

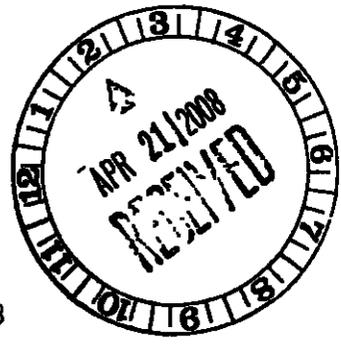
222167

ORIGINAL

LAW OFFICE
JOHN D. HEFFNER, PLLC
1750 K STREET, N.W.
SUITE 350
WASHINGTON, D.C. 20006
PH: (202) 296-3333
FAX: (202) 296-3939

FILED

APR 21 2008



SURFACE
TRANSPORTATION BOARD

April 21, 2008

BY HAND DELIVERY

Hon. Anna K. Quinlan, Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: **STB Finance Docket No. 35136**
Burlington Shortline Railroad, Inc. D/b/a Burlington
Junction Railway - Lease and Operation Exemption -
BNSF Railway Company

Dear Ms. Quinlan:

On behalf of Burlington Junction Railway ("BJRY"), I am submitting an original and ten copies of a verified notice of lease and operation exemption with exhibits. In addition, I am enclosing a check for \$1,600 to cover the filing fee and a copy of this filing on a disk formatted in MS Word.

Please date stamp and return one copy of this letter.

Sincerely yours,

FEE RECEIVED
APR 21 2008
SURFACE
TRANSPORTATION BOARD

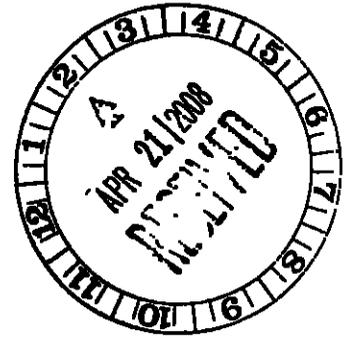
James H M Savage
James H. M. Savage
Counsel

JHS/mhd

Enc.
cc: Karl Morell, Esq. (w/enc.)
Thomas F. McFarland, Esq. (w/enc.)

ENTERED
Office of Proceedings
APR 23 2008
Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD



STB FINANCE DOCKET NO. 35136

BURLINGTON SHORTLINE RAILROAD, INC.
D/B/A BURLINGTON JUNCTION RAILWAY
-- LEASE AND OPERATION EXEMPTION --
BNSF RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41

NOTICE OF LEASE AND OPERATION OF RAIL LINE

Submitted By:

Burlington Shortline Railroad, Inc.
D/b/a Burlington Junction Railway
Burlington, IA

Applicant

John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3334

Jares H. M. Savage
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3335

Counsel for Applicant

Dated: April 21, 2008

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35136

**BURLINGTON SHORTLINE RAILROAD, INC.
D/B/A BURLINGTON JUNCTION RAILWAY
-- LEASE AND OPERATION EXEMPTION --
BNSF RAILROAD COMPANY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41**

NOTICE OF LEASE AND OPERATION OF RAIL LINE

INFORMATION REQUIRED BY 49 CFR 1150.43

Name and Address of Applicant **49 CFR 1150.43(a)**

Burlington Shortline Railroad, Inc.
D/b/a Burlington Junction Railway
1510 Bluff Rd.
P.O. Box 37
Burlington, IA 60611

Applicant's Representative **49 CFR 1150.43(b)**

John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 350
Washington, D.C. 20006
(202) 296-3334

Statement of Agreement(s) **49 CFR 1150.43(c)**

The Burlington Shortline Railroad, Inc. D/b/a

Burlington Junction Railway ("BJRY") has executed an agreement with BNSF Railway Company ("BNSF") for BJRY to lease and operate approximately 2.5 miles of railroad properties identified on the Map attached hereto as Exhibit A-1 and located at Montgomery, IL consisting of certain trackage, real property, and railroad operating rights.

The rail properties being leased consist of land and tracks owned by BNSF adjacent to and within the Montgomery Industrial Park in Montgomery, IL, located between Milepost 39.40 and Milepost 40.50 on BNSF's east-west Main 1, Track 3998, and Main 2, Track 3999, but excluding BNSF's Main 1, Main 2 and the Old North Main Track 3900.

The lease agreement pertains to track numbers 3901, 3902, 3903, 3904, the segment of track 3930 between tracks 3900 and 3932, and the segment of track 3930 between the northern terminus of track 3931 and track 3942.

BNSF is also conveying to BJRY for interchange purposes incidental trackage rights on track no. 3900 (the Old North Main) between track nos. 3904 and 3930.

BNSF is also assigning to BJRY industry agreements pertaining to track nos. 3905, 3906, 3907, 3908, 3909, 3914, 3915, 3920, 3931, 3932, 3933, 3940, 3941, 3942, 3943, 3944, 9916, and 9976, as well as the portion of track no. 3930 not owned by BNSF. The tracks that are the subject of industry agreements are

¹ BNSF's address is 2650 Lou Menk Drive, 2nd Floor, Fort Worth, TX 76131

not owned by BNSF.

BJRY, in turn, is granting BNSF interchange rights for the use of BJRY's yard tracks at Montgomery, IL for the sole purpose of interchanging traffic between the parties on track nos. 3901 and 3902.

Operator of the Property

49 CFR 1150.43(d)

In all cases anticipated by this Notice, and as described in the transaction summary provided below, BJRY will hold itself out to provide common carrier rail freight service over the subject rail facilities.

Brief Summary of Transaction

49 CFR 1150.43(e)

BJRY is an existing class III short line railroad which presently provides common carrier rail service over five disconnected properties.² A Map showing all of BJRY's existing

² Pursuant to an exemption granted in 1985, BJRY operates a terminal switching railroad over 1.5 miles of track in Burlington, IA See, FD No 30522, Burlington Shortline, Inc., and Keokuk Northern Real Estate Company, et al (served March 7, 1985) Also in 1996, BJRY lease and commenced operations over 0.5 miles of trackage owned by the Henry County Industrial Development Corporation in Mt Pleasant, IA That operation received an exemption from this Board in STB FD No. 32898, Burlington Shortline Railroad, Inc , d/b/a Burlington Junction Railway (served May 1, 1996) In 1997, BJRY purchased some additional trackage at Burlington, IA, from BNSF See, STB FD No. 33518, Burlington Shortline, Inc., d/b/a Burlington Junction Railway--Acquisition and Operation Exemption, et al (Dec 9, 1997) In 2003, BJRY assumed the lease operation of two BNSF rail lines near Quincy, IL That transaction was exempted in a decision served October 21, 2003, and docketed as STB FD No 34409, Burlington Shortline Railroad, Inc., d/b/a Burlington Junction Railway--Lease and Operation Exemption--The Burlington Northern and Santa Fe Railway Company Pursuant to an exemption granted in 2006, BJRY assumed the lease operation of a BNSF rail line near O.Lumwa, IA See STB FD No. 34973, Burlington Shortline Railroad, Inc., d/b/a Burlington Junction Railway--Lease and Operation Exemption--The Burlington Northern and Santa Fe Railway Company

rail properties, none of which connect to the subject Line is attached hereto as Exhibit A-2.

The lease agreement pertains to track numbers 3901, 3902, 3903, 3904, the segment of track 3930 between tracks 3900 and 3932, and the segment of track 3930 between the northern terminus of track 3931 and track 3942. BNSF is also conveying to BJRY incidental trackage rights on track no. 3900 (the Old North Main) between track nos. 3904 and 3930. BNSF is also assigning to BJRY industry agreements pertaining to track nos. 3905, 3906, 3907, 3908, 3909, 3914, 3915, 3920, 3931, 3932, 3933, 3940, 3941, 3942, 3943, 3944, 9916, and 9976, as well as the portion of track no. 3930 not owned by BNSF. BJRY, in turn, is granting BNSF interchange rights for the use of BJRY's yard tracks at Montgomery, IL for the sole purpose of interchanging traffic between the parties on track nos. 3901 and 3902.

By this transaction, BJRY, a locally based carrier, will be able to offer on-demand switching to shipper facilities located within the Montgomery (IL) Industrial Park.³ BJRY anticipates that this increase in service will generate additional traffic levels. Furthermore, BJRY anticipates that the improved car velocity will help ease congestion on BNSF mainline tracks. BJRY plans to make investments in the track

(served December 28, 2006)

³ BJRY's headquarters is located in Burlington, IA, 185 miles from Montgomery, IL. BJRY operates five

assets to attract other shippers to the line.

This transaction qualifies for a class exemption under 49 CFR 1150.41 et seq., because it involves the lease and operation of rail lines by an existing Class III short line rail carrier.

Map

49 CFR 1150.43(f)

A Map depicting the line to be lease and operated and depicting the location of Montgomery on the State of Illinois's rail system is attached as Exhibit A-3.

Certificate of Carrier Classification **49 CFR 1150.43(g)**

BJRY hereby certifies that, with this acquisition, its projected annual revenues will still be less than \$5,000,000 annually. A certificate complying with the provisions of 49 CFR 1150.43(g) is attached as Exhibit B to this notice.

Labor Protection

Pursuant to 49 U.S.C. 10902(d) labor protective conditions do not apply and will not be imposed. In any event, no employees will be adversely affected.

Caption Summary

49 CFR 1150.44

A caption summary in the prescribed form is attached as Exhibit C to this Notice.

other rail facilities in Iowa and Illinois, the nearest to Montgomery being in Rochelle, IL, a distance of 48 miles

Environmental and Historic Preservation Data 49 CFR 1105

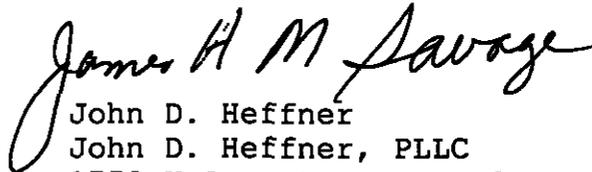
Pursuant to 49 CFR 1105.6(c) (2), the proposed transaction is exempt from environmental review under 49 CFR 1105.6(c) (2) (1) because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 1105.7(e) (4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b) (1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will continue. Further Board approval is required for the parties to abandon service, and there are no plans to dispose of or alter the properties subject to Board jurisdiction.

Certification of Compliance with Public L. No. 110-161, § 193, 121 Stat. 1844 (2007)

BJRY hereby certifies that, pursuant to the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, § 193, 121 Stat. 1844 (2007), Applicant will not engage in any of the following activities on any of the rail properties being lease: operate any solid waste rail transfer facility for the collection, storage or transfer of solid waste outside of its original shipping container; or separating or processing solid waste (including baling, crushing, compacting and shredding) as the term 'solid waste' is defined in section 1004 of the Solid Waste Disposal Act, 42 U.S.C. 6903.

Respectfully submitted,



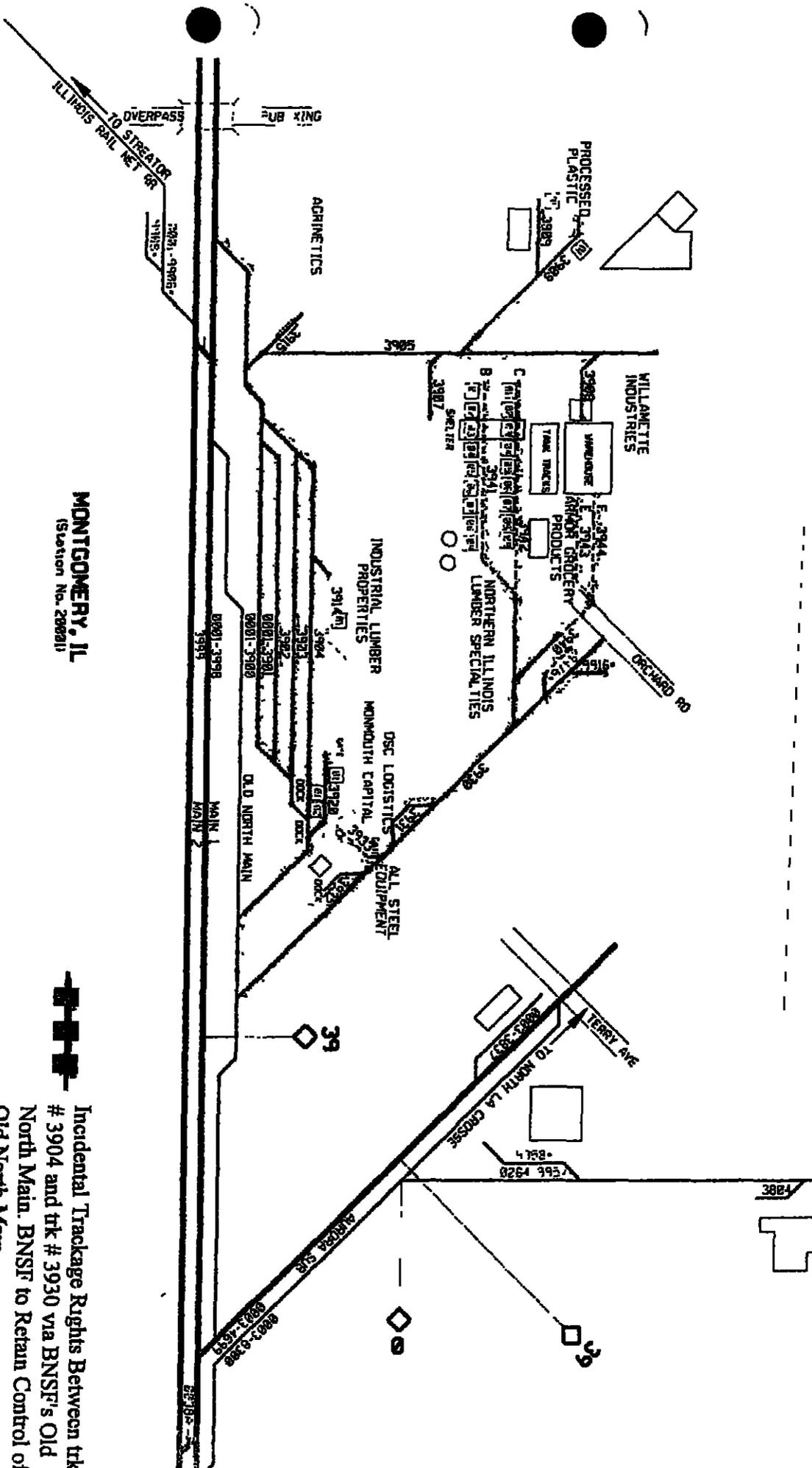
John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W. - Suite 350
Washington, D.C. 20006
(202) 296-3334

James E. M. Savage
1750 K Street, N.W. - Suite 350
Washington, D.C. 20006
(202) 296-3335

Counsel for Applicant

Dated: April 21, 2008

EXHIBIT A-1



MONTGOMERY, IL
(Station No. 200211)

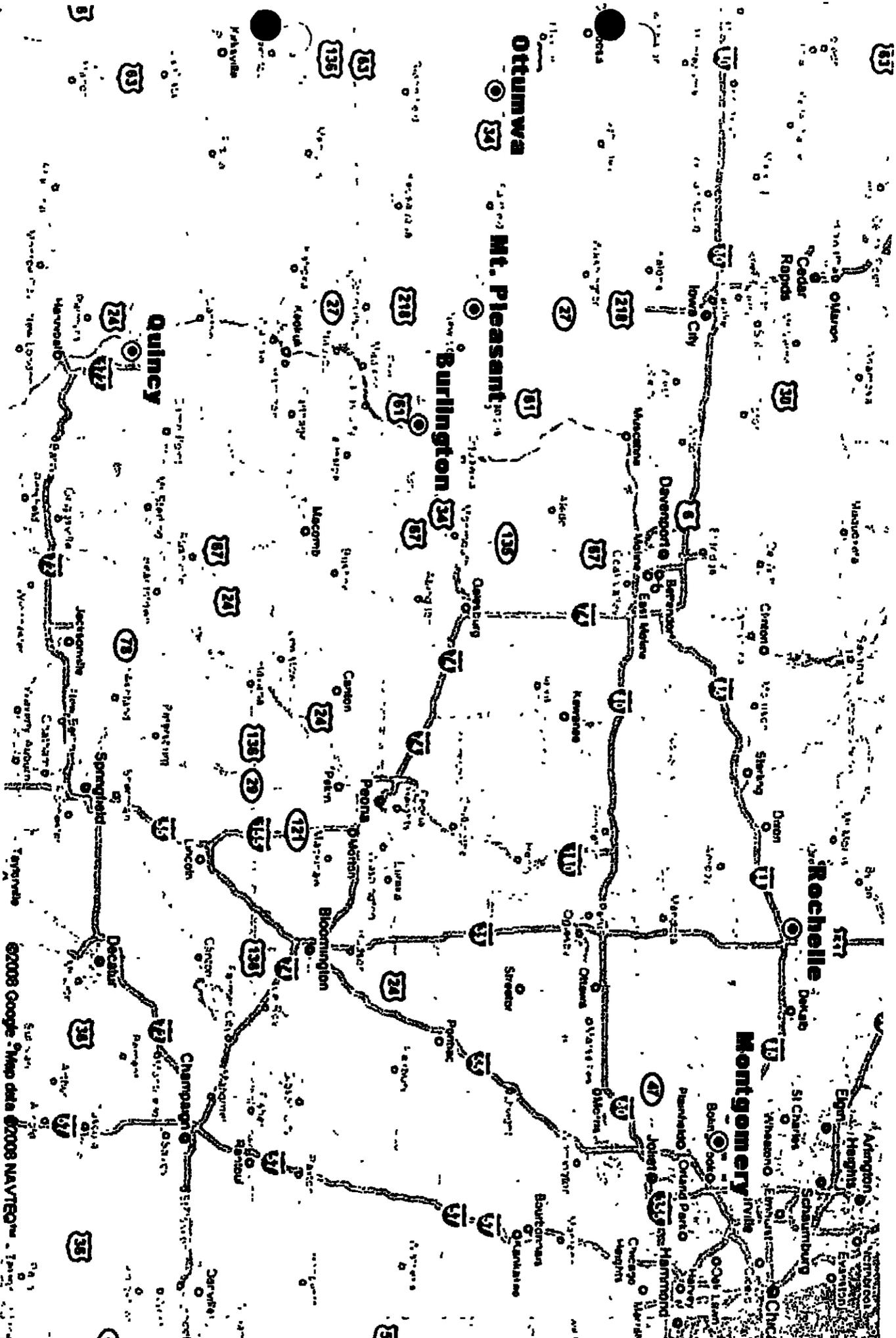
Incidental Trackage Rights Between trk # 3904 and trk # 3930 via BNSF's Old North Main. BNSF to Retain Control of Old North Main

BNSF Leased Lines

BNSF will Delivery to BJRY on trk # 3901

BNSF will Receive from BJRY on trk # 3902

EXHIBIT A-2



Ottawa

32

Mt. Pleasant

Burlington

34

Quincy

33

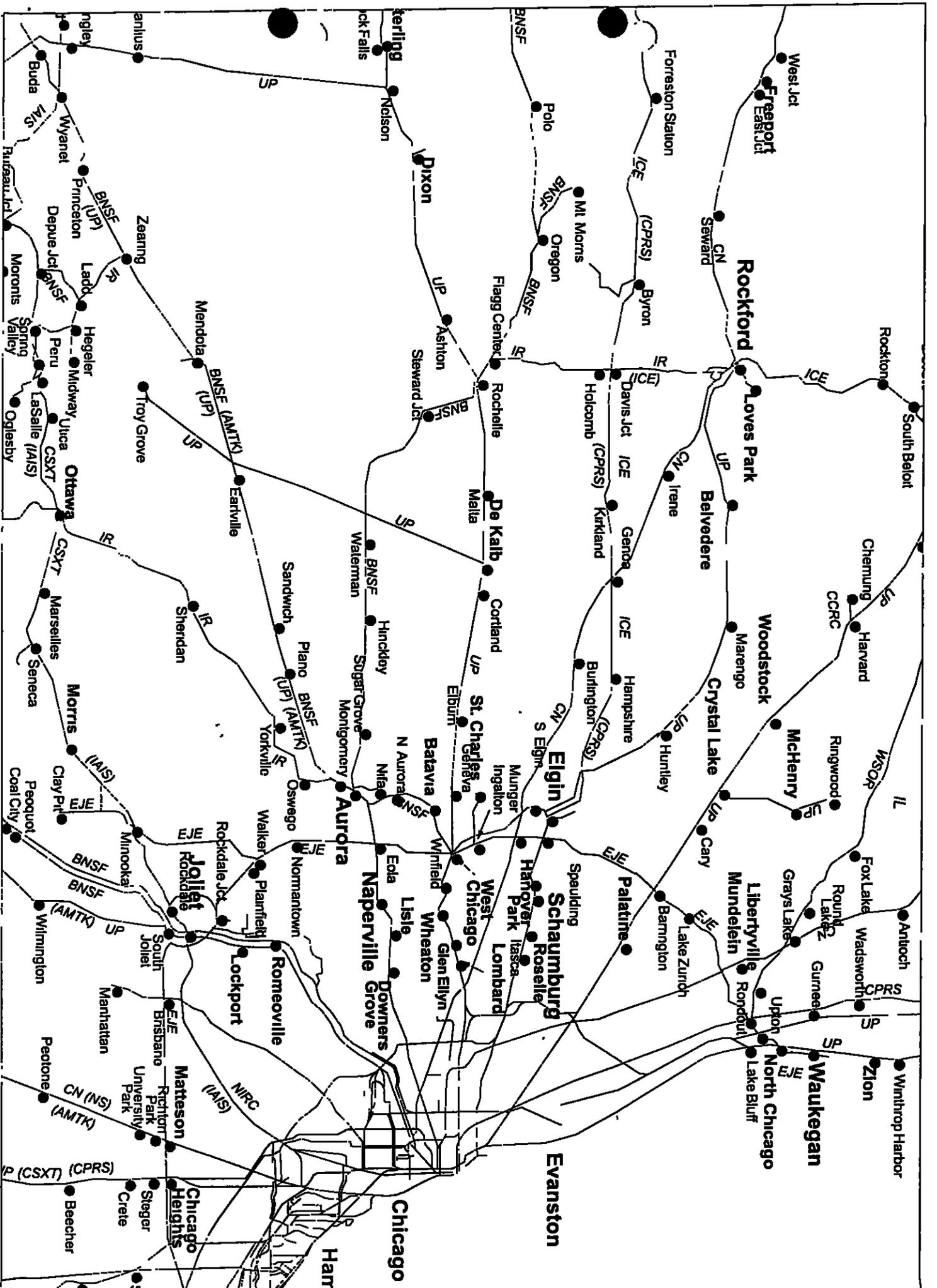
Rochelle

Montgomery

Chicago

©2008 Google Map data ©2008 NAVTEQ

EXHIBIT A-3



VERIFICATION

Pursuant to 28 U.S.C. 1746, I declare and verify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on: April 17, 2008


[signature]

EXHIBIT B

CERTIFICATION

I, Robert Wingate, General Manager of the Burlington Shortline Railroad, Inc. D/b/a Burlington Junction Railway ("BJRY") hereby certify under penalty of perjury that the projected annual railroad operating revenues of BJRY, in the aggregate, will not exceed \$5,000,000, and that BJRY will be a Class III rail carrier as set forth at 49 CFR 1201 (1-1) (a). Further, I certify that I am qualified and authorized to make this certification on behalf of BJRY.

A handwritten signature in cursive script, appearing to read "Robert Wingate", is written over a horizontal line.

Signature

Dated: April 18, 2008

EXHIBIT C

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB FINANCE DOCKET NO. 35136

**BURLINGTON SHORTLINE RAILROAD, INC.
D/B/A BURLINGTON JUNCTION RAILWAY
-- LEASE AND OPERATION EXEMPTION --
BNSF RAILWAY COMPANY**

NOTICE OF LEASE AND OPERATION OF RAIL LINE

Burlington Shortline Railroad, Inc. D/b/a Burlington Junction Railway ("BJRY"), an existing class III short line railroad common carrier, has filed a notice of exemption to acquire by lease and operate, pursuant to an agreement with BNSF Railway Company ("BNSF"), approximately 2.5 miles of railroad properties consisting of certain trackage, real property, and railroad operating rights in Montgomery, IL between Milepost 39.40 and Milepost 40.50 on the BNSF East-West Main Line.

The lease agreement pertains to track numbers 3901, 3902, 3903, 3904, the segment of track 3930 between tracks 3900 and 3932, and the segment of track 3930 between the northern terminus of track 3932 and track 3942. BNSF is also conveying to BJRY for interchange purposes incidental trackage rights on track no. 3900 (the Old North Main) between track nos. 3904 and 3930.

The notice is filed under 49 C.F.R. 1150.41. 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.

An original and 10 copies of all pleadings, referring to STB Docket No. 35136, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423. In addition a copy of each pleading must be served on:

for BJRY:

John D. Heffner, Esq.
John D. Heffner, PLLC
1750 K Street, N.W. - Suite 350
Washington, D.C. 20006
Telephone: (202) 296-3334;

and for BNSF:

Karl Morell, Esq.
Ball Janik LLP,
1455 F Street, N.W. - Suite 225,
Washington, DC 20005
Telephone: (202) 638-3307.

(seal)

Anne K. Quinlan
Acting Secretary