



WESTERN NEW YORK DELEGATION

SENATOR DALE M. VOLKER
Co-Leader

ASSEMBLYMAN ROBIN SCHIMMINGER
Co-Leader

February 11, 2008

The Honorable Anne K. Quinlan, Esq.
Secretary
Surface Transportation Board
395 E. Street, SW
Washington, D.C. 20423

FEB 19 2008

Subject: Canadian National Railway Co., et al. - Control - EJ&E West Company, STB Finance
Docket No. 35087

Dear Secretary Quinlan::

On behalf of the Western New York Legislative Delegation, representing twenty Senators and Members of the Assembly, we are writing in strong support of the proposed acquisition by Canadian National Railway Company (CN) of the major portion of the Elgin, Joliet and Eastern Railway Company (EJ&E). Buffalo and the Niagara Frontier region together form a critical freight transportation hub and system vital to the Region and the state. Buffalo ranks as one of the top 10 cities in the U.S. in terms of international trade, and approximately 30% of the total Canadian-U.S. trade (\$500 Billion/year) crosses Buffalo-Niagara.

We are therefore pleased to learn that the Board has determined that the CN proposed acquisition will be handled as a "minor" transaction under the Board's regulations. We urge the Board to proceed expeditiously with the preparation of the Environmental Impact Statement (EIS). There are significant benefits to our Region and the State associated with this transaction, including more rapid and reliable rail service for the state's shippers and customers.

We understand that the EIS will assess the overall environmental impact of this transaction, including the potential impact of increased train traffic that will occur in some communities along the EJ&E line as train traffic moves off the downtown Chicago rail line. We expect the Board will impose mitigation conditions as appropriate. We are concerned, however, that a prolonged EIS process could significantly complicate the transaction and delay benefits to the vast majority of citizens in the Chicago area and throughout the Midwest. This could have a deleterious "ripple" effect upon our Region's and New York State businesses which rely heavily on rapid freight service.

Specifically, we are concerned with our local auto (Ford and GM) and auto parts (Delphi and American Axle) industries. Delays in the Chicago area have plagued the rail industry for many years, causing as much as 48 hour delays while the freight rail has vied for access to congested rail lines in Chicago. With 70 percent of this nation's finished automobiles moving by rail to destinations throughout North America, and rail's importance to the manufacturing sector generally, efficient rail transportation service to our troubled auto and manufacturing community is critical.

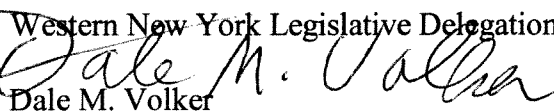
This transaction provides CN the ability to route many of its trains now operating through downtown Chicago onto the EJ&E. This rerouting should enhance significantly the efficiency of CN's operation in its immediate and extended service areas across the U.S. Train delays in Chicago for the entire rail industry will be diminished which will reduce energy consumption.

We are confident that the Board can undertake an expeditious and thorough review of the environmental impacts of this transaction and complete the EIS process within a time frame appropriate to the scope of this transaction. We are equally confident that your review will ensure that community concerns are addressed and will provide immediate benefits to shippers, their customers and our economy.

Thank you for your consideration of our views. Please enter these comments into the public docket for this proceeding.

Sincerely,

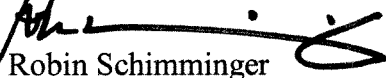
Western New York Legislative Delegation, by


Dale M. Volker

Senator, New York State Senate

59th Senate District

Co-Chair


Robin Schimminger

Member New York State Assembly

145th Assembly District

Co-Chair

Surface Transportation Board

CN-EJ&E EIS - FD-35087

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