

215843

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MICHAEL J. BARRON, JR.
(312) 252-1511
mbarron@fletcher-sippel.com

February 21, 2006

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006

FILED

FEB 22 2006

**SURFACE
TRANSPORTATION BOARD**



Re: **Finance Docket No. 34831**
Kansas City Terminal Railway Company--Intra-Corporate Exemption--
Kansas City Transportation Company LLC

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of a **Verified Notice of Exemption Pursuant to 49 C.F.R. § 1180.2(d)(3)**, dated February 21, 2006. A check in the amount of \$1,100.00, representing the appropriate fee for this filing, is attached.

One extra copy of this transmittal letter and the Notice also are enclosed. I would request that you date-stamp those copies to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,

**ENTERED
Office of Proceedings**

FEB 22 2006

**Part of
Public Record**

Michael J. Barron, Jr.

Michael J. Barron, Jr.
Attorney for Kansas City Terminal
Railway Company

MJB: arw
Enclosures
cc: Mr. William Somervell
Mr. Scott Long
Mr. William A. Mullins

FEE RECEIVED
FEB 22 2006
**SURFACE
TRANSPORTATION BOARD**

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34831

KANSAS CITY TERMINAL RAILWAY COMPANY
-- INTRA-CORPORATE EXEMPTION --
KANSAS CITY TRANSPORTATION COMPANY LLC



ENTERED
Office of Proceedings

FEB 22 2006

Part of
Public Record

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.E.R. § 1180.2(d)(3)**

FEE RECEIVED

FEB 22 2006

SURFACE
TRANSPORTATION BOARD

FILED
FEB 22 2006
SURFACE
TRANSPORTATION BOARD

Ronald A. Lane
Michael J. Barron, Jr.
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR
KANSAS CITY TERMINAL
RAILWAY COMPANY**

Dated: February 21, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34831

KANSAS CITY TERMINAL RAILWAY COMPANY
-- INTRA-CORPORATE EXEMPTION --
KANSAS CITY TRANSPORTATION COMPANY LLC

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)**

Kansas City Terminal Railway Company ("KCT") hereby files this verified notice of exemption under 49 C.F.R. § 1180.2(d)(3) to remain in control of Kansas City Transportation Company LLC ("KCTL") once KCTL becomes a Class III rail carrier. KCTL is a wholly owned subsidiary of KCT. KCTL is concurrently filing a notice of exemption to lease from KCT and receive an assignment of rights from Kaw River Railroad, Inc. ("KRR") on certain tracks in the Kansas City area which are owned by KCT and certain tracks in the Kansas City area which are currently leased and operated by KRR. See Finance Docket No. 34830, Kansas City Transportation Company LLC – Lease and Assignment of Lease Exemption – Kansas City Terminal Company and Kaw River Railroad, Inc. Upon consummation of that transaction, KCTL will become a Class III rail carrier under common control with KCT.

In accordance with the requirements of 49 C.F.R. § 1180.4(g), KCT submits the following information:

Description of the Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

KCT leased certain of its tracks and rights to serve local industries located on those tracks ("KCT Tracks"), totaling 25.73 track miles (including yard tracks), to a predecessor of the Kansas City Southern Railway Company ("KCS") in 1994. See The Atchison, Topeka and

Santa Fe Railway Company and Gateway Western Railway Company – Lease Exemption – Kansas City Terminal Railway Company, F.D. 32238 (served Feb. 24, 1994).¹ In 2004, KCS subleased a portion of its rights under the KCT lease, assigned its operating authority over 6.2 miles of the Joint Tracks and leased an additional 7.5 miles of its own track (the “KCS Tracks”) to Kaw River Railroad, Inc. (“KRR”). See, Kaw River Railroad, Inc. – Lease Exemption – The Kansas City Southern Railway Company, F.D. 34509 (served June 24, 2004). The underlying lease of the KCT Tracks will expire on March 1, 2006.

Upon the effectiveness of this Notice, KCT will lease the KCT Tracks to its wholly owned subsidiary, KCTL. KRR will also assign all its rights under its lease from KCS to KCTL, and KCS will assign to KCTL any remaining rights it may have on the portion of its lease from KCT not subleased to KRR. KCT will grant to KCTL incidental trackage rights over KCT’s main lines for access to and from all of the KCT Tracks and the KCS Tracks and interchange points. Upon KCTL’s lease of the KCT Tracks and assumption of KRR’s rights and obligations in the KCS Tracks, it will become a common carrier by rail. It is anticipated that KCTL will enter into one or more agreements with contract operators but KCTL will retain the common carrier rights and obligations with respect to the KCT Tracks and the KCS Tracks.

The full name and address of the applicants herein are as follows:

Kansas City Terminal Railway Company
4501 Kansas Avenue
Kansas City, Kansas 66106

Any questions concerning this Notice should be sent to the representative of KCT at the following address:

¹ KCT also entered into a maintenance lease for the upkeep of KCT’s main lines, which are used primarily by connecting Class I carriers for movements through Kansas City and to interchange at Kansas City. Those main lines were referred to then, and will be referred to now as the “Joint Tracks.”

Ronald A. Lane
Fletcher & Sippel LLC
29 North Wacker Drive
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Chicago, Illinois 60606-2832
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Proposed Time Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

KCT already controls KCTL, which currently is a non-carrier. KCT expects to consummate the transactions described in Finance Docket No. 34830 and become a rail common carrier on March 1, 2006.

Purpose Sought to be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The requested exemption will allow KCT to continue in control of KCTL after KCTL becomes a Class III railroad.

States in Which Applicant's Property is Located: 49 C.F.R. § 1180.6(a)(5)

KCT owns railroad property in Jackson County, Missouri and in Wyandotte County, Kansas.

Maps: 49 C.F.R. § 1180.6(a)(6)

The lines to be operated by KCTL are shown in red and blue on the map attached as Exhibit A. The lines owned by KCT are shown in black on the map attached as Exhibit A.

Agreement: 49 C.F.R. § 1180.6(a)(7)(ii)

KCT already controls KCTL. No additional agreement is necessary or contemplated for KCT to continue in control of KCTL once KCTL becomes a Class III rail carrier.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

Because the proposed transaction involves only Class III rail carriers, employee protective conditions may not be imposed as a condition to this exemption. See 49 U.S.C. § 11326(c).

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2), the proposed continuance in control of KCTL by KCT is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds of 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(3), the proposed transaction also is exempt from historic preservation reporting requirements. This is simply a continuance in control related to another transaction where the purpose is continued rail operations. Further Board approval would be required as a prerequisite to any abandonment or discontinuance of service, and there are no plans in connection with this transaction to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

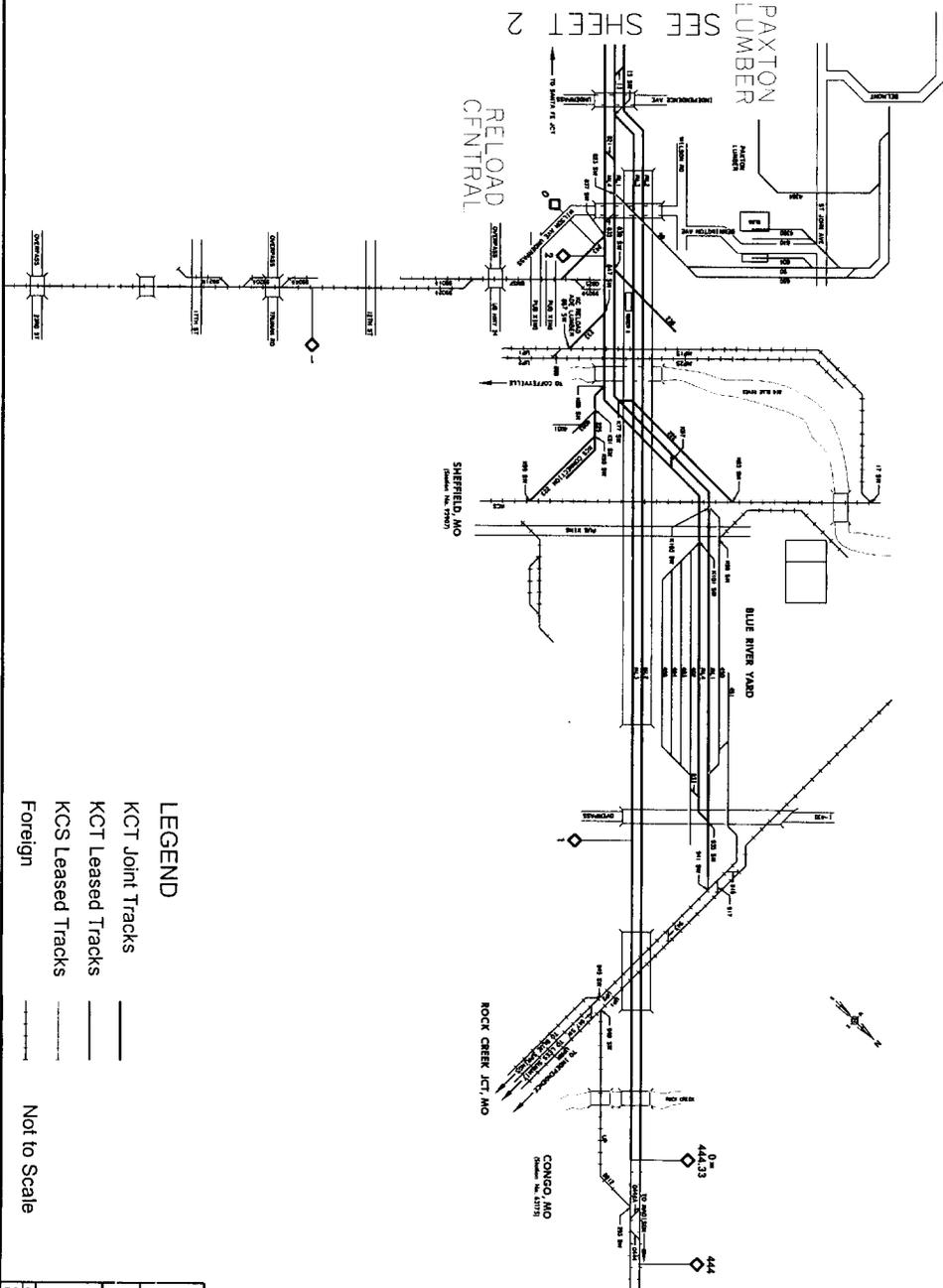
Respectfully submitted,

By:  _____

Ronald A. Lane
Michael J. Barron, Jr.
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR KANSAS CITY TERMINAL
RAILWAY COMPANY**

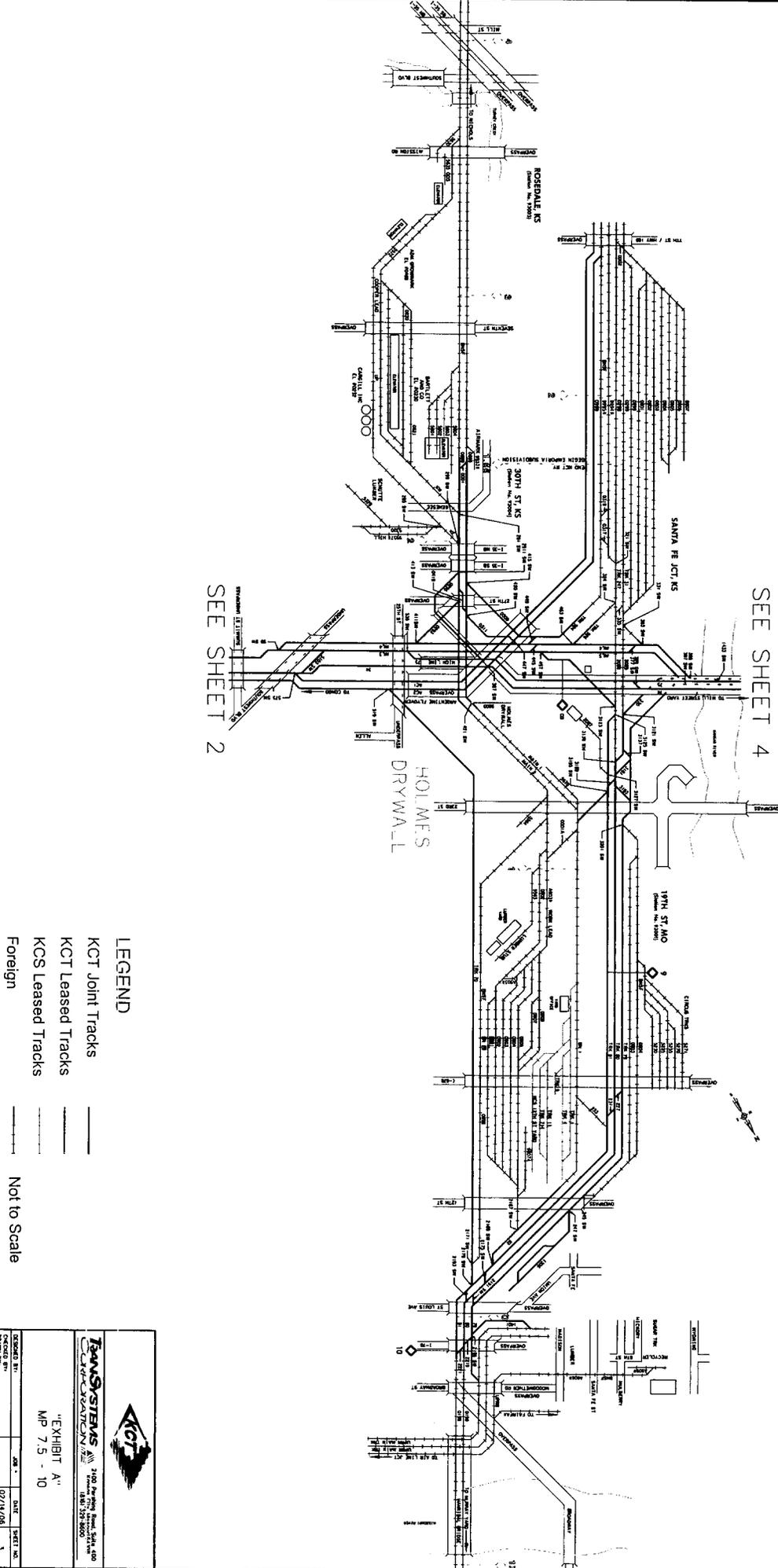
Dated: February 21, 2006



SEE SHEET 2

SEE SHEET 2

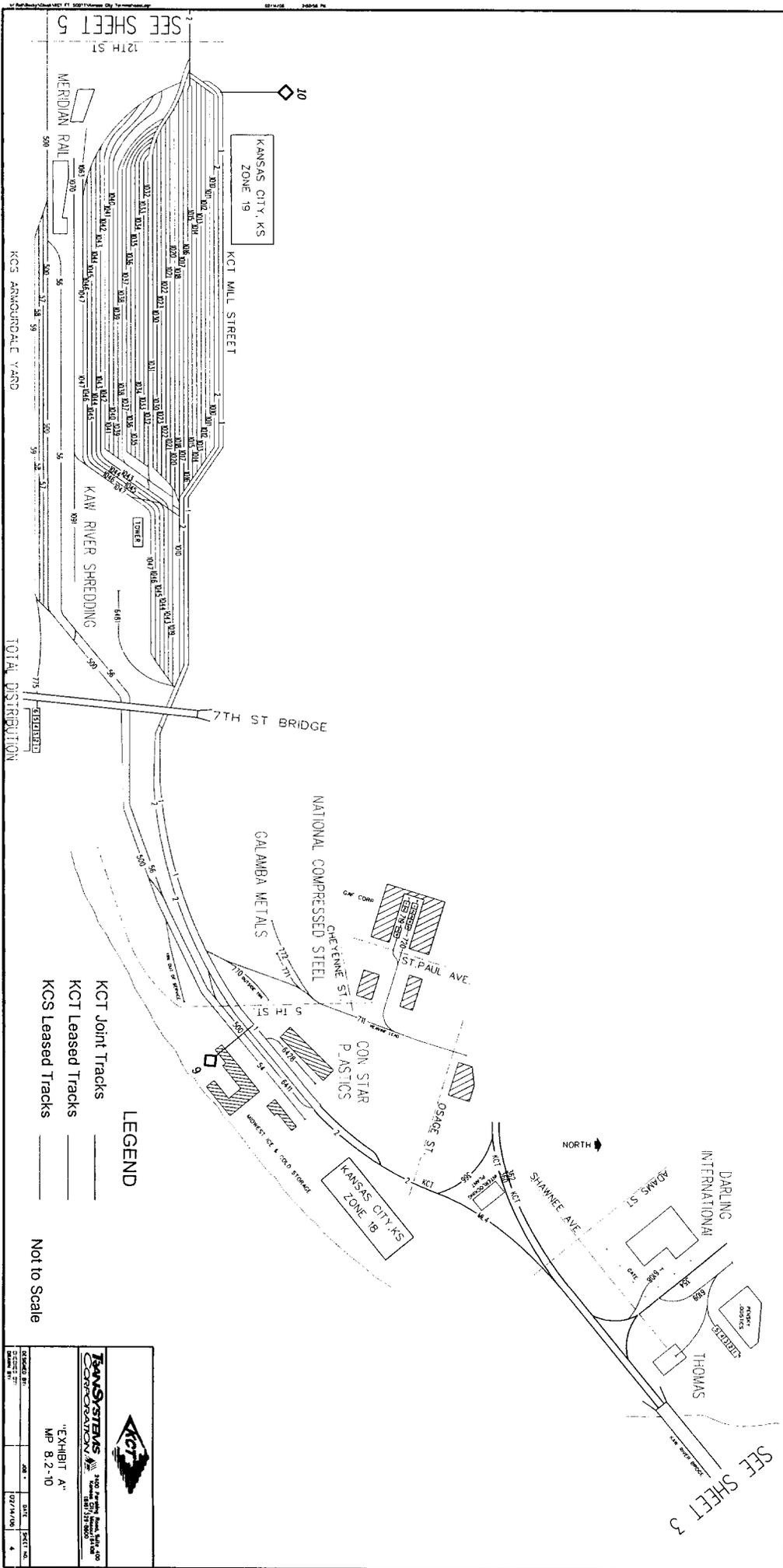
SEE SHEET 4



- LEGEND
- KCT Joint Tracks
 - KCT Leased Tracks
 - KCS Leased Tracks
 - Foreign

Not to Scale

	
TRANSYSTEMS CORPORATION	
2402 Argonne Road, Suite 304, MO St. Louis, MO 63103 (314) 524-8000	
"EXHIBIT A" MP 7.5 - 10	
DESIGNED BY	DATE
CHECKED BY	SHEET NO.
DATE	3



SEE SHEET 5

SEE SHEET 3

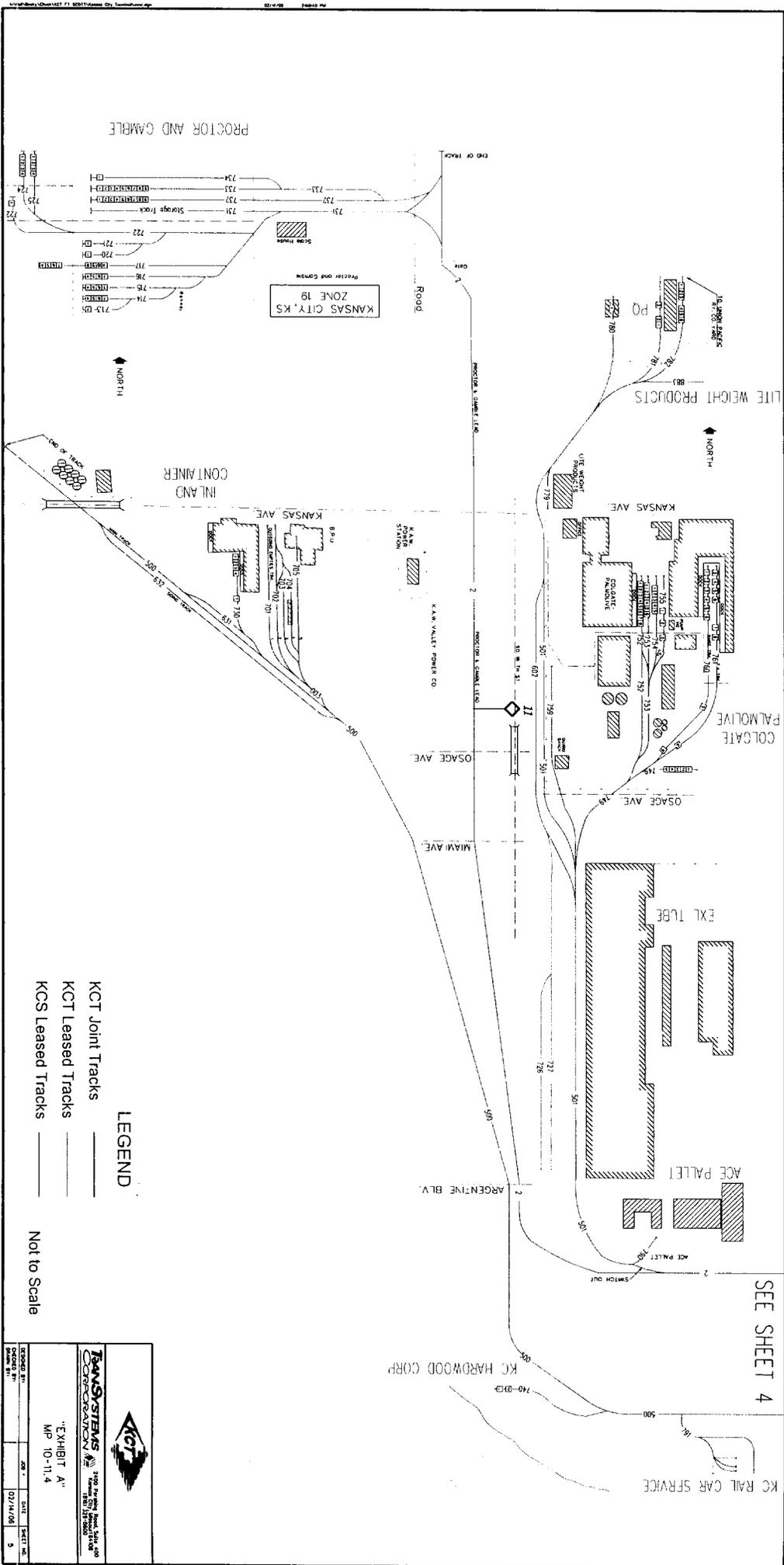
KCT

KANSAS SYSTEMS CORPORATION

1400 Republic Plaza, Suite 1100
Kansas City, MO 64108
816.234.1000

"EXHIBIT A"
MP 8.2-10

DATE	BY	SCALE
02/14/09		4



SEE SHEET 4

- LEGEND**
- KCT Joint Tracks
 - KCT Leased Tracks
 - KCS Leased Tracks
 - Not to Scale

TMS SYSTEMS TRUCK MANAGEMENT SYSTEMS	
"EXHIBIT A" MP 10-11.4	
DESIGNED BY	DATE
DRAWN BY	SCALE
CHECKED BY	NO.
DATE	

VERIFICATION

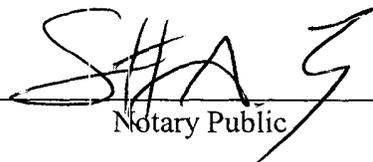
State of Missouri)
)
County of Jackson) ss:

William F. Somervell, being duly sworn, on behalf of Kansas City Terminal Railway Company deposes and says that he is duly authorized to sign this verification, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



William F. Somervell

SUBSCRIBED AND SWORN TO
before me this 14th day
of February, 2006



Notary Public

SCOTT A. LONG
Notary Public - Notary Seal
STATE OF MISSOURI - Jackson County
My Commission Expires: Dec 1, 2006

My Commission expires: 12/01/2006