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September 24, 2002

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VIA FEDERAL EXPRESS

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

Re: **Finance Docket No. 34178**
Dakota, Minnesota & Eastern Railroad Corporation
and Cedar American Rail Holdings, Inc. -- Control --
Iowa, Chicago & Eastern Railroad Corporation



DME-4

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SEP 24 2002
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Public Record

Dear Secretary Williams:

We are in receipt of the response, designated DOT-1, of the United States Department of Transportation ("DOT") to the procedural schedule proposed herein by Dakota, Minnesota & Eastern Railroad Corporation, Cedar American Rail Holdings, Inc. and Iowa, Chicago & Eastern Railroad Corporation (collectively, "Applicants"). DOT seeks twenty (20) extra days, after the filing of comments by all other parties, to submit its own comments on the control transaction proposed by Applicants.

We note that, under 49 U.S.C. § 11325(b)(1), DOT is provided an additional fifteen (15) days after the general comment date in "major" merger proceedings to file the agency's comments. The statute provides no additional time for DOT's comments in "significant" or "minor" proceedings. Applicants do not object to the Board allowing an additional period for DOT to comment on this minor transaction, but do not believe that the twenty days which DOT has requested -- more than DOT receives under the statute for even a major transaction -- is necessary. Applicants would propose that DOT be granted an additional ten (10) days, to November 12, 2002, to submit any comments it may have. Applicants' reply to all comments (including those of DOT) would continue to be due on November 19, 2002. This modification would accommodate DOT's interests while not lengthening the overall procedural schedule initially proposed by the Applicants.

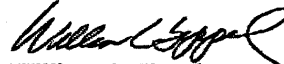
Applicants do object to DOT's suggestion, DOT-1 at 2, n.2, that reply comments could be allowed from all parties. Particularly given that no other party has objected or responded to Applicants' proposed procedural schedule, adding such a step is neither warranted in this proceeding nor consistent with past agency practice.

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Ten copies of this letter are enclosed for filing with the Board. One extra copy also is enclosed, and I would request that you date-stamp that copy to show receipt of this filing and return it to me in the provided envelope. I certify that a copy of this letter has been served by facsimile and first class mail, postage prepaid, on counsel for DOT.

Respectfully submitted,



William C. Sippel
Attorney for Dakota, Minnesota & Eastern
Railroad Corporation and Cedar American
Rail Holdings, Inc.

WCS:tjl

Enclosures

cc: Paul Samuel Smith, Esq.

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FAX COVER LETTER

Date : September 24, 2002
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Office of Proceedings

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Re : Finance Docket No. 34178

Comments :

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