

**SURFACE TRANSPORTATION BOARD EXTENDS PROCEDURAL SCHEDULE
APPLICABLE TO "CN-IC" RAILROAD CONTROL PROCEEDING TO ADDRESS
DISCOVERY NEEDS**

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Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has extended, by two weeks, the procedural schedule applicable to the CN-IC railroad control proceeding (FOOTNOTE 1).

CN-IC filed their railroad control application (FOOTNOTE 2) with the Board on July 15, 1998, seeking Board approval and authorization under 49 U.S.C. 11321-26 for: (1) the acquisition, by CNR, through an indirect wholly owned subsidiary, of control of IC Corp. and through it of ICR and its railroad affiliates; and (2) the resulting common control by CNR of GTW and its railroad affiliates and ICR and its railroad affiliates.

The Board's action was in response to the request of certain of the parties for additional time to complete discovery prior to October 13, 1998, which, until this action, had been the due date for filing comments, protests, requests for conditions, and other evidence and argument in opposition to the primary application. In extending the procedural schedule for two weeks, the Board admonished all parties to avoid discovery disputes where possible and to use the discovery process to obtain necessary information and not as a litigation tactic. The Board also urged all parties to work cooperatively with the Administrative Law Judge assigned to this case.

The revised procedural schedule now applicable to the CN/IC proceeding is set forth in full in the appendix to this press release.

The Board extended the CN/IC procedural schedule in Decision No. 11, served today in Canadian National Railway Company, Grand Trunk Corporation, and Grand Trunk Western Railroad Incorporated--Control-- Illinois Central Corporation, Illinois Central Railroad Company, Chicago, Central and Pacific Railroad Company, and Cedar River Railroad Company, STB Finance Docket No. 33556.

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Footnote 1. The CN-IC railroad control proceeding is docketed as Canadian National Railway Company, Grand Trunk Corporation, and Grand Trunk Western Railroad Incorporated--Control-- Illinois Central Corporation, Illinois Central Railroad Company, Chicago, Central and Pacific Railroad Company, and Cedar River

Railroad Company, STB Finance Docket No. 33556.

Canadian National Railway Company (CNR), Grand Trunk Corporation (GTC), and Grand Trunk Western Railroad Incorporated (GTW) are referred to collectively as CN. Illinois Central Corporation (IC Corp.), Illinois Central Railroad Company (ICR), Chicago, Central & Pacific Railroad Company (CCP), and Cedar River Railroad Company (CRRC) are referred to collectively as IC. CN and IC are referred to collectively as the applicants.

Footnote 2. The application is variously referred to as the application, the primary application, the CN/IC application, and the CN/IC primary application.

APPENDIX: REVISED PROCEDURAL SCHEDULE

October 27, 1998 All comments, protests, requests for conditions, and any other evidence and argument in opposition to the primary application due, including filings of the U.S. Department of Justice (DOJ) and the U.S. Department of Transportation (DOT). Inconsistent and responsive applications due.

November 17, 1998 Notice of acceptance (if required) of inconsistent and responsive applications published in the Federal Register.

December 11, 1998 Response to comments, protests, requested conditions, and other opposition due. Response to comments of DOJ and DOT due. Rebuttal in support of primary application and related applications due. Response to inconsistent and responsive applications due.

January 11, 1999 Rebuttal in support of inconsistent and responsive applications due.

February 19, 1999 Briefs due, all parties (not to exceed 50 pages for applications and not to exceed 25 pages for all other parties).

March 22, 1999 Oral argument (close of record).

March 29, 1999 Voting conference (at Board's discretion).

May 25, 1999 Date of service of final decision.