

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 34867

GENERAL RAILWAY CORPORATION, D/B/A IOWA NORTHWESTERN  
RAILROAD–EXEMPTION FOR ACQUISITION OF RAILROAD LINE–IN OSCEOLA AND  
DICKINSON COUNTIES, IA

Decided: August 4, 2006

On May 19, 2006, General Railway Company (GRC), d/b/a Iowa Northwestern Railroad, filed a verified notice of exemption under 49 CFR 1150.31 for Board authority to acquire an approximately 37.21-mile line of railroad owned by the Dickinson Osceola Railroad Association (DORA), extending from current milepost 215.00 at a point west of Superior, IA, to milepost 252.30 at a point west of Allendorf, IA, in Dickinson and Osceola Counties.<sup>1</sup>

On May 25, 2006, the Board’s Chairman issued a “housekeeping” stay of the effective date of GRC’s notice of exemption to permit full consideration of the issues presented in a petition jointly filed by DORA and Iowa Central Railroad Company (ICR) to reject or revoke the exemption or to stay its effectiveness.<sup>2</sup> In addition, the Chairman directed GRC to file an amended notice of exemption under 49 CFR 1150.41 instead of 49 CFR 1150.31, because GRC had become a rail carrier after having obtained authority to operate the line in 2001.<sup>3</sup>

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<sup>1</sup> Due to an inadvertent oversight, GRC states in its notice that it obtained Board authority to operate the line in 2001 but did not obtain authority to acquire it. See General Railway Corporation d/b/a Iowa Northwestern Railroad Company–Operation Exemption–Line of Dickinson Osceola Railroad Association, STB Finance Docket No. 34037 (STB served and published May 11, 2001). According to GRC, it purchased the line from DORA in November 2001 and filed the notice in this proceeding to correct the error.

<sup>2</sup> On May 8, 2006, DORA also filed a petition to revoke the exemption that gave GRC the right to operate over the subject line. By decision served on July 28, 2006, the Board instituted a proceeding under 49 U.S.C. 10502(d) to consider the issues presented in DORA’s petition. See General Railway Corporation d/b/a Iowa Northwestern Railroad Company–Operation Exemption–Line of Dickinson Osceola Railroad Association, STB Finance Docket No. 34037 (STB served July 28, 2006).

<sup>3</sup> See General Railway Corporation, d/b/a Iowa Northwestern Railroad–Exemption for Acquisition of Railroad Line–In Osceola and Dickinson Counties, IA, STB Finance Docket No. 34867 (STB served May 25, 2006).

On June 1, 2006, GRC filed its amended notice of exemption under 49 CFR 1150.41 to acquire the subject line pursuant to the Chairman's directive. Notice was served on July 3, 2006, and published in the Federal Register on July 5, 2006 (71 FR 38208).

The notice of exemption and the petition to reject or revoke the exemption or to stay its effectiveness raise issues that require further consideration by the Board. By this decision, the Board is instituting a proceeding under 49 U.S.C. 10502(d) to consider the issues raised in DORA's and ICR's petition. The notice of exemption remains subject to the housekeeping stay and cannot take effect until further order of the Board. At this time, there does not appear to be a need for the parties to submit additional evidence.

It is ordered:

1. Under 49 U.S.C. 10502(d), a proceeding is instituted to consider the petition filed by DORA and ICR.
2. This decision is effective on its date of service.

By the Board, Vernon A. Williams, Secretary.

Vernon A. Williams  
Secretary