

— CN
- - - Hosts Amtrak service

CP

CANADIAN NATIONAL'S TROUBLED HISTORY WITH AMTRAK

**A NEW EXECUTIVE ORDER
SIGNED BY PRESIDENT
BIDEN ON JULY 9, 2021
SAYS A RAILROAD'S
"FULFILLMENT OF
ITS OBLIGATIONS TO
AMTRAK," SUCH AS
ON-TIME PERFORMANCE,
SHOULD BE CONSIDERED
IN DETERMINING
WHETHER A RAILROAD
MERGER IS IN THE
PUBLIC INTEREST.**

**CN ALREADY HAS
FAILED THAT TEST.**

A 2019 Amtrak Inspector General report highlighted the dismal on-time performance along the Illini/Saluki route in particular – as low as 6 percent on one northbound route.

The report explained how poor on-time performance forced Amtrak to pay financial penalties for crew staffing violations, and that it kept both conductors and engineers on call in both Chicago and Carbondale because of the poor track record. Of the 1,329 penalties for late trains in 2018, 811 were paid to engineers on the Illini/Saluki route, with the Amtrak Inspector General saying those Illinois runs alone were responsible for \$265,000 of the \$430,000 Amtrak paid overall in crew penalties.

Illinois Senator Dick Durbin has described the CN on-time performance and "repeated" instances of freight train interference as "some of the worst in the county."

In its own case against CN, Amtrak has said, the "performance of Amtrak's Illini/Saluki service on CN's tracks has been consistently substandard," failing to "come close to the performance mandated by Congress, and has been far worse than every other Class 1 railroad."

With a CN-KCS combination the CN's "congested single track IC main line south of Chicago" (CN's own words) will see more traffic and more congestion making things even worse for Amtrak.

CN'S OWN WORDS HAVE DESCRIBED AMTRAK PASSENGER SERVICE DELAYS

In statements and testimony during the years of litigation attempting to refute Amtrak's allegations of perpetually poor on-time performance, CN and its employees, in their own words, described limited capacity and increased freight traffic "particularly along its congested single track IC main line south of Chicago" as reasons for Amtrak passenger service delays:

"...the greatest issues by far affecting the performance of that service are a lack of sufficient infrastructure to avoid traffic congestion and the perpetuation of unrealistic schedules."

*"If freight traffic continues to grow as expected, the freight delay costs attributable to Amtrak are likely to increase more rapidly as remaining areas of excess capacity that CN can use to manage traffic growth are exhausted."*²

1 National Railroad Passenger Corp. – Section 213 Investigation of Substandard Performance on Rail Lines of Canadian National Ry., Docket No. NOR 42134, CN's Answer to Amtrak's Amended Complaint (filed Jan. 8, 2015) at 8.

2 Application of the National Railroad Passenger Corp. Under 49 U.S.C. § 24308(a) – Canadian National Ry., Finance Docket No. 35743, Opening Evidence of Illinois Central R.R. & Grand Trunk Western R.R., Verified Statement of Anne Morehouse (filed Sept. 4, 2015) at 5.

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FORWARD-LOOKING STATEMENTS AND INFORMATION

This fact sheet includes certain forward-looking statements and forward looking information (collectively, FLI). FLI is typically identified by words such as “anticipate”, “expect”, “project”, “estimate”, “forecast”, “plan”, “intend”, “target”, “believe”, “likely” and similar words suggesting future outcomes or statements regarding an outlook. All statements other than statements of historical fact may be FLI.

Although we believe that the FLI is reasonable based on the information available today and processes used to prepare it, such statements are not guarantees of future performance and you are cautioned against placing undue reliance on FLI. By its nature, FLI involves a variety of assumptions, which are based upon factors that may be difficult to predict and that may involve known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by these FLI, including, but not limited to, the following: changes in business strategies and strategic opportunities; estimated future dividends; financial strength and flexibility; debt and equity market conditions, including the ability to access capital markets on favourable terms or at all; cost of debt and equity capital; potential changes in the CP share price; the ability of management of CP, its subsidiaries and affiliates to execute key priorities; general North American and global social, economic, political, credit and business conditions; risks associated with agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures, including competition from other rail carriers, trucking companies and maritime shippers in Canada and the U.S.; North American and global economic growth; industry capacity; shifts in market demand; changes in commodity prices and commodity demand; uncertainty surrounding timing and volumes of commodities being shipped via CP; inflation; geopolitical instability; changes in laws, regulations and government policies, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; changes in fuel prices; disruption in fuel supplies; uncertainties of investigations, proceedings or other types of claims and litigation; compliance with environmental regulations; labour disputes; changes in labour costs and labour difficulties; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; sufficiency of CP’s budgeted capital expenditures in carrying out CP’s business plan; services and infrastructure; the satisfaction by third parties of their obligations to CP; currency and interest rate fluctuations; exchange rates; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; trade restrictions or other changes to international trade arrangements; the effects of current and future multinational trade agreements on the level of trade among Canada and the U.S.; climate change and the market and regulatory responses to climate change; anticipated in-service dates; success of hedging activities; operational performance and reliability; regulatory and legislative decisions and actions; public opinion; various events that could disrupt operations, including severe weather, such as droughts, floods, avalanches and earthquakes, and cybersecurity attacks, as well as security threats and governmental response to them, and technological changes; acts of terrorism, war or other acts of violence or crime or risk of such activities; insurance coverage limitations; and the pandemic created by the outbreak of COVID-19 and resulting effects on CP’s business, operating results, cash flows and/or financial condition, as well as resulting effects on economic conditions, the demand environment for logistics requirements and energy prices, restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions, and disruptions to global supply chains.

We caution that the foregoing list of factors is not exhaustive and is made as of the date hereof. Additional information about these and other assumptions, risks and uncertainties can be found in reports and filings by CP with Canadian and U.S. securities regulators. Reference should be made to “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements” in CP’s annual and interim reports on Form 10-K and 10-Q. Due to the interdependencies and correlation of these factors, as well as other factors, the impact of any one assumption, risk or uncertainty on FLI cannot be determined with certainty.

Except to the extent required by law, we assume no obligation to publicly update or revise any FLI, whether as a result of new information, future events or otherwise. All FLI in this news release is expressly qualified in its entirety by these cautionary statements.

ABOUT CANADIAN PACIFIC

Canadian Pacific (TSX: CP) (NYSE: CP) is a transcontinental railway in Canada and the United States with direct links to major ports on the west and east coasts. CP provides North American customers a competitive rail service with access to key markets in every corner of the globe. CP is growing with its customers, offering a suite of freight transportation services, logistics solutions and supply chain expertise. Visit www.cpr.ca to see the rail advantages of CP. CP-IR