

Steven Connolly
9838 Old Baymeadows Road #217
Jacksonville, Florida 32256

March 27, 2025

Tracy Robinson, President and Chief Executive Officer
Canadian National Railway
Montreal (Headquarters)
935 de La Gauchetiere Street West
Montreal, Quebec, Canada H3B 2M9

Re. *Surface Transportation Board Finance Docket 36744- Acquisition and Control Iowa Northern Railway Company- Long Term Strategy.*

Dear Ms. Robinson:

The reason for this letter is to request information about your recent acquisition and control of the 218-mile Iowa Northern Railway.

I've followed this entire finance docket including my own analysis of the attached financial statements and I'm not understanding why your company has any interest in this railroad?

Your prior statement: *"This additional investment in the United States underscores our dedication to delivering outstanding rail service while driving economic growth."* - Tracy Robinson.

I think both your 2024/2025 financial statements and investor presentations provide some real contrast to this statement. From a valuation position I see increasing debt structure, declining revenue base and forward use of credit facilities. And if this financial information is placed alongside some of the issues facing both the agricultural complex and foreign trade brings me back to my original and continuing question: why does the Canadian National Railway have any interest in this railroad?

It's my understanding that the Iowa Northern Railway going forward will require both physical and intellectual capital investment if it is to be successful, competitive in a definitely changing Midwestern and agricultural marketplace.

Tracy Robinson, CEO
March 27, 2025
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I think the challenges are very real.

Sincerely,

Steven Connolly

Steven Connolly

Attachments

Source: CN Financial Statements and Investor Presentations 2024/2025.

cc. Parties of Record.

Iowa Department of Transportation- Railroad Division.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 – Debt

In millions	Maturity	US\$ denominated amount	As at December 31,	2024	2023
Notes and debentures⁽¹⁾					
Canadian National series:					
2.95% 10-year notes ⁽²⁾	Nov 21, 2024	US\$	–	\$ –	\$ 27
2.80% 10-year notes ⁽²⁾	Sep 22, 2025			350	
2.75% 10-year notes ⁽²⁾	Mar 1, 2026	US\$	500	719	
6.90% 30-year notes ⁽²⁾	Jul 15, 2028	US\$	475	683	629
3.20% 10-year notes ⁽²⁾	Jul 31, 2028			350	350
3.00% 10-year notes ⁽²⁾	Jul 31, 2029			350	350
4.60% 5-year notes ⁽²⁾	Jul 2, 2029			700	–
4.15% 7-year notes ⁽²⁾	Mar 10, 2030			550	550
7.38% 30-year debentures ⁽²⁾	Oct 15, 2031	US\$	200	288	265
3.85% 10-year notes ⁽²⁾	Aug 5, 2031			1,151	1,059
4.40% 10-year notes ⁽²⁾	Mar 10, 2033			400	400
5.85% 10-year notes ⁽²⁾	Nov 1, 2033	US\$	300	431	397
6.25% 30-year notes ⁽²⁾	Aug 1, 2034	US\$	500	719	662
4.38% 10-year notes ⁽²⁾	Sep 18, 2034	US\$	750	1,079	–
6.20% 30-year notes ⁽²⁾	Jun 1, 2036	US\$	450	647	596
6.71% Puttable Reset Securities PURS ^{(A)(2)}	Jul 15, 2036	US\$	250	61	331
6.38% 30-year debentures ⁽²⁾	Nov 15, 2037	US\$	300	1	397
3.50% 30-year notes ⁽²⁾	Nov 15, 2042	US\$	250	–	331
4.50% 30-year notes ⁽²⁾	Nov 7, 2043	US\$	250	331	
3.95% 30-year notes ⁽²⁾	Sep 1, 2044			400	400
3.20% 30-year notes ⁽²⁾	Aug 2, 2046		61	935	861
3.60% 30-year notes ⁽²⁾	Aug 1, 2047			500	500
3.65% 30-year notes ⁽²⁾	Feb 3, 2048		600	863	795
3.60% 30-year notes ⁽²⁾	Jul 31, 2048			450	450
4.45% 30-year notes ⁽²⁾	Jan 30, 2049	US\$	650	935	861
3.60% 30-year notes ⁽²⁾	Feb 8, 2050			450	450
3.05% 30-year notes ⁽²⁾	Feb 8, 2050			450	450
2.45% 30-year notes ⁽²⁾	May 1, 2050	US\$	600	863	795
4.40% 30-year notes ⁽²⁾	Aug 6, 2052	US\$	700	1,007	927
4.70% 30-year notes ⁽²⁾	May 10, 2053			800	800
6.13% 30-year notes ⁽²⁾	Nov 1, 2053	US\$	300	431	397
5.10% 30-year notes ⁽²⁾	May 2, 2054			550	–
4.00% 50-year notes ⁽²⁾	Sep 22, 2065			100	100
Illinois Central series:					
7.70% 100-year debentures	Sep 15, 2096	US\$	125	180	165
BC Rail series:					
Non-interest bearing 90-year subordinated notes ⁽²⁾	Jul 14, 2094			842	842
Total notes and debentures				19,684	19,917
Other					
Commercial paper					
Finance leases					
Equipment loans and other⁽⁴⁾					
Total debt, gross				21,521	21,674
Net unamortized discount and debt issuance costs⁽⁵⁾				(1,166)	(1,166)
Total debt⁽⁶⁾				20,355	20,508
Less: Current portion of long-term debt				1,166	2,340
Total long-term debt				\$ 19,189	\$ 18,168





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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 – Earnings per share

In millions, except per share data	Year ended December 31,		2024	2023	2022
Net income	\$	4,448	\$	5,625	\$ 5,118
Weighted-average basic shares outstanding		633.5		657.7	686.4
Dilutive effect of stock-based compensation		1.0		1.4	1.9
Weighted-average diluted shares outstanding		634.5		659.1	688.3
Basic earnings per share	\$	7.02	\$	8.55	\$ 7.46
Diluted earnings per share	\$	7.01	\$	8.53	\$ 7.44
Units excluded from the calculation as their inclusion would not have a dilutive effect:					
Stock options		1.2		1.0	0.6
Performance share units		0.4		0.5	0.2

9 – Accounts receivable

In millions	As of December 31,		2024	2023
Freight	\$	966	\$	1,001
Non-freight		219		274
Gross accounts receivable		1,185		1,325
Allowance for credit losses		(21)		(25)
Net accounts receivable	\$	1,164	\$	1,300

10 – Other current assets

In millions	As of December 31,		2024	2023
Income taxes receivable		143	\$	—
Prepaid expenses		113		133
Derivative instruments (Note 22)		38		—
Other		40		33
Total other current assets	\$	334	\$	166

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



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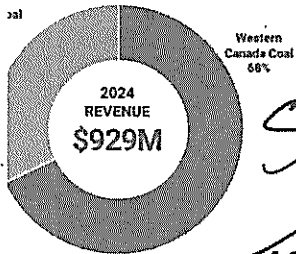
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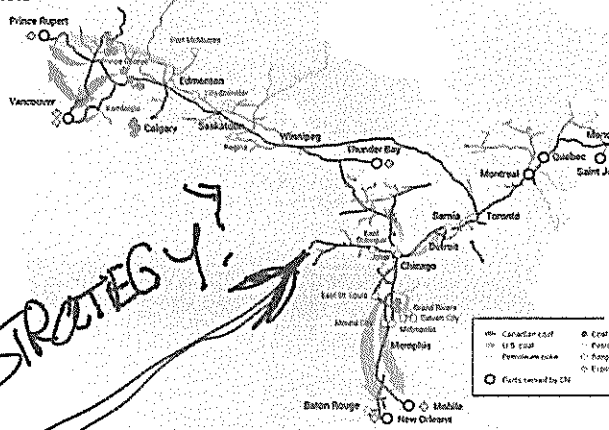
ncy and resiliency for our customers
aging our multiple coal export outlets

ngle access to Trigon (Prince Rupert) and
Marine Terminal (Louisiana)
offering opportunities for growth in Canadian
export coal

(Vista) coal mine (started in May 2019).
Coal Valley restarted production in



STRATEGY 4



and fertilizers

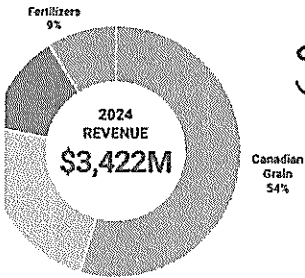
ocused on helping power the
ire economy

ie hopper fleet, locomotive fleet, and
crew base to move the anticipated
f grain over the course of the 2024-2025

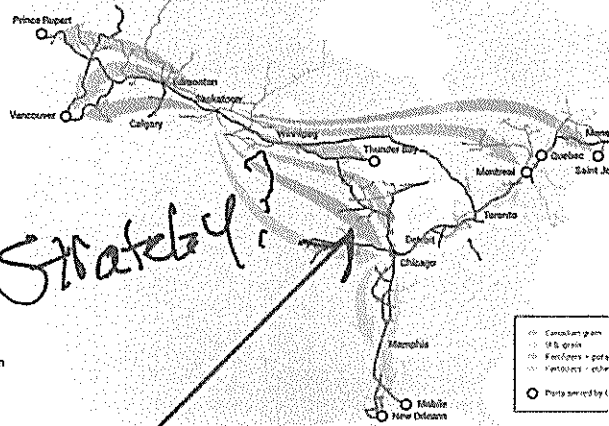
hw CN high-capacity grain hoppers now in

I customer participation in CN's Western
eet integration program

se in the annual price index for Canadian
rain for the 2024-25 crop year



STRATEGY 4



nodal

n CN's intermodal market is expected to come from port
, inland capacity and partnerships over the next 2-3 years

laboration with all supply chain
lers allow our customers to reach new

ain collaboration agreements with key
ures maximum efficiency for international
al customers

il² has one of Canada's largest reefer



AI Assistant



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