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May 15, 2007

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VIA FEDERAL EXPRESS

Mr. Vernon A Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

219306

ENTERED
Office of Proceedings

MAY 15 2007

Part of
Public Record



Re: **Finance Docket No. 35025**
Napa-Platte Regional Railroad Authority – Lease and
Operation Exemption – Dakota Short Line Corp.

Dear Secretary Williams

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of Napa-Platte Regional Railroad Authority Pursuant to 49 C.F.R. § 1150.31**, dated May 15, 2007. A check in the amount of \$1,600, representing the appropriate fee for this filing, and a computer diskette containing the text of the Notice and the *Federal Register* caption summary in MS Word 2003 format are attached.

One extra copy of the Notice and this letter also are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,

Kenneth W. Cotton
Attorney for Napa-Platte
Regional Railroad Authority

Enclosures

cc: Mr. Bruce Lindholm
Mr. Leon E Steege

FILED

MAY 15 2007

**SURFACE
TRANSPORTATION BOARD**

FEE RECEIVED
MAY 15 2007
**- SURFACE
TRANSPORTATION BOARD**

FILED

MAY 15 2007

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35025

NAPA-PLATTE REGIONAL RAILROAD AUTHORITY
-- LEASE AND OPERATION EXEMPTION --
DAKOTA SHORT LINE CORP.



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SURFACE
TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION
OF
NAPA-PLATTE REGIONAL RAILROAD AUTHORITY
PURSUANT TO 49 C.F.R. § 1150.31

Kenneth W. Cotton
Wipf & Cotton Law Offices LLC
107 South Main Street
Wagner, South Dakota 57380
(605) 384-5471

ATTORNEY FOR NAPA-PLATTE
REGIONAL RAILROAD AUTHORITY

Dated: May 15, 2007

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35025

NAPA-PLATTE REGIONAL RAILROAD AUTHORITY
-- LEASE AND OPERATION EXEMPTION --
DAKOTA SHORT LINE CORP

**VERIFIED NOTICE OF EXEMPTION
OF
NAPA-PLATTE REGIONAL RAILROAD AUTHORITY
PURSUANT TO 49 C.F.R. § 1150.31**

Pursuant to 49 C.F.R. §1150.31 et seq., Napa-Platte Regional Railroad Authority ("NPRRA"), a non-carrier, hereby files this Verified Notice of Exemption to lease a line of railroad from Milepost 0.0 near Napa, South Dakota to Milepost 13.4+/- near Tabor, South Dakota, as shown on Exhibit A hereto, in Bon Homme and Yankton Counties, South Dakota (the "Napa-Tabor line"). Based on projected revenues for the line, NPRRA expects to become and remain a Class III rail carrier after consummation of the transaction proposed herein.

This Notice is tangentially related to Finance Docket No. 35026, Napa-Platte Regional Railroad Authority -- Modified Rail Certificate -- Between Tabor and Ravinia, SD. in which NPRRA is concurrently filing a notice pursuant to 49 C.F.R. §1150.21 for a modified certificate of public convenience and necessity in connection with operations over a line segment connected to the Napa-Tabor line.

In accordance with the requirements of 49 C.F.R. § 1150.33, NPRRA submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.33(a)

The full name and address of the rail carrier applicant herein is as follows:

Napa-Platte Regional Railroad Authority
c/o Mr. Kenneth Cotton
Wipf & Cotton Law Offices LLC
107 South Main Street
Wagner, South Dakota 57380

Applicant's Representative: 49 C.F.R. § 1150.33(b)

NPRRA's representative to whom correspondence regarding this transaction should be sent is as follows:

Mr. Kenneth Cotton
Wipf & Cotton Law Offices LLC
107 South Main Street
Wagner, South Dakota 57380
(605) 384-5471

Statement Concerning Agreement: 49 C.F.R. § 1150.33(c)

NPRRA has reached agreement with the State of South Dakota for lease of the Napa-Tabor line. The line had previously been subleased to Dakota Short Line Inc. (now Dakota Short Line Corp. ("DSL")) for operations. See Dakota Short Line Inc. -- Lease Exemption -- State of South Dakota, Finance Docket No. 34043 (STB served June 7, 2001) ("DSL Lease"). The DSL sublease has now been terminated and DSL has assigned any and all of its rights in the Napa-Tabor line to NPRRA.

Operation of the Property: 49 C.F.R. § 1150.33(d)

The Napa-Tabor line is currently out of service and requires rehabilitation before actual rail operations can be recommenced. If such rail operations were to recommence prior to an anticipated subsequent sale of the line (see *Summary of the Transaction* below), NPRRA would provide service through a third-party contract operator or a temporary sublease of the line to a third party rail carrier.

Summary of the Transaction: 49 C.F.R. § 1150.33(e)

Pursuant to an agreement with the State of South Dakota, NPRRA, currently a non-carrier, leases a formerly abandoned line of railroad from Napa to Tabor, South Dakota (Milepost 0.0 to Milepost 13.4+/-), a distance of approximately 13.5 miles. The line was abandoned by the bankrupt Chicago, Milwaukee, St. Paul & Pacific Railroad Company in 1981, acquired by the State, leased to NPRRA, and initially operated by subleases pursuant to modified certificates of public convenience and necessity. The 1991 sublease to DSL, however, was the subject of a notice of exemption under 49 U.S.C. § 10901 and 49 C.F.R. § 1150.31. See DSL Sublease, supra.¹

As indicated above, the DSL sublease has now been terminated, and DSL has assigned whatever rights it may have, if any, in the Napa-Tabor line back to NPRRA.

The State of South Dakota is currently engaged in negotiations to sell the Napa-Tabor line as well as the connecting Tabor-Ravinia segment, to Wagner Native Energy, LLC ("Wagner"). If that sale is consummated, NPRRA will assign all of its rights in the Napa-Tabor line, as well as the connecting Tabor-Ravinia segment, to Wagner. It is anticipated that Wagner would then operate both line segments as a common carrier, through use of a third-party rail carrier.

¹ The abandoned line acquired by the State and leased by NPRRA also encompassed two connecting rail line segments, extending from Tabor (Milepost 13.4+/-) to Ravinia, South Dakota (Milepost 54.5) and from Ravinia to Platte, South Dakota (Milepost 83.3), that are not subleased to DSL. Simultaneously with this Notice, NPRRA is filing in Finance Docket No. 35026 a notice for a Modified Certificate of Public Convenience and Necessity for operations on the Tabor-Ravinia segment. All three line segments are the subject of an existing but obsolete Modified Rail Certificate held previously by the South Dakota Railway Company ("SDRC"). See South Dakota Railway Company -- Modified Rail Certificate, Finance Docket No. 31874 (ICC served May 30, 1991). Inasmuch as SDRC has long since ceased to exist, the State of South Dakota is filing concurrently herewith a termination of that Modified Rail Certificate for all three segments.

The Napa-Tabor line is currently out of service and in need of substantial rehabilitation. It is anticipated that the sale to Wagner will facilitate a restoration of service on the line, and that the transaction proposed herein will facilitate a sale to Wagner. In the unlikely event that service is restored prior to such a sale, NPRRA would engage the services of a third-party rail carrier to operate the rail line.

The name and address of the entity leasing the line to NPRRA is:

South Dakota State Railroad Board,
acting by and through the South Dakota Department of Transportation,
Office of Railroads
700 East Capitol Avenue
Pierre, South Dakota 57501

The name and address of the railroad assigning its rights to NPRRA is:

Dakota Short Line Corp.
715 North Pine Street
Crookstown, Minnesota 56716

The subject line extends from Milepost 0.0 near Napa (additionally known as Railroad Engineer Survey Station No. 0.0) to Milepost 13 4+/- near Tabor (additionally known as Railroad Engineer Survey Station No. 711+40), a distance of approximately 13.5 miles.

NPRRA intends to consummate this transaction on or after June 15, 2007.

Map: 49 C.F.R. § 1150.33(f)

A map showing the Napa-Tabor line and the surrounding area is attached as Exhibit A to this notice.

Certificate of Compliance: 49 C.F.R. § 1150.33(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.33(g) is attached as Exhibit B to this notice.

Advance Notice: 49 C.F.R. § 1150.32(e)

The projected annual operating revenue of NPRRA upon consummation of this transaction does not exceed \$5 million, and, accordingly, the advance notice requirements of 49 C.F.R. § 1150.32(e) are not applicable to this transaction. See Exhibit B hereto.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

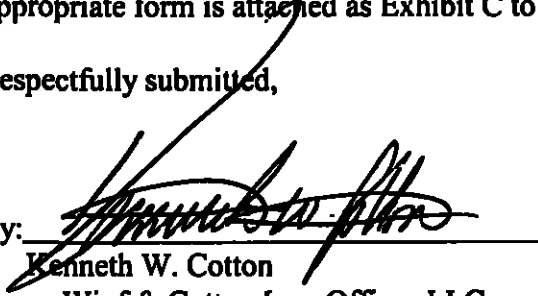
Under 49 C.F.R. § 1105.6(c)(2), NPRRA's proposed lease of the Napa-Tabor line is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), NPRRA's lease of the Napa-Tabor line also is exempt from historic preservation reporting requirements. The proposed lease is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to discontinue or abandon any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.34

A caption summary in appropriate form is attached as Exhibit C to this notice.

Respectfully submitted,

By: 

Kenneth W. Cotton
Wipf & Cotton Law Offices LLC
107 South Main Street
Wagner, South Dakota 57380
(605) 384-5471

**ATTORNEY FOR NAPA-PLATTE
REGIONAL RAILROAD AUTHORITY**

Dated: May 15, 2007

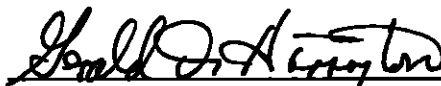
Map SD-17
YANKTON



CERTIFICATION

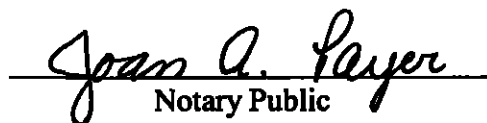
State of South Dakota)
)
County of Charles Mix) ss:

Gerald D. Harrington, being duly sworn, hereby certifies that the projected annual rail revenue of Napa-Platte Regional Railroad Authority will not exceed \$5 million and will not result in the creation of a Class II or Class I carrier under the provisions of 49 C.F.R. § 1201 (I-1).



Gerald D. Harrington
Chairman

SUBSCRIBED AND SWORN TO
before me this 10 day
of May, 2007


Notary Public

My Commission expires 1-11-2011

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO.35025

**NAPA-PLATTE REGIONAL RAILROAD AUTHORITY
-- LEASE AND OPERATION EXEMPTION --
DAKOTA SHORT LINE CORP.**

Napa-Platte Regional Railroad Authority ("NPRRA"), a non-carrier, has filed a Verified Notice of Exemption to lease from the State of South Dakota and acquire by assignment the rights of Dakota Short Line Corp. in a line of railroad extending from Milepost 0.0 near Napa, South Dakota (additionally known as Railroad Engineer Survey Station No. 0.0) to Milepost 13.4+/- near Tabor, South Dakota (additionally known as Railroad Engineer Survey Station No. 711+40), a distance of approximately 13.5 miles of rail line (the "Napa-Tabor line").

NPRRA expects to consummate its lease of the Napa-Tabor line on June 15, 2007.

Comments must be filed with the Board and served on:

Kenneth W. Cotton
Wipf & Cotton Law Offices LLC
107 South Main Street
Wagner, South Dakota 57380
(605) 384-5471

This Notice is filed under 49 C.F.R. § 1150.31. If the 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 transaction

Dated: _____, 2007

By the Board

Vernon A. Williams
Secretary

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VERIFICATION

State of South Dakota)
)
County of Charles Mix) ss:

Gerald D. Harrington, being duly sworn, deposes and says that he is Chairman of Napa-Platte Regional Railroad Authority, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



Gerald D. Harrington
Chairman

SUBSCRIBED AND SWORN TO
before me this 10 day
of May, 2007



Notary Public

My Commission expires: 1-11-2011