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August 25, 2008

To: Phillis Johnson-Ball
Ref: STB Finance Docket No. 35087

From: John Peterson, resident of Barrington,
Illinois, a community bisected diagonally by
the EJ&E railroad tracks.

Dear Ms. Johnson-Ball,

Those in favor of the proposed Canadian National Railroad merger have a ready answer for all the objections that have been raised. Thirty-four towns will see worse traffic conditions. Eighty will see improved traffic conditions. With the principle of doing the greatest good for the greatest number the merger must be approved, or so the pro-merger side argues.

This is not the way to frame the issue. First of all, the eighty communities being helped have lived with the congested train traffic and have adjusted to it. They have satisfactory ways to get to school, to get to the stores where they shop, and to access emergency services. Their homes and other properties have been priced to reflect the reality of the traffic conditions with which they live.

The impact of the merger will be to increase the value of real estate in the eighty communities where traffic is reduced. This will be an enormous windfall for those who own these properties. The opposite will happen in the thirty-four towns with increased traffic. Home and other real estate prices will plummet. In fact, friends in the real estate business tell me it is already happening in anticipation of what they see is an inevitable outcome.

What this amounts to is a massive forced redistribution of wealth, reducing the net worth of those on the wrong end of the deal and increasing the net worth of the beneficiaries. Those who are being punished are law-abiding, tax-paying citizens who have done nothing to deserve this treatment from their representatives in Washington D.C.

The effect of the merger on village finances will be horrific. Declining real estate values translate into declining assessed valuations and that translates into a financial crisis for services—the schools, the library, the parks, public works, and—worst of all—emergency services. The shoppers in Barrington who live south and west of the rail line will migrate to Lake Zurich and Fox River Grove shopping centers with a resulting negative impact on sales taxes in the village. Canadian National's solution (build a new hospital, build new police and fire facilities) would further exacerbate the problem. The need to increase capital outlays plus additional operating expenses does not combine well with reduced financial resources.

All of this is being done to accomodate business interests, and the irony is that the main corporation that will benefit is not even an American company.

Very truly yours,

A handwritten signature in cursive script, appearing to read "John Peterson". The signature is written in dark ink on a white background.

CC: Representative Melissa Bean