



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

August 19, 2014

Mr. Claude Mongeau
President and CEO
Canadian National Railway Company
935 de La Gauchetiere Street West
Montreal, Quebec
H3B 2M9
Canada

Re: Railroad Service Outlook Fall 2014

Dear Claude:

The Surface Transportation Board is again asking each Class I railroad to provide an assessment of its ability to meet expected rail service demands during the traditional “fall peak” period. The last year has been challenging for the United States’ freight rail network due to a combination of volume, capacity, equipment and weather related issues. I appreciate Canadian National Railway Company’s updates to the Board regarding its efforts to address rail service problems. Rail service issues continue to have an adverse impact on many rail customers.

By this letter, I am requesting that Canadian National Railway Company (CN) provide to the Board its general outlook and plans through the remainder of 2014 as well as for the following winter season.

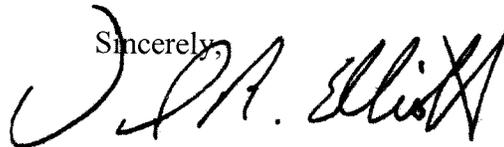
In your response, please include:

- Expectations for any seasonal or other projected peaks in carload, unit and intermodal traffic and the actions your railroad will take to prepare for those peaks, including a discussion of freight car, locomotive, and crew availability.
- Please detail any predicted changes in historical volumes or train speeds for commodities such as coal, automobiles, grain, chemicals, crude oil and other energy-related products, and describe your commodity-specific plans for this traffic.
- A description of any geographic areas and/or commodities for which you anticipate particular challenges in meeting customer service expectations. Stakeholders have raised recent concerns with the Board about supply chain fluidity for coal, automobiles, ethanol, and propane among other commodities. Your response should include a description of how your company anticipates working with customers to avoid or mitigate critical shortfalls of commodities during periods of heavy rail congestion.

- A summary of the investments in freight service and capacity improvements year-to-date and planned for the year. Please include a discussion of any technology and business process improvements that have the potential to improve network fluidity and resilience in the face of continued service delays and severe winter weather.
- A detailed discussion of efforts to improve fluidity through and around Chicago, including a brief summary of the integration of the EJ&E into the CN network and impacts to date. Please discuss what additional steps can and will be taken to minimize disruption and congestion in Chicago this winter. If there are significant unrealized opportunities to improve performance through Chicago of a non-capital nature (e.g., better cooperation, communication, joint use of assets, traffic reroutes), please elaborate.

The Board has announced that it will hold a hearing on September 4 in Fargo, N.D. to address continuing rail service issues. I request that you respond to this letter following the hearing, by September 15, 2014. As has been the case in the past, the Board intends to make your response public. I look forward to your response and to continuing to work together to ensure that the shipping public has efficient and reliable rail service.

Sincerely,

A handwritten signature in black ink, appearing to read "D. R. Elliott III". The signature is fluid and cursive, with a large initial "D" and "R".

Chairman Daniel R. Elliott III

cc: The Honorable Deb Miller, Vice Chairman
The Honorable Ann D. Begeman, Commissioner