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October 26, 2007

VIA E-FILING

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: STB Finance Docket No. 35081
Canadian Pacific Railway Company, et al. – Control – Dakota, Minnesota &
Eastern Railroad Corp., et al.

Dear Secretary Williams:

Iowa Northern Railway Company hereby files, via e-filing, its Comments Of Iowa Northern Railway Company On The Proposed Procedural Schedule (IANR-1) in the above captioned matter. IANR-1 is being filed in both a Public Version and a Confidential Version. The Public Version is being served on all parties of record. The Confidential Version contains information from the Board's Waybill Sample and is being served only on the Board and those parties who have signed the appropriate Protective Order as set forth in the Board's decision issued on September 21, 2007 in this proceeding. If there are any questions concerning this e-filing, please contact me by telephone at (202) 663-7823 or by e-mail at wmullins@bakerandmiller.com.

Sincerely,



William A. Mullins

Enclosures

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET. NO. 35081

CANADIAN PACIFIC RAILWAY COMPANY, ET AL.

- CONTROL -

DAKOTA, MINNESOTA & EASTERN RAILROAD CORP., ET AL.

**COMMENTS OF IOWA NORTHERN RAILWAY COMPANY
ON PROPOSED PROCEDURAL SCHEDULE**

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**Attorneys for Iowa Northern Railway
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Dated: October 26, 2007

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET. NO. 35081

**CANADIAN PACIFIC RAILWAY COMPANY, ET AL.
– CONTROL –
DAKOTA, MINNESOTA & EASTERN RAILROAD CORP., ET AL.**

INTRODUCTION AND BRIEF SUMMARY OF ARGUMENT

Iowa Northern Railway Company (“IANR”) submits these Comments in response to the procedural schedule for this proceeding proposed on October 5, 2007, by Canadian Pacific Railway Company (“CPR”); Soo Line Holding Company (“SOO”); Dakota, Minnesota & Eastern Railroad Corporation (“DM&E”); and Iowa, Chicago & Eastern Railroad Corporation (“IC&E”) (collectively, “Applicants”).¹ IANR is a class III railroad which operates 163 miles of railroad located within the State of Iowa. IANR is concerned about the possible adverse competitive effects of the proposed transaction upon the transportation of corn, other grains, ethanol, and other agricultural commodities in southern Minnesota and northern Iowa. IANR takes no position on the ultimate merits of the transaction at this time; however, IANR does not believe the application, as presented, establishes a sufficient basis for the Board to conclude that the subject transaction qualifies as a “minor” transaction.²

¹ Although focusing primarily upon Applicants’ proposed procedural schedule, IANR’s comments also address related matters as contained in the application itself (the “Application”), CPR-2/DME-2.

² In the past few days, IANR changed counsel in this proceeding due to a conflict not originally known at the time IANR initially retained counsel. Due to this change, IANR’s new counsel has been given very little time to digest the Application, analyze its impacts, and review prior work done by IANR’s consultant and prior attorney. Having so reviewed this material and the Application, IANR has worked diligently to provide these comments in a timely fashion.

Although Applicants have submitted most of the information required in a “significant” transaction, Applicants have requested that the transaction be categorized as a “minor” transaction under the relevant Board criteria. See 49 CFR. § 1180.2(a), (b) and (c); Railroad Consolidation Procedures – Definition Of Significant Transactions, 9 I.C.C.2d 1198 (1993). Yet, as Applicants themselves must realize (or else why set forth an application that contains most of the information required under the procedures governing significant transactions), the proposed control transaction is not limited in nature or confined to a limited geographic area. Neither have Applicants “clearly” shown that the transaction will not have any anticompetitive effects, or if such effects exist, that any anticompetitive effects will be outweighed by the public interest. Instead, as IANR’s witnesses show herein, the transaction is of regional or national significance as defined at 49 U.S.C. §11325(a)(2), and that Applicants have not clearly shown that the transaction will not have any anticompetitive effects, especially given the very limited nature of the competitive analysis (or lack thereof) submitted in the Application.

ARGUMENT

I. THE LEGAL AND REGULATORY STANDARD FOR DETERMINING WHETHER A TRANSACTION IS SIGNIFICANT OR MINOR

Today’s Section 1180.2(b) states that a transaction is “significant” if it does not involve the control or merger of two or more Class I railroads but is of regional or national transportation significance as that phrase is used in 49 U.S.C. § 11345(a)(2) and (c). As a corollary to this test, the Board will treat a transaction as “not significant” if the transaction clearly will not have any anticompetitive effects, or if there are anticompetitive effects, these

effects will clearly be outweighed by the transaction's anticipated contribution to the public interest in meeting significant transportation needs. See 49 CFR §1180.2(b)(1) and (2).³

Prior to the change brought about by the 1993 rulemaking, a significant transaction was defined as a transaction that "involve[d] at least one class I railroad, acting together with one or more other class I or class II railroads in a major market extension." CPR is a Class I railroad. DM&E and ICE claim to each be Class II carriers. The Application touts the benefits of extending the DM&E/ICE's system into the Class I market and speaks of the new significant market extensions that would be created by the transaction. Clearly, if this Application were filed before the 1993 changes, there would be no question that the transaction qualified as a significant transaction.

Likewise, according to the Application, DME (comprising the combined, *existing* systems of DM&E and IC&E) operates over approximately 2,500 miles of rail lines, and transported roughly 260,000 carloads in 2006 for total revenues of about \$263 million. CPR-2/DME-2 at 2. DM&E, however, also possesses STB authority to construct an additional 282 miles of new track from near the western end of its system to serve coal origins in Wyoming's Powder River Basin ("PRB"). When built, the traffic that this PRB extension would attract to the DME system is estimated to result in added annual revenues of approximately \$300 million to over \$700 million.⁴

³ In Railroad Consolidation Procedures: Definition Of And Requirements Applicable To, "Significant" Transactions, Ex Parte No. 282 (Sub-No. 17) (ICC served Aug. 7, 1992) ("Railroad Consolidation"), the ICC, with two dissenters, proposed to revise the 49 CFR §1180.2(b) "significant transaction" definition and to reduce the required contents of applications for approval for significant transactions. After the comment period, the proposed changes were adopted in Railroad Consolidation (ICC served Nov. 24, 1993) with a different Commission make-up, by a three-to-two vote. The adopted changes constitute today's definitions of "significant" and "minor" transactions as found at Section 1180.2.

⁴ See revised DM&E pro forma income statement included in Dakota, Minnesota & Eastern Railroad Corporation – Construction Into the Powder River Basin, 6 S.T.B. 8, 44 (2002), STB Finance Docket No. 33407 (REVISED TABLE).

The Association of American Railroads (“AAR”) provides that the current line of demarcation between a Class II railroad (which DME purports to be) and a Class I railroad (which CPR certainly is) as \$319.3 million. Were DME’s revenue potential, including the coal traffic it would handle once PRB construction is completed, factored in, it is readily apparent that the DME system easily would qualify as a Class I railroad, even if the current \$319.3 million threshold is further adjusted for inflation. For this reason, it would not at all be far-fetched for the Board to conceive of the proposed transaction as one involving what are in essence two Class I carriers and to proceed with its review of the transaction accordingly as a major transaction.⁵

Notwithstanding the fact that the transaction would automatically qualify as a significant transaction under the pre-1993 standard and the fact that the Board would be fully justified in treating it as a major transaction if the impacts of the PRB project are included, Applicants ask for it to be accepted as a minor transaction. For the reasons stated below, this request should be rejected.

II. APPLICANTS HAVE FAILED TO MEET THE STANDARD FOR TREATMENT AS A MINOR APPLICATION

A. The Transaction Is Of Regional Or National Significance

As noted, today’s standards state that a transaction is a significant transaction if it does not involve the control or merger of two or more class I railroads but is still nonetheless of regional or national transportation significance as that phrase is used in 49 U.S.C. § 11345(a)(2) and (c). Construing facts in a manner favorable to the Applicants, the

⁵ This is further supported by the October 24 filing by BNSF Railway Company (“BNSF”) where BNSF clearly demonstrates that the transaction is integrally related to DM&E’s PRB project and that the Board’s environmental and operational analysis must include the impacts of that project. It would be inconsistent for the Board to accept BNSF’s arguments with respect to the environmental analysis but exclude the PRB project from its analysis of whether the transaction is major, significant, or minor. Accordingly, if BNSF is right, the transaction qualifies as a major transaction.

transaction here may not be seen as involving the control or merger of two Class I carriers. Yet, the second part of the Section 1180.2(b) test says that a transaction is “significant” if it is of regional or national significance. As the Verified Statement of Gerald W. Fauth III (“V.S. Fauth”), attached hereto as Exhibit A, establishes, this transaction is certainly of regional and national significance.

CPR, with its U.S. rail carrier subsidiaries, is a Class I railroad which operates a 13,300 mile rail network in Canada and the U.S. DME is a combination of two (2) Class II carriers, which makes it the largest regional railroad system in the U.S., with operations over a 2,500 miles system in eight (8) states. The Application states that, in 2006, DME transported approximately 260,000 carloads and generated revenues of approximately \$263 million. Since the proposed transaction involves a foreign-owned Class I carrier acquiring the largest regional railroad in the U.S., it obviously has regional and national transportation significance. In fact, DME is significantly larger in size and scope than all the remaining U.S. Class II railroads. This can be seen from the following Table contained within Mr. Fauth’s verified statement:

**V.S FAUTH TABLE 1
COMPARISON OF DME WITH OTHER CLASS II CARRIERS**

<u>ITEM</u>	<u>DME</u>	<u>OTHER CLASS II CARRIERS</u>								
		<u>FEC</u>	<u>PAL</u>	<u>PAR</u>	<u>EJE</u>	<u>WLE</u>	<u>MMA</u>	<u>SAN</u>	<u>IAIS</u>	<u>BPRR</u>
1. Est. 2005 Revenue (Mil.)										
2. Miles Operated	2,503	351	265	1,600	198	840	745	9	623	331
3. States Served	8	1	1	6	2	2	2	1	2	2
4. Class I Connections	7	2	5	4	6	3	2	1	7	4
5. Class I Interchange Points	59	6	6	15	25	21	2	1	20	6
6. Non-Class I Connections	18	4	2	15	11	12	2	0	13	8
7. Non-Class I Interchange Points	26	4	2	22	19	16	2	0	16	10
8. Locomotive Units	200	80	40	108	68	64	32	10	41	58
9. Railroad Cars Owned / Leased	8,358	4,687	1,070	1,758	3,343	2,550	n/a	483	501	456

As Mr. Fauth states, “DME is by far the largest remaining regional Class II railroad, the proposed transaction would obviously have regional transportation significance. The fact that the proposed transaction involves the acquisition of the largest regional Class II railroad by a large foreign-owned Class I carrier should be enough for the Board to determine that the transaction also has national transportation significance.” V.S. Fauth at 25.

In addition to its large size, however, DME is unique among the Class II carriers because, as noted, it has obtained STB approval to construct 280 miles of new line into the PRB. Indeed, as Mr. Fauth notes, the PRB project has been endorsed by the U.S. Department of Agriculture and the Department of Energy for its “national benefits to agriculture producers and energy consumers.” V.S. Fauth at 26. Since DME’s PRB project has national transportation significance and since the instant proceeding will likely have an impact on that

project, it follows that the proposed transaction also has national transportation significance and should be considered as a significant transaction by the Board.

Perhaps recognizing the regional and national transportation significance of the transaction, the Applicants attempt to obscure the issue by pointing to the prior precedent where the Board approved control or merger transaction involving a Class I and Class II as a minor transaction and by requesting similar treatment here. Mr. Fauth analyzes these precedents and details why the prior transactions are insufficiently analogous to support for the Applicant's position. Of particular importance in his discussion of the "CN/WC" transaction approved in Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc. – Control – Wisconsin Central Transportation Corporation, Wisconsin Central Ltd., Fox Valley & Western Ltd., Saulte Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd, 5 S.T.B. 890 (2001) STB Finance Docket No. 34000 ("CN/WC"). Because at first glance the CN/WC transaction appears similar to the instant transaction, Applicants rely upon it heavily. But as Mr. Fauth states, "WC did not have the large regional reach that DME does by serving 8 states. As such, the CN/WC Transaction did not have the regional transportation significance that is associated with the proposed CP/DME Transaction. . . . the proposed CP/DME Transaction has far greater regional and national transportation significance than the previously considered CN/WC Transaction." V.S. Fauth at 30.

In summary, because the proposed transaction involves the acquisition of the largest U.S. regional carrier by a foreign-owned Class I carrier; involves the largest rail construction project in modern history; and is dissimilar from all other Class I/Class II transactions, the transaction obviously has "regional or national transportation significance" and thus qualifies as a significant transaction under 49 CFR § 1180.2(b). As such, the Board cannot accept the Application as a minor transaction.

B. The Competitive Analysis Is Inadequate To Make The Required Finding

Because the transaction is of regional and national significance, it meets the first test for qualifying the transaction as significant and subjecting it to the requisite level of review. But there is a second test the Board looks at to determine whether the transaction is “not significant.” Under that test, and notwithstanding whether a transaction is of regional or national significance,⁶ the Board will treat a transaction as “not significant” if the transaction clearly will not have any anticompetitive effects, or if there are anticompetitive effects, these effects will clearly be outweighed by public interest benefits, or by a need to meet “significant transportation needs.” by the transaction's anticipated contribution to the public interest in meeting significant transportation needs. See 49 CFR § 1180.2(b).

When this test was first proposed, AAR in its comments suggested that the word “clearly” should be stricken. The Board rejected this request. The Board specifically determined to keep the word “clearly” in the revised definition. In Railroad Consolidation, the ICC believed that a transaction should only pass muster (and thus qualify as a minor transaction) under this test if, at the time the application was filed, the ICC could “clearly” make an initial determination that the transaction would not have any anticompetitive effects (or that such effects would be outweighed by the public benefits). As set forth in the Verified

⁶ The Board seems to be of the opinion that if an applicant can meet the second part of the test by establishing that the transaction does not have any anticompetitive effects (or that such effects are outweighed by the public benefits) then such a transaction cannot be of regional or national significance so as to qualify as a significant transaction. “If the transaction is of such a nature that such a determination can clearly be made at that time, the transaction can hardly be of ‘regional or national transportation significance’ as that phrase is used in 49 U.S.C. § 11345 [now §11325].” See Railroad Consolidation, 9 I.C.C. 2d 1198; 1993 ICC LEXIS 240, *4-5 (STB served Nov. 24, 1993). Other than this cursory statement, there is appears to be no other explanation of why a transaction that meets the first test (i.e. it is of regional or national significance) and also meets the second test (i.e. there clearly are no anticompetitive effects) wouldn’t otherwise be treated as “significant” given the wording of 49 CFR 1180.2(b) and 49 U.S.C. §11325(a)(2) and (c).

Statement of Dr. Curtis M. Grimm, attached to this Application (hereinafter “V.S. Grimm”), the proposed transaction cannot meet that test.

As shown, the transaction that Applicants propose is clearly of regional and national significance. But, what is more, Applicants have failed to show that the transaction “clearly” will not have any anticompetitive effects, or, if such anticompetitive harm exists, that such adverse impacts would “clearly” be outweighed by public interest benefits. See 49 CFR §1180.2(b). For these reasons, it is impossible for the Board reasonably to conclude, on the basis of clear, undisputed evidence that the application encompasses a “minor,” rather than a “significant,” transaction. Indeed, given the potential scope of this transaction, as discussed in the preceding section, it is especially critical that the Applicants make a careful and thoroughgoing presentation of competitive impacts. If Applicants’ evidence on this issue is incomplete and/or inconclusive, as IANR will show is the case, then the Board must, at a minimum, deem the proposed transaction a “significant” transaction under the Board’s rules and require Applicants to submit further information (and propose a procedural schedule) in accordance with the applicable statutes and regulations.

Here, Applicants’ evidence on competition is far from complete, as is explained in the attached V.S. Grimm. In past proceedings, parties advancing an application purported to encompass a minor transaction have been exceedingly diligent in proving that the transaction “clearly” would not have anticompetitive impacts. For example, the applicants in CN/WC – until now the largest railroad transaction to be deemed minor – devoted considerable analysis of potential impacts, including the following: (1) “2-to-1” and “3-to-2” locations and corridors;⁷ (2) impacts on short line railroads (again, under the 2-to-1 and 3-to-2 analysis);

⁷ As Grimm observes at V.S. Grimm 43-44, while location competition usually entails an assessment impacts upon shippers within Bureau of Economic Analysis business economic areas (“BEAs”), corridor competition analysis in applications usually focuses upon routes between selected BEAs. See Kansas City Southern – Control – The Kansas City Southern

(3) geographic competition (divided further into separate analyses of source and destination competition); (4) bottlenecks (which is essentially a component of competitive route/corridor analysis); and (5) vertical foreclosure of efficient traffic routings (sometimes referred to as the “open gateways” issue).⁸ V.S. Grimm at 42-43. This standard analysis of competitive impacts is also generally employed by the Board in accepting applications and also later in evaluating the merits for accepting or denying such applications.

Here, the Applicants have not engaged in this sort of thoroughgoing analysis to prove that the transaction clearly would not have anticompetitive impacts, and certainly have not undertaken the level of study that a transaction that is of this size and scope – one that is truly of regional and national significance – warrants. Applicants claim that the proposed transaction “clearly will not have any anticompetitive effects.” CPR-2/DME-2 at 4. But there is not sufficient evidence to prove this. The shortcomings in Applicants’ presentation on this subject are immediately evident. Specifically, Applicants offer one witness – John H. Williams – to testify to the competitive effects of the proposed transaction. Williams purports to assess the impacts of the transaction upon possible 2-to-1 and 3-to-2 shippers, discusses whether any of the 14 short line or regional railroads with which the Applicants connect would become a 2-to-1 carrier as a result of the proposed transaction, and maintains that competition in general would not be harmed because the Applicants’ traffic bases are not competitive with one another.

Railway Company, Gateway Eastern Railway Company, and Texas Mexican Railway Company, STB Finance Docket No. 34342, Application (KCS-3/TM-3), Verified Statement of Curtis M. Grimm at 79 (using a BEA-to-BEA analysis and noting that such an approach follows the methodology employed by the United States Department of Justice in the SF/SP case – Santa Fe Southern Pacific Corp. – Control – SPT Co., 2 I.C.C. 2d 709 (1986), 3 I.C.C. 2d 926 (1987) (“SF/SP”).

⁸ The applicants in KCS/TM engaged in essentially the same detailed analysis.

To begin with, Applicants' assessment of 2-to-1 and 3-to-2 impacts is incomplete or at least predicated upon oversimplified assumptions. For example, while Applicants' witness Williams focuses on individual shippers or stations in assuming the lack of anticompetitive impact, Grimm explains in his attached verified statement that it would be far more appropriate to focus on the BEA in which the apparent 2-to-1 or 3-to-2 point is located.⁹ This is consistent with the view of the Board expressed in its major railroad consolidation rulemaking that shippers "served by a single rail carrier may nevertheless benefit from the indirect competition that results from having another carrier nearby. In this regard, they may have the possibility of constructing (or proposing to construct) a connection to a second carrier, or of transloading freight by truck to a second carrier. They also may benefit from the opportunity to negotiate a long-term contract before choosing to locate a new plant along either of two carriers' lines or to adjust production levels at plants already located along those lines." Major Railroad Consolidation Procedures, 5 S.T.B. 539, ____ (2001), 2001 STB LEXIS 546, *35 (STB served Jun. 11, 2001) ("Major Railroad Consolidation").

Nevertheless, Applicants have identified locations that, according to the Application, could be seen as 2-to-1 or 3-to-2 points where shippers or receivers of carload commodities are present.¹⁰ In some of those cases, such as Galewood and Itasca, IL, the lack of anticompetitive impact is inferred from Williams' conclusion that one or the other of the

⁹ According to the attached V.S. Grimm at 43:

[C]ustomers can gain from such competitive rail options in their location and relocation decisions. Also, with the possibility of truck transloading, railroads may be effective competitors even where they do not both serve the same station. Thus, one cannot reach a conclusion that there are no horizontal competitive effects without a careful and systematic analysis of whether the instant merger eliminates independent rail routings between broader geographic areas, such as counties or BEAs.

¹⁰ IANR also observes that Applicants do not assess whether, near 2-to-1 or 3-to-2 locations, the proposed transaction would eliminate any competitive restraint resulting from build-in or build-out possibilities.

Applicants' does not "compete actively" for rail traffic at that location. V.S. Grimm at 44. While it may be that at some locations one or the other of the Applicants may be viewed as an "inactive" competitor, that railroad has a competitive presence and, quite presumably, a positive indirect impact on rates and services provided by the "active" competitor. In other instances, it appears that Williams infers that the absence of traffic handled by one of the combining carriers at a common point establishes that the inactive carrier cannot, or is unable, to compete.¹¹

This is not a sufficient analysis of the competition provided at that location. As noted above, typical 2-to-1 and 3-to-2 analysis is not restricted to shippers or to stations; the analysis customarily is extended to corridors (between BEAs) where the merging carriers may and/or do operate. See V.S. Grimm at 43-44. Neither the main body of the application nor Williams' supporting verified statement, however, contains any discussion of corridor competition whatsoever. In this regard, Applicants' competitive impacts analysis is incomplete.

Applicants' assessment of impacts on connecting short line and regional carriers is equally incomplete. As noted above, the appropriate analysis should entail a review of so-called 2-to-1 or 3-to-2 short lines. Instead, Applicants here have focused exclusively on whether or not any short line carrier "will become 'captive' to the CPR – DME/ICE system as a result of the proposed transaction," and, under that form of analysis, generally conclude

¹¹ Regarding one possible 3-to-2 point, Newport, MN, for example, Williams states that, "The proposed transaction would eliminate any rail competition between CPR and ICE ..., because none exists today." CPR-2/DME-2, V.S. Williams at 17. Of course, a railroad can have a competitive presence at a given location (and thus can have a beneficial competitive impact) even if it is not able to secure even a single carload of traffic for itself. Moreover, while it may be that, from a strict origin-to-destination perspective, CPR and ICE do not or cannot compete, Williams does not establish that ICE (the dormant carrier) could not compete for traffic from alternative sources or to alternative destinations or does not interchange its traffic with another carrier that does compete against CP at the origin or destination.

that none of the short lines presently connecting with DME/ICE “will be left without non-Applicant competitive routing options following the transaction.” There is, therefore, no discussion or assessment of possible 3-to-2 impacts.

Its other shortcomings notwithstanding, the Application’s assessment of competitive impacts suffers from one glaring flaw – the lack of any meaningful discussion of the transaction’s potential effects on geographic competition.¹² One need not look any further than the fairly recent KCS/TM and CN/WC transactions for illustrations of effective analyses of geographic (source and destination) competition. In the CN/WC proceeding in particular, which involved a transaction comparatively smaller in scope and impact than the one at issue here, the applicant railroads supplied the testimony of two different witnesses to establish clearly the absence there of adverse impact to geographic competition. See CN/WC Application (CN/WC-2), Verified Statement of Richard L. Bottorff (“V.S. Bottorff” – CN/WC-2 at 175, 183-227), and Verified Statement of Christopher A. Vellturo, PhD. (“V.S. Vellturo” –CN/WC-2 at 233-283E). Witnesses Bottorff and Vellturo employed in CN/WC a sophisticated “50/10” analysis (described in V.S. Vellturo, CN/WC-2 at 240-241) to more carefully assess potential competitive impacts of that transaction on certain commodity flows to specific destination BEAs.

Here, there is nothing that remotely compares to the CN/WC analysis of geographic competition, even though the potential scope of the transaction proposed here is much larger. It appears that roughly two pages of Williams’ verified statement¹³ may be devoted to a superficial assessment of such potential impacts. But it is impossible to conclude from

¹² In Major Railroad Consolidation, the Board expressed considerable concern that future rail mergers could result in the reduction of product and geographic competition – impacts that the Board stated could be difficult to remedy. See Major Railroad Consolidation, 2001 STB LEXIS 546, *31.

¹³ CPR-2/DME-2, V.S. Williams, Section III-C at 9-11, “Applicants’ Traffic Bases Are Complimentary, Not Competitive.”

Williams' limited, generic statements about the respective traffic mixes of CPR and DME whether the proposed transaction would or would not threaten adverse impacts to geographic competition. See V.S. Grimm at 44, 46.

Finally, as the attached V.S. Grimm makes clear, the Application's assessment of competitive impacts is entirely devoid of any assessment of the vertical elements of the proposed transaction, and, in particular, any discussion of gateways. To emphasize this point, Grimm points out that the Board's current regulations for major railroad transactions specifically require applicants to provide, "at a minimum," how they would "preserve competitive and market options such as those involving the use of major existing gateways." 49 CFR §1180.1(c)(2)(i). V.S. Grimm at 45. Grimm also notes that vertical effects of mergers is particularly important in the case of short line railroads, but goes on to observe that Applicants fail anywhere to discuss this issue in their assessment of the proposed transaction's possible impacts on smaller railroads. V.S. Grimm at 45.

It would appear that the main premise of the Application is that the proposed transaction entails an essentially end-to-end combination and that, as such, the transaction is so inherently not anticompetitive that detailed proof of no competitive harms is unnecessary. As it is, this is no transaction in which the Applicants or the Board should cut corners in assessing the potential competitive impacts of a transaction that Applicants would have the Board deem "minor" under the Board's rules. But that is precisely what Applicants have done here – cut corners. Because Applicants have given the customary competitive analysis such short shrift, Applicants' competitive impacts evidence is incomplete at best, and the Board must find that Applicants have not made the requisite showing that the transaction "clearly" will not have any anticompetitive effects. And because it is unclear whether or to what extent the proposed transaction may threaten anticompetitive impacts, it is not possible for the Board to determine whether the asserted benefits of the transaction would outweigh

its adverse competitive effects. For these reasons, and those set forth in Section II-A, above, the transaction must be deemed a “significant” transaction at a minimum.

III. THE BOARD SHOULD EITHER REJECT THE APPLICATION AS INCOMPLETE OR REQUIRE IT TO BE SUPPLEMENTED AND ADOPT THE FOLLOWING PROCEDURAL SCHEDULE

IANR requests that the Board adhere to a process that will enable the agency to discharge its statutory mandate effectively. In doing so, the Board should notify Applicants that it deems the subject transaction significant under its rules and either reject it outright or direct Applicants to supplement their Application accordingly pursuant to the procedural schedule set forth below.

The Application could be rejected outright as incomplete. As previously indicated, the Applicants have submitted a hybrid Application which contains certain elements required for significant transactions, including an Exhibit 12 (Market Analyses) and an Exhibit 13 (Operating Plan). They have also stated that they plan to submit a Safety Integration Plan (“SIP”) which is required in major transactions only. As noted, these inclusions show that the Applicants have their own doubts about whether theirs is truly a minor transaction. However, the Applicants have not submitted all of the elements required for a significant transaction,¹⁴ nor have they provides the required pre-notification.¹⁵

¹⁴ Applicant’s Market Analysis and supporting verified statements are incomplete with respect to the required competitive analysis. In addition, these studies were based on studies of data extracted from the Board’s 2005 Waybill Sample. There are many instances in the Application where an individual railroad’s Waybill data was specifically identified. Given the Board’s decision in Simplified Standards For Rail Rate Cases, Ex Parte No. 646 (Sub-No.1) (STB served Nov. 6, 2006), it is unclear whether or not this disclosure of the individual railroad’s Waybill Data is a violation of 49 CFR §1244.9 (b)(4)(iv), which requires evidence to be aggregated to “prevent the identification of an individual railroad.” If it is a violation, substantial portions of the Application should be stricken from the record; compounding the incomplete nature of the Application. If appropriate, IANR may file a motion to strike at later date.

¹⁵ The Board’s rules require a 2-4 month pre-filing notification for significant transactions, which includes a proposed procedural schedule. The first thing filed by the Applicants (CPR-1, DME-1) was a Motion for a Protective Order on September 10, 2007, which was

Requiring the Applicants to supplement their application and basically restart the clock would not impose undue hardship on Applicants because their Application already contains several of the elements of an application for a significant transaction. In that vein, parties and others submitting comments and requesting conditions must be given sufficient time to analyze the supplemented Application and to submit evidence supporting conditions that are appropriate under the statutory and regulatory requirements. Under Applicants' proposed schedule, parties submitting comments and requests for conditions would need to submit such filings by the 83rd day after the filing of the Application. Meeting such a deadline would be difficult and prejudicial to IANR and other interested parties.

Applicants' proposed schedule also provides no specific time for the filing of briefs. IANR suggests that the Board factor in additional time to the Applicants' proposed schedule, after the filing of evidence, to afford the parties time to submit briefs. Additional time for the filing of briefs would also give the staff and the Board additional time to analyze the record prior to the filing of briefs.

Accordingly, if the transaction is deemed to be a significant transaction, IANR urges the Board to adopt the following procedural schedule to accommodate the interests of affected parties and to reflect the true scope of the proposed transaction:

Day -60 (October 5, 2007)	Applicants give notice of intent to file an application ¹⁶
Day -32 (November 2, 2007)	Notice of pre-filing notification published in <u>Federal Register</u>
Day 0 (December 4, 2007)	Application for significant transaction is filed ¹⁷

only 3 weeks before the Application was filed on October 5, 2007 (CPR-2, DME-2). If the proposed transaction is determined to be a significant transaction, the required pre-filing notification was not made and, thus the Application should be viewed as procedurally defective and incomplete.

¹⁶ Applicants' October 5 Application could be deemed such advance notice.

¹⁷ Applicants would be permitted to supplement their October 5 Application as appropriate.

Day 30 (January 3, 2008)	Board accepts or rejects application; notice in <u>Federal Register</u>
Day 90 (March 3, 2008)	Inconsistent applications, applications for inclusion, and comments and requests for conditions due
Day 120 (April 2, 2008)	Replies to inconsistent applications, applications for inclusion and comments/requests for conditions due
Day 146 (April 28, 2008)	Rebuttal in support of inconsistent applications, applications for inclusion and comments and requests for conditions due
Day 176 (May 30, 2008)	Evidentiary record closes – briefs due
Day 270 (August 29, 2008)	Board decision on merits of application, inconsistent applications and applications for inclusion ¹⁸

CONCLUSION

When considered in light of the legal and regulatory standard for determining whether a proposed transaction is either significant or minor, it is clear that the proposed CPR/DME transaction proposed in this proceeding and described in the Application cannot and should not be deemed minor. If it does not entail a major transaction, then certainly it involves a significant transaction. As explained by IANR and its supporting witness, Gerald W. Fauth III, the transaction is definitely of national and regional significance. Moreover, IANR has shown, as supported by Dr. Curtis M. Grimm, that Applicants have not proven that the proposed transaction clearly will not have any anticompetitive effects, or if there are

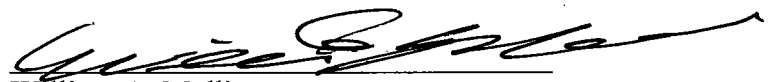
¹⁸ If the Board should decline to treat this transaction as significant under its rules and proceeds on the assumption that the proposed transaction qualifies as minor, then IANR urges the Board at least to extend the procedural schedule to permit interested parties such as itself and the U.S. Department of Justice and U.S. Department of Transportation 75 days from the date of publication of acceptance of the application in the Federal Register (or until January 16, 2008) to file comments, protests, requests for conditions, or other opposition and evidence. In light of such an adjustment, the balance of the procedural schedule proposed by Applicants should be adjusted accordingly.

anticompetitive effects, that these effects will clearly be outweighed by the transaction's anticipated contribution to the public interest in meeting significant transportation needs. (In fact, it cannot establish the latter – the preponderance, on balance, of public benefits – because it cannot first establish clearly whether or to what extent the proposed transaction threatens anticompetitive harms.)

Because IANR has shown that the transaction cannot be deemed minor under the Board's rules, and therefore, at a minimum, must be considered as a significant transaction, IANR has proposed herein a procedural schedule that would accommodate this proceeding in its proper context. In choosing how best to proceed with the Application (or to accept or reject it for that matter), the Board must at the very least adopt a procedural schedule that permits interested parties to develop and adequately present their interests and concerns regarding the proposed transaction and must allow the agency itself adequate time to evaluate the record, impacts of the proposed transaction, and issue a decision on the merits.

Respectfully submitted,

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Attorneys for Iowa Northern Railway
Company

Dated: October 26, 2007

CERTIFICATE OF SERVICE

I have this day served a copy of the foregoing Comments Of Iowa Northern Railway Company upon all other parties of record by depositing a copy in the U.S. mail in a properly addressed envelope with adequate first-class postage thereon prepaid, or by other, more expeditious means.

Dated: October 26, 2007



William A. Mullins

Attorney for Iowa Northern Railway
Company

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35081

CANADIAN PACIFIC RAILWAY COMPANY, ET AL.

- CONTROL -

DAKOTA, MINNESOTA & EASTERN RAILROAD CORP., ET AL.

**VERIFIED STATEMENT
OF
GERALD W. FAUTH III**

EXHIBIT A

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35081

CANADIAN PACIFIC RAILWAY COMPANY, ET AL.

- CONTROL -

DAKOTA, MINNESOTA & EASTERN RAILROAD CORP., ET AL.

**VERIFIED STATEMENT
OF
GERALD W. FAUTH III**

My name is Gerald W. Fauth III. I am President of G. W. Fauth & Associates, Inc., (GWF), an economic consulting firm with offices at 116 South Royal Street, Alexandria, Virginia 22314. A detailed statement describing my background and experience in attached hereto as Appendix GWF-1.

I have been asked by the Iowa Northern Railway Company (IANR) to submit these comments in connection with the Application submitted to the Surface Transportation Board (STB) in the above referenced proceeding on October 5, 2007. In this proceeding, Canadian Pacific Railway Company (CP) is seeking approval by the STB to acquire the Dakota, Minnesota & Eastern Railroad Corporation (DM&E) and its subsidiaries, which include the Iowa, Chicago & Eastern Railroad Corporation (IC&E) (collectively referred to as DME). Specifically, I have been asked to review the Application and prepare these comments concerning whether or not the proposed transaction should qualify as a Significant transaction because it is of regional or national significance as set forth in 49 CFR 1180.2(b).

Under the regulation, a Significant transaction is defined as a transaction not involving the control or merger of two or more class I railroads that is of regional or national transportation significance as that phrase is used in 49 U.S.C. 11325(a)(2) and (c). Section 11325(a) (2) and (c) simply use the phrase “transactions of regional or national transportation significance.” In my professional opinion, the transaction clearly has regional transportation significance. Given that the regulation says regional *or* national, that conclusion should end the inquiry, but the transaction has national implications as well.

CP, with its U.S. rail carrier subsidiaries, is a Class I railroad which operates a 13,300 mile rail network in Canada and the U.S. DME is a combination of two (2) Class II carriers, which makes it the largest regional railroad system in the U.S. with operations over a 2,500 mile system in eight (8) states. Since the proposed transaction involves a foreign-owned Class I carrier acquiring the largest regional railroad in the U.S., it obviously has regional and national transportation significance. DME is significantly larger in size and scope than all the remaining U.S. Class II railroads. Therefore, if this is not a Significant transaction, then there never will be a Significant transaction since all future potential transactions would involve much smaller Class II railroads, which would effectively render the Board’s recently revised merger rules concerning Significant transactions meaningless and irrelevant.

The Applicants effectively recognize that the proposed transaction is basically a significant transaction by submitting a *hybrid* Application which contains certain elements required for Significant transactions, but not all of the elements. The fact that the Application contains certain information required for a Significant transaction should give the Board pause to consider the fact that if the Applicants felt it necessary to submit such information, perhaps the transaction is Significant? As the old saying goes, if it looks like a duck, walks like a duck, and sounds like a duck, it’s a duck!

DME's Regional and National Transportation Significance

DME is the largest regional railroad in the U.S., which is a combination of two (2) of the largest Class II railroads (i.e., DME and ICE) operating over 2,500 miles of railroad lines and serving eight (8) states. The Application states that, in 2006, DME transported approximately 260,000 carloads and generated revenues of approximately \$263 million.¹⁹ DME's current revenues are already near to the STB's Class I standard, which was approximately \$319 million in 2006.

In fact, DME is significantly larger in size and scope than all of the remaining independent Class II carriers. This can be seen from the following comparison:

Table 1

COMPARISON OF DME WITH OTHER CLASS II CARRIERS²⁰

ITEM	DME	OTHER CLASS II CARRIERS								
		FEC	PAL	PAR	EJE	WLE	MMA	SAN	IAIS	BPRR
1. Est. 2005 Revenue (Mil.)										
2. Miles Operated	2,503	351	265	1,600	198	840	745	9	623	331
3. States Served	8	1	1	6	2	2	2	1	2	2
4. Class I Connections	7	2	5	4	6	3	2	1	7	4
5. Class I Interchange Points	59	6	6	15	25	21	2	1	20	6
6. Non-Class I Connections	18	4	2	15	11	12	2	0	13	8
7. Non-Class I Interchange Points	26	4	2	22	19	16	2	0	16	10
8. Locomotive Units	200	80	40	108	68	64	32	10	41	58
9. Railroad Cars Owned / Leased	8,358	4,687	1,070	1,758	3,343	2,550	n/a	483	501	456

¹⁹ Application, page 2

²⁰ Revenue was determined from the STB's 2005 Waybill Sample. Other information was gathered from publicly available sources.

In 2005, the Class II standard was approximately \$25.5 million in annual revenue.²¹ I have determined that there were only ten (10) railroads which met the Board's standards for a Class II in 2005.²² As can be seen, DME is by far the largest remaining Class II carrier in size and scope.

The Applicants cite the recent FEC transaction as being similar in size and scope to the proposed transaction.²³ As can be seen, DME is substantially larger than FEC in size and scope. FEC's 2005 revenues (\$) are more than \$ million less than DME's 2005 revenues of \$ million, which is the equivalent of a Class II railroad. Moreover, FEC operates only 351 miles in one (1) state (i.e. Florida), whereas DME operates over 2,500 miles in 8 states. FEC certainly does not have the regional significance as DME and therefore is not similar in size and scope to DME.

Since DME is by far the largest remaining regional Class II railroad, the proposed transaction would obviously have *regional transportation significance*. The fact that the proposed transaction involves the acquisition of the largest regional Class II railroad by a large foreign-owned Class I carrier should be enough for the Board to determine that the transaction also has *national transportation significance*.

²¹ The Class II standard is annual revenues for a 3 year period from \$20 to \$250 million in 1991 dollars. These levels equate to \$25.5 and \$319.3 million when indexed to 2005

²² Other railroads evaluated include: MRL, NYSW, WSOR, NYA, PW, CIC, TPW, and IHB. The 2005 Waybill Sample indicated that each of these other carriers had revenues which were less than \$25.5 million. The AAR defines a regional railroad as "A non-class I line-haul railroad operating 350 or more miles of road and/or with revenues of at least \$40 million." By this definition, SAN and BPRR would be excluded from the group.

²³ STB Finance Docket No. 35031, Fortress Investment Group LLC – Control – Florida East Coast Railway, LLC, served September 28, 2007.

DME's STB-Approved PRB Project

In addition to its large size, however, DME is unique among the Class II carriers in that it has obtained STB approval to construct 280 miles of new line into the Powder River Basin (PRB) in northeastern Wyoming which will further increase DME's size and scope and enable it to move over 100 million tons of coal to utilities throughout North America. In its decision in STB Finance Docket No. 33407, Dakota, Minnesota & Eastern Railroad Corporation Construction Into the Powder River Basin, served December 10, 1998, the Board estimated that DME would have total revenues of \$362 million by year 3 and have total revenues of \$728 million by year 8, which would provide DME with revenues that far exceed the STB's Class I threshold.²⁴

In this and subsequent decisions, the Board cited the potential transportation benefits associated with the project and its importance to our National Transportation Policy.²⁵ DME indicates that the PRB project has been endorsed by the U.S. Department of Agriculture and the Department of Energy for its "*national benefits* to agriculture producers and energy consumers."²⁶ The Applicants point the importance of the proposed transaction in that it "will enhance the prospects for realizing the opportunity to bring a third rail competitor to the Powder River Basin."²⁷

Since DME's PRB project has national transportation significance and since the instant proceeding will likely have an impact on that project, it follows that the proposed transaction has national transportation significance and should be considered as a Significant

²⁴ See STB decision in FD 33407, served December 10, 1998, Table II, page 42.

²⁵ e.g., *Ibid.* pages 44 and 45 and the comments of Vice Chairman Wayne O. Burkes included in the Board's decision dated January 30, 2002.

²⁶ DME press release titled: Upgrading the Dakota, Minnesota & Eastern Railroad (emphasis added)

²⁷ Application, Schieffer V.S., page 4

transaction by the Board. Indeed, as the October 24, 2007 filing by BNSF Railway Company, shows, the PRB project has significant regional and national environmental impacts that cannot be ignored, confirming the importance of the project.

Other STB-Approved Class I / Class II Transactions

The Applicants point to prior precedents where the Board approved control or merger transactions between Class I's and Class II's as a minor transaction and request similar treatment. It is worth discussing in more specific detail why the prior transactions are not sufficiently analogous so as to provide support for the Applicant's position. Since the STB was established in 1996, there have been only five (5) transactions which involved the acquisition of Class II carriers by Class I carriers. These proceedings are:

STB Approved Class I / Class II Transactions

- ◆ **CN/GLT Transaction** - STB Finance Docket No. 34424, Canadian National Railway Company and Grand Trunk Corporation – Control – Duluth, Missabe and Iron Range Company, Bessemer and Lake Erie Railroad Company and the Pittsburgh & Conneaut Dock Company.
- ◆ **KCS/TM Transaction** - STB Finance Docket No. 34342, Kansas City Southern – Control – The Kansas City Southern Railway Company, Gateway Eastern Railway, and the Texas Mexican Railway Company.
- ◆ **CN/WC Transaction** - STB Finance Docket No. 34000, Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc. --Control--Wisconsin Central Transportation Corporation, Wisconsin Central Ltd., Fox Valley & Western Ltd., Saulte Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd..
- ◆ **KCS/GWWR Transaction** - STB Finance Docket No. 33311, 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
- ◆ **IC/CCP Transaction** - STB Finance Docket No. 32858, Illinois Central Corporation and Illinois Central Railroad Company – Control -- CCP Holdings, Inc., Chicago, Central & Pacific Railroad Company and Cedar River Railroad Company

Each of these proceedings was considered as a Minor transaction by the Board. However, there are significant differences between the characteristics and issues associated with these previous proceedings and the instant proceeding.²⁸

CN/GLT Transaction

In STB Finance Docket No. 34424, Canadian National Railway Company (CN), a Class I railroad via its U.S. subsidiaries, sought and gained STB approval to acquire control of three U.S. railroads controlled by Great Lakes Transportation LLC (GLT): Duluth, Missabe and Iron Range Railway Company (DMIR), Bessemer and Lake Erie Railroad Company (B&LE), and The Pittsburgh & Conneaut Dock Company (P&C Dock) (referred to collectively as the GLT Railroads). The transaction was classified by the Board as a Minor transaction.

The three GLT Railroads (DMIR, B&LE, and P&C Dock) operated an integrated iron ore delivery chain that extends from ore mines in Minnesota to steel plants in Pennsylvania. DMIR was Class II railroad that owned 212 miles of rail line in Minnesota and Wisconsin and primarily carried taconite pellets (a form of processed iron ore) from taconite plants in the Mesabi Range. B&LE was also a Class II railroad operating between North Bessemer, PA (near Pittsburgh, PA), and the port at Conneaut, OH (on Lake Erie) and primarily carried coal, iron ore, and limestone. P&C Dock was a Class III switching railroad with operations for B&LE at three docks at Conneaut, OH.

²⁸ The Applicants cite two (2) other cases which they maintain are similar in scope and size to the proposed transaction, i.e.: Conrail's 1991 acquisition of Monongahela Railway Co. (MGA); and the recently proposed Fortress/FEC transaction. These cases are *not* similar in scope or size. The MGA was a small coal-hauling railroad operating in West Virginia and Pennsylvania. It was also already jointly owned by Conrail. As a result, the CR/MGA Transaction did not have the regional and national significance. Likewise, as previously indicated, FEC is much smaller than DME and its operations are limited to Florida. Moreover, the Fortress/FEC Transaction does not involve a Class I / Class II transaction.

The CN/GLT Transaction was similar to the proposed CP/DME Transaction in that it involved the acquisition by a foreign-owned Class I carrier of two U.S. Class II carriers, but the two Class II carriers involved in the CN/GLT Transaction were very different in size and scope than the two Class II carriers involved in the proposed CP/DME Transaction (i.e., DME and ICE). The CN/GLT Transaction was a \$380 million transaction involving a specialized 382 mile system which did not have regional or national transportation significance. Conversely, the proposed CP/DME Transaction has been valued at \$1.48 billion and involves a large and diverse regional railroad system with over 2,500 miles. As a result, the proposed CP/DME transaction is obviously more significant than the CN/GLT Transaction.

KCS/TM Transaction

In STB Finance Docket No. 34342, Kansas City Southern (KCS), a Class I carrier sought and gained STB approval to acquire the foreign-owned Texas Mexican Railway Company (TM), which was a Class II carrier operating 157 miles between Laredo and Corpus Christi, TX and via trackage rights over 379 miles of UP track between Robstown and Beaumont, TX. This was also classified as a Minor transaction by the STB.

The KCS/TM Transaction was only valued at approximately \$65 million and involved the acquisition by the smallest Class I carrier (i.e., KCS) of a small, foreign-owned Class II carrier (i.e., TM) whereas the proposed transaction involves a foreign-owned Class I and the largest U.S. regional Class II. Since TM's operations were limited to Texas, there was little regional transportation significance associated with this transaction as compared to DME's operations which stretch over 2,500 miles in 8 states. Moreover, KCS had already acquired 49 percent of TM in a previous 1995 transaction, therefore, the proceeding essentially involved a Class I and half of a Class II carrier.

CN/WC Transaction

On September 7, 2001, the Board approved CN's acquisition of Wisconsin Central Transportation Corporation (WC) and its subsidiaries. Like the others, the Board classified it as a Minor transaction. The Applicants cite that the CN/WC Transaction was similar in size and scope to the proposed transaction.

Based on a cursory review and comparison, the CN/WC Transaction would appear similar to the proposed CP/DME transaction. Both transactions involve the acquisition of foreign-owned Class I carriers of a large U.S. Class II carrier. WC was similar in size to DME with 2,464 route miles compared to DME's 2,500 route miles. Moreover, the CN/WC was valued at approximately \$1.2 billion, which is comparable to the estimated \$1.48 billion value associated with the proposed CP/DME Transaction.

However, WC's operations were concentrated and primarily limited to Wisconsin, Minnesota, and Canada. WC did not have the large regional *reach* that DME does by serving 8 states. As such, the CN/WC Transaction did not have the regional transportation significance that is associated with the proposed CP/DME Transaction and is required for a Significant transaction.

Of course, DME also has STB approval to build the PRB line which will increase their revenues by more than tenfold and gives the proposed CP/DME Transaction regional and national transportation significance. The DME's PRB project is one of the largest of its kind in history. WC had no such plans or prospects for growth. WC's management realized that "WC faced a less certain future as an independent regional" railroad. DME, however, has plans and is on track to become the next Class I railroad in the U.S.

As a result, the proposed CP/DME Transaction has far greater regional and national transportation significance than the previously considered CN/WC Transaction.²⁹ The fact that the CN/WC Transaction was a Minor transaction should have no bearing on whether or not the CP/DME Transaction is considered as a Significant transaction. Even if the two transactions were comparable (and they are not), the freight railroad industry has substantially changed in the six (6) years since the CN/WC Transaction. For example, at the time there were two large regional railroads, i.e., DME and WC, now there remains only one and, if this transaction is approved there will be zero.

KCS/GWWR Transaction

The Board accepted the KCS/GWWR Transaction as a Minor transaction in decision served February 13, 1997. GWWR was a Class II rail common carrier operating approximately 461 miles of rail line between East St. Louis, IL, and Kansas City, KS, and branch lines to Springfield, IL, Jacksonville, IL, and Fulton, MO. GWWR also had haulage rights over UP between Springfield and Chicago, IL. Although the KCS/GWWR Transaction was a Class I / Class II transaction, GWWR was small and geographically limited and cannot be compared to the size and scope of DME.

IC/CCP Transaction

CCP had two principal operating subsidiaries - the Chicago Central and Pacific Railroad (CCPR) and the Cedar River Railroad (CRR) - which together comprised a Class II railroad system operating 850 miles of road. CCPR operates from Chicago west to Omaha,

²⁹ I also note that CN and WC had existing haulage rights agreements under which WC worked cooperatively with CN. Therefore, there was less fear that the transaction would result in service disruptions. It should also be noted that the CN/WC Transaction was approved as a Minor transaction *before* the Board issued its final merger rules in Ex Parte No. 582 (Sub-No.1), Major Rail Consolidation Procedures, which placed much greater emphasis on transnational issues.

Nebraska, with connecting lines to Cedar Rapids and Sioux City, Iowa. CRR runs from Waterloo, Iowa north to Albert Lea, Minnesota. Again, this Class I / Class II transaction did not have the regional and national transportation significance associated with the proposed transaction and was properly considered as a Minor transaction.

**CP/DME Transaction Will Be The
Largest Class I / Class II Transaction**

As indicated, the proposed transaction is significantly larger in scope and size and has more regional and national transportation significance than all previously considered Class I / Class II transactions which were considered by the Board as Minor transactions. Moreover, since DME is significantly larger than all the remaining Class II carriers, the proposed transaction is likely to be significantly larger than any potential future Class I / Class II transaction. For these reasons, the proposed CP/DME Transaction would appear to be the idea candidate to be considered as a Significant transaction by the Board.

SUMMARY

A Significant transaction is defined as a transaction not involving the control or merger of two or more class I railroads that is of regional or national transportation significance as that phrase is used in 49 U.S.C. 11325(a)(2) and (c). Because the proposed transaction involves the acquisition of the largest U.S. regional carrier by a foreign-owned Class I carrier; involves the largest rail construction project in modern history that even the Federal Government has recognized has national implications; and is dissimilar from all other previous and potential Class I/Class II transactions, it obviously has “regional or national transportation significance” so as to qualify as a Significant Transaction.

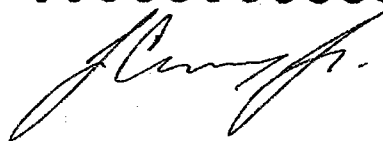
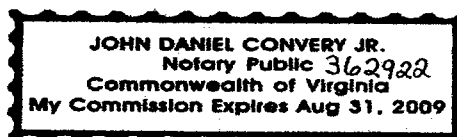
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VERIFICATION

I, Gerald W. Fauth III, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to submit this Verified Statement.

Executed this 26th day of October, 2007.



Gerald W. Fauth III



**STATEMENT
OF
BACKGROUND, QUALIFICATIONS AND EXPERIENCE
OF
GERALD W. FAUTH III**

My name is Gerald W. Fauth III. I am President of G. W. Fauth & Associates, Inc. (GWF), an economic consulting firm with offices at 116 S. Royal Street, Alexandria, Virginia 22314. I have over 25 years experience in the private sector and in the Federal government as a recognized expert on transportation issues.

The majority of experience has involved economic, regulatory, public policy and legislative issues primarily associated with, or related to, the U. S. railroad industry. Most of my work has involved regulatory proceedings and related projects before, or related to, the U.S. Surface Transportation Board (STB) and its predecessor, the Interstate Commerce Commission (ICC). The ICC was eliminated and the STB was established on January 1, 1996. The STB is a decisionally independent, bipartisan, adjudicatory body organizationally housed within the U.S. Department of Transportation (DOT), with jurisdiction over certain surface transportation economic regulatory matters. The Three-Member STB Board adjudicates disputes and regulates interstate surface transportation through various laws pertaining to the different modes of surface transportation.

This statement generally describes my background and experience and provides details concerning my experience in matters concerning railroad mergers, acquisitions, line sales and other railroad transactions. As indicated herein, I have extensive experience in working in regulatory and other proceedings and projects involving railroad transactions. These matters have involved railroad transaction issues on a nation-wide, system-wide and individual railroad line basis.

GWF, and its predecessor company, Williams & Fauth, have been engaged in the transportation consulting business for over 50 years. My part time affiliation with GWF

began in 1972. I began working for GWF on a full-time basis on May 15, 1978 and was employed by GWF continuously until November 1, 1999 at which time I took a leave of absence in order to take a position with the STB. At the STB, I served as Chief of Staff for one of the three Board Members appointed by the President, Vice Chairman Wayne O. Burkes. I returned to GWF and consulting work effective June 23, 2003 after Mr. Burkes resigned his position to run for a political office.

Over the years, I have submitted expert testimony before ICC, STB, state regulatory commissions, courts and arbitration panels on a wide-variety of issues in numerous proceedings. For example, I submitted extensive written and oral testimony in STB Ex Parte No. 646 (Sub-No. 1), Simplified Standards For Rail Rate Cases, on behalf of a major group of stakeholders and my testimony was cited by the Board in its recent decision served September 5, 2007

In addition, I worked for 3½ years at the STB where I reviewed, analyzed and made recommendations on over 600 written formal decisions that were decided by the entire Board. These proceedings involved all matters of STB jurisdiction and had an impact on the transportation industry and the national economy.

Railroad transactions have long been the subject of ICC and STB regulatory proceedings and other matters involving: railroad merger and acquisition approval and oversight proceedings; railroad line abandonment proceedings; line sales; feeder line application proceedings; and other railroad transaction-related proceedings. I have been involved in numerous such proceedings and projects as an expert witness or as an STB staff advisor.

I was an expert witness in the last two major Class I railroad merger proceedings: STB Finance Docket No. 32760, Union Pacific Corporation, et al. – Control and Merger – Southern Pacific Rail Corporation, et al. and STB Finance Docket No. 33388, CSX

Corporation, et al., Norfolk Southern Corporation, et al. – Control and Operating Leases /
Agreements – Conrail, Inc., et al.. My testimony in these major merger proceedings

concerned the potential adverse competitive impact of these mergers on two key areas.

In Finance Docket No. 33388, I presented expert testimony and evidence, including economic evaluations, on the adverse competitive impact of the proposed acquisition of Conrail by NS and CSX on the Buffalo, New York area, which was a major area of contention in that proceeding. The Board imposed several conditions on the merger, including the initiation of a 3-year railroad rate study.

In Finance Docket No. 32760, I submitted expert testimony and evidence, including economic evaluations, concerning the adverse competitive impact of the proposed UP/SP merger on the states of Utah, Colorado and Nevada. This area had one of the largest concentrations of so-called “2-to-1” shippers, i.e., shippers that were served by 2 carriers (UP and SP) and would be served by only 1 carrier (UP) as a result of the merger. The Board imposed conditions that provided access to BNSF, via trackage rights, for those affected 2-to-1 shippers.

Merger and other proceedings before the Board often involve market analyses using the Board’s Waybill Sample, which is a computer database of approximately 600,000 records of sampled railroad movements. I am extremely familiar with this database. Over the years, I have performed hundreds of analyses using this data which has been used as evidence in merger and other proceedings before the Board.

In addition to my testimony in major merger proceedings, I served as an original member of the Conrail Transaction Council, which was established by the Board in Finance Docket No. 33388. This council consisted of representatives of the CSX, NS, and shipper organizations and provided a forum for timely and efficient communication of information and problems. It was asked to report monthly to the Board on specific elements of the

transaction that were the subject of concern, particularly in the areas of information technology, shared assets and customer service. I was one of the original members of the Conrail Transaction Council, representing the U.S. Clay Producers Traffic Association. I attended every meeting of the council until my employment with the Board.

During my time at the Board, I was actively involved in the STB merger oversight proceedings associated with the UP/SP and Conrail transactions. Perhaps the most significant merger-related proceedings that I was involved in during my time at the Board were Ex Parte No. 582, Public Views on Major Rail Consolidations and Ex Parte No. 582 (Sub-No.1), Major Rail Consolidation Procedures. These major rulemaking proceedings involved extensive oral hearings and testimony from hundreds of witnesses. I attended these hearings, listened to the testimony, reviewed written testimony, reviewed draft decisions and advised the Vice Chairman concerning his vote. The Board concluded that its current rules governing railroad mergers and consolidations, which were developed nearly 20 years earlier, were not adequate for addressing the broad concerns expressed and initiated a major rulemaking proceeding which resulted in a major revision to the Board's railroad merger rules.

Other relevant railroad merger and acquisition proceedings that were decided during my time at the Board include:

- STB Finance Docket No. 33362, Paducah & Louisville Railway, Inc. -- Control Exemption -- Paducah & Illinois Railroad Company
- STB Finance Docket No. 33813, RailAmerica, Inc. -- Control Exemption -- RailTex, Inc.
- STB Finance Docket No. 34177, Iowa, Chicago & Eastern Railroad Corporation--Acquisition And Operation Exemption--Lines Of I&M Rail Link, LLC
- STB Finance Docket No. 34178, Dakota, Minnesota & Eastern Railroad Corporation And Cedar American Rail Holdings, Inc. -- Control -- Iowa, Chicago & Eastern Railroad Corporation

In addition to my work in railroad merger related proceedings, I have also submitted

expert testimony in railroad abandonment and line sale proceedings before the ICC and STB. In these proceeding, I have developed and submitted evidence relating to the valuation and economics of the railroad line at issue, e.g., going concern and net liquidation values; freight revenues and traffic; operating costs; maintenance costs; right-of-way valuation; etc. The following are examples of some of the proceedings in which I submitted such expert testimony and evidence:

- ICC Finance Docket No. 31012, Cheney Railroad Company – Feeder Line Acquisition – CSX Transportation, Inc. Line Between Greens and Ivalee, AL
- ICC Docket No. 31608, PSI Energy, Inc. – Feeder Line Development – Norfolk Southern Corporation Line Between Cynthiana and Carol Indiana
- ICC Docket No. AB-55 (Sub-No. 402), CSX Transportation, Inc. - Abandonment – Between Woodlawn and Walmar in Jefferson, Washington, Clinton and St. Clair Counties, Illinois
- ICC Docket No. AB-167 (Sub-No. 1125), Consolidated Rail Corporation – Abandonment – Between Warsaw and Valparaiso, in Kosciusko, Marshall, Starke, La Porte and Porter Counties, Indiana
- STB Docket No. AB-459 (Sub-No. 2X), Central Railroad Company of Indiana – Abandonment Exemption – in Dearborn, Decatur, Franklin, Ripley and Shelby Counties, Indiana
- STB Docket No. AB-490 (Sub-No. 1B), Greenville County Economic Development Corporation - Abandonment And Discontinuance Exemption - In Greenville County, SC

I am a 1978 graduate of Hampden-Sydney College in Hampden-Sydney, Virginia where I earned a Bachelor of Arts degree. My major areas of study were history and government. My senior paper in college dealt with the History of Railroad Deregulation. I am a 1974 graduate of St. Stephen's School for Boys (now St. Stephen's and St. Agnes School), located in Alexandria, Virginia. My senior project and paper in high school dealt with the ICC and the Energy Crisis of 1973.

My professional memberships included the Transportation Research Forum and the Association of Transportation Law Professionals.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35081

CANADIAN PACIFIC RAILWAY COMPANY, ET AL.

- CONTROL -

DAKOTA, MINNESOTA & EASTERN RAILROAD CORP., ET AL.

**VERIFIED STATEMENT
OF
CURTIS M. GRIMM**

EXHIBIT B

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35081

CANADIAN PACIFIC RAILWAY COMPANY, ET AL.

- CONTROL -

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VERIFIED STATEMENT

OF

CURTIS M. GRIMM

I. INTRODUCTION

My name is Curtis M. Grimm, and I am Dean's Professor of Supply Chain and Strategy, Robert H. Smith School of Business, University of Maryland at College Park. I have been a member of this College since 1983. I received my B.A. in economics from the University of Wisconsin-Madison in 1975 and my Ph.D. in economics from the University of California-Berkeley in 1983. My Ph.D. dissertation investigated competitive impacts of railroad mergers.

In my background, I have extensively addressed public policy issues regarding transportation, including those examined in Interstate Commerce Commission ("ICC") and Surface Transportation Board ("STB") merger and control proceedings. I have previously been employed by the Wisconsin Department of Transportation, the United States Interstate Commerce Commission, and the Australian Bureau of Transport and Communication, and I have provided

consulting services to several other government agencies and private firms regarding transportation issues.

My research has involved deregulation, competition policy, competitive interaction and management strategy, with a strong focus on transportation. This research has resulted in over 80 publications, including articles in leading journals such as *Journal of Law and Economics*, *Transportation Research*, *Transportation Journal*, *Logistics and Transportation Review*, *Academy of Management Journal*, *Management Science*, *Strategic Management Journal*, and *Journal of Management*. More than two dozen publications have dealt specifically with the railroad industry, focusing mainly on deregulation, mergers, and competition issues. I have also co-authored four books or monographs. Further details may be found in the attached vita.

In summary, I have extensively researched and evaluated the competitive effects of railroad mergers, and I have participated directly in several ICC/STB merger and control proceedings. Specifically, I have provided testimony regarding the competitive consequences of these transactions. In preparing my testimony here, I have drawn on this experience.

II. APPLICANTS HAVE NOT CLEARLY SHOWN THE ABSENCE OF ANY ANTICOMPETITIVE EFFECTS IN THE INSTANT TRANSACTION AS THEY ARE REQUIRED TO DO IN ORDER FOR THE BOARD TO ACCEPT THE APPLICATION AS A MINOR TRANSACTION

In determining whether a transaction is “not significant” (and thereby able to qualify as a minor transaction), the Board is required to find that, based upon the Application as filed, the transaction clearly will not have any anticompetitive effects, or if there are anticompetitive effects, these effects will clearly be outweighed by the transaction's anticipated contribution to the public interest in meeting significant transportation needs. See 49 CFR 1180.2(b)(1) and (2). Therefore, classification of the application by Canadian Pacific Railway Company to acquire control of

Dakota, Minnesota & Eastern Railroad Corporation and its railroad affiliate, Iowa, Chicago & Eastern Railroad Corporation (collectively, the Applicants), turns on whether the applicants have demonstrated clearly the absence of any anticompetitive effects from the transaction. I have evaluated the relevant portions of the application, focusing in particular on the Applicants' market analysis and corresponding verified statement of John H. Williams. I conclude that the Applicants have not clearly shown the absence of any anticompetitive effects.

My review of past merger cases involving minor or significant transactions shows that the Board and those applying for Board approval of such transactions have both been exceedingly diligent in confirming (and, in the case of such applicants, in proving) that the transaction "clearly" would not have anticompetitive impacts. For example, in Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc. – Control – Wisconsin Central Transportation Corporation, Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd., STB Finance Docket No. 34000 ("CN/WC"), the applicants carefully analyzed the potential impacts of the proposed transaction in order to establish that the transaction clearly did not have any anticompetitive effects. This analysis and presentation was relied upon by the Board when it accepted the application, and later approved it. The analysis included an extensive study of the following: (1) "2-to-1" and "3-to-2" locations and corridors; (2) impacts on short line railroads (again, under the 2-to-1 and 3-to-2 analysis); (3) geographic competition (divided further into separate analyses of source and destination competition); (4) bottlenecks (which is essentially a component of competitive route/corridor analysis); and (5) vertical foreclosure of efficient traffic routings³⁰ (sometimes referred to as the

³⁰ Such analysis involves evaluation of the adverse "vertical" effects on competition, where one

“open gateways” issue). The overall conclusion is that the Board requires an analysis of both horizontal and vertical effects when determining the competitive effects of a merger or control transaction.

Here, the Applicants have not engaged in this sort of thoroughgoing analysis to prove that the transaction clearly would not have anticompetitive impacts, and certainly have not undertaken the level of study that a transaction that is of this size and scope – one that is truly of regional and national significance – warrants. Applicants claim that the proposed transaction “clearly will not have any anticompetitive effects.” CPR-2/DME-2 at 4. But, as I have previously indicated, there is not sufficient evidence to prove this.

A. The Applicants’ Analysis Of The Impacts On Horizontal Competition Is Deficient

With respect to horizontal impacts, it is not sufficient to simply look at 2-1 and 3-2 points. An appropriate and complete analysis of potential anticompetitive impacts goes well beyond this. Railroads compete with each other in many cases not only when both serve the same point, or station, but also when both provide service in the same geographic area. The Applicants’ assessment of 2-to-1 and 3-to-2 impacts is, in this regard, incomplete or at least predicated upon oversimplified assumptions. The applicants have not accounted for the fact that customers can gain from such competitive rail options in their location and relocation decisions. Also, with the possibility of truck transloading, railroads may be effective competitors even where they do not both serve the same station. Thus, one cannot reach a conclusion that there are no horizontal

railroad possessing market power in one geographic market merges with a connecting railroad and, as a result of the merger, extends its market power to the connecting railroad’s territory, closing gateways and foreclosing other railroads connecting with the newly-merged entity from participating in movement to or from the first railroad’s service area.

competitive effects without a careful and systematic analysis of whether the instant merger eliminates independent rail routings between broader geographic areas, such as counties or BEAs. In addition, rail mergers can result in reductions in market and/or geographic competition.³¹ The market and competitive analysis provided by the Applicants does not investigate these important dimensions of competitive harm.

As noted, Williams purports to assess the impacts of the transaction upon possible 2-to-1 and 3-to-2 shippers, discusses whether any of the 14 short line or regional railroads with which the Applicants connect would become a 2-to-1 carrier as a result of the proposed transaction, and maintains that competition in general would not be harmed because the Applicants' traffic bases are not competitive with one another. As examples of Williams' flawed 2-to-1 and 3-to-2 analysis, Williams identifies Galewood and Itasca, IL as locations facing possible impacts. He finds an absence of anticompetitive impact based upon his determination that one or the other of the Applicants' does not "compete actively" for rail traffic at that location. While it may be that at some locations one or the other of the Applicants may be viewed as an "inactive" competitor, that railroad has a competitive presence and, quite presumably, a positive indirect impact on rates and services provided by the "active" competitor. In other instances, it appears that Williams infers that the absence of traffic handled by one of the combining carriers at a common point establishes that the inactive carrier cannot, or is unable, to compete.³²

³¹ This analysis usually involves, as one element, the assessment of critical source-to-destination Bureau of Economic Analysis business economic area ("BEA") commodity flows.

³² Regarding one possible 3-to-2 point, Newport, MN, for example, Williams states that, "The proposed transaction would eliminate any rail competition between CPR and ICE ..., because none exists today." CPR-2/DME-2, V.S. Williams at 17. Of course, a railroad can have a competitive presence at a given location (and thus can have a beneficial competitive impact) even

On this issue, it is also not clear to me what Williams means when he concludes that, at certain discussed 2-to-1 or 3-to-2 locations, one of the merging carriers is not “actively competing” for traffic. Perhaps Williams is maintaining, without any explanation or analysis for such a position, that an “inactive competitor” imposes no restraint on anticompetitive conduct by the other railroad(s) at that location. I do not agree with that theory, Board precedent does not agree with that theory, nor would any of the economic literature.

B The Applicants’ Analysis Of The Impacts On Vertical Competition Is Deficient

A second area of potential anticompetitive effects regards vertical aspects of the transaction. Indeed, in the instant transaction, which is predominantly end-to-end, vertical impacts must be carefully addressed before reaching a conclusion that the transaction has no anticompetitive effects. The STB’s revised rail merger rules developed in Major Railroad Consolidations quite appropriately placed greater emphasis on vertical effects, for example, that gateways remain open in the context of end-to-end mergers. As a result of that proceeding, the STB’s current regulations for major railroad transactions specifically require applicants to provide, “at a minimum,” how they would “preserve competitive and market options such as those involving the use of major existing gateways.” 49 CFR 1180.1(c)(2)(i).

Consistent with this revision of the STB’s rules, a number of STB cases over the past ten years (whether major or minor) have included a careful analysis of vertical impacts, and, in a number of instances, monitoring conditions and other safeguards to address potential vertical

if it is not able to secure even a single carload of traffic for itself. Moreover, while it may be that, from a strict origin-to-destination perspective, CPR and ICE do not or cannot compete, Williams does not establish that ICE (the dormant carrier) could not compete for traffic from alternative origins or to alternative destinations or interline with other carriers so as to create an independent routing that does compete with CPR.

anticompetitive effects. For example, in the STB deliberations regarding KCS's efforts to control The Texas Mexican Railway Company that created the NAFTA Railway, the STB conducted extensive evaluation of concerns raised by Union Pacific and Burlington Northern regarding vertical foreclosure concerns at the Laredo gateway.

Here, on the other hand, the Application does not begin to approach an appropriate evaluation of vertical issues necessary to conclude an absence of such anticompetitive effects. In the CN/WC proceeding, for example, which involved a transaction comparatively smaller in scope and impact than the one at issue here, the applicant railroads supplied the testimony of two different witnesses to establish clearly the absence there of adverse impacts to competition. See CN/WC Application (CN/WC-2), Verified Statement of Richard L. Bottorff ("V.S. Bottorff" – CN/WC-2 at 175, 183-227), and Verified Statement of Christopher A. Vellturo, PhD. ("V.S. Vellturo" – CN/WC-2 at 233-283E).³³ No such analysis was done here to evaluate the impacts of the transaction on vertical or geographic competition.

In addition to failing to address such impacts on shippers, Williams likewise fails to discuss the impacts on the shippers located on the 14 short line railroads which connect either to DM&E or to ICE. Of course, it is most often smaller railroads which are subject to potential anticompetitive effects from end-to-end mergers, as they may not have the leverage to address potential foreclosure pressures.³⁴ The applicants address potential vertical effects only by asserting that

³³ Witnesses Bottorff and Vellturo employed in CN/WC a sophisticated "50/10" analysis (described in V.S. Vellturo, CN/WC-2 at 240-241) to more carefully assess potential competitive impacts of that transaction on certain commodity flows to specific destination BEAs.

³⁴ Besides failing to address the vertical impacts on short line railroads, the analysis did not entail a review of any horizontal impacts on short lines, *i.e.* so-called 2-to-1 or 3-to-2 short lines. Instead, Applicants here have focused exclusively on whether or not any short line carrier "will become

each of these short lines connects with one other railroad other than the merging carrier. However, there is no discussion or analysis of potential paper barriers present with these short lines or any other type of limitation that may prevent that short line from accessing the other connections. Moreover, the connections in many cases may be no substitute for connections with the merging carriers, in that they may provide access to very different geographic markets.

CONCLUSION

To summarize, the evidence provided by the applicants is insufficient as the basis for any conclusion that the applicants have “clearly” shown that there are no anticompetitive effects. The classification of the transaction should ensure a careful and detailed evaluation of both horizontal and vertical competitive impacts. It did not, and it should therefore be deemed a significant transaction subject to scrutiny under those procedures.

‘captive’ to the CPR – DME/ICE system as a result of the proposed transaction,” and, under that form of analysis, generally conclude that none of the short lines presently connecting with DME/ICE “will be left without non-Applicant competitive routing options following the transaction.” This is not a sufficient analysis. Likewise, there is no discussion or assessment of possible 3-to-2 impacts on short lines.

VERIFICATION

I, Curtis M. Grimm, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to submit this Verified Statement.

Executed this 26th day of October, 2007.


Curtis M. Grimm

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Assistant to the Chief of Intercity Transport Development, Planning Division, Wisconsin Department of Transportation, Madison, October 1977 - August 1978 and November 1975 - July 1976.

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- 71) Derfus, P., P. Maggitti, C. Grimm, and K. Smith, "The Red Queen Effect: Competitive Actions and Firm Performance," Academy of Management Journal (forthcoming).
- 72) Cantor, D., T. Corsi and C. Grimm, "Determinants of Motor Carrier Safety Technology

Adoption," *Transportation Research Part E: Logistics and Transportation Review* (forthcoming).

Articles in Edited Volumes

73) Grimm, C., "Horizontal Competitive Effects in Railroad Mergers," Research in Transportation Economics, Vol. 2, Theodore E. Keeler, editor, JAI Press, 1985, pp. 27-53.

74) Harris, R. and C. Grimm, "Revitalization of the U.S. Rail Freight Industry: An Organizational Perspective," International Railway Economics, K.J. Button and D.E. Pitfield eds., Gower Publishing Company, 1985, pp. 49-84.

75) Grimm, C. and J. Holcomb, "Choices Among Encompassing Organizations: Business and the Budget Deficit," Business Strategy and Public Policy, David Beam, Al Kaufman, and Alfred Marcus, eds., Quorum Books, New York, 1987, pp. 105-118.

76) Smith, K., C. Grimm, and M. Gannon, "Competitive Moves and Responses Among High Technology Firms," Handbook of Business Strategy: 1989-1990, Harold E. Glass, ed., Warren, Gorham and Lamont, N.Y., N.Y., 1990, pp. 31-1 through 31-11.

77) Grimm, C. and G. Rogers, "Liberalization of Railroad Policy in North America," Transportation Deregulation: An International Perspective, K. Button and D. Pitfield, eds., Macmillan, London, 1991.

78) Grimm, C. and R. Harris, "Access and Competition Policy in the U.S. Rail Freight Industry: Potential Applications to Telecommunications," Sustaining Competition in Network Industries through Regulating and Pricing Access, D. Gabel and D. Weiman, eds., Kluwer Publishing, Boston, 1998.

79) Grimm, C. and R. Windle, "Regulation and Deregulation in Surface Freight, Airlines and Telecommunications," in Regulatory Reform and Labor Markets, J. Peoples, ed., Kluwer Academic Publisher, Boston, 1998.

80) Grimm, C. and C. Winston, "Competition in the Deregulated Railroad Industry: Source, Effect and Policy Issues," in S. Peltzman and C. Winston, editors, *Deregulation of Network Industries: The Next Steps*, Brookings, Washington, D.C. 2000, pp. 41-72.

81) Dresner, M. and C. Grimm, "Public Policy and Logistics," in Handbook of Logistics and Supply-Chain Management, edited by A.M. Brewster, K.J. Button, and D.A. Hensher, Pergamon, Amsterdam, 2001.

82) Ferrier, W., K. Smith and C. Grimm, "The Role of Competitive Action in Market Share Erosion and Industry Dethronement: A Study of Industry Leaders and Challengers," published in *Selected Collection of Award Winning Papers in Academy of Management Journal*, Anne S. Tsui, ed., Peking University Press, 2006. (This book is a collection of papers which had received a best paper award in

AMJ or AMR.)

83) Grimm, C. "Merger Analysis in the Post-Staggers Railroad Industry," chapter in Competition Policy and Merger Analysis in Deregulated and Newly Competitive Industries, P. Carstensen and B. Farmer, eds., Edgar Elgar Publishing, Northampton, MA (forthcoming).

Articles in Journals with Internal Review Boards

84) Grimm, C. and R. Harris, "The Financial Performance and Prospects of Railroads in the South and Southwest," Texas Business Review 56 (6), November/December 1982, pp. 257-262.

85) Grimm, C. and R. Harris, "Vertical Foreclosure in the Rail Freight Industry: Economic Analysis and Policy Prescriptions," ICC Practitioners' Journal 50 (5), July/August 1983, pp. 508-531.

86) Corsi, T. and C. Grimm, "Transportation Education in the 1980's: An Examination of Teaching Materials," Transportation Practitioners' Journal 52 (1), Fall 1984, pp. 27-39.

87) Grimm, C. and J. Kling, "Integrating Microcomputers into a Transportation and Logistics Curriculum," Defense Transportation Journal Vol. 44, No. 5, October 1988, pp. 14-22.

Articles in Proceedings (other than those listed above)

88) Grimm, C., "Public Interest Evaluation of Recent Rail Mergers," 1981 Eastern Transportation Law Seminar Papers and Proceedings, Association of ICC Practitioners, Washington, D.C., pp. 171-176.

89) Grimm, C., "Promoting Competition in the Railroad Industry: A Public Policy Analysis," Transportation Research Forum Proceedings, 1984, pp. 222-227.

90) Grimm, C. and K. Smith, "Impact of Deregulation on Railroad Strategies and Performance," Transportation Research Forum Proceedings, 1985, pp. 540-544.

91) Corsi, T., C. Grimm and R. Lundy, "ICC Exemptions of Rail Services: Summary and Evaluation," Transportation Research Forum Proceedings, 1985, pp. 86-92.

92) Corsi, T., C. Grimm and R. Smith, "Motor Carrier Strategies in a Changing Environment: An Empirical Analysis," Transportation Research Forum Proceedings, 1986, pp. 177-180.

93) Grimm, C., K. Smith and R. Blankinship, "Railroad Strategies and Performance: An Exploratory Study," 1987 Eastern Academy of Management Proceedings, pp. 25-28.

94) Smith, E., M. Gannon, C. Grimm and G. Young, "Competitive Advantage in Diverse Industries," Proceedings of the Second Biennial High Technology Conference, University of Colorado, Boulder, Colorado, January 1990.

95) Grimm, C., "The Impact of Entry and Concentration in Australian Aviation: A Test of Contestability Theory," Transportation Research Forum Proceedings, 1992.

96) Sapienza, H. and C. Grimm, "The Importance of Founder, Start-Up Process, and Structural Variables in Entrepreneurial Firms: A Study of the Shortline Railroad Industry," Frontiers of Entrepreneurship Research, 1994.

Other Publications, Reports and Monographs

Grimm, C., "Combining Scholarly Research with Public Policy Evaluation," ITS Review, Vol. 5, No. 2, Institute of Transportation Studies, University of California, February 1982.

Grimm, C., "Strategic Motives and Competitive Effects in Railroad Mergers: A Public Policy Analysis," Dissertation Series, Institute of Transportation Studies, University of California, August 1983 (UCB-ITS-DS-83-1).

Grimm, C., "Preserving and Promoting Rail Competition," Report to the National Industrial Transportation League, 1984.

Grimm, C., "Econometric Techniques to Estimate Rail Costs," Report to the Railroad Accounting Principles Board, General Accounting Office, Washington, D.C., October 1985.

Roberts, M., T. Corsi and C. Grimm, "Benefit-Cost Analysis of Weight Limit Exemption for Vehicles Carrying International Freight in the Route 50 Corridor," Study Prepared for the State Highway Administration, State of Maryland, February 1988.

Deregulation of Domestic Aviation: The First Year, Bureau of Transport and Communication Economics, Australian Government Publishing Service, Canberra, Australia, 1991 (lead author).

Cambridge Systematics; Leeper, Cambridge and Campbell; T. Corsi, and C. Grimm, "A Guidebook for Forecasting Freight Transportation Demand," NCHRP Report 388, National Academy Press, Washington, D.C. 1997.

CONTRACTS AND GRANTS:

Co-Principal Investigator, U.S. DOT Federal Motor Carrier Safety Administration cooperative research agreement, 2005-present.

Course Development Grant, Joint MS Program in Telecommunications.

University of Maryland Center for International Education and Research (CIBER) Research Award, 1991.

University of Maryland Dingman Center for Entrepreneurship Research Award, 1990.

Small Business Administration, Small Business Development Center, University of Maryland. From 1985 - 1989, Ken Smith, Martin Gannon and I received funding to establish Center for the counseling and training of small business managers. We also conducted research on strategic management of small businesses, including travel agencies and electronic firms. (Amount: \$200,000)

Department of Education Business and International Education Program. During 1988 and 1989, I was part of a team which received a two-year grant for curriculum development, research and professional outreach. The program involves collaboration with the Maryland Port Authority on research, outreach and internships. (Amount: \$110,000).

Maryland Department of Transportation. During 1987/88 I worked with Tom Corsi and Merrill Roberts on a contract to study the impact of exempting Eastern Shore export container traffic from the 80,000 pound highway weight limitation. (Amount: 35,000).

University of Maryland Grant to Integrate Computer Use into the Classroom, 1985.

University of Maryland General Research Board Summer Research Award, 1984.

CONFERENCE PAPER PRESENTATIONS:

"Public Interest Evaluation of Recent Rail Mergers," presented at the 11th Association of ICC Practitioners' Eastern Transportation Law Seminar, October 1981.

"Stand-Alone Costs: Use and Abuse in Railroad Maximum Rate Determination," presented at the Eastern Economics Association Annual Meeting, March 1984 (with Philip Fanara).

"Promoting Competition in the Railroad Industry," presented at the Transportation Research Forum Annual Meeting, October 1984.

"The Politics of the Budget Deficit and the Role of Political Interest Groups," presented at the Annual Meeting of the Association for Public Policy Analysis and Management, October 1984 (with John Holcomb).

"Impact of the Staggers Act on Rates and Shipper Quality: Role of Shipper Size and Competition," presented at the American Economics Association/Transportation and Public Utilities Group Annual Meeting, December 1984 (with Ken G. Smith).

"The Effects of Railroad Mergers on Industry Performance and Productivity," Transportation Research Board Conference on Rail Productivity, University of Illinois, June 1985, (with Robert G. Harris).

"Environmental Variation, Strategic Change and Firm Performance: A Study of Railroad Deregulation," presented at the Annual Meeting of the Academy of Management, August 1985 (with Ken G. Smith).

"Management Characteristics, Strategy, and Strategic Change," presented at the Strategic Management Society Annual Meeting, Barcelona, Spain, October 1985 (with Ken G. Smith).

"Impact of Deregulation on Railroad Strategies and Performance," presented at the Transportation Research Forum Annual Meeting, November 1985 (with Ken G. Smith).

"ICC Exemptions of Rail Services: Summary and Evaluation," presented at the Transportation Research Forum Annual Meeting, November 1985 (with Thomas M. Corsi and Robert Lundy).

"Excess Branchline Capacity in the Railroad Industry," presented at the Transportation Research Board Annual Meeting, January 1986.

"The Economics of Coal Transportation: Implications for Railroad Shipper Strategies," presented at the Transportation Research Board Annual Meeting, January 1986 (with Les Selzer and Kent Phillips).

"The Organization as a Reflection of its Top Managers: An Empirical Test," presented at the Annual Meeting of the Academy of Management, August 1986 (with Ken G. Smith).

"Motor Carrier Strategies in a Changing Environment: An Empirical Analysis," presented at the Transportation Research Forum Annual Meeting, September, 1986 (with Thomas M. Corsi and Raymond Smith).

"Shifts in Use of Owner-Operators Among LTL General Freight Carriers Since the Motor Carrier Act of 1980," presented at the Transportation Research Forum Annual Meeting, September, 1986 (with Thomas M. Corsi).

"Environmental Variation, Decision Comprehensiveness, and Performance," presented at the Strategic Management Society Annual Meeting, Singapore, October, 1986 (with Ken G. Smith, Martin Gannon, and Terence Mitchell).

"Gambit and Repartee: A Theory of Competitive Action and Responses," presented at the Annual Meeting of the Academy of Management, August 1986 (with Ken G. Smith).

"The Impact of the Environment on Personnel Policies: Management Characteristics in the U.S. Railroad Industry," presented at the Annual Meeting of the Academy of Management, August 1987 (with James Guthrie and Ken G. Smith).

"Mobility Barriers in the Motor Carrier Industry," presented at the Transportation Research Forum Annual Meeting, November 1987 (with Thomas M. Corsi).

"Railroad Cost Structure - Revisited" presented at the Transportation Research Forum Annual Meeting, November 1987 (with Tony Barbera, Kent Phillips and Les Selzer).

"The Impact of Rail Rationalization on Traffic Densities: A Test of the Feeder Line Theory," presented at the Transportation Research Board Annual Meeting, January 1988 (with Les Selzer and Kent Phillips).

"Porter's Generic Strategies and Organizational Size," presented at the Strategic Management Society Annual Meeting, October 1988 (with Ken Smith).

"Predictors of Competitive Responses in the Domestic Airline Industry," presented at the Strategic Management Society Annual Meeting, October 1988 (with Ken Smith and Martin Gannon).

"ATLFs: Driving Owner-Operators into the Sunset," presented at the Transportation Research Forum Annual Meeting, November 1988 (with Thomas M. Corsi).

"Competitive Strategic Interaction: Action Characteristics as Predictors of Response," presented at the Annual Meeting of the Academy of Management, August 1989 (with Ming-Jer Chen and Ken G. Smith).

"Strategies and Performance in the Truckload General Freight Segment Before and After Deregulation," presented at the Transportation Research Forum Annual Meeting, October 1989 (with Thomas M. Corsi).

"Rivalry in the U.S. Domestic Airline Industry," presented at the Strategic Management Society Annual Meetings, October 1989 (with Ken Smith and Martin Gannon).

"Building Competitive Advantage in Diverse Industries," presented at the Boulder, Colorado Conference on the Management of the High Technology Firm, January 1990 (with Greg Young, Ken Smith, and Martin Gannon).

"Economic Effects of Surface Freight Deregulation," presented at the Transportation Research Board Annual Meeting, January 1990 (with Cliff Winston and Thomas Corsi).

"Strategies of Challenging Airlines at Hub-Dominated Airports," presented at the Transportation Research Forum Annual Meeting, October 1990 (with James Kling and Thomas M. Corsi).

"Size, Strategy, and Performance: LTL Motor Carriers," presented at the Transportation Research Board Annual Meeting, January 1991 (with Raymond Smith and Thomas Corsi).

"The Role of Firm Reputation in Competitive Interaction," presented at the Annual Meeting of the Academy of Management, August 1991 (with Leith Wain, Martin Gannon and Ken G. Smith).

"The Advantage of Size in the U.S. Trucking Industry," presented at the Transportation Research

Forum Annual Meeting, November 1991 (with Carol Emerson and Thomas M. Corsi).

"The Impact of Entry and Concentration in Australian Aviation: A Test of Contestability Theory," presented at the Transportation Research Forum Annual Meeting, October 1992.

"Reevaluating Returns to Scale in Transportation," presented at the Transportation Research Forum Annual Meeting, October 1993 (with K. Xu, R. Windle and T. Corsi).

"Access and Competition Policy in the US Rail Freight Industry: Potential Applications to Telecommunications," presented at a conference on Sustaining Competition in Network Industries through Regulating and Pricing Access, CITI, Columbia University, November 1993 (with R. Harris).

"Engaging Competitors," presented to the Whitmore Conference, Dartmouth College, New Hampshire, September 1994, (with G. Young and K. Smith).

"Engaging a Rival for Competitive Advantage: Firm Resources and the Competitive Environment as Predictors of Competitive Firm Activity," presented at the Annual Meeting of the Academy of Management, August 1994 (with G. Young, A. Schomburg and K. Smith).

"David and Goliath: Strategies for Challenging the Dominant Rival," presented at the Annual Meeting of the Academy of Management, August 1994 (with K. Smith, T. Corsi and J. Kling).

"Wealth Effects of New Product Rivalry," presented at the 14th annual international conference of the Strategic Management Society, Paris, September 1994 (with H. Lee, K. Smith, and A. Schomburg).

"Business Distress and a Firm's Propensity to be Rivalrous," presented at the 14th annual international conference of the Strategic Management Society, Paris, September 1994 (with C. MacFhionnlaoich and K. Smith).

"Industrial Organization Economics, Resource-Based Theory, and Schumpeterian Perspectives on Competitive Advantage: Toward an Action-Based Model of Advantage," presented at the Annual Meeting of the Academy of Management, August 1995 (with K. Smith).

"Strategic Groups and Rivalrous Firm Behavior: Towards a Reconciliation," presented at the Annual Meeting of the Academy of Management, August 1995 (with K. Smith and G. Young).

"Shareholder Wealth Effects of New Product Rivalry," presented at the Annual Meeting of the Academy of Management, August 1995 (with H. Lee and K. Smith).

"Creative Destruction and Competitive Dynamics: An Action-Based Study of Industry Dethronement and Market Share Erosion," presented at the Annual Meeting of the Academy of Management, August 1996 (with W. Ferrier and K. Smith).

"The Rate of International Alliance Formation: The Role of Firm Resources, Strategy, and Industry Structure," presented at the Annual Meeting of the Academy of Management, August 1996 (with G. Young and K. Smith).

"An Assessment of the Validity of Competitive Dynamics Research," presented at the Annual Meeting of the Academy of Management, August 1996 (with G. Young, M. Becerra and K. Smith).

"The Rate of International Alliance Formation: The Role of Firm Resources, Strategy, and Industry Structure," presented at the 16th annual international conference of the Strategic Management Society, Tempe, Arizona, October 1996 (with G. Young and K. Smith).

"Performance Implications of Market and Non-Market Actions," presented at the Annual Meeting of the Academy of Management, August 1997 (with T. Quasney and B. Shaffer).

"Multimarket Contact, Resource Heterogeneity, and Rivalrous Firm Behavior," presented at the Annual Meeting of the Academy of Management, August 1997 (with G. Young and K. Smith).

"Performance Implications of Market and Non-Market Actions," presented at the Annual Meeting of the Academy of Management, August 1997 (with T. Quasney and B. Shaffer).

"Techniques of Transportation Analysis: Costs," discussant at Transport Policy and Economics Conference in Honor of John R. Meyer, Kennedy School of Government, Harvard University, September 1997.

"A Conceptual Model of Supplier-Reseller Satisfaction Perceptions in Distribution Channels," Academy of Marketing Science, Coral Gables, Florida, 1997 (with C. Emerson and R. Krapfel).

"The Impact of Financial Condition on Competitive Behavior: Towards a Reconciliation of Competing Views," presented at the Annual Meeting of the Academy of Management, August 1998 (with C. MacFhionnlaioich, W. Ferrier and K. Smith).

"Competitive Effects of Railroad Mergers," Transportation Research_Forum Annual Meetings, Philadelphia, October 1998 (with J. Plaistow).

"The Canadian Experience with Competitive Access, " Transportation Research Board Annual Meeting, January 1999.

" Predicting Order and Timing of New Product Moves: The Role of Top Management," presented at the Annual Meeting of the Academy of Management, August 1999 (with A. Srivasta, H. Lee and K. Smith).

"Competition in the Deregulated Railroad Industry: Source, Effect and Policy Issues," presented at the AEI-Brookings conference on Deregulation of Network Industries, December, 1999.

“Future of Rail Regulation,” presented at the Alliance for Rail Competition Second Annual Rail Customer Forum, Washington, D.C., March 1, 2000.

“The State of Railroad Research,” presented at the Transportation Research Forum Annual Meeting, Annapolis, November 2000.

“Investigating the Action Dilemma: Untangling the Relationships Between Firm Activity, Rival Activity, and Firm Performance,” presented at the Annual Meeting of the Academy of Management, August 2001 (with P. Derfus and K. Smith).

Discussant, Workshop on Airline and National Strategies for Dealing with Airport and Airspace Congestion, College Park, March 2001.

Participant, Federal Railroad Administration and Surface Transportation Board Joint Roundtable on Rail Freight Industry, June 2002.

“A Schumpeterian Perspective on Innovation,” presented at the Leading Through Innovation Research Conference, College Park, January 2003.

“The Role of Conduct in the Structure, Conduct, Performance Relationship,” presented at the Annual Meeting of the Academy of Management, August 2003 (with P. Maggitti, P. Derfus and K. Smith).

“The Impact of Market Actions on Firm Reputation,” presented at the Annual Meeting of the Academy of Management, August 2003 (with D. Baseo, V. Rindova, P. Derfus and K. Smith).

“Merger Analysis in the Post-Staggers Railroad Industry,” presented at a conference on Competition Policy and Merger Analysis in Deregulated and Newly Competitive Industries, Madison Wisconsin, June 2005.

“Firm Action, Rival Action and Firm Performance: Understanding the Effect of Competitive Interdependence,” presented at the Annual Meeting of the Academy of Management, August 2005 (with P. Maggitti, P. Derfus and K. Smith).

RESEARCH AWARDS:

Journal of Management 2004 best paper award, for the paper determined to be the best published in 2003 in the *Journal of Management*.

Academy of Management 2000 best paper award, for the paper determined to be the best published in 1999 in the *Academy of Management Journal*.

Award for best paper, marketing channels track, Academy of Marketing Science conference, Coral Gables, Florida, 1997.

Award for the best airline paper and best paper overall, 1990 Transportation Research Forum Conference.

Plowman Award for the best paper, 1987 Transportation and Logistics Educators Conference.

Regular Common Carrier Conference Award for the best motor carrier paper, Transportation Research Forum Annual Meeting, September, 1986.

EDITORIAL AND REVIEWING ACTIVITIES:

Consulting Editor (1991-1993) Journal of the Transportation Research Forum.

Editorial Review Board, Journal of Transportation Management (1993-present).

Editorial Review Board, Transportation Research – Part E (2001-present).

Editorial Review Board, Journal of the Transportation Research Forum (2001-present).

Frequent referee activity for numerous journals.

PROFESSIONAL AFFILIATIONS:

American Society of Transportation and Logistics; Transportation Research Forum; American Economics Association & Transportation and Public Utilities Group; Academy of Management; Strategic Planning Society.

TEACHING AND ADVISING:

Courses Taught

BMGT 370 (Introduction to Transportation: also served as course coordinator)

BMGT 372 (Introduction to Logistics Management)

BMGT 476 (Computer Models in Transportation and Logistics)

BMGT 495 (Business Policy)

BMGT 670 (Economic Environment of Business)

BMGT 671 (Managerial Economics)

BMGT 683 (Global Economic Environment)

BMGT 770 (Transportation Theory and Analysis)

BMGT 798 (Field Studies in Industry and Competitor Analysis)

BMGT 808 (Seminar in Industrial Organization and its Application to Strategic Management; Seminar in Supply Chain Management Research)

ENTS 631 (Telecommunications Policy)

Teaching Awards

Allen J. Krowe Award for Teaching Excellence, College of Business and Management, 1988.

Selected as one of the top 15% teachers in the College of Business and Management (13 times, most recently in 2006)

Member of the Following Ph.D. Dissertation Committees:

Pamela Donovan (co-chair)
David Cantor (co-chair)
Victor Cheng (co-chair)
Tom Quasney (chair)
Kirk Patterson (co-chair)
Wally Ferrier (co-chair)
August Schomburg (co-chair)
Greg Young (co-chair)
Hun Lee (co-chair)
Carol Emerson (chair)
Cormac Mac Fhionnlaoich (co-chair)
Pam Derfus (co-chair)

Ayesha Malhotra
Ming Zhou
Stephanie Head
Chris Lin
Constantinos Christou
Chul Moon
Deborah Lyons
Jane Feitler
Laura Power
Ming-Jer Chen
Harry Sapienza
Jack Scarborough
James Kling
Robert Trempe
George Rubenson
Ven Sriram
Raymond Smith
Ritu Lohtia
Jason Chang
Douglas Meade
Barbara Houchen
Leith Wain

John Burgess
Douglas LaBahn
Ker-Tsung Lee
Yeon Myung Kim
Steven Chien
Chad Syverson
Eungcheol Kim
Helena Schweiger

SERVICE:

Department Chair, Transportation/Logistics, Business and Public Policy (December 1994-July 2003).

Chair, Teaching Enhancement Committee, 2004-present.

Member, APAC (Campus level committee, chaired by the Provost, charged with advising the Provost on strategic and programmatic matters) 2000-2003.

Member, Vice President for Administrative Affairs search committee (2002-2003).

Member, Committee to Critique MBA Program Report, 2005.

Member, Ad Hoc committee to design an EMBA program (2001-2002).

Member, MBA director search committee (2001)

Member, Provost's Committee to conduct five year review of Dean Howard Frank (2001).

Chair of Search Committee, Executive Director of the Center for Knowledge and Information Management, 1999.

Member, CRC T&P Committee, Don Riley (1998), Samer Faraj (2004), and Josh Newberg (2004); Gil Souza (2005).

Chair, Extra Merit Step for Non-Exempt Employees Committee, 1999.

Member, MBA 4th Track Committee (subcommittee of executive committee) (1996-1998).

Member, Strategic Planning Committee (subcommittee of executive committee). (1996-present).

College Workload coordinator (responsible for attending meetings with Provost and reps re: workload requirements and taking lead on filling out compliance forms).

Member, Executive Committee, Middlestates Accreditation Committee, University (Dan Fallon/Nelson Markley, Chair), Dec. 1995-1997.

Member, Faculty Composition and Development Section, AACSB Accreditation committee (1995).

Lead College Member on Campus Committee to form and fund a Global China Institute (1995).

Chair of Search Committee, Transportation, Business and Public Policy Faculty Positions (1994-5, 1995-6, 1996-7, 1997-8, 1998-9, 1999-2000).

Member, College Strategic Planning Committee (drafted section on MBA program), 1994-5.

Chair, MBA Oversight Committee, College of Business and Management (May 1994-Jan. 1995).

Member, MBA Oversight Committee, College of Business and Management (1992-1994).

Chair, ELM Coordinator's Committee, College of Business and Management, (1993-1994).

Member, External Communications Committee, College of Business and Management, 1994.

Chair, PR on Academic Quality Committee, 1993.

Member Technology Advancement Program Business Screening Panels (1986-1990).

Member, Faculty Grievance Hearing Board, College Park Campus (1991).

Member, College Budget Committee (1990-1991).

Member, Strategic Planning Steering Committee, and Chair, MBA Subcommittee, College of Business and Management (1989-1990).

Member, General Committee on Faculty Affairs, College Park Campus Senate (1984-1986, 1987-1988).

Elected Representative to the College Park Campus Senate (1988-1991).

Member, Graduate Committee, College of Business and Management (1987-1988).

Chairman, MBA Case Competition Subcommittee of the Graduate Committee (1987).

Faculty Assistant Coordinator, MBA/Rutgers Invitational Case Tournament (1986-1987).

Faculty Judge, MBA Case Competition, College of Business and Management (1989).

Member, Undergraduate Committee, College of Business and Management (1987-1988).

Faculty Co-Advisor, University of Maryland Transportation and Logistics Club (1985-1990).

Member, International Task Force, College of Business and Management (1986-1987).

Member, Dean's Computer Integration Task Force, College of Business and Management (1986-1988).

Participant in Planning Session for External Activities, College of Business and Management, Wye Woods (Sept. 1987).

Member of Multiple Faculty Search Committees (1985-present).

In November 1995, I presented testimony before the United States Senate and House Committees on Small Business at a joint hearing on "Railroad Consolidation: Small Business Concerns."

In March 2004, I presented testimony to the U.S. House of Representatives Committee on Transportation and Infrastructure regarding railroad competition legislation.

In October 2005, I provided testimony to the Surface Transportation Board on the 25th Anniversary of the Staggers Rail Act of 1980.