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Operations

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November 8, 2011

The Honorable Richard Durbin
Assistant Majority Leader
United States Senate
Washington, DC 20510

Dear Senator Durbin:

I would like to take this opportunity to correct two points made in your November 4, 2011 letter to Surface Transportation Board (STB) Chairman Elliott and your press release issued that same day, calling for an investigation by the STB into the November 3 incident near Bartlett, Illinois, in which 22 CN cars derailed. The 120-car train was traveling from Gary, Indiana to Fond du Lac, Wisconsin; two of the cars were carrying hazardous materials (sodium hydroxide and ferric sulfate), while the others carried general freight. Although Metra service unfortunately was disrupted on November 3 as a result of this derailment, there were no leaks, no injuries, and no evacuations, and Metra service resumed the next day. The press release referred to organic acid among the hazardous materials being transported by this train, but the train was not carrying this commodity.

Your press release also stated that this was the second derailment of a CN train near Elgin in 2011. The November 3 derailment, however, is the only such CN incident in the Bartlett/Elgin area this year. The other railroad derailment in 2011 in the vicinity of Elgin occurred on January 16, and involved a Canadian Pacific Railway train operating on the Metra line through that community.

We are still investigating the cause of this accident and will advise you and the STB when we receive a final report. CN is fully cooperating with the Federal Railroad Administration's ongoing investigation of the accident, which began shortly after the incident occurred.

Please rest assured that CN is committed to safe operations on the EJ&E and across our network. We rigorously monitor our tracks and equipment using advanced technology and ensure that we meet all safety inspection requirements.

CN has made significant capital expenditures since acquiring the EJ&E to enhance safety on this property. We have spent over \$30 million to date on rail, ties, ballast, and related materials to upgrade the property, as well as approximately \$105 million for the construction of connections between existing CN lines and the EJ&E. We have spent roughly \$18 million to date on mitigation-related expenditures, including upgrades necessary for the creation of Quiet Zones along the EJ&E, lubricators, Wheel Impact Load Detectors, and power switches. All of these investments are aimed at safe and efficient performance on the EJ&E.

Please also note that, as part of our safety commitment on the EJ&E, CN has conducted emergency response training with communities along the line since acquiring the property, including sessions with Elgin and Bartlett. In addition, CN has sent emergency responders from these communities to the railroad industry's specialized hazardous materials training school at the Transportation Technology Center, Inc. in Pueblo, Colorado.

I hope this helps to clarify the facts of this unfortunate incident. Please contact Karen Phillips or me if you need any additional information on this or on our EJ&E operations in general.

Sincerely,

A handwritten signature in blue ink that reads "Keith Creel". The signature is written in a cursive style with a prominent initial "K".

Keith Creel
Executive Vice President and
Chief Operating Officer