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November 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 October 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 October 2008 and October 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 October 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 October 2009.
- ***Street crossing blockages:*** the report provides data concerning each instance during October 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 October 2009.

Please note that the report now includes train counts for three additional segments – Matteson to University Park (Segment CN 1.1), Hayford to Elsdon (Segment CN 27), and Elsdon to Railport (Segment CN 28) – reflecting the Board's October 23, 2009 decision directing CN to account for changes in train volumes that may result from the 17 trackage rights between the various CN affiliates in the Chicago area that became effective September 3 and 4, 2009.

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

- We did not divert any additional trains onto the EJ&E in October, but we have added one train moving between Griffith and Leighton, starting on November 6. In addition, we have removed one northbound and one southbound train that had been rerouted onto the EJ&E in late June; these trains are now operating on their previous route over lines in Canada.
- The Board's decision approving the transaction required that CN install or relocate a Wheel Impact Load Detector (WILD) on the EJ&E line within three years. CN identified three sites where installation of a WILD would enhance safety and we have just completed installation at the third and final WILD site in Barrington Hills, which will be operational once all construction has been completed.
- Although the Board's approval decision did not address hot box detectors, CN identified five locations for installation of these devices on the EJ&E. CN has completed installation of four of the five new hot box detectors along the line, with the remaining detector to be installed by year-end.
- On October 17, CN Police participated jointly with other CN departments and with Lake County, Indiana emergency responders in a full-scale exercise on EJ&E tracks in Schererville, Indiana. The scenario for this exercise involved a simulated train/school bus highway-rail grade crossing accident and tank car product recognition. In addition to CN personnel, participants in the exercise included representatives from St. Margaret Mercy Hospital, the American Red Cross, Lake Central School Corporation, and the Police and Fire Departments of Schererville, Dyer, and Hammond, Indiana and Lansing, Illinois.

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- CN Patrol Officer David Barajas and Federal Railroad Administration Assistant Manager of Crossing and Trespassing Robert Meyer conducted 15 Operation Lifesaver presentations on October 19 and 20 for students attending Peterson Elementary School in Naperville, Illinois. The school is located within one-quarter mile of the EJ&E tracks. A total of 419 students were in attendance over the two days of presentations.

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,

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

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
October 2009 data for November 2009 report**

<u>Event Date</u>	<u>Subdivision</u>	<u>Description</u>
<u>EJ&E</u>		
10/03/2009	Matteson	Train was traveling past a yard location when a switch that was incorrectly lined directed the train into the yard, into a stationary section of railroad cars. Crew reported minor injuries (see injury report). Two locomotives and six railroad cars were damaged.

**Injuries on CN tracks inside of the EJ&E “Arc” and on EJ&E Tracks
October 2009 data for November 2009 report**

<u>Event Date</u>	<u>Subdivision</u>	<u>Description</u>
CN		
10/05/2009	Waukesha	Employee was working on a spike machine when another employee bumped the machine’s controls, causing one spike to pinch the employee’s forearm.
10/27/2009	Chicago	Employee reported sharp pain in lower back while coupling air hoses in yard.
10/27/2009	Chicago	Employee was on the ground, lining a yard switch when the engineer pulled several engines ahead and struck him. Employee sustained neck strain and minor contusions.
10/29/2009	Elsdon	Employee was climbing ladder on another railroad carrier’s car to release its handbrake when a step gave way underneath his right foot, straining his right hip.
EJ&E		
10/03/2009	Matteson	Employee was operating engine when train struck a stationary section of cars. Employee sustained strained muscles in upper body and minor contusions.
10/03/2009	Matteson	Employee was riding on engine when train struck a stationary section of cars. Employee sustained a swollen knee and chest contusions.
10/28/2009	Leithton	Employee fell off a railroad car as slack action caused a jolt in the movement of the cars, landing on grass covered ground. Employee sustained strained muscles of groin area.

Street Crossing Blockages

Crossing Blockages of Ten or More Minutes Caused by Stopped Trains (October 2009)							
Number	Date (MM.DD.YYYY)	Train ID	Community	Crossing	Delay	Approx Time	Comments
1	10.02.2009	L51592-02	Matteson	Main St.	28 min.	2315	Mechanical: Train (122 cars (67 loads, 55 empties), 7,525 feet) stopped to restore air pressure after picking up 11 cars. Corrective Action: Crew members were advised of proper handling techniques in order to prevent a recurrence.
2	10.03.2009	E28092-03	Matteson	Main St.	272 min.	1158	Operations: Train (54 cars (0 loads, 54 empties), 5,138 feet) backed into standing cars in Matteson Yard. Corrective Action: Extra locomotives were dispatched from Markham Yard to pull cars clear of Main Street as soon as it was safe to do so.
3	10.11.2009	E26091-11	Chicago Heights	East End Ave.	41 min.	2042	Operations: Train (67 cars (0 loads, 67 empties), 6,372 feet) was received from another railroad, to be crewed by CN personnel for movement to Michigan. Locomotive had maintenance issues that were not addressed prior to receipt by CN. CN initially refused to take train, but decided to move it to Griffith. Train was not blocking crossing when stopped, but activated gates because of proximity to street crossing. Corrective Action: CN pulled train further in Griffith to allow the gates to deactivate at a spot where other carrier's locomotive could be repaired. Internal and external bulletin notices were distributed to advise crews to NOT block crossings.
4	10.13.2009	M30251-08	Dyer	Lincoln Highway Lake St. Hart St.	73 min.	0129	Mechanical: Train (116 cars (92 loads, 24 empties), 9,531 feet) experienced unanticipated brake application. Conductor and Trainmaster conducted inspection and found a broken coupling device. Corrective Action: Conductor replaced coupling device, allowing train to reconnect and move again after air pressure in brake lines was restored.
5	10.20.2009	M34371-19	St. Charles	Army Trail Rd.	38 min.	1923	Operations: Train (115 cars (35 loads, 80 empties), 7,336 feet) slowed to a stop at Stearns Road to contact interlocker operator, inadvertently blocking crossing with last seven cars. Corrective Action: Crew members were advised of proper handling techniques to avoid a recurrence.
6	10.21.2009	M34371-20	Plainfield	135th St.	36 min.	1822	Mechanical: Train (140 cars (62 loads, 78 empties), 8,652 feet) experienced unanticipated brake application. Upon inspection, Conductor found a hand brake left in the "on" position, resulting in heat buildup on axle ends, causing car to stop. Corrective Action: Conductor released hand brake and checked air pressure; train then proceeded.

Crossing Blockages of Ten or More Minutes Caused by Stopped Trains (October 2009)							
Number	Date (MM.DD.YYYY)	Train ID	Community	Crossing	Delay	Approx Time	Comments
7	10.21.2009	M34371-20	Bartlett	Stearns Rd.	62 min.	1950	<p>Mechanical: Train (140 cars (62 loads, 78 empties), 8,652 feet) lost air pressure. Upon inspection, Conductor found the air hose connection between two cars had separated.</p> <p>Corrective Action: Airhose connections were reinforced so train could continue after air pressure was restored.</p>
8	10.23.2009	C74191-23	Joliet	N Rowell Ave.	35 min.	1958	<p>Operations: Train (118 cars (0 loads, 118 empties), 6,458 feet) missed the operating window of an interlocker it was cleared to use, and other carrier was having problem moving its train through interlocking. CN crew was advised that issues from the other railroad were to be cleared imminently, and that it was not necessary to cut the train to unblock the crossing.</p> <p>Corrective Action: CN Trainmaster was enroute to location to assist in separating the train to clear the crossing when other railroad cleared the interlocking allowing the CN train to proceed.</p>
9	10.24.2009	M30131-23	Frankfort	Harlem Ave.	34 min.	0613	<p>Mechanical: Train (139 cars (32 loads, 107 empties), 9,740 feet) stopped when hot wheel activated Hot Box Detector. Train was moved slowly to Pfeiffer Road as a better area to inspect train, and stopped clear of crossing but tripped the gate circuit.</p> <p>Corrective Action: Conductor adjusted air brakes to release them, and train proceeded.</p>

Train Volumes

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

Rail Line Segment Description				Freight - Trains/Day		
Road	Segment Number	From Station	To Station	Base	October	Dif
BRC	1	Rockwell St	Hayford	2.2	2.2	0.0
BRC	2	Hayford	Clearing East	5.6	6.1	0.4
BRC	3	Clearing East	55th St	5.6	0.0	-5.6
BRC	4	55th St	Lemoyne	10.1	8.3	-1.8
BRC	5	Lemoyne	Hawthorne Crossing	10.1	8.3	-1.8
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	3.3	-0.3
BRC	9	Clearing West	55th St	4.5	8.3	3.8
CN	1	Matteson	Markham	12.6	6.0	-6.6
CN	1.1	Matteson	University Park	12.6	10.7	-1.9
CN	2	Markham	Harvey	21.1	18.1	-3.0
CN	3	Harvey	Riverdale	8.4	6.0	-2.5
CN	4	Riverdale	Wildwood	8.4	5.8	-2.5
CN	5	Wildwood	Kensington	8.4	5.8	-2.6
CN	6	Kensington	94th St	8.4	5.8	-2.6
CN	7	94thSt	67th St	6.4	5.8	-0.6
CN	8	67th St	16th St	6.4	5.8	-0.6
CN	9	16thSt	Bridgeport	4.6	5.6	1.0
CN	10	Bridgeport	Belt Crossing	2.5	2.5	-0.1
CN	11	Belt Crossing	Hawthorne	4.5	5.6	1.1
CN	12	Hawthorne	Broadview	4.4	6.2	1.7
CN	13	Broadview	Munger	3.0	4.1	1.1
CN	14	Bridgeport	Lemoyne	2.1	3.2	1.1
CN	15	Lemoyne	Glenn Yard	2.1	3.1	1.1
CN	16	Glenn Yard	Argo	5.8	5.8	0.0
CN	17	Argo	Lemont	1.8	3.7	1.9
CN	18	Lemont	Joliet	1.8	1.9	0.1
CN	19	Madison St	Forest Park	3.5	1.8	-1.6
CN	20	Forest Park	B12	3.5	1.8	-1.7
CN	21	B12	Schiller Park	19.3	12.0	-7.3
CN	22	Schiller Park	Leithton	19.1	12.1	-7.0
CN	23	Griffith	Thornton Jct	22.1	11.5	-10.6
CN	24	Thornton Jct	CN Jct	19.5	10.5	-9.0
CN	25	CN Jct	Blue Island	14.9	7.9	-7.0
CN	26	Blue Island	Hayford	3.4	1.8	-1.6
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	3.4	-0.3
CSXT	1	46th St	Madison St	3.3	1.8	-1.4
IHB	1	Dolton	Gibson	1.6	0.9	-0.7
IHB	2	Blue Island	Ridge	9.6	4.9	-4.7
IHB	3	Ridge	CP Canal	9.6	4.9	-4.7
IHB	4	CP Canal	Broadview	10.2	5.8	-4.4
IHB	5	Broadview	CP Hill	11.6	7.9	-3.7
IHB	6	CP Hill	Norpaul	12.1	6.8	-5.3
IHB	7	Norpaul	B12	12.1	6.8	-5.3
UP	1	Thornton Jct	Yard Center	2.6	1.0	-1.6
UP	2	Yard Center	Dolton	1.6	0.9	-0.7
EJE	15	Rondout	Leithton	3.2	0.7	-2.5
EJE	14	Leithton	Spaulding	5.3	6.5	1.2
EJE	13	Spaulding	Munger	5.5	5.9	0.5

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Road	Segment Number	From Station	To Station	Base	October	Dif
EJE	12	Munger	West Chicago	4.4	4.8	0.4
EJE	11	West Chicago	East Siding	10.7	9.9	-0.8
EJE	10	East Siding	Walker	15.7	10.4	-5.3
EJE	9	Walker	Bridge Junction	18.5	13.0	-5.5
EJE	8	Bridge Junction	Rock Island Jct	18.5	15.9	-2.5
EJE	7	Rock Island Jct	Matteson	6.4	7.4	1.0
EJE	6	Matteson	Chicago Hts	8.6	8.1	-0.6
EJE	5	Chicago Hts	Griffith	10.2	8.8	-1.4
EJE	4	Griffith	Van Loon	7.6	4.9	-2.8
EJE	3	Van Loon	Ivanhoe	9.7	6.5	-3.2
EJE	2	Ivanhoe	Cavanaugh	9.8	6.5	-3.2
EJE	1	Cavanaugh	Gary	11.8	11.4	-0.3
EJE	0	Gary	Indiana Harbor	3.5	1.3	-2.2
EJE	-1	Indiana Harbor	Hammond	1.8	2.8	1.0
EJE	-2	Hammond	South Chicago	0.9	0.4	-0.5