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THOMAS F. MCFARLAND

June 2, 2008

By e-filing

Anne K. Quinlan, Esq
Surface Transportation Board
395 E Street, S.W
Washington, DC 20423-0001

Re: Docket No. AB-850X, *St. Croix Valley Railroad Company – Abandonment and Discontinuance of Service Exemption -- between Hinckley and Mora, in Pine and Kanabec Counties, MN*

Dear Ms Quinlan:

Please refer to my letter to you in behalf of Kanabec County Regional Rail Authority (Kanabec County) in the above proceeding, dated April 23, 2007 (copy attached for ready reference).

Following discussion with Cecilia Cannizarro, Esq. of the Board, St. Croix Valley Railroad Company (SCXY) hereby advises the Board that it has not consummated abandonment of the portion of the involved rail line in Kanabec County, and that it is willing to negotiate with Kanabec County for railbanking and interim trail use of SCXY's easement in that rail line right-of-way.

This letter is intended to supercede the statement in Kanabec County's letter of April 23, 2007 that BNSF Railway Company (BNSF) has the right to negotiate for railbanking and interim trail use of the rail line right-of-way in Kanabec County. I have been advised by counsel for BNSF that BNSF acknowledges that SCXY is the appropriate party to conduct such negotiation

Very truly yours,

Tom McFarland

Thomas F. McFarland
*Attorney for St. Croix Valley
Railroad Company*

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Anne K. Quinlan, Esq.

June 2, 2008

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cc: Cecilia Cannizarro, Esq., *by first-class mail*
Karl Morell, Esq., *by e-mail to kmorell@bjllp.com*
Sidney Strickland, Esq., *by e-mail to sidney.strickland@stricklandpllc.com*
Mr. Alan B. Peterson, *by e-mail to alan.peterson@co.kanabec.mn.us*
Ms. Susan Odom, *by e-mail to susan.odom@bnsf.com*
Mr. George LaPray, *by e-mail to mnn@rrv.net*

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THOMAS F. MCFARLAND

April 23, 2007

By e-filing

FILING FEE WAIVED

Vernon A. Williams, Secretary
Surface Transportation Board
395 E Street, S.W.
Suite 1149
Washington, DC 20024

Re: Docket No. AB-850X, *St. Croix Valley Railroad Company -- Abandonment and Discontinuance of Service Exemption -- between Hinckley and Mora, in Pine and Kanabec Counties, MN*

Dear Mr. Williams:

This is a request in behalf of Kanabec County Regional Rail Authority (the Rail Authority), 18 North Vine Street, Suite 181, Mora, MN 55051-1351, for issuance of a Notice of Interim Trail Use for the segment of the right-of-way in the above proceeding that is in Kanabec County, Minnesota, i.e., between Milepost 55.8 at the border of Kanabec County and Pine County, and Milepost 47.0 at Mora, Minnesota,¹ a distance of approximately 8.8 miles.

A Notice of Interim Trail Use was issued for the segment of the right-of-way in adjacent Pine County, Minnesota (between Milepost No. 58.3 at Mora Junction [Brook Park] and Milepost No. 55.8 at the border of Pine and Kanabec Counties, Minnesota, by Board decision, served August 6, 2003.

The Rail Authority has been advised that St. Croix Valley Railroad Company (SCXY) has not consummated the abandonment authority that was issued in this proceeding. As owner of the land in the right-of-way, and as a result of an agreement with SCXY,² BNSF Railway Company (BNSF) has the right to negotiate for railbanking and interim recreational trail use of

¹ See the Board's decision in this proceeding served March 30, 2007 for the corrected milepost number at Mora, MN.

² SCXY's easement to operate over BNSF land and trackage in Kanabec County, Minnesota has terminated.

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Vernon A. Williams

April 23, 2007

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the involved right-of-way. The Rail Authority understands that BNSF is willing to negotiate with the Rail Authority for railbanking and interim trail use of the involved right-of-way land.

Attached hereto is a Statement of Willingness to Assume Financial Responsibility in behalf of the Rail Authority.

Inasmuch as the Rail Authority is a unit of Kanabec County government, this filing is not subject to a filing fee.

Very truly yours,



Thomas F. McFarland
Attorney for Kanabec County (MN)
Regional Rail Authority

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cc: Sidney Strickland, Esq., by e-mail to sidney.strickland@stricklandpllc.com
Mr. Alan B. Peterson, by e-mail to alan.peterson@co.kanabec.mn.us
Ms. Susan Odom, by e-mail to susan.odom@bnsf.com
Mr. George LaPray, by e-mail to mn@rrv.net

STATEMENT OF WILLINGNESS TO ASSUME FINANCIAL RESPONSIBILITY

In order to establish interim trail use and rail banking under 16 U.S.C. 1247(d) and 49 C.F.R. 1152.29, Kanabec County Regional Rail Authority (the Rail Authority) is willing to assume full responsibility for management of, for any legal liability arising out of the transfer or use of (unless the user is immune from liability, in which case it need only indemnify the railroad against any potential liability), and for the payment of any and all taxes that may be levied or assessed against the right-of-way owned by BNSF Railway Company (BNSF) and operated by St. Croix Valley Railroad Company (SCXY). The property, known as portion of the Mora Line in Kanabec County, Minnesota, extends from milepost 55.8 at the border of Kanabec and Pine Counties, Minnesota, to milepost 47.0, near Mora, Minnesota, a distance of 8.8 miles in Kanabec County, Minnesota. The right-of-way is part of a line of railroad proposed for abandonment in Docket No. STB AB-850X.

A map of the property depicting the right-of-way is attached. The Rail Authority acknowledges that use of the right-of-way is subject to the user's continuing to meet its responsibilities described above and subject to possible future reconstruction and reactivation of the right-of-way for rail service. A copy of this statement is being served on the railroad on the same date it is being served on the Board.

