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April 16, 2018

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 16, 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:

Farmward Cooperative 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.

Farmward Cooperative is located in Renville, Redwood and Brown Counties in MN. We are a full service grain marketing and farm supply cooperative shipping grain and receiving crop nutrients at our facilities in Olivia, Danube, Renville and Sacred Heart which are located along the Twin Cities & Western Railroad Company ("TCW"). For over 130 years (our roots go back to 1886), we have relied on the TCW and its predecessors for efficient and effective rail access to the Twin Cities to connect with major Class I carriers such as BNSF, a route that includes the Bass Lake/Kenilworth corridor. We estimate that in previous years we shipped over 2,500 carloads a year over this route. In 2017 we expanded our rail loading capacity at our Danube location to load shuttle trains. With this expansion we anticipate that our car loading will increase to over 5,000 carloads per year. Depending on the price of corn and soybeans, the value of these shipments exceeds \$80 million annually. Over the past 15 years we have invested in excess of \$30 million in our infrastructure (grain storage, rail siding, loading capabilities, etc.) so that we can service the farmers of this area and get their products to market. The investment we made at Danube alone last year was \$7.6 million. The TCW allows us to access markets throughout the United States and in to Mexico. Without them, there is no other economically viable rail route for our 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 shippers, such as Farmward Cooperative, to subsidize the expense of adding light rail to the corridor.



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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 input on freight rail needs on the corridor 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 shippers like ourselves 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,

Craig Hebrink
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Cc: Parties of Record



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