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SERVICE DATE - SEPTEMBER 14, 1998

DEPARTMENT OF TRANSPORTATION

SURFACE TRANSPORTATION BOARD

[Finance Docket No. 33556]

Canadian National Railway Company, Grand Trunk Corporation, and Grand Trunk Western Railroad Incorporated -- Control -- Illinois Central Corporation, Illinois Central Railroad Company, Chicago, Central and Pacific Railroad Company, and Cedar River Railroad Company

Agency: Surface Transportation Board.

Action: Notice of Environmental Review Process Schedule.

Summary: On July 15, 1998, Canadian National Railway Company (CN) and Illinois Central Corporation (IC), along with their railroad affiliates, collectively referred to as CN/IC or Applicants, filed a joint application with the Surface Transportation Board (Board) seeking authority for CN to acquire control of IC. (This proposed transaction is subsequently referred to as the Acquisition or the CN/IC Acquisition.) The proposed CN/IC system would extend to both coasts of North America and the Gulf of Mexico. The Chicago area would serve as the hub of the combined system. This new system would cover approximately 18,670 miles of rail lines and related facilities, of which, approximately 4,520 miles would be in the United States. The Applicants state that integrating CN and IC operations would allow both rail systems to provide more reliable, efficient, and competitive service.

In Decision No. 6, served August 14, 1998, the Board accepted for consideration the proposed CN/IC Acquisition and issued a 300-day procedural schedule that will provide for the issuance of the Board's final written decision no later than May 11, 1999. The Board also announced that preparation of an Environmental Assessment is appropriate for this proceeding. The purpose of this notice is to advise that the Board's Section of Environmental Analysis (SEA) plans to issue a Draft Environmental Assessment (Draft EA) on the proposed CN/IC Acquisition for public review by November 1998. The public will then have 30 days to review and comment on the Draft EA. After reviewing all public comments on the Draft EA and conducting additional analyses, SEA will complete the Final Environmental Assessment (Final EA). SEA will issue the Final EA prior to the Board's Oral Argument which is currently scheduled for March 8, 1999. The Board will consider all public comments, the Draft EA and Final EA, and SEA's environmental mitigation recommendations in making its final decision on the proposed Acquisition. The Board plans to serve the final written decision on the proposed CN/IC Acquisition on May 11, 1999. Any party may file an administrative appeal within 20 days of the final written decision.

For Further Information: A Fact Sheet on the proposed Acquisition, which includes a general discussion on the environmental review process and schedule, is available by calling SEA's toll-free environmental hotline at 1-888-869-1997. For additional information regarding environmental

issues, or the environmental review schedule, contact SEA's Project Manager for the proposed CN/IC Acquisition, Michael Dalton, at (202)565-1530.

By the Board, Elaine K. Kaiser, Chief of the Section of Environmental Analysis.

Vernon A. Williams
Secretary