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Transcript

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Participants

Keith Creel, President & COO Canadian Pacific

Kevin Chiang, CIBC

Kevin Chiang
CIBC

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It's my pleasure to introduce from CP, Keith Creel, President & COO. He's been in this role since February 2013 and next year will be taking on the role of CEO. I think most of us are pretty familiar with the CP story, so maybe I'll get Keith to provide us with an update on the volume trends he's seeing – especially on the bulk side. Can you see double-digit declines on certain commodities still? And maybe if you could provide any update on the impact of the forest fires in Fort McMurray on volume outlook over the next few months?

Keith Creel
President & Chief Operating Officer

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I'll do the best I can. Let me start though, you said mix of tailwind or list of tailwinds, I'm looking for the list of tailwinds. So overall, the economy, as we all know it's been very challenging. Certainly now, it has been, pretty much all this year. CP, specifically though, this quarter – like the other rails – has some headwinds out there. Got challenging comps; last year, second quarter, was one of our strongest quarters before the economy started to get weaker. So from a comp perspective, it's tough. From a reality standpoint, day-in-and-day-out, I think that we have hit the bottom relative to bulk shipments; except for the one wild card that's out there – and that's the fire you mentioned. Obviously we're seized with and concerned with, we don't completely understand exactly yet how it's going to impact us. We don't have a direct impact because our rail doesn't go up to Fort McMurray, but the pipeline obviously comes to us at Hardisty. And right we all understand what's pushing oil to the rails is lack of takeaway capacity on the pipelines, so how this all shakes out we've yet to determine; we're working with our customers to work that all out. So, again, we're going to stay very close to it, and if it does affect us to the point that we feel it's going to be impossible to hit our guidance at the end of the year, then obviously we have a responsibility to come back and advise our investors. But we're not there yet – at all. Even in the face of that, we said all along that the second half of the year is going to be stronger – we're not backing away from that. I see opportunity on the Canadian grain side, I see opportunity on the U.S. grain side.

On the Canadian grain side, we're assuming a normal crop – that's in our guidance and our expectations. We obviously don't have the carryover we've been enjoying for the past two years and that's why you're seeing reduced shipments now and you're also seeing farmers focusing on planting and holding onto what crops they have left for the ultimate price that's going to come as we start to ship again. The positive though is that, actually, the planting is ahead of time. So, effectively, in all of our catchment areas, whereas, normally, they would be likely around 30%, they're around 50% planted, which means, if the weather cooperates, we could have an early harvest, which means that that peak is spread out and we may see some shipments pickup in July as opposed to the August timeframe when they normally would start to ship. So, from a service standpoint and from a call standpoint and from a product ability to move tonnage standpoint, I think that's a good thing.

On the U.S. side, obviously, we've had headwinds with the strong U.S. dollar which has been weakening. We've had headwinds also with a low commodity price and then a competitive option in Brazil, South America. South America are having problems, they've got their own issues politically, got their own issues with their weather. I think it's going to affect the quality of their crop and the quantity of their crop, which is allowing the prices in the U.S. commodities to increase as the U.S. dollar also weakens.

So that's creating a recipe for us to start moving more grain, more corn, and like Canada, on the U.S. within our catchment areas, they're about 70% planted in some areas, whereas, normally, they would be 50%. So, again – and they're expecting a record corn crop even bigger than 2014, I think there's a lot of pent-up demand, inventories are higher than they've ever been, so we're going to see an opportunity to ship, I believe, a lot of grain products in the U.S. property second half.

Kevin Chiang
CIBC

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Okay. It looks like – when I look at your commodity mix today, your domestic intermodal bonds are actually doing relatively well. You're up in Q2 quarter-to-date. Can you speak to what's driving that? Is it a stabilization of the domestic economy? Is it market share gains? If you can speak to what's driving that relative outperformance here.

Keith Creel
President & Chief Operating Officer

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Well, the most important piece is service. Our franchise, contrary to maybe on our predecessors, we have strengths and weaknesses. We've got the shortest routes in Canada in the key domestic markets going from Toronto to Calgary. We're 200 and some odd mile shorter than my competitor. I'm single truck driver competitive, so I'm taking, in my mind, with service, maybe some share from our competitor, but our primary objective is share off the highway. Very service sensitive business.

We've proven that we can deliver service. We've proven to the people that make the transportation decisions to spend in these companies that they can effectively trust us with their jobs, because we can get the product to the shelves. The one on one service we have from Toronto that runs from here that Tony and his team originate out of Vaughn that goes through Toronto – it can't be touched. It can't be touched by another rail, it can't be touched by truck, it's a very compelling service offering.

In addition to that, what we've done over the past six to seven months, we've brought on some additional talent. We've hired a director of domestic intermodal here in Canada that has expertise and background working for a third party shipping company, so he clearly understands the markets. He's clearly marketing oriented. We've got John Brooks who's leading the group, who also leads the grain group for us outside of St. Paul, Minneapolis.

And we've also started to develop the cross-border domestic market between Chicago and Toronto and Montreal, whereas, in the past, we didn't really compete with a competitor or with a truck. So, that's a lot of what's driving the growth.

Kevin Chiang
CIBC

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Maybe I'll open it up to see if there's any questions. Maybe turning to the international intermodal front, yourself and your peers are facing some headwinds there. Just wondering, is that more of a function of the tougher comps, given some of the seasonality shifts we've seen in international intermodal over the past kind of 12 months to 18 months? Are you seeing something more concerning the global economy that may see a deceleration in global trade here?

Keith Creel
President & Chief Operating Officer

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I would say maybe a mix of all that. At CP, our story is different, obviously, than CN. And I'll let CN speak for themselves, but we don't have tough comps. We walked away from some business that we couldn't afford to haul a couple of years ago. So last year was really a clean year when we had a much reduced international intermodal portfolio. Actually, what we're starting to see, our own shippers were up a little bit versus last year.

Now, what you said is correct. We do see reduced demand coming from Asia. We see reduced demand going into the North American market. But as we move forward again, some of the same service benefits that we've created for our domestic business, we've increased the speed of our railway. We used to have shorter routes to market from Vancouver to Chicago. CP's route, most people don't know, is 200 miles shorter than CN's route. So, with my main competitor, I should have a competitive advantage if I'm going to the marketplace there in Chicago.

There are certain places we don't reach that obviously they have competitive advantage and, in those areas, they should control those markets. But in the areas where we have the best service, as long as we have a compelling cost ability to compete for that service, the market's going to set the rate and we're going to be there at the table.

So, as new contracts come up in the future, I think CP is going to be in a position that we can compete for business that, in the past, I would've had to pay to haul, which we're not going to do a practice.

Kevin Chiang
CIBC

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That's fair enough. And when you look at the intermodal franchises across your network and across the Class 1s, you've seen some alliances among some steamship lines. You've seen some consolidation there. There's a new container weight regulation coming through in July 1. Do you see that changing the network of how steamships deliver their product and potentially impacting the market share that all of you have in terms of international intermodal?

Keith Creel
President & Chief Operating Officer

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Yeah, well, let me say the – take the second one first. The weight issue that comes in July 1 is the shippers' responsibility. And I'm certain there's going to be some wrinkles to iron out. But, long term, I don't think it's going to be material relative to the volumes that are shipped. I think we'll work through that with the shippers, with our shippers, and I'm sure CN will with their shippers.

As far as our network and as far as international business goes, I think, again, that we're extremely well positioned. I think that there's enough business out there for all the railways when the economy comes back, be it CN, be it CP. And I think, long term, we're going to see our franchise recognized with additional business.

The U.S. roads, I think, I would speak to. I think they've got some other issues resolved on the West Coast ports. But you know what? There were some many scars created back then with some of the shippers, it's much like these alliances. I don't think they're all going to put their eggs in one basket, because it wouldn't be very smart, it wouldn't be very competitive.

To me, personally, if I give my business to one company, it dis-incents them to work for my business. So, I don't think it's a good business decision. I think that they're going to come to those same terms. I think that CP's got a product out there that's at par if not better in some lanes than our competitor. We provide a competitive option. And I think we're going to be rewarded with business as a result. I don't think the alliance situation is going to hurt CP.

Kevin Chiang
CIBC

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That's great color. Any questions in the audience? Over there in the front.

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[Question Inaudible].

Keith Creel
President & Chief Operating Officer

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Yeah, we've taken a position this year; the board has as of late. I think our buy back program is 5%. Nadeem, where are you? Yes, which is a little different in the past. Last year, I think we were at 6% initially then we went to 2%. So, fundamentally, if there's not a call for cash within the company, not money that we can earn more money with spending internally or spending externally,

we're going to give back to our shareholders through buybacks. And also, as you've recognized through this last change, we've increased our dividends.

Now, we're not going to suggest that – I would not suggest and, again, it's a board decision, I'm only one vote, that we're going to try to match our peers and try to ramp up to that heavy of a dividend, because if we do, in my mind, we're saying we're at a different place in our maturing this company. There's still a lot of opportunity internally with this company to invest money, to be able to run the railway more efficiently, to be able to provide service that allows us to win the market share. So, we're not there yet.

Now, down the line, once we get to a different point, when we discuss that and consider it, obviously, we would. But, for this year, to protect our debt ratings, we told the debt agencies we're going to be about 2.5 turns. That's where we're getting to and that's why that we decided to go to the 5% and then take the additional 1% and give it back in the dividend increase. That philosophy as far as I'm concerned, for the next couple of years, will remain constant.

On capital, this year, we've reduced our $1.5 billion to $1.1 billion. We've ramped it up significantly over the past three years, because we inherited a railroad that had been under-invested in. Effectively, they were spending capital where we didn't need to spend capital, buying locomotives we didn't need, not buying ballast we did need, not putting rail and steel and things to help you run a safe and efficient railway. So, we ramped up, we shifted the spend over the past four years. Now, we've caught up. We've got to a point that we've created so much speed and capacity on the network that, right now, our level of business, I don't need to add additional capacity.

So, we've pulled the money back. We're using that free cash flow to buy shares back and to pay dividends as opposed to borrowing more money. And we'll continue to do that, I'd say, for the next two to three years until we see a dramatic step improvement or difference in our business demand. We've got tons of capacity as it exists today.

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[Question Inaudible].

Keith Creel
President & Chief Operating Officer

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Yeah, if the share price – it's hypothetic, but if the share price were to get very cheap second half, and we had some success in the marketplace and created a little more cash flow, would our board be open to do them. We've done in the past. Past action would probably be a pretty good prediction of future actions. So, I would say, yes. But, again, I'm one vote of nine. I can't speak for the board. I would just say what my recommendation would be.

Kevin Chiang
CIBC

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Thank you. And any other questions from the audience? May be just to follow up on that, you spoke about there's still wood to chop and at your maturity level, there's still stuff to do. Where do you see yourself in this evolutionary cycle and what else is there to do to get to a point where you think you're the most efficient railroad or whatever it is that you're striving for?

Keith Creel
President & Chief Operating Officer

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Let me qualify this. I don't have a crystal ball and I haven't been over all this railway the way I have some of the other railways that I've worked for yet, because I've only been here three and a half years. But I would know and from experience, it took about 15 years to do what we before. We're four years into it.

We've got a lot of opportunity. I've just realigned the regions. We consolidated two to three or three to two. Tony is running the east. He's got the U.S. operation. We've got Guido De Ciccio in the west and we've got Robert Johnson that I moved to Calgary to serve as my Executive Vice President of Operations.

Part of that was to prepare for transition with Hunter leaving. Part of that is to get a new set of eyes and ears. Tony has got a got a Vice President from the U.S. property that's a very progressive talented railroader that Tony will help develop and that will also help develop Tony. And likewise, Guido the same.

I guarantee you when you get into challenging times like we're dealing with now, again, past history, experience. We had a meeting last November, Tony, My self, the general managers. Sort of like our whiteboard session. So, it was the GMs, the VPs and my self. We got off property, we went in the room and said, listen, next year is going to be a tough year. What do we need to do? Let's think about the things we've done in the past. I spoke to this in the last call, switches.

If you think about a mainline switch, we're in the process of converting a railway that ran short trains to a railway like our competitor that can run long trains, because you have fewer train starts, more fuel efficiency, you need less cruise, less locomotive, it's just an asset turn. You speed things up, velocity, fewer assets.

So, when the process converting over the three years, which we've been doing, there is a whole lot of surplus things that are left over. There are a lot of 4,000 foot sidings and 5,000 foot sidings that we don't need. Well, every one of those switches that's in the main track, I have to maintain. I have to inspect. It's a safety hazard, because whenever you have moving parts, often, that's what fails and you could have a derailment. So there's a huge safety concern.

So, manpower, safety, liability, the shooting match, we've reviewed in this year in 2016 and 2017, we're taking out 300 mainline switches. We're taking out over 300 yard track switches. We're taking out almost 90 miles of railroad, which, number one is going to improve our safety on the railway. It's going to reduce our cost immediately. It's going to reduce the need for manpower.

And in the future, as we start to roll out more capacity into the network, I've got an inventory of assets I can cascade forward. And I'm using used asset, renewed asset and not a brand new asset. So, it's a win-win across the board. So that's just one of the many things that we do. And I guarantee you, with this new realignment, they're going to see additional opportunities in there.

Keith Creel
President & Chief Operating Officer

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Any questions? Up front here.

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[Question Inaudible].

Keith Creel
President & Chief Operating Officer

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Yeah. So, I would say, yes. It's – make no difference. It's a tough market out there. There's capacity out there. The biggest concerns or the biggest pressures would be truck competitive type stuff. It would be in intermodal, domestic intermodal; some in crude. Those two would be the areas that we're seeing some pricing pressures. But, again, it all goes down to the service.

If I can go to a customer and show them what the service value is, then I can take price. And that's the difference. The Canadian difference versus the U.S. difference, and I worked both sides of the border. On the U.S. side, they're much more aggressive with price. On the Canadian side, because we have a whole different regulatory environment with FOA, we've always been pretty conservative.

The 3% to 4%, I don't know if you want to call it a little more than inflation or whatever you want to say it is, we've always felt that fair price and fair service is not going to get you in an FOA and it's not going to get you caught, because there's a lot of risk if you go to an FOA. If I can't prove that my price and my service is worthy to a baseball arbitrator and my customer can say, I need a 3% cut and I want a 3% increase. That's a big swing. So, we've take an approach not to do that.

And recently, I can tell you those. So, I'll talk about some of the challenges we've had. Some of the strengths in other areas have helped us offset those challenges. So, we've got into 3% to 4%. We're closer to the 3%, with some of the other wins that we've had in the marketplace, and I'm talking about chemical business. I'm talking about merchandise type business, exceeding that 3% because of the service value. You'd be amazed how many conversations we have with customers, that I've had personally with customers, where they're under tremendous price pressures too. They're in cost pressures.

So, they'll come to us and say, listen, Keith, CP railroad, we need to get our transportation cost down. We need you to cut price or we need you to help us make our targets so that you can grow with us. And I say, well, you know, we'd be happy to do that except I'm doing it by giving you the service. And they say, well, what do you mean? And I say, well, customer X, you're running cars from Edmonton to Vancouver. You're sending 25 a day. You've got it in a lane where it's taken a day or a half a day longer than what my lane can give you in transit time. So, if I get the business, I can charge you the same or a higher rate. I can give you a half a day transit saving every day on every car. And going forward, you don't need to own 25 tank cars to keep this assembly line moving, you need 20.

In the past, CP couldn't have those conversations because we didn't have any service reliability. That's what's changed. So, in this challenging market, that 3% is a good number. But, as demand comes back, the pendulum's going to swing a little bit. But, again, I'm not going to suggest that, certainly not CP, I'm not going to speak for CN, that will be too aggressive. It's still going to be in that 3% to 4% price range, which we think is sustainable long term and fair to our customers and a fair return for the value that we give them in service.

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[Question Inaudible].

Keith Creel
President & Chief Operating Officer

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Yeah. When demand comes back, that's going to be an issue. Now, there aren't driver shortages. There's a surplus of drivers. Fuel is cheap. There's a lot of capacity out there. That's what the headwind is for us now, which, to your point, when demand comes back, becomes a tailwind, so that you'll see more volume shift to rail at th at point.

Kevin Chiang
CIBC

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Excellent. Any other question in the audience? Maybe just turning to your cost structure, at CP, you've done a tremendous job reducing your cost in the face of a very tough revenue environment here. Can you talk about additional variability in your cost structure if volumes continue to trend lower than you originally expect here? Or vice versa, if there's a sharp rebound in volumes, does that leave you with a too few assets to service your customers?

Keith Creel
President & Chief Operating Officer

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Yeah. I'll ask the first one – the second one first, the answer is no. We've got 660 semi-locomotives stored. We've got people, unfortunately, laid off, carmen, locomotive mechanics, trainmen. There are assets out there, valuable employees that I'd love to be able to put back to work. But the key to doing this, the way we do it day in and day out is understanding what you need, not just maintaining what you have.

If you understand the business demand and you match those assets against it and you keep what you need, then you can take this operating model and ride and control cost all the way down in the valleys. And then as you come back up to the peaks, you deploy the assets that are in reserve.

I'm not spending additional capital. I've got tons of capacity out there. And that's when you really see a rebound and you really see money go to the bottom line.

So, we're poised to do that. We're just waiting on the market to come back. But, in the meantime, we'll continue to do and constantly tweak and adjust this like we have. We're taking out, this year relative to the business demand of what we thought it was going to be, about 1,300 employees. What I've said yesterday and I look at where it is today, if that were to sustain itself, and that was a question I was asked yesterday when I was in Boston, well, obviously, if I thought business is going to be at X and I can take out 1,300, if I think it's going to be X minus, there is an additional opportunity.

So, if this business were to sustain itself, you'll see us take additional head count out. We'll have to be able to protect our asset terms, to be able to protect and give a payback to our shareholders and provide service for our customers. So, that's how we do it day in and day out. It's the power of this operating model. It's worked for the three railroads I've worked under. This is, I guess, the fourth. I'm an ambassador of it. It's not going to change as long as I'm here, obviously, not when Hunter is here.

Kevin Chiang
CIBC

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Okay. That's helpful. Maybe just turning to the regulatory environment, we saw the Canadian federal government come in with extending out the fair grain act. If you can just touch on how you see the fluidity in your grain network, especially, as you mentioned earlier, with a potentially much bigger harvest than you saw last year. And generally, with the improved fluidity on the network, are you seeing some of that regulatory pressure we saw two years ago ease here or is it still front and center for the industry?

Keith Creel
President & Chief Operating Officer

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Well, the pressure that we had, I would say, has eased because we're providing excellent service now. Is it still there? We have a new government, obviously, in Canada. I think they're being mindful of a service report, the Emerson report that they inherited. So, certainly, I don't think it's necessary. But, at the end of the day, they didn't ask me what I think and they're going to do what they feel is in the best interest of Canadians and we'll have to work with it.

Now, with that said, the facts don't support it. And I'll talk about the facts. In 2013-2014, CP moved, in spite of the winter, a record amount of grain. We've done the same thing in 2014 and 2015 and we're moving a lot in 2015 and 2016. With what our projections are, we'll move more than we ever have this year. So our supply chain is working. And I think what a lot of people don't understand, everybody learned a lot of lessons.

It's always easier to point the finger at the railroad. But when that happened in 2014 and 2015, myself and Hunter were very vocal, both in Ottawa as well as with our customers, our partners, our shippers, with the grain companies, listen, we can't run this thing 24/7 in the middle if you're not – the bookends aren't working too, because those assets just pile up in Vancouver or they're sitting there waiting to be loaded. If you're not loading on the weekends and we're ready to move it, they're all these days of dwell that's designed in the plan that are capacity that we can free up.

So, since the deregulation, since 2014 and 2015, since all those issues, what's happened is you've had substantial – the grain companies have sunk millions of dollars in the capacity creation to improve their off-loading procedures and processes in Vancouver and I commend them for that.

They've also worked inland trying to create and work with the railroads to get more robust loading facilities out in the Prairies.

So, when you take those two and you take the ability of the velocity we've created within the railroad, there's more capacity now than we had in 2014 and 2015. Now, if we have that same kind of winter, I'm not going to suggest that we won't have challenges, but rest assured, same set of situation versus the assets we have now and the changes that we've made, you're going to get a much improved outcome.

And again, 2014 was a record year. This year is going to be a record year. I don't expect anything different next year. So, fact based, I don't think it's necessary. I'm not going to speak to the politics. We're just going to do our job. Move a lot of grain. Help our customers make money. And the other thing that we've done since then, this is key, dedicated trains is something that's unique to CP. We put it in the marketplace two years ago.

So, what a dedicated train is, the grain companies in the past, their complaint – when I would talk to them. I'd say, listen, I need you to do this in Vancouver and spend money to bring your people in so we can get this assets freed. Well, the answer I always got back, well, if we do that, it's a common pool, so we spent over time. We free the assets up. And then next week, you're giving half to my competitor and I get half. And I said, well, okay. We've got a solution. We'll give you dedicated assets.

So, if you pay us for a dedicated train, and these are virtual trains, we've got about 50 to 60 in service here in Canada. You tell us where you want it to go, where you want it load. You tell us where it's got to export from, be it Thunder Bay, be it Vancouver, and I guarantee you those you're assets. There's something in it for you. If I don't get the cars there, if I don't meet the cycles we agreed to, I'd pay you. But, likewise, if you don't use them, you pay me for tying that asset up. So, there's a percentage of our fleet that is in dedicated

trains. And then the balance of our fleet is for open call orders here in Canada.

That's been received extremely well with the shipping companies, with the grain company. And that's allowed them to have certainty to what they can ship and certainty to their investment, which is also allowing these additional turns. So, if they turn that asset faster instead of two trips or three trips, they're going to move more grain, they're going to get more market share. So, it's a win-win for both parties, which is completely different than what existed in 2014.

Kevin Chiang
CIBC

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Okay. That's helpful. We're about four or five minutes here. Any questions in the audience? Up front.

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[Question Inaudible].

Keith Creel
President & Chief Operating Officer

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Coal? U.S. or Canadian?

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[Question Inaudible].

Keith Creel
President & Chief Operating Officer

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Okay. I'll start with the less important one there. U.S. coal for us is less than 1% of our revenues. We did a remarkable job last year of re-pricing some contracts, reallocating from the congestion of 2014 to 2015. Some of the contracts shifted to different origin railroads. So, we get a longer haul versus what we did before. So, it drove a lot of growth. So, if you look year-over-year, we're not going to replicate what we did last year on the U.S. property.

On the Canadian property though, right now, we're sort of at par with what we did last year. Teck went through some pretty tough, challenging times. What we see in the marketplace, and what we believe to be true, the price has bottomed out. We're assuming a little bit more. Their guidance is a little bit more than what we shipped last year.

So, I think they've weathered the storm. I think that they've got a much more reliable product from us that's allowing them to enjoy record turn times. It's allowing them to have reliability and consistency in their supply chain and take cost out. They've been a good partner with us to work, to allow us to take cost out for these downtimes. So, I think they're a strong player worldwide - I know that. I think they became stronger and I think they picked up market share and I think that benefits Canada and benefits Canadian Pacific and it benefits Teck.

Kevin Chiang
CIBC

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Any other questions in the audience?

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[Question Inaudible].

Keith Creel
President & Chief Operating Officer

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I think it's incremental for those things. I'll tell you – I'm not going to miss this opportunity. I appreciate you asking that question. I'll tell you where a quantum leap is, and it's in this country and it's getting the government to support and the regulators to support in-camera videos on locomotives. It's a huge safety issue. I've been a vocal advocate in the industry. I'll continue to be. I went to the safety summit at the TSB, spent two days there two weeks ago in Ottawa. It meant that much to me.

Now, certainly, I understand our employees, some of our union members both railroads, they have a different opinion, but I've been doing this for 25 years. I understand, I don't have my phone with me, but I know how habitual that phone is and I know that a cab of a locomotive is the last place I want a telephone and without a camera I don't know if the phones are there or not. I want the employees just as I know 99% of our employees want to do, I want them focused on the task at hand, making sure their operating that train as safely as possible through the communities we operate in and through – I feel that's my obligation and I feel that's their obligation.

Now, are they ever going to agree to allow us to install the cameras? Likely not. They have concerns. They have privacy concerns. I personally feel that the safety of the public trumps the privacy of the individual in a common workplace. We have cameras out in the streets when we walk out here. I might have a camera out in the lobby. I'm not protesting that. It is what it is. It's there for security. It's there for safety. I don't think the office of a locomotive is any different.

We've been progressive in the States. We've equipped our locomotives, some of our locomotives in the States. We've got 15 equipped now. We're one of the only railroads that have and we're seeing an improvement in safety on that territory. We've done work research, the New Jersey Transit Authority, and I've shared this with Ottawa. They've done a lot of work as well where they installed cameras on their buses. They've seen a 40% reduction in accidents.

Human beings are human beings. We do what we're allowed to do. I'm no different. I'm no better. I'm no worst. But unless people know there is an accountability, unless we can do it pro-actively, not reactively, the Canadian laws today allow us – the TSB, if we were to put cameras on there, if we have an accident, post accident to take those cameras and learn what caused the accident. There is not – the provisions in the law don't allow us to do it before.

I want to save lives. I don't want to tell you why lives are lost. That's the difference in my philosophical views on this. I've shared it with Ottawa. I've shared it with our unions. I'm sharing it with you today. Every time I get a chance and an opportunity to say that, to me, that's a quantum leap for Canadians, it's a quantum leap for the industry, be it in North America, be it in Canada, be it in the U.S. Thank you.

Kevin Chiang
CIBC

Unfortunately, we're run out of time. The passion was obvious there on that topic. We're going to end off here, but thank you very much, Keith.

Keith Creel
President & Chief Operating Officer

Thank you.