

Before the
SURFACE TRANSPORTATION BOARD

ENTERED
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June 7, 2019
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Public Record

Finance Docket No. 35087 (Sub-No. 8)

CANADIAN NATIONAL RAILWAY COMPANY AND GRAND TRUNK
CORPORATION – CONTROL – EJ&E WEST COMPANY

BARRINGTON'S REQUEST FOR ORAL ARGUMENT

The Village of Barrington, Illinois, by and through counsel, respectfully requests the Board to hold an oral argument in the above referenced case that will permit an open and frank discussion of the misleading history of the proceeding and of critical new evidence and changed circumstances. In seeking an oral argument, Barrington notes that 49 U.S.C. § 1322(c) explicitly provides that the Board may “*at any time* on its own initiative because of material error, new evidence, *or* substantially changed circumstances (1) *reopen a proceeding*; grant rehearing, reargument, *or* reconsideration of an action of the Board; *or* (3) change an action of the Board.”¹ As has long been recognized, “[t]he words ‘any time’ mean ‘any time’; they do not mean ‘within a reasonable time’.” *United*

¹ Emphases added. The current statutory provisions are traced to 49 U.S.C. § 722(c), which was recodified without change in the Surface Transportation Reauthorization Act of 2015, Pub. L. No. 114-110, 129 Stat. 2228. However, it should be noted that the unique reopening standards predate the codification of the Interstate Commerce Act. *See* 49 U.S.C.A. § 17(6).

States v. ICC, 221 F. Supp. 584 (D.D.C., 1963).² Given the undeniable fact that Congress has repeatedly recodified long-standing language governing reopening, the words “at any time” continue to mean “at any time”; and do not mean “within a reasonable time.” As recognized in *American Farm Lines v. Black Ball Freight Service*, 397 U.S. 532, 540 (1970), the power of the Commission, and now the Board, to reconsider its decisions is not limited or qualified by the terms of former 49 U.S.C. § 17(6) or (7), which, after being reenacted four (4) times without substantive change, are now codified at § 1322(c).³

Barrington’s new evidence presented in its pending Petition to Reopen mandates a different result consistent with 49 U.S.C. § 1322(c) and warrants the imposition of an additional condition requiring CN to pay the remaining \$37.5 million of the \$73,408,760 total cost of constructing a grade separation at U.S. Hwy 14. This new evidence demonstrates materially changed circumstances that cannot be reconciled with the original projections that drove the initial stages of this proceeding. Not only has the projected number of trains significantly changed, the same is true of the speed of those trains and their length. Simply stated, the original projections upon which the Board relied in determining mitigation could not have anticipated the tremendous

² The cited case involved the ICC’s reopening and reversal in 1960 of final decisions dated as early as February 1951 to correct material errors. The original complaints had been filed in February and March of 1948.

³³ Pub. L. 114-110, 29 Stat. 2228 (Dec. 18, 2015). *See also*, 49 U.S.C. § 17(g), Pub. L. 94-210, 90 Stat. 31; 49 U.S.C. § 10327(g), Pub. L. 95-473, 92 Stat. 1349 (Oct. 13, 1979); 49 U.S.C. 722(c), Pub. L. 104-88, 109 Stat. 803 (Dec. 29, 1995).

adverse impact on Barrington that is solely and directly attributed to CN's acquisition of the EJ&E Line and the unforeseen operational changes made by CN following its 2009 acquisition. It is for this reason the original members of the Board established an oversight period and committed to track operational changes and deviations from projections and assess their impacts so that adjustments could be made to counter unforeseen adverse impacts caused by the acquisition.

CN's June 4, 2019, Investor Day Presentation demonstrates that it has taken over ten years to reach the point when the actual impacts of CN's acquisition of the EJ&E Line can be accurately quantified.⁴ As this multi-executive presentation prove, the 2007 projections that underlie the Board's approval of CN's acquisition of the EJ&E and its accompanying mitigation materially underestimated the vast operational benefits that CN has maximized, as well as the harms that have been inflicted on Barrington, which are beyond anything the Board imagined.

Because the original Board members are no longer in office, the current Board should reopen the proceeding, either on its own initiative or in response to Barrington's petition, and perform the oversight functions established by the original Board in 2008. As the new Board members are aware, Barrington has advanced multiple written challenges to support its request for additional

⁴ See <https://seekingalpha.com/article/4268256-canadian-national-railway-cni-investor-presentation-slideshow?dr=1>. For the convenience of the Board, relevant slides reflecting the significant financial and operational results attributed to the acquisition of the EJ&E are attached hereto as Exhibit 1.

mitigation. However, as the record also reflects, Barrington's efforts have been met with a series of oversight decisions that facially reflect a firm determination to avoid any analysis of the extent to which CN's operational realities mesh with the Board's original NEPA projections for impacts in Barrington. Given the Board's statutory jurisdiction to reopen a proceeding at any time, it is well past time for the Board to reexamine its original NEPA assessments in light of CN's current operational realities and provide Barrington with grade separation mitigation that is equitable to that granted Lynwood and Aurora in 2008. Given Barrington's new evidence that reflects CN's senior management's plans to move even more CN trains in the near future after it double tracks its line just to the south of Barrington, the Village must, once again, request oral argument.

The original oversight period (that was twice extended) was intended to provide the Board with the ability to "carefully scrutinize any divergence from applicants' projections – both on rail and vehicular traffic – in future oversight proceedings,"⁵ and "take additional steps or impose additional requirements if conditions warrant."⁶ As Commissioner Mulvey then recognized, "[n]o one is in a better position to determine what mitigation measures are needed and appropriate than the affected community itself. In my view, this Board should not presume to know better than the affected communities what mitigation will be required in the public interest."⁷

⁵ *2008 Final Decision*, Vice Chairman Mulvey, Comments, slip op. at 56.

⁶ *Id.*, Commissioner Buttrey, Comments, slip op. at 57.

⁷ *Id.*

As reflected by its decisions in April and October 2017, the Board has, in effect, eviscerated meaningful oversight by adopting the simplistic approach “that variances from projected data over time are to be expected.”⁸ Indeed, by refusing to recognize the necessity to carefully monitor CN’s extensive deviations from its own original projections, the Board has turned oversight topsy-turvy in order to protect CN’s corporate interests.

The Board, consistent with Commissioner Buttrey’s observation, should acknowledge that Barrington, and not the Board, is in the best position to assess the impact of CN’s expanding operations. However, as the record demonstrates, the Board has never assessed the substantial variances between CN’s projections and current realities. Instead, it has repeatedly focused on CN’s raw 2007 projection of 20.3 daily trains. Second, it has invoked the counterintuitive mantra that 2.49 hours of pre-transaction delays at the U.S. Hwy. 14 crossing reflected pre-existing capacity constraints and congestion that are somehow responsible for more than 100 hours of CN-induced post-transaction delays.

Given Barrington’s new evidence that CN has knowingly used different line segment train counts at other agencies that cannot be reconciled with the projections upon which the Board relied over the last decade, justice requires the Board to examine the need for a grade separation in light of the totality of the evidence instead of relying on obsolete projections previously used to predict whether a crossing would be substantially affected. There is no avoiding

⁸ October 2017 Decision, slip op. at 10.

the conclusion that the crossing at U.S. Hwy. 14 has been substantially impacted.

Furthermore, CN's increased operations constitute the only variable that exists between OEA's NEPA review determination of 2.49 hours of pre-transaction daily delay and over 100 hours of measurable daily post-transaction delays. Hence, it is plainly evident that pre-existing traffic lights, mature trees, and the location of the UP/Metra rail line have had absolutely nothing to do with the much-worsened traffic congestion that has followed CN's acquisition of the EJ&E line. Stated in a slightly different manner, if substantial delays associated with pre-existing conditions had existed, OEA would have been able to document them in the DEIS/FEIS. That it was unable to do so speaks for itself. To the extent that OEA undertook a closer analysis of congestion issues in its FEIS analysis (known as the VOBTOA), that analysis did *not* address the hours of delay at Barrington's U.S. Hwy. 14 crossing. In fact, OEA's Barrington-specific traffic analysis "was performed to ... [e]valuate possible mitigation strategies for Hough Street,"⁹ not U.S. Hwy. 14. Moreover, OEA employed an *area-wide* analysis that concentrated on A.M and P.M. rush-hour periods *during which CN observes curfews on freight train movements* to reach the superficial and irrelevant conclusion that "under the transaction, the Barrington *area* total delay time would increase by 4% and 5% during the AM

⁹ FEIS at 2-48.

and PM peak periods.”¹⁰ Hence, this conclusions shed no light on the impact of delays caused by CN trains at the U.S. Hwy. 14 crossing.

While the courts have determined that they lack jurisdiction to consider Barrington’s arguments regarding material error in the FEIS and the *2008 Final Decision*, that does *not* preclude the Board from exercising its statutory authority to correct material errors that happened years ago in the haste to meet CN’s own schedule for consummating the transaction. Even if the merits of the Board’s factual conclusions regarding pre-existing congestion in the *2008 Final Decision* had been affirmed by the courts, *which they were not*, that would not prevent the Board on its own initiative from reconsidering OEA’s conclusion that any traffic issues would be primarily the result of preexisting conditions. Under the plain language of § 1322(c), it may do so even in the absence of new evidence and materially changed circumstances. Here, however, the Board is faced with compelling new evidence and materially changed circumstances introduced by CN itself in 2018 before another federal regulator.

In the *November 2012 Decision*, the Board cited its decision in *Railroad Ventures, Inc.-Aban. Exemption- Between Youngstown, Ohio & Darlington, Pa.*, AB 556 (Sub-No. 2X, (STB served Apr. 28, 2008) to support the contention that Barrington may not revisit the law of the case by making the same argument that was unsuccessful in court. In the first place, the law-of-the-case doctrine

¹⁰ *2008 Final Decision* at slip op. at 45 n101.

is a prudential rule rather than a jurisdictional one. It does not deprive the Board of its statutory jurisdiction to reconsider OEA's factual conclusions upon which the Board relied in 2008. Moreover, the doctrine does not apply to questions of fact. In addition, because the courts have never explicitly affirmed the Board's factual finding in this proceeding that any traffic issues would be primarily the result of preexisting conditions, reliance on the law-of-the-case doctrine is misplaced. Because Barrington's petition is based on new evidence and materially changed circumstances, there is nothing to bar the Board from reconsidering its earlier mitigation decisions in light of the new evidence or evidence of record that had been previously overlooked and/or ignored.

In seeking an oral argument, Barrington wishes to provide the current Board members the opportunity to hear firsthand from both parties to this proceeding the situation that exists in Barrington due to CN's rail operations. Unfortunately, Barrington must state for the record, that it believes that a thorough reexamination of the record will prove that critical evidence mentioned in Barrington's pleadings has not been included in the various oversight decisions or has been twisted beyond recognition in an effort to cover up original errors in analysis that led to unequal treatment for Barrington on the mitigation front. In seeking an opportunity to address the Board, Barrington is hopeful that the Board will recognize the need to reexamine key findings and eliminate the cookie-cutter approach reflected in the previous oversight decisions that fails to progress beyond 2008 projections.

In deciding whether to grant oral argument, Board members are respectfully requested to note that on multiple occasions crucial pieces of evidence favorable to Barrington were never mentioned in the FEIS, the *2008 Final Decision*, and in subsequent oversight decisions. For example, even though it has been claimed that “the conclusions of Barrington’s 2008 traffic study,” which were filed with the Board on September 30, 2008, caused the Board to conduct its own traffic study (the “VOBTOA”), why weren’t the numerical results of Barrington’s traffic study mentioned in the FEIS and in the Board’s *2008 Final Decision*? Because Barrington’s study projected over 135 hours of vehicular delay at the U.S. Hwy. 14 crossing versus OEA’s claim of just 31 hours as a result of CN’s planned operations, there is no denying the relevance of that evidence.

Also, while the Board has claimed in court and in its oversight decisions that it considered a number of other factors, such as “the importance of the highway at the particular crossing to regional traffic flows,” it somehow failed to notice that U.S. Hwy. 14 had been designated a Strategic Regional Arterial (“SRA”) route. When Barrington and the Chicago Metropolitan Agency for Planning (“CMAP”)¹¹ both called the Board’s attention to the designation, it was dismissed with the off-hand comment that an “SRA designation was just one factor that was considered when deciding if and what mitigation would be appropriate.”¹² This is just one example of the “whack-a-mole” approach that

¹¹ CMAP brought this reality to the Board’s attention during the NEPA review. However, the Board never corrected that factual error.

¹² November 2012 Decision at 15.

was used to avoid undertaking a comprehensive examination of Barrington's evidence regarding the ever changing post-transaction impacts of CN's freight movements.

For example, in 2011, Barrington filed a further traffic study that pointed out that:

“[r]ailroad crossing delays on U.S. Route 14 attributable to the Acquisition will be eliminated with construction of a grade separation, **but the benefits will extend well beyond U.S. Route 14 itself. IL Route 59 will see substantial benefits as well.** Post-Acquisition delays at the IL Route 59 CN crossing will be reduced by more than 50% because traffic flow across that crossing will no longer have to interact with the effects of simultaneous traffic flow interruptions on U.S. Route 14. (Emphases added).¹³

However, even though the Board's 2008 Barrington-specific analysis evaluated mitigation strategies for Hough Street/Il Route 59, no attempt was made to confirm or discredit Barrington's 2008 or 2011 conclusions. In fact, it was not mentioned in that decision or in any later oversight decision. Why not?¹⁴

The CN-induced congestion situation of today bears little - if any - resemblance to the projected situation in 2008. Given that the projections were based on traffic handled by the two railroads in 2006, this should come as no surprise. In particular, the Board cannot continue to ignore the material error in OEA's repeated conclusion in the FEIS that:

¹³ *Id.* at 15-16 (emphases added). Because that study assumed the movement of 20 trains a day @ 5,800 feet in length, it too is obsolete in many respects. However, the “silent treatment” afforded this conclusion cannot be ignored.

[OEA] concludes that its determination in the Draft EIS was correct and that it would be far too speculative to include future Port of Prince Rupert Phase 2 traffic in the rail traffic projections used in this Final EIS.¹⁵

OEA's conclusion was based on its acceptance at face value of untested representations from CN and unnamed staff of the Port of Prince Rupert – both of whom were motivated to minimize the strategic competitive advantages of the Port *and* long-standing policy of the Canadian Government to maximize Canadian diversion of intermodal traffic from U.S. ports. In addition to stressing the environmental review uncertainties surrounding the construction of the Phase 2 facilities, CN also claimed in 2008 that new projections indicated potential growth in trans-Pacific intermodal between 2010 and 2020 had fallen from “10 and 20%” to only “5 to 7.”¹⁶

As the record reflects, when the Illinois Department of Transportation and Barrington introduced overwhelming evidence in 2017 that showed that Phase 2 was on schedule to be completed in August 2017, the Board once again chose to accept assurances offered by CN's senior management that “[w]hether Phase II of the Fairview Container will be complete and precisely when is uncertain.”¹⁷ Because his sworn testimony was contradicted by Jean-Jacques Ruest, CN's CMO and Executive Vice-President on April 25, 2017, it is

¹⁵ FEIS at 3.4-108. *Also see*, 3.4-76 where a nearly identical statement is made.

¹⁶ Letter to Victoria J. Rutson from Paul A. Cunningham, dated October 21, 2008. The erroneous nature of the “new projections” is clearly reflected by the CN slides in Exhibit 1 hereto.

¹⁷ *April 2017 Decision*, slip op. at 6, citing V.S. Reardon, Vice-President Intermodal Services for CN, at two, dated January 30, 2017.

plainly evident that Reardon's testimony was, at best, fallacious. CN, which worked in close partnership with the Port, was then aware that the completion of Phase II was on schedule. In fact, the scheduled date of completion was widely trumpeted in the trade press and was well known throughout the rail industry. Given the extensive press coverage, which Barrington brought to the Board's attention in multiple pleadings, the decision by the Board at that time to accept CN's baseless representation cannot be explained or justified.

Plainly, OEA was *not* correct in 2008 when it declared that Phase II expansion was far too speculative to consider. While OEA can be forgiven for being hoodwinked in 2008 by CN and its accomplices at the Port of Prince Rupert, there is no excuse for the total failure in 2017 to reassess the actual impact on the citizens of Barrington caused by lengthy double-stacked intermodal trains that now pass through Barrington. As the original Board recognized, oversight was intended to deal with the very situation that is highlighted by the continuing expansion of the Port of Prince Rupert. Given CN's misleading testimony regarding the port facilities and the further planned expansion of the container port infrastructure at Prince Rupert, as well as the projections presented to the U.S. Army Corps of Engineers, there is no rational reason to continue to blindly accept CN's dubious assurances that "the potential impact on future traffic volumes appears minimal."¹⁸

It is abundantly clear that the anticipated increase in carload traffic has been consistently higher than CN originally projected. As Barrington has

¹⁸ April 2017 Decision, slip op. at 6.

demonstrated, unbeknownst to it or the Board, CN as early as 2010 had already advised the Illinois Commerce Commission that it had increased its projections for the Barrington line segment to 25 trains per day. Today, the Board is presented with a new CN projection presented to the U.S. Army Corps of Engineers projecting an increase in the number of trains amounting to perhaps as many as 30+ trains a day. That increase has been accompanied by changes in CN operations that include far longer trains moving about 10 miles slower – operational changes that were unforeseen during the NEPA review in 2008 and discounted by CN and the Board throughout the ensuing years.

The Board should also note that when Barrington initially introduced new evidence that showed CN's trains were moving through Barrington at speeds that were far slower than originally projected, its concerns were dismissed with the speculative comment that "average train speeds observed on the EJ&E rail line in 2011 may increase as planned improvements are completed." *November 2012 Decision*, slip op. at 21. However, when Barrington submitted new evidence in 2017 regarding even slower speeds than were introduced in 2011 (which evidence was confirmed by CN's admission that it had "reduced the allowable speed through the Barrington Interlocking from the originally projected 40 miles/hour to 30 miles/hour"), Barrington's evidence was dismissed out-of-hand because "some variance between what was projected and what has occurred is expected."¹⁹

¹⁹ April 2017 Decision, slip op. at 8.

Based on the foregoing examples, it should be clear to all parties that the author(s) of the previous oversight decisions, for whatever reason, have not only omitted key evidence submitted by Barrington (and generally known throughout the rail industry), they appear to have arbitrarily and repeatedly shifted the goal posts. Because of the broad exemption provided by the Freedom of Information Act, Barrington cannot confirm whether its 2008 evidence was presented to the Board for its consideration or omitted to avoid drawing attention to the vast discrepancy between OEA's and Barrington's traffic studies. Whatever the case, an oral argument will afford the Board members with an unfiltered opportunity to focus on the unmitigated harm that CN's operations has inflicted on Barrington and the surrounding region.

As Patrick Doyle recently commented in an article entitled *Canadian National: My Favorite Dirty Shirt*:

Finally, because of Hunter Harrison's decision to buy the Elgin, Joliet & Eastern Railway Company back in 2009, the company is in the position to route much of its freight around the Windy City. The importance of this last variable shouldn't be underestimated, given that it often takes about the same amount of time to move from Los Angeles to one side of Chicago than to move from one side of Chicago to the other. Bypassing this major chokepoint presents an enormous strategic advantage to Canadian National.²⁰

What is an "enormous strategic advantage to CN," has been, is, and will always be an unmitigated disaster for Barrington absent a single grade separation that allows a fail-safe way for the public and emergency responders

²⁰ <https://seekingalpha.com/article/4265782-canadian-national-favorite-dirty-shirt>.

to cross the EJ&E in the Village. There is no avoiding the conclusion that OEA's study 2008 confirmed the fact that prior to CN's acquisition of the EJ&E Line, traffic congestion at the U.S. Hwy 14 crossing was virtually non-existent.

In the final analysis, despite repeated efforts, Barrington and IDOT have not been able to obtain sufficient public taxpayer funding to mitigate the harm that is being suffered as a result of CN's "enormous" strategic acquisition. In this regard, it appears that the bulk of federal funds allocated to Illinois have been directed to CREATE projects, leaving virtually nothing to small communities, such as Barrington, that have borne the brunt of CN's expanded operations.

Even if full public funding were available, however, why must taxpayers underwrite 95% of the cost of mitigating the harms CN's operations have caused in securing such an enormous strategic (and financial) advantage for itself? Barrington requests that the Board members ascertain the facts for themselves through an oral hearing and then – based on a current assessment of the changed circumstances and new evidence of even more trains looming in the future – reconsider the prior denials of grade-separation relief.

As Prett Bharara, has recently recognized in *Doing Justice*:

But reconsideration is difficult, isn't it? An opinion once formed is hard to abandon. A conclusion once broadcast is hard to withdraw. Witnesses, studies show, stick to their first identification, doctors to their first diagnosis, and lawyers to their first assessment of the merits of a case. But the open mind has to persist beyond the first call in decisions of law and order, or life and death. Every conclusion must be subject to challenge and revision. This is hard because human beings have egos. We are stubborn. That stubbornness

can cause tremendous injustice, especially when the stakes are highest—when public safety is at risk.²¹

Without question, that is the case herein.

Conclusion

This proceeding, which has extended over twelve (12) years, involved eight (8) different Board members, and several requests for reopening, is just now at the point where truly meaningful conclusions regarding the impact on Barrington of CN's acquisition of the EJ&E can be reached. Given the flaws in CN's 2007 projections that have been repeatedly exposed during the past few years, and the new evidence that reflects the future movement of even more CN trains in the near future, Barrington respectfully suggests that an oral hearing will assist the Board in reaching a fair and equitable decision regarding the contested issue of whether CN should be required to pay a significant share of the cost of a single grade separation in Barrington - the construction of which, as IDOT has repeatedly recognized - is solely necessitated by CN's operations.

Given the foregoing comments, as well as Judge Tatel's repeated comments during oral argument that, if the Community Petitioners had mentioned the conclusions reached in Barrington's traffic study in the Joint Petitioners' Opening Brief, the Board would have been required to respond as far back as 2012, there is no reason to perpetuate the myth that Barrington's vehicle delays and other related problems are primarily attributable to preexisting traffic conditions and capacity constraints. At the end of the day, if

²¹ Prett Bharara, *Doing Justice*, 35 (2019).

the Board's environmental review of transactions and the subsequent retained oversight are to have and real meaning, the current Board has both a legal and moral obligation to live up to the commitments that the former Board members made to the public on Christmas Eve 2008.

Respectfully submitted,

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Dated: June 7, 2019

Barrington Exhibit 1, Excerpts from CN Investor Day 2019 Slideshow

Seeking Alpha^α

Canadian National Railway (CNI) Investor Presentation - Slideshow

Jun. 4, 2019 3:16 PM ET

by: SA Transcripts

The following slide deck was published by Canadian National Railway Company in conjunction with this event.

The image shows the cover of a presentation slide deck. It features a large red arrow pointing to the right, which contains a blurred image of a Canadian National Railway train. The text "INVESTOR DAY 2019" is prominently displayed in white, with "JUNE 4 • TORONTO, ON" below it. The CNI logo and the number "100" are visible in the top right corner. Navigation icons (back, forward, search, etc.) are present on the left and right sides of the slide.

Comments (0)

1 of 80

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8 of 80

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Jun. 4, 2019 3:16 PM ET

by: SA Transcripts

The following slide deck was published by Canadian National Railway Company in conjunction with this event.

100
CNI

SOUTHERN REGION

Network optimized for speed and market opportunity

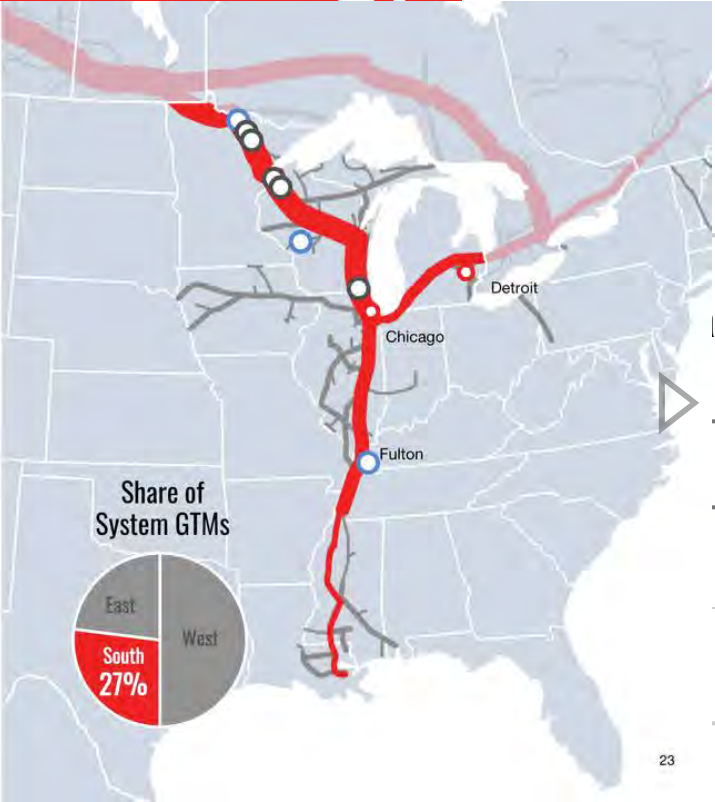
Chicago (EJ&E) structural advantage proven again last winter

- Realizing the benefits of early deployment of capacity investments and a longer construction window
- Key operating metrics -- train speed, car velocity, terminal dwell
 - Now ahead of 2017 levels with ~10% higher workload (GTMs)
- Leveraging operational efficiency and solid service to drive growth: consumer-related in the US Midwest, petrochemical opportunities in the Gulf, and gateways for containerized imports and bulk commodity exports



○ Mainline investments

○ Yard capacity improvements



Share of System GTMs

Region	Share of System GTMs
South	27%
East	33%
West	40%

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23 of 80

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CN

Key Consumer Product Supply Chain Growth Opportunities Enabling Economy Plus Growth

2020-2022
Estimated incremental revenue opportunity

	International Intermodal	Low \$550M	High \$750M
	Domestic Intermodal	Low \$200M	High \$350M
	Automotive	Low \$50M	High \$100M

36

Comments (0)

36 of 80

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CNI

Unparalleled North American Network – Key Capacity Expansions Across Our Network

- Port terminal expansions
- Inland terminal expansions
- New intermodal terminal
- New automotive facilities

CNI

Comments (0)

37

37 of 80

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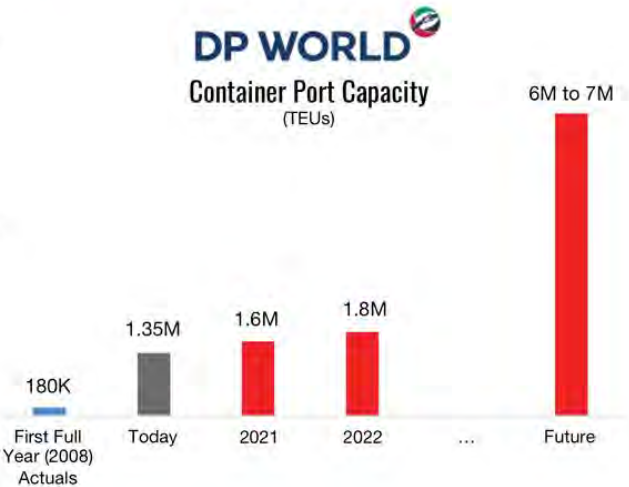
The following slide deck was published by Canadian National Railway Company in conjunction with this event.



International Intermodal – Prince Rupert

Key West Coast port feeding CN's network

- In 2018, achieved 80% of the 1.35M TEU capacity – 2 years ahead of schedule
- Best West Coast gateway to North America
 - 1-2 days closer sailing time
 - Favorable roundtrip economics supported by export balance
 - Close partnership between terminal and rail operations driving efficiency and premium customer service
 - 9 out of 10 major steamship lines now leveraging Prince Rupert's unique advantages



Potential for ongoing capacity expansions for many years to come

Comments (0)

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Canadian National Railway (CNI) Investor Presentation - Slideshow

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The following slide deck was published by Canadian National Railway Company in conjunction with this event.



International Intermodal – Vancouver

All supply chain stakeholders jointly investing

- Significant terminal investments increasing available capacity
- Rail-related investments in Vancouver, funded by CN, Port of Vancouver and Federal Government, aligned to ensure gateway fluidity
- Significant market share continuing to grow

2020-2022
Estimated incremental revenue opportunity

Low
\$250M

High
\$300M



Comments (0)

Deltaport



- Realization of 600K TEU capacity expansion in 2017 was delayed – now operational and CN well-positioned to drive growth

Centerm



- Expansion project starting Q2 2019
 - Annual container throughput capacity will increase by 600K TEUs end of 2021 to 1.5M TEUs

Vanterm



- Planned expansion by 2020
 - Annual container throughput capacity to increase by 215K TEUs to 1.1M TEUs

39

39 of 80

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Jun. 4, 2019 3:16 PM ET

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100
CNI

Crude Oil

Best-in-class network supporting growing demand from Western Canada to U.S. Gulf Coast

- Lack of U.S. Gulf Coast pipeline access and growing production increases demand for crude-by-rail
- Peak rail shipments expected for the next 1-2 years
- Working to create long term crude-by-rail demand by promoting diluent recovery capacity, bringing rail transportation costs in line new pipelines
- Advancing partnerships for CanaPux pilot and eventual full-scale deployment

2020-2022
Estimated incremental revenue opportunity

Up to \$400M

CNI

A map of North America showing rail routes. Red lines represent rail networks, and thick grey arrows indicate the flow of crude oil from Western Canada, through the central U.S., to the Gulf Coast. The map includes labels for 'Western Canada', 'Central U.S.', and 'Gulf Coast'.

46

46 of 80

Comments (0)

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47 of 80

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Canadian National Railway (CNI) Investor Presentation - Slideshow

Jun. 4, 2019 3:16 PM ET

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100
CNI

Coal & Petroleum Coke

Innovating best-in-class natural resources export supply chain

- Unique single access to Ridley and Convent Terminals, offering opportunities for strong growth in export coal
- First coal train from new Coal Spur (Vista) coal mine expected to ramp up to 3M tonnes and eventually to 6M to 10M tonnes
- Heavy Canadian crude processes creating increased pet coke volumes to offshore markets through West Coast and Gulf Coast gateways

2020-2022
Estimated incremental revenue opportunity

Low \$150M	High \$250M
---------------	----------------

CNI

Fort McMurray

Mines

48

48 of 80

Comments (0)

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<https://seekingalpha.com/article/4268256-canadian-national-railway-cni-investor-presentation-slideshow?dr=1>

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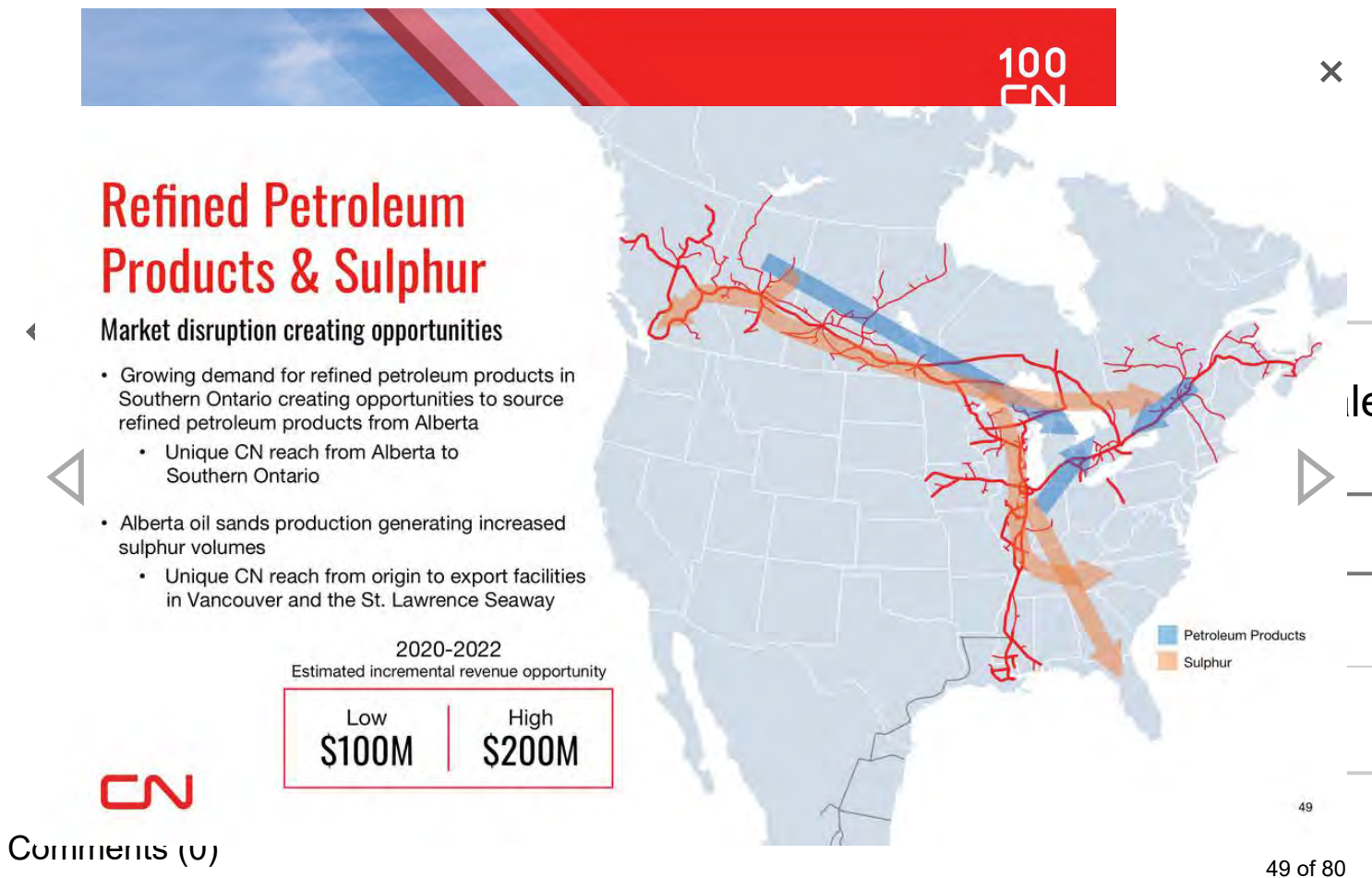
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Canadian National Railway (CNI) Investor Presentation - Slideshow

Jun. 4, 2019 3:16 PM ET

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CNI

Structural Advantage in Chicago

2009

Elgin, Joliet and Eastern Railway (EJ&E)

Speed, reliability, and service advantage supporting growth for the long-term

Comments (0)

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58 of 80

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Canadian National Railway (CNI) Investor Presentation - Slideshow

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CNI

Prince Rupert Port(s) of the East

- East Coast port developments to capture growth from Ultra Large Container Vessels
- Canadian East Coast ports offer competitive gateways for European and Asian cargo
- Partnering with Eastern Canadian port operators to develop market competitive end-to-end service to the U.S. Midwest
- Leveraging our underutilized Eastern network

Emulating the success of our Prince Rupert model

69

Comments (0)

69 of 80

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Certificate of Service

I, Suzanne Devane, this 7th day of June, 2019, do hereby certify that I have served all parties of record via e-mail.

/s/ Suzanne Devane

Suzanne Devane