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Surface Transportation Board
395 East Street, SW
Washington, DC 20423

RE: STB Finance Docket No. 35087

Seven years ago the Board approved CN's purchase of the Wisconsin Central Railroad. This extended CN's reach from Canada to the Gulf of Mexico. Apparently it was close to a rubber stamp deal with very little fanfare. Nor could there have been much of an examination of CN's proposed operation, particularly in Chicago, which turned into a nightmare from the start.

Customers began complaining about service. The people in Chicago started complaining about traffic congestion. The other railroads started complaining about rail congestion in the terminal. Indeed, it was taking CN cars longer to get through Chicago than it took them to get from Winnipeg to Chicago. The likes of River Forest, Forest Park, Riverside, Berwyn, Cicero, Riverdale, and the City of Chicago itself complained bitterly. They'd never seen such long trains of Canadian traffic creeping thru their residential areas.

So what brought this all about? When CN's predecessor railroad brought its traffic from the Duluth Gateway, these communities weren't complaining. They didn't because they never saw them! Incidentally, this is one portion of the 60 suburbs being erroneously labeled as having less traffic if CN buys the EJ&E. What other inaccurate and misleading stats have been thrown around by CN?

In any case, WC's customers weren't complaining about service either. So what did change? In a nutshell, WC kept the cars sorted by destination, and before they arrived in Chicago. That increased their costs to a degree, but was essential to offering good service. Then, after refining its blocks at Schiller Park Yard, WC delivered its transfer trains directly to the receiving carriers in pre-blocked, run-through mode. So their traffic moved swiftly through the terminal.

Less than 10% of WC's traffic operated from Schiller Park to the BOCT at Forest Park, past the UP's Global II Yard at Western Avenue and through the St. Charles Airline and the City of Chicago. These were relatively short interchange moves to and from ICG. The other 90% was delivered to its connections with other carriers via trackage rights on the IHB. None of it moved through the aforementioned "inner" suburbs.

Then Canadian National took over the Wisconsin Central. Instead of pre-blocking and maintaining those blocks upon arrival to Chicago, it literally dumped its mixed trains into the terminal. First, CN maneuvered its lengthy trains through the aforementioned "inner" suburbs to reach its Glenn Yard located along its CCP line. Then most of the cars were switched and made up for advancement to its ICG Yard at Harvey. Its transfer trains, just as long, then dragged through the St. Charles Airline tracks and the City of Chicago. Trains from the opposite direction did the same in reverse. In the process, its trains conflicted with all the other railroads, including Amtrack, but particularly the direct run-through interchanges being made by western and eastern carriers at Ashland Avenue.

Now, if the CN-WC merger of 2001 didn't negatively affect rail transportation, what would? CN changed everything WC was doing to provide good service. Or as the pundits should say, "CN did nothing to benefit our national economy by denigrating the movement of its traffic through Chicago."

When not being blocked by CN, trains from those carriers are in and out of the Chicago terminal in a couple hours. Of course, as opposed to CN, they're ready to roll when they arrive. Most of the other railroads also move trains over the IHB, a signaled, double-track line. Overall, paying for 25 miles of trackage rights would save 45 miles for CN to travel as opposed to the EJ&E route around Chicago. It could consolidate its various lines on it. It could interchange with other lines, as WC did. All that is necessary is to get the trains ready when they arrive in Chicago. Other railroads take advantage of trackage rights when it's in their interests. They don't worry about losing some control. Apparently, CN does.

Trackage-right fees are an operating expense, and maybe CN believes it would reduce profits. Maybe if it improved its service, it would increase its business, thus making more profits. CN puts the blame for all its delays on the congestion in Chicago. In truth, CN is the main culprit and most of its problems are self-inflicted.

CN would prefer to abandon its WC line, formerly operated by the Class-One, Soo line, whose track structure is already in place to safely handle its level of traffic. The EJ&E's track substructure was built in 1891; and while it's been well maintained for a terminal railroad over the years at its level of traffic, the proponents have had no recognition of the demands to withstand a sudden 400% increase in volume and, more importantly, an 800% increase in annual tonnage.

The EJ&E line was built on cinders. Today's heavy-tonnage, Class-One lines require a completely different design. First, they require a well-compacted and solid sub-grade. Then, they require a layer of well-compacted sub-ballast to shield and divert the entry of water away from the sub-grade. The EJ&E track has none of this. It needs a firm, solidly compacted base to ensure its stability, its safety, and to limit excessive vibrations to prevent cracked foundations in nearby structures. CN doesn't plan to provide this, nor does the DEIS address the issue.

Highway grade-separations. There are innumerable grade separations at key locations on the WC-IHB route. For example, Lake Cook Road is a 6-lane overhead bridge east of Buffalo Grove. State Route 14, which along with Lake Cook Road crosses the EJ&E in Barrington at grade, is grade-separated at CN's track west of Des Plaines. Incidentally, CN's WC track doesn't run through the center of either the Buffalo Grove or Des Plaines business districts, as it does through Barrington and a number of other collar county communities. This is another misleading example of CN's attempts to compare the relative effects of rail operations to the so-called 60 "inner" communities it claims would be less effected by changing its operation to the EJ&E.

So CN would abandon the line where these same highways have grade-separated bridges, and where public funds accounted for 95 to 100% of its cost. They would choose to operate on the EJ&E line, where neither of these same highways is grade separated, and for which there is no plan to do so. And, if the public wants them, they can pay for them, all over again. What precedent is there for that? And, if someone thinks the answer for Barrington is building a bridge over the EJ&E track at Highway 59, which also crosses the UP-Metra's Northwest Line a few hundred feet away, think again.

Railroad bridges. The CN-IHB line crosses the busy UP-Metra's West Line on a grade-separated, overhead bridge at Bellwood. CN would avoid that route and run its projected 35 trains per day, averaging 100 to 150 cars in length, against UP's 60 to 70 freight trains of similar length and Metra's 75 commuter trains per day through at-grade rail crossings at West Chicago. There's little mention of this in the DEIS analysis other than "cooperation" between the parties. It will require a lot more than that. Count on occasional back-ups from Elmhurst to Geneva and from Joliet to Lake Zurich, and utter chaos on the nearby highways. This, just so CN can save some trackage right fees on the IHB?

The next thing we expect to hear is, "CN needs a bridge over UP-Metra at West Chicago. But since the railroads merely exacerbated an existing highway traffic problem, the public will be required to pay 95% of a new bridge for the railroads." Hopefully, it will never come to that, and CN will come to its senses and cross this busy line on the existing overhead bridge at Bellwood.

CN claims it needs to convert Markham to an all-intermodal yard. This isn't new traffic coming to Chicago from Port Prince Rupert. It's the same traffic BNSF and UP currently handle and will have a corresponding reduction of activity in its facilities, which are normally serviced by third-party vendors in any case. While most of this traffic goes *through* Chicago, not *to* Chicago, would it be too much to ask the railroads to cooperate with each other and consolidate this activity among themselves? Traffic patterns tend to change all the time. BNSF and UP could get this same traffic back some time in the future so building another separate facility for CN could be a big waste.

Here are some final points. CN is the only carrier of the 6 major Class-One railroads with lines running north to south and east to west of Chicago. That's quite an advantage over the other five in itself. With the prospect of owning the EJ&E line, it expects to interchange with CSX and NS over in Indiana. How will UP, BNSF, and CP be affected by that? Will CSX and NS tell those carriers to either do the same, or pay the difference? Of course CN, as opposed to UP and BNSF, also has the option of interchanging to the eastern lines over Buffalo, where it might gain an even greater share of revenue divisions.

How long will UP, BNSF, and CP stand pat before they want, or need, to expand their territories and compete on an equal footing? What will be the chain reaction if UP merges with one of the eastern carriers and BNSF does the same? Will CP patch up its differences with CN and give it a free ride over the IHB line, which it wanted all along? Could CN then get concessions from the US carriers for a direct route to Memphis, by-passing Chicago altogether? And then, how about a deep-south connection to KCS so CN can then go through the USA to Mexico? Where would all that leave the EJ&E line? Do we think CN will be interested in the local customers when that occurs? And maybe it's not realistic now, but Metra's Star Line would be a much greater possibility without CN operating on the EJ&E, than it would with it. CN says it will "work with" Metra. Sure, and Metra will be required to build capacity and additional signaling to accommodate them. And, all at 100% cost to the public. All of this could happen, and maybe it's just a matter of time.

CN has already created at least a mini-monopoly of sorts. Its merger with ICG in 1999, and its further entry into the Chicago area in 2001 from the north, has had a damaging and adverse affect to rail transportation both here and to its customers throughout the nation. None of this has been, nor would its proposed purchase of the EJ&E be a benefit to anyone, except itself. And even that's questionable.

Next year, CN expects to elect a new Chairman. That person could have an entirely different concept of how to run a railroad. He could, as he should, insist that CN trains be organized before they arrive in Chicago. He may even be able to swallow his ego and agree to pay trackage fees to Canadian Pacific and be in position to operate his trains seamlessly through Chicago. He may agree that paying for, and taking over, a local-serving terminal railroad by a Class-One railroad was not a good idea, particularly when a more viable option was available.

Please consider these issues in your decision.



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