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Transcript

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Corporate Participants:
Keith Creel – President & Chief Executive Officer, Canadian Pacific

Other Participants:
Scott Group – Analyst, Wolfe Research

QUESTION AND ANSWER SECTION

Scott Group
Analyst, Wolfe Research
Good morning, everyone. It's Scott Group from Wolfe Research. Really happy to be joined by Keith Creel, CEO of Canadian Pacific. It is 9:45 Eastern Time, Wednesday May 26. Lots going on, Keith's got some comments he's going to make and then we will get into questions. Thank you for being here, Keith. I'm going to pass it to you.

Keith Creel
President and CEO, Canadian Pacific
All right. Thanks, Scott. I appreciate the opportunity to share our story this morning. I apologize for not being on video. I'm actually out on the railroad meeting with customers today. So I wanted to pause and certainly contribute to this discussion. So let me start high level. It certainly interesting times for the rail industry specifically CP story, M&A. But I'm going to focus my comments today on the unfolding story, more specifically I want to call it a discussion of interest. And I think that's critically important. The perspective is critically important. We're talking about shareholders' interests, and we're talking about the public's or the US rail networks' best interests.

So, certainly, no shortage of twists and turns in the past two months, even last week the journey continues. I can tell you even after last week, CP is not deterred and our collective conviction for this perfect combination remains the same. We believed then and we believe now that our proposal between the CP and the KCS is a perfect marriage of two rail networks then serves the public's best interest as well as serving all stakeholders' best interests. But in spite of that, we all know last week, the KCS board of directors called off our engagement. The board made a decision of interest, fiduciary decision. They obviously felt that it was in the best interest of their shareholders to realize their greatest price for their company to pursue a different alternative. And I get that as a CEO, I respect that in fact. Legally, they have no alternatives especially under Delaware law but to pursue a fiduciary responsibility that is fulfilled in net by realizing the best interest of your shareholders.

The place where I disconnect and I disagree respectfully is, is that value achievable. And I said that from the very beginning. They'll argue, they have and they will both CN and KCS, that they want a level playing field. They want a trust that's the same. They want us to be measured to the same standard. The problem with that is the facts are uniquely different. In fact, in compelling way it's different. So how can you have the same facts and expect the same consideration that in and of itself if you have different facts will not lead you to an expectation, a fair expectation that you should have the same consideration. But nevertheless, they were convinced that their facts could get the trust approved under the new merger rules. And again, best interest of their shareholder, I think, it's key. We all need to be focused on that perspective.

In fact, actually, I've read this in a letter that was filed with the STB yesterday and I think that says a lot, this is from the Baton Rouge Area Foundation and it says approving both voting trusts will allow the KCS to choose the bid it judges to be the best for its shareholders. So that is truly their fiduciary responsibility. As I've stated, that's what the law requires. But in my view and our view, for the value to be realized, it has to be achievable. So herein lies the problem with the question. Is it achievable? And I would say why it's not. Because again, the perspective matters, and what's most important, the most

important perspective is the STB. Does this combination serve the best interest of all the stakeholders as defined by the Public Interest Test, as defined by the US rail networks' best interest not by the Canadian Pacific shareholders' best interest, not by the Canadian National shareholders' best interest nor the KCS shareholders' best interest. It's all about public interest.

And I think it's important and a lot of people have missed this fact, if we go back to 2001, the STB weighed in on public interest then when they created these rules. Those rules were created in 2001 as part of a very intentional process, that followed a period of very aggressive real consolidation in our industry. They said then and they repeated and reinforced now that moving forward all consolidations will be carefully considered and weighed on the facts to ensure they're actually in the public's best interest which is served by the US rail networks' best interests.

Do they preserve and enhance competition? Do they increase the likelihood that they'll be considered in the public interest by doing so? Do they make the US rail network stronger? And in that measure of public interest test which has been debated and I think perhaps confused, it's not so narrow that some have suggested to be confined to just a test of independence or just a test to financial harm which in and of itself that's been challenged alone. The STB carefully chose their word and have told the entire industry. That it's beyond those two that it's at least five factors. And to suggest or think that it's not about competition and about giving shippers more options and about strengthening a US rail network I think is ill-advised.

So does the combination serve the public interest? That's truly what the test is at hand and I think that's what I'm going to focus on. And that's what we have focused on. That's the key point that will not be lost on the STB in my assessment. So that's the question again and I'm going to take my CEO hat off and now I'm going to put my operating hat on. And I think my operating hat uniquely qualifies me through experience to say this because as an operator, I've been in this industry for about 30 years now, 29 if you want to get technical. Next year, it would be 30. And that 29 years of experience led me on tracks and on assignments as an operating officer that quite frankly cover that territory down in New Orleans that de minimis territory that CN suggest is only of customers' concern or of the shipping concern or of the US rail networks' concern. It's far greater than that.

It's taken me through Chicago where you can try to be de minimis about the impact of the other alternative to this proposed transaction. The pressures that it would create for Chicago. It's really truly a discussion of increasing or improving anyone's interest other than a shareholder. And I would suggest that at the end of the day, the facts are very compelling.

So let's look at it as it is today. We've got three networks here. We got the CP, the CN and the KCS as it is. And as I spoke to last week, the color, obviously, the width of the color indicates the main line, the preferred route, it's where the density is, it's where the investment is, it's where the velocity is. It's the Class 4 track that get you 70-mile an hour trains, 60-mile an hour freight trains, it's where you're going to put your investment. It's where you're going to put the preponderance of your business. It's where you get the best service outcome for the customer.

And by line density, looking at this map you can see, CN's network going straight down east of the Mississippi going to Jackson Mississippi and then in New Orleans. And, obviously, all roads lead through Chicago, coming from Chicago, going west over the EJ&E, taking you up to Western Canada or East towards Toronto and conversely CP coming in Chicago. Our route coming in on the northwest side of

Chicago from Milwaukee or coming in west from Davenport and I think that's a key fundamental difference to pay attention to. And then of course, connecting down to the KCS in Kansas City. And then the KCS going south to Shreveport and in the Mexican markets.

So now, let's talk about what these two propositions look like, what would serve the public interest. Let's talk about the CP-KC, the perfect combination, end to end. And again, looking at the two parallel path this creates, looking at the investments this unlocks, looking at the capacity it allows not only the CPKC network to benefit from, but most importantly, the US rail network to benefit from, and opportunities to create parity, to combine the two smallest to create a level playing field, to compete against the Canadian National that is much larger, to compete against a UP to the west or a BNSF to the west that is much larger, they're quite frankly because we don't have the reach today nor does KCS have the reach today nor the economics to invest in this line. We truly can't create this alternative without this transaction.

So what's in the public's best interest? Two parallel lines that serve Middle America that represent investment on both lines, that represent job growth on both lines, that optimizes the US rail network through consolidation, not minimize or is it the alternative. And I'll draw your attention to the CN-KCS map at the bottom of the page. We're talking about a line that, quite naturally and frankly, the investments are going to go to the primary route. Go back in history, what is the primary route on the Canadian National. It's Illinois Central. Years ago, there used to be a double track mainline that went from Chicago all the way down to New Orleans. The infrastructure is there, the bridges are there, the road bed is there. It's a matter of laying down track and adding incremental investment to create a pathway to handle some of this growth.

The problem with that and I'll say it in simple terms, you're putting all your eggs in one basket. If you're thinking about US rail network best interest, why would you isolate yourself to one line where you're going to have winners and losers, where you're going to have debits and credits, you're going to have some customers that gain? If you happen to be served by that line or you happen to be an employee that works on that line or you happen to be a community that works on that line south of Chicago, perhaps you would be in favor of this transaction. But the comparative, if you look over to the West and you look at the KCS line that goes from Kansas City down to Shreveport, or you look at the line from the CP that goes north, west of the Mississippi River, will get you to Western Canada with this growth without going through Chicago or the line that goes into Chicago. How much lost opportunity for investment? How much lost opportunity for capacity, a total capacity that serves the US rail networks' best interest?

Think about today. I just listened, Scott, a little while ago, I listened to JJ speak to some of the concessions they're willing to make and they're argument about this CN trust. Line divestiture from Shreveport down to New Orleans. I haven't read all the details yet but I can only imagine what it says. Imagine if you're the KCS employee that wakes up and reads that this morning. Imagine if you think about the alternative of a short line, if you talk about a line being downgraded, not being Class 3 track anymore because you don't have the density to be able to invest to sustain the capacity that our nation's commerce depends upon. Not a very attractive alternative. And at the end of the day, all those items, it's undeniable what serves the public's best interest.

Is it too robust, again strong, networks that uniquely enable public interest benefits or is it one large network that just gets larger. That used their balance sheet to buy out the competition and eliminate

the opportunity for investment in competition that I think creates a better outcome for customers in the markets that are enabled, in the reach that they obtain as a result of this, that will serve all stakeholders' best interest, not just the shareholders' best interest. But that's a critically important value proposition to speak to.

And then finally, Scott, I'm going to close. I'm going to go back to the STB's mandate and I'm not going to suggest I'm going to speak for the STB. I would say that I'll speak for the STB. I believe to be true to the core of who I am as a professional, as a railroader, as a human being. The STB is an independent agency that's seized with the responsibility that I think they take seriously to protect the US rail networks' best interest, to enable not just to preserve, but to also preserve and enhance competition so that the US rail network shippers and I think, ultimately, North America shippers have more options. They have more reach. They have capacity to handle not only today's business but, most importantly, tomorrow's growth as these three nations compete for near-shoring, compete for investment, compete for those factories and those jobs and the economic prosperity that depends upon reliable, consistent rail transportation in North America most specifically the US rail network.

I think that's what matters. I think that's what carries the day. And I think that is a compelling reason why the CN trust application and the weighting that will be looked at when it comes to deciding if that can or can't go forward is not in the public's best interest.

And the last thing I'll say if the KCS board of directors and CN's board of directors feel that their proposal truly is in the public's best interest, there's a path to get to that value recognition. It is called go through the merger application, wait the time it takes for the STB to do their very thorough review of all the debits and credits and then they will make the determination. And at that point that's an opportunity for the KCS shareholder to realize their best consideration if they still believe the same at that time. It's not to put it in trust where it could sit in Canadian National's hands, they own the company and then the STB is forced to unscramble the egg to pick the winners and the losers. That's not in the public's best interest.

So let me stop here, Scott. And I'll save the balance of my time for any questions you might have and I'm happy to elaborate and clarify on any of those points.

<Q – Scott Group>: Okay. Great. Thank you, Keith. Yeah. There's a few things I just want to try and clarify. So all the lawyers that we've spoken with about this have said, hey, this is – we're in somewhat of unchartered territory here because we've never gone through a voting trust under these new rules. And so I asked CN why they're so confident it will get approved. I'll ask you the exact opposite, right, without precedent here, why are you so confident it won't be approved?

<A – Keith Creel>: Because it doesn't serve the public's best interest. And I think the public's best interest, Scott, is determined - is it pro competition? Do we have an opportunity for new markets to be created? Do we have an opportunity for more service to be created? Do we have more opportunity for more investment, job growth, capacity increase? Does it serve the US rail networks' best interest? Is it optimizing our rail network or is it minimizing our rail network? I think that matters. So at the end of the day, to me the trust, you got to think about why the trust exists. The trust exists so that the transaction can occur and so that the shareholders of the acquired property can realize their consideration.

So in our deal, we get into our transaction and you think about how the STB has opined on this in the past, the trust is not an entitlement, okay, it's a privilege. The facts have to support the privilege and it's used in very unique situations where it's necessary. I think the industry's thought has become the default, the necessary comes from leveling the playing field so that, in our case, and our case is a perfect example of why the trust is necessary. There is a competing alternative. We went through a bidding process and a competition process with private equity. Private equity had an intent and the ability to leverage up their balance sheet in using debt to pay a very premium price and we had to compete against.

Had we not been able to convince the KCS board of directors that we could put a comparable offer that met the ability to get their cash up-front that exceeded their ability to create value for their shareholder beyond the leveraged price that PE was willing to pay, we never would have been in discussion at all. PE would have been buying the railroad today. That's not the case with the CN transaction. The alternative is the CP transaction.

The alternative is a rail bidder, not a private equity builder. This isn't Wall Street buying the railroad. This is a railroad buying the railroad to create a greater enterprise, a greater combination, a greater network that serves the nation's best interest as well as it serves our customers' best interests. Those are compelling facts that are unique to our transaction, that are absolutely against supporting CN's application for their trust approval. That's why I feel so convicted about this. And I don't think those facts will be lost for the STB when they make their ultimate decision.

<Q – Scott Group>: And so, I guess – so one thing that I still don't have a great feel for or answer for is public interest of the trust relative to public interest of the merger. I mean, it seems like a lot of the points you're making are around the public interest of the merger. What do we think is, ultimately, what matters for the public interest of the trust if we're – if the trust is not about prejudging the merger? Would you not agree with that sort of premise?

<A – Keith Creel>: I think I would turn it around, Scott, because the public interest of the merger is what the STB ultimately is going to be held accountable for, what, they're going to hold the standard to. And the question you can ask yourself is do you have to have the trust first before you can get to these alleged benefits to the public interest that the CN and KCS are projecting. And the answer is, no, you don't. What you have to have is a KCS board of directors willing to take the regulatory risk and walk down the path with the CN team and the CN board of directors to go through the STB process, so that they determine what's in the public's interest, not CN, not KCS and not CP. So, there's a path to get to that public interest. Prove it out with the facts. Walk through the transaction. The trust is not necessary.

<Q – Scott Group>: And so, when I, when I look at the maps you're clearly making the argument of why your transaction is more in the public interest. Do you think – is your understanding that the STB will compare which deal the CN-KCS versus the CP-KCS and which is more in the public interest or will they look at CN-KCS now in isolation and just said is this in the public interest or not. Meaning it may not be more in the public interest than CP-KCS but it's still in the public interest or is it one versus the other that you think the STB will think about?

<A – Keith Creel>: Scott, I could only give you my view. I can't give you the STB's because I'm not qualified nor am I going to assume to be the STB. But based on my view as a railroader, if you're looking at the two combinations there's unique differences between the two and there's definitely two different

outcomes. So, are you serving the public interest with two robust competitive networks that increase competition and options for shippers and enable commerce to flow not just today but for the next several decades that stabilizes the industry, that – where we truly have no losers because it's end to end. There's no overlap, zero. That's a hard number to overcome versus the alternative is there's line overlap, there's competitive concern. It's not isolated to 65 miles as some would suggest.

We've already filed with the STB through Dr. Majure and his experience. He's a subject matter expert for Cornerstone, he worked for the DOJ studying these matters for 25 years. He's looking at confidential waybill data from 2019 to suggest that 2:1 is all that matters between Baton Rouge and New Orleans. Come on now. That's – it's just not true. There's 62 lanes of 2:1 or 3:2 reductions in competitive options that shippers have to face by this proposal. That's just the competitive piece.

Now let's talk about capacity. You've got an opportunity to create a second, a third main line to Chicago from Texas, a second main line that goes through middle America that serves our nation's commerce and interest. Those factors matter and it doesn't – it doesn't force you – the alternative doesn't require you to start adding debits and credits up and try to make sure that your credits exceed the debits. It's all credit. It's all pro-growth. It's pro-service. It's pro-competition. It's pro-environment. It takes trucks off the road and puts them on the rail, creates capacity, it drives investment, it drives jobs.

I mean, I'm not the STB and again, I'm not going to profess to make their decisions but as a railroader, I look at those two alternatives having run networks, in fact, having run both these networks. And I know which is more compelling from a capacity standpoint, from an investment standpoint, and for moving traffic in a safe and efficient manner day-in and day-out which is what we get paid to do, is to provide service for our customers to allow them to reach markets, to allow them to grow in their markets so we can grow with them. That's what railroading is truly all about.

And if you can do that and optimize your shareholders' best interest, that's what separates good from great. That's what truly defines best railroad, not because somebody says it. It's because you can figure that formula out, satisfy your customers, satisfy your shareholders, satisfy your employees, all stakeholders, that's what winning and creating true value is. It's not about calculating and taking your size and your balance sheet and saying well, I'll give you more credits than debits and I'll pick the winners and the losers.

I just think at a higher level than that. I think the US rail network's interest supersedes CP, supersedes CN, supersedes KCS. It just so happens that our combination satisfies and complements. It doesn't degrade. And that's why I'm so convicted about this. That's why I call it the perfect marriage because it truly is the only combination that allows all those things to be true. And I don't think that's going to be lost to the STB when they make their decisions.

<Q – Scott Group>: If I can ask you to just put on your railroader hat for a second. When you just look at this, these two maps is there one, one of these two maps that you think is better positioned to realize these big revenue synergies that both of you, both of the railroads you're talking about?

<A – Keith Creel>: You know what, the way I look at it, I'm going to take it in simple terms, Scott. If you compare the two and you had them both established, the CP and KCS combination, I'd make an arguement that you'll get more revenue synergies. Because if you look at Canada and Canada's where we compete head to head, in all the key markets whether you're coming to Vancouver to Chicago, if

you're coming in Vancouver to Kansas City, if you're coming Vancouver to Minneapolis, St. Paul which is the route you would take with the growth that's coming out of Mexico and Canada for a CP, KCs alternative, our length of haul is shorter. Our route is short as a crow fly, not by a couple hundred miles but 200 miles to 300 miles.

Compared to CN's route from Western Canada. That's going to drive it to Chicago. It's going to go further east to come back west. So it takes it out a route. So I would suggest that we'll get to the market faster and we'll be the most reliable. We've got the track record not because I say it but because we've done it, to provide very reliable services, can unlock markets for customers both now and then and create more revenue synergies. And likewise if you go east, if you want to talk about intermodal, which railroad if you're going to come to Chicago has the ability to actually land the trains and expand and handle growth in Chicago and which is best located in the city of Chicago? Which route is going to take traffic over their network, pan it through Madison, go over to EJ&E where did they land it all in Chicago?

And now let's get to Canada. Where is it going to if it's going into Canada or coming from Canada? If you look at our two networks from a revenue and an operating synergy standpoint, which railroads, which networks, actually have capacity at every primary service location in Canada? CP does in Vancouver, CP does in Calgary, CP does in Toronto, CP does in Montreal, CP does in Chicago.

Now let's talk about CN. CN can't match us in Vancouver. They can't match us in Calgary. They're locked out in Toronto and the same in Montreal. They can get it on the ports and they can brag about their ability to bring it to ports, and they have, and I commend them for the success they've had. But the problem they missed is it's not just good enough to land it at tidewater. You got to get it to the inland terminals where those containers get on chassis and actually have to get delivered to the customer. And when you don't get that and you're not able to do that, what happens? You don't just back up your intermodal rail network, you back up the entire freight network.

And how soon we forget the problem that causes our customers, the pain and suffering, which gets carried over to the shareholder because now we've got to dig our way out of it and dump a bunch of capital in to try to create a railroad to match your appetite revenue growth that we put on top of. But that still doesn't fix the terminal issue. So Scott I can get into any level of detail you want to get to. I'll compete head to head with the other network, with my customers, with our assets, with our team, with our railroad and with our ability to grow and handle the growth now and tomorrow any day to create a superior revenue synergy.

But I'm going to be fair and transparent about it. And the benefits of our network and that fair and transparency, all roads don't lead to Chicago. We take the traffic that goes to Western Canada, west of the Mississippi up through Minneapolis to Western Canada. We're not going to pound it through Chicago. And that's the other point that's critically, critically important. That asset in Chicago is the most important rail asset that the US rail network has. When it's healthy, the rail network should be healthy. When it's not healthy and we all know this to be true, in 2013 and 2014, when it was on life support, every rail network across the country was impacted by that. So, saying it's fragile is not an understatement. Saying that we've invested, we being the industry, local and federal governments, millions and millions of dollars to create capacity so that it can be reliable is not an understatement. To propose a transaction that takes 100% of your traffic through it and even to say it doesn't matter I'm going to take it around the J, well, I would think that, that's Chicagoland, I live in Chicago, Scott. I drive on those roads, live in those communities. I interact with those people. I understand it beyond doubt.

And to suggest to those communities that that the J runs through, that it doesn't matter that it doesn't impact the rail network or the road networks, you're going over at least 80 road crossings at grade, going around the J, if you go west at Matteson and go through Aurora, Plainfield, up by Naperville, Bartlett, Barrington to get to the north side of Chicago to drive around the interstate, the EJ&E loop, they are so proud of. There's an impact to those communities. And if you talk about railroad crossings at grade, to suggest that doesn't matter. You cross every Class 1 railroad that goes into Chicago by the J, at least two times except for us. You cross us once and that's the route we'd be bringing our traffic only that that needs to come to Chicago into our Bensenville terminal. We cross the EJ&E, west of Bensenville, west of O'Hare Airport at Spalding, that's it. So listen it's – the opportunity for synergies – revenue synergies are driven by service and driven by capacity and driven by the market that you reach. There's not one market that the alternative will reach in Canada connecting Canada to US and Mexico that CP can't serve. And in fact not serve better.

<Q – Scott Group>: So, what I guess, what happens now Keith? Are you just in sort of a wait and see mode and we'll see what happens with the voting trust and if they block the CN-KSU voting trust and you're ready to reengage with KCS, is that where you stand right now?

<A – Keith Creel>: Yeah, we – Scott the conviction as I said when we started, we still believe in the value of this proposal. We didn't start something we're not prepared to finish. Obviously, we're not in the driver's seat. KCS and CN sit in the driver's seat until this trust is ruled on, play it out. We expect that the trust based on the facts not because we say so but because the facts prove so it's not going to meet a public interest test. And in that event, the trust would be disallowed and then obviously to Pat's point this morning and to JJ's point, they've got to reassess. They determine are they willing, they being CN willing to compensate the KCS board for the risk it would take to go through that process to the STB's final decision, should they do that? And they expect CP to get into a bidding war. I think we know the answer to that.

We demonstrated our answer last week. We're going to do what's right for our franchise. We're not going to leverage our balance sheet. We're not going to overextend ourselves or we're not going to put ourselves into a place to where if we were to get this railroad we couldn't invest in this railroad and do all the things we said it needs to do for our customers and for the public's interest. But if not, if they decide they're not prepared, they being the KCS. Then we're going to be there to reengage with the KCS, have I think renewed discussions and then we'll see even clearer, and I believe have very compelled shared value that said this value is real. It recognizes what we've negotiated a very, very rich by our railroad and by transaction terms premium to the KCS shareholder.

And most importantly, if you look at it long-term, a compelling, compelling value creating opportunity given they would own 25%, at least the way we had negotiated the deal before, of the pro-forma company to realize an opportunity on a long-standing basis. So yes, we'll still be there, and the benefit we have, it's simple Scott, it does serve the public interest. We've got a clear path for their shareholders to realize their value. We have a path to deal certainty which is completely unique and different than the alternative.

<Q – Scott Group>: And in the scenario though where the CN-KCS voting trust is approved, where do you go from there? Is it looking for other strategic alternatives? And does an Eastern rail make more sense, does a Union Pacific make more sense? And are these things that you think could happen quickly or is it, we still need to wait out the CN KSU merger process and see what remedies look like,

concessions look like whatever? How does this all play out in the scenario of the voting trust is approved?

<A – Keith Creel>: I think there's a lot of hypothetical scenarios we could speak to, and guess to. I think we got to stick back to the facts. The reality is that if their trust is approved, it's going to create a pathway for other railroads to say you know what overlap can be dealt with, loss of competition could be dealt with, there's a road map here, if we feel the consolidation is in our best interest, our shareholders best interest, there's a path to get it done. Okay, so that will be an undeniable fact. Ultimately, the STB will decide that there is a path. Whereas before, for the last 20 years, we've all been paused by you know what, there's a whole lot of uncertainty in that path and the STB said and – what the STB said they mean. So, I think that's undeniable.

But assuming that gets cleared up in that scenario where we go, short term is we go to where we're at today. For the last three years, we've led the industry in growth not because I said so, but because we've executed and we've accomplished that. And we've done it based on the value of our service, our ability to control our costs, leveraging our network. We've got the best culture, the best team and a compelling franchise with our own organic opportunities.

So, just because the KCS opportunity showed up and allows us to multiply all that, it doesn't take the equation, the value-creating equation away from us. So, we'll just continue to do what we've been doing. We talked about what we've done in the past. And I'm most focused on what we're doing in the future. We've got a compelling story this year. We've got demand that's came back and exceeding expectations, as we said that it would. We see a path, clear path to achieve our guidance for this year and a more compelling path even without the KCS as we look into 2022, and we leverage out this network, and we grow in Saint. John, and we grow with our new Maersk partnership in Vancouver. We grow with Chicago, when we connect the dots, converting our land assets, our service, our culture, our product offering to our customer to drive earnings growth for our shareholders. So, that's compelling with or without. It's industry leading. And Scott, we did it before. We'll continue to do it now. And we'll do it after.

<Q – Scott Group>: And so, that's...

<A – Keith Creel>: No doubt in my mind.

<Q – Scott Group>: Sorry. I was just... We're running out of time. But so, it sounds like, for now, I mean certainly reiterating your guidance and it sounds like – in a standalone scenario, it sounds like you can still grow earnings double digits. You've – got you're saying mid-50s OR this year. I'm guessing over the next few years low-50s is in the realm of possibility. So the standalone opportunity is still compelling in your view as well?

<A – Keith Creel>: It's extremely compelling Scott. There's nothing we said – our ability to create the way we execute day in and day out. Bring it to the bottom line, have margin improvement as a result of the way we run the business. It's not the focus it's an outcome by driving profitable sustainable growth to our network by the service we provide our customers. You're going to get a better margin. You're going to get a better OR. You're going to get earnings growth. You're going to hit double-digits. And we're going to exceed expectations.

<Q – Scott Group>: All right. We got to wrap there. Thank you so much Keith. Really appreciate you taking some time with us and...

<A – Keith Creel>: All right. Thanks so much for the opportunity to provide a bit of our color. Thanks so much Scott, we'll see you soon. Stay well.

<Q – Scott Group>: All right, everyone. Up next we're a few minutes behind but we're going to start with the STB in about two minutes.