



Car Allocation Process for Boxcars

In times where customer orders exceed CN's ability to supply cars for a given week, CN will use an allocation process for its fleet. Allocation of available cars will be made in the following order:

1. Car Auction Program (CAP) (**Effective December 1 2018*)
2. High Velocity Destinations (HVP)
3. General Allocation (GA)

Car Auction Program (CAP)

- Every week, 100 60ft boxcars will be put up for bid as part of the CAP.
- Customers must bid on a minimum block of 5 cars per origin location, at a minimum bid of \$100 Cdn per car. Bids must be in 5-car blocks.
- Customers bid on CAP cars beginning Thursday 14h00 ET, after the regular weekly allocation for the following weeks' cars supply is communicated. By close on 1200 ET Friday, the highest bidders, in order of CAP submission, will be the successful candidate.
- Winning bid range will be posted weekly on CN FP webpage (one week lag).
- Auction cars can be used for any destination, HV or non-HV.
- Auction cars will generate a credit in the HV program scorecard.
- Auctioned cars cannot be spotted or sold to another customer.
- Auction cars are awarded and assigned before any other allocation.

High Velocity Destined Cars (HVP)

- This program applies to all customers regardless of size of weekly shipments
- CN will designate offline destinations every quarter as high velocity based on their offline cycle times (April 1, July 1, October 1, and January 1 for previous quarter available data)
- CN will review specific cases with customers and railroads
- The list of high velocity destinations will be published on CN's FP webpage on the above dates

General Allocation (GA)

- CN will supply remaining orders with the available fleet after CAP and HVP cars are allocated
- These cars will be distributed evenly to all customers based on a % allocation model
- Customer orders will be validated and/or adjusted based on:
 - Customer forecast for upcoming months/year (this allows CN to size its fleet)
 - Customer historical orders and shipments
- Customers that do not order cars correctly (i.e.: order high velocity and ship to non-high velocity destinations) will be moved to GA program

For further information, please contact your Account Manager or sales@cn.ca.

Updated on Nov 1 2018