



## **CN ACQUISITION OF THE EJ&E – ISSUE SUMMARY**

**JANUARY 9, 2008**

### **AT ISSUE**

- Canadian National Railway (CN) seeks to acquire the EJ&E line that runs through the heart of Barrington.
- CN has admitted it plans to roll 20 freight trains per day through the community. Based on freight growth projections, we believe 30 or more is likely.
- CN has admitted these trains will run from 7,500 – 10,000 feet in length.
- CN has admitted to us that the Barrington communities will be the most impacted by this acquisition.

### **BACKGROUND**

- (CN) is seeking to acquire the EJ&E line for \$300 million and then invest another \$100 million to upgrade it. The line bypasses Chicago and CN believes it will increase its operational speed and profits with this purchase.
- The US Surface Transportation Board (STB) must approve all such proposed acquisitions and is reviewing this case. While the STB did label this a minor transaction, it also mandated a full Environmental Impact Statement (EIS) that will take into consideration issues such as safety, congestion, noise and the physical environment.
- Historical precedent points to the STB approving these transactions unless a party can demonstrate anti-competitive effects. The STB could also approve outright or approve "with conditions" that mitigate negative impacts on affected communities.

### **COALITION RESPONSE**

- The following communities came together and formed the "Barrington Communities Against CN Rail Congestion" in an effort to confront this issue and not allow CN to quickly and quietly "railroad" our communities: Barrington, Lake Barrington, North Barrington, South Barrington, Barrington Hills, Tower Lakes; Barrington Township and Cuba Township.
- Public safety; congestion; noise; the overall physical environment; economic impact; and homeowner and business values are but some of the key areas of concern for the Coalition.
- The Coalition believes the STB should examine this proposed transaction to determine if alternatives can be found that allows CN to achieve its business goals while not adversely impacting communities up and down the line throughout Illinois and into northwest Indiana.



## REALITIES

- CREATE (Chicago Region Environmental and Transportation Efficiency) PROGRAM was formed as the common-sense, comprehensive, regional solution to numerous rail issues in the Chicago area. This public-private partnership has bipartisan local, state and federal leadership that launched the program and secured federal tax dollars to begin funding it. We support CREATE.
- With this acquisition, CN will compete directly with CREATE for scarce state and federal tax dollars, thereby undermining the region and the shared goal of a comprehensive solution to freight traffic management.
- CN fled CREATE because it was not moving fast enough for them.
- CN is now the enemy of CREATE – already hiring high-priced Washington, DC lobbyists to secure Americans' tax dollars to pay the lion's share of any mitigation that may be mandated by the STB in this transaction.
- CN has approximately \$8 billion in revenue and \$2 billion in profits. It is poised to gain another \$300million in annual revenue from the new Port of Prince Rupert deep water terminal by running freight from Asia into Canada and the U.S.
- A review of all the communities along the EJ&E adversely impacted by this transaction could yield close to \$1 billion in needed mitigation if CN were forced to truly reduce adverse impacts in the affected communities.
- CN claims 80 other communities will see far less freight traffic even as communities along the EJ&E see more. Yet as they clear out of Chicago, who believes a company with \$2 billion in profits will leave a non-performing asset in Chicago that everyone admits will see double the growth in the next 20 years? CN maintains the right to sell or lease its trackage rights to other railroads. Any void created by CN through this acquisition will be filled.

## CITIZEN ACTION

- Letters and comments directly to the STB are very important and must be submitted by February 1, 2008.
- This is a federal issue and federal elected officials need to hear from you that you expect a bold and aggressive stance on their part. Please write AND call them; request meetings (individual; group; homeowner association); make your voice and expectations heard! Judge for yourself how hard they are willing to work in defense of our communities and act accordingly. This is an election year!

**FOR INFORMATION AND UPDATES, PLEASE VISIT OUR WEBSITE AT:  
[WWW.FIGHTRAILCONGESTION.COM](http://WWW.FIGHTRAILCONGESTION.COM)**

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