

Surface Transportation Board members
395 E. Street, S.W.
Washington, DC 20423-0001

Chairman Charles D. "Chip" Nottingham
Vice Chairman Francis P. Mulvey
Board Member W. Douglas Buttrey



Mr. Nottingham, Mr. Mulvey & Mr. Buttrey

Please find enclosed a copy of my two EIS comment letters submitted to Phillis Johnson-Ball of the Surface Transportation Board regarding STB Finance Docket No. 35087. RE: The CN Proposed purchase of the EJ&E rail line in the suburbs of Chicago, IL. One comment is prior to the citizen feedback meeting held in Barrington, IL and the other after the presentation.

Also enclosed are findings from TRAC in the event you have not considered these. In general, I find your process inadequate, flawed, irresponsible and negligent concerning the addressing of public safety issues that the transaction creates. These enclosed documents clarify the details. Please consider these statements made here before destroying our community with a vote to support the CN acquisition of the EJE line as proposed.

These same documents have been submitted to US Senator Obama, US Senator Durbin and US Representative Bean.

Phillis Johnson-Ball
Surface Transportation Board
395 E Street, SW
Washington, DC 20423
Ref: STB Finance Docket No. 35087

Aug 26, 2008

This is in reference to STB Finance Docket No. 35087. CN proposed purchase of EJ&E.

I speak out NOT in favor of the proposed purchase of the EJ&E by CN under the current terms proposed.

Specifically, the grade separation of vehicle, pedestrian and rail traffic of US-RT14, US-RT59, County Line Road (a.k.a Lake-Cook Road/Main street) and the Union Pacific - NW Rail Road rail crossings must be mitigated prior to the increase in rail traffic on the EJE line.

I believe each of these grade crossings needs to be addressed. I have lived in this community my entire life and believe as stewards of the community that these issues must be addressed prior to escalating the number of and/or length of any additional trains on the EJ&E line. Train line right-of-way exists for potentially hundreds of years. These issues must be addressed now, as there will be not be another opportunity to ensure accountability that rail grade separation will materialize in the future.

I understand the need to move freight for the overall benefit of commerce. I have no objections to the rights of the property owners of the EJE line. However, to dramatically alter the use of property with such negative impact and zero benefit to the community requires some special consideration.

Logistically, it is PAINFULLY OBVIOUS the Barrington community is taking a disproportional burden of this transaction with zero benefit. When one looks at a map of the community and how the EJE rail line bisects the community on angle, and how each and every viable road crossing will be simultaneously blocked by an ever increasing frequency AND length of freight trains, and the safety issues imposed by grade level crossings, and the proximity of the EJE to public school access measured in FEET, not miles, there clearly is a problem. Barrington is being asked to carry the burden of a foreign operation all for the pure pursuit of corporate and Canadian profits. There is zero benefit to the community from this proposal in the current form.

Safety issues surrounding the proximity of grade level crossing to the public High School will exist. Your own STB EIS states accidents will occur. It's not IF an accident will occur but WHEN and HOW MANY? Who and how many have to die as the result of the pursuit of profits before the issue of grade level crossing is addressed? How will accountability of the private landowner to require grade separation be constructed AFTER the purchase is complete? Surely, I am not over reacting here. With a public high school a distance away from the EJE grade crossing measured in FEET an accident will happen. It is a fact that judgment of a 14 year old pedestrian walking to school or 16-year-old drivers is not mature. They may mistakes, there is a possibility of bad judgment, and people will die. For what? It's your decision and the decision of the board to rectify this problem before people die.

The issue at hand can be solved. However, it will take funds to accomplish. Each and every of the aforementioned grade/rail crossings must be mitigated. The aforementioned five significant grade crossings occur within a span of less than 2 track miles. The close proximity of each of the grade crossings would require the below grade operation of the EJE line through the community. Below grade operation has been done before and exists in the village of Winnetka, IL. There are no other alternatives to traversing around the EJE line through Barrington. Just look at the map, look at the rail line, and look at vehicular and pedestrian alternatives. There are simply zero choices for alternatives.

Yes, this will cost significant dollars. However, train lines are not transient or temporary in their nature. This transaction will have impact well over 100 years from today and beyond! Rail traffic will not decrease, pedestrian traffic will not decrease, and vehicular traffic will not decrease. Progress is progress. If these issues are not addressed today, then when will they? At what other opportunity will any government or community body have the leverage to require private industry make the safety investment necessary to correct a problem caused by simple greed and profits? CN may complain loudly over the cost of such mitigation. However, is it not the cost savings and potential revenue from increased freight movement along EJE that is spurring CN's action to buy the rail line? I

would strongly suggest that a bond fund be created by CN to mitigate the rail crossings, not just in Barrington, but all communities affected by this transaction. The CN profits and savings directly resulting from their purchase of the EJE line can pay the cost of this bond fund. Surely the cost of this significant rail improvement amortized over a 100-year timeframe is not significant and can be bourn by mega-rail CN. However, the alternative of not addressing the issue now will forever destroy the community as there will be no accountability or funding made available to correct the grade issues once the transaction has been completed.

Regarding the rhetoric being publicized by CN concerning the existence of the EJE line prior to these communities being founded. I would suggest CN check their facts. The village of Barrington existed long before the EJE rail line was constructed. Barrington was founded in 1854, incorporated in 1865 and the EJE line was constructed in 1889.

Lastly, as a compromise suggestion, I recognize the need and rights of property owners and the significant amount of investment dollars at risk are serious. One way to allow the transaction to move forward is to allow for the purchase but to legislate throttling of freight volume to current levels until such time all mitigation issues are resolved. This would allow for an overall rail benefit to the region, allow for CN to invest in their future on solid footing, keep accountability on the private party, and provide for very long term and strategic controlled growth, while also providing for the safety of people of the community.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Peter Schaffer", with a long horizontal flourish extending to the right.

Peter Schaffer
228 Monument Ave
Barrington, IL 60010

Ms. Johnson-Ball,

Aug 28,2008

I attended the citizen comment meeting held in Barrington IL on Aug 27, 2008 concerning the EJE purchase by CN.

Sadly, the presentation, scope of the work of your organization and contractor I found to be rather lacking of content and disingenuous.

I find you and your organization incompetent with the work you have been chartered to do. The scope of your work and the documents you have published ignore vast areas of public safety and environmental issues.

The volume of issues raised during just this one meeting were completely ignored by your organization and proves with certainty your efforts to conduct the study have been rushed and findings are fatally flawed. To move forward with this transaction without addressing of the issues ignored would be criminal in nature.

Please check your notes, review the meeting notes with the staff you sent to the meeting, and do your homework. The issues are so large and many it would take me an entire day to articulate them all for you here.

Regards,

Peter Schaffer



The Regional Answer to Canadian National

TWENTY-PLUS PROBLEMS WITH THE DEIS

An Overview for Concerned Community Members

August 2008

General Flaws in the DEIS:

- 1. No Review of Alternatives:** The DEIS completely eliminated CREATE as a reasonable alternative to CN's proposed acquisition based on a very narrow reading of CN's statement of purpose in its initial application to the STB. CN's stated purpose in its application is to: (1) improve its operations, (2) have access to various rail yards in Chicago, and (3) develop closer relationships with companies and industries served now by the EJ&E. Since CN's public statements have focused consistently on emphasizing that its rationale for this acquisition is to improve its operational efficiencies, it would seem that the latter two stated purposes are intended only to preclude an STB review of alternatives such as CREATE. This seems to be an example of an applicant "gaming" the review system by incorporating such narrow statements of purpose that no other reasonable alternative could be feasible. If access to the Kirk Yard (the only rail yard CN does not currently have access to) and current shippers now served by the EJ&E are so important to CN, the DEIS should have made an effort to substantiate the validity of these purposes before rejecting the CREATE alternative. It is a particularly glaring omission to reject a public-private regional freight management plan that has already been partially funded given that the DEIS envisions that a substantial public investment is needed to mitigate the environmental impacts this transaction would have in the region.
- 2. Failure to Assess Likelihood of Taxpayer Investment in Mitigation Options:** The DEIS states that there are "15 Highway/Rail Grade Crossings in the Study Area that require mitigation due to effects under the proposed action" and provides a range of mitigation options for consideration. In the first place, we believe more than 15 grade crossings would need mitigation. But, if we accept that only these 15 crossings would require mitigation, grade separations are the only realistic approach. At an average cost of \$35 million each, we would be looking at a minimum cost of \$525 million for just the 15 crossings identified in the DEIS. Since the Board's Section of Environmental Analysis (SEA) would consider recommending that the Board mandate that CN only pay from 5% to 50% of these costs, it is a failure of the DEIS that SEA did not investigate the reasonable likelihood of whether the federal government, state governments, and localities actually have the taxpayer funded resources available to make up the differential that could range anywhere from \$500 million down to \$263 million. In an August 5 Congressional field hearing on this transaction, two State of Illinois agencies (IDOT and the ICC) definitively stated that Illinois is not in a position to fund any needed grade crossing mitigation that would result from approval of this transaction. A mitigation funding premise that fails to take government fiscal realities into account is nothing but an empty promise to impacted communities absent a Board-mandated mitigation requiring that CN's freight operations on the EJ&E not occur until AFTER these grade separations are fully funded and constructed.
- 3. Contradictory Capacity Conclusions as it Relates to Interference with Other Railroads and Commuter Service.** While the Executive Summary acknowledges that CN would operate at capacity in 2015, it concludes that the operations would not interfere with Metra trains and it is silent on interference with freight trains that cross the EJ&E or have trackage rights on the EJ&E. Yet the body of the DEIS contradicts this: "under the Proposed Action there would be several segments of the EJ&E rail line that would operate at or near capacity. On these line segments, there is little capacity

beyond the train numbers reflected in the Applicants' Operating Plan, for the Applicants or other railroads to coordinate trackage-rights operations or to ensure non-interference of Applicants' trains with the freight and passenger trains of other railroads crossing the EJ&E rail line at railroad/railroad crossings." The Rail Operations Appendix to the DEIS reaches an even more alarming conclusion that even with the EJ&E operated under circumstances most favorable to the EJ&E system itself, the EJ&E system with physical plant improvements proposed by CN is **"unlikely to be able to accept the total number of trains that CN proposed** in its operating plan, even with a significant increase in horsepower per ton." Which part of the DEIS is the STB Board, a regulatory agency, a railroad operator, or a member of the general public supposed to believe?

4. **Capacity Examination Based on Applicant's Operating Plan Rather than a Full ROW Capacity Review:** The DEIS states that CN's operating plan would have the EJ&E operating at capacity by 2015 so the threat of additional trains beyond CN's current projections is unlikely. It is unclear whether this "capacity analysis" is based on an acceptance that the \$100 million in line upgrades CN details in its operating plan is all the upgrading CN would ever do on the EJ&E. Given that CREATE documents project that there will be a near doubling of freight traffic through Chicago in the next 20 years, it would seem reasonable that some of it would likely be running on the EJ&E right-of-way (ROW). A realistic and reasonable capacity analysis of the EJ&E would take into account the extent to which CN could add trackage and change operations within its existing right-of-way to meet this 88% growth in freight traffic as projected by the U.S. Department of Transportation and highlighted in the American Association of Railroads' White Paper that presses for public investment in freight rail infrastructure. It is interesting to note that SEA's forecast of freight traffic growth along the EJ&E averages only about 2% annually (Attachment B, Appendix B, page 2 of 12) despite an admission that most freight passes through the Chicago freight hub. It seems that the railroads are interested in maximizing growth when looking for public funding to support their industry, but want the opportunity to minimize growth projections in environmental impact studies when it better serves their interests. A valid DEIS would not provide the industry – or the applicant railroad – that option.
5. **Benefit to Current CN Line Communities Accepted at Face Value:** Much of the DEIS analysis concludes that the environmental "benefits" to communities currently on CN rail lines would offset the harms done to communities along the EJ&E. This is based on the unsubstantiated assumption that CN's shift in operations will mean a permanent reduction in freight traffic along those current lines of operation. Given the projected growth in freight traffic in Chicago, it seems inevitable that at least a portion of that freight increase will end up as backfill on these current CN lines. As a result, the DEIS analysis is flawed in that it fails to calculate the reasonably foreseeable reality that the negative environmental impacts will actually be compounded (rather than just shifted) throughout the greater Chicagoland area as a result of this transaction.
6. **Benefit to the Region is Accepted Without Proof:** Once the fallacy of "winner" communities is unmasked as the "bait and switch" maneuver that it is, it is difficult to find any real benefits that the greater Chicagoland region will derive from this transaction. In its application, CN states that rail jobs will be lost; this transaction threatens to siphon public funds from the CREATE project which would have done more to ease congestion for the other Class I railroads that operate in the region; no shippers have come forward to guarantee that the purported cost savings they derive from CN operating efficiencies would accrue to them or the end consumer. All opponents hear is that this transaction would benefit the region and the nation. Nonetheless, the DEIS fails to provide any specific substantiation to that claim.

7. **Unsubstantiated and Unsourced Data:** If an environmental impact study is meant to provide interested members of the public, the STB Board, and regulatory agencies with the details necessary to be fully informed of the environmental impacts, this DEIS fails completely. The DEIS is filled with unsubstantiated claims based on unsourced data. As an example, the DEIS uses analysis and mitigation thresholds for noise and hazardous materials that are unsubstantiated and have been sharply criticized by the U.S. Environmental Protection Agency and U.S. Department of Transportation in previous Environmental Impact Studies prepared by SEA. The public perception of validity for this DEIS must be based on an acceptable level of data validity and transparency. In this document, these characteristics are spotty at best.
8. **Assumption that Impacted Communities Know What Can/Should be Mitigated and Have Negotiating Power Vis-à-Vis CN:** The DEIS urges impacted communities to negotiate directly with CN to reach suitable mitigation agreements with the inference that these negotiations can achieve more than an STB-mandated mitigation. However, the DEIS provides a broad range of mitigation possibilities without clearly indicating which measures the STB would likely impose on CN for specific levels of impact. One of the few indications of SEA's attitude toward mitigation comes with the phrase: "SEA concludes that requiring mitigation for all of the noise-sensitive receptors predicted to experience an Ldn of 70 dBA or greater may unreasonably burden the Applicants." Of course, how would any community know that the Ldn of 70 dBA is an unsubstantiated threshold that no other agency uses and the U.S. EPA has criticized in other SEA EISs? Obviously, an investment in the legal and technical resources necessary to make this a bargaining equation between equals is prohibitively expensive. For communities that lack these resources, the SEA's urging of a negotiated mitigation agreement results only in duped communities settling for crumbs from CN's table – a result that is clearly not in the region's public interest.
9. **Failure to Look Broadly at Indirect & Cumulative Effects:** Rather than looking at the broad national consequences of this deal as required by U.S. environmental regulations, the DEIS dismisses the potential for consequences that are not immediately adjacent to the EJ&E rail line. This precluded a hard look at two critical issues: (1) a broader examination of air quality impacts, and (2) how this deal could impact homeland security issues.

Air quality impacts: It can be argued that this transaction will negatively impact air quality well beyond the Chicago Metro region and that a cumulative impact assessment needs to be done in light of CN's growth, as the air quality impacts of its current operations has not been reviewed. In 1998, Canadian National purchased the Illinois Central Railroad and connected its existing lines across all of Canada with a line from Chicago to New Orleans. In 2001, CN purchased the Wisconsin Central Railroad, which gave CN a network of rail lines encircling Lake Superior, Lakes Michigan and Huron and enhanced CN's connections between Chicago and Western Canada. In 2004, CN acquired Great Lakes Transportation, the owner of the Bessemer & Lake Erie Railroad, the Duluth, Missabe and Iron Range Railway, and the Pittsburgh Conneaut Dock Company. This transaction, among other things, allowed CN to close an ownership gap in Duluth, Minnesota and further enhance its Western Canada to Chicago routings. The Surface Transportation Board did not do an environmental impact statement in connection with any of these transactions. Nor has the STB evaluated the cumulative effect of these transactions since CN's acquisition of the Illinois Central Railroad in 1999. This transaction should have been the impetus to a broad cumulative air quality assessment that is long overdue.

Homeland Security Issues: Congress and the Administration have focused significant attention and resources on developing a security regime for the purpose of guarding against threats posed to the U.S. through our robust trade system, and specifically, one of its primary mediums, the maritime cargo container. In the Safe Port Act and through other regulatory measures, Congress and the Administration have imposed a rigorous security regime on maritime cargo containers shipped from a

foreign port that enter the U.S. directly via one of our maritime ports. Foreign originated containers trans-shipped through our North American neighbors that enter via our land border are not subjected to the same strict standards as those entering the U.S. through a domestic seaport. This fact represents a threat to both our regional and national security, safety, and our economic interests. That the DEIS did not examine the indirect impact on homeland security safeguards given the increased traffic Canadian National plans to bring in through the Canadian Port of Prince Rupert -- which CN is marketing as the quickest route from Asia -- is unconscionable.

Metra & Commuter Rail Flaws:

- 10. False Assurances on the STAR Line:** Despite the fact that various parts of the DEIS conclude that the EJ&E would reach capacity and interfere with Metra's trains and freight trains under CN's operating plan, in other parts of the DEIS, SEA concludes that this transaction would not preclude implementation of the STAR line (that is meant to connect suburban communities via commuter rail) but just add some "complexities." In fact, the DEIS seems to accept that CN's voluntary mitigation offer that it "shall work with Metra to explore all options" via a commitment to "continuing discussions" actually constitutes real mitigation. If the EJ&E transaction would not endanger the STAR Line project as the DEIS states, why does CN's March 13 filing to the STB so strenuously object to Metra's request of the STB that approval for CN's acquisition of the EJ&E be conditioned on an immediate grant of trackage rights over the EJ&E, calling it an "unwarranted attempt to use the Board's powers to address a pre-existing issue"? CN continues by stating in its filing, "Metra has never been in a position to enter into serious negotiations concerning such rights because the service it hopes to place on that line is undefined and still far from becoming a reality." Future assurances that would not have to be honored after the deal is approved are meaningless unless the FEIS mandates that when the STAR line is funded, CN will allow it to run on the current EJ&E rail line and give the commuter trains priority over its freight trains into perpetuity.
- 11. Current Metra Commuter Rail Service Will Likely Be Disrupted:** The DEIS notes in Chapter 2 (page 2-14) of the DEIS that there are six at-grade crossing where Metra trains will intersect with freight trains on the EJ&E: in Rondout, Leighton, Barrington, Spaulding, West Chicago, and Rock Island. However, in Chapter 4 where the DEIS provides its methodology for the analysis of environmental consequences, that number has been reduced to only four in the written summary while the referenced chart (Table 4.1-4) actually lists 5 Metra Rail/EJ&E at-grade rail crossings. It is hard to believe that an analysis that can't keep track of the number of at-grade crossings involved could lead to any valid conclusions. This slipshod analysis then goes on to serve as the foundation for SEA to conclude "that it would be physically possible for CN to operate the increased train numbers" but that "CN and Metra would have to work together closely to coordinate to ensure" an outcome that doesn't disrupt Metra's current and projected commuter train service. Meanwhile, other parts of the DEIS conclude that "On these line segments, there is little capacity beyond the train numbers reflected in the Applicants' Operating Plan, for the Applicants or other railroads to coordinate trackage-rights operations or to ensure non-interference of Applicants' trains with the freight and passenger trains of other railroads crossing the EJ&E rail line at railroad/railroad crossings."
- 12. Northwestern Indiana's Expansion of Commuter Rail Service is Ignored:** The DEIS determined that the planned expansion of existing Northern Indiana commuter rail service "was not reasonably foreseeable" (page 4.1-49 of chapter 4) so SEA chose not to assess the impacts this transaction could have on those plans that would have commuter rails crossing the EJ&E at-grade in Griffith, Maynard, and Dyer. In August 5 testimony at a Congressional Field Hearing on this transaction, the Northwestern Indiana Regional Planning Commission (NIRPC) strenuously objected to that dismissal stating, "State legislation to help finance the expanded rail service passed one House of the Indiana Legislature this past spring, and a bill to secure a financing mechanism is expected to be reintroduced

current ADT counts and have determined in many instances that the ADT numbers that are used as SEA's basis for projections of 2015 ADTs don't accurately reflect the current ADTs, so they vastly undercount the ADTs these crossings can expect to experience by 2015. This is truly a situation where junk input data yielded junk results with the inevitable consequence being that the SEA list of 15 substantially impacted grade crossings in need of mitigation omits numerous other crossings up and down the EJ&E that will require equivalent levels of mitigation.

In addition to flawed ADT data, the train lengths and train speeds used by SEA have been provided by CN and are highly questionable. Opponents have seen press reports indicating that train lengths could be up to 12,000 feet long (*June 4, 2008 Terrace Standard*) and those longer train lengths reflect the lengths CN has mentioned in conversations with local communities. In terms of train speeds, it is questionable that CN trains traveling on the EJ&E will reach the speeds indicated in the DEIS as this does not reflect the slower speeds that are now the norm on this line. It is questionable that the speeds provided to SEA by CN can be achieved given that CN's freight movement will have to be integrated with commuter trains and other freight traffic that will cross the EJ&E. With undercounted ADTs, artificially short train lengths, and the overly optimistic data regarding train speeds, the region cannot accept the DEIS conclusions on delay calculations that led to an undercounting of the number of grade crossings that are in need of mitigation.

Noise Assessment Flaws:

14. **Noise Assessment Methodology Outdated:** The DEIS uses a methodology for generating noise contours and accounting for building shielding that is outdated and was used prior to the advent of high-speed personal computers. This methodology is too generalized and could result in inaccurate inclusion or exclusion of impacted homes that could require mitigation for noise impacts. The DEIS uses an unsubstantiated threshold for the consideration of mitigation for noise impacts that has no technical basis, which no other agency uses, and that has been roundly criticized by the U.S. Environmental Protection Agency. This threshold is higher than the widely accepted threshold at which impacts are deemed significant. In the DEIS, SEA abdicates its responsibility to address mitigation for noise impacts by encouraging CN to negotiate with affected municipalities rather than taking a hard look at mitigation itself. The DEIS mentions noise walls and suggests that CN determine their feasibility. Once again, the affected communities are left to their own devices to negotiate with CN without an indication of what specific mitigation the STB could impose on CN. In its Environmental Justice analysis, the DEIS fails to include a map showing low-income and minority homes that would be impacted by noise. Without this basic information, how can those communities even begin to negotiate with CN?

First Responder Issues:

- 15. Life and Death Impacts Downplayed:** The DEIS methodology for assessing emergency response impacts is incomplete as it makes arbitrary assumptions based on unknown rationales. To determine whether an emergency service facility would make it to the list of facilities noted as “potentially substantially impacted” and therefore in need of mitigation fails to take into account a number of important factors. As an example, if a community has a first responder EMS facility on both sides of the EJ&E, it is automatically disqualified by SEA from being considered “potentially substantially impacted.” This fails to take into account emergency response staffing levels at any given time for each of the impacted communities. If a community has limited personnel resources, an emergency response crew that is out on a call may deplete that community of EMS responders from the “right” side of the tracks if a subsequent call comes in. Compounding this problem is the fact that unlike many of the more populated areas along current CN lines, communities along the EJ&E have fewer through roads making it more difficult for first responders to travel expeditiously on alternative routes. Ultimately, if the closest medical facility is on the “wrong” side of the tracks, it doesn’t matter if both patient and ambulance started out on the “right” side of the tracks as they can’t get to the nearest medical facility. The DEIS analysis discards this problem by noting that “response to the actual scene of an emergency is the most critical action, not the transport to the emergency medical facility.” It seems astounding that SEA concludes getting the patient in an ambulance to a hospital quickly is not a “critical action”, when in fact timely access to a skilled medical team and life-saving equipment can mean the difference between life and death!

Public Safety Impact Flaws:

- 16. Increased Risk of Hazardous Material Spills Minimized:** The DEIS concludes that despite the potential for an increase of hazardous material spills along the EJ&E that this transaction would create, that “a hazardous material release would remain remote because of the regulatory and other safeguards already in place.” As additional comfort, SEA added, “In addition, the CN rail lines (currently used) tend to be in more densely populated areas than the areas along the EJ&E rail line, where hazardous materials transportation would increase.” SEA’s analysis failed to look at a few critical issues that undermine these blanket conclusions as it ignored on-the-ground realities about the communities CN will be carrying additional hazardous materials through.

SEA should have analyzed the extent to which the current rail lines that now carry much of this hazardous cargo moved through the region by CN is through terrain that is qualitatively different from the topography surrounding the EJ&E. Unlike communities along current CN lines that enjoy access to Lake Michigan drinking water, many of the collar communities along the EJ&E depend upon a shallow aquifer system to supply 100% of their drinking water. Some communities have no existing infrastructure to deliver water from an alternate source and have no access to Lake Michigan water. As a result, SEA needs to undertake substantially more groundwater analysis than it has done to prepare this DEIS, including: the behavior of hazardous materials in groundwater toxicology; study of groundwater flow patterns; study of stormwater flow patterns relating to groundwater recharge; baseline water chemistry from well sampling; and, municipal liability for new wells and infrastructure.

Many of the areas along the EJ&E line are environmentally sensitive areas that would make a hazmat spill difficult to clean up expeditiously as it is surrounded by wetlands, lakes, and marshes. The type of land that abuts the EJ&E in areas would make it exceedingly difficult for a hazmat cleanup crew to access and operate in when addressing an emergency. The disastrous reality of what communities along the EJ&E could experience if a train derailed and resulted in a hazmat spill cannot be overstated. With a huge increase in freight volume as well as an increase in hazardous cargo loads, this risk is very real. Increased transport of hazardous materials is compounded by CN’s deplorable

safety record in Canada that has led to intense scrutiny by the Canadian government over the last several years. That SEA decided not to look at CN's Canadian safety record in developing the DEIS is unfathomable and needs to be rectified, as Canada has concluded much of CN's safety problems are due to a "culture of fear" that CN has created for employees who try to report safety-related problems.

A November 29, 2007 Globe and Mail Update feature article on E. Hunter Harrison puts this hazmat spill threat in chilling perspective for communities along the EJ&E as it points to the flaws of relying upon CN to do the "right" thing in addressing hazmat spills:

"The Lake Wabamun case, caused by a defective rail, continues to haunt CN. Though the lake is once again swimmable – at a cost of \$130 million to the company and its insurer – CN still faces charges from Alberta's Environment Ministry that it failed to act properly to confine the spill... Harrison says there was an element of bad luck at play – "If the derailment had happened a mile before Wabamun or a mile after, it would have been a non-event." Maybe so. But it was CN's response, not the derailment itself, that really hurt the company's reputation. Within 48 hours, the trains were moving again, yet lakeside residents were still being told little; they'd been stood up by a CN official who had promised to meet with them... "They were pretty arrogant," says (a citizen). A few dozen people blocked the main railway crossing in the town of Wabamun, garnering plenty of attention from the media. Even so, Harrison took 10 days to issue a written apology to residents."

Economic Issues:

- 17. Residential Housing Impacts Ignored:** Although the DEIS admits that "some homes within 250 feet of a rail line with 20 additional trains could experience a decrease in property value" it concluded that this would have "only minor, negligible effects" if the transaction were to be approved. There is no attempt by SEA to actually determine how many homes along the EJ&E are within 250 feet of the line and then calculate the potential property value loss in any way, so it is hard to understand how SEA came to the conclusion that it is a non-issue. This is particularly problematic given the state of today's housing market and the fact that much of the residential growth along the EJ&E has been recent. An August 2008 Zillow real estate study in the greater Chicagoland market said that about a third of all homes sold in 2006 and 2007 in the Chicago area are now financially "under water," meaning their owners have negative equity in the property. How many homes along the EJ&E will become negative equity situations if their values drop by a significant percentage? That the DEIS fails to take a hard look at this possibility when the federal government is enacting expensive programs to prevent home foreclosures is unacceptable.
- 18. Regional Business Impacts Ignored:** The DEIS concludes that the only jobs impact – direct, indirect or induced – would be in the rail industry, and that the 280 rail job losses would minimally impact the greater Chicagoland economy. This overly narrow focus on business impacts completely ignores the business and job losses that will likely occur in communities along the EJ&E. If consumers cannot easily get to their local businesses, these businesses will close in the communities adjacent to the EJ&E with only those having the financial resources having an option to relocate to other areas. This will decimate the sales tax base of impacted communities and create commercial ghost towns along the EJ&E. This analysis omission must be addressed and rectified in the FEIS.
- 19. Local Tax Base Harms Ignored:** The fiscal health of the communities located along the EJ&E is based on revenues derived from property and sales taxes. That revenue is used to support school districts and maintain first responder capabilities in the region. The failure of the DEIS to calculate the ripple effect harms from a reduction in local business activity and property values, and then assess how that will harm the tax bases of these localities will have long-term consequences for the people who live in

- these communities now and for generations to come. The DEIS is wholly inadequate in examining the socioeconomic consequences that are likely to occur along the EJ&E if this transaction is approved.

Air Quality Analysis Flaws:

- 20. Contradictory Data Used:** The Operational Air Emissions Methodology indicates that the DEIS provides two sets of emissions estimates. One is based on the original, published fuel use estimates (referred to as the “original estimates” throughout the DEIS) and the other is based on supplemented fuel use information submitted by CN in its May 23, 2008 filing (referred to as “revised estimates”). The DEIS also states that “SEA used the General Conformity emissions thresholds (100 tons/year for all affected pollutants)” (p. 4.9-1). The DEIS also acknowledges that NO_x is the “criteria pollutant of greatest concern with respect to the Proposed Action” (p. 4.9-10). For NO_x the increase net change in emissions based on original estimates is 374.1 tons/yr (Table 4.9-11), which could pose a barrier to metropolitan Chicago's efforts to achieve federally required air quality standards. The revised estimates reduce this number to 95.8 tons/yr (Table 4.9-12). The May 23, 2008 CN letter contains an exhibit with data that indicates a much lower change in operational fuel usage than previous estimates, but these numbers are not substantiated to the degree that the original estimates were by Exhibit C in the CN's February 15, 2008 filing. In the May 23, 2008 filing, brief qualitative assumptions are provided to explain the changes, but no data is provided to verify the validity of the revised fuel use information. It could be construed that this change was made by CN to alleviate a major air quality roadblock to approving the transaction.

In addition, the apparent assumption in the revised fuel data is that there would be no change in fuel used for EJ&E and other trains using EJ&E rail line as a result of the proposed action (CN filing from May 23, 2008). From the way that the fuel consumption is categorized by CN, it is apparent that the DEIS uses decreased idling time (of both CN and other trains) on CN and other lines to reduce the amount of fuel used. However, the data provided by CN – and consequently used in the DEIS for fuel consumption and air quality analysis – fails to provide an accounting for changes in fuel consumption that would result from changes in idling time by EJ&E and other trains on EJ&E lines. Based on the delay information presented in the Rail Operations segment of the DEIS it would seem that delay on EJ&E lines would increase for both EJ&E and other trains thus increasing their fuel use and air emissions.

Carbon Footprint Issues:

- 21. Increased Fuel Usage and Climate Change:** The DEIS includes both “original” and “revised” estimates for fuel use and states that an additional 723,684 gallons of fuel (or 2,569,889 gallons under the original estimate) would be used under CN's proposed action in the year 2015. Contrast this with the CN claims of the project improving fuel use efficiency in the Chicago area. The reality is somewhat different. All this extra fuel consumption leads to emissions of greenhouse gases, a subject that is given short shrift in the DEIS. The DEIS seems to question whether human sources of greenhouse gases are really much of a concern. It states that there are many other factors affecting climate change and that CO₂ is a minor contributor to the greenhouse effect in comparison to water vapor and clouds. SEA's dismissive approach to climate change is out-of-date and out of step with the position of the U.S. Government and overwhelming, worldwide scientific consensus. President George W. Bush recently pronounced that “the United States takes this issue seriously” and would be supporting the goal of reducing greenhouse gas emissions by 50 percent by 2050. The DEIS fails to analyze the cumulative effects of greenhouse gas emissions, despite many recent court decisions directing agencies to prepare such analyses as part of EISs.