

BEFORE THE SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-1067 (Sub-No. 1X)

IOWA NORTHWESTERN RAILROAD

ABANDONMENT EXEMPTION
IN OSCEOLA AND DICKINSON COUNTIES, IOWA

NOTICE OF INTENT TO FILE

OFFER OF FINANCIAL ASSISTANANCE

Daniel A. LaKemper, Esq.
General Counsel
Iowa Central Railroad Co.
1318 S. Johanson Road
Peoria, Illinois 61607
Tel.: (309) 697-1400
Fax: (309) 697-8486

Dated: February 9, 2006.

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To the Secretary of the Board:

Pursuant to the Petition filed on or about December 27, 2005 by Iowa Northwestern Railroad (“IANW”), seeking authority to abandon a line of railroad in Osceola and Dickinson Counties, Iowa, Iowa Central Railroad Co. (“IAC”) hereby advises the Board and parties of record of its intent to file an Offer of Financial Assistance (“OFA”) under 49 CFR 1152.27. The OFA is to purchase all of the rail line (the “Line”), being approximately MP 79.34 (near Superior) to approximately MP 116.55 (near Allendorf), a distance of about 37.21 miles in Osceola and Dickinson Counties, Iowa (*See generally Caddo Antoine and Little Missouri Railroad Company-Feederline Acquisition-Arkansas Midland Railroad Company Line Between Gurdon and Birds Mill, AR, 4 S.T.B. 610, 2000 STB LEXIS 252 (served May 5, 2000).*¹

In connection with this notice of intent to file an OFA, IAC requests that the Petitioner provide the information set forth in 49 CFR 1152.27 (a) including the minimum purchase price required to acquire the Line. IAC also requests that Petitioner provide all data necessary to determine the estimate of net liquidation value of the Line together with supporting data reflecting

¹ IANW proposes to discontinue service on 17.05 miles of the Line, thus severing the major customer, Cooperative Elevator Association of Ocheyedan, Iowa from its connection with the Union Pacific Railroad. IAC is informed and believes that there is no active common carrier service being provided to the remainder of the Line by IANW and,

available real estate appraisals, assessments of the quality and the quantity of track material in the Line and removal cost estimate used to obtain the net liquidation value.

IAC, however, does not by this letter, suggest to the Board that IANW's Petition is appropriate. On the contrary, it would appear that IANW does not qualify for an abandonment exemption, and that IANW's Petition should be rejected. So far as IAC can determine, IANW never lawfully acquired the Line. Finance Docket Number 34037, Served May 11, 2001 granted only operating authority over the Line.

In addition, it would appear that during much, if not all, of the two-year period claimed by IANW, it was in violation of its common carrier obligations. IAC is informed, and believes, that the Cooperative Elevator Association of Ocheyedon, Iowa requested service on October 3, 2005, and was denied service due to the fact that the 17 miles which is the subject of this Petition, had already been scrapped (prior to the filing of this Petition, and, obviously, without Board authorization to discontinue service on, or abandon, any portion of the line).

Finally, IAC would suggest that the environmental report provided by IANW is grossly insufficient in this situation. The Report ("Exhibit B") states, at page 1, "The rail, ties and other track material *will be* removed from the right of way." IAC is informed and believes that the rail, ties and other track material *have already been removed* from the right of way. The Report goes on to state that the trackbed will "remain intact". IAC is informed and believes that, in a number of places, the trackbed is not intact. Finally, the Report states that IANW intends to transfer "the right of way to a trails group." Since FD No. 34037, the only filing that IAC has been able to locate, clearly states that the Dickinson Osceola Railroad Association owns the Line, IANW lacks the

thus, it should be sold as an intact entity.

power to legally transfer the right of way to anybody. Finally, considering the state of this Line, it is likely, that the net liquidation value is, in fact, negative.

Given the recent history of this Line, IAC believes this Petition should be rejected, but, in the event it is not rejected, IAC intends to file an Offer of Financial Assistance to acquire, and restore service upon, the entire Line.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel A. LaKemper". The signature is fluid and cursive, with the first name "Daniel" and last name "LaKemper" clearly distinguishable.

Daniel A. LaKemper, Esq.
General Counsel
Iowa Central Railroad Co.
1318 S, Johanson Road
Peoria, Illinois 61607
Tel.: (309) 697-1400

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing instrument was served on February 9, 2006, by e-mail and by United States Mail, first class, postage fully pre-paid, upon:

John F. Larkin
General Railway Corporation
4814 Douglas St.
Omaha, Nebraska 68132
john@ianwrr.com

A handwritten signature in black ink, appearing to read "Daniel A. LaKemper". The signature is fluid and cursive, with the first name "Daniel" and last name "LaKemper" clearly distinguishable.

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