

Stalemate over Rail Plan Reflects Failure of Political Leadership

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All important public policy decisions create winners and losers. Good governance involves adopting policies whose benefits outweigh their costs, and compensating the losers. Unfortunately, good policies are not always deemed good politics. Parochial interests, if organized and well funded, often win the favor of politicians. It is hard to find a better example than the conflict over Canadian National (CN) Railway's planned purchase of the Elgin, Joliet and Eastern (EJ&E) Railway, where narrow interests and a failure of political leadership threaten to derail a move that would greatly benefit our economy, environment, and the ongoing revitalization of Chicago's inner city.

No serious observer doubts the regional economic and environmental benefits that would result from the rerouting of freight traffic from the city's core to its periphery if CN is allowed to purchase the EJ&E. The controversy pits these overriding benefits for the region against costs to the suburbs from the rerouted rail traffic. But this is a false juxtaposition. For every suburban nuisance expected from the plan, there is a more-than-offsetting benefit for city neighborhoods (including those in which we live and work).

For instance, the Village of Barrington, the vanguard of suburban opposition to the acquisition, may see an increase of 15 trains per day. Yet, the Austin neighborhood of Chicago anticipates a decrease of 14 trains. Seem like an even exchange? Not when one considers that Barrington has a population of 10,000 while Austin has a population of 117,000.

The political clout associated with money and organization is the real reason the environmental and economic merits may not win the day. Affluent, white suburbs have clout. Less wealthy, minority neighborhoods do not. Just compare suburban Barrington to urban Austin. Barrington's population is 95 percent white with a median household income of \$107,000. Austin's population is 94 percent minority with a median income of \$44,000. Looking at all Chicago neighborhoods that would see a reduction in freight traffic, we find a population of 1.25 million people with a median income of \$46,000, 70 percent of whom are non-white.¹ The suburbs where train traffic would increase have a combined population of 900,000 with a median income of \$76,000, 67 percent of whom are white.² Is it any surprise which interests find representation?

Understandably, suburban leaders, representing the narrow "not in my backyard" interests of their well-organized constituents, have been outspoken opponents of the acquisition. Congresswoman Melissa Bean and Congressman Peter Roskam, among others, have recently held public hearings on this issue and have introduced multiple pieces of legislation aimed at blocking the CN deal.

More troubling are the positions adopted by state and national leaders, whose job is to look beyond parochial interests in order to consider the totality of benefits and costs. Of Illinois'

¹ See Table 1.

² See Table 2.

senators, Richard Durbin has sided with the suburbs as an outspoken opponent of the rail deal and Barack Obama is less vocal but has also expressed some concerns. Governor Rod Blagojevich remains largely silent. We are yet to learn the final position of the federal Surface Transportation Board (STB), whose approval is required for the deal to go forward. But there are some disturbing signs that the well-coordinated efforts of the suburbs may influence the STB to place greater weight on local suburban concerns than on benefits to the city or the collective interests of the region.

Throughout the STB's deliberations, the full litany of suburban complaints has been solicited, quantified and documented in thousands of pages of official reports, while the benefits to Chicago's neighborhoods have hardly been mentioned. This is no accident. Of seven STB "scoping" meetings designed to discover costs and benefits of the acquisition, six were held in the suburbs and only one was in Chicago.³ Of 39 poster locations announcing the meetings, 38 were in the suburbs.⁴ Of 22 outreach meetings for minorities, only one was in Chicago.⁵ And of eight public hearings on the STB's "Draft Environmental Impact Statement," only one is scheduled to be held in Chicago.⁶ Yet, there are more people in Chicago who stand to benefit from the plan than who would be harmed in all the suburbs combined. The Chicagoans just happen to be less affluent and less white.

Given that the benefits to city neighborhoods and the region as a whole clearly outweigh any harm faced by the suburbs, serious leaders should devote their efforts to creating ways to offset suburban costs rather than blocking the deal. For example, the STB could require CN to pay more than a railroad's customary share for grade separations in areas where traffic will increase significantly. A more creative policy solution might involve creating a tax increment financing district (TIF) around the communities that will benefit from the acquisition. Such a plan would generate tax revenues based on increased land values in areas that see a decrease in rail traffic and use it to subsidize infrastructure improvements in the hardest hit suburbs.

The STB is expected to render its decision by year's end or shortly thereafter. They have the rare opportunity to approve a plan that is both good policy and good for many residents of the city who have long borne more than their fair share of the burdens and inconveniences of our region's economic activity. Now is the time for our politicians—or those among them who aspire to be leaders rather than panderers—to dedicate themselves to finding creative ways to make this plan work and urge the STB to do the same. It may not be good politics, but it's the right policy.

³ See the STB'S "Draft Environmental Impact Statement" (DEIS), Chapter 9. Available at <http://www.stbfinancedocket35087.com/html/deis-report.html>

⁴ DEIS 9-3.

⁵ DEIS 9-6.

⁶ See the schedule on the STB's website: <http://www.stbfinancedocket35087.com/html/publicinvolv.html>

Table 1: Chicago Community Areas where Rail Traffic Will Be Reduced under CN Plan

| Name | Total Population | Percent White | Median Household Income |
|------------------------|-------------------------|----------------------|--------------------------------|
| Archer Heights | 12,644 | 75% | 50,866 |
| Armour Square | 12,032 | 19% | 29,355 |
| Ashburn | 39,584 | 45% | 69,187 |
| Austin | 117,527 | 6% | 43,425 |
| Avalon Park | 11,147 | 1% | 57,204 |
| Belmont Cragin | 78,144 | 61% | 55,675 |
| Beverly | 21,992 | 66% | 86,202 |
| Bridgeport | 33,694 | 55% | 45,840 |
| Brighton Park | 44,912 | 53% | 46,756 |
| Burnside | 3,294 | 1% | 44,879 |
| Chatham | 37,275 | 0% | 41,720 |
| Chicago Lawn | 61,412 | 24% | 46,418 |
| Clearing | 22,331 | 88% | 58,738 |
| Douglas | 26,470 | 7% | 32,037 |
| Garfield Ridge | 36,101 | 79% | 58,612 |
| Greater Grand Crossing | 38,619 | 0% | 36,012 |
| Humboldt Park | 65,836 | 20% | 37,059 |
| Hyde Park | 29,920 | 47% | 46,428 |
| Kenwood | 18,363 | 17% | 47,229 |
| Lower West Side | 44,031 | 41% | 35,814 |
| McKinley Park | 15,962 | 56% | 46,453 |
| Montclare | 12,646 | 74% | 60,160 |
| Morgan Park | 25,226 | 31% | 68,542 |
| Mount Greenwood | 18,820 | 95% | 74,166 |
| Near South Side | 9,509 | 27% | 44,284 |
| North Lawndale | 41,768 | 3% | 23,661 |
| Oakland | 6,110 | 1% | 13,853 |
| O'Hare | 11,956 | 88% | 56,169 |
| Pullman | 8,921 | 12% | 39,946 |
| Riverdale | 9,809 | 1% | 17,000 |
| Roseland | 52,723 | 1% | 49,326 |
| South Lawndale | 91,071 | 31% | 41,693 |
| South Shore | 61,556 | 1% | 35,795 |
| West Elsdon | 15,921 | 70% | 58,450 |
| West Garfield Park | 23,019 | 1% | 29,826 |
| West Lawn | 29,235 | 66% | 60,652 |
| West Pullman | 36,649 | 3% | 52,217 |
| Woodlawn | 27,086 | 3% | 23,563 |
| Aggregate | 1,253,315 | 30% | 46,053 |

Notes: Data are from the 2000 US Census, downloaded by community area from the Northern Illinois Planning Commission (NIPC) website (<http://www.nipc.org>). Median income is adjusted to 2008 dollars per the CPI. Aggregate median income is the population-weighted average of the community area medians.

Table 2: Suburbs where Rail Traffic Will Be Increased under CN Plan

| Suburb | Total Population | Percent White | Median Household Income |
|------------------------------------|------------------|---------------|-------------------------|
| Aurora city, Illinois | 143,609 | 68% | 70,771 |
| Barrington village, Illinois | 10,018 | 95% | 107,180 |
| Barrington Hills village, Illinois | 4,162 | 96% | 187,476 |
| Chicago Heights city, Illinois | 33,045 | 45% | 47,676 |
| Crest Hill city, Illinois | 13,032 | 75% | 58,454 |
| Deer Park village, Illinois | 3,227 | 96% | 192,511 |
| Dyer town, Indiana | 13,856 | 96% | 81,328 |
| Elgin city, Illinois | 93,895 | 71% | 67,860 |
| Ford Heights village, Illinois | 3,499 | 3% | 22,575 |
| Frankfort village, Illinois | 10,247 | 94% | 107,141 |
| Gary city, Indiana | 102,746 | 12% | 35,082 |
| Hawthorn Woods village, Illinois | 6,412 | 95% | 171,209 |
| Hoffman Estates village, Illinois | 50,352 | 74% | 85,059 |
| Joliet city, Illinois | 106,157 | 69% | 61,612 |
| Lake Zurich village, Illinois | 18,144 | 92% | 108,521 |
| Lynwood village, Illinois | 7,342 | 51% | 72,955 |
| Matteson village, Illinois | 12,883 | 33% | 76,862 |
| Naperville city, Illinois | 128,300 | 86% | 114,515 |
| New Lenox village, Illinois | 17,617 | 98% | 87,329 |
| Park Forest village, Illinois | 23,278 | 55% | 61,377 |
| Plainfield village, Illinois | 13,010 | 95% | 104,231 |
| Richton Park village, Illinois | 12,407 | 36% | 62,306 |
| Sauk Village village, Illinois | 10,417 | 61% | 60,266 |
| Schererville town, Indiana | 24,825 | 92% | 76,423 |
| Warrenville city, Illinois | 13,194 | 90% | 80,535 |
| Wayne village, Illinois | 2,099 | 98% | 148,786 |
| West Chicago city, Illinois | 23,919 | 78% | 81,817 |
| Aggregate | 901,692 | 67% | 75,767 |

Notes: Data are from the 2000 US Census, downloaded from the Census Bureau's American Factfinder website (www.census.gov). Median income is adjusted to 2008 dollars per the CPI. Aggregate median income is the population-weighted average of the suburb medians. Three Illinois suburbs where rail traffic would increase on some lines but decrease on others were excluded (Bartlett, Griffith, and Mundelein).