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SERVICE DATE - MAY 12, 2005

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34693]

Kaw River Railroad, Inc.—Lease and Operation Exemption—BNSF Railway Company

Kaw River Railroad, Inc. (KRR), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to lease and operate approximately 15.69 miles of rail lines owned by BNSF Railway Company (BNSF) located: (1) between milepost 215.55 near Birmingham, MO, and milepost 199.86 at Kearney, MO; and (2) in BNSF's Birmingham Yard, including Track Numbers 1501, 1502, 1503, 1504, 1547, 1555, 1550, 9956, 1560, and 9955 and the ladder track located between Track Numbers 1504 and 1599. In conjunction with the lease of these lines, KRR will acquire incidental overhead trackage rights: (1) over the portion of Track Number 1599 in BNSF's Birmingham Yard located between milepost 216.76 and milepost 216.18 on BNSF's Kearney Subdivision; and (2) between milepost 216.18 and milepost 215.55 near Birmingham.

KRR certifies that its projected revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier, and that its annual revenues will not exceed \$5 million.

The transaction was expected to be consummated on or shortly after April 21, 2005.

If the notice 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. 34693, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Kark Morell, Suite 225, 1455 F Street, N.W., Washington, DC 20005.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: May 4, 2005.

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

Vernon A. Williams

Secretary