

SERVICE DATE – AUGUST 12, 2026

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36439

FLINT HILL RESOURCES RAILROAD, LLC—CONSTRUCTION & OPERATION
EXEMPTION—HARDIN COUNTY, IOWA

Decided: August 12, 2026

On February 1, 2021, Flint Hill Resources Railroad, LLC (FHRR), a noncarrier, filed a petition for exemption under 49 U.S.C. § 10502 from the prior approval requirements of 49 U.S.C. § 10901 for authorization to construct and operate an approximately 2.3-mile rail line (the Line) in Hardin County, Iowa. According to the petition, FHRR is a newly organized rail corporation and a subsidiary of FHR B&I Holdings, LP (FHR), and FHR also is the parent company of Flint Hill Resources Iowa Falls, LLC, an ethanol producer with a facility (the Plant) that is currently exclusively served by Union Pacific Railroad Company (UP).¹ (Pet. 2.) The petition states that the proposed Line will provide the Plant with a new, permanent, direct connection to the Canadian National Railway Company's nearby mainline while preserving the Plant's connection with UP. (*Id.*)²

By letter filed June 24, 2021, FHRR reported that POET, the world's largest producer of biofuels, had acquired all the bioethanol assets of FHR, including FHRR and the Plant. (FHRR Letter 1, June 24, 2021.) FHRR stated that POET was interested in increasing its competitive transportation options but needed time to carefully evaluate the project proposed in the petition and whether it aligned with POET's long-term objectives. (*Id.*) FHRR therefore requested that the Board hold the proceeding in abeyance for 90 days while POET evaluated the project. (*Id.*) In a decision served July 9, 2021, the proceeding was placed in abeyance until further Board order, and POET was directed to file a status report by October 6, 2021. Flint Hill Res. R.R.—Constr. & Operation Exemption—Hardin Cnty., Iowa, FD 36439 (STB served July 9, 2021).

¹ According to FHRR, FHR is a wholly owned subsidiary of Koch Industries, Inc. (Pet. 2 n.1.)

² FHRR states that the “substantial majority” of the proposed Line will be constructed on or next to existing railroad rights-of-way or on land already owned by the Plant. (*Id.* at 3.) According to FHRR, the final alignment of the proposed Line has not been decided but will involve crossing UP's line at some point. (*Id.* at 2 n.3.) FHRR states that it intends to negotiate the terms and exact crossing location with UP, but, absent an agreement with UP, it will file a separate petition to cross UP's line. (*Id.*)

In a status report filed on September 23, 2021, POET explained that it needed additional time to evaluate the project and that it was exploring commercial solutions with UP. (See Status Rep. 1, Sept. 23, 2021.) POET therefore requested that the proceeding continue to be held in abeyance. (Id.) By decision served September 30, 2021, POET's request was granted, and POET was directed to file a status report by February 6, 2022. Flint Hill Res. R.R.—Constr. & Operation Exemption—Hardin Cnty., Iowa, FD 36439 (STB served Sept. 30, 2021). Since that decision, four requests filed by POET to continue to hold the proceeding in abeyance have been granted, to accommodate ongoing negotiations between POET and UP regarding a long-term commercial solution. The most recent of those decisions directed POET to file a status report by June 30, 2026. Flint Hill Res. R.R.—Constr. & Operation Exemption—Hardin Cnty., Iowa, FD 36439 (STB served July 14, 2025).

On July 14, 2026, POET filed a status report indicating that POET and UP continue to hold commercial negotiations seeking to reach a mutually beneficial commercial agreement. (Status Rep. 1, July 14, 2026.) POET states that negotiations with UP have produced short-term solutions, even as the parties continue to work towards a more comprehensive long-term solution. (Id. at 1-2.) POET requests that Board continue to hold the proceeding in abeyance so POET can explore all options before proceeding with the project and commits to filing a status report by June 30, 2027. (Id. at 2.)

POET's request will be granted, and the proceeding will continue to be held in abeyance until further Board order. In addition, POET will be directed to file a status report by June 30, 2027. POET is encouraged to conclude its related commercial negotiations with UP within the next year so that a further abeyance extension request would not be necessary.

It is ordered:

1. POET's request to continue to hold the proceeding in abeyance is granted, as explained above.
2. POET is directed to file a status report by June 30, 2027.
3. This decision is effective on its service date.

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