



SURFACE TRANSPORTATION BOARD

FOR RELEASE

01/14/2025 (Tuesday)
No. 25-02
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STB APPROVES CN ACQUISITION OF IOWA NORTHERN WITH CONDITIONS

The Surface Transportation Board today issued a decision approving, with conditions, Canadian National Railway Company's (CN) request for Board authority to acquire and operate Iowa Northern Railway Company's (Iowa Northern) 218-mile rail system, located entirely within Iowa. The Board also approved related notices of exemption for trackage rights.

On January 30, 2024, CN and Iowa Northern filed an application seeking Board approval for CN to acquire Iowa Northern. On the same date, Chicago, Central & Pacific Railroad Company (CCP), an indirect rail carrier subsidiary of CN, filed a verified notice of exemption seeking authority to acquire overhead and limited local trackage rights from Iowa Northern for an approximately 68.3-mile rail line between Cedar Falls Junction in Cedar Falls, Iowa, and Manly Yard in Manly, Iowa. Also on January 30, 2024, Iowa Northern filed a verified notice of exemption seeking authority to acquire overhead and limited local trackage rights from CCP for rail lines totaling approximately 200.9 miles in Iowa.

On February 29, 2024, the Board accepted the application and preliminarily determined the transactions to be minor. Several stakeholders submitted filings, including requests for certain conditions to be imposed. Significant filings received by the Board are addressed in the full decision.

In today's decision, the majority finds that the proposed transaction has potential anticompetitive impacts, but that those impacts may be sufficiently mitigated through targeted conditions. As a result, the Board approves the proposed acquisition with a number of conditions, including, most significantly, several specific requirements designed to keep gateways open on commercially reasonable terms in perpetuity; compliance with several reporting requirements during a three-year oversight period established by the Board; the development of a scheduled local service plan; and the maintenance of access to locations in current voluntary reciprocal switching tariffs.

Board Members Hedlund, Schultz, and Fuchs commented with separate expressions.

Chairman Primus dissented with a separate expression. "While I disagree with today's decision, as I believe this transaction will cause a substantial lessening of competition that is not outweighed by the transaction's modest public benefits, I recognize the views of the other Board

members in favor of approving this transaction,” he said. “As Chairman, I will not stand in the way of a majority and bringing a conclusion to a matter before the Board.”

The decision in Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company, Docket No. FD 36744, may be viewed and downloaded [here](#).

POSTED: 01/14/2025 10:35 AM