February 6, 2026

RESPONSES PREPARED BY THE APPLICANT
TO COMMENTS SUBMITTED IN THE CONTEXT OF THE CTA PUBLIC CONSULTATION
ON THE APPLICATION FOR AUTHORIZATION OF THE LAC-MÉGANTIC RAIL BYPASS PROJECT

NOVEMBER 12, 2025 TO JANUARY 30, 2026

In the context of the Canadian Transportation Agency's ("**CTA**") public consultation on the application for authorization of the Lac-Mégantic Rail Bypass Project (the "**Project**"), Canadian Pacific Railway Company, doing business as Canadian Pacific Kansas City ("**CPKC**"), as the operating railway company and on behalf of Central Maine and Quebec Canada Railway Inc. (the "**Applicant**"), submits the following responses to the Coalition des Victimes Collatérale's brief received on January 30, 2026.

To promote clarity and avoid duplication, the Applicant has consolidated its responses by thematic category.

Ownership and Operation of the Rail Line

CPKC (previously Canadian Pacific) purchased the track running through Lac Megantic (part of the larger acquisition of the Central Maine & Quebec Railway ("**CMQR**")) from Fortress Investment Group, LLC in December 2019. The rail line will be legally owned by CMQR, a wholly owned subsidiary of Canadian Pacific Railway Company. The rail line will be operated by Canadian Pacific Railway Company, doing business as CPKC. Canadian Pacific Railway Company holds the Certificate of Fitness and satisfies the Canadian Transportation Agency's requirements regarding liability insurance.

Track Design and Safety

The proposed bypass has been designed by professional engineers in accordance with accepted engineering principals and standards (confirmed by the placement of the professional stamps on the drawings included Appendix 2-3 – Drawing Package). As described in Appendix 2-1 – Bypass Design Criteria, the engineering design of the bypass conforms to the requirements set by the Transport Canada Rules Respecting Track Safety for Class 3 Track, the standards set by the American Railway Engineering and Maintenance of Way Association (AREMA) in the 2024 version of the Manual of Railway Engineering as well as other published engineering standards. The Transport Canada Rules Respecting Track Safety further specify that the maximum operating speed on Class 3 Track is 40 mph for freight trains (unless limited by other factors such as curvature).

The Transport Canada Rules Respecting Track Safety specify minimum inspecting and testing intervals for operating railway track (based on annual tonnage). As a Class 3 Track, once in service, the proposed bypass will be subject to the following inspections:

Inspection / Test	Less than 5 MGT	5 - 15 MGT	Greater than 15 MGT

Main Track Visual Inspection	Weekly	Twice Weekly	Twice Weekly
Turnout Inspection	Monthly	Monthly	Monthly
Electronic Geometry Inspection	Annually	Annually	Twice Annually
Rail Flaw Inspection	Annually	Annually	Annually

Implementation of GWPWWMP

Regarding the responsibility for the GPWWMP, pursuant to mitigation measure TC-SG-01, Transport Canada is responsible for implementing and adhering to the conditions within the GPWWMP. The preamble of the GPWWMP specifies that "while the implementation of the GPWWMP will be delegated to one of [the] municipalities through a contribution agreement, Transport Canada is responsible for the development and the implementation of the GPWWMP, including any issues related to this plan and its implementation."

Transport Canada has prepared and asked the Applicant to include further comments as follows:

- Transport Canada is committed to the implementation of the GPWWMP developed by Laforest Nova Aqua as part of the mitigation measures identified in the BAPE reports.
- Through the GPWWMP, Transport Canada will fulfil its commitment to monitor water quantity and quality during the bypass construction and until the water table is stabilized, and to take corrective measures when needed.
- The Municipality of Frontenac confirmed by a council resolution on December 3, 2024, that they want to take on the implementation of the GPWWMP.
- Since March 2025, Transport Canada has been collaborating with the Municipality of Frontenac and the municipalities covered by the GPWWMP to draft and negotiate a contribution agreement for the implementation of the GPWWMP.
- Great progress has been made on the contribution agreement draft, and Transport Canada continues to support the Municipality of Frontenac in finding a solution to the insurance matter to conclude a contribution agreement.
- Transport Canada reiterates its commitment to protecting existing groundwater and drinking water well levels and quality.
- Since negotiations are ongoing, Transport Canada is not in a position to comment any further.

Impact to the City Lac Megantic's Drinking Water

As stated in Section 7.5 of Appendix 2-7 – Hydrogeology Report, "residences connected to the municipal supply are not expected to be impacted by the [groundwater] drawdown". Appendix 5-7 – Groundwater and Potable Water Well Monitoring Plan also states that, out of an abundance of caution, the municipal wells will be monitored.

Risk of Groundwater Contamination
As further developed in Appendix 3-1 – Environmental Effects Evaluation ("**EEE**"), the risk of contamination to the groundwater during both the construction phase (Section 6.3.3 EEE) and operation phase (Section 6.4.3 EEE) of the proposed bypass, is addressed through the implementation of mitigation measures (1) during construction (including amongst others, daily equipment inspections, reporting and clean-up of spills, and the use of clean materials in construction) and (2) during operations (including, amongst others, maintaining equipment in good working order and spill reporting and clean-up). As such, the residual effects will be insignificant. Once the construction of the bypass is complete, railway operations will be transferred to the bypass, which will be operated and managed as part of CPKC's tri-national network, in accordance with all applicable railway, environmental and safety regulations.
Pumping of Groundwater
As can be seen on the Plan and Profile drawings (as well as the Cross-Section drawings) included in Appendix 2-2 – Infrastructure Design Report, any water which enters the new right-of-way will be collected in ditches which run parallel to the tracks and directed to receiving waterbodies. These receiving waterbodies include the Chaudière River and the tributary streams which flow into the river and Lac Megantic**.** There is no active pumping system included in the design of the project.
Groundwater and Potable Water Well Monitoring Plan
To mitigate uncertainty surrounding the potential impacts to the regional groundwater and the risk to drinking water, Transport Canada has committed to implement the Groundwater and Potable Water Well Monitoring Plan ("GPWWMP") (see Appendix 5-7). Pursuant to mitigation measure TC-SG-01, Transport Canada is responsible for implementing and adhering to the conditions within the GPWWMP. The preamble of the GPWWMP specifies that "while the implementation of the GPWWMP will be delegated to one of [the] municipalities through a contribution agreement, Transport Canada is responsible for the development and the implementation of the GPWWMP, including any issues related to this plan and its implementation." Through the GPWWMP, Transport Canada has confirmed that it will fulfil its commitment to monitor water quantity and quality within the assessment area during the bypass construction, the post-construction period, and until the water table is stabilized, and to take corrective measures when needed. Transport Canada has made a commitment to ensure a constant and safe supply of drinking water for residents (mitigation measures TC-SG-08 to TC-SG-10). Section 7.1 of the GPWWMP details the steps TC will take in the event of a shortage of potable water as follows: (1) Emergency drinking water supply by means of bottled potable water and potable water available through a temporary outdoor tank, while a permanent solution is being put in place; (2) Deepening an existing well or construction of a new well; and (3) Connecting to a municipal aqueduct network when previous options have been considered and tested or deemed not applicable.

According to the experts consulted by Transport Canada, such as the Geological Survey of Canada (see Appendix 3-2 – Communications on Potential Additional Studies), the proposed approach based on existing studies, continuous monitoring, and adaptive response is considered a sound risk management strategy as it relates to the potable water wells, that is proportionate and consistent with recognized best practices in the field of hydrogeology.

Impact to Wetlands

As described more fulsomely in Section 5.3.6 on Appendix 3-1 – Environmental Effects Evaluation ("EEE"), the initial assessment was completed based on the 2018 environmental impact assessment ("EIA") produced as part of the BAPE process. This EIA relied on a review of aerial imagery and publicly available mapping. In order to increase the accuracy of the estimation of the area and types of wetlands which would be impacted by the project, Transport Canada commissioned a field study in 2024 of the future Right-of-Way which would be permanently impacted by the project. In 2025, additional refinement was made to wetland areas and types outside of the future Right-of-Way using more recent aerial images. Both of these activities led to updates in the EEE which more accurately predict the potential impacts of the project.

Transport Canada has developed a comprehensive Wetlands Monitoring Plan (see Appendix 5-8) to track and manage potential impacts on wetlands adjacent to the bypass right-of-way. This plan sets clear thresholds and adaptive measures to ensure timely corrective action if changes are observed. Data collected before and during construction will be analyzed and reported publicly, and should permanent loss of wetlands outside the right-of-way occur, Transport Canada has committed financial contributions to the provincial wetland habitat compensation program, with additional contributions if losses exceed 35 hectares.

As further indicated in Appendix 3-1 – Environmental Effects Evaluation ("EEE"), mitigation measures focus on minimizing the project footprint and construction impacts. As indicated in Appendix 5-8 - Wetlands Monitoring Plan, and in Appendix 5-9 – Forest Compensation Monitoring Plan, Transport Canada has committed to propose and implement corrective measures to private landowners should there be impacts observed during the implementation of the monitoring program, or if there is further loss of forest outside the strip that is currently planned (a 5-m-wide strip along either side of the RoW (or 12.5-m-wide strip in maple tree stands).

Health and Mental Health

The health, including the mental health, of people living in the region is assessed in section 6.4.13 on Appendix 3-1 – Environmental Effects Evaluation. The potential for the Project to affect the psychological health of the population located close to the new railway could be associated with a possible decrease in sense of safety and an increase in stress for those nearby and/or affected by the Project. The presence of tracks, related infrastructure, and train circulation could cause concern and stress to some residents, and some people, notably those opposed to the Project, could take time to adapt to it. Concurrently, the Project has the potential to result in positive psychological aspects for other residents, including an increased sense of safety, as the trains will avoid the densely populated downtown area of Lac-Megantic.

For this project, as described in Appendix 3-6 – Noise and Vibration Assessment, CPKC considered Health Canada's 2017 *Guidance for Evaluating Human Health Impacts in Environmental Assessment: Noise* and applied a criterion of a modelled increase in %HA no greater than 6.5% (which is the Health Canada recommended threshold for when mitigation should be applied).

Private Crossings
The proposed Lac Megantic Bypass has been designed with 6 private rail crossings, four of which are grade separated and two at-grade. These crossings have been located to ensure that landowners with property on both sides of the tracks maintain access to severed part of their lots. Transport Canada is in the process of negotiating private crossing agreements with the affected landowners.
Class 1 Railroad vs Class 3 Track
The Class of railroad and the Class of track are not related to each other. The Class of railroad is based on the revenue of the railroad on an annual basis, with Class 1 Railroads being the largest railroads by revenue and Class 3 Railroads the smallest. As defined in the *Canada Transportation Act*, CPKC is one of seven Class 1 Rail Carriers in North America (along with BNSF Railway Company, Canadian National Railway Company, CSX Transportation, Inc., Norfolk Southern Railway Company, Union Pacific Railroad Company and Ferromex). The revenue threshold is set by the US Surface Transportation Board on an annual basis and to be a Class 1 Railroad in 2025, railroads had to have revenues greater than ~$1.1B USD. The Class of track is a regulatory classification set by Transport Canada and the US Federal Railway Administration (given the interconnected nature of the North American rail network, many standards and requirements are harmonized between the two countries). According to Transport Canada's *Rules Respecting Track Safety*, Class 1 track is the lowest class of mainline track with the slowest operating speed (10 mph), greatest tolerance in track gauge (56 ½ inches standard gauge + 1 ½" tolerance for wide gauge) and least frequent inspection requirements whereas Class 9 track is the highest class of mainline track used only in highspeed rail operations (220 mph and ¾" inch of tolerance for wide gauge). The Class 1 railroads all have Class 1 through Class 5 track with the class of track best suited for a specific location determined by the nature of the operation (primary mainline vs branch line), the number of trains per day, and the nature of the geography. The Lac Megantic Bypass will be a Class 3 track with a maximum operating speed of 40 mph and a tolerance for wide gauge of 1 ¼".
Route Selection
The route for the proposed Lac-Mégantic Bypass was established prior to CPKC's purchase of CMQR and subsequent involvement in the project. In 2015, AECOM was retained by the City of Lac-Mégantic to evaluate potential routes for a bypass around downtown Lac-Mégantic. This study considered topography, proximity to residential areas, and watercourse and road crossings amongst other factors. The preferred alignment from that study was carried forward into the initial provincial environmental review (BAPE) process and was ultimately the corridor that Transport Canada instructed CPKC to use for the detailed design of the project. The 2017 BAPE Report and the CPTAQ concluded that out of the five options identified at that time, the proposed route represented the most advantageous option considering its environmental, social and economic benefits, and considering it had the least impact on agricultural lands. Section 3 of Appendix 3-1 – Environmental Effects Evaluation presents a description of alternative routes as well as the retained route and its variants.
Derailment Response

Once the bypass is placed into service, it will be operated as part of CPKC's tri-national network. More information on how CPKC helps keep communities safe, including copies of CPKC's Community Emergency Planning Guide and CPKC's Integrated Contingency Emergency Preparedness and Response Plan, are available online at https://www.cpkcr.com/en/safety/hazmat-safety
Drainage Performance
The Hydrogeology Study (Appendix 2-7) was completed to calculate the rate at which water is expected to flow into the project area during construction so that the contractor can have appropriate plans in place. As can be seen on the Plan and Profile drawings (as well as the Cross-Section drawings) included in Appendix 2-2 – Infrastructure Design Report, any water which enters the new right-of-way will be collected in ditches which run parallel to the tracks and directed to receiving waterbodies. These receiving waterbodies include the Chaudière River and the tributary streams which flow into the river and Lac Megantic.
Property Value
If a homeowner believes that permanent depreciation of their property value is directly linked to the construction or operation of the bypass, despite mitigation measures by Transport Canada, they must provide evidence of the impact. If these claims are deemed valid, Transport Canada will engage with the homeowner to assess the situation, identify the source of the issues, and determine appropriate corrective measures.