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Why this deal will make Chicago's congestion problem worse

It is unthinkable that Canadian National is proposing to merge with Kansas City Southern and add more trains to this already strained network, the CEO of Canadian Pacific writes.

BY KEITH CREEL

Canadian Pacific

As a railroader, I spend a lot of time on the road.

But I call Chicago home. Chicago is where, 26 years ago, I got the chance of a lifetime. That opportunity, presented to me in the NBC Tower, led me on a path from the Illinois Central Railroad in Memphis as a trainmaster all the way to CEO of one of North America's great historic railways, Canadian Pacific (CP).

Chicago is the center of our great country, with culture, architecture, arts, sports—special shout out to the Blackhawks—Midwestern people with great work ethic, warm hearts and grit. I moved here in 2007, raised my kids here and find happiness and restfulness here after long days and nights of work.

I understand the price that Chicagoans pay every day for being the nation's rail hub. Six major freight railroads converge here and something like 7,000 trucks a day pass through



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major corridors in Cook County. As Crain's has noted, the transportation industry employs more than 160,000 workers in Illinois. It has an "out-sized" effect on the regional economy and quality of life.

I understand, having worked at both Canadian National (CN) and CP in Chicago, the complexity and the fragility of the rail network; its interconnected nature is undeniable. CN's route through Chicago touches

all the other railroads—congestion in one area impacts others, including Metra and Amtrak, which use the same tracks to get folks in and out of the city. Congestion issues are further magnified during the winter months.

A proposition that would hurt Chicago

So, it is unthinkable to me that CN is proposing to merge with Kansas

City Southern (KCS) and add more trains to this already strained network. Their plan would put more pressure on both the highways and railways and bring 100 percent of the traffic through Chicago. Any proposal to bring additional, unnecessary traffic to Chicago stands against Chicago's best interests. It's also against the nation's best interests relative to commerce, given how important Chicago is—easily the most crucial hub in North America for railroads. Fluidity in Chicago is the rail industry's most important asset.

Since both of CN's east-west lines converge in Chicago, it's impossible for them to avoid the Chicagoland rail network. There's no offset in that proposal that would benefit or protect capacity in the Chicago terminal.

What a CN+KCS combination could mean for Chicagoland:

- Increased traffic routing through and around Chicago, including over the CN-owned Elgin Joliet and Eastern (EJ&E) Railway corridor in suburban Chicago
- Increased delays and reduced on-time performance for Amtrak's City of New Orleans, Illini and Saluki

services, which already suffer from major delays caused by CN

- Increased delays for Metra
- Increased wait times for motorists at crossings
- Increased noise for residents who live near the tracks
- Increased environmental impacts on local communities

An agreement that would relieve congestion

CP, in agreement with KCS, has a plan to take traffic out of Chicago by providing both the flexibility to bypass Chicago and the ability to improve operations in the city. This will be of enormous benefit to CP and KCS customers as well as the city itself.

We have long been an advocate for the industry routing traffic over alternative gateways that keep it out of Chicagoland.

Here's how the CP/KCS combination would work in a nutshell: The primary route to and from Western Canada would parallel the west side of the Mississippi River through Iowa. Traffic wouldn't need to come into Chicago to reach Texas, Mexico or the Gulf.

With CP's network through Iowa and KCS' connection in Kansas City, our customers would benefit from improved flows between Canada and the U.S. Upper Midwest with Mexico, Texas and Louisiana.

We would also create additional capacity for growth in Chicago while unlocking positive environmental benefits through reduced emissions in the city.

Right now the Surface Transportation Board is considering a voting trust for CN which, if approved, could let them move forward with this deal.

Chicago has two clear choices: CN putting more pressure on the city's hub unnecessarily, or CP's agreement with KCS that would route traffic away from Chicago.

This is the time to let the Surface Transportation Board know that CP's agreement with KCS is better for Chicago.

As a fellow Chicagoan, trust me on this one.

Keith Creel is president and CEO of Canadian Pacific.