

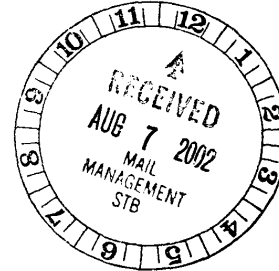
FLETCHER & SIPPEL LLC

Two Prudential Plaza, Suite 3125
180 North Stetson Avenue
Chicago, Illinois 60601-6721

Thomas J. Litwiler
(312) 540-9440
tlitwiler@fletcher-sippel.com

August 6, 2002

Phone: (312) 540-0500
Fax: (312) 540-9098
www.fletcher-sippel.com



VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006

205993

Re: **Finance Docket No. 34177**
Iowa, Chicago & Eastern Railroad Corporation – Acquisition
and Operation Exemption – Lines of I&M Rail Link, LLC

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Reply of Iowa, Chicago & Eastern Railroad Corporation to Motion of Cooperating Labor Organizations for Order Compelling Discover**, dated August 6, 2002.

IC&E respectfully requests leave of the Board to file this reply two days after the normal twenty-day period for submitting replies. Counsel for the Cooperating Labor Organizations has been notified of this request, and has indicated that he does not object to the Board's acceptance of this filing.

One extra copy of the Reply and this letter are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope. Thank you for your assistance on this matter.

Respectfully submitted,

Thomas J. Litwiler
Attorney for Iowa, Chicago & Eastern
Railroad Corporation

TJL:tl

Enclosures

cc: Parties of record

ENTERED
Office of Proceedings

AUG 07 2002

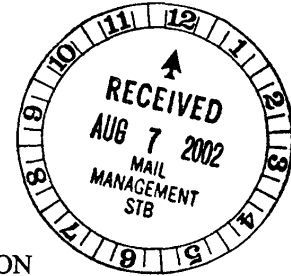
Part of
Public Record

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34177

IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-- ACQUISITION AND OPERATION EXEMPTION --
LINES OF I&M RAIL LINK, LLC



205993

**REPLY OF IOWA, CHICAGO & EASTERN RAILROAD
CORPORATION TO MOTION OF COOPERATING LABOR
ORGANIZATIONS FOR ORDER COMPELLING DISCOVERY**

ENTERED
Office of Proceedings

AUG 07 2002

Part of
Public Record

William C. Sippel
Ronald A. Lane
Thomas J. Litwiler
Fletcher & Sippel LLC
Two Prudential Plaza, Suite 3125
180 North Stetson Avenue
Chicago, Illinois 60601-6721
(312) 540-0500

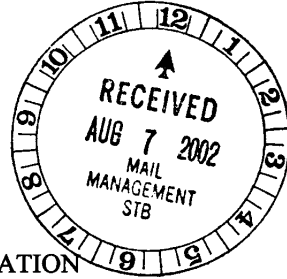
**ATTORNEYS FOR IOWA, CHICAGO &
EASTERN RAILROAD CORPORATION**

Dated: August 6, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34177

IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-- ACQUISITION AND OPERATION EXEMPTION --
LINES OF I&M RAIL LINK, LLC



**REPLY OF IOWA, CHICAGO & EASTERN RAILROAD
CORPORATION TO MOTION OF COOPERATING LABOR
ORGANIZATIONS FOR ORDER COMPELLING DISCOVERY**

Iowa, Chicago & Eastern Railroad Corporation ("IC&E") respectfully requests that the Board deny the motion, dated July 15, 2002, of the Cooperating Labor Organizations ("CLO") for an order compelling discovery. As demonstrated below, IC&E has fully complied with its discovery obligations by answering CLO's relevant interrogatories and making available for CLO's inspection relevant documentation. Rather than even look at the proffered materials, CLO has simply filed this motion seeking further discovery responses to support a "real party in interest" legal theory that has already been definitively rejected by the Board in this proceeding (and many prior proceedings). Once again, this Board should reject CLO's position.

CLO's Discovery Requests

CLO filed five separate discovery requests upon counsel for IC&E.¹ Although IC&E is the only applicant in this acquisition proceeding, CLO's discovery in this case was directed not only to IC&E but also to Dakota, Minnesota & Eastern Railroad Corporation ("DM&E") and Cedar American Rail Holdings, Inc. ("Holdings") -- entities that will submit a subsequent common control application to be filed in Finance Docket No. 34178. The requests

¹ CLO's Motion to Compel indicates that the requests were attached, but IC&E's copy, at least, is incomplete. A complete copy of all discovery requests is attached hereto as Attachment A.

sought certain information related to IC&E and to the relationship between IC&E and DM&E/Holdings, but focused far more extensively on the justifications, benefits and competitive aspects of the contemplated common control of IC&E and DM&E.

IC&E's Response

IC&E filed a consolidated response to CLO's requests.² The response objected to discovery directed at DM&E and Holdings because they are not parties to this proceeding and are not subject to discovery. The response also objected to discovery concerning the benefits and other aspects of the anticipated common control of DM&E and IC&E as being immaterial to this acquisition proceeding and premature since a common control proceeding will be instituted shortly. Nonetheless, IC&E answered many of the interrogatories propounded to it, while preserving certain objections, and offered to allow inspection of substantial numbers of documents, including the Asset Purchase Agreement between IC&E and I&M Rail Link, LLC ("IMRL"), the Loan Agreement and related documentation for financing of the transaction, IC&E's operating plan, charter and bylaws and pro forma financials. See IC&E Response to Request to Produce Nos. 1 and 2. IC&E's offer to allow inspection of documents was conditioned upon CLO executing a confidentiality agreement modeled on standard STB protective orders, except that it did not provide for a blanket copying of documents.

CLO's Motion to Compel

CLO did not look at a single one of the many documents made available by IC&E, and never even contacted counsel for IC&E about viewing the material or attempting to

² A complete copy of that response is attached as Attachment B.

resolve its discovery disputes.³ Instead, CLO filed its motion to compel discovery, together with a supplement to its petition for stay.

Once again, the thrust of CLO's position is that the established "two-step" acquisition and control process for transactions such as this one must be collapsed, and DM&E considered the "real party in interest" acquiring the assets of IMRL. CLO asks this Board to overrule IC&E's General Objection Nos. 1 and 2, which object to discovery directed to the merits and benefits of common control of IC&E and DM&E prior to the time that DM&E and Holdings file their application in Finance Docket No. 34178. Specifically, the contested objections read as follows:

1. IC&E objects to CLO's discovery requests collectively and individually as seeking information that is neither relevant to the Notice of Exemption pending before the Board in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. On June 7, 2002, IC&E filed a Notice of Exemption herein to acquire and operate the rail assets of [IMRL], and indicated that [DM&E] and [Holdings] intended shortly to file an application in [Finance Docket No. 34178] seeking authority for the common control of DM&E and IC&E. CLO has filed a petition for stay and a petition to revoke the acquisition exemption. It has not filed any opposition to the common control of DM&E and IC&E, because no application has yet been filed. Accordingly, there is no issue currently before the Board concerning the common control of DM&E and IC&E. Moreover, Board regulations concerning common control applications will require DM&E and Holdings to provide specified information concerning the proposed common control, and DM&E and Holdings are expected to comply fully with those requirements. Accordingly, discovery concerning common control issues is premature and immaterial to the acquisition and operation exemption issues now before the Board.
2. IC&E objects to CLO's discovery requests collectively and individually to the extent those discovery requests seek information that is neither relevant to the issues raised by CLO in its Petition to Stay or its Petition to Revoke Exemption pending

³ Counsel for CLO and IC&E did confer and agree to an extension of the otherwise applicable date to file CLO's motion to compel discovery.

before the Board in this proceeding, nor reasonably calculated to lead to the discovery of admissible evidence.

CLO also specifically seeks production of "DM&E/Holdings/IC&E" financial, business and operating plans. CLO also requests imposition of a Protective Order, which would permit blanket photocopying of confidential documents whether relevant and needed in this proceeding or not.

**I. THE DISCOVERY RULES AND OBLIGATIONS
DO NOT APPLY TO NON-PARTIES.**

Responding to interrogatories and document requests by its nature is an obligation of parties to an STB proceeding. 49 C.F.R. § 1114.26 provides that, "any party may serve upon any other party written interrogatories. . . ." Likewise, 49 C.F.R. § 1114.30 authorizes parties to serve document requests "on any other party" (emphasis added). DM&E and Holdings are not parties to this acquisition proceeding.

IC&E is not hiding behind some technicality here to avoid being forthright with CLO or this Board. CLO propounded virtually the same interrogatories and document requests to IC&E, and IC&E responded. IC&E has full knowledge and control of all documents that could be relevant in this acquisition proceeding. Since CLO can and did ask a party for the information and documents it seeks, it is not prejudiced by adhering to this basic tenet of discovery. And since DM&E and Holdings will be parties to the forthcoming common control proceedings, CLO will have the opportunity to seek discovery concerning those issues from DM&E and Holdings at that time.

**II. CLO'S REQUEST FOR INFORMATION CONCERNING THE
MERITS AND BENEFITS OF DM&E-IC&E COMMON CONTROL
IS NOT RELEVANT TO ANY ISSUE IN THIS PROCEEDING.**

CLO objects to IC&E's failure to supply information about various aspects of the contemplated common control of IC&E and DM&E and the benefits such common control may

have for DM&E. Those issues are not material to any issue in this acquisition proceeding and are premature with respect to the anticipated common control proceeding. IC&E is not required to produce information unless it is "reasonably calculated to lead to the discovery of admissible evidence." 49 C.F.R. § 1114.21(a)(2).

CLO candidly acknowledges that in large part "the purpose of the discovery requests was to discover evidence related to [CLO's] position . . . that DM&E is the real 'party in interest' in this acquisition" CLO Motion to Compel at 2. CLO asserts that it needs discovery about DM&E and IC&E "to establish the reality that DM&E is acquiring IMRL and that it is using a complicated set of procedures to accomplish the takeover without providing statutory labor protection to adversely affected employees." CLO Motion to Compel at 5. These discovery requests reflect CLO's arguments based on United States v. Marshall Transport, 322 U.S. 21 (1944) that the accepted two-step acquisition/control procedures for acquiring rail lines must be discarded here because DM&E is the "real party in interest" ultimately acquiring control of the IMRL rail lines. The Board has already specifically rejected this theory as a matter of law in its decision served July 22, 2002 declining to stay IC&E's acquisition. Stay Decision at 9-11. Since CLO's position has already been rejected and the "law of the case" has been established, CLO's discovery requests, to the extent they go to its "real party in interest" argument, simply cannot lead to any admissible evidence.

As the Board has indicated (and IC&E acknowledges), the only remaining basis for CLO to challenge this two-step transaction is the so-called "alter ego" theory, i.e., the allegation that DM&E and IC&E are really one and the same railroad. See Stay Decision at 11, n.19. This Board has firmly established that in considering alter ego claims, the determinative factors are the financial independence of the acquiring non-carrier from its carrier affiliate and

the presence of other "indicia of independence." Mountain Laurel Railroad Company -- Acquisition and Operation Exemption -- Consolidated Rail Corporation, Finance Docket No. 31974 (STB served May 15, 1998) at 9-17. Yet the bulk of CLO's discovery requests go to whether DM&E will derive any benefit from common control with IC&E and other competitive aspects of that common control.⁴ These questions have nothing to do with the relevant alter ego criteria. Presumptively, all common control transactions entail benefit for the controlling party or there would be no reason for parties to engage in such transactions (and little reason for the Board to approve them). Apparently, however, CLO wants to demonstrate through discovery that DM&E will benefit from the acquisition that IC&E was created to undertake, so that it can argue that it is actually DM&E which is undertaking the transaction. This is simply another iteration of CLO's rejected "real party in interest" theory and is not a proper subject of discovery.⁵

IC&E has responded fully to the few relevant "alter ego" discovery requests that CLO did propound. CLO goes on in its motion about the importance of determining whether a parent is liable for its subsidiary's debt, CLO Motion at 2, but one reads CLO's interrogatories in vain for any question on this subject. CLO does address the subject in its document requests (CLO Document Request Nos. 3-5), and IC&E has made available all requested information concerning its financial independence from DM&E and Holdings, including specifically the

⁴ See, e.g., CLO Interrogatory Nos. 4-5 and Document Request Nos. 10-11 and 13 (seeking information regarding ability and plans to interchange traffic between IC&E and DM&E and coordination of operations); CLO Interrogatory No. 6-7, 9-11 and Document Request No. 18 (seeking information regarding how common control will benefit transportation of DM&E grain and other commodities and potential Powder River Basin coal traffic); CLO Interrogatory No. 12 (seeking information regarding potential synergies of IC&E-DM&E common control).

⁵ Taken at face value, CLO's discovery requests on these subjects would require IC&E to produce now virtually all of the information that will be contained in the DM&E-IC&E common control application.

Asset Purchase Agreement and the financing documents. See IC&E Response to Document Request Nos. 1 and 2. CLO has never made any attempt to review those documents.⁶

III. IC&E RESPONDED FULLY TO CLO'S PROPER DISCOVERY REQUESTS.

CLO's motion to compel seeks to convey the impression that IC&E simply stiff-armed the unions' discovery requests. A review of IC&E's response, however, will reveal that, while preserving its various objections, IC&E answered numerous interrogatories and offered to make available for inspection many documents, including:

1. Asset Purchase Agreement [Request No.1]
2. Loan documents [Requests No.2 - 5]
3. Trackage Rights and Track Lease agreements between DM&E and CNW [Request No. 13]
4. IC&E operating plan for IMRL assets [Requests No. 8, 9 and 19]
5. Documents supporting the Verified Statements of Brownell and Sabin concerning benefits of IC&E operation of IMRL assets [Request No.17]
6. Documents concerning hiring and working conditions of future IC&E employees [Request No. 20]
7. Voting Trust Agreement and Charter and By-laws of IC&E [Request No. 21]

The documents that IC&E has made available to CLO constitute hundreds of pages. CLO never even bothered to look at a single page or document identified by IC&E. It's as though CLO is more interested in the argument than the information. IC&E has complied with CLO's discovery requests to the extent they are proper.⁷

⁶ We note that CLO Document Request No. 8 -- requesting "all documents outlining the role to be played by DM&E in IC&E's business or internal operations" -- might be charitably construed to encompass items relevant to an "indicia of independence" analysis. The nature, breadth and vagueness of the request, however, make any response realistically impossible. The "indicia of independence" criteria are well-established and certainly could have been the subject of a more productive discovery request than this -- probably in interrogatory rather than document request form.

⁷ CLO points to one response in particular to demonstrate IC&E's perceived "obstinacy": the interchange of traffic between IC&E and DM&E. CLO Motion to Compel at 3-4. However, IC&E's response is accurate and complete. IMRL did not interchange with DM&E previously, and IC&E

IV. MAINTAINING CONFIDENTIALITY IS NECESSARY AND APPROPRIATE

No protective order has been entered in this proceeding. To avoid bringing such routine housekeeping issues before the Board, IC&E conditioned access to the produced documents on execution of a confidentiality agreement. The agreement was drawn from the standard confidentiality "undertaking" routinely required by the Board. CLO never objected to the form or content of the agreement prior to filing its motion to compel.

The major difference between the standard undertaking and the confidentiality agreement tendered to CLO is that the agreement does not automatically permit photocopying. The proffered documents contain highly confidential and sensitive information. IC&E believes that little or none of that information is relevant to any issue raised by CLO in this proceeding. There is always a risk that documents will be mishandled and confidential information will inadvertently be disclosed. IC&E has a legitimate and protectable right to restrict CLO from indiscriminately photocopying such information. IC&E would be willing to provide photocopies of a reasonable number of documents after counsel for CLO has reviewed the documents and indicated the particular documents CLO has an interest in. However, absent CLO even looking at the documents which IC&E is prepared to produce, and absent any showing of necessity for copies of any of those documents, there is nothing inappropriate about restricting CLO from copying the documents and unnecessarily incurring the risk of disclosure.⁸

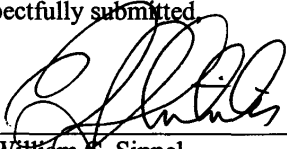
cannot interchange traffic with DM&E today. Such an interchange could not occur until the railroads construct a connection near Owatonna, Minnesota, obtain from Union Pacific Railroad Company the right to use the existing UP connection at Owatonna, or pursue alternative remedies.

⁸ Both the proffered documents (collected at IC&E counsel's offices) and the CLO counsel who is handling discovery matters for the unions are located in Chicago. It was not the intent nor, we believe, the effect of IC&E's document production arrangements to unduly restrict or burden CLO's ability to review the proffered documents.

Conclusion

For the foregoing reasons, this Board should deny CLO's motion to compel discovery.

Respectfully submitted,

By: 

William C. Sippel
Ronald A. Lane
Thomas J. Litwiler
Fletcher & Sippel LLC
Two Prudential Plaza, Suite 3125
180 North Stetson Avenue
Chicago, Illinois 60601-6721
(312) 540-0500

**ATTORNEYS FOR IOWA, CHICAGO &
EASTERN RAILROAD CORPORATION**

Dated: August 6, 2002

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of August, 2002, a copy of the foregoing **Reply of Iowa, Chicago & Eastern Railroad Corporation to Motion of Cooperating Labor Organizations for Order Compelling Discovery** was served by facsimile and first-class mail, postage prepaid, upon:

William L. Phillips, Esq.
General Counsel
Brotherhood of Railroad Signalmen
601 West Golf Road, Box U
Mount Prospect, IL 60056

and by first-class mail, postage prepaid, upon:

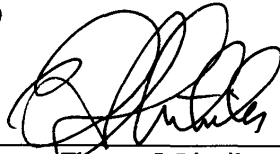
Michael S. Wolly, Esq.
Zwerdling, Paul, Leibig, Kahn & Wolly, P.C.
1025 Connecticut Avenue, N.W., Suite 712
Washington, DC 20036-5420

David Neigus, Esq.
International Association of Machinists
9000 Machinists Place
Upper Marlboro, MD 20772

Donald Griffin, Esq.
Assistant General Counsel
Brotherhood of Maintenance of Way Employees
10 G Street, N.E., Suite 460
Washington, DC 20002

Harold A. Ross, Esq.
Ross & Kraushaar
1548 Standard Building
1370 Ontario Street
Cleveland, OH 44113-1702

Mitchell Kraus, Esq.
General Counsel
Transportation Communications International Union
3 Research Place
Rockville, MD 20850



Thomas J. Litwiler

SURFACE TRANSPORTATION BOARD

Finance Docket No. 34177

**IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-ACQUISITION AND OPERATION EXEMPTION-
LINES OF I&M RAIL LINK, LLC**

**INTERROGATORIES
TO IOWA, CHICAGO & EASTERN RAILROAD CORPORATION**

Pursuant to 49 C.F.R. §§1114.21, 1114.26, and 1121.2, Cooperating Labor Organizations (“CLO”) directs the following interrogatories to Iowa, Chicago & Eastern Railroad Corporation (“IC&E”). IC&E’s verified answers are to be served upon CLO no later than 15 days after the service hereof.

INSTRUCTIONS AND DEFINITIONS

1. To the extent that you answer any interrogatory by exercising the option to produce business records under 49 C.F.R. § 1114.26(b), segregate and identify such business records according to the interrogatory to which the records are responsive.
2. In answering each interrogatory, identify by date, sender, recipient, location and custodian, each document relied upon or which forms a basis for the answer given or which corroborates the answer given or the substance of what is given in answer to these interrogatories.

3. In answering each interrogatory, state whether the information furnished is within the personal knowledge of the person answering and, if not, the name, if known, of each person to whom the information is a matter of personal knowledge.

4. In answering each interrogatory, identify each person who assisted or participated in preparing and/or supplying any of the information given in answer to or relied upon in preparing answers to these interrogatories.

5. As used herein, DM&E means the Dakota, Minnesota & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

6. As used herein, Holdings means Cedar American Rail Holdings, Inc., and any other wholly-owned subsidiary thereof.

7. As used herein, IC&E means the Iowa, Chicago & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

8. As used herein, IMRL means the I&M Rail Link LLC, and any other wholly-owned subsidiary thereof.

9. As used herein, the term "communication" means the transmittal of information in the form of facts, ideas, inquiries or otherwise.

10. As used herein, the term "document" or "documents" means any written, recorded or graphic matter, whether produced, reproduced, or stored on paper, cards, tapes, film, electronic, facsimile, computer storage devices, or any other media. The term includes, but is not limited to, originals, copies (with or without notes or changes thereon), and drafts. The term includes but is not limited to: papers, books, letters, photographs, objects, tangible things, correspondence, telegrams, cables, telex messages, telecopies, faxes, memoranda, newsletters, notes, notations, work papers,

transcripts, minutes, reports and recordings or telephone or other conversations, reports and recordings of interviews, reports and recordings of conferences, reports and recordings of other meetings, affidavits, statements, speeches, summaries, opinions, reports, studies, analyses, evaluations, contracts, journals, statistical records, desk calendars, appointment books, diaries, phone logs, lists, tabulations, summaries, sound records, computer printouts, data processing input and output, microfilm, all other records kept by electronic, photographic, or mechanical means, and anything similar to any of the foregoing, however denominated.

11. "Identify" when referring to a person means to give, to the extent known, the person's full name, present or last known address, and when referring to a natural person, additionally, the present or last known place of employment. Once a person has been identified in accordance with this paragraph, only the name of that person need be listed in response to subsequent discovery requesting identification of that person.

12. "Identify" when referring to documents means to give, to the extent known, the (i) type of document; (ii) general subject matter; (iii) date of the document; and (iv) author(s), addressee(s) and recipient(s).

13. As used herein, the term "person" means any natural person or any business, legal or governmental entity or association.

14. As used herein, the term "concerning" means relating to, referring to, describing, evidencing or constituting.

15. Please specify the paragraph and subparagraph of those interrogatories pursuant to which each answer is provided and each document is produced.

16. In responding to each paragraph of these interrogatories, please state the name and position of each person who assisted in preparing the response.

17. If any document is withheld on the ground that it is privileged or otherwise not discoverable,

- (1) identify the document; and
- (2) state the basis for the claim that the document is privileged or otherwise not discoverable.

18. These interrogatories are continuing in nature and responses should be supplemented promptly as more information or documents responsive to a request become available.

19. The following rules of construction apply to all discovery requests:

- (a) "All/Each" shall be construed as all and each;
- (b) "And/Or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope; and
- (c) The use of the singular form of any word includes the plural and vice versa.

INTERROGATORIES

1. For all/each class of IC&E's corporate stock, identify (a) the number of shares authorized, (b) all/each holder of such class of stock by name, address and other affiliation, if any, to Holdings, IC&E, DM&E and/or IMRL and (c) the number of shares held by all/each holder.

2. Identify all/each member of IC&E's corporate board of directors.

3. Identify all/each of IC&E's corporate officers including, but not limited to, all executive, operations and/or financial officers.

4. Identify with specificity the "anti-competitive agreements," referred to in the Press Release dated February 21, 2002 titled, "Minnesota, South Dakota Agriculture Organizations Support DM&E/IMRL Acquisition," that said Press Release states have prevented DM&E and IMRL from interchanging traffic at Owatonna, MN.

5. Describe with specificity the basis for the claim in the "Agriculture Organizations" Press Release that the "anti-competitive" agreements "will become moot after the acquisition, allowing new market access for South Dakota and Minnesota farmers."

6. Describe with specificity the basis for the claim in the Press Release dated February 21, 2002 titled, "Railroad Acquisition; New Market Access, Major Rail Gateways" that "the resulting railroad network will significantly reshape the competitive dynamics for grain and other commodities currently shipped by DM&E and IMRL."

7. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This combination will provide important new market access for our grain and other rail shippers."

8. Identify each railroad IC&E will interchange with and the location of each interchange point.

9. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This combination . . . will give DM&E new connections to every major railroad in the United States."

10. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This acquisition positions us to offer greatly enhanced service to our existing customers, and provide new marketing opportunities for future customers."

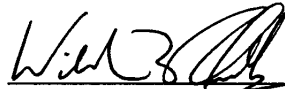
11. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This acquisition . . . will help ensure competitive options for the new traffic generated by [the Powder River Basin] project."

12. With respect to Mr. Schieffer's statement in his Memorandum dated February 21, 2002 to IMRL employees that "Because of the strength of the business plan and synergies resulting from linking up two lines (and based on positive and detailed advance discussions in the community) we do not anticipate financing problems":

- a. Identify the "business plan" Mr. Schieffer was referring to;
- b. Identify the "synergies" Mr. Schieffer was referring to;
- c. Identify the time, place, participants and subject matter of the "positive and detailed discussions in the community" Mr. Schieffer was referring to.

Respectfully submitted,

COOPERATING LABOR ORGANIZATIONS



William L. Phillips, General Counsel
BROTHERHOOD OF RAILROAD
SIGNALMEN

601 West Golf Road
P.O. Box U
Mount Prospect, Illinois 60056
(847) 439-3732

Michael S. Wolly, Esq.
*For the International Brotherhood of
Electrical Workers*
ZWERDLING, PAUL, LEIBIG, KAHN &
WOLLY
1025 Connecticut Avenue, N.W.
Suite 712
Washington, DC 20036
(202) 857-5000

David L. Neigus, Esq.
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS
9000 Machinists Place
Upper Marlboro, Maryland 20772
(301) 967-4510

Donald F. Griffin, Assistant General Counsel
BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES
10 G Street, N.E.
Suite 460
Washington, DC 20002
(202) 638-2135

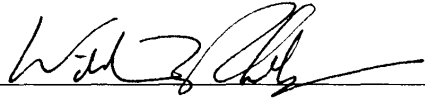
Harold A. Ross, Esq.
*For the Brotherhood of Locomotive
Engineers*
ROSS & KRAUSHAAR CO., L.P.A.
1370 Ontario Street
Suite 1548
Cleveland, Ohio 44113
(216) 861-1313

and

Mitchell M. Kraus, General Counsel
TRANSPORTATION-COMMUNICATIONS
INTERNATIONAL UNION
3 Research Place
Rockville, Maryland 20850-3279
(301) 948-4910

CERTIFICATE OF SERVICE

William L. Phillips, attorney for one of the Cooperating Labor Organizations, hereby certifies that the foregoing document was served by hand delivery this June 14, 2002 upon William C. Sippel, Esq., Fletcher & Sippel LLC, 180 North Stetson Avenue #3125, Chicago, IL 60601.



A handwritten signature in black ink, appearing to read "William L. Phillips", is written over a horizontal line.

SURFACE TRANSPORTATION BOARD

Finance Docket No. 34177

**IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-ACQUISITION AND OPERATION EXEMPTION-
LINES OF I&M RAIL LINK, LLC**

**REQUEST FOR PRODUCTION OF DOCUMENTS FROM
IOWA, CHICAGO & EASTERN RAILROAD CORPORATION**

Pursuant to 49 C.F.R. §§1114.21, 1114.30 and 1121.2, Cooperating Labor Organizations ("CLO") requests that Iowa, Chicago & Eastern Railroad Corporation ("IC&E") respond to the following Requests for Production of Documents and produce the following documents for inspection and copying at Chicago, IL within fifteen (15) days of service hereof. In responding to this Request, the following definitions and instructions shall apply:

DEFINITIONS AND INSTRUCTIONS

A. Definitions:

1. The term "communication," as used herein, means any written or oral transmission of fact, information or opinion, including any utterance, notation or statement of any nature whatsoever, including, but not limited to, documents as defined immediately below.

2. As used herein, "document" or "documents" includes, without limitation, any writing or record of any type or description within IC&E' possession, custody, or control, or in the possession, custody, or control of any partner, predecessor or successor in interest, or present or former officer, employee, agent, representative, or attorney of IC&E, or known to IC&E wherever

located, whether printed, recorded, filmed or reproduced by any other mechanical or electrical process, or written or produced by hand, and whether or not claimed to be privileged against discovery on any ground, and whether a draft or final version, or an original master or copy, including any nonidentical copy, whether difference from the original because of any alterations, notes, comments or other material contained thereon or attached thereto, including, without limitation, the following items: agreements; contracts; communications, including intercompany and intracompany communications; interunion and intraunion communications; correspondence, letters, cablegrams, radiograms, teletypes, telefax, telegrams, or electronic mail; notes; memoranda; agenda; summaries; minutes; records of telephone conversations, meetings and conferences, including lists of persons attending or participating in such conversations, meetings or conferences; summaries and records of personal conversations or interviews; offers; opinions and reports of counsel; books; manuals; publications; diaries; laboratory and engineering reports and notebooks; statistics; charts; graphs; plans; specifications; sketches and/or drawings; photographs, whether still or motion; computer tapes, disks or printouts; reports and summaries of investigations; studies; statements, opinions and reports of consultings; sales records, purchase orders and invoices; receipts; checks; reports and summaries of negotiations; brochures; pamphlets, catalogs and catalog sheets; advertisements; bulletins; circulars; trade letters; press, publicity, trade and product releases; newspapers or magazine reports or articles; drafts of original or preliminary notes in, marginal comments appearing on, any documents or prospectuses; other reports or records; graphic or manual records or representations of any kind, such as, but not limited to, microfiche, microfilm, or videotape records; electronic, mechanical, electric records or representations of any kind, such as, but not limited to, tapes, cassettes, disks, and

recordings; and any other retrievable data, whether encoded, taped, coded electrostatically, electromagnetically, or otherwise, whether in human readable form or otherwise.

3. As used herein, "person" or "persons" means any natural person, or any legal entity, including, but not limited to, any corporation, firm, partnership, union, proprietorship, trust, association, incorporated or unincorporated organization or group of persons or entities.

4. As used herein, "DM&E" means the Dakota, Minnesota & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

5. As used herein, "Holdings" means Cedar American Rail Holdings, Inc., and any other wholly-owned subsidiary thereof.

6. As used herein, "IC&E" means the Iowa, Chicago & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

7. As used herein, "IMRL" means the I&M Rail Link LLC, and any other wholly-owned subsidiary thereof.

8. As used herein, "relating to" means documents the contents of which embody, describe, refer to, comment upon, corroborate, question, support, contradict, constitute, or otherwise contain information about the matter under inquiry.

9. The word "and," and the word "or," as used herein, shall where the context permits be construed to mean "and/or."

B. Instructions:

1. These requests shall be deemed to be continuing to the extent permitted by 49 C.F.R. §1114.30.

2. Each request must be answered with IC&E's entire knowledge. Each request for documents seeks production of all documents described herein and any attachments thereto, in your possession, custody, or control or in the possession, custody or control of any of your agents, representatives and attorneys, and all documents and any attachments which you or any of your agents, representatives and attorneys have the legal right to obtain or have the ability to obtain from sources under their control. If any request has subparts, then supply the material requested in each part separately and in full, and do not limit your response to the request as a whole.

3. Each request for a document contemplates production of the document in its entirety, without abbreviation or expurgation.

4. If any document request cannot be complied with in full, it shall be complied with to the extent possible with an explanation as to why full compliance is not possible.

5. Each request for documents seeks production of all documents described, including all drafts and nonidentical copies.

6. If it is claimed that any document sought by this request is either privileged or proprietary, IC&E shall indicate which specific document(s) enjoy such privileged or proprietary status and, pursuant to a Protective Order issued by the Surface Transportation Board, may restrict production of said documents only to individuals who have executed an undertaking agreeing to be bound by the limitations of said Protective Order.

7. In the event that any document called for by this request has been destroyed or discarded or otherwise disposed of, that document is to be identified as completely as possible, including, without limitation, the following information;

- (i) Identify each and every author of the document;

- (ii) Identify each and every preparer of the document;
- (iii) Identify each and every addressee of the document;
- (iv) Identify each and every person who received the document;
- (v) State the date of the document;
- (vi) State the subject matter of the document;
- (vii) State the reason for disposal of the document;
- (viii) Identify each and every person who authorized disposal of the document; and
- (ix) Identify each and every person who disposed of the document.

8. In producing the documents requested herein, indicate the specific request (paragraph and subparagraph) in response to which each document or group of documents is being produced.

DOCUMENTS TO BE PRODUCED

1. ~~All documents relating to IC&E's purchase of railroad or other assets from IMRL,~~ including, but not limited to, the ~~asset purchase agreement~~ between IC&E and IMRL and any other related agreements.

*Vague
over broad
burdensome
available
for inspection*

2. All documents relating to the financing of IC&E's purchase of railroad and other assets from IMRL including, but not limited to, commercial loan agreements, letters of credit, collateral agreements, etc.

Feasible

3. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by IMRL prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

APA

4. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by IC&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

5. All documents relating to the issue of whether IC&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by DM&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

6. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by Holdings prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

7. All documents relating to the issue of whether Holdings is or will be financially and/or legally responsible for debts and/or other liabilities incurred by DM&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

8. All documents relating to plans for operating IC&E following the transaction in question including, but not limited to, documents outlining the role to be played by DM&E in IC&E's business or internal operations.

9. All documents relating to ~~IC&E's business plan~~ for operating the lines and assets acquired from IMRL.

10. All documents relating to IC&E's business plan including, but not limited to, documents relating to plans to coordinate, interchange, consolidate, cooperate, or otherwise operate IC&E's rail operations in conjunction with of DM&E.

11. All documents relating to IC&E's anticipated arrangements for interchanging rail traffic with DM&E including, but not limited to documents relating to the location, frequency and carload number of such interchanging.

premature

12. All communications between IC&E, on the one hand, and any shipper, shipper group, Farmers Union, or Farm Bureau, on the other hand, relating to IC&E's solicitations of support for the transaction for which IC&E is seeking an acquisition and operation exemption.

*Support
to HRS
file*

13. All documents identified in response to Interrogatory No. 4 directed to IC&E. *- offer was
up to HRS*

14. All documents relating to how IC&E's operation of the present IMRL will reshape the competitive dynamics for grain and other commodities currently shipped by IC&E and IMRL.

*premature
also - cost
structure*

15. All documents relating to how IC&E's operation of the present IMRL will provide new market access for IMRL's grain and other rail shippers.

16. All documents relating to how IC&E's operation of the present IMRL will create new railroad connections.

17. All documents relating to how IC&E's operation of the present IMRL will affect service to IMRL's existing customers and/or provide new marketing opportunities for future customers.

18. All documents relating to how IC&E's operation of the present IMRL will help DM&E ensure competitive options for the new traffic generated by the Powder River Basin project.

premature

19. All documents identified in response to Interrogatory No. 12(a) directed to IC&E.

20. All documents relating to effects of the transaction upon the existing IMRL labor force and/or relating to policies IC&E intends to implement to address these effects.

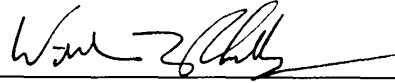
Produce

21. All documents relating to IC&E's rules or practices for internal corporate governance.

*Voting trust
charter
by laws*

Respectfully submitted,

COOPERATING LABOR ORGANIZATIONS



William L. Phillips, General Counsel
BROTHERHOOD OF RAILROAD
SIGNALMEN

601 West Golf Road
P.O. Box U
Mount Prospect, Illinois 60056
(847) 439-3732

Michael S. Wolly, Esq.
*For the International Brotherhood of
Electrical Workers*
ZWERDLING, PAUL, LEIBIG, KAHN &
WOLLY

1025 Connecticut Avenue, N.W.
Suite 712
Washington, DC 20036
(202) 857-5000

David L. Neigus, Esq.
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS

9000 Machinists Place
Upper Marlboro, Maryland 20772
(301) 967-4510

Donald F. Griffin, Assistant General Counsel
BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES

10 G Street, N.E.
Suite 460
Washington, DC 20002
(202) 638-2135

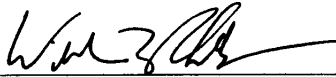
Harold A. Ross, Esq.
*For the Brotherhood of Locomotive
Engineers*
ROSS & KRAUSHAAR CO., L.P.A.
1370 Ontario Street
Suite 1548
Cleveland, Ohio 44113
(216) 861-1313

and

Mitchell M. Kraus, General Counsel
TRANSPORTATION COMMUNICATIONS
INTERNATIONAL UNION
3 Research Place
Rockville, Maryland 20850-3279
(301) 948-4910

CERTIFICATE OF SERVICE

William L. Phillips, attorney for one of the Cooperating Labor Organizations, hereby certifies that the foregoing document was served by hand delivery this June 14, 2002 upon William C. Sippel, Esq., Fletcher & Sippel LLC, 180 North Stetson Avenue #3125, Chicago, IL 60601.



SURFACE TRANSPORTATION BOARD

Finance Docket No. 34177

**IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-ACQUISITION AND OPERATION EXEMPTION-
LINES OF I&M RAIL LINK, LLC**

**INTERROGATORIES
TO DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION**

Pursuant to 49 C.F.R. §§1114.21, 1114.26, and 1121.2, Cooperating Labor Organizations (“CLO”) directs the following interrogatories to Dakota, Minnesota & Eastern Railroad Corporation (“DM&E”). DM&E’s verified answers are to be served upon CLO no later than 15 days after the service hereof.

INSTRUCTIONS AND DEFINITIONS

1. To the extent that you answer any interrogatory by exercising the option to produce business records under 49 C.F.R. § 1114.26(b), segregate and identify such business records according to the interrogatory to which the records are responsive.
2. In answering each interrogatory, identify by date, sender, recipient, location and custodian, each document relied upon or which forms a basis for the answer given or which corroborates the answer given or the substance of what is given in answer to these interrogatories.

3. In answering each interrogatory, state whether the information furnished is within the personal knowledge of the person answering and, if not, the name, if known, of each person to whom the information is a matter of personal knowledge.

4. In answering each interrogatory, identify each person who assisted or participated in preparing and/or supplying any of the information given in answer to or relied upon in preparing answers to these interrogatories.

5. As used herein, DM&E means the Dakota, Minnesota & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

6. As used herein, Holdings means Cedar American Rail Holdings, Inc., and any other wholly-owned subsidiary thereof.

7. As used herein, IC&E means the Iowa, Chicago & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

8. As used herein, IMRL means the I&M Rail Link LLC, and any other wholly-owned subsidiary thereof.

9. As used herein, the term "communication" means the transmittal of information in the form of facts, ideas, inquiries or otherwise.

10. As used herein, the term "document" or "documents" means any written, recorded or graphic matter, whether produced, reproduced, or stored on paper, cards, tapes, film, electronic, facsimile, computer storage devices, or any other media. The term includes, but is not limited to, originals, copies (with or without notes or changes thereon), and drafts. The term includes but is not limited to: papers, books, letters, photographs, objects, tangible things, correspondence, telegrams, cables, telex messages, telecopies, faxes, memoranda, newsletters, notes, notations, work papers,

transcripts, minutes, reports and recordings or telephone or other conversations, reports and recordings of interviews, reports and recordings of conferences, reports and recordings of other meetings, affidavits, statements, speeches, summaries, opinions, reports, studies, analyses, evaluations, contracts, journals, statistical records, desk calendars, appointment books, diaries, phone logs, lists, tabulations, summaries, sound records, computer printouts, data processing input and output, microfilm, all other records kept by electronic, photographic, or mechanical means, and anything similar to any of the foregoing, however denominated.

11. "Identify" when referring to a person means to give, to the extent known, the person's full name, present or last known address, and when referring to a natural person, additionally, the present or last known place of employment. Once a person has been identified in accordance with this paragraph, only the name of that person need be listed in response to subsequent discovery requesting identification of that person.

12. "Identify" when referring to documents means to give, to the extent known, the (i) type of document; (ii) general subject matter; (iii) date of the document; and (iv) author(s), addressee(s) and recipient(s).

13. As used herein, the term "person" means any natural person or any business, legal or governmental entity or association.

14. As used herein, the term "concerning" means relating to, referring to, describing, evidencing or constituting.

15. Please specify the paragraph and subparagraph of those interrogatories pursuant to which each answer is provided and each document is produced.

16. In responding to each paragraph of these interrogatories, please state the name and position of each person who assisted in preparing the response.

17. If any document is withheld on the ground that it is privileged or otherwise not discoverable,

- (1) identify the document; and
- (2) state the basis for the claim that the document is privileged or otherwise not discoverable.

18. These interrogatories are continuing in nature and responses should be supplemented promptly as more information or documents responsive to a request become available.

19. The following rules of construction apply to all discovery requests:

- (a) "All/Each" shall be construed as all and each;
- (b) "And/Or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope; and
- (c) The use of the singular form of any word includes the plural and vice versa.

INTERROGATORIES

1. For all/each class of DM&E's corporate stock, identify (a) the number of shares authorized, (b) all/each holder of such class of stock by name, address and other affiliation, if any, to Holdings, IC&E, DM&E and/or IMRL and (c) the number of shares held by all/each holder.

2. Identify all/each member of DM&E's corporate board of directors.

3. Identify all/each of DM&E's corporate officers including, but not limited to, all executive, operations and/or financial officers.

4. Identify with specificity the "anti-competitive agreements," referred to in the Press Release dated February 21, 2002 titled, "Minnesota, South Dakota Agriculture Organizations Support DM&E/IMRL Acquisition," that said Press Release states have prevented DM&E and IMRL from interchanging traffic at Owatonna, MN.

5. Describe with specificity the basis for the claim in the "Agriculture Organizations" Press Release that the "anti-competitive" agreements "will become moot after the acquisition, allowing new market access for South Dakota and Minnesota farmers."

6. Describe with specificity the basis for the claim in the Press Release dated February 21, 2002 titled, "Railroad Acquisition; New Market Access, Major Rail Gateways" that "the resulting railroad network will significantly reshape the competitive dynamics for grain and other commodities currently shipped by DM&E and IMRL."

7. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This combination will provide important new market access for our grain and other rail shippers."

8. Identify each railroad DM&E currently interchanges with and the location of each interchange point.

9. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This combination . . . will give DM&E new connections to every major railroad in the United States."

10. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This acquisition positions us to offer greatly enhanced service to our existing customers, and provide new marketing opportunities for future customers."

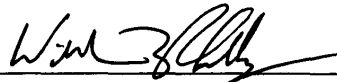
11. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This acquisition . . . will help ensure competitive options for the new traffic generated by [the Powder River Basin] project."

12. Describe with specificity the basis for Mr. Schieffer's claim in his Memorandum dated February 21, 2002 to DM&E Employees that "The acquisition will certainly have significant impacts on our operations and opportunities in the future."

13. Describe with specificity the basis for Mr. Schieffer's claim in his Memorandum dated February 21, 2002 to DM&E Employees that the IMRL acquisition "is great news for our railroad and our future."

Respectfully submitted,

COOPERATING LABOR ORGANIZATIONS



William L. Phillips, General Counsel
BROTHERHOOD OF RAILROAD
SIGNALMEN

601 West Golf Road
P.O. Box U
Mount Prospect, Illinois 60056
(847) 439-3732

Michael S. Wolly, Esq.
*For the International Brotherhood of
Electrical Workers*
ZWERDLING, PAUL, LEIBIG, KAHN &
WOLLY
1025 Connecticut Avenue, N.W.
Suite 712
Washington, DC 20036
(202) 857-5000

David L. Neigus, Esq.
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS
9000 Machinists Place
Upper Marlboro, Maryland 20772
(301) 967-4510

Donald F. Griffin, Assistant General Counsel
BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYEES
10 G Street, N.E.
Suite 460
Washington, DC 20002
(202) 638-2135

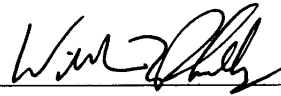
Harold A. Ross, Esq.
*For the Brotherhood of Locomotive
Engineers*
ROSS & KRAUSHAAR CO., L.P.A.
1370 Ontario Street
Suite 1548
Cleveland, Ohio 44113
(216) 861-1313

and

Mitchell M. Kraus, General Counsel
TRANSPORTATION•COMMUNICATIONS
INTERNATIONAL UNION
3 Research Place
Rockville, Maryland 20850-3279
(301) 948-4910

CERTIFICATE OF SERVICE

William L. Phillips, attorney for one of the Cooperating Labor Organizations, hereby certifies that the foregoing document was served by hand delivery this June 14, 2002 upon William C. Sippel, Esq., Fletcher & Sippel LLC, 180 North Stetson Avenue #3125, Chicago, IL 60601.

A handwritten signature in black ink, appearing to read "William L. Phillips", is written over a horizontal line.

SURFACE TRANSPORTATION BOARD

Finance Docket No. 34177

**IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-ACQUISITION AND OPERATION EXEMPTION-
LINES OF I&M RAIL LINK, LLC**

**REQUEST FOR PRODUCTION OF DOCUMENTS FROM
DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION**

Pursuant to 49 C.F.R. §§1114.21, 1114.30 and 1121.2, Cooperating Labor Organizations ("CLO") requests that Dakota, Minnesota & Eastern Railroad Corporation ("DM&E") respond to the following Requests for Production of Documents and produce the following documents for inspection and copying at Chicago, IL within fifteen (15) days of service hereof. In responding to this Request, the following definitions and instructions shall apply:

DEFINITIONS AND INSTRUCTIONS

A. Definitions:

1. The term "communication," as used herein, means any written or oral transmission of fact, information or opinion, including any utterance, notation or statement of any nature whatsoever, including, but not limited to, documents as defined immediately below.

2. As used herein, "document" or "documents" includes, without limitation, any writing or record of any type or description within DM&E' possession, custody, or control, or in the possession, custody, or control of any partner, predecessor or successor in interest, or present or former officer, employee, agent, representative, or attorney of DM&E, or known to DM&E wherever

located, whether printed, recorded, filmed or reproduced by any other mechanical or electrical process, or written or produced by hand, and whether or not claimed to be privileged against discovery on any ground, and whether a draft or final version, or an original master or copy, including any nonidentical copy, whether difference from the original because of any alterations, notes, comments or other material contained thereon or attached thereto, including, without limitation, the following items: agreements; contracts; communications, including intercompany and intracompany communications; interunion and intraunion communications; correspondence, letters, cablegrams, radiograms, teletypes, telefax, telegrams, or electronic mail; notes; memoranda; agenda; summaries; minutes; records of telephone conversations, meetings and conferences, including lists of persons attending or participating in such conversations, meetings or conferences; summaries and records of personal conversations or interviews; offers; opinions and reports of counsel; books; manuals; publications; diaries; laboratory and engineering reports and notebooks; statistics; charts; graphs; plans; specifications; sketches and/or drawings; photographs, whether still or motion; computer tapes, disks or printouts; reports and summaries of investigations; studies; statements, opinions and reports of consultings; sales records, purchase orders and invoices; receipts; checks; reports and summaries of negotiations; brochures; pamphlets, catalogs and catalog sheets; advertisements; bulletins; circulars; trade letters; press, publicity, trade and product releases; newspapers or magazine reports or articles; drafts of original or preliminary notes in, marginal comments appearing on, any documents or prospectuses; other reports or records; graphic or manual records or representations of any kind, such as, but not limited to, microfiche, microfilm, or videotape records; electronic, mechanical, electric records or representations of any kind, such as, but not limited to, tapes, cassettes, disks, and

recordings; and any other retrievable data, whether encoded, taped, coded electrostatically, electromagnetically, or otherwise, whether in human readable form or otherwise.

3. As used herein, "person" or "persons" means any natural person, or any legal entity, including, but not limited to, any corporation, firm, partnership, union, proprietorship, trust, association, incorporated or unincorporated organization or group of persons or entities.

4. As used herein, "DM&E" means the Dakota, Minnesota & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

5. As used herein, "Holdings" means Cedar American Rail Holdings, Inc., and any other wholly-owned subsidiary thereof.

6. As used herein, "IC&E" means the Iowa, Chicago & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

7. As used herein, "IMRL" means the I&M Rail Link LLC, and any other wholly-owned subsidiary thereof.

8. As used herein, "relating to" means documents the contents of which embody, describe, refer to, comment upon, corroborate, question, support, contradict, constitute, or otherwise contain information about the matter under inquiry.

9. The word "and," and the word "or," as used herein, shall where the context permits be construed to mean "and/or."

B. Instructions:

1. These requests shall be deemed to be continuing to the extent permitted by 49 C.F.R. §1114.30.

2. Each request must be answered with DM&E's entire knowledge. Each request for documents seeks production of all documents described herein and any attachments thereto, in your possession, custody, or control or in the possession, custody or control of any of your agents, representatives and attorneys, and all documents and any attachments which you or any of your agents, representatives and attorneys have the legal right to obtain or have the ability to obtain from sources under their control. If any request has subparts, then supply the material requested in each part separately and in full, and do not limit your response to the request as a whole.

3. Each request for a document contemplates production of the document in its entirety, without abbreviation or expurgation.

4. If any document request cannot be complied with in full, it shall be complied with to the extent possible with an explanation as to why full compliance is not possible.

5. Each request for documents seeks production of all documents described, including all drafts and nonidentical copies.

6. If it is claimed that any document sought by this request is either privileged or proprietary, DM&E shall indicate which specific document(s) enjoy such privileged or proprietary status and, pursuant to a Protective Order issued by the Surface Transportation Board, may restrict production of said documents only to individuals who have executed an undertaking agreeing to be bound by the limitations of said Protective Order.

7. In the event that any document called for by this request has been destroyed or discarded or otherwise disposed of, that document is to be identified as completely as possible, including, without limitation, the following information;

- (i) Identify each and every author of the document;

- (ii) Identify each and every preparer of the document;
- (iii) Identify each and every addressee of the document;
- (iv) Identify each and every person who received the document;
- (v) State the date of the document;
- (vi) State the subject matter of the document;
- (vii) State the reason for disposal of the document;
- (viii) Identify each and every person who authorized disposal of the document; and
- (ix) Identify each and every person who disposed of the document.

8. In producing the documents requested herein, indicate the specific request (paragraph and subparagraph) in response to which each document or group of documents is being produced.

DOCUMENTS TO BE PRODUCED

1. All documents relating to IC&E's purchase of railroad or other assets from IMRL including, but not limited to, the asset purchase agreement between IC&E and IMRL and any other related agreements.

2. All documents relating to the financing of IC&E's purchase of railroad and other assets from IMRL including, but not limited to, commercial loan agreements, letters of credit, collateral agreements, etc.

3. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by IMRL prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

4. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by IC&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

5. All documents relating to the issue of whether IC&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by DM&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

6. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by Holdings prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

7. All documents relating to the issue of whether Holdings is or will be financially and/or legally responsible for debts and/or other liabilities incurred by DM&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

8. All documents relating to plans for operating IC&E following the transaction in question including, but not limited to, documents outlining the role to be played by DM&E in IC&E's business or internal operations.

9. All documents relating to IC&E's business plan for operating the lines and assets acquired from IMRL.

10. All documents relating to DM&E's business plan including, but not limited to, documents relating to plans to coordinate, interchange, consolidate, cooperate, or otherwise operate DM&E's rail operations in conjunction with those to be acquired by IC&E.

11. All documents relating to DM&E's anticipated arrangements for interchanging rail traffic with IC&E including, but not limited to documents relating to the location, frequency and carload number of such interchanging.

12. All communications between DM&E, on the one hand, and any shipper, shipper group, Farmers Union, or Farm Bureau, on the other hand, relating to DM&E's solicitations of support for the transaction for which IC&E is seeking an acquisition and operation exemption.

13. All documents identified in response to Interrogatory No. 4 directed to DM&E.

14. All documents relating to how IC&E's operation of the present IMRL will reshape the competitive dynamics for grain and other commodities currently shipped by DM&E and IMRL.

15. All documents relating to how IC&E's operation of the present IMRL will provide new market access for DM&E's grain and other rail shippers.

16. All documents relating to how IC&E's operation of the present IMRL will give DM&E new railroad connections.

17. All documents relating to how IC&E's operation of the present IMRL will position DM&E to offer greatly enhanced service to its existing customers and/or provide new marketing opportunities for future customers.

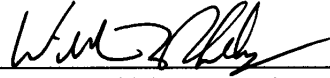
18. All documents relating to how IC&E's operation of the present IMRL will help DM&E ensure competitive options for the new traffic generated by the Powder River Basin project.

19. All documents relating to effects of the transaction upon the existing IMRL labor force and/or relating to policies DM&E intends to implement to address these effects.

20. All documents relating to DM&E's rules or practices for internal corporate governance.

Respectfully submitted,

COOPERATING LABOR ORGANIZATIONS



William L. Phillips, General Counsel
BROTHERHOOD OF RAILROAD
SIGNALMEN

601 West Golf Road
P.O. Box U
Mount Prospect, Illinois 60056
(847) 439-3732

Michael S. Wolly, Esq.
*For the International Brotherhood of
Electrical Workers*
ZWERDLING, PAUL, LEIBIG, KAHN &
WOLLY

1025 Connecticut Avenue, N.W.
Suite 712
Washington, DC 20036
(202) 857-5000

David L. Neigus, Esq.
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS

9000 Machinists Place
Upper Marlboro, Maryland 20772
(301) 967-4510

Donald F. Griffin, Assistant General Counsel
BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYES

10 G Street, N.E.
Suite 460
Washington, DC 20002
(202) 638-2135

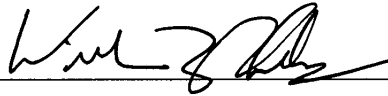
Harold A. Ross, Esq.
*For the Brotherhood of Locomotive
Engineers*
ROSS & KRAUSHAAR CO., L.P.A.
1370 Ontario Street
Suite 1548
Cleveland, Ohio 44113
(216) 861-1313

and

Mitchell M. Kraus, General Counsel
TRANSPORTATION-COMMUNICATIONS
INTERNATIONAL UNION
3 Research Place
Rockville, Maryland 20850-3279
(301) 948-4910

CERTIFICATE OF SERVICE

William L. Phillips, attorney for one of the Cooperating Labor Organizations, hereby certifies that the foregoing document was served by hand delivery this June 14, 2002 upon William C. Sippel, Esq., Fletcher & Sippel LLC, 180 North Stetson Avenue #3125, Chicago, IL 60601.

A handwritten signature in black ink, appearing to read "William L. Phillips", is written over a horizontal line.

SURFACE TRANSPORTATION BOARD

Finance Docket No. 34177

**IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-ACQUISITION AND OPERATION EXEMPTION-
LINES OF I&M RAIL LINK, LLC**

**INTERROGATORIES
TO CEDAR AMERICAN RAIL HOLDINGS, INC.**

Pursuant to 49 C.F.R. §§1114.21, 1114.26, and 1121.2, Cooperating Labor Organizations ("CLO") directs the following interrogatories to Cedar American Rail Holdings, Inc. ("Holdings"). Holdings' verified answers are to be served upon CLO no later than 15 days after the service hereof.

INSTRUCTIONS AND DEFINITIONS

1. To the extent that you answer any interrogatory by exercising the option to produce business records under 49 C.F.R. § 1114.26(b), segregate and identify such business records according to the interrogatory to which the records are responsive.
2. In answering each interrogatory, identify by date, sender, recipient, location and custodian, each document relied upon or which forms a basis for the answer given or which corroborates the answer given or the substance of what is given in answer to these interrogatories.
3. In answering each interrogatory, state whether the information furnished is within the personal knowledge of the person answering and, if not, the name, if known, of each person to whom the information is a matter of personal knowledge.

4. In answering each interrogatory, identify each person who assisted or participated in preparing and/or supplying any of the information given in answer to or relied upon in preparing answers to these interrogatories.

5. As used herein, Holdings means Cedar American Rail Holdings, Inc., and any other wholly-owned subsidiary thereof.

6. As used herein, IC&E means the Iowa, Chicago & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

7. As used herein, DM&E means the Dakota, Minnesota & Eastern Railroad Corporation, and any other wholly-owned subsidiary thereof.

8. As used herein, IMRL means the I&M Rail Link LLC, and any other wholly-owned subsidiary thereof.

9. As used herein, the term "communication" means the transmittal of information in the form of facts, ideas, inquiries or otherwise.

10. As used herein, the term "document" or "documents" means any written, recorded or graphic matter, whether produced, reproduced, or stored on paper, cards, tapes, film, electronic, facsimile, computer storage devices, or any other media. The term includes, but is not limited to, originals, copies (with or without notes or changes thereon), and drafts. The term includes but is not limited to: papers, books, letters, photographs, objects, tangible things, correspondence, telegrams, cables, telex messages, telecopies, faxes, memoranda, newsletters, notes, notations, work papers, transcripts, minutes, reports and recordings or telephone or other conversations, reports and recordings of interviews, reports and recordings of conferences, reports and recordings of other meetings, affidavits, statements, speeches, summaries, opinions, reports, studies, analyses,

evaluations, contracts, journals, statistical records, desk calendars, appointment books, diaries, phone logs, lists, tabulations, summaries, sound records, computer printouts, data processing input and output, microfilm, all other records kept by electronic, photographic, or mechanical means, and anything similar to any of the foregoing, however denominated.

11. "Identify" when referring to a person means to give, to the extent known, the person's full name, present or last known address, and when referring to a natural person, additionally, the present or last known place of employment. Once a person has been identified in accordance with this paragraph, only the name of that person need be listed in response to subsequent discovery requesting identification of that person.

12. "Identify" when referring to documents means to give, to the extent known, the (i) type of document; (ii) general subject matter; (iii) date of the document; and (iv) author(s), addressee(s) and recipient(s).

13. As used herein, the term "person" means any natural person or any business, legal or governmental entity or association.

14. As used herein, the term "concerning" means relating to, referring to, describing, evidencing or constituting.

15. Please specify the paragraph and subparagraph of those interrogatories pursuant to which each answer is provided and each document is produced.

16. In responding to each paragraph of these interrogatories, please state the name and position of each person who assisted in preparing the response.

17. If any document is withheld on the ground that it is privileged or otherwise not discoverable,

- (1) identify the document; and
- (2) state the basis for the claim that the document is privileged or otherwise not discoverable.

18. These interrogatories are continuing in nature and responses should be supplemented promptly as more information or documents responsive to a request become available.

19. The following rules of construction apply to all discovery requests:

- (a) "All/Each" shall be construed as all and each;
- (b) "And/Or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope; and
- (c) The use of the singular form of any word includes the plural and vice versa.

INTERROGATORIES

1. For all/each class of Holdings' corporate stock, identify (a) the number of shares authorized, (b) all/each holder of such class of stock by name, address and other affiliation, if any, to Holdings, IC&E, DM&E and/or IMRL and (c) the number of shares held by all/each holder.

2. Identify all/each member of Holdings' corporate board of directors.

3. Identify all/each of Holdings' corporate officers including, but not limited to, all executive, operations and/or financial officers.

Respectfully submitted,

COOPERATING LABOR ORGANIZATIONS



William L. Phillips, General Counsel
BROTHERHOOD OF RAILROAD
SIGNALMEN
601 West Golf Road
P.O. Box U
Mount Prospect, Illinois 60056
(847) 439-3732

Michael S. Wolly, Esq.
*For the International Brotherhood of
Electrical Workers*
ZWERDLING, PAUL, LEIBIG, KAHN &
WOLLY
1025 Connecticut Avenue, N.W.
Suite 712
Washington, DC 20036
(202) 857-5000

David L. Neigus, Esq.
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS
9000 Machinists Place
Upper Marlboro, Maryland 20772
(301) 967-4510

Donald F. Griffin, Assistant General Counsel
BROTHERHOOD OF MAINTENANCE
OF WAY EMPLOYES
10 G Street, N.E.
Suite 460
Washington, DC 20002
(202) 638-2135

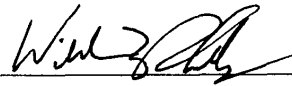
Harold A. Ross, Esq.
*For the Brotherhood of Locomotive
Engineers*
ROSS & KRAUSHAAR CO., L.P.A.
1370 Ontario Street
Suite 1548
Cleveland, Ohio 44113
(216) 861-1313

and

Mitchell M. Kraus, General Counsel
TRANSPORTATION•COMMUNICATIONS
INTERNATIONAL UNION
3 Research Place
Rockville, Maryland 20850-3279
(301) 948-4910

CERTIFICATE OF SERVICE

William L. Phillips, attorney for one of the Cooperating Labor Organizations, hereby certifies that the foregoing document was served by hand delivery this June ___, 2002 upon William C. Sippel, Esq., Fletcher & Sippel LLC, 180 North Stetson Avenue #3125, Chicago, IL 60601.



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34177

**IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-- ACQUISITION AND OPERATION EXEMPTION --
LINES OF I&M RAIL LINK, LLC**

**RESPONSES OF IOWA, CHICAGO & EASTERN RAILROAD
CORPORATION TO INTERROGATORIES AND DOCUMENT
REQUESTS OF COOPERATING LABOR ORGANIZATIONS**

William C. Sippel
Ronald A. Lane
Thomas J. Litwiler
Fletcher & Sippel LLC
Two Prudential Plaza, Suite 3125
180 North Stetson Avenue
Chicago, Illinois 60601-6721
(312) 540-0500

**ATTORNEYS FOR IOWA, CHICAGO &
EASTERN RAILROAD CORPORATION**

Dated: July 2, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34177

IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
-- ACQUISITION AND OPERATION EXEMPTION --
LINES OF I&M RAIL LINK, LLC

**RESPONSES OF IOWA, CHICAGO & EASTERN RAILROAD
CORPORATION TO INTERROGATORIES AND DOCUMENT
REQUESTS OF COOPERATING LABOR ORGANIZATIONS**

Iowa, Chicago & Eastern Railroad Corporation ("IC&E") hereby submits these responses to Interrogatories and Document Requests propounded collectively by the Brotherhood of Locomotive Engineers, Brotherhood of Maintenance of Way Employees, Brotherhood of Railroad Signalmen, International Association of Machinists, International Brotherhood of Electrical Workers and Transportation-Communications International Union, collectively referred to as the Cooperating Labor Organizations ("CLO").

GENERAL OBJECTIONS

The following general objections are made with respect to all of the interrogatories and document requests (hereinafter referred to as "discovery requests"). Additional specific objections are stated in response to individual discovery requests.

1. IC&E objects to CLO's discovery requests collectively and individually as seeking information that is neither relevant to the Notice of Exemption pending before the Board in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. On June 7, 2002, IC&E filed a Notice of Exemption herein to acquire and operate the rail assets of I&M Rail Link, LLC ("IMRL"), and indicated that Dakota, Minnesota & Eastern Railroad

Corporation ("DM&E") and Cedar American Rail Holdings, Inc. ("Holdings") intended shortly to file an application in a proceeding to be docketed as Finance Docket No. 34178, Dakota, Minnesota & Eastern Railroad Corporation and Cedar American Rail Holdings, Inc. -- Control -- Iowa, Chicago & Eastern Railroad Corporation seeking authority for the common control of DM&E and IC&E. CLO has filed a petition for stay and a petition to revoke the acquisition exemption. It has not filed any opposition to the common control of DM&E and IC&E, because no application has yet been filed. Accordingly, there is no issue currently before the Board concerning the common control of DM&E and IC&E. Moreover, Board regulations concerning common control applications will require DM&E and Holdings to provide specified information concerning the proposed common control, and DM&E and Holdings are expected to comply fully with those requirements. Accordingly, discovery concerning common control issues is premature and immaterial to the acquisition and operation exemption issues now before the Board.

2. IC&E objects to CLO's discovery requests collectively and individually to the extent those discovery requests seek information that is neither relevant to the issues raised by CLO in its Petition to Stay or its Petition to Revoke Exemption pending before the Board in this proceeding, nor reasonably calculated to lead to the discovery of admissible evidence.

3. IC&E objects to CLO's discovery requests to the extent those discovery requests seek confidential or proprietary information or documents.

4. IC&E objects to CLO's discovery requests collectively and individually to the extent that COL requests information that is subject to the attorney-client privilege, the attorney work product doctrine or any other legal privilege.

INTERROGATORIES

Subject to and without waiver of the General Objections set forth above, IC&E responds individually to the interrogatories propounded by CLO to IC&E as follows:

1. For all/each class of IC&E's corporate stock, identify (a) the number of shares authorized, (b) all/each holder of such class of stock by name, address and other affiliation, if any to Holdings, IC&E, DM&E and/or IMRL and (c) the number of shares held by all/each holder.

ANSWER:

10,000 shares of IC&E Common Stock are authorized and 1,000 shares are issued and outstanding. All 1000 shares issued and outstanding are held by Holdings, 140 North Phillips Avenue, P.O. Box 1260, Sioux Falls, South Dakota 57104. All 1000 issued and outstanding shares of IC&E Common Stock are expected to be deposited into a voting trust pursuant to a proposed Voting Trust Agreement with Bankers Trust Company, N.A. of Des Moines, Iowa immediately prior to closing of IC&E's acquisition of the IMRL rail assets.

2. Identify all/each member of IC&E's corporate board of directors.

ANSWER:

Kevin V. Schieffer

Matthew J. Taylor

Joseph Chulick, Jr.

All current directors of IC&E are expected to resign upon deposit of the Common Stock of IC&E into a voting trust as described in the response to Interrogatory No.1.

3. Identify all/each of IC&E's corporate officers including, but not limited to, all executive, operations and/or financial officers.

ANSWER:

Upon closing of IC&E's acquisition of the IMRL rail assets, IC&E's officers are expected to include:

Robert O. Brownell, President

John C. Brooks, Chief Marketing Officer

Richard Awe, Chief Operating Officer

Keith Beckel, Chief Transportation Officer

Clyde Mittleider, Superintendent-North

Greg Maass, Superintendent-South

Steven O. Scharnweber, Vice President, Engineering

Dean Halloway, Director of Maintenance

Mark Culver, Manager of Signals

Steve Schneider, Manager of Structures

Daniel L. Goodwin, Chief Mechanical Officer

Mark Hailey, General Superintendent Mechanical

Others to be named

4. Identify with specificity the "anti-competitive agreements," referred to in the Press Release dated February 21, 2002 titled, "Minnesota, South Dakota Agriculture Organizations Support DM&E/IMRL Acquisition," that said Press Release states have prevented DM&E and IMRL from interchanging traffic at Owatonna, MN.

ANSWER:

IC&E objects to the extent that the press release was issued by third parties not affiliated with IC&E. Without waiver of objection, IC&E believes the agreements referred to in the press release are the Overhead Trackage Rights Agreement, dated September 3, 1986, between Dakota, Minnesota & Eastern Railroad Corporation and Chicago and North Western Transportation Company and the Lease of Track Agreement, dated September 3, 1986, between

Dakota, Minnesota & Eastern Railroad Corporation and Chicago and North Western Transportation Company. IC&E by this response does not characterize the legal effect of these agreements.

5. Describe with specificity the basis for the claim in the "Agriculture Organizations" Press Release that the "anti-competitive" agreements "will become moot after the acquisition, allowing new market access for South Dakota and Minnesota farmers."

ANSWER:

IC&E objects to the extent that the press release was issued by third parties not affiliated with IC&E. Further, this request is premature, irrelevant and not calculated to lead to admissible evidence in connection with any issues raised by CLO in this acquisition and operation proceeding. See General Objections 1 and 2

6. Describe with specificity the basis for the claim in the Press Release dated February 21, 2002 titled, "Railroad Acquisition; New Market Access, Major Rail Gateways" that "the resulting railroad network will significantly reshape the competitive dynamics for grain and other commodities currently shipped by DM&E and IMRL."

ANSWER:

Objection. This request is premature, irrelevant and not calculated to lead to admissible evidence in connection with any issues raised by CLO in this acquisition and operation proceeding. See General Objections 1 and 2.

7. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This combination will provide important new market access for our grain and other rail shippers."

ANSWER:

Objection. See response to Interrogatory No.6.

8. Identify each railroad IC&E will interchange with and the location of each interchange point.

ANSWER:

Upon completion of the acquisition of the IMRL rail assets, IC&E expects interchanges to include:

The Belt Railway Company of Chicago: Cragin Junction/Clearing, Illinois

The Burlington Northern and Santa Fe Railway Company: Ottumwa and Bettendorf, Iowa; Kansas City, Missouri

Cedar River Railroad Company: Lyle, Minnesota

Chicago, Central & Pacific Railroad Company: Charles City and Dubuque, Iowa

Chillicothe-Brunswick Railway Maintenance Authority: Chillicothe, Missouri

Elgin, Joliet & Eastern Railway Company: Spaulding, Illinois

Illinois RailNet, Inc.: Davis Junction, Illinois

Indiana Harbor Belt Railroad Company: Franklin Park/Blue Island, Illinois

Iowa Interstate Railroad Ltd.: Davenport, Iowa

Iowa Northern Railway Company: Nora Springs and Plymouth, Iowa

Iowa Traction Railroad Company: Mason City, Iowa

The Kansas City Southern Railway Company: Kansas City, Missouri

Minnesota Commercial Railway Company: Minneapolis/St. Paul, Minnesota

Norfolk Southern Railway Company: Birmingham, Missouri

Soo Line Railroad Company, d/b/a Canadian Pacific Railway: St. Paul and River Jct., Minnesota; Bensenville, Illinois

Union Pacific Railroad Company: Janesville, Wisconsin; Clinton, Iowa; Kansas City, Missouri

Wisconsin & Southern Railway Company: Janesville, Wisconsin

Indirect interchange will also be available to numerous carriers in the Chicago terminal area through BRC, IHB, EJ&E and CP. IC&E objects to the extent that this

interrogatory seeks information concerning the common control of IC&E and DM&E. See General Objection Nos. 1 and 2.

9. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This combination . . . will give DM&E new connections to every major railroad in the United States."

ANSWER:

See answer to Interrogatory No. 6.

10. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This acquisition positions us to offer greatly enhanced services to our existing customers, and provide new marketing opportunities for future customers."

ANSWER:

See answer to Interrogatory No. 6.

11. Describe with specificity the basis for Mr. Schieffer's claim in the "Railroad Acquisition" Press Release that "This acquisition . . . will help ensure competitive options for the new traffic generated by [the Powder River Basin] project."

ANSWER:

See answer to Interrogatory No. 6.

12. With respect to Mr. Schieffer's statement in his Memorandum dated February 21, 2002 to IMRL employees that "Because of the strength of the business plan and synergies resulting from linking up two lines (and based on positive and detailed advance discussions in the [financial]community) we do not anticipate financing problems:"

- a. Identify the "business plan" Mr. Schieffer was referring to;
- b. Identify the "synergies" Mr. Schieffer was referring to;
- c. Identify the time, place, participants and subject matter of the "positive and detailed discussions in the [financial] community" Mr. Schieffer was referring to.

ANSWER:

IC&E objects to the extent that this interrogatory seeks information concerning the common control of IC&E and DM&E, See General Objection No. 1, and seeks information that is not relevant to nor calculated to lead to the discovery of admissible evidence regarding any issue raised by CLO in this acquisition and operation proceeding. Without waiver of objection, IC&E further responds:

- a. The business plan for the operation by IC&E of IMRL rail assets following acquisition and for the subsequent coordinated marketing and operating of IC&E and DM&E after the anticipated approval of common control of those railroads.
- b. The synergies resulting from the coordinated marketing and operating of IC&E and DM&E after the anticipated approval of common control of those railroads.
- c. Objection. The interrogatory misquotes the memorandum. This interrogatory is overbroad and burdensome, and is not calculated to lead to admissible evidence. Mr. Schieffer conducted many discussions in the financial community, too numerous and over too extended a time period to attempt to recreate at this time. Recreating such discussions and providing the requested information, even to the extent possible, would not lead to any evidence relevant to any issue in this proceeding. Without waiver of objection, see response to Request for Documents No.2.

DOCUMENT REQUESTS

Subject to and without waiver of the General Objections set forth above, IC&E responds individually to the document requests propounded by CLO to IC&E as follows:

Protocol for Inspection of Documents

No protective order has been entered in this case. CLO has requested production of numerous confidential and proprietary documents. To the extent set forth individually below, IC&E is willing to allow inspection of certain documents as described below in the offices of its counsel, Fletcher & Sippel LLC, Two Prudential Plaza, Suite 3125, 180 North Stetson Avenue, Chicago, Illinois 60601 at mutually agreeable times during normal business hours. Only attorneys and outside consultants for CLO will be permitted to examine the documents. No copies may be made or taken from the premises. Dollar amounts, shipper specific information and marketing strategies will be redacted. All individuals seeking such access will be required to execute confidentiality agreement in the format attached hereto.

1. All documents relating to IC&E's purchase of railroad or other assets from IMRL including, but not limited to, the asset purchase agreement between IMRL and any other related agreements.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. It seeks irrelevant information and is not calculated to lead to admissible evidence. Without waiver of objection, the Asset Purchase Agreement will be made available for inspection at the offices of IC&E's counsel in accordance with the protocol set forth above.

2. All documents relating to the financing of IC&E's purchase of railroad and other assets from IMRL including, but not limited to, commercial loan agreements, letters of credit, collateral agreements, etc.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. It seeks irrelevant information and is not calculated to lead to admissible evidence. Without waiver of

objection, the loan agreement and related documents will be made available for inspection at the offices of IC&E's counsel in accordance with the protocol set forth above, at such time as such agreements and related documents are finalized and executed.

3. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by IMRL prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. It seeks irrelevant information and is not calculated to lead to admissible evidence. See General Objection No. 1. Without waiver of objection, no such documents currently exist and the loan agreement and related documents will be made available for inspection at the offices of IC&E's counsel in accordance with the protocol set forth above, at such time as such agreements and related documents are finalized and executed.

4. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by IC&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. See response to Request for Production No. 3.

5. All documents relating to the issue of whether IC&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by DM&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. See response to Request for Production No. 3.

6. All documents relating to the issue of whether DM&E is or will be financially and/or legally responsible for debts and/or other liabilities incurred by Holdings prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. This request seeks documents concerning the relationship between non-parties to this proceeding and seeks information which is not relevant to, nor calculated to lead to the discovery of admissible evidence concerning any issue raised by CLO in this acquisition and operation proceeding..

7. All documents relating to the issue of whether Holdings is or will be financially and/or legally responsible for debts and/or other liabilities incurred by DM&E prior to or following consummation of the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. See response to Request for Production No. 6.

8. All documents relating to plans for operating IC&E following the transaction in question including, but not limited to, documents outlining the role to be played by DM&E in IC&E's business or internal operations.

RESPONSE:

Objection. This request is vague, overbroad and unduly burdensome. To the extent that this Request seeks documents relating to operations following the common control of IC&E and DM&E, this request seeks documents that are not relevant to, nor which are calculated to lead to admissible evidence concerning any issue raised by CLO in this acquisition and operation proceeding. See General Objection Nos. 1 and 2. With respect to the operation by IC&E of IMRL rail assets, see response to Request for Production No. 9.

9. All documents relating to IC&E's business plan for operating the lines and assets acquired from IMRL.

RESPONSE:

Objection. This request is vague, overbroad and unduly burdensome. To the extent that this Request seeks documents relating to operations following the common control of IC&E and DM&E, this request seeks documents that are not relevant to, nor which are calculated to lead to admissible evidence concerning any issue raised by CLO in this acquisition and operation proceeding. See General Objection Nos. 1 and 2. With respect to the operation by IC&E of IMRL rail assets, without waiver of objection, IC&E's operating plan and pro forma financials will be made available at the office of IC&E's counsel in accordance with the protocol set forth above.

10. All documents relating to IC&E's business plan including, but not limited to, documents relating to plans to coordinate, interchange, consolidate, cooperate, or otherwise operate IC&E's rail operations in conjunction with of [sic] DM&E.

RESPONSE:

Objection. See response to Request for Documents No. 9.

11. All documents relating to IC&E's anticipated arrangements for interchanging rail traffic with DM&E, including but not limited to, documents relating to the location, frequency and carload number of such interchanging.

RESPONSE:

Objection. See General Objection No. 1.

12. All communications between IC&E, on the one hand, and any shipper, shipper group, Farmers Union, or Farm Bureau, on the other hand, relating to IC&E's solicitations of support for the transaction for which IC&E is seeking an acquisition and operation exemption.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. This request does not seek information relevant to any issue raised by CLO in this proceeding and is not

calculated to lead to the discovery of evidence admissible in this proceeding. See General Objection No. 2. This request seeks information that is confidential and proprietary, and legally privileged. See General Objection Nos. 3 and 4.

13. All documents identified in response to Interrogatory No. 4 directed to IC&E.

RESPONSE:

Objection. This request does not seek relevant information concerning any issue raised by CLO in this acquisition and operation exemption and is not calculated to lead to the discovery of admissible evidence in this proceeding. See General Objection Nos. 1 and 2. Without waiver of objection, the documents identified in response to Interrogatory No.4 will be made available at the office of IC&E's counsel in accordance with the protocol set forth above.

14. All documents relating to how IC&E's operation of the present IMRL will reshape the competitive dynamics for grain and other commodities currently shipped by IC&E and IMRL.

RESPONSE:

None.

15. All documents relating to how IC&E's operation of the present IMRL will provide new market access for IMRL's grain and other rail shippers.

RESPONSE:

None.

16. All documents relating to how IC&E's operation of the present IMRL will create new railroad connections.

RESPONSE:

None.

17. All documents relating to how IC&E's operation of the present IMRL will affect service to IMRL's existing customers and/or provide new marketing opportunities for future customers.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. It does not seek evidence relevant to any issue raised by CLO in this acquisition and operation proceeding, and is not calculated to lead to the discovery of admissible evidence. Without waiver of objection, the Verified Statement of Robert O. Brownell, attached as Exhibit 2 to IC&E's Reply to Petitions for Stay, describes how IC&E's operation of the IMRL rail assets will entail lower operating costs and improved service for local shippers than current IMRL operation. The Verified Statement of Daniel R. Sabin, attached as Exhibit 5-D to IC&E's Reply to Petitions for Stay describes short-haul grain opportunities that IC&E expects to address in cooperation with Iowa Northern Railway Company. Without waiver of objection, supporting documentation will be made available for inspection at the offices of IC&E's counsel in accordance with the protocol set forth above.

18. All documents relating to how IC&E's operation of the present IMRL will help DM&E ensure competitive options for the new traffic generated by the Powder River Basin project.

RESPONSE:

With respect to periods prior to the anticipated approval of common control, there are no documents responsive to this request. With respect to periods following the anticipated approval of common control, IC&E objects on the basis that the request is premature and does not seek information that is relevant to, and is not calculated to lead to admissible evidence concerning, any issue raised by CLO in this acquisition and operation proceeding. See General Objection 1.

19. All documents identified in response to Interrogatory No. 12(a) directed to IC&E.

RESPONSE:

Objection. See answer to Interrogatory 12 and General Objection No. 1. The requested information is proprietary and confidential and no need has been demonstrated for its production. The operating plan and business plan for the commonly controlled DM&E and IC&E will be reflected in the application for common control authority and are not yet available. With respect to the operation by IC&E of IMRL rail assets, IC&E's operating plan and pro forma financials will be made available at the office of IC&E's counsel in accordance with the protocol set forth above.

20. All documents relating to effects of the transaction upon the existing IMRL labor force and/or relating to policies IC&E intends to implement to address these effects.

RESPONSE:

Objection. This request is overbroad, vague and unduly burdensome. Without waiver of objection, IC&E states that it has no study or analysis of the impact of the acquisition and operation exemption on IMRL employees, and has no policies to address such effects. Without waiver of objection, IC&E is willing to produce otherwise discoverable documents concerning the hiring and the anticipated working conditions of future IC&E employees, if such documents are identified with sufficient specificity to locate and obtain. Also, see the "60-day notice" to employees served February 22, 2002 by IC&E on CLO and others, and the Verified Statement of Robert O. Brownell, attached as Exhibit 2 to IC&E's Reply to Petitions for Stay.

21. All documents relating to IC&E's rules or practices for internal corporate governance.

RESPONSE:

Objection. This request is overbroad and vague and unduly burdensome. Without waiver of objection, the proposed Voting Trust Agreement with Bankers Trust Company, N.A. of Des Moines Iowa, and IC&E's charter and bylaws are available for inspection at the offices of IC&E's counsel in accordance with the protocol set forth above.

INTERROGATORIES TO DM&E AND HOLDINGS

Subject to and without waiver of the General Objections set forth above, IC&E responds individually to the interrogatories propounded by CLO to DM&E and to Holdings as follows:

Iowa, Chicago & Eastern Railroad Corporation ("IC&E") hereby submits this response to Interrogatories directed to Dakota, Minnesota & Eastern Railroad Corporation ("DM&E") and to Cedar American Rail Holdings, Inc. ("Holdings") by the CLO. These Interrogatories were served on counsel for IC&E, but this counsel has not appeared on behalf of DM&E or Holdings because those entities are not parties to this proceeding. Consequently the following constitutes the response of IC&E, and does not constitute an appearance by or on behalf of DM&E or Holdings in this proceeding.

1 IC&E objects to CLO's attempt to seek discovery from DM&E and Holdings because neither is a party to the instant proceeding.

2. IC&E objects to CLO's interrogatories to DM&E and Holdings because they do not seek relevant information nor are calculated to discover admissible evidence concerning any issue raised by CLO in the instant proceeding. See General Objections 1 and 2.

3. IC&E objects to CLO's interrogatories to DM&E and Holdings because the interrogatories are cumulative to interrogatories posed to and answered by IC&E.

Respectfully submitted,

By: _____
William C. Sippel
Ronald A. Lane
Thomas J. Litwiler
Fletcher & Sippel LLC
Two Prudential Plaza, Suite 3125
180 North Stetson Avenue
Chicago, Illinois 60601-6721
(312) 540-0500

**ATTORNEYS FOR IOWA, CHICAGO &
EASTERN RAILROAD CORPORATION**

Dated: July 2, 2002

Before the
SURFACE TRANSPORTATION BOARD
Washington, D.C. 20423

FINANCE DOCKET NO. 34177

IOWA, CHICAGO & EASTERN RAILROAD CORPORATION
--ACQUISITION AND OPERATION EXEMPTION--
LINES OF I&M RAIL LINK, LLC

CONFIDENTIALITY AGREEMENT

Iowa, Chicago & Eastern Railroad Corporation ("IC&E") and Brotherhood of Locomotive Engineers, Brotherhood of Maintenance of Way Employes, Brotherhood of Railroad Signalmen, International Association of Machinists, International Brotherhood of Electrical Workers and Transportation-Communications International Union, collectively referred to as the Cooperating Labor Organizations ("CLO") hereby agree as follows:

1. For purposes of this Confidentiality Agreement, "Confidential Information" means financial and proprietary data, including income statements, balance sheets, personal financial statements, and the names of customers and potential customers, provided by IC&E. to counsel of record for CLO.

2. To the extent that any Confidential Information is produced in discovery, contained in a pleading, or otherwise divulged to any party to this proceeding, such materials shall be treated as confidential. Such materials, any copies, and any data derived from them:

(a) Shall be used solely for purposes of this proceeding and any court litigation arising therefrom, and not for any other purpose, including, but not limited to, any business, commercial or other competitive purposes;

(b) Shall not be disclosed in any way or to any person without a prior order of the Surface Transportation Board (the "Board") or of the presiding Administrative Law Judge authorizing such disclosure; provided, however, that materials containing Confidential Information may be disclosed to counsel only of the party requesting such material, or to experts who are retained by such counsel and who are not employees of any party to this proceeding. Such disclosure shall be solely for use in connection with this proceeding or related court litigation, provided that such counsel or expert has been given and has read a copy of this

Confidentiality Agreement and has executed an Undertaking (attached hereto as Attachment 1) agreeing to be bound by its terms prior to receiving access to such materials;

(c) Shall, if so produced, be destroyed, and notice of such destruction served on the Board, the presiding Administrative Law Judge and the party producing the materials, at such time as the party or person receiving the materials withdraws from this proceeding or at the completion of this proceeding and any related court litigation, whichever occurs first; and

(d) Shall, if contained in any pleading filed with the Board, be filed in compliance with the procedure set forth at 49 C.F.R. § 1104.14.

3. To the extent that materials reflecting the financial status of IC&E, and/or terms of shipper contracts, shipper-specific traffic data, other traffic data, or other confidential or proprietary information are produced by a party in this proceeding and held and used by the receiving person in compliance with Paragraph 2 above, such production, disclosure and use of the materials, and of the data that the materials contain, are deemed essential for the disposition of this proceeding and shall not be deemed a violation of 49 U.S.C. § 11904.

4. All parties shall comply with the provisions stated in this Confidentiality Agreement unless good cause, as determined by the Board, is shown by any party to warrant suspension of any of the provisions hereof. Any party and/or any individual who breaches this Agreement shall be liable for any damages that may be suffered as a result of the use or disclosure of any confidential information in violation of the Confidentiality Agreement. The parties agree that the disclosure of confidential information supplied hereunder would cause irreparable harm to IC&E.

5. The signatories represent and warrant that they are authorized to execute this agreement, and that by so doing this agreement is fully binding upon and enforceable against their principals.

Brotherhood of Locomotive Engineers

Brotherhood of Maintenance of Way Employees

Brotherhood of Railroad Signalmen

International Association of Machinists

International Brotherhood of Electrical Workers

Transportation-Communications International Union

By: _____
Attorney for Cooperating Labor Organizations
Date: _____

Iowa, Chicago and Eastern Railroad Corporation

By: _____

Its Attorney

Date: _____

UNDERTAKING

I, _____, have read the foregoing Confidentiality Agreement related to the proceeding in Surface Transportation Board Finance Docket No. 34177, understand the same, and agree to be bound by its terms. I agree not to use any document obtained under this Confidentiality Agreement and stamped "CONFIDENTIAL," or any data or information derived therefrom, for any purpose not related to participation in Finance Docket No. 34177, or any appeals or related proceedings taken or filed in connection therewith (the "Proceedings"), or to use any techniques disclosed or information learned as a result of receiving this data or information for any purpose not related to the participation of CLO in the Proceedings. I recognize that unauthorized disclosure of documents governed by the Confidentiality Agreement may cause serious harm to IC&E, and that I may be held personally liable for any damages that they may suffer as a result of my use or disclosure of any confidential information in violation of the Confidentiality Agreement.

Dated: July ___, 2002

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of July, 2002, a copy of the foregoing
**Responses of Iowa, Chicago & Eastern Railroad Corporation to Interrogatories and
Document Requests of Cooperating Labor Organizations** was served by electronic mail and
first-class mail, postage prepaid, upon:

William L. Phillips, Esq.
General Counsel
Brotherhood of Railroad Signalmen
601 West Golf Road, Box U
Mount Prospect, IL 60056

and by first-class mail, postage prepaid, upon:

Michael S. Wolly, Esq.
Zwerdling, Paul, Leibig, Kahn & Wolly, P.C.
1025 Connecticut Avenue, N.W.
Suite 712
Washington, DC 20036-5420

David Neigus, Esq.
International Association of Machinists
9000 Machinists Place
Upper Marlboro, MD 20772

Donald Griffin, Esq.
Assistant General Counsel
Brotherhood of Maintenance of Way Employees
10 G Street, N.E., Suite 460
Washington, DC 20002

Harold A. Ross, Esq.
Ross & Kraushaar
1548 Standard Building
1370 Ontario Street
Cleveland, OH 44113-1702

Mitchell Kraus, Esq.
General Counsel
Transportation Communications International Union
3 Research Place
Rockville, MD 20850

Thomas J. Litwiler