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Jeff Jorgenson
City Manager
City of Saskatoon
222 – 3rd Avenue North
Saskatoon SK S7K 0J5

Dear Mr. Jorgenson:

RE: Rail Relocation versus Grade Separation Feasibility Study and CP collocation with CN

On behalf of Canadian Pacific (CP), I am writing to provide feedback on the findings of the feasibility study undertaken by the City of Saskatoon to evaluate options for the relocation of CP's railway infrastructure from its current location to an alternate location.

CP's rail network through Saskatoon is a critical component of our railway network across North America, which provides an essential transportation service to our customers, including those located in Saskatchewan, as well as the broader needs of the Canadian economy. Whether moving consumer goods or transporting commodities for export to international markets, freight rail transportation is essential for the health of Canada's economy, and it will only become more important in the future. It is crucial to keep this economic imperative in mind when evaluating the potential relocation of railway infrastructure.

Saskatchewan depends more on rail transportation than any other province in Canada. Saskatchewan's export driven economy requires an efficient, high capacity rail system to transport commodities like grain and potash to international markets. The regional economy in Saskatoon depends on a healthy rail supply chain. CP takes its role as an essential transportation provider seriously. Even through the COVID-19 pandemic, we have continued to move significant volumes of grain and potash. Preserving our ability to operate a safe and efficient railway is always central to our analysis on any proposal to relocate our infrastructure.

This being the case, the first option evaluated in the report, the "Negotiated Use of the Existing CN Rail Right of Way," is fundamentally unworkable. Option 1 would severely constrain the capacity and efficiency of the rail system, and it would eliminate CP's operational flexibility in an already constrained supply chain corridor.

This option would harm all shippers that depend on a healthy rail supply chain through Western Canada, which would cause unavoidable consequences for the Canadian economy. It is also worth noting we clearly made that point to your consultant during their investigation.

With respect to the other options identified in the report, CP's view is that the report does not offer serious analysis of the numerous and complex factors that would have to be properly understood before CP could even consider a proposal. For example, the study did not analyze the risks to capacity, efficiency, and operational flexibility, which are vital for a healthy and productive rail supply chain. The impact of re-designing rail infrastructure throughout the region, and the operational complexity involved in such a project, would need to be meaningfully assessed and fully understood.

The study also did not consider the significant regulatory challenges that would need to be overcome, nor did it consider the interests of existing property owners, Indigenous communities, environmental factors, including the need for environmental remediation, and the challenge of finding an alternative location where affected parties would welcome new railway infrastructure through a federal regulatory process. Since these factors were not properly evaluated under any option in the report, CP believes the notional cost of relocation suggested by the study is severely underestimated.

I hope this feedback is helpful as the City studies the concept of rail relocation. With the exception of Option 1 in the report, CP will continue to discuss the relative feasibility of various rail relocation options with the City, as you consider your next steps.

As always, CP encourages Saskatoon to contribute to the success and strength of the broader supply chain through the provision of robust, trade enabling infrastructure.

CP values the strong working relationship that we have with the City of Saskatoon. We are both here for the long term. I ask that we move forward together, with a full understanding each other's needs, through open and respectful lines of communication.

Sincerely,



James Clements
Senior Vice-President,
Strategic Planning and Technology Transformation
Canadian Pacific Railway

cc. Mayor Charlie Clark, City of Saskatoon