



CN Testimony

Hearing on Growth in the Freight Rail
Industry, Docket No. EP 775

September 16, 2024
Surface Transportation Board
Washington D.C.

308724

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Office of Proceedings
September 16, 2024
Part of
Public Record



Our Purpose is to Power the Economy

Derek Taylor

Executive Vice-President and Chief
Field Operating Officer



CN's Three Strategic Pillars



**Sustain and build
service excellence**



Grow our business



Grow our people

CN powers the economy through these three pillars

How CN Runs the Plan



CN follows scheduled railroading to achieve growth

CN's Car Velocity (Car Miles Per Day)



Please note that the methodology for calculating Car Velocity was updated in 2021 to reflect more complete information. Historical Car Velocity figures from 2019-2020 have been adjusted to conform to the current methodology.

CN's car velocity in Q1 2023 and Q1 2024 were the highest since 2017

CN's Local Service Commitment Plan



LSCP measures customer deliveries:

- In the right cars
- On the right day
- In the right switch window



All-time LSCP high of 94% in Q2 2024

- Up 3% since Q2 2023
- Up 11% since Q2 2022

CN is delivering consistent, reliable service for our customers

Growing Our Business

Patrick Lortie

Senior Vice-President and Chief
Strategy Officer



CN's Three Strategic Pillars



**Sustain and build
service excellence**



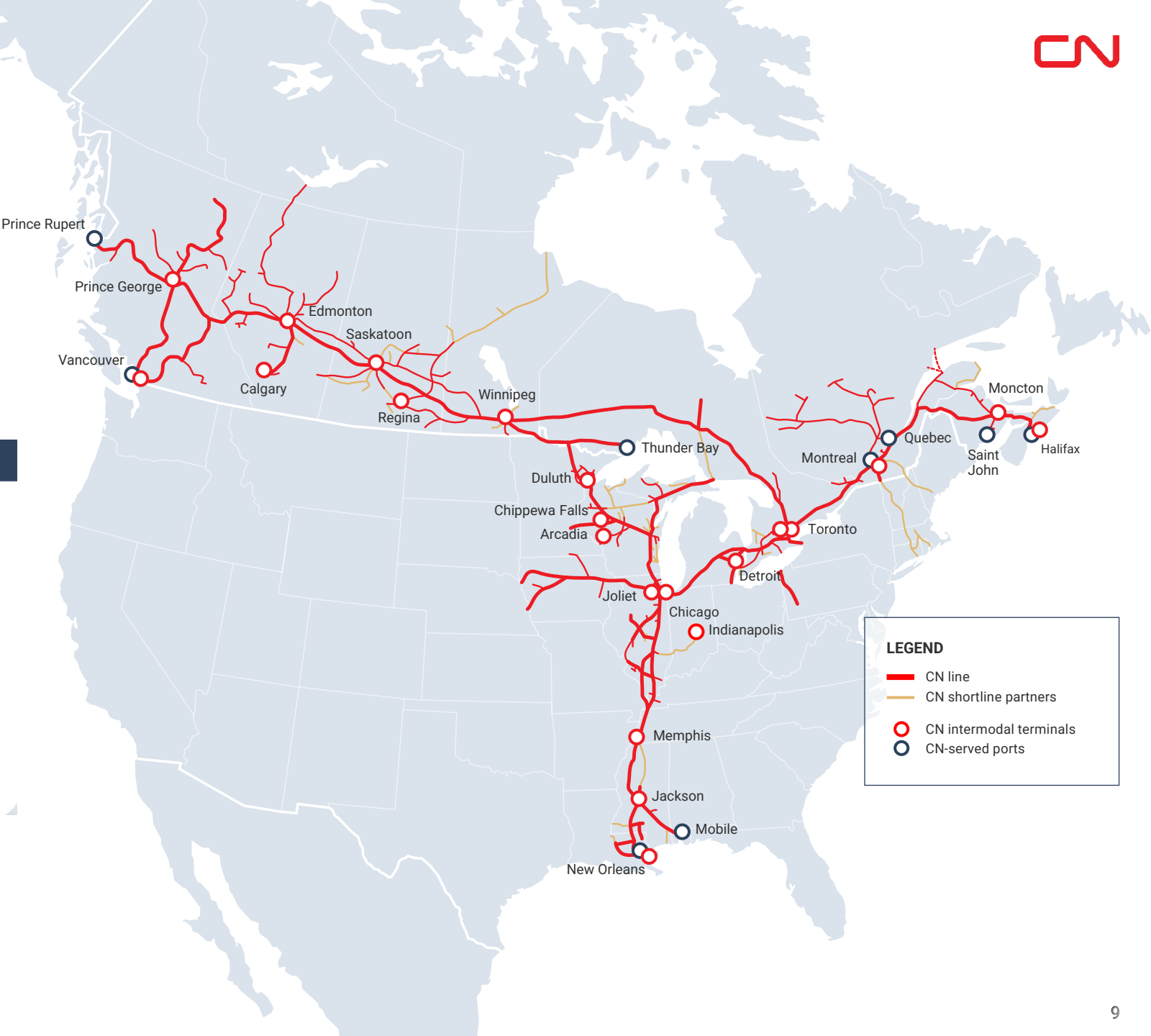
Grow our business



Grow our people

CN powers the economy through these three pillars.

CN's North American Network Spans Three Coasts



2023 KEY STATISTICS ⁽¹⁾

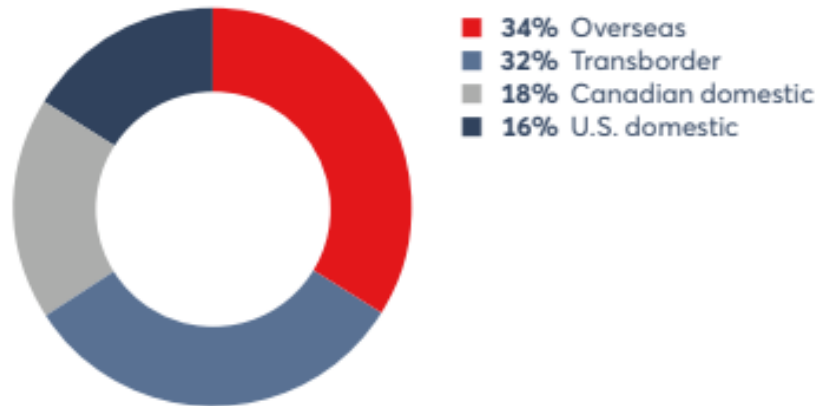
18,800	5.4M	>300M
ROUTE MILES	CARLOADS	TONS OF CARGO
\$3.1B	\$52.7B	~25,000
CAPITAL INVESTMENTS ⁽²⁾	ASSETS	EMPLOYEES (end of period)

(1) As at or for the year ending December 31, 2023
 (2) Net of amounts reimbursed by customers

CN Has Broad Geographic Exposure

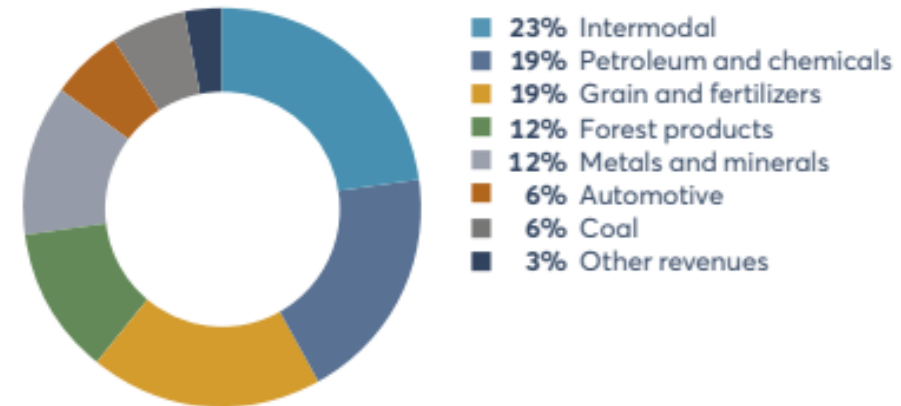
2023 REVENUES BY GEOGRAPHIC FLOW

(% of freight revenues)



2023 REVENUES BY COMMODITY GROUP

(% of total revenues)



CN's freight revenues are derived from seven main commodity groups representing a diversified and balanced portfolio of goods transported between a wide range of origins and destinations. This product and geographic diversity better position the Company to face economic fluctuations and enhance its potential for growth opportunities.

CN has a balanced and diverse portfolio of commodities

CN is Investing in Railcars

Since 2021

- 4,500 new railcars purchased
- 10,250 leased railcars added

Since 2022

- 1,600 boxcars acquired of two different types:
 - standard 60-foot boxcars
 - 50-foot boxcars to support pulp, paper, and metals customers

Since 2018

- 4,250 new hopper cars purchased

CN's Efforts to Grow Intermodal With Other Railroads



CN is extending its intermodal reach by working with other railroads to take trucks off the highway

Thank you