

BEFORE THE
SURFACE TRANSPORTATION BOARD

IOWA NORTHERN RAILWAY
COMPANY - ACQUISITION
EXEMPTION- D&W RAILROAD, LLC

FINANCE DOCKET NO. 36404

300626

ENTERED
Office of Proceedings
May 15, 2020
Part of
Public Record

NOTICE OF EXEMPTION
of
IOWA NORTHERN RAILWAY COMPANY
Pursuant to 49 C.F.R. Part 1150, Subpart D

T. Scott Bannister, Esq.
Vice President and General Counsel
Iowa Northern Railway Company
201 Tower Park Drive
Suite 300
Waterloo, IA 50701

(319) 297-6000
Attorney for Iowa Northern Railway Company

Dated: May 15, 2020

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SURFACE TRANSPORTATION BOARD

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Pursuant to 49 C.F.R. Part 1150, Subpart E

Pursuant to 49 C.F.R. Part 1150, Subpart E, **Iowa Northern Railway Company** ("**Iowa Northern**"), a Class III carrier, files this Verified Notice of Exemption (the "**Notice**") to permit Iowa Northern to acquire by purchase from **D&W Railroad, LLC**, a Delaware limited liability company ("**D&W**") approximately 23.40 miles of rail lines (including the real property, right of way and/or easement rights underlying such rail lines) more specifically described as follows: (i) the rail line between milepost 332.0 at Dewar, Iowa to milepost 354.5 (end of line) including the most easterly rail line and right of way, known as the "Main Line", which is located adjacent to the Oelwein Yard in Oelwein, Iowa, (ii) the rail line from milepost 245.58 to milepost 245.0 at Oelwein, Iowa, and (iii) the rail line that comprises 0.32 miles of wye track at Oelwein, Iowa that connects the so-called "East Leg" track to the so-called "Main Line" track (collectively the "**Line**").

In accordance with the requirements of 49 C.F.R. § 1150.43, Iowa Northern submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

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

Iowa Northern Railway Company
201 Tower Park Drive
Suite 300

Waterloo, IA 50701

Applicant's Representative: 49 C.F.R. § 1150.43(b)

Iowa Northern's representative to whom correspondence regarding this transaction should be sent is as follows:

T. Scott Bannister, Esq.
Vice President, Secretary and General Counsel
Iowa Northern Railway Company
201 Tower Park Drive
Suite 300
Waterloo, IA 50701

Email: sbannister@iowanorthern.com
Mobile: 319-361-3067

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

Iowa Northern and D&W expect to soon execute an Asset Purchase Agreement (the "**Agreement**") pursuant to which ownership of the Line will transfer from D&W to Iowa Northern. The Agreement provides that the proposed transaction may not be consummated without Board authorization. Following the closing of the Agreement Iowa Northern will continue to be the operator of the Line.

Operator of the Property: 49 C.F.R. § 1150.43(d)

Iowa Northern will continue to operate and provide all rail common carrier service to shippers on the Line.

Background and Summary of the Transaction: 49 C.F.R. § 1150.43(e)

Iowa Northern Railway Company is an Iowa corporation and a Class III common carrier. *See Iowa Northern Railway Company – Exemption – Operations*, Interstate Commerce Commission Finance Docket No. 30473 (Service date: May 29, 1984).

D&W Railroad, LLC, a Delaware limited liability company, was converted from a Delaware corporation (D&W Railroad, Inc.) into a Delaware limited liability company in December 2005.

D&W acquired the Line from Union Pacific Railroad Company ("UP") on or about September 26, 2003. See D&W Railroad, Inc.- Acquisition Exemption- Line of Union Pacific Railroad Company in Black Hawk, Buchanan and Fayette Counties, IA, Finance Docket No. 34401 (Verified Notice of Exemption filed on September 11, 2003). At that time, D&W acquired from UP not only the assets which comprise the subject Line but also approximately 23 miles of yard track.¹ Those 23 miles of yard track are not part of this transaction and were the subject of subsequent conveyance from D&W to Transco Railway Products, Inc. during November 2012. See Transco Railway Products Inc. – Acquisition and Operation Exemption – D&W Railroad LLC, Finance Docket No. 35688 (Service date: November 21, 2012 and March 4, 2013).

Concurrently and jointly on or about September 26, 2003, Iowa Northern pursuant to a written agreement with D&W and a class exemption assumed common carrier operations over the Line. See Iowa Northern Railway Company – Operation Exemption – Rail Line of D&W Railroad, Inc in Black Hawk, Buchanan and Fayette Counties, IA, Finance Docket No. 34402 (Verified Notice of Exemption filed on September 11, 2003).

The Board issued two Decisions in Finance Dockets 34401 and 34402 (Service date: October 8, 2003) providing authority for the acquisition of the Line by D&W and the operation of the Line by Iowa Northern.

Essentially, pursuant to the subject Agreement, Iowa Northern is acquiring from D&W the Line over which Iowa Northern has operated and provided common carrier rail services since late September 2003.

The name and address of the transferring seller is:

D & W Railroad, LLC
Attn: Charlie Andersen
21233 W Creekside Drive
Kildeer, IL 60047

¹ At that time, D&W also acquired approximately 5.8 miles of incidental trackage rights over certain UP track.

Iowa Northern and D&W intend on the closing of the Agreement as soon as this Notice becomes effective (presumably within approximately 30 days from the filing of this Notice).

Map: 49 C.F.R. § 1150.43(f)

A Map depicting the Line is attached as **Exhibit A**.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

Iowa Northern certifies that the projected revenues as a consequence of this transaction will not result in Iowa Northern becoming a Class I or II rail carrier.

Interchange Commitments: 49 C.F.R. § 1150.43(h)

Iowa Northern certifies that the Agreement does not include an interchange commitment or any provision which will limit future interchange with a third-party connecting carrier.

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

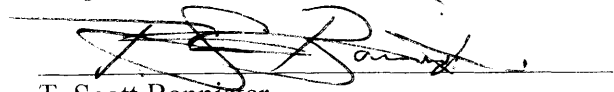
Under 49 C.F.R. § 1105.6(c)(2), the subject Line sale is exempt from environmental reporting requirements. The transaction will not result in any changes in carrier operations.

Under 49 C.F.R. § 1105.8(b)(1), the proposed Line sale is also exempt from historic preservation reporting requirements. The proposed transaction is for the purpose of continued rail operations. Additional Board approval would be required to discontinue service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.42(a)

A caption summary in appropriate form is attached as **Exhibit B** to this Notice.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "T. Scott Bannister", is written over a horizontal line.

T. Scott Bannister
Vice President, Secretary and General Counsel
Iowa Northern Railway Company
305 Second Street Southeast – Suite 400

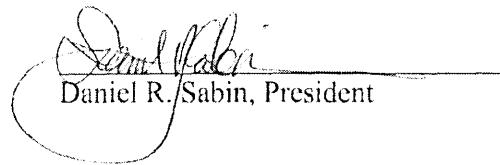
Suite 300
Waterloo, IA 50701

(319) 297-6000
sbannister@iowanorthern.com

VERIFICATION

I, Daniel R. Sabin, hereby verify under penalty of perjury that I am the President of Iowa Northern Railway Company, that I am qualified and authorized to execute this Verified Notice of Exemption and that the matters stated herein are true and correct to the best of my information and belief.

Executed on May 15, 2020.



Daniel R. Sabin, President

EXHIBIT A – MAP

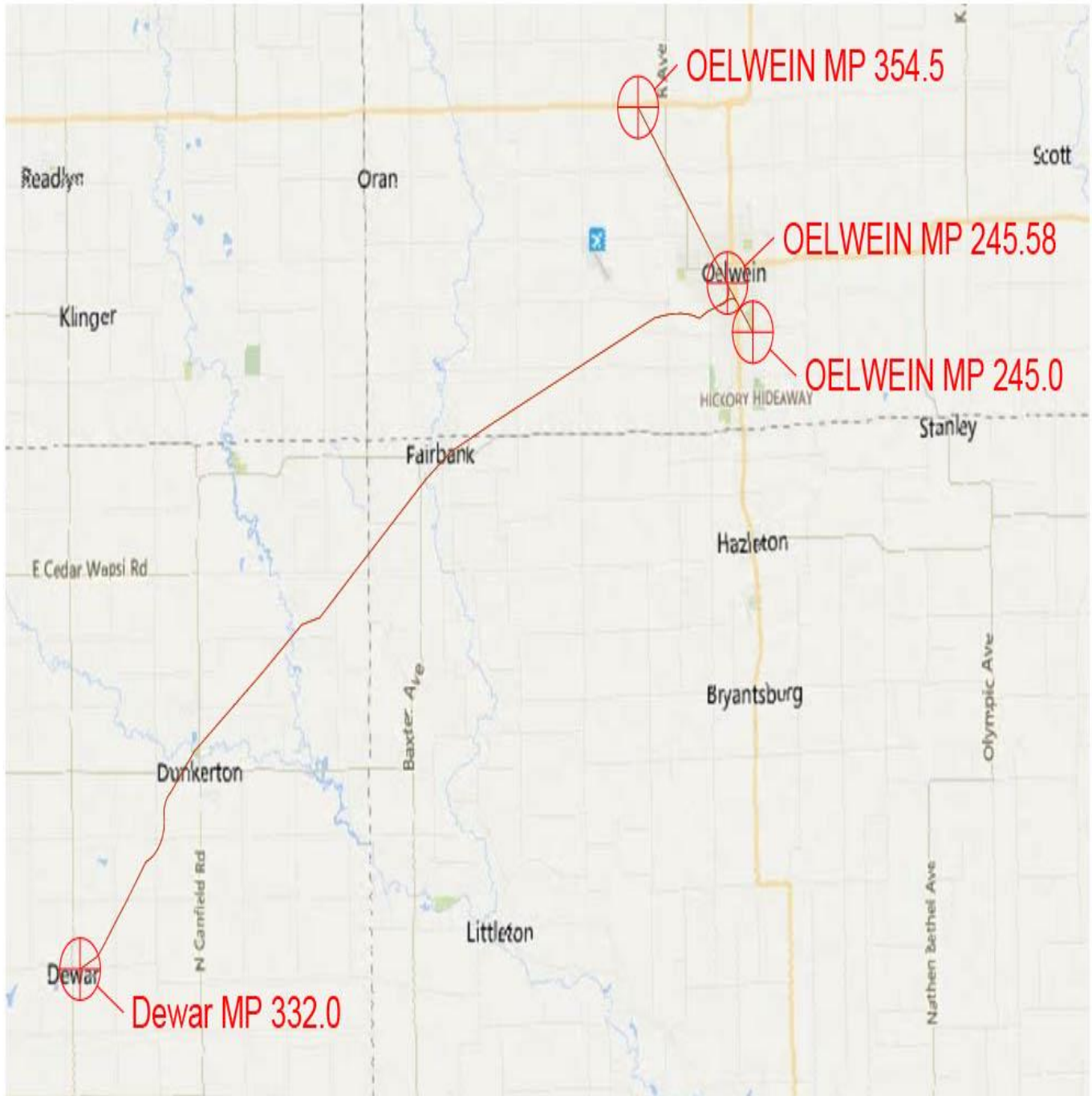


EXHIBIT B - CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

Finance Docket No. 36404

IOWA NORTHERN RAILWAY COMPANY - ACQUISITION EXEMPTION – FROM D&W RAILROAD, LLC

Iowa Northern Railway Company, a Class III common carrier by rail, has filed a Notice of Exemption to purchase and acquire from D&W Railroad, LLC approximately 23.40 miles of rail lines (including the real property, right of way and/or easement rights underlying such rail lines) more specifically described as follows:

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The transaction is scheduled to take place on or after June 15, 2020.

Comments must be filed with the Surface Transportation Board, 395 E Street SW, Room 1034, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Petitioner’s representative, T. Scott Bannister, Esq., Iowa Northern Railway Company, 201 Tower Park Drive, Suite 300, Waterloo, IA 50701 and at sbannister@iowanorthern.com.

This Notice is filed under 49 CFR Section 1150.41. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

By the Board, Cynthia T. Brown, Chief, Section of Administration, Office of Proceedings.