

Phillip J. Qualy
Legislative Director,
Chairperson

Daniel M. Paradise
Assistant Director

Richard A. Olson
Secretary



Labor and Professional Centre
411 Main Street
St. Paul, MN 55102
Suite 212
651-222-7500(o) 651-222-7828(f)
E-MAIL:
UTUMNLEGBD@VISI.COM

Minnesota Legislative Board

November 21, 2007

VIA Federal Express and E-Mail

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

RE: Financial Docket No. 35092 - 220778
Financial Docket No. 35093 - 220779

PETITION TO STAY.

Progressive Rail Inc. - Continuance in Control Exemption- Montgomery Shortline.

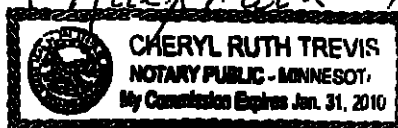
Montgomery Shortline, LLC- Lease and Operation Exemption- Union Pacific R.R.

Dear Secretary Williams,

Enclosed for filing in the above-captioned proceeding are originals and ten copies of the Notice and Petition to Stay. This petition is served on Fletcher & Sippel LLP, attorneys for the applicants and original petitioners, and the petitioners, Progressive Rail Incorporated, via First Class and Certified U.S. Mail at their respective offices in Chicago Illinois and Lakeville Minnesota. Thank you.

Respectfully submitted,


Phillip James Qualy
United Transportation Union



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NUMBER FD-35092

**Progressive Rail Inc. – Continuance in Control Exemption
Montgomery Short Line, LLC.**

PETITION TO STAY

- 1) Now comes Mr. Phillip Qualy, Minnesota Legislative Director, United Transportation Union, who herewith petitions the Board to STAY any action to proceed , or affirm, the the above entitled matter.
- 2) This petition is timely for execution and is within thirty days of the original petitions for exemptions by the applicants. This petition is intended to place a Stay upon all activity and with regards to any intended operating implementation of the petitioner(s), the Progressive Rail Incorporated (PRI), and Montgomery Shortlines, LLP, (MSL), or combination there of, and divesting entity, the Union Pacific Railroad.
- 3) The originating applicants in this matter, PRI and MSL, as one entity or separate entities reside at and operate from: 21778 Highview Ave. Lakeville, Minnesota, 55044.
- 4) The originating applicants in this matter, PRI and MSL, as one entity, or separate entities have provided incomplete and inaccurate information in the aforementioned matter.
- 5) The originating applicants in this matter, PRI and MSL, as one entity ,or separate entities have not fulfilled the requirements and will be in violation of Minnesota Statute

Mn.Stat. 222.85 and 222.86 and possibly other state law if their petition for exemption is consummated on or after November 24, 2007. The Commissioner of Transportation, State of Minnesota, has a statutory right and broad authority to review any transaction involving common carrier by rail, so as to assure the safety of the general public and other considerations for the public good.

6) The Minnesota Department of Transportation confirms via voice recorded message that they have had not any notice or receipt of informational materials regarding the aforementioned matter from the original petitioners.

7) The Office of Attorneys General, State of Minnesota, confirm that they have not had any notice or receipt of informational materials regarding the aforementioned matter from the original petitioners.

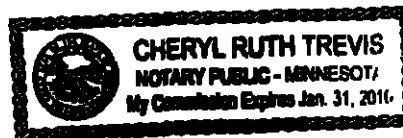
8) The original petitioners have a duty under federal law U. S. C. 49 CFR 217.7(c), 49 CFR 217.9, 49.219, 49.225, and 49.240, to provide information to the Federal Railroad Administration so as to assure operational and public safety. No evidence has been provided within the original applicant's petition, that confirms any provision of safety information to potentially affected employees.

9) Due to the original petitioner's failure to provide accurate and complete information with appropriate notice prior, and Thanksgiving Holiday, counsel is not available to remit our Motion and Petition to Revoke. Our Petition to Revoke is pending at this time. We reserve any and all rights, remedies, and recitations of law for presentation to the Board.

10) Because the any commencement railroad operation under the terms set forth in the original applicants petition for exemption(s) would result in a detriment to public safety and commerce, we respectfully request the Board to grant this Petition to Stay so as to stop any implementing agreement or railroad operation by PRI, MSL, or PRI-MSL, with Union Pacific Railroad, regarding their petition(s), in this instant matter.

Verification

Further Sayeth Not



Cheryl Ruth Travis
Signed Before Me on this 21st Day of November, 2007

Notary Seal.

20532

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832

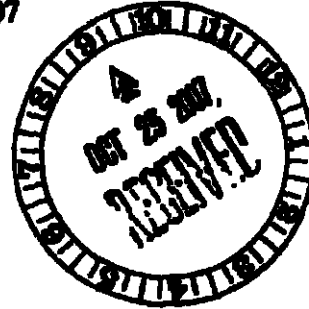
MICHAEL J. BARRON, JR.
(312) 252-1511
mbarron@fletcher-sippel.com

Phone (312) 252-1500
Fax (312) 252-2400
www.fletcher-sippel.com

October 24, 2007

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024



Re: Finance Docket No. 35092
Progressive Rail Inc. – Continuance in Control Exemption –
Montgomery Short Line LLC

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the Verified Notice of Exemption of Progressive Rail Inc. pursuant to 49 C.F.R. § 1180.2(d)(2), dated October 24, 2007. A check in the amount of \$1,200, representing the appropriate fee for this filing, is attached.

One extra copy of the Notice and this letter also are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,

SEE RECEIVED

Michael J. Barron, Jr.
Attorney for Progressive Rail Inc

OCT 25 2007

ENTERED
Office of Proceedings

OCT 25 2007

Part of
Public Record

MJB: arw

FILED

Enclosures

OCT 25 2007

**SURFACE
TRANSPORTATION BOARD**

ORIGINAL

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35092

**PROGRESSIVE RAIL INC.
- CONTINUANCE IN CONTROL EXEMPTION
MONTGOMERY SHORT LINE LLC**



**VERIFIED NOTICE OF EXEMPTION
OF
PROGRESSIVE RAIL INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

**Michael J. Barron, Jr.
Janet H. Gilbert
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500**

**ATTORNEYS FOR
PROGRESSIVE RAIL INC.**

Dated: October 24, 2007

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35092

**PROGRESSIVE RAIL INC.
– CONTINUANCE IN CONTROL EXEMPTION –
MONTGOMERY SHORT LINE LLC**

**VERIFIED NOTICE OF EXEMPTION
OF
PROGRESSIVE RAIL INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Progressive Rail Inc. ("PRI") hereby files this notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of Montgomery Short Line LLC ("MSL") once MSL leases a rail line and becomes a common carrier. MSL is a non-carrier entity, wholly owned by PRI, that will shortly lease from the Union Pacific Railroad Company ("UP") a rail line extending from Merriam, Minnesota to Montgomery, Minnesota (the "Montgomery Sub"), a distance of approximately 23.5 miles. MSL is concurrently filing a notice of exemption pursuant to 49 C.F.R. § 1150.31 et seq. to lease and operate the Montgomery Sub. See Finance Docket No. 35093, *Montgomery Short Line LLC – Lease and Operation Exemption – Union Pacific Railroad Company*

The line of railroad to be leased by MSL does not connect with any PRI line or any line of railroad affiliated with PRI, and this control transaction is not part of a series of anticipated transactions that would result in such a connection. Nor does this proposed control transaction involve a Class I carrier. PRI's continuance in control of MSL is accordingly exempt under 49 C.F.R. § 1180.2(d)(2).

In accordance with the requirements of 49 C.F.R. § 1180.4(g), PRI submits the following information

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

PRI is a common carrier by rail that owns and operates lines in the states of Minnesota and Wisconsin and also owns the Central Midland Railway Company in Missouri.

MSL is a new entity also owned and controlled by PRI which will lease and operate the Montgomery Sub. PRI proposes to exercise control of MSL once MSL leases the Montgomery Sub pursuant to exemption in Finance Docket No. 35093 and becomes a rail carrier.

The full name and address of the applicant herein is:

Progressive Rail Inc.
21778 Highview Avenue
Lakeville, MN 55044

Any questions concerning this Notice should be sent to PRI's representative at the following address:

Michael J. Barron, Jr.
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

PRI intends to consummate the proposed control transaction any time on or after November 24, 2007, assuming that the exemption proposed in Finance Docket No. 35093 is also effective.

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(III)

The exemption sought herein will allow PRI to exercise common control of MSL and, in turn, will allow MSL to proceed with lease and operation of the Montgomery Sub as contemplated in Finance Docket No. 35093.

States in Which Property of Applicant is Located: 49 C.F.R. § 1180.6(a)(5)

PRI owns rail property interests in the States of Minnesota and Wisconsin and also owns the Central Midland Railway Company, which owns rail property interests in Missouri.

Map - Exhibit A: 49 C.F.R. § 1180.6(a)(6)

Maps of the line to be leased by MSL and the rail lines owned, operated or controlled by PRI are shown on the maps attached and incorporated herein as Exhibit A.

Agreement: 49 C.F.R. § 1180.6(a)(7)(II)

PRI already owns and controls MSL, currently a non-carrier. No additional agreement is contemplated or necessary for PRI to continue in control of MSL once MSL leases the Montgomery Sub and becomes a carrier.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(I)

Pursuant to 49 U.S.C. § 11326(c), no employee protective conditions may be imposed on this transaction. PRI is currently a Class III rail carrier, and MSL will be a Class III carrier upon its commencement of operations.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2), the proposed control transaction is exempt from environmental reporting requirements. PRI's continuance in control of MSL will not result in

significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(c)(4) or (5).

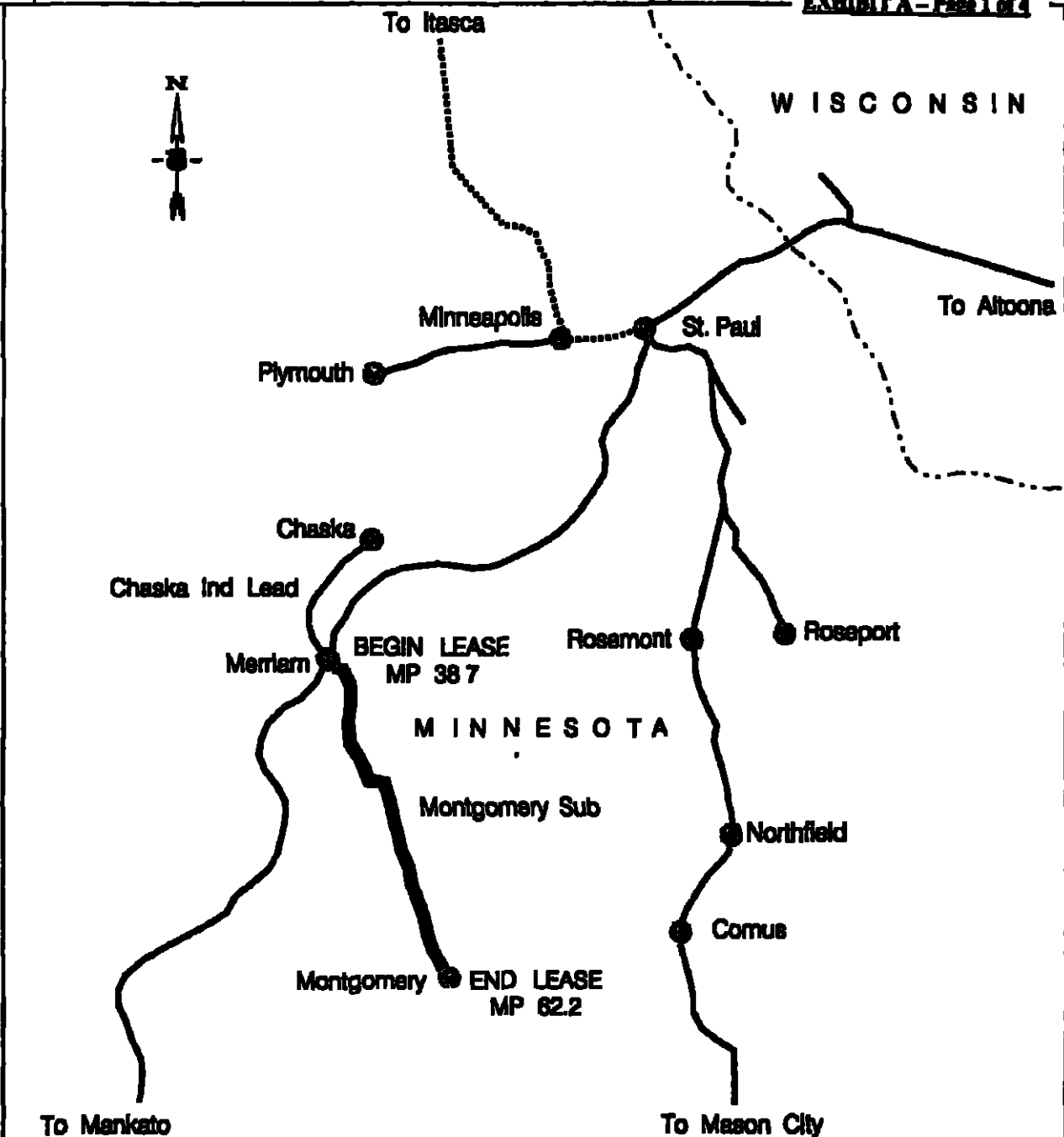
Under 49 C.F.R. § 1105.8(b)(3), the proposed continuance in control also is exempt from historic preservation reporting requirements. This is simply a continuance in control transaction related to another transaction where the purpose is continuing rail operations. There will be no substantial change in the level of maintenance of railroad property.

Respectfully submitted,

By: 
Michael J. Barron, Jr
Janet H. Gilbert
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR
PROGRESSIVE RAIL INC.**

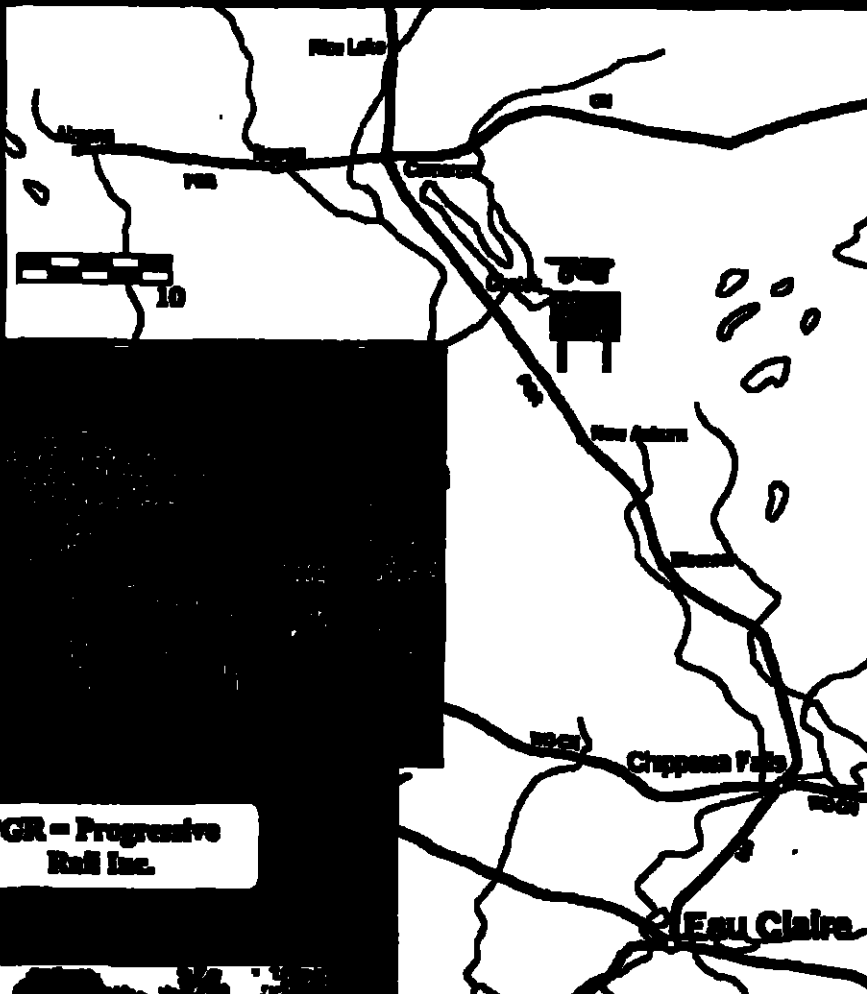
Dated: October 24, 2007



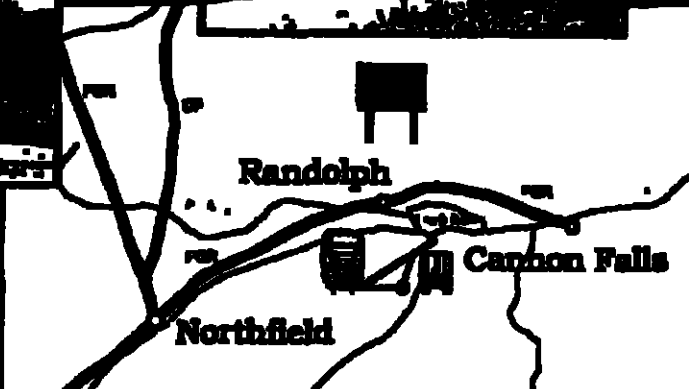
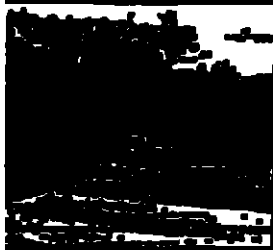
LEGEND UPRR LINES TO BE LEASED OTHER UPRR LINES	UNION PACIFIC RAILROAD CO. MONTGOMERY SHORT LINE LLC LEASED LINE APRIL 16, 2007 FILE q:\Exhib_A\progress_red_montgomery_lines.dgn PEN TABLE DRO715 PEN
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PROGRESSIVE RAIL

Wisconsin Northern Line

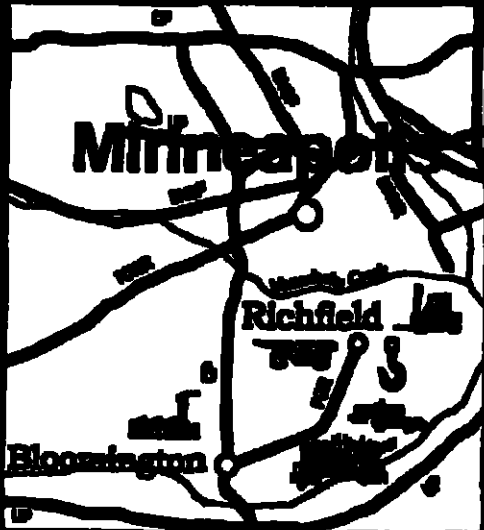


PGR - Progressive Rail Inc.

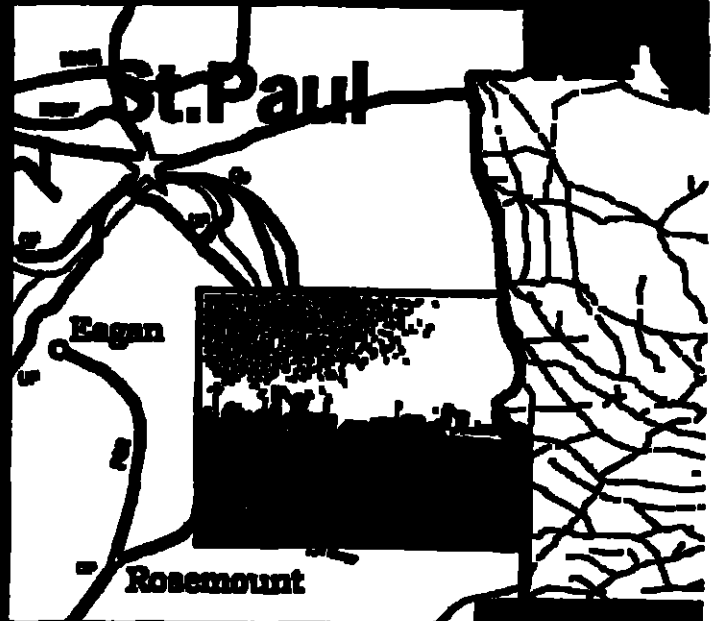


Central Wisconsin Transportation Services	
Industrial Park.....	Station
Progressive Rail	Station
Warehouse Service.	Station
Liquid Transfer	Station
Dry Bulk Transfer.....	Station
Certified Scale.....	Station
Bulk Conveyor	Station
Machinery Ramp.....	Station
Rail Served Land Avail.....	Station
Heavy Lift	Station
Railcar Heating.....	Station

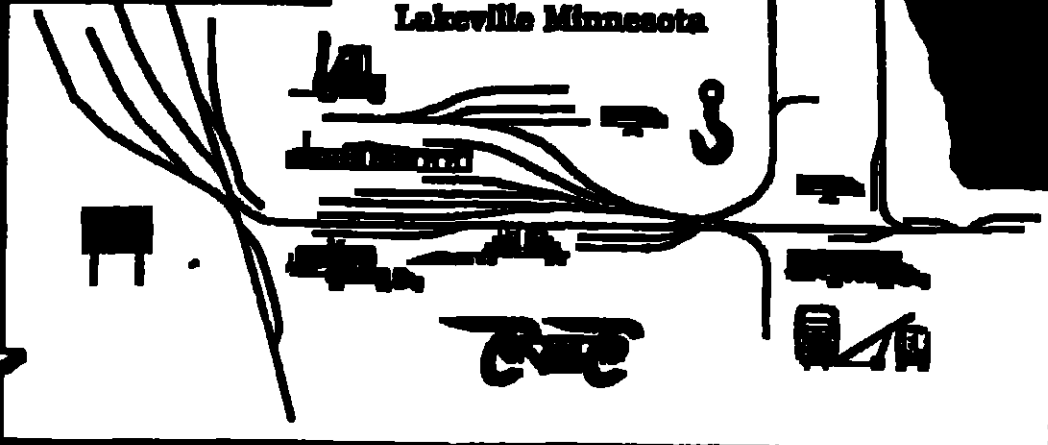
Dan Patch Line

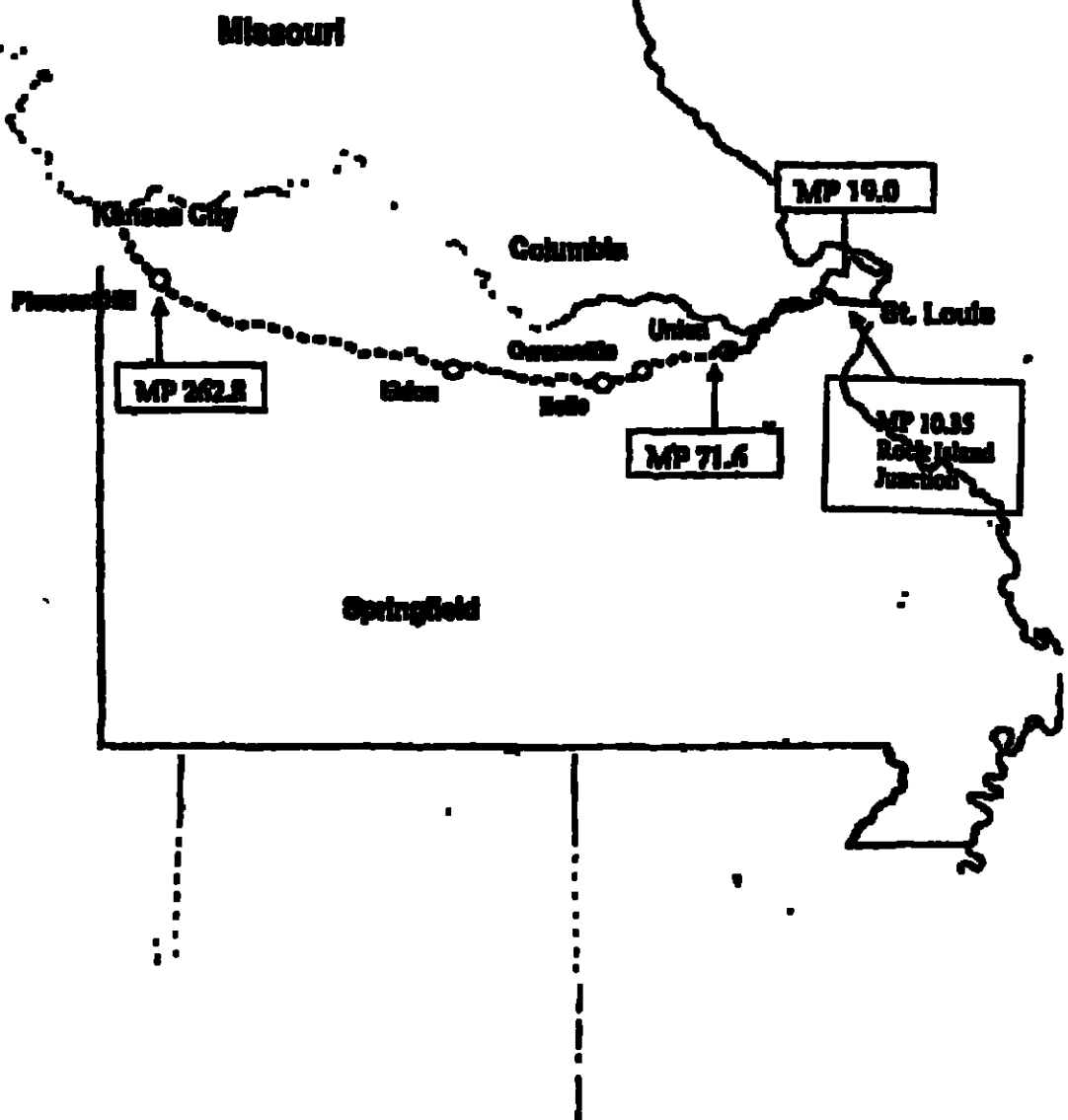


Eagandale Line



Airlake Industrial Park Lakeville Minnesota





**LINE OPERATED BY
CENTRAL MIDLAND RAILWAY COMPANY**

VERIFICATION

State of Minnesota)
)
County of Dakota) ss

James S. Whiteley, under penalty of perjury, declares and verifies that he is
Chief Financial Officer of Progressive Rail Inc., that he has read the foregoing Notice of
Exemption and knows the facts asserted therein, and that the same are true as stated.

Douglas Whiteley
Douglas Whiteley

Subscribed and sworn before me this
23rd day of October, 2007.

[Signature]
Notary Public

My Commission expires:

