

Gully, Stew

From: Mcgonigle, Joe
 Sent: Wednesday, February 06, 2008 1:56 PM
 To: Clancy, Paul; Gully, Stew

Gentlemen

Here is perhaps some help to the communities affected by this acquisition. The only parties benefiting from the sale of the EJ&E are CN and U.S. Steel. Perhaps if the other industries on the line were aware of the service the CN has provided in WI since acquiring the WC, they would all be up in arms against the sale. It will have a greater impact if the industries (employers) fought it based on the known performance of the CN.

Regards,

Joe McG

Stew Gully
 Barrington Hills Resident

Steelmaker expresses concern over railway purchase

By Beth Boehne

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EAST CHICAGO, Ind. (AP) — The world's largest steelmaker, ArcelorMittal, is worried about how it will ship steel from its northwest Indiana mills after a local railroad is bought out.

ArcelorMittal has requested more information on topics that include rates and general railroad operating plans. The steelmaker wants to compel testimony from the EJ&E Railway, which is being bought by Canadian National Railway, according to a filing last month with the federal Surface Transportation Board.

The EJ&E is a 198-mile rail line that circles Chicago and serves chemical, steel and other industrial companies. Canadian National announced in September it had an agreement with the railway's owner — and ArcelorMittal competitor U.S. Steel Corp. — to buy most of the EJ&E for \$300 million.

ArcelorMittal employs about 6,000 workers at its Indiana Harbor operation. Those mills ship 5 million tons of steel products annually and receive 2 million tons of raw material, all by rail, the filing states.

ArcelorMittal says the Canadian buyer's application with the Surface Transportation Board lacks specifics about how the purchase will affect Chicago-area operations but contains plenty of details about its impact on international rail operations.

"This speaks volumes about CN's interest and future focus and, in stark contrast, its lack of interest in or focus on local rail customers such as ArcelorMittal," the filing states.

The EJ&E has said it is not a party to the proposed transaction and does not have to answer the rival steelmaker's questions. CN officials did not return a call seeking comment.

The Surface Transportation Board has said it will not issue a final decision on the rail merger until a final environmental impact statement is complete. That could take more than a year.

Information from: The Times, <http://nwitimes.com>

Surface Transportation Board

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