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November 13, 2008

BY E-MAIL (rutsonv@stb.dot.gov)
AND HAND DELIVERY

Ms. Victoria J. Rutson, Chief
Section of Environmental Analysis
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

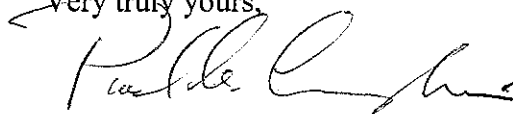
**Re: Canadian National Railway Company and Grand Trunk Corporation –
Control – EJ&E West Company (STB Finance Docket No. 35087)**

Dear Ms. Rutson:

Following on discussions with your office and with the U.S. Fish and Wildlife Service (“USFWS”), I am submitting the enclosed Additional Voluntary Mitigation Measures, as a supplement to Applicants Voluntary Mitigation Proposal, which was submitted to your office on June 26, 2008, and modified in Applicants’ Comments on the Draft Environmental Statement (filed September 30, 2008). These additional measures are submitted in order to address concerns raised by USFWS regarding potential impacts of the Transaction proposed by Applicants in this proceeding.

As you will note, we have placed the second of the listed measures in brackets. If, in your judgment, this measure is necessary to address USFWS’s concerns fully, we request that SEA recommend that the Board require adherence to this measure as a condition to its approval of the proposed Transaction. Applicants would consent to imposition of the remaining listed measures as conditions on that approval.

Very truly yours,



Paul A. Cunningham
Counsel for Applicants Canadian National Railway
Company and Grand Trunk Corporation

HARKINS CUNNINGHAM LLP

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November 13, 2008

Page 2

Enclosure

cc: Phillis Johnson-Ball
John H. Morton
Theodore K. Kalick
Normand Pellerin

ADDITIONAL VOLUNTARY MITIGATION MEASURES
REGARDING ISSUES RAISED BY U.S. FISH AND WILDLIFE SERVICE

- VM xx Applicants shall cooperate with Midwest Generation, LLC ("MWG"), to identify locations on Applicants' property, or available to Applicants, on which loaded coal trains could be staged while awaiting delivery to MWG's Will County Generating Station and Joliet Generating Station and which would make unnecessary the construction of additional train storage capacity on MWG property that would adversely affect the Hine's emerald dragonfly or its habitat. If no adequate existing train storage locations can be identified, Applicants shall make reasonable efforts to acquire or construct, at MWG's expense, new train storage capacity, at locations where construction would not have adverse impacts on the Hine's emerald dragonfly or its habitat, and which would make construction of additional storage capacity on MWG's property unnecessary, and shall make that capacity available as needed for staging of coal trains destined for Will County and Joliet Stations.
- [VM xx Pending identification of appropriate storage locations for MWG coal trains, Applicants shall work with railroads delivering coal trains to the EJ&EW line to ensure that coal trains destined for delivery to Midwest Generation's Will County and Joliet Stations are metered so that they do not come upon the EJ&E line unless there is sufficient storage capacity to receive those trains, and Applicants' dispatchers shall not permit coal trains to move onto the EJ&EW line from the lines of other railroads without first receiving confirmation that space will be available on MWG's existing tracks, or on available facilities on the EJ&EW line, to receive those trains.]
- VM xx In consultation with the U.S. Fish and Wildlife Service (USFWS) and relevant natural resource stakeholders, Applicants shall participate in the development of a Habitat Conservation Plan for the Hine's emerald dragonfly or necessary work plans applicable to State and Federally listed threatened and endangered species and take the necessary measures to ensure that rail operations do not cause undue impact to those species.
- VM xx [Migratory Birds] Where warranted, Applicants shall work with relevant natural resource stakeholder groups, Forest Preserve Districts, the Indiana office of The Nature Conservancy (TNC), Illinois Department of Natural Resources (IDNR), Indiana Department of Natural Resources (INDNR), and USFWS to support the creation or enhancement of migratory bird habitat away from those segments of the EJ&E rail line on which Applicants project Transaction-related increases in rail traffic, and where there is proposed Transaction-related construction of double-track and new or improved connections.
- VM xx [Rare and Listed Turtles] In consultation with USFWS, Applicants shall construct and maintain adequate passages (that is, pipes or culverts) for turtles to cross through the track bed in areas on the EJ&E rail line between Leithton and Gary on which Applicants expect to increase rail traffic and where habitat for rare and/or listed turtle species (that is, Blanding's or spotted turtle) exists on both sides of the rail line.

- VM xx [Karner Blue Butterfly] In consultation with USFWS, Applicants shall identify areas of suitable habitat of the Karner blue butterfly within Kirk Yard and in the vicinity of all planned Transaction-related construction of double track and new or improved connections within the State of Indiana for potential habitat protection and/or enhancement. Applicants shall contact TNC about participation in the Safe Harbor Agreement for the Karner blue butterfly.
- VM xx [Indiana Dune and Swale] In consultation with appropriate Federal and State natural resource stakeholders, including USFWS, INDNR and TNC, Applicants shall designate EJ&EW-owned areas of prime prairie and dune swale habitat for potential land management agreement and/or conservation easement. Should modifications to Kirk Yard be proposed in the future, Applicants shall review proposed plans for upgrading and expansion of Kirk Yard in order to avoid construction in identified dune swale areas. In the event that unavoidable impacts are identified, the Applicants shall work with TNC to develop a plan for mitigation of those impacts and improvement of the quality of remaining dune swale areas.
- VM xx [Eastern prairie fringed orchid] Prior to any ground disturbing activities, Applicants shall hire a qualified biologist to survey for the Eastern prairie fringed orchid (*Platanthera leucophaea*) in areas containing suitable habitat. Applicants shall survey each area on at least three non-consecutive days between June 28 and July 11, as this is when the orchid typically flowers and is most identifiable. If the Applicants' biologist finds orchids, Applicants shall not conduct any construction activities in that area and Applicants shall notify USFWS and the Board immediately. The Board shall reinstate consultation with USFWS. Applicants shall work with the Board and USFWS to determine appropriate measures to offset impacts, most likely providing funding for an ongoing hand pollination project, or providing funding to be used to enhance another orchid site (that is, brush cutting, prescribed burning).