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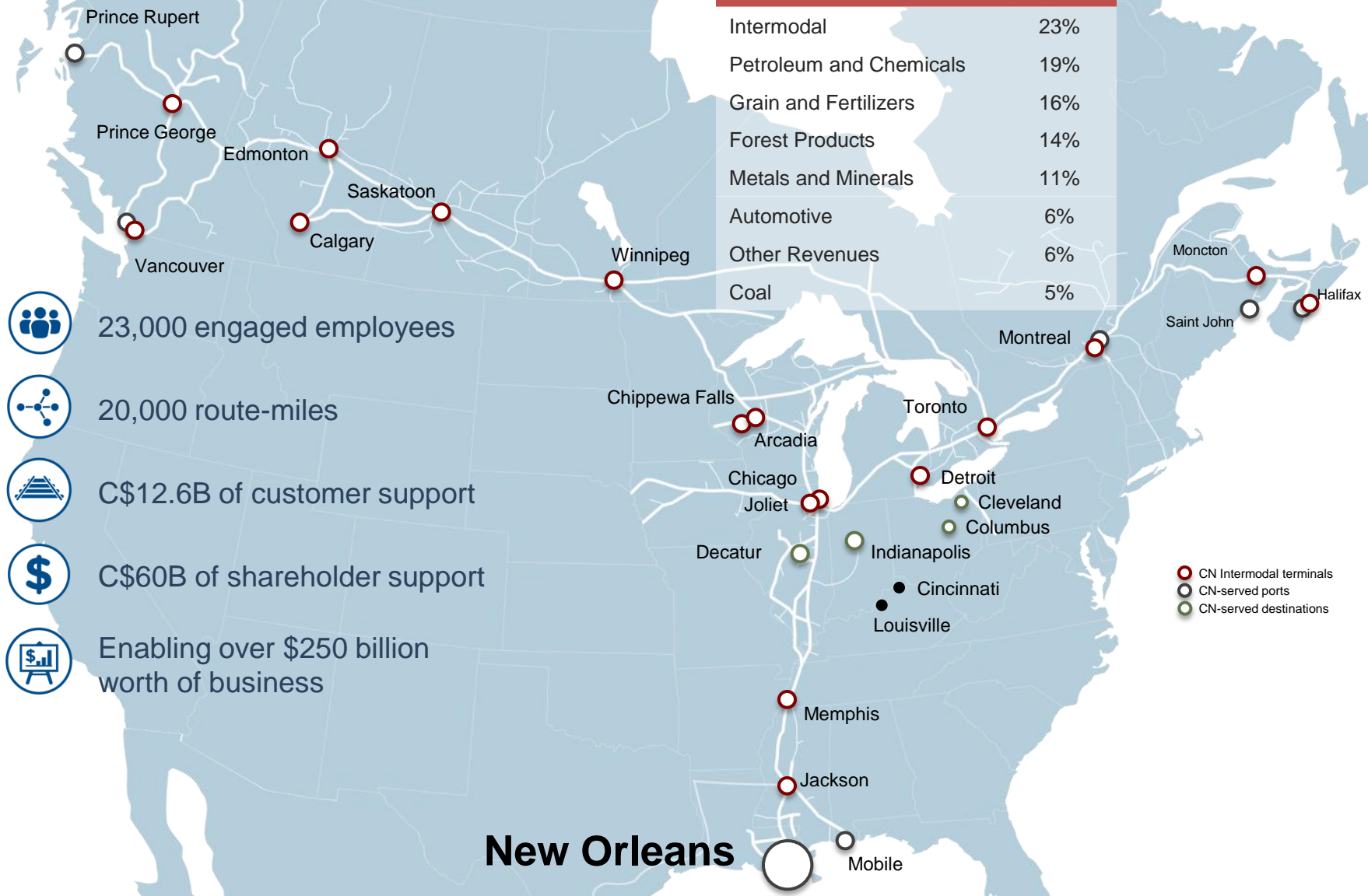
IFFCBANO 
Global Logistics Professionals



CN is a Solid Partner With a Great Network

Diversified Portfolio Create Matchback

Intermodal	23%
Petroleum and Chemicals	19%
Grain and Fertilizers	16%
Forest Products	14%
Metals and Minerals	11%
Automotive	6%
Other Revenues	6%
Coal	5%



23,000 engaged employees

20,000 route-miles

C\$12.6B of customer support

C\$60B of shareholder support

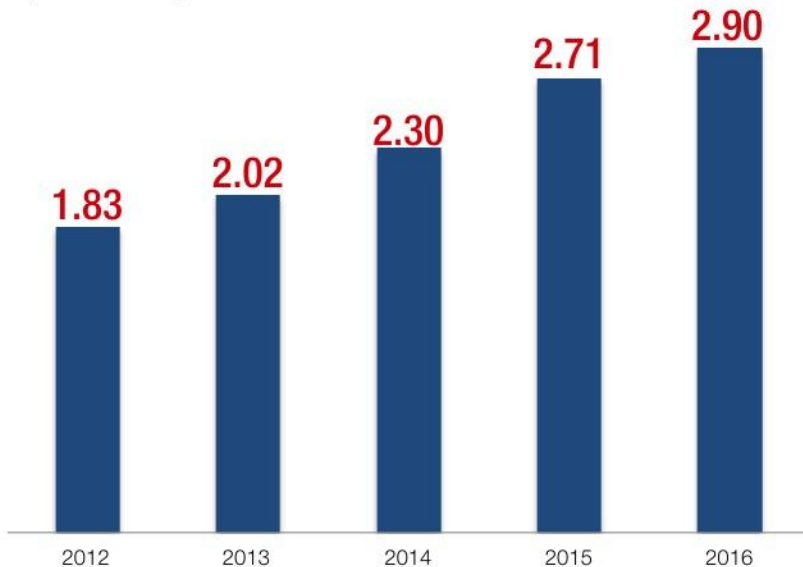
Enabling over \$250 billion worth of business

New Orleans



Investing for Growth, Capacity And to Better Serve our Partners

Capital Expenditures
(\$ billions)



- Continuing to harden our infrastructure with a focus on safety and network fluidity
- Investing in new equipment, including 90 new AC locomotives
- Advancing our PTC implementation, and our special technology fund

Continuing to Invest for Tomorrow's Service



Working With Our Port Partners

\$2.9B planned CN Investments for 2016

Prince Rupert

Expansion by
500K TEUs

Vancouver

GTC Deltaport
rail yard expansion
by 600K TEUs

Halifax

\$100M over the
last 5 years

Montreal

Viau terminal raising
capacity by 350K TEUs

Mobile

APM Terminals
expansion by 125K TEUS

New Orleans

Napolean Ave.
expansion by 260K TEUS

Supply chain success does
not come by going at it alone



Port of New Orleans 2016 Port Capacity Expansion

CONTAINER EXPANSION AREA

Cost: \$523 Million

Initial phase increasing capacity

From 640K to 900K TEUs/year

5 New Post-Panamax vessels Cranes

(Funding & scheduling to be confirmed)

EXISTING CONTAINER TERMINAL

6 cranes

INTERMODAL RAILYARD

Completed February 2016 - Total project cost = \$24 million

**New yard has 5 times capacity of the current volume
with 1 track turnover/day**

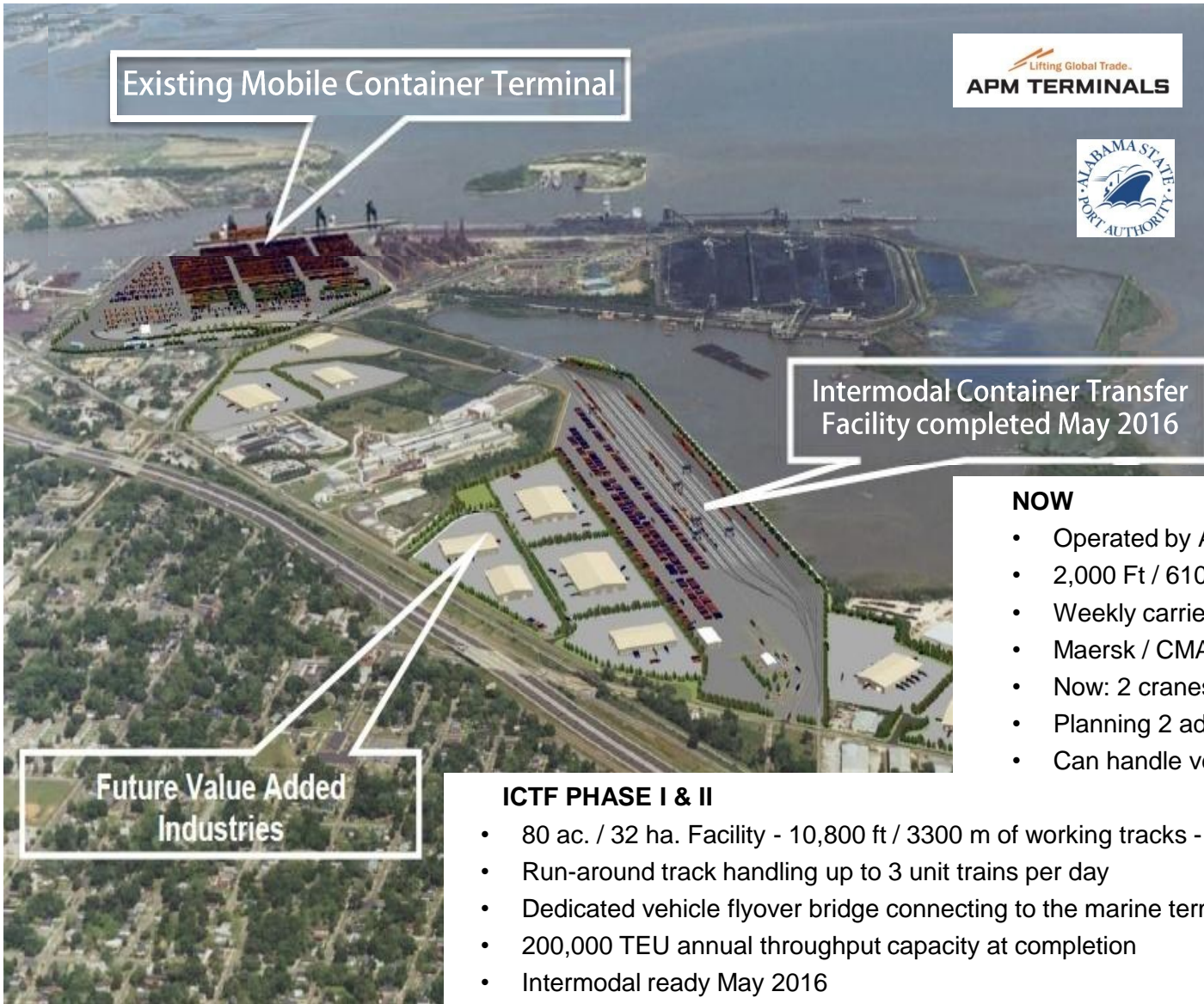
- 4 process tracks - working length of 1550 ft / 472 m each and 1 runner track
- Two electric RTGs will serve the yard





Port of Mobile May 2016

CN Opens Gateway to U.S. Mid-West & Central Canada



Intermodal Container Transfer Facility completed May 2016

Future Value Added Industries

NOW

- Operated by APM Terminals
- 2,000 Ft / 610 m berth at 45-foot / 14 m draft
- Weekly carrier service on major trade lanes
- Maersk / CMA CGM / MSC / ZIM / CSCL
- Now: 2 cranes reaching 19 across
- Planning 2 additional cranes reaching 22 across
- Can handle vessels up to 10,000 TEU

ICTF PHASE I & II

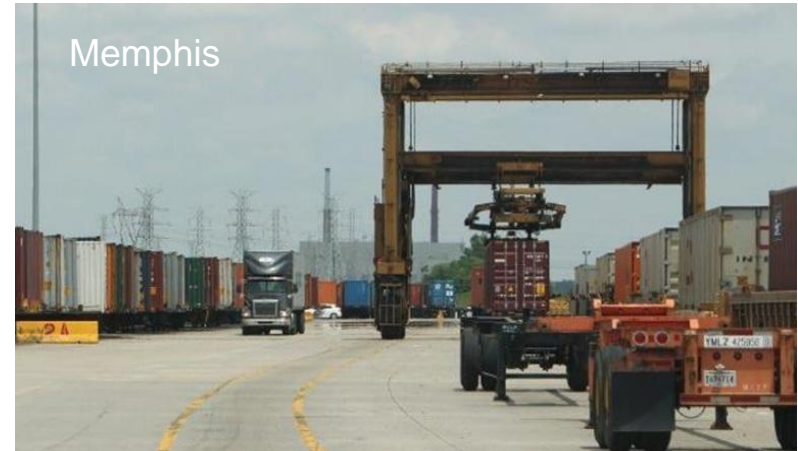
- 80 ac. / 32 ha. Facility - 10,800 ft / 3300 m of working tracks -12,000 ft / 3700 m of support tracks
- Run-around track handling up to 3 unit trains per day
- Dedicated vehicle flyover bridge connecting to the marine terminal
- 200,000 TEU annual throughput capacity at completion
- Intermodal ready May 2016



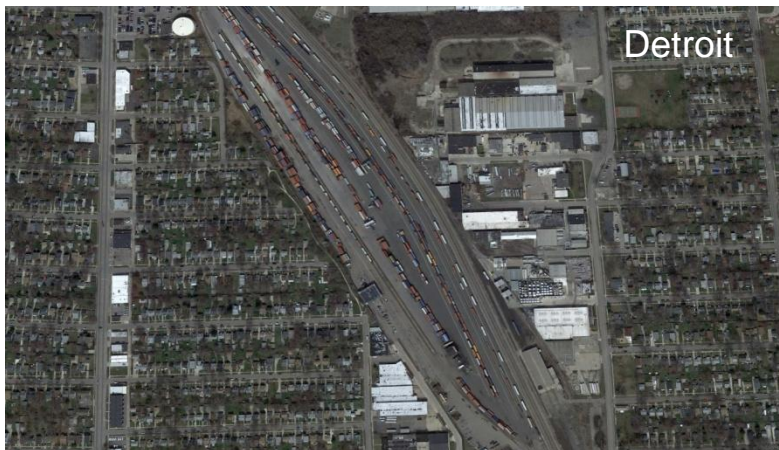
CN's Expansions in U.S. Mid-West Support Growth



- 25% additional ground space in 2015
- 35% Additional track/pad capacity/ground space 2016



- Multi-year plan to increase terminal throughput from 250,000 to 500,000 lifts/year



- Multi-year plan to increase terminal throughput from 100,000 to 150,000 lifts/year (2017)



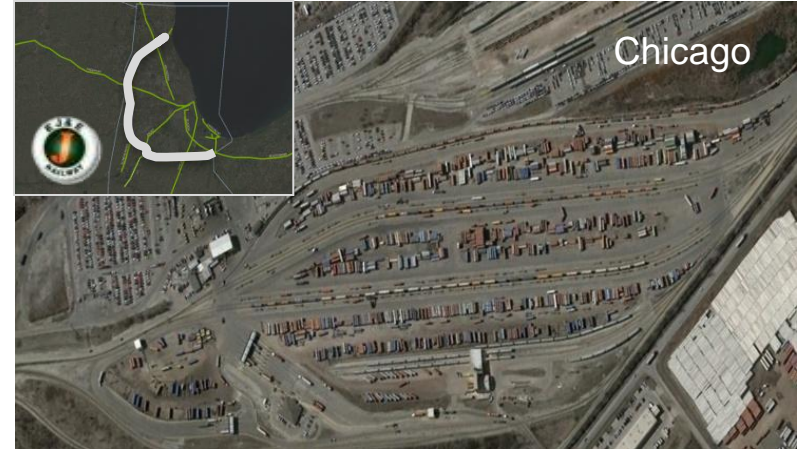
- Extending CN's reach by partnering with a "Best in Class" regional railroad (INRD)



CN's Expansions in U.S. Mid-West Support Growth



- Export focused facility that will source capacity from Memphis, Chicago, & Ohio Valley



- Refined Operations and processes
- EJ&E - Best route into and around Chicago



- Country ramp concept – Perfect marriage of a large volume import customer and high volume export demand



Port of New Orleans Transit Times to Inland Terminals

	Import Transit
Jackson, MS	Same Day AM
Memphis, TN	Same Day PM
Chicago, IL	Next Day AM
Indianapolis, IN	4th Day AM
Decatur, IL	4th Day AM
Detroit, MI	4th Day AM
Toronto, ON	4th Day PM
Montreal, QC	5th Day AM

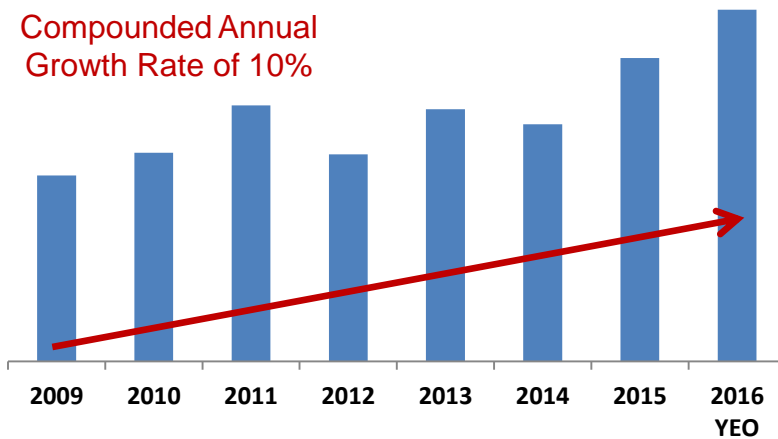




Port of New Orleans - Growth

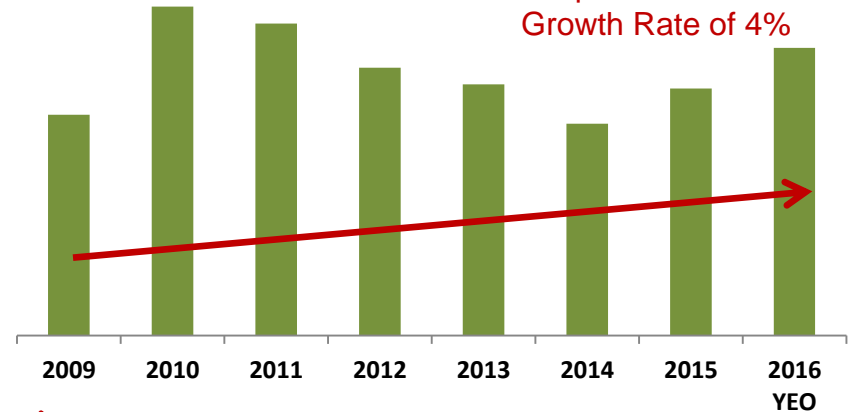
Import Growth

Compounded Annual Growth Rate of 10%



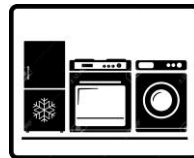
Export Growth

Compounded Annual Growth Rate of 4%



Memphis / Chicago

Automotive, Furniture, Retail, Appliances, Coffee, Perishables



2.5 exports to 1 Import Ratio

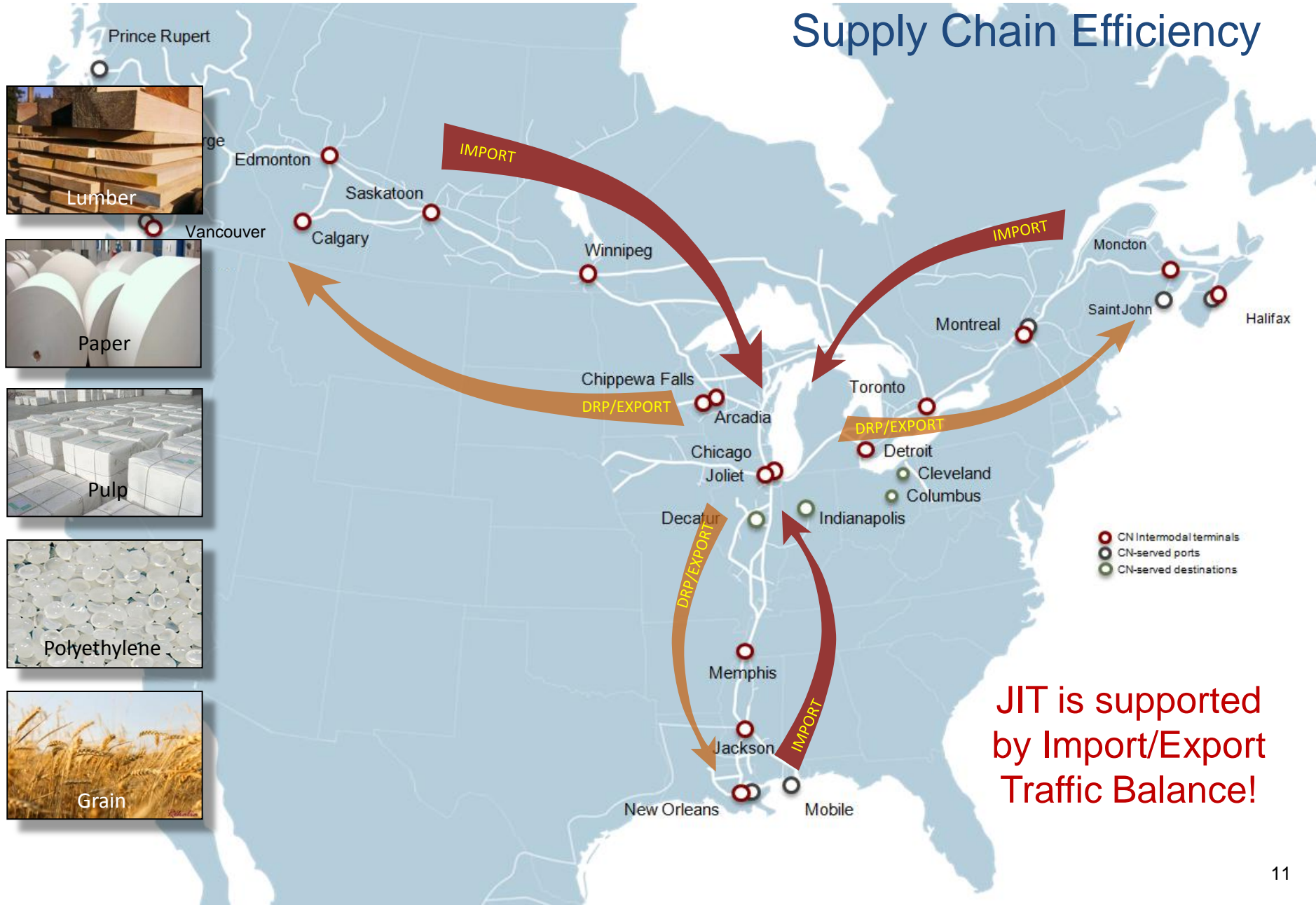
Memphis / Chicago

Automotive, Steel, Forest Products, Agriculture, Chemicals





Import/Export Balance Critical to Supply Chain Efficiency



JIT is supported by Import/Export Traffic Balance!

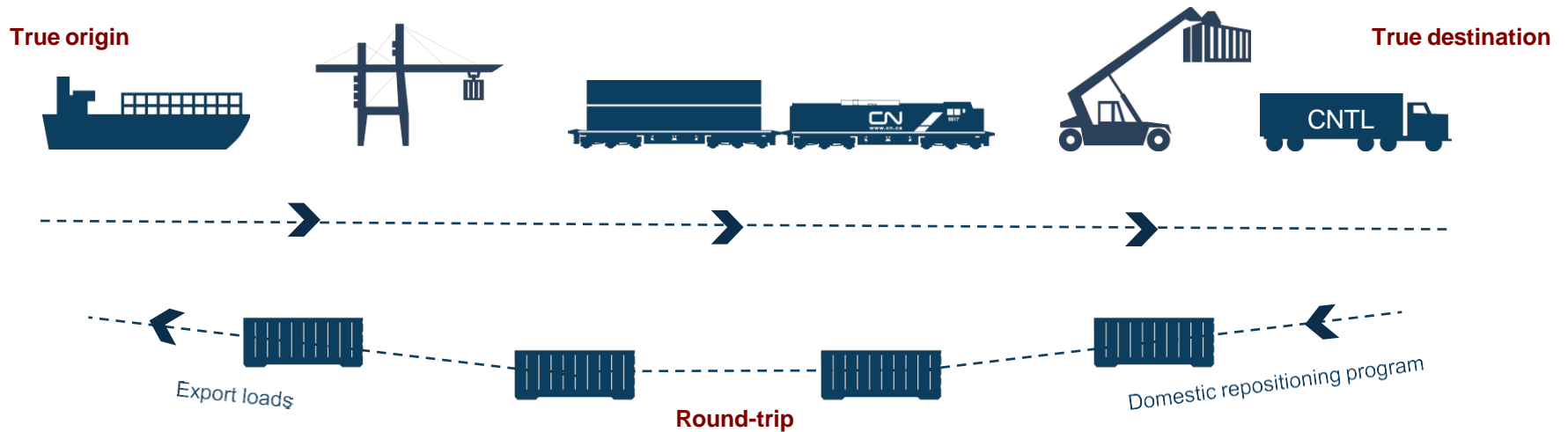


Delivering & Refining the End-to-End Supply Chain

Evolved from railroad thinking...



...to Supply Chain Thinking & Round Trip Thinking



“ It’s about the velocity of the container through the Entire Supply Chain”



Facing and resolving Challenges



Ocean Vessels

Import volume forecast
Vessels schedule



**Continuous improvement of forecast accuracy
working with Steamship lines**



Port Evacuation

Railcar Supply
Labour



**Service Level Agreements – Joint KPI's
CN Port Managers
Port expansions
Railcar pipeline management
Pre-positioning equipment in strategic locations**



Train Service

Train connections
Service disruptions



**Continuous improvements
Recovery Plans
Key Process Indicators
Reliable & consistent transit times**



Inland Terminals

Carter turn time
On-time train schedule



**Automated gate system
Gate & train Reservations
Expanded footprints
Managing to optimize operations**



Export Shipments

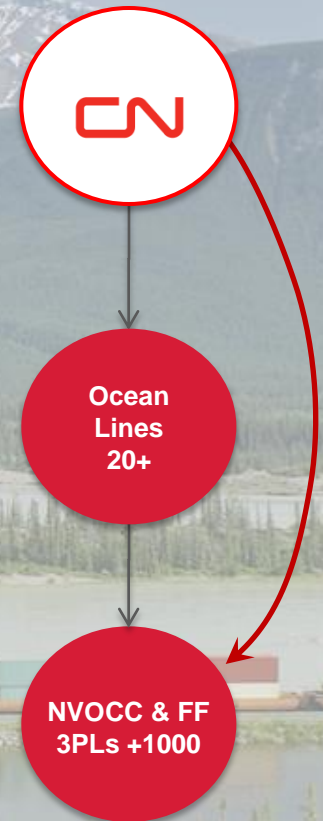
At ports to meet vessels



**Constant monitoring of ETA's
Export cut-offs managed on daily basis**

- Ongoing meetings with freight forwarders in Canada and the US to better understand their business
- Educate the freight forwarders about CN initiatives including:
 - Collaboration Agreements
 - New Intermodal Terminals
 - Prospective products
- Provide industry insight
- Go beyond information from Steamship lines to communicate our supply chain initiatives
- Define initiatives from BCO and NVO market feedback

Relationship Tree



VISIBILITY

Direct EDI interchange to better see what is in the pipeline. Critical visibility of Terminal/Gate activity and Ocean Terminal Dwell

ACCOUNTABILITY

Total supply chain from overseas origin, tracked to inland destination and associated KPI's is essential. Port Operators and Railways need to collaborate



Early notifications of supply chain disruptions, a better understanding of their causes and more importantly, to be kept informed of the recovery plans

Ability to talk to a live person at the terminal level to resolve exceptional situations such as gate appointments, damages and ingate/outgate transactions

COMMUNICATION

CONTACT