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September 18, 2008

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

Regarding: **STB Finance Docket No. 35087**

Ms. Johnson-Ball and To Whom It May Concern:

I believe there are fundamental mistakes in the deliberations with regard to the above Docket.

First, when we listened to the board's presentation at the Bartlett High School, the gentleman kept showing the items where the people at the Arc would be impacted negatively and the people **INSIDE** the Arc would be impacted positively.

I think it is fundamentally incorrect to use that line of reasoning unless the equation takes into account **ALL** factors, positive and negative. As near as I can tell you are not using all items.

For example, the inside the Arc areas have been impacted for many, many years. They have systems, procedures, and infrastructure in place to handle the volume of traffic. The investment has been made.

The Arc communities do not have that infrastructure. Literally **BILLIONS** of dollars would be required, per your own testimony, to bring the infrastructure to the Arc communities.

We know from testimony that the communities will be expected to pay those billions of dollars to create the bridges, overpasses, underpasses, and create new public safety buildings and hire the personnel for those buildings. I am sure that if we spent time we could make up a longer list of infrastructure that needs to be created in order to cope with the volume being thrust upon the Arc communities. Mitigation for potential adverse effects such as spills and traffic and public safety should be in place.

Yet the communities will, under the CN plan, get the volume whether or not they are ready and can afford the funds to cope with the volume.

If the CN purchase is adopted then CN should step up to the plate, so to speak, with significant money to help create the infrastructure. It should be **IN PLACE** when the volume comes. Their \$30-40 million or the regional planners \$150 million doesn't begin to do what is vital, let alone critical.

Second, the modeling your staff did is not adequate. They frankly don't know because they don't live here. For example, the Village of Wayne was mostly overlooked. We are a small village of about 2500 people. We would be bisected by the CN plan. Your report does not provide for the Village to have any relief from traffic or for public safety. Since one train can effectively block all . . .

crossings in town, and if it is anything like what the EJ&E does now, they can be blocked for a considerable amount of time. If we know which way to go we can go out of town and find a crossing and then get to the other side of town. We would not always know where to go to find that crossing. At present you will have to go to West Chicago and cross over the Route 64/North Avenue bridge. That is a long, long way to go to get into or out of town.

The Village of Wayne part of the report should be reconsidered for what relief is needed. As noted in verbal testimony of several at the Bartlett School program, parts of the Village are a railroad island. The original Chicago and Northwestern Railroad route west was thru Wayne. Later that single track received far less use when the C&NW purchased another line and brought their main line via St. Charles Illinois and to the west. Now the Union Pacific owns the C&NW Right-of-way and uses it to bring trains from West Chicago to Rockford, IL. That is on the WEST side of Wayne's downtown. The EJ&E is EAST of downtown, and the CN Freeport subdivision is NORTH of downtown. (The CN has only one grade crossing in Wayne, thankfully.)

Your modeling should take into consideration the impact on Wayne and the island of people that can be totally cut off via railroads. What relief can they expect?

Third, your report doesn't seem to measure the impact on property values. Yes, the folks inside the Arc can expect some minor relief on property values. It will likely be minor and temporary. The folks on the Arc can expect no less than catastrophic changes in property values regardless of what is done. The impact will be exacerbated if there is no infrastructure to handle the volume of traffic.

I have been involved in real estate for 35 years. It would be wrong of me to estimate the impact on values with any definitive amount. Without a doubt it would be many millions. It would be a huge transfer of wealth from the Arc communities. Who wants to buy a house in Wayne if they can't get to it? Or, long freights go by hourly? That is an unexpected change over which we locals have no control. Only the federal government can control these things.

Where would the wealth go? To the inner Arc? No! It is said that the inner Arc communities will see increased traffic over time and that the volume may well be back to what it is today. If that is true then the wealth transfer doesn't get passed along to inner Arc communities. In fact, in my judgment, any temporary positive on property values inside the Arc would be much smaller than the impact on our communities along the Arc and likely, if at all, temporary.

So, who gets the wealth? The CN of course. We Arc communities are going to subsidize their railroad. They are the only beneficiaries of this massive transfer of wealth.

Fourth, CN has accumulated rail lines over the years. They have various inefficiencies because those railroads were not designed to join together to haul traffic. They have not invested in their own infrastructure to efficiently join those lines nor have they attempted anything beyond the "fast fix" of the EJ&E. The impact on the Arc communities is enormous and the lack of investment and planning of the CN should be considered. Our property value, our wealth, goes to feed their inability to run their railroad well. They have had a public relations person for some time convincing the media that it isn't their fault and that government must do something to solve it.

There is likely a better way. I have a railroad map of all lines in Illinois. (I am a model railroader.) From what I can see I could design a better method of getting their west coast traffic to where they want it. Of course, they might have to send it part of the way by another carrier or negotiate trackage rights. That is done all the time. It must simply be greed that they want it all on their lines? You should consider other methods of handling their freight and you should make CN prove that this is the only feasible way. A much more distant bypass for much of their traffic makes more sense and a beltway closer in makes sense for other. The EJ&E may make some sense for some of their traffic but not dumping ground for their failures as it now is planned.

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Fifth, I am aware of Federal preemption. When the Federal government takes the single duty of licensing and enforcement of railroads, then it would seem it should be taking upon itself the duty to NOT pass along the impact of its decisions to others. If YOU decide you want something done and we can't alter that decision because you retain sole authority, then you should pay for the impact.

I understand the need for Federal preemption. If each community along a rail line could make laws as it sees fit then interstate commerce would suffer. The hodge-podge of laws would be insurmountable for the orderly course of business. We can't even ticket a train that stands over a crossing for 30 minutes and in the case of the CN sitting next to occupied buildings with an engine going for many hours! We have virtually no authority. You have it all. Use it well. Think of us.

When the Federal government preempts the local governments it has a duty beyond just listening to them in a High School auditorium.

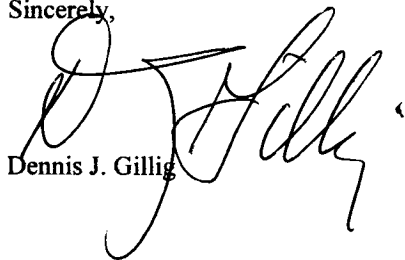
In Illinois we have a sad situation where the state government makes a law but doesn't fund it. It is an unfunded mandate and a local community is left to fend for itself. It is patently unfair. If YOU decide that WE must bear CN's burden then we have the Federal government bringing us a very large unfunded mandate. We have no funds and neither does the state. I say again, the mechanisms and infrastructure must be in place before this plan can be allowed to move ahead. The funding must be in place first.

You would be transferring a tremendous amount of wealth away from the Arc communities and at the same time demanding via an unfunded mandate that those communities pay for YOUR decisions and assist CN in the profitable development of their system. As I said, it is just unfair. It is a double problem. **You take away wealth and you cause us to have to spend millions for the pleasure.**

Summary: your decision should take into consideration all of the other issues that have been brought to your attention and which I have not addressed here for sake of brevity as well as modify the thinking process of the way it appears the STB is addressing this situation. The mitigation in this transaction is laughably, if it were not so sad, inadequate. This TAKING of our peace, quiet, enjoyment, and wealth is fundamentally unfair and if it does occur, there should be just compensation for it.

Sincerely,

Dennis J. Gillig

A handwritten signature in black ink, appearing to read 'D. J. Gillig', written over the printed name.