



Village of Barrington Hills
112 Algonquin Road
Barrington Hills, Illinois 60010-5199

Date: Thursday, February 14, 2008

To: Phillis Johnson-Ball
Environmental Filing
STB Finance Docket No. 35087
Surface Transportation Board
395 E. Street, SW
Washington, DC 20423
(e-mail and certified mail)

Subject: STB Comments From The Village of Barrington Hills Opposing the CN Rail Purchase of the EJ&E Railway Line

Reference: STB Document, "SURFACE TRANSPORTATION BOARD'S SECTION OF ENVIRONMENTAL ANALYSIS EXTENDS PUBLIC SCOPING PERIOD ON PROPOSED CANADIAN NATIONAL RAILWAY ACQUISITION OF ELGIN, JOLIET & EASTERN RAILWAY", FD 35087, 2008.

Ms. Johnson-Ball,

I am writing to you to express the Village of Barrington Hills' strongest concern regarding the Canadian National acquisition of the EJ&E Rail Line. We ask that you consider the issues shown in attachment A of this letter in your evaluation of the acquisition.

In short, we believe that CN, a foreign corporation, has demonstrated little or no value to the region as a result of their acquisition. Our community, and others along the subject railway line, such as the Village of Barrington, will suffer extensive direct costs and immediate damage to our respective economies and property values.

Additionally, we found the CN representatives at the Makray Memorial Golf Club STB presentation to be arrogant and disdainful of the community and the STB process. Two of the representatives indicated to me and select members of our Board of Trustees that the 'deal is done' and that CN's involvement in the STB process is purely perfunctory. This causes me to question the efficacy of federal regulation in this process.

After consulting a variety of federal, rail community, and private agencies regarding impacts and possible mitigation strategies, it is clear there are no realistic methods to relieve these risks and direct insults to our communities. Since we do not see any mitigation pathways, we urge you to deny the applicant's request for acquisition of the EJ&E railway.

I appreciate that you may have additional questions. In that case, please feel free to contact me or our staff directly at the numbers below. I and my staff would be happy to meet with you to discuss these issues at your convenience. I hope that through this request for further analysis, you can allay our concerns about this transfer of American assets to a foreign corporation.

Best Regards,

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Cc: EJ&E Communities



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Attachment A

The following provides issues of concern to the Village of Barrington Hills and neighboring communities. Attachment B provides a map showing the EJ&E rail as it passes through Barrington Hills, and surrounding communities. This line passes roughly 6.1 miles of residential property in the Village. Many of these homes are close to the existing rail line.

1. The CN acquisition deprives the economic development of the entire Chicago region in exchange for the profit of a foreign corporation

Each community along the EJ&E route, including Barrington Hills and adjacent communities will be deprived of economic development through this acquisition. In the case of Barrington Hills, we will be deprived economic development due to a variety of altered rail and transportation services including:

- The loss of the future STAR line passenger rail service which is well documented in the regions comprehensive plans
- Increased shipping costs to neighboring business who use rail service including automobiles and lumber
- Loss of access to communities and their retail services to our north, east, and south
- Loss of property value
- Deleterious impacts to traffic and congestion

Barrington Hills and the communities along the EJ&E have no obligation to improve the profit position of a foreign corporation at the expense of our own constituents.

2. CN should bear all mitigation costs, not the tax payers of Barrington Hills, Illinois, or the United States for the profit of a foreign corporation

There are approximately 134 grade-level crossings on the EJ&E line from Waukegan to Gary, IN. The chairman of CN has been quoted as saying that the US federal government and the affected communities should help with hundreds of millions of dollars in mitigations costs in order to support this acquisition. This amounts to simple corporate welfare to a foreign corporation paid for by the tax payers of Illinois and the United States.

Barrington Hills and the communities along the EJ&E have made no demand for this acquisition. Therefore, they should not be taxed for an infrastructural change that is not demanded, and is deleterious to their economic growth.

3. The CN acquisition will not produce new jobs in the region

The proposed new rail traffic is some 25-35 *unit* freight trains per day, depending upon which CN document one references. Unit freight trains are typically composed of cars carrying a single type of commodity that are all bound for the same destination. By hauling only one kind of freight for one destination, a unit train does not need to switch cars at various intermediate junctions and so can make nonstop runs between two terminals. Therefore, the Chicago region is just used as a pass through.

CN claims there will be new jobs generated in the region by the acquisition. No new jobs will be created in the EJ&E communities from rail yard or intermodal operations since these trains will not be stopping.

Rather, jobs will be lost as intermodal operations currently in operation will be displaced by dedicated unit rail traffic passing through. This appears to be the experience of central and northern Wisconsin after CN rail purchase.



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We ask that the STB provide environmental and economic impact studies from other areas in Wisconsin and Illinois where unit freight traffic has replaced local freight traffic.

4. The CN acquisition will increase costs to local customers

The CN acquisition will crowd out local freight traffic currently supplying a variety of businesses. These businesses will have to move to road going shippers, increasing costs and increasing truck traffic in local communities, including Barrington Hills.

We ask that the STB provide environmental and economic impact studies from other areas in Wisconsin and Illinois where unit freight traffic has replaced local freight traffic.

5. The CN acquisition will threaten ground and surface waters in Barrington Hills and surrounding water sheds.

Attachment C provides a Federal Railroad Administration list of rail accidents from 2003 through October of 2007. Many of these accidents result in release of hazardous materials, fire, and fatalities.

The residents of Barrington Hills and surrounding communities rely exclusively on ground water from shallow aquifers. In addition, Barrington Hills has three extensive and productive water sheds providing surface water bodies, streams, wetlands, and recharge for aquifers. These aquifers have high connection efficiencies with our surface waters. The surface water complex in Barrington Hills is also highly connected to the Fox River system. Clean surface and ground water form one of the foundational bases for property value and animal habitat in Barrington Hills.

The accident histories in Attachments C demonstrate that the risk to our water supplies of increased rail traffic is excessive given the consequence to the Village of Barrington Hills and surrounding areas.

An accident of the magnitude such as those documented in Attachment C would destroy property values in an unrecoverable fashion. The market value of property in Barrington Hills is approximately \$2B. Actual damage to our water supply or the *perception* of damage to our water supply and surface inventory will irrevocably destroy our property values.

6. The CN acquisition will threaten general health and safety through increased rail accidents

Attachment C provides a Federal Railroad Administration list of rail accidents from 2003 through October of 2007. Many of these accidents result in release of hazardous materials, fire, and fatalities.

The increased traffic proposed for the EJ&E will increase the probability of an accident on the rail line within our community in a non-linear fashion. That is, an increase of 75 times the per mile rail car traffic proposed by CN will result in more than 300 times increase in risk of accident from the present condition.

In addition to the increase in traffic, CN proposes speeds in the range of 40-45 mph through the Barrington Hills / Barrington area. Presently rail traffic moves at approximately 10-15 mph. This increase in speed will substantially increase the accident rate.

7. The CN acquisition will delay the delivery of emergency services

Emergency services in Barrington Hills and the Barrington area are highly interconnected and interdependent across jurisdictional boundaries. The Village of Barrington Hills has 5 separate fire districts alone. Police, fire, hospital systems, and dispatch all work together.

These emergency services are highly response time dependant. Operation of these services requires operable grade crossings across the EJ&E for this interconnection to work effectively. It should be noted that due to the unusual rural nature of Barrington Hills, we do not have fire hydrants, and the distances to



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be traveled to reach homes and emergency centers are unusually long. Therefore, any delay in the travel time of emergency vehicles directly impacts health and safety.

The proposed CN traffic will close the Barrington Hills and Barrington grade crossings for more than 230 minutes per day based on 30 trains per day moving at the current speed of 15 mph. Additionally, because these trains will be more than 9,000 feet long, multiple crossings will be blocked at the same time. This is an unacceptable increase in risk for our community. Attachment D provides the FRA's view on the impact of blocked crossings relative to emergency response.

Construction of additional emergency response facilities is not possible due to lack of available land, land use restrictions, and the ultimate cost to the community.

8. The CN acquisition will increase traffic congestion and travel times

The roadway system in the Chicago land area is highly interconnected. Business and residential property value traffic depends upon efficient roadway travel. The relationship of employment and housing has long depended upon working roadway networks in our area. The Barrington school system (District 220) also makes hundreds of crossings of the EJ&E tracks daily.

Our roadway system is already stressed due to high flow volumes. The proposed CN traffic will close the Barrington Hills and Barrington grade crossings for more than 230 minutes per day based on 30 trains per day moving at the current speed of 15 mph. Additionally, because these trains will be more than 9,000 feet long, multiple crossings will be blocked at the same time. This will create virtual auto traffic gridlock within Barrington Hills and our surrounding communities.

9. The CN acquisition will destroy property values in Barrington Hills

The character and brand of the Village of Barrington Hills will be immediately damaged by the increase in freight rail traffic proposed by CN. The brand of the Village is defined by a quiet rural character and access to services in surround communities. Attachment E, Crains Chicago, July 31, 2006, provides evidence of how the market views property values and character within our Village. 230 minutes per day of freight trains rumbling through our Village will no doubt substantively damage our character. Most importantly, it will damage the market perception of our Village and thus impact our +\$2B property value inventory.

Additionally, the CN rail traffic will effectively block our residents' access to services north, south, and east of our Village. This will also negatively affect property values.

10. The CN has reckless about its impacts on our community

During the course of recent events regarding the CN acquisition of the EJ&E, I have found the CN to show no interest in its impacts to the affected communities. While Barrington Hills has some 6.1 miles of EJ&E track way, Barrington Hills has yet to be contacted by a member of senior management of the CN, even after we have made numerous attempts to speak with them.

At the Makray Memorial Golf Club STB presentation, we found the CN representatives to be arrogant and disdainful of the community and the STB process. Two of the representatives indicated that the 'deal is done' and that their involvement in the STB process is purely perfunctory. This causes us to question the value of the data provided by CN and the efficacy of federal regulation in this process.

Experience has shown that companies with this level of disdain for communities have a higher level of serious accidents and impacts on health and safety. We believe this is a relevant factor in STB's evaluation. In particular, we caution the STB about relying on CN supplied data.



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11. Rail traffic will not be reduced in other communities

CN claims that the new rail traffic configuration after the acquisition will reduce train traffic in other communities. We believe this to be false. CN is proposing to bring 30 *new* unit trains per day along the EJ&E. Assuming that existing traffic and intermodal operations must be served, we do not see any drop in other community traffic other than possibly an initial temporary drop in local traffic. We request an independent market study be performed on this issue. In addition, we request a review of Midwestern areas where CN has made similar claims as part of an acquisition.



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Additional Attachments

Attachment B provides a map showing the EJ&E rail as it passes through Barrington Hills, and surrounding communities.

Attachment C provides a list of FRA rail accident reports from 1/2003 through 10/2007.

Attachment D provides an FRA report on emergency response issues due to blocked rail crossings

Attachment E provides a Chicago Crain's Business article from July 31, 2006, highlighting Barrington Hills as one of the best places to live in the Chicago area and a demonstration of our brand. "Estates in Leafy Seclusion"