

FD 35952

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Re: Great Lakes Basin Transportation Application to construct a rail line.

To Whom It May Concern:

Audacious: "showing an impudent lack of respect; recklessly bold; contemptuous of law, religion, or decorum "(Merriam Webster)

"To summarize, GLBT is proposing an audacious and challenging project to construct an all-new railroad around the Chicago area." (GLBT application, page 53)

This quote accurately describes the entire Great Lakes Basin Transportation project. There is no other project that has willfully shown a more impudent lack of respect to all those involved. No other project that has proposed a more reckless and careless use of our valuable natural resources, especially Prime Farmland. It is a project that attempts to circumvent eminent domain laws in three states and has failed to show any public necessity. From the beginning the GLBT team has issued less than accurate information; when asked for details they give generalities, failing to support their assumptions with verifiable facts. GLBT has failed to complete and submit tasks as simple as an application accurately and in a timely manner. This is not a company to be rewarded with a project approval; I am urging you to immediately issue a no build ruling based on the complete lack of public necessity for this project.

Public necessity is a difficult term to define and a difficult standard to quantify. It has been generally accepted that to prove public necessity a project or company should meet the following 7 characteristics/categories, as outlined in the Indiana Law Journal, FACTORS IN GRANTING MOTOR CARRIER CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY.

(<http://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=4498&context=ilj>)

These characteristics/categories are listed below:

1. ABSENCE OF TRANSPORTATION FACILITIES
2. ADEQUACY OF SERVICE
3. INADEQUACY OF EXISTING SERVICE
4. PROBABLE FINANCIAL EFFECT OF GRANTING CERTIFICATE
5. FINANCIAL ABILITY OF APPLICANT
6. POPULAR PREFERENCE FOR MOTOR SERVICE
7. MISCELLANEOUS FACTORS: miscellaneous factors influencing decisions on applications for certificate include the residence of applicant beyond the boundaries of the state in which he seeks authority to operate, congestion of traffic on thoroughfares, and social and educational benefits resulting.

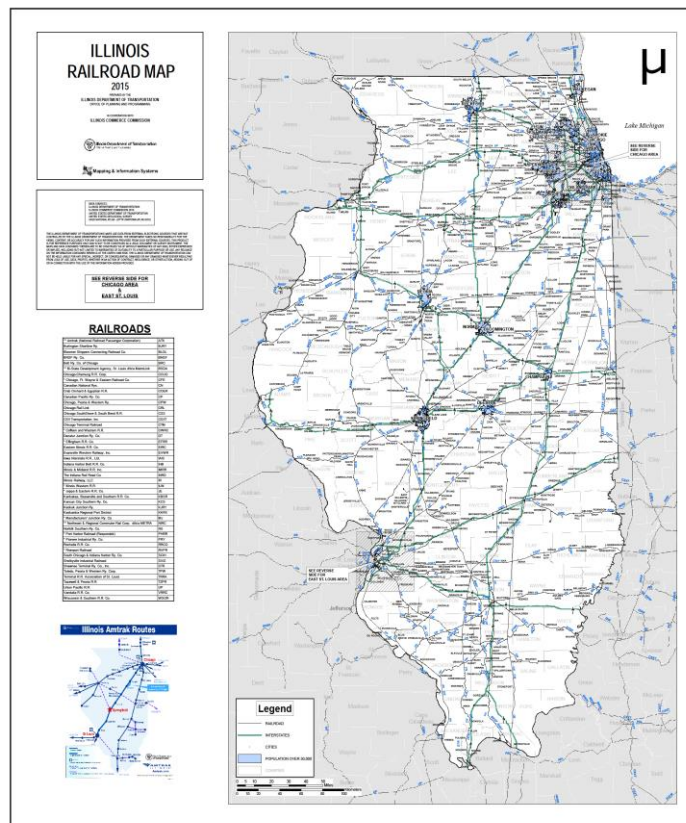
Illinois Law indicates public necessity can be established if a company meets the following factors:

1. The proposed construction is necessary to provide adequate, reliable, and efficient service to its customers. Inclusive is that it is the least-cost means of satisfying the service needs of its customers. In addition, that the proposed construction will promote the development of an effectively competitive market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives;
2. The company is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision thereof
3. The company is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers.

Essentially, we can view the two states to have the most similar views on public necessity. Below was are going to be using the Indiana 7-point requirement we can easily see the lack of public necessity in the GBT project.

1. ABSENCE OF TRANSPORTATION FACILITIES

Given that Chicago is estimated to have 25% of the national rail traffic coming through its region, clearly there is no lack of transportation facilities for the public to use. A quick view of the rail lines running in Illinois shows there is virtually no area of the state that is not dissected by a rail line.



The Chicago region is virtually covered in lines. There is no more room for yet another rail line. This is especially true when existing lines could be expanded. Moreover, if there was a need from the standpoint of the existing railroads they would be backing the GLBT project yet not one railroad is publicly supporting this project, and GLBT has failed to submit a single letter of intent from any railroad or company of any type. In terms of an absence of transportation facilities GLBT has not shown public necessity.

2. ADEQUACY OF SERVICE

By all accounts the current rail service in the Chicago region is currently adequate for the volume of traffic that exists today. If the service was not adequate an existing railroad would be backing the GLBT project and none are, and there has not been a similar proposal made by any existing railroad. According to ISASCE "Regarding rail capacity, Illinois ranks fourth highest in the number of operating railroads, with a total of 45 operating railroads which are comprised of seven (7) Class I railroads, three (3) regional railroads, twenty-six (26) short line railroads, and nine (9) terminal carriers. The rail network ranks second among all states in total railroad track mileage. Illinois is the home of the City of Chicago, which is the hub of the nation 's rail system, boasting the largest intermodal system in the nation and the third largest in the world. This network offers an efficient means of freight distribution and provides direct connections to coasts, as well as Canada and Mexico." (<http://www.isasce.org/wp-content/uploads/2014/04/2014-Illinois-Rail-Final-Report.pdf>) It seems based on these facts the rail market is adequate for business needs at this time.

From a private citizen perspective, the current freight service is beyond adequate for our shipping needs. If we had a need for a rail line there are plenty we can choose from. From a farmer perspective, the need for the line is nil as the grain production from the average family farm would not justify the expense of buying freight cars and building a loading track. The GLBT belief that farmers will unload their grain onto a railcar stopped beside their fields is ludicrous. From a non-farm business standpoint, the existing services must be adequate because GLBT in their application does not indicate any factories, distribution centers or other business that have committed to using their line. Furthermore, GLBT admits this line does not run near any factories or distribution centers that may have a need for rail service. GLBT offers no letters of intent to use their line in their application.

All these factors especially the fact not one of the 45 Illinois railroads has issued support, a letter of intent, or even a similar proposal indicate there is adequate service in the region. The GLBT project has failed to show there is not adequate rails available and therefore has failed to show public necessity.

3. INADEQUACY OF EXISTING SERVICE

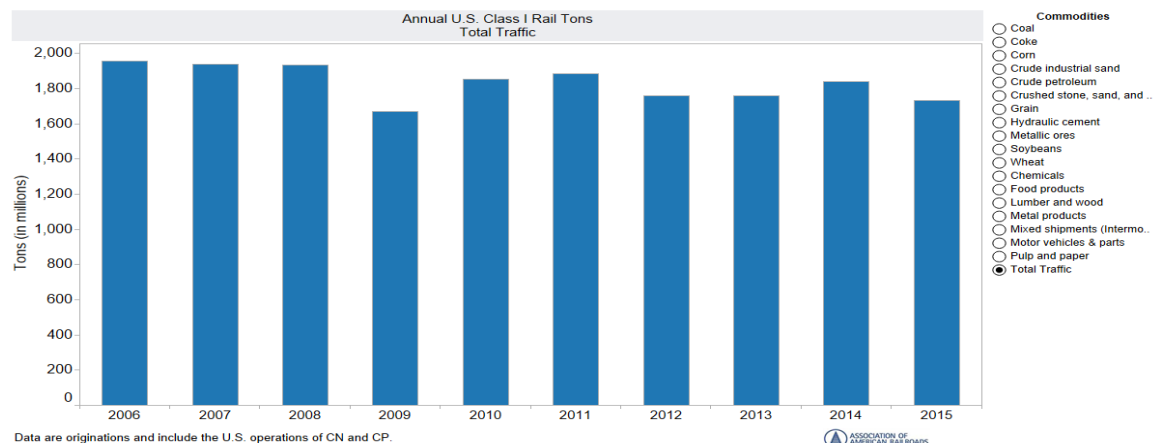
There are many reasons why the GLBT project needs to be denied and the false perception that the existing services are inadequate is a major reason. GLBT touts how it will save time indicating the current travel time is over 30 hours for a train to pass through Chicago. But, the Nov 18, 2014 presentation at the Chicago Metropolitan Planning Council Roundtable—CREATE: Freight Driving the Economy, Cambridge Systematics has estimated the CREATE project has reduced travel times from over 30 hours before CREATE to just 15 hours in 2014. (<https://www.youtube.com/watch?v=ReYXLOND-No>).

These times would be less today as more CREATE projects have been completed. What figures are we to believe, those from an untested, private for-profit company, or those from a company hired by CREATE, one of the nation's most respected public/private cooperative programs?

GLBT estimates that Chicago Freight traffic will increase by 80 to 90% (page 5), but this contradicts the CREATE estimate: "Over the next 30 years, demand for freight rail service in Chicago is expected to nearly double." (<http://createprogram.org/about.htm>) CREATE currently estimates there are 500 freight trains using the Chicago network daily. CREATE further estimates the completion of their projects will add an additional capacity of 50,000 trains annually.

http://createprogram.org/factsheets/CREATE%20brochure_2017.pdf Given the CREATE estimate of a nearly 50% increase in freight traffic this would bring the total freight trains per day to 725 trains per day (500 current trains multiplied by 45% = 225 additional trains). The CREATE project will add 137 freight trains (50,000 divided by 365 = 136.99), making the existing lines capable of handling 637 trains per day. This is a shortage of only 88 trains per day, in 20 to 30 years from now assuming rail continues to be the preferred method of shipment and assuming no other improvements in rail operations. Assuming the existing railroads are not going to continue to improve their networks is ludicrous, as they are actively updating technology, tracks, and rail cars to increase capacity and profits. However, based on data published by the American Association of Railroads and depicted in the table below, the current freight trend in Chicago for the last ten years is a stable to decreasing. Neither CREATE nor GLBT seem to have an accurate estimate of train traffic given the figures supplied by the American Association of Railroads.

The chart below from the American Association of Railroads (<https://www.aar.org/Pages/Freight-Rail-Traffic-Data.aspx>) clearly shows rail freight traffic to be steady to decreasing in volume since 2006.

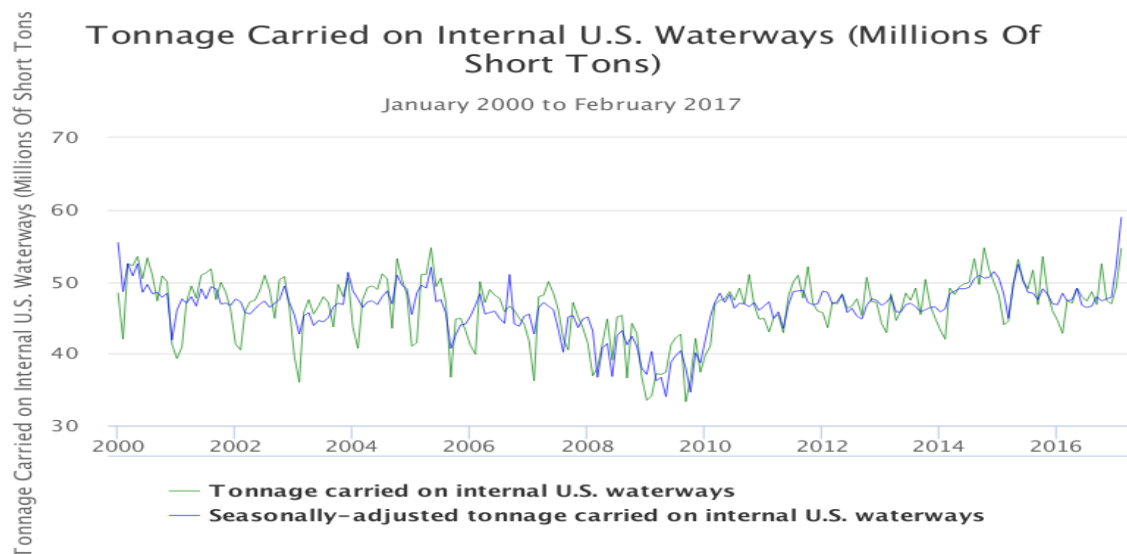


Before any ruling can be made the Surface Transportation Board must develop a more accurate estimate of future train traffic; as GLBT has not taken into account the numerous changes in the freight hauling industry in the past few years. These changes include the opening of the expanded Panama Canal. The Panama Canal project allows larger ships to pass through the canal; ships that previously were forced to unload on either the East or West coast of the United States can now choose which coast to unload on. This change allows for a reduction in transcontinental freight traffic. Which reduces the

need for freight to travel from coast to coast; instead freight can be delivered to the area of the nation it needs to be in and not pass through Chicago. The generally agreed upon fact is 25% of the freight traveling through Chicago is not destined for this area, the Panama Canal should allow for a conservative estimate of a 10% reduction of freight traffic through Chicago. "With capacity thus bigger (in the Panama Canal), shippers will be able to import products from Asian countries through East Coast and Gulf of Mexico ports at costs comparable to or lower than ports on the West Coast, according to a study from logistics firm C.H. Robinson and the Boston Consulting Group. The study estimates as much as 10 percent of container traffic will make that shift by 2020."

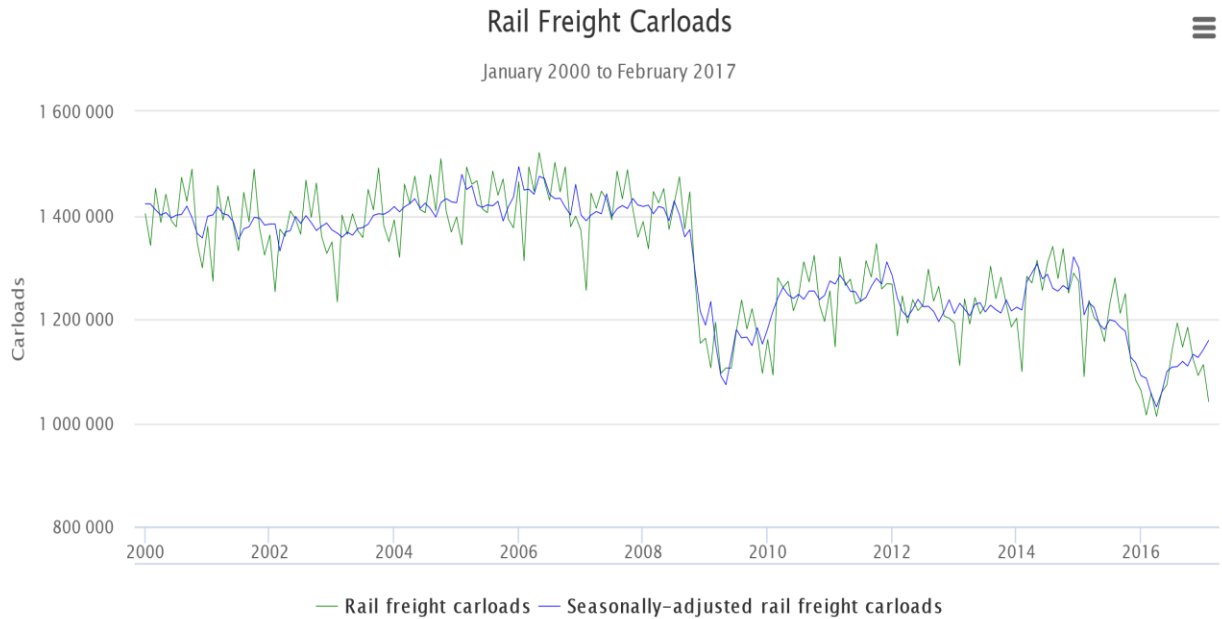
(<http://www.chicagobusiness.com/article/20160624/NEWS10/160629897/what-will-expanded-panama-canal-mean-for-chicago-freight>) This figure will grow over time as the East Coast continues to expand their freight and intermodal capacity and they continue to build deep-water ports. By 2050 it would be safe to estimate a 25 % decrease in freight traffic traveling through the Chicago market. This would be a reduction of approximately 35 trains per day. This brings the total amount of trains to 53 more than the system can handle, provided all the CREATE projects are completed.

The GBLT application does not account for the recent increase in waterway freight, due to the improvement undertaken by the US Army Corp of Engineers to revitalize the river transportation routes, locks, and dams. The chart below from the United States Department of Transportation <https://www.transtats.bts.gov/osea/seasonaladjustment/?PageVar=WATERBORNE> plainly shows the increase in waterway freight traffic. This increase of water traffic will come at the expense of rail and truck traffic. The chart shows a conservative increase of 10% in waterway traffic. This would translate to an approximate reduction of another 13 trains per day or more coming through Chicago, making the needed capacity just 40 more trains per day, provided CREATE is fully implemented.



The United States Department of Transportation shows a much bleaker picture of the rail traffic in the United States, as shown in the chart below.

<https://www.transtats.bts.gov/osea/seasonaladjustment/?PageVar=WATERBORNE>



This chart shows an almost 25% decrease in rail freight carloads. The chart above shows that there is now no need for the GLBT proposal as a 25% reduction in the last 15 years can only be expected to continue, so with the increase of 25% in usage of the Panama Canal and the current decrease in over-all freight volumes by 25% according to the chart the expected freight increase has now been eliminated and the Chicagoland market has seen its historic high for freight volumes and will begin decreasing volumes over the next 25 years.

Barge traffic can be a contributing factor of this decrease, as “One 15-barge tow can replace two 100-car trains or 870 semi-trailer trucks, according to the Iowa Department of Transportation.” (Barge traffic makes a resurgence on the Missouri River, <https://www.usnews.com/news/business/articles/2016-05-30/barge-traffic-makes-a-resurgence-on-the-missouri-river>) additionally some states are actively seeking to increase barge traffic due to the lower cost and less environmental damage barges offer over rail and truck traffic. “While Kansas, Nebraska and Iowa currently have no public ports on the Missouri River, the advantages of barge shipping — including job creation and private investment — got the Missouri Legislature’s attention. The state has increased allocations for capital improvements at ports from \$3 million in fiscal year 2014 to \$12.4 million for fiscal year 2017, said Cheryl Ball, waterways in-freight administrator for the Missouri Department of Transportation. (Barge traffic makes a resurgence on the Missouri River, <https://www.usnews.com/news/business/articles/2016-05-30/barge-traffic-makes-a-resurgence-on-the-missouri-river>). Barges and their lower cost and cleaner reputation are clearly the way of the future.

The newly approved and almost complete Dakota Access pipeline as well as the many other oil pipelines; one of which the unneeded GLBT rail line will run on top of to cross the Fox River in Illinois, will further reduce the freight traffic as the oil tankers will be replaced with high efficiency pipelines. “Moving crude by pipeline is generally cheaper than using railcars. The flagging U.S. crude-by-rail industry already is moving only half as much oil as it did two years ago: volumes peaked at 944,000 bpd

in October 2014, but were around just 400,000 bpd in May, according to the U.S. Energy Department.” (Big Dakota pipeline to upend oil delivery in U.S, 08/12/16 <http://www.reuters.com/news/archive/GCA-Commodities>) “BNSF Railway declined to discuss future freight movements, but said that at its peak, it transported as many as 12 trains daily filled with crude, primarily from the Bakken. Today, it is moving less than half of that. In a recent earnings call, midstream player Crestwood Equity Partners said it was working to capitalize on the pipeline and not be dependent on loading crude barrels onto trains. That includes building an interconnection to its 160,000 barrel-per-day COLT crude rail facility in North Dakota.” (Big Dakota pipeline to upend oil delivery in U.S, 08/12/16 <http://www.reuters.com/news/archive/GCA-Commodities>) This loss of rail traffic further reduces the GLBT claim that capacity needs to be added in the Chicago market. A conservative estimate would be yet another loss of 10 trains per day traveling through Chicago.

GLBT does not mention the new studies into the use of the Great Lakes to further reduce the need for rail to run through Chicago. Currently, the Great Lakes are an untapped resource for freight traffic. They would offer a cheaper and more environmentally friendly route from the Midwest to the East Coast.

Several Great Lakes ports are closer to European markets than East Coast or Gulf ports, which saves shippers time and money. For example, to travel from Baltimore, Maryland, to Liverpool, England, is 3,936 miles (6,334 km). Via the Great Lakes-St. Lawrence Seaway, ships can reach Detroit, Mich., by covering only 3,673 miles (5,911 km).

Ship travel saves energy, too, in comparison to trains, trucks and airplanes. A ship can move a ton of freight up to 500 miles on one gallon of fuel. A single 1,000-foot laker can carry as much cargo as six 100-car unit trains, which makes ships a very economical way to haul bulk quantities.

Fuel efficiency translates into fewer air emissions than produced by trucks or trains. Ship transport is safer, too; serious accidents involving large cargo vessels are rare. Occasionally vessels become grounded but these incidents are usually much less serious than comparable railroad or truck accidents. http://www.great-lakes.net/teach/business/ship/ship_1.html

A recent study from the University of Wisconsin-based Center for Freight & Infrastructure Research & Education confirms the use of the Great Lakes for intermodal shipping and the creation of a shipping highway would greatly reduce the traffic congestion in the Chicago region. https://insightonbusiness.com/business_articles/working-waterway/

GLBT does not address in its application the increase in capacity that is occurring as the existing railroads are upgrading their tracks, switches and computers, as well as using double stack intermodal cars. The icon boxcar has been revamped, “The railroads are backing a standard boxcar model that is 60 feet long, with maximum loaded weight of 286,000 pounds--10 feet longer and about 23,000 pounds more than many boxcars now in service. The added size means railroads could service customers with fewer cars, easing congestion.” <http://www.marketwatch.com/story/shortage-of-railroad-boxcars-has-shippers-fuming-2015-06-21> All of these improvements are leading to greater efficiencies and

reductions in travel time. They fail to mention the new CSX intermodal yard in Crete, IL (a Chicago suburb), the new Norfolk Southern Intermodal yard in the Englewood Neighborhood of Chicago, and the new Burlington Northern Intermodal Yard in Kansas City which will allow the repair and loading of trains before they arrive in Chicago. These three new yards decimate any need for the GLBT intermodal yard. Adding to this is the increase in freight being handled in Atlanta and Kansas City due to the rejuvenation of the Panama Canal and a natural shift of traffic from the perceived congestion in the Chicago market.

Currently the CREATE program is in phase one of its Common Operational Picture (COP) program. "Common Operational Picture is the development of an open interface for integrating information from dispatch systems of all major railroads in the region – tracks, signals, switches, train occupancies, train IDs, etc. – into a single display. COP will benefit the operation of the full Chicago Terminal system. The output of this work will be that all of the Chicago railroads participating in the CREATE Program will have a fully integrated overview display system of all CREATE partner freight and passenger railroads operating in Chicago."

(http://createprogram.org/factsheets/Common_Operational_Picture.pdf) The completion of this project will add even more rail capacity to the existing lines as railroads will be able to better dispatch their trains as they will know where other trains are and what their schedules are. There are so many projects like this in the works, using modern technology that the more one researches the more one sees that the GLBT project is outdated and counter-productive to the goal of reducing freight arriving in the Chicago market.

The GLBT application does not represent the future instead it represents the past, the same methods that caused this alleged transportation problem were used to propose a fix to the alleged problem. GLBT has no new ideas, they rely on 1900's technology to fix a 21st century problem. Why have they not proposed a new method of transport? A quick review of the news yields many transportation solutions to the alleged freight problem such as the use of driver-less truck convoys, these allow trucks to safely transport good with no driver saving hundreds to thousands of dollars per trip. They do not address the potential drones have to completely change how goods are delivered, and while this technology is only in the infant stage it is growing at an amazing pace. GLBT does not address changes in the way Americans and the world shop. Brick and mortar stores are failing, the once mighty Shopping Mall is a thing of the past. Changes in consumer buying has reduced the need for freight as it has been shipped for hundreds of years, instead of going to a store people now order on line and can have product shipped directly from the factory or warehouse to their home. No longer do stores like Home Depot and Best Buy need hundreds of items in stock, they can keep one display in the store and then ship next day to the consumer's home. This dramatically reduces the freight that needs to travel to any one location. Farm to table is not addressed, and as more people shop local, again the need for freight traveling hundreds of miles by rail or truck is greatly reduced. GLBT and its freight model is as outdated and they have failed to show that there is an inadequacy of service in the Chicago market.

Population trends are changing according to the federal Railroad Administration "Population and demographic trends pose an enormous challenge for U.S. transportation infrastructure. Forecasts suggest that the U.S. is becoming a more urbanized country and urbanized areas will increasingly converge into larger networks of metropolitan areas called megaregions as the population continues to

grow. It is forecast that by 2050, 75 percent of U.S. inhabitants will live in these areas and 80 percent of population growth will occur there." (<https://www.fra.dot.gov/Page/P0362>) Residents are leaving the hectic city and building their dream homes in the very areas GLBT wants to build their unneeded rail line, the far suburban counties. Eventually these counties will be full of the urban sprawl that plagues Chicagoland now. The GLBT line is not a bypass, it simply takes trains from one urban center and moves them to a soon to be just as urbanized center. This line needs to be hundreds of miles out from the Chicago Metropolis in order to be a real by-pass.

Any claims of adding capacity further shows the out dated mind-set of the GLBT line's creator. We do not need to attract more capacity to an area where 25% of all freight in the US travels through instead we need the line to take freight out of the area. There are hundreds of rail lines further away from the city that could be expanded and which would reduce Chicago rail congestion, if that congestion exists in the future. It is hard to estimate the future needs of freight in Chicago, but it not hard to see how the GLBT "solution" is just to apply outdated ideas to fix a problem that may or may not exist in the future.

One reason Burlington Northern is building their new intermodal yard in Kansas City is this will allow them to divert freight well outside of the Chicago Market. This yard will allow just the freight needing to go to Chicago to go there, they have built a by-pass, they understand that to bypass an area you must prevent freight from entering the area. Furthermore, CSX and Canadian Pacific are in negotiations to partnership together to create trains that can bypass Chicago. These two companies would combine railcars well outside the Chicago Market onto each other's trains. Some trains would take freight to Chicago, others would bypass Chicago completely using the existing extensive rail network. "CSX and CP interchange about 400 cars per day in Chicago, making CSX CP's largest interchange partner railroad there. Creel (from CSX) told the investor conference that 100 of those cars could be sent deep into CSX territory as a run-through train to avoid handling in Chicago. CSX could build trains destined for points on CP." (<https://akronrrclub.wordpress.com/2017/05/29/csx-cp-may-launch-run-through-trains/>) it is obvious the real railroads are already working in creative and environmentally friendly ways to solve any deficiencies in the Chicagoland Market. Discussed above is just two of hundreds of ways the existing experienced railroads are working to improve their business. None of these solutions involve new lines and seem to be simple, logical solutions. These solutions clearly show the outdated archaic nature of the GLBT project. We need solutions like those mentioned, we do not simply need to take the easy way out and build more rail lines.

To summarize, there needs to be an extensive review of current and future freight needs and travel times in Chicago. At present, there is simply too much at stake to trust outdated information and studies that do not take into account rapidly changing technology and consumer habits. Hunter Harrison, CEO of CSX, has even stated: "If you look at the total rail infrastructure, everybody wants to expand in Chicago, and it's not going to work. Before it's too late, you got to have some foresight to what are the alternatives." In his expert opinion, we do not need more tracks in Chicago instead we need to seek alternatives "all up and down the Mississippi River," he says, starting at New Orleans and heading north." <http://www.chicagobusiness.com/article/20170429/ISSUE01/170429846/why-hunter->

[harrison-doesnt-want-freight-here](#) If the CEO of CSX thinks expansion in Chicago is a bad idea, then the Surface transportation Board should too.

Regarding GLBT proving there is inadequate service, GLBT has again failed to demonstrate public necessity. The information present above indicates that the future freight needs GLBT is worried about have already been addressed. Currently 500 trains per day operate in Chicago, CREATE estimates a 50% increase, the US Department of transportation statistics show a 25 % DECREASE in freight traffic, this evens out to a 25% increase, using figures from before the Panama Canal expansion and the construction of the Keystone and other pipelines. Given the Panama Canal has conservatively already reduced transcontinental freight by 15%, and the estimates are it will be 25% in 20 years, given the estimate pipelines have taken 5-10% of the freight traffic already out of Chicago, given the increase in freight handled by the Mississippi River expansion project, we now have the Chicago market at fewer trains per day 20 years from now that we have today. If we take out the 100 CSX and CP cars, the increase in capacity resulting from rail car improvements, the increase added by technological updates, we have shown further shown that there will be adequate service 20 years from now and the GLBT project is completely unneeded. The figures simply do not indicate there is a need for the GLBT project.

4. PROBABLE FINANCIAL EFFECT OF GRANTING CERTIFICATE

The financial effect on the impacted farmers of this line would be catastrophic. Dissected fields, altered drainage, smaller fields, delays waiting for the train to pass, all of these would place an undue burden on the family farmer. Delays by the train would have huge financial effects on public services. For example, school buses would need rerouted; traffic will be slowed as farmers are forced to move from back-roads now closed by the tracks and onto main roads; farmers will be forced to enter and exit the roads more frequently due to dissected fields; gas consumption for all as well as emissions will increase. More and more people and agricultural equipment must sit idle waiting for the trains to pass, a conservative estimate is one train passing every 15 minutes once the tracks are at full capacity.

Tragically this project will cost lives. People will die waiting for the trains to pass so their ambulances can reach the hospital, cars and buses will be hit at the at-grade crossing. It is not a matter of if, but when. Illinois ranks among the highest states in the nation in fatal train vs car accidents and in pedestrian deaths. Emergency responders will be delayed waiting for the trains to pass and fires will destroy homes and businesses.

GLBT is failing to acknowledge that the farms they plan to destroy are industry. America was built by its farmers. Agriculture is still vital to our nation's prosperity, defense and independence. GLBT is not building in a desolate area, they are building on PRIME Farmland in the bread basket of the nation. **FARMS ARE AMERICA's ORIGINL INDUSTRY.** We cannot allow this industry to suffer simply because GLBT does not see farms and food production as important. We have a Secretary of Agriculture for a reason; our farms are nation's number one resource.

The GLBT line will hurt businesses that transport goods via roads in the affected area. School buses, Postal Carriers, package delivery drivers, farmers, semi-trucks, government officials, first responders, trades people and businesspeople from all walks of life will see their fuel costs increase as

they must idle waiting for the trains to pass, and alter routes due to closed roads. This fuel increase will have a tremendous negative impact on profits.

GLBT has not shown any economic advantage for the existing railroads to use their line. They have provided no cost per train, carload, or yearly fee. They have not shown how the line will save their users anything but time. A time savings is quickly eaten up by high prices charged to use the GLBT line. GLBT provided no backing to support their profit estimates. They are using a vague guesstimate that they will siphon off up to 25% of the Chicago rail traffic, yet they have no letters of intent. Exactly why would a railroad that can use its own track for free use the GLBT line? They are simply saying this is what we think we might possibly maybe make if we can happen to possibly acquire customers. (Remember not one existing railroad has publicly stated they will use the line and 2 of the 6 have said publicly they will not use the line.) That is the main problem with their plan, everything is a guesstimate and they have no proof of need, financial benefit and no letters of intent or need from anyone outside their company.

The affected areas have already begun to see a noticeable decrease in property values. Homes and businesses across the affected area are worth less if this project is approved. This decrease in property values harms everyone from the land owner to the local and state governments. A decrease in property value means less tax revenues to fund our schools, first responders and other government services.

GLBT seeks to operate as a transfer rail line, there are already two dedicated transfer rail lines in the Chicago market. Their project, if approved, would seriously jeopardize these companies' ability to stay profitable and in business. This would have a tremendous negative affect on reputable, existing companies, with proven track records. An approval for the GLBT project effectively takes business away from two existing railroad companies in favor of a third. This is not acceptable and cannot be allowed.

To summarize the GLBT project has again failed to show public necessity as they will have a severe negative financial impact on America's original industry, farming, they will hurt the existing rail transfer companies, and they will increase fuel cost for all businesses and citizens in the affected area.

5. FINANCIAL ABILITY OF APPLICANT

The GLBT application, regarding financial ability to pay for this project, is inadequate. A company with no revenues, no assets, and no financial history expects the Surface Transportation Board and the public to believe it can raise somewhere between \$2.8 and \$8 billion dollars, depending on the day and year you speak to GLBT. GLBT has not even submitted any pre-approval letters for loans or lines of credit. Who knows the actual cost of the project, GLBT has changed that estimate often. The AWC Railway on their website states just the tracks cost between \$1 and \$2 million dollars per mile, with that in mind the GLBT line for just tracks would cost over one billion dollars, this is not including bridges, over-passes, signals, purchase of land, equipment etc. (<http://www.acwr.com/economic-development/railroads-101/rail-siding-costs>) The Indiana Department of transportation states the average cost of just a crossing to be \$250,000. GLBT will have hundreds of crossing.

The Illinois Tollway rebuilt and widened the Fox River Bridge in Elgin as part of the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project. This project to improve an existing bridge cost \$95 million (<https://www.illinoistollway.com/projects/jane-addams/fox-river-bridge-project>) A 2013 estimate by IDOT for the work at Beardstown (for a bridge over the Illinois River) was pegged at \$173 million, including the replacement bridge and approach roads. (<http://www.sjr.com/article/20150829/NEWS/150829456>) CREATE spent \$173 million on the Englewood flyover and to fix the infamous 75th street corridor it is estimated they will need over \$1 billion dollars. Given these figures for improvements to existing infrastructure, how is GLBT going to construct an entirely new rail line with multiple flyovers, four rivers to cross, numerous streams to cross, and hundreds of crossings all for \$2.8 billion dollars?

Added to the cost, a Google search indicates a locomotive to be between \$1 and \$1.7 million dollars, assuming they buy used, and railcars at \$100,000 to \$120,000 per car. The GLBT estimate of \$2.8 billion just does not add up, as we have not even begun to estimate the costs for the “GLBT fire department.” Which they state they will have. The new Crete, IL intermodal yard is a minuscule (when compared to the proposed 15,000-acre GLBT yard) 1,100 acres in size. It is estimated to cost, \$230 million to construct, making the GLBT 15,000-acre intermodal project cost \$3.45 billion dollars. (<http://www.chicagotribune.com/suburbs/daily-southtown/news/ct-sta-crete-intermodal-st-0212-20170210-story.html>) This cost estimate using CSX, a real railroad’s figures seems to be extremely accurate when compared to the GLT estimate, as they have slashed their original estimate of \$8 billion down to the fire sale price of \$2.8 billion.

The company is seeking to keep the names of its shareholders confidential. Why? is it because they have no money? Anyone associated with this project should be proud to have their name attached to it, instead they want to hide in the shadows. GLBT needs to show they have the financing in place before any approval is given. This company has no history, no experience and as such they must be held to the highest of standards. They must show they can pay for this project, instead they offer a fictitious estimate of future revenues based on, as per their modus operandi, guestimates and worse they offer a project cost of \$2.8 billion when their intermodal yard alone will cost more than that. This project cannot be approved based on guestimates, there is too much at stake to not have verifiable usage, and letters of intent in place, verifiable costs in place, and written estimates from legitimate builders, not off the cuff GLBT guesses as to cost. Anyone can say they will capture 25% of the market, few do, this is especially true when one considers if this project was needed an existing rail service provider would be seeking to build it themselves.

In terms of financial ability, it is obvious public necessity is not served by a company with no rail experience, no income and only guesstimates of future revenue and high suspect estimates of over-all project cost.

6. POPULAR PREFERENCE FOR MOTOR SERVICE

GLBT has provided no evidence to support that this form of freight traffic or even railroads themselves are the preferred method of transport. The public outcry over this project clearly shows the

public does not prefer this project or this method of transport. Two Class One Railroads have indicated this project is not preferable to them over how they transport freight now.

According to the Bureau of transportation Statistics “In 2002, trucking both for-hire and private continued its dominance of the freight industry, moving 64 percent of the nation's commercial freight, measured by value, and 58 percent of the tonnage.”

(https://www.rita.dot.gov/bts/sites/rita.dot.gov.bts/files/publications/freight_shipments_in_america/html/entire.html)

In terms of preference it seems obvious there is not a preference for trains as a mode of travel for people or freight and as such GLBT has again failed to show public necessity for their project and as such it must be denied.

7. MISCELLANEOUS FACTORS: miscellaneous factors influencing decisions on applications for certificate include the residence of applicant beyond the boundaries of the state in which he seeks authority to operate, congestion of traffic on thoroughfares, and social and educational benefits resulting.

GLBT is registered as a New Jersey corporation as such there is no residence basis for them to apply to operate a rail line in Wisconsin, Illinois or Indiana, furthermore they own no existing infrastructure in any of the three states.

The GLBT team has no experience as senior management for any of the existing Class One railroads. We cannot trust a project of this scale to retired and former middle management employees. A project of this scale needs the experience and backing of a major railroad or a major former chief executive of a railroad.

GLBT has no construction experience, no current revenue, no current customer base, and no letters of intent. GLBT has not shown they have the experience or support to complete a project of this scale. GLBT has not shown they have the capacity to efficiently manage and supervise the construction of the line. GLBT has repeatedly had their paperwork returned to them due to inadequacies in their submissions. A company that cannot complete an application correctly does not have the ability to operate and construct a project of this scale correctly.

GLBT has shown no social benefits to their project. This project will however have social impacts as residents in the affected areas will alter their current travel habits to avoid crossing this dangerous line. This line will eventually split tight knit communities based on what side of the tracks you live on. People will naturally avoid the perceived dangers of crossing the track and seek out services in areas that allow them not to cross the track. This will forever alter the delicate economic and social fabric of the impacted communities. Any resident of a suburb or city knows this to be true as you purposely avoid that rail crossing or the long red light on that one street in your town, this behavior will be equally present in the less urban areas.

GLBT has shown no educational benefits of this project. This project however will impact education in the affected areas. This project will reduce property taxes, thus reducing educational funding. This project will cause many families to move, again reducing funding. This project will cause buses to idle longer increasing fuel costs and reducing the funds available to educate our children.

GLBT has failed to show or even address the increase in traffic congestion the closures of roads and the stopping of traffic as vehicles wait for trains to pass will have on the affected areas. GLBT touts only the benefits to businesses that ship by rail and does not address the harm the line will do to everyday vehicular traffic.

This project has numerous negative environmental impacts that seem to have been addressed in the record amount of correspondence the STB received in the prior comment period.

GLBT has consistently shown a severe disrespect for the STB review process, submitting incomplete applications at the last minute, failing to provide documentation to support the information they supplied, and failing to provide in many cases more than a few sentences in response to information requests. Often their response only leads to more questions about their capability to operate a business of this scale. If you cannot complete an accurate application, you cannot operate a successful business.

GLBT lists simply two paragraphs of public need for their project. The first admonishes the STB for daring to review a project that must be automatically declared necessary based on prior cases that have no relevance to the project at hand. They then list corporate benefits of their project such as faster travel times for corporations to ship items. They list two benefits for the public. The public benefits are reduced train pollution as trains will idle less, but they fail to acknowledge all other vehicles will idle more and this will result in a net increase in exhaust emissions. They state public safety will be enhanced. This is simply not accurate as the trains will reduce public safety as first responders will have to wait for trains to cross and will have to adjust to the many closed roads the project will create. Every additional crossing of a line increases the risk of an accident. Rail lines are notorious attractions for curiosity seekers, this line will attract people to explore them, walk along them and generally be where they should not be. This is the nature of a rail line and unfortunately these people will be harmed by the line. Frank Patton has even admitted his bridges will be tourist attractions! This statement clearly shows he does not understand the seriousness of the project he is proposing. Rail lines are dangerous and no one should be encouraging tourists to visit a rail line. Mr. Patton's ignorant statement alone should result in an immediate denial of this project

GLBT is seeking the right to have a 100-foot utility corridor adjacent to their rail project, this corridor must be denied pursuant to Illinois State Public Utility Act section § 8-406(a), which provides as follows:

No public utility not owning any city or village franchise nor engaged in performing any public service or in furnishing any product or commodity within this State as of July 1, 1921 and not possessing a certificate of public convenience and necessity from the Illinois Commerce Commission, the State Public Utilities Commission or the Public Utilities Commission, at the time

this amendatory Act of 1985 goes into effect, shall transact any business in this State until it shall have obtained a certificate from the Commission that public convenience and necessity require the transaction of such business. (220 ILCS 5/8-406(a)).

This clearly indicates the utility corridor must be immediately denied, as GLBT has no standing as a public utility and therefore no standing to propose that portion of the project. This same act lends itself to denying the entire project based on the fact GLBT is a New Jersey corporation and as such has no standing in the 3 states it seeks to build in.

GLBT has failed to show that the Illinois rail market is uncompetitive or in any way restricts competition and that their project would somehow correct an imbalance in the competitive nature of freight hauling. The mere fact not one railroad has stated they will use this line, seems to indicate all railroads currently operating feel the market is competitively fair and that the playing field is level. Furthermore, their lack of support may indicate they feel the project could harm the competitive nature of the market in Chicagoland.

GLBT has failed to show that their line will be more reliable than existing lines. The GLBT line may be less reliable given GLBT has no current rail experience and has proposed an outdated project using outdated methodology. The GLBT desire to run over one hundred trains per day means that in the event of an accident 100 trains are affected, this will severely impact reliability. With only 15 minutes between trains, (when operating at the GLBT desired peak levels of operation) there is little time to fix a problem without the entire system log jamming. A GLBT log-jam will result in an entire market-wide rail delay. GLBT has not mentioned any plans to handle their customers in the event of a rail impediment on their route.

GLBT has failed to show that without this project the reliability and freight capacity in Chicagoland would be adversely hurt. GLBT states they will increase capacity and that capacity increase is needed, but they have failed to show that without their project freight flows will be worse than they are now. GLBT has not shown that any of the rail companies would experience adverse harm by not allowing this project. Related to this issue is the fact again not one railroad is in support of the project, so the railroads are clearly indicating they do not see this project as needed and that without it freight travel will be adversely impacted.

Conclusion:

The GLBT project is an outdated proposal. This project was initially proposed by Daniel Burnum in the 1800's, the mere fact that in over 120 years it has not been built clearly indicates the project is unneeded. Furthermore, the project developers have no rail experience, no current revenues, no current infrastructure, and no current customers. GLBT has failed to prove any of the statistics they tout, this is especially important as they have failed to prove they can garner any of the current freight traffic, yet alone 25 %. GLBT has failed to provide any reliable estimates of actual project cost. They have severely under-estimated the cost to a point where it is laughable. GLBT and Frank Patton have shown a complete disrespect for the review process. Their inability to submit a complete, and accurate application the first time is all the evidence needed to show they do not have the experience or

knowledge to construct and operate a project of this scope and scale. GLBT has failed to demonstrate any public necessity for their project and I am asking for an immediate **no build ruling**.

Sincerely,

Dennis Scheppler

Private Citizen

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