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SERVICE DATE – DECEMBER 28, 2004

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34616]

Kettle Falls International Railway, LLC–Acquisition Exemption–The Burlington Northern and Santa Fe Railway Company

Kettle Falls International Railway, LLC (KFR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire by purchase and lease from The Burlington Northern and Santa Fe Railway Company (BNSF) rail lines in the State of Washington. The rail lines being purchased are between: (1) milepost 4.7, near West Kettle Falls, WA, and milepost 34.375, at the United States-Canadian border; and (2) milepost 48.79, at the United States-Canadian border, and milepost 77.14, at San Poil, WA.¹ The rail lines being leased are between: (1) milepost 0.0, near Kettle Falls, and milepost 4.7, near West Kettle Falls; and (2) milepost 61.0 near Chewelah, WA, and milepost 139.71, at the United States-Canadian border.² In addition, KFR will acquire incidental overhead trackage rights over the rail line

¹ The rail line that KFR is purchasing is located between milepost 4.7, near West Kettle Falls, and milepost 77.14, at San Poil. While the termini of this line are located in the State of Washington, the segment of the line between milepost 34.375 and milepost 48.79 is located in British Columbia, Canada. Consequently, the Board has jurisdiction only over the acquisition of the two segments in the United States described above.

² The rail segment that KFR is leasing is located between milepost 61.0, near
(continued...)

between milepost 0.0 near Kettle Falls, and milepost 4.7, near West Kettle Falls. While KFR is leasing that 4.7-mile line, KFR is acquiring the incidental trackage rights to ensure continued access to BNSF for interchange at Kettle Falls from the rail line KFR is purchasing in the event the lease of the line between Kettle Falls and West Kettle Falls expires or is terminated.

The transaction is related to STB Finance Docket No. 34617, Patrick D. Broe and OmniTRAX, Inc.–Continuance in Control Exemption–Kettle Falls International Railway, LLC, wherein Patrick D. Broe and OmniTRAX, Inc., have concurrently filed a verified notice of exemption to continue in control of KFR upon KFR's becoming a Class III rail carrier.

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

The transaction was expected to be consummated on or shortly after December 10, 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.

²(...continued)

Chewelah, and milepost 144.0, near Columbia Gardens, British Columbia, Canada. The segment of the Chewelah-Columbia Gardens line between milepost 139.71 and milepost 144.0 is located in British Columbia. Consequently, the Board has jurisdiction only over the lease of the line segment in the United States described here. BNSF is retaining restricted trackage rights over the segment of the line KFR is leasing between milepost 61.0, near Chewelah, and milepost 96.0, near Kettle Falls.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34616, 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, Of Counsel, Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, DC 20005.

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

Decided: December 20, 2004.

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

Vernon A. Williams

Secretary