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October 29, 2009

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

Dear Director Wallen:

This letter responds to the October 14, 2009 letter to you from Barrington Village President Karen Darch and Aurora Mayor Tom Weisner regarding the monitoring by the Surface Transportation Board (STB) of CN's operations on the Elgin, Joliet and Eastern Railway (EJ&E) line and alleged problems reported by citizens along the line related to those operations.

Rather than attempt to address each of the letter's allegations in a point/counter point fashion, I will focus on three key issues.

The first involves the complaints that Ms. Darch and Mr. Weisner highlight in their letter, and the process by which those complaints are generated. As you are aware, the website sponsored by their organization – TRAC – provides a vehicle for unfiltered complaints to come to the STB. While we welcome the opportunity to deal with real issues, and remain dedicated to working constructively with local communities to identify and address such issues, what we often see in these reports are unsubstantiated complaints, many of which have been shown to be unwarranted. TRAC makes no effort to determine the validity of any of the complaints, nor to distinguish complaints dealing with potential safety issues from those related to normal rail operations.

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A prime example of this problem relates to complaints related to purported quiet zones. As I described in my July 16, 2009 letter to you responding to a previous letter from Ms. Darch and Mr. Weisner, there seems to be considerable misunderstanding of where quiet zones actually exist along the EJ&E line as well as of the procedures our engineers are required by law to follow in quiet zones.

I have enclosed a map showing the location and coverage of current quiet zones along the EJ&E line. The map also shows the quiet zones that will exist once CN has completed implementing our commitments under Voluntary Mitigation Agreements (VMAs) with currently non-quiet zone communities to fund the signal and other crossing equipment improvements necessary for those communities to qualify for quiet zones. We are continuing to make progress working with these communities to make the required improvements as soon as possible.

As is evident from this map, many of the complaints alleging quiet zone violations are not valid as the communities in which the horn blowing occurred do not currently have quiet zones. In cases where crews have sounded horns in quiet zones, we have in most instances been able to determine that they did so appropriately and in accordance with Federal law because of the presence of workers in the vicinity of the track or other operating conditions.

Our second issue relates to TRAC's continuing efforts to try to position itself as the spokesperson for all of the EJ&E communities – a role that far surpasses the authority or consideration given it by elected officials and administrations in various municipalities. The TRAC website, for example, continues to portray TRAC as representing 13 communities ("Municipal Partners") along the EJ&E. In fact, six of those communities (West Chicago, Hawthorn Woods, Frankfort, Richton Park, Griffith, and Schererville) have reached VMAs with CN and either resigned from or agreed to resign from TRAC. These communities are now actively working with CN on implementation of mitigation efforts as well as coordination of investigation whenever possible issues surface. In addition, CN is actively working with several other communities on potential agreements to address their environmental concerns from the transaction.

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We can attest that our efforts have focused on maintaining open lines of communication with municipal officials, and providing prompt responses whenever any municipality forwards a citizen concern to us. As you are aware, we designated a Community Liaison on EJ&E matters earlier this year and he is in constant contact with *all* of the EJ&E communities. We encourage the STB staff to reach out and discuss our efforts with the EJ&E communities. We are confident that we are providing an appropriate level of attention to legitimate community concerns that are brought to our attention.

Third, Ms. Darch and Mr. Weisner question the validity of the assertions made in our August 7, 2009 operations report regarding a July 11, 2009 incident at a grade crossing in Park Forest during which a car ran under the lowered crossing gate into the side of a CN locomotive that was entering the crossing. CN would be happy to show you copies of the photographs of this incident generated from the locomotive camera, which show conclusively that the car did, in fact, run under the properly lowered crossing gate.

Finally, I would like to note that we agree with Ms. Darch and Mr. Weisner on certain items.

First, they indicated that there is some confusion about which phone number local residents should call to report problems with grade crossing signals. For crossings on the EJ&E, the emergency phone number currently posted by CN at all crossings, including those with crossbucks only, is 888-883-4202. That number rings in CN's Policy Communications Center, which operates 24/7. There is an exception, however, in Lake County, Illinois, where county officials independently posted another number (815-740-6745) at crossings in that county. That number also rings in our centralized Communications Center. We will soon relabel all of our crossings with one uniform contact phone number that is used across all CN properties (800-465-9239). However, at present, all of these numbers are valid and all are routed to our centralized Police Communications Center. We will ensure in our discussions with communities that there is a clear understanding on this matter.

Second, they note that some terminology in our operating reports is not clear to the public (e.g., a train "went into emergency"). While these are widely-understood terms in the railroad industry, we will endeavor to explain

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more clearly without rail jargon what has taken place in our future operations reports.

Third, CN also agrees with Ms. Darch and Mr. Weisner that the "constant point/counter point exercise" is counterproductive, although we differ in our views of what should be done. CN remains hopeful that Ms. Darch and Mr. Weisner will demonstrate more balance in their assessment of our rail operations on the EJ&E territory and choose to work constructively with CN.

Please let me know if you have any questions or need additional information on the issues discussed in this letter.

Sincerely,

A handwritten signature in blue ink that reads "Karen Borlaug Phillips". The signature is written in a cursive style.

Karen Borlaug Phillips
Vice President
North American Government Affairs

Enclosure



LEGEND

- EXISTING QUIET ZONE
- PROPOSED QUIET ZONE

EJ&E Quiet Zones