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SERVICE DATE - AUGUST 14, 1997

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DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33438]

Alabama & Gulf Coast Railway, LLC—Acquisition and Operation Exemption—The
Burlington Northern and Santa Fe Railway Company

The Alabama & Gulf Coast Railway LLC of Dallas, TX (ALA), a noncarrier, filed a verified notice of exemption under 49 CFR 1150.31 *et seq.* to acquire from The Burlington Northern and Santa Fe Railway Company (BNSF) and operate a 140.58-mile rail line between milepost 776.10 near Kimbrough, AL, and milepost 916.68 in Pensacola, FL. ALA will also acquire incidental trackage rights over 13.6 miles of BNSF's line between milepost 776.10 near Kimbrough, AL, and milepost 762.5 near Magnolia, AL. ALA will also be temporarily assigned trackage rights over a 43.1-mile line of CSX Transportation, Inc. between milepost L621.7 near Atmore, AL, and milepost L635.4 near Catonment, FL, pending completion of repairs to the line to be acquired from BNSF. The transaction is scheduled to be consummated on or after September 1, 1997.

This proceeding is related to *Kauri, Inc., and StatesRail LLC—Continuance in Control Exemption—Alabama & Gulf Coast Railway LLC*, STB Finance Docket No. 33439, in which Kauri, Inc. and StatesRail LLC have concurrently filed a verified notice of exemption to continue in control of ALA when it becomes a Class III railroad.

If the verified notice contains false or misleading information, the exemption is

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void *ab initio*. 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 automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33438 must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423. In addition, a copy of each pleading must be served on Fritz R. Kahn, Suite 750 West, 1100 New York Avenue, N.W., Washington, DC 20005-3934.

Decided: August 5, 1997.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary