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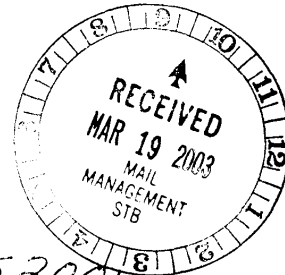
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ORIGINAL

207412



THOMAS F. MCFARLAND

March 18, 2003

By UPS overnight mail

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

DID# 0102152001

Re: STB Docket No. AB-850X, *St. Croix Valley Railroad Company -- Abandonment and Discontinuance of Service Exemption -- between Hinckley and Mora, in Pine and Kanabec Counties, MN*

Dear Mr. Williams:

Enclosed please find an original and 10 copies of Petition For Exemption, for filing with the Board in the above referenced matter.

Also enclosed is a check for \$4,700 for the filing fee.

Kindly acknowledge receipt by date stamping the enclosed duplicate copy of this letter and return in the self-addressed stamped envelope.

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for St. Croix Valley
Railroad Company

FILED

MAR 19 2003

**SURFACE
TRANSPORTATION BOARD**

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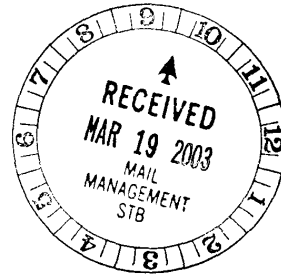
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MAR 19 2003

**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

ST. CROIX VALLEY RAILROAD)
COMPANY -- ABANDONMENT AND) DOCKET NO.
DISCONTINUANCE OF SERVICE) AB-850X
EXEMPTION -- BETWEEN HINCKLEY)
AND MORA, IN PINE AND KANABEC)
COUNTIES, MN)



PETITION FOR EXEMPTION

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Office of Proceedings

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**SURFACE
TRANSPORTATION BOARD**

ST. CROIX VALLEY RAILROAD COMPANY
P.O. Box 705
Crookston, MN 56716

Petitioner

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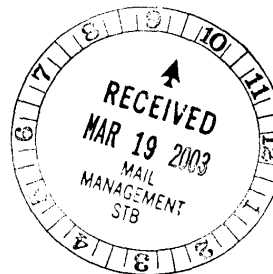
**SURFACE
TRANSPORTATION BOARD**

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Attorney for Petitioner

DATE FILED: March 19, 2003

BEFORE THE
SURFACE TRANSPORTATION BOARD



ST. CROIX VALLEY RAILROAD	)	
COMPANY -- ABANDONMENT AND	)	DOCKET NO.
DISCONTINUANCE OF SERVICE	)	AB-850X
EXEMPTION -- BETWEEN HINCKLEY	)	
AND MORA, IN PINE AND KANABEC	)	
COUNTIES, MN	)	

PETITION FOR EXEMPTION

Pursuant to 49 U.S.C. § 10502(a) and 49 C.F.R. § 1121.1, *et seq.*, ST. CROIX VALLEY RAILROAD COMPANY (SCXY) hereby petitions for an exemption from the requirements of 49 U.S.C. § 10903 for abandonment of its rail freight easement between Milepost No. 58.3 at Mora Junction (Brook Park) and Milepost No. 47.6 at Mora, a distance of 10.7 miles, and for discontinuance of rail service pursuant to trackage rights over a rail line of The Burlington Northern and Santa Fe Railway Company (BNSF) between Hinckley and Mora Junction (Brook Park), a distance of 8.2 miles, in Pine and Kanabec Counties, Minnesota.

THE SUBJECT RAIL LINE

The rail line by which SCXY provides service to shippers at and near Mora, MN extends 18.9 miles from Hinckley, MN to its stub-end at Mora, MN. The line is illustrated on a map attached to this Petition as Appendix 1.

The first 8.2-mile segment between Hinckley and Mora Junction (Brook Park), MN is owned by BNSF and is colored in green on Appendix 1. SCXY operates over that segment pursuant to incidental overhead trackage rights that were acquired by virtue of an exemption in

STB Finance Docket No. 33442, *St. Croix Valley Railroad Company -- Acquisition and Operation Exemption -- The Burlington Northern and Santa Fe Railway Company*, 1997 STB LEXIS 2768, notice served Sept. 3, 1997.^{1/}

The next 10.7-mile segment of the line between Mora Junction (Brook Park) and Mora, MN is colored in black on Appendix 1. SCXY acquired an exclusive rail freight easement over that line from BNSF by virtue of the exemption in STB Finance Docket No. 33442, *supra*.^{2/} BNSF owns the track materials and right-of-way land in that line segment.

In 1997, when SCXY acquired the easement and trackage rights that constitute the Hinckley-Mora rail line, SCXY was owned by Rail America Transportation Corp. In August, 2000, SCXY was acquired by KBN, Inc. *See* Finance Docket No. 33911, *KBN, Inc. -- Control Exemption -- Minnesota Northern Railroad, Inc. and St. Croix Valley Railroad Company*, notice of exemption served Aug. 31, 2000 (not printed). KBN, Inc. continues to own and operate SCXY.

The segment between Mora Junction (Brook Park) and Mora was embargoed due to unsafe track conditions, effective July 22, 2002. A copy of the notice of that embargo is attached to this Petition as Appendix 2.

^{1/} SCXY also operates over BNSF yard tracks at Hinckley to provide service to Mora and to its other 33.3-mile line between Hinckley and North Branch, MN. The latter line extending south from Hinckley is shown in black on Appendix 1. It was also acquired in STB Finance Docket No. 33442, *supra*, in 1997. It is not proposed for abandonment here.

^{2/} In the decision in that docket, it was stated that Brook Park, MN (Mora Junction) is located at Milepost No. 58.0 and Mora is located at Milepost No. 46.9, for a total distance of 11.1 miles. SCXY cannot account for the difference in mileage. The milepost numbers for the 10.7-mile line identified by SCXY are derived from SCXY's operating timetable.

REASONS FOR ABANDONMENT

An exemption is sought for abandonment and discontinuance of rail service on the Hinckley-Mora rail line because (1) operation of the line is unprofitable; (2) there is no reasonable prospect for profitable operations; (3) the line requires substantial track rehabilitation, the cost of which cannot be amortized from rail line profits; and (4) shippers on the line have feasible transportation alternatives.

1. Unprofitability

Despite SCXY's best efforts to increase traffic since being acquired by KBN, Inc. in August, 2000, rail traffic and revenues on the line actually declined significantly, viz.

Time Period	Customer	Carloads	SCXY Revenue
2000	Engineered Polymers (EP)	86	\$32,508
2000	Lakes Gas (LG)	37	13,986
2000	Central Rivers Coop (CRC)	28	10,584
YEAR 2000 TOTAL		151	\$57,078

Time Period	Customer	Carloads	SCXY Revenue
2001	Engineered Polymers (EP)	58	\$21,924
2001	Lakes Gas (LG)	37	13,986
2001	Central Rivers Coop (CRC)	11	4,158
YEAR 2001 TOTAL		106	\$40,068

Traffic and revenues thus declined by 30 percent from 2000 to 2001. Central River Coop closed its Mora fertilizer-receiving facility during the second quarter of 2001. The traffic and revenue decline continued in 2002. Engineered Polymers accounted for only 7 carloads and revenue of only \$2,646 in 2002 before the line was embargoed on July 22, 2002. Lakes Gas accounted for 21 carloads as of that date, having revenues of \$7,938. Therefore, the 2002 totals as of July 22 were only 28 carloads with revenues of only \$10,584.

The best evidence of forecast year traffic and revenues is furnished by actual full-year 2001 data, minus the traffic and revenues of Central Rivers Coop, which has closed its facility on the line, and for Lakes Gas, which has moved its rail unloading facilities off the line to Hinckley, MN on BNSF. (The forecast year is the 12-month period beginning on the first day of the month in which this Petition is filed). That corresponds to 58 carloads for Engineered Polymers, having revenues of \$21,924.

That revenue is not enough to offset just one of the many costs of operating the Hinckley-Mora line, i.e., the cost to maintain the track and bridges on the 10.7-miles between Mora Junction (Brook Park) and Mora. Normalized track maintenance costs of \$6,500 per track-mile have been found to be reasonable for track to be maintained at FRA Class I track safety standards. *Conrail-Aban. - bet. Warsaw & Valp. Counties, IN*, 9 I.C.C.2d 1299, 1304 (1993). On that basis, the forecast year cost for track and bridge maintenance between Mora Junction (Brook Park) and Mora would be \$69,550. That would result in a forecast year operating loss of \$47,626 even without consideration of the additional costs for the locomotive, freight cars and train crew used to provide the service (\$21,924 minus \$69,550 = [\$47,626]). The significant forecast year operating loss would constitute a substantial burden on SCXY and

on interstate commerce. The losses incurred by SCXY in serving shippers at or near Mora would impede SCXY's ability to provide adequate rail service to shippers on SCXY's other rail line.

There is no reasonable prospect for additional rail traffic on the Mora Junction-Mora line in the future. On the contrary, rail traffic is rapidly declining, as shown above. Mora, which is the only station on the line, has a population of only 3,193. It is located in a rural area whose economy is dominated by agriculture. As noted, Central Rivers Coop closed its facility on the line in the second quarter of 2001. In addition, Lake Gas, another shipper on the line, has relocated its rail unloading facilities for propane to Hinckley, MN on BNSF. There would be no basis for a contention that an increase in traffic is likely in the future. Consequently, the hefty forecast year operating loss would be likely to continue indefinitely into the future. Consistently with Constitutional requirements, a rail carrier cannot be required to operate a rail line indefinitely at a loss. *Brooks-Scanlon v. Railroad Com. of Louisiana*, 251 U.S. 396, 399 (1920).

2. Rehabilitation

An expenditure of \$472,596 is required to rehabilitate the Mora Junction-Mora line to FRA Class I track safety standards. Currently, the line is classified as excepted track under FRA standards. The line is laid with 90-pound jointed rail, which is in good condition. Ballast consists of pit run gravel. The track structure has sunk to the point where virtually all of the line is now buried under 4-6 inches of gravel.

Crosstie conditions on the line are very poor. Set forth below is the result of an inspection by SCXY that showed that 7,223 crossties on the line require replacement to meet the FRA Class I standard, at a cost of \$265,806. It should be noted that the rehabilitation cost estimate is based on used crossties in replacement at an installed cost of \$36.80 apiece.

Summary of Crossties Needed (does not include switch ties)			
Location (by milepost)	Ties Required	Cost per Tie - Installed	COST
47.6 to 48.0	310	\$36.80	\$11,408.00
48.0 to 49.0	868	\$36.80	\$31,942.40
49.0 to 50.0	744	\$36.80	\$27,379.20
50.0 to 51.0	620	\$36.80	\$22,816.00
51.0 to 52.0	558	\$36.80	\$20,534.40
52.0 to 53.0	558	\$36.80	\$20,534.40
53.0 to 54.0	558	\$36.80	\$20,534.40
54.0 to 55.0	620	\$36.80	\$22,816.00
55.0 to 56.0	620	\$36.80	\$22,816.00
56.0 to 57.0	775	\$36.80	\$28,520.00
57.0 to 58.3	992	\$36.80	\$36,505.60
TOTAL CROSSTIES	7223		\$265,806.40

The above summary assumes use of #1 relay quality used crossties purchase price delivered to SCXY not over \$15.00 per tie.

The replacement of the extensive number of crossties shown above would of necessity greatly disturb the track structure, necessitating ballasting and surfacing of track. The entire line would require resurfacing, with substantial addition of crushed rock ballast. The cost of the resurfacing would be \$157,390, as summarized below:

Summary of Ballast and Surfacing Needed		
Crushed rock ballast needed	Cost per Ton Delivered to SCXY	Total
5500 tons total (5.1 C/L per mile)	\$19.80	\$108,900.00
Spread crushed rock ballast Includes 4 track crew & 2 train crew, loco time, car hire cost.	Cost per 100 Ton Car	
55 100 ton cars	\$114.00	\$6,270.00
Surfacing	Cost per Linear Foot	
10.7 miles = 56,496 feet	\$0.55	\$31,320.03
TOTAL SURFACING COST		\$157,390.00

The grade crossings on the line require resurfacing at a cost of \$44,400, as detailed below:

Grade Crossing Conditions

Road Name	Length in feet	RR MP Location	Type and Condition of Road Surface	Condition of Track
Mora	32' dbl	48	Asphalt - good	Poor, wide gage 58"
Cty 72	32'	48.5	Asphalt - fair	fair
Cty 11	24'	49.7	Asphalt - fair	fair
Cty pit	16'	50.1	Poor - plank	poor
Prvt.	16'	50.3	Poor - plank	poor
Cty 64	24'	50.7	Good - plank	fair
field	16'	51.4	Poor	fair - eliminate Xing

Road Name	Length in feet	RR MP Location	Type and Condition of Road Surface	Condition of Track
Prvt	16'	51.8	Poor - plank	fair
pheasn	24'	51.9	Poor - plank - asphlt edge	poor - wide gage 58 1/2"
Prvt	16'	52.4	Poor - plank	poor (Egg)
field	16'	52.8	Poor - plank	poor
Cty 70	48'	53.1	Poor - plank, bkn asphlt, gravel	poor - wide gage 58"
Qtr rd	32'	53.4	Fair - asphalt	fair
Qtr rd	24'	53.5	Poor - plank w / asphalt edge	poor
235 th Ave	16'	54.6	Good - plank	fair
Prvt	16'	55.1	Gravel - no planks	fair
Cty 68	24'	55.2	Poor - plank	poor - wide gage 58 3/4"
Humingbird	16'	56.0	Poor - plank	poor - wide gage 58"
Tree Farm	16'	56.5	Poor - plank	poor
Prvt	16'	56.9	Poor - plank	poor
?	16'	57.3	Very poor	poor - eliminate xing
field	16'	57.4	Poor - plank	poor

Crossing Surface Costs:

Total of 376 feet plank crossing surface to be renewed at \$90.00* per lin. ft. = \$33840.00

Total of 64 feet asphalt crossing surface to be renewed at \$165.00 per lin ft. = \$10560.00

TOTAL CROSSING SURFACE COST \$44400.00

A number of switch ties on the line require replacement at a cost of \$5,000.

The total cost of the rehabilitation project would be \$472,596, as detailed below:

Project Summary

Crosstie replacement	\$265,806.40
Switch Tie replacement	5,000.00
Crossing Surface renewal	44,400.00
Ballast and Surfacing	<u>157,390.00</u>
TOTAL PROJECT COST	\$472,596.40

That substantial cost could not be amortized from rail line operating profit. As shown previously, continued operation would result in a substantial loss, not a profit. The huge unrecoverable rehabilitation cost would add to the undue burden on SCXY and interstate commerce from a requirement of continued operation of the line.

3. Transportation Alternatives

There would be little adverse effect on local interests from abandonment because shippers on the line have feasible transportation alternatives. Central River Coop and Lakes Gas have already switched permanently to use of those alternatives. They would not ship on the line if the embargo were to be cancelled. They would not be harmed by its abandonment. Engineered Polymers has also been making use of a trucking alternative, as evidenced by the decline in its rail traffic to only 7 carloads during 2002 before the July 22 embargo.

The highways serving the area - Minnesota 23 and 65 - are arterial highways in good condition. It is only 18 miles from the shippers' location at Mora to Interstate Highway 35 via Minnesota Highway 23.

The foregoing is not to say that Engineered Polymers would not experience an increase in freight charges upon abandonment as a result of use of truck transportation. However, such increased charges would not be extensive based on its recent infrequent use of the rail line, and

the harm from that minor added expense would be outweighed decidedly by the serious harm to SCXY and interstate commerce from operating losses and unrecoverable track rehabilitation costs. *Conrail - Aban. - bet. Warsaw & Valp. Counties, IN, supra*, 9 I.C.C.2d at 1317.

AN EXEMPTION IS WARRANTED

Abandonment of a rail freight easement and discontinuance of rail service pursuant to trackage rights require Board approval under 49 U.S.C. § 10903. However, on petition, the Board is to exempt a proposed abandonment and discontinuance from the requirement of such approval if the Board finds under 49 U.S.C. § 10502(a) that application of 49 U.S.C. § 10903 to the proposed abandonment and discontinuance is not required to carry out the rail transportation policy of 49 U.S.C. § 10101, and either that the proposed abandonment and discontinuance are of limited scope, or that application of 49 U.S.C. § 10903 to the proposed abandonment and discontinuance is not necessary to protect shippers from abuse of market power.

In regard to the first standard of 49 U.S.C. § 10502(a), the need for regulation is to be tested against the provision(s) of the rail transportation policy that is (are) implicated by the statute from which an exemption is sought. As to abandonment and discontinuance under 49 U.S.C. § 10903, the rail policy most directly implicated is 49 U.S.C. § 10101(4) in favor of continuation of a sound rail transportation system to meet the needs of the public and the national defense. The issue is whether a conventional abandonment application is required to determine whether the abandonment and discontinuance should be approved or whether it is so apparent that continued operation of the line is not required for an adequate rail transportation system that abandonment and discontinuance can be authorized by exemption without the need for such an application.

There is an established body of case law in resolution of that issue. An exemption for abandonment is to be denied where affected shippers contest abandonment and it is not shown that the revenues from their traffic are clearly marginal compared to the cost of operating the involved rail line. *Gauley River Railroad, LLC -- Aband. & Discon. of Serv. Exempt. -- in Webster and Nicholas Counties, WV*, 1999 STB LEXIS 345 at *14 (STB Docket No. AB-559 [Sub-No. 1X], decision served June 16, 1999 at 5); *Central Railroad Co. of Indiana -- Aband. Exempt. -- in Dearborn, Decatur, Franklin, Ripley and Shelby Counties, IN*, 1998 STB LEXIS 121 at * 10 (STB Docket No. AB-459 [Sub-No. 2X], decision served May 4, 1998 at 9-10). However, an exemption is appropriate where it is apparent that the rail carrier would operate at a substantial loss, regardless of whether shippers oppose the exemption. *Minnesota Northern Railroad, Inc. -- Aband. Exempt. -- between Redland Jct. and Fertile, in Polk County, MN*, 1997 STB LEXIS 294 at * 25 (STB Docket No. AB-497 [Sub-No. 2X], decision served Nov. 14, 1997 at 11-12).

It is evident that the case at hand fits into the latter category. Continued operation of the line would result in a loss of at least \$47,626 per year. In addition, continued operation would require an expenditure of \$472,596 for track rehabilitation to meet FRA Class I safety standards. It is thus apparent that the revenue from the traffic of shippers on the line is marginal compared to the cost of operating the line. In that circumstance, compliance with the application process of 49 U.S.C. § 10903 is not necessary to carry out the policy of 49 U.S.C. § 10101(4) in favor of a sound rail transportation system to meet the needs of the public and the national defense. Issuance of an exemption would also further the rail policies of 49 U.S.C. § 10101(3) in favor of promoting safe and efficient rail transportation; § 10101(5) in favor of fostering sound economic

conditions in transportation; § 10101(7) in favor of reducing regulatory barriers to exit; and § 10101(9) in favor of encouraging efficient rail management.

Because shippers on the line appear to have adequate transportation alternatives that they are already using, application of 49 U.S.C. § 10903 to the proposed abandonment and discontinuance is not necessary to protect shippers from an abuse of market power. *Minnesota Northern Railroad, Inc. -- Aband. Exempt. -- between Redland Jct. and Fertile, in Polk County, MN, supra*, 1997 STB LEXIS 294 at *24. In light of that finding of no abuse of market power, the Board need not determine whether the proposed transaction is of limited scope. However, the proposed 18.9-mile abandonment and discontinuance is limited in scope, especially inasmuch as only 10.7 miles would be abandoned and removed if the exemption were to be issued.

Inasmuch as the evidence warrants the findings required by 49 U.S.C. § 10502(a), the Board should grant the proposed exemption.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

A draft Environmental and Historic Report is attached to this Petition as Appendix 3. The Report forms the basis for a finding that the proposed abandonment would not have a significant adverse effect on the quality of the human environment nor on the preservation of historic resources. Any comments on the draft Report received by Petitioner will be promptly furnished to the Board.

EMPLOYEE PROTECTION

The Board should impose the employee protective conditions in *Oregon Short Line R. Co. - Abandonment - Goshen*, 360 I.C.C. 91 (1979), as a condition to approval of the proposed abandonment and discontinuance.

FEDERALLY-GRANTED RIGHT-OF-WAY

SCXY does not have information in its possession to be able to determine whether the line contains federally-granted right-of-way. As owner of the land in the right-of-way, BNSF may well have such information.

DRAFT FEDERAL REGISTER NOTICE

The draft Federal Register notice is attached to this Petition as Appendix 4.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, the Board should grant an exemption for (1) SCXY's abandonment of its exclusive rail freight easement between Milepost 58.3 at Mora Junction, MN and Milepost 47.6 at Mora, MN, a distance of 10.7 miles in Kanabec County, MN; and (2) SCXY's discontinuance of service pursuant to trackage rights over BNSF's rail line between Hinckley, MN and Mora Junction, MN, a distance of 8.2 miles in Pine and Kanabec Counties, MN.

Respectfully submitted,

ST. CROIX VALLEY RAILROAD COMPANY
P.O. Box 705
Crookston, MN 56716

Petitioner

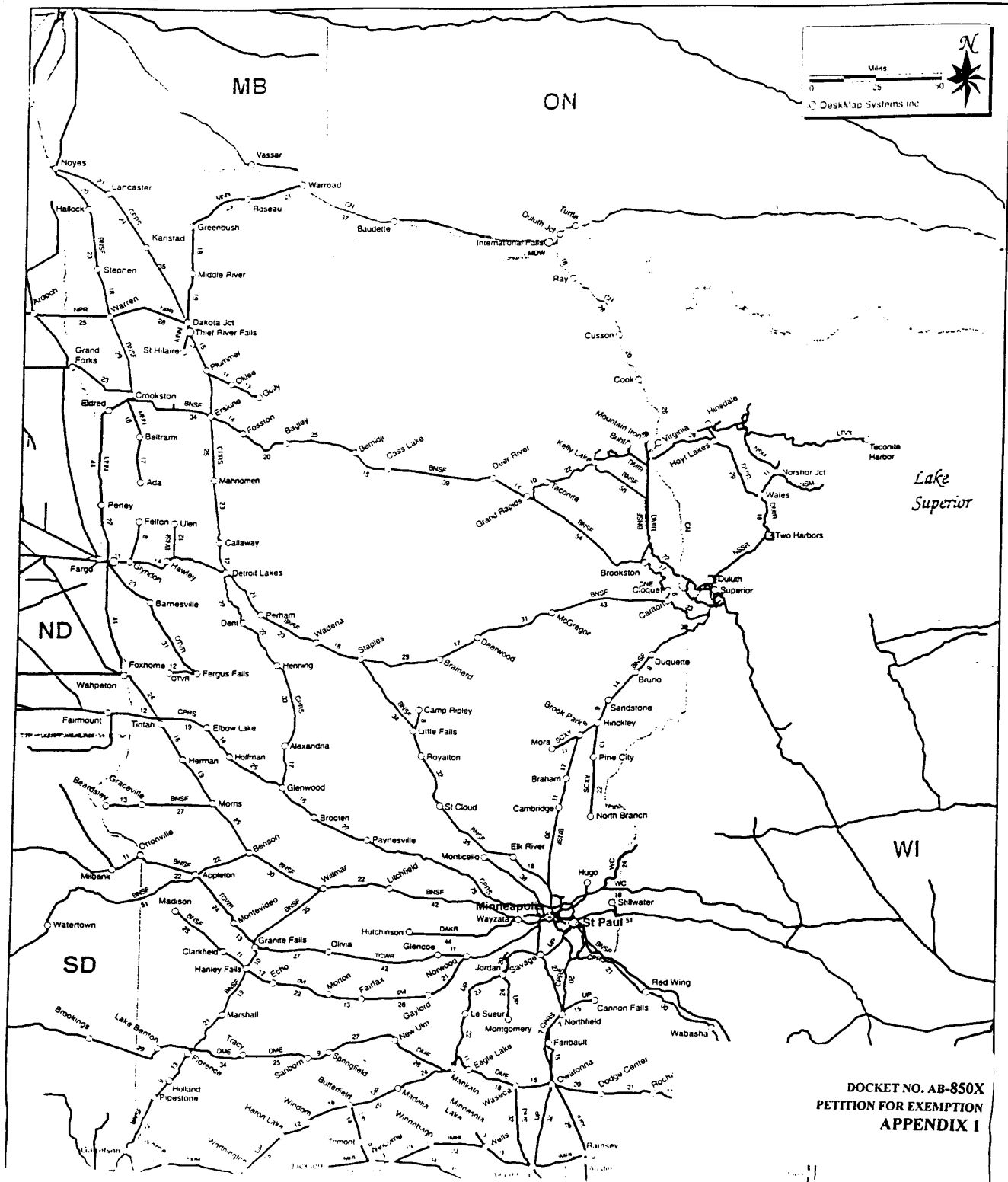
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Attorney for Petitioner

DATE FILED: March 19, 2003

MINNESOTA



AAR Embargoes Online

North America's Freight Railroads Online



All embargoes sorted by: Issue Date/ Railroad and Embargo Number

Currently effective embargoes sorted by Railroad

Issue Embargo



Submit Embargo Amendment



Cancel Embargo

Association of American Railroads**Embargo Notices for: 07/18/2002****Consecutive Sheet:074**

Roadmark:	SCXY
Railroad:	ST CROIX VALLEY RAILROAD COMPANY
Embargo Number:	1-2002
Amendment Number:	
Status:	Effective
Embargo Effective Date:	07/18/2002
Commodity:	All carload traffic
Destination Gateway or Territory:	To or from the following station in Minnesota: Mora (FSAC 07438)
Consigned or Reconsigned To, or Intended For:	
Cause:	Track conditions.
Amend:	
Exception:	None.
Note:	This embargo issued on the authority of J. J. Carroll, Sr. AVP Business Services, AAR.

[\[Back\]](#)

DOCKET NO. AB-850X
PETITION FOR EXEMPTION
APPENDIX 2

DOCKET NO. AB-850X

PETITION FOR EXEMPTION

APPENDIX 3

[Draft Environmental & Historic Report]

BEFORE THE
SURFACE TRANSPORTATION BOARD

ST. CROIX VALLEY RAILROAD	)	
COMPANY -- ABANDONMENT AND	)	DOCKET NO.
DISCONTINUANCE OF SERVICE	)	AB-850X
EXEMPTION -- BETWEEN HINCKLEY	)	
AND MORA, IN PINE AND KANABEC	)	
COUNTIES, MN	)	

DRAFT ENVIRONMENTAL AND HISTORIC REPORT

ST. CROIX VALLEY RAILROAD COMPANY
P.O. Box 705
Crookston, MN 56716

Petitioner

THOMAS F. McFARLAND
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208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1194
(312) 236-0204

Attorney for Petitioner

BEFORE THE
SURFACE TRANSPORTATION BOARD

ST. CROIX VALLEY RAILROAD	)	
COMPANY -- ABANDONMENT AND	)	DOCKET NO.
DISCONTINUANCE OF SERVICE	)	AB-850X
EXEMPTION -- BETWEEN HINCKLEY	)	
AND MORA, IN PINE AND KANABEC	)	
COUNTIES, MN	)	

DRAFT ENVIRONMENTAL AND HISTORIC REPORT

Pursuant to 49 C.F.R. § 1105.7 and 1105.8, ST. CROIX VALLEY RAILROAD
COMPANY (SCXY) hereby files this Draft Environmental and Historic Report.

I. Environmental Report

SCXY hereby submits the following information required by 49 C.F.R. § 1105.7(e):

(1) Proposed action and alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

SCXY proposes to file a petition under 49 U.S.C. § 10502(a) for an exemption from 49 U.S.C. § 10903 for abandonment of its exclusive rail freight easement between Milepost No. 58.3 at Mora Junction (Brook Park) and Milepost No. 47.6 at Mora, a distance of 10.7 miles in Kanabec County, Minnesota. That petition will include a request for an exemption from 49 U.S.C. § 10903 for discontinuance of SCXY's rail operations pursuant to trackage rights over a rail line of The Burlington Northern and Santa Fe Railway Company (BNSF) between Hinckley

and Mora Junction (Brook Park), a distance of 8.2 miles in Pine and Kanabec Counties, Minnesota.

SCXY has used those rail lines to transport plastic materials, propane gas and fertilizer to and from customers located at and near Mora, MN.

The track materials and land in the right-of-way of the Mora Junction-Mora rail line are owned by BNSF. If the requested exemptions are granted and become effective, BNSF has authorized SCXY to remove and reuse the track materials on rail lines of SCXY's affiliate, Minnesota Northern Railroad, Inc. (MNN).

BNSF will have authority to dispose of the right-of-way land. The trackage between Hinckley and Mora Junction will remain in place under BNSF ownership.

The Mora Junction-Mora rail line was embargoed effective July 22, 2002 due to unsafe track conditions. Rail operations ceased at that time. Track maintenance since that time has been minimal. Rail operations and track maintenance would cease permanently in the event that the proposed exemption were to be granted and exercised.

There is no reasonable alternative to the proposed exemption because losses from operating the line and the expenditure required for track rehabilitation to comply with governmental safety standards would be unduly burdensome without the exemption.

A map of the involved rail line is attached to this Report as Appendix 1.

(2) Transportation system. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

SCXY believes that the proposed exemption will have a minimal effect on regional or local transportation systems and patterns. The only active user of the rail line is Engineered Polymers of Mora, MN. In the last full calendar year of operation of the rail line, 2001, Engineered Polymers received 58 carloads of plastic pellets by means of the involved rail line. At roughly four trucks per rail carload, that would equate to 232 truck shipments in a one-year period, or less than one additional truck per day on the regional highway system. Minnesota Highways 23 and 65, which converge at Mora, are in adequate condition to accommodate that minimal increase in truck traffic.

(3) Land use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

SCXY believes that the proposed exemption will not be inconsistent with local or regional land use plans. Based on SCXY's experience in the area, there is little possibility that businesses that may locate in Mora Industrial Park would desire to use rail service. The Mora Industrial Park Profile, copy attached as Appendix 2 to this Report, does not list the involved rail line under the heading "Transportation Information". There is little prospect for locating rail-dependent businesses elsewhere along the rail line.

In accordance with the requirements of this regulation, SCXY has consulted by letter with the planning agencies of the City of Mora, MN and Kanabec County, MN. Copies of letters to those agencies are attached to this Report as Appendix 3. Responses received from those agencies will be furnished to the Board's environmental section.

(3) (ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.

SCXY does not believe that the proposed exemption would have any effect on prime agricultural land. The rail line is adjacent to agricultural land but it not itself agricultural land. Therefore, removal of trackage from the rail line should not have any effect on prime agricultural land. In accordance with this regulation, SCXY has consulted by letter with the Natural Resources Conservation Service, formerly known as the U.S. Soil Conservation Service (Appendix 4 hereto). Any response to that letter will be furnished to the Board's environmental section.

(3) (iii) *If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by Sec. 1105.9.*

The proposed exemption does not affect land or water uses in a designated coastal zone.

(3) (iv) *If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. 10906 and explain why.*

SCXY does not have knowledge whether the right-of-way is suitable for alternative public use or trail use. BNSF owns the right-of-way land. BNSF may have knowledge in that regard. SCXY does not have knowledge regarding the quality of BNSF's title to the right-of-way land.

(4) *Energy. (i) Describe the effect of the proposed action on transportation of energy resources.*

The proposed exemption will have no effect on transportation of energy resources.

(4) (ii) *Describe the effect of the proposed action on recyclable commodities.*

The proposed exemption will have no effect on recyclable commodities.

(4) (iii) *State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.*

The proposed exemption will result in a decrease in overall energy efficiency because rail transportation is more energy efficient than truck transportation. However, the decrease will be minimal. See response to item 2 above.

(4) (iv) *If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) An average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given. To minimize the production of repetitive data, the information on overall energy efficiency in Sec. 1105.7(e)(4)(iii) need not be supplied if the more detailed information in Sec. 1105.7(e)(4)(iv) is required.*

Not applicable

(5) *Air. (i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) An increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. 10901 (or 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply.*

Not applicable

(5) (ii) *If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either: (A) An increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, (B) An increase in rail yard activity of at least 20 percent (measured by carload activity), or (C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. 10901 (or 49 U.S.C. 10505), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply.*

Not applicable

(5) (iii) *If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.*

Not applicable

(6) *Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) An incremental increase in noise levels of three decibels Ldn or more;*

Not applicable

(6) (ii) *An increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.*

Not applicable

(7) *Safety. (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).*

The proposed exemption will have a beneficial effect on public health and safety.

Discontinuance of rail operations over the Mora Junction-Mora rail line will result in the closing and elimination of 17 public at-grade road crossings along the line. That will reduce vehicle delay time and the potential for rail-motor vehicle accidents in the area.

(7) (ii) *If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.*

Not applicable

(7) (iii) *If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.*

Not applicable

(8) *Biological resources. (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.*

SCXY does not believe that it is likely that the proposed exemption would adversely affect endangered or threatened species or areas designated as critical habitat. In accordance with this regulation, SCXY has consulted by letter with the U.S. Fish and Wildlife Service (Appendix 5). Any response to that letter will be furnished to the Board's environmental section.

(8) (ii) *State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.*

SCXY does not believe that the proposed exemption would affect wildlife sanctuaries or refuges, nor National or State parks or forests.

(9) *Water. (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies.*

SCXY believes that the proposed exemption will be consistent with applicable Federal, State or local water quality standards. In accordance with this regulation, SCXY has consulted by letter with Minnesota water quality officials (Appendix 6). Any response to that letter will be furnished to the Board's environmental section.

(9) (ii) *Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.*

SCXY believes that permits under section 404 of the Clean Water Act are not required for the proposed exemption. SCXY does not believe that the proposed exemption will affect any designated wetlands or 100-year flood plains. In accordance with this regulation, SCXY has consulted by letter with the U.S. Army Corps of Engineers (Appendix 7). Any response to that letter will be furnished to the Board's environmental section.

(9) (iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. 1342) are required for the proposed action. (Applicants should contact the U.S. Environmental Protection Agency or the state environmental protection or equivalent agency if they are unsure whether such permits are required.)

SCXY believes that permits under section 402 of the Clean Water Act are not required for the proposed exemption. In accordance with this regulation, SCXY has consulted by letter with the U.S. Environmental Protection Agency (Appendix 8). Any response to that letter will be furnished to the Board's environmental section.

(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

Not applicable

II. Historic Report

SCXY hereby submits the following information required by 49 C.F.R. § 1105.8(d):

(1) A U.S.G.S. topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action;

The required topographic map is attached to this Report as Appendix 9.

(2) A written description of the right-of-way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristics of the surrounding area;

The right-of-way to be abandoned is generally 100 feet wide and 10.7 miles long. It extends generally through rural, slightly rolling terrain.

(3) Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area;

Attached to this Report as Appendix 10 are four photographs of the bridge on the rail line at Milepost No. 54.2. That bridge is the only structure on the line that is 50 years old or older.

(4) The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known;

Not known, except that the bridge is known to be more than 50 years old.

(5) A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action;

The line proposed to be abandoned was originally a part of the main line of the Great Northern Railway between Duluth, MN and Sioux Falls, SD. The line came under the ownership of BNSF through a series of mergers. It was acquired by SCXY in 1997.

(6) A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic;

No such documents are in SCXY's possession.

(7) An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 CFR 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any

consultations with the State Historic Preservation Office, local historical societies or universities);

It is SCXY's opinion that the bridge at Milepost No. 54.2 does not meet the criteria for listing on the National Register of Historical Places, and that there is no likelihood of archeological resources or any other previously unknown historic properties in the project area. In accordance with this regulation, SCXY has consulted by letter with the Minnesota Historic Preservation Office (Appendix 11). Any response to that letter will be furnished to the Board's environmental section.

(8) A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain.

SCXY has no knowledge of any prior sub-surface ground disturbance or fill, or environmental conditions that might affect the archeological recovery of resources and the surrounding terrain.

Respectfully submitted,

ST. CROIX VALLEY RAILROAD COMPANY
P.O. Box 705
Crookston, MN 56716

Petitioner

Thomas F. McFarland

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1194
(312) 236-0204

Attorney for Petitioner

CERTIFICATE OF SERVICE

I hereby certify that on February 24, 2003, I served the foregoing document, Draft Environmental And Historic Report, by first-class, U.S. mail, postage prepaid, on the following:

Natural Resources Conservation Service
375 Jackson Street, Room 600
St. Paul, MN 55101-1854

US Army Corps of Engineers
190 Fifth Street East
St. Paul, MN 55101-1638

Minnesota Historical Preservation Office
Minnesota Historical Society
345 Kellogg Blvd. West
St. Paul, MN 55102-1906

US Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3590

US Fish & Wildlife Service - Region 3
One Federal Drive
BHW Federal Building
Fort Snelling
Twin Cities, MN 55111

National Oceanic & Atmospheric Admin.
National Geodetic Survey
1315 East-West Highway
Silver Springs, MD 20910-3282

Minnesota State Clearinghouse
c/o Minnesota Department of Administration
200 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155

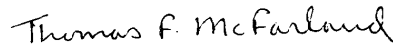
Randy Nummela
City Planner
City of Mora
117 SE Railroad Avenue
Mora, MN 55051

Alan Peterson
County Coordinator
Kanabec County
18 North Vine Street
Mora, MN 55051

County Commissioners
Pine County
315 Main Street S
Pine City, MN 55063

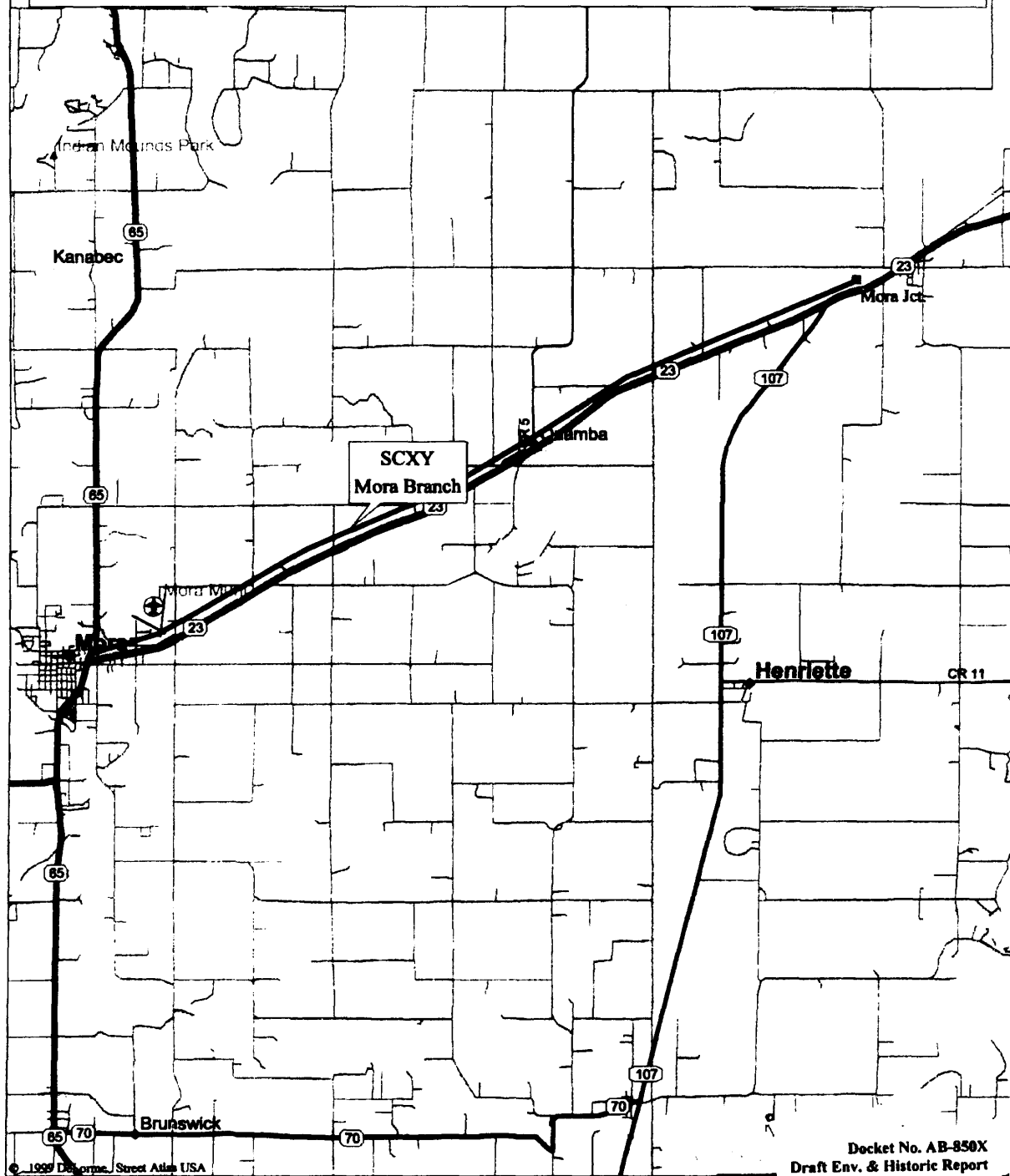
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155-4194

National Park Service
1849 C Street, N.W.
Washington, DC 20240



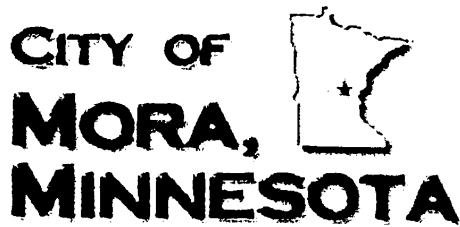
Thomas F. McFarland

SCXY Mora Branch



Docket No. AB-850X
Draft Env. & Historic Report

Appendix I



**Economic
Development**
117 S.E. Railroad Ave.
Mora, MN 55051
320-679-1511



**City
Administration**

MORA INDUSTRIAL PARK PROFILE

**Public
Utilities**

Map of the Industrial Park

[Small Map \(32kb\)](#)

[Large Map \(66kb\)](#)

**Economic
Development**

Location Information

City and State: Mora, Minnesota

The park is located within the city limits of Mora in NE Section of City.

Topography - Level

Zoning - Light Industry

Surrounding Land Use - Residential

Total Acres - 77.9 acres

Available Acres - 64.2 acres

Phase I & II property - currently available.

**Police
Department**

**Fire
Department**

Utility Information

Electricity: Volts - 12,470 V, 3 phase power, KW Transformer Capacity - up to 30,000 KVA, Name of service company - municipal

Gas: Size of nearest line - 2 in. @ 15 PSIG, Name of service company - Peoples

Natural Gas, Phone 1-800-303-0752

Water: Size of nearest line - 12 in., Pressure - 50 PSUG, Name of service company - Municipal

Sewer: Size of nearest line - 8 in., Name of service company - Municipal

**Links of
Interest**

**Back
Home**

Transportation Information

Distance to Nearest Major Highways: *MN Hwy. 23* passes through the City of Mora - east to Hinckley, west to Ogilvie, Milaca, Foley and St. Cloud; *MN Hwy. 65* passes through Mora - north to McGregor, south to Cambridge and the Twin Cities.

Distance to Nearest Airport: adjacent to the Mora Municipal Airport; 65 miles to Minneapolis/St. Paul International Airport

Load Factor of Access Roads: 9 tons

Load Factor of Roads in Park: 9 tons

You can call the City Administrator at (320) 679-1511 to discuss other potential sites or buildings that may be available for development purposes.

City of Mora
117 S.E. Railroad Ave.
Mora, MN 55051
320-679-1511

Mason.Hjelle@CityOfMora.com

[Sign Our Guestbook](#)



[View Our Guestb](#)

Docket No. AB-850X
Draft Env. & Historic Report

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LA SALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1194
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. MCFARLAND

February 24, 2003

Mr. Randy Nummela
City Planner
City of Mora
117 SE Railroad Avenue
Mora, MN 55051

Mr. Alan Peterson
County Coordinator
Kanabec County
18 North Vine Street
Mora, MN 55051

Re: STB Docket No. AB-850X, *St. Croix Valley Railroad Company -- Abandonment and Discontinuance of Service Exemption -- between Hinckley and Mora, in Pine and Kanabec Counties, MN*

Gentlemen:

On or about March 19, 2003, I expect to file a petition with the Surface Transportation Board (STB) in behalf of St. Croix Valley Railroad Company (SCXY) for an exemption for abandonment of its rail line between Mora Junction (Brook Park) and Mora, MN, and for discontinuance of service pursuant to trackage rights over a rail line owned by The Burlington Northern and Santa Fe Railway Company (BNSF) between Hinckley and Mora Junction (Brook Park), MN. The petition would be captioned as above. All rail service would cease and trackage would be removed between Mora Junction and Mora. Trackage would be retained between Hinckley and Mora Junction.

Enclosed is a draft Environmental and Historic Report that I have prepared to describe the proposed action and its environmental and historic effects. The action is described in Item 1 of the Environmental Report. A map of the area appears as Appendix 1 attached to the Report.

Pursuant to STB regulations, SCXY is required to consult with your agencies regarding the effect of the proposed abandonment between Mora Junction and Mora on local and regional land use plans (see Item 3(i) of the Environmental Report).

You are entitled to comment on the draft of statements that I have made. Any comments that you submit will be considered by the STB in evaluating the environmental and historic impacts of the proposed abandonment.

Docket No. AB-850X
Draft Env. & Historic Report

Appendix 3 (Pg 1 of 2)

THOMAS F. MCFARLAND

Messrs. Nummela & Peterson
February 24, 2003
Page 2

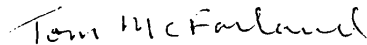
Your comments should be directed to:

Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

You should send a copy of your comments to me at the address shown on this letterhead. Because the applicable statutes and regulations impose stringent deadlines for processing exemptions for abandonment, any comments that you submit should be sent within 3 weeks of your receipt of this letter.

Should you have any questions, you can contact the STB's Section of Environmental Analysis at (202) 565-1552 or the undersigned at (312) 236-0204.

Very truly yours,



Thomas F. McFarland
*Attorney for St. Croix Valley
Railroad Company*

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LAW OFFICE
THOMAS F. MCFARLAND, PC.
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TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. MCFARLAND

February 24, 2003

Natural Resources Conservation Service
375 Jackson Street, Room 600
St. Paul, MN 55101-1854

Re: STB Docket No. AB-850X, *St. Croix Valley Railroad Company -- Abandonment and Discontinuance of Service Exemption -- between Hinckley and Mora, in Pine and Kanabec Counties, MN*

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Enclosed is a draft Environmental and Historic Report that I have prepared to describe the proposed action and its environmental and historic effects. The action is described in Item 1 of the Environmental Report. A map of the area appears as Appendix 1 attached to the Report.

Pursuant to STB regulations, SCXY is required to consult with your agencies regarding the effect of the proposed abandonment between Mora Junction and Mora on any prime agricultural land (see Item 3(ii) of the Environmental Report).

You are entitled to comment on the draft of statements that I have made. Any comments that you submit will be considered by the STB in evaluating the environmental and historic impacts of the proposed abandonment.

Docket No. AB-850X
Draft Env. & Historic Report

Appendix 4 (Pg 1 of 2)

THOMAS F. MCFARLAND

Natural Resources Conservation Service
February 24, 2003
Page 2

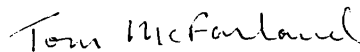
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1925 K Street, N.W.
Washington, DC 20423

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Very truly yours,



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*Attorney for St. Croix Valley
Railroad Company*

TMcF:kl:enc:wp8.0\890\ltnrcs1

Docket No. AB-850X
Draft Env. & Historic Report

Appendix 4 (Pg 2 of 2)

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FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. MCFARLAND

February 24, 2003

US Fish & Wildlife Service - Region 3
One Federal Drive
BHW Federal Building
Fort Snelling
Twin Cities, MN 55111

Re: STB Docket No. AB-850X, *St. Croix Valley Railroad Company -- Abandonment and Discontinuance of Service Exemption -- between Hinckley and Mora, in Pine and Kanabec Counties, MN*

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Pursuant to STB regulations, SCXY is required to consult with your agencies regarding the effect of the proposed abandonment between Mora Junction and Mora on whether the abandonment would be likely to adversely affect endangered or threatened species or areas designated as critical habitat (see Item 8(i) of the Environmental Report).

You are entitled to comment on the draft of statements that I have made. Any comments that you submit will be considered by the STB in evaluating the environmental and historic impacts of the proposed abandonment.

Docket No. AB-850X
Draft Env. & Historic Report

Appendix 5 (Pg 1 of 2)

THOMAS F. MCFARLAND

US Fish & Wildlife Service
February 24, 2003
Page 2

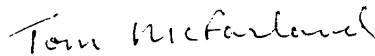
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Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

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Very truly yours,



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*Attorney for St. Croix Valley
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Docket No. AB-850X
Draft Env. & Historic Report

Appendix 5 (Pg 2 of 2)

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FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. MCFARLAND

February 24, 2003

Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155-4194

Re: STB Docket No. AB-850X, *St. Croix Valley Railroad Company -- Abandonment and Discontinuance of Service Exemption -- between Hinckley and Mora, in Pine and Kanabec Counties, MN*

Dear Sir or Madam:

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Pursuant to STB regulations, SCXY is required to consult with your agencies regarding the effect of the proposed abandonment between Mora Junction and Mora on whether the abandonment is consistent with applicable Federal, State or local water quality standards (see Item 9(i) of the Environmental Report).

You are entitled to comment on the draft of statements that I have made. Any comments that you submit will be considered by the STB in evaluating the environmental and historic impacts of the proposed abandonment.

Docket No. AB-850X
Draft Env. & Historic Report

Appendix 6 (Pg 1 of 2)

THOMAS F. MCFARLAND

Minnesota Pollution Control Agency
February 24, 2003
Page 2

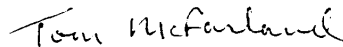
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Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

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Very truly yours,



Thomas F. McFarland
*Attorney for St. Croix Valley
Railroad Company*

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Docket No. AB-850X
Draft Env. & Historic Report

Appendix 6 (Pg 2 of 2)

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TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. MCFARLAND

February 24, 2003

US Army Corps of Engineers
190 Fifth Street East
St. Paul, MN 55101-1638

Re: STB Docket No. AB-850X, *St. Croix Valley Railroad Company -- Abandonment and Discontinuance of Service Exemption -- between Hinckley and Mora, in Pine and Kanabec Counties, MN*

Dear Sir or Madam:

On or about March 19, 2003, I expect to file a petition with the Surface Transportation Board (STB) in behalf of St. Croix Valley Railroad Company (SCXY) for an exemption for abandonment of its rail line between Mora Junction (Brook Park) and Mora, MN, and for discontinuance of service pursuant to trackage rights over a rail line owned by The Burlington Northern and Santa Fe Railway Company (BNSF) between Hinckley and Mora Junction (Brook Park), MN. The petition would be captioned as above. All rail service would cease and trackage would be removed between Mora Junction and Mora. Trackage would be retained between Hinckley and Mora Junction.

Enclosed is a draft Environmental and Historic Report that I have prepared to describe the proposed action and its environmental and historic effects. The action is described in Item 1 of the Environmental Report. A map of the area appears as Appendix 1 attached to the Report.

Pursuant to STB regulations, SCXY is required to consult with your agencies regarding the effect of the proposed abandonment between Mora Junction and Mora on whether permits under section 404 of the Clean Water Act are required for the abandonment (see Item 9(ii) of the Environmental Report).

You are entitled to comment on the draft of statements that I have made. Any comments that you submit will be considered by the STB in evaluating the environmental and historic impacts of the proposed abandonment.

Docket No. AB-850X
Draft Env. & Historic Report

Appendix 7 (Pg 1 of 2)

THOMAS F. MCFARLAND

US Army Corps of Engineers
February 24, 2003
Page 2

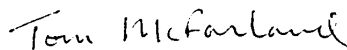
Your comments should be directed to:

Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

You should send a copy of your comments to me at the address shown on this letterhead. Because the applicable statutes and regulations impose stringent deadlines for processing exemptions for abandonment, any comments that you submit should be sent within 3 weeks of your receipt of this letter.

Should you have any questions, you can contact the STB's Section of Environmental Analysis at (202) 565-1552 or the undersigned at (312) 236-0204.

Very truly yours,



Thomas F. McFarland
*Attorney for St. Croix Valley
Railroad Company*

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Docket No. AB-850X
Draft Env. & Historic Report

Appendix 7 (Pg 2 of 2)



DEPARTMENT OF THE ARMY
ST. PAUL DISTRICT, CORPS OF ENGINEERS
ARMY CORPS OF ENGINEERS CENTRE
190 FIFTH STREET EAST
ST. PAUL, MN 55101-1638

RECEIVED

FEB 27 2003

McFARLAND

REPLY TO
ATTENTION OF:

February 27, 2003

Construction-Operations
Regulatory (03-03267-DJS)

Mr. Thomas McFarland
Law Office for T. McFarland, P.C.
208 South LaSalle Street, Suite 1890
Chicago, Illinois 60604

Dear Mr. McFarland:

We have reviewed information about a project of St. Croix Valley Railroad Company to abandon approximately 10.7 miles of rail line between Mora Junction (Brook Park) and Mora, in Kanabec County, Minnesota. It is our understanding that this project would also entail discontinuing service between Mora Junction and Hinckley, a distance of approximately 8.2 miles, in both Kanabec and Pine Counties, Minnesota.

The work proposed at the locations stated is not within the regulatory jurisdiction of the Corps of Engineers. No work will be done in a navigable water of the United States, and no dredged or fill material will be discharged in any water of the United States, including wetlands. Therefore, a Department of the Army permit is not required to do this work.

This letter is valid only for the project referenced above. If any change in design, location, or purpose is contemplated, contact this office to avoid doing work that may be in violation of Federal law. PLEASE NOTE THAT THIS CONFIRMATION LETTER DOES NOT ELIMINATE THE NEED FOR STATE, LOCAL, OR OTHER AUTHORIZATIONS, SUCH AS THOSE OF THE DEPARTMENT OF NATURAL RESOURCES OR COUNTY.

The decision regarding this action is based on information found in the administrative record which documents the District's decision-making process, the basis for the decision, and the final decision.

If you have any questions, contact Dan J. Seemon in our St. Paul office at (651) 290-5380. In any correspondence or inquiries, please refer to the Regulatory number shown above.

Sincerely,

Robert J. Whiting
Chief, Regulatory Branch

Copies sent to: Section of Environmental Analysis,
Surface Transportation Board

Docket No. AB-850X
Draft Env. & Historic Report

Appendix 7-A (Page 1 of 2)

U.S ARMY CORPS OF ENGINEERS - ST. PAUL DISTRICT
REGULATORY BRANCH

BASIS FOR DETERMINATION OF SECTION 404 JURISDICTION

Applicant: St. Croix Valley Railroad Company

File Number: 200303267

- ☐ A. Property referenced in the attached correspondence contains an area of water/wetland areas considered to be a water of the United States because the area:
- ☐ 1. is currently used, has been used in the past, or may be susceptible to use in interstate or foreign commerce, i.e., navigable waters of the United States. [328.3(a)(1)]
 - ☐ 2. is interstate waters. [328.3(a)(2)]
 - ☐ 3. is an area the use, degradation, or destruction of which could affect interstate or foreign commerce. [328.3(a)(3)]
 - ☐ a. is or could be used by interstate or foreign travelers for recreation or other purposes.
 - ☐ b. has fish or shellfish that are or could be taken and sold in interstate or foreign commerce.
 - ☐ c. is or could be used for industrial purposes by industries in interstate commerce.
 - ☐ 4. is an impoundment of waters/areas otherwise defined as waters of the United States. [328.3(a)(4)]
 - ☐ 5. is connected to or adjacent to a tributary of any waters/areas identified under paragraphs (1) through (4) of 33 CFR 328.3(a). [328.3(a)(5)]
 - ☐ 6. contains wetlands or waters adjacent to waters/areas defined as waters of the U.S in paragraphs (1) through (5) in 33 CFR 328.3 (a). [328.3(a)(7)].
- ☒ B. The property referenced in the attached contains no water/wetland areas that meet any of the criteria described above and therefore is not subject to Corps of Engineers jurisdiction under Section 404 of the Clean Water Act.

Project Manager

Dan Seemon
Dan J. Seemon

Date

2/27/03

Docket No. AB-850X
Draft Env. & Historic Report

Appendix 7-A (Page 1 of 2)

Wetlands are identified and delineated using the methods and criteria established in the Corps of Engineers Wetland Delineation Manual (87 Manual). Generally, wetlands are determined by the occurrence of hydrophytic vegetation, hydric soils and wetland hydrology.

Edition of March 29, 2001. Previous editions obsolete.

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LA SALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1194
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. MCFARLAND

February 24, 2003

US Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3590

Re: STB Docket No. AB-850X, *St. Croix Valley Railroad Company -- Abandonment and Discontinuance of Service Exemption -- between Hinckley and Mora, in Pine and Kanabec Counties, MN*

Dear Sir or Madam:

On or about March 19, 2003, I expect to file a petition with the Surface Transportation Board (STB) in behalf of St. Croix Valley Railroad Company (SCXY) for an exemption for abandonment of its rail line between Mora Junction (Brook Park) and Mora, MN, and for discontinuance of service pursuant to trackage rights over a rail line owned by The Burlington Northern and Santa Fe Railway Company (BNSF) between Hinckley and Mora Junction (Brook Park), MN. The petition would be captioned as above. All rail service would cease and trackage would be removed between Mora Junction and Mora. Trackage would be retained between Hinckley and Mora Junction.

Enclosed is a draft Environmental and Historic Report that I have prepared to describe the proposed action and its environmental and historic effects. The action is described in Item 1 of the Environmental Report. A map of the area appears as Appendix 1 attached to the Report.

Pursuant to STB regulations, SCXY is required to consult with your agencies regarding the effect of the proposed abandonment between Mora Junction and Mora on whether permits under section 402 of the Clean Water Act are required for the abandonment (see Item 9(iii) of the Environmental Report).

You are entitled to comment on the draft of statements that I have made. Any comments that you submit will be considered by the STB in evaluating the environmental and historic impacts of the proposed abandonment.

Docket No. AB-850X
Draft Env. & Historic Report

Appendix 8 (Pg 1 of 2)

THOMAS F. MCFARLAND

US Environmental Protection Agency
February 24, 2003
Page 2

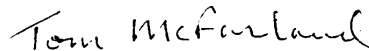
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Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

You should send a copy of your comments to me at the address shown on this letterhead. Because the applicable statutes and regulations impose stringent deadlines for processing exemptions for abandonment, any comments that you submit should be sent within 3 weeks of your receipt of this letter.

Should you have any questions, you can contact the STB's Section of Environmental Analysis at (202) 565-1552 or the undersigned at (312) 236-0204.

Very truly yours,



Thomas F. McFarland
*Attorney for St. Croix Valley
Railroad Company*

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Docket No. AB-850X
Draft Env. & Historic Report

Appendix 8 (Pg 2 of 2)

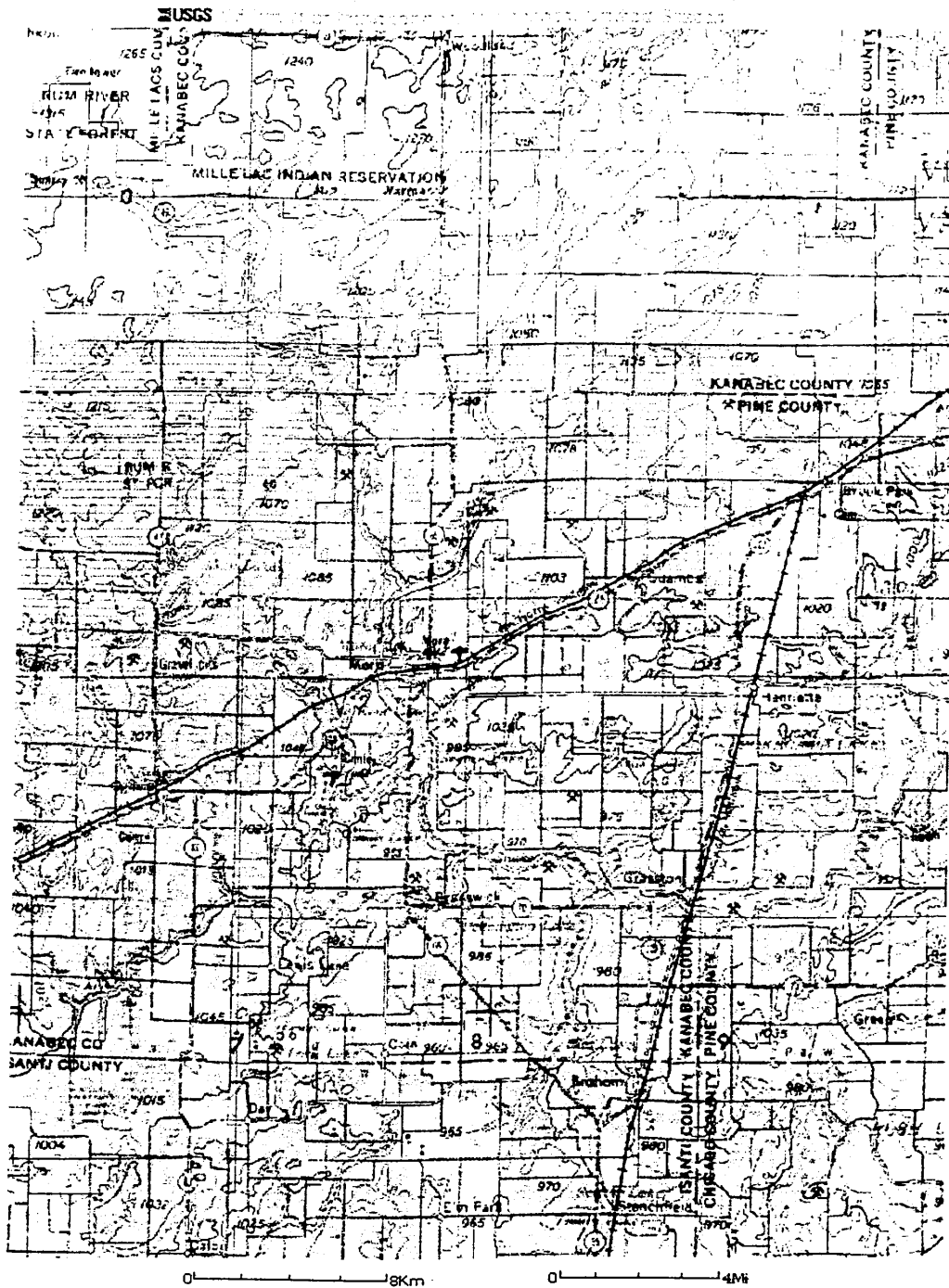


Image courtesy of the U.S. Geological Survey
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Docket No. AB-850X
Draft Env. & Historic Report

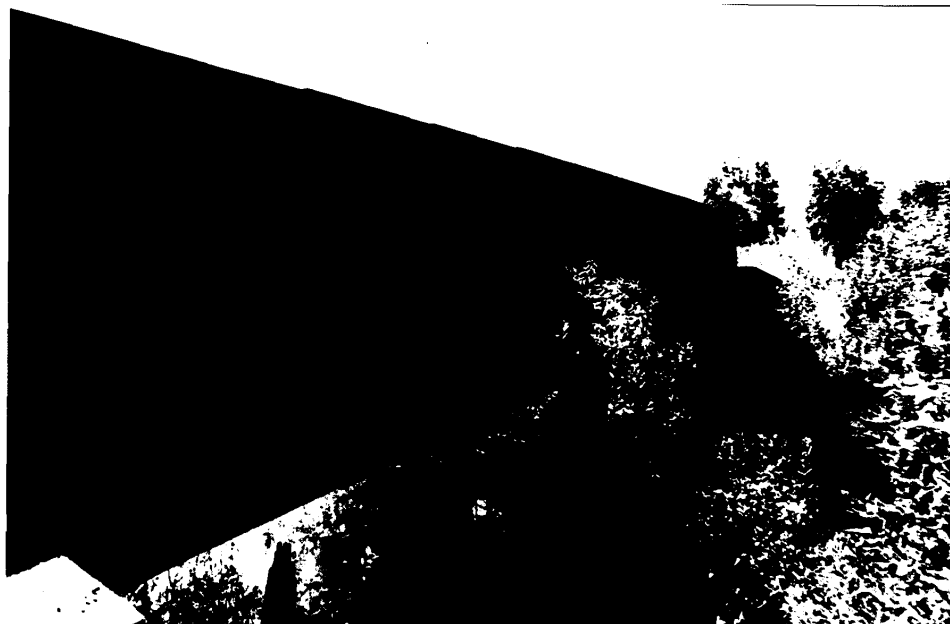
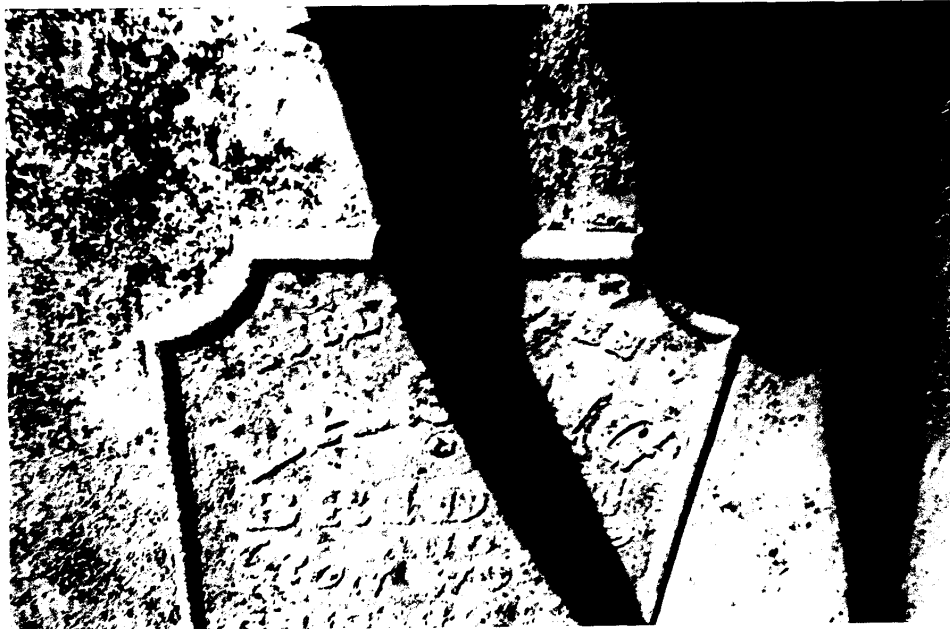
<http://terraserver.homeadvisor.msn.com/printimage.aspx?T=2&S=16&X=37&Y=39>

Appendix 9



Docket No. AB-850X
Draft Env. & Historic Report

APPENDIX 10 (Pg 1 of 2)



Docket No. AB-850X
Draft Env. & Historic Report

APPENDIX 10 (Pg 2 of 2)

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1194
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. MCFARLAND

February 24, 2003

Minnesota Historical Preservation Office
Minnesota Historical Society
345 Kellogg Blvd. West
St. Paul, MN 55102-1906

Re: STB Docket No. AB-850X, *St. Croix Valley Railroad Company -- Abandonment and Discontinuance of Service Exemption -- between Hinckley and Mora, in Pine and Kanabec Counties, MN*

Dear Sir or Madam:

On or about March 19, 2003, I expect to file a petition with the Surface Transportation Board (STB) in behalf of St. Croix Valley Railroad Company (SCXY) for an exemption for abandonment of its rail line between Mora Junction (Brook Park) and Mora, MN, and for discontinuance of service pursuant to trackage rights over a rail line owned by The Burlington Northern and Santa Fe Railway Company (BNSF) between Hinckley and Mora Junction (Brook Park), MN. The petition would be captioned as above. All rail service would cease and trackage would be removed between Mora Junction and Mora. Trackage would be retained between Hinckley and Mora Junction.

Enclosed is a draft Environmental and Historic Report that I have prepared to describe the proposed action and its environmental and historic effects. The action is described in Item 1 of the Environmental Report. A map of the area appears as Appendix 1 attached to the Report.

Pursuant to STB regulations, SCXY is required to consult with your agencies regarding the effect of the proposed abandonment between Mora Junction and Mora on whether the bridge at Milepost No. 54.2 meets the criteria for listing on the National Register of Historic Places, and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area (see Items 3 and 7 of the Historic Report).

You are entitled to comment on the draft of statements that I have made. Any comments that you submit will be considered by the STB in evaluating the environmental and historic impacts of the proposed abandonment.

Docket No. AB-850X
Draft Env. & Historic Report

Appendix 11 (Pg 1 of 2)

THOMAS F. MCFARLAND

Minnesota Historical Preservation Office
February 24, 2003
Page 2

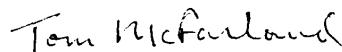
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Washington, DC 20423

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Should you have any questions, you can contact the STB's Section of Environmental Analysis at (202) 565-1552 or the undersigned at (312) 236-0204.

Very truly yours,



Thomas F. McFarland
*Attorney for St. Croix Valley
Railroad Company*

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Docket No. AB-850X
Draft Env. & Historic Report

Appendix 11 (Pg 2 of 2)

DRAFT FEDERAL REGISTER NOTICE PER 49 C.F.R. 1152.60(c)

STB No. AB-850X

Notice of Petition for Exemption to Abandon and Discontinue Service

On March 19, 2003, St. Croix Valley Railroad Company (SCXY) filed with the Surface Transportation Board, Washington, DC 20423, a petition for exemption for abandonment of its rail freight easement between Milepost No. 58.3 at Mora Junction (Brook Park) and Milepost No. 47.6 at Mora, a distance of 10.7 miles, and for discontinuance of rail service pursuant to trackage rights over a rail line of The Burlington Northern and Santa Fe Railway Company (BNSF) between Hinckley and Mora Junction (Brook Park), a distance of 8.2 miles, in Pine and Kanabec Counties, Minnesota. Stations on the line are located at points having the following USPS ZIP codes: Hinckley, MN 55037, Mora, MN 55051 and Brook Park, MN 55007.

It is not known whether the line contains federally granted rights-of-way. The land in the right-of-way if owned by BNSF.

The interest of railroad employees would be protected by imposition of conditions to approval of abandonment imposed in *Oregon Short Line R. Co. - Abandonment - Goshen*, 360 I.C.C. 91 (1979).

Any offer of financial assistance will be due no later than 10 days after service of a decision granting the petition for exemption.

All interested persons should be aware that following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use.

Any request for a public use condition and any request for trail use/rail banking will be due no later than 20 days after notice of the filing of the petition for exemption is published in the Federal Register.

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment or discontinuance regulations at 49 C.F.R. part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the Section of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Section of Environmental Analysis. EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

**DOCKET NO. AB-850X
PETITION FOR EXEMPTION
APPENDIX 4**

CERTIFICATE OF SERVICE

I hereby certify that on March 18, 2003, I served the foregoing document, Petition For Exemption, by first-class, U.S. mail, postage prepaid, on the following:

Mr. Allen J. Vogel, Director
Office of Freight Railroads
Minnesota Department of Transportation
395 John Ireland Building
St. Paul, MN 55155

United States Department of Defense
Military Traffic Management Command
Transportation Engineering Agency
Railroads for National Defense Program
720 Thimble Shoals Blvd., Suite 130
Newport News, VA 23606-2574

National Park Service
Recreational Resources Assistance Division
P.O. Box 37127
Washington, DC 20013-7127

United States Department of Agriculture
Chief of the Forest Service
P.O. Box 96090
Washington, DC 20090-6090

Burlington Northern and Santa Fe Railway
Law Department
2500 Lou Menk Drive
P.O. Box 961039
Fort Worth, TX 86161-0039

Mr. Kipton Krueger, Branch Manager
Lakes Gas Company
107 Old Hwy. 61
P.O. Box 478
Hinckley, MN 55037-0478

Mr. Jeff Fackler
Engineered Polymers
1020 East Maple
Mora, MN 55051

Mr. Jim Barthel
Central Rivers Coop
c/o Federated Cooperatives
101 West Rutherford
Ogilvie, MN 56358

Mr. Bob Jagufsch
City of Mora
117 SE Railroad Avenue
Mora, MN 55051

Thomas F. McFarland

Thomas F. McFarland