

ORIGINAL

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LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1112
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. MCFARLAND



October 4, 2004

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

Re: Finance Docket No. 34597, *Progressive Rail, Incorporated -- Lease and
Operation Exemption -- Rail Line of Union Pacific Railroad Company in Barron
and Chippewa Counties, WI*

Dear Mr. Williams:

Enclosed please find an original and 10 copies of Verified Notice of Exemption Under 49
C.F.R. § 1150.41, for filing with the Board in the above referenced matter.

Also enclosed is a \$1,400 check for the filing fee.

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Applicant

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BEFORE THE
SURFACE TRANSPORTATION BOARD

PROGRESSIVE RAIL, INCORPORATED)
-- LEASE AND OPERATION)
EXEMPTION -- RAIL LINE OF UNION) FINANCE DOCKET
PACIFIC RAILROAD COMPANY IN) NO. 34597
BARRON AND CHIPPEWA COUNTIES,)
WI)



VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41

PROGRESSIVE RAILROAD, INCORPORATED
21178 Highview Avenue
Lakeville, MN 55044

Applicant

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204

Attorney for Applicant

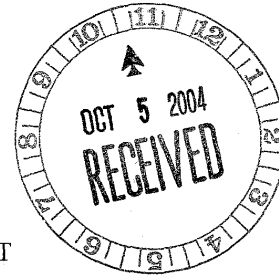
DATE FILED: October 5, 2004

FEE RECEIVED

OCT 05 2004

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD



PROGRESSIVE RAIL, INCORPORATED)
-- LEASE AND OPERATION)
EXEMPTION -- RAIL LINE OF UNION) FINANCE DOCKET
PACIFIC RAILROAD COMPANY IN) NO. 34597
BARRON AND CHIPPEWA COUNTIES,)
WI)

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, *et. seq.*, PROGRESSIVE RAIL, INCORPORATED (PGR), a Class III rail carrier, provides notice of exemption from 49 U.S.C. § 10902 for its lease from Union Pacific Railroad Company (UP) and operation of the Cameron Line that extends between Milepost 50.00 at or near Cameron and Milepost 11.70 at or near Norma, a distance of 38.3 miles in Barron and Chippewa Counties, WI. The UP Cameron Line is shown on a map that is attached to this Notice as Appendix 1.

INFORMATION REQUIRED BY 49 C.F.R. § 1150.43

In accordance with 49 C.F.R. § 1150.43, PGR submits the following in support of this Notice of Exemption.

(a) *The full name and address of the Class III rail carrier applicant;*

The full name and address of applicant is Progressive Rail, Incorporated, 21778 Highview Road, Lakeville, MN 55044.

(b) *The name, address, and telephone number of the representative of the applicant who should receive correspondence;*

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OCT 05 2004

SURFACE
TRANSPORTATION BOARD

Applicant's representative to receive correspondence is Thomas F. McFarland, Thomas F. McFarland, P.C. 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, (312) 236-0204.

(c) *A statement that an agreement has been reached or details about when an agreement will be reached;*

Agreements have been reached between PGR and UP for lease and operation of the involved rail line.

(d) *The operator of the property;*

PGR will operate the involved rail line.

(e) *A brief summary of the proposed transaction, including:*

(1) *The name and address of the railroad transferring the subject property to the Class III rail carrier applicant;*

The lessor of the involved rail line is:

Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179

(2) *The proposed time schedule for consummation of the transaction;*

The proposed lease and operation will be consummated no sooner than seven days after the filing of this Notice of Exemption.

(3) *The mileposts of the subject property, including any branch lines;*

Union Pacific's Cameron Line that extends between Milepost 50.00 at or near Cameron and Milepost 11.70 at or near Norma, a distance of 38.3 miles in Barron and Chippewa Counties, WI.

(4) *The total route miles being operated;*

There are a total of 38.3 route miles.

(f) *A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and states;*

Map is attached as Appendix 1.

(g) *A certificate that applicant's projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under § 1150.45.*

PGR so certifies. See verification attached as Appendix 2.

VERIFICATION

See Appendix 2.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

The proposed transaction does not require environment or historic reporting or assessment. See 49 C.F.R. § 1105.6(c)(2)(i) and 49 C.F.R. § 1105.8(b)(1).

LABOR PROTECTION

Pursuant to 49 U.S.C. § 10902(d), labor protection requirements do not apply to the proposed transaction.

CAPTION SUMMARY

The caption summary required by 49 C.F.R. § 1150.44 is attached hereto as Appendix 3.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, within 30 days of the filing of this notice, the Director of the Office of Proceedings should publish a notice in the Federal Register of the filing of this Notice. *See* 49 C.F.R. § 1150.42(b).

Respectfully submitted,

PROGRESSIVE RAIL, INCORPORATED
21778 Highview Avenue
Lakeville, MN 55044

Applicant

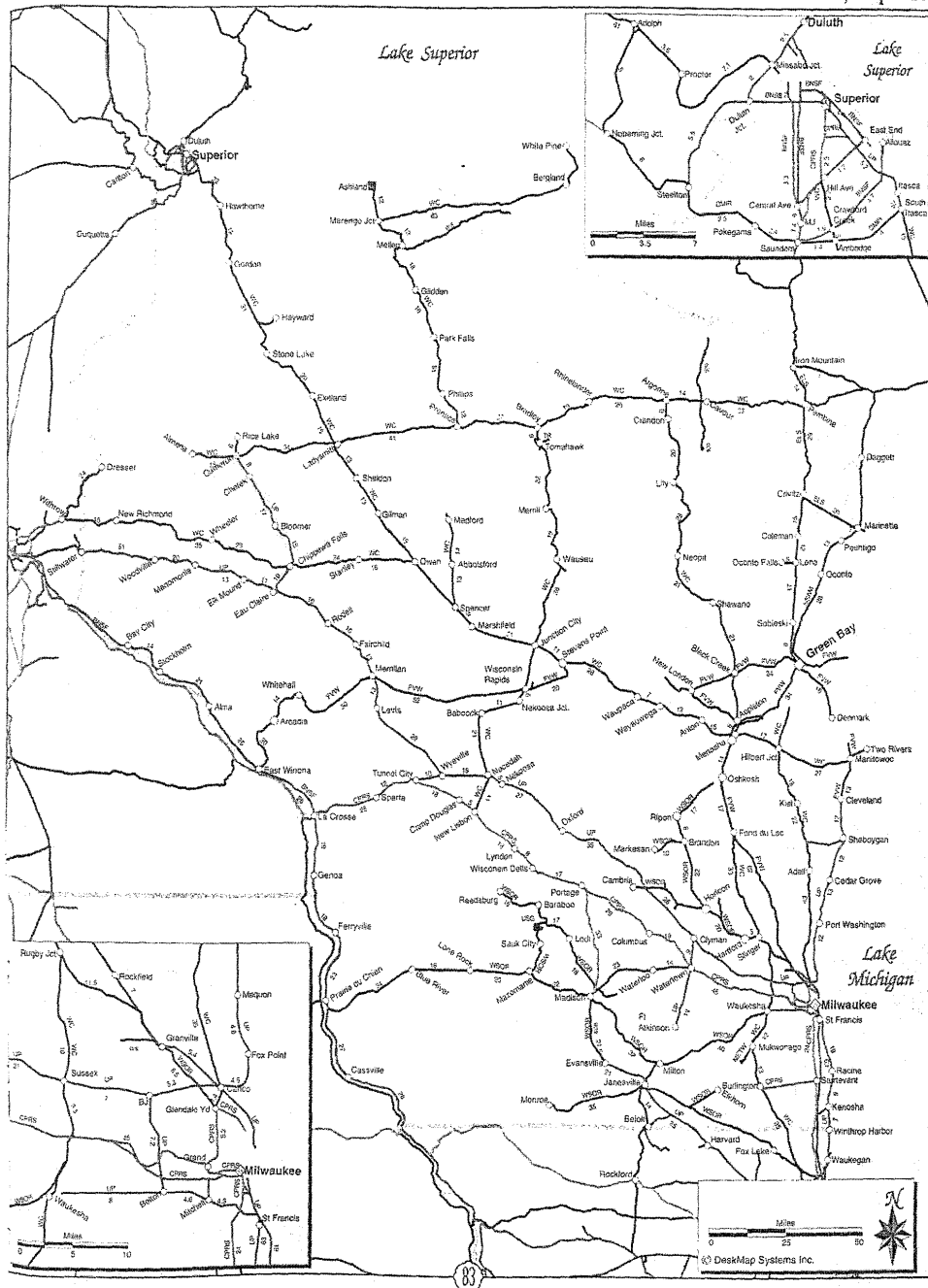
Thomas F. McFarland

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204

Attorney for Applicant

DATE FILED: October 5, 2004

WISCONSIN • Milwaukee, Superior



Appendix 2

VERIFICATION

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

THOMAS F. McFARLAND, being duly sworn on oath, deposes and states that he has read the foregoing notice, that he knows the contents thereof, and that the facts therein stated are true and correct. Thomas F. McFarland certifies that the projected revenues as a result of the proposed lease and operation will not result in the creation of a Class II or Class I rail carrier.



Thomas F. McFarland
THOMAS F. McFARLAND

SUBSCRIBED AND SWORN to
before me this 5th day
of October, 2004.

Kathleen Lenihan
Notary Public

My Commission Expires: 1/29/2006

CAPTION SUMMARY

F.D. No. 34597

SURFACE TRANSPORTATION BOARD

Appendix 3

Notice of Exemption

STB Finance Docket No. 34597

*Progressive Rail, Incorporated --
Lease and Operation Exemption -- Rail Line of
Union Pacific Railroad Company,
in Barron and Chippewa Counties, WI*

Progressive Rail, Incorporated (PGR), a Class III rail carrier, has filed a notice of exemption for its lease from Union Pacific Railroad Company (UP) and operation of the Cameron Line that extends between Milepost 50.00 at or near Cameron and Milepost 11.70 at or near Norma, a distance of 38.3 miles in Barron and Chippewa Counties, WI.

Comments must be filed with the Board and served on PGR's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, 312-236-0204.

The notice is filed under 49 C.F.R. § 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

By the Board
Vernon A. Williams, Secretary