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OFFICE OF GENERAL
COUNSEL

February 22, 2016

Via First Class U.S. Mail

Federal Election Commission
Office of General Counsel
999 E Street, N.W.
Washington, DC 20463

Re: Request for an Advisory Opinion

To Whom It May Concern:

The Grand Trunk Western Railroad Co. – Illinois Central Railroad Co. Political Action Committee (“GTW-IC PAC” or “PAC”) respectfully submits this Request for an Advisory Opinion from the Federal Election Commission (“FEC”) with regard to the application of the Federal Election Campaign Act of 1971 or the regulations prescribed by the FEC, and pursuant to 11 C.F.R. § 112.1.

GTW-IC PAC is the separate segregated fund of Grand Trunk Western Railroad Company (“GTW”) and Illinois Central Railroad Company (“IC”) and is registered with the FEC as a political action committee. GTW and IC are common carrier railroad corporations incorporated and headquartered in the United States. GTW owns and operates a railroad line between Chicago and Southeastern Michigan and IC owns and operates a line of railroad between Chicago and the Gulf Coast. GTW and IC are corporate affiliates of each other and are each wholly-owned subsidiaries of Canadian National Railway Company (“Canadian National”). Canadian National is a Canadian corporation that owns and operates a railroad line in Canada between the Atlantic and Pacific coasts. Besides GTW and IC, Canadian National also owns other railroads incorporated and headquartered in the United States, including Wisconsin Central Ltd. and Chicago Central & Pacific Railroad Company.

All these American railroads owned by Canadian National are separate corporations that have their own employees, own their own locomotives, rolling stock and rail lines, and submit legal pleadings and regulatory filings in their own corporate name.

Notwithstanding their separate corporate existences, Canadian National and its separate but wholly-owned subsidiaries all operate under the brand “CN.” CN is not an entity in and of itself; it is simply a name used to refer not only to Canadian National but all its American subsidiaries as well.

FLETCHER & SIPPEL LLC

Federal Election Commission
February 22, 2016
Page 2

All locomotives, rolling stock, business cards, public relations material and letterhead have the CN logo. In the business and commercial environments in which these American corporations operate, they are known as CN. Elected officials, as well as local, business and community leaders who interact with the companies know them as CN.

As a consequence, to avoid any confusion, and for purposes of greater transparency, the GTW-IC PAC wants to incorporate the term "CN" into its abbreviation.

The PAC shall remain registered as Grand Trunk Western Railroad Co. – Illinois Central Railroad Co. Political Action Committee, and GTW and IC shall remain the sponsors of the PAC.

The PAC is considering three new acronyms/abbreviations for itself to replace GTW-IC PAC, and requests that the Commission issue an advisory opinion on each proposed acronym/abbreviation as to whether such acronym/abbreviation is legal under federal election laws and regulations.

Specifically, GTW-IC PAC is considering any one of the following new three acronyms/abbreviations:

1. CN PAC
2. GTW-IC-CN PAC
3. GTW-IC PAC, a PAC for CN entities.

GTW-IC PAC requests that the FEC provide an advisory opinion on the legality of each one of these proposed abbreviations/acronyms.

Please feel free to contact me if you have any questions regarding this Request for an Advisory Opinion.

Sincerely,



Michael J. Barron, Jr.
Attorney for GTW-IC PAC

MJB/ekf



Fw: GTW-IC PAC Request for an Advisory Opinion

Esther D Gyory to: Anthony Bell

03/30/2016 10:45 AM

----- Forwarded by Esther D Gyory/FEC/US on 03/30/2016 10:45 AM -----

From: "Michael J. Barron" <MBarron@fletcher-sippel.com>
To: "EGyory@fec.gov" <EGyory@fec.gov>,
Cc: "NSTipanovic@fec.gov" <NSTipanovic@fec.gov>
Date: 03/30/2016 10:37 AM
Subject: RE: GTW-IC PAC Request for an Advisory Opinion

Good morning Esther. I confirm that there are no other SSF's associated with any of the other U.S. subsidiaries of Canadian National Railway Company. We are fine with all the letter and email correspondence and attachments going on the FEC website.

Thank you for your assistance. Let me know if you have questions.

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From: EGYory@fec.gov [mailto:EGyory@fec.gov]
Sent: Tuesday, March 29, 2016 1:22 PM
To: Michael J. Barron
Cc: NSTipanovic@fec.gov
Subject: Re: GTW-IC PAC Request for an Advisory Opinion

Mr. Barron,

Thank you for taking the time to speak with us over the phone and for your follow-up email.

In the summary of the information you provided during our call, I have noted that aside from GTWR-IC PAC, none of the other U.S. subsidiaries of Canadian National Railroad have separate segregated funds. Please confirm that this is accurate, or respond with any necessary correction or clarification.

We plan to place your email below and the attached materials, as well as your response to this email, on our website as a supplement to your request. If you do not want any of these documents made public, please let me know as soon as possible.

Thank you,

Esther Gyory
Attorney, Policy Division
Office of General Counsel
Federal Election Commission
(202) 694-1650

AOR003

From: "Michael J. Barron" <MBarron@fletcher-sippel.com<
mailto:MBarron@fletcher-sippel.com>>
To: "egyory@fec.gov<mailto:egyory@fec.gov>" <egyory@fec.gov<
mailto:egyory@fec.gov>>,
Date: 03/28/2016 06:51 PM
Subject: GTW-IC PAC Request for an Advisory Opinion

Good afternoon Esther.

Following up on our teleconference of a few days ago, attached are some materials that show how Canadian National Railway Company's various US subsidiary railroad corporations use the brand CN. Attached for reference is a copy of a recent formal pleading filed at the United States Surface Transportation Board. It is a pleading filed on behalf of Grand Trunk Western Railroad Company (GTW), one of the sponsors of the GTW-IC PAC. It describes what GTW is and where it operates and describes GTW's relationship with Illinois Central Railroad Company (IC), the other sponsor of the GTW-IC PAC. The pleading then goes on to discuss IC's and GTW's relationship to the corporate parent, Canadian National Railway Company, and then expressly says that GTW and IC are both referred to as CN.

Also attached is a tariff, CN Tariff 9000. The tariff is the description of procedures and standards that rail customers of GTW, IC and their affiliate railroads must adhere to when utilizing rail service. The document refers throughout to CN, including in its title. On page 29 of the document, there is a description of what the term CN means and how it encompasses all the US corporate subsidiaries, including GTW and IC.

As the attached items indicate, GTW and IC are indirect, wholly-owned corporate subsidiaries of Canadian National Railway Company. GTW and IC, along with the other corporate subsidiary railroads such as Wisconsin Central Ltd. and Chicago, Central & Pacific Railroad Company, all refer to themselves and brand themselves as CN. Canadian National Railway Company along with its corporate subsidiaries operate a rail system in the US and Canada of approximately 20,000 route miles. All management employees of the US corporate subsidiaries are employees of record of IC or other U.S. railroad affiliates. All the employees of these U.S. railroad affiliates identify themselves as CN employees (such as on business cards, email signatures, etc.). All US corporate subsidiary railroads own real and personal property in their own name, appear before tribunals in their own corporate name, and execute and perform agreements in their own corporate name. However, the term by which all these operating corporate railroad subsidiaries of Canadian National Railway Company are known and recognizable to the public as a brand is CN. To be able to associate the term CN with the PAC will ensure transparency and confirm to persons that the donations coming from the GTW-IC PAC are connected with the CN brand.

Finally, some photos are attached showing the use of the CN logo in the United States, including the training center in Homewood, Illinois, south of Chicago.

Thank you for your assistance in this matter. Feel free to contact me if you have questions.

Michael J. Barron, Jr.

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[attachment "GTW sample pleading.pdf" deleted by Esther D Gyory/FEC/US]
[attachment "CN Tariff 9000.pdf" deleted by Esther D Gyory/FEC/US] [attachment
"CN Harrison Yard.jpg" deleted by Esther D Gyory/FEC/US] [attachment "CN in
Chicago.jpg" deleted by Esther D Gyory/FEC/US] [attachment "CN Homewood
Training Center.jpg" deleted by Esther D Gyory/FEC/US]

PASSPORT 2016

CARLOAD



Service Delivery Team - Montreal
Led by Yves Surprenant



Service Delivery Team – Stevens Point
Led by Allan Rothwell



Service Delivery Team - Edmonton
Led by Robert Peet



Jennifer Marvin, Director Service Delivery

Optional Services – Carload
CN 9000-W
Effective January 1, 2016

Meet your Service Delivery teams

Customer Service Delivery Team - Western Region

The Western Service Delivery team is comprised of 30 dedicated employees.
Included in this photo, from left to right:

Muhammed Cetin - Service Delivery Representative
Zien Nsier - Assistant Manager, Service Delivery
Jennifer Marvin - Director, Service Delivery
Shauna Bisanz - Assistant Manager, Service Delivery

"Our Customer Service Delivery Team provides a truly customer-focused proactive service through streamlined interactions and consistent high-quality customer experiences."

Jennifer Marvin - Director, Service Delivery



Customer Service Delivery Team - Western Region

From left to right:

Mark MacSephney - Project Officer
Erin Hoffman - Assistant Manager, Service Delivery
Jennifer Marvin - Director, Service Delivery
Robert Peet - Manager, Service Delivery
Rewa Sabra - Service Delivery Representative

"We believe in empowering and engaging our team to provide customer confidence in CN's Service Delivery. Maintaining a robust support system is key to yielding reliable and consistent service for our customers."

Robert Peet - Manager, Service Delivery



Customer Service Delivery Team - Eastern Region

The Eastern Service Delivery team is comprised of 27 dedicated employees.
Included in this photo from left to right:

Iyad Khoury - Service Delivery Representative
Yves Surprenant - Manager, Service Delivery
Pierre Fontaine - Service Delivery Representative
Sylvie Remillard - Service Delivery Representative
Marcel Frenette - Service Delivery Representative

"Our dedicated approach to providing reliable customer service is based on building and upholding customer relationships by understanding customer needs and maintaining transparency in our communication."

Yves Surprenant - Manager, Service Delivery



Customer Service Delivery Team - Southern Region

The Southern Service Delivery team is comprised of 25 dedicated employees.
Included in this photo from left to right:

Suzanne Crueger - Service Delivery Representative
Brandy Klug - Team Leader, Service Delivery
Jennifer Kobishops - Assistant Manager, Service Delivery
Wendy Janssen - Service Delivery Representative

"We have a dedicated team of professionals in our Southern Service Delivery offices in Stevens Point, WI and Geismar, LA. We take pride in how we care for our customers by proactively identifying and solving potential issues."

Allan Rothwell - Manager, Service Delivery



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Documentation

Bill of Lading

Keeping your shipments moving

The bill of lading allows CN to legally pick up the shipment for transportation. Providing us with accurate and complete information about your shipments helps us provide on-time delivery, seamless transborder shipping and the assurance that your shipments meet safety and legal requirements.

It all begins with the Bill of Lading, using our eBusiness tools, or EDI. Using these tools, the information relating to your shipment is entered in our system once and only once, virtually eliminating the chance of error or delay due to incorrect documentation. It allows us to comply with the relevant laws, helps to streamline the release of your shipment, its routing – even billing.

You want reliability and we work hard to provide it. Accurate and complete Bill of Lading information is the first step.

Please register for eBusiness at www.cn.ca/register.

BILL OF LADING INFORMATION REQUIREMENTS

To release your shipment and to ensure that it is pulled without delay, please provide any necessary information and/or documents relating to dimensional shipments, customs, or the transportation of dangerous goods/hazardous materials that – due to the nature of the shipment – are required in addition to the information noted below.

Every shipment requires this information:

- Railcar initial and number
- Shipper's name, full civic address and postal code or zip code
- Consignee's name, full civic address and postal code or zip code
- Care of party (when using a third party unloader), full civic address and postal code or zip code
- Payer of freight, full civic address and postal code or zip code
- Origin, destination and route
- Country code for shipments originating overseas
- Load or empty status
- Commodity description
- Net weight and unit of measure
- Weight terms (e.g., kg or tons)
- Total number of pieces and package type
- Where applicable, concentrate gondola car's cover number
- Western Canada Grain Shipments also require an Order Reference Number



Transborder shipments require additional information:

- Customs broker, city, and province/state
- Country of origin
- Invoice value and currency (if in bond)
- Actual shipper/exporter name and full address
- Actual consignee/importer name and full address
- All seal numbers (as affixed to railcars)
- Transborder and dangerous goods/hazardous materials shipment information must meet all U.S. and Canada regulatory requirements to be considered complete. Please consult the applicable government departments to ensure compliance.

Dangerous goods/hazardous materials/shipments also require:

- UN number
- Class number
- Packing group
- 24-hour telephone number
- Emergency Response Assistance Plan (ERAP) number (to/from Canada)
- ERAP phone number (to/from Canada)



PROVIDING COMPLETE AND ACCURATE DOCUMENTATION	Item 3050  
<p>When a shipment is released without a Bill of Lading or that its information is missing or inaccurate, causing a railcar to be held. This fee is also applicable on requests for billing changes or updates from responsible parties.</p> <p>Note: These fees apply to all billable shipments (which, by law, require a Bill of Lading), including loaded railcars, revenue-empty railcars, and empty hazardous-residue railcars.</p>	<p>\$400 per railcar plus switching fees</p> <p>Responsibility: shipper</p>

Ordering Railcars

Car order program

At CN, we do everything possible to provide you with an empty railcar where and when you need it. You may order railcars up to four weeks in advance, while having the flexibility to change orders as business conditions warrant. Once a car order is placed, we will confirm it within 24 hours of the week's order cut-off time. If your car order is placed after the cut-off time, we will confirm it as equipment availability permits.

Using our eBusiness Car Order tool, you can enter new car orders, modify existing orders, and gain instant visibility of your order's confirmation status. You can elect to receive an email notification of your car orders that you have entered or changed. You are also able to subscribe to CN's order confirmation activities.

The Car Order program applies to railroad-marked railcars and is not applicable to certain bulk traffic (coal; coke; potash; fertilizers; western Canada grain in covered hoppers), U.S. grain, automotive traffic, heavy-duty railcars, and Customer-Assigned car pools.

PLACING AN ORDER FOR EMPTY RAILCARS	Item 1000
<p>Use the eBusiness Car Order tool at www.cn.ca/ebusiness to place your order. Specify the number of railcars that you require by choosing one of the predefined Car Order patterns that has been set up for you. You will then be able to order your cars for the start of the shift on which you will load the cars – shown as the desired <i>required loading</i> date and the <i>required loading time</i>.</p> <p>Deadline for railcar orders:</p> <ul style="list-style-type: none"> The Wednesday (by 14:00 ET) preceding the week for which the railcars will be loaded. 	

CONFIRMATION OF YOUR WEEKLY ORDER	Item 1050
<p>Confirmation of railcar orders:</p> <ul style="list-style-type: none"> For car orders placed before the cut-off time, we will confirm your order by 14:00 ET on Thursday, updating the confirmed order field on the eBusiness Car Order tool. If equipment availability makes it impossible to meet all of your empty railcar requirements, this will be reflected in your confirmation number and we will continue to search for cars to fill your order, unless you reduce your order. 	
INCREASING YOUR ORDER AFTER CUTOFF	Item 1100
<p>Confirmation of railcar orders:</p> <ul style="list-style-type: none"> For car orders placed after the cut-off time, we will confirm your order no later than the following business day by updating the confirmed order file on the eBusiness Car Order tool. If equipment availability makes it impossible to meet all of your empty railcar requirements, this will be reflected in your confirmation number and we will continue to search for cars to fill your order, unless you reduce your order. 	

CANCELLING OR REDUCING YOUR ORDER AFTER CUTOFF	Item 1150
<p>You may make reductions without a cancellation fee, prior to the lead time for the order. The lead time, displayed on eBusiness, is pattern (CCO) specific and represents the time required to remove or add cars to train(s) that will be involved in the delivery of railcars to your facility. Within the lead time for an order, orders cannot be modified.</p> <p>The following rules apply when cancellations are made to the order prior to the lead time.</p> <ul style="list-style-type: none"> • <u>72 hours or more prior to the want date and want time</u>, the order and confirmation will be cancelled or reduced immediately. • <u>Less than 72 hours prior to the want date and time</u>, the order reduction will be reviewed by CN for re-distribution, and if possible, the confirmed number will be adjusted. • Order reductions above the number of cars confirmed will be adjusted immediately at all times without penalty. <p>If the empty railcars cannot be re-distributed, you will receive the cars and you will need to make one of two decisions:</p> <ul style="list-style-type: none"> • Keep the empty railcars for loading, reducing future orders. • Release the empty railcars as <i>Not Used</i>. <p><u>Note:</u> Asset use fees (Item 9000) apply to both options. A Released Not Used fee (Item 1200) applies to Option #2.</p> <p>Confirmation of the acceptance of the reduction by CN will be provided no later than the following business day and will be visible on the eBusiness Car Order tool.</p>	No applicable fees
<p>We reserve the right to reduce or cancel the supply of railcars for a confirmed Car Order when the cars actually placed or constructively placed for the order exceed the railcars required for loading.</p>	

IF YOU ARE UNABLE TO ACCEPT THE RAILCARS YOU ORDERED OR RELEASE THEM "NOT USED"	Item 1200
<p>Railcars that cannot be accepted by the loader on the required loading date at the required loading time are subject to asset use fees.</p>	Applicable asset use fees
<p>Railcars placed, or constructively placed, for the required loading date/required loading time, which are not used and are subsequently released as <i>Not Used</i>.</p> <p>If the railcar was placed at your facility and was subsequently pulled as an empty.</p>	<p>\$150 switch fee per railcar</p> <p>\$250 switch fee per railcar for railcars ordered from CN and not accepted by a loader located on another rail carrier.</p>

RAILCARS UNSUITABLE FOR LOADING		Item 1250	TEXT
<p>If you must reject a railcar as unsuitable for loading, you need to do so using our eBusiness Release Railcars tool, while providing a reason.</p> <p>If it is confirmed that the rejected car is dirty or unsuitable for loading, you do not need to order a replacement car as your shortfall will be adjusted to flow another empty railcar to your facility.</p> <p>Exception: Refer to Item 5500 for ordering covered hopper railcars for western Canada grain.</p>		No fees applicable to the order party	
Should we inspect the railcar and find it suitable for loading, a charge will be assessed.		\$250 per railcar Responsibility: Order party	
Should we deliver a car type other than specified in your Car Order pattern, please contact your CN Service Delivery Representative to arrange for a replacement.			

Covered Hopper Railcars

U.S. Grain

We provide U.S. customers loading grain products in covered hopper railcars type “LO” (the Association of American Railroads (AAR) designation for covered hopper railcars) with a unique railcar order program.

Your railcar order request must include the number of railcars, the requested date, as well as commodity, destination and route. Your order must be placed a minimum of 14 days prior to your request date. Once we have confirmed your order, any cancellation you request will be subject to a service fee.

ORDERING COVERED HOPPER RAILCARS – U.S. GRAIN	Item 5000
When cancelled up to 30 days after the want date.	\$105 per railcar
<p>Note - grain and grain products: Barley (STCC 01 131), Corn (STCC 01 132), Oats (STCC 01 133), Rye (STCC 01 135), Sorghum Grains (STCC 01 136), Wheat (STCC 01 137), Grain, nec (STCC 01 139), Flaxseeds (STCC 01 142), Soybeans (STCC 01 144), Oil Seeds, nec (STCC 01 149), Canary Seeds (STCC 01 159), Field Crops, nec (STCC 01 199), Beans, edible, nec, dried (STCC 01 341), Peas, dried (STCC 01 342), Lentils, nec, dried (STCC 01 343), Mustard Seeds, other than wild (STCC 01 915), and Chopped, Ground or Pulverized Alfalfa (STCC 01 992), Grain Mill By-Products (STCC 20 418 / 20 419), Feed Supplements (STCC 20 421), Corn Glutens (STCC 20 467), Malt (STCC 20 831), Soybean Products (STCC 20 923), Nut or Vegetable Oil Seed Products (STCC 20 939)</p> <p>Note: Extended Asset Use for grain and grain product railcars - unit car blocks at loading: On car blocks for a single origin/destination in the United States (minimum of 25 cars), extended asset use fees for loading will start on the second 00:01 hrs after the actual/constructive placement of the last car in the block or the unit car block order date (latest of the two times). Extended asset use will stop upon the release of the car block.</p> <p>Note: CN is a signatory railroad of the National Grain and Feed Association (NGFA) voluntary agreement to make use of mandatory binding NGFA arbitration to resolve certain types of disputes with participating grain companies. Matters subject to arbitration include asset use fees and our railcar order program.</p>	

Western Canada Grain

CN's eBusiness tool "Grain Car Order" at www.cn.ca provides customers who load CN-supplied covered hopper railcars in Western Canada with a unique car ordering program designed to ship your grain and other crops.

When you place your grain car order request, you must specify at a minimum the origin loading facility, the desired want date, the destination corridor, the destination unloading facility or interline gateway, and the number of railcars.

Grain car order requests to (port destinations must have Terminal Authorization, which signifies the unloading facility operator undertakes to receive and unload the cars when delivered.

The total number of cars requested in CN's Grain Car Order Book for the upcoming want week and for prior want weeks must not exceed twice the car spot capacity of the loading facility or loading site (or the interchange, if loader is located on a short line) as indicated in Grain Car Order;

For larger grain companies that control multiple large elevators (with 50 or more car spot capacity and storage capacity over 10,000 mt), the total cars requested for all loading facilities combined for the upcoming week and prior want weeks must not exceed the company-specific threshold communicated to the company by CN.

ORDERING COVERED HOPPER RAILCARS - WESTERN CANADA GRAIN

Item 5500

- You must place your grain car order requests using the Grain Car Order tool.
- You must place your order no later than the order cut-off time: 12:00 noon MT (13:00 CT) on Tuesday of the week prior to the week of the desired want date.
- Each week, during the "blackout period" between order cut-off and 23:59 MT Thursday, CN's planners review all car order requests placed in the Grain Car Order Book, evaluate total demand for and availability of rail assets, and develop plans for empty car supply and spotting train service for the next week.
- CN confirms its intent to fulfill a car order request through the Planned Service Report, published each Friday in the Grain Car Order tool, which provides notification of the number of empty cars planned for supply and the train service plan for delivery and placement of the cars, as well as updates if service plans change.
- Order Tracking Numbers and Order Reference Numbers, used in Grain Car Order Book administration, and the Confirmed Order Reports are simply confirmations CN has received the order request, and do not signify a car order request is valid nor that CN intends to or has yet planned to fulfill that request.
- Car order requests that exceed the car spot maximum or company-specific threshold will be removed from the Grain Car Order Book.
- Car order requests that are incomplete, inaccurate, or upon CN verification do not have Terminal Authorization (where applicable) are invalid and will be removed from the Grain Car Order Book.
- Car order requests not yet planned for supply and service in upcoming service week are carried forward as pending orders in "wait list" status for review during next planning cycle, unless cancelled or removed from the Grain Car Order Book
- Car orders planned for supply and service but not actually spotted during planned week are carried forward as unfulfilled orders in "shortfall" status, unless cancelled or removed from the Grain Car Order Book. Under normal operating conditions, CN gives priority to fulfill "shortfalled" orders in the next service week through a recovery plan published in Planned Service Report

Railcars rejected as unsuitable for loading must be re-ordered. No fee or credit will apply.

**REDUCING, CANCELLING OR CHANGING YOUR ORDER
- WESTERN CANADA GRAIN**

Item 5600

TEXT

A fee will not apply:

- If you modify the destination corridor or origin any time outside of the blackout period – as long as CN has not already planned your order for service.

A fee will apply:

- If you reduce or cancel a car order, after your original planned service date has been confirmed.
- If you change the destination corridor or unloading facility after CN has already planned your grain car order for service.
- For removal of car order requests that are invalid or exceed maximum order thresholds.
- If cars are billed to a destination corridor or unloading facility or interline gateway different from your order that affects the physical handling of a railcar to destination, the fees listed under Item 12000 will apply.

\$100 per railcar

**BILL OF LADING INFORMATION REQUIREMENTS
- WESTERN CANADA GRAIN**

Item 5650

If you load a car ordered and planned for service through CN's Grain Car Order Book, you must provide, in addition to the 'Bill of Lading Information Requirements' on page 4, the following information in your Bill of Lading:

- Order Reference Number for your order (as indicated in Planned Service Report)

Your Bill of Lading will be rejected when:

- A shipment is released with a Bill of Lading with missing or inaccurate Order Reference Number information.
- If missing or inaccurate information in Bill of Lading causes a railcar to be held, the fees listed under item 3050 will apply.

**BALANCED PERFORMANCE INCENTIVES
– WESTERN CANADA GRAIN**

Item 5700

Planned orders included in Planned Service Report but not supplied on time:

- When we cannot provide you with the railcars for the orders we have planned for service in a week by the second Tuesday 23:59 local time following date of Planned Service Report, we will apply a \$100 service credit to your account.

CN reserves the right to delay the supply of railcars to planned orders when cars ordered are not accepted or cars in the destination pipeline have not been or will not be unloaded on arrival, or in events outside of CN's control. This does not constitute a failure to supply, and the service credit does not apply.

\$100 credit per railcar

WEEKEND LOADING ADVANTAGE – WESTERN CANADA GRAIN	Item 5800
<p>7-day loading enables us to balance the demand for railroad assets and resources more evenly by day of week and to provide a more consistent and reliable service to you. The Weekend Loading Advantage provides Western Canadian grain elevator operators that ship CN-supplied covered hopper railcars to the ports of Vancouver, Prince Rupert, Thunder Bay, Montreal and Quebec City with incentives to load and provide shipment instructions on a 7-day basis.</p> <p>Railcars placed, loaded and released on weekends:</p> <ul style="list-style-type: none"> • If you load all empty railcars we place on the weekend after 17:00 local time Friday and provide us with complete and accurate Bill of Lading on the weekend (Saturday or Sunday, or Monday if a statutory holiday), we will apply a \$50 incentive credit to your account. 	\$50 credit per railcar


WINTER READY CERTIFIED LOADER PROGRAM	Item 5900
<p>Between December 1st and March 31st grain loading facilities that meet the following criteria will qualify for the WRCLP incentive :</p> <ol style="list-style-type: none"> 1. Must be capable of loading 100+ grain cars on no more than 4 tracks. 2. Must be equipped with a mobile air compressor with dryer that has been CN approved, and capable of charging a train line to minimum required standards for both pressure and moisture. (70-75 PSI) 3. Facility employees must be trained and certified in proper air application procedures. 4. All loaded cars on each track must be coupled together, with connecting air hoses coupled, and angle cocks open, except for leading end closed. 5. Any hand brakes applied must be applied only on the leading end of each track in the direction of movement on departure. 6. Air supply hose must be equipped with shut off valve, and bleed mechanism to facilitate reduction of air pressure prior to disconnecting supply line. 7. Must have a CN certification letter, and a signed contract stating all the required criteria have been met. <p>If your facilities meet all of the above criteria, and you load a 100 car grain train, CN will apply a \$50/car incentive to your account.</p>	\$50 credit per railcar

Railcars released not used; not available to pull; unable to place

Sometimes a change in plan cannot be avoided.

RAILCARS ORDERED AND RELEASED NOT USED		Item 6000
Private railcar	<p>No fee for railcars released as revenue-generating empty movements (waybilled under contract or tariff or as an intra-terminal or inter-terminal switch).</p> <p>A switch fee is applicable when:</p> <ul style="list-style-type: none"> a) A railcar is released from storage to a local industry and CN does not participate in the subsequent revenue movement from that industry. b) A railcar is released from storage and redirected to another location (i.e., it is not switched from storage to a local industry for loading) under mileage equalization tariffs RIC 6007 and CN 6544. This switch from storage is work that we perform above and beyond what is defined under mileage equalization. 	<p>\$409 per railcar</p> <p>Responsibility: party providing the instructions</p>

RELEASED RAILCARS – NOT AVAILABLE TO PULL	Item 6100
If the railcar has been released by the shipper but – for a reason attributable to the shipper – is not available at the time of the pull (your gate is closed, and we cannot reach the railcar, for example).	<p>\$160 per railcar</p> <p>Responsibility: shipper</p>


RAILCARS – UNABLE TO PLACE	Item 6200 
<p>If a consignee is unable to accept cars that were ordered in by the consignee or spot-on-arrival and in turn, CN needs to bring cars back to the yard.</p> <p>This charge is applicable to the operating customer in the U.S.</p>	<p>\$160 per railcar</p> <p>Responsibility: consignee (Canada) or operating customer (U.S.)</p>



Government and Border Related Fees

Customs-Imposed Holds



Your shipment is held for bond


In the case of a transborder shipment, if Canada or U.S. Customs require that the railcar be held for bond, we must place a hold on that railcar. Security measures designed to improve safety and security at the border drive these hold for bond requests by customs. Acting on your behalf, we co-operate with the authorities when requested.

HOLD FEES FOR CANADA CUSTOMS (CBSA) OR U.S. CUSTOMS AND BORDER PROTECTION (CBP)	Item 8000 
<p>If we are obliged to hold or set-out a railcar for any reason (including compliance, enforcement or random inspection).</p> <p>If the reason for placing a railcar in hold status is due to incomplete or erroneous customs documentation or data quality, an additional hold fee will be assessed.</p> <p>Holds may be caused by erroneous customs documentation provided by the customer, or its agent, or because of random customs inspections. By ensuring that you provide accurate and complete documentation, you have the capability to avoid the non-random holding of your shipment.</p>	<p>\$500 per railcar (includes switching) plus any customs penalties and asset use fees Responsibility: shipper named on the Bill of Lading</p> <p>\$555 per railcar (in addition to the \$500 fee) Responsibility: shipper named on the Bill of Lading</p>

INPARS (INLAND PRE-ARRIVAL REVIEW SYSTEM) or PARS (PRE-ARRIVAL REVIEW SYSTEM) ENTRY NOT FILED FOR CANADIAN BOUND SHIPMENTS	Item 8030  
<p>For import shipments into Canada and terminating in Canada, INPARS (Inland Pre-Arrival Review System) or PARS (Pre-Arrival Review System) entries must be filed before the train and cargo arrive at the first port of entry into Canada. PARS entries include PARS ODG (Other Government Departments) and PARS paper transactions.</p> <p>If the reason for placing the railcar on hold is due to the customs broker not filing INPARS or PARS entry, an additional fee will be assessed.</p>	<p>\$60 per railcar in addition to hold fees in Item 8000 Responsibility: shipper named on the Bill of Lading</p>

Incomplete or Late Customs Filing and Documentation

BROKER ENTRY NOT FILED FOR U.S. BOUND SHIPMENTS	Item 8050  																
<p>In order to facilitate your shipments across the international borders, it is imperative that the Customs Broker you choose has all of the paperwork to file customs entries before the train and cargo arrive at the border crossing. The entry filed prevents a customs hold in Canada and the US. For border clearance shipments, destined to the United States, the broker entries must be filed prior to departure from the last major CN rail terminal.</p> <table border="0"> <tr> <td>Border Gateway</td><td>CN Rail Terminal</td></tr> <tr> <td>Port Huron</td><td>Toronto</td></tr> <tr> <td>Port Huron</td><td>Sarnia</td></tr> <tr> <td>Buffalo</td><td>Toronto</td></tr> <tr> <td>East Alburgh</td><td>Montreal</td></tr> <tr> <td>Rouses Point</td><td>Montreal</td></tr> <tr> <td>Ranier</td><td>Winnipeg</td></tr> <tr> <td>Noyes</td><td>Winnipeg</td></tr> </table> <p>When customs entries are not completed the cargo will be held at the port of entry until the goods are entered and released.</p> <p>If the reason for placing the railcar on hold at the U.S. port of entry is due to the customs broker not filing entry, an additional fee will be assessed.</p> <p>Note: Customs brokers who are remote filers must be available 24/7 to facilitate the border entry process.</p>	Border Gateway	CN Rail Terminal	Port Huron	Toronto	Port Huron	Sarnia	Buffalo	Toronto	East Alburgh	Montreal	Rouses Point	Montreal	Ranier	Winnipeg	Noyes	Winnipeg	<p>\$60 per railcar in addition to hold fees in Item 8000</p> <p>Responsibility: shipper named on the Bill of Lading</p>
Border Gateway	CN Rail Terminal																
Port Huron	Toronto																
Port Huron	Sarnia																
Buffalo	Toronto																
East Alburgh	Montreal																
Rouses Point	Montreal																
Ranier	Winnipeg																
Noyes	Winnipeg																


BROKER ENTRY NOT FILED FOR TRANSBORDER SHIPMENTS	Item 8060 
<p>In order to facilitate your shipments across the international borders, it is imperative that the Customs Broker you choose has all of the paperwork to file customs entries before the train and cargo arrive at the border crossing. The entry filed prevents a customs hold in Canada and the US. Brokers receive notification to file as soon as the shipping instructions are complete and accepted in CN's system. The broker must file entry upon receipt of the first notification to file entry. If entry has not been filed after 24 hours, or after receipt of any multiple notices to file entry, an additional fee will be assessed.</p> <p>Note: Customs brokers who are remote filers must be available 24/7 to facilitate the border entry process.</p>	<p>\$60 per railcar in addition to hold fees in item 8000, and item 8030</p> <p>Responsibility: shipper named on the Bill of Lading</p>

USDA APHIS Fees

Your transborder shipment is subject to a USDA APHIS fee

In the case of a transborder shipment from Canada to the U.S., the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) inspects and levies a fee on every commercial vehicle crossing the border, whether or not it is carrying agricultural products.

We co-operate with the authorities and will pay the fee on your behalf to facilitate a seamless border crossing, then reclaim it from you. Please note that the railroad physically crossing the border between the United States and Canada is responsible for billing the APHIS fee to its customer.

USDA APHIS FEES – EFFECTIVE DECEMBER 28, 2015	Item 8100 
We are assessing a USDA APHIS fee on your shipment.	\$2.00 US/CDN per railcar Responsibility: payer of freight

British Columbia Carbon Tax Surcharge

Your shipment is subject to the British Columbia Carbon Tax Surcharge

Effective July 1, 2008, the province of British Columbia implemented a carbon tax based on Green House Gas emissions from fossil fuel combustion. This tax is assessed on the diesel fuel consumed by CN to move your traffic in this province.

CN will assess a British Columbia Carbon Tax Surcharge on any traffic that moves in the province of British Columbia under linehaul or haulage service.

BRITISH COLUMBIA CARBON TAX SURCHARGE	Item 8200
In the case that your shipment travels in the province of British Columbia, a carbon tax surcharge will be assessed	\$ 18.60 CDN/US per railcar Responsibility: payer of freight

Note: This surcharge does not cover the portion of the shipment that travels on a shortline railroad in this province. Shortline railroads will assess and collect a separate and additional British Columbia Carbon Tax Surcharge.

Customs-Imposed Fees

Your transborder shipment is subject to a U.S. Customs User Fee

While transporting your goods, there are various government-imposed fees that we may incur. In the case of a transborder shipment from Canada to the United States, the U.S. Customs Service is authorized to collect a user fee on all railcars that enter the U.S. This fee is administered under the Consolidated Omnibus Budget Reconciliation Act (COBRA), which was established in 1985 to offset inspection costs incurred by the American agency.

We co-operate with the U.S. authorities and will pay the fee on your behalf to facilitate a seamless border crossing, then reclaim it from you. This is common industry practice and the railroad physically crossing the border between Canada and the U.S. is responsible for the U.S. Customs User Fee.

U.S. CUSTOMS USER FEE (COBRA)	Item 8250
<p>We are assessing a U.S. Customs User Fee on your transborder shipment.</p> <p>Exception: This fee does not apply to Canadian shipments moving in-transit through the U.S. and back to Canada, nor to U.S. shipments moving in-transit through Canada and back to the U.S.</p>	<p>\$8.25 CDN/US per railcar</p> <p>Responsibility: payer of freight</p>

Positive Control of Rail Security-Sensitive Materials (RSSM)


Your RSSM shipment in the United States

Regulations issued from the US Department of Homeland Security's Transportation Security Administration (TSA) on November 26, 2008 provided new requirements for rail carriers, shippers, and receivers of Rail Security-Sensitive Materials (RSSM) shipments. These rules apply to shipments within the United States and the United States portion of trans-border shipments.

The regulations are intended to ensure that rail carriers, shippers, and consignees do not leave railcars containing RSSM unattended, thereby lessening the potential for significant transportation security incidents in the US. The regulations require that for the pick-up of RSSM cars at any location or delivery of RSSM cars in a HTUA, there must be a customer representative present to ensure the proper transfer to, or receipt from, the carrier of the RSSM cars(s) and related documentation.

HTUAs located on the CN network include the cities of: Baton Rouge LA, Buffalo NY, Chicago IL, Cincinnati OH, Detroit MI, Memphis TN, Milwaukee WI, Minneapolis/St. Paul MN, New Orleans LA, Omaha NE, Pittsburgh PA, St. Louis MO, and Toledo OH.

A full listing of RSSM commodities is available at www.cn.ca/en/shipping-prices-tariffs-optional-services.htm

POSITIVE CONTROL OF RAIL SECURITY-SENSITIVE MATERIALS (US ONLY)	Item 8300 
<p>The US Department of Homeland Security's Transportation Security Administration (TSA) requires that a customer originating a railcar containing Rail Security-Sensitive Materials (RSSM) at any location or receiving a railcar containing RSSM at a HTUA must have a representative physically present to ensure the attended transfer of this railcar.</p> <p>If, after appropriate notification, CN arrives to deliver a railcar in a location identified by the TSA as a HTUA and a customer's representative is not present for the required hand-off, CN will be required to return the railcar to a Rail Secure Area on its network and arrange for its delivery at a later time</p> <p>If, after appropriate notification, CN arrives to pick up a railcar and a customer's representative is not present for the required hand-off, CN will be required to switch out the car from the pick-up track and leave it behind. The fee under CN 9000 Item 6100 (Released Railcar – Not Available to Pull) will apply.</p>	<p>\$500 per railcar plus applicable switch fees</p> <p>Responsibility: party for whom railcars are being placed</p>

Asset Use

Extended use of railroad-provided cars

When you must exceed the time we provide for loading and unloading

Efficient asset utilization benefits you by increasing the availability of railcars. Railcars that do not move cause yard congestion, reduce overall fleet velocity and carrying capacity for all of our customers, and directly impact the level of service we are able to provide.

Our linehaul rates include the movement of your shipment from origin to destination and include time or “credits” for loading and unloading cars. If you load or unload cars in less than the allocated time, you may use the remaining credits to offset “debits” (asset use time) during the period. Extended asset use fees are assessed when net debits exceed credits during a service period.

For billing purposes, a service period is one week. Asset use time starts at 00:01 after: placement or notification of constructive placement; notice of availability, or “hold” or notice of being held. On the occasions where we are unable to deliver the railcars as requested, and as a result you must exceed the amount of time we provide for loading and unloading, we will work with you to make it right. It’s part of our commitment to customer service, continuous improvement, and “doing the right thing.”

From time to time, you may need to use our railcars for a longer period of time. In that case, we can provide you with the use of our equipment, for a fee. Credits are allocated as follows:

AT LOADING	Item 9000 TEXT
<p>Loading: 1 credit</p> <p>Want Date for empty railroad-provided railcars (at loading).</p> <p>The Want Date is the date you request a specified number of railcars to be placed on your siding for loading (and may be fulfilled by CN any time between 00:01 and 23:59 that day).</p> <p>There are three types of exceptional placement of empty railcars at loading:</p> <ul style="list-style-type: none"> • Early Supply: When we supply railcars at your site earlier than your Want Date, CN’s automated system will credit you for the early supply. Asset Use time will not start until 00:01 the day after your Want Date. • Late Supply: When we supply railcars at your site after your Want Date, or on your Want Date but after your switch window, CN will credit you for the late supply. • Placing railcars outside of regular switch service: When we place empty railcars on your Want Date but later than your regular switch service (as defined on CN’s website), we will automatically provide you with extra credits per car, up to the end of your next switch window. If there is not a next assignment scheduled, two extra credits per car will be provided. <p>You can always provide feedback before an extended asset use bill is issued by using CN’s Asset Use eBusiness tool, available at www.cn.ca.</p> <p>A full listing of Vancouver and Chicago stations is available at: www.cn.ca/en/shipping-prices-tariffs-optional-services.htm</p>	<p>\$100 per railcar, per day (excluding greater Vancouver area and greater Chicago area)</p> <p>\$140 per railcar, per day in greater Vancouver area and greater Chicago area</p>

AT UNLOADING	Item 9050 TEXT
<p>Unloading: 2 credits</p> <ul style="list-style-type: none"> When a car is placed at your facility, asset use will start at 00:01 the day after the actual placement date. If a car is constructively placed prior to arriving at your facility, asset use will start at 00:01 the day after your next available scheduled service window. <p>Note: If your service window crosses midnight, asset use will start at 00:01 the day after the end of your service window.</p> <p>Example: Service window is Monday at 22:00 to Tuesday at 05:00 and the car is constructively placed on Monday at 20:00. Asset use will start on Wednesday at 00:01. Wednesday will be day 1 of the credit, and Friday will be charged asset use if the car is not released empty.</p> <p>When we place your railcars later than your regular switch service (as defined on CN's website), asset use will start at 00:01 the day after your next switch window. If there is not a next assignment scheduled, two extra credits per car will be provided. Note: For U.S. grain shipment unloading Item 9060 applies</p> <p>This item also applies when lading (product inside the railcar) has been rejected.</p>	<p>\$100 per railcar, per day (excluding greater Vancouver area and greater Chicago area)</p> <p>\$140 per railcar, per day in greater Vancouver area and greater Chicago area</p>

US GRAIN SHIPMENTS AT UNLOADING	Item 9060
<p>Unloading: 1 credit</p> <ul style="list-style-type: none"> When a car is placed at your facility, asset use will start at 00:01 the day after the actual placement date. If a car is constructively placed prior to arriving at your facility, asset use will start at 00:01 the day after your next available scheduled service window. <p>Note: If your service window crosses midnight, asset use will start at 00:01 the day after the end of your service window.</p> <p>Example: Service window is Monday at 22:00 to Tuesday at 05:00 and the car is constructively placed on Monday at 20:00. Asset use will start on Wednesday at 00:01. Wednesday will be day 1 of the credit, and Friday will be charged asset use if the car is not released empty.</p> <ul style="list-style-type: none"> When we place your railcars later than your regular switch service (as defined on CN's website), asset use will start at 00:01 the day after your next switch window. If there is not a next assignment scheduled, two extra credits per car will be provided. <p>Note - grain and grain products: Barley (STCC 01 131), Corn (STCC 01 132), Oats (STCC 01 133), Rye (STCC 01 135), Sorghum Grains (STCC 01 136), Wheat (STCC 01 137), Grain, nec (STCC 01 139), Flaxseeds (STCC 01 142), Soybeans (STCC 01 144), Oil Seeds, nec (STCC 01 149), Canary Seeds (STCC 01 159), Field Crops, nec (STCC 01 199), Beans, edible, nec, dried (STCC 01 341), Peas, dried (STCC 01 342), Lentils, nec, dried (STCC 01 343), Mustard Seeds, other than wild (STCC 01 915), and Chopped, Ground or Pulverized Alfalfa (STCC 01 992), Grain Mill By-Products (STCC 20 418 / 20 419), Feed Supplements (STCC 20 421), Corn Glutens (STCC 20 467), Malt (STCC 20 831), Soybean Products (STCC 20 923), Nut or Vegetable Oil Seed Products (STCC 20 939)</p>	<p>\$100 per railcar, per day (excluding greater Chicago area)</p> <p>\$140 per railcar, per day in greater Chicago area</p>

RAILCARS HELD EN ROUTE OR AT THE CUSTOMER'S REQUEST		Item 9100	TEXT
Railcars that must be held	0 credits	\$100 per railcar, per day (excluding greater Vancouver area and greater Chicago area)	
Examples include:			
<ul style="list-style-type: none">A car is released without full shipping instructionsA car is rejected by another railroad at interchange due to customer-related issues		\$140 per railcar, per day	
		in greater Vancouver area and greater Chicago area	

CUSTOMER-ASSIGNED POOL STORAGE (EMPTY RAILROAD-PROVIDED RAILCARS)		Item 9500
<p>Customer-assigned pools consist of railway-provided railcars (not private cars) that we have agreed to operate and hold in an assigned pool. Customer-assigned pools of railroad equipment are not the most efficient in terms of asset utilization, and many customers have transitioned to our standard fleet distribution and car order program to enjoy the benefits of increased railcar availability and streamlined railcar cycles.</p> <p>Please note that when ordering from a customer-assigned pool of railcars, you must order cars generically by pool number and not by specific car number.</p> <p>At the origin loading location or at the servicing yard, empty railcars will be held from the time the notice of availability is given until the railcar is ordered-in, actually placed or removed from the pool.</p> <p>Loading: 2 credits</p> <p>Railroad car loading asset use fees (Item 9000) apply following placement. Exception: To meet customs requirements, empty auto parts boxcars and empty frame flat cars (with loads) are classified as loads when placed for loading at a customer's site. Railcars in these assigned pools will be allocated 3 credits.</p>		<p>\$100 per railcar, per day (excluding greater Vancouver area and greater Chicago area)</p> <p>\$140 per railcar, per day in greater Vancouver area and greater Chicago area</p>

Important notes and definitions

Asset use time: Asset use time starts at 00:01 after

- placement or notification of constructive placement
- notice of availability

or

- hold or notice of being held

For a loaded car that has been constructively placed, relief is provided from the order-in date (the date of scheduled service delivery) until the car is actually placed.

Asset use time stops at loading when CN receives forwarding instructions and it stops at unloading when CN receives notice from the consignee that the car is empty and available.

Asset use responsibility at all locations in Canada:

Asset use charges [demurrage] will be assessed to, and payment will be the responsibility of:

- The shipper for railcars to be loaded
- The consignee for railcars to be unloaded, or enroute.

or

- Any other third party mutually agreed to in writing with CN to accept responsibility for all asset use charges

Exception: In circumstances where the Canadian consignee is misidentified in the shipping documents or is located outside Canada or the U.S., the shipper will bear the responsibility for payment of the asset use fees incurred.

Asset use responsibility at all locations in the United States:

Asset use charges [demurrage] will be assessed to, and payment will be the responsibility of, any person receiving rail cars from CN for loading or unloading.

Actual Placement: Actual placement is defined as placement of a railcar on the track of the shipper or consignee, or third party ("care of"), or team track

Constructive Placement/Notification:

Constructive Placement and Notification are industry terms for railcars held on our tracks either on request, or when they cannot be accepted for/on delivery.

Note: On eBusiness, these events will always be indicated as "Notified" - indicating that a notification is sent.

Railcar Release/Railcar Order-in: All notifications of railcar release or railcar order-in must be made using our eBusiness tools available at www.cn.ca/ebusiness. Notification must include the railcar initial and number, date, time and any other relevant information.

Credits: Credits have no monetary value and are not carried over to a future service period.

Debits will not be offset against credits at a different location. The debit and credit system provided for the use of rail cars is designed to ensure efficient use of assets at each customer location.

Service period for billing purposes:

One calendar week.

Want Date for empty railroad-provided cars:

The Want Date is defined as the date the order party requires the specified number of railcars to be placed on their siding for loading (and may be fulfilled by CN any time between 00:01 and 23:59 that day).

Western Canadian Grain traffic will use the planned service date for any extended asset use calculation due to the non-scheduled service for this business.



Asset Use


Private railcars on CN track


When you must exceed the free time that we provide



Fluidity in our yards is essential to 90%+ on-time service and efficient local service. To achieve it, we carefully manage the accumulation of surplus railcars in our yards.

When you need to store your private equipment, many options are available to you, in addition to those offered by CN. You could construct additional capacity at your own site to store your leased/owned cars, store your cars with shortlines (many of our partners offer this service), or store with third parties or industries offering storage services. If you can right-size your fleet to a lower level, this will also save you costs. If none of these are viable options, consider taking advantage of the optional service to use CN tracks and yards to park your equipment (if available) for a fee. Of course you can avoid these fees simply by asking that railcars be placed on your track upon arrival or as soon as the space is available.


PRIVATE LOADED RAILCARS NOT CONTAINING DANGEROUS GOODS/HAZARDOUS MATERIALS	Item 9200  
<p>Free Time: Up to a maximum of 48 hours at destination, 0 hours otherwise (for example, en route)</p> <p>Fee includes switching to/from tracks where the railcar is being held, prior to being placed for unloading.</p> <p>This item also applies when lading (product inside the railcar) has been rejected.</p>	<p>\$60 per railcar, per day excluding greater Vancouver area and greater Chicago area</p> <p>\$95 per railcar, per day in the greater Vancouver area and greater Chicago area</p>
<p>Note: For asset use purposes, private loaded railcars containing elevated temperature asphalt (STCCs 4961610, 4961605 or 4961619) or residual fuel oil (STCCs 4914166 and 4914168) will be treated as railcars not containing Dangerous Goods/Hazardous Materials in Canada</p> <p>Note: Environmentally sensitive commodities is a CN internal designation which, for safety reasons, CN chooses to treat as if they are dangerous and hazardous. For asset use purposes, however, these commodities are subject to item 9200. A listing of the environmentally sensitive commodities are available on CN's website in the dangerous goods definition of CN's glossary: *www.cn.ca/en/delivering-responsibly/glossary-of-terms</p>	

PRIVATE LOADED RAILCARS CONTAINING DANGEROUS GOODS/HAZARDOUS MATERIALS	Item 9250 
<p>No free time</p> <p>Fee includes inspection by CN, based on regulatory guidelines.</p> <p>This item also applies when lading (product inside the railcar) has been rejected.</p>	<p>\$145 per railcar, per day excluding greater Vancouver area and greater Chicago area</p> <p>\$185 per railcar per day in the greater Vancouver and greater Chicago area</p> <p>\$2,000 per railcar, per day for Inhalation Hazards Materials – PIH/TIH</p>

PRIVATE EMPTY RAILCARS		Item 9300 
<p>Private empty railcars held on CN tracks prior to being placed for loading:0 credits</p> <p>Locations with scheduled service: Asset use time will not start until 00:01 the day after the car's constructive placement. This calculation is only started once the car has reached the yard servicing your location and after your next scheduled service window.</p> <p>Locations with no scheduled service will be given 2 extra credits from the car's constructive placement date.</p> <p>After you advise CN that you are unable to take the empty railcar into your facility, we may need to hold it for staging at a yard other than the one servicing your location. No free time will be provided in such cases. Fee for railcars held on CN track include switching to and from tracks where the railcar is being held.</p>		<p>\$60 per railcar, per day excluding greater Vancouver, greater Chicago area, Destrehan, greater Regina area and greater Edmonton area</p> <p>\$95 per railcar per day in the greater Vancouver, greater Chicago area, Destrehan, greater Regina area and greater Edmonton area (new stations added: Beamer, Bruderheim, Fort Saskatchewan, South Beamer and Sturgeon, AB)</p> <p>\$2,000 per railcar, per day for last contained Inhalation Hazards Materials – PIH/TIH</p> <p>Responsibility: party responsible for the railcar (shipper, consignee, owner or lessee)</p>
<p>Note: If you enter into a storage agreement with CN, the asset use fee will be assessed only when the specified storage capacity is exceeded. Your Account Manager is your contact for storage agreements. Liability: CN assumes no responsibility for any damage, loss or injury to the stored railcar(s) or its/their contents, except to the extent caused by the negligence or intentional acts of CN.</p>		

LOCOMOTIVES OR RAILCARS MOVING ON OWN WHEELS		Item 9350  
Customer locomotives or railcars can be shipped as freight under a linehaul revenue bill. A fee applies when we hold your equipment for you on our track before or after its linehaul revenue move.	1 credit	<p>\$60 per railcar, per day for customer supplied locomotives excluding greater Vancouver area, greater Chicago area</p> <p>\$95 per railcar per day for customer supplied locomotives in the greater Vancouver area, greater Chicago area</p> <p>Responsibility: party responsible for the railcar (shipper, consignee, owner or lessee)</p>

OT5 Approval for Private Railcars

OT5 APPROVAL FOR PRIVATE RAILCARS	Item 9400 
<p>Private railcars must be registered and approved using the Railinc OT-5 registration system prior to moving on CN's lines. CN has the right to deny OT5 applications for safety, mechanic factors, inadequate customer storage space, or equipment surplus to demand.</p> <p>A private railcar that does not have OT5 approval will be assessed a fee.</p>	<p>\$500 per railcar</p> <p>Responsibility: equipment owner or lessee</p>

Weighing

Optional weighing service

Another measure of our commitment to safe handling

If you choose to have us weigh your shipment, we can provide this optional service – for a fee – at certain locations, using a CN-owned scale. Strictly speaking, we do not need the shipment weight to invoice your shipment - as we price per car. Simply make your request for weighing service using our eBusiness tool “Shipping Instructions” at www.cn.ca/ebusiness or via EDI.

OPTIONAL WEIGHING SERVICE	Item 11000
<p>Weighing the railcar on a railroad scale (if available in your area).</p> <p>Note: The weight of your shipment is subject to verification by CN or our partner railroads.</p>	<p>\$400 per railcar</p> <p>Responsibility: shipper or party requesting the service</p>

Diversions

Optional railcar diversion

A last-minute change of plan A diversion is defined as any change in the way we handle a railcar once the Bill of Lading is entered in our system, and the railcar has been pulled from your siding. That might be a change in the consignee, a change in routing – even a change in destination. Each request is evaluated individually, and we will always try to accommodate your needs.

DIVERSION SERVICE		Item 12000	TEXT	\$
If you request a change in the paperwork (shipper, consignee, "care of" party or pay status) or if you request a change in destination or route.		\$250 per loaded railcar or revenue empty movement No fee for an empty railcar		
A diversion involving a large railcar block diversion, or a diversion of grain railcars shipped under one lot number.		\$3,500 per block Responsibility: party requesting the diversion		
Refer to CN 9004 for diversion fees pertaining to unit trains (a set of a minimum of 80 cars)				
If the diversion is "out of route," a new Bill of Lading is required, and new linehaul freight rates will be established and billed accordingly.				
Diversion requests will be accepted in writing only, via email or fax:				
<ul style="list-style-type: none">• For loaded railcars and revenue empty movements: From the payer of freight• For non-revenue empties: From the lessee or owner of private equipment, shipper, and consignee				


Switching

Optional switching services

When you need switching services

Switching services related to the pick-up and delivery of railcars at your plant for loading or unloading are included in the cost of your linehaul shipment. There may be times when you require additional switching services – for example to have railcars moved within your plant, or turned for loading or unloading.

You have the option of hiring a third party contractor to perform your in-plant switching, or acquiring a track mobile, a locomotive or a car puller and have your own employees move your railcars. You may decide to take advantage of CN's optional services and have our crews and local locomotives perform the work for you.

INTRAPLANT SWITCHING - ADDITIONAL SWITCHING AT YOUR LOCATION	Item 13000
<p>There is no fee for the initial placement or pick-up of railcars at your location.</p> <p>If you require an additional switch within your plant (<i>intraplant switch</i>), a fee will apply.</p>	<p>\$210 per railcar excluding Bogalusa, LA</p> <p>\$500 per railcar at Bogalusa, LA</p> <p>Responsibility: party requesting the switch</p>
SWITCHING AT YOUR LOCATION INCIDENTAL TO PICK-UP AND/OR DELIVERY	Item 13100
<p>If it is necessary to switch empty or loaded railcars on your track in order to remove or place loaded or empty railcars on the same track, incidental to the normal service in picking up/delivering your railcars.</p>	<p>\$39 per railcar</p> <p>Responsibility: party for whom railcars are placed or removed</p>
OPTIONAL SPECIAL SWITCH AND SPECIAL TRAIN SERVICES	Item 13200 
<p>Your best option is to use our cost-effective, regularly scheduled service. However, when you have a very urgent requirement, and request special switch or train services that are beyond our regularly scheduled services, we will do our best to accommodate you.</p> <p>Please provide your request in writing - a minimum of 24 hours in advance - so that we can plan the service, allocate the necessary resources, and confirm that we are able to meet your request.</p> <p>Note: Refer to CN 9003 for fees pertaining to dimensional loads and shipments moving under clearance.</p>	<p>Responsibility: party requesting the switch</p>
<p>Special switch fee.</p> <p>Cancellation fees:</p> <ul style="list-style-type: none"> When cancelled more than 24 hours prior to service. When cancelled less than 24 hours prior to service. 	<p>\$409 per hour (minimum: 8 hrs)</p> <p>\$735</p> <p>\$3,000</p>
<p>Special train fee.</p> <p>Cancellation fees:</p> <ul style="list-style-type: none"> When cancelled more than 24 hours prior to service. When cancelled less than 24 hours prior to service. 	<p>\$122 per mile (minimum: 100 miles)</p> <p>\$2,700</p> <p>\$10,700</p>

Exception: These fees do not apply to special train or special switch services for the movement of dimensional loads, which require special pre-clearance, use a pre-determined route and move under special handling conditions. Fees for dimensional loads are governed by their specific rate publications.

TURNING RAILCARS FOR SAFE UNLOADING OR LOADING AT YOUR REQUEST

Item 13300

When you ask us to turn a railcar for loading or unloading, additional switching will be required to position the railcar, and a fee will be applied for turning a railcar outside of the plant.

Exceptions: No fees apply to commodities moving in staggered-door boxcars, bi-levels, and tri-levels.

\$450 per railcar

Responsibility: party for whom railcars are placed or removed

Switching on request



If in addition to the switching services we provide you as part of your linehaul shipment – you require cars to be moved between industries in a switching district, or to another railroad within a switching district, we can provide the services you need.

Please note that fees are based on handling loaded cars in one direction and empty cars in the other direction. If a car is loaded in both directions, the switching fee will be applied to both moves.

“Switching within a district” is the terminology used for two types of switches:

- between a point on CN’s line to another point on CN’s line within a switching district (intra-terminal switch)
- between a point on CN’s line to a point on another railroad’s line within a switching district (inter-terminal switch)

When we perform an inter-terminal switch for you, your total fee for the service is our switch fee (below) plus the connecting carrier’s switch fee. The switching rates listed below are not applicable on shipments of dimensional loads, dangerous/hazardous materials, environmentally sensitive materials or on shipments of PIH/TIH products. CN requires a full Bill of Lading (EDI 404 or Shipping Instructions from CN’s eBusiness site) for all local switching movements.

SWITCHING IN THE U.S.A.	Item 13400
Chicago, IL The service as described above, when performed in Chicago, Illinois.	\$900 per car Responsibility: party requesting the service
Other Stations in the U.S.A. The services, as described above, when performed at stations other than those already listed.	\$450 per car Responsibility: party requesting the service
SWITCHING IN CANADA	Item 13500
Edmonton, AB / Vancouver, BC / Toronto, ON / Montreal, QC The service as described above, when performed in Edmonton, Vancouver, Toronto, and Montreal.	\$800 per car Responsibility: party requesting the service
Other Stations in Canada The services as described above, when performed at stations other than those already listed.	\$550 per car Responsibility: party requesting the service

Loading and Unloading



Services to correct unsafe, overloaded or improperly loaded railcars

Making it right

A railcar is considered overloaded when it exceeds the railcar weight or track weight limits related to the route that the shipment will take. An improperly loaded railcar is one that has an improperly secured load, an uneven or unbalanced load, a load that has shifted or a railcar not containing dangerous goods, hazardous materials or environmentally sensitive materials found to be leaking.

When shipping traffic with CN, your railcar must be loaded and secured so as to comply with AAR Loading Rules or any supplemental requirements as outlined by the CN Damage Prevention and Freight Claims group.

Overloaded or improperly loaded railcars may be deemed unsafe to move forward if we consider that they may cause an accident or a derailment. Safety is our top priority when we move your shipment – for you and for every community along our network.

MOVING AN OVERLOADED OR IMPROPERLY LOADED SHIPMENT ON OUR NETWORK	Item 14000 
<p>An overloaded or improperly loaded railcar may be permitted to move forward if we determine that it can be moved safely. This determination will be made on a case-by-case basis.</p>	<p>\$500 per railcar Responsibility: shipper named on the Bill of Lading</p>
UNSAFE TO MOVE FORWARD	Item 14100 
<p>If we determine that a railcar is unsafe to move forward because it is overloaded or improperly loaded, we will work with you to facilitate a weight reduction or load adjustment. This section outlines the process and responsibilities:</p> <ul style="list-style-type: none"> • We provide you with written notice of the overloaded and/or improperly loaded railcar. This includes the railcar number, contents, location, its actual gross weight and the acceptable gross weight. • Within 48 hours of this notification, you must provide us with complete written advice regarding the removal and/or adjustment of the shipment. If, after 48 hours, no documents are received, CN reserves the right to arrange for the removal and disposal of the overloaded portion of the shipment, and/or adjustment. • The removal, disposal and/or adjustment of the overloaded portion is entirely your responsibility. 	<p>\$1,000 per car, 1st incident \$3,000 per car, 2nd incident \$10,000 per car, subsequent incidents Includes switch fee Plus - if held for adjustment - asset use fees and the cost of adjusting contents (full cost of CN or third party services) plus a 25% processing fee</p>
<p>If a railcar is found to be unsafe because it is overloaded or improperly loaded.</p> <p>For repeat offenders, CN may issue an embargo on the pick-up of loads and reserves the right to take further temporary measures such as suspending the supply of CN empty equipment with the aim of reviewing preventive measures with the shipper.</p> <p>This item's tiered fee structure will be reset each calendar year. This rate structure will be applied to each specific customer's shipping location, instead of by company.</p> <p>Responsibility and liability: The shipper named on the Bill of Lading is responsible for all fees, and, in addition, the shipper indemnifies CN from liability for any loss of life, personal injury or damage to property resulting from the overloading or improper loading of railway equipment.</p>	<p>Responsibility: shipper named on the Bill of Lading</p>

Dangerous Goods/Hazardous Materials

Shipping dangerous goods/hazardous materials




We never compromise safety.

Safety is always our first priority. And we are particularly diligent when it comes to the safe transportation of dangerous goods/hazardous materials/environmentally sensitive materials.

Although the terminology differs north and south of the border (“dangerous goods” being the term used in Canada and “hazardous materials” being more common in the U.S.), and the rules and regulations vary, both countries have the same objective. It’s one that we wholeheartedly share: to protect people and the environment from any material which might cause harm.

We adopt the rules and regulations of the Canadian and U.S. governments and regulatory bodies as our own when handling these shipments in our yards, at port facilities, and while in transit on our route network throughout North America.

SECURING LEAKING RAILCARS	Item 15000 
<p>Railcars carrying dangerous goods/hazardous materials/environmentally sensitive materials (or railcars containing residue of dangerous goods/hazardous materials/environmentally sensitive materials) found to be leaking or unsafe to move forward may be moved to an isolation track for securement. Non-accident release (NAR) leaks are a serious risk to CN and our employees’ safety.</p> <p>The cost of securement varies widely, depending on the work involved. Securement fees will be assessed – and invoiced – on a case-by-case basis.</p> <p>With respect to the movement of commodities that are dangerous goods, hazardous materials, and environmentally sensitive materials, as those terms are defined on CN’s website* (collectively “Commodities”), the customer shall indemnify and hold CN harmless for all loss, damage or injury due to any release of a Commodity resulting from (i) defects in the customer owned, controlled or leased equipment, (ii) improper loading practices, or (iii) failure to properly close, secure or tender loaded or empty equipment carrying Commodities. Loss, damage or injury shall include all consequential costs and expenses paid or incurred by CN for items such as, but not limited to, recrewing of trains, delays to trains, detoured trains, evacuations, administrative expense, governmental fines, assessment or penalties, cleanup and environmental remediation expenses, personal injury and death claims (including FELA), and property damage claims.</p> <p>In the event of a Non-Accident Release (“NAR”) from a railcar of any Toxic Inhalation Hazard (“TIH”), CN will enforce an immediate embargo on the shipper of the car determined to be the source of the NAR until a review of that shipper’s securement procedures is completed by a CN Dangerous Goods officer. CN will employ its best efforts to complete this review on a timely basis, it being understood that any NAR of TIH commodities must be taken extremely seriously.</p> <p><small>*www.cn.ca/en/delivering-responsibly/glossary-of-terms</small></p>	<p>\$10,000 per railcar including switching and asset use Excludes securement fees</p> <p>Responsibility: shipper named on the Bill of Lading.</p>

Incident Recovery Process NEW

During an incident, our focus is to facilitate the recovery of a customer's product while minimizing costs. CN will provide you with written notice of the incident. This includes the railcar number, contents and location. Product loss could include equipment or railcar defect, theft, vandalism or damage due to train handling or derailments. Within 48 hours of notification, the customer must provide us with written notice regarding disposal and salvage instructions. If, after 48 hours, no written notice is received, CN reserves the right to arrange for:

- the removal of the product to a safe location, such as with high value lading, or where the product is not accessible to the general public or for safety reasons
- the removal of the product for disposal dependent upon the commodity and condition thereof. CN will maintain complete documentation and photos to support this action.

The shipper named on the Bill of Lading is responsible for mitigating loss and for providing a sustainable solution for disposal or resale.

Billing

Our 21/21/21-day billing guarantees - or it's free!

The paperwork is handled "just in time" too

We commit to billing you for an optional service within 21 days, or that service is free. If you believe there is an error in your invoice, simply register your dispute (using our eBusiness tool, eBill) within 21 days. If we do not respond within 21 days, your dispute will be accepted as received.

We make these billing guarantees because we know that timely and accurate billing is important to running an efficient business. We're constantly working to improve our efficiency in every area of the billing process. But mistakes will happen from time to time. When they do, we will work with you to make it right. It's part of our commitment to customer service, continuous improvement, and "doing the right thing."

BILLING – ON TIME

If we should bill you after 21 days of the service completion date, notify us in writing within 21 days of the invoice mailing date and your invoice will be cancelled.

Note: The "service rendered completion date" for most services is the date of the service. However, for extended asset use, storage service and railcar order guarantee, the completion date is the date representing the end of the normal billing cycle. An invoice's supporting documentation is not covered under this billing guarantee.

Exceptions:

- If CN and the customer have entered into a separate billing agreement.
- If the consignee is misidentified on the Bill of Lading requiring the re-invoicing of the extended asset use charges to the shipper.

When you have a change of contact (or need us to correct the address for an existing one), it is your responsibility to notify us by email at OS_invoice_address_change@cn.ca. We will make your contact change within five business days.

- Simply provide the name of your company, location and patron number (as that information currently appears on our invoices to you), together with the last invoice number. We would then require the new contact coordinates: mailing and email addresses and phone numbers.

One of our key objectives is to provide you with prompt and accurate billing. On the occasions when you believe there has been a billing error, we strive to make it as easy as possible for you to inform us, so we can address the issue quickly and effectively. To be eligible for this guarantee, you must use our eBusiness tool, eBill (available on our website) and register your dispute within 21 days of the invoice date. Simply log on to www.cn.ca, then, from eBill, using the Dispute Invoices screen, provide the details of any billing error and pay all non-disputed items on an invoice.

GUARANTEED ON TIME RESPONSE TO eBILL DISPUTES

As outlined above, you must use the eBusiness tool, eBill, to be eligible for our guarantee. We then commit to providing a response to your disputed invoice within 21 days following the receipt of details of the original billing dispute. If we do not, we will accept your eBill dispute as received and correct your invoice accordingly.

Regulations

CN Tariff 9000-Series is applicable at points on CN in North America. CN's rail network may not extend the entire length of any given shipment and therefore shipments may require the participation of other independently operated railway carriers at any point from origin to destination. In such instances, CN may undertake to invoice a single freight rate (including the applicable fuel surcharge) for the entire transportation. Nevertheless, when traffic moves over such other participating carriers, which may have a different service offering than that provided by CN, all shipments shall be under the exclusive control, and subject to the applicable tariffs, of these participating carriers while traffic is in their care.

Canadian National Railway Company is issuing this tariff in its own name and for and on behalf of Grand Trunk Western Railroad Company (GTW), Illinois Central Railroad Company (IC), Chicago Central & Pacific Railroad Company (CC), Cedar River Railroad (CEDR), Wisconsin Central Limited (WC), Algoma Central Railway Inc. (AC), Sault Ste. Marie Bridge Company (SSAM), Wisconsin Chicago Link (WCCL), The Pittsburgh & Conneaut Dock Company, BC Rail Partnership (BCOL), Bessemer and Lake Erie Railroad Company (BLE), and these companies doing business under the name of and collectively referred to as CN.

Currency: All charges are assessed in the currency of the country in which the chargeable event occurs unless specifically published.

General Terms and Conditions

- Customer must provide proof of settlement with its own customer prior to recovery from CN for any freight or damage claim. At no time will CN be liable for any amount in excess of such settlement or make payment in settlement of any freight claim absent of such proof.
- Exclusions: CN expressly disclaims liability for the following:**
 - Any validated claim, for which CN would otherwise be liable, which, taken together, amounts to less than \$500.

Applicable Taxes: All services provided by CN may be subject to federal, state, provincial and local sales, use, excise, privilege and similar taxes. Where a party is identified in this tariff as the responsible party to be invoiced for a particular service, such party is responsible to pay all applicable taxes for that service.

"CNC 6000" means CN Freight Classification CNC 6000 and the term "UFC 6000" means Uniform Freight Classification UFC 6000 series.

Standard Carrier Liability will apply, except as specified in individual tariffs and contracts. This includes publication such as siding agreements, storage tariffs, etc.

Station List: This tariff is governed by the "OFFICIAL LIST OF OPEN AND PREPAY STATIONS," OPSL 6000 series.

Capacities: For marked capacities, lengths, dimensions and cubic capacities of railcars, please see "Official Railway Equipment Register," STB RER 6412 series, R. E. R. Publishing Corporation, Agent. For gallon capacities of tank railcars, see tariff WTL 6300 series.

Cars Being Held for Unpaid Freight or Optional Services Charges: It is the Customer's responsibility to ensure payment is made for all services in advance or on a timely basis thereafter consistent with credit arrangements and applicable tariffs or contracts.

Pursuant to applicable law, CN may place traffic in "Hold Status" under the following circumstances:

- When traffic in transit is chargeable to a customer without credit privileges remains unpaid, CN may hold cars pending the receipt of payment (or security guaranteeing payment) for such traffic.
- In the event of the non-payment for ninety (90) consecutive days of outstanding extended asset use charges accruing at a particular customer location, and such unpaid extended asset use charges are not in bona fide dispute pursuant to CN's dispute resolution policies provided in this tariff, CN may thereafter withhold the delivery of cars at such customer location pending the payment of any accumulated extended asset use charges owed for such cars.

Until payment is secured, any car so held will remain in Hold

Status and continue to accumulate extended asset use charges at the applicable CN Optional Service tariff rate. All applicable charges will be assessed and invoiced at the time of release from Hold Status and will be immediately payable prior to the car's release.

Cars placed in Hold Status may cause congestion at the location where the cars are being held. In order to relieve congestion, CN may remove such cars to an alternate location for storage until the customer's payment is received and applicable switching charges may be assessed for such relocation.

Dangerous Goods/Hazardous Materials means any commodity listed in any or all of the following: The Canadian Transportation of Dangerous Goods Act and Regulations; Title 49 CFR of the United States Code of Federal Regulations; The International Maritime Dangerous Goods Code (IMDG); Class A, B, and C explosives named in Part 172 commodity list; Tariff BOE 6000 series; all hazardous materials requiring the use of four-digit identification numbers on the shipping document, placards or panels as named in Section 172.101, Tariff BOE 6000 series; all bulk shipments, or shipments in containers which exceed 110-gallon capacity of hazardous materials, substances or wastes, as described in the Directory of Hazardous Materials Shipping Instructions.

Dangerous Goods Bridging Canada: Any shipment which originates outside of Canada and travels through Canada en route to its final destination outside of Canada. Bridging shipments of dangerous goods that have an ERAP index listed in Schedule 1, Column 7 of the Canadian Transportation of Dangerous Goods Regulations will not be transported by CN unless they are accompanied by an Emergency Response Assistance Plan (ERAP) approved by Transport Canada. The Dangerous Goods Shipping Document must show the ERAP number and the ERAP telephone number to call, should the ERAP need to be activated immediately. To determine if a commodity (load and residue) is subject to ERAP, see Transport Canada's web page (www.tc.gc.ca/tdg/clear/schedule1form.asp).

Force Majeure: The term "Force Majeure" shall include Acts of God (including flood, earthquake, tornado, hurricane or other natural disaster), act of public enemy, war, insurrection, terrorism, embargo, fire or explosion, lock-out, strike or other labour dispute, derailment, or an unforeseeable circumstance beyond the control of the parties against which it would be unreasonable for the affected party to take precautions and which the affected party cannot avoid even by using its best efforts. However, it is understood that lack of financial resources on the part of either party shall not be deemed to be a circumstance beyond that party's control. For greater clarity, nothing in this definition shall require either party to settle any labour dispute or make any agreement affecting labour, which in its judgment is not compatible with its best interests.

Neither CN nor any customer shall be liable for any failure to perform any of their respective obligations while such performance is prevented or delayed by any cause or condition of Force Majeure. Any party seeking to invoke Force Majeure for relief shall notify the other party by any reasonable means as soon as reasonably practicable following the date of commencement of a Force Majeure event and shall similarly notify the other party

within a reasonable time following the end of a Force Majeure event. Upon request of the unaffected party, the invoking party shall submit to the other party all relevant information concerning the nature of the Force Majeure event and of its effect upon the performance of the invoking party's obligations. Notwithstanding any other provisions and except as provided for in the below section, Force Majeure cannot be invoked for relief from either party's obligations with respect to the payment of money. Any relief accorded for Force Majeure shall be of no greater scope and of no longer duration than is reasonably required by the Force Majeure event and such relief shall be conditional upon the invoking party making all reasonable efforts to mitigate or limit any resulting damage to the non-invoking party.

Service During Winter Weather Conditions

Winter conditions in CN's service area can be extreme, variable and unpredictable. Railways are affected by winter conditions, as are all other outdoor enterprises. Snow and, in particular, cold temperatures, adversely and additionally impact key structural elements of freight railroading, such as steel rails, steel wheels, and long compressed air brake systems. These impacts can reduce the resiliency of rail-based supply chains, in ways that cannot be fully mitigated even when anticipated. Extreme cold temperatures can result in increased rail, wheel, and air brake failures, and in the need to reduce train lengths to maintain regulated brake system pressures and airflows. Given the network effects of railway transportation, even distant weather conditions can impact system performance. CN takes measures to mitigate the adverse effects of winter conditions in order to maintain a reasonable level of service under the circumstances. Customers are, however, advised that CN's service levels during and after periods of extreme weather will accordingly be varied, without any requirement for additional notice to the Customer, notwithstanding any other provision of this Tariff. As explained above, Customers are reminded that, as the railway is a network business, constraints on capacity and fluidity in one area may affect service levels even outside the areas affected by winter conditions. Customers are encouraged to manage their respective expectations and operations accordingly.

Fumigation of Grain in Railcars - Prohibited in Canada: Harmful concentrations of fumigant gases and fumigation devices in railcars are potentially dangerous to the public, grain handlers, and railroad workers. Because of this, the fumigation of grain, agricultural or food products in railcars to be handled on CN rail lines or by CN on other lines, in Canada, is strictly prohibited. For grain fumigated in railcar without written authorization from CN, the shipper will be assessed a \$10,000 fee, plus any applicable Optional Services required. The shipper will be held fully liable for any damages to equipment, lading, property or person which might occur as a result of such contravention. The shipper will also be liable for any resulting penalties or fines.

Incorporation: Any contract or other tariffs referencing or incorporating CN 9000 series tariffs and CN 9000 item numbers shall be deemed to reference or incorporate the new tariffs referred to above or relevant numbers thereof, as the case may be, as such tariffs may be further amended from time to time.

Public Delivery on Team Tracks, including loading/unloading

platforms and other structures, are available for use by CN customers for non-hazardous commodities only on a shared usage basis, at the sole cost, risk, and expense of the customers using these facilities.

Customers agree to indemnify, defend and hold CN harmless from all claims, costs, and expenses, and assume all risk, responsibility and liability for death, personal injury, or property damage arising from, related to, or in any manner caused by, in

whole or in part, the use of these facilities. CN will not permit hazardous or dangerous commodities to be loaded or unloaded at public delivery or team tracks. This includes shipments as described in the Directory of Hazardous Materials Shipping Instructions.





Unauthorized Use of Railcars: After the original freight from a shipment has been unloaded from a railcar, it is strictly forbidden to reload the railcar without written authorization from CN.

Summary of Revisions and Amendments

Item	Application	Issued date	Effective date	Action	Description
3050	Providing Complete and Accurate Documentation	Nov. 16, 2015	Jan. 1, 2016		Reduced fee from \$440 to \$400 per railcar
3050	Providing Complete and Accurate Documentation	Nov. 16, 2015	Jan. 1, 2016		Clarification on application of charges
1250	Railcars Unsuitable for Loading	Nov. 16, 2015	Jan. 1, 2016		Added reference to item 5500
5600	Western Canada Grain: Reducing, Cancelling or Changing Your Order	Nov. 16, 2015	Jan. 1, 2016		Amended text to read: "If you reduce or cancel a car order, after your original planned service date has been confirmed".
6200	Railcars – Unable to Pace	Nov. 16, 2015	Jan. 1, 2016		Added reference to operating customer
8000	Hold Fees for Canada Customs or U.S. Customs and Border Protection	Nov. 16, 2015	Jan. 1, 2016		Increased fee from \$475 to \$500 per railcar
8030	INPARS or PARS Entry Not Filed For Canadian Bound Shipments	Nov. 16, 2015	Jan. 1, 2016		Added "PARS entries include PARS ODG (Other Government Departments) and PARS Paper transactions."
8030	INPARS or PARS Entry Not Filed For Canadian Bound Shipments	Nov. 16, 2015	Jan. 1, 2016		Increased fee from \$50 to \$60 per railcar
8050	Broker Entry Not Filed for U.S. Bound Shipments	Nov. 16, 2015	Jan. 1, 2016		Added "Note: Customs brokers who are remote filers must be available 24/7 to facilitate the border entry process."
8050	Broker Entry Not Filed for U.S. Bound Shipments	Nov. 16, 2015	Jan. 1, 2016		Increased fee from \$50 to \$60 per railcar
8060	Broker Entry Not Filed for Transborder Shipments	Nov. 16, 2015	Jan. 1, 2016		New item
8100	USDA APHIS Fees	Nov. 16, 2015	Dec. 28, 2015		Fee reduction from \$7.75 per railcar to \$2.00 per railcar

Item	Application	Issued date	Effective date	Action	Description
8300	Positive Control of Rail Security-Sensitive Materials	Nov. 16, 2015	Jan. 1, 2016		Added "plus applicable switch fees" to the charge
9000	Asset Use at Loading	Nov. 16, 2015	Jan. 1, 2016		Amended text to late supply
9050	Asset Use – At Unloading	Nov. 16, 2015	Jan. 1, 2016		Added "This item also applies when lading (product inside the railcar) has been rejected."
9100	Railcars Held En Route or at the Customer's Request	Nov. 16, 2015	Jan. 1, 2016		Added examples
9200	Asset Use - Private Loaded Railcars Not Containing Dangerous Goods/Hazardous Materials/Environmentally Sensitive Materials	Nov. 16, 2015	Jan. 1, 2016		Increased fee from \$55 to 60 per railcar per day
9200	Asset Use - Private Loaded Railcars Not Containing Dangerous Goods/Hazardous Materials	Nov. 16, 2015	Jan. 1, 2016		Added "This item also applies when loading (product inside the railcar) has been rejected." Added a note on environmentally sensitive commodities
9250	Asset Use - Private Loaded Railcars Containing Dangerous Goods/Hazardous Materials	Nov. 16, 2015	Jan. 1, 2016		Added "This item also applies when lading (product inside the railcar) has been rejected."
9300	Asset Use - Private Empty railcars	Nov. 16, 2015	Jan. 1, 2016		Increased fee from \$55 to 60 per railcar per day Added stations in the greater Edmonton area (Beamer, Brudeheim, Fort Saskatchewan, South Beamer and Sturgeon, AB) resulting in a higher asset use charge Increased fee from \$200 to \$2,000 per railcar per day for last contained Inhalation Hazards Materials – PIH/TIH

Item	Application	Issued date	Effective date	Action	Description
9350	Asset Use – Locomotives or Railcars Moving On Own Wheels	Nov. 16, 2015	Jan. 1, 2016		Increased fee from \$55 to 60 per railcar per day
9350	Asset Use – Locomotives or Railcars Moving On Own Wheels	Nov. 16, 2015	Jan. 1, 2016		Responsible party added
9400	OT5 Approval for Private Railcars	Nov. 16, 2015	Jan. 1, 2016		Additional text included and added responsible party
12000	Diversion Service	Nov. 16, 2015	Jan. 1, 2016		Removed the fee for unit trains referencing CN Tariff 9004
12000	Diversion Services	Nov. 16, 2015	Jan. 1, 2016		Increased fee from \$135 to \$250 per loaded railcar or revenue movement Increased fee from \$2,080 to \$3,500 per block
13200	Optional Special Switch and Special Train Services	Nov. 16, 2015	Jan. 1, 2016		Added reference to CN 9003 for dimensional loads.
P.25	Switching On Request	Nov. 16, 2015	Jan. 1, 2016		Added reference to environmentally sensitive commodities
P.26	Loading and Unloading	Nov. 16, 2015	Jan. 1, 2016		This item now includes a railcar, not containing dangerous goods, hazardous materials or environmentally sensitive materials found to be leaking, as an improperly loaded railcar.
14000	Moving an Overloaded or Improperly Loaded Shipment on our Network	Nov. 16, 2015	Jan. 1, 2016		Added “improperly loaded railcar”
14100	Unsafe to Move Forward	Nov. 16, 2015	Jan. 1, 2016		Increased fee from \$1,000 to \$3,000 per car for the 2 nd incident
P.27	Shipping Dangerous Goods/Hazardous Materials/ Environmentally Sensitive Materials	Nov. 16, 2015	Jan. 1, 2016		Added “environmentally sensitive materials”
15000	Securing Leaking Railcars	Nov. 16, 2015	Jan. 1, 2016		Added “environmentally sensitive materials” Added web link to CN’s glossary of terms

Item	Application	Issued date	Effective date	Action	Description
P.28	Incident Recovery Process	Nov. 16, 2015	Jan. 1, 2016		New section pertaining to incident recovery process
P.29	eBill Disputes	Nov. 16, 2015	Jan. 1, 2016		Added: "and pay all non-disputed items on an invoice"
Appendix	Greater Edmonton Stations	Nov. 16, 2015	Jan. 1, 2016	 	Added the following cities to the greater Edmonton stations: Beamer, Brudeheim, Fort Saskatchewan, South Beamer and Sturgeon.

 **NEW** New item

 **TEXT** Text change

 **D** Deleted item

 **\$** Price increase

 **\$** Price decrease

Appendix

Greater Chicago stations

CARR ABBR	FSAC	STATION NAME	STATE
CN	055240	31 ST STREET	IL
CN	057638	45 CROSSOVER	IL
CN	057648	47 CROSSOVER	IL
CN	057050	ADDISON	IL
CN	056031	APTAKISIC	IL
CN	057664	ARGO	IL
CN	056016	B12	IL
CN	054030	BARRINGTON	IL
CN	055964	BEDFORD PARK	IL
CN	056971	BELT JUNCTION	IL
CN	057803	BELT TOWER	IL
CN	057005	BERWYN	IL
CN	054095	BEVEN	IL
CN	055954	BLUE ISLAND	IL
CN	057614	BRIDGEPORT	IL
CN	057619	BRIGHTON PARK	IL
CN	054110	BRISBANE	IL
CN	057030	BROADVIEW	IL
CN	055956	BROADWAY	IL
CN	054185	BUFFINGTON	IN
CN	057864	BURNHAM	IL
CN	055959	CALUMET YARD	IL
CN	057054	CAROL STREAM	IL
CN	054070	CATON FARM	IL
CN	054150	CAVANAUGH	IN
CN	057608	CERMAK	IL
CN	057016	CHGO 18TH STREET	IL
CN	057712	CHGO 82ND STREET	IL
CN	057720	CHGO 94TH STREET	IL
CN	057612	CHGO CLARK STREET	IL
CN	056968	CHGO ROCKWELL STREET	IL
CN	055978	CHICAGO	IL
CN	057609	CHICAGO 21ST STREET	IL
CN	056950	CHICAGO 59TH STREET	IL
CN	057706	CHICAGO 67TH STREET	IL
CN	055962	CHICAGO ASHLAND AVENUE	IL
CN	055958	CHICAGO BARR YARD	IL
CN	056956	CHICAGO CANAL STREET	IL
CN	055987	CHICAGO CARGOFLO	IL
CN	055989	CHICAGO HEIGHTS	IL

CARR ABBR	FSAC	STATION NAME	STATE
CN	055972	CHICAGO INTER TERMINAL	IL
CN	056967	CHICAGO RIDGE	IL
CN	057611	CHICAGO UNION	IL
CN	055988	CHICAGO UNION STATION	IL
CN	057856	CHICAGO WESTERN AVENUE	IL
CN	055250	CICERO	IL
CN	055965	CLEARING	IL
CN	056973	CN JUNCTION	IL
CN	057613	COMMERCIAL AVENUE	IL
CN	056965	CONGRESS PARK	IL
CN	055974	CORWITH YARD	IL
CN	056952	CRAGIN	IL
CN	057630	CRAWFORD YARD	IL
CN	054160	CURTIS	IN
CN	056027	DES PLAINES	IL
CN	054080	DIVINE	IL
CN	054130	DYER	IN
CN	054103	EAST BRIDGE JUNCTION	IL
CN	054215	EAST CHICAGO	IN
CN	054100	EAST MORRIS	IL
CN	056957	EIGHTY FIRST STREET	IL
CN	057060	ELGIN JUNCTION	IL
CN	057043	ELMHURST	IL
CN	055970	ELSDON	IL
CN	055969	EOLA	IL
CN	057684	FLAGSTONE	IL
CN	057716	FORDHAM	IL
CN	057020	FOREST PARK	IL
CN	056955	FORTY EIGHTH STREET JUNCTION	IL
CN	055995	FRANKFORT	IL
CN	056017	FRANKLIN PARK	IL
CN	054055	FRONTENAC	IL
CN	054175	GARY	IN
CN	054020	GILMER	IL
CN	055230	GLENN YARD	IL
CN	054170	GOFF	IN
CN	054085	GOOSE LAKE	IL
CN	057710	GRAND CROSSING	IL
CN	056039	GRAYS LAKE	IL
CN	055918	GRIFFITH	IN
CN	054205	HAMMOND LAKE FRONT	IN
CN	056964	HARBOR HILL	IL
CN	054135	HARTSDALE	IN
CN	055952	HARVEY	IL
CN	057000	HAWTHORNE	IL
CN	055955	HAYFORD	IL

CARR ABBR	FSAC	STATION NAME	STATE
CN	057040	HILLSIDE	IL
CN	057766	HOMEWOOD	IL
CN	054195	INDIANA HARBOR	IN
CN	054145	IVANHOE	IN
CN	057692	JOLIET	IL
CN	054105	JOLIET YARD	IL
CN	056019	JUNCTION 17	IL
CN	057671	JUSTICE	IL
CN	057726	KENSINGTON	IL
CN	054152	KIRK YARD	IN
CN	054025	LAKE ZURICH	IL
CN	057678	LAMBERT	IL
CN	055991	LANDERS	IL
CN	056035	LEIGHTON	IL
CN	057682	LEMONT	IL
CN	057634	LEMOYNE	IL
CN	057690	LOCKPORT	IL
CN	057059	LOMBARD	IL
CN	055960	MARKHAM	IL
CN	055968	MATTESON	IL
CN	057035	MCCOOK	IL
CN	057702	MILLSDALE	IL
CN	056037	MUNDELEIN	IL
CN	057058	MUNGER	IL
CN	055920	MUNSTER	IN
CN	054060	NORMANTOWN	IL
CN	056018	NORPAUL	IL
CN	054005	NORTH CHICAGO	IL
CN	055950	OAK GLEN	IL
CN	057010	PARKWAY	IL
CN	054097	PHOENIX	IL
CN	054155	PINE	IN
CN	057698	PLAINES	IL
CN	056033	PRAIRIE VIEW	IL
CN	055957	PROVISO	IL
CN	057675	PUBLICKER	IL
CN	056958	PULLMAN JUNCTION	IL
CN	057769	RICHTON	IL
CN	054067	RIVER	IL
CN	056015	RIVER FOREST	IL
CN	057740	RIVERDALE	IL
CN	057617	ROCKWELL	IL
CN	057686	ROMEOVILLE	IL
CN	054015	RONDOUT	IL
CN	056025	ROSEMONT	IL
CN	056020	SCHILLER PARK	IL

CARR ABBR	FSAC	STATION NAME	STATE
CN	056969	SIXTEENTH STREET	IL
CN	057860	SOUTH CHICAGO	IL
CN	057056	SPAULDING	IL
CN	057694	STATEVILLE	IL
CN	054180	STOCKTON	IN
CN	057654	SUMMIT	IL
CN	054035	SUTTON	IL
CN	056012	THOMPSON	IL
CN	055951	THORNTON JUNCTION	IL
CN	054092	TURNER	IL
CN	054010	UPTON	IL
CN	054140	VAN LOON	IN
CN	057046	VILLA PARK	IL
CN	054065	WALKER	IL
CN	054050	WARRENHURST	IL
CN	054000	WAUKEGAN	IL
CN	054094	WEST BRIDGE JUNCTION	IL
CN	054045	WEST CHICAGO	IL
CN	054091	WEST ROMEO	IL
CN	056029	WHEELING	IL
CN	054220	WHITING	IN
CN	057736	WILDWOOD	IL
CN	057674	WILLOW SPRINGS	IL
CN	055953	YARD CENTER	IL

Greater Vancouver stations











CARR ABBR	FSAC	STATION NAME	PROV
CN	095218	BRITANNIA	BC
CN	093135	BROWNSVILLE BRANCH	BC
CN	093334	BRUNETTE	BC
CN	095212	BRUNSWICK	BC
CN	093342	BURNABY	BC
CN	093440	CENTERM WHARF IMS	BC
CN	092918	COQUITLAM	BC
CN	092945	COQUITLAM CLN	BC
CN	092927	COQUITLAM IMS	BC
CN	093430	DELTAPORT IMS	BC
CN	093315	FRASER MILLS	BC
CN	095109	FRASER STREET	BC
CN	093132	FRASER SURREY	BC
CN	093134	FRASER SURRY IMPEX	BC
CN	093276	FRASER WHARF IMPEX	BC
CN	095208	HORSESHOE BAY	BC
CN	093338	LAKE CITY	BC
CN	092889	LIVINGSTONE	BC
CN	093251	LULU ISLAND YARD	BC
CN	093515	N VANCOUVER IMPEX	BC
CN	093603	NEPTUNE TMLS	BC
CN	093330	NEW WESTMINSTER	BC
CN	093530	NORTH VANCOUVER	BC
CN	095216	PORTEAU	BC
CN	093897	SECOND NARROWS	BC
CN	093226	SOUTH BURNABY	BC
CN	093258	SOUTH FRASER	BC
CN	093900	SQUAMISH	BC
CN	093354	STILL CREEK	BC
CN	095210	SUNSET BEACH	BC
CN	093139	TILBURY	BC
CN	093390	VANCOUVER	BC
CN	093387	VANCOUVER CARGOFLO	BC
CN	093549	VANCOUVER CENTENNIAL PIER	BC
CN	093607	VANCOUVER ELEVATORS	BC
CN	093545	VANCOUVER IMPEX	BC
CN	093400	VANCOUVER SAP INTER	BC
CN	093115	VANCOUVER THORNTON DIESEL	BC
CN	093112	VANCOUVER THORNTON YARD	BC
CN	093543	VANCOUVER VANTERM	BC
CN	093395	VANCOUVER VIA	BC
CN	093386	VANCOUVER WHARF	BC
CN	093111	VANINTTER INTERMODAL	BC

CARR ABBR	FSAC	STATION NAME	PROV
CN	093541	VANTERM WHARF IMS	BC
CN	092894	WESTLANG	BC
CN	093352	WILLINGDON JUNCTION	BC
CN	093268	WOODWARDS LANDING	BC

Greater Regina stations

CARR ABBR	FSAC	STATION NAME	PROV
CN	76915	REGINA	SK
CN	76905	REGINA EAST	SK

Greater Edmonton stations

CARR ABBR	FSAC	STATION NAME	PROV
CN	87284	BEAMER  	AB
CN	87246	BRUDERHEIM  	AB
CN	87510	CLOVER BAR	AB
CN	87950	EDMONTON	AB
CN	87890	EAST EDMONTON	AB
CN	87278	FORT SASKATCHEWAN  	AB
CN	87256	SCOTFORD	AB
CN	87283	SOUTH BEAMER  	AB
CN	87282	STURGEON  	AB

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August 13, 2012

Ms. Cynthia Brown
Chief, Section of Administration
Office of Proceedings
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AUG 13 2012

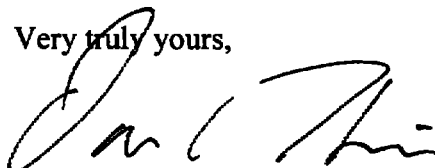
**SURFACE
TRANSPORTATION BOARD**

**Re: *Grand Trunk Western Railroad Company – Acquisition of Operating
Easement – In Shelby County, Tennessee (Docket No. FD 35661)***

Dear Ms. Brown:

Enclosed please find an original and 10 copies of the Petition for Exemption for filing in the above-referenced docket. Also enclosed are a CD containing the text of this filing in Microsoft Word and PDF formats and a check for the filing fee of \$6,600, as required under 49 C.F.R. § 1002.2(f)(41)(vi).

Very truly yours,


David A. Hirsh

Enclosures

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Office of Proceedings**

AUG 13 2012

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Public Record**

FILED

AUG 13 2012

**SURFACE
TRANSPORTATION BOARD**

232729

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. FD 35661

GRAND TRUNK WESTERN RAILROAD COMPANY
- ACQUISITION OF OPERATING EASEMENT -
IN SHELBY COUNTY, TENNESSEE

PETITION FOR EXEMPTION

ENTERED
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TRANSPORTATION BOARD

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August 13, 2012

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. FD 35661

GRAND TRUNK WESTERN RAILROAD COMPANY
– ACQUISITION OF OPERATING EASEMENT –
IN SHELBY COUNTY, TENNESSEE

PETITION FOR EXEMPTION

Grand Trunk Western Railroad Company (“GTW” or “Petitioner”) hereby petitions the Surface Transportation Board (the “Board”), pursuant to 49 U.S.C. § 10502(a) and 49 C.F.R. Part 1121, for an exemption from the approval requirements of 49 U.S.C. §§ 11323-11325 regarding GTW’s proposed acquisition from CSX Transportation, Inc. (“CSXT”) of an operating easement over approximately 2.1 miles of CSXT’s Memphis Terminal Subdivision, extending from milepost 00F371.4, at or near Leewood, Tennessee, to milepost 00F373.4, at or near Aulon, Tennessee (“Leewood-Aulon Line”), including the right to use the ballast, rail, ties, bridges, culverts, signals, gates, and other railroad operating structures and fixtures located on that property. GTW’s affiliate, Illinois Central Railroad Company (“IC”), currently operates between Leewood and Aulon pursuant to trackage rights from CSXT. CSXT and GTW have agreed to an easement swap, whereby, subject to STB approval, CSXT would grant the easement over the Leewood-Aulon Line in exchange for an easement over the Elsdon Subdivision, a line in the Chicago area owned by GTW.¹

¹ The Agreement for Exchange of Perpetual Easements between CSX Transportation, Inc. and Grand Trunk Western Railroad Company was executed on

Maps of the Leewood-Aulon Line are attached as Exhibit A to this Petition.

DESCRIPTION OF TRANSACTION

GTW is an indirect, wholly owned subsidiary of Canadian National Railway Company ("CNR"). CNR and its affiliates (together, "CN") operate a rail system of approximately 20,000 route miles in the United States and Canada. Most of CN's operations in the United States are conducted by the railroad subsidiaries of Grand Trunk Corporation ("GTC"), which is a non-carrier holding company and a direct subsidiary of CNR. Among GTC's subsidiaries are GTW and IC. GTW operates in Illinois, Indiana, Michigan, and Ohio. IC, which CNR acquired in 1999,² operates in Alabama, Illinois, Kentucky, Louisiana, Mississippi, and Tennessee.

CN's principal north-south route is owned and operated by IC and runs between Chicago in the north and New Orleans in the south, via Champaign, Illinois, Memphis, Tennessee, and Jackson, Mississippi. That line splits at Woodstock, Tennessee, north of Memphis, into two parallel lines that extend to the south and join again at West Junction, Tennessee, south of Memphis. The westernmost of these parallel lines runs through downtown Memphis and is used for CN traffic moving to or from yards, origins and destinations, and interchange points located along that line. The easternmost of the parallel lines runs around Memphis and is used for the remainder of CN's traffic around Memphis, including most of CN's north-south through traffic, as well as most traffic

August 13, 2012. The draft easement grant itself that is the subject of this Petition is Exhibit F to that Agreement (entitled "Leewood Easement Agreement"). Both documents are found in Volume 2 of CSXT's application for approval of its acquisition of the Elsdon easement, filed simultaneously herewith in *CSX Transportation, Inc. – Acquisition – Grand Trunk Western R.R.*, Docket No. FD 35522.

² See *Canadian Nat'l Ry. – Control – Ill. Cent. Corp.*, 4 S.T.B. 122 (1999).

moving to or from Harrison Yard (CN's principal rail yard in the Memphis area).³ For approximately 2.1 miles, this easternmost line runs over the Leewood-Aulon Line, which is owned by CSXT, but which CN uses pursuant to trackage rights granted to IC's predecessor in 1907 by CSXT's predecessor. Under the trackage rights agreement, CSXT maintains and dispatches the line, even though CN is now its primary user. CN and IC have long wished to assume operational control of the Leewood-Aulon Line, as it is an essential link for CN north-south traffic.

As part of an exchange of easements that will better align CN's and CSXT's use and control of their lines, CSXT has agreed to grant to CN's affiliate, GTW, an exclusive, perpetual, non-assignable railroad operating easement over the Leewood-Aulon Line. CN has agreed that CSXT would retain trackage rights over that segment. Under the parties' agreement, GTW would assume responsibility for dispatching, track maintenance, and capital improvements for the Leewood-Aulon Line, including all interlockings, control points, and connections, including those at Leewood and Aulon themselves. While GTW, as owner of the easement, would have the legal right to operate over the Leewood-Aulon Line, it expects rail operations on behalf of CN will continue to be provided by IC, under its existing 1907 trackage rights agreement and/or under a further agreement with GTW.⁴

³ Amtrak runs over the westernmost of these parallel lines, but not over the easternmost.

⁴ In order for an exchange of property to qualify as a like-kind exchange under the U.S. Internal Revenue Code, the exchange must be between the same parties. Therefore, because GTW is conveying the easement for its Elsdon Subdivision to CSXT, it is necessary for CSXT to convey the easement for the Leewood-Aulon Line to GTW, rather than IC.

ENVIRONMENTAL AND HISTORIC REVIEW

A petition for exemption must comply with the Board's environmental reporting requirements, if applicable. 49 C.F.R. § 1121.3(b). Under 49 C.F.R. § 1105.6(c)(2), GTW's proposed acquisition of the Leewood-Aulon Line is exempt from environmental reporting requirements. The proposed acquisition would not result in any operational changes that would exceed the thresholds of 49 C.F.R. § 1105.7(e)(4) or (5), and it would not result in any action that would normally require environmental documentation (such as a construction or abandonment). The only operational change that is planned is that CN has agreed to construct additional non-jurisdictional trackage along the main line that would be used for CSXT's local switching and would provide head room at the west end of CSXT's Leewood Yard, allowing CSXT to operate in and out of the yard without fouling the main, and significantly reducing congestion on the main line, to the benefit of shippers, CSXT, and CN.

Under 49 C.F.R. § 1105.8(b)(1), the proposed acquisition of the Leewood-Aulon Line by GTW is exempt from historic preservation reporting requirements. GTW's acquisition of the line is for the purpose of continuing rail operations, further Board approval would be required for any abandonment or discontinuance of service, and there are no plans in connection with this transaction to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

DISCUSSION OF EXEMPTION STANDARDS

GTW's acquisition of the Leewood-Aulon Line constitutes the "purchase ... [of] property of another rail carrier by any number of rail carriers" and therefore ordinarily would require authorization by the Board. 49 U.S.C. § 11323(a)(2).⁵

The Board, however, is statutorily required to exempt a proposed transaction from regulation under a provision of 49 U.S.C. §§ 10101-11908 whenever it finds that (1) application of that provision is not necessary to carry out the Rail Transportation Policy of 49 U.S.C. § 10101 ("RTP"); and (2) either (a) the transaction is of limited scope, or (b) application in whole or in part of the provision is not necessary to protect shippers from the abuse of market power. 49 U.S.C. § 10502(a). Because the proposed acquisition of the Leewood-Aulon Line is fully consistent with the RTP, is limited in scope, and would not lead to an increase in market power that could allow the abuse of shippers, the Board should exempt the acquisition from the approval requirements of 49 U.S.C. §§ 11323-11325.

I. IMPOSITION OF THE REQUIREMENTS OF 49 U.S.C. §§ 11323-11325 IS NOT NECESSARY TO CARRY OUT THE RAIL TRANSPORTATION POLICY OF 49 U.S.C. § 10101.

In determining whether to exempt a transaction under 49 U.S.C. § 10502(a) from formal regulation under a provision of 49 U.S.C. §§ 10101-11908, the Board must "study . . . the relationship between the statutory provisions ordinarily applicable and relevant facets of [the RTP]." *Ill. Commerce Comm'n v. ICC*, 787 F.2d 616, 630 n.100

⁵ The Board has found that acquisition of an operating easement constitutes the acquisition of "property" for purposes of section 11323(a)(2). *Mass. Coastal R.R. – Acquisition – CSX Transp., Inc.*, STB Finance Docket No. 35314, slip op. at 3-4 (STB served Mar. 29, 2010).

(D.C. Cir. 1986). In this case, because the relevant facets of the RTP are those protecting competition,⁶ and because the proposed acquisition would have no adverse effects on competition, formal regulation is unnecessary to implement those elements.

Because the proposed acquisition does not involve the merger or control of more than one Class I rail carrier, if it were the subject of a formal application under 49 U.S.C. §§ 11323-11325, the Board would evaluate it under the approval criteria set forth in 49 U.S.C. § 11324(d). Under those criteria, the Board would be required to approve the transaction unless it found that:

(1) as a result of the transaction, there [would] likely ... be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States; and

(2) the anticompetitive effects of the transaction [would] outweigh the public interest in meeting significant transportation needs.

49 U.S.C. § 11324(d). Thus, if the Board finds that a transaction (not involving merger or control of two Class I rail carriers) would not have substantial anticompetitive effects, the agency's "analysis is at an end" and it "must approve the transaction." *Ill. v. ICC*, 687 F.2d 1047, 1053 (7th Cir. 1982) (emphasis omitted).

In this case, CSXT will retain trackage rights, for both overhead and local traffic, over the Leewood-Aulon Line. Thus, it will retain the ability to serve all routes and shippers that it serves today. Further, IC will have full operational rights on and over the

⁶ In particular, subsections (1), (4), (5), and (12) of 49 U.S.C. § 10101 (declaring it the policy of the United States Government "to allow, to the maximum extent possible, competition and the demand for services to establish reasonable rates for transportation by rail," "to ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers and with other modes, to meet the needs of the public and the national defense," "to ensure effective competition and coordination between rail carriers and other modes," and "to avoid undue concentrations of market power").

Leewood-Aulon Line and would continue to provide local and overhead service. The proposed acquisition will therefore cause no diminution in competition, much less a substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation. Accordingly, the formal approval provisions of 49 U.S.C. §§ 11323-11325 need not be applied in order to implement the pro-competitive elements of the RTP.⁷

II. THE PROPOSED ACQUISITION IS LIMITED IN SCOPE.

The Leewood-Aulon Line at issue here is only 2.1 miles long, or well within the range of rail lines that have been the subjects of transactions found by the Board to be of limited scope.⁸ The transaction would be transparent to shippers, who would continue to

⁷ In addition, the requested exemption would further other elements of the RTP by minimizing the administrative expense of considering the proposed transaction and by expediting regulatory decisions and reducing barriers to entry and exit. See 49 U.S.C. § 10101(2), (7). Moreover, the transaction would help promote a safe and efficient rail transportation system, foster sound economic conditions, and encourage efficient management. See 49 U.S.C. § 10101(3), (5), (9).

⁸ See, e.g., *Kansas City S. Ry. – Acquisition & Operation Exemption – Columbus & G. Ry.*, STB Finance Docket No. 35094 (STB served Dec. 13, 2007) (acquisition of 2.23 miles); *Portland & W. R.R. – Trackage Rights Exemption – BNSF Ry.*, STB Finance Docket No. 34951 (Sub-No. 1) (STB served Mar. 12, 2007) (trackage rights over 13.31 miles); *Land Conservancy of Seattle & King County – Acquisition & Operation Exemption – Burlington N. & S.F. Ry.*, STB Finance Docket No. 33389, slip op. at 12-13 (STB served May 13, 1998) (abandonment of 12.45 miles); *Bay Line R.R. – Abandonment Exemption – In Jackson & Holmes Counties, FL*, Docket No. AB-454X (STB served May 14, 1996) (abandonment of 9.19 miles); *Ga. & Fla. R.R. – Abandonment Exemption – In Mitchell & Colquitt Counties, GA*, Docket No. AB-453 (Sub-No. 1X) (STB served Mar. 27, 1996) (abandonment of 5.45 miles); *Union Pac. R.R. – Abandonment Exemption in Sutter County, CA (Yuba City Branch)*, Docket No. AB-33 (Sub-No. 90X) (STB served Mar. 29, 1996) (abandonment of 5.20 miles); *Claussen – Continuance in Control Exemption – Live Oak, P. & Ga. R.R.*, STB Finance Docket No. 32813 (STB served Mar. 29, 1996) (control of 83.05-mile railroad); *RailTex, Inc. – Acquisition of Control Exemption – Dallas, G. & N.E. R.R.*, Finance Docket No. 32742 (ICC served Oct. 10, 1995) (control of 91.5-mile railroad); *Genesee & M.V. R.R. – Acquisition & Operation Exemption – Consolidated Rail Corp.*, 10 I.C.C.2d 824 (1995)

receive the same or improved service and have access to the same competitive rail options after the acquisition as they do at present. The proposed transaction is therefore of limited scope, satisfying the criterion of 49 U.S.C. § 10502(a)(1).

III. REGULATION UNDER 49 U.S.C. §§ 11323-11325 IS NOT NECESSARY TO PROTECT SHIPPERS AGAINST THE ABUSE OF MARKET POWER.

For the proposed acquisition to qualify for an exemption under 49 U.S.C. § 10502(a)(2), it needs to be demonstrated *either* that the transaction is of limited scope or that formal regulation is not necessary to protect shippers from the abuse of market power. *Village of Palestine v. ICC*, 936 F.2d 1335, 1340 (D.C. Cir. 1991). Because the proposed transaction is clearly of limited scope, there is no need for any finding regarding the need to protect shippers from abuse of market power. Nevertheless, it is apparent, as discussed above, that the proposed acquisition would cause no diminution of competition, as shippers would continue to enjoy all competitive options for rail service currently available to them. CSXT would continue to provide local and overhead rail service, by means of the trackage rights that CSXT is retaining, and IC would have full operational rights on and over the Leewood-Aulon Line and would continue to provide local and overhead service. The transaction would neither create nor increase the market power of any railroad, nor would it create or increase any risk to shippers of the abuse of such power.

(control of 16-mile railroad); *WFEC R.R. – Construction & Operation Exemption – Choctaw & McCurtain Counties, OK*, Finance Docket No. 32607 (ICC served Sept. 1, 1995) (construction of 14-mile rail line).

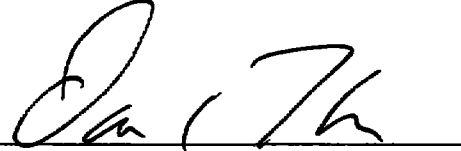
LABOR PROTECTION

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a rail carrier of otherwise applicable statutory obligations to protect the interests of its employees. Under applicable precedent, the Board is required by 49 U.S.C. § 11326(a) to impose *New York Dock* labor protective conditions, as set forth in *New York Dock Ry. – Control – Brooklyn Eastern District Terminal*, 360 I.C.C. 60, *aff'd sub nom. New York Dock Ry. v. United States*, 609 F.2d 83 (2d Cir. 1979).

CONCLUSION

The Petition for Exemption should be granted, subject to *New York Dock* labor protection conditions.

Respectfully submitted,



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Counsel for Grand Trunk Western Railroad Company

August 13, 2012

VERIFICATION

I, Paul E. Ladue, declare under penalty of perjury that I am Region Director Contracts and Administration, Southern Region, for Grand Trunk Railroad Company, that I have read the foregoing Petition for Exemption, that I know the facts asserted therein, and that the same are true as stated. Further, I certify that I am qualified to and authorized to provide this verification on behalf of Grand Trunk Railroad Company

Executed on August 13, 2012

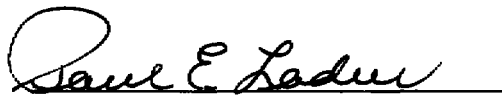
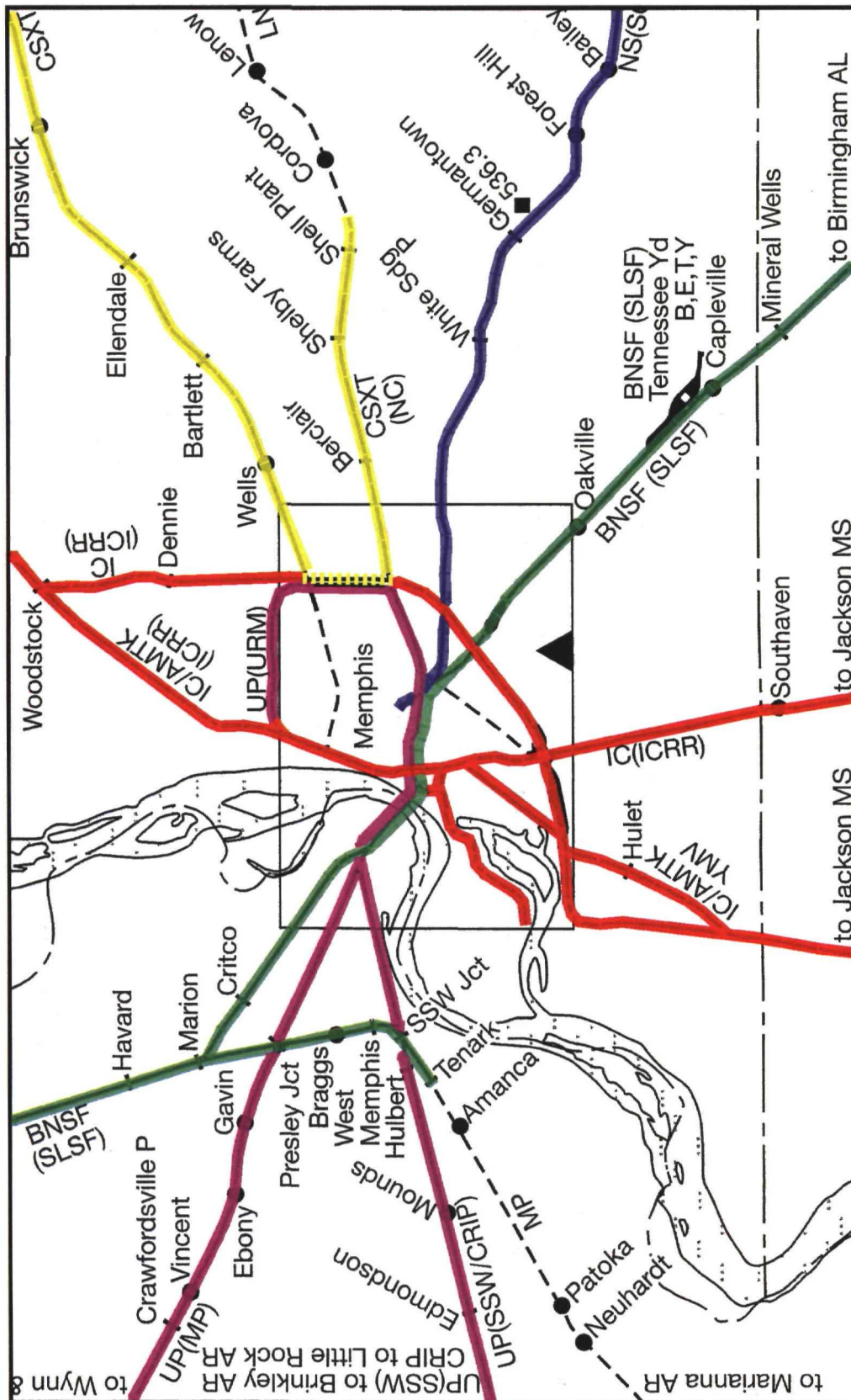

Paul E. Ladue

EXHIBIT A

MAPS





AOR062



HARRISON YARD

Memphis, TN

