

**Subject: Regional Opposition Delivers Message to CN Shareholders**

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**Conversation:** Regional Opposition Delivers Message to CN Shareholders

Over the last month, the regional opposition to the CN acquisition of the EJ has been growing and uniting. From Lake County to DuPage County to Will County and into Northern Indiana, a tsunami of opposition is building.

Today, in conjunction with CN's annual shareholder meeting at the Peninsula Hotel, local elected officials weighed in by delivering a message to CN shareholders via hand delivery and a press conference.

Mayor Karen Darch of Barrington, Mayor Tom Weisner of Aurora, Mayor Bob Abboud of Barrington Hills and Mayor Bruce Sauer of North Barrington shared a regional message of opposition with reporters from CBS, Chicago Tonight, Fox News, The Chicago Tribune, WBBM, WGN Radio, The Daily Herald and Medill School of Journalism. We also attempted to respectfully deliver our letter of opposition to shareholders, but were asked by security forces to leave the hotel.

The region's letter:

OPEN LETTER TO THE SHAREHOLDERS OF  
CANADIAN NATIONAL RAILWAY  
STATING REGIONAL OPPOSITION  
TO THE PURCHASE OF THE EJ

Dear Shareholders of Canadian National Railway,

As you gather at the Peninsula Hotel and listen to the officers and directors of Canadian National Railway discuss the state of the business that you partially own, we urge you to be change agents in pressing your corporate management to find a reasonable balance between profit and its corporate responsibility for being a good neighbor in the communities in which CN operates.

On October 30, 2007, Canadian National filed an application with the federal Surface Transportation Board (“STB”) seeking approval to acquire the EJ West Company, a wholly owned subsidiary of the Elgin, Joliet and Eastern Railway Company. That 198-mile rail line runs through numerous communities that we call home.

As the elected leaders for communities up and down the nearly 200 mile line who would be negatively impacted by the overwhelming increase of freight traffic CN plans to run on the EJ railroad (based on its current projections as well as the traffic onslaught that would ensue with planned expansion of the Port of Prince Rupert, Canada) we are greatly concerned that CN is not taking seriously its responsibility to be a good corporate citizen in our region.

Because CN management has stated it will not invest more than \$40 million to fix the problems it is creating in numerous communities, we are firmly united in a concern that the negative community impacts on safety, traffic gridlock, property values and overall quality of life along the EJ created by this acquisition cannot now or ever be adequately resolved to accommodate transforming the EJ from the equivalent of a small country road into a rail freight “superhighway” in many places in our region.

Furthermore, this purchase would seriously disrupt current and future Metra commuter rail operations. With the overwhelming increase of freight trains traveling on the EJ, the Metra lines that cross that rail line at grade level would experience frequent disruptions and delays in running its current scheduled service. Into the future, this acquisition would aggravate regional commuter gridlock into perpetuity by precluding the use of the EJ for the planned Metra commuter rail Star Line.

As local elected leaders who deal daily with issues of integrating development into our communities, we know that any business wishing to locate or expand in an American community is required to make the infrastructure investments that integrate it into that community. Such investments may include the building of roads and traffic management infrastructures that facilitates safe access into a new shopping center; building a new school to accommodate the increase of students in large family-oriented housing developments; and as we have seen recently in the City of Chicago, a requirement that a living wage be paid to employees of big box stores.

It is a given that the cost of fully mitigating the community problems CN would create through its operations on the EJ would run into the billions of dollars. While offering up to \$40 million as its “fair share” of mitigation funding, CN’s CEO E. Hunter Harrison has insisted that the federal and state governments pick up the lion’s share of these costs. We strongly believe is not in the interest of American taxpayers – nor their obligation -- to underwrite mitigation costs for a private business deal that benefits only Canadian National and not our region.

We acknowledge that freight congestion in Chicago is a reality and that fixing this problem is a matter of careful planning followed by a commitment of substantial dollars to get the job done, and that this planning has already occurred through a project started a decade ago called CREATE. We believe that CN should pay its share of CREATE costs instead of the more expensive \$400 million investment in the EJ line. CREATE remains the comprehensive regional solution for freight congestion in Chicago.

If Canadian National Railway chooses to pursue the acquisition of the EJ, then CN should be held to the same corporate community standards as all American businesses are held to in 2008 by investing the dollars necessary to alleviate in totality the problems it is creating in our communities. Unless and until our communities obtain the relief we seek, we will stand united in opposition to this proposed transaction and do everything in our power to stop it from happening.

Because we have all repeatedly seen the consequences of what happens when corporate zeal takes priority over doing the “right” thing, we believe you as shareholders of Canadian National have a unique opportunity to be part of improving American corporate culture by insisting that your management take the decent and honorable course of action. People and freight movement need to exist in harmony, and we ask that you partner with us to insure that the leadership of Canadian National Railway understands and acts in accordance with that principle.

Respectfully Yours,

The Elected Officials of:

Barrington Communities Against CN Rail Congestion

and

The Regional Answer to Canadian National (TRAC)