

13528

90 Riverview Ct.
Oswego, IL 60543

September 11, 2008

Phillis Johnson-Ball
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Ms. Johnson-Ball:

Ref: STB Finance Docket No. 35087

The proposed purchase of the EJ&E Railroad by the CN Railroad is a classic issue of Capitalism, that is usually not even recognized as an issue.

One of the unstated pillars of Capitalism is that in order to maximize profits, you should run your business in such a way that as many of the costs of doing your business as possible should be "hidden costs," and that someone else, perhaps unwillingly, should pay these hidden costs.

Examples of this are plentiful. Just dump your toxic waste in the lake or river. Just belch your harmful gas byproducts into the air. Just sell as much cancer causing tobacco as you can, but let somebody else pay for the cancer. The hidden cost of alcohol abuse is astronomical, but someone outside the alcohol industry always pays for this.

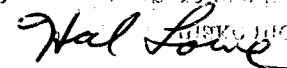
So, here we have the CN Railroad wanting to buy the EJ&E, so they can reroute their trains to make more money.

There's clearly nothing wrong with rerouting trains to make more money, but look at the hidden cost. They want to buy the railroad for \$300 million, but there is a hidden cost of over \$1 billion to relieve the traffic congestion this will cause. One estimate puts the hidden cost at almost \$3 billion!

The railroad says "but we've never had to pay this hidden cost before, so why should we have to pay it now?" Then the thousands of people overtaxed and inconvenienced by this say, "Why should we have to endure this, just so the railroad can make more money?"

Perhaps this one little issue of Capitalism is not so small after all. The real question is, "who should pay the hidden cost?"

Sincerely,



Hal Lowe