

STB Meeting - August 27, 2008: Proposed CN Acquisition of the EJ&E

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Good Evening. My name is Maggie Bosley and I am the Director of Community & Financial Services for the Village of Barrington. As the chief financial person on staff for the Village of Barrington, my top priority is the fiscal health of our community. I am very concerned with the misrepresentations and omissions in the Draft Environment Impact Statement (DEIS) regarding the negative financial impacts to Barrington if the CN Acquisition is approved.

First, the DEIS states that there are 15 grade crossings in the region that would need mitigation due to the effects of the possible CN Acquisition and only one of them is in Barrington. We are confident that there are actually 3 grade crossings that will be substantially impacted in Barrington if this Acquisition is approved. Providing grade separation at each of these crossings has been estimated to cost upwards of \$80 million which means that Barrington would need to have \$240 million in funding for grade crossings. The DEIS report stated that CN would be obligated to pay between 5% and 50% of these costs. In our case, where would the other \$120 - \$228 million come from? The DEIS did not investigate whether there would Federal, State or local funding to contribute towards this shortfall. Two State of Illinois agencies have clearly stated, after the DEIS was issued, that Illinois is not in a position to fund any grade crossings that would result from this transaction. As for local funding-- I am here to let you know that the Village simply does not have this funding available. By State Statute, we have a legal debt limit, and the maximum amount we could lawfully borrow is only a minute fraction of the \$120 - \$228 million that we would need. Furthermore, why should the taxpayers of Barrington be responsible to cover the costs that are incurred due to a private railroad pursuing profit? That the Draft Statement included only the possibility of Federal, State or local funding without taking government fiscal realities into account, is nothing more than an empty promise to the communities that will be impacted.

Second, the Barrington Sales Tax Base will be negatively impacted if the CN transaction is approved and this effect was not addressed in the Draft Statement. If the transaction is approved - as the congestion caused by rail traffic increases, consumers will be unable to get to their local establishments, which will erode the business activity in Barrington and all along the EJ&E. This impact will be significant to Barrington, as 30%-40% of the Village's General Fund revenues are derived from sales tax.

Third, the DEIS did not adequately address the negative impact to the property values if the transaction is approved. With the reduction in the business activity within the Village and the reduction of the Sales Tax Base, the fiscal health of Barrington is at risk, and along with that will come financial devastation in the form of reduction in property values for our residents and business owners.

In consideration of these critical fiscal issues, which were not fully vetted in the Draft Statement, I implore the Surface Transportation Board to NOT approve the acquisition of the EJ&E by Canadian National.