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September 11, 2013
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BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35081

Sub 2



CANADIAN PACIFIC RAILWAY COMPANY, ET AL.
- CONTROL -
DAKOTA, MINNESOTA & EASTERN RAILROAD CORP., ET AL.

WRITTEN COMMENTS OF
AMCOL International Corporation



**Verified Statement of James A Kerr
On behalf of
AMCOL International**



My name is James A. Kerr and I am the Vice President of Supply Chain for AMCOL

International Corporation ("AMCOL"). My address is 1702 East Overland,
Scottsbluff Nebraska

69361. I am submitting this Verified Statement in support of the State of South Dakota's Petition requesting the Surface Transportation Board (STB) to enforce investment representations the Canadian Pacific Railway (CP) made when it acquired the Dakota, Minnesota & Eastern Railroad Corporation (DME) in 2008. AMCOL is a producer and marketer of diverse specialty materials. AMCOL markets its bentonite clay minerals to the metalcasting, drilling fluids, iron ore pelletizing and pet litter industries. AMCOL operates two bentonite plants which are located on the Canadian Pacific line at Colony Wyoming (rail station Bentonite, Wyoming). In 2012 AMCOL shipped over 9,000 railcar shipments from these two plants to destinations throughout the United States, North America, South America, Europe and Asia. AMCOL is a captive shipper from these two plants. Reliable and affordable rail service is crucial to AMCOL's ability to serve our customers.

At the time of the purchase of the DME by the CP, the CP made representations to shippers that rates would be competitive and they would upgrade the infrastructure of the rail line. The investment and improvements to the track are keys to improving transit times and improving service levels. In contrast to the expectations, we have experienced some very difficult service issues.

Ryan McKendrick, CEO of AMCOL, identified significant services issues in a letter addressed to Fred Green, CEO of the Canadian Pacific, on August 4, 2011:

We have reached a point of extreme frustration over the continuing lack of reliable service provided by Canadian Pacific, and more importantly, the lack of attention to the matter from CP management. Your comments to your shareholders as part of CP's recent earnings release describing "service levels returning to normal", and your efforts to "ensure delivery of customers' shipments" certainly do not apply with respect to the abysmal service that we have been experiencing. These ongoing problems are not weather related – they are related to mismanagement of operations that should be routine for a company with your experience and size.

Our customers rely on rail service provided by Canadian Pacific for shipments originating from our manufacturing facilities located in Colony, Wyoming. We supply a large part of the North American foundry industry with a critical component for use in manufacture of castings for the automotive and heavy equipment industries. We also supply several large oilfield customers and consumer products customers – all of which depend on reliable rail service. Last year AMCOL shipped 7,961 rail cars on the CP from our Wyoming plant locations accounting for \$34 million in freight charges billed by Canadian Pacific / DME. Through July of this year we have shipped over 7,194 railcars for approximately \$22 million in rail charges from CP / DME. We are not an insignificant customer.

The issues with declining service levels from CP at our Wyoming plants have been ongoing for well over a year. Despite repeated interaction with local operations and customer service personnel from CP, we have not been receiving the cars required to meet our customer demands and have lost business as a result. Switches are not being performed on time and loaded cars are not being pulled on time. It is understandable that the severe weather conditions encountered in the winter and spring of this year would impact service, but the ongoing problems are not weather related.

We were expecting that the Canadian Pacific would bring capital and operating experience to the DME acquisition. It is very concerning that the CP is now entertaining offers to divest portions of the DME track. A significant portion of the line that is up for sale needs significant capital improvements. The burden of the significant capital investment to modernize the most deficient portions of the track for sale is a very high hurdle for a new operator.

Sustainable and competitive rail service is crucial to not only the rail shippers on this line but the customers and industries of these rail shippers.

In consideration of the foregoing, AMCOL would ask the Board to grant the State of South Dakota's petition to order the CP to produce the requested investment information, and compliance with the representations CP made during the approval process of the acquisition of the DME.

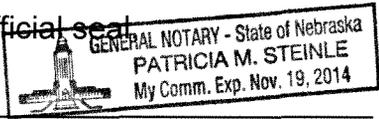
State of Nebraska)
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County of Scottsbluff)

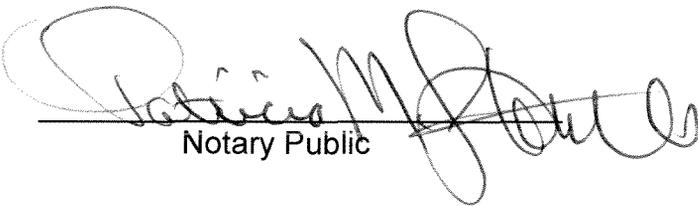
James A. Kerr, being duly sworn, deposes and says that he has read the foregoing statement, knows the content thereof, and that the same are true and correct.



James A. Kerr

Sworn to and subscribed before me
this 10 day of September, 2013

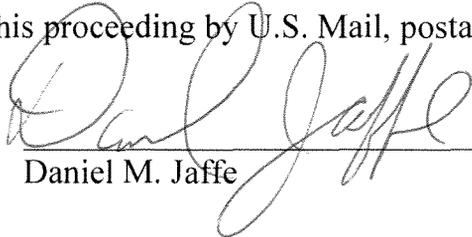
Witness my hand and official seal
My commission expires: 



Notary Public

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of September, 2013, I served copies of the forgoing on all parties of record to this proceeding by U.S. Mail, postage prepaid.



Daniel M. Jaffe