

FLETCHER & SIPPEL LLC

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ENTERED
Office of Proceedings
July 16, 2018
Part of
Public Record

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July 16, 2018

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

Re: **Docket No. FD 36207**
St. Paul & Pacific Railroad Company, LLC – Change in Operators
Exemption – Santa Cruz and Monterey Bay Railway Company

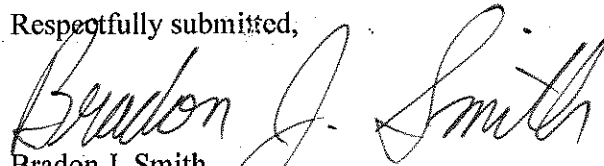
Docket No. FD 36208
Progressive Rail Incorporated – Continuance in
Control Exemption – St. Paul & Pacific Railroad Company, LLC

Dear Ms. Brown:

Attached for filing in the above-captioned proceedings are the **Verified Notice of Exemption of St. Paul & Pacific Railroad Company Pursuant to 49 C.F.R. § 1150.31(a)(3)**, and the **Verified Notice of Exemption of Progressive Rail Inc. Pursuant to 49 C.F.R. § 1180.2(d)(2)** dated July 16, 2018. The sum of \$3,900, representing the appropriate fees for these filings was delivered via Federal Express on July 16, 2018.

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

Respectfully submitted,



Bradon J. Smith
Attorney for St. Paul & Pacific
Railroad Company, LLC

BJS/bs

Attachment

FEE RECEIVED
JULY 16, 2018
SURFACE
TRANSPORTATION BOARD

FILED
JULY 16, 2018
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36208

PROGRESSIVE RAIL INCORPORATED
– CONTINUANCE IN CONTROL EXEMPTION –
ST. PAUL & PACIFIC RAILROAD COMPANY, LLC

**VERIFIED NOTICE OF EXEMPTION OF
PROGRESSIVE RAIL INCORPORATED
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Audrey L. Brodrick
Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR PROGRESSIVE
RAIL INCORPORATED**

Dated: July 16, 2018

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36208

PROGRESSIVE RAIL INCORPORATED
– CONTINUANCE IN CONTROL EXEMPTION –
ST. PAUL & PACIFIC RAILROAD COMPANY, LLC

**VERIFIED NOTICE OF EXEMPTION OF
PROGRESSIVE RAIL INCORPORATED
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Progressive Rail Incorporated (“PGR”), a Class III rail carrier, hereby files this notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of St. Paul & Pacific Railroad Company, LLC (“SPR”) upon SPR’s commencement of common carrier operations. SPR is a non-carrier subsidiary of PGR that has been established to acquire an easement interest in, and to operate over, a rail line (the “Line”) extending between MP 0.433 at Watsonville Junction, California, and MP 31.4 at Davenport, California, a distance of approximately 31 miles.¹ SPR is concurrently filing a notice of exemption pursuant to 49 C.F.R. § 1150.31(a)(3) to operate the Lines via assumption of a permanent freight easement from the incumbent carrier. See St. Paul & Pacific Railroad Company, LLC – Change in Operators Exemption – Santa Cruz and Monterey Bay Railway Company, Docket No. FD 36207.

The Line does not connect with the lines of PGR or of the lines of any of the other six Class III rail carriers controlled by PGR, and this control transaction is not part of a series of anticipated transactions that would result in such a connection. Nor does this proposed control

¹ The trackage assets comprising the Line are owned by Santa Cruz Regional Transportation Commission. Santa Cruz County Regional Transportation Commission – Petition for Declaratory Order, Docket No. FD 35653, (STB served Sep. 7, 2012).

transaction involve a Class I carrier. PGR's continuance in control of SPR, accordingly, qualifies for the class exemption at section 1180.2(d)(2).

In accordance with the requirements of 49 C.F.R. § 1180.4(g), PGR submits the following information:

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

PGR is a Class III rail common carrier which owns or operates rail lines in Minnesota, Wisconsin, and Illinois. See, e.g., Progressive Rail, Incorporated – Lease and Operation Exemption – Soo Line Railroad Company, Docket No. FD 34496 (STB served May 19, 2004); Progressive Rail, Incorporated – Lease and Operation Exemption – Rail Lines of Wisconsin Central Ltd., Docket No. FD 34600 (STB served November 12, 2004); Progressive Rail Incorporated – Acquisition and Operation Exemption – Rail Lines of Crab Orchard & Egyptian Railroad Company, Docket No. FD 35656 (STB served September 21, 2015). PGR controls six other Class III railroads located in Minnesota, Missouri, Iowa, and North Carolina, respectively. See Progressive Rail, Incorporated – Continuance in Control Exemption – Chicago Junction Railway Company, LLC, Docket No. FD 36194, (STB served May 18, 2018).

SPR is a new entity established by PGR to operate the Line. The rail lines of PGR and PGR's existing rail carrier subsidiaries, on the one hand, and the Line to be operated by SPR, on the other, will not connect, and there is no plan to effect any such connection. PGR intends to remain in control of SPR and its existing rail carrier subsidiaries once SPR commences operations as a rail common carrier.

The full name and address of the Applicant herein is:

Progressive Rail Incorporated
21778 Highview Avenue
Lakeville, Minnesota 55044
(612) 791-3255

Any questions concerning this Notice should be sent to counsel for PGR at the following address:

Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

PGR intends to consummate the proposed continuance in control transaction on or about August 16, 2018, concurrently with SPR's commencement of operations pursuant to FD 36207, thirty days after the filing of this Notice. See 49 C.F.R. § 1180.4(g)(1).

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The exemption sought herein will allow PGR to continue in common control of its existing rail carrier subsidiaries and SPR upon SPR's commencement of common carrier operations. In turn, the control exemption will allow SPR to commence operations of the Line as currently planned.

States in Which Property of Applicants is Located: 49 C.F.R. § 1180.6(a)(5)

PGR is a Class III rail carrier and owns or operates rail property in the states of Minnesota, Wisconsin, and Illinois. SPR will operate rail property in California. The existing rail carrier subsidiaries of PGR own or operate over rail property located in the following states:

Airlake Terminal Railway Company, LLC: Minnesota
Central Midland Railway Company: Missouri
Iowa Traction Railway Company: Iowa
Iowa Southern Railway Company: Iowa
Piedmont & Northern Railroad LLC: North Carolina
Chicago Junction Railway Company: Illinois

Map - Exhibit 1: 49 C.F.R. § 1180.6(a)(6)

Maps of the Line to be leased by SPR and the rail lines currently operated by PGR and its existing rail carrier subsidiaries are attached hereto as Exhibit 1.

Agreement : 49 C.F.R. § 1180.6(a)(7)(ii)

PGR already controls SPR, currently a non-carrier. No additional agreement is contemplated or necessary for PGR to continue in control of SPR once SPR assumes a common carrier status.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

Pursuant to 49 U.S.C. § 11326(c), no employee protective conditions may be imposed upon this transaction. PGR and its existing railroad subsidiaries are all Class III rail carriers, and SPR will be a Class III carrier upon its commencement of operations.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the proposed control transaction is exempt from environmental reporting requirements. PGR's continuance in control of SPR will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

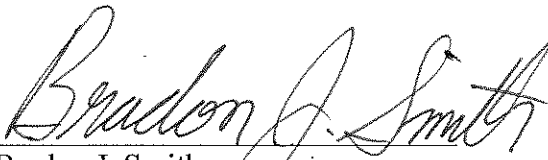
Under 49 C.F.R. § 1105.8(b)(3), the proposed continuance in control also is exempt from historic preservation reporting requirements. That control transaction will not substantially change the level of maintenance of any railroad property.

Interchange Commitments: 49 C.F.R. § 1180.4(g)(4)

The proposed continuance in control transaction does not itself involve the acquisition or operation of a rail line, and thus the provisions of 49 C.F.R. § 1180.4(g)(4) are not

applicable. In any event, the transaction does not involve an interchange commitment limiting future interchange with a third-party connecting carrier.

Respectfully submitted,

By: 
Bradon J. Smith
Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR PROGRESSIVE RAIL
INCORPORATED**

Dated: July 16, 2018



Davenport, CA. MP 31.39
Davenport

EXHIBIT 1 SPR MAP

Santa Cruz

Twin Lakes

Capitola

Aptos

Freedom

Watsonville
Watsonville Junction MP 0.433

EXHIBIT 1 CHICAGO
JUNCTION
RAILWAY

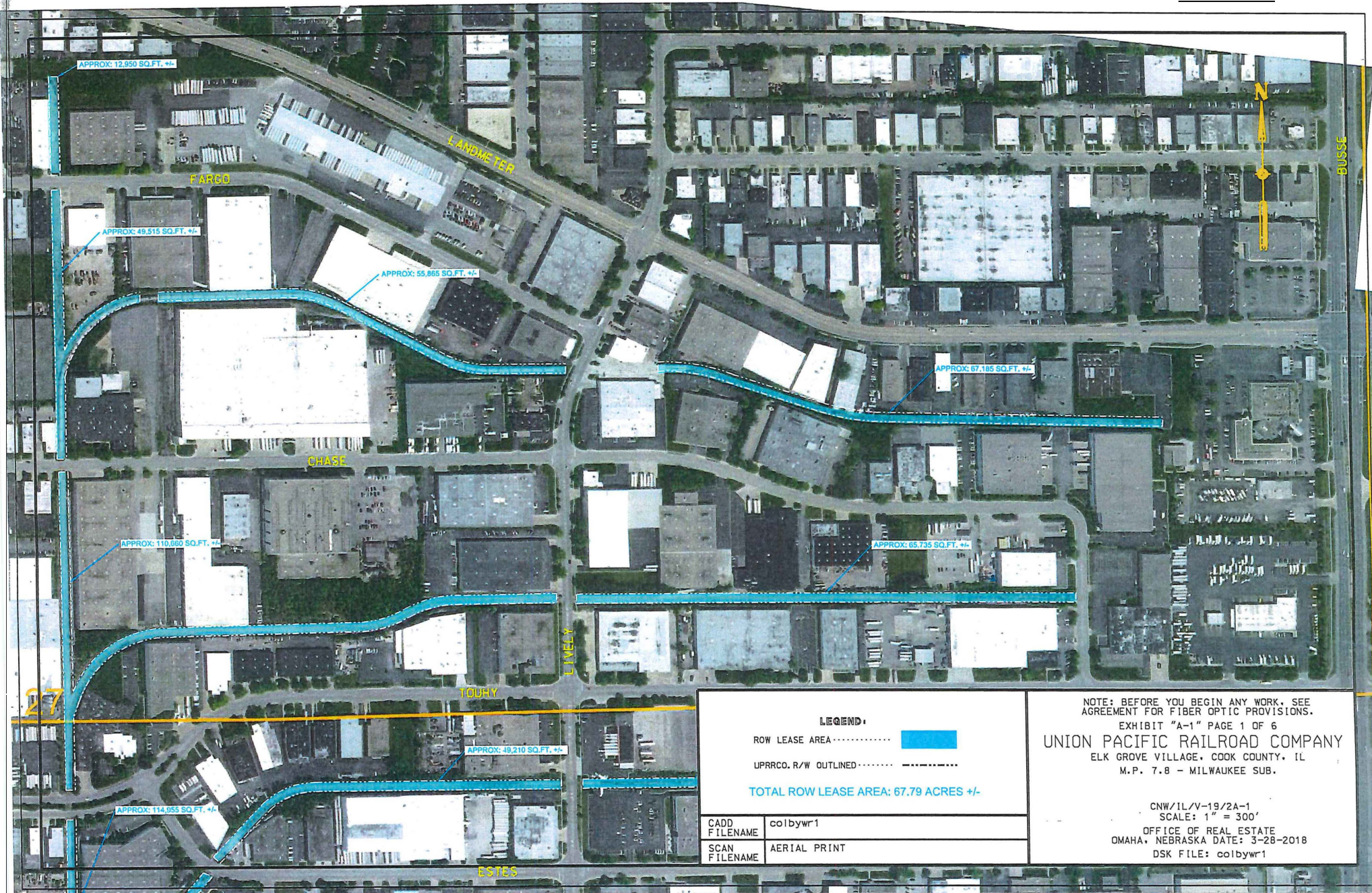
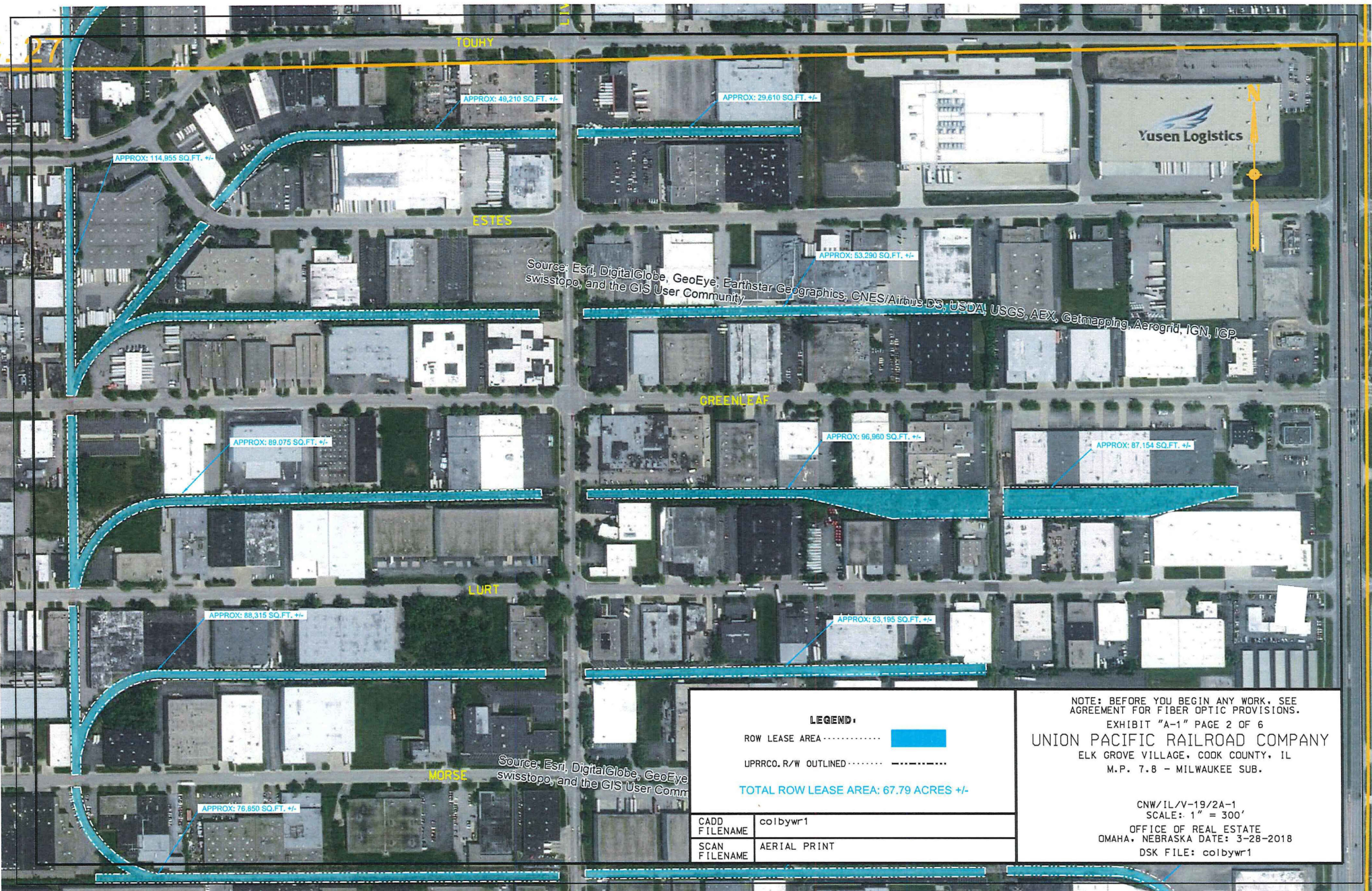


EXHIBIT 1



LEGEND:

ROW LEASE AREA

UPRRCO, R/W OUTLINED

TOTAL ROW LEASE AREA: 67.79 ACRES +/-

CADD FILENAME	colbywr1
SCAN FILENAME	AERIAL PRINT

NOTE: BEFORE YOU BEGIN ANY WORK, SEE AGREEMENT FOR FIBER OPTIC PROVISIONS.

EXHIBIT "A-1" PAGE 2 OF 6

UNION PACIFIC RAILROAD COMPANY

ELK GROVE VILLAGE, COOK COUNTY, IL

M.P. 7.8 - MILWAUKEE SUB.

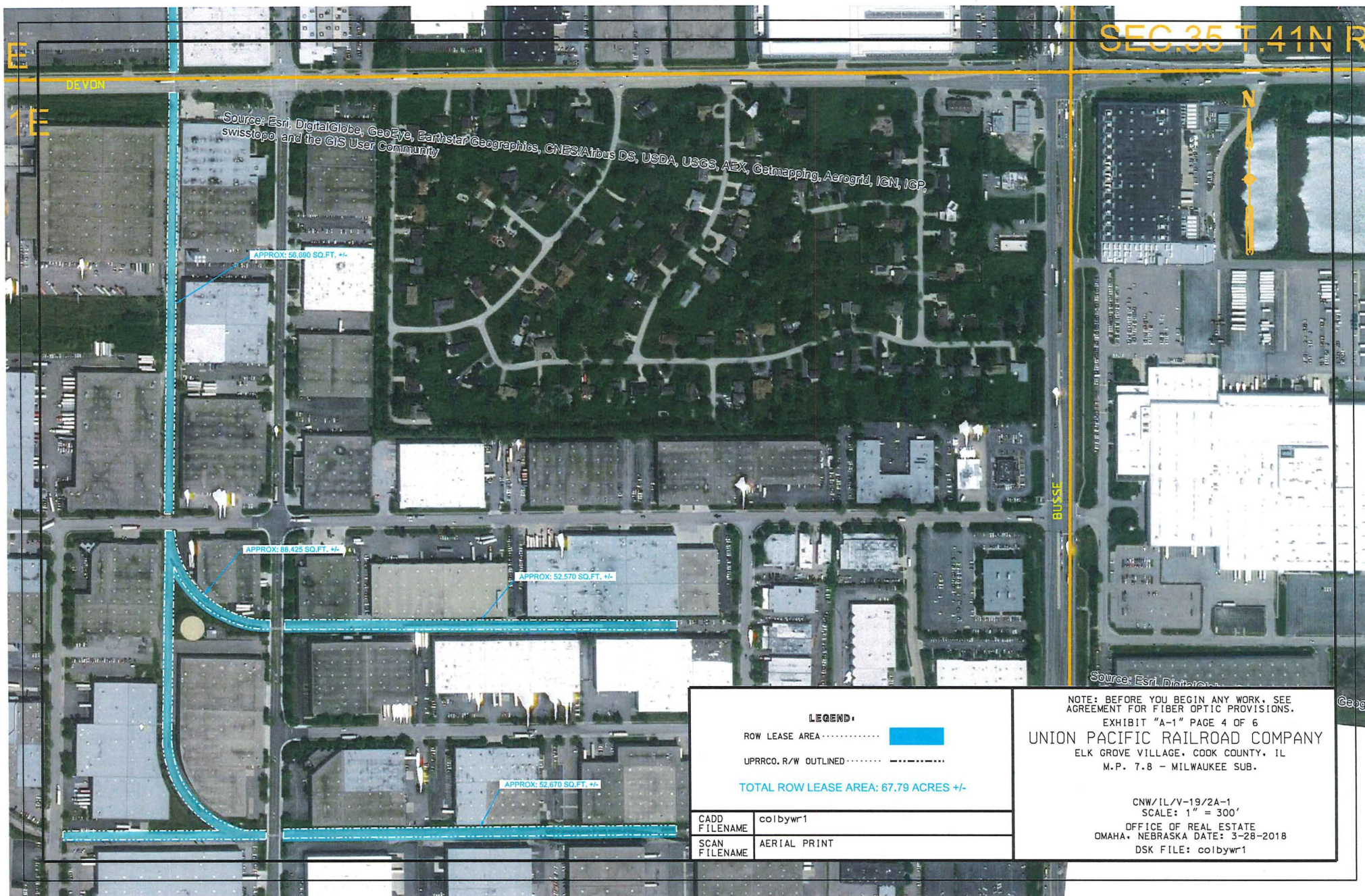
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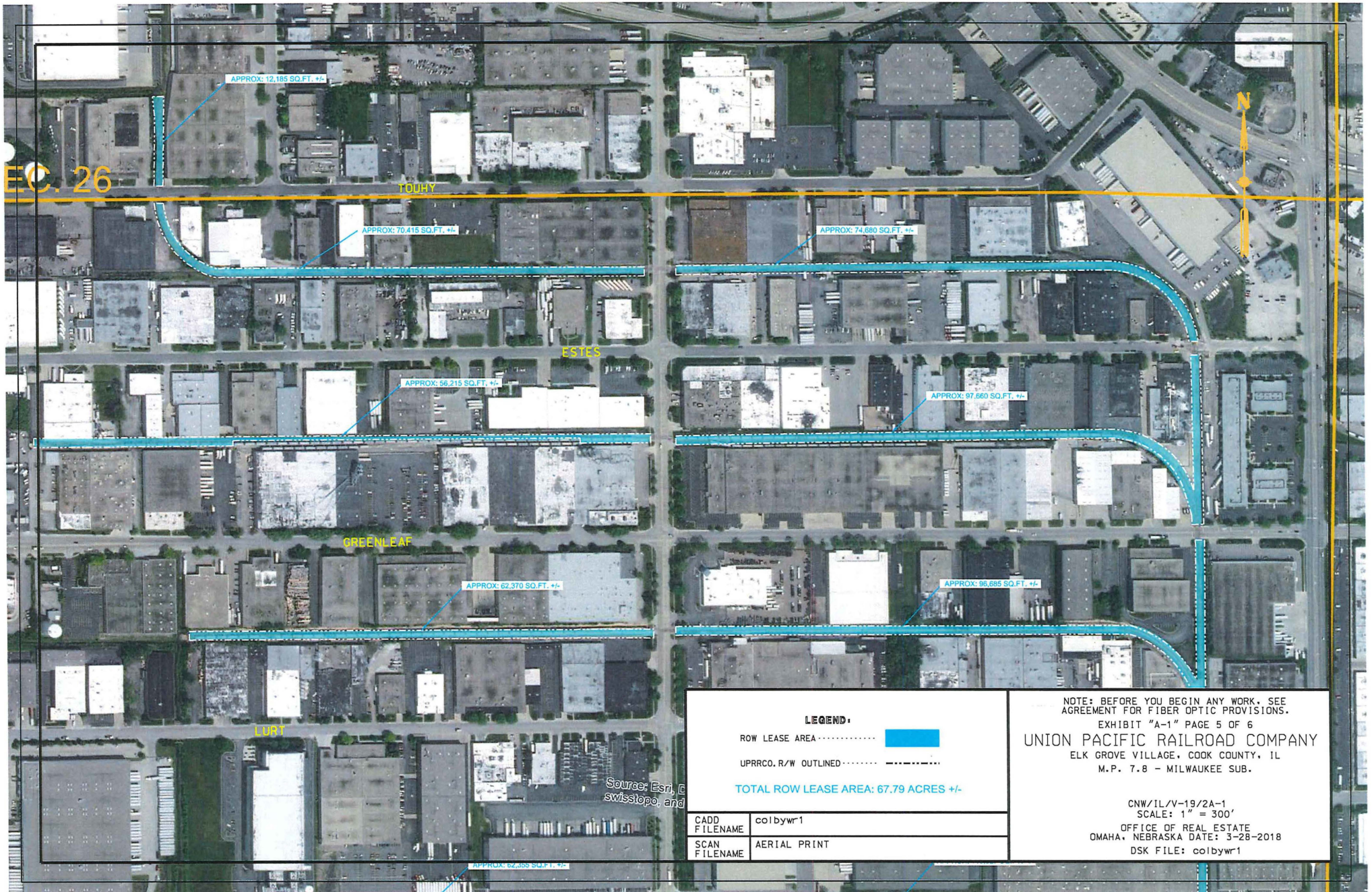
SCALE: 1" = 300'

OFFICE OF REAL ESTATE

OMAHA, NEBRASKA DATE: 3-28-2018

DSK FILE: colbywr1





EC. 26

LEGEND:

ROW LEASE AREA
 UPRRCO. R/W OUTLINED

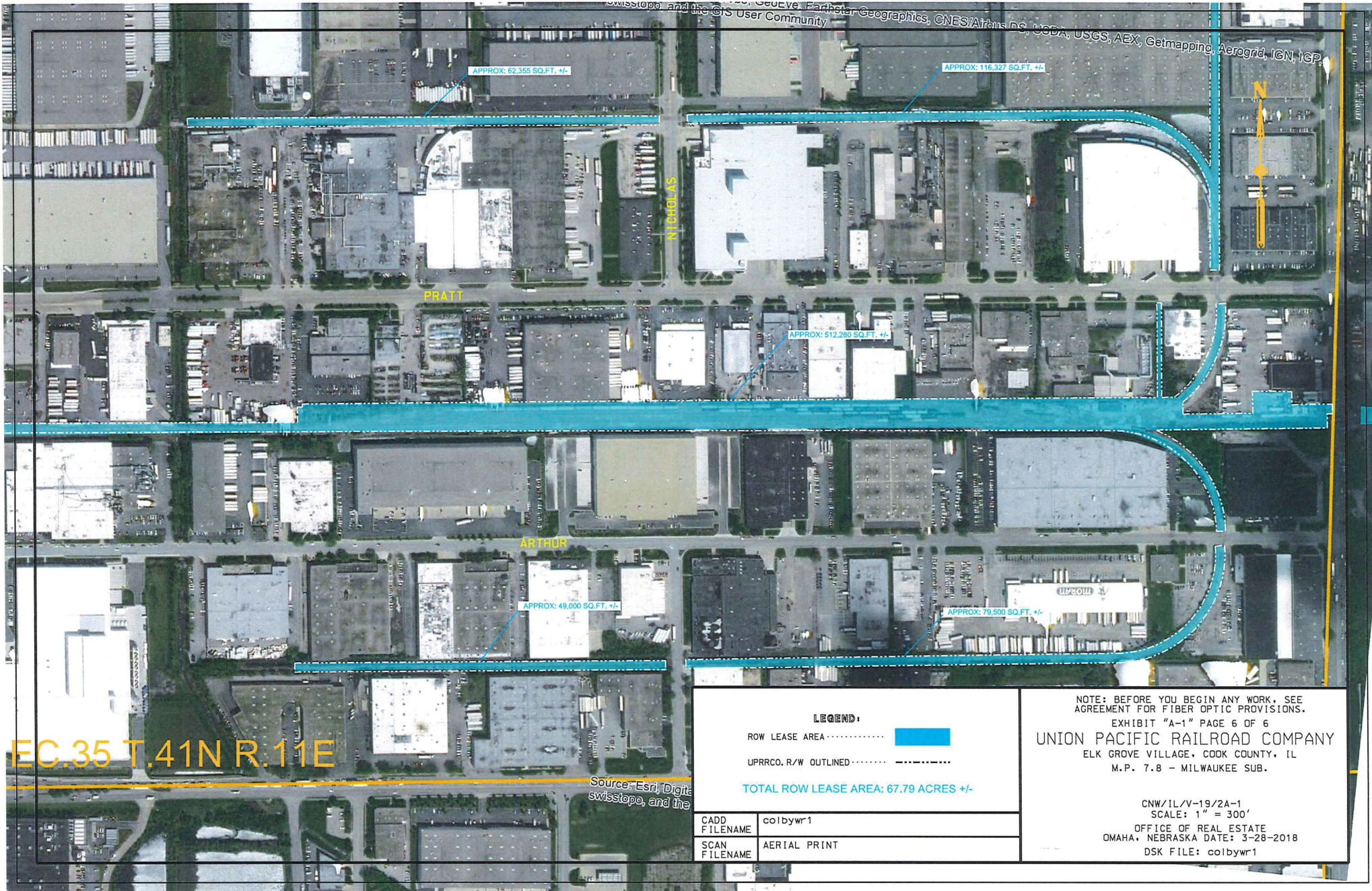
TOTAL ROW LEASE AREA: 67.79 ACRES +/-

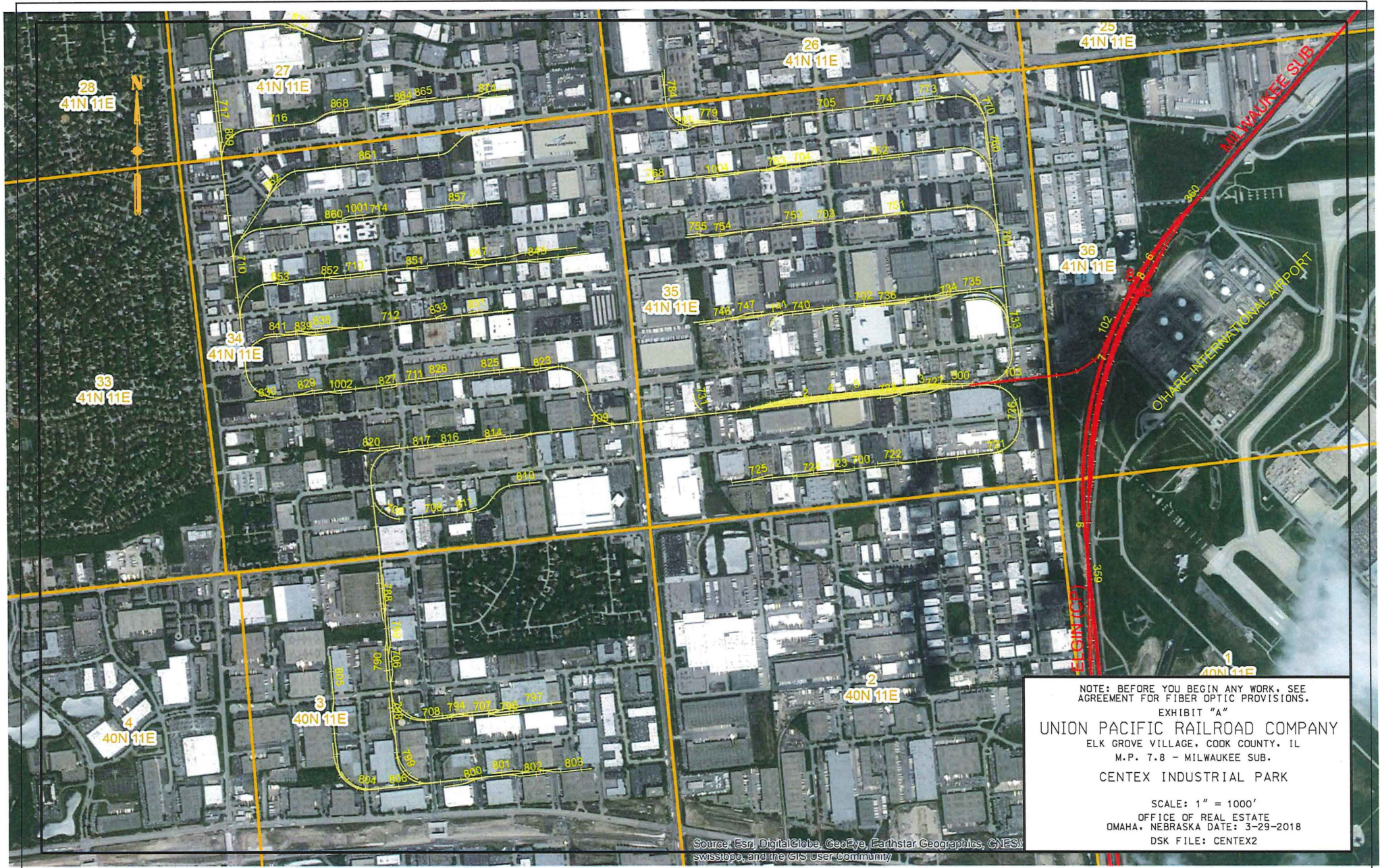
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SCAN FILENAME	AERIAL PRINT

NOTE: BEFORE YOU BEGIN ANY WORK, SEE
 AGREEMENT FOR FIBER OPTIC PROVISIONS.

EXHIBIT "A-1" PAGE 5 OF 6
UNION PACIFIC RAILROAD COMPANY
 ELK GROVE VILLAGE, COOK COUNTY, IL
 M.P. 7.8 - MILWAUKEE SUB.

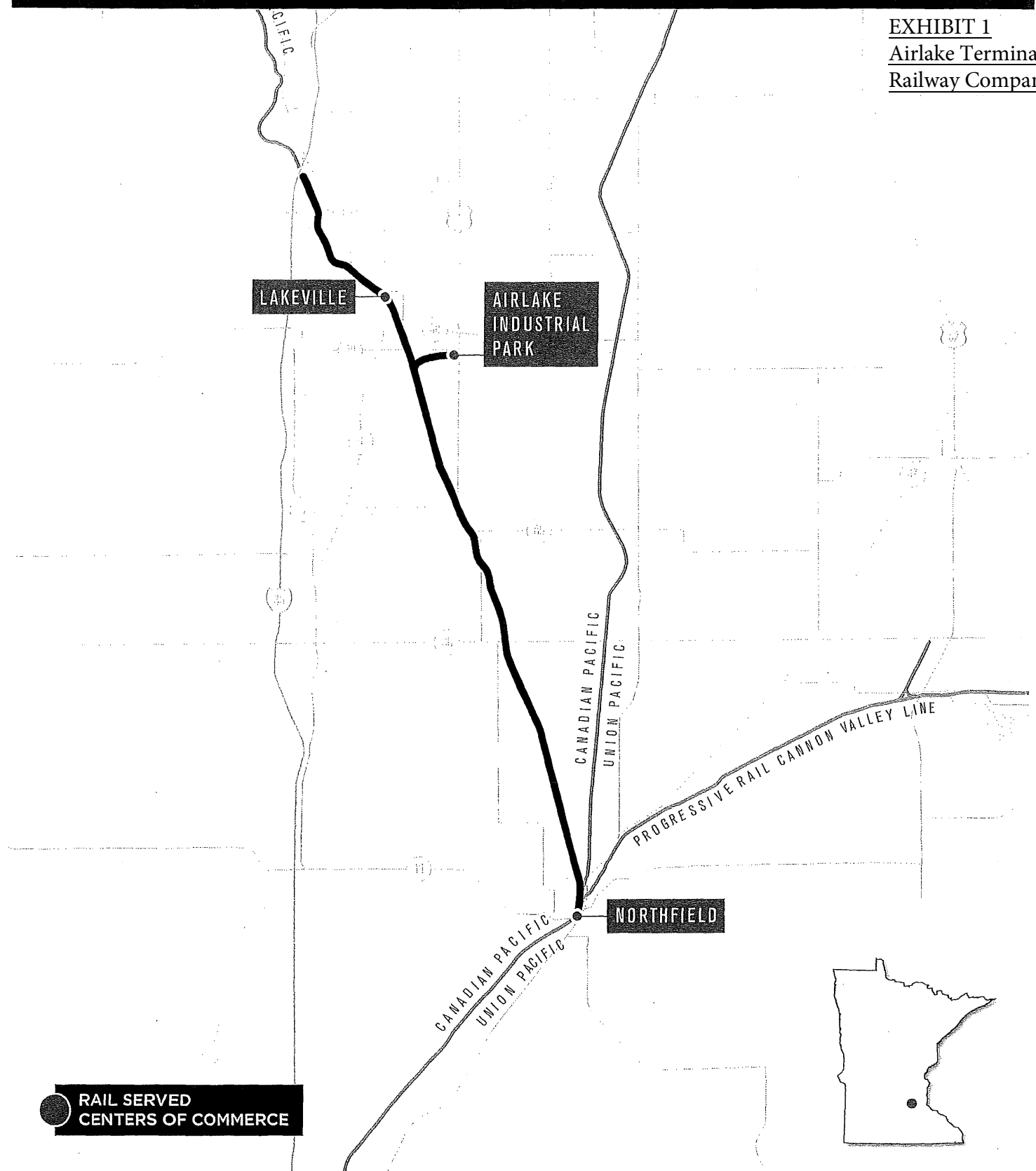
CNW/IL/V-19/2A-1
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 OFFICE OF REAL ESTATE
 OMAHA, NEBRASKA DATE: 3-28-2018
 DSK FILE: colbywr1





NOTE: BEFORE YOU BEGIN ANY WORK, SEE
AGREEMENT FOR FIBER OPTIC PROVISIONS.
EXHIBIT "A"
UNION PACIFIC RAILROAD COMPANY
ELK GROVE VILLAGE, COOK COUNTY, IL
M.P. 7.8 - MILWAUKEE SUB.
CENTEX INDUSTRIAL PARK
SCALE: 1" = 1000'
OFFICE OF REAL ESTATE
OMAHA, NEBRASKA DATE: 3-29-2018
DSK FILE: CENTEX2

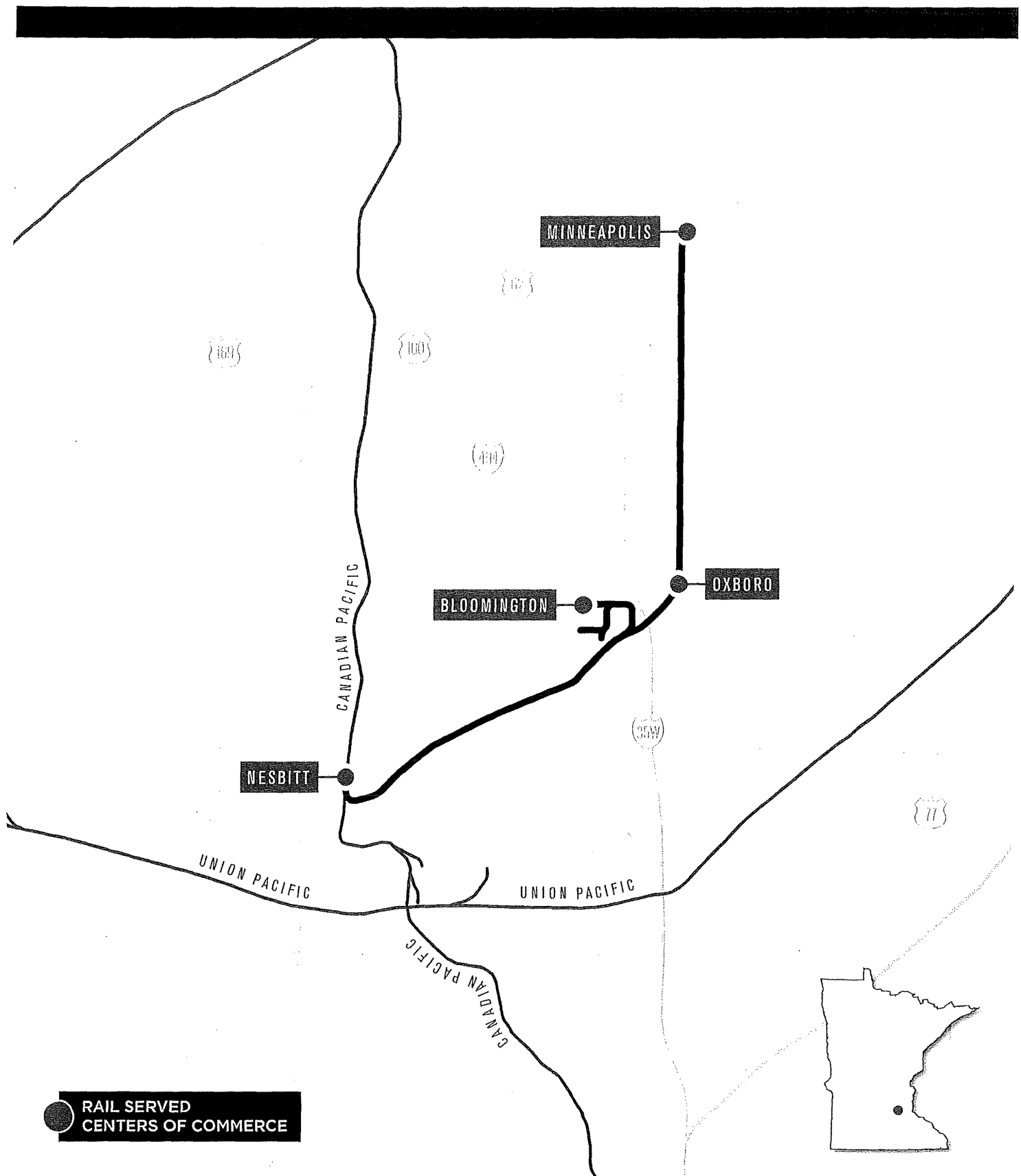
EXHIBIT 1
Airlake Terminal
Railway Company



PROGRESSIVE RAIL - JESSE JAMES LINE

Northfield, Minnesota to Lakeville, Minnesota

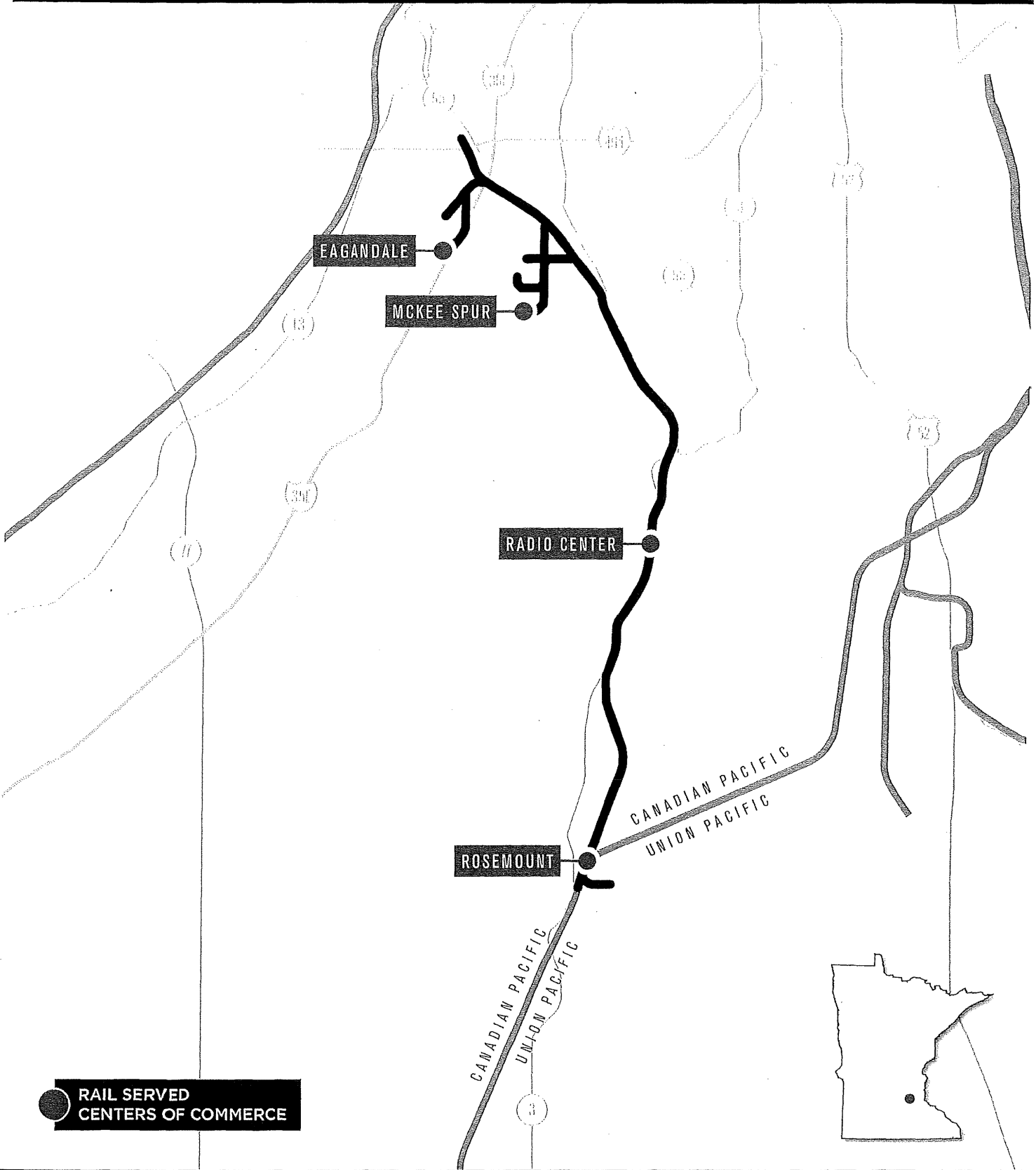




PROGRESSIVE RAIL - DAN PATCH LINE

Bloomington, Minnesota to Minneapolis, Minnesota

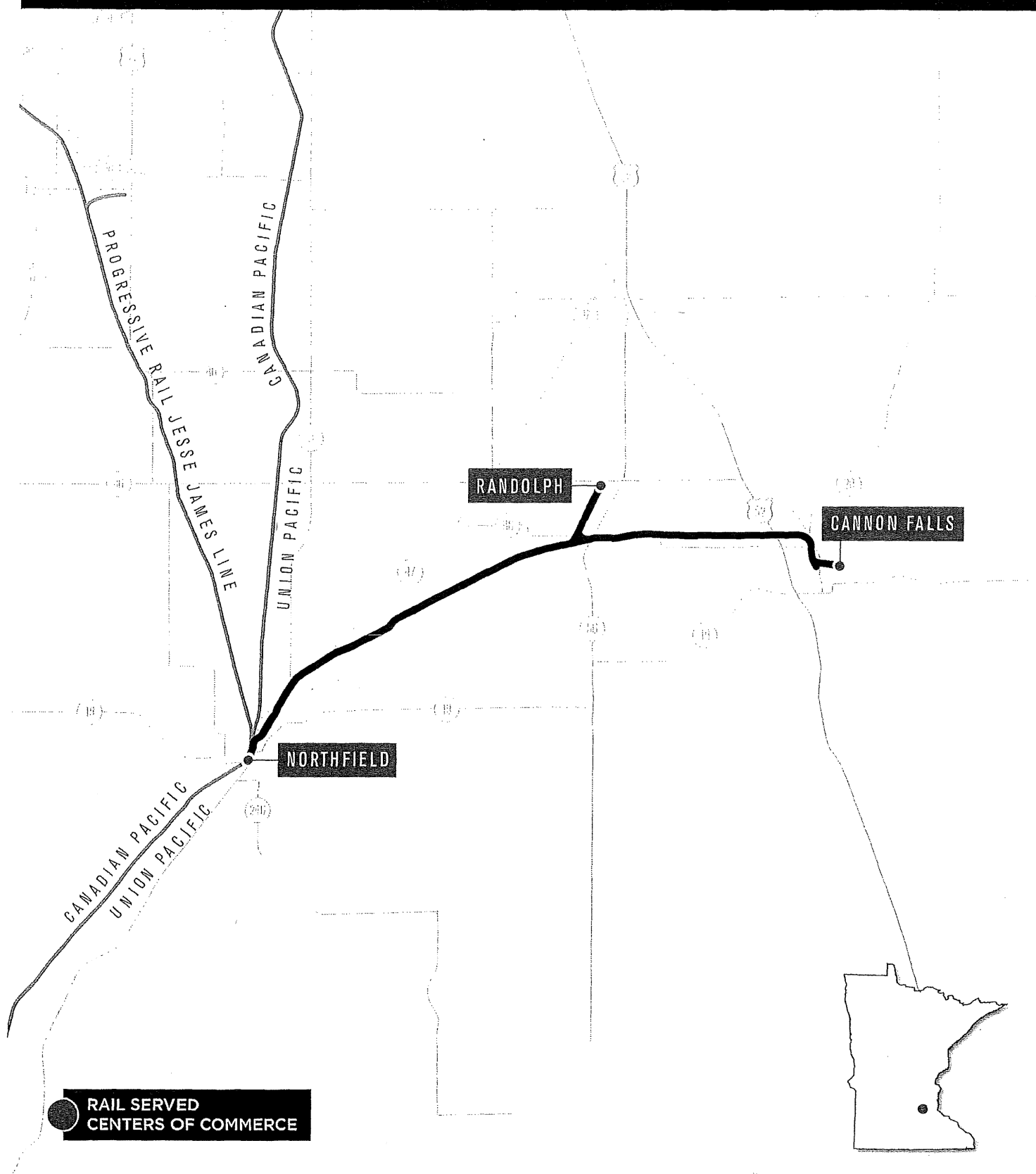




PROGRESSIVE RAIL - EAGANDALE

Rosemount, Minnesota to Eagan, Minnesota

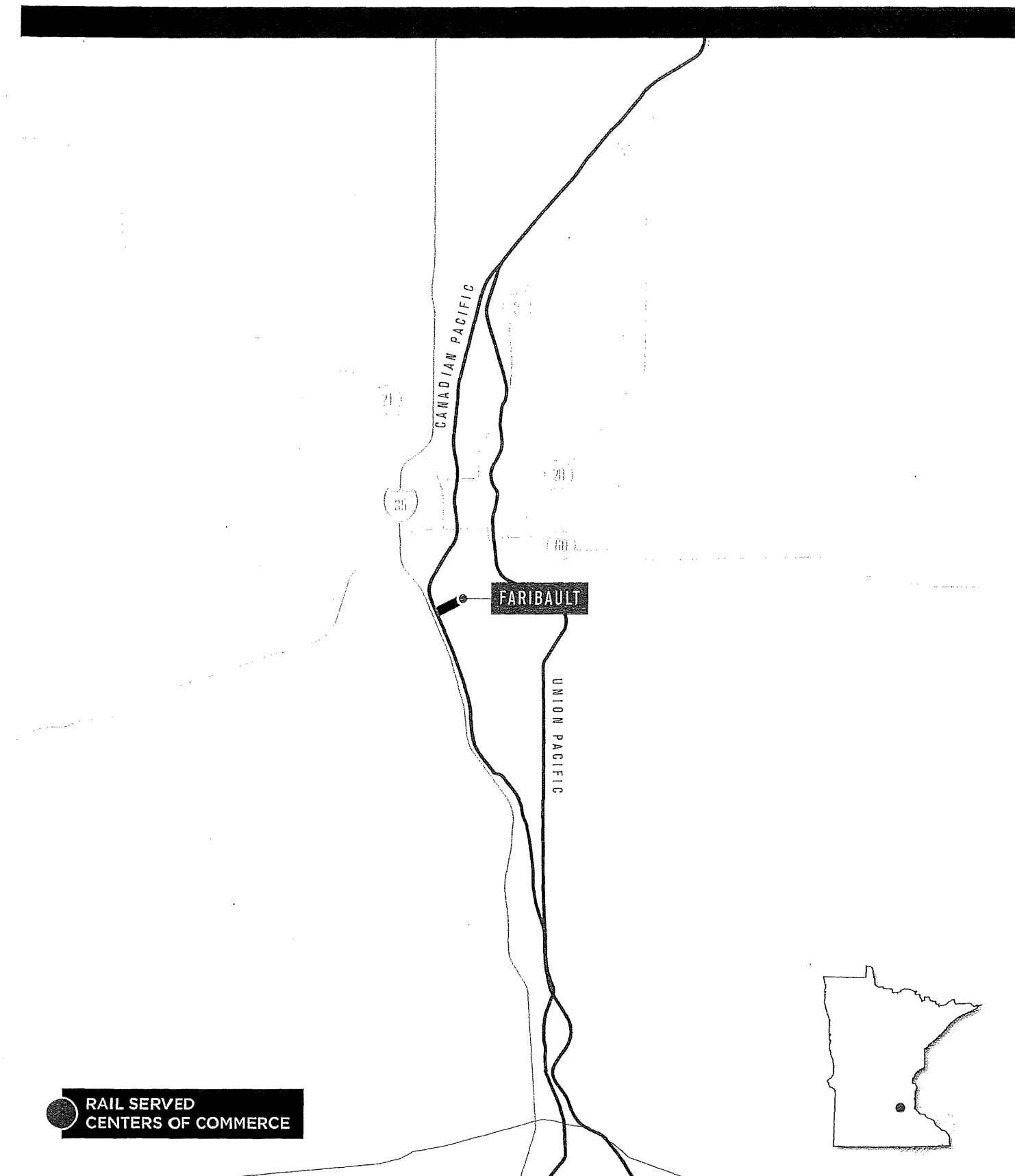




PROGRESSIVE RAIL - CANNON VALLEY LINE

Northfield, Minnesota to Cannon Falls, Minnesota

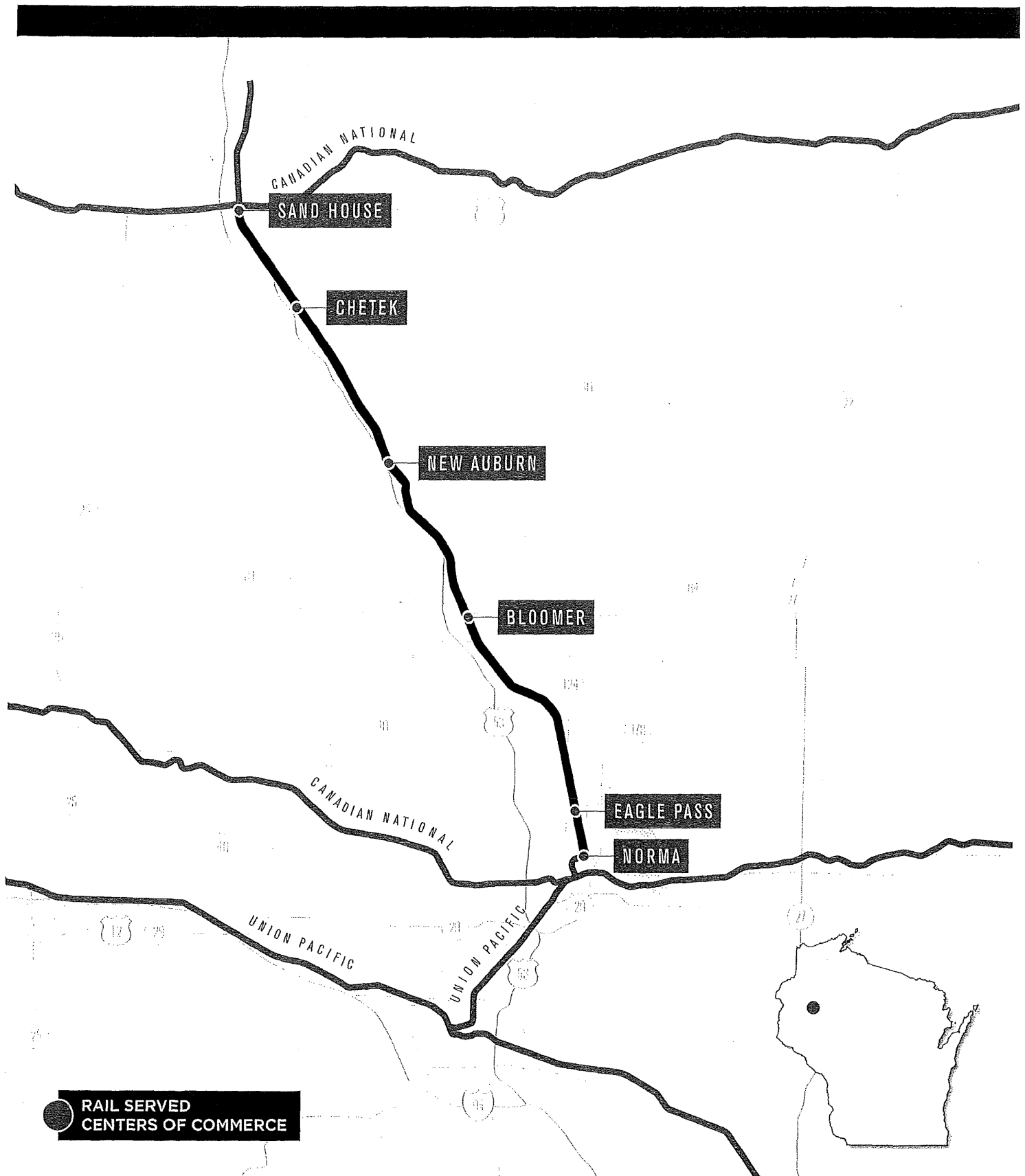




PROGRESSIVE RAIL - FARIBAULT LINE

Faribault, Minnesota



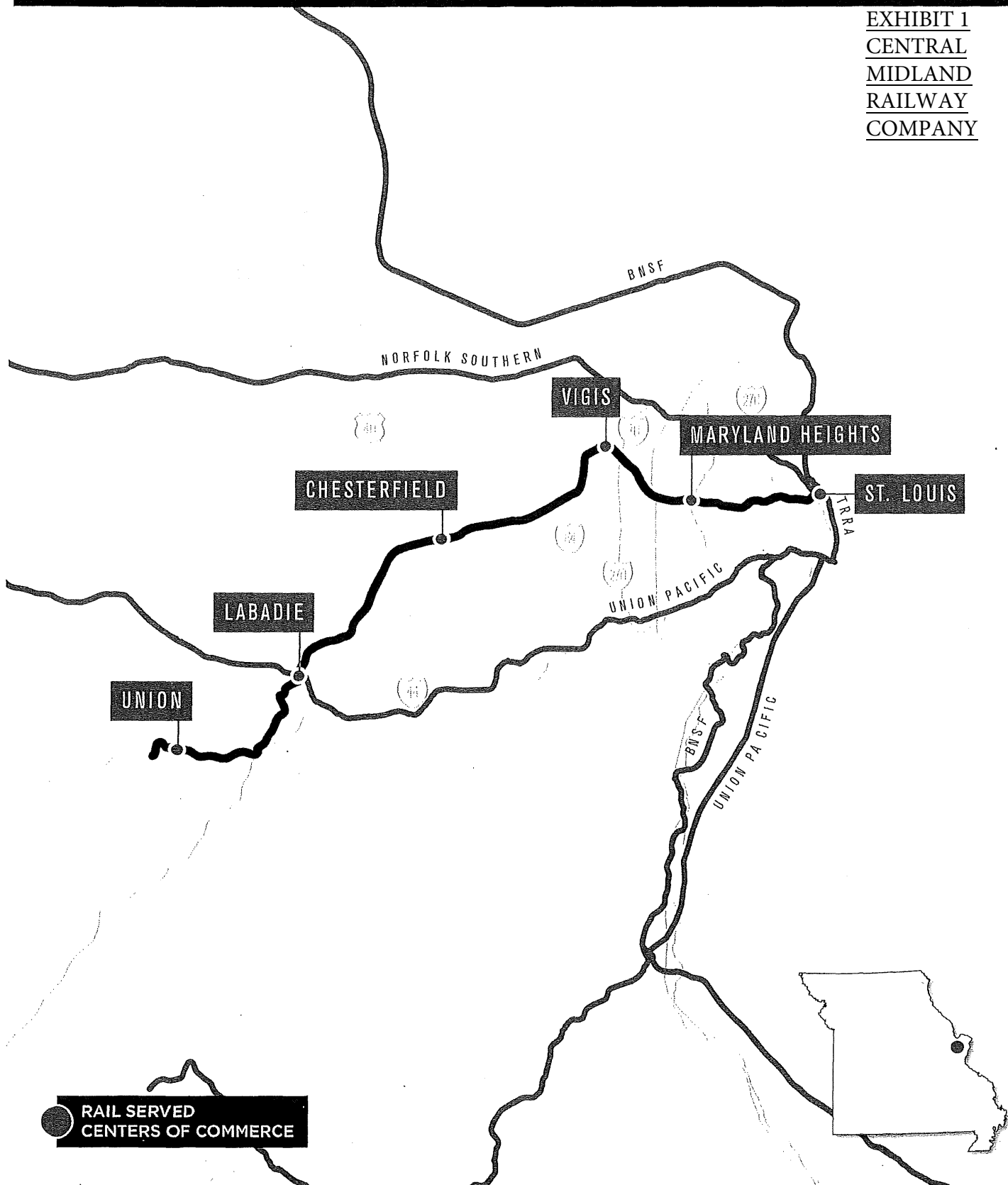


WISCONSIN NORTHERN RAILROAD

Florida, Wisconsin to Canyon, Wisconsin



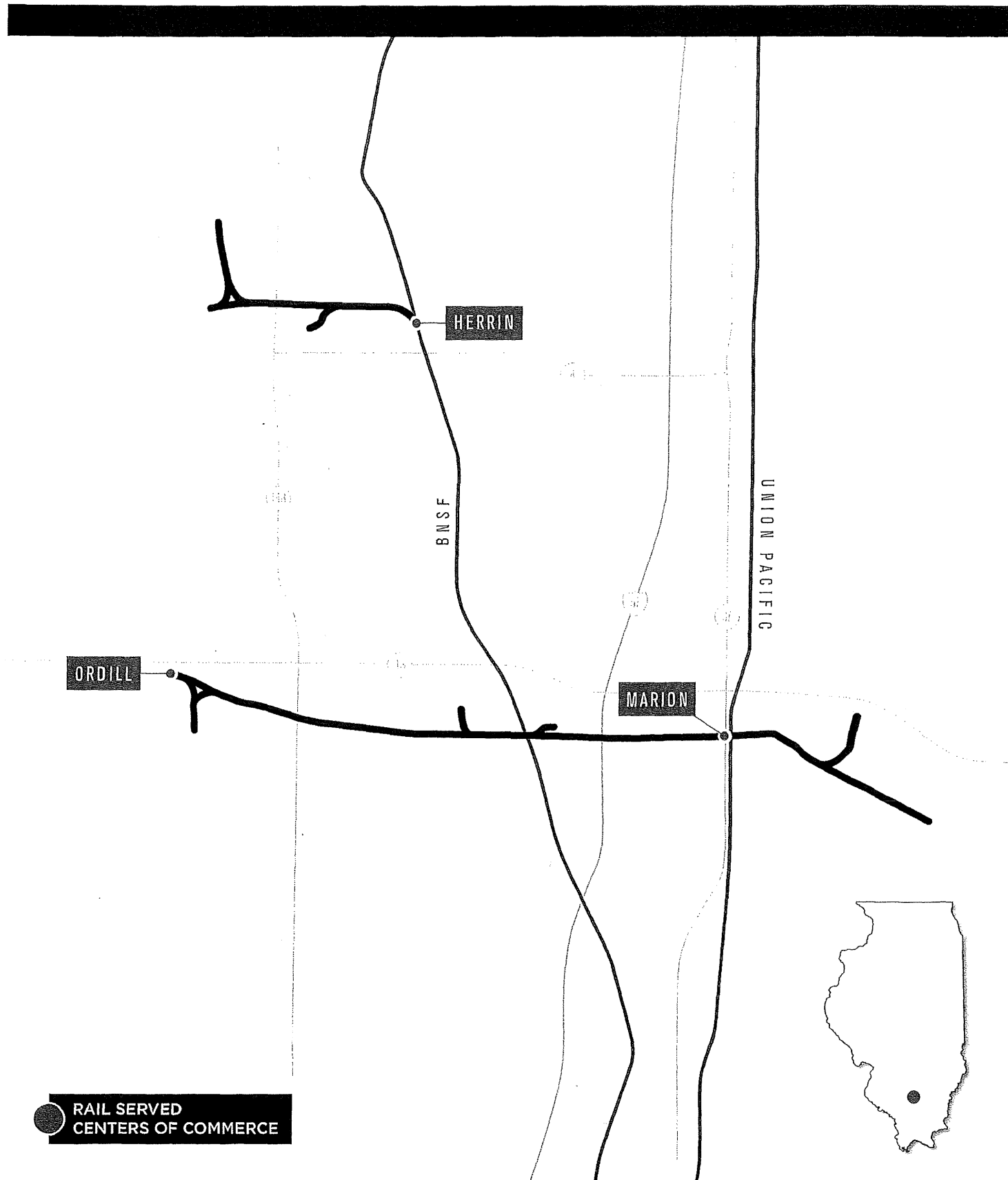
EXHIBIT 1
CENTRAL
MIDLAND
RAILWAY
COMPANY



CENTRAL MIDLAND RAILWAY

Union, Missouri to St. Louis, Missouri



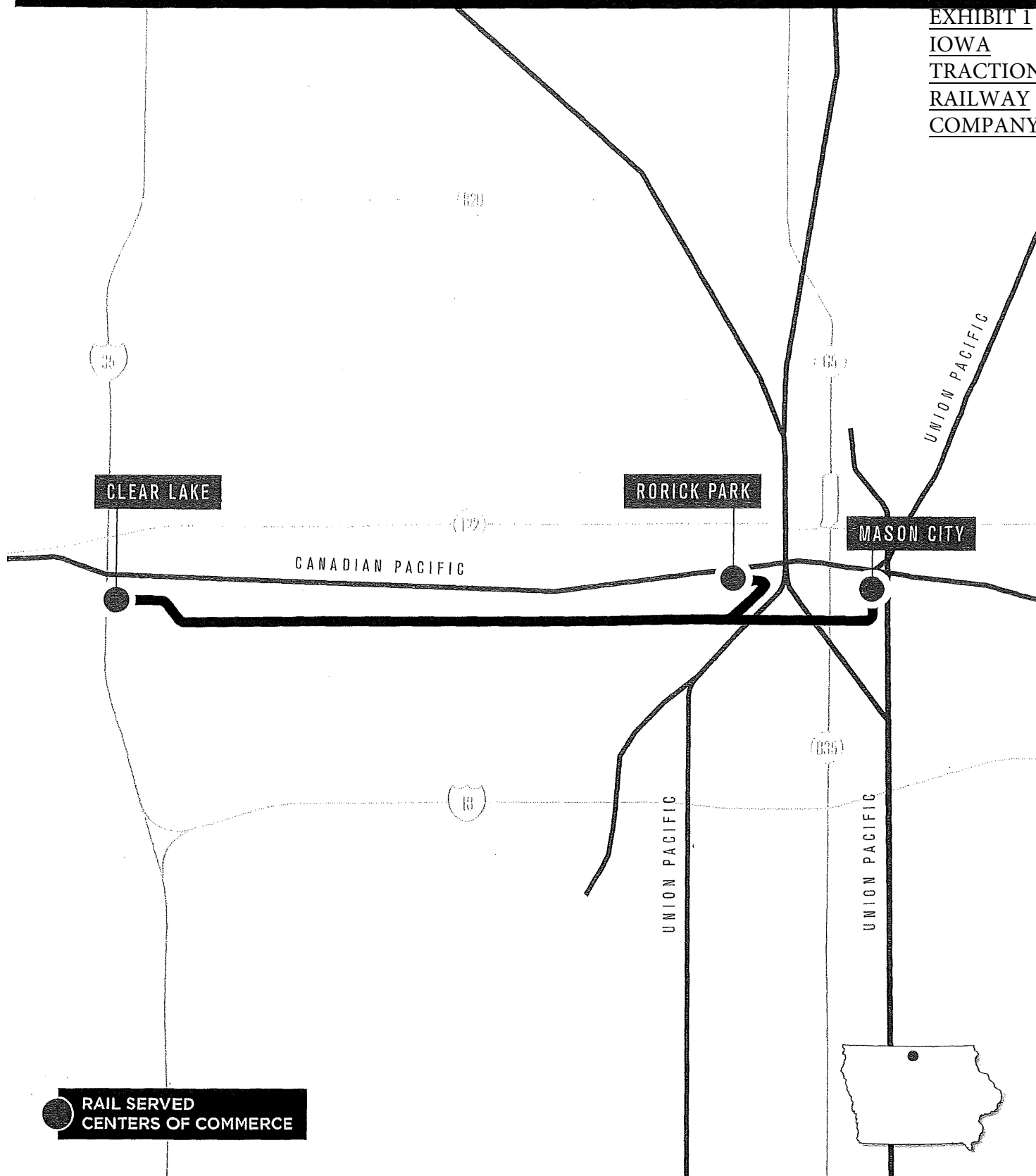


CRAB ORCHARD & EGYPTIAN RAILROAD

From Marion, to Ordill, Illinois, and Herrin, Illinois



EXHIBIT 1
IOWA
TRACTION
RAILWAY
COMPANY

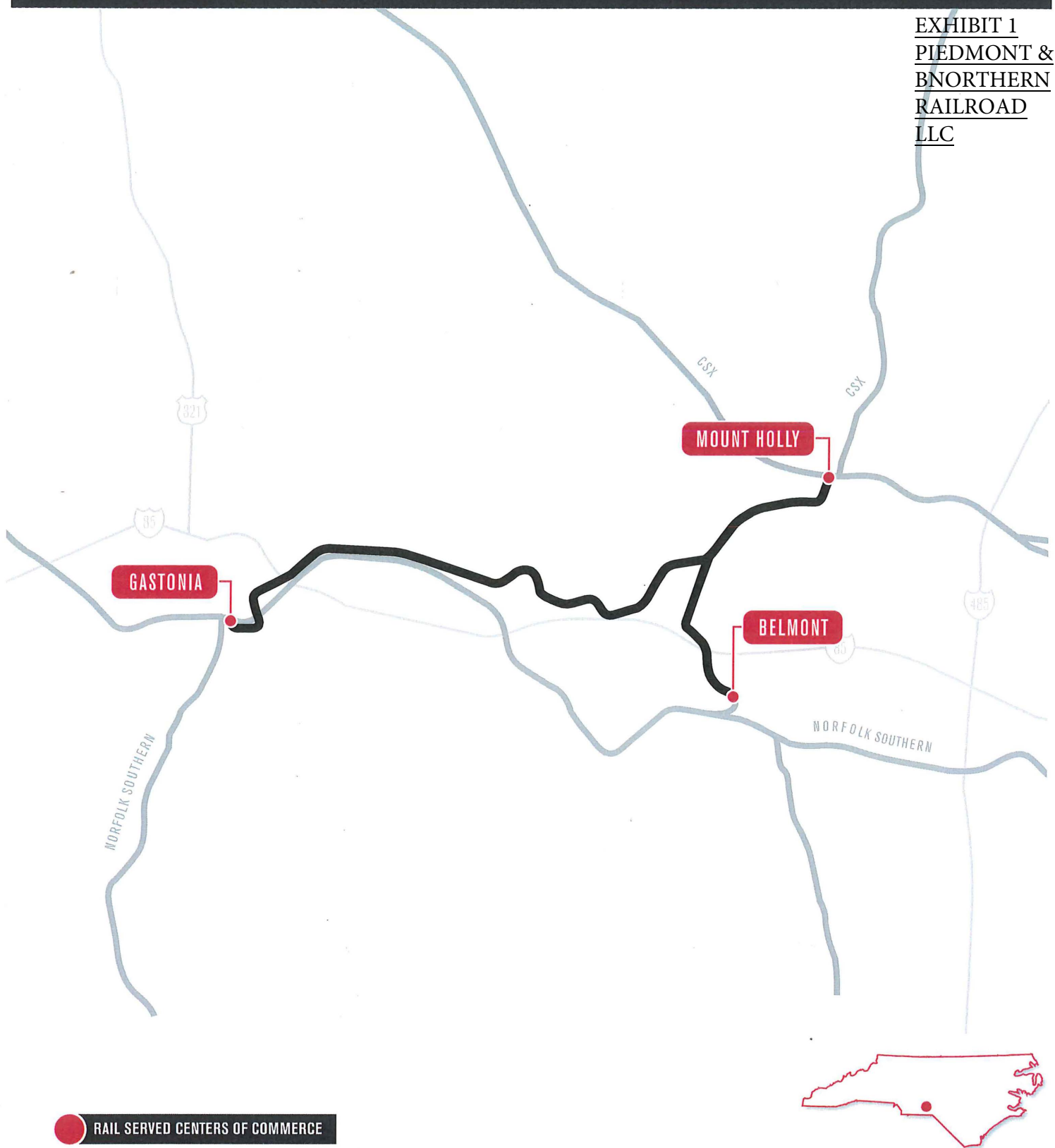


IOWA TRACTION RAILWAY COMPANY

Clear Lake, Iowa to Mason City, Iowa



EXHIBIT 1
PIEDMONT &
BNORTHERN
RAILROAD
LLC



PIEDMONT & NORTHERN RAILWAY

Gastonia, North Carolina to Mount Holly, North Carolina



VERIFICATION

James L. Thornton declares under penalty of perjury as follows:

I am the Managing Director – Legal and Secretary of Progressive Rail Incorporated. I have read the forgoing Notice of Exemption and know that the facts asserted therein are true as stated.

Executed on July 16 , 2018

