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Office of Proceedings
April 17, 2024
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April 17, 2024

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

Re. Docket No. 36744, *Canadian National Railway Company and Grand Trunk Corporation-Control-Iowa Northern Railway Company.*

Protest/Opposition Statement.

Dear Ms. Brown:

The reason(s) for this letter is to once again protest/oppose the acquisition of the Iowa Northern Railway Company by the Canada based Canadian National Railway Company (CN).

Stated Reason(s): The potential impact to agriculture production in the United States and later the entire world and the very definition of control.

I have two examples that I think support my statements.

In 2022 the Secretary of the U.S. Department of Agriculture Thomas J. Vilsack sent a letter to the Chairman of the Surface Transportation Board, Martin Oberman. A copy of this letter is attached. I believe every single issue raised in this letter including: *"equipment shortages to congestion, disruptions to agricultural shippers have become a constant."* Secretary Vilsack on page two also requested some actions be taken including: *"the STB Reauthorization Act of 2015 to investigate the cause and impact of service issues, especially in light of the railroad's shift to Precision Scheduled Railroading."*

Ms. Cynthia T. Brown, (Cont'd)

Also attached are two figures labeled 5-6 and are relative to dwell time increases in rail yards and the average rail tariff rate increase by origin state. I believe the letter from Secretary Vilsack and these two figures demonstrate that the acquisition of the Iowa Northern Railway by the CN isn't to the best interests and direction of the agricultural complex and control over food production in the United States and later the world.

In early April the Mayor of the City of Dubuque, Iowa sent a letter of support for this proposed transaction. I think it's some interesting talking points but I question whether there is any real substance to these statements including, *"shippers will be able to reach a higher number of agricultural processing centers, like feed mills and soybean plants and enabling entry to different and more geographically diverse markets."* Mayor Cavanagh does not provide a single example including the current market conditions for agricultural commodities in support of his statements.

With the Secretary Vilsack letter and exhibits in the immediate background I'd question whether any of these statements would even be possible.

Sincerely,

/S/ **Steven Connolly**

Certification:

I certify that a copy of this exact submission has been sent to: The Honorable Brad M. Cavanagh, Mayor, City of Dubuque, Iowa at 50 West Street, Dubuque, Iowa 52001-4845 by U.S. Mail, Regular Delivery.

cc. Parties of Record.



Office of the Secretary
Washington, D.C. 20250

March 30, 2022

Hon. Martin Oberman
Chairman
Surface Transportation Board

Hon. Michelle Schultz
Vice Chairman
Surface Transportation Board

Hon. Patrick Fuchs
Member
Surface Transportation Board

Hon. Robert Primus
Member
Surface Transportation Board

Hon. Karen Hedlund
Member
Surface Transportation Board

RE: Rail Services Issues Affecting Agriculture

Dear Chairman Oberman, Vice Chairman Schultz, and Members Fuchs, Primus, and Hedlund:

The U.S. Department of Agriculture (USDA) writes to request urgent action to improve rail service for agricultural commodities in general, and particularly for critical livestock feed markets. The Surface Transportation Board's (STB or Board) weekly service metrics show signs of deteriorated rail service, and a number of concerning issues were raised in a March 24 letter from the National Grain and Feed Association (NGFA). From equipment shortages to congestion, disruptions to agricultural shippers have become a constant, and current rail service disruptions are at a breaking point as railroads have cut assets in locomotives and crews and focused on operating ratios and profitability.

The grain and feed industry are experiencing significant issues affecting agriculture at rail-served origins and destinations, and other West Coast stakeholders are describing the situation as a complete collapse of rail service. For example, because of a lack of outbound train service, some grain elevators report they are unable to purchase new grain from farmers. Flour and animal feed mills have reported shutdowns because they could not source grain. Communications from industry suggest that some livestock operations project an inability to feed their animals by this time next week, if not earlier. These disruptions pose critical threats to American agriculture broadly, and domestic meat and poultry production in particular.

Given the high cost of disruptions to producers and agricultural stakeholders alike, USDA urges the Board to take immediate action to improve service. USDA supports recommendations that the Board obtain plans from the railroads to improve the current service situation and weekly updates from them to ensure they follow through with their plans. USDA also supports the recommendation to collect annual service assurance plans from the railroads.

Recommended Board actions include:

- Move forward with Ex Parte (EP) 767 and collect first-mile/last-mile data.
- Collect more frequent and granular service data in EP 724 than is currently collected.
- Move forward with EP 768 to allow owners of private railcars to assess delay charges on the railroads for inefficient use of cars. Shippers have reported trains waiting to be picked up for more than a week.
- If conditions continue to worsen, use the authority, given by the STB Reauthorization Act of 2015, to investigate the cause and impact of the service issues, especially in light of railroads' shift to precision scheduled railroading and their significant cuts in train and engineer crews, and the effects these changes have had on the railroads' common carrier obligation.
- Finalize a reciprocal switching rule in EP 711 that provides shippers with relief in the form of an alternative rail option in the face of poor service from their incumbent railroad.

More generally, it is important to point out that the current shortage for feed related to poor rail service is not a new phenomenon or limited just to feed. Over the past few years, USDA has consistently heard from shippers of poor rail service, and we have shared those concerns through various comments on behalf of the agricultural community.

As an immediate step, USDA asks that the STB use any available authorities to restore adequate service for agricultural shippers, including by suspending increases to rates and additional fuel surcharges. I also ask that you investigate whether demurrage is being unjustly applied to rail customers without any recourse for railroads not making new, or failing to meet, existing commitments. The railroads should not be allowed to continue to raise rates, charge additional fees, all while providing inadequate service and failing to meet their common carrier obligation.

USDA appreciates the Board's urgent attention to the concerns raised in this letter.

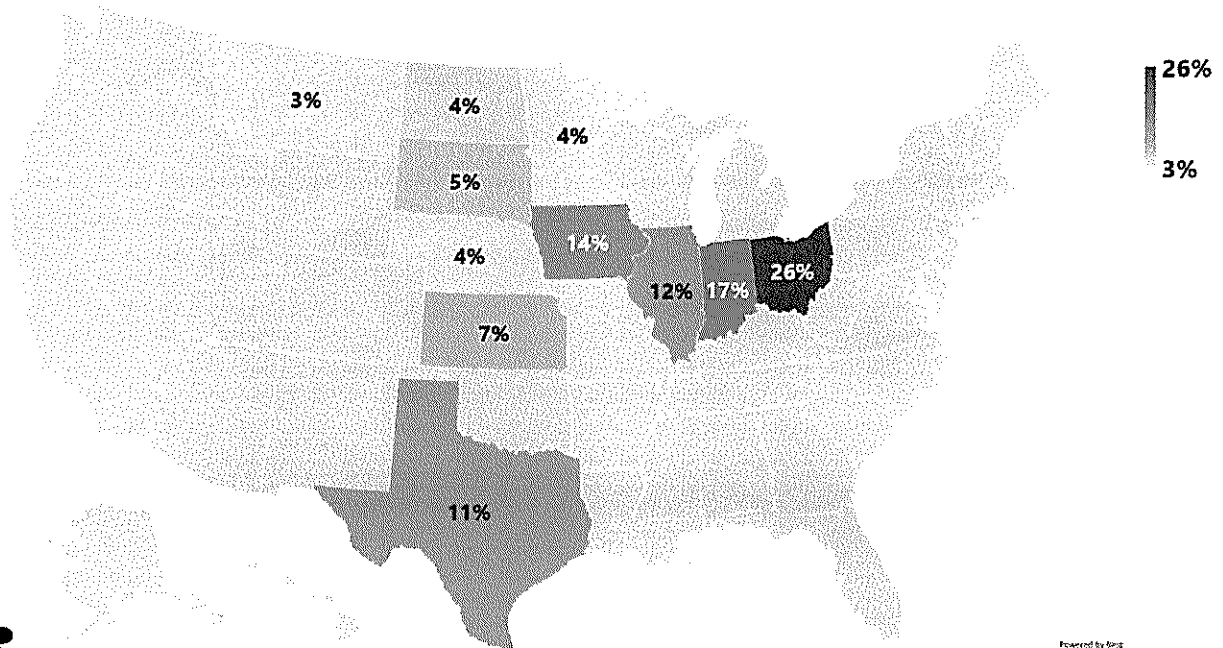
Sincerely,

A handwritten signature in black ink, appearing to read "Tom J. Vilsack", written in a cursive style.

Thomas J. Vilsack
Secretary

FIGURE 5: 5 - YEAR AVERAGE RAIL TARIFF RATE INCREASE BY ORIGIN STATE

Soybeans, Corn and Wheat – Tariff Rate (per bushel) + Fuel Surcharge (per mile per car)



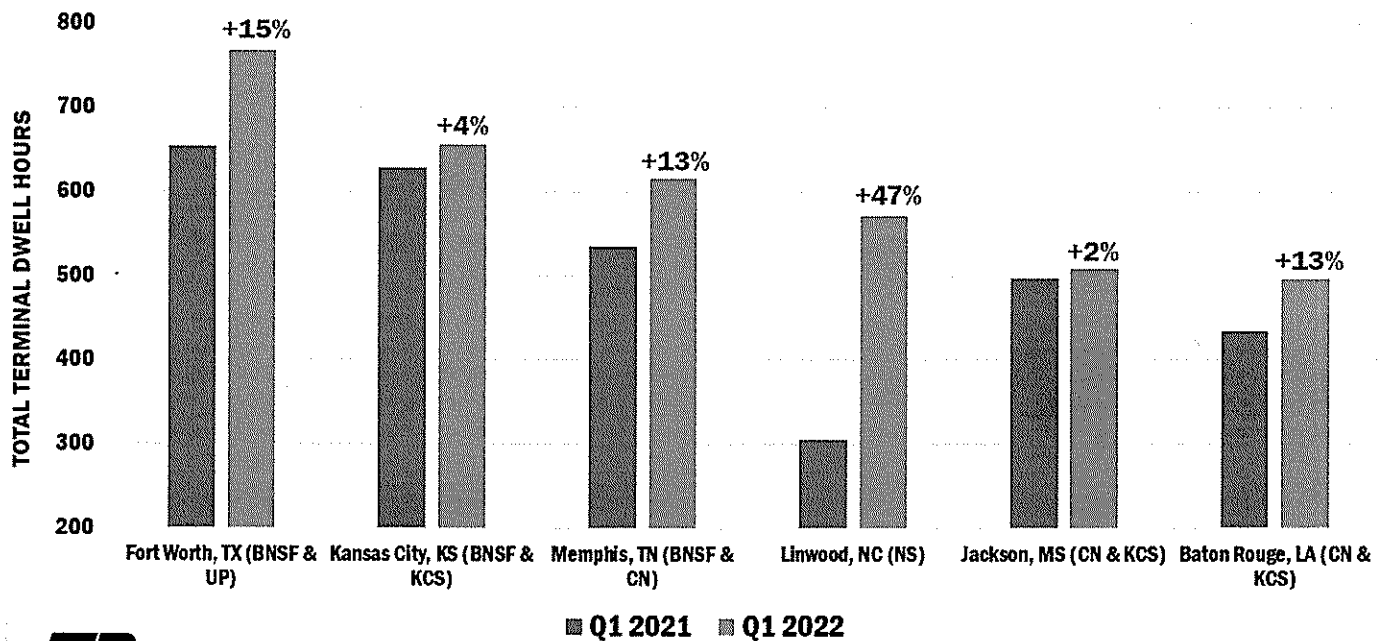
AMERICAN FARM BUREAU FEDERATION*

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Source: AFBF Calculations, USDA Agricultural Marketing Service

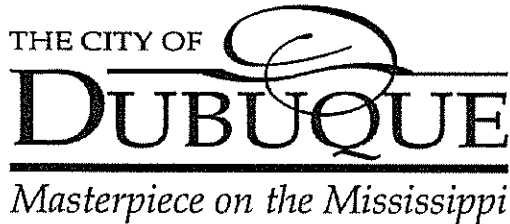
FIGURE 6: DWELL TIME INCREASES AT HIGHEST DWELL TIME YARDS

Q1 2021 → Q1 2022 | (Railroads)



AMERICAN FARM BUREAU FEDERATION*

Source: AFBF Calculations, USDA Agricultural Marketing Service



Office of the Mayor
City Hall
50 West 13th Street
Dubuque, IA 52001-4845
www.cityofdubuque.org

April 3, 2024

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

Re: *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company, Docket No. FD 36744*

Dear Chairman Oberman:

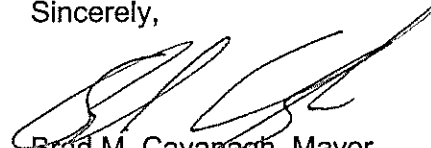
I am writing in support of the integration of Canadian National Railway Company (CN) and Iowa Northern Railway (IANR), for the advancement and benefit of the state of Iowa. As a public official that serves the people of Dubuque, it is my responsibility to support policies and regulatory efforts that will benefit my constituents—and this proposed combination would do just that.

After experiencing significant supply chain issues these past few years on a statewide and national scale, when an opportunity presents itself to improve the access and delivery of critical goods, we must pursue it. Through CN and IANR's combination, agricultural goods will be transported to major markets across the Midwest, like Chicago, more efficiently. Additionally, shippers will be able to reach a higher number of agricultural processing centers, like feed mills and soybean plants, enabling entry to different and more geographically diverse markets.

The marketplace will remain competitive and will enable shippers to continue choosing which option best suits their business and output goals.

CN has called Iowa home for many years and is looking to continue growing their business within the state. This commitment to Iowans should be rewarded as CN strives to build upon the great work done over the years by the team at Iowa Northern. I call on you and the rest of the Surface Transportation Board to do the right thing for Iowa by approving this acquisition.

Sincerely,



Brad M. Cavanagh, Mayor
City of Dubuque, Iowa