

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36497]

D&I Railroad Company—Acquisition and Operation Exemption—in Lincoln and Union Counties, S.D., and Lyon, Sioux, and Plymouth Counties, Iowa

D&I Railroad Company (D&I), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to acquire from the State of South Dakota, acting by and through its Department of Transportation (SDDOT), and operate approximately 68 miles of rail line, consisting of two interconnected lines: (1) from milepost 0.0 at East Wye Switch, S.D., to milepost 49.40 in Canton, S.D.; and (2) from milepost 0.00 at Hawarden, Iowa, to milepost 18.60 in Beresford, S.D. (the Lines).¹

The verified notice states that D&I and SDDOT have negotiated terms for the transfer of the Lines pursuant to a sale agreement the parties executed on February 2, 2021, with closing to occur following the effective date of the exemption.

D&I certifies that its projected annual revenues as a result of this transaction will not result in D&I's becoming a Class II or Class I rail carrier, but that its current annual revenues exceed \$5 million. Pursuant to 49 C.F.R. § 1150.42(e), if a carrier's projected

¹ According to the verified notice, D&I has operated the first segment of the Lines since 1982 and the second since 1986, pursuant to modified certificates. See D&I R.R.—Operation—Between Sioux Falls, S.D. & Sioux City, Iowa—Modified Rail Certificate, FD 29910 (ICC served May 2, 1982); D&I R.R.—Operation—Between Hawarden, Iowa & Beresford, S.D., FD 30940 (ICC served Nov. 24, 1986). D&I states that it will give notice that it intends to terminate service under the modified certificates pursuant to 49 C.F.R. § 1150.24.

annual revenues will exceed \$5 million, it must, at least 60 days before this exemption is to become effective, post a notice of its intent to undertake the proposed transaction at the workplace of the employees on the affected lines, serve a copy of the notice on the national offices of the labor unions with employees on the affected lines, and certify to the Board that it has done so. However, D&I has filed a petition for waiver of the 60-day advance labor notice requirements. D&I's waiver request will be addressed in a separate decision. The Board will establish the effective date of the exemption in its separate decision on the waiver request.

D&I also certifies that the proposed acquisition and operation of the Line does not involve a provision or agreement that may limit future interchange with a third-party connecting carrier.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than April 7, 2021.

All pleadings, referring to Docket No. FD 36497, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading must be served on D&I's representative, Robert A. Wimbish, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606.

According to D&I, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: March 26, 2021.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.