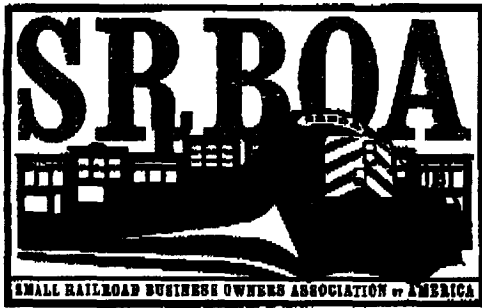
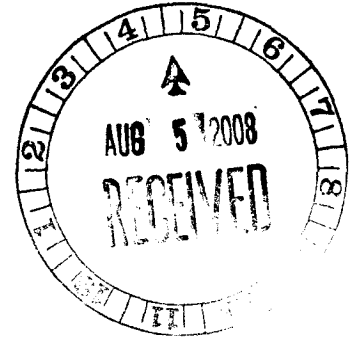


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John W. Gohmann, President

August 5th, 2008

Commissioner Buttrey,
US Surface Transportation Board,
Washington, DC

RE: EJE - CN Merger

Dear Commissioner Buttrey:

I just read your concurring opinion in the time frame for the completed EIS on this important transaction, and, wanted to pardon myself but take the time to discuss some of the items and perceptions expressed in your opinion..

First, I have been in the rail industry for 43 years.. In the 1960's, as a working college student, I served as a Trainman on passenger trains running through Iowa into Chicago-long before Amtrak..

I became a Member of the National Railroad Adjustment Board in Chicago in the 1970s, and, in the early 1980's, ventured out on my own in the new era of deregulation.. I was one of the founders of what is now Chicago Rail Link, a switching and terminal carrier operating on the former Rock Island Line between Chicago and Joliet.. In 1987, I founded the Minnesota Commercial railway, taking over money losing lines of the Minnesota Transfer's 100 year old operation.. I have a pretty thorough knowledge of traffic flows of the Chicago and Twin Cities terminals..

Its important to consider changes from the 1960s traffic levels on many Chicago rail lines to 2008.. Its important to note that each of the changes was a result of private mergers, approved the ICC, which consolidated traffic through major Chicago suburban communities.

Chicago to Aurora BNSF Line - 135trains a day plus

In the 1960's, this line had about 20 freight trains daily, about 10 passenger trains, and, Roughly 30 commuter trains.. Traffic has almost tripled.

Line was originally just the "Burlington Route". Thence merged into Burlington Northern, linking it was two St. Paul Seattle railroads, thence included the Frisco, and ,thence, in 1995, merged with the Santa Fe to become BNSF.

Chicago to Gurnee Line -- Canadian Pacific

In the mid 1960's, the line was the former Milwaukee road mainline from Chicago to Seattle, via St. Paul. Had eight to 10 passenger trains, 30 commuter trains, and, about 18 freight trains.. Total-- 58 trains..

Today, the line has 80 to 90 trains a day,, including 18 Amtrak trains, 35 to 40 freight trains, and over fifty Metra trains..

Line was sold in bankruptcy by the estate of the Milwaukee to the Soo Line, who in turn was merged into parent Canadian Pacific in mid to late 1980's.

We built a home in a little suburb called Green oaks, east of Libertyville, and our home is about ¾ of a mile from the CP mainline.. Train traffic here has doubled to tripled We all have had to live with and survived more train whistles, greater crossing blockage at two major crossings, Route 176 and Atkinson Road (a fire station has been built just East of the crossing on Atkinson Road and has had little conflict, if any, with train traffic.

Chicago to West Chicago Line -- Union Pacific

In the 1960's, this line was the CNW mainline - it had about 38 commuter trains daily, about 20 freights and two passenger trains.- a Total of sixty trains.. Today, the line is owned by the UP, who then merged with the SP, and, today train traffic totally is over 120 trains daily..

Dozens of communities, and I will name some of them, with a total of millions in population, have these mainlines running through their hometowns.. Libertyville, Rondout, Lake Forest, Deerfield, North Brook, Glenview, Forest Glen (CP line), Cicero, Berwyn, La Grange, Westmont, Downers Grove, Hinsdale, Clarendon Hills, Naperville and Aurora (BNSF line), and Proviso, Lombard, Elmhurst, Glen Ellyn, Wheaton, and West Chicago (UP line)..

Greater demand for rail service , energy from the Powder River Basin, and changing global trade patterns and considerably more commuter service by Metra have caused these increases.

The communities along the J are being asked no more than to understand the continued importance of moving interstate commerce and understand that infrastructure funding for all grade crossing improvements on all the above private mergers were not funded by the railroads, but, over the past 20 to 30 years, by the public as they became necessary, and in cooperation with the State Department of Transportation and FHWA standards for proper protection.. The rail industry has already been determined by AAOSHTOA and other privately, independently funded studies to fall short 30 to 50 billion dollars over the next 20 years to provide sufficient capital to avoid Gridlock.. We do not have the capital available for funding all public improvements for grade crossings and separations and

never have had that. It would require a huge increase in the rail rate structure, as costs would be astronomically increased. The practice, for my 43 years, plus, is that Public Funding pays 80 to 90%, and, the rail industry, the balance. Its important again to note that all other previous mergers were for the improvement and enhancement of service and generated by private capital.

Your perception that this transaction will only benefit CN is completely wrong, based on my knowledge of rail movements in the terminal.. It will remove some 20 to 35 traains a day from already congested routes, thus relieving congestion on those other routes, and importantly it will, with the capital CN is planning to spend on the J's major Yard in Gary, Indiana, by adding some 30 to 40 tracks which were torn out years ago as not necessary, also take about 3000 to 4000 cars out of the congested yards of other terminal Railways such as the Indiana Harbor Belt and B&OCT lines, both on the south side of Chicago.. It will have a close to profound impact on relieving all the congestion in the area.. Its like taking 10 to 15% of all highway traffic on a major, congested Washington DC road like the Belt Way and moving it elsewhere..

The draft EIS was an unprecedented thorough and complete review of all impacts – the broadest I have seen in my caeer, and, your staff did an excellent job, down to protecting the “Hines Dragon Fly”. They concluded that the merger would not impact the Star Line operations in the future . (Parenthetically, the part of the Star Line to operate on the EJ&E has not yet been determined by the Federal Transit Agency as having sufficient passengers and a cost/benefit that deserves federal funding.. IF it does happen, the kind of equipment METTRA proposes to use is going to require grade separation for high speed operations in many instances – as this Rail Diesel Car technology provides far less protection for passengers and employees operating the one to two car movements due to their construction design.. The proposed six to 12 trains to be operated on this line daily, as concluded by your Draft EIS, can easily be scheduled and fleeted to not be delayed by CN trains.. As you can see from other examples noted abouve , 50 plus commuter trains operate daily on other corridors and are not delayed by freight operations.. But, you also must remember the freight operations pay for the maintenance, taxes, and , existence of these rail lines...Commuter agencies have to pay for added costs for higher speed operations, not the host freight railroads..

The populous along the J will experience total gatedown time, in the busiest quadrants of about 10 to 12% of a day, while, along the BNSF and UP routes, the gate down time is up to 33% of the total time in a 24 hour day..

The attached statement I did a few months ago illustrates the importance of moving intercity freight – its far from a CN interest deal,, it impacts American consumers all over the country – automobile makers, employees and consumers, homebuiding, news papers like the Chicago Tribune. Gridlock will come with a huge cost to America. And, having a dozen communities due to a not in my back yard special interest would be establishing a precedent that could block more trains or traffic anywhere in the USA. In fact, the Conrail merger of bankrupt lines in the 1970;s 1980's, diverting dozens of freight trains daily through rich and poor neighborhoods, non discriminately, between Chicago and

New York and dozens of towns in Indiana, Ohio, Pennsylvania and New York State would never have happened with this Not in My Back Yard attitude.

While there is some anxiety now, common sense and cooperation between Illinois and Indiana DOT.s who disperse and plan road improvements, CN, and the communities can make this happen and its vital, as all other transactions have occurred in the past, that this go through..

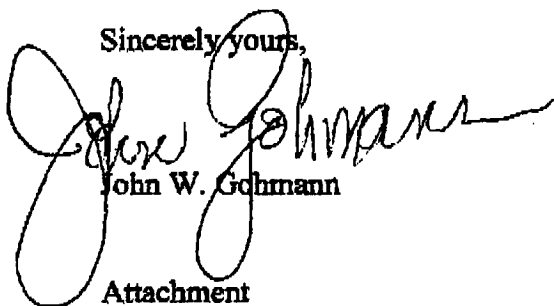
I apologize for any references in the attached statements to a couple of our Senators – they for one have even less of an understanding of the importance of railroads and keeping Chicago fluid to our national economy.. I know for a fact that letter after letter written to Senator Durbin during his tenure to free up funds for the Create project got no attention over many years, and no action.

The CN is not a special interest, foreign maverick trying to do something just for itself - this transaction will allow CN to reach its own classification yards in Chicago and bypass other congested railroads and rail yards, the removal of that will impacts American commerce, American manufacturing, American jobs and relieves congestion elsewhere to allow rail traffic to flow again far better through Chicago..

I have witnessed and continue to witness trains of CN, Canadian Pacific, CSX, NS and other railroads parked 30 to 40 miles away from the Chicago terminal areas, waiting 8 to 24 hours for a "slot" to get into the terminal and be Classified. I have also witnessed first hand freight trains of BNSF, CP, CN, and UP parked for three to six hours, and requiring recrewing at a considerable expense, to allow Metra trains to run on time.. The industry has freely given Metra more trains and a large whack of its own capacity at rush hour time, when without those freight trains, and, the underlying income which they generate that allow the freight railroads to maintain and pay taxes on those rail rights of ways, METRA would not even have the financial wearwithall t operate with another HUGE burden on the taxpayer. ^{del}

The CN- EJE transaction is vital for the region, and, for the nation, and, I urge you to approve it..

Sincerely yours,



John W. Gohmann

Attachment

Statement of John W. Gohmann

On Saturday afternoon, June 7th, I was driving North through Mundelein, Illinois on the main North south road, Highway 45..At 4:50pm, I was stopped by the traffic light controlling the intersection with Illinois Highway 176, a major east-west route extending from Lake Bluff all the way to near Belvidere, Ill. The traffic lights took about 2.8 minutes to go through their various phases, and, at that time, I heard a train whistle on the nearby CN mainline, so, I decided to turn eastbound on 176 to see how long the crossing would be blocked by whatever train was coming.. At 4:53 and fifteen seconds, the gates went down and a CN mainline train, with two GE 4400 hp locomotives on the point shortly began its trek over the crossing at an estimated speed of 35 to 40 mph.. As a railroader of 43 plus years, I know various kinds of railcars and what they carry.. This was a fairly long manifest train (various kinds of cars and commodities), I would estimate it to be about 5500 feet long. The last car in the train was numbered 661302... Total time on the crossing for this long train was under four minutes, the train passed and the gates rose at 4:57 and five seconds, a total elapsed time of 3 minutes, 50 seconds.. Even though this was a busy time of day (Saturday shoppers and errand runners), the number of cars blocked appeared to be a total of about 15 behind me, and, I counted about 20 cars who had been blocked but were all moving easily with no back up.. I reflected that I had been delayed close to the same time by the traffic control signal at 176 and 45, and, then thought how trivial the concerns of towns like Barrington and others were in relation to the importance of this train. I also remember being blocked at the next crossing south of 176, Hawley Street, by a Metra train stopped in the Mundelein station unloading and loading passengers , for over 4 minutes as the train was stopped in the "circuit" of the crossing gates..

This train contained a variety of different kinds of cars.. For example, I saw perhaps ten or more boxcars which I recognized as being returned empty which had brought paper to the Chicago Tribune..A little known fact is that 10 to 15 cars a day, equal to about fifty semi loads, provide newsprint paper to the Chicago Tribune so it can get all of its editions out to Chicagoland subscribers. This paper comes in large part from Northern Minnesota and Canada. I also saw at least fifteen empty "centerbeam" lumber flats being returned empty to Northern Minnesota and Canada after bringing the equivalent of over four truckloads per railcar of lumber to Chicagoland, Northern Indiana and other Midwest destinations. That would be equal to about 65 to 70 trucks -- just a part of one train.

Then, I saw a large block of "autorack" cars, these are long, 89 foot cars with three levels on them which carry new automobiles to market..There were about 20 of those.. Each car carries between 15 and 20 new autos or light duty trucks to market -- in fact, over 80% of all autos manufactured in the USA move by rail to dealers. So, this train had between 200 and 300 new autos or trucks manufactured in the USA in its consist going to Minnesota and other northern destinations -- these are the remaining "jobs" the politicians like Senator Obama speak of..all of these -- building trades who construct houses and do remodeling, autoworkers who build cars, and represent the work and livelihood of thousands of Americans all over the USA..And, there was an empty depressed center

flatcar – a specialized car which hauls large transformers, or machinery to large and too heavy to be transported over the road.

Each freight train represents millions of dollars of manufactured goods.. the autos, over \$600,000, the lumber cars, \$200 to \$300,000 of lumber per car, and, newsprint, of a lesservalue but vital to Chicago so it can keep printing its main newspaper.. Each car in the train, without cargo, has an estimated cost now of \$100,000, and each locomotive – new high horsepower, low emission units, cost two million dollars each.. so, just the locomotives and cars, without any goods, of a 5000 foot train represent a cost of 10 to 12 million dollars, and the lading, the raw materials or manufactured products another 6 to 12 million dollars – all part of a delivery assembly line, in motion....Over four hundred such freight trains arrive and depart Chicago's rail network each day – carrying hundreds of millions or billions of dollars of goods made by or consumed by Americans all over the country..

The rail congestion in Chicago can cause dozens of these kinds of trains to sit 12, 24 or even 48 hours waiting for a slot to get to major terminals to get classified or delivered to connecting railroads or trains. Each one that sits represents easily 15 to 20 million dollars worth of equipment and goods of or consumed by Americans sitting..and for every 24 hours that locomotives like this have to sit, at present values, they will burn over \$2000 worth of diesel fuel.. Unfortunately, these are such large and complex locomotives they cannot easily be shutdown for such periods without the potential of serious damage to them. All of this adds to the cost of goods and services which Americans have to pay and detracts from the "yes we can" philosophy of Mr. Obama who wants to restore jobs to America. The railroads are perhaps the most capital intensive industry in America – and these assets and what they carry have to be kept moving to keep our economy strong.. Think of it, one such train is equal to 400 to 500 semi trucks off the highways – the 300 to 400 trains a day in and through the Chicago terminal area keep at least 16,000 trucks a day off the freeways and roads...and, the railroads are 4 to 5 times more fuel efficient than trucks – saving America hundreds of thousands of gallons of consumed fuel and emissions each day..

Congress established a program over 10 years ago to relieve this ever increasing congestion, and, then, under the watch of Senators Durbin and Obama, never funded it. The Canadian National, finally realizing that government isn't always to be counted on, developed a private solution to make a big dent in this congestion and is proposing to spend almost half a billion dollars of private capital to do so in purchasing and upgrading the EJ&E Railway.. Now, both Senators oppose it, saying it will add "too much" train traffic to some communities – an additional 12 more through Barrington a day – representing perhaps 48 sporadic minutes of crossing blockage, and, maybe 20 more through a handful of other communities in the area they represent. The maximum gate down time projected by the Ill DOT and CN is 10 percent of a 24 hour day when this is fully implemented, including 14 to 16 commuter trains a day through a few communities already running.. This pales in comparison to the 130 to 150 trains running through dozens of other affluent communities in Chicagoland, with gatedown time of over 30%..

This project is vital to avoid future gridlock in Chicago... The same Senators who did nothing for the past 4 to 10 years to assist the rail industry, and in so doing, assisting America, now, perhaps due to the whims of some large campaign contributors in Barrington and a few other locations, oppose it and offer NO alternative solution.. Instead, they suggest expensive and uncalled for grade crossing improvements as well as sound barriers which Barrington and others have requested (when under standards established by the Federal Highway Administration and the Illinois Tollroad authority), the sporadic noise emitted by these trains pales dramatically lower than any noise emissions does not authorize or justify them.. This also shows they are not well briefed nor do they understand the growing infrastructure deficiencies of America and studies by independent authorities including the American Association of State Highway Transportation officials and under independent authorities that the rail industry will lack 20 to 50 billion dollars which they can raise in private capital placements TO AVOID transportation gridlock in the next 10 to 20 years. Barrington now is calling for a full congressional investigation into this transaction, which as a small regional transaction, should be approved hands down as good for all of America without fanfare and would not under any circumstances justify such an expensive and needless investigation Maybe this in fact should happen, and perhaps campaign contributors from these areas also disclosed by these two candidates..which possibly may be the underlying motivation of both of them to take such an interest.. Once again, its possible that a handful of special interests, which both Durbin and Obama say should not "dominate" or control decisions made in Washington, motivated this.. In the first week of June, Senator Obama talked about the need for transportation infrastructure improvements to locate and then serve the 2016 Olympics that will be in his "backyard" The CN- EJE transaction will perhaps 15 to 20 freight trains running through "his" backyard away from this area and reroute it around Chicago on less congested track, which (although not planned by CN), will free up trackage for more Amtrak and commuter trains to possibly reach the Olympic grounds.

All in all, nothing has changed – and the same special interests which these politicians publically despise are still at work with them.. which will over time, bring down this country.. The freight moved by these trains represent the "jobs" and factories of America Senator Obama claims he wants to maintain and restore, and the housing he wants every American to afford.. The tied up capital of congested trains all represents added costs to these jobs and an American renaissance. Think of it, hundreds of millions of dollars of capital sitting.. And, all projections say its going to get much worse, and, the recent rise in oil prices will only hasten the time when Chicagoland's rail infrastructure will be totally gridlocked, which then, can STOP America.. And, all for 10,000 people in Barrington, or a handful of other towns, who don't want any more trains in their backyard, when dozens of communities in Chicago land have hundreds of trains a day in their backyard and don't complain – realizing it's a vital piece of American commerce.

But, the message telegraphed by these senators is even worse – its telling Americans everywhere that if you don't want more trains running through your town because of changing economic and energy policies, all you have to do is object and these two will come to your aid, instead of telling their constituents these things are vital for the future

of American commerce and jobs.. Hundreds of towns in Illinois, Iowa, Nebraska and other states have seen their train traffic increase for 40 trains a day to over 150 trains a day – all moving coal from the Powder River Basin to Illinois and other States, automobiles to markets all over the USA, agricultural products and ethanol to America and for export, fertilizers for farmers, lumber for homes and remodeling – all the things that make America work.. 50% of the electricity consumed in Illinois and other Midwestern states is hauled by these trains through these towns in many states.. So, when a few towns in Nebraska, Minnesota, Iowa, or Wisconsin object to a reroute saying no more trains, and half the State of Illinois goes dark with no electricity, autos, and lumber, cannot get to market efficiently or effectively, and the Chicago Tribune cant print their paper because its gridlocked in rail transit,, we all know who we can blame. Its time our elected officials, and one who wants to be President, start understanding the seriousness of catering to the special interests that really, expect treatment no other Americans get and are dangerous to America.. If the founding fathers of America had succumbed to their local constituents who did not want the railroad coming through their town when America was developed and the rail systems built 150 years ago,, we would not have a country today...



TO:
CN/EJSE
Hochet

Small Railroad Business Owners of America

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