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Corporate Services

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January 31, 2020

The Honorable Ann Begeman
Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Chairman Begeman,

In response to your December 17, 2018 letter requesting reporting of demurrage revenues and accessorial revenues, the Grand Trunk Corporation ("GTC") is providing the following information for the fourth quarter of 2019 on a voluntary basis in response to the Chairman's informal request.

Demurrage and accessorial charges are included in Schedule 210 of GTC's R-1. Specifically, demurrage charges are found in Account 106. The demurrage revenues and accessorial revenues include detention and other services invoiced pursuant to confidential contracts and movements of exempt traffic. As to accessorial services, the US rail operating subsidiaries of GTC offer a menu of optional services to its customers. Customers are not required to use these services. Instead, customers may elect to use any such services offered by GTC for the customer's convenience. Accessorial services include storage, loading/unloading, switching, product transfer, intermodal terminal services, cleaning, diversion, equipment use and rental, inspection services, protective services, special train assignment, labour, transloading services, trucking, and documentation. There are also some other accessorial charges for items such as overloaded railcars or securing leaking railcars for dangerous goods.

GTC's demurrage revenues and accessorial revenues for the fourth quarter of 2019 were as follows:¹

	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Demurrage Revenue	\$19,640	\$12,540	\$12,874	\$11,592
Accessorial Revenue	\$30,706	\$24,668	\$24,362	\$25,844

The revenues provided above are consistent with GAAP and reflect the revenue GTC has recognized from this work.

¹ Revenues are reported in thousands and are rounded to the closest thousandth.

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If you have any questions regarding the numbers reported herein, please do not hesitate to contact me.

Sincerely,

/s/ Kathryn J. Gainey

Kathryn J. Gainey

cc: Lucille Marvin, Director, Office of Public Assistance, Government Affairs, and Compliance