



January 14, 2008

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W., Suite 1149
Washington, D.C. 20423-0001

RE: Finance Docket No. 35087, *Canadian National Railway Company and Grand Trunk Corporation – Control – EJ&E West Company*

Dear Secretary Williams:

We write today in support of recategorizing the above-captioned matter as a “significant” rather than “minor” transaction, or at least extending the comment period for this matter by 30 days, to February 29. The impact of this transaction has both regional and national significance, and thus deserves a sufficient amount of time for review by all parties. From a scheduling standpoint alone, an extension is justified and required because more than two weeks of the comment period occurred during the Christmas/New Year holiday period, when business is virtually impossible to conduct because of vacation schedules and other conflicts. The remainder of this letter discusses additional reasons for the recategorization.

The Environmental Law & Policy Center (ELPC) is the Midwest’s leading public interest environmental legal advocacy and eco-business innovation organization. We are public interest environmental entrepreneurs who engage in creative business negotiation with diverse interests to put into practice our belief that environmental progress and economic development can be achieved together.

One of ELPC’s primary projects is the advancement of better and faster passenger rail service in Illinois and throughout the Midwest. Our organization, together with allies statewide, successfully advocated in 2006 for the first expansion of passenger train service in Illinois in decades. The additional state appropriation permitted Amtrak to nearly double its schedule, which has led to a ridership increase of 80% in just the first year of the expanded schedule. ELPC is also supportive of the CREATE freight rail project, not only because it will reduce freight run times and thus improve air quality in the Northeastern Illinois area, but also because CREATE, as envisioned, will add capacity to what is the busiest rail hub in the world. This in turn will permit passenger trains to move even faster and thus continue to attract riders to the most environmentally friendly, energy efficient mode of transportation available.

35 East Wacker Drive, Suite 1300 Chicago, Illinois 60601-2110
Phone: (312) 673-6500 Fax: (312) 795-3730 www.elpc.org elpc@elpc.org
Richard Day - Chairperson Howard A. Learner - Executive Director

As submitted, the CN proposal leaves a host of questions unanswered, many of which are crucial to our forming an opinion about the proposed transaction. On page 222 of its application, CN states that “the transaction would not affect passenger rail service operating on CN rail lines today.” We disagree. There is no discussion of what will happen to the six Amtrak passenger trains serving eastern and southern Illinois, as well as the long-distance train that continues on through Tennessee, Mississippi, and Louisiana. While CN’s application contemplates future abandonment of the St. Charles Air Line on which these Amtrak trains pass, there is no discussion in the application of what will happen to those trains once the Air Line is no longer available. It also is incumbent upon the CN to provide an alternative route of equal or better utility, which has not yet been done. Given the multiplicity of issues involved, it is unrealistic to assume that these complicated analyses and subsequent review by all parties could be completed by the Jan. 29 timeframe defined by a “minor” transaction.

In addition, several previously-identified CREATE projects that we believe would be necessary for Amtrak service not to be disrupted are acknowledged in CN’s application to be “in question” and “at best, many years [away]” because of “funding uncertainties.” Per our comment above regarding the requirement for CN to provide a route of equal or better utility, a new connection at Grand Crossing, the need to maintain access from south of Grand Crossing, as well as additional capacity needed on the Norfolk-Southern line because of the Air Line abandonment all need to be studied, prioritized, engineered, and funded. With this N-S line already highly congested, any additional trains will cause further delays to passenger service between Chicago and New York, Washington, D.C., and Boston. Again, a complete analysis of this situation—as well as time for interested parties to review it—will require more time than the Jan. 29 deadline permits.

There are other operating concerns as well. The CREATE project was based on years of discussions, negotiations, and planning involving all of the major freight railroads, as well as Amtrak. How the EJ&E purchase would affect the overall CREATE endeavor is largely unknown. Such effects need to be modeled and studied prior to reaching a decision on the EJ&E purchase so any problems can be identified, solutions suggested, and components of either the purchase or CREATE revised accordingly. As with the other aforementioned issues, neither the modeling nor review of such modeling can be completed by Jan. 29.

Finally, we believe the transaction could seriously impair the flow of rail traffic throughout the Chicago area. The Chicago hub is the nation’s busiest, so any service problems caused by the transaction would affect the operations of a dozen or more freight carriers, as well as commuter and intercity passenger trains. Such a matter clearly should not be categorized as “minor”.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Meleah Geertsma", written in a cursive style.

Meleah Geertsma
Staff Attorney

Cc: Service List