

Canadian National Railroad Proposes to Acquire the EJ&EW

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&EW) 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 is scheduled to make a decision by April 25, 2008 on the first process of review, which is the competitive, transportation, and economic implications of the transaction on the national rail system.

The STB also requires an Environmental Impact Study (EIS) be performed as the second process of their review. Comments on the draft Scope of Study for the EIS must be forwarded to the STB by February 15, 2008. Naperville has submitted comments on the scope of the study.

The projected completion of the Environmental Impact Study is December 2008.