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SEC

SERVICE DATE – JULY 28, 2006

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 34037

GENERAL RAILWAY CORPORATION D/B/A IOWA NORTHWESTERN RAILROAD
COMPANY–OPERATION EXEMPTION–LINE OF DICKINSON OSCEOLA RAILROAD
ASSOCIATION

Decided: July 26, 2006

In a notice of exemption served and published in the Federal Register on May 11, 2001, General Railway Company (GRC), d/b/a Iowa Northwestern Railroad, acquired a right to operate over 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.¹ 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).

On May 8, 2006, DORA filed a petition asking the Board to revoke the exemption. DORA argues that GRC discontinued service over the operational portion of the line² without obtaining Board authority and violated its common carrier obligation by failing to respond to the Cooperative Elevator Association’s (CEA) request for a delivery of rail cars.

On May 30, 2006, GRC filed a reply opposing DORA’s request. GRC states that it intends to keep the rail line active and that DORA has not provided any specific evidence that proves otherwise. Furthermore, GRC argues that DORA’s complaint about service to CEA does

¹ In a related proceeding, the Board’s Chairman recently issued a “housekeeping” stay of the effective date of an exemption sought by GRC to acquire the subject line so that the Board can fully consider the issues presented in a petition filed by DORA and Iowa Central Railroad Company to reject or revoke the exemption or to stay its effectiveness. 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).

² By decision served on April 10, 2006, the Board granted GRC an exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903 to discontinue operations over 17.05 miles of the rail line extending from milepost 235.25 near Lake Park, IA, to the end of the line at milepost 252.30 near Allendorf, IA. See Iowa Northwestern Railroad–Abandonment Exemption–In Osceola and Dickinson Counties, IA, STB Finance Docket No. AB-1067 (Sub-No. 1X) (STB served Apr. 10, 2006).

not justify the relief DORA seeks because CEA is located on the segment of the line over which GRC has already obtained Board authority to discontinue operations.

The petition to revoke raises 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 DORA's petition and GRC's reply. 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 DORA's petition and GRC's reply.
2. This decision is effective on its date of service.

By the Board, Vernon A. Williams, Secretary.

Vernon A. Williams
Secretary