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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET. NO. 35081

CANADIAN PACIFIC RAILWAY COMPANY, ET AL.

-CONTROL-

DAKOTA, MINNESOTA & EASTERN RAILROAD CORP., ET AL.

**COMMENTS OF
AG PROCESSING INC
STATEMENT OF SUPPORT OF CONTROL**

Submitted by:
Terry J. Voss
Senior Vice President Transportation
Ag Processing Inc
P.O. Box 2047
Omaha, NE 68103-2047

My name is Terry J. Voss. I am Senior Vice President – Transportation for Ag Processing Inc, a cooperative (hereinafter referred to as AGP). I have been employed by AGP since 1991 and have been involved in agriculture transportation for thirty six years. I have observed and participated in several mergers in my career.

AGP is a regional cooperative owned by over 190 local and regional cooperatives which in turn are owned by thousands of farmer producers and ranchers.

AGP operates grain facilities in states from North Dakota to Texas and an export elevator in Duluth, Minnesota We operate nine soybean processing facilities, which produce soybean meal for animal feed and crude soybean oil for refining, three vegetable oil refineries, two soy diesel (methyl ester) plants and one ethanol corn processing plant. These facilities are located in Iowa, Minnesota, Missouri and Nebraska. We process in excess of 15,000 acres of soybeans daily. AGP also owns Masterfeeds, a full service feed company with fifteen facilities in four Canadian provinces.

Three of these soybean processing facilities, namely Sheldon, Emmetsburg and Mason City, Iowa utilize the ICE Railroad. Sheldon is served by Union Pacific Railroad (UP), and open to reciprocal switching to the ICE. Emmetsburg is jointly served by UP and ICE. Mason City is served by UP and Iowa Traction Company, which switches to the ICE. We primarily ship soybean meal from these facilities via the ICE. None of our

shipments terminate on the ICE. Rail shipments move via ICE to connecting carriers at St. Paul, Minnesota, Kansas City, Missouri and Chicago, Illinois. Cars are interchanged with all seven Class I carriers and a few short line and regional carriers. One of the Class I's is obviously Canadian Pacific Railway (CP) where traffic is interchanged at St. Paul and Chicago. We have found CP to be competitive and a competent operator and transportation provider to AGP.

If the control application is approved CP will provide single line movements from Iowa to the northeastern U.S., as well as to several Canadian destinations. More importantly, CP will provide competition to soybean processing plants served by Canadian National (CN) in Iowa. These facilities have already enjoyed single line service and single line economics from Iowa to Canadian destinations, the U.S. northeastern marketplace and former Illinois Central destinations in the Gulf States. AGP competes with these CN served facilities for shipments and customers in these markets. We have great hopes and anticipate that a CP single line move for soybean meal will bring parity back to AGP facilities. I feel confident that shippers and receivers of other commodities and products will benefit from a merged system that can provide single line service to these new markets and destinations.

In discussions with CP, we have been assured that they are willing to keep the Kansas City and Chicago gateways open on commercially reasonable terms. This not

only allows shippers and receivers to retain their existing markets but to utilize the new single line opportunities. It is imperative that the Kansas City and Chicago gateway be kept open for interchange on commercially reasonable terms.

CP once owned the ICE Railroad. They know the markets, customers, geography, and know how to operate this property. On several occasions CP has stated that they will invest \$300 million to upgrade and rehabilitate the railroads. They have committed to 25 miles per hour, provided the traffic volumes on the Corn Lines justify the required investment. CP has capital and the ability to source additional capital for upgrades and rehabilitation. This will give the shippers and receivers great benefits. After rebuilding the properties, the shippers should be able to receive consistent safe service. CP is proud of the accomplishment that they are the safest railroad in North America. They should be. It obviously takes good track, roadbed and infrastructure to accomplish this. I do not expect that trend to change and believe they will invest heavily in the property to keep it safe.

Grain and grain product markets move throughout North America and exports to several foreign countries. Grain normally follows the path of least resistance. The value of the product plus transportation costs determines a value at the origin. This determines the price paid to the producer for grain. The more transportation options or destinations a shipper has, the better opportunities to pay more for grain to the

producer and the opportunity to increase volume. CP's merger with the DME/ICE will do just that.

With the CP's commitment to spend \$300 million to upgrade the DME/ICE property; their commitment to keeping the Kansas City and Chicago gateways open on commercially reasonable terms; (to interchange traffic with all existing carriers as DME/ICE is doing today); and the opportunity afforded the shipper and receiver to participate in single line moves to new markets is extremely positive for the shipping community.

In light of the Applicant's representations discussed above, AGP strongly recommends that the Board approve the application.

I hereby certify that a copy of the foregoing pleading was served on all parties of record by first-class mail, postage prepaid, this 4th day of March, 2008.



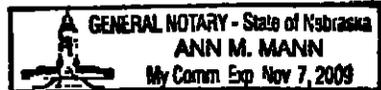
VERIFICATION

Terry J. Voss, being duly sworn, deposes and says that the forgoing is true and correct, to the best of his knowledge, information and belief.

Terry J. Voss

Subscribed and sworn to before me this 29th day of Feb., 2008.

Ann M. Mann
Notary Public



My commission expires Nov. 7, 2009