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April 20, 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 20, 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:

Cooperative Network is one of the largest associations of its kind in the country and serves more than 400 member-cooperatives. Our members are owned by more than 6.1 million residents of Minnesota and Wisconsin and include member-owned farm supply, dairy marketing, livestock marketing, financial, health care, mutual insurance, processing, consumer, electric utility, housing, and worker-owned cooperatives, among others.

Cooperative Network respectfully urges the Surface Transportation Board (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. We would also respectfully urge the Board to stay the Hennepin County Regional Rail Authority's ("HCRRA") request in FD 36177 to acquire the common carrier obligations for the line.

Cooperative Network members rely on the Twin Cities & Western Railroad (TC&W) 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. Several years ago, TC&W was informed 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, TC&W committed that it would work with the Council. This included agreements to both 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 for force shippers to subsidize the expense of adding light rail to the corridor.

Cooperative Network understands the Metropolitan Council recently abruptly ended negotiations with TC&W 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 input on freight rail needs on the corridor. In addition, we have now learned that they have no agreements in place with TC&W on how freight service will be handled on this proposed "shared corridor" route.

Cooperative Network urges 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 agricultural co-op shippers who need this vital rail route to move 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, TC&W, is a matter of significant concern and warrants close scrutiny by the Board.

Sincerely,

A handwritten signature in cursive script, reading "Daniel R. Smith".

Dan Smith
President & CEO

Cc: Parties of Record