

Frequently Asked Questions
Proposed CN Acquisition of EJ&E Railroad
As of January 2008



Q: What is the EJ&E line and who is buying it?

A: The Elgin, Joliet & Eastern (EJ&E) is a short line railway owned by a U.S. Steel subsidiary that encompasses the Chicago region. In September 2007, CN, a North American rail operator, announced it would purchase a major portion of the EJ&E for \$300 million, for the purpose of improving service to customers in northern Illinois and northwestern Indiana.

Q: How much more rail traffic will result from this transaction? When will we see the increased rail traffic?

A: Over the next three to four years, some suburban communities will see more rail traffic, but others will see less. In addition to existing rail traffic, fourteen locations on the EJ&E line will see an increase between 15 and 26 trains per day. CN currently is meeting with elected officials and civic leaders in each community on the line to listen carefully and be responsive to specific concerns. If the transaction is approved, rail traffic is expected to increase incrementally after the Surface Transportation Board's (STB) Environmental Impact Statement (EIS) is completed and when the transaction closes reaching projected volumes after three construction seasons. This time frame tentatively is expected to be by the end of 2010.

Q: How dramatic of an impact do the proposed train counts pose?

A: While the EJ&E will see increased rail traffic, other rail lines throughout the Chicago region run in excess of a hundred trains per day.

Q: How long will the freight trains idle?

A: CN does not plan for its freight trains to idle on the EJ&E as that would take away from the efficiencies that the acquisition is intended to provide.

Q: How long will the freight trains be?

A: We anticipate trains of 8,000 feet or more. Even if the trains were 10,000 feet long, a train operating at 40 mph (approaching the maximum allowable track speed) would result in less than three minutes of elapsed time, including the advance warning time that gate arms provide when they go down, before the train reached the crossing.

Q: Will trains run at night? What does CN intend to do with the increased noise pollution?

A: Like all of the large freight railroads operating in North America, CN operates 24/7. Throughout this process CN has been and will listen closely to individual community concerns, including noise and vibration issues. CN's goal is to find practical solutions that balance community and transportation needs, which may include assisting in the establishment of "quiet zones" under the Federal Railroad Administration's (FRA) existing rules.

Q: How much money is CN committing to relieve road congestion and ensure safety in local communities?

A: CN has not made any decisions on mitigation options, in large part because the STB currently is soliciting public comments in its scoping process. Also, CN is still completing its own process of identifying specific concerns to affected communities. This completion of the EIS will provide definition for all stakeholders regarding what CN must comply with in order to close the transaction.

Q: What is a "scoping process"? How long will it take?

A: "Scoping" is a process by which the STB solicits public input to determine which environmental issues will require greater emphasis and which should receive less. It will influence the development of the EIS which is designed to address the public's interests regarding this transaction's impact on the environment. Public comment for the scoping process is due by February 1 after which the STB will issue its final Scope of Study.

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Continued



Q: Will hazardous materials be transported on the EJ&E?

A: Yes. As on all rail lines operating in North America, freight trains on the EJ&E will carry raw materials for manufacturing, including hazardous materials. It should be noted that CN operates one of North America's safest railroads, and that CN's commitment to safety will extend to its operations on the EJ&E. Importantly, the U.S. government judges rail transportation to be the safest and most secure means of transporting hazardous materials.

Q: How fast will the trains travel on the EJ&E?

A: According to FRA standards, freight trains on the EJ&E can operate at speeds up to 45 miles per hour. By contrast, it currently can take a CN freight train 24 hours to travel 30 miles through the Chicago region, wasting fuel, increasing vehicle crossing delays, and producing excess emissions into the region's environment. As a result of this transaction, trains that have no need to stop in the region will flow quickly and smoothly to their destination. This acquisition also supports regional economic growth and is a significant step towards preserving the region's role as the transportation hub of North America.

Q: What does this transaction mean for Metra and the proposed STAR line?

A: Nothing in this proposed acquisition would prevent Metra from participating in negotiations to use EJ&E property for the STAR line or other commuter usage. CN has a long-standing relationship with Metra and will continue to work with the agency. Moreover, some communities along existing Metra lines have expressed support for the transaction because it could clear the way for improved Metra service.

Q: What impacts on the environment do freight trains have?

A: While the STB currently is studying the potential environmental impact of this increase in freight trains, the fact is railroads are three times more fuel efficient and emit only one-third of the carbon dioxide of trucks. Nearly every consumer good at one stage of its production moves by rail. A single intermodal train can haul the same freight as 280 semi-trailer trucks. Moreover, because fewer hours of locomotive time to move the freight through the region will be required, we expect fewer emissions will be released into the environment.

Q: What is the CREATE program and how will this transaction affect it?

A: CREATE is a public-private partnership designed to achieve better regional transportation efficiencies and reduce rail freight, passenger and commuter congestion. If the EJ&E transaction is approved, CN will have no need for its construction projects as envisioned in CREATE, but will use its EJ&E investments to reduce congestion, gaining the same results as intended by CREATE. With this transaction, the complexity of CREATE will be reduced. In the meantime, full funding and implementation of CREATE is years down the road, but the need to address congestion on the area's railroads and roadways is immediate.

Q: Is this transaction tied to Chicago's bid to win Olympics in any way?

A: No. Negotiations date back several years, well before there was any idea of Chicago's bid for the Olympics.

Q: How will CN address safety concerns at EJ&E crossings due to the increased number of trains?

A: There is no direct correlation between an increase in the number of trains over any particular crossing and a decrease in safety. Motorists' continued safe behavior at railroad crossings is still crucial. For those mainline EJ&E crossings in Illinois at public streets not yet equipped with gates and lights, the Illinois Commerce Commission indicates that they will be added before the end of 2009.