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### VIA E-FILING

Cynthia T. Brown, Chief  
Section of Administration, Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington DC 20423-0001

RE: *Iowa Interstate Railroad, Ltd. – Acquisition Exemption – Line of BNSF Railway Company, STB Docket No. FD 35751, and*

*BNSF Railway Company, CBEC Railway Inc., Iowa Interstate Railroad, Ltd., and Union Railroad Company -Joint Relocation Project Exemption – In Council Bluffs, IA, STB Docket No. FD 35755*

Dear Ms. Brown:

Bartlett Grain Company, L.P. (“Bartlett Grain”) files this letter in reply to the Supplement to Petition for Exemption (“Supplement”) filed by the Iowa Interstate Railroad, Ltd (“IAIS”) in Docket No. FD 35751, and in support of the request of the Kansas City Southern Railway (“KCS”) for a “housekeeping stay” in related Docket No. FD 35755.<sup>1</sup>

<sup>1</sup> Both the Supplement and the “Joint Relocation Project Exemption” in Docket No. FD 35755 were deemed to be filed on October 17, 2013. STB Docket No. EP 721, *New Filing Deadlines for Material Due to be Submitted During the Federal Government Shutdown*, (served October 18, 2013). Also on October 17, 2013, counsel for the Iowa Department of Transportation submitted a letter in Docket No. FD 35751. Without conceding in any way that the statements in the letter regarding Bartlett Grain’s positions and arguments in its Reply have any merit, Bartlett Grain does not object to the Board’s acceptance of this letter into the docket.

A. Docket No. FD 35751

The Supplement was filed by IAIS in large part in response to the assertions in Bartlett Grain's Reply to the Petition for Exemption ("Reply") in Docket No. FD 35751 that the Board should invoke 49 C.F.R. §1121.4(c)(1) and order IAIS to provide more information about the proposed transaction at issue. Bartlett Grain does not object to the inclusion of this otherwise prohibited "reply to a reply" into the record of Docket No. FD 35751. However, while the Supplement provided much needed expansion and clarification of the meager facts set forth in IAIS's original Petition for Exemption concerning the common carrier status of the track that IAIS will use to provide rail service to Bartlett Grain's Council Bluffs South Facility ("CB South"),<sup>2</sup> the Supplement does not provide any information on, or an explanation of how, IAIS's "planned operations will not disrupt service to Bartlett Grain and other shippers by imposing additional costs or charges that could make rail service infeasible at this location." Reply at 9. Specifically, one of Bartlett Grain's concerns has been that IAIS may structure its future switching rates and policies to economically foreclose CB South's access to KCS service. Contrary to assertions made by IAIS, Bartlett Grain does not seek to "guarantee or freeze future switching rates on the Bartlett Line." Supplement at 7. Rather, Bartlett Grain merely has sought assurances from IAIS that Bartlett Grain's access to KCS will in the future be subject to non-discriminatory switching rates, and under unit train treatment such as BNSF today provides in serving CB South.

However, while IAIS has provided some assurances to Bartlett Grain concerning the continuation of the current unit train service, IAIS has not provided similar assurances regarding the structure and level of its switch charges after the transaction is consummated, stating instead only that its initial intention is to utilize switching rates that are "comparable to the current BNSF rate 'allocation' under the relevant contracts," but that "[f]uture rates will depend, as they must, on traffic and market conditions." Supplement at 7. Accordingly, Bartlett Grain submits that the Supplement has not addressed all of the additional information that is required to ascertain "the full impact of the proposed exemption," 49 C.F.R. §1121.4(c)(1), and that, therefore, IAIS should be directed to submit additional information into the record that assures the Board that the full impact of the transaction can be ascertained and that it will not disrupt the current service to Bartlett Grain by BNSF and KCS that IAIS will be replacing.

B. Docket No. FD 35755

In addition, Bartlett Grain supports KCS's request for a housekeeping stay to postpone the effective date of the exemption notice in Docket No. FD 35755, pending completion of the Docket No. FD 35751 proceeding. As Bartlett Grain noted in its Reply in Docket No. FD 35751, the applicability of the class exemption for joint line relocations under 49 C.F.R. §1180.2(d)(5) is questionable where, as

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<sup>2</sup> Bartlett Grain expects that the Board will require IAIS to abide by its assurances concerning track configuration, track status, and operations as a condition to any final approval of its Petition for Exemption.

**GKG Law, P.C.**

Cynthia T. Brown, Chief

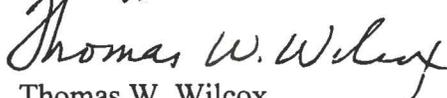
November 6, 2013

Page 3

here, there are unresolved questions of whether a component of a proposed joint relocation project will cause disruption service to existing shippers, and where the relocation would involve a change in service to shippers, expansion of the service of IAIS into new territory, and alter the current competitive situation. Reply at 8, note 4, *citing Denver & R.G.W.R. Co. – Jt. Project Relocation Over BN, 4 I.C.C. 2d 95* (1987). Since these unresolved questions are present in Docket No. FD 35751, the housekeeping stay in the related Docket No. FD 35755 requested by KCS would appear to be appropriate in these circumstances.

Please to not hesitate to contact the undersigned if you have any questions or desire additional information.

Sincerely,



Thomas W. Wilcox

*Attorney for Bartlett Grain Company, L.P.*

cc: Counsel for all Parties of Record in Docket No. FD 35751 and FD 35755