

David Holtermann  
800 South Cook St.  
Barrington, IL 60010

September 29, 2008

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

Ref: STB Finance Docket No. 35087

Dear Ms. Johnson-Ball,

I am writing in opposition to the proposed acquisition of the Elgin, Joliet and Eastern Railroad by Canadian National Railway. I believe the purchase – and CN's plans to dramatically increase the volume and length of trains running on the EJ&E line – will create numerous negative impacts on local communities (which are home to nearly 1.5 million people) along the line. These negative impacts on neighborhoods and communities such as mine will include:

- More accidents and deaths along the rail line
- A disastrous increase in automobile traffic gridlock at rail crossings
- Elevated pollution and noise levels
- Dangerously longer response times for first-responders (fire, police, EMT)
- Disruption and closure of local businesses
- Adverse impact on property values
- Delays and disruptions along every Metra commuter railroad line that intersects the EJ&E line

It is important that the Surface Transportation Board (STB) consider the fact that CN has not proposed a meaningful, good faith plan for mitigating these negative impacts. The \$40 million it has proposed contributing to mitigation along the entire length of the line is paltry, amounting to less than 10 percent of the most conservative estimates of the costs of reasonable mitigation for the 15 grade crossings identified in the Draft Environmental Impact Statement. CN's public statements in support of the planned purchase and its efforts to dismiss well-founded concerns of local communities as selfish "NIMBY" reactions are further evidence of its lack of good faith.

CN's plans clearly are built on two assumptions: that CN can obtain approval of purchase with only minimal mitigation required, and that tax revenues collected from local, state and federal taxpayers will cover the vast portion of the cost of those mitigation requirements. If CN is permitted to proceed as it proposes, taxpayers will be forced to shoulder two significant burdens. The STB must take notice of both.

First, absent a high level of mitigation, daily life and commerce in the communities adjacent to the 189 miles of the line will be disrupted. These disruptions have been extensively detailed in other testimony and comments directed to the STB, and indeed the nearly 1.5 million people who reside in those communities will suffer a demonstrable decrease in their quality of life, health, and economic well-being as a result of the acquisition. The board should take particular notice of the reality that the delays and disruptions of automobile and commuter rail traffic will have a broad regional impact. The tens – or hundreds – of thousands of people who do not live adjacent to the EJ&E line but who must cross it on a daily basis will suffer significant delays as they attempt to travel overtaxed roads that will be choked to gridlock by trains traveling the EJ&E line. There will be significant spillover effects, as traffic will back up or get diverted into communities that have no idea that CN's plans will have an impact on them.

The second burden is financial. On a practical level, the STB should consider the likelihood that the economic downturn and the mammoth federal expenditures required for Wall Street bailouts to and to fight other aspects of the financial crisis will significantly constrain the availability of public financing for even minimal mitigation efforts. Even if the political will exists to devote public funds to the problems created by CN's acquisition, it is not clear the money will be there. Failing to assess the likelihood of adequate public financing raises a very dangerous possibility for the communities adjacent to the EJ&E line: That the STB might approve CN's acquisition with the expectation of mitigation steps that will not be implemented in the end due to insufficient funds. This worst case, yet plausible, scenario would mean radically increased train traffic along the EJ&E line, and communities overwhelmed by gridlock and disruptions without any solutions at hand.

This worst case scenario would be less likely if CN were not planning on a large expenditure of public funds to "bail" CN out from responsibility for fully mitigating the consequences of its private, profit-seeking actions. It is fundamentally unjust to shift the burden of mitigation onto the taxpayers.

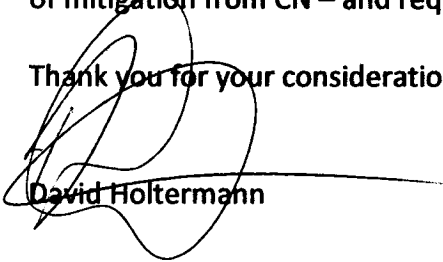
CN seeks to capitalize on outdated regulatory framework regarding railroad development to speed its rail traffic (and increase its profits), while shifting virtually all of the consequences of its private action onto American taxpayers. The STB must act in accordance with its legal mandate, but it also should recognize that the reflexive application of regulatory precedent will turn a blind eye to the impacts of this proposal on Barrington and other communities along the EJ&E line. The STB's review of this proposal should consider the disruption of daily life and financial burdens described above.

It should also view CN's proposal with an understanding of the communities adjacent to the EJ&E line as they exist today. These communities are well-established and populous, with residential and commercial development that has built up for decades around EJ&E's existing footprint. CN's purchase and plans to increase the number, speed and length of trains amount to a dramatic change in the nature of the railroad and its use. In other words, it is the railroad that would change, not the communities around it. This change will benefit CN and its

shareholders solely, but will create disruptions that CN claims it has no responsibility for. Consequently, the STB's review must take into account the full regional impacts of the proposal, and understand that the degraded quality of life for 1.5 million people is itself a significant impact. It must take into account the current and future fiscal environments and understand that a public funding from local, state and federal governments will be (at best) hard to obtain, slow to acquire, and incomplete. Finally, the STB should consider the profound injustice of asking millions of American taxpayers to shoulder the burdens created by a single enterprise focused on maximizing its profits. It is 2008, not 1908, and the STB must analyze this proposal with an understanding of present day realities.

Accordingly, the STB should reject CN's proposal to acquire the EJ&E Railroad and turn it into a rail superhighway. If the STB cannot reach that conclusion, it should require a far greater level of mitigation from CN – and require CN to fund that mitigation.

Thank you for your consideration,



David Holtermann