

232442

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SEP 19 2012
RECEIVED

THOMAS F. MCFARLAND

September 18, 2012

By UPS overnight mail

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

FEE RECEIVED

SEP 19 2012

**SURFACE
TRANSPORTATION BOARD**

Re: Finance Docket No. 35677, *Iowa Traction Railway Company -- Change in Operators Exemption -- Rail Line of Backtrack, Inc. at Mason City, IA*

Dear Ms. Brown:

Hereby transmitted is the original and 10 copies of a Verified Notice Of Exemption Under 49 C.F.R. § 1150.31(a)(3) for filing with the Board in the above referenced matter.

Also enclosed are checks in the amount of \$1,800 for the filing fee.

Very truly yours,

Tom McFarland

ENTERED
Office of Proceedings

SEP 19 2012

Thomas F. McFarland
Attorney for Applicant

Part of
Public Record

TMcf:kl:enc:wpX5\1567\trSTB1.FD35677

FILED

SEP 19 2012

**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

IOWA TRACTION RAILWAY)
COMPANY -- CHANGE IN OPERATORS) FINANCE DOCKET
EXEMPTION -- RAIL LINE OF) NO. 35677
BACKTRACK, INC. AT MASON CITY,)
IA)

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31(a)(3)

ENTERED
Office of Proceedings

SEP 19 2012

Part of
Public Record

IOWA TRACTION RAILWAY COMPANY
21778 Highview Avenue, Suite 203
Lakeville, MN 55044

Applicant

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SEP 19 2012

**SURFACE
TRANSPORTATION BOARD**

FILED

SEP 19 2012

**SURFACE
TRANSPORTATION BOARD**

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204 (ph)
(312) 201-9695 (fax)
mcfarland@aol.com

Attorney for Applicant

Date Filed: September 19, 2012

BEFORE THE
SURFACE TRANSPORTATION BOARD

IOWA TRACTION RAILWAY)
COMPANY -- CHANGE IN OPERATORS) FINANCE DOCKET
EXEMPTION -- RAIL LINE OF) NO. 35677
BACKTRACK, INC. AT MASON CITY,)
IA)

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31**

Pursuant to 49 C.F.R. § 1150.31(a)(3) and 49 U.S.C. § 10502(a), IOWA TRACTION RAILWAY COMPANY (ITRC), a noncarrier,^{1/} hereby provides notice of its class exemption from 49 U.S.C. § 10901 for its operation of a rail line owned by Backtrack, Inc. at Mason City, Iowa between Milepost Nos. 152.5 and 155.5 (the Rail Line), by means of assignment by Iowa Traction Railroad Company with the consent of Backtrack, Inc..

Iowa Traction Railroad Company was authorized to operate the Rail Line in STB Finance Docket No. 31353, *Iowa Traction Railroad Company -- Operation Exemption -- Hermitage Homes, Inc.*, notice of exemption served on November 23, 1988.^{2/}

In accordance with 49 C.F.R. § 1150.33, PIR submits the following:

(a) *The full name and address of the applicant;*

^{1/} ITRC is a noncarrier as of the date of filing of this Notice of Exemption. On August 31, 2012 in Finance Docket No. 35670, ITRC filed a Verified Notice of Exemption under 49 C.F.R. § 1150.31 to acquire and operate specific rail lines. As of the effective date of that exemption (September 30, 2012), ITRC will become a carrier.

^{2/} Backtrack, Inc. is corporate successor of Hermitage Homes, Inc.

Applicant is Iowa Traction Railway Company, 21778 Highview Avenue, Suite 203,
Lakeville, MN 55044

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

Applicant's representative is Thomas F. McFarland, Thomas F. McFarland, P.C. 208
South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, (312) 236-0204 (ph), (312) 201-9695
(fax), mcfarland@aol.com.

(c) A statement that an agreement has been reached or details about when an agreement will be reached;

Iowa Traction Railroad Company has agreed to assign its authority to operate the Rail
Line to ITRC. Backtrack, Inc. has consented to that assignment.

(d) The operator of the property;

ITRC will be the operator of the property.

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

(1) The name and address of the railroad transferring the subject property,

The name and address of the railroad who has assigned its authority to operate the Rail
Line to ITRC is:

Iowa Traction Railroad Company
P.O. Box 309
Mason City, IA 50402

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

The change in operators will be consummated no earlier than the 30th day after this Notice
of Exemption is filed with the Board.

(3) The mile-posts of the subject property, including any branch lines,

The Rail Line extends between Milepost Nos. 152.5 and 155.5 at Mason City, IA.

(4) The total route miles being acquired;

A total of 3 miles of rail line are proposed to be operated.

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

The required map is attached as Appendix 1.

(g) A certificate that applicant's projected revenues do not exceed those that would qualify it as a Class III carrier.

A certificate of Lon Van Gemert, CEO of ITRC, is attached as Appendix 2, stating that ITRC's projected revenues do not exceed those that would qualify it as a Class III carrier.

(h) Transactions imposing interchange commitments. (1) If a proposed acquisition or operation of a rail line or change of operators involves a provision or agreement that may limit future interchange with a third-party connecting carrier, whether by outright prohibition, per-car penalty, adjustment in the purchase price or rental, positive economic inducement, or other means ("interchange commitment"), the following additional information must be provided:

(I) The existence of that provision or agreement and identification of the affected interchange points; and

(ii) A confidential, complete version of the document(s) containing or addressing that provision or agreement, which may be filed with the Board under 49 CFR 1104.14(a) and will be kept confidential without need for the filing of an accompanying motion for a protective order under 49 CFR 1104.14(b).

The proposed operation does not involve a provision or agreement that may limit future interchange between ITRC and a third-party connecting rail carrier.

Certification under 49 C.F.R. § 1150.32(e)

Mr. Van Gemert's certification attached as Appendix 2 states that it is not anticipated that the revenue of ITRC resulting from the proposed change in operators will exceed \$5 million per year.

Verification

Mr. Van Gemert's certificate attached as Appendix 2 includes a notarized verification of all factual matter asserted in this Notice of Exemption.

Environmental and Historic Considerations

Pursuant to 49 C.F.R. § 1105.6(c)(2) and 49 C.F.R. § 1105.7(b)(1), no environmental or historic documentation or report is required in conjunction with this proposed change in operators.

Labor Considerations

Pursuant to 49 U.S.C. § 10901(c), no labor protection is required in conjunction with the proposed change in operators.

Caption Summary

The required Caption Summary is attached as Appendix 3.

Land Grant Right-of-Way

ITRC is not aware of any land grant right-of-way in the involved rail line. Any documentation on that subject would be made available by ITRC on request.

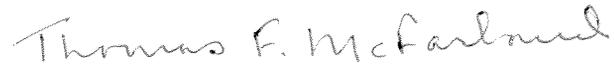
Conclusion and Requested Relief

WHEREFORE, the Board should publish a Notice of the proposed change in operators within 16 days of the filing of this Notice of Exemption with the Board.

Respectfully submitted,

IOWA TRACTION RAILWAY COMPANY
21778 Highview Avenue, Suite 203
Lakeville, MN 55044

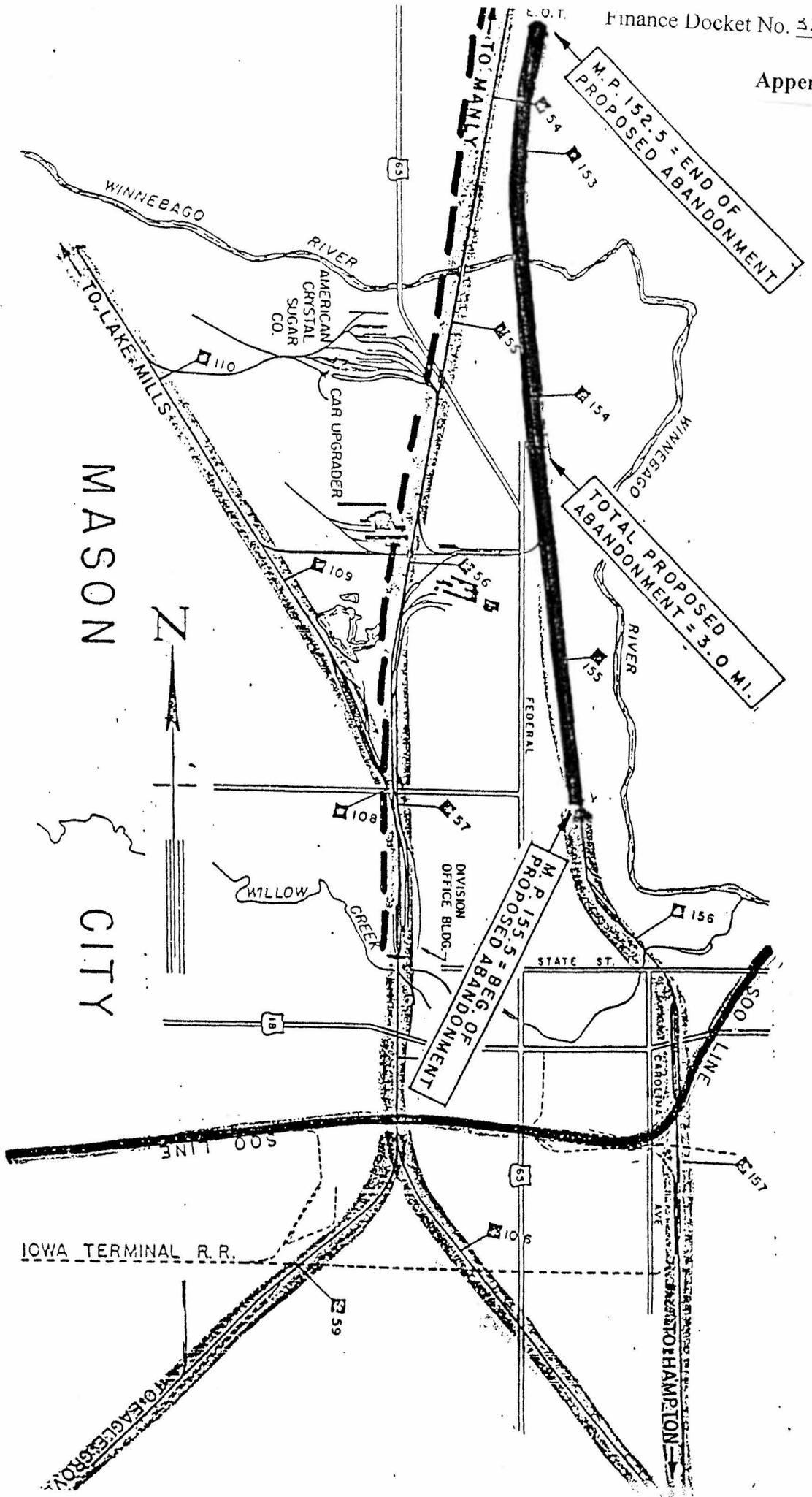
Applicant

A handwritten signature in cursive script that reads "Thomas F. McFarland".

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204
(312) 201-9695 (fax)
mcfarland@aol.com

Attorney for Applicant

DATE FILED: September 19, 2012



VERIFICATION

CEO

Lon Van Gemert, being duly sworn, states that he is ~~President~~ of Iowa Traction Railway Company (ITRC); that he has knowledge of the assertions set forth in this Notice of Exemption; and that all of those assertions are true and correct:

1. The projected annual revenue of ITRC to be created by virtue of this Notice of Exemption will not exceed \$5 million;
2. The projected annual revenues of ITRC to be created by virtue of this Notice of Exemption will not result in its being classified as a Class I or Class II rail carrier;
3. The change of operators proposed in this Notice of Exemption does not involve a provision or agreement that may limit future interchange with a third-party connecting carrier; and
4. All factual assertions in this Notice of Exemption are true and correct.

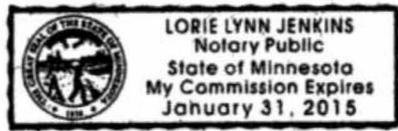


LON VAN GEMERT

STATE OF MINNESOTA)
)
COUNTY OF DAKOTA)

SUBSCRIBED and SWORN to before me
this 17th day of September, 2012



Notary Public

CAPTION SUMMARY

Surface Transportation Board
Notice of Exemption

Finance Docket No. 35677

*Iowa Traction Railway Company -- Change in Operators
Exemption -- Rail Line of Backtrack, Inc. at Mason City, IA*

Iowa Traction Railway Company (ITRC), a noncarrier, has filed a Notice of Exemption under 49 C.F.R. § 1150.31(a)(3) and 49 U.S.C. 10502(a) for its class exemption from 49 U.S.C. § 10901 for its operation of a rail line owned by Backtrack, Inc. between Milepost Nos. 152.5 and 155.5 at Mason City, Iowa, by means of assignment of such authority from Iowa Traction Railroad Company with the consent of Backtrack, Inc..

The proposed change in operators is proposed to be consummated no earlier than 30 days after the Notice of Exemption is filed with the Board.

Any comments must be filed with the Board and must be served on ITRC's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, (312) 236-0204 (ph), (312) 201-9695 (fax), mcfarland@aol.com.

This Notice of Exemption is filed under 49 C.F.R. § 1150.31(a)(3). 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.

(SEAL)

By the Board