

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2875

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

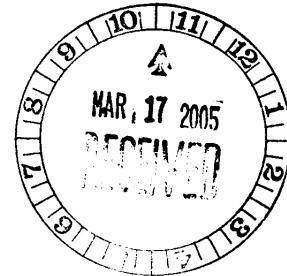
March 16, 2005

MYLES L. TOBIN
(312) 252-1502
mtobin@fletcher-sippel.com

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20006

21357



Re: **Finance Docket No. 34667**
BNSF Railway Company – Purchase and
Operation – State of South Dakota

Dear Secretary Williams:

We are in receipt of comments from each of the following parties which were submitted to the Surface Transportation Board in connection with the above-captioned proceeding:

1. The South Dakota Soybean Association, representing 1,500 producers and agri-businesses located throughout the State of South Dakota;
2. The City of Aberdeen, South Dakota;
3. The City of Mitchell, South Dakota.

In order to ensure compliance with the Board's formal filing requirements, enclosed please find eleven (11) copies of each of the above-referenced submissions.

Very truly yours,

ENTERED
Office of Proceedings

MAR 17 2005

Part of
Public Record

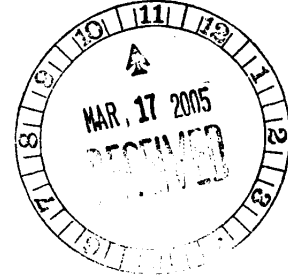
Myles L. Tobin
Attorney for the State of South Dakota

MLT: arw
Enclosures.
cc: Adrian L. Steel, Jr. (w/ encl.)



South Dakota Soybean Association
3801 S. Western Ave. #105 • Sioux Falls, SD 57105 • (605) 330-0278

March 14, 2005



Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20423-0001

Re: **Finance Docket No. 34667**
BNSF Railway Company – Purchase and
Operation – State of South Dakota

Dear Secretary Williams:

My name is Ron Gorder. I am the President of the South Dakota Soybean Association (SDSA). On behalf of our members, SDSA strongly supports the efforts of the State of South Dakota to ensure that adequate rail service and market access is provided for grain shippers of all sizes within the state. We believe that the conditions requested by the State in connection with a sale of the State's "Core Lines" to BNSF Railway are necessary and appropriate to protect that important public interest. We encourage the Board to impose those conditions on any approval of BNSF's pending application to acquire the Core Lines.

SDSA is an association of more than 1500 producers and agri-business's located throughout South Dakota. SDSA members vary in size and utilize a number of different forms of transportation -- large railroads, small railroads, trucks -- to handle their commodities and products. Transportation is a critical component of grain prices, and the availability of reasonably priced and accessible rail service is absolutely essential to the survival and economic well-being of many of our members and the communities in which they operate.

BNSF is the major Class I railroad providing service to grain shippers in South Dakota. In recent years, BNSF has increasingly favored the movement of South Dakota grain via 110-car elevators on BNSF's main lines through the state and on so-called "shuttle trains." Such operations can provide benefits for a segment of the market and of our membership. But we believe such operations should not be allowed to squeeze out the rail transportation services needed by so many of the remaining smaller shippers in the state. In particular, it can be difficult for smaller elevators located on non-BNSF rail lines in the state to find viable markets in the face of a BNSF rate and service structure that penalizes them and seeks to push all grain to mega-elevators on BNSF's lines. Such policies undermine the existence of smaller elevators, and the economies of the small, usually rural communities of which they are a part. By their nature, such



Mr. Vernon A. Williams
March 14, 2005
Page 2

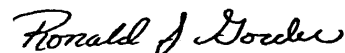
policies also increase the movements of grain by truck, with the attendant burdens on South Dakota's public infrastructure. We view these dislocations as important and serious matters.

The unique public-private partnership between the State and BNSF that has governed the Core Lines for the last twenty years provides a means to address undesirable developments such as these. BNSF operates the lines as a steward for the State, which has important contractual rights to protect the public interest in the operation of those publicly-owned lines. BNSF's acquisition of the Core Lines will eliminate those protections, leave behind several "orphaned" state-owned lines, and further threaten smaller elevators and their communities. Indeed, once BNSF invests significant capital dollars in a purchase of the Core Lines, BNSF may have even more incentive to force traffic to its lines and away from smaller elevators and communities on non-BNSF lines.

We believe the conditions sought by the State of South Dakota reasonably respond to these concerns, without harming BNSF or its further development of 110-car elevator and shuttle train programs on its own lines (including the Core Lines, if they are acquired by BNSF). BNSF remains free to pursue such programs, which should rise or fall on their own efficiencies. The conditions requested by the State simply permit smaller elevators and the rail carriers that serve them the opportunity to reach connecting carriers and markets and fight for their survival and prosperity. If a day is to come when only 110-car elevators dot the landscape in South Dakota, it should be because market forces favor that result -- not because BNSF's policies dictate it.

We appreciate the Board's consideration of our views on this matter. I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Very truly yours,



Ronald J. Gorder, President

cc: Adrian L. Steel, Jr., Mayer, Brown, Rowe & Maw LLP, 1909 K Street, NW, Washington, DC 20006
Myles L. Tobin, Fletcher & Sippel LLC, 29 North Wacker Drive, Ste. 920, Chicago, IL 60606



**City of Aberdeen
Mayor's Office**

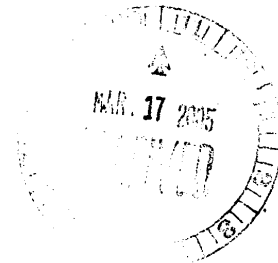
123 South Lincoln

Aberdeen, South Dakota 57401

(605) 626-7025

March 8, 2005

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street NW
Washington, D.C. 20423



RE: Finance Docket No. 34667, BNSF Railway Company -
Purchase and Operation - State of South Dakota

Dear Mr. Williams,

On behalf of the City of Aberdeen, South Dakota, I'm writing to express the City's support for the efforts of the State of South Dakota regarding the acquisition of the State's Core Lines by BNSF Railway. We believe the conditions sought by the State of South Dakota are reasonable and necessary to protect the adequacy of rail transportation in this region.

Aberdeen is located in northern South Dakota and encompasses a large area of influence in agricultural, manufacturing, commercial, and retail trade. Aberdeen is the largest city within the entire area bordered by Minneapolis, Fargo, Bismarck and Sioux Falls. Rail service in the Aberdeen area is provided by the BNSF Railway on rail lines owned by the State of South Dakota and extending south from Aberdeen (the "Core Lines"), by BNSF on its own rail lines extending east and west of Aberdeen, by the Dakota, Minnesota & Eastern Railroad on a portion of the Core Lines between Wolsey and Aberdeen, and by the Dakota, Missouri & Western Railroad on State-owned lines extending north from Aberdeen to interchanges with the Canadian Pacific Railroad. Rail service on all of those lines is important to local employers and businesses, and to the economic health of the region, particularly with respect to agricultural commodities.

The City strongly supports the conditions requested by the State of South Dakota, in connection with the pending sale of the Core Lines to BNSF, and in particular those that ensure the availability of adequate rail service and market access for grain shippers on DM&E's line near Aberdeen. The recent development of large, 110-car elevators on BNSF main lines, while beneficial in some respects, has also served to penalize and pressure smaller elevators on other rail lines and the smaller railroads that serve them. The sale of the core Lines to BNSF will exacerbate that problem by foreclosing access of DM&E small shippers to markets in the Pacific Northwest and Canada. We believe

that such foreclosed access is not in the interest of Aberdeen, or the shippers and transportation network in this region.

The conditions sought by the State reasonably and effectively respond to these concerns arising from the proposed Core Line sale. The availability of interchange access at Aberdeen between the DM&E and the State-owned line north of the City will ensure that DM&E shippers can access markets in Canada and the Pacific Northwest. At the same time, we do not foresee that these conditions would unfairly impair BNSF, which is an important constituency in our community as well.

The conditions sought by the State are important to the public interest and to the economic well-being of our region. The City supports the consideration and implementation of those conditions in connection with any BNSF purchase of the Core Lines.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Levsen".

Mike Levsen
Mayor

ML/cf

City of Mitchell

612 NORTH MAIN STREET • MITCHELL, SOUTH DAKOTA 57301

City of Mitchell
Mayor's Office
(605) 995-8420
FAX (605) 995-8410

Hon Vernon A. Williams
Secretary, Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423

RECEIVED

MAR 16 2005

OFFICE OF AIR, RAIL & TRANSIT

Re: Finance Docket No. 34667, BNSF Railway Company
Purchase and Operation – State of South Dakota

Dear Mr. Williams:

On behalf of the City of Mitchell, South Dakota, I'm writing to express the City's support for the efforts of the State of South Dakota regarding the acquisition of the State's "Core Lines" by BNSF Railway. We believe the conditions sought by the State of South Dakota are reasonable and necessary to protect the adequacy of rail transportation in this region.

Mitchell is located in southeastern South Dakota. This community has a vibrant and progressive economic base. Our manufacturing base is diverse and we anticipate expansion. The city is also a regional leader in the visitor service industry. We also have seen growth in our telecommunications and health care facilities. Rail service in the Mitchell area is provided by the BNSF Railway on rail lines owned by the State of South Dakota and extending north, south and east from Mitchell (the "Core Lines"), and by Dakota Southern Railway on a State-owned rail line extending west from Mitchell. Rail service on all of those lines is important to local employers and businesses and to the economic health of the region, particularly with respect to agricultural commodities.

The City strongly supports the conditions requested by the State of South Dakota, in connection with the pending sale of the Core Lines to BNSF, to ensure the future viability of the Dakota Southern line and the availability of adequate rail service and market access for grain shippers on that line. The recent development of large, 110-car elevators on BNSF main lines, while beneficial in some respects, has also served to penalize and pressure smaller elevators on other rail lines and the smaller railroads that serve them. The sale of the Core Lines to BNSF will exacerbate that problem by isolating the Dakota Southern line from any other state-owned lines. We believe that the Dakota Southern line can and should continue to be a viable component of the transportation network in this region, and that the Board should provide the line with that opportunity.

The conditions sought by the State reasonably and effectively respond to these concerns arising from the proposed Core Line sale. The availability of trackage rights for Dakota Southern to reach Sioux City, Iowa will ensure that Dakota Southern can connect with other railroads and thus would have the opportunity to provide rate and service options that are appropriate for the smaller elevators on the Dakota Southern line. Also, the ability of Dakota Southern to handle grain shipments from points on the Dakota Southern line to the existing elevator at Mitchell will not only facilitate needed rail service on the Dakota Southern line, but also take trucks off of local roads and promote the continued efficient supply of

EQUAL OPPORTUNITY EMPLOYER

City of Mitchell

612 NORTH MAIN STREET • MITCHELL, SOUTH DAKOTA 57301

City of Mitchell
Mayor's Office
(605) 995-8420
FAX (605) 995-8410

Hon. Vernon A. Williams
March 15, 2005
Page 2

grain to the Mitchell area. At the same time, we do not foresee that these conditions would unfairly impair BNSF, which is an important constituency in our community as well.

The conditions sought by the State are important to the public interest and to the economic well-being of our region. The City supports the consideration and implementation of those conditions in connection with any BNSF purchase of the Corc Lines.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Very truly yours,


Alice Claggett, Mayor of Mitchell

EQUAL OPPORTUNITY EMPLOYER