



AB 6 (Sub-No. 495X)

244089

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Ms. Cynthia Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

ENTERED
Office of Proceedings
August 10, 2017
Part of
Public Record

July 20, 2017

Re: BNSF Abandonment of Rail Line in the City of Kalispell

Dear Ms. Brown

I want to give you an update regarding CHS Inc.'s letter of conditional support dated April 20, 2017 in response to BNSF's Petition for Exemption to abandon the line of railroad extending from Milepost 1225.19 on the north end of the City of Kalispell, Montana, to Milepost 1227.58 on the south and Milepost 1227.10 to the west (the "Track").

In our April 20, 2017 letter, we stated that we expected to have agreements in place by June 30, 2017 when our final construction costs would be known so that we could relocate our existing downtown Kalispell facility and operations to a new rail industrial park, located outside of downtown Kalispell ("New Rail Park"). Once these agreements were in place, we would be able to provide an unconditional statement of support for the abandonment of the Track.

Unfortunately, on June 30, 2017, we received updated bids from contractors showing construction costs for the relocation that had increased beyond our expectations. Because of these increased construction costs, we experienced delays in arriving at final terms with the Flathead County Economic Development Authority (FCEDA) for the relocation. I'm sure you can understand that until we have a final agreements in place to support our relocation, we cannot provide an unconditional statement of support regarding the abandonment of the Track servicing our existing facility in Kalispell.

CHS is committed to doing everything within our power to help make our relocation happen; however, we need to have a business that is financially solvent, which is contingent upon receiving a financial commitment from FCEDA. We hope to reach a final agreement with FCEDA within the next 30 to 60 days. We request that the Surface Transportation Board defer its decision on BNSF's Petition for Exemption to abandon the Track until we are able to provide you with our decision whether or not we will proceed with relocating our existing facility operations to the New Rail Park.

Sincerely,

CHS INC.

Mark D. Lalum
Assistant General Manager
Mountain West Cooperative
Kalispell, Montana



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CERTIFICATE OF SERVICE

I hereby certify that on this day August 10, 2017, I caused a copy of the attached letter dated July 20, 2017 to be served by first-class mail, postage prepaid, emailed or hand delivered upon all parties of record in this case as follows: STB (Kenyatta Clay and Jeffry Herzig), emailed City of Kalispell, Katherine Thompson, hand delivered, and BNSF, Karl Morell, emailed.

This letter requests an extension of the abandonment decision due to inability of FCEDA and CHS to reach final financial and terms agreements until those agreements can be completed.

A handwritten signature in blue ink, appearing to read "Mark Lalum".

Mark Lalum
mark.lalum@chsinc.com
Assistant General Manager
CHS Mountain West Coop
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