



Office of the Chairman

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

November 2, 2016

The Honorable Tammy Baldwin
717 Hart Senate Office Building
Washington, DC 20510

Dear Senator Baldwin,

Thank you for your letter dated October 6, 2016 regarding the embargo of the Canadian National Railway (CN) line from Mellen to Ashland, WI (Line) and its potential impact on rail shippers in northern Wisconsin. I appreciate knowing your views on this matter.

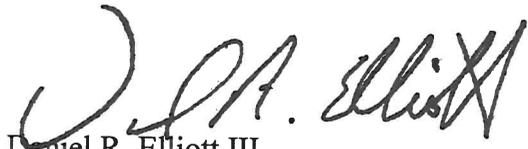
As you may know, an embargo is a temporary cessation or curtailment of rail service, which typically arises due to operational or safety concerns. A railroad may lawfully maintain an embargo for the time period reasonably necessary to remedy the conditions giving rise to it. However, a railroad cannot keep an embargo in place indefinitely. It must take concrete steps to resolve the conditions or move forward to formally abandon or discontinue service. An embargo that extends beyond a reasonable time may give rise to a violation of a railroad's common carrier obligation.

The STB's Rail Customer and Public Assistance office (RCPA) is aware of CN's embargo of the Line. Earlier this month, RCPA communicated with CN to learn more about the circumstances that led CN to impose the embargo and the prognosis for recovery of the Line. CN advised RCPA that the flooding along the Line caused approximately \$2.5 million in damages. CN also informed RCPA that it is evaluating the possibilities for restoring service moving forward, including transloading products from railcars to trucks.

At this time, CN has not initiated a formal abandonment or discontinuance action related to the Line. However, in the event that CN does so, I assure you that the Board will carefully apply the relevant legal standard. Additionally, I note that abandonment and discontinuance proceedings are public, such that your constituents would have the opportunity to submit comments on the potential implications of the loss of rail service.

If you or any of your constituents have further questions about this matter or STB procedures in general, please contact the STB's Office of Public Assistance, Governmental Affairs, and Compliance. The telephone number for this office is (202) 245-0238.

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" and a distinct "III" at the end.

Daniel R. Elliott III
Chairman