



HOW PRINCE RUPERT MAY AFFECT US

As of the November 9, 2009 edition of Journal of Commerce, p. 23, COSCO's ad for Prince Rupert traffic transiting Wisconsin on CN increased in size to a full-page from the previous one-third page. That might be just about right for the anticipated capacity of Prince Rupert by 2015 and possibly enough to increase the number of international trains transiting Wisconsin from the current low 20s to the mid-60s.

Yes, Marshfield, Stevens Point, Appleton, Neenah, Menasha, Oshkosh, Fond du Lac, Waukesha, and you smaller guys like Sussex and Silver Lake, **that would be trains “per day”**.

- Container traffic between China and the British Columbia port of Prince Rupert soared in the first quarter of this year, up 87.3 percent from the same period last year, the Prince Rupert Port Authority reported. Import containers totaled 42,585 TEUs, against 24,637 TEUs in first quarter 2009, up 72.8% over a quarter little affected by the recession.
- Prince Rupert TEUs for the first half of 2009 were 124% above the 2008 period, despite the recession. Much of this traffic was on former Wisconsin Central main lines through Wisconsin. The Journal of Commerce reports, 8/19/2009, that expansion plans for Prince Rupert are still on, from 500,000 TEU capacity currently to 2 million annually by early 2014.

What are CN's plans to:

1. Mitigate the impact of Prince Rupert international traffic on lines in Wisconsin?
2. Restore Wisconsin Central level service and competition for market share on the “shorter haul” traffic generated by the Wisconsin and Upper Michigan economy, originating and/or terminating on lines the former WC System?

We do not, now, know the answers to these questions. We are going to help persuade CN to respond positively to both questions.

Without doubt, CN is one of the finest Class 1 railroads in North America. It is financially able* to address these questions to produce a positive outcome for domestic manufacture and communities of Wisconsin and Upper Michigan.

*CN's first quarter 2010 operating ratio was another industry leading 69.3, compared with an adjusted 71.7 for first-quarter 2009, little affected by recession..

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