

# **CN investing US\$165 million to expand Kirk Yard and relocate locomotive repair shop to Gary, Ind.**

**CHICAGO, Aug. 3, 2011** – CN today announced plans for a US\$165-million expansion of its Kirk Yard in Gary, Ind., and relocation of its Chicago area locomotive repair shop to the upgraded freight car classification facility in Northwest Indiana.

The project will increase Kirk Yard's processing capacity to 2,500 cars per day from 1,500 today. Additional classification tracks, along with more receiving and departure tracks, will allow the yard to handle longer and more efficient trains, improve interchange with other railroads, and consolidate CN's switching operations in the Chicago area at a single primary yard.

Jim Vena, CN senior vice-president, Southern Region, said: “Our Kirk Yard improvements, to be completed over the next four years, will deliver significant gains in productivity and create new capacity for growth in the Chicago area. Additionally, the redesign of Kirk Yard represents a significant investment by CN in Northwest Indiana which will bring approximately 250 new jobs to Gary.”

CN's locomotive repair work now performed at a shop in Homewood, Ill., south of Chicago will be gradually moved to a new 155,000-square foot shop facility in Kirk Yard. The facility will be capable of servicing CN's fleet of locomotives operating across its U.S. network.

A new wastewater treatment facility, upgrades to utilities throughout the yard, and the renovation of several yard buildings will also be part of the Kirk Yard redevelopment. CN's Clark Road overpass leading to the lakefront industrial area will be expanded during the project to allow improved truck access.

CN has partnered with the State of Indiana, its Regional Development Authority, and the City of Gary on an economic development incentive package to assist the Kirk Yard development. The incentives are provided through city of Gary tax increment financing (TIF), a Regional Development Authority grant, and grants and tax credits from the state of Indiana for job creation.

“Whether it's bringing dollars back from overseas or from right next door, finding new investments and jobs is always job one for us,” said Indiana Governor Mitch Daniels. “Today, we see a product of that effort as one of the leaders of the rail industry chooses Indiana's lower-cost, business-friendly climate and, best of all, chooses Northwest Indiana for its new expansion.”

CN acquired the 350-acre yard as part of its purchase of the Elgin, Joliet & Eastern Railway in 2009. With Kirk Yard as the primary classification yard in the Chicago area, CN's rail satellite

operations around Chicago in Markham, Schiller Park, Hawthorne, Glenn and Joliet yards will continue to be focused on local pick-up and delivery of freight cars to customers.

The relocation of the locomotive repair shop to Kirk Yard will free space in CN's Markham Yard for redevelopment adjacent to CN's Chicago Intermodal Terminal. CN continues to invest in its fast growing intermodal terminal in Harvey, Ill. and is actively exploring redevelopment potential for this area strategically located south of Chicago.

## **About CN**

CN – Canadian National Railway Company and its operating railway subsidiaries – spans Canada and mid-America, from the Atlantic and Pacific oceans to the Gulf of Mexico, serving the ports of Vancouver, Prince Rupert, B.C., Montreal, Halifax, New Orleans, and Mobile, Ala., and the key metropolitan areas of Toronto, Buffalo, Chicago, Detroit, Duluth, Minn./Superior, Wis., Green Bay, Wis., Minneapolis/St. Paul, Memphis, and Jackson, Miss., with connections to all points in North America.