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June 13, 2007

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219535

VIA OVERNIGHT COURIER

Honorable Vernon A. Williams
Surface Transportation Board
395 E. Street, S.W.
Washington, D.C. 20024

**Re: Finance Docket No. 35045 - Amendment To Trackage Rights Agreement between
Duluth, Missabe and Iron Range Railway Company and Duluth, Winnipeg and
Pacific Railway Company**

Dear Secretary Williams

Enclosed for filing in the above-captioned proceeding are an original and ten copies of a Verified Notice of Exemption pursuant to 49 CFR 1180.2(d)(7). A disk containing the caption summary is enclosed. A check in the amount of \$1,000.00, representing the appropriate filing fee for this transaction, is enclosed.

I have included an extra copy of this transmittal letter and request that you date stamp this to show receipt of this filing and return it to me in the envelope provided.

Please feel free to contact me should any questions arise regarding this filing. Thank you for your assistance on this matter.

ENTERED
Office of Proceedings

JUN 14 2007

Part of
Public Record

Respectfully submitted,

Thomas J. Healey
Thomas J. Healey

FEE RECEIVED

Enclosures

JUN 14 2007

**SURFACE
TRANSPORTATION BOARD**

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423**

STB Finance Docket No 35045

AMENDMENT TO TRACKAGE RIGHTS AGREEMENT

Between

**DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY
("DMIR" or "Owner")**

And

**DULUTH, WINNIPEG AND PACIFIC RAILWAY COMPANY
("DWP" or "User")**

**Relating to DWP's Trackage Rights Over
DMIR's Lines Of Railroad Between
Nopeming Jct , MN and Shelton Jct , MN**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 CFR 1180 2(d)(7)**

Respectfully submitted,

**Thomas J Healey
Counsel - Regulatory
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17641 S Ashland Avenue
Homewood, IL 60430
Tel. (708) 332-4381
Fax (708) 332-4361**

Date June 13, 2007

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO 35045

AMENDMENT TO TRACKAGE RIGHTS AGREEMENT
Between
DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY
("DMIR" or "Owner")
And
DULUTH, WINNIPEG AND PACIFIC RAILWAY COMPANY
("DWP" or "User")

Relating to DWP's Trackage Rights Over
DMIR's Lines Of Railroad Between
Nopeming Jct , MN and Shelton Jct , MN

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 CFR 1180.2(d)(7)

Pursuant to 49 CFR 1180.2(d)(7), Duluth, Winnipeg and Pacific Railway Company ("DWP" or "User") submits this Verified Notice of Exemption for amendment to existing trackage rights over tracks owned and operated by Duluth, Missabe and Iron Range Railway Company ("DMIR" or "Owner") and provides the following information

49 CFR 1180.6(a)(1)(i): A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

DWP seeks Board authority to amend existing trackage rights¹ to allow for nonexclusive overhead movements, reblocking cars within single trains, or setting out cars requiring servicing, over a line of railroad owned by DMIR between Nopeming Jct at milepost R5 77 (marked as Point "A" on the map attached as Exhibit A), and Shelton Jct , MN at Milepost B2 71, including

¹ DWP currently holds overhead rights over the entirety of the track at issue, for which it received authority to operate in Duluth, Winnipeg and Pacific Railway Company - Trackage Rights Exemption - Duluth, Missabe and Iron Range Railway Company, Finance Docket No 34424 (Sub-No 1) (STB served April 9, 2004). The current filing will allow a limited expansion of DWP's rights on tracks over which it already operates

an additional 616 feet of connecting track (marked as Point "B" on the map attached as Exhibit A), including all industry spurs, connecting tracks and sidings now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the parties hereto, a distance of approximately 63.82 miles, all in the State of Minnesota

DWP and DMIR are commonly controlled by Canadian National Railway Company
Canadian National Railway Company and Grand Trunk Corporation – Control – Duluth, Missabe and Iron Range Railway Company, et al., Finance Docket No 34424 (STB served April 9, 2004)

Name, business address, and telephone numbers of Applicants

Duluth, Missabe and Iron Range Railway Company
17641 S Ashland Avenue
Homewood, IL 60430
Tel (708) 332-4381

Duluth, Winnipeg and Pacific Railway Company
17641 S Ashland Avenue
Homewood, IL 60430
Tel (708) 332-4381

Applicant's counsel to receive correspondence

Thomas J Healey
Counsel - Regulatory
CN
17641 S. Ashland Avenue
Homewood, IL 60430
Tel (708) 332-4381
Fax (708) 332-4361

49 CFR 1180.6(a) (1) (ii): The proposed time schedule for consummation of the proposed transaction.

DWP proposes to consummate the proposed transaction immediately after the conclusion of the 30 day waiting period required by the Board's trackage rights exemption regulations, on or about July 14, 2007

49 CFR 1180.6(a) (1) (iii): The purpose sought to be accomplished by the proposed transaction.

The purpose of the proposed transaction is to enhance operational efficiency in the movement of overhead freight movements, reblocking of cars within the same train, and setting out cars requiring servicing, between Nopeming Jct and Shelton Jct , MN

49 CFR 1180.6(a) (5): A list of the State(s) in which any part of the property of each applicant carrier is situated.

DWP operates in the States of Minnesota and Wisconsin. DMIR operates in the States of Minnesota and Wisconsin

49 CFR 1180.6(a)(6): Map (exhibit A). Submit it a general or key map indicating clearly, in separate colors or otherwise, the line (s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed.

A map satisfying this provision is attached hereto as Exhibit A

49 CFR 1180.6(a) (7) (ii): Agreement (Exhibit B). DWP is furnishing an executed copy of the amendment to the trackage rights agreement, marked as Exhibit B

49 CFR 1180.4(g) (i): Labor Protection.

DWP anticipates that any employees adversely affected by this transaction will be

afforded the level of labor protection as set forth in Norfolk and Western Ry Co - Trackage Rights - BN, 354 I C C 605 (1978), *as modified in* Mendocino Coast Ry, Inc - Lease and Operate, 360 I C C 653 (1980)

49 CFR 1180.4(g)(2)(i): Caption Summary (Exhibit C).

DWP submits a caption summary describing the transaction as Exhibit C

49 CFR 1180.4(g)(3): Environmental and historic reporting requirements.

The proposed transaction is exempt from environmental review under 49 CFR 1105.6(c) (4), which provides that environmental documentation need not be prepared for trackage rights transactions or transactions that will not cause any operating changes that exceed the thresholds established in 1105.7(c) (4) or (5)

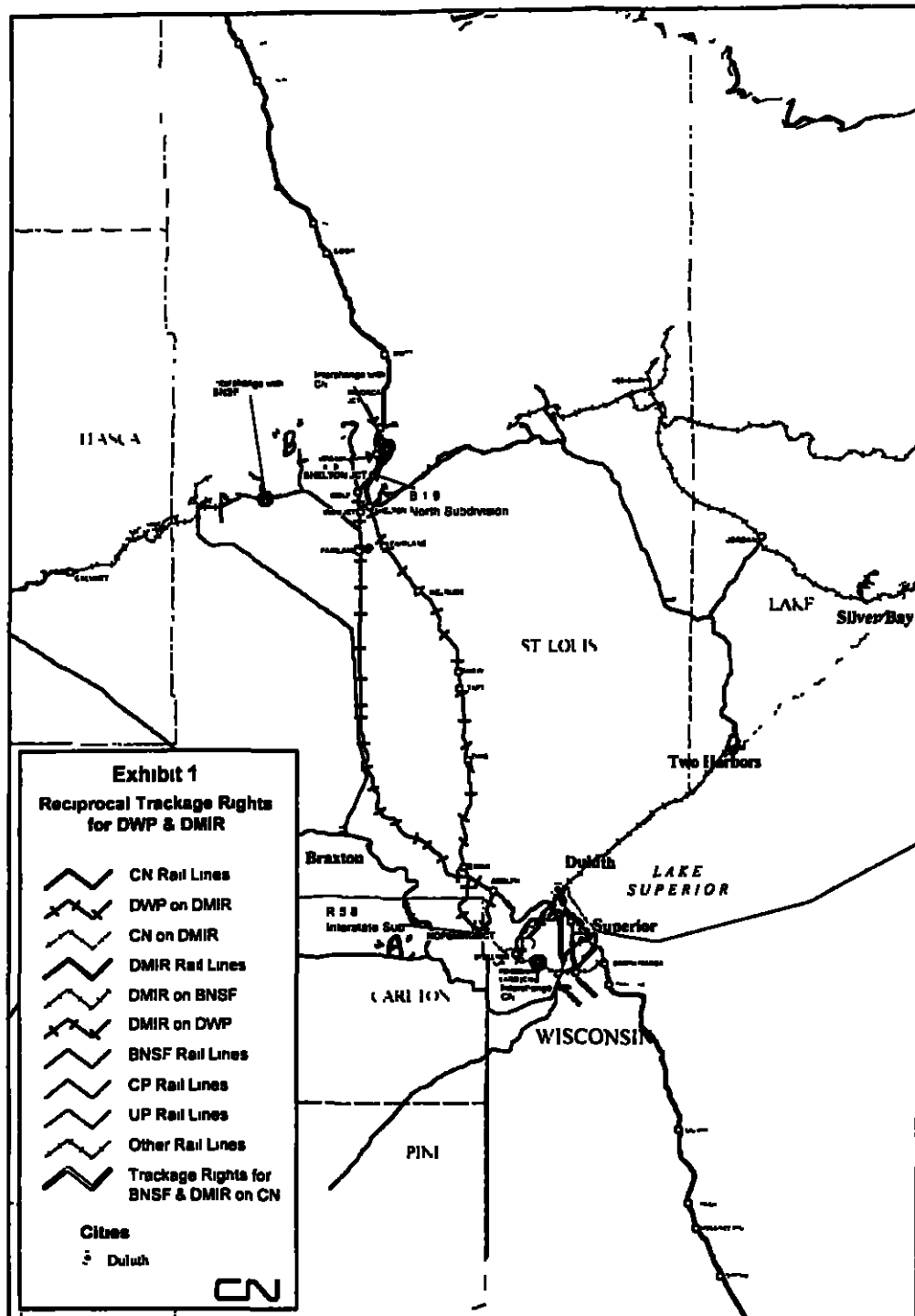
In addition, this transaction is exempt from historic review under 49 CFR 1105.8(b) (3) because it will not substantially change the level of maintenance of railroad property

Respectfully submitted

A handwritten signature in black ink, appearing to read "Thomas J. Healey", followed by a stylized flourish or initial.

Thomas J Healey
Counsel - Regulatory
CN
17641 S Ashland Avenue
Homewood, IL 60430
Tel (708) 332-4381
Fax (708) 332-4361

Dated June 13, 2007



COLOR FIGURE 4

AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT, entered into as of this 4th day of June 2007 by and between **DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY** (hereinafter referred to as "DMIR or "OWNER"), and **DULUTH, WINNIPEG AND PACIFIC RAILWAY COMPANY**, (hereinafter referred to as "DWP" or "USER")

WITNESSETH:

WHEREAS, DMIR and DWP made and entered into a certain agreement attached to the Notice of Exemption filed on November 5, 2003 in Finance Docket No 34424, Sub-No 1, Exhibit 2 d, ("Trackage Rights Agreement") which provides among other things for DWP use of DMIR trackage between Nopeming Junction and Shelton Junction, and

WHEREAS, DWP and DMIR desire to amend the Trackage Rights Agreement to eliminate certain limitations and restrictions currently as it relates to the use of the Subject Trackage, and

NOW, THEREFORE, The parties hereto, intending to be legally bound, agree as follows

1) Section 1.1 of the Trackage Rights Agreement shall be replaced in its entirety with the following

- "Subject to the terms and conditions herein provided, Owner hereby grants to User the right to operate, in modified overhead freight service, its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segment of Owner's railroad shown on the plan attached hereto, made a part hereof and marked Exhibit "A" (hereinafter referred to as the "Subject Trackage")
 - o That portion of DM&IR 's Virginia Branch between Point "A" at Milepost B2 71, including an additional 616 feet of connecting track and Point "E", known as Nopeming Junction, at Milepost R5 77 on the Interstate Sub-Division, said tracks shown in red with Points "A" and "E" designated on the attachment marked Exhibit "A" attached to and made a part of this Agreement, (2) all sidings now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and (3) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the parties hereto, a distance of approximately 63.82 miles, all in the State of Minnesota

2) Section 2.2 of the Trackage Rights Agreement shall be replaced in its entirety with the following

- "User may use any part of the Subject Trackage for the purpose of overhead movements, reblocking cars within single trains operated by User, or setting out of cars requiring servicing. Except as provided above, User may not use any part of the Subject Trackage for the purpose of switching of cars to industries, storage or servicing of cars or equipment, or the making or breaking up of trains."

3) Section 3.1 of the Trackage Rights Agreement shall be replaced in its entirety with the following

- "The trackage rights herein granted are granted for the purpose of User using same for overhead traffic between the terminals of Subject Trackage, reblocking cars within single trains operated by User, or setting out cars requiring servicing. User may not perform any local freight service whatsoever at any point located on Subject Trackage."

4) No term or provision of this Amendment Agreement shall be construed as prohibiting the parties from operating under existing trackage rights agreements, in the event the parties are unable to obtain regulatory exemption or approval, as applicable, or implementing agreements that are acceptable to the parties

5) Except as specifically herein modified, all other terms and conditions of the Trackage Rights Agreement shall remain in full force and effect

IN WITNESS WHEREOF, the parties hereto execute this Amendment Agreement, in duplicate, as of the day and year first above written

**DULUTH, WINNIPEG & PACIFIC
RAILWAY COMPANY**

By Paul E. Ladue
Paul E. Ladue

Its: Region Director Contracts & Administration

Date: June 4, 2007

**DULUTH, MISSABE AND IRON RANGE
RAILWAY COMPANY**

By Gordon T. Trafton II
Gordon T. Trafton II

Its: Sr. Vice President Southern Region

Date: June 4, 2007

**EXHIBIT C
CAPTION SUMMARY**

**SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423**

STB Finance Docket No 35045

AMENDMENT TO TRACKAGE RIGHTS AGREEMENT

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**DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY
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And

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**Relating to DWP's Trackage Rights Over
DMIR 's Lines Of Railroad Between
Nopeming Jct , MN and Shelton Jct , MN**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 CFR 1180 2(d) (7)**

Duluth, Missabe and Iron Range Railway Company ("DMIR") has agreed to amend existing trackage rights to allow for nonexclusive overhead movements, reblocking cars within single trains, or setting out cars requiring servicing, to Duluth, Winnipeg and Pacific Railway Company ("DWP") between Nopeming Jct . Milepost R5 77 and Shelton Jct , MN, including an additional 616 feet of connecting track, at Milepost B2 71. The trackage rights are a distance of approximately 63 82 miles in length. The purpose of the proposed transaction is to enhance operational efficiency in the movement of overhead freight movements, reblocking of cars within the same train, and setting out cars requiring servicing, between Nopeming Jct and

Shelton Jct , MN

The trackage rights will become effective immediately after the conclusion of the 30 day waiting period required by the Board's trackage rights exemption regulations, on or about July 14, 2007

This notice is filed under § 1180 2(d)(7) Petitions to revoke the exemption under 49 U S C 10502(d) may be filed at any time. The filing of a petition to revoke will not stay the transaction

Dated

By the Board

Vernon A Williams

Secretary

VERIFICATION

STATE OF ILLINOIS)

CITY OF COOK

SS

Paul Ladve, being duly sworn according to law, hereby deposes and states that he is authorized to make the Verification, has read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of (her)his knowledge, information and belief

Paul E. Ladue

Subscribed and sworn to before me, a Notary Public, in and for the City of Chicago in the State of Illinois, this day of 13 June 2007

Patricia A. Zenezich
Notary Public

My Commission expires.

