



The Illinois Business RoundTable

March 24, 2008

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Surface Transportation Board

CN-EJ&E E.O. 35087

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Re: Canadian National Railway Company - EJ&E West Company (STB Finance Docket No. 35087)

Dear Secretary Williams:

I am writing on behalf of the 63 Chief Executive Officers of the member corporations of the Illinois Business Roundtable to express our strong support of CN's acquisition of the EJ&E railway.

As you know, the Chicago region is the transportation hub of North America and one of the largest intermodal hubs in the world. This distinction brings with it economic development, jobs and an expanded tax base for local, state and federal governments. Economic development and commercial activity is not just restricted to the Chicago region. According to a CREATE feasibility study, rail traffic in the Chicago region touches 5 million jobs nationwide every year, \$782 billion in output and \$217 billion in wages.

However, the Chicago region's status as major transportation hub is in jeopardy with the chronic and increasing rail congestion that plagues the rail lines in and around Chicago. Rail congestion in the Chicago area forces a CN freight train, for example, to take more time to travel a distance of 30 miles – roughly the size of Chicago from northern to southern border – than it does for a CN freight train to go from Winnipeg in western Canada to Chicago (approximately 860 miles).

Simply put, if rail capacity is not addressed, the economic consequences to the region will be adverse. Studies suggest that Chicago will lose \$2 billion in production and 17,000 jobs over the next two decades.

Fortunately, the Chicago area has an answer with the CN's pending acquisition of the EJ&E rail line. While it is not a panacea, the EJ&E is a critical part of the solution for regional rail congestion relief. EJ&E itself connects CN with all major railroads entering Chicago, providing international access to the Atlantic, Pacific & Gulf Coasts and much needed relief to local freight congestion.

Moreover, the acquisition will more efficiently link CN's rail traffic coming in and out of the Chicago region. Rail shippers will benefit from the streamlined rail operations and reduced congestion resulting over time, as well as the new efficiencies and operating improvements the acquisition will bring to CN's network.

Just as important, CN's acquisition of the EJ&E is competitively neutral to other rail carriers and will not have an adverse impact on interstate commerce.

Because of the numerous economic, transportation and regional benefits of this acquisition, the Illinois Business Roundtable strongly supports the application as well as ultimate approval of the transaction.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeffrey D. Mays", written in a cursive style.

Jeffrey D. Mays
President
Illinois Business Roundtable