

Week 7 Performance

CN and CP supplied a combined 88% of hopper cars ordered in grain week 7, a decline from last week's 92% order fulfillment performance and the worst performance of the year so far. The deterioration in overall performance reflects a decline in performance for each of CN and CP. In supplying 87% of hopper cars ordered on time in week 7, CN saw performance decline from the 88% order fulfillment performance they posted in week 6. CN performance remains below the 90% performance threshold this week for the third consecutive week and for the fourth time in the last five weeks. CP order fulfillment performance declined more significantly this week with the railway supplying 90% of shipper orders in week 7 as compared to 95% order fulfillment performance in week 6. Despite the decline CP continues its run with now 23 straight weeks with order fulfillment performance at or above the 90% threshold.

In week 7, CN performance improved or remained the same in 4 of 6 corridors relative to last week with performance declines seen in the Thunder Bay and Prince Rupert corridors. The week over week decline in performance for the Thunder Bay corridor was nominal with CN supplying 98% of cars ordered, only marginally lower than the 99% order fulfillment performance seen last week. The most notable decline in performance this week was seen in the Prince Rupert corridor. For Prince Rupert the railway saw meaningful demand for the first time this year with shippers ordering 600+ cars and the railway supplying only 78% of those cars on time. Performance in the Vancouver Bulk corridor neither improved nor worsened with CN supplying 83% of the 2,660 cars ordered - the same performance we saw last week. Given that this corridor accounted for 57% of total demand it once again placed a significant drag on overall performance.

CP performance improved or remained the same in 3 of 5 corridors this week relative to last week with performance declines seen in the Vancouver Bulk and Thunder Bay corridors - always CP's two most important by volume and accounting for 97% of total CP demand this week. For Thunder Bay the decline in performance was less severe with the railway supplying 91% of cars ordered - down from the 96% order fulfillment performance a week ago. The Vancouver Bulk corridor however saw a notable decline in performance with CP supplying only 89% of the 2,945 cars ordered. By comparison CP supplied 99% of cars ordered for this corridor in week 6. For all other corridors CP was perfect supplying 100% of cars ordered for the US, Eastern Canada and Vancouver Other corridors although combined these corridors saw less than 200 total cars ordered.

Empty car spotting improved for a fourth consecutive week reaching the highest levels seen thus far this year with CN and CP combined spotting more than 8,500 cars - 10% higher than the prior week. The increase in car spotting this week reflects improved car spotting for CN while CP car spots remained essentially at the same levels as the prior week. CN spotted 23% more empty hopper cars this week than last spotting more than 4,400 cars as compared to 3,600 last week. Higher car spotting coincided with a 20% increase in demand but also reflects the spotting of 400+ outstanding orders from the prior week. When all was said and done CN once again failed to spot sufficient cars to both cover current week demand and the shortfall from the prior week leading to the railway carrying 400+ orders forward into next week for the second consecutive week. CP empty car spotting was essentially unchanged from the prior week with the railway spotting just under 4,100 cars. While car spotting dipped ever so slightly demand rose 2% this week. Like CN however the issue for CP is that car spotting needed to exceed current week demand as they were carrying 185 outstanding orders from the prior week. That did not materialize and CP will carry 303 outstanding orders into week 8.

CN and CP combined will enter week 8 with a total of 718 outstanding cars as compared to the 588 outstanding orders coming into the week. Outstanding order counts have now risen for three consecutive weeks.

CN

- CN supplied 87% of hopper cars ordered for week 7, slightly less than the 88% order fulfillment performance seen in week 6 and below the 90% performance threshold for the third consecutive week.
- For week 7 CN supplied 4,062 of 4,681 cars ordered, failing to supply 619 cars ordered.
- During week 7, CN supplied a total of 4,474 hopper cars including 412 for previously outstanding orders. (see table page 3).
- CN's performance across individual shippers was, while poorer overall, perhaps more consistent than in recent weeks with all shippers receiving 83% or more of cars ordered.
- Week 7 demand, at 4,681 cars was 20% higher than the prior week having now increased weekly in each of the last four weeks with week 7 representing the highest level of shipper demand seen thus far this year.
- Preliminary data indicate that upward trend will continue next week with demand projected to increase 10% to more than 5,100 cars in week 8 before declining slightly to 4,800 cars in week 9.
- Heading into week 8 CN has 415 outstanding orders as compared to 403 outstanding orders coming into week 7.



CP

- CP fulfilled 90% of hopper car orders for week 7, a decline from the 95% order fulfillment performance seen the prior week and the worst performance of the year thus far.
- For week 7, CP supplied 3,842 of 4,274 cars ordered, failing to supply 432 cars ordered.
- During week 7, CP supplied a total of 4,067 hoppers including 135 for previously outstanding orders and 108 for future week orders. (see table page 3).
- CP's performance across individual shippers was comparable to the prior two weeks with all shippers receiving 81% or more of cars ordered.
- At 4,274 cars ordered in week 7 shipper demand was 2% higher than the prior week.
- Preliminary data indicate that demand will continue to rise and is currently projected to increase 64% in week 8 to 7,000 cars and then decline 25% to 5,300 cars in week 9. The extremely high demand currently showing for CP in week 8 reflects a significant number of orders from prior weeks that shippers have deferred to week 7. This is fairly common practice although the counts are abnormally high. As always readers are cautioned that forward looking estimates of CP demand can change significantly due to the planning of Dedicated Trains by individual shippers.
- Heading into week 8 CP has 303 outstanding orders as compared to 185 coming into week 7.

Railway Hopper Car Rationing/Cancellations

CN

- CN cancelled 108 hopper car orders in week 7 - the first signs of rationing we have seen this year.
- Preliminary data do not indicate that any rationing is occurring in weeks 8 and 9.

CP

- CP cancelled 144 hopper car orders in week 7 also the first rationing seen for CP this year.
- Preliminary data do not at this time indicate that any order rationing is occurring in weeks 8 and 9.



Performance Dashboard

Hopper Car Demand

	Week 07			This Year		Last Year		This Year versus Last Year	
	This Year	Last Year	This Year vs. Last Year	YTD	Weekly Average	YTD	Weekly Average	YTD	Weekly Average
CN	4,681	4,936	(255)	20,347	2,906	15,938	2,276	4,409	629
CP	4,274	5,786	(1,512)	22,917	3,273	23,751	3,393	(834)	(119)
Total	8,955	10,722	(1,767)	43,264	6,179	39,689	5,669	3,575	510

Cars Shipped

Railway	Corridor	Week 07	YTD
CN	N.A. Domestic	184	1,191
	Prince Rupert	499	595
	Thunder Bay	1,071	4,863
	Vancouver	2,216	12,355
Total		3,970	19,004
CP	N.A. Domestic	184	1,885
	Thunder Bay	1,016	6,848
	Vancouver	2,867	12,926
Total		4,067	21,659

Empty Hopper Cars Supplied - Week 07 (All Want Weeks)

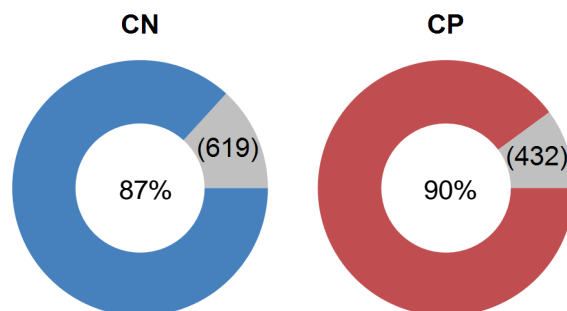
	Current Week Orders		Prior Week Orders		Future Week Orders		Total Cars Supplied	
	This Year	Last Year	This Year	Last Year	This Year	Last Year	This Year	Last Year
CN	4,062	4,240	412				4,474	4,240
CP	3,824	4,179	135	1,146	108	295	4,067	5,620
Total	7,886	8,419	547	1,146	108	295	8,541	9,860

Supplied by Block Size

Block Size	Week 07			Year to Date		
	CN	CP	Total	CN	CP	Total
1	1%	2%	2%	2%	4%	3%
25	2%		1%	5%	2%	3%
50	2%	2%	2%	3%	3%	3%
100	95%	96%	95%	90%	91%	91%

Current Week Order Fulfillment

	CN	CP	Total
Current Week Hopper Car Demand	4,681	4,274	8,955
Current Week Order Fulfillment			
Supplied in Current Week	4,062	3,824	7,886
Supplied Early		18	18
Total Cars Supplied for Want Week	4,062	3,842	7,904
Current Week Unfulfilled Demand	(619)	(432)	(1,051)
% Current Week Orders Supplied	87%	90%	88%

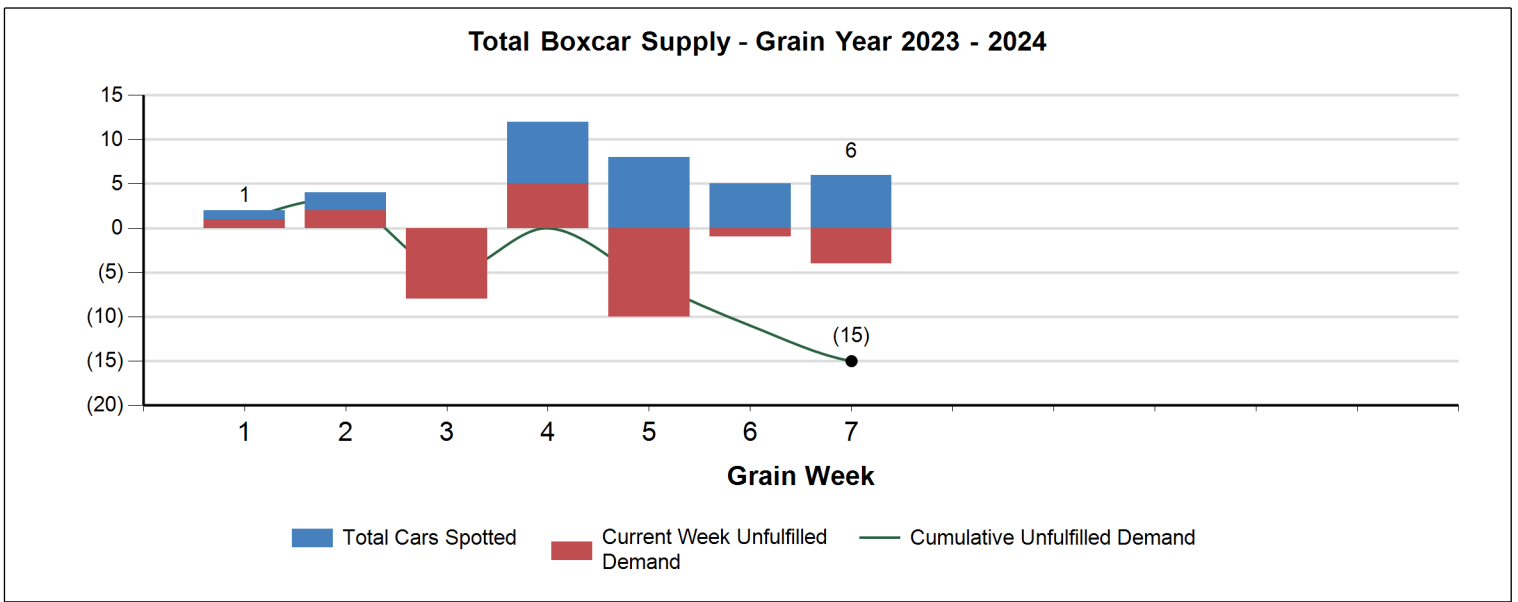
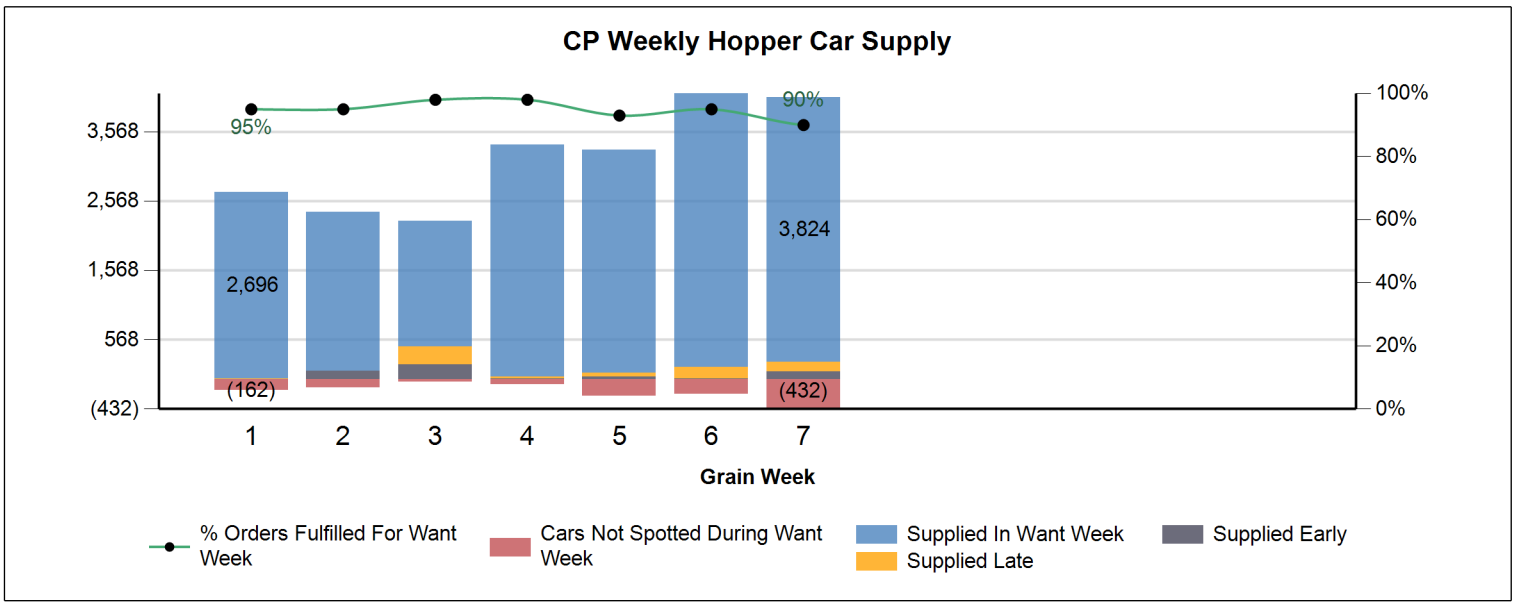
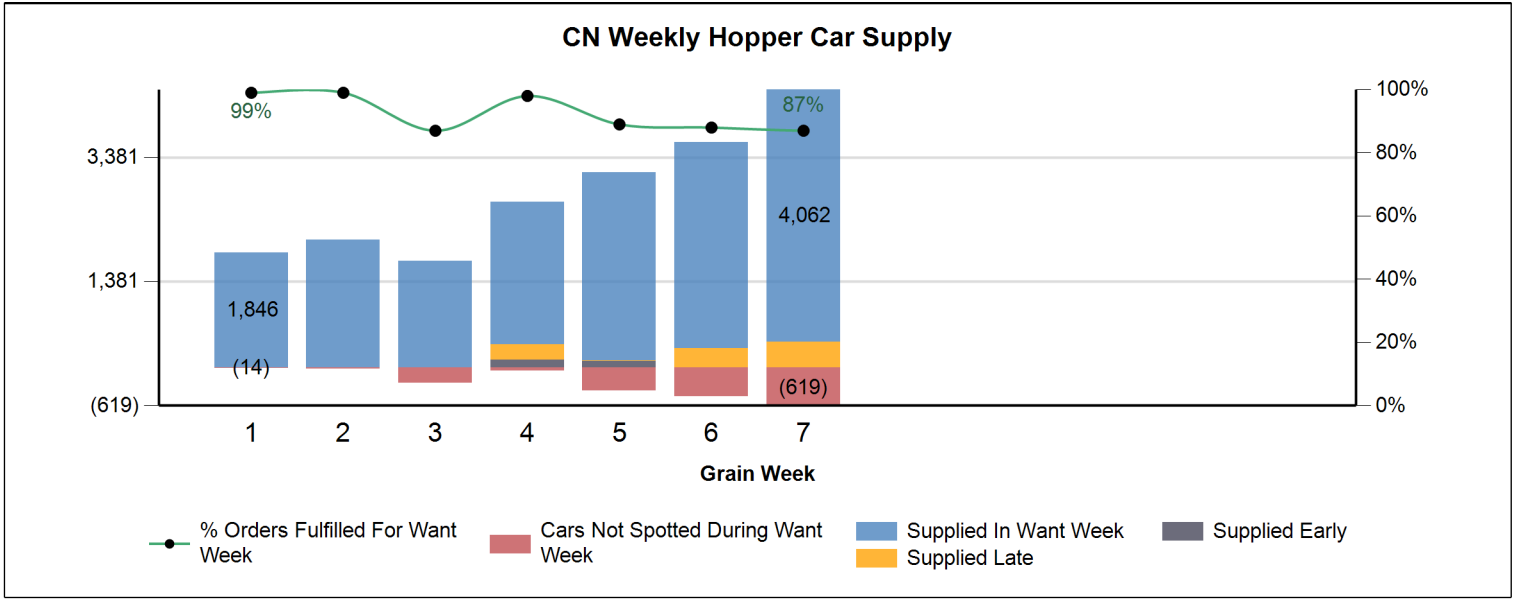


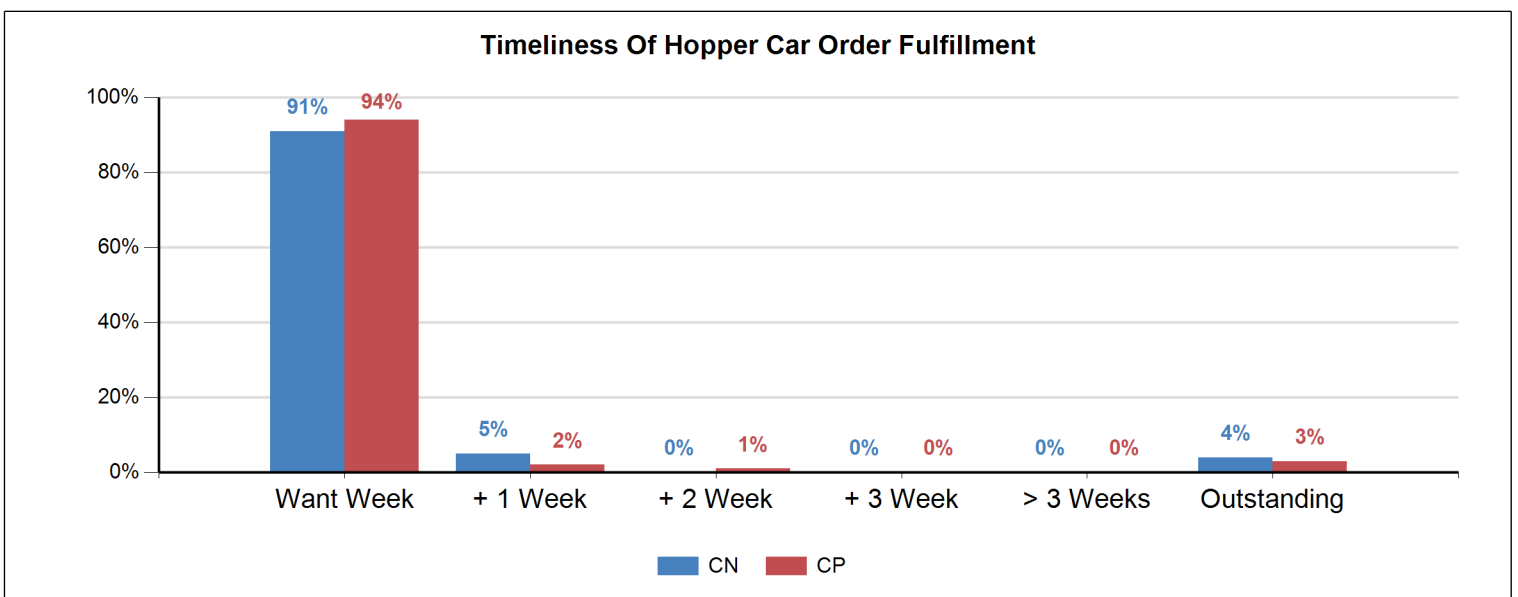
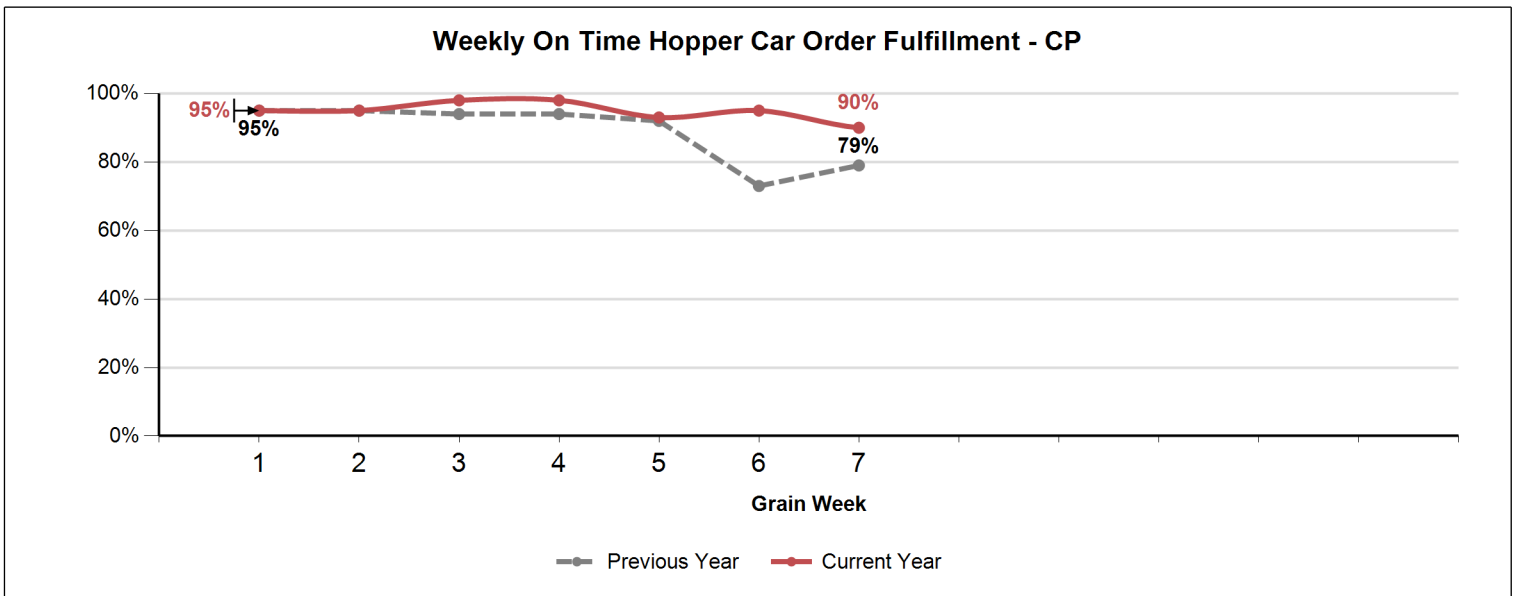
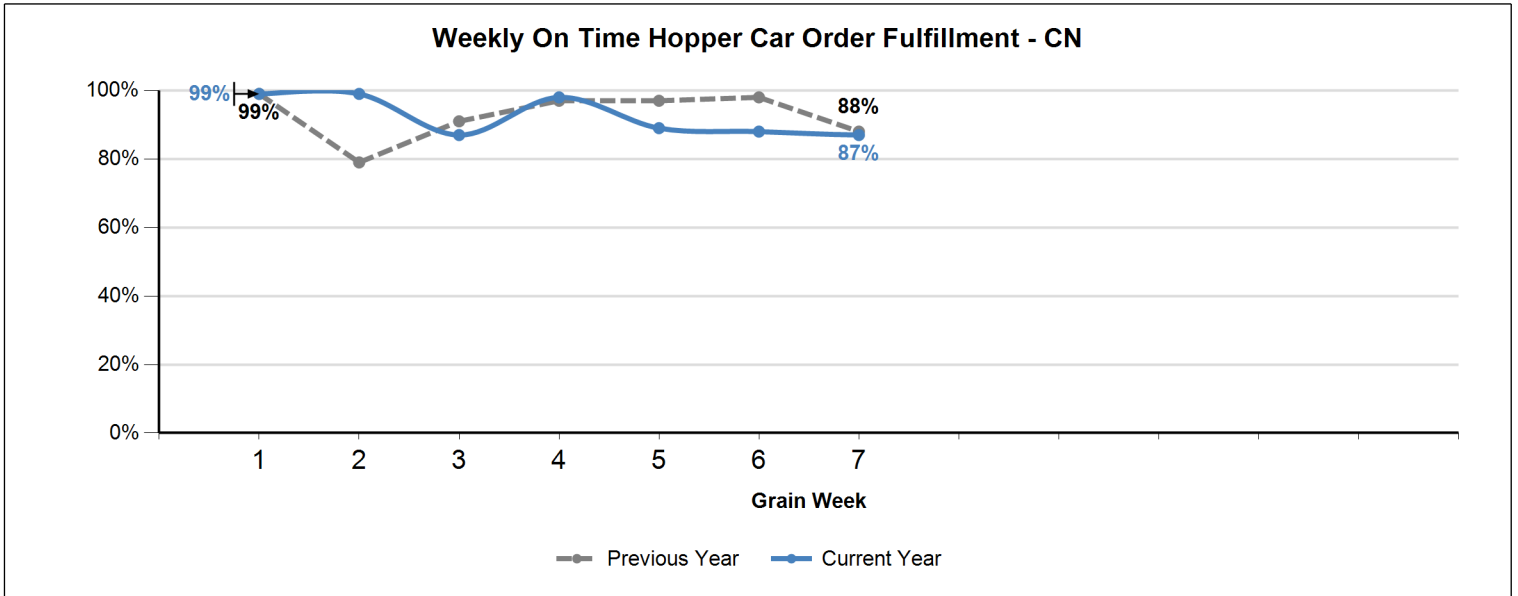
Loaded Dwell Time (Hours) at Origin (All Traffic)

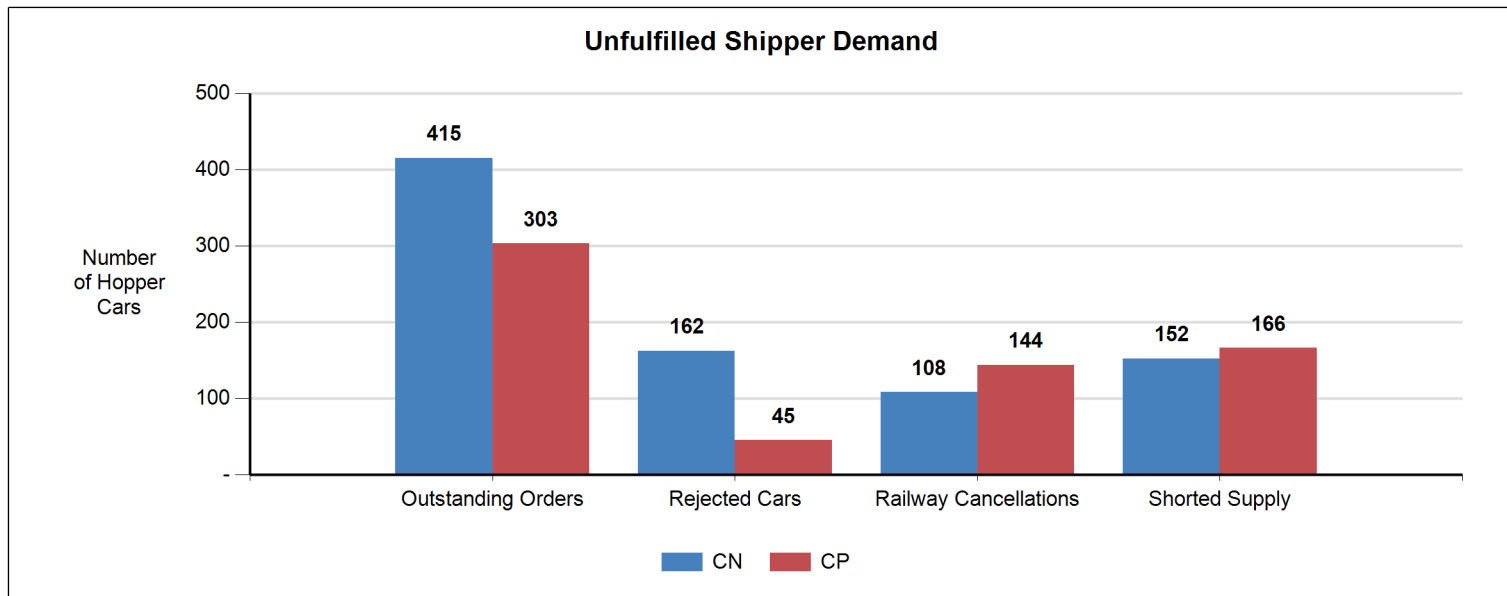
	Week 07		Year to Date	
	This Year	Last Year	This Year	Last Year
CN	20	16	22	18
CP	28	25	40	35

Dwell Time (Hours) at Destination (All Traffic)

		Week 07		Year to Date	
		This Year	Last Year	This Year	Last Year
Vancouver	CN	8	13	9	10
	CP	13	14	15	12
Thunder Bay	CN	36	21	39	17
	CP	45	38	39	52







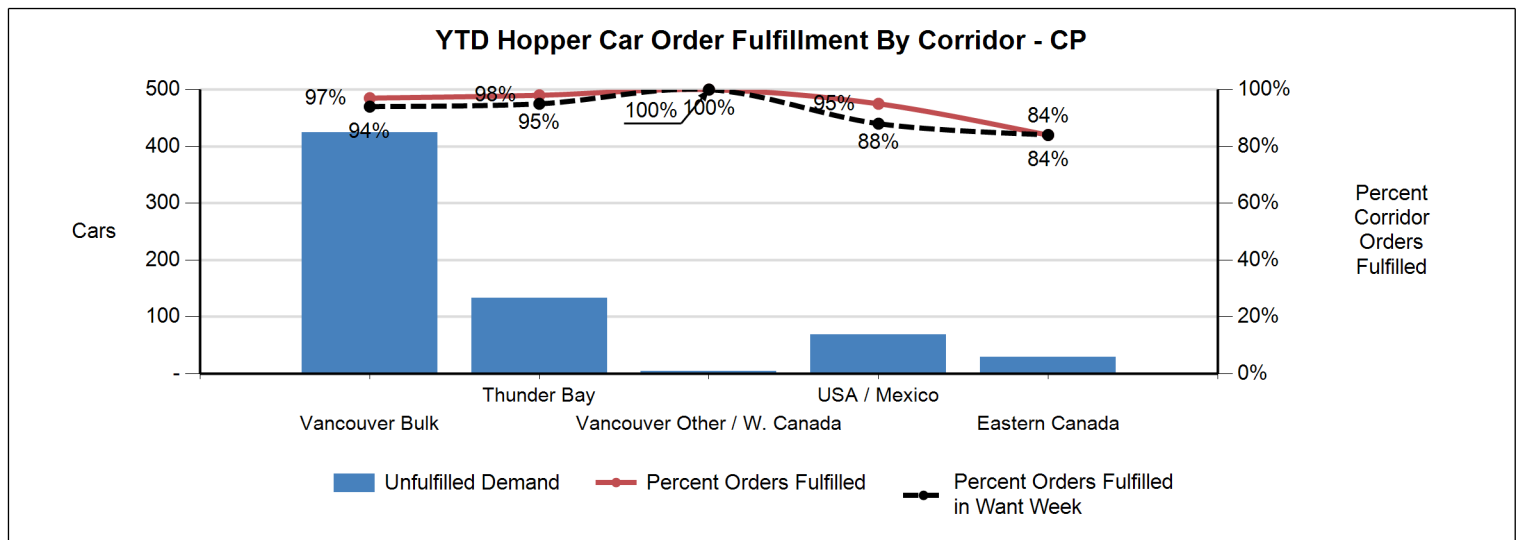
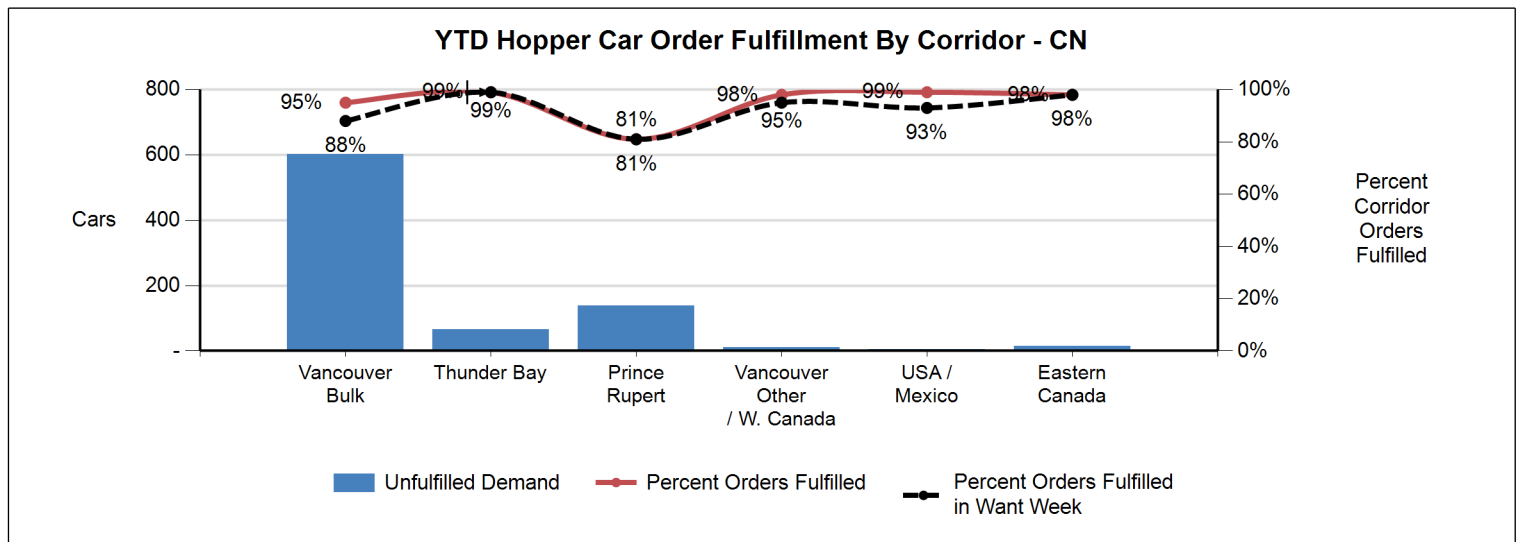
Corridor Performance

Total Hopper Car Supply by Corridor for Current Year Orders - To Week 07

Railway	Corridor	Ordered	Supplied	Unfulfilled Demand	%Supplied
CN	Vancouver Bulk	12,846	12,244	(602)	95%
	Thunder Bay	5,032	4,967	(65)	99%
	Prince Rupert	734	595	(139)	81%
	Vancouver Other / W. Canada	556	545	(11)	98%
	USA / Mexico	423	418	(5)	99%
	Eastern Canada	756	741	(15)	98%
Total		20,347	19,510	(837)	96%
CP	Vancouver Bulk	13,318	12,894	(424)	97%
	Thunder Bay	7,141	7,008	(133)	98%
	Vancouver Other / W. Canada	877	873	(4)	100%
	USA / Mexico	1,402	1,334	(68)	95%
	Eastern Canada	179	150	(29)	84%
Total		22,917	22,259	(658)	97%

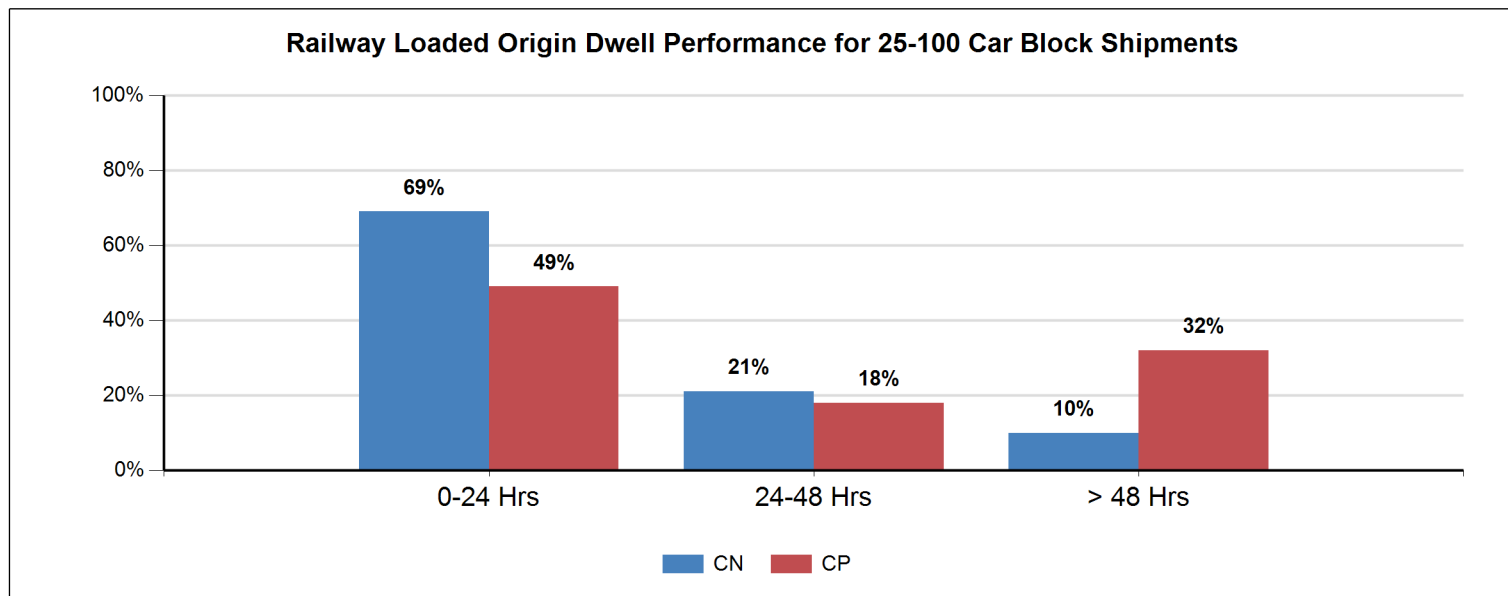
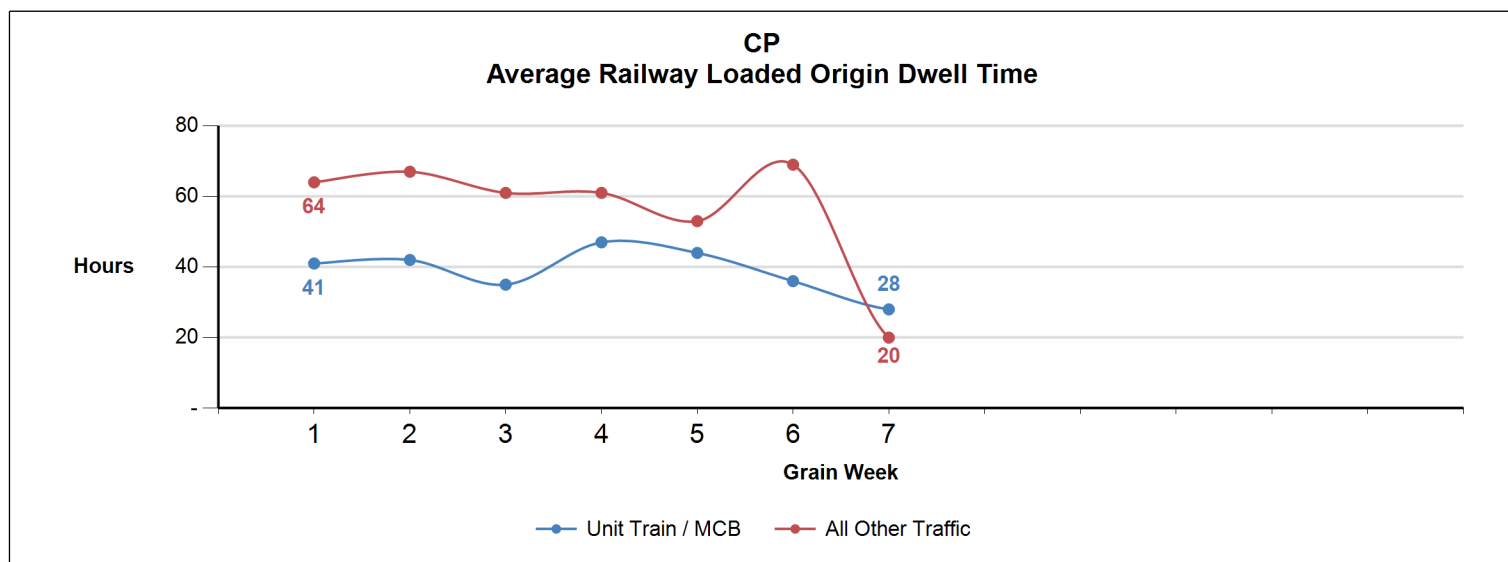
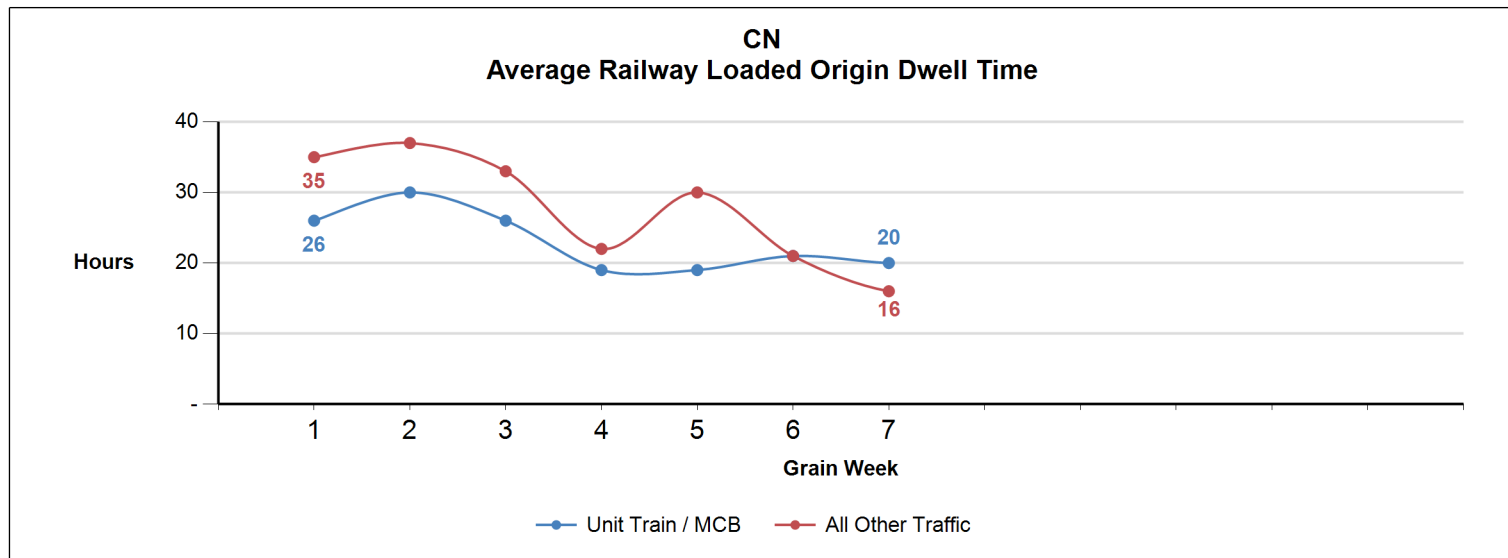
Hopper Cars Supplied in the Want Week by Corridor - To Week 07

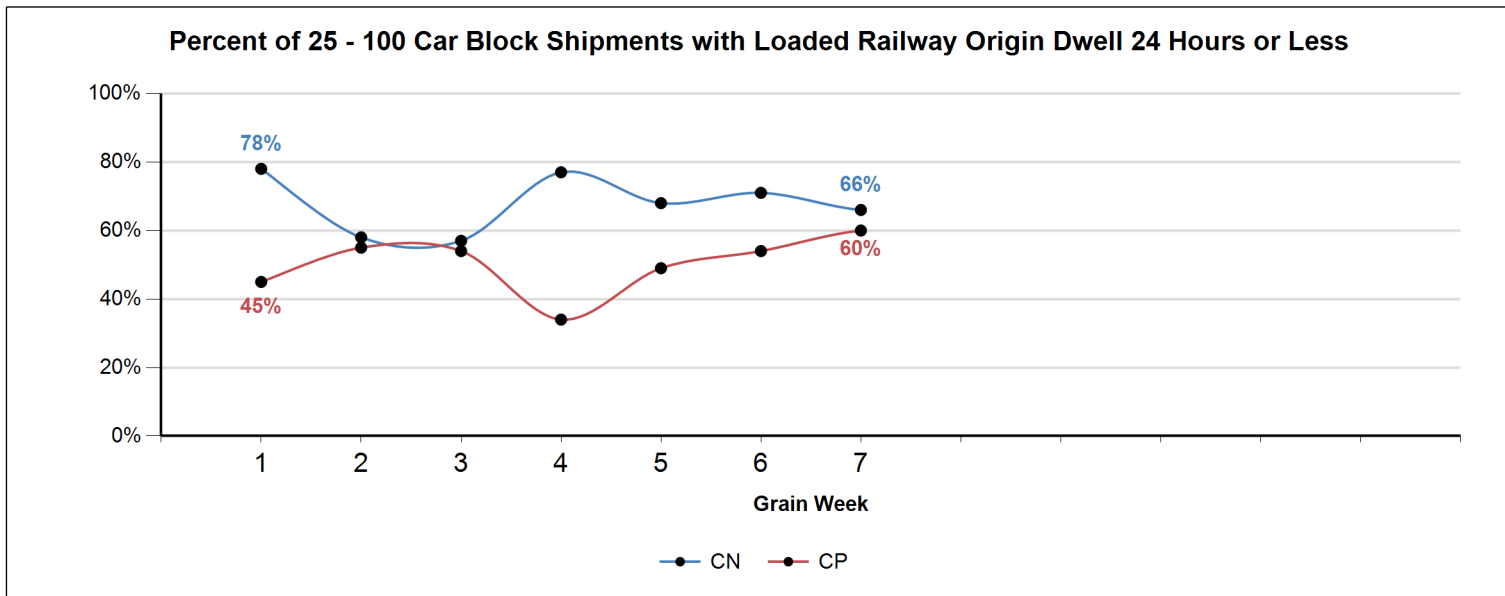
Railway	Corridor	Week 07			Year to Date		
		Ordered	Supplied	%Supplied	Ordered	Supplied	%Supplied
CN	Vancouver Bulk	2,660	2,203	83%	12,846	11,317	88%
	Thunder Bay	1,186	1,167	98%	5,032	4,967	99%
	Prince Rupert	638	499	78%	734	595	81%
	Vancouver Other / W. Canada	9	9	100%	556	529	95%
	USA / Mexico	25	25	100%	423	393	93%
	Eastern Canada	163	159	98%	756	741	98%
	CN Total		4,681	4,062	87%	20,347	18,542
CP	Vancouver Bulk	2,945	2,629	89%	13,318	12,581	94%
	Thunder Bay	1,239	1,123	91%	7,141	6,786	95%
	Vancouver Other / W. Canada	29	29	100%	877	873	100%
	USA / Mexico	5	5	100%	1,402	1,231	88%
	Eastern Canada	56	56	100%	179	150	84%
	CP Total		4,274	3,842	90%	22,917	21,621



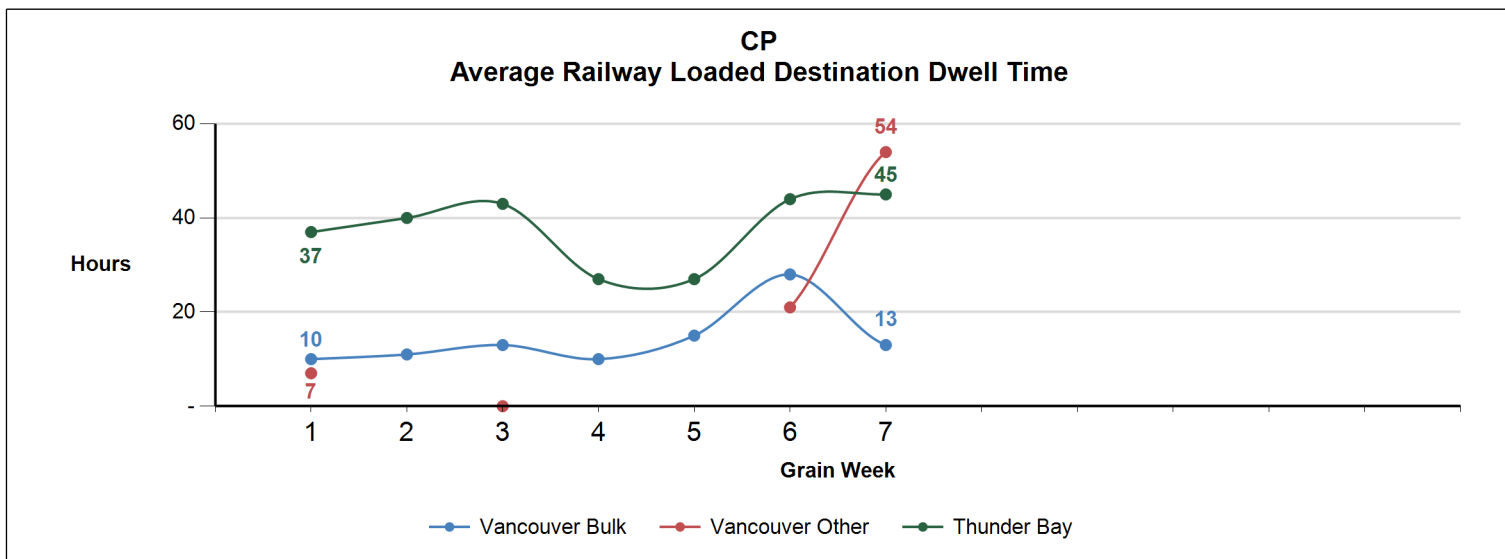
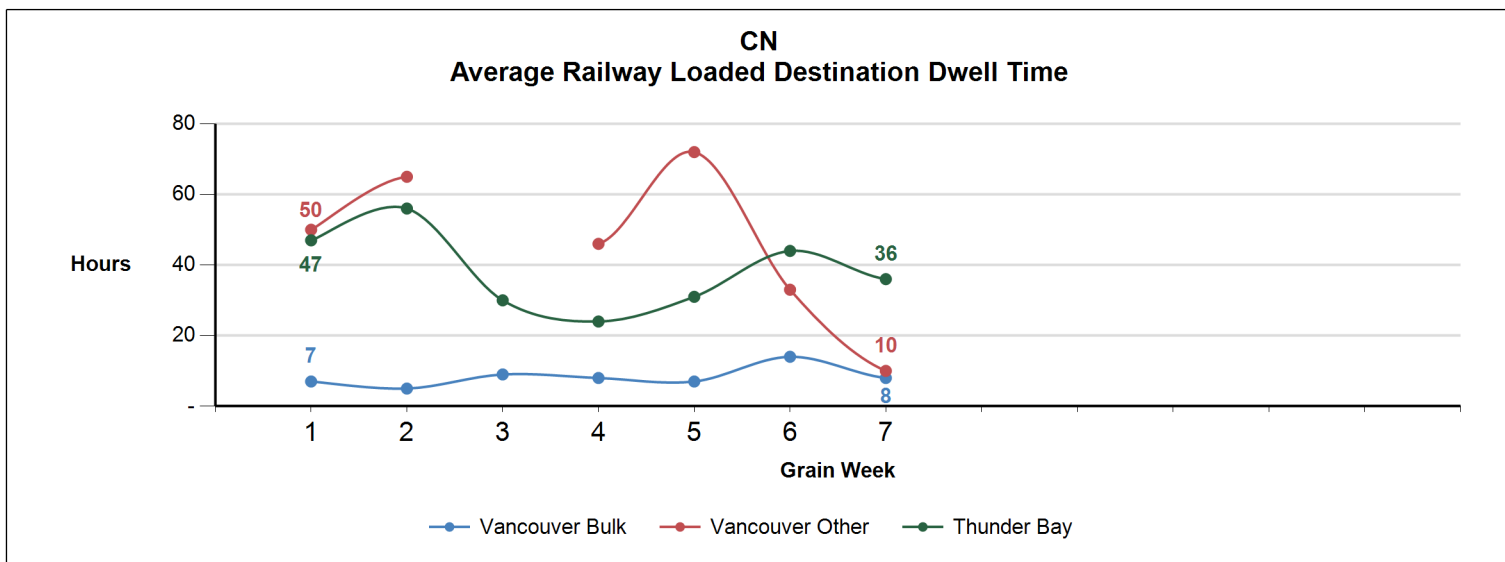


Origin Dwell Performance



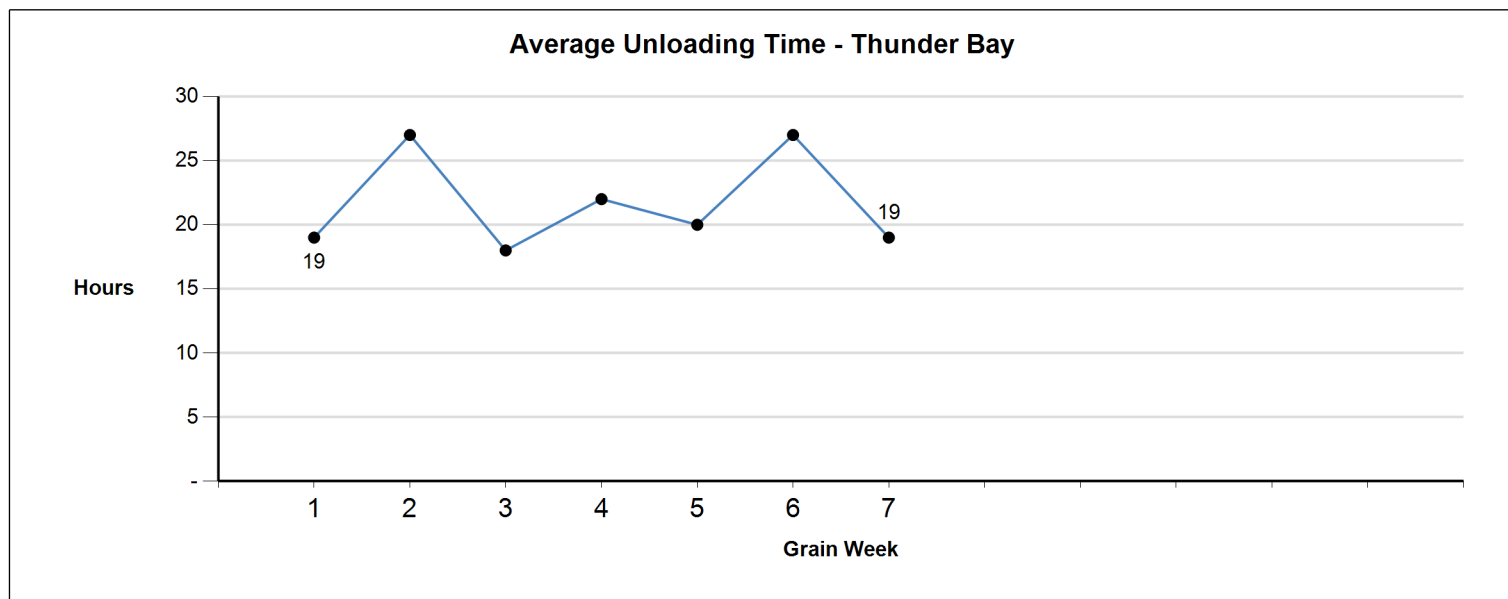
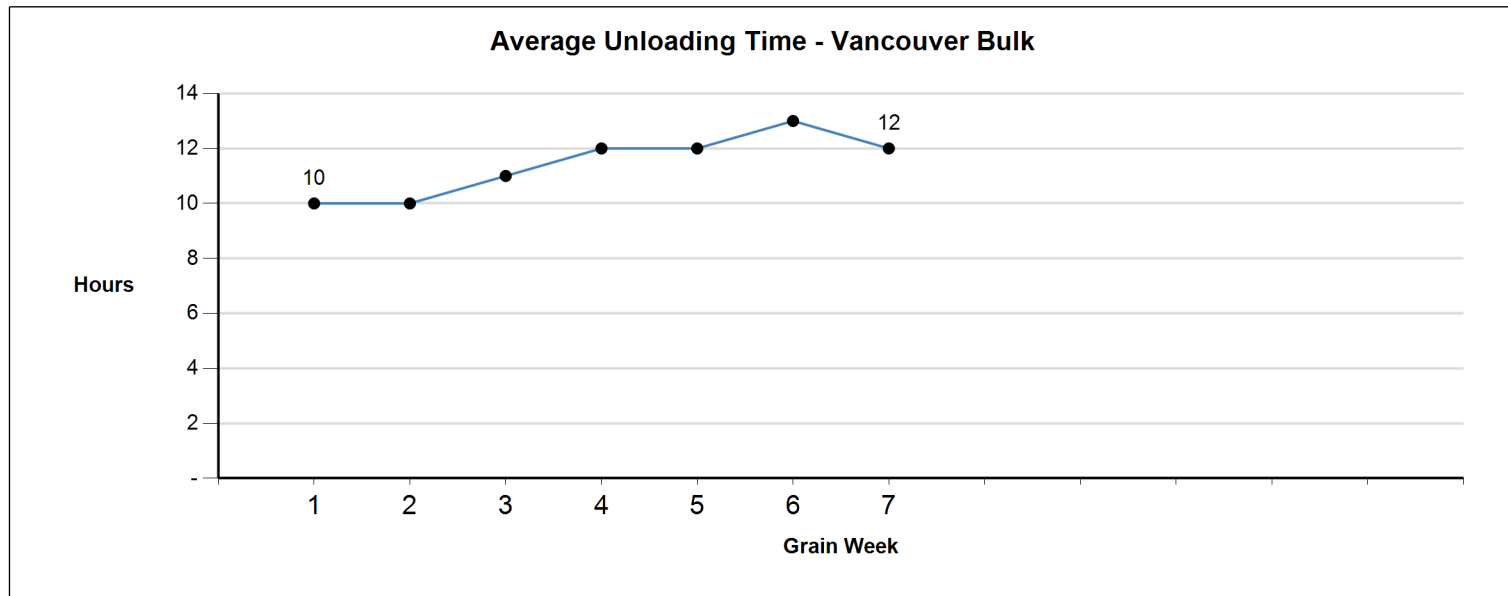


Destination Dwell Performance





Port Terminal - Unloading Time





Glossary of Terms

Hopper Car Demand	The total number of hopper cars ordered for a given want week for each of CN and CP. Demand data is presented for the current week report and for the grain year to date. Comparisons are provided for the current grain versus the prior grain year.
Empty Hopper Cars Supplied	A count of all empty hopper cars supplied for the grain service week being reported on. Supply is categorized based on whether it is for the current want week, for prior week orders or for future week orders (supplied early).
Supplied by Block Size	Percentage distribution of total hopper car supply for the current report week and year to date (YTD) based on the block size ordered by shippers and as reported by shippers.
Hopper Cars Supplied in Want Week	A count of all empty hopper cars supplied for a want week in that want week including cars supplied early which are considered on time.
Want Week	Order week as defined by the railways
Cars Supplied Early	Cars supplied for orders in a given want week supplied in advance of that week – these cars are considered on time for performance measurement purposes.
Cars Supplied Late	Cars supplied during a grain service week that are for a prior week’s orders.
Hopper Car Orders Supplied Within the Want Week	The number of hopper cars supplied by the railways during or in advance of the want week expressed as a percentage of total orders for the week.
Future Week Orders	Orders supplied in a given grain service week that are for orders in weeks after the week for which performance is being reported. – Reference Page 1 – Empty Hopper Cars Supplied
Prior Week Orders	Orders supplied in a given grain service week that are for orders in weeks prior to the week for which performance is being reported. – Reference Page 1 – Empty Hopper Cars Supplied
Outstanding Orders	Orders that shippers expect to have fulfilled by the railways that remain unfulfilled as of the report date. This excludes bad order cars, shorted cars, denied orders and railway cancellations.
Unfulfilled Demand	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 includes orders not filled as a result of bad order and shorted cars and as such represents the volume of missed and deferred shipper orders.
Origin Dwell	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.
Destination Dwell	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.
Unloading Time	The average time elapsed between the placement of a loaded car at the receiver’s facility and the release of the empty car back to the railway.
Port Terminal Unloading Time	The average elapsed time between the placement of a loaded car for unloading to the release of the empty car. This measure is based on railway reported placement and empty release events.