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Corporate Services

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May 14, 2020

VIA EMAIL

The Honorable Ann Begeman
Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Chairman Begeman,

In response to your request to CN on May 7, 2020 letter requesting reporting of demurrage revenues and accessorial revenues, the Grand Trunk Corporation ("GTC") is providing the following information for the first quarter of 2020 on a voluntary basis. CN is providing this information in response to the Chairman's renewed informal request from December 17, 2018 for quarterly demurrage revenues and quarterly accessorial revenues for 2018 and 2019.

Demurrage and accessorial charges are included in Schedule 210 of GTC's R-1. Specifically, demurrage charges are found in Account 106. The demurrage revenues and accessorial revenues include detention and other services invoiced pursuant to confidential contracts and movements of exempt traffic. As to accessorial services, the US rail operating subsidiaries of GTC offer a menu of optional services to its customers. Customers are not required to use these services. Instead, customers may elect to use any such services offered by GTC for the customer's convenience. Accessorial services include storage, loading/unloading, switching, product transfer, intermodal terminal services, cleaning, diversion, equipment use and rental, inspection services, protective services, special train assignment, labour, transloading services, trucking, and documentation. There are also some other accessorial charges for items such as overloaded railcars or securing leaking railcars for dangerous goods.

GTC's demurrage revenues and accessorial revenues for the first quarter of 2020 were as follows:¹

	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Demurrage Revenue	\$13,464			
Accessorial Revenue	\$25,001			

The revenues provided above are consistent with GAAP and reflect the revenue GTC has recognized from this work.

¹ Revenues are reported in thousands and are rounded to the closest thousandth.

Letter to Honorable Ann Begeman

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If you have any questions regarding the numbers reported herein, please do not hesitate to contact me.

Sincerely,

/s/ Kathryn J. Gainey

Kathryn J. Gainey

cc: Lucille Marvin, Director, Office of Public Assistance, Government Affairs, and Compliance