

MULLINS LAW GROUP PLLC

Transportation Solutions for the 21st Century

2001 L Street NW, Suite 720
Washington, DC 20036

William A. Mullins
wmullins@mullinslawgroup.net
mullinslawgroup.net

Telephone: (202) 663-7850
Direct: (202) 663-7823
Facsimile: (202) 464-9123

April 14, 2026

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VIA E-FILING

Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

ENTERED
Office of Chief Counsel
April 14, 2026
Part of
Public Record

Re: Norfolk Southern Railway Company – Abandonment Exemption – In Polk County, Iowa, AB-290 (Sub-No. 424X), Iowa Interstate Railroad – Discontinuance of Lease and Operation Authority – In Polk County, Iowa AB-414 (Sub-No. 9X)

Dear Chief of Case Administration:

Pursuant to 49 C.F.R. Part 1152, Subpart G – Special Rules for Petitions for Abandonments, Norfolk Southern Railway Company (“NSR”) is filing a Petition for Exemption under 49 U.S.C. § 10502 from the prior approval requirements of 49 U.S.C. § 10903 for the abandonment of an approximately 12.2-mile long rail line, extending from Milepost DU 340.8 +/- to Milepost DU 353.0 +/-, together with the unmileposted Clive Spur (collectively, the “Grimes Line”), all in Polk County, Iowa. In addition, Iowa Interstate Railroad, LLC (“IAIS”) jointly files to discontinue its lease and operation authority over the respective line. The required filing fees for each of the NSR petition for abandonment (\$9,400) and the IAIS petition for discontinuance (\$9,400) have been paid via Pay.gov. If there are any questions about this matter, please contact me directly, either by telephone: at 202-663-7823 or by e-mail: at wmullins@mullinslawgroup.net. If I am unavailable you may contact Spencer M. Naake, who can be reached at (202) 663-7829 or by e-mail at snaake@mullinslawgroup.net.

Respectfully submitted,

/s/ *William A. Mullins*

William A. Mullins
Attorney for Norfolk Southern Railway Company

Enclosures

FILED
April 14, 2026

SURFACE TRANSPORTATION BOARD

FEE RECEIVED
April 14, 2026
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION –
IN POLK COUNTY, IOWA**

AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
– DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

PETITION FOR EXEMPTION

**Onna B. Houck
Vice President, Chief Legal Officer
Iowa Interstate Railroad, LLC
203 2nd Street, SE
Suite 500
Cedar Rapids, IA 52404
Tel : (319) 298-5400
obhouck@iaisrr.com

Attorney for Iowa Interstate Railroad**

**William A. Mullins
John V. Edwards
Spencer M. Naake
Michaela Bowles
MULLINS LAW GROUP PLLC
2001 L Street, NW
Suite 720
Washington, DC 20036
Tel: (202) 663-7823
wmullins@mullinslawgroup.net**

**Attorneys for Norfolk Southern Railway
Company**

April 14, 2026

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

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PETITION FOR EXEMPTION

INTRODUCTION

Pursuant to 49 U.S.C. § 10502, Norfolk Southern Railway Company (“NSR”), submits this Petition for Exemption from the prior approval requirements of 49 U.S.C. § 10903 in order to permit the abandonment of an approximately 12.2-mile rail line between Milepost DU 340.8 +/- to Milepost DU 353.0 +/-, together with the 0.8 mile long but unmileposted Clive Spur (collectively, the “Grimes Line” or the “Line”), all of which is located in Polk County, Iowa. The subject Line traverses the United States Postal Zip Code territories of 50111 (Grimes, IA); 50322 (Urbandale, IA); 50324 (Windsor Heights, IA); 50325 (Clive, IA); 50265 (West Des Moines, IA); and 50312 (Des Moines, IA). A map of the Grimes Line is attached hereto as Exhibit A. In addition, Iowa Interstate Railroad (“IAIS” and, collectively with NSR, “Petitioners”) jointly submits a petition of exemption from the prior approval requirements of 49 U.S.C. § 10903 in order to permit IAIS to discontinue its lease and operation authority over the subject Line.

Based on information in Petitioners' possession, the Grimes Line does not contain federally granted rights-of-way. Any documentation in either Petitioners' possession will be made available promptly to those requesting it. There are two stations on the Grimes Line: Des Moines, IA and Grimes, IA. A copy of this Petition has been served on known shippers located on the Line¹ as well as the affected political subdivisions.

The Grimes Line is a burden on both NSR and IAIS as well as on interstate commerce as the potential annual revenue that could be generated by the existing shippers on the Line is heavily outweighed by the costs of maintaining and operating the Line. IAIS faces significant hardship from continued operation of the Line (at a substantial avoidable cost loss) because rail traffic on the Line has been infrequent and unreliable in recent years, and the current traffic volume is expected to continue to decline. In fact, the average revenue per year over the last five years for rail transportation services over the Line under IAIS's operation is \$541,145.40,² approximately 43.6% of the normal operating cost of the Line under IAIS's stewardship.³ The economic deficiency hardship faced by NSR would only be exasperated should the Board find in favor of IAIS's petition to discontinue and not grant NSR's concurrent petition for abandonment thereby shifting operation responsibility to NSR. In sum, the requested abandonment and discontinuance of lease and operation authority must be granted because:

- IAIS's operating costs of the Line currently exceed the average revenue generated from the Line by a significant margin;
- Rehabilitation of the Line to bring the Line up to FRA Class I standards, as well as costs to rebuild portions of the Line to connect the Grimes Line to NSR's main line track would total

¹ A list of shippers moving traffic on the Line in 2025 is included as part of Exhibit E.

² Verified Statement of Carrie Evans ("VS Evans"), attached as Exhibit F, at 4.

³ Id. at 4, 9 (2024 operating costs).

\$9,451,112.00, in addition to the cost of bridge maintenance and repairs which is another \$975,234.00 in capital and \$220,200 in expense over a five-year period;⁴

- Rail traffic on the Line has averaged a mere 403.6 carloads over the past five years,⁵ with the average number of carloads moved per year decreasing by an average of 91.33 each year between 2022⁶ and 2025, with rail traffic volumes expected to continue to decrease at a similar rate year over year;⁷
- The Line's remaining shippers, can – and have – used alternative modes for their transportation needs; and
- In keeping with the standards of 49 U.S.C. § 10502, (a) application of the Board's formal abandonment process is unnecessary to carry out the Rail Transportation Policy of 49 U.S.C. § 10101; (b) the proposed transaction is of limited scope; and (c) application of 49 U.S.C. § 10502 in whole or in part is not necessary to protect the three remaining customers on the Line from the abuse of market power.

Petitioners have no reasonable expectation that traffic levels on the Grimes Line will recover to a level that could support economically sustainable operations. The remaining traffic base has contracted steadily for several years. The Grimes Line is a stub-ended branch line with no overhead traffic and no physical ability to attract or handle such traffic. This structural limitation eliminates the possibility of generating additional revenue through diverted or bridge traffic and materially

⁴ Verified Statement of Michael R. McClellan ("VS McClellan"), attached as Exhibit G, at 8.

⁵ VS Evans at 5-6.

⁶ The 2022 calendar year was the most recent peak in volume moved over the Line by IAIS.

⁷ Id. The carloads moved annually over the Line has decreased at a significant rate since 2022. In 2022 the sum of cars moved totaled to 533 and decreased to 456 cars moved in 2023 and continued to decrease in volume with 377 and 259 cars moved in 2024 and 2025 respectively. Id.

constrains the Line's long-term viability. No prospective new shippers or industrial developments exist that could materially alter this outlook.

Given the Line's declining traffic base, the substantial operating and annual maintenance costs, and the absence of prospective new business, the Line is not economically viable for IAIS, NSR, or any potential new operator. The capital investment required to restore the Line to a state of good repair cannot be justified by the current or foreseeable traffic levels. Accordingly, NSR and IAIS respectfully request that the Board grant this joint Petition, as the Line's operating costs significantly exceed revenues from operations, the proposed transaction is of limited scope, and the application of 49 U.S.C. § 10502 in whole or in part is not necessary to protect the remaining customers on the Line from the abuse of market power.

MAPS AND EXHIBITS

A map of the Line is attached as Exhibit A. A Combined Environmental and Historic Report is attached as Exhibit B. A draft Federal Register notice is attached as Exhibit C, and the certifications of compliance with 49 C.F.R. §§ 1105.12 and 1152.60(d) are included as Exhibit D. A list of 2025 customers is attached as Exhibit E. The verified statement of Carrie Evans (IAIS) is attached as Exhibit F. The verified statement of Michael R. McClellan (NSR) is attached as Exhibit G.

BASIS FOR ABANDONMENT AND FACTUAL BACKGROUND

NSR seeks authority to abandon the Line and IAIS seeks to discontinue its lease and operation authority because the traffic and revenues from the remaining shippers on the Line are insufficient to cover the direct costs of providing rail service let alone the costs of normalized maintenance and opportunity costs. This is especially true as year over year, shipper usage of services over the Line continues to decrease at a rate that will only exacerbate the inefficiencies of the Line. The rate in which traffic on the line is decreasing demonstrates that it is unsustainable for

IAIS to continue to provide freight rail common carrier service over the Line, justifying IAIS discontinuance.

Granting IAIS's discontinuance alone, without also granting NSR's petition for exemption for abandonment authority, would cause operational authority and responsibility to revert to NSR. In such an event, the costs to operate the Line would drastically increase due to the higher operating costs of NSR as a Class I rail carrier, all as are set forth in the attached verified statement of Michael R. McClellan, NS's Senior Vice President and Chief Strategy Officer.

The Grimes Line, which NSR proposes to abandon and IAIS proposes to discontinue its lease and operation authority, extends from milepost DU 340.8 +/- in Des Moines, IA, through to DU 353.0 +/- in Grimes, IA. Operations over the Line began in the late 1800s under the auspices of the St. Louis, Des Moines and Northern Railway. On December 23, 1891, the St. Louis, Des Moines and Northern Railway Company was consolidated with the Des Moines and Northwestern Railway Company to form the Des Moines, Northern & Western Railway Company and persisted until 1895 when the Des Moines, Northern & Western Railway was acquired through foreclosure by the Des Moines, Northern and Western Railroad Company ("DNW").

On May 1, 1899, DNW was purchased by the Chicago, Milwaukee & St. Paul Railway Company, which subsequently entered into bankruptcy proceedings, resulting in the line becoming the Chicago, Milwaukee, St. Paul & Pacific Railroad ("MILW") on March 31, 1927, after reorganization. MILW would later file a petition for voluntary reorganization under Section 77 of the Federal Bankruptcy Act on December 19, 1977. Trustees were appointed⁸ and filed a plan with the Reorganization Court on August 10, 1979, and with the ICC on September 28,

⁸ See Chicago, Milwaukee, St. Paul and Pacific Railroad Company – Reorganization – Acquisition By Grand Trunk Corporation, FD 28640 (Sub-No. 9), 2 I.C.C.2d 161, 1984 ICC LEXIS 287 at *18 (ICC served September 12, 1984).

1979, to reorganize MILW around a 3,200-mile core system. Effective November 1, 1979, the Court granted the Trustee's request to embargo the other MILW lines. The embargo was lifted shortly thereafter due to enactment of the Milwaukee Railroad Restructuring Act, 45 U.S.C. 901, et seq ("MRR").⁹ MILW's operation outside of the "core" system ceased by April 1, 1980, and "[n]early 7,000 miles of non-core rail lines were abandoned pursuant to section 5 of MRR...."¹⁰ The non-core assets, including unsold rail property, were transferred to a new non-carrier corporation, CMC Real Estate Corporation ("CMC"), under the control of MILW's stockholders to satisfy their interests.¹¹

MILW's 50% interest in Des Moines Union Railway Company ("DMU") was a non-core asset and passed to CMC. In 1988, Norfolk and Western Railway Company ("N&W"), a subsidiary of NSR, acquired full control of DMU.¹² Concurrently, N&W also purchased from CMC two branch lines in Polk County that consisted of: "(1) the Clive Branch, from milepost 0.0 at or near Des Moines to milepost 8.0 at or near Clive; and (2) the Grimes Branch, from milepost 0.0 at or near Clive to milepost 7.5 at or near Grimes."¹³

As discussed in the attached verified statement of Mr. McClellan, by 1995, it was clear to N&W that revenues from continued operations over the Line would not cover the costs of those operations. In an attempt to salvage common carrier rail service for shippers moving traffic on the

⁹ Id. at *18-19

¹⁰ Id. at *20.

¹¹ Id. at *35.

¹² See Norfolk and Western Railway Company – Control Exemption – Des Moines Union Railway, 1988 ICC LEXIS 270, FD 31280 (ICC served September 6, 1988).

¹³ See Norfolk & Western Railway Company – Acquisition and Operation Exemption, FD 31280 (Sub-No. 1) (ICC served July 8, 1988) (noting simultaneous consummation with the effective date of N&W's exemption to acquire CMC's ownership interest in DMU). The total mileage acquired included the unmileposted Clive Spur.

Line, N&W worked with IAIS to take over the common carrier obligation for service to the Line. The hope was that IAIS would be better able to cover the costs of service. IAIS received ICC authority to lease and operate 13.9 miles of rail line owned by N&W, between milepost DU 340.8, in Des Moines, IA, and the end of the line at milepost DU 354.7, in Grimes, IA, including the Line which is subject to this proceeding.¹⁴ Subsequently, on October 12, 2010, NSR and IAIS received authority from the STB to abandon and discontinue service over 1.70 miles of the Leased Line from milepost DU 353.00 to milepost DU 354.70, in Grimes, Polk County, Iowa.¹⁵ There remains approximately 12.2 miles of freight rail line, which NSR now seeks to abandon and IAIS seeks to discontinue its service and operation authority.

At present, IAIS is the sole operator on the Grimes Line. As is discussed further in the attached verified statement of Ms. Evans, IAIS is operating at a loss that is compounded yearly. Such operations do not provide a sustainable business model for IAIS. In recent years, the Line has served very few shippers. In addition, transloading opportunities are available for the vast majority of the traffic moving over the Line, as exempt commodities by definition, have trucks available as a transportation option.

As briefly mentioned above, a vast majority of the commodities moved over the Grimes Line are exempt commodities, with the primary commodity moved being lumber and wood products. The Line has seen a decrease in usage over the past number of years. The following, discussed further in the verified statement of Ms. Evans, illustrates the change in rail volumes between 2021 and 2024.

¹⁴ See Iowa Interstate R.R. – Lease and Operation Exemption – Norfolk and W. Ry., FD 32731 (ICC served October 13, 1995).

¹⁵ See Norfolk Southern Railway Company – Abandonment Exemption – In Polk County, Iowa, AB 290 (Sub-No. 322X); Iowa Interstate Railroad – Discontinuance of Service Exemption – In Polk County, Iowa, AB 414 (Sub-No. 5X) (STB served October 12, 2010).

In 2021, the Line moved a total of 393 carloads, which were primarily split between two shippers – Beisser Lumber, which shipped 201 carloads, and Frontier, which shipped 141 carloads. Combined, these two shippers made up over 87% of the carloads moved across the line in 2021.¹⁶ Both Beisser Lumber and Frontier deal in the shipping of dried lumber and wood products, an exempt commodity. Aside from Beisser Lumber and Frontier, the Line also saw the movement of 29 carloads of rock salt, another exempt commodity, for Hutchinson Salt. All told, of the 393 carloads that moved in 2021, 94.4% consisted of exempt commodities, with the remaining 51 carloads consisting of steel plates moved for CB&I. The total revenue for 2021 amounted to \$499,185.00, which is just 40.2% of the estimated yearly total cost, including necessary repairs, of \$1,242,401.00.¹⁷

Calendar year 2022 was a better year than 2021 – in fact 2022 was the peak traffic and revenue year in recent times – but it did not see anything close to revenues that would cover the costs of operating the Line. Aside from Beisser Lumber and Frontier, in 2022, the Line also saw the movement of 150 carloads of rock salt, also an exempt commodity, for Hutchinson Salt. All told, of the 533 carloads that moved in 2022, 349 were lumber products and 150 were for rock salt. These exempt commodities totaled 93.6% of all traffic moved on the Line. The revenues for traffic over the Line in 2022 amounted only to \$596,226, or only 48% of the estimated yearly cost to operate the Line.

Traffic and revenues have only worsened since 2022. In 2023, only 456 cars moved over the Line. In 2024, only 377 cars moved over the Line, with 2025 seeing another drop in volume with

¹⁶ VS Evans, at 5, n. 5.

¹⁷ Id. at 10.

only 259 cars moved over the Line.¹⁸ Despite the volume of cars moved decreasing at a consistent rate, exempt commodities continued to dominate the traffic. In 2023, nearly 92% of all traffic moved over the Line consisted of exempt traffic (with CB&I moving only 37 cars of iron plate). Once again, in 2024, over 88% of all traffic moving over the Line consisted of exempt traffic.¹⁹ Lastly, in 2025, a majority of the traffic moving over the Line consisted of exempt traffic with 78% of the commodities moved being exempt commodities. IAIS discontinuance is clearly justified by the numbers. Those same numbers clearly justify NSR's abandonment as well.

As set forth in the verified statement of Mr. McClellan, if IAIS's lower costs do not financially support the Line, certainly NSR's higher costs would result in only worse financial losses. There is no question that NSR's avoidable costs to resume service would substantially exceed any revenues that could reasonably be generated from the remaining traffic. NSR's systemwide cost structure as a Class I carrier—particularly labor, locomotive utilization, FRA compliance, and overhead—would result in annual operating costs materially higher than those incurred by IAIS. Even maintaining IAIS's existing rates, NSR would incur significant annual losses.

According to Mr. McClellan, the cost to bring the Line up to FRA Class I standards is estimated to be \$16.9 million, reflecting the cost to do bridge rehabilitation, track replacement, road crossing replacement and rehabilitation, as well as other needed repairs and upgrades.²⁰ Operating costs for NSR, a Class I carrier, would be significantly higher than those for IAIS. Should NSR attempt to raise rates for traffic moving to the Line to cover the costs, traffic would likely flee given

¹⁸ Id. at 10-11. In all, revenues for 2023, 2024, and 2025 amounted to \$473,927.00, \$528,159.00, and \$608,230.00 respectively. Id.

¹⁹ Id. at 24-25.

²⁰ VS McClellan at 8.

the fact that a vast majority of the traffic is of exempt commodities, much of which already is the subject of diversion to truck. There is no opportunity for NSR to increase traffic by diverting overhead traffic to the Line because the Line is stub-ended.²¹ NSR abandonment of the Grimes Line is justified.

PETITIONER’S REPRESENTATIVE

NSR is represented by William A. Mullins, Mullins Law Group PLLC, 2001 L St. NW, Suite 720, Washington, D.C. 20036; telephone: (202) 663-7823; and email: wmullins@mullinslawgroup.net.

IAIS is represented by Onna B. Houck, Vice President, Chief Legal Officer, Iowa Interstate Railroad, LLC, 203 2nd Street, SE, Suite 500, Cedar Rapids, IA 52404, telephone: 310-298-5400; email obhouck@iaisrr.com.

THE EXEMPTION STANDARDS HAVE BEEN MET

Under 49 U.S.C. § 10903, service over a rail line cannot be abandoned or discontinued service without prior Board approval. However, under 49 U.S.C. § 10502, the Board must exempt a transaction from the application of section 10903 when it finds that – (1) regulation of the transaction is not necessary to carry out the rail transportation policy of 49 U.S.C. § 10101 (“RTP”); and (2) either (a) the transaction is of limited scope, or (b) regulation is not needed to protect shippers from the abuse of market power. The proposed abandonment and discontinuance meet section 10502’s statutory requirements.

Application of the full § 10903 procedures is unnecessary because the record demonstrates that: (1) the Line’s traffic levels are insufficient to support continued rail operations;²² (2) shippers have adequate transportation alternatives, including well-established trucking and transloading

²¹ VS McClellan at 5.

²² VS Evans at 5-6 (five-year average of 403.6 carloads with only 259 carloads in 2025).

options;²³ (3) the proposed abandonment and discontinuance are of limited scope;²⁴ and (4) Petitioners lack any reasonable prospect of restoring the Line to profitability.²⁵ These findings satisfy both prongs of § 10502(a).

A. Regulation Is Not Necessary To Carry Out The Rail Transportation Policy

The RTP obviates the need for detailed Board scrutiny under 49 U.S.C. § 10903 in this instance. Granting NSR's and IAIS's Joint Petition – rather than requiring either to incur the substantial costs and potential delays involved in submitting a full-blown application – promotes a fair and expeditious regulatory decision-making process; ensures the development and continuation of a sound rail transportation system with effective competition among rail carriers and other modes to meet the needs of the public; reduces regulatory barriers to exit from the industry; and provides for the expeditious handling and resolution of proceedings required or permitted to be brought under this part. See 49 U.S.C. §§ 10101(2), (4), (7), (9), and (15).

Moreover, allowing NSR to abandon the Line and for IAIS to discontinue service would promote a safe and efficient rail transportation system by enabling both railroads to avoid continuing losses and, in turn, facilitate both railroad's ability to earn adequate revenues. See 49 U.S.C. § 10101(3). Finally, granting NSR's and IAIS's Joint Petition to abandon the Line that the evidence proves is not remunerative will foster sound economic conditions and encourage efficient management in accordance with the RTP. See 49 U.S.C. §§ 10101(5) and (9).

The Grimes Line does not handle nearly enough traffic to even sustain operations, let alone provide a return to IAIS with the obligation to provide common carrier rail service. These losses are

²³ VS Evans at 7-8 (remaining traffic consists of exemption commodities readily moved by truck).

²⁴ Id. at 6-7 (the line is 12.2 miles in length, stub-ended, carries dramatically decreasing carloads, and has no prospect for overhead traffic).

²⁵ Id. at 10-11 (revenues cover only 38.1% to 48.9% of costs); VS McClellan at 5 (NS has no reasonable expectation traffic will increase).

not short-term losses, but rather losses that in all likelihood will continue in perpetuity because rail traffic on the Line continues to fall at significant rates, and rail traffic volumes are only expected to continue to decrease or cease entirely for the foreseeable future.

Furthermore, in the event the Board chooses to only grant IAIS's petition for exemption to discontinue and deny NSR's petition for exemption for abandonment authority, the financial situation for NSR and the remaining shippers on the Line would be detrimental. Because it is a Class I rail carrier, NSR's costs to provide service over the Grimes Line would be significantly greater than that of IAIS, in large part due to the increased regulatory requirements for Class I rail carriers. To compensate for such increased operating costs, NSR would be forced to attempt to raise rates for the remaining shippers on the Line in an effort to recover even an incremental portion of the costs NSR would incur to provide that service. Given that the vast majority of the traffic that is moved over the line consists of exempt commodities, that attempt is likely to be a complete failure because it would further drive away the remaining shippers towards alternative transloading opportunities.

For these reasons, the Board need not, and should not, require NSR and IAIS to use the formal abandonment and discontinuance application procedures to carry out the RTP. Indeed, the proposed abandonment by NSR and the proposed discontinuance by IAIS and the use of the Board's exemption procedures is consistent with that policy.

B. The Proposed Abandonment Is of Limited Scope

The proposed abandonment and discontinuance are of limited scope, involving 12.2 miles of a low-density rail line that has handled an average of 403.6 carloads over the past five years, even as the average carloads moved per year has decreased by 91.33 carloads moved each year since 2022. Rail traffic volumes are anticipated to decrease in the future at a similar rate year over year. The largest decrease in movements occurred between 2024 and 2025 where the carloads moved

dropped drastically from 377 cars moved in 2024 to 259 cars moved in 2025. Even at the height of the Line's recent traffic flows in 2022 (533 carloads over the entire year), the revenue generated was still only \$596,226.00,²⁶ or 48% of the current IAIS operating costs of the Line, which does not factor in the significant maintenance and rehabilitation that would be required to undertake in order to support NSR's take-over of operations over the Line.

C. Regulation of the Abandonment Is Not Necessary to Protect Shippers from Market Power Abuse

Section 10502(a) requires that application in whole or in part of a requested jurisdictional provision is not necessary because either (1) the transaction or service is of limited scope or (2) the application in whole or in part of the applicable provision is not needed to protect shippers from the abuse of market power. Because the proposed abandonment and discontinuance is of limited scope, NSR and IAIS do not need to also demonstrate that regulation is not needed to protect shippers from the abuse of market power. However, given the limited number of carloads at issue, the fact that the vast majority of commodities transported are subject to competition from alternative modes of transportation, and the reality that shippers have already begun transitioning to transloading and other transportation alternatives, it is clear that the use of the Board's formal abandonment procedures is not necessary to protect shippers from any potential abuse of market power in this case.

Further, NSR and IAIS are acutely aware of the fact that shippers on the line have readily available alternative modes of transportation. In fact, such competitive constraints preclude NSR and IAIS from exploring the sizeable rate increases that could make continuing service

²⁶ VS Evans at 10.

economically practicable. Regulation is not needed to protect the few remaining shippers on the Line from market abuse, particularly given the more than adequate transportation alternatives.²⁷

All remaining traffic consists of commodities – primarily lumber and wood products– that are readily and efficiently transported by truck over short distances. Each remaining shipper is located within minutes of major highway infrastructure, and several have already transitioned significant portions of their traffic to truck or transload facilities without disruption. No shipper will be left without reasonable transportation options.

Under the circumstances, there is no basis to presume that NSR’s decision to seek abandonment authority, and IAIS decision to seek discontinuance authority, are driven by any consideration aside from the avoidance of future operating losses and continued investment in a Line whose traffic levels cannot support economic operations as shipments continue to decrease with each passing year. NSR and IAIS have neither the leverage nor the propensity to subject the Line’s remaining customers to market power abuse. Because the Line’s remaining customers have multiple forms of transportation other than rail, permitting abandonment of the Line will not increase any market power those other forms of transportation have over the remaining customers.

PUBLIC INTEREST FACTORS

Due to the unrecoverable and substantial operating losses that would result from the Line’s remaining – if any – activity, continued operation of the Line would be wholly uneconomical. Even when factoring community and shipper interests against the Line’s economic circumstances, the public interest militates in favor of the proposed discontinuance.

²⁷ This is shown by shippers moving off the line in recent years to more economically feasible alternatives to transport their commodities as opposed to using the Line as their means of transportation. This is especially so given the consistent and significant decreases seen in carloads moved across the line since 2022.

A. Economic Analysis

As has been discussed above, the total estimated operating costs, including the cost to rehabilitate and maintain portions of the line that are not suitable for transportation at present, would amount to \$1,242,401.00. This includes costs related to crew members, locomotive use, and mechanical/track inspections – which is further broken down in the verified statement of Ms. Evans, attached hereto as Exhibit F, into sub-costs related to labor, vehicles, bridges, and vegetation control. During 2025,²⁸ IAIS handled only 259 carloads, nearly 120 less carloads than the previous year, and less than half of the carloads moved at its peak in 2022. If the decrease in carloads moved continues at the same pace of the past three years, anticipated movements for 2026 would be at or below 180 carloads.

IAIS submits that the reported traffic volumes are representative of current rail service demand on the Line. Accordingly, Petitioners have averaged out the number of carloads and revenue over the past five years on which to base the economic analysis of the Line. Per year, the averages broke down to 403.6 carloads and \$541,145.40 in revenue. Such low levels of traffic and insignificant revenue as compared to the operating and maintenance costs needed to make the Line navigable make the Line unattractive to a potential new operator or new customer. The lack of traffic and revenue will require any new operator to incur substantial costs to sustain any continued operation.

The traffic moved in 2025 further demonstrates the severity of the situation at hand. As previously discussed, only 259 carloads were moved in 2025. Given that: (1) the prospect of new customers seems unlikely; (2) diversion of overhead traffic is physically impossible; (3) and, that current customers continue to decrease their usage of the Line for alternative transportation

²⁸ VS Evans at 5-6.

opportunities; it is unlikely that any operator – be it IAIS, NSR, or any other new operator – would be willing to undertake the significant burden without much promise for future profit and customer expansion.

Should the Board choose to only discontinue IAIS's lease and operation authority and operation responsibility were to revert to NSR, NSR would be in a worse financial position to operate on the line than IAIS is today, negatively affecting the remaining shippers along the Line. As previously discussed above, the costs associated with bringing the track up to FRA Class I standards, the increased regulatory cost associated with operating as a Class I rail carrier over the Line, and the increasingly more attractive transloading opportunities for the remaining customers would make NSR's operation of the Line impracticable due to the financial hardship.

B. Avoidable Costs Loss

As is detailed in the verified statement of Ms. Evans, IAIS incurred an estimated \$1,242,401.00 in operating costs for 2024. When offset against the average revenue per year from 2021 through 2025, traffic and revenue to make up only approximately 43.6% of IAIS's operating costs.²⁹

Should operation authority of the Line revert to NSR, the Line would have to undergo a significant rehabilitation and rebuild process in order for the Line to connect back to NSR's main track while also bringing the Line back up to FRA Class I standards. In order to rebuild and rehabilitate the track, bridge maintenance and repairs are needed. NSR has five bridges along the Line. NSR estimates it would cost approximately \$7,415,000.00 in capital and \$220,200 in expense beyond typical maintenance to bring the bridges along the line into a state of good repair over the course of 5 years.³⁰ The repairs necessitate significant timber work and repairs, replacement of

²⁹ VS Evans at 10-11.

³⁰ VS McClellan, at 8-9.

underrated pony truss and approach trestles with 150' TPG, installation of new abutments, installation of ballast retainers, channel regrade, installation of new signage and end markers, as well as several other repairs.

In addition to the costs to rehabilitate the bridges along the line, NSR estimates a total cost of \$9,451,112.00 to bring the rest of the Line into a state of good repair and in line with the FRA Standards for a Class I railroad by rebuilding portions of the Line in order to connect the Line to NSR's main track. This cost includes replacing 47,250 track feet with relay rail, replacing 9,000 ties, replacement of 3 out-of-service turnouts with track panels, replacement of 8 turnouts with new ones, replacement of 210 feet of ballast deck bridge with new track panels, and replacement of 29 road crossings. In conjunction with the bridge rehabilitation, NSR estimates that, for purposes of immediate maintenance, rebuild, and rehabilitation costs, it would incur costs in excess of \$16,866,000.00 in addition to the yearly operating costs to bring the line up to FRA Class I standards.³¹

NSR estimates that, to maintain the level of service that IAIS is currently providing of one locomotive per day running five days a week, NSR would incur \$660,091.00 in crew costs per year. Should the Line require two locomotives to run each day, NSR's crew costs would increase to \$872,316.00 per year. At no point in the previous five years did the revenue achieved on the Line exceed the anticipated operating costs should operation authority revert back to NSR. The volume on the Line not only does not justify IAIS to maintain operations, it also does not justify NSR to be required to assume operations, especially when transloading alternatives exist for most of the shippers at a more economic rate.

³¹ Id. at 9.

The costs involved in rehabilitating the Line are significant. Undertaking these improvements is an unreasonable and financially irresponsible endeavor as the Line continues to see a significant decline in usage with each passing year. As such, rate increases for the shippers remaining on the Line would be required should operation authority revert back to NSR. This is due to the exorbitant maintenance and repair costs in conjunction with the increased operating costs and regulatory requirements as a Class I rail carrier. Such a rate increase would only serve to drive the shippers to alternative transportation means at a faster rate than currently experienced. As such, a reversion of operation authority to NSR would only exacerbate the financial losses the Line currently sees under IAIS operation and expose the remaining shippers to increased costs.

C. Return on Value

There is little to no value in any other rail carrier seeking to acquire the lease of the Grimes Line for service as unremitting as is the case for IAIS.

D. Alternative Transportation

NSR and IAIS believe that the shippers on the Line have access to viable alternative transportation modes. NSR and IAIS submits that an alternative (and competitive) transportation service is readily available to the current users of the Line. Given the low volumes that continue to decrease with each passing year, and that the principal commodities transported over the Line are exempt commodities that the Board has already determined can be safely and competitively transported using other modes, there is no possibility of any shippers suffering market abuse. Accordingly, NSR and IAIS submit that alternative (and competitive) transportation service is readily available to shippers currently located on the Line. Thus, there is no justification for requiring IAIS to continue to lease and operate over the Line at a continued loss, nor for NSR to take over operations and maintenance of the Line at such avoidable loss levels.

E. Other Policy and Public Interest Considerations

NSR and IAIS believe that the proposed abandonment and discontinuance of the Grimes Line will have no significant impact upon any of the communities through which the Line passes, in large part because its rail service has been a convenient, but non-essential, competitive alternative to truck transportation for the Line's customers. Accordingly, NSR and IAIS are confident that the proposed abandonment and discontinuance will have a very minimal impact on the communities it serves if it has any impact at all. Further, the subject abandonment and discontinuance will likely not result in the Line's existing customers making a significant increase in the use of trucks than before, given that customers on the Line already have slowly transitioned to other transloading opportunities at such a rate that the Line routinely loses 80 to 100 carloads per year over the past three years. NSR and IAIS have determined that the truck diversions would be so modest that the impacts need not be examined under the Board's environmental assessment processes. Here, the extraordinarily strong likelihood that the proposed abandonment will minimally impact the communities through which the Line traverses if at all, must be balanced against the evidence presented herein showing that NSR and IAIS would be subjected to significant unrecoverable costs going forward if the joint Petition were to be denied.

The process that NSR and IAIS have invoked and the evidence each has supplied in its case-in-chief fully supports the grant of NSR's abandonment exemption petition and IAIS's discontinuance of lease and operation authority exemption petition. It also affords interested parties a fair opportunity to express their views on NSR's and IAIS's proposed action and to comment on the propriety of NSR's and IAIS's use of the individual petition for exemption process. NSR and IAIS believe the evidence supports the grant of the joint Petition and that holding NSR and IAIS to an exacting, expensive, and potentially protracted formal abandonment and discontinuance

application process, especially in light of the evidence that NSR and IAIS have supplied in support of abandonment and discontinuance, would be unnecessary and wholly contrary to the RTP.

LABOR PROTECTIONS

The interests of railroad employees will be protected by the conditions imposed in Oregon Short Line R. Co. – Abandonment – Goshen, 360 I.C.C. 91 (1979).

CONCLUSION

Accordingly, NSR and IAIS respectfully request that the Board grant their request for exemption from the provisions of 49 U.S.C. § 10903 to permit NSR abandon, and IAIS to discontinue its service, over the Grimes Line located in Polk County, IA. The exemption is warranted in light of the substantial burden that continued operation of the Line would impose upon both NSR and IAIS, as has been demonstrated in the foregoing sections of this Joint Petition and in the attached verified statements. For the reasons supplied herein, application of the Board's formal abandonment and discontinuance procedures at section 10903 is not needed to carry out the RTP set forth at 49 U.S.C. §10101, and, in fact, granting NSR's and IAIS's joint Petition would promote many of the elements of that policy. Likewise, the proposed abandonment and discontinuance is of limited scope, and no potential for abuse of market power would result from the requested exemption. Accordingly, NSR and IAIS urge prompt Board action to grant an exemption for the proposed abandonment and discontinuance of the Line. For all of these reasons, the requested abandonment and discontinuance satisfy the criteria of 49 U.S.C. § 10502(a), are consistent with the Rail Transportation Policy, and are in the public interest.

Respectfully submitted,

/s/ William A. Mullins

William A. Mullins
Counsel for Norfolk Southern Railway
Company

/s/ Onna B. Houck

Onna B. Houck
Chief Legal Officer for Iowa
Interstate Railroad

April 14, 2026

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

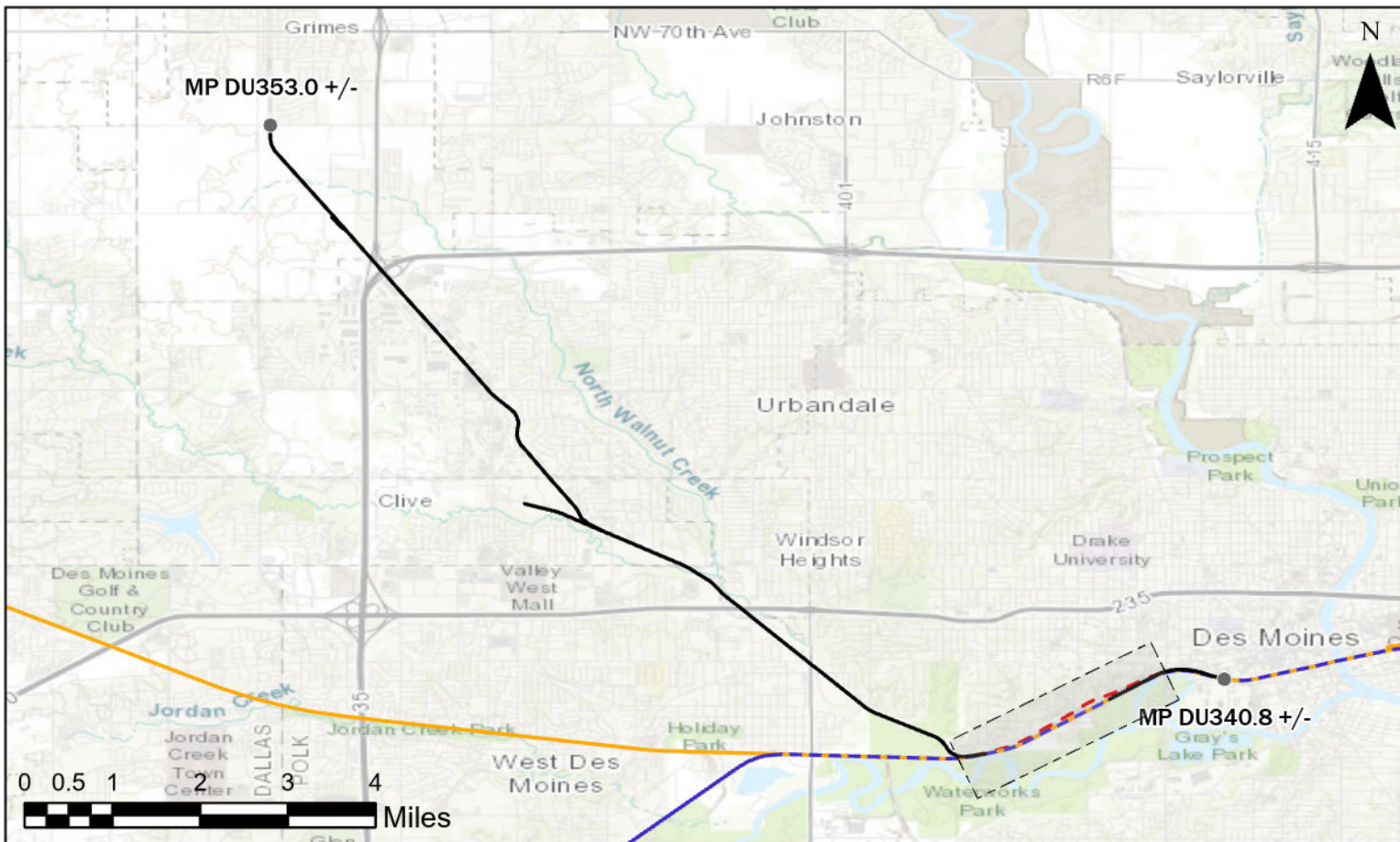
AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION –
IN POLK COUNTY, IOWA**

AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
– DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

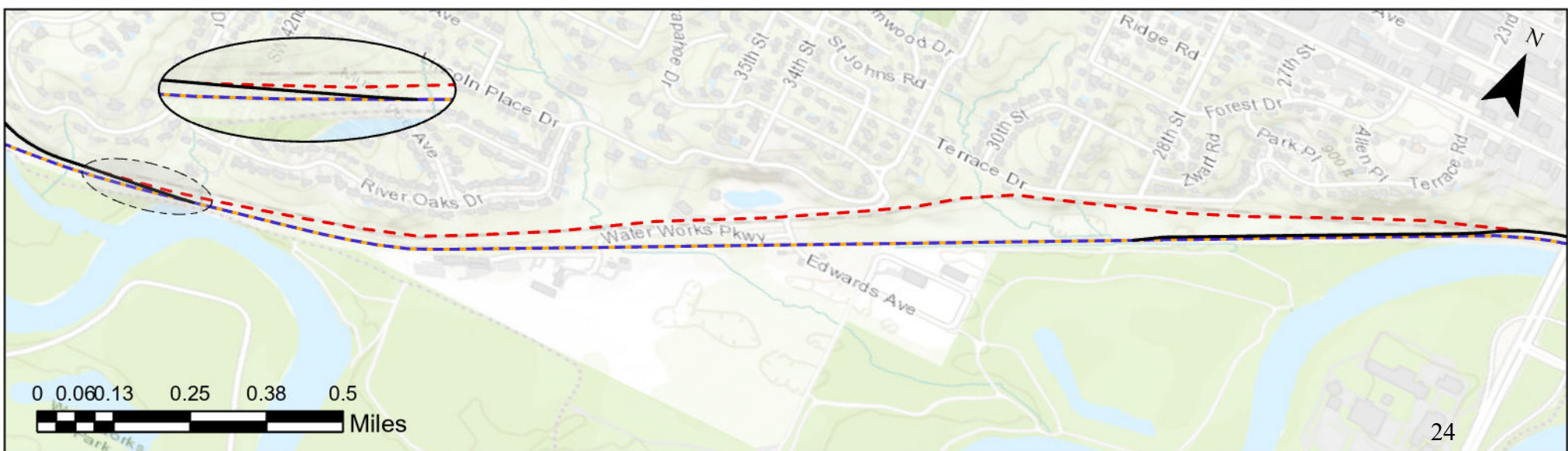
EXHIBIT A – MAPS



Grimes Line
Abandonment/Discontinuance
Exhibit
AB-290 (sub. no. 424X)
AB-414 (sub no. 9X)

- Union Pacific
- - - Iowa Interstate Leased - NS Owned (OOS)**
- Iowa Interstate
- - - Union Pacific Trackage Rights
- Iowa Interstate Leased - NS Owned**

**** denotes track to be abandoned/discontinued**



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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– DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

EXHIBIT B – COMBINED ENVIRONMENTAL AND HISTORICAL REPORT

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION-
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AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
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IN POLK COUNTY, IOWA**

Revised Combined Environmental and Historic Report

William A. Mullins
John V. Edwards
Crystal M. Zorbaugh
Spencer M. Naake
Michaela R. Bowles
MULLINS LAW GROUP PLLC
2001 L St., N.W., Suite 720
Washington, D.C. 20036
Tel.: (202) 663-7831
Attorneys for Norfolk Southern Railway Company

January 20, 2026 (Originally Distributed) and Revised April 14, 2026

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION-
IN POLK COUNTY, IOWA**

AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
- DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

Revised Combined Environmental and Historic Report

Norfolk Southern Railway Company (“NSR”) and Iowa Interstate Railroad (“IAIS”) submit this Revised Combined Environmental and Historic Report pursuant to 49 C.F.R. § 1105.7(e) and 49 C.F.R. § 1105.8(d), respectively, in connection with NSR's proposed abandonment and IAIS’s proposed discontinuance of an approximately 12.2-mile rail line, extending from Milepost DU 340.8 +/- to Milepost DU 353.0 +/- (the "Line") in Polk County, Iowa, including the unmileposted Clive Spur.¹

¹ In 1995, IAIS was authorized to lease and operate 13.9 miles of rail line (“Leased Line”) owned by Norfolk and Western Railway Company (NSR’s predecessor), including the Line at issue here. See Iowa Interstate R.R. – Lease and Operation Exemption – Norfolk and W. Ry., FD 32731 (ICC served October 13, 1995). Subsequently, on October 12, 2010, NSR and IAIS received authority from the Surface Transportation Board (the “STB” or “Board”) to abandon and discontinue service over 1.70 miles of the Leased Line from milepost DU 353.00 to milepost DU 354.70, in Grimes, Polk County, Iowa. See Norfolk Southern Railway Company – Abandonment Exemption – In Polk County, Iowa, AB 290 (Sub-No. 322X); Iowa Interstate Railroad – Discontinuance of Service Exemption – In Polk County, Iowa, AB 414 (Sub-No. 5X) (STB served October 19, 2010).

ENVIRONMENTAL REPORT

49 CFR 1105.7(e)(1)

Proposed Action and Alternatives

Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

NSR proposes to abandon,² and IAIS proposes to discontinue its lease and operation authority over an approximately 12.2-mile-long-rail line extending from Milepost DU 340.8 +/- to Milepost DU 353.0 +/- in Polk County, Iowa, including the unmileposted Clive Spur.³ There are currently three (3) customers served on the Line to be discontinued and abandoned. Upon abandonment of the Line, existing customers have transloading opportunities in downtown Des Moines, IA⁴ and at Merchants Warehouse in Altoona, IA.

Following discontinuance and abandonment, the Line's rail and related track material will be salvaged. Salvage will consist of removing the rail and track material from the existing roadbed.⁵ The contour of the existing roadbed will remain as is, and existing drainage systems will remain intact. When the rail and track material are removed, the contractor will smooth the roadbed to a level surface. No ballast will be removed, and no new soil disturbance will occur. No digging or burying of any kind will be permitted. Accordingly, NSR believes that no storm water mitigation measures – including, but not limited to, a National Pollutant Discharge Elimination System permit – will be required.⁶ All salvaged steel components will either be reused or sold as

² NSR, as the entity abandoning the Line, is responsible for preparing and addressing potential environmental issues stemming from the proposed abandonment.

³ NSR leased the line to IAIS pursuant to a lease agreement entered into in June 1995.

⁴ <https://dsmindustrial.com/>

⁵ The five (5) structures, Bridges, on the Line will be left intact and in place.

⁶ There are also no plans to undertake in-stream work, or dredge and/or use any fill materials in connection with the proposed abandonment.

scrap. Crossties may be reused in other railroad operations, or they will be disposed of in accordance with applicable federal and state laws and regulations.

The alternative to abandonment is to not abandon the Line and retain the track in place. This alternative is not satisfactory as either NSR or IAIS would be forced to incur substantial and recurring operating losses, track and infrastructure rehabilitation costs, and opportunity costs unless the Line were to be abandoned.

A map depicting the Line is attached as **Appendix A**. An example of NSR's letter to federal, state, and local government agencies, along with a list of the consulting agencies that NSR has contacted, is attached as **Appendix B**. Comments received as a result of NSR's written requests for feedback can be found in **Appendix C**. Carload Data is attached as **Appendix D**. Topographical Maps and Color Photos are included as **Appendix E**. A Structure List is attached as **Appendix F**.

49 CFR 1105.7(e)(2) Transportation system.

Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

While NSR believes that abandonment of the Line is necessary as neither IAIS nor NSR can continue to incur the operating losses nor bore the costs to rehabilitate the Line given the current traffic levels, the abandonment may have some effects on the regional or local transportation systems and patterns, as on average 403.6 carloads have been transported by IAIS per year over the Line from 2021-2025.⁷ See **Appendix D**.

49 CFR 1105.7(e)(3) Land use.

(i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is

⁷ This is based on IAIS's data from 2023 to 2025, with carloads decreasing from 456 carloads in 2023 to 259 carloads in 2025.

consistent with existing land use plans. Describe any inconsistencies.

NSR believes that the proposed abandonment is consistent with, and would promote, existing land use plans. The adjoining Line consists of a combination of residential and commercial areas. By letters dated January 20, 2026, copies of this Report have been mailed to the appropriate local and state contacts, including representatives of the Cities of Grimes, Urbandale, Windsor Heights, Clive, West Des Moines, and Des Moines, Iowa (the “Cities”) and Polk County, Iowa, for their feedback, including a request for an outline of future land use plans, and comments. See E&HR Consultation Letter Example and Service List, attached as **Appendix B**. In a correspondence received on February 13, 2026, the City of Urbandale provided comments indicating that the “[a]bandonment of the [L]ine is not perceived to have a negative impact on land use or future development within the City.” The City of Urbandale also expressed that it “may have public use and trail interests in the even that the [L]ine is abandoned or discontinued.” Similarly, on February 10, 2026, the City of Windsor Heights also expressed that it “would be open to discussing potential Rails-to-Trails opportunities within its jurisdiction should the abandonment proceed. A copy of the correspondence from Cities of Urbandale and Windsor Heights are included in Appendix C.

(ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.

A copy of this E&HR was mailed to the United States Department of Agriculture Natural Resources Conservation Service (“USDA NRCS”) as well as the State Conservationist of Iowa on January 20, 2026, for its input and to provide USDA NRCS an opportunity to comment. NSR also requested assistance from USDA NRCS in identifying any potential effects on prime agricultural land. See **Appendix B**.

(iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by Sec. 1105.9.

The Line is not located within a coastal zone. However, by letter dated January 20, 2026, a copy of this E&HR was mailed to the Division of Water Quality at the Iowa Department of Natural Resources (“IDNR”) for its feedback and comment. See E&HR Consultation Letter Example and Service List, attached as **Appendix B**. In a correspondence received on February 10, 2026, IDNR provided comments and recommendations due to the proposed abandonment taking place “over several points of the state designated paddling route along Walnut Creek.” As recommended by IDNR, should the abandonment process include any obstruction of the route, NSR will contact IDNR regarding warning signage. A copy of the correspondence from IDNR is included in Appendix C.

(iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. 10906 and explain why.

NSR owns the right-of-way underlying the line in fee simple; thus, NSR may have a corridor available for redeployment for alternative public use(s) under 49 U.S.C. § 10905. While NSR does not have a trail sponsor yet, NSR is open to discussions for the use of Line as a trail. The Line does not contain any federally granted right-of-way.

49 CFR 1105.7(e)(4) Energy.

(i) Describe the effect of the proposed action on the transportation of energy resources.

Development and transportation of energy resources will not be affected by the abandonment.

(ii) Describe the effect of the proposed action on recyclable commodities.

Movement or recovery of recyclable commodities will not be affected by the abandonment.

There is no recyclable freight traffic originating or terminating on the Line.

(iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.

The proposed action would result in a minor change in overall energy efficiency. The carloads that are currently transported by rail via the Line will need to be relocated to other portions of the IAIS rail network or will be transported by less energy-efficient transportation modes (i.e., truck or truck rail transportation).

(iv) If the proposed action will cause diversions from rail to motor carriage of more than:

(A) 1,000 rail carloads a year; or

(B) An average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption, and show the data and methodology used to arrive at the figure given.

The diversion of traffic to motor carriers will not exceed the thresholds set forth at 49 CFR §1105.7(e)(4), as diversions of carloads from rail to motor carriage will be less than 1,000 rail carloads a year. See **Appendix D**.

49 CFR 1105.7(e)(5) Air.

(i) If the proposed action will result in either:

(A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or

(B) An increase in rail yard activity of at least 100 percent (measured by carload activity), or

(C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions.

The above thresholds will not be exceeded.

(ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either:

(A) An increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line,

(B) An increase in rail yard activity of at least 20 percent (measured by carload activity), or

(C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are

within the parameters established by the State Implementation Plan.

The Line is not currently designated as a non-attainment area, and therefore, the above-stated thresholds are inapplicable. Nevertheless, the above thresholds will not be exceeded.

(iii) If transportation of ozone depleting materials (such as nitrogen oxide and Freon®) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

Not applicable.

49 CFR 1105.7(e)(6) Noise.

If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause:

- (i) An incremental increase in noise levels of three decibels Ldn or more; or*
- (ii) An increase to a noise level of 65 decibels Ldn or greater.*

If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

None of the thresholds in item 5(i) of this section will be exceeded.

49 CFR 1105.7(e)(7) Safety.

(i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).

NSR will be responsible for salvaging the Line and will work with the Cities to evaluate the closing of some public crossings as a safety measure and develop traffic control systems at road crossings. NSR will work with the Cities to ensure that the public health and safety of the community is taken into consideration when either leaving in place or closing existing public crossings. This fall, the Iowa Department of Transportation (“IDOT”) contacted IAIS about repaving one crossing on Iowa Highway 28 (63rd ST) as well as the adjacent intersection including a second crossing on Ashworth Road in Des Moines in the Spring of 2026. Further, the City of Windsor Heights is pressuring IDOT to progress with a project to widen and reconstruct 73rd Street which will require crossing surface and signal modifications at 73rd Street. In a correspondence received on February 10, 2026, the City of Windsor Heights provided comments and remained “concerned about the current condition of the rail crossing at 73rd Street and the ongoing potential for the crossing to pose a hazard to motorists and vehicles” but also stated plans to “reconstruct 73rd Street along this section of rail in approximately 2030.” A copy of the correspondence from City of Windsor Heights are included in Appendix C.

(ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.

Not applicable.

(iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

NSR has no knowledge of hazardous waste sites or sites where there have been known hazardous material spills on the right-of-way or in areas adjacent to the Line.**49 CFR 1105.7(e)(8) Biological Resources.**

(i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.

NSR does not believe the proposed abandonment will have any adverse effect on endangered or threatened species or areas designated as a critical habitat. NSR has notified the U.S. Fish and Wildlife Service (“USF&W”) and the Iowa Department of Natural Resources (“Iowa DNR”) of the proposed abandonment by letters dated January 20, 2026, and has requested assistance in determining whether the proposed abandonment will adversely affect endangered or threatened species or areas designated as critical habitat. A copy of this report was attached to the letters sent to USF&W and IDNR. See Appendix B. In correspondence received on February 10, 2026, IDNR provided comments and recommendations to minimize and avoid adverse impacts to threatened, endangered and proposed species, and specifically addressed that consultation should occur with the USF&W if it is anticipated that “bridge removals may impact bat species roosting underneath.” As the five (5) Bridges on the Line will be left intact and in place, NSR anticipates that it will not need need to consult with the USF&W. A copy of the correspondence from IDNR is in included in Appendix C.

(ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

Having consulted local maps, NSR has determined that the Line does not pass through state parks or forests, national parks or forests, or wildlife sanctuaries. As such, no adverse effects on wildlife sanctuaries, national parks or forests, or state parks or forests are anticipated. Regardless,

NSR requested input and comments from the National Park Service (“NPS”) by letter dated January 20, 2026. A copy of this Report was attached to the letter sent to NPS. See Appendix B.

49 CFR 1105.7(e)(9) Water.

(i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State, or local water quality standards. Describe any inconsistencies.

NSR does not intend to remove or alter the contour of the roadbed underlying the Line to be abandoned by way of excavation or other ground-disturbance activity. Accordingly, no soils will be disturbed as a result of the proposed abandonment, and no storm water mitigation measures – including, but not limited to, a National Pollutant Discharge Elimination System permit – will be required. There are no plans to undertake in-stream work, or dredge and/or use any fill materials in connection with the proposed abandonment, so, for this reason also, the proposed abandonment will not result in water quality impacts. Consultation has been requested from the Iowa DNR’s Water Quality Bureau and the United States Environmental Protection Agency (“EPA Region 7”) by letter dated January 20, 2026. A copy of this report was attached to each of these letters.

(ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.

The geometry of the roadbed will not be altered, and no in-stream work is contemplated. No discernible effects on either 100-year flood plains or adjacent wetlands are expected in connection with the proposed abandonment. Consultation was requested from the U.S. Army Corps of Engineers Rock Island District Office (“USACE”) by letter dated January 20, 2026. A copy of this report was attached to the letter.

(iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. 1342) are required for the proposed action.

Neither NSR nor IAIS plans to remove or alter the roadbed underlying the Line, or to

undertake in-stream work, or to dredge or use any fill materials. There will be no excavation or other ground-disturbance activity, and, because no soils will be disturbed, no storm water mitigation measures – including, but not limited to, a National Pollutant Discharge Elimination System permit – will be required. NSR anticipates that the abandonment will not affect water quality and that additional permitting under Section 402 will not be required. Nevertheless, NSR has requested input from EPA Region 7 and Iowa DNR regarding this item by letter dated January 20, 2026. A copy of this report was attached to each of these letters.

49 CFR 1105.7(e)(10) Proposed Mitigation.

Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

Abandonment of the Line is not expected to produce adverse environmental impacts for the reasons set forth above. Only minimal physical activity may occur as a result of the proposed abandonment, such as the removal of rail, ties, and other railroad appurtenances. NSR will undertake all reasonable mitigation associated with these activities as directed by the Board to ensure the abandonment does not produce adverse environmental impacts.

49 CFR 1105.7(e)(10) Additional Information for Rail Constructions

Not Applicable.

HISTORIC REPORT

49 CFR 1105.8(d)

PROPOSED ACTION AND ALTERNATIVES

Norfolk Southern Railway Company (“NSR”) proposes to abandon, and IAIS proposes to discontinue its lease and operation authority over an approximately 12.2-mile rail line, extending from Milepost DU 340.8 +/- to Milepost DU 353.0 +/- in Polk County, Iowa, including the unmileposted Clive Spur. There are currently three (3) customers served on the Line to be discontinued and abandoned. The alternative to abandonment is to not abandon the Line and retain the track in place. This alternative is not satisfactory as either NSR or IAIS would be forced to incur substantial operating losses, track and infrastructure rehabilitation costs, and opportunity costs unless the Line were to be abandoned. A map depicting the Line proposed for abandonment is attached in **Appendix A**.

ADDITIONAL INFORMATION

49 CFR 1105.8(d):

- (1) **U.S.G.S. Topographic Map** – On January 20, 2026, NSR provided U.S.G.S. topographic maps to the Iowa State Historic Preservation Office (“SHPO”), part of the Iowa Economic Development Authority, as part of a complete copy of this report. Topographical Maps and Color Photos are included as **Appendix E**.
- (2) **Written Description of Right of Way** – The right-of-way width is generally 100 feet wide along the main track centerline (50 feet on each side of the centerline). The right-of-way is in Polk County, Iowa. Pursuant to Surface Transportation Board policy, the railroad right-of-way will constitute the Area of Potential Effect (“APE”) for this undertaking.

(3) **Photographs** – There are five (5) structures, Bridges, on the Line. Photographs of the structures are included in **Appendix F**.

(4) **Date of Construction of Structures** – As stated in Appendix F, when NSR acquired the Line, it was only given inspections and ratings. NSR is not in possession of any documentation (e.g., plans) that would provide the documented ages of the bridges; however, IAIS has documentation that Bridge 348.30 was constructed in 1970.

(5) **History of Operations and Changes Contemplated** - The Line proposed for abandonment is near or about Milepost DU 340.8 +/- to Milepost DU 353.0 +/- (the “Line”) in Polk County, Iowa, including the unmileposted Clive Spur.

According to NSR’s research, the Line was originally part of the St. Louis, Des Moines and Northern Railway, which was incorporated under the general laws of Iowa on May 21, 1881. The road was opened on July 1, 1882.

On December 23, 1891, the Des Moines and Northern Railway Company was consolidated with the Des Moines and Northwestern Railway Company to form the Des Moines, Northern & Western Railway Company. Subsequently, in 1895, the Des Moines, Northern & Western Railway was acquired through foreclosure by the Des Moines, Northern and Western Railroad Company (“DNW”).

On May 1, 1899, DNW was purchased by the Chicago, Milwaukee & St. Paul Railway Company, which, after extending to the Pacific Coast at a cost that far exceeded expectations, the line entered into bankruptcy proceedings, and after reorganization, the line subsequently became the Chicago, Milwaukee, St. Paul & Pacific Railroad (“MILW”) on March 31, 1927.

On December 19, 1977, MILW filed a petition for voluntary reorganization under Section 77 of the Federal Bankruptcy Act. Stanley E.G. Hillman was appointed Trustee on

January 19, 1978, and Richard B. Ogilvie was appointed his successor on July 13, 1979.¹ The Trustee filed a plan with the Reorganization Court on August 10, 1979, and with the ICC on September 28, 1979, to reorganize MILW around a 3,200-mile core system. Effective November 1, 1979, the Court granted the Trustee's request to embargo the other MILW lines. The embargo was lifted shortly thereafter due to enactment of the Milwaukee Restructuring Act, 45 U.S.C. 901, et seq ("MRR").² MILW's operation outside of the "core" system ceased by April 1, 1980, and "[n]early 7,000 miles of non-core rail lines were abandoned pursuant to section 5 of MRR."³ The non-core assets, including unsold rail property, were transferred to a new non-carrier corporation, CMC Real Estate Corporation ("CMC"), under the control of MILW's stockholders to satisfy their interests."⁴

MILW's 50% interest in Des Moines Union Railway Company ("DMU") was a non-core asset and passed to CMC. In 1988, Norfolk and Western Railway Company ("N&W"), a subsidiary of NSR, acquired full control of DMU.⁵ Concurrently, N&W also purchased from CMC two branch lines in Polk County that consisted of: "(1) the Clive Branch, from milepost 0.0 at or near Des Moines to milepost 8.0 at or near Clive; and (2) the Grimes Branch, from milepost 0.0 at or near Clive to milepost 7.5 at or near Grimes."⁶

As stated, *supra*, in 1995, IAIS received ICC authority to lease and operate 13.9 miles of rail line owned by N&W, between milepost DU 340.8, in Des Moines, IA, and the end of the line

¹ See Chicago, Milwaukee, St. Paul and Pacific Railroad Company – Reorganization – Acquisition By Grand Trunk Corporation, FD 28640 (Sub-No. 9), 2 I.C.C.2d 161, 1984 ICC LEXIS 287 at *18 (ICC served September 12, 1984).

² Id. at *18-19

³ Id. at *20.

⁴ Id. at *35.

⁵ See Norfolk and Western Railway Company – Control Exemption – Des Moines Union Railway, 1988 ICC LEXIS 270, FD 31280 (ICC served September 6, 1988).

⁶ See Norfolk & Western Railway Company – Acquisition and Operation Exemption, FD 31280 (Sub-No. 1) (ICC served July 8, 1988) (noting simultaneous consummation with N&W's exemption to acquire CMC's ownership interest in DMU). The total mileage acquired included the unmileposted Clive Spur.

at milepost DU 354.7, in Grimes, IA, including the Line which is subject to this proceeding.⁷ Subsequently, on October 12, 2010, NSR and IAIS received authority from the STB to abandon and discontinue service over 1.70 miles of the Leased Line from milepost DU 353.00 to milepost DU 354.70, in Grimes, Polk County, Iowa.⁸ There remains approximately 12.2 miles of freight rail line, which NSR now seeks to abandon.

(6) Summary of Documents In Carrier's Possession That Might Be Useful for Documenting a Structure That Is Found To Be Historic – Not Applicable.

(7) Opinion Regarding Criteria For Listing In The National Register Of Historic Places

There are five (5) structures on the Line or within the APE for this undertaking. The railroad has no reason to believe that there is any likelihood of finding archaeological resources or historic properties on the Line proposed for abandonment of freight rights. On January 20, 2026, NSR provided the Iowa SHPO with a copy of the E&HR for the Line for its consideration.

(8) Subsurface Ground Conditions That Might Affect Archaeological Recovery

The railroad is not aware of any prior subsurface ground disturbances or environmental conditions that would affect archaeological recovery. Moreover, abandonment of the Line will not affect any potential archaeological resources. The subsurface of the right-of-way was initially disturbed in the construction of the railroad line by grading and filling.

(9) Follow-Up Information – Additional information will be provided as appropriate.

⁷ See Iowa Interstate R.R. – Lease and Operation Exemption – Norfolk and W. Ry., FD 32731 (ICC served October 13, 1995)

⁸ See Norfolk Southern Railway Company – Abandonment Exemption – In Polk County, Iowa, AB 290 (Sub-No. 322X); Iowa Interstate Railroad – Discontinuance of Service Exemption – In Polk County, Iowa, AB 414 (Sub-No. 5X) (STB served October 12, 2010).

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub. No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION-
IN POLK COUNTY, IOWA**

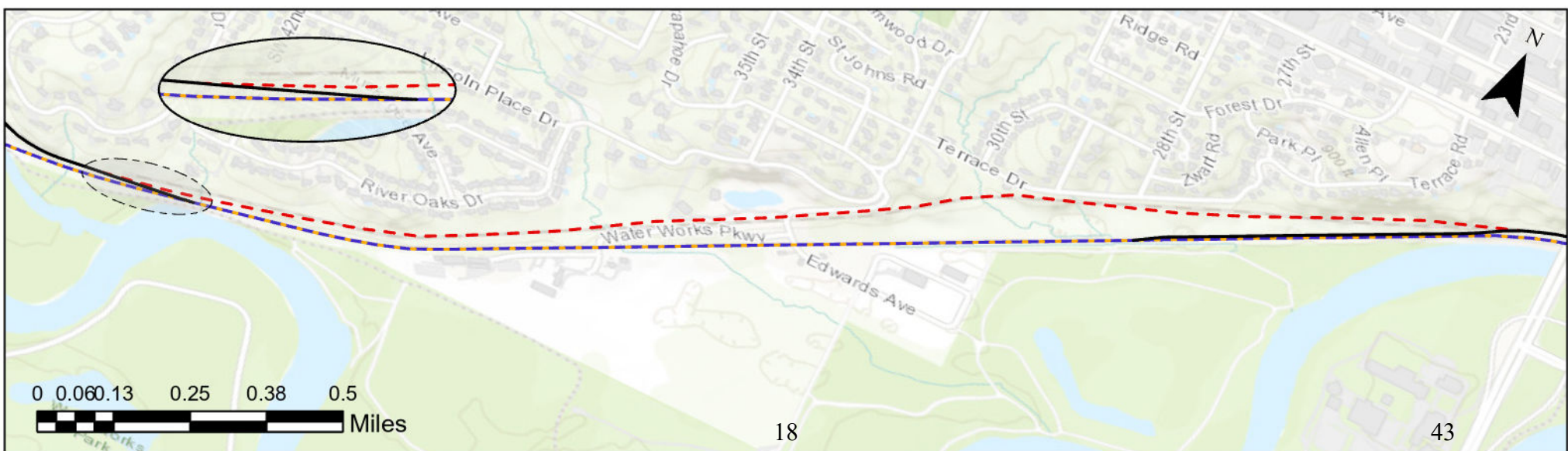
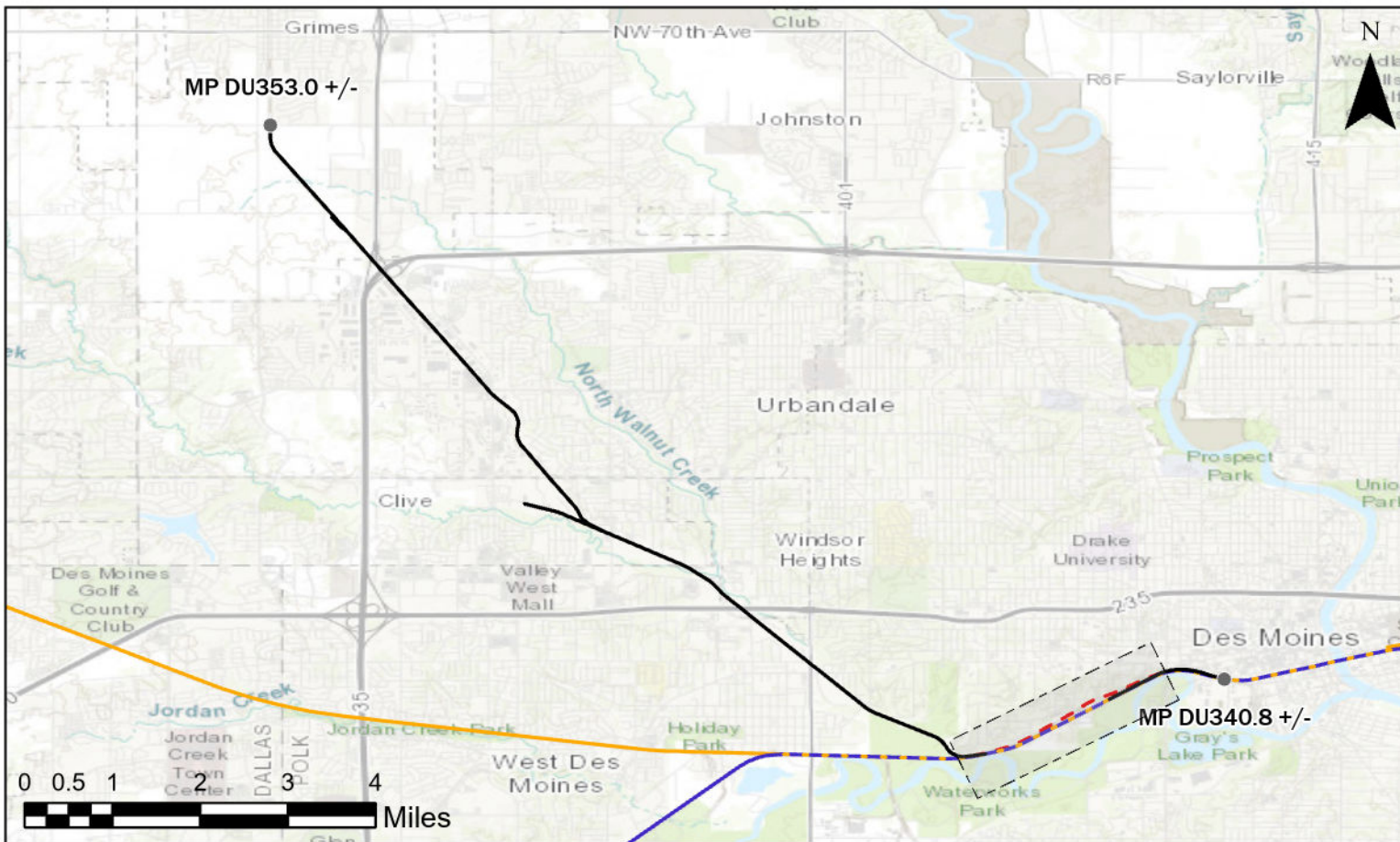
AB-414 (SUB NO. 9X)

**IOWA INTERSTATE RAILROAD
- DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

Revised Environmental and Historic Report

APPENDIX A

MAP



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub. No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION-
IN POLK COUNTY, IOWA**

AB-414 (SUB NO. 9X)

**IOWA INTERSTATE RAILROAD
- DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

Revised Environmental and Historic Report

APPENDIX B

SAMPLE CONSULTATION LETTER & RECIPIENT LIST

MULLINS LAW GROUP PLLC

Transportation Solutions for the 21st Century

2001 L Street NW, Suite 720
Washington, DC 20036

Crystal M. Zorbaugh
czorbaugh@mullinslawgroup.net
mullinslawgroup.net

Telephone: (202) 663-7850
Direct: (202) 663-7831
Facsimile: (202) 464-9123

[ENTITY}

RE: AB-290 (Sub-No. 424X), Norfolk Southern Railway Company Abandonment – In Polk County, Iowa; AB-414 (Sub-No. 9X), Iowa Interstate Railroad – Discontinuance of Lease and Operation Authority – In Polk County, Iowa

[GREETING]

On or about February 20, 2026, Norfolk Southern Railway Company (“NSR”) expects to file with the Surface Transportation Board (“STB”) a Petition for Exemption pursuant to 49 CFR Part 1152, Subpart G (Special Rules for Petitions for Abandonment), seeking authority for NSR to abandon its freight rights and Iowa Interstate Railroad (“IAIS”) to discontinue its lease and operations on the segment of rail line between Milepost DU 340.8 +/- and Milepost DU 353.0+/-, a distance of approximately 12.2 miles in Polk County, Iowa, including the unmileposted Clive Spur (“Line”).¹⁶

The Line is currently owned by NSR and traverses the United States Postal Zip Code territories of 50111 (Grimes, IA); 50322 (Urbandale, IA); 50324 (Windsor Heights, IA) 50325 (Clive, IA); 50265 (West Des Moines, IA); and 50312 (Des Moines, IA). In accordance with procedures set forth in 49 C.F.R. 1105.7 and 1105.8, NSR is required to submit the following consolidated Environmental and Historic Report (“E&HR” or “Report”).

Enclosed is the E&HR, which describes the proposed abandonment, discontinuance, and other pertinent information. A map of the proposed track abandonment can be found in **Appendix A** of this report. **Appendix B** of this report lists the various agencies receiving it. **Appendix C** of this report lists various agency responses NSR has received. Appendix D of this Report provides a list of structures on the Line.

¹⁶ In 1995, IAIS was authorized to lease and operate 13.9 miles of rail line (“Leased Line”) owned by Norfolk and Western Railway Company (NSR’s predecessor), including the Line at issue here. See Iowa Interstate R.R. – Lease and Operation Exemption – Norfolk and W. Ry., FD 32731 (ICC served October 13, 1995). Subsequently, on October 12, 2010, NSR and IAIS received authority from the Surface Transportation Board (the “STB” or “Board”) to abandon and discontinue service over 1.70 miles of the Leased Line from milepost DU 353.00 to milepost DU 354.70, in Grimes, Polk County, Iowa. See Norfolk Southern Railway Company – Abandonment Exemption – In Polk County, Iowa, AB 290 (Sub-No. 322X); Iowa Interstate Railroad – Discontinuance of Service Exemption – In Polk County, Iowa, AB 414 (Sub-No. 5X) (STB served October 12, 2010).

NSR does not anticipate adverse environmental impacts as NSR will be conducting salvage operations within the right-of-way without soil disturbance; however, if you identify any adverse environmental effects, please describe the actions that would assist in alleviating them. Please provide us with a written response indicating any concerns or lack thereof, which will be included in the Report and sent to the Surface Transportation Board (“STB”).

This Report is being provided so that you may submit information that will form the basis for the STB's independent environmental analysis of the proceeding. If you believe any of the information is incorrect, if you think pertinent information is missing, or if you have any questions about the Board's Environmental Review process, please contact the Office of Environmental Analysis (OEA) by telephone at (202) 245-0245 or by mail to: Surface Transportation Board, 395 E Street, S.W., Room 1106, Washington, D.C. 20423-0001, and refer to AB 290 (Sub-No. 424X) and AB 414 (Sub-No. 9X).

Questions regarding the abandonment process generally, offers of financial assistance, and/or public use or trail use may be directed to the Board’s Office of Public Assistance, Governmental Affairs, and Compliance at 202-245-0230. Based on information in our possession, the Line does not contain federally granted rights-of-way. However, any documentation in NSR’s possession will be made available promptly to those requesting it. Please refer to the above Docket when contacting the STB. Applicable statutes and regulations impose stringent deadlines for processing this action. For this reason, your written comments (with a copy to us) would be appreciated within three weeks.

Your comments will be considered by the Board in evaluating the environmental impacts of the contemplated action. In order for us to consider your input prior to filing with the STB, NSR must receive your comments within three weeks. Please provide information to NSR’s counsel by email: czobraugh@mullinslawgroup.net; or by telephone: (202) 663-7831 or by mail at: MULLINS LAW GROUP PLLC, ATTN: CRYSTAL ZORBAUGH, 2001 L St., N.W., Suite 720 Washington, D.C. 20036. If I am not available, you may also contact Spencer M. Naake, who can be reached at (202) 663-7829 or by e-mail at snaake@mullinslawgroup.net.

Best regards,

/s/ *Crystal M. Zorbaugh*

Crystal M. Zorbaugh

Attachment

RECIPIENT LIST - AB-290 (Sub-No. 424X) & AB-414 (Sub-No. 9X)

Proposed abandonment of freight rights on approximately 12.2 miles of track in the Cities of Des Moines, Iowa, and Grimes, Iowa.

Mayor Connie Boesen
City of Des Moines
400 Robert D. Ray Drive
Des Moines, IA 50309

Mayor Russ Trimble
City of West Des Moines
1600 S. 43rd Street
West Des Moines, IA 50266

Mayor Mike Jones
City of Windsor Heights
1145 66th Street, Suite 1
Windsor Heights, IA 50324

Mayor Scott Mikkelsen
City of Grimes
101 NE Harvey Street
Grimes, Iowa 50111

Mayor Bob Andeweg
City of Urbandale
3600 86th Street
Urbandale, IA 50322

Mayor John Edwards
City of Clive
1900 NW 114th St
Clive, IA 50325

Polk County Board of Supervisors
(Matt McCoy, Jill Altringer, Mark Holm,
Tom Hockensmit, Angela Connolloy)
Polk County Administration Building
111 Court Avenue, Room 300
Des Moines, Iowa 50309

USDA Natural Resources
Conservation Service
1400 Independence Avenue, SW
Room 5204-S
Washington, DC 20250

Jon Hubbert
State Conservationist
210 Walnut Street, Room 693
Des Moines, IA 50309

Debi Durham, Director
Iowa State Historic Preservation Office
Iowa Economic Development Authority
1963 Bell Avenue
Suite 200
Des Moines, IA 50315

US EPA
Ariel Rios Building
Mail Code 1101-A
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Jim Macy
Regional Administrator
U.S. EPA Region 7
11201 Renner Blvd.
Lenexa, KS 66219

Kayla Lyon, Director
Iowa Department of Natural Resources
6200 Park Avenue, Suite 200
Des Moines, IA 50321

Lori McDaniel, Chief
Water Quality Bureau
Iowa Department of Natural Resources
6200 Park Avenue, Suite 200
Des Moines, IA 50321

Communications and Outreach Branch,
NOAA, N/NGS12
National Geodetic Survey, SSMC3 #9340
1315 East-West Highway
Silver Spring, MD 20910-3282
Email: RRAE@noaa.gov

Bert Frost, Regional Director
Region 3,4, & 5 (Midwest)
National Park Service
601 Riverfront Drive
Omaha, NE 68102-4226
402-661-1520

David Thompson
National Park Service, Midwest Region
Rivers and Trails Conservation Program
601 Riverfront Drive
Omaha, NE 68102

Will Meeks
Regional Director, Midwest Region
United States Fish and Wildlife Service
5600 American Boulevard West, Suite 990
Bloomington, MN 55437-1458

Colonel Aaron M. Williams
District Commander, United States Army
Corps of Engineers
Rock Island Regulatory District
Rock Island Clock Tower Building
1500 Rock Island Drive
Rock Island, IL 61201

Bob Ratcliffe, Chief
Conservation and Outdoor Recreation
Division
Rivers, Trails, and Conservation Assistance
Program
1849 C. Street NW, Room 1344
Washington, DC 20240

Amanda Martin, Director
Iowa Department of Transportation
Rail Transportation Bureau
800 Lincoln Way
Ames, IA 50010

Sarah Martz, Commission Chair
Iowa Utilities Commission
1375 E. Court Ave.
Des Moines, IA 50319-0069

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub. No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION-
IN POLK COUNTY, IOWA**

AB-414 (SUB NO. 9X)

**IOWA INTERSTATE RAILROAD
- DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

Revised Environmental and Historic Report

APPENDIX C

AGENCY COMMENTS/RESPONSES

From: Laskowski, Casey <casey.laskowski@dnr.iowa.gov>
Sent: Tuesday, February 10, 2026 11:07 AM
To: Crystal Zorbaugh <czorbaugh@mullinslawgroup.net>
Subject: RE: AB-290 (Sub-No. 424X), NSR abandonment

You don't often get email from casey.laskowski@dnr.iowa.gov. [Learn why this is important](#)

Good Afternoon,

Thank you for contacting the Iowa DNR concerning the abandonment of the rail line between Milepost DU 340.8 +/- and Milepost DU 353.0 +/-.

The proposed abandonment does take place over several points of the state designated paddling route along Walnut Creek. If the abandonment process includes any obstruction of the route then the Department should be contacted about warning signage. Those needs can be directed to John Wenck at john.wenck@dnr.iowa.gov. Any bridge removals may impact bat species roosting underneath and consultation should occur with the US Fish & Wildlife Service.

Thank you,

Casey Laskowski, M.S. • Environmental Specialist
Conservation and Recreation Division, Land & Waters Bureau
Iowa Department of Natural Resources
6200 Park Ave, Des Moines, IA 50321
c 515-330-6432
<https://www.iowadnr.gov/>



February 13, 2026

Surface Transportation Board
395 E Street SW, Room 1106
Washington DC 20423-0001

The City of Urbandale writes in relation to the Norfolk Southern Railway Company's (NSR) Petition for Exemption requesting authority for NSR to abandon its freight rights and Iowa Interstate Railroad (IAIS) to discontinue its lease operations in Urbandale.

This is a railroad line that runs through the center of Urbandale crossing multiple arterial and collector streets at grade creating ongoing conflict with traffic, and maintenance concerns. Abandonment of the rail line, removal of rails and related infrastructure, and closing existing public crossings is not expected to cause any adverse environmental effects on the City with regard to maintenance and conflicts concerning the flow of vehicular traffic within the City's rights of way.

The railroad line bisects Urbandale diagonally crossing at Hickman Road and Interstates 80/35. The existing adjacent land uses are primarily a mix of light industrial and residential uses, but also includes the City's parks and public works facility and three parkland parcels. The Future Land Use Plan of the 'Forward Urbandale Plan' (comprehensive plan) designates the majority of the adjacent land area as 'industrial', 'corridor commercial', or 'single family residential'. The Plan does not contemplate heavy industrial or other types of industrial development along the corridor that would benefit from rail access. Abandonment of the line is not perceived to have a negative impact on land use or future development within the City. We have attached a copy of our Comprehensive Plan Land Use map for your reference.

If all rail equipment and appurtenances (rails, ties, control gates, and accessory structures etc.) are removed from both the railroad right of way and the City right of way, the City of Urbandale is not aware of any environmental impact concerns. The City preserves its right to participate fully in the abandonment proceedings, including seeking any financial assistance, to the extent available, for removal of any abandoned infrastructure.

The City of Urbandale may have public use and trail interests in the event that the line is abandoned or discontinued:

Public use benefits such as for transportation or recreation may exist on portions of the rail right of way that are adjacent to City-owned and other public property. The City of Urbandale would be particularly interested in possible



public use benefits at the southwest corner of Douglas Avenue and 100th Street in Urbandale Iowa adjacent to the property addressed at 10100 Douglas Avenue. At this location, public use could be to support planned redevelopment of the property at 10100 Douglas Avenue for a public safety building including police services.

The City of Urbandale is also interested in evaluating the rail right of way corridor with our neighboring communities in regard to its value for a regional public use trail, including the opportunity to evaluate the bridge structures notably Bridge 348.30 over Hickman Road/Highway 6 for public use. A copy of the City's Bicycle and Pedestrian Network map from our Comprehensive Plan which identifies the rail corridor as a potential future trail location is attached for your reference.

Thank you for your attention to this matter. Please reach out if you have any questions or concerns.

Sincerely,

Robert D. Andeweg
Mayor

cc
Crystal Zorbaugh
Mullins Law Group
czobraugh@mullinslawgroup.net



Subject AB-290 (Sub-No. 424X)

Dear Norfolk Southern Railway Company and the Surface Transportation Board,

The City of Windsor Heights is not aware of any adverse environmental impacts that would result from Norfolk Southern Railway conducting salvage operations within the railroad right-of-way, provided such activities do not involve soil disturbance. However, the City remains concerned about the current condition of the rail crossing at 73rd Street and the ongoing potential for the crossing to pose a hazard to motorists and vehicles.

The proposed abandonment of the rail spur is consistent with the City of Windsor Heights' Comprehensive Plan. No properties within Windsor Heights are zoned for industrial use, nor is there an anticipated need or demand for rail service within the City. The City plans to reconstruct 73rd Street along this section of rail in approximately 2030. Abandonment and removal of the rail infrastructure would have no adverse effect on this project and/or may simplify the reconstruction project.

Additionally, the City of Windsor Heights would be open to discussing potential Rails-to-Trails opportunities within its jurisdiction should the abandonment proceed.

Sincerely,

Adam Plagge
Windsor Heights City Administrator
aplagge@windsorheights.org, 515-645-6808

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub. No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION-
IN POLK COUNTY, IOWA**

AB-414 (SUB NO. 9X)

**IOWA INTERSTATE RAILROAD
- DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

Revised Environmental and Historic Report

APPENDIX D

CARLOAD DATA

Norfolk Southern Railway – Grimes Branch

Iowa Interstate Railroad (Lessee) Carloads 2023-2025

<u>Year</u>	<u>Carloads</u>
2021	393
2022	533
2023	456
2024	377
2025	259
Average (2023-2025)	403.6

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub. No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION-
IN THE CITIES OF DES MOINES, IOWA, AND GRIMES, IOWA**

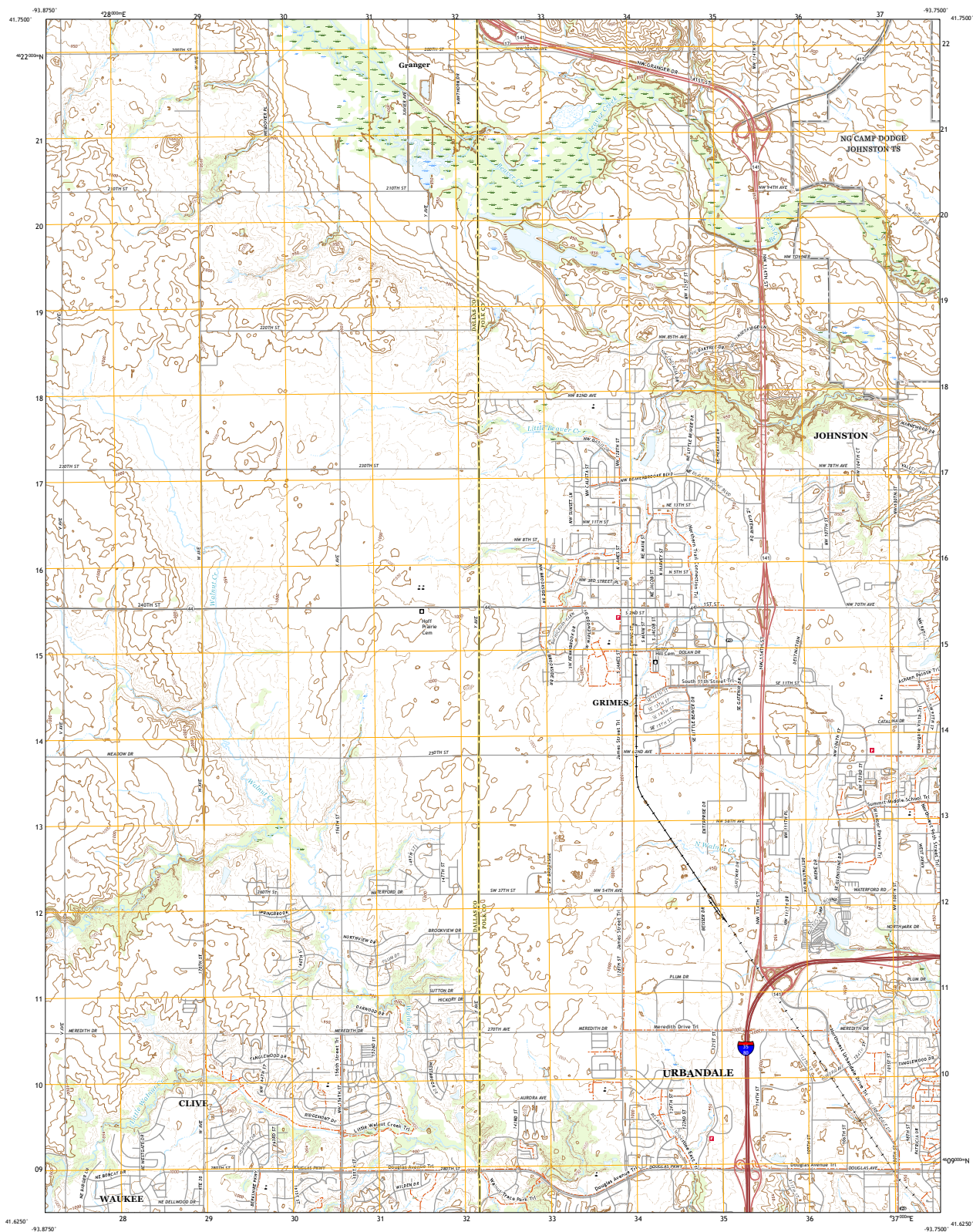
AB-414 (SUB NO. 9X)

**IOWA INTERSTATE RAILROAD
- DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN THE CITIES OF DES MOINES, IOWA, AND GRIMES, IOWA**

Revised Environmental and Historic Report

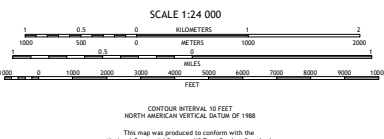
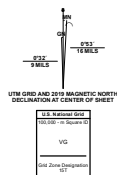
APPENDIX E

TOPOGRAPHICAL MAPS AND PHOTOS



Produced by the United States Geological Survey
North American Datum of 1983 (NAD83)
World Geodetic System of 1984 (WGS84) - Projection and
1 000-meter grid Universal Transverse Mercator, Zone 15T
This map is not a legal document. Boundaries may be
generalized for this map scale. Private lands within government
reservations may not be shown. Obtain permission before
entering private lands.

Source	Year	Product
Imagery	NAP, July 2017	October 2017
Roads	U.S. Census Bureau	2018
Names	CENSUS	2021
Hydrography	National Hydrography Dataset	2018
Contours	National Elevation Dataset	1999
Boundaries	Multiple sources, see metadata file	2019
Public Land Survey System	BLM	2020
Wetlands	FWS National Wetlands Inventory	Not Available



QUADRANGLE LOCATION

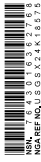
1	2	3
4	5	6
7	8	9

ABSOLUTE QUADRANGLES

ROAD CLASSIFICATION

Line Style	Description
Thick solid line	Expressway
Thin solid line	Secondary Hwy
Dashed line	Unimproved Road
Blue line with shield	Interstate Route
Thin solid line with cross-ticks	US Route
Thin solid line with cross-ticks and circle	State Route
Thin solid line	Local Connector
Thin solid line	Local Road
Thin solid line	Trail

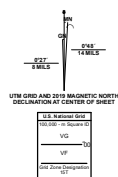
GRIMES, IA
2022





Produced by the United States Geological Survey
North American Datum of 1983 (NAD83)
World Geodetic System of 1984 (WGS84) Projection and
1 000-meter grid Universal Transverse Mercator, Zone 15T
This map is not a legal document. Boundaries may be
generalized for this map scale. Private lands within government
reservations may not be shown. Obtain permission before
entering private lands.

Source	Map Date	Product Date
Imagery	NAP, July 2017	October 2017
Roads	U.S. Census Bureau	2018
Names	U.S. Census Bureau	2018
Hydrography	National Hydrography Dataset	2005
Contours	National Elevation Dataset	1999
Boundaries	Multiple sources; see metadata file	2019
Public Land Survey System	BLM	2020
Wetlands	FWS National Wetlands Inventory	Not Available



SCALE 1:24 000

1 000 500 0 500 1 000 METERS
1 000 500 0 500 1 000 FEET

CONTOUR INTERVAL 10 FEET
NORTH AMERICAN VERTICAL DATUM OF 1988
This map was produced in conformity with the
National Geospatial Program US Topo Product Standard.



1 Grimes
2 Des Moines NW
3 Des Moines NE
4 Commerce
5 Des Moines SE
6 Cumming
7 Norwalk
8 Scotch Ridge

ROAD CLASSIFICATION

Line Style	Description
Thick solid line	Expressway
Thin solid line	Local Connector
Dashed line	Secondary Hwy
Thin solid line with cross-ticks	Local Road
Thin solid line with cross-ticks	US Route
Thin solid line with cross-ticks	State Route

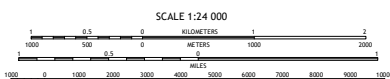
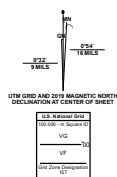
DES MOINES SW, IA
2022

18Q 500 000
18R 600 000
18S 700 000
18T 800 000
18U 900 000
18V 1 000 000
18W 1 100 000
18X 1 200 000
18Y 1 300 000
18Z 1 400 000
19A 1 500 000
19B 1 600 000
19C 1 700 000
19D 1 800 000
19E 1 900 000
19F 2 000 000
19G 2 100 000
19H 2 200 000
19I 2 300 000
19J 2 400 000
19K 2 500 000
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19P 3 000 000
19Q 3 100 000
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20Y 6 500 000
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21W 8 900 000
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22O 10 700 000
22P 10 800 000
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22S 11 100 000
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22U 11 300 000
22V 11 400 000
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22X 11 600 000
22Y 11 700 000
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23O 13 300 000
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23S 13 700 000
23T 13 800 000
23U 13 900 000
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23W 14 100 000
23X 14 200 000
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24C 14 700 000
24D 14 800 000
24E 14 900 000
24F 15 000 000
24G 15 100 000
24H 15 200 000
24I 15 300 000
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Produced by the United States Geological Survey
North American Datum of 1983 (NAD83)
World Geodetic System of 1984 (WGS84) - Projection and
1 000-meter grid Universal Transverse Mercator, Zone 15T
This map is not a legal document. Boundaries may be
generalized for this map scale. Private lands within government
reservations may not be shown. Obtain permission before
entering private lands.

Source	Year	Product
USGS	2017	Topographic
USGS	2018	Topographic
USGS	2019	Topographic
USGS	2020	Topographic
USGS	2021	Topographic
USGS	2022	Topographic
USGS	2023	Topographic
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USGS	2049	Topographic
USGS	2050	Topographic



Quadrangle Location
1 Dallas Center
2 Grimes
3 Des Moines NW
4 Waukee
5 Des Moines SW
6 Saint Charles NW
7 Commerce
8 Norwalk



COMMERCE, IA
2022



MP 343.80

Facing Northwest along the tracks



Facing Southeast down the tracks



Facing Northeast towards side of the bridge



Facing Southwest towards side of the bridge



MP 345.10

Facing Southwest along the tracks



Facing Southeast along the tracks



Facing Northeast towards side of the bridge



Facing Northwest along the side of the bridge



Facing South towards side of the bridge



MP 346.20

Facing Northwest along the tracks



Facing Southeast along the tracks



Facing South at side of the bridge



Facing West at side of the bridge



Facing Northeast at side of the bridge



MP 346.60

Facing Southeast along the tracks



Facing Northwest along the tracks



Facing West at side of the bridge



Facing East at side of the bridge



Facing North at side of the bridge



Facing West at side of the bridge



MP 348.30

Facing Northwest along the tracks



Facing Southeast along the tracks



Facing South at side of the bridge



Facing East at side of the bridge



Facing Northeast at side of the bridge



Facing North at side of the bridge



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub. No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION-
IN THE CITIES OF DES MOINES, IOWA, AND GRIMES, IOWA**

AB-414 (SUB NO. 9X)

**IOWA INTERSTATE RAILROAD
- DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN THE CITIES OF DES MOINES, IOWA, AND GRIMES, IOWA**

Revised Environmental and Historic Report

APPENDIX F

STRUCTURE LIST

Norfolk Southern Railway – Grimes Branch

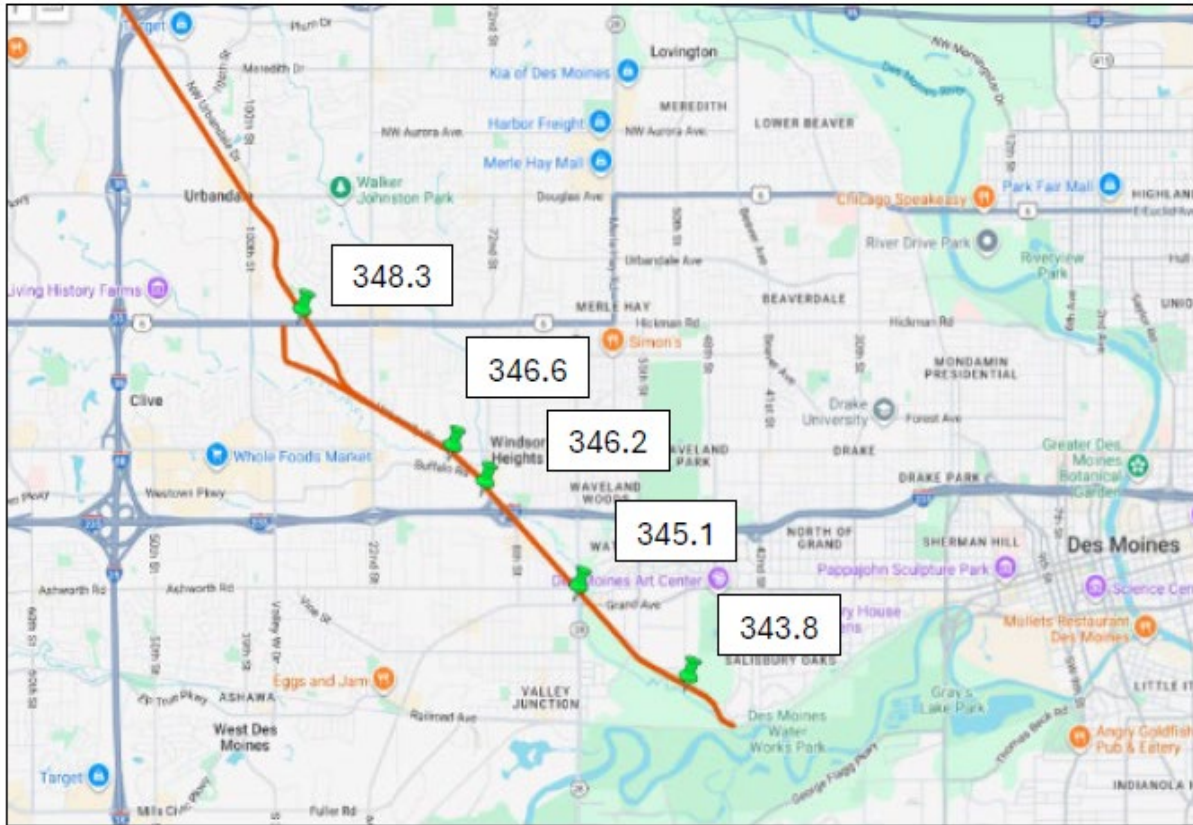
Structure List

Structure	Milepost	Description	Length	Height	Date Built
Bridge	343.80	2 span – Timber Stringer, Open Deck	28.5 ft	4.6 ft	Unknown*
Bridge	345.10	3 span – Timber Stringer Open Deck, Spans 1&3; Steel Thru Truss, Open Deck, Span 2	141.5 ft	14 ft	Unkown
Bridge	346.20	4 span – Timber Stringer, Open Deck	54.5 ft	16.4 ft	Unknown
Bridge	346.60	5 span – Timber Stringer, Open Deck, Spans 1, 2, 4, 5; Steel Thru Truss, Open Deck, Span 3	163.3	13.3 ft	Unknown
Bridge	348.30	4 span – Deck Plate Girder, Ballast Deck	208.4	16.6 ft	1970

***When NSR acquired the Line, it was only given inspections and ratings. NSR is not in possession of any documentation (e.g., plans) that would provide the documented ages of the bridges; however, IAIS's documents indicate that Bridge 348.30 was constructed in 1970.**

Norfolk Southern Railway – Grimes Branch

Structure Locations



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION –
IN POLK COUNTY, IOWA**

AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
– DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

EXHIBIT C – CERTIFICATE OF COMPLIANCE

Certificate of Compliance

49 C.F.R. § 1105.11 – Advance Distribution of Environmental and Historic Report

I hereby certify that, on January 20, 2026, a copy of Norfolk Southern Railway Company and Iowa Interstate Railroad's Combined Environmental and Historic Report for the proposed abandonment encompassed by AB-290 (Sub-No. 424X) and AB-414 (Sub-No. 9X), accompanied by a transmittal letter conforming to the requirements of 49 C.F.R. § 1105.11, was served upon the following entities as prescribed by 49 C.F.R. § 1105.7(b) and 1105.8(c) (copies of the transmittal letters are also appended hereto as part of Attachment 1):

Mayor Connie Boesen
City of Des Moines
400 Robert D. Ray Drive
Des Moines, IA 50309

Mayor Russ Trimble
City of West Des Moines
1600 S. 43rd Street
West Des Moines, IA 50266

Mayor Mike Jones
City of Windsor Heights
1145 66th Street, Suite 1
Windsor Heights, IA 50324

Mayor Scott Mikkelsen
City of Grimes
101 NE Harvey Street
Grimes, Iowa 50111

Mayor Bob Andeweg
City of Urbandale
3600 86th Street
Urbandale, IA 50322

Mayor John Edwards
City of Clive
1900 NW 114th St
Clive, IA 50325

Polk County Board of Supervisors
(Matt McCoy, Jill Altringer, Mark Holm, Tom
Hockensmit, Angela Connolloy)

USDA Natural Resources
Conservation Service
1400 Independence Avenue, SW
Room 5204-S
Washington, DC 20250

Jon Hubbert
State Conservationist
210 Walnut Street, Room 693
Des Moines, IA 50309

Debi Durham, Director
Iowa State Historic Preservation Office
Iowa Economic Development Authority
1963 Bell Avenue
Suite 200
Des Moines, IA 50315

US EPA
Ariel Rios Building
Mail Code 1101-A
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Jim Macy
Regional Administrator
U.S. EPA Region 7
11201 Renner Blvd.
Lenexa, KS 66219

Kayla Lyon, Director
Iowa Department of Natural Resources
6200 Park Avenue, Suite 200

Polk County Administration Building
111 Court Avenue, Room 300
Des Moines, Iowa 50309

Lori McDaniel, Chief
Water Quality Bureau
Iowa Department of Natural Resources
6200 Park Avenue, Suite 200
Des Moines, IA 50321

Communications and Outreach Branch, NOAA,
N/NGS12
National Geodetic Survey, SSMC3 #9340
1315 East-West Highway
Silver Spring, MD 20910-3282
Email: RRAE@noaa.gov

Bert Frost, Regional Director
Region 3,4, & 5 (Midwest)
National Park Service
601 Riverfront Drive
Omaha, NE 68102-4226
402-661-1520

David Thompson
National Park Service, Midwest Region
Rivers and Trails Conservation Program
601 Riverfront Drive
Omaha, NE 68102

Will Meeks
Regional Director, Midwest Region
United States Fish and Wildlife Service
5600 American Boulevard West, Suite 990
Bloomington, MN 55437-1458

Des Moines, IA 50321

Colonel Aaron M. Williams
District Commander, United States Army Corps
of Engineers
Rock Island Regulatory District
Rock Island Clock Tower Building
1500 Rock Island Drive
Rock Island, IL 61201

Bob Ratcliffe, Chief
Conservation and Outdoor Recreation Division
Rivers, Trails, and Conservation Assistance
Program
1849 C. Street NW, Room 1344
Washington, DC 20240

Amanda Martin, Director
Iowa Department of Transportation
Rail Transportation Bureau
800 Lincoln Way
Ames, IA 50010

Sarah Martz, Commission Chair
Iowa Utilities Commission
1375 E. Court Ave.
Des Moines, IA 50319-0069

/s/ William A. Mullins

William A. Mullins
Attorney for Norfolk Southern Railway Company

April 14, 2026

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION –
IN POLK COUNTY, IOWA**

AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
– DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

EXHIBIT C – DRAFT FEDERAL REGISTER

STB No.

AB-290 (Sub-No. 424X)

And

AB-414 (Sub-No. 9X)

Notice of Petition for Exemption To Abandon or To Discontinue Service

On April 14, 2026, Norfolk Southern Railway Company (“NSR”), and Iowa Interstate Railroad (“IAIS”) jointly filed with the Surface Transportation Board, Washington, D.C. 20423, a petition for exemption for NSR to abandon and IAIS to discontinue its lease and operation authority of an approximately 12.2-mile rail line, which extends from milepost DU 340.8 +/- to milepost DU 353.0 +/-, together with the 0.75 mile long but unmileposted Clive Spur in Polk County, Iowa, which traverses through the United States Postal Service ZIP Code Territories of 50111 (Grimes, IA); 50322 (Urbandale, IA); 50324 (Windsor Heights, IA) 50325 (Clive, IA); 50265 (West Des Moines, IA); and 50312 (Des Moines, IA) in Polk County, Iowa. The line for which the abandonment and discontinuance exemption request was filed includes two stations.

The line does not contain federally granted rights-of-way. Any documentation in the railroads’ possession will be made available promptly to those requesting it.

The interest of railroad employees will be protected pursuant to Oregon Short Line R. Co. – Abandonment – Goshen, 360 I.C.C. 91 (1979).

Any offer of financial assistance will be due no later than 10 days after the service of a decision granting the petition for exemption.

All interested persons should be aware that following the abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use.

Any request for a public use condition and any request for trail use/rail banking will be due no later than 20 days after notice of the filing of the petition for exemption is published in the Federal Register.

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment or discontinuance regulations at [49 CFR part 1152](#). Questions concerning environmental issues may be directed to the Board’s Office of Environmental Analysis.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the Office of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Office of Environmental Analysis. EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION –
IN POLK COUNTY, IOWA**

AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
– DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

EXHIBIT D – CERTIFICATIONS

Certificate of Service

49 C.F.R. § 1152.60(d) – Notice

I certify that, in keeping with 49 C.F.R. § 1152.60(d), I caused the following parties to be served with a copy of the joint petition for exemption filed by Norfolk Southern Railway

Company and Iowa Interstate Railroad:

State Public Service Commission

Sarah Martz, Commission Chair
Iowa Utilities Commission
1375 E. Court Ave.
Des Moines, IA 50319-0069

Amanda Martin, Director
Iowa Department of Transportation
Rail Transportation Bureau
800 Lincoln Way
Ames, IA 50010

Department of Defense

United States Department of the Army
Military Surface Deployment and Distribution Command
Transportation Engineering Agency
Attn: Railroads for National Defense Program
1 Soldier Way, 1900W
Scott AFB, IL 62225

National Park Service

Mr. Bob Ratcliffe
Chief, Conservation and Outdoor Recreation Division
Rivers, Trails, and Conservation Assistance Program
1849 C. Street NW, Room 1344
Washington, DC 20240

U.S. Department of Agriculture

Randy Moore
Chief of Forest Service
US Forest Service
1400 Independence Ave., SW
Washington, D.C.
20250-0003

In addition, I also hereby certify that I have served the following past (2025) users of the subject rail line with a copy of the foregoing petition for exemption:

Beisser's Inc.

CB&I Storage Tank Solutions

Frontier Forest Products Inc.

/s/ William A. Mullins

William A. Mullins
Attorney for Norfolk Southern Railway Company

April 14, 2026

Certificate of Newspaper Publication

49 C.F.R. § 1105.12 – Newspaper Notice

I certify that a “Notice of Intent to Abandon and Discontinue Rail Service” was published in the form prescribed by the Board for a Petition for Exemption (49 C.F.R. § 1105.12). The notice was published one time on April 9, 2026, in the Des Moines Register, a newspaper of general circulation in Polk County, Iowa.

/s/ William A. Mullins

William A. Mullins
Attorney for Norfolk Southern Railway Company

April 14, 2026

Public Notices

Originally published at desmoinesregister.com on 04/09/2026

NOTICE OF INTENT TO ABANDON AND DISCONTINUE RAIL SERVICE

AB-290 (Sub-No. 424X)

AB-1414 (Sub-No. 9X)

Norfolk Southern Railway Company (NSR) and Iowa Interstate Railroad (IAIS) give notice that on or about April 10, 2026, it intends to jointly file with the Surface Transportation Board (Board), Washington, DC 20423, a Petition for Exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903, et seq., permitting the abandonment and discontinuance of an approximately 12.2-mile long rail line, extending from Milepost DU 340.8 +/- to Milepost DU 353.0 +/-, together with the unmileposted Clive Spur (collectively, the Line), all of which is located in Polk County, Iowa. The Line traverses the United States Postal Zip Code territories of 50111, 50322, 50324, 50325, 50265, and 50312. The proceedings have been docketed as No. AB-290 (Sub-No. 424X) and AB-414 (Sub-No. 9X), respectively.

The proposed action entails the discontinuance of IAIS's lease and operation authority over the subject Line and abandonment of NSR's common carrier obligations over the Line. The Board's Office of Environmental Analysis (OEA) will generally prepare an Environmental Assessment (EA), which will normally be available 60 days after the filing of the petition for abandonment exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to OEA, Surface Transportation Board, Washington, DC or by calling OEA at (202) 245-0295.

Appropriate offers of financial assistance (OFA) to continue rail service can be filed with the Board. Requests for environmental conditions, public use conditions, or rail banking/trails use can also be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails public use, and OFA) must be filed directly with the Board's Section of Administration, Office of Proceedings, 395 E Street, S.W., Washington, DC 20423 [See 49 C.F.R. §§ 1104.1(a) and 1104.3(a)], and one copy must be served on the applicants' representative [See 49 CFR § 1104.12(a)]. Questions regarding OFAs, public use, or trails use may be directed to the Board's Office of Public Assistance, Governmental Affairs, and Compliance at 202-245-0230. Copies of any comments or requests for specific Board action should be served on the applicant's representative: William A. Mullins, Mullins Law Group PLLC, 2001 L Street NW, Suite 720, Washington, DC 20036; phone: 202-663-7823.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION –
IN POLK COUNTY, IOWA**

AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
– DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

EXHIBIT E – 2025 SHIPPER LIST

Beisser's Inc.
3705 SE Beisser Dr
Grimes, IA 50111-4966

CB&I Storage Tank Solutions
9600 Hickman Road
Clive, IA 50325

Frontier Forest Products Inc.
1100 Hoak Drive
West Des Moines, IA 50265

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
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AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
– DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

EXHIBIT F – VERIFIED STATEMENT OF CARRIE EVANS

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION –
IN POLK COUNTY, IOWA**

AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
– DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

PETITION FOR EXEMPTION

VERIFIED STATEMENT OF CARRIE EVANS

My name is Carrie Evans, and as of 2024, I am employed by Iowa Interstate Railroad (“IAIS”) in the capacity of Executive Vice President and Chief Commercial Officer (“CCO”). I have a long history with IAIS. I was initially employed by IAIS beginning in 1998, where I spent two years as a marketing coordinator. I left IAIS briefly to work as a marketing and pricing manager for Innovative Rail Group, a CH Robinson Company. Following my brief stint with Innovative Rail Group, I returned to IAIS in 2002, working my way through the sales and marketing departments until I became VP of Sales and Marketing in September, 2010 and subsequently VP and Chief Commercial Officer in January of 2020. As such, I am uniquely qualified to present this verified statement for the Surface Transportation Board.

The purpose of this verified statement is to describe the background and events that have led to the filing of a joint Petition for Exemption for the Abandonment and Discontinuance of

Lease Operation Authority (the “Petition”) for an approximately 12.2-mile rail line, which extends from milepost DU 340.8 +/- to DU 353.0 +/-, together with the 0.80 mile long, but unmileposted, Clive Spur (collectively, the “Grimes Line” or the “Line”), all of which lies within Polk County, Iowa. I understand that Norfolk and Western Railway Company (“N&W”), a subsidiary of NSR, began its operations in September 1988 after acquiring full control of Des Moines Union Railway Company (“DMU”).¹ When it filed that petition for exemption for the acquisition of the DMU, N&W concurrently filed a notice of exemption to purchase from CMC Real Estate Corporation (“CMC”)² two branch lines in Polk County that consisted of: “(1) the Clive Branch, from milepost 0.0 at or near Des Moines to milepost 8.0 at or near Clive; and (2) the Grimes Branch, from milepost 0.0 at or near Clive to milepost 7.5 at or near Grimes.”³ and other rail assets that comprise the property subject to the IAIS lease. Beginning in 1995, IAIS received ICC authority to lease and operate 13.9 miles of rail owned by N&W, covering rail between milepost DU 340.8 +/- in Des Moines, Iowa through to the end of the line at milepost DU 354.7, in Grimes, Iowa, including the Clive Spur, the subject Line in this proceeding.⁴

¹ N&W filed a petition for exemption for the acquisition of control of the DMU, which did not result in an ICC decision until September 6, 1988. Norfolk & W. Ry. Co. – Control Exemption – Des Moines Union Ry. Co., FD 31280 (September 6, 1988).

² In 1984, CMC, a non-carrier formed for bankruptcy reorganization of the Chicago, Milwaukee, St. Paul & Pacific Railroad (“MILW”), acquired the non-core assets of MILW, including the Line. See Chicago, Milwaukee, St. Paul and Pacific Railroad Company – Reorganization – Acquisition By Grand Trunk Corporation, FD 28640 (Sub-No. 9), 2 I.C.C.2d 161, 1984 ICC LEXIS 287 at *18 (ICC served September 12, 1984).

³ See Norfolk & W. Ry. Co. – Acquisition and Operation Exemption, FD 31280 (Sub-No. 1) (ICC served July 8, 1988) (noting simultaneous consummation with N&W effectuating its planned acquisition of CMC’s ownership interest in DMU). The total mileage acquired included the unmileposted Clive Spur.

⁴ See Iowa Interstate R.R. – Lease and Operation Exemption – Norfolk and W. Ry., FD 32731 (ICC served October 13, 1995).

The Grimes Line was originally leased to IAIS in an effort to save the Line from abandonment. The cost for N&W to operate the Line was more than N&W could earn from operations, and it was hoped that IAIS, with a lower cost basis, would be able to operate the Line and, if nothing else, recover its costs. Most recently, that certainly has not been the case. From 2021 through 2025, the volume moved over the Line has drastically decreased, particularly since 2022.. Consequently, IAIS's operation of the Line is currently, and will continue to be, unprofitable.

IAIS has no reasonable expectation that traffic levels on the Grimes Line will recover to a level that could support economically sustainable operations. The remaining shippers have demonstrated a multi-year pattern of declining usage, and IAIS has already exhausted commercially reasonable rate adjustments. Any further rate increases would accelerate diversion to truck or transload facilities, eliminating the remaining traffic base.

Furthermore, as described below, IAIS revenues attributed to freight rail services on the Line are unsubstantial, and despite marketing efforts by IAIS, the prospects for increasing business and revenues from the current reduced levels are unrealistic. The Grimes Line is a stub-ended rail line, thus precluding the possibility that any overhead traffic from other sources could be diverted to the Line. All current traffic on the Line is in-bound; no traffic originates on the Line.

All remaining traffic consists of commodities—primarily lumber—that are readily and efficiently transported by truck over short distances. Each remaining shipper is located within minutes of major highway infrastructure, and all have already demonstrated the ability to utilize truck or transload alternatives without disruption. No shipper will be left without reasonable transportation options

For example, the average revenue per year over the last five years (2021 through 2025, inclusive) was only \$541,145.40. The total annual normal operating cost for 2024 is \$1,242,401.00, nearly 2.3 times the average revenue that the Line has recently generated. As a result of this, and equivalent egregious losses throughout the 2021-2025 period, IAIS has not been able to fund the necessary maintenance and capital expenditures of the Line.

The same certainly would be true for NSR should operation authority revert back to NSR in the event of an IAIS discontinuance without the simultaneous grant of abandonment authority. I believe that this economic reality supports NSR's efforts to abandon the Line. .

In sum, given this level of loss, coupled with the likelihood that neither revenues nor volumes will increase, along with the enormity of the necessary maintenance and rehabilitation expenditures, the only reasonable alternative is to proceed with a petition for exemption that would permit the joint abandonment and discontinuance of lease and operation authority. The grant of this joint petition would also facilitate Polk County's ability to explore alternative public use - a rail trail. The alternative would be for IAIS to continue to incur significant operational losses, or for NSR to undertake significant maintenance and rehabilitation costs exceeding any possible revenue to be derived from the current or potential traffic on the Line. The supporting traffic and economic analysis that I present below demonstrates that the alternative is not a viable option for IAIS nor NSR.

1. Past, Present, and Future Shippers or Traffic on the Line

a. Current Shippers

There are very few remaining shippers on the Line. Beisser Lumber Company receives lumber products MP 351.7. Frontier Forest Products receives lumber products at MP 345.95.

Each of these receives commodities exempted from regulation due to the ease with which they are also moved by truck.

CB&I Storage Tank Solutions, which only receives shipments of steel plates, is located at MP 348.24, but it only moved a total of 45 carloads in 2024 and 57 carloads in 2025, producing only \$79,516 and \$158,603.00 in revenue, respectively for IAIS. In fact, CB&I was the only customer that moved non-exempt traffic over the line in 2024 and 2025.

At present, Frontier, Beisser, and CB&I comprise a majority of the volume moved along the Line and serve as the main revenue source for IAIS at its current operations. For example, in 2021, the three shippers comprised 364 of the 393 carloads moved, or 92.6% of the total volume moved for the year.⁵ The three shippers continued to comprise a majority of the volume moved on the Line with 383 of the 533 carloads moved in 2022 (71.9%),⁶ 342 of the 456 carloads moved in 2023 (75.0%),⁷ and 320 of the 377 carloads moved in 2024 (84.9%).⁸ Outside of those three shippers, Hutchinson Salt moved 29 of the 393 carloads in 2021 (7.4%), 150 of the 533 carloads in 2022 (28.1%), 114 of the 456 carloads moved in 2023 (25%), and 57 of the 377 carloads in 2024 (15.1%). In 2025, the three shippers comprised nearly the entirety of the traffic moved across the Line.⁹ As of 2025, Hutchinson Salt did not move traffic via rail.

⁵ Frontier moved 112 cars in 2021. Beisser moved 201 cars in 2021. CB&I moved 51 cars in 2021.

⁶ Frontier moved 170 cars in 2022. Beisser moved 179 cars in 2022. CB&I moved 34 cars in 2021.

⁷ Frontier moved 146 cars in 2023. Beisser moved 159 cars in 2023. CB&I moved 37 cars in 2023.

⁸ Frontier moved 106 cars in 2024. Beisser moved 16923 cars in 2024. CB&I moved 45 cars in 2023.

⁹ Frontier moved 98 cars in 2025 while Beisser moved 93 and CB&I moved 57 cars. Viking Forest moved 9 cars to Beisser who was the paying customer for the cars moved.

b. Peak Volume

Over the past five years, IAIS's volume peaked in 2022 when it moved 533 carloads over the Line. In the years since, IAIS continues to see the volume moved across the Line decrease at drastic rates. This is due, in large part, to some of IAIS's most dependable customers transitioning to other transloading opportunities.¹⁰ Since 2022, the Line has seen a consistent and persistent drop in volume moved over the Line. For instance, in 2023 IAIS volumes decreased by 77 carloads, or a 14.4% drop in carloads moved compared to the previous year. This decline in volume continued in 2024 as IAIS only moved 377 cars in 2024, for a decrease in volume of 79 cars. Most recently, the Line moved a mere 259 carloads in 2025, a 118 carload decrease from 2024. In all, the Line has seen a decline in volume by nearly 50% since 2022. Over the past five years, IAIS has had to rely on declining traffic from already low-volume shippers (an average of 403.6 carloads from 2021 through 2025) for revenues to sustain maintenance and operations over the Line. Given the consistent decline in carloads received in the past three years from an already de minimus 2022 peak, operations are neither profitable nor sustainable.

c. Potential for New Shippers or Traffic

Having intimate knowledge of the Grimes Line and efforts to develop new traffic (as well as to retain current traffic) on the Line, it is clear to me that IAIS has no prospects for new shippers or online traffic on the Grimes Line. In addition, the Grimes Line requires substantial rehabilitation and repairs, which hinders the attraction of new customers. As a result, volumes continue, and will continue, to decrease year over year at a consistent and substantial rate. To further complicate the issue, the Line is a stub-ended rail line, preventing IAIS from obtaining any overhead traffic diverted from other rail routes. In fact, IAIS anticipates that the total rail

¹⁰ See, e.g., the trends for Frontier and Beisser, set forth in fns. 5-9, *supra*.

volume moved across the Line will continue to fall as IAIS resorts (as it financially must) to increased rates in order to lessen its loss, only further driving away current and potential customers on the Line to alternative transloading opportunities that are able to provide consistent service at a more economic rate.

Based on IAIS's long-standing commercial presence in the Des Moines market, and after years of direct marketing efforts, IAIS is not aware of any prospective new shippers, industrial developments, or commercial expansions that could materially alter the traffic outlook. The Grimes Line's physical configuration as a stub-ended branch further precludes the development of overhead traffic.

Thus, without any of the prospective new shippers, local, or overhead traffic materializing, IAIS is now taking steps toward discontinuing its lease and operation authority, in conjunction with NSR's petition for exemption to permit it to abandon the Grimes Line. The Line is an economic burden for IAIS and, as I understand it, would be an economic burden for NSR to operate for the sole purpose of serving the few remaining customers on the Line, as volumes moved across the line can no longer support the current operations, nor the continued maintenance of the Line. Accordingly, I respectfully request that the Board grant the joint petition for exemption put forth by both IAIS and NSR for NSR to abandon and for IAIS to discontinue its lease and operation authority over the Line.

2. Shippers Have Alternatives

Despite sustained efforts by IAIS to attract and retain freight rail customers on the Grimes Line, no reasonable or feasible alternatives exist that would allow IAIS to continue providing rail service without incurring substantial and ongoing financial losses. The remaining shippers on the Line—primarily Beisser Lumber Company, Frontier Forest Products, and CB&I

Storage Tank Solutions—either move exempt commodities that are readily and efficiently transported via truck or have already begun transitioning to alternative transloading sites that offer more dependable and cost-effective options. Truck service is widely available in Polk County, and all commodities currently handled on the Line can be transported by truck without undue hardship to any shipper, particularly given the short geographic distances between shipper facilities and major highway infrastructure.

In my opinion, continued regulation of this transaction under the full procedures of 49 U.S.C. § 10903 is not necessary to carry out the Rail Transportation Policy. The proposed discontinuance is of limited scope, shippers have adequate transportation alternatives, and the Line's traffic levels are insufficient to support continued rail operations. Regulation is therefore not needed to protect shippers from the abuse of market power.

The decline in carload volumes further demonstrates that shippers have already found practical substitutes for rail service on the Line. Since 2022, carload volumes have fallen by nearly 50%, and one of the other remaining customers, Hutchinson Salt, ceased all rail shipments as its transload agreement has expired. The remaining revenue base is insufficient to sustain the cost of operations, and IAIS's necessary rate increases to mitigate ongoing losses will only continue to drive current and potential customers to alternative transportation options.

Because the Line is stub-ended, there is no opportunity to generate overhead traffic or attract new shippers from outside the immediate service area. IAIS's longstanding marketing efforts have yielded no new customers, and the significant rehabilitation required—estimated by NSR to exceed \$16.8 million in immediate costs—renders the Line unattractive to any prospective rail user. Even if IAIS were to continue service, the diminished traffic base cannot

support the Line's current operating expenses, let alone the extraordinary capital investment required to restore it to FRA Class I standards.

Given these circumstances, continued provision of rail service by IAIS is neither economically viable nor required to meet the transportation needs of the affected shippers. Reasonable alternative transportation exists, is already being used, and will continue to meet all shippers' needs without imposing undue burden. For these reasons, no reasonable alternative to discontinuance exists.

3. Economic Analysis

a. Cost of Operations

The total 2024 operating costs, including transportation costs, on the Line for 2024 were estimated to be \$1,242,401.00. See Attachment A – Grimes Line Evaluation & IAIS's Operating Costs. These include operational costs related to crew members, locomotive use, repairs and rehabilitation of the Line, transportation costs, and mechanical/track inspections. To provide the few remaining customers on the Line with the limited freight rail service they demanded for 2025, IAIS utilized two (2) crew members, an engineer and a conductor, and only one locomotive. All in, total transportation costs for service to the Grimes Line (not including line maintenance and other costs) amounted to \$318,709.63. This includes IAIS's cost to use the locomotive, including fuel, which amounts to \$3,763.86 per month or \$45,166.28 over the entire year. Moreover, IAIS has incurred significant costs for mechanical inspections of \$48,576.00 and costs for required track inspections of \$29,469.00.¹¹ As explained in the next section, the cost of

¹¹ Track inspection sub-costs related to labor, vehicles, bridges, and vegetation control are detailed in Attachment A. These sub-costs are as of February 2025 and do not include increases due to labor costs and/or inflation, which have also increased the total operating costs for 2026.

operations to sustain the average carloads per year on the Line is not supported by the average revenue generated by those carloads.

IAIS's losses on the Grimes Line are avoidable only through discontinuance. Continued operation would require IAIS to devote scarce resources to a line that cannot generate sufficient revenue to cover even basic operating costs, let alone the substantial capital expenditures required to maintain the Line in a state of good repair.

b. Current Revenue Generated by the Line

The current revenue on the Grimes Line is generated by carload revenue received from the remaining customers moving traffic on the Line. There is no overhead revenue because the Line is a stub-ended rail line. Although it would appear on the surface that the revenue on the Line remains relatively consistent, a closer look at the situation demonstrates a financially unsustainable operation, largely due to the continued decrease in carloads moved with each passing year. Despite total revenues remaining relatively consistent, the revenues earned on the Line are incapable of satisfying IAIS's current operation costs and the Line has consistently operated at a loss since at least 2021.

The total revenue for 2021 amounted to \$499,185.00, which is just 40.2% of the estimated yearly total cost, including necessary repairs, of \$1,242,401.00. Although the Line saw an overall increase in usage and revenue in 2022, with revenues reaching \$596,226.00 (covering 48% of the current IAIS operating costs), the Line has seen a consistent decrease in the years following the 2022 peak. In 2023, the Line saw a decrease in carloads moved from 533 in 2022 to 456 in 2023, which amounted to a decrease in overall revenue by \$122,299.00 for a total revenue of \$473,927.00 in 2023. 2024 saw only 377 cars moved for the year with a revenue of \$528,159.00. The Line saw its most significant decrease in volume in 2025 when IAIS moved a

mere 259 carloads over the Line,¹² a 118 carload or 31.3% decrease from 2024 for a total revenue for 2025 of \$608,230. The increased revenue despite the significant drop in volume moved was only due to significant rate increases that IAIS imposed in order to avoid an even greater loss as the Line's volume continues to diminish.

c. Maintenance Costs

Annual maintenance costs are substantial. Repair work is needed at each bridge. For instance, the bridge located at MP 343.8 needs riprap maintenance that is estimated to cost \$25,000.00. More intensive and costly work is needed at the remaining bridges down the Line. The bridge located at MP 345.1 will need a new 10-foot and 14-foot deck ties spanning the length of the 142-foot-long bridge. Tie replacement is estimated at \$236,530.00 in costs. This bridge will also need timber replacement, bolsters, and a backwall replacement amounting to an additional \$52,500.00 for the MP 345.1 bridge alone. The bridge located at MP 346.2 will need similar repairs with deck tie replacement totaling \$118,877.00, with backwall replacements, backwall piles, pier piles, caps, and stringers replacements amounting to an additional \$153,000.00 in maintenance costs. Lastly, the bridge located at MP 346.6 will require deck tie replacements amounting to \$277,327.00, with additional repairs and replacement of the backwall for an additional \$112,000.00. In all, the total bridge repair costs is a staggering \$975,234.00, which well exceeds the revenue earned on the Line each year.

¹² Over the period from 2021 through 2024, IAIS moved an average of only 437.75 carloads on the Line. If the 259 carloads from 2025 were included, then the average carloads that IAIS moved over the Line from 2021 through 2025 was only 403.6 per year. Over the period from 2021 through 2024, IAIS received an average of only \$524,374.25 in revenue from the Line.

CONCLUSION

I have been involved with the operations of IAIS and the Grimes Line for over a decade and, as EVP and CCO, I have first-hand knowledge of the economics of the Line. Without prospective new shippers or traffic, operations over the Line by IAIS will remain unprofitable. While operations over the Line were perhaps once sustainable, IAIS, at present, cannot sustain operations with (1) the remaining traffic on the Line and (2) no potential to obtain diverted overhead traffic. Thus, also understanding the necessary maintenance and capital costs, I can definitively state that the only reasonable option is to proceed with IAIS's discontinuance of its lease and operating authority and a concurrent grant of abandonment authority for NSR, as no other reasonable alternative exists. Based on my experience as IAIS's Chief Commercial Officer and my familiarity with the Line's operations, I conclude that continued operation of the Grimes Line is not economically rational and that discontinuance is the only viable course of action consistent with sound railroad management. Lastly, granting of the joint petition by IAIS and NSR would also be in the public interest should there be an interest in rail banking the line for use in a public rail trail.

VERIFICATION

I, Carrie Evans, EVP and CCO for Iowa Interstate Railroad, declare under penalty of perjury that I am authorized to make this verification on behalf of Iowa Interstate Railroad, and that the information included in the foregoing statement is true and correct to the best of my knowledge and belief.



Carrie Evans
EVP and CCO
Iowa Interstate Railroad

Dated: April 8, 2026

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION –
IN POLK COUNTY, IOWA**

AB-414 (Sub-No. 9X)

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PETITION FOR EXEMPTION

Attachment A – Grimes Line Evaluation & IAIS's Operating Costs

Grimes Line Evaluation - 2/17/2025									
Begin MP	343.1								
End MP	353.0								
Miles Track	9.9								
Capital Investment - 10yr									
Item	Est Quant	Unit	Unit Cost	Total Est Cost					
Ties (1,250/mile)	12,438	ea	\$ 125	\$ 1,554,688					
Ballast & Surfacing	9.9	Mile	\$ 16,500	\$ 164,175	*reduced account 10 mph				
Rail Changeout	-	TF	\$ 25	\$ -					
Joint Maintenance				\$ 139,066					
Bridge Work				\$ 975,234					
Crossings				\$ 516,192					
Contingency	20%			\$ 371,586					
				\$ 3,720,939					
			10 yr	\$ 372,094	per year				
Capital Investment - Restore Out of Service Portion									
Item	Est Quant	Unit	Unit Cost	Total Est Cost					
Ties (2,000/mile)	5,440	ea	\$ 125	\$ 680,000	No good ties exist				
Rail Replacement	172	Tons	\$ 900	\$ 154,800	Relay Rail				
Tie Plates	2,720	ea	\$ 12	\$ 32,640	Accompanies Rail Replacement				
Ballast & Surfacing	1.7	Mile	\$ 32,500	\$ 55,250	Increased account OOS				
Turnout Restoration	1	ea	\$ 150,000	\$ 150,000					
Bolts/Joints	544.0	ea	\$ 150	\$ 81,600					
Crossings	2	ea	125,000	\$ 250,000					
Brush Clearing	10.30	acres	18,500	\$ 190,606					
Misc Grading	10.30	acres	25,000	\$ 257,575					
Contingency	25%			\$ 463,118					
				\$ 2,315,588					
			10 yr	\$ 231,559	per year				
Estimated Annual Cost - OS									
Crossing Signal Units	260	ea	\$ 144	\$ 37,440	(assumes \$12/unit/month)				
Bridge Inspection	5	ea	\$ 4,500	\$ 22,500					
Weed Spray	9.9	Mile	\$ 650	\$ 6,467					
Brush Cut (every 3 yrs)	9.9	Mile	\$ 750	\$ 7,462					
Rail Test	5.0	days	\$ 5,500	\$ 27,500	includes IAIS changing rail				
Track Materials	1.0	estimate	\$ 37,500	\$ 37,500	includes ties (estimate 250 per year), minor rail changeout				
Property Taxes	1.0	LS	\$ 3,326	\$ 3,326					
Insurance	9.9	Mile	\$ 7,275	\$ 72,023					
Contingency	20%			\$ 27,774					
				\$ 241,993					
Estimated Annual Cost - Internal									
Track Inspection (7 hrs/week)	364	hrs	\$ 80.96	\$ 29,469				Track Inspector (2024 rate)	
Other	600	hrs	\$ 80.96	\$ 48,576				Hourly Additive	
				78,046				\$ 38.65 1.0947 \$ 80.96	
Total Estimated Annual Operating (excl. Transportation)									
				\$ 320,039					
Total Estimated Annual Capital									
				\$ 603,653					
Transportation (see transportation costs tab)									
				\$ 318,710					
				Costs	2024 Total Revenue**	Net	Return		
Total Annual Estimate - W/O Trans				\$ 923,692	\$ 181,287	\$ (742,404)	-80%		
Total Annual Estimate - W/Transportation				\$ 1,242,401	\$ 181,287	\$ (1,061,114)	-85%		
** Revenue has been allocated for the Grimes line portion only, total revenue related for 2024 was \$528,159									

	Do Nothing	0										
	Just Surface & Ties	500	per foot									
	Timber	900	per foot									
	Concrete	1850	per foot									
MP	Street	FRA Number	Condition	Length	Prop Surface	Price/Ft	Total					Removal
344.38	North Valley Drive	377223J	Poor	40	Timber	1400	\$ -	IDOT 2023				14400
344.82	Grand & Trail	377221V	Poor	120	Timber	1400	\$ -	IDOT 2023				43200
345.14	63rd	377220N	Fair	144	Timber	1400	\$ 40,320	60/20/20				51840
345.17	Ashworth		OK	88	OK	1400	\$ 24,640	60/20/20				31680
345.2	Hoak		OK	48	OK	0	\$ -					17280
345.7	Farm		Fair	24	Surface	750	\$ 18,000	82960 To Frontier				8640
345.9	Center		OK	56	OK	0	\$ -					20160
346.2	3E - Private?		Fair	40	OK	0	\$ -					14400
346.4	73rd		Poor	96	Timber	1400	\$ 134,400					34560
346.5	Buffalo		OK	80	OK	0	\$ -					28800
346.65	Trail - Agreement?		Poor	24	Concrete	2500	\$ -					8640
346.9	Private?		Poor	32	Timber	1400	\$ -					11520
347	Private?		Poor	40	Timber	1400	\$ -					14400
347.2	Private?		Poor	32	Timber	1400	\$ -					11520
347.3	Private?		Poor	32	Timber	1400	\$ -					11520
347.4	Tank Farm - Private?		Poor	32	Timber	1400	\$ -					11520
347.5	86th (Street Only no turn lane)		New	96	Timber	1400	\$ -	IDOT 2023	To CBI	AFE to Here		34560
347.6	Private - Double Track (32 ea)		Fair	64	Surface	750	\$ -					23040
347.75	Swanson		Poor	56	Timber	1400	\$ 78,400					20160
349.4	100th		New	144	Timber	1400	\$ -					51840
349.5	Douglas		OK	136	OK	0	\$ -					48960
349.8	Homemakers - Agreement		OK	32	OK	0	\$ -					11520
350.3	Aurora - Agreement		New	40	OK	0	\$ -					14400
350.7	Meredith		Poor	96	Timber	1400	\$ 134,400					34560
351.2	37th		Good	64	OK	0	\$ -	430160 To Beisser				23040
				1656								596160
							\$ 430,160					
						20%	\$ 86,032					
							\$ 516,192					

Joint Bar Estimate				
Miles of Track	9.95			
Length Rail	33			
Joints/Mile	320			
Estimated Defective Bars (15%)	477.6			
Estimated Bars from Changeout	125			
Total Bars Needed	352.6			
Item	Est Quantity	Unit Price	Tot Est Price	
Joint Bars	353	80	28,208	
Pallet Bolts	3.0	9500	28,358	
Contract Expense (days)	15	5500	82,500	
			139,066	

Grimes Line Bridges - Timber Repairs			GD Mitchell	2/3/2025	
Bridge 343.8					
Total Length	28.5				
Clean channel - rip rap	EA	1	\$ 25,000.00	\$ 25,000	
343.8 Total					\$ 25,000
Bridge 345.1					
Total Length	142				
10-ft Deck Ties	EA	88	\$ 155.00	\$ 13,640	
14-ft Deck Ties	EA	56	\$ 205.00	\$ 11,480	
Guardrail Timber	LF	284	\$ 12.00	\$ 3,408	
Walkway & Fasteners	LF	284	\$ 145.00	\$ 41,180	
Other Timber Material	LS	1	\$ 9,500.00	\$ 9,500	
E80 Labor & Equip	Days	10	\$ 10,500.00	\$ 105,000	
IAIS Labor	Days	10	\$ 1,100.00	\$ 11,000	
Dumpsters	EA	2	\$ 950.00	\$ 1,900	
Contingency			20%	\$ 39,422	
345.1 Deck Total					\$ 236,530
Span 2 replace timber on stringer 2				\$ 15,000.00	\$ 15,000
Span 2, end 1 bolsters				\$ 12,500.00	\$ 12,500
Backwall replacement				\$ 25,000.00	\$ 25,000
Bridge 346.2					
Total Length	56				
10-ft Deck Ties	EA	47	\$ 155.00	\$ 7,254	
14-ft Deck Ties	EA	11	\$ 205.00	\$ 2,296	
Guardrail Timber	LF	112	\$ 12.00	\$ 1,344	
Walkway & Fasteners	LF	56	\$ 145.00	\$ 8,120	
Other Timber	LS	1	\$ 9,500.00	\$ 9,500	
E80 Labor & Equip	Days	6	\$ 10,500.00	\$ 63,000	
IAIS Labor	Days	6	\$ 1,100.00	\$ 6,600	
Dumpsters	EA	1	\$ 950.00	\$ 950	
Contingency			20%	\$ 19,813	
346.2 Deck Total					\$ 118,877
Backwall replacement					\$ 25,000
Post backwall pile (3)					\$ 15,000
Post Pier Piles (6)					\$ 42,000
Replace Caps (3)					\$ 36,000
Replace Stringers					\$ 35,000
Bridge 346.6					
Total Length	164				
10-ft Deck Ties	EA	100	\$ 155.00	\$ 15,562	
14-ft Deck Ties	EA	66	\$ 205.00	\$ 13,448	
Guardrail Timber	LF	328	\$ 12.00	\$ 3,936	
Walkway & Fasteners	LF	328	\$ 145.00	\$ 47,560	
Other Timber Material	LS	1	\$ 9,500.00	\$ 9,500	
E80 Labor & Equip	Days	12	\$ 10,500.00	\$ 126,000	
IAIS Labor	Days	12	\$ 1,100.00	\$ 13,200	
Dumpsters	EA	2	\$ 950.00	\$ 1,900	
Contingency			20%	\$ 46,221	
346.6 Deck Total					\$ 277,327
Backwall replacement					\$ 25,000
Post Pier Pile (3)					\$ 21,000
Timber Top plate					\$ 30,000
Repace Caps (3)					\$ 36,000
Project Total					\$ 975,234

Grimes Line Revenue	Total Revenue				
	2021	2022	2023	2024	2025
Frontier	119,431	176,379	174,614	197,244	100,149
CBI	76,587	54,585	60,558	79,516	158,603
Beisser	289,702	289,317	179,820	222,044	268,567
Other (salt, etc)	13,465	75,945	58,935	29,355	181,060
Total	499,185	596,226	473,927	528,159	608,230
Carloads	393	533	456	377	259
per/car	1270	1119	1039	1401	2348

Beisser		2024 Rate						
	Number	Cost/Hour	Additive					
People	2	39.8	0.5953	47.39				
Locos	1	250	1	250.00	This is loco usage only based on rental rate			
Total				297.39				
Hours/Grimes Switch	5.5			1,635.62	per shift			
Switches/Year	150			245,343	per year			
	Total Hours	Gal/Hour	Fuel Price**					
Fuel	825	23.7	2.31	45,166.28	Fuel Cost			
	Per Month	Months						
Running Repairs	2350	12		28,200.00				
			Total Cost	318,709.63				
**As of January 2025								
Note labor is \$37 cond \$41 eng, average is \$39.80 due to more conductors than engineers on staff								

2021				
ONLINE DEST - DMOIN, Des Moines, Grimes, W D Moines				
The Customer Name	OL Origin	Commodity Name	Roads & Junctions	Sum of Cars
BEISSER LUMBER CO	CBLUF	LUMBER, DRIED	POVA SNDPT BNSF CBLU	1
BEISSER LUMBER CO	CBLUF	LUMBER, DRIED	UP CBLUF IAIS	2
BEISSER LUMBER CO	CHGO	LUMBER, DRIED	CN CHGO IAIS	19
BEISSER LUMBER CO	CHGO	LUMBER, DRIED	CPRS CHGO IAIS	4
BEISSER LUMBER CO	CHGO	OSB	LSRC PLYMT CSXT CHGO I	103
BEISSER LUMBER CO	DAVEN	LUMBER, DRIED	CPRS DAVEN IAIS	1
BEISSER LUMBER CO	DMOIN	LUMBER, DRIED	BNSF DMOIN IAIS	28
BEISSER LUMBER CO	DMOIN	LUMBER, DRIED	CN SUPER UP DMOIN IAIS	1
BEISSER LUMBER CO	DMOIN	LUMBER, DRIED	CORP EUGEN UP DMOIN	1
BEISSER LUMBER CO	DMOIN	LUMBER, DRIED	CPRS MPLS UP DMOIN IA	2
BEISSER LUMBER CO	DMOIN	LUMBER, DRIED	PSAP CNTRA BNSF DMOI	4
BEISSER LUMBER CO	DMOIN	LUMBER, DRIED	UP DMOIN IAIS	32
BEISSER LUMBER CO	DMOIN	LUMBER,GRN,NEC	UP DMOIN IAIS	1
BEISSER LUMBER CO	RCKIS	LUMBER, DRIED	BNSF RCKIS IAIS	2
CHICAGO BRIDGE & IRO	DAVEN	PLATE IORS NEC	CPRS DAVEN IAIS	51
FRONTIER FOREST PROD	CHGO	LUMBER, DRIED	CN CHGO IAIS	38
FRONTIER FOREST PROD	CHGO	LUMBER, DRIED	CPRS CHGO IAIS	2
FRONTIER FOREST PROD	DMOIN	LUMBER, DRIED	BNSF DMOIN IAIS	30
FRONTIER FOREST PROD	DMOIN	LUMBER, DRIED	CN SUPER UP DMOIN IAIS	15
FRONTIER FOREST PROD	DMOIN	LUMBER, DRIED	CPRS CHGO BNSF DMOIN	1
FRONTIER FOREST PROD	DMOIN	LUMBER, DRIED	CPRS MPLS UP DMOIN IA	3
FRONTIER FOREST PROD	DMOIN	LUMBER, DRIED	QRR QCYJC UP DMOIN IA	1
FRONTIER FOREST PROD	DMOIN	LUMBER, DRIED	UP DMOIN IAIS	20
FRONTIER FOREST PROD	DMOIN	PLYWOOD	UP DMOIN IAIS	2
HUTCHINSON SALT	DMOIN	ROCK SALT	BNSF DMOIN IAIS	29
TOTAL GRIMES LINE				393

2022			
ONLINE DEST - DMOIN, Des Moines, Grimes, W D Moines			
The Customer Name	OnLine Dest	Commodity Name	Sum of Cars
BEISSER LUMBER CO	DES MOINES	LUMBER, DRIED	45
BEISSER LUMBER CO	DES MOINES	LUMBER,GRN,NEC	4
BEISSER LUMBER CO	DES MOINES	LUMBER,CANADIAN	3
BEISSER LUMBER CO	GRIMES	OSB	100
BEISSER LUMBER CO	GRIMES	LUMBER, DRIED	20
BOISE CASCADE CORP PAYABLE	DES MOINES	LUMBER, DRIED	1
CHICAGO BRIDGE & IRON COMPANY	DES MOINES	PLATE IORS NEC	34
FRONTIER FOREST PRODUCTS	DES MOINES	LUMBER, DRIED	150
FRONTIER FOREST PRODUCTS	DES MOINES	OSB	7
FRONTIER FOREST PRODUCTS	DES MOINES	PLYWOOD	2
FRONTIER FOREST PRODUCTS	GRIMES	LUMBER, DRIED	1
FRONTIER FOREST PRODUCTS	W DES MOINES	LUMBER, DRIED	10
HUTCHINSON SALT	DES MOINES	ROCK SALT	150
VIKING FOREST PRODUCTS	DES MOINES	LUMBER, DRIED	1
VIKING FOREST PRODUCTS	GRIMES	LUMBER, DRIED	3
VIKING FOREST PRODUCTS	GRIMES	LUMBER,GRN,NEC	2
Grand Total			533

2023			
ONLINE DEST - DMOIN, Des Moines, Grimes, W D Moines			
The Customer Name	OL Dest	Commodity Name	Sum of Cars
BEISSER LUMBER CO	DES MOINES	LUMBER, DRIED	49
BEISSER LUMBER CO	DES MOINES	LUMBER,GRN,NEC	1
BEISSER LUMBER CO	GRIMES	LUMBER, DRIED	5
BEISSER LUMBER CO	GRIMES	OSB	65
FRONTIER FOREST PRODUCTS	DES MOINES	LUMBER, DRIED	119
FRONTIER FOREST PRODUCTS	DES MOINES	OSB	19
FRONTIER FOREST PRODUCTS	GRIMES	LUMBER, DRIED	2
FRONTIER FOREST PRODUCTS	W DES MOINES	LUMBER, DRIED	6
HUTCHINSON SALT	DES MOINES	ROCK SALT	114
CBI, INC.	DES MOINES	PLATE IORS NEC	2
VIKING FOREST PRODUCTS	DES MOINES	LUMBER, DRIED	11
VIKING FOREST PRODUCTS	DES MOINES	LUMBER,GRN,NEC	2
VIKING FOREST PRODUCTS	GRIMES	LUMBER, DRIED	15
VIKING FOREST PRODUCTS	GRIMES	LUMBER,GRN,NEC	5
CHICAGO BRIDGE & IRON COMPANY	DES MOINES	PLATE IORS NEC	35
BOISE CASCADE	DES MOINES	LUMBER, DRIED	1
BOISE CASCADE	GRIMES	LUMBER, DRIED	2
BOISE CASCADE CORP PAYABLE	DES MOINES	LUMBER, DRIED	1
VIKING FOREST PRODUCTS LLC	DES MOINES	LUMBER, DRIED	2
Grand Total			456

2024			
ONLINE DEST - DMOIN, Des Moines, Grimes, W D Moines			
The Customer Name	OL Dest	Commodity Name	Sum of Cars
BEISSER LUMBER CO	DES MOINES	LUMBER, DRIED	28
BEISSER LUMBER CO	GRIMES	LUMBER, DRIED	5
BEISSER LUMBER CO	GRIMES	OSB	36
BEISSER'S INC	DES MOINES	LUMBER, DRIED	26
BEISSER'S INC	GRIMES	LUMBER, DRIED	9
BEISSER'S INC	GRIMES	OSB	19
FRONTIER FOREST PRODUCTS	DES MOINES	LUMBER, DRIED	69
FRONTIER FOREST PRODUCTS	DES MOINES	OSB	8
FRONTIER FOREST PRODUCTS	GRIMES	LUMBER, DRIED	2
HUTCHINSON SALT	DES MOINES	ROCK SALT	57
VIKING FOREST PRODUCTS	DES MOINES	LUMBER, DRIED	6
VIKING FOREST PRODUCTS	DES MOINES	LUMBER,GRN,NEC	2
VIKING FOREST PRODUCTS	GRIMES	LUMBER, DRIED	13
VIKING FOREST PRODUCTS	GRIMES	LUMBER,GRN,NEC	3
CHICAGO BRIDGE & IRON COMPANY	DES MOINES	PLATE IORS NEC	36
BOISE CASCADE	GRIMES	LUMBER, DRIED	6
VIKING FOREST PRODUCTS LLC	DES MOINES	LUMBER,GRN,NEC	1
VIKING FOREST PRODUCTS LLC	GRIMES	LUMBER, DRIED	3
ROSEBURG	DMOIN	PLYWOOD	1
BLUELINX CORP	GRIMES	LUMBER, DRIED	1
FRONTIER FOREST PRODUCTS INC	DES MOINES	LUMBER, DRIED	34
FRONTIER FOREST PRODUCTS INC	DES MOINES	OSB	3
CB&I STORAGE TANK SOLUTIONS LLC	DES MOINES	PLATE IORS NEC	9
			377

2025			
ONLINE DEST - DMOIN, Des Moines, Grimes, W D Moines			
The Customer Name	OL Dest	Commodity Name	Sum of Cars
BEISSER'S INC	DES MOINES	KLN DR LUMB L10	1
BEISSER'S INC	DES MOINES	LBR TIMBER,DRID	46
BEISSER'S INC	DES MOINES	LUMBER, DRIED	12
BEISSER'S INC	GRIMES	LBR TIMBER,DRID	2
BEISSER'S INC	GRIMES	LUMBER, DRIED	2
BEISSER'S INC	GRIMES	ORINTD STRND BD	15
BEISSER'S INC	GRIMES	OSB	15
CB&I STORAGE TANK SOLUTIONS LLC	DES MOINES	PLATE IORS NEC	57
FRONTIER FOREST PRODUCTS INC	DES MOINES	LBR TIMBER,DRID	59
FRONTIER FOREST PRODUCTS INC	DES MOINES	LUMBER 18FTLNGR	1
FRONTIER FOREST PRODUCTS INC	DES MOINES	LUMBER, DRIED	28
FRONTIER FOREST PRODUCTS INC	DES MOINES	ORINTD STRND BD	6
FRONTIER FOREST PRODUCTS INC	DES MOINES	OSB	4
LUMBERMENS MERCHANDISING CORP	GRIMES	LBR TIMBER,DRID	2
VIKING FOREST PRODUCTS	DES MOINES	LUMBER, DRIED	3
VIKING FOREST PRODUCTS LLC	DES MOINES	LBR TIMBER,DRID	1
VIKING FOREST PRODUCTS LLC	DES MOINES	LUMBER,GRN,NEC	3
VIKING FOREST PRODUCTS LLC	GRIMES	LBR TIMBER,DRID	2
			259

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

AB-290 (Sub-No. 424X)

**NORFOLK SOUTHERN RAILWAY COMPANY
– PROPOSED ABANDONMENT EXEMPTION –
IN POLK COUNTY, IOWA**

AB-414 (Sub-No. 9X)

**IOWA INTERSTATE RAILROAD
– DISCONTINUANCE OF LEASE AND OPERATION AUTHORITY –
IN POLK COUNTY, IOWA**

EXHIBIT G – VERIFIED STATEMENT OF MICHAEL R. MCCLELLAN

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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IN POLK COUNTY, IOWA**

PETITION FOR EXEMPTION

VERIFIED STATEMENT OF MICHAEL R. MCCLELLAN

My name is Michael R. McClellan. I am Senior Vice President and Chief Strategy Officer at Norfolk Southern Corporation (“NSC”). I am Vice President at Norfolk Southern Railway Company (“NSR”) (and, collectively with NSC, “NS”).

I have over 35 years of experience in the freight rail industry. I began my career at Conrail in 1986, where I held various commercial and planning positions. In 1996, I went to work for the Transportation Practice of Ernst & Young. In 1998, I returned to the rail industry as Assistant Vice President of Planning in the Intermodal group at NSR. In 2000, I was promoted to Vice President-Intermodal, where I ran, among other things, NSR’s intermodal and trucking business for almost 14 years until mid-2013. In 2013, I became Vice President-Industrial Products, and, in 2018, I assumed responsibility for strategic acquisitions and divestitures. I hold

a bachelor's degree in Foreign Affairs and Economics from the University of Virginia and a Master of Business Administration Degree from the University of Cincinnati.

I. Introduction and Summation.

In this verified statement, I address certain matters relating to a specific line of trackage currently under the jurisdiction of the Surface Transportation Board (the "Board"), specifically the approximately 12.2-mile rail line NS owned but Iowa Interstate Railroad ("IAIS") operated line which extends from milepost DU 340.8 +/- to DU 353.0 +/-, together with the 0.8 mile long, but unmileposted Clive Spur (collectively, the "Grimes Line" or the "Line"), all of which lies within Polk County, Iowa. I am aware that IAIS, which leases the Grimes Line from NSR, is submitting a petition for exemption for the discontinuance of the IAIS lease. NSR supports IAIS's discontinuance request.

Upon the IAIS discontinuance, and without NSR abandonment authority, NSR, as the underlying owner of the Grimes Line, would be required to provide common carrier service over the Line. Upon analysis, NSR has determined that such NSR's operations over that Line would be at a significant loss. Therefore, NSR has joined IAIS to submit a joint petition for exemption to permit IAIS to discontinue its lease and operations over the Grimes Line, and for NSR to simultaneously abandon that line. I submit this verified statement in support of that joint petition.

Based on NSR's internal analysis, the avoidable costs that NSR would incur to resume common carrier operations over the Grimes Line would substantially exceed the revenues that could reasonably be generated from the remaining traffic base. NSR's systemwide cost structure as a Class I carrier – particularly with respect to labor, locomotive utilization, FRA compliance, and overhead allocation – would result in annual operating costs materially higher than those currently incurred by IAIS. Even if NSR were to maintain IAIS's existing rates, NSR would

incur a significant annual operating loss. If NSR attempted to raise rates to mitigate those losses, the remaining traffic – consisting almost entirely of exempt commodities – would be highly likely to divert to truck or existing transload alternatives. NSR therefore has no reasonable prospect of covering even its avoidable costs, let alone achieving a compensatory return, if required to resume service.

Norfolk and Western Railway Company (“N&W”), a subsidiary of NSR, began its operations over the Grimes Line in September, 1988, after acquiring full control of Des Moines Union Railway Company (“DMU”).¹ When it filed that petition for exemption for the acquisition of the DMU, N&W also concurrently filed a notice of exemption to purchase from CMC two branch lines in Polk County that consisted of: “(1) the Clive Branch, from milepost 0.0 at or near Des Moines to milepost 8.0 at or near Clive; and (2) the Grimes Branch, from milepost 0.0 at or near Clive to milepost 7.5 at or near Grimes”² and other rail assets that comprise IAIS.

Operations by N&W, however, proved to be unprofitable. In 1995, IAIS received ICC authority to lease and operate 13.9 miles of rail owned by N&W, covering rail between milepost DU 340.8 +/- in Des Moines, Iowa through to the end of the line at milepost DU 354.7, in

¹ N&W filed a petition for exemption for the acquisition of control of the DMU which did not result in an ICC decision until September 6, 1988. Norfolk & W. Ry. Co. – Control Exemption – Des Moines Union Ry. Co., FD 31280 (September 6, 1988). DMU was originally owned jointly by Wabash Railroad Company and Chicago, Milwaukee and St. Paul Railway Company. N&W had previously acquired Wabash's beneficial one-half interest in DMU, while the other half-interest passed to CMC Real Estate Corporation (“CMC”). CMC was a noncarrier successor to Chicago, Milwaukee and St. Paul Railway Company, which ceased operations in 1980. Through the transaction, NSR became the 100% owner of DMU.

² See Norfolk & W. Ry. Co. – Acquisition and Operation Exemption, FD 31280 (Sub-No. 1) (ICC served July 8, 1988) (noting simultaneous consummation with N&W effectuating its planned acquisition of CMC's ownership interest in DMU). The total mileage acquired included the unmileposted Clive Spur.

Grimes, Iowa, including the Clive Spur, the subject Line in this proceeding.³ Although N&W and IAIS believed that the Line would not “support future investment” under N&W operations, it was hoped that under IAIS operations and operating cost structure shippers would be protected from the loss of a rail service that would have been the case had N&W simply petitioned for abandonment at that time.⁴ I understand that, despite all of IAIS’s efforts over time, IAIS attempts at stabilizing and turning the economics of the Line around, while moderately successful, do not today justify continued IAIS operations of the Line.

I understand that the volume of traffic moved over the Line has decreased, particularly since 2022, as alternative transloading opportunities have become more attractive than rail operations in the area. Of particular note, I understand that Beisser Lumber Company and Frontier Forest Products, two of the previous primary shippers on the Line, have shifted a majority of their volume off the Line to alternative transloading opportunities. I further understand that, consequently, IAIS’s operation of the Line is currently very unprofitable.

Carrie Evans, Executive Vice President and Chief Commercial Officer at IAIS, has submitted a verified statement clearly delineating the traffic on the Line and explaining that there are only a few shippers moving traffic to the Grimes Line, a few of which move fewer than 10 cars.⁵ As of 2025, only three principle shippers continue to move traffic on the line, with much of

³ See Iowa Interstate R.R. – Lease and Operation Exemption – Norfolk and W. Ry., FD 32731 1995 ICC Lexis 269 (ICC served October 13, 1995).

⁴ See Id. at *2.

⁵ As further detailed in the Verified Statement of Carrie Evans (“VS Evans”), I understand that two shippers moved only one carload and each of those shippers only moved carloads in 2024 (Roseburg Forest Products, based in Oregon, plywood to Des Moines, IA, and BlueLinx Corp., a wholesale building products distributor, engineered wood product to Grimes, IA). One shipper (Boise Cascade) has moved dried lumber to the line in the past few years, but never more than six carloads. Each of these three customers moves lumber, one of the quintessential exempt

that traffic consisting of lumber, an easily divertible product to trucking.⁶ The only shipper that moved traffic other than STB-exempt products is CB&I Storage Tank Solutions, which moved iron plates. I leave the details to Ms. Evans, but I understand that there is no outbound traffic and, because the Line is stub-ended, there is no current or possible future overhead traffic to be diverted to the Line.

Furthermore, it is apparent to me that, should NSR be obligated to take over the common carrier obligation to serve the Line, current volumes would make the operations unprofitable, even more so than back in 1995 when N&W originally worked with IAIS to rescue the Line.⁷ Furthermore, the prospects for increasing on-line business and revenues from the current reduced levels are unrealistic. The Grimes Line is a stub-ended rail line, thus precluding the possibility that any overhead traffic from other sources could be diverted to the Line. My understanding is that all current traffic on the Line is in-bound and that no rail traffic originates on the Line.

NSR has no reasonable expectation that traffic levels on the Grimes Line will increase to a level that could support economically sustainable operations. The remaining shippers have demonstrated a long-term pattern of declining usage, and the Line's physical configuration as a stub-ended branch precludes the development of overhead traffic. NSR is not aware of any

products that are easily moved via truck alternatives. See VS Evans, at 27, Attachment A – Grimes Line Evaluation

⁶ 2025 IAIS numbers show three shippers moving traffic on the line – Beissers, Inc.; CB&I Storage Tank Solutions; and Frontier Forest Products. The total number of cars moved in 2025 was 259 carloads. This was a 118 carload decrease from 2024. In all, the Line has seen a decline in volume by nearly 50% since 2022.

⁷ A 1.7 mile segment of the Line had previously been subject to a joint notice of exemption for IAIS to discontinue service and for NSR to abandon. See Norfolk S. Ry. Co. – Abandonment Exemption – in Polk County, Iowa; Iowa Interstate Rr. – Discontinuance of Service Exemption – in Polk County, Iowa, 2010 STB Lexis 623, AB 290 (Sub-No. 322X), AB 414 (Sub-No. 5X) (STB served October 19, 2010).

prospective new shippers, industrial developments, or commercial expansions that could materially alter the traffic outlook. In NSR's judgment, the Line's traffic base has permanently contracted to a level that cannot support continued rail operations by any carrier, including NSR.

Moreover, I understand that the condition of the Grimes Line is currently not up to Class I maintenance standards. As a result of the lack of rail volumes, and coinciding failure of revenues to support not only operations but maintenance and renewals, IAIS has not been able to fund the necessary maintenance and capital expenditures of the Line. Should NSR inherit the common carrier obligation to provide freight rail service, NSR would inevitably incur a significant and annually recurring loss to rebuild and rehabilitate the Grimes Line up to FRA Class I standards.

Given this level of economic loss under IAIS control, coupled with the unlikelihood that neither revenues nor volumes will increase and the enormity of the necessary maintenance and rehabilitation expenditures, the only reasonable alternative is to proceed with a petition for exemption that would permit the joint abandonment and discontinuance of lease and operation authority. The grant of this joint petition would also facilitate Polk County's ability to explore alternative public use - a rail trail. The alternative would be for IAIS to continue to incur significant operation losses, or for NSR to undertake significant maintenance and rehabilitation costs exceeding any possible revenue to be derived from the current or potential traffic on the Line. The supporting analysis that I present below demonstrates that neither alternative is a viable option for IAIS or NSR.

In my opinion, continued regulation of this transaction under the full procedures of 49 U.S.C. § 10903 is not necessary to carry out the Rail Transportation Policy. Granting an exemption under 49 U.S.C. § 10502 would reduce unnecessary regulatory barriers to exit,

promote efficient management, and facilitate the continuation of a sound rail transportation system by allowing NSR to avoid ongoing losses on a line that no longer generates sufficient traffic to justify continued operation. The proposed abandonment is of limited scope, and shippers on the Line have adequate transportation alternatives, including well-established trucking and transloading options. Regulation is therefore not needed to protect shippers from the abuse of market power

II. Economic Analysis

Should IAIS's petition to discontinue its lease and service obligations were granted, and NSR was required to reinitiate service over the Line, what little traffic currently moving to the Line would quickly dry up. As I explain below, the costs to bring the Line up to FRA Class I standards, along with the costs of NSR operations, would necessitate an increase in the costs associated with the movement of each and every carload to be shipped over the Line. Maintaining the existing IAIS pricing to these customers would cause NSR to lose even more money on the service to the Grimes Line than IAIS is currently experiencing, losses that are driving IAIS to file its petition for exemption to discontinue its lease and operations obligations. Increasing the pricing to these customers in an attempt to mitigate NSR's losses would inevitably drive away any remaining carloads.

NSR's internal costing models indicate that NSR's annual operating costs to serve the Line would exceed IAIS's by a substantial margin due to NSR's higher labor rates, systemwide overhead, and Class I regulatory compliance obligations. Even assuming the 2024 IAIS cost figure of \$1,242,401.00 as a baseline, NSR's projected annual cost to provide equivalent service would be materially higher. NSR and therefore would incur an avoidable loss significantly greater than the losses IAIS currently experiences.

A. Maintenance/Rehabilitation Costs to Obtain FRA Class I Standards

The cost to bring the Line up to FRA Class I standards is substantial. Repair and rehabilitation costs are estimated to be \$16.9 million in total for immediate costs to bring the Line up to FRA Class I standards. This includes very much needed and overdue bridge rehabilitation, track replacement, road crossings replacement and rehabilitation, as well as various other needed repairs.

Significant repair work is needed at each bridge in the short run. For instance, the bridge located at MP 343.8 is in need of riprap maintenance that is estimated to cost \$25,000.00. More intensive and costly repairs are needed at the remaining bridges down the Line. The bridge located at MP 345.1 is in need of new 10-foot and 14-foot deck ties spanning the length of the 142-foot-long bridge. That tie replacement is estimated at \$236,530.00 in immediate costs. This bridge is also in need of timber replacement, bolsters, and a backwall replacement amounting to an additional \$52,500.00 for the MP 345.1 bridge alone. The bridge located at MP 346.2 needs similar repairs with deck tie replacement totaling \$118,877.00 with backwall replacements, backwall piles, pier piles, caps and stringers replacements amounting to an additional \$153,000.00 in repair costs. Lastly, the bridge located at MP 346.6 requires deck tie replacements amounting to \$277,327.00 with additional repairs and replacement of the backwall for an additional \$112,000.00. In all, the total bridge repairs and rehabilitation costs that are an immediate need is a staggering \$975,234.00, which well exceeds the revenue earned on the Line each year.

Further, a substantial additional sum of capital and expense investments are needed to bring the bridges into a state of good repair in compliance with FRA Class I standards in the long term. It would cost approximately \$7,415,000.00 in capital and \$220,200 in expenses beyond

typical maintenance to bring the bridges along the line into a state of good repair. The significant deferred and ongoing maintenance/rehabilitation costs in bridge maintenance alone means that the cost to operate cannot be justified by the current traffic and resulting revenue generated by the Line.

Beyond the necessary bridge repairs, we estimate that a total cost of \$9,451,112.00 to bring the rest of the Line into a state of good repair and in line with the FRA standards for a Class I railroad. This additional cost is largely attributable to rebuilding portions of the Line in order to connect the Line to NSR's main track. This cost includes replacing 47,250 track feet with relay rail, replacing 9,000 ties, replacing 3 out-of-service turnouts with track panels, replacing 8 turnouts with new ones, replacing 210 feet of ballast deck bridge with new track panels, and replacing 29 grade crossings. In conjunction with the bridge rehabilitation, I estimate that, for purposes of immediate maintenance, rebuild, and rehabilitation costs, it would incur costs in excess of \$16,866,000.00 in addition to the yearly operating costs to bring the line up to FRA Class I standards.

B. Operating Costs

I understand that the total 2024 IAIS operating costs, including transportation costs, on the Line for 2024, were estimated to be \$1,242,401.00. See VS Evans, at 15, Attachment A – Grimes Line Evaluation & IAIS's Operating Costs. NSR has much higher operating costs than IAIS, and thus NSR's operating costs would be significantly higher than those of IAIS. Further, I understand that IAIS's revenues associated with the Line have, for several years, been less than half of what IAIS's costs associated with the Line.

C. Current Revenue Generated by the Line

The current revenue to IAIS on the Grimes Line is generated by carload revenue received from the little remaining traffic moving to destinations on the Line. There is no overhead revenue because the Line is a stub-ended rail line.

My understanding is IAIS revenue on the Line remains relatively consistent, but that revenue results from a continued decrease in carloads moved with each passing year. In 2022, there were 533 carloads moved to destinations on the Line; in 2025, less than half of that (259 carloads) touched the Line. Moreover, I understand that the Line has consistently operated at a significant loss since 2021, with revenues not even covering 50% of IAIS's costs of operations in any period from 2021 to 2025. This is not a sustainable operation for IAIS, a Class III rail carrier, and it is not a sustainable operation for NSR, a Class I rail carrier with its increased costs and regulatorily-mandated standards.

D. Net Liquidation Value of Rail and Track Materials

The net liquidation value ("NLV") of the rail and track materials on the Line was calculated under my supervision and direction. Should the joint petition be granted, all rail and other track materials that have reached the end of their service life will be scrapped, and the rail and other track materials that have not reached the end of their service will be moved to inventory for future use. For those track materials that have reached the end of their service life and will be scrapped, NSR has estimated the value of these rail and track materials to be \$974,000.00.

E. Liquidation Value of the Underlying Real Estate

Given the current revenues, operating costs, deferred maintenance, and necessary

rehabilitation/maintenance costs to bring the Line up to FRA Class I standards as well as the lack of potential new shippers or traffic to increase carloads on the Line, NSR has determined that the only reasonable alternative is to proceed with an abandonment of the Line should the Board grant IAIS its requested discontinuance of lease and operation authority.

NSR is the owner of both the Line and the underlying real estate in fee simple. NSR is open to making the land underlying the Line available for trail development. As such, the NLV of the underlying real estate is not a factor that needs to be considered by the Board in evaluating IAIS's and NSR's joint petition to abandon and discontinue the Line. Nevertheless, in 2022, NSR received an appraisal for fee simple value of the underlying real estate. As of the end of 2021, the NLV of the land in fee simple would be approximately \$10,731,000.⁸

CONCLUSION

Back in 1995, IAIS and N&W joined together to try to save rail service over the Grimes Line. At that time, there was a hope that IAIS could operate the Line at a lower cost level than N&W and under the belief that IAIS could operate the Line at a profit, when N&W could not. IAIS is an efficient and effective rail operator, but even IAIS's efforts over time have not been able to turn the operations around for the long-term, and especially so in recent years. IAIS is justifiably filing a petition for exemption to permit it to discontinue its lease and operating obligations over the Line. If the common carrier obligation were to thus revert to NSR, NSR would be faced with operating the Line with a worse financial outcome than IAIS. There are no prospective new shippers or traffic and operations over the Line, and given that NSR has a higher cost structure than IAIS, NSR's operations would definitely be unprofitable. The situation would

⁸ The appraisal has a shelf life of ten years as that is the projected time it would take to sell all of the parcels.

be worse than in 1995 when NSR's predecessor (N&W) leased the line originally to IAIS. NSR cannot sustain operations with (1) the remaining traffic on the Line; (2) the need to increase prices for existing traffic, and (3) no potential to obtain new online or diverted overhead traffic. For these reasons, NSR has determined that continued operation of the Grimes Line is not economically rational and that abandonment is the only viable course of action consistent with sound railroad management and the Rail Transportation Policy. NSR does not seek to continue service over the Line and has no business justification for doing so in light of the Line's traffic levels, physical condition, and the availability of alternative transportation for the remaining shippers.

Furthermore, the costs that would be incurred by NSR should it be required to take over operations would be further exacerbated by the need to bring the Line up to FRA Class I standards. Therefore, should IAIS proceed with a discontinuance of its lease and operating authority, NSR must concurrently seek a grant of abandonment authority. The grant of this joint petition by IAIS and NSR would also be in the public interest should there be an interest in rail banking the line for use in a public rail trail.

VERIFICATION

I, Michael R. McClellan, Vice President for Norfolk Southern Railway Company (“NSR”), declare under penalty of perjury that I am authorized to make this verification on behalf of NSR, and that the information included in the foregoing statement is true and correct to the best of my knowledge and belief.

A handwritten signature in black ink, appearing to read "M. R. McClellan", written over a horizontal line.

Michael R. McClellan
Vice President
Norfolk Southern Railway Company

Dated: April 13, 2026