

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36050

IOWA SOUTHERN RAILWAY COMPANY
-- LEASE AND OPERATION EXEMPTION --
APPANOOSE COUNTY COMMUNITY RAILROAD, INC.



241107

ENTERED
Office of Proceedings
July 14, 2016
Part of
Public Record

**VERIFIED NOTICE OF EXEMPTION
OF
IOWA SOUTHERN RAILWAY COMPANY
PURSUANT TO 49 C.F.R. § 1150.31**

FEE RECEIVED
July 14, 2016
Surface Transportation Board

FILED
July 14, 2016
Surface Transportation Board

Thomas J. Litwiler
Audrey L. Brodrick
Fletcher & Sippel
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR
IOWA SOUTHERN RAILWAY COMPANY**

Dated: July 13, 2016

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36050

IOWA SOUTHERN RAILWAY COMPANY
-- LEASE AND OPERATION EXEMPTION --
APPANOOSE COUNTY COMMUNITY RAILROAD, INC.



**VERIFIED NOTICE OF EXEMPTION
OF
IOWA SOUTHERN RAILWAY COMPANY
PURSUANT TO 49 C.F.R. § 1150.31**

Iowa Southern Railway Company ("ISR"), a non-carrier, hereby files this notice of exemption under 49 C.F.R. § 1150.31, et seq. to lease the rail line of Appanoose County Community Railroad, Inc. ("APNC") extending from milepost 0.0 in Centerville, Appanoose County, Iowa to milepost 34.5 in Albia, Monroe County, Iowa ("the Line"). The total distance of the Line to be leased by ISR is approximately 34.5 miles.

Based on projected revenues for the Line, ISR expects to be a Class III rail carrier.

This Notice is related to Docket No. FD 36051, Progressive Rail Incorporated -- Continuance in Control Exemption – Iowa Southern Railway Company, in which Progressive Rail Incorporated ("PGR") is concurrently filing a notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of ISR once ISR leases the Line and becomes a carrier. PGR is a Class III rail carrier and controls three other Class III rail carriers operating in the Upper Midwest.

In accordance with the requirements of 49 C.F.R. § 1150.33, ISR submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.33(a)

The full name and address of the applicant herein is as follows:

Iowa Southern Railway Company
21778 Highview Avenue
Lakeville, Minnesota 55044

Applicant's Representative: 49 C.F.R. § 1150.33(b)

The ISR representative to whom correspondence regarding this transaction should be sent is as follows:

Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.33(c)

Pursuant to the Line Lease Agreement by and among ISR and APNC, dated June 30, 2016, ISR will lease the Line and related assets from APNC.

Operation of the Property: 49 C.F.R. § 1150.33(d)

ISR will be the operator of the Line being leased from APNC in this proceeding.

Summary of the Transaction: 49 C.F.R. § 1150.33(e)

ISR is a newly-formed, non-carrier subsidiary of PGR. Pursuant to the Line Lease Agreement executed among the parties, ISR will lease and operate APNC's entire rail line beginning at milepost 0.0 in Centerville, Iowa and extending to the end of the Line at a connection with BNSF Railway Company at milepost 34.5 in Albia, Iowa, a distance of approximately 34.5 miles.

The full name and address of the entity leasing the Line to ISR is as follows:

Appanoose County Community Railroad, Inc.
1303 South 21st Street
Centerville, Iowa 52544

ISR intends to consummate its consummation of the Line and commence operations on August 13, 2016.

Map: 49 C.F.R. § 1150.33(f)

A map showing the Line and indicating the area served by the Line, including origins, termini, stations, and cities, is attached as Exhibit A to this notice.

Certificate of Compliance: 49 C.F.R. § 1150.33(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.33(g) is attached as Exhibit B to this notice.

Interchange Commitments: 49 C.F.R. § 1150.33(h)

The Line Lease Agreement between APNC and ISR does not include any provision limiting ISR's future interchange of traffic on the Line with a third-party connecting carrier.

Advance Notice: 49 C.F.R. § 1150.32(e)

The projected annual revenue of ISR does not exceed \$5 million, and accordingly the advance notice requirements of 49 C.F.R. § 1150.32(e) are not applicable to this transaction.

See Exhibit B hereto.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(2), the proposed lease of the Line by ISR is exempt from environmental reporting requirements. ISR's lease and operation of the Line will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), the proposed lease of the Line by ISR also is exempt from historic preservation reporting requirements. ISR's lease of the Line is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to discontinue or abandon any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.34

A caption summary in appropriate form is attached as Exhibit C to this notice.

Respectfully submitted,

By: Audrey Brodrick

Thomas J. Litwiler
Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR
IOWA SOUTHERN RAILWAY COMPANY**

Dated: July 13, 2016

**Iowa Southern Railway Company
Lease and Operation Exemption, FD 36050**



CERTIFICATION

State of Minnesota)
) ss:
County of Dakota)

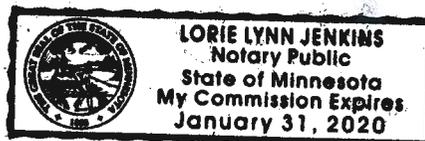
Lon Van Gemert, being duly sworn, hereby certifies that the projected annual rail revenue of Iowa Southern Railway Company does not exceed \$5 million and will not result in the creation of a Class II or Class I rail carrier under the provisions of 49 C.F.R. § 1201 (1-1).



Lon Van Gemert
Chief Executive Officer

SUBSCRIBED AND SWORN TO
before me this 11th day
of July, 2016.



Notary Public

My Commission expires:
1-31-20

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

DOCKET NO. FD 36050

IOWA SOUTHERN RAILWAY COMPANY
-- LEASE AND OPERATION EXEMPTION --
APPANOOSE COUNTY COMMUNITY RAILROAD, INC.

Iowa Southern Railway Company ("ISR"), a non-carrier, has filed a Verified Notice of Exemption under 49 C.F.R. § 1150.31, et seq. to lease from Appanoose County Community Railroad, Inc. ("APNC") and operate a line of railroad extending from milepost 0.0 at Centerville, Iowa, to milepost 34.5 at Albia, Iowa, a distance of approximately 34.5 miles (the "Line").

ISR expects to consummate its lease of the Line and commence operations on August 13, 2016.

Comments must be filed with the Board and served on:

Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

This proceeding is related to Docket No. FD 36051, Progressive Rail Incorporated -- Continuance in Control Exemption -- Iowa Southern Railway Company, in which Progressive Rail Incorporated has concurrently filed a notice of exemption pursuant to 49 U.S.C. §§ 11323, et seq. and 49 C.F.R. § 1180.2(d)(2) to continue in control of ISR once ISR leases the Line and becomes a carrier.

This Notice is filed under 49 C.F.R. § 1150.31. If this 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.

Dated: July __, 2016

By the Board

VERIFICATION

State of Minnesota)
) ss:
County of Dakota)

Lon Van Gemert, being duly sworn, deposes and says that he is Chief Executive Officer of Iowa Southern Railway Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



Lon Van Gemert

SUBSCRIBED AND SWORN TO
before me this 11th day
of July, 2016.



Notary Public



My Commission expires:
1-31-20