



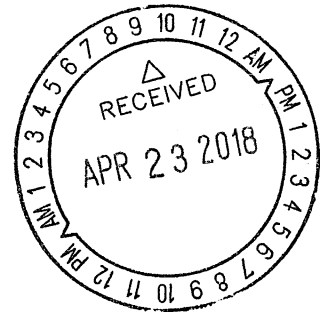
April 16, 2018

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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 23, 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:

United Farmers Cooperative (UFC) 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.

UFC is located in several counties in Central Minnesota serving thousands of customer members from Litchfield on the north to New Ulm on the south and from New Prague on the east to Bird Island on the west. UFC is a farmer owned cooperative and has been in existence since 1915. As a cooperative, we are owned by the members we serve and are governed by over 2,500 agricultural producers who elect a member Board to oversee the operations. UFC provides services in grain, agronomy, livestock feed, equipment, fuels and energy as well as credit services to our agricultural producers. In addition, we operate convenience stores, a cooperative natural gas company and retail centers in several communities serving farmer producers as well as consumers. For over ten years, we have relied on the TCW for efficient and effective rail access to the Twin Cities to connect with major Class I carriers such as BNSF, UP, and CP; a route that includes the Bass Lake/Kenilworth corridor. We estimate we ship over 3,000 carloads of grain per year as well as several hundred carloads of crop nutrients to serve our members. Over the past ten years, the farmer owners of UFC have invested over \$50 million dollars in new facilities located directly on the rail that TCW serves. These facilities along with TCW service are critical to get the best value for agricultural products raised by our farmers and to gain access to critical markets that are only accessible today through the TCW corridors in Hennepin County. Without this critical access, not only would the members of UFC suffer significant consequences, but the loss of this critical service would have far reaching effects on many industries and communities along these rail lines. There is simply no other alternative if we were to lose this critical service.

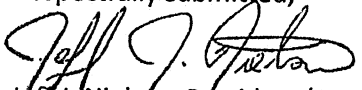
UFC

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 TCW's operational and economic ability to provide service or force shippers, such as UFC, 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 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. UFC as a cooperative that is owned by the members it serves feels it is critical that our farmers and community voices be heard before any final decisions are made. We strongly agree that a mutually beneficial solution must be made to avoid severe economic impacts on our rural agricultural businesses and communities.

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,



Jeff J. Nielsen, President/CEO

Cc: Parties of Record