

Chapter 1

Introduction and Background

1.1 Background

On October 30, 2007, Canadian National Railway Company and Grand Trunk Corporation (collectively, CN, or the Applicants) filed an application with the Surface Transportation Board (the Board) seeking its approval to acquire control of EJ&E West Company,¹ a wholly owned noncarrier subsidiary of Elgin, Joliet and Eastern Railway Company (EJ&E). The Applicants propose to acquire control of EJ&E West Company and to use EJ&E's main rail line to connect all five of CN's rail lines in the Chicago, Illinois, metropolitan area (herein referred to as the Proposed Action). The EJ&E main line, located in northeastern Illinois and northwestern Indiana, extends in an arc around Chicago as follows:

- From Waukegan, Illinois, southwest to Joliet, Illinois
- From Joliet eastward to Gary, Indiana
- From Gary northwest to Chicago, along Lake Michigan

Figure 1.1-1, Project Vicinity, shows the existing CN and EJ&E rail systems.

Under the Applicants' Proposed Action, EJ&E would transfer all of its land, rail, and related assets west of the centerline of Buchanan Street in Gary, Indiana, to EJ&E West Company. These assets include EJ&E's main line as well as double track, branch lines, and yards. At that time, EJ&E West Company would become a rail common carrier. EJ&E would retain its land, rail, and related assets east of the centerline.² If the Board approves the Proposed Action, EJ&E will change its name to Gary Railway Company and EJ&E West Company will assume the Elgin, Joliet and Eastern Railway Company name.

CN would shift much of the rail traffic currently moving over CN's rail lines in Chicago to the EJ&E main line. Rail traffic on CN rail lines inside the EJ&E arc³ would generally decrease, and those areas would see environmental benefits. The number of trains operating on the EJ&E main line outside Chicago would increase by approximately 15 to 24 trains per day, resulting in potential adverse effects. The Proposed Action would also involve construction of six short rail connections for operational efficiency; CN would construct these connections within, or very close to, existing rail right-of-way (ROW). In addition, CN would construct five segments of siding extensions, or second mainline track (double track), totaling approximately 19 miles. The Applicants state that they do not anticipate any rail line abandonments in conjunction with the Proposed Action (Applicants 2007a).

¹ EJ&E West Company is an Illinois corporation formed on August 16, 2007.

² Except for property associated with two lead tracks (the Dixie and hump leads) providing access to Kirk Yard in Gary, Indiana.

³ The area inside the EJ&E arc includes the portions of Lake, Cook, DuPage, and Will counties in Illinois and Lake County in Indiana located within the arc formed by the EJ&E main line between Waukegan, Joliet, and Gary. The area outside the EJ&E arc includes portions of the aforementioned counties as well as Kendall and Grundy counties in Illinois.



On December 21, 2007, the Board issued a Notice of Intent (NOI) to prepare, through its Section of Environmental Analysis (SEA), an Environmental Impact Statement (EIS) for this proceeding (Federal Register (FR) 2007a). The Board determined that the Applicants' proposal warranted an EIS in accordance with the National Environmental Policy Act of 1969, as amended (NEPA) (Board 2007a; 42 United States Code [USC] 4321 et seq.). The President's Council on Environmental Quality (CEQ) regulations implementing NEPA and the Board's own environmental rules prescribe the level of documentation required for the environmental review process; actions significantly affecting the quality of the human environment generally require an EIS (42 USC 4332(2)(C); 40 Code of Federal Regulations (CFR) 1508.11; 49 CFR 1105.4(f); 49 CFR 1105.5). In the case of the Proposed Action, the projected increases in train traffic on certain rail line segments and at rail facilities would exceed the Board's thresholds for environmental analysis (49 CFR 1105.7(e)). The Board based its decision to prepare an EIS on the information provided in the Application and on concerns expressed by communities potentially affected by the Proposed Action.

Following the scoping process that determined the issues to be addressed in the EIS, SEA served the Draft EIS on July 25, 2008, and established a 60-day public review and comment period, which closed September 30, 2008. The same day, the Board issued Decision No.13, which set a procedural schedule for the completion of this Final EIS. EPA published a Notice of Availability for the Draft EIS in the Federal Register on August 1, 2008 (FR 2008). SEA then hosted eight public meetings throughout the Chicago metropolitan area, and five stakeholder meetings with local, Federal, and state agencies, to facilitate public review and comment on the Draft EIS. These efforts are discussed in Chapter 5, Public Involvement and Stakeholder Outreach.

This Final EIS should be read in conjunction with the Draft EIS, which provides more detailed information on the Proposed Action and alternatives to agency decision makers and the public. The Draft EIS describes in detail the project's purpose and need, operational changes under the Proposed Action, the existing environment, and the potential environmental effects associated with the Proposed Action. The Final EIS, which is organized consistent with CEQ regulations, responds to public comments on the Draft EIS; identifies corrections and changes to information presented in the Draft EIS (principally concerning average daily traffic (ADT) and train counts at two of the rail connections); discusses SEA's conclusions regarding environmental effects; and includes SEA's final environmental mitigation recommendations. Further, the Final EIS reflects additional analysis on hazardous materials transport, schools, air quality, and property values, prepared in response to comments on the Draft EIS. Both the Draft EIS and the Final EIS are available on the Board's website (<http://www.stb.dot.gov>).

The following sections address the existing rail system in the Chicago metropolitan area, and provide information about the CN and the EJ&E rail systems.

1.1.1 The Existing Rail System in the Chicago Metropolitan Area

Chicago, Illinois is the only city in the United States where six large Class I railroad systems—BNSF Railway Company [BNSF], CN, Canadian Pacific Railway Company [CPR], CSX Transportation, Inc. [CSX], Norfolk Southern [NS], and Union Pacific Railroad Company [UP]—meet to interchange freight. In Chicago, the railroads exchange freight among the East, West, and Gulf coasts and between the United States and Canada. In addition, a seventh large Class I railroad (The Kansas City Southern Railway Company [KCS]) operates by means of "trackage rights," which allow KCS to operate its trains over another railroad's tracks. Thus, all seven North American Class I freight railroads currently converge in Chicago.

What is a Class I railroad?

Class I railroads have annual carrier operating revenues of \$250 million or more. Class I railroads account for 93% of the railroad industry's freight revenue.

These rail lines meet in the Chicago Terminal District, a 2,800-mile network of rail within the Chicago metropolitan area. The district includes 70 yards and terminals (including 26 intermodal hubs, which allow transfer of containerized cargo or truck trailers between two or more modes of transportation) and more than 1,950 at-grade crossings (Chicago Region Environmental and Transportation Efficiency [CREATE] 2005; Business Leaders for Transportation [BLT] 2002). These include both rail/rail line intersections and highway/rail at-grade crossings, where a rail line and a road meet at the same level.

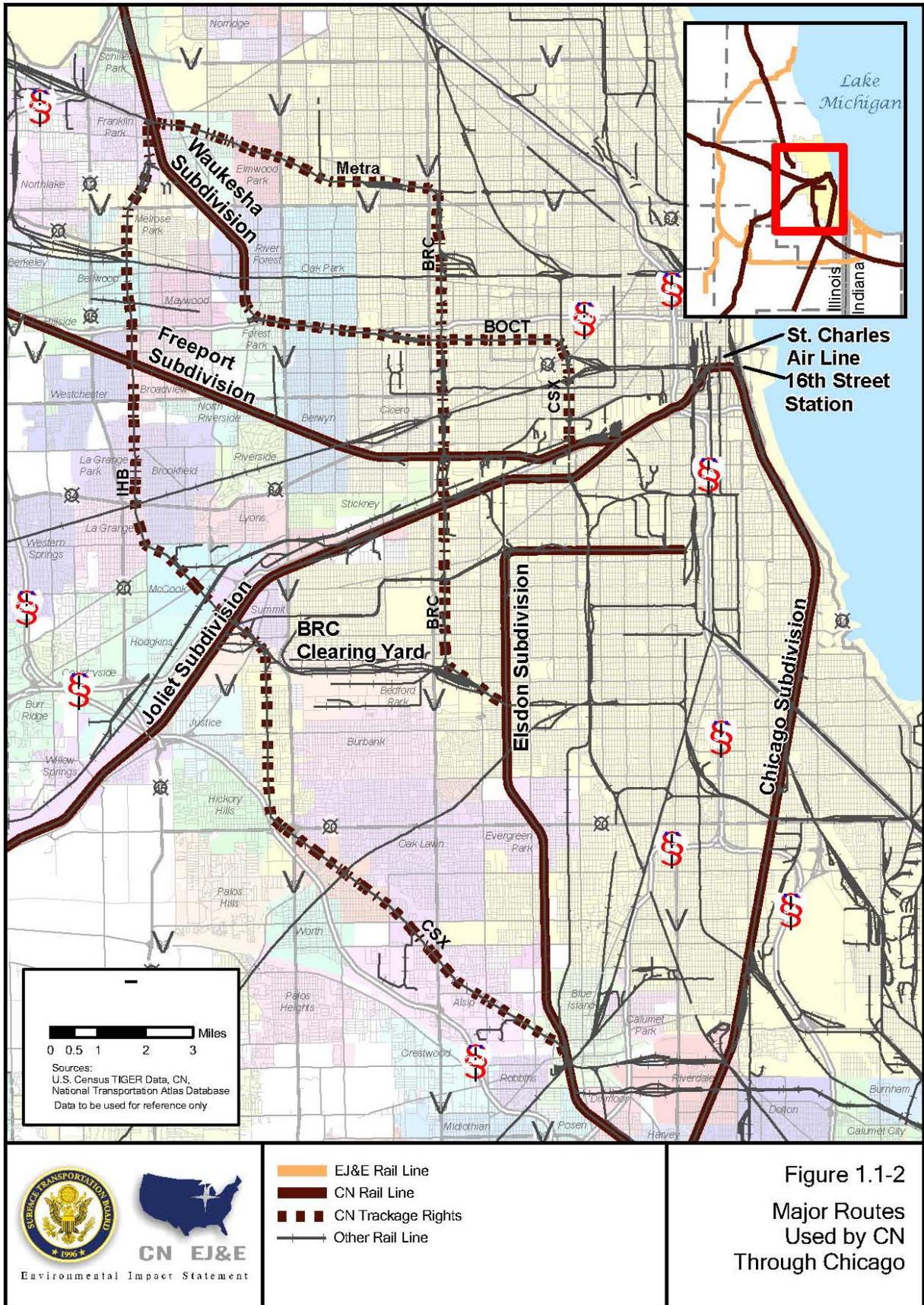
Much of the existing Chicago rail network has been in place for more than a century (Chicago Metropolis 2020–2004). The rail lines of the Class I railroads, originally built to provide access to the center of Chicago, do not facilitate efficient freight movement through the Chicago metropolitan area because the railroads and business leaders of Chicago did not foresee that need during the era of railroad construction (Conzen 2005). In addition to Class I railroads, numerous smaller, regional, and switching railroads operating in Chicago connect to one or more Class I railroads and provide short-haul capacity within the Chicago Terminal District. The Class I railroads also use the rail lines of these switching railroads, by means of trackage rights, to connect from one rail line to another within the Chicago metropolitan area (see Figure 1.1-2, Major Routes Used by CN Through Chicago).

One-third of all rail freight in the United States currently moves to, from, or through Chicago (CREATE 2005). More than 600 freight trains now operate within the Chicago Terminal District each day, transporting an average of 37,500 rail freight cars carrying about 2.5 million tons of freight (Chicago Area Transportation Study [CATS] 2000; BLT 2002).

Amtrak, Metra, and the Northern Indiana Commuter Transportation District (NICTD) operate passenger trains servicing the Chicago metropolitan area and other cities on the rail network within Chicago. The National Railroad Passenger Corporation, better known as Amtrak, provides passenger service in the Chicago metropolitan area using rail lines owned by BNSF, CN, NS, and Metra, as well as their own rail lines. In 2002, Amtrak served more than two million intercity passengers traveling to or from Chicago (CREATE 2005). Currently, Amtrak operates about 78 trains per day in the Chicago metropolitan area (Amtrak 2008a). Metra, the commuter rail division of the Regional Transportation Authority of Northeast Illinois (RTA), provides commuter service on its own rail lines and also uses trackage rights on freight railroads (Metra 2007a). Metra operates 720 trains per day with service to 82 million passengers in 2007 (Metra 2008a; Metra 2007a), and NICTD operates 41 trains per day (NICTD 2007a).

Metra's rail lines are intertwined with the Class I freight railroads through a series of parallel tracks, trackage rights, and dozens of rail/rail at-grade crossings, using many of the same tracks and critical junctions. During each weekday rush hour, freight movements are substantially curtailed while Metra and Amtrak passenger trains take priority (Ryan 2007). The more than 1,400 trains per day now sharing these rail lines result in delays as trains wait to cross other rail line segments (Illinois Department of Transportation [IDOT] 2006; BLT 2002).

Delays also occur when the Class I railroads wait to use switching rail lines and yards within the Chicago Terminal District. Because of existing rail traffic congestion, a CN freight train may need more than 24 hours to travel about 30 miles, from near O'Hare International Airport to near Blue Island, Illinois (CN 2008a). Forecasts for both freight and passenger train traffic predict a considerable increase within the Chicago Terminal District, which would further exacerbate congestion and delays (BLT 2002). According to the Applicants, the availability of a continuous CN route around Chicago and connection of the five CN rail lines radiating from Chicago would



1.1.2 The Applicants

Canadian National Railway Company (CN), incorporated in 1919, operates the largest rail network in Canada and the only transcontinental network in North America. With headquarters in Montreal, Canada, and Homewood, Illinois, the company employs about 22,700 people, and operates approximately 20,421 route-miles of track in Canada and the United States. In Canada, the CN network encompasses 12,900 route-miles in eight Canadian provinces, including the nation's five major ports—Vancouver and Prince Rupert, British Columbia, on the Pacific Ocean; the key Great Lakes port of Thunder Bay, Ontario; Montreal, Quebec; and Halifax, Nova Scotia, on the Atlantic Ocean. The U.S. network of 6,400 route-miles in 16 states connects the Canadian network to the U.S. midwest and the Gulf of Mexico ports of Mobile, Alabama, and New Orleans, Louisiana. CN also connects with other rail carriers to all points in North America, and, as part of the North American Free Trade Agreement (NAFTA) rail network, provides trackage rights to Kansas City Southern de México Railroad, S.A. de C.V., through a marketing alliance with KCS (CN 2008b).

CN owns and operates five rail lines that converge in Chicago (see Figure 1.1-1, Project Vicinity, above):

- The Waukesha Subdivision approaches Chicago from the north
- The Freeport Subdivision approaches Chicago from the west
- The Joliet Subdivision approaches Chicago from the southwest (from Joliet)
- The Chicago Subdivision approaches Chicago from the south
- The Elsdon Subdivision approaches Chicago from the east

CN operates three major yards in the Chicago Terminal District: Glenn Yard (in Chicago), Hawthorne Yard (near Cicero, Illinois), and Markham Yard (an intermodal hub in Harvey, Illinois, that extends into Homewood, Illinois) (see Figure 1.1-3, Yard Locations, below). In addition, CN has smaller yards, also located within the EJ&E arc, and uses the Belt Railway Company of Chicago (BRC) Clearing Yard for rail car switching.

Chicago is currently a major junction for CN freight trains moving between the Gulf Coast and either Canadian coast. About two-thirds of the CN trains operating in the Chicago metropolitan area are en route to other cities (Applicants 2007a); most of these trains must travel into Chicago for classification and switching at CN yards. In addition, most CN trains moving from one CN rail line to another must travel on the rail lines of BRC, Baltimore and Ohio Chicago Terminal Railroad (BOCT), CSX, and Indiana Harbor Belt Railroad (IHB), and on segments of the EJ&E main line (see Figure 1.1-2, above).

1.1.3 Elgin, Joliet and Eastern Railway Company

EJ&E is a Class II railroad wholly owned by, and an indirect subsidiary of United States Steel Corporation (U.S. Steel), a noncarrier. U.S. Steel owns all issued and outstanding stock of Transtar, Inc., a noncarrier holding company, which owns all issued and outstanding stock of seven common carrier railroads, including EJ&E.

EJ&E operates on slightly more than 200 miles of track in northeastern Illinois and northwestern Indiana. The EJ&E main line, popularly known as “the J,” consists of a 120-mile arc of mainline track around Chicago, as described in Section 1.1, Introduction, above. The EJ&E rail system includes this main line as well as double track, branch lines, and yards (see the Draft EIS, Chapter 2, Section 2.1.3, EJ&E Rail System). EJ&E has the following three main yards (see Figure 1.1-3, Yard Locations, above):

- Kirk Yard, a major automated classification yard in Gary, Indiana
- East Joliet Yard, a major flat-switching yard⁴ near Joliet, Illinois, used primarily for rail car storage
- Whiting Yard, a small industrial support yard near Whiting, Indiana

EJ&E provides rail service to approximately 100 customers in the Chicago and northwest Indiana region, including steel mills and processors, electric utilities, plastics and chemical producers, distribution centers, and scrap processors. In addition, EJ&E connects customers to Class I rail lines, giving customers access to the entire North American rail system. Interline connections include those with BNSF, CN, CPR, Chicago SouthShore & South Bend Railroad (CSSB), CSX, Iowa Interstate Railroad (IAIS), NS, and UP.

This case involves the acquisition of the EJ&E rail line, which has provided railroad transportation service to the Chicago region for 120 years. Communities along the EJ&E rail line have benefited from the freight and passenger transportation services created by the EJ&E. These services enabled or enhanced the ability of these communities to become centers for commerce and services, and function as a shipping point for farm commodities. The EJ&E rail line encouraged the development of economic activity that required rail transportation such as farming of grain and general manufacturing. The EJ&E rail line also enabled homes and businesses to purchase coal for home heating moved by rail from southern and central Illinois coal fields. Train volumes on the EJ&E rail line have fluctuated during its history in response to technological and economic changes, but there has always been some rail traffic on the line. Regular passenger service was provided in the early 1900s on most of the EJ&E rail line but was discontinued as electrified interurban railways replaced its steam-hauled trains. During World War II, the EJ&E rail line generated as many as fifty trains per day to support Chicago’s steel and heavy manufacturing industries. The EJ&E rail line continued to thrive throughout most of the 1950s and 1960s. While traffic levels declined during the 1970s it rebounded in the early 1990s when the rail lines that pass through the center of Chicago became more congested and the EJ&E rail line became an alternative route for freight moving through Chicago, such as coal and containerized import/export freight. Throughout its history, the EJ&E rail line has been an integral part of the rail system and economic

What is a Class II railroad?

A Class II railroad is one with annual carrier operating revenues between \$20 million and \$250 million.

What is an Interline?

Interline connections refer to freight that is moved from one location to another by transferring cars, or “connecting” to rail, owned by various companies, to deliver goods shipped by customers using the national rail system.

⁴ A flat-switching yard is one at which switching depends on locomotive power with little assistance from gravity, to move rail cars to and from various tracks in the process of classifying these rail cars.

infrastructure of Chicago, supporting the needs of the many railroads that move traffic through that City and, numerous local rail-dependent shippers. Appendix A contains more information about the history of the EJ&E rail line.

1.2 Purpose and Need

The Applicants give three primary reasons for seeking to acquire control of the EJ&E rail assets (FR 2007a; Applicants 2007a):

- To improve the Applicants' operations in and beyond the Chicago metropolitan area by providing a continuous rail route around Chicago, under CN's ownership, that would connect its five rail lines radiating from Chicago
- To make EJ&E's Kirk Yard, as well as smaller facilities at Joliet, Illinois, and Whiting, Indiana, available to the Applicants, thus enabling them to consolidate rail car classification work, thereby reducing the use of the BRC Clearing Yard
- To enable the CN system to benefit from an important supply line EJ&E provided for North American steel, chemical, and petrochemical industries, as well as utility companies, thereby allowing the Applicants to develop more extensive relationships with these industries and the companies that serve them

The Applicants maintain that the availability of a continuous CN route around Chicago, and its connection to the five CN rail lines radiating from Chicago, would greatly improve the fluidity of intermodal (and other) CN traffic that must move into, from, or through Chicago (Applicants 2007a). According to the Applicants, if approved, the Proposed Action would result in more efficient rail traffic flow by shifting much of CN's rail traffic in the Chicago Terminal District to the EJ&E main line, thus reducing CN's use of currently congested switching lines to connect its rail lines. The Applicants state that shifting a large portion of the CN rail traffic to the EJ&E main line would decrease the traffic density in Chicago's urban core on CN and BRC rail lines.

The Applicants attribute delays in Chicago to congested rail lines and too much dependence on the BRC Clearing Yard for switching traffic between rail subdivisions. Most of the Class I freight railroads in Chicago now use the BRC Clearing Yard for train classification. According to the Applicants, acquisition of Kirk Yard and other EJ&E yards located along the EJ&E main line and near the edge of the congested Chicago Terminal District would permit CN to use these yards to classify and switch trains passing through the Chicago metropolitan area. The Applicants state that the Proposed Action would allow trains that stop in the Chicago metropolitan area for crew changes, locomotive inspections, and set-outs to use the EJ&E main line, and Kirk and East Joliet yards. The Applicants expect this to reduce the number of CN trains that, though bound for other destinations, would otherwise need to travel into Chicago. The Proposed Action is expected to reduce classification work at CN's Glenn, Hawthorne, and Markham yards and at the BRC Clearing Yard.

What is a Set-out?

Set-out refers to rail cars that are disconnected from a train and set onto a customer's track.

What is Classification?

Classification is the sorting and grouping of rail cars according to their destination points.

According to the Applicants, approval of the Proposed Action would reduce congestion in Chicago, enabling CN to improve service to many companies in the Chicago metropolitan area and to those shipping products through Chicago. The Applicants maintain that shippers would benefit from shortened transit times through the Chicago Terminal District and that residents in areas along CN rail lines inside the EJ&E arc would see environmental benefits.

1.3 Role of Surface Transportation Board and Other Agencies

The Board is the lead agency in this proceeding, with exclusive and plenary⁵ permitting authority. The Board is an independent adjudicatory⁶ body within the U.S. Department of Transportation (USDOT) responsible for economic regulation of interstate surface transportation—primarily freight railroads—within the United States.

The Board was created by the Interstate Commerce Commission Termination Act of 1995, as a successor to the Interstate Commerce Commission. It is responsible for the economic regulation of freight railroads under the Interstate Commerce Act (ICA), pursuant to 49 USC 701-727 and 10101-16106. Among its various duties, the Board reviews railroad proposals to construct and operate new rail lines, abandon rail lines, or acquire and operate other rail lines or railroads.

In meeting its responsibilities under both the ICA and NEPA, the Board's role is to review CN's Application through two parallel but distinct processes: 1) one that examines the competitive implications of the Proposed Action, and whether the Proposed Action would have anticompetitive effects or present significant countervailing transportation needs, and 2) one conducted by the Board's Section of Environmental Analysis (SEA) that examines the potential environmental effects resulting from the Proposed Action based on the environmental review.

The Board will either approve the Proposed Action as proposed by CN, disapprove the Proposed Action, or approve it with conditions. Such conditions may offset or reduce the potential adverse effects on competition or the environment, or may be statutorily-prescribed conditions to protect affected railroad employees.

To assess the environmental effects, an independent third-party contractor assisted SEA with environmental analysis and preparation of the Draft and Final EIS.

For this project, as in all Board proceedings where third-party contractors are retained, the independent third-party contractor's scope of work, approach, and activities are administered under SEA's supervision, direction, and control. Personnel from HDR Engineering, Inc. work as an extension of SEA's staff to conduct independent analysis, develop appropriate environmental methodologies, and provide technical support. Use of agency-approved, independent third-party contractors is specifically permitted by the President's Council on Environmental Quality (CEQ) and the Board's own environmental regulations (49 CFR 1105.10(d) and 40 CFR 1506.5(c), respectively).

CEQ regulations require agencies preparing Environmental Impact Statements (EIS) to solicit the comments of other Federal agencies with expertise or jurisdiction over any part of the EIS. Here, SEA sought comments from the agencies listed below. Chapter 5 of this Final EIS summarizes SEA's agency coordination and public outreach.

- U.S. Army Corps of Engineers
- U.S. Coast Guard
- U.S. Environmental Protection Agency
- U.S. Fish and Wildlife Service
- U.S. Department of Energy

⁵ Plenary authority is absolute authority that is complete in every respect.

⁶ An adjudicatory body is one that acts as a judge and settles matters judicially.

1.4 Board Decisions

Issuance of the Final EIS concludes the environmental review process. The Board subsequently will decide what action to take on CN's request to acquire the EJ&E West Company. To reach its decision, the Board will consider the Draft and Final EIS, including SEA's final recommended mitigation, the comments received on the Draft EIS, and other environmental information provided by interested parties. If the application is approved, the Board will identify what, if any, mitigation measures, including environmental mitigation, should be imposed.

The Applicants do not have the authority required under 49 USC 11324(d) to control the EJ&E West Company until the Board makes a decision granting CN the authority to do so.

1.5 Administrative Appeal and Timing of the Board's Final Decision

CEQ regulations (40 CFR 1506.10(b)) provide that an agency shall not make a decision on a proposed action less than 30 days from the publication of a notice of a Final EIS in the *Federal Register*, unless the Board's decision is subject to a formal administrative review process after publication of the Final EIS. In such cases, CEQ regulations provide that the period for appeal of the agency's decision and the 30-day period prescribed in 40 CFR 1506.10(b) may run concurrently.

SEA anticipates that the U.S. Environmental Protection Agency (EPA) will publish a Notice of the Availability of the Final EIS in the Federal Register on December 12, 2008. Under the CEQ regulations (40 CFR 1506.10(b)), agencies must wait 30 days from EPA's Federal Register notice before issuing a final decision unless they have an internal appeal process. The Board has such a process, which means that the Board could issue a final decision in less than 30 days from December 12, 2008. If the Board were to do so, SEA recommends that the Board's administrative review period be extended to permit parties to seek agency reconsideration of the final decision within 30 days after it is served, rather than the typical 20 days. The Board would consider any administrative appeals in a subsequent decision.

1.6 Proposed Action and Alternatives

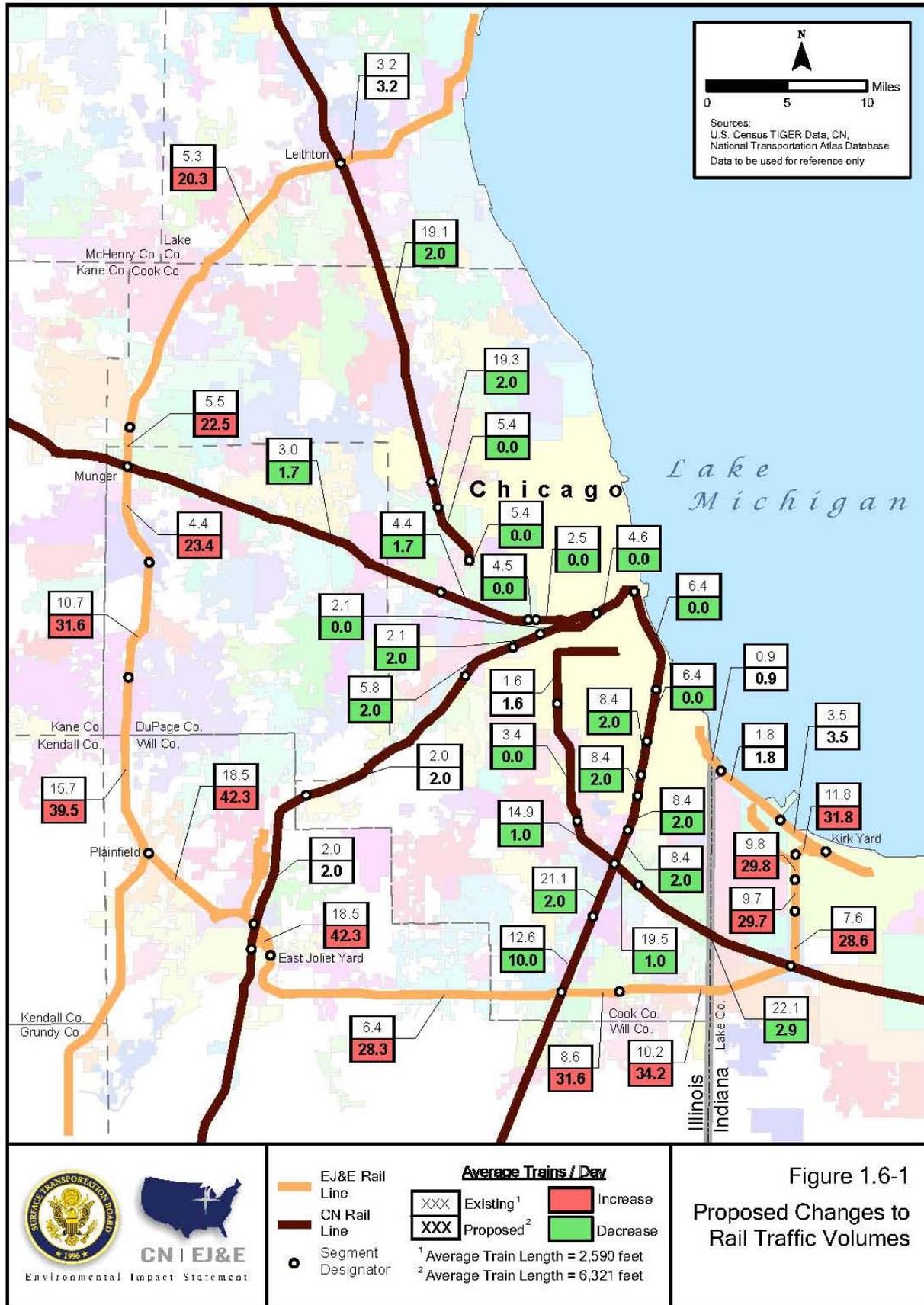
SEA evaluated three alternatives: No-Action, the Proposed Action, and the Proposed Action with conditions, including environmental mitigation measures. SEA initially considered another four alternatives (discussed in Section 1.6.4, Alternatives Eliminated from Detailed Analysis), but eliminated them from detailed study.

1.6.1 Proposed Action

The Applicants are seeking the Board's authorization, under 49 USC 11323-11325, to acquire control of EJ&E's land, rail line, and related assets. Under the Proposed Action, the Applicants would redirect trains from the five CN subdivisions in Chicago to the EJ&E rail line, increasing the volume of freight rail traffic along the EJ&E rail line, which would result in a corresponding decrease in the volume of freight rail traffic that now moves along the CN subdivisions. Figure 1.6-1 shows the proposed changes in rail traffic volume.

The Proposed Action also would result in:

- Construction of six new rail connecting tracks between existing rail lines at Munger (near Wayne, Illinois); Joliet, Illinois; and Matteson, Illinois, and at Griffith, Indiana; Ivanhoe (in Gary, Indiana); and Kirk Yard in Gary, Indiana;



- Construction of five segments totaling 19 miles of double track (parallel track) to augment the existing single track, at or near Leithton (near Mundelein, Illinois); Diamond Lake Road to Gilmer Road near Mundelein, Illinois; East Siding to Walker (two segments) near Aurora, Naperville, Illinois, and Plainfield (all in Illinois) and East Joliet to Frankfort, Illinois; and,
- Increased use of Kirk Yard and East Joliet Yard for rail car classification and train assembly and disassembly.

Although the proposed construction activities and changes in yard operations do not require prior Board approval, SEA analyzed the potential environmental impacts of these related actions because they would not occur without approval of the Proposed Action. Figure 1.6-2 shows locations of the proposed new double track construction, connecting tracks between existing rail lines, and the location of Kirk Yard and East Joliet Yard. Figure 1.6-3 shows a typical cross section for areas that would have new connections.

1.6.2 Connecting Tracks between Existing Railroad Lines and Double Track

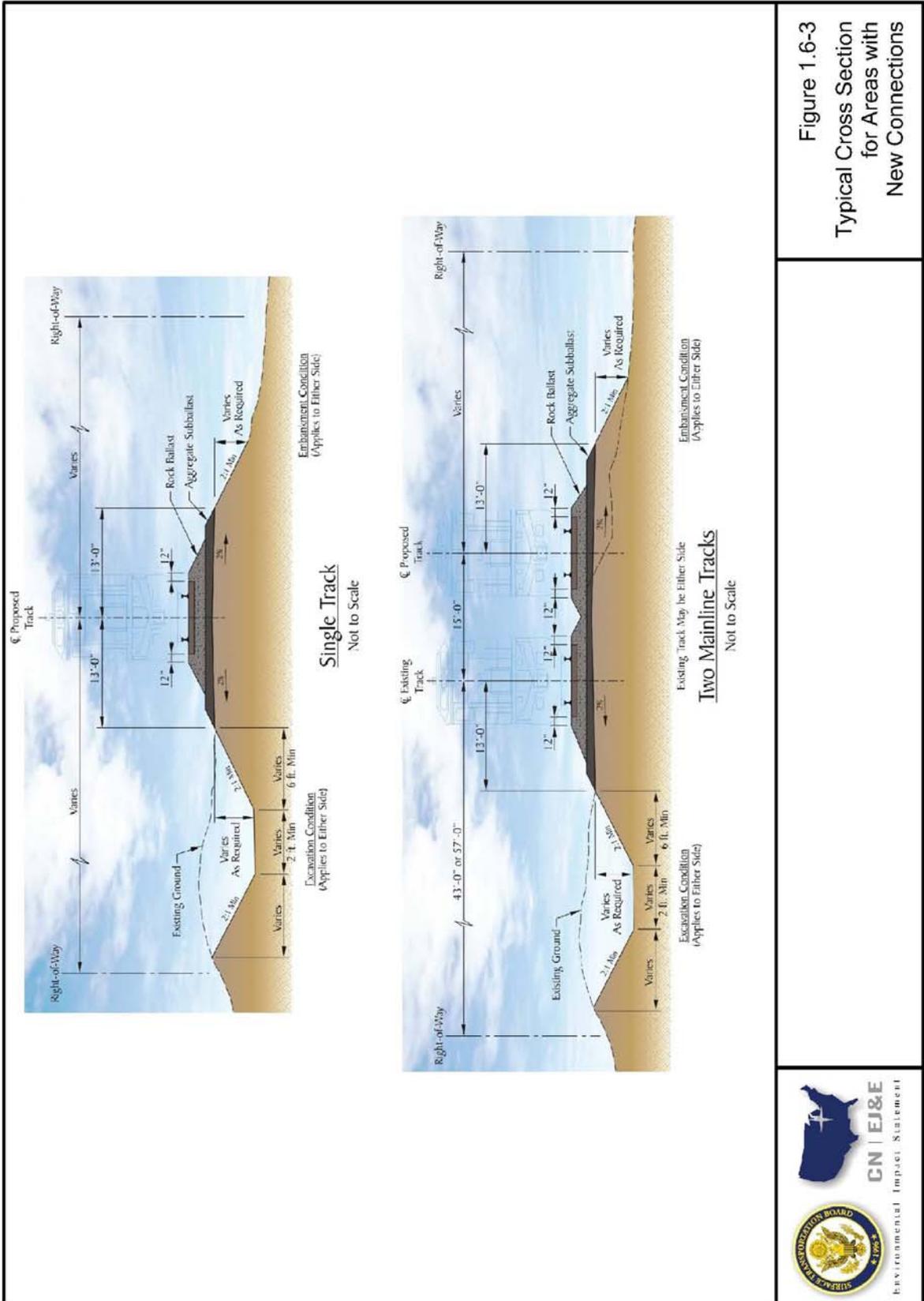
SEA conducted an independent examination of the Applicants' six proposed connecting tracks between existing railroad lines to determine if alternative locations or configurations would meet the purpose of and need for the Proposed Action while minimizing potential environmental effects. For each connection, SEA considered the Applicants' proposed connection, a No-Build Alternative, and alternative configurations developed by SEA, where appropriate. After publication of the Draft EIS, Applicants submitted to SEA a revised alternative for the Matteson Connection (Revised Matteson Connection) which is evaluated in full in Section 2.1 of this Final EIS. Including the No-Build Alternative, SEA considered five alternatives for the proposed connection at Munger (near Wayne, Illinois), three alternatives at Joliet, four alternatives for the proposed connection at Matteson, and two alternatives at Griffith, Indiana, and Ivanhoe and Kirk Yard (both near Gary, Indiana). SEA also developed tailored environmental mitigation for the six connections.

Railroads may add trackage and change operations within their existing rights-of-way at any time without Board approval. Under the Proposed Action, the Applicants propose construction of 19 miles of double track and changes in yard operations within the existing EJ&E rail line ROW. After the publication of the Draft EIS, Applicants submitted to SEA a revised configuration for the double track connection at Leithton (near Mundelein, Illinois), which is evaluated in full in Section 2.2 of this Final EIS. With the exception of the revised Leithton Connection, SEA did not identify or analyze any feasible alternatives to the double track or yard operations.

1.6.3 No-Action Alternative

CEQ's regulations implementing NEPA (40 CFR 1502.14(d)) require consideration of a No-Action Alternative. The No-Action Alternative provides a basis for understanding the impacts of the Proposed Action. Under the No-Action Alternative, the Applicants would not acquire control of the EJ&E land, rail line, and related assets; SEA assessed rail operations on the EJ&E rail line at existing levels. The Applicants would continue to make connecting train movements through the Chicago Terminal District in the same way as these movements now occur, would not construct the six connections or the double track, and would not make changes to existing yard operations.





1.6.4 Alternatives Eliminated from Detailed Analysis

SEA considered four additional alternatives, but found them to be unreasonable and infeasible because they would not meet the Applicants' purpose of and need for the Proposed Action. These alternatives were:

- Expanded trackage rights to CN;
- Implementation of the Chicago Region Environmental and Transportation Efficiency (CREATE) Program in lieu of CN's acquisition of the EJ&E rail line;
- Acquisition of a different rail line within the Chicago metropolitan area; and,
- Construction of a bypass outside the EJ&E rail line in Northern Illinois.

As discussed in Chapter 2.5 of the Draft EIS, in general, SEA found these alternatives to be unreasonable because they would not give CN full ownership and use of a continuous rail route around Chicago, or the Applicants could not gain access to EJ&E rail yards.

1.7 Public Involvement and Stakeholder Outreach

SEA conducted an extensive, proactive public outreach effort to engage stakeholders and solicit and facilitate public comments on all aspects of the Draft EIS and throughout the EIS process. As discussed in more detail in Chapter 5 and in the Draft EIS, SEA's efforts included notification through the media, postcards to individuals in SEA's environmental database, information on the toll-free hotline, and updates to the Board's website.

1.7.1 Public and Stakeholder Outreach

In addition to soliciting written comments on the Draft EIS, SEA held open house/public meetings throughout the Chicago metropolitan area during the scoping and Draft EIS comment period. Meetings included an open house session and a more formal public meeting. A schedule and outline of these meetings is presented in Chapter 5, Public Information and Community Outreach. SEA's outreach included:

- May 28, 2008—SEA mailed a postcard to each of the more than 4,700 contacts on its environmental distribution list offering the recipients options to receive the Draft EIS.
- July 25, 2008—the Board served the Draft EIS to all Parties of Record and the EPA; SEA mailed copies of the Draft EIS to over 5,100 parties on its updated environmental distribution list; SEA delivered the Draft EIS to 51 public libraries and one town hall for public review; SEA updated the toll-free telephone number to provide information, allow for advanced speaker registration for open-house/public meetings, and to accept comments on the Draft EIS.
- August 1, 2008—EPA published a Notice of Availability in the *Federal Register* announcing the availability of the Draft EIS and the start of a 60-day public comment period, which ended September 30, 2008.
- August 8, 2008—SEA sent a postcard to all parties on the environmental distribution list providing the dates and locations of eight open house/public meetings and encouraging the public to speak before the Board at these meetings.
- August 2008—SEA made available on the project website a copy of the entire Draft EIS and provided notices and advertisements to local media outlets announcing the Draft EIS and the date and locations of open house/public meetings.

- August/September 2008—SEA held eight Public Meetings in the Chicago metropolitan area to obtain oral comments on the Draft EIS.

Attendance at the meetings on the Draft EIS ranged from 75 people in Chicago to 3,000 people in Barrington and totaled 4,645 attendees at all meetings. A total of 305 individuals presented oral comments during the meetings. Participants both supported and opposed the Proposed Action. Transcriptions of each meeting are contained in Appendix D, Meeting Transcripts. Participants who preferred to speak directly to a court reporter, rather than before the audience, were invited to comment on the Draft EIS in that manner.

The majority of the participants expressed concerns related to vehicular delay, delay in emergency response, rail safety, effects on property values, noise, vibration from the proposed increase in freight rail traffic, effects on STAR Line, impacts to existing and potential quiet zones, and responsibility for the costs of any mitigation measures.

Others supported the Proposed Action, noting that decreased train traffic inside the EJ&E arc would bring environmental benefits to these communities, and that some concerns raised by opponents from communities along the EJ&E rail lines relate to existing conditions and the location of existing schools, homes, fire stations, and hospitals.

SEA conducted numerous outreach meetings in minority and low-income communities (also known as environmental justice populations) in Indiana and Illinois to ensure that all population groups had an equitable opportunity to access information and participate in the Board's public involvement and decision-making process. Meetings were held in one-on-one situations with community and church leaders as well as elected officials. These meetings provided environmental justice communities with an additional forum for commentary on the Proposed Action. SEA ensured that the interests of the affected and minority and low-income communities were recognized throughout the planning process. SEA provided project information such as the toll-free number, advertisements, and meeting materials in Spanish. These environmental justice meetings began in May and concluded in July 2008. All meeting locations were accessible to all population groups. Meetings are detailed in Chapter 5, Public Information and Community Outreach.

The Board held a public meeting on November 18, 2008, at its Washington, D.C. headquarters, to discuss the analysis and preliminary conclusions and recommendations in the Final EIS. SEA briefed the Board on the major issues raised in comments on the Draft EIS and how SEA proposed to address them in the Final EIS. Topics discussed including rail operations, rail safety, hazardous materials, transportation, noise and vibration, biological resources, water resources, mitigation and how it should be funded, and quality of life issues. SEA also briefed the Board on the extensive public outreach that was conducted for the Proposed Action. Following SEA's presentations, the Board questioned SEA staff on various issues. The meeting was open for public observation, but not public participation. The public meeting was at the Board's headquarters at Patriots Plaza, 395 E Street, S.W., Washington, D.C. A video broadcast of the hearing was accessible to all interested parties, including those in the Chicago area, via the website at <http://www.stb.dot.gov>, under "Information Center"/"Webcast"/"Live Video" on the home page.

1.7.2 Meetings

Before SEA served the Draft EIS it met with Federal, state, and local agencies on April 29 and 30, and May 1, 2008, to discuss the Proposed Action. Participants with similar concerns were combined into Stakeholder Groups to facilitate discussion. In addition, SEA conducted targeted outreach activities to environmental justice populations to engage them in the environmental review process. During the week of September 1, 2008, these groups were invited again to discuss their comments on the Draft EIS. SEA invited 74 agencies to attend meetings held in Chicago, Illinois, and Hammond and Indianapolis, Indiana, and provide feedback on their areas of expertise.

SEA met with the USFWS Chicago, Illinois, Field Office (CIFO) and USFWS Northern Indiana Ecological Services Sub-Office (NIESS) on October 23, 2008, to discuss concerns raised in the Department of Interior comment letter dated September 29, 2008. Specifically, the discussion focused on the Hine's emerald dragonfly, Karner blue butterfly, Indiana bat, Eastern prairie fringed orchid, turtle crossings, and noise effects on migratory birds. SEA conducted follow-up meetings, conference calls, and site visits with the USFWS on October 29th, November 4th, and November 6-7, 2008. Based on discussions and site visits with the USFWS, and on the Biological Report submitted to the USFWS on November 21, 2008, SEA determined the Proposed Action “may affect, but is not likely to adversely affect” the Eastern prairie fringed orchid, leafy prairie clover, Hine's emerald dragonfly, Karner blue butterfly, and Indiana bat.