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City of Waukegan

100 N. Martin Luther King, Jr. Avenue
Waukegan, Illinois 60085
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(847) 599-2500

Richard H. Hyde, Mayor
Wayne Motley, City Clerk
Patrick M. Dutcher, Treasurer

January 29, 2008

Ms. Phillis Johnson – Ball
Surface Transportation Board
359 E. Street SW
Washington DC 20423

Surface Transportation Board

CN-EJ&E EIS - FD-35087

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RE: The Proposed Canadian National Railway Company Acquisition
of the Elgin, Joliet and Eastern Railway Company – Environmental Filing
STB Finance Docket No. 35087

HDR

Dear Ms. Johnson – Ball:

The City of Waukegan has the following concerns for the proposed Canadian National Railway Company (CN) acquisition of the Elgin, Joliet and Eastern Railway Company (EJ & E).

- 1) The City's Lakefront Master Plan calls for the EJ & E railroad tracks to be moved approximately 600 feet to the west so they will be adjacent to the Union Pacific Railroad (UP) tracks. This will allow for 2 billion dollars of public and private funds to be invested in the 1,400 acre Waukegan lakefront area to build 4,000 new residential units along with other commercial buildings on the lakefront as well as developing 700 acres of public open space.

The relocation of the tracks will improve safety by reducing the existing 5 plus 4 proposed at grade crossings down to a single at grade crossing on the EJ & E Railroad and will reduce unauthorized pedestrians from trespassing.

The City of Waukegan wants to know what effect this proposed acquisition will have on the proposed relocation of the EJ & E Railroad.

- 2) The City's Lakefront Master Plan called for one freight yard to be built north of Grand Avenue to be shared by both railroads to service the Midwest Generation Plant. If the EJ & E had the coal contract they could access the yard with a Trackage Right Agreement. The UP supports this approach but the EJ & E does not. Consequently, there are two yards being proposed. We request that the CN support a single yard with a Trackage Right Agreement, eliminating the wasteful duplication of physical facilities to service one customer.

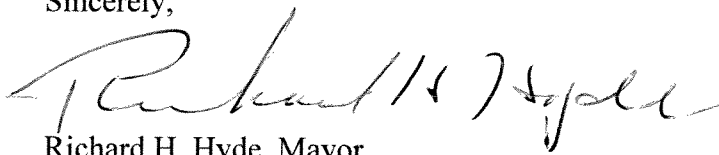
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- 3) There is contaminated soil on the EJ & E property, the City wants to ensure that the CN will work with the City to develop solutions.
- 4) The City has concerns that the freight usage will increase on the EJ & E Railroad and that would delay or reduce the chances of the commuter Star Line being built.
- 5) With the elimination of most of the lakefront's industry the traffic in the EJ & E freight yard is minimal. The City has concerns that the freight usage for the Waukegan yard might increase if it is acquired by the CN.

Please submit these concerns to the Surface Transportation Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard H. Hyde". The signature is fluid and cursive, with the first name "Richard" being more prominent.

Richard H. Hyde, Mayor

CC: City Council

RHH:JHM:mss