

ORIGINAL
DME-3

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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34178



DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION
AND CEDAR AMERICAN RAIL HOLDINGS, INC.

-- CONTROL --

IOWA, CHICAGO & EASTERN RAILROAD CORPORATION

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Public Record

**PETITION FOR ESTABLISHMENT
OF PROCEDURAL SCHEDULE**

David L. Knudson
Scott B. Anderson
Davenport, Evans, Hurwitz
& Smith, L.L.P.
206 West 14th Street
Sioux Falls, South Dakota 57104
(605) 336-2880

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

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

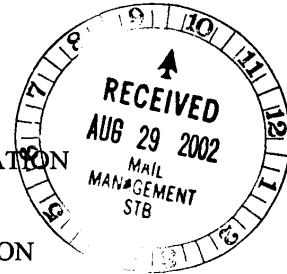
**ATTORNEYS FOR
DAKOTA, MINNESOTA & EASTERN
RAILROAD CORPORATION AND CEDAR
AMERICAN RAIL HOLDINGS, INC.**

Dated: August 28, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34178

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION
AND CEDAR AMERICAN RAIL HOLDINGS, INC.
-- CONTROL --
IOWA, CHICAGO & EASTERN RAILROAD CORPORATION



**PETITION FOR ESTABLISHMENT
OF PROCEDURAL SCHEDULE**

Dakota, Minnesota & Eastern Railroad Corporation ("DM&E"), Cedar American Rail Holdings, Inc. ("Holdings") and Iowa, Chicago & Eastern Railroad Corporation ("IC&E") (collectively, "Applicants") have filed concurrently herewith an Application (DME-2) in the above-captioned proceeding seeking authority under 49 U.S.C. §§ 11323-11325 for DM&E to control IC&E through the ownership of the stock of Holdings, IC&E's parent. The stock of IC&E is currently held in a voting trust pending Board action on the Application. Applicants hereby request that the Board adopt the procedural schedule outlined in the Appendix hereto to govern disposition of this proceeding.

As Applicants have explained in their Application, the control proposal which is the subject of this proceeding constitutes a "minor" transaction under the Board's regulations and clearly will not have any anticompetitive effects. See 49 C.F.R. § 1180.2(b)(1). Applicants believe that their proposed procedural schedule accurately reflects the minor nature and limited effects of the proposed transaction while providing a fair opportunity for hearing of issues in the unlikely event any party raises concerns with respect to the transaction.

Applicants desire to consummate this transaction as soon after the first of the year as possible. The procedural schedule proposed by Applicants provides for issuance of a final Board decision by January 3, 2003 with an effective date of January 15, 2003. This is approximately fifty days faster than the maximum time allowed for minor transactions under 49 U.S.C. § 11325(d) and is consistent with the schedule established for other similar end-to-end minor transactions. See Illinois Central Corporation and Illinois Central Railroad Company -- Control -- CCP Holdings, Inc., Chicago, Central & Pacific Railroad Company and Cedar River Railroad Company, Finance Docket No. 32858 (STB served March 1, 1996); see also Kansas City Southern Industries, Inc., KCS Transportation Company, and the Kansas City Southern Railway Company -- Control -- Gateway Western Railway Company and Gateway Eastern Railway Company, Finance Docket No. 33311 (STB served February 13, 1997) ("KCS/GWWR"). Applicants' schedule preserves the full statutory time periods for: 1) Board acceptance of the Application pursuant to 49 U.S.C. § 11323(a); 2) the submission of comments by interested parties, including the Attorney General and Secretary of Transportation of the United States, pursuant to 49 U.S.C. § 11323(d)(1); and 3) the issuance of a final Board decision after conclusion of any evidentiary proceedings. Applicants propose that the related terminal trackage rights application be handled concurrently on the same schedule.

Applicants believe that, given the limited and end-to-end nature of the proposed control transaction, there will be no reasonable need for further evidentiary proceedings after the initial comment period. The one-month comment period allowed by Applicants' schedule will be more than sufficient to accommodate any party which desires to submit comments, evidence or argument in response to the control application or the related terminal trackage rights application.

Finally, the proposed procedural schedule provides for the Board's approval of the transaction to be effective twelve days after issuance of the Board's decision. This is an end-to-end acquisition that does not involve parallel lines and does not involve a merger, and the transaction will have no anticompetitive effects. As set forth in the Application, shippers will benefit from better equipment utilization, improved car supply resulting from access to the larger car fleet of the combined system, improved track maintenance, and new opportunities for single line service. There appears to be no benefit to be gained by delaying the effective date of the decision and, in fact, such delay would be to the detriment of the shippers who will not realize the benefits of the transaction until the effective date. This request for expedited assumption of control is consistent with the Board's practice in similar end-to-end transactions of shortening the 30-day period between issuance of the decision and its effective date. See KCS/GWWR (decision effective 4 days after service). See also Burlington Northern Santa Fe Corporation, BNSF Acquisition Corp. and Burlington Northern Railroad Company - Control - Washington Central Railroad Company, Finance Docket No. 32974 (STB served October 25, 1996) (decision effective 5 days after service).

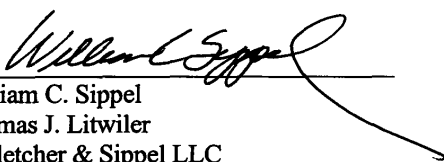
WHEREFORE, Applicants respectfully request that the Board adopt the procedural schedule contained in the Appendix hereto to govern disposition of this proceeding.

Respectfully submitted,

David L. Knudson
Scott B. Anderson
Davenport, Evans, Hurwitz &
Smith, L.L.P.
206 West 14th Street
Sioux Falls, South Dakota 57104
(605) 336-2880

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

Dated: August 28, 2002

By: 
William C. Sippel
Thomas J. Litwiler
Fletcher & Sippel LLC
Two Prudential Plaza, Suite 3125
180 North Stetson Avenue
Chicago, Illinois 60601-6721
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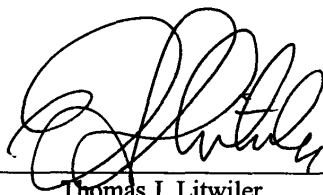
APPENDIX

Proposed Procedural Schedule

August 29, 2002	Application Filed (F)
September 30, 2002	Application Accepted (F+32)
October 30, 2002	Comments of All Parties Due (F+62)
November 19, 2002	Applicants' Reply Due (F+82)
January 3, 2003	Board Decision Issued (F+127)
January 15, 2003	Board Decision Effective Date (F+139)

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of August, 2002, a copy of the foregoing **Petition for Establishment of Procedural Schedule (DME-3)** was served by first class mail, postage prepaid, upon all parties also served with the Railroad Control Application (DME-2) in Finance Docket No. 34178.

A handwritten signature in black ink, appearing to read "T. Litwiler", is written over a horizontal line.

Thomas J. Litwiler