

A CONTINENTAL RAIL SYSTEM LINKS CANADA, THE U.S. AND MEXICO

"Intermodal transportation will play a key role in transborder and domestic markets. Double stack container service is well-suited to high-density, long-haul lanes. For shorter hauls, other technologies such as RoadRailer are helping us compete with the truckers."

Gilbert Mackie
Executive Vice-President
CP Rail

Historically, the development of both Canada and the United States as nations has been linked with the development of their rail systems. Today, railways are still the backbone of transportation in both countries, providing the most economical way to move commodities and full loads of freight inland over long distances. Intermodal services increase the railways' abilities to meet customer needs.

It is a time of severe competition and restructuring in the North American rail system. The result is very competitive rates for shippers and increasing alliances between rail companies.

AN INTEGRATED SYSTEM

Most of the Canadian systems are operated by two major carriers: Canadian National (CN) and Canadian Pacific (CP Rail). Canada is also served by several U.S. railways, including Burlington Northern, Norfolk Southern and Conrail.

CP Rail's daily, fast container trains connect Montreal, Toronto, Vancouver, Detroit, Chicago, New York and Philadelphia in a network of 36 specialized intermodal terminals, including its new \$30 million high-capacity terminal near Toronto.

In preparation for expanded traffic throughout North America, CN and CP have expanded their networks on a continental scale. In the United States they have purchased rail lines and formed partnerships with major U.S. railroads and truck lines. Evidence of this integration of rail systems can be seen in the new logos introduced by both CN and CP. They have also knit together Canada-Mexico freight connections through agreements with the Mexican state railway and with U.S. railways and barge lines.

During 1990, CP Rail acquired a U.S. rail carrier (Delaware & Hudson), and expanded its stake in a second company (Soo Line) to 100 per cent ownership. These acquisitions have been integrated with its Canadian operations to form CP Rail System.