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SERVICE DATE – OCTOBER 18, 2011

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. AB 33 (Sub-No. 300X)]

Union Pacific Railroad Company—Abandonment Exemption—in Pottawattamie County,
Iowa

[Docket No. AB-414 (Sub-No. 6X)]

Iowa Interstate Railroad, Ltd.—Discontinuance of Service Exemption—in Pottawattamie
County, Iowa

On October 3, 2011, Union Pacific Railroad Company (UP) and Iowa Interstate Railroad, Ltd. (IAIS) (collectively, petitioners) jointly filed with the Surface Transportation Board a petition under 49 U.S.C. § 10502 for exemption from the provisions of 49 U.S.C. § 10903 to permit: (1) UP to abandon and IAIS to discontinue service over UP's railroad line known as the Chicago and Great Western Industrial Lead, between milepost 503.6 and milepost 504.05, a distance of approximately 0.45 miles, in Council Bluffs, Pottawattamie County, Iowa (the UP line); (2) UP to abandon and IAIS to discontinue service over UP's connecting track from UP milepost 503.85 on the UP line to the end point at IAIS milepost 486.8, a distance of 400 feet (the UP connecting track); (3) IAIS to discontinue its trackage rights over the UP line and the UP connecting track (the IAIS trackage rights); and (4) UP to discontinue its overhead trackage rights over that portion of IAIS's mainline from IAIS milepost 486.8 to IAIS milepost 488.0, a

distance of 1.2 miles (the UP overhead trackage rights). The UP line and UP connecting track traverse United States Postal Service Zip Code 51503 and include no stations; the IAIS line traverses United States Postal Service Zip Codes 51501 and 51503 and also includes no stations.

In addition to an exemption from the prior approval requirements of 49 U.S.C. § 10903, petitioners seek an exemption from 49 U.S.C. §§ 10904 (offer of financial assistance procedures) and 10905 (public use provisions). In support, petitioners state that, following abandonment of the UP line and UP connecting track (collectively, the UP lines) and discontinuance of IAIS's trackage rights and UP's overhead trackage rights, UP will sell the UP lines to a shipper, Red Giant Oil Company (Red Giant), subject to a permanent access easement over the UP lines for another shipper, Midwest Walnut Company of Iowa (Midwest Walnut). Red Giant and Midwest Walnut are the only shippers on the UP lines. Petitioners state that, as a consequence of the sale, Red Giant and Midwest Walnut will have permanent, direct access to IAIS, the common carrier railroad that currently serves them; Red Giant and Midwest Walnut will own, control, and use their respective interests in the UP lines as a typical shipper owned industrial lead; and IAIS will serve both Red Giant and Midwest Walnut pursuant to railroad industry track agreements each has entered into with IAIS. These requests will be addressed in the final decision.

Petitioners state that the lines do not contain Federally granted rights-of-way. Any documentation in petitioners' possession will be made available promptly to those requesting it.

The interest of railroad employees will be protected by the conditions set forth in Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, In Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

By issuing this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. § 10502(b). A final decision will be issued by January 20, 2012.

Any offer of financial assistance (OFA) under 49 C.F.R. § 1152.27(b)(2) will be due no later than 10 days after service of a decision granting the petition for exemption. Each OFA must be accompanied by a \$1,500 filing fee. See 49 C.F.R. § 1002.2(f)(25).

All interested persons should be aware that, following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 C.F.R. § 1152.28 or for trail use/rail banking under 49 C.F.R. § 1152.29 will be due no later than November 10, 2011. Each trail use request must be accompanied by a \$250 filing fee. See 49 C.F.R. § 1002.2(f)(27).

All filings in response to this notice must refer to Docket Nos. AB 33 (Sub-No. 300X) and AB 414 (Sub-No. 6X), and must be sent to: (1) Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001; (2) for UP—Mack H. Shumate, Jr., Senior General Attorney, 101 N. Wacker Drive, Room 1920, Chicago, IL 60606; and (3) for IAIS—Lanny M. Van Daele, Corporate Counsel, 5900 6th S.W., Cedar Rapids, IA 52404. Replies to the joint petition are due on or before November 10, 2011.

Persons seeking further information concerning abandonment procedures may contact the Board's Office of Public Assistance, Governmental Affairs, and Compliance

at (202) 245-0238 or refer to the full abandonment or discontinuance regulations at 49 C.F.R. part 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis (OEA) at (202) 245-0305. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by OEA will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Other interested persons may contact OEA to obtain a copy of the EA (or EIS). EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

Decided: October 13, 2011.

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