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SERVICE DATE - MARCH 19, 2004

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34474]

Great Northwest Railroad, Inc.–Acquisition and Operation Exemption–Camas Prairie RailNet, Inc.

Great Northwest Railroad, Inc. (GNR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire from Camas Prairie RailNet, Inc. (CPR) and operate approximately 179 miles of rail line. The lines are located in the States of Idaho and Washington as follows: (1) the 1st Subdivision, extending from milepost 137.5 at Lewiston, ID, to milepost 61.0 at or near Kooskia, ID; (2) the portion of the 2nd Subdivision, extending from milepost 0.0 at Spalding, ID, to milepost 1.0 near Spalding;¹ (3) the 3rd Subdivision, extending from milepost 0.0 at Riparia, WA, to milepost 71.5² at

¹ In Camas Prairie RailNet, Inc.–Abandonment–In Lewis, Nez Perce, and Idaho Counties, ID (Between Spalding and Grangeville, ID), STB Docket No. AB-564 (STB served Sept. 13, 2000), CPR was authorized to abandon a line of railroad known as the Grangeville Line, or Second Subdivision, extending from milepost 0.00 near Spalding to milepost 66.8 (end of track) near Grangeville. By letter dated September 5, 2003, the Board was notified that, on December 18, 2002, applicant transferred ownership of the subject track and right-of-way to BG & CM Railroad, Inc. (BG & CM). By letter filed in this docket on March 5, 2004, CPR informed the Board that BG & CM did not acquire the entire right-of-way, only the trackage and right-of-way beyond milepost 1.0, and that CPR retained ownership of the segment between mileposts 0.0 and 1.0, which it subsequently sold along with its other rail assets to GNR.

² GNR states that milepost 71.5 of the 3rd Subdivision is at the same physical location as milepost 137.5 of the 1st Subdivision. These mileposts are incongruent

(continued...)

Lewiston; and (4) the 4th Subdivision, extending from milepost 0.0 at Orofino, ID, to approximately milepost 31.0 (end of track), near Jaype, ID.³

GNR will also acquire by assignment from CPR incidental overhead trackage rights over a 15.1-mile rail line owned by the Union Pacific Railroad Company (UP) located between milepost 10.46 at Riparia and approximately milepost 267.1 at Ayer, WA, for the purpose of interchanging traffic with UP and The Burlington Northern and Santa Fe Railway Company.

This transaction is related to STB Finance Docket No. 34475, Watco Companies, Inc.—Continuance in Control Exemption—Great Northwest Railroad, Inc., wherein Watco Companies, Inc., seeks to continue in control of GNR upon GNR's becoming a Class III rail carrier.

GNR certifies that its projected revenues as a result of this transaction will not result in the creation of a Class II or a Class I rail carrier. The transaction was scheduled to be consummated on or shortly after February 27, 2004, the effective date of the exemption.

²(...continued)
because the Subdivisions were originally owned by different railroads.

³ GNR states that no traffic has moved over the 4th Subdivision for over 2 years and that a majority of the line is out of service. It adds that it is currently working with potential customers on the line to see if an adequate volume of rail traffic can be developed to justify the cost of operating the line.

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. 34474, 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, 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: March 10, 2004.

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

Vernon A. Williams

Secretary