

FLETCHER & SIPPEL LLC

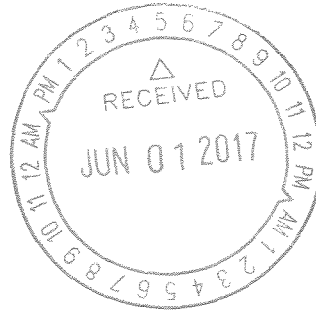
ATTORNEYS AT LAW

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ENTERED
Office of Proceedings
June 1, 2017
Part of
Public Record



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May 31, 2017

VIA FEDERAL EXPRESS

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

Re: **Docket No. FD 36121**
Progressive Rail Incorporated -- Continuance in
Control Exemption – Piedmont and Northern Railroad LLC

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of Progressive Rail Incorporated Pursuant to 49 C.F.R. § 1180.2(d)(2)**, dated May 31, 2017. A check in the amount of \$1,500, representing the appropriate fee for this filing, is attached.

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

Respectfully submitted,

Michael J. Barron, Jr.
Attorney for Progressive Rail Incorporated

MJB/ekf

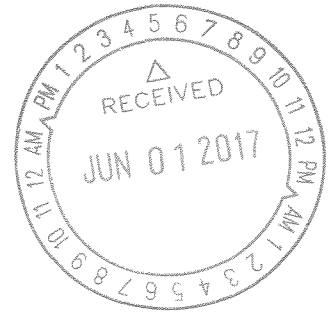
Enclosures

FILED
June 1, 2017
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED

June 1, 2017
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD



DOCKET NO. FD 36121

PROGRESSIVE RAIL INCORPORATED
-- CONTINUANCE IN CONTROL EXEMPTION --
PIEDMONT AND NORTHERN RAILROAD LLC

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

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

**ATTORNEYS FOR
PROGRESSIVE RAIL INCORPORATED**

Dated: May 31, 2017

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36121

PROGRESSIVE RAIL INCORPORATED
-- CONTINUANCE IN CONTROL EXEMPTION --
PIEDMONT AND NORTHERN RAILROAD 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 Piedmont and Northern Railroad LLC ("PDMT") once PDMT leases a rail line and becomes a common carrier. PDMT is a non-carrier entity, wholly owned by PGR, that will lease from the North Carolina Department of Transportation ("NCDOT") and operate a rail line extending from Mt. Holly, North Carolina to Gastonia, North Carolina, all located in Gaston County, North Carolina ("the Line") a distance of approximately 13 miles. PDMT is concurrently filing a notice of exemption pursuant to 49 C.F.R. § 1150.31(a)(3) to lease and operate the Line. See Docket No. FD 36120, Piedmont and Northern Railroad LLC-- Lease and Operation Exemption –Piedmont Railway, LLC.

The rail line to be leased by PDMT does not connect with the lines of PGR or of the other four 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 transaction involve a Class I carrier. PGR's continuance in control of PDMT is accordingly exempt under 49 C.F.R. § 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 -- 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 also controls four other Class III railroads that operate in Minnesota, Missouri and Iowa, respectively. See Progressive Rail Inc. -- Intra-Corporate Family Transaction Exemption -- Airlake Terminal Railway Company, LLC, Docket No. FD 35168 (STB served November 28, 2008); Progressive Rail Inc. -- Acquisition of Control Exemption -- Central Midland Railway Company, Docket No. FD 35051 (STB served July 5, 2007); Progressive Rail Incorporated -- Continuance in Control Exemption -- Iowa Traction Railway Company, Docket No. FD 35671 (STB served September 14, 2012); and Progressive Rail Inc.—Continuance in Control Exemption --- Iowa Southern Railway Company, Docket No. 36051 (STB Served July 29, 2016).

PDMT is a new entity owned by PGR which will lease and operate the Line in North Carolina. The rail lines of PGR and PGR's existing rail carrier subsidiaries, on the one hand, and PDMT, on the other, will not connect. PGR proposes to exercise common control of PDMT and its existing rail carrier subsidiaries once PDMT acquires the Line pursuant to exemption in Docket No. FD 36120 and becomes a rail carrier.

The full name and address of the Applicant herein is:

Progressive Rail Incorporated
21778 Highview Avenue
Lakeville, Minnesota 55044

Any questions concerning this Notice should be sent to the representative of PGR
at the following address:

Michael J. Barron, Jr.
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 July 1, 2017, concurrently with PDMT's lease and operation of the Line and thirty days after the filing of this notice of exemption. 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 exercise common control of its existing rail carrier subsidiaries and PDMT. In turn, the control exemption will allow ISR to proceed with the lease and operation of the Line as contemplated in Docket No. FD 36120.

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. PDMT will lease and operate rail property in the State of North Carolina. 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

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

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

Agreement - Exhibit 2: 49 C.F.R. § 1180.6(a)(7)(ii)

PGR already owns and controls PDMT, currently a non-carrier. No additional agreement is contemplated or necessary for PGR to continue in control of PDMT once PDMT acquires the Line and becomes a carrier.

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 on this transaction. PGR and its existing railroad subsidiaries are currently Class III rail carriers, and PDMT 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 PDMT 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. Applicants note that the underlying lease transaction proposed in Docket No. FD 36120 does not include any provision limiting PDMT's future interchange of traffic with a third-party connecting carrier.

Respectfully submitted,

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

**ATTORNEYS FOR
PROGRESSIVE RAIL INCORPORATED**

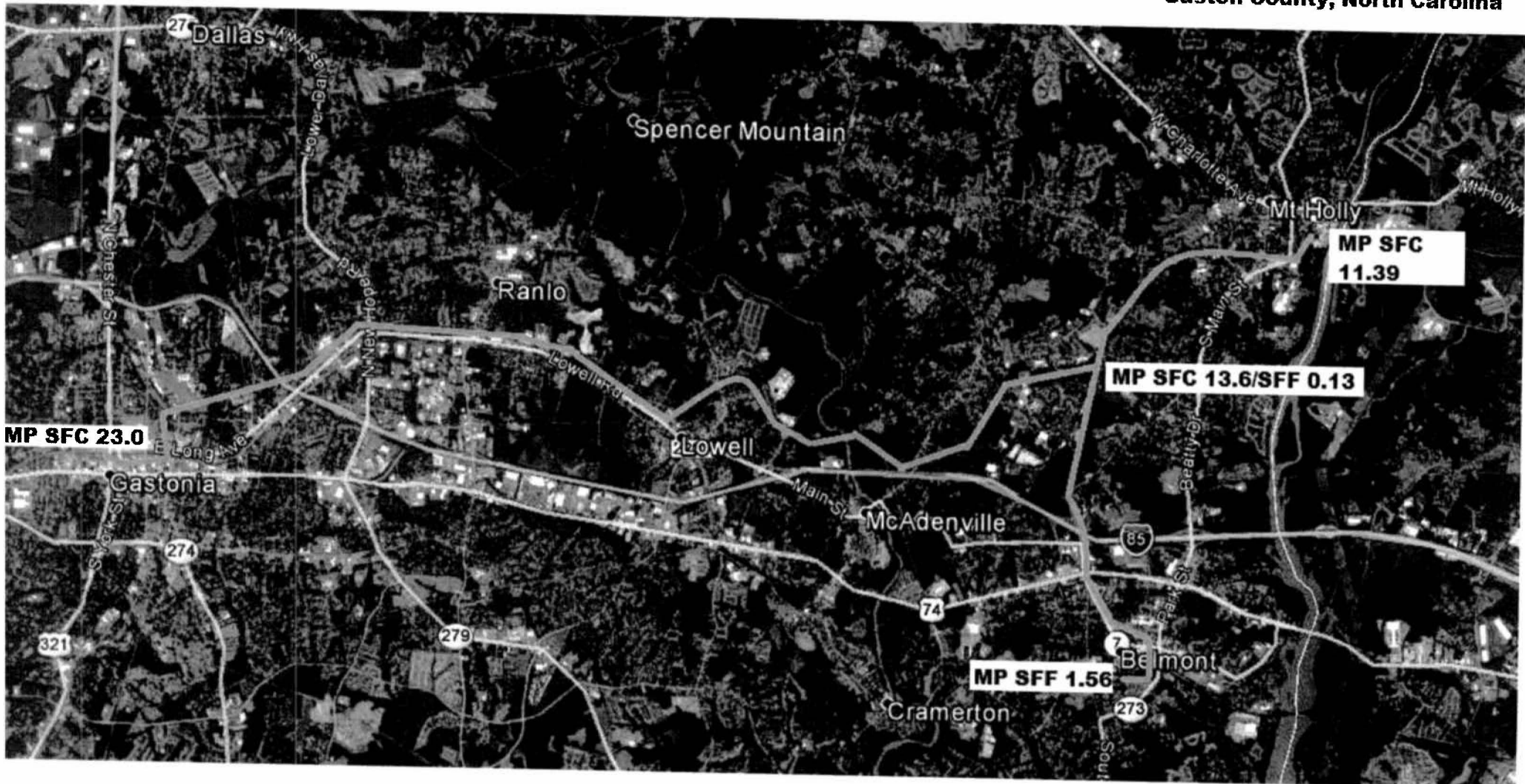
Dated: May 31, 2017

**PROGRESSIVE RAIL INCORPORATED
- CONTINUANCE IN CONTROL EXEMPTION -
PIEDMONT AND NORTHERN RAILROAD LLC**

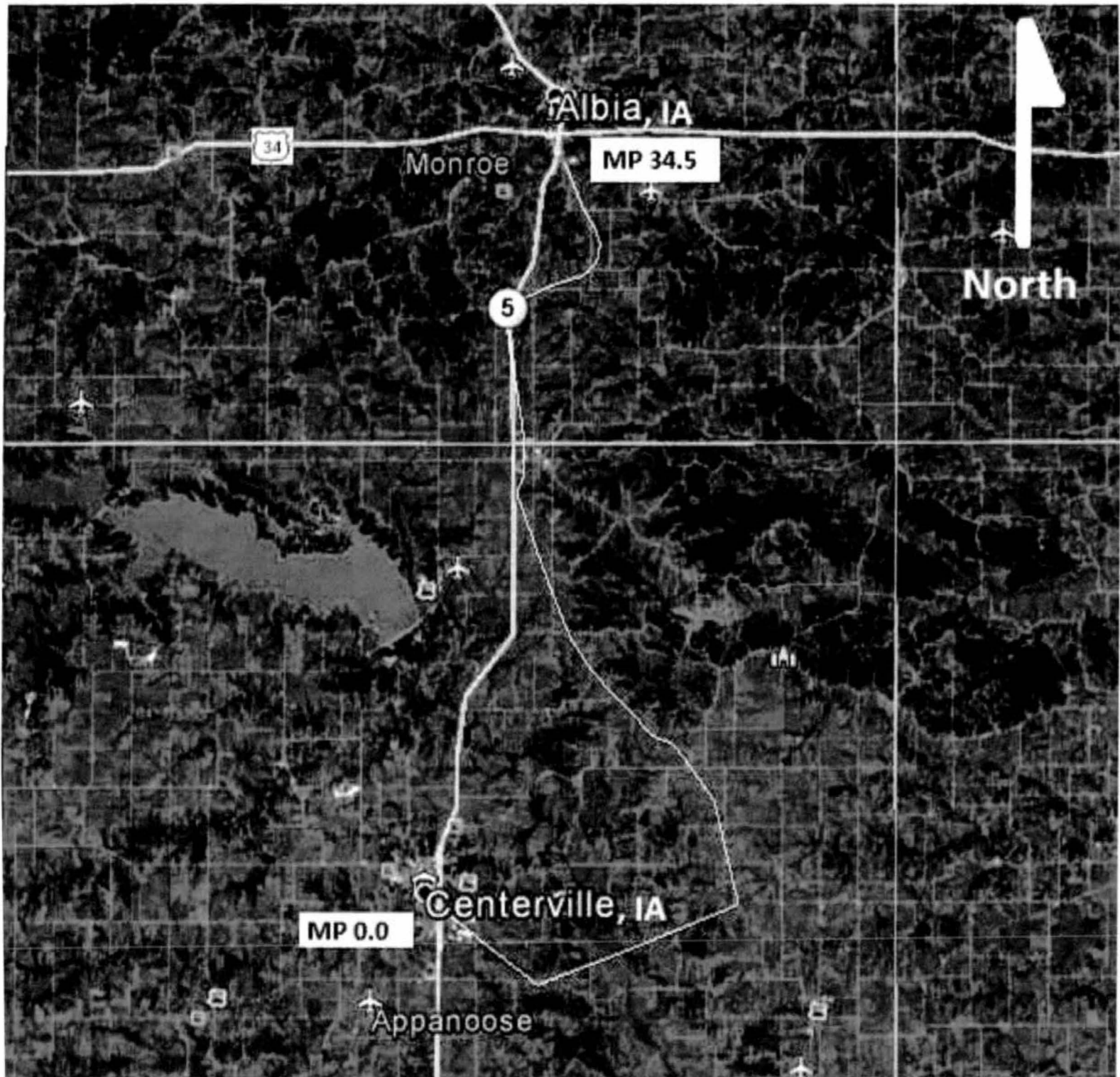
EXHIBIT 1

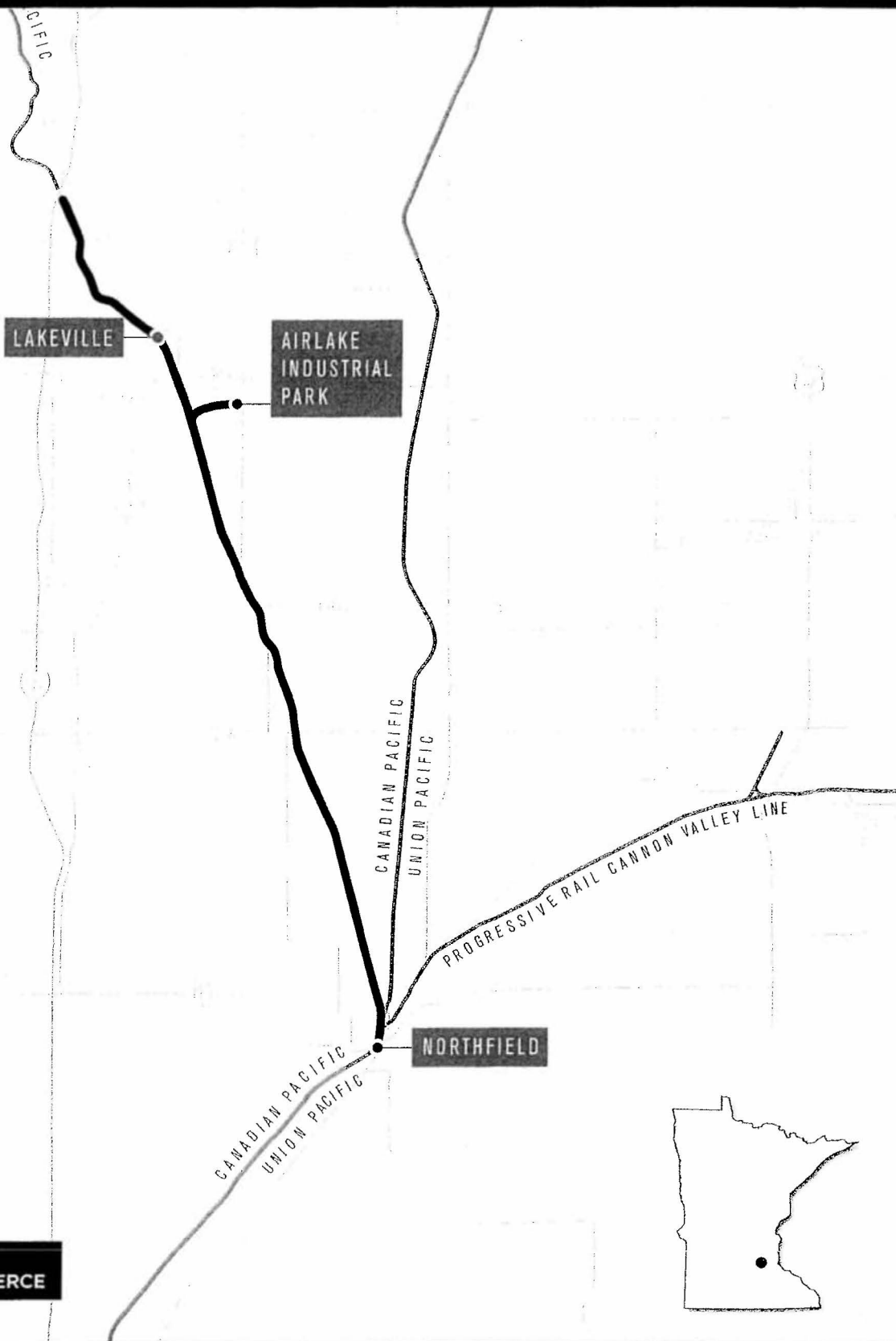
DOCKET NO. FD 36121

Gaston County, North Carolina



Iowa Southern Railway Company

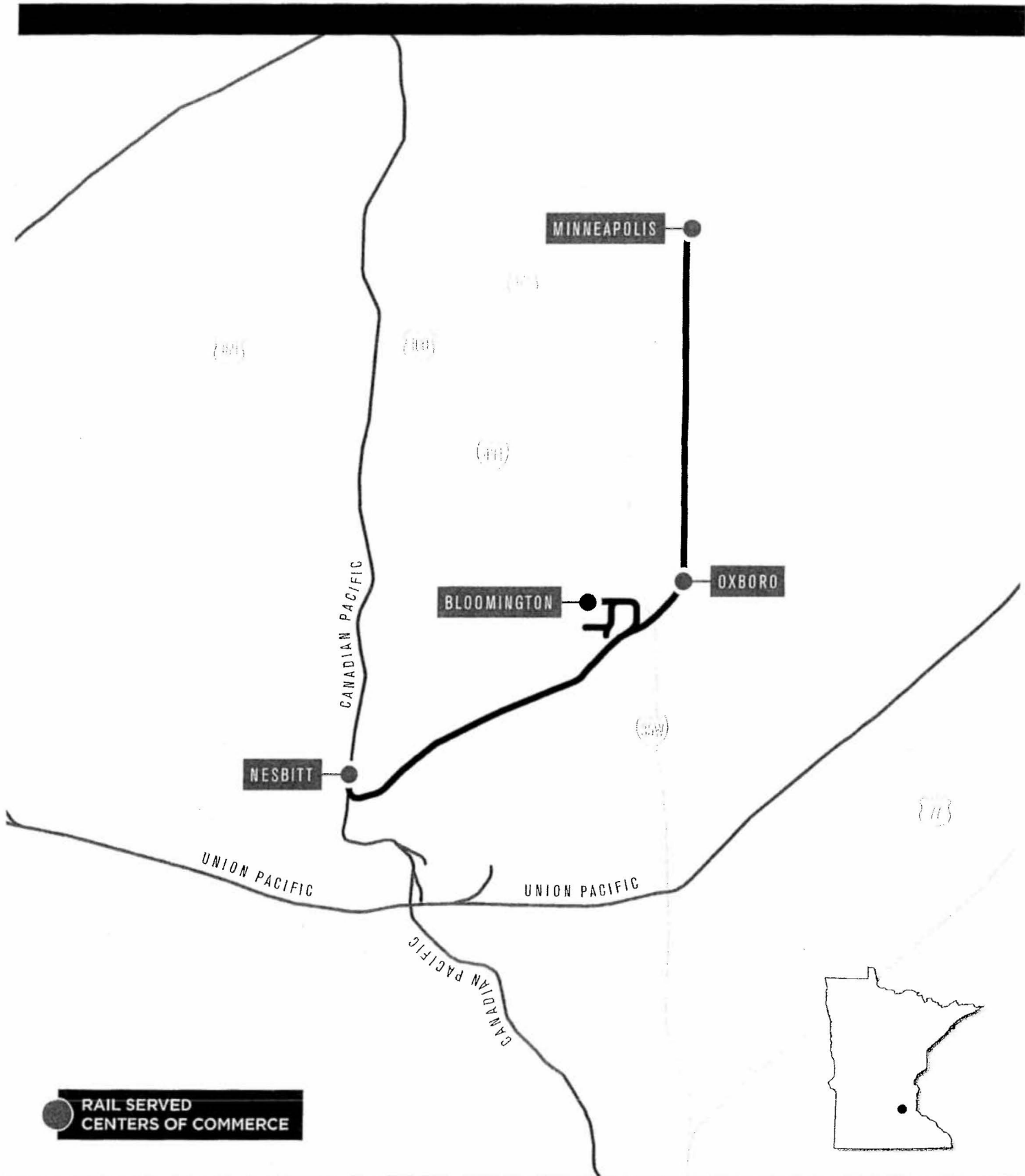




PROGRESSIVE RAIL - JESSE JAMES LINE

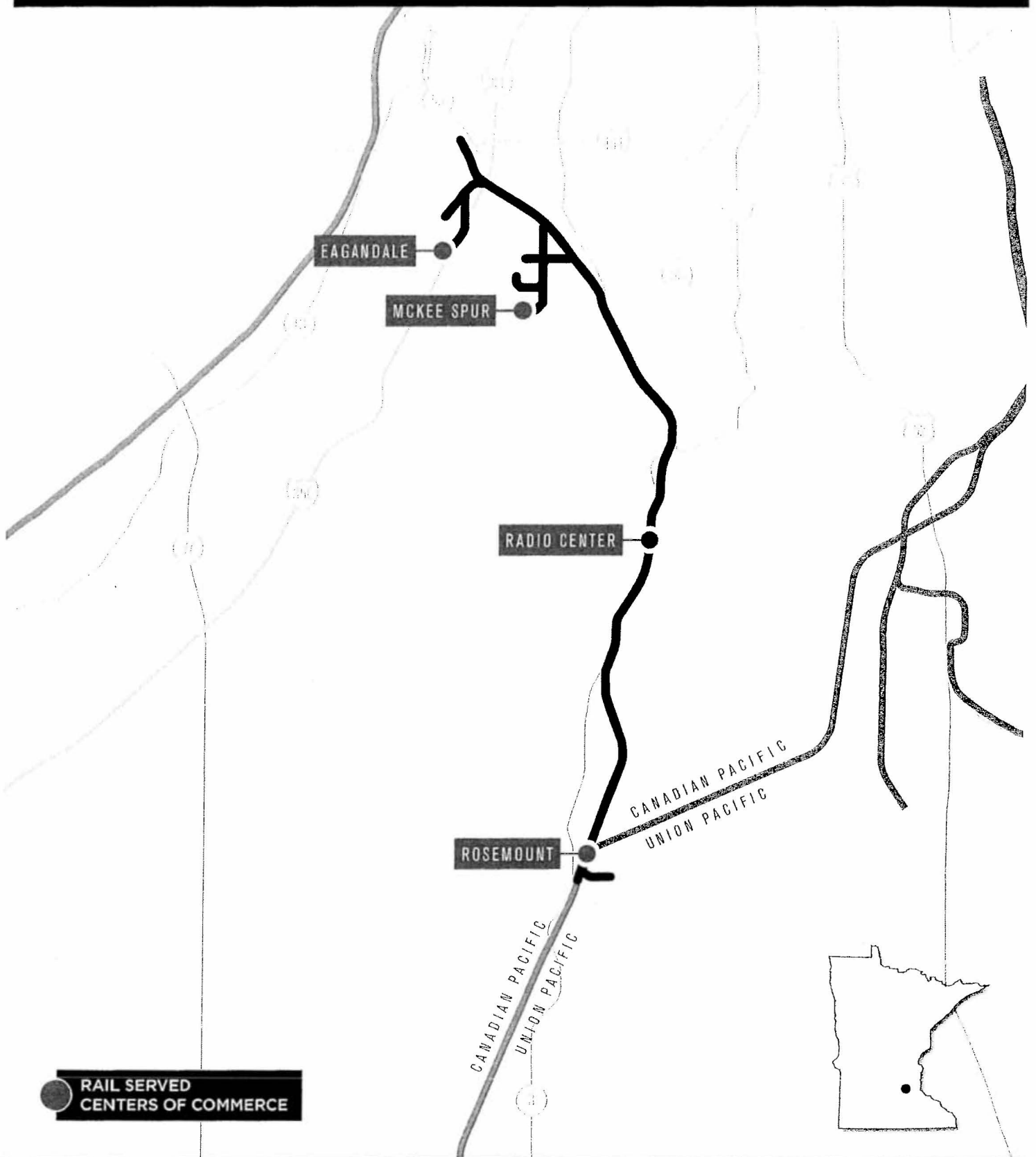
Northfield, Minnesota to Lakeville, Minnesota





Bloomington, Minnesota to Minneapolis, Minnesota

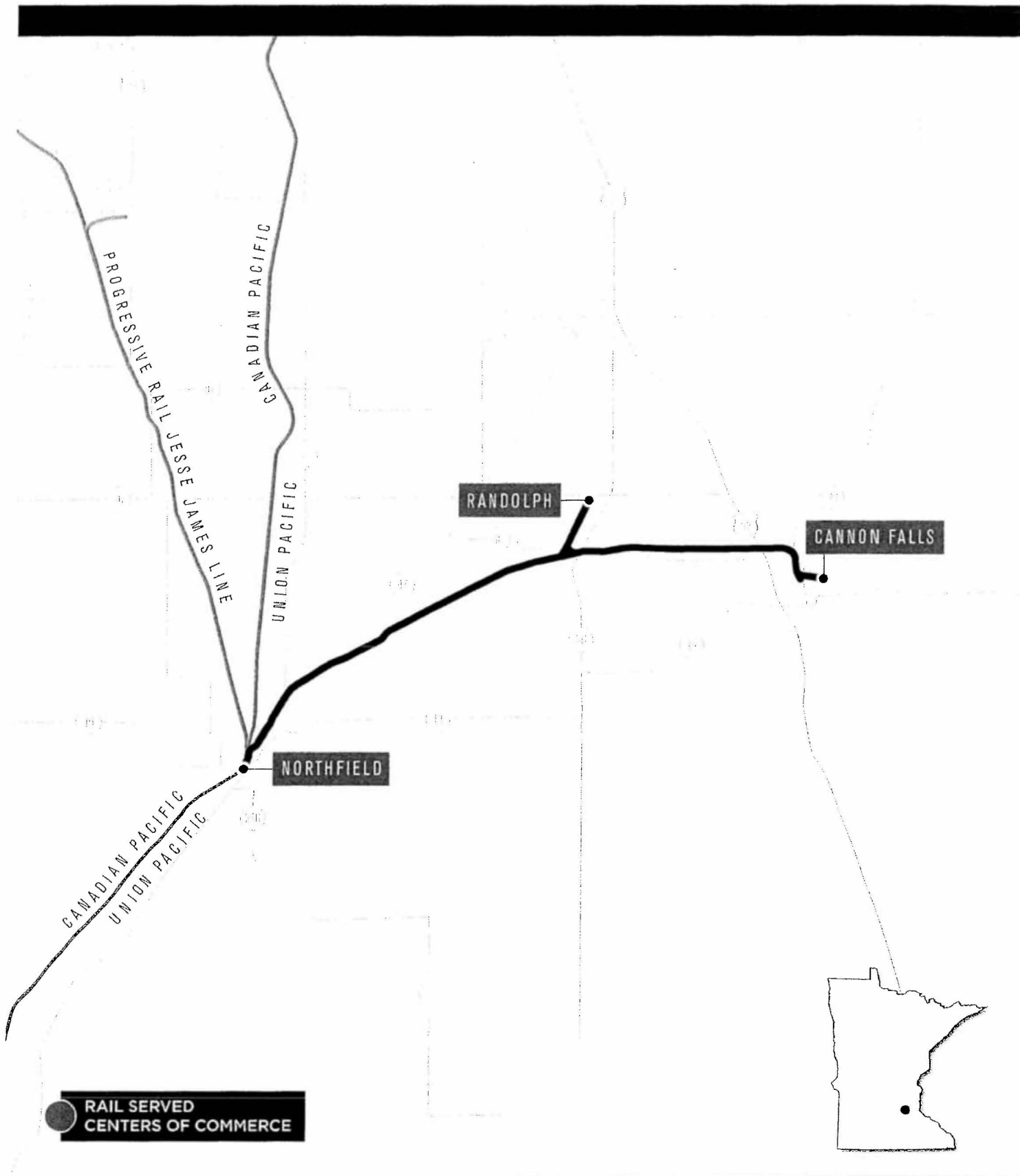




PROGRESSIVE RAIL - EAGANDALE

Rosemount, Minnesota to Eagandale, Minnesota

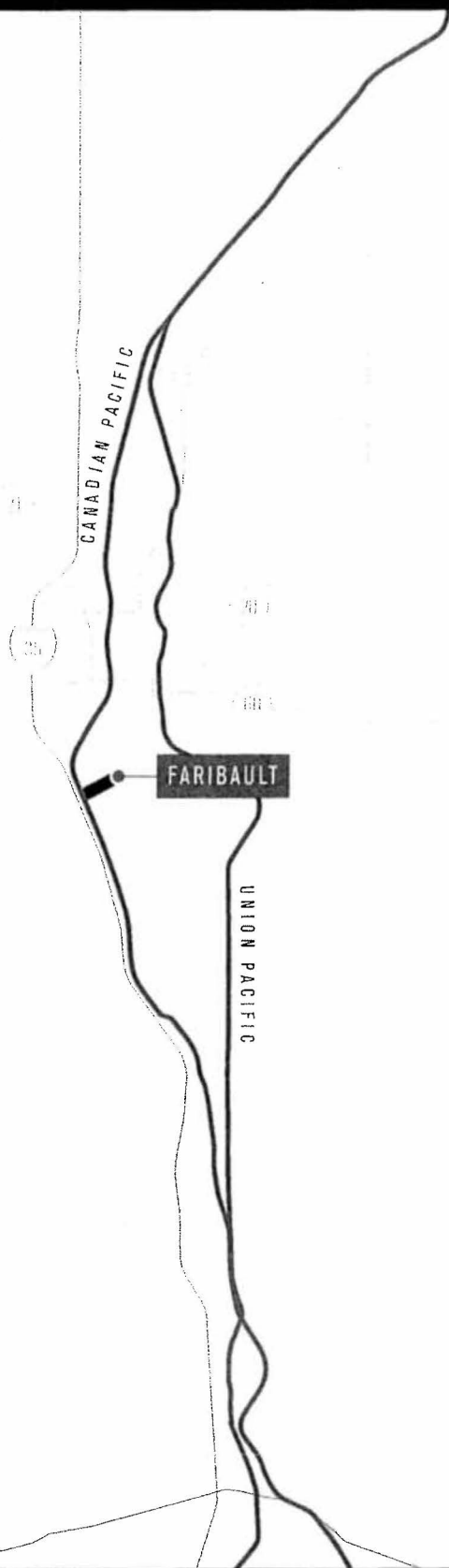




PROGRESSIVE RAIL - CANNON VALLEY LINE

Northfield, Minnesota to Cannon Falls, Minnesota

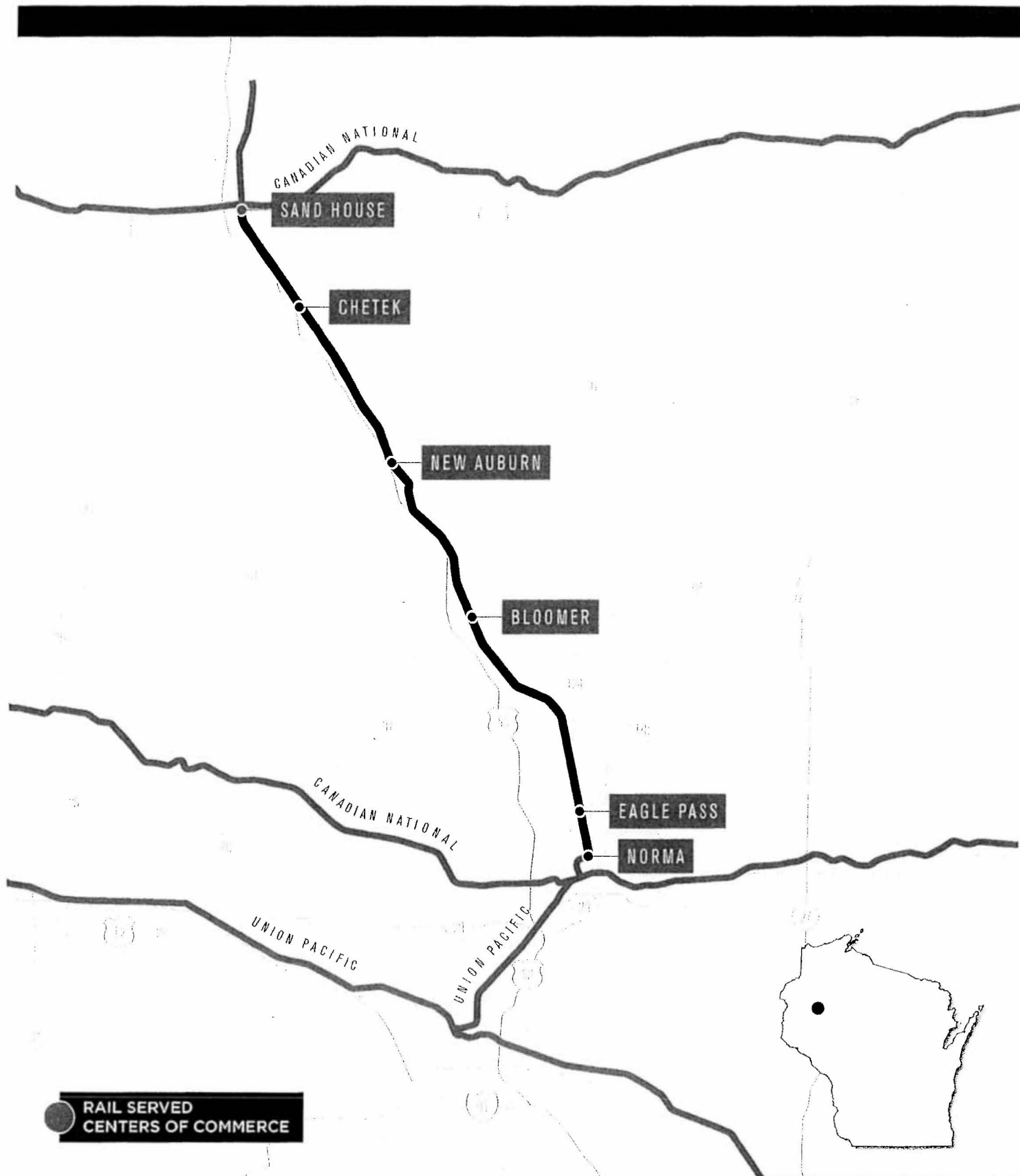




PROGRESSIVE RAIL - FARIBAULT LINE

Faribault, Minnesota

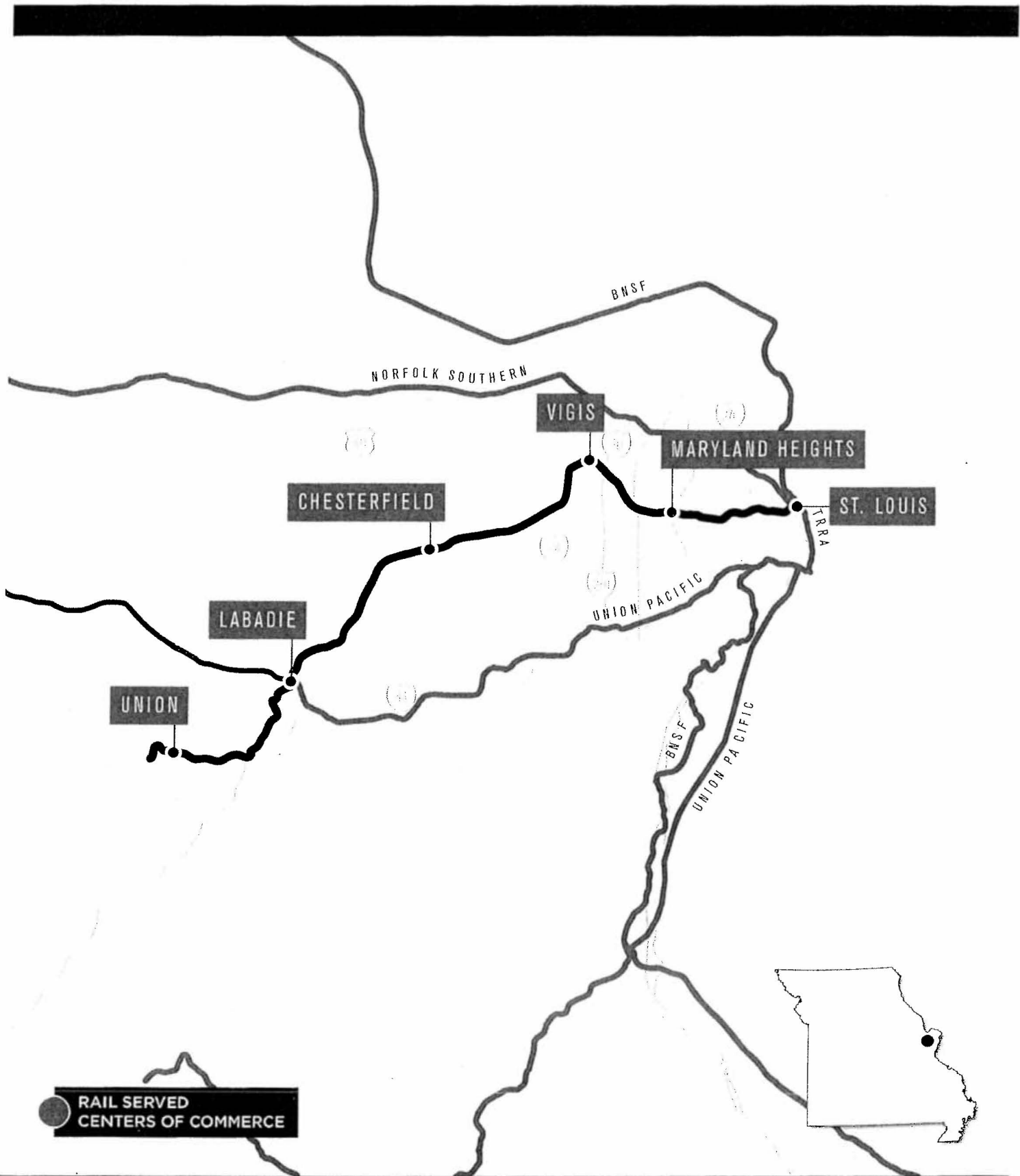




WISCONSIN NORTHERN RAILROAD

Norma, Wisconsin to Cameron, Wisconsin

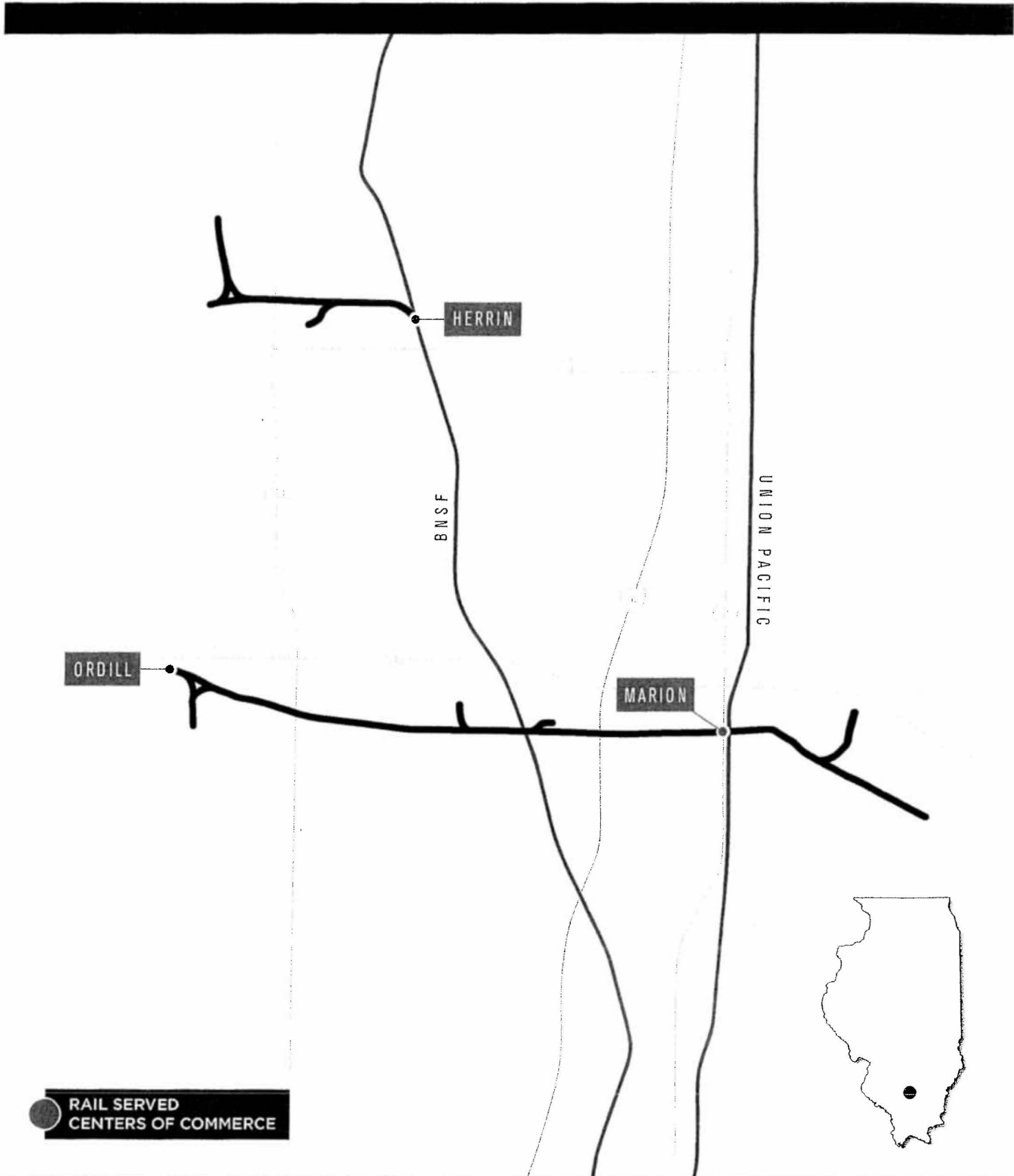




CENTRAL MIDLAND RAILWAY

Union, Missouri to St. Louis, Missouri

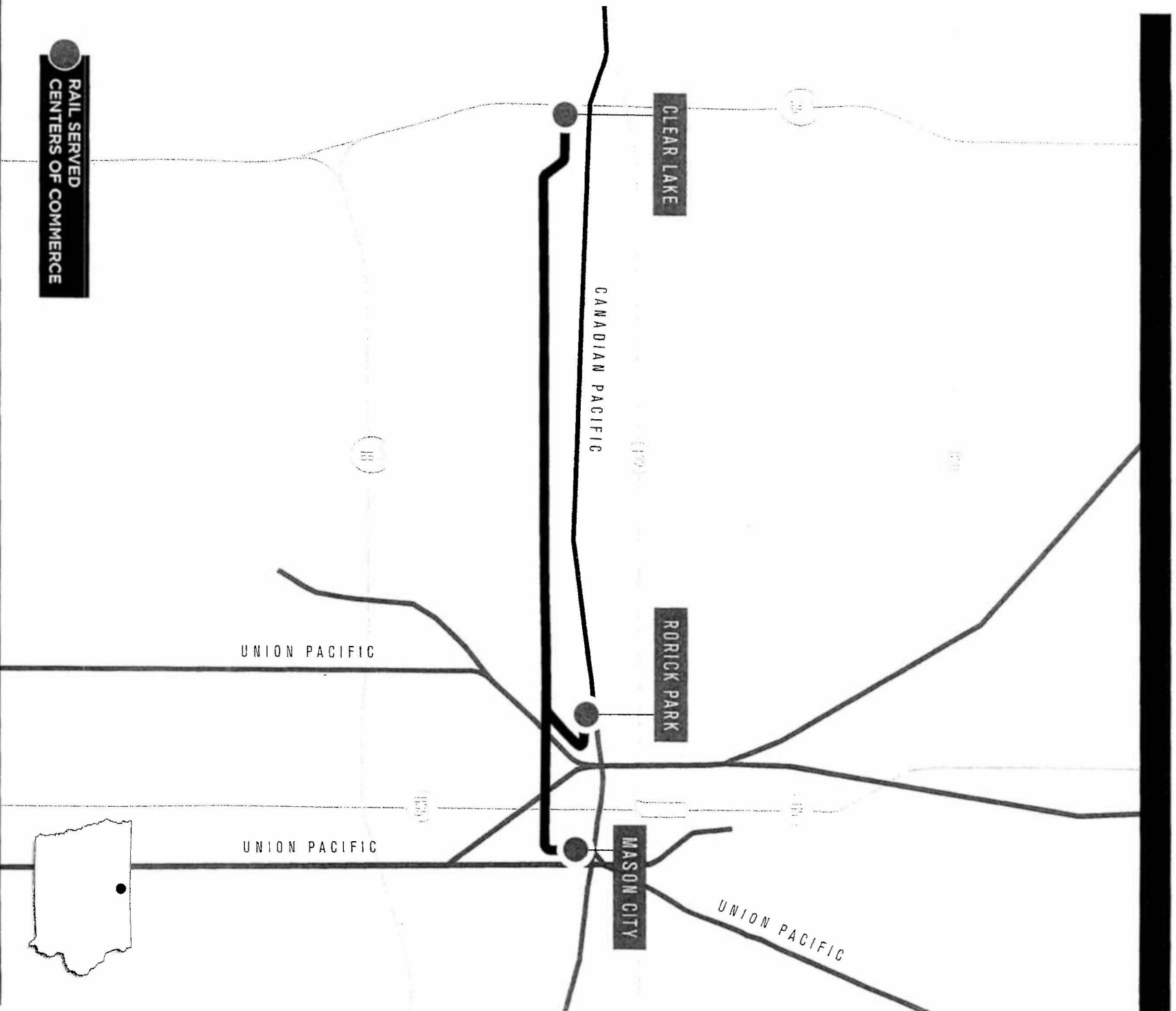
PROGRESSIVE RAIL
INCORPORATED



CRAB ORCHARD & EGYPTIAN RAILROAD

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





IOWA TRACTION RAILWAY COMPANY

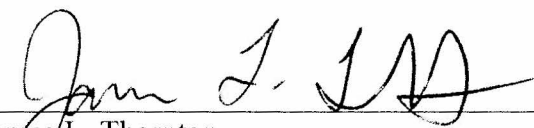
Clear Lake, Iowa to Mason City, Iowa



VERIFICATION

State of Minnesota)
) ss:
County of Dakota)

James L. Thornton, being duly sworn, deposes and says that he is the Managing Director – Legal; Secretary of Progressive Rail Incorporated, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



James L. Thornton

SUBSCRIBED AND SWORN TO
before me this 30th day
of May, 2017.



Notary Public

My Commission expires: 1-31-20

