

**SURFACE TRANSPORTATION BOARD ISSUES FINAL ENVIRONMENTAL ASSESSMENT  
FOR PROPOSED "CANADIAN NATIONAL-ILLINOIS CENTRAL" RAILROAD MERGER**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board's Section of Environmental Analysis (SEA) has issued its Final Environmental Assessment (Final EA) in the case concerning the proposed "Canadian National-Illinois Central" railroad merger.[FOOTNOTE 1: In the case entitled *Canadian National Railway Company, Grand Trunk Corporation, and Grand Trunk Western Railroad Incorporated--Control--Illinois Central Corporation, Illinois Central Railroad Company, Chicago, Central and Pacific Railroad Company, and Cedar River Railroad Company*, STB Finance Docket No. 33556.] Reflecting SEA's independent analysis and incorporating input from federal, state and local agencies, the Final EA expresses SEA's belief that, with recommended mitigation addressing hazardous materials transportation and related impacts to environmental justice populations, the proposed merger will not present the potential for significant environmental impacts.

The Final EA addresses written public comments submitted since SEA issued its Draft Environmental Assessment (Draft EA) on November 9, 1998, and includes SEA's final recommendations for mitigating the potential environmental impacts of the proposed merger. SEA assessed the potential environmental impacts the merger could have on safety, transportation systems, land use, energy, air quality, noise, biological resources, water resources, historic and cultural resources, and environmental justice, and addressed such potential impacts in its Draft and Final EAs.

SEA determined that there would be potentially significant impacts on only one issue area, hazardous materials transportation safety. Accordingly, SEA is recommending mitigation in the Final EA that would address potential, merger-related increases in hazardous materials transport, including potential disproportionately high and adverse impacts these increases could have on minority and low-income populations. With these final mitigation recommendations, SEA believes there will be no potential for significant environmental effects on hazardous materials transportation safety or environmental justice populations. SEA determined that none of the other environmental issue areas would have a potential for significant environmental effects, and thus do not warrant mitigation.

On July 15, 1998, CN[FOOTNOTE 2: Canadian National Railway Company, Grand Trunk Corporation, and Grand Trunk Western Railroad Incorporated, collectively referred to as "CN."] and IC[FOOTNOTE 3: Illinois Central Railroad Company; Chicago, Central and Pacific Railroad Company; and Cedar River Railroad Company, collectively referred to as "IC."] filed a joint application[FOOTNOTE 4: CN and IC are collectively referred to as "applicants."] with the Board seeking authority for CN to acquire control of IC and form a single system. Under the proposal, CN and IC anticipate only relatively minor changes in rail operations. The proposal does not include any rail line abandonments and only five minor construction projects. Within the United States, the combined CN-IC system would cross fifteen states (Alabama, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Nebraska, New York, Ohio, Tennessee, Vermont, Wisconsin).

In preparing the Final EA, SEA fully considered all comments received in response to the Draft EA; consulted further with federal, state, and local agencies; and conducted additional environmental analysis where appropriate in preparing the Final EA and in making its final environmental mitigation recommendations to the Board. The Final EA also responds to public comments made on the Safety Integration Plan prepared by CN and IC, in consultation with the Federal Railroad Administration, to explain how the applicants propose safely to integrate their separate systems if the proposed merger is approved. However, because safety integration is an ongoing process, the Safety Integration Plan is an ongoing document that will continue to be modified and refined, should the Board approve the merger, until the proposed transaction is safely implemented.

In making its final decision either to approve, approve with conditions, or deny the proposed merger, the Board will consider the entire environmental record, including all public comments, the Draft EA, the Final EA, and SEA's final

recommended environmental mitigation. The Board plans to conduct oral argument on **March 18, 1999** and an open voting conference on **March 25, 1999**. The Board plans to issue its final written decision on **May 25, 1999**. Any party may file an administrative appeal within 20 days after the Board's final written decision.

For additional information, contact Michael Dalton, SEA Project Manager for the proposed merger, at **(202) 565-1530**. Information also may be obtained by telephoning SEA's toll-free Environmental Hotline at **1-888-869-1997** [TDD for the hearing impaired: **1 (800) 877-8339**], or by accessing SEA's website for the merger at **www.cnicacquisition.com**, or the Board's Website at **www.stb.dot.gov**.

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