



Before the
SURFACE TRANSPORTATION BOARD

1067X
Docket No. AB ~~1076~~ (~~Subdocket 1X~~)

**NOTICE OF EXEMPTION OF IOWA NORTHWESTERN RAILROAD FOR
EXEMPTION OF ABANDONMENT BETWEEN MP 237.25 (WEST OF LAKE PARK)
AND MP 252.3 (WEST OF BRAAKSMA), DICKINSON AND OSCEOLA COUNTIES,
IOWA**

FILED
SEP 14 2005
**SURFACE
TRANSPORTATION BOARD**

John F. Larkin
General Railway Corporation
Dba Iowa Northwestern Railroad
4814 Douglas St.
Omaha, NE 68132
(402) 558-0553
President, Iowa Northwestern RR

Dated: September 13, 2005

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Public Record



General Railway Corporation
dba

Iowa Northwestern Railroad

4814 Douglas St. Omaha, NE 68132
V (402) 558-0553 Cell (712) 574-9800
john@ianwrr.com

13 September 2005
VIA: Fed Ex

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
Mercury Building, #711
1925 K Street, N.W.
Washington, DC 20423-0001

Re: General Railway Corporation, dba Iowa Northwestern Railroad
Abandonment Exemption in Osceola and Dickinson Counties, Iowa
STB Docket No. AB-1067 (X)

Dear Secretary Williams:

Enclosed for filing are the original and ten copies of a Notice for Exemption for abandonment in the afore-mentioned proceedings and our check in the amount of \$3,000 representing the filing fee. Also enclosed is a computer diskette with the notice, environmental report and historic report.

Please time-stamp the extra copy of this letter to indicate receipt and return it to me in the stamped, self-addressed envelope provided for your convenience.

Respectfully

John F. Larkin
President

Enclosures

cc: All Parties on Service List (w/enclosure)

Before the
SURFACE TRANSPORTATION BOARD

1067
Docket No. AB ~~1076~~ (X)

**IOWA NORTHWESTERN RAILROAD - ABANDONMENT EXEMPTION -
IN OSCEOLA AND DICKINSON COUNTIES, IOWA**

NOTICE OF EXEMPTION

General Railway Corporation, doing business as the Iowa Northwestern Railroad ("IANW") files this Verified Notice of Exemption pursuant to the class exemption at 49. C.F.R. part 1152.50 for IANW to abandon 17.05 miles of track between Milepost 237.25 (Engineering Station 1593+95) west of Lake Park, IA and Milepost 252.3 (Engineering Station 886+81) west of Braaksma, IA, located in Dickinson and Osceola Counties, Iowa.

1. Proposed consummation date: The proposed consummation date is 19 December 2005.
2. Certificate required by 49 C.F.R. part 1152.50(b). See Exhibit A.
3. Information required by 49.C.F.R. part 1152.22(a)(1) through (4), (7), and (8), and (e)(4).

(a) General

(1) Exact name of applicant. General Railway Corporation doing business as the Iowa Northwestern Railroad.

(2) Whether applicant is a common carrier by railroad subject to 49 U.S.C. Subtitle IV, Chapter 105. IANW is a common carrier by railroad.

(3) Relief sought. IANW seeks to use the class exemption at 49 C.F.R. part 1152.50 to abandon the track between milepost 237.25 (E.S1593+95) west of Lake Park, IA and milepost 252.3 (E.S. 886+81) west of Braaksma (formerly Allendorf), IA.

There has been no local traffic on the segment from MP 246.0 (Ocheyedan) to MP 252.3 (Braaksma) since the line was purchased in 2001. There has been no local traffic on the remainder of the line segment since 21 December 2003. No overhead traffic was ever shipped on the line.

The line has been subject to a series of embargoes by Union Pacific Railroad since 5 December 2003. While we believe these to be unlawful, the amount of remaining freight traffic was less than 90 cars per year and the legal costs to seek relief far exceed any potential net revenue. The only shipper on the line can receive all traffic that would ship on this line at Sibley, IA less than 12 miles away. Because the Sibley location is on the UP mainline the freight tariff is less than the tariff on our line and the shipper can bring traffic in to their location on this line for virtually the same or less per car than would be the case if this line were to remain open.

(4) Map. See Exhibit B.

(7) Name, title and address of representative to whom correspondence should be sent: John F. Larkin, President, Iowa Northwestern Railroad, 4814 Douglas St., Omaha, NE 68132.

(8) List of all United States Postal Service ZIP codes that the line proposed for abandonment traverses. The line traverses ZIP codes 51347, 51345 and 51354.

(e) Rural and community impact.

(4) Statement of whether the properties proposed to be abandoned are appropriate for use for other public purposes, including roads and highways, other forms of mass transportation, conservation, energy production or transmission, or recreation. If the applicant is aware of any restriction on the title to the property, including any reversionary interest, which would affect the

transfer of title or the use of the property for other than rail purposes, this shall be disclosed.

The line traverses a predominantly rural area through three small towns. A state highway parallels the railroad to provide service to these towns. There is no reasonable expectation that the line could be used for mass transportation, roads or highways. While windmills or power transmission lines could conceivably use the right of way, the best use is as a conservation / recreation trail. The west end of the line is separated by less than $\frac{1}{2}$ a mile from an existing trail. The line runs through some of the more scenic areas of the counties and is approximately $\frac{1}{4}$ to $\frac{1}{2}$ mile from the parallel highway. IANW has had ongoing discussion with the Iowa Trails Council about conveying the right of way to them as a native prairie / recreational trail.

4. The level of labor protection. Existing railroad employees (one) will continue to work on the remaining 20 miles of track.
5. Certification. Certificates of compliance with the notice requirements of 49 C.F.R. part 1152.50(d)(1) and 1105.11 are attached as Exhibit C.
6. Environmental Report. See Exhibit D. The line does not contain any federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

EXHIBIT A

VERIFICATION AND CERTIFICATION THAT RAIL LINE MEETS CRITERIA OF 49 C.F.R.
SECTION 1152.50(b)

STATE OF NEBRASKA

)

)

ss.

COUNTY OF DOUGLAS

)

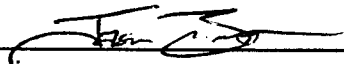
I, John F. Larkin, being duly sworn depose and state that I am President of General Railway Corporation, doing business as the Iowa Northwestern Railroad ("IANW"), that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.

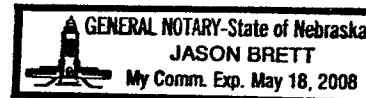
I hereby certify that only little or no (a single 75 car unit grain train shipped on 28 Oct 2003 and 24 cars of fertilizer were received with the last car returned to interchange on the 21st of December 2003) traffic moved over this 17 miles of track during the two years prior to the date hereof and that all freight traffic ended in December 2003 as the result of a series of embargoes imposed by Union Pacific Railroad. There has been no overhead traffic on the line since 1987. Further, the only shipper on the line has gone to the Northern Iowa District Court to force the abandonment of the line, indicating that there will be no complaints from any users of the line. In a default judgement entered 16 August 2005, the District Court ordered the Iowa Northwestern to file for abandonment with the STB by the 5th of September 2005. The foregoing certification is made on behalf of IANW by the undersigned after due and careful investigation of the matters herein certified and based on the best of the knowledge, information and belief of the undersigned.


John F. Larkin

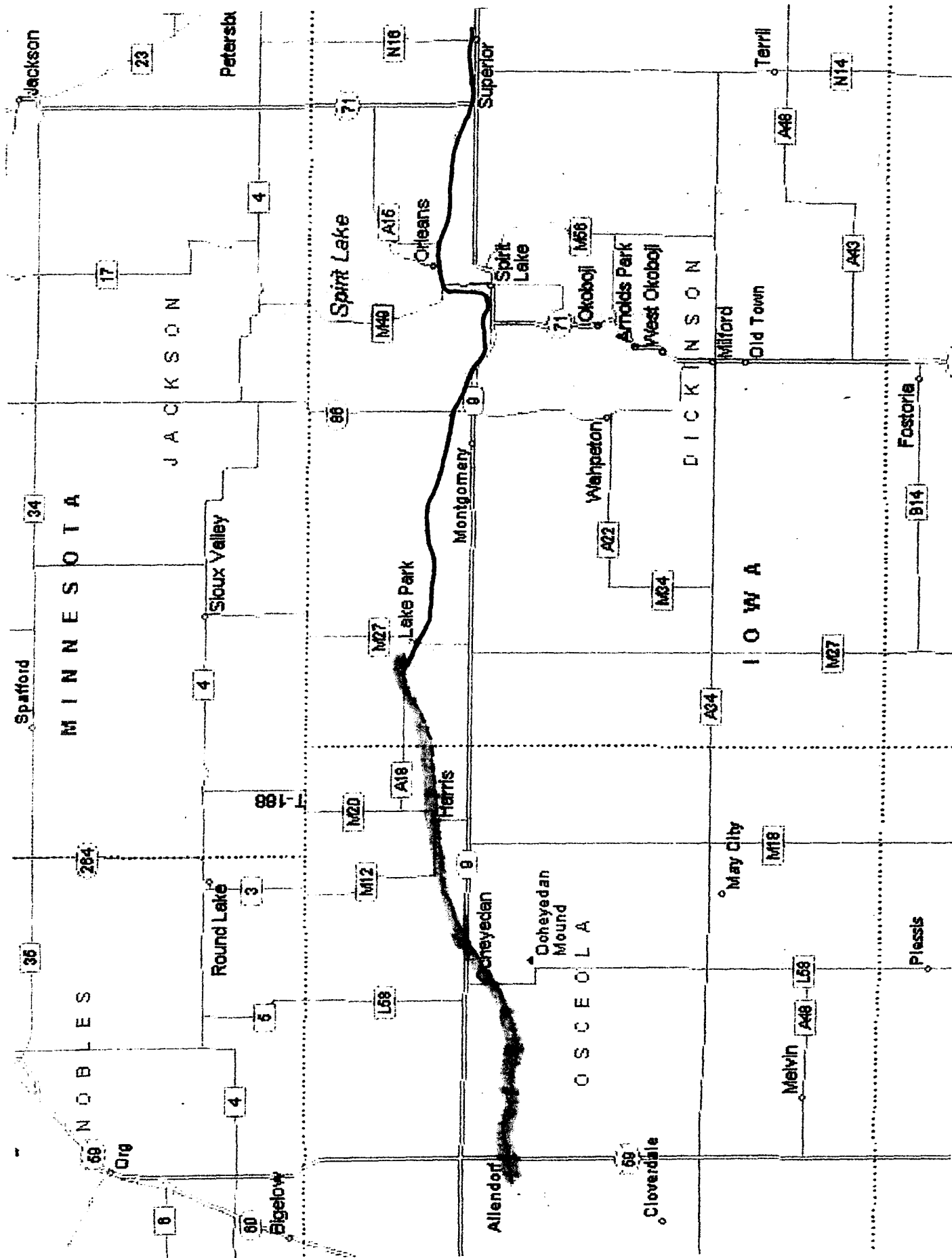
SUBSCRIBED AND SWORN TO before me this 13th date of September 2005.

My commission expires: 5-18-08


Notary Public



Dated: 13 September 2005



Map of Iowa Northwestern Railroad
Proposed Abandonment Highlighted in

EXHIBIT C

**Before the
SURFACE TRANSPORTATION BOARD**

Docket No. AB 1076 (Subdocket 1X)

**NOTICE OF EXEMPTION OF IOWA NORTHWESTERN RAILROAD FOR
EXEMPTION OF ABANDONMENT BETWEEN MP 237.25 (WEST OF LAKE PARK)
AND MP 252.3 (WEST OF BRAAKSMA), DICKINSON AND OSCEOLA COUNTIES,
IOWA**

I hereby certify that the following letter was sent to the agencies listed in this attachment on or before the 2nd of September 2005 by certified mail, return receipt requested.

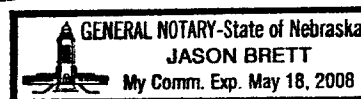

John F. Larkin

Attachments: Copy of letter, "Re: Proposed Abandonment of 17 Miles of Iowa Northwestern Railroad"

SUBSCRIBED AND SWORN TO before me this 13th date of September 2005.

My commission expires: 5-18-08

Notary Public



Dated: 13 September 2005



General Railway Corporation
dba

Iowa Northwestern Railroad

4814 Douglas St. Omaha, NE 68132
V (402) 558-553 Cell (712) 574-9800
john@ianwrr.com

Cindy Gorton
Chief CENWO-PM-AE
Army Corp of Engineers
106 So. 15th St.
Omaha, NE 6810

1 September 2005

Re: (Proposed Abandonment of 17 miles of Iowa Northwestern RR, Docket AB 1067)

Dear Ms. Gorton:

On approximately 26 September 2005 we are (or expect to be) filing with the Surface Transportation Board a Petition for Exemption seeking authority to abandon 17.05 miles of track located in Iowa between Lake Park and Allendorf, Milepost 235.25 to 252.30. Attached is an Environmental Report and Historic Report describing the proposed action and any expected environmental and/or historic effects, as well as a map of the affected area.

We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the Board's environmental review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, NW, Washington, DC 20423, telephone (202) 565-1545 and refer to the above action. Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to our office) would be appreciated within 3 weeks.

Your comments will be considered by the Board in evaluating the environmental and/or historic preservation impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. Our representative in this matter is John Larkin who may be contacted by telephone at (402) 558-0553 or by mail or email at the address shown above.

Sincerely

John Larkin
President, Iowa Northwestern Railroad

CC to following agencies:

1) There is no state clearinghouse in Iowa

2) State Environmental Protection Agency

Tom Newton,
Division Director
Lucas State Ofc. Bldg
321 E. 12th Street
Des Moines, IA 50319-0075

3) There is no State Coastal Zone Management Agency for Iowa

4) The heads of each county:

Mr. Bill Imhoff
Osceola County Courthouse
300 7th St.
Sibley, IA 51249

Mr. Wayne Northey
1802 Hill Avenue
County Courthouse
Spirit Lake, IA 51360-1259

5) The regional offices of the Environmental Protection Agency

James B. Gulliford
US EPA Region 7
901 N. 5th St.
Kansas City, KS 66101

6) The U.S. Fish and Wildlife Service

Ms. Robyn Thorson
U.S. Fish and Wildlife Service, Region 3
1 Federal Drive
BHW Federal Building
Fort Snelling, MN 55111

7) The US Army Corp of Engineers

See letter above

8) The National Park Service

Fran P. Mainella
National Park Service
MID 31112
1849 "C" St.
Washington, DC 20240

10) The National Geodetic Survey
U.S. Geological Survey
Office of the Regional Director
PO Box 25046
Denver Federal Center, Bldg 810
Denver, CO 80225-0046

11) Other agencies that have been consulted (Iowa DOT, State Historical Society)

Ms. Peggy Baer
Iowa Department of Transportation
Rail Division
800 Lincoln Way,
Ames, IA 50010

Sarah McKiness
State Historical Society of Iowa Foundation
600 E. Locust Street
Des Moines, IA 50319

Exhibit D
Iowa Northwestern Railroad
Proposed Abandonment

ENVIRONMENTAL REPORT

The following information is submitted to provide the information required under Title 49 Part 1105.7 of USC.

1. *Proposed Action.* The Iowa Northwestern Railroad is proposing the abandonment of approximately 17 miles of the railroad from Milepost 235.25 near Lake Park, Iowa to Milepost 252.3, west of railroad station Braaksma, the current end of the line. There has been no freight activity since a Union Pacific Railroad embargo ended inbound fertilizer traffic on the 5th of December 2003, with the last freight cars returned to interchange on 10 December 2003. Freight activity consisted of fewer than 350 cars per year on this stretch of track from 2001 through 2003. Freight consisted of outbound soybean and corn and inbound dry fertilizer. There was no freight activity in 2004.

The rail, ties and other track material will be removed from the right of way. The trackbed will remain intact and all bridges (2) and culverts will remain intact. It is the intent of the Iowa Northwestern Railroad to preserve the right of way for future railroad use by transferring the right of way to a trails group that will use it for a hiking and biking trail with no motorized traffic allowed, other than that required for trail maintenance.

Highway crossings will be removed where required and all highway crossing areas will be graded or paved as appropriate with the exception of a new (2001) concrete railroad crossing at Highway 59 which is in excellent condition and may remain in place.

Crossing signals at Ocheyedan and Highway 9 will be removed. All crossbuck signs at unsignaled crossings will be removed.

2. *Transportation System.* The abandonment of this portion of the line will have no effects on regional local transportation systems or patterns. There is no freight activity remaining and there will be no diversion to other modes.

3. *Land use.* (i) The abandonment will not change existing land use.

(ii) Over 95% of the right of way runs through rural farm and pasture land and consists of native prairie stands with encroaching weeds and trees in some sections. In some sections, local farmers have encroached onto the right of way to plant corn and soybean crops. It is the desire of the Iowa Northwestern Railroad that a trails group will assume ownership of the right of way and will convert at least part of the right of way back to native prairie.

This was reviewed with the Osceola County Conservation Board (Mr. Ron Spangler on 24 February 2005) and the U.S. Soil Conservation Service (Mr. John Vogel on 24 February 2005) and they were unaware of any possible adverse impact that abandonment would create.

(iii) There is no coastal zones affected by the abandonment. This section is not applicable.

(iv) The right of way is suitable for use as a trail and the Iowa Northwestern RR has taken an active position to contact interested groups to acquire the right of way for use as a trail. The Osceola County Conservation Board has a 5 mile trail west of the Iowa Northwestern Railroad that runs between Allendorf and Sibley. They were notified on the 24th of February that we would be willing to work with them to see a trail established. In addition, the Northwest Iowa Railroad Historical Society has also entered into discussions with the Iowa Northwestern Railroad about possible acquisition of the right of way for a trail.

4. *Energy.* (i) There has been no transport of energy resources on the line since acquisition and to the best of our knowledge, none in the past twenty years or more. This abandonment will have no effect on the transportation of energy resources.

(ii) There has been no transport of recyclable commodities on the line since acquisition and to the best of our knowledge, none in the past twenty years or more. This abandonment will have no effect on the transportation of recyclable commodities.

(iii) With no diversion of freight traffic to trucks remaining there will be no decrease in energy efficiency.

(iv) The freight traffic on this line was well under the thresholds identified in section (iv).

5. *Air.* The freight traffic on this line was well under the thresholds identified in Item (5)(i).

6. *Noise.* The traffic on this line was well under the thresholds identified in Item (5)(I).

7. *Safety.* (i) The proposed action will result in the closing of two signaled and 11 unsignaled crossings. This will reduce the potential for grade crossing accidents.

(ii) There has been no hazardous material transported over the line since the Iowa Northwestern purchased it in April 2001. From discussions with former railroad employees who worked on the line there was no transportation of hazardous materials going back at least 20 years.

(iii) There are no known hazardous waste sites on the right of way.

8. *Biological Resources.* (i) The proposed action will not affect any endangered or threatened species. There are no areas designated as a critical habitat that would be affected..

(ii) There will be affect on any wildlife sanctuaries or refuges. The right of way is currently primarily composed of native grasses, with areas where trees and shrubs have invaded over a period of years. It is expected that the right of way will be transferred for use as a trail with provisions requiring the trail operation to restore native prairie habitat where farming has encroached on the right of way, enhancing the value of the right of way for wildlife.

9. *Water.* (i) The action will not result in any change in water usage, drainage or quality and this proposed action is consistent with all applicable Federal, Iowa and local water quality standards.

(ii) Discussions with the U.S. Army Corp of Engineers indicated that no permits under section 404 of the Clean Water Act (33 U.S.C. 1344) are expected to be required. There will be no change in wetlands or flood plains associated with this action.

(iii) There will be no changes in water flow, usage, wetlands, flood plains or other potential water issues and no permits will be required.

10. *Proposed Mitigation.* There are no adverse environmental impacts associated with this proposed action and no mitigation will be required.

**Iowa Northwestern Railroad
Proposed Abandonment**

HISTORICAL REPORT

In addition to the Environmental Report attached, the following information is submitted to provide the information required under Title 49 Part 1105.8 of USC.

1. The requirement for topographic maps or equivalent is not necessary because there are no historic structures of record for this line 50 or more years old.
2. The line consists of a 100' right of way through rural countryside, with narrower sections of right of way remaining in Allendorf and Harris, two very small towns located on the line. Another small town at Ocheyedon has a 100' right of way remaining with all additional right of way sold off during the 1970's. The railroad line was acquired from Union Pacific Railroad in 2001. Prior to the purchase, the predecessor railroads of the Union Pacific sold all right of way extending more than 50' from the centerline of track to other companies, with most of these sales occurring during the late 1960's. The line travels through rolling hills and consists primarily of grass with very few trees. ***Within the segment of track proposed for abandonment there are no structures built by the railroad or it's predecessors that are over 50 years old. All depots, water tanks, etc., were demolished many years ago including those at Allendorf, Ocheyedon, and the original Harris depot.***
3. The line was purchased from Union Pacific Railroad with no structures of any type except two railroad bridges, one of which was totally rebuilt as a steel piling bridge in 1987. The other bridge, a short 26' long two pile trestle has had renewed pile trestles within the past 40 years according to information received from former Rock Island railroaders who have visited the railroad. No pictures are required of these.

While not a structure of historic record for this railroad, a former Milwaukee Railroad depot was relocated to the line at Harris, Iowa from Fostoria, Iowa by the Iowa Northwestern Railroad in May, 2004. The structure is in fair condition and was modified by the addition of a storage shed after its use by the Milwaukee Railroad in the late 1970's. Current plans are to sell or donate this structure to the Northwest Iowa Railroad Historical Society for removal to an active portion of the Iowa Northwestern Railroad. The structure will not be torn down or destroyed as a result of the proposed abandonment.

4. There are no structures of historic record to the line remaining.
5. The line was a former branch line of the Rock Island Railroad, built in 1884. The section from Allendorf to Sibley was abandoned in 1993 and all track taken up except a short stretch west of Allendorf that is owned by the Allendorf Coop. The rest of the abandoned section is now a trail over relatively level ground. Railroad operations during the past 10 years consisted of grain trains from Ocheyedan ranging from 1500 cars a year in the mid-90's to fewer than 250 cars per year in the 2000's and inbound fertilizer to Ocheyedan and Lake Park, typically less than 100 cars a year. During the past 10 years all traffic was served from the east, through Estherville, Iowa with trains originating at Eagle Grove, Iowa. All freight traffic ended in December 2003 when Union Pacific Railroad imposed an embargo on the railroad over a contract dispute. A recent embargo states that the reason for the embargo is "threatened congestion" to the Union Pacific Railroad from lack of interchange facilities – with less than 100 cars a year of traffic remaining. Because there is no freight traffic remaining on the line, the proposed abandonment will result in no changes in operations.
6. There are copies of railroad valuation maps in our possession that show the sites of former structures, and in some cases document the year of removal.

7. There are no structures of historic record for this railroad remaining and the railroad right of way does not meet the criteria for listing on the National Register of Historic Places. There is no known likelihood that any archeological or other previously unknown historic properties are in the project area. The basis for this opinion is the total lack of historic structures on the line and the fact that most land directly adjacent to the right of way has been extensively plowed and cultivated for over 100 years with no known discoveries of any relevant nature uncovered..
8. A new concrete pad was poured over the previous site of the Harris depot. The original depot had no basement and the only evidence of it's prior existence was a concrete chunk that may have been a base for a train order semaphore in prior years.
9. While we believe they may exist we have been unable to locate any photographs of the demolished structures on the railroad.