

SURFACE TRANSPORTATION BOARD

Memorandum

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DATE: July 11, 2002

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TO : Ron Douglas, Printing Officer
Section of Facilities Management
Office of Economics, Environmental Analysis, and Administration

FROM : Mel Clemens, Director
Office of Compliance and Enforcement

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

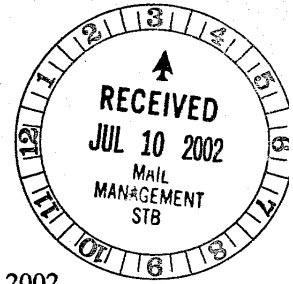
Attached are the original and two copies of the latest weekly public data files provided to this office by CN/WC as required in the above proceeding, which are to be committed to the docket for public reference. As requested, I am providing three paper copies, two for the docket and one for Da 2 Da Legal. 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



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

July 10, 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 July, 2002.

Dear Mr. Clemens:

Pursuant to the Board's Order in the above-referenced docket served on September 7, 2001, Canadian National Railway Company ("CN") submits the Operational Monitoring Reports for July, 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. On three of the corridors, transit times are up over the benchmarks. We attribute this to heavy traffic volumes and congestion in Chicago during the month of June, as well as to track washouts and a flood-caused derailment that resulted in freight traffic bunching up on the WC Division.

The Average Terminal Dwell Time Report shows that the weekly overall dwell time averages, while up on occasion due to heavy volumes, remain relatively steady at the principal yards and terminals identified in the application as potentially affected by the merger. Currently, we continue to see congestion and heavy volumes in Chicago between CN and its connections.

After nine months, we continue to be pleased with the merger's progress and continue to look for ways to capitalize on the efficiencies of the merger and enhance service to customers.

Feel free to call me at 514-399-7091 should you have questions.

Yours truly,

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

Encl.

ORIGIN SEGMENT	DESTINATION SEGMENT	JUNE, 2001 CARLOAD BENCHMARK	JUNE, 2001 AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS BENCHMARK (IN HOURS)	CARLOADS FOR JUNE, 2002	AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS, JUNE, 2002 (IN HOURS)
SUPERIOR INTERCHANGE	CHICAGO INTERCHANGE	7023	42.2	7550	55.9
CHICAGO INTERCHANGE	SUPERIOR INTERCHANGE	1601	29.8	1459	56.8
FOX RIVER VALLEY	CHICAGO INTERCHANGE	3062	39.6	2579	49.3
CHICAGO INTERCHANGE	FOX RIVER VALLEY	3570	53.3	5035	47.6

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.

Terminal	Historical Average		Week Ending			
	May, 2002*	June, 2002*	16-Jun-02	23-Jun-02	30-Jun-02	7-Jul-02
Fond du Lac, WI	16.6	16.6	17.1	16.8	17.4	17.0
Stevens Point, WI	12.0	10.9	9.6	11.1	13.0	10.8
Neenah, WI	4.0	3.7	3.5	3.6	4.2	4.1
Pokegama, WI	12.2	8.7	11.3	7.5	5.3	5.9

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

BENCHMARKING AND PERFORMANCE DATA REPORT

JUNE, 2002



Pursuant to the Board's order approving the CN-WC merger, CN submits the Benchmarking and Performance Data Report for June, 2002. The attached matrix provides the June, 2001 historical benchmarking data for WC as well as actual performance data for June, 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

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.

segment encompasses a concentrated urban area with a good mix of customers. This aggregate 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.

As the performance data indicate, transit times in June, 2002 were up compared to benchmarks on three of the reported corridors. We attribute this to heavy traffic volumes and congestion in Chicago during the month of June, as well as to track washouts and a flood-caused derailment that resulted in freight traffic bunching up on the WC Division.

As we move forward with the merger, we will continue to look for and implement opportunities to enhance our service to customers.