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December 10, 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:

Please find enclosed the status report for the month of November 2009 on operational matters related to CN's acquisition of the major portion of the Elgin, Joliet and Eastern Railway Company (EJ&E), as required in the Board's final decision served December 24, 2008 approving this transaction.

The enclosed report provides information on the following operational matters:

- ***Interchanges:*** the report lists the number of cars interchanged at each interchange location on the EJ&E for each month since CN's acquisition of the EJ&E (with separate sheets showing cars delivered, cars received, and total cars interchanged), and includes a comparison of November 2008 and November 2009 interchange numbers at each location.
- ***Railroad at-grade crossings:*** the report identifies delays at railroad interlockings along the EJ&E line that occurred during November 2009.
- ***Accidents and injuries:*** the report provides the date and descriptive information about each FRA-reportable accident and injury that occurred on the EJ&E line or on CN lines within the EJ&E arc during November 2009.
- ***Street crossing blockages:*** the report provides data concerning each instance during November 2009 where a crossing was blocked by a stopped train for 10 minutes or more.

- *Train volumes:* the report provides train counts for operations over segments of EJ&E's principal lines and on CN lines through Chicago during November 2009.

Please also note the following updates regarding our operations on the EJ&E and related activities.

- We added on November 23 one westbound train between Flat Rock, Michigan and Winnipeg, Manitoba and one eastbound train from Fond du Lac, Wisconsin to Sarnia, Ontario, both of which operate on the EJ&E between Leithton and Griffith. In addition, two trains were rerouted temporarily onto the EJ&E on November 27 as a result of our recent labor disruption in Canada. One of these trains had its final run on the EJ&E yesterday, while the other train will operate on the EJ&E through tomorrow.
- As a result of an interchange agreement CN recently reached with CSXT, as of December 7, our train that formerly originated at BRC's Clearing Yard in Chicago to Leithton, destined for Prince George, British Columbia, now originates at Kirk Yard and operates on the EJ&E to Leithton. In addition, we added that same day a turnaround local train that originates at Markham Yard and operates between Griffith and Kirk Yard on the EJ&E.
- CN has entered into Voluntary Mitigation Agreements (VMAs) with two more EJ&E communities since the filing of our last report: we announced on November 17 our agreement with the Village of Lake Zurich, IL and announced yesterday our agreement with the Village of Plainfield, IL. CN now has VMAs with 21 of the 33 EJ&E communities.
- We have made some modifications to our planned construction projects along the EJ&E line, which are intended to increase the fluidity of our operations on the EJ&E line. Please note, however, that these modifications will not change the operating plan or train counts anticipated on the EJ&E line following full implementation of the CN/EJ&E transaction.

Specifically, there are three locations – at Sutton, West Chicago, and Eola – where we will be extending the existing sidings by 1,300 feet, 1,800 feet, and less than 1,000 feet, respectively, in order to accommodate 10,000-foot trains. We also will be adding higher-speed turnouts at some locations to allow trains to move over the EJ&E line more expeditiously. Finally, at two locations – between East Siding and Normantown and between Nelson Road and the existing siding in Frankfort – we are deferring our original plans to construct a total of over nine miles of double track.

We continue to comply with all environmental permitting requirements in connection with these projects. As we begin the permitting process on each project, our Community Liaison will be in contact with the affected communities to provide information and answer questions, and we will post information on construction activities on our website at <http://ejeupdates.cn.ca/> as we begin the preparatory work for these projects.

- Questions have been raised about CN's signs posted at EJ&E grade crossings that provide an emergency number for motorists to call in the event of malfunctioning signal equipment.

The EJ&E posted decal stickers at all public crossings with active warning devices affixed to the crossing's signal control case listing the carrier (EJ&E), crossing street name, DOT number, and emergency contact phone number for the railroad. The emergency contact phone number is rerouted to CN's Police Communications Center, which is manned 24/7.

We would like to clarify that the current edition of the U.S. Department of Transportation's Manual on Uniform Traffic Control Devices (MUTCD) has no requirements for emergency notification signs at railroad crossings. The appropriate section in that manual offers guidance of an advisory nature only. The Federal Highway Administration (FHWA) has proposed, and CN, along with the entire industry, expects that the next edition of MUTCD, which FRA anticipates releasing in 2009, will identify and make mandatory all the signage requirements. At that time, CN will change its signage at all EJ&E crossings as necessary to comply with the new MUTCD requirements. This will also assure compliance with Title 23, Code of Federal Regulations, Highway Regulations.

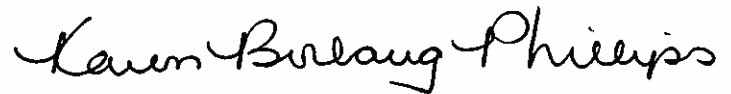
- Between November 2 and 6, CN Special Agent Eric Graf, along with Patrol Officers Terrence Boone, Steven Conover, and David Barajas conducted 15 Operation Lifesaver presentations at the Tri-Town Safety Village in Schererville, Indiana for elementary grade students attending Kahler Middle School in Dyer, Indiana. This school is located one-quarter mile from the EJ&E tracks. A total of 265 students were in attendance over the five days of presentations given during CN's annual Safe Crossing Week.
- On November 3, CN Patrol Officer Steven Conover conducted four Operation Lifesaver presentations for elementary grade students attending the Montessori School of Plainfield, Illinois. This school is located within one-quarter mile of the EJ&E tracks. A total of 75 students attended these presentations, which were given during CN's annual Safe Crossing Week.

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- On November 4, CN Patrol Officer Steven Conover conducted one Operation Lifesaver presentation for elementary grade students attending the Montessori School of Frankfort, Illinois, which is located within one-quarter mile of the EJ&E tracks. Twenty-three students attended this presentation, which was given as part of CN's annual Safe Crossing Week.

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 Chicago-area operations.

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  
November 2009 data for December 2009 report**

<b>Event Date</b>	<b>Subdivision</b>	<b>Description</b>
<b>EJ&amp;E</b>		
11/23/2009	Matteson	Train was pushing cars westbound when a dump truck pulled in front of the moving train at a crossing. In order to apologize to the crew for pulling in front of the moving train, the driver stopped his truck with the rear of the truck too close to the track causing it to strike the lead car of the train. The conductor was riding the point and dismounted before the accident. No injuries. Crossing was marked with crossbucks and yield signs.

**Injuries on CN tracks inside of the EJ&E "Arc" and on EJ&E Tracks  
November 2009 data for December 2009 report**

<u>Event Date</u>	<u>Subdivision</u>	<u>Description</u>
<u>CN</u>		
NONE		
<u>EJ&amp;E</u>		
NONE		

# Street Crossing Blockages



**Crossing Blockages of Ten or More Minutes Caused by Stopped Trains  
(November 2009)**

Number	Date	Train ID	Community	Crossing	Delay	Approx Time	Comments
1	11.05.2009	L50591-05	Joliet	N Rowell Ave.	32 min.	2035	<b>Transportation/Metra:</b> Train (76 cars (32 loads, 44 empties), 4,883 feet) stopped waiting to receive signal from Metra dispatcher that interlocking at Rock Island was clear. <b>Corrective Action:</b> Reviewed issue with Metra dispatching with a view to preventing recurrence.
2	11.06.2009	T75091-06	Joliet	Royce Ave. Collins St.	31 min. 28 min.	1336 1340	<b>Operations:</b> Train (135 cars (135 loads, no empties), 7,512 feet) stopped when UD Tower experienced signal problems requiring a signal maintainer to be called. <b>Corrective Action:</b> Train was ultimately talked through the signal to clear crossings.
3	11.27.2009	M30251-23	Wayne	Smith Rd.	95 min.	2357	<b>Mechanical:</b> Train (135 cars (125 loads, 10 empties), 9,695 feet) experienced an undesired brake application because of a broken knuckle. The crossing occupancy was extended because after the crew pulled the train off the crossing to repair the cars, the repaired cars had to be shoved back and joined to the train, air pressure restored, and the conductor returned to the head of the train. <b>Corrective Action:</b> Crew closed the angle cock at the separation and pulled the train south off the crossing. A disciplinary proceeding has been scheduled regarding the handling of this incident.
4	11.29.2009	M39081-28	Barrington Hills	Otis Rd.	37 min.	1424	<b>Mechanical:</b> Train (145 cars (86 loads, 59 empties), 10,160 feet) stopped to inspect hot wheel. Crew believed train to be clear of Otis Road. <b>Corrective Action:</b> Crew pulled down to clear crossing after receiving notification that the crossing was not clear. A disciplinary proceeding has been scheduled regarding the handling of this incident.

# Train Volumes

## AVERAGE DAILY TRAIN COUNTS ON CN & EJ&E SEGMENTS FOR November 2009

Rail Line Segment Description				Freight - Trains/Day		
Road	Segment Number	From Station	To Station	Base	November	Dif
BRC	1	Rockwell St	Hayford	2.2	2.3	0.1
BRC	2	Hayford	Clearing East	5.6	7.2	1.5
BRC	3	Clearing East	55th St	5.6	0.0	-5.6
BRC	4	55th St	Lemoyne	10.1	9.3	-0.8
BRC	5	Lemoyne	Hawthorne Crossing	10.1	9.3	-0.8
BRC	6	Hawthorne Crossing	Cicero	8.1	6.3	-1.8
BRC	7	Cicero	14th St	7.1	6.3	-0.9
BRC	8	14th St	Cragin	3.6	5.0	1.4
BRC	9	Clearing West	55th St	4.5	9.3	4.8
CN	1	Matteson	Markham	12.6	5.9	-6.7
CN	1.1	Matteson	University Park	12.6	10.3	-2.3
CN	2	Markham	Harvey	21.1	15.4	-5.6
CN	3	Harvey	Riverdale	8.4	5.6	-2.9
CN	4	Riverdale	Wildwood	8.4	5.4	-3.0
CN	5	Wildwood	Kensington	8.4	5.4	-3.0
CN	6	Kensington	94th St	8.4	5.3	-3.1
CN	7	94th St	67th St	6.4	5.3	-1.1
CN	8	67th St	16th St	6.4	5.3	-1.1
CN	9	16th St	Bridgeport	4.6	5.2	0.6
CN	10	Bridgeport	Belt Crossing	2.5	2.2	-0.3
CN	11	Belt Crossing	Hawthorne	4.5	5.2	0.7
CN	12	Hawthorne	Broadview	4.4	5.9	1.4
CN	13	Broadview	Munger	3.0	3.8	0.8
CN	14	Bridgeport	Lemoyne	2.1	3.0	0.9
CN	15	Lemoyne	Glenn Yard	2.1	3.0	0.9
CN	16	Glenn Yard	Argo	5.8	3.9	-1.9
CN	17	Argo	Lemont	1.8	1.8	0.0
CN	18	Lemont	Joliet	1.8	0.0	-1.8
CN	19	Madison St	Forest Park	3.5	1.3	-2.2
CN	20	Forest Park	B12	3.5	1.3	-2.2
CN	21	B12	Schiller Park	19.3	10.3	-8.9
CN	22	Schiller Park	Leithton	19.1	10.3	-8.7
CN	23	Griffith	Thornton Jct	22.1	10.2	-11.9
CN	24	Thornton Jct	CN Jct	19.5	9.3	-10.3
CN	25	CN Jct	Blue Island	14.9	5.9	-9.0
CN	26	Blue Island	Hayford	3.4	2.9	-0.5
CN	27	Hayford	Elsdon	0.0	0.0	0.0
CN	28	Elsdon	Railport	0.0	0.0	0.0
CPRS	1	Cragin	B12	3.6	1.3	-2.4
CSXT	1	46th St	Madison St	3.3	1.0	-2.3
IHB	1	Dolton	Gibson	1.6	2.1	0.5
IHB	2	Blue Island	Ridge	9.6	2.1	-7.5
IHB	3	Ridge	CP Canal	9.6	2.9	-6.7
IHB	4	CP Canal	Broadview	10.2	5.0	-5.2
IHB	5	Broadview	CP Hill	11.6	4.0	-7.6
IHB	6	CP Hill	Norpaul	12.1	4.0	-8.1
IHB	7	Norpaul	B12	12.1	0.9	-11.2
UP	1	Thornton Jct	Yard Center	2.6	1.0	-1.6
UP	2	Yard Center	Dolton	1.6	5.1	3.4
EJE	15	Rondout	Leithton	3.2	0.6	-2.5
EJE	14	Leithton	Spaulding	5.3	6.0	0.7

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Road	Segment Number	From Station	To Station	Base	November	Dif
EJE	13	Spaulding	Munger	5.5	5.4	-0.1
EJE	12	Munger	West Chicago	4.4	4.5	0.1
EJE	11	West Chicago	East Siding	10.7	9.1	-1.6
EJE	10	East Siding	Walker	15.7	9.5	-6.3
EJE	9	Walker	Bridge Junction	18.5	11.6	-6.8
EJE	8	Bridge Junction	Rock Island Jct	18.5	14.3	-4.1
EJE	7	Rock Island Jct	Matteson	6.4	6.1	-0.3
EJE	6	Matteson	Chicago Hts	8.6	7.2	-1.5
EJE	5	Chicago Hts	Griffith	10.2	7.1	-3.1
EJE	4	Griffith	Van Loon	7.6	4.2	-3.5
EJE	3	Van Loon	Ivanhoe	9.7	6.2	-3.5
EJE	2	Ivanhoe	Cavanaugh	9.8	6.3	-3.5
EJE	1	Cavanaugh	Gary	11.8	11.5	-0.3
EJE	0	Gary	Indiana Harbor	3.5	1.0	-2.5
EJE	-1	Indiana Harbor	Hammond	1.8	2.4	0.6
EJE	-2	Hammond	South Chicago	0.9	0.4	-0.4