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November 27, 2007

VIA ELECTRONIC FILING

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

Finance Docket No. 35093
Montgomery Short Line LLC—Lease and Operation Exemption—
Union Pacific Railroad Company

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceedings is the Joint Response of Montgomery Short Line LLC and Progressive Rail Inc. to the Petitions for Stay filed November 23, 2007 by Phillip James Qualy, Minnesota Legislative Director, United Transportation Union.

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

Very truly yours,



Michael J. Barron, Jr.
Attorney for Progressive Rail Inc. and
Montgomery Short Line LLC

MJB: arw

Enclosures

cc: Phillip James Qualy
Gary Johnson

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35092

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

and

FINANCE DOCKET NO. 35093

MONTGOMERY SHORT LINE LLC
--LEASE AND OPERATION EXEMPTION--
UNION PACIFIC RAILROAD COMPANY

JOINT RESPONSE TO PETITIONS FOR STAY

Janet H. Gilbert
Michael J. Barron, Jr.
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(312) 252-1500

**ATTORNEYS FOR
PROGRESSIVE RAIL INC. AND
MONTGOMERY SHORT LINE LLC**

Dated: November 27, 2007

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35092

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

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--LEASE AND OPERATION EXEMPTION--
UNION PACIFIC RAILROAD COMPANY

JOINT RESPONSE TO PETITIONS FOR STAY

Progressive Rail Inc. ("PRI") and Montgomery Short Line LLC ("MSL") hereby jointly respond to the identical Petitions ("Petitions") for Stay filed in these dockets by Phillip James Qualy, Minnesota Legislative Director, United Transportation Union ("UTU").

THE PETITIONS ARE MOOT

UTU filed the Petitions on November 23, 2007. The STB did not issue a stay of the effectiveness of the above-captioned exemptions, and the exemptions became effective on November 24, 2007. Therefore, the Petitions are moot. The Petitions make reference to a Petition to Revoke. If a Petition to Revoke is filed, PRI and MSL shall respond accordingly.

UTU DID NOT FILE THE PETITIONS IN A TIMELY FASHION, IN EXPRESS VIOLATION OF THE PROCEDURAL SCHEDULE SET FORTH IN THESE DOCKETS

In both dockets, the STB expressly required that stay petitions were to be filed by November 16, 2007, at least seven days prior to the effective date of the exemption. Yet UTU filed the Petitions on November 23, 2007, one day prior to the effective date of the exemptions.

It was precisely to prevent this kind of eleventh hour filing that the STB adopted the timelines applicable to these proceedings in STB Ex Parte 659, Public Participation in Class Exemption Proceedings, STB served October 19, 2006.

A primary reason for expanding the waiting period from 7 to 30 days was to give potentially affected parties a chance to file a stay petition which could be reasonably considered by the STB. Id. Yet here the UTU, in express violation of the procedural rules applicable to these dockets, files the Petitions one day before the effective date.

Because the effective date has now come and gone, and because the UTU did not give the STB the time needed to consider the Petitions, the STB should deny them.

**THE PETITIONS FAIL TO ADDRESS THE STANDARDS REQUIRED TO BE MET
FOR AN ISSUANCE OF A STAY**

To prevail in its Petitions, the UTU must show that (1) it is likely to prevail on the merits; (2) it will be irreparably harmed in the absence of a stay; (3) issuance of a stay would not substantially harm other parties; and (4) issuance of a stay is in the public interest. Washington Metropolitan Area Transit Comm. V. Holiday Tours, Inc. 559 F.2d 841, 843 (D.C. Cir. 1977). Not only has UTU failed to meet this burden, but it does not even mention the required standards in the Petitions. For this reason, the STB should deny the Petitions.

MSL'S AND PRI'S NOTICES COMPLIED WITH APPLICABLE REGULATIONS

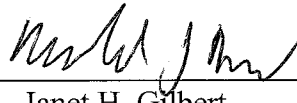
MSL's and PRI's verified notices in these dockets provided all information required by 49 C.F.R. 1150.31, et seq. and 49 C.F.R. Part 1180. No further information is required under the applicable rules. Notwithstanding any state statutory provisions, pursuant to 49 U.S.C. § 10501(b), the STB has exclusive jurisdiction over the acquisition of rail lines by carriers and the procedures required to be followed in such acquisitions. In STB Ex Parte 659,

the STB expressly denied a request that acquiring carriers give "actual notice" to interested parties, including state DOT's, of their intent to engage in an exempt transaction. The STB stated that notice in the Federal Register is adequate notice and that the pleadings are also widely available on the Internet. STB Ex Parte 659, Public Participation in Class Exemption Proceedings, Slip Opinion at pages 2-3, STB served October 19, 2006. Therefore, since MSL and PRI complied with applicable requirements, the STB should deny the Petitions.

CONCLUSION

Because they are moot and for the reasons set forth herein, the STB should deny the Petitions for Stay filed in these dockets.

Respectfully submitted,

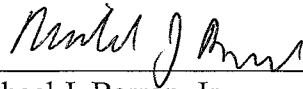
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**ATTORNEYS FOR
PROGRESSIVE RAIL INC. AND
MONTGOMERY SHORT LINE LLC**

Dated: November 27, 2007

CERTIFICATE OF SERVICE

I, Michael J. Barron, Jr., an attorney, certify that a true copy of the foregoing instrument was served upon the address listed below by mailing a true and correct copy via first-class mail, postage pre-paid and depositing the same in the United States Mail, Chicago, Illinois the 27th day of November, 2007.



Michael J. Barron, Jr.

Phillip J. Qualy
Minnesota Legislative Director
United Transportation Union
Labor and Professional Centre
411 Main Street, Suite 212
St. Paul, Minnesota 55102