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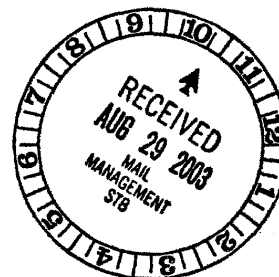
Cedar American
Rail Holdings, Inc.



Kevin V. Schieffer
President & Chief Executive Officer

28 August 2003

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW, Suite 715
Washington,
DC 20423-0001



RE: Finance Docket No. 34342
Kansas City Southern
- Control -
The Kansas City Southern Railway Company,
Gateway Eastern Railway Company,
and the Texas Mexican Railway Company

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Public Record

Dear Secretary Williams:

Enclosed for filing are the original and eleven copies of the "Comments of the Dakota, Minnesota & Eastern Railroad and the Iowa, Chicago & Eastern Railroad" to the Surface Transportation Board in Finance Docket No. 34342, Kansas City Southern - Control - The Kansas City Southern Railway Company, Gateway Eastern Railway Company, and The Texas Mexican Railway Company. Also enclosed are three 3.5 inch diskettes, which include the enclosed filing.

Please feel free to contact me if you have any questions.

Sincerely,

Kevin V. Schieffer
President & Chief Executive Officer

Enclosures

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34342



KANSAS CITY SOUTHERN
-- CONTROL --
THE KANSAS CITY SOUTHERN RAILWAY COMPANY,
GATEWAY EASTERN RAILWAY COMPANY,
and
THE TEXAS MEXICAN RAILWAY COMPANY

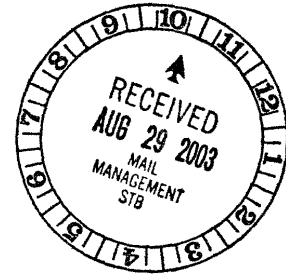
CEDAR AMERICAN RAILHOLDINGS, INC.
DAKOTA, MINNESOTA & EASTERN RAILROAD
and
IOWA, CHICAGO & EASTERN RAILROAD

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Public Record

Kevin V. Schieffer
President & Chief Executive Officer
Cedar American Rail Holdings, Incorporated
Dakota, Minnesota & eastern Railroad Corporation
Iowa, Chicago & Eastern Railroad Corporation
140 No. Phillips Avenue
Sioux Falls, SD 57104
TEL: (605) 782-1200
FAX: (605) 782-1213

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34342



KANSAS CITY SOUTHERN
-- CONTROL --
THE KANSAS CITY SOUTHERN RAILWAY COMPANY,
GATEWAY EASTERN RAILWAY COMPANY,

and

THE TEXAS MEXICAN RAILWAY COMPANY

Cedar American Rail Holdings, Inc. ("CAR"), Dakota, Minnesota & Eastern Railroad Corporation ("DM&E") and Iowa, Chicago & Eastern Railroad Corporation ("IC&E") as a combined system interchange significant traffic with the Kansas City Southern Railway Company ("KCS"). Historically, the IC&E (and I&M Rail Link before us) has interchanged significant traffic with KCS. Since the STB granted common control for DM&E and IC&E, that traffic base has grown from the enhanced marketing opportunities that transaction brought for our customers. One of the markets we are able to reach extends into Mexico via Tex Mex railroad. Additionally, we are working with KCS to extend our market reach to other regional and shortline railroads as well as new customers. KCS' common control of the combined system as requested in its pending case could materially benefit our joint marketing and operating efforts, further improving our ability to provide expanded, competitive service to our respective customers.

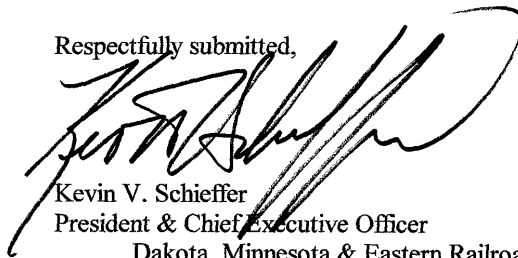
DM&E, IC&E and CAR wish to express our support for KCS' request for common control, and urge the Board to grant the approval requested pursuant to the above-referenced case. To underscore our belief in the overall policy benefits in this case, the Board may be interested to know that we have not requested or discussed any "deals" with KCS in return for support. Our support is based on our common sense belief that common control with Tex Mex and single line access into the Mexican market would significantly facilitate a growth pattern that already has started because of new options for our shippers. The extended reach also provides additional access opportunities to other roads and marketing opportunities. We simply believe that the combination resulting from this case will enable us to improve upon the strong base we already have developed to jointly market and operate these railroads to the mutual benefits of each road and our respective customers.

As stated in our own recent common control application, we have worked hard to establish and develop a solid working relationship with the KCS. It has been approximately 6 months since the STB granted common control in our case and one year since the acquisition. Since common control we have found and successfully developed new market opportunities that neither of us enjoyed prior to common control, and could not have developed without common control. We believe there is opportunity to do more in the above referenced case is successful. Common control in our case has worked to the mutual benefit of the railroads involved and our respective customers, and we see continued opportunities to do even more in the event KCS is successful in extending its reach through the present case.

This statement contemplates a stand-alone, independent KCS. Like the KCS, we feel that a financially strong, independent connection is critical. In the event this case should at some point involve other railroads, we would of course reserve the right to ensure that the marketing and operating benefits for our customers would be protected.

Thank you for your consideration of these comments.

Respectfully submitted,

A large, stylized handwritten signature in black ink, likely belonging to Kevin V. Schieffer, is positioned over the typed name and title.

Kevin V. Schieffer
President & Chief Executive Officer

Dakota, Minnesota & Eastern Railroad Corporation
Iowa, Chicago & Eastern Railroad Corporation
Cedar American Rail Holdings, Incorporated

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28 August 2003