

Canadian National Railroad Proposes to Acquire the EJ&E

On October 30, 2007, the Canadian National Railroad (CN) filed an application to the Surface Transportation Board (STB) seeking approval to acquire the Elgin, Joliet & Eastern West Company (EJ&E) rail line.

Who is the Surface Transportation Board?

The STB was created by the Interstate Commerce Commission to assume its functions of regulating freight railroads, including mergers and acquisitions.

In November, the STB determined that the proposed acquisition would be classified as a "minor" transaction, as opposed to a major transaction. The major/minor classification was based on impacts to the railroad industry, not local community impacts.

What is the process of review by the STB?

The STB has required an Environmental Impact Study (EIS) be performed as part of their review. A draft EIS is expected to be completed in the next few weeks, and will address potential environmental effects in areas such as wetlands and wildlife, noise and future traffic operations.

Following the issuance of the draft EIS, a public comment period will occur. A series of public meetings will take place throughout the region to provide an opportunity for public input.

After receiving comments on the draft EIS, the EIS will be finalized and forwarded to the STB for their consideration. The projected completion of the draft Environmental Impact Study is August 2008. Based on their review, the STB can approve the transaction as proposed by the CN; disapprove the transaction; or approve the transaction with conditions, including environmental conditions, to offset or reduce the potential impacts of the proposed acquisition.