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National Newswatch Op-ed

A growing economy with lower emissions? How rail can help

With the recent announcement of the Paris Agreement, there is a renewed focus on the importance of addressing global climate change. It has become clear that a successful plan to manage this urgent threat will need to involve scientifically credible reductions in global emissions.

At Canadian Pacific (CP), we believe that rail can play a significant role in achieving these necessary reductions. We are taking the lead in creating real change and making true progress in the field of rail transportation. This includes a continual drive to become more efficient in our operations and to make sustainability a central component of our overall business strategy.

In Canada, the transportation sector contributes 28 percent of overall greenhouse gas emissions and these emissions increased by 4.6 percent between 2005 and 2013. Renewed efforts to reduce the country's overall emissions will need to look at this significant source as part of any successful plan to reduce greenhouse gas emissions. Freight rail, as an inherently efficient mode of transportation, offers a sustainable alternative for moving freight with less overall emissions. For example, while the rail industry moves 70 percent of surface freight on a ton-mile basis in Canada, it only contributes 3.4 percent of the transportation sector's greenhouse gas emissions.

As part of our transformational journey at CP, we have made tangible changes to our operation in an effort to reduce fuel consumption and drive down greenhouse gas emissions. Initiatives such as operating longer, heavier trains, removing over 400 older less fuel-efficient locomotives from the fleet and replacing them with more fuel-efficient high horsepower locomotives have led to impressive results in fuel efficiency and corresponding reductions in greenhouse gas emissions. Since 2005, we have decreased our total greenhouse gas emissions by 5.4 percent, with a corresponding increase in revenue ton-miles of 19.5 percent, which translates to a 20.8 percent improvement in our greenhouse gas intensity as measured in emissions per revenue ton mile. In fact, in 2014 we moved on average, one ton of freight, 545 miles with just one gallon of fuel. These impressive results provide benefits to our customers, the general public and the environment.

Our operating efficiencies continue to minimize our environmental footprint while providing a best-in-class safety performance. We take pride in our ability to provide Canadian producers with the opportunity to use a cleaner, safer mode of transportation to move their goods to market.

As CP and the rest of the rail industry continue to increase fuel efficiency and reduce emissions, the advantages of rail transportation over other forms of surface transportation will continue to grow. The Canadian government set a goal to reduce greenhouse gas emissions by 30 percent compared to 2005 levels by the year 2030, and we are committed to doing our part to help Canada reach that goal.

While we are proud of our accomplishments to date in reducing our carbon footprint, we recognize that there is much more to be done. We are active through our industry association partners in



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voluntary emissions reduction initiatives such as the Canada-U.S. Regulatory Cooperation Council (RCC) project on greenhouse gas emissions from locomotives. CP is also working closely with other key stakeholders such as Transport Canada and the U.S. Environmental Protection Agency to find effective approaches to further reduce the rail industry's carbon footprint. We welcome these initiatives as a means of continual improvement and to highlight the efficiency of freight rail in moving freight in North America.

Over the coming years, CP is well-positioned to continue to grow with our customers in a safe and sustainable manner. We will continue to show that economic performance does not have to come at the cost of the environment. We believe in leveraging our existing technologies and operational advantages to make meaningful change today, while working toward greater improvements in the future.

Glen Wilson
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