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August 27, 2013

Ms. Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0111

ENTERED
Office of Proceedings

SEP 3 - 2013



RE: Finance Docket No. 35081 - 2 Part of
Public Record

Dear Chief Brown,

On behalf of the South Dakota Corn Growers Association, we submit this letter in support of a petition filed by the State of South Dakota that questions whether the Canadian Pacific Railway has fulfilled the obligations established when it purchased a DM&E line in the state. Our association represents the interests of more than 12,000 farmers.

CP stated in its 2007 plan to acquire the DM&E Railroad that it would invest \$300 million during the first three years into the rail line and upgrade all of that track to Class 3 standards. Board approval was based on CP's promises of single-system service and its track upgrades. Six years later, most of those DM&E lines west of Pierre remain below Class 3 standards.

CP is looking for a buyer for the track west of Tracy, Minn., including 575 miles running through South Dakota. If the upgrades haven't been made at the promised level, we ask that the Surface Transportation Board prevent CP from selling its DM&E track until it fulfills its commitment.

This rail line is the only east-west line traversing the entire state and is vital to South Dakota agriculture. Most of our grain and dried distillers grains are exported out of state via train, much of it to the Pacific Northwest for international markets. We also transport by train more than a billion gallons of ethanol to major metro areas for use. Fertilizer, seed, chemicals and other agricultural supplies are brought in via rail. Sections of the track are old and in poor condition. Because some of the track is rated Class 1, trains can't exceed 10 mph. And some sections don't even meet the Class 1 standard. Private and cooperative investment proposals along the line are dependent upon track upgrades.

If the CP sells the 575 miles of rail, which would be captive to the CP, it would be very unlikely that another party would invest many millions of dollars to bring the line up to safety standards. It puts the entire section of line at risk. It simply should not be sold without completion of the upgrades.

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South Dakota's producers will suffer if good rail service isn't maintained. The state's farmers and grain elevator managers say the loss of this central rail line would be similar to losing Interstate 90. It is also critically important to communities along the line that depend on adequate rail service as the backbone of their economies.

The South Dakota Corn Growers Association supports the petition filed by the state of South Dakota and appreciates the opportunity to submit comments on this important matter. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Mark Gross".

Mark Gross
SDCGA President

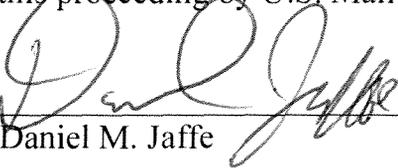
A handwritten signature in black ink that reads "Lisa Richardson".

Lisa Richardson
SDCGA Executive Director

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CERTIFICATE OF SERVICE

I hereby certify that on this fourth 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