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I. VERIFIED STATEMENTS

VERIFIED STATEMENT
OF
JOSEPH CHAVARRIA

My name is Joseph Chavarria. I am Account Manager, Bulk Products, for Canadian National Railway Company and its rail carrier subsidiaries in the United States (together, “CN”). I am responsible for marketing CN rail service for transportation of coal to two coal-burning power plants operated by the Wisconsin Public Service Corporation (“WPSC”): Weston Generating Station, near Wausau, Wisconsin, and Pulliam Station, at Green Bay, Wisconsin. CN has asked me to submit this verified statement in response to WPSC’s Comments and Request for Conditions (“WPS-4”) filed in this proceeding on January 28, 2008.

The Pulliam plant can receive rail service only from CN, and it would continue to be exclusively served by CN after implementation of the proposed CN/EJ&EW Transaction. The Weston plant, on the other hand, can be served by either CP or CN, and would continue to receive two-railroad competition after implementation of the Transaction.

CN currently transports coal to the Weston and Pulliam plants pursuant to a contract that it negotiated with WPSC and that went into effect on January 1, 2008. That contract requires WPSC to use CN to transport **REDACTED**

REDACTED

REDACTED. Under the contract, CN now receives unit coal trains at Leithton, Illinois, from BNSF (which uses trackage rights over EJ&E between Eola and Leithton, Illinois, to move the trains to the interchange point at Leithton. CN then delivers the trains to Weston and Pulliam, using its Waukesha Subdivision for the first

part of the movement north of Leithton.

REDACTED

The contract was the product of arm's-length negotiations between the parties. CN's position as the sole railroad serving Pulliam gave it certain advantages in those negotiations, but Pulliam only consumes about one third of the total coal used by the two plants, so that CN's motivation to obtain REDACTED at least some of the coal traffic to Weston gave other advantages to WPSC.

WPSC's witness David J. Wanner states that WPSC "has been experiencing service problems on the CN lines North of Leithton, IL to Weston and Pulliam" and "remains very concerned that the Transaction may produce traffic flow congestion problems on those lines." WPSC-4, Verified Statement of David J. Wanner at 9 ("Wanner V.S."). Mr. Wanner does not explain the nature or extent of the "service problems," so I can only guess what it may be referring to. I can say, however, that such problems as there have been since the current contract took effect probably have much to do with the challenges of providing rail service in Wisconsin during the winter, when temperatures have fallen regularly below 0 degrees Fahrenheit. CN works diligently to meet those challenges, and nothing about the acquisition of EJ&EW would alter the nature of those challenges or of CN's response to them. Moreover, I am puzzled by Mr. Wanner's concern that the Transaction may increase congestion on the line north of Leithton; although CN expects that the CN/EJ&EW Transaction will make it possible

for traffic coming from Wisconsin to Leithton to move more quickly past Chicago than it present, the Transaction is projected to have a minimal impact on traffic on CN's lines between Wisconsin and Leithton. As Attachment A.1 to the Operating Plan indicates, CN anticipates the addition of a maximum of 1,488 tons per day (which amounts to less than 50 cars a year) on CN's line between Leithton and Ranier as a result of the Transaction. CN-1 at 246.¹

¹ Thus, Mr. Wanner is simply wrong when he says that "CN's Application does not contain traffic change information concerning those lines" (Wanner V.S. at 9).

VERIFICATION

I, Joseph Chavarria, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 13, 2008.


Joseph Chavarria

VERIFIED STATEMENT
OF JAMES H. DANZL

My name is James H. Danzl. I am General Manager-Marketing and Raw Material Transportation for Elgin, Joliet and Eastern Railway Company (“EJ&E”). In the Transaction that is the subject of the Application in this proceeding, EJ&E intends to sell all of the stock of EJ&E West Company (“EJ&EW”), a new entity to which EJ&E intends to transfer all of its rail assets located west of Buchanan Street in Gary, IN, to Grand Trunk Corporation, a subsidiary of Canadian National Railway Company (together with its rail carrier subsidiaries, “CN”). If the Transaction is approved, EJ&E will retain ownership of the track directly serving the Gary Works of United States Steel (“USS”), and will change its name to Gary Railway. Gary Railway will serve four shippers other than USS, including the ArcelorMittal plate mill, located within Gary Works.¹ ArcelorMittal’s Indiana Harbor West and Indiana Harbor East facilities, in East Chicago, IN, are presently served by both IHB and EJ&E; after the Transaction they would be served by IHB and EJ&EW (which would be a CN subsidiary).

CN has asked me to submit this statement to respond the claims and arguments made by ArcelorMittal, in its comments (ARCM-2) filed in this proceeding. In those comments, ArcelorMittal claims that it is concerned that Gary Railway will lack “incentive to provide good service to the Gary Plate mill” ARCM-2 at 5, that CN will “lack . . . interest in or focus on local rail customers such as ArcelorMittal” or “incentive to provide competitive service,” *id.* at 4, and CN might alter its status quo regarding its

¹ In this statement, I use “ArcelorMittal” to refer collectively to ArcelorMittal USA Inc., ArcelorMittal Burns Harbor LLC, ArcelorMittal Indiana Harbor LLC (formerly known as ArcelorMittal Indiana Harbor Inc.), ArcelorMittal Kote Inc., ArcelorMittal Tek Inc., ArcelorMittal Hennepin Inc., and ArcelorMittal Riverdale Inc., which filed joint comments regarding the Transaction.

current service from EJ&E in any of a number of ways, *id.* at 5. These concerns, ArcelorMittal argues, justify the imposition of wide-ranging conditions on the Board's approval of the proposed Transaction.

I am surprised by the suggestion that, after consummation of the Transaction, "Gary Railway will be focused on the needs of U.S. Steel and have no incentive to provide good service to the Gary Plate mill." *Id.* at 5. ArcelorMittal appears to believe that Gary Railway will fail to devote attention to ArcelorMittal's needs if it is required to serve its parent, USS, and four other shippers. ArcelorMittal does not explain how EJ&E is more able to focus on ArcelorMittal's needs now, when ArcelorMittal is only one out of "dozens of shippers," *id.* at 5, than it will (as Gary Railway) when ArcelorMittal is one of only five shippers. In addition, EJ&E today serves not only the Gary Plate mill, but also the Indiana Harbor complex, which manufactures products that compete directly with those manufactured by USS, EJ&E's parent, at Gary Works. Today EJ&E services ArcelorMittal's Gary and Indiana Harbor plants, and ArcelorMittal has not raised any service concerns. Going forward, Gary Railway will only service the ArcelorMittal Gary plate mill, so a concern for conflict should be reduced, not expanded. In fact, Gary Railway will have every incentive to provide good service to ArcelorMittal after the Transaction, just as it does today. Like any railroad, it will have high fixed costs, and thus has an incentive to maximize a revenue stream in order to cover its fixed costs. Neglecting one of its five customers cannot do that. Gary Railway will follow the same standard operating procedures (ISO SOP) in servicing the ArcelorMittal plate mill that EJ&E does today, to the apparent satisfaction of ArcelorMittal.

ArcelorMittal's request for a condition granting trackage rights to its SCIH subsidiary is one that has nothing to do with any effects of this Transaction. Before the Transaction was announced, ArcelorMittal had made this request repeatedly of EJ&E, and had repeatedly been turned down. As we have explained to ArcelorMittal, EJ&E's labor agreements do not permit it to enter the kind of trackage rights agreement it has requested. ArcelorMittal's request that the Board impose those trackage rights is simply an attempt to use the leverage of the Board's conditioning power to address a pre-exiting commercial situation upon which the Transaction will have no adverse effects.

VERIFICATION

I, James H. Danzl, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 13, 2008.


James H. Danzl

VERIFIED STATEMENT
OF
DAVID M. GEVAUDAN

I. INTRODUCTION AND QUALIFICATIONS

I am employed by Elgin, Joliet & Eastern Railway Company (“EJ&E”) as General Manager – West with operating responsibility for EJ&E, the Delray Connecting Railroad, and the Texas Northern Railroad. I began my railroad career as a track laborer in 1973 with the Union Railroad, a Transtar Company railroad, and have advanced through several positions of increased responsibility with current and former Transtar Company railroads, *i.e.*, Union Railroad, Lake Terminal Railroad, Bessemer and Lake Erie Railroad, Birmingham Southern Railroad, and EJ&E. I have held positions in Engineering, Asset Management, Labor Relations, and Transportation. I hold a Bachelor’s Degree in Business Administration from Robert Morris University. In my present capacity I have been the principal contact of EJ&E with Gary/Chicago International Airport Authority (“the Airport”) with respect to the Airport’s proposed runway expansion project. The purpose of this statement is to describe the background facts concerning EJ&E’s line adjacent to the Airport and the course of EJ&E’s discussions with the Airport.

II. HISTORY OF EJ&E LINE AND THE AIRPORT

EJ&E’s railroad line in question was built in 1908 at its present location. Since then it has been elevated on earth, fill and bridge structures that, where it adjoins what is now the Airport’s property, is approximately 22 feet above the level of the adjacent ground.

The Airport was built next to the EJ&E line where that line is currently located. According to the Airport, aviation operations began in 1949, after construction of the runways, and the runways were periodically extended thereafter.

III. NEED FOR RELOCATION OF EJ&E LINE

According to the Federal Aviation Authority (“FAA”), it determined that relocation of the EJ&E line was necessary in the 1970s (after the Airport had extended Runway 12-30).¹ More recently, FAA has adopted safety standards with which it says Runway 12-30, as presently configured, does not comply.² In addition, FAA deems Runway 12-30 too short (7,000 feet) to accommodate the passenger and other aircraft activity planned for the Airport.³

The Airport has determined that relocation of the EJ&E rail line is the best way of achieving its goals.⁴ EJ&E’s consent, however, is required for the relocation.

¹ Federal Aviation Administration, Department of Transportation, Draft Environmental Impact Statement for Master Plan Development Including Runway Safety Area Enhancement/Extension of Runway 12-30, and Other Improvements, Gary/Chicago International Airport, Gary, Indiana at 2-7 (Apr. 2004) (“Airport DEIS”).

² Airport DEIS at ES-6, 2-2 through 2-6.

³ Great Lakes Region, Federal Aviation Administration, Department of Transportation, Record of Decision for Proposed Master Plan Development Including Runway Safety Area Enhancement/Extension of Runway 12-30, and Other Improvements at Gary/Chicago International Airport, Gary, Indiana at 4-4 (Mar. 2005), *available at* http://www.faa.gov/airports_airtraffic/airports/environmental/records_decision/media/rod_gary.pdf.

⁴ Airport DEIS at 3-5 through 3-12. One alternative that would satisfy FAA safety standards would be to shorten the runway, perhaps to its length before it was extended in the 1970s, but that alternative would evidently not permit use of the Airport by corporate operators and air service operators who have been using it. Airport DEIS at 3-9.

IV. NEGOTIATIONS WITH EJ&E

In approximately 1994, the Airport first approached EJ&E with discussions about a relocation of the EJ&E rail line. EJ&E was willing to try to accommodate the Airport's needs, but such a change could not impair railroad operations, had to be safe, and would of course have to be at the Airport's expense.

EJ&E and the Airport have been in negotiations for several years. While EJ&E agrees in principle to relocation, the parties have not yet been able to reach agreement as to the terms of the relocation, which is a complex matter. From EJ&E's standpoint, such an agreement would have to:

1. Address operational and safety problems presented by the Airport's preferred design (primarily relating to curvature of new wye track, grade of relocated rail line, and safety and liability issues associated with new grade crossings).
2. Provide compensation to EJ&E for additional operating costs related to the relocated route (which could take the form, *e.g.*, of a one-time payment).⁵

The Airport's proposal for its preferred design would not satisfy these requirements. For example, the Airport's proposal would put roadways to its main entrance at grade across four mainline tracks of several different railroads, two of which tracks are presently above grade, with a significant traffic volume estimated in the vicinity of 80 trains per day. The Airport's preferred design would also require agreement with CSXT and NS, whose lines immediately to the north of the Airport

⁵ The Airport incorrectly claims that "EJ&E has unreasonably requested reimbursement in perpetuity for additional fuel used for their trains to traverse the 5,263 feet of additional track in the relocation plan," as stated in the Airport's comments (pp. 1-2).

would also be affected. The Airport's discovery responses confirm that such agreements have not been reached.

The Airport asserts that the proposed reroute that was the subject of FAA's environmental review and record of decision "was designed with the review and general approval by the EJ&E." Airport Comments at 3.⁶ That is incorrect if it means anything other than that EJ&E agreed in principle to a relocation of its lines, without committing itself to the Airport's particular location or design preferences. In fact, EJ&E has never agreed to any of the Airport's design alternatives.

The two numbered issues above have complicated the negotiation process, because the Airport appears to be unwilling to modify the relocation design in any way that could require additional cost or further environmental analysis.

EJ&E, with CN's cooperation, has continued its negotiations with the Airport. The Airport appears to recognize the need for grade and curvature limits. However, there are still a number of difficult issues to work out (including, but not limited to, at-grade separation, technical details of track geometry, and compensation).

Although CN shares EJ&E's concerns about the Airport's proposals, its involvement has not adversely impacted negotiations or been the reason why the Airport and EJ&E have not reached agreement.

EJ&E and Applicants continue to be willing to negotiate with the Airport so as to try to work out a solution that meets the Airport's basic needs for successful future operations while not materially interfering with efficient and safe operations of the EJ&E

⁶ Page citations to the Airport's comments are to the unnumbered pages in order.

railroad line that for a century has been operating in close proximity to where the Airport was later built.

VERIFICATION

I, David M. Gevaudan, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 13, 2008.


David M. Gevaudan

JOINT VERIFIED STATEMENT
OF
ROBERT T. HOLMSTROM
AND
PAUL E. LADUE

We are:

- Robert T. Holmstrom, CN's representative on the Chicago Transportation Coordination Committee (CTCO), a group that was formed in 2000 to help the rail carriers in Chicago manage movements through the Chicago terminal area and minimize rail congestion. I am also CN's representative on the CREATE Project's Chicago Planning Group (CPG). I have worked for CN since 1968 in several senior operational positions. I am one of the original designers of the CREATE Program and knowledgeable of its history, progress and current status, and about Amtrak service over CN lines.
- Paul E. Ladue, Region Director Contracts & Administration and CN's National Railroad Passenger Corporation (NRPC) Officer. In these positions, I am responsible for CN contracts permitting Amtrak to operate on CN, including Amtrak's agreement to operate to and from Chicago's Union Station over CN's St. Charles Airline route.

In comments filed in this proceeding on January 28, 2008, Amtrak stated that it opposes CN's proposed acquisition of the major portion of the Elgin, Joliet & Eastern Railway (EJ&E) absent conditions by the Surface Transportation Board (STB) that would require CN to preserve its St. Charles Airline route ("Air Line route") at current operating standards and at no additional cost to Amtrak or the State of Illinois (which funds a portion of Amtrak's service), until such time that an alternative routing via Grand Crossing is complete and operational.¹ Amtrak uses the Air Line route to access

¹ The Air Line route that Amtrak refers to is an 11-mile segment comprised of: (1) the St. Charles Airline itself, a 0.7-mile east-west segment in downtown Chicago (SCAL); (2) the western approach to the SCAL from the NS/Amtrak diamonds at 21st; and (3) the line extending south from the eastern end of the SCAL to 94th Street. Should the STB approve CN's application, CN expects to relocate its operations off of the Air Line route

Chicago's Union Station for passenger service to and from downstate Illinois points such as Champaign and Carbondale.

CN has subsequently committed to Amtrak that it may remain on the Air Line route indefinitely, until the Grand Crossing routing or another alternative acceptable to it is available, at costs to be capped at their current level (adjusted only for inflation pursuant to the formula contained in the current CN/Amtrak agreement) and at the level of operating utility that Amtrak currently enjoys. *See* Letter of E. Hunter Harrison to Senator Richard Durbin, February 14, 2008; Letter of E. Hunter Harrison to Amtrak President Alex Kummant, March 10, 2008 (Exhibit A). Those commitments satisfy the conditions that Amtrak has requested in its January 28, 2008 comments filed with the STB. We believe these positive developments resolve the primary concerns of Amtrak and its supporters. Nonetheless, as a number of parties have argued that CN should also be required to help fund a new Grand Crossing connection for Amtrak's use or have suggested that CN's proposed acquisition of the major lines of the EJ&E would undermine CREATE, we wish to address those issues.

Contrary to Amtrak's assertions, construction of a "Grand Crossing Route," and particularly that of a Grand Crossing connection itself that would enable Amtrak to re-route its service over to NS's Chicago line, is threatened neither by CN's decision "to withdraw its funding commitment to CREATE," nor by "CN's plans to acquire [EJ&E] and reroute its trains over [EJ&E]'s lines instead." Amtrak Comments, at 4; Franke V.S., at 3, 9, 11-12. Plans for terminating rail operations along the Air Line route, long a City of Chicago goal, date back to the 1980s, before the CREATE Project was conceived.

to the EJ&E, which is not likely to fully occur until the end of 2011. At such time, Amtrak would likely be the sole remaining user of the 11-mile segment.

Indeed, the current agreement between CN and Amtrak, dated February 1, 1995 and running through January 31, 2010, recognizes the potential for a connection to the NS line in the vicinity of Grand Crossing, with Amtrak agreeing that should such a connection be constructed during the agreement's term, it would re-route its passenger trains via that connection and waive its rights to operate over CN's Air Line route north of 83rd Street. *See Agreement Between National Railroad Passenger Corporation and Illinois Central Railroad Company, February 1, 1995, Sec. 4.1, at 10-11 (Exhibit B).* CN has never committed itself or been responsible for making a financial contribution to a connection at Grand Crossing or any other facilities that would enable Amtrak to re-route its passenger service.

Neither did CN make any such commitment as part of the CREATE Project. CREATE was envisioned as a public/private infrastructure initiative to reduce rail and highway congestion, improve rail passenger service, enhance public safety, promote economic development, create jobs, improve air quality, and reduce noise from idling or slow-moving trains. On June 14, 2003, when the Association of American Railroads (representing participating railroads including CN and Amtrak), the Illinois Department of Transportation, and the Chicago Department of Transportation entered into a Joint Statement of Understanding (JSOU) initiating the project, it was estimated that CREATE would cost approximately \$1.53 billion, with the rail participants collectively to contribute \$232 million to pay for the estimated railroad benefits of the Project, and the remaining \$1.3 billion to be funded from federal, state and local sources to pay for the Project's public benefits. JSOU, Art. II, Sec. 6 (Exhibit C).

The JSOU recognized, as an important part of CREATE, the City of Chicago's interest in the termination of CN's rail operations through the City along CN's line over the SCAL and certain related connecting properties along the Air Line route and its eventual acquisition by the City for development purposes. JSOU, Art. II, Sec. 15. The parties thus provided in CREATE for the construction of a new line for CN as part of what is called the Central Corridor. As the only railroad that would be required to relocate its operations to a new route, it was well accepted that CN's contribution to CREATE was to be solely committed to the rail assets (rail, ties, ballast, and signals) to construct the route. *See e.g.*, JSOU, Art. II, Sec. 7. All other aspects and components making up the entire Central Corridor, and the Grand Crossing connection and other improvements, were to be funded from federal, state, and local sources. Nor was the connection at Grand Crossing ever viewed as dependent on CN's Central Corridor route. Indeed, the planned connection from CN to NS via Grand Crossing was an independent CREATE component long before CN ever agreed to join CREATE and construct a new Central Corridor route.²

The JSOU, as well as the May 6, 2003 Memorandum of Understanding (MOU) among the participating railroads (Exhibit D), provided that the railroads' financial contribution and their participation in CREATE were dependent upon full authorization and availability of the public funds required for the Project. JSOU, Art. II, Sec. 6; MOU, Sec. 3(c), 4(c). To implement CREATE, it was expected that approximately \$900 million-\$1 billion in federal funds would be required.

² While the JSOU technically lists CN as the responsible entity for Grand Crossing, that is for design and construction purposes only, not financially. Grand Crossing is designated P-4, a passenger project component, and it is well accepted that P-4 is an Amtrak component.

In 2005, however, in the SAFETEA-LU legislation, Congress authorized only \$100 million (eventually reduced to \$86 million in the appropriation process). The parties to CREATE nonetheless agreed in August 2006 to use the limited federal funds, along with certain railroad and state funds, to attempt to move forward with an abbreviated implementation of CREATE with Project components along the Beltway and Western Avenue Corridors. *See* Fourth Amendment to the carriers' MOU (Exhibit E). Because CN funds were committed solely to the Central Corridor and because the components to be implemented would not benefit CN, the amended MOU excludes CN as a financial contributor for this limited CREATE phase. While the IDOT and CDOT agreed in principle to proceed in this manner, a complementary amendment to the JSOU has not been executed as yet.

Concerned that CREATE might never receive sufficient public funding to allow for its complete implementation, and also that its completion appears to be at best many years away, CN began to explore other options to address the ever worsening congestion plaguing its operations through Chicago. Those efforts culminated in its proposal to acquire the major lines of EJ&E for \$300 million, and to build new connections and added capacity costing another \$100 million. If approved and implemented, the proposal would allow CN to relocate its operations from its Air Line route. At that point, a new Central Corridor route would no longer be needed for CN, nor would a connection at Grand Crossing provide any benefit to CN.

CN has taken every reasonable step to assure that Amtrak service will not be disadvantaged by its proposal. CN made clear in its application that it was not proposing to abandon the Air Line route, that before the line could be formally abandoned Amtrak

trains would need to be re-routed, and that it would work with Amtrak to try to accommodate its interests. Since that time, CN has taken the necessary steps to assure that Amtrak's current route and service to and from downstate Illinois points via Union Station will be preserved for as long as necessary. As indicated previously, CN has committed to allowing Amtrak to remain on the Air Line route, even if CN moves off that route, until the Grand Crossing routing (or another routing if it so chooses) is complete and acceptable to it. Further, CN has committed to maintaining that line at its current operating standards, and not to increase Amtrak's costs for use of the line (*i.e.*, Amtrak would continue to pay current costs subject to the inflator in its current agreement with CN).³ As noted, these commitments satisfy the conditions requested by Amtrak in its STB filing.

Further, the absence of a need for a CN route over the Central Corridor as a result of the EJ&E transaction (and the withdrawal of dedicated CN funds for the rail assets of that route) does not lessen the chances for realization of public funding for an eventual Grand Crossing connection (or for certain Central Corridor components that may likely be required by NS to accommodate Amtrak's relocation) than would otherwise be present in the current funding atmosphere. As explained, the Grand Crossing connection has not been, and is not, dependent upon CN's Central Corridor route, nor was CN ever committed to contribute financially to that connection.

Although CN would no longer be a financial contributor to the Central Corridor, CN would remain an active participant on CPG and in CREATE. CN believes that

³ This represents a substantial subsidy of Amtrak's operations by CN, since, among other things, the costs of the Air Line route attributable to Amtrak in accordance with the CN/Amtrak agreement would in fact increase significantly if CN withdraws from the line.

through its investment of \$400 million in the lines of the EJ&E, plus the additional costs for mitigation, CN's proposed transaction will significantly advance CREATE objectives. It would help reduce rail congestion in the Chicago region and allow CN to relocate its freight operations from the Air Line route, which has long been sought by the City of Chicago. Moreover, it will accomplish these ends more quickly and with less disruption to the surrounding heavily populated community than would construction of the full Central Corridor route.⁴ Instead, using only its own funds and as beneficial for the region, CN would rely primarily on improved utilization of the existing lines and right-of-way of the EJ&E moving through less-populated and less rail-congested areas.

In short, CN's proposed acquisition would serve the public interest and the interests of freight transportation throughout the Chicago area, including the CREATE Project. Moreover, with CN's new commitments to satisfy Amtrak's requested conditions, it is abundantly clear that it will also protect and serve the interests of Amtrak's passenger service.

⁴ Much of the associated costs of securing property condemnation, regulatory review and permitting have always been anticipated to come from public, not railroad, funds, and those funds are not yet available.

VERIFICATION

I, Robert Holmstrom, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 13, 2008.

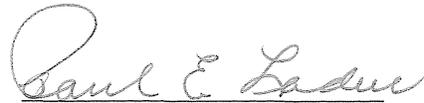
ROBERT HOLMSTROM


Robert Holmstrom

VERIFICATION

I, Paul E. Ladue, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 13, 2008.

A handwritten signature in cursive script that reads "Paul E. Ladue". The signature is written in black ink and is positioned above a horizontal line.

Paul E. Ladue

EXHIBIT A



E. Hunter Harrison
President and
Chief Executive Officer

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February 14, 2008

The Honorable Richard Durbin
Majority Whip
United States Senate
U.S. Capitol, Room S-321
Washington, DC 20510

Dear Senator Durbin:

Your staff has shared with us your concerns about the impact on existing Amtrak service to and from downtown Chicago over CN's St. Charles Airline route as a result of CN's proposed acquisition of lines of the Elgin, Joliet & Eastern Railway Company (EJ&E), especially if Amtrak were not yet able to re-route its passenger service over the so-called Grand Crossing connection that would permit Amtrak to operate via the Norfolk Southern (NS) line to and from Chicago.

We appreciate and share your concern that Amtrak continue to provide reliable passenger service to and from Chicago Union Station, and we have been engaged in ongoing discussions with Amtrak to address those concerns. Earlier this week, in order to alleviate any concerns that Amtrak would be forced to cease operations over the Air Line, I advised Alex Kummant, Amtrak's President, that Amtrak is welcome to remain on the Air Line route indefinitely, until Grand Crossing or another alternative acceptable to Amtrak is available.

The EJ&E transaction does not directly involve Grand Crossing, and despite misconceptions otherwise of Amtrak and others, there has never been any pressing concern as to Amtrak's continuing operations over the Air Line route as a result of the EJ&E transaction. Amtrak has an operating agreement with CN through January 31, 2010, and the STB's approval of the EJ&E transaction would not affect Amtrak's continuing operations over the Air Line route under that agreement.

.../2

The Honorable Richard Durbin
February 14, 2008
Page 2

With our commitment to Amtrak that it may remain on the Air Line, any concern on Amtrak's part that it will somehow be compelled by CN to re-route its trains in a way unacceptable to it should be dispelled entirely. If and when the Grand Crossing or some other routing becomes available, Amtrak could determine at that time to re-route its trains, but it will face no pressure from CN to do so.

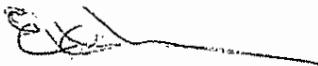
More broadly, we ask that you keep in mind that the EJ&E transaction will provide significant benefits to Chicago, permitting us, among other things, to:

- remove many of the CN trains that now operate in Chicago's urban core and begin to solve in a significant way, without taxpayer dollars, the rail congestion that plagues the City and the region;
- reduce the volume of freight traffic that Amtrak and commuter railroads have to confront in Chicago;
- permit us to cease freight operations over the Air Line route that runs along Lake Michigan and through downtown Chicago (as the City of Chicago has requested); and
- satisfy the City's request, pursuant to Mayor Daley's January 15, 2008 letter to the STB, that Amtrak not suffer negative operational impacts from the transaction.

None of these positive benefits will occur absent approval of the transaction. We believe that the EJ&E transaction is in the public interest, and we hope that you will vigorously support it.

I would welcome the opportunity to meet with you to discuss the EJ&E transaction and these public interest benefits and review Amtrak issues related to the transaction. In the meantime, please do not hesitate to contact me or Karen Phillips, CN's Vice President – North American Government Affairs, if you have any questions regarding CN's position on this matter.

Sincerely,



E. Hunter Harrison
President and
Chief Executive Officer

cc: Alex Kummant, Amtrak
Frank Kruesi, City of Chicago



www.cn.ca

March 10, 2008

E. Hunter Harrison
President and
Chief Executive Officer

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Té 514-399-6896

Mr. Alex Kummant
President
National Railroad Passenger Corporation
60 Massachusetts Ave., N.E.
Washington, DC 20002

Dear Alex,

Last month, I committed to you that, should CN's proposed acquisition of the lines of the Elgin, Joliet & Eastern Railway (EJ&E) be approved by the Surface Transportation Board (STB), Amtrak may remain indefinitely on CN's St. Charles Airline route after CN's trains are re-routed off this route onto the EJ&E, until Grand Crossing or another alternative acceptable to Amtrak is available. This would preserve Amtrak's access to Chicago's Union Station and enable Amtrak to continue to provide service to and from downstate Illinois points such as Champaign and Carbondale in the same manner that it does today.

On March 5, 2008, I met with Senator Richard Durbin and Congresswoman Melissa Bean in Washington to discuss this and other issues concerning the EJ&E transaction. To allay related concerns and remove any uncertainty for Amtrak (and for the Illinois Department of Transportation, which subsidizes a portion of Amtrak's service), I represented CN's further commitment to cap the costs to Amtrak for maintaining this 11-mile segment at their current level, indexed for inflation in future years, as provided under the terms of the current CN/Amtrak agreement. Gordon Trafton, CN's Senior Vice President for the Southern Region, conveyed this commitment last week as well to Anne Witt, Amtrak's Vice President, Strategic Partnerships and Business Development.

Our commitment also extends to preserving for Amtrak the current operating standards that it enjoys. We anticipate that when CN fully relocates its operations to the EJ&E and Amtrak becomes the sole user of the SCAL route (likely not until the end of 2011), we should be able to remove one of the two mainline tracks along the 11-mile segment, since one track should be more than sufficient capacity for the six 4-6 car Amtrak trains that would be the only traffic along the route. Consistent with the terms of our current agreement, we would discuss such a step with you in advance.

Mr. Alex Kummant
Page 2
March 10, 2008

Whether the second track would be removed would not reduce in any way our commitment to maintain the line at the level preserving the operating standards for its service that Amtrak enjoys today.

We believe that these commitments satisfy fully all of the conditions that you have requested from the STB to preserve Amtrak service and address the concerns voiced to the agency by numerous Illinois communities, including the City of Chicago, that Amtrak not suffer negative operational impacts as a result of the EJ&E transaction. With these commitments, we would ask Amtrak's support for our transaction, which will provide significant benefits to the Chicago region and assure that Amtrak will have adequate time to consider and implement a long-term strategy for its passenger service to and from Chicago.

Sincerely,



E. Hunter Harrison
President and
Chief Executive Officer

cc: Senator Richard Durbin
Frank Kruesi, City of Chicago
Joseph P. Clary, IDOT
Ellen J. Schanzle-Haskins, IDOT
Anne Witt, Amtrak
Eleanor D. Acheson, Amtrak
Paul Samuel Smith, US DOT

EXHIBIT B

AGREEMENT BETWEEN
NATIONAL RAILROAD PASSENGER CORPORATION
AND ILLINOIS CENTRAL RAILROAD COMPANY

THIS AGREEMENT is between National Railroad Passenger Corporation, a corporation organized under the Rail Passenger Service Act (hereafter referred to as the "Act"), and the laws of the District of Columbia, having offices at 60 Massachusetts Avenue, N.E., Washington, D.C. 20002 (hereafter referred to as "Amtrak"), and Illinois Central Railroad Company having offices at 455 North Cityfront Plaza Drive, Chicago, IL 60611-5504 (hereafter referred to as "IC").

WHEREAS, as of April 16, 1972, IC's predecessors in title viz. Illinois Central Railroad Company and Gulf, Mobile and Ohio Railroad Company entered into agreements with Amtrak (hereinafter collectively referred to as the "Basic Agreement") with respect to the provision of services and facilities for intercity rail passenger operations, which Basic Agreement has subsequently been amended and consolidated; and

WHEREAS, Amtrak and IC have agreed to completely restate the Basic Agreement to provide for continuing Amtrak operations on IC's rail lines (hereafter referred to as "Rail Lines") at least through January 31, 2010;

NOW THEREFORE, effective February 1, 1995, the parties agree to terminate and supersede the Basic Agreement, as Amended and replace it with this Agreement (hereinafter referred to as "this Agreement") as follows:

ARTICLE I AND II

[Reserved]

DEFINITIONS

"Intercity Rail Passenger Service" means all rail passenger service operated by Amtrak over the lines of IC.

"Intercity Rail Passenger Trains" means all trains operated in Intercity Rail Passenger Service (hereafter sometimes referred to as "Amtrak trains").

ARTICLE III

THE SERVICES

Section 3.1 Right to Services.

Subject to and in accordance with the terms and conditions of this Agreement, IC agrees to provide Amtrak with the use of facilities and the services requested by Amtrak for or in connection with the operation of Amtrak's Intercity Rail Passenger

trackage), together with the roadway structures thereon or appurtenant thereto used in connection with the actual operation of Amtrak trains.

Upon completion of the capital improvements set forth in Section 4.4, or at such earlier time as the parties may mutually agree, Amtrak shall reroute Trains 58 and 59 onto IC's Yazoo's District.

After Trains 58 and 59 are rerouted between Jackson, MS and Memphis, TN via the Yazoo District, the restrictions of the first paragraph of this section shall no longer apply and Amtrak shall automatically waive its rights to operate over the Grenada District.

It is agreed by the parties that Amtrak's reroute of Trains 58 and 59 onto the Yazoo District and the waiver of its rights to operate over the Grenada District are material provisions of this Agreement, without which this Agreement would not have been executed. In the event that Amtrak fails to reroute Trains 58 and 59 onto the Yazoo District as set forth above, for any reason whatsoever other than as a result of actions of IC, then Amtrak shall reimburse IC for the additional cost of maintaining the Grenada District above Federal Railroad Administration Class 2 standards, after IC overhead traffic has been rerouted off of the Grenada District trackage.

* If the Nickel Plate Connection is constructed in Chicago, IL which would connect Conrail's main tracks to IC's main tracks in the vicinity of Grand Crossing (83rd

Street), or another connection mutually agreed to by the parties, is constructed that
fulfills the same purpose, Amtrak shall reroute its trains via said connection and waive
its rights to operate over IC north of 83rd Street and over the St. Charles Air Line.



In the event IC has not sold, abandoned or removed all or a portion of either the Grenada District or the St. Charles Air Line, in case of an emergency necessitating a detour from IC's other lines, Amtrak may temporarily detour over the Grenada District or the St. Charles Air Line, subject to the physical conditions of said lines.

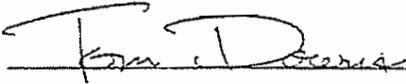
Section 4.2 Maintenance of Rail Lines.

The Rail Lines of IC used in Amtrak's Intercity Rail Passenger Service pursuant to this Agreement shall be maintained by IC ~~at~~ not less than the level of utility existing on January 1, 1995.

Amtrak and IC agree that there is an incremental increase in the cost of maintaining Rail Lines of IC which results from the operation of Amtrak trains (such costs hereafter referred to as "incremental costs"). Amtrak and IC further agree that such incremental costs are distinct from (and do not include any) costs which may be involved in maintaining IC's Rail Lines at not less than the level of utility on the later of the effective date of this Agreement or the date of the beginning of their use by

IN WITNESS WHEREOF, Amtrak and IC have caused this Agreement to be
duly executed by their respective officers thereunto duly authorized.

NATIONAL RAILROAD PASSENGER
CORPORATION

By 

ILLINOIS CENTRAL RAILROAD COMPANY

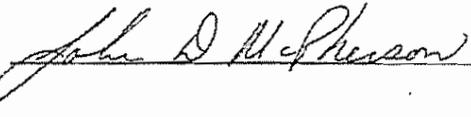
By 

EXHIBIT C

**JOINT STATEMENT OF UNDERSTANDINGS
REGARDING THE PROPOSED CREATE PROJECT**

PREAMBLE

The Chicago Regional Environmental and Transportation Efficiency Project (**CREATE**) (the Project) is a joint effort of (i) the Association of American Railroads (AAR), acting for and on behalf of The Burlington Northern and Santa Fe Railway Company (BNSF), Canadian National Railway Company (CN), Canadian Pacific Railway Company (CP), CSX Transportation, Inc. (CSX), Norfolk Southern Railway Company (NS), Union Pacific Railroad Company (UP), and Commuter Rail Division of the Regional Transportation Authority (Metra), (ii) the Illinois Department of Transportation (IDOT), and (iii) the Chicago Department of Transportation (CDOT) (AAR, IDOT and CDOT are referred to collectively as the "Stakeholders"), to restructure, modernize and expand the freight and passenger rail facilities and highway grade separations in the Chicago metropolitan area (the "Region") while reducing the environmental and social impacts of rail operations on the general public. The National Railroad Passenger Corporation (Amtrak) has been consulted in connection with the Project and may subsequently join in this effort, if it chooses to do so, on terms mutually agreeable to it and the parties hereto.

The Stakeholders recognize that the Region, as a place in the nation where six of the seven Class 1 freight railroads converge, is the predominant rail transportation hub of the United States. Nearly a quarter of the nation's rail shipments move to or through the Region. The Region's rail traffic (freight and passenger, including commuter) and highway traffic (commercial and personal) are all estimated to increase substantially in the future.

Over the past five years, the railroad industry has spent over \$1.2 billion benefiting the Region for capital replacement and infrastructure improvements. Further, with the creation of the

Chicago Transportation Coordination Office (CTCO) and subsequent improvements in train planning and communications, the time required to move freight across the Region has improved significantly. However, to further improve velocity and to accommodate the growing demands placed upon it, including increasing intermodal traffic, railroad infrastructure in the Region must be enhanced. Expanded rail capacity will also remove the growth pressure on further highway improvements.

Freight transportation efficiency in the Region has a ripple effect on the movement of goods throughout the United States, into Canada and Mexico, and to other international destinations. Much of the traffic handled in Chicago moves to or from the Nation's coasts, including to or from every major seaport in the USA and Canada. Capacity and efficiency improvements in the Region are vital to both economic and security interests of the USA and, due to greatly increased international flows under NAFTA, also to the rest of the continent.

Chicago's growing passenger rail service is an integral part of the Region's and the nation's transportation services. It benefits the community by removing automobile traffic from roadways and, by virtue of removing automobile traffic, reducing automobile emissions. This, in turn, reduces air pollution across the metropolitan area. Existing at-grade rail crossings diminish the reliability, capacity, and growth capabilities of commuter and intercity passenger rail lines, especially on the south and southwest parts of the Region. The Project's proposed rail-over-rail grade separations will enable service to be added to these lines, improving reliability and reducing travel times. Proposed grade crossing improvements and rail/rail and rail/road grade separations also will improve safety.

The Project will include the development of five rail transportation corridors (the "Corridors"), as depicted in the drawing attached hereto as Exhibit A. Four of the Corridors (the Central

Corridor, the Beltway Corridor, the Western Avenue Corridor, and the East-West Corridor) will be primarily for handling freight traffic in the Chicago metropolitan area. The Passenger Express Corridor will be primarily for handling commuter and interstate passenger traffic. The individual components (the "Components") included in the Project are set out in the book entitled 'CREATE: Chicago Region Environmental And Transportation Efficiency Project,' dated June 6, 2003 (the "Plan"), which is incorporated herein by reference. The development of the Corridors will include the upgrading of existing track structure, the double-tracking or triple-tracking of certain lines, the construction of grade separations and flyovers, the installation of new or improved signaling, and various other additions and improvements totaling approximately 70 discrete projects within the Corridors. The Project also will include certain improvements (e.g., grade separation projects) on existing rail lines outside the Corridors.

This document is a Joint Statement of Understandings agreed upon by the Stakeholders as a basis for seeking funding for the Project.

I. Objectives

The Project has the following overall objectives:

1. To improve safety at proposed grade-separated locations and in rail operations;
2. To eliminate or to reduce many points of direct conflict between rail Corridors and the Region's street and highway network, by grade-separating the crossing points, and reducing conflicts at other crossing points by improving the velocity and flow of rail traffic;

3. To eliminate points of conflict between rail corridors, especially among the five principal Corridors, reducing congestion, delays, and adverse social and environmental impacts resulting from current inefficiencies, with points where Metra and Amtrak service are restricted by freight operations addressed in the Project by rail-over-rail grade separations;
4. To reduce fuel consumption by, and emissions from, both locomotives and waiting autos and trucks;
5. To limit the growth of traffic congestion on the Region's highways;
6. To reroute rail freight and intercity passenger operations off the rail corridor known as the St. Charles Airline, thereby reducing impacts of rail operations on the south lakefront and providing additional acreage for open space and other land uses;
7. To modernize and increase the capacity of rail facilities (track, signals, bridges, and yards) to more efficiently handle today's rail traffic and to meet the demands of future traffic increases;
8. To connect the Corridors to each other more effectively and to foster the smooth and efficient flow of goods and people within and through the Region, as well as to and from other parts of the United States, including international traffic moving through the country's major ports; and
9. To generally improve the efficiency and reliability of the Corridors to better serve national security.

II. Terms and Conditions

The Project is subject to the following overall Terms and Conditions, and the Stakeholders agree to pursue federal, state, local and private funding (in addition to the Railroads' funds) ("Additional Funding") on the basis of such Terms and Conditions:

1. The individual railroad members of AAR participating in the Project are BN, CN, CP, CSX, NS, UP, Metra, and Amtrak if it chooses to participate on mutually acceptable terms (collectively, the Participating Railroads). It is anticipated that the proposed Corridor construction will generally be on property owned by the Participating Railroads and the Switching Railroad subsidiaries of some of them, namely The Belt Railway Company of Chicago, the Baltimore & Ohio Chicago Terminal, and the Indiana Harbor Belt Railroad. The Participating Railroads agree to cause such Switching Railroads to take such actions as may be required to implement the Project on the terms set forth herein. In some instances the Project will require that third-party properties be acquired for the Project. The Participating Railroads and Amtrak will be the principal users of the Project lines.
2. The City of Chicago will participate in the Project through its Department of Transportation (CDOT), as will the State of Illinois through the Illinois Department of Transportation (IDOT).
3. In order to coordinate the Project and to assure compliance with governmental requirements, there will be a joint governance structure (Governance Structure), as agreed to by the Stakeholders.

4. The Project will include the construction and/or improvement of numerous individual Components, many of which have independent utility. However, the Project shall constitute one integrated Project that has been designed to foster improved commuter and intercity rail passenger service, improved street traffic fluidity through grade separations and other highway enhancements, a more efficient rail freight transportation system within and through the Region, with improved safety and security. Prior to or during implementation, it is anticipated that refinements in the planned Components will likely be necessary. However, Components shall not be added to or deleted from the Project or materially changed, without the unanimous consent of all Stakeholders.
5. Although the Participating Railroads will realize substantial benefits as a result of the Project, the general public will achieve the preponderance of the benefits through improved safety, air quality, security, and automobile commuting times, reduced truck congestion, continued growth of the Region's economy, and more efficient movement of rail freight across the nation and to Canada and Mexico and other international destinations. The Stakeholders agree that funding of the Project should be supplied by the various parties hereto in a manner commensurate with the distribution of these and other benefits. They further agree that substantial governmental funding will be necessary to implement the Project. IDOT and CDOT agree that the Project is a high priority for them and commit to seek all necessary funding, and to expend such funding, if obtained, on the Project.

6. The preliminary estimated total cost of the design and construction of the Project is \$1.534 billion. Such estimate, which is based upon conceptual engineering, includes the estimated costs of environmental assessment and remediation, acquisition of third-party properties (or interests therein) required for the Project and relocation costs with respect thereto, and provision for project management, inflation and contingencies. The overall cost estimate will be refined as further information is developed. The Participating Railroads are willing to make a capital contribution over the construction period in an amount which reflects the benefits (as determined by the Participating Railroads and agreed to by CDOT and IDOT prior to the execution of this Joint Statement) they are expected to receive from the Project. Except as provided in paragraph 7 of this Section II, the parties hereto agree that the Participating Railroads' direct monetary contribution to the Project shall be \$232 million (Railroad Financial Contribution) based upon the agreement by the parties hereto as to the value of the expected benefits to the Participating Railroads. Except as provided in Section IV hereof, the Railroad Financial Contribution to the Project shall be contingent upon a binding commitment that establishes the availability, on terms and conditions satisfactory to the Participating Railroads, of all Additional Funding and of third-party properties necessary to complete the entire Project. If such commitment cannot be obtained by the targeted date for commencement of construction of the Project, changes in these Terms and Conditions, including changes in the timing for funding the Railroad Financial Contribution and Component sequencing, satisfactory to all the Stakeholders, would be required for the Project to proceed. Additional Funding sources satisfactory to the Participating Railroads sufficient to

pay for the balance of the then-current estimated project cost must be secured in order for the Railroads to be obligated to make the Railroad Financial Contribution. The Participating Railroads voluntarily are committing to contribute the Railroad Financial Contribution during Component construction for the benefits they will receive during the life of the Project, and they will own and maintain the railroad infrastructure Components once completed. Accordingly, it is the understanding of the parties hereto that the Railroad Financial Contribution to the Project shall be limited as stated above. Furthermore, the parties hereto do not intend that there be special user fees, taxes or other similar assessments targeted toward the Participating Railroads or their customers for the purpose of funding the publicly funded portion of the Project.

7. Since the Railroad Funding Contribution is limited to \$232 million, any increases in the estimated project cost developed as the result of final engineering and refining the estimated cost must be funded from Additional Funding; provided, however, that during the construction phase, the party having responsibility for construction of each Component as indicated on Exhibit B will be responsible for the on-budget and on-time completion of such Component in accordance with the plans and cost estimates based on final engineering, subject to events beyond the control of such party, including reasonably unforeseeable site conditions and *force majeure*. Additionally, an event beyond the control of such party would occur when the lowest responsive and responsible public bid for a rail-to-rail grade separation project Component is above the final engineering estimate; provided, however, that the responsible party will, at the direction of the Stakeholders, use reasonable efforts to redesign the Component and/or to seek

different assumptions reasonably acceptable to all Stakeholders that are incorporated into the design or staging of that Component. To the extent possible under applicable funding, savings on any Component (including unused contingency reserves), except on rail infrastructure Components of CN, may be used to offset overruns on other Components, such savings being first applied to Components in the same category (i.e., Railroad Components, Metra Components, and Public Components, all as further described in Exhibit B, which shall each constitute separate categories), and then subject to the approval of all the Stakeholders across such categories of Components. Because CN is the only Participating Railroad vacating its current route through Chicago and constructing a new route, CN savings, if any, on anticipated expenditures for rails, ties, ballast, signals, and related items on any of its rail infrastructure Components along the new Central Corridor route may be used only to offset overruns on such items on other rail infrastructure Components along the Central Corridor, and not for any other Project Component of any category. It is believed that the estimated Project cost includes sufficient contingencies to cover reasonably unforeseeable conditions, including *force majeure*. However, in the event of a cost overrun as the result of events beyond the control of the responsible party, including reasonably unforeseeable site conditions and *force majeure* that exceeds such contingencies, additional funding from sources other than the Participating Railroads will be required.

8. The Stakeholders note that the success of the Project will be dependent upon public support, and agree to work cooperatively with each other, and with the appropriate federal, state, and regional officials, especially the other affected local

governmental entities of the Region, to develop broad support for the Project.

CDOT and IDOT shall take the lead in developing such public support.

9. To the extent that properties belonging to third parties need to be acquired (temporarily or permanently) in order to permit construction of the Project, CDOT and IDOT will take the lead in acquiring, and will acquire, such property (or interests therein), by voluntary transaction, condemnation or otherwise. All costs associated with such acquisition (including, without limitation, costs of land acquisition, permitting, environmental mitigation, and any relocation assistance) will be treated as costs of the Project. Notwithstanding the foregoing, if any Participating Railroad is liable for environmental mitigation of a pre-existing environmental condition on any such property, such Railroad shall be required to pay for such mitigation to the extent that it would be liable therefor in the absence of the Project; provided, however, that any additional mitigation costs resulting from the specific Project requirements or the Project construction shall be a Project cost. All such properties (or such interests) needed for highway-rail grade separation shall be retained by or transferred to the appropriate public entity. Any property (or such interests) so acquired that is needed for railroad rights-of-way or facilities shall be conveyed to the Participating Railroad(s) or Switching Railroad that owns or controls such Corridor segment, subject to appropriate easements and other customary conditions and restrictions for publicly-owned highways and bridges, as a capital contribution to the Project (in addition to the Additional Funding). The Participating Railroads will convey to the public agency owning any highway or bridge, as a capital contribution to the Project (in addition to the Railroad Financial Contribution), appropriate rights, including easements or other

property interests (subject to appropriate easements for Railroad access and other customary conditions and restrictions) in any Railroad property required for any project, highway or bridge that is to be publicly owned.

10. CDOT and IDOT shall also take the lead, with Participating Railroad assistance, in obtaining necessary environmental or regulatory approvals, and in performing any necessary environmental mitigation, as a cost of the Project. Notwithstanding the foregoing, if any Participating Railroad is liable for environmental mitigation of a pre-existing environmental condition on any property owned or controlled by a party hereto that is to be used for the Project, such Railroad shall be required to pay for such mitigation to the extent that it would be liable therefor in the absence of the Project; provided, however, that any additional mitigation costs resulting from the specific Project requirements or the Project construction shall be a Project cost. The Participating Railroads shall jointly or individually obtain any regulatory approvals needed from the Surface Transportation Board.

11. In accordance with the agreed Governance Structure, the Participating Railroads will be responsible for the design, construction and/or implementation of all Railroad Components, Metra will be responsible for design, construction and/or implementation of all Metra Components, and IDOT or CDOT (or their designees) will be responsible for the design and construction of all Public Components. After completion of construction, each Component shall become the property of the party that owns or controls (via easement or otherwise) substantially all of the property on which it is constructed or installed, with the public highway portions or grade crossing safety overpasses of each grade

separation owned by the appropriate public body. Each owner shall then be responsible for maintenance, operation, management and dispatch on its property.

12. CDOT and IDOT will be responsible for the Project Component entitled Viaduct Improvement/Grade Crossing Safety Program on Exhibit B hereto, receiving Project Component funding based upon an allocation to be approved by IDOT and CDOT.
13. In each case, the Participating Railroads, IDOT and CDOT shall each be permitted to review the design, construction and/or implementation of the Project Components developed by the other parties, with approvals needed from affected parties. Reviews must be accomplished in a reasonable amount of time, as determined by the Stakeholders, and approvals shall not be unreasonably withheld. In each case, the party responsible for construction shall ensure that construction does not unreasonably impair traffic flows, whether by highway or rail.
14. Sequencing of the Components shall be approximately as indicated on Exhibit C hereto, subject to such changes as may be agreed to by all the Stakeholders.
15. The Stakeholders acknowledge CN's need to access the CWI line for its Central Corridor operations and agree that the line shall be available for CN's use upon:
(1) the satisfactory completion, in Metra and NS' reasonable judgment, of the Project's 74th Street and Englewood Components, or (2) prior to the completion of the Components, should Metra and NS determine in their sole and absolute discretion, after consulting with CN, to grant CN access to their respective

properties. The Stakeholders further acknowledge the City's interest in the termination of rail operations on the St. Charles Airline. The Stakeholders agree that the termination of such operations shall occur upon (1) the satisfactory completion, in CN's judgment, of all elements of the Central Corridor, or (2) CN's determination, in consultation with the other owners of the St. Charles Airline, that the Central Corridor is completed to the level necessary for operation thereover.

III. Scope of Work

The scope of work for the Project is outlined in the Plan. CDOT and IDOT will coordinate a process to obtain comments from other governmental entities and civic organizations regarding the implementation of specific Components. Any changes in scope will require the approval of all Stakeholders.

IV. Additional Design

IDOT has agreed to contribute \$10 million and, upon IDOT's payment of such \$10 million, the Participating Railroads have agreed to contribute \$2.5 million, to developing more detailed engineering for the Components to be identified by the parties hereto within thirty (30) days of the date hereof. The necessary documentation for such funding will be promptly executed by the parties hereto. Such contributions shall be credited against the respective parties' obligations hereunder.

V. Definitive Agreements

Except for the provisions of Article IV, which shall be enforceable upon execution of this Statement, the terms of this Joint Statement of Understandings will be implemented and become enforceable to the extent effectuated by definitive agreements, containing such terms and conditions as are mutually satisfactory to the parties hereto. If such definitive agreements have not been executed by December 31, 2004, this Statement shall be of no further force or effect.

VI. Counterparts

This Joint Statement of Understandings may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same statement.

VII. Effective Date

This Joint Statement shall be effective upon receiving the authorized signatures of each of the parties below.

VIII. Signatures

Illinois Department of Transportation:

Date: _____

Chicago Department of Transportation:

Date: _____

Association of American Railroads:

Date: _____

NORTHEASTERN ILLINOIS FREIGHT/PASSENGER CORRIDORS

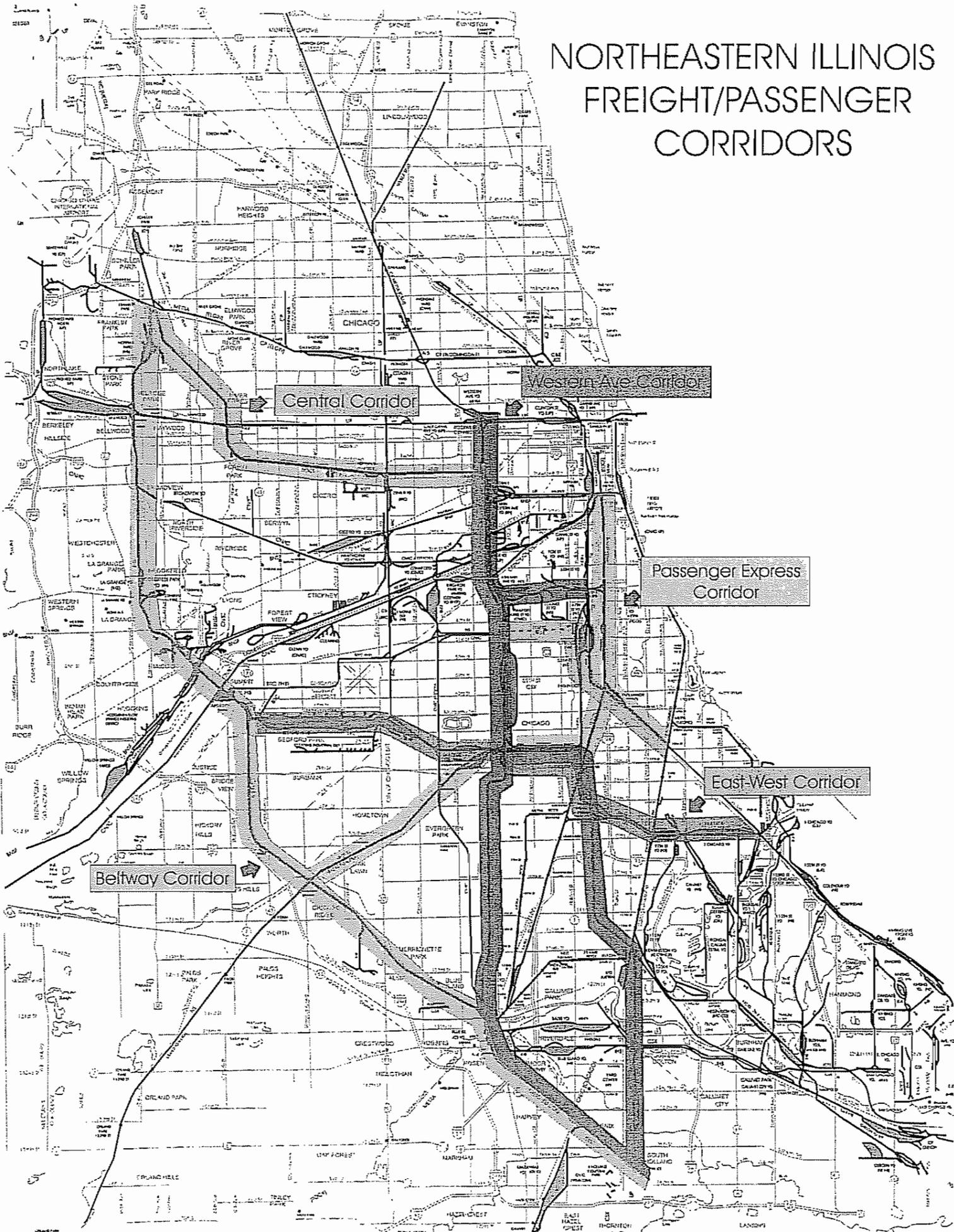


Exhibit B

The CREATE Project falls into three categories (Project Categories): Railroad improvements, excluding the grade separation of intersecting rail lines (Railroad Components); rail-to-rail separations (Metra Components); and public improvements, including rail-to-highway separations, and the Viaduct Improvement/Grade Crossing Safety Program (Public Components), all as described more specifically below. The party listed below shall be responsible for the construction of the designated Component in accordance with the JSU.

Project	Responsible Entity	Project Category
Viaduct Program	CDOT/IDOT	Public Component
Grade Crossing Separation Components	CDOT/IDOT	Public Component
Safety Program	CDOT/IDOT	Public Component
Land acquisition, relocation, environmental assessments and remediation for the CREATE Project	CDOT/IDOT	Public Component
B1	Metra	Metra Component
B2	UP	Railroad Component
B3	IHB, as directed by Owners	Railroad Component
B4	IHB, as directed by Owners	Railroad Component
B5	IHB, as directed by Owners	Railroad Component
B6	CSX	Railroad Component
B8	CSX	Railroad Component
B9	CSX	Railroad Component
B12	CSX	Railroad Component
B13	CSX	Railroad Component
B15	IHB, as directed by Owners	Railroad Component
B16	UP	Railroad Component
WA-1	UP	Railroad Component
WA-2	CSX	Railroad Component
WA-3	NS	Railroad Component
WA-4	BNSF	Railroad Component
WA-5	BNSF	Railroad Component
WA-8	NA	Railroad Component
WA-10	CSX	Railroad Component
WA-11	IHB, as directed by Owners	Railroad Component
EW-1	BRC, as directed by Owners	Railroad Component
EW-2	BRC, as directed by Owners	Railroad Component
EW-3	NS	Railroad Component
EW-4	NS	Railroad Component

C-1; C-2;C-3	CN	Railroad Component
C-4, C-5; C-6;	CN	Railroad Component
C-7	CN	Railroad Component
C-8	CN	Railroad Component
C-9	CN	Railroad Component
C-10	CN	Railroad Component
C-11	CN	Railroad Component
C-12	CN	Railroad Component
C-13	NS	Railroad Component
P-1	Metra	Metra Component
P-2	Metra	Metra Component
P-3	Metra	Metra Component
P-4	CN	Railroad Component
P-5	Metra	Metra Component
P-6	Metra	Metra Component
P-7	Metra	Metra Component

Exhibit C

CREATE

Project

Work Distribution
And
Scheduling Estimates

June 13, 2003

Confidential

Corridor Construction Schedule

Project #	Location	Project Scope	Cost (millions)	Primary Responsible Road	Secondary Responsible Road(s)	Construction Length (Years)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
B1	Tower B-12	CP Crossovers at B-12	\$2.2	METRA	CP	1						
B2	Proviso	3rd Mainline, and CP Hill Connection	\$14.5	UP	IHB	2						
B3	Melrose	2nd Melrose Connection	\$3.0	IHB	UP	1						
B4	LaGrango	CTC Lagrango to Hill	\$10.3	IHB	N/A	2						
B5	Broadview	Universal Crossovers at Broadview	\$5.0	IHB	N/A	1						
B6	McCook	2nd McCook Connection	\$10.1	CSX	BNSF	1						
B8	Argo - CP Canal	CTC Argo to Canal	\$4.0	CSX	N/A	1						
B9	Argo	Upgraded Connection at Argo	\$0.0	CSX	BRC	1						
B12	CP Fran to CP 123rd	3rd Mainline	\$0.0	CSX	N/A	2						
B13	Blue Island Jct.	Upgrade Connection IHB to CN	\$5.0	CSX	CN	1						
B15	CP Harvey - Dolton	CTC Blue Island Yard	\$2.6	IHB	N/A	1						
B16	Thorton Jct.	Southwest Connection	\$4.5	UP	CN/CSX	1.5						
WA-1	Ogden Jct	Ogden Jct Improvements	\$5.0	UP	CSX/NS	0.60						
WA-2	Blue Island Sub	CTC on CSX	\$9.0	CSX	N/A	2						
WA-3	CJ	CTC on NS, and Ashland Ave Yard Improvements	\$15.5	NS	N/A	1.5						
WA-4	BN Chgo to Chillicothe	BNSF Horseshoe	\$9.5	BNSF	CN	1.33						
WA-5	Conwith Tower	Conwith Tower Elimination	\$5.8	BNSF	CN	0.75						
WA-8	Brighton Park	Signalize Interlocking	\$0.0	N/A	N/A	N/A						
WA-10	Blue Island Jct.	Crossovers	\$0.5	CSX	N/A	1.5						
WA-11	Dolton	Upgrade and reconfigure Dolton Interlocking	\$5.0	CSX	IHB/NS/UP	1.5						
EW-1	Clearing Yard	New Mainlines	\$25.0	BRC	CSX	3						
EW-2	80th St	80th St. to Forest Hill Improved	\$100.0	BRC	CSX/METRA/NS/UP	4						
EW-3	Pullman Jct.	Pullman Jct Connection	\$5.0	NS	BRC	1						
EW-4	CP 509	Improved Connection	\$1.0	NS	BRC	0.5						
C-1	Allenheim Sub	Upgrade Double Track	\$20.9	CN	CN	3						
C-2	Ogden Jct.	Universal Crossovers	\$1.7	CN	UP	1						
C-3	Ogden Jct. to Ash Street	Construct Single Main	\$4.5	CN	BNSF/CSX	2						
C-4	Ash Street	Construct Connection to Hawthorne Line	\$1.7	CN	BNSF	1						
C-5	Brighton Park	All Connections and Double Track to CP Damien	\$5.4	CN	NS	2						
C-6	BP to CP Damien	Double Track & Universal Crossovers	\$14.3	CN	N/A	3						
C-8	CP Damien to CP 57th St	Construct Double Track	\$14.4	CN	METRA/NS	2.5						
C-9	CP 57th Street	Connections from 51st Yard and CWI	\$4.7	NS	CN/METRA	0.5						
C-10	CP 57th to Dan Ryan Br	Construct Single Main and NS Lead	\$8.1	CN	NS	2						
C-11	Dan Ryan Bridge	Install New Bridge	\$11.0	CN	CN	2						
C-12	DRB to 73rd Street	Construct Single Track and Englewood Crossovers	\$14.1	CN	NS	2.25						
P-1	Englewood	Grade separate Metra and NS	\$70.0	METRA	NS	4						
P-2	74th Street	Grade separate Metra and BRC	\$91.0	METRA	BRC/NS	4						
P-3	Forest Hill	Grade separate Metra and CSX	\$60.0	METRA	CSX/NS	2						
P-4	Grand Crossing	Southwest Connection	\$25.0	CN	NS	2						
P-5	Brighton Park	Grade separate CN and CSX/NS	\$50.0	METRA	NS	3.5						
P-6	CP Canal	Grade separate CN and IHB	\$35.0	METRA	CSX	3.5						
P-7	Chicago Ridge	Grade Separate Metra over IHB	\$50.0	METRA	CSX	4						

Note: Schedule could change based on other Capital Maintenance, Funding, Weather, Etc.

Note: Sorted by Project Number

Total Project Distribution

Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Track	\$51.0	\$72.1	\$47.7	\$53.0	\$25.8	\$13.3	\$262.9
Grading	\$13.5	\$43.8	\$43.3	\$46.5	\$33.5	\$0.0	\$180.6
Signal	\$61.1	\$69.5	\$37.5	\$23.0	\$10.4	\$10.5	\$212.0
Structure	\$35.7	\$127.2	\$91.0	\$115.7	\$89.2	\$79.2	\$537.9
Other	\$65.0	\$48.7	\$45.0	\$45.0	\$45.0	\$45.0	\$293.7
Preliminary Eng and Environmental	\$29.1	\$8.4	\$5.7	\$3.4	\$0.0	\$0.0	\$46.5
Cum Total	\$255.3	\$624.9	\$895.1	\$1,181.8	\$1,385.6	\$1,533.6	

Expenditures by Year

\$255.3 \$369.6 \$270.2 \$286.6 \$203.9 \$148.0 \$1,533.6

Percent of Project

16.65% 24.10% 17.62% 18.69% 13.29% 9.65% 100.00%

Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Beltway	\$27.9	\$42.7	\$6.0	\$6.0	\$0.0	\$2.6	\$85.2
Western Ave.	\$20.8	\$25.5	\$5.0	\$0.0	\$0.0	\$5.0	\$56.3
East West	\$30.2	\$38.8	\$32.0	\$30.0	\$0.0	\$0.0	\$131.0
Central	\$28.5	\$45.7	\$34.6	\$0.0	\$0.0	\$0.0	\$108.8
Passenger	\$41.8	\$38.9	\$56.6	\$124.6	\$81.3	\$37.8	\$381.0
Highway Grade Separations	\$11.1	\$109.3	\$76.0	\$76.0	\$72.6	\$52.6	\$397.6
Other Projects	\$95.0	\$68.7	\$60.0	\$50.0	\$50.0	\$50.0	\$373.7
Cum Total	\$255.3	\$624.9	\$895.1	\$1,181.8	\$1,385.6	\$1,533.6	

Expenditures by Year

\$255.3 \$369.6 \$270.2 \$286.6 \$203.9 \$148.0 \$1,533.6

Percent of Project

16.65% 24.10% 17.62% 18.69% 13.29% 9.65% 100.00%

Beltway Corridor

Project Number	Location	Project Scope	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
B1	Tower B-12	CP double mainline connection to Beltway at B12	\$3.2	\$3.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$1.2	\$1.2					
		Grading	\$0.0	\$0.0					
		Signal	\$2.0	\$2.0					
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
Cum Total			\$3.2	\$3.2	\$3.2	\$3.2	\$3.2	\$3.2	
B2	Proviso	Construct new main on UP; Elmhurst-Provo Jct and upgrade IHB connection to 25 mph.	\$14.5	\$5.0	\$9.5	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$6.5	\$2.0	\$4.5				
		Grading	\$1.5	\$1.5					
		Signal	\$4.0	\$1.0	\$3.0				
		Structure	\$2.5	\$0.5	\$2.0				
		Other							
		Preliminary Eng and Environmental							
Cum Total			\$5.0	\$14.5	\$14.5	\$14.5	\$14.5	\$14.5	
B3	Melrose	Install a second parallel connection between the IHB and Proviso Yard through the Melrose Connection to facilitate simultaneous moves.	\$3.0	\$3.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$1.4	\$1.4					
		Grading	\$0.2	\$0.2					
		Signal	\$1.4	\$1.4					
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
Cum Total			\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	
B4	LaGrange	Install TCS signaling on all tracks CP LaGrange-CP Hill. Includes upgrade of 21 runner to mainline.	\$18.3	\$9.0	\$9.3	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$0.0						
		Grading	\$0.0						
		Signal	\$18.3	\$9.0	\$9.3				
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
Cum Total			\$9.0	\$18.3	\$18.3	\$18.3	\$18.3	\$18.3	
B5	Broadview	Install Universal crossover, to include switches and signals, at CP Broadview, and power connection to the CNIC	\$5.0	\$0.0	\$5.0	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$2.0	\$0.0	\$2.0				
		Grading	\$0.0						
		Signal	\$3.0	\$0.0	\$3.0				
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
Cum Total			\$0.0	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0	
B6	McCook	Construct 2nd southwest connection between IHB and BNSF. Install single left crossover for BNSF to Argo.	\$10.1	\$0.0	\$10.1	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$6.0	\$0.0	\$6.0				
		Grading	\$0.0						
		Signal	\$4.1	\$0.0	\$4.1				
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
Cum Total			\$0.0	\$10.1	\$10.1	\$10.1	\$10.1	\$10.1	
B8	CP Canal	Upgrade TCS signaling Argo to CP Canal.	\$4.0	\$0.0	\$0.0	\$0.0	\$4.0	\$0.0	\$0.0
		Track	\$0.0						
		Grading	\$0.0						
		Signal	\$4.0				\$4.0		
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
Cum Total			\$0.0	\$0.0	\$0.0	\$4.0	\$4.0	\$4.0	

Beltway Corridor

Project Number	Location	Project Scope	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
B9	Argo	Provide double track connection, BOGT to BRC, East / West Corridor. Project includes crossovers at 71st St. Impacts East / West Corridor	\$6.0						
		Track	\$4.0	\$0.0	\$0.0	\$0.0	\$6.0	\$0.0	\$0.0
		Grading	\$0.0				\$4.0		
		Signal	\$2.0				\$2.0		
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$0.0	\$0.0	\$0.0	\$6.0	\$6.0	\$6.0
B12	CP Francisco to CP 123rd Street	Add Additional Mainline CP Francisco to CP 123rd St St	\$8.0						
		Track	\$4.5	\$0.0	\$0.0	\$2.3	\$5.7	\$0.0	\$0.0
		Grading	\$0.3			\$0.5	\$4.0		
		Signal	\$1.7			\$0.3	\$1.2		
		Structure	\$1.5			\$0.5	\$1.0		
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$0.0	\$0.0	\$2.3	\$8.0	\$8.0	\$8.0
B13	Blue Island Jct	Upgrade IHB-CN connection at Blue Is Jct.	\$6.0						
		Track	\$3.5	\$0.0	\$0.0	\$6.0	\$0.0	\$0.0	\$0.0
		Grading	\$0.0			\$3.5			
		Signal	\$2.5			\$2.5			
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$0.0	\$0.0	\$6.0	\$6.0	\$6.0	\$6.0
B15	CP Harvey - Dalton	Install TCS between CP Harvey to Dalton	\$2.6						
		Track	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.6
		Grading	\$0.0						
		Signal	\$2.6						
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.6
B16	Thornton Jct	Install new interlocked southwest connection between CN and UP/CSXT Impacts Western Ave Corridor	\$4.5						
		Track	\$2.2	\$1.4	\$3.1	\$0.0	\$0.0	\$0.0	\$0.0
		Grading	\$0.3	\$0.3					
		Signal	\$2.0		\$2.0				
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$1.4	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5
Total Cost			\$85.2						

	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Track		\$6.2	\$17.6	\$3.5	\$4.0	\$0.0	\$0.0
Grading		\$2.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Signal		\$17.9	\$22.5	\$2.5	\$2.0	\$0.0	\$2.6
Structure		\$1.5	\$2.5	\$0.0	\$0.0	\$0.0	\$0.0
Other		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Preliminary Eng and Environmental		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cum Total		\$27.9	\$70.6	\$76.6	\$82.6	\$82.6	\$85.2

Western Ave Corridor

Project Number	Location	Project Scope	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
WA-1	Ogden Jct	Re-align & Signalize Ogden Jct for double track connection from UP to BOCT & CJ Mains	\$5.0	\$0.0	\$0.0	\$5.0	\$0.0	\$0.0	\$0.0
		Track	\$2.5			\$2.5			
		Grading	\$0.0						
		Signal	\$2.5			\$2.5			
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$0.0	\$0.0	\$5.0	\$5.0	\$5.0	\$5.0
WA-2	Ogden Jct	Install TCS signaling on BOCT between Ogden Jct and 75th Street (Forest Hill)	\$9.0	\$4.0	\$5.0	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$0.0						
		Grading	\$0.0						
		Signal	\$9.0	\$4.0	\$5.0				
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$4.0	\$9.0	\$9.0	\$9.0	\$9.0	\$9.0
WA-3	Ogden Jct	Install TCS signaling CJ tracks between Ogden Jct and CPS18, add additional mainline along Ashland Ave Yard, and extension of Yard Switching Lead	\$15.5	\$5.5	\$10.0	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$9.0	\$3.0	\$6.0				
		Grading	\$0.5	\$0.5					
		Signal	\$6.0	\$2.0	\$4.0				
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$5.5	\$15.5	\$15.5	\$15.5	\$15.5	\$15.5
WA-4	BNSF Chicago Sub to BNSF Chillicothe Sub	Construct connection directly linking BNSF Chicago and Chillicothe Subs.	\$9.5	\$4.8	\$4.7	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$6.2	\$3.0	\$3.2				
		Grading	\$0.3	\$0.3					
		Signal	\$3.0	\$1.5	\$1.5				
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$4.8	\$9.5	\$9.5	\$9.5	\$9.5	\$9.5
WA-5	Corwith Tower	Upgrade track, signal, and reconfigure Corwith Interlocking and remote CN Corwith Tower	\$5.8	\$0.0	\$5.8	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$2.8	\$0.0	\$2.8				
		Grading	\$0.0						
		Signal	\$3.0		\$3.0				
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$0.0	\$5.8	\$5.8	\$5.8	\$5.8	\$5.8
WA-10	Blue Island Jct	Install universal interlocked connections between BOCT and CN to facilitate directional running.	\$6.5	\$6.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$4.0	\$4.0					
		Grading	\$0.0						
		Signal	\$2.5	\$2.5					
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$6.5	\$6.5	\$6.5	\$6.5	\$6.5	\$6.5
WA-11	Dolton	Upgrade and reconfigure Dolton Interlocking	\$5.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$5.0
		Track	\$2.5						\$2.5
		Grading	\$0.0						
		Signal	\$2.5						\$2.5
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
		Cum Total		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$5.0
Total Cost			\$56.3						

	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Track		\$10.0	\$12.0	\$2.5	\$0.0	\$0.0	\$2.5
Grading		\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Signal		\$10.0	\$13.5	\$2.5	\$0.0	\$0.0	\$2.5
Structure		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Preliminary Eng and Environmental		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cum Total		\$20.8	\$46.3	\$51.3	\$51.3	\$51.3	\$56.3

Total by year		\$20.8	\$25.5	\$5.0	\$0.0	\$0.0	\$5.0
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East West Corridor

Project Number	Location	Project Scope	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
EW-1	Clearing Yard	Construct 2 new main tracks, reconstruct thoroughfare, and rearrange connections. Impacts Beltway Corridor - Argo Connection	\$25.0						
		Track	\$19.0	\$4.2	\$13.8	\$7.0	\$0.0	\$0.0	\$0.0
		Grading	\$0.4	\$0.0	\$0.2				
		Signal	\$5.6		\$3.6	\$2.0			
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
Cum Total				\$4.2	\$18.0	\$25.0	\$25.0	\$25.0	\$25.0
EW-2	80th St	Improve track & signals for flexibility of routes from 80th St to Forest Hill & 74th St.	\$100.0						
		Track	\$60.0	\$25.0	\$25.0	\$25.0	\$25.0	\$0.0	\$0.0
		Grading	\$0.0	\$15.0	\$15.0	\$15.0	\$15.0		\$0.0
		Signal	\$20.0	\$5.0	\$5.0	\$5.0	\$5.0		\$0.0
		Structure	\$20.0	\$5.0	\$5.0	\$5.0	\$5.0		\$0.0
		Other							
		Preliminary Eng and Environmental							
Cum Total				\$25.0	\$50.0	\$75.0	\$100.0	\$100.0	\$100.0
EW-3	Pullman Jct.	Re-align Pullman Jct. to incorporate BRC and NS mains from Pullman to 80th Street	\$5.0						
		Track	\$3.0	\$0.0	\$0.0	\$0.0	\$5.0	\$0.0	\$0.0
		Grading	\$0.0						
		Signal	\$2.0				\$2.0		
		Structure	\$0.0						
		Other							
		Preliminary Eng and Environmental							
Cum Total				\$0.0	\$0.0	\$0.0	\$5.0	\$5.0	\$5.0
EW-4	CP 509	Improve connection from East-West Corridor to NS Mainline at CP 509	\$1.0						
		Track	\$0.5	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
		Grading	\$0.0						
		Signal							
		Structure	\$0.5	\$0.5					
		Other							
		Preliminary Eng and Environmental							
Cum Total				\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Total Cost			\$131.0						

	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Track		\$19.5	\$25.0	\$20.0	\$18.0	\$0.0	\$0.0
Grading		\$0.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
Signal		\$5.5	\$8.6	\$7.0	\$7.0	\$0.0	\$0.0
Structure		\$5.0	\$5.0	\$5.0	\$5.0	\$0.0	\$0.0
Other		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Preliminary Eng and Environmental		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cum Total		\$30.2	\$69.0	\$101.0	\$131.0	\$131.0	\$131.0

Total by year	\$30.2	\$38.8	\$32.0	\$30.0	\$0.0	\$0.0
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Central Corridor

Project Number	Location	Project Scope	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
C1	Allenheim Sub	Upgrade double track	\$28.9						
		Track	\$15.0	\$15.0	\$13.9	\$0.0	\$0.0	\$0.0	\$0.0
		Grading	\$8.4	\$4.2	\$4.2				
		Signal	\$0.0						
		Structure	\$2.8	\$0.0	\$2.0				
		Other	\$7.7	\$10.0	\$7.7				
		Preliminary Eng and Environmental							
Cum Total			\$15.0	\$28.9	\$28.9	\$28.9	\$28.9	\$28.9	
C2	Ogden Jct.	Universal Crossovers	\$1.7						
		Track	\$0.0	\$0.0	\$1.7	\$0.0	\$0.0	\$0.0	\$0.0
		Grading	\$0.8		\$0.8				
		Signal	\$0.0						
		Structure	\$0.9		\$0.9				
		Other	\$0.0						
		Preliminary Eng and Environmental							
Cum Total			\$0.0	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	
C3	Ogden Jct. to Ash Street	Construct single main	\$4.5						
		Track	\$0.0	\$0.0	\$2.5	\$2.0	\$0.0	\$0.0	\$0.0
		Grading	\$4.5		\$2.5	\$2.0			
		Signal	\$0.0						
		Structure	\$0.0						
		Other	\$0.0						
		Preliminary Eng and Environmental							
Cum Total			\$0.0	\$2.5	\$4.5	\$4.5	\$4.5	\$4.5	
C4	Ash Street	Construct connection to Hawthorne Line	\$1.7						
		Track	\$0.0	\$0.0	\$1.7	\$0.0	\$0.0	\$0.0	\$0.0
		Grading	\$1.1		\$1.1				
		Signal	\$0.0						
		Structure	\$0.6		\$0.6				
		Other	\$0.0						
		Preliminary Eng and Environmental							
Cum Total			\$0.0	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	
C5	Brighton Park	Northwest and Southwest Connections and Construct Double Track to CP Damen	\$5.4						
		Track	\$3.4	\$3.4	\$2.0	\$0.0	\$0.0	\$0.0	\$0.0
		Grading	\$1.1	\$1.1					
		Signal	\$0.2	\$0.2					
		Structure	\$3.9	\$1.9	\$2.0				
		Other	\$0.2	\$0.2					
		Preliminary Eng and Environmental							
Cum Total			\$3.4	\$5.4	\$5.4	\$5.4	\$5.4	\$5.4	
C6	Brighton Park to CP Damen	Double Track and Universal Crossovers	\$14.3						
		Track	\$0.7	\$0.7	\$3.8	\$9.8	\$0.0	\$0.0	\$0.0
		Grading	\$3.9		\$1.3	\$2.6			
		Signal	\$1.2		\$1.2				
		Structure	\$8.5		\$1.3	\$7.2			
		Other	\$0.0						
		Preliminary Eng and Environmental			\$0.7				
Cum Total			\$0.7	\$4.5	\$14.3	\$14.3	\$14.3	\$14.3	
C8	CP Damen to CP 57th Street	Construct double track	\$14.4						
		Track	\$0.6	\$0.6	\$6.4	\$7.4	\$0.0	\$0.0	\$0.0
		Grading	\$8.6		\$2.6	\$0.0			
		Signal	\$0.0						
		Structure	\$5.2		\$3.8	\$1.4			
		Other							
		Preliminary Eng and Environmental			\$0.6				
Cum Total			\$0.6	\$7.0	\$14.4	\$14.4	\$14.4	\$14.4	
C9	CP 57th Street	Connections from 51st Street Yard and CWI	\$4.7						
		Track	\$0.2	\$0.2	\$0.0	\$4.5	\$0.0	\$0.0	\$0.0
		Grading	\$1.2			\$1.2			
		Signal	\$0.0						
		Structure	\$3.3			\$3.3			
		Other	\$0.0						
		Preliminary Eng and Environmental			\$0.2				
Cum Total			\$0.2	\$0.2	\$4.7	\$4.7	\$4.7	\$4.7	

Central Corridor

Project Number	Location	Project Scope	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
C10	CP 57th Street to Dan Ryan	Construct Single Main and NS lead	\$8.1						
				\$0.4	\$3.3	\$4.4	\$0.0	\$0.0	\$0.0
		Track	\$0.9			\$0.9			
		Grading	\$1.8		\$0.8	\$1.0			
		Signal	\$0.0						
		Structure	\$5.0		\$2.5	\$2.5			
		Other							
	Preliminary Eng and Environmental		\$0.4						
	Cum Total		\$0.4	\$3.7	\$8.1	\$8.1	\$8.1	\$8.1	
C11	Dan Ryan Bridge	Install new bridge	\$11.0						
				\$6.0	\$5.0	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$0.0						
		Grading	\$0.0						
		Signal	\$0.0						
		Structure	\$10.5	\$5.5	\$3.0				
		Other							
	Preliminary Eng and Environmental		\$0.5						
	Cum Total		\$6.0	\$11.0	\$11.0	\$11.0	\$11.0	\$11.0	
C12	DRB to 73rd Street	Construct Single Track and Englewood Universal Crossovers	\$14.1						
				\$2.2	\$5.5	\$6.5	\$0.0	\$0.0	\$0.0
		Track	\$2.0			\$2.0			
		Grading	\$4.4		\$1.6	\$2.8			
		Signal	\$0.0						
		Structure	\$7.2	\$1.8	\$3.9	\$1.7			
		Other							
	Preliminary Eng and Environmental		\$0.6						
	Cum Total		\$2.2	\$7.7	\$14.1	\$14.1	\$14.1	\$14.1	
Total Cost									
			\$108.8						

	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Track		\$5.3	\$12.5	\$14.7	\$0.0	\$0.0	\$0.0
Grading		\$0.2	\$3.6	\$3.8	\$0.0	\$0.0	\$0.0
Signal		\$2.7	\$6.8	\$10.5	\$0.0	\$0.0	\$0.0
Structure		\$17.3	\$22.9	\$5.6	\$0.0	\$0.0	\$0.0
Other		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Preliminary Eng and Environmental		\$3.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cum Total		\$28.5	\$74.2	\$108.8	\$108.8	\$108.8	\$108.8

Total by year	\$28.5	\$45.7	\$34.6	\$0.0	\$0.0	\$0.0
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Passenger Express Corridor

Project Number	Location	Project Scope	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
P-1	Englewood	Grade separate Metra and NS	\$70.0	\$15.0	\$22.0	\$16.0	\$17.0	\$0.0	\$0.0
		Track	\$20.0	\$0.0	\$5.0	\$5.0	\$10.0		
		Grading	\$10.0	\$5.0	\$5.0				
		Signal	\$4.0		\$2.0	\$1.0	\$1.0		
		Structure	\$32.9	\$6.9	\$10.0	\$10.0	\$5.0		
		Other							
		Preliminary Eng and Environmental		\$3.2					
		Cum Total		\$15.0	\$37.0	\$53.0	\$70.0	\$70.0	\$70.0
P-2	74th Street	Grade separate Metra and BRC and connect Metra to Rock Island route.	\$91.0	\$4.1	\$11.9	\$17.0	\$28.0	\$30.0	\$0.0
		Track	\$20.0			\$5.0	\$15.0		
		Grading	\$15.0		\$5.0	\$5.0	\$5.0		
		Signal	\$11.0		\$1.0	\$2.0	\$3.0	\$5.0	
		Structure	\$40.9		\$5.9	\$10.0	\$15.0	\$10.0	
		Other							
		Preliminary Eng and Environmental		\$4.1					
		Cum Total		\$4.1	\$16.0	\$33.0	\$61.0	\$91.0	\$91.0
P-3	75th Street (Forest Hill)	Grade separate Metra and BOCT.	\$60.0	\$22.7	\$0.0	\$0.0	\$37.3	\$0.0	\$0.0
		Track	\$20.0	\$10.0			\$10.0		
		Grading	\$8.0				\$8.0		
		Signal	\$14.0	\$10.0			\$4.0		
		Structure	\$15.3				\$15.3		
		Other							
		Preliminary Eng and Environmental		\$2.7					
		Cum Total		\$22.7	\$22.7	\$22.7	\$60.0	\$60.0	\$60.0
P-4	Grand Crossing	Install interlocked southwest connection between CN and NS.	\$25.0	\$0.0	\$1.1	\$7.9	\$16.0	\$0.0	\$0.0
		Track	\$8.0			\$2.0	\$6.0		
		Grading	\$1.0			\$1.0			
		Signal	\$8.0			\$2.0	\$6.0		
		Structure	\$6.9			\$2.9	\$4.0		
		Other							
		Preliminary Eng and Environmental			\$1.1				
		Cum Total		\$0.0	\$1.1	\$9.0	\$25.0	\$25.0	\$25.0
P-5	Brighton Park	Grade separate CN and CN/CSX/NS	\$50.0	\$0.0	\$2.3	\$5.0	\$9.8	\$19.0	\$14.0
		Track	\$8.0					\$4.0	\$4.0
		Grading	\$15.0			\$5.0	\$5.0	\$5.0	
		Signal	\$4.0					\$2.0	\$2.0
		Structure	\$20.8				\$4.8	\$6.0	\$6.0
		Other							
		Preliminary Eng and Environmental			\$2.3				
		Cum Total		\$2.3	\$5.0	\$11.8	\$31.8	\$33.8	\$50.0
P-6	CP Canal	Grade separate CN and IHB	\$35.0	\$0.0	\$1.6	\$3.5	\$6.8	\$13.3	\$9.8
		Track	\$5.6					\$2.8	\$2.8
		Grading	\$10.5			\$3.5	\$3.5	\$3.5	
		Signal	\$2.8					\$1.4	\$1.4
		Structure	\$14.5				\$3.3	\$5.6	\$5.6
		Other							
		Preliminary Eng and Environmental			\$1.6				
		Cum Total		\$0.0	\$1.6	\$5.1	\$11.9	\$25.2	\$35.0
P-7	Chicago Ridge	Grade Separate Metra over IHB.	\$50.0	\$0.0	\$0.0	\$7.3	\$9.8	\$19.0	\$14.0
		Track	\$8.0					\$4.0	\$4.0
		Grading	\$15.0			\$5.0	\$5.0	\$5.0	
		Signal	\$4.0					\$2.0	\$2.0
		Structure	\$20.8				\$4.8	\$9.0	\$8.0
		Other							
		Preliminary Eng and Environmental			\$2.3				
		Cum Total		\$0.0	\$0.0	\$7.3	\$17.0	\$36.0	\$50.0
Total Cost			\$381.0						

	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Track		\$10.0	\$5.0	\$7.0	\$31.0	\$25.8	\$10.8
Grading		\$5.0	\$10.0	\$19.5	\$26.5	\$13.5	\$0.0
Signal		\$10.0	\$3.0	\$5.0	\$14.0	\$10.4	\$5.4
Structure		\$6.9	\$15.9	\$22.9	\$53.1	\$31.6	\$21.6
Other		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Preliminary Eng and Environmental		\$9.9	\$5.0	\$2.3	\$0.0	\$0.0	\$0.0
Cum Total		\$41.8	\$80.7	\$137.3	\$261.9	\$343.2	\$381.0

Total by year		\$41.8	\$38.9	\$56.6	\$124.6	\$81.3	\$37.8
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Highway Grade Separations

Project Number	Location	Project Scope	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
G-1	Group 1	4 Grade Separations	\$60.0	\$7.7	\$52.3	\$0.0	\$0.0	\$0.0	\$0.0
		Track	\$0.0						
		Grading	\$15.0	\$5.0	\$10.0				
		Signal	\$0.0						
		Structure	\$42.3		\$42.3				
		Other							
		Preliminary Eng and Environmental		\$2.7					
		Cum Total		\$7.7	\$60.0	\$60.0	\$60.0	\$60.0	\$60.0
G-2	Group 1	6 Grade Separations	\$76.0	\$3.4	\$53.6	\$52.6	\$0.0	\$0.0	\$0.0
		Track	\$0.0						
		Grading	\$20.0		\$20.0				
		Signal	\$0.0						
		Structure	\$86.2		\$33.6	\$52.6			
		Other							
		Preliminary Eng and Environmental		\$3.4					
		Cum Total		\$3.4	\$57.0	\$109.6	\$109.6	\$109.6	\$109.6
G-3	Group 1	5 Grade Separations	\$76.0	\$0.0	\$3.4	\$20.0	\$52.6	\$0.0	\$0.0
		Track	\$0.0						
		Grading	\$20.0			\$20.0			
		Signal	\$0.0						
		Structure	\$52.6				\$52.6		
		Other							
		Preliminary Eng and Environmental			\$3.4				
		Cum Total		\$0.0	\$3.4	\$23.4	\$76.0	\$76.0	\$76.0
G-4	Group 1	5 Grade Separations	\$76.0	\$0.0	\$0.0	\$3.4	\$20.0	\$52.6	\$0.0
		Track	\$0.0						
		Grading	\$20.0				\$20.0		
		Signal	\$0.0						
		Structure	\$52.6					\$52.6	
		Other							
		Preliminary Eng and Environmental				\$3.4			
		Cum Total		\$0.0	\$0.0	\$3.4	\$23.4	\$76.0	\$76.0
G-5	Group 1	5 Grade Separations	\$76.0	\$0.0	\$0.0	\$0.0	\$3.4	\$20.0	\$52.6
		Track	\$0.0						
		Grading	\$20.0					\$20.0	
		Signal	\$0.0						
		Structure	\$52.6						\$52.6
		Other							
		Preliminary Eng and Environmental					\$3.4		
		Cum Total		\$0.0	\$0.0	\$0.0	\$3.4	\$23.4	\$76.0
Total Cost			\$364.0						

	Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Track		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Grading		\$5.0	\$30.0	\$20.0	\$20.0	\$20.0	\$0.0
Signal		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Structure		\$0.0	\$75.9	\$52.6	\$52.6	\$52.6	\$52.6
Other		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Preliminary Eng and Environmental		\$6.1	\$3.4	\$3.4	\$3.4	\$0.0	\$0.0
Cum Total		\$11.1	\$120.4	\$186.4	\$272.4	\$345.0	\$397.6

Total by year	\$11.1	\$109.3	\$76.0	\$76.0	\$72.6	\$52.6
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Total Project Distribution

Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Track	\$51.0	\$72.1	\$47.7	\$53.0	\$25.8	\$13.3	\$262.9
Grading	\$13.5	\$43.8	\$43.3	\$46.5	\$33.5	\$0.0	\$180.6
Signal	\$61.1	\$69.5	\$37.5	\$23.0	\$10.4	\$10.5	\$212.0
Structure	\$35.7	\$127.2	\$91.0	\$115.7	\$89.2	\$79.2	\$537.9
Other	\$65.0	\$48.7	\$45.0	\$45.0	\$45.0	\$45.0	\$293.7
Preliminary Eng and Environmental	\$29.1	\$8.4	\$5.7	\$3.4	\$0.0	\$0.0	\$46.5
Cum Total	255.3	624.9	895.1	1,181.8	1,385.6	1,533.6	

Expenditures by Year

\$255.3 \$369.6 \$270.2 \$286.6 \$203.9 \$148.0 \$1,533.6

Percent of Project

16.65% 24.10% 17.62% 18.69% 13.29% 9.65% 100.00%

Estimated Cost (millions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Beltway	\$27.9	\$42.7	\$6.0	\$6.0	\$0.0	\$2.6	\$85.2
Western Ave.	\$20.8	\$25.5	\$5.0	\$0.0	\$0.0	\$5.0	\$56.3
East West	\$30.2	\$38.8	\$32.0	\$30.0	\$0.0	\$0.0	\$131.0
Central	\$28.5	\$45.7	\$34.6	\$0.0	\$0.0	\$0.0	\$108.8
Passenger	\$41.8	\$38.9	\$56.6	\$124.6	\$81.3	\$37.8	\$381.0
Highway Grade Separations	\$11.1	\$109.3	\$76.0	\$76.0	\$72.6	\$52.6	\$397.6
Other Projects	\$95.0	\$68.7	\$60.0	\$50.0	\$50.0	\$50.0	\$373.7
Cum Total	\$255.3	\$624.9	\$895.1	\$1,181.8	\$1,385.6	\$1,533.6	

Expenditures by Year

\$255.3 \$369.6 \$270.2 \$286.6 \$203.9 \$148.0 \$1,533.6

Percent of Project

16.65% 24.10% 17.62% 18.69% 13.29% 9.65% 100.00%

EXHIBIT D

“CREATE” PROJECT

MEMORANDUM OF UNDERSTANDING
AMONG THE PARTICIPATING RAILROADS

This Memorandum of Understanding, dated as of May ___, 2003, is entered into by and among The Burlington Northern and Santa Fe Railway Company (“BNSF”), Canadian National Railway Company (“CN”), Canadian Pacific Railway Company (“CP”), CSX Transportation, Inc. (“CSXT”), the Commuter Rail Division of the Regional Transportation Authority (“Metra”), the National Railroad Passenger Corporation (“Amtrak”), Norfolk Southern Railway Company (“NS”), and Union Pacific Railroad Company (“UP”) (together, the “Participating Railroads”; BNSF, CN, CP, CSXT, NS and UP at times are referred to herein as the “Participating Freight Railroads,” and Metra and Amtrak at times are referred to herein as the “Participating Passenger Railroads”), in order to set forth their understanding with respect to the terms and conditions under which they will participate in the Chicagoland Region Environmental And Transportation Efficiency (“CREATE”) Project, which will be coordinated by the Association of American Railroads (“AAR”) under the following directives.

1. **Purpose of the Project.** The CREATE Project (“Project”) is designed to reduce conflicts between rail freight and passenger movements across the Chicago regional area, reduce conflicts between train and highway movements at numerous locations across the region, and improve rail passenger and freight service. The Project will significantly improve estimated through-put through the Chicagoland Region and reduce train hours, thus reducing fuel consumption and air pollutants from locomotives. It will also improve safety at crossings, reduce highway emissions from trucks and autos, improve the safety of passenger and freight operations, accommodate growth in passenger and freight service, promote continued growth of Chicago’s regional economy, and permit more efficient movement of freight traffic across the United States via the Chicago gateway. In short, it will expand metropolitan Chicago’s rail passenger and freight capacity, improve the efficiency of rail passenger and freight movement, lessen traffic gridlock, and support job expansion. The purpose of the Project is further described in the memorandum of understanding (the “Public MOU”) to be entered into by AAR and the Participating Railroads with the agencies providing public funding for the Project.

2. **The Project.** The Project consists of infrastructure improvements on or related to five key rail corridors (the Beltway Corridor, the Central Corridor, the Western Avenue Corridor, the East-West Corridor and the Passenger Express Corridor), as illustrated on Exhibit A hereto. The Corridors will utilize existing railroad rights-of-way wherever possible. In some instances, the Project will require that third-party properties be acquired in order to make a Corridor right-of-way continuous or permit the construction of a particular element of the Project. All such third-party properties shall be acquired, as a capital contribution to the Project, and paid for (including costs of land acquisition, permitting, environmental mitigation, and any relocation assistance) by the City of Chicago or other governmental entities. All such properties needed for

railroad rights-of-way or facilities shall be transferred, at no additional cost, to the railroad(s) responsible for the involved Corridor segment or Project element. All such properties needed for highway grade separations shall be retained by or transferred to the appropriate public entity. The individual components (the "Components") included in the Project are set out in the book (the "Plan") entitled "CREATE: Chicagoland Region Environmental And Transportation Efficiency Project," dated March 25, 2003. The Plan shows the Components, their location, scope, owners and projected costs based on preliminary engineering estimates.

3. **Project Protocols.** This MOU has as its foundation the following protocols ("Project Protocols"), which have been agreed upon by the Participating Railroads in planning the Project, are hereby ratified by them, and shall be incorporated into the Public MOU to be entered into by AAR and the Participating Railroads with the agencies providing public funding for the Project.

(a) **Integrated Project:** The Project will include the construction and/or improvement of numerous individual elements, many of which have independent utility. However, the Project shall constitute one integrated Project that has been designed to foster improved commuter and inter-city rail passenger service, improved street traffic fluidity through grade separations and other highway enhancements, and a more efficient rail freight transportation system within and through the Chicago metropolitan area. The Project's specific elements have been selected only after a careful review and analysis of existing transportation operations within the region, the needs of the Participating Railroads, and the interests of the various communities affected by the Project. Given the scope and complexity of the Project, further refinements in the planned elements are likely to be necessary. However, Components shall not hereafter be added to or deleted from the Project without the consent of the Participating Railroads, as provided in this Memorandum.

(b) **Funding Based on Benefits:** Although the Participating Railroads will realize substantial benefits as a result of the Project (largely as a result of reduced transit times), the preponderance of the benefits to be achieved through the Project will be public benefits such as improved rail passenger and automobile commuting times, reduced truck congestion, improved air quality, continued growth of Chicago's regional economy, and more efficient movement of freight traffic across the United States. The agreed-upon commitments of the Participating Freight Railroads to make capital contributions to the Project have been determined by them to be commensurate with the benefits to be realized by them as a result of the Project. In addition, Metra has agreed to make, and Amtrak has agreed to request funds sufficient to enable it to make, capital contributions to the Project on the basis of the respective operating benefits expected to be realized by each such party. The public contribution to the Project, in turn, shall be commensurate with the greater public benefits to be generated by the Project. Moreover, since the Participating Railroads voluntarily are committing to pay, during Component construction, for the benefits they will receive during the life of the Project, and because they also will own and maintain the railroad infrastructure Components once completed, they shall not be required to pay, directly or indirectly, and whether through user fees or any other mechanism designed to recover construction costs, any funds in addition to the amounts they will contribute as stated in the **Funding** section below.

(c) **Funding Contingency:** Railroad investment in the Project shall be contingent upon a binding commitment that establishes the availability, on terms and conditions satisfactory to the Participating Railroads, of all required public funding and of third-party properties necessary to complete the Project.

(d) **Public Support:** The success of the Project depends upon public support for the Project. The Participating Railroads shall work cooperatively with each other, and with appropriate federal, state, City of Chicago and regional officials, to develop broad public support for the Project, with the responsible public agencies taking the lead in developing such public support.

(e) **Environmental & Regulatory Approvals and Property Acquisitions:** The State of Illinois (acting, wherever appropriate, through the Illinois Department of Transportation (“IDOT”)) and the City of Chicago shall be responsible for, and shall bear all costs associated with, acquiring all necessary properties owned by third parties (whether through condemnation or otherwise) and obtaining all necessary environmental and regulatory approvals for the Project. The Participating Railroads shall work cooperatively with each other, and shall support the appropriate governmental officials’ efforts to acquire all property owned by third parties and all environmental and regulatory approvals needed for the Project.

4. **Funding.**

(a) The preliminary total cost of the design and construction of the Project is \$1.1963 billion, of which the Participating Freight Railroads agree to make a capital contribution in the maximum amount of \$212 million (the “Freight Railroad Contribution”), Metra agrees to make a capital contribution of an additional \$20 million (the “Metra Contribution”), and Amtrak agrees to request funds sufficient to enable it to make a capital contribution of an additional \$10 million (the “Amtrak Contribution”) (such Amtrak Contribution shall be subject to the level of funding Amtrak receives from Congress). Exhibit B hereto sets forth the Required Contribution of each Participating Freight Railroad. The balance over and above those Required Freight Railroad Contributions and the Metra Contribution (together with the Amtrak Contribution, but only if made), including, without limitation, the cost of land acquisition, permitting, environmental mitigation and other costs associated with new rights-of-way and other third-party properties included in the Corridors, is to come from public funding in accordance with the Public MOU. The Public MOU shall adopt the Project Protocols, and shall not impose on any Participating Railroad or its customers any direct or indirect repayment obligations (whether in the form a user fee or any type of direct or indirect fee or tax on transportation) or guarantees relating to the public funding.

(b) IDOT and the City of Chicago will be responsible for securing the necessary public funding in the form of federal grants as part of the reauthorization of the Transportation Equity Act for the 21st Century, or from other appropriate public sources. The Participating Railroads shall cooperate with each other and with IDOT and the City in supporting such efforts to secure public funding.

(c) The Participating Railroad Contributions will not be made until such time as a binding commitment establishes the availability, on terms and conditions satisfactory to the Participating Railroads acting through the Policy Committee, of all required public funding and of all third party properties necessary to complete the Project (the "Funding Contingency"). Such Contributions will be made in a manner to be mutually agreed by the Participating Railroads, IDOT and the City of Chicago.

5. **Governance.**

(a) A Policy Committee (the "Policy Committee"), consisting of a single member from each Participating Railroad appointed by its CEO, will have overall responsibility for general oversight and policy for the Project. The Policy Committee may elect a Chairman, and may retain a qualified individual (the "Industry Project Engineer") acceptable to the Participating Railroads to administer the Policy Committee's activities and coordinate the Participating Railroads' actions with those of the public parties. At any meeting of the Policy Committee, a member may be represented by another officer appointed by such member. The Participating Railroads agree to abide by the decisions of the Policy Committee regarding the Project.

(b) All Major Decisions by the Policy Committee shall require a unanimous vote; provided, however, that Amtrak shall not be entitled to vote on any issue if, at the time of such vote, Amtrak shall not have committed to make the Amtrak Contribution. Major Decisions include:

- (i) a determination that the Funding Contingency has been satisfied;
- (ii) material changes in the scope of the Project, such as adding or deleting a Component, substantially changing the schedule for a Component, or substantially modifying a Component;
- (iii) increasing or decreasing the Required Contributions;
- (iv) hiring, terminating or setting the terms of employment of employees or contractors (such as the Industry Project Engineer) retained by the Policy Committee on behalf of the Participating Railroads generally;
- (v) the appropriate resolution of Component cost overruns;
- (vi) admission of new Participating Railroads;
- (vii) incurrence of indebtedness or grant of any guarantee, surety or similar obligation by the Participating Railroads jointly;
- (viii) commencement or settlement of litigation relating to the Project on behalf of the Participating Railroads generally; and
- (ix) amendment of this Memorandum or the Public MOU.

Decisions other than Major Decisions shall be made by majority vote of the Policy Committee (or a subcommittee created by the Policy Committee), with each Participating Railroad entitled to cast one vote. Notwithstanding the foregoing, the Participating Passenger Railroads shall not be entitled to vote on decisions (such as those relating to freight-to-freight connections) that do not directly affect the interests of any Participating Passenger Railroad, and the Participating Freight Railroads shall not be entitled to vote on decisions that do not directly affect the interests of any Participating Freight Railroad.

(c) The Policy Committee may create such additional committees, or utilize such other existing committees, as it deems advisable, and may delegate to such other committees such functions as it deems appropriate. In addition, the Policy Committee may seek support for its activities from individuals with relevant expertise at the Participating Railroads.

(d) AAR, under the direction of the Policy Committee and together with such Committee members as may elect to participate, will head up all negotiations with governmental agencies.

6. **Design, Construction and Ownership.**

(a) The Corridors will be constructed and improved on property owned by the Participating Railroads, The Belt Railway Company of Chicago ("BRC") and the Indiana Harbor Belt Railroad ("IHB") (BRC and IHB collectively referred to as the "Switching Railroads"). The Participating Freight Railroads agree to cause the Switching Railroads to take such actions as may be required to implement the Project on the terms set forth herein.

(b) As set forth in the Plan, the Project includes Components that fall into three categories. (This designation is for purposes of addressing the matters of design, construction and ownership, and does not directly correlate to the respective public and private benefits of such Components. In addition, it should be noted that Components in different categories are in some cases interrelated and interdependent in terms of function and construction sequencing.) The three categories of Components are:

Railroad Projects: These include each of the Components included in the Beltway Corridor, the Central Corridor, the Western Avenue Corridor, the East-West Corridor and the Passenger Express Corridor.

Highway Grade Separation Projects: These include the twenty-four (24) Highway Grade Separation Projects listed in the Grade Separations section of the Plan.

Other Projects: These include Project Nos. 1 (Technology Improvements Related to Visibility and Electronic Requests), 3 (Elimination of 10 Towers) and 5 (Viaducts Improvement Program) listed in the Other Projects section of the Plan.

(c) **Railroad Projects:**

- Railroad Projects will be constructed according to the corridor construction schedule (the "Corridor Construction Schedule") agreed upon by the Chicago Planning Group ("CPG").
- Each Participating Railroad responsible (the "Responsible Railroad(s)") for the design and construction of a particular Component that constitutes a Railroad Project shall be as shown on the Corridor Construction Schedule. The Corridor Construction Schedule shall generally assign design and construction responsibility to the Participating Railroad(s) that owns or controls the right-of-way or other property upon which a Component is to be constructed. Where a Component is to be constructed on property owned or controlled by a Switching Railroad, or where substantial economies and efficiencies could be achieved by combining the construction of related Components that involve property owned or controlled by more than one railroad, the Corridor Construction Schedule shall reflect due consideration of such economies and efficiencies.
- Each such Component, as constructed or installed, will be owned or controlled by the railroad that owns or controls the property on which it is constructed or installed.

(d) **Highway Grade Separation Projects:**

- Under agreements to be negotiated by AAR on behalf of the Participating Railroads, all Highway Grade Separation Projects will be the responsibility of IDOT, the City or another appropriate public body (the "Responsible Public Body"). As to each such Component, the Responsible Public Body will be responsible for land acquisition (where necessary, and whether through condemnation or otherwise), permitting, detailed engineering, pre-construction planning, permits, environmental matters (including any environmental mitigation), liability during construction, and construction of the Component within schedule and within budget. Any cost overruns on Highway Grade Separation Projects shall be paid for with public funds. The agreements to be negotiated by AAR shall permit the Participating Railroads to review and approve the design, and shall ensure that construction does not impair the ability of the Participating Railroads to service existing and future traffic on adjacent lines. The Highway Grade Separation Projects shall be included in the Corridor Construction Schedule.

- The public highway portions of each such Component shall be owned by the appropriate public body, which shall be responsible for maintenance of the same.

(e) **Other Projects:** Responsibility for Project No. 1 and Project No. 3 listed in the Other Projects section of the Plan will be assigned by the Policy Committee. The City will be responsible for Project No. 5 listed in the Other Projects section of the Plan, and shall use funds allocated to such Project No. 5 for purposes related to viaduct improvements related to the Corridors.

(f) **Project Oversight:** In accordance with the Public MOU to be entered into by AAR and the Participating Railroads, and under agreements to be negotiated by AAR on behalf of the Participating Railroads, IDOT and the City will have the right to inspect and audit the Project design and construction work for which each Participating Railroad is responsible. The Industry Project Engineer shall coordinate the execution of such inspection and audit function. However, the party assigned responsibility for a Project Component under this Memorandum or the Public MOU shall retain ultimate control over the design and construction of such Component (provided that such party may elect to utilize the services of the Industry Project Engineer or other qualified contractors).

7. **Corridor Trackage Rights, Maintenance and Operations.**

(a) Each Participating Railroad shall have the right to operate its own trains on and over all of the Project lines (except as provided below) pursuant to: (a) any existing trackage rights agreements, which shall be unaffected by this Memorandum, (b) new agreements (“New Trackage Rights Agreements”) to be negotiated bilaterally between the railroad(s) that owns or controls a particular Project line (“Owner”) and Participating Railroad(s) wishing to use such line (“User”), or (c) both existing trackage rights agreements and New Trackage Rights Agreements. The Participating Railroads agree that each such New Trackage Rights Agreement shall provide for overhead trackage rights permitting the User to operate its own trains on and over the applicable line with the right to enter and exit such line at all points at which such User has or acquires a right to operate over a line contiguous with such Project line at such point of entry or exit, subject to applicable regulatory, contractual, and physical restrictions. While the compensation for such trackage rights is subject to bilateral negotiation between the Owner and User, the Participating Railroads recognize the fact that each of the Participating Railroads have made a substantial capital investment (in the form of cash or property or both) in the Project to assure trackage rights on the Project Lines. No Participating Railroads may charge back to any Participating Railroad under any existing trackage rights agreement for any cost or expenditure in connection with the Project. The Participating Railroads further agree that the New Trackage Rights Agreements shall be subject to reasonable capacity and availability restrictions as agreed to by the parties thereto, and such New Trackage Rights Agreements shall contain other reasonable provisions typically found in trackage rights agreements. Any dispute between the Owner and User regarding the terms of a New Trackage Rights Agreement that cannot be resolved in the ordinary course by them shall be referred to their respective senior operating officers, who shall resolve such dispute, or may mutually elect to submit such dispute to non-binding mediation. The parties to any such dispute that is not resolved under the preceding

sentence shall submit it to binding arbitration under the trackage rights compensation standards of the Surface Transportation Board (or any successor thereto). Notwithstanding the foregoing, this Memorandum does not grant any Participating Freight Railroad any new right to operate over any portion of the Passenger Express Corridor, and this Memorandum does not grant any Participating Passenger Railroad any new right to operate over any portion of any Corridor other than the Passenger Express Corridor.

(b) Subject to agreements now in effect or to be entered into, the owner(s) of each Project line shall be responsible for the inspection, maintenance and repair of such Project line. Each Project line shall be maintained, at a minimum, to the track speed and standards as published in the timetable established immediately following the substantial completion of the Project Components related to railroad capacity. New trackage rights shall not become effective until the Project Components related to railroad capacity are substantially completed, unless otherwise agreed by the parties in interest in a particular line. Train operations shall be guided by the terms of a Chicago train operations protocol (current revision dated 5/1/03), developed, and as from time to time amended, by CPG.

(c) The Participating Railroads acknowledge CN's need to access the CWI line for its Central Corridor operations and agree that the line be available for CN's use upon: (1) the satisfactory completion, in Metra and NS' reasonable judgment, of the Project's 74th Street and Englewood Components, or (2) prior to the completion of the components, should Metra and NS determine in their sole and absolute discretion after consulting with CN, to grant CN access to their respective properties. The Participating Railroads further acknowledge the City's interest in the termination of rail operations on the St. Charles Airline. The Participating Railroads agree that the termination of such operations shall occur upon (1) the satisfactory completion, in CN's judgment, of all elements of the Central Corridor, or (2) CN's determination, in consultation with the other owners of the St. Charles Airline, that the Central Corridor is completed to the level necessary for operation thereover.

8. **Implementation.** It is anticipated that a more definitive agreement will be required by the public authorities. The Participating Railroads agree to negotiate in good faith such mutually acceptable agreements as are reasonably required to implement this Memorandum and the Public MOU.

9. **Successors.** Each of the covenants, conditions and obligations in this Memorandum shall inure to the benefit of and shall be binding upon the successors in interest of the Participating Railroads.

10. **Counterparts.** This Memorandum of Understanding may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement. Although designated as a party hereto, if Amtrak chooses to execute this Memorandum, Amtrak shall be governed by the terms hereof. If Amtrak does not execute this Memorandum, the Memorandum shall be binding upon the remainder of the Participating Railroads upon execution by all of them.

If the Public MOU is not executed by June 2, 2003, or if the Funding Condition is not achieved by December 31, 2003, the Participating Railroads shall have no further obligations under this Memorandum of Understanding.

[Signatures appear on next page.]

The Burlington Northern and Santa Fe Railway Company

By: _____

Date: _____

Canadian National Railway Company

By: _____

Date: _____

Canadian Pacific Railway Company

By: _____

Date: _____

CSX Transportation, Inc.

By: _____

Date: _____

Commuter Rail Division of the Regional Transportation Authority

By: _____

Date: _____

National Railroad Passenger Corporation

By: _____

Date: _____

Norfolk Southern Railway Company

By: _____

Date: _____

Union Pacific Railroad Company

By: _____

Date: _____

CREATE Project

Corridor Highlights

Beltway Corridor

Indiana Harbor Belt and Canadian National route between Franklin Park and South Holland. Primarily handles intermodal and carload trains for interchange between western and eastern railroads. The line runs through the communities of Melrose Park, Broadview, LaGrange, McCook, Chicago Ridge, Alsip, Blue Island, Harvey and South Holland.

Western Avenue Corridor

CSX and Norfolk Southern route. Parallels Western Ave. from Ogden Ave. in Chicago to Blue Island, with additional route on Union Pacific from 75th Street to South Holland via Dolton. Connects major intermodal hubs across central Chicago. Route primarily within the City of Chicago, Blue Island, and South Holland

East - West Corridor

Belt Railway of Chicago route between Argo on the west, along 74th Street, to the Port of Chicago. Links major rail car switching yards with other corridors. Creates an important new route across Chicago that is fully grade separated. Route primarily within the City of Chicago, with a small segment in Bedford Park.

Central Corridor

Canadian National, CSX, Norfolk Southern, and Metra route between Franklin Park and Grand Crossing. Primarily handles intermodal and carload trains for Canadian National as their primary route through Chicago. The route creates flexibility and capacity for growth with the addition of a new route through Chicago. The line runs through the communities of Franklin Park, River Grove, Melrose Park, River Forest, Oak Park, Forest Park, Chicago and Grand Crossing.

Passenger Express Corridor

Metra and Norfolk Southern route from LaSalle Street Station to Chicago Ridge. Preserves "footprint" for future development of Midwest High Speed Rail from Union Station to IL / IN border. Enables expansion of the rapidly growing Metra Southwest Service route, and creates capacity at Union Station. The majority of corridor is within the City of Chicago, with small portion in Oak Lawn.

Paying for the Chicago Plan

- Each road has stated its contribution to the Chicago Plan:

	Contribution	Methodology	Hybrid %
- BNSF	REDACTED million	Usage	REDACTED
- CP	million	Usage	
- CSXT	million	Equal Share	
- NS	million	Equal Share	
- UP	million	Equal Share	
- METRA	million	N/A	
- CN	million	N/A	
	272.3		

Total \$ 232.3 million

Note: Contribution amount derived from Hybrid % applied at the \$250 M level. CN and Metra are constants.

EXHIBIT E

**FOURTH AMENDMENT TO
"CREATE" PROJECT
MEMORANDUM OF UNDERSTANDING
AMONG THE PARTICIPATING RAILROADS**

WHEREAS, the parties hereto executed a Memorandum of Understanding regarding the "CREATE" Project, dated as of May 6, 2003 ("Railroad MOU"); and

WHEREAS, the parties, by three prior amendments, have extended the Funding Contingency date contained in the Railroad MOU from December 31, 2003 to December 31, 2005;

WHEREAS, the Funding Contingency was not achieved as of December 31, 2005;

WHEREAS, notwithstanding that the Funding Contingency was not achieved as of December 31, 2005, the parties believe that certain identified Project benefits can be realized by the completion of a portion of the Project Components;

WHEREAS, the parties are willing to progress a portion of the Project under certain specific terms and conditions and subject to certain contingencies as described herein, and

WHEREAS, the parties are further willing to support efforts to continue to seek the Funding Contingency necessary for the entire Project.

NOW, THEREFORE, IT IS AGREED as follows:

1. Each party hereto represents that it has obtained all necessary corporate authorizations (including board approval, if required) for the execution of this Fourth Amendment to the Railroad MOU and for it to be binding on such party; provided, however, that Metra's commitment is subject to the receipt of necessary State of Illinois transportation funding which has yet to be authorized.

2. The Components set forth in Attachment 1 hereto comprise that portion of the Project (“Initial Components”) which will be progressed if the conditions and contingencies stated in Sections 3 through 10 below are met.
3. The Participating Freight and Passenger Railroads’ portion of the preliminary total cost of the design and construction of the Initial Components is limited to a maximum amount of \$100.50 million (“Railroad Initial Components Contribution”). The amount of each Participating Freight and Passenger Railroad contribution is set forth in Attachment 2.
4. The Railroad Initial Components Contribution shall be applied to any of the Projects listed in Attachment 1 other than the Grade Separations; provided, however, that Amtrak’s contribution shall be applied only to Project P-1.
5. The Railroad Initial Components Contribution shall be contingent upon the availability and receipt of public funds in the amount of \$100 million (which shall be federal funds administered through IDOT).
6. As set forth in Attachment 1, the cost of the Projects, other than Grade Separations, is \$230 million. To cover the full costs of such Projects, funding from the City of Chicago in the amount of \$30 million is anticipated. Such public funding from the City shall be subject to City legislative authorization and shall not be a condition for the Railroad Initial Components Contribution; provided, however, that the definitive agreements referenced in Section 8 below will address any changes necessary in the event that such funding from the City is not realized.

7. Public funding for the Grade Separations Project in the amount of \$100 million shall be from IDOT and subject to Illinois legislative authorization. Such funding from IDOT shall not be a condition for the Railroad Initial Components Contribution.
8. The Railroad Initial Components Contribution will not be obligated until such time as a definitive agreement among the Participating Railroads contributing to the Initial Components, IDOT, and the City of Chicago (“Initial Components Funding Contingency”) establishes the amount of work to be completed, the sequence, the schedule, and the funding requirements for the progression of each of the Projects in Attachment 1 (other than the Grade Separations) and the availability, on terms and conditions satisfactory to those Participating Railroads contributing to the Initial Components, of the \$100 million in public funding referenced in Section 5 above and of all third party properties necessary to complete the Initial Components (other than the Grade Separations). The definitive agreement shall also establish: (1) the appropriate governance structure for the Initial Components which reflects the Participating Railroads’ contributions; and (2) the process for prioritizing or modifying the Projects (other than the Grade Separations) in the event that the aggregate costs exceed the Railroad Initial Components Contribution and available public funding, including any shortfalls due to the unavailability of anticipated public funding from the City of Chicago.
9. If the Initial Components Funding Contingency is not met by December 31, 2006, the Participating Railroads shall have no further obligations under this Fourth Amendment for the Initial Components.

10. Notwithstanding the provisions of Article IV of the Public MOU, as amended, the Railroad Initial Components Contribution shall be in addition to, and not offset by, any Participating Railroad financial contribution made in accordance with said Article IV.
11. The Participating Railroads agree to advocate that priority for any additional public funding received for a subsequent phase of the CREATE Project be given to Project P-2.
12. Except to the extent inconsistent with the terms of this Fourth Amendment, all of the provisions of the Railroad MOU will apply to the Initial Components as if: (a) the Initial Components were the Project, (b) the Railroad Initial Components Contribution were the Freight Railroad Contribution, and (c) the Initial Components Funding Contingency were the Funding Contingency.
13. Except as otherwise provided herein, capitalized terms shall have the same meaning as in the Railroad MOU.
14. The Railroad MOU (including the provisions of Section 8 regarding definitive agreements), as previously amended and as further amended hereby, is reinstated by the parties hereto and remains and is in full force and effect with respect to the Initial Components. In all other respects, no party shall have any other liability or obligation under the Railroad MOU, as amended; provided, however, that: (1) the Participating Railroads will continue to support efforts to seek the Funding Contingency necessary to progress the entire Project; and (2) if the Funding Contingency is realized, the Participating Railroads further agree to work, at such time, in good faith among themselves and with IDOT and the City of Chicago to effect a definitive agreement

for the entire Project which, taking into account any changed circumstances, reflects as closely as possible the objectives, understandings, and contribution limitations regarding the Project as set forth in the original Public MOU.

15. This Fourth Amendment to "CREATE" Project Memorandum of Understanding Among the Participating Railroads may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

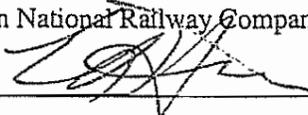
DATED as of Aug 15, 2006.

[Signatures appear on next page.]

The BNSF Railway Company

By: _____

Canadian National Railway Company

By:  _____

Canadian Pacific Railway Company

By: _____

CSX Transportation, Inc.

By: _____

Commuter Rail Division of the Regional
Transportation Authority

By: _____

National Railroad Passenger Corporation

By: _____

Norfolk Southern Railway Company

By: _____

Union Pacific Railroad Company

By: _____

CREATE Program Initial Components Plan

Project # (from Railroad MOU)	Location	Project Scope	Cost (in millions)
Grade Separations	Chicago Various	6 Grade Separations	\$100.00
B-1	Tower B-12	CP double mainline connection to Beltway at B12	\$3.20
B-2	Proviso	Construct new main on UP: Elmhurst-Provo Jct., upgrade IHB connection to 25 mph	\$14.50
B-3	In Bellwood, connecting to Proviso Yard	Install 2nd parallel connection at Melrose betn Proviso Yd and IHB, associated crossovers and signal modifications.	\$3.00
B-4	LaGrange	Install TCS signaling on all tracks CP LaGrange-CP Hill. Includes upgrade of 21 runner to mainline	\$18.30
B-5	Broadview	Install Universal crossover, to include switches and signals, at CP Broadview, and power connection to the CNIC	\$5.00
B-6	McCook	Construct 2nd southwest connection between IHB and BNSF. Install single left crossover for BNSF to Argo.	\$10.10
B-8	Argo-CP Canal	Upgrade TCS signaling Argo to CP Canal	\$4.00
B-12	CP Francisco to CP 123rd Street	Add Additional Mainline CP Francisco to CP 123rd St St	\$8.00
B-13	Blue Island Jct.	Upgrade IHB-CN connection at Blue Is Jct.	\$3.00
B-15	CP Harvey - Dolton	Install TCS between CP Harvey to Dolton	\$2.60
WA-1	Ogden Jct.	Re-align & Signalize Ogden Jct for double track connection from UP to BOCT & CJ Mains	\$5.00

CREATE Program Initial Components Plan

Project # (from Railroad MOU)	Location	Project Scope	Cost (in millions)
WA-2	CTC on CSX	Install TCS signaling on BOCT between Ogden Jct and 75th Street (Forest Hill)	\$9.00
WA-3	CJ	Install TCS signaling CJ tracks between Ogden Jct and CP518, add additional mainline along Ashland Ave Yard, and extension of Yard Switching Lead	\$15.50
WA-4	BNSF Chicago Sub to BNSF Chillicothe Sub	Construct connection directly linking BNSF Chicago and Chillicothe Subs	\$9.50
WA-5	Corwith Tower	Upgrade track, signal, and reconfigure Corwith interlocking and remote CN Corwith Tower	\$5.80
WA-10	Blue Island Jct.	Install universal interlocked connections between BOCT and CN to facilitate directional running	\$6.50
WA-11	Dolton	Upgrade and reconfigure Dolton interlocking	\$5.00
EW-1	Clearing Yard	Construct 2 new main tracks, reconstruct thoroughfare, and rearrange connections. Impacts Beltway Corridor - Argo Connection	\$1.25
EW-2	80th Street	Improve track & signals for flexibility of routes from 80th St to Forest Hill & 74th St.	\$8.00
EW-3	Pullman Jct.	Re-align Pullman Jct. to incorporate BRC and NS mains from Pullman to 80th Street	\$5.00

CREATE Program Initial Components Plan

Project # (from Railroad MOU)	Location	Project Scope	Cost (in millions)
EW-4	CP 509	Improve connection from East-West Corridor to NS Mainline at CP 509	\$1.00
P-1	Englewood	Grade separate Metra and NS	\$30.00
P-2	74th Street	Grade separate Metra and BRC and connect Metra to Rock Island route	\$7.28
P-3	75th Street (Forest Hill)	Grade Separate CSX & NS to carry Metra's SW service, building a double-track bypass of NS Landers Yd for Metra, extending to Ashburn; and connect Landers Yd to BRC tracks.	\$4.80
P-7	Chicago Ridge	Grade Separate Metra and IHB (CSX)	\$2.50
OP-5	Viaduct Improvement Program, Chicago	City-Wide	\$5.00
OP-7	Property, Relocation, Environmental	Railroad Projects	\$10.00
OP-8	Contingency, Inflation, and Program Management	Contingency on Railroad Construction	\$27.67
Total			\$330.50

Railroad Initial Components Contribution

<u>Railroad</u>	<u>Contribution</u>
Amtrak	\$ [REDACTED]
BNSF	\$ [REDACTED]
CP	\$ [REDACTED]
CN	\$ 0
CSXT	\$ [REDACTED]
NS	\$ [REDACTED]
UP	\$ [REDACTED]
Metra	\$ [REDACTED]
<i>Total</i>	<i>\$100,500,000</i>

VERIFIED STATEMENT OF
DAVID LOWE

My name is Dave Lowe. I am Regional Chief Engineer, Southern Region, for Canadian National Railway Company and its railroad subsidiaries (together, “CN”). (CN’s Southern Region includes all CN lines in the United States, as well as its lines in Canada between Winnipeg, MB, and the U.S.-Canadian border at International Falls and Ranier, MN.)

I began my career in the rail industry in 1972, when I started work with the Engineering Department of Illinois Central Railroad Company (“IC”) in Waterloo, IA. I have held several different positions within the Engineering Department since that time, including the years since IC’s acquisition by CN in 1999. I have a B.S. from Southern Illinois University and a M.S. in civil engineering from the University of Illinois.

I have been involved for several months in dealing with issues raised by CN’s agreement to acquire most of EJ&E’s rail assets, particularly with respect to rail design and operations and other issues raised by the plans of Gary/Chicago International Airport Authority (“the Airport”) to extend its runways, which were built adjacent to the existing rail lines of EJ&E and other railroads. More recently, I have been asked to evaluate the physical feasibility of a build-out of a rail line from the American Chemical Service, Inc. (“ACS”) facility in Griffith, IN, to obtain competitive rail service from CN, as described in the comments filed by ACS. I have been asked by CN to provide this verified statement in response to the comments of both the Airport and ACS.

I. AMERICAN CHEMICAL SERVICE, INC. (“ACS”)

Although ACS is exclusively served by EJ&E at its facility at Griffith, IN, ACS claims that the proposed CN/EJ&EW Transaction would reduce the competitive restraint that the possibility of a build-out by ACS to the nearby CN track exercises on EJ&E’s rates and service offerings. Opposition Statement and Request for Conditions [of American Chemical Service, Inc.] at 2 (“ACS Comments”). David Tarpo, ACS’s plant manager, claims, in a verified statement filed in support of the ACS Comments, that a build-out by ACS, enabling it to receive rail service from CN, “could be easily accomplished over the right-of-way of the former Interchange Track [*i.e.*, the track that, before CSXT abandoned its line through Griffith, IN, in 1981, connected the CSXT and CN lines].” ACS Comments, Verified Statement of David Tarpo at 2 (“Tarpo V.S.”). Mr. Tarpo further states that “[t]he grading of the right-of-way of the former Interchange Track remains distinctly visible,” suggesting that ACS therefore could “build-out trackage easily and inexpensively” by reinstalling track on that right-of-way that would connect its industry tracks to CN’s line. *Id.*

In order to evaluate ACS’s assertions, I have examined CN’s track charts for the line adjacent to ACS’s property, aerial photographs available on Google Maps, and the ACS Comments, including Mr. Tarpo’s supporting verified statement. That examination leads me to conclude that ACS seriously underestimates the physical difficulties of constructing and operating a build-out to CN’s line.

Mr. Tarpo’s verified statement includes, as Appendix DT-1, a copy of the July 1, 1981, agreement between EJ&E and ACS regarding the terms of EJ&E’s physical access to the ACS facility at Griffith. Exhibit A to that agreement is a print that maps the

relevant features in the vicinity of ACS's plant, including the EJ&E and CN lines, ACS's industry track, the EJ&E track that leads to the industry track, and the former interchange track. According to the map, the track owned by EJ&E extends from a point on EJ&E's main line west of the crossing of the EJ&E and CN rail lines, curves across the right-of-way of the former CSXT line, and ends at a point marked as "C" on the map. The map shows that at that point the track branched out in a wye, with one branch constituting ACS's industry track and extending to the ACS facility (found in the lower right corner of the map), and the other constituting the interchange track leading to CN's main line. (Section FIRST, paragraphs C and D, of the agreement indicate that EJ&E's ownership ends at point "C" and that ACS owns the track extending beyond that point to its plant. The agreement does not identify the owner of the interchange track.)

It is clear from looking at the map that ACS cannot easily build out to CN by simply restoring the former industry track on the existing right-of-way. If that were done, trains would be unable to move between the ACS plant and CN's line without using EJ&E's track, because the tracks would not be aligned to permit a direct movement between the industry track and the former interchange track. Instead, a train moving from CN's line onto the interchange track would have to proceed past point "C" onto EJ&E's track, then reverse direction and back up through point "C" onto the ACS industry track. Similarly, a train moving from the ACS industry track to CN's line would have to back up from the industry track, through point "C" onto EJ&E's track, then reverse direction and move forward through point "C" onto the former interchange track in order to make a head-on movement onto the CN line. If, alternatively, it were proposed to build a connection between ACS's industry track and the interchange track

so that trains could move directly from one to the other without using EJ&E's track, the map indicates that the curvature of the connection would be too tight.

I conclude, therefore, that a build-out from ACS to CN's line would require construction of a new connection that would not use the right-of-way of the former interchange track. This connection could be built across property that is west of the ACS plant and east of the interchange track right-of-way. It would require installation of a turnout in the CN mainline and a turnout in ACS's industry track, with construction of 1,575 feet of track between the two turnouts. I have attached an illustration of this connection to my statement. However, the turnout on CN's line would be located within the limits of the Griffith interlocker, and would therefore require CN to incur costs for additional signaling. Moreover, it appears from the limited plant layout information provided by ACS in its Comments that an additional turnout may be needed in the plant in order to permit the CN locomotives to run-around the cars to switch the plant. It also appears from aerial photography of the land involved that the new connection would affect wetlands, and that the impact on those wetlands would need to be mitigated.

Providing service using this new connection would present operational difficulties. An eastbound CN train switching the plant would have to stop somewhere between Main Street and Kennedy Avenue (to the west of the CN-EJ&E crossing), assuming the train was short enough to fit, then cut off the ACS cars and move them across Broad Street and onto the new build-out connection; a westbound CN train would have to stop somewhere between Colfax Street and Reder Road, then cut off the ACS cars, move them forward across Colfax Street and past the turnout to the new build-out connection, then back up through the turnout onto the build-out track. Either move could

increase traffic delays in the area by requiring additional blockage of the road crossings at Broad or Colfax Street.

I estimate that the cost of this new connection would be approximately \$540,000 for the portion of the construction on CN property (including signals), and approximately \$1,200,000 for the ACS's portion of the construction (including embankment work, drainage, any utilities, and wetland mitigation and permitting, but not including any land acquisition cost that might be required).

Because of the significant construction costs (including wetlands mitigation and possible land acquisition costs) and possible blockages of road crossings that I have described above, I conclude, contrary to ACS's suggestion, that the construction and operation of a build-out from its facility to CN's line would be neither cheap nor easy.

II. GARY/CHICAGO INTERNATIONAL AIRPORT AUTHORITY

I have been involved for several months in dealing with issues raised by CN's agreement to acquire most of the EJ&E railroad, particularly with respect to rail design and operations and other issues raised by the plans of Gary/Chicago International Airport Authority ("the Airport") to extend its runways, which were built adjacent to the existing rail lines of EJ&E and other railroads.

In particular, I have been involved in addressing proposals by the Airport that would require moving the present EJ&E line, which I understand has operated on an embankment to which the Airport is adjacent for about a century, since well before the Airport was built.

One of my responsibilities in 2007 was to become informed about the Airport and its plans, particularly as they might affect the operations of the EJ&E line. After CN executed a Share Purchase Agreement with EJ&E on September 25, 2007, EJ&E asked CN to sit in on its discussions with the Airport, since, if the Transaction is approved by the STB and closed by the parties, the Airport will be dealing with CN rather than EJ&E as at present. We have participated in several meetings along with representatives of EJ&E.

CN has continued to confer with EJ&E as it seeks to negotiate in good faith toward an agreement that would address the operational problems and safety concerns presented by the Airport's proposal. The Airport's response seems to have been that it does not want to consider any alternatives to the ones it has proposed. Although the Airport's difficulties in reaching agreement with EJ&E are not related to the Transaction, and would likely continue in the absence of its proposed acquisition of the subject line, CN is continuing to work with EJ&E to try to deal with the Airport constructively, in hopes of reaching an agreement.

VERIFICATION

I, David Lowe, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 13, 2008.

A handwritten signature in cursive script that reads "David Lowe". The signature is written in black ink and is positioned above a horizontal line.

David Lowe

ATTACHMENT



Revisions	DATE	BY	
1			
APPROVALS			
OFFICE OF			
Drawn by:	Scale:	Date:	Proj. No.
Checked by:			File No.
 Southern Region			DIV SUB LOCATION

VERIFIED STATEMENT
OF
GERALD P. RADLOFF

I. INTRODUCTION

My name is Gerald P. Radloff. I am Assistant Vice-President Sales for CN Worldwide North America, a subsidiary of Canadian National Railway Company. My background is provided in my earlier Verified Statement included in the Application at 59-77.

II. CN'S REPUTATION FOR EXCELLENT SERVICE

Several commenters have spoken about service on the lines of the former Wisconsin Central after CN acquired it in 2001. First, I want to note that CN places great weight on customer service. It has received numerous awards from customers for its high level of service. For example, in just the last several months, in September 2007 VeraSun Energy named CN its Preferred Transportation Supplier, and in December 2007 Evergreen Shipping gave CN its Vendor of the Year Award.

III. CN'S TRACK RECORD OF SMOOTH IMPLEMENTATION OF ACQUISITIONS

Having implemented three major or significant railroad acquisitions in the United States in the past ten years without mishaps, CN has valuable experience in doing so and in dealing with problems – anticipated and otherwise – that they can present. In *CN/IC* and *CN/WC*, though the Surface Transportation Board had initially provided for an oversight period to address matters such as changes in service, it terminated the oversight

early as unnecessary. In *CN/IC* the Board formally terminated the oversight proceeding early, as no longer needed.

IV. CN'S EXPERIENCE IN WISCONSIN AFTER *CN/WC*

Several comments include second- or third-hand references to events following implementation of CN's acquisition of WC. CN is not aware of formal complaints to the Board about its actions following acquisition of WC having been raised in the oversight process. In *CN/GLT*, there was a complaint by Ispat about service involving winter shipments of ore in aging cars CN acquired in *CN/WC*, but the Board denied relief, finding it to be a contract matter.

Such complaints were, however, the subject of a hearing conducted in Wisconsin in September 2006 by the Wisconsin Public Service Commission and the Wisconsin Department of Agriculture, Trade and Consumer Protection. CN voluntarily participated in that hearing and submitted a statement by James M. Foote, Executive Vice President - Sales and Marketing, a copy of which is attached.

V. INTERCHANGES

Based on my marketing experience, I believe that requests for rate and practice guarantees or freezes beyond what is covered by the commitments CN has made, and that were endorsed by NITL, should be denied because they tend to be impractical, inefficient, and anticompetitive.

CSX's request for a freeze on interchanges is not the same as CN's agreement to maintain open gateways. The rationale for CN's agreement to maintain open gateways

on commercially reasonable terms does not apply to maintaining particular interchanges, which are often governed by agreements.

VI. BUILDOUTS

American Chemical Service, Inc. (“ACS”), whose facility in Griffith, IN, is exclusively served by EJ&E, claims that presently has the opportunity to build out to CN’s rail line in order to obtain competitive rail service, that this option exercises competitive restraint on EJ&E, and that the proposed Transaction, by bringing the CN and EJ&E lines under common ownership, would eliminate that competitive restraint. I am familiar with ACS’s situation, as I was when I prepared the Verified Statement that was submitted with the Application. At that time, CN was unaware of any communications by ACS raising the possibility of a build-in to or a build-out from its facility, or of any internal discussions within CN regarding the possibility of a build-in or build-out. We continue to be unaware of any such communications or discussions (other than discussions in preparation for CN’s reply in this proceeding). And there is nothing in ACS’s Comments that gives me any reason to question my earlier opinion that “build-in/build-out possibilities are not presently constraining CN’s or EJ&E’s rates or service offerings at points [such as Griffith] where their lines approach each other.” CN-2 at 71.

CN has too little to gain for it to be interested in a build-in or build-out that would enable it to compete for ACS’s business. Evidence submitted by ACS shows that ACS only shipped and received 167 carloads of freight in 2007, all of which moved to or from points served by BNSF, KCS, NS, or UP, and none of which moved to or from CN-served points. Thus, any ACS traffic that CN might gain from competition with EJ&E

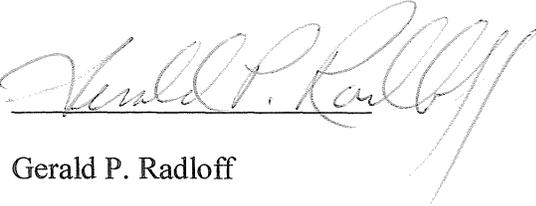
would have to be interchanged; of the 2007 traffic, 80 carloads (originating on UP at Taft, LA) would be interchanged at Salem, IL, 6 carloads (terminating on KCS at Verona, MS) would be interchanged at Jackson, MS, 10 carloads (terminating on either BNSF or KCS at Tupelo, MS) would be interchanged at Memphis or at Jackson, and the rest would be interchanged at Chicago. Thus, for 71 carloads, CN could expect no more revenue than what it would earn on the short haul to or from Chicago, and any reductions in ACS's rail rates resulting from CN competition for this traffic would therefore be minimal. While CN might have the opportunity to earn greater revenue on the remaining 80 cars from Salem, or the 16 cars to Memphis or Jackson, it is still unlikely that CN could offer rates so much lower than EJ&E's rates for this relatively small volume of traffic that it would make sense for ACS to invest the significant resources needed for a build-out.¹ In the absence of any evidence that such a build-out would be worthwhile, I must conclude that the possibility of a build-out is extremely remote, and is not exercising any competitive restraint on EJ&E today.

¹ I understand that Dave Lowe, CN's Regional Chief Engineer for the Southern Region, testifies that it would cost ACS approximately \$1.2 million for the build-out, not including land acquisition costs. Verified Statement of Dave Lowe at 5.

VERIFICATION

I, Gerald P. Radloff, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 13, 2008.


Gerald P. Radloff

ATTACHMENT



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October 11, 2006

The Honorable Dan Ebert
Chairperson
Public Service Commission of Wisconsin
610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

The Honorable Rod Nilsestuen
Secretary
Department of Agriculture, Trade & Consumer Protection
P.O. Box 8911
Madison, WI 53708-8911

Dear Sirs:

I am writing to follow up on the fact-finding meetings regarding rail service that your agencies conducted on September 26 and 28, 2006, in Milwaukee, La Crosse and Green Bay.

We understand that you have been hearing from some vocal shipper groups and individuals with complaints about rail rates and service. We have been hearing from them as well and we have been working diligently and communicating with our customers to get to the bottom of their issues. In some cases, we have found their concerns to be legitimate and customer-specific and we have taken steps to address them, while in certain other cases, we found the issues to be more systemic and we have set out to address such matters system-wide so that all our customers can benefit from the improvements to service.

We have also found, however, that a good number of complaints were based on simple misunderstandings, misinformation and/or inadequate communication. We continue to work on this and I am hopeful that you are already hearing about the improvements. This is not to say that we always agree, but where CN and our customers have different interpretations, we try our best to communicate our position, listen to theirs, and address concerns that arise.

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CN's Business Model

One of our major challenges is to communicate CN's business model, which has unfortunately has been misinterpreted and mischaracterized by groups and individuals with other agendas. Not long after acquiring Wisconsin Central in 2001, CN realized that a number of the operating practices and methods used by the management team of our predecessor were not sustainable over the long run, and that if those practices continued, rail service in many Northern Wisconsin communities would be lost or would have to be transferred to state ownership, requiring ongoing taxpayer subsidies. It is interesting that some of the people from whom you are hearing have said that they are comfortable with this kind of an outcome; we suspect, however, that the Governor and the taxpayers in the State of Wisconsin favor a private sector resolution.

It is true that CN has adjusted service on a number of branch lines. This was required to make overall service more efficient, consistent with current business volumes and train connections to move the goods forward in the distribution chain, so that shippers on those lines would not have to pay for more service than they actually require. If business volumes increase and are sustainable, so will the frequencies of train service increase.

CN also has raised rates throughout our system. In Wisconsin, this was necessary to bring returns more in line with our cost structure and promote the sustainability of our operations. If the light-density lines of Northern Wisconsin cannot be made profitable over the long run (as was the case under the predecessor railroad), their future cannot be assured.

The Capital-Intensive Nature of Rail Operations

CN is committed to the long-term viability of our Wisconsin lines. The business results of these light-density lines need to work for our customers, but also for CN, because we spend our own funds to maintain and improve our infrastructure. Operating costs (including crew salaries, locomotive costs, fuel, and car hire) and maintenance costs all must be borne by the traffic generated by a relatively small number of customers.

CN is not government-owned and, as a company policy, we do not rely on the taxpayers to finance our infrastructure. Further, the rail industry as a whole is extremely capital-intensive. Railroads reinvest a greater percentage of their total revenue than any other industry, including more than three times the rate of the paper industry. As capital intensive as utilities are, their rate of reinvestment is likewise well below that of the rail industry.

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In CN's case, we have an aggressive capital spending program aimed at ensuring that our infrastructure is sufficient to meet customers' demands. In 2006, we expect to spend US\$1.3 billion system-wide; roughly US\$900 million of our 2006 expenditures are for infrastructure, over US\$270 million of which is being spent in the United States. In Wisconsin alone, CN spent roughly US\$40 million in 2005, and we are on track for considerable infrastructure expenditures this year in the state.

At the same time, CN and other railroads have to generate their own capital to put rail lines and equipment in service and to continue to operate and maintain them. Railroads compete for investors in capital markets with a return-on-investment that remains consistently below the average return for all other industries. This is a side of the story you are not getting from Badger-CURE.

A recent example will help to illustrate this point. CN experienced substantial increases in log car orders in Wisconsin and in the Upper Peninsula of Michigan in 2005 and, following completion of an internal cost/benefit analysis, we put into place a plan to augment railcar capacity in this region by roughly 30 percent to meet the anticipated increase in customer demand. Unfortunately, our customers' projected demand has not materialized. As a result, we have been forced to put hundreds of cars into storage. This less than optimal utilization of our equipment has an adverse impact on fleet velocity and the return on our car investment; this in turn increases car handling costs throughout the system and ultimately the costs to our customers.

It is important to acknowledge that CN bears these risks alone. The overall car refurbishment project alone cost nearly \$5 million, yet the projected customer demand failed to materialize. In an effort to stimulate demand, we have been actively marketing our service to the logging community in the region. We have placed print ads as well as undertaken an e-mail campaign and web promotions making sure that our customers – and potential customers – are aware that: (1) CN has substantial log car capacity; (2) CN has a new valued tariff for Michigan, Wisconsin, and Minnesota with very competitive rates that are good for 12 months; and (3) CN has the most competitive fuel surcharge in the industry. We remain hopeful that our investment decision ultimately will prove to have been justified.

CN is in business to meet the transportation needs of our customers and to do it safely and efficiently. Like other companies, our shareholders expect us to be fairly compensated for the level and quality of service we provide. Unlike other

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companies, however, it is essential that we derive sufficient revenues to sustain our highly capital-intensive operations. It also is crucial that there be a clear understanding of the underlying risks associated with making these infrastructure investments.

The Problems with Reregulation

Reregulation proponents fight regulation in their own industries, but attempt to redefine economics when it applies to another, especially when they think the regulation of others will work to their advantage. The problem is that if the policies they are recommending were ever implemented, the likely result would be loss of rail service in Wisconsin, less transportation competition, and massive taxpayer subsidies. Ironically, some of the people calling for the changes ultimately would be the biggest losers if their proposals were ever enacted.

In fact, when you boil it all down, the arguments put forth by Badger-CURE and other reregulation proponents are contradictory. They call on the railroads to invest more revenue to meet the needs of Wisconsin companies, while at the same time call on government to artificially suppress rail rates – the source of the revenue to meet rail customer needs. At present, the railroad industry transports 40 percent of the freight yet generates only 10 percent of the revenues, which indicates intense competition from other transport modes. Reregulation's proponents are trying to have it both ways, but real world economics cannot support this approach.

Government solutions typically come in two flavors: regulation and taxpayer-funded assistance. Any recognized economist will tell you that the more you regulate something, the less of it you get. Unfortunately, there are not many traffic managers still working today who remember the dark days of heavy-handed economic regulation of railroads, prior to enactment of the Staggers Rail Act of 1980, when service levels were unreliable, railroads were disinvesting, and the infrastructure was in such terrible shape that standing derailments were a regular occurrence. Reregulation is not a viable solution.

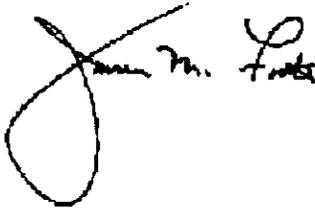
The only remaining government option is to throw taxpayer money at the situation, but that is not part of CN's business model. We do not think it is the Governor's model either and I think it unlikely that taxpayers would want to substantially increase their funding of freight rail operations in the state. CN, as a matter of company practice, does not seek or use taxpayer funding for our operations infrastructure.

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We believe strongly that the only sustainable approach is for CN and our customers to work together and find ways to make our service offerings acceptable to both. I would also note that CN has a Service Department, which is responsible for addressing the service concerns of our customers. Mike Mohan, CN's Vice President – Service, leads this group, and I would encourage your staff to contact Mike if you have specific questions or concerns about CN's service in Wisconsin. Mike can be reached at (708) 332-3802 or at michael.mohan@cn.ca.

Thank you for this opportunity to provide additional information in connection with your hearings. Please let me know if you have any questions or would like additional information on CN's operations in Wisconsin.

Sincerely,

A handwritten signature in black ink, appearing to read "James M. Foote". The signature is stylized with a large loop at the beginning and a flourish at the end.

James M. Foote
Executive Vice-President
Sales and Marketing

cc: Governor Jim Doyle
Secretary of Transportation Frank Busalacchi

VERIFIED STATEMENT
OF
GORDON T. TRAFTON II

My name is Gordon T. Trafton II. I am the Senior Vice-President, Southern Region for Canadian National Railway Company. I am responsible for the Southern Region's Operations, Mechanical, Sales and Engineering functions.

I hold a Bachelor of Science degree in Transportation and Traffic Management from the University of Colorado. I was employed by Burlington Northern Railroad Company ("BN") from 1978 through 1995, and held a variety of positions during my employment tenure at BN, including General Manager of Service Design (1992-94) and General Manager of Network Planning and Scheduling (1994-95). I joined Illinois Central Railroad in 1996, serving first as General Manager Transportation, and then as Vice President Transportation and Information Systems and Services. In 1999, after the merger of CN and IC, I became Vice-President, Operations Integration at CN. I was appointed to my current position at CN in June 2003.

In this statement I have been asked to address a number of matters relating to Metra and one issue concerning CSXT.

CN has a long and largely successful working relationship with Metra, and has historically cooperated with Metra on matters that impact the operation of commuter rail over, or across, CN's freight lines. Specifically with regard to the STAR Line issue, CN has been reasonable in its discussions and dealings with Metra and supports a cooperative approach. In that spirit of working together, CN has agreed to cooperate with Metra on the Star Line, including abiding by the Letter of Understanding between Metra and EJE and exploring with Metra the possibility of using EJ&E right-of-way and the possible use

of track facilities. CN is also willing to work with Metra on issues arising from other proposed services that Metra hopes one day to offer. For example, once Metra's proposed Southeast Service is closer to being finalized, CN is agreeable to discussing Metra's plans for operating the line.

CN believes, however, that Metra's request for conditions regarding the West Chicago and Barrington interlockings is unfounded. CN has determined that there exists adequate capacity for purposes of dispatching the Barrington and West Chicago interlockings for Metra's trains. CN is willing to work cooperatively with Metra and UP to address possible future traffic growth, but we don't know when this might occur or what those future schedules might be. As a scheduled railroad, it is critically important to CN that our trains are where they are supposed to be when they are supposed to be there. Insufficient capacity at any of the interlockings along the EJ&E would seriously interfere with our ability to meet our customers' needs. CN is not aware of any analysis conducted by Metra indicating that there would not be sufficient capacity for purposes of dispatching the Barrington or West Chicago interlockings.

CN has also determined that the curfews sought by Metra are unnecessary and would only inefficiently constrain freight operations, which would have the perverse effect of creating a capacity problem that would not otherwise exist. As our objective is to operate a scheduled railroad, CN has experience in running freight trains during short windows between passenger trains without causing interference with passenger service.

It is not only unnecessary for EJ&E to cede control of the Barrington and West Chicago interlockers to Metra, doing so would not improve overall operations; if anything, it would create problems. For one, Metra does not own either line that passes

through the interlocker. It does not even operate the passenger trains along that line – they are operated by UP through a Purchase of Services Agreement. Allowing a new party – a party that neither owns the lines nor operates the trains passing through the interlocker – to control an interlocker is virtually unheard of. This is especially true where there have been no historical operational problems nor anticipated future problems.

With respect to CSXT, I participated in the discussions between CN and CSXT regarding possible interchange locations in and around Chicago. Throughout these discussions, CN has consistently made it clear that although it has no plans to unilaterally modify interchange points with CSXT, it would not cede its right as a receiving carrier to do so. Furthermore, in committing in its Application to keeping all *gateways* open on commercially reasonable terms, CN was not indicating that it intends to freeze in place all existing *interchange* locations. Indeed, CN made clear in the Application that it was considering moving some interchange locations. *See, e.g.*, CN-2 at 217. CN believes its intentions in making that commitment were clear, and it is unreasonable to interpret that commitment in the manner contemplated by CSXT.

VERIFICATION

I, Gordon T. Trafton II, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 13, 2008.



A handwritten signature in black ink, consisting of stylized initials and a surname, is written over a horizontal line. The signature appears to be 'G. T. Trafton II'.

Gordon T. Trafton II

BEFORE THE SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35087

CANADIAN NATIONAL RAILWAY COMPANY
AND GRAND TRUNK CORPORATION
– CONTROL –
EJ&E WEST COMPANY

**SUPPLEMENTAL VERIFIED STATEMENT
OF
CHRISTOPHER A. VELLTURO, PH.D.**

I. QUALIFICATIONS

1. I am the founder and president of Quantitative Economic Solutions, LLC, a microeconomic consulting firm located in Cambridge, Massachusetts. I received a Bachelor of Science degree (*cum laude*) in applied mathematics and economics from Brown University in Providence, Rhode Island, and a Doctor of Philosophy (Ph.D.) degree in economics from the Massachusetts Institute of Technology (MIT) in Cambridge. I have studied structural, regulatory, and competitive issues relating to the rail industry for 25 years. I have published several papers in academic journals relating to regulatory and competitive determinants of rail efficiency and viability.

II. ASSIGNMENT AND CONCLUSIONS

2. I previously submitted a Verified Statement to the Board (“Original Verified Statement”)¹ that addressed the competitive ramifications of Canadian National’s (“CN”) proposed acquisition of the principal freight railroad assets of Elgin, Joliet

¹ CN-2 at 79-173.

and Eastern Railway Company (“EJ&E”).² I found that there will be no reduction in competition for any rail traffic as a result of the proposed transaction.

3. I understand that, subsequently, certain shippers have raised concerns about the impact the proposed transaction on the prices they pay and the quality they receive for rail transportation services they currently receive from EJ&E. These concerns include issues raised by: Equistar Inc., Aux Sable, ArcelorMittal, American Chemical Service (ACS).³ I refer to these issues collectively as “Shipper Concerns.”
4. Generally, the stated concerns relate to specific origin points of the shippers currently served by EJ&E. Some shippers express concerns that they will be subjected to inefficient routing through their bottleneck EJ&E access to other railroads, as CN will inefficiently route such traffic over CN. When considered in the well established “one lump” assessment of such bottleneck issues, these concerns are not warranted.
5. In addition, certain shippers express concerns that quality of service may fall and prices may rise due to various changed incentives if the proposed were to proceed without modification. I have seen no evidence put forward by shippers consistent with these possible effects. My economic assessment of these issues also finds that such concerns are unwarranted, as the transaction provides no opportunity for CN to implement such changes.

² In this proceeding, CN is seeking regulatory authority to acquire control of EJ&E West Company (“EJ&EW”), which is proposed to be created as a subsidiary of EJ&E and to which EJ&E proposes to transfer all of EJ&E’s rail lines and related west of Buchanan Street in Gary, IN (plus the Dixie and hump leads near Kirk Yard in Gary). EJ&E would retain ownership of the remainder of its present rail lines and would be renamed the “Gary Railway.” I understand that Gary Railway would continue to be owned by United States Steel Corporation (“USS”) and would serve five shippers in Gary, including the Gary Works of USS itself.

³ Equistar Chemicals, LP, Petition To Deny, Or In The Alternative, Request For Imposition Of Conditions (filed Jan. 28, 2008); Aux Sable Liquid Products, LP, Opposition Statement And Request For Conditions (filed Jan. 28, 2008); ArcelorMittal USA Inc., et al, Comments And Requests For Conditions (filed Jan. 28, 2008) (ARCM-2); American Chemical Service, Inc., Opposition Statement And Request for Conditions (filed Jan. 28, 2008).

III. ANALYSIS OF SHIPPER CONCERNS – GENERAL CONSIDERATIONS

A. Established “One Lump” Assessment of End-to-End Mergers Removes “Neutral Access” Concerns

6. The Shipper Concerns generally include some element of adverse effects due to what they assert is the bottleneck position of EJ& E at their facilities.⁴ The general concern cites changed circumstances specific to the proposed transaction that will alter the control of these EJ&E assets in a way that will weaken/eliminate the rail service options available to the shipper and result in higher prices or poorer service.
7. As an essential point of analytic departure, I note where bottlenecks already exist, the end-to-end merger of such bottlenecks with another road have long been established by the STB and the Courts to result in no incremental concern for adverse competitive effects. Under this “one lump” theory, the bottleneck railroad is recognized to uniquely control the rents (or economic profits) associated with a rail shipment, and the integration of this railroad into an end-to-end third party system provides no incremental incentive to raise prices or diminish service quality.
8. The Court of Appeals reviewing the merger of Union Pacific and Southern Pacific recognized that the “one lump” theory is a “broadly accepted economic proposition.” *Western Resources, Inc. v. STB*, 109 F.3d 782, 788 (D.C. Cir. 1997). In my Original Verified Statement in this proceeding, I attached my verified statement in the CN-Wisconsin Central proceeding, which included a discussion of the “one lump” theory. *See* CN-2, at 128-130, 154-55. The Board has utilized the theory to establish a

⁴ The two shippers that express vertical foreclosure concerns – Aux Sable and Equistar – recognize that CSX also has access to their facilities. Aux Sable asserts, however, that “CSX’s service has not been nearly as responsive to [Aux Sable’s] needs” as EJ&E’s service. *Van Winkle V.S.*, at 12. Equistar asserts that “CSXT is unable to furnish the necessary storage to support [Equistar’s] East Morris plant’s needs.” *Equistar Pet.*, at 2. Neither of these assertions suffices to show that EJ&E has the presumed monopoly power of a bottleneck carrier. That one of two carriers capable of providing rail service to a facility is superior to the other does not mean that the superior carrier is a bottleneck carrier; it just means that it is the better competitor. This issue need not be pursued, however. For the reasons I discuss in the text, the Transaction will not have anticompetitive effects even if EJ&E has monopoly power as a bottleneck carrier.

presumption with these elements:

- there is but one monopoly rent in a movement involving one or more bottleneck carriers;
- a bottleneck carrier has an incentive to extract all of that rent through its divisions with other carriers;
- the bottleneck carrier has an incentive to maximize the size of the rent by causing the total end-to-end rate that the shipper pays to be at the level that maximizes net revenue for the traffic;
- a merger of a bottleneck carrier with a connecting carrier that faces competition on its routes, or with another bottleneck carrier, does not increase the ability of the bottleneck carrier to extract the rent or increase the total end-to-end rate.

These elements have been discussed in many ICC and Board cases, including *CSX Corp. – Control & Op. Leases Agreements – Conrail Inc.*, 3 S.T.B. 196, 266-69 (1998); *Burlington N. Inc. – Control & Merger – Santa Fe Pac. Corp.*, 10 I.C.C.2d 661, 747-57 (1995); *Union Pac. Corp. – Control – Mo. Pac. Corp.- Western Pac. Corp.*, 366 I.C.C. 462, 537-42 (1982).

9. The ICC and STB have also recognized that both bottleneck and competing carriers have an incentive to choose the most efficient connecting carriers (those with the lowest variable or incremental costs for the move), and that a merger of a bottleneck carrier with a connecting carrier that faces competition on its routes does not change the incentive of the bottleneck carrier to utilize the most efficient connecting carriers, even when doing so entails a joint-line alternative to its own post-merger single line move. *Norfolk S. Corp. – Control & Consolidation Exemption – Algers, Winslow & W. Ry. Co.*, STB Finance Docket No. 34839, slip op. at 9 (served Feb. 15, 2007); *UP/MP/WP*, 366 I.C.C. at 538.

**B. Source Competition at Shipper Delivery Destinations Constrain
Delivered Product Prices and Rail Transportation Rates**

10. As I reviewed extensively in my Original Verified Statement in this matter, a reduction in transportation service quality, or an increase in transportation rates that lead to price increases in a delivered good to a given destination, render the delivered products relatively uncompetitive in their destination marketplaces. With significant

competition at the destination from products generated at other origins, an increase in price from a subject origin/plant (or diminution in delivery time or convenience) will be defeated by customers at the destination turning to alternative source of supply, including sources which the railroad whose pricing incentives are under scrutiny do not serve. As noted in my Original Verified Statement, this competition from multiple origins at a common destination (“Origin Competition”) keeps rails rates competitive from multiple origin points serving (or potentially serving) a common destination. Any assessment of potential competitive concerns that fails to undertake any such analysis of the destination marketplace does not provide an adequate economic basis to conclude that any adverse economic outcome may arise. Without a decrease in competition, there is no increase in market power, and, therefore, no increase in the ability to raise prices or reduce service.

IV. ASSESSMENT OF SPECIFIC SHIPPER CONCERNS RAISED

A. Equistar Inc.

11. Equistar Inc. produces polymers at its plant in East Morris, Illinois. The facility is currently served via rail by EJ&E. EJ&E, along with CSXT, offers rail service into the East Morris facility. At present, Equistar utilizes EJ&E for its rail freight services into and out of the East Morris facility. Equistar also utilizes certain storage facilities owned by EJ&E.

12. Equistar’s concerns appear to relate to two issues:

- the CN transaction will eliminate the neutral connection options available presently through an independently owned EJ&E;
- the quality of service currently provided by EJ&E will not be provided by CN – in particular, Equistar’s access to the storage facilities of EJ&E may be compromised.

Equistar asserts that CSXT does not represent a viable current or potential shipment option out of the facility, due to storage limitations at CSXT.

13. From an economic standpoint, these concerns are not created by, nor exacerbated by, the proposed transaction. With respect to neutral connection options, Equistar’s theory appears to be that CN will take bottlenecked traffic from Equistar and route

over routes of CN's choice, thereby harming Equistar's competitiveness. This claim is inconsistent with the STB's and judicial findings as to the one-lump nature of competitive effects at bottlenecked facilities. To the extent there are economic rents or profits to be gained by EJ&E as a result of the existing bottleneck situation, the integration of EJ&E into CN has no effect on the nature of such profits, or the ultimate rates paid by Equistar. CN will have no more incentive or ability than EJ&E does today to increase the total rate that the shipper pays for the end-to-end move. Equistar makes no suggestion that the existing competitive constraint – whatever it may be (for example, geographic or modal competition) – on that total rate will be weakened by the Transaction. And, it is in the merged entities' best interest to see that Equistar volume is transported on the most efficient routes possible (including those of other roads), as this leaves the greatest portion of the economic profits associated with Equistar's traffic available for appropriation by the bottleneck access.

14. With respect to the storage facilities, Equistar implies that any system restructuring CN may undertake as a result of the transaction may compromise the availability of these facilities, and that CSXT is unable to provide a credible alternative. I have seen no evidence (nor has Equistar provided any, to my knowledge) that there is any nexus between any proposed restructuring by CN, post-transaction, and the availability of the subject storage facilities. The concern seems to be based upon conjecture.
15. Moreover, even assuming, *arguendo*, that CN were to implement a restructuring plan that compromised the subject storage facilities in return for more efficient operations generally, Equistar has offered no evidence to establish that any such restructuring does not benefit the public interest generally. Indeed, given the high fixed cost nature of rail operations, rail freight operators seek to utilize their systems to the utmost – that is, maximize output. Any CN restructuring would most likely be undertaken to expand CN's output compared to levels that would be achieved absent such a restructuring.
16. Expanding output is recognized as a pro-competitive result of economic activity and is to be encouraged from an economic standpoint. When a company expands its output, this implies that consumers have found that company's product/service to be

of superior quality (and/or at a superior price) than the product/service they were purchasing before. Equistar offers no reason to question this well-established expectation. Any restructuring by CN that results in output expansion, therefore, can be expected to generate positive net benefits to the U.S. economy.

17. Further, I am also aware of no evidence that demonstrates the inability of CSXT – either alone or in concert with Equistar – to develop reasonably competitive storage facilities, or credibly threaten to do so should an opportunity arise (such as the posited limitation of such facilities, post-transaction).
18. Equistar’s assessment of potential competitive concerns fails to undertake any analysis of the destination marketplaces for its polymers produced at the East Morris plant, and therefore provides no economic basis to conclude that any adverse economic outcome may arise. By contrast, my detailed analysis of potential competitive concerns in my Original Verified Statement, including on a source-competition basis, did not identify polymers as a competitive concern at any destination locale. That analysis, complemented by Equistar’s failure to provide any contrary analysis, demonstrates that there is no potential for any competitive concern with respect to the delivery of polymers from Equistar’s East Morris plant.

B. Aux Sable

19. Aux Sable operates a plant at Channahon, Illinois that produces propane/butane from pipeline-based natural gas sources. Like Equistar, Aux Sable ships tank cars via rail from its facility from EJ&E’s East Morris operations. Indeed, Aux Sable’s concerns mirror those of Equistar, namely, that CN will have an incentive to eschew neutral access to third party carriers from EJ&E’s tracks out of East Morris in favor of CN routes; and that CN will not maintain service quality at levels essential to the competitive operation of the Aux Sable plant.
20. Aux Sable’s claims do not withstand economic scrutiny for the same reasons that Equistar’s claims fail. The “one lump” assessment of competition embraced by the STB and the Courts recognizes that an end-to-end rail transaction involving a bottleneck access point generates no incremental competitive harm to shippers. Aux

Sable's claim that CN will not have a comparable interest in maintaining service levels is also misplaced, as Aux Sable provides no basis for the claim that any CN restructuring will necessitate (or, even render more attractive) a diminution of service quality at East Morris.

21. Aux Sable also provides no analysis of the nature of source-based competition that its rail-delivered propane and butane products face at its various delivery destinations. Without any such assessment, there is no reliable assessment of whether increases in price/decreases in service quality represent competitive possibilities, post-transaction. The analysis that I provided in my Original Verified Statement indicates that there are no competition concerns with respect to the Transaction, including origin-competition concerns, with respect to propane/butane anywhere in the route-structures of the proposed CN-EJE system. Thus, the Transaction will not create opportunities for CN to offer uncompetitive services to Aux Sable.

C. ArcelorMittal

22. ArcelorMittal owns and operates a series of steel production facilities and steel finishing facilities in the Mid-West. ArcelorMittal's filings indicate concerns surrounding its twin steel production facilities in Indiana Harbor and its plate mill in Gary.⁵ The Indiana Harbor facilities are currently served by EJ&E and IHB, and the plate mill is served by EJ&E. The EJ&E assets that serve Indiana Harbor are being acquired by CN under the proposed transaction; those serving the plate mill will continue to be owned by U.S. Steel as the Gary Railway.
23. ArcelorMittal's concerns relate to the incentive of CN to offer effective competition to the IHB at Indiana Harbor. ArcelorMittal posits that CN regards the EJ&E assets it is acquiring merely as a means to bypass Chicago, that it will "lack . . . interest in or focus on local rail customers such as ArcelorMittal" (ARCM-2 at 4), and that CN

⁵ ArcelorMittal also provides a laundry list of miscellaneous concerns surrounding various logistics/equipment availability issues. In their assessment, I see no basis as to why these issues will arise as a result of the transaction where they have not previously been evident. In any event, the analyses I provide herein applies to these various concerns as well.

consequently will not provide comparable service to that currently provided at Indiana Harbor, and ArcelorMittal's ability to "play off" IHB and CN for competitive pricing will not be equal to that provided by IHB and EJ&E. ArcelorMittal also expresses concern that the Gary Railway will focus on U.S. Steel to the detriment of ArcelorMittal's Gary Plate Mill.

24. With respect to the facilities at Indiana Harbor, Arcelor Mittal's assertions (like those put forward by Equistar) fail to identify any nexus between any restructuring of the EJ&E assets as part of CN that lead to any reduction in incentives for CN to serve customers at Indiana Harbor. Rather, with greater realized economies of scale/scope from the transaction, marginal traffic can be served at lower marginal cost, creating more incentives for CN to retain business such as that afforded at Indiana Harbor.
25. With respect to the ArcelorMittal Gary Plate Mill, the only basis provided for these concerns is the assertion that U.S. Steel will provide a large portion of Gary's business (though this figure is not provided). The fact is, however, that EJ&E is today owned by U.S. Steel, and after the Transaction the portion of the former EJ&E that constitutes the Gary Railway will still be owned by U.S. Steel. ArcelorMittal gives no reason to believe that U.S. Steel's incentives concerning rail service to shippers on the Gary should be different, and adverse to such shippers, in comparison with what they are today.
26. Finally, consistent with all the shipper assertions, ArcelorMittal appears to have given no consideration to the constraining impact that source based competition imparts on delivered product pricing to the destinations served by the ArcelorMittal facilities at issue. My analysis of such competitive concerns in my Original Verified Statement found no potential for anti-competitive pricing/service quality effects for the products and origins at issue in the ArcelorMittal filings.

D. American Chemical Service (ACS)

27. ACS produces chemicals at the subject facility located in Griffith, Indiana. In 2007, 167 total carloads of vegetable oil/modified vegetable oil were shipped into/out of the

Griffith facility via rail.⁶ All rail traffic arrived at/departed from the Griffith facility on lines purchased by ACS in the 1980s and deeded to EJ&E.

28. ACS expresses general concerns about whether CN will maintain service quality and access along the lines of the other shippers assessed in this report. As the same considerations that indicate no such post-transaction effects will arise for the other shippers apply here as well, I will not repeat them.
29. ACS indicates it has historically used the potential for a build-out to CN-operated tracks to discipline the prices it receives over existing tracks to its facilities operated by EJ&E. ACS expresses concern that the proposed transaction will eliminate this competitive threat (as CN will now own the EJ&E assets at issue) and that the transportation prices paid at the Griffith facility will rise (or, equivalently, service quality per unit price paid will fall).
30. For the elimination of such a build-out threat to result in increased prices, the prospective build-out must have represented a credible threat (from an economic standpoint) – that is, the rival railroad (here EJ&E) must have been genuinely convinced that the construction of such a build-out was feasible. Further, such a constraint must have been the constraint that was binding the prices charged by EJ&E. In other words, there must not have been some alternative competitive constraint that held EJ&E prices below the prices implied by the threatened build-out to the CN-operated tracks. ACS offered no evidence to demonstrate any of these elements.
31. I understand CN asked ACS in discovery for evidence indicating that the threat of a build-out had ever in fact been expressed to EJ&E or CN. ACS asserts in its responses that “the feasibility of a build-out was never questioned inasmuch as the route of the former EJ&E (C&O)-CN interchange track is distinctly visible.” Resp. and Obj. To Appl. First Set of Interrog. And Doc. Req., ¶¶’s 1-2 (Interrog.), 1-4 (Doc. Req.). The visibility of some track obviously says nothing about whether the track

⁶ The ACS filings indicate additional volumes were shipped out from the Griffith facility using other transportation modes; no data on the traffic split among modes of transportation utilized have been provided.

presents an economic, operationally feasible, environmentally acceptable, build-out possibility, or whether EJ&E (or even ACS itself) understood the track to present such a possibility. ACS's filings in this proceeding present no plan or analysis that addresses, let alone demonstrate, the viability of the build-out. It does not appear that EJ&E has been presented with a build-out option to the CN-operated tracks as a credible alternative to its service to the Griffith facility.

32. In his Verified Statement in the Application, CN's Gerald Radloff testified that he is "familiar with all five of the locations where CN tracks are in the vicinity of EJ&E tracks" and that he is "not aware of any proposal by CN to obtain access to an EJ&E-served shipper by building a new rail line from its track to the shipper's facility, or by the shipper to obtain CN service from CN by building a line out to CN's track." CN-2, at 70-71. My understanding is that CN has not undertaken any financial or design work, engineering/surveying work, or evaluation of the environmental/regulatory issues (other than in connection with rebuttal testimony in this proceeding by CN's Regional Engineer for the Southern Region). ACS has not shown that this alternative was a credible threat to EJ&E.

33. My analyses of competition (including source competition) in my Original Verified Statement indicate that the Transaction will not increase the incentive or ability to raise prices (or diminish service) to any destination served by the Griffith facility. Thus, my analyses of such competitive concerns in my Original Verified Statement found no potential for anti-competitive pricing/service quality effects from the Transaction for the vegetable oil products at issue in the ACS filings. There has been no subsequent demonstration that competition will be reduced by the Transaction.

V. CONCLUSION

34. My assessment of the concerns surrounding the proposed transaction between CN and EJ&E raised by Equistar Inc., Aux Sable, Arcelor Mittal, American Chemical Service (ACS) demonstrates that these shippers will not be subjected to higher prices or reduced service levels as a result of the transaction. Their concerns relating to "neutral access" to third party railroads once CN owns and operates trackage serving

their facilities (that is currently owned and operated by EJ&E) are unwarranted under the well-established one-lump theory of rail interline pricing that ensures that integrated end-to-end railroads continue to have incentives to find the most efficient routes for shipper traffic to its destination. Further, the absence of a Transaction-related change in the degree of competition at the destinations of the traffic at issue in the Shippers' Concerns (as determined through the extensive traffic analyses included in my Original Verified Statement) ensure that no incremental incentives will arise for CN to charge higher prices (or provide reduced service levels) as a result of the transaction. At a more granular level, each of the idiosyncratic concerns raised by shippers is also inconsistent with the available evidence on the logistics and historical operating characteristics of the shipments at issue.

VERIFICATION

I, Christopher A. Velturo, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 13, 2008.

A handwritten signature in black ink, appearing to read "Chris Velturo", written over a horizontal line.

Christopher A. Velturo

II. EXHIBITS

EXHIBIT 1

BEFORE THE
SURFACE TRANSPORTATION

CANADIAN NATIONAL RAILWAY)	
COMPANY AND GRAND TRUNK)	FINANCE DOCKET
CORPORATION – CONTROL – EJ&E)	NO. 35087
WEST COMPANY)	

**RESPONSES AND OBJECTIONS TO APPLICANTS’
FIRST SET OF INTERROGATORIES AND DOCUMENT REQUESTS**

Pursuant to 49 C.F.R. Part 1114, Subpart B, Protestant American Chemical Service, Inc. (“ACS”) hereby responds and objects to a First Set of Interrogatories and Production Requests submitted by Applicants.

General Objections

ACS’s General Objections, set forth herein, apply to each and every one of the specific interrogatories and document requests that follow. ACS’s objections are not intended to, and shall not, waive, limit, or prejudice any objections they may later assert.

1. ACS objects to any and all definitions and/or instructions to the extent they either expand upon or conflict with 49 C.F.R. Part 1114, Subpart B. ACS further objects to these interrogatories and document requests to the extent that they seek to impose obligations on ACS greater than, or inconsistent with, those imposed under 49 C.F.R. Part 1114, Subpart B.

2. ACS objects to each and every interrogatory and document request to the extent that it seeks information protected by the attorney-client privilege, the attorney work product doctrine, or any other applicable privilege, protection, or exemption from discovery or disclosure. In the event that any such privileged, protected, or exempt information is inadvertently produced

or provided, such disclosure or production is not intended, and should not be construed as a waiver of any applicable privilege, protection, or exemption.

3. ACS objects to each and every interrogatory and document request to the extent that it seeks production of information or data that is not relevant to the subject matter of this proceeding or is not reasonably calculated to lead to the discovery of admissible evidence.

4. ACS objects to each and every interrogatory and document request to the extent that it is (a) overly broad; (b) impermissibly vague and/or ambiguous; (c) fails to describe with reasonable particularity the information sought; (d) seeks information that is not within the possession, custody or control of ACS; or (e) would impose an undue burden that outweighs any relevance or probative value the information sought may have in this proceeding.

5. ACS objects to each and every interrogatory and document request to the extent that it requests information or material that it is: (a) already in the possession of Applicants; or (b) is publicly available or is otherwise readily available or accessible to Applicants.

6. ACS's General Objections, Specific Objections, and Responses are based upon information presently known to it. ACS reserves the right to rely upon facts, documents, or other evidence that it may develop or that may subsequently come to its attention; to assert additional objections; and to supplement or amend these responses at any time.

Specific Objections

In addition to their General Objections (which shall apply in full to each and every interrogatory and document request, without further enumeration), ACS also asserts Specific Objections to each interrogatory and document request. ACS preserves all of its General

Objections set forth above, and none of the following Specific Objections limit the scope, breadth, generality or applicability of those General Objections.

Response to Interrogatories

1. *Identify all communications between ACS and EJ&E in which the possibility of a build-out from the ACS site to CN's rail line was raised or discussed, during the two most recent years in which any such communication was made.*

Response: ACS objects to the term "all" as overbroad, unduly burdensome, and not reasonably calculated to lead to discovery of admissible evidence. ACS also objects to the term "during the two most recent years in which any such communication was made" as vague and ambiguous. Subject to, and without waiving those objections, ACS responds as follows: ACS did not have communications with EJ&E within the past two years regarding the possibility of a build-out because it was unnecessary to do so inasmuch as EJ&E was providing reliable service five days per week, with reasonable rates provided in Transportation Contract EJE-C-0003, dated October 3, 1982. Additionally, the feasibility of a build-out was never questioned inasmuch as the route of the former EJ&E (C&O)-CN interchange track is distinctly visible.

2. *Identify all communications between ACS and CN in which the possibility of a build-out from the ACS site to CN's rail line was raised or discussed, during the two most recent years in which any such communication was made.*

Response: ACS objects to the term "all" as overbroad, unduly burdensome, and not reasonably calculated to lead to discovery of admissible evidence. ACS also objects to the term "during the two most recent years in which any such communication was made" as vague and ambiguous. Subject to, and without waiving those objections, ACS responds as follows: ACS did not have communications with CN within the past two years regarding the possibility of a build-out because it was unnecessary to do so inasmuch as EJ&E was providing reliable service

five days per week, with reasonable rates provided in Transportation Contract EJE-C-0003, dated October 3, 1982. Additionally, the feasibility of a build-out was never questioned inasmuch as the route of the former EJ&E (C&O)-CN interchange track is distinctly visible.

3. *How many carloads of freight were shipped by ACS via rail from the ACS site in 2005, 2006, and 2007? For each carload, provide: (a) commodity (identified by 7-digit STCC); (b) weight (identified as gross or net); (c) consignee; (d) destination (identified by station and state); (e) line-haul railroads in the routing from origin to destination; (f) interchange point to each railroad, other than EJ&E, in the routing from origin to destination; (g) total payment for that transportation; and (h) payments to each carrier for that transportation.*

Response: ACS objects to this Interrogatory as seeking information that is already in the custody, possession and control of EJ&E. ACS also objects to the request for data from 2005 and 2006 as overbroad, burdensome and irrelevant. Subject to, and without waiving those objections, ACS submits the information in the attached Appendix 1. Freight charges and routing are not known to ACS because they are controlled by the consignee (Cargill Industrial Bio-Products, Inc.).

4. *For each commodity (identified by 7-digit STCC) shipped by ACS by motor carrier from the ACS site in 2005, 2006, and 2007, state: (a) weight of all shipments (identified as gross or net); (b) consignee; (c) destination (identified by station and state); (d) total payments for that transportation; and (e) payments to each carrier for that transportation.*

Response: ACS objects to this Interrogatory as overbroad, burdensome and irrelevant. Subject to, and without waiving that objection, ACS submits the information in the attached Appendix 2. Freight charges and routing are not known to ACS because they are controlled by the consignees.

5. *For each commodity (identified by 7-digit STCC) shipped by ACS by transportation mode other than rail or motor carrier from the ACS site in 2005, 2006, and 2007, state for each mode and commodity: (a) weight of all shipments (identified as gross or net); (b) consignee; (c) destination (identified by station and state); (d) total payment for that transportation; and (e) payments to each carrier for that transportation.*

Response: Not applicable. No shipments were made other than by rail or truck.

6. *How many carloads of freight were received by rail by ACS at the ACS site in 2005, 2006 and 2007? For each carload, provide: (a) commodity (identified by 7-digit STCC); (b) weight (identified as gross or net); (c) consignor; (d) origin (identified by station and state); (e) line-haul railroads in the routing from origin to destination; (f) interchange point to each railroad in the routing from origin to destination; (g) total payment for that transportation; and (h) payments to each carrier for that transportation.*

Response: See Appendix 1. Freight charges and routing are not known to ACS because they are controlled by ACS's suppliers.

7. *For each commodity (identified by 7-digit STCC) received by ACS by motor carrier at the ACS site in 2005, 2006, and 2007, state (a) weight of all shipments (identified as gross or net); (b) consignor; (c) origin (identified by station and state); and (d) total payment for and payments to each carrier for that transportation.*

Response: See Appendix 2. Freight charges and routing are not known to ACS because they are controlled by ACS's suppliers.

8. *For each commodity (identified by 7-digit STCC) received by ACS by transportation mode other than rail or motor carrier at the ACS site in 2005, 2006, and 2007, state for each mode and commodity (a) weight of all shipments (identified as gross or net); (b) consignor; (c) origin (identified by station and state); (d) total payment for that transportation; and (3) payment to each carrier for that transportation.*

Response: Not applicable. No shipments were made other than by rail or truck.

Response to Document Requests

1. *For the two most recent years for which such documents exist, produce all written communications in which ACS has cited "its ability to build-out trackage easily and inexpensively to connect with CN" (as referred to on page 2 of the Verified Statement of David Tarpo) in its rate and service negotiations with EJ&E.*

Response: ACS objects to the term "all" as overbroad, unduly burdensome, and not reasonably calculated to lead to discovery of admissible evidence. ACS also objects to the term "during the two most recent years in which any such communication was made" as vague and ambiguous. Subject to, and without waiving those objections, ACS responds as follows: ACS

did not have communications within the past two years regarding the possibility of a build-out because it was unnecessary to do so inasmuch as EJ&E was providing reliable service five days per week, with reasonable rates provided in Transportation Contract EJE-C-0003, dated October 3, 1982. Additionally, the feasibility of a build-out was never questioned inasmuch as the route of the former EJ&E (C&O)-CN interchange track is distinctly visible.

2. *For the two most recent years for which such documents exist, product all documents referring to communications with EJ&E in which ACS has cited "its ability to build-out trackage easily and inexpensively to connect with CN" (as referred to on page 2 of the Verified Statement of David Tarpo) in its rate and service negotiations with EJ&E.*

Response: ACS objects to the term "all" as overbroad, unduly burdensome, and not reasonably calculated to lead to discovery of admissible evidence. ACS also objects to the term "during the two most recent years in which any such communication was made" as vague and ambiguous. Subject to, and without waiving those objections, ACS responds as follows: ACS did not have communications with EJ&E within the past two years regarding the possibility of a build-out because it was unnecessary to do so inasmuch as EJ&E was providing reliable service five days per week, with reasonable rates provided in Transportation Contract EJE-C-0003, dated October 3, 1982. Additionally, the feasibility of a build-out was never questioned inasmuch as the route of the former EJ&E (C&O)-CN interchange track is distinctly visible.

3. *For the two most recent years for which such documents exist, product all documents relating to communications with CN regarding the possibility of a rail build-out from the ACS site to CN's rail line for the purpose of providing rail service in competition with EJ&E.*

Response: ACS objects to the term "all" as overbroad, unduly burdensome, and not reasonably calculated to lead to discovery of admissible evidence. ACS also objects to the term "during the two most recent years in which any such communication was made" as vague and ambiguous. Subject to, and without waiving those objections, ACS responds as follows: ACS

did not have communications with CN within the past two years regarding the possibility of a build-out because it was unnecessary to do so inasmuch as EJ&E was providing reliable service five days per week, with reasonable rates provided in Transportation Contract EJE-C-0003, dated October 3, 1982. Additionally, the feasibility of a build-out was never questioned inasmuch as the route of the former EJ&E (C&O)-CN interchange track is distinctly visible.

4. *For the most recent two years for which such documents exist, produce all studies, analyses, and plans relating to a potential build-out from the ACS site, including without limitation any such studies, analyses, or plans relating to engineering, land use, transportation, costs, or feasibility.*

Response: ACS objects to the term “all” as overbroad, unduly burdensome and not reasonably calculated to lead to discovery of admissible evidence. ACS objects to the term “(f)or the two most recent years for which such documents exist” as vague and ambiguous. Subject to, and without waiving those objections, ACS responds as follows: there are no such documents because ACS did not expend the effort and cost for the design of the build-out inasmuch as EJ&E was providing reliable service five days per week, with reasonable rates available in Transportation Contract EJE-C-0003, dated October 3, 1982. Additionally, the route of the former interchange track between EJ&E (C&O) and CN is distinctly visible so that the previous interchange design could be utilized.

5. *Produce the remedial investigation and feasibility study (“RI/FS”) and record of decision (“ROD”), including all amendments thereto, prepared by the U.S. Environmental Protection Agency regarding hazardous materials disposed of at the ACS site.*

Response: ACS objects to this Interrogatory as irrelevant and not designed to lead to the discovery of relevant evidence, ACS also objects that the request is overly broad and unduly burdensome. Subject to, and without waiving those objections, ACS responds as follows: All environmental documents related to the ACS plant site at Griffith, IN are publicly available at the

Chicago, Illinois headquarters of the United States Environmental Protection Agency, and at the Griffith, Indiana branch of the Lake County, Indiana Public Library.

6. *Produce all documents identifying or discussing environmental risks or consequences of disturbing soil for construction activities at the ACS site.*

Response: ACS objects to the term “environmental risks or consequences”; the term “disturbing soil” and the term “construction activities” as vague and ambiguous. Subject to, and without waiving that objection, ACS responds as follows: There are no such documents. Further answering, the site of the former EJ&E (C&O)-CN interchange track, which would be the most likely location for a build-out, is not located on the ACS site. To the extent that there could be a build-out from the ACS site, any documents relating to environmental risks or consequences of soil disturbance are included in the publicly-available documents referred to in the response to Document Request No. 5.

Respectfully submitted,

By: Thomas F. McFarland
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Attorney for American Chemical Service, Inc.

DATED: February 29, 2008

EXHIBIT 2

OFFICIAL RAILROAD STATION LIST™

ISSUED
JANUARY 1, 2008

EFFECTIVE
JANUARY 15, 2008

OPSL™ 6000-AC
(Cancels OPSL 6000-AB)

Includes National Rate Basis™ and Centralized Station Master Data

- ◆ A complete list of over 40,000 rail freight stations on more than 600 carriers in the U.S., Canada and Mexico
- ◆ Official Rate Basis Points
- ◆ Official Centralized Station Master Data
- ◆ Rating ZIP Codes
- ◆ Official revenue-capable interchange data from Industry Junction File
- ◆ Junction Rule 260 and Interchange points
- ◆ Standard Point Location Codes
- ◆ Freight Station Accounting Codes
- ◆ Freight Handling facilities and restrictions
- ◆ Station Switch Limit information

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STATION	COUNTY	RULE 260	RR	OPSL	FSAC	SPLC	NATIONAL RATE BASIS	SWITCH LIMIT CITY	RATE ZIP
Capitola, CA	[Santa Cruz]		UP	73374	73374	876998	Watsonville, CA		95010
Carbondale, CA	[Amador]		UP	71164	71164	874360	Ione, CA		95640
Carlsbad, CA (3340)	[San Diego]		BNSF	36100	25550	889537	San Diego, CA		92008
Carlton, CA	[Imperial]		UP	72940	72940	888233	Brawley, CA		92251
Carmenita, CA (22)	[Los Angeles]		UP	72726	72726	883643	Los Angeles, CA		90650
Carnadero, CA	[Santa Clara]		UP	73348	73348	876796	Watsonville, CA		95020
Carpenter, CA	[Alameda]		UP	18060	60025	876485	San Francisco, CA	Decoto, CA	94587
Carpinteria, CA	[Santa Barbara]		UP	73528	73528	885162	Santa Barbara, CA		93013
Carr, CA (1-22-3100-3500)	[Santa Barbara]		SMV	30	30	885135			93454
Carr, CA (3500)	[Santa Barbara]		UP	73489	73489	885135			93458
Carson, CA (19-3340)	[Los Angeles]		BNSF	39425	21825	883245			90745
Carson, CA	[Los Angeles]		UP	15080	9922	883245	Los Angeles, CA	Los Angeles, CA	90745
Casa Blanca, CA (3340)	[Riverside]		BNSF	39850	25212	886508	Riverside, CA		92504
Casino, CA	[Santa Cruz]		UP	73380	73380	876905			95065
Casmalia, CA	[Santa Barbara]		UP	73492	73492	885137	Guadalupe, CA		93429
Castle Crag, CA	[Shasta]		UP	71494	71494	871321	Mt Shasta, CA		96025
Castle, CA	[San Joaquin]		UP	71142	71142	875636	Stockton, CA		95208
Castro, CA	[Santa Clara]		UP	73312	73312	876737	San Francisco, CA		94042
Castroville, CA	[Monterey]		UP	73394	73394	879716	Watsonville, CA		95012
Cawelo, CA (3200)	[Kern]		BNSF	66376	17065	881227	Bakersfield, CA		93308
Cawelo, CA (1-665-3151-3200-3500)	[Kern]		SJVR	1034	17065	881227	Bakersfield, CA	Bakersfield, CA	93380
Cawelo, CA	[Kern]		UP	72512	72512	881227	Bakersfield, CA	Lerdo, CA	93308
Cayton Sdg, CA (1-3100-3500)	[Shasta]		MCR	56	56	871330	Bartle, CA		96013
Cayton Siding, CA (3500)	[Shasta]		UP	73810	73810	871330			96013
Central Valley, CA	[Shasta]		UP	71474	71474	871360	Redding, CA		96019
Centralia, CA (105-3340)	[Sacramento]		BNSF	31315	14622	874467	Sacramento, CA		95205
Centralia, CA (1-3500)	[Sacramento]		CCT	190	14622	874467	Sacramento, CA		95638
Centralia, CA (3500)	[Sacramento]		UP	21090	21090	874467	Sacramento, CA		95638
Ceres, CA	[Stanislaus]		UP	72318	72318	875897	Modesto, CA		95307
Chaffee, CA	[Kern]		UP	72594	72594	881181	Mojave, CA		93501
Champagne, CA	[San Bernardino]	CHPGE	UP	15380	9484	880371	Riverside, CA		91761
Champagne Fountain, CA	[Santa Clara]		UP	73316	73316	876768	San Francisco, CA		95070
Charter Oak, CA	[Los Angeles]		UP	72832	72832	883563	Los Angeles, CA		91724
Chatsworth, CA	[Los Angeles]		UP	73556	73556	883023	Los Angeles, CA		91311
Chemurgic, CA	[Stanislaus]		UP	18720	70063	875876	Modesto, CA		95380
Cherokee, CA (105-3340)	[San Joaquin]		BNSF	31310	14634	875727	Sacramento, CA		95258
Cherokee, CA (1-3500)	[San Joaquin]		CCT	134.50	14640	875727	Sacramento, CA		95240
Cherokee, CA (3500)	[San Joaquin]		UP	71158	71158	875727	Sacramento, CA		95240
Chester, CA (3200)	[Plumas]		BNSF	15465	14543	872113	Westwood, CA		96020
Chico, CA (3188)	[Butte]		AMTK	11055	11055	872750			95926
Chico, CA	[Butte]	CHICO	UP	71440	71440	872750	Chico, CA		95926
Chilcoot, CA	[Plumas]		UP	17565	60339	872154	Portola, CA		96105
Chiles, CA	[Yolo]		UP	72194	72194	874687	Sacramento, CA		95616
Chinese Camp, CA (3500)	[Tuolumne]		UP	72218	72218	875382	Sonora, CA		95309
Chinese, CA (1-3500)	[Tuolumne]		SERA	60	60	875382	Sonora, CA		95309
Chino, CA	[San Bernardino]		UP	72866	72866	880297			91710
Chorro, CA	[San Luis Obispo]		UP	73248	73248	882171	Guadalupe, CA		93401
Chowchilla, CA	[Madera]		UP	72338	72338	878364	Merced, CA		93610
Christie Im Ex, CA	[Contra Costa]		BNSF	30745	11241	876150	San Francisco, CA		94101
Christie, CA (19-3340)	[Contra Costa]		BNSF	30750	11240	876149	San Francisco, CA		94553
Chualar, CA	[Monterey]		UP	73418	73418	879737	Gonzales, CA		93925
Chula Vista, CA (3200)	[San Diego]		BNSF	35998	25715	889595	San Diego, CA		92010
Chula Vista, CA (1-19-3340-3500)	[San Diego]		SDIY	10	10	889595	San Diego, CA		92010
Chula Vista, CA (3500)	[San Diego]		UP	72907	72907	889595			91910
Cima, CA	[San Bernardino]		UP	15755	9318	880119	Nipton, CA		92323
Cimarron, CA (3200)	[Kings]		BNSF	66420	17640	879546	Coalinga, CA		93245
Cimarron, CA (1-665-3151-3200-3500)	[Kings]		SJVR	10470	16262	879546	Coalinga, CA	Goshen, CA	93245
Cimarron, CA (3500)	[Kings]		UP	72296	72296	879546	Coalinga, CA		93245
Cincotta, CA (3200)	[Fresno]		BNSF	66453	17661	878817	Fresno, CA		93706
Cincotta, CA (1-665-3151-3200-3500)	[Fresno]		SJVR	170	16102	878817	Fresno, CA	Fresno, CA	93706
Cincotta, CA (3500)	[Fresno]		UP	72384	72384	878817	Fresno, CA	Fresno, CA	93706
Cisco, CA	[Placer]		UP	71278	71278	873316	Truckee, CA		95728
Citrus, CA	[Sacramento]		UP	71208	71208	874428	Sacramento, CA		95610
City Of Commerce, CA (19-3340)	[Los Angeles]		BNSF	39565	23003	883010	Los Angeles, CA	Los Angeles, CA	90040
City Of Commerce, CA (1)	[Los Angeles]		LAJ	7	4	883010	Los Angeles, CA		90040
City Of Commerce, CA	[Los Angeles]	CITCO	UP	15235	9531	883010	Los Angeles, CA	Los Angeles, CA	90040
City Of Industry, CA	[Los Angeles]	CI OFI	UP	15315	9512	883619	Los Angeles, CA		91744
Clare Mill, CA (1-663-3100)	[Mendocino]		CWR	35	35	873907		Willits, CA	94590
Claremont, CA (3340)	[Los Angeles]		BNSF	39690	24264	883560	Riverside, CA		91711
Claremont, CA	[Los Angeles]		UP	72840	72840	883560			91711
Clarksburg, CA (1-22-3500)	[Yolo]		SERA	50406	50406	874660	Sacramento, CA		95612
Clarksburg, CA (3500)	[Yolo]	CLABG	UP	18530	50406	874660	Sacramento, CA		95612
Clarksona, CA	[Amador]		UP	71170	71170	874392	Ione, CA		95640
Claus, CA (19-3340)	[Stanislaus]		BNSF	30370	15690	875944	Modesto, CA		95357
Clay, CA	[Sacramento]		UP	71160	71160	874472	Ione, CA		95638
Clayton, CA	[Placer]		UP	71404	71404	873376	Marysville, CA		95648

STATION	COUNTY	RULE 260	RR	OPSL	FSAC	SPLC	NATIONAL RATE BASIS	SWITCH LIMIT CITY	RATE ZIP
Sibley, LA (1-3350)	[Webster]	SIBLY	KCS	20155	7083	653585	Minden, LA		71065
Sibley, LA (1-3223)	[Webster]	SIBLY	LAS	20155	7083	653585	Minden, LA		71055
Simsboro, LA (1-3350)	[Lincoln]		KCS	31063	1063	652590	Ruston, LA		71275
Singer, LA (1-3350)	[Beauregard]		KCS	1270	705	658360	De Ridder, LA		70660
Slaughter, LA	[East Feliciana]	SLGHT	CN	59282	59282	644195	Denham Springs, LA		70777
Slaughter, LA (26)	[East Feliciana]	SLGHT	GLSR	36	36	644195	Denham Springs, LA		70777
Slidell, LA (3188)	[St Tammany]		AMTK	19120	19120	641588			70458
Slidell, LA	[St Tammany]	SLIDL	NS	49915	58797	641588	Slidell, LA		70458
Smithfield, LA	[West Baton Rouge]		UP	53778	53778	644918	Anchorage, LA		70767
Sondheimer, LA (1-600-3223-3500)	[East Carroll]		DSRR	50	50	651188	Tallulah, LA		71276
Sondheimer, LA (1-3223)	[East Carroll]		KCS	31159	1159	651188	Tallulah, LA		71276
Sondheimer, LA (3500)	[East Carroll]		UP	52472	52472	651188	Tallulah, LA		71276
Sorrento, LA (1-3350)	[Ascension]		KCS	20535	3256	645165	Reserve, LA		70778
South Point, LA	[Orleans]		NS	49925	58808	647008	Slidell, LA		70140
Southdown, LA (3200)	[Terrebonne]		BNSF	50400	36032	659728	Houma, LA		70360
Southdown, LA (1-3200-3500)	[Terrebonne]		LDRR	17495	38206	659728	Houma, LA		70360
Southport Jct, LA	[Jefferson]	SPRTJ	CN	59412	59412	646533	New Orleans, LA		70121
Springhill, LA (1-3350)	[Webster]		KCS	20050	7050	653522	Springhill, LA		71075
Springhill, LA (1-3223)	[Webster]		LAS	20050	7050	653522	Springhill, LA		71075
St Gabriel, LA	[Iberville]		CN	59300	59300	645364	Baton Rouge, LA		70776
St James, LA	[St James]		UP	53728	53728	645588	Donaldsonville, LA		70086
St Joe, LA	[St Tammany]		NS	49910	58793	641582	Slidell, LA		70452
St Landry, LA (3200)	[Evangeline]		BNSF	47875	36063	657232	Opelousas, LA		71367
St Maurice, LA (1-3350)	[Winn]		KCS	20810	3075	655394	Clarence, LA		71471
St Rose, LA	[St Charles]		CN	59382	59382	646132	New Orleans, LA		70087
Standard, LA (6)	[La Salle]		UP	52260	52260	655512	Georgetown, LA		71465
Staples, LA	[Caddo]		UP	58780	58780	653909	Shreveport, LA		71047
Staring, LA (1-1945)	[East Baton Rouge]		CN	59296	59296	644796	Baton Rouge, LA		70808
Starks, LA (1-3350)	[Calcasieu]		KCS	1350	736	658648	De Quincy, LA		70661
Stegall, LA (3340)	[Calcasieu]		BNSF	47680	36578	658679	Vinton, LA		70668
Stegall, LA	[Calcasieu]		UP	58470	58470	658679	Vinton, LA		70668
Sterlington, LA (1-600-3223-3500)	[Ouachita]		DSRR	120	7064	652322	Sterlington, LA		71280
Sterlington, LA (1-3223)	[Ouachita]		KCS	31105	1105	652322	Sterlington, LA		71280
Sterlington, LA (3500)	[Ouachita]		UP	52522	52522	652322	Sterlington, LA		71280
Steven, LA (1-3350)	[Ouachita]		KCS	31100	1100	652355	Monroe, LA		71291
Stevensdale, LA (1-1945)	[East Baton Rouge]		CN	59238	59238	644751	Denham Springs, LA		70801
Strader, LA (1-1945)	[Tangipahoa]		CN	59207	59207	642198	Hammond, LA		70421
Sulphur, LA (3340)	[Calcasieu]	SULPR	BNSF	47690	36584	658676	Vinton, LA		70663
Sulphur, LA	[Calcasieu]	SULPR	UP	58464	58464	658676	Vinton, LA		70663
Sunset, LA	[St Landry]		UP	58420	58420	657196	Opelousas, LA		70584
Superior, LA (1-3350)	[Caddo]		KCS	1007	531	653835	Vivian, LA		71082
Supreme, LA (3200)	[Assumption]		BNSF	50450	36039	659167	Thibodaux, LA		70372
Supreme, LA (1-3200-3500)	[Assumption]		LDRR	17315	38246	659167	Thibodaux, LA		70372
Supreme, LA (3500)	[Assumption]		UP	58310	58310	659167	Thibodaux, LA	Schriever, LA	70372
Swartz, LA	[Ouachita]		UP	52242	52242	652319	Mer Rouge, LA		71281
T									
Taft, LA (22)	[St Charles]		UP	53746	53746	646143	Boutte, LA		70057
Talla Bena, LA (1-600-3223-3500)	[Madison]		DSRR	55	55	651718	Tallulah, LA		71276
Talla Bena, LA (1-3223)	[Madison]		KCS	31158	1158	651718	Tallulah, LA		71276
Talla Bena, LA (3500)	[Madison]		UP	52474	52474	651718	Tallulah, LA		71276
Tallulah, LA (1-600-3500)	[Madison]	TALUL	DSRR	60	60	651730	Tallulah, LA		71282
Tallulah, LA (1-3350)	[Madison]	TALUL	KCS	31157	1157	651730	Tallulah, LA		71282
Tallulah, LA (3500)	[Madison]	TALUL	UP	52476	52476	651730	Tallulah, LA		71282
Tangipahoa, LA (1-1945)	[Tangipahoa]		CN	59176	59176	642126	Amite, LA		70465
Tate Cove, LA (1-3200-3500)	[Evangeline]		AKDN	130	8325	657238	Opelousas, LA		70586
Tate Cove, LA (3200)	[Evangeline]		BNSF	47880	36066	657238	Opelousas, LA		70586
Tate Cove, LA (3500)	[Evangeline]		UP	53798	53798	657238	Opelousas, LA		70586
Thibodau Jct, LA (3500)	[Lafourche]		UP	58306	58306	659346	Thibodaux, LA	Schriever, LA	70395
Thibodaux Jct, LA (3340)	[Lafourche]		BNSF	48105	36727	659346	Thibodaux, LA		70301
Thibodaux Jct, LA (1-3200-3500)	[Lafourche]		LDRR	17200	38222	659346			70395
Thibodaux, LA (3200)	[Lafourche]		BNSF	50470	36730	659320	Thibodaux, LA		70301
Thibodaux, LA (1-3200-3500)	[Lafourche]		LDRR	17225	38226	659320	Thibodaux, LA		70301
Three Oaks, LA	[St Bernard]		NS	49940	58825	648111	New Orleans, LA	New Orleans, LA	70032
Three Oaks, LA	[St Bernard]		UP	58282	58282	648111	New Orleans, LA	New Orleans, LA	70032
Tickfaw, LA (1-1945)	[Tangipahoa]		CN	59196	59196	642165	Hammond, LA		70466
Tioga, LA (1-3350)	[Rapides]	TIOGA	KCS	20280	7188	655917	Alexandria, LA		71301
Tioga, LA (1-3223)	[Rapides]	TIOGA	LAS	20280	7188	655917	Alexandria, LA		71301
Tioga, LA	[Rapides]	TIOGA	UP	52276	52276	655917	Alexandria, LA	Alexandria, LA	71477
Toca, LA	[St Bernard]		NS	49955	58840	648146	New Orleans, LA		70085
Tortue, LA (3340)	[Acadia]		BNSF	47795	36629	657501			70534
Transylvania, LA (1-600-3223-3500)	[East Carroll]		DSRR	45	45	651180	Lake Providence, LA		71286
Transylvania, LA (1-3223)	[East Carroll]		KCS	31160	1160	651160	Lake Providence, LA		71286
Transylvania, LA (3500)	[East Carroll]		UP	52470	52470	651160	Lake Providence, LA		71286
Trenton, LA (1-3350)	[De Soto]		KCS	1105	599	656364	Mansfield, LA		71052
Tullos, LA	[La Salle]		UP	52266	52266	655542	Georgetown, LA		71479

STATION	COUNTY	RULE 260	RR	OPSL	FSAC	SPLC	NATIONAL RATE BASIS	SWITCH LIMIT CITY	RATE ZIP
Noyes, MN (3506-3800)	[Kittson]	NOYES	BNSF	6980	9378	503136	Hallock, MN		56740
Noyes, MN	[Kittson]	NOYES	CN	64825	64825	503136			56740
Noyes, MN	[Kittson]	NOYES	CPRS	6911	4925	503136	Hallock, MN		56740
Oakdale, MN (22)	[Washington]		UP	28297	28297	504283	Minneapolis, MN	Minneapolis, MN	55119
Oakland, MN (1-3144)	[Freeborn]		ICE	6007	6007	508652	Austin, MN		56007
Odessa, MN	[Big Stone]		BNSF	9555	8194	506897			56276
Odessa, MN (1-3100)	[Big Stone]		TCWR	5938	5938	506897	Ortonville, MN		56276
Odin, MN	[Watonwan]		UP	27785	27785	508597	Welcome, MN		56160
Ogema, MN	[Becker]		CPRS	6860	4905	503835	Detroit Lakes, MN		56569
Oklee, MN	[Red Lake]		CPRS	6824	899	503460	Red Lake Falls, MN		56742
Olivia, MN (512)	[Renville]		BNSF	9860	51615	505930	Granite Falls, MN		56277
Olivia, MN (1-3100-3500)	[Renville]		TCWR	5138	5138	505930	Granite Falls, MN		56277
Olivia, MN (3500)	[Renville]		UP	28036	28036	505930			56277
Onega, MN	[St Louis]		BNSF	11615	52338	500794	Taft, MN		56746
Orleans, MN	[Kittson]		CPRS	6908	4924	503132	Hallock, MN		56735
Ortonville, MN	[Big Stone]	ORTON	BNSF	9550	8200	506880			56278
Ortonville, MN (1-3100)	[Big Stone]		TCWR	6000	6000	506880	Ortonville, MN		56278
Oslo, MN	[Marshall]		CPRS	6929	923	503298	Warren, MN		56744
Osseo, MN	[Hennepin]		BNSF	11385	9011	504526	Minneapolis, MN		55369
Otisco, MN (1-3100)	[Waseca]		DME	100	60068	508363	Owatonna, MN		56093
Ottawa, MN	[Le Sueur]		UP	28625	28625	508050	Mankato, MN		56058
Ottertail, MN	[Otter Tail]		CPRS	6845	4898	506056	Fergus Falls, MN		56571
Owatonna, MN (26)	[Steele]	OWATO	DME	85	879	507640	Owatonna, MN		55060
Owatonna, MN (1-3144)	[Steele]	OWATO	ICE	5072	5072	507640	Owatonna, MN		55060
Owatonna, MN	[Steele]	OWATO	UP	29365	29365	507640	Owatonna, MN		55060
Parkers Prairie, MN	[Otter Tail]		CPRS	6839	4895	506077	Wadena, MN		56361
Parkway Jct, MN	[Ramsey]		CPRS	6395	4861	504456			55101
Payne, MN (3234-3235)	[St Louis]		CN	61634	61634	500851			55765
Payne, MN (3235)	[St Louis]		UP	31040	31040	500851	Virginia, MN		55765
Paynesville, MN	[Stearns]		CPRS	6503	4886	505398	Paynesville, MN		56362
Peary, MN (438)	[St Louis]		CN	61424	61424	500764	Virginia, MN		55734
Pengilly, MN (3234-3235-3280)	[Itasca]		CN	61689	61689	501555	Hibbing, MN		55775
Pengilly, MN (3235)	[Itasca]		UP	31125	31125	501555	Hibbing, MN		55775
Pennock, MN	[Kandiyohi]		BNSF	9820	3099	505673	Willmar, MN		56279
Perham, MN	[Otter Tail]		BNSF	11165	608	506026	Detroit Lakes, MN		56573
Perley, MN (3200)	[Norman]		BNSF	7095	56022	503797	Moorhead, MN		56574
Perley, MN (3200)	[Norman]		MNN	5160	56022	503797	Moorhead, MN		56574
Philbrook, MN	[Todd]		BNSF	11195	561	502913	Wadena, MN		56466
Pillager, MN	[Cass]		BNSF	11410	52226	502398	Brainerd, MN		56473
Pine City, MN (3200)	[Pine]		BNSF	11970	51063	501880	Pine City, MN		55063
Pine City, MN (1-3200)	[Pine]		SCXY	2070	51063	501880	Pine City, MN		55063
Pipestone, MN	[Pipestone]	PIPES	BNSF	10850	7226	509760	Pipestone, MN		56164
Pitt, MN (438)	[Lake Of The Woods]		CN	62154	62154	502022	Warroad, MN		56623
Plainview, MN (1-3100)	[Wabasha]		DME	55	70149	507093	Rochester, MN		55964
Plato, MN (1-3100-3500)	[McLeod]		TCWR	4664	4664	505750			55370
Plato, MN (3500)	[McLeod]		UP	28015	28015	505750			55370
Plummer, MN	[Red Lake]		CPRS	6881	4913	503430	Red Lake Falls, MN		56748
Plymouth, MN	[Hennepin]		CPRS	6464	602	504546	Minneapolis, MN		55441
Plymouth, MN	[Hennepin]		UP	29770	29770	504546	Minneapolis, MN	Minneapolis, MN	55441
Port Cargill Savage, MN (492)	[Scott]	PTCAR	TCWR	14409	14409	504809			55378
Port Cargill, MN	[Scott]	PTCAR	CPRS	7241	626	504809	Minneapolis, MN		55378
Port Cargill, MN	[Scott]	PTCAR	UP	28565	28565	504809	Minneapolis, MN	Minneapolis, MN	55378
Potlatch Spur, MN	[Hubbard]		BNSF	7355	5169	502414	Bemidji, MN		56633
Potlatch Spur, MN	[Hubbard]		CPRS	6794	889	502414	Bemidji, MN		56633
Prairie Island, MN	[Goodhue]		CPRS	7712	4837	507188	Red Wing, MN		55009
Priam, MN	[Kandiyohi]		BNSF	10975	7326	505677	Willmar, MN		56282
Proctor, MN (1-3234-3235-3280)	[St Louis]		CN	61610	61610	500869	Cloquet, MN		55810
Proctor, MN (3235)	[St Louis]		UP	31010	31010	500869	Cloquet, MN		55810
Radio Center, MN	[Dakota]		CPRS	8090	391	504751	Minneapolis, MN		55150
Radium, MN	[Marshall]		CPRS	6917	919	503288	Warren, MN		56762
Rainy Jct, MN (1-3234-3235-3280)	[St Louis]		CN	61667	61667	500739	Virginia, MN		55792
Rainy Jct, MN (3235)	[St Louis]		UP	31200	31200	500739	Virginia, MN		55792
Ramsey, MN (1-3144)	[Mower]		ICE	5043	5043	507947	Austin, MN		55912
Randall, MN	[Morrison]		BNSF	11205	544	502813	Little Falls, MN		56475
Randolph, MN	[Dakota]	RANDO	CPRS	388.05	387	504787			55065
Randolph, MN (3100-3500)	[Dakota]		PGR	29170	29170	504787	Faribault, MN		55065
Randolph, MN (791-3500)	[Dakota]	RANDO	UP	29170	29170	504787	Faribault, MN		55065
Ranier, MN	[Koochiching]	RANER	CN	61140	61140	501411	International Falls, MN		56668
Ranier, MN (1-3100)	[Koochiching]	RANER	MDW	135	135	501411			56668
Ray, MN	[Koochiching]		CN	61152	61152	501419	International Falls, MN	Intl Boundary, MN	56669
Raymond, MN	[Kandiyohi]		BNSF	10970	7320	505693	Granite Falls, MN		56282
Red Wing, MN (3188)	[Goodhue]		AMTK	7045	7045	507110			55066
Red Wing, MN	[Goodhue]		CPRS	7709	4835	507110	Red Wing, MN		55066

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Sharps, MS (3350)	[Tishomingo]		KCS	36906	6906	481134	Corinth, MS		38834
Sherman, MS	[Pontotoc]		BNSF	27330	93577	481912	Tupelo, MS		38869
Shows Field, MS	[Jones]		NS	49780	58690	486869	Laurel, MS	Laurel, MS	39437
Shubuta, MS (1-3223)	[Clarke]		KCS	32230	2230	486488	Quitman, MS		39360
Shubuta, MS (1-423-3223)	[Clarke]		MDS	32230	2230	486488	Quitman, MS		39360
Shuqualak, MS (1-3350)	[Noxubee]		KCS	32141	2141	484393	Macon, MS		39361
Sidon, MS	[Leflore]		CN	58674	58674	485182	Greenwood, MS		38954
Silver Creek, MS (1-1945)	[Lawrence]	SILCR	CN	59128	59128	487842	Silver Creek, MS		39663
Silver Creek, MS (1-188-600-3100)	[Lawrence]		CNOW	10005	10005	487842	Silver Creek, MS		39363
Sledge, MS (1-1945)	[Quitman]		CN	58626	58626	482713	Marks, MS		38623
Sloan, MS (1-1945)	[Madison]		CN	58851	58851	485673	Canton, MS		39046
Smith, MS	[Lauderdale]		NS	49690	58616	486134	Meridian, MS		39364
Smiths, MS (1-3350)	[Hinds]		KCS	31192	1192	487258	Newmans, MS		39066
Smithville, MS (3200)	[Monroe]		BNSF	27515	93856	483110			38870
Smithville, MS (1)	[Monroe]		MSRW	10	93856	483110			38870
Sontag, MS	[Lawrence]		CN	59082	59082	487853	Sontag, MS		39665
South Amory, MS (3200)	[Monroe]		BNSF	27357	93852	483129	Amory, MS		38821
South Amory, MS (1)	[Monroe]		MSRW	7	93852	483129	Amory, MS		38821
South Mccomb, MS	[Pike]		CN	59157	59157	489742	Fernwood, MS		39648
Souhaven, MS	[De Soto]		CN	58741	58741	482220		Memphis, TN	38671
Stallo, MS (1-3350)	[Neshoba]		KCS	32588	2588	484810	Louisville, MS		39350
Stalmuke, MS (1-1945)	[Greene]		CN	58938	58938	488068	Lucedale, MS		39456
Star, MS (1-1945)	[Rankin]		CN	58870	58870	487193	Jackson, MS		39167
Starkville, MS (1-3350)	[Oktoberbeha]		KCS	32531	2531	484130	West Point, MS		39759
Steens, MS (1-46-3100-3700)	[Lowndes]		LXVR	912	912	484020	Columbus, MS		39766
Steens, MS (3700)	[Lowndes]		NS	73119.27	62254	484020	Columbus, MS		39766
Stevens, MS (1-3350)	[Jasper]		KCS	32656	2656	486549	Newton, MS		39422
Stevens, MS (1-3100-3223)	[Jasper]		MSR	2656	2656	486549	Newton, MS		39422
Stewart, MS (1-3447)	[Montgomery]		CAGY	95	67	483960	Mathiston, MS		39767
Stoneville, MS (1-3447)	[Washington]		CAGY	260	159	485419	Greenville, MS		38776
Sturgis, MS (1-3350)	[Oktoberbeha]		KCS	32547	2547	484198	Ackerman, MS		39769
Sucamochee, MS (1-3350)	[Kemper]		KCS	32160	2160	484762	Electric Mills, MS		39352
Summit, MS	[Pike]		CN	59152	59152	489730	Fernwood, MS		39666
Sumner, MS (1-1945)	[Tallahatchie]		CN	58653	58653	482950	Swan Lake, MS		38957
Swan Lake, MS (1-1945)	[Tallahatchie]	SWLAK	CN	58646	58646	482979	Swan Lake, MS		38958
Swan Lake, MS (1)	[Tallahatchie]	SWLAK	MD	1	1	482979	Swan Lake, MS		38958
Sweatt, MS (1-3350)	[Clarke]		KCS	32205	2205	486425	Meridian, MS		39301
Talowah, MS	[Lamar]		NS	49840	58737	489470	Lumberton, MS		39455
Taylorsville, MS	[Smith]		CN	58898	58898	486693	Saratoga, MS		39168
Tchula, MS	[Holmes]		CN	58682	58682	484641	Gwin, MS		39169
Terry, MS	[Hinds]		CN	59008	59008	487285	Crystal Springs, MS		39170
Thomasville, MS	[Rankin]		CN	58866	58866	487191	Jackson, MS		39073
Thweatt, MS	[Attala]		CN	58840	58840	484542			39107
Thweatt, MS	[Attala]		KSRY	58840	58840	484542			39107
Tibbee, MS (1-3350)	[Clay]		KCS	32102	2102	483698	West Point, MS		39773
Tie Plant, MS (1-1945)	[Grenada]		CN	58798	58798	483560	Grenada, MS		38960
Tinsley, MS (1-1945)	[Yazoo]		CN	58704	58704	485777	Yazoo City, MS		39173
Tiplersville, MS (3200)	[Tippah]		BNSF	27930	93920	481440	Falkner, MS		38674
Tiplersville, MS (1-3223)	[Tippah]		KCS	32337	2337	481440	Falkner, MS		38674
Tiplersville, MS (1-3200-3223-3700)	[Tippah]		MTNR	32337	2337	481440	Falkner, MS		38674
Tishomingo, MS (1-3223)	[Tishomingo]		KCS	36919	6919	481160	Red Bay, AL		38827
Tishomingo, MS	[Tishomingo]		NS	73455	61752	481160	Red Bay, AL		38873
Tishomingo, MS (1-413-3100-3700)	[Tishomingo]		RRC	554	554	481160	Red Bay, AL		38827
Toomsba, MS	[Lauderdale]		NS	49695	58618	486136	Meridian, MS		39364
Tougaloo, MS (1-1945)	[Hinds]		CN	58860	58860	487223	Jackson, MS		39174
Tours, MS (3340)	[Marshall]		BNSF	27293	93528	482152	Holly Springs, MS		38635
Tri State Commerce Park, MS	[Tishomingo]		NS	73760	66426	481123	Iuka, MS		38852
Tri State Commerce Park, MS	[Tishomingo]		TISH	10	10	481123	Iuka, MS		38852
Triangle Jct, MS (26-3100)	[Lowndes]	TRIJC	GTRA	5	5	484031	Columbus, MS		39701
Triangle Jct, MS (1-46-3100-3700)	[Lowndes]		LXVR	919	919	484031	Columbus, MS		39701
Triangle Jct, MS (26)	[Lowndes]	TRIJC	NS	45470	50857	484031	Columbus, MS		39701
Trinity, MS (1-3100)	[Lowndes]		GTRA	20	20	484015	Columbus, MS		39701
Tupelo, MS	[Lee]	TUPEL	BNSF	27340	93588	481860	Tupelo, MS		38801
Tupelo, MS (1-72)	[Lee]	TUPEL	KCS	32050	2050	481860	Tupelo, MS		38801
Tutwiler, MS	[Tallahatchie]		CN	58650	58650	482940	Marks, MS		38963
Tyler, MS	[Pearl River]		NS	49875	58766	488548	Lumberton, MS		39470
Union, MS (1-72)	[Newton]		KCS	32613	2613	486225	Union, MS		39365
Vaiden, MS	[Carroll]		CN	58822	58822	484287	Winona, MS		39176
Vaughan, MS (1-1945)	[Yazoo]		CN	58846	58846	485752	Canton, MS		39179
Verona, MS (1-3350)	[Lee]		KCS	32054	2054	481877	Tupelo, MS		38879
Vicksburg, MS (1-72)	[Warren]	VICKS	KCS	31177	1177	487360	Vicksburg, MS		39180
Vicksburg, MS (1-3223)	[Warren]	VICKS	VSOR	31177	1177	487360	Vicksburg, MS		39180

STATION	COUNTY	RULE 260	RR	OPSL	FSAC	SPLC	NATIONAL RATE BASIS	SWITCH LIMIT CITY	RATE ZIP
Addie, NC	[Jackson]		NS	39325	53439	419326	Sylva, NC		28779
Advance, NC	[Davie]		NS	38065	53119	413833	Winston-salem, NC		27006
Aggstone, NC	[Wake]		NS	48730	51863	411691	Raleigh, NC	Raleigh, NC	27611
Ahoskie, NC (1-3495-3700)	[Hertford]		NCVA	2100	2100	402280	Ahoskie, NC		27910
Airport, NC	[Wake]		NS	48735	51864	411693	Raleigh, NC		27623
Albemarle (wss), NC (3700)	[Stanly]	ALBML	NS	74067	61065	416630	Albemarle, NC		28001
Albemarle, NC (104-3000-3489-3553)	[Stanly]		CSXT	85020	38130	416630	Albemarle, NC		28001
Albemarle, NC	[Stanly]		NS	48245	59883	416630	Albemarle, NC		28001
Albemarle, NC (1-3489-3700)	[Stanly]	ALBML	WSS	65	38130	416630	Albemarle, NC		28001
Alexander, NC	[Buncombe]		NS	39080	53517	418529	Marshall, NC		28701
Allen, NC (445-447-3495-3700)	[Mecklenburg]		ACWR	13747	13747	417462	Midland, NC		28212
Allen, NC	[Mecklenburg]		NS	70200	60577	417462	Midland, NC		28201
Andrews, NC (1-3100-3700)	[Cherokee]		GSM	99	99	419924			28901
Andrews, NC (3700)	[Cherokee]		NS	72125	60355	419924	Andrews, NC		28901
Ansonville, NC (104-3000-3489-3553)	[Anson]		CSXT	85005	38170	416917	Wadesboro, NC		28007
Ansonville, NC (3700)	[Anson]		NS	74073	61068	416917	Wadesboro, NC		28007
Ansonville, NC (1-3489-3700)	[Anson]		WSS	85	38170	416917	Wadesboro, NC		28007
Apco, NC	[Montgomery]		NS	38992	53358	416444	Black Mountain, NC		28752
Apex, NC (1-22-3000-3489)	[Wake]		CSXT	1420	22010	411682	Raleigh, NC		27502
Aquadale, NC (445-447-3495-3700)	[Stanly]		ACWR	13514	13514	416678	Oakboro, NC		28128
Aquadale, NC (3700)	[Stanly]		NS	70170	60572	416678	Oakboro, NC		28128
Ararat, NC (3700)	[Surry]		NS	74175	60815	413257	Mt Airy, NC		27007
Ararat, NC (1-413-3100-3700)	[Surry]		YVRR	2786	2786	413257	Mt Airy, NC		27007
Arden, NC	[Buncombe]		NS	39525	53616	418579	Asheville, NC		28704
Asheboro, NC	[Randolph]		NS	48197	59870	412970	Asheboro, NC		27203
Asheville, NC	[Buncombe]		NS	39060	53381	418550	Asheville, NC		28802
Ashley Heights, NC (1-3100)	[Hoke]		AR	10	5	408213	Aberdeen, NC		28315
Askin, NC	[Craven]		NS	48605	51931	405562	Vanceboro, NC		28527
Asylum, NC	[Wayne]		NS	37640	52286	406628	Goldsboro, NC		27530
Auburn, NC	[Wake]		NS	37595	52262	411672	Raleigh, NC		27610
Aulander, NC (1-3495-3700)	[Bertie]		NCVA	1900	1900	402632	Kelford, NC		27805
Aurora, NC (1-22-3000-3489)	[Beaufort]		CSXT	863	11170	403894	Aurora, NC		27806
Aurora, NC	[Beaufort]		NS	48570	51972	403894	Aurora, NC		27806
Ayden, NC (1-22-3000-3489)	[Pitt]		CSXT	825	11177	404776	Kinston, NC		28513
Azalea, NC	[Buncombe]		NS	39050	53374	418572	Asheville, NC		28805
B									
Badin, NC (104-3000-3489-3553)	[Stanly]	BADIN	CSXT	85030	38125	416624	Albemarle, NC		28009
Badin, NC (1-3490-3700)	[Stanly]		WSS	56	38125	416624	Albemarle, NC		28009
Bagwell, NC	[Wake]		NS	37588	52255	411649	Raleigh, NC		27529
Bailey, NC	[Nash]		CLNA	48680	196	404578	Rockton, NC		27807
Bailey, NC	[Nash]		NS	71731	60159	404578	Rockton, NC		27807
Baker Siding, NC	[Person]		NS	565	6473	411448	Roxboro, NC		27573
Bakers, NC (1-22-3000-3489)	[Union]		CSXT	1705	22519	417954	Monroe, NC		28110
Baldwin, NC (445-447-3495-3700)	[Moore]		ACWR	13033	13033	416323	Putnam, NC		27341
Baldwin, NC (3700)	[Ashe]		NS	70120	60562	414392	Putnam, NC		28694
Balsam, NC	[Jackson]		NS	39315	53433	419322	Sylva, NC		28707
Barber, NC	[Rowan]		NS	38100	53313	413923	Barber, NC		27013
Barmac, NC (445-447-3495-3700)	[Mecklenburg]		ACWR	13800	13800	417463	Charlotte, NC		28202
Barmac, NC (3700)	[Mecklenburg]		NS	70205	60578	417463	Charlotte, NC		28201
Barnard, NC	[Madison]		NS	39100	53526	418367	Marshall, NC		28753
Batten, NC (445-447-3495-3700)	[Montgomery]		ACWR	13386	13386	416483	Oakboro, NC		27306
Batten, NC (3700)	[Montgomery]		NS	70155	60569	416483	Oakboro, NC		28201
Battleboro, NC (1-3000-3489)	[Nash]		CSXT	405	11031	404517	Rocky Mount, NC		27809
Bear Creek, NC	[Chatham]		NS	38185	52719	412888	Siler City, NC		27207
Bear Poplar, NC	[Rowan]		NS	38105	53136	413963	Barber, NC		28125
Beard, NC (1-22-3000-3489)	[Cumberland]		CSXT	1052	11084	407726	Fayetteville, NC		28302
Belcross, NC (1-474-3495-3700)	[Camden]		CA	392	392	401244	Elizabeth City, NC		27973
Belcross, NC (3700)	[Camden]		NS	71450	60110	401244	Elizabeth City, NC		23501
Belwets Creek, NC	[Forsyth]		NS	1427	6781	413314	Walnut Cove, NC		27009
Belfast, NC (1-3000-3489)	[Wayne]		CSXT	1080	11370	406643	Goldsboro, NC		27530
Belhaven, NC (3700)	[Beaufort]		CLNA	70935	17	403818			27810
Belhaven, NC (3700)	[Beaufort]		NS	70935	60157	403818	Belhaven, NC		27810
Belmont, NC	[Gaston]	BELMN	NS	40230	52613	417783	Gastonia, NC		28012
Benaja, NC	[Rockingham]		NS	37805	52321	412287	Reidsville, NC		27320
Benson, NC (1-22-3000-3489)	[Johnston]		CSXT	1025	11073	406880	Dunn, NC		27504
Berryhill, NC	[Mecklenburg]		NS	40222	52536	417495	Charlotte, NC	Charlotte, NC	28202
Bessemer City, NC	[Gaston]		NS	40250	52627	417777	Gastonia, NC		28016
Bessemer Siding, NC	[Guilford]		NS	37420	52209	412735	Greensboro, NC		27420
Bests, NC	[Wayne]		NS	50120	59924	406634	La Grange, NC		28551
Bethania, NC	[Forsyth]		NS	37695	52929	413328	Winston-salem, NC		27010
Bethel, NC (1-22-3000-3489)	[Pitt]		CSXT	895	11321	404714	Tarboro, NC		27812
Billmore, NC	[Buncombe]		NS	39055	53379	418573	Asheville, NC	Asheville, NC	28803
Biscoe, NC (445-446-3495-3700)	[Montgomery]		ACWR	263	263	416447	Eagle Springs, NC		27209
Biscoe, NC (3700)	[Montgomery]		NS	70220	60550	416447	Eagle Springs, NC		27209
Bishops Cross, NC (3700)	[Beaufort]		CLNA	70920	11	403816			27817
Bishops Cross, NC (3700)	[Beaufort]		NS	70920	60154	403816	Belhaven, NC		27817

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China Grove, NC	[Rowan]		NS	37875	52514	413993	Salisbury, NC		28023
Chisman, NC	[Stokes]		NS	1420	6779	413177	Walnut Cove, NC		27102
Chocowinity (cna), NC	[Beaufort]	CHOCO	NS	71742.75	60160	403845	Washington, NC		27817
Chocowinity, NC	[Beaufort]	CHOCO	NS	48525	51834	403845	Washington, NC		27817
Claremont, NC	[Catawba]		NS	38925	53324	414934	Hickory, NC		28610
Clarkton, NC (1-3000-3489)	[Bladen]		CSXT	1550	22130	408475	Clarkton, NC		28433
Clayton, NC	[Johnston]		NS	37600	52269	406844	Raleigh, NC		27520
Clegg, NC	[Durham]		NS	37540	52244	411885	Durham, NC		27560
Clemmons, NC	[Forsyth]		NS	38060	53115	413394	Winston-salem, NC		27012
Cleveland, NC	[Rowan]		NS	38900	53314	413927	Barber, NC		27013
Cliffbragg, NC (1-3495)	[Cumberland]		CF	40	40	407739			28307
Clifdale, NC (1-62-3100)	[Cumberland]	CLFDL	AR	95	37	407768	Fayetteville, NC		28304
Clifdale, NC (26-3495)	[Cumberland]	CLFDL	CF	30	30	407768			28307
Climax, NC	[Guilford]		NS	38220	52733	412768	Greensboro, NC		27233
Clinton, NC (1-3100)	[Sampson]		CTR	4	4	407540			28328
Clyde, NC	[Haywood]		NS	39295	53424	419153	Sylva, NC		28721
Cofield, NC (1-3495-3700)	[Hertford]		NCVA	2200	2200	402254	Ahoskie, NC		27922
Cohen, NC	[Lee]		NS	48795	51880	416112	Sanford, NC		27237
Collfax, NC	[Guilford]		NS	37680	52917	412747	Greensboro, NC		27235
Colon, NC (1-3000-3489)	[Lee]	COLON	CSXT	1450	22045	416124	Sanford, NC		27330
Colon, NC	[Lee]	COLON	NS	48785	51878	416124	Sanford, NC		27330
Concord, NC	[Cabarrus]		NS	37895	52524	417160	Kannapolis, NC		28025
Conetoe, NC (1-22-3000-3489)	[Edgecombe]		CSXT	890	11315	404187	Tarboro, NC		27819
Connelly Springs, NC	[Burke]		NS	38950	53339	415836	Hickory, NC		28612
Conover, NC	[Catawba]		NS	38935	53328	414948	Hickory, NC		28613
Conshel, NC	[Cleveland]		NS	40577	53842	417805	Shelby, NC		28150
Contentnea, NC (1-3000-3489)	[Wilson]		CSXT	975	11049	404953	Wilson, NC		27893
Conway, NC (1-3495-3700)	[Northampton]		NCVA	1200	1200	402418	Potocasi, NC		27820
Coolesmeee Jct, NC	[Davie]		NS	38090	53126	413895	Barber, NC		27014
Cordova, NC (1-22-3000-3489)	[Richmond]		CSXT	1650	22501	416864	Hamlet, NC		28330
Corinth, NC	[Chatham]		NS	48775	51874	412873	Sanford, NC		27559
Cornelius, NC	[Mecklenburg]		NS	39737	53224	417417	Mooresville, NC		28031
Cotton Creek, NC (446-3495-3700)	[Moore]		ACWR	13123	13123	416345	Star, NC		27356
Cotton Creek, NC (3700)	[Moore]		NS	70133	60581	416345	Star, NC		28201
Cotton Grove, NC (104-3000-3489-3553)	[Davidson]		CSXT	85090	38065	413729	Lexington, NC		27292
Cotton Grove, NC (3700)	[Davidson]		NS	74051	61057	413729	Lexington, NC		27292
Cotton Grove, NC (1-3489-3700)	[Davidson]		WSS	30	38065	413729	Lexington, NC		27292
Cove, NC	[Craven]		NS	50165	59936	405592	Cove, NC		28523
Cowans Ford, NC (1-22-3000-3489)	[Gaston]		CSXT	1905	29025	417763	Charlotte, NC		28120
Craggy, NC	[Buncombe]		NS	39070	53513	418536	Asheville, NC	Asheville, NC	28801
Cramerton, NC	[Gaston]		NS	40235	52614	417787	Gastonia, NC		28032
Croft, NC	[Mecklenburg]		NS	39728	53230	417434	Charlotte, NC		28213
Crowders, NC	[Gaston]		NS	48010	59812	417797	Gastonia, NC		28052
Crutchfield, NC (3700)	[Surry]		NS	74125	60806	413292	Siloam, NC		27101
Crutchfield, NC (1-413-3100-3700)	[Surry]		YVRR	2952	2952	413292	Siloam, NC		27011
Cummins, NC (1-3000-3489)	[Wake]		CSXT	1420.10	21619	411670	Raleigh, NC		27611
Cumnock, NC (1-102-3495)	[Lee]	CUMOK	ATW	30	30	416114			27237
Cumnock, NC	[Lee]	CUMOK	NS	38165	52709	416114	Sanford, NC		27237
D									
Daisey, NC	[Forsyth]		NS	1450	6796	413310	Winston-salem, NC		27102
Dallas, NC	[Gaston]		NS	48035	59816	417745	Gastonia, NC		28034
Davidson River, NC	[Transylvania]		NS	39675	53727	419236	Hendersonville, NC		28768
Davidson, NC	[Mecklenburg]		NS	39740	53222	417413	Mooresville, NC		28036
Davie, NC	[Davie]		NS	38072	53120	413875	Barber, NC		27028
Denton, NC (104-3000-3489-3553)	[Davidson]		CSXT	85055	36027	413791	High Point, NC		27239
Denton, NC (1-3489-3700)	[Davidson]		HPTD	90	36027	413791	High Point, NC		27239
Denton, NC (3700)	[Davidson]		NS	72280	61105	413791	High Point, NC		27239
Denver, NC (1-22-3000-3489)	[Lincoln]		CSXT	1910	29030	417614	Charlotte, NC		28037
Derita, NC	[Mecklenburg]		NS	39725	53232	417444	Charlotte, NC	Charlotte, NC	28213
Dewbell, NC (1-22-3000-3489)	[Johnston]		CSXT	1010	11064	406840	Selma, NC		27576
Dillsboro, NC (1-3100-3700)	[Jackson]	DLSBR	GSM	47	47	419338			28725
Dillsboro, NC (3700)	[Jackson]	DLSBR	NS	72100	60350	419338	Sylva, NC		28725
Dixie, NC (26-3000)	[Scotland]	DIXIE	CSXT	1625	22178	408848	Laurinburg, NC		28352
Dixie, NC (26-600-3495)	[Scotland]	DIXIE	LRS	15	4	408848	Laurinburg, NC		28352
Donnaha, NC (3700)	[Forsyth]		NS	74110	60803	413325	Siloam, NC		27101
Donnaha, NC (1-413-3100-3700)	[Forsyth]		YVRR	2937	2937	413325	Siloam, NC		27050
Dover, NC	[Craven]		NS	50160	59934	405595	Cove, NC		28526
Drexel, NC	[Burke]		NS	38960	53343	415844	Hickory, NC		28619
Duart, NC (1-22-3000-3489)	[Bladen]		CSXT	1592	21091	408417	St Paul, NC		28384
Dudley, NC (1-22-3000-3489)	[Wayne]		CSXT	1095	11377	406687	Goldsboro, NC		28333
Duncan, NC	[Harnett]		NS	48770	51873	407114	Sanford, NC		27526
Dundarrach, NC (1-3100)	[Hoke]		AR	60	24	408274	Raeferd, NC		28386
Dunn, NC (1-3000-3489)	[Harnett]	DUNN	CSXT	1035	11077	407120	Dunn, NC		28334
Durham, NC (3188)	[Durham]		AMTK	79005	79005	411860			27701
Durham, NC (1-3000-3489)	[Durham]	DURHM	CSXT	255	21300	411860	Durham, NC		27701

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U									
Underwood, ND	[McLean]		CPRS	7154	795	516183	Max, ND		58576
Union, ND	[Cavaller]		BNSF	6535	55750	511373	Langdon, ND		58260
University, ND	[Grand Forks]		BNSF	6910	5297	511739	Grand Forks, ND		58202
Urbana, ND	[Barnes]		BNSF	6215	3321	514968	Jamestown, ND		58481
V									
Valley City Ims, ND	[Barnes]		CPRS	6626	4948	514950	Jamestown, ND		58072
Valley City, ND (19)	[Barnes]	VLYCY	BNSF	6260	3301	514950	Valley City, ND		58072
Valley City, ND	[Barnes]	VLYCY	CPRS	6614	4960	514950	Valley City, ND		58072
Vance, ND	[Cass]		BNSF	8035	707	514727	Valley City, ND		58004
Velva, ND	[McHenry]		CPRS	6674	4980	512979	Minot, ND		58790
Venturia, ND	[McIntosh]		CPRS	7107	773	517974			58413
Verona, ND (3200)	[La Moure]		BNSF	8160	56677	517463	Lisbon, ND		58490
Verona, ND (1-3200)	[La Moure]		RRVW	5690	56677	517463	Lisbon, ND		58490
Voltaire, ND	[McHenry]		CPRS	6671	4979	512975	Minot, ND		58792
W									
Wabek, ND	[Mountrail]		CPRS	7202	914	513778	New Town, ND		58771
Wahpeton, ND (3200)	[Richland]	WAPTN	BNSF	8300	3207	517130	Wahpeton, ND		58075
Wahpeton, ND (1-3200)	[Richland]		RRVW	3460	3207	517130	Wahpeton, ND		58075
Walcott, ND (3200)	[Richland]		BNSF	8130	3233	517118	Davenport, ND		58077
Walcott, ND (1-3200)	[Richland]		RRVW	5840	3233	517118	Davenport, ND		58077
Walhalla, ND (3200)	[Pembina]		BNSF	6575	55648	511128	Walhalla, ND		58282
Walhalla, ND (1-3200)	[Pembina]		DN	55648	55648	511128	Walhalla, ND		58282
Walum, ND	[Griggs]		BNSF	7635	57324	514494	Hannaford, ND		58448
Washburn, ND	[McLean]		CPRS	7142	791	516190	Hazen, ND		58577
Washburn, ND (1-3126)	[McLean]		DMVW	5940	8259	516190			58577
Wellsburg, ND	[Wells]		BNSF	7435	839	515413	Drake, ND		58341
West Fargo, ND	[Cass]	WFARG	BNSF	7810	683	514753	Fargo, ND		58078
Westby Gravel Pit, ND	[Divide]		CPRS	6746	988	513498			58833
Western Term Co Spur, ND	[Grand Forks]		BNSF	6670	55503	511716			58201
Wheatland, ND	[Cass]		BNSF	6290	3270	514765	Valley City, ND		58079
Wheelock, ND	[Williams]		BNSF	5690	1015	513962	Williston, ND		58849
White Earth, ND	[Mountrail]		BNSF	5710	990	513734	Stanley, ND		58794
Whitman, ND	[Nelson]		CPRS	7034	931	511923	Devils Lake, ND		58259
Williston, ND (3188)	[Williams]		AMTK	7100	7100	513980			58801
Williston, ND	[Williams]		BNSF	5680	1036	513980	Williston, ND		58801
Willow City, ND	[Bottineau]		BNSF	6095	58221	512487	Omeme, ND		58384
Wilton, ND	[McLean]		CPRS	7136	789	516195	Wilton, ND		58579
Wilton, ND (1-3126)	[McLean]		DMVW	5925	8242	516195			58579
Wimbledon, ND	[Barnes]		CPRS	6623	4963	514937	Jamestown, ND		58492
Windsor, ND	[Stutsman]		BNSF	9105	3352	515674	Ladoga, ND		58424
Wishek, ND	[McIntosh]		CPRS	7103	776	517914	Burnstad, ND		58495
Wishek, ND (1-3126)	[McIntosh]		DMVW	5780	8135	517914			58495
Wolford, ND	[Pierce]		BNSF	5120	58114	512713	Rolette, ND		58385
Woods, ND (3200)	[Cass]		BNSF	8200	56625	514777	Lisbon, ND		58052
Woods, ND (1-3200)	[Cass]		RRVW	5650	56625	514777	Lisbon, ND		58052
Woodworth, ND (3200)	[Stutsman]		BNSF	9180	57620	515624	Woodworth, ND		58496
Woodworth, ND (1-3200)	[Stutsman]		RRVW	6100	57620	515624	Woodworth, ND		58496
Wyndmere, ND (3200)	[Richland]		BNSF	8285	53303	517155	Wyndmere, ND		58081
Wyndmere, ND	[Richland]		CPRS	6587	4951	517155	Wyndmere, ND		58081
Wyndmere, ND (1-3200)	[Richland]		RRVW	5495	53303	517155	Wyndmere, ND		58081
Y									
York, ND	[Benson]		BNSF	6125	5420	512622	Rugby, ND		58386
Ypsilanti, ND (3200)	[Stutsman]		BNSF	9200	56913	515682	Jamestown, ND		58497
Ypsilanti, ND (1-3200)	[Stutsman]		RRVW	5625	56913	515682	Jamestown, ND		58497

OHIO

A									
Ada, OH (1-22-41-1950-3495)	[Hardin]		CFE	47900	18530	346631	Lima, OH		45810
Adams Mills, OH (1-22-3111-3495-3700)	[Muskingum]		CUOH	1330	1330	352121	Coshocton, OH		43811
Adams Mills, OH (3700)	[Muskingum]		NS	71631.60	65715	352121	Coshocton, OH		43821
Adams Mills, OH (1-3111-3495-3700)	[Muskingum]		OHCR	41247	17625	352121	Coshocton, OH		43821
Adams Mills, OH	[Muskingum]		WE	71247	17625	352121	Coshocton, OH		43821
Addyston, OH (1-3100-3700)	[Hamilton]		CIND	50132	50132	359872			45001
Adena, OH (1-3100)	[Jefferson]		WE	50010	50010	347296	Jewett, OH		43901
Afton, OH	[Clermont]		NS	7105	5776	359645	Sardinia, OH		45103
Akron Jct, OH (6-3000)	[Summit]		CSXT	41270	71428	344730			44301
Akron Waterworks Switch, OH (41)	[Portage]		NS	66345	71931	344472	Akron, OH		44309
Akron, OH (1-3100)	[Summit]	AKRON	AB	76558	76558	344700	Akron, OH		44309
Akron, OH (1-3000-3489)	[Summit]	AKRON	CSXT	36375	71429	344700	Akron, OH		44309
Akron, OH (1-3100)	[Summit]	AKRON	WE	21037	21037	344700	Akron, OH		44309
Alexis, OH (1-22-3563)	[Lucas]	ALEXI	AA	5	5	343223	Toledo, OH		43611
Alexis, OH (1-3000-3489)	[Lucas]		CSXT	72232	86926	343223	Toledo, OH		43601
Alliance, OH (3188)	[Stark]		AMTK	29000	29000	344802	Alliance, OH		44601
Alliance, OH (41)	[Stark]	ALLIA	NS	65520	71847	344802	Alliance, OH		44601

EXHIBIT 3



E. Hunter Harrison
President and
Chief Executive Officer

Canadian National
935 de La Gauchetière West
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T 514-399-4800
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E. Hunter Harrison
Président - directeur général

Canadien National
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Canada
T 514-399-4800
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February 14, 2008

The Honorable Richard Durbin
Majority Whip
United States Senate
U.S. Capitol, Room S-321
Washington, DC 20510

Dear Senator Durbin:

Your staff has shared with us your concerns about the impact on existing Amtrak service to and from downtown Chicago over CN's St. Charles Airline route as a result of CN's proposed acquisition of lines of the Elgin, Joliet & Eastern Railway Company (EJ&E), especially if Amtrak were not yet able to re-route its passenger service over the so-called Grand Crossing connection that would permit Amtrak to operate via the Norfolk Southern (NS) line to and from Chicago.

We appreciate and share your concern that Amtrak continue to provide reliable passenger service to and from Chicago Union Station, and we have been engaged in ongoing discussions with Amtrak to address those concerns. Earlier this week, in order to alleviate any concerns that Amtrak would be forced to cease operations over the Air Line, I advised Alex Kummant, Amtrak's President, that Amtrak is welcome to remain on the Air Line route indefinitely, until Grand Crossing or another alternative acceptable to Amtrak is available.

The EJ&E transaction does not directly involve Grand Crossing, and despite misconceptions otherwise of Amtrak and others, there has never been any pressing concern as to Amtrak's continuing operations over the Air Line route as a result of the EJ&E transaction. Amtrak has an operating agreement with CN through January 31, 2010, and the STB's approval of the EJ&E transaction would not affect Amtrak's continuing operations over the Air Line route under that agreement.

.../2

The Honorable Richard Durbin
February 14, 2008
Page 2

With our commitment to Amtrak that it may remain on the Air Line, any concern on Amtrak's part that it will somehow be compelled by CN to re-route its trains in a way unacceptable to it should be dispelled entirely. If and when the Grand Crossing or some other routing becomes available, Amtrak could determine at that time to re-route its trains, but it will face no pressure from CN to do so.

More broadly, we ask that you keep in mind that the EJ&E transaction will provide significant benefits to Chicago, permitting us, among other things, to:

- remove many of the CN trains that now operate in Chicago's urban core and begin to solve in a significant way, without taxpayer dollars, the rail congestion that plagues the City and the region;
- reduce the volume of freight traffic that Amtrak and commuter railroads have to confront in Chicago;
- permit us to cease freight operations over the Air Line route that runs along Lake Michigan and through downtown Chicago (as the City of Chicago has requested); and
- satisfy the City's request, pursuant to Mayor Daley's January 15, 2008 letter to the STB, that Amtrak not suffer negative operational impacts from the transaction.

None of these positive benefits will occur absent approval of the transaction. We believe that the EJ&E transaction is in the public interest, and we hope that you will vigorously support it.

I would welcome the opportunity to meet with you to discuss the EJ&E transaction and these public interest benefits and review Amtrak issues related to the transaction. In the meantime, please do not hesitate to contact me or Karen Phillips, CN's Vice President – North American Government Affairs, if you have any questions regarding CN's position on this matter.

Sincerely,



E. Hunter Harrison
President and
Chief Executive Officer

cc: Alex Kummant, Amtrak
Frank Kruesi, City of Chicago

EXHIBIT 4



www.cn.ca

March 10, 2008

E. Hunter Harrison
President and
Chief Executive Officer

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Président-
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Mr. Alex Kummant
President
National Railroad Passenger Corporation
60 Massachusetts Ave., N.E.
Washington, DC 20002

Dear Alex,

Last month, I committed to you that, should CN's proposed acquisition of the lines of the Elgin, Joliet & Eastern Railway (EJ&E) be approved by the Surface Transportation Board (STB), Amtrak may remain indefinitely on CN's St. Charles Airline route after CN's trains are re-routed off this route onto the EJ&E, until Grand Crossing or another alternative acceptable to Amtrak is available. This would preserve Amtrak's access to Chicago's Union Station and enable Amtrak to continue to provide service to and from downstate Illinois points such as Champaign and Carbondale in the same manner that it does today.

On March 5, 2008, I met with Senator Richard Durbin and Congresswoman Melissa Bean in Washington to discuss this and other issues concerning the EJ&E transaction. To allay related concerns and remove any uncertainty for Amtrak (and for the Illinois Department of Transportation, which subsidizes a portion of Amtrak's service), I represented CN's further commitment to cap the costs to Amtrak for maintaining this 11-mile segment at their current level, indexed for inflation in future years, as provided under the terms of the current CN/Amtrak agreement. Gordon Trafton, CN's Senior Vice President for the Southern Region, conveyed this commitment last week as well to Anne Witt, Amtrak's Vice President, Strategic Partnerships and Business Development.

Our commitment also extends to preserving for Amtrak the current operating standards that it enjoys. We anticipate that when CN fully relocates its operations to the EJ&E and Amtrak becomes the sole user of the SCAL route (likely not until the end of 2011), we should be able to remove one of the two mainline tracks along the 11-mile segment, since one track should be more than sufficient capacity for the six 4-6 car Amtrak trains that would be the only traffic along the route. Consistent with the terms of our current agreement, we would discuss such a step with you in advance.

Mr. Alex Kummant
Page 2
March 10, 2008

Whether the second track would be removed would not reduce in any way our commitment to maintain the line at the level preserving the operating standards for its service that Amtrak enjoys today.

We believe that these commitments satisfy fully all of the conditions that you have requested from the STB to preserve Amtrak service and address the concerns voiced to the agency by numerous Illinois communities, including the City of Chicago, that Amtrak not suffer negative operational impacts as a result of the EJ&E transaction. With these commitments, we would ask Amtrak's support for our transaction, which will provide significant benefits to the Chicago region and assure that Amtrak will have adequate time to consider and implement a long-term strategy for its passenger service to and from Chicago.

Sincerely,



E. Hunter Harrison
President and
Chief Executive Officer

cc: Senator Richard Durbin
Frank Kruesi, City of Chicago
Joseph P. Clary, IDOT
Ellen J. Schanzle-Haskins, IDOT
Anne Witt, Amtrak
Eleanor D. Acheson, Amtrak
Paul Samuel Smith, US DOT

EXHIBIT 5



May 26, 2006

Mr. John C. Pranaitis
President
Elgin, Joliet & Eastern Railway Company
600 Grant Street – Room 1887
Pittsburgh, PA 15219-2800

RE: PROPOSED METRA USE OF EJ&E TRACK

Dear Mr. Pranaitis:

The Northeast Illinois Regional Commuter Railroad Corporation - Commuter Rail Division of the Regional Transportation Authority ("Metra") has held preliminary discussions with Elgin, Joliet & Eastern Railway ("EJ&E") regarding the possible use of a portion of the EJ&E track and corridor in the Chicago area between Joliet and Hoffman Estates ("Corridor"). This non-binding Letter of Intent (LOI) sets forth the understanding of Metra and the EJ&E (hereinafter the "Parties") concerning the possible negotiation of an agreement (hereinafter "Definitive Agreement") concerning Metra's use of the Corridor. The following terms and conditions are meant to document the initial intentions of the parties:

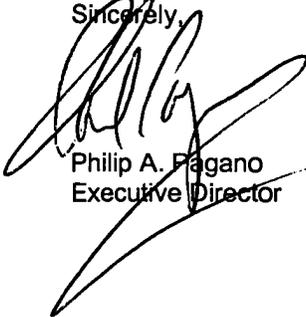
1. Metra is currently undertaking an Alternatives Analysis ("Stud") to determine the feasibility of operating Commuter Rail Service ("CRS") in the Corridor.
2. EJ&E agrees to furnish reasonable readily accessible data and information related to right-of-way and track structure to allow Metra to complete its Study of the Corridor.
3. If this Study determines that commuter rail is the locally preferred alternative for the Corridor, Metra and EJ&E shall use reasonable efforts, in good faith and in a reasonably expeditious manner, to negotiate a Definitive Agreement governing Metra's use of the Corridor. The Definitive Agreement shall be subject to the approval of the Parties and their respective counsel.
4. The Parties intend that the Definitive Agreement and Metra's use of the Corridor pursuant to the Definitive Agreement will not, to any significant degree, have an adverse effect on the value of the EJ&E and/or the ability of the EJ&E to provide rail service to current and future shippers served by the EJ&E, including, but not limited to, United States Steel Corporation ("USS"). The parties will attempt to balance Metra's needs for "rush hour" service with the needs of the EJ&E's freight operations and attempt to mitigate any conflicts. Metra, at its sole expense, shall pay for a capacity report and a safety report by a consultant or consultants, mutually acceptable to the parties. The capacity report shall analyze available capacity on the EJ&E and report to the Parties concerning the effect on the EJ&E's current and future operations of any proposed use of the Corridor by Metra. The safety report shall analyze safety issues arising out of any proposed use of the Corridor by Metra and make recommendations to the Parties

concerning safety enhancement of EJ&E and Metra operations on the Corridor.

5. Metra and EJ&E agree to coordinate major press announcements and significant public statements regarding this project, except as required by law.
6. Except as required by Section 4 herein, Metra and EJ&E shall bear their own expenses incurred in developing the Definitive Agreement.
7. Unless mutually extended by the parties, This LOI shall terminate on the earlier of (1) the date of execution of the Definitive Agreement or (2) December 31, 2008.
8. It is understood that any proposed Definitive Agreement will be subject to required internal approvals of the Parties, including, but not limited to, any required internal approvals by the executive management and/or the Board of Directors of the EJ&E and/or its parent corporations (i.e. Transtar, Inc. and USS), and that, notwithstanding any such approvals or other indications of assent, there shall be no binding commitment or legal obligation by either Party in connection with any proposed Definitive Agreement, except as set forth in paragraphs 5, 6 and 7 hereof, unless and until the Definitive Agreement setting forth all terms and conditions has been executed by the Parties.

If the foregoing accurately reflects the understanding between the Parties, please so signify by executing both counterparts of this Letter of Understanding and returning one to my office.

Sincerely,



Philip A. Fagano
Executive Director

**ACKNOWLEDGED AND ACCEPTED
ELGIN, JOLIET & EASTERN RAILWAY:**

By: JC Parante

Title: PRESIDENT

Date: 6/2/06

EXHIBIT 6

The foregoing grant is expressly conditioned upon the performance by the said party of the second part of all and singular, the covenants and agreements hereinafter set forth, to be by it kept and performed as follows, to-wit: and a default in or failure to perform any of said covenants, or a breach in any of said conditions, shall work an absolute forfeiture of said grant.

First: That the first party, notwithstanding the aforesaid grant, shall have the right to retain the track or tracks, now owned and operated by it, at the point or points of crossing aforesaid, and said party of the second part agrees that nothing shall be done or suffered to be done by it, that shall in any manner materially impair the usefulness of said existing track or tracks of the party of the first part, or of such track or tracks as may be hereafter constructed by said party of the first part as hereinafter provided.

Second: It is understood and agreed between the parties hereto, that the said party of the first part shall have the right at any and all times hereafter to lay down, maintain and operate over the track or tracks of the party of the second part herein authorized to be laid down, such other and further tracks as it may elect to lay down, and when it shall elect to lay down any such track or tracks, the said party of the second part will, upon notice of such election, provide the materials for and properly construct all the crossings with ^{one} such additional ~~main track, including interlocking and signal system hereinafter described~~ ~~track or tracks~~, according to such plans and specifications as the party of the first part may prescribe, and if it fail so to do within a reasonable time after receiving such notice, the party of the first part may construct such ~~and connect the same with said interlocking system~~ crossings, and the party of the second part agrees that it will promptly pay to the party of the first part the full cost of such crossings and of the construction thereof, ~~and of connecting the same with said interlocking system.~~

Third: The said party of the second part agrees that it will furnish the materials for and construct and put in all crossing frogs, crossing signals, gates and targets and other fixtures necessary to make the crossings with the existing tracks of the party of the first part at the points aforesaid, strictly in accordance with such plans and specifications as shall be prescribed by the chief engineer of the party of the first part, and that the said party of the second part will at its sole cost and charge forever maintain and keep in good repair, and renew from time to time when necessary, all the crossing frogs, crossing signals, gates and targets, and other fixtures provided for in this Indenture, whether of existing tracks or of such as may be hereafter laid by the party of the first part, all in such manner as shall be satisfactory to the said party of the first part. In the event that it does not make all such repairs or renewals when reasonably required so to do, the party of the first part may make the same and the party of the second part agrees that it will promptly pay to the party of the first part the full cost thereof.

Fourth: If at any time hereafter the business of the party of the first part, or the laws of the State of _____ or the ordinances of any municipal corporation of said State, shall make it necessary to station flagmen at the said crossings _____ or shall make it necessary or proper to erect crossing signals or gates thereat, said party of the first part shall have the right to employ such flagmen, and to establish such signals and gates, and the said party of the second part will pay _____ wages of such flagmen promptly as the same become due from time to time, and the cost of the construction, maintenance and operation of such signals or gates. Any such flagmen shall be appointed by said party of the first part, but subject to the approval of the General Superintendent or other managing officer of the party of the second part, and the said party of the second part shall have the right to require the discharge of such flagmen if there be good and sufficient reason therefor, to be determined by its General Superintendent, or other proper managing officer, who shall state such reason in writing to the party of the first part, if required.

Third Fifth: In the passage of the respective trains of the parties hereto over the aforesaid crossing, if passenger trains of each of said parties arrive at such crossing, simultaneously, the passenger trains of the party of the first part shall have preference in passing over said crossing, over the passenger train of the party of the second part, and in like manner freight trains of the party of the first part shall have preference over freight trains of the party of the second part, but in all cases passenger trains shall have preference over freight trains.

Fourth Sixth: The said party of the second part shall pay the full cost of any connecting or transfer track that may be at any time required at the point of crossing aforesaid, whether such track shall be ordered by competent authority or put in by agreement between the parties hereto.

Fifth: It is understood and agreed that the crossing with said first party's side track at the point of crossing aforesaid may be made with a solid frog crossing and that the crossing with the first party's present main track at said point of crossing may be made with a solid frog. And the said party of the second part agrees to at its sole cost and expense, put in, maintain and operate at said crossing a Saxby and Farmer Interlocking Switch and Signal Machine with tight connections to horns, signals and points and illuminated horns, signal blades, showing red and green. And when the said party of the first part shall lay second track at the point of crossing aforesaid, or whenever the solid frog crossing with the present main track above referred to shall require renewal

said second party agrees to at its own sole cost and expense replace the same with a Fountains Crossing (or such other crossing as may be approved by first party's chief engineer) connected with and operated

that the Elgin Company shall not be required to replace any crossings installed or on hand, at the time the changes are required, until the same are worn out.

SEVENTH. The Elgin Company agrees that it will not interfere with or obstruct in any manner the drainage of the right of way and tracks of the North Western Company at said crossings and that it will make provision for draining its own railroad so as to prevent the water from its side ditches and right of way from flowing upon the right of way of the North Western Company.

EIGHTH. It is mutually understood and agreed that passenger trains of the North Western Company shall have the right of way over said crossings in preference to passenger trains of the Elgin Company and that freight trains of the North Western Company also shall have the right of way over said crossings in preference to freight trains of the Elgin Company; provided, however, that in all cases passenger trains of each party hereto shall have the right of way over said crossings in preference to all freight trains of the other party.

NINTH. The Elgin Company, except as otherwise provided in Sections Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth and Fifteenth hereof, at its own sole expense, shall: