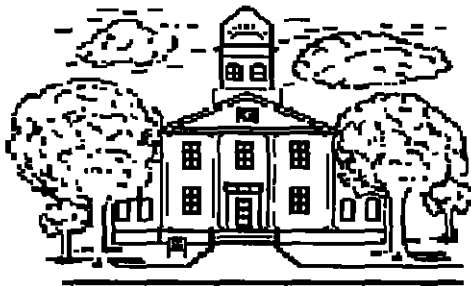


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Mitchell County Board of Supervisors

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13 November 2007

FD-35081

Mr. Charles Nottingham, Chairman
Surface Transportation Board
395 F Street, Southwest
Washington, DC 20423-0001

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Office of Proceedings

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Dear Mr. Chairman

REFERENCE: Canadian Pacific Purchase of the D M & E and the I C & E Railroads

The Mitchell County Board of Supervisors strongly supports the purchase of the I C & E along with the D M & E Railroads by the Canadian Pacific (CP) Railroad. It is our understanding the Iowa Northern Railroad desires to capture part of the I C & E territory. Although we are sympathetic to small, independent railroads, this takeover would result in the Mason City to Austin branch of the I C & E remaining as a Class II rail line.

Just north of the Mitchell County line in Lyle, MN, there is a diamond railroad crossing. At this juncture, the I C & E crosses the Canadian National (CN) Railroad. Areas where two Class I railroads cross is a rarity, especially where hundreds of undeveloped acres of land will have access to both rail lines. Access to two competing Class I rail lines allows for aggressive competition between these railroads. Industry will tremendously benefit from this aggressive competition, and ultimately Mitchell County, Iowa.

If one studies a railroad map of Iowa, there are less than 30 areas where two competing rail lines cross. Many of these railroad crossings are in large communities, thus the surrounding areas are fully developed, which leaves little or no room for a major factory to locate and take advantage of this competitive situation.

In the past 30 years, Iowa has the worst percentage for population growth. Mitchell County is a progressive county that desires to transform the area between the two competing rails into an industrial park, thus providing good paying jobs for our youth while reversing our declining school enrollment.

Absolute Energy, a 100 million gallon nameplate ethanol plant, located in Northern Mitchell County because of the competing rail. Now, to allow a shortline railroad ownership of the

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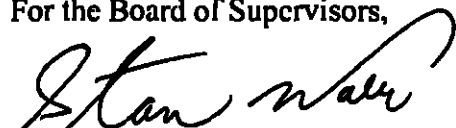
I C & E could be disastrous to this aggressive and diversified ethanol plant.

Although we have not examined the financial statements of the Iowa Northern, we question the ability of this shortline railroad to provide adequate and competitive service to Absolute Energy. This concern needs to be studied carefully by the Surface Transportation Board.

If the Surface Transportation Board desires further input from the Mitchell County Board of Supervisors, please contact us at the above address or you can e-mail us at supervisors@mitchellcoia.us or my personal e-mail is eagle47@omnitelcom.com.

Thank you members of the Surface Transportation Board for your time and thoughtful consideration. It is greatly appreciated.

For the Board of Supervisors,

A handwritten signature in black ink, appearing to read "Stan Walk", written over a horizontal line.

Stan Walk
Chair
Mitchell County Board of Supervisors