

34757

SERVICE DATE - JUNE 24, 2004

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34509]<sup>1</sup>

Kaw River Railroad, Inc.—Acquisition and Operation Exemption—The Kansas City  
Southern Railway Company

Kaw River Railroad, Inc. (KRR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire by: (1) lease from The Kansas City Southern Railway Company (KCS) and operate approximately 7.5 miles of rail lines in Kansas City, KS; (2) sublease from KCS and operate approximately 4.5 miles of rail lines in Kansas City, KS, and Kansas City, MO, that are owned by Kansas City Terminal Railway Company (KCT); and (3) assignment from KCS operating authority over approximately 6.2 miles of KCT rail lines in order to access the leased KCS and KCT trackage.

The lines KRR seeks to acquire by lease are: (1) between the facilities of Inland Container located on Kansas Avenue and the facilities of Constar Plastics, Inc., located on Armourdale Parkway, in Kansas City, KS; (2) between the facilities of Lite-Weight

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<sup>1</sup> On May 27, 2004, the Brotherhood of Locomotive Engineers & Trainmen, a Division of the Rail Conference, International Brotherhood of Teamsters (BLET), filed a petition for stay of the transaction. The stay request was denied by decision served on May 28, 2004. On June 10, 2004, KRR filed a motion for protective order, which was granted by decision served June 18, 2004. On June 4 and 14, 2004, respectively, BLET and the United Transportation Union filed petitions to revoke the exemption. The revocation requests will be addressed in a separate Board decision.

Products, Inc. located on Kansas Avenue, and the facilities of Ace Pallet, located on Argentine Boulevard, in Kansas City, KS; (3) KCS's 12th Street Yard located south of 12th Street in Kansas City, MO; and (4) KCS's Armourdale Yard, located near the facilities of Kaw River Shredding on South 12th Street, in Kansas City, KS.

The KCT-owned lines KRR seeks to acquire by sublease are: (1) between the facilities of Kansas City Star, located on Grand Boulevard, and a point near Pennsylvania Avenue in Kansas City, MO; (2) between the facilities of Proctor and Gamble Mfg., Co., located on Kansas Avenue, and Osage Avenue, near the facilities of Constar Plastics, Inc., in Kansas City, KS; and (3) KCT's Mill Street Yard, located between Mill Street and South 12th Street, in Kansas City, KS.

The KCT-owned main lines over which KRR seeks to acquire the assignment of operating authority are as follows: (1) between milepost 4.0, near Grand Avenue, and KCS's 12th Street Yard, located south of 12th Street, in Kansas City, MO; (2) between a point near the Kansas-Missouri State line and the facilities of Thomas & Associates Wholesale Lumber on Shawnee Avenue in Kansas City, KS; and (3) between Osage Avenue, near the facilities of Constar Plastics, Inc., and the facilities of Thomas & Associates Wholesale Lumber.<sup>2</sup>

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<sup>2</sup> KRR states that there are no milepost designations associated with the rail lines it seeks to lease and sublease. As to the rail lines over which it seeks operating authority, there is one milepost designation (milepost 4.0 near Grand Avenue and KCS's 12th Street Yard). Other than the specified milepost, there are no milepost designations

(continued...)

This transaction is related to STB Finance Docket No. 34510, Watco Companies, Inc.–Continuance in Control Exemption–Kaw River Railroad, Inc., wherein Watco Companies, Inc., seeks to continue in control of KRR upon KRR's becoming a Class III rail carrier.

KRR certifies that its projected revenues as a result of this transaction will not result in KRR becoming a Class II or Class I rail carrier, and further certifies that its projected annual revenues will not exceed \$5 million.

KRR indicates that it expected to consummate the transaction on or shortly after June 1, 2004.

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. 34509, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Karl Morell, Suite 225, 1455 F St., N.W., Washington, DC 20005.

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

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<sup>2</sup>(...continued)  
associated with the rail lines over which it seeks operating authority.

Decided: June 18, 2004.

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

Vernon A. Williams

Secretary