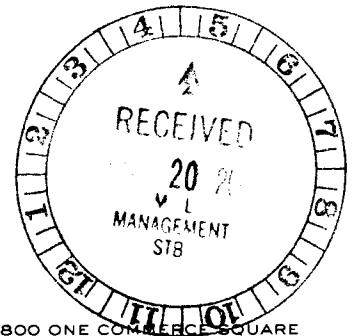


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HARKINS CUNNINGHAM

ATTORNEYS AT LAW
SUITE 600
801 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20004-2615
202 973-7600
FACSIMILE 202 973-7610

WRITER'S DIRECT DIAL
(202) 973-7601



2800 ONE COMMERCE SQUARE
2005 MARKET STREET
PHILADELPHIA, PA 19103-7042
215 851-6700
FACSIMILE 215 851-6710

October 20, 2000

BY HAND

Mr. Vernon A. Williams, Secretary
Office of the Secretary
Surface Transportation Board
Case Control Unit
Attn: STB Ex Parte No. 634
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Consolidated Railroad Reporting (STB Ex Parte No. 634)

Dear Secretary Williams:

Canadian National Railway Company ("CN") hereby comments on the decision served by the Board on September 20, 2000, in the above-captioned proceeding. In that decision (the "September 20 Decision"), the Board proposed that reports by rail carriers to the Board include consolidated data from all commonly controlled U.S. railroads and their U.S. railroad-related affiliates regarding their railroad and railroad-related activities.

While CN generally supports the proposal to report rail information on a consolidated basis, CN suggests that the Board clarify the terms "U.S. railroads" and "non-U.S. railroads," as used in the Board's decision. The term "U.S. railroads" clearly applies to CN's U.S. subsidiaries,¹ but it is not clear whether the term would apply to CN itself.

Because CN's rail property and operations are almost entirely in Canada, CN's role

¹Illinois Central Railroad Company, Grand Trunk Western Railroad Company, Duluth, Winnipeg and Pacific Railway Company, St. Clair Tunnel Company, Chicago, Central & Pacific Railroad Company, Cedar River Railroad Company, and Waterloo Railway Company.

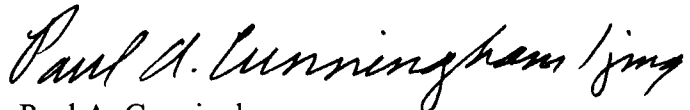
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Mr. Vernon A. Williams, Secretary
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regarding U.S. rail operations is almost exclusively that of a holding company rather than a rail carrier. Nevertheless, CN owns a very small amount of rail property (approximately 60 miles) in the United States, constituting less than 0.5% of CN's total mileage.² While it is conceivable that CN's minimal rail operations and property in the United States might cause it to be regarded as a "U.S. railroad" in some contexts, such a characterization would seem inappropriate for purposes of the Board's reporting requirements. Since those reporting requirements are intended to assist the Board in its regulatory mission, it would be fundamentally misleading to submerge data from CN's U.S. subsidiaries within data from CN's much more extensive Canadian operations, which are governed by different regulatory and labor regimes. For U.S. regulatory purposes, data regarding non-U.S. operations are equivalent to data on "non-railroad related operations," which the Board proposes to exclude from consolidated reports (September 20 Decision, at 4).

Accordingly, CN requests that the Board clarify that "U.S. railroads," for purposes of the Board's reporting requirements, would not require consolidation of CN's Canadian operations with CN's relatively trivial railroad operations in the United States. Alternatively, CN requests that the Board clarify that non-U.S. rail operations of such a railroad may be excluded from the consolidated reports to be required of U.S. railroads and their U.S. railroad-related affiliates.

Very truly yours,

A handwritten signature in black ink, reading "Paul A. Cunningham / jmg". The signature is fluid and cursive, with the first name and middle initial clearly legible, followed by a last name that appears to be "Cunningham". There is a small mark at the end of the signature that looks like "jmg".

Paul A. Cunningham
Counsel for Canadian National Railway Company

²By virtue of revenues derived from this property, CN is characterized as a Class III railroad for STB regulatory purposes.