

206936

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December 20, 2002

Via Overnight Delivery

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001



FILED
DEC 23 2002

**SURFACE
TRANSPORTATION BOARD**

Re: Finance Docket No. 34296
Wisconsin Central Transportation Corporation,
Wisconsin Central Ltd. and Fox Valley & Western Ltd. —
Intra-Corporate Family Transaction Exemption

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the Verified Notice of Exemption Pursuant to 49 C.F.R. § 1180.2(d)(3) of Wisconsin Central Transportation Corporation, Wisconsin Central Ltd. and Fox Valley & Western Ltd. dated December 20, 2002. Payment in the amount of \$1,300.00 representing the appropriate fee for this filing is also enclosed.

I have included an extra copy of this transmittal letter and would request that you date-stamp this to show receipt of this filing and return it to me in the envelope provided.

Please feel free to contact me should any questions arise regarding this filing. Thank you for your assistance in this matter.

Respectfully submitted,

Michael J. Barron
Michael J. Barron, Jr.
Counsel for Wisconsin Central Transportation
Corporation, Wisconsin Central Ltd. and
Fox Valley & Western Ltd.

ENTERED
Office of Proceedings

DEC 24 2002

Part of
Public Record

Encls.

FEE RECEIVED

DEC 23 2002

**SURFACE
TRANSPORTATION BOARD**

206936

BEFORE THE
SURFACE TRANSPORTATION BOARD



FILED

DEC 24 2002

**SURFACE
TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34296

WISCONSIN CENTRAL TRANSPORTATION CORPORATION,
WISCONSIN CENTRAL LTD. AND FOX VALLEY & WESTERN LTD. —
INTRA-CORPORATE FAMILY TRANSACTION EXEMPTION

FEE RECEIVED

DEC 24 2002

**SURFACE
TRANSPORTATION BOARD**

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)

ENTERED
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Part of
Public Record

Michael J. Barron, Jr.
Canadian National/Illinois Central
455 North Cityfront Plaza Drive
Chicago, IL 60611-5317
(312) 755-7954

ATTORNEY FOR WISCONSIN CENTRAL
TRANSPORTATION CORPORATION,
WISCONSIN CENTRAL LTD. AND FOX
VALLEY & WESTERN LTD.

Dated: December 20, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34296

WISCONSIN CENTRAL TRANSPORTATION CORPORATION,
WISCONSIN CENTRAL LTD. AND FOX VALLEY & WESTERN LTD. —
INTRA-CORPORATE FAMILY TRANSACTION EXEMPTION

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)

Wisconsin Central Transportation Corporation (WCTC), Wisconsin Central Ltd. (WCL) and Fox Valley & Western Ltd. (FVW) hereby file this Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(3) for the intra-corporate family merger of FVW into WCL. Upon completion of the proposed transaction, FVW will cease to exist as an entity and all of its assets, rights, obligations, and responsibilities will be in the name of WCL.

Pursuant to 49 C.F.R. § 1180.4(g), WCL and FVW submit the following information:

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

WCL and FVW are Class II common carriers by rail and are both wholly-owned subsidiaries of WCTC. WCTC's stock is wholly owned by Grand Trunk Corporation, a subsidiary of Canadian National Railway Company (See STB Order served September 7, 2001 in Finance Docket No. 34000).

WCL operates approximately 1,800 route miles in Wisconsin, Michigan, Illinois and Minnesota. WCL started operations in 1987 when it purchased the assets of the Lake States

Division of the Soo Line Railroad. FVW operates approximately 350 route miles entirely in Wisconsin primarily in the Fox River Valley, with one line extending from eastern Wisconsin to the Mississippi River at East Winona. FVW began operating in 1993 when it acquired a number of rail assets of Iteq Corporation. From the beginning of its operations, FVW has been a wholly-owned subsidiary of WCTC and has coordinated its operations with those of WCL so that they operate as a single system. WCTC is a holding company that owns, besides WCL and FVW, the Sault Ste. Marie Bridge Company (located in Michigan and Wisconsin) and Wisconsin Chicago Link Ltd. (located in Illinois).

The parties intend that FVW shall be dissolved into WCL, leaving WCL as the remaining entity. WCL will continue to be a wholly-owned subsidiary of WCTC.

The merger of FVW into WCL is a transaction within a corporate family that will not result in adverse changes in service levels, significant operational changes, or any change in the competitive balance between WCL/FVW and carriers outside of the WCL's and FVW's corporate family.

The full names and address of the applicants herein are as follows:

Wisconsin Central Transportation Corporation
Wisconsin Central Ltd.
Fox Valley & Western Ltd.
6250 North River Road, Suite 9000
Rosemont, IL 60018

Any questions concerning this Notice or the proposed transaction should be sent to the representative of WCTC, WCL and FVW at the following address:

Michael J. Barron, Jr.
Canadian National/Illinois Central
455 North Cityfront Plaza Drive
Chicago, IL 60611-5317
(312) 755-7954

Proposed Time Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

The parties intend to consummate the proposed intra-corporate family transaction no earlier than December 31, 2002.

Purpose Sought to be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The merger of FVW and WCL—two connecting Class II carriers operating entirely within the same geographic area—will simplify the corporate structure, and streamline accounting, finance, and management functions. The merger will simplify the process of integration of Canadian National's information technology systems into the Wisconsin Central system. (Please note various oversight reports filed in Finance Docket No. 34000.)

States in Which Applicants' Property is Located: 49 C.F.R. § 1180.6(a)(5)

WCTC is a holding company whose railroads own and operate property in the States of Wisconsin, Michigan, Illinois and Minnesota. WCL owns and operates rail property located within the States of Wisconsin, Michigan, Illinois and Minnesota. FVW owns and operates rail property entirely within the State of Wisconsin.

Map – Exhibit 1: 49 C.F.R. § 1180.6(a)(6)

A map showing the rail lines of WCL and FVW is attached hereto as Exhibit 1.

Agreement – Exhibit 2: 49 C.F.R. § 1180.6(a)(7)(ii)

In order to effectuate this transaction, WCTC shall convey ownership of FVW to WCL pursuant to the consent of the Board of Directors of FVW and an exchange agreement between WCL and FVW. Immediately thereafter, FVW will be dissolved into WCL pursuant to a liquidation agreement between WCL and FVW. The proposed consent of the FVW Board of

Directors, the proposed exchange agreement, and proposed liquidation agreement are attached hereto as Exhibit 2.

Level of Labor Protection: 49 C.F.R. § 1180.4(g)(1)(i)

No adverse impact on any employee is anticipated as a result of the merger. If an adverse impact should occur, however, the level of labor protection would be that imposed in *New York Dock—Control—Brooklyn Eastern District Terminal*, 360 I.C.C. 60, aff'd sub nom. *New York Dock Ry. v. United States*, 609 F.2d 83 (2nd Cir. 1979).

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2)(i), the proposed transaction is exempt from environmental reporting requirements. This transaction will not result in significant changes in carrier operations, i.e., changes that would exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(2) and (3), the proposed intra-corporate transaction involving WCTC, WCL and FVW also is exempt from historic preservation reporting requirements.

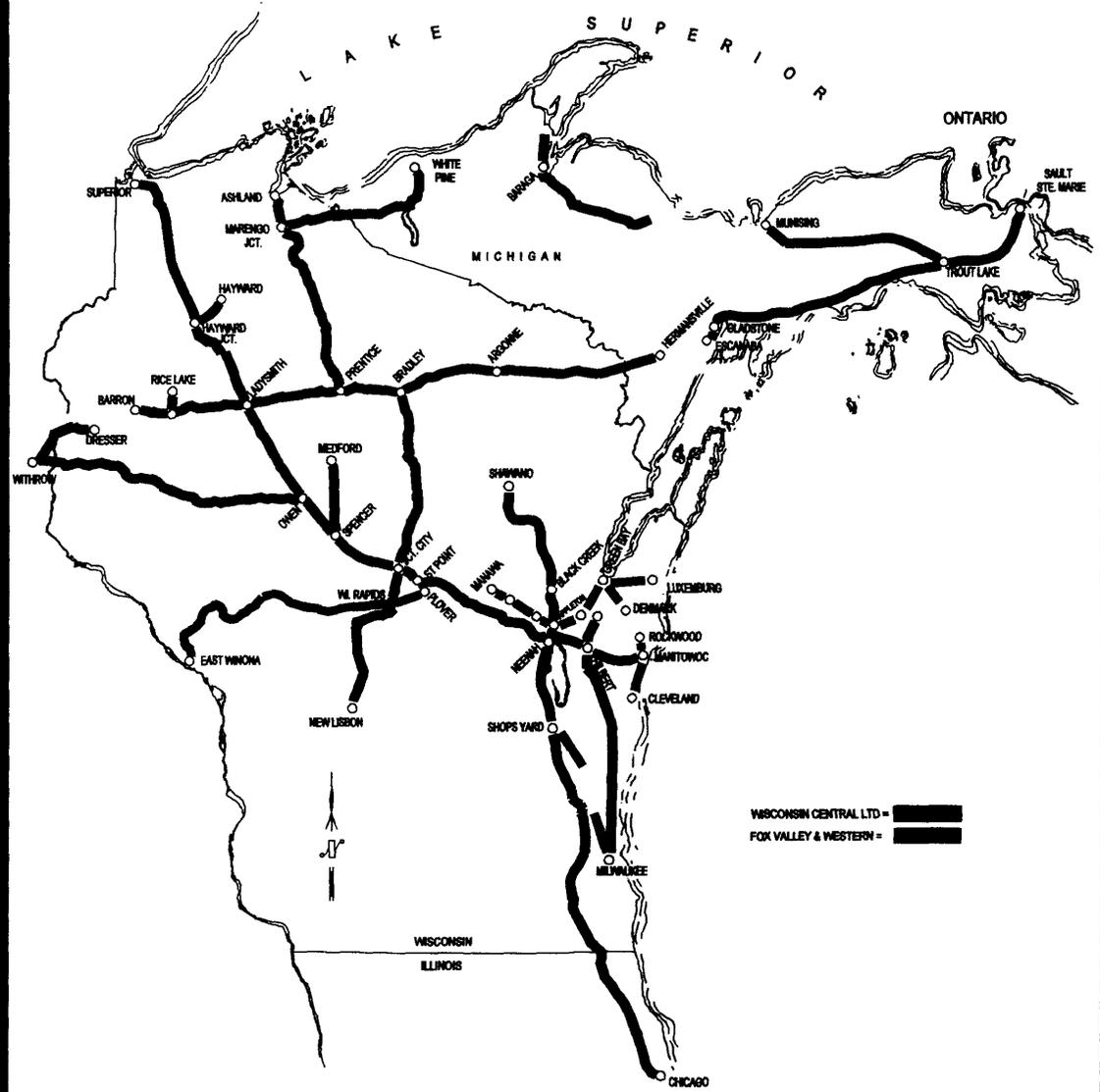
Respectfully submitted,

By: 
Michael J. Barron, Jr.
Canadian National/Illinois Central
455 North Cityfront Plaza Drive
Chicago, IL 60611-5317
(312) 755-7954

ATTORNEY FOR WISCONSIN CENTRAL
TRANSPORTATION CORPORATION,
WISCONSIN CENTRAL LTD. AND FOX
VALLEY & WESTERN LTD.

Dated: December 20, 2002.

Exhibit 1



WCL & FWW

**CONSENT OF THE BOARD OF DIRECTORS OF
FOX VALLEY & WESTERN LTD.**

In accordance with the provisions of the Illinois Business Corporation Act of 1983, as amended, the undersigned, being all of the directors of Fox Valley & Western Ltd., an Illinois corporation (the "Corporation"), do hereby adopt the following resolutions for and on behalf of the Corporation as of the date set forth below:

APPROVAL OF SHARE EXCHANGE TRANSACTION

WHEREAS, the Board of Directors of the Corporation (the "Board of Directors") deems it to be desirable and in the best interests of the Corporation and its sole shareholder, Wisconsin Central Transportation Corporation, a Delaware corporation ("Shareholder"), that Wisconsin Central Ltd., an Illinois corporation ("Wisconsin Central"), acquire all of the issued and outstanding shares of the Corporation, with Wisconsin Central being the sole shareholder of the Corporation after the consummation of the Share Exchange (as defined below);

WHEREAS, the appropriate officers of the Corporation have determined that the acquisition by Wisconsin Central of all of the issued and outstanding shares of the Corporation shall be effected through a statutory or other share exchange upon the terms and conditions set forth in the Agreement and Plan of Exchange (the "Exchange Agreement") between the Corporation and Wisconsin Central which is attached hereto as **Exhibit A** (the "Share Exchange");

NOW THEREFORE, BE IT RESOLVED, that the Share Exchange and the Exchange Agreement, be, and they hereby are, approved and adopted;

FURTHER RESOLVED, that the officers of the Corporation are directed to submit the foregoing resolutions to a vote of at a special meeting of the shareholders of the Corporation, and such resolutions shall not be effective unless approved by the holders of two-thirds of the outstanding shares of the Corporation;

FURTHER RESOLVED, that the appropriate officers of the Corporation be, and they hereby are, authorized and directed to execute and deliver, in the name and on behalf of the Corporation, the Exchange Agreement and such ancillary documents and agreements as are necessary or appropriate to effectuate the Exchange, (the Exchange Agreement and such ancillary documents and agreements as are necessary or appropriate to effectuate the Share Exchange, collectively, the

“Exchange Documents”);

FURTHER RESOLVED, that in accordance with the terms and conditions of the Exchange Documents, at the Effective Time (as defined in the Exchange Agreement), all shares of the Corporation, such shares being all of the issued and outstanding shares of the Corporation held by the Shareholder, shall be exchanged for shares of Wisconsin Central; and

FURTHER RESOLVED, that upon satisfaction or waiver of all of the conditions to the Share Exchange and upon approval of the shareholders of the Corporation, the appropriate officers of the Corporation are hereby authorized and directed to execute and file where appropriate any necessary documentation and to do such other acts as may be necessary to file any documents as may be necessary or appropriate with the Secretary of State of the State of Illinois and effectuate the intent of the aforementioned resolutions.

GENERAL MATTERS

FURTHER RESOLVED, that the appropriate officers of the Corporation be, and they hereby are, authorized and directed to execute and deliver any and all additional documents necessary to effectuate the intent of the foregoing resolutions, the execution of such documents by such officers being a definitive determination of the necessity and appropriateness thereof, and further, that such officers are hereby authorized to do any and all such acts and deeds as they or counsel for the Corporation deem appropriate or necessary to effectuate the intent of the foregoing resolutions; and

FURTHER RESOLVED, that the officers of the Corporation authorized to act under the above resolutions are the Chief Executive Officer, the President, any Vice President and the Secretary or any Assistant Secretary, and such officers are authorized and directed to execute, deliver and perform the aforementioned documents on behalf of the Corporation, with such terms and provisions in addition to but consistent with these resolutions as the officers so executing or so performing shall deem necessary or advisable, their authority to act under these resolutions being conclusively evidenced by their execution and delivery of such documents or such performance, and such officers be, and hereby are, authorized and directed to take such other actions and execute and deliver such other instruments and documents as they deem necessary or advisable to effect the Share Exchange and the intent of the foregoing resolutions, and all actions taken under these resolutions by the Corporation’s officers in connection with the Share Exchange are hereby ratified, approved and confirmed as acts of the Corporation.

IN WITNESS WHEREOF, the undersigned, being all of the directors of the Corporation, have executed these presents and direct that the executed copy thereof be filed with the corporate records of the Corporation effective as of the 30 day of December, 2002.

Paul M. Tellier

E. Hunter Harrison

Sean Finn

Gordon T. Trafton II

AGREEMENT AND PLAN OF EXCHANGE

THIS AGREEMENT AND PLAN OF EXCHANGE (this "Agreement"), is made and entered into as of December 31, 2002, between Wisconsin Central Ltd., an Illinois corporation ("Wisconsin Central"), and Fox Valley & Western Ltd., an Illinois corporation ("Fox Valley").

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, the parties hereto agree as follows:

RECITALS

ARTICLE I

SHARE EXCHANGE

1.1 Acquisition by Wisconsin Central of All of the Shares of Fox Valley. In accordance with the terms of this Agreement, all of the outstanding shares of Fox Valley shall be acquired by Wisconsin Central through a share exchange (the "Exchange") by and between Wisconsin Central and Fox Valley.

1.2 Effective Time of the Exchange. The Exchange shall become effective as of the date hereof or as of such other date as may be required by Illinois law (the "Effective Time").

1.3 Exchange of Stock. As promptly as practicable after the Effective Time, the shareholder of Fox Valley shall surrender its certificate or certificates representing shares of common stock, no par value per share, of Fox Valley ("Fox Valley Common Stock") to the Corporate Secretary of Fox Valley, and shall receive in exchange for every one (1) share of Fox Valley Common Stock so surrendered, by virtue of the Exchange and without any further action by Wisconsin Central or Fox Valley, the holder of such share or any other person, one (1) fully paid and nonassessable share of common stock, no par value per share, of Wisconsin Central ("Wisconsin Central Common Stock").

1.4 Further Assurances. If, at any time after the date hereof, Wisconsin Central shall determine or be advised that any other actions or things are necessary or desirable to carry out the purposes of this Agreement, each of Fox Valley and its officers and directors shall cooperate from time to time to take and do all such other actions and things, including the execution, delivery and filing of any documents, as may be necessary or desirable to carry out to the purposes of this Agreement.

ARTICLE II

GENERAL PROVISIONS

2.1 **Amendment.** This Agreement may be amended by the parties hereto any time before or after approval hereof by the shareholders of Wisconsin Central and Fox Valley, but after such approval, no amendment shall be made which by law requires the further approval of such shareholders without obtaining such approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

2.2 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

2.3 **Governing Law.** This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of Illinois.

[The remainder of this page is intentionally left blank.]

[Signature page follows.]

IN WITNESS WHEREOF, this Agreement and Plan of Exchange is hereby executed on behalf of each of the parties hereto.

WISCONSIN CENTRAL LTD.,
an Illinois corporation

Signature: _____
Print Name: _____
Title: _____

FOX VALLEY & WESTERN LTD.,
an Illinois corporation

Signature: _____
Print Name: _____
Title: _____

AGREEMENT AND PLAN OF LIQUIDATION

This AGREEMENT AND PLAN OF LIQUIDATION is made as of this 31st day of December, 2002 (the "Effective Date"), by and between Wisconsin Central Ltd. (the "Shareholder") and Fox Valley & Western Ltd., an Illinois corporation (the "Company").

WHEREAS, the Shareholder is the sole shareholder of the Company and has by written consent approved, authorized, and consented to the voluntary liquidation and dissolution of the Company in accordance with Sections 331, 336, 346 and 453B(h) of the Internal Revenue Code of 1986, as amended, and in accordance with the Business Corporation Act of the State of Illinois, as amended (the "Act").

NOW, THEREFORE, the parties hereto hereby agree as follows:

Section 1. Authorization and Consent. As evidenced by the separate written consent of the Shareholder, the sole shareholder of the Company has approved, authorized, and consented to the voluntary liquidation and dissolution of the Company, such liquidation and dissolution to be effected as promptly as possible and in no event later than twelve (12) months after the Effective Date hereof and in accordance with the plan of liquidation set forth in this Agreement.

Section 2. Liquidation and Winding Up. Following the Effective Date, the officers of the Company shall be authorized to wind up the affairs of the Company, to sell or otherwise to dispose of its assets, to pay or to provide for payment of its liabilities, to establish one or more reserves in a reasonable amount or amounts to meet known liabilities and liquidating expenses and estimated unascertained or contingent liabilities or expenses, and to distribute to the sole shareholder of the Company, in cash or in kind and in complete redemption of its stock, all assets (which may be subject to liabilities) of the Company after paying or providing for payment of its liabilities and establishing such reserves. After the Effective Date, the Company shall cease to carry on its business except and to the extent necessary for the sale of its assets, for the preservation of its assets pending sale, and for the proper winding up of the Company pursuant to the Act. The Company shall distribute to the sole shareholder of the Company, in cash or in kind and in one or more distributions in complete liquidation of the Company, as expeditiously as reasonably practicable, that portion that the officers may approve, of Company assets (which may be subject to liabilities) remaining after such sales and after payment or provision for payment of claims, obligations, liabilities, debts, and expenses. Without further shareholder action, liquidating distributions shall be made in such amounts, upon such dates, and in such manner, consistent with the provisions of this Plan, as the officers shall determine. Any partial distribution shall be one of a series of two or more distributions in complete liquidation of the Company; provided, however, that all distributions made by the Company shall be made within the twelve-month period following the Effective Date hereof.

Section 3. Articles of Dissolution. The sole shareholder hereby authorizes the officers of the Company to file Articles of Dissolution with the Secretary of State of the State of Illinois and to take all other action necessary or desirable to dissolve the Company under the laws of the State of Illinois upon the completion of the distributions of the Company's assets, the payment of its debts, and the winding up of its affairs. Such filing and such actions shall cause

the dissolution of the Company to occur no later than twelve (12) months following the Effective Date hereof.

[The remainder of this page is intentionally left blank.]

[Signature page follows.]

IN WITNESS WHEREOF, the duly authorized officers of the Company and the shareholders have executed this Agreement and Plan of Liquidation as of the Effective Date.

**FOX VALLEY & WESTERN LTD.,
an Illinois corporation**

By: _____
Name: _____
Title: _____

SHAREHOLDER:

**WISCONSIN CENTRAL LTD.,
an Illinois corporation**

By: _____
Name: _____
Title: _____

VERIFICATION

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS:

Marty J. Mickey, being duly sworn, deposes and says that he is the Treasurer of Wisconsin Central Ltd. and Fox Valley & Western Ltd., that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that to the best of his knowledge, information and belief, the same are true as stated.


Marty J. Mickey
On behalf of Wisconsin
Central Transportation
Corporation, Wisconsin
Central Ltd., and Fox
Valley & Western Ltd.

SUBSCRIBED AND SWORN
to before me this 17th day of
December, 2002


Notary Public

