



News From

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Remarks of U.S. Rep. Judy Biggert on Bill to Restrict Railway Mergers like CN-EJ&E

Washington, DC – U.S. Representative Judy Biggert (R-IL-13th) today issued the following statement delivered at a House Committee on Transportation and Infrastructure hearing on H.R. 6707, the Taking Responsible Action for Community Safety (TRACS) Act. The bill would amend laws governing how the Surface Transportation Board (STB) reviews railway mergers like the one between Canadian National (CN) and the Elgin, Joliet & Eastern Railway (EJ&E) line:

"Thank you, Mr. Chairman. I appreciate your giving us the opportunity today to speak on behalf of the TRACS Act. And I would like to express my sincere gratitude for your willingness to work with my colleagues and me in such a bipartisan fashion on this important legislation.

"As you heard from the previous speaker, the bill under consideration today is of vital interest to the people we represent in Illinois. In my district, there are over a half dozen cities and villages that would be devastated by Canadian National's proposed acquisition of the Elgin, Joliet & Eastern Railway line – also known as the EJ&E.

"Their current plan is to increase freight traffic on the line through our communities by as much as 400 percent in some places. The result -- according to the STB's own findings -- will be a disturbing increase in accidents, blocked crossings, pollution, noise, traffic, and more. Home values will drop. At least 11 emergency response providers will be cut off from those who need their protection. And total automobile wait times would increase to as much as 165 hours per day at a given crossing.

"Further complicating matters is the fact that the STB and Canadian National expect local taxpayers to foot the bill for 90 to 95 percent of grade separation construction costs. Like many communities in America right now, our towns and cities are facing tough economic times. Forcing them to come up with 95 percent of the \$40 to \$60 million necessary to build just one grade separation will literally break the bank. Coupled with the extra safety, noise, and other infrastructure improvements necessary to accommodate the added traffic through 112 crossings along the EJ&E, the burden on Illinois taxpayers would be crippling. And this is all so some foreign company can add to its bottom line.

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"Those defending this merger claim that it will reduce traffic elsewhere in the Chicago region. But mark my words; it won't last. The demand for freight service in Chicago is expected to nearly double over the next 20 years. Even if some rail lines see a temporary decline in CN trains, they will be replaced in short order by trains from other shippers. And many of those who currently support the acquisition haven't yet realized that they, too, will be asked to pay for CN's plans in the form of taxes and the disruption of commuter rail service.

"For rail companies, it's an easy and cheap way to increase traffic through the region without paying for the real infrastructure investments necessary to balance the needs of taxpayers, local communities, and shippers.

"Mr. Chairman, during the time that this acquisition has been pending before the Surface Transportation Board, members of our delegation have had to become quick experts on the laws governing the approval process for rail mergers.

"The STB is required to study how the merger would affect our communities, our environment, and even the socioeconomic impact. It also allows them to set certain – and in my opinion, inadequate -- conditions on the merger to partially mitigate the damage. But no matter how bad the impact is, no matter how contrary to the public interest, the STB approves or denies the merger based on whether or not it would create a rail monopoly. That's so unfair as to be criminal – or at least it should be. Which brings us to the subject of today's hearing – the TRACS Act.

"Mr. Chairman, I would just like to commend you once again for your work on this bill. I'm proud to be an original cosponsor. It does exactly what a reasonable person would expect. It simply requires the STB to weigh the public costs a merger would have against the transportation benefits. If the transportation benefits of a proposed plan are completely outweighed by the damage to the public interest, then a merger could be denied or additional mitigation required.

"And it spells out common-sense factors that the STB should consider when determining the public interest – things like public safety, emergency response time, noise, and hazardous materials safety.

"To members of this committee, I would ask that you strongly consider this vital, bipartisan legislation. And when you do, keep in mind that your community could be next. The next time a massive rail company tries to unilaterally impose its will on small-town or suburban America, we should have rules in place that provide some protection and basic fairness. The TRACS Act would do exactly that.

"Again, thank you for holding today's hearing. I yield back."

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