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Corporate Services

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February 1, 2019

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

Dear Chairman Begeman,

In response to your December 17, 2018 letter requesting reporting of demurrage revenues and accessorial revenues, Grand Trunk Corporation ("GTC") is providing the following information on a voluntary basis in response to the Chairman's informal request. GTC appreciates your flexibility allowing GTC to submit this information concurrently with GTC's other quarterly financial reporting to the STB.

Demurrage and accessorial charges are included in Schedule 210 of GTC's R-1 Annual Report filed with the STB. 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's railroads for the customer's convenience. Optional 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 weighing. There are also other accessorial charges for items such as overloaded railcars, improper documentation, or securing leaking railcars for dangerous goods.

GTC's demurrage revenues and accessorial revenues for the first through fourth quarters of 2018 were as follows. Revenues are reported in thousands and are rounded to the closest thousandth.

	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Demurrage Revenue	\$10,255	\$ 9,749	\$ 6,300	\$ 7,265
Accessorial Revenue	\$28,653	\$22,414	\$25,406	\$22,917

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

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You have also asked for tariffs concerning demurrage and accessorial charges. GTC, whose US rail operating subsidiaries operate under the trade name "CN", is attaching those public tariffs: CN 9000 (Optional Services – Carload); CN 9003 (Optional Services - Dimensional Loads Services); CN 9004 (Optional Services - Unit Train); and CN 9100 (Optional Services – Intermodal).

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

Sincerely,

A handwritten signature in black ink that reads "Kathryn J. Gainey". The signature is written in a cursive style with a large, sweeping flourish at the end.

Kathryn J. Gainey

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