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PARTICIPANTS

E. Hunter Harrison, CEO Canadian Pacific

Brandon Oglenski, Barclays

Brandon Oglenski: Okay. Good afternoon, everyone. I know lunch ran a little bit late here, but I'm sure we'll have a few people coming in, but want to kick off the afternoon at our Industrial Conference here. And for those of you that haven't seen me today, I'm Brandon Oglenski, Transport Analyst at Barclays.

Up next, we have Canadian Pacific. And joining us from CP is Mr. Hunter Harrison.

E. Hunter Harrison: Thanks, Brandon.

Brandon Oglenski: And for any one that doesn't know much about railroading, pretty much a legend CEO in the space, Railroader of the Year, two or three times?

E. Hunter Harrison: Three.

Brandon Oglenski: Three times, the most recent being last year, but has really led some transformative turnarounds at Illinois Central, Canadian National, then most recently Canadian Pacific. And I know we're going to talk a lot about the potential and the future of the industry and what M&A could look like. But before we get there, just want to go through the audience response systems. I'm sure everyone here knows the drill by now. So if we can just pull up question one quickly. And for this room, do you currently own Canadian Pacific? Overweight, equal weight, underweight or no ownership?

A lot of potential owners in this room. Can we go to the question number two, please? What is your general bias towards the stock right now? Positive, negative or neutral.

Kind of split. It's been like that all day. And then lastly, for question number three, in your opinion, through cycle EPS growth for CP will be above peers, in line with peers or below peers? I skewed a little positive there, Hunter. But why don't we get started here?

E. Hunter Harrison: Sure.

Brandon Oglenski: Thank you again for coming down and joining us on our conference here in Miami.

E. Hunter Harrison: My pleasure.

Brandon Oglenski: I'm going to jump right in. To anyone that hasn't followed the railroads, I'm sure you know that there's a lot of discussion around M&A, and CP has made a formal offer for Norfolk Southern. And I think you've recently said that you're going to have a proposal for shareholders. It's going to be a non-binding vote for Norfolk at their Annual Meeting. And as well, I think this week, just recently or maybe late last week, you talked about seeking a declaratory order from the STB about a potential trust structure with Norfolk. So, Hunter, can you maybe update us on what the news is with the STB and talk about the merits of it too?

E. Hunter Harrison: Well, I guess, the last action has been that, to my knowledge and I'm pretty good at history and trusts, I've been involved in several ones of them. I don't remember one requiring or anybody asking for a declaratory order. In fact, there's been 144 requests for trust since the Staggers Act and 144 times they have been granted and I don't know why this one's all of a sudden so different, but the folks at NS seemed to be very sensitive about this and they wanted us to seek it.

And so, I guess, it was one of the last potential stumbling blocks and we effectively said why not. If that's going to change things and we and they will cooperate, I don't think that the Commission would want to look at it in a hypothetical sense. So I don't think we're going to be able to go and say, if we had a partner and if – so they will need – and I'm assuming they're going to cooperate if they want us to get a declaratory order, they will need to cooperate. And it's – as you said, Brandon, it's non-binding. And if the shareholders don't support that then I would say that's probably another nail in the coffin if you're – if you think this transaction might go through.

Brandon Oglenski: Right. I definitely want to talk about from the shareholder perspective and I do appreciate you coming down here and talk to us. We did have open invite from Norfolk to join us as well, but they chose not to, but we'll talk about from your perspective. But I guess even before we get into specifics, what is it that drives the need for this industry to consolidate at least from your perspective, because if I look into some of the other big U.S. railroads, it's generally a very negative view on

consolidation, even though the industry today and the health of the industry was arguably driven by a huge consolidation wave since the Staggers Act. So what is it that has such disparate views where there's some camp that believe we need to and the other camps says absolutely not?

E. Hunter Harrison: Well, I first started – I mean this is not some Johnny Come Lately story. I started talking about this long before or before I left Canadian National and was doing a little consulting. And I said that, in questions raised in this kind of environment, I thought there would be consolidation, I thought there was a need for consolidation, particularly in the East, given the lack of infrastructure, given Chicago issues, given gateway issues, given environmental concerns, given there's not going to be more railroads built. One of the ways to solve some of these problems is through consolidation and being more efficient and doing more with less. Plus the fact that I had a lot of audiences like this saying to me, why would you not do something with another railroad and take your operating metrics and overlay another railroad, and you've got a gangbuster story to tell.

Now, if you look at the other rails and you analyze what they've said, I think you have to look at the timeframe. The folks that came out last week that said they were going to do everything, but shoot us to stop a merger came out in 2011 and 2013 and said all their success was based on mergers. They've been involved in about 12 mergers, but now they're a bad thing. Their friends in the West now are saying that mergers are a good thing. The latest statement I saw in the last couple of weeks that they could see a transcontinental like it's a good thing. It's only a timing issue.

The folks in the East have been a little – one has kind of said not so sure if they're disruptive or not. And the other response from our friends at Norfolk Southern prior to Wick leaving was kind of the standard AAR line was you can't get it approved. I don't know why you can't get it approved. I mean there's a process in place. And the thing that we were hoping for was just to stay out of politics.

There's a formula, there's a law that says here's who is supposed to review it, here's what the law says, here's how it's got to qualify -- it's got to be pro-competitive, you've got to take into effect the downstream. And they said to us, well, there's regulatory risk. I've said we'll take the risk. Tell me what they are. We'll take them. But, no response.

So, we think that an end-to-end merger is good. It can create more efficiencies, it can create better service, it can reduce the need for infrastructure, it can – for rail, it can help take business off the highways and put some of the business that I think, selfishly, belongs on rails, we think it's a good thing. And I don't see little, if any, negative about it, except that people want to maybe be a little selfish and protect the status quo.

I mean, if you really want to peel this back and say we, the teams that I have had the honor to lead, have never, ever supported bottleneck. We have never, ever supported paper barriers. We have never, ever been scared of access. So our position has been consistent. It hadn't been what's good for us today or good for us tomorrow. It's what we thought was the right thing for the industry. And I'm not trying to set us on a pedestal. It's just – it's fact.

Now, I think that some people – I think there was a view at one time because at one time I was employed by those folks, that operated in Powder River Basin, that they wanted bottleneck protection. And they're competing with each other, and both of them are saying they need protection of bottleneck. Bottleneck to me is the most ridiculous rationale that anybody could have. And effectively, it says this. If we're both starting off here at A and we're both going to C, no matter how efficient this one route is, the carrier does not have to quote a route over there. They can quote a circuitous route that goes 500 miles or 600 miles out of route.

Now, what does that create? It creates more need for equipment, it raises rates, it creates the need for more infrastructure. Why? To protect what I used to call some long-haul division kind of mentality. It just didn't make a lot of sense to us.

Brandon Oglenski: But I don't know if it's a viable pushback, but the pushback to the open access that you potentially presented with the transaction, that there's been industry studies presented to the STB, that if we allowed open access across the U.S. network, it would be a free-for-all. There'd be no operational planning. It would create more capacity constraint that it would actually provide shippers a better service. So, does that make sense?

E. Hunter Harrison: No, I'd tell you what I'd offer to do. I would like to find out the people that had made those statements and I'll pay their expenses ,and pay for the hall, and we'll debate it in open forum because I don't understand that rationale

whatsoever.

I mean, first off all, you have to define access, okay? And all we're saying is, look, just think about something. If you've got two railroads going to cross the Mississippi River, do both of them need to build bridges? Could they not say, look, let's have one bridge? And in the cooperative spirit, you pay me for the bridge here and I'll pay you for the bridge over here. And we'll have less infrastructure and better service and lower cost and better bottom line.

So all we're saying with access was you would need to pay for it. Okay? I went to shippers 25 years, 30 years ago came and said I don't like your rates. And so, you know what we're going to do, we're going to go and ask the Commission to allow us to have a railroad to operate over your tracks. You know what we said? I'll sponsor it. You buy the locomotive, you buy the cars, you pay me a fair amount for my infrastructure to operate over, and you'll learn what this railroading is all about.

Six months later they came back and they said we don't want to get into the railroad business. We just want to pay for you to haul it. So I don't know of anything – you can't just – there has to be some scheduling, there has to be some rules of engagement, but just to say that we can't have that in an efficient manner, I don't think makes a lot of sense.

Brandon Oglenski: Well, from my perspective, I would argue if anything it sounds like defending the status quo is actually less competitive than what the future could be. And that it is one of the criteria under which the STB's evaluating mergers, correct? They need to enhance competition and improve service.

E. Hunter Harrison: Right.

Brandon Oglenski: I'm not sure how arguing against that saying that open access would degrade competition.

E. Hunter Harrison: You don't think that open access would help competition?

Brandon Oglenski: No, I think that's what they would argue against.

E. Hunter Harrison: Well. How could they do that? Let's take this example. Let's take Atlanta today. They both operate – the two Eastern carriers both operate in Atlanta. Once get their industries and others get their industries, okay. And they can't crossover, okay, with each other's industries. In our model, what we've said is this, okay? I've got mine, you've got yours, but if I'm not doing the job, if you'd rather use the competing carrier, you like the rate better and you like the service, then you come and get it. So I'm offering you an alternative of another service offering you don't have today. And I don't know of anybody that can argue that the more players, the more competition there is. They're protecting something that's ridiculous to try to protect in my view.

Brandon Oglenski: Well, I'm going to say it, maybe I shouldn't, but I've said earlier in a conversation…

E. Hunter Harrison: Just think about it.

Brandon Oglenski: I'm the antagonist. So doesn't this just come down to protecting a lot of executive compensation at other companies and a lot of other executive positions? Is there a lot of egos involved here that is really becoming a road block to have potentially more efficient industry?

E. Hunter Harrison: Except for mine. No, I don't know. It could, but one of the reasons that I've been asked about in some of these conferences and others is why we got into this. Another issue of why we got in here was because of the bench strength, or lack thereof, for the turnover going on at the other company. I mean, if you look at – and I'm not being critical. I'm just stating facts. If you look at our friends at Jacksonville, there's been turnover and their suggestions that it's going to be a lot more, that Mr. Ward's is probably going to be leaving and Oscar left and went to United. My friend Clarence was moved up to president from this position. And as I understand some of the conversations, they hadn't had the bench strength to step in there. If you look at Norfolk Southern, one of the things that's got our imagination a little bit was this seemed very awkward the way this happened. Our view of it at least.

Wick left off a quick, Don Seale left off a quick, and in fact, we were at dinner and they told us about it. And Wick said to me, I'm sorry I would have given you a little heads up, but I didn't know till 15 minutes ago. And that doesn't sound like succession

planning to me. And by the way, Mark Manion, our Operating Chief, is also retiring first quarter, and here is Mr. Squires that's going to be our President, that I'd never met.

So, I'm saying, well, why is that all happening? So, we feel, well, maybe if we've got operating team, maybe that's a fit. Maybe they've got this and we've got that and we couldn't maybe potentially put that together. Now, I know there's – I don't know all of the proxies and the contracts and change of control and who gets what. Some of us, I guess I shouldn't say, get a little selfish when the dollar comes into play and that could be part of this. I do think it – I guess, if I had to characterize that I would say it's more – maybe more corporate jealousies than even money – some of the folks have made a lot of money. But once again, I think it's a case that they want to go out and run in their own railroad and don't want to do a deal with somebody else for whatever reason, or maybe – and I don't have any insight there. Maybe I'm reading that all along, could be.

But I think the thought I would believe is this, if this doesn't work, we're not going to have a funeral. I mean, we've a good railroad. We were doing damn well, we thought, in Calgary when this came up. We've added some strength since then in spite of the fact of the pretty weak economy.

So, I would imagine at least this board member and shareholder would say that we have to take a look at uses of our capital and maybe an aggressive buyback, I don't know maybe a little dividend, but back to the shareholder, and we'll going about our business and life is good. And if – and the tragedy though is this – if we're right, if they're wrong, and if they're not able to produce the results that they've talked about doing, it's not going to be good. I mean, I have a little history with both of them and they both of them started talking about getting to the 60%s about 10 years ago. And with a couple of exceptions, they hadn't gotten there yet. And I don't know what's going to get them there now.

And now, one of them is saying, well, we're going to get half way there in five years. Well, hell, we're there now. We're 12 points ahead of you today. And you've got wait five years to get half of what we bring to the show. I don't understand it, but look at their railroad, so far.

Brandon Oglenski: And maybe people in this room could change that too, but there's some accusations. Okay. Hunter does have a great track record. I don't think anyone can deny that now. But he ran simple railroads, North, South and the Illinois Central; East, West at Canadian National, even smaller bulk franchise at CP. And he just doesn't understand the complexities of a short-length of haul, multi-origin and destination system that we have in the East Coast with the population centers, and it's just not as easy to get margins. I might remind you as well that Fred Green said, there were curves in grades at CP that would never allow them to get to where we are…

E. Hunter Harrison: That's part of my answer… it's structural issues.

Brandon Oglenski: Right. So how do you talk about – and by the way, there's discussion with shareholders too even today after seeing the successes at CN, CP, arguably the western carriers as well. Is it structural on the East Coast that these networks cannot generate a better margin and a better return?

E. Hunter Harrison: I don't think so. Look, it's always something. I would suggest to you this. I started on being in railroad. Frisco, which was part of BN. A that railroad was made up of our gateways where St. Louis, Memphis, Birmingham, Kansas City, Tulsa. It wasn't some straight shot Powder River basin, one directional. Okay? It was a complex network. At that time, I'm dating myself, but there were 50 plus class 1s and it wasn't very successful overall – the industry. So I think that it's kind of a lame excuse. And I'd kind of give you an analogy there to this degree. I went to Canada and CN, which had been a Crown Corp, was going through a turnaround. They had just within a couple of years completed an IPO. But their CFO, Michael Sabia, who is now Chair of Caisse, the largest pension fund, I think, in Canada, said, look, don't ever think that Canadian Railroads can make big improvements, but they never can get the U.S. standards. So it was just not in the cards.

Well, we went flying by the U.S. carriers, okay, the 62%. We go back to the U.S. and the people in the U.S. said, well, you don't think that U.S. carrier could ever get to Canadian standards. It's just not in the cards. So as I've said kind of with our CP proxy contest, there's challenges everywhere.

Look, if I was trying to make an excuse now and say why we're not blown by CN. Well, CN had got better grades. Look, we all have a railroad, we have a franchise, we've got the franchise because we felt we could get return on capital and we made an investment and it is what it is. This is not about what I can do or can't do. This is about what value can be created for the

shareholder.

Now, if somebody thinks that this track record is only good on flat railroad, going downhill, non-complex, and it then work in the East, then I'd say don't buy the stock, stay away from it, because this has been all bullshit I've been telling you, okay. But if you think that there's some intuitive, and if you think – and it's not so much in numbers, you got to listen. What's the operating plan? What schedule precision we wrote about. It's just not some buzzword. It's something that we've been doing for 22 years now. I mean, it's something that was given a lot of thought and it's something that's, so far, created a lot of shareholder value. A lot of shareholder value.

Now, maybe it hadn't worked in the Eastern U.S. and maybe it won't work on the Norfolk Southern or CSX or wherever, but I don't accept that.

Brandon Oglenski: But they did come out with a plan – and if there's questions, we'll get a mic out here.

E. Hunter Harrison: Okay.

Brandon Oglenski: They came out with a plan targeting $650 million of cost improvement, give or take, Norfolk Southern did. Which I think is we can be excited, at least we're putting target back, because in the past they've never even done that. So you've compelled them at least to provide their shareholders with something to hold them accountable on.

But clearly it seems that there's a little bit of revenue growth, assuming that it's not quite clear that it's all cost reduction. What's clear in CP's plan and maybe I'll let you talk about it, but it's – the cost savings greater than $1.2 billion. And I think you guys have said you can achieve that in three years to five years. And I think given the track record at CP and previously at CN, we could expect that might even come a little bit sooner. So – and I've asked you this before, but what is it that is different about the way you run a railroad or your team runs a railroad that others don't comprehend and can quickly grasp on to?

E. Hunter Harrison: I want to give you straight, honest answers and I want to say it – try to attempt to say it in a respectful way without being too critical. Norfolk Southern, I have always had a great deal of respect for. I've been doing this 52 or 53 years going back Memphis, my first job, that railroad had great tradition, still does a lot of great things of that. But it, like other ones of us, have gone through changes and they looked at our numbers at my previous employers and saw what we had accomplished. And they said, they'd like to benchmark against some of our – now, I'm not a big bench marker. If you are, that's okay. I think benchmarking kind of leads to mediocrity. Because I've been on those teams and they say, go out there and find out why someone still was doing this. Well, do you think they'd come back with the truth and say, well, we just don't do a very good job. We've got the structural issues, boss. But they came and they benchmarked, and they benchmarked, and they benchmarked at Edmonton five or six times – went through all of the operating plan.

And look, I consider Wick a good friend. Do we see the world a little different in railroading? Yes, but we can still be friends. And he called me one day and he said, we got it. I said what do you mean? We got it. We understand now. I said what do you understand? He said you just do things better than we do. And what do you think that he was saying, was we were executing better. And you can have a plan, you can call it some 1 or X, Y,Z, 2 or scheduled railroading and it didn't do any good if you can execute and produce with it. And we've done a pretty good job of executing and producing.

And I'd tell something. And I went through this, the first 25 or 30 years of my careers. It is damn difficult to sit out there and be running a railroad and be in a responsible position. And here's come some consultants riding in, official or unofficial, and says, you know, you all have missed this for 25 years. You've been doing this wrong. We as human beings don't like to change. We don't like to hear that. We tend to push back rather than listening and try to become better, we try to defend the status quo. And I think that some of us, through the years, fall in that trap.

I was given an opportunity – and I kind of describe my career a little bit, the first half was kind a learning what didn't work and what shouldn't be done and frustration that I couldn't change it. And I said to myself, I said, look, if I ever get in a position where I can call the shots, we're not going to make that mistake and do those things. And I was fortunate to get in that position. And so I used the second half, hopefully, trying to apply the experience and the things that I learned in the first half of my career and thank god I was right about some of it. And one of them was you don't run on volume. And that was hard to get through people.

If you took a train out there in the old days and ran a train with 75 cars, even with a different equipment then they'd jump all over you about running a light train because you were supposed to maximize capacity. And there was no balance between servicing the customer, and asset utilization, and so forth. And when those questions started being raised, it went against traditions and it's hard to create the change, but we were able to get that done.

So I get frustrated sometimes. If I gave you an experience from Jacksonville – not long after Oscar got there. And I have a lot of respect for Oscar. One of the things that I saw Oscar do was when he got there from a non-rail background, he rolled up his sleeves and went to work. That was my experience. And he and Mike called me and said, would you come to Jacksonville? And I said for what? To help us with our plan and railroading. Well, to me that was a compliment. And to me, I've always said, and I know people don't believe it today, that I looked at other railroads as our partner than I do a competitor because our service is so joined. I can't get the car. And that's the weakness. People say don't do a merger, do an alliance. Well, that's the weakness in alliances. We woke up here the last holiday and the other railroad shutdown in Chicago. Well, what are we going to tell our customers? I know you said the car from Toronto to Dallas was going be there in three days. I know, but I didn't know they were going to shut down.

So, you can't control this. They asked me to come down there. And I sat there with them two or three days and answered questions and discussed – legal pads full. And I mean, Oscar was right, in a way. Now, it's my understanding, I wasn't there, that I left town, and not Oscar, but the other chief called the operating team in and said, what do you think? And they told him what I had said. That's ridiculous. That's what I thought. So they tore that up. And Oscar said, well, we have to. They tore it up. People don't want change. They don't want – which models and there's a resistance to it. And organizations I find that are willing to do that, that are willing to really look in the mirror, see what opportunities there are and then take – have enough intestinal fortitude to take the steps, to see if they're right, produce success and others don't.

Brandon Oglenski: Well, you've provided the folks in this room and shareholders in Norfolk a true voice now because you're going to be able to vote yes or no on the non-binding questions. But what's the risk the voting yes? Is this actually viable with the Surface Transportation Board? Are you going to be willing to walk away from CP in several year ties?

E. Hunter Harrison: Me personally.

Brandon Oglenski: Yeah.

E. Hunter Harrison: Sure, sure, I can. I think it's not any different than what I did in the others, not any different than what I did with CN. And there was not a question raised. Very similar situation. I understood the rules. I left Illinois Central. I left the CEO job. I went to the number two job in Montreal. I was told I could have no influence. I couldn't tell the people in Chicago what to do. In fact, the people that had been working for me at Chicago, I got real upset with because the first thing they did when I left town was they voted themselves a bonus, special bonus. And then, they hired financial consultants to tell them how to invest their bonus.

And my friend Mr. Tellier said what are they doing? I said I don't know. They're abusing power. But every dog has got it's day. But we ran our show and that's all we could do. Now, I could advise them, but I couldn't do anything that I wouldn't have done in the normal course of business.

I understand those rules. And if I do, you know what they're going to say, that's what they're there for. They're the policeman. They say, stop it, you're in the penalty box, you're in jail or the deal's off. I'm not going to – I wouldn't risk that. Now, if people vote yes, that doesn't mean we're going to do a deal. I'm guessing they're still going to say this is not a very good deal for us, and we don't want to do it, and so forth. But I think there's a point that if the shareholders vote that they would like them to talk to us and if they vote that they want this to be pursued. And if we say we'll take regulatory risks and they continue to – maybe thumb their nose at the shareholder and say this is – we'll run the railroad, to hell with the shareholder, I think that's going to run out.

Now, maybe it doesn't, maybe the shareholders don't want to stand up and be counted. And some of the shareholders, they said to me, what am I going to do? I said stand up and be counted. By God, if I was a shareholder and they were doing X, Y and Z, they'd be hearing from me. Yeah, but I don't want to rock the boat and there's going to be repercussions. Well, you've got to live with it then. You've got to live with it.

Brandon Oglenski: We only have a few minutes left. I'm sure there are some audience questions.

Unidentified Participant: Yeah, a slightly different track, but not really. So, the history of the industry is – this is [indiscernible - pre-Conrail?] and so on – CapEx as a percent of revenues or whatever were in the, let's call it, 10%, 11%, 12% as a percent of revenues, and they have been steadily increasing where some railroads, the latest numbers were 20%'s, low-20%'s. Canadian Pacific went the other way or is going the other way and is now going to reduce the CapEx. Where do you think – how should we think about capital expenditure for railroads in general, Canadian Pacific in specific, but as such over the next three, five years?

E. Hunter Harrison: Well, I'm not a big supporter of – there are some magic numbers that there's a percent of revenue that ought to be spent on capital spend. I don't – there's not some direct correlations than I see. If you go back in history – if you go too far back in history, you certainly will find times when railroads were not spending adequate amount of capital or they were very inefficient with it, given the record from safety and a lot of things that the industry had in the 1960s,1970s, and even beginning in the 1980s. Specifically at CP, we found the situation where we were behind with basic capital. I put capital kind of in three buckets, replacement capital, which is probably 50% of the pie, of the spend, and then what I would call productivity capital, which is effectively maybe extending sidings so you can run longer trains and save expense, and maybe expansion capital, where you build into an industry, 5 miles or 10 miles spur, to get access to business.

We were behind in the most basic places of rail ties in the ballast and that's why where you get in trouble. And it's kind of a compounding effect. If you don't clean your ballast, your rock, correctly then you get mud in there and mud is abrasive, it wears your cross-ties out sooner so you don't get the wear-life out of the capital. So, my point is a dollar is not a dollar is not a dollar, it's how you utilize that money and how productive you are in the insertion. If you're real productive from a labor standpoint of putting in ties, you can instead of spending on labor, you can spend it in concrete or wood putting ties in. if you're not very effective from a productivity standpoint, then you have to make up and you pay more labor and you get to put less hardware in your railroad. I think everybody, due to some of your coaching and you've done a good job of this, have brought people's attention to the fact that what this is really all about is not necessarily so much as an operating ratio as it is return on capital.

And, I think one of the things that although people push on operating ratio – that we're the proudest of – is, in spite of the fact that we've climbed right up to the top, along with our friends in the Eastern Canada with operating ratio. I think you'll find it our return on capital numbers – return on invested capital numbers stand out way above anybody else from a performance standpoint.

Now, we're to a point this year, when we need to be able to – we're able to take the little holiday because we had spent the price the last two or three years to catch-up and so we're not behind in basics. And so, some of the productivity capital we are in pretty decent shape on, so we can kind of take a holiday, if need be, for several reasons with the economy there. If that addresses your questions.

Brandon Oglenski: Right. I know we're running a little bit behind here. But I just want to get one more question on the ARS because I think it's very useful here. If we can swap to number four please. So in your opinion what should CP do with excess cash, in bolt-on M&A, larger M&A, share repurchase, dividends, debt pay down, internal investment? Why I think this is interesting because maybe the audience will tell us where they'd like to see this go, but...

E. Hunter Harrison: We're going to see if Ackman wins or I win.

Brandon Oglenski: So, Hunter, what is the end game here? What -

E. Hunter Harrison: Well, I think that right or wrong...

Brandon Oglenski: But audience likes the M&A performs well.

E. Hunter Harrison: Yeah. They do. But it – until the rubber meets the road kind of deal. I think we're more, right now – clearly, we'd like to do a merger. The returns are compelling, if we can get it done. Short of that, I think that… you've got different tax situations in both countries. And most people – driven from the U.S. with our largest base – from a tax efficiency standpoint, if they purely look at that standpoint, are more buyback people. Now, I can tell you something, in Canada, they fall in love with dividends. I'm telling you, they have illicit affairs with dividends up there, okay.

So I'm kind of on the page, it just them give them a little ugly stuff and little cash and make them happy. But in the final analysis, I think we will, in the future, if the M&A is not there and if it's not the right fit at the right time, we'll probably be aggressively buybackers. Maybe, maybe. And we should. We've had some rather vigorous discussions about this – of dividends, and probably go from there. And I think those are probably the two options. Now, might we do some smaller acquisitions that might enhance the business, yeah, but nothing of any magnitude that we're talking about now.

Brandon Oglenski: All right. Well, we have to leave it there, Hunter, but thank you very much for coming down and joining us today.

E. Hunter Harrison: Thank you, Brandon. I appreciate. Yeah.

Brandon Oglenski: Yeah. Thank you.

E. Hunter Harrison: Thanks.