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May 11, 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 April 2009 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, 2009 approving this transaction.

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 April at each interchange.
- *Railroad at-grade crossings:* the report identifies delays at railroad interlockings along the EJ&E line that were caused by CN during April 2009.
- *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 April 2009.

Please note that in future reports, we will provide information on any noteworthy incidents that occur on the EJ&E line that do not qualify as reportable to the FRA. No such incidents occurred during April; however,

on March 17, a brushfire occurred along the EJ&E. This incident did not qualify as reportable to the FRA. While our report for February and March 2009 thus conformed to the Board's requirement of including all FRA-reportable incidents, in the future we will include information on any such notable incidents in the interest of providing a more comprehensive report to the Board on activity along the EJ&E.

- *Street crossing blockages:* the report provides data concerning each instance where a crossing was blocked by a stopped train for more than 10 minutes. CN is committed to reducing blockages and, although the report for April continues to overstate the delays, we have also been refining our data collection and reporting of these events to ensure more accurate reports of blockage times. We have been using the experience we are gaining to determine where delays appear to be regularly occurring and then using that information proactively to eliminate or reduce delays. For example, we revised our operating plan to address blockages of Woodruff Road due to building train Joliet #21.

You will note a substantial improvement in crossing blockages in April compared to our first monthly operations report. We have spent a significant amount of time working to change the historical operating practices on the EJ&E to emphasize the importance of ensuring that crossings not be blocked with trains stopped for more than 10 minutes.

- *Train volumes:* the report provides train counts for operations over segments of the EJ&E and CN lines through Chicago during April 2009. Please note, however, that these data do not include EJ&E trains that operated over these lines on April 29 – 30 because CN was converting its dispatching system during that time. A program is being developed for us that will provide these data as well as future data and we will provide an updated report for April with our next monthly report.

As information, with respect to our operations generally on the EJ&E, we provide the following updates for April:

- We have not diverted any CN trains onto the EJ&E beyond the one northbound and one southbound train that we moved onto the EJ&E in March.
- During the month, we were forced to furlough six additional conductors/trainmen because of the current economic conditions.

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- We continued our customer integration activities on the EJ&E, with officials from Sales & Marketing and Operations leading group sessions and also conducting face-to-face meetings at customers' facilities. These meetings were designed to acquaint customers with CN and our operations and to ensure open lines of communications between these customers and CN. Future meetings will focus particularly on e-commerce issues related to the upcoming integration of the EJ&E information technology system into CN's system.
- CN's Board of Directors approved CN's portion of the funding required to rebuild Bridge 553, on the Illinois River Line near Devine, IL, to improve waterway movements; the majority of the funding was provided by Congress in legislation enacted earlier this year. We are working with the U.S. Coast Guard to ensure timely completion of this project.
- CN conducted five Emergency Response meetings for communities on the EJ&E and was engaged in a wide range of activities related to mitigation, preparation for construction activities, and implementation of the Voluntary Mitigation Agreements.

Please contact me if you or your colleagues have any questions on this report or need additional information on CN's operations in Chicago.

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
May 3, 2009**

<u>Event date</u>	<u>Subdivision Name</u>	<u>Description</u>
<u>CN - Inside of EJ&E "Arc"</u> 04/16/09	Chicago	CN loaded coal train derailed one locomotive and one car while making a slow southbound move. Incident confined to railroad property.

EJ&E
None

Compiled for May, 2009 report.

**Injuries on CN tracks inside of the EJ&E "Arc" and on EJ&E Tracks
May 3, 2009**

<u>Event date</u>	<u>Subdivision Name</u>	<u>NARRATIVE</u>
<u>CN - Inside of EJ&E "Arc"</u> 04/30/09	Freeport	Employee struck his hand with a spike maul (hammer) while securing a switch point to allow for a track vehicle to pass his work location.
<u>EJ&E</u> None		

Compiled for May, 2009 report.

Street Crossing Blockages

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

Number	Date	Train Symbol	Community	Crossing	Delay	Approx. Time	Comments
1	4.02.2009	M34371-01	Plainfield	Pilchers Road	21 min	1329	Safety/Mechanical. Train stopped to inspect the 280th axle, found handbrake applied.
2	4.04.2009	M34371-03	Joliet	North Rowell Ave	19 min	1519	Transportation/Metra. Metra operator failed to provide signal for train to run into East Joliet Yard. Corrective action: follow dispute escalation process with Metra to resolve its failure as controlling railroad to comply timely with CN signal request.
3	4.07.2009	SLPCTAC1-07	Plainfield	Pilchers Road	23 min	2135	Safety/Mechanical. Train stopped to inspect the 75th car from head end for hot wheels.
4	4.09.2009	IDW #164	Joliet	N. Rowell Ave	17 min	0405	Transportation/Metra. Metra did not provide signal at East Joliet Interlocking waiting for cross traffic.
5	4.10.2009	M34371-09	Chicago Heights	Euclid Ave.	76 min	0855	Transportation. Train stopped, ran around train at Matteson. Train was too long (118 cars (64 loads, 54 empties), 7,491 feet) to fit between Western and Euclid. Corrective action: planned connection at Matteson will ultimately resolve the issue, but until that time the train will be shoved into Matteson Yard to eliminate this issue.
6	4.14.2009	M34371-13	Joliet	N. Rowell	13 min	1353	Transportation/Metra. Metra operator failed to provide signal for train to run into East Joliet Yard. Corrective action: follow dispute escalation process with Metra to resolve its failure as controlling railroad to comply timely with CN signal request.
7	4.14.2009	M39891-14	Matteson	Main St.	13 min	1428	Safety/Mechanical. Undesired emergency air brake application due to airhose separation.
8	4.14.2009	CNAPL12-056	Joliet	Ohio St. Jackson St.	21 min	2224	Transportation/Metra. Metra Operator did not provide signal. Corrective action: following dispute resolution process, it was decided CN will not pull towards UD Tower until Metra confirms the route will be provided.
9	4.15.2009	IDW #538	Joliet	Woodruff Rd.	30 min	1955	Transportation. Train stopped at East Bridge Junction waiting for westbound BNSF haulage train SLPCTAC2-14A. Corrective action: trains will not be permitted to depart northbound from Joliet until the route to the passing siding at Turner is clear.
10	4.17.2009	Joliet #21	Joliet	Woodruff Rd.	13 min	0131	Transportation. Joliet #21 assignment building train (71 cars (49 loads, 22 empties), 4,217 feet) at Joliet Yard. Corrective Action: revised operating plan to make rear end double when possible or, when not possible, train to be shoved back onto the South switching lead and not block Woodruff Road.
11	4.17.2009	M39891-17	Schererville	Kennedy Ave.	43 min	1542	Transportation. Switch trouble, and no room for crew to move train (112 cars (39 loads, 73 empties), 7,203 feet) ahead to set out 30 cars. Corrective action: advance notice will be given to crew to cut crossing, if necessary.
12	4.17.2009	CBTRV15-009	Crest Hill	Oakland Ave.	23 min	2257	Transportation. Train held for barge traffic. Corrective action: southbound trains will wait at Turner until the bridge is down and locked.
13	4.19.2009	Joliet #21	Joliet	Woodruff Rd.	50 min	0039	Transportation. Joliet #21 assignment building train (80 cars, 35 loads, 45 empties, 5,955 feet) at Joliet Yard. Corrective action: revised operating plan to make rear end double when possible or, when not possible, train to be shoved back onto the South switching lead and not block Woodruff Road.
14	4.28.2009	M34371-27	Bartlett	Army Trail Road	29 min	1755	Transportation/CP. CP did not provide signal, train (140 cars (77 loads, 63 empties), 8,525 feet) stopped for 29 minutes. Corrective action: follow dispute escalation process with CP to resolve its failure as controlling railroad to comply timely with CN signal request.

Train Volumes

Average Daily Train Counts on CN and EJ&E Segments for April 2009

Rail Line Segment Description				Freight - Trains/Day		
Road	Segment Number	From Station	To Station	Base	April	Dif
BRC	1	Rockwell St	Hayford	2.2	2.1	-0.2
BRC	2	Hayford	Clearing East	5.6	6.0	0.3
BRC	3	Clearing East	55th St	5.6	8.0	2.3
BRC	4	55th St	Lemoine	10.1	8.0	-2.1
BRC	5	Lemoine	Hawthorne Crossing	10.1	8.0	-2.1
BRC	6	Hawthorne Crossing	Cicero	8.1	5.2	-3.0
BRC	7	Cicero	14th St	7.1	5.2	-2.0
BRC	8	14th St	Cragin	3.6	4.9	1.2
BRC	9	Clearing West	55th St	4.5	0.0	-4.5
CN	1	Matteson	Markham	12.6	5.4	-7.2
CN	2	Markham	Harvey	21.1	17.2	-3.9
CN	3	Harvey	Riverdale	8.4	5.7	-2.8
CN	4	Riverdale	Wildwood	8.4	5.7	-2.7
CN	5	Wildwood	Kensington	8.4	5.7	-2.7
CN	6	Kensington	94th St	8.4	5.8	-2.6
CN	7	94th St	67th St	6.4	5.8	-0.6
CN	8	67th St	16th St	6.4	5.8	-0.6
CN	9	16th St	Bridgeport	4.6	5.3	0.7
CN	10	Bridgeport	Belt Crossing	2.5	2.3	-0.2
CN	11	Belt Crossing	Hawthorne	4.5	5.1	0.6
CN	12	Hawthorne	Broadview	4.4	5.8	1.4
CN	13	Broadview	Munger	3.0	3.4	0.4
CN	14	Bridgeport	Lemoine	2.1	3.1	1.1
CN	15	Lemoine	Glenn Yard	2.1	3.0	0.9
CN	16	Glenn Yard	Argo	5.8	3.0	-2.7
CN	17	Argo	Lemont	1.8	2.9	1.1
CN	18	Lemont	Joliet	1.8	1.9	0.1
CN	19	Madison St	Forest Park	3.5	0.3	-3.2
CN	20	Forest Park	B12	3.5	0.3	-3.2
CN	21	B12	Schiller Park	19.3	11.4	-7.8
CN	22	Schiller Park	Leithton	19.1	11.5	-7.6
CN	23	Griffith	Thornton Jct	22.1	10.8	-11.3
CN	24	Thornton Jct	CN Jct	19.5	9.9	-9.6
CN	25	CN Jct	Blue Island	14.9	3.7	-11.2
CN	26	Blue Island	Hayford	3.4	2.0	-1.4
CPRS	1	Cragin	B12	3.6	4.8	1.2
CSXT	1	46th St	Madison St	3.3	0.3	-2.9
IHB	1	Dolton	Gibson	1.6	0.8	-0.8
IHB	2	Blue Island	Ridge	9.6	4.1	-5.5
IHB	3	Ridge	CP Canal	9.6	4.1	-5.5
IHB	4	CP Canal	Broadview	10.2	5.1	-5.0
IHB	5	Broadview	CP Hill	11.6	7.2	-4.4
IHB	6	CP Hill	Norpaul	12.1	6.3	-5.8
IHB	7	Norpaul	B12	12.1	6.3	-5.8
UP	1	Thornton Jct	Yard Center	2.6	0.9	-1.7
UP	2	Yard Center	Dolton	1.6	0.8	-0.8
EJE	15	Rondout	Leithton	3.2	2.0	-1.2
EJE	14	Leithton	Spaulding	5.3	5.8	0.5
EJE	13	Spaulding	Munger	5.5	4.5	-1.0
EJE	12	Munger	West Chicago	4.4	4.5	0.1
EJE	11	West Chicago	East Siding	10.7	6.8	-3.9
EJE	10	East Siding	Walker	15.7	9.8	-6.0

Average Daily Train Counts on CN and EJ&E Segments for April 2009

Rail Line Segment Description				Freight - Trains/Day		
Road	Segment Number	From Station	To Station	Base	April	Dif
EJE	9	Walker	Bridge Junction	18.5	13.8	-4.6
EJE	8	Bridge Junction	Rock Island Jct	18.5	11.7	-6.8
EJE	7	Rock Island Jct	Matteson	6.4	4.5	-1.9
EJE	6	Matteson	Chicago Hts	8.6	5.4	-3.2
EJE	5	Chicago Hts	Griffith	10.2	6.6	-3.6
EJE	4	Griffith	Van Loon	7.6	3.9	-3.7
EJE	3	Van Loon	Ivanhoe	9.7	5.3	-4.4
EJE	2	Ivanhoe	Cavanaugh	9.8	5.3	-4.5
EJE	1	Cavanaugh	Gary	11.8	6.2	-5.5
EJE	0	Gary	Indiana Harbor	3.5	0.0	-3.5
EJE	-1	Indiana Harbor	Hammond	1.8	0.0	-1.8
EJE	-2	Hammond	South Chicago	0.9	0.0	-0.9