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SERVICE DATE – NOVEMBER 5, 2008

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35184]

East Central Regional Railroad Authority–Acquisition Exemption–Dakota, Minnesota &

Eastern Railroad Corporation

[STB Finance Docket No. 35185]

State of South Dakota by and through its South Dakota Railroad Authority and its

Department of Transportation–Acquisition Exemption–East Central Regional Railroad

Authority

East Central Regional Railroad Authority (ECRRA), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire approximately 15.33 miles of rail line from Dakota, Minnesota & Eastern Railroad Corporation (DM&E) with DM&E retaining subleasehold rights to continue to conduct operations over the line. The line extends from milepost 145.0 near Yale, SD, to milepost 160.33 near Huron, SD, (the Yale-Huron line), in Beadle County, SD.

Concurrently, the South Dakota Railroad Authority (SDRA) and the South Dakota Department of Transportation (SDDOT), political subdivisions of the State of South Dakota and collectively a non-operating Class III rail carrier, filed a verified notice of exemption under 49 CFR 1150.41 for SDRA to acquire the Yale-Huron line from

ECRRA, with ECRRA retaining leasehold rights, and, in turn, for SDDOT to immediately acquire the Yale-Huron line from SDRA.

The applicants expect to consummate the transactions on November 20, 2008.

Following consummation of the transactions, DM&E will remain the operator of the Yale-Huron line by virtue of having retained subleasehold rights in the sale agreement with ECRRA.

The applicants explain that SDDOT will become the ultimate owner of the line so that it can fund necessary rehabilitation of the line pursuant to South Dakota statutes. According to the applicants, the slightly complex transactional structure involved here is due to specific language in the applicable South Dakota statutes making it necessary that ECRRA first acquire the Yale-Huron line from DM&E and then, in turn, transfer the line to SDRA, before it can ultimately be acquired by SDDOT.

The applicants certify that their projected annual revenues as a result of these transactions will not result in the creation of a Class II or Class I rail carrier and further certify that the projected annual revenues of each of the applicants will not exceed \$5 million.

Pursuant to the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, § 193, 121 Stat. 1844 (2007), nothing in this decision authorizes the following activities at any solid waste rail transfer facility: collecting, storing or transferring solid waste outside of its original shipping container; or separating or processing solid waste (including baling, crushing, compacting and shredding).

The term “solid waste” is defined in section 1004 of the Solid Waste Disposal Act, 42 U.S.C. 6903.

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 to stay must be filed no later than November 12, 2008 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket Nos. 35184 and 35185, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on: (1) for ECRRRA–Douglas E. Kludt, Churchill, Manolis, Freeman, Kludt, Shelton and Burns, 333 Dakota Avenue, South, P.O. Box 176, Huron, SD 57350; and (2) for SDRA and SDDOT–Myles L. Tobin, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: October 29, 2008.

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

Anne K. Quinlan

Acting Secretary