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April 18, 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 18, 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:

POET Nutrition("POET") 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.

POET operates a trans-load facility in Montevideo, Chippewa County, MN. With a corporate office in Sioux Falls, SD POET is a proud leader in the sustainable energy industry. POET is the largest producer of ethanol and co-products including DDGs (Distiller's Dried Grains) and Distiller's Corn Oil (DCO). Specifically within POET Nutrition, our site is located on Twin Cities & Western Railroad Company ("TCW") at Montevideo, MN. For over four 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 Union Pacific, a route that includes the Bass Lake/Kenilworth corridor. We estimate we ship over 100 carloads a year over this route. Together with TCW, we have developed some previously under utilized track and created an opportunity to bring DCO from our bio-processing facilities to Montevideo and transload into railcars there. This partnership has created access to the New Orleans market for use in renewable bio-diesel production there. This lane has created approximately \$16mm of value to our business and is critical to our continued success.

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 POET, 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.

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,



Matt Reiners
Vice President of Business Development
POET Nutrition

Cc: Parties of Record

By mail to the STB:

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

By overnight delivery to the STB:

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, S.W., Room 1034
Washington, DC 20006

Parties of Record:

Edward D. Greenberg
GKG Law, P.C.
1055 Thomas Jefferson Street, N.W.
Suite 500
Washington, DC 20007

Charles A. Spitulnik
Kaplan Kirsch & Rockwell LLP
1001 Connecticut Avenue, N.W.
Suite 800
Washington, DC 20036

William A. Mullins
Baker & Miller PLLC
2401 Pennsylvania Avenue, N.W.
Suite 300
Washington, DC 20037

David F. Rifkind
Stinson Leonard Street LLP
1775 Pennsylvania Avenue, N.W.
Suite 800
Washington, DC 20006