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Via Email and Hand Delivery

January 9, 2002

Mr. Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

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Re: STB Finance Docket No. 34000; Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc. – Control – Wisconsin Central Transportation Corporation, Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd.; Operational Monitoring Reports for January, 2002.

Dear Mr. Clemens:

Pursuant to the Board's Order in the above-referenced docket served on September 7, 2001, Canadian National Railway Company submits the Operational Monitoring Reports for January, 2002.

Per your office's request, we are submitting the reports electronically as attachments in one transmission as follows: the monthly Benchmarking and Performance Data Report and the weekly Average Terminal Dwell Time Report. There are no updates this month to the Information Technology Systems Integration and Customer Service Report.

To date, we remain pleased with the integration of CN and WC. We continue to manage the WC integration using a thorough, methodical approach, and we are continuously looking for ways to take advantage of opportunities provided by the combined system. For example, our post-merger ability to block CN-originated traffic headed for WC destinations in Northern Wisconsin and Upper Michigan at Pokegama Yard (rather than at Stevens Point) has significantly reduced transit time for this traffic, oftentimes by one or two days.

CN and WC have also made significant service enhancements on traffic that originates in Western Canada and travels over WC to Chicago. On one train in particular, that originates out of Edmonton and terminates in Chicago, CN and WC now route and block the train in such a way as to eliminate one intermediate switch each for CN, WC, and BNSF in Chicago. This service enhancement lessens congestion in the Chicago Terminal and noticeably reduces dwell time for the cars.

The attachments provide data on the progress of the integration, but we briefly elaborate on the data here. In the Benchmarking and Performance Data Report, we provide data on the performance of traffic flows on major routes measured against historical benchmarks. The data demonstrate that the combined CN-WC system continues to improve transit performance in key corridors and provide high quality service to shippers. In addition, our data show that overall trip plan compliance on WC has improved considerably over pre-merger levels.

Similarly, the Average Terminal Dwell Time Report evidences that the weekly overall dwell time averages generally remain steady at the principal yards and terminals identified in the application as potentially affected by the merger.

The combined CN and WC operations in the Chicago Terminal are running smoothly since consummation of the merger. The implementation of the operating plan for Chicago is proceeding well, and we continue to take advantage of operating efficiencies provided by the merger. The merger has increased CN's and WC's ability to

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make direct interchanges in Chicago with other large carriers and eliminate intermediate switching with respect to WC traffic. For example, prior to the merger, WC would run a train from Fond du Lac directly to the Belt Railway (BRC) at Clearing Yard. Post-merger, this train now moves from Fond du Lac via the Indiana Harbor Belt to CN at Broadview, Illinois, where it proceeds to CN's Hawthorne Yard, picks up traffic for the BRC, and then proceeds to Clearing Yard. On the return trip, this train originates from Clearing Yard and drops off traffic for CN at Hawthorne before proceeding to Fond du Lac. This operation eliminates the need for local trains to handle the Hawthorne-Clearing traffic and results in the reduction of two train starts per day. Reducing train starts correspondingly reduces congestion in the Chicago Terminal.

After three months, the CN and WC integration is proceeding well and our customers continue to benefit from this transaction.

Feel free to call me at 514-399-7091 should you have questions.

Yours truly,



Sean Finn
Senior Vice President, Chief Legal Officer
and Corporate Secretary

Encl.

BENCHMARKING AND PERFORMANCE DATA REPORT

DECEMBER, 2001

Pursuant to the Board's order approving the CN-WC merger, CN submits the Benchmarking and Performance Data Report for December, 2001. The attached matrix provides the December, 2000, historical benchmarking data for WC as well as actual performance data for December, 2001. The data reflect flow volumes and average elapsed times for loaded movements on two key WC routes: between Superior and Chicago and between the Fox River Valley and Chicago. In the measurement of average elapsed time for loaded movements, we include time moving in a train and time spent in a yard or terminal under our control.¹

The line segments represent service territories that cover a large volume of traffic and diverse commodity groups. By virtue of this measurement methodology, the data will reflect a large sampling of customers, while at the same time depict performance over a wide area rather than at isolated points. The underlying data are drawn from the waybills.

The Superior Interchange segment extends from interchange at Superior, Wisconsin to Rocky Run, Wisconsin (just west of Stevens Point). The Chicago Interchange segment runs between the Illinois-Wisconsin State Line and interchange in Chicago. This is WC's central corridor.

The Fox River Valley segment includes Neenah to Manitowoc, Neenah to Howard (including Green Bay), Appleton to Shawano, Hilbert to Chilton, Black Creek to Manawa, Appleton to New London and DePere to Denmark. This segment encompasses a concentrated urban area with a good mix of customers. This aggregate

¹ Neither the benchmarks nor the actual performance data include bad order time/time for repair, which are variables not within our control, and in any event are not relevant to measurement of transit performance of trains in WC corridors.

area also represents a significant portion of the business on the WC Division and is off the main line from Superior to Chicago, so the data provide an indication of service performance on parts of WC other than the main Chicago-Superior route.

The performance data indicate that we are performing as well as or better than pre-merger benchmarks on these routes. Average elapsed time has improved since the merger.

As we move forward with the merger, we look to maintain CN's and WC's reputation for providing excellent service to customers. Furthermore, in implementing the operating plan, we shall be looking for and implementing opportunities to expand on this already high level of service.

ORIGIN SEGMENT	DESTINATION SEGMENT	DECEMBER, 2000		DECEMBER, 2001		AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS, DECEMBER, 2001 (IN HOURS)
		CARLOAD BENCHMARK	AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS BENCHMARK (IN HOURS)	CARLOADS FOR DECEMBER, 2001	AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS, DECEMBER, 2001 (IN HOURS)	
SUPERIOR INTERCHANGE	CHICAGO INTERCHANGE	8476	54.1	7380	43.7	
CHICAGO INTERCHANGE	SUPERIOR INTERCHANGE	1697	47.9	1344	35.8	
FOX RIVER VALLEY	CHICAGO INTERCHANGE	2784	59.0	1953	37.9	
CHICAGO INTERCHANGE	FOX RIVER VALLEY	2861	61.8	3864	40.2	

CN-WC Integration reporting

AVERAGE TERMINAL DWELL TIME

Definition

Average Terminal Dwell Time is the average time a car spends within an operating yard from arrival to departure. Measurement of the car dwell time starts with the arrival of the car at the operating yard as a result of a train arrival, transfer from a satellite yard, or interchange received event. The measurement of car dwell within the operating yard stops with the departure of the car as a result of a train departure, transfer to another yard, or interchange delivered event. Excluded from the terminal dwell measures are cars placed in hold, constructive placement, bad order, and stored status following their arrival and prior to their departure from the operating yard.

The figures below are expressed in hours.

Terminal	Historical Average		Week Ending			
	Nov, 2001*	Dec, 2001*	16-Dec-01	23-Dec-01	30-Dec-01	6-Jan-02
Fond du Lac, WI	11.9	13.9	12.0	14.3	18.5	15.4
Stevens Point, WI	8.1	8.9	8.5	7.9	13.8	8.2
Neenah, WI	2.8	2.7	2.6	2.6	2.8	3.1
Pokegama, WI	7.9	8.2	8.4	8.0	9.2	9.2

*The statistics for November and December cover from the first to the last day of each month.