



Karen Borlaug Phillips
Vice President – North American
Government Affairs

601 Pennsylvania Avenue, NW
Suite 500, North Building
Washington, DC 20004
T 202-347-7816
F 202-347-8237

karen.phillips@cn.ca

April 13, 2009

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

Dear Mr. Wallen:

Please find enclosed the first monthly status report on operational matters related to CN's acquisition of the major portion of the Elgin, Joliet & Eastern Railway Company (EJ&E), as required in the Board's final decision served December 24, 2008 approving this transaction.

As specified in the Board's decision, the enclosed report provides information on the following operational matters:

- ***Interchanges:*** the report lists the current interchanges on the EJ&E, providing the year-to-date summary (total traffic interchanged at each point and separate sheets showing interchange delivered and received) as well as 2009 versus 2008 comparisons for February and March at each interchange. Please note that Gary Railway (GRW) is a new interchange location for 2009. We have included cars interchanged to GRW in the year-over-year comparisons, but provide totals that are net of GRW traffic to facilitate year-over-year comparisons.
- ***Railroad at-grade crossings:*** the report provides a list of all existing protocols for service or priority at each at-grade crossing point; as noted on the chart, these are confidential agreements between CN and the respective parties. With respect to delays at crossing points, CN put into place in late March 2009 a system that will note any delays at interlockings that were caused by CN; we have no prior historical record of any delays. Our future monthly status reports to the STB on operational matters will include information on any delays that may occur.

- *Accidents and incidents:* the report provides the date and descriptive information about each FRA-reportable accident and incident that occurred on the EJ&E line or CN lines during February and March 2009.

- *Street crossing blockages:* the report provides data concerning each instance where a crossing was blocked by a stopped train for 10 or more minutes. These numbers, which indicate on average that there was less than one blockage-causing event per day during the reporting period, are likely somewhat overstated. CN is still continuing to refine its data collection and reporting of these events. Rather than risk understatement, in some instances where events were known to have caused a train to stop and block a crossing for a time at or near 10 minutes they were included on this list even if a full 10-minute blockage was not confirmed. Moreover, most of these blockages involve existing EJ&E trains for which CN has not significantly changed operations. (Indeed, CN did not even begin running its first trains over the EJ&E lines until March 11, 2009, and then only began running a single pair of trains (*i.e.*, one northbound and one southbound train) per day.) In addition, many of these blockages occurred during the early morning hours (between midnight and 5 a.m.) when there is minimal vehicular traffic.

Despite these mitigating facts, CN is not satisfied with the frequency of blockage events and is working hard to reduce them. During these first two months of the three-year implementation period anticipated for the CN/EJ&E transaction, dispatching and operating personnel have gained invaluable hands-on experience that can be used to reduce future blockages. As Attachment 4 shows, for example, many of the reported blockages were a result of unanticipated delays in clearing trains to proceed. CN hopes to reduce such blockages, both by improving communications so there are fewer unanticipated events and also by seeking to position its trains so that if they are held any resulting crossing blockages can be minimized. More generally, CN is working with its dispatchers to identify patterns of blockages that are being experienced and to fashion changes in operations in order to address and minimize them in the future.

Lastly, in addition to these ongoing efforts, CN's planned infrastructure improvements for the EJ&E line should eliminate or reduce a significant portion of blockage events, including many or most of those that are related to CN's new trains or operations.

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- *Train volumes:* The report provides train volumes operating over segments of the EJ&E and CN lines through Chicago during February and March 2009.

Please do not hesitate to contact me if you or your colleagues have any questions on this report or need additional information on CN's operations on the EJ&E rail line or our other lines in the Chicago region.

Sincerely,



Karen Borlaug Phillips
Vice President – North American
Government Affairs

Enclosure

Accidents and Incidents

**Accidents on CN tracks inside of the EJ&E "Arc" and on EJ&E Tracks
Feb - Mar 2009**

<u>Event date</u>	<u>Subdivision Name</u>	<u>Description</u>
<u>CN - Inside of EJ&E "Arc"</u> 02/28/09	FREEPORT	While switching a local industry, crew did not apply sufficient hand brakes to the cars to keep them secure. Cars rolled out of siding and sideswiped a locomotive, causing it to derail. No injuries, no releases.
<u>EJ&E</u> 03/15/09	JOLIET EASTERN	While performing normal switching operations, crew pushed cars too hard into the track being switched. Cars impacted at too great a speed to allow normal coupling, and resulted into damage to one railroad car (covered hopper).
02/24/09	JOLIET WESTERN	Crew was placing loaded coal cars into an industrial lead track of another railroad when cars came to a stop. Upon inspection, found that 13 cars derailed, due to poor track maintenance of the other railroad's track.

Compiled for April, 2009 report.

**Injuries on CN tracks inside of the EJ&E "Arc" and on EJ&E Tracks
Feb - Mar 2009**

<u>Event date</u>	<u>NARRATIVE</u>
<u>CN - Inside of EJ&E "Arc"</u>	
02/06/09	Employee was performing normal maintenance on a locomotive in a CN maintenace facility. In an effort to remove brake parts from wheel, employee felt a pain in his right shoulder.
03/06/09	Employee was working to clear a paper jam in photocopier in yard office. Device inadvertantly activited, causing employee to receive a laceration to her hand.
<u>EJ&E</u>	
None	

Compiled for April, 2009 report.

Street Crossing Blockages



Crossing Blockages Of Ten or More Minutes Caused By Stopped Trains (February and March 2009)

Number	Date	Train Symbol	Crossing	Community	Total Delay	Start Time	End Time	Comments
1	2.01.09	CBMPL28.004	Hawthorne Lane	West Chicago	35 min.	not recorded	not recorded	Mechanical - Locomotive air brake problems.
2	2.01.09	1600 Joliet Misc. Assign.	Lehigh Road	Gary	20 min.	not recorded	not recorded	Safety/Mechanical/Weather - Air brake system slow in charging due to cold temperatures.
3	2.02.09	M39891-02	Cottage Grove	Sauk Village	26 min.	1738	1804	Safety/Mechanical - Undesired emergency air brake application. Crew inspected train and found air hoses separated between locomotives.
4	2.02.09	Joliet Switcher JSW #2	US Route 6 MP25.42	Joliet	54 min.	not recorded	not recorded	Safety/Mechanical/Weather - Undesired emergency air brake application. Crew inspected train and found air leak 50 cars deep in train. Air slow recovering due to cold temperatures.
5	2.03.09	1DW 177 (Loco #: 663)	10.60 Van Dyke Road	Walker	24 min.	not recorded	not recorded	Transportation - Performed mandatory air brake test after industry work at Walker.
6	2.03.09	Whiting Assign. KSW-2	Riley Road	Gary	54 min.	not recorded	not recorded	Transportation - Performed mandatory air brake test after industry work at Whiting.
7	2.05.09	M39731-05	Western Ave	Park Forest	35 min.	not recorded	not recorded	Transportation - Performed mandatory air brake test after picking up 17 cars.
8	2.06.09	IDW #189	Torrence Ave	Sauk Village	48 min.	not recorded	not recorded	Safety/Mechanical - Undesired emergency air brake application. Train inspected with no exceptions.
9	2.07.09	CBM-RV-31-004	Woodruff Rd	Joliet	Delay Minutes not documented	not recorded	not recorded	Mechanical - Locomotive UP6259 would not move. Had to cut out traction motors.
10	2.09.09	M39671-07	Kennedy Ave	Griffith	50 min.	0325	0415	Safety/Mechanical - Hot Box Detector warning. Complete train inspection with no exceptions.
11	2.12.09	IDW #222	Woodruff Rd, Collins Rd, Henderson Ave, Royce Ave,	Joliet	37 min. 14 min. 14 min. 14 min.	1105 1128 1128 1128	1142 1142 1142 1142	Transportation/Metra - Metra's UD Tower unexpectedly held train for cross traffic after giving a window to cross.
12	2.13.09	SLP CTA01-13	135th St (Rickers Rd)	Plainfield	29 min.	2311	2340	Safety/Mechanical - Hot Box Detector warning. Complete train inspected and had to release handbrake on one car.
13	2.14.09	M39891-14	Rt. 30 (Lincoln Hwy)	Lynwood	34 min.	2239	2313	Mechanical - Locomotive CN 2668 had air brake problems. Performed mandatory air brake test and inspected train.
14	2.15.09	M80332-14	Pilchers Road 135th Street	Plainfield	28 min.	0610	0628	Safety/Mechanical - Hot Box Detector warning. Train inspected, found sticking brakes and had to cut out air on 29th car.
15	2.17.09	Kirk Yard #1	Western Ave	Park Forest	41 min.	2159	2240	Transportation - Picking up cars at Matteson.
16	2.19.09	M39731-19	Western Ave	Park Forest	170 min.	0047	0337	Transportation/Weather - Switch frozen and could not be lined for the movement.
17	2.19.09	IDW #261	Washington St.	Joliet	65 min.	1045	1150	Mechanical - Locomotive EJE 662 failed and train stalled. Yard engine shoved train up Frankfort Hill.
18	2.20.09	IDW #99 (856-19)	9th Ave.	Gary	13 min.	1727	1740	Transportation - Transport conductor to head end after performing work and mandatory air brake test.

Number	Date	Train Symbol	Crossing	Community	Total Delay	Start Time	End Time	Comments
19	2.20.09	IDW #99 (856-19)	Main Street, 15th Ave	Matteson	50 min. 16 min.	0452 1723	0542 1740	Safety/Weather - Air brake system slow in charging due to cold temperatures.
20	2.20.09	Kirk Yard #1	Country Club Rd, Mills Rd, North Rowell Ave	Joliet	61 min	1919	2020	Safety/Mechanical - Undesired emergency air brake application. Train inspected and found defective air hose.
21	2.21.09	2CNA-p6-18	Royce Ave, Henderson Ave, Collins Rd, Ohio St.	Joliet	21 min. 21 min. 21 min. 19 min.	1145 1147 1149 1156	1205 1208 1210 1215	Transportation/Metra - Metra's UD Tower unexpectedly held train.
22	2.23.09	M39731-22	Kennedy Ave	Griffith	90 min.	0720	0850	Safety/Mechanical - Hot Box Detector warning. Train inspected, found the 93rd car with tread buildup on the wheels and set out car.
23	2.23.09	IDW #102	Main Street	Matteson	29 min.	1209	1238	Safety/Mechanical - Hot Box Detector warning. Train inspected, found the 89th car with defective brake beam causing brake shoes to rub against wheels when released and set out car.
24	2.25.09	IDW #129	Main Street	Matteson	70 min.	0336	0446	Transportation - Picking up cars.
25	2.26.09	IDW #299	Otis Road	Barrington Hills	15 min.	not recorded	not recorded	Transportation/Metra - Held for Metra train at Barrington.
26	3.02.09	Kirk Yard #1	Woodruff Road, Mileage 0.81 (Joliet Yard)	Joliet	145 min.	2015	2240	Transportation/Mechanical - Air brake problems after picking up cars at Joliet
27	3.03.03	CNAPL-27	Royce Ave, Collins Rd, Henderson Ave	Joliet	25 min. 23 min. 26 min.	1106 1107 1107	1131 1130 1133	Transportation - Pick up End of Train Device ("EOT") and relined switch at Jackson Street.
28	3.03.03	NS Empty Coal Train	15th Ave., Center Rd	Gary	30 min. 2 hr 17 min.	1934 1723	2004 1940	Safety/Transportation/Mechanical - Perform mandatory air brake test and wait for NS clearance at Van Loon.
29	3.03.03	CNAPL.01.039	Collins Rd, Henderson Ave, Royce Ave	Joliet	16 min, 19 min, 21 min	1213 1205 1207	1229 1224 1228	Transportation - Relined switch at Jackson Street.
30	3.03.03	S-LPCTACI-03	111th Street	Naperville	16 min.	2128	2144	Safety/Mechanical - Hot Box Detector warning. Train inspected, found brakes sticking on a car causing hot wheels and set car out.
31	3.05.09	CATM-CJP-006	Army Trail Road	Wayne	112 min.	0332	0444	Transportation - Relined switch at Jackson Street.
32	3.05.09	Kirk Yard #1	Main Street	Matteson	24 min.	1757	1821	Transportation - Performed mandatory air brake test after picking up cars.
33	3.05.09	SLPCTACI-05	Liberty Street	Aurora	19 min.	2137	2156	Transportation - Lined switches into Eola Running Track.
34	3.05.09	Kirk Yard #1	North Rowell Ave	Joliet	18 min.	1925	1943	Transportation/Metra - Metra unexpectedly held train for late Metra train.
35	3.05.09	G51-05 (CP)	West Bartlett Road	Bartlett	25 min.	2113	2138	Transportation/CP - CP crew took longer than planned to deliver train and clear crossing.
36	3.07.09	Kirk Yard #1	Main Street	Matteson	123 min.	1816	2019	Transportation - Train ran through Crossover 1 switch on Main 2 and damaged it.
37	3.07.09	NS 866-06 Mittal Train	15th Ave.	Gary	20 min.	0108	0128	Transportation - Relined switch and set derail at Van Loon.
38	3.18.09	Joliet #21	Woodruff Rd	Joliet	35 min.	0232	0307	Transportation - Crew built train and performed mandatory air brake test.
39	3.18.09	M39081-17	Stearns Road	Bartlett	23 min.	0151	0214	Transportation - Conductor lined/relined switch.

Number	Date	Train Symbol	Crossing	Community	Total Delay	Start Time	End Time	Comments
40	3.19.09	IDW #134	Wentworth Ave	Chicago Heights	26 min.	0432	0458	Transportation - Set out cars on Hill Track.
41	3.20.09	M34371-19	Penny Road Mileage 44.48	Barrington Hills	21 min.	not recorded	not recorded	Transportation - Transport conductor to head end after performing work and mandatory air brake test.
42	3.20.09	M39081-20	Stearns Road	Bartlett	18 min.	not recorded	not recorded	Transportation - Conductor lined/relined switch.
43	3.20.09	AXS-1	US Rt. 6 IRL MP 25.42	Joliet	30 min.	2204	2234	Safety/Mechanical - Hot Box detector warning. Train inspected with no exceptions.
44	3.20.09	Kirk Yard #1	Wentworth Ave	Chicago Heights	24 min.	0100	0124	Transportation - Switching CHTT cars on Hill Track.
45	3.22.09	M34371-21	Main Street	Matteson	32 min	1105	1137	Transportation - Set out locomotives and attach new EOT Device.
46	3.27.09	M39671-25	Wentworth Ave	Chicago Heights	42 min.	0123	0205	Transportation - Congestion at Matteson with Kirk Job 1 and M39671-25.
47	3.28.09	M34371-27	Main Street	Matteson	24 min	not recorded	not recorded	Transportation/Mechanical - Communications problem with EOT Device and the lead locomotive.
48	3.31.09	M34371-30	Main Street	Matteson	29 min.	not recorded	not recorded	Safety/Mechanical - Air brake system slow in charging.
49	3.31.09	M34371-30	Van Dyke Rd. 135th Street	Plainfield	28 min.	not recorded	not recorded	Safety/Mechanical - Hot Box Detector warning. Complete train inspection with no exceptions.
50	3.31.09	M34371-30	111th Street	Naperville	76 mins.	not recorded	not recorded	Safety/Mechanical - Air brake system problems.

Train Volumes

CN Train Counts on CN and EJE Line Segments for February 2009

Rail Lines Segment Description				Freight Trains	
Road	Segment Number	From Station	To Station	Monthly	Daily Avg.
BRC	1	Rockwell St	Hayford	61.0	2.2
BRC	2	Hayford	Clearing East	202.0	7.2
BRC	3	Clearing East	55th St	255.0	9.1
BRC	4	55th St	Lemoyme	255.0	9.1
BRC	5	Lemoyme	Hawthorne Crossing	257.0	9.2
BRC	6	Hawthorne Crossing	Cicero	204.0	7.3
BRC	7	Cicero	14th St	181.0	6.5
BRC	8	14th St	Cragin	96.0	3.4
BRC	9	Clearing West	55th St	2.0	0.1
CN	1	Matteson	Markham	256.0	9.1
CN	2	Markham	Harvey	600.0	21.4
CN	3	Harvey	Riverdale	215.0	7.7
CN	4	Riverdale	Wildwood	214.0	7.6
CN	5	Wildwood	Kensington	215.0	7.7
CN	6	Kensington	94th St	221.0	7.9
CN	7	94th St	67th St	220.0	7.9
CN	8	67th St	16th St	219.0	7.8
CN	9	16th St	Bridgeport	247.0	8.8
CN	10	Bridgeport	Belt Crossing	130.0	4.6
CN	11	Belt Crossing	Hawthorne	197.0	7.0
CN	12	Hawthorne	Broadview	262.0	9.4
CN	13	Broadview	Munger	117.0	4.2
CN	14	Bridgeport	Lemoyme	152.0	5.4
CN	15	Lemoyme	Glenn Yard	120.0	4.3
CN	16	Glenn Yard	Argo	168.0	6.0
CN	17	Argo	Lemont	107.0	3.8
CN	18	Lemont	Joliet	63.0	2.3
CN	19	Madison St	Forest Park	35.0	1.3
CN	20	Forest Park	B12	97.0	3.5
CN	21	B12	Schiller Park	416.0	14.9
CN	22	Schiller Park	Leithton	425.0	15.2
CN	23	Griffith	Thornton Jct	298.0	10.6
CN	24	Thornton Jct	CN Jct	293.0	10.5
CN	25	CN Jct	Blue Island	163.0	5.8
CN	26	Blue Island	Hayford	64.0	2.3
CPRS	1	Cragin	B12	96.0	3.4
CSXT	1	46th St	Madison St	85.0	3.0
IHB	1	Dolton	Gibson	6.0	0.2
IHB	2	Blue Island	Ridge	159.0	5.7
IHB	3	Ridge	CP Canal	160.0	5.7
IHB	4	CP Canal	Broadview	191.0	6.8
IHB	5	Broadview	CP Hill	249.0	8.9
IHB	6	CP Hill	Norpaul	222.0	7.9
IHB	7	Norpaul	B12	221.0	7.9
UP	1	Thornton Jct	Yard Center	6.0	0.2
UP	2	Yard Center	Dolton	6.0	0.2
EJE	15	Rondout	Leithton	38.0	1.4
EJE	14	Leithton	Spaulding	150.0	5.4
EJE	13	Spaulding	Munger	147.0	5.3
EJE	12	Munger	West Chicago	105.0	3.8
EJE	11	West Chicago	East Siding	245.0	8.8
EJE	10	East Siding	Walker	330.0	11.8
EJE	9	Walker	Bridge Junction	405.0	14.5
EJE	8	Bridge Junction	Rock Island Jct	406.0	14.5
EJE	7	Rock Island Jct	Matteson	132.0	4.7
EJE	6	Matteson	Chicago Hts	208.0	7.4
EJE	5	Chicago Hts	Griffith	272.0	9.7
EJE	4	Griffith	Van Loon	163.0	5.8
EJE	3	Van Loon	Ivanhoe	211.0	7.5
EJE	2	Ivanhoe	Cavanaugh	203.0	7.3
EJE	1	Cavanaugh	Gary	266.0	9.5
EJE	0	Gary	Indiana Harbor	0.0	0.0
EJE	-1	Indiana Harbor	Hammond	0.0	0.0
EJE	-2	Hammond	South Chicago	0.0	0.0

CN Train Counts on CN and EJE Line Segments for March 2009

Rail Lines Segment Description				Freight Trains	
Road	Segment Number	From Station	To Station	Monthly	Daily Avg.
BRC	1	Rockwell St	Hayford	61	2.0
BRC	2	Hayford	Clearing East	217	7.0
BRC	3	Clearing East	55th St	279	9.0
BRC	4	55th St	Lemoyne	279	9.0
BRC	5	Lemoyne	Hawthorne Crossing	281	9.1
BRC	6	Hawthorne Crossing	Cicero	227	7.3
BRC	7	Cicero	14th St	200	6.5
BRC	8	14th St	Cragin	168	5.4
BRC	9	Clearing West	55th St	1	0.0
CN	1	Matteson	Markham	241	7.8
CN	2	Markham	Harvey	625	20.2
CN	3	Harvey	Riverdale	222	7.2
CN	4	Riverdale	Wildwood	218	7.0
CN	5	Wildwood	Kensington	217	7.0
CN	6	Kensington	94th St	217	7.0
CN	7	94th St	67th St	217	7.0
CN	8	67th St	16th St	217	7.0
CN	9	16th St	Bridgeport	245	7.9
CN	10	Bridgeport	Belt Crossing	118	3.8
CN	11	Belt Crossing	Hawthorne	188	6.1
CN	12	Hawthorne	Broadview	218	7.0
CN	13	Broadview	Munger	142	4.6
CN	14	Bridgeport	Lemoyne	144	4.6
CN	15	Lemoyne	Glenn Yard	130	4.2
CN	16	Glenn Yard	Argo	195	6.3
CN	17	Argo	Lemont	131	4.2
CN	18	Lemont	Joliet	73	2.4
CN	19	Madison St	Forest Park	15	0.5
CN	20	Forest Park	B12	39	1.3
CN	21	B12	Schiller Park	441	14.2
CN	22	Schiller Park	Leithton	422	13.6
CN	23	Griffith	Thornton Jct	345	11.1
CN	24	Thornton Jct	CN Jct	322	10.4
CN	25	CN Jct	Blue Island	163	5.3
CN	26	Blue Island	Hayford	73	2.4
CPRS	1	Cragin	B12	181	5.8
CSXT	1	46th St	Madison St	32	1.0
IHB	1	Dolton	Gibson	21	0.7
IHB	2	Blue Island	Ridge	156	5.0
IHB	3	Ridge	CP Canal	157	5.1
IHB	4	CP Canal	Broadview	191	6.2
IHB	5	Broadview	CP Hill	233	7.5
IHB	6	CP Hill	Norpaul	231	7.5
IHB	7	Norpaul	B12	234	7.5
UP	1	Thornton Jct	Yard Center	22	0.7
UP	2	Yard Center	Dolton	21	0.7
EJE	15	Rondout	Leithton	51	1.6
EJE	14	Leithton	Spaulding	181	5.8
EJE	13	Spaulding	Munger	166	5.4
EJE	12	Munger	West Chicago	154	5.0
EJE	11	West Chicago	East Siding	266	8.6
EJE	10	East Siding	Walker	396	12.8
EJE	9	Walker	Bridge Junction	516	16.6
EJE	8	Bridge Junction	Rock Island Jct	469	15.1
EJE	7	Rock Island Jct	Matteson	216	7.0
EJE	6	Matteson	Chicago Hts	197	6.4
EJE	5	Chicago Hts	Griffith	171	5.5
EJE	4	Griffith	Van Loon	191	6.2
EJE	3	Van Loon	Ivanhoe	247	8.0
EJE	2	Ivanhoe	Cavanaugh	251	8.1
EJE	1	Cavanaugh	Gary	313	10.1
EJE	0	Gary	Indiana Harbor	0	0.0
EJE	-1	Indiana Harbor	Hammond	0	0.0
EJE	-2	Hammond	South Chicago	0	0.0