



Michigan Agri-Business Association

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July 26, 2012

232685

Mr. Daniel R. Elliott, Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423
Re: STB Docket No. FD 35654

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Office of Proceedings
July 26, 2012
Part of
Public Record

Dear Chairman Elliott:

I am writing on behalf of the Michigan Agri-Business Association, and our more than 500 agricultural businesses in Michigan, including more than 95% of the grain handlers and fertilizer retail and distribution companies doing business in Michigan.

We support the proposed acquisition of RailAmerica by Genesee & Wyoming (G&W) and urge the Board to give this matter an expedited hearing.

Michigan's agricultural businesses, especially the grain and fertilizer sectors are heavily dependent on short line railroad service. These local railroads, in particular RailAmerica serve areas of our state where Class I railroads no longer exist, especially the northern half of the Lower Peninsula, our Thumb region and western side of the state, where there is no longer any Class 1 service.

Short line railroads, and in particular RailAmerica owned lines are the only way many of our members stay connected to the national railroad network to secure inbound product, or for outbound shipments. All of these shippers value the local management, flexible service and the ongoing cooperation to move their rail shipments. Rail transportation is critical to the success of these businesses.

The proposed acquisition of RailAmerica by G&W offers these shippers – and our members - the best opportunity to continue the kind of service they have come to expect, along with the promise of investment in infrastructure and partnering for the future growth that all our members anticipate in the coming years.

G&W has the same management philosophy as RailAmerica. They own 63 short lines across the country and each railroad is locally managed with people “on the ground” empowered to make operating and marketing decisions that are important to shippers.

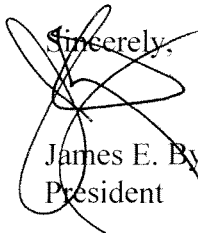
G&W has the capacity to manage and the financial strength to invest in the RailAmerica properties. G&W's 63 railroads operating 5,400 miles compare to RailAmerica's 45 railroads and 7,500 track miles. G&W has the proven ability to manage a large group of diverse short line properties which will result in a smooth and quick transition when the sale is finalized.

G&W is also a publicly traded company with great access to the capital markets. Maintaining and upgrading rail infrastructure is a very expensive proposition and critical to our members and agricultural customers on these lines. G&W's financial strength will help insure that infrastructure investments are made as necessary to maintain and improve service levels. This management capability and financial strength is critical to the shippers located on these lines, especially as they look to grow in the future.

We also strongly encourage the Board to review this application on an expedited basis so that the RailAmerica railroads are not held in a voting trust for a significant period of time. This is not a merger situation involving consolidation. There are no G&W properties in Michigan so this is merely a case of switching one set of owners for another.

The longer the RailAmerica railroads are held in a voting trust (with limited if any long or short term investment in infrastructure), the more uncertainty there is for the customers – and our members - and the less focus there will be on long-term planning and investment decisions.

I appreciate the opportunity to present our Association's position on this matter, and would be happy to provide additional information or answer any questions.

Sincerely,

James E. Byrum
President

cc: Senator Debbie Stabenow
Senator Carl Levin
Michigan Congressional Delegation
MABA Board of Directors
MABA Grain Committee
MABA Fertilizer Committee
National Grain and Feed Association
The Fertilizer Institute