

FD 35952

Great Lakes Basin

Laura Scheppler
212 North Owen
Mount Prospect, IL 60056
lauraanddennis1@netzero.com

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The Great Lakes Basin company cites a provision in the Stagger's Railroad Act that states the government should encourage competition among railroads. GLB fails to recognize they are not a railroad; they are simply a speculative start-up transportation company with NO rail experience. This Act was meant to encourage competition between existing railroads, to reduce the burdens of over regulation by the Federal Government, to help prevent monopolies from forming, to keep rates low, and to keep existing railroads operating safely and efficiently. We currently have plenty of rail competition and rail companies to choose from and there is no need for the speculative GLB project. GLB does not show how they will be competitive compared to the existing railroads that can use the tracks they own and not pay extra to use them. Why would an existing railroad use the GLB line for a fee over lines they own and can use for free?

GLB is not located near any production facilities so they are relying solely on existing rail cars to fill their lines; as such they again offer no competitive advantage. If they built adjacent to a mine, factory, or other source of goods then they might have an argument of competitive advantage, but since they are not located to any businesses that ship by rail, the project has no competitive advantage.

Furthermore GLB fails to show how they will increase competition; just because they build a line does not mean the line will be used. They have offered no rationale other than a possible time savings that would entice shippers to use their line. Any profit from a time savings, is quickly eaten up by a high cost to use the line. Added to this 2 Class One railroads have said they will not use the line, so they have already deduced there is no competitive advantage for them to use it, and a third Class One Railroad already has it's own bypass.

Given there is no proven competitive need for this project, the project has no public necessity and an immediate no build ruling needs to be issued.