

TRANSPORT COUNSEL PC

ATTORNEYS AT LAW

July 1, 2016

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Office of Proceedings
July 1, 2016
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Public Record



BY HAND DELIVERY

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

Re: Docket No. AB-1011 (Sub-No. 3X), Northern Lines Railway, LLC --
Discontinuance of Service Exemption -- In Stearns and Benton Counties,
MN

Dear Ms. Brown:

Enclosed for filing in the above-referenced proceeding are an original and 10 copies of the petition for exemption of Northern Lines Railway, LLC pursuant to 49 U.S.C. 10502. Also enclosed is a check in the amount of \$6,700 to cover the filing fee for this proceeding.

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy and returning it to our messenger.

Sincerely,

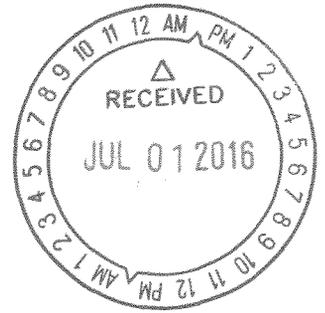
Rose Michele Nardi / EBY

Rose-Michele Nardi

Enclosures

FILED
July 1, 2016
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
July 1, 2016
SURFACE
TRANSPORTATION BOARD



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**NORTHERN LINES RAILWAY, LLC
--DISCONTINUANCE OF SERVICE EXEMPTION --
IN STEARNS AND BENTON COUNTIES, MN**

DOCKET NO. AB 1011 (SUB-NO. 3X)

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. 10502**

EXPEDITED SERVICE REQUESTED

Northern Lines Railway, LLC ("NLR"), a class III carrier, hereby petitions the Surface Transportation Board (the "Board") for exemption, pursuant to 49 U.S.C. 10502, from the prior approval requirements of 49 U.S.C. 10903, to discontinue service over certain rail segments in Stearns and Benton Counties, Minnesota (the "Petition"), which segments are owned by BNSF Railway Company ("BNSF").

I. BACKGROUND

In December 2004, NLR acquired authority from the Board to operate over certain lines in Minnesota via lease and incidental trackage rights. *See* STB Finance Docket No. 34627, *Northern Lines Railway, LLC -- Lease and Operation Exemption -- The Burlington Northern and Santa Fe Railway Company*, served January 6, 2005, *as modified by* the decision served June 3, 2005 in the same proceeding. NLR and BNSF have agreed to remove the Subject Segments (as

defined below) from the scope of the lease.¹ NLR is not discontinuing any of its incidental trackage rights.

After NLR obtains Board authority to discontinue the Subject Segments, BNSF will have the right to provide rail service over those segments. No customer currently receiving rail service from NLR will lose rail access as a result of this discontinuance.

The Subject Segments are the following tracks in East St. Cloud, which connect to BNSF main lines between MP 73 and MP 75: (a) all tracks accessed by Main 1 from Tracks 9967 and 9966, (b) Track 0132 along with Track 0146 and Track 0146's connecting industries within the wye complex at main line milepost 74, and (c) Track 0162, also known as Transfer 2. The Subject Segments are identified on the map attached as **Attachment A**, and do not include any tracks over which NLR operates via trackage rights. There is no overhead freight traffic on the Subject Segments.

II. BASIS FOR EXEMPTION UNDER SECTION 10502

Pursuant to 49 U.S.C. 10903, a rail common carrier desiring to discontinue rail service must obtain the prior approval of the Board. However, the Board has authority to exempt certain transactions from this approval, pursuant to 49 U.S.C 10502(a), which provides:

(a) In a matter related to a rail carrier providing transportation subject to the jurisdiction of the Board under this part, the Board, to the maximum extent consistent with this part, shall exempt a person, class of persons, or a transaction or service whenever the Board finds that the application in whole or in part of a provision of this part -

- (1) is not necessary to carry out the transportation policy of section 10101 of this title; and
- (2) either --

¹ At least some of these tracks are likely exempt industry tracks rather than regulated rail lines. However, the Board has acknowledged that "[t]here is no single test for determining whether a particular track segment is a railroad line or is instead ancillary track", and that "the Board and the courts have adopted a case-by-case, fact-specific approach to make this determination." See Docket No. FD 35316, *Allied Erecting and Dismantling, Inc., and Allied Industrial Development Corporation -- Petition for Declaratory Order -- Rail Easements in Mahoning County, OH*, served Sept. 17, 2015. Given the sometimes difficult nature of these determinations, and to ensure the public is made aware of the transfer of operations from NLR to BNSF, NLR is seeking Board authority to discontinue all the Subject Segments, to the extent of the Board's licensing authority over the Subject Segments.

- (A) the transaction or service is of limited scope; or
- (B) the application in whole or in part of the provision is not needed to protect shippers from the abuse of market power.

Regulation of this discontinuance pursuant to section 10903 is unnecessary to carry out the policy set forth at section 10101, the discontinuance is of limited scope, and it will not subject any rail customers to an abuse of market power. Thus, NLR's proposed discontinuance satisfies the requirements of section 10502 and should be exempted from the Board's prior approval requirements.

A. The Application of Section 10903 Is Not Necessary To Carry Out The Rail Transportation Policy.

The Board's prior review of NLR's proposed discontinuance is unnecessary to carry out the rail transportation policy ("RTP") identified at 49 U.S.C. 10101. None of the objectives of the RTP will be adversely affected by granting this Petition. In fact, by exempting this transaction, the Board would further several of the RTP's objectives. Granting the exemption would serve to minimize government regulation in the railroad industry and regulatory barriers (including administrative expenses) associated with exiting the industry, and would result in the efficient handling of this proceeding. *See* 49 U.S.C. 10101(2), (7) and (15).

B. The Transaction Is of Limited Scope.

The proposed discontinuance is of limited scope. NLR is seeking the discontinuance of freight operations over approximately just 3 miles of track. As noted above, no current rail customers will lose rail access as a result of this discontinuance. The limited geographic area involved, as well as the limited impact the discontinuance will have on active rail customers located on the Subject Segments, demonstrate the limited scope of the proposed discontinuance.

C. This Transaction Will Not Result in An Abuse of Market Power.

If the Board finds that the proposed discontinuance is of limited scope, the Board need not determine whether the proposed discontinuance will result in an abuse of market power. *See*

49 U.S.C. 10502(a)(2). Nevertheless, regulation of the proposed discontinuance is not needed to protect rail customers from an abuse of market power. As noted above, no active rail freight customers will lose rail access as a result of this discontinuance. In addition, because NLR connects only with BNSF, the customers on the Subject Segments will not lose interline routing options over other railroads.

III. ENVIRONMENTAL AND HISTORIC REPORTING REQUIREMENTS

The Board routinely has found that discontinuance proceedings are exempt from environmental and historic reporting requirements. *See e.g.*, Docket No. AB-1011 (Sub-No. 1X), *Northern Lines Railway, LLC - Discontinuance of Service Exemption - In Stearns County, Minnesota*, served May 20, 2011; Docket No. AB 933 (Sub-No. 1X), *Dakota, Missouri Valley and Western Railroad, Inc. - Discontinuance of Service Exemption - In Burke County, N.D.*, served Dec. 17, 2014; Docket No. AB 290 (Sub-No. 370X), *Norfolk Southern Railway Company -- Discontinuance of Service Exemption - In Clermont, Brown, and Adams Counties, Ohio*, served Jan. 15, 2015; and Docket Nos. AB 290 (Sub-No. 319X) and AB 1060X, *Central of Georgia Railroad Company -- Discontinuance of Service Exemption - Newtown County, GA; Great Walton Railroad Company -- Discontinuance of Operations Exemption -- Newton County, GA*, served July 15, 2010. Accordingly, no environmental or historic reporting documentation is required.

VI. FEDERALLY-GRANTED RIGHT-OF-WAY

NLR is not the owner of the Subject Segments. BNSF, the owner of the Subject Segments, has advised NLR that, based on information in BNSF's possession, some of those segments do contain federally granted right-of-way. Any documentation in NLR's possession will be made available promptly to those requesting it.

V. MAP

A map of the Subject Segments is attached hereto as **Attachment A**.

VI. DRAFT FEDERAL REGISTER NOTICE

A draft Federal Register notice is attached hereto as **Attachment B**.

VII. CERTIFICATE OF SERVICE AND PUBLICATION

A Certificate of Service and Publication is attached hereto as **Attachment C**.

VIII. LABOR PROTECTION

The interests of railroad employees of NLR who may be adversely affected by the proposed discontinuance of service will be adequately protected by the labor protective conditions in *Oregon Short Line R. Co. - Abandonment - Goshen*, 360 I.C.C. 91 (1979).

IX. CONCLUSION

Application of the prior approval requirements of 49 U.S.C. 10903 to the proposed discontinuance is not required to carry out the rail transportation policy set forth in 49 U.S.C. 10101. In addition, the proposed discontinuance is of limited scope and will not subject any active rail customers to abuse of market power. Accordingly, NLR requests an exemption for the proposed discontinuance of the Subject Segments.

X. EXPEDITED SERVICE REQUESTED

Attached hereto as **Attachment D** is a letter from St. Cloud Refrigeration, Inc. ("SCR") discussing its need for prompt authorization by the Board of this Petition. For the reasons set forth in SCR's letter, NLR requests the Board handle this Petition on an expedited basis.

Respectfully submitted,

Rose-Michele Nardi /ENY
Rose-Michele Nardi
Transport Counsel, PC
1701 Pennsylvania Ave., NW
Suite 300
Washington, DC 20006

Attorneys for:

NORTHERN LINES RAILWAY, LLC

Date: July 1, 2016

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**NORTHERN LINES RAILWAY, LLC
--DISCONTINUANCE OF SERVICE EXEMPTION --
IN STEARNS AND BENTON COUNTIES, MN**

DOCKET NO. AB 1011 (SUB-NO. 3X)

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. 10502**

ATTACHMENT A

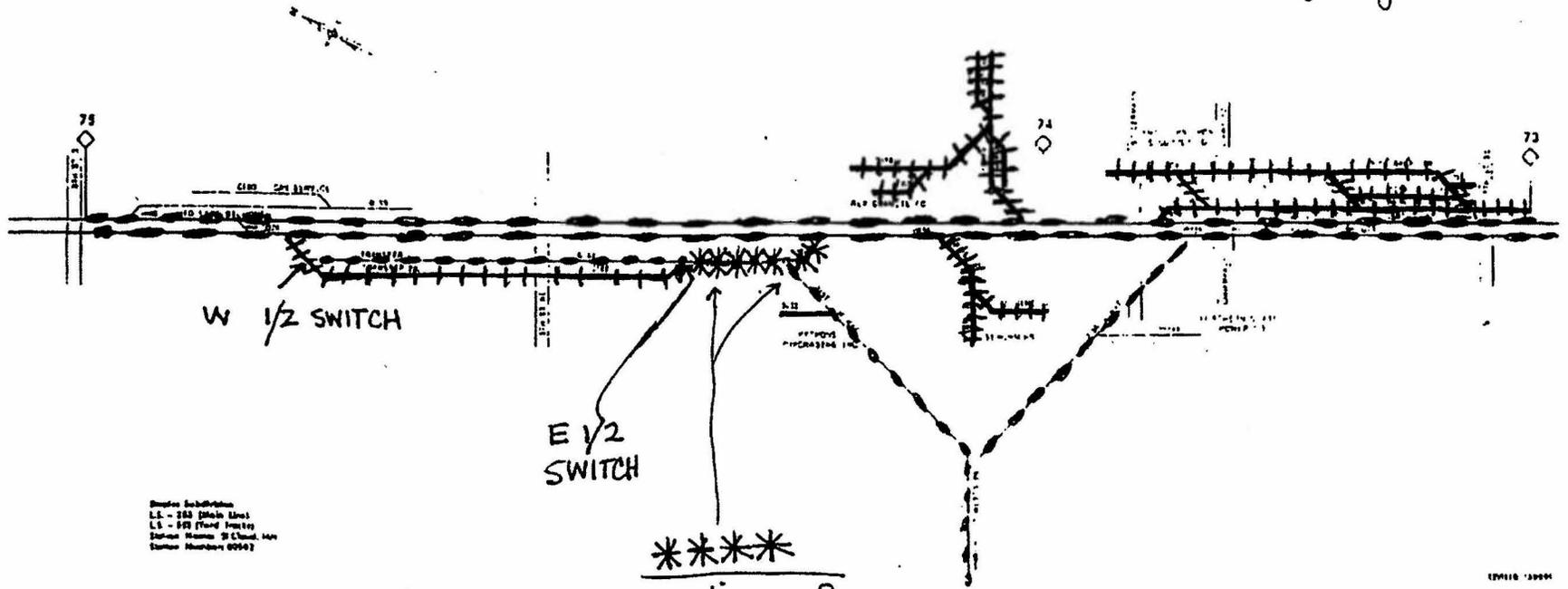
MAP OF SUBJECT SEGMENTS

ATTACHMENT B

++++ Subject Segments
●●●● NLR Trackage Rights

Note: NLR is not seeking to discontinue any of its trackage rights

St Cloud



Signal Substations
LS - 222 (Main Line)
LS - 223 (Lead Track)
Signal Name: St Cloud, Minn.
Signal Number: 00967

E 1/2 SWITCH

portion of Transfer 1 that can always be used to access W leg of Wye.

EDW 10004

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**NORTHERN LINES RAILWAY, LLC
--DISCONTINUANCE OF SERVICE EXEMPTION --
IN STEARNS AND BENTON COUNTIES, MN**

DOCKET NO. AB 1011 (SUB-NO. 3X)

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. 10502**

ATTACHMENT B

DRAFT FEDERAL REGISTER NOTICE

DRAFT FEDERAL REGISTER NOTICE

Docket No. AB 1011 (Sub-No. 3X)

Notice of Petition for Exemption to Discontinue Service

On July 1, 2016, Northern Lines Railway, LLC ("NLR") filed with the Surface Transportation Board, Washington, D.C. 20423, a petition for exemption for the discontinuance of service on the following track segments in East St. Cloud, which connect to the main lines of BNSF Railway Company ("BNSF") between MP 73 and MP 75: (a) all tracks accessed by Main 1 from Tracks 9967 and 9966, (b) Track 0132 along with Track 0146 and Track 0146's connecting industries within the wye complex at main line milepost 74, and (c) Track 0162, also known as Transfer 2, in Stearns and Benton Counties, MN, and traversing through United States Postal Service Zip Code 56303 (together, the "Subject Segments").

NLR is not the owner of the Subject Segments. BNSF, the owner of the Subject Segments, has advised NLR that, based on information in BNSF's possession, some of those segments do contain federally granted right-of-way. Any documentation in NLR's possession will be made available promptly to those requesting it.

The interests of railroad employees will be protected by the labor protective conditions set forth in *Oregon Short Line R. Co. - Abandonment - Goshen*, 360 I.C.C. 91 (1979).

Any offer for financial assistance to subsidize continued rail service will be due no later than 10 days after service of a decision granting the petition for exemption. Because this is a discontinuance of service proceeding and not an abandonment, there will be no consideration of requests for trail use/railbanking or public use conditions.

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

Because this is a discontinuance proceeding, no environmental or historic documentation is required.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**NORTHERN LINES RAILWAY, LLC
--DISCONTINUANCE OF SERVICE EXEMPTION --
IN STEARNS AND BENTON COUNTIES, MN**

DOCKET NO. AB 1011 (SUB-NO. 3X)

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. 10502**

ATTACHMENT C

CERTIFICATE OF SERVICE AND PUBLICATION

CERTIFICATE OF SERVICE AND PUBLICATION

I hereby certify that (1) based on a certificates of publication attached hereto as Attachment 1, a newspaper notice alerting the public to the proposed discontinuance of service of the Subject Segments was published in (a) the Saint Joseph Newsleader on June 24, 2016, and (b) Benton County News on June 28, 2016; and (2) a copy of this petition for exemption was sent by first-class mail, postage prepaid, to the parties listed below on July 1, 2016.

Minnesota Department of Transportation
395 John Ireland Blvd.
St. Paul, MN 55155 - 1899

Rick Potts, Chief
National Park Service
Rivers, Trails and Conservation Assistance Program
849 C Street, NW (Org. Code 2220)
Washington, DC 20240

Cam Sholly, Regional Director
Midwest Regional Office
National Park Service
601 Riverfront Drive
Omaha, NE 68102-4226

SDDC TEA
Railroads for National Defense
1 Soldier Way
Scott AFB, IL 62225

Thomas L. Tidwell, Chief
Forest Service
USDA Forest Service
1400 Independence Ave., SW
Washington, DC 20250-1111

Rose-Michele Nardi / EJY

Rose-Michele Nardi,
Transport Counsel PC
Attorneys for:
Northern Lines Railway, LLC

Date: July 1, 2016

**ATTACHMENT 1
TO ATTACHMENT C**

AFFIDAVIT OF PUBLICATION

PRINTERS' AFFIDAVIT OF PUBLICATION
STATE OF MINNESOTA)

)ss
COUNTY OF STEARNS)

LEGAL NOTICE

NOTICE OF INTENT TO DISCONTINUE RAIL SERVICE

Northern Lines Railway, LLC ("NLR") gives notice that on or about June 30, 2016, NLR intends to file with the Surface Transportation Board, Washington, DC 20423, a petition for exemption under 49 USC 10502 from the prior approval requirements of 49 USC 10903, et seq. permitting NLR to discontinue rail service over certain track segments in East St. Cloud it leases from BNSF Railway Co. ("BNSF") that connect to the BNSF main lines between MP 73 and MP 75. These track segments, which total approximately 3 miles, are: (a) all tracks accessed by Main 1 from Tracks 9967 and 9966, (b) Track 0132 along with Track 0146 and Track 0146's connecting industries within the wye complex at main line milepost 74, and (c) Track 0162, also known as Transfer 2. These track segments are located in Benton and Stearns counties, Minnesota and traverse through Postal Service ZIP Code 56303. (NLR is not seeking to discontinue any tracks over which NLR operates via trackage rights.) The NLR discontinuance proceeding will be docketed as No. AB-1011 (Sub-No. 3X).

comes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to SEA, Surface Transportation Board, Washington, D.C. 20423 or by calling that office 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, to the extent applicable, 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 Section of Administration, Office of Proceedings, 395 E St. SW., Washington, D.C. 20423-0001 [See 49 CFR 1104.1(a) and 1104.3(a)], and one copy must be served on applicant's representative [See 49 CFR 1104.12(a)]. Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Public Assistance, Governmental Affairs, and Compliance at 202-245-0238. Copies of any comments or requests for conditions should be served on applicant's representative: Rose-Michele Nardi, Transport Counsel PC, 1701 Pennsylvania Ave. NW, Suite 300, Washington D.C. 20006, tel. 202-349-3660.

Publish: June 24, 2016

If applicable, 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 be-

Cathryn Schnert, being first duly sworn, on oath states as follows:

1. I am the publisher of the St. Joseph Newsleader, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below as published in the newspaper are as follows:

June 24, 2016

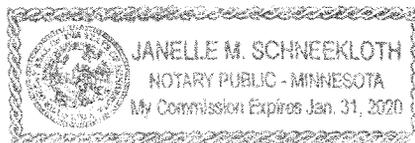
4. The publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to §331A.06, is as follows: \$9.50/col./inch.

5. Mortgage Foreclosure Notices. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper's known office of issue is located in Stearns County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

FURTHER YOUR AFFIANT SAITH NOT.

[Signature]

Subscribed and sworn to me before this 24 day of June, 2016.



Janelle M. Schneekloth
Notary Public

Benton County News, LLC

Legals - Job Work - Advertising
FOLEY, MINNESOTA 56329

PUBLIC NOTICE
Affidavit of Publication
July 1, 2015

STATE OF MINNESOTA
COUNTY OF BENTON

Keith Youso, being first duly sworn, on oath, states as follows:

1. I am the publisher of the **Benton County News, LLC**, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.
2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, included those requirements found in Minnesota Statute 331A.02.
3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

Public Notice: Northern Lines Railway LLC

published June 28, 2016 Cost: \$138.20

4. The publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to §331A.06, is as follows: \$7.40 per column inch
5. Mortgage Foreclosure Notices (Effective 7/1/15). Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper's known office of issue is located in BENTON County, 220 Broadway Ave. N., Foley, MN 56329. The newspaper complies with the conditions described in §580.033, subd. 1 clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

FURTHER YOUR AFFIANT SAITH NOT.

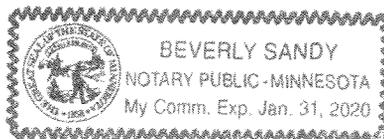


Keith Youso, Editor/Publisher

Subscribed & sworn to before me on this
29th day of June, 2016



Notary Public



Public Notice

Northern Lines Railway, LLC

Northern Lines Railway, LLC ("NLR") gives notice that on or about June 30, 2016, NLR intends to file with the Surface Transportation Board, Washington, DC 20423, a petition for exemption under 49 USC 10502 from the prior approval requirements of 49 USC 10903, et seq. permitting NLR to discontinue rail service over certain track segments in East St. Cloud it leases from BNSF Railway Company ("BNSF") that connect to the BNSF main lines between MP 73 and MP 75. These track segments, which total approximately 3 miles, are: (a) all tracks accessed by Main 1 from Tracks 9967 and 9966, (b) Track 0132 along with Track 0146 and Track 0146's connecting industries within the wye complex at main line milepost 74, and (c) Track 0162, also known as Transfer 2. These track segments are located in Benton and Stearns Counties, MN and traverse through Postal Service ZIP Code 56303. (NLR is not seeking to discontinue any tracks over which NLR operates via trackage rights.) The NLR discontinuance proceeding will be docketed as No. AB-1011 (Sub-No. 3X).

If applicable, 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 regarding environmental matters by writing to SEA, Surface Transportation Board, Washington, DC 20423 or by calling that office 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, to the extent applicable, 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 Section of Administration, Office of Proceedings, 395 E Street, SW., Washington, DC 20423-0001 [See 49 CFR 1104.1(a) and 1104.3(a)], and one copy must be served on applicant's representative [See 49 CFR 1104.12(a)]. Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Public Assistance, Governmental Affairs, and Compliance at 202-245-0238. Copies of any comments or requests for conditions should be served on applicant's representative: Rose-Michele Nardi, Transport Counsel PC, 1701 Pennsylvania Ave., NW, Suite 300, Washington DC 20006, tel 202-349-3660.

June 28, 2016

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**NORTHERN LINES RAILWAY, LLC
--DISCONTINUANCE OF SERVICE EXEMPTION --
IN STEARNS AND BENTON COUNTIES, MN**

DOCKET NO. AB 1011 (SUB-NO. 3X)

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. 10502**

ATTACHMENT D

REQUEST FOR EXPEDITED SERVICE



June 27, 2016

Ms. Rose-Michele Nardi
Transport Counsel, PC
1701 Pennsylvania Ave. NW
Suite 300
Washington DC 20006
Attorney for Northern Lines Railway, LLC

CENTRAL | METRO DIVISION

604 Lincoln Ave. NE
St. Cloud, MN 56304
toll free 800-827-1642
office 320-251-6861
fax 320-251-9390

NORTHERN DIVISION

7674 College Road, Ste 115
Baxter, MN 56425
office 218-828-4337
fax 218-825-4966

SOUTHERN DIVISION

2625 Highway 14 West
Rochester, MN 55901
office 507-535-7954
fax 507-424-1825

153 Chestnut St., Ste 300
Mankato, MN 56001
office 507-345-8425
fax 507-387-3208

scr-mn.com

Services

REFRIGERATION
HVAC
SERVICE
BUILDING AUTOMATION
FOOD SERVICE

Dear Ms. Nardi,

St. Cloud Refrigeration/Fitwell properties remains vitally interested in the Surface Transportation Board's review and approval of the petition of Northern Lines Railway (NLR) to discontinue service on approximately 3 miles of rail line in East St. Cloud which connects BNSF main lines between MP73 and MP75 in Stearns and Benton counties, Minnesota. There is approximately 420' of this discontinuance that plays an important role in the advancement and growth of our business. Docket No. AB 1011 (SUB-NO.3X).

In March of 2015 St. Cloud Refrigeration/Fitwell properties started discussions about the possibility of purchasing the industry track that separates our property. Our plan is to join the properties so we can add on to our existing building to expand the sheet metal manufacturing part of our business. Our business has grown and we are out of space so an expansion is a must. We studied our opportunities and because relocating our facility would be difficult we decided the most efficient and economical option was to see if we could purchase the approximately 420' of land that dissects our property. Those tracks have not been used in many years. We own the land on both sides of the BNSF property. In June of 2015 we were told that purchasing the land was a possibility, we were also made aware that these purchases have a certain amount of paperwork that can take some time. So with that in mind we planned on not getting final paperwork done until late winter or early spring 2016, which would allow for a summer construction start. We have had a ALTA survey done and have completed all the other required paperwork. Now it is June 27th and our understanding is the discontinuance process is just now getting filed and could still take another four months. Once the discontinuance is final we still need to finalize the purchase, then we need to have the city of St. Cloud work with us to attach the properties. The city requires a variance to attach properties and we are told this will take another month. That would bring us to the end of November. Our choice at that point is either delay our construction until spring of 2017 or to incur winter construction cost



CENTRAL | METRO DIVISION

604 Lincoln Ave. NE
St. Cloud, MN 56304
toll free 800-827-1642
office 320-251-6861
fax 320-251-9390

NORTHERN DIVISION

7674 College Road, Ste 115
Baxter, MN 56425
office 218-828-4337
fax 218-825-4966

SOUTHERN DIVISION

2425 Highway 14 West
Rochester, MN 55901
office 507-535-7954
fax 507-474-1825

153 Chestnut St., Ste 300
Mankato, MN 56001
office 507-345-8425
fax 507-387-3208

scr-mn.com

Services

REFRIGERATION
HVAC
SERVICE
BUILDING AUTOMATION
FOOD SERVICE

which our contractor has informed us could add at least 10% to our project.

St. Cloud Refrigeration/Fitwell properties asks NLR to approach the Surface Transportation Board and respectfully request an expedited approval of NLR's Petition. If we are able to expedite this process it will help us gain time to start construction in the early fall. This will allow us to have our building complete to install new machinery and be operational by late Spring of 2017. Please consider this request.

St. Cloud Refrigeration/Fitwell properties appreciates NLR's willingness to work with us on this transaction and ask for prompt notification of Surface Transportation Board's reaction to our request for expedited approval.

Thank You for your time and consideration of this matter.

Sincerely,

Patrick J. Welty
CFO, St. Cloud Refrigeration, Inc.

VERIFICATION

I, Justin Chalich, President of Northern Lines Railway, LLC, certify under penalty of perjury that the forgoing petition for exemption is true and correct to the best of my knowledge, information and belief. Further, I certify that I am qualified and authorized to cause this petition for exemption to be filed.



Justin Chalich, President

Date: June 30, 2016