



HR0068

LRB096 10659 GRL 20832 r

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HOUSE RESOLUTION

2 WHEREAS, The Surface Transportation Board (STB) was
3 created in the Interstate Commerce Commission Termination Act
4 of 1995 and is the successor agency to the Interstate Commerce
5 Commission, which was established in 1887; and

6 WHEREAS, The STB is an economic regulatory agency that
7 Congress charged with the fundamental missions of resolving
8 railroad rate and service disputes and reviewing proposed
9 railroad mergers; and

10 WHEREAS, Under current law, the STB has the power to
11 approve all mergers and consolidations between a Class I
12 railroad and a Class II railroad unless it finds that the
13 merger is likely to cause a substantial lessening of
14 competition, create a monopoly, or restrain trade in freight
15 surface transportation in any region of the United States; the
16 anti-competitive effects of the transaction outweigh the
17 public interest in meeting significant transportation needs;
18 and

19 WHEREAS, In October of 2007, the Canadian National Railway
20 (CN) filed a merger application with the STB to acquire control
21 of the Elgin, Joliet, and Eastern Railway Company (EJ & E),
22 which runs from Waukegan to Gary, Indiana; and

1 WHEREAS, If the merger is approved, the CN plans to use
2 this line as a bypass route for its Intermodal freight traffic
3 that currently runs through central Chicago onto the EJ & E
4 mainline; and

5 WHEREAS, The CN's application stated that the line would
6 increase freight traffic in 50 communities by 400% to 600%; and

7 WHEREAS, The CN purchase of the EJ & E rail line will have
8 a serious impact on the day-to-day lives of working families
9 across the region, such as traffic congestion and grade
10 crossing safety concerns, emergency vehicle access,
11 interruption of commuter rail service, hazardous materials
12 transportation safety, noise pollution, decreased property
13 values, economic job loss, and increased taxes to pay for
14 mitigation expenses associated with infrastructure impact from
15 the purchase of the EJ & E rail line; and

16 WHEREAS, The STB's criteria and standards for approval of
17 merger applications are antiquated and need modernization as
18 railway mergers no longer impact sparsely populated areas of
19 the United States, instead occurring in highly populated and
20 congested areas; and

21 WHEREAS, The STB's questionable analysis that the merger of

1 the CN and EJ & E would have a minor impact on the region, and
2 the CN's unrealistic estimate of the financial and
3 socioeconomic ramifications to the affected communities
4 illustrate the need for congressional intervention on this
5 issue; and

6 WHEREAS, The Illinois delegation members of Congress have
7 worked with the Chairman of the House Transportation &
8 Infrastructure Committee to draft legislation to require the
9 public interest of residents and communities threatened by
10 negative environment and safety impacts of large railroad
11 mergers and acquisitions transactions be considered on an equal
12 basis with the industry's shipping and transportation
13 competition benefits as a result of the transactions; and

14 WHEREAS, H.R. 6707 was introduced in Congress on July 1,
15 2008 to require that the safety and environmental effects of
16 proposed mergers must have equal weighting to the benefits to
17 commerce, including the effects on local communities, such as
18 public safety, grade crossing safety, hazardous materials
19 transportation safety, emergency response time, noise, and
20 socioeconomic impacts, as well as the effect of the proposed
21 transaction on intercity rail passenger transportation and
22 commuter rail passenger transportation; and

23 WHEREAS, Although H.R. 6707 did not receive the two-thirds

1 majority needed to pass the House of Representatives in the
2 110th Congress, continued congressional intervention in the
3 111th Congress is needed to protect the public interest of
4 community residents impacted by the proposed CN and EJ & E
5 merger; therefore, be it

6 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
7 NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
8 encourage and support action by the 111th Congress of the
9 United States to enact legislation to update STB standards and
10 criteria for approval of railroad merger applications to
11 equally weigh the public interest of residents and communities
12 with the benefits to commerce; and to require approved mergers
13 to include adequate federal and private support to compensate
14 impacted local communities for, but not limited to, road
15 improvements to municipal and county roads and commuter rails;
16 and be it further

17 RESOLVED, That we believe that the federal government and
18 the CN should compensate the communities impacted by the CN and
19 EJ & E merger for all infrastructure needs associated with the
20 merger, including but not limited to, improvements to municipal
21 and county streets, grade crossings, and commuter rail; and be
22 it further

23 RESOLVED, That we encourage Congress and President Barack

1 Obama to support H.R. 693, the Reaching the Star Act creating a
2 Suburban Transit Access Route, or STAR line inter-suburban
3 commuter rail to ease road traffic congestion in 100
4 communities from Joliet to O'Hare International Airport,
5 providing safe and reliable transportation options for the more
6 than 1.6 million area residents living in high-congestion
7 areas; and be it further

8 RESOLVED, That a suitable copy of this resolution be sent
9 to President Barack Obama, the Speaker and Minority Leader of
10 the United State House of Representatives, the President Pro
11 Tempore and the Minority Leader of the United States Senate,
12 and to each member of the Illinois congressional delegation.