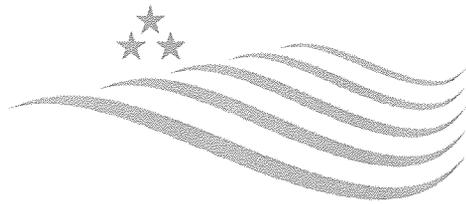


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South Dakota Farmers Union

1410 Dakota Avenue South PO Box 1388 Huron, SD 57350 605.352.6761 888.734.8136 www.sdfu.org

September 19, 2013

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

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RE: Finance Docket No. 35081 *Sub 2*

Dear Chief Brown:

On behalf of the South Dakota Farmers Union (SDFU) and its membership, we submit this letter in support of the petition filed on August 8, 2013, of the State of South Dakota acting by and through its Department of Transportation to enforce Canadian Pacific Railway Company's investment representations. SDFU is a nonpartisan, grassroots organization comprised of over 10,000 family farmers and ranchers who believe agriculture and the transportation of its products is vital to our state's economy.

In South Dakota, the agricultural industry heavily relies on the use of rail to transport its commodities. Agriculture is the largest industry in the state and rail is one of the most-used forms of transportation for agricultural commodities, second only to the highway system. Since 1909, South Dakota has lost service on over 75% of the maximum system of 4,420.5 miles of railroad. According to the South Dakota Department of Transportation, there are only 1,839.5 miles of rail lines in operation today. Of the 1,839.5 miles of operational rail, almost one third is owned by the Canadian Pacific Railway Company (CP).

In 2008, the Surface Transportation Board approved CP's acquisition of the only east-west rail line traversing the entire state of South Dakota. The line cuts through the heart of South Dakota and passes through four of the ten largest cities in the state.

Upon acquisition of the line, CP represented to the Surface Transportation Board that shippers would obtain new single-system service options and that CP had plans to invest \$300 million of additional capital, specifically upgrading the track, bridges and other facilities. At present time, there is sufficient evidence to indicate that CP has not followed through on its initial representations to the Surface Transportation Board.

It is also known that CP is looking for a buyer for the rail west of Tracy, Minnesota, which includes the entirety of the line running through South Dakota. The sale of this line, without CP's investments, would put the entire line at risk. Without further investment, the line would not be able to be used at its current capacity, further restricting transportation of commodities on the line, potentially eliminating the ability for the agricultural industry to maintain a competitive rail system in South Dakota, stifling economic development along the line, and reducing market opportunities for farmers and ranchers.

For the above reasons, SDFU strongly supports the petition of the State of South Dakota before the Surface Transportation Board.

SDFU respectfully requests that the Surface Transportation Board deny any request from CP to sell the rail in question until CP has fulfilled all of its represented commitments.

Thank you for consideration of these comments.

Sincerely,

A handwritten signature in cursive script that reads "Doug Sombke".

Doug Sombke
President, South Dakota Farmers Union

cc: The Honorable Daniel R. Elliott III
The Honorable Ann D. Begeman
The Honorable Francis P. Mulvey
The Honorable Dennis Daugaard
The Honorable Tim Johnson
The Honorable John Thune
The Honorable Kristi Noem