

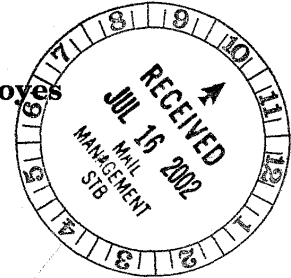
Mac A. Fleming
President



William E. LaRue
Secretary-Treasurer

Brotherhood of Maintenance of Way Employees
Affiliated with the A.F.L.-C.I.O. and C.L.C.

July 15, 2002



205854
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via messenger

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

ENTERED
Office of Proceedings

JUL 16 2002

Part of
Public Record

Re: Finance Docket No. 34177
Iowa, Chicago & Eastern R.R.-Acquisition & Operation Exemption-Lines of
I&M Rail Link, LLC

Dear Secretary Williams:

Enclosed for filing with the Board are the original and ten copies of three documents from the Cooperating Labor Organizations ("CLO"). CLO-3, a motion to compel discovery responses; CLO-4 a supplement to CLO's motion for stay and opposition to IC&E's motion to lift stay; and CLO-5 a motion to extend the time for CLO to supplement its petition to revoke. Three diskettes containing the documents are enclosed in WordPerfect 6/7/8 format.

Please file stamp the extra copy carried by the messenger so it can be returned to the undersigned. Thank you.

Respectfully,

Asst. General Counsel

enclosures
cc: service list

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205854

CLO-3

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34177

IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-- ACQUISITION AND OPERATION EXEMPTION --
LINES OF I&M RAIL LINK, LLC



MOTION OF COOPERATING LABOR ORGANIZATIONS
FOR ORDER COMPELLING DISCOVERY

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Public Record

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Counsel for Cooperating Labor Organizations

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34177

**IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-- ACQUISITION AND OPERATION EXEMPTION --
LINES OF I&M RAIL LINK, LLC**

**MOTION OF COOPERATING LABOR ORGANIZATIONS
FOR ORDER COMPELLING DISCOVERY**

The Cooperating Labor Organizations (BLE, BMWE, BRS, IAM, IBEW and TCIU) move that the Board issue an order under 49 C.F.R. §1114.31 compelling IC&E, DM&E and Holdings to respond to interrogatories and document requests propounded by Cooperating Labor Organizations under 49 C.F.R. §§1114.26 and 1114.30.

Cooperating Labor Organizations requests leave to file this motion one business day beyond the ten day period set forth at 49 C.F.R. §1114.31(a). IC&E's response to discovery, incorporating DM&E and Holdings' refusal to respond to discovery, was served July 2, 2002. Cooperating Labor Organizations were unable to file this motion by July 12, 2002 mainly because of the intervening Independence Day holiday and the logistics of communicating among lawyers for six cooperating parties. Counsel for DM&E/Holdings/IC&E has stated to counsel that DM&E/Holdings/IC&E does not object to this extension of time to file this motion.

INTRODUCTION

On June 14, 2002, Cooperating Labor Organizations served discovery requests on DM&E/Holdings/IC&E, consisting of interrogatories to each entity and document requests to IC&E and DM&E. Copies of the requests are attached as Exhibit 1.

The purpose of the discovery requests was to discover evidence related to Cooperating Labor Organizations' position that the transactions in F.D. Nos. 34177 and 34178 can only be consummated under 49 U.S.C. §11323(a)(3) and not under the class exemption invoked by DM&E/Holdings/IC&E. Cooperating Labor Organizations' position is that DM&E is the "real party in interest" in this acquisition and that IC&E lacks sufficient independence from DM&E to be considered an independent entity. Put simply, the transaction will consolidate two rail carrier systems, those of the DM&E and IMRL.

A key determining factor whether a subsidiary is "independent" of its parent is whether or not the parent is liable for the subsidiary's debts. *Railway Labor Executives Ass'n. V. U.S.*, 791 F.2d 994,1005-06 (2nd Cir. 1986); *Brotherhood of Locomotive Engineers v. Interstate Commerce Commission*, 909 F.2d 909,914 (6th Cir. 1990). Because DM&E is the parent of Holdings, and Holdings is the parent of IC&E, the fact that DM&E and Holdings are not "parties" to the proceeding is irrelevant. For, if DM&E is responsible for Holdings' debts, and Holdings is responsible for IC&E's debts, then logically DM&E is responsible for IC&E's debts. As such, IC&E is not "independent" of DM&E, but rather under common control. If under common control, because DM&E is a carrier, the use of a §10901 exemption in such an instance would clearly be improper, and therefore relevant to this proceeding.

DM&E/HOLDINGS/IC&E'S OBJECTIONS TO DISCOVERY

An honorable response to Cooperating Labor Organizations' discovery requests would be to provide full and frank answers and unfettered access to documents. After all, if the evidence controlled by DM&E/Holdings/IC&E supports their position, the applicants should have nothing to hide. Moreover, the Board's truncated time frame for consideration of petitions to revoke requires civility and cooperation on the part of all concerned.

DM&E/Holdings/IC&E's responses, attached as Exhibit 2, can only be described as obstructionist. DM&E/Holdings/IC&E tediously invokes the fiction that facts relating to DM&E's proposed control of IC&E are irrelevant to the Board's consideration of IC&E's proposal to acquire IMRL. At the same time, however, DM&E/Holdings/IC&E is telling the public (but not the Board) that the IMRL purchase is an "acquisition" for DM&E; that the DM&E/IC&E system "will significantly reshape the competitive dynamics for grain and other commodities currently shipped by DM&E and IMRL;" and that "this *combination* will provide important new market access for [DM&E's] grain and other rail shippers."¹

The DM&E/Holdings/IC&E responses take this charade to a ridiculous extreme. For example, Interrogatory No. 8 asks IC&E to identify "each railroad IC&E will interchange with and the location of each interchange point." The response lists 17 interchanging railroads, but omits DM&E! Instead of adding DM&E to the list, DM&E/Holdings/IC&E obstinately says, "IC&E

¹DM&E press release dated February 21, 2002 titled, "Railroad Acquisition; New Market Access, Major Rail Gateways" (emphasis supplied).

objects to the extent that this interrogatory seeks information concerning the common control of IC&E and DM&E."²

Based on this same objection, DM&E refuses to answer Interrogatories Nos. 5, 6, 7, 9, 10, 11 and 12 and Document Requests Nos. 6, 7, 8, 9, 10, 11, 18 and 19. As for DM&E and Holdings, these entities simply refuse to respond to *any* of Cooperating Labor Organizations' discovery.

For example, Interrogatory No. 12 quoted a February 21, 2002 Memorandum from DM&E President Schieffer to IMRL employees. Mr. Schieffer stated, "Because of the strength of the business plan and synergies resulting from linking up two lines (and based on positive and detailed advance discussions in the [financial] community) we do not anticipate financing problems." Interrogatory No. 12 asked DM&E/Holdings/IC&E to identify the "business plan" and "synergies" and give details on the "detailed advance discussions." Document Request No. 19 asked DM&E/Holdings/IC&E to produce the "business plan" identified by Mr. Schieffer. In the same vein, Document Request No. 9 requested production of "All documents relating to IC&E's business plan for operating the lines and assets acquired from IMRL."

DM&E/Holdings/IC&E object to the discovery described in the preceding paragraph and refuse to provide any information and documents even remotely related to the planned DM&E/IC&E system. DM&E/Holdings/IC&E assert, in response to Document Request No. 19, that "the operating and business plan for the commonly controlled DM&E and IC&E will be reflected in the application for common control authority and are not yet available." It is, however, completely unbelievable that DM&E was able to finance the acquisition of IMRL without providing detailed operating and

²Another explanation is that DM&E/Holdings/IC&E already regards itself as a consolidated rail system and does not think of exchange of traffic between IC&E and DM&E as an interchange.

business plans to potential lenders. It is these documents that Cooperating Labor Organizations has asked to be produced and are entitled to have produced. Some made-to-order business/operating plan, produced by a consultant for the sole purpose of supporting a common control application, will not suffice.

DM&E/Holdings/IC&E's refusal to cooperate in discovery presupposes that a party or parties can dictate how the Board will procedurally handle a transaction. It deprives Cooperating Labor Organizations of the opportunity to establish the *reality* that DM&E is acquiring IMRL and that it is using a complicated set of procedures to accomplish the takeover without providing statutory labor protection to adversely affected employees.

As a further impediment to discovery, availability of such documents as DM&E/Holdings/IC&E agreed to produce has been conditioned upon an unprecedented "confidentiality agreement" drafted by DM&E/Holdings/IC&E. This agreement would forbid even the photocopying of documents. Cooperating Labor Organizations suggests that this is not the first Board proceeding where proprietary information is subject to discovery. The Board has in past proceedings struck a balance between a party's right to obtain evidence for use in the proceeding and the other party's right to confidentiality. The Board's usual and customary protective arrangements should be imposed in this proceeding as well.³

³Such documents as DM&E/Holdings/IC&E has made available have not been examined by Cooperating Labor Organizations to date, because of the futility of conducting document discovery under the conditions imposed by DM&E/Holdings/IC&E.

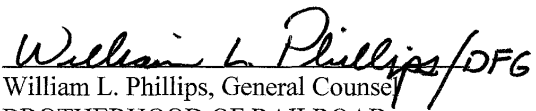
THE ORDER SOUGHT BY COOPERATING LABOR ORGANIZATIONS

Cooperating Labor Organizations moves that the Board issue an Order:

1. Overruling DM&E/Holdings/IC&E's General Objections Nos. 1 and 2, and requiring that DM&E/Holdings/IC&E respond fully to all discovery related to common control of DM&E and IC&E;
2. Overruling DM&E/Holdings/IC&E's objections to Interrogatory No. 12 and Document Requests Nos. 9 and 19, and requiring that DM&E/Holdings/IC&E respond fully to all discovery related to financial, business and operating plans; and
3. Overruling DM&E/Holdings/IC&E's General Objection No. 3, and imposing the Board's customary Protective Order language to protect proprietary information subject to discovery, specifically requiring that DM&E/Holdings/IC&E permit the photocopying of documents produced in discovery, subject only to the Protective Order aforesaid and reimbursement of actual out-of-pocket costs of photocopying.

Respectfully submitted,

COOPERATING LABOR ORGANIZATIONS


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INTERNATIONAL UNION

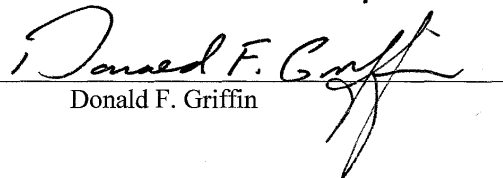
3 Research Place
Rockville, Maryland 20850-3279
(301) 948-4910

CERTIFICATE OF SERVICE

I hereby certify that today I served a copy of the foregoing motion for an order compelling discovery by overnight mail delivery upon:

William C. Sippel, Esq.
FLETCHER & SIPPPEL LLC
Two Prudential Plaza, Suite 3125
180 North Stetson Avenue
Chicago, Illinois 60601-6721

and by first class mail delivery upon all other parties of record.


Donald F. Griffin

Dated: July 15, 2002

EXHIBIT 1

SURFACE TRANSPORTATION BOARD

Finance Docket No. 34177

**IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-ACQUISITION AND OPERATION EXEMPTION-
LINES OF I&M RAIL LINK, LLC**

**REQUEST FOR PRODUCTION OF DOCUMENTS FROM
DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION**

Pursuant to 49 C.F.R. §§1114.21, 1114.30 and 1121.2, Cooperating Labor Organizations (“CLO”) requests that Dakota, Minnesota & Eastern Railroad Corporation (“DM&E”) respond to the following Requests for Production of Documents and produce the following documents for inspection and copying at Chicago, IL within fifteen (15) days of service hereof. In responding to this Request, the following definitions and instructions shall apply:

DEFINITIONS AND INSTRUCTIONS

A. Definitions:

1. The term “communication,” as used herein, means any written or oral transmission of fact, information or opinion, including any utterance, notation or statement of any nature whatsoever, including, but not limited to, documents as defined immediately below.

2. As used herein, “document” or “documents” includes, without limitation, any writing or record of any type or description within DM&E’ possession, custody, or control, or in the possession, custody, or control of any partner, predecessor or successor in interest, or present or former officer, employee, agent, representative, or attorney of DM&E, or known to DM&E wherever

located, whether printed, recorded, filmed or reproduced by any other mechanical or electrical process, or written or produced by hand, and whether or not claimed to be privileged against discovery on any ground, and whether a draft or final version, or an original master or copy, including any nonidentical copy, whether difference from the original because of any alterations, notes, comments or other material contained thereon or attached thereto, including, without limitation, the following items: agreements; contracts; communications, including intercompany and intracompany communications; interunion and intraunion communications; correspondence, letters, cablegrams, radiograms, teletypes, telefax, telegrams, or electronic mail; notes; memoranda; agenda; summaries; minutes; records of telephone conversations, meetings and conferences, including lists of persons attending or participating in such conversations, meetings or conferences; summaries and records of personal conversations or interviews; offers; opinions and reports of counsel; books; manuals; publications; diaries; laboratory and engineering reports and notebooks; statistics; charts; graphs; plans; specifications; sketches and/or drawings; photographs, whether still or motion; computer tapes, disks or printouts; reports and summaries of investigations; studies; statements, opinions and reports of consultants; sales records, purchase orders and invoices; receipts; checks; reports and summaries of negotiations; brochures; pamphlets, catalogs and catalog sheets; advertisements; bulletins; circulars; trade letters; press, publicity, trade and product releases; newspapers or magazine reports or articles; drafts of original or preliminary notes in, marginal comments appearing on, any documents or prospectuses; other reports or records; graphic or manual records or representations of any kind, such as, but not limited to, microfiche, microfilm, or videotape records; electronic, mechanical, electric records or representations of any kind, such as, but not limited to, tapes, cassettes, disks, and recordings; and any other retrievable data, whether

encoded, taped, coded electrostatically, electromagnetically, or otherwise, whether in human readable form or otherwise.

3. As used herein, "person" or "persons" means any natural person, or any legal entity, including, but not limited to, any corporation, firm, partnership, union, proprietorship, trust, association, incorporated or unincorporated organization or group of persons or entities.

4. As used herein, "DM&E" means the Dakota, Minnesota & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

5. As used herein, "Holdings" means Cedar American Rail Holdings, Inc., and any other wholly-owned subsidiary thereof.

6. As used herein, "IC&E" means the Iowa, Chicago & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

7. As used herein, "IMRL" means the I&M Rail Link LLC, and any other wholly-owned subsidiary thereof.

8. As used herein, "relating to" means documents the contents of which embody, describe, refer to, comment upon, corroborate, question, support, contradict, constitute, or otherwise contain information about the matter under inquiry.

9. The word "and," and the word "or," as used herein, shall where the context permits be construed to mean "and/or."

B. Instructions:

1. These requests shall be deemed to be continuing to the extent permitted by 49 C.F.R. §1114.30.

2. Each request must be answered with DM&E's entire knowledge. Each request for documents seeks production of all documents described herein and any attachments thereto, in your possession, custody, or control or in the possession, custody or control of any of your agents, representatives and attorneys, and all documents and any attachments which you or any of your agents, representatives and attorneys have the legal right to obtain or have the ability to obtain from sources under their control. If any request has subparts, then supply the material requested in each part separately and in full, and do not limit your response to the request as a whole.

3. Each request for a document contemplates production of the document in its entirety, without abbreviation or expurgation.

4. If any document request cannot be complied with in full, it shall be complied with to the extent possible with an explanation as to why full compliance is not possible.

5. Each request for documents seeks production of all documents described, including all drafts and nonidentical copies.

6. If it is claimed that any document sought by this request is either privileged or proprietary, DM&E shall indicate which specific document(s) enjoy such privileged or proprietary status and, pursuant to a Protective Order issued by the Surface Transportation Board, may restrict production of said documents only to individuals who have executed an undertaking agreeing to be bound by the limitations of said Protective Order.

7. In the event that any document called for by this request has been destroyed or discarded or otherwise disposed of, that document is to be identified as completely as possible, including, without limitation, the following information;

- (i) Identify each and every author of the document;

- (ii) Identify each and every preparer of the document;
- (iii) Identify each and every addressee of the document;
- (iv) Identify each and every person who received the document;
- (v) State the date of the document;
- (vi) State the subject matter of the document;
- (vii) State the reason for disposal of the document;
- (viii) Identify each and every person who authorized disposal of the document; and
- (ix) Identify each and every person who disposed of the document.

8. In producing the documents requested herein, indicate the specific request (paragraph and subparagraph) in response to which each document or group of documents is being produced.

DOCUMENTS TO BE PRODUCED

1. All documents relating to IC&E's purchase of railroad or other assets from IMRL including, but not limited to, the asset purchase agreement between IC&E and IMRL and any other related agreements.

2. All documents relating to the financing of IC&E's purchase of railroad and other assets from IMRL including, but not limited to, commercial loan agreements, letters of credit, collateral agreements, etc.

3. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by IMRL prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

4. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by IC&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

5. All documents relating to the issue of whether IC&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by DM&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

6. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by Holdings prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

7. All documents relating to the issue of whether Holdings is or will be financially and/or legally responsible for debts and/or other liabilities incurred by DM&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

8. All documents relating to plans for operating IC&E following the transaction in question including, but not limited to, documents outlining the role to be played by DM&E in IC&E's business or internal operations.

9. All documents relating to IC&E's business plan for operating the lines and assets acquired from IMRL.

10. All documents relating to DM&E's business plan including, but not limited to, documents relating to plans to coordinate, interchange, consolidate, cooperate, or otherwise operate DM&E's rail operations in conjunction with those to be acquired by IC&E.

11. All documents relating to DM&E's anticipated arrangements for interchanging rail traffic with IC&E including, but not limited to documents relating to the location, frequency and carload number of such interchanging.

12. All communications between DM&E, on the one hand, and any shipper, shipper group, Farmers Union, or Farm Bureau, on the other hand, relating to DM&E's solicitations of support for the transaction for which IC&E is seeking an acquisition and operation exemption.

13. All documents identified in response to Interrogatory No. 4 directed to DM&E.

14. All documents relating to how IC&E's operation of the present IMRL will reshape the competitive dynamics for grain and other commodities currently shipped by DM&E and IMRL.

15. All documents relating to how IC&E's operation of the present IMRL will provide new market access for DM&E's grain and other rail shippers.

16. All documents relating to how IC&E's operation of the present IMRL will give DM&E new railroad connections.

17. All documents relating to how IC&E's operation of the present IMRL will position DM&E to offer greatly enhanced service to its existing customers and/or provide new marketing opportunities for future customers.

18. All documents relating to how IC&E's operation of the present IMRL will help DM&E ensure competitive options for the new traffic generated by the Powder River Basin project.

19. All documents relating to effects of the transaction upon the existing IMRL labor force and/or relating to policies DM&E intends to implement to address these effects.

20. All documents relating to DM&E's rules or practices for internal corporate governance.

Respectfully submitted,

COOPERATING LABOR ORGANIZATIONS

William L. Phillips, General Counsel
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SIGNALMEN

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and

Mitchell M. Kraus, General Counsel
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(301) 948-4910

CERTIFICATE OF SERVICE

William L. Phillips, attorney for one of the Cooperating Labor Organizations, hereby certifies that the foregoing document was served by hand delivery this June 14, 2002 upon William C. Sippel, Esq., Fletcher & Sippel LLC, 180 North Stetson Avenue #3125, Chicago, IL 60601.

SURFACE TRANSPORTATION BOARD

Finance Docket No. 34177

**IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-ACQUISITION AND OPERATION EXEMPTION-
LINES OF I&M RAIL LINK, LLC**

**INTERROGATORIES
TO DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION**

Pursuant to 49 C.F.R. §§1114.21, 1114.26, and 1121.2, Cooperating Labor Organizations (“CLO”) directs the following interrogatories to Dakota, Minnesota & Eastern Railroad Corporation (“DM&E”). DM&E’s verified answers are to be served upon CLO no later than 15 days after the service hereof.

INSTRUCTIONS AND DEFINITIONS

1. To the extent that you answer any interrogatory by exercising the option to produce business records under 49 C.F.R. § 1114.26(b), segregate and identify such business records according to the interrogatory to which the records are responsive.
2. In answering each interrogatory, identify by date, sender, recipient, location and custodian, each document relied upon or which forms a basis for the answer given or which corroborates the answer given or the substance of what is given in answer to these interrogatories.

3. In answering each interrogatory, state whether the information furnished is within the personal knowledge of the person answering and, if not, the name, if known, of each person to whom the information is a matter of personal knowledge.

4. In answering each interrogatory, identify each person who assisted or participated in preparing and/or supplying any of the information given in answer to or relied upon in preparing answers to these interrogatories.

5. As used herein, DM&E means the Dakota, Minnesota & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

6. As used herein, Holdings means Cedar American Rail Holdings, Inc., and any other wholly-owned subsidiary thereof.

7. As used herein, IC&E means the Iowa, Chicago & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

8. As used herein, IMRL means the I&M Rail Link LLC, and any other wholly-owned subsidiary thereof.

9. As used herein, the term "communication" means the transmittal of information in the form of facts, ideas, inquiries or otherwise.

10. As used herein, the term "document" or "documents" means any written, recorded or graphic matter, whether produced, reproduced, or stored on paper, cards, tapes, film, electronic, facsimile, computer storage devices, or any other media. The term includes, but is not limited to, originals, copies (with or without notes or changes thereon), and drafts. The term includes but is not limited to: papers, books, letters, photographs, objects, tangible things, correspondence, telegrams, cables, telex messages, telecopies, faxes, memoranda, newsletters, notes, notations, work papers,

10. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This acquisition positions us to offer greatly enhanced service to our existing customers, and provide new marketing opportunities for future customers."

11. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This acquisition . . . will help ensure competitive options for the new traffic generated by [the Powder River Basin] project."

12. Describe with specificity the basis for Mr. Schieffer's claim in his Memorandum dated February 21, 2002 to DM&E Employees that "The acquisition will certainly have significant impacts on our operations and opportunities in the future."

13. Describe with specificity the basis for Mr. Schieffer's claim in his Memorandum dated February 21, 2002 to DM&E Employees that the IMRL acquisition "is great news for our railroad and our future."

Respectfully submitted,

COOPERATING LABOR ORGANIZATIONS

William L. Phillips, General Counsel
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Engineers*
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1370 Ontario Street
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and

Mitchell M. Kraus, General Counsel
TRANSPORTATION•COMMUNICATIONS
INTERNATIONAL UNION
3 Research Place
Rockville, Maryland 20850-3279

(301) 948-4910

CERTIFICATE OF SERVICE

William L. Phillips, attorney for one of the Cooperating Labor Organizations, hereby certifies that the foregoing document was served by hand delivery this June 14, 2002 upon William C. Sippel, Esq., Fletcher & Sippel LLC, 180 North Stetson Avenue #3125, Chicago, IL 60601.

EXHIBIT 2

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34177

**IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-- ACQUISITION AND OPERATION EXEMPTION --
LINES OF I&M RAIL LINK, LLC**

**RESPONSES OF IOWA, CHICAGO & EASTERN RAILROAD
CORPORATION TO INTERROGATORIES AND DOCUMENT
REQUESTS OF COOPERATING LABOR ORGANIZATIONS**

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180 North Stetson Avenue
Chicago, Illinois 60601-6721
(312) 540-0500

**ATTORNEYS FOR IOWA, CHICAGO &
EASTERN RAILROAD CORPORATION**

Dated: July 2, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34177

IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-- ACQUISITION AND OPERATION EXEMPTION --
LINES OF I&M RAIL LINK, LLC

**RESPONSES OF IOWA, CHICAGO & EASTERN RAILROAD
CORPORATION TO INTERROGATORIES AND DOCUMENT
REQUESTS OF COOPERATING LABOR ORGANIZATIONS**

Iowa, Chicago & Eastern Railroad Corporation ("IC&E") hereby submits these responses to Interrogatories and Document Requests propounded collectively by the Brotherhood of Locomotive Engineers, Brotherhood of Maintenance of Way Employees, Brotherhood of Railroad Signalmen, International Association of Machinists, International Brotherhood of Electrical Workers and Transportation-Communications International Union, collectively referred to as the Cooperating Labor Organizations ("CLO").

GENERAL OBJECTIONS

The following general objections are made with respect to all of the interrogatories and document requests (hereinafter referred to as "discovery requests"). Additional specific objections are stated in response to individual discovery requests.

1. IC&E objects to CLO's discovery requests collectively and individually as seeking information that is neither relevant to the Notice of Exemption pending before the Board in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. On June 7, 2002, IC&E filed a Notice of Exemption herein to acquire and operate the rail assets of I&M Rail Link, LLC ("IMRL"), and indicated that Dakota, Minnesota & Eastern Railroad

Corporation ("DM&E") and Cedar American Rail Holdings, Inc. ("Holdings") intended shortly to file an application in a proceeding to be docketed as Finance Docket No. 34178, Dakota, Minnesota & Eastern Railroad Corporation and Cedar American Rail Holdings, Inc. -- Control -- Iowa, Chicago & Eastern Railroad Corporation seeking authority for the common control of DM&E and IC&E. CLO has filed a petition for stay and a petition to revoke the acquisition exemption. It has not filed any opposition to the common control of DM&E and IC&E, because no application has yet been filed. Accordingly, there is no issue currently before the Board concerning the common control of DM&E and IC&E. Moreover, Board regulations concerning common control applications will require DM&E and Holdings to provide specified information concerning the proposed common control, and DM&E and Holdings are expected to comply fully with those requirements. Accordingly, discovery concerning common control issues is premature and immaterial to the acquisition and operation exemption issues now before the Board.

2. IC&E objects to CLO's discovery requests collectively and individually to the extent those discovery requests seek information that is neither relevant to the issues raised by CLO in its Petition to Stay or its Petition to Revoke Exemption pending before the Board in this proceeding, nor reasonably calculated to lead to the discovery of admissible evidence.

3. IC&E objects to CLO's discovery requests to the extent those discovery requests seek confidential or proprietary information or documents.

4. IC&E objects to CLO's discovery requests collectively and individually to the extent that COL requests information that is subject to the attorney-client privilege, the attorney work product doctrine or any other legal privilege.

INTERROGATORIES

Subject to and without waiver of the General Objections set forth above, IC&E responds individually to the interrogatories propounded by CLO to IC&E as follows:

1. For all/each class of IC&E's corporate stock, identify (a) the number of shares authorized, (b) all/each holder of such class of stock by name, address and other affiliation, if any to Holdings, IC&E, DM&E and/or IMRL and (c) the number of shares held by all/each holder.

ANSWER:

10,000 shares of IC&E Common Stock are authorized and 1,000 shares are issued and outstanding. All 1000 shares issued and outstanding are held by Holdings, 140 North Phillips Avenue, P.O. Box 1260, Sioux Falls, South Dakota 57104. All 1000 issued and outstanding shares of IC&E Common Stock are expected to be deposited into a voting trust pursuant to a proposed Voting Trust Agreement with Bankers Trust Company, N.A. of Des Moines, Iowa immediately prior to closing of IC&E's acquisition of the IMRL rail assets.

2. Identify all/each member of IC&E's corporate board of directors.

ANSWER:

Kevin V. Schieffer

Matthew J. Taylor

Joseph Chulick, Jr.

All current directors of IC&E are expected to resign upon deposit of the Common Stock of IC&E into a voting trust as described in the response to Interrogatory No.1.

3. Identify all/each of IC&E's corporate officers including, but not limited to, all executive, operations and/or financial officers.

ANSWER:

Upon closing of IC&E's acquisition of the IMRL rail assets, IC&E's officers are expected to include:

Robert O. Brownell, President

John C. Brooks, Chief Marketing Officer

Richard Awe, Chief Operating Officer

Keith Beckel, Chief Transportation Officer

Clyde Mittleider, Superintendent-North

Greg Maass, Superintendent-South

Steven O. Scharnweber, Vice President, Engineering

Dean Halloway, Director of Maintenance

Mark Culver, Manager of Signals

Steve Schneider, Manager of Structures

Daniel L. Goodwin, Chief Mechanical Officer

Mark Hailey, General Superintendent Mechanical

Others to be named

4. Identify with specificity the "anti-competitive agreements," referred to in the Press Release dated February 21, 2002 titled, "Minnesota, South Dakota Agriculture Organizations Support DM&E/IMRL Acquisition," that said Press Release states have prevented DM&E and IMRL from interchanging traffic at Owatonna, MN.

ANSWER:

IC&E objects to the extent that the press release was issued by third parties not affiliated with IC&E. Without waiver of objection, IC&E believes the agreements referred to in the press release are the Overhead Trackage Rights Agreement, dated September 3, 1986, between Dakota, Minnesota & Eastern Railroad Corporation and Chicago and North Western Transportation Company and the Lease of Track Agreement, dated September 3, 1986, between

Dakota, Minnesota & Eastern Railroad Corporation and Chicago and North Western Transportation Company. IC&E by this response does not characterize the legal effect of these agreements.

5. Describe with specificity the basis for the claim in the "Agriculture Organizations" Press Release that the "anti-competitive" agreements "will become moot after the acquisition, allowing new market access for South Dakota and Minnesota farmers."

ANSWER:

IC&E objects to the extent that the press release was issued by third parties not affiliated with IC&E. Further, this request is premature, irrelevant and not calculated to lead to admissible evidence in connection with any issues raised by CLO in this acquisition and operation proceeding. See General Objections 1 and 2

6. Describe with specificity the basis for the claim in the Press Release dated February 21, 2002 titled, "Railroad Acquisition; New Market Access, Major Rail Gateways" that "the resulting railroad network will significantly reshape the competitive dynamics for grain and other commodities currently shipped by DM&E and IMRL."

ANSWER:

Objection. This request is premature, irrelevant and not calculated to lead to admissible evidence in connection with any issues raised by CLO in this acquisition and operation proceeding. See General Objections 1 and 2.

7. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This combination will provide important new market access for our grain and other rail shippers."

ANSWER:

Objection. See response to Interrogatory No.6.

8. Identify each railroad IC&E will interchange with and the location of each interchange point.

ANSWER:

Upon completion of the acquisition of the IMRL rail assets, IC&E expects interchanges to include:

The Belt Railway Company of Chicago: Cragin Junction/Clearing, Illinois

The Burlington Northern and Santa Fe Railway Company: Ottumwa and Bettendorf, Iowa; Kansas City, Missouri

Cedar River Railroad Company: Lyle, Minnesota

Chicago, Central & Pacific Railroad Company: Charles City and Dubuque, Iowa

Chillicothe-Brunswick Railway Maintenance Authority: Chillicothe, Missouri

Elgin, Joliet & Eastern Railway Company: Spaulding, Illinois

Illinois RailNet, Inc.: Davis Junction, Illinois

Indiana Harbor Belt Railroad Company: Franklin Park/Blue Island, Illinois

Iowa Interstate Railroad Ltd.: Davenport, Iowa

Iowa Northern Railway Company: Nora Springs and Plymouth, Iowa

Iowa Traction Railroad Company: Mason City, Iowa

The Kansas City Southern Railway Company: Kansas City, Missouri

Minnesota Commercial Railway Company: Minneapolis/St. Paul, Minnesota

Norfolk Southern Railway Company: Birmingham, Missouri

Soo Line Railroad Company, d/b/a Canadian Pacific Railway: St. Paul and River Jct., Minnesota; Bensenville, Illinois

Union Pacific Railroad Company: Janesville, Wisconsin; Clinton, Iowa; Kansas City, Missouri

Wisconsin & Southern Railway Company: Janesville, Wisconsin

Indirect interchange will also be available to numerous carriers in the Chicago terminal area through BRC, IHB, EJ&E and CP. IC&E objects to the extent that this

interrogatory seeks information concerning the common control of IC&E and DM&E. See General Objection Nos. 1 and 2.

9. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This combination . . . will give DM&E new connections to every major railroad in the United States."

ANSWER:

See answer to Interrogatory No. 6.

10. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This acquisition positions us to offer greatly enhanced services to our existing customers, and provide new marketing opportunities for future customers."

ANSWER:

See answer to Interrogatory No. 6.

11. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This acquisition . . . will help ensure competitive options for the new traffic generated by [the Powder River Basin] project."

ANSWER:

See answer to Interrogatory No. 6.

12. With respect to Mr. Schieffer's statement in his Memorandum dated February 21, 2002 to IMRL employees that "Because of the strength of the business plan and synergies resulting from linking up two lines (and based on positive and detailed advance discussions in the [financial]community) we do not anticipate financing problems:"

- a. Identify the "business plan" Mr. Schieffer was referring to;
- b. Identify the "synergies" Mr. Schieffer was referring to;
- c. Identify the time, place, participants and subject matter of the "positive and detailed discussions in the [financial] community" Mr. Schieffer was referring to.

ANSWER:

IC&E objects to the extent that this interrogatory seeks information concerning the common control of IC&E and DM&E, See General Objection No. 1, and seeks information that is not relevant to nor calculated to lead to the discovery of admissible evidence regarding any issue raised by CLO in this acquisition and operation proceeding Without waiver of objection, IC&E further responds:

- a. The business plan for the operation by IC&E of IMRL rail assets following acquisition and for the subsequent coordinated marketing and operating of IC&E and DM&E after the anticipated approval of common control of those railroads.
- b. The synergies resulting from the coordinated marketing and operating of IC&E and DM&E after the anticipated approval of common control of those railroads.
- c. Objection. The interrogatory misquotes the memorandum. This interrogatory is overbroad and burdensome, and is not calculated to lead to admissible evidence. Mr. Schieffer conducted many discussions in the financial community, too numerous and over too extended a time period to attempt to recreate at this time. Recreating such discussions and providing the requested information, even to the extent possible, would not lead to any evidence relevant to any issue in this proceeding. Without waiver of objection, see response to Request for Documents No.2.

DOCUMENT REQUESTS

Subject to and without waiver of the General Objections set forth above, IC&E responds individually to the document requests propounded by CLO to IC&E as follows:

Protocol for Inspection of Documents

No protective order has been entered in this case. CLO has requested production of numerous confidential and proprietary documents. To the extent set forth individually below, IC&E is willing to allow inspection of certain documents as described below in the offices of its counsel, Fletcher & Sippel LLC, Two Prudential Plaza, Suite 3125, 180 North Stetson Avenue, Chicago, Illinois 60601 at mutually agreeable times during normal business hours. Only attorneys and outside consultants for CLO will be permitted to examine the documents. No copies may be made or taken from the premises. Dollar amounts, shipper specific information and marketing strategies will be redacted. All individuals seeking such access will be required to execute confidentiality agreement in the format attached hereto.

1. All documents relating to IC&E's purchase of railroad or other assets from IMRL including, but not limited to, the asset purchase agreement between IMRL and any other related agreements.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. It seeks irrelevant information and is not calculated to lead to admissible evidence. Without waiver of objection, the Asset Purchase Agreement will be made available for inspection at the offices of IC&E's counsel in accordance with the protocol set forth above.

2. All documents relating to the financing of IC&E's purchase of railroad and other assets from IMRL including, but not limited to, commercial loan agreements, letters of credit, collateral agreements, etc.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. It seeks irrelevant information and is not calculated to lead to admissible evidence. Without waiver of

objection, the loan agreement and related documents will be made available for inspection at the offices of IC&E's counsel in accordance with the protocol set forth above, at such time as such agreements and related documents are finalized and executed.

3. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by IMRL prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. It seeks irrelevant information and is not calculated to lead to admissible evidence. See General Objection No. 1. Without waiver of objection, no such documents currently exist and the loan agreement and related documents will be made available for inspection at the offices of IC&E's counsel in accordance with the protocol set forth above, at such time as such agreements and related documents are finalized and executed.

4. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by IC&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. See response to Request for Production No. 3.

5. All documents relating to the issue of whether IC&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by DM&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. See response to Request for Production No. 3.

6. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by Holdings prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. This request seeks documents concerning the relationship between non-parties to this proceeding and seeks information which is not relevant to, nor calculated to lead to the discovery of admissible evidence concerning any issue raised by CLO in this acquisition and operation proceeding..

7. All documents relating to the issue of whether Holdings is or will be financially and/or legally responsible for debts and/or other liabilities incurred by DM&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. See response to Request for Production No. 6.

8. All documents relating to plans for operating IC&E following the transaction in question including, but not limited to, documents outlining the role to be played by DM&E in IC&E's business or internal operations.

RESPONSE:

Objection. This request is vague, overbroad and unduly burdensome. To the extent that this Request seeks documents relating to operations following the common control of IC&E and DM&E, this request seeks documents that are not relevant to, nor which are calculated to lead to admissible evidence concerning any issue raised by CLO in this acquisition and operation proceeding. See General Objection Nos. 1 and 2. With respect to the operation by IC&E of IMRL rail assets, see response to Request for Production No. 9.

9. All documents relating to IC&E's business plan for operating the lines and assets acquired from IMRL.

RESPONSE:

Objection. This request is vague, overbroad and unduly burdensome. To the extent that this Request seeks documents relating to operations following the common control of IC&E and DM&E, this request seeks documents that are not relevant to, nor which are calculated to lead to admissible evidence concerning any issue raised by CLO in this acquisition and operation proceeding. See General Objection Nos. 1 and 2. With respect to the operation by IC&E of IMRL rail assets, without waiver of objection, IC&E's operating plan and pro forma financials will be made available at the office of IC&E's counsel in accordance with the protocol set forth above.

10. All documents relating to IC&E's business plan including, but not limited to, documents relating to plans to coordinate, interchange, consolidate, cooperate, or otherwise operate IC&E's rail operations in conjunction with of [sic] DM&E.

RESPONSE:

Objection. See response to Request for Documents No. 9.

11. All documents relating to IC&E's anticipated arrangements for interchanging rail traffic with DM&E, including but not limited to, documents relating to the location, frequency and carload number of such interchanging.

RESPONSE:

Objection. See General Objection No. 1.

12. All communications between IC&E, on the one hand, and any shipper, shipper group, Farmers Union, or Farm Bureau, on the other hand, relating to IC&E's solicitations of support for the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. This request does not seek information relevant to any issue raised by CLO in this proceeding and is not

calculated to lead to the discovery of evidence admissible in this proceeding. See General Objection No. 2. This request seeks information that is confidential and proprietary, and legally privileged. See General Objection Nos. 3 and 4.

13. All documents identified in response to Interrogatory No. 4 directed to IC&E.

RESPONSE:

Objection. This request does not seek relevant information concerning any issue raised by CLO in this acquisition and operation exemption and is not calculated to lead to the discovery of admissible evidence in this proceeding. See General Objection Nos. 1 and 2. Without waiver of objection, the documents identified in response to Interrogatory No.4 will be made available at the office of IC&E's counsel in accordance with the protocol set forth above.

14. All documents relating to how IC&E's operation of the present IMRL will reshape the competitive dynamics for grain and other commodities currently shipped by IC&E and IMRL.

RESPONSE:

None.

15. All documents relating to how IC&E's operation of the present IMRL will provide new market access for IMRL's grain and other rail shippers.

RESPONSE:

None.

16. All documents relating to how IC&E's operation of the present IMRL will create new railroad connections.

RESPONSE:

None.

17. All documents relating to how IC&E's operation of the present IMRL will affect service to IMRL's existing customers and/or provide new marketing opportunities for future customers.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. It does not seek evidence relevant to any issue raised by CLO in this acquisition and operation proceeding, and is not calculated to lead to the discovery of admissible evidence. Without waiver of objection, the Verified Statement of Robert O. Brownell, attached as Exhibit 2 to IC&E's Reply to Petitions for Stay, describes how IC&E's operation of the IMRL rail assets will entail lower operating costs and improved service for local shippers than current IMRL operation. The Verified Statement of Daniel R. Sabin, attached as Exhibit 5-D to IC&E's Reply to Petitions for Stay describes short-haul grain opportunities that IC&E expects to address in cooperation with Iowa Northern Railway Company. Without waiver of objection, supporting documentation will be made available for inspection at the offices of IC&E's counsel in accordance with the protocol set forth above.

18. All documents relating to how IC&E's operation of the present IMRL will help DM&E ensure competitive options for the new traffic generated by the Powder River Basin project.

RESPONSE:

With respect to periods prior to the anticipated approval of common control, there are no documents responsive to this request. With respect to periods following the anticipated approval of common control, IC&E objects on the basis that the request is premature and does not seek information that is relevant to, and is not calculated to lead to admissible evidence concerning, any issue raised by CLO in this acquisition and operation proceeding. See General Objection 1.

19. All documents identified in response to Interrogatory No. 12(a) directed to IC&E.

RESPONSE:

Objection. See answer to Interrogatory 12 and General Objection No. 1. The requested information is proprietary and confidential and no need has been demonstrated for its production. The operating plan and business plan for the commonly controlled DM&E and IC&E will be reflected in the application for common control authority and are not yet available. With respect to the operation by IC&E of IMRL rail assets, IC&E's operating plan and pro forma financials will be made available at the office of IC&E's counsel in accordance with the protocol set forth above.

20. All documents relating to effects of the transaction upon the existing IMRL labor force and/or relating to policies IC&E intends to implement to address these effects.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. Without waiver of objection, IC&E states that it has no study or analysis of the impact of the acquisition and operation exemption on IMRL employees, and has no policies to address such effects. Without waiver of objection, IC&E is willing to produce otherwise discoverable documents concerning the hiring and the anticipated working conditions of future IC&E employees, if such documents are identified with sufficient specificity to locate and obtain. Also, see the "60-day notice" to employees served February 22, 2002 by IC&E on CLO and others, and the Verified Statement of Robert O. Brownell, attached as Exhibit 2 to IC&E's Reply to Petitions for Stay.

21. All documents relating to IC&E's rules or practices for internal corporate governance.

RESPONSE:

Objection. This request is overbroad and vague and unduly burdensome. Without waiver of objection, the proposed Voting Trust Agreement with Bankers Trust Company, N.A. of Des Moines Iowa, and IC&E's charter and bylaws are available for inspection at the offices of IC&E's counsel in accordance with the protocol set forth above.

INTERROGATORIES TO DM&E AND HOLDINGS

Subject to and without waiver of the General Objections set forth above, IC&E responds individually to the interrogatories propounded by CLO to DM&E and to Holdings as follows:

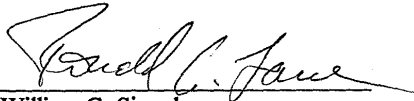
Iowa, Chicago & Eastern Railroad Corporation ("IC&E") hereby submits this response to Interrogatories directed to Dakota, Minnesota & Eastern Railroad Corporation ("DM&E") and to Cedar American Rail Holdings, Inc. ("Holdings") by the CLO. These Interrogatories were served on counsel for IC&E, but this counsel has not appeared on behalf of DM&E or Holdings because those entities are not parties to this proceeding. Consequently the following constitutes the response of IC&E, and does not constitute an appearance by or on behalf of DM&E or Holdings in this proceeding.

1 IC&E objects to CLO's attempt to seek discovery from DM&E and Holdings because neither is a party to the instant proceeding.

2. IC&E objects to CLO's interrogatories to DM&E and Holdings because they do not seek relevant information nor are calculated to discover admissible evidence concerning any issue raised by CLO in the instant proceeding. See General Objections 1 and 2.

3. IC&E objects to CLO's interrogatories to DM&E and Holdings because the interrogatories are cumulative to interrogatories posed to and answered by IC&E.

Respectfully submitted,

By: 

William C. Sippel

Ronald A. Lane

Thomas J. Litwiler

Fletcher & Sippel LLC

Two Prudential Plaza, Suite 3125

180 North Stetson Avenue

Chicago, Illinois 60601-6721

(312) 540-0500

**ATTORNEYS FOR IOWA, CHICAGO &
EASTERN RAILROAD CORPORATION**

Dated: July 2, 2002

Before the
SURFACE TRANSPORTATION BOARD
Washington, D.C. 20423

FINANCE DOCKET NO. 34177

IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
--ACQUISITION AND OPERATION EXEMPTION--
LINES OF I&M RAIL LINK, LLC

CONFIDENTIALITY AGREEMENT

Iowa, Chicago & Eastern Railroad Corporation ("IC&E") and Brotherhood of Locomotive Engineers, Brotherhood of Maintenance of Way Employees, Brotherhood of Railroad Signalmen, International Association of Machinists, International Brotherhood of Electrical Workers and Transportation-Communications International Union, collectively referred to as the Cooperating Labor Organizations ("CLO") hereby agree as follows:

1. For purposes of this Confidentiality Agreement, "Confidential Information" means financial and proprietary data, including income statements, balance sheets, personal financial statements, and the names of customers and potential customers, provided by IC&E. to counsel of record for CLO.

2. To the extent that any Confidential Information is produced in discovery, contained in a pleading, or otherwise divulged to any party to this proceeding, such materials shall be treated as confidential. Such materials, any copies, and any data derived from them:

(a) Shall be used solely for purposes of this proceeding and any court litigation arising therefrom, and not for any other purpose, including, but not limited to, any business, commercial or other competitive purposes;

(b) Shall not be disclosed in any way or to any person without a prior order of the Surface Transportation Board (the "Board") or of the presiding Administrative Law Judge authorizing such disclosure; provided, however, that materials containing Confidential Information may be disclosed to counsel only of the party requesting such material, or to experts who are retained by such counsel and who are not employees of any party to this proceeding. Such disclosure shall be solely for use in connection with this proceeding or related court litigation, provided that such counsel or expert has been given and has read a copy of this

Confidentiality Agreement and has executed an Undertaking (attached hereto as Attachment 1) agreeing to be bound by its terms prior to receiving access to such materials;

(c) Shall, if so produced, be destroyed, and notice of such destruction served on the Board, the presiding Administrative Law Judge and the party producing the materials, at such time as the party or person receiving the materials withdraws from this proceeding or at the completion of this proceeding and any related court litigation, whichever occurs first; and

(d) Shall, if contained in any pleading filed with the Board, be filed in compliance with the procedure set forth at 49 C.F.R. § 1104.14.

3. To the extent that materials reflecting the financial status of IC&E, and/or terms of shipper contracts, shipper-specific traffic data, other traffic data, or other confidential or proprietary information are produced by a party in this proceeding and held and used by the receiving person in compliance with Paragraph 2 above, such production, disclosure and use of the materials, and of the data that the materials contain, are deemed essential for the disposition of this proceeding and shall not be deemed a violation of 49 U.S.C. § 11904.

4. All parties shall comply with the provisions stated in this Confidentiality Agreement unless good cause, as determined by the Board, is shown by any party to warrant suspension of any of the provisions hereof. Any party and/or any individual who breaches this Agreement shall be liable for any damages that may be suffered as a result of the use or disclosure of any confidential information in violation of the Confidentiality Agreement. The parties agree that the disclosure of confidential information supplied hereunder would cause irreparable harm to IC&E.

5. The signatories represent and warrant that they are authorized to execute this agreement, and that by so doing this agreement is fully binding upon and enforceable against their principals.

Brotherhood of Locomotive Engineers

Brotherhood of Maintenance of Way Employees

Brotherhood of Railroad Signalmen

International Association of Machinists

International Brotherhood of Electrical Workers

Transportation-Communications International Union

By: _____
Attorney for Cooperating Labor Organizations
Date: _____

Iowa, Chicago and Eastern Railroad Corporation

By: _____

Its Attorney

Date: _____

UNDERTAKING

I, _____, have read the foregoing Confidentiality Agreement related to the proceeding in Surface Transportation Board Finance Docket No. 34177, understand the same, and agree to be bound by its terms. I agree not to use any document obtained under this Confidentiality Agreement and stamped "CONFIDENTIAL," or any data or information derived therefrom, for any purpose not related to participation in Finance Docket No. 34177, or any appeals or related proceedings taken or filed in connection therewith (the "Proceedings"), or to use any techniques disclosed or information learned as a result of receiving this data or information for any purpose not related to the participation of CLO in the Proceedings. I recognize that unauthorized disclosure of documents governed by the Confidentiality Agreement may cause serious harm to IC&E, and that I may be held personally liable for any damages that they may suffer as a result of my use or disclosure of any confidential information in violation of the Confidentiality Agreement.

Dated: July __, 2002

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of July, 2002, a copy of the foregoing
**Responses of Iowa, Chicago & Eastern Railroad Corporation to Interrogatories and
Document Requests of Cooperating Labor Organizations** was served by electronic mail and
first-class mail, postage prepaid, upon:

William L. Phillips, Esq.
General Counsel
Brotherhood of Railroad Signalmen
601 West Golf Road, Box U
Mount Prospect, IL 60056

and by first-class mail, postage prepaid, upon:

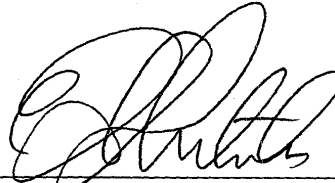
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Washington, DC 20036-5420

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Upper Marlboro, MD 20772

Donald Griffin, Esq.
Assistant General Counsel
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Washington, DC 20002

Harold A. Ross, Esq.
Ross & Kraushaar
1548 Standard Building
1370 Ontario Street
Cleveland, OH 44113-1702

Mitchell Kraus, Esq.
General Counsel
Transportation Communications International Union
3 Research Place
Rockville, MD 20850

A handwritten signature in black ink, appearing to read 'T. Litwiler', is written over a horizontal line.

Thomas J. Litwiler