

SURFACE TRANSPORTATION BOARD

Memorandum



204775

DATE: February 14, 2002

TO : Ellen Keys, Assistant Secretary
Section of Publications/Records
Office of the Secretary

FROM *for* Mel Clemens, Director
Office of Compliance and Enforcement

SUBJECT : STB FINANCE DOCKET NO. 34000 - OPERATIONAL MONITORING DATA

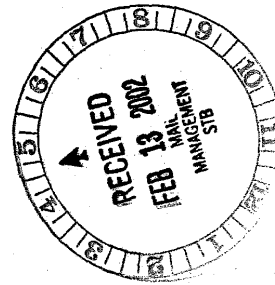
Attached are the original and two copies of the latest weekly public data files provided to this office by CN/WC as required in the above proceeding, which are to be committed to the docket for public reference. As requested, I am providing the three paper copies to Ron Douglas, two for the docket and one for Da 2 Da Legal. If there are any questions, please don't hesitate to contact Ed Nelson at 565-1574.

Attachments

cc: Chairman Morgan
Vice Chairman Burkes
Richard Armstrong
Ron Douglas
Charles Renninger



Canadian National/Ilinois Central Railroad
455 N. Cityfront Plaza Drive
Chicago, Illinois 60611-5317
Telephone: (312) 755-7600
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Via Email and Hand Delivery

February 13, 2002

Mr. Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: 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.; Operational Monitoring Reports Submitted in February, 2002.

Dear Mr. Clemens:

Pursuant to the Board's Order in the above-referenced docket served on September 7, 2001, Canadian National Railway Company submits the Operational Monitoring Reports for February, 2002.

Per your office's request, we are submitting the reports electronically as attachments in one transmission as follows: the monthly Benchmarking and Performance Data Report and the weekly Average Terminal Dwell Time Report. There are no updates this month to the Information Technology Systems Integration and Customer Service Report.

In the Benchmarking and Performance Data Report, we provide data on the performance of traffic flows on major routes measured against historical benchmarks. The data demonstrate that the combined CN-WC system has improved transit performance in several key corridors and continues to provide high quality service to shippers.

Similarly, the Average Terminal Dwell Time Report shows that the weekly overall dwell time averages remain at consistent levels at the principal yards and terminals identified in the application as potentially affected by the merger.

CN's and WC's operations in the Chicago Terminal continue to run smoothly since consummation of the merger.

Our previous quarter's financial performance provides ample evidence of the benefits of this merger. CN's acquisition of WC contributed revenues of approximately US\$81 million and operating income of approximately US\$27 million in the 4th quarter of 2001, a major factor in CN's operating income increasing eighteen percent in the final quarter of 2001. The smooth on-going integration of WC was a key reason for WC's significant contribution to CN's 4th quarter 2001 results.

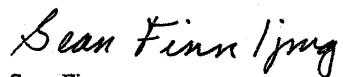
After four months, the CN and WC continue to be pleased with the merger's progress and our customers continue to obtain the substantial benefits of this transaction.

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SURFACE TRANSPORTATION
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OFFICE OF COMPLIANCE
AND ENFORCEMENT
DIRECTOR'S OFFICE

Mr. Melvin F. Clemens, Jr.
February 13, 2002
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Feel free to call me at 514-399-7091 should you have questions.

Yours truly,

A handwritten signature in cursive script that reads "Sean Finn".

Sean Finn
Senior Vice President, Chief Legal Officer
and Corporate Secretary

Encl.

BENCHMARKING AND PERFORMANCE DATA REPORT

JANUARY, 2002

Pursuant to the Board's order approving the CN-WC merger, CN submits the Benchmarking and Performance Data Report for January, 2002. The attached matrix provides the January, 2001, historical benchmarking data for WC as well as actual performance data for January, 2002. The data reflect flow volumes and average elapsed times for loaded movements on two key WC routes: between Superior and Chicago and between the Fox River Valley and Chicago. In the measurement of average elapsed time for loaded movements, we include time moving in a train and time spent in a yard or terminal under our control.¹

The line segments represent service territories that cover a large volume of traffic and diverse commodity groups. By virtue of this measurement methodology, the data will reflect a large sampling of customers, while at the same time depict performance over a wide area rather than at isolated points. The underlying data are drawn from the waybills.

The Superior Interchange segment extends from interchange at Superior, Wisconsin to Rocky Run, Wisconsin (just west of Stevens Point). The Chicago Interchange segment runs between the Illinois-Wisconsin State Line and interchange in Chicago. This is WC's central corridor.

The Fox River Valley segment includes Neenah to Manitowoc, Neenah to Howard (including Green Bay), Appleton to Shawano, Hilbert to Chilton, Black Creek to Manawa, Appleton to New London and DePere to Denmark. This segment encompasses a concentrated urban area with a good mix of customers. This aggregate

¹ Neither the benchmarks nor the actual performance data include bad order time/time for repair, which are variables not within our control, and in any event are not relevant to measurement of transit performance of trains in WC corridors.

area also represents a significant portion of the business on the WC Division and is off the main line from Superior to Chicago, so the data provide an indication of service performance on parts of WC other than the main Chicago-Superior route.

The performance data indicate that we are performing better than pre-merger benchmarks on these routes. Average elapsed time has improved since the merger.

As we move forward with the merger, we look to maintain CN's and WC's reputation for providing quality service to customers. Furthermore, in implementing the operating plan, we continue to look for and implement opportunities to expand on this already high level of service.

ORIGIN SEGMENT	DESTINATION SEGMENT	JANUARY, 2001 CARLOAD BENCHMARK	JANUARY, 2001 AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS BENCHMARK (IN HOURS)	CARLOADS FOR JANUARY, 2002	AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS, JANUARY, 2002 (IN HOURS)
SUPERIOR INTERCHANGE	CHICAGO INTERCHANGE	8318	50.6	9148	46.0
CHICAGO INTERCHANGE	SUPERIOR INTERCHANGE	2072	60.5	1317	39.4
FOX RIVER VALLEY	CHICAGO INTERCHANGE	2917	57.8	2012	39.4
CHICAGO INTERCHANGE	FOX RIVER VALLEY	3524	69.7	3667	44.3

CN-WC Integration reporting**AVERAGE TERMINAL DWELL TIME****Definition**

Average Terminal Dwell Time is the average time a car spends within an operating yard from arrival to departure. Measurement of the car dwell time starts with the arrival of the car at the operating yard as a result of a train arrival, transfer from a satellite yard, or interchange received event. The measurement of car dwell within the operating yard stops with the departure of the car as a result of a train departure, transfer to another yard, or interchange delivered event. Excluded from the terminal dwell measures are cars placed in hold, constructive placement, bad order, and stored status following their arrival and prior to their departure from the operating yard.

The figures below are expressed in hours.

<i>Terminal</i>	<i>Historical Average</i>		<i>Week Ending</i>			
	<i>Dec, 2001*</i>	<i>Jan, 2002*</i>	<i>20-Jan-02</i>	<i>27-Jan-02</i>	<i>3-Feb-02</i>	<i>10-Feb-02</i>
Fond du Lac, WI	13.9	14.8	15.7	15.1	15.8	17.3
Stevens Point, WI	8.9	9.2	9.0	10.0	10.3	10.9
Neenah, WI	2.7	2.9	2.7	2.9	3.6	3.1
Pokegama, WI	8.2	10.3	9.5	12.9	11.8	10.6

*The statistics for December and January cover from the first to the last day of each month.