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2012 JOINT PROJECTS INITIATIVE

Wisconsin Central Group and Canadian National

Note: This outline is intended to assist the Railroad and shipper stakeholder community, through Wisconsin Central Group, arrive at a common and mutually agreed understanding of the scale of these multi-year Projects – development during 2012, initial implementation 2013 through 2015. This outline is not intended to be exhaustive. Our intent is to enhance and in no way impede shipper-by-shipper efforts to incrementally grow Wisconsin Central market share.

- 1. Wisconsin Central Chicago Gateway Optimization (“WC-ChicaGO”).**
 - Appropriately expand boxcar fleet to meet demand; increase fleet capacity through asset utilization discipline, velocity and balanced freight lanes.
 - Identify and create reliable bases for consistent, long-term freight commitment and for investment in modal-shift and growth on WC lines.
 - Balance first/last mile operations between WC origins/destinations and a distribution-transfer center or centers in the Chicago market area, using dedicated boxcars to maximize turns.
 - Optimize WC rail through and to/from connections at the Chicago gateway.

- 2. Wisconsin Central Intermodal Connections (“WC-Intermodal”).**
 - Develop understanding/consensus on balanced freight commitment and other conditions necessary to add and support WC intermodal terminals.
 - Leverage WI “sealed container” law for WC international traffic via WC intermodal terminals.
 - Work for “sealed container” payloads for select, domestic WC intermodal.
 - Connect WC intermodal terminals to the developing North American intermodal rail terminal network, with scheduled, balanced operations.

- 3. Wisconsin Central Forest Resources Market Share (“WC-Logs”).**
 - Continue to improve log car investment and return, asset utilization.
 - Create supply chain visibility from forest and yard to mill (fewer truck miles, fewer empty miles, and fewer emissions through modal shift), relying on visibility and velocity to trump unavoidable imbalances.
 - Develop agreed standards and optimal practices for moving biomass via rail, hence, increasing competition and value through highest and best use of forest resources.
 - Encourage export market development; full international weight payloads.

Under the auspices of: Wisconsin Paper Council, Wisconsin Manufacturers & Commerce, and Michigan Forest Products Council