

SURFACE TRANSPORTATION BOARD

Memorandum



DATE: November 14, 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 monthly 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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November 13, 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 November, 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 November, 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 an update this month to the Information Technology Systems Integration and Customer Service Report. As provided in your letter of October 3, 2002, we concluded the Weekly Average Terminal Dwell Time Reports last week.

In the Benchmarking and Performance Data Report, we provide data on the performance of traffic flows on major routes measured against historical benchmarks. The average transit time improved on WC's major corridor, and only went up nominally on the other three.

In the Information Technology Systems Integration and Customer Service Report, we discuss the future implementation of SRS and SAP on WC.

In Chicago, we continue to see congestion and heavy volumes between CN and its connections. In particular, we continue to experience delays in Chicago due to ongoing track construction projects on other railroads.

Again, as provided in your October 3rd letter, this will be our last regular monthly report. My colleagues and I at CN have enjoyed working with the Board through the oversight process this past year. We especially appreciate the help that Dan Price has given us throughout the process. Pursuant to Board guidelines, we shall continue to provide information technology and customer service updates as integration events occur, as well as provide updates on our operations in Chicago, as warranted.

Mr. Melvin F. Clemens, Jr.
November 13, 2002
Page 2

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" followed by a stylized flourish.

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

Encl.

BENCHMARKING AND PERFORMANCE DATA REPORT

OCTOBER, 2002

Pursuant to the Board's order approving the CN-WC merger, CN submits the Benchmarking and Performance Data Report for October, 2002. The attached matrix provides the October, 2001 historical benchmarking data for WC as well as actual performance data for October, 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, the average transit times in October, 2002 improved on WC's main corridor, and went up nominally on the other three corridors. We continue to see congestion and heavy volumes in Chicago between CN and its connections. In particular, we continue to experience delays in Chicago due to ongoing track construction projects on other railroads. This is having an impact on the transit times as we occasionally have to hold trains out of Chicago due to this congestion.

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

ORIGIN SEGMENT		DESTINATION SEGMENT	OCTOBER, 2001 CARLOAD BENCHMARK	OCTOBER, 2001 AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS BENCHMARK (IN HOURS)	CARLOADS FOR OCTOBER, 2002	AVERAGE ELAPSED TIME FOR LOADED MOVEMENTS, OCTOBER, 2002 (IN HOURS)
SUPERIOR INTERCHANGE	CHICAGO INTERCHANGE	CHICAGO INTERCHANGE	8607	41.2	8770	40.9
CHICAGO INTERCHANGE	SUPERIOR INTERCHANGE	SUPERIOR INTERCHANGE	1827	31.6	1624	35.7
FOX RIVER VALLEY	CHICAGO INTERCHANGE	CHICAGO INTERCHANGE	3057	42.4	2601	42.8
CHICAGO INTERCHANGE	FOX RIVER VALLEY	FOX RIVER VALLEY	5320	42.9	5072	44.0

INFORMATION TECHNOLOGY INTEGRATION AND CUSTOMER SERVICE REPORT UPDATE FOR NOVEMBER, 2002

In CN's initial report regarding CN/WC information technology integration dated December 12, 2001, CN indicated that it would conduct a careful evaluation as to whether or not to implement CN's SRS (for "Service Reliability Strategy") system on WC in order to enhance WC's traffic, marketing and revenue information capabilities. CN has conducted this evaluation, and we have concluded that implementation of SRS on WC will create significant additional efficiencies within the CN and WC operations and enhance service to our customers.

At this time, CN is working through the analysis to finalize the scope of the project to implement SRS on WC. This analysis is important because we need to determine the changes we need to make on SRS to maximize its effectiveness on WC. As in all other aspects of IT integration in this merger, our approach will be careful and methodical, and will not fully happen for a number of months. As we continue our efforts in this area, CN will provide further details and updates to the Board with respect to implementation of SRS on WC.

On SAP (for the German company that developed the software) implementation on WC, CN is in a design and prototyping phase of a multi-phase project. As indicated in our previous update, we anticipate completion of this implementation by the summer of 2003.

At this point, WC's and CN's respective customer service centers continue to operate as before. WC's customer service operations will, of course, be involved in the SRS implementation on WC.

CN will continue to strive for an information technology integration which is smooth, user friendly, and as error free and efficient as possible.