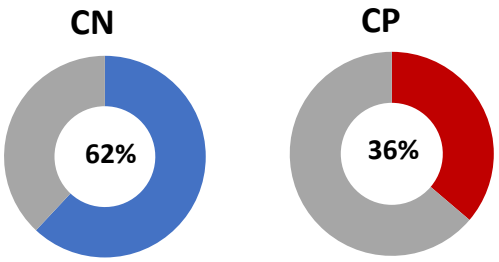
Performance Dashboard

Timeliness of Weekly Car Supply

The delivery of railcars in a timely fashion is essential to ensure grain shippers can meet the demand of their domestic and international customers and plan logistics activities from country elevators through to terminal and vessel operations. When railway car orders are not supplied to shippers in the week for which they are ordered it can disrupt operations throughout the supply chain. Both early and late supply of railcars can be equally detrimental to grain handling operations and may result in additional handling costs and in the case of late supply the potential for lost sales.

	CN	CP
2014 - 2015 Hopper Car Demand	206,071	194,824
Timeliness Of Railway Order Fulfillment		
Supplied in Want Week	127,599	70,798
Supplied Outside Want Week	64,512	114,539
Total Orders Filled	192,111	185,337

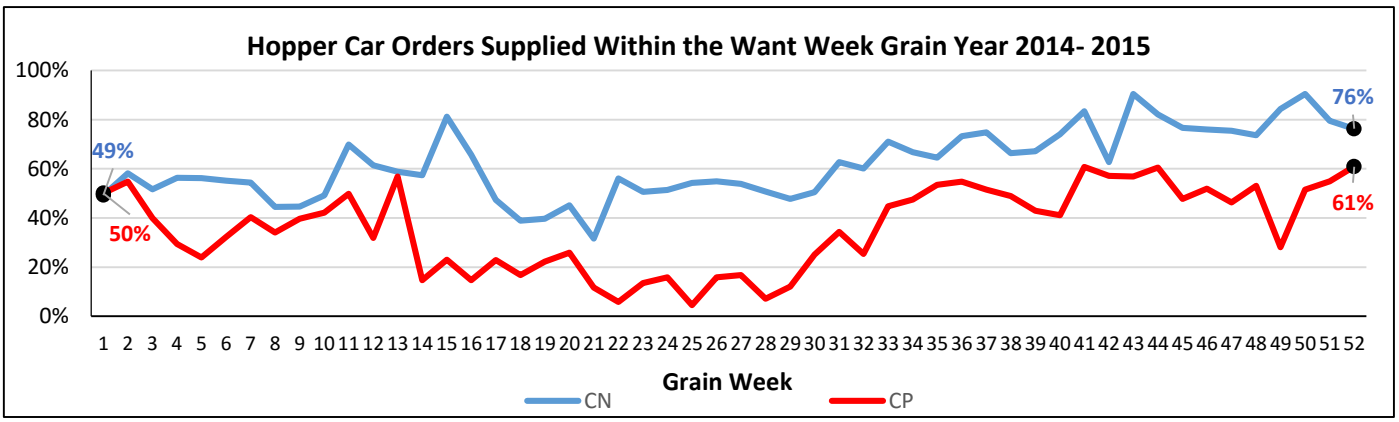
Percent of Orders Supplied in Want Week



During the 2014 – 2015 grain year CN and CP supplied 93% and 95% of shipper demand for hopper cars respectively. Timeliness of performance was an ongoing challenge for grain shippers with CN and CP supplying 62% and 36% of orders in the week for which they were ordered.

The late delivery of railcars is a much more significant issue than is the early supply of railcars (cars delivered in advance of the want week). During the most recent grain year CN and CP performance in this regard was very similar with each railway supplying approximately 7% of total orders early.

As the chart below clearly shows, timeliness of hopper car supply has been consistently poor throughout the grain year and particularly poor in the November – March period (weeks 15 – 34). CN's performance was consistently better than CP's in this regard and showed greater improvement in the latter half of the year as compared to CP.



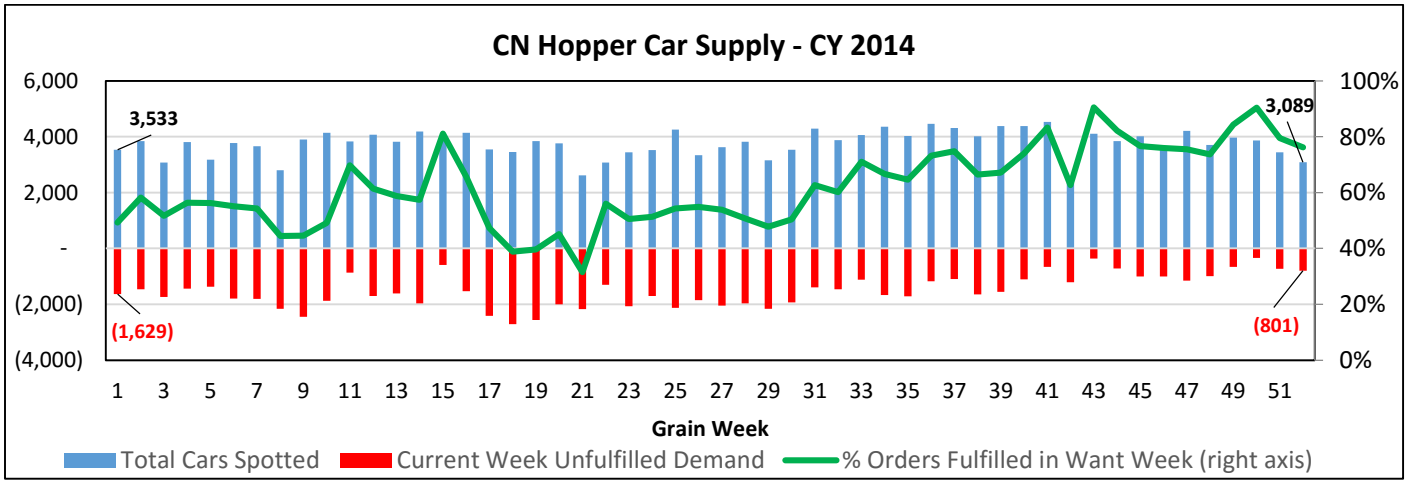
Meeting Shipper Demand

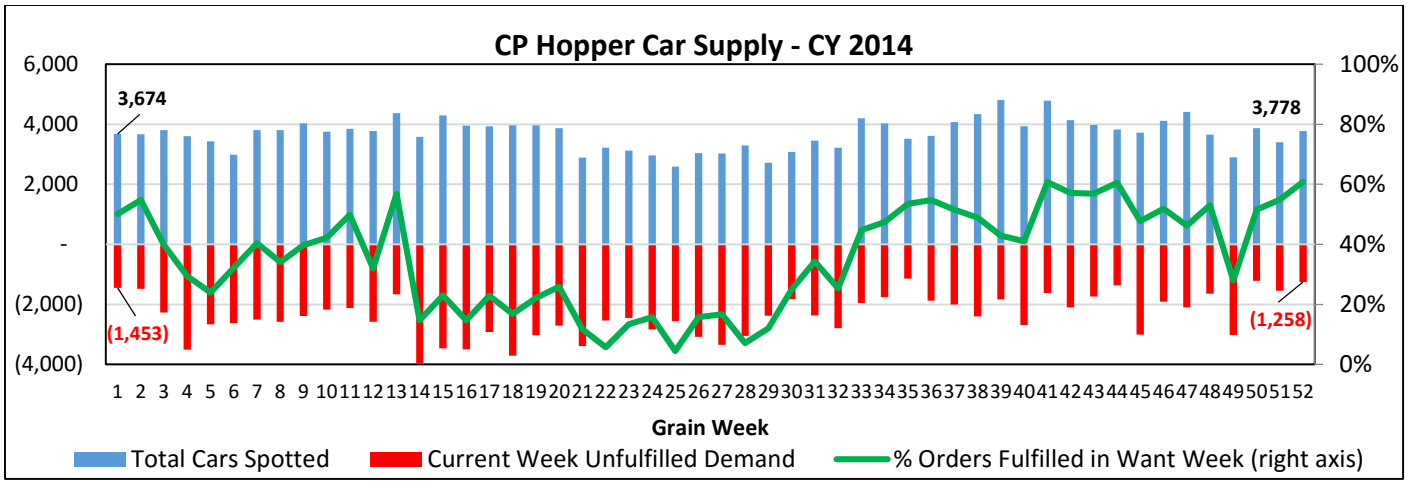
While the railways satisfied 94% of grain shippers' demand for hopper cars throughout the course of the year this shortfall of 6% represents more than 23,000 hopper cars. As will be discussed in more detail below, the *net* unfulfilled demand – i.e. the hopper cars shippers still expect the railways to supply – is approximately 1,400 cars, 320 for CN and 1,090 for CP.

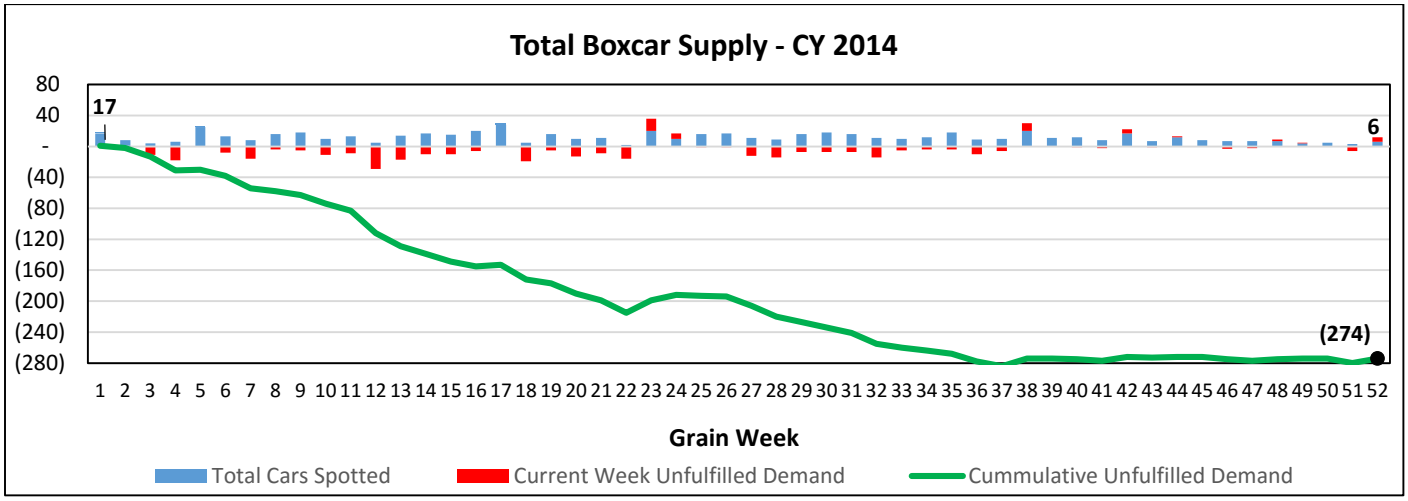
		Crop Year To Date			Average Weekly Performance				
						Railway Empty Car Supply			
		Customer Demand	Railway Supply	Unfulfilled Demand	Customer Demand	Current Week Orders	Other Week Orders	Total Cars Supplied	Avg. Weekly Shortfall for Current Week Orders
Hopper Cars	CN	206,071	192,111	(13,960)	3,963	2,454	1,310	3,763	(1,509)
	CP	194,824	185,337	(9,487)	3,747	1,362	2,328	3,689	(2,385)
		400,895	**377,448**	**(23,447)**	**7,710**	**3,815**	**3,637**	**7,452**	**(3,894)**
Boxcars	CN + CP	892	618	(274)	18	12	-	12	**(6)**

Customer orders for hopper cars averaged 7,700 cars per week through the course of the year while total car supply each week averaged slightly more than 7,400 cars. Total cars supplied is the sum of all hopper cars provided by the railways during the course of the grain year including some 8,000 cars supplied – primarily in the months of August and September – for orders in the prior grain year.

Boxcar shippers experienced poorer overall order fulfillment levels than did hopper car shippers, receiving 69% of total orders placed with CN and CP. CP accounts for more than 95% of boxcar shipments for ATC member companies.





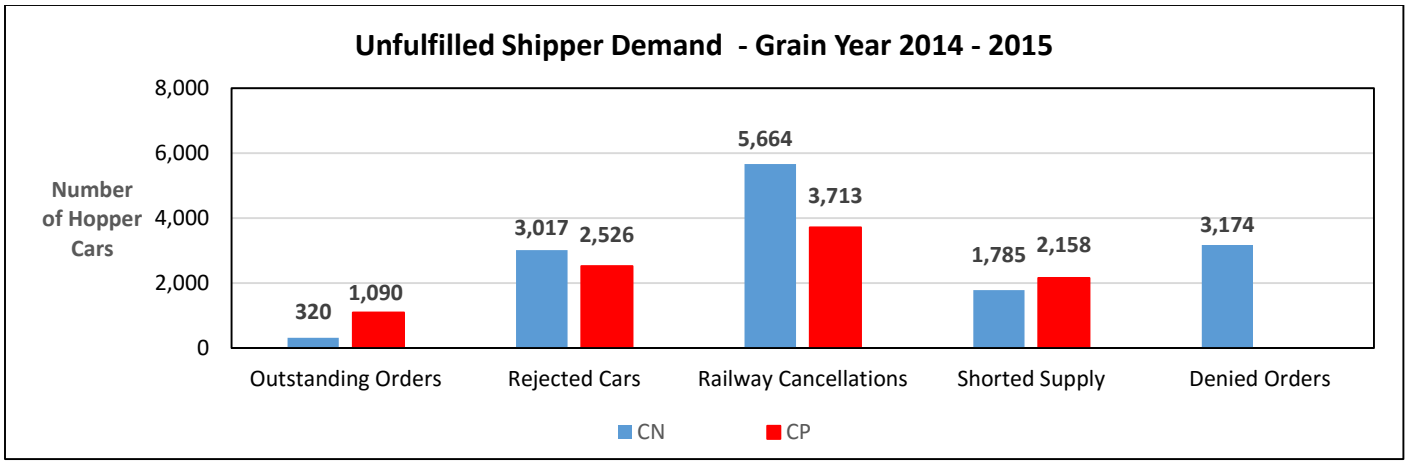


While total unfulfilled demand for the year was more than 23,000 hopper cars the level of net unfulfilled demand at year end is significantly lower – approximately 1,400 cars, 320 for CN and 1,090 for CP.

The calculation of total unfulfilled demand for hopper cars represents the accumulated difference across all grain weeks in the year between the number of cars ordered by shippers and the number of cars supplied by the railway for those orders. This total unfulfilled demand therefore represents the volume of missed and deferred shipper orders.

Shipper demand includes all orders placed by shippers in the railways' car order systems plus orders that have been denied or cancelled by the railways based on car ordering rules imposed on shippers during the current grain year. Supply of railcars reflects total cars supplied excluding cars rejected by shippers as unsuitable for loading due to mechanical or sanitary reasons.

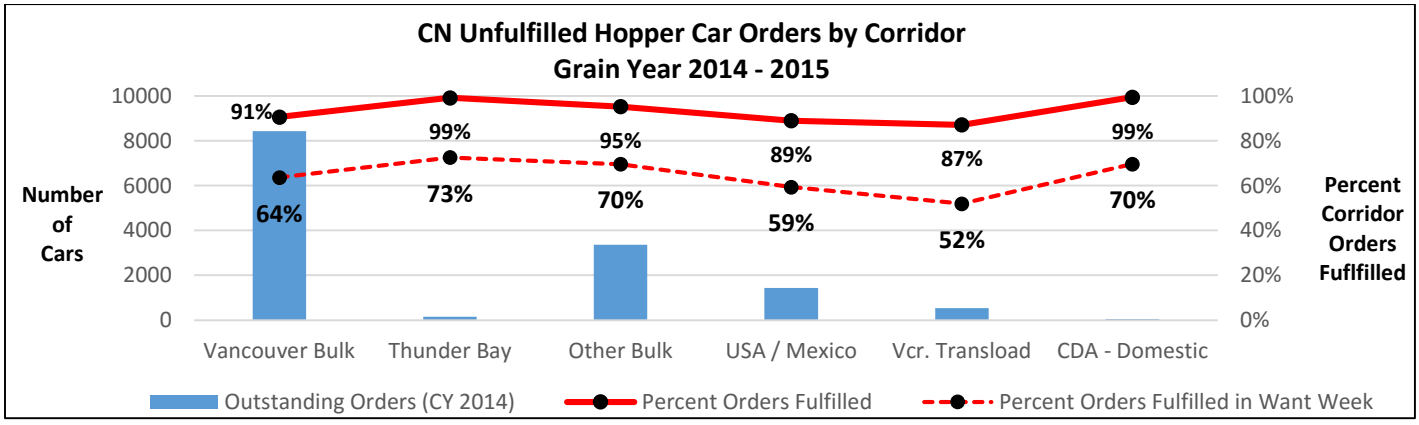
Net unfulfilled demand represents those car orders that shippers continue to expect the railways to supply. These orders will likely be carried over to the new grain year and supplied by the railways early in the year.

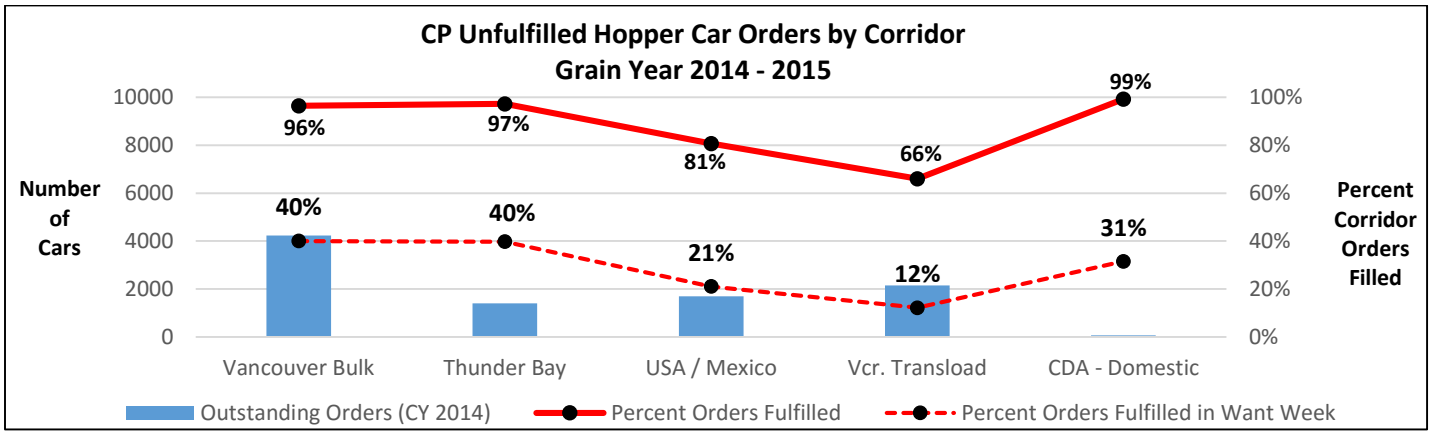


Corridor Performance

Order fulfillment performance by corridor – bulk versus non bulk corridors - has been more consistent on CN than on CP through the course of the 2014 – 2015 grain year. As can be seen in the chart below overall CN order fulfillment performance exceeded 87% in all major corridors with the western bulk corridors of Vancouver, Thunder Bay, Prince Rupert and Churchill all having 90% or greater fulfillment rates. The US and Vancouver transload corridors experienced the least timely performance on CN.

CP's performance to west coast bulk corridors was comparable to CN's with order fulfillment performance to Vancouver and Thunder Bay exceeding 95% for the year. U.S. and Vancouver transload corridors were noticeably worse than CN and all corridors experienced very poor performance with respect to timeliness of order fulfillment.



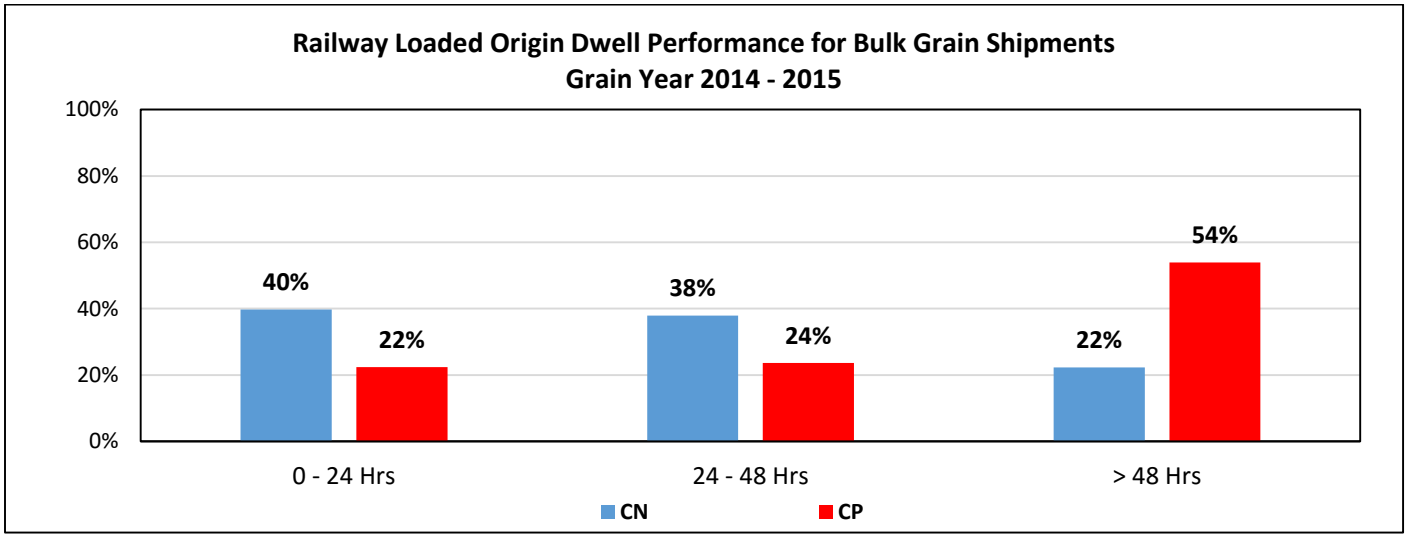


Railway Dwell Times at Country Origins:

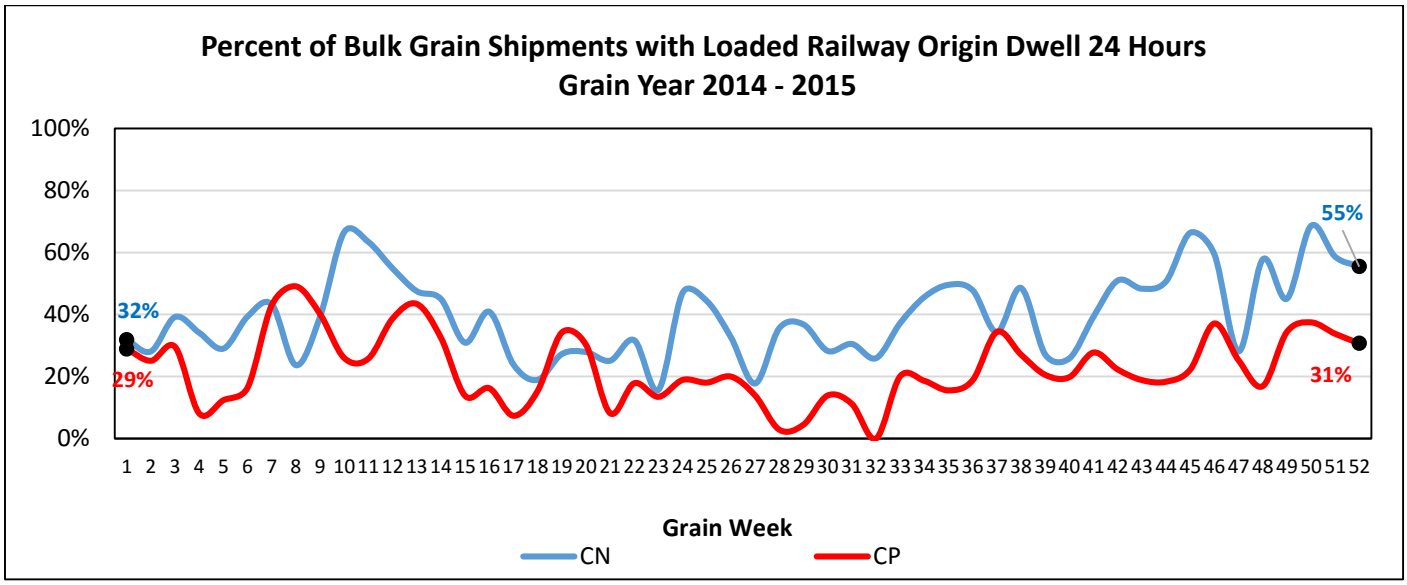
Origin dwell time measures the elapsed time from the release of loaded cars by shippers to the time the railways physically pull the cars from a shipper's siding for movement to destination. Average performance in this area will vary depending on the nature of the shipment and the type of train or switching service for a given customer in a given geographic area.

For bulk grain shippers loading unit trains and multi-car blocks dwell time is generally expected to be 24 hours or less as these shippers load cars within 24 hour windows in order to avoid origin demurrage charges assessed by the railways. Non bulk grain shippers loading less than multi-car blocks will generally have longer dwell times.

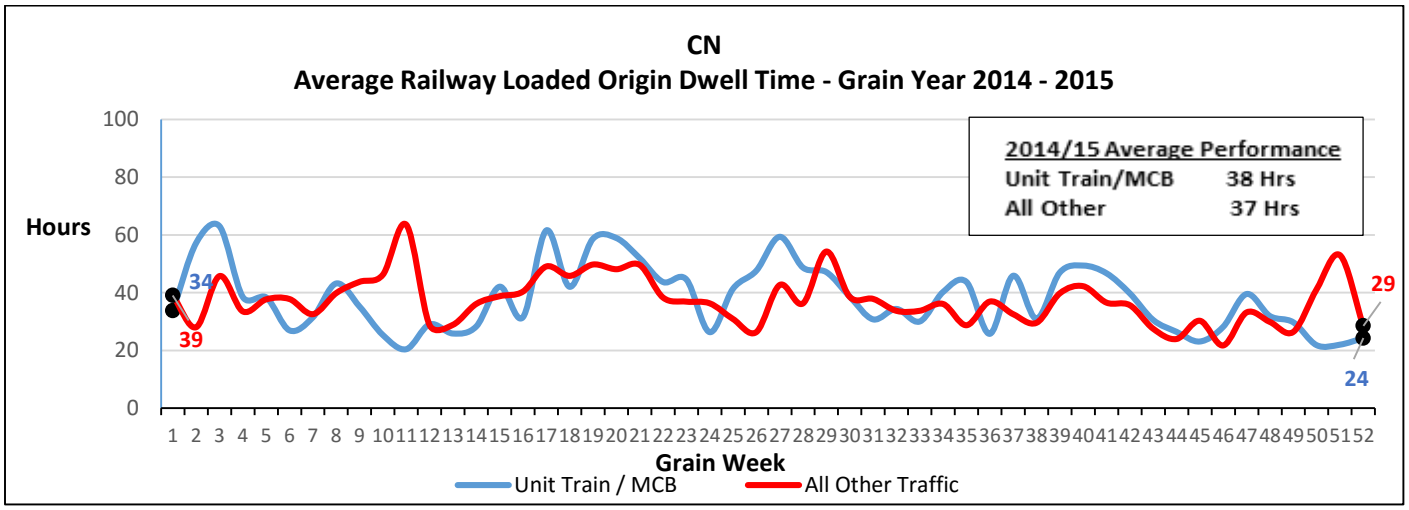
During the 2014 – 2015 grain year 33% of bulk grain shipments had an origin dwell time of 24 hours or less. CN's performance was nearly twice as good as CP's in this area.

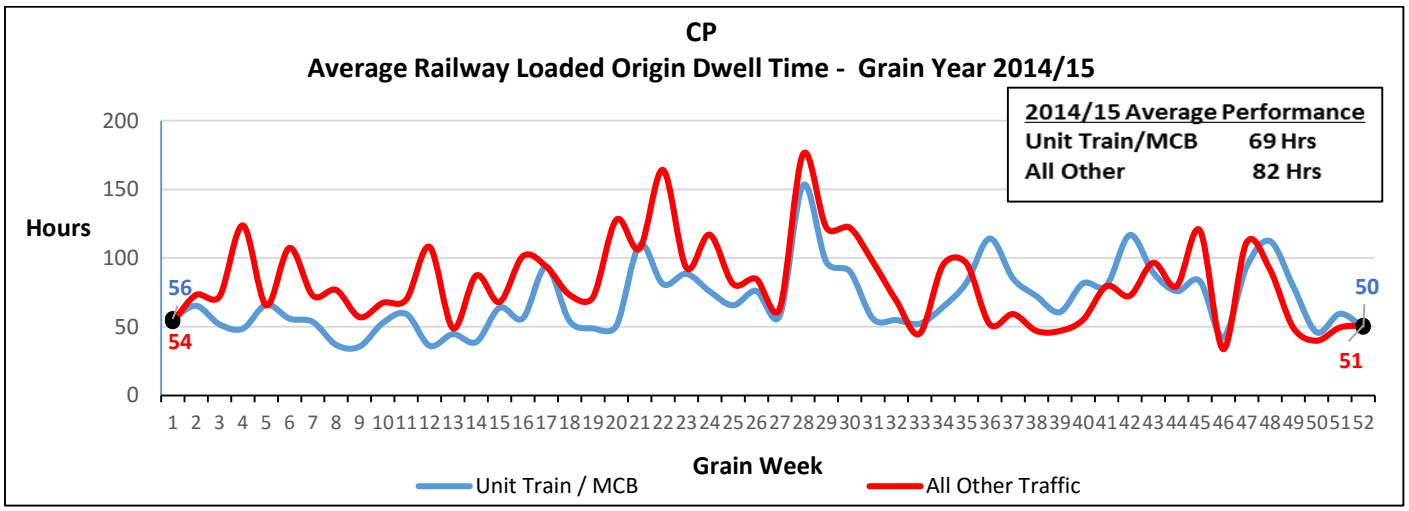


As the chart below clearly shows performance has been consistent for both railways week to week throughout the year.



The charts below provide a view of origin dwell performance on a weekly basis for the 2014 – 2015 grain year for both bulk and non-bulk traffic.





Railway Dwell Times at Destination Terminals

Destination terminal dwell time measures the elapsed time from the time a railcar arrives at the destination railway yard to the time it is placed at the receiver's facility for unloading. Average performance in this area will vary depending on the nature of the shipment and the local train service delivering traffic within a terminal. Dwell time is measured for traffic destined to the Greater Vancouver area and to Thunder Bay.

Traffic destined to the bulk port terminal at Vancouver for instance is generally placed for unloading on arrival at Vancouver. In contrast traffic destined to transloaders in Vancouver is ordered in by receivers on a car by car basis.

Dwell time ends with the reporting of an actual placement event at the receiver's facility. The beginning of the dwell measure is initiated by either an arrival at the destination terminal or the constructive placement of a car at the terminal by the railway. This is not a measure of unloading performance by receivers.

CP's performance in this area is materially better than CN's at both Vancouver and Thunder Bay. With the exception of some volatility around the Christmas period in Vancouver (weeks 22-24) and during the Seaway Closure at Thunder Bay CP's dwell times are generally lower and more consistent than CN's.