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July 12, 2002



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VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006

ENTERED
Office of Proceedings

JUL 15 2002

Part of
Public Record

Re: **Finance Docket No. 34177**
Iowa, Chicago & Eastern Railroad Corporation – Acquisition
and Operation Exemption – Lines of I&M Rail Link, LLC

Dear Secretary Williams:

Attached for filing at the Board in the above-captioned proceeding are the original versions of statements from various parties supporting the acquisition by Iowa, Chicago & Eastern Railroad Corporation ("IC&E") of the rail lines of I&M Rail Link, LLC ("IMRL"). Copies of many of these statements have been included as attachments to prior IC&E pleadings, but we wish to assure proper filing and service of the statements so that the support of these parties for the proposed transaction is a matter of record and can be considered fully by the Board. The following support statements are attached:

- IPSCO Steel Inc., Montpelier, Iowa, Verified Statement of David M. Otte, dated July 3, 2002. IPSCO is IMRL's largest shipper.
- Farmers Cooperative Association, Jackson, Minnesota, Verified Statement of Larry D. Olsen, dated June 13, 2002. Farmers Co-op ships significant volumes of grain on IMRL's so-called "Corn Lines."
- Watonwan Farm Service Company, Truman, Minnesota, Verified Statement of Tom E. Manley, dated June 18, 2002. WRS has six facilities located on IMRL's line across southern Minnesota (one of the "Corn Lines") and ships 5,000 cars annually via IMRL.
- Cenex Harvest States Cooperatives, St. Paul, Minnesota, Verified Statement of Dan Mack, dated June 18, 2002. CHS Cooperatives ships significant volumes via the IMRL lines and is constructing a new soybean processing facility that will be served by IC&E.

FLETCHER & SIPPEL LLC

Mr. Vernon A. Williams

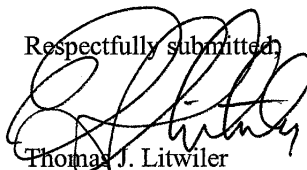
July 12, 2002

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- Minnesota Grain and Feed Association, Minneapolis, Minnesota; Verified Statement of Robert Zelenka, dated June 6, 2002. MGFA represents cooperative and independent country grain elevators throughout Minnesota, including many on IMRL's lines in southern Minnesota.
- City of Jackson, Minnesota, Resolution No. 50-602, dated June 18, 2002. Jackson is the terminus of IMRL's line across southern Minnesota and a major grain origination point.
- Iowa Northern Railway Company, Greene, Iowa, Verified Statement of Daniel R. Sabin, dated June 12, 2002. Iowa Northern receives significant volumes of grain traffic from IMRL at Nora Springs, Iowa, destined to major processors in Cedar Rapids, Iowa.
- Wisconsin & Southern Railroad Company, Milwaukee, Wisconsin, Verified Statement of William E. Gardner, dated July 8, 2002. WSOR interchanges with IMRL at Janesville, Wisconsin and also operates over IMRL trackage in the Janesville area. WSOR's support statement resolves issues previously raised in this proceeding by the Wisconsin Department of Transportation.

Ten copies of this letter, with attachments, are enclosed for filing with the Board. One extra copy of this letter and the attachments also is enclosed. I would request that you date-stamp that copy to show receipt of this filing and return it to me in the provided envelope. Please feel free to contact me should any questions arise regarding this matter.

Respectfully submitted,



Thomas J. Litwiler
Attorney for Iowa, Chicago & Eastern
Railroad Corporation

TJL:tl

Attachments

cc: Parties of record

ORIGINAL

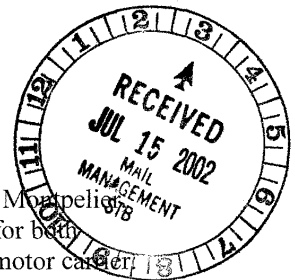
VERIFIED STATEMENT

of

David M. Otte

on behalf of

IPSCO STEEL INC.



My name is David M. Otte, Transportation Manager for IPSCO Steel Inc. in Montpelier, IA. In my position, I am responsible for all transportation related functions for both inbound and outbound movements for this facility including rail, barge and motor carrier. I have held this position with IPSCO Steel Inc. since September of 1995. Prior to my employment at IPSCO Steel Inc., I have held various Operational, Management and Marketing positions with Leaseway Warehousing, the EJ&E Railway, Inland Steel, Alternative Transportation Systems and the Burlington Northern Railroad.

IPSCO Steel Inc. is a manufacturer of hot rolled steel coil and discrete plate. Our facility in Montpelier, IA employs approximately 400 employees and an additional 200 subcontractors. This facility has an annual production capacity of approximately 1,000,000 NT. IPSCO Steel Inc. is currently served by I&M Rail Link (IMRL). We ship approximately 70% of our total production and receive approximately 90% of our inbound raw material (scrap iron) by rail. Much of our finished product is shipped almost exclusively by rail to several other IPSCO divisional facilities throughout the United States and Canada. Reliable, efficient and competitive rail service is critical to IPSCO Steel Inc. in maintaining a competitive edge in our markets.

IPSCO Steel Inc. strongly supports the proposed acquisition of IMRL's Lines by the Iowa, Chicago & Eastern Railroad Corporation (IC&E).

The IMRL rail lines have been controlled by many different parties over the years, including a change in ownership just prior to our start up in May of 1997. We understand that the IMRL has struggled financially since their inception and believe that the proposed acquisition will ensure a financially sound and long term rail provider.

We have met with representatives of IC&E and believe that their plans and resources will ensure the future of these lines.

It is our understanding that the IC&E will retain many of the current employees and managers of the IMRL ensuring continuity in service to our Montpelier facility.

We expect the IC&E to bring additional capital resources and management expertise to ensure continued and improved service over the existing IMRL lines.

IC&E plans to upgrade the existing IMRL locomotive fleet for improved, more consistent service.

IC&E will commit to existing equipment requirements for IPSCO's service and will continue to meet our expanding equipment requirements.

The IC&E has agreed to service parameters previously established by previous owners of this property when we first started operations.

IPSCO Steel Inc. thus urges the Surface Transportation Board to allow IC&E's acquisition of the IMRL lines to proceed as expeditiously as possible. We are looking forward to the new ownership and refocused management of these lines in addition to a mutually beneficial relationship with the IC&E.

We understand that, in connection with the proposed IC&E acquisition, the Dakota, Minnesota & Eastern Railroad Company (DM&E) will seek approval from the STB to be commonly controlled with IC&E. IPSCO Steel Inc. believes this is also a desirable transaction and urges its approval by the STB as well.

The combination of the DM&E and IC&E will offer IPSCO Steel more competitive single line service from various raw material sources and to some customers.

Combining the fleets of both carriers will enhance productivity and reduce costs helping to ensure long term profitability and ultimate success for the combined franchise.

Given the end-to-end nature of the existing DM&E system and the proposed IC&E system, there should be no issues of competitive harm expressed by any shippers arising from the requested common control.

The proposed acquisition and control transactions will, we believe, secure the long-term position of the existing IMRL rail lines as viable and competitive components of the national rail network. IPSCO Steel Inc. encourages the Board's favorable and timely consideration of both proposed transactions.

I, David M. Otte, 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.



Dates: July 3, 2002





**FARMERS COOPERATIVE ASSOCIATION**

105 Jackson Street
P.O. Box 228
Jackson, MN 56143

ORIGINAL

Phone (800) 864-3847 or (507) 847-4160 • Fax (507) 847-2521 • E-mail: fca@rconnect.com

FINANCE DOCKET NO. 34177
IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
ACQUISITION AND OPERATION EXEMPTION --
LINES OF I&M RAIL LINK LLC

FINANCE DOCKET NO. 34178
DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION
AND CEDAR AMERICAN RAIL HOLDINGS, INC. -- CONTROL --
IOWA, CHICAGO & EASTERN RAILROAD CORPORATION



**VERIFIED STATEMENT
OF
LARRY D. OLSEN**

My name is Larry D. Olsen. I am Assistant General Manager and Grain Merchandising Manager for Farmers Cooperative Association of Jackson, Minnesota ("Farmers Co-op"). I am responsible for all of the logistics associated with the Co-op's business, including researching markets for the Co-op's grain, buying and selling grain, arranging for inbound and outbound transportation. I have served in my present position for 17 years. I have been employed by Farmers Co-op for more than 30 years.

Farmers Co-op is a farmer-owned cooperative serving south-central Minnesota and northern Iowa. Farmers Co-op is a full-service cooperative which provides grain storage, feed and supply services, chemicals such as fertilizers, petroleum products, seed cleaning and corn drying. Farmers Co-op has annual sales of approximately \$50 million.

The Co-op currently operates four facilities in our service area. The main hub, and the only one of our facilities served by rail, is in Jackson, Minnesota on a line of I&M Rail

Fertilizer
(800) 864-3832
(507) 847-2252
Fax (507) 847-5048

Feed Mill
(800) 864-3831
(507) 847-5882
Fax (507) 847-5883

Sherburn
(507) 764-5451
Fax (507) 764-8451

Spirit Lake
(712) 336-2281

Trimont
(800) 657-3211
(507) 639-2031
Fax (507) 639-2051

Equal Opportunity Employer

Link, LLC ("IMRL"). The Jackson facility is served exclusively by IMRL. The facility has the capacity to store 3 million bushels of grain and the capability to load multi-car shipments of 25 rail cars. Ninety-eight percent of our outbound grain is shipped by rail. In a typical year, we ship or receive approximately 2,500-3,000 carloads to and from our Jackson facility. The majority of our outbound corn is shipped to the poultry markets in Arkansas and Oklahoma. The majority of our outbound soybeans is shipped to Chicago for rail movement to markets beyond. The availability of reliable, efficient and competitive rail service is extremely important to us.

Farmers Co-op strongly supports the proposed acquisition of IMRL's lines by the Iowa, Chicago & Eastern Railroad Corporation ("IC&E"). To be sure, we have had a good working relationship with IMRL since IMRL acquired these lines in 1997. We like the way they do business and we have been satisfied with the rail service that they have provided to us. However, we are aware that IMRL has experienced financial difficulties for some time. Given the Co-op's strong dependency on rail service, we are concerned about the long-term viability and competitiveness of IMRL service to our facility.

Representatives of IC&E have met with us to discuss their plans and philosophy for operating these lines. We believe that IC&E will be successful in operating these lines. We understand that IC&E expects to retain many of the current IMRL employees and managers who are familiar with the territory and our rail service needs. This helps to assure continuity during the transition and beyond. Keeping these lines under local management and control is also important. We like having our phone calls returned promptly. We like being treated as an important customer. We also understand that IC&E plans to significantly upgrade the existing IMRL locomotive fleet which will also help assure consistency of service. Finally, we believe

that IC&E will bring a renewed focus to the particular needs of its local customers -- such as Farmers Co-op -- which originate and terminate traffic on its lines.

Farmers Co-op also supports the consolidation of IC&E under common control with the Dakota, Minnesota & Eastern Railroad Corporation ("DM&E"). Given the wholly end-to-end nature of the existing DM&E system and the proposed IC&E system, combining DM&E and IC&E under common control will not result in any reduction in competition in any market in which we participate. Rather, IC&E's consolidation with DM&E will, we believe, promote more competitive rail service. We look forward to enhanced car supply, particularly for covered hoppers, resulting from the combined DM&E-IC&E car fleet. Because the primary wheat harvest on DM&E's lines in South Dakota (July and early August) occurs at a different time than the primary corn and soybean harvest in our service area (generally September and October), a combined DM&E-IC&E system means a larger fleet of covered hoppers from which to meet our needs. We also anticipate that IC&E's access to the greater capital resources of the combined system will mean a more consistent capital expenditure program on these lines.

A look at a rail map of our region shows that Jackson, Minnesota is encircled by lines of the Union Pacific Railroad ("UP"). Reliable and competitive rail service to our facility in Jackson is critical to keeping Farmers Co-op competitive with our competitors located on UP lines in our service area.

The proposed acquisition and control transaction will, we believe, secure the long-term viability of these lines, result in improved service and reliability and help keep us competitive in our markets. Farmers Co-op strongly supports favorable and timely Board consideration of both transactions.

I, Larry D. Olsen, 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.


[Signature]

Dated: June 13, 2002



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Truman, MN 56088

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FINANCE DOCKET NO. 34177
IOWA, CHICAGO & EASTERN RAILROAD CORPORATION --
ACQUISITION AND OPERATION EXEMPTION --
LINES OF I&M RAIL LINK LLC

FINANCE DOCKET NO. 34178
DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION
AND CEDAR AMERICAN RAIL HOLDINGS, INC. -- CONTROL
IOWA, CHICAGO & EASTERN RAILROAD CORPORATION



**VERIFIED STATEMENT
OF
TOM E. MANLEY**

My name is Tom E. Manley. I am Grain Department Manager for Watonwan Farm Service Company ("WFS"). My responsibilities include determining the price of the grain we buy, negotiating contracts to sell the grain, arranging for transportation and evaluating and recommending improvements to the Company's grain-related facilities. I have been employed by WFS and a predecessor L.H. Grain Company for 32 years.

WFS is the largest farmer-owned cooperative in Minnesota with annual sales of approximately \$200 million. The Company owns and operates facilities at 25 locations in southern Minnesota. These include elevators, feed mills, petroleum, propane and bulk fuel facilities, and agronomy plants (providing fertilizers and chemicals). However, the majority of our business is the buying and selling of locally-grown corn and soybeans. In a typical year, WFS handles 60 million bushels of grain.

Working for Farmers' Success

Six of our facilities -- Welcome, Winnebago, Delevan, Easton, Wells and Minnesota Lake, Minnesota -- are located on and served by I&M Rail Link LLC ("IMRL"). FIVE_ of these are served exclusively by IMRL. We also have a facility at New Richland, Minnesota served by the Dakota, Minnesota & Eastern Railroad Corporation ("DM&E"), as well as facilities on the Union Pacific Railroad. Our facility at Welcome, Minnesota is our largest facility and has the ability to ship 100 and 110-car trains. In a typical year, WFS ships approximately 5,000 carloads over IMRL, primarily corn moving via Kansas City to the poultry markets in Arkansas and soybeans moving to Chicago for markets beyond. The availability of secure, efficient and competitive rail service is extremely important to WFS and to our competitiveness within our markets.

WFS strongly supports the proposed acquisition of IMRL's lines by IC&E. We believe this transaction will be good for us and other similarly-situated shippers. IMRL is a customer-oriented railroad and their service plan meets our needs. However, we have for some time been aware that IMRL has been experiencing financial difficulty. As a company heavily dependent on IMRL rail service, we are concerned with the long-term viability and competitiveness of IMRL's operations as presented constituted. Having survived the bankruptcy of the Milwaukee Road (which formerly operated the IMRL lines) in the 1970s, we cannot afford another rail bankruptcy or a collapse or deterioration of service.

WFS is confident that IC&E will bring stability, consistency and a renewed focus on the importance of competitive regional railroad service. We believe they will be successful. Representatives of IC&E met with us to review their plans and objectives. We are pleased that IC&E expects to retain most of the current IMRL employees and managers who are familiar with this territory and its rail service needs. IC&E has indicated that it plans to maintain the existing

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VERIFIED STATEMENT
of
Dan Mack
on behalf of
CHS Cooperatives



My name is Dan Mack. I am the Vice President-Transportation for CHS Cooperatives in St. Paul, Minnesota. In my position, I am responsible for rail transportation for CHS's grain and processing business lines. I have held my current position since July, 2000, and have been employed by CHS Cooperatives in various capacities since 1998. Prior to joining CHS Cooperatives, I worked for Canadian Pacific Railway in the area of grain Marketing.

CHS Cooperatives is a handler, trader and processor of grain and grain products. CHS Cooperatives trades grain from various origins on the I& M Rail Link and are currently constructing a soybean processing facility in Fairmont, MN which will be served by I& M Rail Link. In addition, CHS Cooperatives ships a significant amount of volume originating on other railroads which routes via I&M to its final destination. The availability of secure, efficient and competitive rail service is extremely important to CHS Cooperatives, and to our competitiveness within our markets.

CHS Cooperatives supports the proposed acquisition of IMRL's lines by the Iowa, Chicago & Eastern Railroad Corporation ("IC&E").

- CHS feel IC&E can provide the necessary stability to the IMRL property so as to serve its customers rail transportation needs into the future.
- CHS has confidence in IC&E management and financial backing to be able to enhance and grow the IMRL market base and maintain its competitiveness.
- IC& E will maintain a competitive presence in the geographic area currently served by IMRL.

CHS Cooperatives thus urges the Surface Transportation Board to allow IC&E's acquisition of the IMRL lines to proceed as expeditiously as possible.

We understand that, in connection with the proposed IC&E acquisition, the Dakota, Minnesota & Eastern Railroad Company ("DM&E") will seek approval from the STB to be commonly controlled with IC&E. CHS Cooperatives believe this is a desirable and beneficial transaction, and urges its approval by the STB as well.

- Combining the two entities will allow for efficiencies to be gained which are not available to the IMRL alone today. Some of these would be sharing of resources, be it equipment, management expertise or labor.
- DM&E is a proven railroad with a history of success. CHS Cooperatives either owns assets or has strong business relationships with those that own assets on DM&E. CHS feels there will be value to those shippers by providing them with more market access and interchange options.
- The combination of the two railroads will provide for the diversification, primarily for their grain based business where production variability is often an issue.

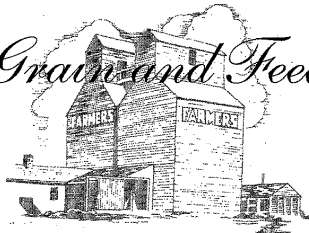
The proposed acquisition and control transactions will, we believe, secure the long-term position of the IMRL rail lines as viable and competitive components of the national rail network. CHS Cooperatives encourages the Board's favorable and timely consideration of both transactions.

I, Dan Mach, 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.

Dan Mach

Dated: June/8, 2002

Minnesota Grain and Feed Association



Since 1907

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OFFICERS:

Lyle Hovland
President
Farmer Director
Rothsay Farmers Co-op
Box 248
Rothsay, MN 56579

Dave Estrem
Vice-President
Farmer Director
Cannon Valley Co-op
Box 200
Northfield, MN 55057

Wes Cole
Secretary
Farmer Director
Farmers Co-op Elevator Co.
Box 59
Hanley Falls, MN 56245

Larry Olsen
Treasurer
Assistant Manager
Farmers Co-op Assn.
Box 228
Jackson, MN 56143

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW, Room 700
Washington, DC 20423-0001

Finance Docket No. 34177
Iowa, Chicago & Eastern Railroad Corporation – Acquisition and Operation Exemption – Lines of I&M Rail Link, LLC

Finance Docket No. 34178
Dakota, Minnesota & Eastern Railroad Corporation and Cedar American Rail Holdings, Inc. – Control – Iowa, Chicago & Eastern Railroad Corporation

Verified Statement
of

Robert Zelenka
on behalf of

the Minnesota Grain and Feed Association

DIRECTORS

Clair Anderson
Farmer Director
Farmers Co-op Elevator Co.
Box 337
Bellingham, MN 56212

Herman Anderson
Farmer Director
Farmers Co-op of Hanska
P.O. Box 6
Hanska, MN 56041

Scott Dubbelde
Manager
Farmers Co-op Elevator Co.
P.O. Box 59
Hanley Falls, MN 56245

Roger O. Larson
Farmer Director
Mid-Valley Grain Co-op
P.O. Box 398
Crookston, MN 56916

Brad Stenzel
Manager
Matawan Grain & Feed, Inc.
20820 Matawan Ave.
New Richland, MN 56072

My name is Robert Zelenka, Executive Director of the Minnesota Grain and Feed Association (MGFA). The MGFA is a voluntary non-profit association, consisting of nearly 400 cooperative and independent country grain elevators operating in Minnesota. We have several members who are currently served by the DM&E Railroad and I&M Rail Link and continued reliable rail service is essential to their livelihood.

On behalf of our membership, the Minnesota Grain and Feed Association strongly supports the proposed acquisition of the I&M Rail Link lines in Minnesota. Our members have been very comfortable with the level of service received from the DM&E and we are confident that the expanded IC&E will function in a similar efficient manner. We were pleased to hear the IC&E plan to retain many of the current personnel familiar with the region. In particular, we want to encourage retention of the Mason City office staff, who have demonstrated excellent service as I&M Rail Link employees.

The MGFA would also like to go on record in support of the DM&E proposal to be commonly controlled with the IC&E. The gain in efficiency should be very advantageous for the railroad and its customers.

I was personally involved in the sometimes contentious rehabilitation of the I&MRL line from Alden to Jackson over 20 years ago and I know first hand what reliable rail service has meant to this region since then. This proposal offers the best chance for continued efficient and reliable service by a provider that has proven its ability as a good operator. Again, on behalf of the MGFA, I encourage your support of this initiative.

EXECUTIVE DIRECTOR
Bob Zelenka

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

Dated: June 6, 2002

Robert Zelenka

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City of Jackson

Resolution No. 50-602

WHEREAS, the Iowa, Chicago & Eastern Railroad (IC&E) has filed a Notice of Intent with the Surface Transportation Board (STB) to acquire the IMRL rail lines; and

WHEREAS, the Dakota, Minnesota & Eastern Railroad Company (DM&E) is seeking approval from the STB to be commonly controlled with IC&E; and

WHEREAS, these proposed acquisition and control transactions will likely secure the long-term position of the IMRL rail lines as viable and competitive components of this region's agricultural transportation network; and

WHEREAS, the approval of these transactions will benefit the Farmers Cooperative Association of Jackson, its customers, and our community as a whole.

NOW, THEREFORE, BE IT RESOLVED that the Jackson City Council encourages the STB's favorable and timely consideration of both transactions.

Duly passed, approved and adopted this 18th day of June, 2002.


Gary Willink, Mayor

Attest:


Dean Albrecht, City Administrator

Corporate Seal of the
City of Jackson,
Minnesota

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VERIFIED STATEMENT
of
Daniel R. Sabin
on behalf of
Iowa Northern Railway Company



My name is Daniel R. Sabin, and I am the President of the Iowa Northern Railway Company. The Iowa Northern Railway Company (IANR) is a common carrier railroad which operates over 146 miles within the state of Iowa. We have a direct connection with I&M Rail Link (IMRL), at Nora Springs (Nora Jct.), Iowa as well as a limited interchange with Dakota Minnesota and Eastern Railroad (DM&E) at Manly, Iowa.

As part of its efforts, Iowa Northern Railway is very concerned regarding all transportation matters that affect the region.

There are currently over 75 shippers, including many shippers on I&M Rail Link who depend on Iowa Northern's relationship with IMRL to deliver corn and soybeans to the major processors at Cedar Rapids, Iowa. During the past year, Iowa Northern Railway Company handled nearly 25,000 revenue cars along our line, of which 6,651 originated on I&M Rail Link. The availability of reliable, competitive, through rail service is important to these companies and, in turn, to the economic health of the region. By handling the traffic from IMRL, Iowa Northern Railway reaches a level of economies of scale in unit costs to hold grain rates down for the benefit of our own on-line shippers as well as those shippers located along I&M Rail Link.

Iowa Northern Railway Company strongly supports the proposed acquisition of IMRL's lines by the Iowa, Chicago & Eastern Railroad Corporation ("IC&E"). We are comfortable with the Dakota, Minnesota & Eastern Railroad's management and believe that they will bring a great deal to the table in stabilizing the economic arena of the IMRL's market area. In addition, STB authority for this proposed transaction, with common control, will allow Iowa Northern to access the massive origins of business available not only in the IC&E, but also the DM&E, through a friendly, unlimited connection through IC&E.

The future growth opportunities for an alliance between Iowa Northern and IC&E/DM&E are considerable. Iowa Department of Agriculture statistics for 2000 indicate that in the 19 Iowa counties that Iowa Northern drew corn from in that year, over 400 million bushels or 114,433 equivalent carloads of corn are produced.

When the considerable county production that could be gained by additional throughput reloads and the additional Minnesota and South Dakota counties are considered, there is a total of 875.75 million bushels of corn produced, or more than 250,000 equivalent carloads of corn production.

IANR currently provides a small proportion of the corn necessary for producers to grind at the major corn processing plants in Cedar Rapids. Trucks and other rail carriers provide the remaining 50,000+ carloads of the corn delivered to these growing processors. With additional volumes of corn required for ethanol production, the Cedar Rapids market will continually

demand much greater supplies of corn. Grain shippers with access to good through service, equipment and competitive rates to Cedar Rapids will be more likely to maintain or increase survivability in the world economic markets. Bid prices for corn along IANR, IC&E and DM&E can be much stronger than before. This level of growth potential to our company and to our shippers has not been available under current or previous owners of IMRL. We believe that DM&E/IC&E will be more responsive to the marketplace and allow substantial traffic growth. A direct, unencumbered alliance between the consolidated DM&E/IC&E with IANR is simply an exercise in connecting a substantial origin of corn to massive consumers at Cedar Rapids.

Secure Future for IMRL Lines, Iowa Northern, and the Shippers

- * IC&E will bring stability, commitment and a renewed local focus to this key component of our regional transportation network. The IMRL rail lines have not prospered under any of their many prior owners, and the long-term viability and competitiveness of IMRL operations as presently constituted is tenuous at best. IMRL has not been responsive enough to consistent market opportunities that the shippers on IMRL and IANR deserve. Market share growth has not been apparent under IMRL and previous owners. The proposed IC&E acquisition represents a promising opportunity for the retention and improvement of these lines and economic growth for IANR and the farmers and elevators along our lines.
- * We believe the proposed acquisition of the IMRL lines by IC&E will ensure the long-term viability of this critical component of Iowa and Minnesota's transportation infrastructure.
- * We have met with representatives of IC&E, and believe that their plans, resources and commitment offer a secure future for the IMRL lines. We are comfortable that they will go much farther in working positively with short line railroads for their mutual benefit.
- * IC&E understands the importance of the agricultural-related commodities that will form the core of its traffic base, and we expect that IC&E will work closely with Iowa Northern to provide grain shippers the kind of innovative and flexible service that is disappearing on other railroads. The relationship will provide more reasonable demands on elevators as to train size, infrastructure investments and market expectations. The friendly connection between IC&E, DM&E and IANR will work toward the shorter haul markets, as well as other new markets to reduce trucks handling grain to state markets.
- * Like its affiliate DM&E, we expect that IC&E will make a success of these largely rural, granger-oriented rail lines written off by so many others. The new owners will be able to increase rail market share for the benefit of reducing highway deterioration and build sooner costs faced by the Federal, State, County and Municipal governments.

- * We understand that IC&E will retain many of the current IMRL employees and managers who are familiar with this territory and its rail service needs.
- * We believe that IC&E will have the financial wherewithal, managerial experience and marketing strategy necessary to successfully operate the IMRL lines.
- * Compared to IMRL, IC&E should have better capital resources and corporate support, allowing it to make the investments and improvements necessary for the long-term competitiveness of these rail lines.

Service Improvements/Consistency

- * IC&E intends to replace IMRL's old and unreliable locomotive fleet with updated, more efficient motive power. This should substantially improve the quality and consistency of the rail service that shippers in our area depend upon. This will certainly improve service reliability and efficiency.
- * IC&E should bring a more consistent capital expenditure program to the IMRL lines, avoiding the "up-and-down" nature of recent capital expenditures and enhancing IC&E's ability to provide reliable rail service from year to year.

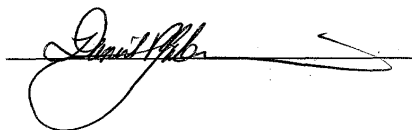
The Iowa Northern Railway Company encourages the Surface Transportation Board to allow IC&E's acquisition of the IMRL lines to go forward as soon as possible. We look forward to a new era for these rail lines, which are a vital part of our future ability to survive, as well as thrive. It is certainly critical to our local and regional economy.

We understand that, in connection with the proposed IC&E acquisition, the Dakota, Minnesota & Eastern Railroad Company ("DM&E") will seek approval from the STB to be commonly controlled with IC&E. As stated above, Iowa Northern finds substantial benefit to this common control and urges the STB to approve this pro-competitive transaction as well. Given the wholly end-to-end nature of the existing DM&E rail system and the proposed IC&E rail system, there are obviously [OR we can foresee] no issues of competitive harm arising from common control.

The proposed acquisition and control transactions will, we believe, secure the long-term position of the IMRL rail lines as viable and competitive components of this region's transportation network. Most importantly, it allows Iowa Northern Railway Company and opportunity to look for an aggressive, progressive partnership with a much larger, much more creative and much stronger connection than we could ever have with IMRL. Iowa Northern Railway Company encourages the Board's favorable and timely consideration of both transactions.

I, Daniel R. Sabin, 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.

Dated: June 12, 2002

A handwritten signature in cursive script, appearing to read "Daniel R. Sabin", is written over a horizontal line.



ORIGINAL

Wisconsin & Southern Railroad Co.

P.O. Box 9229

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FINANCE DOCKET NO. 34177
IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
ACQUISITION AND OPERATION EXEMPTION
LINES OF M RAIL LINL LLC&I



VERIFIED STATEMENT
OF
WILLIAM GARDNER
On behalf of
WISCONSIN AND SOUTHERN RAILROAD CO.

My name is William Gardner, and I am the President and CEO for the Wisconsin & Southern Railroad Company (WSOR). Wisconsin & Southern Railroad corporate office is located in Milwaukee, WI, has 600 plus route miles, a customer base of 175 businesses, services 19 counties in the lower 1/3 of the State of Wisconsin and handles approximately 50,000 carloads annually. We provide direct access for shippers via the Chicago, IL gateway connecting with all major railroads via the Belt Railway of Chicago and connections with other railroads in the State. WSOR currently handles approximately 300 carloads with the IMRL annually. As a part of its efforts, Wisconsin & Southern Railroad takes an active and serious interest in all transportation matters that affect the State and the railroad.

Wisconsin & Southern Railroad understands that Iowa, Chicago & Eastern Railroad Corporation (IC&E) is requesting authority to acquire the IMRL's lines and urges the STB to move forward in an expeditious manner to consummate the transaction. Also the Dakota, Minnesota & Eastern Railroad Company ("DME") will seek approval from the STB to be commonly controlled with IC&E. We strongly support this application, as the combined company will create a rail network that offers significant opportunities for service improvements and efficiencies.

I would also like to respond to an issue raised by the Wisconsin Department of Transportation ("WISDOT") in this proceeding. WSOR operates via trackage rights over certain lines of the IMRL at Janesville, Wisconsin. The trackage rights allow WSOR to operationally tie together several WSOR lines radiating from Janesville. WISDOT in its comments to the Board

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expressed concern over whether IC&E would honor WSOR's trackage rights agreements and would continue to interchange traffic with WSOR at Janesville. IC&E has confirmed to WSOR that the agreements between WSOR and IMRL will be assigned to IC&E as part of IC&E's acquisition of IMRL's lines and that WSOR's trackage rights operations and interchange at Janesville will not be adversely affected by the proposed transaction. WSOR is satisfied that this is not an issue and has so advised WISDOT. WSOR fully supports the proposed transaction.

I William Gardner, declare under penalty of perjury under the laws of the United States that foregoing is true and correct to the best of my knowledge. Further I certify that I am qualified and authorized to file this verified statement.

Executed on July 8, 2002.

A handwritten signature in dark ink, appearing to read "William E. Gardner", is written over a horizontal line.

William Gardner
President & CEO