

CREATEing A New Chicago

STB Chairman Daniel R. Elliott III

Infrastructure Technology Institute, Northwestern University

Nov. 2, 2009

First off, I'd like to thank former Congressman Bill Lipinski for his invitation and for his leadership on transportation issues. I'd like to thank the Infrastructure Technology Institute and Northwestern University for hosting this important and useful conference. And it is always an honor to be on the same program with Secretary LaHood and FRA Administrator Szabo.

Let me start with a little background on the Surface Transportation Board. The Board was established in 1996 after the Interstate Commerce Commission was abolished. The STB inherited some of the ICC's responsibilities, including freight railroad regulation, oversight of Amtrak's on-time performance, and jurisdiction of some pipeline, motor carrier and water carrier matters.

As railroads go, the STB has sole jurisdiction on mergers and acquisitions, new rail lines and line abandonments. The Board also looks at service levels. And the Board is the final word on rates for captive shippers, who depend on rail as their sole means for transporting their goods.

The three-member STB is decisionally independent, like the Federal Communications Commission or the Federal Trade Commission. While the Department of Transportation provides us with certain administrative functions, we are a bipartisan independent agency.

Today, I want to talk about the forward-thinking work of CREATE and how it is creating a cleaner, greener way to move goods and people more quickly.

Chicago has been the crossroads of American transportation for three centuries. First it was the natural water connection between Lake Michigan and the Mississippi River. Then, beginning in the 19<sup>th</sup> Century, it was the hub of the great man-made rivers of steel called railroads. In the 20<sup>th</sup> Century it became a center of the nation's highway network. It was where Route 66 began and, later, it is where giant interstates criss-cross. It is also home to one of the world's busiest airports. Now, at the beginning of the 21<sup>st</sup> Century, through the work of CREATE, Chicago is poised to continue its leadership in transportation.

Six of the nation's seven Class 1 railroads converge on Chicago's nearly 3,000 miles of track, moving almost 40,000 rail cars a day. That is expected to increase to 67,000 a day by 2020. One-third of all rail freight in the U.S. moves to, from or through Chicago.

Add Amtrak's 78 daily trains and Metra's 720, and well, that is a lot of train traffic using many of the same tracks and transfer points. It is no wonder that Canadian National Railway claimed that it could take more than 24 hours for a freight train to travel from O'Hare to Blue Island, a distance of about 30 miles.

CREATE, working with the American Association of Railroads and the Class 1s, the City of Chicago and the Illinois Department of Transportation, is trying to unclog the bottlenecks, separate traffic, reduce community impacts and speed goods and people through Chicago more efficiently.

And it is using what is still one of the greenest forms of transportation technologies around: rail. It would reduce emissions from locomotives and from cars and trucks idling at rail crossings. It would save millions of gallons of railroad diesel fuel.

New overpasses and underpasses would save drivers 3,000 hours a day and reduce delays at grade crossings by 27 percent.

If the effort is not successful, it will mean only more rail delays, more trucks on the road, more traffic and more pollution.

CREATE's 78 projects would also aid a priority of the Obama Administration: High Speed Rail. The projects would help high-speed passenger trains zip in and out of Chicago, relieving traffic on its highways and congestion on its runways.

From my point of view as a railroad regulator, one of CREATE's greatest accomplishments cannot be measured in overpasses built or tons of concrete poured. It is the fact that such a diverse group of leaders and interests have come together to tackle this large challenge.

One of my goals as Chairman of the STB is to get people to talk to each other more and file fewer legal briefs. In that respect, CREATE is already a success.

Still, some railroads feel they cannot wait for CREATE's program to be completed.

Last year, before I was on the Board, the STB approved Canadian National's acquisition of the Elgin, Joliet and Eastern Railway. CN said that by using the EJ&E tracks, which run around the city to the west and south, it would reduce rail congestion on Chicago's busiest inner rail corridors.

The merger allows CN to avoid the crowded Belt Railway Clearing Yard. Overall, CN said the merger will make operations much more efficient by using the EJ&E tracks to connect all five of its lines around the Chicago area.

While efficiency is a major goal in an era of international and intermodal competition, we must not lose sight of the families and businesses that are impacted: The mother who is late for work because of a delayed commuter train, or the small business owner who can't make a delivery because they were stuck at an at-grade crossing.

Under the merger, fewer trains would travel into the city, reducing impacts to urban residents. But folks who live in the suburbs could see more. Residents near Munger, for example, who were used to an average of 4.4 trains a day, could see a post-merger average of 23.4 trains a day.

The Board, when approving the merger between CN and EJ&E, attached unprecedented environmental and other conditions – a total of 182.

They include requiring increased safety at crossings, implementing and protecting quiet zones and adding fences near schools and parks.

As a result of the STB conditions, CN is creating a computerized light board that will show when at-grade crossings are blocked so emergency responders can quickly reroute ambulances and fire trucks.

CN is also paying for grade separations, noise barriers and even vibration mitigation for Fermi Lab.

The STB required intensive monitoring, including monthly and quarterly progress reports. The reports allow the Board to take appropriate action if there is a material

change in the facts or circumstances upon which the Board relied in imposing the conditions.

The reports are detailed. That's why we know, for example, that on September 18th, drivers on 91<sup>st</sup> Street in Oswego were delayed for 69 minutes because a 138-car train had to make an emergency stop. The problem, you may be interested to know, was caused by a defective pin lifter on the 134<sup>th</sup> car.

The intensive monitoring will continue for the next five years -- or longer if we deem it necessary.

This winter, on the first anniversary of the merger decision, we will undertake a comprehensive review of CN's compliance thus far.

You can read the monthly operational reports, quarterly environmental updates and other facts about compliance at the Web site we created about the merger.

It has a very catchy name: [www.stbFinanceDocket35087.com](http://www.stbFinanceDocket35087.com).

Members of the public can also leave comments on CN's compliance by calling a toll-free number to the STB, 1-800-347-0689.

CN, to its credit, is working with local leaders to hammer out voluntary agreements. 19 of the 33 affected communities have signed these agreements, many of which go beyond what the Board could have ordered.

But I will tell you here today that we at the STB will be closely watching the effects of the merger. And we will use our powers to protect people as well as commerce.

And I will use my position as Chairman to encourage other regions to borrow the template of cooperation and mutual understanding that CREATE is building in Chicago.

But there are hurdles. The nation is emerging from a recession. We have a large federal budget deficit. There are many competing priorities.

Of course it is not easy. But accomplishing big things are never easy. CREATE shows how much dialogue and working together can accomplish. It shows that what unites us is so much more important than what divides us.

Thank you for your time and I'll be happy to take any questions.