

OPENING STATEMENT
The Honorable Donald A. Manzullo (IL-16)

“Impact of Railroad Transactions on Local Communities”

House Committee on Transportation and Infrastructure
September 9, 2008
Room 2167 Rayburn House Office Building

Good morning. I'm here this morning to offer my unqualified support for your leadership, Mr. Chairman, and your legislation – *Taking Responsible Action for Community Safety Act* (H.R. 6707) – to help solve a left-over problem from when Congress abolished the Interstate Commerce Commission in 1995. The Surface Transportation Board (STB) took over the functions of the ICC with the missions of resolving railroad rate and service disputes and reviewing proposed railroad mergers.

Current law gives the STB considerable discretion to disapprove transactions involving at least two Class I rail carriers but allows much less flexibility to disapprove transactions like Canadian National Railway's proposed acquisition of the EJ&E. In fact, the law states that the STB “shall” approve the transaction “unless” the Board determines it will hurt competitiveness, restrain trade or fail to meet significant transportation needs. In plain English, this means that the STB will not stop a transaction because of local community concerns unrelated to anti-trust issues. This may seem like semantics, but it's an important distinction that has long tipped the scale toward privately owned rail carriers and away from the communities who have to live with them.

In northern Illinois, the community of Barrington is unalterably opposed to the proposed sale of the EJ&E line to the CN, as evidenced by the thousands of people who showed up to the STB scoping session last January and the formal hearing in August. This is not because of a “not in my backyard” syndrome – everyone understands the need to improve the national rail transportation network and would be willing to compromise. But having additional freight train traffic traverse on the aging EJ&E track will not be just a simple minor inconvenience – it will fundamentally alter the entire nature of this town.

While I do not directly represent Barrington, Illinois, I am honored to serve the thousands of commuters who live in southern McHenry County and must travel through Barrington, either by car or rail, to get to work or to perform daily errands. While I've been concerned about this deal since day one, a Draft Environmental Impact Statement recently released by the STB confirmed many of my worst fears about increased accident risks, increased air pollution, increased exposure to hazardous material, and increased traffic. The report also acknowledged that railroads traditionally only contribute 5 to 10 percent of the costs to mitigate these problems. That would leave taxpayers paying the tab for a transaction that solely benefits a private company's bottom line.

I say it's not about what's traditional. It's about what's fair. And the people from the 16th District of Illinois, who I've had plenty of chances to talk with over the past few weeks, agree with me.

H.R. 6707 corrects an oversight made in 1995 and requires the STB to weigh impacts on local communities more heavily when considering any railroad transaction. In fact, the STB would have to reject a proposed acquisition if it finds that transaction's impacts on the affected communities outweigh the transportation benefits. Congress should learn from the experience with this particular transaction and make sure that no community in the nation will ever have to go through what Barrington is experiencing now.

In this particular case, I understand that this transaction could have some macro benefits, but CN accomplishes that goal primarily by exporting the train congestion problems in downtown Chicago to outlying suburban areas such as Barrington. Tens of thousands of motorists in northern Illinois – especially those in McHenry County – travel through Barrington on their way to work each day, crossing the EJ&E line at Route 14, Route 59, and Lake-Cook Road. Approximately another 4,000 commuters from McHenry County ride Metra rail to work in the Chicago-land area each day, crossing the EJ&E line in Barrington. All of these people will be affected by additional CN freight traffic.

At the very least, they are going to encounter inconvenient delays and increases in air pollution. At the worst, it could become a matter of life and death. Not only could emergency responder vehicles become trapped on all sides by a train, but school buses in the Barrington school district cross the EJ&E lines about 400 times a day. Additional freight trains could quadruple the safety risk of students who traverse the crossings each day.

In closing, I'd like to express my appreciation to you, Mr. Chairman, for introducing this piece of legislation, for working with me and others in the suburban Chicago delegation in a bipartisan manner, and for calling this hearing in such a timely manner. I urge my colleagues to support H.R. 6707.

Thank you.