

VAUGHAN INTERMODAL TERMINAL

RAILROADING 101 - HOW CANDO RAIL SERVICES HELPS CANADIAN PACIFIC MAKE ITS VAUGHAN YARD AMONG THE BEST IN THE BUSINESS

SUMMARY

Ensuring the 101 leaves on time

Cando Rail Services Ltd was the provider to turn to when Canadian Pacific looked for ways to improve speed and efficiency at its massive intermodal railyard outside of Toronto.

Since 2007, Cando has played an increasingly important role supporting CP at its Vaughan Intermodal Terminal. Cando's yard crews handle key tasks that have allowed CP to increase its network velocity and build capacity all the while maintaining safe operations.



Cando works with CP to assemble a number of trains including the Vancouver-bound 101 train which runs every evening.

CP's 101 is one of the most important daily trains in North America, serving as a vital economic link from east to west in Canada. It takes just four days for CP to get the 101 from Toronto to Vancouver, which is faster than any other railway. One of the main reasons it's so efficient is because of how Cando gets it started

Cando has about 90 minutes each evening to get the 2.5 mile long 101 ready for its long cross-country haul to the Pacific coast. With daily direction from CP, Cando's crews assemble the cars and connect the locomotives at the front, middle and rear of the train. Cando is able to get the job done reliably and without incident because of the experience and expertise of its team at Vaughan.

THE WORK THAT CANDO DOES AT CP'S VAUGHAN INTERMODAL TERMINAL IS AN EXAMPLE OF HOW MUCH THE COMPANY HAS GROWN AND ACHIEVED OVER THE YEARS.

Founded in 1978, Cando provides innovative railway support services to a wide range of blue chip industrial and transportation companies in North America. It is now the preferred service provider at more than 18 fixed industrial sites across Canada and the United States. It operates three short line railways and has earned an excellent working relationship with Class 1 railways.

Cando is on a mission to deliver industry leading railway services and to become North America's leading railway services provider.



BACKGROUND

The railway business is among the most competitive in North America. Class 1 operators such as Canadian Pacific are constantly looking to increase network velocity, build capacity and enhance their ability to operate safely.

In some cases, the best way to do that is to engage a service provider like Cando to be responsible for one or more aspects of the operation. With Cando providing experienced yard crews for CP at Vaughan, the railway gains flexibility to manage other aspects of its operations.

Cando Rail Services won its first contract from CP's Vaughan Intermodal Terminal in 2007. Its role has been expanding ever since as its crews have demonstrated their ability to deliver speed and efficiency to CP reliably.



CANDO AT WORK AT VAUGHAN

Cando provides a number of vital services at CP's Vaughan Terminal:

- Cando is on site at Vaughan 24 hours a day, 365 days a year
- Cando crews are responsible for most of the switching in the massive Vaughan yard
- Switching service for inbound and outbound trains, including:
- #101 departs daily (21:00) to Calgary and Vancouver– Max length: 12,000'
 - The 101 originates in Vaughan each day, with Cando building the train every evening before handing it off to CP road crews
- #113 departs daily (12:50) to Regina and Vancouver Max length: 10,000'
 - Cando removes some cars and adds new cars to the 113 in Vaughan
- #100 arrives daily (05:40) from Vancouver Max length: 10,000'
 - CP crews bring the train in, Cando yard crew will take over and put the train away
- o #119 departs daily (04:45) to Winnipeg and Edmonton Max length: 10,000'
 - Cando removes some cars and adds new cars to the 119 in Vaughan
- Cando crews also spot work tracks where containers are loaded and unloaded

The terminal has seen many changes over the years to adapt to industry and economic needs. Trains have grown bigger. More track has been laid. Schedules have changed. The need for distributed power has grown.

ASSEMBLING THE 101

A million tiny details come together in Vaughan, Ontario to ensure the Canadian Pacific 101 train is on its way to Calgary and Vancouver by 9 p.m. every day. It's a mammoth operation ensuring one of North America's most important daily freight trains is put together and rolling down the track.

Work on the 101 at Vaughan is divided between Cando's yard crews and CP's road crews. Every minute counts. Shippers wanting to get their goods on to the 101 need to have their trucks in the Vaughan yard by 7 p.m. Cando's experienced railway workers go to work on the 101 each evening at 7:30. They have only 90 minutes to build the 101, robotize the locomotives and get it all ready for departure at 9 p.m.

Cando has a 100 per cent record in meeting that daily deadline. Just as impressive is Cando's safety record: the company has gone more than six years without a lost time injury and more than three years without an incident.

Having Cando on site gives CP several advantages:

- Highly experienced crews assemble the 101
- The same crews assemble the train every day, increasing familiarity, speed and efficiency
- CP's road crews can focus on the transcontinental haul instead of the yard work
- This system has helped reduce the transcontinental travel time of the 101 by 24 hours since 2013

Transport Canada rules stipulate that road crews are allowed to be on the job for only 12 hours at a time. By using Cando, CP's road crews can focus on getting the 101 quickly and safely across the country.

DAILY TIMELINE FOR THE 101

7:00 p.m. Deadline for trucks to enter the Vaughan yard

7:30 p.m. Cando takes over assembling the 101

Builds 2.5 mile train with cars in order of destination: Winnipeg, Regina, Calgary, Edmonton, Vancouver

Robotizes (connects) locomotives

Prepares train for journey

9:00 p.m. 101 leaves the Vaughan yard



BY THE NUMBERS

Cando has worked at CP's Vaughan Terminal since 2007.



Largest intermodal terminal in Canada

1,800 containers per day are handled at the facility

Terminal has more than

17 miles of track

1,600 to
2,100 for trucks pass through the yard every day

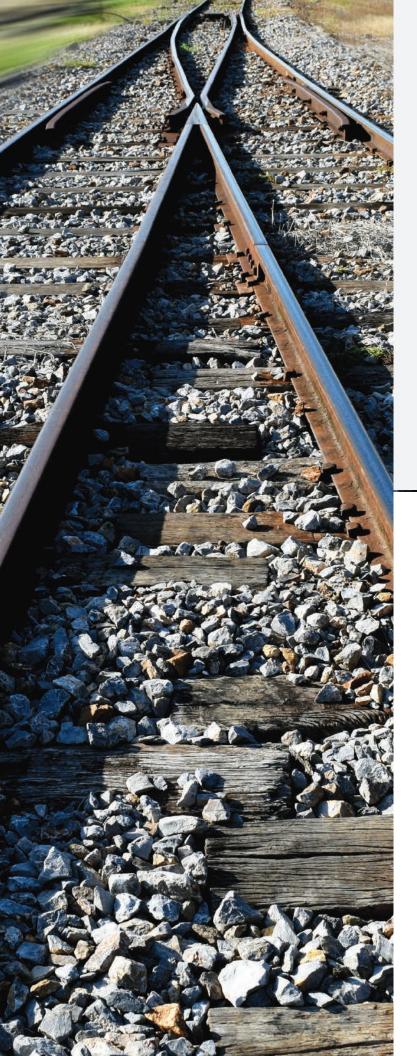
Cando has provided

98% on time



departure for the outbound 101 train since 2007

CP has recognized and rewarded Cando for safety performance as well as for spotting railcar and track defects



CANDO EXPERTISE

The secret to Cando's success is in its people: Cando's Vaughan crew has 19 workers, and all of them are experienced railroaders. The crew has four team leaders, each one with at least 15 years of experience working at the Vaughan yard. They know the railroad business extremely well and they know the Vaughan yard inside and out.

The team leader works closely with CP, starting each shift getting a complete briefing on the day ahead.

Team leaders are then responsible to relay all of that information back to Cando's yard crew.

Every team member is required to learn all the roles, including gaining certification as locomotive engineers. Their jobs involve piloting both yard locomotives as well as the 9,000 HP mainline locomotives inside the yard. Each one is then also trained on distributive power, which involves classroom study as well as supervised on the job training and rigorous testing.

CANDO RAIL SERVICES

Cando is an industry leader in providing railway support services to industry and Class 1 railways. Cando is an employee-owned company and was established in 1978 in Brandon, Manitoba. It has since grown to offer a sophisticated array of services across North America.

For more information about how Cando can help your company with its logistics and rail operations, please contact:

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