



[Soo Line Railroad Company
records.](#)

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Soo Line Railroad Company



Soo Line Building
Box 530
Minneapolis, Minnesota 55440
(612) 332-1261

May 20, 1983

Mr. Robert Mellmen
Charles River Associates
John Hancock Tower
200 Clarendon Street
Boston, MA 02116

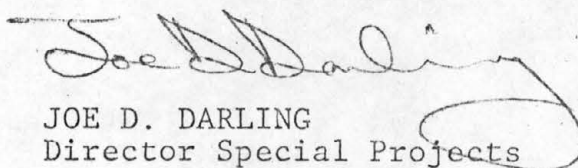
Dear Mr. Mellmen:

Enclosed are computer reports listing originations and terminations by commodity. Also enclosed is a listing giving a brief description for the first two digit commodity code groupings. This simple stratification is a little different than the commodity statistics published by the Association of American Railroads. A copy of a recent Form CS-54 submission with the description of the AAR commodity groupings is also enclosed. We chose to go with the simple two digit stratification to expedite production of the reports.

You should also note that no attempt was made to exclude the double count that results when a carload originates and terminates on the lines in question. Thus, the total traffic originating and/or terminating on the subject lines is somewhat less than the sum of the data in the two reports.

Please advise if I can be of further assistance.

Sincerely,


JOE D. DARLING
Director Special Projects

JDD/jmz

cc: B. D. Olsen
R. H. Smith

Soo Line Railroad Company



Soo Line Building
Box 530
Minneapolis, Minnesota 55440
(612) 332-1261

May 18, 1983

Mr. Robert Mellmen
Charles River Associates
John Hancock Tower
200 Clarendon Street
Boston, MA 02116

Dear Mr. Mellmen:

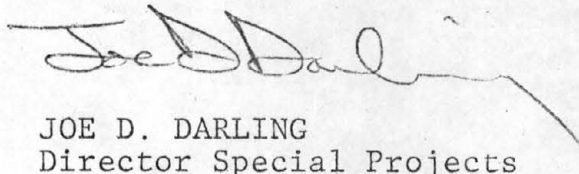
Enclosed is the computer report you requested. Two versions are included. One is a sort on city name, the other on Freight Station Accounting Code number. The latter tends to group stations geographically.

The revenue column is Rock Island revenue. This includes revenue for portions of the haul in which the Soo would not participate, such as beyond Kansas City. The total revenue column includes other roads share of the revenue or divisions.

The revenues represent 1978 rate levels. We estimate first half of 1982 rate levels to be 151.73 percent of 1978 levels, and anticipate second half 1983 rate levels to be 105.9 percent of first half 1982 levels.

Three maps are included for reference.

Sincerely,



JOE D. DARLING
Director Special Projects

JDD/jmz

Enclosures



POST OFFICE TO ADDRESSEE

**FROM:**

Joe D. Darling
Dir. Special Projects
Soo Line RR
105 S. 5th St.
Minneapolis, MN 55402

Value Declared, if any:

Customer Number, if any:

TO:

Mr. Robert Mellmen
Charles River Associates
John Hancock Tower
200 Clarendon Street
Boston, MA 02116

ORIGIN:Initials of
Receiving
Clerk: *CU*

P.O. ZIP

55402

Date in:

5 18 83

Time in:

1025

Weight:

1 Lbs.

Postage:

*\$ 5.35***B** 73841745**SERVICE GUARANTEE:**

Domestic mailings under this service made at designated USPS facilities on or before a specified deposit time, will be accepted for express shipment to a designated USPS delivery area having Express Mail service for next day delivery to an addressee or agent on or before the time specified by the USPS at mailing. USPS will refund upon application to originating office, the postage for any shipments mailed under this service and not meeting the service standard except for those delayed by strike or work stoppage. See USPS Notice 43 for details.

INSURANCE COVERAGE:

(1) *Document Reconstruction Insurance* (Domestic and International Mail). Non-negotiable documents are insured against loss, damage or delay up to \$50,000 per piece subject to a limit of \$500,000 per occurrence. See USPS Notice 7 or Notice 63 for limitations of coverage.
(2) *Merchandise Insurance* (Domestic and International Mail) Parcels are insured against loss or damage up to \$500. The mailer must declare the value of the article at the time of mailing. See USPS Notice 13 or Notice 63 for limitations of coverage.

Claims for loss, delay, or damage must be made within 60 days. Claim forms may be obtained at the post office of mailing.

EXPRESS MAIL SERVICE
Customer Receipt

LABEL 11B ★ SEPT/80 U.S.G.P.O. 1980-324-960

PRESS HARD YOU ARE MAKING 4 COPIES

5/16/83 Bob Mellman ^{Robert}

Charles River Associates

Boston MA

Major grain gathering points

Volumes of originations

2 individual stations

Biggest stations first

Two weeks

Express mail

617-266-0500

Solmblucock Tower

200 Clarendon Street

Boston MA 02116

Sent by weight, print revenue

See stations only IA, MN, MO

Aggregation of commodities
Originating
Terminating
Overhead

2nd half 1983 projected

1st half 1982 revenues

RHS Spin Rate Study

1978

51.73%

5.9%

May 9, 1983

TO: R. H. Smith
R. L. Murlowski
C. C. Leary
P. M. McNamee
~~J. D. Darling~~

FROM: B. D. Olsen

RE: Rock Island Acquisition

I attach for your review a complete copy of the Reply Verified Statements and Argument filed by C&NW in response to our objections to CNW purchase of the Rock Island Lines. No response to this reply is permitted. However, C&NW is expected to file objections to our application on May 23 and we may then be able to incorporate some response to this material in our reply June 2, depending upon the scope of the C&NW objections.

In addition to the argument, the attached materials contain verified statements from the following witnesses:

Julian S. Eberhardt	---	Vice President - Planning
Donald C. Bergquist	---	Assistant Vice President - Grain Marketing and Pricing
Edward E. Harney	---	Vice President of Traffic
J. M. Butler	---	Senior Vice President - Finance and Accounting
Stephen C. Gregory	---	General Manager - Rate Research
G. R. Hanson	---	Assistant General Manager
A. M. Handwerker	---	Vice President - Rates and Divisions
Lee W. Huff	---	Vice President, Richard J. Barber Associates, Inc.

Eberhardt concentrates on available traffic density over the lines in question and reveals a good deal of information as to the C&NW views for the prospects of the Rock Island and other CNW lines. Bergquist takes the position that there is plenty of competition in the grain area, while Harney gives examples of how competition exists in the movement of other commodities. Ray Smith will be particularly interested in his views about the Soo on page 11. Butler responds to the Duff & Phelps statement with respect to the financial condition of the North Western. Gregory deals with rate questions, while Handwerker concentrates on refuting allegations made by the Iowa Railroad with which we are not fully familiar. Hanson describes the CNW operations in Des Moines by way of explaining C&NW need for the east-west line through Des Moines and West Des Moines. Finally, Lee Huff

of Richard J. Barber Associates takes on the Department of Justice on antitrust issues.

On the whole, these documents do a good job of supporting the CNW position. The witnesses obviously benefit from greater knowledge of CNW finances and traffic volumes. The statements should be reviewed with an eye to refuting as many of their contentions as possible in our forthcoming reply due June 2.

BDO/sjp

cc: T. M. Beckley
 D. M. Cavanaugh
 C. H. Peterson
 W. C. Serkland

50470

Powan Iowa 59469

~~May~~ 83

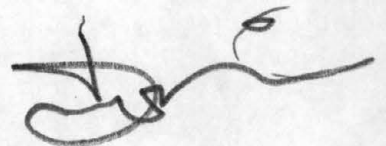
Joe,

You probably know that the CNW gas bid on the switching yardsn etc. around Des Moines, and will therev increase their overall bid to about your own total. Th y also have just asked the Iowa Trans Board for permission to abandon anoth r 9 miles of their own lines in southwest Iowa.

Have y'ur lawyers ever recapped their total abandonment of mileage abd presented that figure to the ICC?

June 20 is the date for the Iowa Board to answer them on the switching railage in Des Moines.

Don.....

A handwritten signature, possibly reading "Don", written in dark ink.

5/31/83 Reese Hawkinsin

6000 rail

\$2,531,887

ICG \$1,208,062

IDOT \$1,071,825 803

R-M \$282,000

505 \$4,350,000

Guarantee 3,300 cars/year (3,600)
initially 3,500 officially

Projection 4,000 cars/year

Realistic 4000-4500 cars/year

Today 3,000 cars/year

50 working days

May 30, 1983

Dear Mr. Darling:

Enclosed is a copy of some material the CNU is putting out to its employees. I hope this will be of some use to you. The CNU seems alarmed.

The Rock Island people are pulling for the Soo Line. If we can be of any help to you, don't hesitate to ask.

Sincerely,
John R. Stone

212 South Kentucky
Huron City, Iowa 50401

BE INDEBTED FREE IN "83" AND ENJOY LIFE MORE IN "84"

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY
Office of AVP and Division Manager
Iowa Division

Boone, Iowa - May 24, 1983

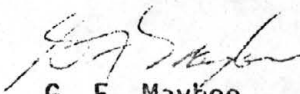
AVP & DIVISION MANAGER'S BULLETIN NO. 17
All Concerned
-IOWA DIVISION

All employees are urged to write to their senators and congressmen and to officials in Iowa to voice their opposition to possible Soo Line purchase of the Rock Island.

Employees should not be dismayed about the latest Soo Line move. They have once again re-entered negotiations (their second re-entry) asking the ICC to permit them to buy, this time, more trackage than CNW for a reported 100 million. But we have an agreement with the Rock Island Trustee; they do not. Purchase by us would entail no market disruptions; not so, if they purchase. True, the Justice Department issued an opinion favoring the Soo, but it raised eyebrows. Justice apparently believes, contrary to fact, that there is no competition for grain between North Western and other railroads, trucks, and barges in Iowa. And no one was consulted before they issued their opinion, not usual Justice policy, not the U. S. Department of Transportation and not the North Western.

Then there is the significant question of heavy Canadian influence on U. S. transportation, outside the umbrella of U. S. regulation. Unlike the U. S., Canada has two railroads that are truly transcontinental; they stretch from coast to coast. The Soo Line is a subsidiary of the Canadian Pacific, one of the two. Most of Soo's loads already originate on CP. If the Soo were to extend itself to Kansas City, still more North-South traffic originating on CP would be funneled over the Soo to Kansas City. U. S. railroads that are not Canadian subsidiaries would be cut out of more of this traffic - a lessening of competition rather than an increase. Meanwhile, the conditions that debilitated the Rock Island and the Milwaukee would be recreated for the sake of a Canadian railroad. This does not look like a good idea for the nation.

Names and addresses of Government and State officials can be obtained from your supervisor as well as plain envelopes and writing paper. Addressed letters can be handed to your supervisor for mailing.


G. F. Maybee
Asst. Vice President
and Division Manager

RECEIVED

MAY 25 1983

REM PRB DLH RNC JWW DLL MEH ALA(2) DOJ(2-1) DLV WEF(2) ARA TFM MHS HDD(2) RMB RDS
DDD RCA RWL GJL MLC DSM JFN RJS SMB LAW WDB DLF JHW(2) ARF FJD RTB(5) GJK(2) GRI
AOG JET GLK EWH RJK SLB RGF DAC GAM CALLERS LEP HR PAH WRL MLJ AHT JPO RGB DLS
DGH LMW LDR BDM CEW PAJ RLV GH WTH ULK MJK RPM FVS RFS SJF WRW BRO DRB VRW KSM SBS
ALL AGENTS AND YARDMASTERS BULLETIN BOARDS JPR PEM FJL JEM EWB LCD WJV ELH RLL DGA
RLH WTH AJA OPERATORS: BOONE VCLINTON C. RAPIDS MTOWN FREMONT M. VALLEY SGT. BLUFF
VCS DDF WWH LAM JGH

Dear Mr. Smith:

May 30, 1983

c/c TMB
~~OTC~~
BDO

Enclosed is a copy of a letter put out by the Chicago and Northwestern Railroad to its employees regarding purchase of Rock Island trackage by the Soo Line. I received this letter from a former Rock Island employee working temporarily for the CNW.

A number of Rock Island people sent letters to their senators and congressmen urging them to support the Soo Line application before the I.C.C. I also sent a verified statement to the I.C.C. in support of the Soo Line.

The former Rock Island people support strongly the Soo Line and will do anything they can to help.

I hope the enclosed letter will be of some use to you. I met you in Ames last October when you met the Iowa Department of Transportation shortly after the Soo Lines first bid to the Trustee, so you might recall me.

Sincerely,
John R. Stone

BE INDEBTED FREE IN "83" AND ENJOY LIFE MORE IN "84"

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY
Office of AVP and Division Manager
Iowa Division

Boone, Iowa - May 24, 1983

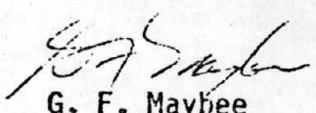
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G. F. Mayhew
Asst. Vice President
and Division Manager

RECEIVED

MAY 25 1983

REM PRB DLH RNC JWW DLL MEH ALA(2) DOJ(2-1) DLV WEF(2) ARA TFM MHS HDD(2) RMB RDS
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RLH WTH AJA OPERATORS: BOONE VCLINTON C. RAPIDS MTOWN FREMONT M. VALLEY SGT. BLUFF
VCS DDF WWH LAM JGH

May 27, 1983

Dear Sir,

I am a former Rock Island employee that is backing the Soo Line in its attempt to acquire the former R.I. tracks. Several of us have written the ICC and our gov. rep.

I have contacted the local paper and city manager to get involved, they wanted me to get all of the information I could from you about the Soo Line's plans for Iowa Falls.

I have heard that if the Soo Line gets the R.I. tracks that Iowa Falls would be one of its terminals and that the Soo Line would honor the March 4th. agreement and hire former R.I. employees. If this is true and you could give me or the city manager a letter to that effect it would be a big boost for the

whole city of Iowa Falls to back
the Soo Line.

The city manager told me it would
be a big help if we could get a
letter from the Soo Line stating
Iowa Falls would be a terminal.

Yours truly
Roger L. Swift
1006 1st. Ave. N.
Iowa Falls, Iowa

50126

phone 515-648-3522

Terri Lea Schroeder
City Manager
321 Stevens
Iowa Falls, Iowa 50126

phone 515-648-2527

Rock Island File

MAY 27 Rec'd



**T
C
I**
BENSON,
MINNESOTA 56215
PHONE 612/843-3333

IVAN BOWEN PRESIDENT

May 26, 1983

Mr. Dennis Cavanaugh
President
SOO LINE RAILROAD COMPANY
Soo Line Building
Box 530
Minneapolis, Mn. 55440

Dear Dennis:

I am enclosing a copy of ~~letters~~
to ~~Senators Durenburger and Boschwitz~~ from
William G. Dole of Dole Explosives, Inc.
Dole Explosives is a supplier of ours in the
~~quarry operation at Dresser.~~

Very truly yours,

Ivan Bowen
President

IB:em

Dole Explosives, Inc.

distributors of dupont explosives and smokeless powder



BOX 71
ROSEMOUNT, MINN. 55068
PHONE (612) 423-1141
RESIDENCE 890-1744

May 12, 1983

Senator David Durenberger
353 Russell Senate Office Bldg.
Washington, D.C. 20510

Dear Senator Durenberger:

The Sioux Line and the Chicago-Northwestern Railroads have made proposals to the Department of Transportation for acquisition of the Rock Island's trackage. Since the Chicago-Northwesterns tracks pretty much parallel those of the Rock Island, their acquiring this trackage would only stifle competition in our area.

Your help in impressing the Dept. of Transportation with our local concern in this situation will certainly be appreciated.

Thank you,

William G. Dole

WGD:vp

Dole Explosives, Inc.

distributors of dupont explosives and smokeless powder



BOX 71
ROSEMOUNT, MINN. 55068
PHONE (612) 423-1141
RESIDENCE 890-1744

May 12, 1983

Senator Rudy Boschwitz
2317 Dirksen Senate Office Bldg.
Washington, D.C. 20510

Dear Senator Boschwitz:

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Your help in impressing the Dept. of Transportation with our local concern in this situation will certainly be appreciated.

Thank you,

A handwritten signature in cursive script, reading "William G. Dole".

William G. Dole

WGD:vp

7/24/83 Iowa Railroad Bob Alter
Rock Island River Terminal

Alter & Company

grain, fertilizer, coal

Davenport - Con Agra (Alter Barge Line)

Mississippi River Grain Company
not open

Bureau II Rail - Truck Transfer

Hennepin Illinois $3\frac{1}{2}$ miles Y4C

Consolidated Grain and Barge
Continental

5/26/83 Des Holland, Iowa DOT

Royal - Manson

Verified statement on NW application.

Iowa DOT wanted to exclude Royal -
Manson

Withdraw application for SOS funds

Order for carrying funding.

\$1,100,000

Times reprogrammed for Palmer to
Manson

\$4,350,000 SOS up for grabs

Bill Loftis TRAIN #15-20M

Legislature \$7,500,000 1984

and again in 1985.

Iowa Branch Line Program

Joe

Attached is a set of CNW slow orders for track between Manly and Inver Grove. Some clippings and a bulletin the CNW has out to all it's employees. Thought you might make use of this information.

C J

BE INJURY FREE IN "83" AND ENJOY LIFE MORE IN "84"

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY
Office of AVP and Division Manager
Iowa Division

Boone, Iowa - May 24, 1983

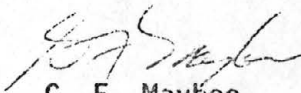
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-IOWA DIVISION

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G. F. Mayhee
Asst. Vice President
and Division Manager

RECEIVED

MAY 25 1983

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RLH WTH AJA OPERATORS: BOONE VCLINTON C.RAPIDS MTOWN FREMONT M.VALLEY SGT.BLUFF
VCS DDF WWH LAM JGH

CHICAGO & NORTH WESTERN TRANSPORTATION COMPANY

693

TRAIN ORDER NO.

DES MOINES MAR 23 1983

C&E OWATONNA SUBDIVN TRAINS

To

To

To

To

At ALBERT LEA

X Opr. M.

MAXIMUM SPEED 40 MPH ON OWATONNA AND ROSEPORT SUBDIVN EXCEPT DO NOT EXCEED THE SPEED INDICATED AT THE FOLLOWING LOCATIONS

30 MPH BETWEEN MP 250.0 AND MP 251.1

10 MPH BETWEEN MP 251.1 AND MP 251.7

10 MPH BETWEEN MP 253.8 AND MP 267.2

30 MPH BETWEEN MP 267.2 AND MP 268.4

10 MPH BETWEEN MP 268.4 AND MP 268.8

30 MPH BETWEEN MP 268.8 AND MP 283.7

10 MPH BETWEEN MP 283.7 AND MP 284.7

30 MPH BETWEEN MP 284.7 AND MP 286.8

10 MPH BETWEEN MP 286.8 AND MP 288.0

30 MPH BETWEEN MP 288.0 AND MP 333.5

10 MPH BETWEEN MP 333.5 AND MP 334.0

30 MPH BETWEEN MP 334.0 AND MP 343.9

10 MPH BETWEEN MP 343.9 ON OWATONNA SUBDIVN AND MP 524.0 ON ROSEPORT SUBDIVN

LOCATED BETWEEN MANLY JCT AND SOUTH ST PAUL

WHW

EACH EMPLOYEE ADDRESSED MUST HAVE A COPY OF THIS ORDER.

311

P

GALAGAN

Made Complete Time M. Opr.

CHICAGO & NORTH WESTERN TRANSPORTATION COMPANY

TRAIN ORDER NO. 608

DES MOINES MAY 7 1983

To C&E TRAINS STARTING OWATONNA SUBDIVN

To.....

To.....

To.....

ALBERT LEA

At.....

X..... Opr.;M.

MINIMUM FLAGGING DISTANCE IS 6000 FEET ON OWATONNA AND
ROSEPORT SUBDIVN

630AM UNTIL 701PM DAILY SOUND WHISTLE SIGNAL 15-L FREQUENTLY
BETWEEN KASPER AND OWATONNA WATCHING OUT FOR MEN AND EQUIPMENT
NEAR MAIN TRACK CONSTRUCTING POLE LINE

W H W

EACH EMPLOYEE ADDRESSED MUST HAVE A COPY OF THIS ORDER.

Made Complete Time 939 a M. Walk Opr.

CHICAGO & NORTH WESTERN TRANSPORTATION COMPANY

TRAIN ORDER NO. 619

DES MOINES MAY 10 1983

To C&E SOUTHWARD TRAINS

To OWATONNA SUB DIVN

To

To

At ALBERT LEA

X

Opr.

M

DO NOT EXCEED THE SPEED INDICATED AT THE FOLLOWING LOCATION

10 MPH BETWEEN MP 242.7 AND MP 242.0

LOCATED BETWEEN GLENVILLE AND GORDON

ALL UNIT TRAINS EXCEEDING 50 CARS WILL NOT EXCEED 30 MPH

BETWEEN ALBERT LEA AND MANLY JCT

W H W

EACH EMPLOYEE ADDRESSED MUST HAVE A COPY OF THIS ORDER.

Made Complete Time 411 PM M BALMER Opr.

BEFORE THE
INTERSTATE COMMERCE COMMISSION

FINANCE DOCKET NO. 29518 (Sub-Nos. 4 & 5)

APPLICATION OF SOO LINE RAILROAD COMPANY FOR
AUTHORITY TO ACQUIRE LINES OF THE CHICAGO
ROCK ISLAND AND PACIFIC RAILROAD COMPANY IN IOWA,
MINNESOTA AND MISSOURI

STATEMENT IN SUPPORT OF APPLICATION

BY

THE MINNESOTA DEPARTMENT
OF TRANSPORTATION

Richard P. Braun, Commissioner
Minnesota Department of Transportation
411 Transportation Building
John Ireland Boulevard
St. Paul, Minnesota 55155
612/296-3000

Due Date: May 23, 1983

BEFORE THE INTERSTATE COMMERCE COMMISSION
FINANCE DOCKET NO. 29518

VERIFIED STATEMENT
OF
RICHARD P. BRAUN
Commissioner Minnesota Department of Transportation

My name is Richard P. Braun, and I am Commissioner of the Minnesota Department of Transportation (Department). The Minnesota Department of Transportation is the State agency responsible for the development, implementation, administration, consolidation and coordination of transportation policies, plans and programs in Minnesota. Pursuant to my official responsibilities, I hereby file this statement concerning the Soo Line Railroad's Special Railroad Acquisition Application to acquire certain Rock Island lines in Minnesota, Iowa and Missouri.

The Department has a long-standing interest in the Rock Island Bankruptcy and concern for the ultimate disposition of Rock Island rail lines, particularly the Twin Cities-Kansas City trackage. Continued and improved rail service via this route is very important to Minnesota's agricultural economy. This line is an excellent direct route to the major rail interchange at Kansas City. Minnesota needs the transportation efficiencies of routes such as this to provide access to domestic and foreign markets and at the same time minimize transportation costs.

Pursuant to this interest, the Department supports the Soo Line application submitted under Finance Docket #29518. Rationale for this support is as follows:

1. The proposed Soo Line acquisition of the Rock Island trackage is end to end rather than parallel and thus will reduce the abandonment activity in the Corridor. In contrast, acquisition of the Rock Island trackage by a carrier already established in the corridor will result in multiple mainline trackage and encourage abandonment activities.
2. The Soo Line, in acquiring the Rock Island trackage will provide an important element of competition in the area. In fact the United States Justice Department in its comments on this same matter, points out that competition is a key factor for consideration in this proceeding. The Soo Line acquisition will enhance intra-modal competition in the corridor.
3. The Soo Line application evidences an intent to operate the total mainline between the Twin Cities and Kansas City, utilizing the Minneapolis, Northfield and Southern line for Twin Cities access. In so doing the Soo Line will utilize what a Department study (Minnesota N-S Rail Corridor Study, 1981) has shown is the best rail route between the Twin Cities and Kansas City. Long term operational efficiencies will be gained from operating this route and those efficiencies should result in better service and rates for shippers. The Department study also shows that the line has capacity enough to allow other railroads to use the line or parts of the line as a tenant. In fact, Minnesota asks the Commission to encourage joint use of the Rock Island Twin Cities-Kansas City mainline wherever possible. This will encourage operating efficiency without adversely affecting competition.

4. The Soo Line application also addresses local service needs in terms of a stated willingness to encourage joint-line service with several short lines in Iowa. This indicates an interest in addressing local service needs along with the mainline service: An interest the Department feels is essential to solving problems throughout the corridor.

Respectfully submitted,

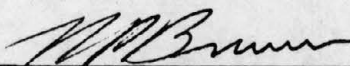
A handwritten signature in dark ink, appearing to read 'R. Braun', written in a cursive style.

Richard P. Braun
Commissioner

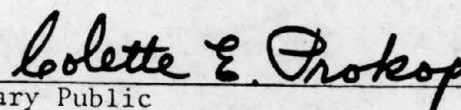
State of Minnesota)
)
) ss
)
County of Ramsey)

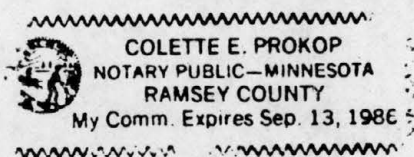
VERIFICATION

Richard P. Braun, being first duly sworn on oath, deposes and says that he has read the foregoing statement and knows the contents hereof, and that the same are true to the best of his knowledge, information and belief.


Richard P. Braun

Subscribed and sworn to
before me this 13th day
of May, 1983.


Notary Public





POST OFFICE TO ADDRESSEE

**FROM:**

Joe D. Darling
Director Special Projects
Soo Line Railroad Co.
Box 530
Minneapolis, MN 55440

Value Declared, if any:

Customer Number, if any:

TO:

Mr. Robert Mellmen
Charles River Assoc.
John Hancock Tower
200 Clarendon Street
Boston, MA 02116

ORIGIN:Initials of
Receiving
Clerk: *D*

P.O. ZIP

55415

Date in:

5-20-83

Time in:

1440

Weight:

1
Lbs.

Postage:

*\$9.35***B** 73841748**SERVICE GUARANTEE:**

Domestic mailings under this service made at designated USPS facilities on or before a specified deposit time, will be accepted for express shipment to a designated USPS delivery area having Express Mail service for next day delivery to an addressee or agent on or before the time specified by the USPS at mailing. USPS will refund upon application to originating office, the postage for any shipments mailed under this service and not meeting the service standard except for those delayed by strike or work stoppage. See USPS Notice 43 for details.

INSURANCE COVERAGE:

(1) *Document Reconstruction Insurance* (Domestic and International Mail). Non-negotiable documents are insured against loss, damage or delay up to \$50,000 per piece subject to a limit of \$500,000 per occurrence. See USPS Notice 7 or Notice 63 for limitations of coverage.
(2) *Merchandise Insurance* (Domestic and International Mail) Parcels are insured against loss or damage up to \$500. The mailer must declare the value of the article at the time of mailing. See USPS Notice 13 or Notice 63 for limitations of coverage.

Claims for loss, delay, or damage must be made within 60 days. Claim forms may be obtained at the post office of mailing.

EXPRESS MAIL SERVICE
Customer Receipt

LABEL 11B ★ SEPT/80 U.S.G.P.O. 1980-324-960

PRESS HARD YOU ARE MAKING 4 COPIES

May 19, 1983

TO: L. T. Bosacker
FROM: J. D. Darling *JDD*
RE: Rock Island Study

I want to acknowledge the fine cooperation and responsiveness that I received from Bill Voigt and Dan Franta on my recent rush request. I know these are the kinds of requests that make progress toward long-term goals difficult. However, such progress must be being made when we have provided the resources and the capability to use them in response to requests such as mine.

JDD/jmz

cc: W. J. Voigt
D. J. Franta

DATA SYSTEMS SERVICE REQUEST

RECEIVED
MANAGEMENT INFORMATION
SYSTEMS

MAY 18 1983

AM

7 8 9 10 11 12 1 2 3 4 5 6 PM

TO: Lyle T. Bosacker

DATE: 5-18-83

Description: MODIFY F529S TO PRODUCE SAME LISTING
WITH ADDITION OF 2-DIGIT STCC, PRIMARY SORT
STCC (2-DIGIT) BY ORIGIN AND BY DESTINATIONU
S
E
RBenefits/Reasons: SUPPORT CONSULTANT TO DEVELOPE
BACKGROUND DATA FOR DOT POSITION
SUPPORTING SOO.Testing Requirements: PROGRAMMER DISCRETIONApproved: _____ Date: _____ Dept. Contact: JOE D DARRING☒ Do not return for approval of preliminary
estimate. Proceed with implementation.Requested
Completion Date: 5-20-83

TO: _____ DATE: _____

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M
SRequest No: 47871 Date Received: 5-19-83 Area Assigned: WJTV Analyst: DJE

Preliminary Cost Estimate	Development		Operation	
	Time	Cost	Time	Cost
Systems & Programming	<u>4 hrs</u>	<u>136</u>		
Computer	<u>1 hr</u>	<u>80</u>		
Total		<u>\$216</u>		

Approved - Manager: [Signature] 5-20-83 Director: [Signature] Date: 5-19-83☐ Computer Run Scheduled - Date: _____ ☐ Not Acceptable As Requested☐ Additional Information Required To Complete Preliminary Cost EstimateCompleted - Date: 5-20-83 Analyst/Programmer: Dan Franta

TO: Lyle T. Bosacker

DATE: 5-18-83

U
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RApproved: [Signature] Date: 5-18-83

Priority: _____

☒ Proceed☐ Hold☐ Cancel

5/18/83 CS Steffen

Soc Lin, C. S. Steffen

Disent now, Trac by Fall

May 1-6, 110 cars to Cedar Rapids

RT Disp: St. Johnsbury, Newport
Dan Sabim, CP, CSX Montreal

May Ogus. and Planning

DATA SYSTEMS SERVICE REQUEST

TO: Lyle T. BosackerDATE: 5-16-83

Description: PRODUCE LISTINGS, IN NET TON ORDER (DECREASING)
(CARLOAD) SHOWING STATION NAME, STATE, TONS (CARLOADS),
REVENUE FOR GRAIN LOADED AT STATIONS ON RI
THAT SOO SEEKS TO ACQUIRE

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R

Benefits/Reasons: NEEDED BY CONSULTANT HIRED BY SOO
IN RT ACQUISITION CASE

Testing Requirements: PROGRAMMER DISCRETION

Approved: _____ Date: _____ Dept. Contact: JOE DARLING

☒ Do not return for approval of preliminary estimate. Proceed with implementation.

Requested MAIL TO EXPRESS
 Completion Date: 5-19-83

TO: _____ DATE: _____

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Request No: _____ Date Received: _____ Area Assigned: _____ Analyst: _____

Preliminary Cost Estimate	Development		Operation	
	Time	Cost	Time	Cost
Systems & Programming	_____	_____	_____	_____
Computer	_____	_____	_____	_____
	_____	_____	_____	_____
Total	_____	_____	_____	_____

Approved - Manager: _____ Director: _____ Date: _____

☐ Computer Run Scheduled - Date: _____ ☐ Not Acceptable As Requested

☐ Additional Information Required To Complete Preliminary Cost Estimate

Completed - Date: _____ Analyst/Programmer: _____

TO: Lyle T. Bosacker DATE: _____U
S
E
R

Approved: _____ Date: _____ ☐ Proceed

Priority: _____ ☐ Hold

☐ Cancel

May 16, 1983

TO: D. M. Cavanaugh
FROM: J. D. Darling *JDD*
RE: Rock Island Study

This morning, I talked with Hal Cooper, President, Texas Railroad Transportation Company (TRTC).

TRTC reached agreement with the Rock Island Trustee to purchase the Rock Island's 50 percent undivided interest in the Joint Texas Division between Dallas and Houston, Texas for \$17.5 million. The BN is the other owner.

Hal stated their appearance in the Bankruptcy Court is scheduled for 10:00 a.m., on Tuesday, May 17, 1983. Byron Olsen will try to have our Chicago representation present. Hal said he has two letters of credit to present as evidence of financial wherewithal. TRTC has until December 31, 1983 to arrange financing.

As the proposed operation is entirely in Texas, and TRTC does not intend to operate freight service, ICC authority is apparently not required. If Bankruptcy Court approval is attained, TRTC may be able to close rapidly.

BN is apparently acquiescing.

Hal said he will be resuming negotiations with Katy within two weeks. TRTC wants the Dallas to San Antonio and San Antonio to Houston corridors. At his earlier visit here, Hal stated Katy is willing to talk, but wants to sell the whole railroad for \$50 million. This is why TRTC came to us. TRTC would want to dispose of the properties north of Dallas and the freight operations on the lines in Texas, or at least find an operator. I am afraid if TRTC can acquire Katy, the price of Katy will go up instead of down if we could work with TRTC in the acquisition.

JDD/jmz

CARGILL

P.O. Box 9300
Minneapolis, Minnesota 55440

George K. Birdsong
Assistant Vice President
Transportation Department
Commodity Marketing Division

May 13, 1983

Mr. Byron D. Olsen
Vice President and General Counsel
Soo Line Railroad Company
Box 530
Minneapolis, MN 55440

Dear Mr. Olsen:

Attached please find a copy of our verified statement in opposition
to Finance Docket 29518 (Sub. 4 and 5).

Sincerely,

George K. Birdsong
George K. Birdsong

GKB/nh

Attachment

~~LEFT~~ Rock
500 Island
Copies to TMB
DMC ✓
RMS
5/14/83

RECEIVED
MAY 17 1983
SOO LINE R.R.
LAW DEPT.

BEFORE THE
INTERSTATE COMMERCE COMMISSION

FINANCE DOCKET 29518 (Sub-No. 5)

SOO LINE RAILROAD COMPANY APPLICATION FOR AUTHORITY
TO ACQUIRE LINES OF THE CHICAGO, ROCK ISLAND AND PACIFIC
RAILROAD COMPANY, DEBTOR (WILLIAM M. GIBBONS, TRUSTEE)
INCLUDING LINES BETWEEN NORTHFIELD, MN AND KANSAS CITY, MO;
IOWA FALLS AND ESTHERVILLE, IA; RAKE AND OCHEYEDAN, IA;
DOWS AND FOREST CITY, IA; CARLISLE AND INDIANOLA, IA; AND
HARTLEY, IA TERMINAL TRACKS

FINANCE DOCKET 29518 (Sub-No. 4)

SOO LINE RAILROAD COMPANY SUPPLEMENTAL APPLICATION TO
ACQUIRE LINES OF THE CHICAGO, ROCK ISLAND AND PACIFIC
RAILROAD COMPANY, DEBTOR (WILLIAM M. GIBBONS, TRUSTEE),
INCLUDING LINES BETWEEN ROCK JUNCTION AND INVER GROVE SWITCH,
MN; INVER GROVE SWITCH AND ROSEMOUNT, MN; BRICELYN, MN AND
RAKE, IA; OCHEYEDAN AND SIBLEY, IA; ROYAL AND MANSON, IA;
AND CEDAR RAPIDS TERMINAL TRACKAGE

VERIFIED STATEMENT IN OPPOSITION

CARGILL, INCORPORATED
Minneapolis, Minnesota 55440

BY: GEORGE K. BIRDSONG
P. O. Box 9300
Minneapolis, Minnesota 55440

Dated: May 9, 1983

BEFORE THE
INTERSTATE COMMERCE COMMISSION

FINANCE DOCKET 29518 (Sub-No. 5)

SOO LINE RAILROAD COMPANY APPLICATION FOR AUTHORITY
TO ACQUIRE LINES OF THE CHICAGO, ROCK ISLAND AND PACIFIC
RAILROAD COMPANY, DEBTOR (WILLIAM M. GIBBONS, TRUSTEE)
INCLUDING LINES BETWEEN NORTHFIELD, MN AND KANSAS CITY, MO;
IOWA FALLS AND ESTHERVILLE, IA; RAKE AND OCHEYEDAN, IA;
DOWS AND FOREST CITY, IA; CARLISLE AND INDIANOLA, IA; AND
HARTLEY, IA TERMINAL TRACKS

FINANCE DOCKET 29518 (Sub-No. 4)

SOO LINE RAILROAD COMPANY SUPPLEMENTAL APPLICATION TO
ACQUIRE LINES OF THE CHICAGO, ROCK ISLAND AND PACIFIC
RAILROAD COMPANY, DEBTOR (WILLIAM M. GIBBONS, TRUSTEE),
INCLUDING LINES BETWEEN ROCK JUNCTION AND INVER GROVE SWITCH,
MN; INVER GROVE SWITCH AND ROSEMOUNT, MN; BRICELYN, MN AND
RAKE, IA; OCHEYEDAN AND SIBLEY, IA; ROYAL AND MANSON, IA;
AND CEDAR RAPIDS TERMINAL TRACKAGE

VERIFIED STATEMENT IN OPPOSITION

BY

GEORGE K. BIRDSONG, ASSISTANT VICE PRESIDENT-TRANSPORTATION

CARGILL, INC.

Minneapolis, Minnesota

My name is George K. Birdsong. I am Assistant Vice President of the
Commodity Marketing Division of Cargill, Inc., P.O. Box 9300, Minneapolis,
Minnesota 55440. We own and operate five elevators that are located on
these former Rock Island Lines. These elevators are located at Clarion, Iowa;
Emmetsburg, Iowa; Swea City, Iowa; Armstrong, Iowa; and Royal, Iowa.

We have already submitted a verified statement in this proceeding in 29518 (Sub. 1) in support of the application of Midwestern Railroad Properties, Incorporated a wholly owned subsidiary of the Chicago and North Western Transportation Company.

We now wish to submit the following comments in opposition to the applications of Soo Line in 29518 (Sub No. 5) and 29518 (Sub No. 4).

We own an elevator at Royal, Iowa that is located on the Royal Manson line of the Rock Island. It is presently served by CNW who leases the line from the Rock Island. The Soo Line Supplemental Application in (Sub No. 4) includes this line. However, if their application was successful they could not serve this line as the rest of the line they seek to purchase does not provide them with a physical connection to the Royal Manson line. They state in their application that they will negotiate a sale of the line to the Royal Manson Shippers Association or to the CNW or ICG.

Cargill is a member of the Royal Manson Shippers Association. This group was formed when it was not readily certain that any Class 1 railroad wanted to buy the line. Subsequently after CNW offered to purchase the line the Shippers Association's efforts were halted as it appeared that members facilities could be served by CNW with no investment of capital funds on the part of the members. Cargill has no interest in making a substantial investment in this line.

Soo Line states that the Illinois Central Gulf might be interested in purchasing the line and that a connection exists at Manson. That is not correct. The line terminates at Palmer and approximately seven miles of track would have to be built between Palmer and Manson if the ICG were to purchase the line.

One can argue that the Soo Line will sell the line to the CNW but this is simply too much to leave to chance. We have no idea that the CNW would want this line by itself. Even if they did, could they agree upon a price. No one

can answer that question and we submit that no one should have to. We must assume that there is some chance that the Soo Line could not find a buyer and that the line would be abandoned.

Soo Line does not present an alternative for Royal that even remotely compares with the prospect of being served by CNW if their offer under (Sub No. 1) is accepted. Soo Line's offer for the Royal Manson line could pose a serious threat to our investment at Royal.

In addition to the Royal, Iowa elevator, we also own elevators located at Clarion, Iowa; Emmetsburg, Iowa; Swea City, Iowa and Armstrong, Iowa. CNW presently provides service at these elevators by way of a lease arrangement with the Rock Island Trustee. These lines are also included in Soo Line's bid.

The service Soo Line could provide will deprive Cargill and Iowa farmers who are served by those elevators of markets their products can and do reach now via the CNW. The Soo Line would be a North-South carrier allowing us to reach Kansas City, Minneapolis and Duluth Superior. We already reach those markets via CNW. We could not and we should add nor could any other elevator served by Soo Line reach the Iowa-Illinois Mississippi and Illinois River Ports now reached by CNW. We could not reach the Omaha market and gateway to the markets served by Union Pacific in the West. We could not reach Chicago nor could we reach the markets served by the St. Louis Gateway. We could not reach our processing plants in Cedar Rapids and Siouss City, Iowa. All of these markets are now available to us via one line service from the CNW.

Soo Line promises to establish competitive joint routing to Chicago and the Mississippi River Ports in connection with the ICG. This is hardly possible. The rate levels for such movements must be relatively low to be competitive and they could not permit the division of revenue between two roads. It is an economic fact that the division of revenue between two carriers always causes

rates to be higher than rates via one line haul carrier.

Iowa grain must be able to flow in all directions and the best price is available to the Iowa farmer only if all markets and all gateways can be reached via one line rail carrier. Presently our elevators and all Iowa elevators served by CNW can reach all markets and gateways. This would not be possible if they were served by Soo Line and Iowa farmers would at times receive less for their grain because of this.

As we stated in our verified statement under (Sub No. 1) additional railroads are not needed in Iowa. The Soo Line refers to the overhead business both from the North and the South they will capture if they acquire the Rock Island lines. Much of this business will be business presently handled by CNW. Add to this the grain and fertilizer business the CNW will lose in Iowa if they lose the Rock Island lines and the financial health of the CNW will be placed in serious jeopardy.

One only has to look to the fate of the Rock Island and the Milwaukee to find proof that another major railroad added in Iowa will simply cause problems for the railroads that are already there. There was not enough business there to sustain the Rock Island in 1975 and there is not enough business there to support another carrier now.

Much has been said and written about the need for more rail competition in Iowa. Nothing could be more misunderstood than this extremely dangerous misconception. Competition is necessary but there is already enough competition from trucks--barges and among the railroads that are there. Iowa farmers do not need more competition among the carriers who serve them. Iowa farmers do not need so many railroads that none can be healthy. They have had that and it didn't work.

At the risk of redundancy let me stress that Iowa is a pivotal supply state. Sometimes the best market for grain is the Mississippi and Illinois river barge ports. This has been especially true for the past two years. Sometimes the best price lies with the domestic and export markets in the West reached through the Omaha gateway. Frequently Iowa grain is needed through the Chicago or St. Louis gateways. Soo Line could not reach any of these markets by single line movement. Joint line rates for such short distances will always be too high. Iowa farmers need to be able to reach every available market and gateway via single line carrier so that Iowa farm products can always receive the benefit of the best market. Simply stated the CNW serves all of the markets and we cannot comprehend why any Iowa business would wish to have access to fewer major markets. Cargill does not wish to give up five of its major markets.

In summary, Cargill opposes Soo Line's application and supports the CNW application and urges the Commission to reject the Soo Line application for the following reasons.

1. Soo Line acquisition of the line serving Royal can cause our investment at Royal to become substantially endangered or lost by virtue of no service or service by a short line railroad.
2. More railroads serving Iowa will only serve to weaken carriers including CNW that are already there.
3. Cargill's elevators and the farmers they serve as well as all farmers in Iowa need access to every market and gateway via single line rail service and CNW serves more of these.

Respectfully submitted,

CARGILL, INCORPORATED
Minneapolis, Minnesota 55440

George K. Birdsong
GEORGE K. BIRDSONG
P. O. Box 9300
Minneapolis, Minnesota 55440

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

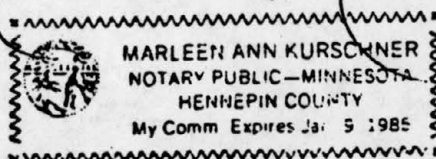
VERIFICATION

George K. Birdsong, being duly sworn, deposes and says that
he has read the foregoing statement and is familiar with the matters
set forth therein, and that the matters are true as stated.

George K. Birdsong

Subscribed and sworn to
before me this 9th day
of May, 1983

Marleen Ann Kurschner
Notary Public



5/1/83 Craig Burrows

30 cars to Ogo (COW)

Negotiating - 2 days

Dona Falls - Tracer

Cedar Rapids - Keokuk

Trackage Rights

Tracer - Cedar Rapids

W. Liberty - Keokuk

Desire to negotiate contract now
to buy us out of Cedar
Rapids now.

National Oats - joint ICG and

Wilson & Co. Perdue & Ford CRIC

CW talking to ICG about

ICG Omaha line

Operation by June or July 1, 1983

Target date Cedar Rapids to

Burlington

Joint venture still a possibility
BCRN

May 9, 1983

TO: R. H. Smith
R. L. Murlowski
C. C. Leary
P. M. McNamee
J. D. Darling

FROM: B. D. Olsen

RE: ~~Rock Island Acquisition~~

I attach for your review a complete copy of the Reply Verified Statements and Argument filed by C&NW in response to our objections to CNW purchase of the Rock Island Lines. No response to this reply is permitted. However, C&NW is expected to file objections to our application on May 23 and we may then be able to incorporate some response to this material in our reply June 2, depending upon the scope of the C&NW objections.

In addition to the argument, the attached materials contain verified statements from the following witnesses:

Julian S. Eberhardt	---	Vice President - Planning
Donald C. Bergquist	---	Assistant Vice President - Grain Marketing and Pricing
Edward E. Harney	---	Vice President of Traffic
J. M. Butler	---	Senior Vice President - Finance and Accounting
Stephen C. Gregory	---	General Manager - Rate Research
G. R. Hanson	---	Assistant General Manager
A. M. Handwerker	---	Vice President - Rates and Divisions
Lee W. Huff	---	Vice President, Richard J. Barber Associates, Inc.

Eberhardt concentrates on available traffic density over the lines in question and reveals a good deal of information as to the C&NW views for the prospects of the Rock Island and other CNW lines. Bergquist takes the position that there is plenty of competition in the grain area, while Harney gives examples of how competition exists in the movement of other commodities. Ray Smith will be particularly interested in his views about the Soo on page 11. Butler responds to the Duff & Phelps statement with respect to the financial condition of the North Western. Gregory deals with rate questions, while Handwerker concentrates on refuting allegations made by the Iowa Railroad with which we are not fully familiar. Hanson describes the CNW operations in Des Moines by way of explaining C&NW need for the east-west line through Des Moines and West Des Moines. Finally, Lee Huff

of Richard J. Barber Associates takes on the Department of Justice on antitrust issues.

On the whole, these documents do a good job of supporting the CNW position. The witnesses obviously benefit from greater knowledge of CNW finances and traffic volumes. The statements should be reviewed with an eye to refuting as many of their contentions as possible in our forthcoming reply due June 2.

BDO/sjp

cc: T. M. Beckley
 ~~D.~~ M. Cavanaugh
 C. H. Peterson
 W. C. Serkland



BENSON.
MINNESOTA 56215
PHONE 612/843-3333

MAY 10 Rec'd

IVAN BOWEN PRESIDENT

May 9, 1983

Mr. Dennis Cavanaugh
President
SOO LINE RAILROAD COMPANY
Soo Line Building
Box 530
Minneapolis, Mn. 55440

Dear Dennis:

I am enclosing copies of wires which I sent to Senators Boschwitz and Durenburger on Friday. I am also enclosing a copy of a letter from me to Russell Schwandt who is President of the Minnesota Agri Growth Council. As you can see by this copy I have asked Russell to intervene on behalf of the Soo Line with the Senators.

The Minnesota Agri Growth Council of which I was a charter member is a body which promotes the interest of agriculture in Minnesota at both the state and federal levels. Perhaps you have heard of it previously.

I am also asking our people in Iowa to contact their Senators on your behalf.

Sincerely yours,

Ivan Bowen
President

IB:em

Enclosures

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645
06AM



4-0540088126002 05/06/83 ICS IPMBNGZ CSP MP5B
1 6128433333 MGM TDBN BENSON MN 05-06 0334P EST

TCI INC EM
PO BOX 249
BENSON MN 56215

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

6128433333 TDBN BENSON MN 75 05-06 0334P EST
PMS SENATOR RUDY BOSCHWITZ RPT DLY MGM
CAPITOL ONE DC

THE SUCCESSFUL TENDER BY THE SOO LINE RAILROAD FOR THE ROCK ISLAND
RAILROAD WOULD BE EXTREMELY BENEFICIAL TO THE INTEREST OF THE
AGRICULTURAL COMMUNITY OF MINNESOTA. THIS ACQUISITION WOULD PROMOTE
GREATER COMPETITIVE GRAIN HAULING COSTS AND THUS WOULD BE IN THE BEST
INTEREST OF OUR FARMERS. I WOULD GREATLY APPRECIATE ANYTHING YOU COULD
DO TO PROMOTE THE POSITION OF THE SOO LINE OR BARRING THIS OUTRIGHT
BACKING TO PRESERVE A NEUTRAL POSITION WITHIN THE DOT.

IVAN BOWEN, PRESIDENT, TCI INC (PO BOX 249 BENSON MN 56215)
PO BOX 249
BENSON MN 56215

SPECIAL 30-DAY OFFER

GET \$1.00 OFF ON YOUR NEXT MAILGRAM ORDER

TO SEND YOUR MAILGRAM(S), CALL 800-257-2241 AND ASK FOR OPERATOR 35.
WE'LL AUTOMATICALLY DEDUCT \$1.00 FROM YOUR TOTAL BILL. OFFER GOOD
ON EACH ORDER PLACED DURING THE NEXT 30 DAYS.

15:35 EST

MGMCOMP

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645
06AM

MAILGRAM

4-0542968126002 05/06/83 ICS IPMBNGZ CSP MPSB
1 6128433333 MGM TDBN BENSON MN 05-06 0336P EST

TCI INC EM
PO BOX 249
BENSON MN 56215

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

6128433333 TDBN BENSON MN 75 05-06 0336P EST

PMS-SENATOR DAVE DURENBURGEN RPT DLY MGM-

CAPITOL ONE DC

THE SUCCESSFUL TENDER BY THE SOO LINE RAILROAD FOR THE ROCK ISLAND RAILROAD WOULD BE EXTREMELY BENEFICIAL TO THE INTEREST OF THE AGRICULTURAL COMMUNITY OF MINNESOTA. THIS ACQUISITION WOULD PROMOTE GREATER COMPETITIVE GRAIN HAULING COSTS AND THUS WOULD BE IN THE BEST INTEREST OF OUR FARMERS. I WOULD GREATLY APPRECIATE ANYTHING YOU COULD DO TO PROMOTE THE POSITION OF THE SOO LINE OR BARRING THIS OUTRIGHT BACKING TO PRESERVE A NEUTRAL POSITION WITHIN THE D.O.T.

IVAN BOWEN, PRESIDENT, TCI INC (PO BOX 249 BENSON MN 56215)

PO BOX 249

BENSON MN 56215

SPECIAL 30-DAY OFFER

GET \$1.00 OFF ON YOUR NEXT MAILGRAM ORDER

TO SEND YOUR MAILGRAM(S), CALL 800-257-2241 AND ASK FOR OPERATOR 35. WE'LL AUTOMATICALLY DEDUCT \$1.00 FROM YOUR TOTAL BILL. OFFER GOOD ON EACH ORDER PLACED DURING THE NEXT 30 DAYS.

15138 EST

MGMCOMP

**T
C
I** BENSON,
MINNESOTA 56215
PHONE 612/843-3333

IVAN BOWEN PRESIDENT

May 9, 1983

Mr. Russell Schwandt
President
MINNESOTA AGRI GROWTH COUNCIL
Sanborn, Mn. 56083

Dear Russ:

I tried to contact you on Friday and understand that you called and I was gone. I tried to get you again in the office this morning and you were not in and, therefore, I am writing you this letter.

Perhaps as you know the Soo Line railroad has made a tender offer for the tracks of the Rock Island railroad principally extending from Northfield, Minnesota to Kansas City, Missouri. There is an additional minor amount of tracks included in the tender, however, this part of the tender is not significant. I am sure you are aware that the Soo Line is primarily an agricultural railroad hauling fertilizer mostly potash from Canada and grain in North and South Dakota and Minnesota and, therefore, it is highly important to the cost of grain being shipped by our agricultural communities. I believe that it is in the supreme interest of our farmers to do everything that we can possibly do to see that the Soo Line is successful in this tender offer over its rival the Chicago Northwestern railroad.

I would be deeply indebted if you, as President of the Minnesota Agri Growth Council, would contact Senators Boschwitz and Durenburger on behalf of the council and express your interest with a favorable acquisition of the Rock Island by the Soo Line. At this time we do not know what position the DOT is going to take although there has been a strong recommendation from the Justice Department favoring the Soo Line so as to maintain competitive operations in Iowa and principally between Minneapolis and Kansas City.

Please consider this request and if you agree with me I would appreciate anything you can do to aid the

Mr. Russell Schwandt
Page 2
May 9, 1983

Soo Line. In the event you decide to contact the senators, would you please provide me with a copy of your communications. My very best personal regards to you.

Very truly yours,
TCI, INC.

Ivan Bowen
President

IB:em

TCI, INC.

P.O. BOX 249 • BENSON, MINNESOTA 56215 • PHONE A / C 612-843-3333

MESSAGE

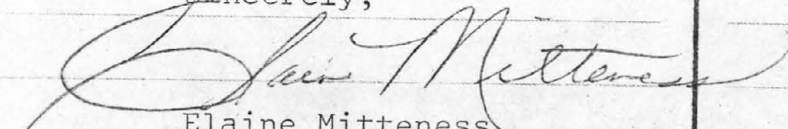
TO Mr. Dennis M. Cavanaugh
Vice President - Operations
SOO LINE RAILROAD COMPANY
Soo Line Building
Box 530
Minneapolis, Mn. 55440

DATE May 6, 1983

Dear Mr. Cavanaugh:

Mr. Bowen had the following
telegrams sent to each of Senator
Durenburger and Senator Boschwitz
today.

Sincerely,


Elaine Mitteness
Secretary to Ivan Bowen

BY

REPLY

DATE

SIGNED

THE SUCCESSFUL TENDER BY THE SOO LINE RR FOR THE ROCK ISLAND RR WOULD BE EXTREMELY BENEFICIAL TO THE INTERESTS OF THE AGRICULTURAL COMMUNITY OF MINNESOTA. THIS ACQUISITION WOULD PROMOTE GREATER COMPETITIVE GRAIN HAULING COSTS AND THUS WOULD BE IN THE BEST INTERESTS OF OUR FARMERS. I WOULD GREATLY APPRECIATE ANYTHING YOU COULD DO TO PROMOTE THE POSITION OF THE SOO LINE OR BARRING THIS OUTRIGHT BACKING TO PURSUE A NEUTRAL POSITION WITHIN THE DOT.

IVAN BOWEN, PRESIDENT
TCI, INC.

Preserve

Soo Line Railroad Company

TO: DMCTIME 9:38 DATE 5/6**IMPORTANT MESSAGE****WHILE YOU WERE OUT**M George LomurroOF Dir. of Transp.
Swift Independent PackagingPHONE NO (312) 431-3554☒ Telephoned☒ Please call back☐ Called to see you☐ Will call again☐ Left the following message: - - - -RE: Competition for RI
lines.

7/6/83 George Sommers, Swift

6 plants on CNW

Des Moines

Marshalltown

Saint City

Glennwood

Huron SD

Waltham MN

St. Joseph MO

23,500 dollar shipments

5/5/83 Craig Burroughs

Joint Venture on Iowa Falls Gateway
Lines

Cedar Rapids

Wednesday, May 11, 1983

Tran a Q Iowa Falls, lease, option
to purchase, truckage rights on
IANR

Purchase Cedar River Bridge and
M.P. 96.3 -
South

Purchase several miles

Lease to Burlington IA

Urea, diammonium phosphate, gypsum
rock going south, Sperry IA
400,000 tons

BN Leasing 1.2 miles

S.I. Case, River Terminal,

A.D.M. Grain Terminal

Keokuk, Keokuk Junction

Hubinger Plant

815-488-2622

5/4/83 Harvey Line

ICC disallowed CNW motion to dismiss

SO application, extended to May 25
for comments and verified statements

May 3, 1983

To: T. M. Buckley
From: J. D. Darling
Re: RI Study

At 5:15 p.m., Dan MacMillan and Les Holland called for you. They had just returned from briefing the Governor's staff and wanted to convey several questions raised by the staff and points they thought would help gain the support of the Governor.

The sense I got is that Dan and Les are hopeful that the Governor might come out publicly in support of the Soc and thus permit them to also publicly support the Soc.

Warren Dunham, who may be present at your meeting with the Governor, is apparently not overly interested in the outcome, but is

②

sensitive to the political issues, and will not offer any opposition to the Soo. He is not aware Sam and Gus called.

Governor Bransted does have an interest in railroads. He apparently supported the IRFA legislation. He was recently selected as Chairman of the National Governors Association Committee on Rail Freight Transportation and in this capacity has supported \$80,000,000 funding of the FRA SOS Branch Line Assistance Program and continuation of the SOS Preference Share Program in submissions to the Senate and House Subcommittees on Transportation Appropriations.

Governor Bransted is from Lake Mills, not on the RT, but in the Iowa Falls Gateway area.

③

Lake Mills is on the CNW between Mason City and Bricelyn, MN, just north east of Forest City. At one time, Lake Mills was on the MSTL line between Albert Lea and Fort Dodge.

The points Sam and I thought should be stressed are:

1. Ask for the support of the Governor and his agency, the DOT, directly.
2. Emphasize the consistency of the S&S position with the past and current State policies of maintaining rail competition, and that the S&S position meets the concern of the U.S. Justice Dept.
3. The S&S acquisition would result in more total railroad employment in Iowa, including retention of some jobs on CNW. CNW

④

employees apparently feel threatened and are lobbying on behalf of the CNU.

4. Soo is a grain hauling carrier. Small grain harvest does not coincide with corn and soybean harvest (although sunflower seed harvest does).

5. Total extent of rail service will be greater with Soo acquisition, including to some CNU points that might otherwise be abandoned.

6. Soo is in a position to provide service now. CNU has apparently suspended some maintenance activities on Iowa Falls Gateway, ostensibly pending outcome of acquisition efforts.

7. Soo acquisition would provide Dist. 1 with a second major through

(5)

carrier.

8. Offer the Governor and agencies in North Dakota as referenced of Soo service reputation to gain gathering area.

9. Soo offer completely meets needs of TRAIN organization, which is trying to acquire East-West line, and supports Soo.

10. Shipper support, in Iowa Falls Gateway area, across State, from shippers on other lines, N.W. and MILW, who perceive benefits from competition or retention of service, and in Des Moines area.

11. Financial strength and stability of Soo, earnestness of our offer, not contingent on assistance, although low cost public support may be utilized to accelerate rehabilitation programs.

12. There is concern ^⑥ of Canadian
control. They suggest emphasizing
the U.S. stockholders, the
composition of our Board (and
perhaps our Executive Committee),
American interest in P.

7/2/83

Les Holland

SIS-239-1640

Problem with politics
Public support for Soc
easier to support if Governor support.

1. Ask for Governors support directly and his agency (DOT)
2. Emphasize consistency of support of ~~See with past State policies~~ maintenance of competition, meets concerns of Dept of Justice
3. CNW good Cop citizen, employees lots of people. Will be more people employed in railroad business if ~~See wins~~. CNW employees threatened.
4. Grain hauling experience, different seasons for harvest, major traffic
5. Total extent of rail service greater including CNW.
6. Railroad in position to provide service now, maintenance, don't require 90 days notice
7. Destinations served by second major through carrier.

8. Reputation in ND, reliable, quality service, refer to Gov. and agencies
9. TRAIN - completely meet needs, shippers support us from that line.
10. Shipper support emphasize (Lake Mills - Governor's home town)
11. State-wide, other RR's, Des Moines
11. Financial strength and stability of Soo, ability and seriousness of Soo, not relying on others, may use low cost financial assistance, will benefit shippers
12. Freight \$'s and control
Emphasize U.S. stockholders
Composition of Board, CP traded and NYSE. American money in CP, Board of Directors of CP.
MILLS/GTW

Harvey Ferguson

~~Sheldon~~ (Dutch)

CNW - Local market dominance

SOO - overhead as well as stand alone

Mr. Dunham may be there, no overly interested in outcome, sensitive to political issue, no opposition not aware DOT called

FTCA may be behind CNW

DOT may be behind CNW

ICC ~~staff~~.

Don Brinkley - does have interest

in RR's IRFA ~~Don~~
4 months

Chair - National Governors Association
Committee on Rail Freight Transport
\$80,000,000 803 Federal Bank

50% Preference Shares

Easy to talk to
House and Senate Subcommittee on
Appropriations Transport

Jim Wolfe - two weeks, was scheduled
1 1/2 weeks ago