

248280
248281

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208

BRADON J. SMITH
(312) 252-1516
bsmith@fletcher-sippel.com

ENTERED
Office of Proceedings
August 1, 2019
Part of
Public Record

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

August 1, 2019

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

Re: **Docket No. FD 36327**
Chicago St. Paul & Pacific Railroad LLC — Change in
Operators Exemption — Chicago Terminal Railroad

Docket No. FD 36335
Progressive Rail Incorporated — Continuance in Control
Exemption — Chicago St. Paul & Pacific Railroad LLC

Dear Ms. Brown:

Attached for filing in the above-captioned proceedings are the **Verified Notice of Exemption of Chicago St. Paul & Pacific Railroad LLC Pursuant to 49 C.F.R. § 1150.31(a)(3)**, and the **Verified Notice of Exemption of Progressive Rail Incorporated Pursuant to 49 C.F.R. § 1180.2(d)(2)** dated August 1, 2019. The sums of \$2,000 and \$1,600, representing the appropriate fees for these respective filings, have been tendered electronically herewith. The Pay.gov Tracking IDs for Docket No. FD 36327 is 26J4T096 and for Docket No. FD 36335 is 26J4T0AO.

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 Chicago St. Paul & Pacific
Railroad LLC

FEE RECEIVED
August 1, 2019
SURFACE
TRANSPORTATION BOARD

Attachment

FILED
August 1, 2019
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36335

PROGRESSIVE RAIL INCORPORATED
— CONTINUANCE IN CONTROL EXEMPTION —
CHICAGO ST. PAUL & PACIFIC RAILROAD LLC

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

Thomas J. Litwiler
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 1, 2019

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36335

PROGRESSIVE RAIL INCORPORATED
— CONTINUANCE IN CONTROL EXEMPTION —
CHICAGO ST. PAUL & PACIFIC RAILROAD 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 Chicago St. Paul & Pacific Railroad LLC (“CSP”) upon CSP’s commencement of common carrier operations. CSP is a non-carrier subsidiary of PGR that has been established to acquire a leasehold and operating interest in a 3.47-mile line of railroad near Bensenville, Illinois (“the Line”) owned by Soo Line Railroad Company and currently operated by Chicago Terminal Railroad (“CTM”). CSP is concurrently filing a notice of exemption pursuant to 49 C.F.R. § 1150.31 *et seq.* to permit a change in operators on the Line. See Chicago St. Paul & Pacific Railroad LLC — Change in Operators Exemption — Chicago Terminal Railroad, Docket No. FD 36327.

The Line does not connect with the lines of PGR or the lines of any of the nine 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 CSP, 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 and Wisconsin. 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 Nov. 12, 2004); Progressive Rail Incorporated – Lease Exemption with Interchange Commitment – Soo Line Railroad Company and Dakota Minnesota & Eastern Railroad Corporation, Docket No. FD 36251 (STB served Dec. 21, 2018). PGR controls nine other Class III railroads located in Minnesota, Missouri, Illinois, Iowa, and North Carolina. See Progressive Rail Incorporated — Continuance in Control Exemption — St. Paul & Pacific Northwest Railroad, LLC, Docket No. FD 36254 (STB served Dec. 6, 2018) (identifying eight other railroads controlled by PGR, and identifying a new carrier pursuant to a transaction that has since been consummated).

CSP is a new entity established by PGR to operate the above-described Line. The rail lines of PGR and PGR's existing rail carrier subsidiaries, on the one hand, and CSP, on the other, will not connect, and there is no plan to effect any such connection. PGR intends to remain in control of CSP and its existing rail carrier subsidiaries once CSP commences operations as a rail common carrier.

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 concurrently with CSP's commencement of operations pursuant to Docket No. FD 36327, on or about September 1, 2019. 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 common control of its existing rail carrier subsidiaries and CSP upon CSP's commencement of common carrier operations. In turn, the control exemption will allow CSP to commence operations of the Line 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 and Wisconsin. 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 Company, LLC: California

Clackamas Valley Railway Company, LLC: Oregon
St. Paul & Pacific Northwest Railroad Company, LLC: Washington

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

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

Agreement - Exhibit 2: 49 C.F.R. § 1180.6(a)(7)(ii)

PGR already controls CSP, currently a non-carrier. No additional agreement is contemplated or necessary for PGR to continue in control of CSP once CSP assumes operation of the Line 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 upon this transaction. PGR and its existing railroad subsidiaries are all Class III rail carriers, and CSP 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 CSP 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).

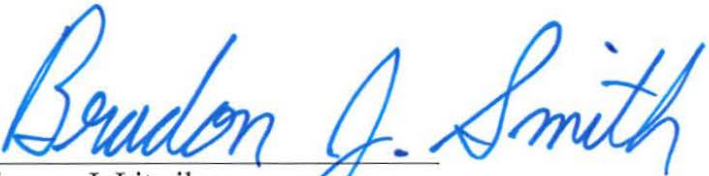
Under 49 C.F.R. § 1105.8(b)(3), the proposed continuance in control also is exempt from historic preservation reporting requirements. That control transaction will not substantially change the level of maintenance of any railroad property.

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:



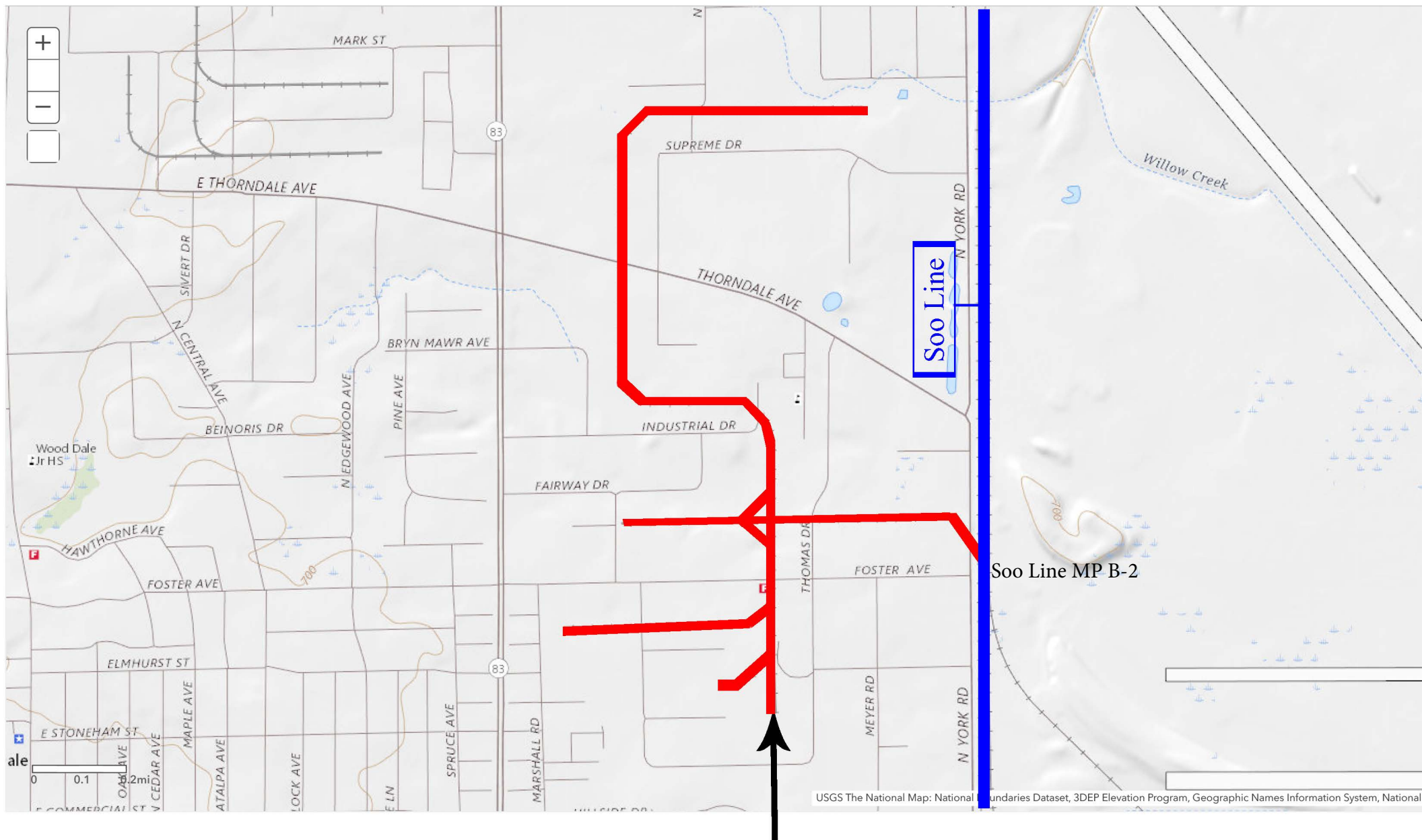
Thomas J. Litwiler
Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

**ATTORNEYS FOR PROGRESSIVE RAIL
INCORPORATED**

Dated: August 1, 2019

Exhibit 1

Docket No. FD 36327
Chicago St. Paul & Pacific Railroad LLC
– Change in Operators Exemption
– Chicago Terminal Railroad

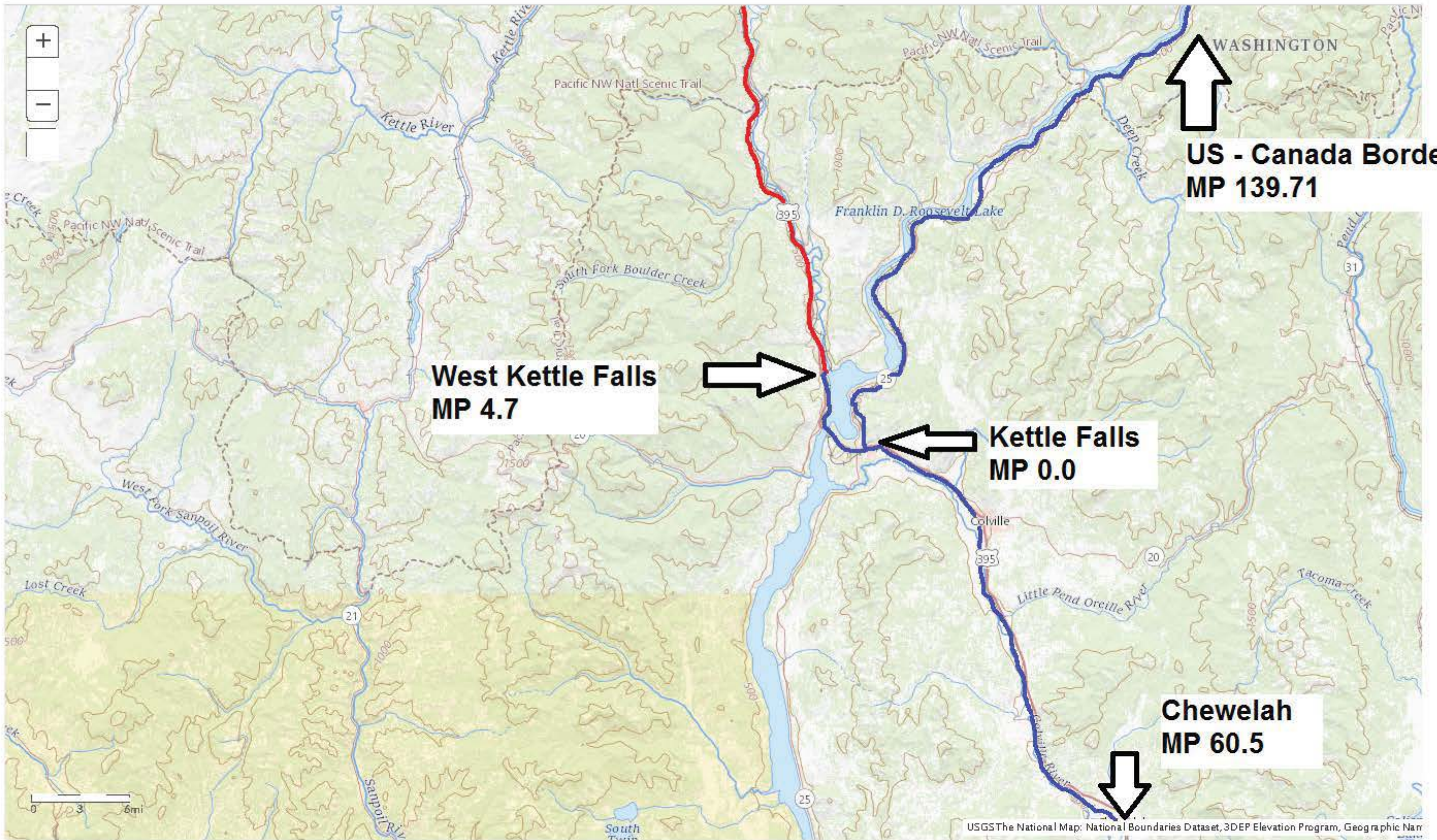


Proposed Chicago St. Paul & Pacific Lease and Operation

Home ▾ National Rail Network Map

Details | Basemap |

Share | Print | Me



Docket No. FD 36246

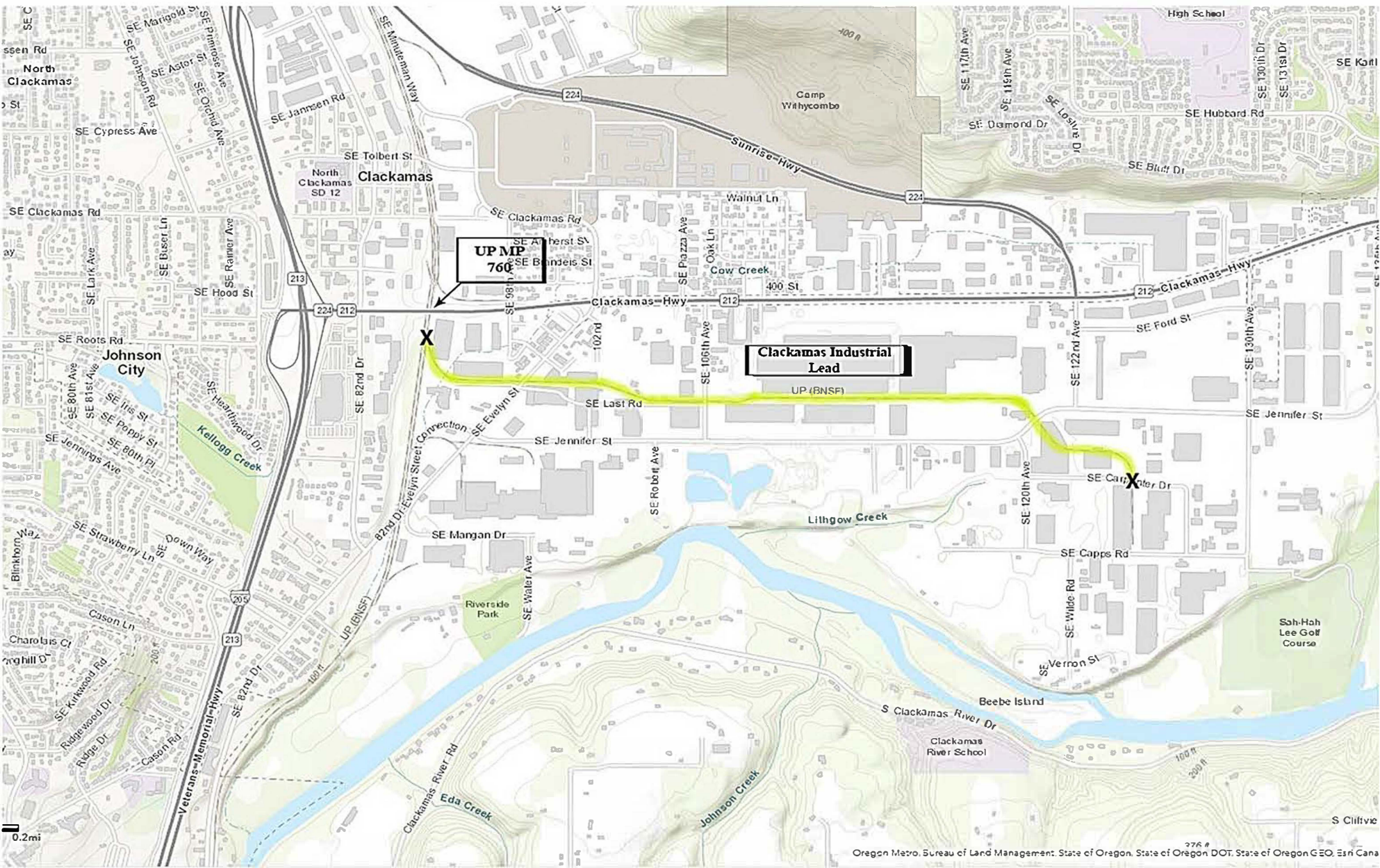
St. Paul & Pacific Northwest –

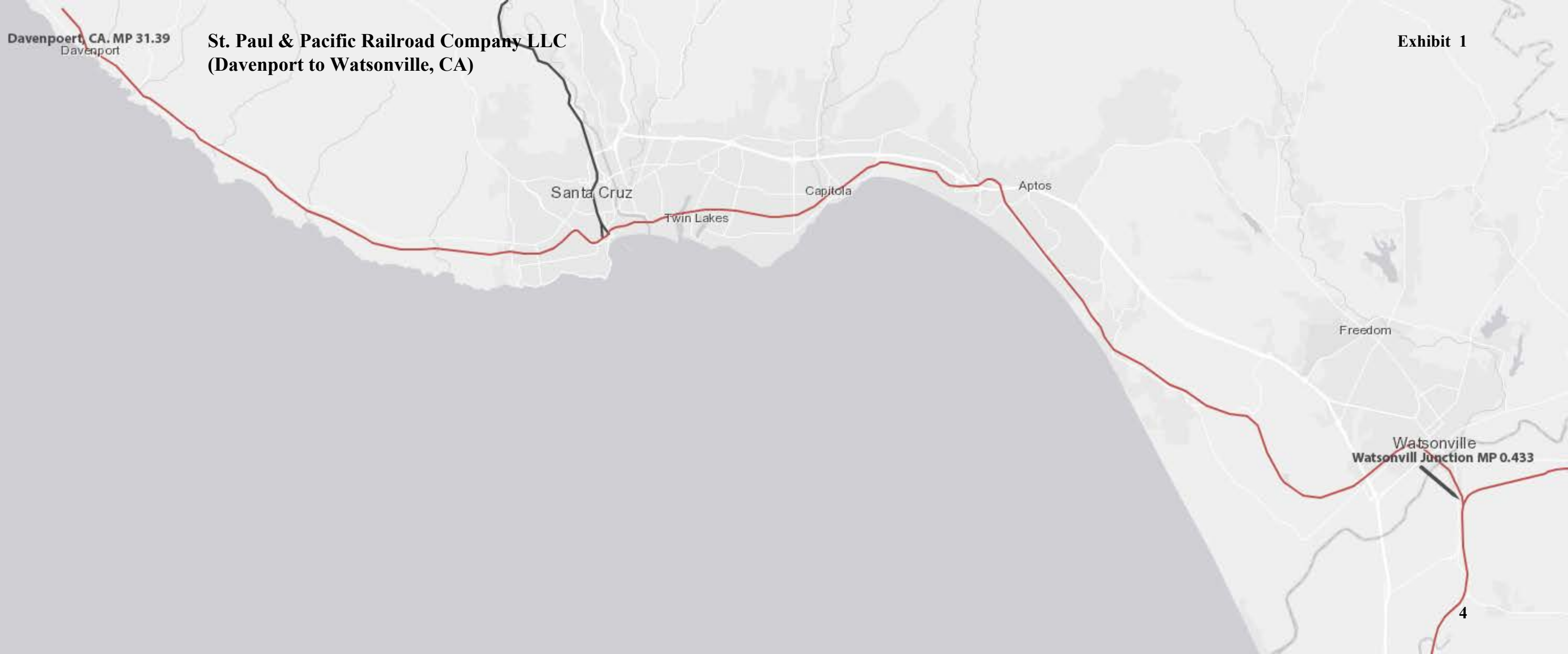
Change in Operators Exemption - Kettle Falls International Railway LLC

----- SPN Leased Track

----- Kettle Falls International Railway

Clackamas Valley Railway Company LLC (Clackamas, OR)





Davenport, CA. MP 31.39
Davenport

St. Paul & Pacific Railroad Company LLC (Davenport to Watsonville, CA)

Exhibit 1

Santa Cruz

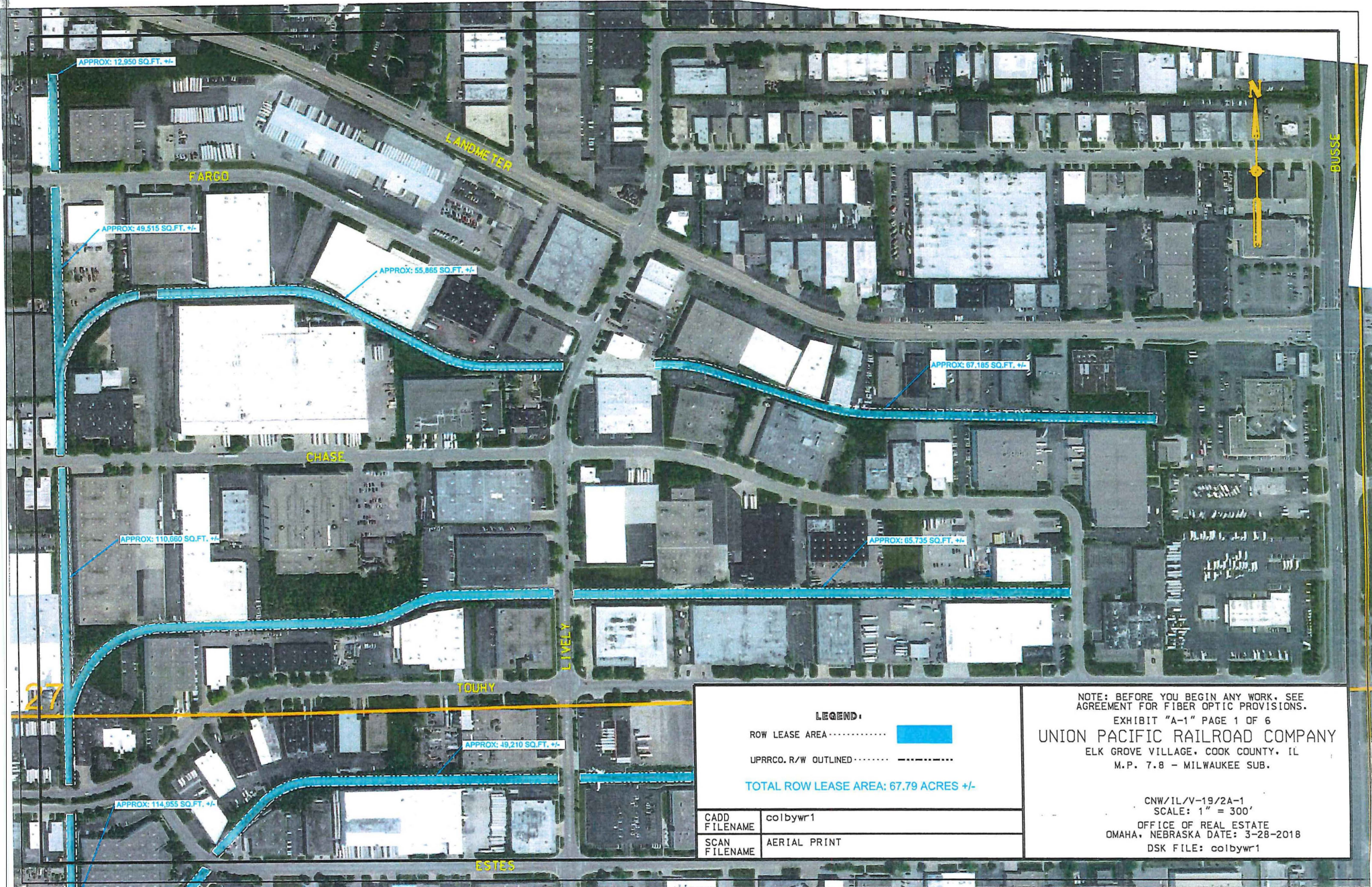
Twin Lakes

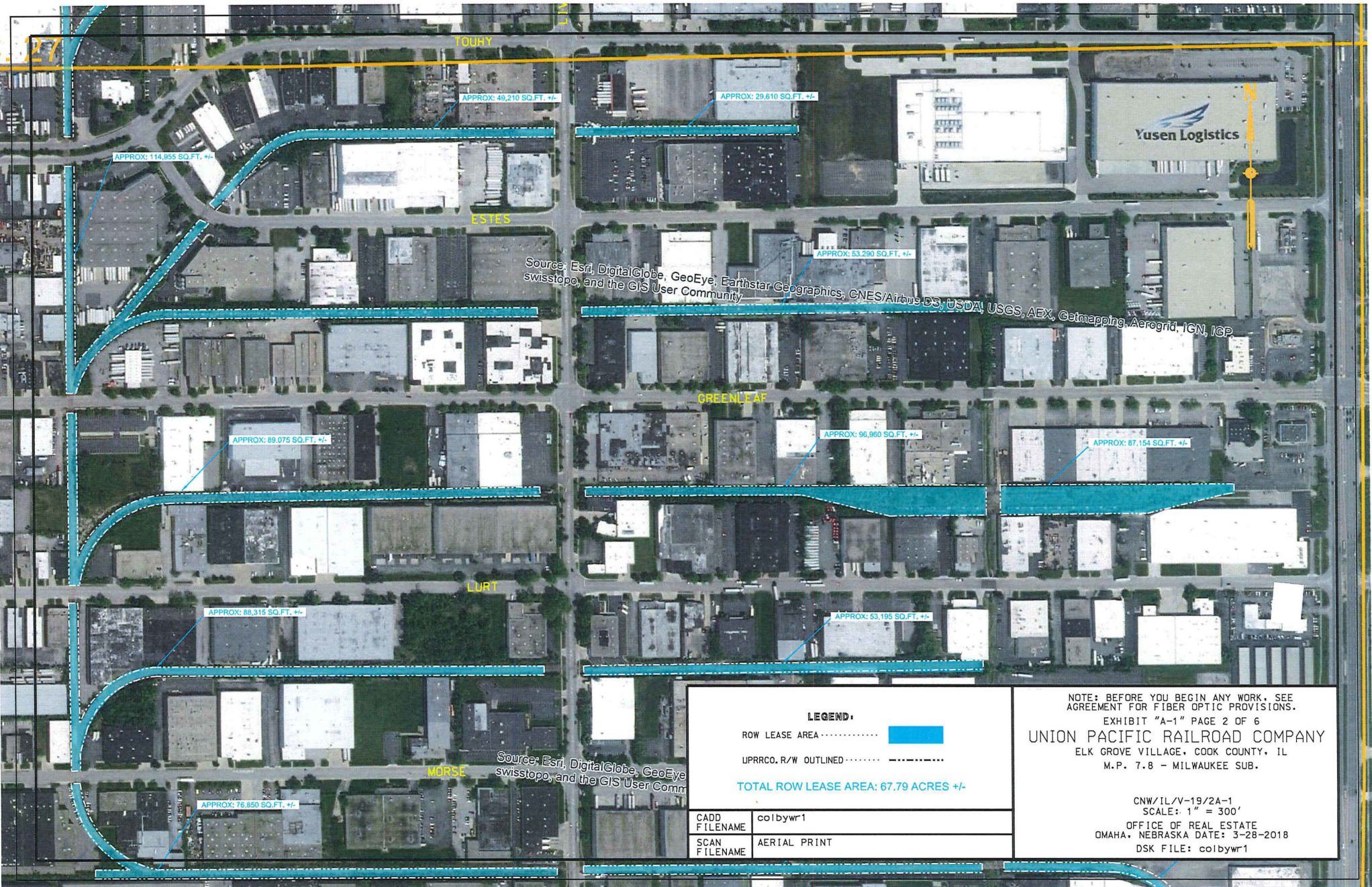
Capitola

Aptos

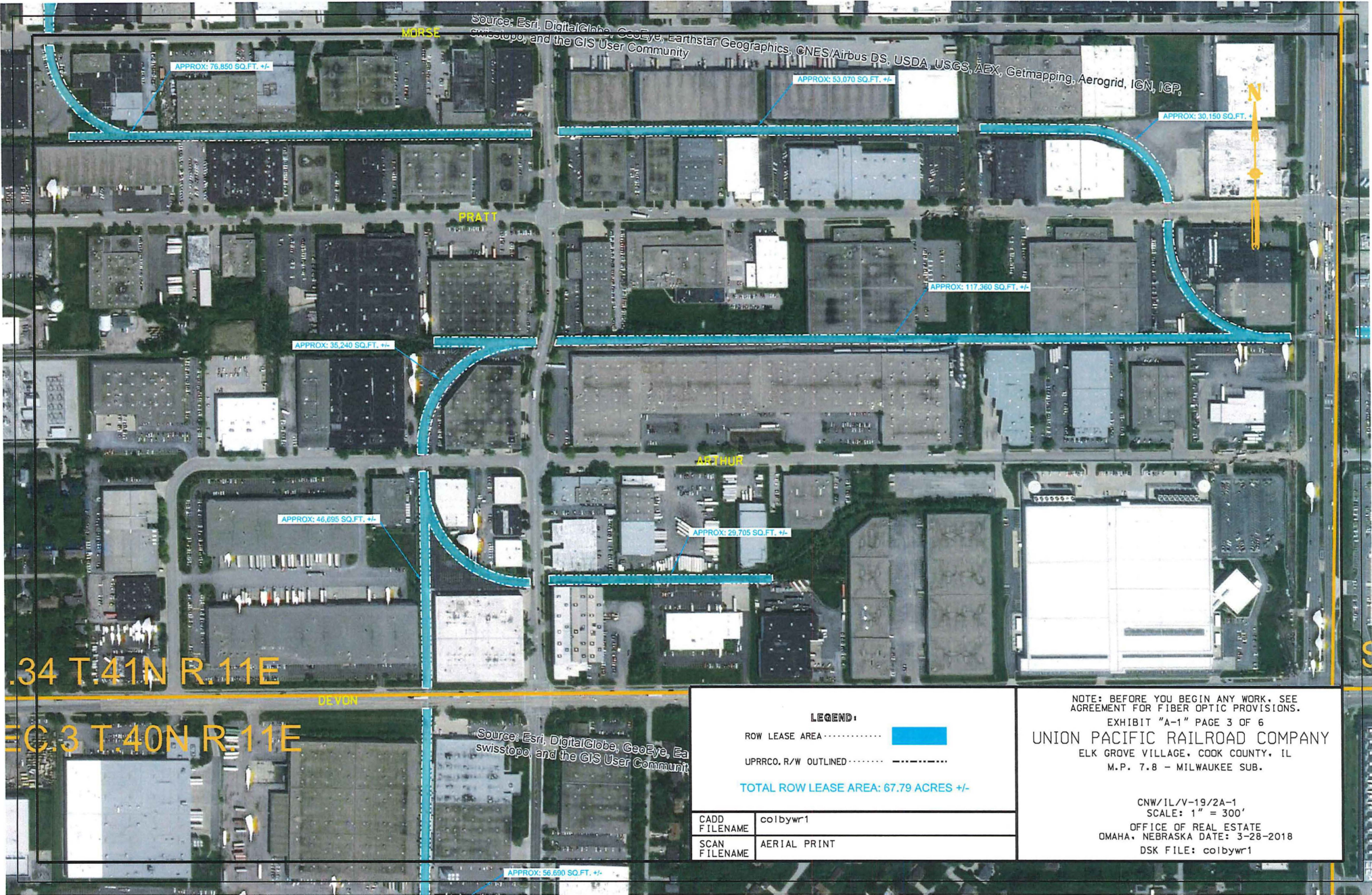
Freedom

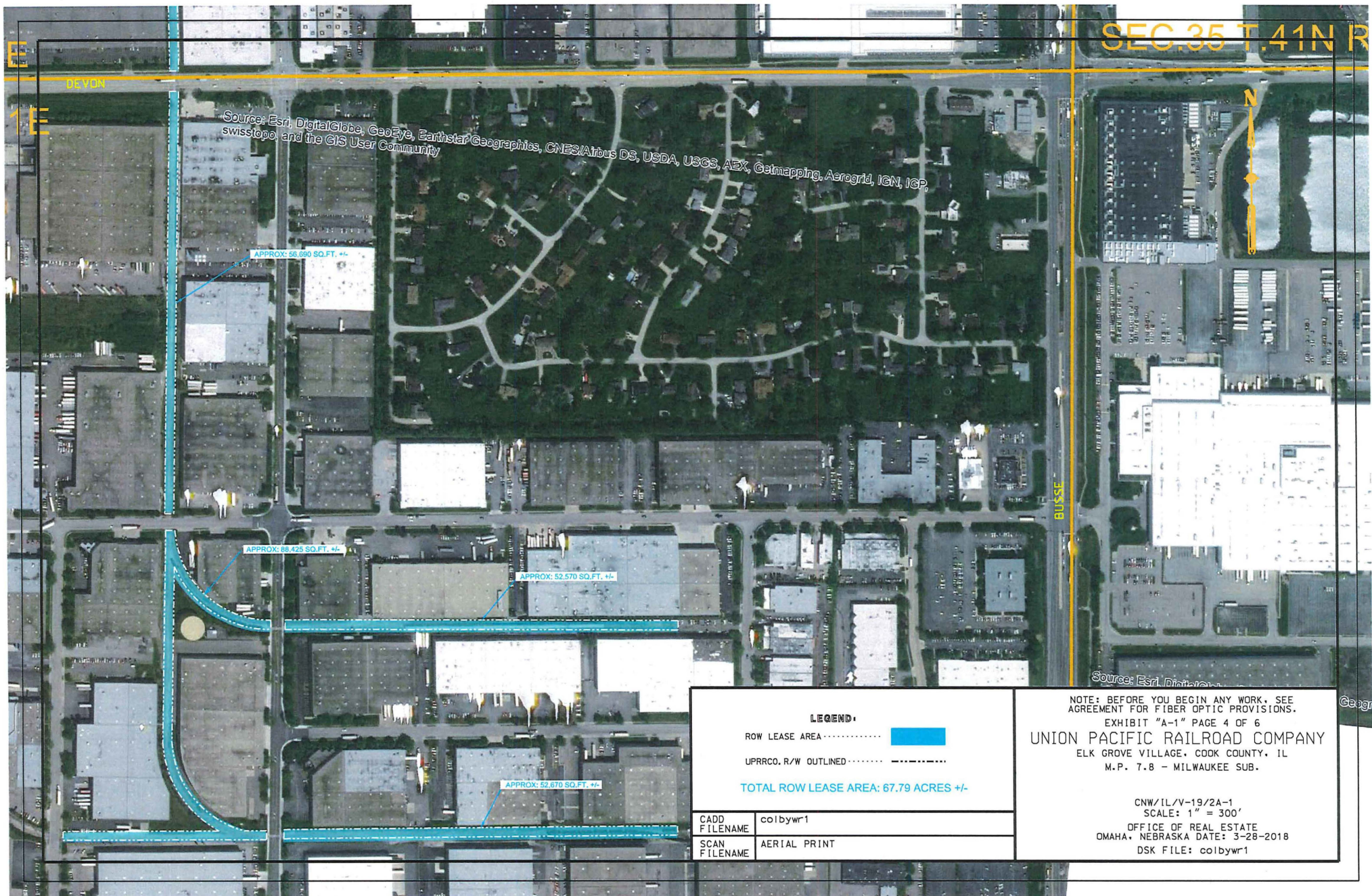
Watsonville
Watsonville Junction MP 0.433

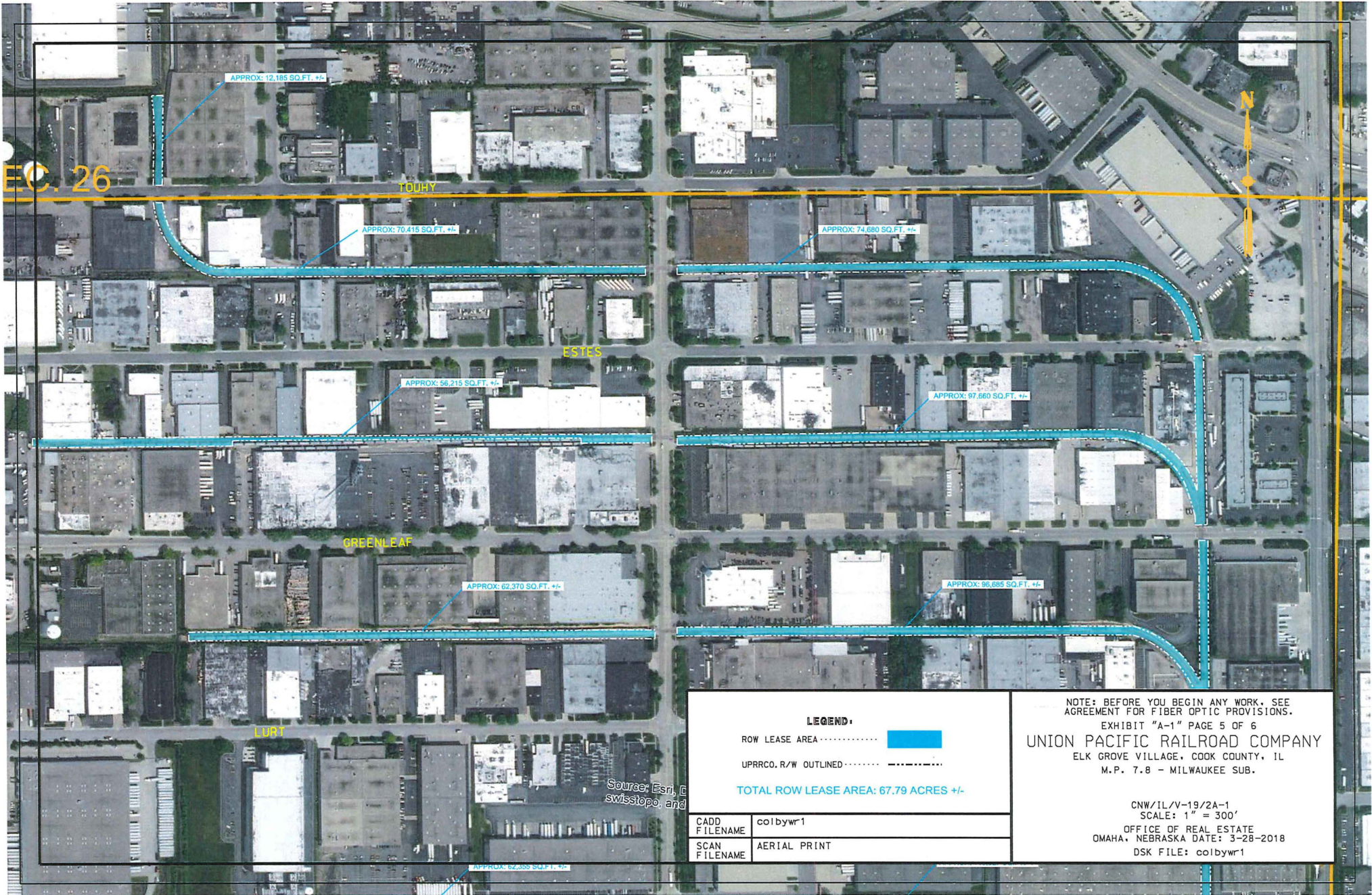


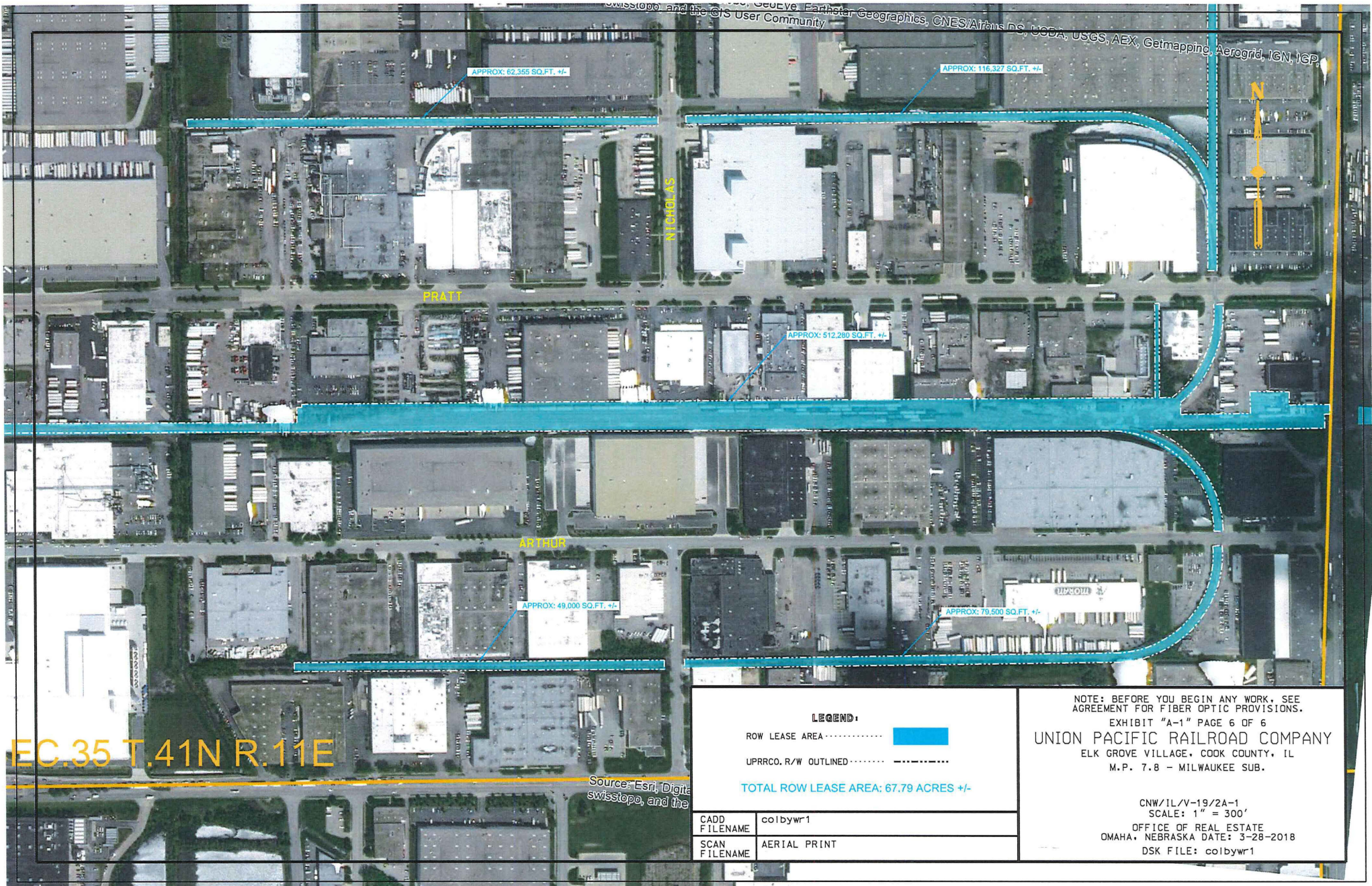


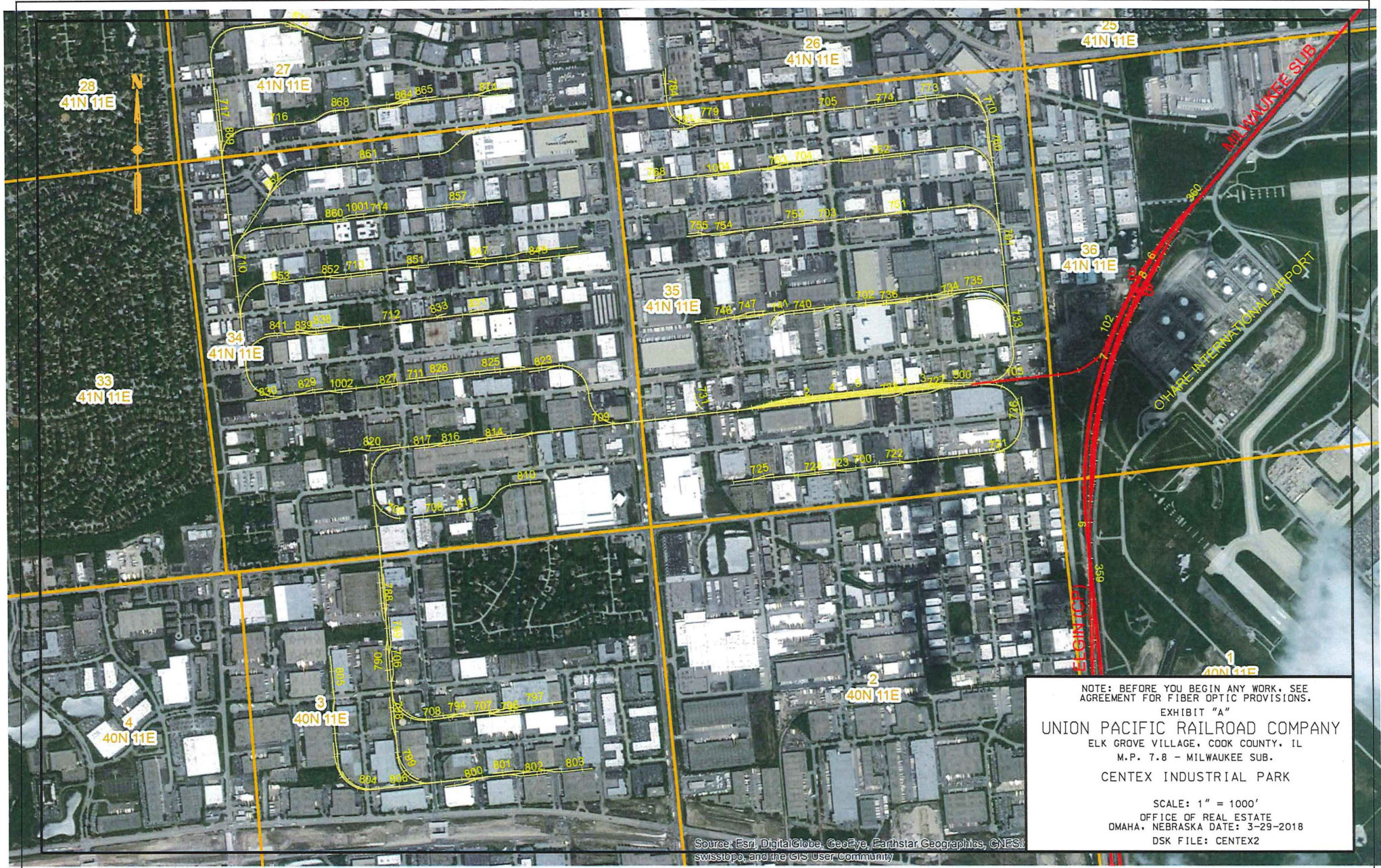
Chicago Junction Railway Company (Elk Grove, IL)



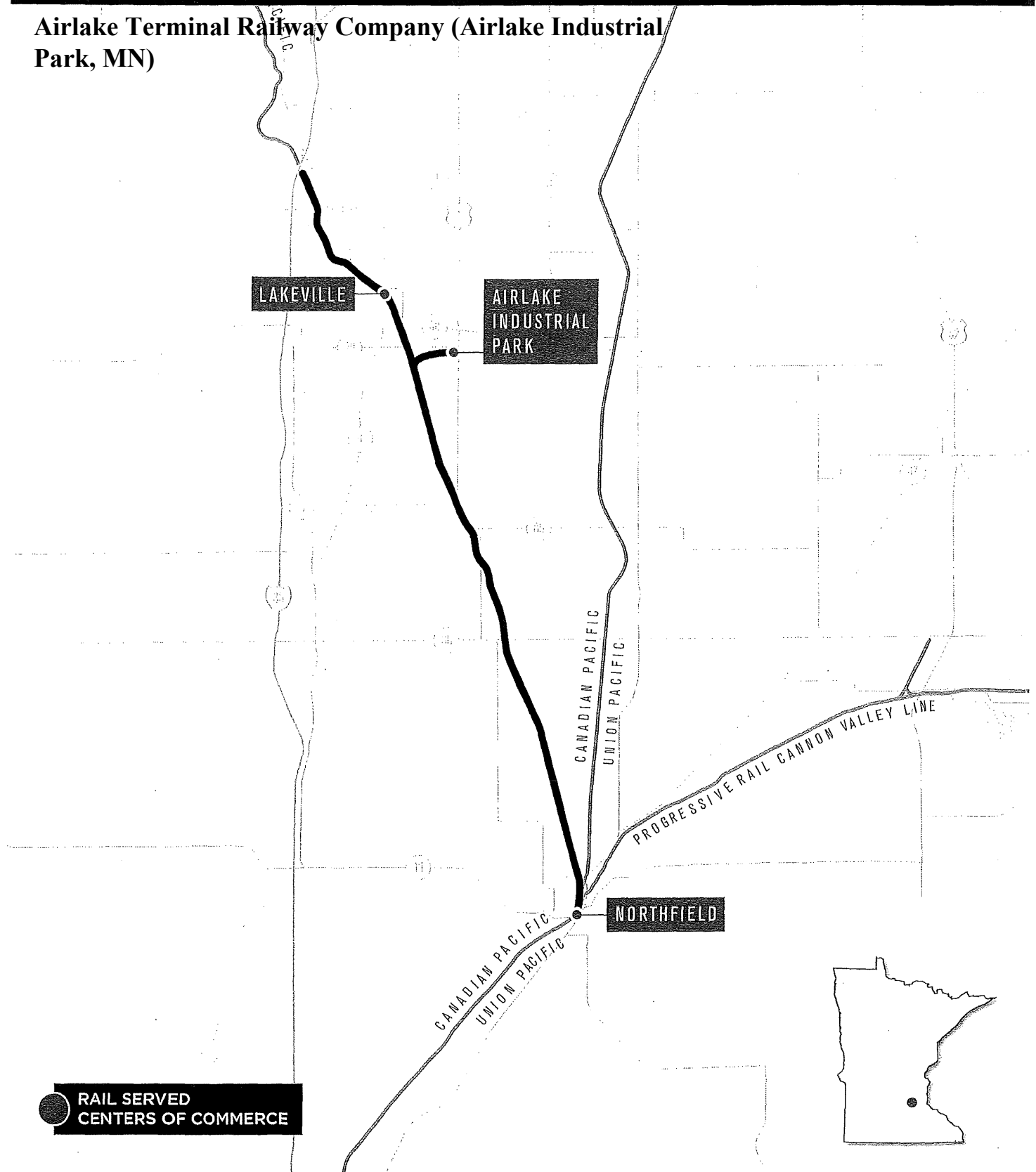








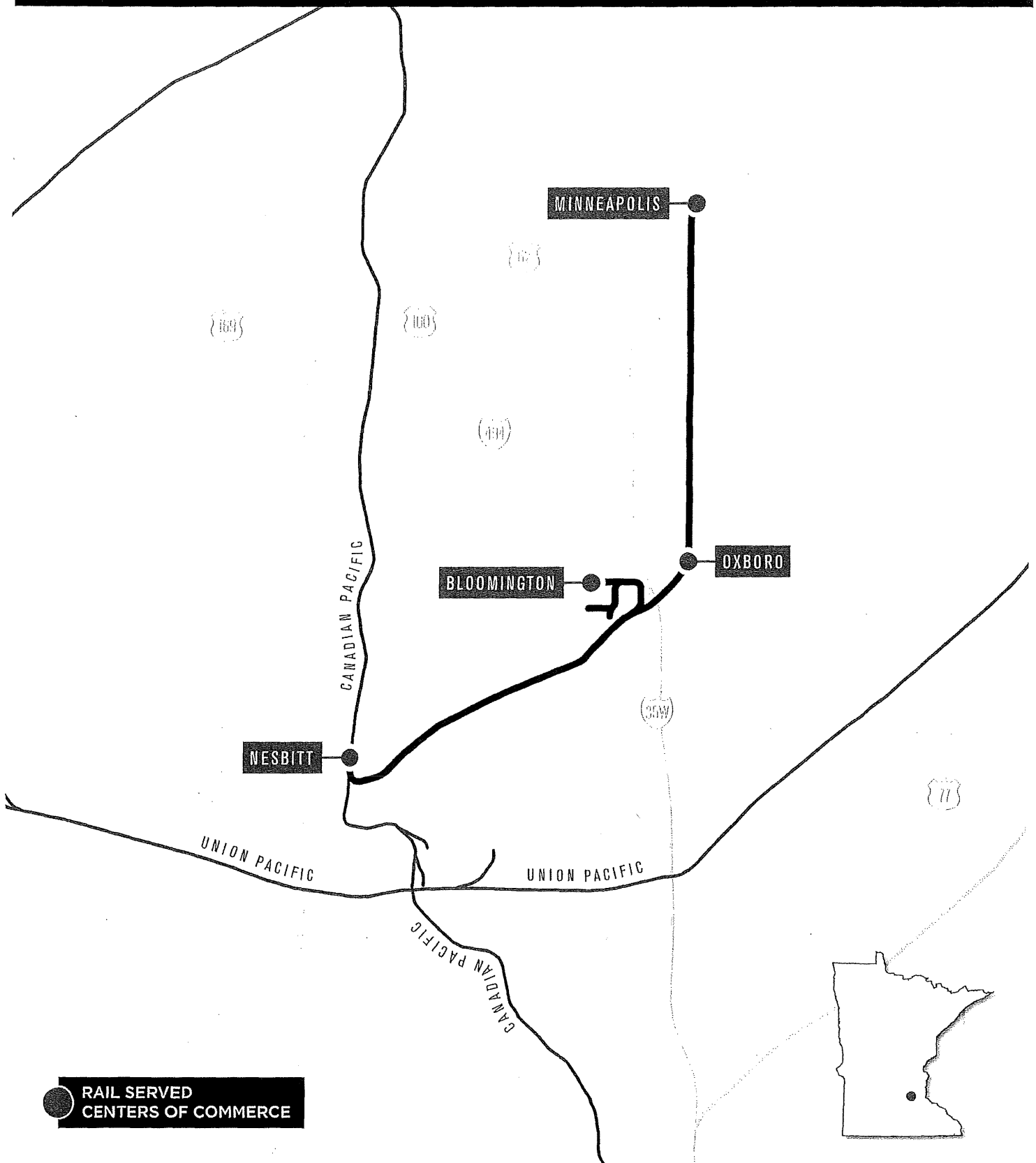
Airlake Terminal Railway Company (Airlake Industrial Park, MN)



PROGRESSIVE RAIL - JESSE JAMES LINE

Northfield, Minnesota to Lakeville, Minnesota

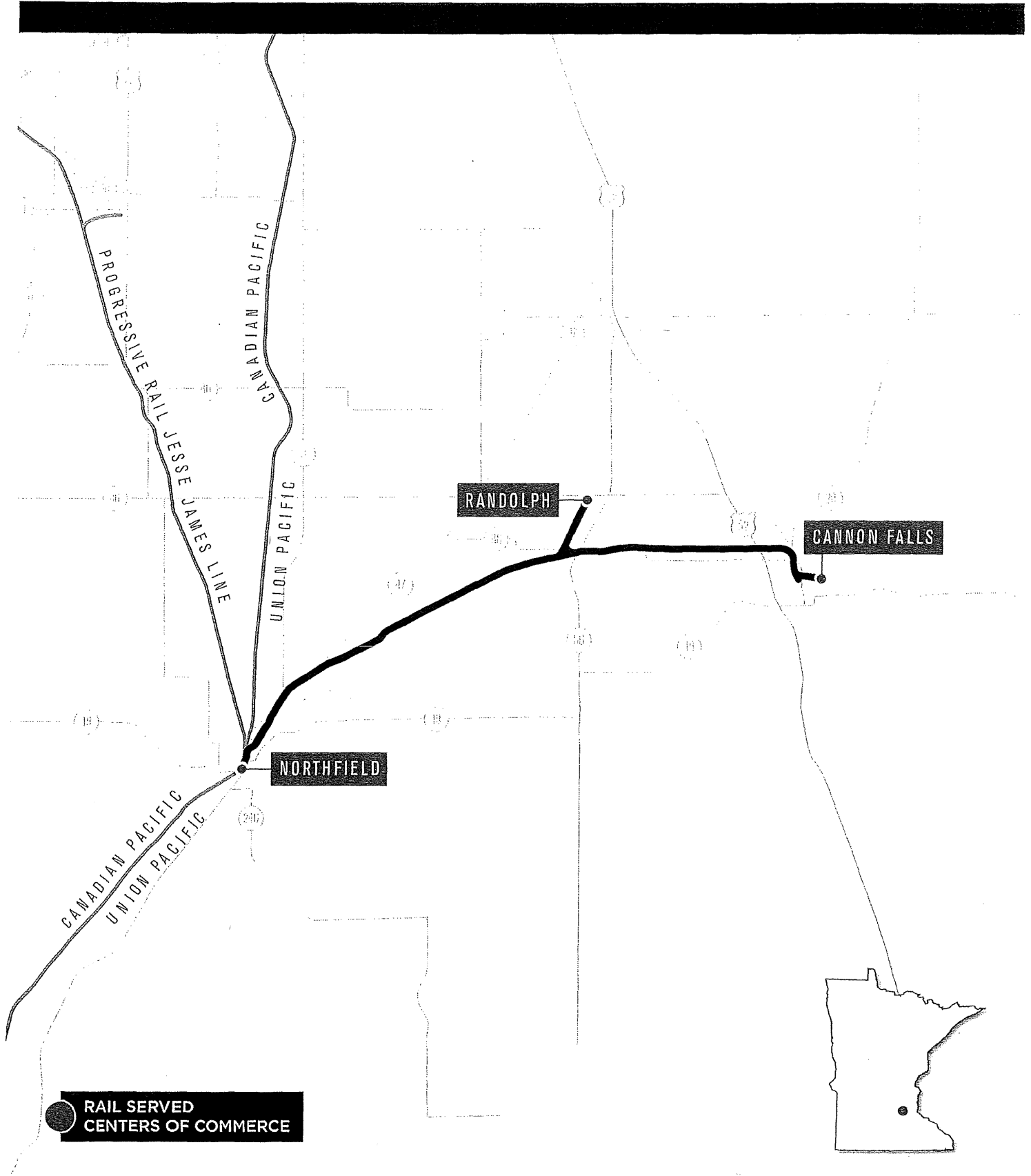




PROGRESSIVE RAIL - DAN PATCH LINE

Bloomington, Minnesota to Minneapolis, Minnesota

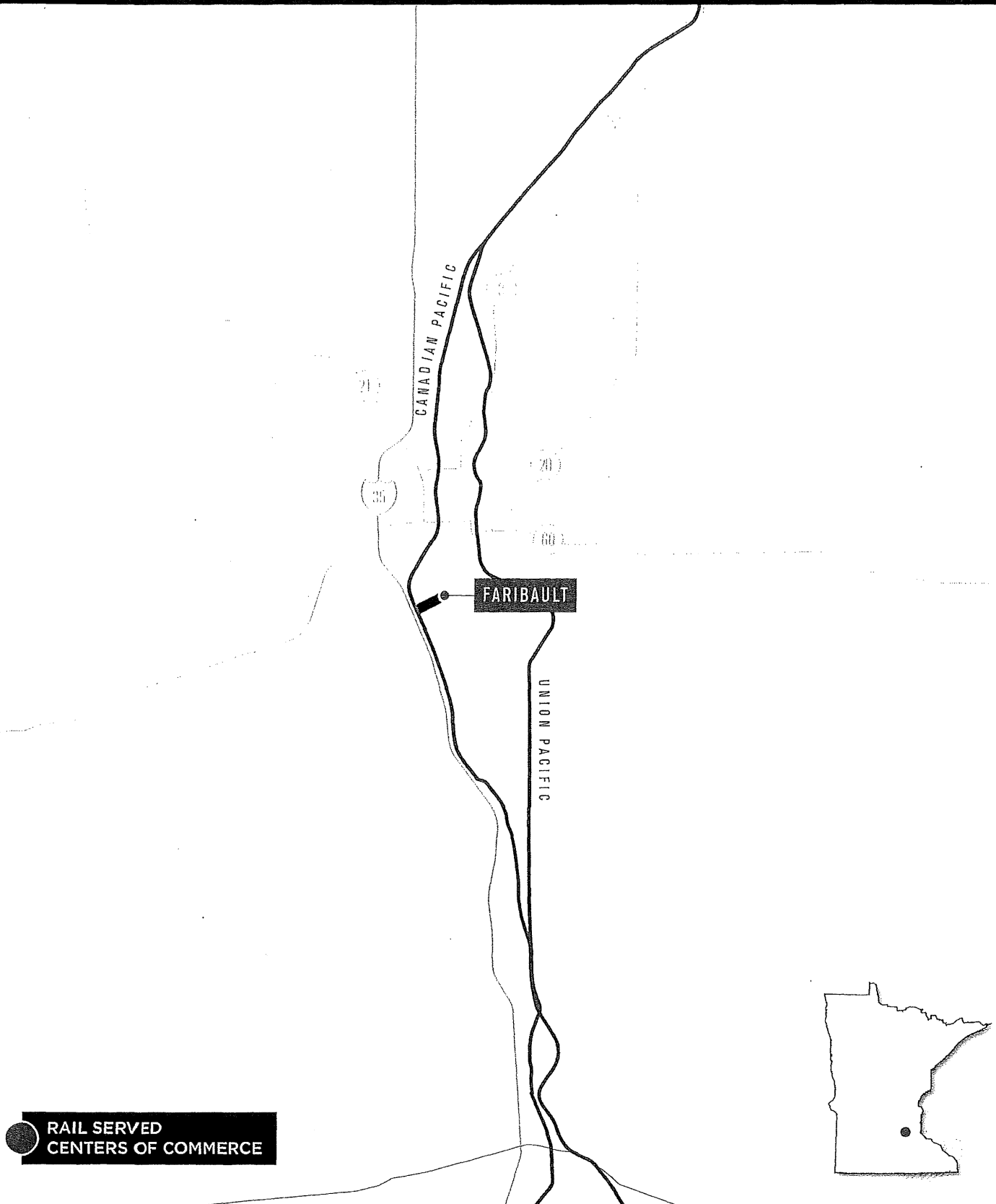




PROGRESSIVE RAIL - CANNON VALLEY LINE

Northfield, Minnesota to Cannon Falls, Minnesota

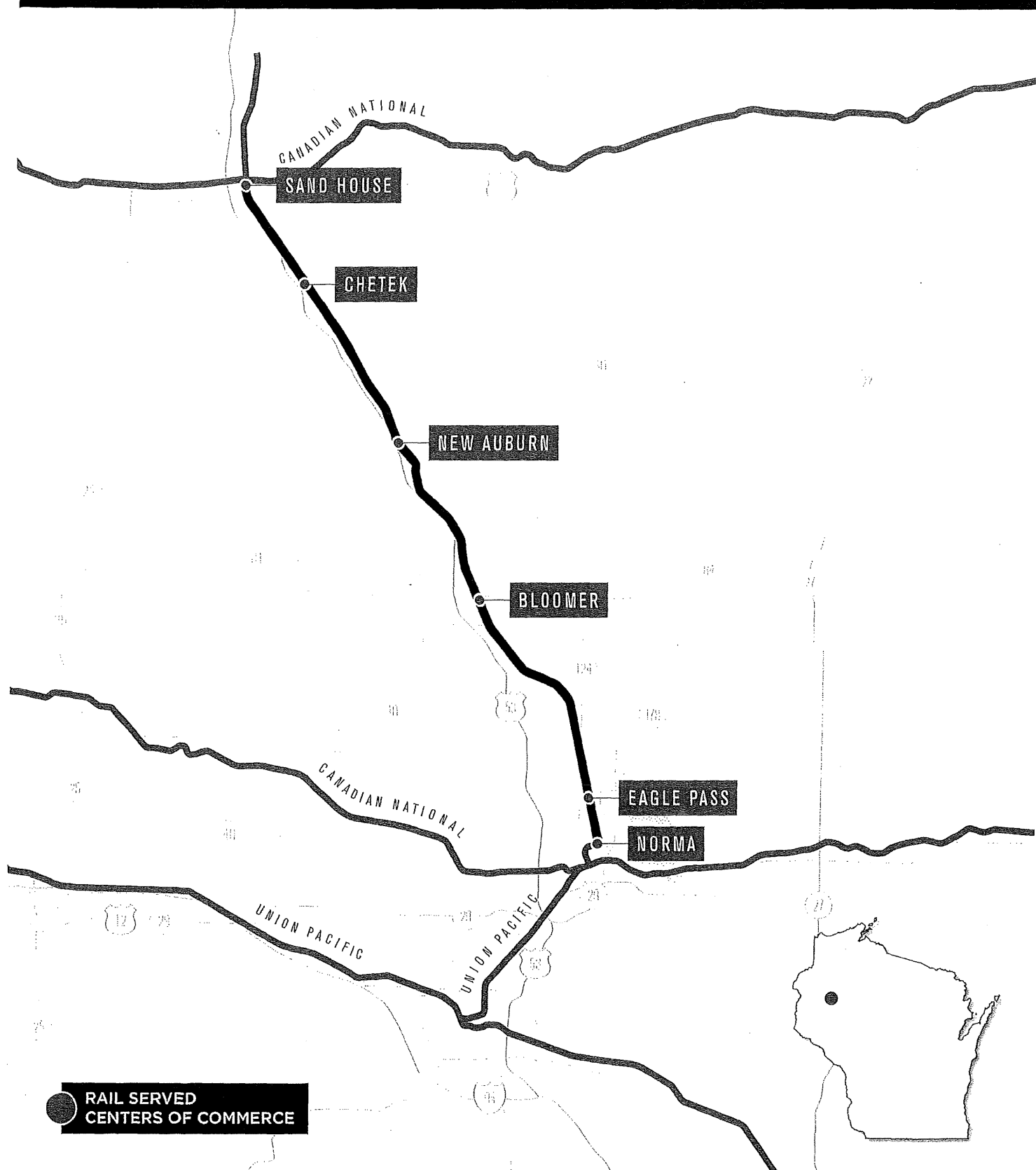




PROGRESSIVE RAIL - FARIBAULT LINE

Faribault, Minnesota

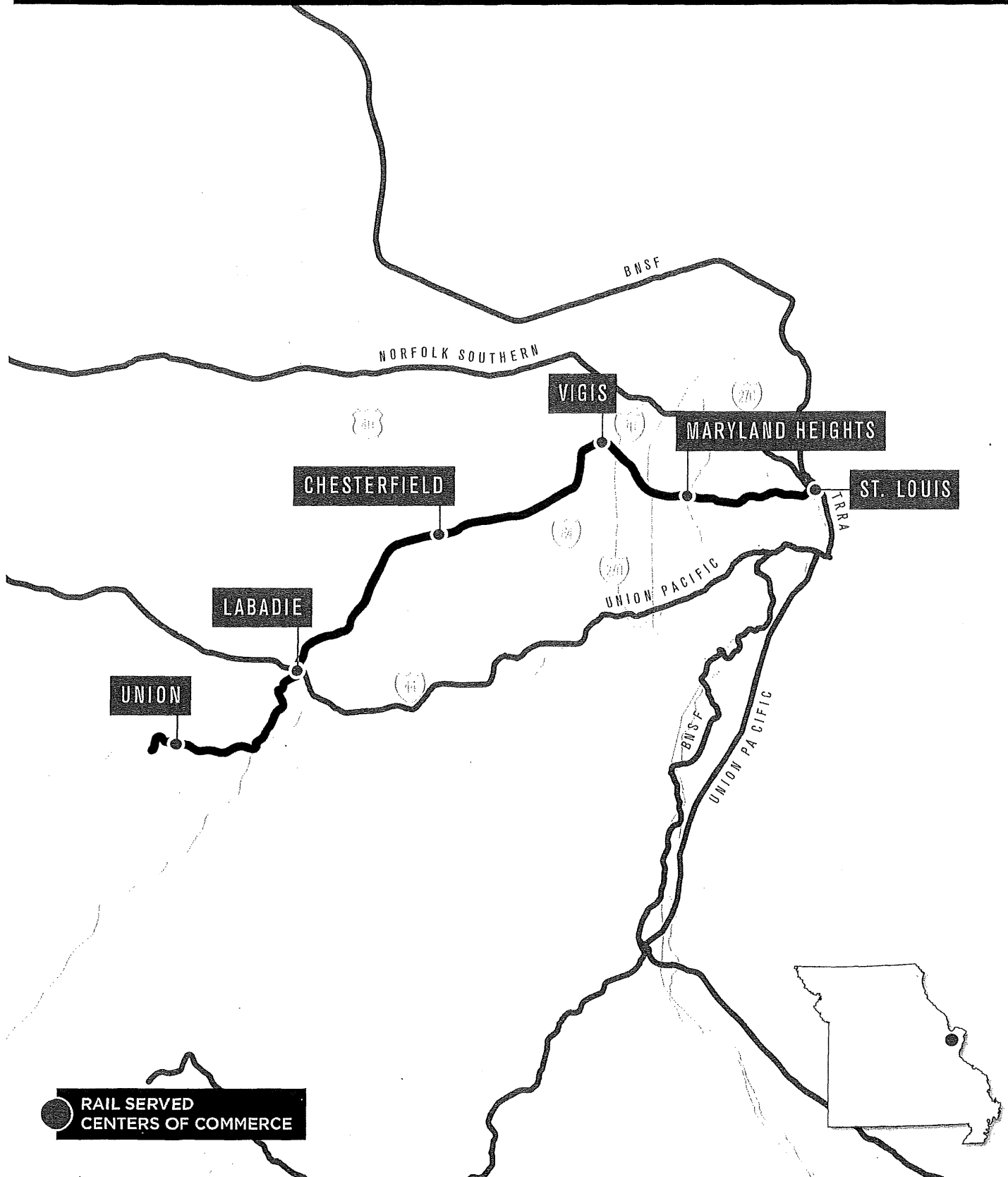




WISCONSIN NORTHERN RAILROAD

Norma, Wisconsin to Cameron, Wisconsin

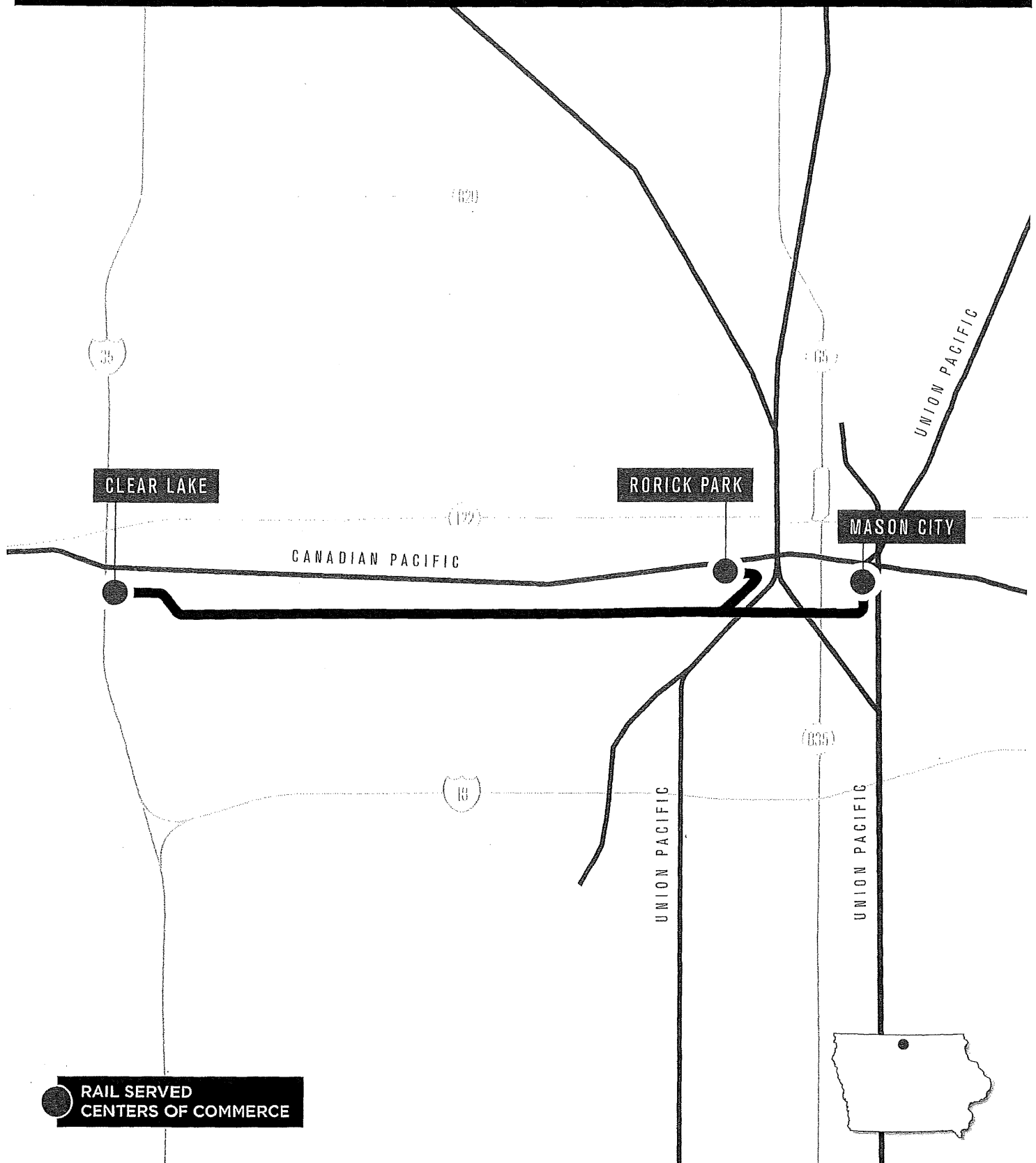




CENTRAL MIDLAND RAILWAY

Union, Missouri to St. Louis, Missouri





IOWA TRACTION RAILWAY COMPANY

Clear Lake, Iowa to Mason City, Iowa





PIEDMONT & NORTHERN RAILWAY

Gastonia, North Carolina to Mount Holly, North Carolina

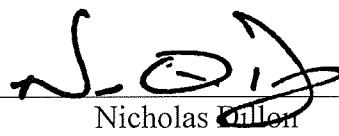
PROGRESSIVE RAIL
INCORPORATED

VERIFICATION

Nicholas Dillon hereby verifies under penalty of perjury as follows:

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

Dated: August 1, 2019



Nicholas Dillon