



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

January 27, 2023

Re: Docket No. FD 36500, Canadian Pacific Railway Limited, et al.—Control of—Kansas City Southern, et al.; **Issuance of Final Environmental Impact Statement**

Dear Reader:

The Surface Transportation Board's (Board) Office of Environmental Analysis (OEA) is pleased to announce the issuance of the Final Environmental Impact Statement (EIS) for the Proposed Acquisition of Kansas City Southern Railway (KCS) by Canadian Pacific Railway (CP). A link to the document is available on the Board's website (www.stb.gov) and on the project website (www.CP-KCSMergerEIS.com).

CP and KCS (collectively, the Applicants) submitted an application to the Board on October 29, 2021 seeking Board authority for CP to acquire KCS (Proposed Acquisition). If the Board authorizes the Proposed Acquisition, CP and KCS would combine into a single rail system to be known as Canadian Pacific Kansas City (CPKC). The Proposed Acquisition would be an "end-to-end" merger because CP and KCS do not overlap. The combined CPKC network would include approximately 21,400 miles of track in total, including approximately 10,400 miles in the U.S., and would extend from Canada, through the United States, and into Mexico. The Applicants expect that the Proposed Acquisition would create new operational efficiencies and would divert freight from other railroads and from trucks. As a result, rail traffic would increase on some rail lines in the combined CPKC rail network. To support this expected increase in rail traffic, the Applicants plan to make capital improvements within the existing rail right-of-way, which would include adding new passing sidings, extending existing sidings, adding a section of double track, and adding facility working track at a total of 25 locations along the combined CPKC network.

On August 5, 2022, OEA issued a Draft EIS for public review and comment; comments were due September 26, 2022. In response to requests to extend the comment period, the Board granted an extension to October 14, 2022. During the comment period, OEA hosted seven public meetings to present findings in the Draft EIS and hear oral comments, including three online public meetings and in-person public meetings in Itasca, Illinois; Davenport, Iowa; Excelsior Springs, Missouri; and Beaumont, Texas. Also, during the comment period, OEA conducted site visits to observe current conditions in areas that could experience impacts as a result of the Proposed Acquisition, including Houston, Texas; Port Arthur, Texas; Camanche,

Iowa; Davenport, Iowa; Muscatine, Iowa; Fredonia/Columbus Junction, Iowa; Clinton, Iowa; Bensenville, Illinois; Itasca, Illinois; Elgin, Illinois and Wood Dale, Illinois (the site visits between Elgin and Bensenville included riding the Metra MD-W line). In addition to oral comments, OEA also accepted written comments on the Draft EIS by mail, email, and via the Board-sponsored project website. OEA received comments from a wide range of stakeholders, including residents of towns and cities and rural lands, government and community leaders from many levels, tribal leaders and tribal members, groups and individuals representing environmental interests, land and water managers, emergency service providers, including police, fire fighters, and medical personnel, and transit and freight rail organizations, among many others. OEA received approximately 700 comments during the comment period.

OEA has considered and responded to all comments received on the Draft EIS in this Final EIS. Comment summaries and responses are set forth in **Appendix S**, and substantive changes made to the text of the Draft EIS appear in red and blue in the Final EIS (track changes indicate the language deleted in red and new language added appears in blue). Based on the analysis in the Draft EIS and Final EIS, OEA has determined that the conclusions reached in the Draft EIS remain valid—the Proposed Acquisition would not result in major impacts to environmental resource areas, with the exception of noise, where unavoidable adverse noise impacts would occur. While OEA has not changed its conclusions from the Draft EIS, OEA has included additional information in the Final EIS in response to comments.

WHERE TO FIND THE EIS

As noted above, the Final EIS consists of the Draft EIS with changes made to the text of the Draft EIS appearing in red and blue in the Final EIS (track changes indicate the language deleted in red and new language added appears in blue). Both the Draft EIS and the Final EIS are available for viewing and downloading on the Board’s website (www.stb.gov) and on the Board-sponsored project website (www.CP-KCSMergerEIS.com).

WHAT HAPPENS NEXT

The Final EIS sets forth OEA’s conclusions regarding the potential environmental impacts of the Proposed Acquisition of KCS by CP and OEA’s final recommendations to the Board, including recommendations that the Board impose the Applicants’ voluntary environmental mitigation and additional environmental mitigation developed by OEA. The Board will now issue a final decision that will consider the transportation merits of the Proposed Acquisition and the entire environmental record, including the Draft EIS, Final EIS, and all comments received. In making its final decision, the Board will consider the entire record, including the record on the transportation merits, the Draft EIS, Final EIS, and all public and agency comments. In its final decision, the Board will decide whether the Proposed Acquisition should be authorized and, if so, what conditions, including environmental mitigation conditions, to impose.

Thank you for your interest and participation in the EIS process.

Sincerely,

A handwritten signature in cursive script, appearing to read "Danielle Gosselin".

Danielle Gosselin

Director

Office of Environmental Analysis