

**SURFACE TRANSPORTATION BOARD APPROVES CANADIAN PACIFIC RAILWAY'S
ACQUISITION OF CONTROL OF THE DAKOTA, MINNESOTA & EASTERN RAILROAD,
SUBJECT TO CONDITIONS**

The Surface Transportation Board announced today that it has approved the proposed acquisition of control by the Canadian Pacific Railway Corporation (CPRC), and its indirect subsidiary, the Soo Line Holding Company (Soo Holding) (collectively, "Applicants") of the Dakota, Minnesota & Eastern Railroad Corporation (DM&E) and its wholly owned railroad subsidiary, the Iowa, Chicago & Eastern Railroad Corporation (IC&E), subject to a number of Board-imposed conditions.

In reaching its decision, the Board found that: the proposal encompasses minimal operational overlap among the involved railroads; no shipper will lose the option of competitive rail services as a direct result of the transaction; the transaction will not result in either a substantial lessening of competition, the creation of a monopoly, or a restraint of trade in freight surface transportation in any region of the United States; and any minor, geographical competitive effects that may flow from the transaction are outweighed by its public-interest benefits.

In approving the transaction, the Board also addressed the potential environmental impacts of future coal train movements over the lines operated by CPRC and/or IC&E if CPRC decides to construct the new rail line into the Powder River Basin authorized in *Dakota, Minnesota & Eastern Railroad Corporation Construction into the Powder River Basin*, STB Finance Docket No. 33407. The Board held that CPRC and Soo Holding may not transport over CPRC's and/or IC&E's rail lines any coal originating on the new Powder River Basin line until the agency has prepared an Environmental Impact Statement addressing the environmental impacts of those movements and issued a final decision allowing such operations to begin.

The Board also imposed a condition continuing the ongoing "Safety Integration Plan" review process as well as standard labor-protective conditions.

The Board issued its decision approving the Applicants' control of DM&E and IC&E today, September 30, 2008, in [Canadian Pacific Railway Company, et al.—Control—Dakota, Minnesota & Eastern Railroad Corp., et al., STB Finance Docket No. 35081](#). That decision is available for viewing and downloading via the Board's Web site at <http://www.stb.dot.gov>, under "E-Library," then under "Decisions & Notices," beneath the date "9/30/08."

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