TRANSPORTATION

Congressmen, suburbs, Metra disappointed in federal approval of merger expected to bring more freight trains to Chicago area

By Sarah Freishtat and Angie Leventis Lourgos Chicago Tribune

•

Mar 15, 2023 at 3:52 pm Expand



Freight trains on the move at the Canadian Pacific Bensenville Yard on Feb. 23, 2023. A rail merger is that is expected to bring more freight trains to Chicago area has communities concerned about safety. (Antonio Perez / Chicago Tribune)

Federal regulators have approved a major rail merger expected to bring more freight trains through parts of the Chicago area. The move will create the first rail line linking Canada, the U.S. and Mexico, but was lambasted by Metra, suburban towns and Illinois members of Congress.

The decision to allow the \$31 billion merger of Canadian Pacific and Kansas City Southern to move forward, announced Wednesday, marks the first major railroad merger since the 1990s, and carries far-reaching implications for local communities, Amtrak passenger rail and shippers looking to move goods through the country and across borders.



In the Chicago area, already a busy freight hub, the effects are expected to reverberate through communities along Metra's Milwaukee District West line, which shares tracks with Canadian Pacific. The number of daily freight trains is projected to increase by an average of about eight extra freight trains per day along the line, bringing the total number to an average of just over 11 per day by 2027.

The end of the lengthy federal review process comes weeks after a fiery Norfolk Southern train derailment in Ohio led to evacuations and fears of air and water contamination when toxic chemicals were released and burned, and after four Democratic Illinois members of Congress urged the Surface Transportation Board to delay a final ruling pending more study.

It also comes despite repeated concerns raised by Metra and suburban communities that additional freight trains on Metra's Milwaukee District West line would increase delays for commuter trains and drivers, exacerbate safety issues and pose problems for first responders who find their paths blocked by trains at road crossings.

Amtrak, for its part, supported the merger. Canadian Pacific committed to working with the company to expand service, including opening new routes, offering more service between Chicago and Milwaukee and extending additional service to St. Paul, Minnesota.

On Wednesday, Democratic U.S. Sens. Dick Durbin and Tammy Duckworth and U.S. Reps. Raja Krishnamoorthi and Delia Ramirez said they were

"deeply disappointed that the Surface Transportation Board has sided with corporations over our constituents in the Chicago region."

"The STB has rushed through this decision without contemplating the impacts of what we've learned in East Palestine, (Ohio)," Krishnamoorthi said at a news conference, describing the decision as "disastrous" and a "rubber stamp."

Surface Transportation Board Chairman Martin Oberman, a former Chicago alderman and Metra board chairman, said the merger, which involves combining the two smallest of the major railroads that operate in the country, would improve competition.

He emphasized the safety and environmental benefits of moving hazardous materials by rail rather than road, and said concerns from Metra and local communities about the increased length and frequency of trains were not supported by the data the board reviewed.

The board is establishing a seven-year oversight period following the merger and is requiring the new rail company to report data. If community concerns materialize during that period, the board could take further action, he said.

"If there's more interference with Metra, if there are more blocked crossings, if there are safety concerns that we do not project to be there now, the board stands ready and has the explicit statutory authority to hear those complaints," he said at a news conference. "And, if the facts are established, to add or further orders to make sure that these communities and these other railroads like Metra are protected."

Asked if the board should consider additional study of safety concerns, Oberman dismissed the idea.

"People have said to us, hold off on the merger, study the data further," he said. "I am confident in saying this data cannot be studied any further. It has been studied until your eyeballs are falling out."

The board's approval of the merger came with conditions, including some intended to protect Metra service and others intended to maintain commercial competition. It is requiring the new company to establish community liaisons in Chicago.

Canadian Pacific and Kansas City Southern could combine as soon as April 14.

In its decision, the board said it "expects that this new single-line service will foster the growth of rail traffic, shifting approximately 64,000 truckloads annually from North America's roads to rail, and will support investment in infrastructure, service quality, and safety." It is also expected to add more than 800 union jobs in the U.S., and provide opportunities for Amtrak service, the board said.

Canadian Pacific executives also said the merger would create jobs and competition.

"These benefits are unparalleled for our employees, rail customers, communities and the North American economy at a time when the supply chains of these three great nations have never needed it more," President and CEO Keith Creel said in a statement. "A combined CPKC will connect North America through a unique rail network able to enhance competition, provide improved reliable rail service, take trucks off public roads and improve rail safety by expanding CP's industry-leading safety practices."

Kansas City Southern and Canadian Pacific have little overlapping track, meaning the merger likely won't be anti-competitive or lead to major job cuts, said David Clarke, former director of the Center for Transportation Research at the University of Tennessee, Knoxville.

"You'll now have the ability to run a rail car on a single railroad from points of Canada all the way into Mexico," he said. "Probably for shippers that's going to have some positive benefits."

In Elgin, an increase in freight trains has the potential to block all of the suburb's downtown access points and hinder the ability of police, firefighters and other first responders to get to emergencies, Elgin Mayor Dave Kaptain told the Tribune.

He was also concerned about the potential environmental impacts of a train derailment. Spills could end up in the Fox River, threatening the area's drinking water.

"The people in my community became a little less safe today," he said.

Elgin is part of a coalition of nine suburban communities that opposed the merger, all expressing similar concerns about grade crossings being blocked.

"To say we are disappointed is a gross understatement," Bensenville Village President Frank DeSimone said at a news conference. "Today's Surface Transportation Board Ruling shows us three things: it ignored our concerns for safety, it ignored our concerns for the quality of life and it ignored our concerns about the negative consequences on economic development in our communities."



A long line of tanker cars sits along the tracks above Irving Park Road just east of York Road on March 15, 2023, in Bensenville. The cars were being pulled by a Norfolk Southern engine followed by one from Canadian Pacific. (Stacey Wescott / Chicago Tribune)



A vehicle turns into a driveway as a locomotive and freight train approach at the Canadian Pacific Bensenville Yard on Feb. 23, 2023. (Antonio Perez / Chicago Tribune)

Coalition members had asked for measures like quiet zones and the construction of overpasses. They did not receive much of what they sought as part of the decision, though the board did require the new railroad to work with the communities on certain issues, like getting funding to create quiet zones and installing and funding technology to notify residents and emergency responders of blocked crossings.

They continued to dispute numbers reviewed by the STB about train frequency, length and hazardous materials, saying the board used incorrect factors to calculate average train lengths and relied heavily on disputed data provided by Canadian Pacific.

"The Surface Transportation Board has a long and storied history of siding with the railroads, and not on the side of safety," Itasca Village Administrator Carie Anne Ergo said.

The communities vowed to continue fighting the merger, she said. The coalition is joining calls for congressional hearings on rail safety, and is considering appealing the decision.

Metra said it also remained concerned about the merger.

"We will count on the merged railroad's commitments and the STB's oversight to make sure we can operate safely and reliably and continue to provide service that meets the needs of the residents of the Chicago area," agency officials said in a statement.

sfreisht at@chicagotribune.com

elevent is @chicago tribune.com