

# CONEXUS INDIANA

September 12, 2014

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington Dc 20423

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Re: STB Finance Docket No. 35087, Canadian National Ry. & Grand Trunk Corp. –Control—  
EJ&E West Co.

Dear Ms. Brown:

Conexus Indiana, an advanced manufacturing and logistics think tank, has worked years to develop a west coast intermodal access to Indiana by bypassing the Chicagoland area. This was accomplished and made possible by CN's 2009 acquisition of the former Elgin, Joliet & Eastern (EJ&E). CN's acquisition of EJ&E has been good for the movement of cargo to and from Indiana lowering business costs, creating efficiencies and lowering the time to and from market in Indiana. It has been very positive for Indiana's logistics community.

Since the acquisition, CN's EJ&E operations have been subject to Surface Transportation Board (STB) reporting and oversight requirements that have imposed significant costs and distractions for CN (which in turn add additional costs for Indiana cargo shippers). It is our understanding that these requirements end January 23, 2015.

CN smoothly implemented the acquisition and has made substantial improvements to operations over the EJ&E. Among other things, CN invested roughly \$200 million constructing connections, installing safety equipment, and making other infrastructure investments along the line to improve efficiency and mitigate environmental impacts. The transaction and related investments have allowed CN to reduce transit times and congestion for the benefit of shippers, the Chicagoland community, and the Chicago-area rail network.

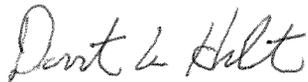
Rail traffic levels on the EJ&E are below the projected levels that were used by the STB to assess potential environmental impacts for communities along EJ&E and to impose environmental mitigation. Nonetheless, the Village of Barrington, IL, one of the few communities that refused a VMA, has petitioned the STB to extend oversight and reporting for at least two additional years. Barrington's petition is based on the premise that 6 years of oversight is inadequate since additional traffic volumes may eventually flow along the EJ&E arc.

The public interest would best be served by allowing CN to re-direct resources consumed by the added costs, burdens, and distractions of unnecessary regulatory reporting or oversight to the efficient and safe operation of its railroad. Additional oversight and reporting by CN is unnecessary, as CN has lived up to the commitments it made to shippers, local communities, and other rail carriers.

A perfect example of this commitment is prevalent with the recently established service in partnership between CN and Indiana Rail Road Company to the West Coast giving Indiana faster and cheaper intermodal access for our cargo shippers. This facility has been extremely positive for Indiana companies. Ending oversight as scheduled would allow CN to focus its energies on running a safe and efficient railroads providing even more efficiencies. It could also lower shipping rates because the current reporting and oversight costs are shifted to the customers and ending this would be a positive for cargo shippers in Indiana.

Thank you for your serious consideration of this matter. Please contact me at (317) 638-2108 or [dholt@conexusindiana.com](mailto:dholt@conexusindiana.com) if you have any further questions or concerns.

Respectfully,



David W. Holt  
Vice President, Operations and Business Development

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