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Illinois Department of Transportation

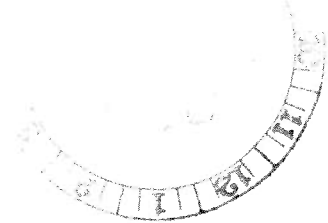
Office of Chief Counsel

300 West Adams Street / 2nd Floor / Chicago, Illinois / 60606

February 15, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E. Street, S W
Washington, DC 20423-0001

ENTERED
Office of Proceedings
FEB 19 2008
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Public Record



RE: STB Finance Docket No 35087, Canadian National Railway
Company and Grand Trunk Corporation – Control – EJ&E West
Company

Dear Ms. Quinlan:

Pursuant to Decision No 3 in the above-referenced proceeding, this letter serves to certify that on this date the undersigned sent to all Parties of Record copies of the Illinois Department of Transportation's Statement of Opposition, by first class mail, postage prepaid.

Enclosed is an original and ten (10) copies of our Statement of Opposition. Please acknowledge receipt of this letter by date-stamping the acknowledgement copy, and a copy of the Statement of Opposition and returning them in the envelope provided.

Very truly yours,

Joseph P. Clary

Director of Division of Public and Intermodal Transportation

JPC:ls

Enclosure

Illinois Department of Transportation Board
CN-EJ&E EIS - FD-35087

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Cc: Original - Job File

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35087

**CANADIAN NATIONAL RAILWAY COMPANY AND
GRAND TRUNK CORPORATION**

CONTROL

EJ&E WEST COMPANY

ILLINOIS DEPARTMENT OF TRANSPORTATION'S

STATEMENT OF OPPOSITION

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Tel. (312) 793-2111

Dated: February 15, 2008

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**FINANCE DOCKET NO. 35087
CANADIAN NATIONAL RAILWAY COMPANY AND
GRAND TRUNK CORPORATION
CONTROL
EJ&E WEST COMPANY**

**ILLINOIS DEPARTMENT OF TRANSPORTATION'S
STATEMENT OF OPPOSITION**

NOW COMES the Illinois Department of Transportation and pursuant to the Surface Transportation Board's procedural Decision No. 2 (served November 26, 2007) formally states its opposition to the application of Canadian National Railway Company (CN) for authority to control The Elgin, Joliet and Eastern Railroad (EJ&E).

The State of Illinois is engaged in a number of initiatives to increase and enhance the mass transportation of people and goods in the Chicago region and across the state. These programs and initiatives are of substantial benefit to the people and the businesses of Illinois. Said benefits include but are not limited to the following:

- More convenient and less expensive travel
- Reduced time spent in traffic by commuters
- Reduced automobile use
- Reduced traffic congestion
- Reduced air pollution

One of our most successful initiatives is the Amtrak route between Chicago and Carbondale Illinois. This route will be adversely impacted by the proposed acquisition and will have potentially disastrous economic consequences to certain of the Illinois cities and towns affected. The Illinois General Assembly appropriates \$6.2 million per year to Amtrak so that Amtrak can provide rail passenger service between Chicago and Carbondale. This route serves major Illinois cities such as Champaign and other significant points between Chicago and Carbondale.

Essential to the existence of the Amtrak route is an eleven (11) mile stretch of track owned by the CN and located between St. Charles Airline and 95th Street (Chicago). CN currently runs freight over this stretch of track and assumes all maintenance responsibility while passing a portion of this cost along to Amtrak pursuant to a separate agreement. The agreement with CN allows Amtrak to use this track for a flat fee with an annual cost escalator. Amtrak's agreement with CN is underwritten by the State of Illinois.

Under the proposed acquisition, CN will no longer maintain the eleven (11) mile stretch of track and, in fact, has stated in its filing with the Board that it will cease operations on the track which will result in a shift of all maintenance costs to Amtrak if it continues to use the track for passenger service.

While this may seemingly make good business sense to CN, the consequences of such a decision could be dire for the State of Illinois, which would have to absorb this maintenance cost.

The maintenance of this 11 mile stretch (located entirely in an urban region with varied terrain) includes not only the track itself but also a number of bridges and overpasses as well as grade crossings and signals. The possibility that any of these

bridges or other structures is in need of attention is a fundamental question of safety. CN is the only party who knows the condition of the track, as well as of the bridge, overpass grade crossing and signal structures and the cost of maintaining them.

On page 222 of its application, CN states that once it ceases operations on the Air Line track, the only "remaining regular user" of the route would be Amtrak. CN also states that it will seek to "formally abandon" the Air Line track, presumably once its contract with Amtrak expires in 2010.

Six Amtrak passenger trains each day use the Air Line track. Without the track, these trains, which serve key central and southern Illinois communities like Champaign and Effingham, will have no route into and out of downtown Chicago. CN's application asserts that the trains could simply move to a 5 mile segment of Norfolk Southern (NS) track on their approach into Chicago's Union Station (See Application page 222). In its February 6 filing of comments on the draft scope of the Environmental Impact Study, the Environmental Law & Policy Center states that CN's simplistic solution

..... blatantly ignores the fact that key intersection improvements at Grand Crossing, and five miles of additional track capacity north of Grand Crossing, would need to be planned, engineered, funded and built to make this routing a realistic plan. CN then states on page 222 of the application that moving the Amtrak trains to the NS line has 'long been planned in connection with the CREATE project'. What CN does not state is that to date, CN, unlike all other partners in the CREATE endeavor, has not yet contributed to the project's funding pool. In addition, about 80% of the CREATE project's 1.5 billion budget, including the approximately \$30-\$35 million in Grand Crossing and N.S. improvements, are not yet funded. Without these two major improvements, Amtrak's six daily passenger trains have nowhere to go. Their disappearance would displace more than 400,000 riders per year, forcing them into cars.

To illustrate the impact the acquisition would have on communities along the Chicago to Carbondale route, attached hereto as Exhibit #1 is a copy of a resolution, adopted by the Champaign County Chamber of Commerce opposing any changes to existing Amtrak Service. Said resolution was previously filed with the Board on January

17, 2008. The resolution trumpets the economic progress of Champaign and credits it, in large part, to the Chicago to Champaign Amtrak link. It states in unequivocal terms that “....maintaining a strong and reliable transportation link between Champaign County and the City of Chicago is vital to the continued economic success of the local business community.”

As the fourth busiest rail station in the Illinois system, Champaign not only opposes any change to existing Amtrak service but advocates and encourages increased frequency on the Chicago to Champaign route. This is just one example of objections to the interruption of Amtrak service by cities and business organizations from Chicago to Carbondale. The domino effect, which would result from the track abandonment by the CN would affect all the communities along this route. It is difficult to foresee any scenario under which the abandonment of these tracks would not have a significant and adverse impact. Amtrak service along the Chicago to Carbondale corridor could be brought to a complete halt or, at the very least, could be severely restricted. This will lead to increased highway use and traffic congestion in the Chicago region and throughout the state.

CN and other railroads are considering three purported alternatives to using this eleven (11) mile stretch of track, as alluded to in the Environmental Law and Policy Center comments quoted above. Alternative routes being considered would require circuitous paths around the Chicago area. These in turn, would necessitate “hand-offs” of trains from one railroad to another, leading inevitably to increased travel time and greater operational uncertainty. None of these alternatives are acceptable because they are much more expensive, result in much slower travel times, are logistically impractical, and would lead to increased accidents and air pollution.

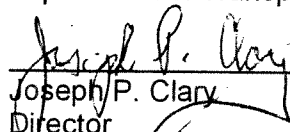
In order to assess the financial and programmatic impact of the proposed acquisition, IDOT has asked CN to provide the actual and projected costs of operating and maintaining the eleven (11) mile stretch of track that is so crucial to the continued operation of the Amtrak (Chicago to Carbondale) route. This information is essential for IDOT to formulate alternative plans to protect its transportation infrastructure. Thus far, CN has not seen provided the information requested.

According to information received from CN, CN has identified a list of maintenance projects that must be undertaken on these tracks in the years ahead. On belief, CN has identified the savings that will accrue to CN when CN no longer maintains the track in question – particularly in view of the complex processes that must be undertaken before such an acquisition is approved on an internal and external basis. On information and belief, the information sought is kept in the normal course of business. And CN is certainly is the sole possessor of the information necessary to estimate the current and projected costs of maintaining these tracks.

WHEREFORE, it is the position of the Illinois Department of Transportation that CN's application to control EJ&E should be denied.

Respectfully submitted
Illinois Department of Transportation

By:



Joseph P. Clary
Director
Division of Public and Intermodal Transportation

Dated: February 15, 2008

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35087

CANADIAN NATION RAILWAY COMPANY
AND GRAND TRUNK CORPORATION
-CONTROL-
EJ&E WEST COMPANY

22/300

CHAMPAIGN COUNTY CHAMBER OF COMMERCE BOARD OF DIRECTORS'
RESOLUTION IN OPPOSITION TO ANY CHANGES TO EXISTING AMTRAK
SERVICE

Laura L. Weis, IOM. ACE
Andrew P. Flach
CHAMPAIGN COUNTY
CHAMBER OF COMMERCE
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Champaign, IL 61820-7269
Telephone: (217) 359-1791
E-mail:
lauraw@champaigncounty.org
andrewf@champaigncounty.org

On behalf of the Champaign County Chamber of
Commerce Board of Directors

January 17, 2008

EXHIBIT #1



**Resolution Opposing Any Changes to
Existing Amtrak Service**

WHEREAS, the Champaign County Chamber of Commerce is a federation of 1330 business members that speaks as a unified voice, and

WHEREAS, one of the Champaign County Chamber of Commerce's objectives is to encourage and support economic development environment in Champaign County by creating and supporting a business climate that enables local companies to prosper, and

WHEREAS, this environment includes access to efficient, reliable passenger rail service; and

WHEREAS, Canadian National Railroad has submitted a request to the Surface Transportation Board to purchase the Elgin, Joliet & Eastern Railroad which may impact Amtrak travel times to Chicago's Union Station, and

WHEREAS, maintaining a strong and reliable transportation link between Champaign County and the City of Chicago is vital to the continued economic success of the local business community, and

WHEREAS, in 2007 Amtrak ridership from Champaign topped the 100,000 riders per year mark for the first time since 1985, which was the fifth highest ridership on record since 1979, and placed Champaign as the fourth busiest station in the Illinois system, and

WHEREAS, the Champaign County Chamber of Commerce supports continued Amtrak service and encourages more Amtrak destinations, reliability of passenger rail service from Amtrak, and increased frequency on Chicago routes, and

THEREFORE BE IT RESOLVED, that the Champaign County Chamber of Commerce opposes any changes to the existing Amtrak service which increases route times and delays between the City of Champaign and the City of Chicago along the Canadian National railway line. The Public Policy Manager is hereby directed to forward a copy of this resolution to the Secretary of the Surface Transportation Board.

Duly adopted this 16th day of January 2008 by the Champaign County Chamber of Commerce

Jeff Ingram, Chair of the Board

Laura Weis, President & CEO

EXHIBIT #2

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that he has caused a true and correct copy of the foregoing document(s) to be served upon:

**COUNSEL FOR CANADIAN NATIONAL RAILWAY COMPANY, UNITED STATES
ATTORNEY GENERAL AND UNITED STATES SECRETARY OF TRANSPORTATION**

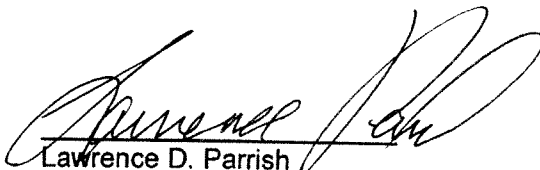
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Attorney General of the United States
C/O Assistant Attorney General
Antitrust Division – Room 3109
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950 Pennsylvania Avenue, N.W.
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ALL REMAINING PARTIES OF RECORD AS OF THIS DATE

By mailing a true and correct copy thereof from the Office of Chief Counsel of the Illinois Department of Transportation, 300 W. Adams Street, Chicago, Illinois 60606 to the persons named on the Surface Transportation Board's service list as of this date, January 14, 2008.


Lawrence D. Parrish
Special Assistant Chief Counsel
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Chicago, IL 60606
Tel.: (217)793-5737