

Petrogas Marketing Ltd.

To: The Rail Freight Service Review Panel
Mr. Walter Paszkowski, Chairman

Petrogas Marketing Ltd., for 25 years has been a shipper of LPG and Petroleum Products throughout North America, using all of North America's railroads on a continuous basis for moving these products.

In our experience, the service and responsiveness of the two Canadian railroads, CN Rail and CP Rail, far exceeds the responsiveness and service we get from the US railroads.

Through a continuous evolution and refinement of its operating model, CN Rail stands out as a leader in innovation amongst all railroads in Canada and the USA .

Because railroads comprise a multitude of moving parts across diverse geographical areas, their operating performance is directly impacted by the terrain they traverse and the climactic conditions they encounter. Moving parts break down and schedules become severely disrupted. Unfortunately this translates into delays in product shipments as well as higher costs for the shipper. In order to meet customer needs careful planning and scheduling is required which, unfortunately, also leads to higher shipper costs.

As shippers, we would all feel less maligned, if the North American railroads collectively, recognized the challenges that shippers have in moving their products to market and were less aggressive in unilaterally invoking ancillary charges whenever it was deemed beneficial by them to do so. In most cases, ancillary charges are not a cost to the railroads, but are a source of revenue.

Despite the challenges of getting shipper's products to market in a timely and cost effective manner, many positive changes have been adopted by the railroads to become more efficient. There has been a strong drive by the Canadian railroads to adopt change in order for them to become more competitive, more efficient, and more reliable. In our experience, CN Rail has been the leader in this regard and is the "best in class" among North American railroads.

In order to become more efficient and be competitive with their products in the future, both the railroads and the shippers need to continue making investments in new and evolving technological advances.

Stan Owerko

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