

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1112
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

SEP 5 2012

THOMAS F. MCFARLAND

September 4, 2012

By UPS overnight mail

232925

Ms. Cynthia L. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

Re: Finance Docket No. 35656, *Progressive Rail Incorporated -- Acquisition and Operation Exemption -- Rail Lines of Crab Orchard & Egyptian Railroad Company in Williamson County, IL*

Dear Ms. Brown:

Hereby transmitted is the original and 10 copies of a Verified Notice Of Exemption Under 49 C.F.R. § 1150.41 for filing with the Board in the above referenced matter.

Also enclosed is a check in the amount of \$1,800 for the filing fee.

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Applicant

FILED SEP 04 2012

ENTERED
Office of Proceedings

SEP 05 2012

Part of
Public Record

FEE RECEIVED

SEP 05 2012

SURFACE
TRANSPORTATION BOARD

FILED

SEP 5 2012

**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

PROGRESSIVE RAIL INCORPORATED)
-- ACQUISITION AND OPERATION)
EXEMPTION -- RAIL LINES OF CRAB) FINANCE DOCKET
ORCHARD & EGYPTIAN RAILROAD) NO. 35656
COMPANY IN WILLIAMSON COUNTY,)
IL)

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41**

PROGRESSIVE RAIL INCORPORATED
21778 Highview Avenue
Lakeville, MN 55044

Applicant

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204 (ph)
(312) 201-9695 (fax)
mcfarland@aol.com

Attorney for Applicant

DATE FILED: September 5, 2012

BEFORE THE
SURFACE TRANSPORTATION BOARD

PROGRESSIVE RAIL INCORPORATED	)	
-- ACQUISITION AND OPERATION	)	
EXEMPTION -- RAIL LINES OF CRAB	)	FINANCE DOCKET
ORCHARD & EGYPTIAN RAILROAD	)	NO. 35656
COMPANY IN WILLIAMSON COUNTY,	)	
IL	)	

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, *et. seq.*, and 49 U.S.C. § 10502(a), PROGRESSIVE RAIL INCORPORATED (PGR), a Class III rail carrier, hereby provides notice of its exemption from 49 U.S.C. § 10902 for its acquisition from Crab Orchard & Egyptian Railroad Company (COER) and operation of rail lines, i.e., (1) COER's Marion District between Milepost 99.47 at or near Ordill, and Milepost 108.00 at or near Marion, a distance of 8.53 miles, and (2) COER's Herrin District between Milepost Nos. 10.7 and 13.4 and north from the wye track between Milepost Nos. C94 and C93 at and near Herrin, a distance of 3.7 miles, for a total distance of 12.23 miles in Williamson County, IL. The rail lines to be acquired and operated constitute COER's entire rail lines. Those rail lines are shaded in yellow on a map that is attached to this Notice as Appendix 1.

INFORMATION REQUIRED BY 49 C.F.R. § 1150.43

In accordance with 49 C.F.R. § 1150.43, PGR submits the following in support of this Notice of Exemption.

(a) *The full name and address of the Class III rail carrier applicant;*

The full name and address of applicant is Progressive Rail Incorporated, 21778 Highview Road, Lakeville, MN 55044.

(b) The name, address, and telephone number of the representative of the applicant who should receive correspondence,

Applicant's representative to receive correspondence is Thomas F. McFarland, Thomas F. McFarland, P.C. 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, (312) 236-0204 (ph), (312) 201-9695 (fax), mcfarland@aol.com.

(c) A statement that an agreement has been reached or details about when an agreement will be reached:

An Agreement has been reached whereby PGR will purchase the rail lines from COER and operate them.

(d) The operator of the property;

PGR will operate the rail lines.

(e) A brief summary of the proposed transaction, including:

(1) The name and address of the railroad transferring the subject property to the Class III rail carrier applicant:

The transferor of the rail lines is:

Crab Orchard & Egyptian Railroad Company
514 North Market Street
Marion, IL 62959

(2) The proposed time schedule for consummation of the transaction:

The proposed acquisition and operation will be consummated no sooner than the 30th day after the filing of this Notice of Exemption.

(3) The mileposts of the subject property, including any branch lines:

The rail lines extend between Milepost 99.47 at or near Ordill and Milepost 108.00 at or near Marion and between Milepost Nos. 10.7 and 13.4 and north from the wye track between Milepost Nos. C94 and C93 at and near Herrin, Williamson County, Illinois.

(4) The total route miles being operated;

There are a total of 12.23 route miles that will be acquired and operated.

(f) A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and states;

The required map is attached as Appendix 1.

(g) A certificate that applicant's projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under § 1150.45.

PGR so certifies. See verification attached as Appendix 2.

(h) Transactions imposing interchange commitments. (1) If a proposed acquisition or operation of a rail line or change of operators involves a provision or agreement that may limit future interchange with a third-party connecting carrier, whether by outright prohibition, per-car penalty, adjustment in the purchase price or rental, positive economic inducement, or other means ("interchange commitment"), the following additional information must be provided.

(i) The existence of that provision or agreement and identification of the affected interchange points.

Not applicable. The transaction does not impose any interchange commitments.

(ii) A confidential, complete version of the document(s) containing or addressing that provision or agreement, which may be filed with the Board under 49 CFR 1104.14(a) and will be kept confidential without need for the filing of an accompanying motion for a protective order under 49 CFR 1104.14(b).

Not applicable.

VERIFICATION

See Appendix 2.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

The proposed transaction does not require environment or historic reporting or assessment. *See* 49 C.F.R. § 1105.6(c)(2)(i) and 49 C.F.R. § 1105.8(b)(1).

NOTICE UNDER 49 C.F.R. § 1150.42(e)

PGR hereby certifies that inasmuch as its annual revenues exceed \$5 million, it posted the notice required by 49 C.F.R. § 1150.42(e) at COER headquarters at Marion, IL at least 60 days before this Notice of Exemption becomes effective. (*See* Appendix 2).

LABOR PROTECTION

Pursuant to 49 U.S.C. § 10902(d), labor protection requirements do not apply to the proposed transaction.

CAPTION SUMMARY

The caption summary required by 49 C.F.R. § 1150.44 is attached hereto as Appendix 3.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, within 16 days of the filing of this notice, the Director of the Office of Proceedings should publish a notice in the Federal Register of the filing of this Notice. *See* 49 C.F.R. § 1150.42(b).

Respectfully submitted,

PROGRESSIVE RAIL INCORPORATED
21778 Highview Avenue
Lakeville, MN 55044

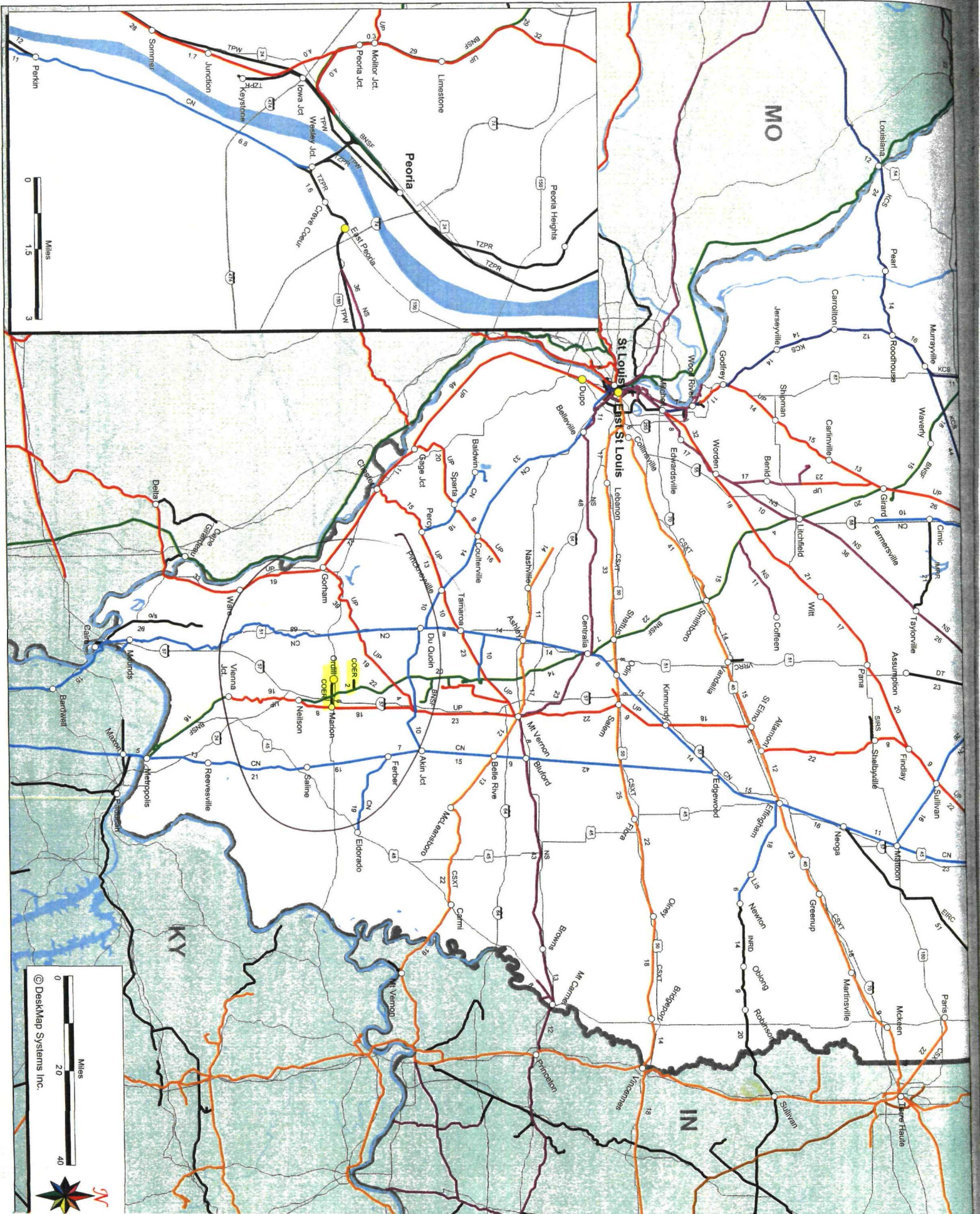
Applicant

Thomas F. McFarland

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204 (ph)
(312) 201-9695 (fax)
mcfarland@aol.com

Attorney for Applicant

DATE FILED: September 5, 2012

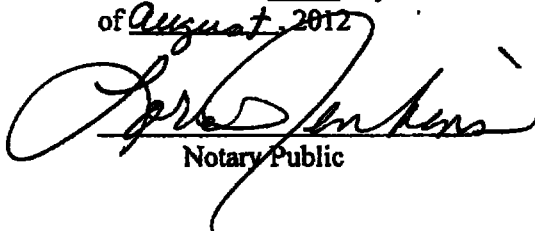


VERIFICATION

LON VAN GEMERT, being duly sworn, states that he is an authorized representative of Progressive Rail Incorporated (PGR); that he is familiar with the facts asserted in the foregoing Notice of Exemption; that all of those facts are true and correct; that the projected annual revenues of PGR as a result of the proposed transaction will not result in creation of a Class I or Class II rail carrier; and that inasmuch as the projected annual revenue of the rail lines to be acquired, together with PGR's projected annual revenue, exceed \$5 million, PGR posted the notice required by 49 C.F.R. § 1150.42(e) at the headquarters of COBR at Marion, IL at least 60 days before this Notice of Exemption is to become effective.


LON VAN GEMERT

SUBSCRIBED AND SWORN to
before me this 31 day
of August, 2012


Notary Public

My Commission Expires:



CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Finance Docket No. 35656

*Progressive Rail Incorporated --
Acquisition and Operation Exemption -- Rail Lines of Crab Orchard
& Egyptian Railroad Company in Williamson County, IL*

Progressive Rail Incorporated (PGR), a Class III rail carrier, has filed a notice of exemption for its acquisition from Crab Orchard & Egyptian Railroad Company (COER) and operation of rail lines, i.e., (1) COER's Marion District between Milepost 99.47 at or near Ordill, and Milepost 108.00 at or near Marion, a distance of 8.53 miles, and (2) COER's Herrin District between Milepost Nos. 10.7 and 13.4 and north from the wye track between Milepost Nos. C94 and C93 at and near Herrin, a distance of 3.7 miles, for a total distance of 12.23 miles in Williamson County, IL. The rail lines to be acquired and operated constitute COER's entire rail lines.

Comments must be filed with the Board and served on PGR's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, 312-236-0204 (ph), (312) 201-9695 (fax), mcfarland@aol.com.

The notice is filed under 49 C.F.R. § 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

By the Board