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Phillis Johnson-Ball
Surface Transportation Board
395 E. Street, SW
Washington, DC 20423

Re: STB Finance Docket No. 35087, Comments on Draft Environmental Impact Statement

Dear Ms. Johnson-Ball,

I am writing in response to the Draft Environmental Impact Statement (DEIS) recently completed by the STB regarding the proposed acquisition of the EJ&E railroad by the Canadian National Railway (CN). I have found the DEIS to be critically flawed in multiple areas of analysis, and the resulting conclusions unsupported by the facts. This acquisition as currently proposed will have severe detrimental environmental impacts and must not be allowed to proceed.

It is clear that the DEIS contains so many flaws that it cannot serve as a sound foundation for the Final EIS. Much of the data must be re-taken, and the data must be analyzed in the proper context, using the most modern, sophisticated analytical tools available. Anything less is a grave injustice to the impacted communities.

Here is a brief summary of the major problems with the DEIS:

1. Traffic patterns and projected growth grossly underestimated

The DEIS identified only a handful of crossings that require grade separations. Critical crossing at Lake Cook Road and Northwest Highway (Route 14) also will require grade separations. The DEIS underestimated crossings when school is in session. Furthermore, there are huge numbers of pedestrian crossings of Lake Cook Road by students going to and from Barrington High School, in addition to hundreds of school bus crossings. Population growth in counties that border the EJ&E, and the attendant increased traffic, are underestimated.

The DEIS also needs to mandate grade separations at rail-rail crossings, such as the UP NW line crossing in Barrington. Otherwise the impacts to Metra commuter rail on-time performance, planned expansion of service, and passenger safety will be severely compromised.

2. Alternatives to the acquisition not given due consideration

The DEIS unreasonably rules out the CREATE program as a viable alternative to this acquisition. CN spokespersons have made numerous public statements justifying this acquisition as a private sector solution to the Chicago freight rail congestion problem, and therefore as an alternative to CREATE. CN has cited CREATE's lack of secured funding as a key reason they are pursuing the EJ&E acquisition as an alternative solution.

The DEIS uses an unreasonably narrow interpretation of CN's stated goals of the acquisition to eliminate CREATE from consideration. Clearly, by far the single most important reason CN is pursuing this transaction is to improve the efficiency of its operations, something that CREATE will also accomplish. The other stated objectives are merely window dressing and should be discounted when considering alternatives. **CREATE is a viable alternative** and must be given due consideration.

3. Regional economic impact not properly considered

The DEIS fails to consider the broad regional economic impacts of unmitigated increased freight rail congestion. This includes:

- Reduction in property tax revenues due to decreased property values
- Reduction in sales tax revenue due to decreased economic activity in affected towns
- Loss of jobs besides those in railroad operations, and the attendant tax losses
- Deterioration in infrastructure in affected towns due to the need to divert massive funds to pay for mitigation
- Tax burden of debt servicing to pay for mitigation
- Economic effects of destabilized communities as residents flee the area to escape monumental congestion, noise, pollution, and crippling taxes to pay for mitigation
- Economic costs of increased traffic delays

4. Unrealistic assumptions for mitigation funding

The DEIS identifies several mitigation steps that are appropriate, such as grade separations, noise barriers, etc. However, it neglects to consider that there is no reasonably foreseeable source of taxpayer funds for the mitigation. Therefore, such mitigation is not likely to occur at all. Government agencies that would be tapped for mitigation funding have publicly stated that there are no funds available. The acquisition should not be allowed to proceed until mitigation is fully funded and in place, and mitigation construction completed. Otherwise, statements stipulating environmental mitigation are empty of any real meaning.

5. Lack of critical analysis of supposed benefits to some communities

The DEIS states that while some communities will be negatively impacted, others will see benefits that help to balance the negative impacts. These benefits are mainly derived from the supposed reduction in freight traffic along some lines as trains are rerouted along the EJ&E. However, these "benefits" are transient whereas the negative impacts are permanent, and will only get worse over time. The vacated capacity some communities will experience will soon be

consumed by other railroads as they adjust to the projected increases in regional freight traffic. It is obvious that such valuable rail capacity will not be left idle indefinitely.

6. STAR line impact not properly considered

It is clear that if the EJ&E is operated at full capacity by CN, it will not be possible to accommodate the commuter rail traffic on the proposed STAR line. CN has made empty and vague statements regarding their willingness to work with Metra on the STAR line. Without concrete assurances of trackage rights for the STAR line by CN, the acquisition effectively kills the STAR line. The EIS must consider the elimination of the STAR line as part of the impact, with its attendant increase in traffic congestion, commute times, and vehicle air pollution.

If approved, the STB will bear full responsibility for approving a transaction that eliminated the possibility of the country's first suburb-to-suburb commuter rail line. It is difficult to overstate the negative impact of such an outcome.

7. Noise impacts use discredited thresholds and obsolete analytical methodology

The DEIS fails to use modern computer tools to analyze noise impacts. The STB must use the methodology commonly used in industry, by the EPA, and by other agencies. The DEIS must use fair and reasonable noise thresholds that are supported by credible scientific analysis when determining noise impacts and requiring mitigation.

8. Impacts to property values grossly underestimated

The DEIS only considers that property values of homes within 250 feet of the EJ&E tracks will be negatively impacted. This is patently ludicrous. It is obvious that entire neighborhoods in the vicinity will suffer decreased property values. Those homes that are closest will suffer the biggest impact, but those homes presumably already have railroad proximity factored into their value. The DEIS states, without supporting documentation, that the property value impacts are negligible. They are most certainly not negligible. Any assertion to the contrary needs to be supported with hard data.

9. Threat to public safety underestimated

The DEIS fails to properly consider the reduced access to first responders and emergency medical personnel. Furthermore, disaster response will be severely compromised. For example, in Barrington it is reasonably foreseeable if there is a hazmat spill due to a derailment that the derailment would also block crossings needed by emergency response personnel. The regional infrastructure does not have grade separated alternate routes. This serves to amplify the negative impacts, since there are no workarounds.

10. Threats to sensitive areas and water supply not adequately considered

Barrington gets its water supply from underground aquifers. If there were a hazmat spill that contaminated the groundwater the area would be environmentally and economically destroyed. Barrington is prohibited from tapping Lake Michigan water. Without a local water supply, the town dies. Furthermore, the numerous wetlands, forest preserves, and natural areas make the impact of contamination greater, and access by cleanup crews more difficult.

11. DEIS states that impacted communities should negotiate individually with CN, rather than proposing a comprehensive solution

The DEIS asserts that individual communities should negotiate with CN. This flies in the face of good regional planning, and makes for haphazard solutions. Just as this proposed acquisition purports to solve one regional problem (freight congestion in Chicago) but causes a host of other unintended consequences, so would such a piecemeal approach to dealing with the impact create other problems. The CREATE program attempts to deal holistically with regional freight congestion. The DEIS recommended approach of individual negotiation has been roundly criticized by regional planning agencies as a recipe for disaster.

Furthermore, CN has not acted in good faith with affected communities. They have made no realistic cost-sharing proposals. They have repeatedly downplayed impacts. They have engaged in a ruthless propaganda campaign against affected communities, attempting to demonize them as self-serving "NIMBY's", rather than people with legitimate concerns. Why should we expect them to change this behavior?

It is unfair and unrealistic to expect cash strapped municipalities to negotiate with powerful multinational corporations with billions of dollars in assets and armies of lobbyists, lawyers and public relations experts at their disposal. We need the STB to impose and enforce the required mitigation before the deal can proceed.

In summary, the DEIS is wholly inadequate on multiple fronts. It is a fatally flawed analysis and must be completely redone. However, despite the many deep shortcomings, the DEIS identifies many severe problems with this transaction. It is abundantly clear that the proposed acquisition of the EJ&E by CN does not serve the public interest, is detrimental to the region, would unfairly burden taxpayers, hurts the regional economy and destroys jobs, increases pollution, and increases traffic congestion. It must be denied.

Yours truly,



Arthur Holzknecht