



**Surface Transportation Board**  
Washington, D.C. 20423-0001

*Office of Public Assistance, Governmental Affairs,  
and Compliance*

April 22, 2009

Ms. Karen Borlaug Phillips  
Vice President – North America  
Government Affairs  
CN  
601 Pennsylvania Avenue, NW  
Suite 500, North Building  
Washington, DC 20004

Dear Ms. Phillips:

Thank you for submitting CN's first monthly status report on operational matters related to CN's acquisition of the Elgin, Joliet & Eastern Railway Company (EJ&E), as required in Canadian National Ry. and Grand Trunk Corp. - Control – EJ&E West Co., STB Finance Docket No. 35087, served December 24, 2008. As you know, the Board established a five-year oversight and monitoring period. During that period, the Board will closely examine various aspects of CN's implementation of the transaction. In particular, the Board will examine interchange activity, railroad at-grade crossings, train volumes, accidents and incidents, and street crossing blockages.

The Board is aware that CN is in the early stages of the implementation phase, and that there may be a learning curve associated with dispatching, operating personnel, and moving CN trains on the EJ&E line. However, the Board is concerned with both the number of crossings blocked for longer than ten minutes and the length of time the crossings remained blocked. Several of the delays were caused by picking up cars, air brake tests and problems, or similar operational factors. The lengthy delays appear to be clustered at particular points such as Main Street in Matteson, IL, Wentworth Avenue in Chicago Heights, IL, and multiple crossings in Gary, IN.

CN provided a general explanation of these delays in its cover letter accompanying the initial operating reports. However, the Board would like for CN to explain in greater detail the regular recurring delays caused by trains picking up or setting out traffic at customer facilities that are at fixed locations. Further, the Board would like to know what steps CN has taken to design these movements to minimize grade crossing blockages.

Your prompt attention to these concerns is greatly appreciated. If you have any questions please feel free to contact me at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew T. Wallen', with a long horizontal flourish extending to the right.

Matthew T. Wallen  
Director