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SERVICE DATE – JUNE 14, 2007

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35026]

Napa-Platte Regional Railroad Authority—Modified Rail Certificate

On May 15, 2007, Napa-Platte Regional Rail Authority (NPRRA), a noncarrier, filed a notice for a modified certificate of public convenience and necessity under 49 CFR 1150, Subpart C, Modified Certificate of Public Convenience and Necessity, to operate approximately 41.1 miles of rail line extending from milepost 13.4+/-, near Tabor, to milepost 54.5, near Ravinia, SD (Tabor-Ravinia line or line).¹

The entire line, from Napa to Platte (entire line), was formerly a part of the Chicago, Milwaukee, St. Paul & Pacific Railroad Company and was authorized for abandonment by the Interstate Commerce Commission in Richard B. Ogilvie, Trustee of the Property of Chicago, Milwaukee, St. Paul & Pacific Railroad Company—Abandonment—in South Dakota, Iowa and Nebraska, Docket No. AB-7 (Sub-No. 88) (ICC served May 14, 1980). Although authorized for abandonment, the entire line was

¹ The Tabor-Ravinia line is a segment of a larger line leased by NPRRA from the State of South Dakota. The entire line extends from milepost 0.0 in Napa County, SD, to milepost 83.3 in Platte, SD, and consists of three segments (the Napa-Tabor line, from milepost 0.0 to milepost 13.4+/-, the Tabor-Ravinia line, and the Ravinia-Platte line, from milepost 54.4 to milepost 83.3). With the filing of this notice for a modified certificate on the Tabor-Ravinia line, NPRRA simultaneously filed a notice for a lease and operation exemption on the Napa-Tabor line (STB Finance Docket No. 35025). Additionally, The South Dakota Department of Transportation has filed a notice to terminate an existing modified certificate and a notice of interim trail use on the Ravinia-Platte line (STB Finance Docket No. 31874).

subsequently acquired by the State of South Dakota. The State of South Dakota then leased it to NPRRA in 1981. Since then, the entire line has been operated as needed by sublessees pursuant to modified certificates of public convenience and necessity. At milepost 0.0, the line has interchange capability with BNSF Railway Company (BNSF) and, through a haulage agreement with BNSF (convertible to trackage rights), access to Canadian National Railway Company, Union Pacific Railroad Company, and certain other South Dakota short lines.

The rail segment qualifies for a modified certificate of public convenience and necessity. See Common Carrier Status of States, State Agencies and Instrumentalities and Political Subdivisions, Finance Docket No. 28990F (ICC served July 16, 1981).

According to NPRRA, the State of South Dakota is engaged in negotiations to sell the Tabor-Ravinia line, along with the Napa-Tabor line, to Wagner Native Energy, LLC (Wagner). If that sale is consummated, NPRRA states that it will assign all of its rights in both the Tabor-Ravinia and Napa-Tabor lines to Wagner. NPRRA anticipates that Wagner would then operate these lines as a common carrier, through the use of a third-party rail carrier.

Currently, the Tabor-Ravinia line is out of service and NPRRA states that the line would need to be rehabilitated before actual rail operations can be recommenced. NPRRA anticipates that the sale of the Tabor-Ravinia line to Wagner will facilitate that rehabilitation. If operations were to recommence prior to the anticipated sale of the line to Wagner, NPRRA indicates that it would provide service through a third-party contract operator or a temporary sublease of the line to a third-party rail carrier. NPRRA

continues that, in the event that it engages the services of a third-party rail carrier, it will require that the carrier obtain adequate liability insurance coverage.

NPRRA indicates that, at this time, it is not anticipated that there will be any subsidizers of the line, and that, while it is conceivable that NPRRA may receive railroad trust funds for rehabilitation of the line from the State of South Dakota, no such plans currently exist.

This notice will be served on the Association of American Railroads (Car Service Division) as agent for all railroads subscribing to the car-service and car-hire agreement: Association of American Railroads, 50 F Street, N.W., Washington, DC 20001; and on the American Short Line and Regional Railroad Association: American Short Line and Regional Railroad Association, 50 F Street, N.W., Suite 7020, Washington, DC 20001.

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Decided: June 7, 2007.

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

Vernon A. Williams

Secretary