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SERVICE DATE – NOVEMBER 2, 2007

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35085]

Kansas City Transportation Company LLC–Lease and Operation Exemption–Kansas  
City Terminal Railway Company

Kansas City Transportation Company LLC (KCTL), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to lease from Kansas City Terminal Railway Company (KCT) and operate approximately 5.5 miles of rail line from milepost 5.78 near Sheffield Junction to the end of the line at milepost 11.23 near Blue Valley, in Jackson County, MO.

This transaction is related to the concurrently filed notice of exemption in STB Finance Docket No. 35084, Kansas City Terminal Railway Company–Acquisition Exemption–BNSF Railway Company, wherein KCT, the owner of KCTL, seeks to acquire by purchase from BNSF Railway Company the 5.5 miles of rail line described above.

Based on projected revenues for the line, KCTL expects to remain a Class III rail carrier after consummation of the proposed transaction. KCTL certifies that its projected annual revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier. Because the projected annual revenues of the line, together with KCTL's projected annual revenue, will exceed \$5 million, KCTL certified, on

September 21, 2007, that it had served the required notice of the transaction on the national offices of the labor unions for those employees affected on the lines and posted such notice at the workplace of the employees on the affected lines on September 20, 2007.

KCTL states that it intends to consummate the transaction on November 20, 2007. The earliest this transaction may be consummated is November 20, 2007, (the effective date of the exemption (60 days after KCTL certified its compliance with the labor notice requirements of 49 CFR 1150.42(e)).

KCTL also states that, upon authorization of this transaction, it plans to enter into a service agreement with Kaw River Railroad, Inc. (Kaw River), under which Kaw River would provide certain railroad operating services on this 5.5-mile line. KCTL states that Kaw River is not seeking separate authority to operate as a common carrier over the line. In publishing this notice, the Board takes no position on whether Kaw River would need to obtain Board authority to provide services pursuant to this agreement with KCTL. Given the Board's conclusions in Kansas City Transportation Company LLC—Lease and Assignment of Lease Exemption—Kansas City Terminal Railway Company and Kaw River Railroad, Inc., STB Finance Docket No. 34830 (STB served May 23, 2007), and KCTL's recognition of those conclusions in this proceeding, Kaw River should file a notice of exemption to operate pursuant to the agreement and simultaneously file a motion to dismiss if it believes that authority is not needed.

If the verified 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. Petitions for stay must be filed no later than November 13, 2007 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35085, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Michael J. Barron, Jr., Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

Board decisions and notices are available on our website at  
“[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: October 30, 2007.

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

Vernon A. Williams

Secretary