

202752

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE NW WASHINGTON, DC
WASHINGTON, DC 20004-2401
TEL 202.662.6000
FAX 202.662.6291
WWW.COV.COM

WASHINGTON, DC
NEW YORK
LONDON
BRUSSELS
SAN FRANCISCO

JAMES R. DEAN, JR.
TEL 202.662.5651
FAX 202.778.5651
JDEAN@COV.COM



June 25, 2001

Surface Transportation Board
Office of the Secretary
Case Control Unit
1925 K Street, N.W.
Washington, DC 20423-0001

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, Finance Docket No. 34000

Dear Mr. Secretary:

Enclosed for filing are the originals and 25 copies of four letters commenting on the transaction proposed in this proceeding. We are making this filing as a courtesy to the cities that provided these letters.

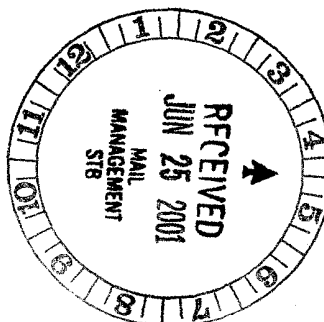
Under separate cover, Great Lakes Transportation LLC ("Great Lakes") is submitting comments supporting approval of the proposed transaction, subject to imposition of the terms of a settlement agreement Great Lakes recently reached with the Applicants as a condition of approval. Prior to reaching settlement, Great Lakes had invited other parties to provide statements to be included with the comments filed by Great Lakes. Four cities now wish to submit their statements separately from Great Lakes' filing supporting the transaction. Because the settlement was reached so recently, the four cities have not had an opportunity to make arrangements for their own filing. For that reason, we are filing the enclosed comments for these cities and serving them on all parties on the service list. We submit these documents as an administrative accommodation only and not as counsel for Great Lakes.

Enclosed on two separate diskettes are electronic copies (readable by Word Perfect 9.0) of the verified statements of Duane W. Dedelow, Jr., on behalf of the City of Hammond, Indiana and Robert A. Pastrick, on behalf of the city of East Chicago, Indiana. Electronic copies of the remaining two statements will be provided as soon as possible.

ENTERED
Office of the Secretary

JUN 26 2001

Part of
Public Record



Please file stamp the enclosed copies of this letter and the four statements and return them to our messenger. Thank you for your assistance.

Very truly yours,

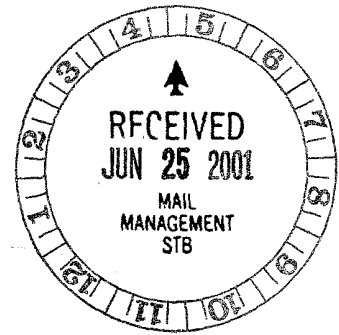
A handwritten signature in black ink, appearing to read "James R. Dean, Jr.", written in a cursive style.

James R. Dean, Jr.

Enclosures

202752

VERIFIED STATEMENT
OF
SCOTT L. KING
ON BEHALF OF
THE CITY OF GARY, INDIANA



My name is Scott L. King and I serve as the elected Mayor of the City of Gary, Indiana, the largest city in Northwest Indiana with 116,000 residents. Prior to my becoming Mayor in 1996, I was principal in the law firm of King & Meyer, the largest law firm in the City of Gary. Prior to that I held several different attorney positions for the state of Indiana and the federal government, including Public Defender, Deputy Prosecutor and Assistant United States Attorney of the Northern District of Indiana. Having grown up in nearby Chicago, Illinois, having located in Northwest Indiana, and having spent my entire professional career working in the northwest part of the state, I am well aware of the importance of the area's transportation corridor to the efficient movement of goods and passengers east and west. Local industries and businesses depend on the maintenance of effective local transportation links to railroad lines, highways, waterways, and airports in order to obtain and to ship raw materials and end products, and to effectively conduct their day-to-day business. The area's vast

transportation network provides vital connection points for our citizens to Chicago, Detroit, Indianapolis and the rest of the country.

I understand that the Canadian National Railway (CN) and Wisconsin Central Transportation Company (WC) have filed with the Surface Transportation Board seeking approval to merge. I also understand that two companies have stated that there will be little or no impact on the environment as a result of this proposed merger. Based on statements in the CN/WC Control Application, however, I am very concerned that the proposed CN/WC merger may result in new traffic passing through Gary, Indiana. This new traffic would be attributable to additional taconite iron ore being diverted from shipping on the Great Lakes in bulk vessels to all-rail movements. If following the merger CN/WC succeeds in diverting taconite iron ore of lake vessels, there will be a significant increase in the number of trains traveling through Gary, Indiana. The potential impact on my community of these slow moving trains, exceeding 100 cars loaded with very heavy taconite will be substantial. I find it very troubling that CN and WC officials do not address these concerns in their filings with the STB.

Additional train traffic will increase pollution, increase the risk of accidents at grade crossings, increase the likelihood of grade crossings being blocked from use by emergency vehicles, and decrease the overall quality of

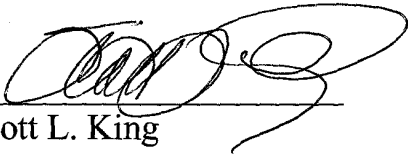
life in my community. While any form of transportation entails some level of risk, in this case these risks can be fully avoided if the taconite remained on the Great Lakes. Lane vessels are extremely safe, fuel efficient, and environmentally friendly. They do not have a negative impact on the quality of life in my community. If diversions to all-rail do occur, measures to address pollution and safety concerns will be necessary.

CN management needs to fully explain its intentions, as they relate to additional rail traffic that can be expected after the proposed acquisition and merger with WC. The Application should have provided this information. Subsequent denials by CN and EC regarding their intent are not enough. To impose new conditions, if necessary, to address unforeseen harms. Simple imperfection in the ability accurately to identify the future should not rebound to the detriment of those who actually experience the real-world consequences of that future.

I wholeheartedly agree with the USDOT that the Board afford affected communities and others the opportunity to demonstrate significant adverse impacts from merger-related traffic changes. We believe that a period of approximately three years should be adequate to separate those changes that arise from the transaction at issue from otherwise ongoing commercial circumstances. Within that period the STB would allow for the

creation of a record, Contributed to by interested parties, on which to base decisions on harms and mitigation measures.

I, Scott L. King, declare under penalty or perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on June 20, 2001.

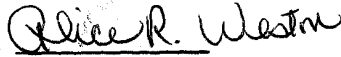


Scott L. King

Before me, ^{CATH}Alice R. Weston a Notary
Public in and for Adel County,
State of Indiana, personally appeared
Scott L. King and he being first duly
sworn by me upon his oath, says that the facts
alleged in the foregoing instrument are true.

(SEAL)

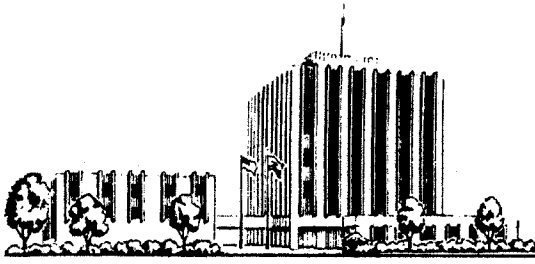
(Signed)



Notary Public

By: April 30, 2008

202752



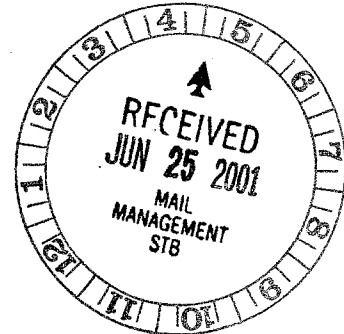
CITY OF DES PLAINES

1420 Miner/Northwest Highway ■ Des Plaines, Illinois 60016-4498 ■ (847)391-5300

June 20, 2001

01-306

Ms. Phyllis Johnson-Ball
Environmental Project Manager
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001



Re: Finance Docket No. 34000-CN/WC Control

Dear Ms. Ball:

For the reasons set forth below, the City feels that additional rail traffic on the Wisconsin Central line would definitely have an adverse effect on the citizens of Des Plaines.

The City of Des Plaines is a City in the northwest suburbs of Chicago with a population of 58,000 according to the latest census. It is a suburban community with thousands of homes directly across from railroad rights-of-way. It has over 27 railroad connections within the corporate limits. Those crossing lines present an additional hazard as rail traffic must coordinate as it enters the Chicago corridor. Therefore, we are concerned that the additional increase in rail traffic would be an additional risk to citizens in Des Plaines.

It has been brought to our attention that there is currently pending before the Surface Transportation Board the question of the potential environmental impact of the acquisition of the Wisconsin Central Railroad by the Canadian National Railway Company. Please be advised that we are currently in litigation before the Illinois Commerce Commission with Wisconsin Central and Union Pacific involving a wooden train trestle built in 1930 from which debris has been falling onto a heavily-traveled, four-lane roadway which feeds into Interstate Route 294, one of the major Chicago expressway feeders. It is estimated that 50,000 cars a day travel under the wooden trestle. In the last two years, more than 24 incidents have been reported of items falling from the bridge or from trains traveling over the bridge. This is the same trestle that is utilized by the Union Pacific Railroad for its rail passenger and freight operations on its "Northwest" Line.

In addition, the rail traffic on the Wisconsin Central line includes the new commuter rail traffic that comes from Antioch, Illinois into Chicago. It is my understanding that this is the first new suburban commuter rail line since the 1920's. This line utilizes the same wooden trestle and it is



our understanding that there is a scheduled increase in passenger rail service to go on this line. It is also our understanding that they are looking to put in two tracks instead of the one which currently exists. The wooden trestle which is already showing signs of being unable to handle the rail traffic, now will handle more passenger rail traffic in addition to the proposed additional traffic from Canadian National Railroad. Obviously if the structure is weakened, we are concerned in any proposition which would further increase rail traffic, increase safety concerns, and include any environmental risks over that connection.

It does not appear to us that this additional traffic would be warranted and that there are alternative surface methods such as shipping which could adequately handle transport of environmental waste and other items.

I, DAVID R. WILTSE, as City Attorney, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. I further certify that I am qualified and authorized to file this verified statement.

Dated: June 20, 2001

David R. Wiltse
David R. Wiltse, City Attorney

cc: Anthony W. Arredia, Mayor 
City Council Members
William Schneider, Acting City Manager
Timothy Oakley, Director of Engineering

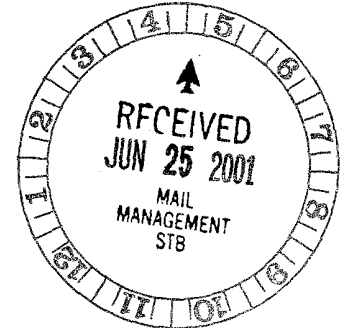


Duane W. Dedelow, Jr.
Mayor

202752

CITY OF HAMMOND

Verified Statement
Of
Duane W. Dedelow, Jr.
On Behalf of
City of Hammond, Indiana



My name is Duane W. Dedelow, Jr. I am Mayor of the City of Hammond in Indiana. My current duties include serving as chief executive officer of the City. I administer approximately twenty-five departments which provide municipal services arranging from garbage pick-up to economic development. I have worked for the City of Hammond for 8 ½ years. I received my BS degree in Construction Technology from Purdue University Calumet at Hammond, Indiana.

City of Hammond, located in northwest Indiana immediately adjacent to Chicago, Illinois, has a population of 84,000. Railroads are important to my community. We are served by 12 railroads, including CSX, NS, CP, UP SNSF, SOO, WISC Central, EJ & E, IHB, South Shore, South Shore Freight, and Am Trak. My community is dependent on safe, efficient and competitive freight transportation. Transportation safety is an overriding concern for all the citizens of Hammond.

I understand that the Canadian National Railway (CN) and Wisconsin Central Transportation Company (WC) have filed with the Surface Transportation Board seeking approval to merge. Further, I understand that these companies have stated that there will be

5925 Calumet Avenue
Hammond, IN 46320

219.853.6301

fax: 219.931.0831

www.ci.hammond.in.us

e-mail: mayor@ci.hammond.in.us

little or no impact on the environment as a result of this proposed merger. However, based on comments included in the CN/WC Control Application, I am very concerned that the proposed merger may result in large amounts of taconite iron ore being diverted from shipping on the Great Lakes in bulk vessels to all-rail movements. If following the merger CN/WC successfully diverts taconite iron ore off lake vessels, there will be significant additional railroad traffic through our community. The potential impact on the community of a significant number of new, slow moving trains exceeding 100 cars loaded with very heavy taconite cannot be underestimated. It is very troubling that CN and WC officials do not address these concerns.

The impact of additional trains carrying taconite will be to increase pollution, increase the risk of accidents at grade crossings, increase the likelihood of grade crossings being blocked from use by emergency vehicles, and decrease the overall quality of life in our community. These risks can be fully avoided by allowing the taconite to remain on the Great Lakes. Lake vessels are extremely safe, fuel efficient, and environmentally friendly. They do not have a negative impact on the quality of life in my community. If diversion to all-rail do occur, measures to address pollution and safety concerns will be necessary.

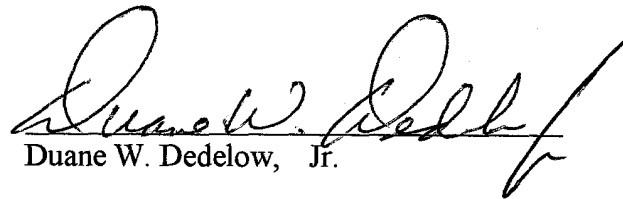
Apparently, CN management now claims that a merged CN/WC is unlikely to divert taconite to all-rail. This position does not reconcile with statements about such diversions to "all-rail" made in the CN/WC merger application. I respectfully ask the Surface Transportation Board to take into account the concerns I have expressed above.

At a minimum, if the board decides to approve this merger, I wholeheartedly concur with and strongly support the comments of the DOT, specifically, the recommendation that the board retain a three year oversight to afford effected communities and others the

opportunity to demonstrate significant adverse impacts from merger-related traffic changes. As further recommended by the DOT, within that period the board would allow further creation of a record, contributed to by interested parties, on which to base decisions on harms and mitigation measures.

I, Duane W. Dedelow, Jr., declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on June 22, 2001.

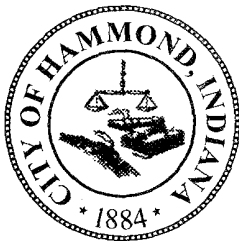

Duane W. Dedelow, Jr.



Robert A. Pastrick
MAYOR



Scott King
MAYOR



Duane Dedelow
MAYOR



Robert J. Bercik
MAYOR

THE CITIES OF EAST CHICAGO, INDIANA; GARY, INDIANA;
HAMMOND, INDIANA; AND WHITING, INDIANA, COLLECTIVELY

THE FOUR CITY CONSORTIUM

VERIFIED STATEMENT
OF
ROBERT A. PASTRICK
ON BEHALF OF
THE CITY OF EAST CHICAGO, INDIANA



COMMON ADDRESS:
6949 Kennedy Avenue, Suite E
Hammond, Indiana 46323
(219) 844-3025
Fax: 844-3400

My name is Robert A. Pastrick. I am the Mayor of the City of East Chicago, Indiana. I have served as Mayor for the City of East Chicago for 28 years. East Chicago is a member of the Four City Consortium (4CC) with Gary, Hammond, and Whiting, which works together to stabilize and improve Northwest Indiana.

The City of East Chicago, located in Northwest Indiana, has a population of 33,000. Railroads are important to my community. Numerous railroads traverse and/or serve our community, including CSX, NS, CP, UP, BNSF, Soo, Wisc. Central, EJ&E, IHB, and the South Shore. My community is dependent on safe, efficient and competitive freight transportation. Transportation safety is an overriding concern for all the citizens of the City of East Chicago.

I understand that the Canadian National Railway (CN) and Wisconsin Central Transportation Company (WC) have filed with the Surface Transportation Board seeking approval to merge. Further, I understand that these companies have stated that there will be little or no impact on the environment as a result of this

Working Together to Build a Better Tomorrow

proposed merger. However, based on comments included in the CN/WC Control Application, I am very concerned that the proposed merger may result in large amounts of taconite iron ore being diverted from shipping on the Great Lakes in bulk vessels to all-rail movements. If following the merger CN/WC successfully diverts taconite iron ore off lake vessels, there will be significant additional railroad traffic through our community. Due to the region's economic development initiatives, rail traffic may be relocated into our community of East Chicago, from where it is currently planned to travel adjacent, but outside our corporate limits. The potential impact on the community of a significant number of new, slow moving trains exceeding 100 cars loaded with very heavy taconite cannot be underestimated. It is very troubling that CN and WC officials do not address these concerns.

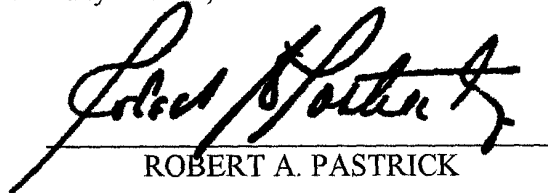
The impact of additional train traffic will increase surface transportation delays, increase pollution, increase the risk of accidents at grade crossings, increase the likelihood of grade crossings being blocked from use by emergency vehicles, and decrease the overall quality of life in our community. These risks can be fully avoided by allowing the taconite to remain on the Great Lakes. Lake vessels are extremely safe, fuel efficient, and environmentally friendly. The Four City Consortium agrees with East Chicago's intentions to develop an intermodal (water to rail) in East Chicago's shipping canal, which will improve lake vessel access to the region. With existing and expanded port access, lake vessels will have the least negative impact on the quality of life in our community and with the new port, we will improve economic development opportunities. They do not have a negative impact on the quality of life in my community. If diversions to all-rail do occur, measures to address pollution and safety concerns will be necessary.

Apparently, CN management now claims that a merged CN/WC is unlikely to divert taconite to all-rail. This position does not reconcile with statements about such diversions to "all-rail" made in the CN/WC merger application. I respectfully ask the Surface Transportation Board to take into account the concerns I have expressed above.

At a minimum, if the board decides to approve this merger, I wholeheartedly concur with and strongly support the comments of the DOT, specifically, the recommendation that the board retain a three year oversight. To afford effected communities and others the opportunity to demonstrate significant adverse impacts from ~~merger~~^{merger}-related traffic changes. As further recommended by the DOT, within that period the board would allow further creation of a record, contributed to by interested parties, on which to base decisions on harms and mitigation measures.

I, Robert A. Pastrick, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on this 22nd day of June, 2001.


ROBERT A. PASTRICK

CERTIFICATE OF SERVICE

I, James R. Dean, Jr., certify that, on this 25th day of June, 2001, I caused a copy of the comments of the cities of Gary, Indiana; Hammond, Indiana; East Chicago, Indiana; and Des Plaines, Illinois to be served by hand on:

Paul A. Cunningham
Harkins Cunningham
801 Pennsylvania Avenue, N.W.
Suite 600
Washington, D.C. 20004-2664

I further certify on this 25th day of June, 2001, I caused a copy of the foregoing comments to be served by overnight mail on:

William C. Sippel
Fletcher & Sippel LLC
180 N. Stetson Avenue
Two Prudential Plaza
Suite 3125
Chicago, IL 60601-6721

I further certify on this 25th day of June, 2001, I caused a copy of the foregoing comments to be served by first-class mail, postage prepaid, on all other parties of record listed on the official service list, as modified, issued as Appendix A to Decision No. 3 in Finance Docket No. 34000.


James R. Dean, Jr.