



U.S. Department
of Transportation

**Federal Railroad
Administration**

Administrator

1200 New Jersey Avenue, SE
Washington, DC 20590

SEP 12 2008

Ms. Victoria J. Rutson
Chief, Section of Environmental Analysis
Surface Transportation Board
1925 K Street NW
Washington, DC 20423

Re: Canadian National Railway Safety Integration Plan, Finance Docket No. 35087

Dear Ms. Rutson:

Pursuant to applicable regulations, the Federal Railroad Administration (FRA) hereby submits its findings and conclusions on the Safety Integration Plan (SIP) prepared for the proposed Canadian National Railway Company and Grand Trunk Corporation (CN) acquisition of the Elgin, Joliet and Eastern West Company (EJ&EW) (as per Title 49 Code of Federal Regulations (CFR) Section 244.17).

On December 28, 2007, CN filed its initial SIP with FRA and the Surface Transportation Board (STB) detailing the process and timetable for the merger of its operations with those of the EJ&EW. Subsequent discussions between FRA and CN resulted in CN submitting a revised SIP by letter dated June 27, 2008.

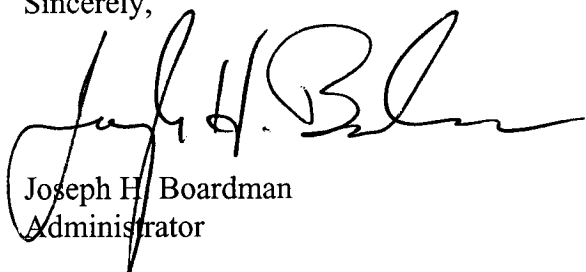
After careful review of the revised SIP, FRA finds that CN has adequately addressed the concerns FRA raised regarding the original SIP, and FRA finds that CN has now satisfactorily addressed each of the SIP elements required as per 49 CFR § 244.13.

Assuming that CN's acquisition of EJ&EW is approved, FRA will monitor CN's implementation of the SIP during the operations integration period. In accordance with regulatory requirements, FRA will also consult with the STB at all appropriate stages of implementation and will advise the STB of CN's status implementing the SIP, as appropriate. (See 49 CFR § 244.17(g).)

Finally, FRA supports adoption of the standard relevant conditions in rail merger cases, i.e., requiring the merging carriers to comply with the final SIP and to continue to

coordinate with FRA during the implementation of the transaction. (See, for example, Draft Environmental Impact Statement at ES-35).

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph H. Boardman". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke at the end.

Joseph H. Boardman
Administrator