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BRADON J. SMITH
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August 16, 2018

246233

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

ENTERED
Office of Proceedings
August 16, 2018
Part of
Public Record

Re: **Docket No. FD 36211**
Clackamas Valley Railway, LLC – Lease and Operation Exemption
with Interchange Commitment – Union Pacific Railroad Company

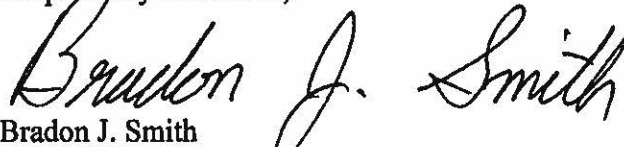
Docket No. FD 36212
Progressive Rail Incorporated – Continuance in
Control Exemption – Clackamas Valley Railway, LLC

Dear Ms. Brown:

Attached for filing in the above-captioned proceedings are the **Verified Notice of Exemption of Clackamas Valley Railway Company Pursuant to 49 C.F.R. § 1150.31(a)** and the **Verified Notice of Exemption of Progressive Rail Inc. Pursuant to 49 C.F.R. § 1180.2(d)(2)**, both dated August 16, 2018. The sum of \$3,900, representing the appropriate fees for these filings, was delivered via Federal Express on August 1, 2018.

If you have any questions regarding these filings, please feel free to contact me.
Thank you for your assistance on these matters.

Respectfully submitted,



Bradon J. Smith
Attorney for Clackamas Valley Railway, LLC
and Progressive Rail Incorporated

BJS/bs

Attachments

FILED
August 16, 2018
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
August 16, 2018
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36212

PROGRESSIVE RAIL INCORPORATED
– CONTINUANCE IN CONTROL EXEMPTION –
CLACKAMAS VALLEY RAILWAY, LLC

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

Audrey L. Brodrick
Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

**ATTORNEYS FOR PROGRESSIVE
RAIL INCORPORATED**

Dated: August 16, 2018

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36212

PROGRESSIVE RAIL INCORPORATED
– CONTINUANCE IN CONTROL EXEMPTION –
CLACKAMAS VALLEY RAILWAY, LLC

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

Progressive Rail Incorporated (“PGR”), a Class III rail carrier, hereby files this notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of Clackamas Valley Railway, LLC (“CVR”) upon CVR’s commencement of common carrier operations pursuant to the contemporaneously-filed notice of exemption in Clackamas Valley Railway, LLC – Lease and Operation Exemption with Interchange Commitment – Union Pacific Railroad Company, Docket No. FD 36211. CVR is a new, non-carrier subsidiary of PGR that has been established to lease and operate certain track of Union Pacific Railroad Company (“UP”) in Clackamas, Oregon (the “Clackamas Industrial Lead”). The Clackamas Industrial Lead does not connect with the lines of PGR or of the lines of any of the other Class III rail carriers controlled by PGR, 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. PGR’s continuance in control of CVR, accordingly, qualifies for the class exemption at 49 C.F.R. § 1180.2(d)(2).

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

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

PGR is a Class III rail common carrier which owns or operates rail lines in Minnesota, Wisconsin, and Illinois. See, e.g., Progressive Rail, Incorporated – Lease and Operation Exemption – Soo Line Railroad Company, Docket No. FD 34496 (STB served May 19, 2004); Progressive Rail, Incorporated – Lease and Operation Exemption – Rail Lines of Wisconsin Central Ltd., Docket No. FD 34600 (STB served November 12, 2004); Progressive Rail Incorporated – Acquisition and Operation Exemption – Rail Lines of Crab Orchard & Egyptian Railroad Company, Docket No. FD 35656 (STB served September 21, 2015). PGR controls six other Class III railroads located in Minnesota, Missouri, Iowa, North Carolina and Illinois.¹ See Progressive Rail, Incorporated – Continuance in Control Exemption – Chicago Junction Railway Company, LLC, Docket No. FD 36194 (STB served May 18, 2018). PGR's control of an additional rail carrier is pending for a proposed operation in California. Progressive Rail, Incorporated – Continuance in Control Exemption – St. Paul & Pacific Railroad Company, LLC, Docket No. FD 36208 (notice of exemption filed July 16, 2018).

CVR is a new entity established by PGR to lease and operate the Clackamas Industrial Lead. The rail lines of PGR (including the lines PGR's existing and prospective rail carrier subsidiaries) and the Clackamas Industrial Lead do not connect, and there is no plan to effect any such connection. PGR intends to remain in control of CVR and its existing rail carrier subsidiaries once CVR consummates its lease of the Clackamas Industrial Lead and commences operations as a rail common carrier.

¹ Airlake Terminal Railway Company, LLC; Central Midland Railway Company; Iowa Traction Railway Company; Iowa Southern Railway Company; Piedmont & Northern Railroad LLC; Chicago Junction Railway Company, LLC.

The full name and address of the Applicant herein is:

Progressive Rail Incorporated
21778 Highview Avenue
Lakeville, Minnesota 55044
(612) 791-3255

Any questions concerning this Notice should be sent to counsel for PGR at the following address:

Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

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

PGR intends to consummate the proposed continuance in control transaction on or shortly after September 15, 2018, concurrently with CVR's commencement of operations pursuant to Docket No. FD 36211 and thirty days after the filing of this Notice. See 49 C.F.R. § 1180.4(g)(1).

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

The exemption sought herein will allow PGR to continue in control of its existing rail carrier subsidiaries and CVR upon CVR's commencement of common carrier operations. In turn, the control exemption will allow CVR to undertake lease and operation of the Clackamas Industrial Lead as currently planned.

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

PGR is a Class III rail carrier and owns or operates rail property in the states of Minnesota, Wisconsin, and Illinois. CVR will lease and operate rail property in Oregon. The

existing rail carrier subsidiaries of PGR own or operate over rail property located in the following states:

Airlake Terminal Railway Company, LLC: Minnesota
Central Midland Railway Company: Missouri
Iowa Traction Railway Company: Iowa
Iowa Southern Railway Company: Iowa
Piedmont & Northern Railroad LLC: North Carolina
Chicago Junction Railway Company: Illinois
St. Paul & Pacific Railroad, LLC: California (pending)

Map - Exhibit 1: 49 C.F.R. § 1180.6(a)(6)

Maps of the Clackamas Industrial Lead to be leased by CVR and the rail lines currently operated by PGR and its existing rail carrier subsidiaries are attached hereto as Exhibit 1.

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

PGR already controls CVR, currently a non-carrier. No additional agreement is contemplated or necessary for PGR to continue in control of CVR once CVR leases the Clackamas Industrial Lead and becomes a rail 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 upon this transaction. PGR and its existing railroad subsidiaries are all Class III rail carriers, and CVR will be a Class III carrier upon its commencement of operations.

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

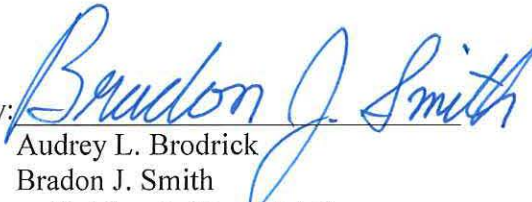
Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the proposed control transaction is exempt from environmental reporting requirements. PGR's continuance in control of CVR will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(3), the proposed continuance in control also is exempt from historic preservation reporting requirements. That control transaction will not substantially change the level of maintenance of any railroad property.

Interchange Commitments: 49 C.F.R. § 1180.4(g)(4)

The proposed continuance in control transaction does not itself involve the acquisition or operation of a rail line, and thus the provisions of 49 C.F.R. § 1180.4(g)(4) are not applicable.

Respectfully submitted,

By: 
Audrey L. Brodrick
Bradon J. Smith

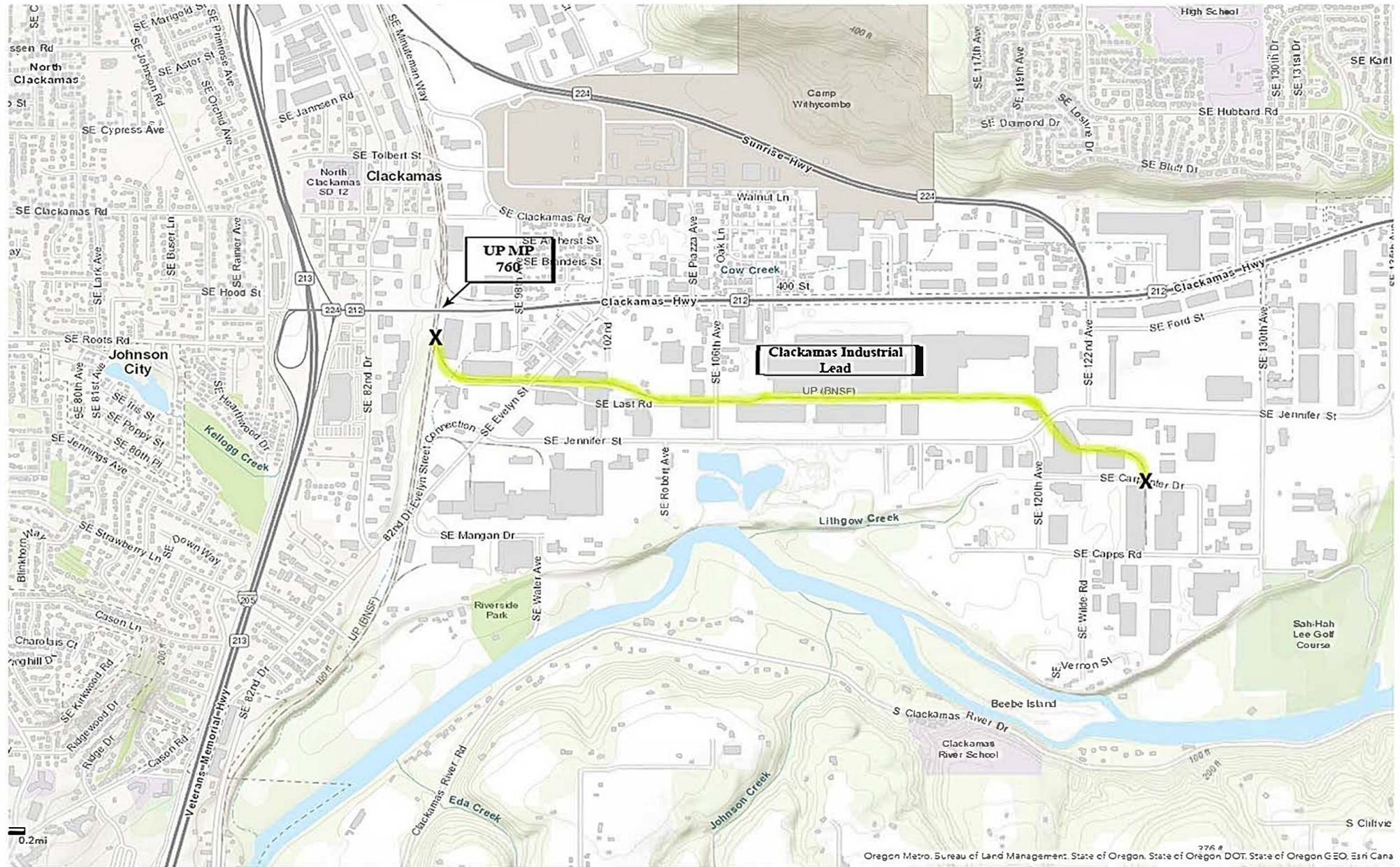
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

**ATTORNEYS FOR PROGRESSIVE RAIL
INCORPORATED**

Dated: August 16, 2018

Docket No. FD 36212

Clackamas Valley Railway LLC – Lease and Operations Exemption with Interchange Commitment – Union Pacific Railroad Company





Davenport, CA. MP 31.39
Davenport

EXHIBIT 1 SPR MAP

Santa Cruz

Twin Lakes

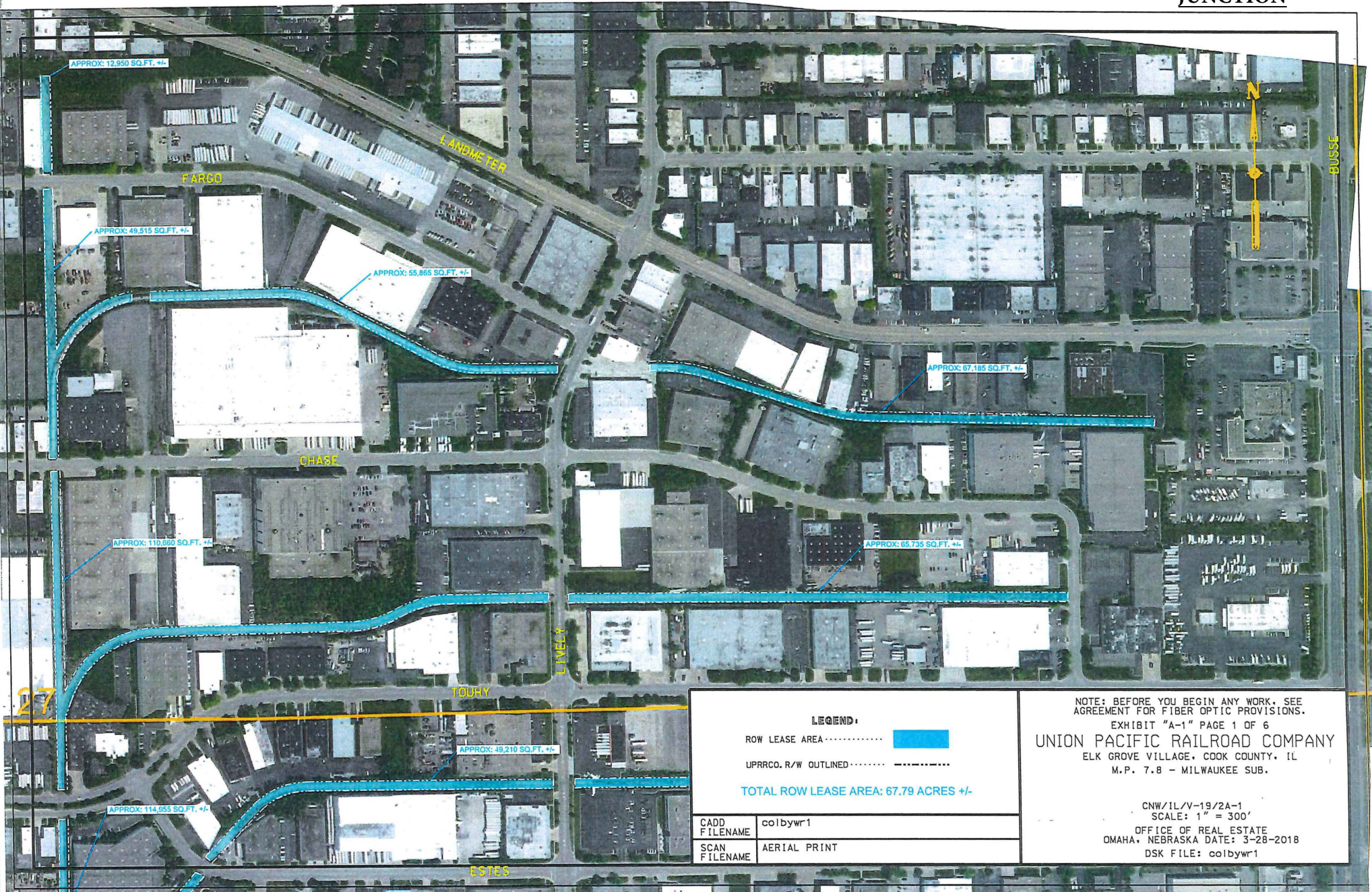
Capitola

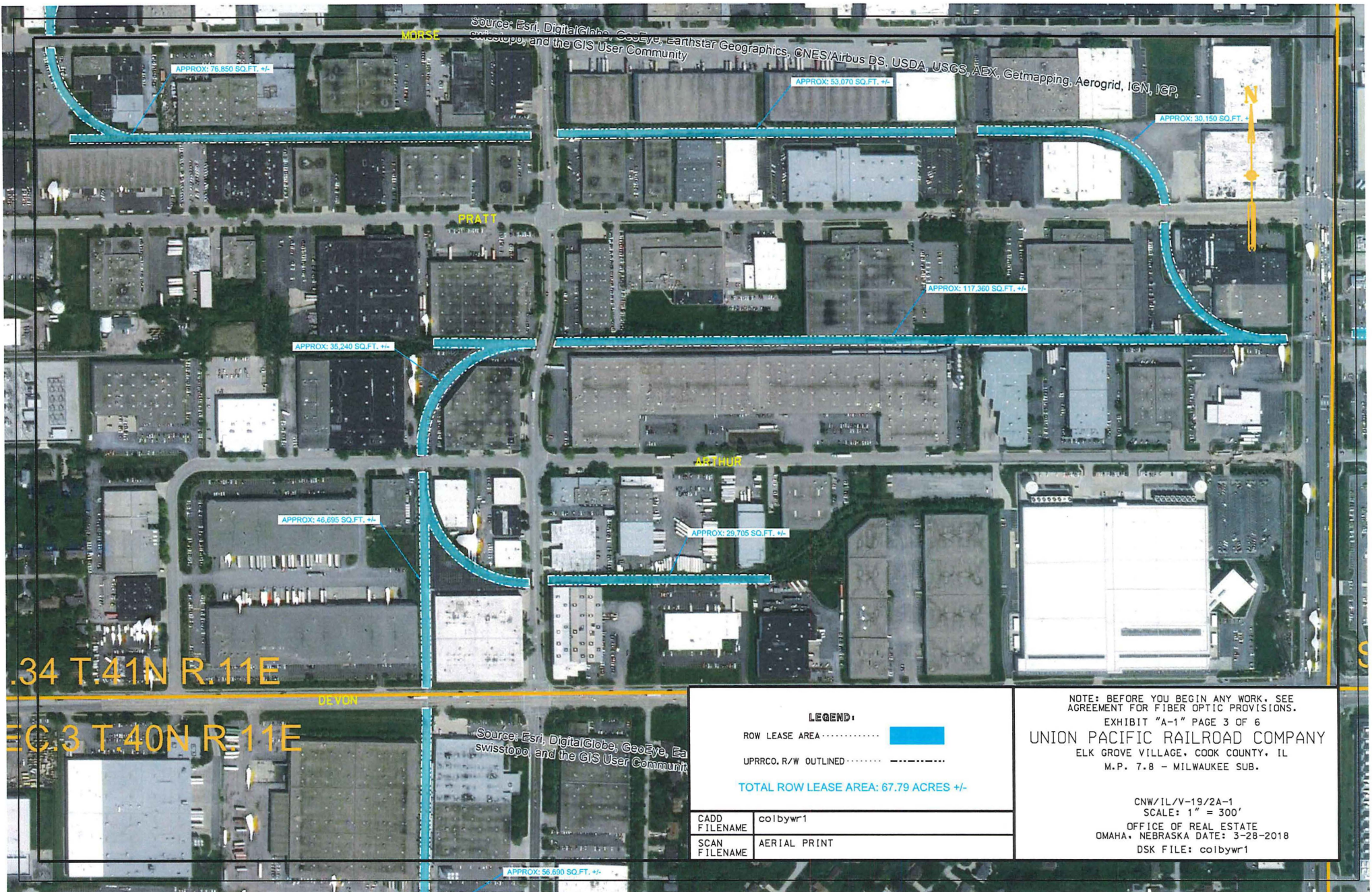
Aptos

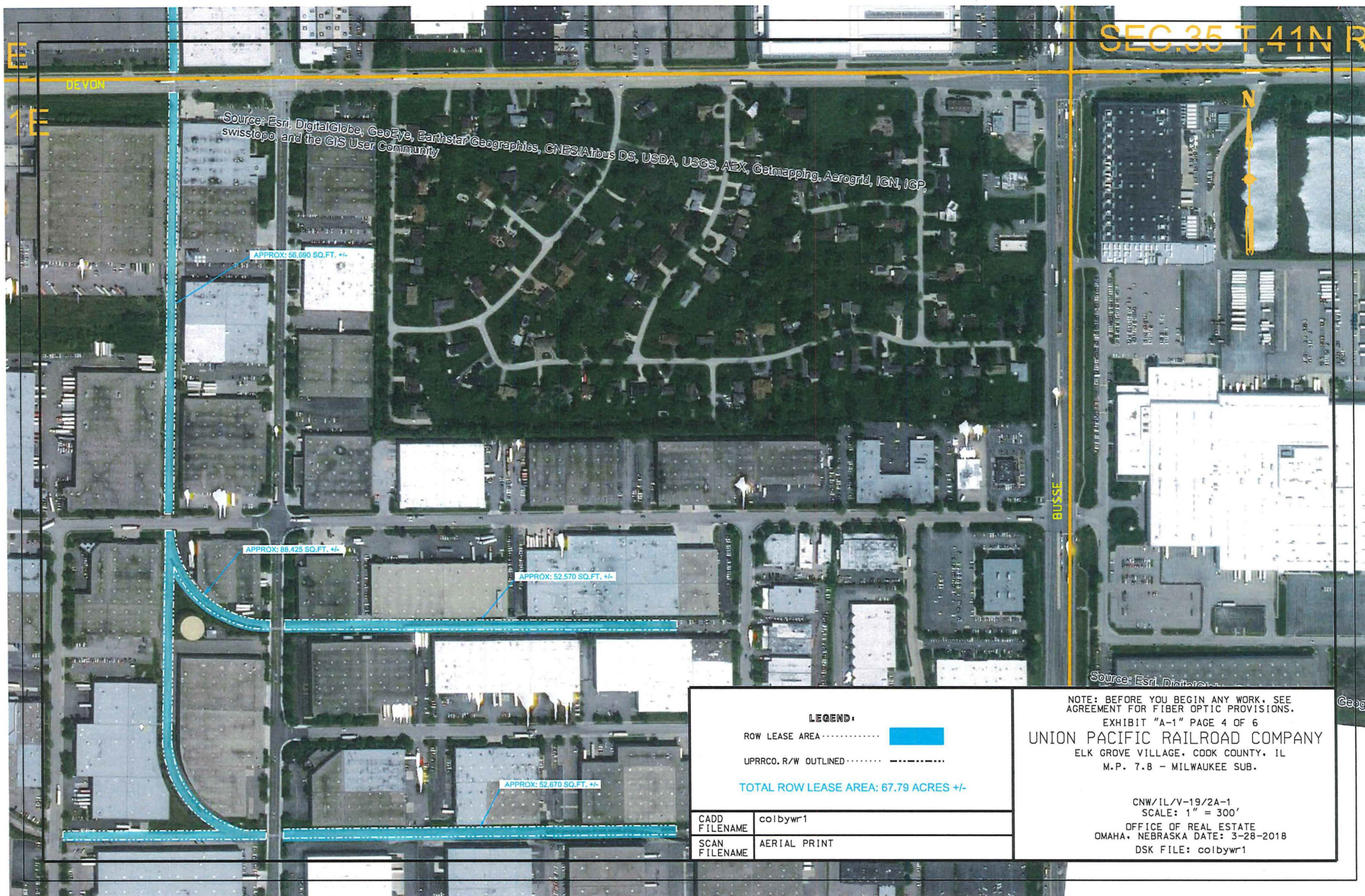
Freedom

Watsonville
Watsonville Junction MP 0.433

EXHIBIT 1 CHICAGO RAIL JUNCTION







LEGEND:

ROW LEASE AREA

UPRRCO. R/W OUTLINED

TOTAL ROW LEASE AREA: 67.79 ACRES +/-

CADD
FILENAME
SCAN
FILENAME

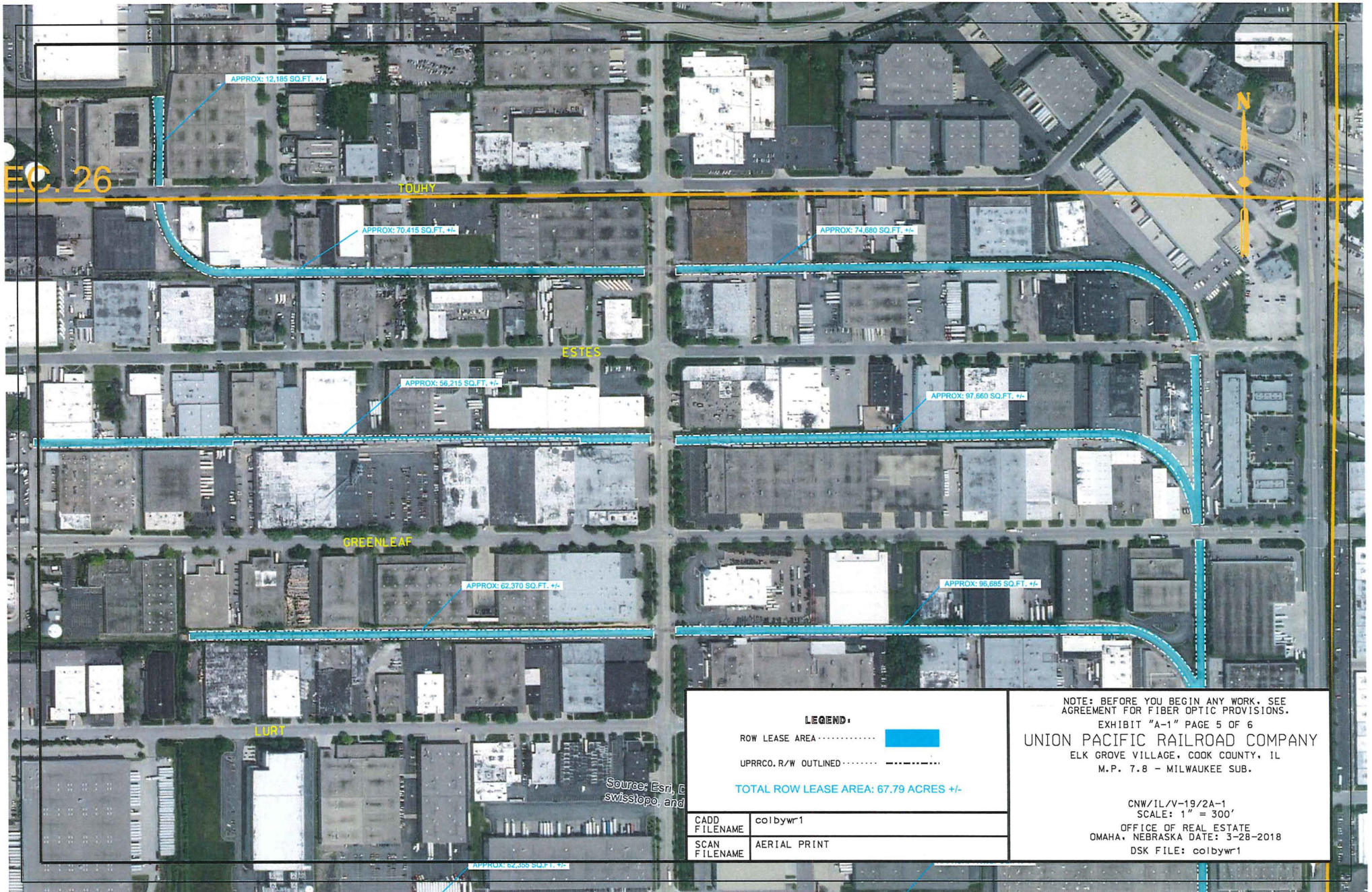
colbywr1
AERIAL PRINT

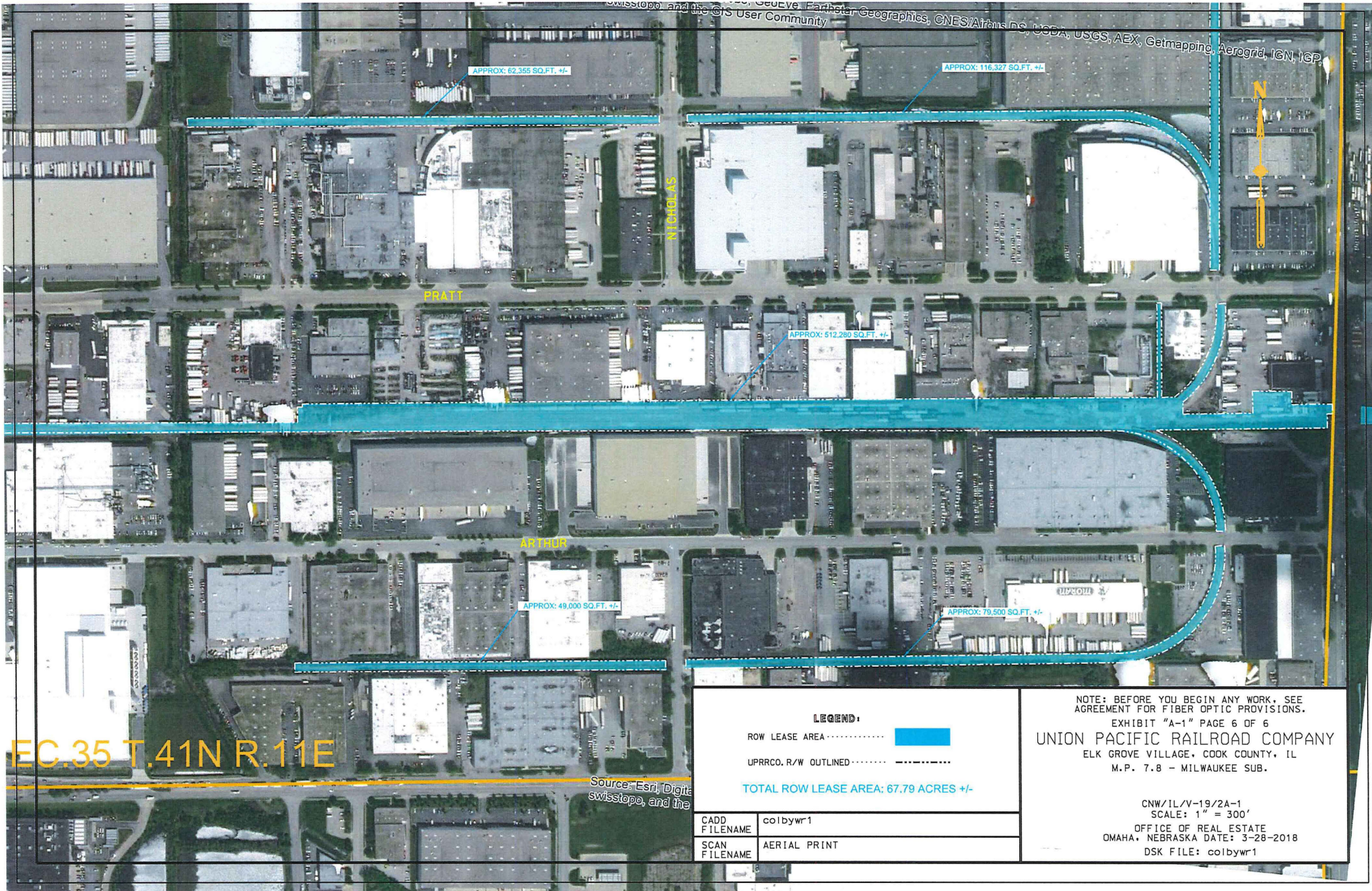
NOTE: BEFORE YOU BEGIN ANY WORK, SEE
AGREEMENT FOR FIBER OPTIC PROVISIONS.
EXHIBIT "A-1" PAGE 4 OF 6

UNION PACIFIC RAILROAD COMPANY
ELK GROVE VILLAGE, COOK COUNTY, IL
M.P. 7.8 - MILWAUKEE SUB.

CNW/IL/V-19/2A-1
SCALE: 1" = 300'

OFFICE OF REAL ESTATE
OMAHA, NEBRASKA DATE: 3-28-2018
DSK FILE: colbywr1





EC.35 T.41N R.11E

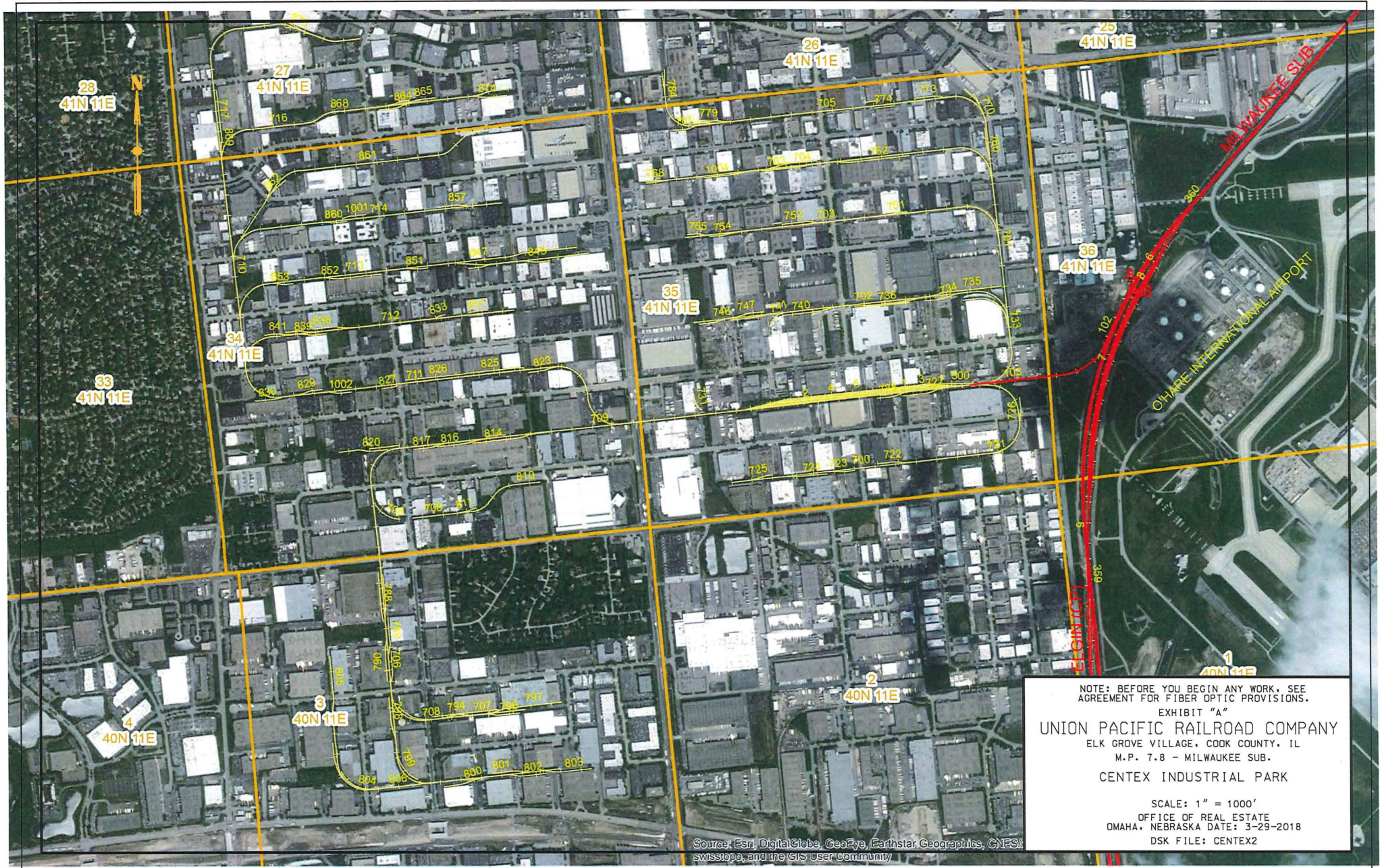
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, IGP, and the GIS User Community

LEGEND:
ROW LEASE AREA
UPRRCO, R/W OUTLINED
TOTAL ROW LEASE AREA: 67.79 ACRES +/-

NOTE: BEFORE YOU BEGIN ANY WORK, SEE AGREEMENT FOR FIBER OPTIC PROVISIONS.
EXHIBIT "A-1" PAGE 6 OF 6
UNION PACIFIC RAILROAD COMPANY
ELK GROVE VILLAGE, COOK COUNTY, IL
M.P. 7.8 - MILWAUKEE SUB.

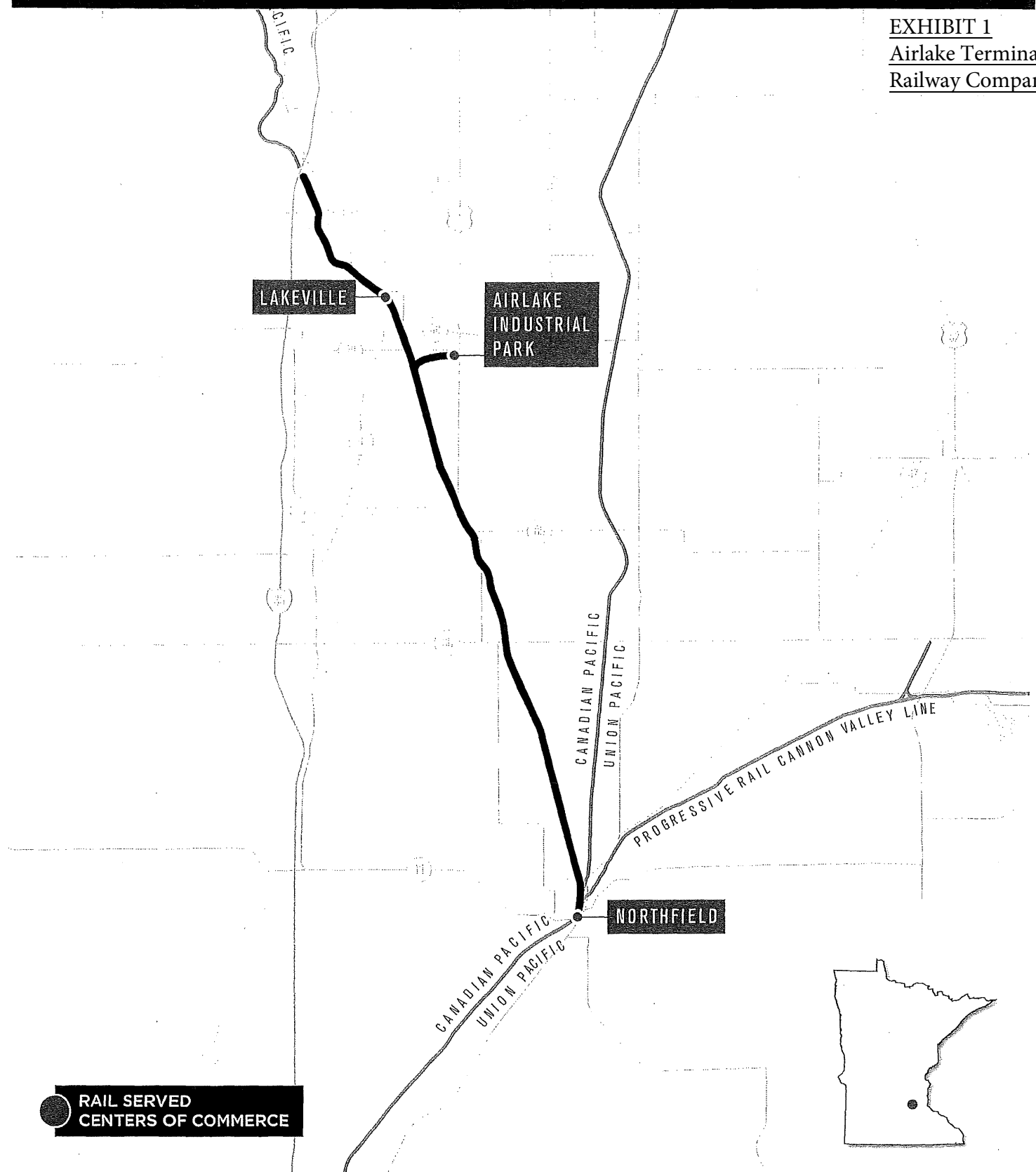
CNW/IL/V-19/2A-1
SCALE: 1" = 300'
OFFICE OF REAL ESTATE
OMAHA, NEBRASKA DATE: 3-28-2018
DSK FILE: colbywr1

CADD FILENAME	colbywr1
SCAN FILENAME	AERIAL PRINT



NOTE: BEFORE YOU BEGIN ANY WORK, SEE
AGREEMENT FOR FIBER OPTIC PROVISIONS.
EXHIBIT "A"
UNION PACIFIC RAILROAD COMPANY
ELK GROVE VILLAGE, COOK COUNTY, IL
M.P. 7.8 - MILWAUKEE SUB.
CENTEX INDUSTRIAL PARK
SCALE: 1" = 1000'
OFFICE OF REAL ESTATE
OMAHA, NEBRASKA DATE: 3-29-2018
DSK FILE: CENTEX2

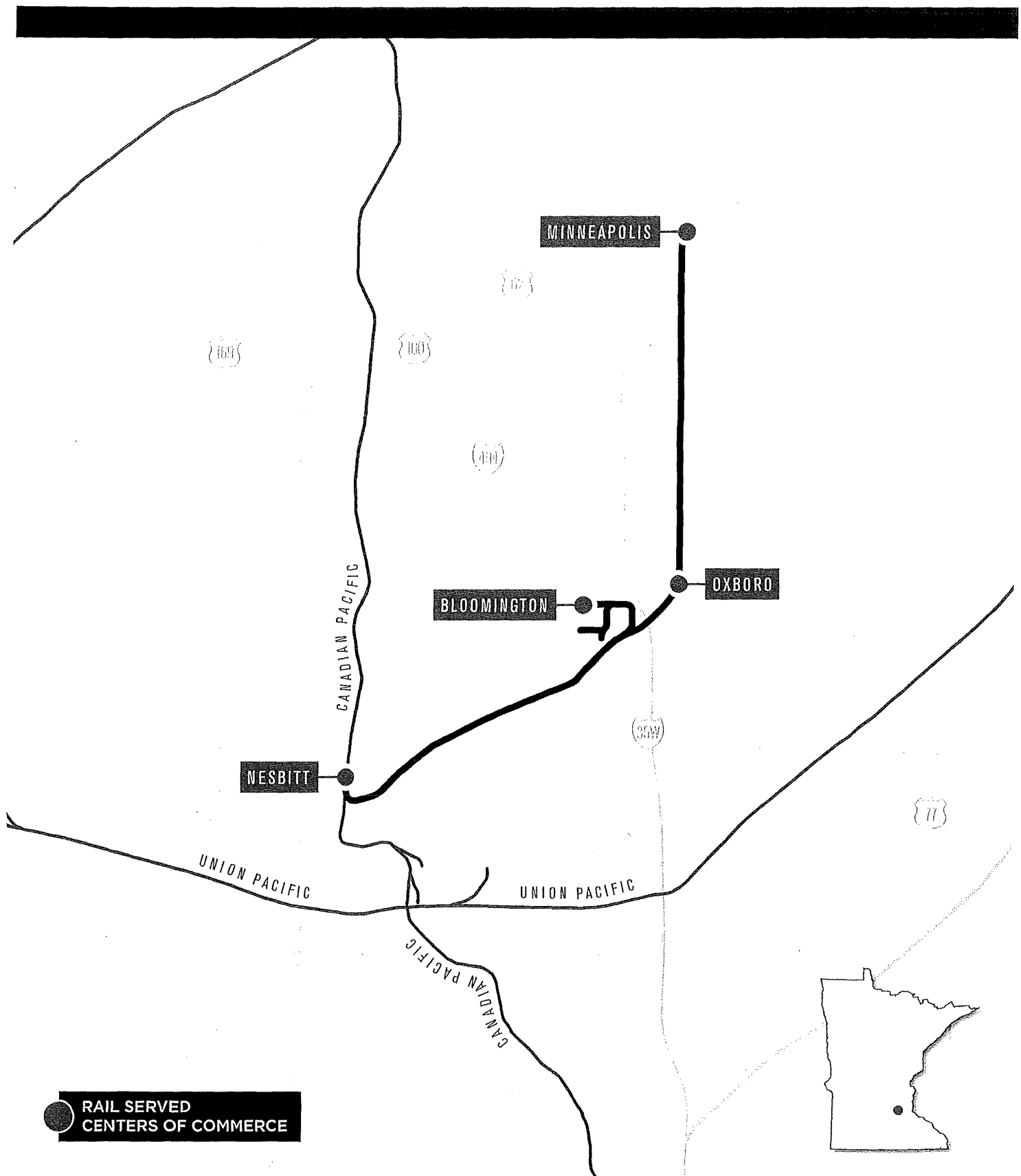
EXHIBIT 1
Airlake Terminal
Railway Company



PROGRESSIVE RAIL - JESSE JAMES LINE

Northfield, Minnesota to Lakeville, Minnesota

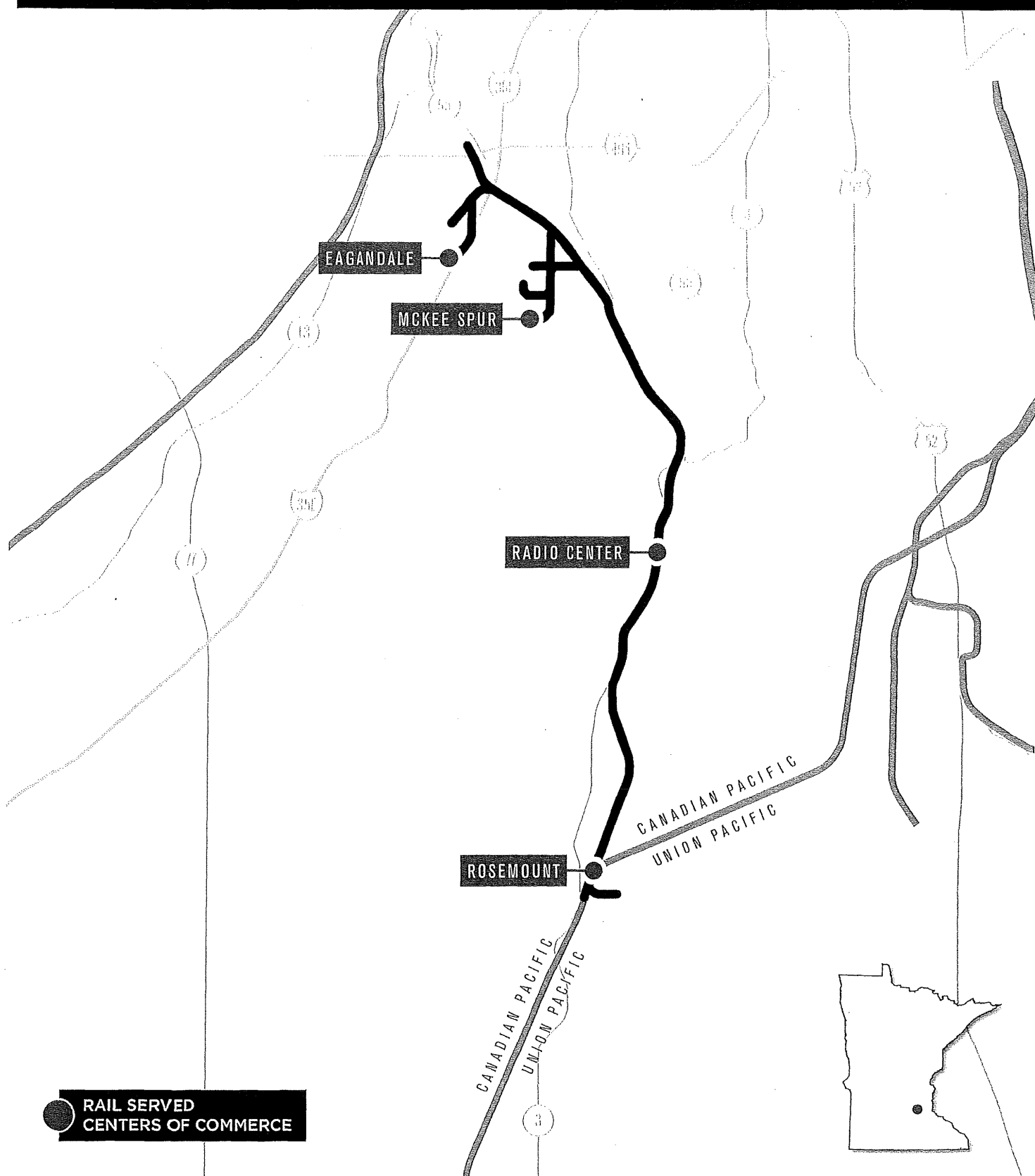




PROGRESSIVE RAIL - DAN PATCH LINE

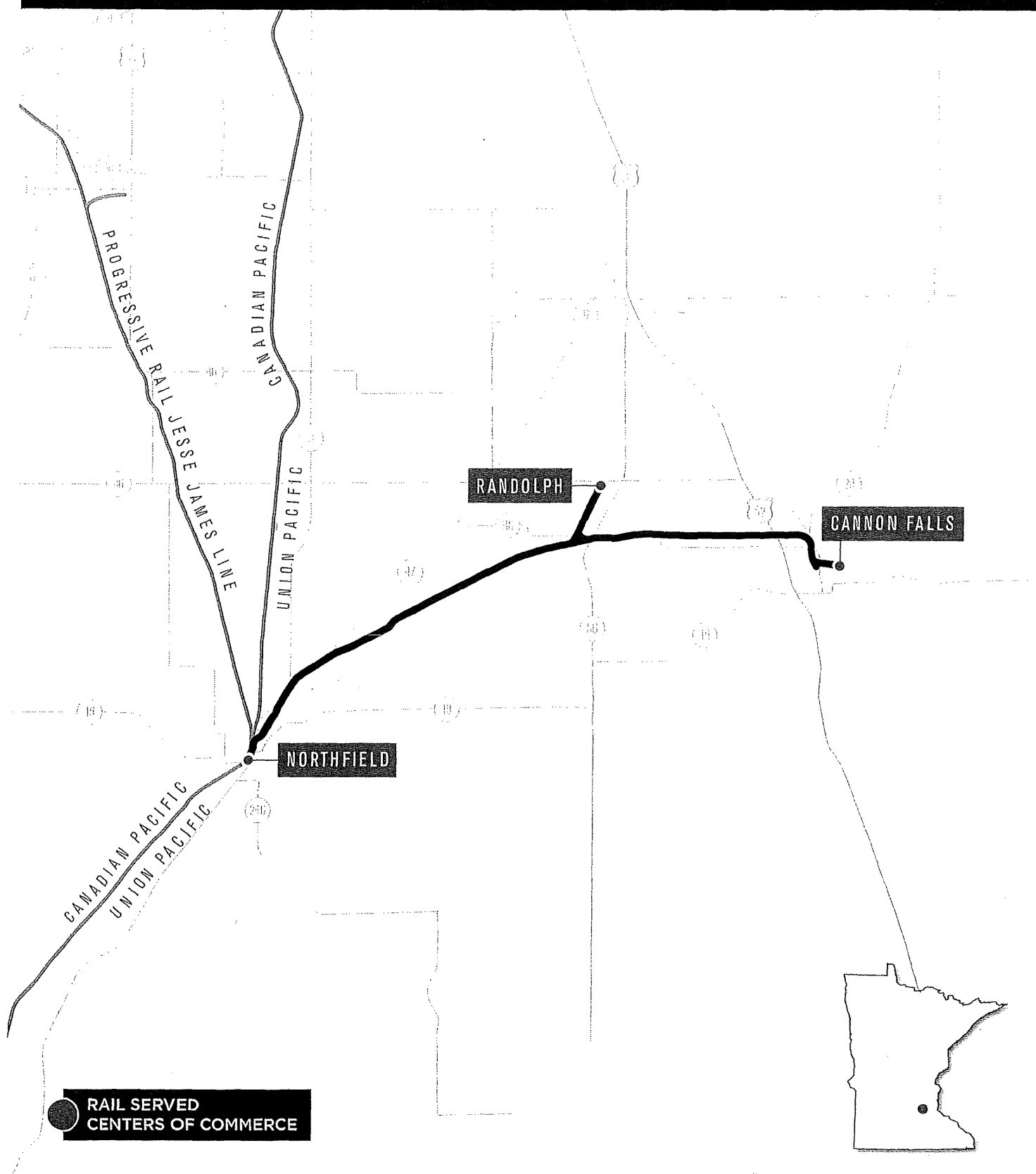
Bloomington, Minnesota to Minneapolis, Minnesota





PROGRESSIVE RAIL - EAGANDALE

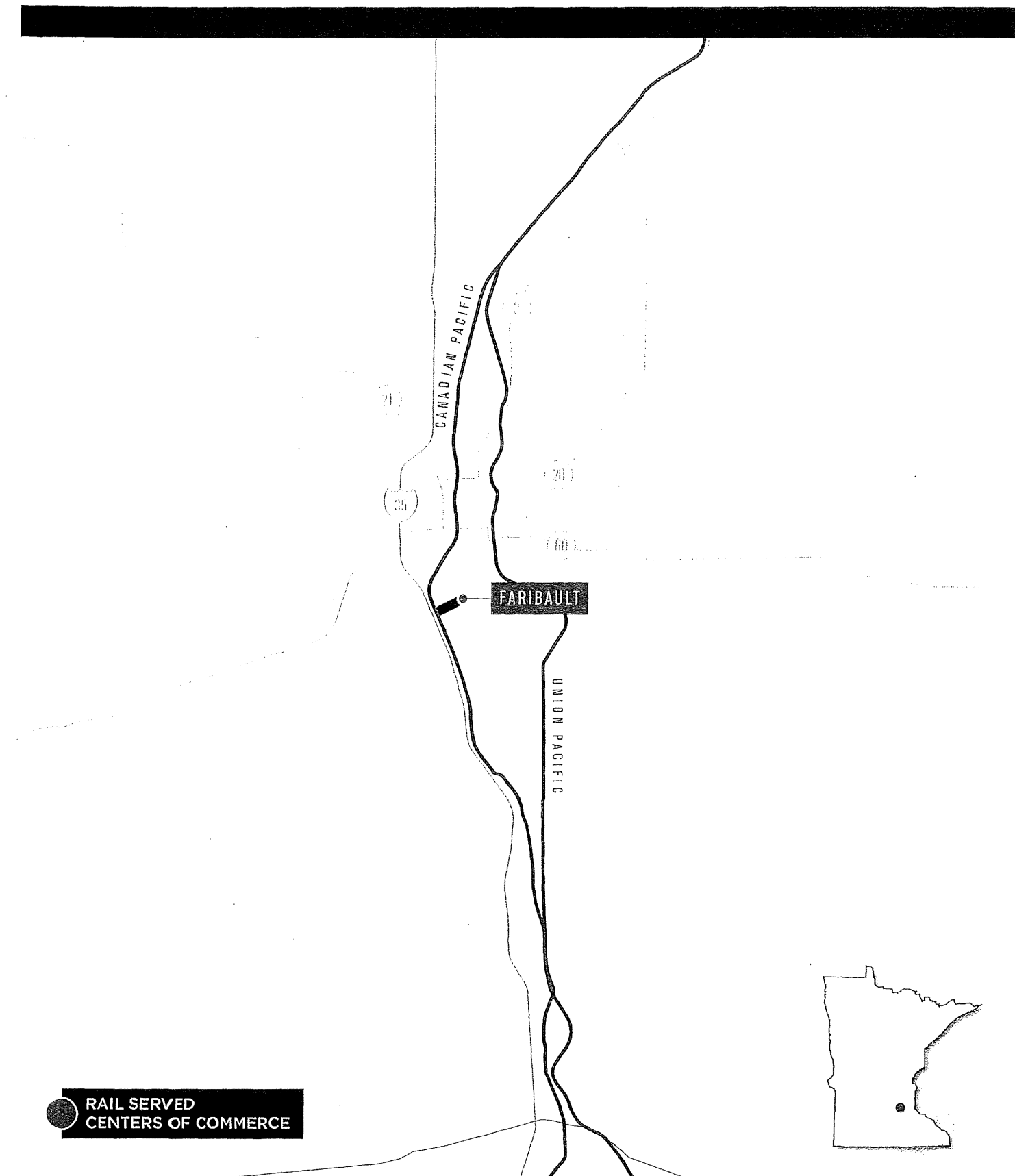




PROGRESSIVE RAIL - CANNON VALLEY LINE

Northfield, Minnesota to Cannon Falls, Minnesota

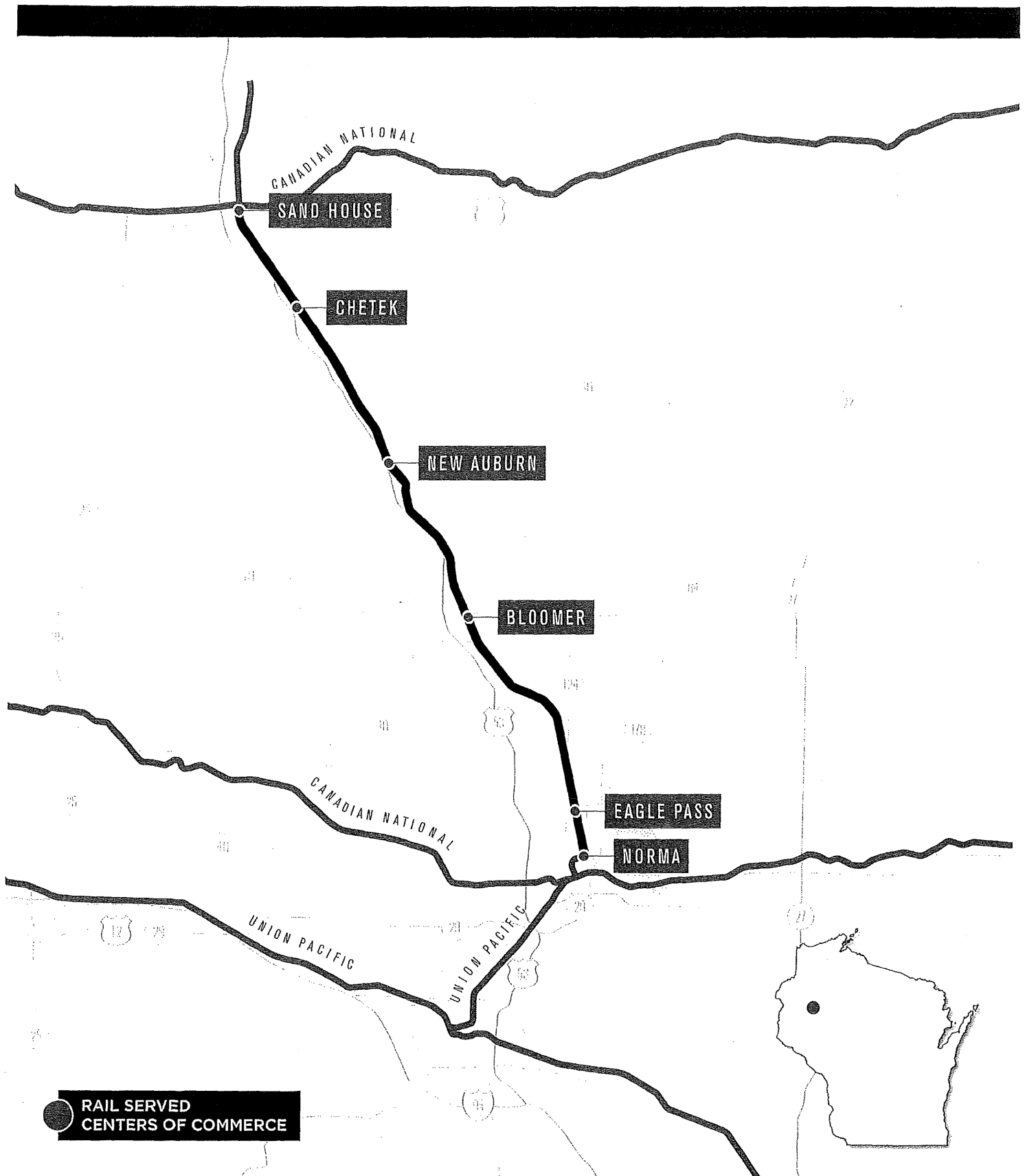




PROGRESSIVE RAIL - FARIBAULT LINE

Faribault, Minnesota



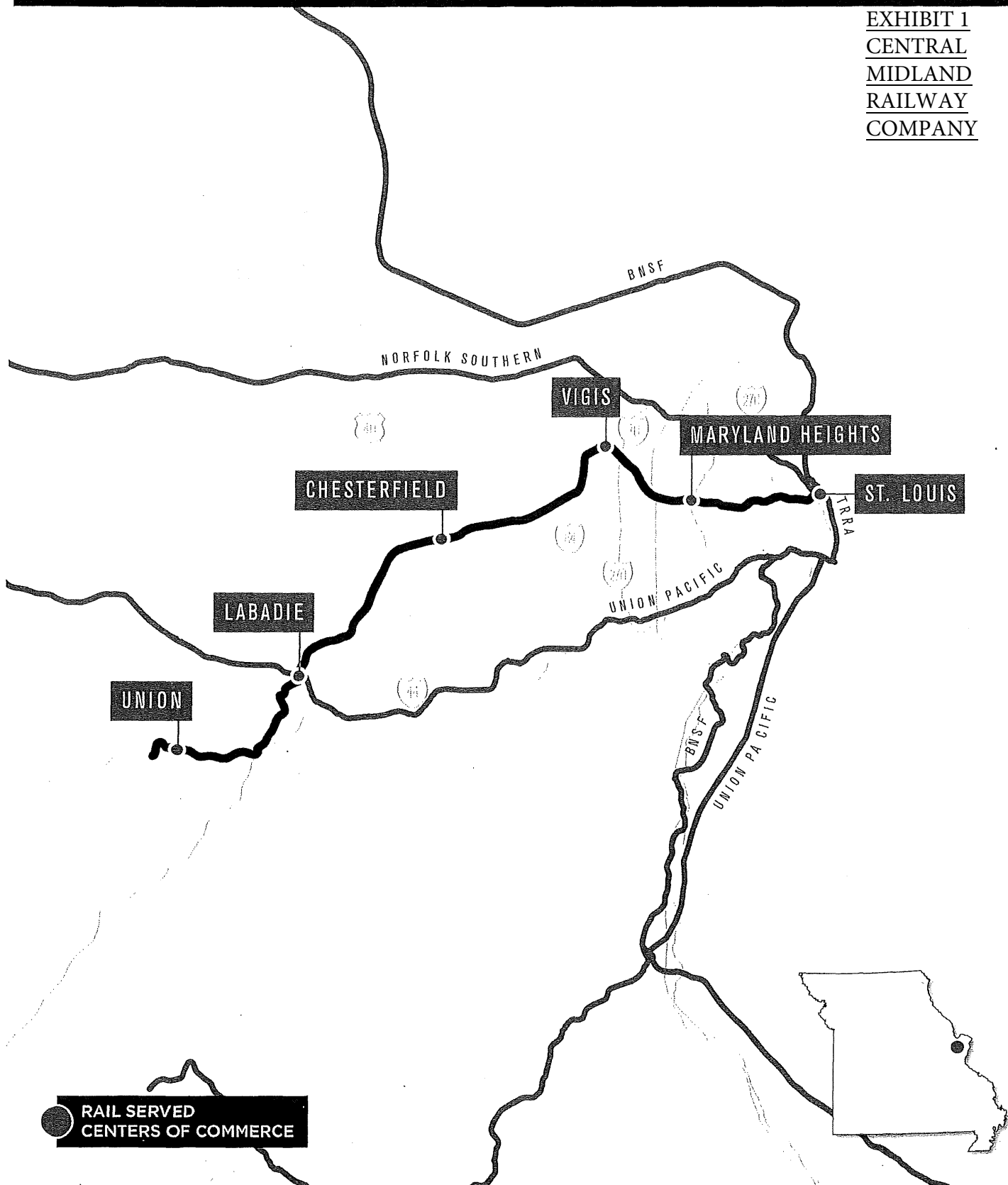


WISCONSIN NORTHERN RAILROAD

Florida, Wisconsin to Canyon, Wisconsin



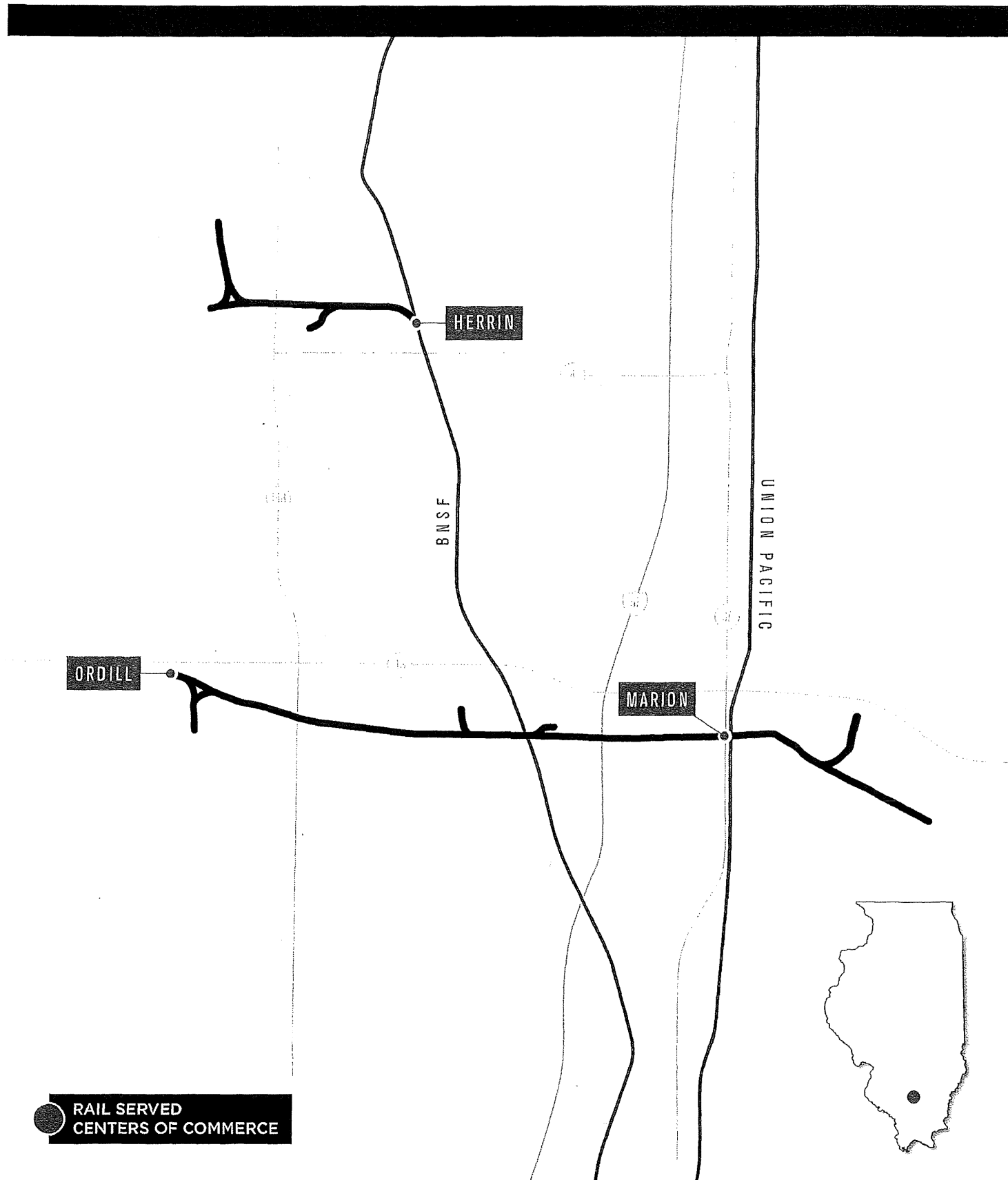
EXHIBIT 1
CENTRAL
MIDLAND
RAILWAY
COMPANY



CENTRAL MIDLAND RAILWAY

Union, Missouri to St. Louis, Missouri



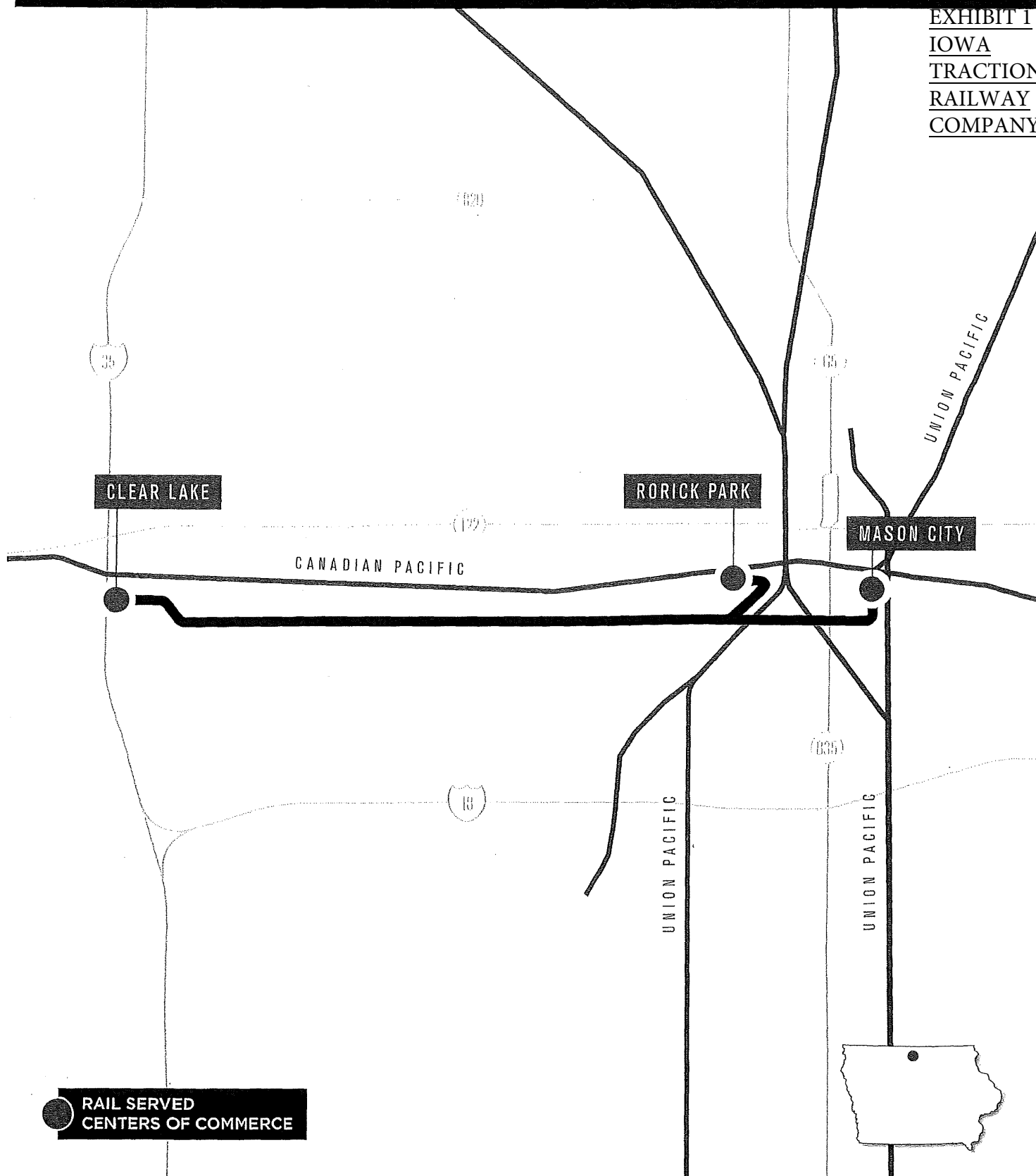


CRAB ORCHARD & EGYPTIAN RAILROAD

From Marion, to Ordill, Illinois, and Herrin, Illinois



EXHIBIT 1
IOWA
TRACTION
RAILWAY
COMPANY

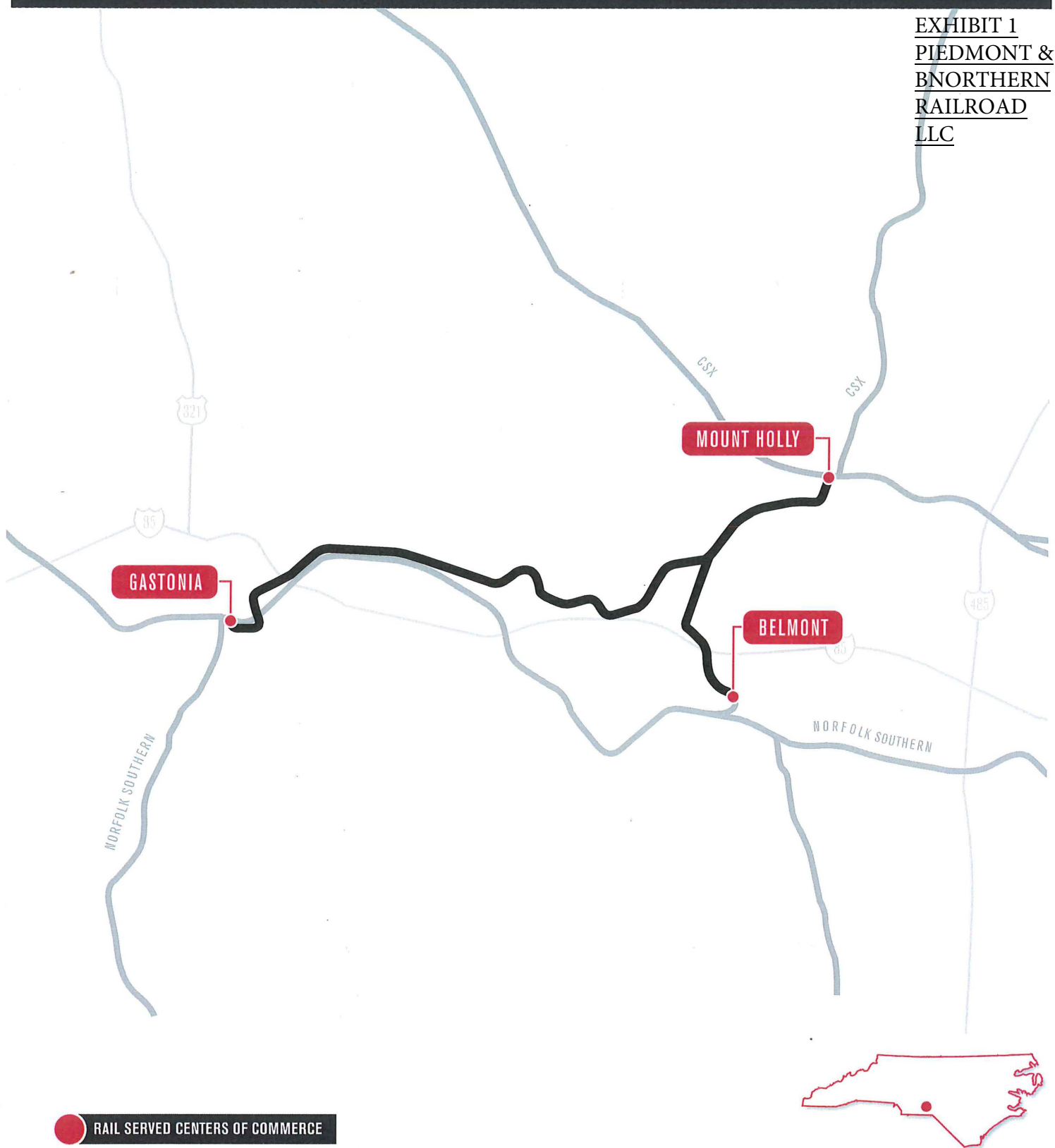


IOWA TRACTION RAILWAY COMPANY

Clear Lake, Iowa to Mason City, Iowa



EXHIBIT 1
PIEDMONT &
BNORTHERN
RAILROAD
LLC



PIEDMONT & NORTHERN RAILWAY

Gastonia, North Carolina to Mount Holly, North Carolina

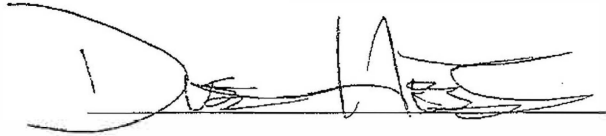


VERIFICATION

Dustin Heichel declares under penalty of perjury as follows:

I am the Chief Operating Officer of Progressive Rail Incorporated. I have read the forgoing Notice of Exemption and know that the facts asserted therein are true as stated.

Executed on August 16, 2018

A handwritten signature in black ink, appearing to read "Dustin Heichel", written over a horizontal line.