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SERVICE DATE – OCTOBER 5, 2012

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35677]

Iowa Traction Railway Company—Change in Operators Exemption—Rail Line of Backtrack, Inc.

Iowa Traction Railway Company (Iowa Railway)¹ has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to change operators from Iowa Traction Railroad Company (Iowa Railroad) to Iowa Railway over a 3-mile rail line between milepost 152.5 and milepost 155.5 at Mason City, Iowa (the Line), owned by Backtrack, Inc. (Backtrack).² The change in operators for the Line is being accomplished through Iowa Railroad's assignment of its authority to operate the Line to Iowa Railway, with the consent of Backtrack. Iowa Railway states that the change of operators of the Line does

¹ As of the September 19, 2012, the filing date of this notice of exemption, Iowa Railway was a noncarrier. Iowa Railway was authorized to acquire from Iowa Traction Railroad Company (Iowa Railroad) and to operate a 10.4-mile line of railroad in Cerro Gordo County, Iowa. Iowa Traction Ry.—Acquis. and Operation Exemption—Rail Line of Iowa Traction R.R., FD 35670 (STB served Sept. 14, 2012). As of September 30, 2012, the effective date of the exemption, Iowa Railway states that it became a Class III rail carrier. In Progressive Rail Incorporated—Continuance in Control Exemption—Iowa Traction Railway Company, FD 35671 (STB served Sept. 14, 2012), Progressive Rail Incorporated was authorized to continue in control of Iowa Railway upon Iowa Railway's becoming a Class III rail carrier. This exemption also became effective on September 30, 2012.

² Iowa Railroad was authorized to lease and operate the 3-mile rail line from the owner, Hermitage Homes, Inc. (Hermitage), in Iowa Traction Railroad Company—Operation Exemption—Hermitage Homes, Inc., FD 31353, (ICC served Nov. 23, 1988). Backtrack is the corporate successor of Hermitage.

not involve a provision or agreement that may limit future interchange between Iowa Railway and a third-party connecting rail carrier. This change in operators is exempt under 49 C.F.R. §1150.31(a)(3).³

The transaction may be consummated on or after October 19, 2012 (30 days after the notice of exemption was filed).

Iowa Railway certifies that its projected annual revenues as a result of this transaction will not exceed \$5 million and will not result in Iowa Railway's becoming a Class I or Class II rail carrier.

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 October 12, 2012 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35677, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle Street, Suite 1890, Chicago, IL 60604.

³ To qualify for a change of operators exemption, an applicant must give notice to shippers on the line. See 49 C.F.R. § 1150.32(b). In a letter filed on September 24, 2012, Iowa Railway certified to the Board that, at present, there are no shippers on the Line; therefore, no service of this notice is required on shippers.

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Decided: October 2, 2012.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.