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April 9, 2001

BY HAND

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Office of the Secretary
1925 K Street, N.W.
Washington, DC 20423-0001

ENTERED
Office of the Secretary

APR 09 2001

Part of
Public Record

**Re: Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc. – Control – Wisconsin Central Transportation Corporation, Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd.
PETITION FOR SCHEDULING ORDER (CN/WC-3)
(STB Finance Docket No. 34000)**

Dear Mr. Williams:

Enclosed for filing in the above-captioned docket please find an original and 25 copies of the above-captioned Petition for Scheduling Order, which is designated as "CN/WC-3." Also enclosed is a diskette containing the text of this document in WordPerfect 6/7/8/9 format.

Very truly yours,

Paul A. Cunningham

Enclosures

ENTERED
Office of the Secretary

APR 09 2001

EXPEDITED CONSIDERATION REQUESTED

Part of
Public Record

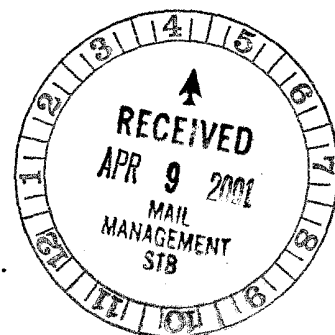
CN/WC-3

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 34000

CANADIAN NATIONAL RAILWAY COMPANY,
GRAND TRUNK CORPORATION, AND WC MERGER SUB, INC.
- CONTROL -

WISCONSIN CENTRAL TRANSPORTATION CORPORATION,
WISCONSIN CENTRAL LTD., FOX VALLEY & WESTERN LTD.,
SAULT STE. MARIE BRIDGE COMPANY, AND
WISCONSIN CHICAGO LINK LTD.



PETITION SUGGESTING PROCEDURAL SCHEDULE

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WC Merger Sub, Inc.

BEFORE THE
SURFACE TRANSPORTATION BOARD

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CANADIAN NATIONAL RAILWAY COMPANY,
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– CONTROL –
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WISCONSIN CENTRAL LTD., FOX VALLEY & WESTERN LTD.,
SAULT STE. MARIE BRIDGE COMPANY, AND
WISCONSIN CHICAGO LINK LTD.

PETITION SUGGESTING PROCEDURAL SCHEDULE

Applicants CN and WC¹ have filed this day an application seeking Board authorization under 49 U.S.C. §§ 11323-11325 and 49 C.F.R. Part 1180 for a transaction involving the combination of CN and WC (a Class II carrier) under common control (CN/WC-2).

As the Application discusses, this Transaction should be deemed “minor” under the Board’s rules. 49 C.F.R. § 1180.2(b). Hence the Board must issue its decision within 180 days from the filing of the Application. 49 U.S.C. § 11325(d). Applicants hereby suggest that the Board establish the following schedule to govern the proceeding on their Application.²

¹WC Merger Sub, Inc. (“Merger Sub”) is a wholly owned subsidiary of Grand Trunk Corporation (“GTC”), which is in turn a wholly owned subsidiary of Canadian National Railway Company (“CNR”). CNR, GTC, and Merger Sub are referred to collectively herein as “CN.” Wisconsin Central Ltd. (“WCL”), Fox Valley & Western Ltd. (“FVW”), Sault Ste. Marie Bridge Company (“SSMB”), and Wisconsin Chicago Link Ltd. (“WCLL”) are wholly-owned subsidiaries of Wisconsin Central Transportation Company (“WCTC”). WCTC, WCL, FVW, SSMB, and WCLL are referred to collectively herein as “WC.” CN and WC are referred to collectively herein as “Applicants.”

² Applicants suggest that, as it has done in prior non-major proceedings, the Board can properly adopt a schedule forthwith without the need to invite public comment on a proposed schedule. *See, e.g., Kansas City S. Indus., Inc. – Control – Gateway W. Ry.*, STB Finance Docket No. 33311, slip op. at 1 (STB served Feb. 13, 1997).

PROPOSED PROCEDURAL SCHEDULE

- April 9, 2001 Primary application filed.³
- May 9, 2001 Board notice of acceptance of primary application published in the *Federal Register*.
- June 8, 2001 All comments, protests, requests for conditions, and any other evidence and argument in opposition to the Application due. Comments by U.S. Department of Justice ("DOJ") and U.S. Department of Transportation ("DOT") due.
- July 9, 2001 Response to comments, protests, requested conditions, and other opposition due. Rebuttal in support of application due.

This schedule leaves ample time for the Board to schedule oral argument if it seems warranted in light of the nature and extent of comments, and to render a decision within the statutory deadline.

Of course, the Board need not use or provide for the full amount of time allowed under the statute. In this regard, Applicants note the ICC's observation in *UP/SP* that "[setting] a procedural schedule that is longer than is necessary for all parties to present concerns and for us to carefully consider those concerns and the effects of the proposed transaction on the public interest . . . would be a step backward in our effort to process applications fairly but efficiently."⁴ The Board could readily conclude that an expedited disposition is appropriate and feasible in view of the absence of any substantial competitive issues raised by the CN/WC merger transaction, the absence of a need for environmental review, and the evident lack of opposition to the proposed transaction.⁵ As is explained in the Application, the proposed transaction is entirely end-to-end.

³ Applicants are making available work papers underlying the Application in a depository at the offices of Harkins Cunningham, 801 Pennsylvania Ave., N.W., Suite 601, Washington, D.C. 20004.

⁴ *Union Pac. Corp. – Control and Merger – Southern Pac. Rail Corp.*, Finance Docket No. 32760, Decision No. 6, slip op. at 5 (ICC served Oct. 19, 1995).

⁵ That WC would be exploring such a transaction was made public in November 2000, and the merger agreement was publicly announced on January 30, 2001. In the two months since the announcement, over 280 letters of support from shippers, governmental bodies and officials, and other railroads, contained in the Application, have

There are no 3-2 or 2-1 shippers or locations in the U.S.⁶ Indeed, except for Duluth/Superior and Chicago, each of which receives rail service from more than three other rail carriers, the CN and WC rail systems serve *no* common metropolitan areas or cities in the U.S.

Given the nature of this transaction, and as the Application makes clear, there will be no adverse effect on competition, which is the dispositive issue. 49 U.S.C. § 11324(d)(1). Nor is there reason for the Board to anticipate any other issues, given the limited nature and scope of the transaction.

As the Application shows, the transaction will meet WC's need to become part of a larger rail system with more financial and other resources in order to continue to serve its customers, and will secure CN's control over a relatively short but crucial element of its rail system, where it now is dependent upon a limited-term haulage agreement with WC, and cannot provide direct single-line service to shippers located on WC. The transaction will permit single-line service to and from such shippers, will result in reduced handling, improved blocking, shortened car transit times, other public benefits from various synergies, and no significant adverse labor impacts. While the operational, service and cost impacts are relatively modest, they are positive.

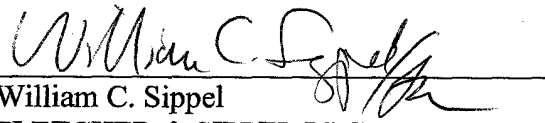
already been submitted. However, Applicants are unaware of any public indications of significant opposition from other railroads, shippers, unions, or state or local governments.

⁶CN's east-west line across Canada and WC's north-south Algoma Central line cross at one remote location in Western Ontario, at which point there are no shippers and CN and WC do not compete for traffic. Applicants have also shown that there is no reason to be concerned about elimination of geographic competition. See Verified Statements of Christopher A. Velturo and Richard L. Bottorff in CN/WC-2.

Applicants have consulted with the Board's Section of Environmental Analysis ("SEA") regarding the environmental effects of their proposed transaction. Applicants believe the transaction does not require environmental review, because it will not lead to any operational changes exceeding the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).⁷ Applicants are not seeking authority to abandon any rail lines in connection with the Application. Nor are Applicants seeking authority for any control-related line construction. The evident absence of complicating environmental factors or related applications from this proceeding supports a more expedited disposition than the 180-day maximum procedural schedule.⁸

Accordingly, Applicants request that the Board adopt their proposed schedule.

Respectfully submitted,


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Counsel for Wisconsin Central Transportation
Corporation, Wisconsin Central Ltd., Fox

⁷In addition, although the Board does not require here the kind of Safety Integration Plan ("SIP") that it has proposed for "major" transactions, Applicants have consulted with FRA and propose to submit a SIP within 30 days of the Application, describing the plans for maximizing the safe integration and operation of the combined system.

⁸Inconsistent or responsive applications are not provided for in minor transaction proceedings. 49 U.S.C. § 11325; 49 C.F.R. § 1180.4(d)(4)(i). In addition, since the proposed end-to-end merger will not eliminate any horizontal competition and will not, to Applicants' knowledge, raise any issues of vertical foreclosure, there appear to be no grounds for requests by other parties for significant conditions.

Valley & Western Ltd., Sault Ste. Marie Bridge
Company, and Wisconsin Chicago Link Ltd.

April 9, 2001

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CERTIFICATE OF SERVICE

I certify that I have this 9th day of April, 2001, served copies of the Petition Suggesting Procedural Schedule upon all known parties of record in this proceeding by first-class mail or a more expeditious method.



Heather Pinnock