



**ENVIRONMENTAL LAW & POLICY CENTER**  
ENVIRONMENT MIDWEST

December 21, 2007

The Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
395 E Street, S.W., Suite 1149  
Washington, D.C. 20423-0001

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

Dear Secretary Williams:

We write this reply today in support of the Petition for Reconsideration filed by the Indiana Harbor Belt Railroad Co. (IHB) in the above-captioned matter. We strongly concur that the above-captioned matter is a “significant” rather than “minor” transaction.

The Environmental Law & Policy Center (ELPC) is the Midwest’s leading public interest environmental legal advocacy and eco-business innovation organization. We are public interest environmental entrepreneurs who engage in creative business negotiation with diverse interests to put into practice our belief that environmental progress and economic development can be achieved together.

One of ELPC’s primary projects is the advancement of better and faster passenger rail service in Illinois and throughout the Midwest. Our organization, together with allies statewide, successfully advocated in 2006 for the first expansion of passenger train service in Illinois in decades. The additional state appropriation permitted Amtrak to nearly double its schedule, which has led to a ridership increase of 80% in just the first year of the expanded schedule. ELPC is also supportive of the CREATE freight rail project, not only because it will reduce freight run times and thus improve air quality in the Northeastern Illinois area, but also because CREATE, as envisioned, will add capacity to what is the busiest rail hub in the world. This in turn will permit passenger trains to move even faster and thus continue to attract riders to the most environmentally friendly, energy efficient mode of transportation available.

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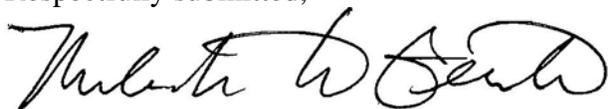
As submitted, the CN proposal leaves a host of questions unanswered, many of which are crucial to our forming an opinion about the proposed transaction. On page 222 of its application, CN states that “the transaction would not affect passenger rail service operating on CN rail lines today.” We disagree. There is no discussion of what will happen to the six Amtrak passenger trains serving eastern and southern Illinois, as well as the long-distance train that continues on through Tennessee, Mississippi, and Louisiana. While CN application contemplates future abandonment of the St. Charles Air Line on which these Amtrak trains pass, there is no discussion in the application of what will happen to those trains once the Air Line is no longer available. It is unrealistic to assume that this kind of analysis, and our study of such an analysis, could be completed by the Jan. 29 timeframe defined by a “minor” transaction.

Furthermore, several previously-identified CREATE projects that we believe would be necessary for Amtrak service not to be disrupted are acknowledged in CN’s application to be “in question” and “at best, many years [away]” because of “funding uncertainties.” A new connection at Grand Crossing, the need to maintain access from south of Grand Crossing, as well as additional capacity needed on the Norfolk-Southern line because of the Air Line abandonment all need to be studied, prioritized, engineered, and funded. With this N-S line already highly congested, any additional trains will cause further delays to passenger service between Chicago and New York, Washington, D.C., and Boston. Again, a complete analysis of this situation—as well as time for interested parties to review it—will require more time than the Jan. 29 deadline permits.

There are other operating concerns as well. The CREATE project was based on years of discussions, negotiations, and planning involving all of the major freight railroads, as well as Amtrak. How the EJ&E purchase would affect the overall CREATE endeavor is largely unknown. Such effects need to be modeled and studied prior to reaching a decision on the EJ&E purchase so any problems can be identified, solutions suggested, and components of either the purchase or CREATE revised accordingly. As with the other aforementioned issues, neither the modeling nor review of such modeling can be completed by Jan. 29.

Finally, we also concur with IHB’s statement that the number of proceeding participants, as well as the many that already have expressed specific concerns, show that the transaction could seriously impair the flow of rail traffic in and through the Chicago area. The Chicago hub is the nation’s busiest, so any service problems caused by the transaction would affect the operations of a dozen or more freight carriers, as well as commuter and intercity passenger trains. Such a matter clearly should not be categorized as “minor”.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Meleah Geertsma". The signature is fluid and cursive, written over a white background.

Meleah Geertsma  
Staff Attorney

Cc: Service List