

November 7, 2007


Dear Fellow Barrington Community Residents,


This is to let you know about an urgent situation we are facing which threatens the quality of life of all residents of our area - the Canadian National Railroad's proposed acquisition of the EJ&E rail line.

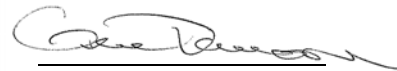
The EJ&E crosses through our area at grade on Ela Road, Cuba Road, Lake Zurich Road, Route 14, Route 59, Lake Cook Road, Otis Road, and Penny Road as well as crossing the Union Pacific tracks in the Village of Barrington. The increased freight traffic that this acquisition will bring will have a huge impact on our area.

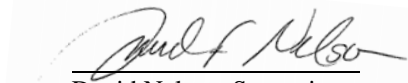
Please read the enclosed and find out how you can join us in addressing this challenge.

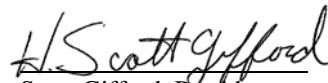
Sincerely,

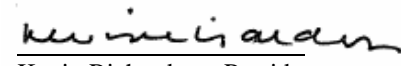
  
Karen Darch, President  
Barrington

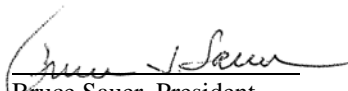
  
Robert Abboud, President  
Barrington Hills

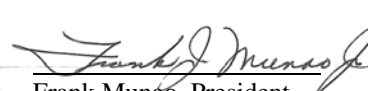
  
Gene Dawson, Supervisor  
Barrington Township

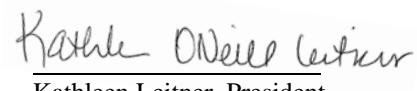
  
David Nelson, Supervisor  
Cuba Township

  
Scott Gifford, President  
Deer Park

  
Kevin Richardson, President  
Lake Barrington

  
Bruce Sauer, President  
North Barrington

  
Frank Munao, President  
South Barrington

  
Kathleen Leitner, President  
Tower Lakes

## **Resident Information Regarding CN Proposed Acquisition of EJ&E**

Canadian National Railroad (CN) has filed an application with the U.S. Surface Transportation Board (STB) to purchase the EJ&E freight railroad line that runs through the center of the Village of Barrington. This purchase and subsequent rerouting and growth of significant freight traffic through our area will have a major detrimental impact on traffic flow and safety for the entire region. For this reason, the Villages of Barrington, Barrington Hills, Lake Barrington, North Barrington, South Barrington, Tower Lakes, and Deer Park, along with Cuba and Barrington Townships have committed resources to the creation of a coalition to fight this acquisition's staggering adverse impact on our communities.

### **Background:**

CN is a multi-billion dollar international company with annual revenues of nearly \$8 billion. It is one of the largest, most profitable railroads in North America – in fact, it is the only line in North America that ties together Pacific, Atlantic, and Gulf ports in single line service.

CN plans to purchase the EJ&E rail line from the United States Steel Corporation for \$300 million and then invest an additional \$100 million over the coming three years to improve the line's infrastructure to maximize operations. CN plans to increase traffic through our community in three ways – the rerouting of existing freight traffic from Chicago; adding new traffic, including significant amounts of traffic from western Canadian ports; and, making this Chicago by-pass routing available to the four other mega-railroads that operate in the greater Chicagoland area. Canadian National's CEO E. Hunter Harrison says of the EJ&E route -- *“from an operational strategic standpoint... it's huge value to us. We have really maybe only scratched the surface on what the potential may be here down the line.”*

While we are still gathering information, it is clear from the application that we will see an increase of at least 15 new freight trains per day. The application, however, grossly understates the number of new trains that will pass through Barrington. The application only counts changes in traffic from a base of what moved at the end of 2006 and only measures traffic increases for three years out. It ignores the additional container traffic that CN plans to transport from the Port of Prince Rupert (that only opened in 2007.) It also ignores rail traffic of the other four mega-railroads CN plans to admit to the EJ&E line, and the growth in overall rail traffic in the Chicago area that is projected to increase by 80% in the next 20 years.

All this traffic would be added to a line currently carrying only 3 to 5 trains per day. Given that freight trains can take up to 6 minutes to pass through a single railroad crossing -- even when things are running smoothly -- we are looking at the potential for a traffic flow nightmare of immense proportions in our near future.

### **The Process:**

On October 30, 2007 CN filed its application to the STB seeking regulatory approval by April 2008 to acquire the line. The STB has authority to approve or disapprove the CN/EJ&E acquisition, with a statutory mandate to approve the acquisition unless it finds that it would reduce freight transportation competition. However, it also has a statutory duty to consider environmental and transportation impact (broadly defined to include safety, congestion and other issues.) We will take actions to insure that an in-depth due diligence review is done as part of the STB process on this proposed acquisition.

In Mr. Harrison's statement in the application, he noted, *“We are committed to working with the communities affected by the rerouted traffic to address their specific concerns.”* We intend to take Mr. Harrison up on his commitment, as our communities have always expected and required our corporate citizens to address any issues their business plans create for the community and we would expect nothing less from CN.

## **Activities & Goal of the Coalition:**

### *Coalition Regulatory Activities:*

Expert legal and technical firms have already been retained by the Village of Barrington to present these issues to the STB. There is far more to this acquisition than consideration of the benefits to railroads and shippers. While we recognize the greater Chicagoland's importance as the leading North American rail freight hub and we understand Chicago's congestion concerns, there is a need for regulators to understand that without serious mitigation, our communities are ill-suited for the volume of freight that would ensue.

We will be an active participant in the STB's consideration of the CN application. In the initial filing with the STB, we will urge them to conduct a complete review of the Application and the additional train traffic projections, including the most comprehensive process of environmental review, an Environmental Impact Statement (EIS). Furthermore, we will urge the STB -- in the strongest possible terms -- that any approval of the CN acquisition be expressly conditioned upon enforceable conditions to mitigate the adverse impact of the acquisition on the Village of Barrington and the greater Barrington region.

### *Coalition Community Outreach & Mobilization Activities:*

To achieve its goals, CN is counting on the ignorance and inaction of the communities affected by the acquisition. They hope this will be a "done deal" and that we will have no say in the matter. This region is committed to making CN and the STB understand that this is not the case. We are counting on your involvement to let them know that we are aware, we are concerned, and we are mobilized on the issue.

The Coalition has retained a team of public education/relations professionals to keep you up to date on developments relating to this issue and organize community involvement in making our case to elected officials at the state and federal levels, in the media, and before the regulatory authorities. In the coming weeks and months ahead, please refer to [www.barrington-il.gov](http://www.barrington-il.gov) to:

- keep abreast of breaking developments;
- find the schedule of educational forums and rallies we plan to hold;
- have the chance to weigh in with your concerns and sign-up to receive e-mail action alerts; and,
- see how you can become active in this fight to preserve the quality of life in the region.

United action on our parts is the only hope we have to make CN realize that it cannot benefit its shareholders at the expense of the vitality of our communities. We are counting on your support to assist in this effort.

# EJ&E Crossings

