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February 23, 2008

The Honorable Anne K Quinlan, Esq
Acting Secretary
Surface Transportation Board
Office of the Secretary
395 E Street SW
Washington, DC 20423-0001



SUBJECT: STB Finance Docket No 35087: Canadian National Railway Company
and Grand Trunk Corporation-Control-EJ&E West Company

Dear Secretary Quinlan:

I write to express my strong support for the approval of this proposed acquisition because, in my opinion, when implemented it will produce substantial operating efficiencies for the CN system (and other Chicago railroads), will have a significant positive environmental impact on the Chicago region and will reduce inconveniences to many of its neighbors without substantially inconveniencing others. It will also be funded with private investment and will reduce expenses that would otherwise be incurred in connection with implementation of the CREATE program that is to be partly funded with tax dollars.

By way of introduction, I was granted a BA with concentration in political science and economics from Grinnell College in 1956 and an MBA with concentration in transportation from Northwestern University in 1967. I joined the former Illinois Central Railroad in 1958 and retired from that company in 1995 as Assistant Vice President-Marketing. (This was prior to any indication that IC would become part of CN.) During my time in the Chicago area I have lived in the South Shore area of Chicago, in LaGrange, Riverside, Riverdale and Homewood, IL and now in unincorporated St John Township, IN near Dyer. I have commuted on Chicago Transit Authority and what is now Metra-BNSF and Metra Electric and on the South Shore Line. As a result of all these experiences, I am reasonably conversant with operating patterns and problems on the Chicago rail terminal.

It is clear from the CN application that the primary purpose of the transaction is to improve its operating efficiency and service to its customers. From this flow the considerable environmental and other benefits.

The present route using the CN(GTW) to connect its system involves negotiating Blue Island Junction, IL, a complicated junction including various CSX lines including IHB as well as CRL and IAIS. Because of frequently blocked street crossings this junction has been a problem for the City of Blue Island and surrounding towns for many years.

On the CN(IC) side, the St Charles Air Line serves an area that has become residential and is devoid of actual or potential railroad customers. (It should be noted that the Air Line bridges over Chicago streets Michigan Avenue and West were installed in 1899 and so are now almost 110 years old.) After leaving the Air Line CN(IC) immediately crosses the Metra-Rock Island entrance to LaSalle Street Station and, six-tenths of a mile beyond, the NS entrance to Union Station both having extensive passenger train movements. These crossings are at grade. Two miles further is the bridge where six CN and BNSF tracks are compressed to two to cross the river to expand again to six. One mile beyond that is the Ash Street junction where CN(IC) crosses three other carriers. Two more junctions, one with BNSF and one with BRC are found in the next three miles. Various organizations control these junctions and each tends to hold a train back rather than risk the chance the next will hold the train and block his route as well. As a result, hours of delay can result. Generally speaking, these delays affect only the railroads because the lines tend to be separated from public streets.

Contrast those situations with the proposed use of EJE. For example, consider a mile-long train approaching Griffith, IN from the north or east. With active dispatching, there will be no delay because CN would have complete control. The next at-grade junction is Dyer, IN, five miles down the line. It is automatic, first come first served. Another six miles to the next, Chicago Heights, IL. This crossing is controlled by EJE and this would insure that trains were not unduly delayed. The next at-grade junction is with Metra-Rock Island, IL, more than 24 miles west of Chicago Heights. This line has very light traffic outside of the weekday morning and evening commuter rush. East Joliet Yard is less than a mile farther and the next at-grade junction is West Chicago, IL, 29 miles away. After this station, the expected number of trains begins to decline and the junctions are widely separated.

That mile-long train, drifting along at a sedate forty-five miles per hour should clear street crossings in less than two minutes apiece.

Complaints are also heard that these changes will be dangerous, an environmental disaster and destructive of property values. Consider the very upscale western suburb of LaGrange, IL which is bordered on the east by the IHB and bisected by the famous BNSF raceway. The latter carries a heavy mix of commuter and Amtrak passenger trains with a considerable number of intermodal and general freight trains. It is also very close to several schools. The IHB is well known for its drag freights. There is only one highway grade separation in town and US 12-20-45 crosses the BNSF at grade in two lanes right at the railroad station. Nevertheless that crossing is the center of a modern business district with all the neat shops and restaurants that would be the envy of most suburbs. The raceway also bisects the upscale suburbs of Riverside, Western Springs and Hinsdale among others.

As to dangers, the line segment on EJE with the largest number of hazmat loads is Ivanhoe-Cavanaugh with 486.6 loads per year or 1.33 loads per day spread over 29.8 trains or 0.0446 hazmat loads per train. While this is, admittedly, an arbitrary calculation, the input numbers themselves do not indicate a serious threat. So far as I can determine, public road crossings at grade are protected by modern signals and gates and any that may not be would no doubt qualify under existing programs.

Many of the other protestations seem totally self-serving. In the greater scheme of things, how much weight should be given to a pizza delivery that takes a few minutes longer? Will that couple lose their evenings on the patio? Will the CN be able to put all the businesses in downtown Barrington, IL out of business where the UP could not? Will this transaction really cut the Town of Dyer, IN in two in spite of the new Calumet Avenue overpass a mere six-tenths of a mile east of the Hart/Sheffield crossing complained of? Should a business located within "ten feet of the train" (as opposed to the ROW) safely remain there even if the transaction is not approved? Will the large number of residents of the Town of Schererville who commute via Kennedy Avenue chose to start five minutes earlier in the morning or reroute to nearby US41 which is grade separated or, if the transaction is not approved, get by the EJE on Kennedy in time to be stopped in Highland where the CN crosses Kennedy at grade? Why, when the authorities in Lake County, IN constantly decry the loss of highly paid union jobs, are they so willing to foreclose the possibility of additional such jobs should Kirk Yard take off as a facility on CN? Should the proposed transaction become a political football or should the owners of CN and EJE be entitled to due process and the full enjoyment of their assets subject to applicable law?

Another interesting question: In my early years in the business the EJE held itself out to participate as an intermediate carrier between origin and destination road haul or switching carriers for a division of the through rate or charge or a factor in a combination of factors. Some years ago it decided to forego this business as unprofitable. If the EJE were spun off or sold to a non-transportation entity, would it not be free to increase its business to whatever level it found acceptable without any STB proceeding?

For all these reasons, I urge the Board to find the transaction in the public interest without burdensome conditions.

To the best of my knowledge and belief, the facts stated herein are true and correct.

Respectfully,

Richard G. Lehrer

FULL DISCLOSURE: My wife and I are joint beneficial owners of 1164 shares of CN stock which shares are, in the main, the result of a conversion from Illinois Central preference shares granted me while a management employee of Illinois Central. I anticipate no material gain or loss as a result of the disposition of this proceeding. I did approach CN with questions about the transaction and did discuss certain facets of it with CN however my views herein are my own and have not been reviewed by or discussed with CN.

Surface Transportation Board
CN-EJ&E EIS - FD-35087

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