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SERVICE DATE DECEMBER 11, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34959]

Iowa Interstate Railroad, Ltd.–Trackage Rights Exemption–BNSF Railway Company

Pursuant to a trackage rights agreement dated November 13, 2006, between Iowa Interstate Railroad, Ltd. (IAIS) and BNSF Railway Company (BNSF), IAIS has agreed to grant BNSF overhead trackage rights on IAIS's main line between milepost 170.2, at Colona, IL, and milepost 175.4, at East Moline, IL, a distance of 5.2 miles, and over various meeting or passing tracks connecting with IAIS's main line, as IAIS may designate (the Joint Trackage).

The transaction is scheduled to be consummated on or after December 22, 2006.

The purpose of the trackage rights is to allow BNSF use of the Joint Trackage only for overhead freight operations, involving trains, locomotives, cars and equipment operated by BNSF. Under the agreement, BNSF shall not perform any local freight service at or to any point or station located on the Joint Trackage (except for interchange with IAIS at Silvis, IL, which is covered by separate agreement). The overhead trackage rights will terminate on December 31, 2025, but the agreement will remain in effect until cancelled by either party upon 60 days' written notice.¹

¹ The trackage rights agreement provides for an initial term of 19 years. The parties must seek appropriate Board authority for the trackage rights to expire at the end of the period covered by the agreement.

As a condition to this exemption, any employee affected by the trackage rights will be protected by the conditions imposed in Norfolk and Western Ry. Co.—Trackage Rights—BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc.—Lease and Operate, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If it contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34959, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Jake P. DeBoever, BNSF Railway Company, 2500 Lou Menk Drive, 3rd Floor, Fort Worth, TX 76131-2828.

Board decisions and notices are available on our website at
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Decided: December 4, 2006

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary