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SERVICE DATE - OCTOBER 1, 2002

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34232]

Kansas & Oklahoma Railroad, Inc.–Lease Exemption–Union Pacific Railroad Company

Kansas & Oklahoma Railroad, Inc. (K&O), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to lease from Union Pacific Railroad Company 27 miles of rail line located between milepost 485.0, at Newton, KS, and milepost 512.0, at McPherson, KS. K&O will be the operator of the line.

Because K&O's projected annual revenues will exceed \$5 million, K&O certified to the Board on July 11, 2002, that it had sent the required notice of the transaction to the national offices of all labor unions representing employees on the line on July 10, 2002, and that it had posted a copy of the notice at the workplace of employees on the affected lines on June 28, 2002. See 49 CFR 1150.42(e).

The transaction was scheduled to be consummated on or shortly after September 17, 2002 (7 days after the notice of exemption was filed and more than 60 days after K&O's certification to the Board that it had complied with the Board's rule at 49 CFR 1150.42(e)).

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 petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34232, 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 Karl Morell, Ball Janik LLP, 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: September 23, 2002.

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

Vernon A. Williams

Secretary