

210120

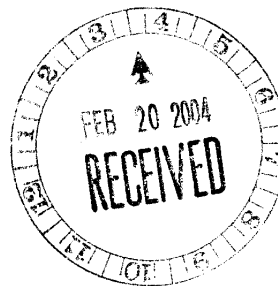
BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947



February 20, 2004

BY HAND DELIVERY

The Honorable Vernon Williams
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, DC 20423-0001

Re: Finance Docket No. 34474, Great Northwest Railroad, Inc. --
Acquisition Exemption – Camas Prairie RailNet, Inc.

Dear Secretary Williams:

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 \$1,400.00 filing fee. Also enclosed is a 3.5-inch diskette formatted for WordPerfect 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,

Karl Morell

ENTERED
Office of Proceedings

FEB 23 2004

Part of
Public Record

Enclosures

FEE RECEIVED

FEB 20 2004

SURFACE
TRANSPORTATION BOARD

FILED

FEB 20 2004

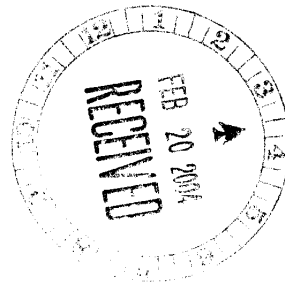
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34474

GREAT NORTHWEST RAILROAD, INC.
--ACQUISITION EXEMPTION--
CAMAS PRAIRIE RAILNET, INC.

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



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

Attorney for:
GREAT NORTHWEST
RAILROAD, INC.

Dated: February 20, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34474

GREAT NORTHWEST RAILROAD, INC.
--ACQUISITION EXEMPTION--
CAMAS PRAIRIE RAILNET, INC.

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



The Great Northwest Railroad, Inc. ("GNR"), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt Transactions, to permit GNR to acquire and operate approximately 179 miles of rail lines in Idaho and Washington from Camas Prairie RailNet, Inc. ("CPR"). GNR will also acquire by assignment from CPR incidental overhead trackage rights over a 15.1-mile rail line owned by the Union Pacific Railroad Company ("UP").

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

- (a) Full name and address of applicant:

Great Northwest Railroad, Inc.
315 W. 3rd Street
Pittsburg, Kansas 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:

GNR has entered into an agreement with CPR for the acquisition of the rail lines
and the assignment of the incidental trackage rights.

(d) The operator of the property:

GNR will become the operator of the property.

(e) Summary of proposed transaction:

(1) The name and address of the railroad transferring the subject property is:

Camas Prairie RailNet, Inc.
2350 Airport Freeway, Suite 300
Bedford, Texas 76022

(2) The involved transaction is expected to be consummated on or shortly
after February 27, 2004.

(3) The CPR rail lines being acquired by GNR are located in Idaho and
Washington as follows:

- i. The 1st Subdivision extending from Milepost 137.5, at Lewiston, ID,
to Milepost 61.0, at or near Kooskia, ID;

- ii. The portion of the 2nd Subdivision extending from Milepost 0.0, at Spalding, ID, to Milepost 1.0, near Spalding;
- iii. The 3rd Subdivision extending from Milepost 0.0, at Riparia, WA, to Milepost 71.5¹, at Lewiston, ID; and
- iv. The 4th Subdivision, extending from Milepost 0.0, at Orofino, ID, to approximately Milepost 31.0 (end of track), near Jaype, ID.²

In conjunction with the acquisition of the rail lines from CPR, GNR will acquire, by assignment from CPR, incidental overhead trackage rights over the UP rail line located between Milepost 10.46, at Riparia, WA, and approximately Milepost 267.1, at Ayer, WA, for the purpose of interchanging traffic with UP and The Burlington Northern and Santa Fe Railway Company ("BNSF").

- (4) The length of the lines being acquired is approximately 179 miles and the length of the incidental trackage rights being acquired is approximately 15.1 miles.
- (f) A map of the rail lines being acquired and of the incidental trackage rights being acquired is attached as Exhibit A.
- (g) GNR hereby certifies that GNR's projected revenues as a result of this transaction will not result in GNR becoming a Class II or Class I rail carrier.

¹ Milepost 71.5 of the 3rd Subdivision is at the same physical location as Milepost 137.5 of the 1st Subdivision. The Mileposts on the 1st and 3rd Subdivisions are incongruent because these Subdivisions were originally owned by different railroads.

² No traffic has moved over the 4th Subdivision in over two years and a majority of the line is out of service. GNR is currently working with potential customers on that line to see if an adequate volume of rail traffic can be developed to justify the cost of reopening and operating the line. If these efforts prove unsuccessful, GNR will be forced to abandon the line.

GNR further certifies that the projected annual revenue of GNR will not exceed \$5 million. Accordingly, the requirements of 49 C.F.R. § 1150.32(e), do not apply to this transaction.

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

ENVIRONMENTAL AND HISTORIC IMPACTS

GNR is acquiring the rail lines from CPR for continued rail operations. Further Board approval is required for GNR to abandon 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).

GNR's acquisition 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. GNR's acquisition 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,

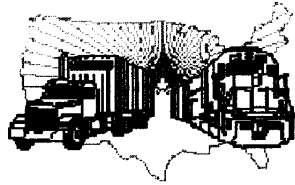
A handwritten signature in black ink, appearing to read "Karl Morell", written over a horizontal line.

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

Attorney for:
GREAT NORTHWEST RAILROAD, INC.

Dated: February 20, 2004

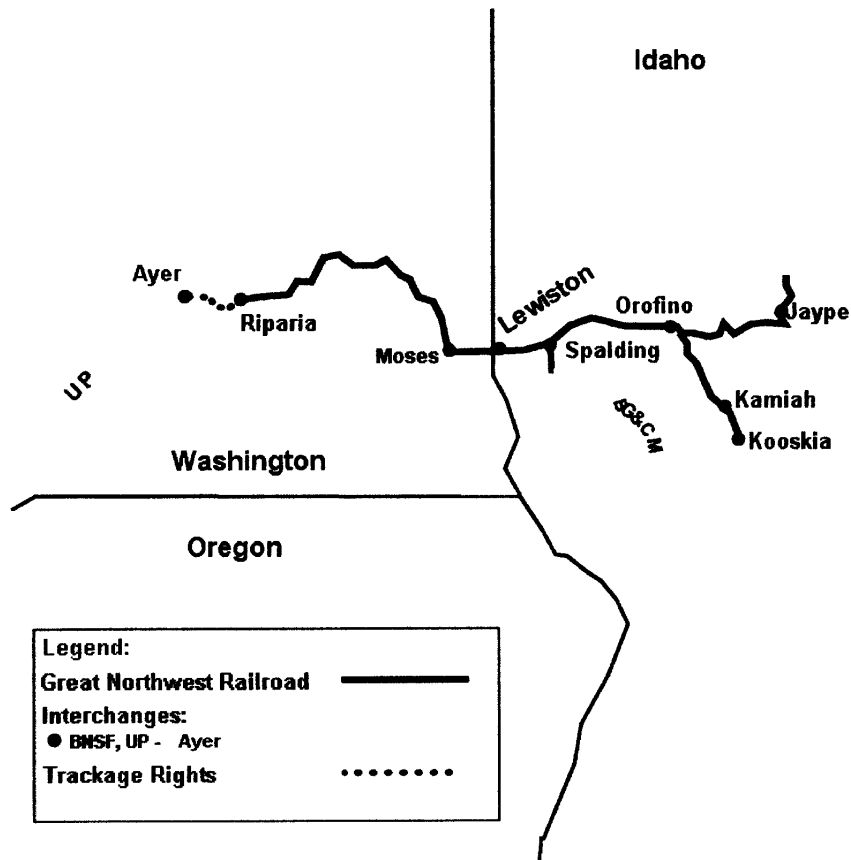
EXHIBIT A



WATCO
COMPANIES, INC.
"Your Transportation Specialists"



Great
Northwest
Railroad



SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 34474

GREAT NORTHWEST RAILROAD, INC.
--ACQUISITION EXEMPTION--
CAMAS PRAIRIE RAILNET, INC.

Great Northwest Railroad, Inc. (GNR), a non-carrier, has filed a verified notice of exemption under 49 CFR 1150.31, to acquire and operate approximately 179 miles of rail lines from the Camas Prairie RailNet, Inc. (CPR). The rail lines are located in Idaho and Washington as follows:

- i. The 1st Subdivision extending from milepost 137.5, at Lewiston, ID, to milepost 61.0, at or near Kooskia, ID;
- ii. The portion of the 2nd Subdivision extending from milepost 0.0, at Spalding, ID, to milepost 1.0, near Spalding;
- iii. The 3rd Subdivision extending from milepost 0.0, at Riparia, WA, to milepost 71.5, at Lewiston, ID; and
- iv. The 4th Subdivision, extending from milepost 0.0, at Orofino, ID, to approximately milepost 31.0 (end of track), near Jaype, ID.

In conjunction with the acquisition of the rail lines from CPR, GNR will acquire, by assignment from CPR, incidental overhead trackage rights over the 15.1-mile rail line owned by Union Pacific Railroad Company (UP) located between milepost 10.46, at Riparia, WA, and approximately milepost 267.1, at Ayer, WA, for purpose of interchanging traffic with UP and The Burlington Northern and Santa Fe Railway Company.

This transaction is related to STB Finance Docket No. 34475, Watco Companies, Inc. – Continuance In Control Exemption – Great Northwest Railroad, Inc., wherein Watco Companies

has concurrently filed a verified notice to continue in control of GNR upon GNR becoming a Class III rail carrier.

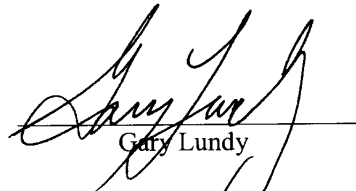
Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 1455 F Street, N.W., Washington, DC 20005, (202) 638-3307.

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)
)
COUNTY OF CRAWFORD) ss.

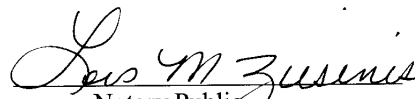
I, Gary Lundy, being duly sworn depose and state that I am Executive Vice President of Great Northwest Railroad, Inc., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate to the best of my knowledge, information, and belief.



Gary Lundy

SUBSCRIBED AND SWORN TO before me this 18th day of February, 2004, in the County of Crawford, State of Kansas.

My Commission Expires: 5-7-05



Notary Public

