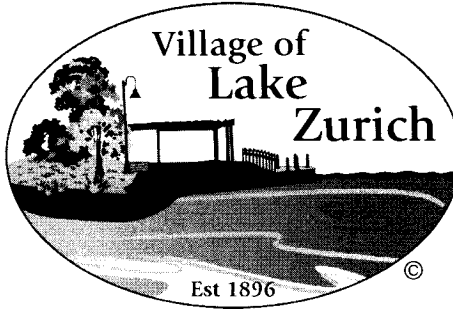


President

John G. Tolomei

70 E. Main Street
 Lake Zurich, IL 60047-3226
 Phone: (847) 438-5141
 Fax: (847) 540-1768
 Web: www.volz.org

**Village Clerk**

Gloria M. Palmblad

Trustees

Suzanne K. Branding
 Steve Callahan
 Jim Johnson
 Stephen J. McAvoy
 Thomas M. Poynton
 Craig W. Taylor

September 29, 2008

Phyllis Johnson-Ball
 Surface Transportation Board
 395 E. Street, SW
 Washington, DC 20423-0001

Dear Ms. Johnson-Ball,

I don't envy the members of the STB. You stated your three choices are to approve, deny, or approve with required conditions. To approve without conditions or deny presents the dilemma of either denying what many believe to be needed expansion of freight capacity in a vital region or significantly diminishing the quality of life in many communities with over 200 miles of railroad line. There is no denial that the acquisition will change life for all of the communities along the EJ&E railroad.

The Surface Transportation Board (STB) will decide the issue on the basis of the CN's five year projection of freight loading. For Lake Zurich, the five year projection brings at least four times as many trains a day and, because of longer trains, more than eight times as much freight overall. Lake Zurich estimates that mitigating the burdens imposed under this five year projection within only its own Village limits totals over one million dollars. The CN proposes to contribute only \$40 million dollars as its share of mitigation for all communities along the entire line. The end result - the citizens will pay for the burdens imposed while CN reaps the benefits of its own private freight line around Chicago.

Worse yet, after the five year time period the CN needs no additional approval to increase their freight traffic along the acquired line. Five years provides a woefully inadequate time period to meaningfully plan for needed overpasses, road expansions, emergency services and land use.

Admittedly, no one can predict the future, but in most other regulatory processes a user gets limited approval for an action or activity. The user bears the risk of changes in circumstances and needs to seek additional approval when any newly desired actions or activity exceeds the limits of prior approval. In this case, the STB will not condition its approval on limiting the CN's freight capacity beyond five years. I have also, as Mayor of Lake Zurich, received the adamant refusal of CN representatives on multiple occasions to voluntarily accept any limits on its long term use of the line.

Anyone that reads the CN's publicly available information knows why they refuse any limits. The CN website touts the expansion of Port Prince Rupert in British Columbia and how it will quadruple the container freight they move from China and establish a "Midwest Express" for such goods. The CN's freight projections include none of the freight they anticipate handling from an expanded Port Prince Rupert. Therefore, they cannot agree to limit their freight traffic to the current projections because success with their announced business plans will force them to put as much freight as possible on the EJ&E line.

The CN has also successfully divided the Chicago area into winners and losers by promising reduced freight traffic for Chicago and immediately adjacent communities. Any approval needs to require that the CN will agree to any permanent reduction in its freight for these communities. The CN's refusal to stand behind the benefit it purports to offer these communities provides further evidence that the CN's freight traffic through all parts of the Chicago area will greatly increase in the years to come.

No one disputes the need to move freight as part of free trade. However, the CN's imposition of burdens goes beyond allowing free trade. The CN's paltry contribution to new infrastructure turns the acquisition into an indirect trade subsidy for foreign goods. The subsidy comes indirectly from the citizens that now pay to mitigate the new burdens from the CN and put up with the tremendous changes imposed on their quality of life.

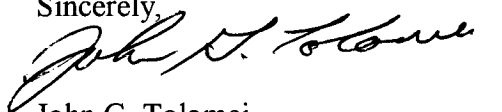
Our government no longer permits roads and airports to expand in communities without providing significant mitigation to abate noise and maintain community connectivity. Two-mile or longer CN trains of double-stacked containers intrude no less dramatically into our communities along the EJ&E than cars, trucks and airplanes. Railroads must be brought into the current age of responsibility so that the public gets the same protection from new train traffic that it now gets from other expansions to transportation facilities. Please take action to give communities as much protection from new train traffic as neighborhoods now receive when widening expressways or enlarging airports.

Requiring such measures for the CN acquisition will impose high costs. However, it is already known that real solutions to the Chicago Region's rail needs carry a high price tag. That is why Chicago regional planners put together a project called CREATE to comprehensively address rail congestion problems. CREATE requires a 1.5 billion dollar investment. Rather than wait for the government to come to a comprehensive solution, the CN wants a quick fix, short cut to CREATE with a \$300 million dollar purchase of the EJ&E line. The problem with the CN solution is it fails to fix regional rail problems with the needed steel and concrete but instead profits the CN by putting a band-aid on regional rail problems at the cost of quality of life in over 30 communities.

Other solutions exist to solve the CN freight movement needs. Many rail lines exist west of Chicago and the EJ&E line. Other rail carriers have found routes around Chicago by cooperatively using the rail capacity of another carrier. These solutions are less attractive to the CN since they will need to work with other rail carriers and will not obtain their own exclusive rail route around Chicago, or the profits that come from it.

If you choose to approve this acquisition, please condition the approval on the extensive mitigation required to reduce the burden that the trains will impose on our community. If rail truly carries the freight efficiencies it touts, than it can pay the full costs for the burdens it imposes. And if the CN cannot do it on its own, such action will provide time for creative solutions such as a freight surcharge or other means to provide the funds for full modern-day mitigation as a condition to the expansion of operations along the EJ&E line.

Sincerely,



John G. Tolomei
Village President
Village of Lake Zurich