

SURFACE TRANSPORTATION BOARD

Memorandum



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DATE: September 12, 2002

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

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Canadian National/Illinois Central Railroad
455 N. Cityfront Plaza Drive
Chicago, Illinois 60611-5317
Telephone: (312) 755-7800
Fax: (312) 755-7669



September 11, 2002

Via Email and Hand Delivery

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 September, 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 September, 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. Transit times were up nominally on three of the corridors, and on WC's main corridor from Superior to Chicago, the average transit time improved considerably compared to the benchmark. We attribute this improvement to operational enhancements we have made to get this traffic to and through Chicago quicker.

The Average Terminal Dwell Time Report shows that the weekly overall dwell time averages generally remain consistent at the principal yards and terminals identified in the application as potentially affected by the merger. Dwell time averages at Fond du Lac improved considerably from July to August, due in part to operational enhancements CN implemented with the Belt Railway Company of Chicago to improve train routing through Chicago. Currently, we continue to see congestion and heavy volumes in Chicago between CN and its connections. In particular, we are seeing considerable delays in Chicago due to a number of track construction projects.

Logistics Management & Distribution Report, in its August, 2002 issue, awarded Wisconsin Central the highest score for railroads in its "Quest for Quality" survey on customer satisfaction. The results came from surveys mailed to rail customers in April, 2002. The surveys sought feedback on service performance in 2001/2002, which for WC covered both pre-merger and post-merger performance. We take great pride in WC for attaining the highest railroad score in this annual survey. We are especially proud as this is the fourteenth consecutive year that Logistics Management & Distribution Report has specifically recognized

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WC as a quality carrier in this survey.

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

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 / jaw".

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

Encl.

BENCHMARKING AND PERFORMANCE DATA REPORT

AUGUST, 2002

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

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 August, 2002 were up nominally on three of the corridors, and on WC's main corridor from Superior to Chicago, the average transit time improved considerably compared to the benchmark. We attribute this improvement to operational enhancements we have made to get this traffic to and through Chicago quicker.

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

ORIGIN SEGMENT	DESTINATION SEGMENT	AUGUST, 2001 CARLOAD BENCHMARK	AUGUST, 2001 AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS BENCHMARK (IN HOURS)	CARLOADS FOR AUGUST, 2002	AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS, AUGUST, 2002 (IN HOURS)
SUPERIOR INTERCHANGE	CHICAGO INTERCHANGE	7704	44.3	5902	35.7
CHICAGO INTERCHANGE	SUPERIOR INTERCHANGE	1420	33.7	1540	36.8
FOX RIVER VALLEY	CHICAGO INTERCHANGE	2823	43.0	2378	43.4
CHICAGO INTERCHANGE	FOX RIVER VALLEY	3587	49.4	4471	50.1

CN-WC Integration reporting

Date submitted: September 11, 2002

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.

	Historical Average		Week Ending			
	July 2002*	Aug 2002*	18-Aug-02	25-Aug-02	1-Sep-02	8-Sep-02
<i>Terminal</i>						
Fond du Lac, WI	15.0	11.7	11.8	11.8	11.2	11.4
Stevens Point, WI	10.6	9.1	9.4	8.5	8.2	7.8
Neenah, WI	4.2	3.5	3.3	3.3	3.2	3.1
Pokegama, WI	5.5	5.6	5.3	5.8	6.7	4.8

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