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Before the

SURFACE TRANSPORTATION BOARD

Finance Docket No. 35087 (Sub-No. 8)

ENTERED
Office of Proceedings
April 10, 2019
Part of
Public Record

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

SUPPLEMENT TO PETITION TO REOPEN
BASED ON NEW EVIDENCE AND
MATERIALLY CHANGED CIRCUMSTANCES
PURSUANT TO THE BOARD'S
GOVERNING REGULATIONS

The Village of Barrington, Illinois (Barrington), by and through counsel, respectfully files this Supplement to its Petition to Reopen filed April 8, 2019. On April 8, 2019, Canadian National released a press release announcing that it has budgeted \$505 million for capital projects this year in Illinois, Louisiana, Tennessee and Wisconsin. In Illinois, it plans to spend \$190 million to expand and maintain its infrastructure, including “adding capacity to the Joliet Intermodal Terminal.”¹ The additional capacity will unquestionably impact the Village of Barrington and must be considered by the Board.

¹ See Attachment D, *CN schedules rail projects in Illinois, Louisiana, Tennessee and Wisconsin*, as reported in *Progressive Railroading*, April 9, 2019: https://www.progressiverailroading.com/Canadian_national/news/CN-schedules-rail-projects-in-Illinois-Louisiana-Tennessee-and-Wisconsin-57299. See also, Attachment E, *CN investing US\$190 million to expand and strengthen Illinois’s rail infrastructure in 2019*, CN Press Release, dated April 7, 2019.

In its press release that focuses on capital investments in Illinois, CN has also focused on the further growth in the movement of energy products. Given the additional capital investments “to strengthen its infrastructure in Louisiana,” which is the destination of heavy Canadian crude oil, reopening is essential to allow the Board to address the actual impact of CN’s acquisition of the EJ&E on the Village. Simply put, the acute need for a grade separation at U.S. Hwy. 14 is solely attributed to CN’s acquisition of the EJ&E, which has allowed CN to justify the capital expenditures that have been recently disclosed.

Because Barrington could not have anticipated the release of CN’s April 8 press release, the materials attached hereto are new evidence. Therefore, the Board, in reaching its decision, should consider the full implications of CN’s most recent announcements along with CN’s recent acknowledgement that it now projects 29.3 trains a day through the Village of Barrington.

Respectfully submitted,

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April 10, 2019

Attachment D

Petition to Reopen

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CN schedules rail projects in Illinois, Louisiana, Tennessee and Wisconsin



CN announced yesterday it has budgeted \$505 million for capital projects this year in Illinois, Louisiana, Tennessee and Wisconsin.

In Illinois, CN will spend \$190 million to expand and maintain its infrastructure in state. Planned expansion projects will include development of a positive train control (PTC) system and adding capacity to the Joliet Intermodal Terminal.

Additionally, CN plans to replace more than 11 miles of rail, install 88,000 new ties, rebuild 53 road crossing surfaces and perform maintenance on bridges, culverts, signal systems and other track infrastructure.

CN has invested more than \$1.3 billion in Illinois over the past five years.

“Following a record capital program in 2018, CN has been able to take on more traffic from different commodity sectors based on contracts with our customers,” said Derek Taylor, vice president of CN’s Southern Region, in a press release. “This year, we are continuing to invest to boost capacity and network resiliency and to meet growing traffic on our corridors across Illinois.”

Meanwhile, CN has slated \$95 million for expansion and maintenance programs in Louisiana this year. Planned expansion projects include development of a PTC system, as well as a multiyear project to rebuild a 2-mile-long bridge over the spillway near Lake Pontchartrain's southwest shore.

Louisiana maintenance projects include replacing 15 miles of rail, installing 55,000 new ties, rebuilding 18 road crossing surfaces, and work on bridges, culverts and signals. Over the past five years, CN has spent \$240 million to strengthen its infrastructure in Louisiana.

In Tennessee, CN plans to spend \$100 million this year on infrastructure. Projects in that state call for replacing 15 miles of rail, installing 95,000 ties, rebuilding 17 road crossing surfaces and performing maintenance on bridges, culverts signals and other track.

The Class I has invested \$175 million on its Tennessee network over the past five years.

And in Wisconsin, CN has budgeted \$120 million in capital expenditures this year. Expansion projects will include developing a PTC system and construction of 8 miles of double track near Hawthorne.

Maintenance highlights will include replacing more than 35 miles of rail; installing 90,000 new ties; rebuilding of 80 road crossing surfaces; and performing work on bridges, culverts, signals and other track.

“In 2018, CN passed the threshold of US\$1 billion of private investment in our state’s rail network. Their continued financial commitment through 2019 is a necessity to facilitate the

safe and efficient handling of freight moving in and through the state,” said Craig Thompson, secretary-designee of Wisconsin Department of Transportation, in a press release.

The 2019 capital expenditures in all four states is part of the Class I's record \$2.9 billion investment in rail infrastructure projects that are designed to enable growth from all commodity segments, CN officials said.

Attachment E

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CN investing US\$190 million to expand and strengthen Illinois's rail infrastructure in 2019

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April 08, 2019 14:00 ET | **Source:** Canadian National Railway

HOMewood. Ill., April 08, 2019 (GLOBE NEWSWIRE) -- CN (TSX: CNR) (NYSE: CNI) said today it plans to invest US\$190 million in Illinois in 2019 to strengthen the company's rail network across the state.

"Following a record capital program in 2018, CN has been able to take on more traffic from different commodity sectors based on contracts with our customers," said Derek Taylor, Vice-President of CN's Southern Region. "This year, we are continuing to invest to boost capacity and network resiliency and to meet growing traffic on our corridors across Illinois."

The Illinois investments are part of CN's 2019 record US\$2.9-billion capital investment focused on enabling growth from all commodity segments, including consumer goods, grain, agricultural, forest, and energy products from all of our customers, safely and efficiently. Over two years, CN will have made a US\$5.7-billion capital investment.

"CN's investment in Positive Train Control has led to more jobs and the building of additional infrastructure in Homewood. Through this capital investment CN has created an aura of opportunity that further strengthens our local and the State of Illinois' economy," said Rich Hofeld, Mayor of Homewood.

CN is currently deploying important safety enhancing technologies across its network, such as the Autonomous Track Inspection Program, Distributed Air Cars, Automated Inspection Portals, and the Positive Train Control System. These innovations, combined with CN's investments in locomotives, capacity, infrastructure, and train crews, will support the safe and efficient movement of our customers' goods to their end markets.

Planned expansion projects include:

- Investments for the development of the Positive Train Control System; and
- Investment in the Joliet Intermodal Terminal to provide additional capacity.

Maintenance program highlights include:

- Replacement of more than 11 miles of rail;
- Installation of approximately 88,000 new railroad ties;
- Rebuilds of 53 road crossing surfaces; and,
- Maintenance work on bridges, culverts, signal systems and other track infrastructure.

Illinois in numbers:

- Capital investments: more than US\$1.3 billion in the last five years
- Employees: approximately 1,900
- Railroad route miles operated: 1,254
- Community partnerships: US\$417,000 in 2018
- Local spending: US\$1.1 billion in 2018
- Total taxes paid by CN: US\$89 million in 2018

Forward-looking statements

Certain statements included in this news release constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian securities laws. By their nature, forward-looking statements involve risks, uncertainties and assumptions. The Company cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Forward-looking statements may be identified by the use of terminology such as "believes," "expects," "anticipates," "assumes," "outlook," "plans," "targets," or other similar words.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause the actual results or performance of the Company to be materially different from the outlook or any future results or performance implied by such statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Important risk factors that could affect the forward-looking statements include, but are not limited to, the effects of general economic and business conditions; industry competition; inflation, currency and interest rate fluctuations; changes in fuel prices; legislative and/or regulatory developments; compliance with environmental laws and regulations; actions by regulators; increases in maintenance and operating costs;

security threats; reliance on technology and related cybersecurity risk; trade restrictions or other changes to international trade arrangements; transportation of hazardous materials; various events which could disrupt operations, including natural events such as severe weather, droughts, fires, floods and earthquakes; climate change; labor negotiations and disruptions; environmental claims; uncertainties of investigations, proceedings or other types of claims and litigation; risks and liabilities arising from derailments; timing and completion of capital programs; and other risks detailed from time to time in reports filed by CN with securities regulators in Canada and the United States. Reference should be made to Management's Discussion and Analysis in CN's annual and interim reports, Annual Information Form and Form 40-F, filed with Canadian and U.S. securities regulators and available on CN's website, for a description of major risk factors.

Forward-looking statements reflect information as of the date on which they are made. CN assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities laws. In the event CN does update any forward-looking statement, no inference should be made that CN will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

CN is a true backbone of the economy, transporting more than C\$250 billion worth of goods annually for a wide range of business sectors, ranging from resource products to manufactured products to consumer goods, across a rail network of approximately 20,000 route-miles spanning Canada and mid-America. CN – Canadian National Railway Company, along with its operating railway subsidiaries – serves the cities and ports of Vancouver, Prince Rupert, B.C., Montreal, Halifax, New Orleans, and Mobile, Ala., and the metropolitan areas of Toronto, Edmonton, Winnipeg, Calgary, Chicago, Memphis, Detroit, Duluth, Minn./Superior, Wis., and Jackson, Miss., with connections to all points in North America. For more information about CN, visit the Company's website at www.cn.ca.

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CERTIFICATE OF SERVICE

I, Suzanne Devane, certify that I have this 10th day of April, 2019, served a true copy of the Supplement to Petition to Reopen Based on New Evidence and Materially Changed Circumstances pursuant to the Board's Governing Regulations filed by the Village of Barrington, IL, by e-mail, upon all parties of record.

/s/ Suzanne Devane

Suzanne Devane