



**CEDAR RAPIDS AND
IOWA CITY RAILWAY CO.®**
An Alliant Energy Transportation Company

Cedar Rapids and Iowa City Railway Company
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September 3, 2014

Mr. Daniel R. Elliott III, Chairman
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

RE: Railroad Service Outlook Fall 2014

Chairman Elliott:

Please reference your letter to the American Short Line and Regional Railroad Association's Rich Timmons on the above-referenced matter. The Cedar Rapids and Iowa City Railway ("CIC") expects near record demand for rail transportation this fall. This primarily includes:

- Corn from regional and Class I railroads in the upper Midwest
- Coal from PRB origins and Ill. origins
- Outbound corn-processed products such as ethanol and DDG

Since 2008, CIC has spent nearly \$50 million in capital upgrades to its main line, yards and locomotive fleet. As such, we are confident we are ready to meet the localized switching needs of our customers. Our customers, however, are concerned about the rail network's ability to move raw product in and finished goods out of CIC. Stated concerns are:

- Continued car-supply shortages, for both shipper and railway-provided equipment, given longer cycle times. Lengthy cycle times of a year ago seem to be the new norm.
- Willingness of Class I's to handle new business and / or renew existing business in key lanes, particularly those where oil trains or intermodal are heavy
- Preferential treatment of oil trains and intermodal vs. manifest traffic when it comes to moving units and allocating power
- Serious concern should this coming winter in any way resemble last winter in Chicago

Our customers currently plan to truck as much product as possible once delays start. CIC has jointly looked into leasing additional cars with our customers, but that market is quite tight. Given issues in the rail network are out of our control, we must deal with problems as best we can on a case-by-case basis.

I thank you for your inquiry. Do not hesitate to contact me with questions.

Sincerely,

Jeff Woods, Manager – Marketing & Business Development