

229505



Karl Morell
Of Counsel
kmorell@balljanik.com



655 Fifteenth Street, NW, Suite 225
Washington, DC 20005
balljanik.com
t 202.638.3307
f 202.783.6947

May 12, 2011

BY HAND DELIVERY

ENTERED
Office of Proceedings

MAY 12 2011

Part of
Public Record

Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, DC 20423

Re: STB Finance Docket No. 35503, BNSF Railway Company – Trackage Rights
Exemption – Yellowstone Valley Railroad, Inc.

Dear Ms. Brown:

Attached for filing with the Board please find the original and ten copies of the
Verified Notice of Exemption pursuant to the provisions of 49 C.F.R. §
1180.2(d)(7). Enclosed is a check in the amount of \$1,200 to cover the filing
fee.

Also attached is a Disc containing the Notice of Exemption and Summary.

Please time and date stamp the extra copy of the Notice and return it with our
messenger.

Respectfully submitted,

Karl Morell
Of Counsel

KM:KM

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MAY 12 2011
SURFACE
TRANSPORTATION BOARD

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SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35503

BNSF RAILWAY COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
YELLOWSTONE VALLEY RAILROAD, INC.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(7)



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SURFACE
TRANSPORTATION BOARD

Courtney Biery Estes
General Attorney
BNSF Railway Company
2500 Lou Menk Drive, AOB-3
Fort Worth, TX 76131

Karl Morell
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, D.C. 20005
(202) 638-3307

Attorneys for:
BNSF Railway Company

Dated: May 12, 2011

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35503

BNSF RAILWAY COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
YELLOWSTONE VALLEY RAILROAD, INC.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(7)

BNSF Railway Company ("BNSF"), submits this Notice of Exemption pursuant to the class exemption at 49 C.F.R. § 1180.2(d)(7), for trackage rights over a rail line owned by BNSF and leased by Yellowstone Valley Railroad, Inc ("YVRR").

Under 49 C.F.R. § 1180.2(d)(7), the acquisition, renewal or modification of trackage rights by a rail carrier over the lines owned or operated by any other rail carrier or carriers is exempt if the rights are (i) based on a written agreement, and (ii) not filed or sought in a responsive application in rail consolidation proceedings. The parties are currently negotiating a trackage rights agreement. A copy of the agreement will be filed with the Surface Transportation Board ("Board") within 10 days of its execution. Also, the trackage rights are not being sought in a responsive application in a rail consolidation proceeding. Under these circumstances, the Section 1180.2(d)(7) class exemption is applicable.

Pursuant to the Board's regulations at 49 C.F.R. § 1180.4(g), BNSF submits the following information:

Section 1180.6 Supporting Information

(a)(1)(i) Description of Proposed Transaction

The agreement between BNSF and YVRR grants BNSF restricted local as well as overhead trackage rights over the rail line located between Milepost 78.6, near Snowden, MT, and Milepost 43.0, at Crane, MT, a distance of 35.6 miles (the "Line"). The use of the trackage rights line by BNSF is restricted to movements of BNSF unit trains originating or terminating on the Line and overhead trackage rights.

Name and address of tenant railroad:

BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, Texas 76131

Questions regarding this transaction are to be addressed to BNSF's counsel:

Karl Morell
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005
(202) 638-3307

(a)(1)(ii) Consummation Date

The trackage rights will be consummated on or shortly after the effective date of this Notice of Exemption.

(a)(1)(iii) Purpose Sought to be Accomplished

The trackage rights are intended to permit BNSF to move unit trains originating or terminating on the Line and to perform overhead movements over the Line. YVRR will continue to serve customers along the Line. This proceeding is related to STB Docket No. AB-991X, *Yellowstone Valley Railroad, Inc. – Discontinuance Exemption – In Richland and Dawson*

Counties, MT, wherein YVRR is seeking to discontinue its lease operations over the BNSF-owned rail line located between Milepost 43.0, at Crane, MT and Milepost 6.0, near Glendive, MT.

(a)(5) List of States in which the Party's Property is Situated

The involved trackage rights are located in the States of Montana and North Dakota.

(a)(6) Map

A map illustrating the trackage rights is attached as Exhibit A.

(a)(7)(ii) Agreement

A copy of the agreement will be filed with the Board within 10 days of its execution.

Labor Protection

BNSF is agreeable to the labor protection conditions generally imposed in trackage rights proceedings as found in *Norfolk and Western Ry. Co. – Trackage Rights – BN*, 354 I.C.C. 605 (1978), as modified by *Mendocino Coast Ry., Inc. – Lease and Operate*, 360 I.C.C. 653 (1980).

Environmental and Historic Matters

Environmental and historical impacts associated with trackage rights transactions generally are considered to be insignificant. Therefore, an environmental and historical report and documentation normally need not be submitted for this type of transaction, pursuant to 49 C.F.R. §§ 1105.6(c)(4) and 1105.8(b)(3).

Respectfully submitted,



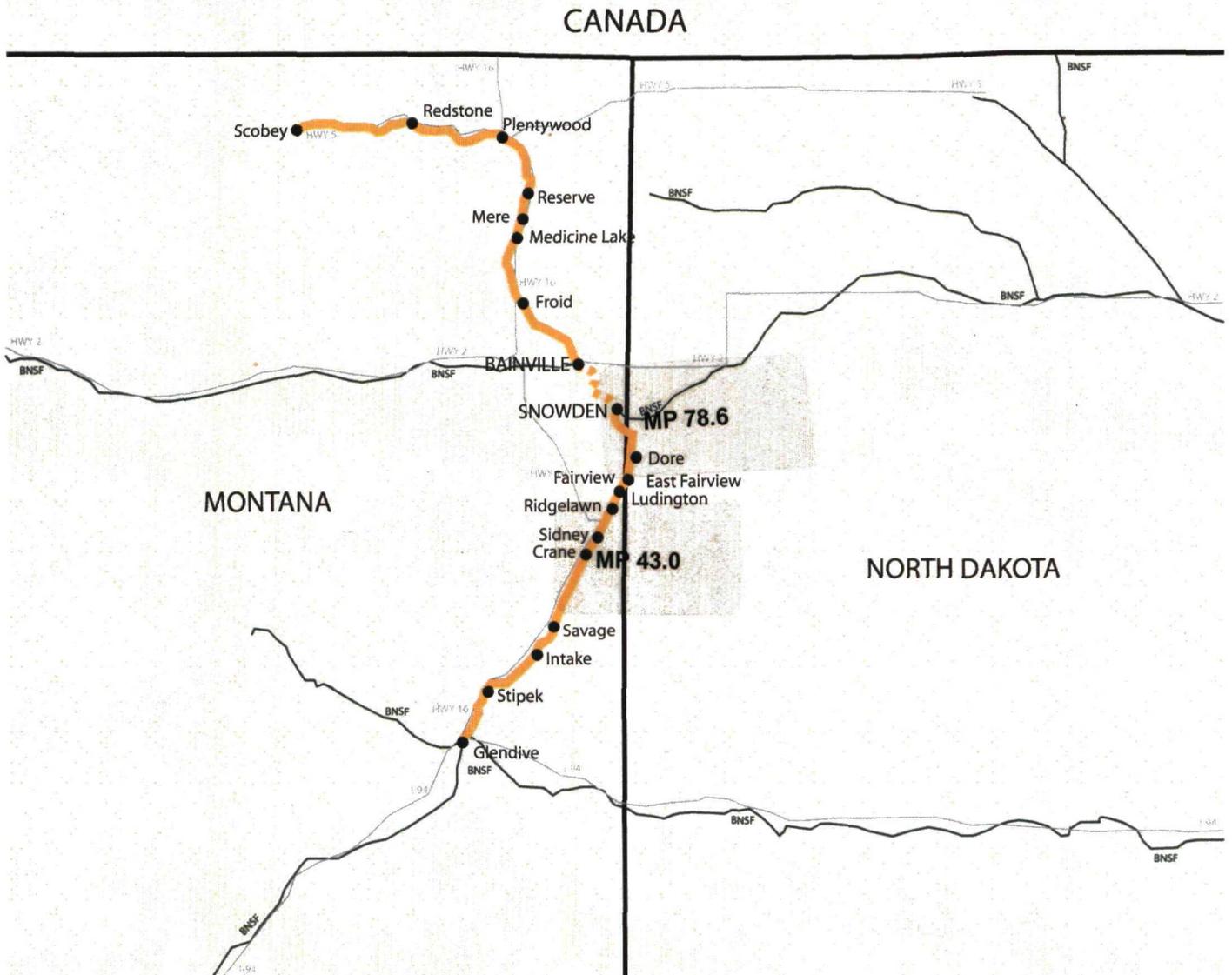
Courtney Biery Estes
General Attorney
BNSF Railway Company
2500 Lou Menk Drive, AOB-3
Fort Worth, TX 78131

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Attorneys for:
BNSF Railway Company

Dated: May 12, 2011

EXHIBIT A



LEGEND:

- Yellowstone Valley RR (YSVR) 
- Yellowstone Valley Trackage Rights 
- Interchanges - Track miles 172**
- BNSF - Snowden, Bainville

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 35503

**BNSF RAILWAY COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
YELLOWSTONE VALLEY RAILROAD, INC.**

Yellowstone Valley Railroad, Inc. ("YVRR") has agreed to grant restricted trackage rights to BNSF Railway Company ("BNSF"), over the rail line owned by BNSF and leased by YVRR located between Milepost 78.6, near Snowden, MT, and Milepost 43.0, at Crane, MT, a distance of 35.6 miles. The use of the trackage rights line by BNSF is restricted to movements of unit trains originating or terminating on the line and overhead movements.

The trackage rights will be consummated on or after June ___, 2011.

This notice is filed under 49 C.F.R. § 1180.2(d)(7). 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 stay the transaction.

Dated:

By the Board,

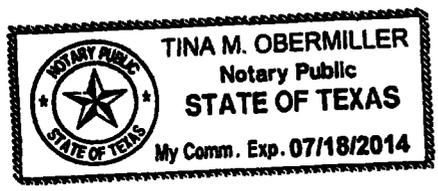
VERIFICATION

STATE OF TEXAS)
)
COUNTY OF TARRANT) ss.

I, Christopher M. Randall, being duly sworn depose and state that I am Director of Shortline Development of BNSF Railway Company, that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.

Christopher M. Randall
Christopher M. Randall

SUBSCRIBED AND SWORN TO before me this 11 day of May, 2011, in the County of Tarrant, State of Texas.



Tina M. Obermiller
Notary Public