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ENTERED
 Office of Proceedings
 June 25, 2014
 Part of
 Public Record

June 24, 2014

Karl Morell
 Of Counsel
 kmorell@balljanik.com

BY HAND DELIVERY

Cynthia Brown
 Chief, Section of Administration
 Surface Transportation Board
 Office of Proceedings
 395 E Street, SW
 Washington, DC 20423



Re: Finance Docket No. 35821, Watco Holdings, Inc. –
 Continuance In Control Exemption – Blue Ridge Southern
 Railroad, L.L.C.

Dear Ms. Brown:

Attached for filing are the original and ten copies of a Verified
 Notice of Exemption under 49 C.F.R. § 1180.2(d)(2), and a check
 covering the \$1,400 filing fee.

If you have any questions, please call me.

Sincerely,

Karl Morell
 Of Counsel

Enclosures

FILED
 June 25, 2014
 SURFACE
 TRANSPORTATION BOARD

1

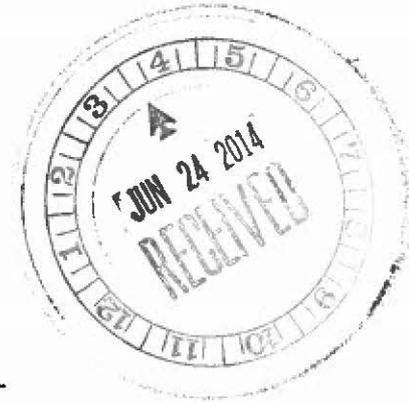
FEE RECEIVED
 June 25, 2014
 SURFACE
 TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35821

WATCO HOLDINGS, INC.
-- CONTINUANCE IN CONTROL EXEMPTION --
BLUE RIDGE SOUTHERN RAILROAD, L.L.C.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(2)



KARL MORELL
Of Counsel
BALL JANIK LLP
Suite 225
655 Fifteenth Street, N.W.
Washington, D.C. 20005
(202) 638-3307

Attorney for:
WATCO HOLDINGS, INC.

Dated: June 24, 2014

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35821

WATCO HOLDINGS, INC.
-- CONTINUANCE IN CONTROL EXEMPTION --
BLUE RIDGE SOUTHERN RAILROAD, L.L.C.

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(2)

Watco Holdings, Inc. ("Watco"), files this Notice of Exemption, pursuant to 49 C.F.R. § 1180.2(d)(2), for Watco to continue in control of Blue Ridge Southern Railroad, L.L.C. ("BLU"), a non-carrier, upon BLU becoming a Class III railroad. In support of this Notice of Exemption, Watco submits the following information as required by 49 C.F.R. § 1180.4(g):

Section 1180.6(a)

- (1) A description of the proposed transaction.
 - (i) A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of counsel to whom questions regarding the proposed transaction can be addressed.

Watco, a non-carrier, which currently controls indirectly twenty eight (28) Class III railroads and one (1) Class II railroad, collectively operating in 21 States. Watco also owns, indirectly, 100 percent of the issued and outstanding stock of BLU, a limited liability company and a non-carrier that was formed for the purpose of acquiring and operating three rail lines currently owned by Norfolk Southern Railway Company. Concurrently with the filing of this Notice of Exemption, BLU is filing a Notice of Exemption in Finance Docket No. 35820, *Blue*

Ridge Southern Railroad, L.L.C. – Acquisition Exemption – Norfolk Southern Railway Company, under 49 C.F.R. § 1150.31, to acquire and operate the three rail lines in North Carolina. Upon consummation of the transaction in Finance Docket No. 35820, BLU will become a Class III carrier.

Watco also controls, through stock ownership and management, the South Kansas and Oklahoma Railroad Inc. (“SKO”), Palouse River & Coulee City Railroad, L.L.C. (“PRCC”), the Timber Rock Railroad, L.L.C. (“TIBR”), the Stillwater Central Railroad, L.L.C. (“SLWC”), the Eastern Idaho Railroad, L.L.C. (“EIRR”), Kansas & Oklahoma Railroad, L.L.C. (“K&O”), the Pennsylvania Southwestern Railroad, L.L.C. (“PSWR”), the Great Northwest Railroad, L.L.C. (“GNR”), the Kaw River Railroad, L.L.C. (“KRR”), the Mission Mountain Railroad, L.L.C. (“MMT”), the Mississippi Southern Railroad, L.L.C. (“MSRR”), the Yellowstone Valley Railroad, L.L.C. (“YVRR”), the Louisiana Southern Railroad, L.L.C. (“LSRR”), the Arkansas Southern Railroad, L.L.C. (“ARSR”), the Alabama Southern Railroad, L.L.C. (“ABS”), the Vicksburg Southern Railroad, L.L.C. (“VSOR”), the Austin Western Railroad, L.L.C. (“AWRR”), the Baton Rouge Southern Railroad, L.L.C. (“BRSR”), the Pacific Sun Railroad, L.L.C. (“PSRR”), the Grand Elk Railroad, Inc. (“GER”), Alabama Warrior Railway, L.L.C. (“AWR”), Boise Valley Railroad, L.L.C (“BVR”); Autauga Northern Railroad, L.L.C. (“ANRR”); Swan Ranch Railroad, L.L.C. (“SRRR”); Wisconsin & Southern Railroad Company (“WSOR”); Birmingham Terminal Railway (“BRS”); the Ann Arbor Railroad (“AA”); the Pecos Valley Southern Railway (“PVS”); and San Antonio Central Railroad (“SAC”). SKO, PRCC, TIBR, SLWC, EIRR, K&O, PSWR, GNR, KRR, MMT, MSRR, YVRR, LSRR, ARSR, ABS, VSOR, AWRR, BRSR, PSRR, GER, AWR, BVR, ANRR, SRRR, BRS, AA, PVS and SAC are

Class III carriers which operate rail lines in 19 States. WSOR is a Class II carrier operating in 2 States.

The rail lines operated by SKO, PRCC, TIBR, SLWC, EIRR, K&O, PSWR, GNR, KRR, MMT, MSRR, YVRR, LSRR, ARSR, ABS, VSOR, AWRR, BRSS, PSRR, GER, AWR, BVR, ANRR, SRRR, BRS, WSOR, AA, PVS, and SAC do not connect with the rail lines that will be operated by BLU. The rail lines that will be operated by BLU are located in North Carolina. No other Watco railroad operates rail lines in North Carolina.

Also, the involved transaction is not part of a series of anticipated transactions that would connect the rail lines that will be operated by BLU with any railroad in the Watco corporate family. Finally, neither BLU nor any of the carriers controlled by Watco are Class I rail carriers. Accordingly, this transaction falls within the class of transactions described at 49 C.F.R. § 1180.2(d)(2), and exempt from prior approval by the Surface Transportation Board.

The name and business address of Applicants are as follows:

Watco Holdings, Inc.
315 W. 3rd Street
Pittsburg, KS 66762

Blue Ridge Southern Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, Kansas 66762

Austin Western Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, Kansas 66762

Vicksburg Southern Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, Kansas 66762

Alabama Southern Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Arkansas Southern Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, Kansas 66762

Louisiana Southern Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Yellowstone Valley Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Mississippi Southern Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Mission Mountain Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

South Kansas and Oklahoma Railroad, Inc.
123 N. Depot
Cherryvale, KS 67335

Palouse River & Coulee City Railroad, L.L.C.
325 Mill Road
Lewiston, ID 83501

Timber Rock Railroad, L.L.C.
505 West Avenue F
Silsbee, TX 77656

Stillwater Central Railroad, L.L.C.
123 N. Depot
Cherryvale, KS 67335

Eastern Idaho Railroad, L.L.C.
618 Shoshone St. West
Twin Falls, ID 83301

Kansas & Oklahoma Railroad, L.L.C.
1825 W. Harry
Wichita, KS 67213

Pennsylvania Southwestern Railroad, L.L.C.
10th Street and Midland Avenue
Midland, PA 15059

Great Northwest Railroad, L.L.C.
325 Mill Road
Lewiston, ID 83501

Kaw River Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Baton Rouge Southern Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, Kansas 66762

Pacific Sun Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Grand Elk Railroad, Inc.
315 W. 3rd Street
Pittsburg, KS 66762

Alabama Warrior Railway, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Boise Valley Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Autauga Northern Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Birmingham Terminal Railway, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Swan Ranch Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

Wisconsin & Southern Railroad, L.L.C.
5300 North 33rd Street
Milwaukee, WI 53209-0229

Pecos Valley Permian Railroad, L.L.C. d/b/a Pecos Valley Southern Railway Company
315 W. 3rd Street
Pittsburg, KS 66762

Ann Arbor Railroad
4058 Chrysler Drive
Toledo OH 43608

San Antonio Central Railroad
907 Billy Mitchell Blvd.
San Antonio, TX 78226

Applicants' representative:

Karl Morell
Of Counsel
Ball Janik LLP
655 Fifteenth Street, N.W.
Suite 225
Washington, D.C. 20005
(202) 638-3307

(ii) The proposed time schedule for consummation of the proposed transaction.

Watco intends to consummate this transaction on or shortly after the effective date of this notice of exemption.

(iii) The purpose sought to be accomplished by the proposed transaction.

Watco intends to reduce overhead expenses, coordinate billing, maintenance, mechanical and personnel policies and practices of its rail carrier subsidiaries and thereby improve the overall efficiency of rail service provided by the railroads in the Watco corporate family.

(5) A list of the State(s) in which any part of the property of each applicant carrier is situated.

SKO's lines are located in Missouri, Kansas and Oklahoma.

EIRR's lines are located in Idaho.

PRCC's lines are located in Washington, Oregon and Idaho.

TIBR's lines are located in Texas and Louisiana.

SLWC's lines are located in Oklahoma.

K&O's lines are located in Kansas and Colorado.

PSWR's line is located in Pennsylvania.

GNR's lines are located in Idaho and Washington.

KRR's lines are located in Kansas and Missouri.

MMT's lines are located in Montana.

MSRR's line is located in Mississippi.

YVRR's lines are located in Montana and North Dakota.

LSRR's lines are located in Louisiana.

ARSR's lines are located in Arkansas and Oklahoma

ABS's lines are located in Mississippi and Alabama.

VSOR's lines are located in Mississippi.

AWRR's lines are located in Texas.

BRSR's lines are located in Louisiana.

PSRR's lines are located in California.

GER's lines are located in Indiana and Michigan.

AWR's lines are located in Alabama.

BVR's lines are located in Idaho.

ANRR's lines are located in Alabama.

SRRR's lines are located in Wyoming.

WSOR's rail lines are located in Wisconsin and Illinois.

BHRR's lines are located in Alabama.

SAC's rail lines are located in Texas.

PVS's rail line is located in Texas.

AA's rail lines are located in Michigan and Ohio.

BLU's rail lines will be located in North Carolina.

(6) Map.

Maps illustrating the rail lines of SKO, PRCC, TIBR, SLWC, EIRR, K&O, PSWR, GNR, KRR, MMT, MSRR, YVRR, LSRR, ARSR, ABS, VSOR, AWRR, BRSR, PSRR, GER, AWR, BVR, ANRR, SRRR, WSOR, BHRR, SAC and PVS and the rail lines to be operated by BLU are attached as Exhibit 1.

(7)(ii) Agreement.

Watco will not enter into any agreement, or sign any written instrument, to continue in control of BLU.

SKO, PRCC, TIBR, SLWC, EIRR, K&O, PSWR, GNR, KRR, MMT, MSRR, YVRR, LSRR, ARSR, ABS, VSOR, AWRR, BRSR, PSRR, GER, AWR, BVR, ANRR, SRRR, and BHRR. SAC, PVS and AA are Class III carriers, and BLU will become Class III carriers. WSOR is a Class II carrier. Because the transaction involves the control of one or more Class III rail carriers and one Class II rail carrier, the transaction is subject to the labor protective requirements of 49 U.S.C. § 11326(b) and *Wisconsin Central LTD. – Acquisition Exem. – Union Pac. RR*, 2 S.T.B. 218 (1997).

ENVIRONMENTAL AND HISTORIC IMPACTS

Watco will continue to control BLU for the purpose of continued rail operations where further Board approval is required to abandon or discontinue any service, and there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

Watco's continuance in control of BLU will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of these lines to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the lines; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. This transaction will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, this transaction does not contemplate the transportation of any ozone depleting materials. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,

Handwritten signature of Karl Morell in cursive script.

KARL MORELL

Of Counsel

BALL JANIK LLP

655 Fifteenth Street, N.W.

Suite 225

Washington, D.C. 20005

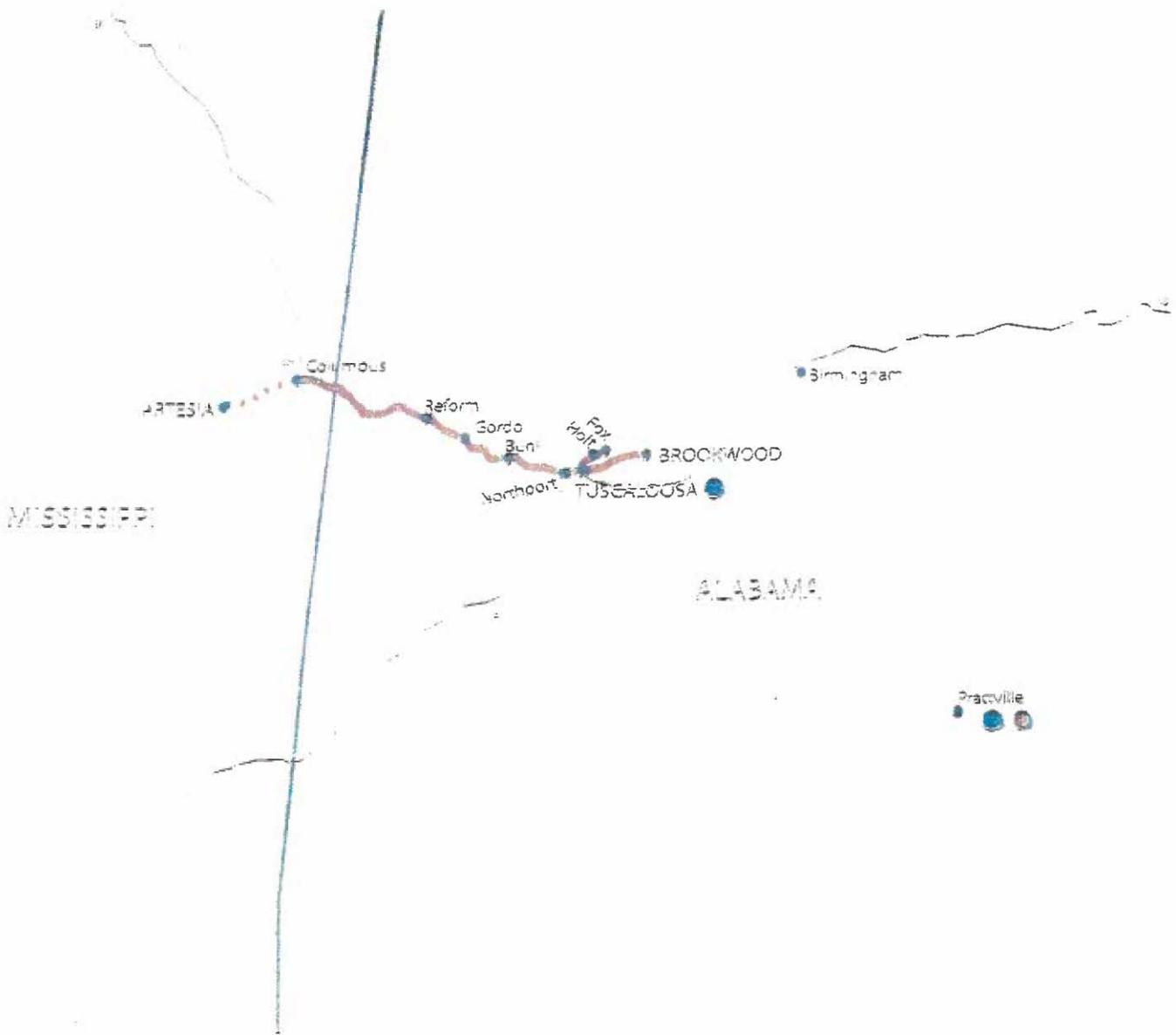
(202) 638-3307

Attorney for:

WATCO HOLDINGS, INC.

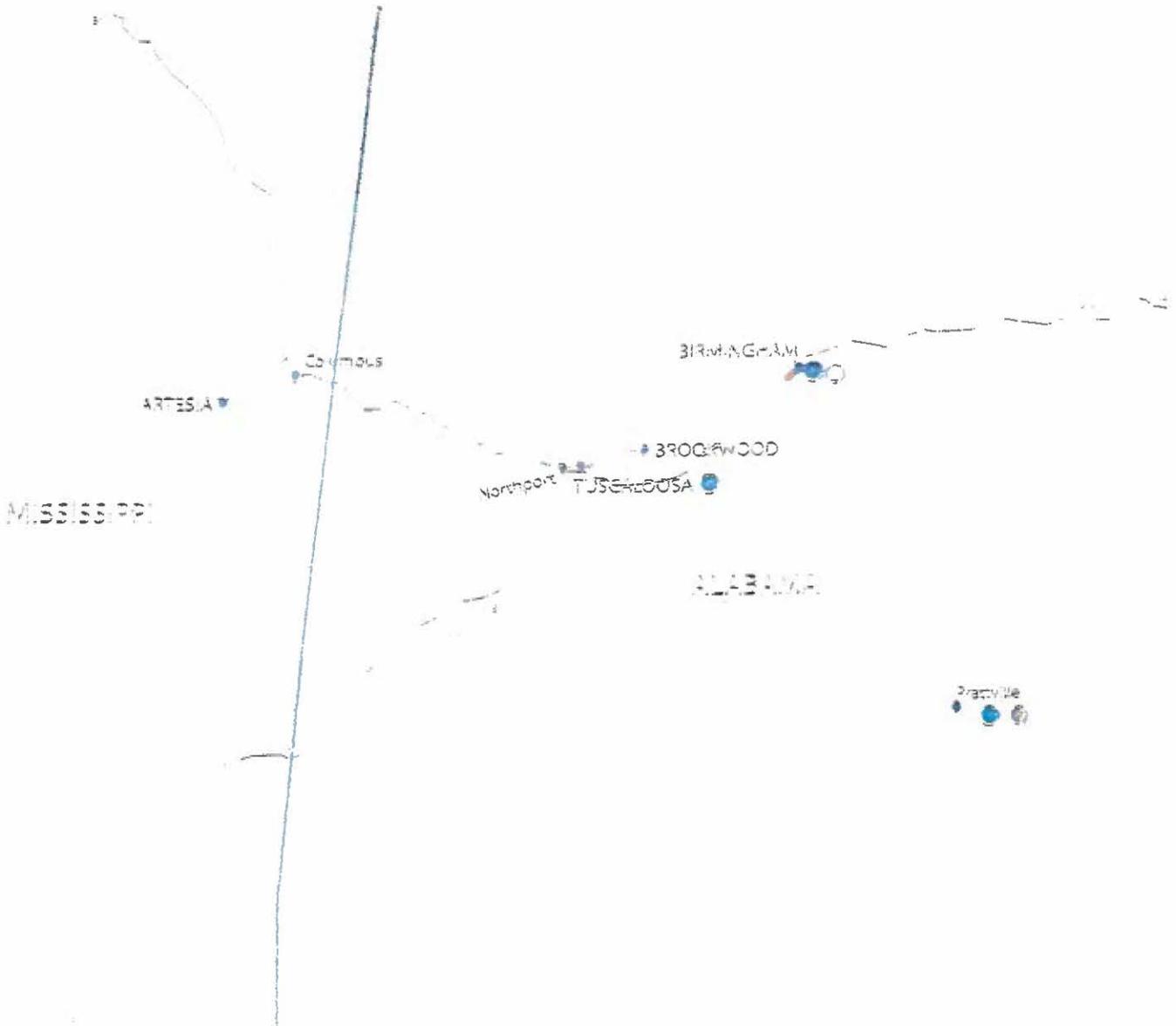
Dated: June 24, 2014

EXHIBIT 1



LEGEND:

Alabama Southern RR 485	
Alabama Southern Trackage Rights	
Interchanges - Track miles 00	
- Artesia	
- Brookwood	
- Tuscaloosa	
Mechanical Services	
Switching Services	



LEGEND:

Alabama Warrior RR Asset

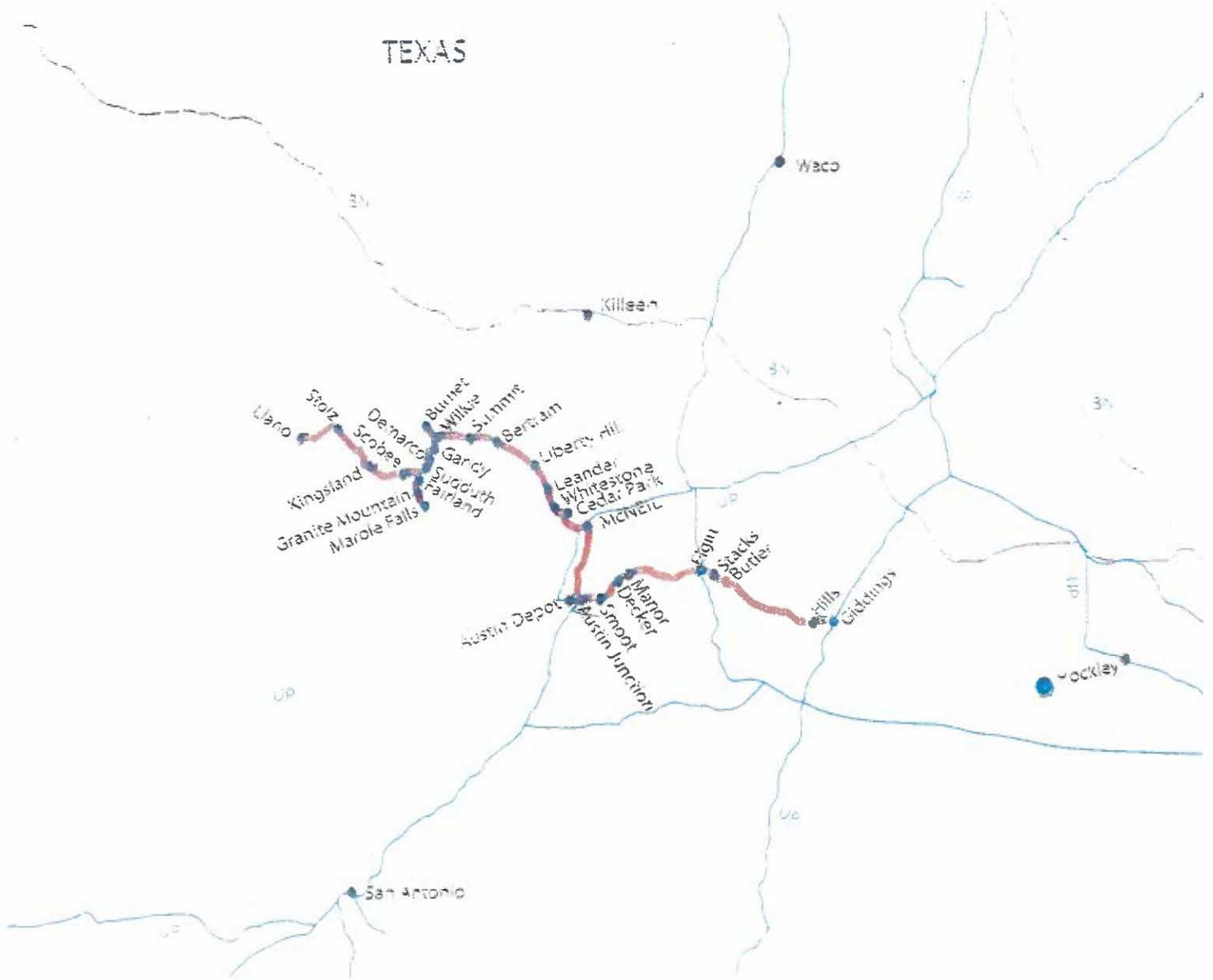
Interchanges - The symbols of
 BNSF - Birmingham
 - Birmingham
 - Birmingham

Mechanical Services
 Switching Services
 Transload Services

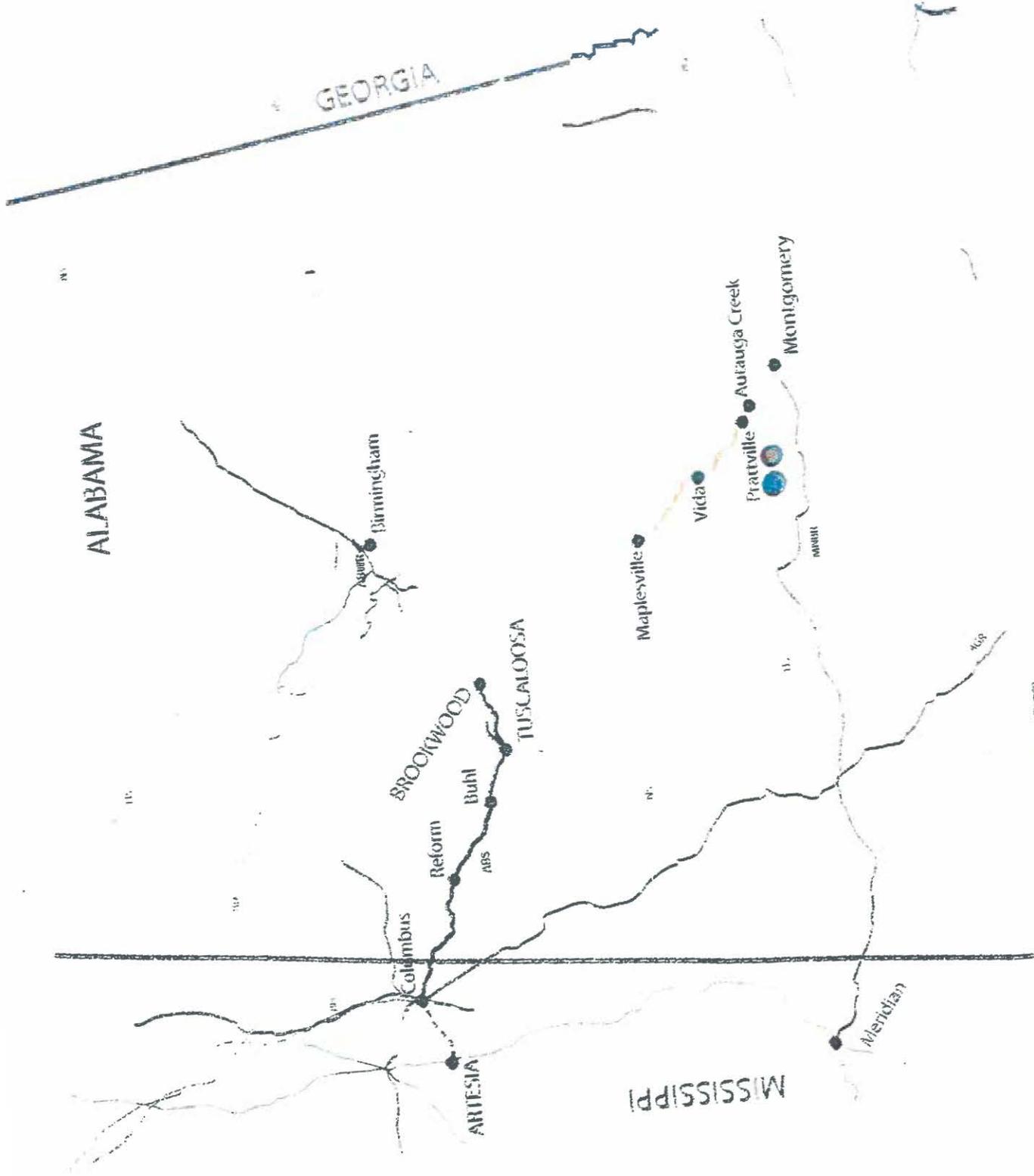


LEGEND:
 Arkansas Southern RR (ARS) 
Interchanges - Track miles 62
 - Ashdown, Heavener
 - Nashville

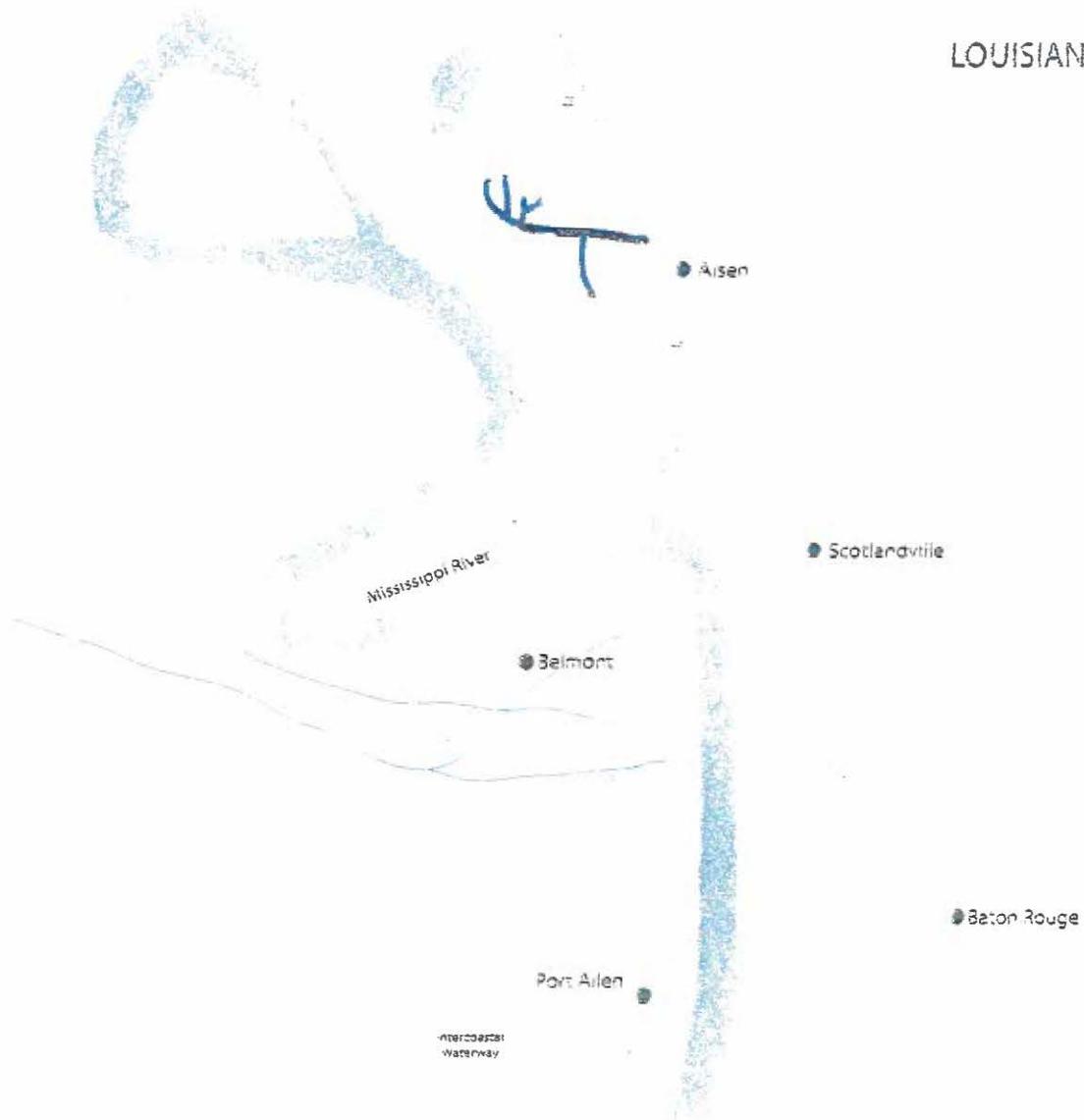
TEXAS



LEGEND:
Austin Western RR. wwp. 
Interchanges - Track miles 1.34
● - McNeil
● - McNeil
● Mechanical Services



LOUISIANA



LEGEND: Baton Rouge Southern RR 881		interchanges - Track miles 1.5
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MISSISSIPPI

ALABAMA

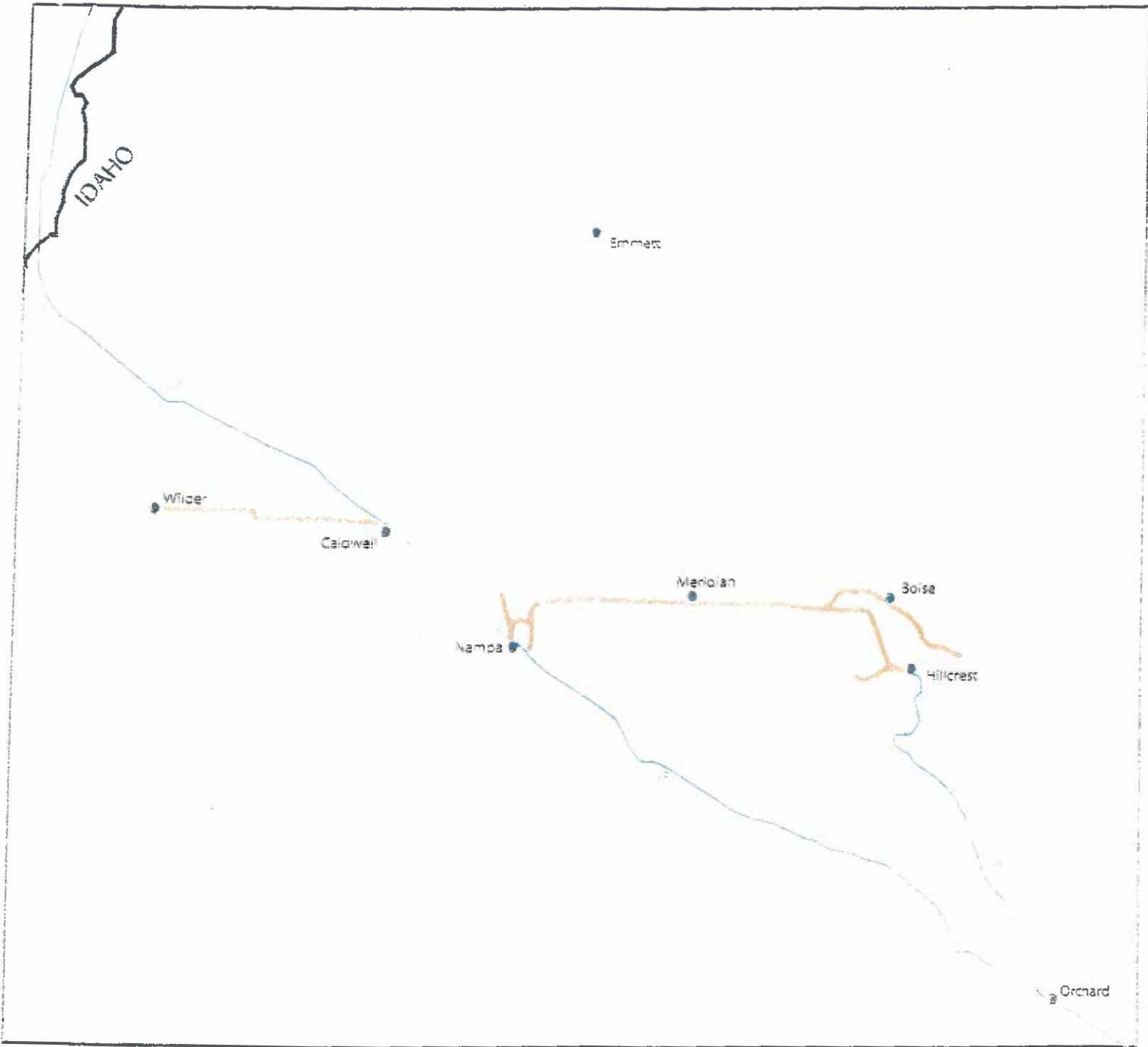


LEGEND:

Birmingham Terminal Railway (BHR) 

Interchanges - Track miles 73.9

- NS - Ensiey (Fairfield)
- Ensiey (Fairfield)
- BNSF - Birmingham



LEGEND:

Boise Valley RR 

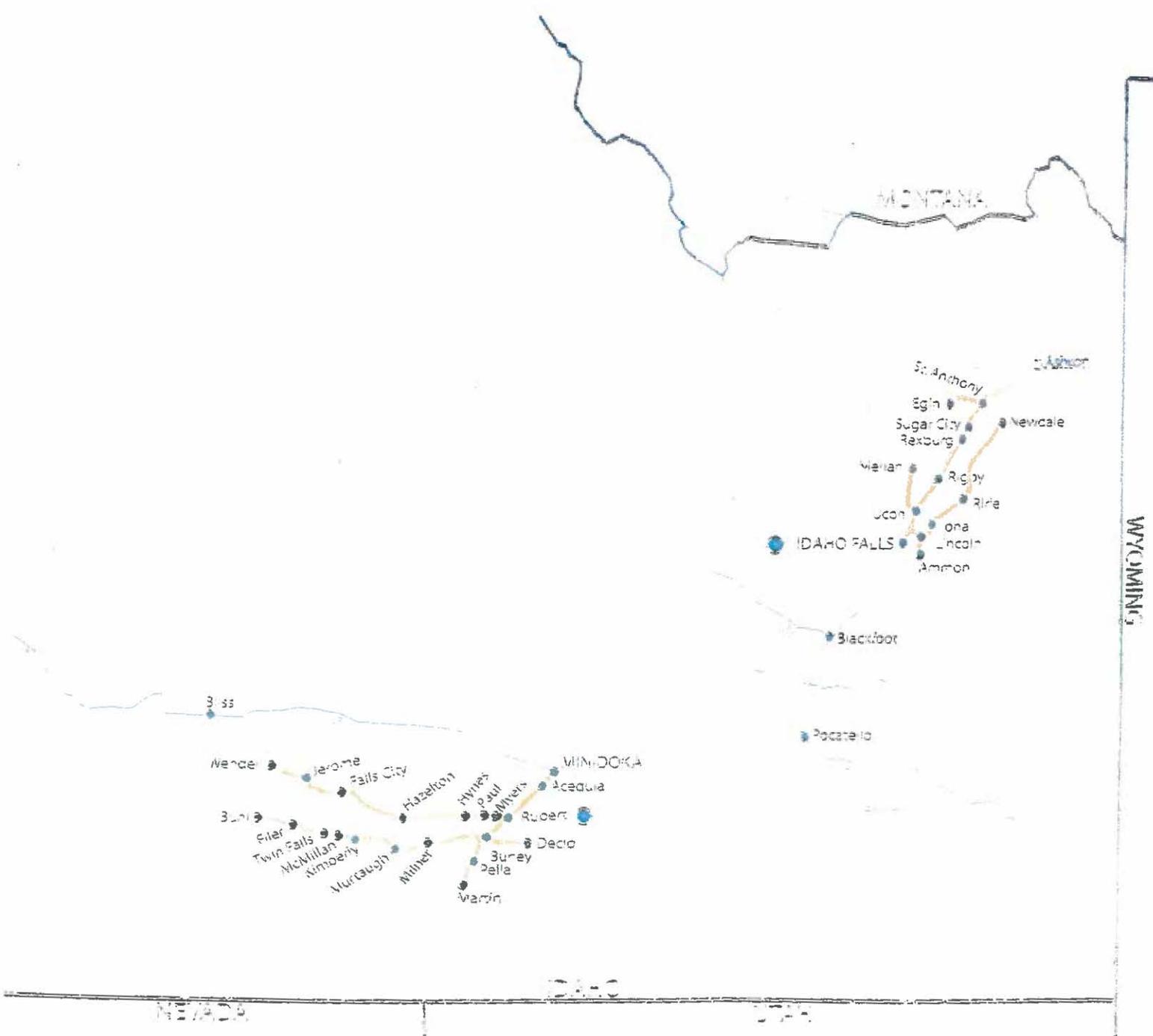
Boise Valley Trackage Rights 

Idaho Northwest & Pacific 

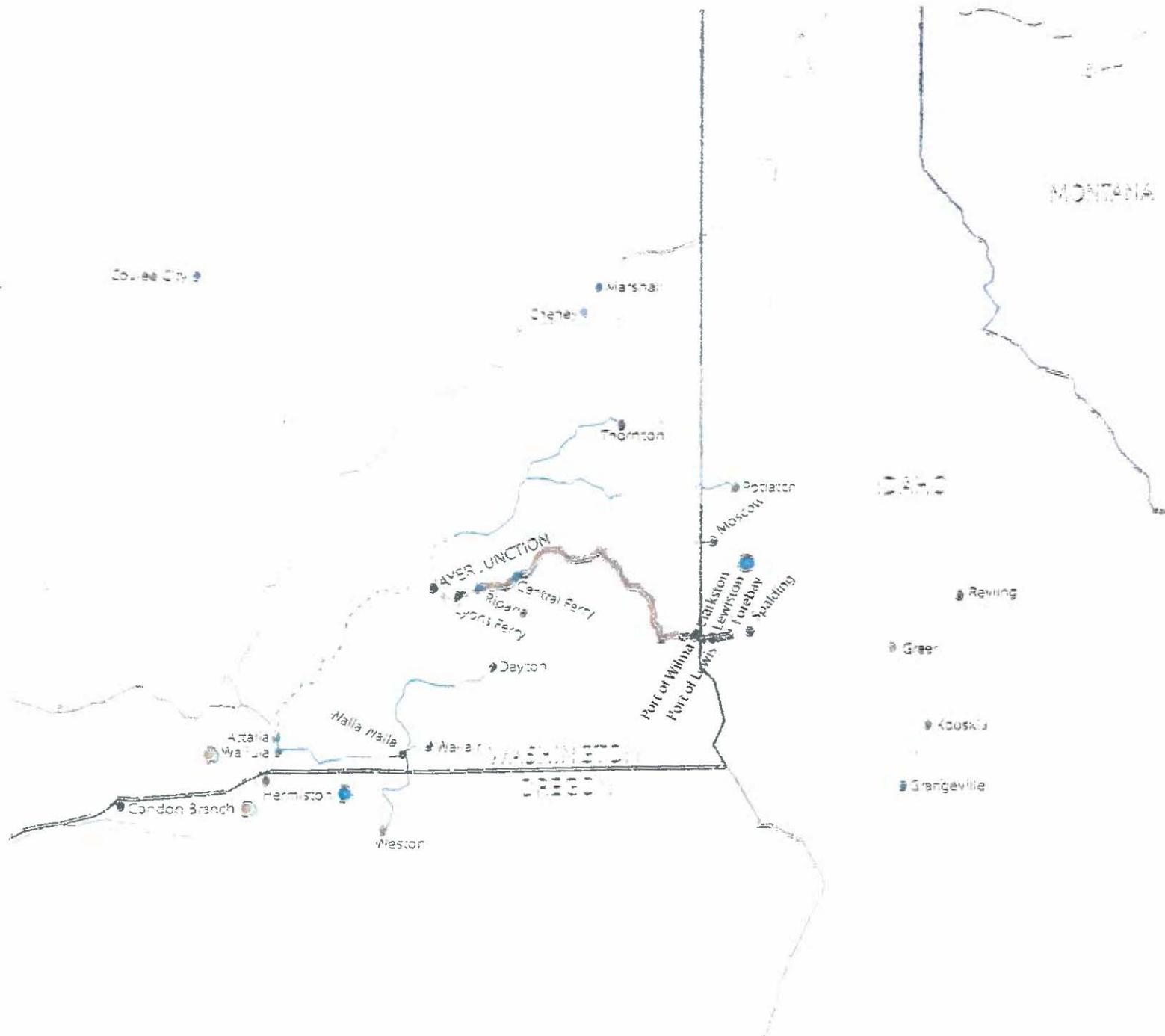
Union Pacific 

Interchanges - Track miles 36 

 - Nampa, Caldwell



LEGEND:
 Eastern Idaho RR line
 Eastern Idaho Trackage Rights
 Interchanges - Track miles 270
 - Minidoka, Idaho Falls
 Mechanical Services



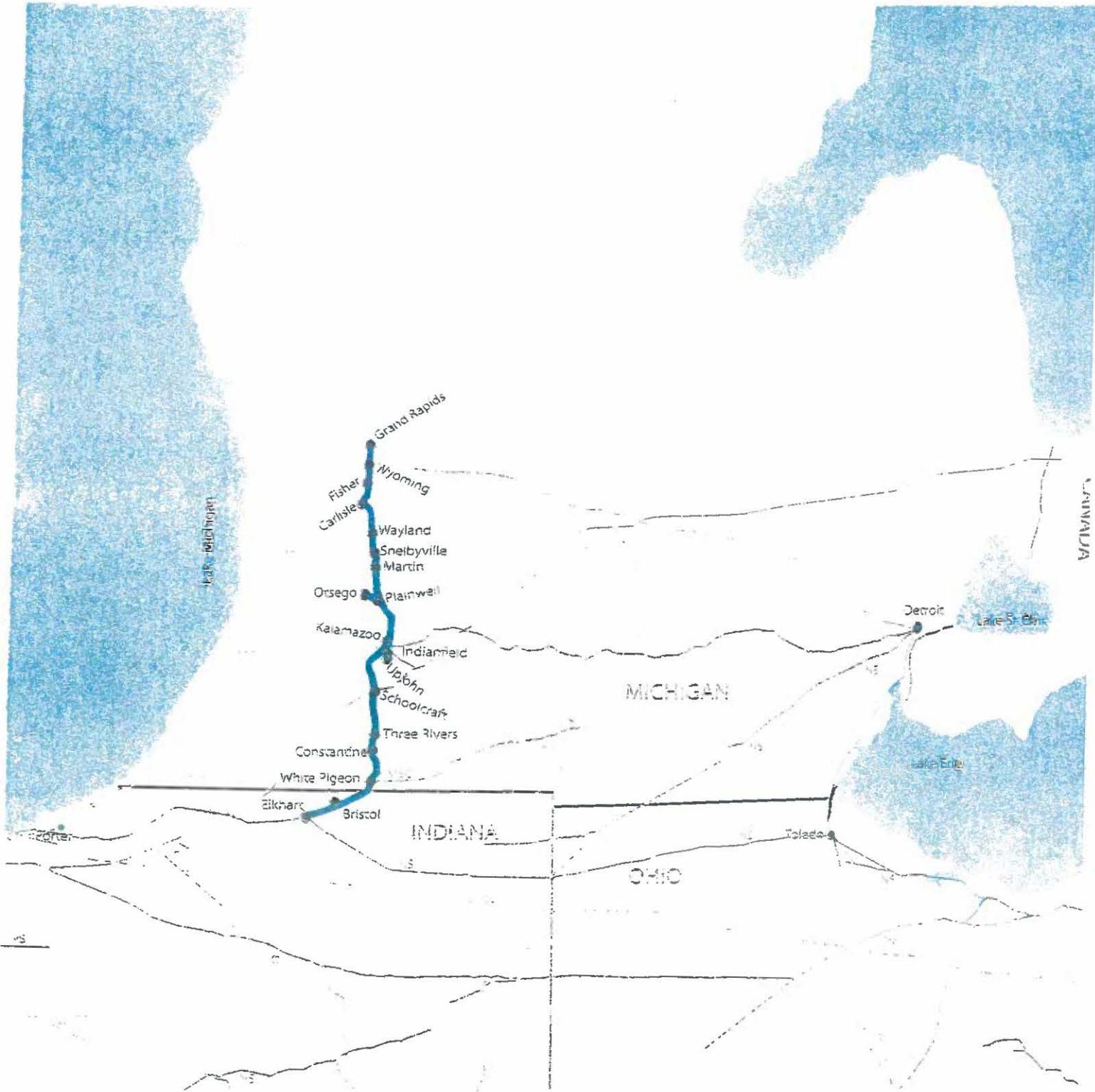
MONTANA

LEGEND:

- Great Northwest RR (GNW)
- Great Northwest Trackage Rights
- Paiouse River & Coulee City RR (PCC)
- Paiouse River & Coulee City Trackage Rights
- BG & CIM Railroad
- Eastern Washington Gateway RR
- Washington and Idaho Railway

Interchanges - Track mile TT

- Mechanical Services
- Switching Services



LEGEND:

Proposed Route

Interchanges

Major Road

Minor Road

Waterway

State Boundary

City/Town

County Boundary

Other

Scale

North Arrow

Legend

Legend

Legend

Interchanges

1 - Elkhart, IN & Kalamazoo, MI

2 - Kalamazoo, MI

3 - Grand Rapids, MI

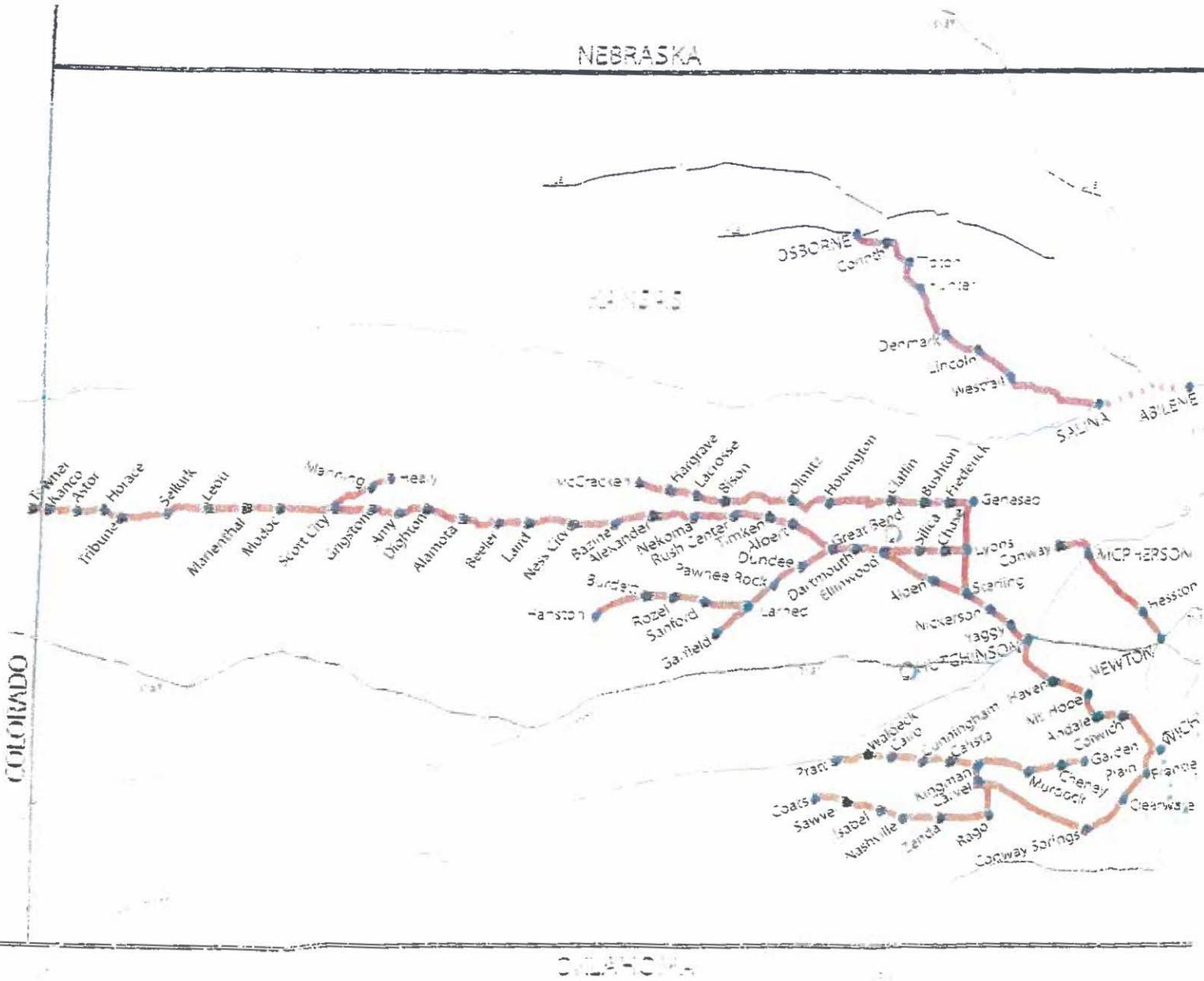
4 - Grand Rapids, MI

5 - Grand Rapids, MI

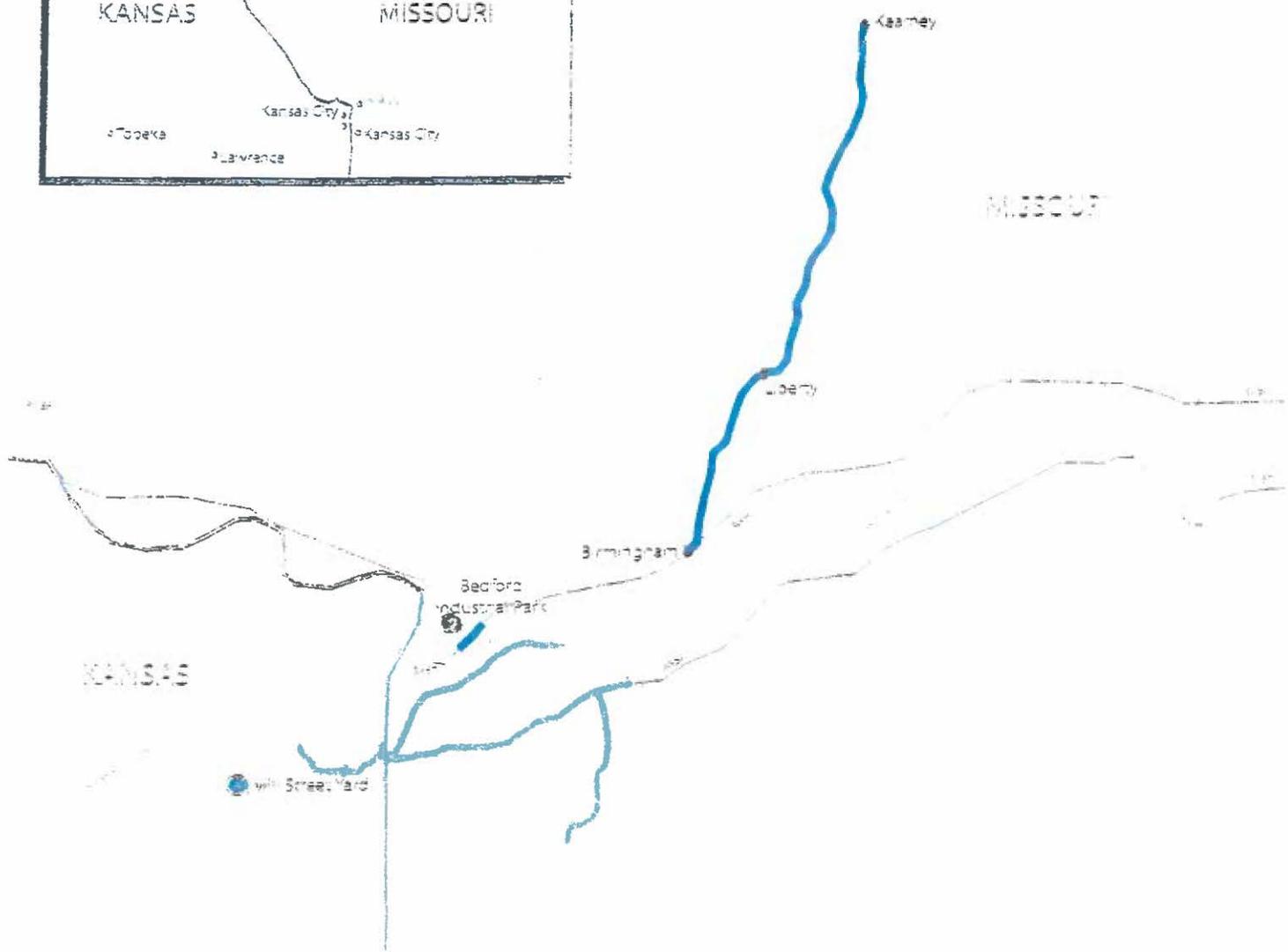
6 - Grand Rapids, MI

7 - White Pigeon, MI

Total Miles: 122.3



LEGEND:	
Kansas & Oklahoma RR cor.	
Kansas & Oklahoma Trackage Rights	
South Kansas & Oklahoma RR Trackage Rights/isko	
Kyle Railroad RR	
Cimarron Valley Railroad cor.	
Interchanges - Trackage Miles 320	
● - Abilene, Hutchinson, Newton, Wichita	
● - Osborne	
● - Wichita	
● - Hutchinson, McPherson, Salina, Wichita	
● Mechanical Services	
● Transload/Warehouse Services	



LEGEND:

KAW River Railroad (KAW) 

Interchanges 

BNSF - Kansas City, MO / Bedford Industrial Park

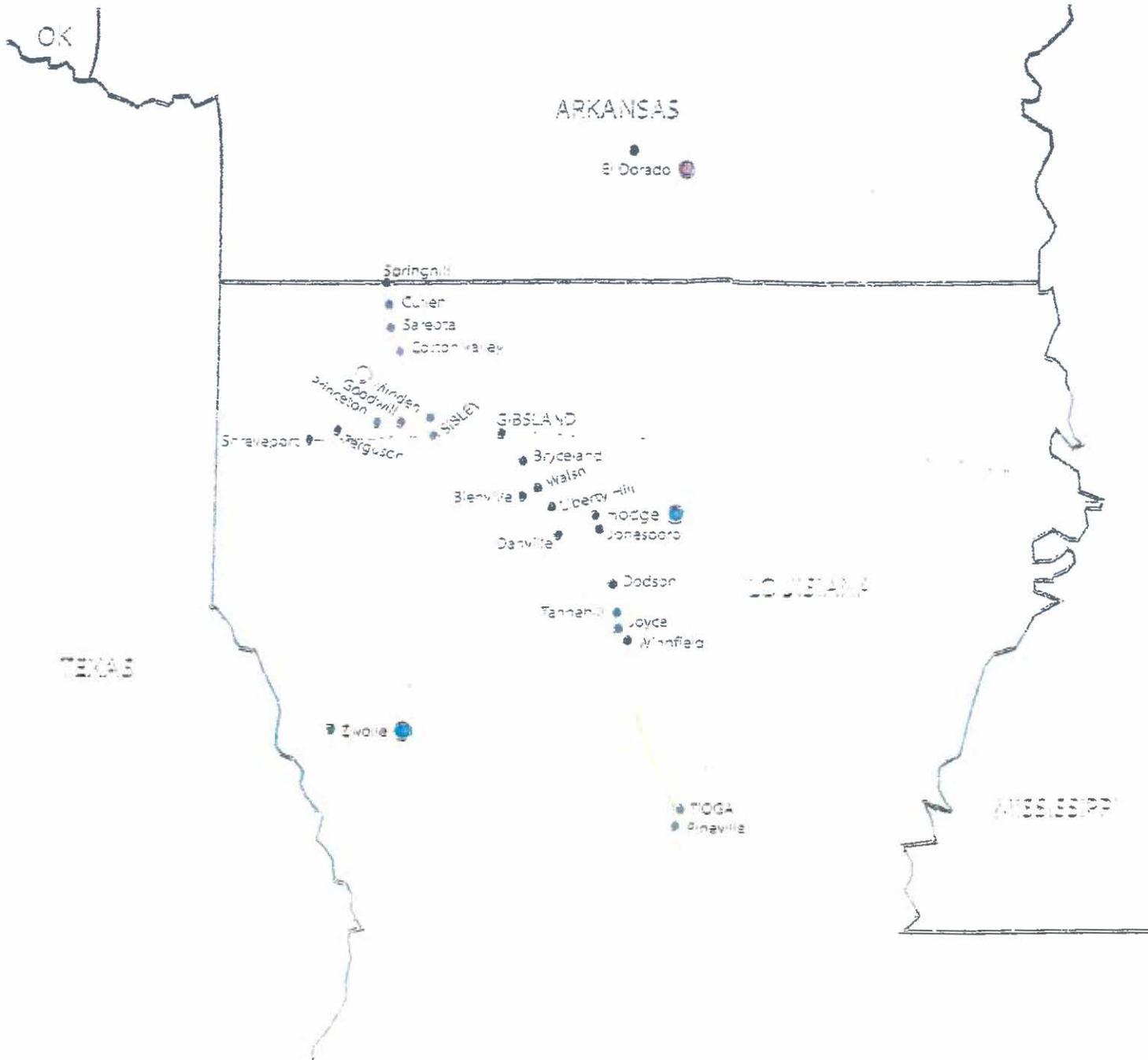
BNSF - Birmingham, MO (Kearney Subdivision)

Track miles - 21

Kansas City Transportation Company LLC (KCTL) 

Interchanges - Track miles 33

BNSF - Kansas City, KS	 Mechanical Services
ICE - Kansas City, MO/KS	 Switching Services
NS - Kansas City, MO	
UP - Kansas City, MO/KS	



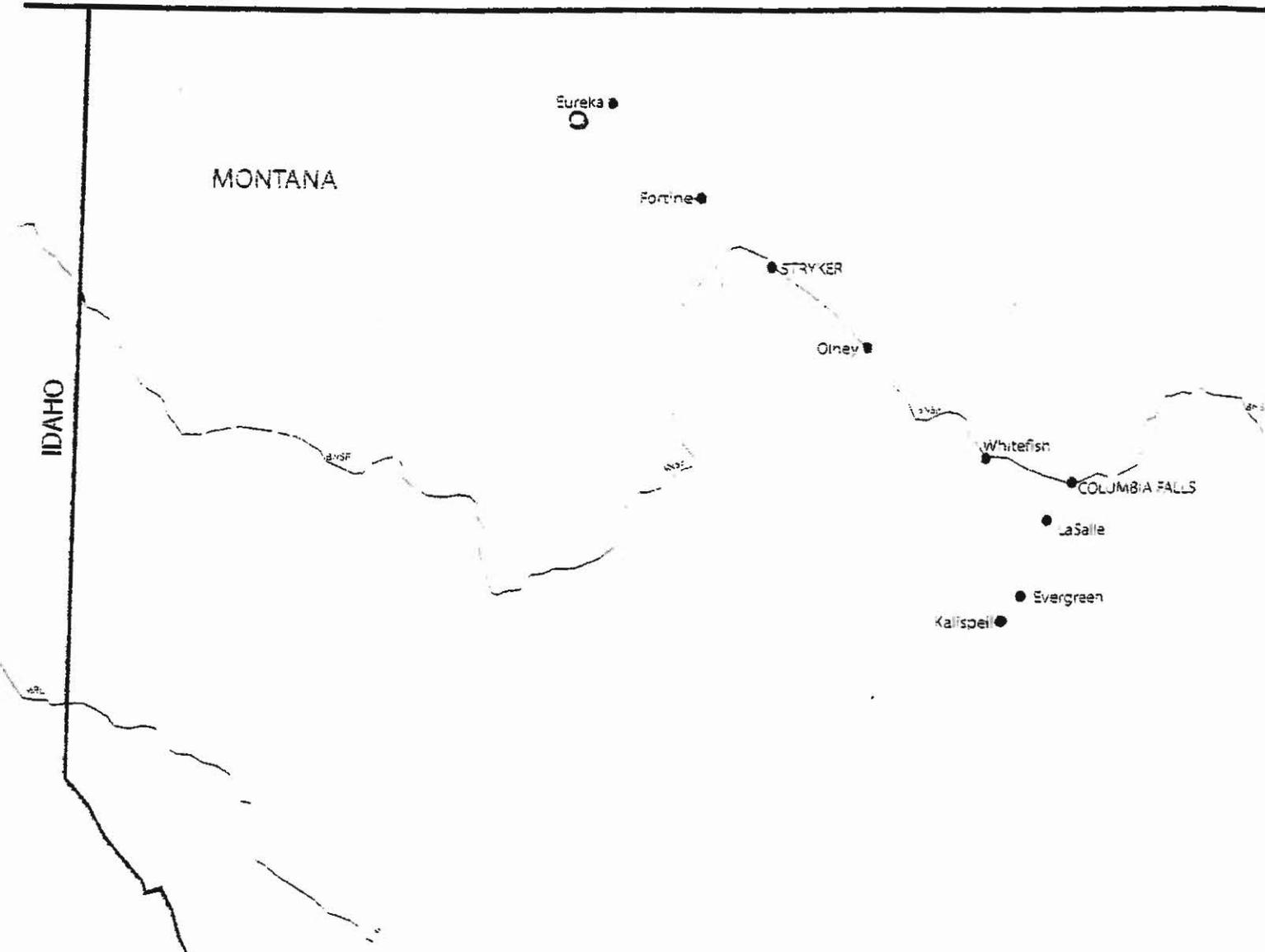
LEGEND:

Louisiana Southern RR Line

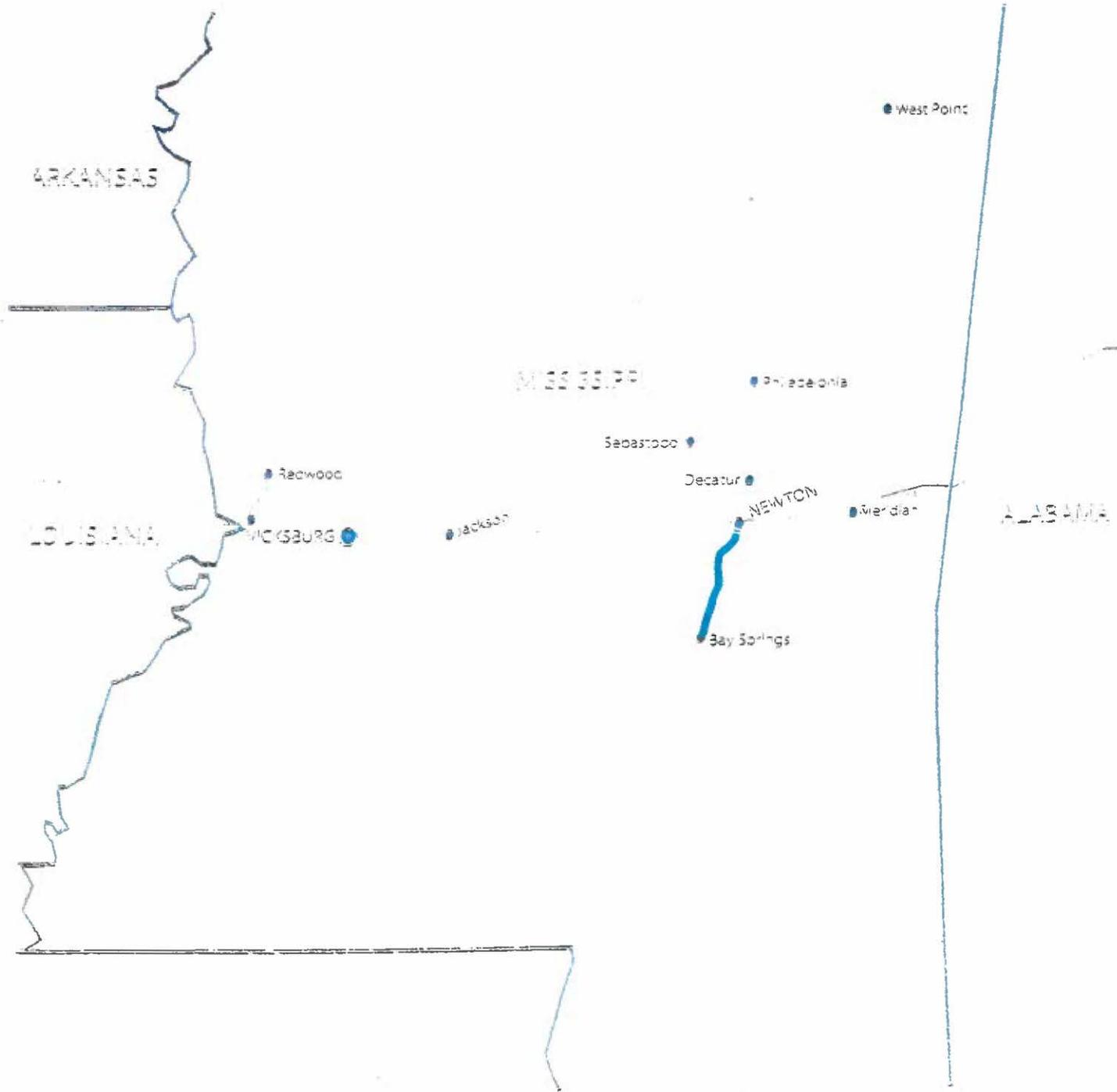
Interchanges - Track miles 183.8
- Gibsland, Toga, Sibley

- Mechanical Services
- Switching Services
- Transload/Warehouse Services

CANADA



LEGEND:
Mission Mountain Railroad (MMT) _____
Montana Rail Link (MRL) _____
Interchanges - Track miles 39.5
BNSF - Stryker, Columbia Falls
○ Transload/Warehouse Services

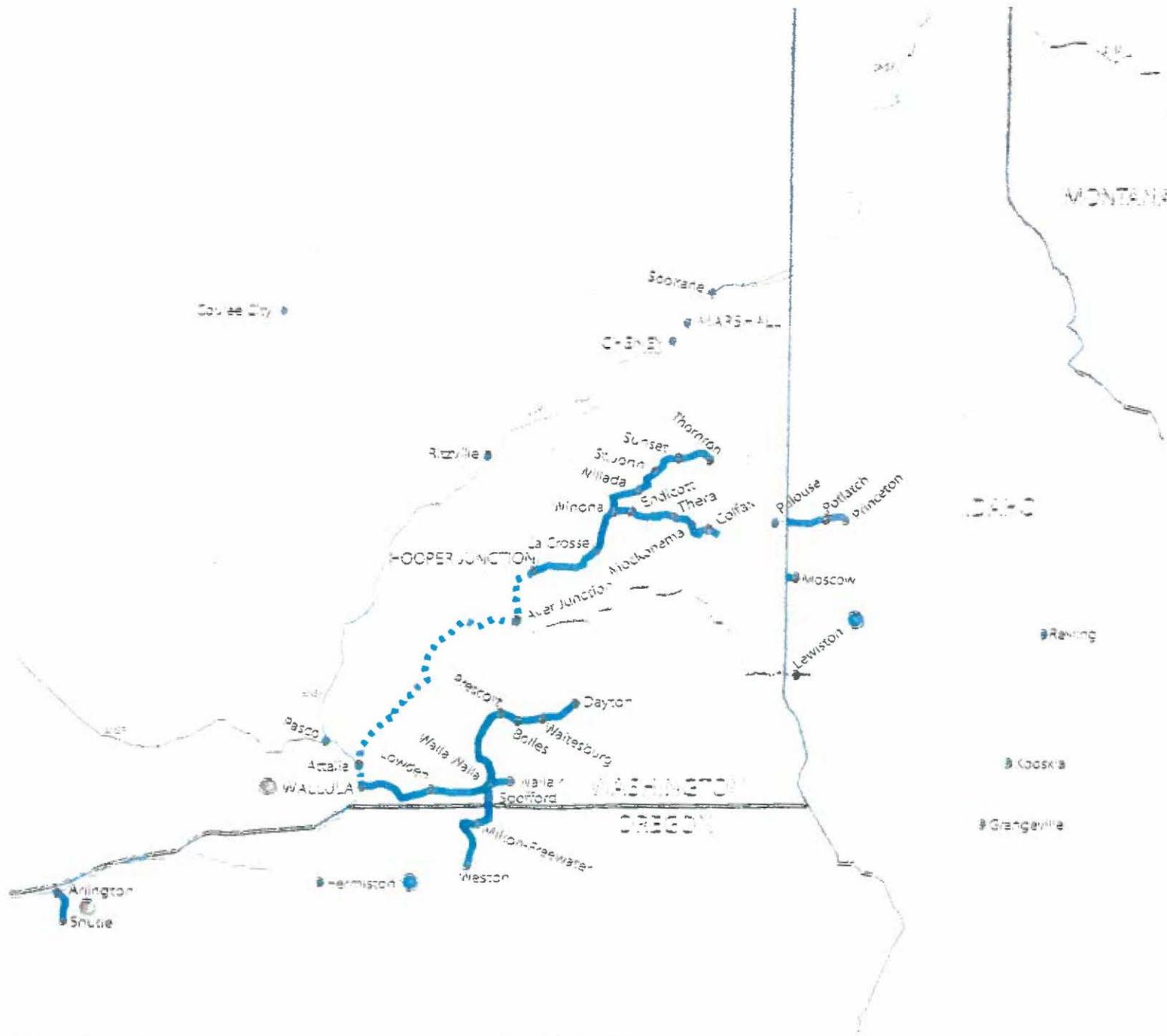


LEGEND:	
Mississippi Southern RR MSP	
Mississippi Southern RR Trackage Rights	
Wicksburg Southern Railroad	
Interchanges - Trackage Rights	- Newton
	Mechanical Services

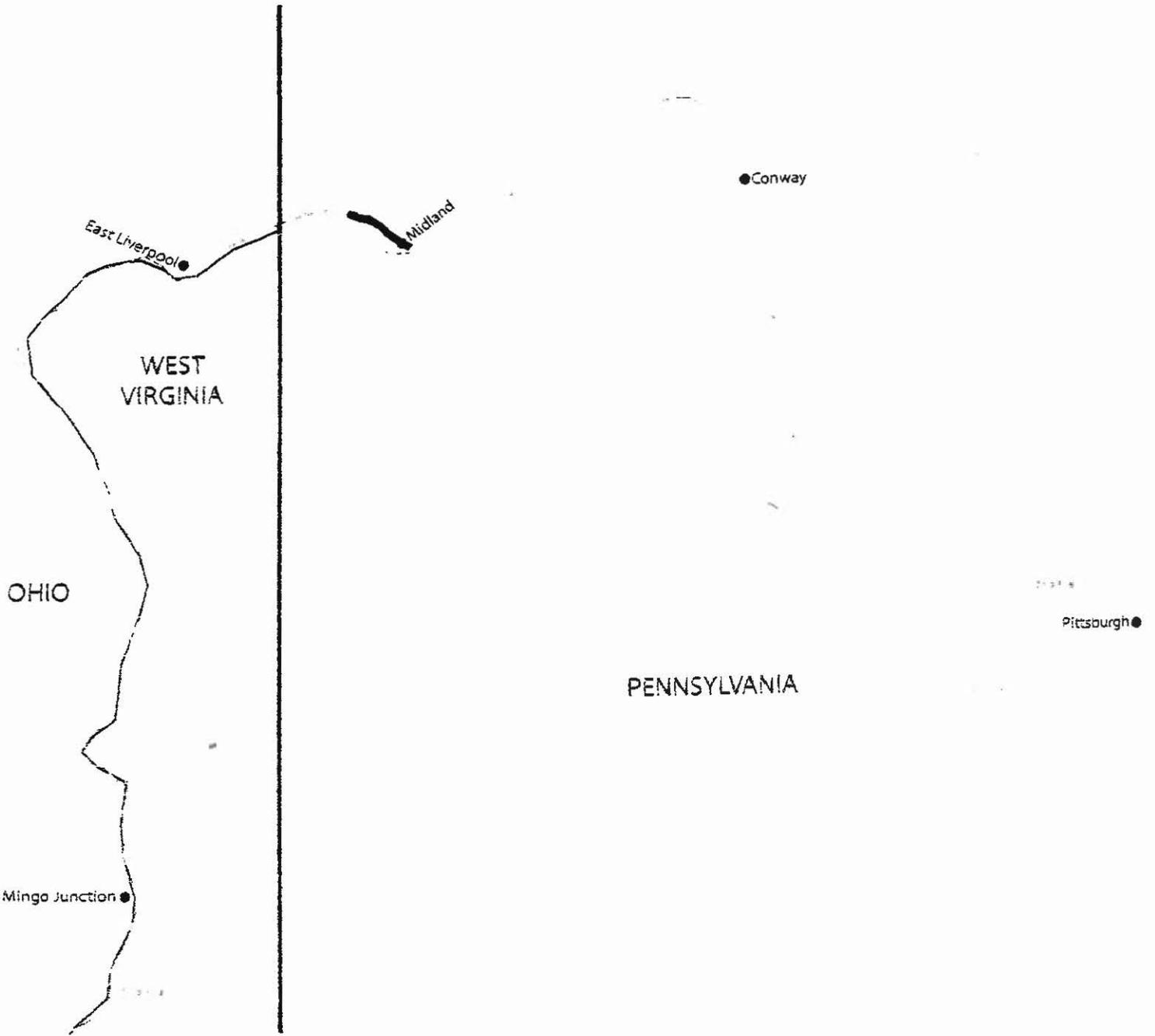
CALIFORNIA



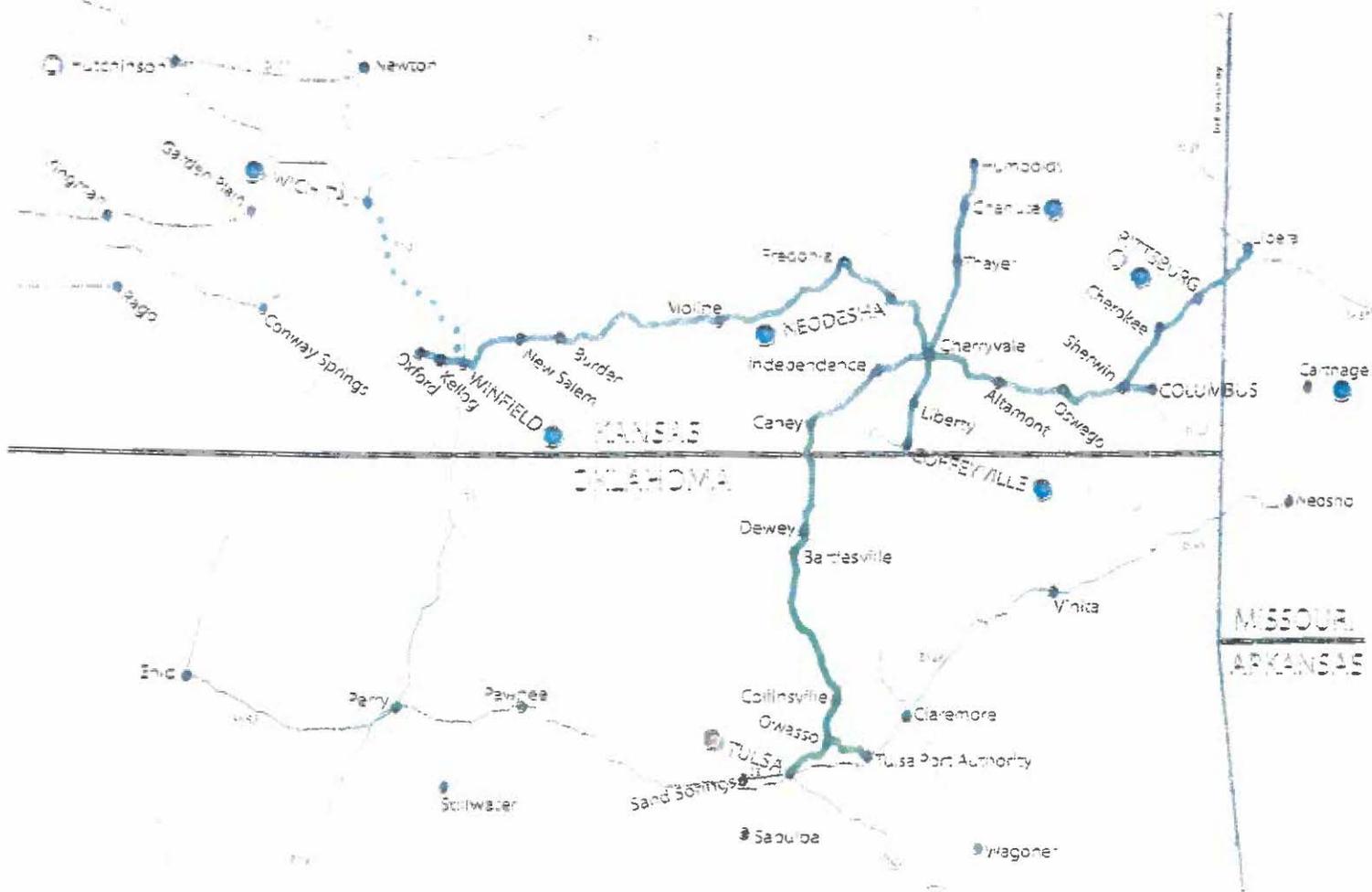
<p>LEGEND: Pacific Sun RR PSRR  Switching Services</p>	<p>Interchanges - Track miles 52 PSRR - Oceanside</p>
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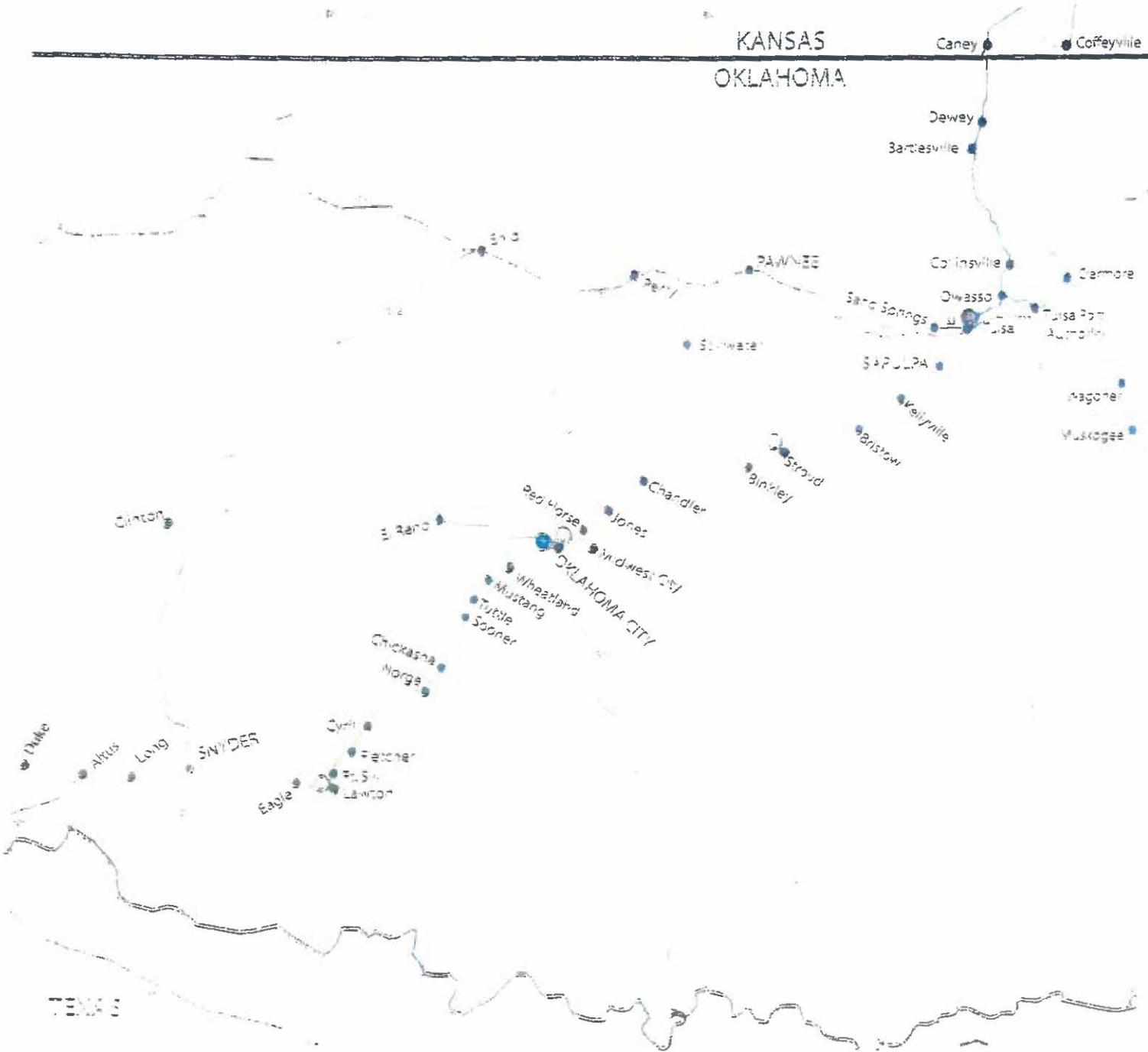
LEGEND:	
Palouse River & Coulee City RR ecc	Interchanges - Track miles 000
Palouse River & Coulee City Trackage Rights	● Wallula
Great Northwest RR	○ Hooper Junction, Wallula
Great Northwest RR Trackage Rights	● Mechanical Services
Washington and Idaho Railway	○ Switching Services
Eastern Washington Gateway RR	
BG & CIV Railroad	



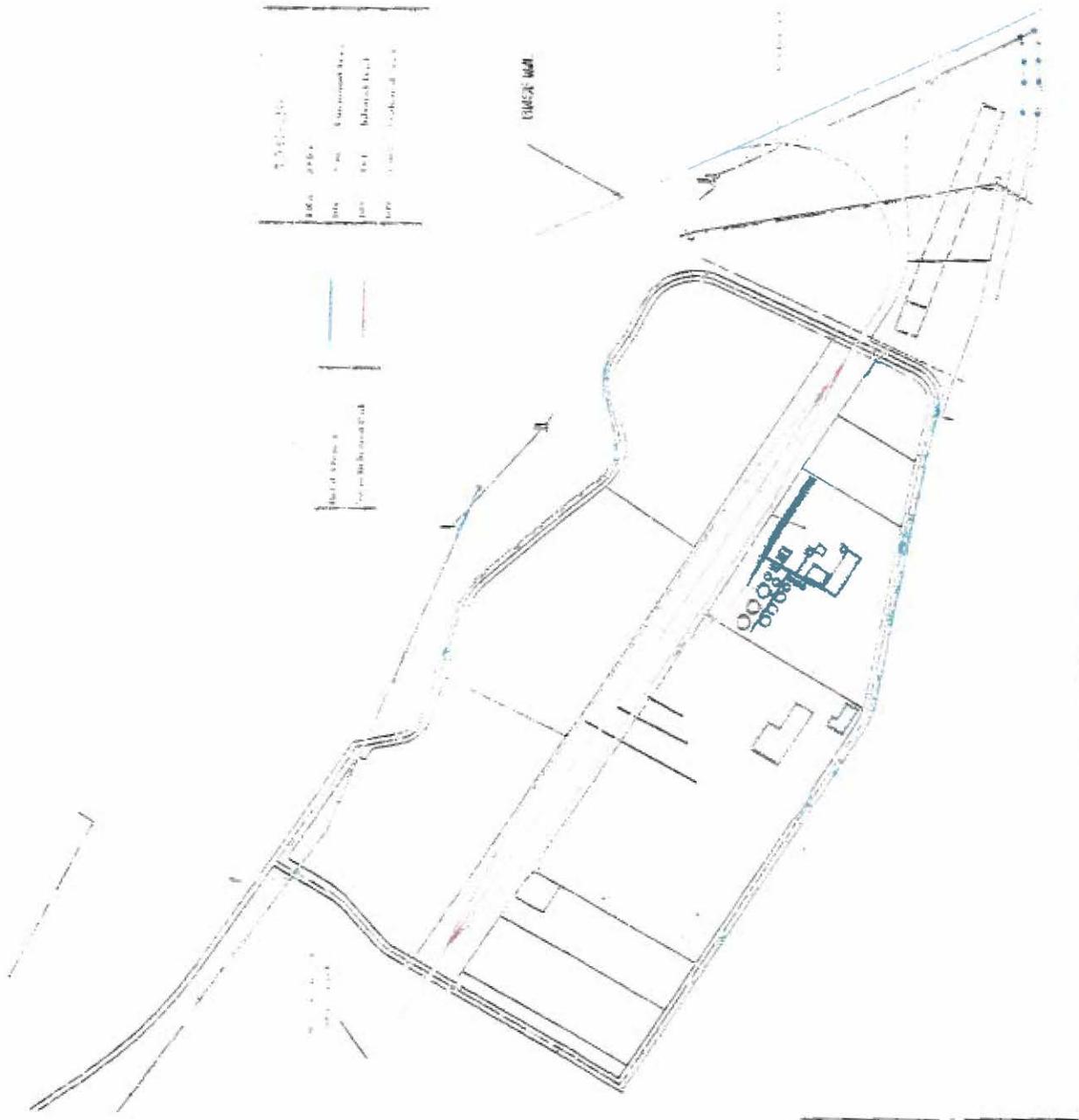
LEGEND:
Pennsylvania Southwestern RR (PSWR) 
Interchanges - Track miles 12
- Midland 



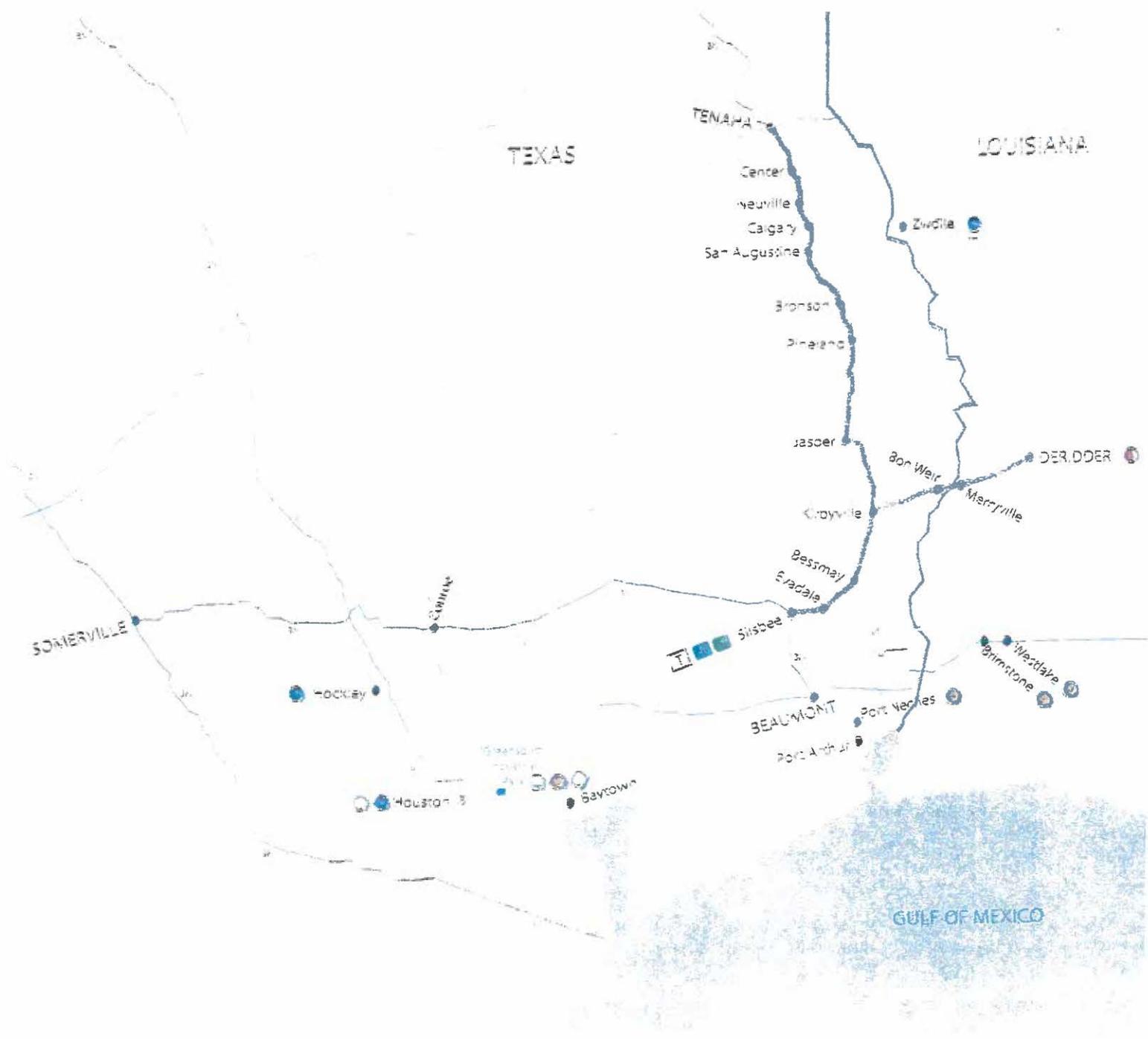
LEGEND:		Interchangings - Trackage miles 530
South Kansas & Oklahoma RR (SKOR)		- Coffeyville, Winfield, Tulsa, Neodesha
South Kansas & Oklahoma Trackage Rights		- Winfield, Tulsa, Columbus
Kansas & Oklahoma RR (KOR)		- Pittsburg
Stillwater Central RR (SWC)		- Wichita
Stillwater Central Trackage Rights		- Tulsa
Sand Springs RR (SS)		- Tulsa
Tulsa's Port of Catoosa (PC)		
Mechanical Services		
Switching Services		
Transload/Warehouse Services		



LEGEND:	
Stillwater Central Railroad S.W.C.	Interchanges - Trackage Miles 183.4
Stillwater Central Trackage Rights	OKLA - Oklahoma City Pawnee Sapulpa
South Kansas & Oklahoma RR SKOR	Snyder Aftus
Sand Springs RR SS	- Aftus
Grainbelt Corporation GNBC	- Snyder
● Mechanical Services	- Tulsa
● Switching Services	- Oklahoma City
○ Transload/Warehouse Services	



Swan Ranch Railroad LLC



LEGEND:

Timber Rock RR (TRR)

Interchanges - Track miles 100

S - Somerville - Tenaha, Silsbee

I - Deridder

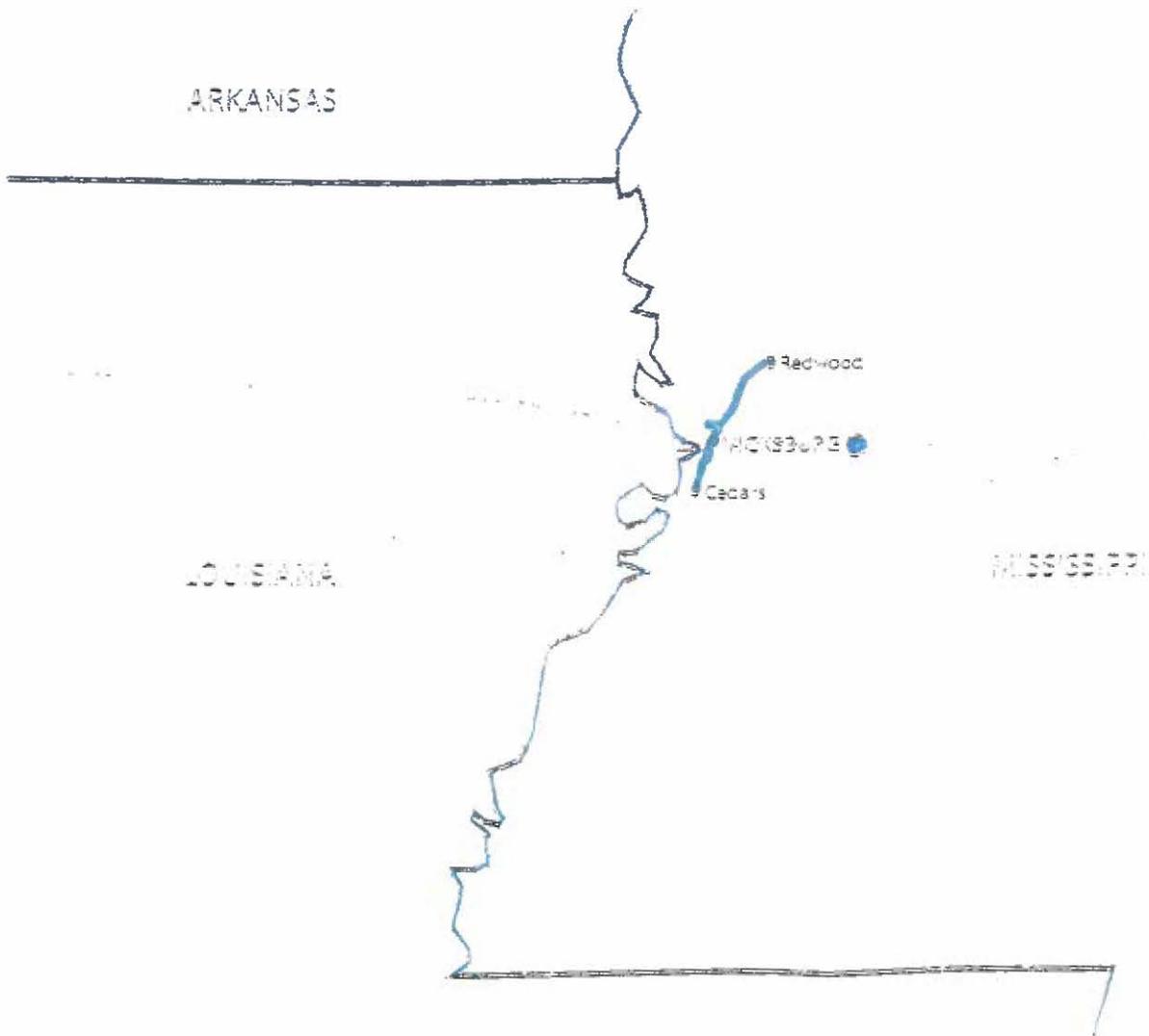
S - Bessmay

● Mechanical Services

● Switching Services

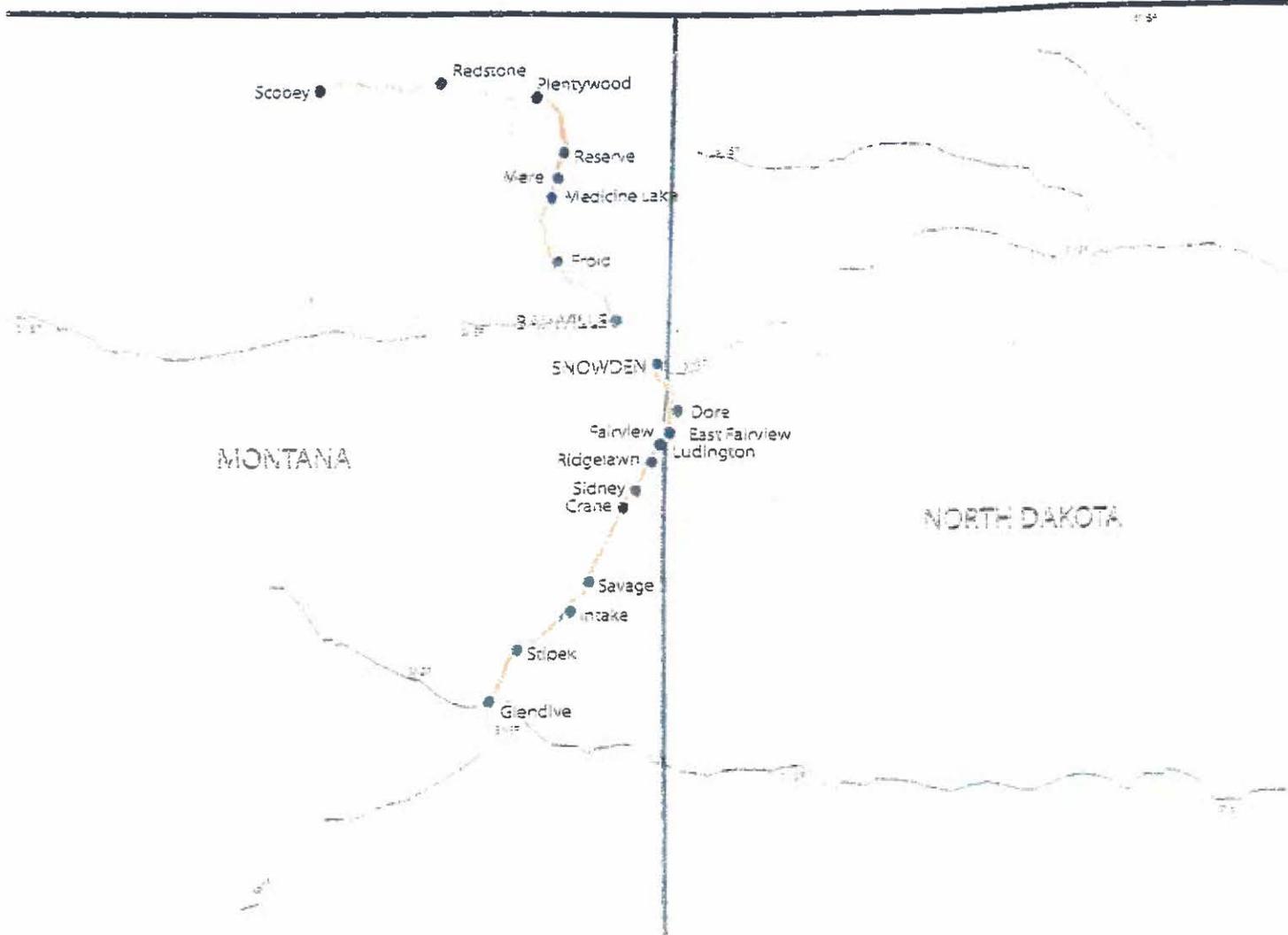
○ Transload/Warehouse Services

● Port Operations



LEGEND:
Vicksburg Southern RR - Track 
Merchants - Track miles 27
- Vicksburg
 Mechanical Services

CANADA



LEGEND:

Yellowstone Valley RR - 75V91

Yellowstone Valley Trackage Rights

Interchanges - Track miles 172

173 - Snowden, Bainville



Date: Nov 08, 2012 11:53am User: ID: Lamin, Jaine File: 3_VOXU Services\Projects\Railport.mxd



143 BILLY MITCHELL BLVD. STE 6.
SAN ANTONIO, TX. 78226. 210.362.7800

EAST KELLY RAILPORT RAIL LAYOUT

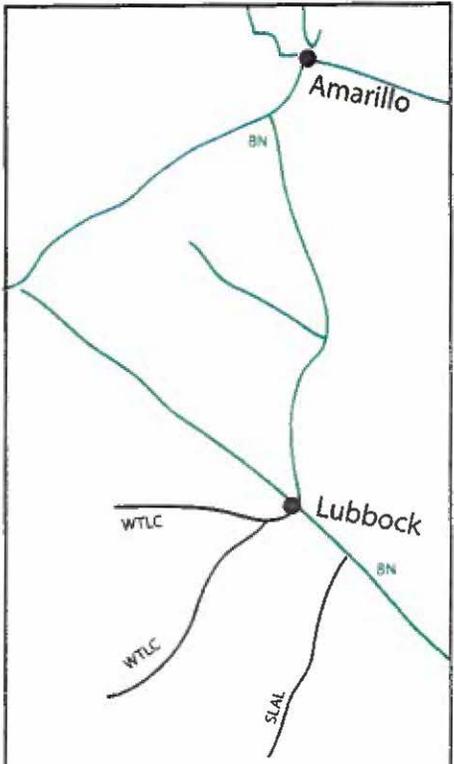


LEGEND:

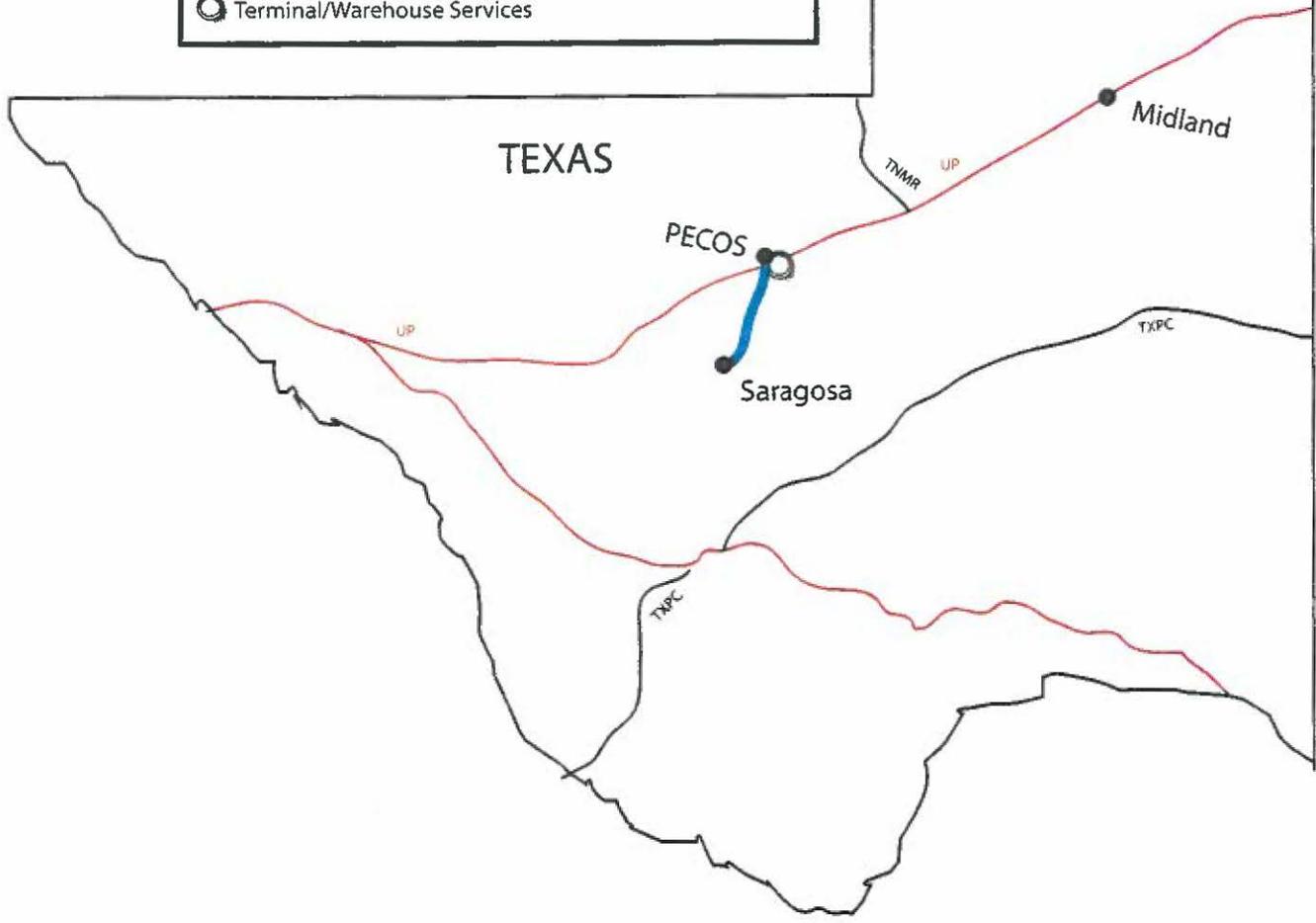
- PORT RAIL - 22967 LF
- TENANT RAIL LINES
- PROPERTY LINE / R.O.W.
- UNION PACIFIC RAIL LINES
- RAIL SWITCH
- DERAIL

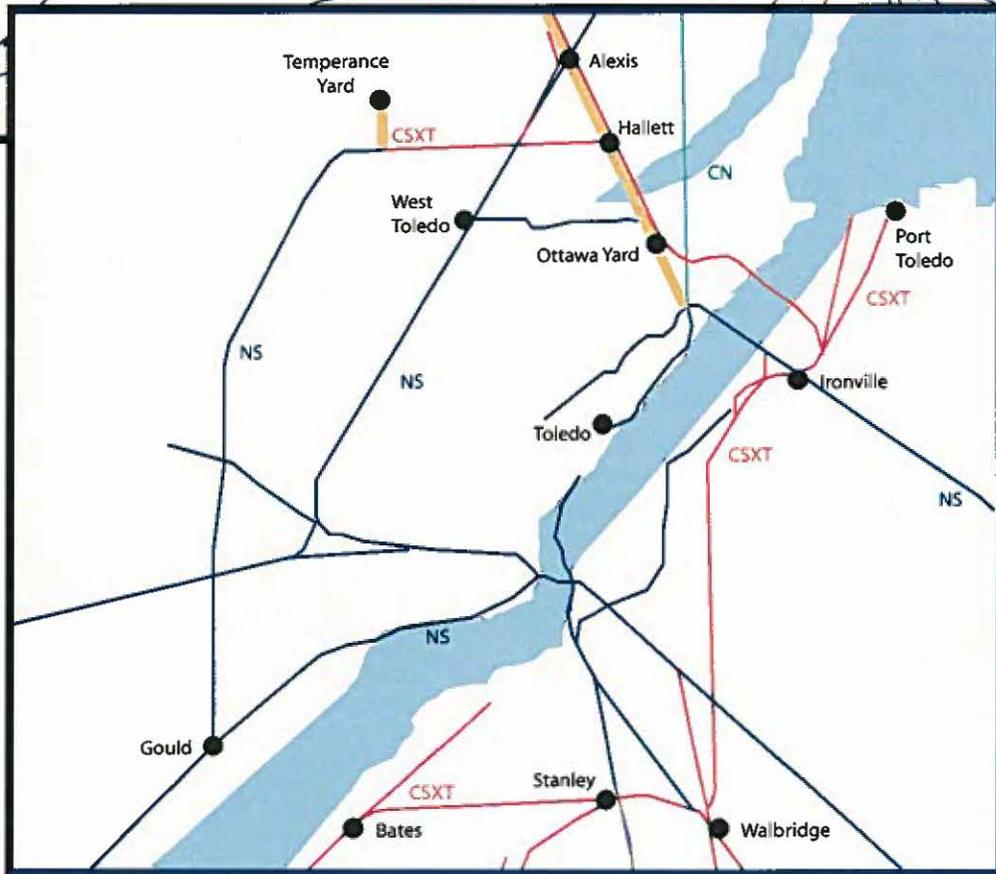
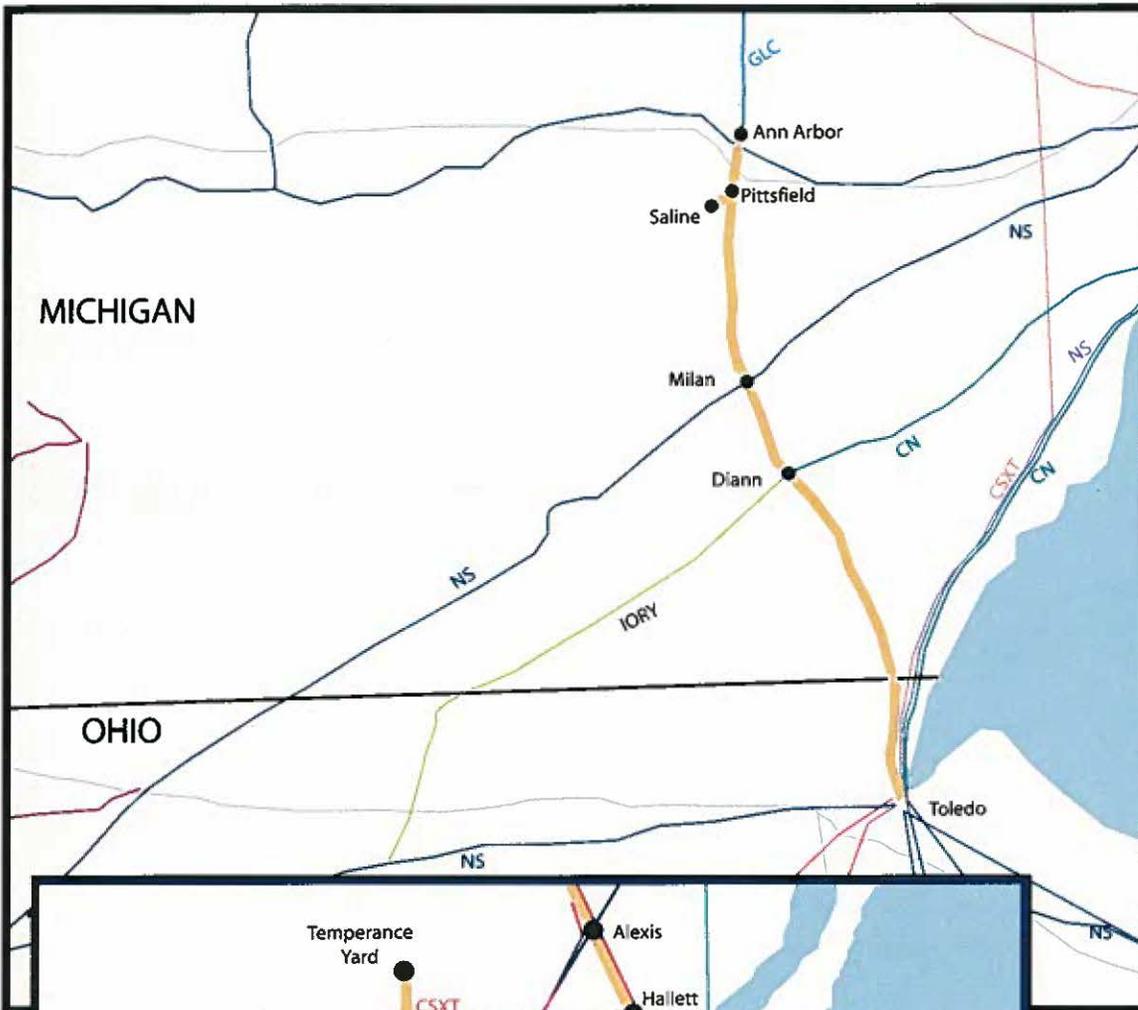


KEYMAP:



LEGEND:
 Pecos Valley Southern Railway (PVSr) 
Interchanges - Track miles 23
 UP - Pecos
 Terminal/Warehouse Services





LEGEND:

Ann Arbor	
Norfolk Southern	
CSXT	
Canadian National	
Great Lakes Central Railroad	
Indiana and Ohio Railway	

Interchanges

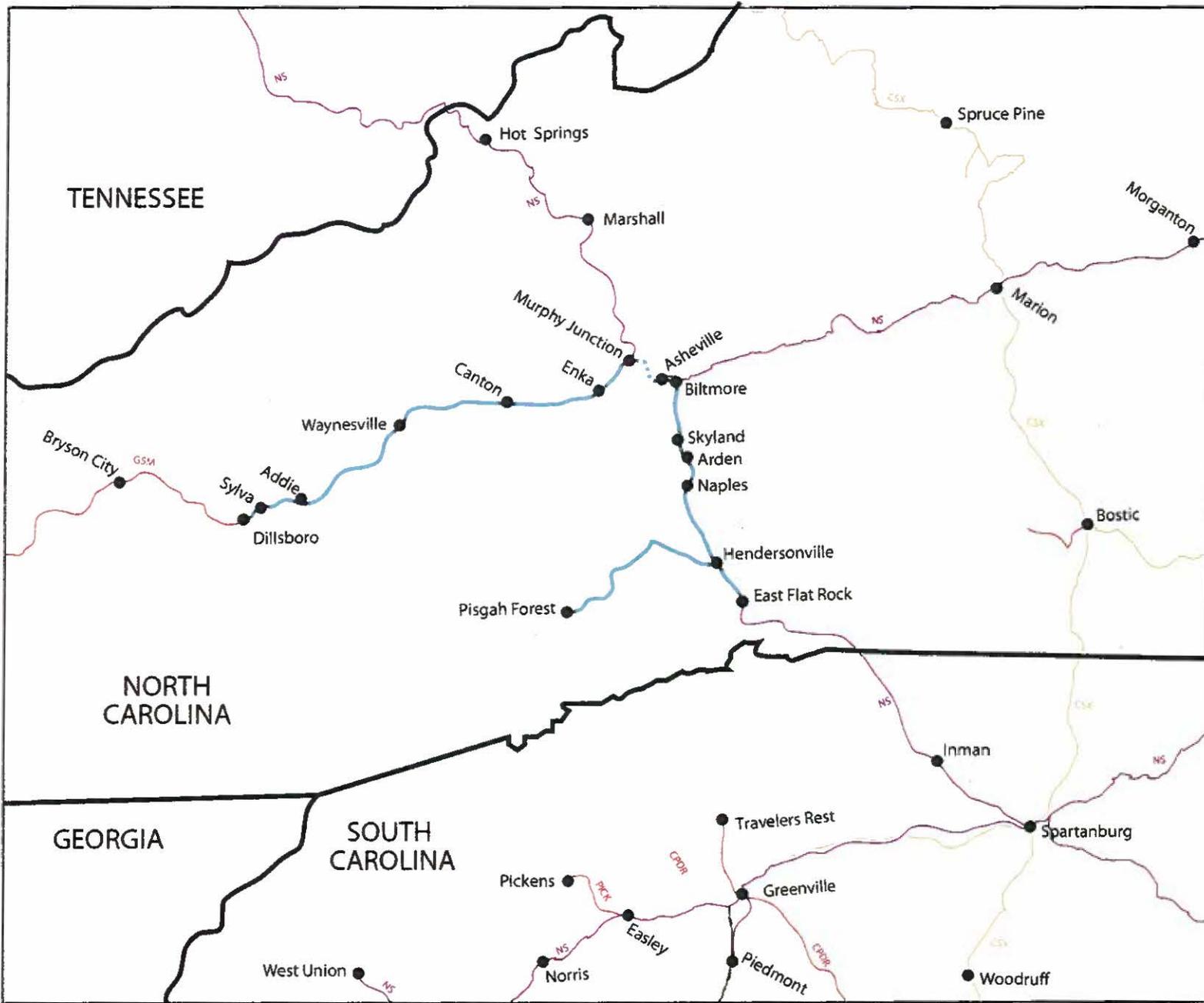
Toledo, OH - NS, CSXT, CN, WE

Ann Arbor, MI - GLC

Milan MI - NS

Diann, MI - CN, IORY

Total Miles: 48



LEGEND:

Blue Ridge Southern RR (BLU)

Interchange Tracks

Norfolk Southern

CSX

Other short lines

Track miles 91.8



VERIFICATION

STATE OF KANSAS)
)
COUNTY OF CRAWFORD) ss.

I, Arthur E. McKechnie, III, being duly sworn depose and state that I am Executive Vice President of Watco Holdings, Inc., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.


Arthur E. McKechnie III

SUBSCRIBED AND SWORN TO before me this 16th day of May, 2014, in the County of Crawford, State of Kansas.

My Commission Expires: 5-19-17


Notary Public

