



Keith Creel  
Executive V.P. Operations  
10229 - 127 Avenue, Floor 3  
Edmonton, Alberta T5E 0B9  
Phone : (780) 643-7800  
Fax : (780) 377-4210

August 7, 2009

Mr. Matthew T. Wallen  
Director  
Office of Public Assistance,  
Governmental Affairs & Compliance  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423

Mr. Edward W. Pritchard  
Director  
Office of Safety Assurance &  
Compliance  
Federal Railroad Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Director Wallen and Director Pritchard:

I am responding to the July 31, 2009 letter to you from Ms. Karen Darch and Mr. Tom Weisner regarding CN's safety record.

As outlined in my July 10, 2009 response to a previous letter from Ms. Darch and Mr. Weisner, their attacks on CN's safety record are unjustified, and I will not rebut them again. As I stated then, CN stands firmly behind the representations made in our Safety Integration Plan (SIP), and our operations on the Elgin, Joliet & Eastern Railway (EJ&E) since CN assumed control – operations that are closely monitored by the STB and the Federal Railroad Administration (FRA) – reflect strong safety performance.

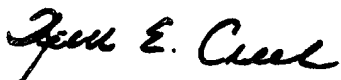
It is unfortunate that Ms. Darch and Mr. Weisner again feel the need to make false accusations about CN's safety performance in an effort to discredit CN. Contrary to the assertion in their July 31 letter that a vehicle was struck by a CN train in Park Forest, Illinois on July 11 after the gates and warning lights at the crossing failed to activate properly, we actually have video footage that clearly shows that the crossing gates were in fact down and the warning lights were flashing before the train arrived at the crossing. Our download information also shows that the crossing protection signal system was in full compliance with FRA requirements. These and photographs taken from the video footage of the incident demonstrate clearly that the driver disregarded the warning devices and struck the locomotive of the train after sliding through the gates as well as provide compelling evidence that, to suit their purposes, Ms. Darch and Mr. Weisner will make claims with little regard for the facts.

Ms. Darch and Mr. Weisner also continue to exploit the tragic derailment in Rockford, Illinois on June 19 to propel their ongoing attacks on CN's safety record and their broader effort to stymie CN's implementation of the STB-approved EJ&E transaction. Contrary to their efforts to turn speculation into fact, the Rockford incident remains under comprehensive investigation by the National Transportation Safety Board (NTSB); no official report on the causes and responses to the incident has been issued. CN continues to cooperate fully with the NTSB, and any comment by CN in this regard would be inappropriate.

After a long and thorough review, the STB found CN's acquisition of the EJ&E to have substantial regional and national public benefits, including environmental and safety benefits, in greatly improving rail transportation through the Chicago region, a vital but long-congested rail transportation corridor. CN is faithfully implementing the conditions imposed by the STB to mitigate environmental and safety impacts of the transaction on communities along the EJ&E line and, as noted previously, we have successfully negotiated Voluntary Mitigation Agreements with 17 of the 33 communities located on the line and continue to work productively with the communities to address a broad range of issues, including safety.

We are committed to safe operations on the EJ&E and respectfully submit that there is no basis to revise the SIP or otherwise impede implementation of this important transaction.

Sincerely,



Keith E. Creel  
Executive Vice President  
Operations

cc: Ms. Karen Darch  
Mr. Tom Weisner  
Administrator Szabo  
Acting Chairman Mulvey  
Vice Chairman Nottingham  
Members of the Illinois Congressional delegation