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March 22, 2008

Via ELECTRONIC FILING

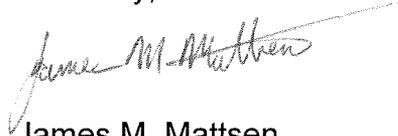
The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E. Street, S.W.
Washington, D.C. 20423-0001

Re: STB Ex Parte No. 676 – Rail Transportation Contracts Under 49 U.S.C 10709

Dear Secretary Quinlan:

Pursuant to the Notice served by the Board on March 12, 2008 requesting comments on suggestions for an appropriate full disclosure/informed consent proposal, attached are comments of Progressive Rail Inc. Progressive Rail Inc. operates short line railroads subject to the Board's jurisdiction.

Sincerely,

A handwritten signature in cursive script that reads "James M. Mattsen". The signature is written in black ink and is positioned above the printed name and title.

James M. Mattsen
Progressive Rail Inc.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Ex Parte No. 676

RAIL TRANSPORTATION CONTRACTS UNDER 49 U.S.C. 10709

REPLY COMMENTS OF PROGRESSIVE RAIL INC.

Progressive Rail Inc. (PGR) submits these Reply Comments on the invitation for suggestions for an appropriate full disclosure/informed consent proposal as requested by the Board March 12, 2008.

At this time PGR does not believe it has enough information to comment generally on the advisability of a Board requirement for rail carriers to place a full disclosure clause in documents that rail carriers believe to be rail transportation contracts as defined by 49 U.S.C. 10709. Nor does PGR have the expertise to constructively suggest specific language for any such full disclosure clause.

However, PGR respectfully would like to bring to Board's attention certain types of contractual arrangements entered into by short line rail carriers and others that may or may not be intended by the Board to be covered by this proceeding.

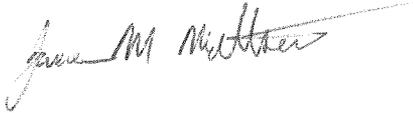
PGR believes that several types of contracts including those known as handling carrier, haulage, switching agreements, and the like, in which a rail carrier purchases rail transportation from another rail carrier for the purpose of continuing the movement of rail freight on behalf of a shipper, should be exempt from a full disclosure clause as all parties to such agreements are presumed to be reasonably knowledgeable and such agreements should be understood by parties to supersede tariff, common-carrier rates that may be held out to the shipping public. Further, in some cases a short line rail carrier may be contractually restricted from presenting rates to the public. The contract between the short line and other carriers is the only document specifying services, rates, and conditions. Any disclosure language would not be applicable.

Additionally, while PGR at this time is still considering if a full disclosure clause is advisable, PGR respectfully requests that the Board clarify in future decision, if such a decision would order the inclusion of a clause regarding full disclosure/informed consent, as to the applicability of such a requirement to rail transportation contracts that may include additional accessorial services such as, railcar demurrage and storage, transloading to or from other modes (typically motor carrier), incidental warehousing resulting from transloading, local drayage

to complete rail transportation for shippers not located directly on rail, and the like. Such accessorial services may currently be bundled directly with services that would be unarguably described as rail transportation or they may be separately executed contracts. In either case, the contracts between the railroad or its subsidiaries and the shipper often supersede a tariff published by the rail carrier.

Progressive Rail thanks the Board for the opportunity to comment and desires that the Board find these informal comments useful in this proceeding.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "James M. Mattsen", written in black ink.

James M. Mattsen
Manager, Accounting
Progressive Rail Inc.
21778 Highview Ave
Lakeville MN 55044

March 22, 2008