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April 19, 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
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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:

The Midwest Shippers Association (MSA) urges the Surface Transportation Board to set a procedural schedule in the above referenced proceeding (FD 36178) to permit public comment and a full hearing on the 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.

The Midwest Shippers Association is a regional, multi-state trade association made up of small, medium, and some larger sized companies that source, ship and export a wide range of agricultural grain and oilseed commodities for food and feed uses. MSA's membership is also made up of some farmer producers, and companies that are suppliers to our ag shipping members and sector, including international freight forwarders, bulk grain transloaders, and various grain quality service companies and organizations. MSA is based in the Twin Cities. Our members include cooperative elevators with facilities located on Twin Cities & Western Railroad Company ("TC&W"). MSA also has export trading company members that on occasion ship distillers grains from ethanol plants served by TC&W, and other commodities sourced from the important central Minnesota area served by the TC&W.

The TC&W railroad serves an absolutely vital role in transporting bulk agricultural commodities from one of the most productive areas of Minnesota through to the main Class One railroads and river barge shipping operations in the Twin Cities. The TC & W railroad section the Metropolitan Council is seeking to abruptly take over is a main artery for shipping a large volume of Minnesota farmers' grain production on to customers nationally, and to international destinations. In attempting to do this, the

Met Council would shortcircuit proceedings that would allow adequate time for understanding and comment by affected parties.

Twin City & Western's main line and Minnesota Prairie Line serves five large shuttle loading elevators that load unit trains, plus processing plants that ship large trains of ethanol fuel and distillers grain feed products, and other agricultural and industrial/warehouse shippers. These shippers are dependent upon having timely, reliable service from TC&W to be able to serve their customers timely and reliably.

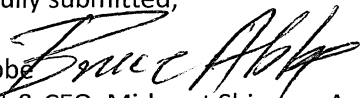
Moreover, shippers of all kinds today are experiencing major challenges for the trucking industry -- from a shortage of drivers, to rising costs and the unsettling impact of mandatory electronic monitoring devices limiting their flexibility when facing congestion and time delays in the metropolitan area. The trucking industry challenges of today are projected to get worse in the future, and experts say that portends an increasingly important role for railroad shipping of bulk ag commodities. The need for the service TC&W provides now, will increase in the future.

Several years ago, TC&W 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 jeopardize TC&W's operational and economic ability to provide vital service to agricultural shippers.

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 TC&W on how freight service will be handled on this proposed "shared corridor" route. The manner in which this has all recently come about causes us grave concern that the Council and related government entities have little comprehension and appreciation for the vital freight rail shipping role this section of rail tracks, owned and operated ably by the TC&W, holds for a large region of Minnesota agriculture. The responsibility to equally serve freight rail needs of shippers must not be diminished by operations of the new passenger rail service.

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,

Bruce Abbe 
President & CEO, Midwest Shippers Association

Cc: Parties of Record

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