



655 Fifteenth Street, NW, Suite 225
Washington, DC 20005
balljanik.com
t 202.638.3307
f 202.783.6947

December 1, 2014

Karl Morell
Of Counsel

kmorell@balljanik.com

BY HAND DELIVERY

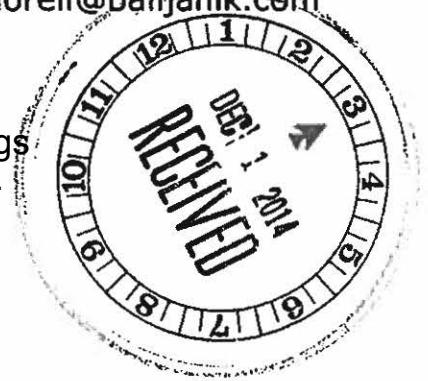
237136

ENTERED

Office of Proceedings

December 1, 2014

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



Re: Finance Docket No. 35882, Watco Holdings, Inc. -
Continuance In Control Exemption - Bogalusa Bayou
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 two
checks covering the \$1,300 filing fee.

If you have any questions, please call me.

Sincerely,

Karl Morell
Of Counsel

Enclosures

FILED
December 1, 2014
SURFACE
TRANSPORTATION BOARD

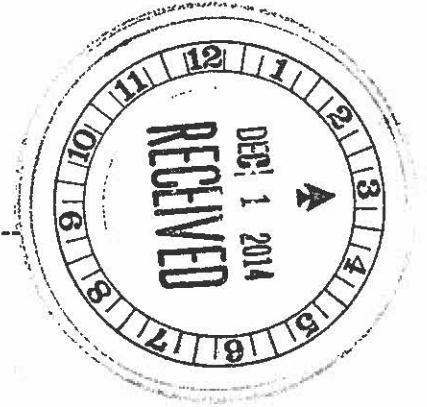
FEE RECEIVED
December 1, 2014
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35882

WATCO HOLDINGS, INC.
-- CONTINUANCE IN CONTROL EXEMPTION --
BOGALUSA BAYOU 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.

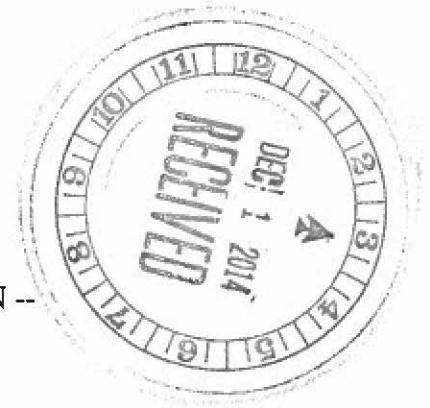
Dated: December 1, 2014

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35882

WATCO HOLDINGS, INC.
-- CONTINUANCE IN CONTROL EXEMPTION --
BOGALUSA BAYOU 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 Bogalusa Bayou Railroad, L.L.C. ("BBRR"), a non-carrier, upon BBRR 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 nine (29) Class III railroads and one (1) Class II railroad, collectively operating in 22 States. Watco also owns, indirectly, 100 percent of the issued and outstanding stock of BBRR, a limited liability company and a non-carrier that was formed for the purpose of acquiring trackage rights over a rail line currently owned by Illinois Central Railroad Company. Concurrently with the filing of this Notice of Exemption, BBRR is filing a Notice of Exemption in Finance Docket No. 35880,

Bogalusa Bayou Railroad, L.L.C. – Trackage Rights Exemption – Illinois Central Railroad Company, under 49 C.F.R. § 1150.31, to acquire trackage rights over a rail line in Louisiana. Upon consummation of the transaction in Finance Docket No. 35880, BBRR 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, L.L.C. (“WSOR”); Birmingham Terminal Railway, L.L.C. (“BRS”); the Ann Arbor Railroad, Inc. (“AA”); the Pecos Valley Southern Railway (“PVS”); San Antonio Central Railroad, L.L.C. (“SAC”) and Blue Ridge Southern Railroad, L.L.C. (“BLLU”) . 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, SAC and BLU are Class III carriers which operate rail lines in 20 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, BRSR, PSRR, GER, AWR, BVR, ANRR, SRRR, BRS, WSOR, AA, PVS, SAC and BLU do not connect with the rail line over which BBRR will acquire trackage rights. The rail line that will be operated by BBRR is located in eastern Louisiana. The LSRR rail lines are located in northern and central Louisiana.

Also, the involved transaction is not part of a series of anticipated transactions that would connect the rail line that will be operated by BBRR with any railroad in the Watco corporate family. Finally, neither BBRR 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, Inc.
4058 Chrysler Drive
Toledo OH 43608

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

Bogalusa Bayou Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, KS 66762

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 are located in North Carolina.

BBRR's rail line over which it will acquire trackage rights is located in Louisiana.

(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, PVS, and BLU and the rail line to be operated by BBRR 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 BBRR.

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, AA and BLU are Class III carriers, and BBRR will become a Class III carrier. 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 BBRR for the purpose of continued rail operations where further Board approval is required to 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 BBRR 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,

A handwritten signature in cursive script, reading "Karl Morell".

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: December 1, 2014

EXHIBIT 1

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 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.

ae mckechnie III
Arthur E. McKechnie III

SUBSCRIBED AND SWORN TO before me this 25 day of November, 2014, in the County of Crawford, State of Kansas.

My Commission Expires 3/31/2018

Gina G. Williams
Notary Public

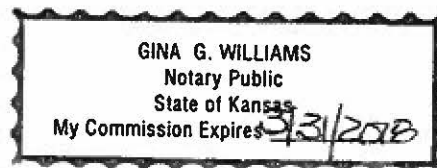
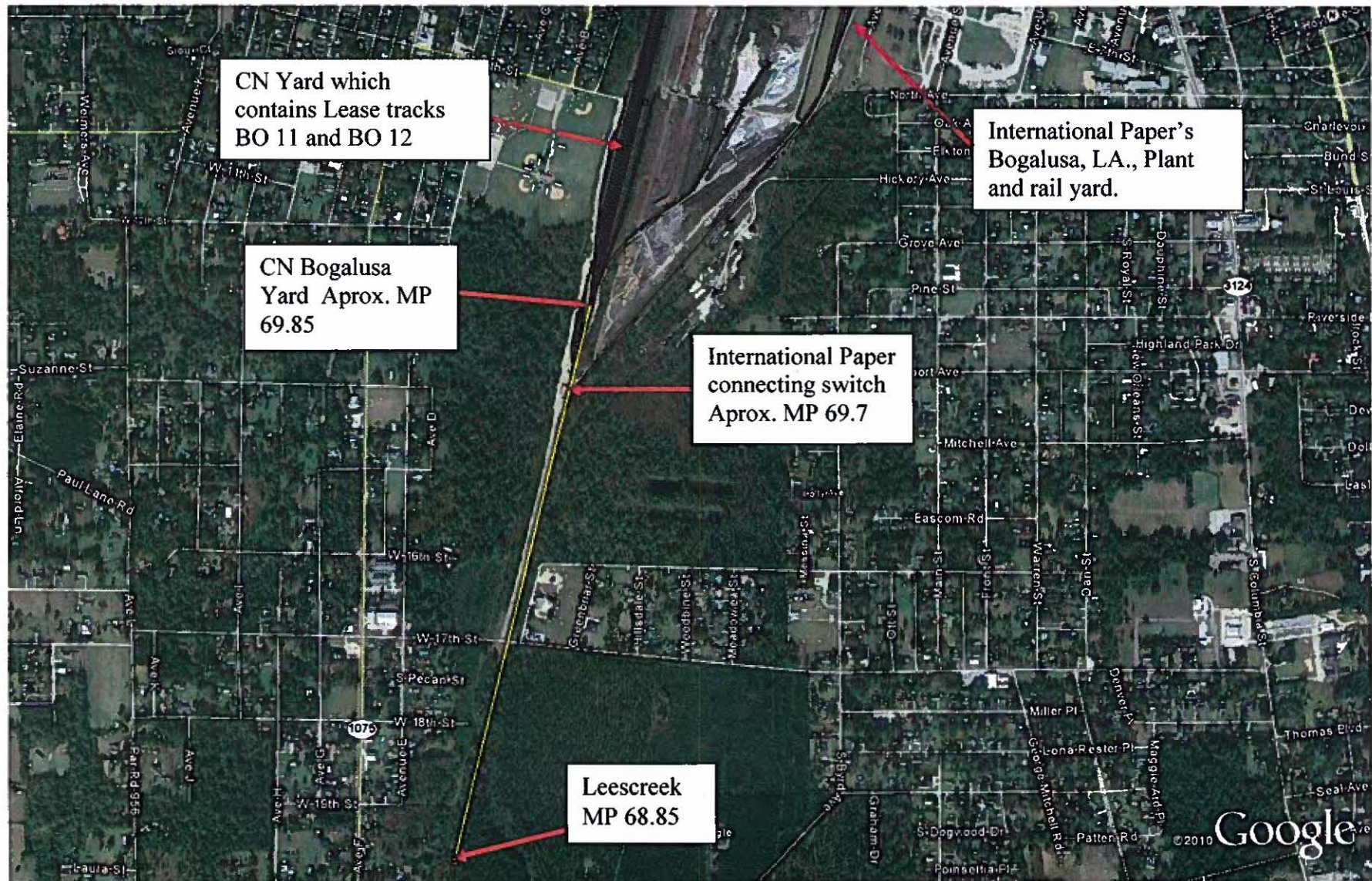
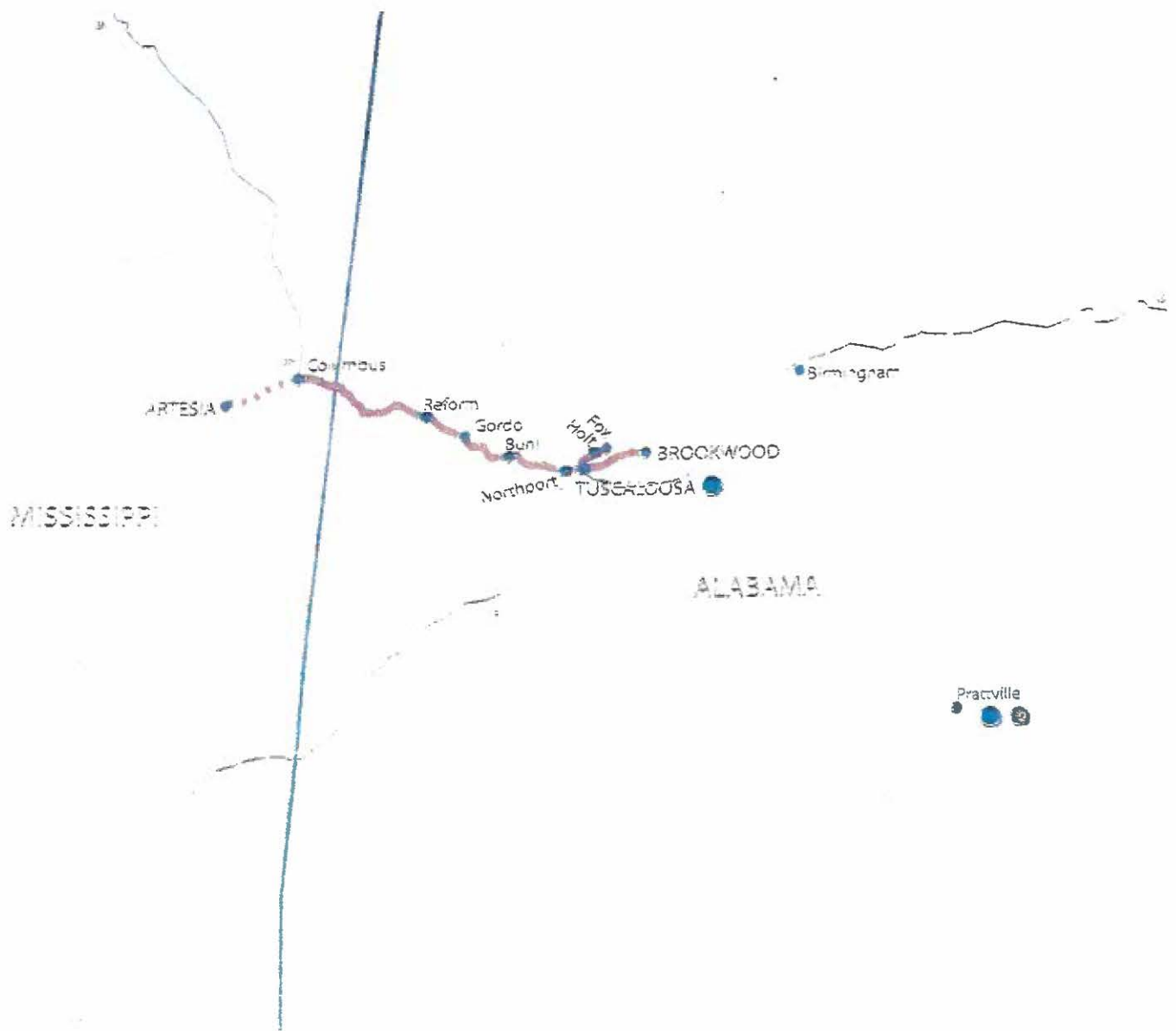


EXHIBIT A





Prattville

LEGEND:

Alabama Southern RR Aas

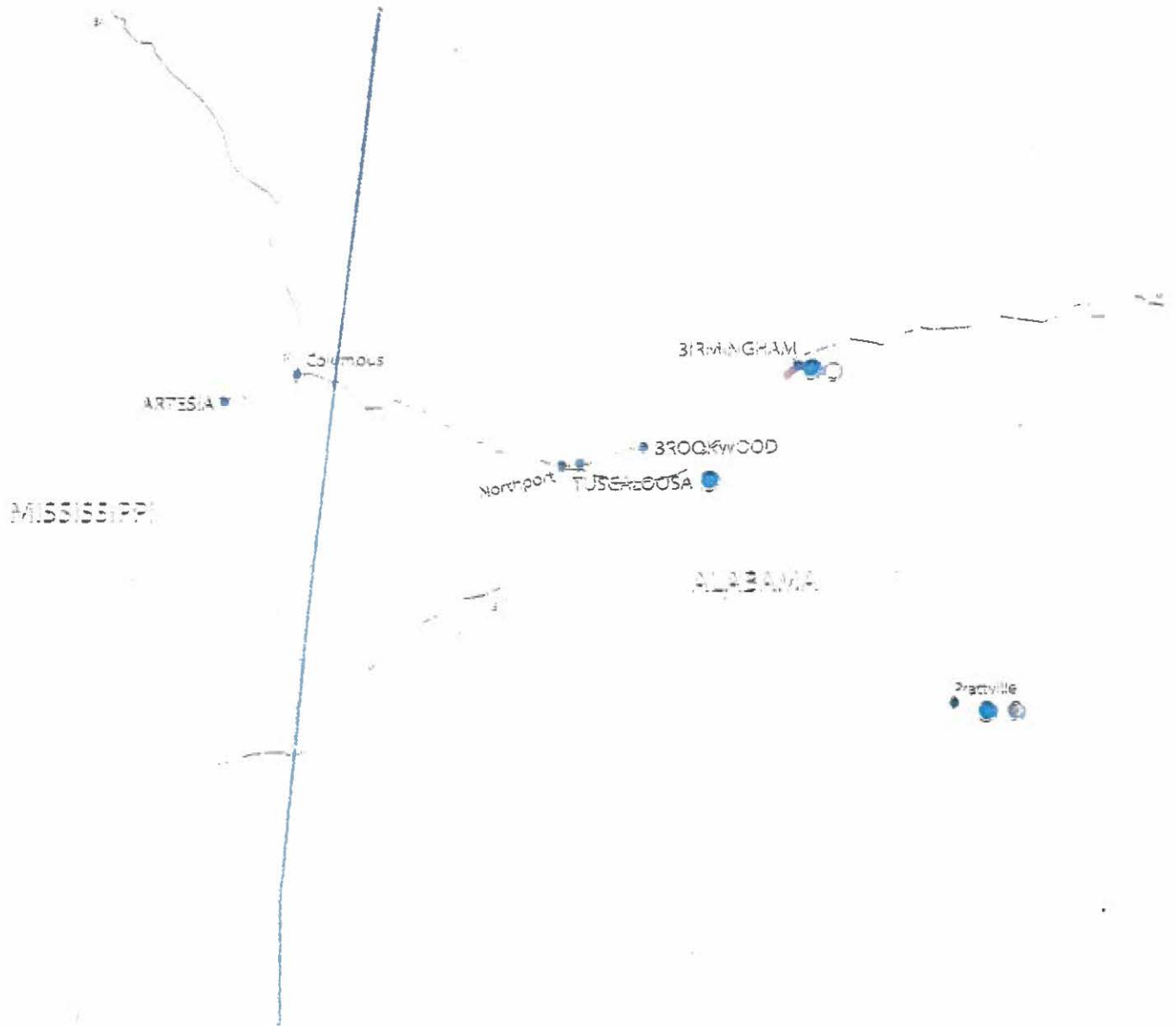
Alabama Southern Trackage Rights

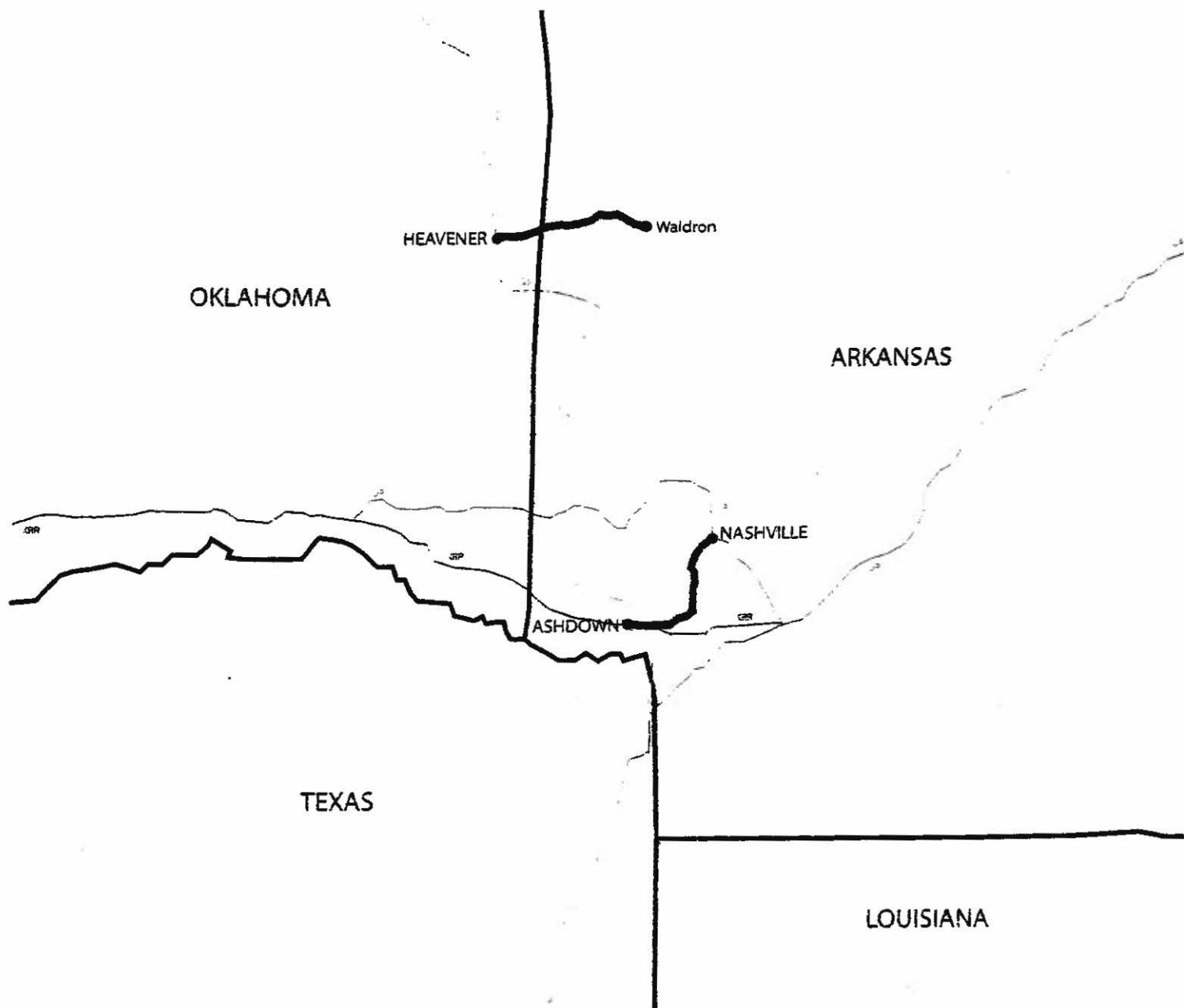
Interchanges - Track miles 33

- Artesia
- Brookwood
- Tuscaloosa

Mechanical Services

Switching Services





LEGEND:

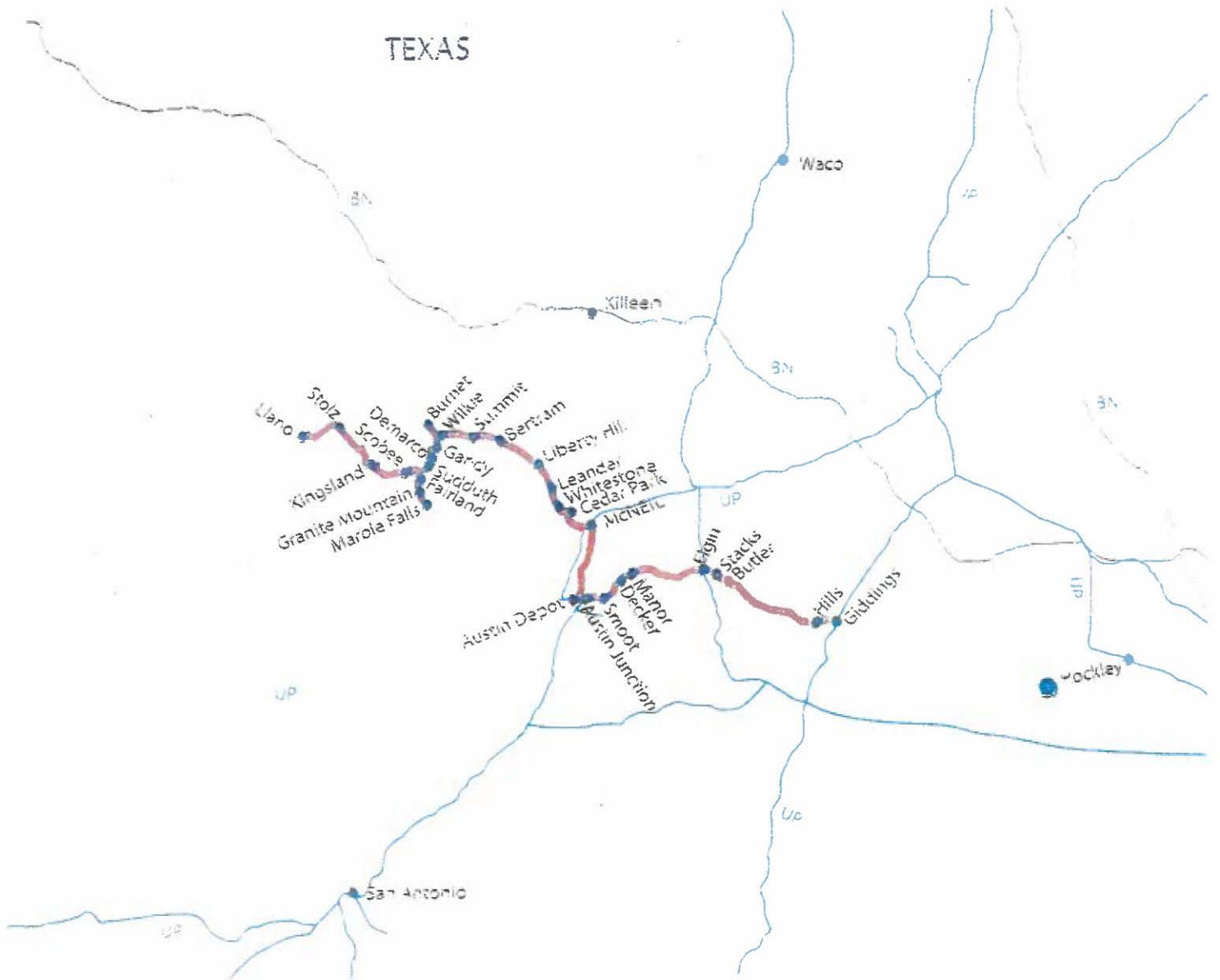
Arkansas Southern RR (ARS)

Interchanges - Track miles 62

- Ashdown, Heavener

- Nashville

TEXAS



LEGEND:

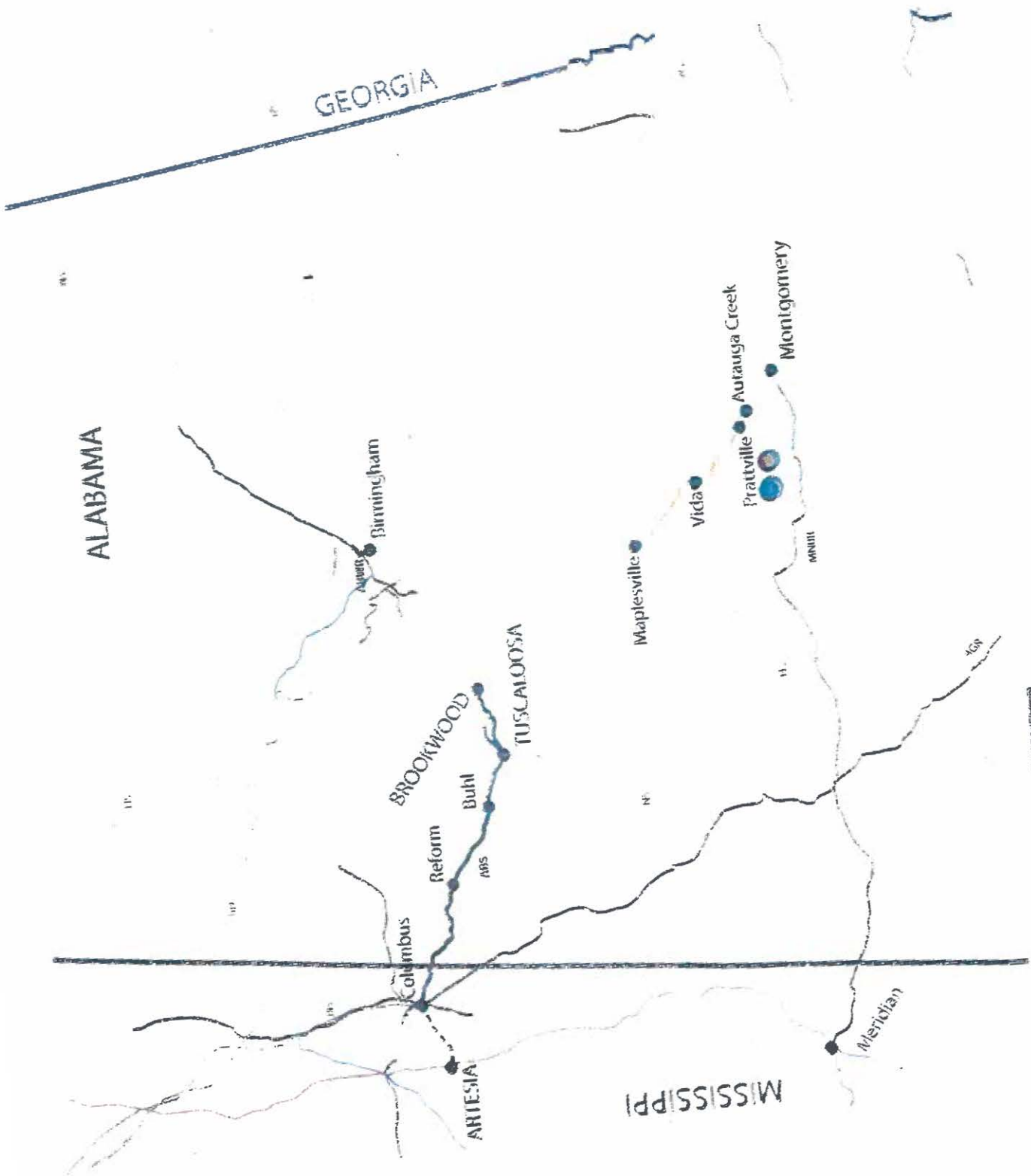
Austin Western RR (AWRP)

Interchanges - Track miles (3-4)

UP - McNeil

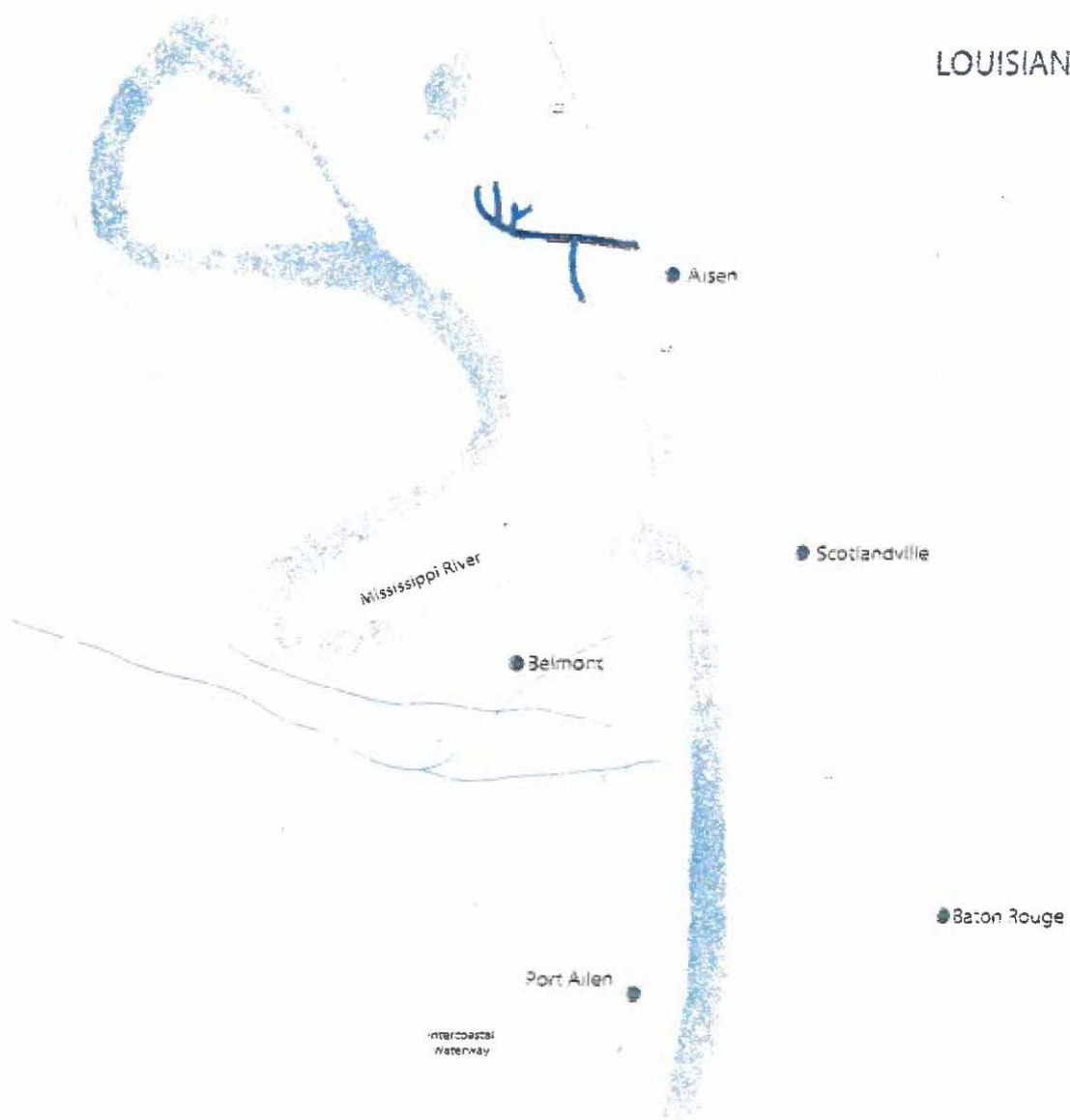
BN - McNeil

Mechanical Services



LEGEND:
Autauga Northern (out)
Autauga Northern Trackage flight's
Autauga Northern Trackage flight's
Interchanges - Track miles 43.57
Maplesville
Montgomery

LOUISIANA



LEGEND:

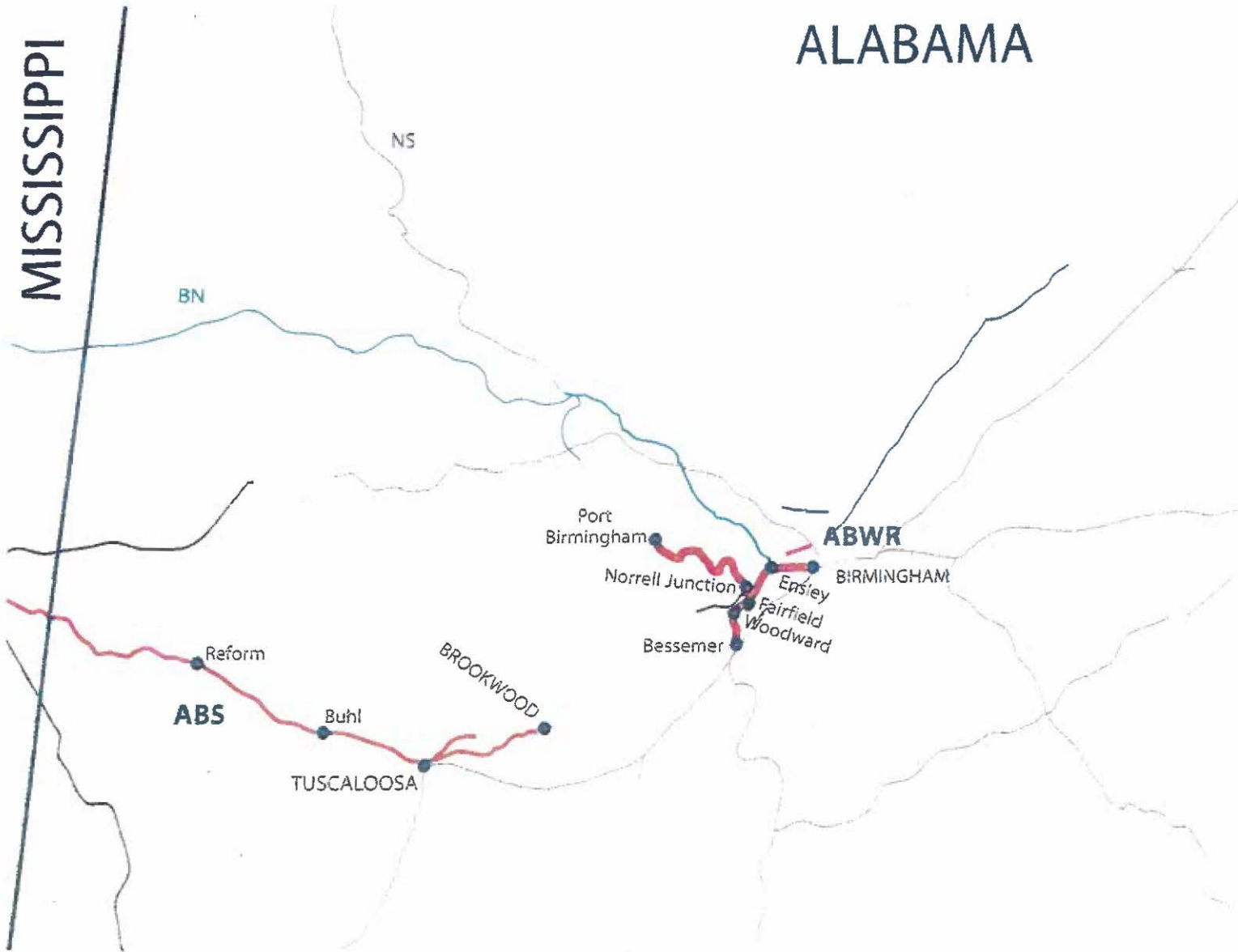
Baton Rouge Southern RR BRS



Interchanges - Track miles 1.5

MISSISSIPPI

ALABAMA



LEGEND:

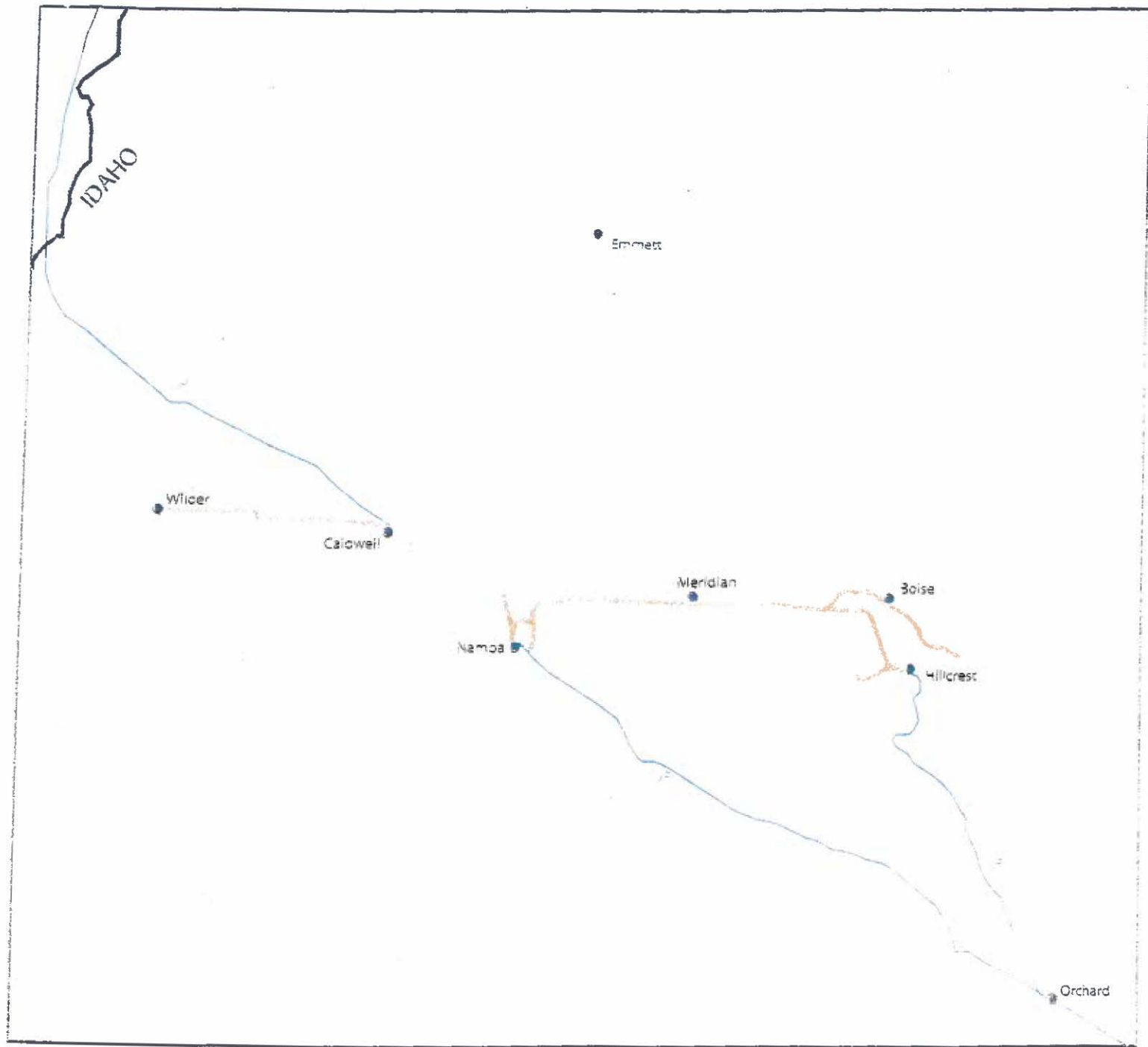
Birmingham Terminal Railway (BTHR)

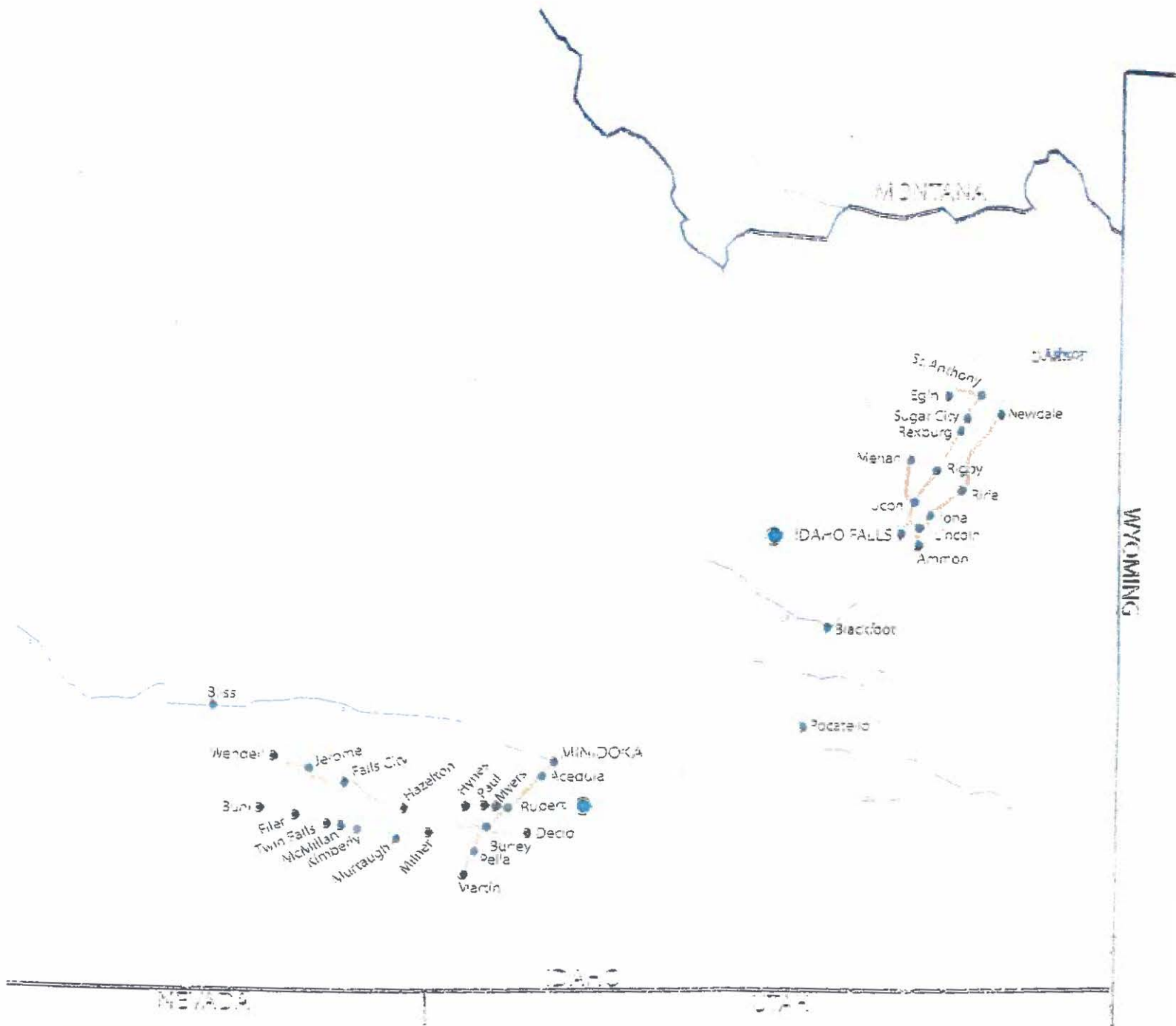
Interchanges - Track miles 75.9

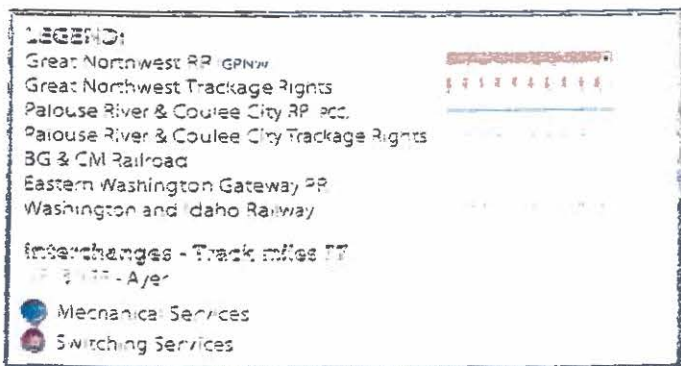
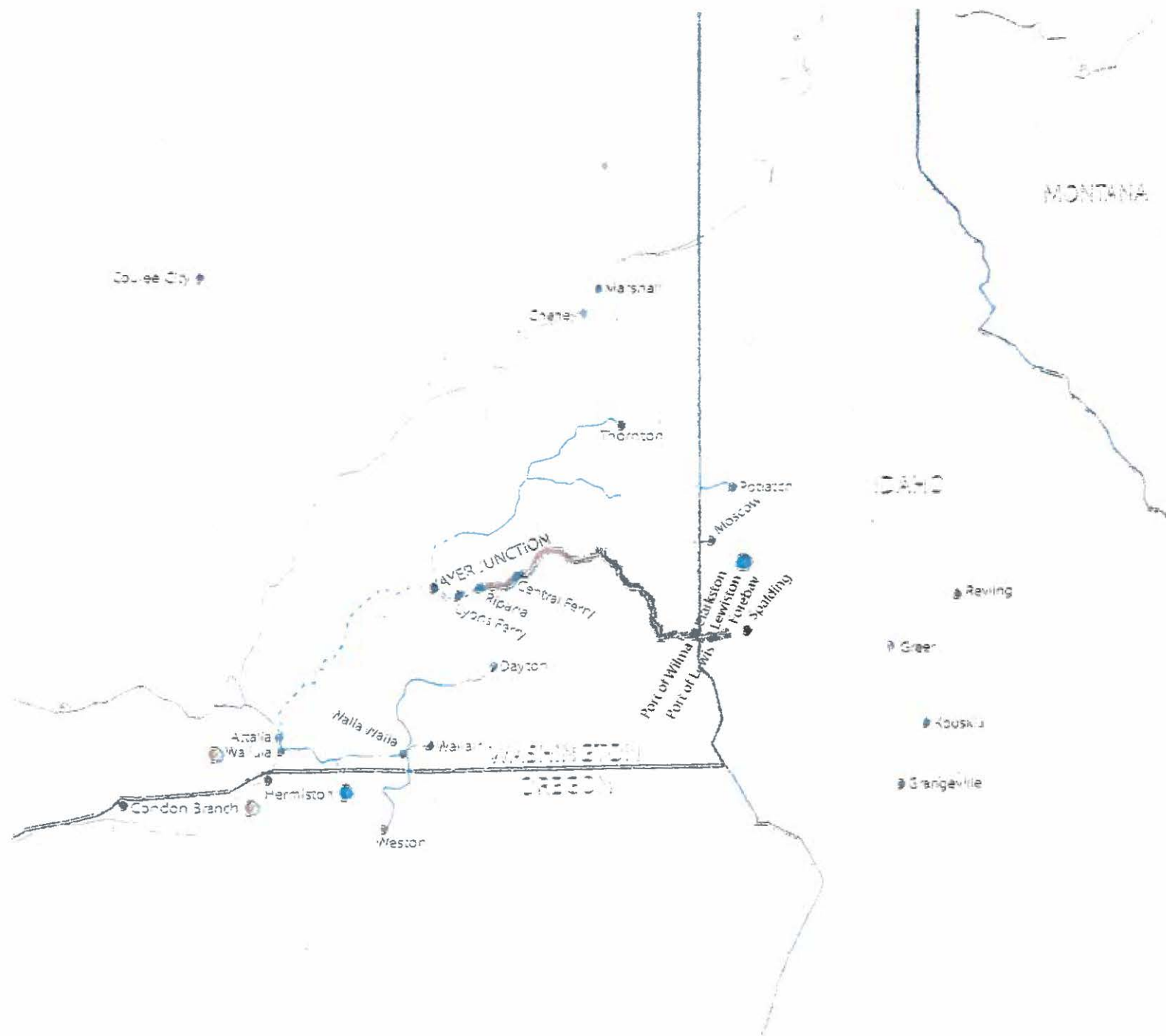
NS - Ensey (Fairfield)

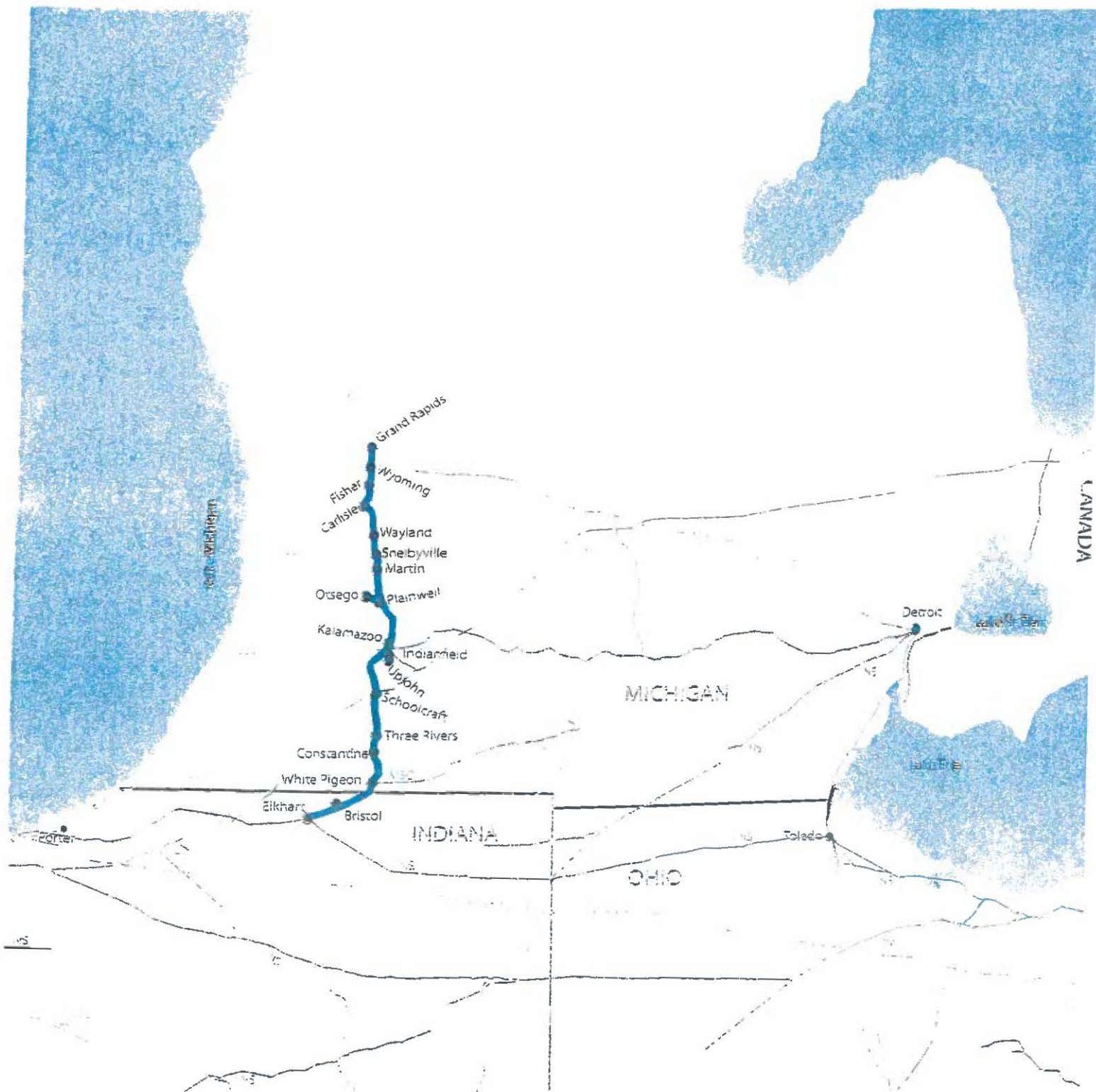
- Ensey (Fairfield)

BNSF - Birmingham









LEGEND:

Proposed Route



Major Highway



State Route



Municipal Road



Interchanges

- I-196 - Elkhart, IN & Kalamazoo, MI
- I-94 - Kalamazoo, MI
- I-75 - Grand Rapids, MI
- I-675 - Grand Rapids, MI
- I-475 - Grand Rapids, MI
- I-275 - Grand Rapids, MI
- I-24 - White Pigeon, MI

Total Miles: 122.9

NEBRASKA

KANSAS

COLORADO

COLORADO

LEGEND:

Kansas & Oklahoma RR — KO

Kansas & Oklahoma Trackage Rights --- KO

South Kansas & Oklahoma RR Trackage Rights --- SKO

Kyle Railroad --- KY

Cimarron Valley Railroad --- CV

Interchanges - Track miles 320

320 - Abilene, Hutchinson, Newton, Wichita

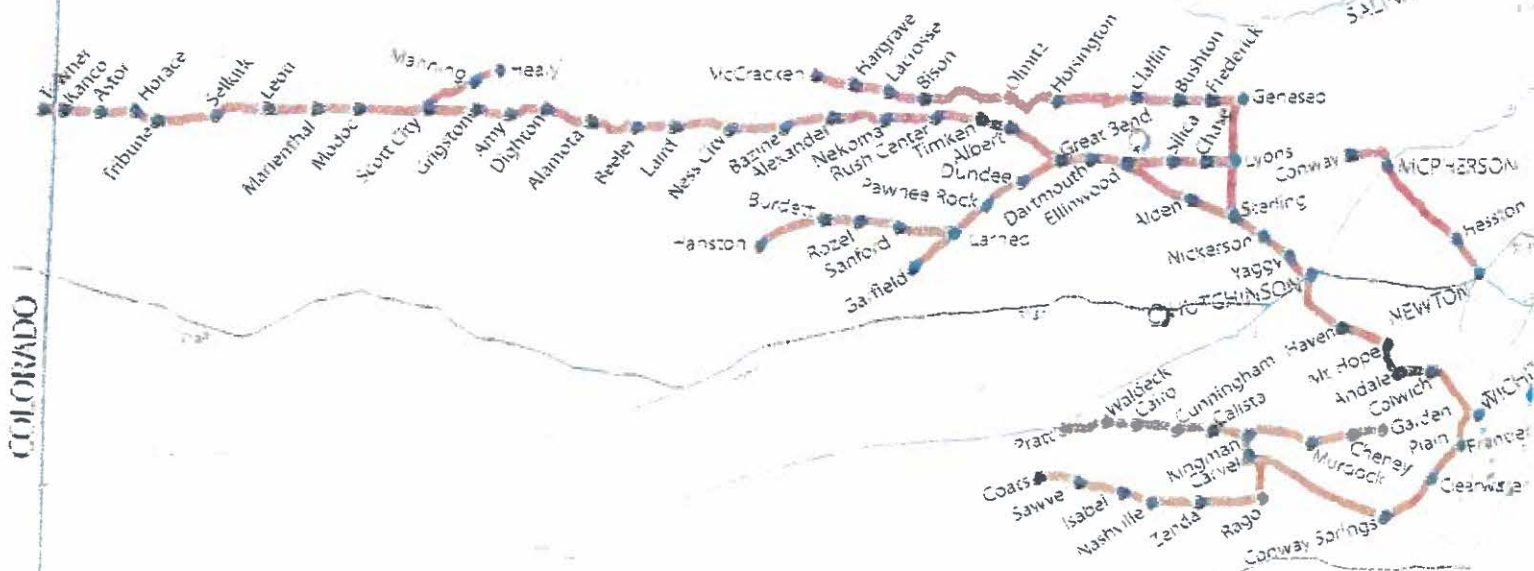
320 - Osborne

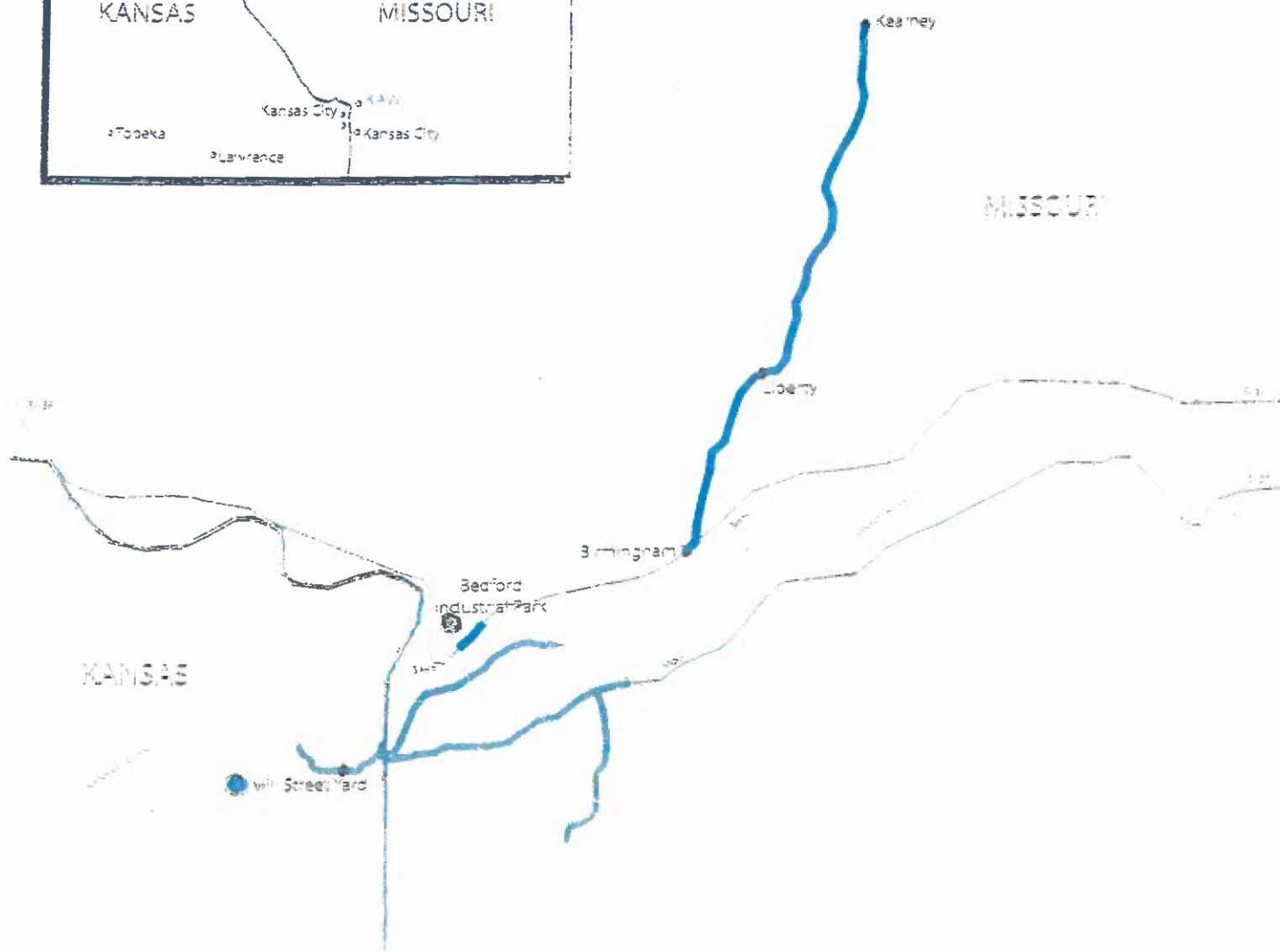
320 - Wichita

320 - Hutchinson, McPherson, Salina, Wichita

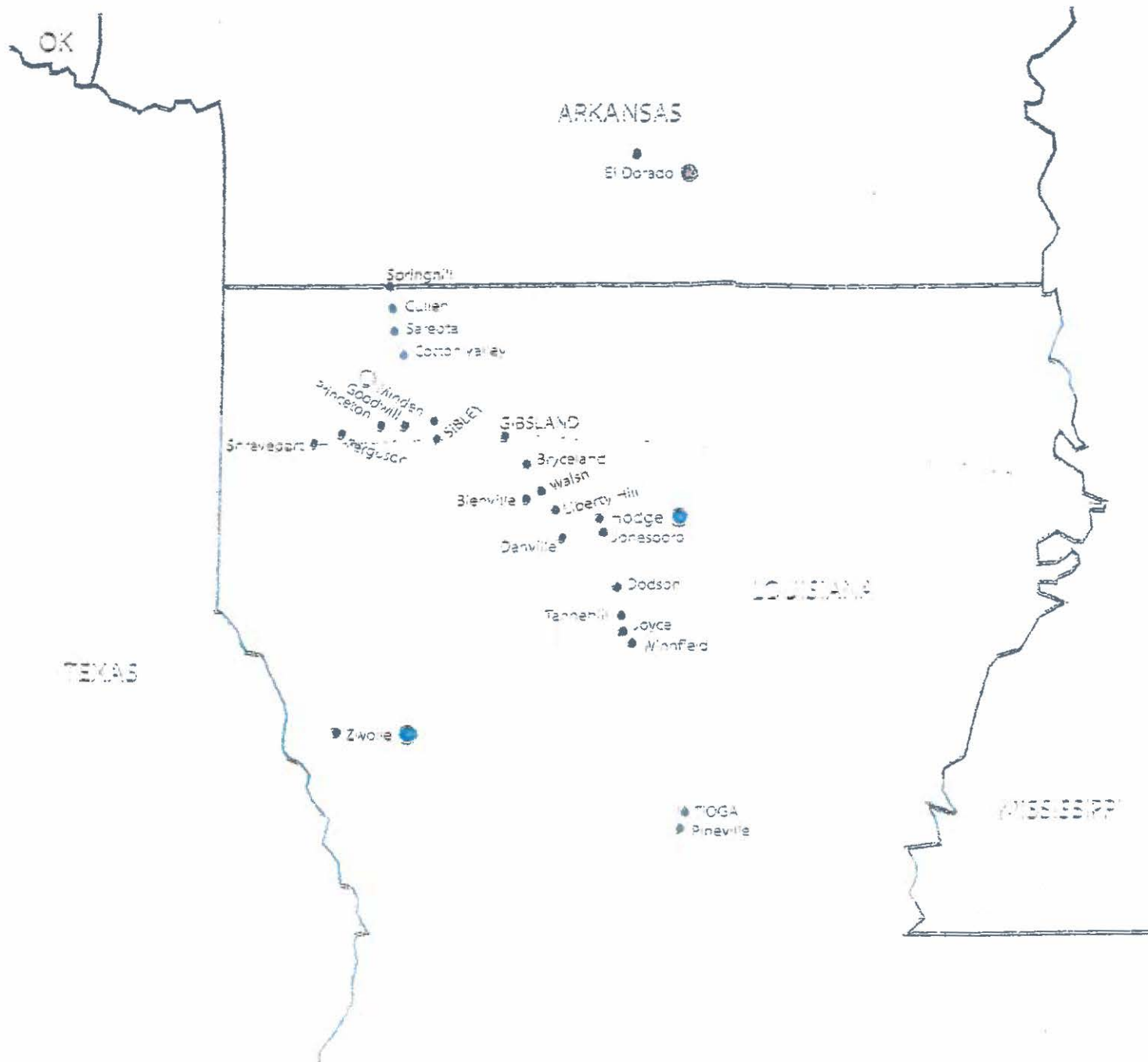
● Mechanical Services

○ Transload/Warehouse Services



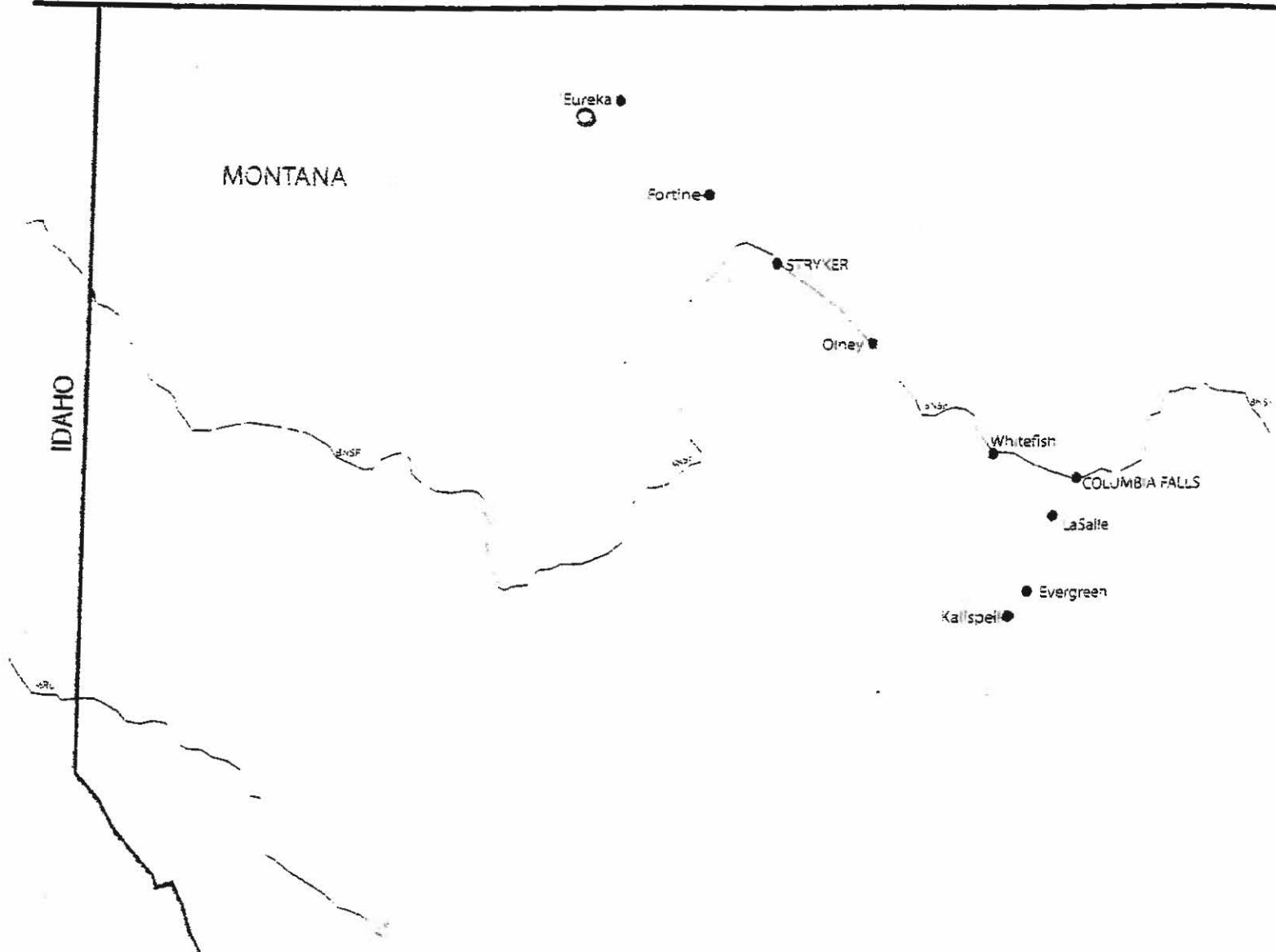


LEGEND:	
KAW River Railroad (KAW)	
Interchanges	
BNSF - Kansas City, MO (Bedford Industrial Park)	
BNSF - Birmingham, MO (Kearney Subdivision)	
Track miles - 21	
Kansas City Transportation Company LLC (KCTC)	
Interchanges - Track miles 3.8	
BNSF - Kansas City, KS	Mechanical Services
ICE - Kansas City, MO/KS	Switching Services
NS - Kansas City, MO	
UP - Kansas City, MO/KS	



LEGEND:	
Louisiana Southern RR L.S.R.	
Interchanges - Truck miles 1000.0	
- Gibsland, Togo, Sibley	
●	Mechanical Services
●	Switching Services
●	Transload/Warehouse Services

CANADA



LEGEND:

Mission Mountain Railroad (MMR)

Montana Rail Link (MRL)

Interchanges - Track miles 39.5

BNSF - Stryker, Columbia Falls

○ Transload/Warehouse Services



LEGEND:

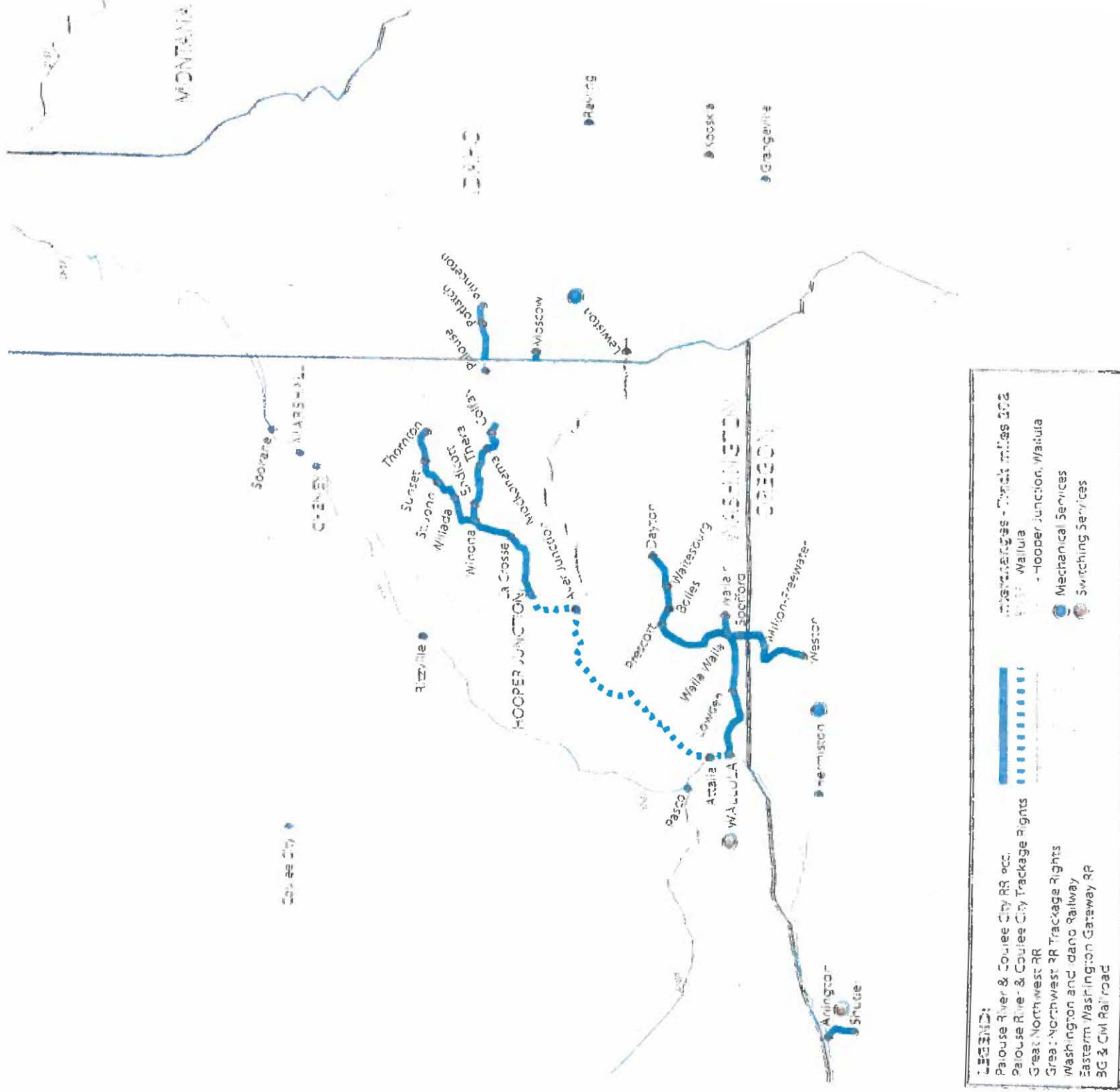
Mississippi Southern RR Trackage Rights
 Mississippi Southern RR Trackage Rights
 Vicksburg Southern Railroad

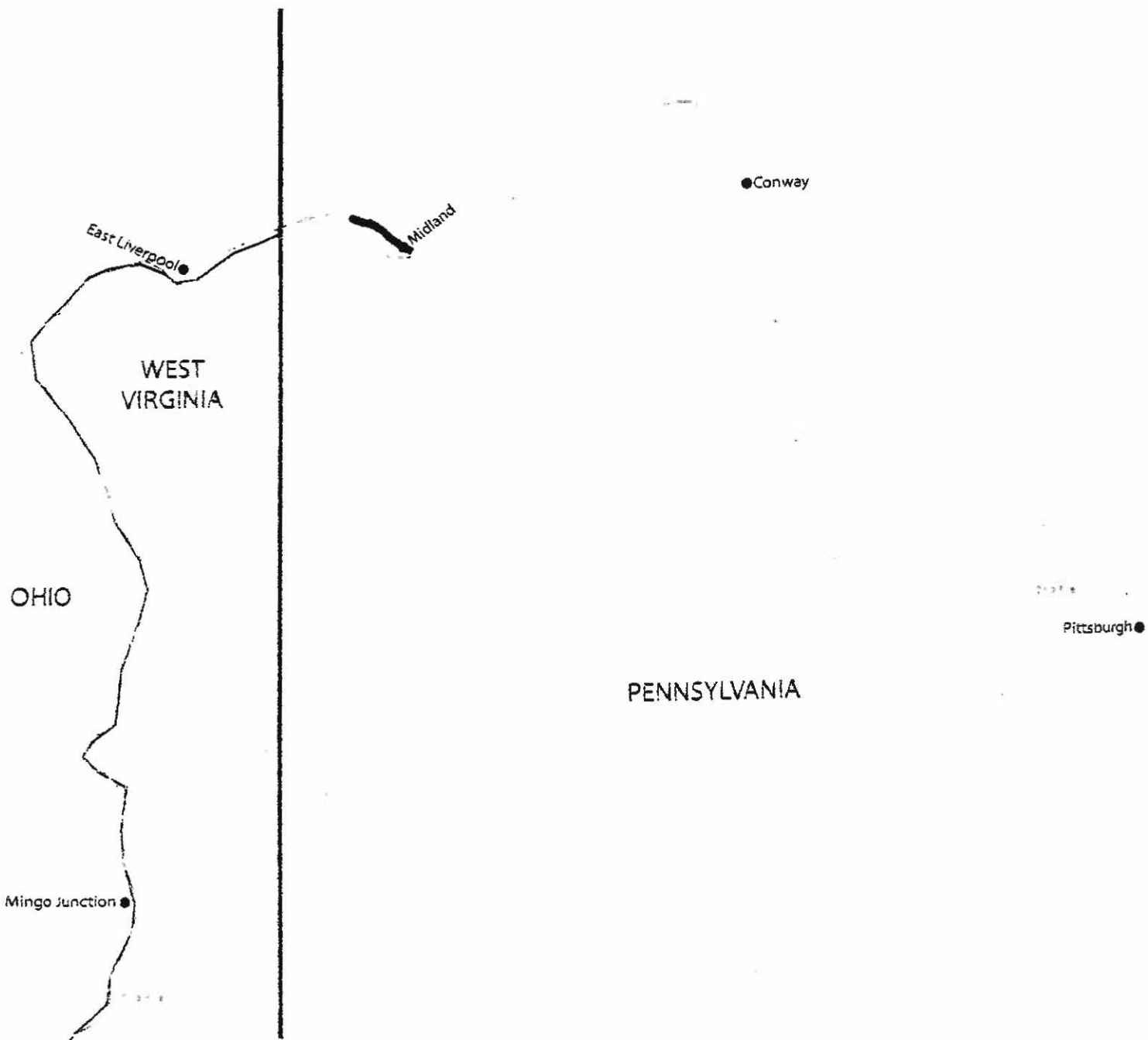


Interchanges - Track miles 20
 - Newton

Mechanical Services





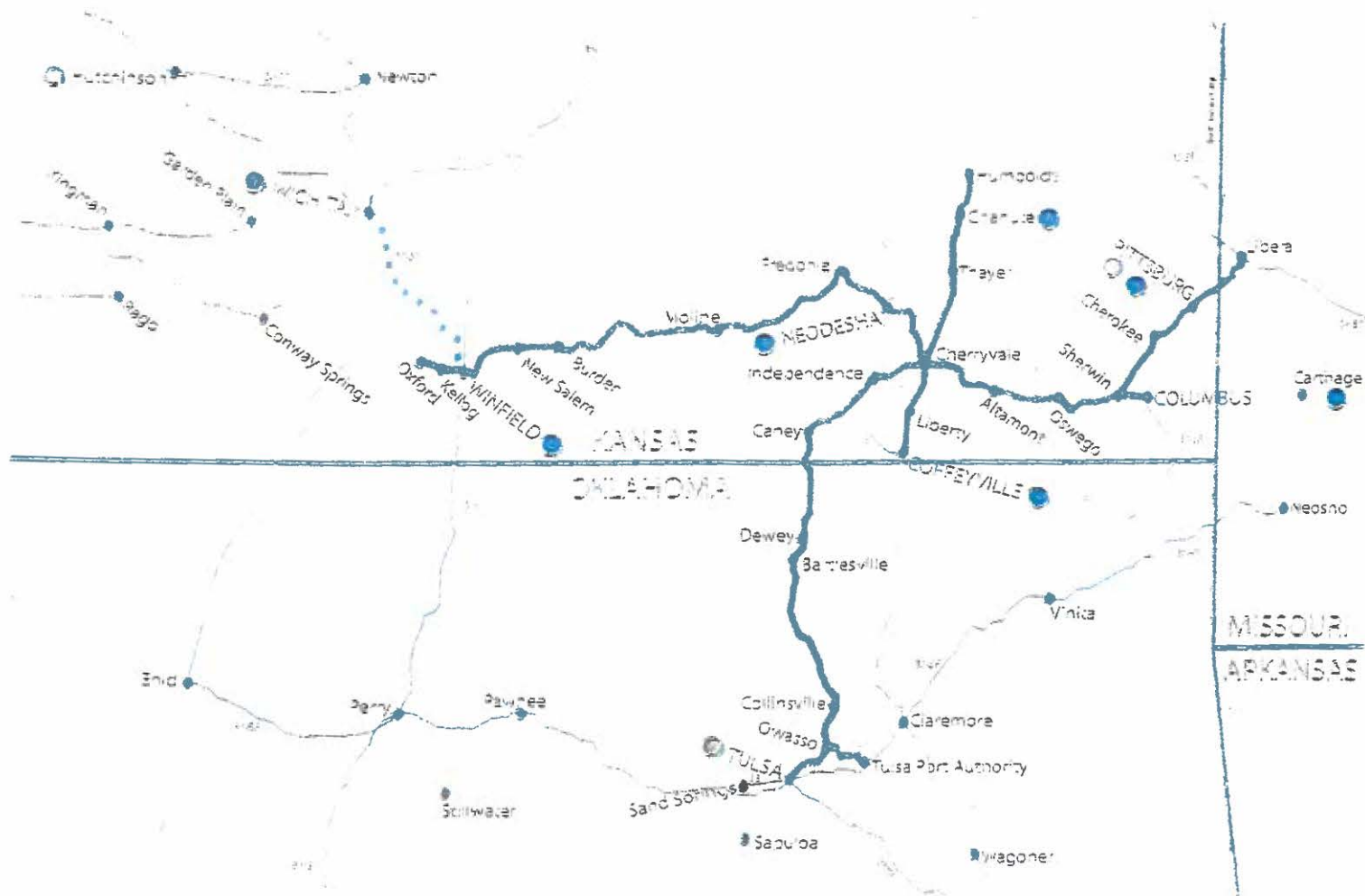


LEGEND:

Pennsylvania Southwestern RR (PSWR)

Interchanges - Track miles 12

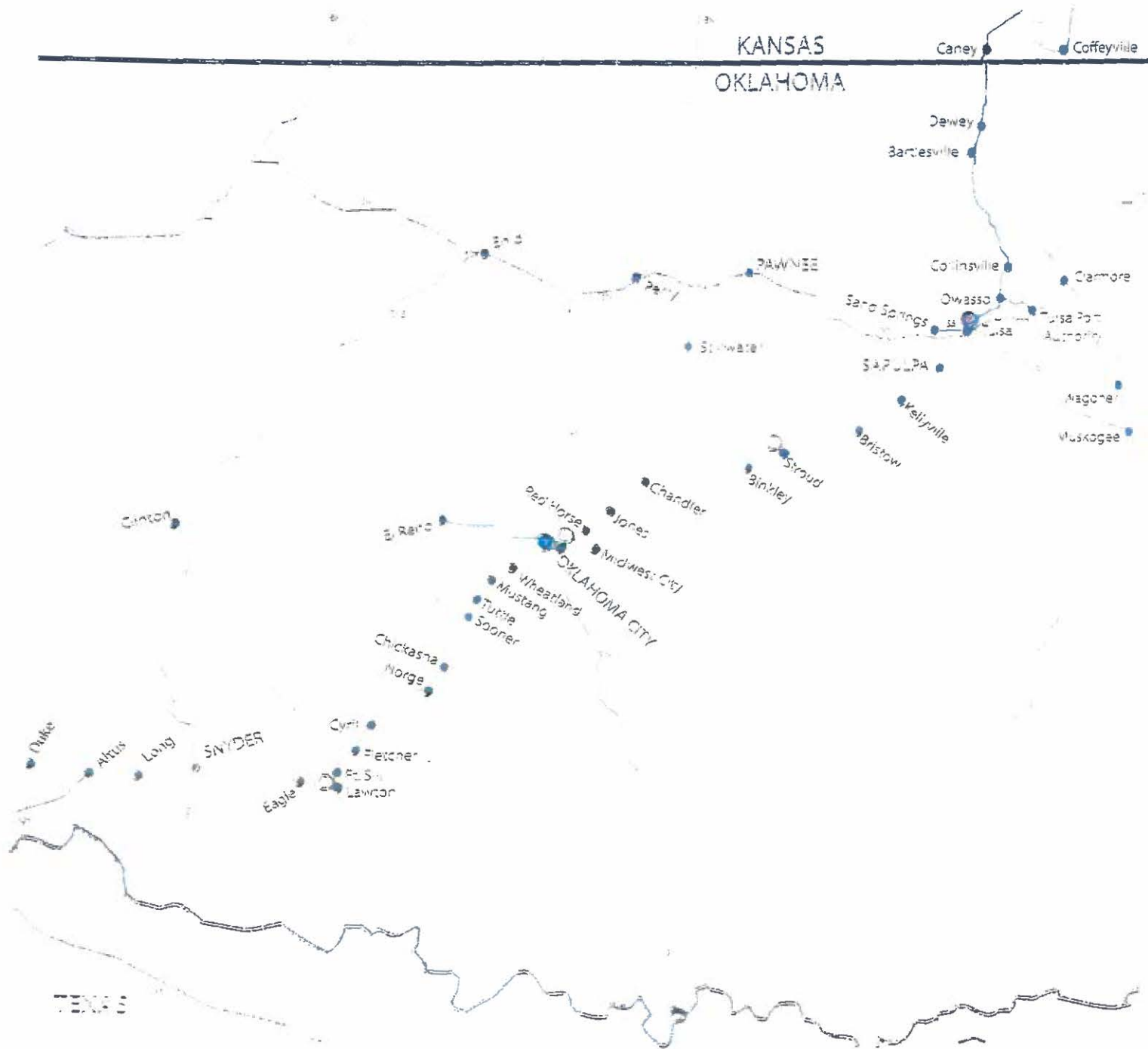
• - Midland

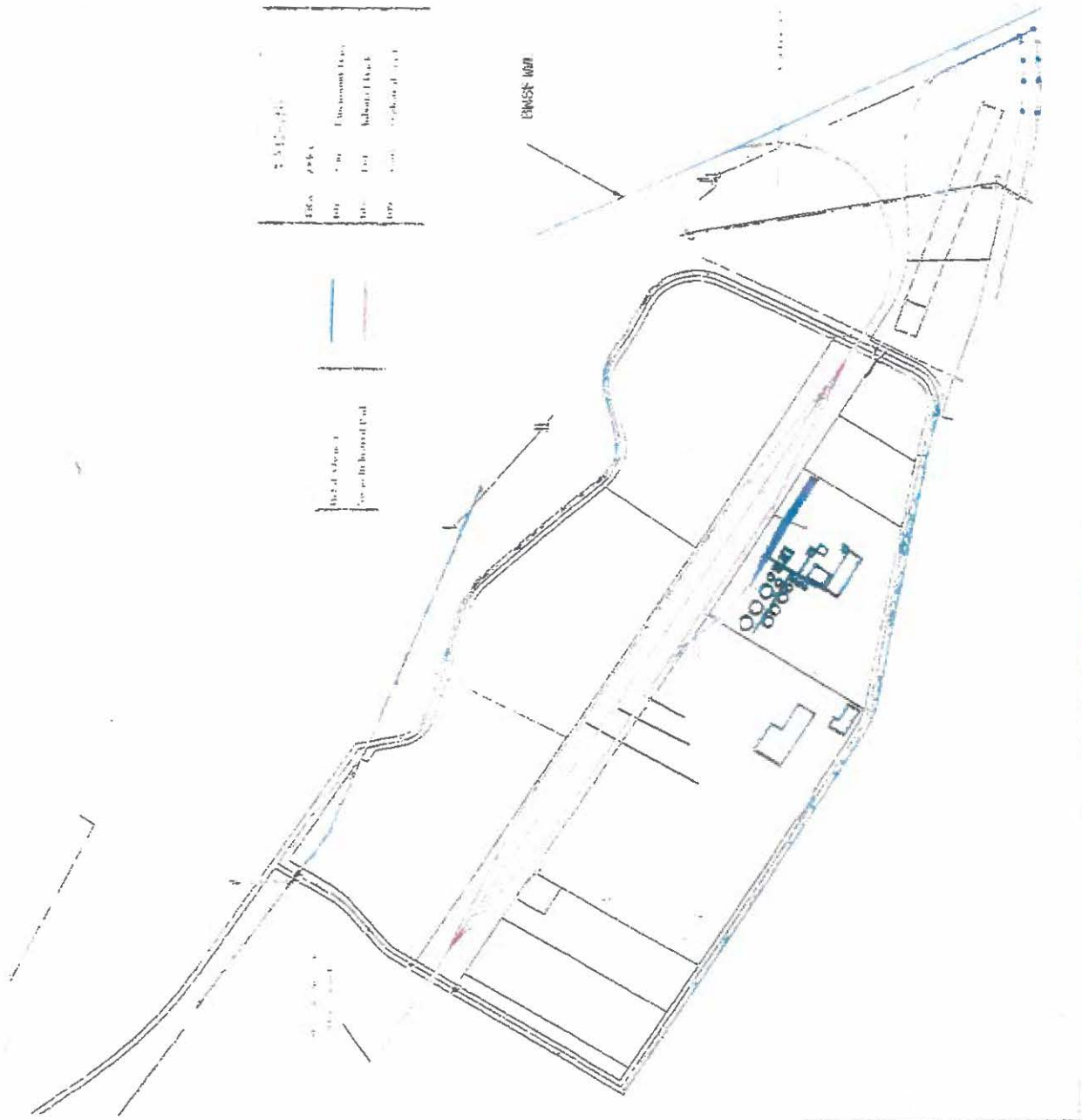


LEGEND:

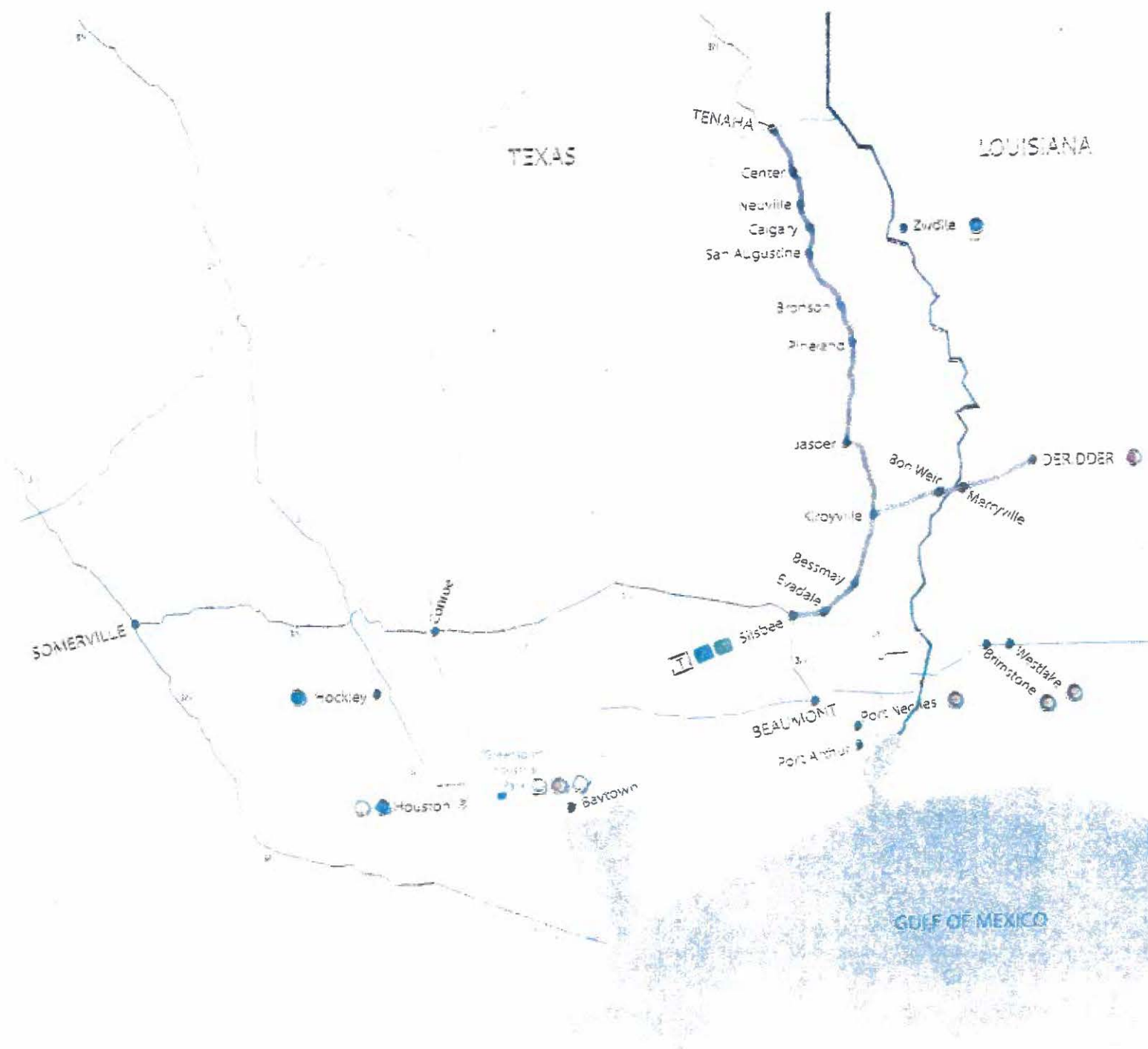
- South Kansas & Oklahoma RR. skol.
- South Kansas & Oklahoma Trackage Rights
- Kansas & Oklahoma RR. skol.
- Stillwater Central RR. skol.
- Stillwater Central Trackage Rights
- Sand Springs RR. skol.
- Tulsa's Port of Catoosa, OK.
- Mechanical Services
- Switching Services
- Transload/Warehouse Services

- Interchanges - Trackage miles 5.50
- Coffeyville, Winfield, Tulsa, Neodesha
- Winfield, Tulsa, Columbus
- Pittsburg
- Wichita
- Tulsa
- Tulsa





Swan Ranch Railroad LLC



LEGEND:

Timber Rock RR (TBR)

Interchanges - Track miles 138

3457 - Tenaha, Silsbee

- DeRidder

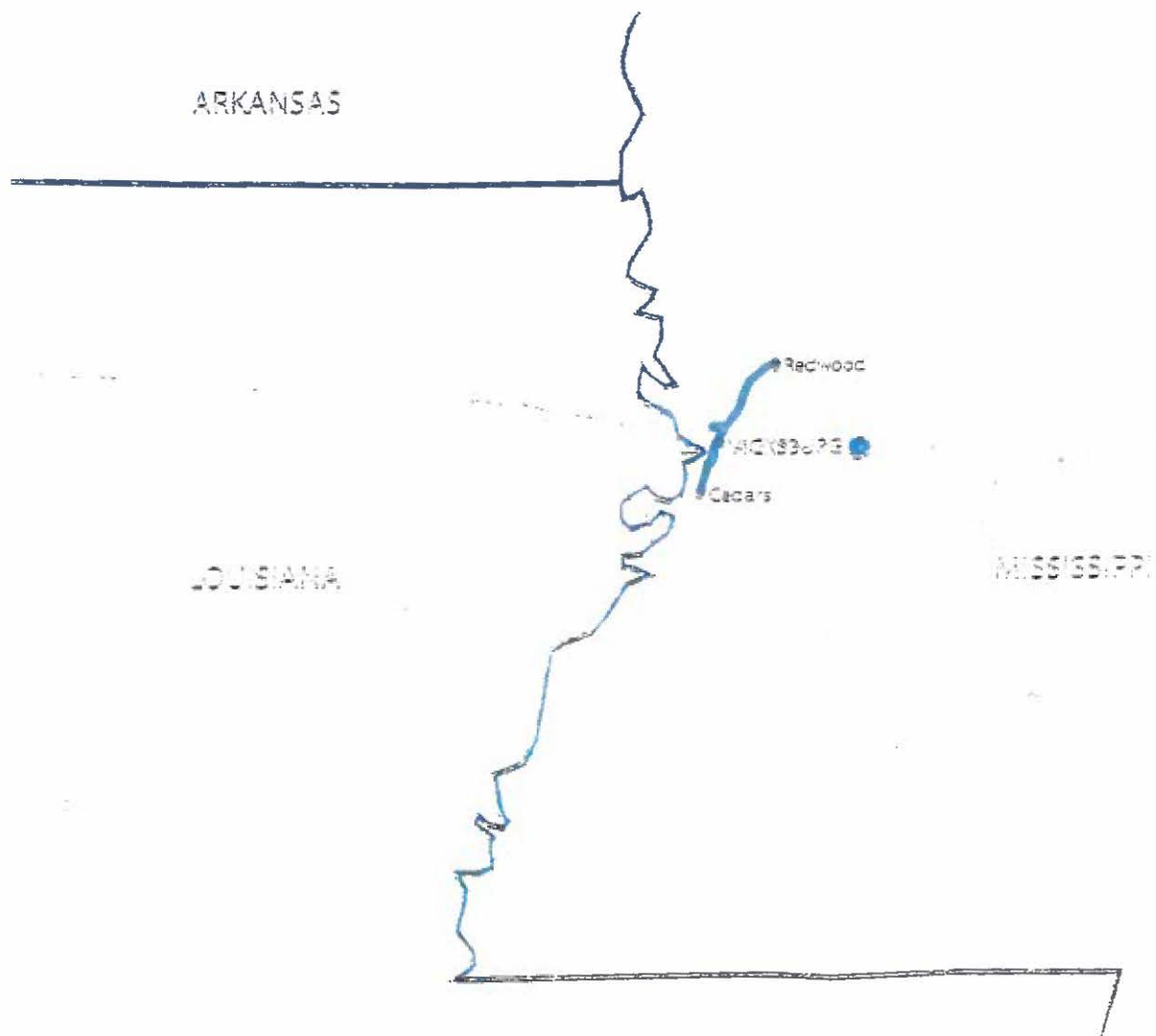
5741 - Bessmay

● Mechanical Services

● Switching Services

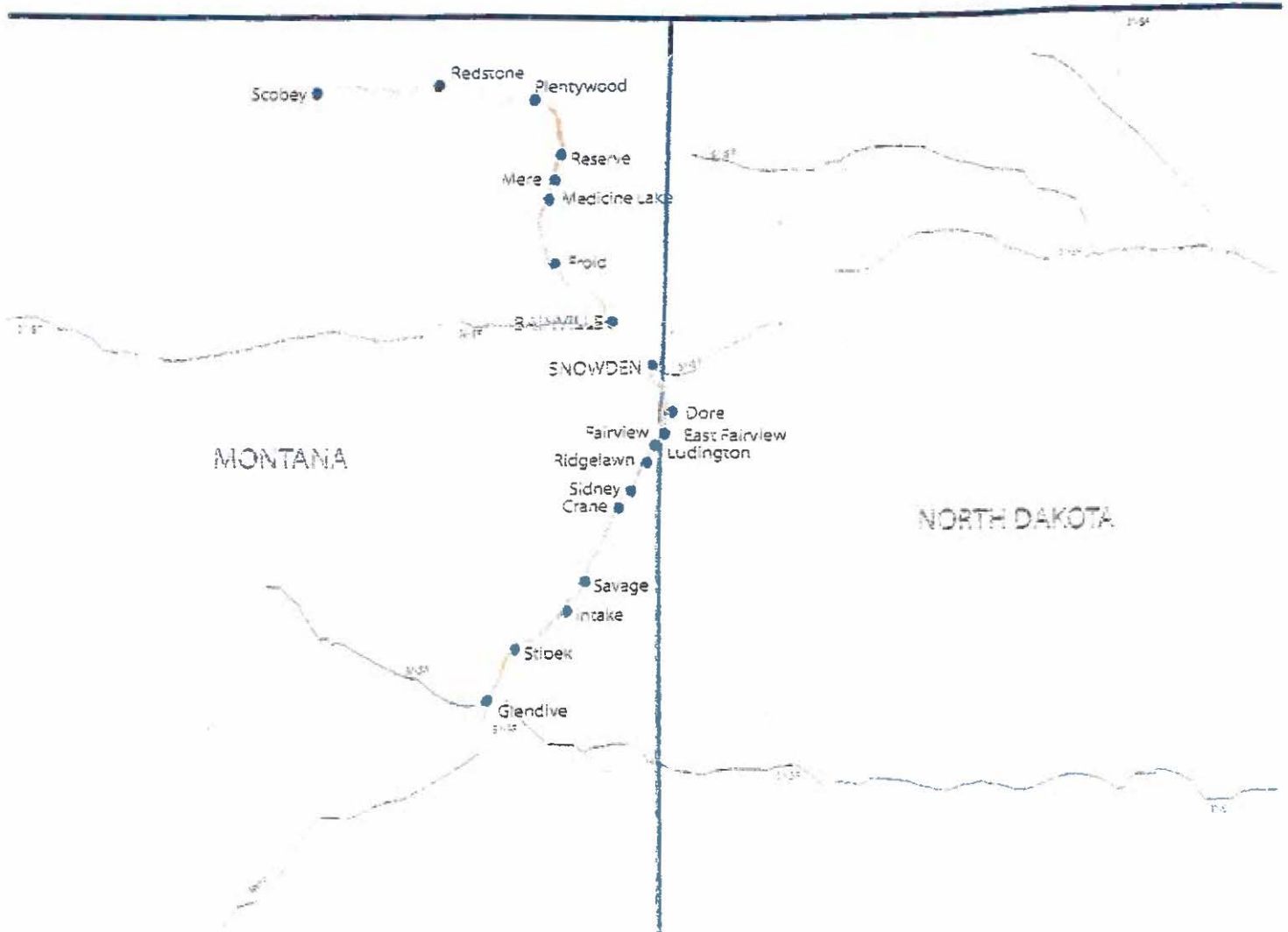
● Transload/Warehouse Services

● Port Operations



LEGEND:
Vicksburg Southern RR (VSR) ———
Interchanges - Track miles 21
- Vicksburg
● Mechanical Services

CANADA



MINNESOTA

MICHIGAN

WISCONSIN

IOWA

~~ILLINOIS~~

LEGEND:

Wisconsin & Southern Railroad Co

Wisconsin & Southern Railroad Co.
Trackage Rights

CN
BNSF
Union Pacific
Other Short Lines

Date: May 09, 2012 11:13am User ID: Cymn, Janning
File: V:\CAD Services\Railroads\Railport.dwg



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

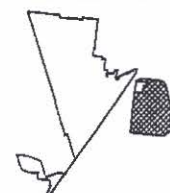
EAST KELLY RAILPORT RAIL LAYOUT

0' 400' 800' 1200'



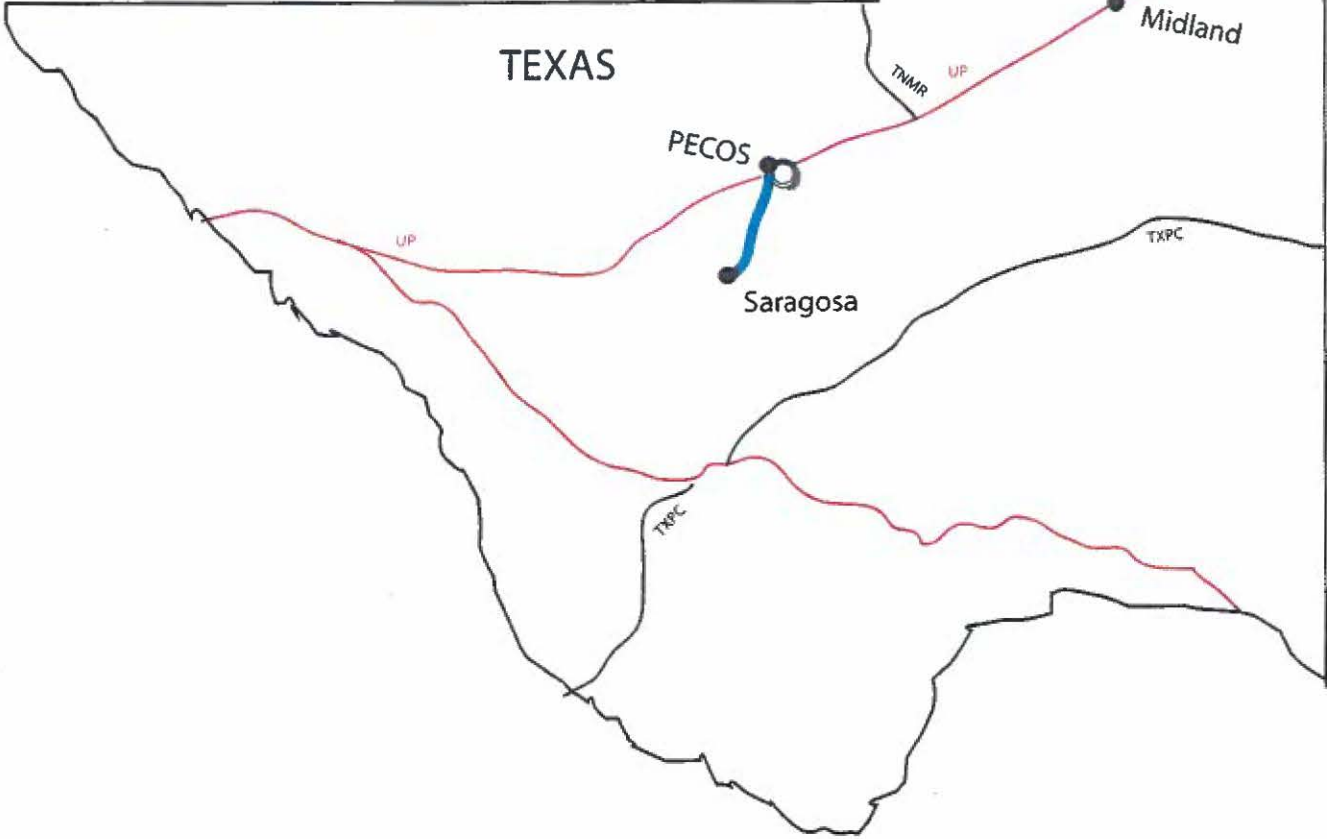
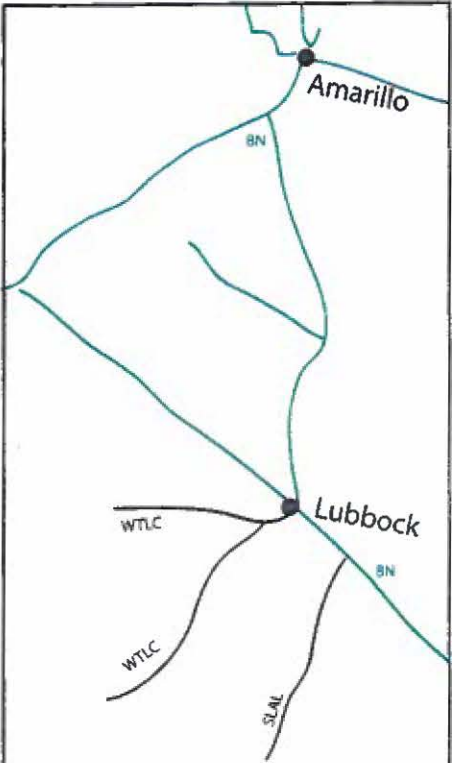
LEGEND:

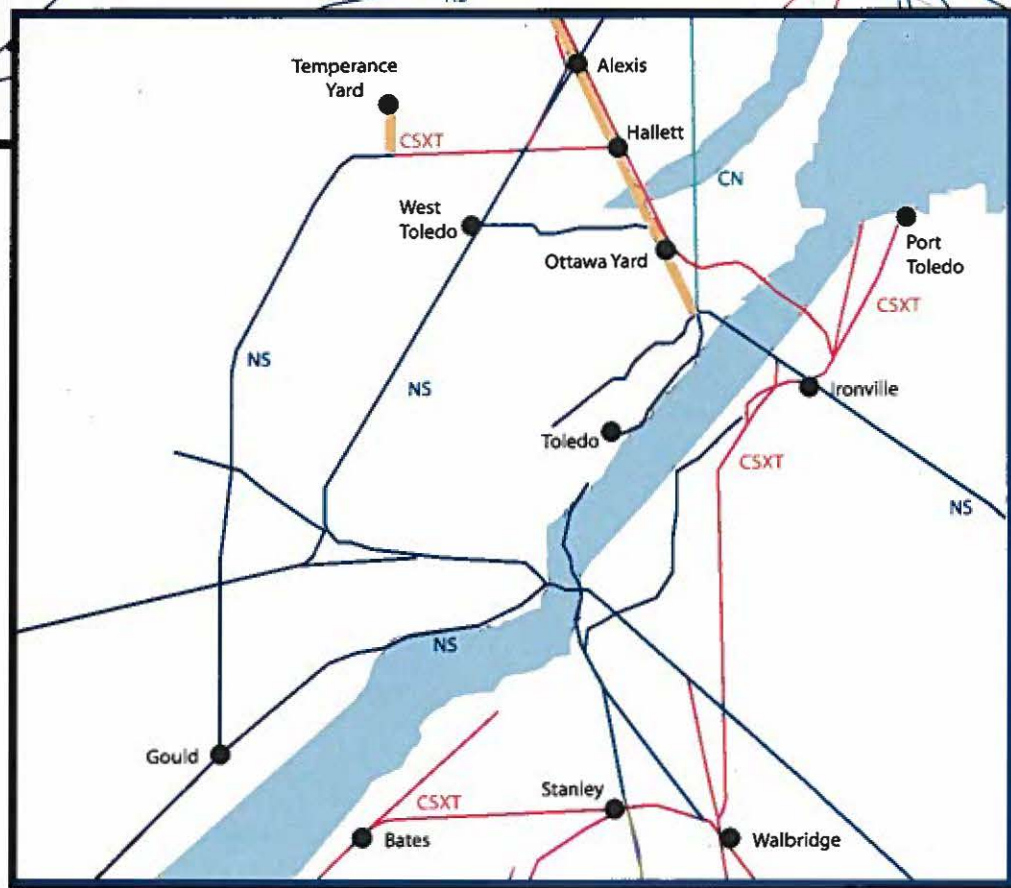
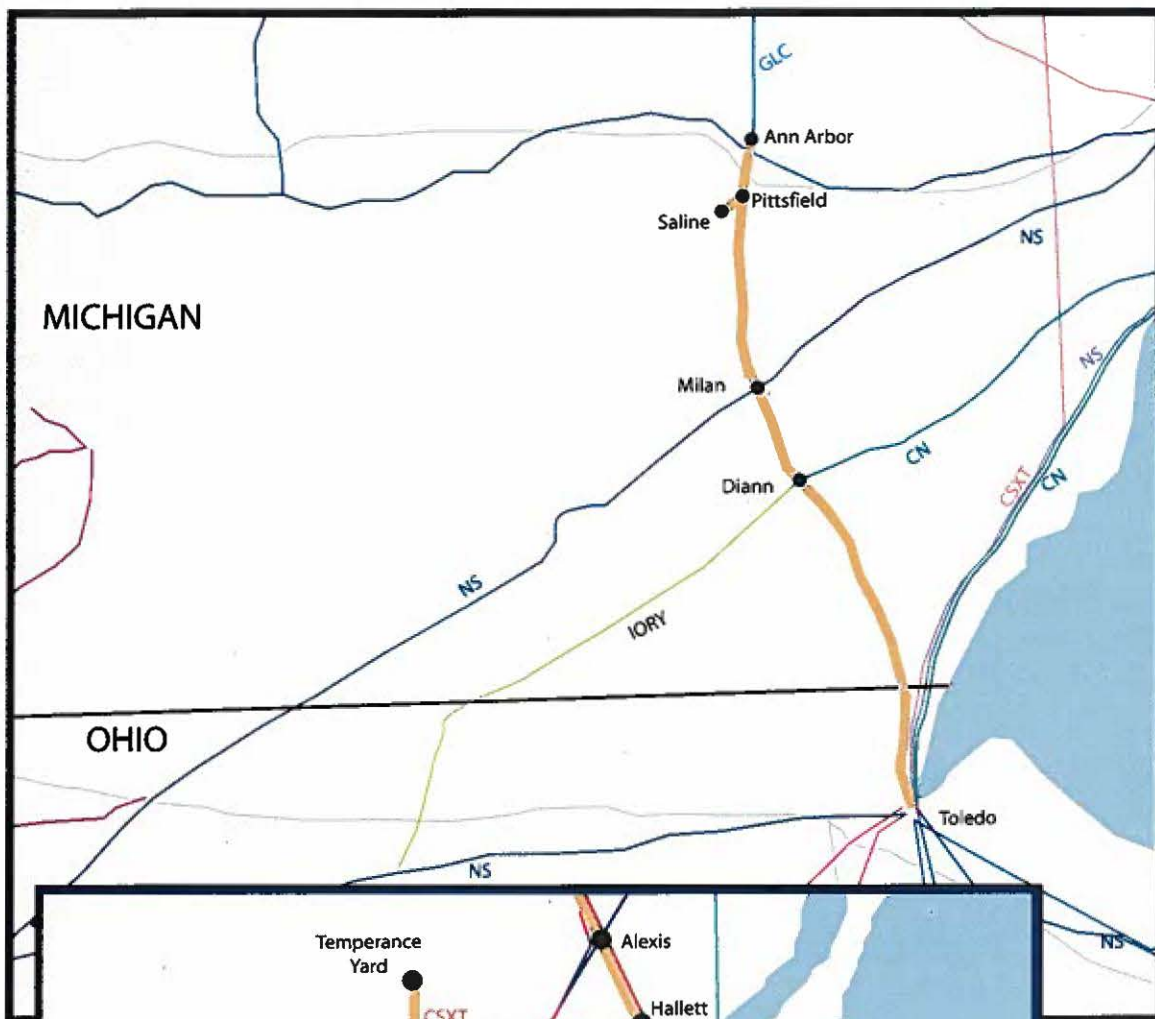
- PORT RAIL - 22967 LF
- TENANT RAIL LINES
- PROPERTY LINE / R.O.W.
- UNION PACIFIC RAIL LINES
- RAIL SWITCH
- △ DERAIL



KEYMAP:

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





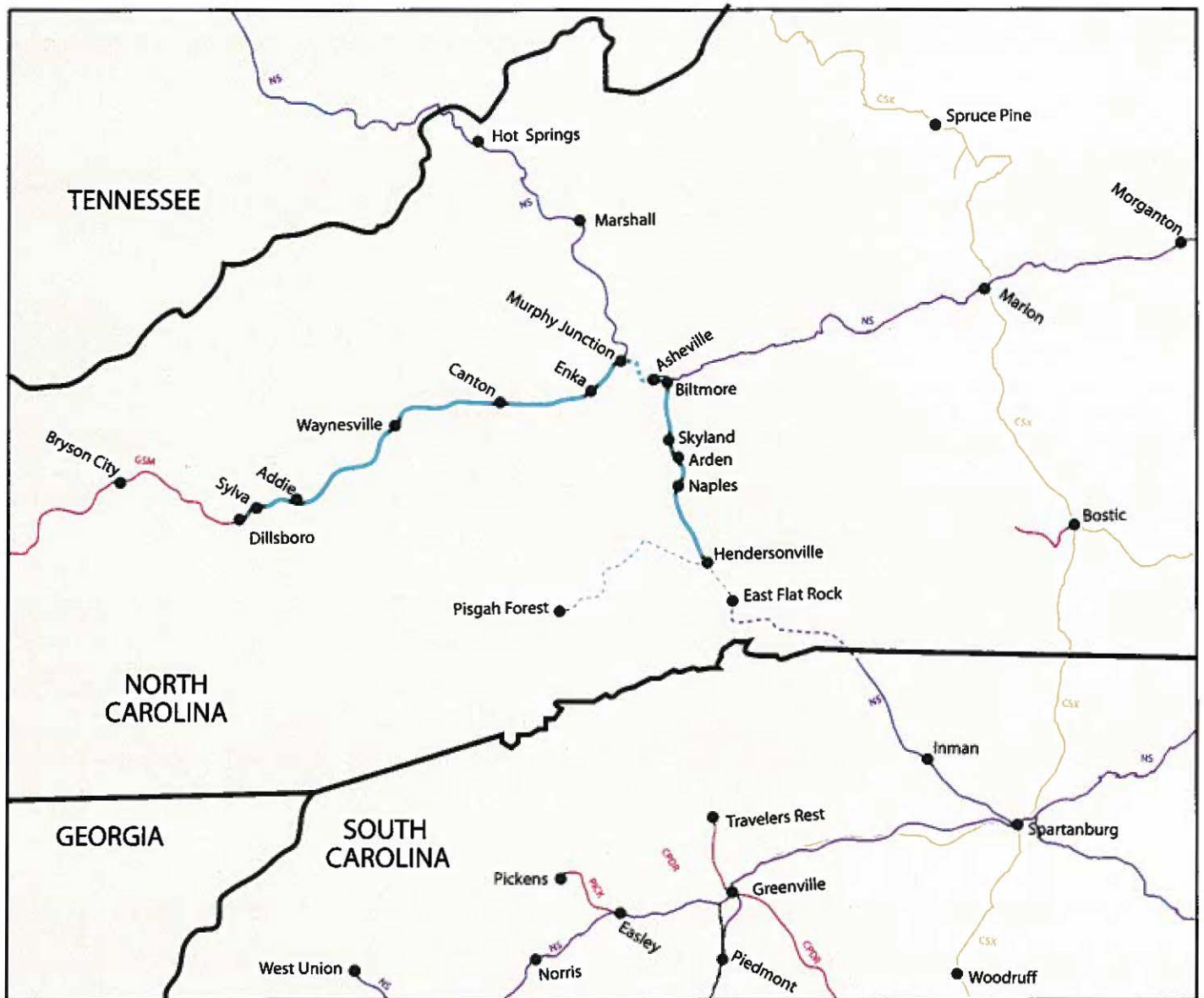
LEGEND:

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

Interchanges

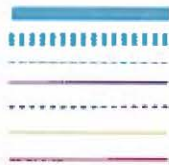
Toledo, OH - NS, CSXT, CN, WE
Ann Arbor, MI - GLC
Milan MI - NS
Diann, MI - CN, IORY

Total Miles: 48



LEGEND:

Blue Ridge Southern RR (BLU)
 Blue Ridge Southern RR (BLU) Trackage Rights
 Blue Ridge Southern RR (BLU) - Out of Service
 Norfolk Southern
 Norfolk Southern - Out of Service
 CSX
 Other short lines



Interchanges - Track miles 91.8

NS - Asheville