

SURFACE TRANSPORTATION BOARD

Memorandum

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DATE: April 11, 2002

TO : Ellen Keys, Assistant Secretary
Section of Publications/Records
Office of the Secretary

FROM : Mel Clemens, Director
Office of Compliance and Enforcement

SUBJECT : STB FINANCE DOCKET NO. 34000 - OPERATIONAL MONITORING DATA

Attached are the original and two copies of the latest weekly public data files provided to this office by CN/WC as required in the above proceeding, which are to be committed to the docket for public reference. As requested, I am providing the three paper copies to Ron Douglas, two for the docket and one for Da 2 Da Legal. If there are any questions, please don't hesitate to contact Ed Nelson at 565-1574.

Attachments

cc: Chairman Morgan
Vice Chairman Burkes
Richard Armstrong
Ron Douglas
Charles Renninger



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Via Email and Hand Delivery

Mr. Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

April 10, 2002

Re: STB Finance Docket No. 34000; Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc. – Control – Wisconsin Central Transportation Corporation, Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd.; Operational Monitoring Reports Submitted in April, 2002.

Dear Mr. Clemens:

Pursuant to the Board's Order in the above-referenced docket served on September 7, 2001, Canadian National Railway Company ("CN") submits the Operational Monitoring Reports for April, 2002.

Per your office's request, we are submitting the reports electronically as attachments in one transmission as follows: the monthly Benchmarking and Performance Data Report and the weekly Average Terminal Dwell Time Report. There are no updates this month to the Information Technology Systems Integration and Customer Service Report.

In the Benchmarking and Performance Data Report, we provide data on the performance of traffic flows on major routes measured against historical benchmarks. The data demonstrate that overall the combined CN-WC continues to maintain transit times comparable to benchmarks in several key corridors and continues to provide quality service to shippers.

Similarly, the Average Terminal Dwell Time Report shows that the weekly overall dwell time averages remain at consistent levels at the principal yards and terminals identified in the application as potentially affected by the merger.

In the Chicago Terminal, heavy car volumes, due in part to the bunching up of traffic on the WC discussed in the enclosures, caused some congestion concerns in the first half of March. As the month proceeded, however, car numbers returned to more normal levels and operations again are fluid. We continue to look for and take advantage of opportunities for greater efficiency created by the merger. For instance, CN and WC originate traffic bound for Waycross, Georgia (a major rail center) that is transferred to CSX at Chicago's Barr Yard. We have recently started to create a complete "Waycross" block in Fond du Lac, so that when the train carrying this block gets to Barr Yard, CSX only has to add its own Waycross traffic to the "Waycross" block. This allows CSX to depart for Waycross with this block on the same day it arrives in Barr Yard, significantly reducing the dwell time for this CN-WC originated traffic and reducing congestion in the Chicago Terminal.

After six months, we continue to be pleased with the merger's progress and our customers continue to obtain the substantial benefits of this transaction.

Feel free to call me at 514-399-7091 should you have questions.

Yours truly,

Sean Finn
Senior Vice President, Chief Legal Officer
and Corporate Secretary

ORIGIN SEGMENT	DESTINATION SEGMENT	MARCH, 2001 CARLOAD BENCHMARK	MARCH, 2001 AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS BENCHMARK (IN HOURS)	CARLOADS FOR MARCH, 2002	AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS, MARCH, 2002 (IN HOURS)
SUPERIOR INTERCHANGE	CHICAGO INTERCHANGE	9284	42.8	10392	50.0
CHICAGO INTERCHANGE	SUPERIOR INTERCHANGE	2086	41.6	1603	39.8
FOX RIVER VALLEY	CHICAGO INTERCHANGE	3048	40.1	2803	46.1
CHICAGO INTERCHANGE	FOX RIVER VALLEY	5258	52.1	4766	47.7

CN-WC Integration reporting

	AVERAGE TERMINAL DWELL TIME
Definition	

Average Terminal Dwell Time is the average time a car spends within an operating yard from arrival to departure. Measurement of the car dwell time starts with the arrival of the car at the operating yard as a result of a train arrival, transfer from a satellite yard, or interchange received event. The measurement of car dwell within the operating yard stops with the departure of the car as a result of a train departure, transfer to another yard, or interchange delivered event. Excluded from the terminal dwell measures are cars placed in hold, constructive placement, bad order, and stored status following their arrival and prior to their departure from the operating yard.

The figures below are expressed in hours.

Terminal	Historical Average		Week Ending			
	Feb, 2002*	Mar, 2002*	17-Mar-02	24-Mar-02	31-Mar-02	7-Apr-02
Fond du Lac, WI	15.7	15.2	16.3	13.8	13.0	12.8
Stevens Point, WI	10.6	10.7	11.7	10.4	10.0	7.8
Neenah, WI	3.6	3.0	2.8	2.8	3.3	2.7
Pokegama, WI	11.1	11.2	15.4	9.2	7.8	8.8

*The statistics for February and March cover from the first to the last day of each month.

BENCHMARKING AND PERFORMANCE DATA REPORT

MARCH, 2002

Pursuant to the Board's order approving the CN-WC merger, CN submits the Benchmarking and Performance Data Report for March, 2002. The attached matrix provides the March, 2001, historical benchmarking data for WC as well as actual performance data for March, 2002. The data reflect flow volumes and average elapsed times for loaded movements on two key WC routes: between Superior and Chicago and between the Fox River Valley and Chicago. In the measurement of average elapsed time for loaded movements, we include time moving in a train and time spent in a yard or terminal under our control.¹

The line segments represent service territories that cover a large volume of traffic and diverse commodity groups. By virtue of this measurement methodology, the data will reflect a large sampling of customers, while at the same time depict performance over a wide area rather than at isolated points. The underlying data are drawn from the waybills.

The Superior Interchange segment extends from interchange at Superior, Wisconsin to Rocky Run, Wisconsin (just west of Stevens Point). The Chicago Interchange segment runs between the Illinois-Wisconsin State Line and interchange in Chicago. This is WC's central corridor.

The Fox River Valley segment includes Neenah to Manitowoc, Neenah to Howard (including Green Bay), Appleton to Shawano, Hilbert to Chilton, Black Creek to Manawa, Appleton to New London and DePere to Denmark. This

¹ Neither the benchmarks nor the actual performance data include bad order time/time for repair, which are variables not within our control, and in any event are not relevant to measurement of transit performance of trains in WC corridors.

segment encompasses a concentrated urban area with a good mix of customers. This aggregate area also represents a significant portion of the business on the WC Division and is off the main line from Superior to Chicago, so the data provide an indication of service performance on parts of WC other than the main Chicago-Superior route.

The performance data indicate that we are generally maintaining transit times comparable to the pre-merger benchmarks. The increase on the average transit time running from the Superior interchange segment to the Chicago interchange segment was attributable, in particular, to a derailment west of Superior in the month of March. This, combined with a different derailment west of Superior in February, caused a bunching up of traffic in the Duluth-Superior area that resulted in longer transit times on traffic moving on the corridor from Superior to Chicago (including traffic originating in the Fox River Valley and bound for Chicago). However, our weekly yard and terminal dwell time reports improved in the second half of March, indicating that transit times should be returning to levels more comparable to benchmarks.

As we move forward with the merger, we look to maintain CN's and WC's reputation for providing quality service to customers. Furthermore, in implementing the operating plan, we continue to look for and implement opportunities to expand on this already high level of service.