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SERVICE DATE – DECEMBER 15, 2023

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 35508 (Sub-No. 1)]

Iowa Northern Railway Company—Lease Renewal Exemption—Rail Line of North
Central Iowa Rail Corridor, LLC

Iowa Northern Railway Company (IANR) has filed a verified notice of exemption under 49 CFR 1180.2(d)(4) to renew its lease of the railroad property of North Central Iowa Rail Corridor, LLC (NCIRC), between milepost 48.12 at Belmond, Iowa, and milepost 75.95 at Forest City, Iowa, and 600 feet of connecting track at Garner, Iowa (the Line).¹

According to the verified notice, in 2011, IANR leased the Line from NCIRC, for an initial term of ten years, pursuant to a lease and purchase agreement. See Iowa N. Ry.—Operation Exemption—N. Cent. Rail Corridor, LLC, FD 35508 (STB served May 26, 2011). IANR states that, in 2021, it and NCIRC agreed to renew the lease for an additional three years, from September 30, 2021, until September 30, 2024. IANR states that it did not file a notice of exemption before consummating the lease renewal because it was not aware that the renewal required an exemption or Board approval. IANR now seeks after-the-fact Board authorization for the transaction.² IANR states that the

¹ IANR filed a correction to its verified notice of exemption on December 5, 2023.

² IANR does not seek retroactive effectiveness for the exemption.

agreement does not include any provision that would limit the future interchange of traffic with a third-party connecting carrier.

IANR represents that the transaction involves a renewal of a lease that the Board previously authorized, and only an extension in time is involved. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(4).

This transaction may be consummated on or after December 30, 2023, the effective date of the exemption (30 days after the verified notice was filed).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

If the verified 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 December 22, 2023.

All pleadings, referring to Docket No. FD 35508 (Sub-No. 1), must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on IANR's representative, Kevin M. Sheys, Hogan Lovells US LLP, Columbia Square 555, Thirteenth Street NW, Washington, DC 20004.

According to IANR, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic reporting requirements under 49 CFR 1105.8(b).

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

Decided: December 12, 2023.

By the Board, Mai T. Dinh, Director, Office of Proceedings.