



The Regional Answer to Canadian National

WHY CONGRESSIONAL OVERSIGHT IS NEEDED FOR CANADIAN NATIONAL RAILWAY'S PROPOSED ACQUISITION OF THE EJ&E

WHAT IS TRAC?

TRAC (The Regional Answer to Canadian National) is a coalition of suburban communities that have joined forces to ensure the quality of life for their residents is not adversely impacted by this proposed acquisition. This bipartisan coalition was organized out of concern that significant issues related to public safety, environment, traffic gridlock, emergency response times and economic losses were not being adequately dealt with by Canadian National Railway (CN). TRAC includes municipal and county leaders from Lake, Cook, McHenry, Kane, DuPage and Will Counties along with northwest Indiana.

BACKGROUND

In October 2007, CN applied for Surface Transportation Board (STB) approval to purchase the 198-mile EJ&E rail line that runs in an arc from Waukegan, Illinois to Gary, Indiana. CN plans to use this line as a bypass route for its intermodal freight traffic that currently moves through central Chicago. CN's application stated the line will carry freight traffic increases of 400% to 600% if this acquisition is approved. This segment of the EJ&E includes 133 grade-level crossings that intersect with existing roadways, and would impact important suburban transportation systems such as the STAR (Suburban Transit Access Road) Line and AMTRAK, while siphoning funds from the regional freight congestion management project – the CREATE (Chicago Region Environmental and Transportation Efficiency) Program.

WHY CONGRESS NEEDS TO BECOME INVOLVED

The STB's posture that this transaction will have a minor impact in the greater Chicagoland area, coupled with CN's continued misinformation on the true ramifications to affected communities, warrants Congressional intervention. In fact, this proposed acquisition may result in creating a Canadian-controlled North American Intermodal transport system that would impact U.S. ports on both coasts, cost American jobs, and have significant long-term consequences for hundreds of communities. Finally, CN's negotiations with impacted communities have failed to address relief of the key issues as defined by the communities surrounding the EJ&E. Below are just a few examples of issues that require Congressional review:

- CN has offered the entire region a total of \$40 million to mitigate the infrastructure impact. To put this figure in perspective, an underpass over a four-lane road costs approximately \$40-50 million each. If only a quarter of the 133 grade level crossings required an overpass, it would cost \$1.65 billion to appropriately mitigate this impact to the region.
- CN has misled communities claiming they will experience significant decreases in freight traffic.
- CN's unwillingness to provide freight traffic projections beyond three years; a cut-off that precedes the expansion of a major new port served by CN in western Canada.
- CN's sub-par safety record, as documented by the Canadian government, and the STB's refusal to take these documents into account during the decision making process.
- CN's President indicated that taxpayer dollars would have to be used to help mitigate the costs of infrastructure improvements.

TRAC's Request of Congress

TRAC requests Congress to pass a resolution seeking a moratorium on further STB proceedings in the acquisition, such as: "Congress instructs the STB to take no further action on the proposed CN/EJ&E transaction until proper Congressional oversight hearings can be conducted. Oversight hearings should include a review of port authority and homeland security impacts; American jobs impact; taxpayer funding of mitigation; the Congressionally authorized and funded CREATE program; impact on regional freight management in and around the Chicago hub; environmental impact; CN rail safety issues; and, impacts on commuter and AMTRAK service."