

VANCOUVER, Sept. 26, 2013 /PRNewswire/ - CN (TSX: CNR) (NYSE: CNI) announced today plans to start freight service on approximately 75 per cent of the rail network operated by bankrupt short-line Kelowna Pacific Railway Ltd. (KPR) in southern British Columbia after reaching trustee, customer and labour agreements that support resumption of operations.

KPR, which leased its network from CN in 1999, entered receivership on July 5, 2013, and halted operations. CN this week reached mutually satisfactory agreements with the line's trustee to take it out of the bankruptcy process, Tolko Industries Ltd., the main customer on the line, and the Teamsters Canada Rail Conference (TCRC) and TCRC-Maintenance of Way Employees Division (TCRC-MWED). The TCRC and TCRC-MWED represent approximately 35 locomotive engineers, conductors and track maintenance workers employed by the insolvent B.C. short-line railway.

Jim Vena, CN executive vice-president and chief operating officer, said: "I'm pleased to say that the parties were able to come together to assemble the right business and labour conditions to justify the resumption of rail traffic on the major portion of the KPR as well as a sizeable capital investment required to protect rail service in the region. We are targeting the resumption of operations as soon as we can ensure the track is brought back to a standard to ensure safe train operations."

CN will resume operations on 97 miles, or approximately 75 per cent, of the network KPR operated running from Campbell Creek, B.C., located approximately 10 miles east of Kamloops, to Vernon, Lumby Junction and Lumby, B.C.

CN will discontinue track KPR operated between Lumby Junction and Kelowna, B.C., because of insufficient freight traffic. The 60-day discontinuance process under the Canada Transportation Act will start later this week.

CN (TSX: CNR)(NYSE: CNI) is a true backbone of the economy, transporting approximately C\$250 billion worth of goods annually for a wide range of business sectors, ranging from resource products to manufactured products to consumer goods, across a rail network spanning Canada and mid-America. CN - Canadian National Railway Company, along with its operating railway subsidiaries -- serves the cities and ports of Vancouver

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