

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2875

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

MYLES L. TOBIN
(312) 252-1502
mtobin@fletcher-sippel.com

January 12, 2005

VIA ELECTRONIC FILING

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

Re: **Finance Docket No. 34645**
The Burlington Northern and Santa Fe Railway Company –
Acquisition and Operation Exemption –State of South Dakota

Dear Secretary Williams:

Attached for filing in the above-captioned proceeding please find a copy of correspondence from Governor Michael Rounds to Chairman Roger Nober, dated January 10, 2005.

If you have any questions regarding this filing, please feel free to contact me.
Thank you for your assistance on this matter.

Respectfully submitted,



Myles L. Tobin

MLT: arw

Enclosures

cc: Adrian L. Steel, Jr., Esq.



STATE OF SOUTH DAKOTA
M. MICHAEL ROUNDS, GOVERNOR

January 10, 2005

Chairman Roger Nober
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20006

Re: Finance Docket No. 34645
The Burlington Northern and Santa Fe Railway Company –
Acquisition and Operation Exemption – State of South Dakota

Dear Chairman Nober:

The Surface Transportation Board (Board) is currently considering whether to stay the Notice of Exemption filed by The Burlington Northern and Santa Fe Railway Company for acquisition of the State's Core Lines in the above-referenced proceeding. I strongly urge the Board to stay the Notice of Exemption until such time as the Board carefully considers and rules upon the Petition for Partial Revocation of the Exemption which we will file within the next 14-21 days.

Because we will address further in our forthcoming petition to partially revoke, BNSF's proposed acquisition of approximately 370 miles of main line tracks owned by the state will have a dramatic and lasting effect on the people, farms, and businesses throughout South Dakota and on the national and international movement of grain from the state. Partial revocation of BNSF's exemption to acquire the Core Lines is appropriate and necessary to allow imposition of conditions that will protect the public interest in adequate rail transportation within the state of South Dakota and preserve existing market access options for South Dakota shippers.

The rail infrastructure in South Dakota is unique. When the major railroads abandoned our state, we stepped in and bought and rehabilitated hundreds of miles of rail lines throughout South Dakota and into Iowa. We have committed well over \$150 million to these efforts in order to preserve market access for our shippers and communities.

Now that these state-owned rail lines have returned to profitability, the BNSF desires to acquire approximately 50 percent of the state's rail lines for absorption into the BNSF rail system. This acquisition, without adequate conditions to preserve the existing market access options available in the current rail system, will undermine the rail transportation infrastructure and services that we have worked so carefully to preserve and improve.

The public interest of the state of South Dakota, its people, its economy, and the markets we service, will be irreparably damaged if the Board allows utilization of a perfunctory 7-day Notice of Exemption procedure for an acquisition of this magnitude that will have such profound consequences. The Board must carefully evaluate the conditions that are necessary to this significant acquisition in order to maintain the state's rail infrastructure, an infrastructure paid for by the state. A vital first step in this evaluation is a stay of the effectiveness of the Notice for a reasonable, though limited, period of time, enabling us to file, and the Board to review and act upon our revocation petition setting forth those conditions to the acquisition that will preserve existing market options for South Dakota.

Issues of this magnitude warrant real consideration—consideration that can only be achieved by imposing a reasonable stay. I thank the Board in advance for its careful consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Michael Rounds", written in a cursive style.

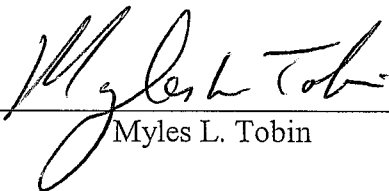
M. Michael Rounds

MMR:ls

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of January, 2005, a copy of the foregoing
Correspondence from Governor Michael Rounds to Chairman Roger Nober was served via
electronic mail and first-class mail upon:

Adrian L. Steel, Jr., Esq.
Robert M. Jenkins, Esq.
Mayer, Brown, Rowe & Maw LLP
1909 K Street, N.W.
Washington, DC 20006-1101



Myles L. Tobin