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April 18, 2007

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

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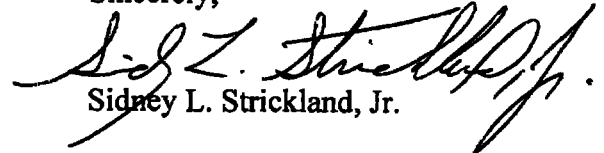
***Re: Surface Transportation Board Finance Docket No. 35003 BNSF Railway
Company and Soo Line Railroad Company—Exemption—Joint Relocation
Project—Duluth, Minnesota***

Dear Secretary Williams:

Enclosed for filing are the original and ten (10) copies of materials that supplement the Verified Notice of Exemption filed on March 26, 2007, in the above referenced docket.

Please acknowledge receipt of this material by date stamping the enclosed copy of this letter and returning it to me in the enclosed self-addresses stamped envelope.

Sincerely,


Sidney L. Strickland, Jr.

SLS/bbw
Encs.

Cc: Mr. John Sims
Mr. Michael Galassi
Ms. Leigh K. Currie
Mr. Barry McGrath

BEFORE THE
SURFACE TRANSPORTATION BOARD



STB Finance Docket No. 35003

BNSF RAILWAY COMPANY
AND SOO LINE RAILROAD COMPANY
—JOINT RELOCATION PROJECT EXEMPTION—
DULUTH, MINNESOTA

VERIFIED NOTICE OF EXEMPTION -

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ATTORNEYS FOR SOO LINE
RAILROAD COMPANY

ATTORNEYS FOR BNSF
RAILWAY COMPANY

Dated: March 26, 2007

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35003

BNSF RAILWAY COMPANY
AND SOO LINE RAILROAD COMPANY
—JOINT RELOCATION PROJECT EXEMPTION—
DULUTH, MINNESOTA

VERIFIED NOTICE OF EXEMPTION

The Notice of Exemption is filed on behalf of BNSF Railway Company ("BNSF") and Soo Line Railroad Company d/b/a Canadian Pacific Railway Company ("CPR") pursuant to the class exemption for relocation of lines of railroad provided in 49 C.F.R. §1180.2(d)(5). The following information is provided as required by 49 C.F.R. §1180.4(g):

Section 1180.6(a)(1)(i) Summary of the Proposed Transaction

The joint relocation project covered by this notice includes the joint use and operation over track stemming from incidental: (1) non-exclusive reciprocal trackage rights granted from BNSF to CPR; (2) non-exclusive reciprocal trackage rights granted from CPR to BNSF; (3) granting of a freight easement from BNSF to CPR, and; (4) relocation, construction and maintenance of BNSF and CPR tracks within and around Rice's Point Yard between CPR milepost 288.70 and CPR milepost 287.20, in Duluth, Minnesota. This project is to accommodate a new public roadway, Davis-Helberg Drive

(also referred to as Helberg Drive), being constructed as a Port of Duluth improvement project in Duluth Minnesota, as detailed below.

The joint relocation project transaction has four parts:

- (1) BNSF will grant CPR non-exclusive overhead trackage rights to operate its trains, locomotives, cars and equipment with its own crews over trackage owned and operated by BNSF and located between Points C and D, as identified on Exhibit 1, a distance of approximately 825 feet. Point C is currently located at BNSF milepost 1.46 (CPR milepost 288.25) and after construction, because of changes to the overall track configuration within the CPR track system, Point C will be designated CPR milepost 288.24. Point D is currently located at BNSF milepost 1.49 and after construction Point D will be designated as CPR milepost 287.91. Attached as Exhibit 1A is a chart showing the mileposts as designated in this notice as well as the pre- and post-construction corresponding stations. These trackage rights are intended to enable CPR a direct run through to bypass switches at Cargill (or its successor). BNSF will continue to operate over this segment.
- (2) CPR will grant BNSF non-exclusive overhead trackage rights to operate its trains, locomotives, cars and equipment with its own crews over trackage owned and operated by CPR, and located between Points E and I, as identified on the Exhibit 1 map, a distance of approximately 350 feet. Point E will be on new trackage to be designated as CPR milepost 287.75 after construction. Point I is located on crossover yard track between BNSF and CPR. There is no milepost designation for this yard track, but the endpoint of the trackage rights (Point I) is

approximately 350 feet south of Point E. These trackage rights are intended to enable BNSF to continue to connect with the Duluth Seaway Port Authority, which includes serving AG Processing Inc. or its successor, Azcon or its successor, and the Garfield Industrial area. CPR will continue to operate over this segment.

- (3) BNSF will grant CPR a freight easement on BNSF property for the purchase, relocation and reconstruction of a portion of CPR's rail line between Point A and Point B (Point A being the westerly BNSF right of way near Point C) ("Easement"), a distance of approximately 2,500 feet. Point A is currently located at BNSF milepost 1.61. After construction, it will be located on new trackage designated as CPR milepost 288.10. After construction, Point B will be located on new trackage to be designated as CPR milepost 287.64.
- (4) The transaction covered by this notice also includes the relocation and construction of portions of BNSF and CPR tracks within and around Rice's Point Yard between CPR milepost 288.70 and CPR milepost 287.20 in Duluth, Minnesota. The relocation and construction will accommodate a new public roadway, Helberg Drive, being constructed as part of a Port of Duluth improvement project in Duluth. The construction will include a portion of CPR's rail line as shown on Exhibit 1 between Point A and Point B on BNSF real property ("Easement"), a distance of approximately 2,500 feet. Point A is currently located at BNSF milepost 1.61. After construction, it will be located on new trackage designated as CPR milepost 288.10. After construction, Point B will be located on new trackage to be designated as CPR milepost 287.64. The

construction will also include a portion of BNSF rail line as shown on Exhibit 1 between Point L and Point M, a distance of approximately 1,580 feet. Point L is currently located at BNSF milepost 1.42 (CPR milepost 288.30). After construction, Point L will remain at BNSF milepost 1.42, but because of changes to the overall configuration of the tracks within the CPR system during construction, Point L will be designated as CPR milepost 287.61 after construction. Point M is currently located at BNSF milepost 1.71, and after construction, because of changes to the overall configuration of the tracks within the BNSF system, Point M will be designated as BNSF milepost 1.70. After construction is complete, CPR will own that portion of the trackage on the Easement as shown on Exhibit 1 between Points A and B (at the above indicated mileposts) including the turnouts at Points D,¹ E,² F³ and I.⁴ BNSF will thereafter own the portion of the trackage as shown on Exhibit 1 between Points L and M (at the above indicated mileposts), the yard track turnout at Point H, and the yard track between points J and K. There are no milepost designations for the yard track. Approximately 3,210 feet of CPR rail line between Point N and Point O as shown on Exhibit 1 will be removed to allow for the construction and relocation project. Point N is currently located at CPR milepost 288.15, and Point O is currently located at CPR milepost 287.55. Additionally, CPR industry lead tracks leading to Azcon, AG Processing Inc., and crossing Helberg Drive to the Port of Duluth will be realigned to facilitate the relocation and construction project.

¹ Point D is currently located at BNSF milepost 1.49, and after construction will be designated as CPR milepost 287.91.

² Point E will be on new trackage to be designated as CPR milepost 287.75 after construction.

³ Point F will be on new trackage to be designated as CPR milepost 287.71 after construction.

⁴ Point I will be on crossover yard track between BNSF and CPR. There is no milepost designation for this yard track, but Point I is located approximately 350 feet south of Point E.

Following the relocation and construction, BNSF and CPR will continue to have access to the Port of Duluth. See Exhibit 1 for a map showing the project components.

Subject to approval of the Board, the above overhead reciprocal trackage rights will terminate twenty-five (25) years from the Execution Date ("Initial Term"). Unless BNSF or CPR notifies the other in writing at least six (6) months prior to the expiration of the Initial Term, the reciprocal trackage rights may continue in full force and effect for up to three (3) successive terms of twenty-five (25) year terms under the same terms and conditions. CPR and BNSF will operate its own trains with its own crews over the subject trackage. The trackage involved in the joint relocation project are located entirely in the State of Minnesota.

BNSF and CPR will maintain, repair and renew its own trackage and turnouts under the Duluth Public Works Project.

Incidental abandonment, construction, and trackage rights components of joint relocation projects subject to class exemptions under 49 CFR 1180.2(d)(5) do not require separate approval or exemption when the relocation project, as here, will not disrupt service to shippers.

Section 1180.6(a)(1)(i) Name, business, address and telephone number of applicant, and the name of counsel to whom questions can be addressed

The name and business address of the applicants are:

BNSF Railway Company
2600 Lou Menk Drive
P. O. Box 961051
Fort Worth, Texas 76161

General Manager – Interline Management
Canadian Pacific Railway Company
Gulf Canada Square
401 Ninth Avenue SW
Calgary, Alberta, Canada
T2P 4Z4

Questions regarding this transaction are to be addressed to the representatives named below:

Sidney L. Strickland Jr.
Strickland and Associates, PLLC
3050 K Street, NW
Washington, D.C. 20007
Tel: (202) 338-1325
Fax: (202) 295-3854

Leigh Currie
Leonard, Street and Deinard, PA
150 South Fifth Street
Suite 2300
Minneapolis, MN 55402
Tel: (612) 335-1955
Fax: (612) 335-1657

Section 1180.6(a)(1)(ii) Consummation Date

The agreement will be consummated on the effective date of Surface Transportation Board approval of this transaction.

Section 1180.6(a)(1)(iii) Purpose of the Transaction

The purpose of the transaction is for the relocation and construction of portions of CPR and BNSF rail line in order to accommodate a new public roadway, Helberg Drive, being constructed as part of a Port of Duluth improvement project in Duluth, Minnesota. The purpose of the transaction is to also improve railroad access to the Port of Duluth. The purpose of the BNSF trackage rights is to enable BNSF to continue to connect with the Duluth Seaway Port Authority, which includes serving AG Processing Inc or its successor, Azcon or its successor, and the Garfield Industrial area. The purpose of the CPR trackage rights is to enable CPR a direct run through to bypass switches at Cargill (or its successor). The transaction will not disrupt service to any rail shippers, as CPR and BNSF will continue to have access to the Port of Duluth. The relocated line and trackage rights will not involve an expansion of service by BNSF or CPR into a new territory, or alter the existing competitive situation.

Section 1180.6(a)(5) States in which the Applicant Operates

The trackage which is subject to this transportation is located in the state of

Minnesota. BNSF operates in the states of Alabama, Arizona, Arkansas, California, Colorado, Idaho, Illinois, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wisconsin and Wyoming. CPR operates in the states of Illinois, Indiana, Michigan, Minnesota, North Dakota, South Dakota and Wisconsin.

Section 1180.6(a)(6) Map (Exhibit 1)

A map is provided as Exhibit 1. A chart indicating the mileposts and corresponding stations is provided as Exhibit 1 A.

Section 1180.6(a)(7)(ii) Agreement (Exhibits 2 & 3)

The agreement covering the trackage rights being granted by BNSF and CPR is attached as Exhibit 2. The agreement covering the easement being granted by BNSF to CPR is attached as Exhibit 3.

Section 1180.4(g)(2)(i) Caption Summary (Exhibit 4)

A caption summary of this transaction suitable for publication in the *Federal Register* is attached as Exhibit 4.

Section 1180.4(g)(1)(i) Labor Protection

The applicable labor protection conditions on the trackage rights component of this transaction are those imposed in Norfolk and Western Ry. Co.--Trackage Rights--BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc.--Lease and Operate, 360 I.C.C. 653 (1980).

Section 1180.4(g)(3) Environmental Documentation

Environmental documentation is not required for this transaction. As provided in 49 C.F.R. §1105.6(c)(4) and §1105.8(b)(3), the trackage rights and common use of rail terminals involved in the proposed relocation do not require preparation of environmental reports and documentation.

Respectfully submitted,

Leigh Currie
Barry McGrath
Canadian Pacific Railway
Leonard, Street and Deinard, PA
150 South Fifth Street
Suite 2300
Minneapolis, MN 55402
Tel: (612) 335-1955

Sidney L. Strickland, Jr.
Brenda Baldwin-White
Sidney Strickland and Associates, PLLC
3050 K Street N.W.
Suite 101
Washington, DC 20007
Tel: (202) 338-1325
Fax: (202) 295-3854

VERIFICATION

THE DISTRICT OF COLUMBIA, §

Sidney L. Strickland, Jr., being duly sworn, deposes and says that he has read the foregoing notice of exemption and that the contents thereof are true and correct to the best of his knowledge and belief.

Sidney L. Strickland, Jr.

Subscribed and sworn to before me this ____ day of March, 2007.

Notary Public

My Commission expires:

**MILEPOST AND STATION IDENTIFICATION
RICE'S POINT, DULUTH MINNESOTA**

Point on Exhibit 1	DESCRIPTION			
	MILEPOST:		STATION:	
	OLD*	NEW*	OLD*	NEW*
A	BNSF 1.61	CPR 288.10	BNSF 84+80	CPR 1230+70
B	N/A	CPR 287.64	N/A	CPR 1206+10
C***	CPR 288.25; BNSF 1.46	CPR 288.24	CPR 1238+20; BNSF 77+40	CPR 1237+90
D	BNSF 1.49	CPR 287.91	BNSF 78+50	CPR 1220+50
E	N/A	CPR 287.75	N/A	CPR 1211+95
F	N/A	CPR 287.73	N/A	CPR 1210+80
G	N/A	CPR 287.71	N/A	CPR 1209+90
H	N/A	N/A	N/A	N/A
I**	N/A	N/A	N/A	N/A
J	N/A	N/A	N/A	N/A
K	N/A	N/A	N/A	N/A
L***	CPR 288.30; BNSF 1.42	CPR 287.61; BNSF 1.42	CPR 1241+10; BNSF 74+90	CPR 1204+45; BNSF 74+90
M***	BNSF 1.71	BNSF 1.70	BNSF 90+50	BNSF 90+40
N	CPR 288.15	N/A	CPR 1233+10	N/A
O	CPR 287.55	N/A	CPR 1201+35	N/A

N/A: Not Applicable (either because the track is yard track or otherwise not designated by mileposts, or because the track will only exist either before or after construction, not both).

* "Old" mileposts/stations are based on the existing track. The "New" descriptions are based on where the new track is proposed to be built.

** Point I is on crossover track between BNSF and CPR. The endpoint of the trackage rights is approximately 350 feet south of Point E.

*** Shifts in the milepost/stations from Old to New are based on changes to the overall configuration after construction, even if the Point will not change during construction.

CAPTION SUMMARY**SURFACE TRANSPORTATION BOARD****NOTICE OF EXEMPTION
FINANCE DOCKET NO. 35003****BNSF RAILWAY COMPANY
AND SOO LINE RAILROAD COMPANY, INC.
D/B/A CANADIAN PACIFIC RAILWAY
-- JOINT RELOCATION PROJECT EXEMPTION --**

BNSF Railway Company ("BNSF") and Soo Line Railroad Company, Inc., d/b/a Canadian Pacific Railway ("CPR") are undertaking a joint relocation project which includes the joint use and operation over track stemming from the non-exclusive reciprocal trackage rights between BNSF and CPR, the granting of a freight easement from BNSF to CPR, and the relocation, construction and maintenance of BNSF and CPR tracks within and around Rice's Point Yard between CPR milepost 288.70 and CPR milepost 287.20, in Duluth, Minnesota. This project is to accommodate a new public roadway, Davis-Helberg Drive (also referred to as Helberg Drive), being constructed as part of a Port of Duluth improvement project. This transaction will be effective on the effective date of Surface Transportation Board ("STB") approval of this transaction.

The joint relocation project consists of the following transactions:

- (1) BNSF will grant CPR non-exclusive overhead trackage rights to operate its trains, locomotives, cars and equipment with its own crews over trackage owned and operated by BNSF and located between Points C and D, a distance of approximately 825 feet. Point C is currently located at BNSF milepost 1.46 (CPR milepost 288.25) and after construction, because of changes to the overall track configuration within the CPR track system, Point C will be designated CPR milepost 288.24. Point D is currently located at BNSF milepost 1.49 and after construction Point D will be designated as CPR milepost 287.91. These trackage rights are intended to enable CPR a direct run though to bypass switches at Cargill (or its successor). BSNF will continue to operate over this segment.
- (2) CPR will grant BNSF non-exclusive overhead trackage rights to operate its trains, locomotives, cars and equipment with its own crews over trackage owned and operated by CPR, and located between Points E and I, a distance of approximately 350 feet. Point E will be on new trackage to be designated as CPR milepost 287.75 after construction. Point I is located on crossover yard track between BNSF and CPR. There is no milepost designation for this yard track, but the endpoint of the trackage rights (Point I) is approximately 350 feet south of Point E. These trackage rights are intended to enable BNSF to continue to connect with the Duluth Seaway Port Authority, which includes serving AG Processing Inc. or its successor, Azcon or its successor, and the Garfield Industrial area. CPR will continue to operate over this segment.

(3) BNSF will grant CPR a freight easement on BNSF property for the purchase, relocation and reconstruction of a portion of CPR's rail line between Point A and Point B (Point A being the westerly BNSF right of way near Point C) ("Easement"), a distance of approximately 2,500 feet. Point A is currently located at BNSF milepost 1.61. After construction, it will be located on new trackage designated as CPR milepost 288.10. After construction, Point B will be located on new trackage to be designated as CPR milepost 287.64.

(4) BNSF and CPR will be constructing and relocating track within and around Rice's Point Yard between CPR milepost 288.70 and CPR milepost 287.20. BNSF and CPR will construct, maintain, repair and renew its own trackage and turnouts under the Duluth Public Works Project.

The joint relocation project will not disrupt service to shippers and does not expand either carrier to new markets. Subject to approval of the Board, the above overhead reciprocal trackage rights will terminate twenty-five (25) years from the Execution Date ("Initial Term"). Unless BNSF or CPR notifies the other in writing at least six (6) months prior to the expiration of the Initial Term, the reciprocal trackage rights may continue in full force and effect for up to three (3) successive terms of twenty-five (25) year terms under the same terms and conditions.

The agreement will be consummated on the effective date of Surface Transportation Board approval of this transaction.

This Notice is filed under the Board's class exemption for joint relocation projects, 49 C.F.R. § 1180.2(d)(5). Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not stay the transaction.

Dated:
By the Board,

Vernon A. Williams,
Secretary