

The Board Members of the Sexsmith Co-operative Seed Cleaning Plant are concerned with the inconsistent rail service CN Rail provides at times.

The Sexsmith Co-op Seed Cleaning Plant ships quite a few rail cars of human consumption peas thus the peas have to be cleaned prior to shipping and scheduling of rail cars, is very important in order that the peas get cleaned, in time to load the rail cars and the rail cars make it to the end user for their market destinations.

The Plant Manager has to deal with the inconvenience of when to load rail cars because CN Rail does not spot the rail cars as stated. The Sexsmith Co-op Seed Cleaning Plant is open Monday to Friday but most rail cars are spotted on Saturday or Sunday morning. If the rail cars are not loaded in 24 hours of spotting then CN Rail charges the Sexsmith Co-op Seed Cleaning Plant a demurge fee of \$75 per car per day.

In one incident that occurred, when the rail cars did not show up on Thursday, the Plant Manager called CN Rail to ask where the cars are; personnel at CN told the Plant Manager the rail cars will be there Saturday morning for sure. The Plant Manager made arrangements for the employees to come in on a day off and work Saturday only for the cars not to show up. With this kind of scheduling, it makes it hard for the Sexsmith Co-op Seed Cleaning Plant employees to plan things with their families and even have a life. Another incident where CN Rail cars were scheduled for a certain date to ship human consumption peas and the Plant Manager contacted CN Rail and they confirmed with him that the cars would be coming. That date came and no sign of any cars. The Plant Manager called CN Rail and their excuse was a shortage of rail cars but that the rail cars would be there for sure in 3 days. With that guarantee, the Plant Manager filled the Seed Plant up to capacity trusting that the cars were going to be there. The rail cars didn't arrive and Sexsmith Co-op Seed Cleaning Plant had to sit idle for 5 days waiting for the CN Rail cars to show up. Therefore the Plant Manager charged CN Rail for 5 days of down time. CN Rail charges us customers demurge fees but CN Rail never even acknowledged the down time invoice we have been sending out for the past 16 months. A copy of the performance diary of this incident is attached.

A collection agency was hired by CN Rail to collect demurge fees off the Sexsmith Co-op Seed Cleaning Plant for an outstanding bill. The collection agency cannot even get information from CN Rail regarding the outstanding demurge bills. CN Rail has no record of what was loaded in the railcar but yet they billing the Sexsmith Co-op Seed Cleaning Plant. The Plant Manager has no record of the car number so he doesn't know what CN Rail is referring to.

The Board of the Sexsmith Co-op Seed Cleaning Plant main concerns with CN Rail are:

- CN Rail is unreliable in allocating rail cars when they say they will spot the rail cars.
- CN Rail doesn't communicate with the person they are dealing with. CN Rail does not let us know if changes are being made in spotting rail cars, they just keep us uninformed.
- Railcars are loaded and don't get picked up for weeks on end when the end user is expecting the rail cars shortly after they are loaded.

The best ways CN Rail can improve is:

- to be accountable for their actions
- communicate with the customer they are dealing with
- better record keeping of their cars
- be more responsible on spotting rail cars when stated.

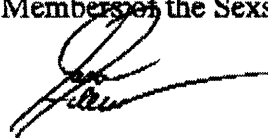
Spotting rail cars when stated would solve the majority of problems such as:

- scheduling staff to work on the weekend when the Plant is normally closed
- not needing to go and check to see if the cars arrived
- things would run more efficiently for everyone involved
- everyone involved would be happier
- there would be better working relationships
- one can plan the work schedule better

Since the Review has been announced, CN Rail has improved on their services dramatically and are more consistent on their dates when rail cars are spotted.

Sincerely,

Board Members of the Sexsmith Co-op Seed Cleaning Plant

 19/01/2010