

## Summary

### Railway Car Supply – Week 21

- CN spotted 1,928 hopper cars and CP spotted 1,679 hopper cars in the country in Week 21 for a total supply of 3,607 cars – this included 2,500 cars that had been ordered for prior weeks. Week 21 car spotting performance is significantly lower than weekly average car spots of 2,481 and 2,363 for CN and CP respectively for the crop year to date.
  - In Week 21 CN and CP supplied only 1,100 (25%) of the 4,400 hopper cars ordered for delivery in Week 21 representing a shortfall of 3,300 cars for Week 21 orders.
  - Timeliness of supply in response to customer orders has consistently declined throughout the course of the crop year for both railways. To date, the railways have supplied only 50% of customer orders in the week for which cars were ordered.
- Through the first 21 weeks of the current crop year, railways have failed to supply 11,461 hopper cars ordered by shippers. This represents a shortfall equivalent to 11% of shipper demand. The shortfall for both CN and CP has continued to grow weekly since the beginning of the crop year;
  - more than 5,500 customer orders – approximately 48% of the current shortfall - have been outstanding for 4 weeks or longer
- Boxcar shippers received only 50% of cars ordered in Week 21. This represents further deterioration from the 60% average weekly fulfillment rate for the crop year to date.

### Corridor Performance

- In Week 21, as has consistently been the case this year, traffic destined to bulk terminals in Western Canada received a higher percentage (30%) of cars than other corridors. By comparison, non-bulk corridors including the USA/Mexico, Vancouver transload and Canadian domestic corridors continue to experience significantly lower fulfillment rates with the railways supplying only 15% of cars ordered for delivery in Week 21.
- While CN fulfilled approximately 30% of orders in non-bulk corridors, CP supplied no cars for current week orders in Week 21 in non-bulk corridors.

### Railway Dwell Times at Country Origins:

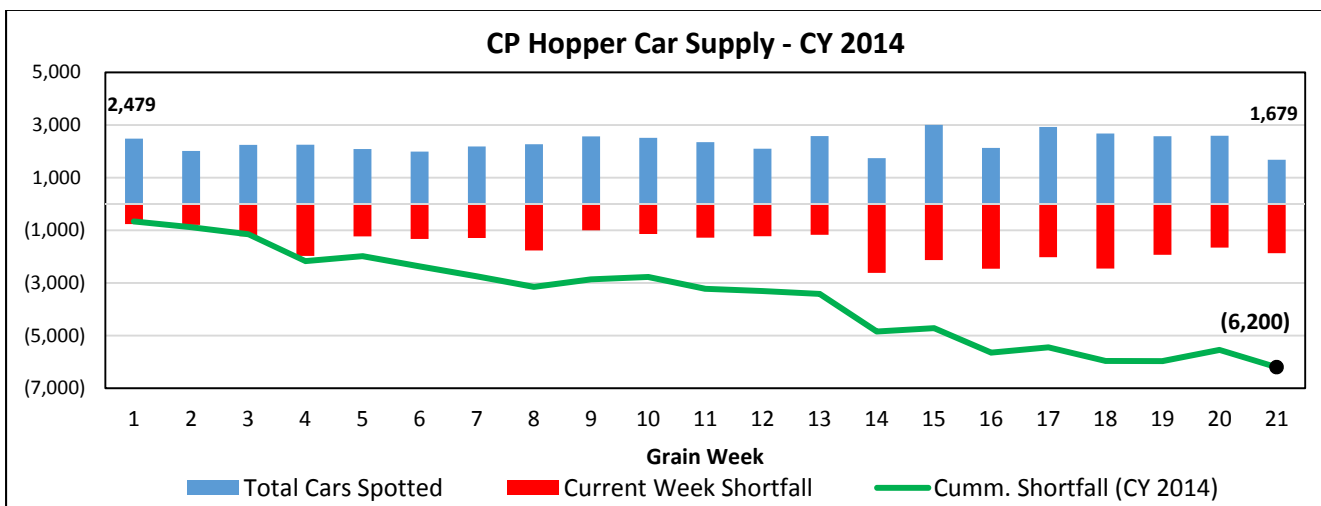
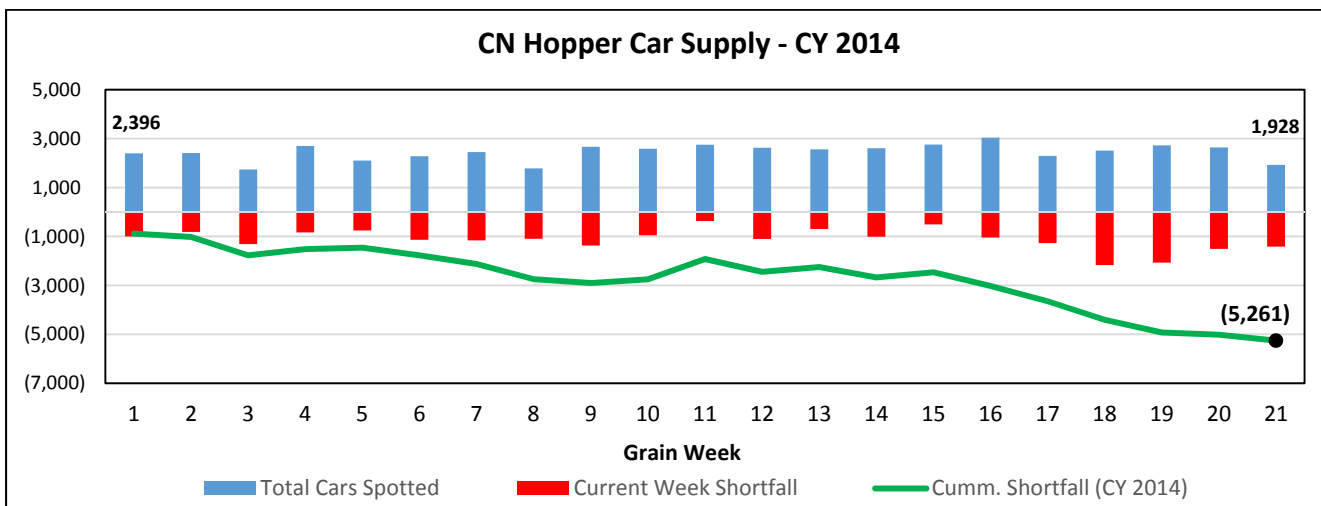
- In Week 21, CN's loaded dwell times for multicar block traffic at country origin locations averaged 50 hours while CP's loaded dwell times averaged 41 hours. CN's loaded dwell time in Week 21 is higher than their average of 39 hours this crop year. CP's loaded dwell time in Week 21 is an improvement from an average of the crop year to date average of 55 hours.
  - In the crop year to date, 30% of all bulk grain shipments have waited for more than 48 hours at origin for pick up by the railways after being released by shippers for movement to destination. Only 38% of shipments were picked up within 24 hours.

### Railway Dwell Times at Destination Terminals:

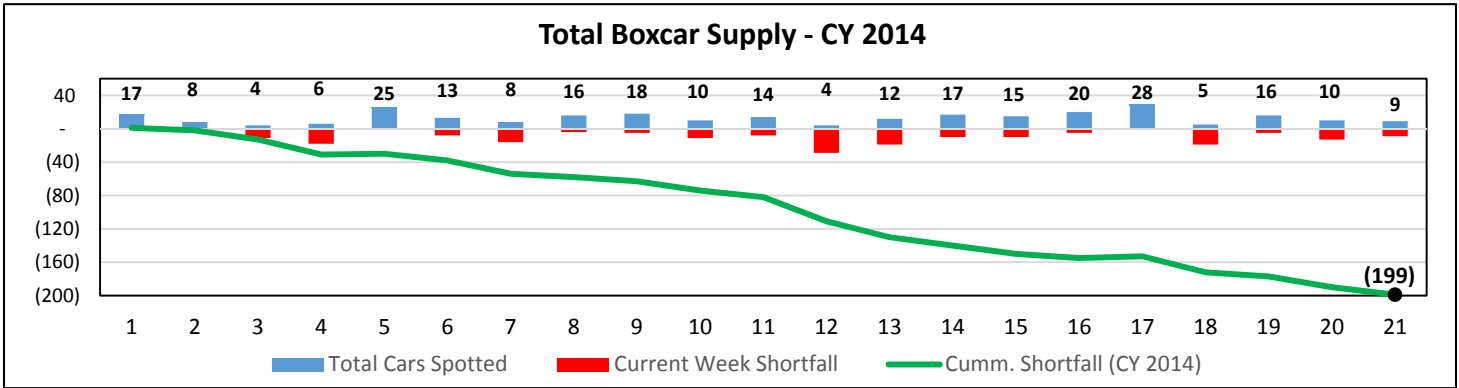
- Loaded railway dwell times at destination in Week 21 were:
  - CN: Thunder Bay (160 hours), Vancouver bulk (30 hours) and Vancouver transload/local (110 hours)
  - CP : Thunder Bay (85 hours), Vancouver bulk (55 hours) and Vancouver transload/local (127 hours)
- Railway performance at destination has deteriorated noticeably for both railways since the beginning of December.

**Railway Car Supply Performance Against Current Year Demand to Week 21 (CY 2014)**

		Crop Year To Date			Avg. Weekly Performance		
		Customer Demand	Railway Supply	Shortfall	Customer Demand	Railway Supply	Shortfall
Covered Hopper	CN	54,815	49,554	(5,261)	2,610	2,360	(1,123)
	CP	51,832	45,632	(6,200)	2,468	2,173	(1,588)
<b>TOTAL</b>		<b>106,647</b>	<b>95,186</b>	<b>(11,461)</b>	<b>5,078</b>	<b>4,533</b>	<b>(2,711)</b>
Boxcar	CN + CP	474	275	(199)	23	13	10

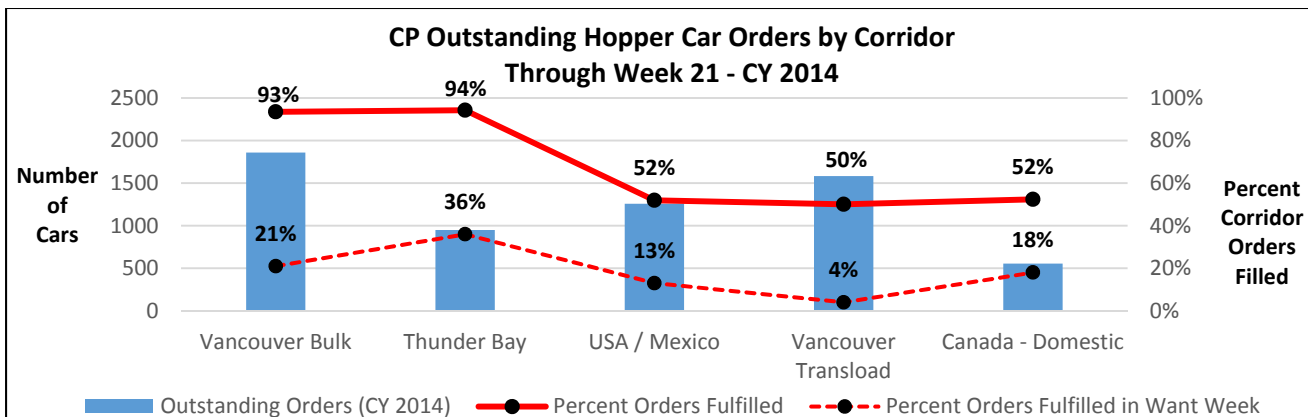
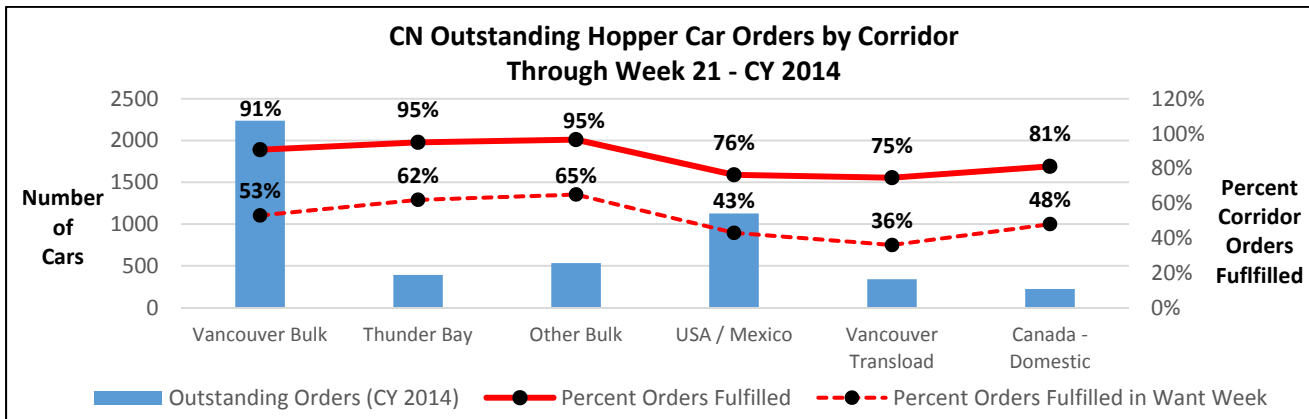


The calculation of railway shortfall for hopper cars represents the difference between expressed shipper demand (car orders) for the current grain year and cars supplied by the railways in response to these orders. Shipper demand includes all orders placed by shippers in the railways' car order systems plus orders that have been denied or cancelled by the railways based on car ordering rules imposed on shippers during the current grain year. Supply of railcars reflects total cars supplied excluding cars rejected by shippers as unsuitable for loading due to mechanical or sanitary reasons.



### Railway Car Supply Performance by Major Corridor – To Week 21 (CY 2014)

	Cars Supplied			Year to Date Shortfall		
	CN	CP	Total	CN	CP	Total
Vancouver Bulk	21,887	26,578	48,465	(2,238)	(1,858)	(4,096)
Thunder Bay	7,432	15,504	22,936	(392)	(949)	(1,341)
Other Bulk	14,662	-	14,662	(741)	-	(741)
USA / Mexico	3,621	1,358	4,979	(1,126)	(1,257)	(2,383)
Vancouver Transload	997	1,583	2,580	(370)	(1,582)	(1,952)
Canada - Domestic	955	609	1,584	(394)	(554)	(948)
	<b>49,554</b>	<b>45,632</b>	<b>95,186</b>	<b>(5,261)</b>	<b>(6,200)</b>	<b>(11,461)</b>

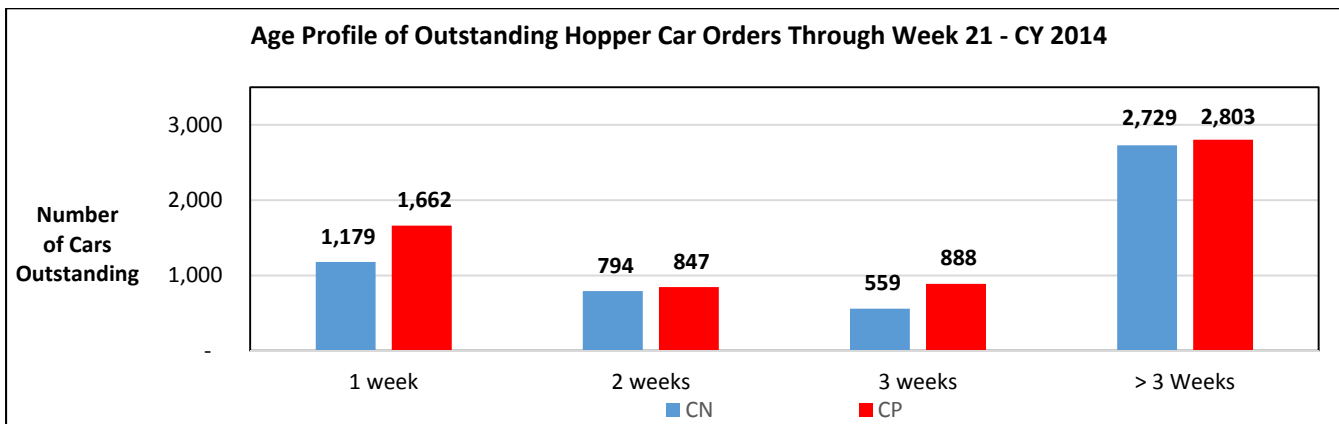
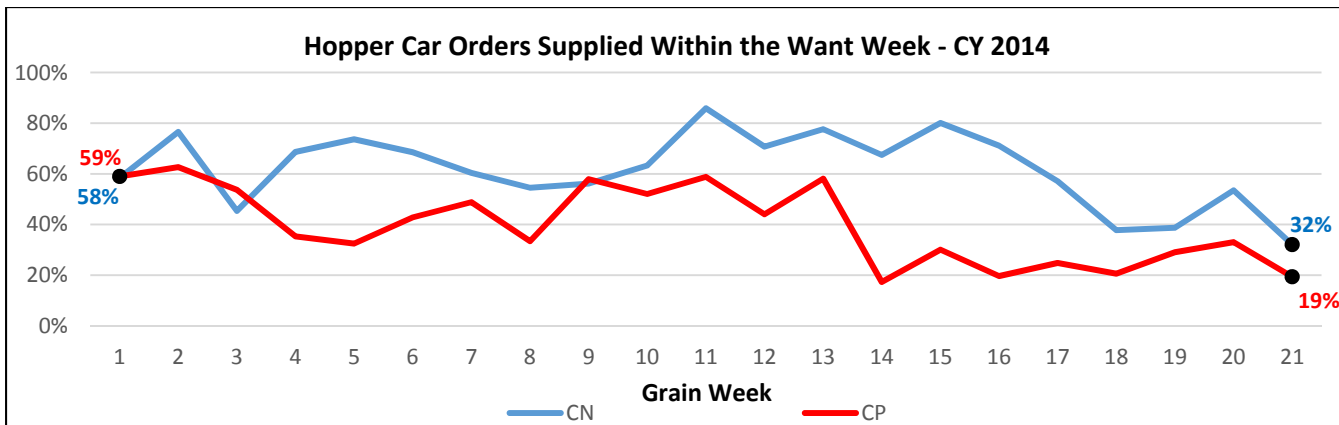
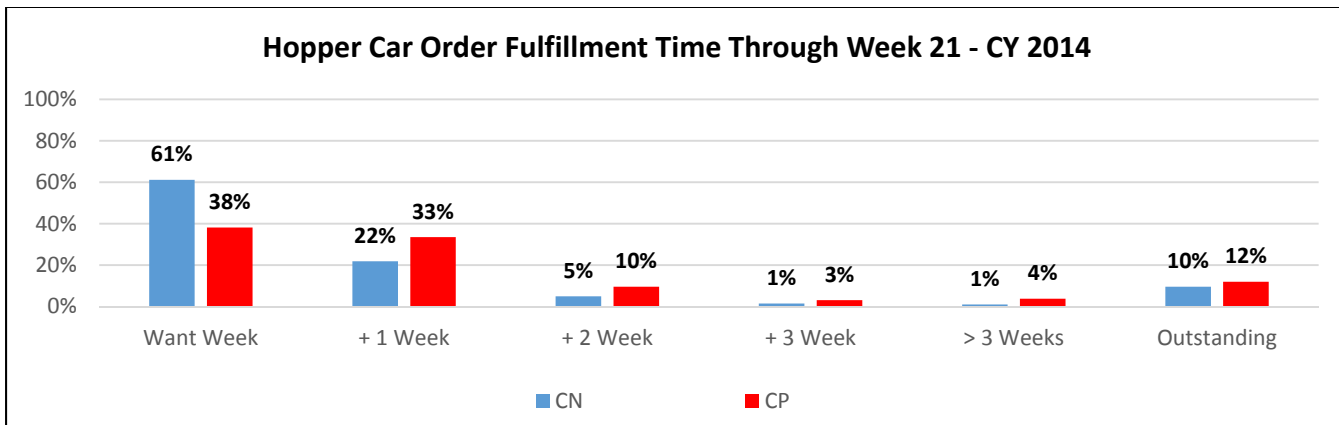


Corridor statistics reflect performance for railway car supply by destination corridor against **current year orders** by shippers for each corridor. The number of cars supplied **excludes** cars supplied by the railways during the measurement period that were for prior year orders.

**Timeliness of Railway Car Supply Against Customer Demand**

**Age of Outstanding Orders**

RR	Want	+ 1	+ 2	+ 3	> 3	Outstanding					Total
	Week	Week	Week	Week	Weeks		1 week	2 weeks	3 weeks	+ 3 weeks	
CN	61%	22%	5%	1%	1%	10%	1,179	794	559	2,729	5,261
CP	38%	33%	10%	3%	4%	12%	1,662	847	888	2,803	6,200
Total	50%	28%	7%	2%	2%	11%	2,841	1,641	1,447	5,532	11,461

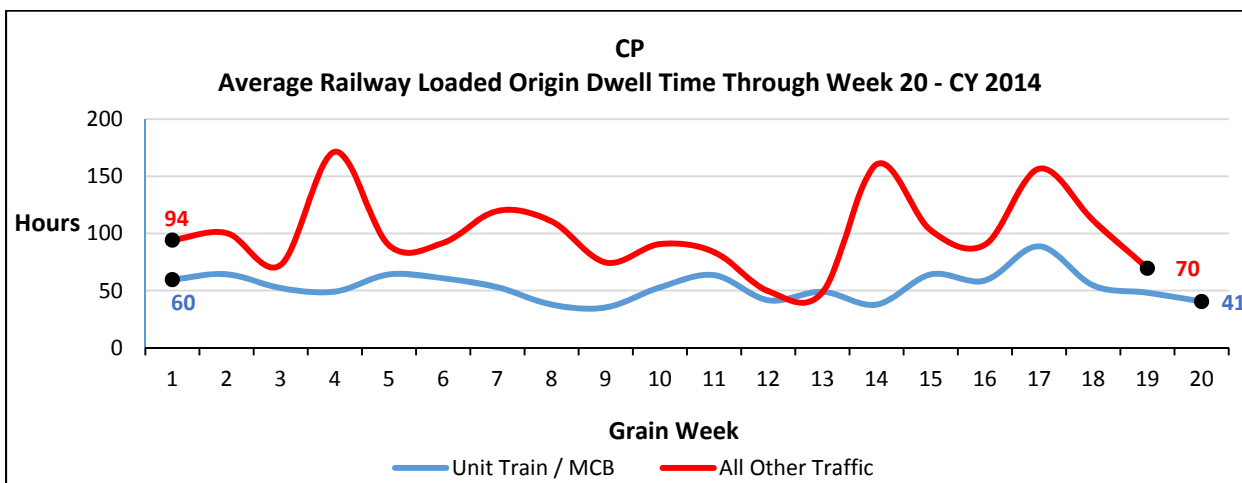
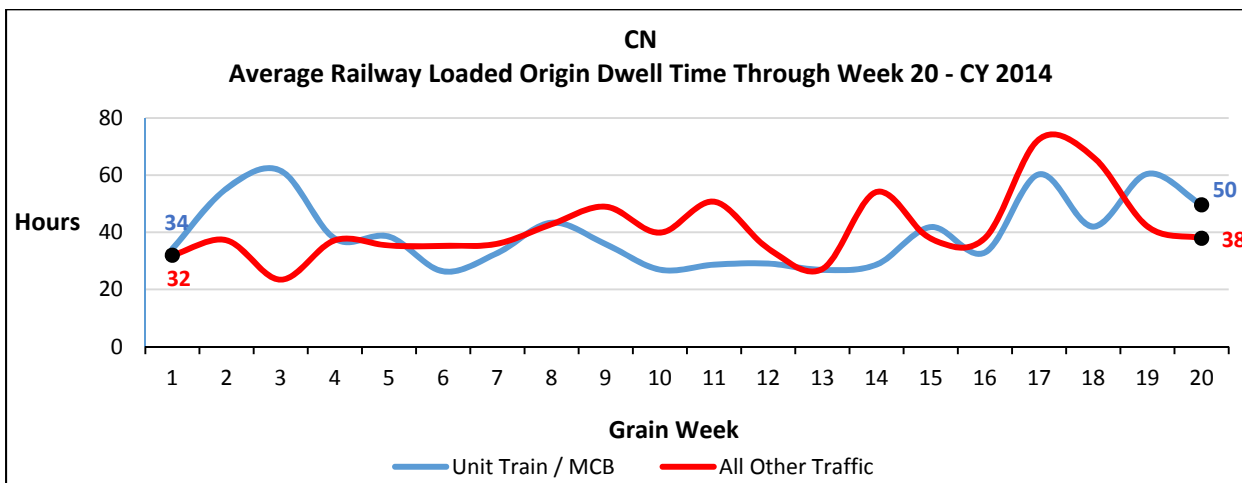


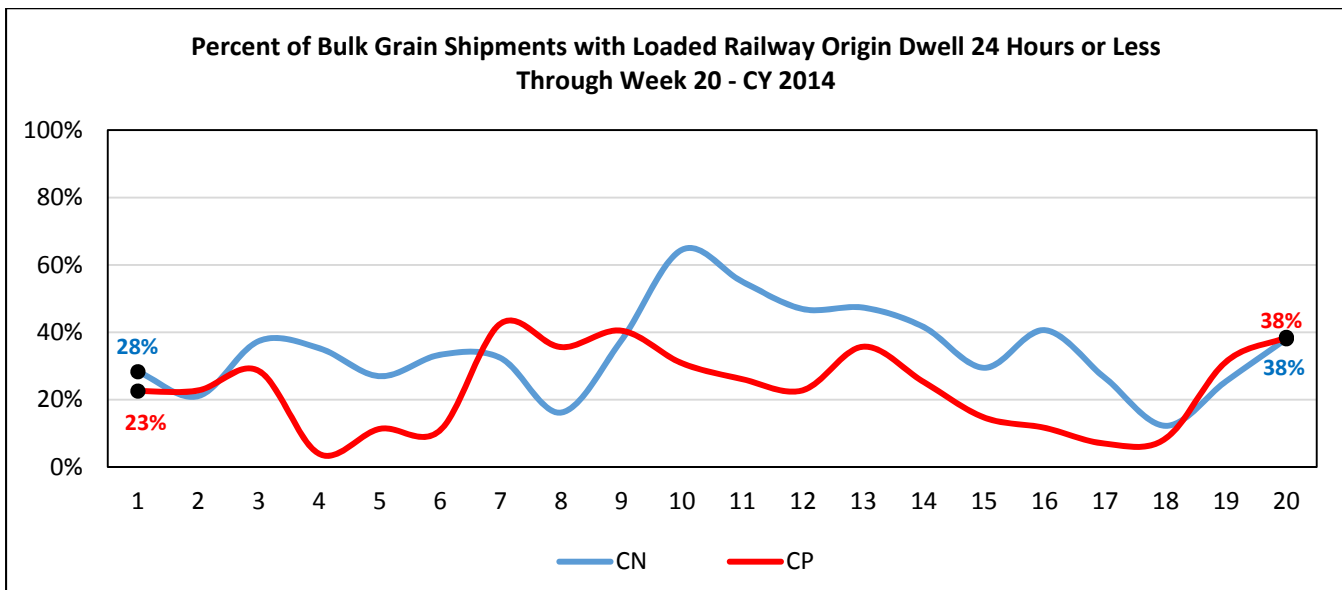
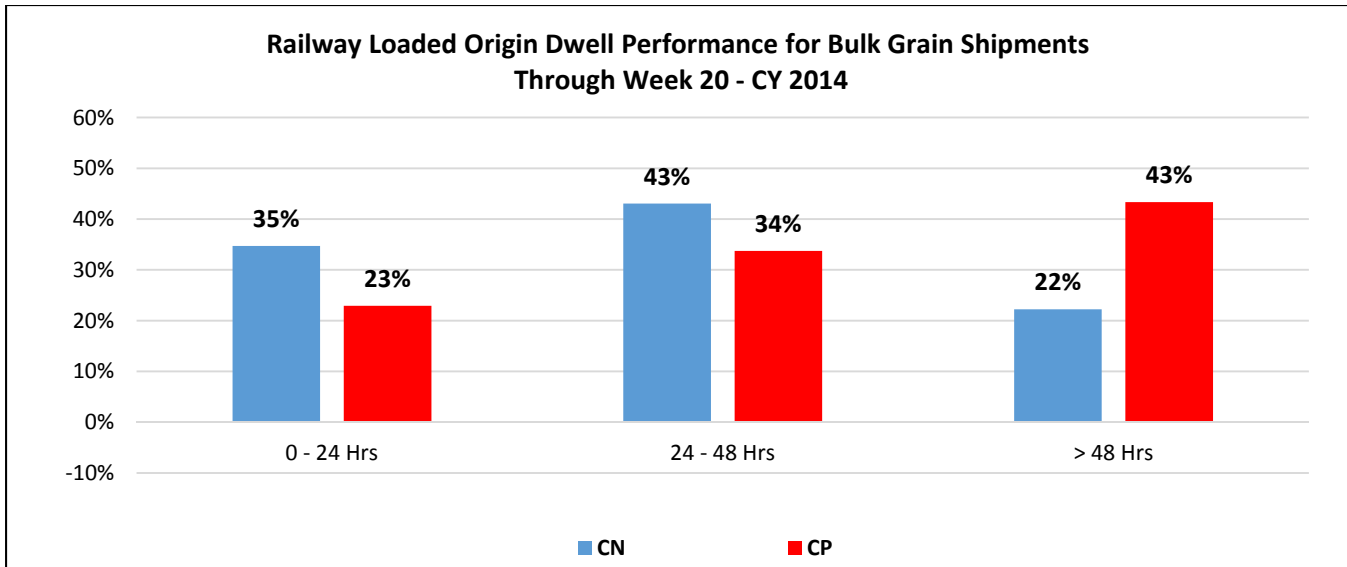
Origin Dwell Performance

Origin dwell time measures the elapsed time from the release of loaded cars by shippers to the time the railways physically pull the cars from a shipper’s siding for movement to destination. Average performance in this area will vary depending on the nature of the shipment.

For bulk grain shippers loading unit trains and multi-car blocks dwell time is generally expected to be 24 hours or less as these shippers load cars within 24 hour windows in order to avoid origin demurrage charges assessed by the railways. Non bulk grain shippers loading less than multi-car blocks will generally have longer dwell times.

The charts below provide a view of origin dwell performance on a weekly basis since the beginning of the current crop year. The last chart looks specifically at origin dwell performance for large multi-car block shippers. Increasing dwell times at country origins negatively impact railcar cycles which in turn impact the ability of the railways to supply empty cars to shippers.





Railway Destination Terminal Dwell Performance

Destination terminal dwell time measures the elapsed time from the time a railcar arrives at the destination railway yard to the time it is placed at the receiver’s facility for unloading. Average performance in this area will vary depending on the nature of the shipment.

Traffic destined to the bulk port terminal at Vancouver for instance is generally placed for unloading on arrival at Vancouver. In contrast traffic destined to transloaders in Vancouver is ordered in by receivers on a car by car basis.

Dwell time ends with the reporting of an actual placement event at the receiver’s facility. The beginning of the dwell measure is initiated by either an arrival at the destination terminal or the constructive placement of a car at the terminal by the railway.

This is not a measure of unloading performance by receivers.

