

North Iowa Cooperative Elevator

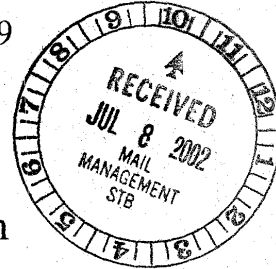
105 South First Thornton, Iowa 50479

Thornton
641-998-2711

Portland
641-423-5311

United L.P. Co.
641-423-4011

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641-696-3382



June 29, 2002

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Public Record

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

Re: Finance Docket No. 34177 - 205793
Iowa, Chicago & Eastern Railroad Corporation -- Acquisition
and Operation Exemption -- Lines of I&M Rail Link, LLC

Re: Finance Docket No. 34178 - 205794
Dakota, Minnesota & Eastern Railroad Corporation
and Cedar American Rail Holdings, Inc. -- Control
Iowa, Chicago & Eastern Railroad Corporation

Dear Mr. Williams:

North Iowa Cooperative has three grain elevators that may be in peril. Our base operations are located at Thornton, Iowa, at the end of a 23 mile branch line of the Union Pacific which runs from Clear Lake Jct. near Mason City, IA, to Thornton. We understand that Union Pacific is planning on abandoning this line in the near future. Our other operations are all located on the IMRL at Clear Lake, Portland and Plymouth, Iowa. The Plymouth elevator is less than one mile from the Iowa Northern Railway Connection at Plymouth Jct. The Portland elevator is approximately 5 miles west of the IMRL connection with Iowa Northern Railway at Nora Jct., Iowa.

We find ourselves at a distinct disadvantage by being surrounded with larger grain operations that have several options for shipping corn and beans and receiving fertilizer.

A large competitive elevator is located at Nora Springs, Iowa, near the connection of the IMRL and the Iowa Northern Railway. IMRL has access to this elevator even though it is located on Iowa Northern, through what is believed to be a low cost access granted by Iowa Northern to IMRL.

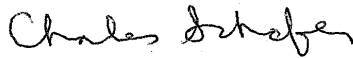
The long-term survival of our cooperative requires access to competitive rail rates and service. With the application of the Iowa, Chicago & Eastern Railroad Corporation to acquire the IMRL, we will probably only have one railroad serving our organization. We must ask for the protection of your Board to insure that we are not squeezed out of the competitive markets that are provided by more than one carrier.

The primary market for corn in our region is to the processors at Cedar Rapids, Iowa. Iowa Northern Railway is the most direct and lowest cost method of shipping corn to Cedar Rapids. Access to their line will be critical to our long-term viability.

It is our official request that you allow the IC&E acquisition of the IMRL to proceed as planned, but that a condition be placed on the new company to provide our elevators at Portland and Plymouth with direct access to the Iowa Northern Railway via Nora Jct. and Plymouth Jct. under similar terms to IMRL's direct access to the Cartersville Elevator at Nora Springs.

Your assistance is most appreciated.

Sincerely,



Charles Schafer, General Manager
General Manager
North Iowa Cooperative Elevator

CC: Ms Peggy A. Baer
Office of Rail Transportation
Iowa Department of Transportation
800 Lincoln Way
Ames, IA 50010