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SERVICE DATE - JUNE 30, 2000

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33883]

Iowa Interstate Railroad, Ltd. and Union Pacific Railroad Company—Joint Relocation Project Exemption—in Council Bluffs, Pottawattamie County, IA

On June 13, 2000, Iowa Interstate Railroad, Ltd. (IAIS) and Union Pacific Railroad Company (UP) filed a notice of exemption under 49 CFR 1180.2(d)(5) to relocate certain lines of railroad in Council Bluffs, Pottawattamie County, IA. The transaction was scheduled to be consummated on or after June 20, 2000.¹

Under the joint relocation project, IAIS and UP propose the following transactions:

(1) IAIS will grant UP trackage rights between IAIS milepost 488.0 and IAIS milepost 486.8.

(2) UP will grant IAIS trackage rights between UP milepost 503.6 and UP milepost 504.05, and over the connecting track between this UP track segment and the IAIS near IAIS milepost 486.8.

(3) UP's operations north and west of UP milepost 504.05 will be moved to the IAIS trackage described in (1) above. The UP track between UP milepost 504.05 and UP milepost 505.2 will be abandoned and removed.

¹ The representatives of both IAIS and UP have acknowledged by telephone that the earliest the transaction could go forward was June 20, 2000.

The proposed joint relocation project will not disrupt service to shippers.² Its purpose is to consolidate UP and IAIS operations on the IAIS line described above, to abandon the parallel UP track, and to eliminate 11 public grade crossings in metropolitan Council Bluffs. In addition, the project will facilitate expansion of a shipper facility located just north of UP milepost 504.05.

The Board will exercise jurisdiction over the abandonment or construction components of a relocation project, and require separate approval or exemption, only where the removal of track affects service to shippers or the construction of new track involves expansion into new territory. See City of Detroit v. Canadian National Ry. Co., et al., 9 I.C.C.2d 1208 (1993), aff'd sub nom., Detroit/Wayne County Port Authority v. ICC, 59 F.3d 1314 (D.C. Cir. 1995). Line relocation projects may embrace trackage rights transactions such as the one involved here. See D.T.&I.R.--Trackage Rights, 363 I.C.C. 878 (1981). Under these standards, the incidental abandonment, construction, and trackage rights components require no separate approval or exemption when the relocation project, as here, will not disrupt service to shippers and thus qualifies for the class exemption at 49 CFR 1180.2(d)(5).

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in Norfolk and Western Ry. Co.--Trackage Rights--BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc.--Lease and Operate, 360 I.C.C. 653 (1980).

² There are no shippers served by the UP track to be abandoned.

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.

An original and 10 copies of all pleadings, referring STB Finance Docket No. 33883, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on T. Scott Bannister, Esq., 1300 Des Moines Building, Des Moines, IA 50309.

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Decided: June 23, 2000.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary