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SERVICE DATE - APRIL 9, 1997

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33326]

I&M Rail Link, LLC--Acquisition and Operation Exemption--  
Certain Lines of Soo Line Railroad Company d/b/a/ Canadian  
Pacific Railway

I&M Rail Link, LLC (I&M), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 and 1150.35 to acquire from Soo Line Railroad Company, d/b/a/ Canadian Pacific Railway (CPR), and operate approximately 1,109 miles of rail line and 262 miles of trackage rights in Iowa, Illinois, Minnesota, Missouri, Wisconsin, and Kansas. I&M will become a Class II rail carrier.<sup>1</sup>

The system to be acquired consists of: (1) CPR's "KC Mainline" between Kansas City, MO, and Pingree Grove, IL, including trackage rights between Pingree Grove and Chicago, IL; and (2) CPR's "Corn Lines" between Sabula and

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<sup>1</sup> This proceeding is related to STB Finance Docket No. 33327, wherein Dennis Washington, William H. Brodsky, Mort Lowenthal, Dorn Parkinson, J. Fred Simpson, and Thomas J. Walsh have filed a notice of exemption to continue in control of I&M upon I&M's becoming a Class II rail carrier.

Sheldon, IA, including branch lines and trackage rights in southern Minnesota.<sup>2</sup>

*The KC Mainline.* The KC Mainline runs from Kansas City, MO (MP 499.2),<sup>3</sup> northeasterly through Missouri and Iowa to a junction near Sabula, IA (MP 141.6), at the Iowa-Illinois border,<sup>4</sup> including branch lines from Davenport, IA (MP 0.0), to Eldridge, IA (MP 9.7) (the Eldridge Branch), and from Davenport, IA (MP 0.0) to Albany, IL (MP 35.0) (the Nitrin Branch);<sup>5</sup> and then from the junction near Sabula, IA (MP 141.6), easterly across northern Illinois to Pingree

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<sup>2</sup> I&M indicates that, to the extent the assumption by I&M of any of these trackage rights requires the consent of third parties, I&M will take appropriate steps to obtain such consent.

<sup>3</sup> Operations into and out of Kansas City are via: a paired track agreement with the Union Pacific Railroad Company (UP) from Polo, MO (MP 456.7) to Birmingham, MO (MP 494.5); a joint track agreement with UP from Birmingham, MO (MP 494.5) to Airline Jct., MO (MP 499.2); and beyond for approximately 0.13 miles to Sheffield, MO, on a segment owned jointly by CPR and the Kansas City Southern Railway Company (KCS).

<sup>4</sup> Operation on the mainline at Clinton, IA, will require assumption of CPR's trackage rights through the UP interlocking at approximately MP 158.4.

<sup>5</sup> Over the Nitrin Branch, which is owned by The Burlington Northern and Santa Fe Railway Company (BNSF), I&M will acquire incidental trackage rights through an assignment of rights from CPR.

Grove, IL (MP 41.9), including a branch line from Davis Jct., IL (MP 0.0), to Rockford, IL (MP 12.9), and then beyond to Janesville, WI (MP 45.8) (the Janesville Branch).<sup>6</sup>

*The Corn Lines.* The Corn Lines run from the junction near Sabula, IA (MP 141.6), north-northwesterly, approximately following Iowa's eastern border, to a junction near Marquette, IA (MP 98.0),<sup>7</sup> and then northerly into Minnesota to La Crescent, MN (MP 160.1); from the junction near Marquette (MP 0.0), westerly across northern Iowa to a junction at Mason City, IA (MP 116.7),<sup>8</sup> and continuing westerly to Sheldon, IA (MP 253.4); from the junction near Mason City northerly into Minnesota to a junction near Comus, MN (MP 123.8); and from a junction near Ramsey, MN (MP 43.0), westerly across southern Minnesota to Jackson, MN

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<sup>6</sup> Over the segment of the Janesville Branch that lies between Davis Jct. and Rockford (the Rockford Segment), which segment is owned by BNSF, I&M will acquire incidental trackage rights through an assignment of rights from CPR.

<sup>7</sup> Operation on the "Dubuque Segment" through Dubuque, IA, will involve the assumption by I&M of CPR's rights to operate on 1.7 miles of the former Chicago, Central & Pacific Railroad Company.

<sup>8</sup> I&M will assume CPR's trackage rights agreement for operation on the Iowa Northern Railway Company (IANR) from Plymouth Jct., IA (IANR MP 219.5), to Nora Springs, IA (IANR MP 210.7) (the Nora Springs Segment).

(MP 149.4),<sup>9</sup> including a branch line from Wells, MN (MP 0.0), to Minnesota Lake, MN (MP 9.0).

*Additional Incidental Trackage Rights.* I&M will also acquire from CPR additional incidental trackage rights:

(i) for certain traffic over 34.9 miles of rail line from the end of CPR's line at Pingree Grove, IL, over certain lines owned by the Commuter Rail Division of the Regional Transportation Authority (METRA), to a connection with the Belt Railway Company of Chicago at Cragin Jct. (MP 7.0) in the Chicago Terminal; (ii) for overhead traffic over 125.8 miles of rail line owned by CPR, part of which is owned in common with BNSF, from River Jct., MN (MP 288.0), to St. Paul, MN (MP 407.4), and for overhead traffic from Comus, MN (MP 123.8), to Rosemount, MN (MP 150.7); and (iii) over 78.2 miles of rail line owned by the Kansas City Terminal Railroad (KCT).<sup>10</sup>

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<sup>9</sup> Operation from Fairmont, MN (MP 182.97), to Welcome, MN (MP 190.28) will be by assumption of CPR's trackage rights on UP (the Welcome Segment).

<sup>10</sup> I&M also will acquire CPR's minority interest (8.33%) in the common stock of KCT, and will thereby acquire certain rights and obligations attendant thereto, including the right to operate on the 78.2 miles of rail line owned by KCT. I&M also will acquire all of the rights, privileges, benefits, and obligations of CPR in that certain contract  
(continued...)

Pursuant to a decision of the Board served April 2, 1997, the proposed transaction may be consummated on or after April 4, 1997. I&M intends to consummate the transaction as soon as practicable.

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 to STB Finance Docket No. 33326, 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, one copy of each pleading must be served on Mark H. Sidman, Esq., Weiner, Brodsky, Sidman & Kider, P.C., 1350 New York Avenue, N.W., Suite 800, Washington, DC 20005-4797.

Decided: April 3, 1997.

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<sup>10</sup>(...continued)  
between KCS and predecessors of CPR, dated May 1, 1942, including any real estate owned by CPR in Kansas or in the metropolitan area of Kansas City, MO, together with any appurtenances and fixtures of CPR located thereon and affixed thereto, other than certain excluded assets.

STB Finance Docket No. 33326

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

Vernon A. Williams

Secretary