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CN-3

EXPEDITED TREATMENT REQUESTED

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No 35087



CANADIAN NATIONAL RAILWAY COMPANY
AND GRAND TRUNK CORPORATION
- CONTROL -
EJ&E WEST COMPANY

PETITION SUGGESTING PROCEDURAL SCHEDULE

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*Counsel for Canadian National Railway Company
and Grand Trunk Corporation*

October 30, 2007

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**PETITION SUGGESTING PROCEDURAL SCHEDULE**

Applicants CNR and GTC (together, “CN” or “Applicants”) have filed this day an application (CN-2) seeking Board authorization under 49 U.S.C §§ 11323-11325 and 49 C F R Part 1180 for a transaction involving the acquisition by CN of control of EJ&E West Company (“EJ&EW”).¹

In the Application, Applicants request that the Board treat this Transaction as “minor” under the Board’s rules 49 C F R. § 1180.2(b). If the Board does so it will be required by statute to issue its decision within 180 days from the filing of the Application 49 U S C § 11325(d). Applicants suggest that the Board establish the following schedule to govern the proceeding on their Application. The proposed schedule closely tracks that adopted by the Board

¹ EJ&EW is an Illinois corporation formed on August 16, 2007, and is a wholly-owned non-carrier subsidiary of Elgin, Joliet and Eastern Railway Company (“EJ&E”) which is in turn a wholly owned subsidiary of Transtar, Inc (“Transtar”). Transtar is a wholly owned subsidiary of United States Steel Corporation (“USS”). EJ&EW would become a rail carrier through the acquisition of EJ&E’s land, rail, and related assets located west of the centerline of Buchanan Street in Gary, IN, in the transaction that is the subject of the Verified Notice of Exemption in STB Finance Docket No. 35087 (Sub-No. 1) (filed simultaneously with this petition). EJ&EW

for its review, as a minor transaction, of CN's acquisition of control of the rail carrier subsidiaries of Great Lakes Transportation, LLC, including the Duluth, Missabe and Iron Range Railway Company, a rail carrier that is larger than EJ&E ²

PROPOSED PROCEDURAL SCHEDULE

October 30, 2007	Application and petition to establish procedural schedule filed.
November 29, 2007	Board notice of acceptance of the application and order establishing procedural schedule published in the <i>Federal Register</i> .
December 13, 2007	Due date for filing notices of intent to participate in this proceeding.
December 31, 2007	Safety Integration Plan ("SIP") due.
January 18, 2008	All comments, protests, requests for conditions, and any other evidence and argument in opposition to the application, including filings of the U.S. Department of Justice ("DOJ") and the U S Department of Transportation ("DOT"), due
February 19, 2008	Responses to comments, protests, requests for conditions, and other opposition due. Responses to comments of DOJ and DOT due. Rebuttal in support of application due.
April 3, 2008	Date of service of final decision (if no environmental review is required and no oral argument is held).

This proposed 156-day schedule would permit issuance of a final decision before the statutory deadline of 180 days after the filing of the Application. *See* 49 U.S.C. § 11325(d)

and EJ&E intend to consummate that transaction before Applicants acquire control of EJ&EW.

² *Canadian Nat'l Ry – Control – Duluth, M & I R Ry*, STB Finance Docket No 34424, Decision No 2, App A (STB served Dec. 1, 2003). The 156-day schedule adopted in that proceeding was based on the similar 156-day schedule the Board adopted in *Kansas City Southern – Control – Kansas City Southern Ry.*, STB Finance Docket No. 34342, Decision No 2

The schedule allows 30 days for the Board to decide whether to accept the Application. Assuming the application is accepted, interested parties would have 80 days to pursue discovery and file comments. The Board would then have 44 days after Applicants file their responsive evidence on February 19, 2008 to review the evidence, determine whether public hearings are necessary, and issue a final decision.

The proposed schedule leaves ample time for the Board to hold a public hearing should the Board conclude such a hearing is warranted. Although this schedule does not provide for oral argument, if the Board chose to hold such an argument here, it could readily do so and still meet the proposed April 3, 2008, date for issuance of a final decision (or, if necessary as a result of a hearing, provide a brief extension of that date).

CN respectfully submits that an expedited disposition is appropriate here. As the Application shows, the Transaction would clearly have no anticompetitive effects. It would connect two transportation systems that do not compete but instead complement each other and would together create a stronger network. There are no 2-to-1 shippers or 3-to-2 shippers affected by the proposed Transaction. The Transaction would bring about no vertical foreclosure, no reduction in effective geographic competition, and no increase in market power.

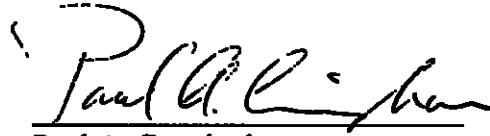
Further, as the Application shows, the Transaction would clearly benefit the public's interest in meeting significant transportation needs. By providing CN with a continuous route around Chicago, currently one of the least satisfactory links in the CN system, it would allow much of CN's traffic to bypass the congested Chicago terminal and would greatly improve the fluidity of all CN traffic that must move to, from, or through Chicago. By reducing CN's

need to use trackage rights over lines of The Belt Railway Company of Chicago and Indiana Harbor Belt Railroad in downtown Chicago, the Transaction would free up capacity on those lines for use by other railroads, and would thus improve the fluidity of rail operations in Chicago generally.

In addition, after consummation of the CN/EJ&EW Transaction customers of EJ&E would be served not by a subsidiary of a major integrated steel producer (whose operations are therefore oriented primarily to the needs of that producer), but by an industry-leading transportation company with a proven track record of customer service, a rail network extending to three coasts in North America, and an extensive equipment pool that will become available for service on EJ&E's lines. CN will have the interest and resources to make longer-term investments in plant, equipment, and systems as they become needed to maintain the long-term stability and viability of EJ&EW as part of the CN system

The positive public benefits of the Transaction and the absence of any competitive harm support a more expedited disposition than the 180-day maximum procedural schedule. Accordingly, Applicants request that the Board adopt their proposed schedule.

Respectfully submitted,



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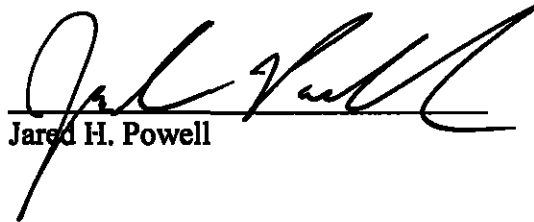
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*Counsel for Canadian National Railway Company
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October 30, 2007

CERTIFICATE OF SERVICE

I certify that I have this 30th day of October, 2007, served copies of the Petition Suggesting Procedural Schedule (CN-3) upon all known parties of record in this proceeding by first-class mail or a more expeditious method.



Jared H. Powell