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Demurrage and Accessorial Charges

Oversight hearing before the Surface Transportation Board

May 22, 2019
Washington, D.C.



Our Network

Our 19,500 mile network in the US and Canada.

What We Move

- 24% Intermodal
- 19% Petroleum & Chemicals
- 16% Grain & Fertilizers
- 13% Forest Products
- 12% Metals & Minerals
- 6% Automotive
- 5% Coal
- 5% Other Revenues

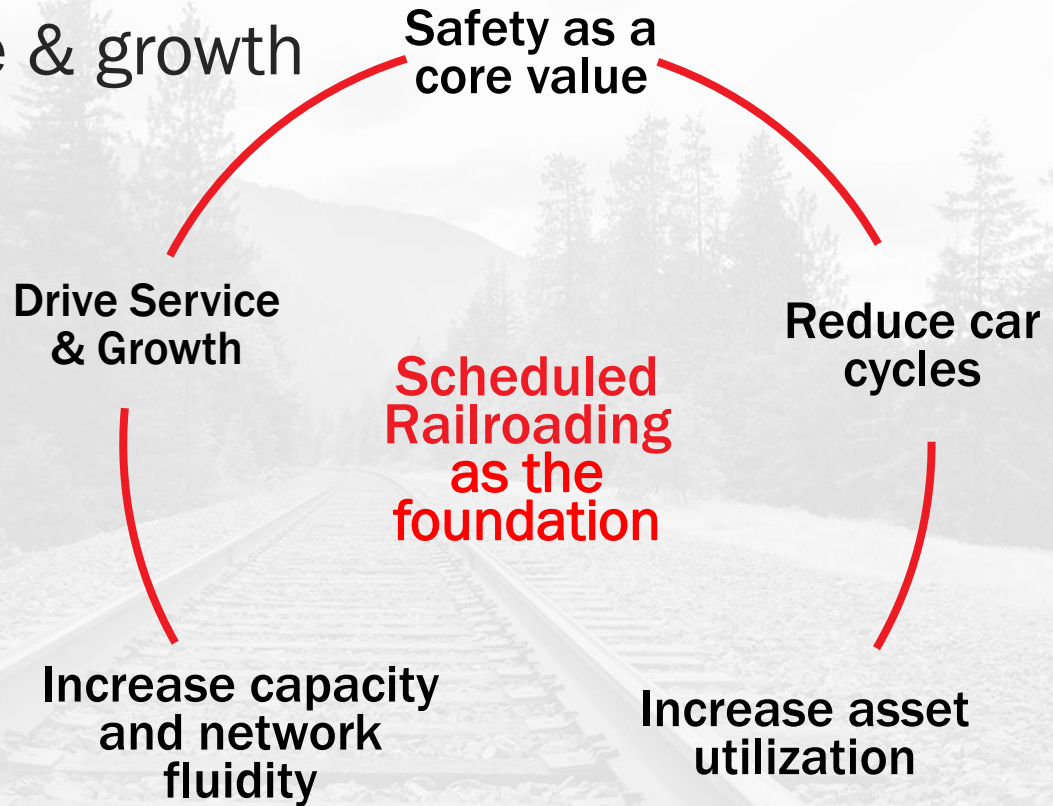
Based on 2018 revenues

Where We Go

- 34% Canada/U.S. Trade
- 26% Global Trade – Asia
- 17% Domestic Canada
- 15% Domestic U.S.
- 5% Global Trade – Europe
- 3% Global Trade – South America



Building more capacity, resilience, and fluidity: A must to drive service & growth



Many factors impact railcar cycles which affect network fluidity and operational efficiencies



Track and Train Capacities

- Track capacity determines loading capacity and train speed
- CN invests each year in capital to enable growth

Railcar Loading / Unloading Time

- The faster railcars are loaded and unloaded, the shorter the railcar cycles become
- Faster railcar cycles improve network fluidity and make more empty railcars available to load

Climate

- Severe weather (e.g. cold, snow, heavy rain) can cause plant closures, equipment failures and changes in human performance
- Cold temperatures can cause train length restrictions

Operating a Railroad in Severe Winter Conditions



Our Invoicing Process

- Invoices can be system generated and others are issued manually based on employee instruction.
- Invoices can be subject to manual review when circumstances suggest further review is appropriate before the invoice goes out.



Our CN 9000 Billing and Dispute Resolution Guarantee

18 Days to Bill

- CN commits to invoice within 18 business days of the service completion date or agreed billing period.
- If CN fails to meet this commitment, the customer does not have to pay the invoice.

15 Days to Dispute

- If customers dispute the invoice in CN's eBill application within 15 business days of the invoice date, CN commits to respond to the dispute within 15 business days.

15 Days to Respond

- If CN does not respond to the dispute within 15 business days, CN will accept the dispute as proposed by the customer. Some disputes may take additional time to resolve.



End

