

- urine screens to detect the presence of marijuana, cocaine, opioids, phencyclidine, and amphetamines;
- breath alcohol tests to detect the unauthorized use of alcohol; and

- breath, urine, blood and tissue (fatality) testing after qualifying FRA post-accident events.

There are numerous situations when Federal drug and/or alcohol tests must be administered for the railroad to be in compliance with 49 C.F.R. § 219 and 49 C.F.R. § 40. Personnel performing these functions will be required to submit to a drug and/or alcohol test in the instances set forth, as follows:

- Pre-employment testing (49 C.F.R. Part 219, Subpart F)
- Reasonable suspicion testing (49 C.F.R. Part 219, Subpart D)
- Reasonable cause testing (49 C.F.R. Part 219, Subpart E) (CP performs federal reasonable cause testing when applicable)
- Post-accident testing (49 C.F.R. Part 219, Subpart C)
- Random testing (49 C.F.R. Part 219, Subpart G)
- Return to duty and follow-up testing (49 C.F.R. Part 40, Subpart O)

Supervisors responsible for regulated employees are trained in the signs and symptoms of alcohol and drug influence, intoxication, and misuse, and how to properly identify such circumstances, and in the determination of whether or not an accident or incident meets the qualifying criteria for post-accident toxicological testing contained in 49 C.F.R. Part 219, Subpart C. Training methods are both computer-based and instructor-led programs.

CP has developed and published educational materials, specifically designed for regulated employees, that clearly explain the requirements of 49 C.F.R. § 219.23. Each regulated employee will be given information concerning the available methods of intervening when an alcohol or controlled substance problem is suspected. This information is accessible to each regulated employee through the CP's intranet site and upon hire.

Additionally, resources and programs are available to any employee who is affected by an alcohol or substance use problem. CP's internal policies encourage employees to self-report alcohol and drug abuse problems, and to report employees who appear to be unsafe to work with due to the possible use or misuse of prohibited drugs and/or alcohol.

*b) Alcohol and Drug Program at KCS*

Like CP, KCS is committed to the safety and health of its employees and the general public and complying with DOT's drug and alcohol testing requirements, including the FRA's Control of Alcohol and Drug Use regulations set forth at 49 C.F.R. § 219. KCS's DER manages KCS's Federal and Company Regulated Drug and Alcohol Programs.

In accordance with applicable federal regulations and in line with CP's practices, KCS's drug and alcohol programs apply to individuals regulated by the federal hours of service laws and roadway workers.

KCS prohibits:

- Alcohol and drug use as defined by 49 C.F.R. § 219.101
- Abuse of controlled substances as defined by 49 C.F.R. § 219.102

KCS's established programs require employees to demonstrate their safety posture with:

- urine screens to detect the presence of marijuana, cocaine, opioids, phencyclidine, and amphetamines;
- breath alcohol tests to detect the unauthorized use of alcohol; and
- breath, urine, blood and tissue (fatality) testing after qualifying FRA post-accident events.

Personnel performing these functions will be required to submit to a drug and/or alcohol test in the instances described at 49 C.F.R. § 219 and 49 C.F.R. § 40, including:

- Pre-employment testing (49 C.F.R. Part 219, Subpart F)
- Reasonable suspicion testing (49 C.F.R. Part 219, Subpart D)
- Reasonable cause testing (49 C.F.R. Part 219, Subpart E) (KCS performs company cause testing)
- Post-accident testing (49 C.F.R. Part 219, Subpart C)
- Random testing (49 C.F.R. Part 219, Subpart G)
- Return to duty and follow-up testing (49 C.F.R. Part 40, Subpart O)

KCS trains its supervisory employees to identify the signs and symptoms of alcohol and drug influence, intoxication, and misuse. The training covers the physical, behavioral, speech and performance indicators of probable alcohol misuse and use of controlled substances. The training also includes information on the qualifying criteria for post-accident toxicological testing contained in 49 C.F.R. Part 219, Subpart C, and the role of the supervisor in post-accident collections described in 49 C.F.R. Part 219, Subpart C, Appendix C. This training is instructor-led.

KCS has developed and published educational materials, specifically designed for regulated employees, that clearly explain the requirements of 49 C.F.R. § 219, as well as the Company's policies and procedures for meeting those requirements. These educational materials are provided to each regulated employee hired for or transferred to a "regulated" position and will be accessible to each regulated employee in the future via the internet.

Additionally, each regulated person is provided access to resources concerning the misuse of alcohol or controlled substances and available methods of intervening when an alcohol or

controlled substance problem is suspected, including referral to an employee assistance program and/or referral to management personnel.

*c) Safety Integration*

Post-Control Date, CP's and KCS's drug and alcohol programs will operate independently. Recognizing the importance of having a combined program, CPKC will move towards consolidation of the two programs. To accomplish this, CPKC's drug and alcohol program management team will perform a full review of both programs to determine the best course for safe integration and continued compliance. CPKC will ensure all regulated service personnel, both supervisors and employees, are adequately trained on the applicable aspects of 49 C.F.R. § 219.11 and 49 C.F.R. § 219.23 so that CPKC's consolidated program and policy is fully compliant with federal regulations. CPKC will also test international crews when required. The timing for this integration depends on other integration timelines, such as the integration of the human resources department and other information systems.

**3. Qualification and Certification of Locomotive Engineers and Conductors**

*a) Qualification and Certification at CP*

**49 C.F.R. Part 240.** CP's Manager of Operating Practices – U.S. is responsible for developing, implementing, and maintaining operating practices required by 49 C.F.R. Part 240. The FRA prescribes minimum safety standards for eligibility, training, testing, certification, and monitoring of locomotive engineers to ensure that only qualified persons operate a locomotive or train. In response, CP has submitted to the FRA, and the FRA has approved, a comprehensive program which meets or exceeds each minimum FRA standard.

With respect to persons not previously certified, the Student Engineer Training Program is designed to run for a duration of up to 26 weeks. During this Program, classroom training must comprise a minimum of three-and-a-half weeks, and OJT must comprise a minimum of 12 weeks or 480 hours of throttle time, though this timeframe may be adjusted depending on experience. During classroom training, candidates are required to pass exams and simulator evaluations with a score of 90 percent or higher. During OJT, candidates receive a minimum of three evaluation rides with a Designated Supervisor of Locomotive Engineers (“DSLE”).

Remote control operators receive a total of 80 hours of training in order to be certified. This consists of two days of classroom, two days of field training, one day of review and testing, and 40 hours of OJT. Each candidate must pass a final exam with a score of 90 percent or higher. Each candidate receives a skills performance evaluation administered by a Designated Supervisor of Remote Control Operators (“DSRCO”).

Continuing education is provided for certified Locomotive Engineers and Remote Control Operators during each 36-month certification cycle to ensure these employees maintain the knowledge necessary to perform their duties. Recertification requires classroom training and passing a written exam with a passing score of 90 percent or higher.

CP requires that DSRCOs and DSLEs have at least two years of experience operating as a Locomotive Engineer or Remote Control Operator to be eligible for a supervisory designation. Both designations require the employee to maintain yearly qualifications over the territory they supervise and to receive continuing education on an annual basis.

**49 C.F.R. Part 242.** CP’s Manager of Operating Practices – U.S. is responsible for developing, implementing, and maintaining operating practices required by 49 C.F.R. Part 242. This federal regulation prescribes minimum safety standards for the eligibility, training, testing,

certification and monitoring to ensure that only persons who meet minimum federal standards serve as Conductors. CP has submitted a comprehensive program to the FRA, which the FRA has approved, and this program meets or exceeds each minimum FRA standard.

The new hire conductor program is designed to run for up to 23 weeks with a minimum of five weeks of classroom training. OJT training lasts up to 18 weeks, depending on the candidate's competence and work location. CP requires student conductors to complete rules exams and achieve a passing score of 90 percent or higher. Each candidate receives a minimum of three evaluation rides with a field placement coordinator or manager to ensure their skills support certification.

Continuing education is provided for certified Conductors during each 36-month certification cycle to ensure these employees maintain the knowledge necessary to perform their duties. Recertification requires classroom training and passing a written exam with a passing score of 90 percent or higher.

*b) Qualification and Certification at KCS*

**49 C.F.R. Part 240.** KCS's Assistant Vice President ("AVP") Operating Practices is responsible for developing, implementing, and maintaining operating practices required by 49 C.F.R. Part 240. In regards to this requirement, KCS has submitted a comprehensive program to the FRA, which the FRA has approved that meets or exceeds each minimum FRA standard.

Student engineers, who are not previously certified, receive training and are tested in compliance with regulations. This training includes five weeks of classroom training and a minimum of 500 hours of locomotive operation under the direction of a certified engineer. To become certified, student engineers must successfully pass oral and written exams as well as a

simulator check ride. The student engineer must also pass a check ride over his/her territory as determined by a Road Foreman of Engines.

Remote Control Locomotive (“RCL”) operators receive two-and-a-half days of classroom training, which includes exams. Students complete both classroom and field testing and are evaluated to ensure performance standards are met. The field training, classroom instructions, and final exams total 80 hours of training. RCL operators are also reviewed annually by a DSRCO to maintain their certification.

KCS also certifies, through an FRA approved program, some KCSM employees to allow trains to be operated on the approximately 9.2 miles in the United States between the Laredo International Rail Bridge and the Laredo Yard.

Continuing education is provided to Locomotive Engineers and Remote Control Operators during each 36-month certification cycle to ensure these employees maintain the knowledge necessary to perform their duties. Recertification requires classroom training and passage of a written exam with a score of 90 percent or higher.

KCS requires that DSCROs and DSLEs have at least two years of experience operating as a Locomotive Engineer or Remote Control Operator to be eligible for a supervisory designation. Both designations require the employee to maintain yearly qualifications over the territory they supervise and require continuing education on an annual basis.

**49 C.F.R. Part 242.** KCS’s AVP Operating Practices is responsible for developing, implementing, and maintaining practices required by 49 C.F.R. Part 242. In regards to this requirement, KCS submitted a comprehensive program to the FRA, which the FRA has approved as meeting or exceeding each minimum FRA standard.

New hire Conductors without previous experience are required to complete a minimum of 80 hours of classroom training, covering numerous subjects such as safety rules, operating rules, timetable instructions, applicable federal regulations, and hazardous materials. OJT is conducted with input from a qualified instructor and will last a minimum of 240 hours. Training occurs under the direct supervision of a person who possesses necessary operating experience.

Employees who have worked for the railroad in other capacities (i.e., who have had previous training on the railroad's operating and safety rules) may receive an abbreviated training curriculum based on the evaluation of their proficiency by a qualified instructor. These employees must also complete certain certification requirements.

Continuing education is provided to certified conductors during each 36-month certification cycle to ensure these employees maintain the knowledge necessary to perform their duties. Recertification requires classroom training and passing a written exam with a passing score of 90 percent or higher.

*c) Safety Integration*

For a period following the combination, Applicants expect that CPKC will continue operating with the above-referenced program submissions to the FRA. During this time, CPKC's Operating Practices team will perform a thorough review of 49 C.F.R. Part 240 and 49 C.F.R. Part 242. Timing will be dependent upon the integration efforts described above in Sections III.B (Training) and III.C.1 (Operating Rules), as each area has the potential to influence certification requirements of 49 C.F.R. Part 240 and C.F.R. Part 242. The consolidated filings will detail CPKC's certification practices and will meet or exceed applicable regulatory requirements. CPKC will obtain FRA approvals where required.

While this review is underway, CPKC's Operating Practices team will also perform a thorough review of 49 C.F.R. Part 240 and 49 C.F.R. Part 242. After this review is conducted, CPKC will generate a combined filing to meet the requirements of 49 C.F.R. Part 240 and 49 C.F.R. Part 242. The new submissions will cover certification practices for the newly formed railroad, and the plans will meet regulatory requirements and acquire federal approval where required. This will ensure full compliance with all applicable laws.

#### **4. Hours of Service Laws**

##### *a) Hours of Service at CP*

**Train Crews.** CP utilizes the Crew Management Application ("CMA") system to capture all time on duty, limbo time, and rest cycles of operations employees. The CMA operates in real-time, and employs the use of local rules and regulatory requirements to determine when to call employees to work. The CMA is capable of calling employees automatically and is integrated into other train management applications for managing and monitoring train and crew operations.

CP provides train line-up information to crews through Voice Response Units ("VRU") and internet interfaces, which employees can access from home. Information is updated in real-time as the data in CMA changes. Each system allows employees to identify their position in the pool or extra board, review applicable vacancies, and retrieve planned train schedules. Train accuracy information is recorded and is made available to appropriate stakeholders on an interactive dashboard. All Hours of Service ("HOS") violations are reported to the FRA as required by regulation.

Collective bargaining agreements lay out structured work and rest cycles, depending on assignment and work location. If collective bargaining agreements do not cover rest requirements, HOS requirements are still followed.

**Signals and Communication.** Signals employees record their HOS information in an electronic tracking system called RailDocs. The system contains an internal reporting functionality that provides visibility to hours worked and HOS violations. All HOS violations are reported to the FRA as required by regulation.

**Dispatchers.** Regularly assigned Train Dispatcher positions are bulletined and have assigned hours of work and rest each week. Train Dispatchers on the Extra Board are provided two days of rest per week and a minimum of eight hours of notice when called to work on their rest days. For known vacancies, if a regularly assigned Train Dispatcher is required to work on their scheduled rest day, every effort is made to advise them that they will have to work before the day starts.

In addition, the Operations Center Management team considers collective bargaining agreement requirements when building Train Dispatcher schedules. Train Dispatchers are required to enter their time into a Systems, Applications and Products (“SAP”) system and hours are monitored by Operations Center management. All HOS violations are reported to the FRA as required by regulation.

b) *Hours of Service at KCS*

**Train Crews.** In the United States, KCS documents, monitors, and reports train crew HOS compliance electronically using Enterprise Workforce Management (“EWM”). EWM is a contracted service provided by PS Technology. This program aligns with FRA regulations and ensures compliance for events such as:

- final release cannot be more than three minutes in the future and the employee may not certify a final release time for a current tour of duty that is in the past;
- the employee must have on-duty status to certify any FRA record; and

- Federal rest will be based on a rolling 24-hour period instead of a calendar day.

**Train Dispatchers.** In the United States, KCS documents, monitors, and reports Train Dispatcher HOS compliance electronically, utilizing EWM. Requirements for accuracy and compliance of Train Dispatchers can be found in the Train Dispatchers manual.

**Signals and Communications.** In the United States, KCS documents, monitors, and reports Signalmen HOS compliance electronically, utilizing RailDocs, a Wabtec corporation contracted service. Requirements for accuracy and compliance of covered service Signal employees can be found in the Signal department's Rules Standards and Instructions ("RS&I") manual.

*c) Safety Integration*

CP and KCS are both subject to federal HOS requirements, and each railroad employs compliance processes that meet or exceed those federal requirements. Immediately following the combination, CPKC expects to maintain separate HOS tracking while evaluating available options for moving toward a single unified process. The evaluation will be conducted with insight and feedback from members of affected departments, namely Crew Management and Information Systems, which will steer the direction of HOS tracking at CPKC. CPKC will ensure that HOS integration occurs without disruption while maintaining compliance with applicable federal regulations.

**D. MOTIVE POWER AND EQUIPMENT**

**1. Motive Power and Equipment at CP**

CP utilizes eight major locomotive inspection and repair facilities across its network, one of which is located in the United States. The U.S. facility is located in St. Paul. At the St. Paul facility, Locomotive Mechanics, Electricians, and Laborers perform regular inspections,

maintenance, servicing, and repair of locomotives. CP ensures that all repairs comply with federal regulations and manufacturer warranty service agreements. Locomotives are delivered to the nearest facility when they require repairs or become due for scheduled inspections and maintenance.

CP maintains owned and leased freight cars at 20 locations across the network. Three of these locations, St. Paul, Bensenville, IL, and Davenport, IA, are located in the United States. Defective equipment identified en route is repaired by road trucks at designated repair locations filed with the FRA as required by 49 C.F.R § 232. Additionally, CP has other minor freight car and locomotive maintenance locations for U.S. branch lines where light repairs are performed.

Qualification standards for CP employees who inspect, maintain, or repair railroad freight or passenger cars and locomotive meet or exceed federal standards, and the applicable trainings and programs are described in detail above in Section III.B (Training). CP uses a combination of Designated Instructor-led classroom-based training, OJT, and CBT to qualify all mechanical employees who inspect, maintain, or repair locomotives or freight cars. Further, all mechanical car and locomotive employees receive instruction covering the GCOR, safety, and other duty specific rules and best practices.

## **2. Motive Power and Equipment at KCS**

KCS utilizes two main locomotive maintenance facilities which are located in Shreveport and San Luis Potosi. Locomotives can reach either of these two shops within 48 hours of failure. In the United States, the majority of unscheduled repairs and scheduled work occurs at the Shreveport facility. KCS also maintains locomotive service tracks in various locations throughout its network in United States and Mexico. These locomotive service tracks can perform minor

running repairs and servicing such as fueling, sanding, daily inspections, and locomotive derailment response.

KCS has nine main car repair shop facilities in the United States where car repair and service work is performed. In addition, there are seven locations that are equipped with repair tracks, mobile wheel trucks, or some combination thereof. Together, these locations assist KCS in providing timely repair and service to on-track equipment. KCS ensures that all service and repair work complies with federal regulations.

Qualification standards for KCS employees who inspect, maintain, or repair railroad freight or passenger cars and locomotive meet or exceed federal standards, and the applicable trainings and programs are described in detail above in Section III.B (Training). For example, new hire mechanical employees attend rules and safety training at a KCS TEaM Training Center in either Shreveport or San Luis Potosi, and all KCS Carmen must attend an apprentice program delivered by the REB based in Omaha. Locomotive employees at KCS also participate in a formal apprentice program for both Machinists and Electricians through REB.

### **3. Safety Integration – Motive Power and Equipment**

Following the combination, Applicants expect the mechanical facilities in St. Paul and Shreveport to remain the primary locations for locomotive maintenance. CPKC does not anticipate making any changes to mechanical repair locations within the first year following control of KCS. Once operations are integrated and established, CPKC will perform assessments, if necessary, to determine if any changes to network repair and service locations are needed. CPKC will consider equipment differences and intends to repair and service locomotives at all locations across the

combined system. Given the similarities that exist between the CP and KCS equipment that would be serviced on a combined system, Applicants do not anticipate any issues in this area.

Qualification standards for mechanical and locomotive personnel will remain separate for a period following the combination, though CPKC expects to adopt CP's qualification standards. To accomplish this, CPKC will perform a comprehensive review of qualification programs as described above in Section III.B (Training). Employees will be provided with the training necessary to account for any differences in the previous programs. The timelines associated with the adoption of CP practices will be dependent upon the training practice and rules review discussed above in Sections III.B (Training) and III.C (Operating Practices), as well as prioritization of other integration work in relation to safety impact.

#### **E. SIGNAL AND TRAIN CONTROL**

##### **1. Signal and Train Control at CP**

CP employs over 4,000 miles of CTC, Automatic Block Signal System ("ABS") as a method of train control across the system. Over 1,100 miles of this signaled track is located in the United States. CP's Minneapolis office manages train dispatching (CTC, ABS, Track Warrant Control ("TWC")) in the United States. The disaster recovery system is also located within the United States.

CP's signal system is based on FRA rules and requirements. It is comprised of wayside signals, train detection equipment, switch machines, electric locks, relay-based interlocking, vital microprocessors interlocking, and wayside detectors (i.e., high water, slide detectors, level crossing warning systems, communication systems, yard controllers, power systems and fiber optic systems). CP has implemented signal and communications equipment throughout its network, including approximately 3,242 total crossing warning systems (1,348 of which are

located in the United States, while the remaining 1,894 are located in Canada),<sup>3</sup> 4,251 total miles of CTC, 702 miles of ABS, and 4,943 miles of Occupancy Control System (“OCS”) / TWC.

CP’s signal system meets all FRA, vendor, and industry best practices and requirements. All vital signal equipment is compliant with the American Railway Engineering and Maintenance-Of-Way Association (“AREMA”) standards. All signal systems are also designed, installed, commissioned and maintained in a manner that ensures compliance with CP’s Redbook of Requirements and Standard Practices. The wiring of new signal equipment is completed by qualified staff internally and by third-party vendors. CP has a multi-year plan to upgrade aging signal equipment prior to end of lifecycle. In addition, CP has a Signals and Communication Wayside Reliability Lab where the testing and qualification of new signal equipment and technologies is performed.

All signal engineering is performed by qualified individuals using industry best practices. CP uses the regulatory testing compliance tool RailDocs to ensure equipment is maintained at applicable standards. Signal system reliability issues are managed by CP’s engineering service desk, which is located at CP’s Canadian headquarters. The engineering service desk tracks all system issues, and dispatches appropriate personnel to ensure all system failures are repaired. CP S&C field employees are Efficiency tested per FRA and CP standards. Furthermore, employees that are considered covered service employees under FRA regulations have their hours documented and monitored for compliance in the RailDocs Hours of Service system. CP also ensures all Federal Communications Commission requirements for radio licensing are followed.

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<sup>3</sup> The Crossing Warning System numbers change frequently as crossing warning systems are added or removed from service.

**CP PTC System.** In accordance with U.S. regulations, CP implemented the Interoperable Electronic Train Management System (“I-ETMS”) for its PTC system. PTC technology, in conjunction with existing train control systems, functions as an overlay to existing signal systems to prevent train-to-train collisions, over-speed derailments, incursions into work zones, and movements through an improperly lined main track switch in dark territory.

CP’s PTC operations are based in its Minneapolis head office, both for Back Office System and dispatching functions. CP’s PTC system has met all regulatory requirements and has been certified for mixed-mode service since December of 2020. In addition to its own 806 locomotives that are now PTC-equipped, CP also ensures compliancy by its tenant railroads. With an eye toward continuous improvement, CP is an active participant in numerous PTC committees, including AREMA Committee 39.

CP has successfully installed PTC on 24 subdivisions with over 2,100 miles of PTC track, and has equipped over 800 locomotives. CP identified a PTC test subdivision in 2012 and developed a plan to equip the subdivision with PTC, perform PTC locomotive certifications, and perform PTC revenue demonstration runs. CP amended its PTC safety plan and submitted a mixed mode PTC safety plan to the FRA in June 2020. Since then, CP has received full certification from the FRA. CP has worked closely with the rail industry to ensure interoperability success with each of its tenant and host railways. CP continues to participate in various Association of American Railroads (“AAR”) committees, the purpose of which is to enhance the PTC system to provide additional functionality and safety. CP typically operates more than 200 PTC train segments per day and over 1,800 PTC train miles per day.

CP has a 24/7 PTC help desk located in Calgary at its international headquarters. With the goal of keeping train operations efficient and safe, the help desk provides support, triages incidents

and monitors the system. In addition, CP has one designated PTC repair facility in the United States, which is located in St. Paul.

## **2. Signal and Train Control at KCS**

KCS manages the signal and train control function across its United States and Mexican network from facilities in Shreveport and Monterrey, Mexico respectively. The communications function is managed within the information technology department at KCS. This group maintains a radio shop in Shreveport for its U.S. radios, Automatic Equipment Identification (“AEI”) systems, and other wayside equipment.

The KCS network includes approximately 2,514 miles of CTC and 2,511 miles of TWC. Of the approximately 2,511 miles of TWC, about 1,163 miles are equipped with Broken Rail Detection and 65 miles are equipped with ABS. KCS’s communications infrastructure consists of a combination of leased and owned technologies, including fiber optic, microwave, data radio, and copper circuits. KCS uses a combination of owned and leased facilities to ensure a comprehensive critical communications function. The KCS signals and communications network includes 313 radio base stations (132 of which are in the United States, 181 of which are in Mexico), approximately 1,600 automatic highway grade crossing warning systems, 1,220 power switches, and 160 miles of KCSM-owned fiber along the right-of-way. The fiber along the KCSR right-of-way is not owned or used by KCS. KCS has a multi-year plan to upgrade signal equipment prior to end of lifecycle.

KCS maintains centralized CIDs in Kansas City and Monterrey for S&C incident reporting, including any signal outages for which it needs to dispatch S&C personnel. KCS has a network of approximately 351 wayside inspection systems along its lines in the United States and Mexico, consisting of integrated Wheel Impact Load Detectors, Hot Box Detectors, and Dragging

Equipment Detectors. To enable the proactive identification of any potentially emerging problems, alarm condition information is immediately conveyed to train crews, using radio talkers, and to a central network computer.

KCS utilizes other electronic detection systems as part of its safety technology, including highway grade crossing power monitoring in high-risk areas along with bridge strike, and high water alarm detectors integrated into the PTC systems where deployed.

KCS Signal RS&I describe in detail the processes and procedures necessary to perform the inspections and tests mandated by the FRA. KCS has implemented electronic documentation and scheduling of tests, using laptop computers.

As noted above in Section III.B (Training), KCS signals personnel receive training compliant with 49 C.F.R. Part 243. New hires (assistant signalmen) attend signals training school at FRA-accredited Signal Training Solutions in Grain Valley, MO prior to OJT, development, and certification. Rail tasker software is used to track the progress and qualifications of employees who receive annual or biannual refresher trainings common to all of the engineering department functions on conventional safety, GCOR (biannual), track safety, and roadway worker protection.

**KCS PTC System.** The FRA approved and certified KCS's Mixed PTC system in July 2021. Like CP, KCS uses the I-ETMS PTC system developed by Wabtec Railway Electronics ("Wabtec"). It operates in conjunction with the Wabtec Train Management Dispatch System ("TMDS") system that KCS uses for dispatch.

KCS's use of PTC has improved safety, achieved interoperability with its tenants, and satisfied the regulatory requirements. The goal of KCS is to deliver the highest quality technology solutions, building on the backbone that enables PTC. KCS is advancing a number of opportunities to automate existing processes, streamline interdepartmental communications, upgrade outdated technology and components to leverage the latest functionality, and visualize its data across the company to drive business decisions. Some of the examples are listed below:

- Brake Event Analysis Tool
  - Through a machine learning model, KCS leverages logs pulled off the locomotive and trackside devices to automatically determine the root cause for locomotive braking events. This reduces the burden of log investigation for the Operations Center and the field. The information is used to continually improve the safety and reliability of PTC.
- Centralized Repository for PTC Component Logs and PTC System Logs
  - Provides a single hub for all KCS operations and PTC data that can be utilized to:
    - automate regulatory reporting requirements;
    - detect systematic problems spread across multiple applications/data sources; and
    - provide operations and field departments with visualizations of current and historical performance data so appropriate action can be taken.
- Automated System Error Monitoring/Alerting

- KCS utilizes several different monitoring platforms to automatically alert signals management when certain errors/events occur including:
  - wayside and locomotive issues;
  - federation links between KCS's partner railroads; and
  - server/Applications utilization and processing.
- Security
  - KCS is compliant with all security requirements for certificates making it secure on the Interoperable Train Control Messaging platform.
- Change Automation/Configuration Management Database ("CMDB") updates for PTC Locomotive Components
  - KCS manages locomotive PTC hardware upgrades by leveraging live locomotive data. This enables KCS to have records of component replacements, thus satisfying regulatory requirements while keeping its CMDB current with the latest installed hardware.
- Autonomous Change Detection – Track Assets
  - KCS has improved auditing and maintenance of track assets in the field, and is increasing safety by reducing the amount of time spent under track warrant authority. KCS has the ability to quickly generate artifact reports to the FRA. Autonomous change detection also has benefits outside of PTC assets with KCS's engineering, real estate, and environmental departments.

KCS remains active with all the industry committees to ensure that it stays in line with any and all interoperable requirements or future enhancements that impact the functionality of PTC.

### **3. Safety Integration – Signal and Train Control**

Applicants expect that the CP and KCS portions of the CPKC system will continue to operate with independent systems on the Control Date. Members of CP's and KCS's signal and operations teams will lead the planning and implementation of the integration. In particular, this group will meet to determine which processes, standards, and systems are most appropriate for CPKC. The team is currently developing a detailed plan to integrate S&C design, maintenance, and construction activities, as well as systems and processes. This includes the integration of the PTC systems. Once the most suitable systems, processes, and standards are identified, this group will make a plan for the safe integration of these systems. This plan will include milestones or checkpoints to determine progress and maintain focus on safety during integration. The plan will also include considerations for testing prior to implementation and back-up procedures to ensure a safe and seamless operation. The plan will maintain compliance with all federal regulations. CPKC will meet with the FRA to ensure compliance with regulatory requirements.

CP will select a new site for data center operations in the United States to host computer systems, including PTC back office and dispatch systems. Current back office and dispatch systems will be migrated to the new site as part of the merger integration scope.

Applicants plan to integrate Signal and Train Control within three years of the Control Date. During the transition period, CPKC's S&C team will have access to all relevant regulatory compliance systems, such as the RailDocs regulatory database and HOS systems. In addition, the team will have access to applications that provide the health status of S&C systems, ensuring regulatory compliance and safe operations.

## **F. TRACK SAFETY STANDARDS AND BRIDGE STRUCTURES**

### **1. Track Safety Standards and Bridge Structures at CP**

**Bridges and Structures.** CP maintains policies and processes governing the inspection and maintenance of bridges, retaining walls, tunnels, and culverts. These are contained within CP's Engineering Red Book and BMP. CP's inspection of structures meets or exceeds FRA regulatory inspection frequency requirements, and CP employs risk-based protocols to increase the frequency of inspections of bridges and structures as deemed necessary.

Employees inspect bridge and structures' assets for any unusual conditions or changes since the asset's last inspection. If the initial inspection indicates any issues, such as those involving deteriorating timber or high water, railroad bridge engineers determine whether to perform a more detailed inspection or to increase the frequency of inspections over that asset. A more detailed inspection may include taking measurements, taking core samples on timber piles, monitoring the bridge for movement, measuring the thickness of bridge members, and inspecting underwater for evidence of scouring from high-velocity water movement.

CP utilizes special bridge inspection vehicles, which are hi-rail vehicles equipped with a moveable inspection platform. CP bridge inspectors use this platform to access difficult to reach areas of the structure to perform visual inspections as well as take any necessary measurements and photos. Employees are trained based on the requirements of the BMP and use checklists to record inspection results electronically in CP's SAM Program. Inspection records attach photographs where necessary and include condition ratings of individual structural components and overall bridge condition ratings that correlate to the safe load capacity of the structure being inspected.

Employees performing routine bridge inspections receive bridge inspection certification training, while structures specialists are generally either engineers or individuals who have, at minimum, a technical degree from a community college.

**Track Infrastructure.** CP maintains policies and processes governing the inspection and maintenance of track assets in a manner that meets or exceeds FRA regulations, as detailed in CP's Engineering Red Book. Visual Track inspection frequencies meet or exceed all required regulations. CP has standard protocols for additional special inspections in times of extreme temperatures (hot or cold), flooding, or severe weather.

CP records compliance with inspections frequencies and completed inspections in its electronic system of record, called DTN. This allows management to track and review all inspections and allows for all defects to be recorded, monitored, and closed with remedial actions noted. CP is currently upgrading and replacing DTN with TAM, which has been implemented in some CP territories.

**Earthquake Response Protocol.** CP's earthquake response protocol minimizes potential consequences of an earthquake on train operations by stopping or slowing rail traffic until the condition of the right-of-way can be assessed. This includes immediate notifications to the field and CP's Operations Center when set thresholds, based on magnitude and distance from the identified epicenter, are exceeded.

**Weather Monitoring.** CP subscribes to a weather watch service to assist in determining when train operations might be affected. CP has timetable special instructions to slow-order trains during very hot and very cold weather, as well as instructions for severe weather warnings.

Hotbox detectors are equipped with temperature sensors, and the crews are notified by the hotbox “talker” system of the local temperatures. Established procedures govern maximum train speeds during times of extreme hot or cold temperatures.

**Track and Roadway Maintenance and Testing.** CP owns and employs a fleet of sophisticated technology and testing vehicles to measure and analyze track conditions. The testing and data collected regarding infrastructure conditions are utilized to perform immediate maintenance actions and informs annual capital investment strategies. When geometry defects are identified by any of CP’s testing vehicles, the location is Global Positioning System (“GPS”) tagged, and employees can locate the exact position of any defect using hand-held GPS devices. In 2021, CP will complete approximate 180,000 miles of geometry testing on its network.

A summary of CP-owned geometry testing assets is provided below:

- one manned Heavy Geometry Testing consist (equipped with gauge restraint measurement system);
- three Autonomous Heavy Geometry Measurement System vehicles (instrumented boxcars operating in revenue service);
- three Heavy Geometry Inspection Vehicle truck (Hi-rail truck, also equipped with rail profile measurement);
- one Light Geometry Inspection Vehicle truck (with load axle and rail profile measurement); and
- three Light Geometry Inspection Vehicle trucks (geometry only).

**Internal Rail Flaw Detection.** CP utilizes ultrasonic test vehicles for rail flaw detection. CP’s approach includes a mix of five owned vehicles operated by CP staff with additional vehicles used on a contract basis. CP performs rail flaw testing at frequencies well above the regulatory

requirements and anticipates completing 72,000 miles of testing in 2021. The Engineering Red Book includes requirements for rail flaw testing completed on maintenance rail.

**Rail Grinding and Friction Management.** CP uses preventative rail grinding and friction management techniques to control surface cracks before they become internal flaws and to improve the reliability of ultrasonic rail testing. Depending on tonnages carried, rails are re-profiled through grinding from one to four times annually in order to control wheel/rail contact stresses, eccentric loading, and vehicle steering. Each year CP grinds approximately 14,000 miles of track across its entire system.

**Automated Tie Inspection.** CP employs hi-rail mounted high-definition digital infrared 3-D imaging technology to inspect tie condition. This is a contract service that CP utilizes to validate planned tie renewal projects and to identify any regulatory defect issues.

**Training and Qualifications.** For information about training and qualifications standards for roadway workers, *see* above Section III (Training Programs).

## **2. Track Safety Standards and Bridge Structures at KCS**

**Bridges and Structures.** KCS's engineering department has a director of bridges who oversees maintenance, inspections, and bridge construction with a team of approximately 125 craft and management employees in the United States and Mexico. KCS uses BIMS in the United States and Mexico as a repository for bridge inventory, inspection cycles, and rating conditions, which allows supervisors access to real time inspection and trending data. The maintenance of bridges is planned and conducted by incorporating conditions observed through the inspection process and by performing condition load ratings as required.

The inspection of bridges is conducted in conformity with the KCS Bridge Safety Program, which complies with 49 C.F.R. Part 237. In conformity with the KCS Bridge Safety Program,

inspections are performed when special circumstances such as earthquakes or floods warrant, and are in accordance with optimal railway engineering procedures. KCS bridge inspectors attend AREMA-sanctioned or-accredited bridge inspection training courses, or similar certified training offered through various universities.

KCS uses TOMS to monitor the repair of defects found during inspections for bridges in the United States. The TOMS is housed within the BIMS system and uses an electronic workflow to monitor the progress of repairs performed by KCS or contractor crews.

**Track Infrastructure.** The maintenance and inspection of KCS's roadway in the United States complies with 49 C.F.R. Part 213. The engineering department's track and roadway function is organized by divisions throughout KCS territory. In the United States, division engineers are based in Kendleton TX, Kansas City, and Shreveport. Roadmasters oversee all track maintenance and inspection functions and report to the division engineers. Track inspections are performed in accordance with 49 C.F.R. § 213.233, which establishes the inspection schedule based on the FRA class of track.

KCS uses technology to make data-driven decisions aimed at eliminating hazards and reducing risks. KCS uses technology to supplement visual inspections and deploys various test cars and state-of-the-art equipment to facilitate these activities. KCS uses a third-party test car to measure track geometry and rail in compliance with 49 C.F.R. Part 213 track safety standards, and is in the process of acquiring its own Automated Track Inspection Program Car to augment track inspections. All tracks are tested at least twice per year and are analyzed for surface conditions, elevation, gauge, alignment, and railhead profile.

KCS performs extensive ultrasonic rail testing for purposes of rail flaw detection, using state-of-the-art third-party and owned technologies. KCS meets all FRA requirements under 49

C.F.R. § 213.237, and has worked extensively with the FRA recently to develop and implement a continuous rail testing program at KCS in compliance with 49 C.F.R. Section 213.240, which has provided operational efficiencies in KCS's rail testing program.

Rail grinding is performed annually across KCS's U.S. and Mexican network, with an average of over 3,000 pass miles per year ground across both countries. Grinding optimizes rail head profile, and removes rail defects caused by rail surface conditions or fatigued metal.

**Training.** In addition to substantive training on bridge-and track-related maintenance and inspection procedures outlined in the training section of this SIP, KCS provides annual training for all roadway worker employees. Additional classroom training is provided on continuous welded rail procedures, track inspection standards, bridge worker fall protection, and boom truck/crane training. OJT of new hires is performed by qualified personnel and the operations testing programs described above in Section III.B (Training), ensure proficiency and safety in the tasks being performed.

### **3. Safety Integration – Track Safety Standards and Bridge Structure**

**Bridges and Structures.** Following the Control Date, CPKC will continue operating with the bridges and structures plans currently in place. This approach will be maintained until a comprehensive review of assets and programs is completed. After the review is complete, CPKC will incorporate inspection and maintenance software and bridge and structure processes. After the CP/KCS combination, CP's Engineering Red Book will be used by the legacy KCS organization. Employees will be trained on the Engineering Red Book and BMP and the use of risk-based protocols to increase the inspections of bridges and structures as deemed necessary.

As discussed above, CP uses SAM to input and track all bridge inspections, assets, and data, which are stored inside SAP using a linear asset management system, while KCS uses BIMS

to input bridge inspections and TOMS to monitor the repair of defects found during inspections in the United States. Post-Control Date, CP's SAM program will be adopted by the KCS portion of the CPKC network and will replace the BIMS and TOMS systems KCS is currently utilizing. This will be done after details of all the structures assets are recorded, mapped, and inputted into SAM and training is complete. The linear asset management team will determine how structures asset details are integrated.

**Track Infrastructure.** Following the Control Date, CP and KCS will continue operating their legacy programs while a comprehensive review is conducted. CPKC will use this review to determine what training is required and how long it will take to implement. After the CP/KCS combination, CPKC expects to move from DTN to TAM and to adopt CP's Engineering Red Book. KCS will continue to follow the guidelines of 49 C.F.R. Part 213 until training on CP's Engineering Red Book can be completed.

CP and KCS both use DTN to ensure inspection compliance. CP will continue the rollout of TAM across the CP system as a replacement for DTN. After the CP/KCS combination, KCS will continue the use of DTN in both Mexico and the United States to ensure inspection compliance. Ultimately, TAM will be adopted by KCS once the mapping of assets is complete and all employees are trained. A timeline will be established for the rollout of TAM in KCS post-Control Date. The linear asset management team will be involved in helping to develop a timeline for full implementation.

**Earthquake Response Protocol & Weather Monitoring.** After the CP/KCS combination, CPKC will perform a comprehensive review of earthquake response protocols and weather monitoring, and will determine what practices will be used for CPKC. The CP protocol for warm

weather and cold weather inspections will be adopted by KCS as the Engineering Red Book is incorporated.

**Track and Roadway Maintenance and Testing & Internal Rail Flaw Detection.** CP and KCS will continue with the programs and inspections in place at the legacy railroad while evaluating the best way forward for CPKC. This will be accomplished by performing a comprehensive review of Track and Roadway Maintenance and Testing and internal flaw detection practices, while also determining what inspection frequencies and practices are the best fit for CPKC. The timeline for full implementation of CP's methodology of rail flaw testing and geometry testing will be heavily impacted by the availability of both assets and funding. The handling of defects will be based on CP's Engineering Red Book.

**Training.** CP and KCS have similar training requirements for all track and structures employees as it relates to GCOR and OTS. Both also have training on continuous welded rail procedures, track inspection standards, fall protection, and boom truck/crane training. All employees are required to take annual rules training. Following the Control Date, CPKC will perform a comprehensive analysis to determine the type of training that will be required and performed at the new company. As described above in Section III.B (Training), CP's training standards will be used to train all employees to ensure all required annual training is complete. CPKC will adopt CP's new-hire training program to ensure proper training, proficiency, and safety in tasks being performed.

## **G. HAZARDOUS MATERIALS**

### **1. Hazardous Materials at CP**

Managing the safe and reliable transportation of hazardous materials is an important priority at CP. To ensure the safe handling of hazardous materials, CP employs various training

programs, emergency procedures, and communication and notification systems. Additionally, CP conducts periodic inspections and tests to ensure its programs are operating effectively. CP offers comprehensive training to ensure that its employees are well equipped to handle hazardous materials safely. Additionally, CP has implemented various procedures and systems to appropriately respond to any type of hazardous materials incident, including emergency situations. To ensure that hazardous materials are transported safely, CP conducts internal inspections and audits of its systems.

In the United States, training is provided to all “hazmat employees” covered by DOT’s Hazardous Materials Regulations, which includes train crews, dispatchers, engineering maintenance of way employees, mechanical employees, and customer service staff who produce waybills. Training is completed on a three-year cycle in compliance with DOT requirements. Training includes general awareness, familiarization, function specific items, safety training, and security training.

Certain employees receive additional training specific to their roles. For example, select Field Managers responsible for managing or responding to hazardous materials incidents are provided technical training and incident command training applicable to their roles. Specialized training and medical monitoring is provided to CP hazardous materials officers based on OSHA and National Fire Protection Association (“NFPA”) standards. Lastly, as a member of the Bureau of Explosives of the AAR, CP employees participate in the annual specialized training programs offered by AAR.

CP is committed to maintaining a safe working environment for all its employees by preventing adverse health effects from occupational exposure to hazardous controlled products used in the workplace. All controlled products used in the workplace must be identified and

handled in accordance with CP's Hazcom<sup>4</sup> Procedures. CP's Health and Safety Procedure is aligned with and satisfies OSHA's Hazard Communication Standard, 29 C.F.R. § 1910.1200.

The CP Public Safety Communication Centre ("PSCC") is CP's primary 24/7 communications center for coordinating with first responders across CP's network. In the United States, the PSCC coordinates with local emergency responders to address and to properly communicate reported emergencies. Additionally, the 24/7 Minneapolis Operations Center is responsible for communicating with various federal and state authorities. Anyone, anywhere on CP's network, can call the PSCC's emergency number at any time to report railroad incidents such as blocked crossings, crossing collisions, signal problems, materials released, theft, vandalism, or trespassing. Once provided with such information, the CP response organization is collectively activated, as warranted, to aid in response actions or management activities. In the case of a derailment or a spill involving hazardous materials, specified individuals within the CP response organization are immediately notified and are responsible for initiating response activities, including the commitment of CP resources.

The CP response organization is comprised of a diverse array of multi-disciplinary personnel who are available to assist local communities with emergency planning and response. For example, Regional CP HazMat Officers coordinate with local fire chiefs, local and state agencies, environmental experts, and shippers' representatives to manage the dangerous commodity/hazardous materials response activities of the railroad. Where required, CP has an

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<sup>4</sup> "Hazcom" refers to the Hazard Communication Standards required by OSHA regulations and other related U.S. legislation.

additional team of environmental officers who are available to manage longer-term site remediation.

Public transparency around the safe movement of hazardous materials on CP's network is an important component of CP's hazardous materials program. As part of its effort to increase transparency in this area, CP has a website dedicated to information regarding dangerous goods and hazardous materials. The website is regularly updated and contains important information for first responders and emergency planners and includes details on how to obtain the types and volumes of dangerous goods and hazardous materials moving through their respective jurisdiction.

The Integrated Contingency Plan (the "ICP" or the "Plan") is CP's all-encompassing emergency response plan for managing any emergency situation. The Plan applies to all operations involving CP property or employees and covers accidents and/or incidents that may present a potential hazard to people, property, or the environment.

The ICP is CP's primary response tool for any emergency on its network. The Plan was broadly constructed to allow CP operations to address a wide range of risks. Despite its breadth, the ICP is able to address each incident in a manner tailored to the specific needs of the event. Additionally, each major facility on CP's network has developed a written Emergency Action Plan to provide CP with a single guidance document for each applicable fixed facility operation.

In addition to the ICP, CP has prepared a Comprehensive Oil Spill Response Plan ("COSRP") in accordance with the U.S. Pipeline and Hazardous Materials Safety Administration's ("PHMSA") Final Rule for Oil Spill Response Plans ("OSRP") and Information Sharing for High-hazard Flammable Trains. A COSRP is required for any railroad with routes or route segments used to transport a single train transporting 20 or more loaded tank cars of liquid petroleum oil in

a continuous block or a single train carrying 35 or more loaded tank cars of liquid petroleum oil throughout the train.

To provide timely, 24-hour emergency response services, CP retained third-party contractors for the provision of specialized response equipment and personnel. By supplementing its in-house resources with third-party services and equipment, CP is well prepared to manage the scope of services listed in the ICP and to provide emergency response services throughout Canada and the United States.

To effectively mitigate a rail response involving hazardous materials and/or non-regulated commodities, a railroad must have the tools and equipment necessary for that particular incident. Further, this specialized equipment must be properly inspected and maintained so that it can be deployed when those assets are needed. Relying on outside resources to provide this equipment in a response-ready condition can lead to gaps or delays in having the necessary equipment on scene during an emergency. To provide better service to CP's customers, protect public safety, and ensure that the necessary equipment is available when it is needed, CP has invested in its own in-house response assets, including the following:

- **Transfer Trailers:** Large units containing the specialized fittings, pumps, transfer hoses and other equipment required to transfer a wide variety of commodities.
- **Fire Trailers:** Assets such as firefighting foam, pumps, hoses, fittings, and water bladder used for fighting fire.
- **Emergency Operations Posts:** Command posts to provide meeting/briefing location and enhanced communication capabilities.
- **Water Response Equipment:** Assets such as containment booms, ropes, buoys, anchoring systems, and deployment vessels used to contain spills in waterways.

- **Cold Water Ice Response:** Units equipped with ice suits, ropes, heaters, and tools to recover oil from frozen bodies of water.

All rail employees regularly interact with the employees of other railroads. By implementing a consistent set of rules and regulations, the safety of rail employees and communities in which CP operates is significantly enhanced. Those railroads, therefore, worked together to develop the USHMI in order to create standardized instructions for employees who transport hazardous materials.

CP was one of the railroads involved in developing the USHMI. These instructions cover all aspects of rail transportation of hazardous materials, including documentation, car inspection, placards and markings, switching, train placement, key trains, and emergency response. Train crews are trained in these instructions and are required to carry a copy while on duty. In addition, train crews and managers carry copies of the Emergency Response Guidebook while on duty. In addition, Key Trains are automatically identified in the header of the train consist lists, to ensure train crews are aware of the need for special train handling measures. Furthermore, if the train consist is modified during its route, train crews must determine their Key Train status.

CP employs numerous automated systems to monitor and document the shipment and transportation of hazardous materials. For example, Train and Yard Execution System (“TYES”) is an inventory management system CP uses to track the movement of CP’s fleet, build crew work orders, and generate train consists. CP also utilizes various systems and procedures to detect and report errors. For instance, CP’s Car Location and Validation Service checks for the proper “in train” placement of hazardous materials. Additionally, train lists include automatically generated emergency response information for hazardous materials in the train.

As an additional component of its hazardous materials documentation program, CP utilizes an interface between the train consist program and CP's network of wayside AEI readers. The AEI readers scan tags affixed to each rail car to verify the location of the equipment and provide a listing of the order of all cars in the train. The information obtained from the AEI readers is automatically compared to the train consist, and if they do not match, a message is sent to TYES, which is monitored by both the Network Service Center ("NSC") and the field support personnel for resolution and train crew notification.

This documentation, including train consists, compressed waybills, and other documents related to hazardous materials shipments, is stored in CP's Train Documents system. Original shipping documents are also stored and cross-referenced in CP's imaging system. This information is readily accessible to CP employees for emergency response purposes, who can then provide the information to first responders in the event of an incident. Providing information related to the commodity involved in the incident and the placement (location) of hazardous materials in a train aids in the emergency response effort. In addition, the NSC obtains safety data sheet information from customers for non-regulated materials to first responders.

CP successfully utilizes existing databases to fulfill a number of regulatory reporting commitments and to share information related to hazardous materials. For example, CP leveraged an internal database to create a dataset of disparate elements particularly suited to the needs of CP's Hazmat Team's. In addition, CP is able to use the data to fulfil the hundreds of Hazardous Materials Commodity Flow studies to the communities through which CP operates, as required by AAR Circular No. OT-55 in the United States. The dataset is also used to report the weekly High Hazardous Flammable Train count to the State Emergency Response Commission and the Tribal Emergency Response Commissions of each state CP traverses, as required by the FAST Act. CP

also utilizes the dataset to determine which of its lines are designated as key routes per AAR Circular No. OT-55.

Finally, CP provides data to AskRail, a safety tool which gives emergency responders immediate access to accurate and timely data about railcar contents so that they can make informed decisions in the event of a rail emergency. Through its simple search function, AskRail gives emergency responders access to vital information, including the type of material that railcars are carrying, railway emergency contact information, and reference resources.

CP employs a variety of inspection practices and audit programs to ensure that hazardous materials are being transported safely. For example, two times per year, the NSC conducts audits of waybill data accuracy by reviewing one in four dangerous commodity waybills over a seven-day period. If any deficiencies are identified, they are reviewed with individual customers or employees. Corrective action is then implemented, and coaching is provided to improve future performance.

In addition, CP conducts a variety of efficiency tests to ensure satisfaction with the appropriate regulations and operating procedures. The U.S. efficiency testing program is designed to comply with 49 C.F.R. § 217.9. This program provides operational testing and inspections under the various operating conditions at CP, focusing on operating rules that relate to activities posing the greatest risk of accidents or other incidents. Additionally, CP conducts tests based on the requirements of the USHMI regarding required documentation, emergency response, train placement, switching, car inspection, placards/markings, and key trains.

Responsible Care® is the chemical industry's world-class environmental, health, safety, and security performance initiative, which CP uses to ensure that certain policies, practices, procedures, and inspections are in place. Developed as a voluntary initiative by member

companies of the Chemistry Industry Association of Canada and the ACC, Responsible Care partners commit to a set of guiding principles to significantly enhance employee safety, community health, and environmental sustainability in the locations in which they operate. CP is an active transportation service provider to the North American chemical industry and has long been a partner of the Responsible Care program since formally joining in 1998. In 2007, CP implemented the Responsible Care Management System (“RCMS”), an integrated, structured management system designed to improve company performance in the following key areas: community awareness and emergency response, security, distribution, employee health and safety, pollution prevention, and process and product safety. CP’s RCMS system includes regular third-party verification of a member’s management system and programs against the RCMS standard.<sup>5</sup>

## **2. Hazardous Materials at KCS**

KCS is dedicated to working toward zero accidents, zero injuries, and zero harm to the environment and is committed to meeting the principles, practices, and obligations associated with membership in Responsible Care®. KCS has been an ACC – Responsible Care® Partner company since 1999. KCS employs a comprehensive data driven hazmat inspection program to ensure railroad hazmat transportation compliance. KCS routinely partners with local FRA hazmat inspectors to maximize corrective actions and to process improvements with its shippers.

KCS utilizes various methods to effectively communicate hazards to its employees, contractors, and emergency responders. For fixed facilities, KCS employs a written Hazard Communication Program, which inventories and describes all hazardous controlled products used

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<sup>5</sup> The RCMS standard is a management system standard for environment, health, safety, and security (“EHS&S”). Pursuant to RCSM, an independent auditor evaluation is undertaken every three years to ensure CP has policies, practices, and procedures in place for EHS&S.

in the workplace. In addition to providing training, the KCSR Hazard Communication Program equips each applicable employee with the knowledge necessary to access and understand detailed safety and chemical information through Safety Data Sheets.

KCS provides the following training for all railroad hazmat employees: general awareness/familiarization, function-specific requirements, hazmat safety, and security. Employees are then tested on the subjects covered in each course. Employees are retrained on a three-year cycle in compliance with DOT requirements. *See* 49 C.F.R. § 172.704. Selected managers who are responsible for managing or responding to hazmat incidents are provided additional trainings, including technical level training, specialist level training, and incident commander level training. Specialized training and medical surveillance are also provided to first responders, pursuant to OSHA regulations (29 C.F.R. § 1910.120) and NFPA standards (NFPA 472).

Additionally, KCS provides applicable employees with hazmat security plan training as required under the security plan. KCS has also developed a centralized notification process, which directs all emergency notifications to the CIDs. In addition, emergency handling instructions are included with each train consist. Lastly, all applicable employees are required to carry the DOT Emergency Response Guide Book. Copies of the Bureau of Explosives Tariff No. BOE-6000 (49 C.F.R. Parts 105–107, 109, 110, 130, 171–180, 209, 397, and 1580) are available to applicable employees upon request.

KCS has also developed a comprehensive program to communicate, notify, and respond to any release or potential release (of any quantity) of hazmat, chemical, oil or an emergency condition, accident, incident, exposure, evacuation, road closure or fire resulting from or related to such materials. As part of its commitment to public transparency, KCS employs a process that

allows first responders and emergency planners to receive information on the types and volumes of dangerous goods and hazardous materials moving through their jurisdictions for training and planning purposes. All notifications are directed to the KCS CID, located in the Kansas City, Network Operations Center. The CID is KCS's primary communications center and is responsible for coordinating with first responders and communicating with various federal, state, and local authorities. The CID operates a 24-hour emergency number so that anyone can report railroad incidents anywhere on KCS's network. The dedicated and professional staff of the CID is trained to extract, capture, and document all incident information. All incident notifications are then logged directly into the KCS Service Interruption Database. This system provides for immediate incident documentation and event tracking.

Once the information is gathered, the CID then executes internal and external notifications pursuant to the procedures laid out in the applicable plan, including the KCS COSRP, the KCS Emergency Response Plan for Hazmat and Environmental Rail Transportation Incidents, and the Local Emergency Preparedness Plans ("LEPPs") for fixed facility operations. In addition to federal, state, local, and KCS internal notifications, the KCS Environmental and Hazardous Material Department is also informed. Once apprised of the situation, the KCS Environmental and Hazardous Material Department evaluates the incident and responds appropriately.

KCS has established a system-wide network of on-call responders, blending in-house resources with fully contracted, qualified third-party emergency responders. This response network blankets every track mile of the KCS system and provides for the immediate and timely response to any hazmat or environmental incident.

Additionally, KCS has developed LEPPs for individual yards and facilities that are tailored to the applicable KCS facility. LEPPs detail employee roles and responsibilities, communication systems, response equipment, evacuation procedures, and specific emergency response actions.

KCS is an active member of TransCAER, a chemical industry program. TransCAER provides information, training, and support outreach programs for communities through which hazardous materials are transported. KCS engages in outreach efforts with community leaders and responders regarding emergency procedures for responding to incidents involving hazmat. KCS collaborates closely with states, local communities, and first responders where hazardous materials are transported to ensure that emergency response plans are established in the event of an incident. KCS shares its technical expertise with local first responders to ensure preparedness and training.

To further improve communication standards regarding hazardous materials, KCS participated in the roll-out of AskRail. AskRail is an application that was launched in 2014 by North American Class I Railroads to provide participating first responders with immediate access to accurate and timely data about hazardous materials contained in rail equipment. KCS complies with all aspects of the Routing Assessments, per 49 C.F.R. § 172.820 requiring rail carriers to, among other things, compile annual data on certain shipments of explosives, poisonous inhalation hazard materials, and radioactive materials, and to use that information to analyze safety and security risks along rail routes, assess alternative routings, and select the safest and most secure practicable routes for the specified hazardous materials.

Finally, KCS Complies with AAR Circular No. OT-55's recommended operating practices. Accordingly, KCS has identified applicable Key Routes and Key Train operating practices, as outlined in the KCS Instructions for Handling Hazardous Materials. Technology

systems are incorporated into the KCS Management Control System (“MCS”) to assist in compliance with AAR’s OT-55.

### **3. Safety Integration – Hazardous Materials**

Following the CP/KCS combination, Applicants anticipate that, following an initial transition period, the KCS portion of the CPKC system will adopt many of CP’s programs and systems, as described below:

- *Organizational Structure.* Following the combination, existing KCS staff responsible for their Hazardous Materials Program and emergency response will be incorporated into CP’s Hazardous Materials organizational structure. As part of the merger of additional staff, CPKC will review staffing levels to determine if there are sufficient resources to manage CP’s Hazardous Materials program.
- *Training Programs.* Both CP and KCS provide quality hazardous materials-related training programs that meet or exceed federal requirements. To ensure consistency in the training programs across the United States, the KCS portion of the CPKC system will adopt the majority of CP’s training programs and methodology. For a period following the combination, CPKC will maintain separate training programs while KCS training staff are transitioned to CP training material and processes. During the initial integration phase, employees of both CP and KCS will work together to identify a comprehensive list of differences between the Hazcom procedures, “hazmat employee” training, and specialized emergency response training at CP and KCS. CPKC will then assess whether any aspects of KCS’s training programs will be retained in the uniform training program. A uniform training program, one in which the delivery is identical

at each location across the new property, will allow for efficient internal and external oversight.

- *Emergency Response Plan.* CP and KCS each have emergency response plans that meet or exceed federal requirements. For a period following the combination, CPKC will maintain separate emergency response plans, as employees of CP and KCS work together to identify the best way to integrate emergency response plans as part of their regular review process. To ensure that uniform emergency response planning exists across the United States, Applicants anticipate that applicable KCS emergency response plans will be incorporated into CP's Integrated Contingency Planning process.
- *Emergency Response Contractor Network.* KCS has an emergency response contractor network that is well positioned to provide emergency response capabilities. Following the combination, CPKC will incorporate KCS's emergency response third-party contract resources into CP's emergency response contractor network for the combined properties.
- *Emergency Response Assets.* KCS has a finite number of emergency response assets and relies primarily on contract resources for emergency response. Following the combination, Applicants anticipate that CPKC will incorporate all KCS-owned emergency response assets into CP's response network and CP's maintenance and inspection program for the combined CPKC network. CPKC will review the capabilities of KCS's third-party emergency response contractors and determine if additional resources are required.

- *U.S. Hazardous Materials Instructions for Rail.* Both CP and KCS have USHMI based on federal requirements that covers all aspects of rail transportation, including documentation, car inspection, placards and markings, switching, train placement, key trains and emergency response. Furthermore, train crews for both CP and KCS are trained in these instructions and are required to carry a copy while on duty. For a period following the combination, CPKC will maintain separate sets of USHMIs. During this time, CP and KCS staff will work together to identify a list of differences between the USHMI for CP and KCS. Once the differences in USHMIs are identified, CP and KCS staff will work together to develop a revised USHMI for the combined CPKC network, if necessary.
- *Hazardous Materials Documentation.* Applicants expect that, following the combination, CPKC will review KCS's existing systems and processes for hazardous materials documentation. For a period following the combination, CPKC will maintain separate hazardous materials documentation systems, while KCS staff are transitioned to CP hazardous material documentation systems and processes. In addition, once CP's and KCS's hazardous materials documentation systems are fully integrated, CP's waybilling audit program will include reviewing KCS waybill information.
- *Data Reporting Systems.* Both CP and KCS have data reporting systems to meet AAR Circular No. OT-55 and High Hazard Flammable train reporting requirements. Following the combination, CPKC will review KCS's existing systems and processes for hazardous materials regulatory reporting. For a period following the combination, CPKC will maintain two separate reporting systems for hazardous materials until all waybill and train data are integrated into a single system.

- *AskRail.* Applicants anticipate that, following the combination, KCS’s emergency contact information in the AskRail application will be removed, and all queries entered into the app on KCS property will be directed to CP’s emergency response contact information. Once CP’s and KCS’s data systems are integrated, CPKC will conduct additional testing of the AskRail application to ensure that it is reporting the correct information for hazardous materials car queries and train consist queries on the integrated rail network.
- *Efficiency Testing Programs.* Both CP and KCS have efficiency testing programs to evaluate compliance with operating requirements including the requirements of the USHMI. For a period following the combination, CPKC will maintain separate processes for efficiency testing. Applicants expect to integrate efficiency testing programs based on the integration plan as outlined in the Operating Rules section.
- *Responsible Care.* Following the combination, CPKC will review KCS’s last third-party verification of its RCMS. Both CP and KCS have been through multiple verifications as part of their participation in the Responsible Care program. As a result, Applicants expect that KCS’s operations will be incorporated into CP’s next verification cycle following the combination.

## **H. DISPATCHING OPERATIONS**

### **1. Dispatching Operations at CP**

CP dispatches trains from an OC based in Minneapolis, MN. Territories dispatched from Minneapolis include Soo Line, D&H, DM&E, and CMQ. CP has a second OC located in Calgary, AB. CP has two Business Continuity Facilities (“BCFs”), one in St. Paul to support the U.S.

dispatching function and one in Calgary, AB to support the Canadian function. The BCFs are regularly tested, as described below in Section III.L (Information System Compatibility).

The U.S. East Timetable and U.S. West Timetable contain specific information on dispatching for all hosted trackage. CP dispatches all U.S. main track authority from the Minneapolis OC using the following systems and process:

**Track Bulletins.** Train Dispatchers issue track bulletins to trains using the Tabular General Bulletin Orders (“TGBO”) system. When a track bulletin is created, the TGBO system generates a protection list that advises the Train Dispatcher of all active trains that do not have the track bulletin. The TGBO system creates a list of restrictions for each active train in the order in which the train will encounter the restriction. TGBO are delivered electronically to train crews through automated and manual means.

**Centralized Traffic Control.** Dispatchers use the CTC signal control system, which provides control of signals, switches, bridges, and certain track side devices such as switch heaters. Dispatchers monitor and control the system through a graphic display of the territory. Train and track worker authorities are issued through a text interface that is represented on a graphic screen. Authority issuance involves a two-step process: (1) an initial rules check ensures only valid choices are presented, and (2) a secondary rules check confirms accuracy upon completion of the authority. Written authorities are issued by voice and are underscored word-by-word and digit-by-digit to ensure accuracy. Authorities remain in effect until cancelled or fulfilled.

**Track Warrant Control.** Train Dispatchers use the system OCS-2 for the issuance and protection of train movement and track worker authorities in a non-signaled TWC territory. OCS-2 verifies continuity among authorities and tracks the position of manual switches. OCS-2 also requires the underscoring of voiced authorities, word-by-word and digit-by-digit, to ensure

accuracy. Further, OCS-2 also provides a graphic representation of all authorities in effect on a given subdivision.

**Minneapolis Operations Center TrakCom Dashboard.** CP utilizes a workload analysis application referred to as the Minneapolis Operations Center TrakCom Dashboard. This application detects and archives all activity that occurs using the Dispatcher radio and phone systems. The categories of archived information include Dispatcher desk, Dispatcher shift, total calls, incoming calls, outgoing calls, time of call, duration of call, and the delay for Dispatcher to answer each call. Facility management uses customized filters to analyze activity ranges from years down to minutes of a shift, to identify trending workload changes and potential dispatcher territory adjustments for continued optimal customer service. Examples are shown in Tables 2 and 3 below.

**TABLE 2**

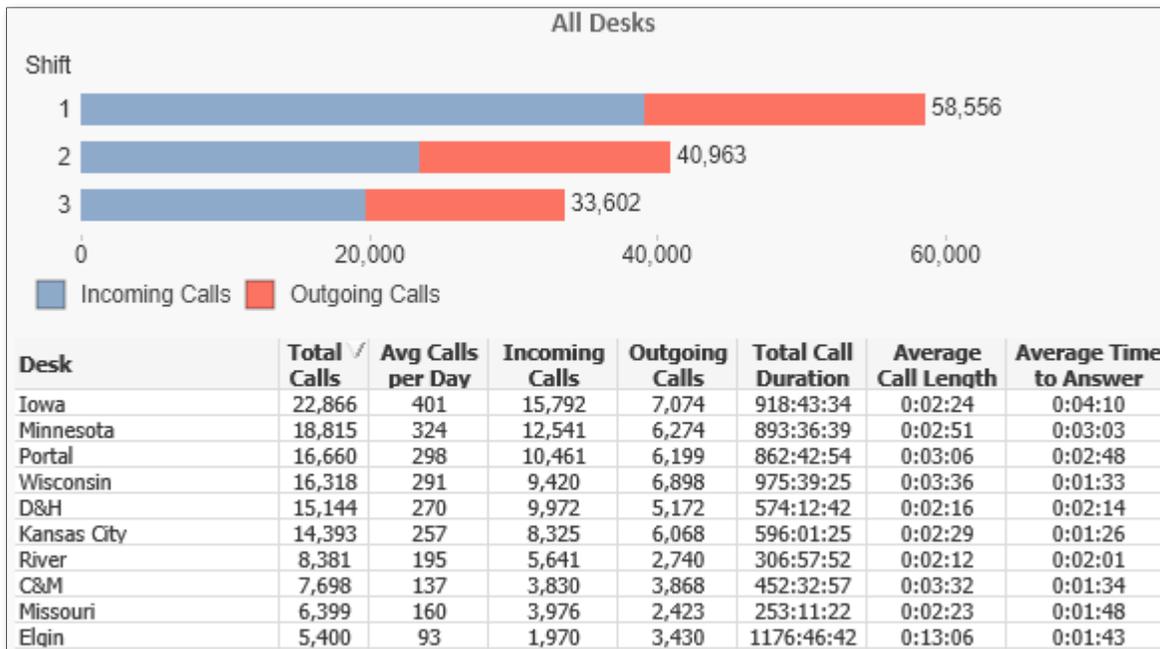
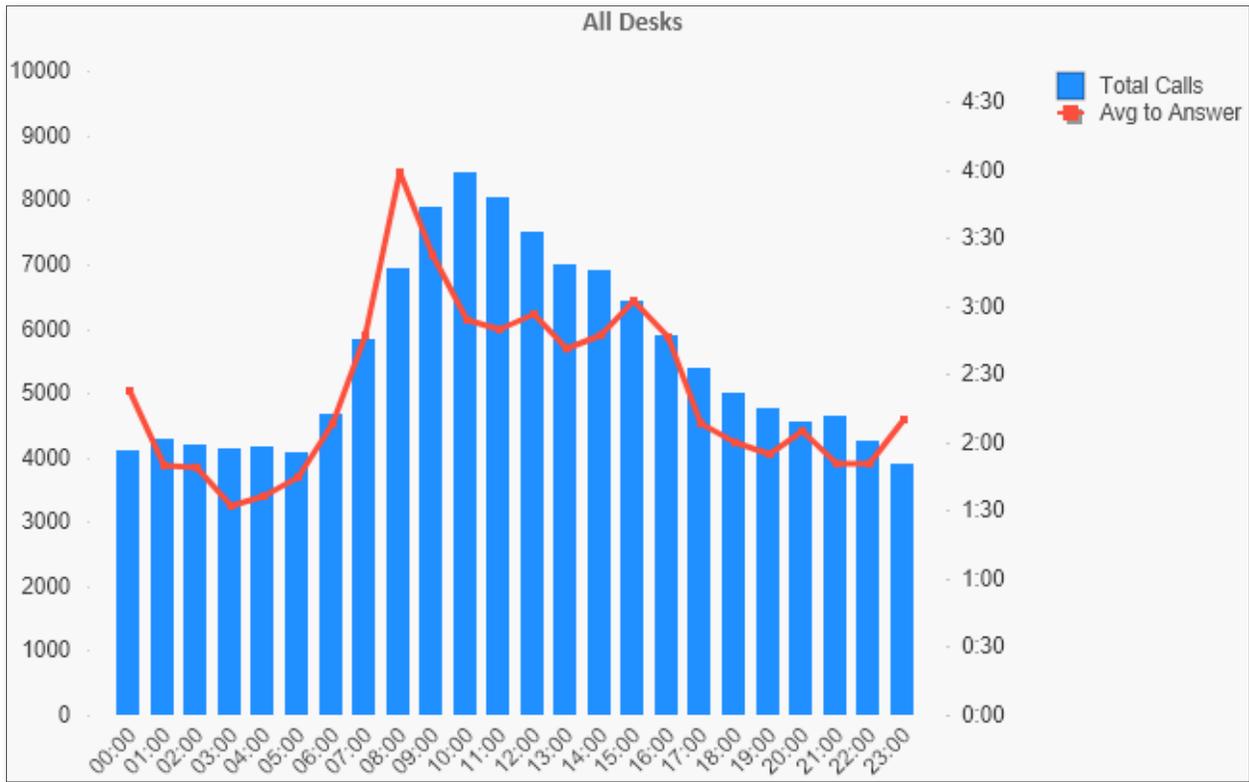


TABLE 3



## 2. Dispatching Operations at KCS

KCS has two dispatching centers for the managing and dispatching of trains across KCS's U.S. network: (1) the Network Operations Center in Kansas City and (2) the Spring Dispatch Center in Spring, TX. Kansas City dispatches lines from St. Louis, MO to Dequincy, LA including the Meridian Speedway, former Gateway Western Railway, and former Louisiana and Arkansas Railway. Spring, TX manages train movement from Dequincy, LA to the International Bridge in Laredo, TX.

**Train Management and Dispatch System.** The IT backbone of dispatch at KCS in the United States is the TMDS. All dispatch functions are performed through TMDS which controls signals, switches, bridges, and switch heaters, issuance of Track and Time, Track Warrants, and

Foul Time, creates General Track Bulletins (“GTBs”), applies required device blocks and restrictive tags, and delivers electronically Mandatory Directives to trains running with Positive Train Control.

KCS provides Dispatchers with detailed training of TMDS as detailed above in Section III.B (Training). KCS utilizes the Train Dispatcher’s Manual for Dispatcher specific rules in addition to the GCOR. Specific territory instructions are provided to Dispatchers where applicable.

**Centralized Traffic Control.** Dispatch functions for CTC territory are done through TMDS and include: lining dual control switches, clearing CTC signals, issuing Track and Time, and applying required blocking devices. When a request is initiated, the track line segment flashes on the TMDS computer monitor for the Dispatcher to verify before executing.

**Track Warrant Control.** Track Warrants for TWC territory are issued through TMDS. Dispatchers use a mouse to select the requested limits on the TMDS monitor, then the track line segment on the TMDS computer monitor will flash for verification. Once verification is complete, the Track Warrant form will populate for required information to be entered. After all fields in the Track Warrant form are complete, Dispatchers select the “Read” button, and a form is populated for Dispatchers to read information to field personnel. This form is in line format for easy reading and allows Dispatchers to follow along with field repeat. After a line is repeated correctly, Dispatchers click the line changing the color to green to ensure all information is repeated correctly. This same process is used when issuing Track and Time in CTC territory mentioned above.

**General Track Bulletins.** Train Dispatchers issue Track Bulletins to trains in the form of GTBs in TMDS. TMDS has a System Summary Screen that includes a GTB tab where all bulletins

and GTB's are documented for Dispatchers to view. When a Track Bulletin is created, TMDS generates a protection list that advises the Train Dispatcher of all trains that require the track bulletin. Before executing the bulletin, dispatchers have the ability to remove trains that have passed the location and those that will not traverse the location. After executing the bulletin, the bulletin and the GTB for each train requiring the bulletin will turn red on the System Summary screen to visually notify Dispatchers. At this time, Track Bulletins are delivered verbally and electronically to train crews.

**Workload Analysis Tool.** KCS utilizes the Workload Analysis Tool to understand certain aspects of Dispatcher workload. This tool utilizes data from the TMDS database and enables teams to assess the number of track authorities issued, GTBs created, and Track Tags and Device Blocks used. Information, as shown in Tables 4 and 5, can be sorted by year, month, console, shift, directive, and Dispatcher. Additionally, KCS management considers power planning, train traffic, duration of radio and phone conversations, and planning work performed with foreign line carriers, to determine an appropriate Dispatcher workload. Management makes adjustments, when necessary, based on the information explained above.

TABLE 4

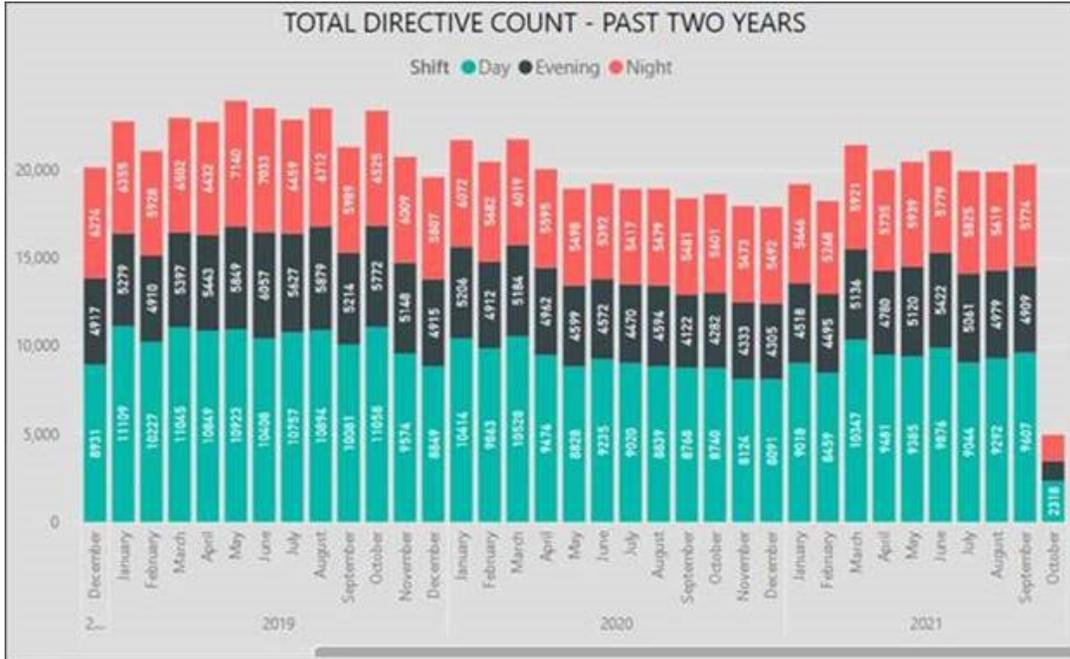
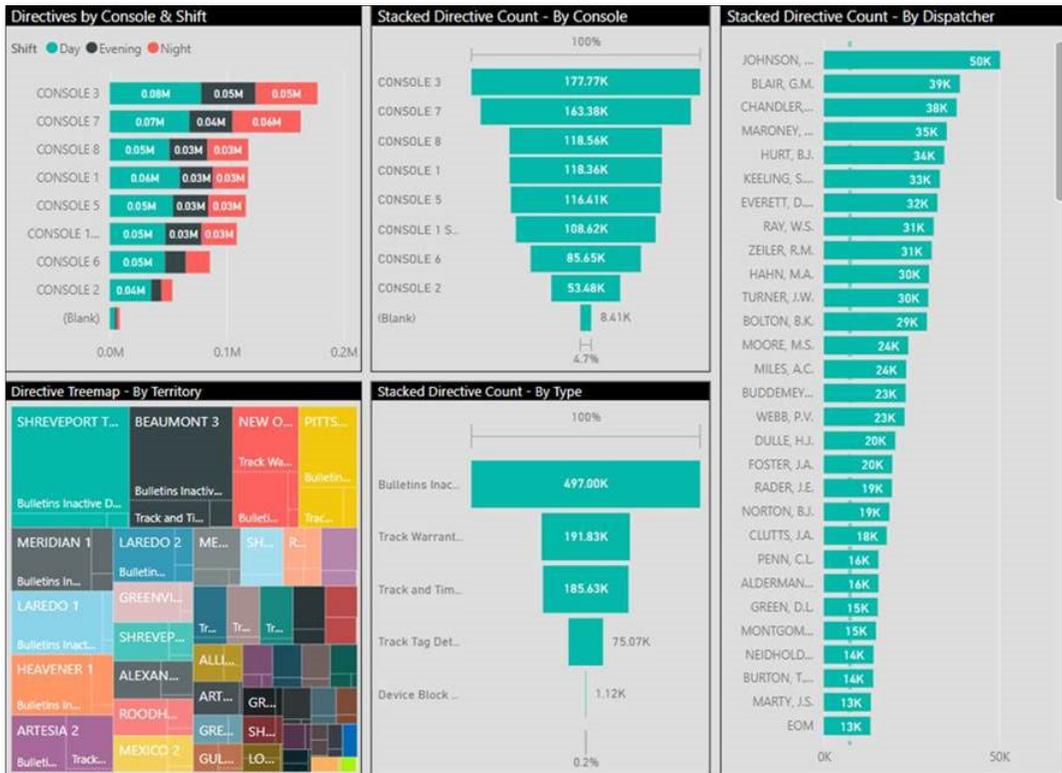


TABLE 5



### **3. Safety Integration – Dispatching Operations**

CPKC will migrate the CP Minneapolis Dispatching Center to Kansas City and integrate it with the KCS Dispatching Center. While the relocation of employees is underway, CPKC will focus on the sustainment of safe operational practices in both Kansas City and Minneapolis. CPKC will utilize qualified Train Dispatchers to fill vacancies that may result from employee relocation.

Dispatch center management will be present in both facilities and provide continual operational oversight during each relocation of dispatched territory. Information Services and Train Control Departments will be available during each movement of Computer Aided Dispatch (“CAD”) System equipment. This will provide the necessary quality control and rollback measures necessary for transition.

During early stages of integration, the former CP and KCS territories will continue operating separately, with their established train control systems: TMDS, CTC, and TWC, respectively. Additionally, Dispatcher workloads will continue to be assessed using the tools and processes listed in the railroad specific explanations listed above.

CPKC will carefully evaluate each independent train control system, focusing on operating rule requirements, operational safeguards, efficiencies, and the ability to accommodate the needs of the newly merged company and customers. Appropriate stakeholders in affected departments will conduct this review and establish implementation plans. Applicants anticipate that CPKC will complete the amalgamation of dispatching operations within three years of the Control Date.

Prior to any transition of train control systems, a thorough review of rules specific to KCS and CP, as outlined above in Section III.C.1 (Operating Rules), will take place to ensure differences in dispatching rules and procedures are addressed and mitigated. The Training Department will provide training or certification when changes require.

CPKC will ensure that train control changes are properly vetted and tested prior to implementation, and that no changes will be made unless safe operations can be maintained. CPKC will maintain compliance with all federally mandated requirements.

CPKC will create a process to monitor Dispatcher workloads once a control system is chosen and an integration plan is complete. CPKC will provide regular oversight to Dispatcher workload and make adjustments when necessary. CPKC will ensure that the processes in place regarding Dispatcher workload maintain a safe and effective operation.

## **I. HIGHWAY-RAIL GRADE CROSSING SYSTEMS**

### **1. Highway-Rail Grade Crossing at CP**

CP is committed to the safety of citizens of the local communities in which it operates. CP teams work together around the clock to improve at-grade highway crossing safety. The CP Public Safety Communications Center (“PSCC”) handles emergency calls 24 hours a day, 365 days a year, through calls placed to (800) 716-9132. CP has installed and maintains Emergency Notification Signs (“ENS”) at all at-grade crossings per federal regulations. ENS provide the emergency contact number and the crossing’s FRA/DOT number to allow members of the public to call in an emergency, issue, or concern. Communication from the public to the PSCC allows CP to collect emergency crossing signal information in real time and to forward this information to CP Public Safety Officers, Engineering Teams, and the Signal & Communication Department. CP’s vegetation management programs improve at-grade highway crossings equipped with passive warning signs and provide better approaching sight lines to motorists. CP utilizes constant

warning detection technology and regularly identifies locations where upgrades to crossing signals would be beneficial.

CP collaborates with local, state, and federal agencies as stakeholders in CP's Crossing Safety Program. States provide governance over grade crossings in their jurisdictions, and state highway agencies determine appropriate traffic control device requirements at public crossings. The Federal Highway Administration ("FHWA") is responsible for public grade crossing issues affecting highway safety, and the FRA regulates the aspects of grade crossing safety pertaining specifically to the railroads such as track safety, train-activated warning devices, and train safety. CP actively partners with the department of transportation in each state where it operates to obtain federal funding through the Railway-Highway Crossings Section 130 Program ("Section 130"), which provides funding for the elimination of hazards at railroad crossings. Each year, CP identifies potential crossings eligible for funding through Section 130, and for those crossings identified, CP submits Section 130 applications to the relevant states. Local road authorities also identify potential crossings eligible for funding, and CP partners with these local road authorities to submit Section 130 applications for those crossings identified. The Section 130 Program continues to be authorized and appropriated by Congress, most recently through the Infrastructure Investment and Jobs Act.

The DOT's FHWA publishes the Manual on Uniform Traffic Control Devices ("MUTCD") as the national standard for planning, designing, and applying traffic control devices, including all signage and warning devices at railroad crossings. The MUTCD requires uniformity of devices, signage, signals and movement markings to promote safety for highway traffic and for users of railroad crossings. CP's signage and warning devices at crossings are compliant with the MUTCD standards.

CP also actively works with road authorities and government agencies to identify and negotiate crossing closures and consolidation. CP's crossing closure efforts align with the FRA and DOT's goal of reducing the number of at-grade crossings, both public and private, through consolidation, elimination, and grade separation.

CP strives to avoid blocking or obstructing highway-rail crossing systems with trains, locomotives, railroad cars, or other pieces of rolling stock equipment through operational planning, controlled train meets, and dedicated operating rules. Additionally, CP devotes appropriate resources to manage service interruptions, which can help to reduce the duration of any obstruction.

CP actively updates the FRA/DOT crossing database per federal regulations, which includes regular reviews and updates to grade crossing data to ensure accuracy of the database. CP monitors the database to ensure each crossing is updated at least every three years.

CP supports the Operation Lifesaver, Inc. ("Operation Lifesaver") national organization as well as organizational chapters in all states where it operates. Operation Lifesaver presenters train the CP Police Service ("CPPS") officers. CP has representatives on the Operation Lifesaver National Advisory Committee as well as on the Operation Lifesaver Board of Directors. CPPS delivers hundreds of presentations every year to schools, community groups, boys and girls clubs, recreational groups such as snowmobile and ATV clubs, municipal and provincial police agencies, school bus drivers, and truck drivers. In 2020, CPPS made 709 Operation Lifesaver presentations and 453 joint force operations presentations to public groups to raise awareness about trespass and grade-crossing safety. CP has a number of Safety & Security Outreach programs to enhance public awareness—these programs include first responder and law enforcement agency training, as well as 1-800 Safe Passage and Operation Lifesaver training, national programs that educate members

of the public about the potential dangers and penalties related to trespassing on railway Rights-of-ways and disobeying railway crossing warning signs and signals. Along with Operation Lifesaver, CPPS creates fact sheets and educational information about trespassing issues, which it distributes to the public.

## **2. Highway-Rail Grade Crossing at KCS**

KCS has been successful in reducing crossing collisions on its system. KCS employs a full-time public safety director, has more than 47 KCS Operation Lifesaver Authorized Volunteers, and trains law enforcement as well as educates the public. KCS works diligently to maintain and improve crossing conditions by maintaining the right-of-way and clearing vegetation from the four quadrants of the crossing. KCS places emphasis on the consolidation of at-grade crossings and since 2015 has closed 45 public and 40 private at-grade crossings. The latest corridor project completed was in New Roads, LA between 2019 and 2020. The project included building a connector road and two Tee turnarounds. This allowed the closure of five public crossings. The Louisiana Department of Transportation and Development also worked with KCS on this project and used Section 130 funding to install eight sets of flashers and gates. Vertical road approaches were also repaired, and new pavement markings and signage was installed.

Emergency contact numbers have been posted on the ENS at all public and private grade crossings for use in contacting the CID 24 hours per day, seven days per week with concerns regarding crossings or related questions. ENS allow motorists who become stalled or in any way obstruct railroad tracks to call and simply provide the information on the sign. ENS also include the DOT identification number that pinpoints the location for KCS's dispatching center and allows it to warn or stop trains in the affected area.

Grade crossing collision training is provided to local law enforcement officers to enhance their initial response and scene assessment, as well as their understanding of the available enforcement and investigative options. Firefighters and Emergency Medical Services responders are included in KCS's task-specific training—the Operation Lifesaver approved, Railroad Investigation and Safety Course. “No Trespassing” signs have been installed at bridges, crossings, and in areas where pedestrians commonly trespass on railroad property to try to prevent dangerous situations.

KCS also strives to avoid blocked or obstructed highway-rail crossing systems by trains, locomotives, railroad cars, or other pieces of rolling stock equipment through operational planning, controlled train meets, and dedicated operating rules. Additionally, KCS devotes appropriate resources to manage service interruptions which can help to reduce the duration of any obstruction.

### **3. Safety Integration – Highway-Rail Grade Crossing**

CP and KCS have similar established practices and programs for managing and improving crossing safety. Both companies work closely with state and local road authorities and emergency responders to support grade crossing safety improvements. Following the Control Date, CPKC will continue to operate with separate crossing programs. CPKC will perform a comprehensive review of available programs and practices to determine the best fit for the combined company. This review will govern consolidated actions.

Based on an analysis by CP Service Design, CP has identified specific corridors across the future CPKC network where rail traffic is expected to increase. CPKC will coordinate with each state department of transportation to review the anticipated increased traffic and develop a strategy to review the adequacy of existing crossing warning devices. The states have overall oversight and accountability for the adequacy of crossing warning devices and will be critical partners in

this assessment. Each state handles oversight through different procedures and processes, and therefore, strategies will be established based on each state's requirements, and CPKC will work with those agencies to establish programs that implement modifications and improvements at crossings where deemed necessary.

**Appendix 2** includes a list of crossings where an increase in rail traffic is anticipated through existing quiet zones.

Where changes to the rail infrastructure are proposed, such as adding a track through a crossing, CPKC will continue current practices—i.e., it will perform crossing diagnostics reviews with the local road authorities and state departments of transportation to evaluate the adequacy of the existing warning devices and consider if changes are required. All changes to warning devices, including signage and active devices, will be designed and installed per the MUTCD. CPKC will continue to strive to avoid blocking or obstructing highway-rail crossing systems with trains, locomotives, railroad cars, or other pieces of rolling stock equipment through a continuation of current practices, including operational planning, controlled train meets, and dedicated operating rules. Additionally, CPKC will continue to devote appropriate resources to manage service interruptions and to alleviate the durations of which a crossing is obstructed.

#### **J. PERSONNEL STAFFING**

Applicants anticipate minimal impact to workforce duties or responsibilities for employees covered by 49 C.F.R. § 244.13(j) as a result of changes to operations following the Control Date. As detailed in this section, Applicants do not anticipate the CP/KCS combination to result in any adverse changes to personnel staffing or a reduction in work force, and instead expects the combination to drive growth in employment across the entirety of the combined CPKC system.

The operational consolidations arising from the combination of these two railroads will entail only minor adjustments in work arrangements, limited to (1) the region centered on Kansas City, the one point where CP's and KCS's rail networks connect, and (2) as a result of the relocation of CP's U.S. headquarters from Minneapolis to Kansas City. CP anticipates that KCS's Kansas City headquarters will become the U.S. headquarters for CPKC, creating net-positive impacts on employment there, and that the Minneapolis headquarters will eventually close. The operational consolidations will yield some changes in the level of employment, with changes to safety personnel set forth in Table 6, CPKC Assignment Projections.

Table 6 shows that, within the enumerated categories in 49 C.F.R. § 244.13(j), only 38 of the jobs will be affected. Specifically, 38 dispatchers currently working in Minneapolis will be transferred as a result of the headquarters consolidation, and no jobs will be abolished. For any employees affected by the consolidation, CP anticipates that, in accordance with the requirements of 49 U.S.C. § 11326(a), the Board will impose on this Transaction the employee protective conditions as set forth in *New York Dock Ry. – Control – Brooklyn Eastern Dist. Terminal*, 360 I.C.C. 60, *aff'd*, *New York Dock v. United States*, 609 F.2d 83 (2d Cir. 1979). In instances where Dispatchers choose not to transfer, CP will honor all protective conditions imposed by the STB.

As also shown in Table 6, a total of 801 jobs will be created in the three years following the CP/KCS combination. Applicants do not expect reductions in hazardous materials employees or managers responsible for the oversight of safety programs. Alignment of hazardous employees and oversight managers will be determined following other departmental reviews following the combination. CPKC will provide the necessary training for operating employees in the Consolidated Territory, the area encompassing train and engine, signal, car repair/maintenance, and engineering personnel on certain lines radiating from Kansas City.

CPKC will strive to ensure that no safety issues arise as a result of the CP/KCS combination, and specifically that none occur in the region centered on Kansas City or as a result of the relocation of CP's headquarters from Minneapolis to Kansas City. Given the projected job growth in safety-related positions, CPKC will, through its personnel staffing, continue to maintain and improve its safety operations. Further, to support the anticipated job growth, CPKC will ensure that all safety-related positions receive initial training and recertification training as set forth in Section VII.B Training. Therefore, because CPKC anticipates job growth in safety-related positions and is prepared to support that growth through proper safety-related trainings, Applicants do not expect the CP/KCS combination to result in any adverse impacts related to safety and personnel staffing.

**TABLE 6**  
**CPKC ASSIGNMENT PROJECTION**

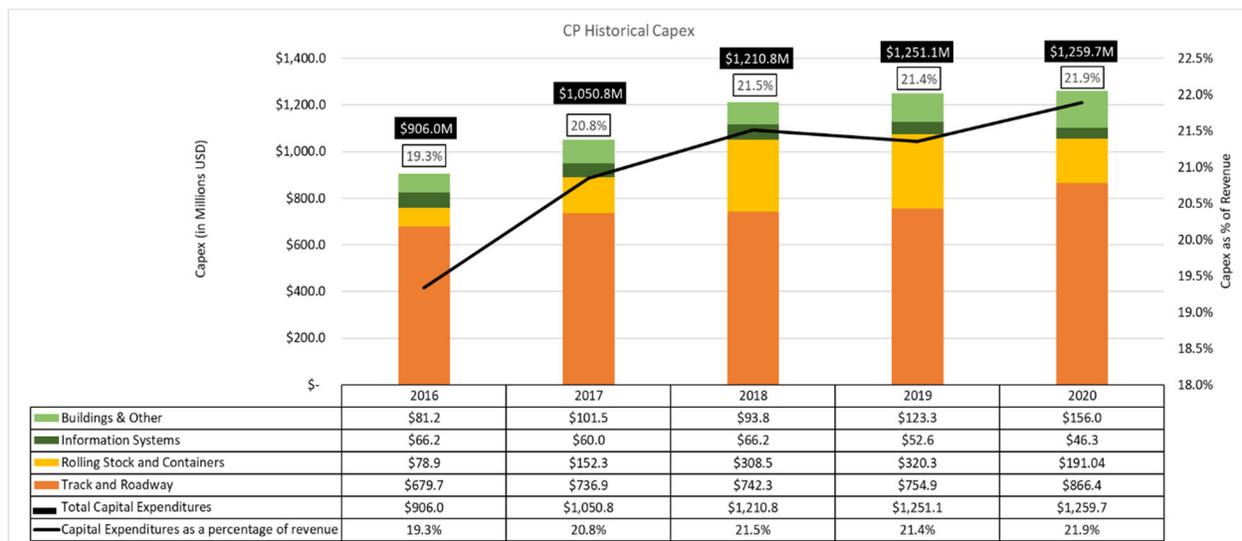
CPKC Assignment Projections		Jobs Created			Jobs Transferred			Jobs Abolished		
Role Description	Role Mapped to 49 C.F.R § 244.13(j)	Year			Year			Year		
		1	2	3	1	2	3	1	2	3
Car Mechanical	(5) Freight car and locomotive maintenance	28	35	47	0	0	0	0	0	0
Communications Worker	(6) Maintenance of signal and train control systems, devices, and appliances	0	0	0	1	0	0	0	0	0
Engineers	(1) Train and engine service (2) Yard and terminal service	126	71	113	0	0	0	0	0	0
Locomotive Mechanics	(5) Freight and locomotive maintenance	10	10	0	0	0	0	0	0	0
Signals Maintainers	(6) Maintenance of signal and train control systems, devices, and appliances	4	4	5	0	0	0	0	0	0
Track Maintainers	(4) Roadway maintenance	8	17	34	0	0	0	0	0	0
Train Dispatchers	(3) Dispatching operations	0	0	0	37	0	0	0	0	0
Trainmen	(1) Train and engine service (2) Yard and terminal service	119	65	105	0	0	0	0	0	0
<b>Total</b>		<b>295</b>	<b>202</b>	<b>304</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## K. CAPITAL INVESTMENT

### 1. Capital Investment at CP

Each year, CP makes significant investments in capital programs in order to enhance the service, efficiency, and safety of its network. Capital is allocated based on the safety and expansion needs of the business, independent of the jurisdictions in which particular projects are located. As Figure 4 below shows, CP invested \$1.26B in 2020 and \$1.25B in 2019 in total capital expenditures.

**FIGURE 4**  
**CP CAPITAL INVESTMENTS**



The largest portion of CP’s capital investment program is spent on track and roadway. The vast majority of CP’s track and roadway investment is spent on the basic replacement and renewal of depleted assets, including rail, ties, and ballast, among other assets. CP also invests significant resources in rolling stock and containers. CP has already invested \$1.107B in capital investments year to date through November 2021. Other key initiatives in the 2021 capital plan include:

- track upgrades on the newly acquired CMQ to improve the efficiency and safety of the operations;
- the modernization of 30-high horsepower locomotives to improve reliability and efficiency;
- the purchase of 1,400 high-capacity covered hopper cars to increase efficiency of the grain handling and transportation system; and
- investments in innovative wayside detectors, broken rail protection, and CTC to improve operational safety.

CP's continued and ongoing investments have allowed it to handle additional volume while also providing "room to grow." These investments have underpinned CP's recent growth. These investments show that CP is committed to improving the reliability and safety of its network while expanding its operations.

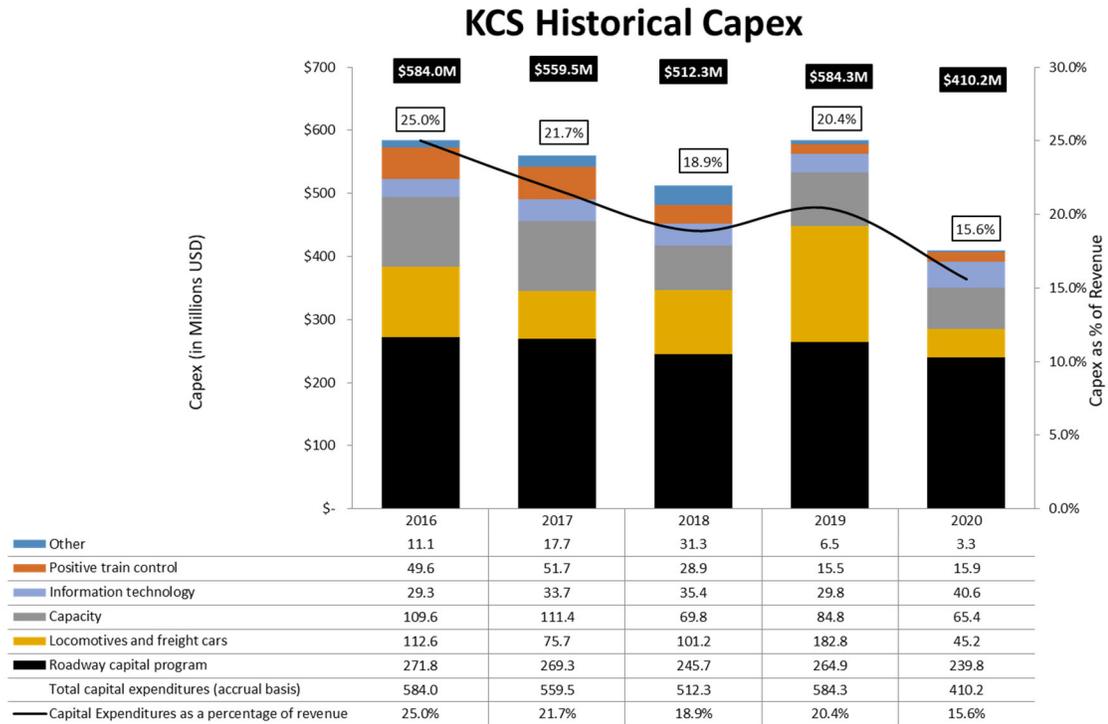
CP utilizes a wide variety of technology and testing vehicles to analyze track conditions in the variety of terrains in which it operates in order to determine its annual capital improvement program. CP collects data through visual track and bridge inspections, geometry test vehicles, ultrasonic rail testing vehicles, signals and communications testing, and other specialized inspection technologies. The high frequency with which CP tests and inspects its system provides CP with extensive data under differing conditions. These data are then analyzed to inform CP's short term maintenance projects as well as its medium-and long-term capital investment strategy. This approach ensures the reliability of the network, and has allowed CP to mitigate safety-related risks.

A list of CP federal and state funding grants is available in **Appendix 3** and a list of KCS grants is included below in Table 7. CP will continue to advance these projects, as will CPKC post-Control Date.

## **2. Capital Investment at KCS**

KCS strongly believes in investing in its core business. A sufficient line of road and terminal capacity, ample assets, such as locomotives and equipment, and a solid infrastructure are foundational to the operation of a successful railroad. KCS allocates capital spending based on system-wide project needs, without regard to the jurisdiction in which the work happens to be located. As illustrated in Figure 5 below, over the past five years, KCS has invested in such foundational programs, including over \$1.8 billion in roadway (infrastructure) and equipment, and \$440 million in capacity enhancements to promote service levels for customers and to achieve growth opportunities. Over the past five years, KCS has allocated 20 percent of revenue to invest back into its core business.

**FIGURE 5**  
**KCS CAPITAL INVESTMENTS**



Additionally, ongoing investments in KCS’s information systems, including operating systems, data analytics functionality, and customer facing systems, are enabling improvements in efficient network operations.

As set forth in Table 7 below, KCS has two active grant programs: (1) the 2015 FRA Railroad Safety Grants for the Safe Transportation of Energy Products by Rail Program (“STEP”) LADOT and (2) the 2020 Consolidated Rail Infrastructure and Safety Improvements (“CRISI”) Grant. The 2015 FRA STEP Grant will improve the safety of railroad crossings in high-traffic areas in Louisiana. In order to reduce the potential for grade crossing collisions, the 2020 CRISI Grant will (1) add gates, signals, and predictive controllers to approximately 20 crossings and aging gates, (2) replace four crossings, and (3) close four crossings with low roadway traffic

volumes. KCS remains committed to these projects. CP intends to continue to work on these projects, as does CPKC post-Control Date.

**TABLE 7**  
**KCS’ ACTIVE GRANT PROGRAMS**

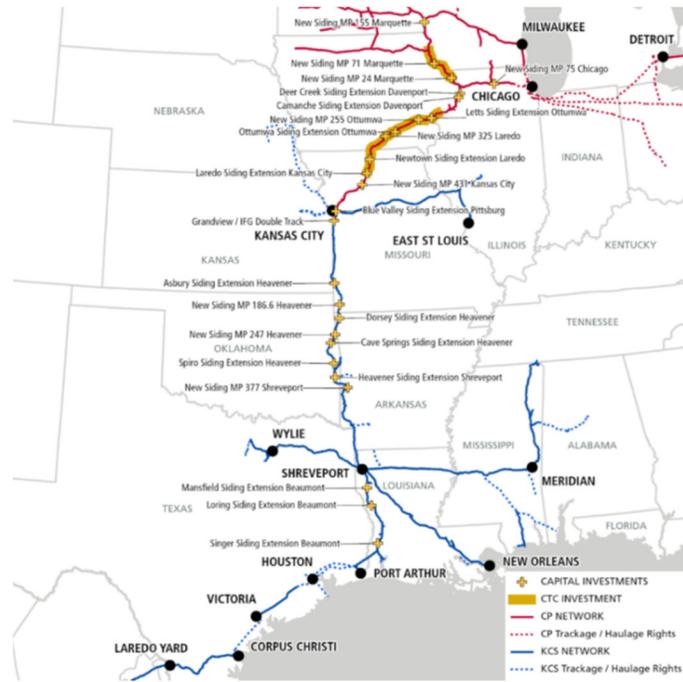
Grants Awarded	Project Location	Total Project Amount	RR Contribution
2015 FRA Step Grant	Baton Rouge, Louisiana on the KCSR’s New Orleans Subdivision between Mile Post 788 and Mile Post 794	\$2,920,269.30	\$656,053.86
2020 CRISI Grant	Beaumont Subdivision between Frierson and Starks, Louisiana	Approximately \$7,898,900	Approximately \$3,949,450

### 3. Safety Integration – Capital Investment

CPKC will continue steady state levels of investment in maintenance, safety, and technology. CPKC will continue CP’s proactive approach to maintenance by continually testing and analyzing track conditions. Similarly, Applicants expect that CPKC will maintain similar levels of maintenance spending, thereby mitigating safety-related risks.

In addition, to integrate KCS and CP and to support the projected growth in traffic, as well as to improve service, CPKC will make significant investments in line infrastructure to support new north-south rail capacity in this corridor. To determine the location, type, and scope of each specific infrastructure investment, detailed capacity modeling was performed. Based on this analysis, CPKC plans to spend a total of \$276 million in the first three years on new infrastructure (\$157.6 million on CP lines north of Kansas City and \$118.8 million on KCS lines between Beaumont and Kansas City). The new investments in CPKC’s core North-South Corridor between Louisiana and the Upper Midwest via Kansas City are depicted in Figure 6 below.

**FIGURE 6**  
**TRANSACTION-RELATED INVESTMENTS IN CAPACITY AND SAFETY**



In particular, CPKC will add double track, add and extend sidings, and install CTC signaling systems on the core CPKC North-South corridor lines between Louisiana and St. Paul/Chicago. These capital investments will expand capacity, improve safety, and ultimately, transform the North-South lines on the combined system into a more efficient and higher-capacity network. CPKC expects that the capital investments described above will be completed within three years of the Control Date.

Given the traffic volumes resulting from the transaction and the rail capacity needed to support the expected growth, Applicants identified 26 locations in the United States to add or extend sidings or add double track. CPKC will also add CTC signaling systems in three previously “dark” territories to improve capacity, operating efficiency, and safety. Additional details regarding the planned infrastructure investments can also be found in Table 8 below.

**TABLE 8**  
**TRANSACTION-RELATED CAPITAL PROJECTS**

Subdivision	Location	Type	Segment	Estimated Total (\$ USD)
Chicago	MP 75	New Siding	Randall Rd - Kittredge	8.47M
Marquette	96 Miles	CTC	Sabula Jct. to Marquette	15.06M
Marquette	MP155 (Brownsville)	New siding	River Jct - Kains	13.31M
Marquette	MP71	New siding	Eckards - Edmore	15.40M
Marquette	MP24	New siding	Dubuque - Green Island	12.42M
Davenport	Deer Creek	Siding Extension	Green Island - Camanche	12.66M
Davenport	Camanche	Siding Extension	Camanche - Nahant	1.95M
Ottumwa	62 Miles	CTC	CTC Subdivision	13.39M
Ottumwa	Letts	Siding Extension	Letts - Nahant	1.31M
Ottumwa	MP 255	New siding	Letts - Ottumwa	9.49M
Laredo	102 Miles	CTC	CTC Subdivision	24.18M
Laredo	Ottumwa	Siding Extension	Ottumwa	2.11M
Laredo	Moravia	New siding	Ottumwa - Newtown	9.84M
Laredo	Newtown	Siding Extension	Laredo - Ottumwa	3.06M
Kansas City	Laredo	Siding Extension	Polo - Newtown	3.70M
Kansas City	MP 431	New siding	Laredo - Polo	11.21M
<b>CP Total</b>				<b>157.56M</b>
Pittsburg	Blue Valley (MP 8.1)	Siding Extension	Blue Valley	30.13M
Pittsburg	Grandview/IFG (MP 28.5)	Double track	Blue Valley – Grandview	12.81M
Heavener	Asbury (MP 140.4)	Siding Extension	Asbury	6.14M
Heavener	MP 186.6	New siding	McElhany - Noel	12.08M
Heavener	Dorsey (MP 214.2)	Siding Extension	Dorsey - Gentry	2.77M
Heavener	MP 247	New Siding	Watts - Stilwell	11.28M
Heavener	Cave Springs	Siding Extension	Stilwell-Cave Springs	4.14M
Heavener	Spiro (MP 311.7)	Siding Extension	Spiro - Shady Point	4.44M
Shreveport	Heavener	Siding Extension	Heavener - Page	10.36M
Shreveport	MP377	New siding	Rich Mountain - Potter	11.28M
Beaumont	Mansfield (591.3)	Siding Extension	Frierson - Mansfield	4.97M
Beaumont	Loring (MP 625.9)	Siding Extension	Converse - Loring	3.82M
Beaumont	Singer (MP 705.1)	Siding Extension	Neame - Singer	4.63M
<b>KCSR Total</b>				<b>118.82M</b>
<b>Grand Total</b>				<b>276.39M</b>

Execution of these investments will be among the highest priorities of the combined CPKC system in the first three years following the Control Date. Accordingly, in order to stay ahead of the anticipated traffic growth, CPKC has identified concrete steps, beginning with concept and design work, permitting, environmental assessment, and proceeding with grading, track, and signals, necessary to complete these capital projects. CPKC also anticipates reallocating a portion of the infrastructure investment budgets of CP and KCS to adequately fund these projects so they

can be executed in a timely manner.<sup>6</sup> As discussed in the Operating Plan submitted with the Application, CPKC plans to implement these projects in the following phases:

- La Crosse to Davenport
  - Year 1
    - New CTC Installation: 46 miles;
    - environmental permitting and engineering design for one new siding and one siding extension;
    - grading: two new sidings; and
    - track construction and in service one siding extension.
  - Year 2
    - New CTC Installation: 26 miles;
    - environmental permitting and engineering design for one new siding; and
    - grading track, track construction and in service three new sidings and one siding extension.
  - Year 3
    - Grading/Track construction and in service one new siding.
- Davenport to Kansas City
  - Year 1
    - New CTC Installation: 30 miles; and

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<sup>6</sup> CPKC expects to reallocate approximately \$50mm annually from the two railroads' combined infrastructure investment budgets during the integration period, which represents approximately 2.6 percent of the combined CPKC capital envelope.

- track construction and in service three new sidings and three siding extensions.
  - Year 2
    - New CTC Installation: 63 miles; and
    - environmental permitting and engineering design for one siding extension.
  - Year 3
    - New CTC Installation: 72 miles; and
    - grading/Track construction and in service one siding extension.
- Kansas City to Shreveport
  - Year 1
    - Environmental permitting and engineering design for two new sidings, and one siding extension;
    - environmental permitting and engineering design/Grading one siding extension; and
    - environmental permitting and engineering design/Grading/Track construction and in service one siding extension.
  - Year 2
    - Environmental permitting and engineering design for one new siding;
    - environmental permitting and engineering design/Grading/Track construction and in service, three siding extensions, portion of Double track; and



this analysis, to support the increases in traffic contemplated in the Growth Plan discussed in the Application, CPKC plans to acquire, by Year 3, a minimum of:

- 265 multilevel autorack cars, to support increased business originating in Mexico;
- 831 intermodal cars, to support both domestic and international intermodal services;
- 194 boxcars, to support the growth in manifest traffic originating in Mexico; and
- 604 covered hoppers, to support increased demand for bulk shipments of agricultural products.

Additionally, CPKC will continue to upgrade all fleets as cars age out, continuing the normal operating practice of both CP and KCS. This turnover will improve the quality of the fleet, as, for example, older and smaller “Plate C” boxcars age out and are replaced with more efficient and higher-capacity “Plate F” cars over the next five years. Lastly, CPKC will continue the work related to the grant programs described above.

The combined network will allow for a more optimal and cost-effective deployment of various testing technologies. As discussed above, CP utilizes a wide variety of technology to build its maintenance and capital plans. Combining the assets used for the testing of fixed infrastructure owned by CP and KCS will allow the current approach to continue and expand on the combined network. The higher frequency of testing will provide improved data and trending analytics, such as the development of track quality indices, alerts for growth in defect levels, and triggers for maintenance intervention.

In pursuit of the integration of information systems, Applicants anticipate that CPKC will invest approximately \$138.6 million in IT-related capital. Despite this investment in common systems and supporting hardware, it is expected that the combination of the CP and KCS

information systems will actually result in capital savings. The conversion to single-system solutions will reduce duplicative spending, resulting in millions of dollars of discretionary IT capital savings. Ultimately, CPKC estimates that the consolidation of information systems will result in capital savings of approximately \$21.6 million annually. CPKC will continue to invest capital in technology, such as the ongoing replacement of certain hardware, in order to maintain and enhance the programs of the combined entity.

## **L. INFORMATION SYSTEM COMPATIBILITY**

### **1. Information System Compatibility at CP**

Given its reputation as the safest North American railroad, CP places a large premium on maintaining top-of-the-line information systems and field devices. Accordingly, CP has invested heavily in IT solutions to support a safe and fluid train operation.

CP employs over 600 employees and 25 contractors who report to the Vice President and Chief Information Office of Information Services. Employees are typically aligned to CP functional business areas, though additional teams, who report directly to the Vice President and Chief Information Office of Information Services, and provide foundational IT internal services, cross all lines of business.

Dispatchers at CP use the advanced CAD system, including CP's CTC and TWC systems, to safely dispatch, monitor and execute train movements. The dispatch systems are fully integrated into CP's PTC ecosystem. Dispatch systems are accompanied by a training program with a proven safety record.

CP developed a proprietary Railway Performance Monitoring ("RPM") system that provides an integrated network view of CP train movements and inventory (including locomotives and shipments), train performance, operating plan adherence, and the overall health of the network.

RPM consolidates information from the NEXUS train management system, the TYES and TRIEX inventory management systems, and the Locomotive Management Planning (“LMP”) systems. Together, these systems comprise CP’s key operational IT landscape.

RPM captures detailed planned and actual train information for all en route trains with movement events. Operating data are combined with train, customer, shipment, and location information to present train location and performance information in geographical and detailed views. The RPM dashboard provides CP’s operating teams with graphical representations of the entire CP network, displaying all trains running and on-time performance with a “red/yellow/green” status and key performance indicators. Using this tool, employees can hover over any train for details (including train type and kind, power, current train speed, destination, last location, origin, length, weight, planned and actual horsepower per ton, load/empty count, last event, crew information, marshalling, key train data, presence of poison inhalation hazard/toxic-inhalation hazard carloads, dangerous cars, and dimensional compliance).

Combined, these systems ensure the ability to quickly terminate operations in times of emergency.

To ensure safe movement of freight, including the handling of hazardous materials, CP has an integrated service design, shipment, order fulfillment, asset distribution, crew management, and train operations suite of applications. These include: (i) MultiRail which is used to create and distribute the operating plan, (ii) FastWay, which provides waybill management, (iii) LMP, which is used for planning, distributing, and assigning locomotives, (iv) CMA, which manages crew assignments and payroll, and (v) NEXUS which, as described above, is a network schedule management tool.

CP's Crew Management suite prevents unintentional violations of hours of service requirements, contributing to CP's stellar safety record. The suite also provides train crews with access to up-to-date train line-up information through VRUs, kiosks across CP's yards and the internet, and has extended functionality available for crew balancing, auto crew calling and inbound/outbound VRU solutions. Access to this information allows individuals to better manage their time off-duty to improve the quality and quantity of rest.

CP also uses other advanced technology to improve the safety and efficacy of its operations such as the Trip Plan Engine ("TPE"). The TPE generates for each carload shipment a plan for handling and train service to get the car from origin to destination. This information is visible to the operating team so they can execute the plan. The TPE is also linked to CP's service design operating model and generates a plan for which a specific train will pick up the railcar from the customer at the "first mile," which specific trains the railcar will be moved in over the road, and which specific local train will deliver the car over the "last mile." This trip-planning function generates a baseline estimated time of arrival for customers and estimated time of interchange for CP's rail carrier interline partners.

To ensure maintenance information is readily available for those planning locomotive assignments, CP tracks locomotive maintenance and defects through SAP. SAP feeds other systems used by Operations to ensure maintenance information is accurate and available. Front-line supervisors record locomotive failures and defects at each major locomotive facility and provide 24-hour, seven-day-a-week support for train crews by radio or telephone. Prior to releasing any locomotive from a maintenance facility, the scheduled and unscheduled notifications in SAP must have all tasks signed off by the employee who completed the work and then be verified and closed by the mechanical supervisor. Similarly, inspection and repairs are tracked

with the Car Repair Billing (“CRB”) application. This CRB application feeds both inventory management and other reports to provide the visibility necessary for timely repair and movement of on-track equipment.

CP’s BCFs in Calgary, AB and St. Paul protect continuity of rail operations. These facilities are dedicated live back-up facilities that would be used as work locations for employees who perform critical business processes such as train control, crew calling and work order processing if the primary buildings were uninhabitable. BCFs are “live tested” once per year to ensure the facilities, their infrastructure, and their technology are functioning as intended to continue key business functions, and that critical staff remain familiar with these facilities.

In addition, CP continues to advance and evolve its cyber security program through investments, including ongoing reviews of its incident detection identification and response capabilities, continuous improvements of processes and practices to identify risks across the enterprise, and the extension of automation procedures to reduce the time required to identify threats. CP maintains the Enterprise Security Unit that manages the cyber security program following a risk-based, business-focused approach to security. The different teams within the Enterprise Security Unit collaborate with business units across Information Services and CP to identify risks facing information assets and develop the appropriate controls to help mitigate the risk. The Enterprise Security Unit also protects information assets by taking actions such as deploying anti-virus/anti-malware protection to endpoints across the enterprise, enabling encryption on enterprise endpoints (workstations/laptops and mobile devices), deploying endpoint detection and response agents to enterprise endpoints, laptops, workstations, and servers, installing vulnerability management scanning software to provide greater visibility into endpoints and servers, deploying enhanced network access control in exposed network areas identified as being

at risk to rogue devices and unauthorized network access, having a robust assets discovery process that regularly validates assets connected to the network, and working to ensure the security of data in cloud instances through technology and the use of cloud security services.

## **2. Information System Compatibility at KCS**

KCS uses information systems in all aspects of its railroad operation in the United States, including all safety-related functions.

KCS uses MCS as its overall operating system in both the United States and Mexico to switch cars, assemble trains, manage the Transportation Service Plan, and measure performance. Specifically, MCS is a modular system used for numerous operating functions of the railroad involving waybill activities, car and train scheduling, and tracking of car movement records. MCS has built-in safety features to aid in achieving the correct train makeup by enforcing hazardous material in-train placement rules. Additional safety features involve the following categories: train blocking compliance, car placement, hazardous material cars, train make-up profile, bad order car handling, track capacities, and car scheduling. Within each category, KCS maintains checks and specific rules for train marshaling, weight and length capacity, dimensional loads, and speed restriction tables that are linked to waybills.

The KCS Mechanical Department uses third-party software to record railcar bad order defects, communicate which railcars have been inspected, identify repairs made to railcars, and capture CRB information, and this software is integrated with the KCS MCS Operating System and SAP. The Managers of Locomotive Utilization and locomotive mechanical teams use KCS's Locomotive Management System to record locomotive defects, assign locomotives to trains, track inspection dates for scheduled inspections, and release locomotives from maintenance facilities once repairs have been completed. The U.S. car and locomotive parts inventory is recorded in

SAP, while a third-party software program called Infor System allows work orders to be completed to assign parts to locomotives or to deliver the car parts to the shop tracks to consume on railcars. This system allows KCS to order parts from SAP inventory and to install parts on individual locomotives. Only the Shreveport and Kansas City car shops utilize this software for inventory purposes. All other locations order directly out of SAP.

KCS uses Power Bi, which provides an integrated network view of KCS train movements and inventory (including locomotives and shipments), train performance, operating plan adherence, and the overall health of the network. Power Bi consolidates information from KCS's TMDS, MCS, and locomotive distribution systems, which comprise KCS's key operational IT landscape. Power Bi captures detailed planned and actual train information for all en route trains with movement events. Operating data are combined with train, customer, shipment, and location information to present train location and performance information in geographical and detailed views. The Power Bi dashboard provides KCS's operating teams with graphical representations of the entire KCS network displaying all trains running and on-time performance with a "red/yellow/green" status and key performance indicators. Using this tool, employees can drill down any train for details including: train type and kind, power, current train speed, destination, last location, origin, length, weight, planned and actual horsepower per ton, load/empty count, last event, crew information, marshalling, key train data, presence of poison inhalation hazard/toxic-inhalation hazard carloads, dangerous cars, and dimensional compliance.

Combined, these systems ensure the ability to quickly terminate operations in times of emergency.

As previously discussed, for crew management in the United States, KCS uses EWM system. For dispatch, KCS uses TMDS.

The KCS cybersecurity strategy follows the NIST Cybersecurity Framework and utilizes two main defense layers—one on the perimeter and the other at the interior network level. Perimeter defense layers include ISP protection, firewalls, load balancers, dedicated DNS security, and an email gateway to evaluate and “clean” all incoming email. On the interior level, KCS employs firewalls for segmentation, behavioral analysis systems, and robust endpoint protection. Employees and contractors also receive mandatory security training, monthly awareness newsletters, and are subjected to mock phishing campaigns to bring additional awareness to the dangers of phishing attacks.

KCS controls access to its network by using VPN and Citrix. In addition, multi-factor authentication and a 15-character password are required. Privileged account access is protected with SecureAuth and MFA.

KCS has initiated a Threat Intelligence Program based on the MITRE ATT&CK<sup>7</sup> framework. Using specially curated threat feeds from services such as Recorded Future and Crowd Strike, the program will alert KCS to potential threats within the industry and from vendors and will provide information on security trends. If any compromise is indicated, the system will detect it. A third party will also annually test both external and internal networks by attempting to penetrate the systems.

KCS security policies govern KCS and its partners and vendors. The policies are reviewed and updated on an annual basis. An Acceptable Use Policy is an annual mandatory

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<sup>7</sup> MITRE ATT&CK® is a globally-accessible knowledge base of adversary tactics and techniques based on real-world observations. The ATT&CK knowledge base is used as a foundation for the development of KCS-specific threat models and methodologies.

acknowledgment for every employee, as well as any contractor or vendor accessing the KCS network.

### **3. Safety Integration – Information System Compatibility**

The overall goal to integrating CP and KCS information technology is to avoid train network disruption through a concept of operations that focuses on providing a safe working environment. This environment will be achieved during system integration by ensuring operational systems contain accurate information, avoiding or mitigating scheduled outages through operating practices, and maintaining a strict and well-planned migration sequence until all systems are fully integrated.

CP and KCS are assessing each network's information systems from the perspective of their intended functions and capabilities to evaluate issues relating to integration with comparable systems on the other railroad, among many other factors. CP and KCS held a number of joint IT integration planning sessions in November 2021 to understand each carrier's information systems and to begin the advance planning necessary to ensure a smooth IT integration process. CP and KCS will begin detailed planning and design for the first Post-Control Date and End State starting in January 2022.

Currently, CP and KCS each possess information systems that are adequate to meet each railroad's freight operations. To ensure a safe and efficient transition, CPKC will continue to use each railroad's existing systems for an initial period following the Control Date. However, the integration of information systems will begin, on the Control Date, with the integration of KCS information and master data into a CP Service Design system, providing the ability for consolidated strategic operational planning and operating plans to be implemented on day one. The resulting consolidated operating plans will then be published to both the CP and KCS portions

of the CPKC system. Network designs generated using this common system will subsequently be published to both CP and KCS critical traffic systems, so that train movements can continue to be executed by each railroad using their separate existing systems. This will enable the transaction synergies and CP's mature PSR principles to start on day one. CPKC will perform a review of business critical systems that must be integrated on or shortly after the Control Date, CPKC plans to advance test data in "non-production" environments to ensure compatibility of KCS data with CP applications and business processes.

Following the Control Date, as CPKC completes its system integration planning and training, the improved data exchange across the combined system will enable more efficient handling of formerly interlined traffic. Concurrently, CPKC will complete detailed plans for implementing the best practices of the two roads on a system-wide basis. Over time, CPKC will migrate operations across both networks to a single set of platforms, choosing the best options based on the following factors: technological capabilities, the ability to meet current and future needs of the CPKC network, and the ease with which a platform can accommodate a seamless transition for use by additional portions of the CPKC network. Within three years of the Control Date, shipment functions will be moved to the centralized CPKC systems.

BEFORE THE SURFACE TRANSPORTATION BOARD

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FINANCE DOCKET NO. 36500

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**CANADIAN PACIFIC RAILWAY LIMITED, *ET AL.* – CONTROL – KANSAS CITY  
SOUTHERN, *ET AL.***

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**APPENDIX 1**

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**SAFETY INTEGRATION PLAN ACCOUNTABILITIES CHART**

## **Table of Contents**

- A. Corporate Culture**
- B. Training**
- C. Operating Practices**
- D. Motive Power and Equipment**
- E. Signal and Train Control**
- F. Track Safety Standards and Bridge Structures**
- G. Hazardous Materials**
- H. Dispatching Operations**
- I. Highway-Rail Grade Crossing Systems**
- L. Information System Compatibility**

**Subject Matter Safety Action Items:**

Item	Description	SIP Ref. Page	Estimated Start	Estimated Completion	Resource Allocation
<b>A. CORPORATE CULTURE</b>					
A. a.	Review safety management systems	27	Q4 2022 <sup>8</sup>	Q4 2025	<ul style="list-style-type: none"> <li>• Safety</li> </ul>
A. b.	Consolidate safety management systems	27	Q2 2022	Q4 2025	<ul style="list-style-type: none"> <li>• Safety</li> </ul>
A. c.	Adopt Consequence Leadership	27	Q4 2022	Q4 2024	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Operations</li> </ul>
A. d.	Adopt CP’s Workplace Health and Safety committee structure	28	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Operations</li> </ul>
A. e.	Adopt CP’s Home Safe program	27	Q4 2022	Q4 2025	<ul style="list-style-type: none"> <li>• Safety</li> </ul>
A. f.	Consolidate and file risk reduction plan	28	Q2 2022	Q4 2024	<ul style="list-style-type: none"> <li>• Safety</li> </ul>
A. g.	Adopt CP’s efficiency testing and manager accountabilities	28	Q4 2022	Q4 2025	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Operating Practices and Rules</li> </ul>
A. h.	Deploy CP’s safety technology across the combined system	27	Q4 2022	Ongoing	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Information Systems</li> </ul>

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<sup>8</sup> Q4 2022 is based on the expected date of approval.

**Subject Matter Safety Action Items:**

Item	Description	SIP Ref. Page	Estimated Start	Estimated Completion	Resource Allocation
<b>B. TRAINING</b>					
B. a.	Perform review of training programs	43	Q4 2022	Q4 2024	<ul style="list-style-type: none"> <li>• Training</li> <li>• Operating Rules &amp; Practices</li> </ul>
B. b.	Develop differences package	43	Q4 2022	Q4 2024	<ul style="list-style-type: none"> <li>• Training</li> </ul>
B. c.	Consolidate training programs	43	Q4 2022	Q4 2024	<ul style="list-style-type: none"> <li>• Training</li> </ul>
B. d.	Provide train the trainer sessions	44	Q4 2022	Q4 2024	<ul style="list-style-type: none"> <li>• Training</li> </ul>
B. e.	Perform review of Mechanical and Engineering qualification programs	43	Q4 2022	Q4 2024	<ul style="list-style-type: none"> <li>• Training</li> <li>• Mechanical</li> <li>• Engineering</li> </ul>
B.f.	Consolidate Mechanical and Engineering qualification programs	43	Q4 2022	Q4 2024	<ul style="list-style-type: none"> <li>• Training</li> <li>• Mechanical</li> <li>• Engineering</li> </ul>
B. g.	Provide support to training staff	44	Q4 2022	Ongoing	<ul style="list-style-type: none"> <li>• Training</li> </ul>
B. h.	Assess technological differences and expand smart board technology, where applicable	43-44	Q4 2022	Ongoing	<ul style="list-style-type: none"> <li>• Training</li> <li>• Information Systems</li> </ul>

**Subject Matter Safety Action Items:**

Item	Description	SIP Ref. Page	Estimated Start	Estimated Completion	Resource Allocation
<b>C. OPERATING PRACTICES</b>					
<b>C.1 Operating Rules</b>					
C.1.a.	Review rulebooks and instructions	49	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>Operating Practices and Rules</li> </ul>
C.1.b.	Consolidate rulebooks and instructions	49	Q1 2023	Q4 2025	<ul style="list-style-type: none"> <li>Operating Practices and Rules</li> </ul>
C.1.c.	Review operational testing programs	49	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>Operating Practices and Rules</li> </ul>
C.1.d.	Consolidate operational testing programs	49	Q4 2022	Q4 2025	<ul style="list-style-type: none"> <li>Operating Practices and Rules</li> </ul>
C.1.e.	Provide training	49–50	Q4 2022	Ongoing	<ul style="list-style-type: none"> <li>Operating Practices and Rules</li> </ul>
C.1.f.	Review process for communicating rule changes	49	Q4 2022	Q4 2024	<ul style="list-style-type: none"> <li>Operating Practices and Rules</li> </ul>
C.1.g.	Consolidate process for communicating rule changes	49	Q4 2024	Q4 2025	<ul style="list-style-type: none"> <li>Operating Practices and Rules</li> </ul>
C.1.h.	Monitor rules performance and make adjustments, where necessary	49	Q4 2022	Ongoing	<ul style="list-style-type: none"> <li>Operating Practices and Rules</li> </ul>
<b>C. 2. Alcohol and Drug</b>					
C.2.a.	Review drug and alcohol programs	54	Q4 2022	Q3 2023	<ul style="list-style-type: none"> <li>Drug &amp; Alcohol</li> </ul>
C.2.b.	Consolidate drug and alcohol programs	54	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>Drug &amp; Alcohol</li> </ul>
C.2.c.	Train employees on applicable regulations	54	Q4 2023	Ongoing	<ul style="list-style-type: none"> <li>Drug &amp; Alcohol</li> <li>Training</li> </ul>

<b>C.3. Qualification and Certification</b>					
C.3.a.	Perform review of 49 C.F.R. Part 240 and 49 C.F.R. Part 242	58	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>• Operating Practices</li> <li>• Training</li> </ul>
C.3.b.	Consolidate 49 C.F.R. Part 240 and C.F.R. Part 242 programs	58–59	Q4 2023	Q4 2024	<ul style="list-style-type: none"> <li>• Operating Practices</li> <li>• Training</li> </ul>
C.3.c.	File consolidated 49 C.F.R. Part 240 and C.F.R. Part 242 programs	58–59	Q4 2024	Q4 2025	<ul style="list-style-type: none"> <li>• Operating Practices</li> </ul>
<b>C.4. Hours of Service</b>					
C.4.a.	Review Hours of Service programs and processes	61	Q4 2022	Q4 2024	<ul style="list-style-type: none"> <li>• Crew Management</li> <li>• Operations</li> <li>• Signals and Communication</li> <li>• Dispatching</li> </ul>
C.4.b.	Consolidate Hours of Service programs and processes	61	Q4 2024	Q4 2025	<ul style="list-style-type: none"> <li>• Crew Management</li> <li>• Operations</li> <li>• Signals and Communication</li> <li>• Dispatching</li> </ul>
C.4.c.	Maintain compliance with federal regulation	61	Q4 2022	Ongoing	<ul style="list-style-type: none"> <li>• Signals &amp; Communication</li> </ul>

**Subject Matter Safety Action Items:**

Item	Description	SIP Ref. Page	Estimated Start	Estimated Completion	Resource Allocation
<b>D. MOTIVE POWER AND EQUIPMENT</b>					
D. a.	Perform review of qualification programs to identify differences	64	Q4 2022	Q4 2024	<ul style="list-style-type: none"> <li>• Mechanical Training</li> </ul>
D. b.	Consolidate qualification programs	64	Q4 2024	Q4 2025	<ul style="list-style-type: none"> <li>• Mechanical</li> <li>• Training</li> </ul>
D. c.	Provide training	64	Q4 2022	Ongoing	<ul style="list-style-type: none"> <li>• Mechanical</li> </ul>

**Subject Matter Safety Action Items:**

Item	Description	SIP Ref. Page	Estimated Start	Estimated Completion	Resource Allocation
<b>E. SIGNAL AND TRAIN CONTROL</b>					
E. a.	Review processes, standards, and systems	71	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>• Signals and Communication</li> <li>• Dispatching</li> <li>• Engineering</li> </ul>
E. b.	Create detailed integration plan	71	Q4 2023	Q4 2024	<ul style="list-style-type: none"> <li>• Signals and Communication</li> <li>• Dispatching</li> <li>• Engineering</li> </ul>
E. c.	Integrate Signal and Train Control	71	Q4 2024	Q4 2025	<ul style="list-style-type: none"> <li>• Signals and Communication</li> <li>• Dispatching</li> <li>• Engineering</li> </ul>
E. d.	Meet with the FRA to ensure compliance with regulatory requirements	71	Q4 2022	Ongoing	<ul style="list-style-type: none"> <li>• Signals and Communication</li> </ul>

**Subject Matter Safety Action Items:**

Item	Description	SIP Ref. Page	Estimated Start	Estimated Completion	Resource Allocation
<b>F. TRACK SAFETY STANDARDS AND BRIDGE STRUCTURES</b>					
F. a.	Review structure programs and assets	77	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>• Engineering</li> </ul>
F. b.	Adopt the Redbook of Track & Structures Requirements	77	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Training</li> </ul>
F. c.	Map and record assets into SAM	78	2023	2025	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Information Systems</li> </ul>
F. d.	Adopt SAM	78	2025	2026	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Information Systems</li> </ul>
F. e.	Move from DTN to TAM	78	2027	2030	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Information Systems</li> </ul>
F. f.	Review and consolidate weather monitoring and earthquake response protocol	78–79	TBD	TBD	<ul style="list-style-type: none"> <li>• Risk Management</li> </ul>
F. g.	Review and consolidate Track and Roadway Maintenance and Testing and Internal Flaw Detection practices	79	Q4 2022	Q4 2025	<ul style="list-style-type: none"> <li>• Engineering</li> </ul>
F. h.	Provide training	79	2023	2024	<ul style="list-style-type: none"> <li>• Training</li> <li>• Engineering</li> </ul>

**Subject Matter Safety Action Items:**

Item	Description	SIP Ref. Page	Estimated Start	Estimated Completion	Resource Allocation
<b>G. HAZARDOUS MATERIALS</b>					
G. a.	Incorporate KCS Hazmat staff and monitor staffing levels	91	Q4 2022	Ongoing	• Hazmat
G. b.	Review Hazmat-related training programs and determine differences	91–92	Q4 2022	Q2 2023	• Hazmat • Training
G. c.	Consolidate Hazmat-related training	91–92	Q3 2023	Q4 2023	• Hazmat • Training
G. d.	Review and consolidate emergency response plan	92	Q4 2022	Q4 2023	• Hazmat
G. e.	Review and incorporate KCS third-party contractors into emergency response network	92	Q4 2022	Q1 2023	• Hazmat
G. f.	Incorporate emergency response assets and adopt maintenance and inspection program	92	Q4 2022	Q2 2023	• Hazmat
G. g.	Review and consolidate USHMI	93	Q4 2022	Q3 2023	• Hazmat • Operating Rules and Practices
G. h.	Review hazardous material documentation systems and processes	93	Q4 2022	Q4 2023	• Hazmat • Information Systems
G. i.	Review regulatory reporting systems and processes	93	Q4 2022	Q4 2023	• Hazmat • Information Systems
G. j.	Continue use of AskRail	94	Q4 2022	Ongoing	• Hazmat • Information Systems

G. k.	Consolidate efficiency testing	94	Q4 2022	Q4 2025	<ul style="list-style-type: none"> <li>• Hazmat</li> <li>• Operating Rules and Practices</li> </ul>
G. l.	Review KCS's last Responsible Care verification and incorporate into CPKC's next verification cycle	94	Q4 2022	2026	<ul style="list-style-type: none"> <li>• Environmental</li> </ul>

**Subject Matter Safety Action Items:**

Item	Description	SIP Ref. Page	Estimated Start	Estimated Completion	Resource Allocation
<b>H. DISPATCHING OPERATIONS</b>					
H. a.	Migrate Minneapolis Dispatching Center to Kansas City	101	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>• Dispatching</li> <li>• Information Systems</li> </ul>
H. b.	Evaluate train control systems	101	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>• Dispatching</li> <li>• Information Systems</li> </ul>
H. c.	Amalgamate dispatching operations	101	Q4 2023	Q4 2025	<ul style="list-style-type: none"> <li>• Dispatching</li> <li>• Information Systems</li> </ul>
H. d.	Develop process to determine Dispatcher workload	102	TBD	TBD	<ul style="list-style-type: none"> <li>• Dispatching</li> <li>• Information Systems</li> </ul>

**Subject Matter Safety Action Items:**

Item	Description	SIP Ref. Page	Estimated Start	Estimated Completion	Resource Allocation
<b>I. HIGHWAY-RAIL GRADE CROSSING SYSTEMS</b>					
I. a.	Perform review of programs	106	Q4 2022	Q4 2023	<ul style="list-style-type: none"> <li>• Public Works</li> </ul>
I. b.	Determine consolidation measures and consolidate, if necessary	106	Q4 2022	Ongoing	<ul style="list-style-type: none"> <li>• Public Works</li> </ul>
I. c.	Coordinate with each state department of transportation and other roadway authorities, where required	107	Q4 2022	Ongoing	<ul style="list-style-type: none"> <li>• Public Works</li> </ul>

**Subject Matter Safety Action Items:**

<b>Item</b>	<b>Description</b>	<b>SIP Ref. Page</b>	<b>Estimated Start</b>	<b>Estimated Completion</b>	<b>Resource Allocation</b>
<b>L. INFORMATION SYSTEM COMPATIBILITY</b>					
L. a.	Review Information Systems	129	Underway	Q1 2022	• Information Systems
L. b.	Identify business critical systems	130	Underway	Q1 2022	• Information Systems
L. c.	Information System planning and design	129	Q1 2022	TBD	• Information Systems
L. d.	Integrate and publish master data	129	Q4 2022	TBD	• Information Systems
L. e.	Integrate shipment functions	130	Q4 2022	Q4 2024	• Information Systems
L. f.	Integrate Corporate Systems	130	Q4 2022	Q4 2024	• Information Systems

BEFORE THE SURFACE TRANSPORTATION BOARD

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FINANCE DOCKET NO. 36500

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**CANADIAN PACIFIC RAILWAY LIMITED, *ET AL.* – CONTROL – KANSAS CITY  
SOUTHERN, *ET AL.***

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**APPENDIX 2**

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**HIGHWAY-RAIL GRADE CROSSINGS AT EXISTING QUIET ZONES WHERE INCREASED TRAFFIC  
IS ANTICIPATED AS A RESULT OF THE TRANSACTION**

## CP QUIET ZONES

DOT Number	Subdivision	MP	Street
696404T	Paynesville	2.46	Shoreham Loop West Crossing
696405A	Paynesville	2.55	Shoreham Loop Middle Crossing
688930K	Paynesville	3.27	Lyndale Ave.
688935U	Paynesville	3.68	45th Ave.
688936B	Paynesville	3.93	Humboldt Ave.
696401X	Paynesville	5.74	Azelia Ave. North
688952K	Paynesville	6.94	West Broadway Ave. (CSAH 8)
688953S	Paynesville	7.09	Douglas Dr. (CSAH 102)
688954Y	Paynesville	8.11	Winnetka Ave.
688956M	Paynesville	8.62	Boone Ave.
689113L	Paynesville	10.10	Zachary Ln.
689114T	Paynesville	10.88	Larch Ln.
689115A	Paynesville	11.14	Pineview Ln.
689124Y	Paynesville	15.49	Sioux Dr.
689125F	Paynesville	16.38	Pinto Dr.
689279H	Paynesville	23.98	Greenfield Rd.
696381N	Merriam Park	410.96	Market/Ontario St.
379554D	Merriam Park	411.12	Chestnut St.
379594B	Merriam Park	412.08	Western Ave.
379596P	Merriam Park	412.13	Erie St.
379597W	Merriam Park	412.43	Oneida St.
379617F	Merriam Park	415.48	Carroll Ave.
697448W	River	303.47	Private Crossing
391050F	River	303.71	Jefferson St.
391051M	River	303.89	Homer Ave.
391052U	River	306.72	Louisa St.
391055P	River	307.19	Mankato St.
391060L	River	307.55	Hamilton St.
391061T	River	307.98	Franklin St.
391062A	River	308.35	Main St.
391066C	River	308.63	Huff St.
391069X	River	308.84	Grand St.
391072F	River	309.04	Sioux St./Gilmore
391075B	River	309.26	Howard St.
391078W	River	309.43	Baker/Wabasha St.
391079D	River	309.56	Broadway St.
391080X	River	309.66	Fifth/Jackson St.
391093Y	River	310.11	Bierce St.
391123N	River	311.29	41st Ave.
391124V	River	312.14	54th Ave.
696384J	River	313.19	69th Ave.
391131F	River	314.41	Wenonah Road
391132M	River	314.54	Private Crossings
391133U	River	314.76	Minnesota Street

DOT Number	Subdivision	MP	Street
391232S	River	391.02	3rd Street
391233Y	River	391.92	2nd Street
391259B	River	399.7C	Belden Blvd CP on MT 1
061129U	River	415.20(B)	Inman Ave. BNSF No 2 MT
BNSF	River	420.32 (B)	Pullman Ave.
BNSF	River	420.17(B)	9th Ave.
BNSF	River	421.1	Broadway Ave.
372121Y	Elgin	9.16	Oak Park Ave.
372123M	Elgin	9.48	Sayre Ave.
372124U	Elgin	9.58	Noridca Ave.
372125B	Elgin	9.69	Neva Ave.
372126H	Elgin	9.79	Harlem Ave.
372127P	Elgin	9.95	73rd Ave.
372128W	Elgin	10.18	75th Ave.
	Elgin	10.31	Ped Crossing
372129D	Elgin	10.45	Grand Ave.
	Elgin	10.51	Ped Crossing
372170V	Elgin	17.08	York Rd.
372171C	Elgin	17.16	Center St.
372172J	Elgin	17.23	Addison St.
372174X	Elgin	17.58	Church St.
372176L	Elgin	18.48	Ash Ave.
372177T	Elgin	19.08	Irving Park Rd.
372178A	Elgin	19.17	Wood Dale Rd.
920564Y	Elgin		Wood Dale Station Ped Xing E
920565F	Elgin		Wood Dale Station Ped Xing W
372179G	Elgin	20.25	Prospect Ave.
372180B	Elgin	21.02	Walnut St.
372181H	Elgin	21.07	Station Ped Xing
372181H	Elgin	21.37	Catalpa Ave.
372194J	Elgin	24.37	Park St.
372195R	Elgin	24.46	Prospect St.
372196X	Elgin	24.59	Roselle Rd.
372202Y	Elgin	26.17	Rodenburg Rd.
371997M	Elgin	29.51	Prospect Ave
920580H	Elgin	30.04	Main St Ped Xing
372206B	Elgin	30.09	Oak Ave.
	Elgin	30.12	Depot Ped Xing
372207H	Elgin	30.26	Western Ave.
372210R	Elgin	31.87	Naperville Road
372212E	Elgin	32.67	Spaulding Road
376-080-K	Marquette	20.48	Spruce Street
376-081-S	Marquette	20.54	Rose Street
376-082-Y	Marquette	20.6	Vine Street
376-083-F	Marquette	20.62	Church Street
376-084-M	Marquette	20.72	Chestnut Street

<b>DOT Number</b>	<b>Subdivision</b>	<b>MP</b>	<b>Street</b>
<b>376-085-U</b>	Marquette	20.78	Jefferson Street
<b>376-086-B</b>	Marquette	20.84	Court Street
<b>376-089-W</b>	Marquette	20.95	Market Street
<b>376-090-R</b>	Marquette	21.05	Park Street
<b>376-091-X</b>	Marquette	21.09	Franklin Street
<b>376-092-E</b>	Marquette	21.14	Spring Street
<b>376-094-T</b>	Marquette	21.27	Sylvan Street
<b>376-096-G</b>	Marquette	21.42	High Street
<b>376-097-N</b>	Marquette	21.64	Motte Street
<b>689571A</b>	Ottumwa	218.86	Mad Creek Ped Xing
<b>607204S</b>	Ottumwa	219.24	Cedar St.
<b>607205Y</b>	Ottumwa	219.3	Sycamore Ped Xing
<b>607206F</b>	Ottumwa	219.38	Iowa St.
<b>607207M</b>	Ottumwa	219.45	Chestnut St Ped Xing
<b>689568S</b>	Ottumwa	219.98	Hershey Ave. Ped Xing

## KCS QUIET ZONES

DOT Number	Subdivision	MP	Street
	Alliance	92.87	HIGHLAND VILLAGE
	Alliance	93.53	HIGHLAND VILLAGE
021635L	Alliance	74.9	COIT ROAD
021638G	Alliance	76.07	OHIO DRIVE
021749Y	Alliance	78.55	DALLAS N PKWY
919239F	Alliance	78.65	DALLAS N PKWY
021770E	Alliance	78.73	HORIZON NORTH DR
919241G	Alliance	90.5	N SUMMIT AVE
021669F	Alliance	90.99	MCGEE LANE
021774G	Alliance	91.51	GARDEN RIDGE BLVD
330967H	Alliance	580.95	WESTGATE WAY
789648L	Alliance	581.9	COUNTRY CLUB RD
331279Y	Alliance	582.7	SPRINGWELL PKWY
790146W	Alliance	583.2	MCCREARY RD
789646X	Alliance	583.72	MAXWELL CREEK
789645R	Alliance	584.33	MURPHY ROAD
789644J	Alliance	584.95	FM 544
789643C	Alliance	585.4	PARK VISTA ROAD
919268R	Alliance	586.24	PLANO PARKWAY
753583T	Alliance	586.95	LOS RIOS BLVD
789640G	Alliance	587.5	SHILOH ROAD
789638F	Alliance	588.3	JUPITER ROAD
789637Y	Alliance	589.3	N AVENUE
789636S	Alliance	589.53	MUNICIPAL AVE
789635K	Alliance	589.63	K AVE
789633W	Alliance	589.95	10TH STREET
788900U	Alliance	590.11	AVE F
789632P	Alliance	590.16	E PLANO PARKWAY
789631H	Alliance	590.2	US 75 E FRONTAGE
789629G	Alliance	590.4	US 75 W FRONTAGE
789628A	Alliance	591.81	CUSTER
329479H	Beaumont	766.27	PARK
329480C	Beaumont	766.37	NECHES STREET
969618S	Beaumont	766.53	Eastham Forge
329483X	Beaumont	766.71	SS 0380
021620W	Dallas	68.39	BUCKINGHAM ROAD
021736X	Dallas	68.65	CENTENNIAL BLVD
021734J	Dallas	68.99	SPRING VALLEY RD
021623S	Dallas	70.43	ARAPAHOE ROAD
021626M	Dallas	71.68	CAMPBELL ROAD
021627U	Dallas	72.05	CUSTER PARKWAY
021629H	Dallas	72.93	LOOKOUT DRIVE
919214K	Dallas	202.15	kirby st
022362X	Dallas	202.6	WESTGATE WAY

DOT Number	Subdivision	MP	Street
022363E	Dallas	203.1	SANDEN BLVD
022085R	Dallas	206.49	MURPHY ROAD
927065G	Dallas	206.75	PRIVATE
022082V	Dallas	208.17	NAAMAN SCHOOL RD
022080G	Dallas	208.76	CRIST ROAD
022079M	Dallas	209.38	BUCKINGHAM ROAD
022076S	Dallas	209.92	CASTLE DRIVE
022075K	Dallas	210.21	N 1ST ST
022074D	Dallas	210.41	W WALNUT STREET
022072P	Dallas	210.7	W STATE ST
022071H	Dallas	210.76	MAIN STREET
022070B	Dallas	210.81	N 5TH STREET
022069G	Dallas	210.83	W AVENUE A
022068A	Dallas	210.9	W AVENUE B
022067T	Dallas	211.06	W AVENUE D
022066L	Dallas	211.21	W AVENUE F
022064X	Dallas	212.23	W Miller Road
022063R	Dallas	212.42	Devonwood Drive
022061C	Dallas	213.16	Axe Dr
022060V	Dallas	213.48	W Kingsley Road
022360J	Dallas	213.78	Leon Road
022058U	Dallas	214.12	Shiloh Road
331494K	Greenville	82.16	NICHOLS Street
331496Y	Greenville	82.58	WEBB ST
919243V	Greenville	199.475	KCS Yard / IMF Xings
022364L	Greenville	199.504	SPRING CREEK PKWY
789654P	Greenville	200.021	RD 389 / Eubanks Lane
789653H	Greenville	200.92	FM 2514 / Ballard Avenue
789652B	Greenville	201.23	FM 3412 / Brown Street
789651U	Greenville	201.37	W Marble St
789650M	Greenville	201.46	Oak Street
330101W	Heavener	173.34	WASHINGTON AVE
330102D	Heavener	173.65	College Street
330112J	Heavener	174.32	SPRING STREET
330113R	Heavener	174.64	McKinney Street
302321S	Meridian	102.92	WICKSTEAD DRIVE
302323F	Meridian	103.21	PARKER DRIVE
302324M	Meridian	103.38	LINDALE DRIVE
302326B	Meridian	103.76	LAKEVIEW DRIVE
302327H	Meridian	103.99	OAKWOOD DRIVE
302328P	Meridian	104.55	MAIN STREET
302329W	Meridian	104.75	LEAKE STREET
302330R	Meridian	104.96	MONROE STREET
302332E	Meridian	107.36	INDUSTRIAL PARK DRIVE
919242N	Meridian	109.11	ST THOMAS PKWY / NORRELL RD

DOT Number	Subdivision	MP	Street
302393V	Meridian	139.03	COURT STREET
302397X	Meridian	139.77	OAK STREET
293574X	Mexico	459.64	ROBINSON RD
293587Y	Mexico	469.14	WOODS CHAPEL ROAD
743359F	Rosenberg	917.31	FM 0102
743361G	Rosenberg	917.8	SPANISH CAMP
743363V	Rosenberg	918	W MILAM ST
927033B	Rosenberg	929.9	SAM BISHKIN ROAD
743432B	Rosenberg	930.58	FM 0653 WHARTON ST
743433H	Rosenberg	930.81	HIGBEE
743434P	Rosenberg	931.12	WASHINGTON
743435W	Rosenberg	931.19	SH 71 MECHANIC ST
743436D	Rosenberg	931.25	ALAMO ST/FAHD
743437K	Rosenberg	931.34	HOSKINS BROADWAY
743438S	Rosenberg	931.8	PALACIOUS STREET
743439Y	Rosenberg	932.13	GLADYS ST
743440T	Rosenberg	932.4	MEADOW LANE
743453U	Rosenberg	941.18	WHARTON
743454B	Rosenberg	941.32	COLORADO ST
743459K	Rosenberg	941.77	Orange Street
746637E	Rosenberg	958.32	EAST ST
746639T	Rosenberg	958.48	SH 0111 WELLS ST
746640M	Rosenberg	958.71	ALLEN ST
746641U	Rosenberg	958.9	PUMPHREY ST
746642B	Rosenberg	959.13	COLORADO ST
746643H	Rosenberg	959.41	FM 1822
330861M	Shreveport	481.88	FOREST LAKE DRIVE
330862U	Shreveport	482.2	LAKERIDGE DRIVE
302496V	Vicksburg	66.185	CHENNAULT PARK DRIVE
302497C	Vicksburg	68.32	KANSAS LANE
302498J	Vicksburg	69.18	POWELL AVE
302505S	Vicksburg	71.58	DESIARD ST
302506Y	Vicksburg	71.687	N 5TH STREET
302507F	Vicksburg	71.761	N 4TH Street
302510N	Vicksburg	71.96	S GRAND ST
302511V	Vicksburg	72.2	RIVER FRONT ST
302514R	Vicksburg	72.54	4TH STREET

BEFORE THE SURFACE TRANSPORTATION BOARD

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FINANCE DOCKET NO. 36500

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**CANADIAN PACIFIC RAILWAY LIMITED, *ET AL.* – CONTROL – KANSAS CITY  
SOUTHERN, *ET AL.***

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**APPENDIX 3**

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**LIST OF CP FEDERAL AND STATE FUNDING GRANTS**

State	Sub	Mile Post	DOT Number	Type of Project	Funding Type	Agreement Status
Maine - CMQ	Bangor	66.07	051206P	Crossing Warning Devices	FHWA Section 130	Forthcoming
Maine - CMQ	Moosehead	51.43	847792N	Crossing Warning Devices	FHWA Section 130	Forthcoming
Maine - CMQ	Bangor	22.7	051288Y	Crossing Warning Devices	FHWA Section 130	Forthcoming
New York D&H	Canadian Main	1.07	915806G	Crossing Warning Devices	FHWA Section 130	Executed
New York D&H	Canadian Main	1.49	915805A	Crossing Warning Devices	FHWA Section 130	Executed
New York D&H	Canadian Main	1.82	915804T	Crossing Warning Devices	FHWA Section 130	Executed
New York D&H	Canadian Main	2.15	915803L	Crossing Warning Devices	FHWA Section 130	Executed
New York D&H	Canadian Main	0.67	915807N	Crossing Warning Devices	FHWA Section 130	Executed
New York D&H	Canadian Main	168.17	249118G - 249117A	Crossing Warning Devices	FHWA Section 130	Executed
New York D&H	Canadian Main	174.25	249135X	Crossing Warning Devices	FHWA Section 130	Executed
New York D&H	Canadian	24.78	249461B	Crossing Surface	FHWA Section 131	Forthcoming
New York D&H	Colonie	6.32	250021G	Crossing Warning Devices	FHWA Section 132	Forthcoming
New York D&H	Colonie	6.23	250022N	Crossing Warning Devices	FHWA Section 133	Forthcoming
New York D&H	Colonie	6.13	250023V	Crossing Warning Devices	FHWA Section 134	Forthcoming
Illinois DM&E	Chicago	123.05	372414C	Crossing Warning Devices	FHWA Section 130	Executed
Illinois DM&E	Rockford	24.25		Crossing Warning Devices	FHWA Section 130	Forthcoming
Illinois DM&E	Rockford	13.25		Crossing Warning Devices	FHWA Section 130	Forthcoming
Illinois DM&E	Rockford	15.61		Crossing Warning Devices	FHWA Section 130	Forthcoming
Illinois DM&E	Chicago	87.1	372360Y	Crossing Warning Devices	FHWA Section 130	Forthcoming
Illinois DM&E	Nitritin	14.5	372491C	Crossing Warning Devices	FHWA Section 130	Forthcoming
Illinois DM&E	Chicago	92.07	372360Y	Surface	State Funds	Executed
Illinois DM&E	Chicago	44.3	372257L	Surface	State Funds	Forthcoming
Iowa - DM&E	Owatonna	6.06	Plymouth	Crossing Warning Devices	FHWA Section 130	Forthcoming
Iowa - DM&E	Davenport	154.2	Clinton	Crossing Warning Devices	FHWA Section 130	Forthcoming
Iowa - DM&E	Davenport	154	Clinton	Crossing Warning Devices	FHWA Section 130	Forthcoming
Iowa - DM&E	Davenport	156.21	Clinton	Crossing Warning Devices	FHWA Section 130	Forthcoming
Iowa - DM&E	Davenport	154.89	Clinton	Crossing Warning Devices	FHWA Section 130	Forthcoming
Iowa - DM&E	Davenport	156.53	Clinton	Crossing Warning Devices	FHWA Section 130	Forthcoming
Iowa - DM&E	Sheldon	217.06	Spencer	Crossing Warning Devices	FHWA Section 130	Forthcoming
Iowa - DM&E	Sheldon	216.76	Spencer	Crossing Warning Devices	FHWA Section 130	Executed
Iowa - DM&E	Sheldon	126.36	Clear Lake	Crossing Warning Devices	FHWA Section 130	Executed
Iowa - DM&E	Sheldon	252.5	Sheldon	Crossing Warning Devices	FHWA Section 130	Executed
Iowa - DM&E	Mason City	107.64	Nora Springs	Crossing Warning Devices	FHWA Section 130	Executed
Iowa - DM&E	Ottumwa	219.38	Muscatine	Crossing Warning Devices	FHWA Section 130	Executed
Iowa - DM&E	Ottumwa	199.86	Linwood	Crossing Warning Devices	FHWA Section 130	Executed
Iowa - DM&E	City of Ossian	Lydia Street	385219P	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed

State	Sub	Mile Post	DOT Number	Type of Project	Funding Type	Agreement Status
Iowa - DM&E	Kossuth County	90th Avenue	385614Y	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	O'Brien County	L40/ Oriole Avenue	385769R	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	City of Dickens	Main Street	385696H	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	Cerro Gordo County	Zinnia Avenue	385463L	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	City of Clear Lake	Buddy Holly Place	385516H	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	Floyd County	Underwood Ave.(T66)	385422G	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	O'Brien County	B-20 (Roosevelt Ave)	385762T	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	Chickasaw County	B57 (220th St.)	385301J	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	Palo Alto County	490th Avenue	385645X	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	Cerro Gordo County	305th Street	380019N	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	Washington County	Old Military Road	607335V	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Iowa - DM&E	City of Camanche	4th Avenue	865544M	Crossing Surface Agreements	Iowa 60/20/20 Funds	Executed
Minnesota	Paynesville	BELGRADE	689304W	Crossing Warning Devices	FHWA Section 130	Executed
Minnesota	SOO	MAPLE LAKE	689200P	Crossing Warning Devices	FHWA Section 130	Executed
Minnesota	River	RED WING	696382V	Crossing Warning Devices	FHWA Section 130	Executed
Minnesota	Tracy	OWATONNA	193388V	Crossing Warning Devices	FHWA Section 130	Executed
Minnesota	River	WINONA	391052U	Crossing Warning Devices	FHWA Section 130	Executed
Minnesota	Rockford	JANESVILLE	193344V	Crossing Warning Devices	FHWA Section 130	Executed
Minnesota	Tracy	WASECA	193400A	Crossing Warning Devices	FHWA Section 130	Executed
Minnesota	Tracy	TRACY	193702C	Crossing Warning Devices	FHWA Section 130	Executed
Minnesota	St. Paul	VADNAIS HEIGHTS	691417C	Crossing Warning Devices	FHWA Section 130	Executed
Wisconsin	Watertown	105.19	390530N	Crossing Warning Devices	FHWA Section 130	Executed
Wisconsin	Watertown	97.09 - 97.04	390516T- 695498T	Crossing Warning Devices	FHWA Section 130	Executed
Wisconsin	Menomonee Belt Line	3.04	177221T	Crossing Warning Devices	FHWA Section 130	Executed
Wisconsin	Watertown	98.06	390517A	Crossing Warning Devices	FHWA Section 130	Executed
Wisconsin	Watertown	106.69	390534R	Crossing Warning Devices	FHWA Section 130	Executed
Wisconsin	Watertown	106.18	390533J	Crossing Warning Devices	FHWA Section 130	Executed
Wisconsin	Watertown	105.65	390532C	Crossing Warning Devices	FHWA Section 130	Executed
Wisconsin	Watertown	98.38	390520H	Crossing Warning Devices	FHWA Section 130	Executed
North Dakota	Portal	530.94	699003D	Surface	FHWA Section 130	Executed
North Dakota	Elbow Lake	224.01	691883E	Surface	FHWA Section 130	Executed
North Dakota	Portal	495.1	698966V	Surface	FHWA Section 130	Executed
North Dakota	Elbow Lake	248.32	691864D	Surface	FHWA Section 130	Executed
North Dakota	Elbow Lake	257.3	691880M	Surface	FHWA Section 130	Executed
North Dakota	Newtown	514.3	693323H	Surface	FHWA Section 130	Executed

**CERTIFICATE OF SERVICE**

I hereby certify that I have caused the foregoing Safety Integration Plan to be served electronically or by first class mail, postage pre-paid, on all parties of record in this proceeding.

/s/ Stefan Mitrovic  
Stefan Mitrovic

December 28, 2021