



LORI SWANSON
ATTORNEY GENERAL

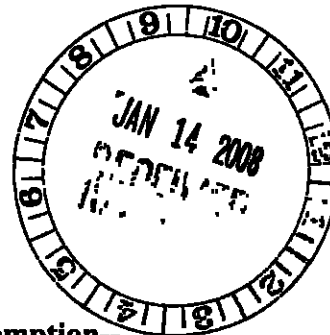
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STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

January 4, 2008

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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 Mr. Williams

Enclosed please find ten copies of the submission of Minnesota Attorney General Lori Swanson which was previously filed in the above-referenced matter

Very truly yours,

DONALD J. MUETING
Assistant Attorney General
Manager, Transportation Division

(651) 296-3369 (Voice)
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AG #1929881-v1

ENTERED
Office of Proceedings
JAN 14 2008
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Public Record

CERTIFICATE OF SERVICE

This is to certify that a copy of the December 24, 2007, letter of Minnesota Attorney General Lori Swanson in support of United Transportation Union's Petition to Revoke in Finance Docket Nos 35092 and 35093 have been served this 4th day of January, 2008, via first-class posted pre-paid mail upon the following


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STATE OF MINNESOTA

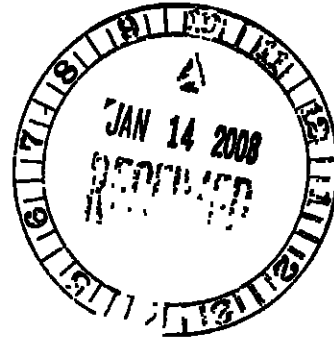
OFFICE OF THE ATTORNEY GENERAL

LORI SWANSON
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December 24, 2007

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

I submit this letter with regard to the Petition to Revoke filed on December 4, 2007 in the above-referenced proceedings by the United Transportation Union (UTU). I support the UTU's petition to initiate a hearing to further investigate this matter.

As indicated in the UTU Petition To Revoke, Minn Stat §§ 222.85 et seq (2006) requires an acquiring carrier to submit written notification to the Minnesota Attorney General and the Commissioner of the Minnesota Department of Transportation of its intent to initiate an exempt transaction prior to filing a notice of exemption with the Surface Transportation Board. This statutory requirement provides an opportunity for this office and the Commissioner of Transportation to review information relevant to the proposed transaction including, but not limited to, full financial information as to the acquiring carrier and other data relating to ensure that the proposed transaction is consistent with applicable state law. The information provided could then be provided to the Surface Transportation Board as part of filings in relation to the proposed transaction.

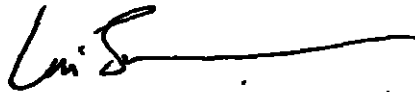
In this case, the acquiring authority did not comply with section 222.86 before filing its notice of exemption or even after receiving notice of the UTU's Petition to Revoke which highlighted the failure to abide by the statutory requirement. Therefore, this office still does not

Mr. Vernon A Williams
December 24, 2007
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have the information from the divesting and acquiring carriers either to confirm or refute the underpinnings of its notice of exemption or any of the issues raised in the UTU's Petition. As a result, the Surface Transportation Board should verify through its own investigation that the transaction qualifies for exemption.

I appreciate your consideration of this submittal.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Swanson", followed by a long horizontal line extending to the right.

LORI SWANSON
Attorney General

AG #1922971-v1