

# Community Success Stories

## Mergers & Acquisitions

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# Community Success Stories Mergers & Acquisitions

Presented to DuPage Rail Safety Council  
October 2022  
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## Presenter Qualifications

- 25 years in Municipal Government; 15+ Management
- Current Village Administrator, Itasca, IL
  - Chairperson of the Coalition to Stop CPKC
  - Live within 1,050 feet of the MDW line
- Former Chief Management Officer, Aurora IL
  - Founding Member of the TRAC Coalition (The Regional Answer to Canadian National)
  - Lived within 300 feet of the EJE line.

# Canadian National – Elgin, Joliet & Eastern Railway Company

- In September 2007, CN announced plans to acquire the Elgin, Joliet & Eastern Railway, which runs around the Chicago area.
  - CN = Class One; EJE = Class Two
  - Acquisition determined by STB to be “Minor”
  - \$300 million acquisition
  - Increases Rail Traffic in suburban Chicagoland 240% to 1,185%.
  - Adding up to 45 new trains daily to segments throughout the line.
  - In Aurora, trains would increase 3-fold from 10.7 to 42.3 trains every day.



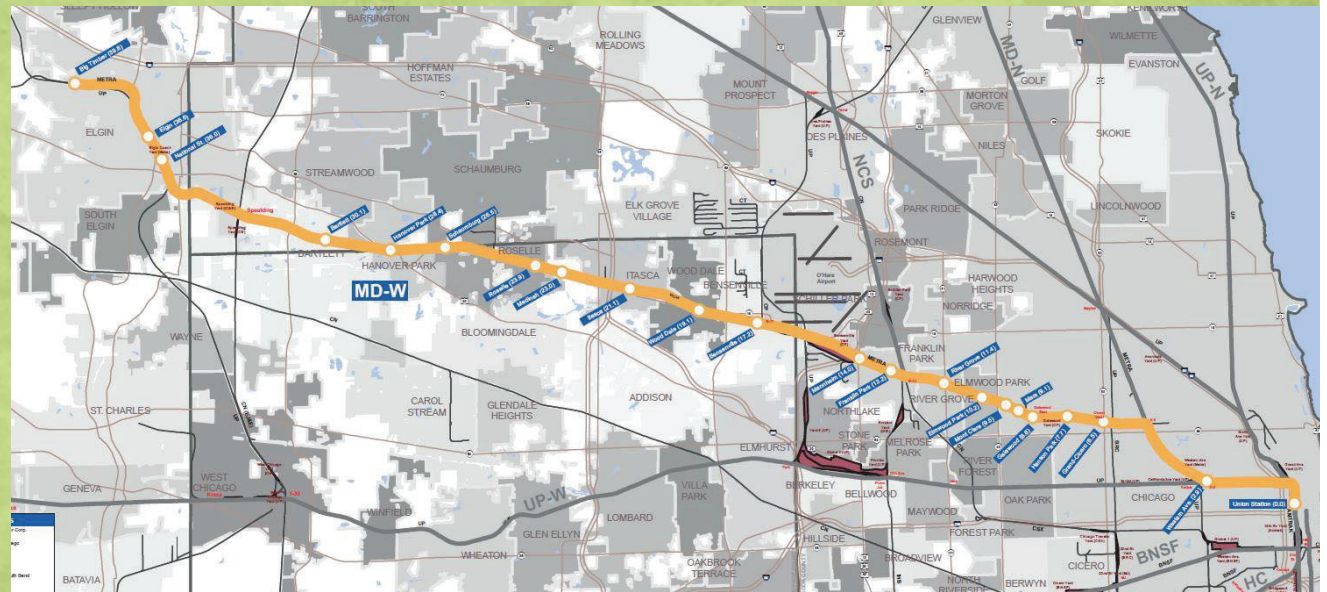
# Canadian Pacific – Kansas City Southern

- In October 2021, CP petitions the STB to approve its plans to merge with Kansas City Southern.
  - CN = Class One; KCS = Class One
  - Major acquisition – Only 7 Class One freights in U.S.
  - 20,350 miles of track in U.S. (8,600), Canada and Mexico
  - \$31 billion acquisition
  - Increase Freight Traffic on the MDW Metra line between 300% to 500%.
  - Adding 8-14 new trains daily within 3 yrs
  - Will increase commuter rail delay 400%.



# Canadian Pacific – Kansas City Southern

- Milwaukee District West
  - Metra-owned, primarily commuter line; Currently CP has trackage and dispatching rights.
  - 40-mile line running from Union Station to Elgin.
  - Currently averages runs 2-3 freight trains daily.



# STB Approval Process

- Application Filed with STB
- STB Office of Environmental Analysis issues a Notice of Intent to conduct an Environmental Impact Statement pursuant to the National Environmental Policy Act
- Scoping Period – Public Meetings and Comment Period
- Draft EIS Released – Public Meetings and Comment Period
- STB Public Hearing
- Final EIS
- STB Issues Decision

# STB Places Unprecedented Conditions on CN/EJE Acquisition

- On Christmas Eve 2008, STB approves acquisition with unprecedented mitigation measures
  - Approves Voluntary Mitigation Measures including 17 confidential agreements with communities totaling \$60 million
  - Orders CN to pay 67% of grade separation costs in Aurora and 78.5% in Lynwood
    - In the past, railroads had typically contributed 5-10% of specific public improvement costs
    - Construction must begin within 5 years and be completed within 7 years
    - 5-year oversight period
- Aurora condition acknowledges extraordinary public safety concerns at Route 34 Crossing
  - High average daily traffic counts
  - History of fatalities
  - Primary emergency route to local hospital
- CN challenged the conditions in court, but mitigations were upheld.

# Aurora Route 34 Overpass

- Required STB oversight period to be extended twice to 2017
- Construction began in Spring 2014 and completed in December 2016
- IDOT Lead Agency
- Divided 4 lane highway
- 14-foot-wide bicycle path on one side
- 8-foot sidewalk on other side
- \$57.4 Million Total Project Cost
  - \$30 Million from CN
  - \$27 Million from IDOT
  - \$400,000 Local Funds



# Keys to success

- Utilization of updated data
  - ADT, Crossing delays, Accidents, Emergency Routes
- Coalition Building – TRAC
  - Communities
  - Collaboration
  - Communication
  - Cost Sharing - Legal, Public Relations
- Elected Official Support
  - Senator Durbin was a key supporter
- Public Participation
  - 22 public hearings
  - 7,000+ people attended
  - 13,500 comments submitted



# Applying Lessons Learned to CP/KCS Merger

- Coalition Building – Coalition to Stop CP/KCS
  - Communities + County
  - Collaboration
  - Communication
  - Cost Sharing - Legal, Public Relations, Data analysis, Railroad expertise
- Commissioned a traffic delay study to present to STB
- Elected Official Support
  - Senators Durbin, Duckworth and Representative Krishnamoorthi
- Public Participation
  - 1 in-person local hearing; 4 online hearings system wide

# Minimum Mitigations Requested – CP/KCS

\$394 Million Minimum versus \$9 Billion to Eliminate Safety Issues

## Community Specific Mitigations

- 3 Roadway Grade Separations
  - York Road – Bensenville
  - Irving Park Road – Wood Dale
  - Prospect Avenue – Itasca
  - \$204 million = Total Estimated Cost
- 3 Pedestrian Grade Separations
  - Roselle, Hanover Park, Bartlett
  - \$28.5 million = Total Estimated Cost

## All Community Mitigations

- Train tracking technology
- Pedestrian crossing improvements
- Preserve/Establish quiet zones
- Noise and vibration abatement
- Hazmat equipment and training
- \$161 million = Total Estimate Cost

## Bottom Line

**“Private investments should be held to the same standard of prioritizing safety over private commercial gain.”**

Comments of the Coalition to Stop CPKC on the Draft Environmental Impact Statement submitted, October 14, 2022

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