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March 11, 2016

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Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: Finance Docket No. 36001, BNSF Railway Company – Trackage Rights Exemption – State of Washington, Department of Transportation

Dear Ms. Brown:

Attached for filing with the Board please find the original and ten copies of the Verified Notice of Exemption pursuant to the provisions of 49 C.F.R. § 1180.2(d)(7) covering the trackage rights arrangement between BNSF Railway Company and State of Washington, Department of Transportation. Enclosed is a check in the amount of \$1,200 to cover the filing fee.

If you have any questions, please contact me.

Sincerely yours,



Karl Morell

Enclosures

FEE RECEIVED
MARCH 11, 2016
SURFACE
TRANSPORTATION BOARD

FILED
March 11, 2016
SURFACE
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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36001

BNSF RAILWAY COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
STATE OF WASHINGTON, DEPARTMENT OF TRANSPORTATION

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(7)

Courtney Biery Estes
Senior General Attorney
BNSF Railway Company
2500 Lou Menk Drive, AOB-3
Fort Worth, TX 76131

Karl Morell
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655 15th Street
Suite 225
Washington, D.C. 20005
(202) 595-9045

Attorney for:
BNSF Railway Company

Dated: March 11, 2016

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36001

BNSF RAILWAY COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
STATE OF WASHINGTON, DEPARTMENT OF TRANSPORTATION

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(7)

BNSF Railway Company ("BNSF"), submits this Notice of Exemption pursuant to the class exemption at 49 C.F.R. § 1180.2(d)(7), for trackage rights over a rail line owned by the State of Washington, Department of Transportation ("WDOT").

Under 49 C.F.R. § 1180.2(d)(7), the acquisition, renewal or modification of trackage rights by a rail carrier over the lines owned or operated by any other rail carrier or carriers is exempt if the rights are (i) based on a written agreement, and (ii) not filed or sought in a responsive application in rail consolidation proceedings. BNSF and WDOT are currently negotiating a trackage rights agreement. A copy of the agreement will be filed with the Board within 10 days of its execution. Also, the trackage rights are not being sought in a responsive application in a rail consolidation proceeding. Under these circumstances, the Section 1180.2(d)(7) class exemption is applicable.

Pursuant to the Board's regulations at 49 C.F.R. § 1180.4(g), BNSF submits the following information:

Section 1180.6 Supporting Information

(a)(1)(i) Description of Proposed Transaction

The agreement between BNSF and WDOT¹ will grant BNSF restricted local trackage rights over the rail line located between Milepost 1.0, at Cheney, WA, and Milepost 6.30, near Four Lakes, WA, a distance of 5.3 miles (the "Line"). The use of the trackage rights line by BNSF is restricted to overhead movements of BNSF unit trains of 75 to 120 cars of grain or grain products and empty unit trains originating or terminating at Highline Grain, at Milepost 6.30.

Name and address of tenant railroad:

BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, TX 76131

Questions regarding this transaction are to be addressed to BNSF's counsel:

Karl Morell
Karl Morell & Associates
Suite 225
655 Fifteenth Street, N.W.
Washington, DC 20005
(202) 595-9045

(a)(1)(ii) Consummation Date

The trackage rights will be consummated after the effective date of this Notice of Exemption.

¹ Eastern Washington Gateway Railroad Company, which leases the rail line over which BNSF is obtaining trackage rights, will also be a party to the Trackage Rights Agreement.

(a)(1)(iii) Purpose Sought to be Accomplished

The trackage rights are intended to permit BNSF to move unit trains originating or terminating at the Highline Grain facility at Milepost 6.30 on the Line and to perform overhead movements over the Line.

(a)(5) List of States in which the Party's Property is Situated

The involved trackage rights are located in the State of Washington.

(a)(6) Map

A map illustrating the trackage rights is attached as Exhibit A.

(a)(7)(ii) Agreement

A copy of the agreement will be filed with the Board within 10 days of its execution.

Labor Protection

BNSF is agreeable to the labor protection conditions generally imposed in trackage rights proceedings as found in *Norfolk and Western Ry. Co. – Trackage Rights – BN*, 354 I.C.C. 605 (1978), as modified by *Mendocino Coast Ry., Inc. – Lease and Operate*, 360 I.C.C. 653 (1980).

Environmental and Historic Matters

Environmental and historical impacts associated with trackage rights transactions generally are considered to be insignificant. Therefore, an environmental and historical report and documentation normally need not be submitted for this type of transaction, pursuant to 49 C.F.R §§ 1105.6(c)(4) and 1105.8(b)(3).

Respectfully submitted,



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Attorney for:
BNSF Railway Company

Dated: March 11, 2016

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 36001

BNSF RAILWAY COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
STATE OF WASHINGTON, DEPARTMENT OF TRANSPORTATION

The State of Washington, Department of Transportation (“WDOT”) has agreed to grant restricted trackage rights to BNSF Railway Company (“BNSF”), over the rail line owned by WDOT and leased by Eastern Washington Gateway Railroad Company located between Milepost 1.0, at Cheney, WA, and Milepost 6.30, near Four Lakes, WA, a distance of 5.3 miles. The use of the trackage rights line by BNSF is restricted to movements of unit trains of grain and grain products and empty unit trains originating or terminating at the facility of Highline Grain located at Milepost 6.30 on the line.

The trackage rights will be consummated on or after ____, 2016.

This notice is filed under 49 C.F.R. § 1180.2(d)(7). 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 stay the transaction.

Dated:

By the Board,

EXHIBIT A

JOINT TRACKAGE of the CW BRANCH



