

MONSANTO



June 26, 2002

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

MONSANTO COMPANY
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ST. LOUIS, MISSOURI 63167
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SUBJECT: VERIFIED STATEMENT; STB FINANCE DOCKET NO'S: 34177 & 34178

VERIFIED STATEMENT
of
Robert M. Hoppe
on behalf of
MONSANTO COMPANY

Dear Secretary Williams,

My name is Robert M. Hoppe. I am the Rail Asset Management Specialist for Monsanto Company, with corporate offices in Saint Louis, Missouri, and with one of our two major U.S. manufacturing plants located in Muscatine, Iowa, which is currently served solely by the IMRL. I have responsibilities for rail transportation including rail equipment purchasing, rail freight negotiations and logistics execution of our bulk rail transported products. I have been employed by Monsanto Company for twenty-two years, and have been in this position since January 1997. During my tenure we have experienced several difficult and protracted transitions related to rail merger/acquisition activities such as the UP/SP, CPR/IMRL and CR-CSX/NS transactions.

Monsanto Company is the leading manufacturer of agricultural herbicides such as Roundup® and a related glyphosate family of products, and Harness® Xtra and Machete® Selective herbicides that are manufactured at our Muscatine, Iowa facility where we ship and receive thousands of rail car loads annually. The uninterrupted and continued availability of secure, efficient and competitive rail service is absolutely a key function of our business success.

Monsanto Company strongly supports the proposed acquisition of IMRL's lines by the Iowa, Chicago & Eastern Railroad Corporation ("IC&E") in as much as this acquisition would improve the long term viability of the IMRL by providing a sound financial base, provide better capital resources over the long term, upgrade the existing IMRL locomotive fleet, retain current service levels, and IMRL employees as indicated by IC&E. Monsanto also has many concerns based on previous acquisition statements that did not live up to expectations. We are very concerned about transition planning, beta testing and system verification prior to any change from IMRL systems to IC&E systems. We strongly recommend that the STB carry out a detailed review to ensure that transition planning and testing processes are comprehensively planned by IC&E with an adequate testing period prior to any final cutover of systems date. These detailed items such as properly trained customer service representatives and dispatchers, fully functional e-commerce and web based customer billing mechanisms, fully integrated and operationally tested computer systems changes such as STAR to RMI systems changes that will take place in the acquisition are vital to a smooth transition.

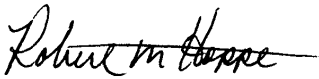
Failure to establish that these integral transition details are well planned, or to allow an understaffed transition will surely bring on much turmoil within the new railroad company, stifle and frustrate rail shippers and confront shippers with many costly options to work around failures and delays for many months afterward if inadequate planning is left unchallenged.

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Monsanto Company urges the Surface Transportation Board to allow the IC&E's acquisition of the IMRL lines to proceed, if all valid concerns are fully reviewed and determined to be adequately planned for with proper diligence and enough additional people to bridge the transition. Monsanto Company has previously felt the cost and burden of poorly planned rail transactions, and expects the STB to delay any actions that are not in the best interest of the Ag related industry, rail industry or rail shippers as a whole, until such concerns are adequately addressed.

We also 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. Monsanto believes that this may be beneficial as well, as long as all the same reviews and transition plans are deemed by the STB, to be well thought out and adequately staffed for during transition. This combination would give alternative competitive routes into the DM&E "granger" territory from our Iowa shipping point.

Sincerely,



Robert M. Hoppe
Asset Management Specialist

C:

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Mr. Mark J. Leidy – Vice President Manufacturing, Monsanto Company, St. Louis, MO
Mr. Ron C. Cooley – Director of Manufacturing, Monsanto Company, St. Louis, MO
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Mr. Charles O. Patterson – Manager Enterprise Logistics, Monsanto Company, St. Louis, MO
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