

Minnesota Valley Regional Rail Authority



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Serving the communities and counties of Carver, Sibley, Renville,
Redwood, and Yellow Medicine in Minnesota

April 16, 2018

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

ENTERED
Office of Proceedings
April 19, 2018
Part of
Public Record

**Re: Docket No. FD 36178, Metropolitan Council – Petition for Declaratory Order
Docket No. FD 36177, Hennepin County Regional Rail Authority – Acquisition Exemption –
In Hennepin County, Minnesota**

LETTER IN SUPPORT OF TWIN CITIES & WESTERN RAILROAD COMPANY'S INITIAL REPLY REQUESTING THE BOARD TO SET A PROCEDURAL SCHEDULE

Dear Ms. Brown:

The Minnesota Valley Regional Rail Authority (MVRRA) which represents Carver, Sibley, Renville, Redwood, and Yellow Medicine Counties as owners of our 94.7 miles of track which was purchased from the Chicago Northwestern (CNW) Railroad back in 1982, urges the Board to set a procedural schedule in the above referenced proceeding (FD 36178) to permit public comment and a full hearing on Metropolitan Council's Petition seeking to acquire ownership of the Bass Lake and Kenilworth corridors in Hennepin County, Minnesota. The Board should also stay the Hennepin County Regional Rail Authority's ("HCRRA") request in FD 36177 to acquire the common carrier obligations for the line. MVRRA negotiated track rights through these corridors at the time of the purchase from CNW Railroad so we could still ship our freight rail through these corridors of commerce back in 1982.

The Minnesota Valley Regional Rail Authority owns the 94.7 miles of track from Norwood Young America to Hanley Falls, MN, and contracts to TC&W/Minnesota Prairie Line to be the rail operator and serve all of our shippers along our line. We serve 16 communities, and our shippers represent thousands of patrons and shareholders of their companies and cooperatives who are heavily dependent on TC&W for getting their shipments to their end users all over the US and the global economy that we serve. For over 15 years, we have relied on TCW for efficient and effective rail access to the Twin Cities to connect with major Class I carriers such as BNSF, Canadian Pacific, and Union Pacific, a route that includes the Bass Lake/Kenilworth corridor. Our shippers generate over 6500 carloads a year over this route. Our shippers have made millions of dollars of private investment along our rail line in their own facilities which depend on rail service on a daily basis. There is no other economically viable rail route for our shippers products to move to and from the Twin Cities rail terminal.

Several years ago, TCW informed us that the Metropolitan Council was seeking to expand its light rail service from Minneapolis west to certain suburban communities. When it was determined that the Metropolitan Council had selected the Bass Lake/Kenilworth corridor for a joint light rail /freight rail corridor, TCW committed that it would work with the Council to reach agreements both to minimize disruption to freight rail service during construction and thereafter to assure that the presence of light rail in the freight rail corridor would not negatively impact TC&W's operational and economic ability to provide service or force our shippers to subsidize the expense of adding light rail to the corridor.

We understand the Metropolitan Council recently abruptly ended negotiations with TCW and has filed its present Petition asking the Board to approve an arrangement whereby the Council will acquire ownership of the rail line but will ask the Board to transfer the common carrier obligation to HCRRA.

This is a very complicated transaction that needs full public input and understanding. Neither the Council nor HCRRA has ever sought our shippers input on freight rail needs on the corridor or our input as the owners of the track, and we now have learned they have no agreements in place with TCW on how freight service will be handled on this proposed "shared corridor" route.

We urge the Board to set a procedural schedule and delay HCRRA's request to acquire the common carrier obligation in order to solicit the views of others affected by this transaction – in particular the shippers located on the Minnesota Valley Regional Rail Authority's track who need this vital rail route to move our goods through the Twin Cities. Entrusting the common carrier obligation to a public entity that does not operate freight rail service provides little assurance that important shipper interests in continued effective transportation service will be protected. In addition, deciding on this matter without reaching an agreement with the one entity that is currently – and effectively – providing the common carrier service, TCW, is a matter of significant concern and warrants close scrutiny by the Board.

Respectfully submitted,



Bob Fox, Renville County Commissioner
Chairman of Minnesota Valley Regional Rail Authority

Cc: Parties of Record

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