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March 10, 2010

Mr. Matthew T. Wallen
Director
Office of Public Assistance, Governmental
Affairs & Compliance
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Director Wallen:

Please find enclosed the status report for the month of February 2010 on operational matters related to CN's acquisition of the major portion of the Elgin, Joliet and Eastern Railway Company (EJ&E), as required in the Board's final decision served December 24, 2008 approving this transaction.

The enclosed report provides information on the following operational matters:

- *Interchanges:* the report lists the number of cars interchanged at each interchange location on the EJ&E for February 2010 (with separate sheets showing cars delivered, cars received, and total cars interchanged), and includes a comparison of February 2009 and February 2010 interchange numbers at each location.
- *Railroad at-grade crossings:* the report identifies delays at railroad interlockings along the EJ&E line that occurred during February 2010.
- *Accidents and injuries:* the report provides the date and descriptive information about each FRA-reportable accident and injury that occurred on the EJ&E line or on CN lines within the EJ&E arc during February 2010. In addition to CN's FRA-reportable injuries shown in the report, CN

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understands that the driver of the vehicle that was struck by a Metra train on CN's Waukesha Subdivision on February 4, 2010 (as shown on CN's accident report) sustained non-life threatening injuries. CN does not have detailed information concerning those injuries because Metra is solely responsible for reporting those injuries to FRA.

- ***Street crossing blockages:*** the report provides data concerning each instance during February 2010 where a crossing was blocked by a stopped train for 10 minutes or more.
- ***Train volumes:*** the report provides train counts for operations over segments of EJ&E's principal lines and on CN lines through Chicago during February 2010. Please note that this month's report was produced using a new, improved methodology that allows CN to count round-trip local trains as traversing the segments they use twice. CN discovered that since implementation of its SRS computer system on the EJ&E on July 1, 2009 (noted in CN's letter to you dated August 7, 2009), these trains were only being reported as traversing applicable segments once. CN intends to restate all prior Average Daily Train Count reports beginning with July 2009, in order to fully account for these movements.

Please also note the following updates regarding our operations and related activities on the EJ&E.

- Four trains were removed from the EJ&E during February: one that ran between Spaulding and Kirk Yard, along with its opposing move from Kirk Yard back to Spaulding, and the other between Kirk Yard and Joliet Yard and its return movement back to Joliet Yard. We added three trains last month: one between Joliet and Chicago Heights, Illinois, with its opposing move back to Joliet, as well as a one-way move between Munger and Kirk Yard.
- CN has now recalled all furloughed train and engine employees and we are advertising for additional staff in anticipation of needing to recruit in the second quarter of 2010.
- CN Police hosted an annual Operation Lifesaver Level 1 Presenter Certification Course to students from various law enforcement and emergency response agencies, including those along the EJ&E line. On February 16, 17 students participated in the course held at the Tri-Town Safety Village in Schererville, Indiana. The students were introduced to the

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Operation Lifesaver program and spent the day learning how to effectively give safety presentations to children, adults, and professional drivers to help spread the educational message emphasizing safety at highway/rail grade crossings and railroad rights-of-way. After completing this one-day course, the students have 90 days in which to prepare and complete an Operation Lifesaver presentation to a live audience prior to becoming a certified Operation Lifesaver presenter. CN Special Agent Eric Graf coordinated this effort jointly with representatives from the Federal Railroad Administration and the Illinois Commerce Commission, who were also in attendance.

- During February, CN Special Agents and Patrol Officers assigned to the Chicago area conducted site visits to 37 local police departments located along the EJ&E line. These visits were proactive measures to get acquainted with local law enforcement while also providing the opportunity to address any issues or concerns raised by these agencies. The toll-free number for the CN Police Communication Center was distributed during these visits as well.

Please do not hesitate to contact me if you or your colleagues have any questions on this report or need additional information on CN's Chicago-area operations.

Sincerely,



Karen Borlaug Phillips
Vice President – Public and
Government Affairs

Enclosure

Accidents and Incidents

**Accidents on CN tracks inside of the EJ&E "Arc" and on EJ&E Tracks
February 2010 data for March 2010 report**

<u>Event Date</u>	<u>Subdivision</u>	<u>Description</u>
<u>CN</u>		
02/04/2010	Waukesha	METRA struck a vehicle that had gone around down crossing gates.
02/08/2010	Chicago	Train that was being shoved on one track ran into the side of another train that was pulling out of a converging track, causing one car to derail.
<u>EJ&E</u>		
02/18/2010	Matteson	Vehicle drove around down crossing gates and struck the side of locomotive. Vehicle occupants fled scene.
02/21/2010	Matteson	Vehicle attempted to cross tracks in the path of approaching light engines and was struck at the Tennessee Street crossing.

**Injuries on CN tracks inside of the EJ&E "Arc" and on EJ&E Tracks
February 2010 data for March 2010 report**

<u>Event Date</u>	<u>Subdivision</u>	<u>Description</u>
<u>CN</u>		
02/01/2010	Woodcrest Shop	Employee was entering nose of locomotive when he slipped and fell, bruising his ribs.
<u>EJ&E</u>		
02/02/2010	Leithton	Employee was climbing ladder when overhead crane being operated by another employee struck ladder, causing employee to fall, sustaining sprained right ankle.
02/15/2010	Matteson	Employee was descending steps with a bag of garbage, slipped on patch of ice on step and fell, sustaining fracture to right lower leg.
02/21/2010	Matteson	Driver of the vehicle that was struck by a light engine at the Tennessee Street crossing (see Accident Report) alleged minor injuries and stated that he would seek medical attention.

Street Crossing Blockages

**Crossing Blockages of Ten or More Minutes Caused by Stopped Trains
(February 2010)**

Number	Date (MMDDYYYY)	Train ID	Community	Crossing	Delay (min)	Approx Time	Comments
1	2/12/2010	C74191-11	Joliet	Gougar Rd.	36	1154	<p>Transportation: Train (117 cars, 6429 feet) stopped due to a train separation; the pin lifted on the 66th car, causing it to uncouple from the 67th car. The engineer bumped the cars back together, and the pin was secured into position. The crew and trainmaster inspected the entire train, determined it was safe to move, and then proceeded.</p> <p>Corrective Action: A post-incident inspection found no damages or visual reason for the pin lift; the pin apparently came out of adjustment during travel.</p>
2	2/18/2010	T75391-18	Gary	Taylor Forge Rd.	21	0310	<p>Transportation: In delivering the Goff coal train (117 cars, 6857 feet) to UP on EJ&E's City Track, the CSS train crew occupied and blocked the crossing without contacting CN.</p> <p>Corrective Action: The trainmaster will follow up with CSS to determine why its crew failed to follow procedure and how a recurrence can be prevented.</p>
3	2/19/2010	M34791-19	Frankfort	Harlem Ave.	28	1117	<p>Transportation: Train (173 cars, 10920 feet) was experiencing brake trouble and needed to stop and reset the brakes; resolving the problem took 28 minutes.</p>
4	2/26/2010	H51691-26	Crest Hill	Oakland Ave.	38	1142	<p>Transportation: Train (68 cars, 6150 feet) was stopped in a siding that was too short for it to clear the crossing as it waited for a train ahead to clear.</p> <p>Corrective Action: Dispatchers have been given updated information concerning the useable capacity of this siding given signal location; information for other sidings was checked and confirmed correct.</p>
5	2/27/2010	X34791-26	Joliet	Woodruff Rd.	50	0305	<p>Transportation: Train's (187 cars, 10583 feet) brakes malfunctioned while proceeding across Woodruff Rd. causing the train to stall.</p> <p>Corrective Action: Nearby CN crew tied its locomotive onto the rear of the train and shoved northward to clear the crossing.</p>

Train Volumes

AVERAGE DAILY TRAIN COUNTS ON CN & EJ&E SEGMENTS FOR FEBRUARY 2010

Rail Line Segment Description				Freight - Trains/Day		
Road	Segment Number	From Station	To Station	Base	February	Dif
BRC	1	Rockwell St	Hayford	2.2	2.4	0.2
BRC	2	Hayford	Clearing East	5.6	6.4	0.7
BRC	3	Clearing East	55th St	5.6	0.1	-5.5
BRC	4	55th St	Lemoyne	10.1	8.8	-1.3
BRC	5	Lemoyne	Hawthorne Crossing	10.1	8.8	-1.3
BRC	6	Hawthorne Crossing	Cicero	8.1	7.0	-1.1
BRC	7	Cicero	14th St	7.1	6.3	-0.9
BRC	8	14th St	Cragin	3.6	5.4	1.7
BRC	9	Clearing West	55th St	4.5	8.8	4.3
CN	1	Matteson	Markham	12.6	5.3	-7.4
CN	1.1	Matteson	University Park	12.6	10.6	-2.0
CN	2	Markham	Harvey	21.1	15.5	-5.6
CN	3	Harvey	Riverdale	8.4	6.9	-1.6
CN	4	Riverdale	Wildwood	8.4	6.8	-1.6
CN	5	Wildwood	Kensington	8.4	6.9	-1.5
CN	6	Kensington	94th St	8.4	6.8	-1.6
CN	7	94th St	67th St	6.4	6.9	0.5
CN	8	67th St	16th St	6.4	6.9	0.5
CN	9	16th St	Bridgeport	4.6	7.4	2.8
CN	10	Bridgeport	Belt Crossing	2.5	3.2	0.7
CN	11	Belt Crossing	Hawthorne	4.5	5.9	1.4
CN	12	Hawthorne	Broadview	4.4	5.8	1.4
CN	13	Broadview	Munger	3.0	3.9	0.9
CN	14	Bridgeport	Lemoyne	2.1	4.3	2.2
CN	15	Lemoyne	Glenn Yard	2.1	4.0	2.0
CN	16	Glenn Yard	Argo	5.8	5.0	-0.8
CN	17	Argo	Lemont	1.8	2.8	1.0
CN	18	Lemont	Joliet	1.8	1.8	0.0
CN	19	Madison St	Forest Park	3.5	0.9	-2.6
CN	20	Forest Park	B12	3.5	0.9	-2.6
CN	21	B12	Schiller Park	19.3	9.7	-9.6
CN	22	Schiller Park	Leithton	19.1	17.0	-2.1
CN	23	Griffith	Thornton Jct	22.1	10.6	-11.5
CN	24	Thornton Jct	CN Jct	19.5	9.5	-10.0
CN	25	CN Jct	Blue Island	14.9	5.4	-9.5
CN	26	Blue Island	Hayford	3.4	3.0	-0.5
CN	27	Hayford	Elsdon	0.0	0.0	0.0
CN	28	Elsdon	Railport	0.0	0.0	0.0
CPRS	1	Cragin	B12	3.6	0.9	-2.8
CSXT	1	46th St	Madison St	3.3	1.1	-2.1
IHB	1	Dolton	Gibson	1.6	1.2	-0.4
IHB	2	Blue Island	Ridge	9.6	1.3	-8.4
IHB	3	Ridge	CP Canal	9.6	2.3	-7.3
IHB	4	CP Canal	Broadview	10.2	4.3	-5.9
IHB	5	Broadview	CP Hill	11.6	3.4	-8.2
IHB	6	CP Hill	Norpaul	12.1	3.4	-8.7
IHB	7	Norpaul	B12	12.1	1.1	-11.0
UP	1	Thornton Jct	Yard Center	2.6	1.1	-1.4
UP	2	Yard Center	Dolton	1.6	5.4	3.8
EJE	15	Rondout	Leithton	3.2	1.2	-2.0
EJE	14	Leithton	Spaulding	5.3	8.3	3.0
EJE	13	Spaulding	Munger	5.5	9.0	3.5
EJE	12	Munger	West Chicago	4.4	8.1	3.8
EJE	11	West Chicago	East Siding	10.7	12.9	2.2
EJE	10	East Siding	Walker	15.7	15.9	0.2
EJE	9	Walker	Bridge Junction	18.5	19.4	0.9

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EJE	8	Bridge Junction	Rock Island Jct	18.5	22.3	3.8
EJE	7	Rock Island Jct	Matteson	6.4	11.6	5.3
EJE	6	Matteson	Chicago Hts	8.6	14.0	5.4
EJE	5	Chicago Hts	Griffith	10.2	13.2	3.0
EJE	4	Griffith	Van Loon	7.6	10.7	3.0
EJE	3	Van Loon	Ivanhoe	9.7	11.9	2.2
EJE	2	Ivanhoe	Cavanaugh	9.8	12.0	2.3
EJE	1	Cavanaugh	Gary	11.8	18.0	6.3
EJE	0	Gary	Indiana Harbor	3.5	0.0	-3.5
EJE	-1	Indiana Harbor	Hammond	1.8	4.0	2.2
EJE	-2	Hammond	South Chicago	0.9	2.9	2.0