

234850



BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35081 *Sub. No. 7*

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

WRITTEN COMMENTS OF
GCC of America

ENTERED
Office of Proceedings
SEP 20 2013
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Public Record



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**Verified Statement of Ron Henley
On behalf of
GCC of America**

My name is Ron Henley, and I am Vice President of Logistics for GCC of America, 130 Rampart Way, Denver CO, 80230. I am submitting this Verified Statement in support of the State of South Dakota's Petition requesting the Surface Transportation Board (STB) to enforce investment representations the Canadian Pacific Railway (CP) made when they acquired the Dakota, Minnesota & Eastern Railroad Corporation (DME) in 2008.

GCC of America produces and markets a full range of cement products to the construction and energy industries. GCC of America operates a plant in Rapid City, South Dakota which is located on the CP. In 2012 over 3,000 carloads of product was shipped on the CP to destinations throughout the Upper Midwest . Reliable and affordable rail service is critical to GCC's ability to remain competitive and serve customers in the region.

In 2008 GCC supported the CP in their acquisition of the DME based on representations that the acquisition would be beneficial because of single line movements and lower rates to certain destinations, and their investment in the infrastructure would upgrade the lines of the DME. The CP committed they would invest \$300 million in the DME lines, and would continue to upgrade lines to increase train speed and reduce transit time. Shipments from our Rapid City Plant to destinations in the Midwest travel eastbound from Rapid City, South Dakota. The line between Rapid City, South Dakota, and Pierre, South Dakota is in such bad shape that the track is under speed restrictions as “excepted track” by the Federal Railway Administration. We have seen no improvements to this line since the CP acquired it. Did the CP invest the amount they committed to? If so where, geographically, was the investment made? Why hasn’t the CP made any upgrades to this line which surely must be one of the worst lines on their system?

In December of 2012 the CP announced they would entertain offers for the former DME lines west of Tracy, Minnesota. This raises concerns about the future of the lines for sale and CP’s motives. The new operator would begin operations with lines in dire need of maintenance and upgrading. The funds required to do this might prove insurmountable to a start-up operation, and possibly lead to the financial failure of the new operator. If this occurred it would be a disaster for the rail shippers, and communities of South Dakota.

Base on the above, GCC would ask the Board to grant the State of South Dakota's petition to order the CP to produce the requested investment information, and compliance with the representations CP made during the approval process of the acquisition of the DME.

State of Colorado

Boulder
County of Denver.

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



Ronald Henley

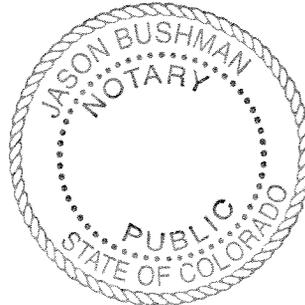
Sworn to and subscribed before me
this 13 day of September, 2013

Witness my hand and official seal.

My commission expires: 12/09/15

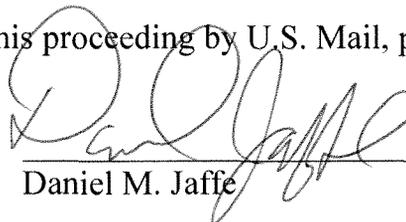


Notary Public



CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of September, 2013, I served copies of the forgoing on all parties of record to this proceeding by U.S. Mail, postage prepaid.



Daniel M. Jaffe