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## United States Senate

WASHINGTON, DC 20510

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August 28, 2014

E. Hunter Harrison  
Chief Executive Officer  
Canadian Pacific  
7550 Ogden Dale Road, SE  
Calgary, Alberta  
Canada T2C 4X9

Dear Mr. Harrison,

I write to express my strong concerns about Canadian Pacific's (CP) transition to its new rail car order and shuttle train system and request your clarification on several important items. As I wrote you last month and as we have spoken about since, North Dakota's harvest is underway, and it is imperative the new system be responsive to customers and that CP makes deliveries in a timely fashion.

I've heard from numerous grain dealers around North Dakota, and CP's customers are just recently reporting substantially lower open car numbers. Unfortunately, this is not because CP has fulfilled all open grain car requests. Instead, CP is forcing them to cancel a substantial portion of their open orders to participate in the new car ordering system. As a result, not only has CP not fulfilled outstanding car requests, but producers and elevators continue to have full bins ahead of harvest with no confidence they will receive the cars they need under the new system.

For example, just over a week ago, some elevators on the CP line reported past-due cars ranging anywhere from 200 to 2,000 cars. But now, under CP's new system, those delays range from zero to 50 cars, despite CP moving far fewer cars than necessary to actually achieve such dramatic reductions in this short timeframe. This "reset" ignores the grain that has been piling up around North Dakota, as well as lost and foregone sales for farmers and elevators who are just trying to do their jobs.

I also understand CP is limiting the number of cars customers are allowed to order at one time. Please explain your methodology for determining such limits and the rationale for their imposition. I am concerned that by limiting the number of orders, this system could mask the extent to which there is demand for grain cars as well as limit the number of forward-looking sales elevators and processors can execute. What guarantees are you providing your customers that they will receive the rail cars they order under the new, car-limiting system? At the meeting in Minot on August 11, you mentioned implementing a program where the CP would reimburse the shipper for car orders delivered late. Is this program included in the new car ordering system?

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In addition to providing details on the new single rail car order system, please explain the new CP shuttle train system. I understand that CP prefers customers to ship shuttles to the Pacific Northwest for export, while customers needing to ship east and south have no certainty on shuttle turn times. Please explain how CP plans to ensure adequate turn times on shuttle trains for all customers, not just those delivering to preferred destinations.

Finally, in response to my letter dated August 14, 2014, you cite strong demand and state CP is moving more grain than historical averages. However, moving 200 more cars a week than average is not adequate to keep up with demand and reduce the backlog. I am very concerned that simply upgrading a portion of your track to a centralized train control system is not enough to meet current and future North Dakota demand for rail transportation.

I look forward to hearing from representatives from CP at next week's Surface Transportation Board hearing and to receiving a prompt response to this letter. North Dakota's farmers, grain dealers and processors deserve, and I expect, a competent system which delivers rail cars and transports their products to customers in a timely manner. While this new system may provide more transparency in the long run, it cannot sweep under the rug the delays of the past year and start from scratch.

Sincerely,



Heidi Heitkamp  
United States Senate