

CANADIAN PACIFIC

Unsafe or Improperly Loaded Railcars Tariff 2, Item 51

September 1, 2009

Caution Required:

- Overweight and unevenly loaded hopper cars can damage equipment and if severe enough can cause derailments, resulting in delays and extra costs to you
- Respecting loading guidelines will ensure that you do not damage equipment or jeopardize safety on the railway
- Good loading practices will protect your product and help get it to destination on schedule
- Canadian Pacific is anxious to cooperate with you to ensure that hopper cars are loaded to correct standards

Our Purpose

Every year, Canadian Pacific has to deal with thousands of overweight and unevenly loaded hopper cars. Coping with them creates problems for both the railway and shippers. It is in the best interests of all concerned to ensure that more attention is paid to proper loading guidelines.

Because derailments and accidents are something everyone wants to avoid, Canadian Pacific has out-lined in this announcement some of these guidelines, as well as safety, cost and efficiency considerations.

We want to ensure safe operations, and reduce the unnecessary expenses, inconveniences and delays that result from over loaded and unbalanced hopper cars. We need your support in this effort.

Overloaded Hoppers

When it comes to loading a hopper car, ensuring the load does not exceed maximum weight limits is not only a requirement but also a vital responsibility.

A hopper car carrying more weight than it is designed for can cause permanent structural damage to the car itself and could even lead to wheel/bearing component failure. A loaded car weighing more than the rail line's capacity can cause the track to deteriorate and even fail.

In either case, the breakdown can lead to a derailment with all the danger, inconvenience and expense that such an accident involves.

Load limits vary by individual car, and the load limit (Ld Lmt) is stenciled on the sides of each car and listed in UMLER. For reliable advice contact your Canadian Pacific representative, who can provide you with all the necessary information.

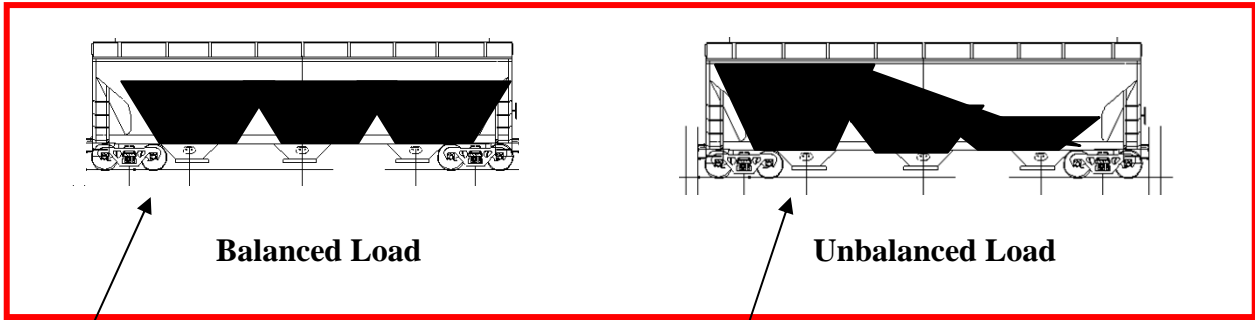


Unbalanced Loads

Just as important as not exceeding the Load Limit, the load must be distributed to ensure that neither end is not overloaded, even though the entire car does not exceed the Load Limit. Clearly, the job of distributing the load evenly throughout a car is of major concern. Making mistakes can lead to serious accidents.

In addition, an uneven load can cause structural stress on the interior compartment welds. If the welds break, the result is undetected spillage between compartments.

It is in the shippers' best interests to ensure that hopper cars are loaded correctly to protect their product. Failure to do this can bring about delivery delays and lead to additional charges as well as jeopardizing safety on the railway.



Load limit not exceeded, both truck evenly loaded

Load limit not exceeded although 1 end grossly overloaded

Scaling and Switching Costs

Canadian Pacific uses both static and weigh-in-motion scales to detect overloaded and unbalanced cars. When one is discovered, the railway must isolate it, and spot it in an area where the shipper can adjust the load or remove the extra weight and place it in another car.

The shipper is responsible for the cost of any scaling and switching, which must be carried out, and for possible demurrage costs as well. A typical scenario could cost the shipper over \$1760, plus additional handling charges.

Separating cars out and pushing them into sidings is a time consuming operation. It means extra man-hours, engine hours and expense for both the railway and the shippers.

The whole process detracts from overall efforts to promote more efficient rail transportation.

Both the railway and shipper will benefit if those responsible for loading cars are careful about following the weight and balance guidelines.

Safety

Safety is the end result of doing things the way they should be done. That's as true on the railway as it is on the highway, home, factory or farm.

If an accident happens, it is quite often the result of someone failing to perform a task in the proper way. In the railway world, it can be the result of overloading a hopper car, for example or loading it unevenly.

While extra weight or lack of balance may not seem all that important, it can be vital. The majority of hopper cars run in solid trains, and if there is an unbalanced or overweight car in the line of cars, it may lead to a derailment.

That means your product may be dumped on the ground. But a more important consideration is that the event can put lives at risk.

At Canadian Pacific, safety is a top priority. Railway workers must do everything they can to ensure that rail operations are conducted safely. They also must count on those who load cars to do it in a safe manner.

Safety is really everyone's business.

Benefits To You

There are several good reasons why you should make sure that hopper cars are properly loaded:

- It will protect your load
- It will help get your product to destination on time
- It will ensure that you do not cause any safety problems
- It will enable you to save money you would otherwise have to spend on scaling, switching and other corrective costs and penalties
- It will help you make the delivery system more efficient

Benefits to Canadian Pacific

Ensuring that hopper cars are properly loaded is important to Canadian Pacific because:

- It helps the railway operate in a safe manner
- It prevents delays that keep cars from reaching their destination on schedule
- It supports on-going efforts by the railway to improve cost efficiencies for the mutual benefit of the railway and its customers
- It helps ensure the reliability of deliveries in domestic and export markets

Conclusions

- Both the shippers and the railway benefit when care is taken to ensure that hopper cars are loaded correctly
- Improper loading can lead to serious safety problems on the railway
- Shippers can avoid delays and extra costs by following recommended loading guidelines
- Please refer to our basic freight brochure and tariff 2 item 51 for details and applicable charges
- If you have any questions please contact your account manager or customer service