

Michael J. Barron, Jr.
Counsel
Legal Department



Canadian National/Illinois Central
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March 26, 2003

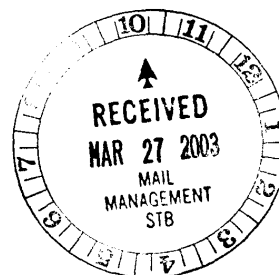
Via Overnight Delivery

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street, N.W.
Washington, D.C. 20423-0001

FILED

MAR 27 2003

**SURFACE
TRANSPORTATION BOARD**



Re: Finance Docket No. 34322

-207466

ENTERED
Office of Proceedings

MAR 27 2003

Part of
Public Record

Canadian National Railway Company — Trackage Rights
Exemption — CSX Transportation, Inc. and New York
Central Lines, LLC

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the Verified Notice of Exemption Pursuant to 49 C.F.R. § 1180.2(d)(7) of Canadian National Railway Company dated March 26, 2003. A disk containing the Caption Summary is enclosed. Payment in the amount of \$900.00 representing the appropriate fee for this filing is also enclosed.

I have included an extra copy of this transmittal letter and would request that you date-stamp this to show receipt of this filing and return it to me in the envelope provided.

Please feel free to contact me should any questions arise regarding this filing. Thank you for your assistance on this matter.

Respectfully submitted,


Michael J. Barron, Jr.
Counsel for Canadian National
Railway Company

FEE RECEIVED

MAR 27 2003

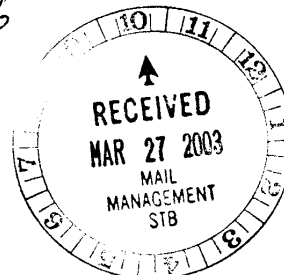
**SURFACE
TRANSPORTATION BOARD**

Encls.

cc: Marietta Serwe, CSXT

207466

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34322

CANADIAN NATIONAL RAILWAY COMPANY
— TRACKAGE RIGHTS EXEMPTION —
CSX TRANSPORTATION, INC. AND
NEW YORK CENTRAL LINES, LLC

ENTERED
Office of Proceedings

MAR 27 2003

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VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(7)

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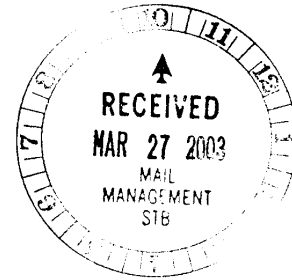
ATTORNEY FOR
CANADIAN NATIONAL RAILWAY COMPANY

Dated: March 26, 2003

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34322

CANADIAN NATIONAL RAILWAY COMPANY
— TRACKAGE RIGHTS EXEMPTION —
CSX TRANSPORTATION, INC. AND
NEW YORK CENTRAL LINES, LLC



VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(7)

Pursuant to agreements between Canadian National Railway Company, (hereinafter referred to as "CN") on the one hand, and CSX Transportation, Inc. (hereinafter referred to as "CSXT") and New York Central Lines, LLC (hereinafter referred to as "NYC") on the other hand, CN files this Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(7) for the amendment and acquisition of trackage rights over a line of railroad owned by NYC and operated by CSXT as described herein.

Pursuant to 49 C.F.R. § 1180.4(g), CN submits the following information:

SECTION 1180.6(a)(1)(i)

DESCRIPTION OF THE PROPOSED TRANSACTION

Pursuant to agreements ("Agreements") between CN on the one hand and CSXT and NYC on the other hand, CN shall have non-exclusive overhead trackage rights as follows (the trackage described is hereinafter referred to as the "Joint Trackage").

- A. NYC's Niagara Branch at CP-7 (generally between Mileposts 7.1+/- and 7.2+/-, between the connection with CN at the easterly end of CN's International Bridge and the connection with NYC's Belt Line Branch, at Buffalo (Black Rock), New York; and
- B. NYC's Belt Line Branch between the connection with NYC's Niagara Branch at CP-7 (Milepost 7.2+/-), Buffalo (Black Rock), New York and NYC's Chicago Line at CP-437 (Milepost 0.0+/-), Buffalo, New York; and
- C. The following:
 - i. NYC's Chicago Line between the connection with NYC's Belt Line Branch, and NYC's connection with PRR's Howard Street Running Track at CP-437, Buffalo, New York.
 - ii. Between CP-437, Buffalo, New York and the connection between NYC and South Buffalo Railway Company ("SBRR") at the west end of NYC's Seneca Yard near Milepost 5.0+/- of NYC's Chicago Line, via either Chicago Line between CP-437 and CP-2, or via Compromise Branch between CP-437 and CP-2, and via NYC's designated Seneca Yard trackage between CP-2 and CP-5, depending on route, including such NYC Seneca Yard trackage as CN shall require to reasonably interchange or conduct interchange with SBRR or Buffalo & Pittsburgh Railroad, Inc. ("BPRR").

The full name and address of the applicant carrier is:

Canadian National Railway Company
455 North Cityfront Plaza Drive
Chicago, IL 60611-5317

Any questions concerning this Notice should be sent to the applicant's
representative at the following address:

Michael J. Barron, Jr.
Counsel for Canadian National Railway Company
Canadian National
455 North Cityfront Plaza Drive
Chicago, IL 60611-5317
(312) 755-7954

SECTION 1180.6(a)(1)(ii)
PROPOSED TIME SCHEDULE FOR CONSUMMATION

The applicant intends on consummating this transaction no sooner than April 3,
2003.

SECTION 1180.6(a)(1)(iii)
PURPOSE SOUGHT TO BE ACCOMPLISHED

Subject to the terms and conditions herein contained, NYC and CSXT grant to
CN the right to use the Joint Trackage for the overhead operation of CN's freight trains in
order for CN to interchange traffic with Norfolk Southern Railway Company ("NS") at
NS' Bison Yard in Buffalo and to access CN's already existing trackage rights that start at
CP-437 and run to Seneca Yard where CN interchanges with SBRR (see Canadian
National Railway Company — Trackage Rights Exemption — New York Central Lines,
LLC, STB Finance Docket No. 33798, served September 17, 1999). As part of this
transaction, NYC and CSXT are amending the trackage rights filed in Finance Docket
No. 33798 to allow CN to interchange traffic with BPRR at the same location that CN

interchanges with SBRR. In addition, CN, NYC, and CSXT are amending an agreement by which CN was granted trackage rights on the lines of NYC in order to interchange with NS off of NYC's Chicago Line at CP-5 (near Seneca Yard) (see Canadian National Railway Company Trackage Rights Exemption — New York Central Lines, LLC, STB Finance Docket No. 33769, served June 29, 1999). The amended rights will facilitate interchange with BPRR because it will be at a location already reached by CN pursuant to the filing in STB Finance Docket No. 33798. Furthermore, it will facilitate interchange with NS, because the distance to the new interchange point (at Bison Yard) is shorter. This also helps open up NYC's line on the Compromise Branch between CP-437 and CP-2 and on the Chicago Line between P-2 and CP-5 because CN will not have trains headed for interchange with NS on these segments. As the location of interchange with NS will change, CN shall be filing a Notice of Exemption for discontinuance for part of its trackage rights filed in STB Finance Docket No. 33769, as CN will no longer need part of these rights to interchange with NS. This notice herein and the proposed Notice of Discontinuance for discontinuance for part of the trackage rights will have no effect on the rights set forth in STB Finance Docket No. 33798 which have been expanded by this filing herein. Those rights will remain in effect.

STATES IN WHICH APPLICANT'S PROPERTY IS LOCATED

User owns rail property located in the States of New York, Michigan, and Minnesota.

SECTION 1180.6(a)(6)
MAP - EXHIBIT 1

A map of the rail line over which the applicant proposes to acquire the Trackage Rights is attached hereto as Exhibit 1.

SECTION 1180.6(a)(7)(ii)
AGREEMENT - EXHIBIT 2

A copy of the Agreements between CN on the one hand and CSXT and NYC on the other are attached hereto as Exhibit 2.

SECTION 1180.4(g)(1)(i)
LABOR PROTECTIVE CONDITIONS

As a condition of this exemption, the applicant agrees to imposition of the employee protective conditions established in Norfolk and Western Ry. Co. – Trackage Rights – Burlington Northern, Inc., 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry. Inc. – Lease and Operate, 360 I.C.C. 653 (1980).

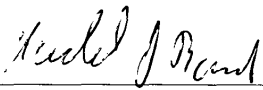
SECTION 1180.4(g)(2)(i)
CAPTION SUMMARY

A caption summary of this transaction suitable for publication in the Federal Register is attached hereto.

SECTION 1180.4(g)(3)
ENVIRONMENTAL AND HISTORIC PRESERVATION MATTERS

Under 49 C.F.R. § 1105.6(c)(4), the proposed acquisition of trackage rights is exempt from environmental reporting requirements. Under 49 C.F.R. § 1105.8(b)(3), the proposed acquisition of trackage rights also is exempt from historic preservation reporting requirements. The proposed trackage rights will not substantially change the level of maintenance of any railroad property.

Respectfully submitted,

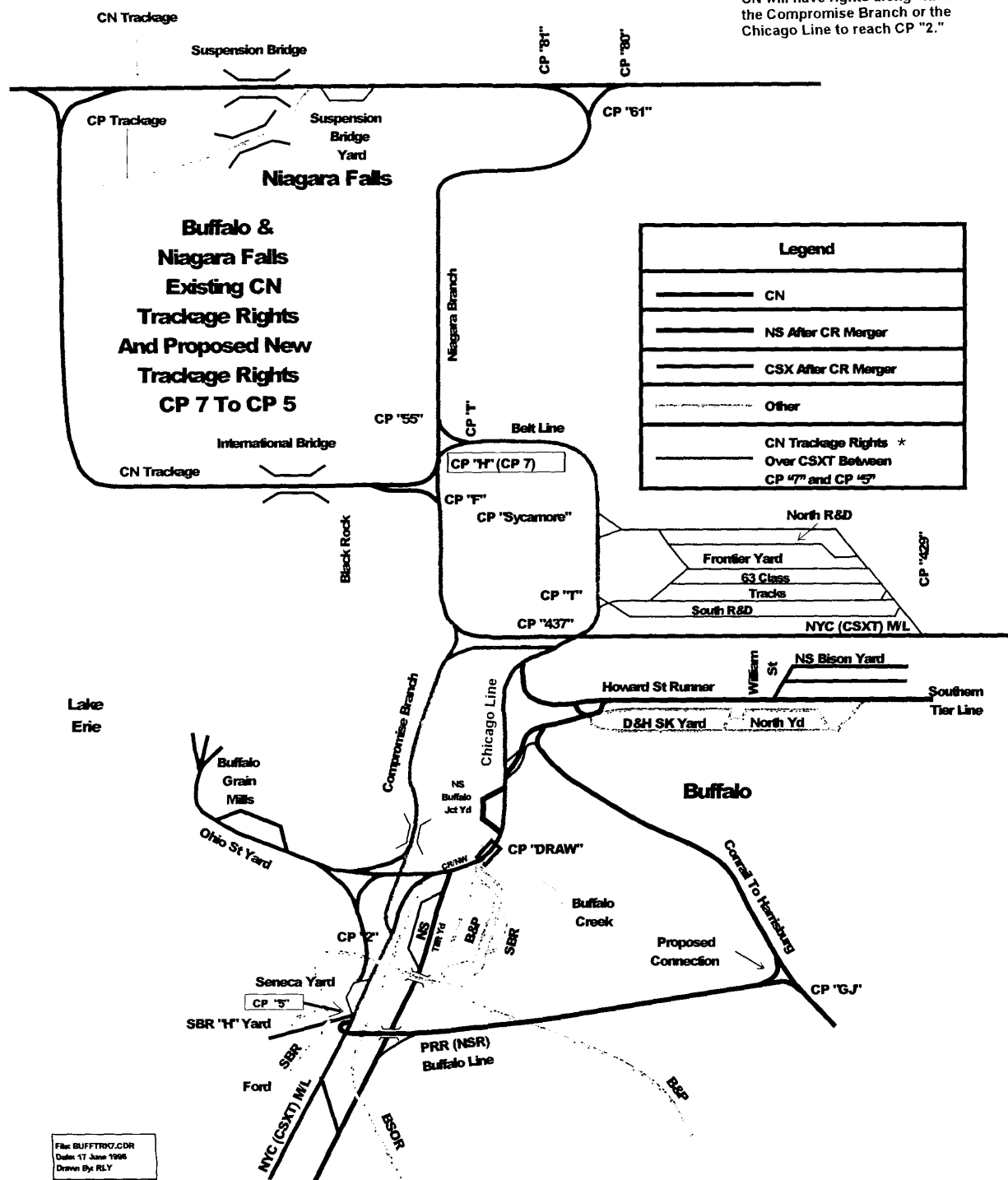
By 
Michael J. Barron, Jr.
Counsel
Canadian National
455 North Cityfront Plaza Drive
Chicago, IL 60611-5317
(312) 755-7954

ATTORNEY FOR
CANADIAN NATIONAL RAILWAY COMPANY

Dated: March 26, 2003.

Exhibit 1.

* CN will have rights along either the Compromise Branch or the Chicago Line to reach CP "2."



File: BUFTTR07.CDR
Date: 17 June 1996
Drawn By: RLY

EXHIBIT 2

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT ("Supplemental Agreement") to the Trackage Rights Agreement dated June 14, 1999, is made this 4th day of February, 2002, by and between CSX TRANSPORTATION, INC., a Virginia Corporation (hereinafter referred to as "CSXT"), NEW YORK CENTRAL LINES LLC, a wholly owned subsidiary of Conrail (hereinafter referred to as "NYC") and CANADIAN NATIONAL RAILWAY COMPANY, a corporation continued under The Canada Business Corporation Act (hereinafter referred to as "CN");

WITNESSETH:

WHEREAS, CSX Corporation ("CSX"), parent to CSXT and Norfolk Southern Corporation ("NSC"), entered into a Transaction Agreement (the "Transaction Agreement") among themselves; CSXT, a wholly-owned subsidiary of CSX; Conrail, Inc. ("CRR"); Consolidated Rail Corporation ("CRC"), a wholly-owned subsidiary of CRR; and others; and

WHEREAS, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC located in the Buffalo, New York area have been allocated to NYC, which is a wholly-owned subsidiary of CRC, to be operated by CSXT under the terms of an Allocated Asset Operating Agreement ("the CSXT Operating Agreement") between NYC and CSXT; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC located in the Buffalo, New York area have been allocated to PRR, which is a wholly owned subsidiary of CRC, to be operated by Norfolk Southern Railway ("NSR"), a wholly owned subsidiary of NSC, under the terms of an Allocated Asset Operating Agreement ("the NSR Operating Agreement") between PRR and NSR; and

WHEREAS, pursuant to the terms of an existing Trackage Rights Agreement dated June 14, 1999, CN has rights to operate over approximately 12.8 miles of railroad, owned by NYC and operated by CSXT, between NYC's connection with CN at Black Rock (CP-7), Belt Line Branch Milepost (MP) 7.1, and NYC's connection with Pennsylvania Lines LLC ("PRR"), operated by Norfolk Southern Railway ("NSR"), at Buffalo, vicinity of NYC's Seneca Yard (CP-5), Chicago Line MP 5.4, for purposes of conducting interchange between CN and NSR on the lines of PRR operated by NSR south or east of CP-5; and

WHEREAS, CN and NSR will no longer conduct interchange on lines of PRR operated by NSR south or east of CP-5, but rather, CN and NSR plan to conduct such interchange between them at PRR's Bison Yard (operated by NSR), Cheektowaga, New York; and

WHEREAS, CN desires to revise its rights over the NYC owned CSXT operated lines of railroad as provided under the Trackage Rights Agreement dated June 14, 1999 to be able to access PRR's lines of railroad and Bison Yard by exiting and entering its existing trackage rights on NYC's Chicago Line at CP-437, Buffalo, New York; and

WHEREAS, CSXT is agreeable to supplementing the Trackage Rights Agreement of June 14, 1999 to grant limited overhead trackage rights to CN to access PRR's lines of railroad and Bison Yard by exiting/entering NYC's Chicago Line at CP-437, Buffalo, New York, under the following terms and conditions.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

A. Article 1. shall be replaced in its entirety with the following:

" SECTION 1. GRANT OF TRACKAGE RIGHTS

Subject to the terms and conditions herein provided, CSXT and NYC hereby grant to CN the right to operate its trains, locomotives, cars and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over a total of approximately 7.5 miles of the following segments of NYC's lines of railroad (hereinafter referred to as the "Subject Trackage"):

- (a) NYC's Niagara Branch at CP-7 (generally between Mileposts 7.1+/- and 7.2+/-), between the connection with CN at the easterly end of CN's International Bridge and the connection with NYC's Belt Line Branch, at Buffalo (Black Rock), New York; and
- (b) NYC's Belt Line Branch between the connection with NYC's Niagara Branch at CP-7 (Milepost 7.2+/-), Buffalo (Black Rock), New York and NYC's Chicago Line at CP-437 (Milepost 0.0+/-), Buffalo, New York; and
- (c) NYC's Chicago Line between the connection with NYC's Belt Line Branch, and NYC's connection with PRR's Howard Street Running Track, at CP-437, Buffalo, New York.

B. Sub-Article (a) of Article 2 shall be replaced in its entirety with the following:

"(a) CN shall have the right to enter and exit the Subject Trackage only at the connections at CP-7 and CP-437 for purposes of this Agreement."

C. Sub-Article (a) of Article 3 shall be replaced in its entirety with the following:

"(a) The Trackage Rights herein granted are granted for the sole purpose of CN using same for handling of CN/NSR interchange traffic only, in overhead movement only, between points on CN lines west of CP-7 and points on PRR's lines south of CP-437. CN shall not perform any local freight service whatsoever at any point located on Subject Trackage."

D. Sub-Article (a) of Article 5 shall be replaced in its entirety with the following:

"(a) For the use of the Subject Trackage, CN shall pay to CSXT, the sum of Two Dollars and Nineteen Cents (\$2.19) per car, loaded or empty (hereinafter referred to as the "Current Charge"). This Current Charge shall be subject to adjustment in accordance with Article 6 hereof beginning with the bill rendered for July of 2003. "

E. Sub-Article (g) of Article 11 shall be replaced in its entirety with the following:

"(g) CN and CSXT intend that there shall be no recrewing of CN trains on the Subject Trackage and CN shall use its best efforts to assure that no such recrewing occurs. In the event that CN realizes that a southbound CN train to CP-437 will likely require recrewing due to insufficient hours of service remaining among CN's crew, CN will recrew the CN train at Fort Erie, Canada. Likewise, in the event that CN realizes that a northbound CN train to CP-7 will likely require recrewing due to insufficient hours of service remaining among CN's crew, CN will recrew the CN train on PRR trackage east of CP-437. If, however, CN finds it necessary to recrew a CN train on the Subject Trackage for any reason, CN will diligently, without delay, arrange for such recrewing.

Furthermore, prior to CSXT accepting a CN train for operation over the Subject Trackage at CP-7, CN must verify that such CN train has been cleared by NSR to get off CSXT's Chicago Line at CP-437. Likewise, prior to CSXT accepting a CN train for operation over the Subject Trackage at CP-437, CN must verify that such CN train has been cleared by CN to get off CSXT's Niagara Branch at CP-7."

F. Substitute the phrase "east of CP-437" for the phrase "south of CP5" in Article 11.(h).

G. Substitute the phrase "CP-437" for the phrase "CP5" in Article 24.(b).

H. CN represents and warrants that CN has secured an understanding with NSR as to conditions and operations over tracks operated by NSR beyond the NYC/PRR connection at CP-437, and that neither NYC nor CSXT shall have any obligation associated with CN's operations over PRR or NSR.

I. CN shall file a petition with the Surface Transportation Board ("STB") to discontinue the rights granted over the following NYC lines of railroad under the original terms of this June 14, 1999 Agreement that are no longer necessary:

- NYC's Chicago Line between CP-2 and CP-5 (Milepost 5.4+/-), near the south end of NYC's Seneca Yard, Buffalo, New York; and
- NYC's Compromise Branch between CP-437 and CP-2, Buffalo, New York; and
- NYC's Bailey Avenue Branch between CP T and CP 437, Buffalo, New York.

Should this Supplemental Agreement require the prior approval of the STB, CN at its own cost and expense will initiate and thereafter diligently pursue an appropriate application or petition to secure such approval. CSXT and NYC shall assist and support efforts of CN to secure any necessary STB approval of this Agreement.

Commencement of CN's use of CP-437 to access PRR/NSR shall be a date following the effective date(s) of STB approval(s) above, which date shall be evidenced by an exchange of correspondence between the parties hereto.

- J. In the event that the interchange arrangement between CN and NSR at NSR's Bison Yard fails to work, CSXT agrees to negotiate in good faith a new grant of trackage rights for CN to again access NSR for interchange at "GJ" via CP-5.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be duly executed as of the date first above written.

WITNESS: NEW YORK CENTRAL LINES LLC
Patricia Callan *Daniella Seru*

WITNESS: CSX TRANSPORTATION, INC.
Patricia Callan *Daniella Seru*

WITNESS: CANADIAN NATIONAL RAILWAY COMPANY
[Signature] *JA Selata*

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT ("Supplemental Agreement") to the Trackage Rights Agreement dated August 25, 1999, is made this 1st day of APRIL 2003, by and between CSX TRANSPORTATION, INC., a Virginia Corporation (hereinafter referred to as "CSXT"), NEW YORK CENTRAL LINES LLC, a wholly owned subsidiary of Conrail (hereinafter referred to as "NYC") and CANADIAN NATIONAL RAILWAY COMPANY, a corporation continued under The Canada Business Corporation Act (hereinafter referred to as "CN"):

WITNESSETH:

WHEREAS, CSX Corporation ("CSX"), parent to CSXT and Norfolk Southern Corporation ("NSC"), entered into a Transaction Agreement (the "Transaction Agreement") among themselves; CSXT, a wholly-owned subsidiary of CSX; Conrail, Inc. ("CRR"); Consolidated Rail Corporation ("CRC"), a wholly-owned subsidiary of CRR; and others; and

WHEREAS, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC located in the Buffalo, New York area have been allocated to NYC, which is a wholly-owned subsidiary of CRC, to be operated by CSXT under the terms of an Allocated Asset Operating Agreement ("the CSXT Operating Agreement") between NYC and CSXT; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC located in the Buffalo, New York area have been allocated to PRR, which is a wholly owned subsidiary of CRC, to be operated by Norfolk Southern Railway ("NSR"), a wholly owned subsidiary of NSC, under the terms of an Allocated Asset Operating Agreement ("the NSR Operating Agreement") between PRR and NSR; and

WHEREAS, pursuant to the terms of an existing Trackage Rights Agreement dated June 14, 1999, CN has limited overhead rights to operate over lines (Chicago Line or Compromise Branch) of railroad, owned by NYC and operated by CSXT, between CP 437 (junction between NYC's Belt Line Branch and Chicago Line) and NYC's connection with the South Buffalo Railroad ("SBRR"), at the west end of NYC's Seneca Yard, Buffalo, New York, for purposes of conducting interchange between CN and SBRR; and

WHEREAS, the Genesee & Wyoming Railroad ("G&W") has acquired the SBRR, which is now a wholly owned subsidiary of G&W; and

WHEREAS, the Buffalo & Pittsburgh Railroad ("BPRR") is another subsidiary of G&W; and

WHEREAS, CN and BPRR desire to improve their interchange operations through Buffalo, New York by handling the BPRR traffic at the same location as the SBRR traffic; and

WHEREAS, CN desires to revise its rights over the NYC owned CSXT operated lines of railroad as provided under the Trackage Rights Agreement dated August 25, 1999 to be able to handle the BPRR traffic in CN's trains to/from the interchange with the SBRR, as agent for BPRR, at Buffalo (Lackawanna), New York; and

WHEREAS, given the recent changes in CN's train operations as covered separately, the parties desire to clarify the description of the Subject Trackage under the August 25, 1999 Trackage Rights Agreement to ensure that there is no future confusion; and

WHEREAS, NYC and CSXT are agreeable to supplementing the Trackage Rights Agreement of August 25, 1999 to allow CN to handle the BPRR traffic in CN's trains to/from the interchange with SBRR, as agent for BPRR, at Buffalo (Lackawanna), New York, and to clarify the definition of Subject Trackage, under the following terms and conditions.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

A. Article 1 shall be replaced in its entirety with the following:

" ARTICLE 1. GRANT OF TRACKAGE RIGHTS

Subject to the terms and conditions herein provided, NYC and CSXT hereby grant to CN the right to operate its trains, locomotives, cars and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over an average total of approximately 12.4 miles over the following segments of NYC's railroad (hereinafter referred to as the "Subject Trackage"):

- (a) NYC's Niagara Branch at CP-7 (generally between Mileposts 7.1+/- and 7.2+/-), between the connection with CN at the easterly end of CN's International Bridge and the connection with NYC's Belt Line Branch, at Buffalo (Black Rock), New York; and
- (b) NYC's Belt Line Branch between the connection with NYC's Niagara Branch at CP-7 (Milepost 7.2+/-), Buffalo (Black Rock), New York and NYC's Chicago Line at CP-437 (Milepost 0.0+/-), Buffalo, New York; and
- (c) Between CP-437, Buffalo, New York and the connection between NYC and SBRR at the west end of NYC's Seneca Yard near Milepost 5.0+/- of NYC's Chicago Line, via either Chicago Line between CP-437 and CP-2, or via

Compromise Branch between CP-437 and CP-2, and via NYC's designated Seneca Yard trackage between CP-2 and CP-5, depending on route, including such NYC Seneca Yard trackage as CN shall require to reasonably interchange conduct interchange with SBRR.

B. Article 3 shall be replaced in its entirety with the following:

“ ARTICLE 3. RESTRICTION ON USE

The Trackage Rights herein granted are granted for the sole purpose of CN using same for bridge traffic only between the terminals of Subject Trackage and CN shall not perform any local freight service whatsoever at any point located on Subject Trackage. CN's use of the Subject Trackage shall be limited to the handling of CN's traffic interchanged to or from SBRR at SBRR's Station "D", which shall include BPRR traffic handled by SBRR as agent for BPRR. The Subject Trackage shall not be used by CN for haulage of traffic of any third party nor shall CN grant any third party access to, or use of, the Subject Trackage via lease, trackage rights, haulage or any other operating arrangement.

C. Sub-Article (a) of Article 5 shall be replaced in its entirety with the following:

“(a) For the use of the Subject Trackage, CN shall pay to CSXT, the sum of Two Dollars and Eighty Five Cents (\$2.85) per car, loaded or empty (hereinafter referred to as the “Current Charge”). This Current Charge shall be subject to adjustment in accordance with Article 6 hereof beginning with the bill rendered for July of 2003. ”

D. CN represents and warrants that CN has secured an understanding with BPRR and SBRR as to SBRR's handling traffic as agent for BPRR, and conditions and operations over tracks operated by SBRR beyond the NYC/SBRR connection, and that neither NYC nor CSXT shall have any obligation associated with arrangement.

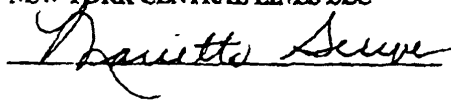
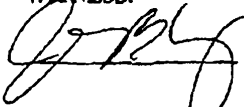
E. Should this Supplemental Agreement require the prior approval of the STB, CN at its own cost and expense will initiate and thereafter diligently pursue an appropriate application or petition to secure such approval. CSXT and NYC shall assist and support efforts of CN to secure any necessary STB approval of this Agreement.

F. The commencement date for this arrangement under this Supplemental Agreement shall be a date, following the effective date(s) of STB approval above as required, which date shall be evidenced by an exchange of correspondence between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be duly executed as of the date first above written.

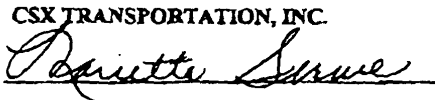
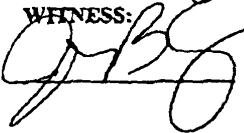
WITNESS:

NEW YORK CENTRAL LINES LLC



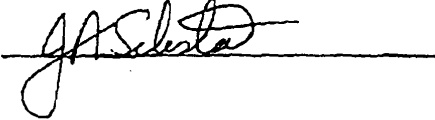
WITNESS:

CSX TRANSPORTATION, INC.



WITNESS:

CANADIAN NATIONAL RAILWAY COMPANY

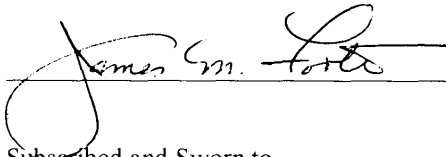


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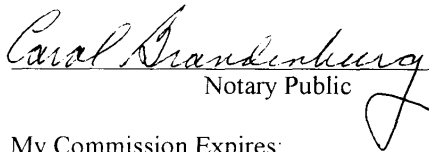
VERIFICATION

State of Illinois)
) SS:
County of Cook)

James M. Foote being duly sworn, deposes and says that he is Executive Vice President of Canadian National Railway Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.

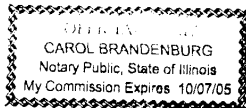


Subscribed and Sworn to
before me this 26th day of
March, 2003.



Notary Public

My Commission Expires:



BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34322

CANADIAN NATIONAL RAILWAY COMPANY
— TRACKAGE RIGHTS EXEMPTION —
CSX TRANSPORTATION, INC. AND
NEW YORK CENTRAL LINES, LLC

Pursuant to agreements between Canadian National Railway Companyt (“CN”) on the one hand, and CSX Transportation, Inc. (“CSXT”) and New York Central Lines, LLC (“NYC”) on the other, NYC has agreed to grant to CN overhead trackage rights over NYC’s line of railroad as follows:

- A. NYC's Niagara Branch at CP-7 (generally between Mileposts 7.1+/- and 7.2+/-, between the connection with CN at the easterly end of CN's International Bridge and the connection with NYC's Belt Line Branch, at Buffalo (Black Rock), New York; and
- B. NYC's Belt Line Branch between the connection with NYC's Niagara Branch at CP-7 (Milepost 7.2+/-), Buffalo (Black Rock), New York and NYC's Chicago Line at CP-437 (Milepost 0.0+/-), Buffalo, New York; and
- C. The following:
 - i. NYC’s Chicago Line between the connection with NYC’s Belt Line Branch, and NYC's connection with PRR's Howard Street Running Track at CP-437, Buffalo, New York.
 - ii. Between CP-437, Buffalo, New York and the connection between NYC and South Buffalo Railway Company (“SBRR”) at the west end of NYC’s Seneca Yard near Milepost 5.0+/- of NYC’s Chicago Line, via either Chicago Line between CP-437 and CP-2, or via Compromise Branch between CP-437 and CP-2, and via NYC’s

designated Seneca Yard trackage between CP-2 and CP-5, depending on route,
including such NYC Seneca Yard trackage as CN shall require to reasonably
interchange or conduct interchange with SBRR or Buffalo & Pittsburgh Railroad
Inc.

This grant of rights amends trackage rights given to CN in STB Finance Docket No.
33769, served June 29, 1999 and amends trackage rights given to CN in STB Finance Docket No.
33798, served September 17, 1999. The trackage rights are anticipated to become effective
April 3, 2003.

This Notice is filed under 49 C.F.R. § 1180.2(d)(7). Petitions to revoke the exemption
under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not
stay the transaction.

Dated: _____

By the Board.

Vernon A. Williams

Secretary