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October 2, 2009

By UPS overnight mail
(Monday delivery)

Anne K. Quinlan, Esq.
Acting Secretary
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, DC 20024

Re: Docket No. AB-497 (Sub. No. 5X), *Minnesota Northern Railroad, Inc. --
Abandonment Exemption -- in Roseau County, MN*

Dear Ms. Quinlan:

Enclosed please find an original and 10 copies of Petition for Exemption, for filing with the Board in the above referenced matter.

Also enclosed is a check in the amount of \$6,400 for the filing fee.

ENTERED
Office of Proceedings

OCT 05 2009

Part of
Public Record

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Applicant

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FILED

OCT 05 2009

**SURFACE
TRANSPORTATION BOARD**



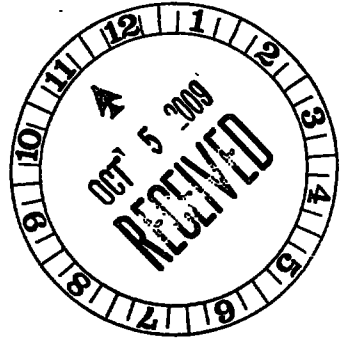
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OCT 05 2009

**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

MINNESOTA NORTHERN RAILROAD,)
INC. -- ABANDONMENT EXEMPTION --) DOCKET NO. AB-497
IN ROSEAU COUNTY, MN) (SUB-NO. 5X)
)



PETITION FOR EXEMPTION

MINNESOTA NORTHERN RAILROAD, INC.
P.O. Box 705
Crookston, MN 56716

Petitioner

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
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(312) 236-0204

Attorney for Petitioner

DATE FILED: October 5, 2009

BEFORE THE
SURFACE TRANSPORTATION BOARD

MINNESOTA NORTHERN RAILROAD,	)	
INC. -- ABANDONMENT EXEMPTION --	)	DOCKET NO. AB-497
IN ROSEAU COUNTY, MN	)	(SUB-NO. 5X)
	)	



PETITION FOR EXEMPTION

Pursuant to 49 U.S.C. § 10502(a) and 49 C.F.R. § 1121.1, *et seq.*, MINNESOTA NORTHERN RAILROAD, INC. (MNN) hereby petitions for an exemption from the requirements of 49 U.S.C. § 10903 for abandonment of a portion of its Warroad Subdivision between Milepost 83.6, which is located approximately 300 feet west of Roseau County Road 124 (11th Ave, SE) in Roseau, and Milepost 103.635, which is the end of the line at Warroad, a distance of 20.035 miles in Roseau County, MN (“the Rail Line”).

SAVING OF \$1.3 MILLION IN PUBLIC FUNDS AS A RESULT OF ABANDONMENT

As will be shown in this Petition, abandonment of the Rail Line is consistent with the public interest when tested by traditional criteria, but an added public benefit from abandonment would be a saving of \$1.3 million in public funds from not being required to construct a replacement railroad bridge.

The U.S. Army Corps of Engineers (the Corps) is proposing to construct a “flood control diversion channel” to reroute the Roseau River on the east side of Roseau, MN. The diversion channel would cross MNN’s tracks at approximately Milepost No. 83.86. In conjunction with that flood control project, the Corps proposed to construct a replacement bridge to carry MNN’s

tracks across the diversion channel. The cost to the United States Government for construction of that bridge would be approximately \$1.3 million. The proposed abandonment includes the location of that proposed replacement bridge, thereby negating a need to construct that bridge if the abandonment were to be approved. As a result, the United States Government would save \$1.3 million if the abandonment were to be authorized. That is a significant factor militating in favor of authorization of abandonment. *Purcell v. United States*, 315 U.S. 381, 385 (1942) (“(A)n uneconomic outlay of funds would not be in the interests of transportation even though the money be derived from the national government”).

THE SUBJECT RAIL LINE

MNN’s Warroad Subdivision extends approximately 81 miles from St. Hilaire, MN to its terminus at Warroad, MN. MNN is seeking to abandon approximately 20 miles of that Subdivision at its northeast end. The Rail Line is illustrated on a map attached to this Petition as Appendix 1.

In 1997, when MNN acquired the Warroad Subdivision, MNN was owned by Rail America Transportation Corp. In August, 2000, MNN was acquired by KBN, Inc. *See* Finance Docket No. 33911, *KBN, Inc. -- Control Exemption -- Minnesota Northern Railroad, Inc. and St. Croix Valley Railroad Company*, notice of exemption served Aug. 31, 2000 (not printed). KBN, Inc. continues to own and operate MNN.

REASONS FOR ABANDONMENT

An exemption is sought for abandonment of the Rail Line because (1) operation of the line is unprofitable; (2) there is no reasonable prospect for profitable operations; (3) the line

requires substantial track rehabilitation, the cost of which cannot be amortized from rail line profits; and (4) shippers on the line have feasible transportation alternatives.

1. Unprofitability

Despite MNN's best efforts to increase rail traffic over the Rail Line, traffic has declined in the past several years. Set forth below is the rail Line's rail traffic history by shipper during the past four years:

Shipper *	Carloads				
	2005	2006	2007	2008	Base Year ended 7-31-09
Strata Corp. ^{1/}	493	126	140	46	96
Marvin Windows ^{2/}	5	4	1	3	1
TOTAL	498	130	141	49	97

* All shippers are located at Warroad.

^{1/} Strata Corp. ships crushed stone outbound.

^{2/} Marvin Windows ships cullet outbound.

MNN expects forecast year traffic to amount to 97 carloads, the same total and consist as in the base year.

Set forth below is a listing of revenues derived by MNN from traffic on the Rail Line in recent years:

MNN Revenues from Traffic to or from the Rail Line	
<u>YEAR</u>	<u>REVENUES</u>
2005	\$233,060
2006	66,554
2007	68,863
2008	28,769
Base Year	58,672

MNN expects to derive \$60,432 in revenues for the forecast year, which corresponds to base year revenues increased by 3 percent to account for a potential rate increase.

That forecast year revenue would fall far short of enabling MNN to operate the Rail Line at a profit. The cost for MNN to maintain the track and bridges on the Rail Line alone would amount to approximately \$121,210 in the forecast year, based on an average maintenance cost of \$6,000 per mile that the Board has recognized as a reasonable estimate of such cost in other abandonment cases. (\$6,000 per mile x 20.035 miles = \$121,210). *See, e.g., Conrail - Aban. - bet. Warsaw & Valp. Counties, IN*, 9 I.C.C.2d 1299, 1304 (1993). In addition, MNN would incur approximately \$34,944 in operating costs for the train crew in the forecast year, based on 52 train trips to Warroad with 2 employees and 8 hours per trip (832 man-hours x \$42 per hour = \$34,944).

There are other costs which would add to MNN's operating loss, such as freight car-hire costs, locomotive and fuel costs, and property taxes. However, on the basis of costs for maintenance of way and the train crew alone, continued operation of the Rail Line would result

in an operating loss of over \$95,722 in the forecast year. ($\$121,210 + \$34,944 - \$60,432 = \$95,722$ forecast year operating loss).

There would be a serious adverse effect on MNN, and on its ability to provide quality rail service to its shippers on other rail lines, if MNN were to be required to incur that operating loss on a continuing basis. Consistently with Constitutional requirements, a rail carrier cannot be required to operate a rail line indefinitely at a loss. *Brooks-Scanlon v. Railroad Com. of Louisiana*, 251 U.C. 396, 399 (1920).

2. Rehabilitation

An expenditure of \$670,990 is required to rehabilitate the Rail Line to comply with FRA Class 1 safety standards, composed of the following:

Replace defective joint ties and clusters of failed ties, 160 ties per mile = 3,206 crossties installed at \$100 per tie	\$320,600
Line and surface 4 miles of track	162,240
Replace defective rail & fasteners	87,300
Repair public grade crossings	100,800
TOTAL	\$670,990

The substantial rehabilitation cost of more than \$670,990 could not be amortized from rail line operating profit, which, as shown, is nonexistent. The huge unrecoverable rehabilitation cost would add to the undue burden on MNN and interstate commerce from a requirement of continued operation of the Rail Line.

3. Opportunity Cost

In addition to the foregoing elements of burden, MNN would incur a significant opportunity cost from a requirement of continued operation of the Rail Line. The track materials

in the rail line have an estimated value of \$151,700. MNN has not yet valued the land in the right-of-way. Based solely on the value of track materials, the opportunity cost of continued operation is estimated to be more than \$18,000 per year.

4. Transportation Alternatives

The adverse effect on local interests from abandonment would not be major because shippers on the line have feasible transportation alternatives. That is evident from the substantial decline in rail traffic in recent years.

The highway serving the area - Minnesota 11 - is an arterial highway in good condition. Highway 11 parallels the Rail Line only 100 to 1,200 feet away from the Line. Shippers at Warroad would have Canadian National Railway service available inasmuch as CN serves Warroad.

The foregoing is not to say that Strata Corp. and Marvin Windows would not experience an increase in freight charges upon abandonment as a result of use of truck transportation. However, such increased charges would not be extensive based on their recent infrequent use of the Rail Line, and the harm from that modest added expense would be outweighed decidedly by the serious harm to MNN and interstate commerce from operating losses and unrecoverable track rehabilitation costs. *Conrail - Aban. - bet. Warsaw & Valp. Counties, IN, supra*, 9 I.C.C.2d at 1317.

AN EXEMPTION IS WARRANTED

Abandonment of a rail line requires Board approval under 49 U.S.C. § 10903. However, on petition, the Board is to exempt a proposed abandonment from the requirement of such approval if the Board finds under 49 U.S.C. § 10502(a) that application of 49 U.S.C. § 10903 to

the proposed abandonment and discontinuance is not required to carry out the rail transportation policy of 49 U.S.C. § 10101, and either that the proposed abandonment and discontinuance are of limited scope, or that application of 49 U.S.C. § 10903 to the proposed abandonment and discontinuance is not necessary to protect shippers from abuse of market power.

In regard to the first standard of 49 U.S.C. § 10502(a), the need for regulation is to be tested against the provision(s) of the rail transportation policy that is (are) implicated by the statute from which an exemption is sought. As to abandonment and discontinuance under 49 U.S.C. § 10903, the rail policy most directly implicated is 49 U.S.C. § 10101(4) in favor of continuation of a sound rail transportation system to meet the needs of the public and the national defense. The issue is whether a conventional abandonment application is required to determine whether the abandonment and discontinuance should be approved or whether it is so apparent that continued operation of the line is not required for an adequate rail transportation system that abandonment and discontinuance can be authorized by exemption without the need for such an application.

There is an established body of case law in resolution of that issue. An exemption for abandonment is to be denied where affected shippers contest abandonment and it is not shown that the revenues from their traffic are clearly marginal compared to the cost of operating the involved rail line. *Gauley River Railroad, LLC -- Aband. & Discon. of Serv. Exempt. -- in Webster and Nicholas Counties, WV*, 1999 STB LEXIS 345 at *14 (STB Docket No. AB-559 [Sub-No. 1X], decision served June 16, 1999 at 5); *Central Railroad Co. of Indiana -- Aband. Exempt. -- in Dearborn, Decatur, Franklin, Ripley and Shelby Counties, IN*, 1998 STB LEXIS 121 at * 10 (STB Docket No. AB-459 [Sub-No. 2X], decision served May 4, 1998 at 9-10).

However, an exemption is appropriate where it is apparent that the rail carrier would operate at a substantial loss, regardless of whether shippers oppose the exemption. *Minnesota Northern Railroad, Inc. -- Aband. Exempt. -- between Redland Jct. and Fertile, in Polk County, MN*, 1997 STB LEXIS 294 at * 25 (STB Docket No. AB-497 [Sub-No. 2X], decision served Nov. 14, 1997 at 11-12).

It is evident that the case at hand fits into the latter category. Continued operation of the line would result in a loss of at least \$95,722 per year. In addition, continued operation would require an expenditure of \$670,990 for track rehabilitation to meet FRA Class I safety standards. It is thus apparent that the revenue from the traffic of shippers on the line is marginal compared to the cost of operating the line. In that circumstance, compliance with the application process of 49 U.S.C. § 10903 is not necessary to carry out the policy of 49 U.S.C. § 10101(4) in favor of a sound rail transportation system to meet the needs of the public and the national defense. Issuance of an exemption would also further the rail policies of 49 U.S.C. § 10101(3) in favor of promoting safe and efficient rail transportation; § 10101(5) in favor of fostering sound economic conditions in transportation; § 10101(7) in favor of reducing regulatory barriers to exit; and § 10101(9) in favor of encouraging efficient rail management.

Because shippers on the line appear to have adequate transportation alternatives that they are already using, application of 49 U.S.C. § 10903 to the proposed abandonment and discontinuance is not necessary to protect shippers from an abuse of market power. *Minnesota Northern Railroad, Inc. -- Aband. Exempt. -- between Redland Jct. and Fertile, in Polk County, MN, supra*, 1997 STB LEXIS 294 at *24. In light of that finding of no abuse of market power, the Board need not determine whether the proposed transaction is of limited scope. However, the

proposed 20-mile abandonment is limited in scope. The shippers on the Rail Line have been notified of the proposed abandonment.

Inasmuch as the evidence warrants the findings required by 49 U.S.C. § 10502(a), the Board should grant the proposed exemption.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

A draft Environmental and Historic Report is attached to this Petition as Appendix 2. The Report forms the basis for a finding that the proposed abandonment would not have a significant adverse effect on the quality of the human environment nor on the preservation of historic resources.

EMPLOYEE PROTECTION

The Board should impose the employee protective conditions in *Oregon Short Line R. Co. - Abandonment - Goshen*, 360 I.C.C. 91 (1979), as a condition to approval of the proposed abandonment.

FEDERALLY-GRANTED RIGHT-OF-WAY

MNN does not have information in its possession to show that the Rail Line contains federally-granted right-of-way.

DRAFT FEDERAL REGISTER NOTICE

The draft Federal Register notice is attached to this Petition as Appendix 3.

NEWSPAPER NOTICE

Copies of notices published in newspapers of general circulation in Norman and Polk Counties, Minnesota are attached as Appendix 4.

VERIFICATION

The declaration of Mr. George LaPray, General Manager of MNN, is attached as Appendix 5 in verification of the factual assertions contained in this Petition.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, the Board should grant an exemption for abandonment of a portion of MNN's Warroad Subdivision between Milepost 83.6, which is located approximately 300 feet west of Roseau County Road 124 (11th Ave, SE) in Roseau, and Milepost 103.635, which is the end of the line at Warroad, a distance of 20.035 miles in Roseau County, MN.

Respectfully submitted,

MINNESOTA NORTHERN RAILROAD, INC.
P.O. Box 705
Crookston, MN 56716

Petitioner



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(312) 236-0204

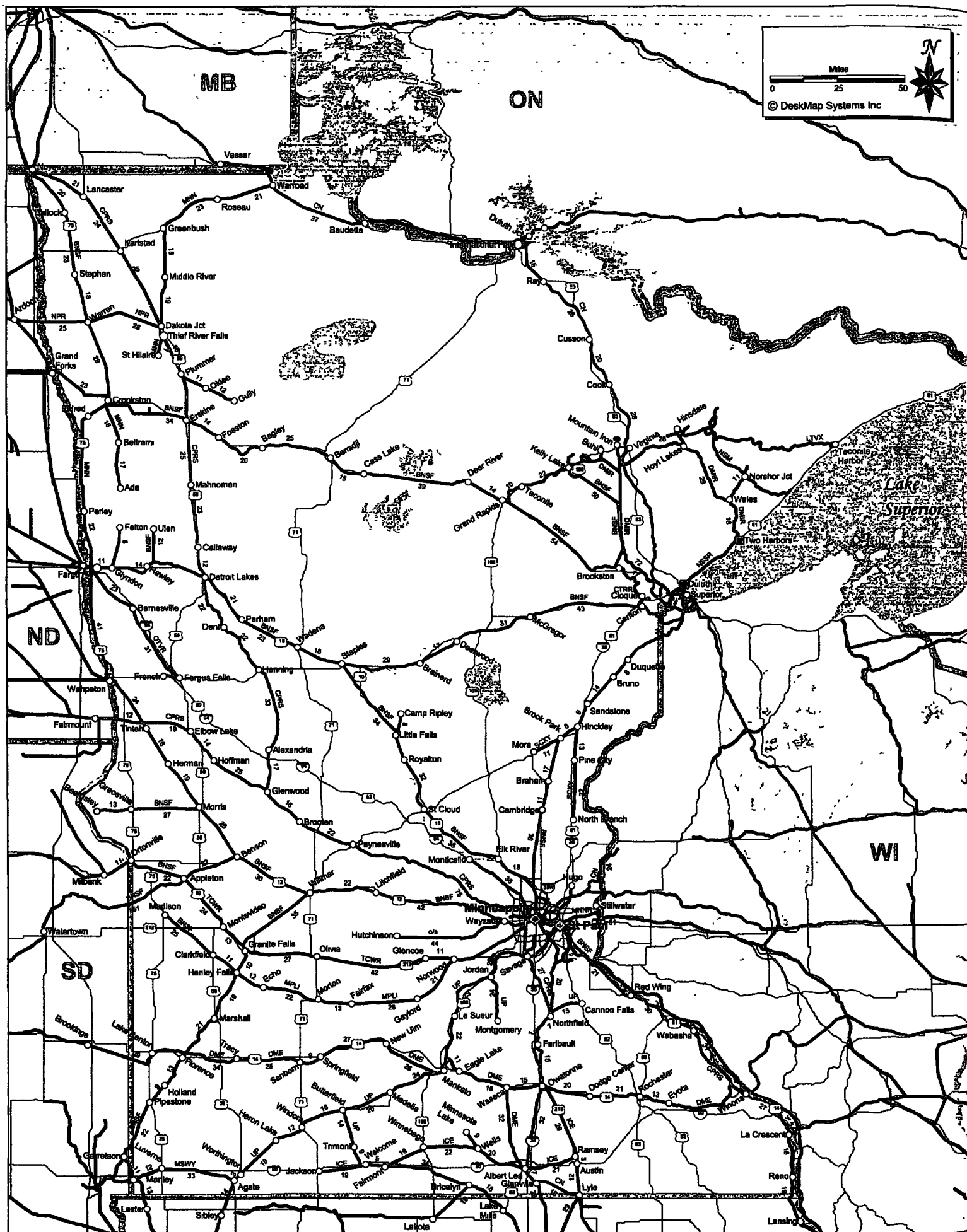
Attorney for Petitioner

DATE FILED: October 5, 2009

PETITION FOR EXEMPTION

APPENDIX 1

MINNESOTA



PETITION FOR EXEMPTION

APPENDIX 2

LAW OFFICE
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THOMAS F. MCFARLAND

September 11, 2009

Minnesota State Clearinghouse:

c/o Minnesota Department of Administration
200 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155

Minnesota Historical Preservation Office:

Minnesota Historical Society
345 Kellogg Blvd. West
St. Paul, MN 55102-1906

**Environmental Protection Agency
(regional office):**

U.S. Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3590

City Planner:

c/o Warroad City Clerk
121 Main Avenue, NE
Warroad, MN 56763

U.S. Army Corps of Engineers

U.S. Army Corps of Engineers
St. Paul District (CEMVP-PA)
190 Fifth Street East
St. Paul, MN 55101-1638

Minnesota Department of Transportation:

Minnesota Department of Transportation
Transportation Building
395 John Ireland Blvd.
St. Paul, MN 55155

State Coastal Zone Management

Minnesota Department of Natural Resources
Division of Waters
1568 Highway 2
Two Harbors, MN 55616

Natural Resources Conservation Service:

Natural Resources Conservation Service
USDA
375 Jackson Street, Room 600
St. Paul, MN 55101-1854

Minnesota Pollution Control Agency:

Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155-4194

U.S. Fish & Wildlife Service:

U.S. Fish & Wildlife Service - Region 3
One Federal Drive
BHW Federal Building
Fort Snelling
Twin Cities, MN 55111

City Planner:

c/o Roseau City Clerk
100 Center Street E, Suite 202
Roseau, MN 56751

National Oceanic & Atmospheric Admin.:

NGS Information Services, NOAA, N/NGS12
National Geodetic Survey SSMC-3, #9202
1315 East-West Highway
Silver Spring, MD 20910-3282

National Park Service:

Nick Chevance, Environmental Coordinator
Planning and Compliance Office
National Park Service - Midwest Region
601 Riverfront Drive
Omaha, NE 68102-4226

County Commissioners:

Roseau County Commissioners
606 Fifth Avenue, SW
Roseau, MN 56751

Re: STB Docket No. AB-497 (Sub-No. 5X), *Minnesota Northern Railroad, Inc. --
Abandonment Exemption -- in Roseau County, MN*

September 11, 2009

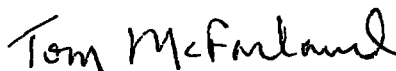
Page 2

Dear Agency or Governmental Representative:

Hereby served on you is a copy of a Draft Environmental and Historic Report that has been prepared by Minnesota Northern Railroad, Inc. in the captioned proceeding. You are invited to comment on subject matter in the Report that is within your jurisdiction.

My letter to you of August 26, 2009 incorrectly listed the point at which the track to be abandoned ends in Warroad, MN as Milepost No. 101.61. The correct milepost number is 103.635. The geographic reference to the end of track at Warroad, MN remains the same.

Very truly yours,



Thomas F. McFarland
*Attorney for Minnesota Northern
Railroad, Inc.*

TMcf·kl enc wp8 0\1320\ltrdehr1

cc: Ms. Victoria Rutson, *by mail*
Mr. George LaPray, *by e-mail to mnn@rrv.net*

BEFORE THE
SURFACE TRANSPORTATION BOARD

MINNESOTA NORTHERN RAILROAD,) DOCKET NO. AB-497
INC. -- ABANDONMENT EXEMPTION) (SUB-NO. 5X)
-- IN ROSEAU COUNTY, MN)

DRAFT ENVIRONMENTAL AND HISTORIC REPORT

MINNESOTA NORTHERN RAILROAD, INC.
P.O. Box 705
Crookston, MN 56716

Petitioner

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Attorney for Petitioner

Date Submitted: September 11, 2009

BEFORE THE
SURFACE TRANSPORTATION BOARD

MINNESOTA NORTHERN RAILROAD,	)	DOCKET NO. AB-497
INC. -- ABANDONMENT EXEMPTION	)	(SUB-NO. 5X)
-- IN ROSEAU COUNTY, MN	)	

DRAFT ENVIRONMENTAL AND HISTORIC REPORT

Pursuant to 49 C.F.R. § 1105.7 and 1105.8, MINNESOTA NORTHERN RAILROAD, INC. (MNN) hereby submits this Draft Environmental and Historic Report.

I. Environmental Report

MNN hereby submits the following information required by 49 C.F.R. § 1105.7(e):

(1) Proposed action and alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

MNN proposes to file a Petition pursuant to 49 U.S.C. § 10502(a) for an exemption from the requirements of 49 U.S.C. § 10903 for abandonment of a portion of its Warroad Subdivision rail line from Milepost 83.6, which is located approximately 300 feet west of Roseau County Road 124 (11th Ave., SE) in Roseau, to Milepost 103.635, which is the end of the line at Warroad, a distance of 20.035 miles in Roseau County, Minnesota (the Rail Line).

MNN has used the Rail Line to transport crushed rock, lumber, and cullet (glass) to and from customers located at and near Warroad, MN.

If the requested exemption is granted and becomes effective, MNN will remove and/or reuse the track materials on the Rail Line. MNN would sell or make a non-rail use of the land in

the right-of-way of the Rail Line. The sub-surface of the property would not be disturbed during track removal.

There is no reasonable alternative to the proposed exemption because losses from operating the line and the expenditure required to rehabilitate the Rail Line would be unduly burdensome without the exemption. Moreover, the proposed abandonment would make it unnecessary to relocate a railroad bridge near Roseau, resulting in a saving of substantial public funds.

A map of the involved rail line is attached to this Report as Appendix 1.

(2) Transportation system. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

MNN believes that the proposed exemption will have a minimal effect on regional or local transportation systems and patterns. Only 49 carloads of freight moved over the rail line in 2008. At roughly four trucks per rail carload, that would equate to 196 truck shipments in a one-year period, or an average of less than one additional truck per day on the regional highway system. Minnesota Highway 11, which parallels the Rail Line, is in adequate condition to accommodate that minimal increase in truck traffic.

(3) Land use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

MNN believes that the proposed exemption will not be inconsistent with local or regional land use plans. Based on MNN's experience in the area, there is little possibility that additional businesses desiring rail service will locate along the Rail Line. Shippers currently using the Rail

Line can easily reroute their traffic via truck or rail-truck service. In accordance with the requirements of this regulation, MNN has consulted by letter with the planning agencies of the Cities of Roseau and Warroad, MN and Roseau County, MN. See letter attached as Appendix 2.

(3)(ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.

MNN does not believe that the proposed exemption would have any effect on prime agricultural land. The Rail Line is adjacent to agricultural land but is not itself agricultural land. Therefore, removal of trackage from the Rail Line should not have any effect on prime agricultural land. In accordance with this regulation, MNN has consulted by letter with the Natural Resources Conservation Service (NRCS), formerly known as the U.S. Soil Conservation Service (Appendix 2 hereto). Attached as Appendix 5 is a copy of a response by NRCS, dated August 31, 2009.

(3)(iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by §1105.9.

The proposed exemption does not affect land or water uses in a designated coastal zone.

(3)(iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. 10906 and explain why.

In MNN's opinion, the right-of-way would not be suitable for alternative public use as a highway because there are adequate highways in the area. The right-of-way may be suitable for alternative public use as a recreational trail.

(4) Energy. (i) Describe the effect of the proposed action on transportation of energy resources.

The proposed exemption will have no effect on transportation of energy resources.

(4)(ii) Describe the effect of the proposed action on recyclable commodities.

The proposed exemption will have no effect on recyclable commodities.

(4)(iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.

The proposed exemption will result in a decrease in overall energy efficiency because rail transportation is more energy efficient than truck transportation. However, the decrease will be minimal. See response to item 2 above.

(4)(iv) If the proposed action will cause diversions from rail to motor carriage of more than:

(A) 1,000 rail carloads a year; or

(B) An average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given. To minimize the production of repetitive data, the information on overall energy efficiency in §§1105.7(e)(4)(iii) need not be supplied if the more detailed information in §§1105.7(e)(4)(iv) is required.

Not applicable.

(5) Air. (i) If the proposed action will result in either:

(A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or

(B) An increase in rail yard activity of at least 100 percent (measured by carload activity), or

(C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. 10901 (or 10502) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply.

Not applicable.

(5)(ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either:

(A) An increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line,

(B) An increase in rail yard activity of at least 20 percent (measured by carload activity), or

(C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. 10901 (or 49 U.S.C. 10502), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply.

Not applicable.

(5)(iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

Not applicable.

(6) Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause:

(i) An incremental increase in noise levels of three decibels Ldn or more; or

(ii) An increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

Not applicable.

(7) Safety. (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).

The proposed exemption will have a beneficial effect on public health and safety.

Discontinuance of rail operations over the Rail Line will result in the closing and elimination of

18 public at-grade road crossings along the line. That will reduce vehicle delay time and potential for rail-motor vehicle accidents in the area.

(7)(ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.

Not applicable.

(7)(iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

Not applicable.

(8) Biological resources. (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.

MNN does not believe that it is likely that the proposed exemption would adversely affect endangered or threatened species or areas designated as critical habitat. In accordance with this regulation, MNN has consulted by letter with the U.S. Fish and Wildlife Service (Appendix 2).

(8)(ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

MNN does not believe that the proposed exemption would affect wildlife sanctuaries or refuges, nor National or state parks or forests.

(9) Water. (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies.

MNN believes that the proposed exemption will be consistent with applicable Federal, State or local water quality standards. In accordance with this regulation, MNN has consulted by letter with Minnesota water quality officials (Appendix 2). Any response will be furnished to the Board's environmental section.

(9)(ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.

MNN believes that permits under section 404 of the Clean Water Act are not required for the proposed exemption. MNN does not believe that the proposed exemption will affect any designated wetlands or 100-year flood plains. In accordance with this regulation, MNN has consulted by letter with the U.S. Army Corps of Engineers (Appendix 2). Any response will be furnished to the Board's environmental section.

(9)(iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. 1342) are required for the proposed action. (Applicants should contact the U.S. Environmental Protection Agency or the state environmental protection or equivalent agency if they are unsure whether such permits are required.)

MNN believes that permits under section 402 of the Clean Water Act are not required for the proposed exemption. In accordance with this regulation, MNN has consulted by letter with the U.S. Environmental Protection Agency (Appendix 2). Any response will be furnished to the Board's environmental section.

(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

Not applicable.

II. Historic Report

MNN hereby submits the following information required by 49 C.F.R. § 1105.8(d):

(d)(1) A U.S.G.S. topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action;

The required topographic map is attached to this Report as Appendix 3.

(d)(2) A written description of the right-of-way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristics of the surrounding area;

The right-of-way to be abandoned is generally 100 feet wide. It extends generally through rural, slightly rolling terrain.

(d)(3) Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area;

Attached to this Report as Appendix 4 are photographs of the bridges on the Rail Line.

(d)(4) The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known;

Not known, except that the bridges are thought to be more than 50 years old.

(d)(5) A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action;

The Rail Line was originally a part of a line of the Great Northern Railway (GNR) between the Canadian border at Warroad, MN and Duluth, MN. The Rail Line came under the ownership of BNSF Railway Company through a series of mergers. It was acquired by MNN in 1997.

(6) A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic;

No such documents are in MNN's possession.

(7) An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 CFR 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities);

It is MNN's opinion that the bridges on the Rail Line do not meet the criteria for listing on the National Register of Historical Places, and that there is no likelihood of archeological resources or any other previously unknown historic properties in the project area. In accordance with this regulation, MNN has consulted by letter with the Minnesota Historic Preservation Office (Appendix 2). Any response will be furnished to the Board's environmental section.

(8) A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain.

MNN has no knowledge of any prior subsurface ground disturbance or fill, or environmental conditions that might affect the archeological recovery of resources and the surrounding terrain.

Respectfully submitted,

MINNESOTA NORTHERN RAILROAD, INC.
P.O. Box 705
Crookston, MN 56716

Petitioner

Thomas F. McFarland

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

Attorney for Petitioner

Date Submitted: September 11, 2009

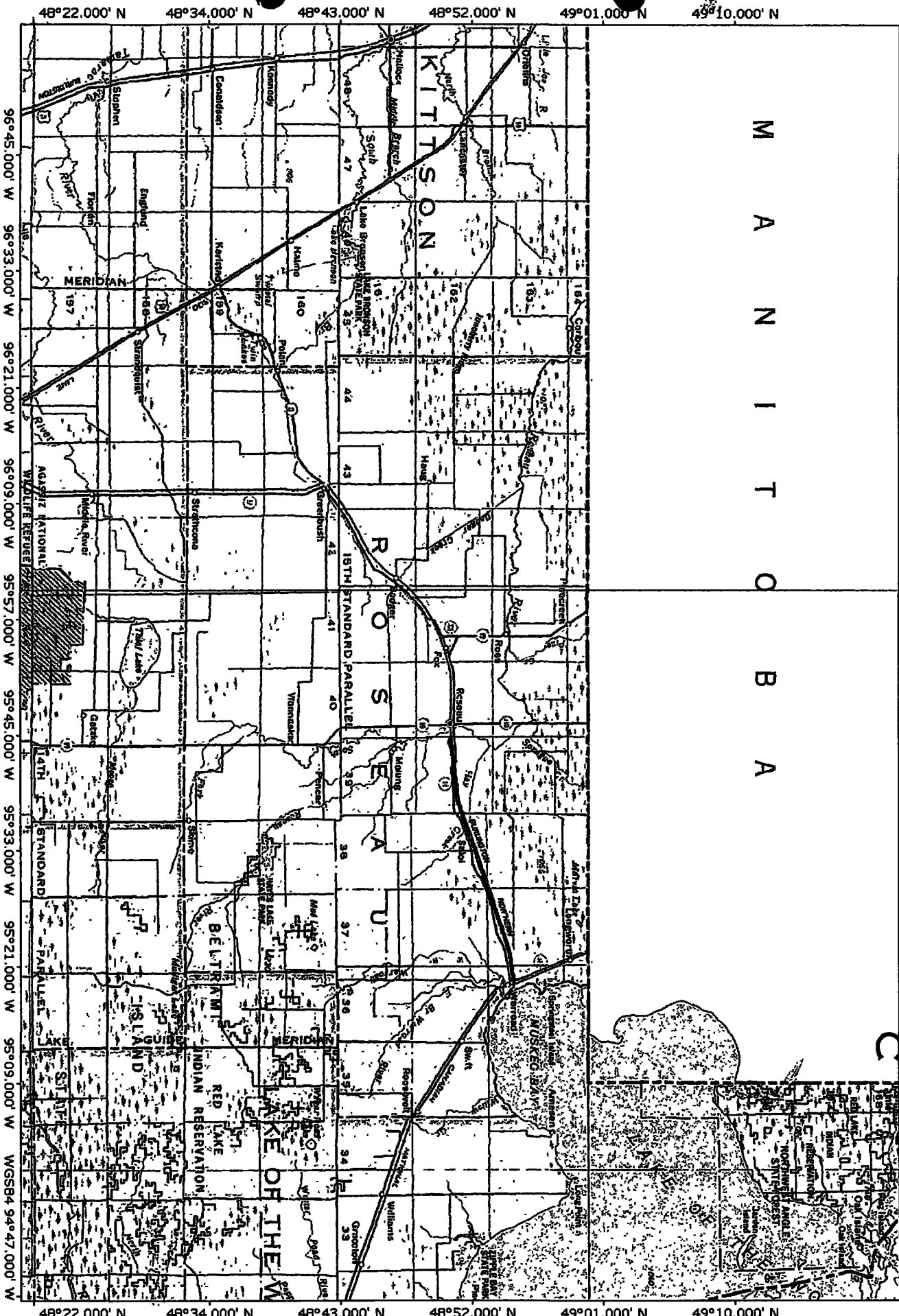
DRAFT ENVIRONMENTAL AND HISTORIC REPORT

APPENDIX 1

96°45.000' W 96°33.000' W 96°21.000' W 96°09.000' W 95°57.000' W 95°45.000' W 95°33.000' W 95°21.000' W 95°09.000' W WGS84 94°47.000' W

M A N I T O B A

TOPOI map printed on 08/10/09 from "Rouleau to Warroad.tpo"



Map created with TOPOI © 2003 National Geographic (www.nationalgeographic.com/topo)

DRAFT ENVIRONMENTAL AND HISTORIC REPORT

APPENDIX 2

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

THOMAS F. MCFARLAND

August 26, 2009

Minnesota State Clearinghouse:

c/o Minnesota Department of Administration
200 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155

Minnesota Historical Preservation Office:

Minnesota Historical Society
345 Kellogg Blvd. West
St. Paul, MN 55102-1906

**Environmental Protection Agency
(regional office):**

U.S. Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3590

City Planner:

c/o Warroad City Clerk
121 Main Avenue, NE
Warroad, MN 56763

U.S. Army Corps of Engineers

U.S. Army Corps of Engineers
St. Paul District (CEMVP-PA)
190 Fifth Street East
St. Paul, MN 55101-1638

Minnesota Department of Transportation:

Minnesota Department of Transportation
Transportation Building
395 John Ireland Blvd.
St. Paul, MN 55155

State Coastal Zone Management

Minnesota Department of Natural Resources
Division of Waters
1568 Highway 2
Two Harbors, MN 55616

Natural Resources Conservation Service:

Natural Resources Conservation Service
USDA
375 Jackson Street, Room 600
St. Paul, MN 55101-1854

Minnesota Pollution Control Agency:

Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155-4194

U.S. Fish & Wildlife Service:

U.S. Fish & Wildlife Service - Region 3
One Federal Drive
BHW Federal Building
Fort Snelling
Twin Cities, MN 55111

City Planner:

c/o Roseau City Clerk
100 Center Street E, Suite 202
Roseau, MN 56751

National Oceanic & Atmospheric Admin.:

NGS Information Services, NOAA, N/NGS12
National Geodetic Survey SSMC-3, #9202
1315 East-West Highway
Silver Spring, MD 20910-3282

National Park Service:

Nick Chevance, Environmental Coordinator
Planning and Compliance Office
National Park Service - Midwest Region
601 Riverfront Drive
Omaha, NE 68102-4226

County Commissioners:

Roseau County Commissioners
606 Fifth Avenue, SW
Roseau, MN 56751

Re: STB Docket No. AB-497 (Sub-No. 5X), *Minnesota Northern Railroad, Inc. --
Abandonment Exemption -- in Roseau County, MN*

August 26, 2009

Page 2

Dear Agency or Governmental Representative:

In the near future, Minnesota Northern Railroad, Inc. (MNN) intends to file a Petition with the Surface Transportation Board (STB), Washington, DC, for an exemption from 49 U.S.C. § 10903 that would permit abandonment of a portion of its Warroad Subdivision rail line from Milepost 83.6, which is located approximately 300 feet west of Roseau County Road 124 (11th Ave., SE) in Roseau, to Milepost 101.61, which is the end of the line at Warroad, a distance of 20.01 miles in Roseau County, Minnesota ("the Roseau-Warroad rail line"). The Roseau-Warroad rail line is shaded in yellow on a print that is attached to this letter as Appendix 1.

Pursuant to STB regulations at 49 C.F.R. § 1105.7, this letter is to request your assistance in identifying potential environmental and historic effects of the proposed abandonment. MNN does not anticipate any adverse environmental or historic impacts; however, if you identify any such adverse impacts, please describe any action that could be taken to mitigate such adverse impacts. Please provide a written response to this letter so that it can be included in a Draft Environmental and Historic Report that MNN will prepare and file with the STB.

COUNTY AND CITY PLANNING AGENCIES. Please state whether the proposed abandonment would be consistent with existing land-use plans. Describe any inconsistencies.

US SOIL CONSERVATION SERVICE. Please state the effect of the proposed abandonment on any prime agricultural land.

US FISH AND WILDLIFE SERVICE. Please state (1) whether the proposed abandonment is likely to adversely affect endangered or threatened species or areas designated as a critical habitat and, if so, please describe such effects; and (2) whether wildlife sanctuaries or refuges, National or State parks or forests will be affected and, if so, please describe such effects.

STATE WATER QUALITY OFFICIALS. Please state whether the proposed abandonment would be consistent with applicable Federal, State or Local water quality standards. Please describe any inconsistencies.

August 26, 2009

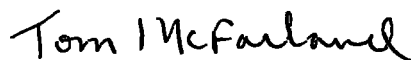
Page 3

US AND STATE ENVIRONMENTAL PROTECTION AGENCIES (OR EQUIVALENT AGENCY). Please (1) identify any potential adverse environmental effects of the proposed abandonment on the surrounding area, and (2) identify the location of any known hazardous materials spills on the right-of-way of the Rail Line, and list the types of hazardous materials involved, and (3) state whether permits under Section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed abandonment.

STATE HISTORICAL PRESERVATION OFFICE. Please identify any known bridges and/or structures located on the Rail Line that are 50 years old or older, and which are historically significant. Please state whether the proposed abandonment would have an adverse effect on such bridges and/or structures and, if so, please describe efforts that can be taken during removal of the tracks in the Rail Line to mitigate any such adverse effects.

Please send your reply to me as MNN's attorney to: Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112. You may reach me by telephone at (312) 236-0204 if you have any questions or need further information. MNN appreciates your assistance in furnishing a reply to this letter.

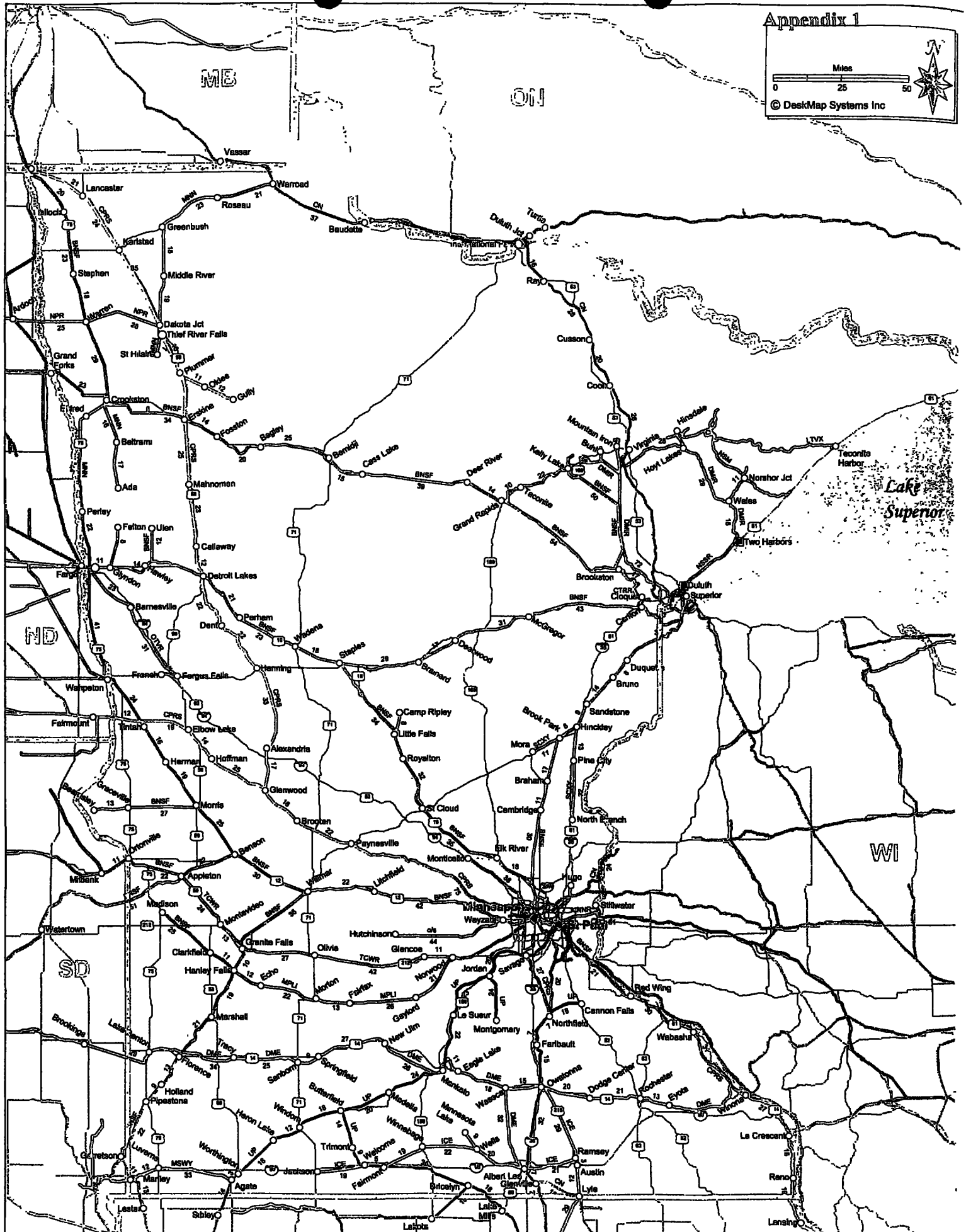
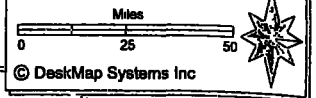
Very truly yours,



Thomas F. McFarland
*Attorney for Minnesota Northern
Railroad, Inc.*

TMcF:kl:enc:wp8.0\1320\ltragencies1

cc: George LaPray, by e-mail to mnn@rrv.net



DRAFT ENVIRONMENTAL AND HISTORIC REPORT

APPENDIX 3

ROSEAU QUADRANGLE
MINNESOTA - ROSEAU CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)

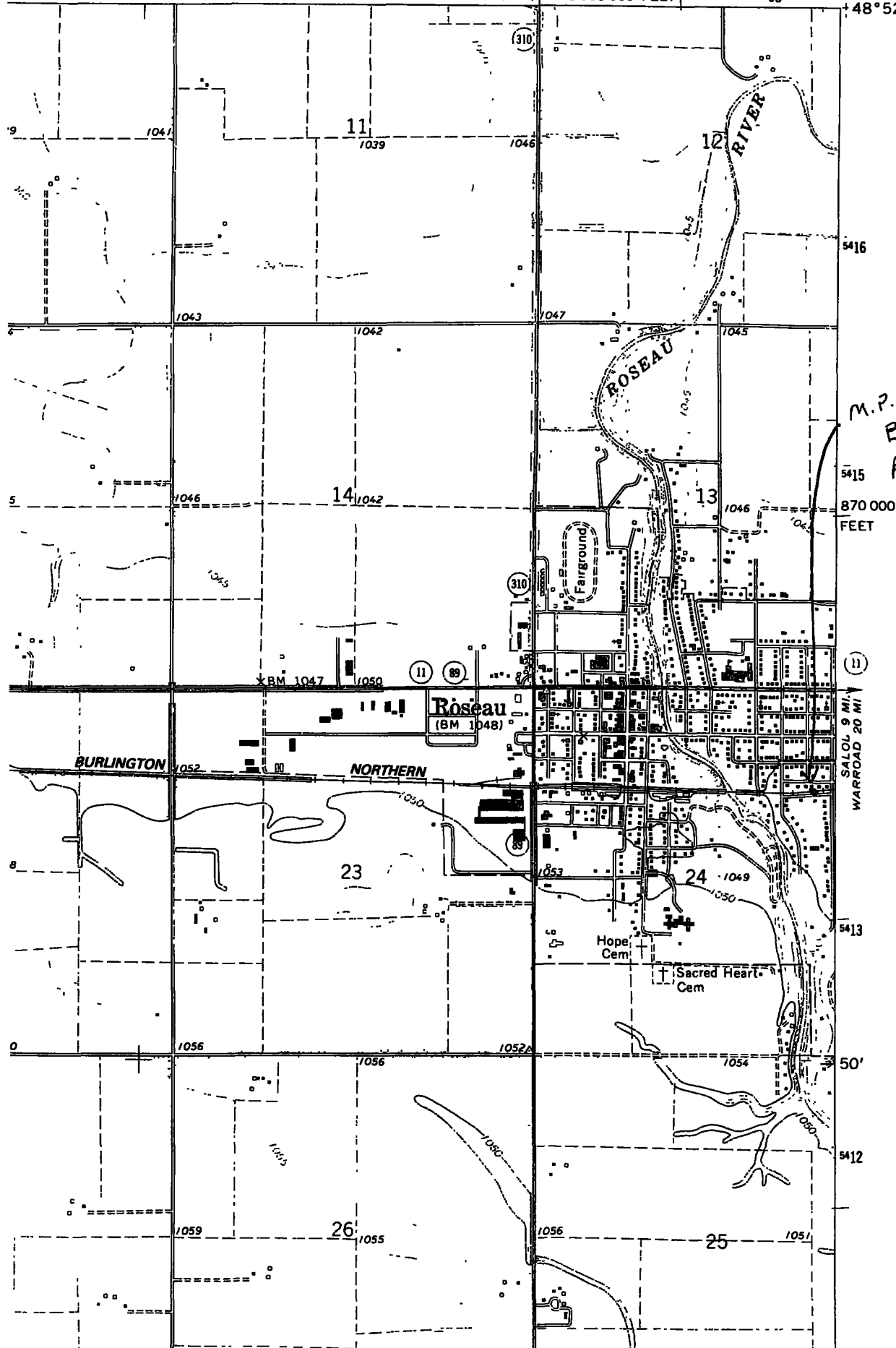
6881 / NW
(SALOL NW)

295 47°30"

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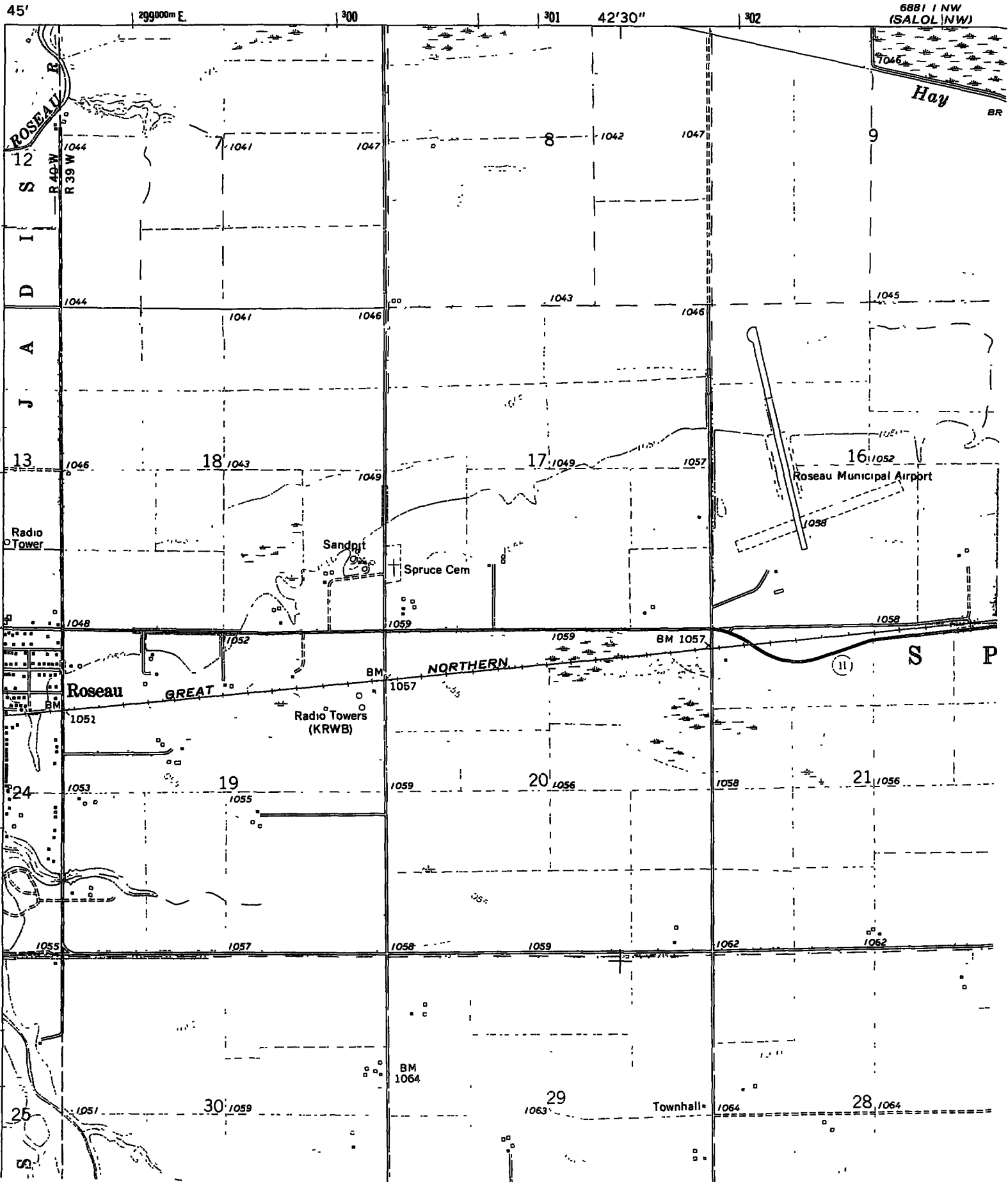
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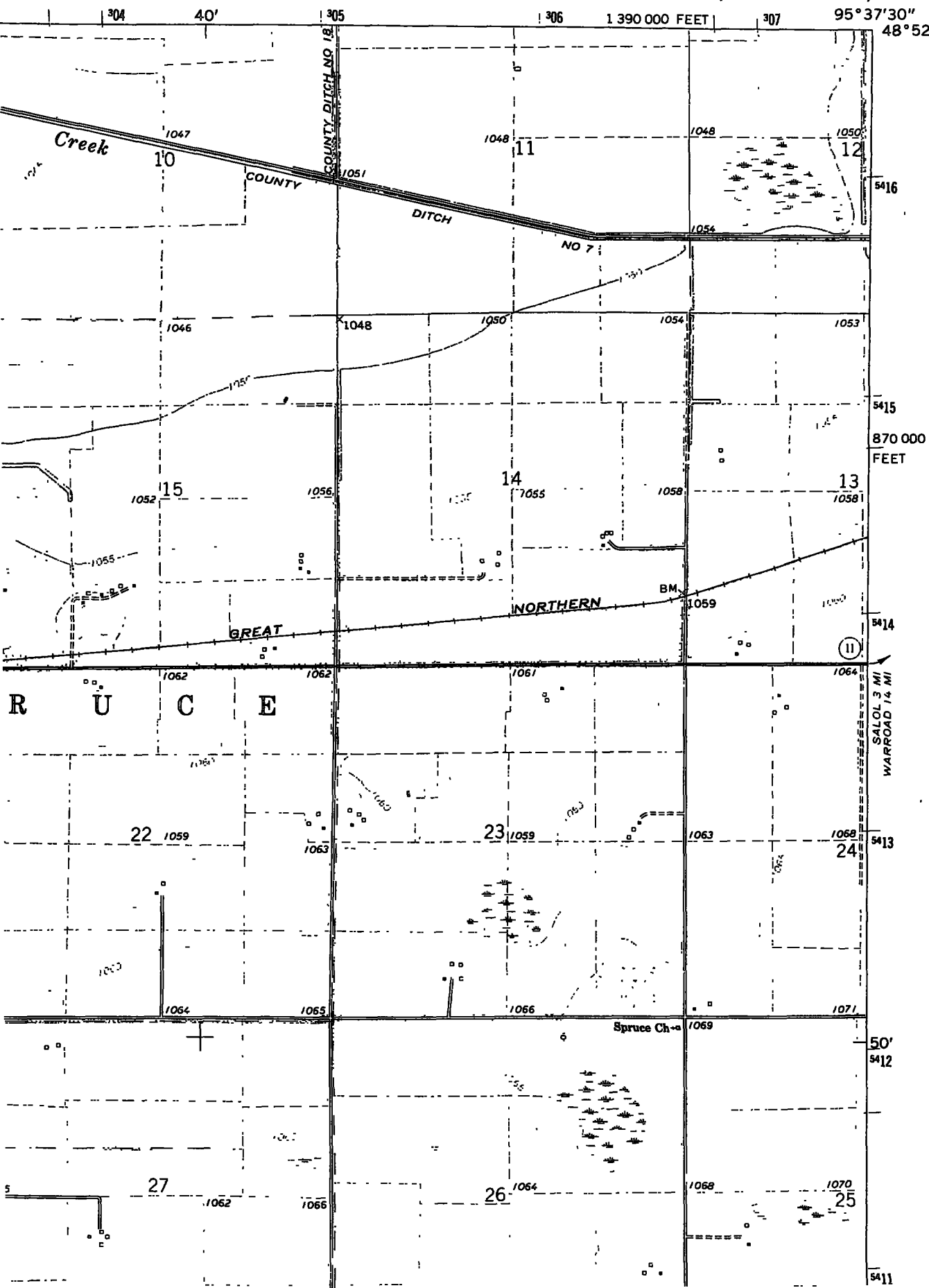
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STATE OF MINNESOTA
DEPARTMENT OF ADMINISTRATION



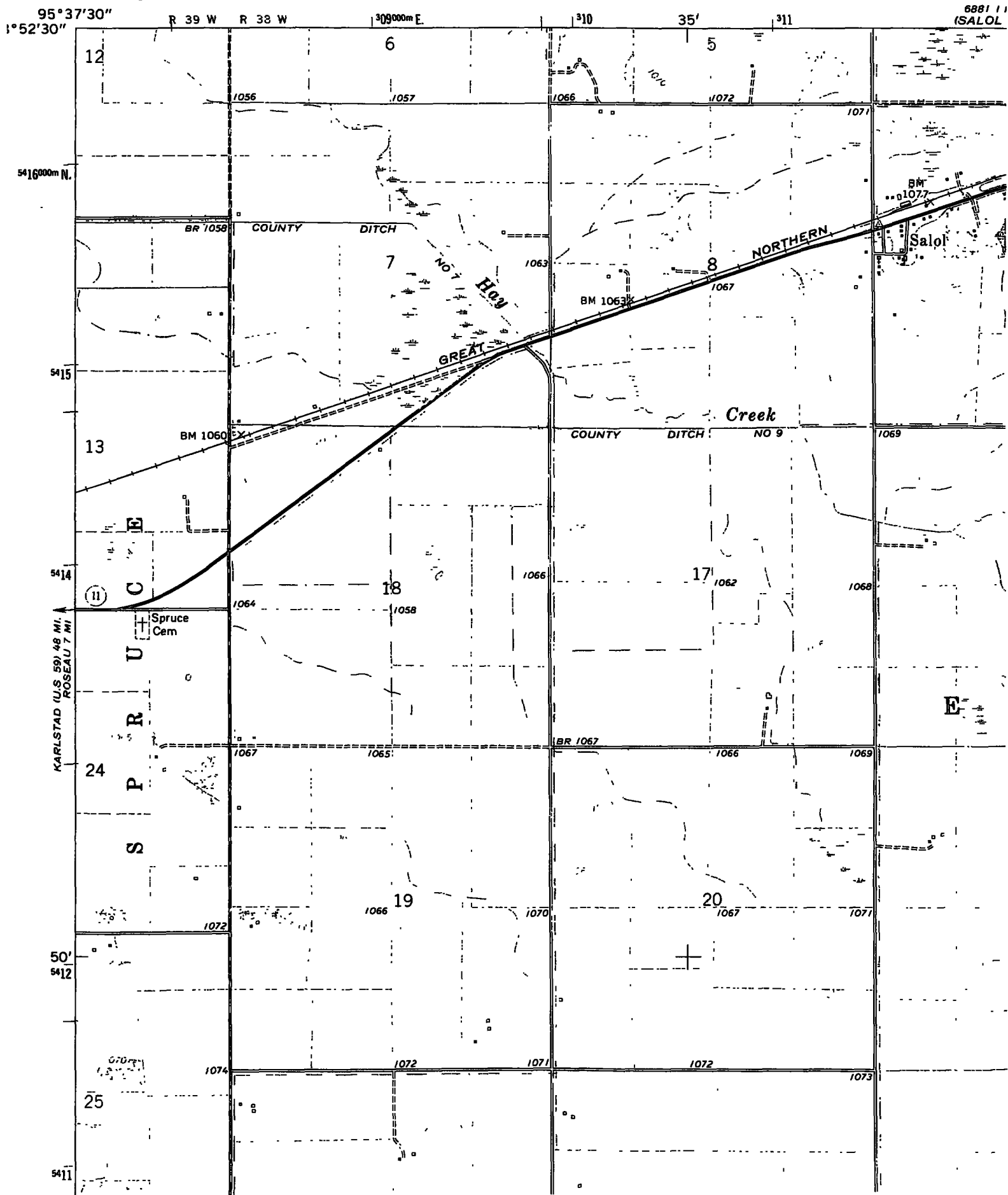
MALUNG QUADRANGLE MINNESOTA-ROSEAU CO. 7.5 MINUTE SERIES (TOPOGRAPHIC)

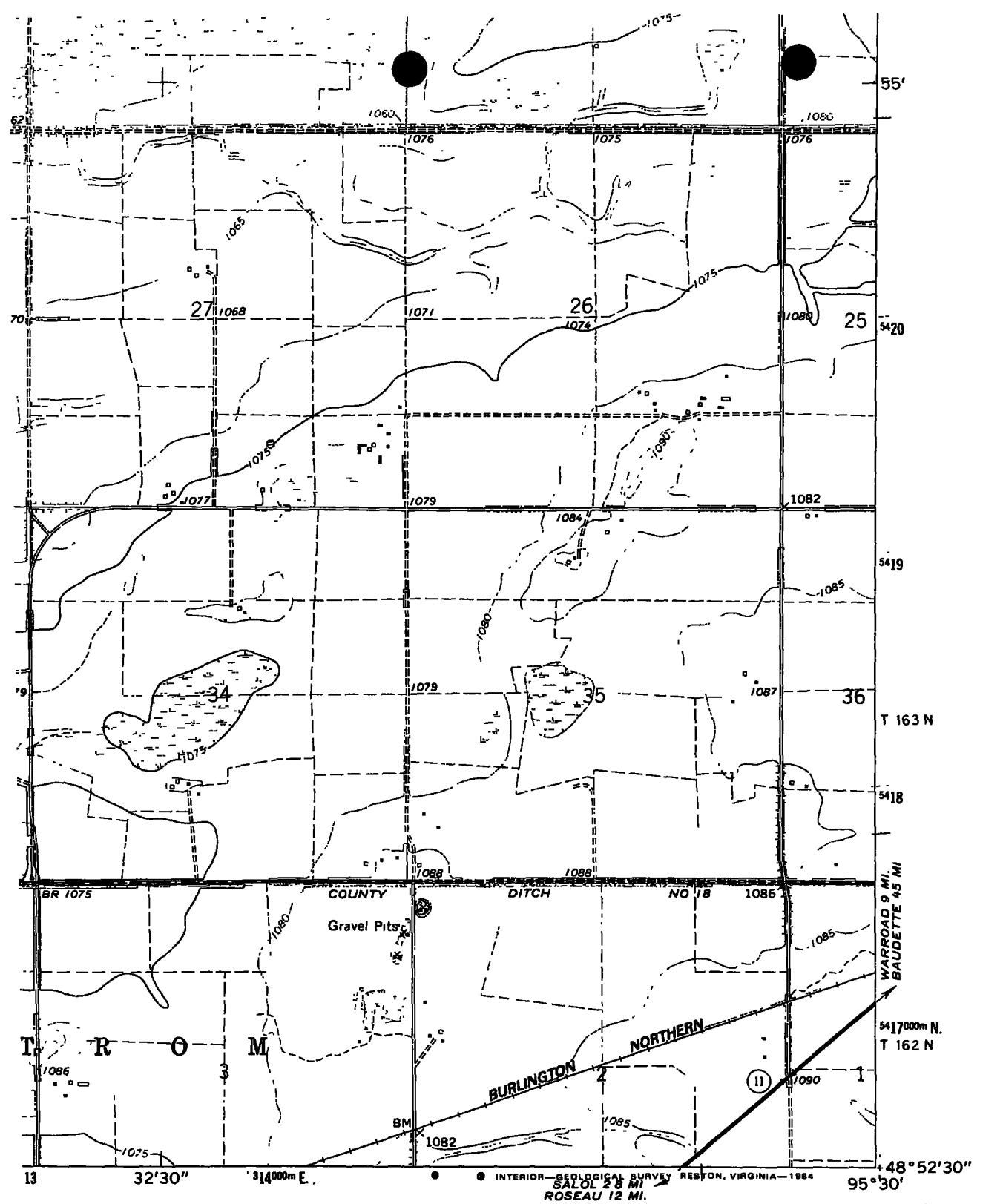
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(SALOL NE)



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ROAD CLASSIFICATION

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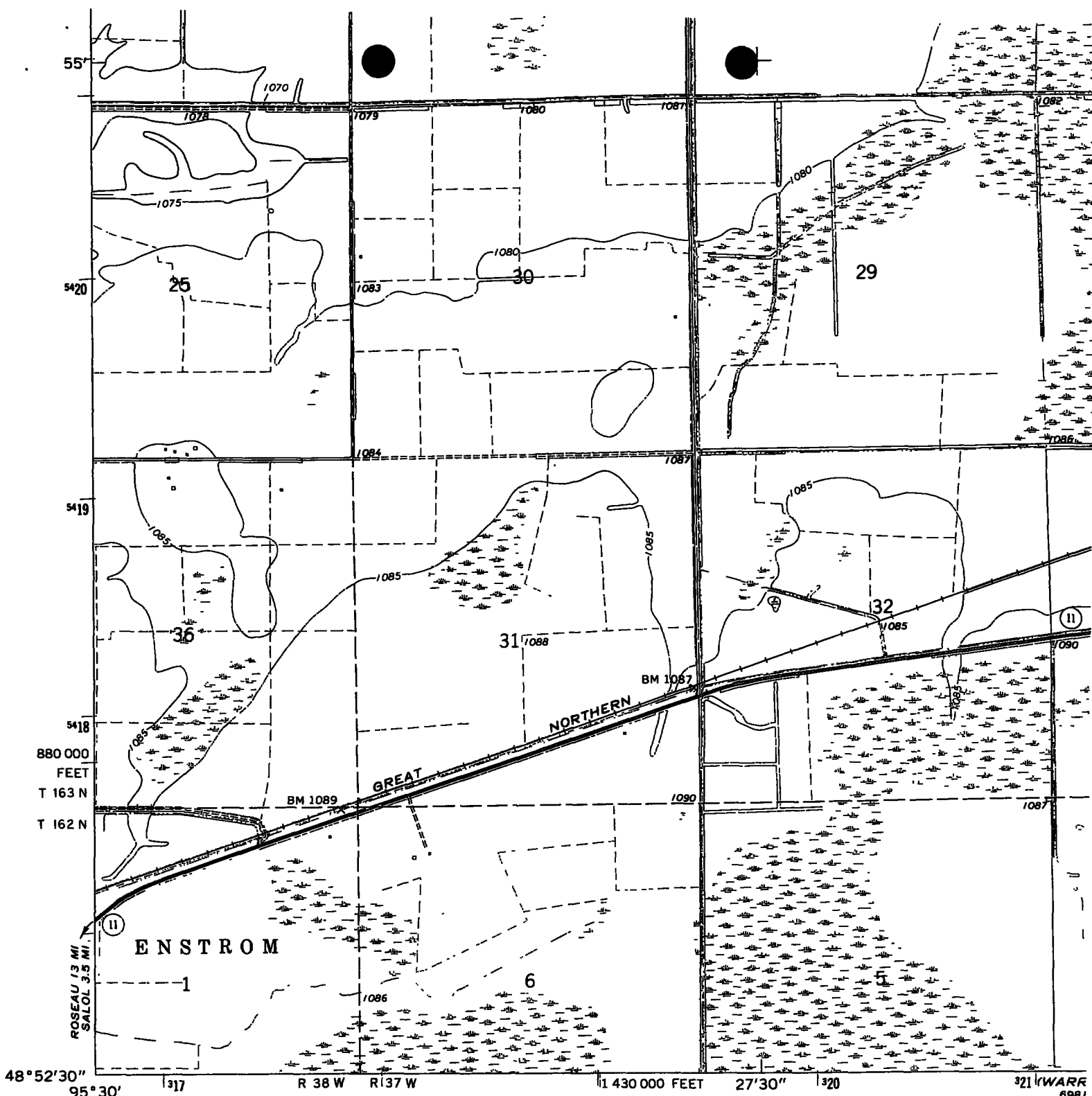
Unimproved dirt =====

○ State Route

SALOL NE, MINN.
48095-H5-TF-024

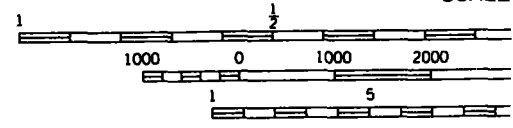
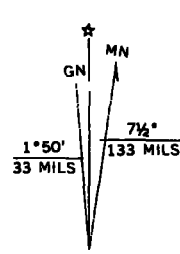
1966
PHOTOREVISED 1984
DMA 6881 I NE—SERIES V872

22092
ON REQUEST



(SALOL)
6881 SE

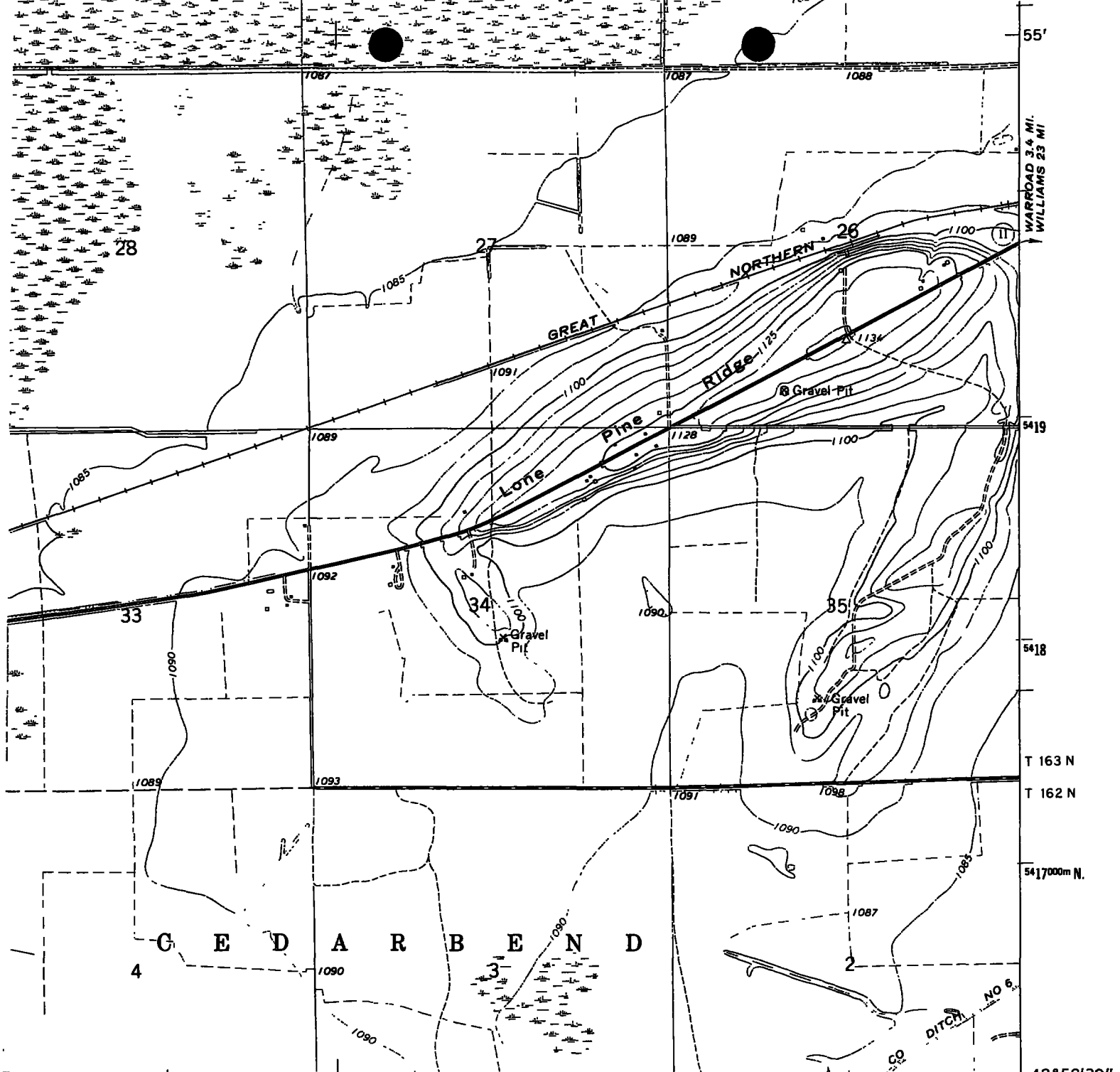
Mapped, edited, and published by the Geological Survey
Control by USGS, USC&GS, and International Boundary Commission
Planimetry by photogrammetric methods from aerial photographs taken 1965. Topography by planetable surveys 1967
Polyconic projection. 1927 North American datum
10,000-foot grid based on Minnesota coordinate system, north zone
1000-meter Universal Transverse Mercator grid ticks, zone 15, shown in blue
Fine red dashed lines indicate selected fence and field lines where generally visible on aerial photographs
This information is unchecked



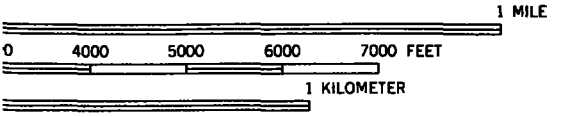
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VERTICAL MAP ACCURACY STANDARDS
1, COLORADO 80225, OR WASHINGTON, D. C. 20242
AND SYMBOLS IS AVAILABLE ON REQUEST



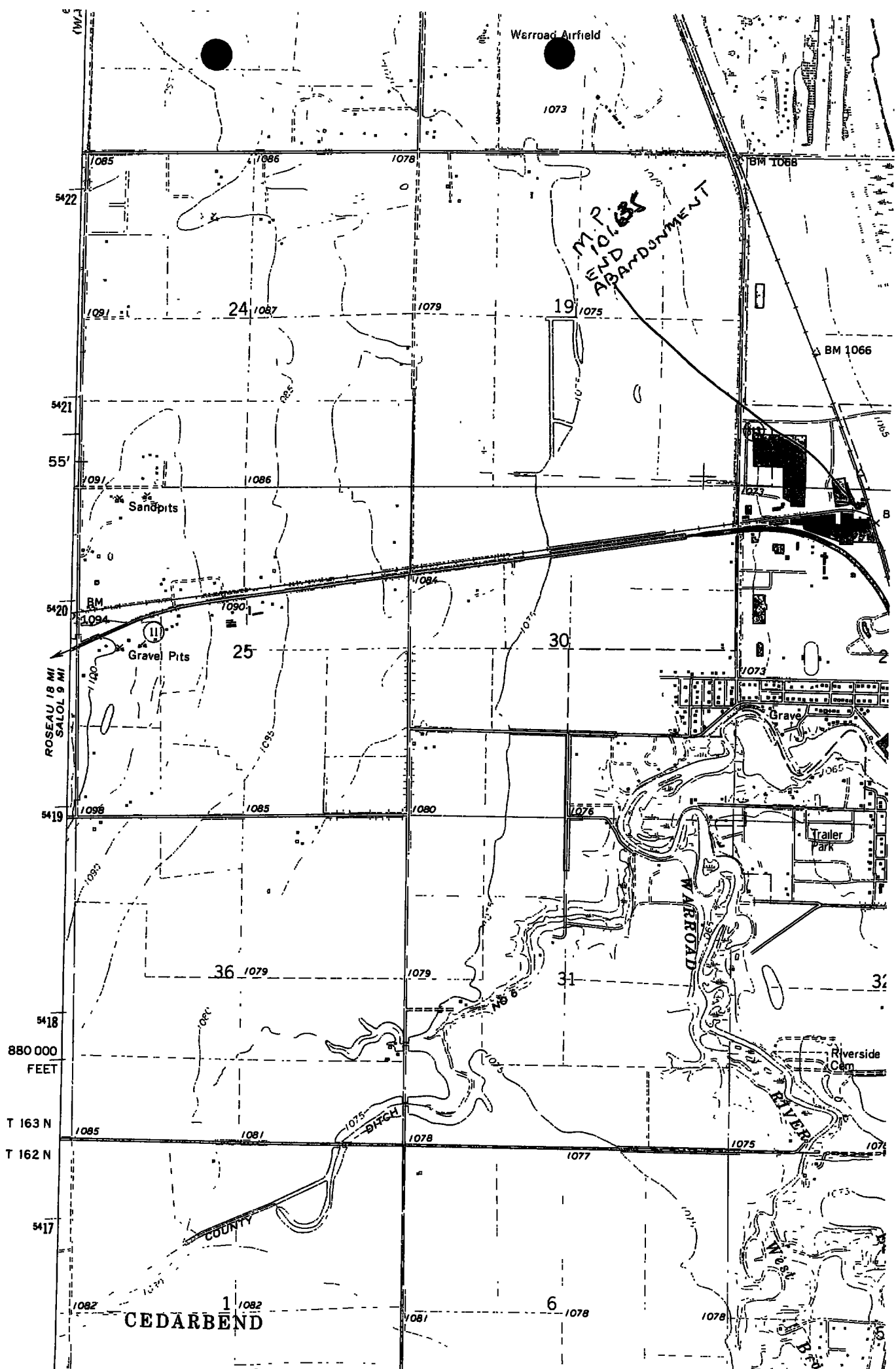
ROAD CLASSIFICATION		
Heavy-duty	—————	Light-duty
Medium-duty	—————	Unimproved dirt
		○ State Route

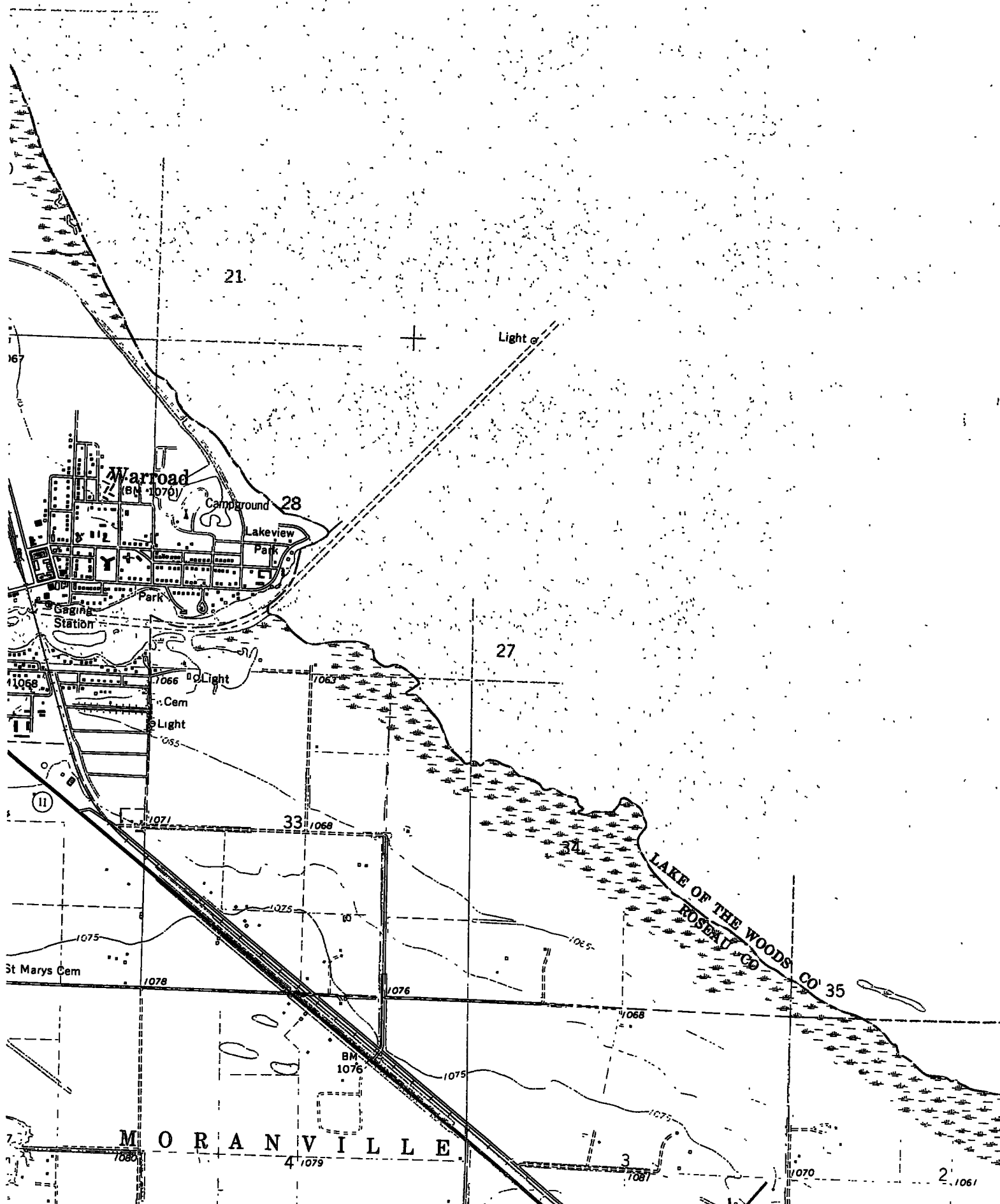
WARROAD NW, MINN. — MAN.
N4852.5—W9522.5/7.5

1967

AMS 6981 IV NW—SERIES V872

WARROAD 6981 IV SE





DRAFT ENVIRONMENTAL AND HISTORIC REPORT

APPENDIX 4

Bridge 90.79
Photo No. 1
8/12/2009



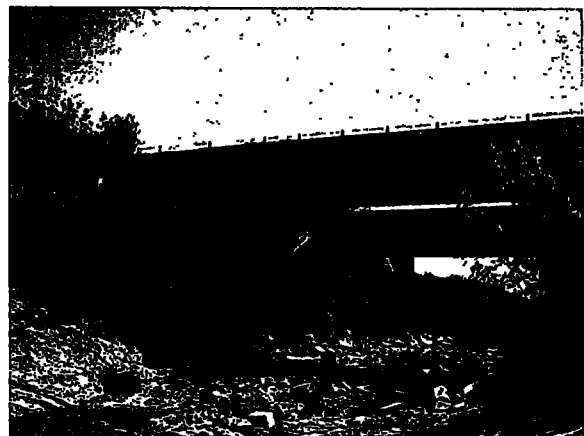
Bridge 90.79
Photo No. 2
8/12/2009



Bridge 90.79
Photo No. 3
8/12/2009



Bridge 90.79
Photo No. 4
8/12/2009



DRAFT ENVIRONMENTAL AND HISTORIC REPORT

APPENDIX 5

SEP 02 2009



Natural Resources Conservation Service
375 Jackson Street, Suite 600
St. Paul, MN 55101-1854

McFARLAND, P.C.

Phone: (651) 602-7900
Fax: (651) 602-7914

August 31, 2009

Thomas F. McFarland, P.C.
208 South LaSalle Street, Suite 1890
Chicago, Illinois 60604-1112

IN REPLY REFER TO: Minnesota Northern Railroad, Inc. – Abandonment Exemption in Roseau County, MN

Dear Mr. McFarland:

The Minnesota Natural Resources Conservation Service (NRCS) has reviewed the above referenced project. The project sponsors are not USDA program benefit recipients, thus the wetland conservation provisions of the 1985 Food Security act, as amended are not applicable. It should be noted, however, that actions by a non-USDA participant third party (project sponsor) which impact agricultural wetlands owned or operated by USDA participants, may jeopardize the owner/operators USDA eligibility. If such impacts are anticipated, the owner/operator should contact the county Farm Service Agency (FSA) office to consider an application for a third party exemption.

The following agencies may have federal or state wetlands, cultural resources, water quality or threatened and endangered species jurisdiction in the proposed project, and should be consulted.

- Army Corps of Engineers (USACOE) – Clean Water Act
- US Fish and Wildlife Service (FWS) – Endangered Species Act
- Board of Water and Soil Resources (BWSR) - Minnesota Wetlands Conservation Act
- Minnesota Department of Natural Resources (MDNR)
- Minnesota Pollution Control Agency (MPCA)
- State Historic Preservation Officer/State Archaeologist (SHPO)

Finally, your correspondence suggests you may be affecting agricultural lands, and if any federal monies are involved, it is a requirement that a Farmland Policy Protection Act (FPPA) site assessment be appropriately filed. Because of the location and type of activity proposed, this project may impact agricultural lands. If so, you should submit a Farmland Conversion Impact Rating form (Form AD-1006) for each Minnesota county with part one filled out. Along with the AD-1006, send a detailed map of the area impacted. We will then complete the form and mail it back to you. FPPA land evaluations are conducted by local NRCS personnel who review the project for possible effects on unique, prime or statewide important farmland. You can find the FPPA form AD-1006 at <http://www.nrcs.usda.gov/programs/fppa/>. Please refer specific FPPA requests in Roseau County to Manuel Matos, Area Resource Soil Scientist, at (218) 681-6600 or manuel.matos@mn.usda.gov.

Sincerely,

John E. Beckwith

JOHN E. BECKWITH
Water Resources Staff Leader

cc: Manuel Matos, ARSS, NRCS, Thief River Falls, MN

CERTIFICATE OF SERVICE

I hereby certify that on September 11, 2009, I served the foregoing document, Draft Environmental and Historic Report, by first-class, U.S. mail, postage prepaid, on the following:

Minnesota State Clearinghouse:

c/o Minnesota Department of Administration
200 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155

Minnesota Historical Preservation Office:

Minnesota Historical Society
345 Kellogg Blvd. West
St. Paul, MN 55102-1906

**Environmental Protection Agency
(regional office):**

U.S. Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3590

City Planner:

c/o Warroad City Clerk
121 Main Avenue, NE
Warroad, MN 56763

U.S. Army Corps of Engineers

U.S. Army Corps of Engineers
St. Paul District (CEMVP-PA)
190 Fifth Street East
St. Paul, MN 55101-1638

Minnesota Department of Transportation:

Minnesota Department of Transportation
Transportation Building
395 John Ireland Blvd.
St. Paul, MN 55155

Natural Resources Conservation Service:

Natural Resources Conservation Service
USDA
375 Jackson Street, Room 600
St. Paul, MN 55101-1854

Minnesota Pollution Control Agency:

Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155-4194

U.S. Fish & Wildlife Service:

U.S. Fish & Wildlife Service - Region 3
One Federal Drive
BHW Federal Building
Fort Snelling
Twin Cities, MN 55111

City Planner:

c/o Roseau City Clerk
100 Center Street E, Suite 202
Roseau, MN 56751

National Oceanic & Atmospheric Admin.:

NGS Information Services, NOAA,
N/NGS12
National Geodetic Survey SSMC-3, #9202
1315 East-West Highway
Silver Spring, MD 20910-3282

National Park Service:

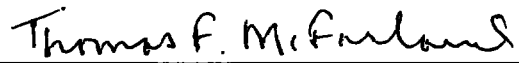
Nick Chevance, Environmental Coordinator
Planning and Compliance Office
National Park Service - Midwest Region
601 Riverfront Drive
Omaha, NE 68102-4226

State Coastal Zone Management

Minnesota Department of Natural Resources
Division of Waters
1568 Highway 2
Two Harbors, MN 55616

County Commissioners:

Roseau County Commissioners
606 Fifth Avenue, SW
Roseau, MN 56751



Thomas F. McFarland

PETITION FOR EXEMPTION

APPENDIX 3

DRAFT FEDERAL REGISTER NOTICE PER 49 C.F.R. 1152.60(c)

STB No. AB-497 (Sub-No. 5X), *Minnesota Northern Railroad, Inc. -- Abandonment Exemption -- in Roseau County, MN*

Notice of Petition for Exemption to Abandon Rail Service

On October 1, 2009, MINNESOTA NORTHERN RAILROAD, INC. (MNN), filed with the Surface Transportation Board, Washington, DC, a Petition for Exemption from 49 U.S.C. 10903 for abandonment of rail service of a portion of MNN's Warroad Subdivision between Milepost 83.6, which is located approximately 300 feet west of Roseau County Road 124 (11th Ave, SE) in Roseau, and Milepost 103.635, which is the end of the line at Warroad, a distance of 20.035 miles in Roseau County, Minnesota.

The rail line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

The interest of railroad employees would be protected by imposition of conditions to approval of abandonment imposed in *Oregon Short Line R. Co. - Abandonment - Goshen*, 360 I.C.C. 91 (1979).

Any offer of financial assistance will be due no later than 10 days after service of a decision granting the petition for exemption.

All interested persons should be aware that following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use.

Any request for a public use condition and any request for trail use/rail banking will be due no later than 20 days after notice of the filing of the petition for exemption is published in the Federal Register.

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment or discontinuance regulations at 49 C.F.R. part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the Section of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Section of Environmental Analysis. EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

PETITION FOR EXEMPTION

APPENDIX 4

AFFIDAVIT OF PUBLICATION

State of Minnesota)

)§

County of Roseau

Carrie Johnson, being duly sworn, on oath says that he/she is the publisher or authorized agent and employee of the publisher of the newspaper known as the Roseau Times-Region and has full knowledge of the facts which are state below:

(A) The newspaper has complies with all the requirements constituting qualification as a qualified newspaper, as provided by Minnesota Statute 331A.02, 331A.07 and other applicable laws, as amended.

(B) The printed Notice of Intent to Abandon Rail Line

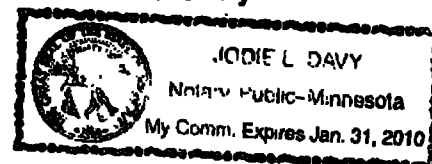
which is attached as cut from the columns of said newspaper and was printed and published once each week, for one (1) successive weeks; it was first published on Saturday, the 19 day of September 2009, and was thereafter printed and published on every _____ to and including _____, the _____ day of _____ 20____; and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrstuvwxyz

BY Carrie JohnsonTITLE Ad Sales

Subscribed and sworn to before me on this 21st day of September, 2009.

Jodie L Davy
Notary Public



NOTICE OF INTENT TO ABANDON RAIL LINE

MINNESOTA NORTHERN RAILROAD, INC. (MNN) gives notice that on or about September 30, 2009, it intends to file with the Surface Transportation Board, Washington, DC 20423, a Petition under 49 U.S.C. § 10502, for exemption from the requirements of 49 U.S.C. § 10903 for abandonment of a portion of its Warroad Subdivision from Milepost 83.6, which is located approximately 300 feet west of Roseau County Road 124 (11th Ave., SE) in Roseau, to Milepost 103.635, which is the end of the line at Warroad, a distance of 20.035 miles in Roseau County, Minnesota ("the Rail Line"). The Rail Line traverses through United States Postal Zip Codes 56751, 56756 and 56763 in Roseau County, Minnesota. The proceeding has been docketed as STB Docket No. AB-497 (Sub-No. 5X).

The Board's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available 60 days after the filing of the Petition for abandonment exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries

environmental matters by writing to SEA, Surface Transportation Board, Washington, DC 20423 or by calling SEA at 202-245-0295.

Appropriate offers of financial assistance to continue rail service can be filed with the Board. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the Board's Office of the Secretary, 395 E Street, S.W., Washington, DC 20423 (See 49 C.F.R. §§ 1104.1(a) and 1104.3(a)), and one copy must be served on applicant's representative (See 49 C.F.R. § 1104.12(a)). Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Congressional and Public Services at 202-245-0230. Copies of any comments or requests for conditions should be served on the applicant's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112.

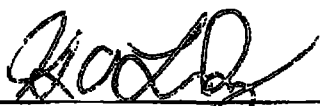
Sept. 19, 2009

PETITION FOR EXEMPTION

APPENDIX 5

Pursuant to 28 U.S.C. § 1746, I declare and verify under penalty of perjury under the laws of the United States of America that the foregoing statement is true and correct.

Executed on: 28 Sep 2009



GEORGE CAPRAY

CERTIFICATE OF SERVICE

I hereby certify that on October 2, 2009, I served the foregoing document, Petition For Exemption, by first-class, U.S. mail, postage prepaid, on the following:

Minnesota Department of Transportation
Transportation Building
395 John Ireland Building
St. Paul, MN 55155

SDDCTEA
Railroads for National Defense Program
720 Thimble Shoals Blvd., Suite 130
Newport News, VA 23606-2574

National Park Service
Recreational Resources Assistance Division
P.O. Box 37127
Washington, DC 20013-7127

United States Department of Agriculture
Chief of the Forest Service
4th Floor NW, Yates Bldg.
14th Street & Independence Ave., S.W.
Washington, DC 20250

U.S. Department of Interior
National Park Service
Land Resources Division
800 North Capitol St., N.E.
Room 540
Washington, DC 20002

Mr. D. Thomas Ross
Assistant Director
U.S. Department of Interior (Org code 2220)
Recreation and Conservation
1849 C Street, N.W.
Washington, DC 20240

Mr. James Bradshaw, President
Strata Corporation
P.O. Box 13500
Grand Forks, ND 58208-3500

Transportation Manager
Marvin Windows
P.O. Box 100
Warroad, MN 56763



Thomas F. McFarland