



www.cn.ca

Luc Jobin
Executive Vice-President
and Chief Financial Officer

935 de La Gauchetière Street West
16th Floor
Montreal, Quebec H3B 2M9
Canada
T 514-399-5599
F 514-399-7786

Vice-président exécutif
et chef de la direction financière

935, rue de La Gauchetière Ouest
16^e étage
Montréal (Québec) H3B 2M9
Canada
T 514-399-5599
Tc 514-399-7786

September 10, 2015

The Honorable John Thune
Chairman, Committee on Commerce, Science, and Transportation
United States Senate
Washington, D.C. 20510

Dear Chairman Thune:

Thank you for your letter of August 28th, 2015 regarding the implementation of Positive Train Control (PTC) systems and the statutory deadline for completing them by December 31, 2015. We appreciate the opportunity to discuss this important issue and the wide ranging impacts if this deadline is not extended.

On behalf of our more than 7,000 railroaders in the United States, and our 25,000 system-wide, CN remains committed to safely delivering reliable service to meet the needs of a growing U.S. marketplace and to serve as the backbone for the North American economy.

To that end, CN continues to make significant investments towards enacting a safe and effective PTC system. As you are well aware, the industry has faced a number of challenges which has delayed the effort almost since the requirement was first enacted. PTC was not a technologically mature product in 2010. Some key PTC components and software were only available starting in 2012. Issues associated with the *National Historic Preservation Act* forced railroads to halt installation of wayside towers to address the environmental impact and tribal reviews, which further delayed the installation of critical components. Testing, training, and FRA certification of all segments to ensure the system's functionality will take considerable time. The result is an original deadline which is simply not attainable for the industry.

Still, at CN we are not only making progress but we accelerating our progress toward PTC installation. We have a committed team of senior leaders leading the implementation. Thus far, our wayside installations across the system are progressing well and are on schedule. Locomotive installations are ahead of schedule and CN expects to have 622 locomotives outfitted by the end of 2015 – this surpasses our final requirement of 586 locomotives. We are working closely with other railroads on achieving interoperability, an essential requirement of Congress for PTC and one of the largest challenges that lie ahead.

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Mr. Chairman, your work in leading a common-sense, bipartisan PTC deadline extension through the Senate is a critical step toward insuring a successful program. But if Congress is not able to enact a workable extension, the threat of significant disruptions to freight and passenger rail traffic is very real. Without legislative action, CN will have to weigh costly impacts on lines where PTC is mandated, almost certainly resulting in delays for our customers who rely on our railroad to safely and efficiently deliver raw materials and finished products.

Fluidity would be severely compromised. Any suspension of passenger traffic would cause significant disruption to tens of thousands of commuters and travelers. Ours is a network where individual carrier decisions will have ripple effects. Thus, as other railroads make their own operational decisions in response, the interchange of traffic where needed to complete movements could also be impacted, delaying the system further in critical locations.

The bottom line is clear: if Congress is not able to extend the PTC deadline, the result could be a logistical crisis of untold financial impacts on the industry that in turn would quickly cascade throughout our economy and affect all corners of the North American marketplace.

Extending the PTC deadline insures that railroads can continue to operate normally and avert a wide ranging disruption to the nation's railroads and the broader economy.

Thank you again for the opportunity to share our thoughts on PTC implementation issues and for all of your leadership on this important issue. Please let me know if you have any additional questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Luc Jobin', with a small dot at the end of the signature.

Luc Jobin
Executive Vice President and Chief Financial Officer