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Department of Transportation

Thomas G. Byrne
Commissioner

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September 11, 2008

Phyllis Johnson-Ball
STB Docket 35087
Surface Transportation Board
395 E Street, NW
Washington, DC 20423-0001

Subject: Canadian National Railway Co., et al.-Control - EJ&E West
Company. STB Finance Docket No. FD-35087-0

Dear Ms. Johnson-Ball:

The City of Chicago has continued its review of the proposed acquisition of the EJ&E West Company by the Canadian National Railway, including a review of the draft EIS issued by the Surface Transportation Board. Though the report raises issues that need to be addressed by the CN concerning the acquisition's impacts on local communities along the EJ&E line, the City of Chicago reaffirms its support of the transaction.

Freight traffic in the Chicago region is expected to double within 20 years. This will generate jobs and economic opportunities for Illinois businesses, but only if we can meet the growing need for rail service. To this end, the City of Chicago has partnered with the State of Illinois and the railroads serving Chicago to implement the CREATE Program, which will provide capital improvements to increase the efficiency of the region's rail infrastructure. The proposed transaction will support CREATE objectives by increasing freight rail capacity in the region. To date, the freight railroads have committed \$212 million towards CREATE. The CN's proposed acquisition of the EJ&E represents an investment of over \$400 million by a single railroad to expand the region's freight rail capacity.

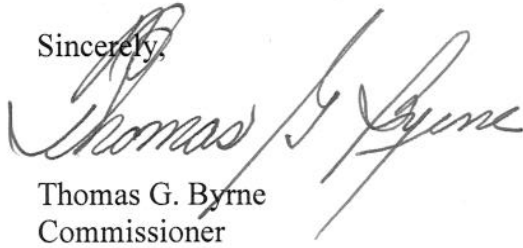
The City of Chicago encourages the CN to work closely with affected communities to address the negative impacts of increased freight traffic that are identified in the draft EIS. Should the CN fail to voluntarily offer mitigation efforts that will sufficiently address these impacts, we encourage the Surface Transportation Board to mandate specific actions to address these concerns.



Although we remain concerned about impacts on passenger rail service, particularly Amtrak, on the whole we believe that the transaction is in the best interests of the region and the nation.

Thank you for the opportunity to provide additional comments on this critical rail proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas G. Byrne". The signature is written in a cursive style with a large, stylized "B" at the end.

Thomas G. Byrne
Commissioner
Chicago Department of Transportation