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SERVICE DATE - SEPTEMBER 13, 2024

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 35508 (Sub-No. 2)]

Iowa Northern Railway Company—Lease Renewal Exemption—North Central Iowa Rail Corridor, LLC

Iowa Northern Railway Company (IANR) has filed a verified notice of exemption under 49 CFR 1180.2(d)(4) for the further renewal of its lease of the railroad property of North Central Iowa Rail Corridor, LLC (NCIRC), between milepost 48.12 at Belmond, Iowa, and milepost 75.95 at Forest City, Iowa, and 600 feet of connecting track at Garner, Iowa (the Line).

According to the verified notice, in 2011, IANR leased the Line from NCIRC for an initial term of ten years, pursuant to a lease and purchase agreement. See Iowa N. Ry.—Operation Exemption—N. Cent. Rail Corridor, LLC, FD 35508 (STB served May 26, 2011). In 2021, IANR extended the term of the lease three additional years, to September 30, 2024. See Iowa N. Ry.—Operation Exemption—N. Cent. Rail Corridor, LLC, FD 35508 (Sub-No. 1) (STB served December 15, 2023). IANR states that it and NCIRC have agreed to a second amendment to renew the lease for an additional three years, to September 30, 2027. IANR states that the agreement does not include any provision that would limit the future interchange of traffic with a third-party connecting carrier.

IANR represents that the transaction involves a renewal of a lease that the Board previously authorized, and only an extension in time is involved. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(4).

This transaction may be consummated on or after September 29, 2024, the effective date of the exemption (30 days after the verified notice was filed).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

If the verified 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 effectiveness of the exemption. Petitions for stay must be filed no later than September 20, 2024.

All pleadings, referring to Docket No. FD 35508 (Sub-No. 2), must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on IANR's representative, Kevin M. Sheys, Law Offices of Kevin M. Sheys, 42 Brush Hill Rd., Sherborn, MA 01770.

According to IANR, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: September 10, 2024.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.