



July 9, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

219763

RE: Finance Docket 30186 (Sub No. 2), Tongue River
Railroad Co. -- Rail Construction and Operation --
Ashland to Decker, Montana

Dear Mr. Williams:

I am submitting, on behalf of the Tongue River Railroad Company, an original and ten copies of our four-month progress report for the latest four-month period, pursuant to the Surface Transportation Board's favorable decision served November 8, 1996 in FD 30186 (Sub-No. 2).

Please note that a copy of the four-month report has been served only on the Parties of Record identified in the Surface Transportation Board's complete service list served October 3, 2003 and amended in a notice served by the Surface Transportation Board on October 24, 2003. We will continue to serve the four-month report on these parties.

Sincerely,

Douglas A. Day
Representative for the
Tongue River Railroad Company

cc: Hearing...

Part of
Public Record

Enc.
cc: Parties of record

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of July, 2007, a copy of the foregoing document was served via first class mail, postage prepaid, to the following Parties of Record:

Sarah Whitley Bailiff
BNSF Railway Company
Railway Company
P. O. Box 961039
2500 Lou Menk Drive 3rd Floor
Fort Worth, TX 76131-2828

JW Boulware
RT 2 Box 3015
Miles City, MT 59301

Betty Jo Christian
Steptoe & Johnson LLP
1330 Connecticut Ave., NW
Washington, DC 20036-1795

Jake Cummins
MT Farm Bureau Federation
502 South 19th
Bozeman, MT 59718

Mark Fix
HC 32 Box 4196
Miles City, MT 59301

John Hamilton
Cedar Hills Angus Ranch
HC 32 Box 4356
Miles City, MT 59301

Beth Kaeding
669 Stonegate Drive
Bozeman, MT 59715

Steven Kelley
Northern Cheyenne Tribe
P. O. Box 128
Lame Deer, MT 59043

R S Knutson, General Chairman
UTU GO-245
8250 W. 80th Avenue
Units 7 & 8
Arvada, CO 80005

Gordon P. MacDougall
1025 Connecticut Avenue NW
Suite 410
Washington, DC 20036

William R. Musgrave
Musgrave Ranch
P. O. Box 32
Decker, MT 59025

Nancy Owens
P. O. Box 38
Basin, MT 59631-0038

Peter A. Pfohl
Slover & Loftus
1224 Seventeenth Street NW
Washington, DC 20036-3003

Joe Arvizu Rodriguez
P. O. Box 820
Lame Deer, MT 59043

Gary Ryder
P. O. Box 72
Hysham, MT 59038

Kathryn M. Schenk
Chief, Regulatory Branch – US Army Corps
of Engineers
106 S. 15th Street
Omaha, NE 68102

Jack R. Tuholske
P. O. Box 7548
234 East Pine Street
Missoula, MT 59807

John F. Wardell
EPA Region 8 Montana Office
10 West 15th Street, Suite 3200
Helena, MT 59626

Irv Alderson
Bones Brothers Ranch
P. O. Box 505
Birney, MT 59012

Jeanie Alderson
Bones Brothers Ranch
P. O. Box 505
Birney, MT 59012

Mr. and Mrs. Richard J. Anderson
Tongue River HC 32
Miles City, MT 59301

Rep. Norma Bixby
P. O. Box 1165
Lame Deer, MT 59043

William P. Carrel
FL Ranch
7 Red Bluff Loop
Birney, MT 59012

Marilyn Fortune
T Triangle Ranch
HC 32
Miles City, MT 59301

Art Hayes Jr.
Brown Cattle Co.
P. O. Box 517
Birney, MT 59012

Les Hirsch
HC 32 Box 4311
Miles City, MT 59301

Ted Hirsch
HC 32 Box 4741
Miles City, MT 59301

Nellie Israel
P. O. Box 76
Joliet MT 59041

Patrick Landers
HC 32 Box 4731
Miles City MT 59301

Terry Punt
Bones Brothers Ranch
P. O. Box 505
Birney, MT 59301

T.L. Ungricht
UTU-Wyoming State Legislative Board
1659 Highland Ave
Sheridan, WY 82801

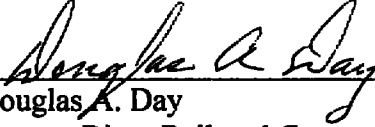
Stephen Valentine III
Hill House
P. O. Box 547
Birney, MT 59012

Lonnie J. Wright
Diamond Cross Ranch
P. O. Box 70
Big Horn, WY 82833-070

Member of Congress
Honorable Conrad Burns
United States Senate
Washington, DC 20510

Member of Congress
Honorable Max Baucus
United States Senate
Washington, DC 20510

Member of Congress
Honorable Barbara Cubin
US House of Representatives
Washington, DC 20515


Douglas A. Day
Tongue River Railroad Company
2280 Grant Road, Suite B
Billings, MT 59102

TONGUE RIVER RAILROAD COMPANY, INC.

Four-Month Report to the Surface Transportation Board

July 9, 2007



1. Surface Transportation Board - Regulatory Proceedings

The Tongue River Railroad Company, Inc. has before the Surface Transportation Board ("Board") an application in STB Finance Docket No. 30186 (Sub-No. 3) seeking authority to construct and operate a rail line in Rosebud and Big Horn counties, Montana. The application seeks authority to construct and operate the "Western Alignment" in Rosebud and Big Horn counties. The Western Alignment is proposed as an alternative routing for the southernmost 17.3-mile portion of the 41-mile Ashland to Decker rail line approved by the Board in 1996 ("Tongue River II"). The TRRC application includes proposals to modify certain portions of the approved rail line running between Ashland and Miles City.

The Board issued the Final Supplemental Environmental Impact Statement ("FSEIS") in Finance Docket No. 30186 (Sub-No. 3) on October 13, 2006. The Environmental Protection Agency published notice in the Federal Register on October 20, 2006 of the issuance of the FSEIS. The TRRC is awaiting the Board's decision.

2. Secondary Approvals

The environmental review process was conducted in consultation with three cooperating agencies. The cooperating agencies are: the U.S. Army Corps of Engineers; the U.S. Department of the Interior, Bureau of Land Management; and, the Montana Department of Natural Resources and Conservation, acting as lead agency for other Montana state agencies. The cooperating agencies have decision making authority to grant approvals and easements secondary to the Board's approval of the railroad. At an appropriate time, Tongue River intends to move forward with seeking the various Secondary Approvals required for the construction of its line, as well as with final engineering for the line.

3. Relationship with the Burlington Northern Santa Fe

The Burlington Northern Santa Fe Railway continues to support development of the Tongue River Railroad project. The Burlington Northern Santa Fe and the Tongue River Railroad Company are maintaining communications concerning the regulatory process and status.

4. TRRC Ownership Structure

There has been no change in the ownership of Tongue River Railroad Company, Inc. since the previous report.