Attachment Q5

Information Request No. 5

SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Section of Environmental Analysis

June 2, 2008

Normand Pellerin
Assistant Vice-President, Environment
935, rue de La Gauchetiere Street West
Floor 12
Montreal, Quebec H3B 2M9

Re: STB Finance Docket No. 35087, Canadian National Railway Company and Grand Trunk Corporation – Control – EJ&E West Company

Dear Mr. Pellerin:

Pursuant to 40 C.F.R. § 1506.5(a), attached is our fifth request for information needed for the purposes of the Section of Environmental Analysis' environmental review in connection with the above-referenced proceeding. As we have discussed, we need additional information to complete the technical analysis and prepare the Draft Environmental Impact Statement. This information specifically relates to the proposed transaction, associated rail improvements, and rail yard operations.

Thank you for your continued assistance. Please provide a copy of your response as soon as possible to Phillis Johnson-Ball of my staff and to our independent third-party consultant, John Morton, at HDR, 8404 Indian Hills Drive, Omaha, Nebraska, 68114-4098.

Sincerely

Victoria J. Rutson
Chief
Section of Environmental Analysis

Cc: Phillis Johnson-Ball, STB
John Morton, HDR Engineering, Inc.

STB Finance Docket No. 35087, Canadian National Railway Company and Grand Trunk Corporation – Control – EJ&E West Company

Information Request #5
June 2, 2008

(1) Des Plaines River Lift Bridge: Background - According to the Lockport lock operator, 4,500 vessels a year use the lock facility which is located just upstream from the EJ&E's Des Plaines River lift bridge. The locks do not operate during the winter months when they are iced up, so we are assuming that the locks function nine months a year. That results in about 16 vessels per day passing through the locks, assuming a constant flow of traffic seven days per week. We are further assuming that each vessel passage requires a bridge lift. According to EJ&E sources and confirmed in a CN letter to SEA, the bridge opens about 35 times each day. This number of bridge lifts seems high. We also understand that the lift bridge takes a couple of minutes to raise and lower. However, we need to know the total time required for the vessel to call for the bridge to be raised, wait for the bridge to be raised, for the ship to pass under the lift span, and finally for the lift span to close with the locking mechanism signaling when the span is again locked up. We are assuming this procedure takes 15 minutes.

***Questions*:**
Please clarify the operation of the Des Plaines River Lift Bridge. Also, are you aware of any seasonal peaking effect of river traffic based on commodity demand? Also, can you provide more detailed information to describe the impact of the lift bridge operation on the EJ&E's network capacity?

(2) Pre & Post Switch Engine Usage Kirk Yard and East Joliet Yard (Potential Increase): Background - CN has stated in their Operating Plan that the number of cars switched per day in Kirk Yard will increase from 685 to 2039 cars and in East Joliet Yard, from 500 to 709 cars. USEPA and other stakeholders have asked us whether the number of switch engines used and the number of switch engine-hours at each yard location will increase as a result of the proposed transaction.

***Questions*:**
What is the current number of switch engines used per day at Kirk Yard and at East Joliet Yard? What would be the number of switch engines required under CN's proposed post acquisition operations plan? What is the total number of switch engine-hours and throttle settings at each rail yard?

(3) Pre & Post Switch Engine Usage at CN Yards (Potential Decrease):
***Questions*:**
What is the current total number of switch engines used per day at BRC Clearing Yard, Glenn Yard, Bridgeport Yard and Hawthorne Yard? What would be the number of switch engines required under CN's proposed post acquisition operations plan?

What is the total number of switch engine-hours and throttle settings at each of these yards?

(4) Kirk Yard Layout and Mainline Staging Capacity: Background: Kirk Yard handles 685 cars per day. If the Board should approve the proposed transaction, CN's proposed Operating Plan indicates that the number of cars switched would increase by 1354 cars which results in perhaps nine to ten new trains per day. CN's Operating Plan indicates that "CN would assess both the capabilities of Kirk Yard and CN's requirements for its use, and would change operating processes at Kirk Yard and upgrade and expand facilities to meet those requirements." Stakeholders have expressed concerns that Kirk Yard, as currently configured, will not accommodate the proposed volume of cars to be switched. Consequently, some stakeholders suggested that CN may stage the overflow of trains to be switched to a staging area on the EJ&E Lakefront Branch Rail Line.

In addition, if these trains are 8000 to 10,000 feet long and the south yard at Kirk Yard can only accommodate a train 7500 feet long, then each inbound train would require a double over. Assembling outbound trains would also require a double over after an air test is completed.

Questions:
Please clarify CN's proposed car classification and train staging functioning in Kirk Yard?

Due to the increased number and length of the trains entering and leaving Kirk Yard, will the south yard in Kirk Yard need to be expanded or will a staging yard need to be constructed on the EJ&E Lakefront Branch Rail Line?

(5) East Joliet Yard Layout and Mainline Staging Capacity: Background - The same staging issues discussed above for Kirk Yard may also result at East Joliet Yard where an increase in switching activity from 500 to 1209 cars, an increase of 709 cars per day, plus associated block-swapping capability could impact EJ&E mainline operations. Currently, the EJ&E operates one or two trains through East Joliet Yard each day. In addition, there is only 8,260 feet between Woodruff Road (an at-grade crossing north of the yard) and Rock Island Junction south of the yard.

Questions:
How does the EJ&E currently switch the East Joliet Yard; from the north end or from the south end of the yard?

Should the Board approve the transaction please clarify how CN proposes to change rail yard operations to effectively interface with this increase in train traffic? Also, how does CN plan to operate a train 10,000 feet long through the East Joliet Yard?

(6) Markham Yard Inter-Modal Activity: Background - On January 28, 2008, CN responded to Information Request #1, Item 20 (letter dated December 18, 2007) that CN has no plans to develop intermodal facilities anywhere along the EJ&E rail line if the proposed transaction is approved. On February 15, 2008, CN submitted additional information on Markham Yard regarding a new Markham Gate. This information, referenced as Exhibit D, was designated CONFIDENTIAL. Recently stakeholders have stated that CN plans to expand inter-modal activity at Markham Yard.

Question:
Does CN have any plans to expand inter-modal activities at Markham Yard either in the near or long-term future?

(7) Segment CN-27 between Hayford and Elsdon:

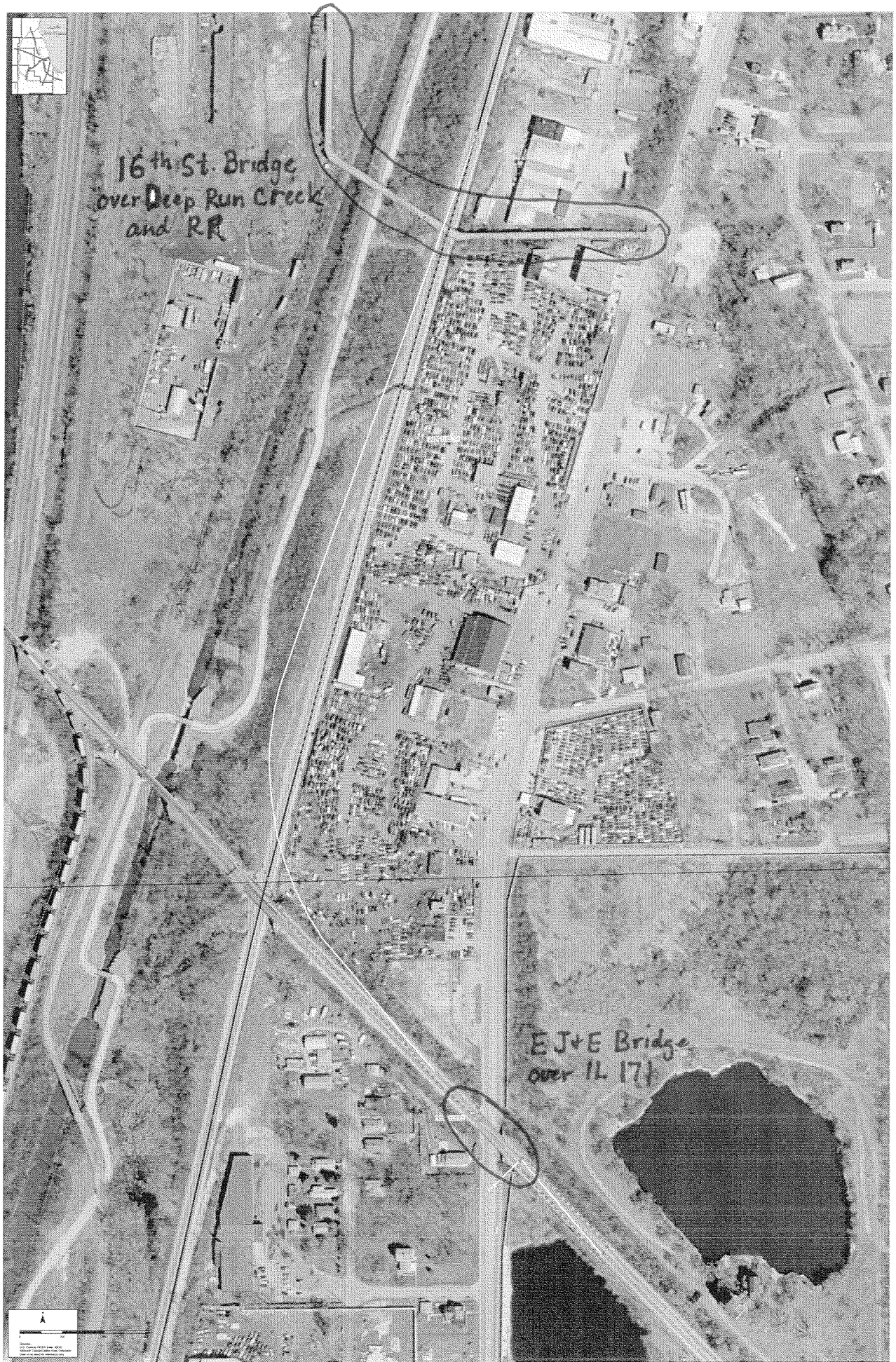
Question:
Can CN provide train data information for this segment?

(8) Centralized Traffic Control (CTC) vs Track Warrant Control (TWC):
Background - EJ&E's existing control system is composed of alternating segments of CTC and TWC. CN has provided information as to the location of track capacity improvement projects and where rail connections need to be improved. We understand that at each connection, all turnouts will be power-operated. However, the Application does not contain information about CN's plans to implement a control system that might improve EJ&E's existing CTC/TWC system of controlling train movements.

Question:
Does CN have any plans to develop a system-wide CTC network?

(9) Proposed Joliet Connection and National Register Eligible Bridges:
Background – Cultural resources surveys conducted for the CN EJ&E Acquisition EIS have identified two bridge structures in the area of the proposed Joliet connection that have been determined eligible for the National Register of Historic Places by IDOT. The two structures are the existing EJ&E railroad bridge over IL 171 (Collins Road) and the 16th Street Bridge over Deep Run Creek and the CN rail line (see attached map showing the National Register eligible resources).

Question:
Does CN have any plans to modify or alter either of these two bridge structures as a result of the construction of the Joliet connection should the proposed transaction be approved?



Joliet
Proposed Connections

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June 18, 2008

BY HAND

Ms. Victoria J. Rutson, Chief
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Re: ***Canadian National Railway Company and Grand Trunk Corporation – Control – EJ&E West Company*** **(STB Finance Docket No. 35087)**

Dear Ms. Rutson:

I am writing, on behalf of Applicants Canadian National Railway Company and Grand Trunk Corporation (together, "Applicants"; together with their rail carrier subsidiaries, "CN"), to provide you and HDR Engineering, Inc. ("HDR"), with the responses to items 2 through 9 of your Information Request #5, which you sent as an enclosure to your letter of June 3, 2008, to Normand Pellerin of CN. We are still awaiting information necessary to respond to item no. 1 of Information Request #5 (regarding the operation of the Des Plaines River Lift Bridge), but we are responding now to those items for which we have information, and we will provide the response to item no. 1 as soon as possible.

2. What is the current number of switch engines used per day at Kirk Yard and at East Joliet Yard? What would be the number of switch engines required under CN's proposed post acquisition operations plan? What is the total number of switch engine-hours and throttle settings at each rail yard?

EJ&E today has 19 switch engines in service at Kirk Yard. Excluding switching assignments serving the Gary Sheet Mill and Tin Mill (which will be performed by Gary Railway, not EJ&EW, after the Transaction), EJ&E has 9 switching assignments at Kirk Yard that operate 7 days a week, and 2 switching assignments that operate 6 days a week, and 1 switching assignment that operates 5 days a week. Each EJ&E assignment at Kirk Yard is for 8 hours and uses 2 locomotives, for a total of 1,280 locomotive-hours per week, or an average of 182.9 locomotive-hours per day. EJ&E has 6 switch engines in service at East Joliet Yard. It performs 4 switching assignments a day at East Joliet Yard, each of which uses 2 locomotives for 8 hours, for a total of 448 locomotive-hours per week, or 32 locomotive-hours per day.

CN's plan is for all the yard assignments at Kirk Yard and East Joliet Yard to operate 7 days a week. Thus, the two 6-day and the one 5-day assignments at Kirk Yard would operate 7 days a week after implementation of the Transaction. Also, CN plans to add five new assignments to Kirk Yard and three new assignments to East Joliet Yard, each operating 8 hours and using 2 locomotives. Thus, after implementation of the Transaction, CN would operate 17 yard assignments at Kirk Yard and 7 yard assignments at East Joliet Yard, for a total of 1,904 locomotive-hours per week (or 272 locomotive-hours per day) at Kirk Yard and 784 locomotive-hours per week (or 112 locomotive-hours per day) at East Joliet Yard. (All these plans, it should be noted, are tentative, and CN will not know the final number of switch assignments or change in switch locomotive-hours until after it has implemented the Transaction and observed actual operations in the yards.)

CN does not have the information needed to provide the requested information about throttle settings on yard locomotives. Those settings are not recorded, and are set at the discretion of the train operator, as required by the activities being performed.

3. What is the current total number of switch engines used per day at BRC Clearing Yard, Glenn Yard, Bridgeport [*sic*; we understand this should be Markham] Yard and Hawthorne Yard? What would be the number of switch engines required under CN's proposed post acquisition operations plan? What is the total number of switch engine-hours and throttle settings at each of these yards?

The daily average numbers of switch engines used for switching operations at the listed Chicago-area yards are: 8 switch engines at Markham; 9 switch engines at Glenn; 4 switch engines at Hawthorne; and 45 switch engines at BRC Clearing.

CN's current plan is to eliminate 5 yard assignments that now operate at Markham Yard 7 days a week, each of which uses 3 locomotives for 10 hours. It also plans to eliminate 1 yard assignment at Hawthorne Yard and 2 yard assignments at Glenn Yard, each of which uses 2 locomotives for 10 hours. This would bring about a reduction of 1,050 locomotive-hours per week (150 locomotive-hours per day) at Markham Yard, 140 locomotive hours per week (7 locomotive-hours per day) at Hawthorne Yard, and 280 locomotive-hours per week (14 locomotive-hours per day) at Glenn Yard. (As is the case with CN's plans for operation of Kirk Yard and East Joliet Yard, discussed in the response to item no. 2, above, all these plans for operation of Markham, Hawthorne, and Glenn yards are tentative, and CN will not know the final number of switch assignments or reduction in switch locomotive-hours until after it has implemented the Transaction and observed actual operations in the yards.)

As with the yard assignments at Kirk Yard and East Joliet Yard, discussed in the response to item no. 2, above, CN does not have the information needed to provide the requested information about throttle settings on yard locomotives. Those settings are not recorded, and are set at the discretion of the train operator, as required by the activities being performed.

Also, CN is unable to determine the number of switch engines or switch engine-hours that would be required at BRC Clearing Yard after implementation of the Transaction, because CN does not control switching operations at that yard at present and would not make decisions regarding those operations after implementation of the Transaction. Although CN does not have the data to permit it to quantify the reduction in switch engine activity at Clearing Yard that would result from the Transaction, it expects that the reduction would be substantial, because BRC would handle an average of 551.8 fewer CN cars per day.

4. Please clarify CN's proposed car classification and train staging functioning in Kirk Yard?

   Due to the increased number and length of the trains entering and leaving Kirk Yard, will the south yard in Kirk Yard need to be expanded or will a staging yard need to be constructed on the EJ&E Lakefront Branch Rail Line?

As indicated in the Operating Plan (CN-2 at 218-19), CN intends to transfer car classification and switching activity to Kirk Yard would not happen at once, but would be accomplished in three phases, implemented over the course of two full construction seasons (CN-2 at 215-16). That transfer would proceed in parallel with the phased re-routing of individual CN trains, now moving through Chicago to yards within the EJ&E arc, to routes over EJ&EW to and from Kirk Yard. No precipitate action would be taken that might overload the capacity of Kirk Yard; rather, CN would take sufficient time to "assess both the capabilities of Kirk yard and CN's requirements for its use" before "chang[ing] operating processes at Kirk Yard and upgrad[ing] and expand[ing] the facility to meet those requirements" (*id.* at 218).

If CN finds that construction of 10,000-foot tracks, or expansion of the south yard of Kirk, are necessary for efficient operation of the Yard, then it will make those improvements, but it has not yet approved any plans for upgrading or expansion of any portion of Kirk Yard, other than the crossover track that was described in the Application, plans for which were provided in Exhibit L of my letter to you of January 28, 2008. (Also, CN does not believe that a staging yard will need to be constructed on the EJ&E Lake Front Branch, but that any needed expansion of Kirk Yard can be accommodated within the Yard property.)

5. How does the EJ&E currently switch the East Joliet Yard; from the north end or from the south end of the yard?

   Should the Board approve the transaction please clarify how CN proposes to change rail yard operations to effectively interface with this increase in train traffic? Also, how does CN plan to operate a train 10,000 feet long through the East Joliet Yard?

CN understands that EJE switches from both the north and south end of the yard, with the majority of the switching occurring on the south end of the yard.

As explained in the Operating Plan (CN-2 at 218), after acquisition of EJ&EW, CN intends to assess the capabilities of East Joliet yard and make changes there as appropriate to accommodate increased yard activity (but without expanding the yard, which is land-locked). CN does not expect to have any specific plans for changes at East Joliet Yard until after it has acquired experience with operating the yard. Long trains needing to traverse East Joliet Yard as currently configured would not move on tracks used for switching, but would instead use the run-through track (South 35) on the west side of the Yard.

6. Does CN have any plans to expand inter-modal activities at Markham Yard either in the near or long-term future?

CN's plans are for Markham Intermodal Terminal to handle its current level of intermodal traffic, plus the new intermodal traffic that CN expects to move from the Port of Prince Rupert Container Terminal when Phase 1 of the Terminal is operating at full capacity. (CN expects to handle the additional traffic from Prince Rupert regardless of whether the Transaction is approved or implemented.) As explained in my response to item 20 of SEA's first Information and Data Request (provided in my letter to you of January 28, 2008), CN has not finalized any plans for alternation of the Markham Intermodal Terminal to accommodate this traffic growth, other than construction of a new gate, plans for which were provided in Exhibit D of my letter to you of February 15, 2008.

7. Can CN provide train data information for this segment [*i.e.*, CN's segment between Hayford and Elsdon]?

At present, the only CN train using the Hayford-Elsdon segment is a local (number 510) that serves two shippers located at Elsdon Yard. This train, which runs between Hawthorne Yard and Elsdon, moves an average of 1.6 times a day over the Hayford-Elsdon segment. Operation of this train, like the operation of all CN local trains, would be unaffected by the CN/EJ&EW Transaction.

8. Does CN have any plans to develop a system-wide CTC network?

We assume that this question asks whether CN plans to install a CTC network over the entire EJ&EW. At this time, CN has no such plans, and it believes that the signal system currently in place on EJ&E will be sufficient to allow efficient movement of the traffic that it anticipates will be handled on the EJ&EW lines. It is possible, however, that CN may extend CTC to EJ&EW lines where it is not now in place, if its observations of operations on those lines after implementation of the Transaction indicates that such a network is appropriate.

9. Does CN have any plans to modify or alter either of these two bridge structures [*i.e.*, the EJ&E railroad bridge of Illinois State Route 171 (Collins Road) and the 16th Street Bridge over Deep Run Creek and CN's Joliet Subdivision] as a result of the construction of the Joliet connection should the proposed transaction be approved?

CN has confirmed that its plans for construction for the proposed connection at Joliet has no plans to alter either the EJ&E railroad bridge over Collins Road or the 16th Street Bridge as a result of construction of the proposed connection at Joliet.

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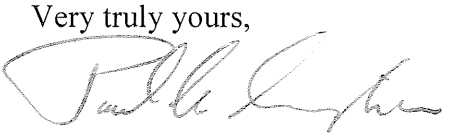
If you have any questions regarding any of these responses, please let me know, and we will provide you whatever additional information is needed.

Very truly yours,



Paul A. Cunningham
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cc: John H. Morton
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June 23, 2008

BY HAND

Ms. Victoria J. Rutson, Chief
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Re: ***Canadian National Railway Company and Grand Trunk Corporation – Control – EJ&E West Company*** **(STB Finance Docket No. 35087)**

Dear Ms. Rutson:

I am writing, on behalf of Applicants Canadian National Railway Company and Grand Trunk Corporation (together, "Applicants"; together with their rail carrier subsidiaries, "CN"), to provide you and HDR Engineering, Inc. ("HDR"), with the response to item no. 1 of SEA's Information Request #5, which you sent as an enclosure to your letter of June 3, 2008, to Normand Pellerin of CN. (I provided responses to item nos. 2 through 9 in my letter to you of June 18, 2008.)

1. Please clarify the operation of the Des Plaines River Lift Bridge. Also, are you aware of any seasonal peaking effect of river traffic based on commodity demand? Also, can you provide more detailed information to describe the impact of the lift bridge operation on the EJ&E's network capacity?

The normal position of Des Plaines River Lift Bridge is open for river traffic. The bridge is closed when a train approaches. On average, the bridge is opened 17 times per day and closed 17 times a day, for a total of 34 opening and closings per day. Upon the approach of an EJ&E train, if the bridge is in the open position, the EJ&E dispatcher notifies the Coast Guard of his intention to lower the bridge, waits 60 seconds after giving that notification to give the Coast Guard the opportunity to indicate that the bridge should remain open (*e.g.*, because of vessel traffic on the river), and, in the absence of such an indication, issues the electronic signal to lower the bridge. It takes 90 seconds for the bridge to lower after the signal has been given. Thus, the total time needed to close the bridge is 2.5 minutes, measured from the time EJ&E calls the Coast Guard until the closing is completed. When the dispatcher opens the bridge, there is no need to notify the Coast Guard, and so the total time needed is 90 seconds, measured from

the time the EJ&E dispatcher gives the electronic signal to open it until the movement is completed.[1]

CN is not aware of any seasonal peaking effect on the Des Plaines River.[2]

When CN performed an analysis of the capacity of the EJ&E line to handle anticipated traffic following implementation of the proposed Transaction, it assumed that the bridge would be open and unavailable for train movements for 240 minutes (4 hours) each day.

* * * * *

With this response, CN has answered all the questions raised in SEA Information Request #5. If you have any questions regarding any of these responses, please let me know, and we will provide you whatever additional information is needed.

Very truly yours,

Paul A. Cunningham /jmg

Paul A. Cunningham
Counsel for Canadian National Railway Company
and Grand Trunk Corporation

cc: Phillis Johnson-Ball
John H. Morton
Normand Pellerin

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[1] In my response to item no. 4 of SEA Information and Data Request #2, provided in my letter to you of March 26, 2008, I indicated that it takes two minutes to raise or lower the bridge. Since I provided that response, EJ&E has made actual measurements and determined that 90 seconds is a more accurate measure of the time needed.

[2] While my letter to you of March 26, 2008, stated that "raising and lowering of the bridge varies seasonally," EJ&E has informed us (in response to further inquiries from CN for the purpose of responding to this Information Request) that it has not observed any seasonal fluctuation of river traffic.