

302021

David.Rifkind@stinson.com

April 15, 2021

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

ENTERED
Office of Proceedings
April 15, 2021
Part of
Public Record

Re: **Docket No. FD 36503**
Grand Elk Railroad, Inc.—Acquisition Exemption—Lines of Wisconsin Central Ltd. in Michigan

Docket No. FD 36504
Fox Valley & Lake Superior Rail System, L.L.C.—Acquisition and Operation Exemption—Lines of Wisconsin Central Ltd. in Wisconsin

Docket No. FD 36506
Watco Holdings, Inc.—Continuance in Control—Fox Valley & Lake Superior Rail System, L.L.C.

Dear Ms. Brown:

We are pleased to provide for filing in the above docket the attached letters submitted by various stakeholders in support of the above referenced transactions.

Please let me know if you have any questions.

Sincerely,

STINSON, LLP

/s/ David F. Rifkind

David F. Rifkind

Attorney for Grand Elk Railroad, Inc.,
Fox Valley & Lake Superior Railway System, L.L.C., and
Watco Holdings, Inc.

DFR:mmma

1775 Pennsylvania Avenue N.W., Suite 800, Washington D.C. 20006

Ms. Cynthia T. Brown

April 15, 2021

Page 2

cc: Thomas J. Litwiler
Kathryn J. Gainey
Parties of Record

SUPPORT LETTERS

1. United Cooperative
2. Wisconsin Manufacturers & Commerce
3. Michigan Railroad Associations
4. Wisconsin Railroad Association
5. Clark County Economic Development Corporation & Tourism Bureau
6. Dunham Transportation, Ltd.



April 14, 2021

The Honorable Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

Re: FD 36503, *Grand Elk Railroad, Inc.—Acquisition—Lines of Wisconsin Central Ltd. in the State of Michigan*
FD 36504, *Fox Valley & Lake Superior Rail System, L.L.C.—Acquisition and Operation Exemption—Lines of Wisconsin Central Ltd. in the State of Wisconsin*
FD 36506, *Watco Holdings, Inc.—Continuance in Control—Fox Valley & Lake Superior Rail System, L.L.C.*

Dear Ms. Brown:

On behalf of United Cooperative, I write today in favor of Watco's acquisition of certain lines of the Wisconsin Central Ltd. by way of the Grand Elk Railroad, Inc. and the Fox Valley & Lake Superior Rail System, L.L.C (FOXY). United Cooperative is the largest customer on Wisconsin & Southern Railroad (WSOR), a Watco-owned and operated regional railroad. The WSOR primarily hauls outbound grain, inbound fertilizers and animal feed ingredients for us. On the new FOXY, pending Surface Transportation Board (STB) approval, they will serve two grain elevators, three agronomy blending and distribution plants and two feed manufacturing facilities in Greenville, Shawano and Denmark. United Coop is already in communication with Watco about opportunities to provide more personalized and consistent train service at our locations in northern Wisconsin. We look forward to expanding our footprint with Watco.

With that in mind, we encourage the STB to move forward with a timely completion of the transaction announced by CN and Watco on March 30, 2021. Throughout its history, Watco has used these short line transactions as an opportunity to provide world-class freight rail service to customers located on their lines. The team at Watco works with each customer individually to understand their shipping needs and tailor service accordingly.

Again, we ask the STB to enable Watco and CN to complete their transaction in a timely and efficient manner. Thank you for taking the time to consider our request.

Sincerely,

David A. Cramer
United Cooperative
President and Chief Executive Officer



April 13, 2021

The Honorable Martin J. Oberman
Chairman
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

*Re: Fox Valley & Lake Superior Rail System, L.L.C. and Grand Elk Railroad, Inc.—
Acquisition and Operation Exemption—Lines of Wisconsin Central Ltd. in the States of
Wisconsin and Michigan. Finance Docket #36504.*

Dear Chairman Oberman:

Wisconsin Manufacturers & Commerce (WMC) is the state chamber of commerce, manufacturers association, and the largest general business association in Wisconsin. We were founded over 100 years ago, and are proud to represent over 3,800 member companies of all sizes, and from every sector of our economy. Our mission is to make Wisconsin the most competitive state in the nation in which to do business. The Surface Transportation Board is in a position to help make Wisconsin's business climate better by potentially enhancing access to freight rail for Wisconsin manufacturers.

On behalf of WMC, I respectfully ask you to consider the expedited approval of the transaction between the Canadian National Railway (CN) and Watco regarding the sale of approximately 650 miles of branch lines in Wisconsin and Michigan (STB Finance Docket #36504). This transaction, if approved, would mean not only continued freight rail service for Wisconsin and Michigan's Northwoods, but it also presents an opportunity to expand service throughout these states.

In July of 2020, the CN announced their intent to sell 650 miles of branch lines in Wisconsin and Michigan and 250 miles in Ontario, Canada. After a rigorous and thorough process of soliciting bids from prospective short lines railroads, on March 30, 2021, the CN made the exciting announcement that it had in fact decided to sell its assets of these aforementioned branch lines to Watco—a leading service and logistics company providing transportation, mechanical, material handling and warehousing, and supply chain service solutions for Customers throughout North America and Australia. Watco

currently operates the Wisconsin & Southern Railroad, L.L.C. in the state of Wisconsin and also operates the Grand Elk Railroad in the state of Michigan.

Access to reliable rail service is critically important to the viability of our agriculture, timber, and manufacturing sectors in the states of Wisconsin and Michigan. Having a company like Watco operating these important branch line segments is a great move towards the future of rail transportation in these regions.

Thank you for your consideration and again on behalf of WMC, I ask for your strong consideration of an expedited approval of this transaction under Finance Docket #36504.

Sincerely,

/s/ Kurt R. Bauer
President & CEO

April 12, 2021

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

Re: *FD 36503, Grand Elk Railroad, Inc.—Acquisition—Lines of Wisconsin Central Ltd. in the State of Michigan*
FD 36504, Fox Valley & Lake Superior Rail System, L.L.C.—Acquisition and Operation Exemption—Lines of Wisconsin Central Ltd. in the State of Wisconsin
FD 36506, Watco Holdings, Inc.—Continuance in Control—Fox Valley & Lake Superior Rail System, L.L.C.

Dear Ms. Brown:

On behalf of the Michigan Railroads Association, we encourage the Surface Transportation Board to allow timely completion of the transaction between the Wisconsin Central Ltd (CN) and Watco regarding the sale of approximately 650 miles of branch lines in the States of Michigan and Wisconsin. This transaction will mean not only continued freight rail service for Michigan's Northwoods, but it also presents an opportunity to expand service throughout both these states.

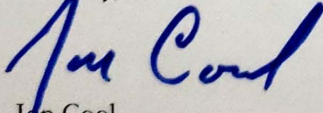
Watco currently operates the Grand Elk Railroad (GDLK) in the state of Michigan, as well as the Ann Arbor Railroad (AA). They are active members of the MRA as it relates to regular communication with the various rail stakeholders in the state.

Short line railroads like those already operated by Watco provide continued access to reliable rail service that is critically important to the viability of our agriculture, timber and manufacturing sectors in the state of Michigan. Having a company like Watco operating these important branch line segments is a great move towards the future of rail transportation in these regions.

MRA members range in size from large Class I interstate carriers to smaller regional carriers and short line railroads. MRA members account for over 95 percent of all freight rail moved in Michigan. The MRA supports railroad investment in the state like the one Watco is making here.

Again, on behalf of the Michigan Railroads Association, we ask the STB to enable Watco and CN to timely complete their transaction. .

Sincerely,



Jon Cool
President



April 14, 2021

The Honorable Martin J. Oberman
Chairman
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

Re: Fox Valley & Lake Superior Rail System, L.L.C. and Grand Elk Railroad, Inc.—Acquisition and Operation Exemption—Lines of Wisconsin Central Ltd. in the States of Wisconsin and Michigan. Finance Docket #36504.

Dear Chairman Oberman:

On behalf of the Wisconsin Railroad Association, I ask you to strongly consider the expedited approval of the transaction between the Canadian National Railway (CN) and Watco regarding the sale of approximately 650 miles of branch lines in Wisconsin and Michigan (STB Finance Docket #36504). This transaction, if approved, would mean not only continued freight rail service for Wisconsin and Michigan's Northwoods, but it also presents an opportunity to expand service throughout these states.

In July of 2020, CN announced their intent to sell 650 miles of branch lines in Wisconsin and Michigan and 250 miles in Ontario, Canada. After a rigorous and thorough process of soliciting bids from prospective short line railroads, on March 30, 2021, CN made the exciting announcement that it had in fact decided to sell its assets of these aforementioned branch lines to Watco - a leading service and logistics company providing transportation, mechanical, material handling and warehousing, and supply chain service solutions for customers throughout North America and Australia. Watco currently operates the Wisconsin & Southern Railroad, L.L.C. in the state of Wisconsin and also operates the Grand Elk Railroad in the state of Michigan.

Access to reliable rail service is critically important to the viability of our agriculture, timber and manufacturing sectors in the states of Wisconsin and Michigan. Having a company like Watco operating these important branch line segments is a great move towards the future of rail transportation in these regions.

The Wisconsin Railroad Association (WRA) is an organized association with memberships of major railroads in Wisconsin including the BNSF, CP, CN and Watco. The WRA strives to promote railroad-friendly laws in Wisconsin and throughout the nation and is a big supporter of railroad investment and improved safety and service across our state.

Again, on behalf of the Wisconsin Railroad Association, our member railroads ask for your strong consideration of an expedited approval of this transaction under Finance Docket #36504.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter Kammer", with a stylized flourish at the end.

Peter Kammer
Executive Director
The Wisconsin Railroad Association



Clark County Economic Development Corporation & Tourism Bureau

301 N. Main St. • P.O. Box 236
Loyal, WI 54446
www.clark-cty-wi.org

phone 715-255-9100 • fax 715-255-9153
tourism info 888-CLARK-WI
clarkwi@tds.net

April 14, 2021

The Honorable Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

Re: FD 36503, *Grand Elk Railroad, Inc.—Acquisition—Lines of Wisconsin Central Ltd. in the State of Michigan*
FD 36504, *Fox Valley & Lake Superior Rail System, L.L.C.—Acquisition and Operation Exemption—Lines of Wisconsin Central Ltd. in the State of Wisconsin*
FD 36506, *Watco Holdings, Inc.—Continuance in Control—Fox Valley & Lake Superior Rail System, L.L.C.*

Dear Ms. Brown:

On behalf of the **Clark County Economic Development Corporation & Tourism Bureau (CCEDC & TB)**, I ask you to strongly consider the expedited approval of the transaction between the Canadian National Railway (CN) and Watco regarding the sale of approximately 650 miles of branch lines in Wisconsin and Michigan (STB Finance Docket #36504). This transaction, if approved, would mean not only continued freight rail service for shippers throughout the Clark County area, but it also presents an opportunity to improve service and attract additional industries to utilize rail as their primary mode of transportation.

The CCEDC & TB is the primary agency in Clark County responsible for creating jobs and investment in the county. Programs administered by CCEDC & TB are designed to support, foster, encourage, promote, and assist economic growth and development within the county and its communities. Freight rail is an important cornerstone of our program and we are very excited for this transaction.

Access to reliable rail service is critically important to the viability of our agriculture, timber and manufacturing sectors in the states of Wisconsin and Michigan. Having a company like Watco operating these important branch line segments is a great move towards the future of rail transportation in these regions including central Wisconsin.

Thank you for your consideration and again on behalf of the CCEDC and TB, I ask for your strong consideration of an expedited approval of this transaction under Finance Docket #36504.

Sincerely,

A handwritten signature in cursive script, reading "Sheila M. Nyberg". The signature is written in dark ink and is positioned above the printed name.

Sheila M. Nyberg, Executive Director
Clark County Economic Development Corporation
And Tourism Bureau

Dunham Transportation, Ltd.

P.O. Box 357 Wayne, IL 60184

April 12, 2021

The Honorable Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

Re: *FD 36503, Grand Elk Railroad, Inc.—Acquisition—Lines of Wisconsin Central Ltd. in the State of Michigan*
FD 36504, Fox Valley & Lake Superior Rail System, L.L.C.—Acquisition and Operation Exemption—Lines of Wisconsin Central Ltd. in the State of Wisconsin
FD 36506, Watco Holdings, Inc.—Continuance in Control—Fox Valley & Lake Superior Rail System, L.L.C.

Dear Ms. Brown:

My name is William R. Schauer and am currently Principal of Dunham Transportation, Ltd, a rail freight consultancy and Executive Director of the Midwest Association of Rail Shippers, Inc. From 1988 through 2000, I was employed by the Wisconsin Central Ltd. (WCL) as Vice President of Marketing.

The WCL was a regional railroad with over 2,000 miles of track primarily within the states of Wisconsin, Michigan, Illinois, Minnesota and the province of Ontario. As part of its rail system, the WCL reached the major territorial gateways of Chicago, IL, Minneapolis, St Paul, and Duluth, MN. The WCL was financially successful, quadrupling revenue to in excess of \$370MM. The WCL achieved this growth by providing its customers excellent transportation service. The WCL was known for providing responsive, personalized service and aggressive business development. The company worked hard to maintain good relations with its customers to foster mutual success.

The sale of the WCL to the Canadian National Railway (CN) was completed in January of 2001. In addition to acquiring the business of the WCL, the purchase provided the CN with control of its operations between Duluth, MN and the Chicago, IL gateway and connection with its subsidiary, the Illinois Central.

The Wisconsin Central is gone and will not be coming back. The routing options that the WCL property gave the CN have become essential arteries for their high-volume long-haul freight business and it is not realistic to think the CN would give them up.

The best way for the customers of the WCL to return to personalized, and innovative service they enjoyed with the WCL would be to support acquisition of lines available by an experienced, financially healthy short line rail operator, like Watco Companies as contemplated by this sale by CN. Watco operates 42 rail companies with 5,100 miles of track throughout the United States. They have a good reputation as service providers and employers. I believe Watco will provide the service the WCL customer's desire, and so I ask that the Surface Transportation Board review this transaction as expeditiously as possible.

Sincerely,


William R. Schauer
Principal