



# Canadian Pacific (CP) and Kansas City Southern Merger (KCS)

MPO/RPA/District Planner Outreach  
March 31 & April 7, 2022



# Outline of today's discussion

- CP-KCS merger information
  - Schedule
  - Useful data and resources
- State and Federal funding programs
- CP contacts
- Open discussion and questions

# CP/KCS merger

- **On October 29, 2021**, 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 & Hudson Railway Company, Inc. (collectively, CP) and Kansas City Southern, The Kansas City Southern Railway Company, Gateway Eastern Railway Company, and The Texas Mexican Railway Company (collectively, KCS) **filed an application with the Surface Transportation Board (Board) seeking the Board's approval of the acquisition of control by CP of KCS (Proposed Acquisition)**

# Rail Lines Affected



**CANADA**  
 128 MILLION CONSUMERS IN MEXICO AS WELL AS MARKETS IN TEXAS AND KANSAS CITY

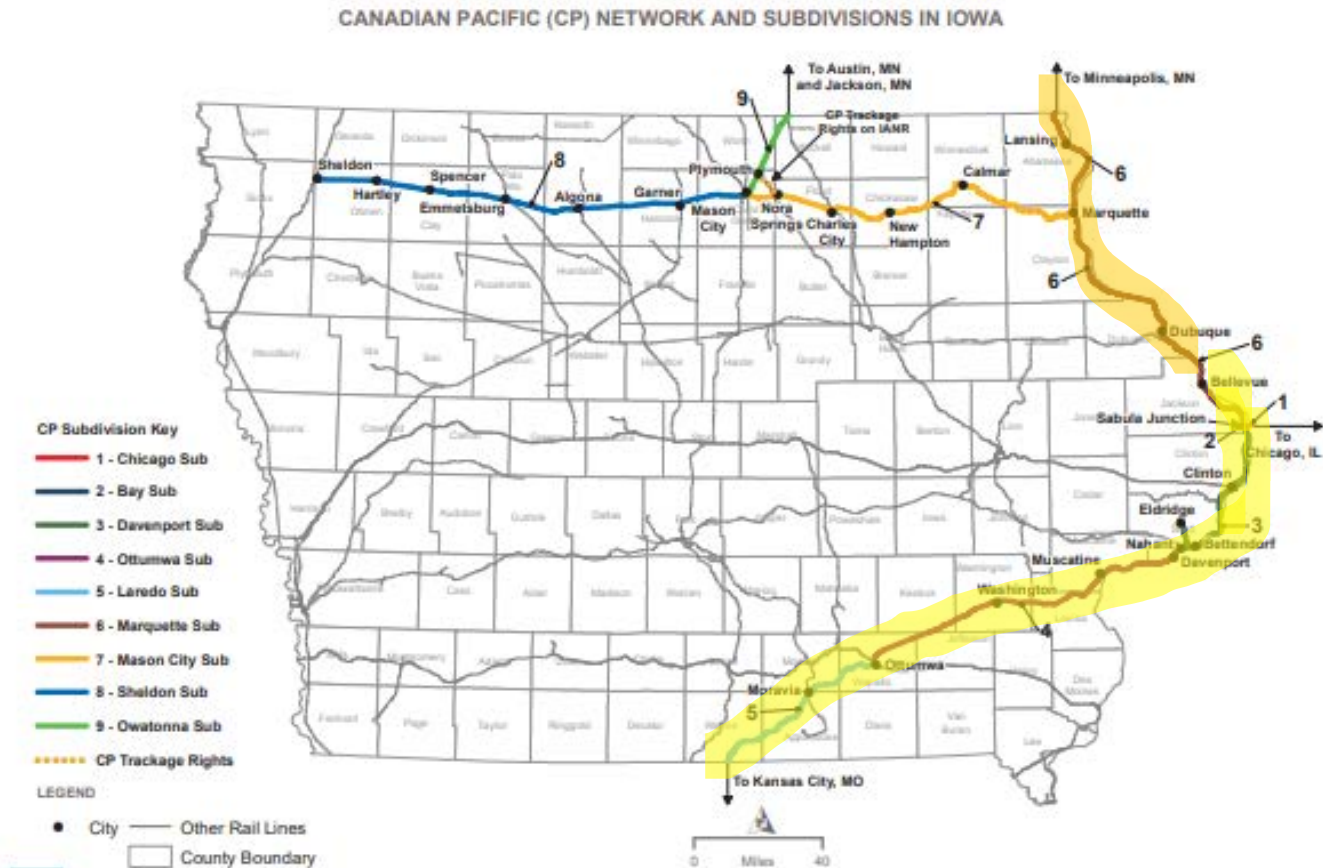
**BYPASS CHICAGO, CREATES NEW CAPACITY**

**TRULY END-TO-END WITH NO OVERLAP**

**MEXICO**  
 38 MILLION CONSUMERS IN CANADA AS WELL AS MARKETS IN LOUISIANA, CHICAGO AND DETROIT, BYPASSING CHICAGO

- CP
- - - CP HAULAGE/TRACKAGE RIGHTS
- KCS
- - - KCS HAULAGE/TRACKAGE RIGHTS/LEASED
- 📍 PORT
- 🚧 BORDER CROSSING

# Route affected in Iowa



Rail traffic increase of **14.4** trains/day between Sabula and Kansas City

# STB Merger Process – basic information

- Surface Transportation Board (STB) is an independent federal agency charged with the economic regulation of freight rail.
- Railroads are required to submit mergers to STB for review
  - Transactions must demonstrate public benefit.
  - A merger of 2 class 1 railroads is a major transaction, with larger burden of showing public benefit.
- STB goal is to preserve competition and prevent railroad from using market power to abuse shippers.
- **STB can impose conditions on approval of a merger to ensure competition, protect labor or protect the environment.**
- Railroads can negotiate with stakeholders before filings to reduce controversy.

## STB Merger Process (continued)

- Steps in STB consideration of a merger:
  - Applicants submit pre-filing notices to STB
  - STB establishes a schedule allowing interested parties to comment and request conditions to protect their interests. Major transactions typically have a 12 month schedule
  - STB makes the Final Decision after 45-90 day comment period

Two part of STB review:

- Economic/competition
- Environmental

## STB Merger Process (continued)

**Threshold for environmental analysis:** A level of proposed change in railroad activities that determines the need for SEA's environmental review by the Office of Environmental Analysis (OEA), formerly the Section of Environmental Analysis. OEA first applies the Board's thresholds for environmental analysis at 49 C.F.R. Part 1105. The Board thresholds apply specifically to air quality and noise.

The Draft EIS will include:

- Mandatory mitigation
- Voluntary mitigation provided by the applicant

*Due to the increased rail traffic being over the triggering threshold for STB, all communities over the threshold can comment to the STB regardless of if they registered during the scoping process.*



**APPENDIX**  
**PROCEDURAL SCHEDULE**

# Procedural Schedule

Note: Per 49 CFR 1180.4, STB must complete the process 15 months after the primary application is accepted.

October 29, 2021	Application filed.
November 26, 2021	Board notice of acceptance of Application to be published in the <u>Federal Register</u> .
December 13, 2021	Notices of intent to participate in this proceeding due.
December 28, 2021	Proposed Safety Integration Plan (SIP) to be filed with OEA and FRA.
January 12, 2022	Descriptions of anticipated responsive, including inconsistent, applications due. Petitions for waiver or clarification with respect to such applications due.
February 22, 2022	Responsive environmental information and environmental verified statements for responsive, including inconsistent, applicants due.
February 28, 2022	Comments, protests, requests for conditions, and any other evidence and argument in opposition to the Application due. This includes any comments from the U.S. Department of Justice (DOJ) and U.S. Department of Transportation (USDOT).  Responsive, including inconsistent, applications due.
March 30, 2022	Notice of acceptance of responsive, including inconsistent, applications, if any, published in the <u>Federal Register</u> .
April 22, 2022	Responses to comments, protests, requests for conditions, and other opposition due, including to DOJ and USDOT filings.  Rebuttal in support of the Application due.  Responses to responsive, including inconsistent, applications due.
May 23, 2022	Rebuttals in support of responsive, including inconsistent, applications due.
July 1, 2022	Final briefs due. <sup>12</sup>

<sup>12</sup> The Board will also determine the page limits for final briefs in a later decision after the record has been more fully developed.

# Environmental Schedule

## Steps of the Environmental Review Process

- NOI (Notice of Intent) – November 12, 2021
- Scoping – November 2021 – January 2022
  - Public Meetings - November 30 - December 9, 2021 [[Meeting details](#)]
  - Scoping Comment Period – November 12, 2021 – January 3, 2022
- Final Scope of Study – February 18, 2022
- **Draft EIS – Spring 2022** - will contain STB preliminary recommendations for environmental mitigation measures – *mandatory and voluntary mitigation*
- **Public Comment Period on Draft EIS including Public Meetings – Spring 2022** – 45 day public comment period, with public meetings
- Final EIS – Fall 2022
- Board's Decision on Acquisition

*Note: Schedule subject to change as the project progresses. Please check back for current available information.*

Note: The STB Decision will consider the Draft EIS, the Final EIS, any public comments received, and OEA's recommendations, including recommendations for potential environmental mitigation.

# STB Documents

- Notice of Intent
  - <https://cp-kcsmergereis.com/docs/CP-KCS-NOI.pdf>
- Scope of Study
  - <https://cp-kcsmergereis.com/docs/CP-KCS-Scope-of-Study.pdf>
- Surface Transportation Board Environmental Website for CP-KCS
  - <https://cp-kcsmergereis.com/>

## Surface Transportation Board Environmental Website for CP-KCS

- <https://cp-kcsmergereis.com/>

[CP-KCS EIS Interactive Map](#)

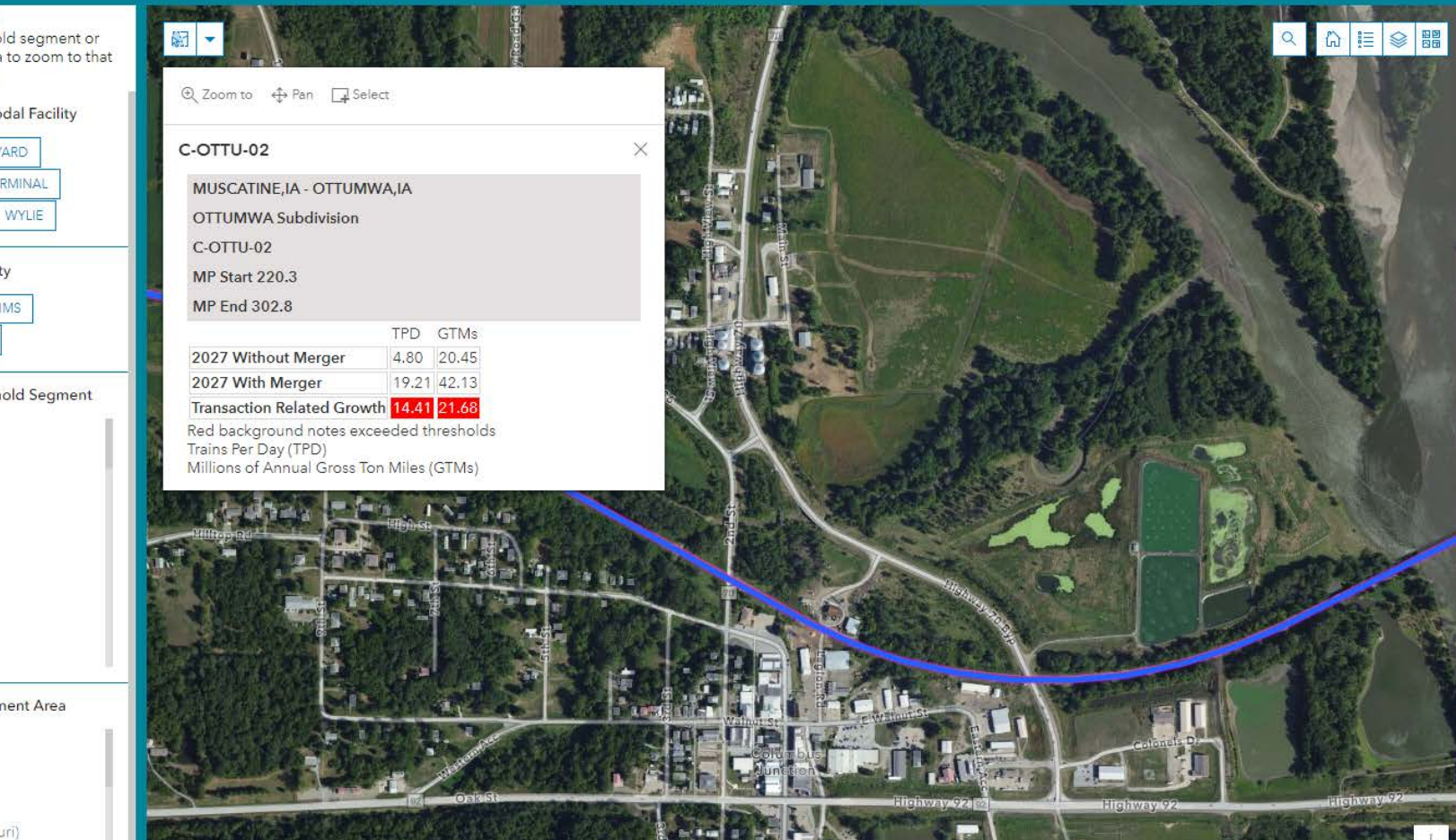


CP-KCS merger

# CP-KCS EIS Interactive Map

## Train Traffic with and without merger

Canadian Pacific Acquisition of Kansas City Southern



### Welcome to Canadian Pacific Acquisition of Kansas City Southern

On October 29, 2021, Canadian Pacific (CP) and Kansas City Southern (KCS) filed an application with the Surface Transportation Board (STB) seeking authorization for the CP-KCS merger. The STB is currently reviewing the application and may result from the proposed acquisition. The Office of Environmental Analysis (OEA) is conducting an Environmental Impact Statement (EIS) for the proposed acquisition.

- To search for a specific location use the search bar located to the left of the magnifying glass icon.
- Display the map legend by clicking the legend icon located above.
- Select the layers to display on the map.

#### Legend

CPRS KCS Rail Lines Segment Data

Conceptual Capital Improvement location of proposed new siding, double track, or working industrial



Rail Yard and Intermodal Facility Board's Thresholds





# Capital Improvement locations



Canadian Pacific Acquisition of Kansas City Southern

Select a yard, intermodal facility, exceeded threshold segment or capital improvement area to zoom to that location within the map

Select Rail Yard/Intermodal Facility

- None
- BENSENVILLE YARD
- DETROIT CONTAINER TERMINAL
- SCHILLER PARK YARD
- WYLIE

Select Intermodal Facility

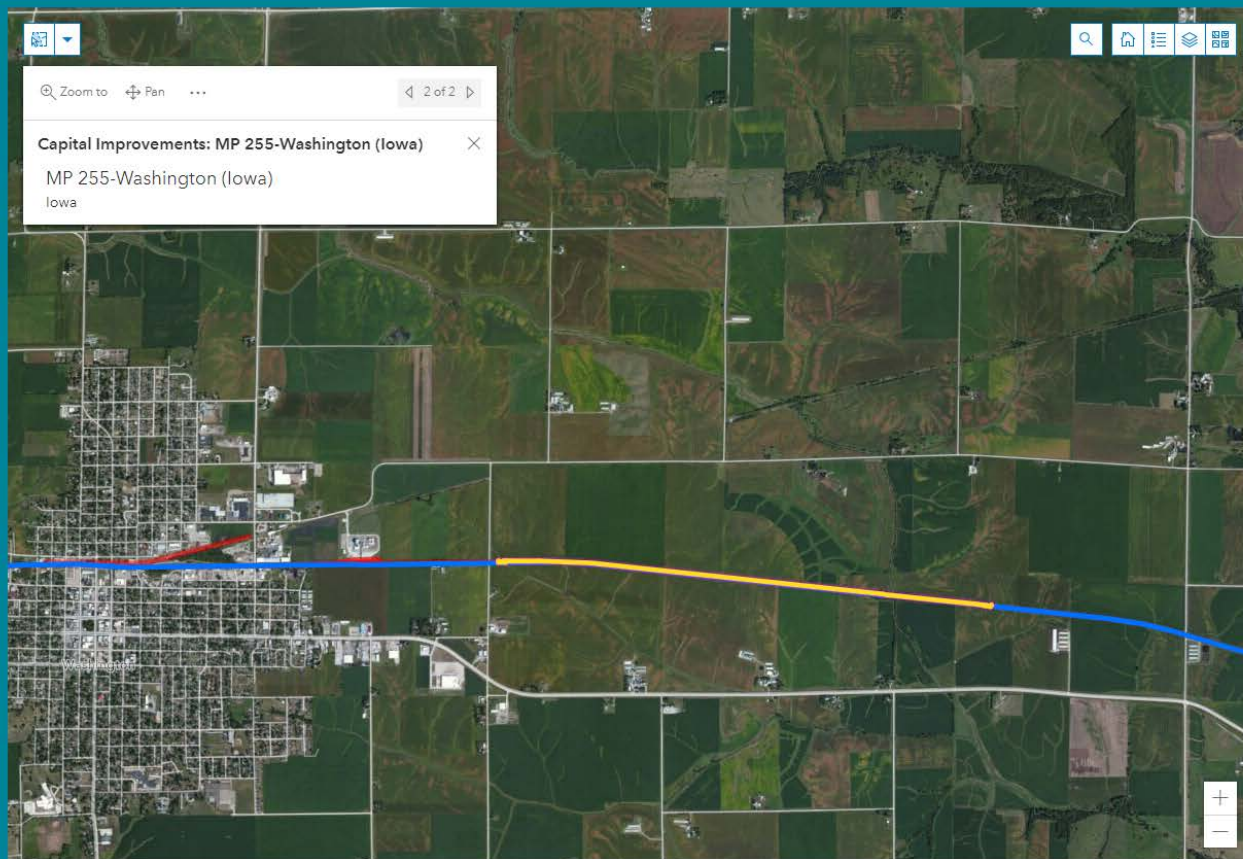
- None
- MINNEAPOLIS IMS
- INTL FREIGHT GATEWAY

Select Exceeded Threshold Segment

- None
- C-CHIC-01
- C-CHIC-02
- C-CHIC-03
- C-DAVE-01
- C-DAVE-02

Select Capital Improvement Area

- None
- Asbury (Missouri)
- Blue Valley (Missouri)
- Camanche (Iowa)



## Welcome to the Canadian Pacific Acquisition of Kansas City Southern Viewer.

On October 29, 2021, Canadian Pacific Railway Limited et al. (CP) and Kansas City Southern et al. (KCS) filed an application with the Surface Transportation Board (Board) seeking authorization for CP to acquire KCS. We are currently conducting a thorough assessment of potential environmental impacts that may result from the proposed acquisition. The Board's Office of Environmental Analysis (OEA) is preparing an Environmental Impact Statement (EIS).

- To search for a specific location use the search bar on the left of the map.

- Display the map legend by clicking on the icon above.

Select the layers to display the map from the layers panel.

### Legend

CPRS KCS Rail Lines Segment Data

Conceptual Capital Improvement (preliminary location of proposed new siding, siding extension, double track, or working industrial track)



Rail Yard and Intermodal Facility that Exceeds Board's Thresholds



Intermodal Facility that Exceeds Board's Thresholds



# CP Website to Learn More

- <https://futureforfreight.com/>

# Data resources for grade crossings

## Iowa DOT Open Data Portal

<https://data.iowadot.gov/datasets/railroad-crossing-location/expire?location=41.518311%2C-90.585296%2C15.59>

**IOWADOT OPEN DATA**

### Railroad Crossing Location

Iowa DOT | GIS Team  
Iowa Department of Transportation

**Summary**

Point and line geometry of all public railroad crossings in Iowa.

[View Full Details](#)

**Dataset**  
Feature Layer

**March 23, 2022**  
Info Updated

**March 23, 2022**  
Data Updated

**August 8, 2018**  
Published Date

**5,490 Records**  
[View data table](#)

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**Public Railroad Crossings**

I.34. RAILROAD CONTACT(TELEPHONE NO)	8007169132
I.35. STATE CONTACT(TELEPHONE NO)	5152337741
II.1.A. TOTAL DAY THRU TRAINS	4
II.1.B. TOTAL NIGHT THRU TRAINS	4
II.1.C. TOTAL SWITCHING TRAINS	2
II.1.D. TOTAL TRANSIT TRAINS	0
II.1.E. CHECK IF LESS THAN ONE MOVEMENT PER DAY	
II.1.E. HOW MANY TRAINS PER WEEK	0
II.2. YEARS OF TRAIN COUNT	2018



# FHWA Grade Crossing Improvement Program

- **23 USC Section 130 Safety Program**
  - This is a Federally funded program, administered by states improves the safety at highway-railroad grade crossings. A 10% non-federal match is required from either the railroad company or public roadway jurisdiction.
  - The program is application based, whereas the railroad and roadway authority must submit an application to the program for funding consideration by July 1<sup>st</sup> of each year.
  - Projects are selected through the combination of an accident prediction formula as well as a [Benefit-Cost Analysis](#).
  - Projects that are solely for the establishment of Quiet Zones are not eligible for funding through Section 130.
  - Link to Iowa DOT program web page
    - <https://iowadot.gov/iowarail/safety/federal-aid-crossing-safety-program>

# Highway – Railroad Crossing Surface Repair Program

- This is a State funded program to replace railroad crossing surfaces and roadway approaches. The Iowa DOT pays 60% of the total project cost and each the railroad company and roadway authority pay 20%.
- The railroad is responsible for replacing the ballast, ties, rail, and surface through the railroad crossing and the roadway authority is responsible for removal and placement of the roadway approaches to match any track raise resulting from the railroad's replacement of the railroad crossing structure.
- Link to Iowa DOT program web page
  - <https://iowadot.gov/iowarail/safety/grade-crossing-surface-repair-program>

# Quiet Zones

- Designated by FRA, not Iowa DOT
- [49 CFR Parts 222 and 229](#) guidelines require train engineers to sound the train horn when approaching railroad crossings. Included in the regulations are ways in which communities can make safety improvements to silence the horns through the establishment of a [quiet zone](#). The Federal Railroad Administration (FRA) has sole jurisdiction pertaining to the establishment of quiet zones.
- Railroad crossing safety enhancements that may justify establishing a quiet zone include construction of active warning devices such as lights and gates, medians, and other such safety treatments. (A typical two-quadrant gate and light system can cost \$250,000-\$350,000 per crossing.)
- Link to FRA quiet zone web page, "How to create a quiet zone"
  - <https://railroads.dot.gov/elibrary/how-create-quiet-zone>

# Federal Funding Programs

New in Bipartisan Infrastructure Law 2021

- **Railroad Crossing Elimination Program** – Discretionary Grant Program for highway-rail or pathway-rail grade crossing improvements that focus on improving the safety and mobility of people and goods. Project eligibility includes grade separation or closure of crossings frequently blocked by trains, track relocation, installation of a bridge, protective devices, signals, technology, planning, PE, etc. Requires approval of the rail carrier or property owner (except for planning projects with an agreement for collaboration)
  - <https://railroads.dot.gov/elibrary/railroad-crossing-elimination-grant-program-fact-sheet>
  - [https://railroads.dot.gov/sites/fra.dot.gov/files/2022-03/RRCrossing-Elim\\_GradeCrossingSafety\\_March2022\\_PDFa.pdf](https://railroads.dot.gov/sites/fra.dot.gov/files/2022-03/RRCrossing-Elim_GradeCrossingSafety_March2022_PDFa.pdf)

# Federal Funding Programs

- **CRISI** – Discretionary Grant Program for improvements to safety, efficiency, and reliability of intercity passenger and freight rail.
  - <https://railroads.dot.gov/elibrary/consolidated-rail-infrastructure-safety-improvements-grant-program-fact-sheet>
- **INFRA** – Discretionary Grant Program for highway and freight projects of national or regional significance
  - NOFO for a combination of three discretionary grant programs was published on March 23<sup>rd</sup>, applications are due on May 23, 2022
- **RAISE** (previously BUILD) – Discretionary Grant Program for Surface Transportation Projects that will have significant local or regional impacts
  - NOFO was published in February, applications are due on April 14, 2022
  - <https://www.transportation.gov/sites/dot.gov/files/2022-02/FINAL-2022-RAISE-NOFO.pdf>

# Contact information

## CP Railroad

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## Iowa DOT

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## Questions?

### Key takeaways:

- STB merger process moves quickly!
- Contact STB for information regarding traffic analysis and noise modeling
- Contact CP with your questions and requests
- Spring 2022: Draft EIS – 45 day comment period
- Final EIS and STB Decision
- STB Decision on Merger – will include mandatory and voluntary mitigation