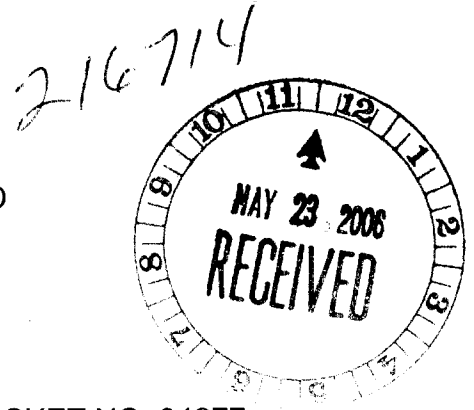


BEFORE THE
SURFACE TRANSPORTATION BOARD



IOWA RIVER RAILROAD, INC. -)
PURCHASE AND OPERATION EXEMPTION)
RAIL LINES OF NORTH CENTRAL RAILWAY)
ASSOCIATION, INC. IN HARDIN COUNTY)
AND OF UNION PACIFIC RAILROAD)
COMPANY IN HARDIN AND MARSHALL)
COUNTIES, IOWA)

FINANCE DOCKET NO. 34877

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41

ENTERED
Office of Proceedings
JUN 5 2006
Part of
Public Record

FILED
MAY 23 2006
TRANSPORTATION BOARD

T. Scott Bannister
T. Scott Bannister & Associates
111 - Fifty-Sixth Street
Des Moines, Iowa 50312

Dated: May 18, 2006

FILED
MAY 23 2006
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

IOWA RIVER RAILROAD, INC. –	)	
PURCHASE AND OPERATION EXEMPTION	)	FINANCE DOCKET NO. 34877
RAIL LINES OF NORTH CENTRAL RAILWAY	)	
ASSOCIATION, INC. IN HARDIN COUNTY	)	
AND OF UNION PACIFIC RAILROAD	)	
COMPANY IN HARDIN AND MARSHALL	)	
COUNTIES, IOWA	)	

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, *et. seq.*, Iowa River Railroad, Inc. (“**IRR**”), a non-carrier, provides notice of exemption from 49 U.S.C. § 10902 for a) its purchase from North Central Railway Association, Inc. (“**NCRA**”) and operation of a line of railroad which is located between Milepost 201.46 at or near Ackley, Iowa, and Milepost 212.0 at or near Steamboat Rock, Iowa, a distance of 10.54 miles in Hardin County, Iowa (“**Ackley Line**”) ; and b) its purchase from Union Pacific Railroad Company (“**UP**”) and operation of a line of railroad between Milepost 212.0 at or near Steamboat Rock, Iowa and Milepost 243.35 at or near Marshalltown, Iowa, a distance of 31.35 miles of Hardin and Marshall Counties, Iowa (“**Marshalltown Line**”). The rail lines to be acquired and operated, totaling 41.89 miles, are shown on a map that is attached to this Notice as Appendix 1 (collectively the “**Line**”).

INFORMATION REQUIRED BY 49 C.F.R. § 1150.43

In accordance with 49 C.F.R. § 1150.43, IRR submits the following in support of this Notice of Exemption.

(a) *The full name and address of the Class III rail carrier applicant;*

The full name and address of applicant is Iowa River Railroad, Inc.,
33371 - 170th Street , Steamboat Rock, Iowa 50672

(b) *The name, address, and telephone number of the representative of the applicant who should receive correspondence;*

Applicant's representative to receive correspondence is: T. Scott Bannister, 111 – Fifty-Sixth Street, Des Moines, Iowa 50312 (telephone: 515-244-8877) (e-mail: Bannister@dwx.com).

(c) *A statement that an agreement has been reached on details about when an agreement will be reached:*

Agreement has been reached, respectively, between IRR and NCRA, and IRR and UP, for IRR to purchase and acquire the Lines.

(d) *The operator of the property;*

IRR will operate the Line.

(e) *A brief summary of the proposed transaction, including:*

(1) *The name and address of the railroad transferring the subject property to the Class III rail carrier applicant;*

The seller of the Ackley Line is NCRA and the seller of the Marshalltown Line is UP.
The addresses of NCRA and UP are as follows:

North Central Railway Association, Inc. ("NCRA")
30473 – 260th Street
Eldora, IA 50627

Union Pacific Railroad Company ("UP")
Interline Marketing
1400 Douglas Street
Omaha, NE 68179

(2) *The proposed time schedule for consummation of the transaction;*

The proposed acquisition and operation will be consummated no sooner than seven days after the filing of this Notice of Exemption.

(3) *The milepost of the subject property, including any branch lines;*

Milepost 201.46 at or near Ackley, Iowa, and Milepost 212.0 at or near Steamboat Rock, Iowa, a distance of 10.54 miles in Hardin County, Iowa and b) Milepost 212.0 at or near Steamboat Rock, Iowa and Milepost 243.35 at or near Marshalltown, Iowa, a distance of 31.35 miles of Hardin and Marshall Counties, Iowa.

(4) *The total route miles being operated;*

There are a total of 41.89 continuous route miles.

(f) *A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and states;*

Map is attached as Appendix 1.

(g) *A certificate that applicant's projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under § 1150.45.*

IRR so certifies. See verification attached as Appendix 2.

VERIFICATION

See Appendix 2.

ENVIRONMENT AND HISTORIC CONSIDERATIONS

The proposed transaction does not require environment or historic reporting or assessment. See 49 C.F.R. § 1105.6(c)(2)(i) and 49 C.S.R. § 1105.8(b)(1).

LABOR PROTECTION

Pursuant to 49 U.S.C. § 10902(d), labor protection requirements do not apply to the proposed transaction.

CAPTION SUMMARY

The Caption Summary required by 49 C.F.R. § 1150.44 is attached hereto as Appendix 3.

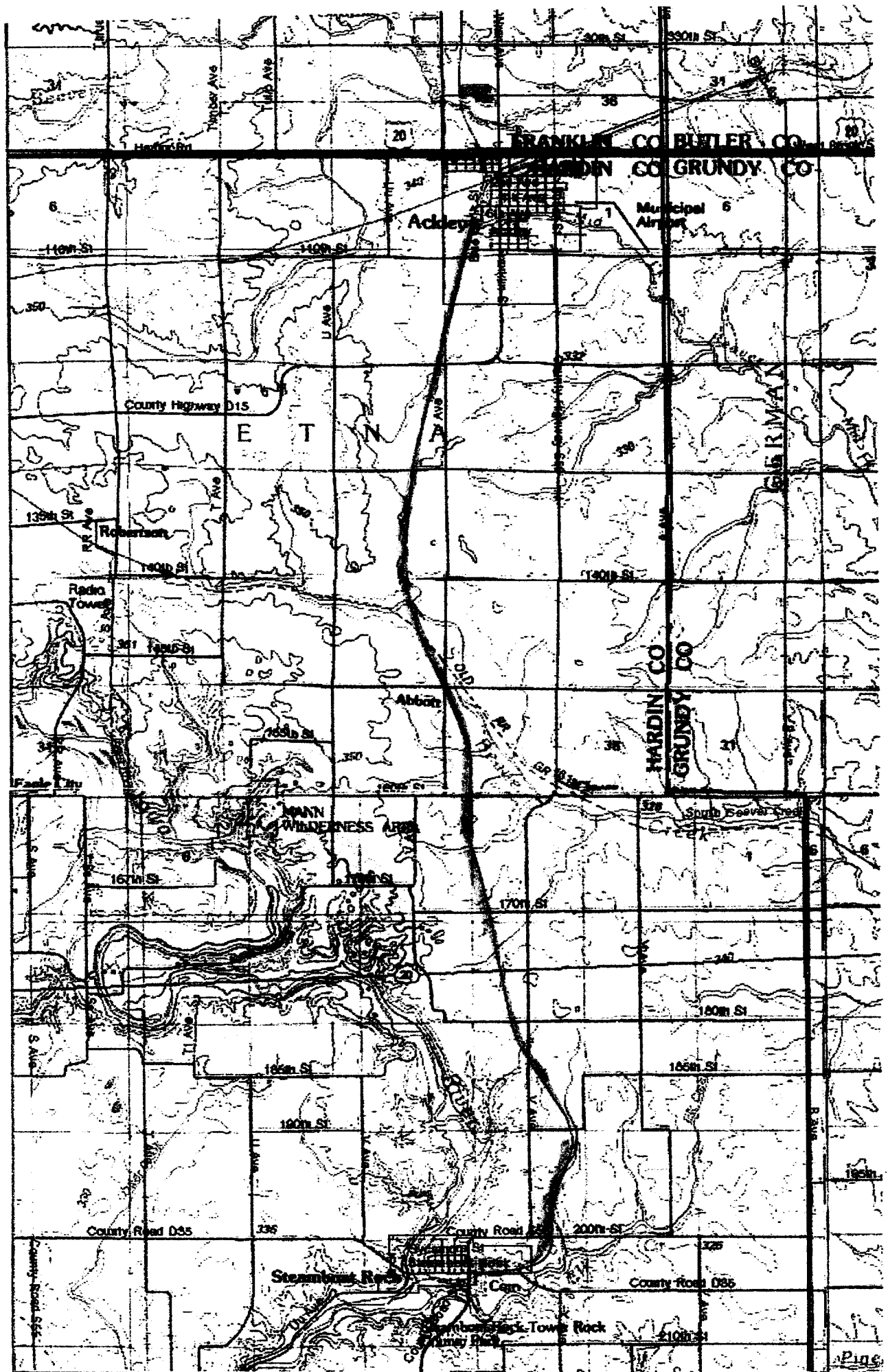
CONCLUSION AND REQUESTED RELIEF

WHEREFORE, within thirty (30) days of the filing of this Notice, the Director of the Office of Proceedings should publish a notice in the Federal Register of the filing of this Notice. See 49 C.F.R. § 1150.42(b).

Respectfully submitted,

IOWA RIVER RAILROAD, INC. (Applicant)

By: /signed/
T. Scott Bannister
T. Scott Bannister & Associates
111 - Fifty-Sixth Street
Des Moines, Iowa 50312



Appendix 2

VERIFICATION

STATE OF IOWA)
) SS:
COUNTY OF POLK)

T. Scott Bannister, being duly sworn on oath, deposes and states that he has read the foregoing Notice, that he knows the contents thereof, and that the facts therein stated are true and correct. The undersigned certifies that the projected revenues as a result of the proposed purchase and operation will not result in the creation of a Class II or Class I rail carrier.

_____/signed/_____
T. Scott Bannister

On this 18th day of May, 2006 before me, the undersigned, a Notary Public in and for said State, personally appeared T. Scott Bannister, to me known to be the identical person named in and who executed the foregoing instrument and acknowledged that he executed the same as his voluntary act and deed.

Notary Public in and for the State of Iowa

Appendix 3

Finance Docket No. 34877

NOTICE OF EXEMPTION

STB Finance Docket No. 34877
Iowa River Railroad, Inc.;
Purchase and Operation Exemption – Rail Lines of
North Central Railway Association, Inc. in Hardin County, Iowa and of
Union Pacific Railroad Company in Hardin and Marshall Counties, Iowa.

Iowa River Railroad, Inc., a rail carrier, has filed a Notice of Exemption for its purchase from North Central Railway Association, Inc. ("NCRA") and operation of a line of railroad that extends between Milepost 201.46 at or near Ackley, Iowa, and Milepost 212.0 at or near Steamboat Rock, Iowa, a distance of 10.54 miles in Hardin County, Iowa; and its purchase from Union Pacific Railroad Company ("UP") and operation of a line of railroad between Milepost 212.0 at or near Steamboat Rock, Iowa and Milepost 243.35 at or near Marshalltown, Iowa, a distance of 31.35 miles of Hardin and Marshall Counties, Iowa.

The above rail lines to be purchased and operated total 41.89 miles.

Comments must be filed with the Board and served on IRR's representative, T. Scott Bannister, T. Scott Bannister and Associates, 111 – Fifty-Sixth Street, Des Moines, Iowa 50312.

This Notice is filed under 49 USC § 11450.41. If the Notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

By the Board
Vernon A. Williams, Secretary