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KARL MORELL

September 16, 2009

BY HAND DELIVERY

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423-0001

ENTERED
Office of Proceedings

SEP 16 2009

Part of
Public Record

Re: STB Finance Docket No. 35259, Boise Valley Railroad, Inc. –
Assignment of Lease Exemption – Union Pacific Railroad
Company and Idaho Northern & Pacific Railroad Company

Dear Acting Secretary Quinlan:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1150.31 and a check covering the \$1,800 filing fee. Also enclosed is a Disc containing the Notice and Summary.

Please time and date stamp the extra copy of the Notice of Exemption and return it with our messenger.

If you have any questions, please contact me.

Sincerely yours,

Karl Morell

Enclosures

FEE RECEIVED
SEP 16 2009
SURFACE
TRANSPORTATION BOARD

FILED
SEP 16 2009
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35259

BOISE VALLEY RAILROAD, INC.
--ASSIGNMENT OF LEASE EXEMPTION--
UNION PACIFIC RAILROAD COMPANY AND IDAHO NORTHERN & PACIFIC
RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

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KARL MORELL
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N.W.
Washington, D.C. 20005
(202) 638-3307

Attorneys for:
BOISE VALLEY RAILROAD, INC.

Dated: September 16, 2009

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BOISE VALLEY RAILROAD, INC.
--ASSIGNMENT OF LEASE EXEMPTION--
UNION PACIFIC RAILROAD COMPANY AND IDAHO NORTHERN & PACIFIC
RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

Boise Valley Railroad, Inc. ("BVR"), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt Transactions, to permit BVR to acquire, by assignment from Idaho Northern & Pacific Railroad Company ("INPR"), the lease and operating rights to rail lines owned by the Union Pacific Railroad Company ("UP"). As part of this transaction, INPR will also be assigning incidental trackage rights over two segments of rail lines owned by UP.

In support of this Notice of Exemption, BVR submits the following information as required by 49 C.F.R. § 1150.33:

(a) Full name and address of applicant:

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

(b) Applicant's Representative:

Karl Morell
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005
(202) 638-3307

(c) Statement of Agreement:

BVR has entered into an agreement with INPR for the assignment of the lease of the UP rail lines and incidental trackage rights.

(d) The operator of the property:

BVR will be the operator of the property.

(e) Summary of proposed transaction:

BVR is proposing to acquire by assignment from INPR the lease of and operating rights over certain rail lines owned by UP in Idaho. As part of this transaction, BVR will acquire by assignment from INPR certain incidental trackage rights over two segments of UP owned lines in order to interchange traffic with UP at Nampa, Idaho and to access one of the leased lines.

(1) The name and address of the railroad assigning the lease and name and address of railroad owning the leased lines are, respectively:

Idaho Northern & Pacific Railroad Company
119 N. Commercial Avenue
Emmett, Idaho 83617

Union Pacific Railroad Company
1400 Douglas Street
Omaha, Nebraska 68179

(2) BVR's acquisition of the lease is expected to be consummated on October 16, 2009.

(3) The rail lines that are subject to the Lease Agreement being assigned to BVR are located in Idaho as follows:

(i) between Milepost 0.2, near Caldwell, Idaho, and Milepost 11.39, at Wilder, Idaho (“Wilder Branch”);

(ii) between Milepost 443.0, near Hillcrest, Idaho, and Milepost 467.8, at Nampa, Idaho; and

(iii) track numbers 40, 401, 402, 403, 404, 406, 407, 408, 409, 410, 411, 412, 413, 414 and 415 in UP’s Nampa Yard, in Nampa, Idaho.

In conjunction with the acquisition of the Lease Agreement, BVR will also acquire by assignment incidental trackage rights over UP’s rail lines located between: (i) Milepost 465.91, at Caldwell, Idaho, and Milepost 454.0, at Nampa, Idaho; and (ii) Milepost 465.91, at Caldwell, Idaho, and Milepost 0.2, near Caldwell on the Wilder Branch.

(4) The length of the rail lines being leased is approximately 35.99 miles (not including the tracks in Nampa Yard), and the length of the incidental trackage rights being acquired is approximately 12.11 miles.

(f) A map of the rail lines being leased and the incidental trackage rights being acquired is attached as Exhibit A.

(g) BVR hereby certifies that BVR's projected revenues as a result of this transaction will not result in BVR becoming a Class II or Class I rail carrier.

BVR further certifies that its projected annual revenue from operation of the leased lines will not exceed \$5 million. As a result, there is no need to comply with the requirements of 49 C.F.R. § 1150.32(e).

(h) Neither the Agreement between INPR and BVR nor the Lease Agreement being assigned from INPR to BVR contains a provision which would prohibit BVR from interchanging traffic with a third party.

A caption summary, as required by 49 C.F.R. § 1150.34, is attached.

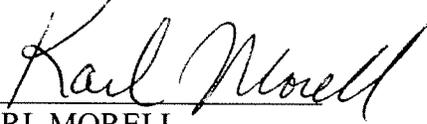
ENVIRONMENTAL AND HISTORIC IMPACTS

BVR is leasing the lines from UP and acquiring the incidental trackage rights for continued rail operations. Further Board approval is required for BVR to discontinue any service, and there are no plans to dispose of or alter properties subject to Board 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).

BVR's lease 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 this line 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 line; (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. BVR's lease of the rail lines 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, the transportation of ozone depleting materials is not contemplated. 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,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive style with a horizontal line underneath the name.

KARL MORELL

Of Counsel

BALL JANIK LLP

Suite 225

1455 F Street, N.W.

Washington, DC 20005

(202) 638-3307

Attorneys for:

BOISE VALLEY RAILROAD, LLC

Dated: September 16, 2009

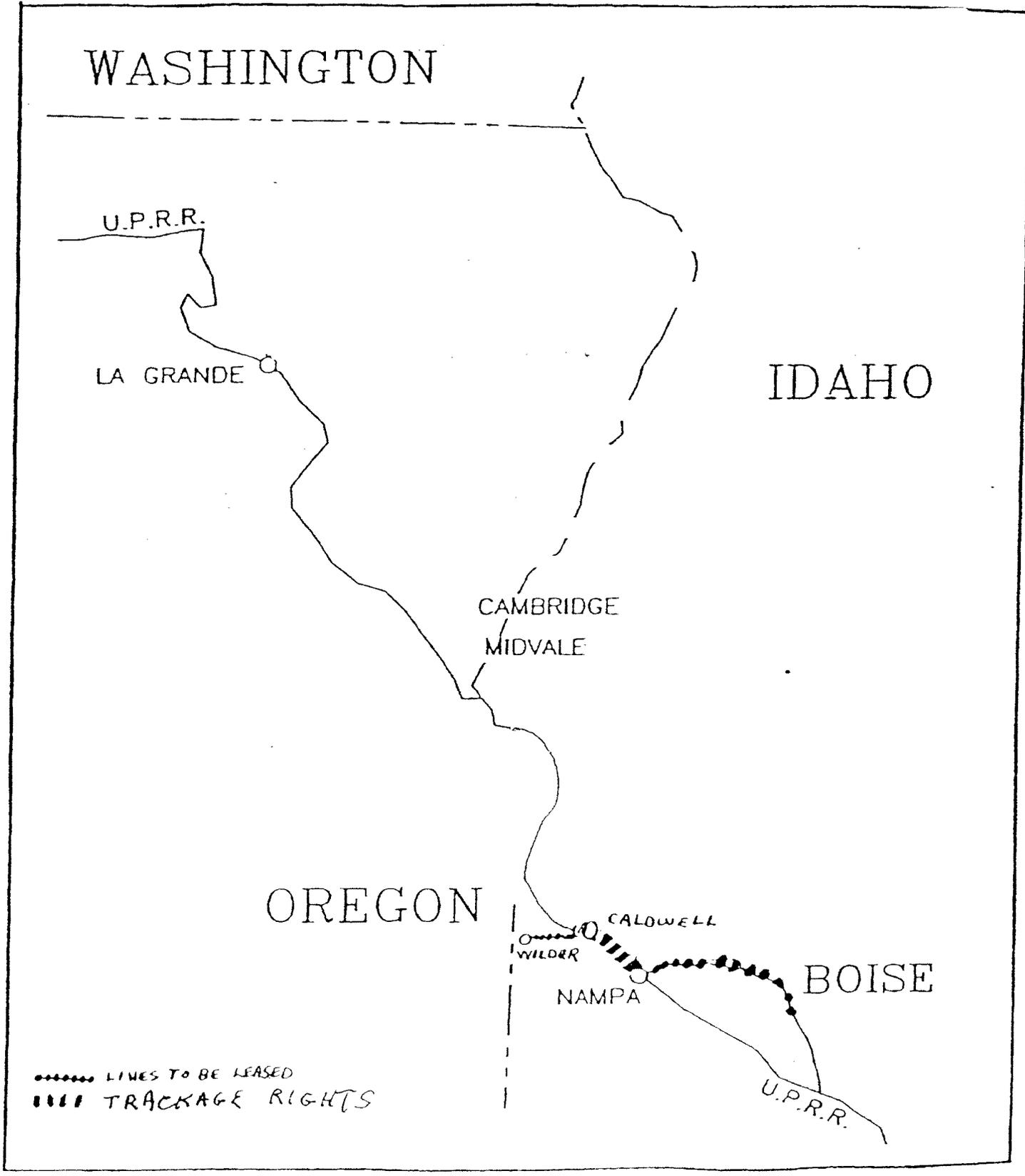


EXHIBIT A

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35259

BOISE VALLEY RAILROAD, LLC
--ASSIGNMENT OF LEASE EXEMPTION--
UNION PACIFIC RAILROAD COMPANY AND IDAHO NORTHERN & PACIFIC
RAILROAD COMPANY

Boise Valley Railroad, LLC ("BVR"), a non-carrier, has filed a notice of exemption to acquire by assignment from Idaho Northern & Pacific ("INPR"), the lease of and operating rights over the Union Pacific Railroad Company ("UP") rail lines located: (i) between Milepost 0.2, near Caldwell, Idaho, and Milepost 11.39, at Wilder, Idaho (Wilder Branch); (ii) between Milepost 443.0, near Hillcrest, Idaho, and Milepost 467.8, at Nampa, Idaho; and (iii) track numbers 40, 401, 402, 403, 404, 406, 407, 408, 409, 410, 411, 412, 413, 414 and 415 in UP's Nampa Yard, in Nampa, Idaho.

In conjunction with the lease of these rail lines, BVR will acquire by assignment from INPR incidental trackage rights over UP's rail lines located between: (i) Milepost 465.91, at Caldwell, Idaho, and Milepost 454.0, at Nampa, Idaho; and (ii) Milepost 465.91, at Caldwell, Idaho, on the UP mainline, and Milepost 0.2, near Caldwell, Idaho, on the Wilder Branch.

Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 1455 F Street, N.W., Washington, DC 20005, (202) 638-3307.

This notice is filed under 49 C.F.R. 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

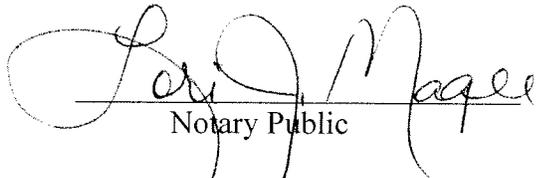
STATE OF KANSAS)
) **ss.**
COUNTY OF CRAWFORD)

I, Arthur E. McKechnie, III, being duly sworn depose and state that I am Executive Vice President of the Boise Valley Railroad, 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 2nd day of September, 2009, in the County of Crawford, State of Kansas.

My Commission Expires: 8/16/2012


Notary Public