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SERVICE DATE - DECEMBER 17, 1998

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33672]

Central Kansas Railway, L.L.C.--Lease Exemption--Union Pacific Railroad Company

Central Kansas Railway, L.L.C. (CKR), a Class III rail common carrier, has filed a notice of exemption under 49 CFR 1150.41 to lease from Union Pacific Railroad Company (UP) and operate over the rail freight easement pursuant to an agreement between CKR and UP of approximately .73-miles of rail line between milepost 312.65 and milepost 313.38 in Wichita, KS.

Because its annual revenues exceed \$5 million, pursuant to 49 CFR 1150.42(e), CKR certified on October 1, 1998, that it had served the national offices of all labor unions with employees on the affected line with a copy of a notice of its intent to undertake this transaction and posted such notice at the workplace of the employees on the line on September 30, 1998.

The transaction was scheduled to be consummated on or shortly after November 30, 1998 (60 days after CKR's certification to the Board, that it had complied with the Board's rule at 49 CFR 1150.42(e)). Upon consummation, CKR will become the exclusive operator of the rail line.

The proposed transaction is part of the overall settlement between UP and the City of Wichita.¹

Pursuant to the settlement agreement, UP will relocate its tracks through the center of Wichita and CKR will rehabilitate its line that connects with the .73-mile line that is the subject of this notice. With UP's track relocation, UP will no longer be able to serve the one shipper located on the .73-mile line. Therefore, CKR has agreed to serve that shipper pursuant to the rail freight easement until that shipper relocates its facilities.

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. 33672, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Karl Morell, Ball Janik LLP, 1445 F Street, N.W., Suite 225, Washington, DC 20005.

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

¹ See Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company--Control and Merger--Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company, Finance Docket No. 32760 [Decision No. 80] (STB served July 8, 1998).

STB Finance Docket No. 33672

Decided: December 9, 1998.

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

Vernon A. Williams

Secretary