

LAW OFFICE
JOHN D. HEFFNER, PLLC
1750 K STREET, N.W.
SUITE 350
WASHINGTON, D.C. 20006
PH: (202) 296-3333
FAX: (202) 296-3939



November 16, 2007

BY HAND

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

ENTERED
Office of Proceedings

NOV 16 2007

Part of
Public Record

**RE: STB FD NO. 35101, Chicago Terminal Railroad – Lease
and Operation Exemption - Soo Line Railroad Company
d/b/a Canadian Pacific Railway**

Dear Mr. Williams:

On behalf of the Chicago Terminal Railroad ("CTR") I am filing an original and 10 copies of a verified notice of exemption in the above-captioned proceeding as well as a copy on a computer disk and a check payable to the Board for \$1600 to cover the filing fee.

Please date stamp and return one copy of this letter and filing

Sincerely yours,

John D. Heffner

cc: Mr. Ed Ellis

FEE RECEIVED

NOV 16 2007

**SURFACE
TRANSPORTATION BOARD**

FILED

NOV 16 2007

**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD



STB FINANCE DOCKET NO. 35101

CHICAGO TERMINAL RAILROAD
-- LEASE AND OPERATION EXEMPTION --
SOO LINE RAILROAD COMPANY D/B/A CANADIAN PACIFIC RAILWAY

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41

NOTICE OF LEASE AND OPERATION OF RAIL LINE

ENTERED
Office of Proceedings

NOV 16 2007

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Public Record

Submitted By:

John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3334

FILED

NOV 16 2007

FEE RECEIVED

NOV 16 2007

**SURFACE
TRANSPORTATION BOARD**

James H. M. Savage
1750 K Street, N.W. **SURFACE
TRANSPORTATION BOARD**
Suite 350
Washington, D.C. 20006
(202) 296-3335

Counsel for Petitioner
Chicago Terminal Railroad

Dated: November 16, 2007

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35101

**CHICAGO TERMINAL RAILROAD
-- LEASE AND OPERATION EXEMPTION --
SOO LINE RAILROAD COMPANY D/B/A CANADIAN PACIFIC RAILWAY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41**

**NOTICE OF LEASE AND OPERATION OF RAIL LINE
INFORMATION REQUIRED BY 49 CFR 1150.43**

Applicant's Name and Address

49 CFR 1150.43(a)

Chicago Terminal Railroad
c/o Iowa Pacific Holdings, LLC
118 South Clinton
Suite 300
Chicago, IL 60611

Applicant's Representative

49 CFR 1150.43(b)

John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3334

And

James H. Savage
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
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Statement of Agreement(s)

49 CFR 1150.43(c)

Iowa Pacific Holdings, LLC ("IPH") on behalf of its wholly-owned subsidiary Chicago Terminal Railroad ("CTR") expects to execute an agreement shortly with the Soo Line Railroad doing business as Canadian Pacific Railway ("CPR") for the lease and operation of rail property known as the Bensenville Industrial Park Track, connecting to the CPR at Milepost B-2 in Bensenville, IL. The subject rail property totals approximately 3.47 miles in length.

Operator of the Property

49 CFR 1150.43(d)

In all cases anticipated by this Notice, and as described in the transaction summary provided below, CTR will hold itself out to provide common carrier rail freight service over the subject rail property.

Brief Summary of Transaction

49 CFR 1150.43(e)

This exemption involves the lease and operation by CTR, an existing class III short line railroad subsidiary of IPH.¹ CTR will replace service presently being performed by Soo Line Railroad Company doing business as CPR, 501 Marquette Ave., South,

¹ IPH owns CTR through its wholly owned subsidiary Permian Basin Railways, Inc. ("PBR")

Minneapolis, MN 55402. CTR plans to commence operations on or after December 16, 2007, more than thirty days after the filing of this notice. The lease and operation of rail property known as the Bensenville Industrial Park trackage originates at Milepost B-2 of the CPR in Bensenville, IL. The subject rail property totals approximately 3.47 miles in length.

Shippers will benefit insofar as CTR will market its service so as to be more responsive to the needs of local customers. Moreover, CTR's lower cost structure will enable it to provide service at lower rates than a class I railroad can provide.

Map of Area to be Served

49 CFR 1150.43(f)

A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and states, is attached as Exhibit A to this Notice.

Carrier Classification Certificate

49 CFR 1150.43(g)

CTR certifies that, with this acquisition, its projected annual revenues will be less than \$5,000,000 annually, and therefore will not result in the

creation of a Class II or Class I rail carrier. A certificate complying with the provisions of 49 CFR 1150.43(g) is attached as Exhibit B to this Notice.

Labor Protection

49 U.S.C. 10902

Labor protective conditions do not apply and will not be imposed.

Caption Summary

49 CFR 1150.44

A caption summary in the prescribed form is attached as Exhibit C to this Notice.

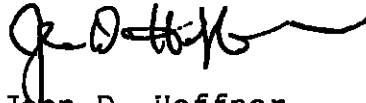
Environmental and Historic Preservation **49 CFR 1105**

Pursuant to 49 CFR 1105.6(c)(2), the proposed transaction is exempt from environmental review under 49 CFR 1105.6(c)(2)(i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 1105.7(e)(4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b)(1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will continue; further Board approval is required for the parties to abandon service; and there are no plans to dispose of or alter

the properties subject to Board jurisdiction that are
50 years old or older.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John D. Heffner", with a stylized flourish at the end.

John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3334

and

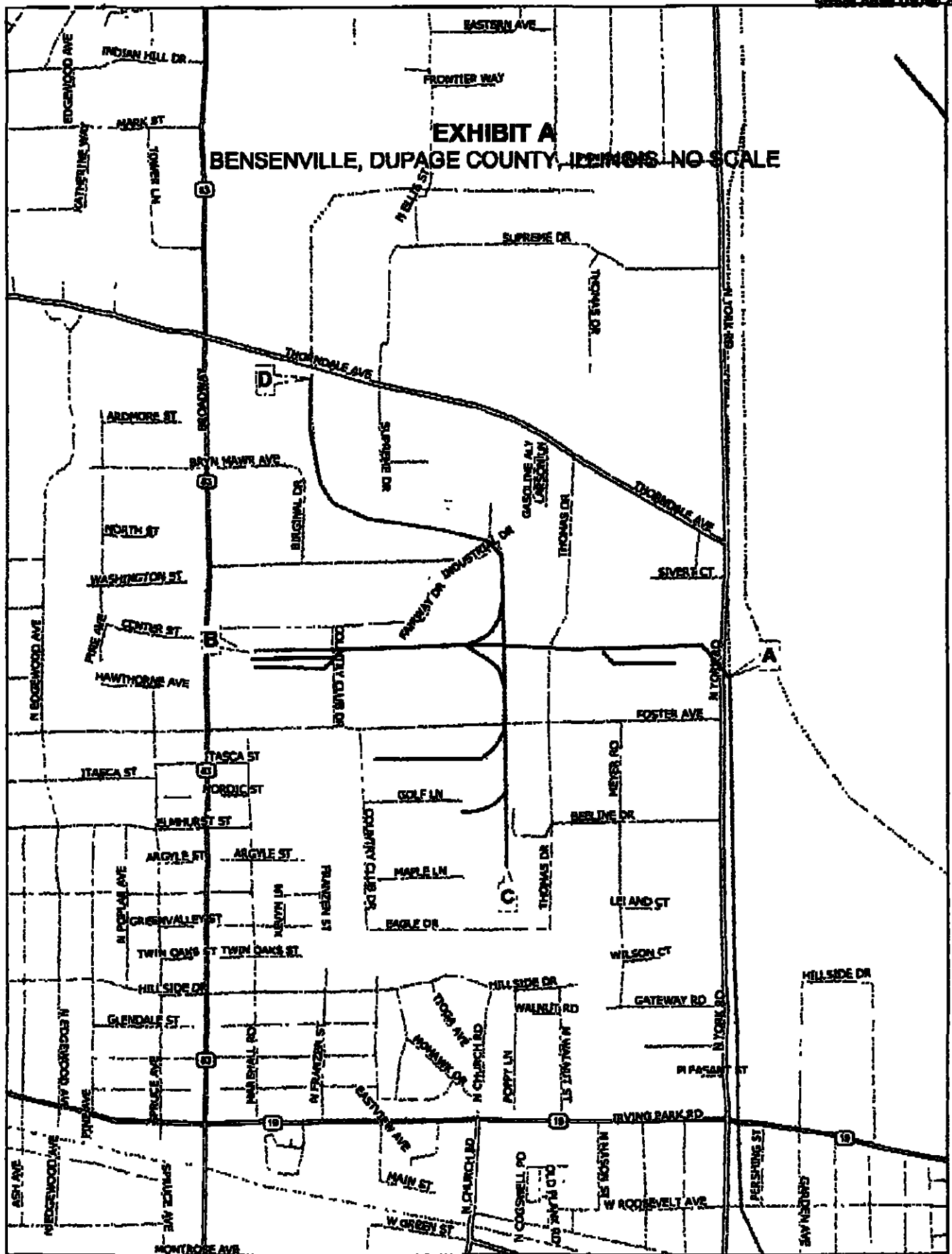
James H. M. Savage, Esq.
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3335

Counsel for Petitioner
Chicago Terminal Railroad

Dated: November 16, 2007

EXHIBIT A

Street Atlas USA © 2007



Data is as of 11/16/2007

Scale 1:10,000

Scale 1:10,000

EXHIBIT B**CERTIFICATION**

I, Edwin Ellis, an officer of the Chicago Terminal Railroad ("CTR") hereby certify under penalty of perjury that the projected annual railroad operating revenues of the CTR, in the aggregate, will not exceed \$5,000,000, and that CTR will be a Class III rail carrier as set forth at 49 CFR 1201 (1-1) (a). Further, I certify that I am qualified and authorized to make this certification on behalf of CTR.


Signature

EXHIBIT C

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 35101

**CHICAGO TERMINAL RAILWAY
-- LEASE AND OPERATION EXEMPTION --
SOO LINE RAILROAD COMPANY D/B/A CANADIAN PACIFIC RAILWAY**

NOTICE OF LEASE AND OPERATION OF RAIL LINE

Chicago Terminal Railroad ("CTR"), an existing class III short line railroad common carrier, has filed a Verified Notice of Exemption under 49 CFR 1150.41 to lease and operate a line of railroad within the Bensenville Industrial Park currently owned by the Soo Line Railroad Company doing business as Canadian Pacific Railway ("CPR"). The subject rail property consists of approximately 3.47 miles of track originating at and connecting to a switch at Milepost (MP) B-2 along the CPR's line of rail in Bensenville, IL.

CTR plans to consummate this transaction on or after December 16, 2007, more than thirty days after the filing of this exemption.

Comments must be filed with the Board and served on:

John D. Heffner, Esq.
John D. Heffner, PLLC
1750 K Street, N.W. - Suite 350
Washington, D.C. 20006
Telephone: (202) 296-3334

And

David S. Drach
Real Estate Department
Soo Line Railroad Company
d/b/a Canadian Pacific Railway
501 Marquette Ave. South
Minneapolis, MN 55402
Telephone: (612) 904-6139

This 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.

(seal)

Vernon A. Williams
Secretary

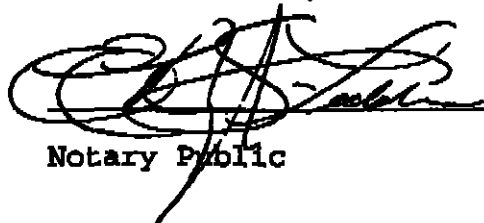
VERIFICATION

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Edwin Ellis, being duly sworn according to law, hereby depose and state that I am authorized to make this Verification, that I have read the foregoing document, and that I know the facts asserted therein are true and accurate as stated, to the best of my knowledge, information and belief.



Subscribed and sworn to before me, a Notary Public, in and for the County of Cook, in the State of Illinois, this 14th day of November, 2007.


Notary Public

My Commission expires:

04.14.2009

Edwin Ellis
Notary Public State of Illinois
My Commission Expires 04/14/2009