

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

---

**STB Finance Docket No. 30186 (Sub.-No.2)**

---

**TONGUE RIVER RAILROAD COMPANY, INC. --  
CONSTRUCTION AND OPERATION – ASHLAND TO DECKER, MONTANA**

---

**AMENDED FOUR MONTH REPORT OF  
TONGUE RIVER RAILROAD COMPANY, INC.**

---

Betty Jo Christian  
David H. Coburn  
STEPTOE & JOHNSON LLP  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
(202) 429-3000

Attorneys for Tongue River Railroad  
Company, Inc.

August 29, 2011

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

---

**STB Finance Docket No. 30186 (Sub.-No.2)**

---

**TONGUE RIVER RAILROAD COMPANY, INC. --  
CONSTRUCTION AND OPERATION – ASHLAND TO DECKER, MONTANA**

---

**AMENDED FOUR MONTH REPORT OF  
TONGUE RIVER RAILROAD COMPANY, INC.**

---

Tongue River Railroad Company, Inc. (“TRRC”) hereby submits this amended four month report, updating the status report that it submitted to the Board on July 8, 2011 with respect to various related proceedings and the transaction reported previously.<sup>1</sup>

The Surface Transportation Board (“Board”) served its decision in STB Finance Docket No. 30186 (Sub-No. 3) on October 9, 2007 granting the application of Tongue River Railroad Company, Inc. (“TRRC”) to construct and operate a 17.3-mile rail line known as the Western Alignment in Rosebud and Big Horn Counties, Montana. The decision became effective on November 8, 2007.

Certain parties sought judicial review of the Board’s decision by filing petitions for review in the U.S. Court of Appeals for the Ninth Circuit. Briefs have been filed and the case was orally argued before the Court on July 11, 2011. A decision remains pending.

Northern Plains Resource Council (“NPRC”) and Mark Fix filed a Petition to Reopen the Board’s decisions in Finance Docket Nos. 30186, 30186 (Sub No. 2) and 30186 (Sub No. 3) on

---

<sup>1</sup> The submission of status reports every four months is required by the Board’s November 8, 1996 order in Finance Docket No. 30186 (Sub No. 2).

July, 26, 2010. The Petition was opposed by TRRC. On June 15, 2011, the Board issued a decision denying the Petition to Reopen. On July 25, 2011, NPRC and Mr. Fix jointly filed a Petition for Reconsideration of the STB's June 15 decision denying their Petition to Reopen. On August 25, 2011, TRRC filed a reply in opposition to the Petition for Reconsideration. A decision on the Petition for Reconsideration remains pending.

TRRC has continued to engage in the Programmatic Agreement process with the Board. A meeting was held in Rapid City, South Dakota, on June 21 – 23, 2011. An additional meeting originally planned for early August has been delayed until a date to be determined.

On July 1, 2011, all of the stock of Tongue River Railroad Company, Inc. was sold to Tongue River Holding Company, LLC ("TRR Holding"), a Delaware limited liability company, in which BNSF Railway Company holds a 33⅓ % membership interest; Arch Coal, Inc. holds a 33⅓ % membership interest; and TRR Financing, LLC ("TRR Financing"), a Delaware limited liability company controlled by Mr. Forrest E. Mars, Jr., holds a 33⅓ % membership interest. Under the terms of the agreement between the owners establishing TRR Holding, the approval of TRR Financing (or its designee, successors or assigns) is required before any construction or certain pre-construction activities for the TRRC line may take place in the area defined by red shading on the attached map. This approval right remains in place regardless of whether TRR

Financing remains an owner of TRR Holding, and will remain binding on any new owners or successors of TRR Holding.

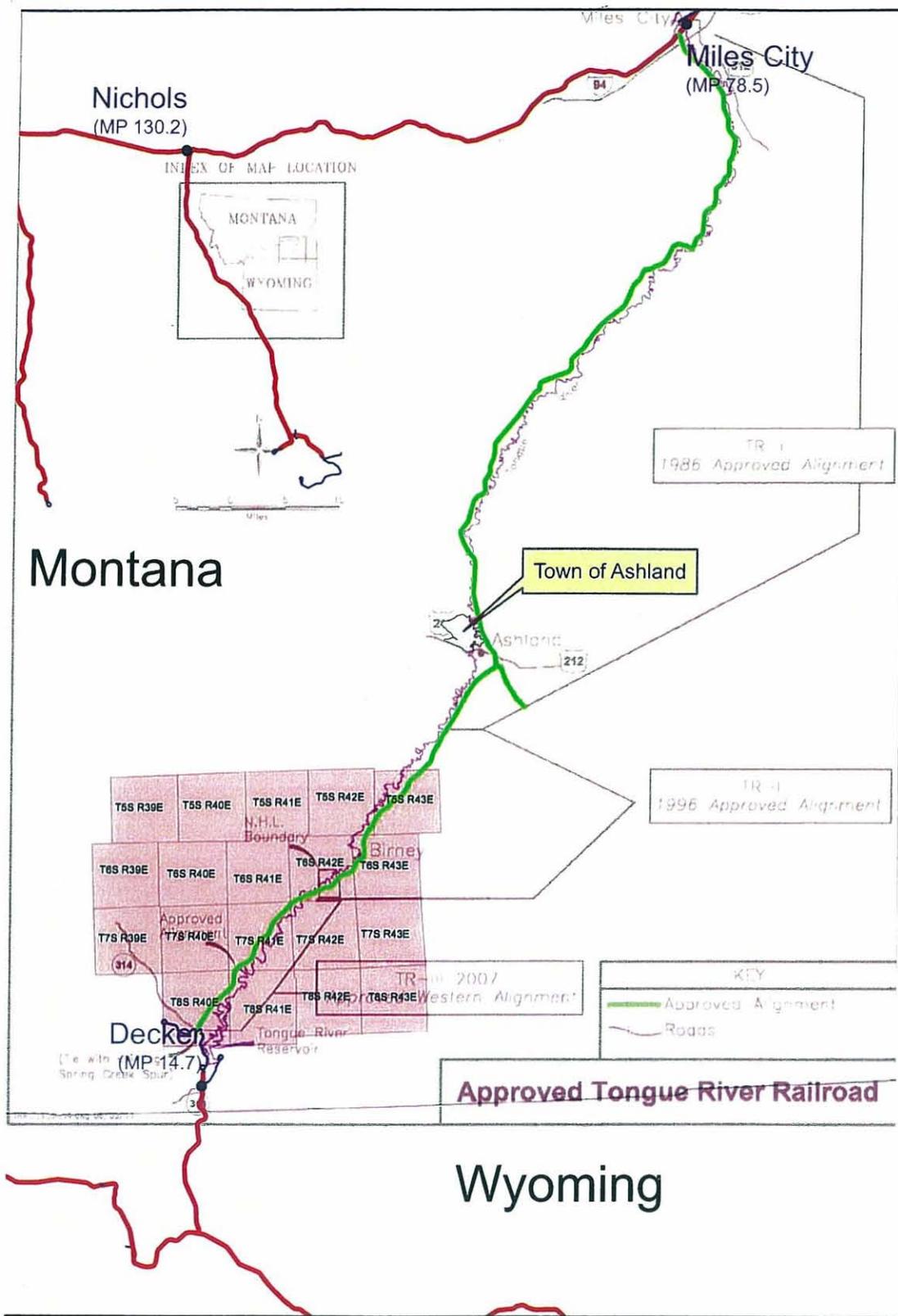
Respectfully,

A handwritten signature in blue ink, appearing to read "Betty Jo Christian".

Betty Jo Christian  
David H. Coburn  
STEPTOE & JOHNSON LLP  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
(202) 429-3000

Attorneys for Tongue River Railroad  
Company, Inc.

August 29, 2011



### Legend

- OTHER RR
- INDUSTRY
- BNSF RAILWAY
- ALIGNMENT

**CERTIFICATE OF SERVICE**

I hereby certify that on this 29<sup>th</sup> day of August, 2011, a copy of the foregoing document was served via first class mail, postage prepaid, on all parties of record.



---

David H. Coburn