



6.21.18

**Dear Valued Customers,**

We have been and will continue to have delays until the end of September 2018. Currently 24-36 hour delay within the CN Western Canada network we have been incurring due to the CN infrastructure enhancements as outlined below to assist with future capacity concerns. Please ensure that you are allowing enough transit time should you have due dates/MABD for your valued customers. We will continue to monitor closely within our network and will try to mitigate these delays wherever we can. We do appreciate your support and education to your customers with these delays that we are incurring.

Should you have any questions or concerns please feel free to contact your Account Representative.

Thanks,

## **CN Rail tackling capacity issues 'with a great sense of urgency'**

**The company's \$3.4 billion capital spending plan includes a specific focus on expanding rail infrastructure in Manitoba, Saskatchewan, Alberta and British Columbia**



Canadian National Railway Co.'s interim chief executive Jean-Jacques Ruest said Tuesday the company is tackling its capacity challenges "with a great sense of urgency," focusing on building rail infrastructure in Western Canada to alleviate a backlog that infuriated many customers.

The company's record \$3.4 billion capital spending plan to deal with increased demand and strained capacity is "progressing well" and includes a specific focus on expanding rail infrastructure in Manitoba, Saskatchewan, Alberta and British Columbia, Ruest said.

“The major capital investment that will help us most is the (installation) of a double-track out West,” Ruest said in an interview following the company’s annual meeting in Toronto.

“We’re also building more sidings so we can have more trains on the grid at the same time. In sections where there’s too many trains, we’re going to have sections of double tracks... If you can put more trains on the grid, you can move more of everything — grain, intermodal, coal, crude by rail, and forest product.”

Ruest also told shareholders the capital plan, which has been implemented since March, has produced “sequential improvements” in operating metrics such as network speeds, as well as reduced wait times in the West Coast ports and increased movement of exported grain.

Capacity constraints have put pressure on CN since late last year, leading to significant service disruptions, strained customer relations and government scrutiny. The challenges forced the company to adjust its end-of-year targets on Monday after the company’s net profit fell 16 per cent in a quarter that was also marred by the surprise resignation of its former chief executive Luc Jobin