

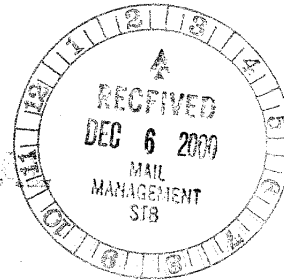
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Victoria Rutson, Environmental Project Director
Environmental Filing

Office of the Secretary - Case Control Unit
Finance Docket No. 33407
Surface Transportation Board
1925 K Street NW
Washington, DC 20423-0001

ENVIRONMENTAL
DOCUMENT



re: DM&E coal train expansion, draft environmental impact statement

STB Members:

November 28, 2000

I would like you to address a major economic assumption you make in the draft environmental impact statement on the proposed DM&E coal train expansion.

In the DEIS you state that without the coal train expansion, DM&E cannot successfully operate as a business. First of all, the DEIS is suppose to be and Environmental Impact Statement. For you to be weighing in (within the DEIS) on the financial viability of DM&E with or without this proposed expansion is inappropriate.

Secondly, I notice that amongst the numerous references listed in the back of the DEIS, there is only one listed as having anything to do with being an economist. I believe you have stated as fact an assumption based on DM&E's word. You include this assumption in a document which the public is suppose to be able to comment on, yet DM&E's financial filings are called proprietary and kept from public scrutiny.

There are other alternatives for this rail line to continue to operate (in fact in the first phase of the application process, DM&E claims to be making good profits and uses that to argue for their financial ability to fund, build, and operate this expanded rail system). An alternative to expanding into unit coal trains would be a public/private partnership or investment - maybe partial or entire ownership by the state of Minnesota. In Wisconsin the state bought a rail line which assured continued service by the rail line. DM&E bought this line knowing what it's market was - if they claim they can't make a large enough profit in the markets they are in, they should sell the line. They should not be allowed to ruin other businesses or negatively impact other property owners along their rail line in Rochester. It should not be for the community of Rochester to sacrifice its quality of life, business, and safety so DM&E can make larger profit margins - our community only stands to lose if this project goes forward.

I believe DM&E should also be required to back up their claim of not only continued, but improved agricultural service with binding contracts - not vague "agreements" or non-written promises. In other areas of the country where rail companies have gone into unit train systems, small volume shippers and agricultural businesses (like small town grain elevators) have gone out of business and replaced by large centralized grain shipping facilities. This does not reduce truck traffic on highways. Without a local elevator, it increases the mileage many farmers have to truck their grain and ag products to market.

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