

STB Finance Docket No. 34177

IOWA, CHICAGO & EASTERN RAILROAD CORPORATION—ACQUISITION
AND OPERATION EXEMPTION—LINES OF I&M RAIL LINK, LLC

In this attachment, the following letters are included. All other filings can be found on the Board's website at "www.stb.dot.gov" under "**Filings.**"

MEMBERS OF THE UNITED STATES CONGRESS:

U.S. Senator Charles E. Grassley
(June 14, 2002 letter and June 24, 2002 response)

U.S. Senator Mark Dayton - (Party of Record)
(June 14, 2002 letter and June 24, 2002 response)

U.S. Congressman James A. Leach
(June 12, 2002 letter and June 24, 2002 response)

U.S. Congressman Jim Nussle
(June 19, 2002 letter and June 24, 2002 response)

U.S. Congressman John Thune
(June 19, 2002 letter and June 24, 2002 response)
(July 17, 2002 letter)

OTHER INTERESTED PARTIES:

Adrian Carriers, Inc.
(June 17, 2002 letter)

Atlas Intermodal Trucking Service
(June 17, 2002 letter)

City of Bellevue, IA
(May 10, 2002 letter and June 14, 2002 response)

City of Bettendorf, IA
(June 17, 2002 letter)

City of Davenport, IA
(June 14, 2002 letter)

- The City of Dubuque, IA
(April 26, 2002 letter and June 6, 2002 response)
- Dubuque County Board of Supervisors
(April 22, 2002 letter and May 21, 2002 response)
- East Central Intergovernmental Association - DMATS Policy Board
(April 17, 2002 letter and May 21, 2002 response)
- East Central Intergovernmental Association - RPA Policy Board
(April 17, 2002 letter and May 21, 2002 response)
- City of Guttenberg, IA
(June 6, 2002 letter)
- City of Marquette, IA
(April 10, 2002 letter and May 15, 2002 response)
(June 12, 2002 letter)
- City of Mason City, IA
(April 18, 2002 letter and May 21, 2002 response)
- Missouri Department of Transportation
(June 24, 2002 letter)
- Quad City Port Services, Inc.
(June 17, 2002 letter)
- Sethness Products Company
(April 12, 2002 letter and June 6, 2002 response)
- Tyson Foods, Inc.
(April 19, 2002 letter and May 21, 2002 response)
- City of Winona, MN
(April 23, 2002 letter and May 23, 2002 response)
(June 17, 2002 letter)



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

June 24, 2002

The Honorable Charles E. Grassley
United States Senate
Washington, D.C. 20510-1501

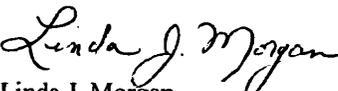
Dear Senator Grassley:

Thank you for your letter regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate the rail lines and assets of I&M Rail Link, LLC, a Class II rail carrier. In your letter, you discuss the process that the Surface Transportation Board (Board) should use in deciding whether to authorize the proposed transaction.

As you probably know, a number of parties have sought a stay of the expedited process under which ICE has filed to obtain Board authority for the proposed acquisition. The Board's procedural schedule for handling the stay requests provides that replies were due June 21, 2002, and the Board must reach a decision on whether to stay the proposed acquisition prior to June 28, 2002, when Board authority under the expedited process otherwise will become effective. I am having your name placed on the service list to ensure that you receive copies of all future Board decisions in this proceeding, and I will have your letter and my response made a part of the public docket.

I appreciate your interest in this important matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,


Linda J. Morgan

- Reply To:
- 136 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1501
(202) 224-3744
TTY: (202) 224-4473
e-mail: chuck_grassley@grassley.senate.gov
 - 721 FEDERAL BUILDING
210 WALNUT STREET
DES MOINES, IA 50309-2140
(515) 284-4890
 - 208 FEDERAL BUILDING
101 1ST STREET SE.
CEDAR RAPIDS, IA 52401-1227
(319) 393-8832

United States Senate

CHARLES E. GRASSLEY
WASHINGTON, DC 20510-1501

June 14, 2002

- REPLY TO:
- 108 FEDERAL COURTHOUSE BUILDING
320 8TH STREET
SIOUX CITY, IA 51101-1244
(712) 233-1880
 - 210 WATERLOO BUILDING
531 COMMERCIAL STREET
WATERLOO, IA 50701-5497
(319) 232-8837
 - 116 FEDERAL BUILDING
131 E. 4TH STREET
DAVENPORT, IA 52801-1513
(563) 322-4331
 - 307 FEDERAL BUILDING
8 SOUTH 6TH STREET
COUNCIL BLUFFS, IA 51501-4204
(712) 322-7103

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

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SURFACE TRANSPORTATION
BOARD
2002 JUN 18 P 4: 03
OFFICE OF
CHAIRMAN MORGAN

Dear Secretary Williams:

I have been informed that a Notice has been filed by Iowa, Chicago & Eastern Railroad Corporation ("IC&E") to acquire the lines of the I&M Rail Link, LLC ("IMRL") that operate through the states of Illinois, Iowa, Kansas, Missouri, Minnesota, and Wisconsin (Finance Docket No. 34177).

Some Iowa businesses that have shipped on IMRL have raised concerns regarding the impact which this sale may have on the ability of Iowa shippers to reach other markets, particularly in the east. The Iowa Department of Transportation also has expressed its concerns regarding this transaction.

I am continuing my review of the proposal. However, I believe that it would be preferable for the Board to follow a procedure that entails a thorough examination of the IMRL line acquisition, rather than relying just on the exemption Notice that IC&E has utilized.

Thank you for your time and attention to this matter.

Sincerely,


Charles E. Grassley
United States Senator

CEG/sjk

RANKING,
FINANCE

Committee Assignments:

BUDGET
JUDICIARY

CO-CHAIRMAN,
INTERNATIONAL NARCOTICS
CONTROL CAUCUS



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

June 24, 2002

The Honorable Mark Dayton
United States Senate
Washington, D.C. 20510-2305

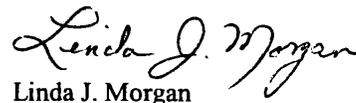
Dear Senator Dayton:

Thank you for your letter regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate the rail lines and assets of I&M Rail Link, LLC, a Class II rail carrier. In your letter, you discuss the process that the Surface Transportation Board (Board) should use in deciding whether to authorize the proposed transaction.

As you probably know, a number of parties have sought a stay of the expedited process under which ICE has filed to obtain Board authority for the proposed acquisition. The Board's procedural schedule for handling the stay requests provides that replies were due June 21, 2002, and the Board must reach a decision on whether to stay the proposed acquisition prior to June 28, 2002, when Board authority under the expedited process otherwise will become effective. I am having your name placed on the service list to ensure that you receive copies of all future Board decisions in this proceeding, and I will have your letter and my response made a part of the public docket.

I appreciate your interest in this important matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,


Linda J. Morgan

MARK DAYTON
MINNESOTA

COMMITTEES:
AGRICULTURE, NUTRITION,
AND FORESTRY
ARMED SERVICES
GOVERNMENTAL AFFAIRS
RULES AND ADMINISTRATION

United States Senate

WASHINGTON, DC 20510-2305

WASHINGTON OFFICE:
346 RUSSELL SENATE OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-3244
FAX: (202) 228-2186

June 14, 2002

ENTERED
Office of the Secretary

JUN 14 2002

Part of
Public Record



Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

RE: Finance Docket No. 34177
Iowa, Chicago & Eastern Railroad Corporation – Acquisition
and Operation Exemption – Lines of I&M Rail Link, LLC

Dear Mr. Secretary:

On June 7, 2002, the Iowa, Chicago & Eastern Railroad Corporation (IC&E) filed a verified Notice of Exemption and Acquisition under 49 C.F.R. §1150.10(g) with the Surface Transportation Board. The STB has since issued a truncated Procedural Schedule. I formally request that I be made a party, and that the STB extend the Procedural Schedule to allow for adequate review of the transaction.

The Dakota, Minnesota & Eastern Railroad, Inc., is the real purchaser-in-interest of the proposed transaction. In the Notice, IC&E states that it plans to acquire and use I&M Rail Link, LLC lines. While this is technically accurate, the Purchase is in reality a veiled attempt by DM&E to further its expansion plans. DM&E plans to acquire IMRL by using Cedar American Rail Holding, Inc., its subsidiary. CARH in turn owns IC&E.

Thus, DM&E essentially owns IC&E through CARH. But because IC&E is a noncarrier, DM&E's ownership is not "official." It will be, if IC&E receives STB exemption of the purchase.

I have been informed that it is common for acquiring entities to use subsidiaries to enable transactions. I have no quarrel with this general practice. In this instance, however, the STB should allow further time for public comment than allotted in the Procedural Schedule. The acquisition adversely impacts groups that were not previously considered in STB's review of the DM&E expansion plan. As just one example, the IMRL lines at issue in the Notice bisect the entire length of the City of Winona, Minnesota. The numerous unit coal trains and grain trains that DM&E would run on this line, if its purchase is approved, would have an enormous, disruptive impact on the city. Winona should, at the very least, be given sufficient time to comment on the Purchase, and to seek mitigation from those effects.

MINNESOTA OFFICES:
FEDERAL BUILDING
1 FEDERAL DRIVE, SUITE 298
FORT SNELLING, MINNESOTA 55111
(612) 727-5220
(888) 224-9043
FAX: (612) 727-5223

2017 HIGHWAY 59 SE, SUITE 24
THIEF RIVER FALLS, MINNESOTA 56701
(218) 681-2166
FAX: (218) 681-2169

222 MAIN STREET, SUITE 200
POST OFFICE BOX 937
BIWABIK, MINNESOTA 55708
(218) 865-4480
FAX: (218) 865-4667

POST OFFICE BOX 608
RENVILLE, MINNESOTA 56284
(320) 905-3007

Health Care Help Line: (866) 296-4319

Mr. Vernon A. Williams
June 14, 2002
Page Two

Again, I respectfully urge the Board to extend the Procedural Schedule. I also ask that the Purchase be considered an additional component of DM&E's overall expansion plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Dayton", written over a horizontal line.

Mark Dayton
United States Senator



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

June 24, 2002

The Honorable James A. Leach
U.S. House of Representatives
Washington, D.C. 20515-1501

Dear Congressman Leach:

Thank you for your letter regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate the rail lines and assets of I&M Rail Link, LLC, a Class II rail carrier. In your letter, you discuss the process that the Surface Transportation Board (Board) should use in deciding whether to authorize the proposed transaction.

As you probably know, a number of parties have sought a stay of the expedited process under which ICE has filed to obtain Board authority for the proposed acquisition. The Board's procedural schedule for handling the stay requests provides that replies were due June 21, 2002, and the Board must reach a decision on whether to stay the proposed acquisition prior to June 28, 2002, when Board authority under the expedited process otherwise will become effective. I am having your name placed on the service list to ensure that you receive copies of all future Board decisions in this proceeding, and I will have your letter and my response made a part of the public docket.

I appreciate your interest in this important matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan
Linda J. Morgan

06/12/2002 15:39 FAX

002/002

JAMES A. LEACH
1ST DISTRICT, IOWA



COMMITTEES:
FINANCIAL SERVICES
CHAIRMAN EMMENTUS

INTERNATIONAL RELATIONS
SUBCOMMITTEE:
EAST ASIA AND THE PACIFIC
CHAIRMAN

CONGRESS OF THE UNITED STATES

June 12, 2002



Vernon Williams, Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20006
Fax 202.565.9003

FD-34177

Dear Secretary Williams:

I am writing to invite your attention to concerns raised by the Iowa Department of Transportation (IDOT) with regard to the proposed railroad merger of the Dakota, Minnesota and Eastern Railroad (DM&E) and the I&M Rail Link (IMRL).

IDOT informs me it has asked for a full Surface Transportation Board (STB) rail consolidation process under STB rules. According to IDOT, the basis of the request is that the Iowa, Chicago and Eastern Railroad Corporation (IC&E) exemption process and the DM&E control application process should be done at the same time (i.e. they are part and parcel the same transaction). It should be noted, however, that the IDOT remains neutral on the transaction, their concern centers on providing the opportunity for all interested parties to participate in the proceedings.

Thank you for your consideration of this request. If you or your staff need further information regarding it, please feel free to contact Peter Matthes of my staff at (202) 225-6416.

Sincerely,

James A. Leach
Member of Congress

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BOARD
2002 JUN 18 P 4: 33
OFFICE OF
PETER IRMAN MORGAN

JL:pm



Office of Congressman James A. Leach
2186 Rayburn House Office Building
Washington, DC 20515
(202)225-6576
(202)226-1278 fax
www.house.gov/leach



To: Secretary Williams Pages (Including Cover Sheet): 2
Fax: 202.565.9003 Hard Copy to Follow: _____
Date: 6/12/02

From:

- Congressman James A. Leach
- Amy Butler, Senior Legislative Assistant
- Bill Tate, Chief of Staff/Press Secretary
- Allison Sugarman, Legislative Assistant
- Mary Andrus, Legislative Director
- Peter Matthes, Legislative Assistant
- Sarah Morgan, Scheduler/Office Manager
- Amanda Kueter, Legislative Assistant
- Meghan McCabe, Staff Assistant
- Intern _____

Comments:



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

June 24, 2002

The Honorable Jim Nussle
U.S. House of Representatives
Washington, D.C. 20515-1502

Dear Congressman Nussle:

Thank you for your letter regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate the rail lines and assets of I&M Rail Link, LLC, a Class II rail carrier. In your letter, you discuss the process that the Surface Transportation Board (Board) should use in deciding whether to authorize the proposed transaction.

As you probably know, a number of parties have sought a stay of the expedited process under which ICE has filed to obtain Board authority for the proposed acquisition. The Board's procedural schedule for handling the stay requests provides that replies were due June 21, 2002, and the Board must reach a decision on whether to stay the proposed acquisition prior to June 28, 2002, when Board authority under the expedited process otherwise will become effective. I am having your name placed on the service list to ensure that you receive copies of all future Board decisions in this proceeding, and I will have your letter and my response made a part of the public docket.

I appreciate your interest in this important matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,


Linda J. Morgan

06/19/2002 16:16 FAX

002

JIM NUSSLE
2ND DISTRICT, IOWA
CHAIRMAN
COMMITTEE ON THE BUDGET
Home Page Address:
<http://www.budget.house.gov/>

COMMITTEE ON
WAYS AND MEANS
SUBCOMMITTEE:
TRADE

303 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-1502
(202) 225-2811



Congress of the United States
House of Representatives
Washington, DC 20515-1502

June 19, 2002

DISTRICT OFFICES:
TOLL FREE HOTLINE
(800) 927-5212

712 WEST MAIN STREET
MANCHESTER, IA 52057
(563) 927-6141

3641 KIMBALL AVENUE
WATERLOO, IA 50702
(319) 235-1109

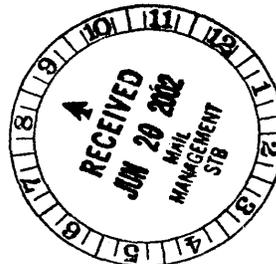
2255 JOHN F. KENNEDY ROAD
DUBUQUE, IA 52002
(563) 557-7740

23 THIRD STREET NW
MASON CITY, IA 50401
(641) 423-0303

E-mail Address:
nussleia@mail.house.gov

Home Page Address:
<http://www.nussle.house.gov>

The Honorable Vernon A. Williams
Secretary
U.S. Department of Transportation
Surface Transportation Board
1925 K Street Northwest, Room #700
Washington, D.C. 20006-1105



OFFICE OF
CHAIRMAN MOBILE

2002 JUN 20 AM 11:02

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Dear Secretary Williams:

I wish to take this opportunity to call your attention to concerns raised by the Iowa Department of Transportation (IDOT) with regard to the proposed railroad merger of the Dakota Minnesota and Eastern Railroad (DM&E) and the I&M Rail Link (IMRL).

It is my understanding that IDOT has asked for a full Surface Transportation Board (STB) rail consolidation process under STB rules. According to IDOT, the basis of the request is that the Iowa, Chicago and Eastern Railroad Corporation (IC&E) exemption process and the DM&E control application process should be done at the same time (i.e. they are part and parcel the same transaction). It should be noted, however, that the IDOT remains neutral on the transaction, their concern centers on providing the opportunity for all interested parties to participate in the proceedings by allowing an extended period for public comment.

Mr. Secretary, thank you for your attention to this matter. Please do not hesitate to contact me or Joe Wheeler of my staff at (202) 225-2911 if you have any questions about this issue.

Sincerely,

Jim Nussle
Member of Congress

06/19/2002 16:15 FAX

@ 001

JIM NUSSLE
2ND DISTRICT, IOWA
CHAIRMAN
COMMITTEE ON THE BUDGET
Home Page Address:
<http://www.budget.house.gov/>

COMMITTEE ON
WAYS AND MEANS
SUBCOMMITTEE:
TRADE
303 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-1502
(202) 225-2911



Congress of the United States
House of Representatives
Washington, DC 20515-1502

DISTRICT OFFICES:
TOLL FREE HOTLINE
(800) 927-5212
712 WEST MAIN STREET
MANCHESTER, IA 52057
(563) 927-5141
3641 KIMBALL AVENUE
WATERLOO, IA 50702
(319) 235-1109
2255 JOHN F. KENNEDY ROAD
DUBUQUE, IA 52002
(563) 557-7740
23 THIRD STREET NW
MASON CITY, IA 50401
(561) 423-0303

E-mail Address:
nusslela@mail.house.gov
Home Page Address:
<http://www.nussle.house.gov>

DATE: 6-20-2002

TO: Secretary Williams

FAX # 202-565-9003

FROM: RICH MEADE BARBRA SNITKER
 JOE WHEELER CHRIS SWENSON
 CHRIS BLILEY ANDREA DIEHL
 KIM WOODY KIM DETI
 LUKE HARMS BOB BOERSCHEL

NUMBER OF PAGES INCLUDING COVER PAGE: 2

COMMENTS: DM and E / ZMRL merger

IF ANY PART OF THIS FAX WAS NOT RECEIVED, PLEASE CONTACT
202-225-2911



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

June 24, 2002

The Honorable John Thune
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Thune:

Thank you for your letter regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate the rail lines and assets of I&M Rail Link, LLC, a Class II rail carrier. In your letter, you discuss the process that the Surface Transportation Board (Board) should use in deciding whether to authorize the proposed transaction.

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I appreciate your interest in this important matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,


Linda J. Morgan

JOHN THUNE
SOUTH DAKOTA, AT LARGE

COMMITTEE ON AGRICULTURE

COMMITTEE ON SMALL BUSINESS

COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE



**Congress of the United States
House of Representatives**

June 19, 2002

The Honorable Linda J. Morgan
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

The Honorable Warren D. Burkes
Vice Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Dear Chairman Morgan and Vice Chairman Burkes:

Please accept this as a comment letter pursuant to STB Finance Docket Numbers 34177 and 34178.

It is very important that this acquisition move forward to capture economic benefits for South Dakota. It has broad-based support in my state from several sectors of the economy, including the South Dakota Farm Bureau and the South Dakota Farmer's Union. Any delay will not only create unnecessary cost, but will jeopardize the successful closure on this transaction, which I understand has a very limited amount of time remaining.

I also understand that there has been a petition filed to stay this proceeding as it relates to the acquisition exemption. In my past experience as State Rail Director in South Dakota, I have a keen appreciation for the extraordinary operational and logistical planning that had to go into this effort. I sincerely hope that this transaction will not be jeopardized by attempts to undermine this acquisition and its fundamental business plan. In the end, I am confident that the common control case will allow interested and concerned parties to air their comments.

Thank you for your consideration of these comments, and I strongly encourage your favorable consideration of this case. Should you have any questions, do not hesitate to contact me.

Very truly yours,


JOHN THUNE
Member of Congress

JT:br

1005 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2801
<http://johnthune.house.gov>

2310 WEST 41ST STREET, SUITE 101
SIOUX FALLS, SD 57106
(605) 331-1010
(800) 755-5646

2529 WEST MAIN STREET, SUITE 210
RAPID CITY, SD 57702
(605) 342-5135

10 6TH AVENUE, SW
ABERDEEN, SD 57401
(605) 622-7988

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OFFICE OF
CHAIRMAN MORGAN

JOHN THUNE
SOUTH DAKOTA, AT LARGE

COMMITTEE ON AGRICULTURE
COMMITTEE ON SMALL BUSINESS
COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE



Congress of the United States
House of Representatives
July 17, 2002

1005 LONGWORTH HOUSE OFFICE BUILDING
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thun@ohr.house.gov

2310 WEST 41st STREET, SUITE 101
SIOUX FALLS, SD 57105
(806) 331-1010
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2526 WEST MAIN STREET, SUITE 210
RAPID CITY, SD 57702
(605) 342-5135

10 6TH AVENUE, SW
ABERDEEN, SD 57401
(605) 822-7988

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20422-0001

Re: Finance Docket No. 34177
Iowa, Chicago, and Eastern Railroad Corporation—Acquisition and
Operation Exemption—Lines of I&M Rail Link, LLC

Dear Secretary Williams:

Please accept this as a follow-up to my earlier letter of support for the above-referenced filing by the Iowa, Chicago, & Eastern Railroad, and for the companion control case to be docketed as STB Finance Docket No. 34178. I was pleased to see that the Chicago access issue had been resolved and the additional shipper support statements verifying that effective back-up connections have been secured.

This transaction also has strong support from shippers, agriculture organizations, communities, and many other groups. Timing remains a critical issue. Anything that the Board can do to accommodate the need to eliminate any lingering regulatory uncertainty by the end of this week would be welcome and appreciated. As always, thank you for your consideration.

Very truly yours,

JOHN THUNE
Member of Congress

CC: The Honorable Linda Morgan, Chairman
The Honorable Wayne Burkes, Vice Chairman

RECEIVED
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BOARD
2002 JUL 17 P 5:23
OFFICE OF
CHAIRMAN MORGAN



Adrian Carriers Inc.

P. O. BOX 20, MILAN, ILLINOIS 61264

PHONE (309) 787-4747

FAX (309) 787-4786



June 17, 2002

**Mr. Vernon Williams Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20006**

Dear Secretary Williams:

I wish to bring to your attention to the proposed merger to the Dakota, Minnesota and Eastern Railroad and the I & M Rail Link and it's notice of exemption.

Myself and other area business owners that will be affected by this merger feel that a full Surface Transportation Board review should be followed under the STB rules.

I also support the Iowa Department Of Transportation's opposition to the Notice of Exemption. I feel that the exemption should be denied. It could only be in everyone's best interest if proper disclosure rules and regulations are followed. If you have any questions you may contact me at 1-800-553-8068

Respectfully,

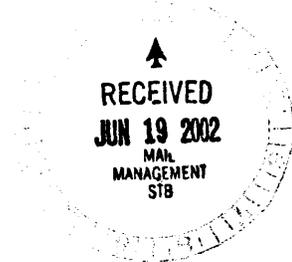
**Gary A Adrian
President**

ATLAS INTERMODAL TRUCKING SERVICE

A RoadLink USA Company

P.O. Box 1552, Galesburg, IL 61402-1552 309-342-1132 Fax (309) 342-4611

6/17/02



Mr. Vernon Williams, Secretary
Surface Transportation Board
1925 K Street N.W. Room 700
Washington, DC 20006

Re: Proposed Merger

FD-34177

Dear Secretary Williams:

We are writing in regards to the proposed railroad merger of the Dakota, Minnesota, and Eastern Railroad (DM&E) and the I&M Rail Link (IMRL).

The Iowa Department of Transportation has been asked for a full Surface Transportation Board (STB) rail consolidation process under STB rules. The basis of the request is that the Iowa, Chicago, and Eastern Railroad Corporation (IC&E) exemption process and the DM&E control application process should be done at the same time, alleging that they are part and parcel the same transaction. We disagree with an exemption being arbitrarily granted. We support full disclosure of the transaction, therefore allowing those involved to have an opportunity to participate.

Thank you for your time and consideration

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Thompson".

Michael J. Thompson, President
Atlas Intermodal Trucking Service
A RoadLink USA Company

A handwritten signature in black ink, appearing to read "Richard W. Walter".

Richard W. Walter
Davenport Operations Manager

Atlas

A **RoadLink USA** Company



FACSIMILE TRANSMITTAL SHEET

To: Sec. Vernon Williams	From: LAURA L. PEPMEYER
Company: Surface Transportation Board	Phone: 309/342-1132
Phone: 202/565-1674	Date: 6/19/02
Fax: 202/565-9004	Pages: 2 (incl. cover)

Message:

Mr. Secretary, we respectfully submit the attached letter via fax. We apologize that it was not expressed mailed. We knew it needed to be received today and wanted to be prompt regarding its submission. We appreciate your kind consideration and we hope that you accept our apology for our inefficiencies.

Address P.O. Box 1552 • 2300 South Saluda Road • Galcsburg, II. 61401

Phone 309-342-1132 • Fax 309-342-4611 • info@atlas.roadlinkusa.com • www.roadlinkusa.com



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

June 14, 2002

Mr. Loras Herrig
City Administrator
City of Bellevue
106 North Third
Bellevue, IA 52031

Dear Mr. Herrig:

This letter responds to your correspondence regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation (DM&E), to acquire and operate all of the rail lines of I & M Rail Link, LLC (IMRL). In your letter, you state that there are over 15 railroad crossings in your community and that the railroad companies have not been maintaining these crossings. You are concerned that the proposed transaction could have a dramatic impact on the community of Bellevue, and you want to know the date and place of any hearing that may be held by the Board so that you can participate and provide input on the proposal.

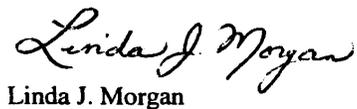
On June 7, 2002, ICE filed a notice of exemption under 49 CFR 1150.31 to acquire and operate the rail lines and assets of IMRL, which is a Class II carrier. This proceeding has been docketed at the Board as STB Finance Docket No. 34177. The notice was served on June 12, 2002 (copy enclosed). ICE reported that it intends to consummate the transaction on or after June 28, 2002.

As discussed in more detail in the enclosed notice, under the Board's exemption rules, ICE's exemption to acquire and operate IMRL's lines is due to become effective on June 28, 2002, unless stayed by the Board. If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time, but a petition to revoke does not automatically stay the transaction. Stay petitions must be filed within 7 days of the filing of the notice of exemption. Any comments that parties wish the Board to consider prior to the effective date of the exemption must be filed by June 19, 2002, and replies to stay petitions and other comments will be due by June 21, 2002. Although the Board does not usually conduct oral hearings in this type of proceeding, parties have been given the opportunity to submit written comments that will be considered by the Board.

Mr. Loras Herrig

If you would like information on how to participate in this case, you may contact our Office of Congressional and Public Services by writing to that office or by calling (202) 565-1592. I will have your letter and my response placed in the public docket for this proceeding. I appreciate your interest in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan

Enclosure: June 12, 2002 notice

City of Bellevue

May 10, 2002

Linda Morgan & Wayne Burkes
Surface Transportation Board
1201 Constitution Ave. N.W.
Washington, D.C. 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
2002 JUN -3 P 2:40
OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan and Mr. Burkes:

On February 21, 2002 the Dakota Minnesota and Eastern Railroad (DME) announced its intended acquisition of I & M Rail Link (IMRL). As a small community in eastern Iowa we have long been victimized by irresponsible railroads that divide our town in two sections. The railroad tracks in our community run from north to south and basically separate our business community from our residential areas. For many years we have suffered through lack of maintenance.

We have approximately 15 railroad crossings in our community and we are constantly reminding whichever company currently owns the railroad that they have responsibilities for maintaining those crossings. We have constantly been reminded that the railroads are not very profitable and do not have the resources available to maintain their assets properly. We are therefore left to suffer through these lapses in maintenance or attempt to solve the problems on our own. Many times as we have attempted to solve the problems on our own we have been told by the railroad that we are not allowed to either repair their property or we do not have the expertise to undertake the repair. Because of the dramatic impact that the railroad has on the quality of life in our town we would ask that you give proper hearing to any proposed acquisition that allow communities like ourselves to have some input on the acquisition. When these hearings are held on this matter we would appreciate knowing the date and place of hearing.

If you have any questions concerning the impact this proposed merger might have on the community of Bellevue please feel free to contact me at any time.

Sincerely,



Loras Herrig
City Administrator



CITY OF BETTENDORF

1609 STATE STREET • BETTENDORF, IOWA 52722-4937 • (319) 344-4000

1 DOT
1 DOT



June 17, 2002

Vernon Williams, Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20006

FD 34177

VIA Fax: (202) 565-9003

Dear Secretary Williams:

I am writing to invite your attention to concerns raised by the Iowa Department of Transportation in regard to the proposed railroad merger of the Dakota, Minnesota and Eastern Railroad (DM & E) and the I & M Rail Link (IMRL).

The Iowa Department of Transportation has asked for a full Surface Transportation Board (STB) rail consolidation process under STB rules. The basis of the request is that the Iowa, Chicago and Eastern Railroad Corporation (IC & E) exemption process and the DM & E control application process should be done at the same time; i.e., they are part and parcel the same transaction. It should be noted, however, that while the Iowa DOT remains neutral on the transaction, their concern centers on the opportunity for all to participate in the proceedings.

Thank you for your consideration of this request. If you or your staff need further information, please feel free to contact me.

Sincerely,

Ann Hutchinson
Mayor

AH:sh



printed on recyclable paper





City of Davenport
Charles W. Brooke, Mayor
cwb@ci.davenport.ia.us

June 14, 2002

Vernon Williams, Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20006

VIA FACSIMILE 202.565.9003

Dear Secretary Williams:

I am concerned regarding the proposed merger of the Dakota, Minnesota and Eastern Railroad (DM&E) and the I&M Rail Link (IMRL). IMRL has extensive trackage here and in Eastern Iowa.

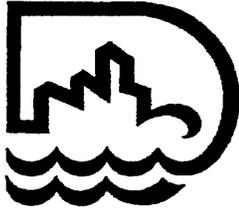
I request a full Surface Transportation Board (STB) rail consolidation process under STB rules. The basis of the request is that the Iowa, Chicago and Eastern Railroad Corporation (IC&E), a DM&E subsidiary, exemption process and the DM&E control application process should be done at the same time (i.e. they are part and parcel the same transaction). We are neutral on the transaction but everyone should have full opportunity to participate in the proceedings. I also am concerned because the companies have refused to disclose the terms of their agreement, and I believe there may be significant changes in service hidden in the plans for this merger.

Sincerely,

Charles W. Brooke, Mayor

CWB/ccr





Charles W. Brooke, Mayor
City of Davenport

"America's Crossroads"

226 West Fourth Street · Davenport, IA 52801
FAX: (563) 328-6726 Telephone: (563) 326-7701

Facsimile Transmittal Sheet

Date: June 14, 2002 Time: 3:40 CST P.M.
 To: SECRETARY Williams Company: STDJ
 Fax#: 2025659003 No. of Pages Including Cover 2
 From: Cheryl C. Egan, Secretary

Notes/Comments:





Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

June 6, 2002

Mr. Michael C. Van Milligen
City Manager
The City of Dubuque
50 West 13th Street
Dubuque, IA 52001-4864

Dear Mr. Van Milligen:

This letter responds to your correspondence regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc. (Holdings), which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation (DM&E), to acquire and operate all of the rail lines of I & M Rail Link, LLC (IMRL).

You are concerned that the applicant may request that the transaction be considered exempt as defined in 49 CFR 1180.2, and you wish to go on record in support of the position that the proposed transaction, if or when an application is filed, should be given due consideration as a minor transaction, if not a significant transaction, as defined in 49 CFR 1180.2. In your letter, you mention three areas of concern about the proposed transaction—financial viability, environmental/community impacts, and effects on shippers—which you hope to have addressed in a full Board process.

By letter received at the Board on February 26, 2002, ICE certified that, in compliance with our exemption rules, it posted a notice at the workplace of the employees of IMRL indicating that ICE intends to acquire and operate IMRL. In this type of transaction the applicant must, at least 60 days before the exemption becomes effective, post a notice of the proposed transaction at the workplace of the employees on the affected lines and serve a copy of the notice on the national offices of the employees' unions. The notice must also specify the types and numbers of jobs expected to be available, the terms of employment and principles of employee selection, and the lines to be transferred.

On May 24, 2002, ICE filed a notice of intent under 49 CFR 1150.35(a) indicating that, on or after June 7, 2002, it intends to file a notice of exemption under 49 CFR 1150.31 to acquire and operate the rail lines and assets of IMRL, a Class II carrier. ICE's notice was filed pursuant to the Board's exemption procedures governing noncarrier acquisitions under 49 U.S.C. 10901 that involve the creation of Class I or Class II carriers. This proceeding has been docketed at the

Mr. Michael C. Van Milligen

Board as STB Finance Docket No. 34177. In its notice, ICE states that DM&E and Holdings expect to file an application soon, pursuant to 49 U.S.C. 11323(a)(3) and 49 CFR 1180.2(c), to continue in control of ICE once ICE acquires the IMRL lines and becomes a rail carrier. ICE indicates that it anticipates that it will consummate its acquisition of IMRL's lines and commence operations on or after June 28, 2002.

Under our exemption rules stated above, the exemption would be effective 21 days after the notice of exemption is filed at the Board, unless other action is taken. The agency publishes notice of the filing in the Federal Register within 30 days of the filing at the Board so that all members of the public might have notice of the filing. If the notice contains false or misleading information, the exemption is void ab initio. Anyone who objects to the transaction may file a petition to reject the notice or to revoke the exemption. In the event that interested persons believe that the effectiveness of the exemption would cause immediate and irreparable harm, those persons may petition the Board to stay the effectiveness of the exemption.

If you would like information on how to participate in this case, you may contact our Office of Congressional and Public Services by writing to that office at this address or by calling (202) 565-1592. I will have your letter and my response placed in the public docket for this proceeding. I appreciate your interest in this matter.

Sincerely,


Linda J. Morgan

City Manager's Office
50 West 13th Street
Dubuque, Iowa 52001-4864
(319) 589-4110
(319) 589-4149 FAX



April 26, 2002

Linda Morgan and Wayne Burkes
Surface Transportation Board
1201 Constitution Avenue N.W.
Washington, D.C. 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
2002 MAY 13 P 2:23
OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan and Mr. Burkes:

On February 21, 2001, the Dakota Minnesota and Eastern Railroad (DME) announced its intended acquisition of I & M Rail Link (IMRL). While we recognize that no application has yet been filed with the Surface Transportation Board (STB), we are concerned that the applicant may request the transaction be considered "exempt" as defined in 49 CFR 1180.2. We wish to go on record that the proposed transaction, if or when an application is filed, should be given due consideration as a "minor" transaction, if not a "significant" transaction, as defined in 49 CFR 1180.2. The transaction will certainly be of regional and national transportation importance and have significant impacts on communities and shippers.

With a significant or minor transaction designation, STB could provide all interested parties ample time to comment and participate in the proceedings. Ample time would not be available in an exempt proceeding. It should be noted that Iowa remains neutral on the transaction at this time. We are neither for nor against this transaction since there is little information currently available. Our concern is that the appropriate regulatory process be used.

The proposed transaction, outlined by press announcements, indicates that the Iowa Chicago and Eastern Railroad Corporation (IC&E), a subsidiary of American Rail Holdings, Inc., which is a wholly owned subsidiary of the DME, will acquire the assets of the IMRL. While this transaction is a bit convoluted and may on the surface look like a non-carrier acquisition of railroad assets, it is, in fact, the acquisition of the IMRL by the DME, as both will be under the same management control. We feel that an application filed with STB relative to the proposed transaction should not be considered exempt for any of the seven categories outlined in 49 CFR 1180.2(d). We also feel this transaction is merely a benign non-railroad company acquiring rail assets with no market impacts, operations changes, or environmental effects.

Our concerns on the regulatory process stem from the fact that there are a number of unanswered questions related to the proposed transaction, and an exempt process would not provide ample opportunity for the City of Dubuque, local shippers, and others to respond or comment. As you may know, both railroads currently operate in Iowa, with IMRL running the entire length of our riverfront. Nearly 60 percent of the IMRL operations and operating revenues are in Iowa. It is expected the acquisition of the IMRL by the DME would have a significant effect on rail service in Iowa, on shippers they serve, and on communities in Dubuque they traverse.

Following are some of our concerns and questions about the proposed transaction we hope to have answered or addressed in a full STB process.

Financial viability – The proposed purchase by a small short line railroad with marginal operating profits of a larger regional carrier with no operating profits does not appear to make for a viable combination. While the DME may have a successful future with or without the development of Powder River coal traffic, combining with the IMRL may not generate significantly increased revenues or reduce costs sufficiently to offset current operating losses for the IMRL. This is important since, without having a reasonable expectation of success for this merger, there is the potential for more consolidations or re-organizations in the future (i.e. downstream impacts), which could have more and broader impacts on service and competitiveness.

We believe there are a number of questions and issues concerning the financial viability and future stability of the proposed merger. These issues need to be answered through the STB process. Having an exempt process for this transaction will not provide sufficient review of these questions.

Environmental/community impacts – The IMRL, particularly as it traverses northeast Iowa and the Mississippi River Corridor, could pose some environmental and community impacts when or if there is significant traffic increases, particularly if the expected coal traffic is to be routed over the IMRL. If the DME has expectations to provide significant upgrade to the infrastructure of the IMRL (with potential capacity improvements), what are the potential environmental and community impacts, if any? And what mitigation may be needed?

The DME provided an Environmental Impact Analysis for the entire DME route in its application to STB for the Powder River Basin project. The IMRL routes were not considered in that application and environmental analysis. Under the proposed merger, will the DME provide a similar effort relative to potential traffic increases to IMRL routing and to the communities affected? Would this type of analysis be needed?

Again, these and other questions related to environmental community concerns need to be raised through the STB process, and the exempt applications process would be insufficient to address these issues.

Impacts on shippers – The direct impact of this proposed merger to Dubuque is unknown at this time. Without a full STB process, understanding of the impacts to shippers Dubuque and Iowa will not be fully understood. The majority of shippers on the IMRL in Iowa are grain shippers and they currently have all the access and service that would be provided under the proposed merger. It does not appear the DME route will provide any significantly new destinations or markets for Iowa grain shippers. However, the benefits may be more indirect through improved operations and grain market competition. A full understanding of these impacts and the market implications can only be gained through a full STB process.

In conclusion, the City of Dubuque supports the STB in its regulatory role. Trying to balance the needs of the rail industry for timely decisions and ensuring appropriate opportunities are provided to those affected by industry actions is difficult and important. In the case of this proposed action, we ask that the balance be met through a full STB process and not through the expedited process of exemption.

If you have any questions, please contact me at (563) 589-4110 or e-mail ctymgr@cityofdubuque.org.

Sincerely



Michael C. Van Milligen
City Manager

/ksf

Cc: Mayor Terry Duggan
Dubuque City Council
Barry Lindahl, Corporation Counsel
Mike Koch, Public Works Director
Cindy Steinhauser, Asst. City Manager



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

May 21, 2002

Ms. Donna L. Smith
Chairperson, Dubuque County
Board of Supervisors
Courthouse
Dubuque, IA 52001-7053

Dear Ms. Smith:

This letter responds to your correspondence regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate all of the rail lines of I & M Rail Link, LLC (IMRL). You are concerned that the applicant may request that the transaction be considered exempt as defined in 49 CFR 1180.2, and you request that the proposed acquisition be subject to the full regulatory process.

By letter received at the Board on February 26, 2002, ICE certified that it had posted a notice at the workplace of the employees on the rail lines that ICE intends to acquire from IMRL, and that ICE had served a copy of the notice on the national offices of all labor unions with employees on the affected lines. In its letter, ICE indicated that it was providing notice pursuant to Board regulations at 49 CFR 1150.32(e) and 49 CFR 1150.35(a), which are contained in a rule, 49 CFR 1150 Subpart D—Exempt Transactions Under 49 U.S.C. 10901, providing that a person may invoke the exemption described there by filing a verified notice describing the proposed transaction.

In your letter, you express concern that the proposed transaction will affect shipping from the AGRI Grain Marketing Terminal in Dubuque and, subsequently, the agricultural products being shipped from Iowa and Dubuque County. Our records show that, to date, no filing other than the letter certifying compliance with the notice to employees requirement has been submitted by ICE to the Board concerning this matter. However, ICE has requested that a docket number (STB Finance Docket No. 34177) be reserved for its anticipated filing. Please be assured that the Board will keep your concerns under consideration if or when an official filing has been made by ICE concerning its proposed transaction.

Ms. Donna L. Smith

If you would like information on how to participate in this case, you may contact our Office of Congressional and Public Services by writing to that office at this address or by calling (202) 565-1592. I will have your letter and my response placed in the public docket for this proceeding. I appreciate your interest in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan

Dubuque County
Board of Supervisors

COURTHOUSE
DUBUQUE, IOWA 52001-7053

PHONE: 563-589-4441
FAX: 563-589-7884
EMAIL: brdofsup@dbqco.org

DONNA L. SMITH
ALAN R. MANTERNACH
JIM WALLER

April 22, 2002

Linda Morgan and Wayne Burkes
Surface Transportation Board
1201 Constitution Avenue NW
Washington DC 20423

Re: Proposed Merger of I & M Rail Line and
Minnesota and Eastern Railroad

OFFICE OF
CHAIRMAN MORGAN

2002 MAY - 2 P 2:16

RECEIVED
SURFACE TRANSPORTATION
BOARD

Dear Ms. Morgan and Mr. Burkes:

The Dubuque County Board of Supervisors has been advised of an application to the Surface Transportation Board for an acquisition of the I & M Rail Line railroad with the Iowa Chicago and Eastern Railroad Corporation, a subsidiary of the Dakota, Minnesota and Eastern Railroad.

This acquisition will affect shipping from the AGRI Grain Marketing Terminal in Dubuque, Iowa, and subsequently the agricultural products being shipped from Iowa, and particularly from Dubuque County.

As a Board, we have a record of actively partnering with government and private entities to sustain and enhance the economic development in our county. We are therefore concerned that the applicant may request that this acquisition be considered as "exempt" from the process that offers us, and other bodies like ours, the opportunity to evaluate the proposal and submit comment to the Surface Transportation Board.

Because this acquisition is significant to Dubuque County, our constituents, and to Iowa, we are asking that it be subject to the full regulatory process, offering us the opportunity to submit comment. Thank you.

Sincerely,

DUBUQUE COUNTY BOARD OF SUPERVISORS


Donna L. Smith, Chairperson

jh

cc: Mark Wandro, Director, Iowa Department of Transportation



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

May 21, 2002

Mr. Terrence M. Duggan
Chairman, DMATS Policy Board
East Central Intergovernmental Association
Suite 330, Nesler Center
799 Main Street
P.O. Box 1140
Dubuque, IA 52004-1140

Dear Mr. Duggan:

This letter responds to your correspondence regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate all of the rail lines of I & M Rail Link, LLC (IMRL). You are concerned that the applicant may request that the transaction be considered exempt as defined in 49 CFR 1180.2, and you wish to go on record in support of the position that the proposed transaction, if or when an application is filed, should be given due consideration as a minor transaction, if not a significant transaction, as defined in 49 CFR 1180.2.

By letter received at the Board on February 26, 2002, ICE certified that it had posted a notice at the workplace of the employees on the rail lines that ICE intends to acquire from IMRL, and that ICE had served a copy of the notice on the national offices of all labor unions with employees on the affected lines. In its letter, ICE indicated that it was providing notice pursuant to Board regulations at 49 CFR 1150.32(e) and 49 CFR 1150.35(a), which are contained in a rule, 49 CFR 1150 Subpart D—Exempt Transactions Under 49 U.S.C. 10901, providing that a person may invoke the exemption described there by filing a verified notice describing the proposed transaction.

In your letter, you state that the transaction will be of regional and national transportation importance and will have significant impacts on the Dubuque Metropolitan Area and its shippers. Our records show that, to date, no filing other than the letter certifying compliance with the notice to employees requirement has been submitted by ICE to the Board concerning this matter. However, ICE has requested that a docket number (STB Finance Docket No. 34177) be reserved for its anticipated filing. Please be assured that the Board will keep your concerns under consideration if or when an official filing has been made by ICE concerning its proposed transaction.

Mr. Terrence M. Duggan

If you would like information on how to participate in this case, you may contact our Office of Congressional and Public Services by writing to that office at this address or by calling (202) 565-1592. I will have your letter and my response placed in the public docket for this proceeding. I appreciate your interest in this matter.

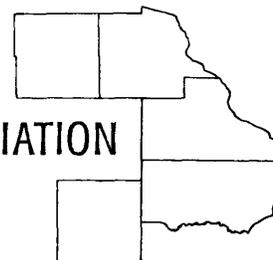
Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan". The signature is written in black ink and is positioned above the printed name.

Linda J. Morgan

EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION

Working Together to Improve the Quality of Life



April 17, 2002

Linda Morgan and Wayne Burkes
Surface Transportation Board
1201 Constitution Avenue N.W.
Washington D.C. 20423

Suite 330
Nesler Centre
799 Main Street
PO Box 1140
Dubuque, IA 52004-1140

Dear Ms. Morgan and Mr. Burkes:

On February 21, 2002, the Dakota Minnesota and Eastern Railroad (DME) announced its intended acquisition of I & M Rail Link (IMRL). While we recognize that no application has yet been filed with the Surface Transportation Board (STB), we are concerned that the applicant may request the transaction be considered "exempt" as defined in 49 CFR 1180.2. We wish to request that the proposed transaction, if or when an application is filed, be given due consideration as a "minor" transaction, if not a "significant" transaction as defined in 49 CFR 1180.2. The transaction will certainly be of regional and national transportation importance and have significant impacts on the Dubuque Metropolitan Area and its shippers.

With significant or minor transaction designation, STB could provide all interested parties ample time to comment and participate in the proceeding, which will impact our communities. If the proceeding were exempt, there would not be sufficient time for participation by interested parties. Our concern with this matter is primarily that the appropriate regulatory process be used.

As the IMRL traverses northeast Iowa and the Mississippi River corridor, could pose some environmental impacts and will certainly pose impacts the communities along the line, particularly if the expected increased coal traffic is routed over the IMRL.

The Dubuque Metropolitan Area Transportation Study (DMATS) as the designated Metropolitan Planning Organization (MPO) for the Dubuque Metropolitan Area supports the STB in its regulatory capacity. DMATS feels that the participation of interested parties is an important step in this process and that the process may still proceed in a timely manner without an exemption.

RECEIVED
SURFACE TRANSPORTATION
BOARD
2002 APR 30 P 2:50
OFFICE OF
CHAIRMAN MORGAN

(563) 556-4166

(800) 942-4648

(563) 556-0348

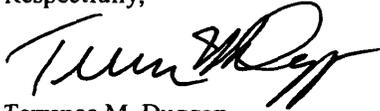
ecia@ecia.org

www.ecia.org

Surface Transportation Board
April 17, 2002
Page 2

If you have any questions or comments, please contact the DMATS Director, Chad Ruhberg at 563.556.4166 or by email at cruhberg@ecia.org.

Respectfully,



Terrence M. Duggan
Chairman, DMATS Policy Board

TMD:cmr

cc: DMATS Policy Board



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

May 21, 2002

Ms. Donna Smith
Chairperson, ECIA RPA Policy Board
East Central Intergovernmental Association
Suite 330, Nesler Center
799 Main Street
P.O. Box 1140
Dubuque, IA 52004-1140

Dear Ms. Smith:

This letter responds to your correspondence regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate all of the rail lines of I & M Rail Link, LLC (IMRL). You are concerned that the applicant may request that the transaction be considered exempt as defined in 49 CFR 1180.2, and you wish to go on record in support of the position that the proposed transaction, if or when an application is filed, should be given due consideration as a minor transaction, if not a significant transaction, as defined in 49 CFR 1180.2.

By letter received at the Board on February 26, 2002, ICE certified that it had posted a notice at the workplace of the employees on the rail lines that ICE intends to acquire from IMRL, and that ICE had served a copy of the notice on the national offices of all labor unions with employees on the affected lines. In its letter, ICE indicated that it was providing notice pursuant to Board regulations at 49 CFR 1150.32(e) and 49 CFR 1150.35(a), which are contained in a rule, 49 CFR 1150 Subpart D—Exempt Transactions Under 49 U.S.C. 10901, providing that a person may invoke the exemption described there by filing a verified notice describing the proposed transaction.

In your letter, you state that the transaction will be of regional and national transportation importance and will have significant impacts on the communities and counties of Northeast Iowa and their shippers. Our records show that, to date, no filing other than the letter certifying compliance with the notice to employees requirement has been submitted by ICE to the Board concerning this matter. However, ICE has requested that a docket number (STB Finance Docket No. 34177) be reserved for its anticipated filing. Please be assured that the Board will keep your concerns under consideration if or when an official filing has been made by ICE concerning its proposed transaction.

Ms. Donna Smith

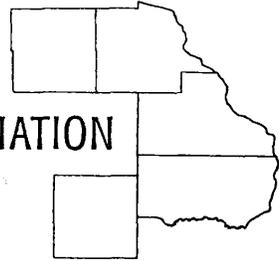
If you would like information on how to participate in this case, you may contact our Office of Congressional and Public Services by writing to that office at this address or by calling (202) 565-1592. I will have your letter and my response placed in the public docket for this proceeding. I appreciate your interest in this matter.

Sincerely,


Linda J. Morgan

EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION

A Regional Partnership for Social Mobility



April 17, 2002

Linda Morgan and Wayne Burkes
Surface Transportation Board
1201 Constitution Avenue N.W.
Washington D.C. 20423

Suite 330
Nesler Centre
799 Main Street
PO Box 1140
Dubuque, IA 52004-1140

Dear Ms. Morgan and Mr. Burkes:

On February 21, 2002, the Dakota Minnesota and Eastern Railroad (DME) announced its intended acquisition of I & M Rail Link (IMRL). While we recognize that no application has yet been filed with the Surface Transportation Board (STB), we are concerned that the applicant may request the transaction be considered "exempt" as defined in 49 CFR 1180.2. We wish to request that the proposed transaction, if or when an application is filed, be given due consideration as a "minor" transaction, if not a "significant" transaction as defined in 49 CFR 1180.2. The transaction will certainly be of regional and national transportation importance and have significant impacts on the communities and counties of northeast Iowa and their shippers.

With significant or minor transaction designation, STB could provide all interested parties ample time to comment and participate in the proceeding, which will impact our communities. If the proceeding were exempt, there would not be sufficient time for participation by interested parties. Our concern with this matter is primarily that the appropriate regulatory process be used.

As the IMRL traverses northeast Iowa and the Mississippi River corridor, could pose some environmental impacts and will certainly pose impacts the communities along the line, particularly if the expected increased coal traffic is routed over the IMRL.

The East Central Intergovernmental Association (ECIA) Regional Planning Affiliation (RPA) as a designated transportation planning entity in northeast Iowa supports the STB in its regulatory capacity. The ECIA RPA feels that the participation of interested parties is an important step in this process and that the process may still proceed in a timely manner without an exemption.

RECEIVED
SURFACE TRANSPORTATION
BOARD
2002 MAY -7 P 12: 17
OFFICE OF
CHAIRMAN MORGAN

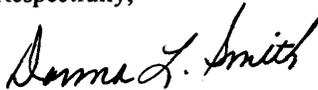
(563) 556-4166 fax (800) 942-4648 (563) 556-0348 ecia@ecia.org www.ecia.org

Dubuque Metropolitan Area Transportation Study Eastern Iowa Regional Housing Authority Region I Employment and Training

Surface Transportation Board
April 17, 2002
Page 2

If you have any questions or comments, please contact the ECIA RPA Director, Chad Ruhberg at 563.556.4166 or by email at cruhberg@ecia.org.

Respectfully,



Donna Smith
Chairperson, ECIA RPA Policy Board

DS:cmr

cc: ECIA RPA Policy Board



City of Guttenberg

June 6, 2002

502 South First Street
P.O. Box 580
Guttenberg, Iowa 52052-0580

RECEIVED
JUN 14 2002
MAIL
MANAGEMENT
SIB

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423-0001

Re: Finance Docket #34177

Dear Secretary Williams:

The City of Guttenberg, Iowa hereby requests to be a party of record in the above-referenced Docket, The Iowa, Chicago and Eastern Railroad Corporation (I,C&E) acquisition and operation of I & M Rail Link, LLC (IMRL) lines.

The City Council of the City of Guttenberg, Iowa is concerned that the acquisition (of IMRL by I,C&E) and the planned control of I,C&E by Dakota, Minnesota & Eastern Railroad Corporation (DM&E) will result in increased rail traffic through Guttenberg, Iowa. The increased rail traffic would impact the safety of the rail crossings within this city. The resulting crossing safety improvements should be addressed as part of the acquisition, as they were addressed over DM&E's line expansion to the Powder River Basin.

Due to these concerns, the City of Guttenberg, Iowa opposes granting an acquisition and operation exemption.

Sincerely,

Thomas J. Blake

TJB:deu



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

May 15, 2002

The Honorable John R. Ries
Mayor, City of Marquette
88 North Street
P.O. Box 7
Marquette, IA 52158-0007

Dear Mayor Ries:

This letter responds to your correspondence regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate all of the rail lines of I & M Rail Link, LLC (IMRL). You are concerned that the applicant may request that the transaction be considered exempt as defined in 49 CFR 1180.2, and you feel that it should be considered a minor or significant transaction.

By letter received at the Surface Transportation Board (Board) on February 26, 2002, ICE certified that it had posted a notice at the workplace of the employees on the rail lines that ICE intends to acquire from IMRL, and that ICE had served a copy of the notice on the national offices of all labor unions with employees on the affected lines. In its letter, ICE indicated that it was providing notice pursuant to Board regulations at 49 CFR 1150.32(e) and 49 CFR 1150.35(a), which are contained in a rule, 49 CFR 1150 Subpart D—Exempt Transactions Under 49 U.S.C. 10901, providing that a person may invoke the exemption described there by filing a verified notice describing the proposed transaction.

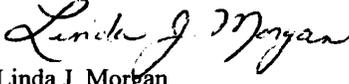
In your letter, you express concern that the proposed transaction could have a devastating effect on your small town's residents and businesses. Our records show that, to date, no filing other than the letter certifying compliance with the notice to employees requirement has been submitted by ICE to the Board concerning this matter. However, ICE has requested that a docket number (STB Finance Docket No. 34177) be reserved for its anticipated filing. Please be assured that the Board will keep your concerns under consideration if or when an official filing has been made by ICE concerning its proposed transaction.

If you would like information on how to participate in this case, you may contact our Office of Congressional and Public Services by writing to that office at this address or by calling (202) 565-1592.

The Honorable John R. Ries

I will have your letter and my response placed in the public docket for this proceeding.
I appreciate your interest in this matter.

Sincerely,


Linda J. Morgan

"A City for all Seasons"

City of Marquette

88 North Street ~ PO Box 7 ~ Marquette, IA 52158-0007
Phone: (563) 873-3735 ~ Fax: (563) 873-2122 ~ Email: marqcity@alpinecom.net

April 10, 2002

Linda Morgan and Wayne Burkes
Surface Transportation Board
1201 Constitution Avenue N.W.
Washington, D.C. 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
2002 APR 18 P 2:35
OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan and Mr. Burke:

Recently the DM&E Railroad announced its intended acquisition of I&M Rail Link. Please do not let this transaction be considered exempt as defined in 49 CFR 1180.2. We feel it should be considered a minor or significant transaction.

I&M Rail Link has many spurs running within our city limits. The actions of the new company will have a huge impact on our city. We already have a big problem with trains tying up our tracks and noise and environmental pollution from the railroad. Depending on the new company's cargo and traffic patterns, it could have a devastating effect on our small town's residents and businesses. I urge you to make sure the appropriate regulatory process is utilized.

If you would like to contact me, please feel free to give me a call at (563) 873-3735.

Sincerely,



John Ries
Mayor

"A City for all Seasons"

City of Marquette

88 North Street ~ PO Box 7 ~ Marquette, IA 52158-0007

Phone: (563) 873-3735 ~ Fax: (563) 873-2122 ~ Email: marqcity@alpinecom.net

June 12, 2002

Vernon Williams, Secretary
Surface Transportation Board
1925 K Street, NW, Room 700
Washington, DC 20006



Re: STB Finance Docket #34177

Dear Vernon:

Please find enclosed a copy of the letter our Mayor previously sent to Linda Morgan & Wayne Burkes in April of this year. I am forwarding 10 copies of the letter to you and also a copy to IC&E's attorney, William C. Sipple.

If you have any questions, please feel free to give us a call at (563)873-3735.

Thank You,

A handwritten signature in cursive script that reads "Denise Schneider".

Denise Schneider
City Clerk

Enclosures

ENTERED
Office of Proceedings,

JUN 25 2002

Part of
Public Record

City of Marquette

88 North Street ~ PO Box 7 ~ Marquette, IA 52158-0007
Phone: (563) 873-3735 ~ Fax: (563) 873-2122 ~ Email: marqcity@alpinecom.net

April 10, 2002

Linda Morgan and Wayne Burkes
Surface Transportation Board
1201 Constitution Avenue N.W.
Washington, D.C. 20423

Dear Ms. Morgan and Mr. Burke:

Recently the DM&E Railroad announced its intended acquisition of I&M Rail Link. Please do not let this transaction be considered exempt as defined in 49 CFR 1180.2. We feel it should be considered a minor or significant transaction.

I&M Rail Link has many spurs running within our city limits. The actions of the new company will have a huge impact on our city. We already have a big problem with trains tying up our tracks and noise and environmental pollution from the railroad. Depending on the new company's cargo and traffic patterns, it could have a devastating effect on our small town's residents and businesses. I urge you to make sure the appropriate regulatory process is utilized.

If you would like to contact me, please feel free to give me a call at (563) 873-3735.

Sincerely,



John Ries
Mayor

 **COPY**



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

May 21, 2002

The Honorable Bill Schickel
Mayor, City of Mason City, IA
10 1st Street, N.W.
Mason City, IA 50401

Dear Mayor Schickel:

This letter responds to your correspondence regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate all of the rail lines of I & M Rail Link, LLC (IMRL). You are concerned that the applicant may request that the transaction be considered exempt as defined in 49 CFR 1180.2, and you are opposed to the handling of this matter as an exempt proceeding.

By letter received at the Board on February 26, 2002, ICE certified that it had posted a notice at the workplace of the employees on the rail lines that ICE intends to acquire from IMRL, and that ICE had served a copy of the notice on the national offices of all labor unions with employees on the affected lines. In its letter, ICE indicated that it was providing notice pursuant to Board regulations at 49 CFR 1150.32(e) and 49 CFR 1150.35(a), which are contained in a rule, 49 CFR 1150 Subpart D—Exempt Transactions Under 49 U.S.C. 10901, providing that a person may invoke the exemption described there by filing a verified notice describing the proposed transaction.

In your letter, you express concern that the citizens of Mason City could be impacted by the transaction, and that they should be given the opportunity to submit comments to the Board on the transaction. Our records show that, to date, no filing other than the letter certifying compliance with the notice to employees requirement has been submitted by ICE to the Board concerning this matter. However, ICE has requested that a docket number (STB Finance Docket No. 34177) be reserved for its anticipated filing. Please be assured that the Board will keep your concerns under consideration if or when an official filing has been made by ICE concerning its proposed transaction.

The Honorable Bill Schickel

If you would like information on how to participate in this case, you may contact our Office of Congressional and Public Services by writing to that office at this address or by calling (202) 565-1592. I will have your letter and my response placed in the public docket for this proceeding. I appreciate your interest in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan

Mason City

CITY OF MASON CITY

10 1st Street NW • Mason City, IA 50401

April 18, 2002

Linda Morgan and Wayne Burkes
Surface Transportation Board
1201 Constitution Avenue N. W.
Washington, DC 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
2002 MAY -2 P 2:16
OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan and Mr. Burkes:

The I & M Rail Link (IMRL) operates a rail line that runs through the city of Mason City, Iowa. I understand that on February 21, 2002, Dakota Minnesota and Eastern Railroad (DME) announced its intent to acquire IMRL. I also understand that while no application has been filed, the applicant may request that the transaction be considered "exempt" as defined in 49 CFR 1180.2.

This rail line extends for several miles through Mason City and intersects with many city streets. There is a significant impact of the rail line on the citizens of Mason City. Therefore, I believe the transaction should not be allowed to be an exempt proceeding. The citizens of Mason City could be impacted by the transaction and should be given the opportunity to provide their input to persons making decisions on the transaction.

Thank you for your consideration.

Sincerely,



Bill Schickel
Mayor

Cc: City Council members
Mark Wandro, Director, Iowa Department of Transportation

Missouri
Department
of Transportation



Henry Hungerbeeler, Director

105 West Capitol Avenue
P.O. Box 270
Jefferson City, MO 65102
(573) 751-2551
Fax (573) 751-6555
www.modot.state.mo.us

June 24, 2002

Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001



Re: FD #34177 – Iowa, Chicago & Eastern Railroad Corporation—Acquisition and Operation Exemption—Lines of I&M Rail Link, LLC

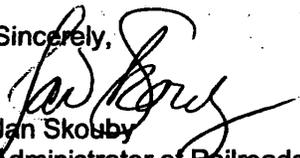
Dear Mr. Williams:

The Missouri Department of Transportation (MoDOT) opposes the “Notice of Exemption” filed by the Iowa, Chicago & Eastern Railroad Corporation to acquire and operate the rail lines and assets owned by the I&M Rail Link, LLC.

We believe this exemption should be denied and the transaction should be considered as a consolidation or merger of two Class II railroads. The current exemption process provides inadequate time and information to review the full transaction. The transaction is more than just a non-carrier acquiring an operating railroad. MoDOT asks the STB to stay this exemption and establish a procedural schedule to provide opportunities for affected communities, shippers, railroads and others to review the details of the proposed transaction, and to seek protective conditions and mitigation if necessary.

Please note that MoDOT remains neutral on the transaction. We neither support nor oppose this transaction at this time. Our concern centers on the opportunity for the Department, shippers, communities and other interested parties to adequately review the potential impact of the transaction and participate in the STB proceedings.

Sincerely,


Jan Skouby
Administrator of Railroads

ENTERED
Office of Proceedings

JUL 27 2002

Part of
Public Record

Copy: Fletcher & Sippel, LLC
Departments of Transportation: Illinois, Iowa, Minnesota, South Dakota, Wisconsin

J:\DASHTSI&M Rail Link Acquisition.doc

Our mission is to preserve and improve Missouri's transportation system to enhance safety and encourage prosperity.

Quad City Port Services, Inc.

Customs Broker and International Freight Forwarder

June 17, 2002



Mr. Vernon Williams, Secretary
Surface Transportation Board
1925 K Street N.W., Room 700
Washington, D.C. 20006

Dear Secretary Williams:

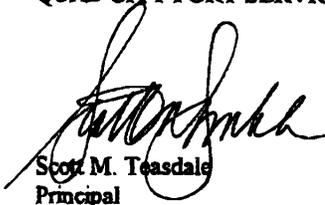
We write to invite your attention to concerns raised by the Iowa Department of Transportation (Iowa DOT) in regards to the proposed railroad merger of the Dakota, Minnesota and Eastern Railroad (DM&E) and the I & M Rail Link (IMRL).

The Iowa Department of Transportation has asked for a full Surface Transportation Board (STB) rail consolidation process under STB rules. The basis of the request is that the Iowa, Chicago and Eastern Railroad Corporation (IC&E) exemption process and the DM&E control application process should be done at the same time (i.e., they are part and parcel of the same transaction).

We support the Iowa DOT in its opposition to the Notice of Exemption. We believe the exemption should be denied and that "the transaction should be considered as a consolidation or merger of two Class II railroads." We strongly believe that complete disclosure will allow everyone affected by this transaction to participate to the fullest.

Sincerely,

QUAD CITY PORT SERVICES, INC.


Scott M. Teasdale
Principal


Wendy K. Weeks, CHB
Principal

United States
1634 State Street
Bettendorf, Iowa 52722

phone: 563.355.0991
fax: 563.355.1768
www.qcps.com



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

June 6, 2002

Mr. W. P. Cotter
Vice President and Plant Manager
Sethness Products Company
1347 Beaver Channel Parkway
Clinton, IA 52732-5933

Dear Mr. Cotter:

This letter responds to your correspondence regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc. (Holdings), which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation (DM&E), to acquire and operate all of the rail lines of I & M Rail Link, LLC (IMRL).

You are concerned that the applicant may request that the transaction be considered exempt as defined in 49 CFR 1180.2, and you wish to go on record in support of the position that the proposed transaction, if or when an application is filed, should be given due consideration as a minor transaction, if not a significant transaction, as defined in 49 CFR 1180.2. In your letter, you mention three areas of concern about the proposed transaction—financial viability, environmental/community impacts, and effects on shippers—which you hope to have addressed in a full Board process.

By letter received at the Board on February 26, 2002, ICE certified that, in compliance with our exemption rules, it posted a notice at the workplace of the employees of IMRL indicating that ICE intends to acquire and operate IMRL. In this type of transaction the applicant must, at least 60 days before the exemption becomes effective, post a notice of the proposed transaction at the workplace of the employees on the affected lines and serve a copy of the notice on the national offices of the employees' unions. The notice must also specify the types and numbers of jobs expected to be available, the terms of employment and principles of employee selection, and the lines to be transferred.

On May 24, 2002, ICE filed a notice of intent under 49 CFR 1150.35(a) indicating that, on or after June 7, 2002, it intends to file a notice of exemption under 49 CFR 1150.31 to acquire and operate the rail lines and assets of IMRL, a Class II carrier. ICE's notice was filed pursuant to the Board's exemption procedures governing noncarrier acquisitions under 49 U.S.C. 10901 that involve the creation of Class I or Class II carriers. This proceeding has been docketed at the

Mr. W. P. Cotter

Board as STB Finance Docket No. 34177. In its notice, ICE states that DM&E and Holdings expect to file an application soon, pursuant to 49 U.S.C. 11323(a)(3) and 49 CFR 1180.2(c), to continue in control of ICE once ICE acquires the IMRL lines and becomes a rail carrier. ICE indicates that it anticipates that it will consummate its acquisition of IMRL's lines and commence operations on or after June 28, 2002.

Under our exemption rules stated above, the exemption would be effective 21 days after the notice of exemption is filed at the Board, unless other action is taken. The agency publishes notice of the filing in the Federal Register within 30 days of the filing at the Board so that all members of the public might have notice of the filing. If the notice contains false or misleading information, the exemption is void ab initio. Anyone who objects to the transaction may file a petition to reject the notice or to revoke the exemption. In the event that interested persons believe that the effectiveness of the exemption would cause immediate and irreparable harm, those persons may petition the Board to stay the effectiveness of the exemption.

If you would like information on how to participate in this case, you may contact our Office of Congressional and Public Services by writing to that office at this address or by calling (202) 565-1592. I will have your letter and my response placed in the public docket for this proceeding. I appreciate your interest in this matter.

Sincerely,


Linda J. Morgan

SETHNESS



CARAMEL COLOR

April 12, 2002

Ms. Linda Morgan and Mr. Wayne Burkes
Surface Transportation Board
1201 Constitution Ave. NW
Washington, DC 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
2002 MAY 28 P 1:21
OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan and Mr. Burkes:

Sethness Products Company is the largest producer of caramel color in North America, located in Clinton, Iowa. We are dependent on the IMRL almost exclusively for incoming raw material and outbound product.

On February 21, 2002, the Dakota Minnesota and Eastern Railroad (DME) announced it intended acquisition of I&M Rail Link (IMRL). While we recognize that no application has yet been filed with the Surface Transportation Board (STB), we are concerned that the applicant may request the transaction be considered "exempt" as defined in 49 CFR 1180.2. We wish to go on record that the proposed transaction, if or when an application is filed, should be given due consideration as a "minor" transaction, if not a "significant" transaction, as defined in 49 CFR 1180.2. The transaction will certainly be of regional and national transportation importance and have significant impacts on communities and shippers.

With a significant or minor transaction designation, STB could provide all interested parties ample time to comment and participate in the proceedings. Ample time would not be available in an exempt proceeding. It should be noted, Sethness Products Company remains neutral on the transaction at this time. We are neither for nor against this transaction since there is little information currently available. Our concern is that the appropriate regulatory process be used.

The proposed transaction, outlined by press announcements, indicates that the Iowa Chicago and Eastern Railroad Corporation (IC&E), a subsidiary of American Rail Holdings, Inc., which is a wholly owned subsidiary of the DME, will acquire the assets of the IMRL. While this transaction is a bit convoluted and may be on the surface look like a non-carrier acquisition of railroad assets, it is, in fact, the acquisition of the IMRL by the DME, as both will be under the same management control. We feel that an application filed with STB relative to the proposed transaction should not be considered exempt for any of the seven categories outlined in 49 CFR 1180.2(d). We also do not feel this transaction is merely a benign non-railroad company acquiring rail assets with no market impacts, operational changes or environmental effects. In addition, it is our understanding that the Canadian Pacific Railway owns a significant share of the IMRL.

SETHNESS PRODUCTS COMPANY

1347 Beaver Channel Parkway, Clinton Iowa 52732-5933 (563) 243-3943 Fax (563) 243-1663 E-Mail: sethness@revealed.net

Sethness Products Company's concerns on the regulatory process stem from the fact that there are a number of unanswered questions related to the proposed transaction, and an exempt process would not provide ample opportunity for Iowa shippers, communities and others to respond or comment. As you may know, both railroads currently operate in Iowa, with the most significant Iowa operations being those of the IMRL. Nearly 60% of the IMRL operations and operating revenues are in Iowa. It is expected the acquisition of the IMRL by the DME would have a significant effect on rail service in Iowa, on shippers they serve, and on communities in Iowa they traverse.

Following are some of our concerns and questions about the proposed transaction we hope to have answered or address in a full STB process:

Financial Viability – The proposed purchase by a small short-line railroad with marginal operating profits of a larger regional carrier with no operating profits does not appear to make for a viable combination. While the DME may have a successful future with or without the development of Powder River coal traffic, combining with the IMRL may not generate significantly increased revenues or reduce costs sufficiently to offset current operating losses for the IMRL. This is important since, without having a reasonable expectation of success for this merger, there is the potential for more consolidations or reorganizations in the future (i.e., downstream impacts), which could have more and broader impacts on service and competitiveness.

Sethness Products Company believes there are a number of questions and issues concerning the financial viability and future stability of the proposed merger. These issues need to be answered through the STB process. Having an exempt process for this transaction will not provide sufficient review of these questions.

Environmental/Community Impacts – The IMRL, particularly as it traverses northeast Iowa and the Mississippi River corridor, could pose some environmental and community impacts when or if there is significant traffic increases, particularly if the expected coal traffic is to be routed over the IMRL. If the DME has expectations to provide significant upgrade to the infrastructure of the IMRL (with potential capacity improvements), what are the potential environmental and community impacts, if any? And, what mitigation may be needed?

The DME provided an Environmental Impact Analysis for the entire DME route in its application to STB for the Powder River Basin project. The IMRL routes were not considered in that application and environmental analysis. Under the proposed merger, will the DME provide a similar effort relative to potential traffic increases to the IMRL routings and to the communities affected? Would this type of analysis be needed?

Again, these and other questions related to environmental and community concerns need to be raised through the STB process, and the exempt application process would be insufficient to address these issues.

Impacts on Shippers – The direct impacts of this proposed merger to all Iowa shippers is unknown at this time. Without a full STB process, understanding of the impacts to shippers and the state economy will not be fully understood. The majority of shippers on

the IMRL in Iowa are grain shippers or dependent on grain and they currently have all the access and service that would be provided under the proposed merger. It does not appear the DME route will provide any significantly new destinations or markets for Iowa grain shippers. However, the benefits may be more indirect through improved operations and grain market competition. A full understanding of these impacts and the market implications can only be gained through a full STB process.

In conclusion, Sethness Products Company supports the STB in its regulatory role. Trying to balance the needs of the rail industry for timely decisions and ensuring appropriate opportunities are provided to those affected by industry actions is difficult and important. In the case of this proposed action, we ask that the balance be met through a full STB process and not through the expedited process of exemption.

If you have any questions, please contact me at phone #563/243-3943; fax #563/243-1663, or E-mail Sethness@revealed.net.

Yours very truly,

SETHNESS PRODUCTS COMPANY



W. P. Cotter
Vice President and Plant Manager

sbr

cc: DME Railroad Corp.
I&M Rail Link



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-8001

May 21, 2002

Mr. Larrie D. Owen
Tyson Foods, Inc.
2210 West Oaklawn Drive
Springdale, AR 72762-6999

Dear Mr. Owen:

This letter responds to your correspondence regarding the proposal by Iowa, Chicago & Eastern Railroad Corporation (ICE), a noncarrier subsidiary of Cedar American Rail Holdings, Inc., which is a wholly owned subsidiary of Dakota, Minnesota & Eastern Railroad Corporation, to acquire and operate all of the rail lines of I & M Rail Link, LLC (IMRL). You are concerned that the applicant may request that the transaction be considered exempt as defined in 49 CFR 1180.2, and you would like the matter considered as a minor transaction.

By letter received at the Board on February 26, 2002, ICE certified that it had posted a notice at the workplace of the employees on the rail lines that ICE intends to acquire from IMRL, and that ICE had served a copy of the notice on the national offices of all labor unions with employees on the affected lines. In its letter, ICE indicated that it was providing notice pursuant to Board regulations at 49 CFR 1150.32(e) and 49 CFR 1150.35(a), which are contained in a rule, 49 CFR 1150 Subpart D—Exempt Transactions Under 49 U.S.C. 10901, providing that a person may invoke the exemption described there by filing a verified notice describing the proposed transaction.

In your letter, you state that Tyson Foods, Inc. (Tyson Foods) is the largest poultry producer in the United States, and that it is essential that dependable and consistent rail service be maintained from IMRL origins to the Tyson Foods feed mills served by The Kansas City Southern Railway or its shortline connection. Our records show that, to date, no filing other than the letter certifying compliance with the notice to employees requirement has been submitted by ICE to the Board concerning this matter. However, ICE has requested that a docket number (STB Finance Docket No. 34177) be reserved for its anticipated filing. Please be assured that the Board will keep your concerns under consideration if or when an official filing has been made by ICE concerning its proposed transaction.

Mr. Larrie D. Owen

If you would like information on how to participate in this case, you may contact our Office of Congressional and Public Services by writing to that office at this address or by calling (202) 565-1592. I will have your letter and my response placed in the public docket for this proceeding. I appreciate your interest in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan



It's what your *family* deserves."

April 19, 2002

T-1.6 FO LL

Ms. Linda Morgan and Mr. Wayne Burkes
Surface Transportation Board
1925 K Street, NW
Washington, D. C. 20423

Dear Ms. Morgan and Mr. Burkes:

On February 21, 2002 the Dakota, Minnesota and Eastern Railroad (DME) announced its intention to acquire the I&M Rail Link (IMR). Although, to our knowledge, no application has been filed with the Surface Transportation Board (STB), we are concerned that if and when an application is filed it may request the transaction be considered as an exempt filing as defined in 49 CFR 1180.2.

One of Tyson Foods' business endeavors is the business of growing, processing and marketing poultry. This involves what is referred to as an integrated poultry operation meaning that we operate hatcheries, processing facilities and feed mills. We are the largest poultry producer in the United States, processing in excess of 45 million birds weekly. To maintain this production level we have to feed at any given time over 360 million birds. To maintain our vast poultry flocks, we operate feed mills in the States of Alabama, Arkansas, Florida, Georgia, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Tennessee, Texas and Virginia. We also operate two feed mills in Mexico.

The Kansas City Southern Railroad (KCS) or its short line connection serves seven of our feed mills. Because of the limited origination of corn on the KCS, we rely heavily on shipments from origins on the IMR for our corn (approximately 356 cars weekly) at these seven feed mills. Thus, it is essential that dependable and consistent service be maintained from IMR origins to our KCS mills.

To our knowledge no operation plans have been advertised by the DME nor do we know the level of expertise and resources available to maintain the services we must receive to operate our mills. We are not opposing any merger application which may be filed, but instead, are requesting the STB to fully investigate our concerns by considering the matter as a minor transaction. This will allow interested parties ample time to comment and participate in the proceedings if desired.

Yours very truly,

Larrie D. Owen
Larrie D. Owen

/sj

cc: Mr. Tony Swindle
Tyson Foods, Inc.

RECEIVED
SURFACE TRANSPORTATION
BOARD
2002 APR 30 P 2:50
OFFICE OF
CHAIRMAN MORGAN



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

May 23, 2002

The Honorable Jerry Miller
Mayor
City of Winona
City Hall
207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378

Dear Mayor Miller:

I have recently received by fax your letter dated April 23, 2002, regarding an anticipated proposal by the Dakota, Minnesota & Eastern Railroad Company (DM&E) to purchase the I&M Rail Link (I&M). You state that I&M currently operates through Winona, Minnesota, using a rail line owned by the Canadian Pacific Railroad (CP), and that if DM&E's purchase of I&M is completed, DM&E would then operate through Winona over CP's tracks. You ask whether the Board would reconsider imposing mitigation for Winona in light of the possible purchase of I&M by DM&E.

As you know, when the Board issued its decision on January 30, 2002, approving DM&E's Powder River Basin Expansion Project (STB Finance Docket No. 33407), it did not impose mitigation for Winona because Winona is not located on the DM&E line. See Decision at 27. The Board's Powder River Basin Expansion Project case has been completed, the Board's decision is final, and judicial review of that decision is now pending in the United States Court of Appeals for the Eighth Circuit.

To date, DM&E has not formally instituted a proceeding at the Board for authority to acquire I&M. Thus, the Board has not had occasion to look into the anticipated acquisition, and it would be premature at this point to address whether mitigation for Winona might be appropriate in the context of such an acquisition. If DM&E seeks authority to acquire I&M, the Board would then determine whether an environmental review of the proposal is necessary, and, if so, what the scope and level of the environmental review should be. During the course of the acquisition proceeding, you would have the opportunity to raise any concerns you have about environmental impacts on Winona that would result from the acquisition, and any need for mitigation to minimize potential environmental impacts.

I hope that this information is useful to you. Please do not hesitate to contact me if I may be helpful in the future.

Sincerely,


Linda J. Morgan



CITY HALL
207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
FAX: 507/457-8212

April 23, 2002

Ms. Linda J. Morgan, Chairman
Surface Transportation Board
Office of the Secretary, Case Control Unit
STB Finance Docket #33407
1925 K Street N. W.
Washington, D.C. 20423-0001

RECEIVED
SURFACE TRANSPORTATION
BOARD
2002 MAY 13 A 10:44
OFFICE OF
CHAIRMAN MORGAN

Dear Chairman Morgan:

I am writing to you concerning the request from the DM&E Railroad to purchase the I&M Railroad and the impact the purchase could have on the DM&E expansion project. The I&M Railroad has operating rights on the Canadian Pacific tracks through the City of Winona. If the purchase of the I&M by the DM&E is completed, then the DM&E will have a presence in Winona on the CP tracks.

The STB position in the Final EIS was that the Board couldn't impose mitigation to reduce down line impacts of the proposed expansion project. I am convinced that if the I&M purchase is completed, then the DM&E will have a presence for operating on the CP tracks. Would the STB reconsider mitigation in Winona with this new issue of the I&M purchase?

I am requesting a response from you concerning whether or not the STB would reconsider mitigation for Winona if the I&M purchase by the DM&E is completed. The City is trying to lessen the rail traffic impacts through the City with necessary mitigation projects. We continue to believe the DM&E should be required to provide some mitigation projects in Winona.

I look forward to hearing from you on this request. I am hoping that you will be able to respond within two weeks so that we may have this information to decide on whether the City will actively pursue its appeal of the STB decision.

Thank you for your prompt response.

Sincerely,



Jerry Miller
Mayor

Cc. Senator Mark Dayton
Senator Paul Wellstone
Representative Gil Gutknecht

CITY OF
Winona
MINNESOTA
FAX Cover Sheet

Judith Bodway
Director of Economic Development
City of Winona
207 Lafayette - P.O. Box 378
Winona, MN 55987
Phone: 507-457-8250 Fax: 507-457-8212

To: Ms. Linda Morgan

Fax No.: 202-565-9015

Date: May 13, 2002

Re: Letter from Mayor Jerry Miller

Pages: 3

Comments:

Attached is a copy of the letter sent to Ms. Morgan from Mayor Jerry Miller dated April 23, 2002.



CITY HALL

207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
FAX: 507/457-8212

June 17, 2002

Ms. Linda Morgan, Chairman
Surface Transportation Board
Office of the Secretary, Case Control Unit
STB Finance Docket # 34177
1925 K Street NW
Washington, D.C. 20423-0001



Dear Chairman Morgan:

I am responding to the formal request by the DM&E to acquire the I&M Railroad, STB Finance Docket #34177. A letter dated May 23, 2002, from the STB to the City of Winona stated the City would have an opportunity to raise any concerns about the environmental impacts on Winona that would result from the acquisition and the need for mitigation to minimize potential environmental impacts during the course of the acquisition proceeding. The City of Winona believes it will be impacted by this acquisition and wishes to comment.

The trackage rights over the Canadian Pacific rail lines from milepost 159.0 at LaCrescent, Minnesota to milepost 416.3 at Merriam Park, Minnesota gives the DM&E a presence in Winona through this purchase. The City had proposed mitigation activities in our comments on the Environmental Impact Statement to the STB on Finance Docket #33407, the DM&E Expansion Project. We wish to have those mitigation activities reviewed under this Notice of Exemption and Acquisition. A copy of the Winona mitigation request is attached to this letter.

We are requesting the Surface Transportation Board to consider comments from the City of Winona on mitigation activities in Winona by the DM&E. We further request the Board consider this project an extension and expansion of the previously approved DM&E proposal.

Sincerely,

A handwritten signature in black ink that reads "Jerry Miller".

Jerry Miller
Mayor

attachment



CITY HALL

207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
FAX: 507/457-8212

March 2, 2001

Office of the Secretary
Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Attention: Elaine K. Kaiser, Chief
Section of Environmental Analysis



The City of Winona is submitting comments to the Surface Transportation Board concerning the Draft Environmental Impact Statement for the Dakota Minnesota and Eastern Railroad Corporation Application, STB Finance Docket No. 33407. The City reserves the right to submit additional comments to the STB and cooperating agencies as the review process continues if significant changes occur that warrant such additional information.

The City of Winona has reviewed the Draft Environmental Impact Statement (DEIS) and is concerned over the lack of direct mitigation requirements imposed for Winona. For the DEIS to be silent on all the impacts that the DM&E expansion project will have on the City of Winona and to be silent on how these impacts will be mitigated and who is responsible for the cost of the mitigation is a fatal flaw and must be addressed and corrected. It is the City's opinion that a full and complete mitigation plan should be part of the final environmental impact statement. The City knows that there will be direct impacts as a result of the Project even though the DM&E does not have track within the city limits. The City will propose mitigation projects that will lessen the impacts the proposed project will have on the City. The STB must require the DM&E be responsible for all mitigation costs.

The DEIS states on page 3.2-32, footnote 6, the "SEA would not normally evaluate down-line impacts of a construction project on rail line owned and operated by another rail carrier. However, in this case, because SEA determined it appropriate to evaluate

increases in rail traffic due to the eastward transport of coal all the way to the eastern terminus of DM&E's system because no contracts for coal are in place and no levels of rail interchange can be assumed, SEA recognized that DM&E's coal trains would have to go somewhere once arriving at the eastern end of the system. Based on an evaluation of projected coal markets discussed in the Board's December 10, 1998 decision, SEA determined the majority of coal traffic reaching Winona would interchange with CP for movement south, through Winona. Because it is reasonable that such movement of trains would occur and the citizens and elected officials in Winona expressed concern for noise, air quality, transportation, safety in their community due to this increase in rail traffic, SEA determined it appropriate to consider these potential impacts along the CP rail line in Winona."

Winona is pleased with the finding by the SEA that impacts in Winona will be considered. In light of this decision, Winona will propose mitigation measures that lessen the impacts of the proposed project on the citizens of Winona. The mitigation projects included in this document are to be the responsibility of the DM&E. The STB may require additional mitigation activities that may not be included in this document. The City would support those additional mitigation measures as required in the final EIS.

The City is concerned about such mitigation issues as grade separations, crossing improvements, maintenance of the whistle free corridor, emergency vehicle response delays, residential homes and businesses impacted by the increase in noise and vibration, fencing for pedestrian safety, pedestrian/bicycle crossings, and the funding of such improvements. These issues will be discussed below. The City takes the position that the funding of these mitigation measures must be paid by the DM&E. The City has consistently taken the position that the DM&E railroad existing rail improvements are supported by the City to provide more efficient service to the existing customers. However, the City does not support the expansion to the Powder River Basin unless the negative impacts to Winona are mitigated. The City has taken this position since 1998, and the resolutions the City Council has passed are attached to this document.

The following mitigation measures are those the City of Winona is proposing to the STB be required to be undertaken in Winona if the DM&E project is approved.

CROSSING IMPROVEMENTS

The City has seventeen at grade crossings along the Canadian Pacific main line. The City does not have a grade separation anywhere within the community. The proposed increase of traffic of thirty-four trains per day in a community which has been identified in the DEIS as having an average of twenty-eight trains a day is of immediate concern for public safety and the movement of emergency vehicles. The hospital is located on the south side of the rail line while the ambulance service is located on the north side. The Fire Department has a main fire station staffed with three firefighters on the north side of the tracks while a west station with two firefighters is located south of the tracks. The west station personnel are generally at the main station during the day for training purposes. This means the south side of the community may not be able to be served by emergency medical and fire vehicles if the crossings were blocked in Winona. The

citizens and city administration are concerned over the increase in train traffic and the ability to provide immediate and necessary medical and fire fighting capabilities to all areas of the City.

The following mitigation improvements will help to alleviate the concerns for the citizens of Winona:

Grade Separations

The City has been identified as having seven rail crossings which meet the indicators for a grade separation if the DM&E project is approved (Southern Minnesota Rail Corridor Safety Plan, Minnesota Department of Transportation, February 15, 2000). City topography does not allow for easy construction of grade separations without causing major disruptions within the City. The City is requesting an east and west end overpass along with an additional crossing in the central city with the specific site to be determined. The DM&E shall be responsible for all of the costs related to the three proposed grade separations

Pelzer Street - This street has been identified as the desired west end overpass. Pelzer Street serves as truck route to the west end industrial areas, the Commercial Harbor, and downtown Winona. The area is mostly industrial in nature and will cause limited impact to residential neighborhoods. The cost of this overpass with land acquisition and construction is estimated to be \$5,000,000. A map showing the location and design of this overpass is attached to this document.

Louisa Street - This street is the proposed location of the east end overpass. Louisa Street is located in the east end industrial area and serves the existing industrial users and will serve the new retail development and the expanded Riverbend Industrial Park. The City is proposing a new truck route to Highway 61, which will connect to this overpass. The overpass is also within ten blocks of Community Memorial Hospital. The surrounding area is industrial and will cause the least impact to residential neighborhoods. This overpass is estimated to cost \$2,750,000 for land acquisition and construction. A map showing the location and design of this overpass is attached to this document.

Central City Area - The specific area for a third overpass in the City has not been clearly identified. The City and the Minnesota Department of Transportation are conducting a Comprehensive Railroad Study, which will assess location of a third overpass within the City. The construction of an overpass must not destroy established neighborhoods. It is estimated that this overpass could cost as much as \$7,500,000 for land acquisition and construction. More specific information will be part of the comprehensive railroad study to be completed in 2001.

Pedestrian/Bicycle

The City of Winona sees the importance of having pedestrian/bicycle overpasses in the central city area. The City would propose three such overpasses, two in the area of Winona State University on Huff Street and Main Street and at Franklin Street. There are over 7,000 students located on this small urban campus. The campus is located on

both sides of the rail line with the main buildings on the north and the athletic fields and a commercial area on the south. In addition, Lake Winona, which is a year round recreational facility, including a bike and running trail, is on the south side of the tracks. There is significant pedestrian traffic crossing the tracks at Huff Street, which is a crossing, protected with signals and cross arms. College students live and park on both sides of the railroad while attending WSU. This then encourages crossing of the tracks by numerous pedestrians, especially during the school year. As traffic increases on this rail line, there is the potential for more delays, inconvenience, and accidents to occur between pedestrians and trains.

To assure the safe passage of pedestrians and bicycles, a pedestrian/bicycle overpass should be constructed at Huff Street and at Main Street. These two overpasses would serve Winona State University and the general public in crossing the rail lines at very busy pedestrian areas. The Franklin Street crossing is an area that serves the east central area of the City and is a direct link to Lake Park and the softball complex in the Park. In addition, the Winona State Foundation will be constructing a 300 bed housing facility for college students adjacent to this intersection and the railroad track. Students will need to cross the rail line from the south side to the north side to access the main campus putting increased traffic at this major rail crossing. These facilities are estimated to cost \$4,500,000 and must be paid for by the DM&E.

TRAIN LOCATION MONITORING SYSTEM

The DEIS recommends a real time train location monitoring system for some communities. The City of Winona is requesting such a system. The real time train location monitoring system, which connects grade crossing warning devices to nearby traffic signals and provides a display in the local emergency response center sharing the position of the grade crossing warning signals, shall be required for Winona. With the situation of emergency vehicles being on one side of the rail tracks that divide the whole city, such a system could be used by medical and fire emergency vehicles for the most efficient way to respond to the emergency calls. Eventually this system could be located in the emergency vehicles as they respond to the emergency calls. This would improve the citizens concern over trains blocking the ability of police, fire, and medical vehicles responding to emergencies.

Winona is requesting this system be installed in Winona and Goodview and that the cost of such a system be borne by the DM&E.

WHISTLE FREE CORRIDOR/CROSSINGS IMPROVEMENTS

Winona has seventeen at grade crossings on a rail line that bisects the whole community from west to east on a diagonal. A significant amount of the developed community is located in the valley and close to this rail line. The City currently has a local ordinance that prohibits whistle blowing in the city limits. All seventeen crossings have signals and cross arms but will not meet the increased requirements for a whistle free corridor if the Federal Transportation Board enacts new standards.

The City is requesting that all crossings be improved to assure that the new whistle free requirements will be met at all the crossings. The City is assuming this improvement

will be needed for fifteen at grade crossings that will remain after two overpasses are constructed. The improvements should be four quadrant gates including those for pedestrians. It is estimated that these improvements would cost \$1,875,000. The City further requests that the DM&E fund the improvements.

NOISE AND VIBRATION

The City of Winona has the dubious distinction of having the largest number of noise sensitive receptors as identified in the DEIS in Tables 3.2-13 and 3.2-14.

Table 3.2-13				
Existing and Projected Train Traffic - Winona*				
Number of Noise Sensitive Receptors - 65 dBA L_{dn}				
Winona	Wayside	Wayside/Horn	Horn	Total
28 trains per day - existing	8	857	2,889	3,754
34 trains per day - projected (20MNT)	8	981	2,935	3,924
42 trains per day - projected (50MNT)	14	1,204	2,944	4,162
54 trains per day - projected (100MNT)	14	1,296	3,846	5,156

*Includes 28 existing trains per day operated by Canadian Pacific Railway (CP) trains through Winona.

Table 3.2-14				
Existing and Projected Train Traffic - Winona*				
Number of Noise Sensitive Receptors - 70 dBA L_{dn}				
Winona	Wayside	Wayside/Horn	Horn	Total
28 trains per day - existing	0	355	1,948	2,303
34 trains per day - projected (20MNT)	1	396	2,098	2,495
42 trains per day - projected (50MNT)	2	564	2,131	2,697
54 trains per day - projected (100MNT)	8	749	2,894	3,651

*Includes 28 existing trains per day operated by Canadian Pacific Railway (CP) trains through Winona.

The table shows the significant impact train noise has on the community. No other community in the State of Minnesota has the number of noise receptors that Winona has and will have with the increased rail traffic as proposed by the DM&E Project. The City is concerned that there be increased noise and vibration as a result of the project.

While the existing rail has a significant impact, the citizens and affected property owners should not have to have any additional noise and vibration related to the potential of an additional thirty-four trains per day.

The City requests that the DM&E be responsible for improvements to homes most severely impacted by the increase in rail traffic. According to the tables above, there are fourteen homes that are severely impacted by noise. These same homes would be those most severely impacted by vibration issues. While the City does not want to lose residential units, the best solution is to acquire, relocate, and demolish these fourteen homes. This action will result in a reduction in the number of structures impacted by noise and vibration and will take care of those most directly impacted by this project. The City estimates acquisition, at fair market value, of fourteen residential units along the rail line at \$1,050,000. Relocation costs would be \$350,000 and demolition \$200,000. The DM&E must be required to pay for these costs to assure those properties with the most severe impacts be protected from the increased noise. The total cost for the fourteen properties is \$1,600,000.

Another area of concern is for structures impacted by vibration. Again, the magnitude of the problem in Winona is greater than any other community along the rail line in Minnesota. The City would propose that mitigation be required to assure that no additional vibration is caused by the increase of rail traffic. The following excerpt is from a table in the DEIS:

Table 3.2-21 Existing Rail Line –Minnesota Structures Potentially Impacted by Vibration				
	0-100 Feet	101-200 Feet	201-400 Feet	Total
Winona	121	217	498	836

The City is very concerned about the vibration impact 34 additional trains will have on these structures. The DEIS states that ground vibration is a concern for several reasons. These include:

- Structural damage to buildings and residences
- Concern for structural damage
- Nuisance or inconvenience
- Affects on sensitive equipment

Public meetings on this project have confirmed that citizens along the rail line are also concerned about the damage to their structures and more are concerned about the potential for damage. Mitigation procedures should be undertaken to assure that

additional damage does not occur and eliminates some of the concern that such damage might occur. The closeness of the homes may limit the type of vibration mitigation which may be possible. The acquisition of the fourteen structures, most impacted by noise and vibration, will help to meet this mitigation need.

There are still a significant number of homes impacted by vibration and, of course, noise. At the very least, those homes within one hundred feet of the rail line should receive monies to protect their structure from the increased impacts of the rail traffic. The money should be used to super insulate the homes and to improve foundations which have structural problems with the increase in rail traffic. The City estimates the cost for improvements to one hundred homes within one hundred feet of the tracks to be \$2,000,000. The DM&E should pay for this cost.

The City of Winona is also concerned with the 217 structures which have been identified as being within 101 to 200 feet. The City proposes each house be improved to provide increased protection from the increased vibration caused by the coal project. The City would propose improvements of \$5,000 per structure for a total cost of \$1,085,000. The DM&E shall be required to pay for this cost.

There may be vibration mitigation devices that could be built along the rail line to lessen the vibration impact to the surrounding structures. This may be an option for the mitigation for vibration. The STB should require the DM&E to investigate and build any appropriate vibration mitigation devices that would solve the increased vibration issue especially for those properties within 100 feet of the railroad. These vibration devices would keep any increased vibration within acceptable limits.

Sound barriers may be appropriate in certain areas along the rail line adjacent to residential homes or businesses impacted by the increased sound. The installation of the sound barriers would be only in areas where the barriers will not disturb the surrounding residential or business areas but provide appropriate relief from the increased sound. These sound barriers would be coordinated with the mitigation requested in the following safety area. The sound barriers are estimated to cost \$600,000. The DM&E shall be responsible for this cost.

SAFETY

The City proposes the construction of fencing along the rail line in the residential neighborhoods. The citizens have expressed their concerns about the increase in rail traffic and children who live along the rail line. The City agrees with this concern about the safety of children and others along the rail line. The best way to assure that children are kept away from the rail line is to put fencing along the line in the residential areas to discourage access to the rail line except at marked crossings. This fencing could be solid in those areas, where appropriate, and open in other areas. The City further requests landscaping be added to the fencing at locations that would allow such to occur. This fencing and landscaping could be designed to provide mitigation from the noise and vibration issues discussed above. The property proposed to be acquired, earlier in the report, could be locations for significant landscaping for sound and vibration protection for the surrounding properties.

The City estimates the cost of this fencing at \$750,000 with landscaping at \$1,000,000. The DM&E shall pay the full cost of this safety fencing and landscaping to provide safety and sound/vibration barriers.

AIR QUALITY

The City of Winona is concerned about the increase in air pollution as a result of the increased rail traffic. The City wants to be assured that all railroad equipment, including all diesel engines operated by the DM&E, meet all federal and state air quality standards. The transporting of coal through the City must also meet any federal or state regulations on air emissions. The STB shall require that the DM&E operations meet any changes in air quality standards. The DM&E must also be responsible for all costs associated with any ill affects in air quality proven to be a result of the DM&E coal trains traveling through the City of Winona.

BARGE LOADING IN THE COMMERCIAL HARBOR

The City has had discussions with the DM&E about the possibility of transloading coal to barges in the Winona Commercial Harbor. The DM&E has stated that the majority of the coal shipments will interchange with other rail carriers or be loaded on to barges in Winona. The increase in barge loadings for coal would significantly tax the current infrastructure in the Commercial Harbor. This increase in shipping coal from train and transloading to barge will require additional rail access to the Commercial Harbor.

The City requests that the DM&E be required to detail any potential new construction of rail into the Commercial Harbor. The STB should require the DM&E to detail all plans for new construction of infrastructure to the Commercial Harbor and the STB should review any such plans as part of the EIS process. The STB should review these plans and identify any mitigation measures which arise as a result of this new infrastructure. We further request that the DM&E pay for any new construction and mitigation for this infrastructure to the harbor area.

SUMMARY

The City of Winona is the eastern termination of the DM&E Railroad. As such, the City receives all traffic from the DM&E as it is transferred to the Canadian Pacific or Union Pacific Railroads. The current level of operation is important to Winona businesses and to the transloading of agricultural commodities to barges on the Mississippi River. Winona requests the STB require the DM&E to continue service to existing customers at or above current service levels and at rates that are fair and reasonable. This continued service is critical to the future of our current business community and must not be reduced or made noncompetitive as a result of the coal project.

It is possible that in the future the Canadian Pacific or other railroad companies located in Winona may decide to construct additional trackage in order to accommodate the added DM&E coal trains and increase their own traffic. If that does happen, the City reserves the right to address the impacts the additional rail volume will have on the City and what has to be done to mitigate those impacts. The City of Winona requests the STB require the DM&E to establish a fund to be used to address impacts which may be

produced by future rail construction in Winona due to the DM&E expansion project for the transport of coal as it affects Winona.

The City of Winona requests that the mitigation proposed in this document be included in the final EIS. The City further requests that the STB order that all costs of mitigation be the sole responsibility of the DM&E railroad.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jerry Miller".

Mayor Jerry Miller
City of Winona

**CITY OF WINONA
COST ESTIMATE SUMMARY**

Grade separations:

Pelzer Street	\$5,000,000
Louisa Street	\$2,750,000
Central City	\$7,500,000

Pedestrian/Bicycle Overpasses

Huff Street	\$1,500,000
Main Street	\$1,500,000
Franklin Street	\$1,500,000

Crossing improvements

15 crossings	\$1,875,000
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Structural Improvements For Noise and Vibration

Acquisition, Relocation, Demolition	
14 homes	\$1,600,000
Residential 100 feet -100 homes	\$2,000,000
Residential 200 feet -217 homes	\$1,085,000
Sound barriers	\$ 600,000

Safety

Fencing and Landscaping	\$1,750,000
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Signal System NA

Air Quality NA

Rail access to Commercial Harbor NA

TOTAL \$28,660,000

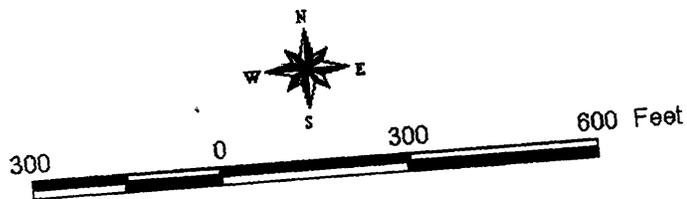
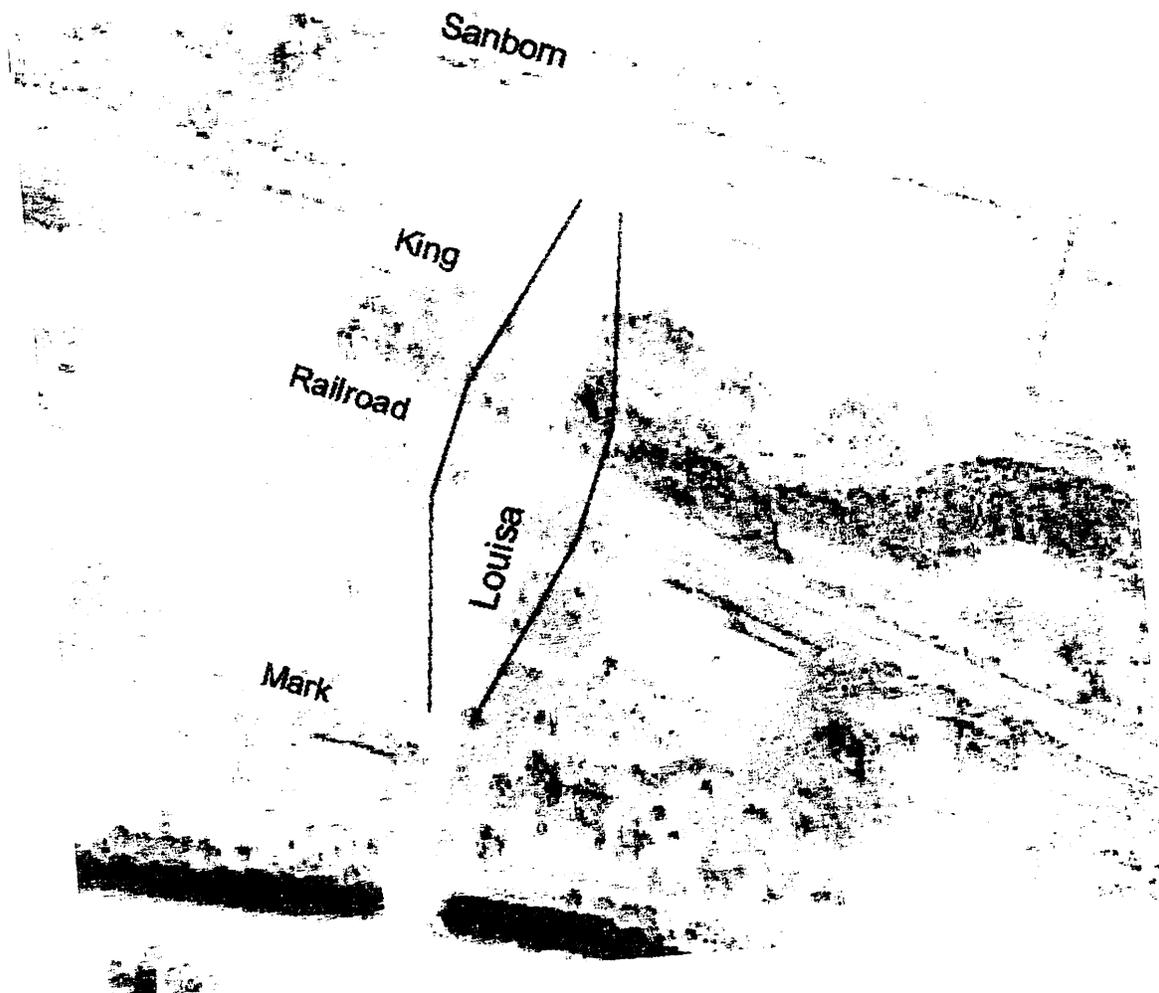
The STB is requested to make the DM&E responsible for any cost of living increase in the cost of the mitigation projects.

Pelzer Street Railroad Overpass



500 0 500 1000 Feet

Louisa Street Railroad Overpass





East Section

West Section



City of Winona, MN



2000-180

Resolution

WHEREAS, the DM&E Railroad Project Application, STB Finance Docket No. 33407, to the Surface Transportation Board (STB) is in the comment period for the Draft Environmental Impact Statement (EIS); and

WHEREAS, the City of Winona has concerns about the EIS as drafted;
and

WHEREAS, the City Council of the City of Winona supports the upgrade of the present facilities to improve safety, service, and volume to agricultural and all other current customers; and

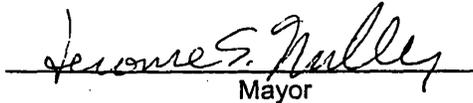
WHEREAS, the Project will result in increased rail traffic through the City of Winona which will have an effect on traffic movements through town, increase the impact on the current infrastructure of the City, affect the provision of public safety including police, fire, and medical, decrease citizen safety around and crossing the tracks, and decrease the local quality of life; and

WHEREAS, the City desires to work with all concerned parties to resolve the issues related to the Project.

NOW, THEREFORE, BE IT RESOLVED by the City of Winona that the STB take the following actions:

1. Define a definite process by which the City of Winona will be involved in negotiations and mitigation with all involved parties including railroad companies, coal power plants, and all others benefiting from coal trains passing through our city.
2. Re-evaluate federal funding to include interest free loans or grants to be used for the mitigation activities in the communities along the DM&E track.

Dated this 18th day of December, 2000.



Mayor



City Clerk

Resolution 99-56
DM&E Railroad Project

WHEREAS, the Dakota, Minnesota & Eastern (DM&E) Railroad project application to the Federal Surface Transportation Board (STB) states that the DM&E: "...will be able to service river barge traffic directly in Winona upon completion of a modest construction project;" and

WHEREAS, the final scope for the Environmental Impact Statement (EIS) dated 3/10/99, states: "...it appears that barge loading facilities currently available could not accommodate unit coal trains of the type DM&E would be operating" and construction of a new barge loading facility in the City of Winona would have significant environmental impacts on Winona; and

WHEREAS, the STB has now eliminated the study of a barge loading facility and the adjacent Mississippi River fleeting area from the scope of the final EIS without allowing public comment; and

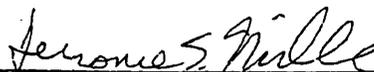
WHEREAS, the application also states that DM&E: "...intends to interchange with the CP (Canadian Pacific Railroad) at a new east-end marshaling/staging yard to be built in or near Minnesota City" and on February 4, 1999, DM&E representatives met with MN Department of Natural Resources (DNR) staff and proposed 3 separate options for the location of a DM&E rail yard in eastern Winona County, and now DM&E president Schieffer states he cannot decide where this rail yard will be located; and

WHEREAS, in the next 10 years, the DM&E will potentially increase the trains it runs through Winona by 35 trains per day and the CP railroad projects the trains it runs through Winona will increase from 25 to 50 per day, this is a potential net increase of 60 trains through Winona and the final scope of the EIS does not even address the cumulative effects of the total trains from both railroads that will run through Winona; therefore

BE IT RESOLVED, that the Winona City Council finds that the STB scoping process for the EIS is incomplete and is not adequate to determine the environmental impact on the City of Winona and its citizens; and

BE IT FURTHER RESOLVED, that the City of Winona insists that the scope of the EIS must be amended to include the Environmental Impacts of the barge loading facility and the cumulative effects of all trains projected to pass through Winona and that the EIS process not proceed until information is provided to the City of Winona identifying the size and location of both the barge loading facility and the marshaling/staging yard to be constructed by the DM&E railroad.

Dated this 5th day of April, 1999.



Mayor

Attested By:


City Clerk

Resolution 98-168
RESOLUTION OF THE CITY OF WINONA
STB FINANCE DOCKET NO. 33407

WHEREAS, the Dakota, Minnesota and Eastern Railroad Corporation (DM&E) currently has an application before the Surface Transportation Board (STB) to construct and operate 280.09 miles of new railroad which would involve the construction of new rail lines and the upgrade of existing rail lines in three (3) states including, Minnesota, South Dakota and Wyoming for purposes of transporting coal from coal fields located within the Powder River Basin in northeastern Wyoming; and

WHEREAS, the above referenced application of DM&E is currently under review by the STB as STB Finance Docket No. 33407; and,

WHEREAS, the STB has in accordance with the established procedural schedule set a date of August 31, 1998, as the deadline for submission of written evidence and argument regarding the transportation aspects of the DM&E application; and,

WHEREAS, the City Council of the City of Winona agrees that the DM&E railroad is important to the agricultural community not only in Winona County but in the State of Minnesota and that an upgrade of its facilities should be done in order to improve safety, service and volume not only to its agricultural customers but to all of its present customers; and

WHEREAS, the City Council of the City of Winona opposes the expansion proposal of the DM&E which would have the potential of adding an additional 40 coal trains per day on the Canadian Pacific Railroad's direct route through the City of Winona which already has the traffic of 30 plus trains per day going through the City; and

WHEREAS, additional unit coal trains on the direct route through the City will have a significant degree of negative environmental impact on adjacent properties, a possible negative property value on adjacent properties, a potentially serious negative impact on the infrastructure of the City, as well as a serious negative impact on traffic movements, citizen safety, and citizen quality of life; and

WHEREAS, addition of the DM&E rail traffic, as well as anticipated increases in Canadian Pacific traffic will exacerbate the concerns identified above; and,

WHEREAS, the EIS process is ongoing and it is in the best interest of the citizens of Winona and city government to clearly express their desires as it relates to the formulation of a mitigation plan as to the impact of this project on the community; and,

WHEREAS, the direct route through the City will have a significant degree of negative environmental impact on adjacent properties, as well as a serious negative impact on traffic movements and citizen safety; and,

WHEREAS, the DM&E expressed an interest to City officials as to its willingness to enter into an agreement with the City of Winona defining the issues and mitigation plan for the increased traffic through the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Winona that:

1. The City Council of the City of Winona recognizes and supports the need for railroad transportation for the transport of agricultural commodities and products as well as other commodities presently transported by the DM&E railroad and supports the upgrade of rail and other facilities in order to improve this service and make it safer.
2. The City of Winona does not support the expansion of the DM&E into the Powder River Basin in Wyoming that will significantly increase traffic on the DM&E and all other railroads operating in Winona.
3. The City Council of the City of Winona finds that if the STB approves the proposed DM&E rail line improvement and expansion project which will result in increased traffic on the Canadian Pacific line through the City, the STB and DM&E legally agree to the following:

The only DM&E trains which would come to the City of Winona would be those transporting products which they presently carry – agricultural products, clay, wood chips, etc. The only unit coal trains would be those to be unloaded for barge shipment. All other unit coal trains to be interchanged to the UP at Mankato or the UP, IC, I&M in Hartland, or UP or I&M in Owatonna, or BNSF Railroad in Florence, MN. This would give the DM&E access for coal to the north, south, and east and also possible enable them to carry more agricultural products and other non-coal products to the end of their line near the City of Winona – the grain for barge reloading.

4. The City Council of the City of Winona finds that if the STB approves the proposed DM&E rail line improvement and expansion project which will result in increased traffic on the Canadian Pacific line through the City, the DM&E must resolve the City's concerns, including but not limited to:

- Costs for resolving the issues to be paid for by railroad
- Vibration potential of trains
- Fencing along railroad rights-of-way
- Traffic delays at public crossings
- Whistles/noise disruption
- Overpass construction of critical transportation routes for public safety concerns
- Train speed through populated/congested areas
- Value impact on important community buildings
- Value impact on residential properties along the Canadian Pacific railroad tracks

5. The City Council of the City of Winona further finds that if the STB approves the DM&E project and does not approve of Paragraph 3 above, the DM&E must be required to execute a written Memorandum of Understanding that addresses the above issues and concerns and to serve as a guide to mitigate the environmental impacts of the proposed

project and the Canadian Pacific and Union Pacific Railroads must be a party to the Memorandum of Understanding.

6. The City Council of the City of Winona further finds that the attached Memorandum of Understanding incorporates solutions to some of the concerns necessary to accommodate or mitigate the environmental impact of an additional DM&E railroad traffic through the City of Winona.
7. The City Council of the City of Winona further finds that if the project is approved by STB, it will be necessary to establish a local Task Force to monitor the terms and conditions of the written agreement between the City, DM&E, Canadian Pacific, and Union Pacific and to provide community input in the Development Agreement for Winona.
8. The City Council of the City of Winona further finds that the concerns identified also apply to the Union Pacific and Canadian Pacific rail lines and, therefore, any resolution of those concerns by DM&E must be applied to the Canadian Pacific and Union Pacific.
9. The City Council of the City of Winona further finds that the failure of DM&E to enter into a legally binding agreement with the City of Winona, clearly indicating DM&E's unequivocal agreement to stipulation in the attached Memorandum of Understanding, shall constitute, on the part of DM&E, a clear lack of good faith in the intent expressed in the last "WHEREAS" listed above.
10. The City Council of the City of Winona directs staff to file a copy of this Resolution and the proposed Memorandum of Understanding with STB for their consideration and requests that STB incorporate as its minimal conditions to approval of the project, the reasonable terms of this Resolution and the environmentally mitigating measures outlined in the proposed Memorandum of Understanding.

This resolution shall become effective upon its passage and without further publication.

Dated this 19th day of October, 1998.

Jerome S. Miller
Mayor

Attested by:

Monica Hennessy Mohan
City Clerk

RESOLUTION

WHEREAS, the Dakota, Minnesota and Eastern (DM&E) Railroad intends to add substantially increased traffic to its line by transporting coal from the Powder River Basin in Wyoming; and

WHEREAS, such increased traffic will potentially create problems regarding unsafe railroads due to increased traffic on inadequate beds; and

WHEREAS, such increased railroad traffic will potentially cause extensive vehicular and pedestrian delays, given the current traffic patterns in Winona; and

WHEREAS, such increased traffic will potentially cause noise, safety, and air pollution problems throughout the City of Winona; and

WHEREAS, the proposed DM&E project does not technically enter corporate limit Winona, but affects connecting lines of the Canadian Pacific and Union Pacific that should be carefully reviewed for current deficiencies.

NOW, THEREFORE, BE IT RESOLVED that the Winona City Council asks the Surface Transportation Board to incorporate in its environmental scoping process a detailed review of current railroad tracks in corporate limit Winona that would carry the proposed coal trains, current railroad patterns in the City of Winona as to adequate crossings for the proposed increased railroad traffic, and a detailed evaluation of potential noise, safety and air pollution problems associated with the proposed increased railroad traffic.

BE IT FURTHER RESOLVED that the Surface Transportation Board should direct the railroad companies that benefit economically from the transportation of coal through the City of Winona to be required to make any and all necessary improvements to provide rational and safe railroad crossings in Winona and to fairly address local environmental concerns.

Dated this 6th day of July, 1998.

James S. Mully
Mayor

ATTESTED BY:

Myma J. Olson
Acting City Clerk

98-102

RESOLUTION

WHEREAS, the Dakota, Minnesota and Eastern Railroad Corporation (DM&E) has submitted an Application for Construction and Operation Authority, Finance Docket No. 33407, to the Surface Transportation Board; and

WHEREAS, the above mentioned application impacts rail transportation activity in the City of Winona, Minnesota; and

WHEREAS, the City of Winona wants to be assured that the local issues of safety, traffic, and environment and the ability to finance the solutions, which will impact the residents, will be addressed by all parties including the Surface Transportation Board, the DM&E, the Canadian Pacific Railroad Company, the Union Pacific Company, and others during the review process for this application;

NOW, THEREFORE, BE IT RESOLVED by the City Council, that the Surface Transportation Board review of the Application by the Dakota, Minnesota and Eastern Railroad Corporation, Finance Docket No. 33407 include issues and concerns from the City of Winona.

Dated this 18th day of May, 1998.

Levone S. Miller
Mayor

Attested by:

James D. Doney
City Clerk



CITY HALL

207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
FAX: 507/457-8212

**PUBLIC COMMENTS TO THE
SURFACE TRANSPORTATION BOARD
STB Finance Docket No. 33417
November 16, 2000**

Our detailed written testimony stating all of our issues and concerns will be submitted at a later date.

The citizens of our Winona community insist that our environmental issues and concerns, which include health, safety, traffic, vibration, noise, property values, and quality of life, be addressed in the same manner as communities which are located on the DM&E Railroad line. The reason for this insistence is that even though we are not on the DM&E line, we are affected in the same manner, perhaps even more so, because of the cumulative effect on the 25-35 trains per day going through our City at the present time. Any additional DM&E coal trains coming through our City will only be adding to the existing impacts.

The Draft Environmental Impact Statement states that the SEA determined that the proposed project could result in significant impacts from increased vibration. The City of Winona has 121 structures located within 100 feet of the track which can be potentially impacted by vibration compared to 30 structures located within 100 feet of the track in all of Olmstead County. The City of Winona has a greater number of structures potentially impacted by vibration and all other environmental concerns than any whole county located on the DM&E line in the State of Minnesota. These impacted structures are made up of homes, schools, churches, a medical clinic, residential apartments, commercial, and industrial facilities.

Chapter 7.1.3 of the Draft Environmental Impact Statement states, and I quote, "The Board's practice consistently has been to mitigate only those impacts that result from the proposed action." Any DM&E coal trains traveling through Winona on the CP Line will impact our community and will result from the proposed action.

Chapter 3.2 states and, I quote, "Operational impacts for the existing rail line would include those anticipated along the portion of the Canadian Pacific Railway Line within Winona, Minnesota."

Despite these two Draft Environmental Impact Statement quotes, we cannot find where or how the Surface Transportation Board includes the Cities of Goodview and Winona in the mitigation process.

It is our hope and desire that if the Surface Transportation Board approves the proposed project it will define a definite process by which the Cities of Goodview and Winona will be involved in negotiations and mitigation with all involved parties, including all railroad companies, coal power plants, and all others benefiting from the coal trains passing through our cities. If the Federal Government can provide \$3.5 billion through the Federal Railroad Rehabilitation and Improvement Financing Program to help maintain the health and interests of the railroads, I would hope the Federal Government would have funds available to help cities which are impacted by increased rail traffic to meet and address their issues and concerns. We feel that those who benefit from the coal should pay for the adverse environmental impacts on our cities.

It is our hope and desire to mitigate rather than having to litigate. We hope this is also the desire of the Surface Transportation Board and all those who would benefit from the expansion project.



Jerry Miller
Mayor
City of Winona



CITY HALL

207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
FAX: 507/457-8212

April 6, 1999

Office of the Secretary
Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street NW
Washington, D.C. 20243-0001

Attention: Elaine K. Kaiser, Chief
Section of Environmental Analysis
Environmental Filing

Dear STB Members:

I am requesting that no further action be taken on the DM&E Railroad project application until it is known where the east end marshaling/staging yard is proposed to be located and the scope of the EIS be amended to include the environmental impacts of the barge loading facility and the cumulative effects of all trains projected to pass through the City of Winona and identifying the size and location of the barge loading facility.

I also want to know if the STB has the legal power to force the CP, UP, or the DM&E railroads to do anything in the City of Winona due to the fact that the DM&E does not enter the City and the application is made by the DM&E. Even though you conduct the EIS, can the STB enforce its findings on the railroads in the City of Winona? I would appreciate an answer on this.

Sincerely,

A handwritten signature in black ink that reads "Jerry Miller".

Jerry Miller
Mayor

cc: Surface Transportation Board
All Parties of Record

City Manager 507/457-8234



CITY HALL

207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
FAX: 507/457-8212

August 31, 1998

Congressman Gil Gutknecht
U.S. House of Representatives
Midway Office Plaza
1530 Greenview Drive, Suite 108
Rochester, MN 55902

Dear Congressman Gutknecht:

On behalf of the City of Winona I want to once again thank you for coming to Rochester and listening to our views and concerns related to the DM&E upgrade and expansion proposal.

I believe the proposal should be viewed as two separate issues, the upgrade and the expansion.

The upgrade on the present DM&E track is needed for safe and increased service for the transport of agricultural and other presently carried products. The upgrade benefits everyone along the line. The question is whether or not there is enough potential added product and revenue, which would utilize the present line to pay for the upgrade. We need to know the answer to this. We also need to know what the concerns of communities along the line would be with only the upgrade and the potential costs for addressing these concerns and where the funding would come from.

The expansion part of the proposal mainly benefits the coal mines, the DM&E Railroad, and the power companies. Here again we need to know what the concerns of communities along the line would be and the potential costs for addressing these concerns and where the funding would come from. We need to know if the upgrade can only take place if the expansion happens. Do the benefits warrant all of the costs?

The upgrade benefits the City of Winona. The expansion gives us the benefits of the upgrade but brings up many concerns and issues, which have to be addressed. Due to the fact that the DM&E tracks do not come into the City of Winona, we are basically dealing with the effect the expansion proposal would have on the Canadian Pacific and

Congressman Gil Gutknecht
August 31, 1998
Page 2

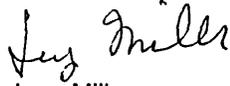
Union Pacific Railroads in our city. There are thirty or more trains a day presently going through Winona via the Canadian Pacific line. The proposed expansion proposal could potentially add another 30 or more unit trains per day. We do not want this to happen.

We are working with Winona County to produce a plan, which will meet and solve our concerns and issues. We will submit this plan to the railroads and see if we can work it out. I know we are going to need political help.

The planned expansion proposal should not be allowed to go through until the concerns and issues of affected communities are addressed and solved.

Thank you very much for your time.

Sincerely,



Jerry Miller
Mayor



CITY HALL

207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
FAX: 507/457-8212

August 31, 1998

Congressman Bud Shuster
U.S. House of Representatives
2188 Rayburn
House Office Building
Washington, D.C. 20515-3809

Dear Congressman Shuster:

On behalf of the City of Winona I want to once again thank you for coming to Rochester and listening to our views and concerns related to the DM&E upgrade and expansion proposal.

I believe the proposal should be viewed as two separate issues, the upgrade and the expansion.

The upgrade on the present DM&E track is needed for safe and increased service for the transport of agricultural and other presently carried products. The upgrade benefits everyone along the line. The question is whether or not there is enough potential added product and revenue, which would utilize the present line to pay for the upgrade. We need to know the answer to this. We also need to know what the concerns of communities along the line would be with only the upgrade and the potential costs for addressing these concerns and where the funding would come from.

The expansion part of the proposal mainly benefits the coal mines, the DM&E Railroad, and the power companies. Here again we need to know what the concerns of communities along the line would be and the potential costs for addressing these concerns and where the funding would come from. We need to know if the upgrade can only take place if the expansion happens. Do the benefits warrant all of the costs?

The upgrade benefits the City of Winona. The expansion gives us the benefits of the upgrade but brings up many concerns and issues, which have to be addressed. Due to the fact that the DM&E tracks do not come into the City of Winona, we are basically

Congressman Bud Shuster
August 31, 1998
Page 2

dealing with the effect the expansion proposal would have on the Canadian Pacific and Union Pacific Railroads in our city. There are thirty or more trains a day presently going through Winona via the Canadian Pacific line. The proposed expansion proposal could potentially add another 30 or more unit trains per day. We do not want this to happen.

We are working with Winona County to produce a plan, which will meet and solve our concerns and issues. We will submit this plan to the railroads and see if we can work it out. I know we are going to need political help.

The planned expansion proposal should not be allowed to go through until the concerns and issues of affected communities are addressed and solved.

Thank you very much for your time.

Sincerely,



Jerry Miller
Mayor



CITY HALL
207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
FAX: 507/457-8212

July 29, 1998

Stephen G. Thornhill
Project Manager
Burns and McDonnell
9400 Ward Parkway
Kansas City MO 64114-3919

RE: Finance Docket No. 33407

Dear Mr. Thornhill:

The City of Winona is extremely interested in the DM&E Powder River Expansion Project, Finance Docket No. 33407. The DM&E Railroad provides service to the Winona community but the trackage for the DM&E ends before the city limits of Winona. The City wants to be part of the review process for the Project since a majority of the traffic from the Project will be transferred to railroads going through Winona.

The Canadian Pacific Railroad operates what is called the main line through Winona. This CP track cuts through the City on a diagonal from the northwest to southeast of the City. The line runs by residential areas through most of the City. Track is as close as a hundred feet from residential homes. An increase in the traffic on the line from the DM&E Project will have an impact on the surrounding residential areas.

The City has held public information meetings with DM&E officials to collect information concerning the impact of the proposed project. The following is a list of the issues which have been presented and which are of concern to the City:

- Condition of the existing CP rail to handle the heavier faster trains.
- Safety on the existing CP rail concerning the over 40 rail crossings in the City. Are the current crossing protections adequate for the more frequent and faster trains?
- Environmental issues like the increased noise to the surrounding residential property owners some within a less than a hundred feet from the tracks.

- Where will the marshalling yard be built? How will it impact the train switching in Winona?
- Application does not address the amount of tonnage that may be going to the Mississippi River. Can the existing infrastructure on the River in Winona handle the increased traffic?
- Concern that products currently being shipped over the lines will be pushed to a secondary position with the coal traffic having priority. This would have a significant impact on existing users in Winona.
- Are grade separations possible and how can it be funded? Who will determine where they should go?
- Emergency vehicles can be blocked by trains and concern over the ability to provide service on both sides of the rail.
- Coal dust from trains.
- Currently trains park on the tracks and block crossings while waiting to move through town, will this continue?
- Biggest concern is that the DM&E project does not go into Winona but will be transferred to other rail lines who travel in the City, how do we get improvements and issues addressed by the other rail lines?
- What is the number of trains to be traveling through Winona per day?
- Impact on the adjacent homes with the increased traffic and speed? Will these owners be compensated for the decrease to property value?
- Location of marshalling yard should not be in the City which has limited land
- Where would the transfer facility between rail and river be in Winona?
- Improve the signal system to assure the trains move through town and do not wait on the tracks and block crossings.
- Concern over the times vehicles and pedestrians try to beat the trains. How to improve access points to eliminate the attempts to beat the trains?

I submit these comments for your review of the environmental issues related to this Project. If you need any clarification or further information, please contact me.

Sincerely,


 Jerry Miller
 Mayor

cc. Senator Paul Wellstone
 Senator Rod Grams
 Representative Gil Gutknecht
 State Senator Steve Morse
 State Representative Gene Pelowski
 Administrative Law Judge Joseph Nacy
 Kevin Schieffer, President DM&E



CITY HALL
207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
FAX: 507/457-8212

July 7, 1998

VIA FEDERAL EXPRESS

Office of the Secretary
Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street NW
Washington DC 20423-001

ATTENTION: Elaine K. Kaiser, Chief
Section of Environmental Analysis
Environmental Filing

Dear Ms. Kaiser:

I am writing on behalf of the City of Winona to request that the Section of Environmental Analysis expand the June 10, 1998, draft scope of study for the environmental impact statement to include the environmental impacts of increased railroad traffic on railroad lines connecting with the Dakota, Minnesota and Eastern Railroad Corporation.

As you know, the June 10th draft scope of study essentially is limited to two types of environmental impacts, those caused by the new construction proposed by the DM&E and those caused by operations over the new and existing DM&E trackage. As you also know, there is absolutely no indication in the DM&E application that any of the proposed Powder River Basin coal movements will terminate on the DM&E lines. To the contrary, the DM&E expects to transfer this coal to other railroads and various connecting railroads and potential DM&E coal shippers have voiced the same expectation in their supporting statements.

Given these facts, the City of Winona does not believe that the scope of the EIS may be limited in the manner suggested by the draft scope. Rather, if the STB is to learn of the environmental impacts of the DM&E proposal before it approves that proposal, it must

SURFACE TRANSPORTATION BOARD
JULY 6, 1998
PAGE 2

expand the scope of the EIS to include the environmental impacts of increased train operations on connecting railroads, including those operation through the City of Winona.

As you know, Calvert Cliffs' Coordinating Committee v. A.E.C., 449 F.2 1109, 1114 (D.C. Cir. 1971) concluded that the purpose of the National Environmental Policy Act is to ensure that agency decisionmakers analyze a project's environmental impact "to the fullest extent possible". Indeed, an EIS is required whenever a project "may cause a significant degradation of some human environmental factor". Save Our Ten Acres v. Kreger, 472 F.2d 463, 467 (5th Cir. 1973).

As you also know, the Council on Environmental Quality regulations implementing NEPA require that agencies take into account "indirect effects" which are caused by the action and are later in time or farther removed in distance, but are still reasonably foreseeable. 49 C.F.R. 1508.8(b).

The City of Winona believes that there is nothing speculative about the environmental impacts of increased train operations through our community if the DM&E project is approved. We believe the STB has the responsibility to study these impacts and to consider appropriate mitigation measures before it approves the DM&E project.

Sincerely,



Jerry Miller
Mayor



CITY HALL

207 Lafayette Street
P.O. Box 378
Winona, MN 55987-0378
FAX: 507/457-8212

June 10, 1998

Chairman Linda J. Morgan
Surface Transportation Board
Office of the Secretary, Case Control Unit
STB Finance Docket #33407
1925 K Street N.W.
Washington, D.C. 20423-0001
ATTN: Elaine K. Kaiser, Chief
Section of Environmental Filing

Dear Chairman Morgan:

The City of Winona has notified you of its intent to participate in the process concerning the DM&E Railroad's Expansion Project. I am now taking this opportunity to present to you the issues related to the expansion project, which impact the Winona community as a result of the proposed project. These issues were developed in cooperation with Winona County, City of Goodview, and the residents of the Winona area who have taken the time to state their concerns and issues related to this project to the Winona City Council.

The City of Winona is in a unique position concerning the DM&E Railroad Expansion Project. While the DM&E is an important transportation player in the Winona community, its trackage ends outside the City limits of Winona. However, any increase in traffic along the DM&E lines will be transferred to either the Canadian Pacific or the Union Pacific, both of whom have lines cutting through the Winona community. Our concern then is unique in that all of the impact of the DM&E project will be transferred to other railroads that are not part of the overall project. In noting our concerns, we are aware of the situation and wish to be able to find acceptable solutions to the issues we raise not only with the DM&E but with the Canadian Pacific and Union Pacific Railroads also.

The DM&E projects, in its application, that as many as 34 additional trains daily may be the result of the expansion into the Powder River Basin in Wyoming. The DM&E intends to not only build the new lines into the Wyoming Basin but intends to significantly improve the existing rail it owns across South Dakota and through Minnesota to handle the increased traffic. The DM&E would then transfer those cars over to the Canadian Pacific to be transferred south through Winona or to the Union Pacific which would then take the cars into the Commercial Harbor Area to be transferred to barges for transportation down the Mississippi River. The City's concern relates to the condition of the existing Canadian Pacific and Union Pacific Rail and whether or not the existing rail situation is able to handle that increased traffic.

The Canadian Pacific recently announced that their current traffic levels could double within the next ten years. The City currently has about 30 trains per day running through town, which

Chairman Linda J. Morgan
June 10, 1998
Page 2

could be over 60 trains with just the increase in traffic proposed by the CP. The DM&E proposal will add another 34 trains increasing rail traffic from 30 trains today to over 90 trains in the next 10 years. This increase would significantly impact the existing rail system, the City street network, and the ability of emergency vehicles to access all areas of the community.

The increased traffic will also result in additional interface with vehicular traffic at the more than 40 crossings within the City of Winona. It is felt that in order to provide access to the full community, since the Canadian Pacific Line divides the community, grade separation between rail and vehicular traffic is necessary. Currently, the ambulance service and the hospital are located on separate sides of the rail and any increase in traffic over the rail will increase the amount of time that the current crossings are blocked, and the ability for emergency vehicles to access the full community will be impacted.

The application submitted by the DM&E for this project does not adequately identify the impacts, which might be felt in the Winona area. At this time, the City is not able to estimate the number of trains which may be transferred to the Canadian Pacific Line and be taken through town nor the number of trains which may be transferred to the Union Pacific Line and then off loaded on to barges to utilize river transportation. Winona would like to see a further development of the application so that the impact on the community could be better estimated based upon the amount of traffic, which will end up in the Winona area. That increased traffic will impact our existing road transportation system within the City.

The City of Winona and the surrounding community believes it's within our best interest to participate in the review by the Surface Transportation Board of the proposal by the DM&E Railroad. As part of that, we believe it is important that all rail surface providers meet with the City of Winona and all other levels of government to identify the specific issues and to use that identification to find solutions which will meet the needs of the local community and the railroad providers.

We wish to continue communication with the STB, all the local governments, and all the rail providers to identify the specific concerns and potential solutions to the concerns. The City of Winona wants the STB to help facilitate this communication network as part of the review process for the DM&E application.

Sincerely,



Jerry Miller
Mayor

JM/kp

Cc: Senator Rod Grams
Senator Paul Wellstone
Representative Gil Gutknecht
State Senator Steve Morse
State Representative Gene Pelowski
Winona County
City of Goodview
Parties of Record

David S. Brand
Winona County Sheriff
201 W. 3RD Street
Winona Minnesota 55987
507-457-6368

January 23, 2001

Mayor Jerry Miller
City Of Winona
Winona Minnesota 55987

Dear Jerry

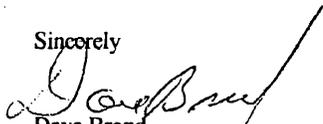
I am sending you this letter in regards to the up coming traffic of more trains traveling through the City of Winona. My concern in the matter is the safety of the residence in Winona and the County. At the present time there have been waiting periods for emergency vehicles to get across the tracks on the south side, responding to emergencies Fire, Police or Ambulance calls. With the increase of more trains I feel we need to deal with the issue of safety to save a life, to get are emergency vehicles across the tracks.

In order to respond with are emergency vehicles and not be delayed, I feel that an over pass should be made on each end of the City of Winona and one in the center, in case an over pass would be blocked for a reason such as an accident, another over pass can be used. The County Sheriff's Department has several emergency vehicles that leave at the Law Enforcement Center to respond to calls such as the Winona County Posse Search and Rescue, the Winona County Dive/Rescue Team for river rescue and the Emergency Response Team. The Winona Police Department and the Sheriff's Squad cars are also housed on the North side of the tracks along with the Winona Ambulance Service located just west of the Law Enforcement Center.

I also feel that with more trains going through the City there could be more of a chance of a railroad accident that would block the tracks for a period of time or a derailment.

If you have any questions please contact me at the Law Enforcement Center.

Sincerely


Dave Brand
Winona County Sheriff

306 East Howard St.
Winona, MN 55987-3825
March 26, 2001

Community Development Office
City of Winona

Dear Ms. Bodway, Mayor Miller, and other city officials,

We are taking this opportunity to contact you with our comments on the City's response to the DM& E DEIS. First, we wish to thank you for all your efforts and we wish to emphasize that these comments are not meant to discount or diminish your previous hard work. We are heartened that your response includes fencing for the safety of children, one of our key objectives. We wish to limit our comments to three points: barriers to pedestrians in crossings, sound and vibration issues, and property values.

- 1) While fencing is certainly necessary in terms of child safety, we support the position taken by the Citizens Concerned About Coal Trains in advocating barriers at crossings that not only would block the roadway but also the sidewalk and paths used by pedestrians and bicyclists. Pedestrians and bicyclists currently are not prevented by crossing arms from dashing across the tracks in front of an oncoming train. While much of the current danger comes here, more trains will only exacerbate it. While adults are not always able to safely gauge the speed of an oncoming train, children are even less able. We would hate to install fencing, but lose lives because of a lack of barriers at the crossings. Further, we might also consider filling in some of the gaps in the crossings, so that baby strollers do not get their wheels stuck in the gaps by the rails.
- 2) The city's response comes out against sound barriers as an aesthetic eyesore to the city. This may be an instance of where the city should take a wait and see position based upon the problems that are cause. While I share your concern about the beauty of our city, it is likely that some kind of sound and vibration system will be necessary. It should be well designed, but they should not be ruled out if they would significantly reduce a major noise and vibration problem.
- 3) Your choice of the distance of "at least within one hundred feet" for structures which may be impacted by noise, vibration, and property values needs clarification. Because of Winona's geology and the number of trains expected, the effects of noise, vibration, and, hence, a reduction in property values might extend well beyond the one hundred feet to at least several blocks on both sides of the railroad lines.

We ask that you consider revising your response based upon these comments and would be happy to assist you in this process. We would also ask that you include these comments as an appendix to your response as a public record of our comments. Again, we thank you for your efforts.

Sincerely,

 (for Ruth Charles)
Michael Bowler, Ph.D. and Ruth Charles, Ph.D.

City of Winona
Community Development Office
207 Lafayette St. Room 210
City Hall

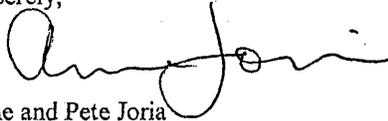
Dear City of Winona,

We are writing to comment on the City's response to the draft Environmental Impact Statement (DEIS) for the DM&E coal train expansion project. We are concerned about the low level of mitigation requested by the city of Winona. We don't believe \$21.5 million is sufficient to cover the negative effects of this project on the life and flavor of the community of Winona.

We are urging the City of Winona to increase the level of mitigation requested to cover the following items: seven overpasses (recommended by the DOT), sound barriers, improved crossing gates, purchasing property near the tracks whose value will decline, relocation funding and a fund to cover future losses and damage to existing property. We would also like the city to consider track relocation away from the main part of town.

We are especially concerned about declining property values as we live approximately 150 feet from the tracks on Marian Street. We believe DM&E should be responsible for compensating the residents of Winona for the negative effects of increased rail traffic.

Sincerely,



Anne and Pete Joria
1090 Marian St.
Winona, MN 55987

City of Goodview/ Winona Community Development Departments.

This letter is to inform you, as I am concerned citizen of the DME railroad expansion thru the city of Winona/ Goodview, Minnesota, that I'm opposed of this entire expansion project because I'm a adjacent landowner, and also the following concerns

- #1 The impact of property values not only near the tracks but through out the whole area.
- #2 Structural damage to properties and utilities from vibrations, noise and air pollution from diesel fuel and coal dust.
- #3 Traffic delays and safety concerns at crossings.
- #4 Children safety along unprotected tracks
- #5 Emergency vehicle response times.

These listed items are just a few very important concerns of mine and many other citizens of my city, I ask that you demand that the DME Railroad pay for all costs of improvements to mitigate these negative effects.

Recommedations for mitigation should be :

- * The purchase at fair market value of damaged or reduced-value property near the tracks along with money to relocate homes or businesses.
- * An escrow fund to protect the city and it's citizens from future property value loss, health care problems from the pollutions, and damage that may be caused to water, gas and electrical lines and derailments.
- * Retro fitting homes and buisnesses to withstand the effects of noise and vibrations.
- * Attractively designed, landscapped and secure barriers to keep and protect the children from the tracks
- * Seven over or under passes which the Minnesota Dept. of Transportation has recommended.
- * Crossing gates designed to prevent motorists or pedestrians from going around.

I appreciate your work that you will contribute to my and many of Winona/Goodview concerns with the proposed DME railroad expansion project, Please return to me a letter that will explain your effort put towards these issues in streghtening your support for concerned citizens

Sincerely concerned coal train citizens.

Beth H. & Jeffery A. Graves

5310 W. 67th St
Winona, Mn, 55987

2-24-01
Re: DM+E rail plan - Winona County

Many pertinent questions remain concerning DM+E's proposal as it affects Winona and the Mississippi river. Anticipated impacts are such that there should be no rush to judgment on the various issues.

It occurs to me that in the long term the whole notion of moving vast quantities of natural resources might need some scrutiny. Depleting a limited quantity of fossil fuel for electrical luxury seems less than sensible. A conservationist might wonder what happened to "energy conservation", especially out East. Token light bulbs and "off-peak" spa heaters don't indicate much dedication on the part of enterprising Americans. Burned coal = global warming? Could be. Reduce demand, wait for fuel cells, or if we must have it put the power through power lines.

Corn exports? Are we still operating on the false notion that we are Breadbasket to the World? A percentage of row-crop farming

Roger Lacher

amounts to mining the Midwest,
much of it depends on imported
petroleum. Foreign "food shortages"
are mostly a matter of distribution,
not supply. Sending 0 corn to South
Korea hops so we can afford more
Soyas doesn't make sense.
Perhaps our topsoil is best saved
for seven generations into our future,
especially as the Ogala aquifer
stops watering millions of Western
acres.

Increased grain exports might seem
important to our short-term balance
of trade. But if that involves the
tremendous retrofitting of upper
Mississippi locks and dams, bridging
a deeper channel and increasing
berge traffic, it would if residents
along this river the heavy-duty shipping
convergence worth it.

History books (or computer discs) will
chronicle decisions made early
in this 21st century. I hope
we midwesterners come out looking
not too foolish and greedy.

Roger Lacher
527 E. 4

WINONA 55987 (507) 454-6949

Roger Lacher

2-24-2001

Community Development Office
City Hall
Winona, MN

Dear Ladies and Gentlemen,

I am writing about the DM&E Expansion and Coal Train issue as it relates to running up to 34 additional 100+ car coal trains daily through our city of Winona, Minnesota.

Allowing these additional trains to pass daily through our city is irresponsible and reprehensible. There could be no benefit great enough to our community to allow such an increase in pollution, traffic congestion, safety hazards, noise, and the disruption of the quality of life we moved here for 8 years ago to experience. Especially when there are alternative routes that exist on both sides of the Mississippi River that do not run through the heart of a community.

I, and every citizen I have talked with in this community, stand strongly against this expansion through our communities, as do the people of Rochester and Mankato, Minnesota.

I understand the need for the line, but they should be looking at running the track outside of the city, not through it.

If it is too late to stop this travesty, we must at least require that DM&E take **complete** financial responsibility for the impact this will have on our community both today and for years to come in the form of mitigation. They must pay for all improvements we need to leave the community intact at the current quality of life we enjoy without the added traffic.

This should include overpasses, underpasses, crossing gates, sound barriers, new landscaping to make these all look like a part of our community, reparations and fair market value for the dozens of families that will have to sell their houses to make room for the overpasses and additional safety measures necessary. This will also include mitigation funds for those who will now have to live with depressed property values due to the increased rail traffic, retrofitting homes and businesses to withstand the additional vibration and noise, setting up a large escrow fund to measure the differences in air, water, and noise pollution and to correct them as they come up with additional filtration systems and sound barriers, and with additional escrow funds to handle the inevitable accidents and disruptions to the quality of life in Winona.

Lastly, and very importantly, mitigation funds in the form of an 8 digit escrow, to handle the incredible delays this will inevitably cause for emergency vehicles to respond to fires,

crimes, car accidents, and people in need of emergency rescue. For every person in our community who is lost or seriously injured because of a rescue vehicle's inability to get that person to the hospital on time because of the passing of the 1st or the 34th coal train of the day, I will work to make sure that DM&E will be named on each and every one of these lawsuits.

I believe that the city has taken way too casual an opposition to this proposal and is not seeing the devastating affects this would have on the long-term health of this city.

My God, with the mention of all this damage to our community, could any sane person, with the exception of the railroad, really be thinking this is a good solution????

Thank you for your attention.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ray Dretske', with a long horizontal line extending to the right.

Ray Dretske,
President and CEO,
Vanguard Technology Group,
and a very concerned parent and community member

507-453-5150
1124 W Wabasha
Winona, MN 55987



SURFACE TRANSPORTATION BOARD
Section of Environmental Analysis

DM&E Powder River Basin Expansion Project
Draft Environmental Impact Statement

COMMENT SHEET

Name: PATRICK M. BERG

Address: 502 E. Mark St.
Winona MN 55987

Phone: (507) 457-0709

Comments may be submitted today or mailed to:

Office of the Secretary
Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001
Attn: Victoria Rutson

Please provide any comments on the DM&E Powder River Basin Expansion Project Draft EIS.

I live across the street from the R.R. tracks and the noise, and waiting at intersections, and vibration now is enough to upset a person. I love Winona and have lived here my whole life. If the R.R. passes what they want and we have more trains I will probably move out of town to Jewiston where I work! I don't want to do this but I will. I will also not spend any money in Winona any further and will go elsewhere!

Pat Berg
2.25-01

9

February 25, 2001

Judith Bodway
Director of Economic Development
Community Development Department
207 Lafayette St. Room 210
Winona, MN 55987

Re: DM & E Project - Health Concerns/Economic Impact

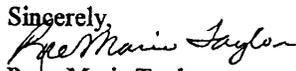
I am against the expansion project as proposed as it will adversely affect the quality of air at the expense of Winona residents and also adversely impact our community economically.

I live one block from the railroad tracks in Winona, MN and I am especially concerned about the adverse impact on air quality from the coal dust and diesel fumes, which will be generated due to the DM & E expansion project.

Due to our geography, the pollen and pollutants tend to settle in our valley rather than dissipate out. Over the years my children have had numerous ear infections which my pediatrician said were aggravated if not caused by the already existing air condition in Winona. Adding more pollution to this environment is asking for additional health problems of asthma, allergies and lung problems not only with our children and elderly but also to all Winona residents. Who will pay the additional doctor and medicine costs? The DM & E?

Economically our entire community will be affected by the additional time our delivery drivers, plumbers, electricians, realtors, sales persons etc will be waiting to cross the tracks. One hour waiting a week for 1000 business persons at an estimated cost of \$20 per hour equals \$20,000 per week in lost revenue for those businesses. In one years time, the cost equals \$1,040,000 in lost revenue or salaries paid to sit at the tracks. Those businesses adversely affected will have no choice but to locate somewhere else or pass the cost along to Winona residents and other customers. Passing the cost along and using those numbers, it will cost the 26,000 residents of Winona \$40 each per year to have the DM & E project. Economically, how is this project helping our community?

In the interests of the health of the Winona citizens I would request an Air Quality study be conducted specifically for Winona so as to identify what risk factors will be involved by allowing the expansion project to go through Winona. Also, I would ask that an economic impact study for crossing wait time be done so residents have a concrete idea as to what this project really means to them monetarily.

Sincerely,

Rose Marie Taylor
663 E. Belleview
Winona, MN 55987

February 26, 2001

Community Development Office
Winona City Hall
Lafayette Street
Winona, Mn 55987

Attention: Community Development

Dear Committee:

We am totally against the DM& E expansion. We live right along the tracks and our garage is not that far from the tracks and I am afraid that any barriers would make access to our garage impossible. We have a narrow lot and no land on the sides of our house. The only way we can get to our garage is thru the alley. Our house shakes enough from the amount of trains we have now. The best alternative is to move the tracks around the city, move them closer to the river. This would eliminate the need for upgraded rail crossings and noise barriers, special warning devices, and would insure that emergency vehicles would not be infringed upon.

Very truly yours,


Ron and Jean M. Frester
671 East Howard Street
Winona, Mn 55987-4302



222 W. Wagon Wheel
Taff Roberts
452 East Howard Street, Winona, Minnesota 55987

February 22, 2001.

Dear Mr Mayor,

Thank you for putting the coal train issue on the agenda last Tuesday evening and also the time that you have been investing in it.

I ask that you request to the STB that Four Quadrant crossings be installed here in Winona at all our railway crossings.

Last Saturday afternoon at around four o'clock in the afternoon I was returning home down Sarnia and I headed north on Main street. As I came around the corner I saw that the gate was down and the lights were flashing but no train! I waited there for a while along with a few more folks and a few cars took the initiative and drove around the barrier. I waited a little bit more and another car crossed and then I saw a sight that I never thought I would see. An eighteen wheeler started backing up on the other side of the tracks from me and started to manoeuvre around the gates. It took him about one minute and fifteen seconds and he did make it! I thought I was watching a Steve McQueen movie, it was very scary to watch.

Yes you are right he was in a hurry just like anyone else! If you add thirty eight more trains a day don't you think we need this safety net of a four Quadrant crossing for the citizens of this town.

Yes it will cost more but it will save some lives, don't you think?

Thank you for taking the time to show me the rail crossing change at Louisa street last fall.

I do think it is an improvement but it has flaws. With time people will try to drive down the other side as soon as they see the lights go on and gate go down.

If you have any questions about this Jerry please feel free to call me in the evening and thank you for all the good work you do on behalf of Winona. You are a great ambassador for this wonderful town that we discovered eleven years ago. Talk to you soon I hope.

Sincerely

Taff Roberts

Janel H. Dean
Rural Route 1, Box 366
Minnesota City, MN 55959
(507) 689-4651

Office of the Secretary, Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Attn: Victoria Rutson, Environmental Project Manager
Environmental Filing

Friday, February 23, 2001

Dear Surface Transportation Board:

The DM&E expansion project has the potential to increase the number of trains through the city of Winona and Goodview, Minnesota to a additional 37 trains per day. That would be a total of 63 trains including the number of existing trains already passing along the track. Even though the track running through the towns is a Canadian Pacific line, they will be affected as much if not more than other cities. The DM&E line ends just north of these cities. Yet the trains from the DM&E line will continue though the towns.

The draft DEIS fails to adequately address the effects the expansion will have on the City of Winona/Goodview or propose any significant mitigation for the effects that would result from the expansion. The document must be redrafted to comply with federal law. I feel the STB should demand that the DM&E take responsibility for the negative impacts to Goodview and Winona via mitigation.

The cost of the mitigation needs to be born by the railroad and those customers who will benefit from the project. The citizens of Winona and Goodview should not have to bear the costs related to these increased traffic and safety issues

Here are the issues that should be addressed: There are 1,123 structures in Winona and 835 structures in Goodview that stand alongside the track. These structures are built on alluvial soil, soil which quickly transmits vibrations to nearby properties. The vibration effects need to be examined. Decrease in property values and the cost of strengthening/moving these structures for the up to suggested 7 overpasses that the Department of Transportation has suggested also needs to be considered.

Additional impacts not addressed:

The effects of breathing diesel fumes and coal dust on the residents of these structures.

Delay of emergency response of ambulances/firetrucks.

Cost of additional crossings

Cost of fencing needed around schools and residential areas

Impact of noise from train on residents of these towns

Impact of additional coal dust, noise and coal loading onto barges on fish and wildlife in and around the Mississippi river.

Sincerely,

Janel Dean

Janel Dean

CC:

Representative Gill Gutnecht

Senator Paul Wellstone

Senator Mark Dayton

Judith Bodway, Director of Economic Development, Winona, MN

February 22, 2001

To Whom It May Concern,

My wife, Diane, and I have lived in our house located at 506 Wall Street for the 24 years that we have been married. We have invested a considerable sum of money and also a considerable amount of sweat equity into our residence. We did this knowing that our home is located within 100 feet of the railroad tracks and are satisfied with the present number of trains going by our home on a daily basis.

I have been following the DM&E expansion proposals to a limited extent. I feel that everyone that lives along the tracks has accepted the fact that the railroad tracks are there and we must live with them as they are now. We could second guess the founders of Winona for locating the tracks where they are now but this would not be of any benefit because there is nothing we can do about the location of the tracks.

We are now faced with a new set of circumstances, which is the doubling of rail traffic passing through Winona. I find this totally unacceptable to put anymore trains through our city. We should fight and stop this proposal if it means bringing more train traffic through Winona.

I would advocate that the DM&E should build a bridge across the Mississippi River in the area north of the commercial harbor and connect with the Burlington Northern tracks in Wisconsin. I would imagine that this would put environmentalists in an uproar because we may harm some type of fish, bird, bug or other creature by disturbing their home. I would say disturb their homes before disturbing any of the residents in Winona with anymore rail traffic.

Sincerely,

JIM AND DIANE KERKENBUSH

Diane Kerkenbush
Jim Kerkenbush

City of Winona
Community Development Office
Rm. 210
City Hall

2-25-01

To whom it may concern:

This morning I read in the Post the report your committee has made concerning this DM&E project. Obviously all of you have carefully considered this project, and all of your efforts are appreciated. Although it is already apparent what effects the current railroad traffic is having on the city, it appears that you fail to realize the long term effects this increased train traffic will have on this town. Instead of putting the fire out, you are only adding more fuel to the fire. Please read the following:

1. Large sums of money from the DM&E and the variety of adjustments within the city will not stop the continued destruction of the city, properties, or the citizen's health. The source of the problem is still there.
2. Continuation of the current train traffic and then additional trains, will deteriorate a large portion of the town. Who will want to live near the tracks? The property owners will lose much money and where will they live? There is a current housing shortage in Winona. The highly respected WSU is near the tracks and the new WSU library, as well as other buildings, will eventually have structural damage. Who pays for the repair?
3. The current railroad company has already been increasing the freight and the number of trains that are going through here, as well as the speed. It is "shake, rattle and roll", plus noise for the properties and owners. THIS HAS TO STOP! The current railroad company should be held responsible for current problems. They also should pay for the moving of the train out of the city.
4. The air will become polluted by all the train smoke, and the citizen's health will be effected, as well as all the beautiful trees. It will become a brown/grey city. I have lived in Los Angeles and know what air pollution is, and I don't want to see or smell that here.
5. Imagine having 7 ugly overpasses in the city. Think of the height, width and length, blocking 7 streets and properties. Horrible? They will disfigure the city. They will be quite a headache for the Street Department to maintain, especially when there is ice and snow. Would you like to drive over one of these overpasses when there is ice or snow? There will be serious accidents.

Common sense tells us that in order to stop a problem, you eliminate it.

- Therefore:
1. The DM&E expansion has to be stopped.
 2. The current train tracks have to be moved out of the city, then the property destruction and noise will stop, and it will not be necessary to build overpasses.

If immediate action is not taken to stop and remove the trains from the city, this beautiful "American City" will become quite degraded and look like one that comes "from the other side of the tracks".

If the DM&E project is accepted there would be 62 freight trains going through Winona daily.... constant noise, pollution, vibration, hour after hour. No one can live under those conditions. The city of Winona would accept this?

Sincerely,



R. Brendel
Winona Property Owner

**Thomas E. Mauszycki D.D.S.
1671 Valley View Drive
Winona, Minnesota 55987-6221**

Telephone: 507 - 454 - 3800

E-mail: mauszyck@rconnect.com

February 20th, 2001

Attn: Victoria Rutson
Environmental Project Manager
Environmental Filing
Office of the Secretary
Surface Transportation Board
1925 K Street, Northwest
Washington, D.C. 20423-0001

Re: Case unit
STP
Finance Docket Number 33407

Dear Victoria:

I have studied the planned expansion of the Dakota, Minnesota & Eastern Railroad with great interest.

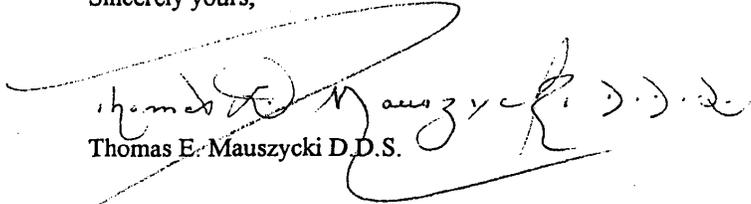
I believe the DM&E RR has a great opportunity to derive economic expansion, growth and stability from the planned endeavor. **HOWEVER**, I believe the economic impact on the City of Winona will be tremendous without financial and monetary contribution and support for the infrastructure of our city.

The lack of commitment by the DME RR to include the City of Winona in the original design and planning of the expansion is being totally negligent even though the railroad terminates

a few miles outside of the limits of the City of Winona. Yet, the City of Winona is one of the most important terminals along the entire route. Your full cooperation and support will definitely win my approval and support for your endeavor.

I support the content and design of the documents as submitted by the City of Winona during the later days of February, 2001 or the beginning days of March, 2001.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Thomas E. Mauszycki D.D.S.", is written over a large, faint, circular scribble. The signature is fluid and cursive, with the initials "D.D.S." clearly visible at the end.

Thomas E. Mauszycki D.D.S.

cc: Judy Bodway
City of Winona

HARLAND P. KNIGHT



PAULINE G. KNIGHT

OWNERS/DEVELOPERS — COMMERCIAL/INDUSTRIAL PROPERTY

1305 CONRAD DRIVE
WINONA, MN 55987
507-454-2889

February 22, 2001

Chair Linda Morgan
The National Surface Transportation Board
1925 K Street
Washington D.C. 20423-0001

Re: NTSB and The DM & E railroad

I am writing to urge the NTSB to authorize the expansion of the D M & E Railroad to the Wyoming coal fields as soon as possible. My reasons for believing this is a vital project are as follows:

- 1: The expansion proposal will allow for more volume of the cleaner burning coal to our power plants. There is no need to detail the fact that cleaner burning coal at a more affordable transportation rate will be a benefit to our entire country. The crisis in California and other states certainly points out the need for providing more electrical power to our homes and industries across America. Some of our nearby industries have been asked to reduce their load and even to shut down at times.
- 2: The proposed expansion and upgrade will allow for more grain and other products of the Dakotas and Minnesota to be shipped east and south. This will obviously help to keep many trucks off our already crowded and deteriorating roadways and streets.
- 3: The shipment of grain and other products by rail to barge will allow for more competitive shipping for our farmers, millers and others who add value to grain for overseas shipments to help feed the needy people of the world. As you are aware the United States balance of trade is in trouble and increased grain and produce is one of those commodities that can assist in offsetting the deficit.
- 4: The construction during this rebuilding and expansion will provide a positive economic impact all across the Dakotas and Minnesota as well as Wyoming for contractors and business.

5: There is an estimated one million dollars of new tax revenue for each county along the route. There is potential for much more revenue for areas where new construction for commercial and industrial expansion will take place to meet the needs being created. This should allow all taxpayers to see some reprieve from increase taxation while allowing local governments to meet the need for services.

6: The president and staff of the D M & E have held informational meetings all along the route. We have been assured they will work with the Winona County area in addressing the local concerns of traffic flow and safety.

7: Some time ago at a meeting in Winona we heard assurance from the Canadian Pacific Railroad officials stating they would work with the D M & E in trying to solve local safety concerns. This is a new concession from the C.P. as they are the ones owning the track through Winona city proper. The D M & E, actually does not own any tracks in the city.

8: Local shippers have stated they may be able to expand their markets to the west of the Winona area because of this upgrade of facilities and expansion of the D M & E rail lines.

I appreciate the hearings the National Surface Transportation Board have held in Winona. I have studied this proposal from many angles and feel the positives for the future far outweigh any short term negatives. I state the following only to assure the NTSB of reasons for my interest and strong feelings for this expansion and upgrade. I served two terms on the Winona City Council; I am a past chair of the Winona Area Industrial Development Association (WAIDA); I chair the county wide Economic Development Sub-committee of the Winona Area Joint Coordination Committee(WAJCC) and have served on the Winona Port Authority. I cross the C.P. tracks every time I go into the Winona city downtown proper and have not found the rail crossing occasional blocking to be other than a two or three minute inconvenience. I also want to point out an interesting fact that one of the persons leading the "anti train" movement in Winona is a resident of Wisconsin.

Sincerely,

Harland P. Knight

Dear Mayor Jerry Miller and City Council Members,

I am writing to you with serious concerns about the DME expansion. I have been a member of this community for 24 years. I attended the City Council meeting on Tues. Feb. 20th. I believe I heard you state that in Oct. 1998 this Council opposed the expansion of the DME. I strongly urge you to maintain this stance for the reasons outlined below.

First, I want to support the need to address the concerns to the EIS through the STB that were covered by Greg Gaut in order to develop physical safety to emergency vehicles, school children, college students and all the citizens of Winona. Mitigation for the physical safety is an immediate concern and I believe placing a liberal dollar amount on this mitigation is a responsibility that cannot be taken lightly due to the possible long term effects that are unforeseeable.

Secondly, there are future long terms effects that need to be addressed and looked at closely because of their impact on this community and the members of this community. I believe after investigation, these should be included in the mitigation process. Because of the city being located in its unique geographical location, there are several things to consider in this matter. The sand substrate creates issues for us in many areas. Every building, every home and structure in this valley will be adversely affected by the vibration of the trains. This includes the physical structure, gas pipes, water pipes, telephone conduits and ground water. Yes, sad but true. This is an inevitable long term effect that hasn't been discussed. The UNCOVERED coal trains numbering up to 5,000 car loads per day will be putting coal dust into the air which will make its way into our water aquifer and our water systems causing disasterous results for every citizen of Winona.

Thirdly, the air quality is certainly an important issue that is a vital element to our survival that needs to be taken seriously and addressed for obvious reasons. The 5,000 uncovered coal trains will be exposed to wind and the coal will be disseminated into the air. I am not a scientist, but I don't need to be to know that the valley traps the air. Anyone who has seen a foggy morning in this valley is well aware of this phenomena. Historically, as was seen in the case of coal miners, coal dust causes a number of physical ailments. Therefore, the coal laden air is a very dangerous situation that needs to be addressed.

Please envision yourself in the following devastating scenerio: * John Doe is a long time citizen of Winona, Mn. He wears an oxygen tank due to the lung disease he developed as a result of poor air quality. John has a son that developed asthma at a young age probably related to the poor air quality. He in turn has a daughter born with a birth defect which is believed to be caused from genetics of her family. Now, at what cost will we allow the trains to infiltrate our beautiful valley we call home?

* A possible future scenerio:

In summary, Winona is unique in its geography and surroundings: the bluffs appear to trap the air between them, the sand substrate allows chemicals to sift through and it leads to heavier ground vibrations leading to the underground structures deterioration and the narrowness of the city are all considerations when looking at the train possibilities. Please reconsider your approach and take into account the concerns I have listed. I am sorry that I don't have any solutions to the problem of coal transportation, but I do not believe our city can withstand the long term devastating effects. Please consider opposing the endeavor of the DME considering the long term effects it could have on our quality of life.

Thank you!

Pamela Kelly
Pamela Kelly

657 W. 3rd

Winona, Mn. 55987

*I would like to hear from you regarding these concerns.
Please respond to the above address.*

Victoria Rutson, Environmental Project Manager
Office of the Secretary, Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Ms. Rutson,

I am writing to comment on the draft Environmental Impact Statement for the DM&E coal train expansion project. The proposed DM&E project would increase the amount of trains passing through Winona from the current 28 trains a day to 63 trains a day at full operation. In addition, the Canadian Pacific rail (CP) plans to significantly expand the number of CP trains passing daily through the City. The draft EIS fails to adequately address the effects the project will have on the City of Winona or propose any significant mitigation for the effects that would result from the expansion. In order for the EIS to comply with federal law the document must be redrafted.

I compliment your agency for acknowledging the need to include Winona within the scope of the EIS. Page 3.2-32 of the draft document states, "Because it is reasonable that such movement of trains would occur and the citizens of and elected officials in Winona expressed concern for noise, air quality, transportation, and safety in their community due to this increase in rail traffic, the Section of Environmental Analysis determined it appropriate to consider these potential impact along the Canadian Pacific line in Winona". Noise level, however, is the only concern substantively analyzed within the draft EIS.

The EIS fails to reflect an understanding of the geography and site specific conditions in the City of Winona. The City of Winona is long and narrow, the railroad tracks longitudinally bisect the city. Virtually every one of Winona's major thoroughfares cross the CP tracks with a 'at grade' crossing. There are eight schools and colleges located within three blocks of the railroad tracks, many of our students must walk across the tracks to reach their schools. Traffic delays from trains in Winona are often lengthy, lasting 10-15 minutes, during which time the city is effectively cut into two. The ambulance service is on one side of the railroad tracks; the hospital is located on the other side. There are hundreds of residential structures in Winona whose back yards abut the railroad tracks often with no separating fence. The geology of Winona is comprised of alluvial sand, a substrate that transmits strong vibrations from trains to structures many blocks away. The draft EIS omits all of these factors from its environmental analysis.

Information in the draft EIS concerning the specific effects of the proposed project on the City of Winona is either omitted (e.g. traffic delays, emergency response, effect on adjacent schools, and property effects) or erroneous (in the case of crossing

safety). Thus, the draft EIS fails to meet the requirements of the Federal Regulation (49CFR1105.7) which require the STB to, "describe the effects on essential public services (e.g. fire, police, ambulance, neighborhood schools) public roads, and adjoining properties". The draft EIS should be redrafted so that these effects are not omitted from the document.

The document's minimal evaluation of safety effects on the City of Winona appears to be incorrect. Projecting one extra traffic accident every three years for Winona County--when running a full operation of 37 extra trains per day with no crossing improvements (p.3.2-92)-- the draft EIS fails to take into account current statistics on record. Within Winona City limits, records over the past 10 years show that on the average one rail traffic accident occurs every year. Clearly, the STB's model does not accurately predict the amount of accidents that will occur in Winona resulting from the project.

The draft EIS proposes no crossing improvements for the city of Winona, a position that stands in direct contrast to the findings of a Department of Transportation (DOT) study conducted in the year 2000. Evaluating the amount of road and rail-traffic crossings in Winona, the DOT study showed that current car and rail-traffic met the standards that would require construction of one overpass. Evaluating the cumulative effects of the proposed extra 37 DM&E trains per day, the study found the increase in road and rail-traffic would increase the need within the City for seven overpasses. Again, the draft EIS fails to evaluate the cumulative effects of the proposed project.

The draft EIS fails to mention the need for overpasses or the need for other mitigation measures to address the effects that the proposed DM&E coal train expansion project would have on the City of Winona. Under Federal Regulation (40CFR1502.14), the STB must, "Include appropriate mitigation measures not already included in the proposed action or alternatives". The EIS should be redrafted to include appropriate mitigation measures for the City of Winona. These measures of mitigation should include: construction of 3-7 overpasses (the number depending on the need that appropriate traffic modeling determines); construction of four quadrant 'at grade' crossing systems - where over passes are not built; rebuilding of tracks through the City to reduce vibrations; and the construction of fencing near schools and residential areas.

Thank you for the opportunity to comment on the draft EIS. I look forward to a second draft that will reflect Winona's unique geography and address the impacts caused by the proposed project.

Sincerely,

Justin Kuehl
682 W. 5th St.
Winona, MN

Victoria Rutson, Environmental Project Manager
Office of the Secretary, Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Ms. Rutson,

I am writing to comment on the draft Environmental Impact Statement for the DM&E coal train expansion project. The proposed DM&E project would increase the amount of trains passing through Winona from the current 28 trains a day to 63 trains a day at full operation. In addition, the Canadian Pacific rail (CP) plans to significantly expand the number of CP trains passing daily through the City. The draft EIS fails to adequately address the effects the project will have on the City of Winona or propose any significant mitigation for the effects that would result from the expansion. In order for the EIS to comply with federal law the document must be redrafted.

I compliment your agency for acknowledging the need to include Winona within the scope of the EIS. Page 3.2-32 of the draft document states, "Because it is reasonable that such movement of trains would occur and the citizens of and elected officials in Winona expressed concern for noise, air quality, transportation, and safety in their community due to this increase in rail traffic, the Section of Environmental Analysis determined it appropriate to consider these potential impact along the Canadian Pacific line in Winona". Noise level, however, is the only concern substantively analyzed within the draft EIS.

The EIS fails to reflect an understanding of the geography and site specific conditions in the City of Winona. The City of Winona is long and narrow, the railroad tracks longitudinally bisect the city. Virtually every one of Winona's major thoroughfares cross the CP tracks with a 'at grade' crossing. There are eight schools and colleges located within three blocks of the railroad tracks, many of our students must walk across the tracks to reach their schools. Traffic delays from trains in Winona are often lengthy, lasting 10-15 minutes, during which time the city is effectively cut into two. The ambulance service is on one side of the railroad tracks; the hospital is located on the other side. There are hundreds of residential structures in Winona whose back yards abut the railroad tracks often with no separating fence. The geology of Winona is comprised of alluvial sand, a substrate that transmits strong vibrations from trains to structures many blocks away. The draft EIS omits all of these factors from its environmental analysis.

Information in the draft EIS concerning the specific effects of the proposed project on the City of Winona is either omitted (e.g. traffic delays, emergency response, effect on adjacent schools, and property effects) or erroneous (in the case of crossing

safety). Thus, the draft EIS fails to meet the requirements of the Federal Regulation (49CFR1105.7) which require the STB to, "describe the effects on essential public services (e.g. fire, police, ambulance, neighborhood schools) public roads, and adjoining properties". The draft EIS should be redrafted so that these effects are not omitted from the document.

The document's minimal evaluation of safety effects on the City of Winona appears to be incorrect. Projecting one extra traffic accident every three years for Winona County--when running a full operation of 37 extra trains per day with no crossing improvements (p.3.2-92)-- the draft EIS fails to take into account current statistics on record. Within Winona City limits, records over the past 10 years show that on the average one rail traffic accident occurs every year. Clearly, the STB's model does not accurately predict the amount of accidents that will occur in Winona resulting from the project.

The draft EIS proposes no crossing improvements for the city of Winona, a position that stands in direct contrast to the findings of a Department of Transportation (DOT) study conducted in the year 2000. Evaluating the amount of road and rail-traffic crossings in Winona, the DOT study showed that current car and rail-traffic met the standards that would require construction of one overpass. Evaluating the cumulative effects of the proposed extra 37 DM&E trains per day, the study found the increase in road and rail-traffic would increase the need within the City for seven overpasses. Again, the draft EIS fails to evaluate the cumulative effects of the proposed project.

The draft EIS fails to mention the need for overpasses or the need for other mitigation measures to address the effects that the proposed DM&E coal train expansion project would have on the City of Winona. Under Federal Regulation (40CFR1502.14), the STB must, "Include appropriate mitigation measures not already included in the proposed action or alternatives". The EIS should be redrafted to include appropriate mitigation measures for the City of Winona. These measures of mitigation should include: construction of 3-7 overpasses (the number depending on the need that appropriate traffic modeling determines); construction of four quadrant 'at grade' crossing systems - where over passes are not built; rebuilding of tracks through the City to reduce vibrations; and the construction of fencing near schools and residential areas.

Thank you for the opportunity to comment on the draft EIS. I look forward to a second draft that will reflect Winona's unique geography and address the impacts caused by the proposed project.

Sincerely,



682 W. 5TH ST
WINONA MN 55987

Victoria Rutson, Environmental Project Manager
Office of the Secretary, Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

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Sincerely,

Helene Davis
714 Washington
Winona Mn. 55987

February 26, 2001

Victoria Rutson, Environmental Project Manager
Office of the Secretary, Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Victoria Rutson,

Last night I read the City of Winona's response to your Draft Environmental Impact Statement concerning the D.M.&E. and found it seriously lacking in several important areas. Our city has not shown much concern for the harm that expanded rail traffic will have on the residents and businesses of Winona. I hope that this lack of diligence will not discourage the Surface Transportation Board from protecting our community from the harm caused by the D.M.&E.'s ambitious plans to increase its profits.

1. The city's response ignores the need for noise barriers along the railroad corridor. I live about three blocks from the tracks and the noise from trains often wakes me up even in the winter, when all my windows and storm windows are closed. It's worse in the summer.

The people living closer to the tracks need to be protected from the noise that would be caused by more and bigger trains, if the D.M.&E. expands. The city's idea of paying home owners to increase the insulation in their homes might help a little bit, if those folks wanted to sit in their homes with all the windows and doors closed all the time. In fact, people will want to use their yards and porches and open windows and doors.

We need good sound barriers on both sides of the rail corridor for its entire length through the city.

2. The city proposes building three grade separations and one pedestrian overpass at Winona State University. However, there are many places in the city where younger children cross the tracks every day to travel between their homes and school. If young adult college students need an overpass, probably younger students need them too.

3. The city has done very little to collect data on the impact of the current train traffic through the city, so it does not have a grasp on the effect of doubling that traffic. An important example is the time that is lost to productivity by people waiting at railroad crossings. It is common knowledge in Winona that a lot of time is spent waiting at crossings. That makes travelling within the city take longer, which adds to the costs of deliveries, shipping and other business activity the involves travelling.

We need to know how many "people hours" are spent each year at railroad crossings in Winona. We need to know the costs in productivity of those delays. Then we can extrapolate the costs of doubling those delays.

We should also estimate the cost to the community of businesses that will decide against moving to Winona because of the problems generated by increased rail traffic.

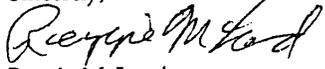
4. The most glaring omission in the city's response is the absence of consideration to moving the rail corridor to a route that would minimize or eliminate many of the problems and costs associated with doubling rail traffic through the city. The city studied the possibility of moving the tracks in 1975, when only 15 trains a day passed through the city. Now that we may suffer a

fourfold increase in that traffic, we need to revisit the possibility that moving the tracks may be the most feasible solution.

Several people have suggested this possibility to the mayor, but to no effect.

Thank you for your work on this project. If this D.M.&E. expansion takes place, I hope that the costs are not borne in large part by the communities along the route.

Sincerely,



Reggie McLeod
267 E. Sanborn
Winona, MN 55987



SURFACE TRANSPORTATION BOARD
Section of Environmental Analysis

DM&E Powder River Basin Expansion Project
Draft Environmental Impact Statement

COMMENT SHEET

Name: Pamela Kelly
Address: 657 W. 3rd St.
Winona, MN.
55987
Phone: (507) 453-0747

Comments may be submitted today or mailed to:

Office of the Secretary
Case Control Unit
STB Finance Docket No. 33407
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001
Attn: Victoria Rutson

Please provide any comments on the DM&E Powder River Basin Expansion Project Draft EIS.

The environmental impact studies that have been addressed do not include future long term effects to our air and water quality. I am seriously concerned about the effects the UNCOVERED coal trains numbering up to 5,000 cars daily will have on our city environment and the citizens of this city.

Winona is unique in its geographical location in that we are between bluffs on either side of the city. The valley traps the air as can be seen on foggy mornings. The coal dust that will be disseminated into the air will be trapped in this valley. Historically, as was seen in the case of coal miners, coal dust causes a number of physical ailments. Therefore, the coal laden air is a very dangerous situation that needs to be addressed due to its long term physical health complications.

In addition, Winona is built on alluvial sand deposits and the ground water will be affected by the coal dust that inevitably will make its way through the sand into the water table. The volume of increase in trains will adversely affect

Additional comments: Mankato MN and Rochester MN are fortunate in that they have alternative routes as an option which will have fewer effects aesthetically and internally on their communities. Winona has no alternative route which will not impact our communities to a catastrophic degree, we do not believe our city, our environment, can withstand the multitudinal devastating effects of the coal trains, we beg you to reconsider another alternative other than allowing the trains to decompensate our environment and our city.

Thank You,
Pamela Kelly

Pamela Kelly
657 W. 3rd St.
Winona, MN.
55987

Place
Stamp
Here

Office of the Secretary
Case Control Unit
STB Finance Docket No. 33407
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1925 K Street, NW
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Attn: Victoria Rutson
Environmental Project Manager
Environmental Filing