

SURFACE TRANSPORTATION BOARD ANNOUNCES PROPOSED BURLINGTON NORTHERN SANTA FE-CANADIAN NATIONAL RAILROAD CONTROL TRANSACTION

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has issued a notice informing the public that the Burlington Northern Santa Fe (BNSF) and the Canadian National (CN) railway systems have formally indicated that they intend to file an application for Board approval for the railroads in their systems to be under common control. [FOOTNOTE 1: The BNSF system includes the Burlington Northern Santa Fe Corporation and The Burlington Northern and Santa Fe Railway Company. The CN system includes the Canadian National Railway Company, Grand Trunk Western Railroad Incorporated, and Illinois Central Railroad Company.] A formal application from these "applicants" is expected to be filed between March and June of next year.

The notice issued by the Board finds that the proposed BNSF/CN control transaction is a "major transaction," which means that BNSF and CN will have to file substantial supporting information, and that the transaction will undergo more extensive review than other transactions.

The Board's notice also observes that, in the past several years, the leading North American railroads have undertaken a series of major transactions that, when taken together, have dramatically reconfigured the entire North American railroad industry. For that reason, and because other carriers will likely respond to this proposal with similar proposals of their own, the notice indicates that the applicants will be expected to include in their application evidence on the "cumulative impacts and crossover effects" that are likely to occur in the wake of the proposed transaction, should it be approved. In particular, the Board indicated that parties will be expected to address the effect of the proposed transaction, and any likely subsequent transactions that would produce further significant consolidation in the industry, upon the national rail transportation policy goals set out in the law. The Board's notice further indicates that, given the recent experience with post-merger rail service disruptions, the applicants also will be expected to include in their application evidence on the likely effects on rail service of any action the Board may take. Of course, interested parties will be entitled to submit, in their comments filed in response to the application, evidence addressing these points.

The Board's notice was issued today in *Canadian National Railway Company, Grand Trunk Western Railroad Incorporated, Illinois Central Railroad Company, Burlington Northern Santa Fe Corporation, and The Burlington Northern and Santa Fe Railway Company--Common Control*, STB Finance Docket No. 33842, Decision No. 1.

A printed copy of today's notice is available for a fee by contacting: **D.C. News & Data, Inc., Room 210, 1925 K Street, N.W., Washington, DC 20006, telephone (202) 463-8112**. Today's notice is also available for viewing and downloading via the Board's website at **www.stb.dot.gov**.

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