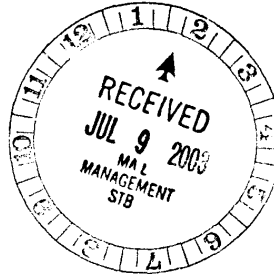


SURFACE TRANSPORTATION BOARD

Memorandum

208328



DATE: July 9, 2003

TO : Joe Collins, 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 is the latest public data filing provided to this office by CN/WC, as required in the above proceeding, which is to be committed to the docket for public reference. As requested, I am providing two copies 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.

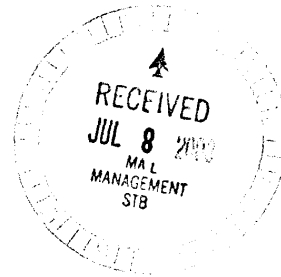
Attachments

cc: Chairman Nober
Chief of Staff Scheib

Office of Proceedings
JUL 10 2003
Part of
Public Record



455 North Cityfront Plaza Drive
Chicago, Illinois 60611-7600
Tel: (312) 755-7600
Fax: (312) 755-7669



Via E-mail and Hand Delivery

July 8, 2003

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.; Monitoring Report Submitted in July, 2003.

Dear Mr. Clemens:

Pursuant to your letter of October 3, 2002, Canadian National Railway Company ("CN") submits a Monitoring Report for July, 2003, to discuss progress on IT integration and issues of interest in Chicago.

Per your office's request, we are submitting the report electronically. In the Information Technology Systems Integration and Customer Service Report, we discuss the progress of SAP implementation and projected SRS implementation on Wisconsin Central ("WC").

Rail traffic in the Chicago Terminal is currently fluid. On Sunday night, June 22, a fire of undetermined origin destroyed a rail bridge on a CN line just south of Chicago. Alternate arrangements to handle freight traffic that normally uses the line until such time as the bridge was replaced were made with other railroads. Of the four tracks that are on the bridge, two were brought back in service by July 4 and the remaining two are expected back in service this week.

CN remains pleased with the merger's progress and continues to look for ways to capitalize on the merger's efficiencies and to enhance customer service.

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

Yours very truly,

Sean Finn
Senior Vice-President Public Affairs,
CLO and Corporate Secretary

**INFORMATION TECHNOLOGY INTEGRATION AND CUSTOMER
SERVICE REPORT UPDATE FOR JULY, 2003**

As projected, CN last month implemented the SAP software used throughout CN on WC. In preparation for this implementation, CN conducted extensive training of WC employees who would be using SAP. CN is pleased with the results of the implementation to date. SAP is up and running successfully on WC.

As we indicated in our previous reports, CN plans on implementing CN's SRS (Service Reliability Strategy) system on WC in early September of 2003. We fully anticipate that we will meet that schedule. Program development is in progress, as is substantial testing so as to ensure a smooth cutover.

CN has sent an industry interchange notification and a station adoption notification to all railroads so that they are aware of the pending cutover date. Upon the successful cutover of WC onto the SRS system, CN and WC will be treated as a single line for billing purposes.

At this point, WC's and CN's respective customer service centers continue to operate as before, and there are no plans at this time to combine the customer service centers. WC's customer service operations will, of course, be heavily involved in the SRS implementation on WC.

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