

SURFACE TRANSPORTATION BOARD

DECISION AND NOTICE OF INTERIM TRAIL USE OR ABANDONMENT

Docket No. FD 36086

DAKOTA SOUTHERN RAILWAY COMPANY—MODIFIED CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY—YANKTON, BON HOMME, AND CHARLES MIX
COUNTIES, S.D.

Decided: April 28, 2026

In 2016, the State of South Dakota (State), acting by and through its Department of Transportation, entered a ten-year rail line lease with the Dakota Southern Railway Company (DSR) that included two rail segments: (1) between Napa Junction, S.D., at milepost 0.00 and Tyndall, S.D., at milepost 20.9 (Napa-Tyndall Segment); and (2) between Tyndall, at milepost 20.9, and Ravinia, S.D., at milepost 54.5 (Tyndall-Ravinia Segment).¹ At the State's request, DSR obtained a modified certificate of public convenience and necessity to provide common carrier rail service over both segments. See Dakota S. Ry.—Modified Certificate of Pub. Convenience & Necessity—Yankton, Bon Homme, & Charles Mix Cntys., S.D., FD 36086, slip op. at 1 (STB served Jan. 25, 2017).²

On August 7, 2025, DSR provided notice to the Board that its modified certificate rights to provide service over that segment would terminate on October 6, 2025. (DSR Notice 1, Aug. 7, 2025.) On March 23, 2026, the State filed a request for the issuance of a notice of interim trail use (NITU) under the National Trails System Act, 16 U.S.C. § 1247(d), for the Napa-Tyndall Segment. In its request, the State explains that it terminated the 2016 lease of the Napa-Tyndall Segment in July 2025, prompting DSR's August 2025 notice. (Req. 5.)

To satisfy the requirements of 49 C.F.R. § 1152.29(a), the State has submitted a map and description of the right-of-way as well as a statement indicating its willingness to assume financial responsibility for managing the right-of-way and acknowledging that use of the right-of-way is subject to possible future reconstruction and reactivation of the right-of-way for rail service. (Req., Exs. A (Map) & B (Statement).) The State notes that it has taken no steps to

¹ These segments were part of a longer line, which once extended from Napa Junction to Platte, S.D., at milepost 83.3. (Req. 1.) This longer line was authorized for abandonment in 1980, but the State acquired it prior to abandonment. (Id. at 2.)

² In 2020, the 2016 lease was amended to remove the Tyndall-Ravinia Segment, and, in 2023, the Board, inter alia, terminated the modified certificate for that segment. See State of S.D. Acting By & Through Its Dep't of Transp.—Pet. For Declaratory Ord., FD 36697 (STB served Aug. 21, 2023).

abandon the Napa-Tyndall Segment and is currently planning to undertake a comprehensive study to determine the feasibility of returning the line between Napa Junction and Platte, which includes the Napa-Tyndall Segment, to active rail service. (Req. 6-8.) The State further indicates that, as the owner of the Napa-Tyndall Segment, it is willing to enter into trail use negotiations. (Req. 7.)

Here, because abandonment has never been consummated, and because the State's request for a NITU complies with the requirements in 49 C.F.R. § 1152.29, a NITU will be issued for the Napa-Tyndall Segment. Because the State is both the owner of the Napa-Tyndall Segment and the trail sponsor, the negotiations that normally take place to reach a trail use agreement as contemplated under 49 C.F.R. § 1152.29 may not be needed. However, to fulfill the purpose of "ensur[ing] that the agency and the public have accurate information on the status of property where a [NITU] has been issued," Nat'l Trails Sys. Act & R.R. Rts.-of-Way, EP 702, slip op. at 9 (STB served Feb. 16, 2011), if the State implements trail use/railbanking on the Napa-Tyndall Segment (or a portion thereof) prior to the expiration of the one-year NITU period prescribed below, the State shall notify the Board within 10 days that it has done so. See 49 C.F.R. § 1152.29(d)(2), (h). Such notice shall include all the other information otherwise required under 49 C.F.R. § 1152.29(h). Use of the right-of-way for trail purposes is subject to possible future reconstruction and reactivation of the right-of-way for rail service. See 49 C.F.R. § 1152.29(d)(2).

It is ordered:

1. The request for a NITU under 16 U.S.C. § 1247(d) and 49 C.F.R. § 1152.29 is granted.
2. If an interim trail use/railbanking agreement is reached, it must require the trail sponsor to assume, for the term of the agreement, full responsibility for: (i) managing the right-of-way; (ii) any legal liability arising out of the transfer or use of the right-of-way (unless the sponsor is immune from liability, in which case it need only indemnify the railroad against any potential liability), and (iii) the payment of any and all taxes that may be levied or assessed against the right-of-way.
3. Interim trail use/railbanking is subject to possible future reconstruction and reactivation of the right-of-way for rail service and to the trail sponsor's continuing to meet its responsibilities for the right-of-way described in paragraph 2 above.
4. If the State implements trail use by one year from service, the State shall jointly notify the Board within 10 days that it has done so. See 49 C.F.R. § 1152.29(d)(2), (h).
5. If interim trail use is implemented, and subsequently the sponsor intends to terminate trail use, it must send the Board a copy of this decision and notice and request that it be vacated on a specified date.

6. This decision is effective on its date of service.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.