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Transcript

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Maeghan Albiston – AVP Investor Relations, Canadian Pacific

Other Participants:

Brian P. Ossenbeck – Analyst, J.P. Morgan

QUESTION AND ANSWER SECTION

Brian P. Ossenbeck

Analyst, J.P. Morgan

Okay, good morning. So, we're here on our final day of the Transports Conference. Brian Ossenbeck, I cover the transports for J.P. Morgan. Thank you all for being here in the room and online. We're going to kick off today with Canadian Pacific. Today we have Nadeem Velani, the CFO. We also have Maeghan and Andrew from IR in the audience. Same thing goes here, if you have any questions – this will be just all Q&A. If you have any questions get your hands up, we'll get you a mic. So, Nadeem, thank you very much for coming, we really appreciate it.

Nadeem Velani

CFO & EVP, Canadian Pacific

Thanks for having us.

<Q - Brian P. Ossenbeck>: And so, maybe we can just start off with just an overview, how the network is running, how the year is building versus expectations? The first quarter, obviously, with weather can be a bit challenging. Here we are again with another sort of tough start to the year. So, just give us an update on how things look and if there's anything really impactful that's happened since we last spoke.

<A - Nadeem Velani>: Sure. So, again, thanks for having us, pleasure to be here at the J.P. Morgan Conference. I'd say, you know, we've certainly – last half of 2018 was a very strong performance by the company. We entered 2019 January kind of carried that momentum to the start of the year. I think RTMs were up about 7% and the cost structure was performing well. Then, February hit with a very, few significant events. So, obviously we had a tragic derailment that's very impactful to the company and to our family of railroaders. We lost three individuals which was a very tragic event. Following that, we had certainly a very difficult weather conditions. So, I think it's been communicated and certainly at this conference time and time again but it's been as difficult a February or difficult a winter as certainly I've experienced. And so that's been definitely a big challenge both on the revenue side and on the cost side. So, you know, we'll certainly feel that in Q1.

But to focus on the positives, you know, we're starting to see the recovery of the network. We're starting to see the positives that could come out of this in terms of the demand continues to be strong. So, for the most part, we don't see any sort of lingering effects of this from a revenue or demand point of view. In fact, we feel confident that it's – the revenue is not lost fully. So, you know, it'll take for example Canadian grain, it's probably going to extend the movement of Canadian grain traffic longer into the crop year. So, instead of tailing off in June, we'll probably see that continue to be strong through till the August timeframe before the new crop comes in. So you know, certainly, the I guess the other one factor that occurred in February was the curtailments and the impact on crude. We had, you know, some specific events as well with one of our interchange partners having a significant derailment that impacted our ability to move traffic with them. One of our crude customers had a refinery fire, which stopped the shipment of crude into that facility.

So, there is a number of factors now. Again we feel good about the demand environment on that front. They're starting to see some of the curtailments being lifted. And so, we feel, you know, Q2 and into the spring we're already seeing some of the demand pick up on crude. So, it's not a longer term issue. So, you know, Q1 we will see less of a potential year-over-year improvement in the OR than we would've

liked. But from a 2019 perspective, doesn't change our view at all. Still feel very confident about our guidance of mid-single digit volume growth, of OR improvement for the year and double-digit EPS. So, there's been enough other positives that certainly give us much more confidence than we had two months ago.

<Q - Brian P. Ossenbeck>: Great. So, it sounds like at least on the cost side to start the year, challenging, but still able to improve the OR a little bit. So, is there anything else you can put around just the impact if you sized it all from the volume or the weather side for the first quarter in particular?

<A - Nadeem Velani>: Say that – sorry...

<Q - Brian P. Ossenbeck>: Just in the first quarter, do you still think you can improve OR year-over-year?

<A - Nadeem Velani>: Yes.

<Q - Brian P. Ossenbeck>: But have you sized anything in more particular terms like specific how much the derailments, the other issues, the weather have cost above and beyond what you'd expected?

<A - Nadeem Velani>: No, I think I'd frame it that way that we still think we can improve the OR, but it might just be a more modest improvement than we would have liked certainly.

<Q - Brian P. Ossenbeck>: Okay, got it. So, you talked about being able to get back, essentially back to the mid-single digit RTM run rates. Some stuff is delayed, disrupted, however you're going to call it. But what's the resiliency like on the network? You've made some improvements. You've got better capacity, better visibility, the creative tension you guys talk a lot about. Is it - do you think it's in a better spot this time versus last year in terms of resources and crews?

<A - Nadeem Velani>: Yeah. We're not short people. We have the power available that we can kind of put back into the network if and where it's necessary. But, you know, we've got the new hopper cars coming into play on the Canadian grain side as well. So, you know, there's a buildup of inventory, there's a buildup of, you know, some staged traffic et cetera. So, it's just a matter of finding our rhythm again, finding the balanced flow of trains. And so, you know, it does take some time, but certainly we don't see this leaking into Q2 at all.

You know, last year, let's not forget we had some labor disruptions, you know, throughout the second quarter. You know, we're in a much different position on that front. We've secured labor certainly for years now. And so, I think we see, you know, very easy comps heading into the May-June timeframe, et cetera. So, you know, we feel very confident in our ability to execute and get the network back to where it should be and where we expect of ourselves.

<Q - Brian P. Ossenbeck>: So, one of the other, I guess, disruptions that hit the news this year was just in Vancouver and I guess late last year as well, some terminal upgrades that have caused some challenges, you got some service and then the CTA came in with the inquiry. CP I think has been pretty clear about where you stand and how you've been operating. But there's going to be some infrastructure and some investments I believe on the South Shore. So, maybe you can talk about how that affects your network going forward, anything that CP has been investing in that area or if it's not really something you guys are focused on it’s more the other railroad.

<A - Nadeem Velani>: You know, I think there's collective investments in infrastructure there that's going to take some time. You know, the issue that the CTA raised recently, yes, we've been – we respectfully pointed out that it was not a CP issue and, you know, the data that we've provided will be

public in the next several weeks and, you know, they've given some transparency to that data, and I think it's very clear that it wasn't a CP issue. It's not a CP issue.

Now, that being said longer-term more broadly, you know, Vancouver is an issue. There's only so much infrastructure available at this point. We need kind of a broader plan from a supply chain point of view to – there's a lot of building that's taking place. But how we think of it more broadly and, you know, the entire supply chain I think is critically important. It's something that we're going to continue to drive forward. The expectations that we have in terms of how we can get more product exported, imported through that gateway. It's an extremely important gateway to Canada, an extremely important gateway to both railroads in Canada. And so, you know, we do have certain investments that are taking place that we've been advocates for, that we've been working through the Pacific Gateway project as well.

So, there's a number of, you know, whether it'd be overpasses, et cetera, that we've been advocates for and that we're seeing the investments in. Our big partner, Global Container Terminals and Deltaport, they've seen significant investment as well that's increased their throughput capacity by about 30%. So, that started ramping up in Q4 and, you know, they've seen significant strides and, you know, we see opportunities to grow with them. So, you know, we're watching it carefully. We're, you know, being advocates ourselves, and I think this is something that bears watching and I think collectively there's opportunities to find a solution for all shippers. It's just making sure we're thinking about the long term impacts of it.

<Q - Brian P. Ossenbeck>: Right. So, we focus a lot on the regulatory side in the U.S. so I feel like Canada can be a little bit harder to gauge and especially when an inquiry comes out of almost left field it seems like, anything else from the CTA or the regulatory perspective in Canada that we should be focused on? I think there's one thing Transport Canada talked about updating the work and rest rules, so, at least that's the one I'm aware of in the headline. Is there anything there and anything beyond that we should be focused on?

<A - Nadeem Velani>: No, I think that it is a fair comment that we've had a couple of things kind of come out of left field and nothing that we're overly concerned with. You know, we're putting in a proposal from a work/rest rule this spring. You know, we don't expect anything significant near-term, you know, to any sort of negative fallout. We're big advocates of scheduling of employees and ensuring we've got the right level of work/rest and so, you know, we're advocates of that ourselves.

I'd say that, you know, the CTA review that took place, Bill C-49, there's also some positive impacts that came out of that in terms of the bifurcation of rates on the grain MRE, you know, which is playing out to be a strong positive for us allowing us to invest in railcars and hopper cars to improve our overall grain product, to improve the overall supply chain, the capacity of what we can move, have a better product for our customers, et cetera. At the same time, we're generating a strong return for that investment and we've seen the decision that that MRE update had has on our regulated grain rates. We see a 5.5% increase relative to our competitor that's closer to 2%. So, you know, that's value that we're creating for, you know, the customer in terms of our ability to improve our product and its value that we're creating for our shareholder in terms of the return on our investment.

<Q - Brian P. Ossenbeck>: So, when you think about where CP is right now with other U.S. rails just starting there we call the PSR adventure and then figuring out how that's going to play out over the next couple of years. You got CN who's been I guess at it the longest and then CP is more in the sweet spot it feels like where you still have a nice balance of growth and cost opportunities, efficiency gains.

So, how, I mean you've mentioned in the call you have almost twice the capacity to grow from here. Obviously, you're not going to turn all that on, but how long do you feel like you can sort of stay in that

balance because I think what we're looking at is all these sort of life cycles of PSR and it's now more evident with the U.S. catching up that there are certain stages. So, how long do you feel like you can stay in this stage where you have this nice balance of growth top line and cost efficiency?

<A - Nadeem Velani>: Sure. So, I think it is a sweet spot. I think we're in a good place in terms of being able to grow faster than the industry, grow faster than our Canadian peer and the economy, at the same time, you know, continue to improve margins and lead the industry in terms of cost control. So, when we look at our pipeline of opportunities, I think we've got, you know – it's years. I mean some of these opportunities that we're looking at today that we're working with our customers, you know – we signed a recent contract that's going to be 2021, 2022 type of full ramp up. Some of what we've – the legwork we've done on some of our other initiatives are ramping up of commodities that are going to be, you know, more 2020 story.

So, one of the things we highlighted at our Investor Day was our room to grow, our capacity that we have in terms of – you know, a strategic differentiation that we have is our land and our ability to grow with our customers and use that as a way to create a mousetrap that others can't replicate. You know, give the auto segment an example there. We grew automotive 11% last year. We feel very strong about what we can grow this year and, you know, centered around that is obviously our strong rail service. But the ability to work with customers to have key land that we can utilize to build auto compounds and gateways like Vancouver, Toronto, Montréal, you know, generate a strong return, guarantee levels of volumes with small capital outlays. I mean it's a way we can grow an auto segment that's not in a strong kind of macro environment and it's a true differentiator for CP.

And, you know, if you look at what we have – I mean in Vancouver we have in excess of 100 acres of land beside our Vancouver terminal, in Vaughan, in Toronto we have in excess of 150 acres. Southern Ontario just south of Toronto we've got an excess of 500 acres at another location where we're moving GLOVIS traffic, the logistics arm of Kia, Hyundai. You know, we've got I think 175 acres in Montréal as well.

So, you know, across the board the key kind of metropolis areas of Canada we have that room, we have that capacity to grow. On top of that with our network capacity as well, which is something that we've been investing in over the years – I mean since that transformation started one of the first areas we ramped up capital was on the network to build it to the level we felt we needed to from a safety point of view, from a capacity point of view.

So, this isn't a case where we just woke up and said, oh, the sales team oversold, we better start investing and building capacity. This is something that we do kind of over time and we do kind of multiyear investments in terms of sidings, et cetera. And I think it is a product of, you know, Keith's leadership in terms of how we look at our business and how we look at the team and create that constructive tension to make sure that we're pushing each other, that if the sales team is out there selling, the operating team has their voice in terms of what can we deliver, what can we promise to our customers to ensure that our industry-leading service remains, me and my team are challenging in terms of, you know, the business returns and whether we're maintaining our capital discipline. And so, you know, I think that's a key differentiator that we have.

So, we see the opportunity for at least another three years in terms of our pipeline of initiatives and to be able to grow faster than the rest and, you know, we're not stopping on the cost side. I mean certainly when you can grow at the levels we've been experiencing, you know, you have a duty to have to bring that on at a low incremental cost, so that helps the overall operating leverage.

<Q - Brian P. Ossenbeck>: Great. So, you mentioned the growth over the three years which you've given a outlook for CapEx about CAD $1.6 billion or so, obviously, a lot of car hoppers or new cars being built in there from the grain side. Just I guess more philosophically as we ask some of the rails as they look at growth in capital investment, the intensity around it. Everybody has a different profile but do you think in the longer-term this is a more capital-intensive business as you look more of a supply chain sort of approach to it? I know you guys have your total transportation product, but it also sounds like you have a lot of optionality to build around the network with customers and with land. But is this more of a longer-term is a maturing business, and mature operating model, do you think naturally the CapEx intensity just starts to creep up or is that a little too hard to tell, is it too early to tell for CP and for some of the others just starting?

<A - Nadeem Velani>: The short answer is no. I mean, our CAD $1.6 billion we have confidence in over that multi-year period. Now I'll qualify that a little bit and say, you know, currency plays a role. So, if currency, Canadian dollar continues to depreciate, it might be CAD $1.65 billion, but it's not going to move the needle. You know, you mentioned it that in terms of our CapEx profile, you know, we have this opportunity with the hopper cars over the next three years that is ramping up our – as we ramp up that investment in that hopper cars, we're going to do 1,400 cars this year. That is certainly a piece of the growth. But that has, you know, a time line that's about three years. And as that rolls off, CapEx, you know, could come down as well. PTC starts rolling off and the overall CapEx envelope comes down as well.

So, I don't see CAD $1.6 billion as growing from there, in fact I probably see that as being the peak. Some of the projects that we have in terms of working with customers, it’s, you know, in many cases, it's also their capital that they're investing. So, it's not a CP kind of investment, it's a collaboration with the customer to say that they're going to invest and they're going to commit to that build-in or what have you and we'll provide the service and generate a return and a fair return for both parties.

<Q - Brian P. Ossenbeck>: And continuing with that theme of high incremental margins for low incremental cost or investment, I believe transloading has been an area of focus for CP for a little while, but it seems like that may be is ramping up at least from my perspective. So, is that continuing along the same strategy? I mean, this is going for basically truck conversion or shippers that haven't really used the rail because of some reason any number of reasons over the last couple of years. So, is that one of the longer-term areas where you still see investing in getting a few carloads here and there? Or is that something that's really ramping up as you have a better service product and more consistency relative to, you know, the last couple of years?

<A - Nadeem Velani>: Yeah, I think it's something that – I mean CP has had transloads,you know, dozens of transloads across the network for some time. It's I would say, you know, they're not optimized. You know, they're third-parties in some cases that are strong partners. There's third-parties in some cases that, you know, we're utilizing the land and utilizing that opportunity and maybe more self-serving. So, I think we're excited about this opportunity.

We've recently hired a leader that's going to run with this space, someone, you know, I know I've worked with in the past and respect greatly and someone that, you know, has worked for a number of railroads. And so, he's going to be a strong marketing leader. We're continuing to build that bench and his name's Mike Mohan. He's going to be running the transload strategy across the network.

So, you know, we're excited in terms of what we can do to help support rail traffic. You know, it's got to generate a return on its own, but bottom line is it's there to support the rail revenues, you know, our

core business. And so, you know, I've talked with him about some of the opportunities that we have that we're looking to invest in like in Montréal, expand in Southern Ontario, look at some properties in the U.S. as well and of course our Vancouver facility. So, I think it doesn't take huge amount of capital, but it takes some focus, it takes a sales team that's incented to drive the right behavior as well in terms of returns, in terms of bringing on the right customers. So, it's just another area of opportunity for CP that we haven't really had a chance to fully utilize, I mean through the transformation and it's part of the next leg of growth, same thing working with the short lines. You know, Mike's going to be working with – leading the regional sales team, so the smaller shippers, the smaller pockets of business that, you know – they're the singles and doubles that just continue to add to the growth story. So, we're excited about having Mike onboard and we're excited about that transload strategy.

<Q - Brian P. Ossenbeck>: Okay, great. You mentioned PTC – we'll get into some more end-market specifics, but just stepping back for PTC CapEx coming down, the regulatory hurdles or the deadlines rather have been met. I guess your networks are a little bit different because it's the smaller piece of that's required to put this on there. So, do you feel like – I guess how do you feel like the testing's going? Is there some interoperability that you're looking at now testing or worried about? And I guess in the long-term does having PTC on part of the network mandated and not the majority of it, is that good, bad or indifferent for operations?

<A - Nadeem Velani>: Yeah, I mean your point is fair. I mean, I think it's 2,200 miles on our network so it's not as impactful, it's not as significant relative to our U.S. peers and even our Canadian peer. So, you know, we're on track for implementation. You know, we've outfitted the locomotives, the wayside detection hardware. You know, some of the – the majority of the track that's required were on pace. We've done the obligatory training, et cetera. So, you know, for us it's – we'll see what the potential benefits could be. We don't see a huge impact necessarily at this point, so, you know, good or bad.

In terms of the – I think the key is the interoperability of it and that's something that remains to be seen and that's something that will be a big focus for obviously all the railways. So, what it means in terms of how we operate within our own network in terms of north and south of the border is something as well that we're watching closely. You know, I don't have a valid kind of feedback on that right now, but it's still early, but it's something that I think over the next 6 to 12 months continues to be a focus of CP.

<Q - Brian P. Ossenbeck>: So, on the headlines from trade and tariffs and China and the U.S., obviously quite fluid including last night with China and Canada getting into a little bit of a disagreement. But it's coming down to looks like they're going to ban some of the canola exports from Canada. So, you know, up to this point, so I'd be curious to hear your thoughts on that and any other implications that you might see in that story that came out yesterday. But also the direct exposure from CP even though you're not again fully in the U.S., but it seems like soybean exports has been the biggest area you've been impacted, so maybe you can just give us a rundown of the recent news and what you've already been dealing with as all the tariff news continues to keep rolling here.

<A - Nadeem Velani>: Right. So, I'll take the soybeans first. I mean it's something that's certainly where we've been the most directly impacted in terms of our U.S. grain franchise, seeing kind of volumes decline in the back half of 2018, you know, that's the negative. The positive is we've seen probably a betterment in the first part of the year, it's not been as bad as we expected. So, that's, you know, been incrementally positive. We've also – you know, we expect that crop to move. Our approach is maybe a little different than maybe our competitors where we started raising prices in the fall and beginning of the year, you know, in anticipation – you know, it's pay me now or pay me later. And so, you know, we'll receive strong rates when it does move. And, you know, in terms of the Canadian piece, it is fluid. You

know, our canola business is about 10% of our grain, grain revenues as a whole. I think this retaliation or this item of canola is targeted at one customer...

<Q - Brian P. Ossenbeck>: Just one so far. Right.

<A - Nadeem Velani>: Yeah. So, you know, it's not needle-moving again but it's something that does bear watching. I mean there's so much going on, you know, in terms of trade, in terms of – in the dynamic of what that means to some of the markets that it's tough to keep track of. But right now it's not something that, you know, would change our view of our grain volumes in any respect, so...

<Q - Brian P. Ossenbeck>: Yeah. Okay. So, canola is 10% of grain. This is one customer within canola. So, we're whittling it down to a pretty small...

<A - Nadeem Velani>: Right. And let's keep in mind, I mean our canola market doesn't move just to China. So, there's plenty of, you know, diversity in terms of the geographic movement of Canadian canola.

<Q - Brian P. Ossenbeck>: And I know it's still early and it is fluid, but at least internally are there any other areas where if this were to escalate granted you have other places things could go, but are there any other areas that you feel like could be next on the pecking order if the tit-for-tat were to escalate?

<A - Nadeem Velani>: No. I mean it'd be speculation at this point. So, no, we're not comfortable kind of guessing on that.

<Q - Brian P. Ossenbeck>: So, just not on the grain in general, can you just give us a sense of how the new cars may be coming online gradually throughout this year I believe. But you're putting in a new strategy more broadly speaking of longer trains, better fluidity and better capacity. But we hear a lot about exclusivity of elevators and so it's a little hard to tell like where actually this is going to fall out for CP. And obviously, you're making some big improvements on your service and on the offering, but what does that mean, in general terms, when there's elevators are being talked about putting on someone's line or not, so like what's really addressable and how much of the market can you reach with this new product, which sounds quite good to me, 40% more capacity per train.

<A - Nadeem Velani>: Right. Yeah, so, you know, we have a strategy, our high efficiency product which is a 134-car strategy, 8,500-foot model both on the originating and on the loading end and on the receiving end. We're working with our key customers that are willing to invest their capital to generate a strong return, to generate – they like the quality of the service that we offer and they're very much aligned in terms of what that product can provide, the supply chain and the efficiencies of moving grain in a much better manner. So, you combine that 8,500-foot model with the investment in hopper cars and you have the potential of moving 40% more grain per train. And so, you know, we're excited about this and it's something that's going to build over the next several years for CP. You know, there's a lot of talk about new elevators, et cetera. I'm done listening with that to be honest with you. The only numbers I look at is market share, which we continue to be 50%-plus. And so, you know, those are the numbers that matter to me. It's not just about new elevators, but there's expansion of elevators, et cetera. So, I just scratch my head sometimes and think, well, if they've got all these new elevators then why is market share still stagnant on that side?

So, you know, forgive me if I'm a little dismissive of that, but we're proud of our grain franchise. We're proud of our ability to work with our customers and the relationships we have with our customers. We're proud of our product that we don't have it all right so we work with them to find better ways to

move the supply chain, you know, and I think that that's the approach, having that respect for your customers that you work with them to improve your product. And I think that's the approach CP takes.

<Q - Brian P. Ossenbeck>: Okay. If there's any questions in the audience, feel free to raise your hand, we'll get mic out to you. We'll go to crude here. Obviously, another end market with lot of noise from all different angles, but maybe just if you can give us a sense from – and we heard that Exxon and other big shippers are leaving the more discretionary side of the market. Government is stepping in. So, what's the net result of all this? I mean we still have I think we've got the Line 3 that was delayed for another year is probably more expected than not.

But I guess the question is how – has anything really changed in the last couple of months from the crude perspective? You have some shippers that are new, some are different. And then, is there a bigger political aspect to this market than there was before because now we've got one government putting a deal in, election coming in the spring. I think you've been pretty clear that your guidance is conservative but just how does it all shake out for here and the rest of the year?

<A - Nadeem Velani>: Was checking the clock here, I was almost got by without a crude question and we're almost at that 40-minute limit.

<Q - Brian P. Ossenbeck>: Almost.

<A - Nadeem Velani>: So, that's a big question. You know, crude, as we see it today, I mean there is a lot of dynamics at play, obviously. Yes it is an election year both provincially and federally. Near-term we've worked out a deal with the Alberta Government to start moving crude, July 1st through till the end of 2022 with them. You know, we're committed to that deal. It's exciting to have that level of certainty in terms of visibility to move the product.

You know, over the next few weeks, it's likely an election going to be called in Alberta and we think and, you know, that could be an incrementally positive outcome of that election, certainly the new government or potentially new government. The United Conservative Party is talking about lowering corporate tax rates, which I think will be positive to CP and positive to Canada.

In terms of what the, you know – there is a recent curtailment that took place at the tail end of 2018, they've reduced that curtailment subsequently two times and, you know, their intention has been – you know, they're trying to find that sweet spot in the spread to incent the movement of crude by rail. You know, their view is to get it as close to the economics of crude by rail. They want product to move. They're trying to maximize the P times Q, if you will. And so, you can't do that overnight and they're trying to find a way to get it to the level that product moves and production isn't curtailed too extensively that it impacts the overall provincial revenues.

We are seeing demand kind of pick up now as the spreads are getting closer to the USD $15 level. We've seen demand pick up on a number of fronts. I think the major producers that have been negatively impacted, you know, the Exxons, the Suncors, the Imperials, they've been very vocal as to how negative that's been for them and I think – you know, I have respect for what they're saying and I have respect for their view that they've been vocal about it because, you know, they're paying the price for something that ultimately is indirectly costing jobs as well and they're being held to pay the ransom for it whereas some of the other companies in Calgary are bearing the benefits of it.

So, it will move. There's a lot of posturing, you know, a lot of political kind of back and forth. You know, we fully expect crude by rail demand to continue to ramp up through the spring. You know, we've got this contract coming up in the middle of the year. At the same time, we've got, you know, Hardisty 2,

ramping up. We've got Bakken starting to move. So, you know, we have been conservative in our guidance intentionally. We have been conservative in terms of how much of that – how much of our growth we're tying to crude. You know, we decided not to take a 50-50 share in terms of the Alberta contract. You know, we intentionally chose to allocate our capacity elsewhere with, you know, customers that are going to be there much longer. The Enbridge Line 3 delay certainly is a positive in terms of what that means for crude by rail to maybe run longer. You know, I also look at it though from a – as a Canadian and as an Albertan of what that means in terms of the secondary impacts and what that means to the economy, what that means to other parts of our business so, you know, which is not positive. So, we're kind of pro-pipeline and, you know, we're against kind of regulation.

You know, when Maeghan and Chris, our IR team, are getting calls from people south of the Canadian border saying what's going on in Alberta and people are scratching their heads with government inference, et cetera, you know, that's not a good thing. That hurts all Canadian companies and the Canadian economy, and that's what worries me longer term.

<Brian P. Ossenbeck>: Okay, well, I think we are just about out of time. So, we'll end on the crude, thank you for entertaining that. But really appreciate you being here, Nadeem. Thank you.

<Nadeem Velani>: Thank you, Brian.