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Service Date- December 24, 1996

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STE Finance Docket No. 333141

Nebraska, Kansas & Colorado Railnet, Inc.--Acquisition and

Operation Exemption--Lines of the Burlington Northern

Railroad Company

Nebraska, Kansas & Colorado Railnet, Inc. (NKCR), a noncarrier newly-created to become a Class III railroad, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire and operate five rail lines which are currently owned and operated by the Burlington Northern Railroad Company (BN) as follows: (1) between Flynn, NE (milepost 3.3), and Almena Junction, KS (milepost 29.6), a distance of approximately 26.3 miles; (2) between Oronoque Junction, KS (milepost 47.3), and Oberlin, KS (milepost 78.0), a distance of approximately 30.7 miles; (3) between west of Orleans Junction, NE (milepost 0.2), and St. Francis, KS (milepost 133.9); a distance of approximately 133.7 miles; (4) between Holdrege, NE (milepost 0.8), and east of Sterling, CO (milepost 225.9)<sup>1</sup> a distance of approximately 225.1 miles;

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<sup>1</sup>BN will retain overhead trackage rights to provide rail freight service between milepost 225.9, east of Sterling, CO, and a connection with the current or any future industry track at or near Wallace, NE, at or about milepost 114.0, for the sole purpose of serving the Gentleman Power Plant, or any successor.

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and (5) Norton, KS area trackage between milepost 315.1 and milepost 319.2, a distance of approximately 4.1 miles .In addition, to the above-described line acquisitions, NKCR will also acquire, by assignment from BN, certain overhead trackage rights currently exercised by BN between Almena Junction, KS (milepost 29.6), and Oronoque Junction, KS (milepost 47-3), a distance of approximately 17.7 miles. The overhead trackage rights run over a line of railroad owned by the Kyle Railroad and currently dispatched by BN. The trackage rights effectively link the lines to be acquired by NKCR between Flynn, NE, and Almena Junction, KS, and between Oronoque Junction, KS, and Oberlin, KS. The trackage rights will also enable NKCR to access and serve customers located on the Norton, KS area trackage.The subject trackage, including the overhead trackage rights, is approximately 437.6 route miles in length <sup>2</sup> The transaction was expected to be consummated on or about December 16, 1996.If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to reopen the proceeding to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a

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<sup>2</sup>NKCR will serve as the operator of the lines, except that BN shall have the right to operate over the retained BN overhead trackage rights.

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petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to S.B. Finance Docket No. 33314, must be filed with the Surface Transportation Board, office of the Secretary, Case Control Branch, 1201 Constitution Avenue, NW, Washington, DC 20423. In addition, a copy of each pleading must be served on Robert A. Wimbish, Esq., Rea, Cross & Auchincloss, Suite 420, 1920 N Street, NW, Washington, DC 20036.

Decided: December 17, 1996.

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

Vernon A. Williams

Secretary