CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

THOMAS J. DONOHUE
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

1615 H STREET, NW
WASHINGTON, DC 20062-2000

November 11, 2014

The Honorable Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

RE: STB Finance Docket No. 35087, *Canadian National Railway Company and Grand Trunk Corporation—Control—EJ&E West Company*

Dear Ms. Brown:

I am writing to provide the views of the U.S. Chamber of Commerce ("Chamber") in response to the petition of that Village of Barrington, Illinois filed at the Surface Transportation Board (STB) on August 27, 2014, seeking to extend the oversight period in Finance Docket No. 35087 by two years.

The prosperity of businesses and consumers throughout the United States depends on the efficient operation of the rail freight network, which carries 40 percent of this nation's total intercity freight volume. Every industry in this country benefits from the availability of freight rail to transport materials used in production and carry products for distribution to consumers. Every consumer in this country enjoys products brought by freight rail. Thanks to deregulatory measures such as the Staggers Rail Act of 1980 and the ICC Termination Act of 1995, U.S. freight railroads have been able to provide the safest, most productive, and most affordable rail system in the world.

In recent years, the efficient operation of this network has been challenged by the cost and difficulty of providing sufficient capacity to handle sharply rising demand for freight rail services. To help meet this challenge, regulatory policy must favor the private investment required to improve freight rail fluidity by addressing congestion problems. CN's investment in purchasing and improving previously underutilized lines of the Elgin Joliet and Eastern Railway Company (EJ&E)—which has allowed much of CN's traffic to bypass congested downtown Chicago and has freed up needed capacity for other carriers—is precisely the type of private investment that should be encouraged. Without CN's significant infrastructure investments on the EJ&E, for example, the well-publicized freight rail delays in Chicago during this past winter would have been much worse.

CN's operations on the former EJ&E since the acquisition in 2009 have been subject to extensive reporting and oversight requirements imposed by the STB in approving the acquisition. At the end of this sixth year of regulatory oversight of this acquisition, the Board should allow CN to focus its efforts entirely on operating its railroad and no longer divert time and effort on extraordinary and burdensome regulatory reporting. No discernible public interest would be served by extending oversight that would needlessly distract CN management and consume STB and CN resources, especially as the Board would retain sufficient authority to address any issues that might arise on the former EJ&E after the conclusion of the currently mandated oversight period. Further, extending oversight would send the wrong message to other rail carriers, deterring them from undertaking investments to improve the efficiency of their operations and better serve the public.

Thank you for your consideration of the views of the Chamber on this matter.

~~Sincerely,~~

Thomas J. Donohue

cc: Richard H. Streeter, Esq.
Paul A. Cunningham, Esq.
David A. Hirsh, Esq.