

ORIGINAL

Before the
SURFACE TRANSPORTATION BOARD

211236

Finance Docket No. 34509

KAW RIVER RAILROAD, INC.
-ACQUISITION AND OPERATION EXEMPTION-
THE KANSAS CITY SOUTHERN RAILWAY COMPANY

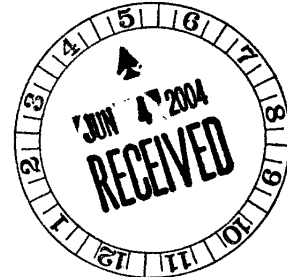
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SURFACE
TRANSPORTATION BOARD

PETITION TO REVOKE

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JUN - 7 2004

Part of
Public Record



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Locomotive Engineers & Trainmen,
a Division of the Rail Conference,
International Brotherhood of
Teamsters

June 4, 2004

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KAW RIVER RAILROAD, INC.
-ACQUISITION AND OPERATION EXEMPTION-
THE KANSAS CITY SOUTHERN RAILWAY COMPANY

PETITION TO REVOKE

Petitioner, Brotherhood of Locomotive Engineers & Trainmen, a Division of the Rail Conference, International Brotherhood of Teamsters (BLET), petitions the Surface Transportation Board (STB), that it revoke application of the class exemption to the transaction or transactions embraced in the Notice of Exemption (Notice), filed May 25, 2004, by Kaw River Railroad, Inc. (KRR) in the entitled proceeding.^{1/}

KRR is a newly-formed noncarrier created by Watco Companies, Inc. (Watco)^{2/} to take over an important portion of the switching operations of The Kansas City Southern Railway Company (KCS) at Kansas City, MO/KS. Rather than attempt to negotiate under the

1/ The Notice, as filed, was captioned for a "lease exemption," Kaw River Railroad, Inc.--Lease Exemption--The Kansas City Southern Railway Company. The STB staff, sua sponte, changed the caption to "Acquisition and Operation Exemption."

2/ In a related proceeding, Watco on May 25, 2004, filed a notice of exemption to continue in control of KRR and other carriers. Finance Docket No. 34510, Watco Companies, Inc.-Continuance in Control Exemption-Kaw River Railroad, Inc.. The Watco notice became effective June 1, 2004. BLET does not oppose the Watco notice. It would become inoperative in the event the exemption is revoked in the instant Finance Docket No. 34509.

Railway Labor Act for contracting out the KCS operations to KRR, KCS has entered into a series of arrangements with KRR, and with Kansas City Terminal Railway (KCT), to perform the yard and terminal work for KCS.

KRR has under lease and operates approximately 7.5 miles of trackage in Kansas City, KS from KCS; KRR subleases from KCS and operates approximately 4.5 miles of trackage in Kansas City, KS/MO that are owned by KCT; and KRR has acquired by assignment from KCS the operation over approximately 6.2 miles of KCT trackage, in order to access leased KCS and KCT trackage. (Notice 1).

The exemption claimed by the Notice of Exemption should be revoked for the following reasons, among others:

1. The transactions, in whole or in part, noticed for exemption do not fall within the noncarrier line acquisition class exemption, promulgated by 49 CFR §1150.31, et. seq.

2. The transactions, in whole or in part, noticed for exemption, constitute acquisition or operation of trackage excepted from prior STB authorization under 49 U.S.C. 10901, by virtue of 49 U.S.C. 10906.

3. Regulation of the transactions, in whole or in part, is necessary to carry out the rail transportation policy of 49 U.S.C. 10101.

Petitioner has made a discovery request pursuant to 49 CFR § 1121, and will supplement this Petition to Revoke in accordance with the STB's procedures.

Respectfully submitted,

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Locomotive Engineers & Trainmen,
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International Brotherhood of
Teamsters

June 4, 2004

Certificate of Service

I hereby certify I have served a copy of the foregoing upon
counsel for KRR, and for KCS, by first class mail postage-prepaid.

Washington DC

Gordon P. MacDougall
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June 4, 2004

Mr. Karl Morrell
1455 F St., N.W.-#225
Washington DC 20005

Re: F.D. No. 34509.

Dear Mr. Morell:

This is to request production of various materials set forth in the Notice of Exemption in this proceeding, filed May 25, 2004, as follows:

1. All leases and other written arrangements between Kaw River Railroad, Inc. (KRR) and The Kansas City Southern Railway Company (KCS), and/or Kansas City Terminal Railway Company (KCT), including leases and other arrangements between KCS and KCT that bear upon the KRR leases and operations. See: Notice of Exemption, at pp. 4-5.
2. The Track Lease and Switching Maintenance Agreement, dated December 15, 1992. (Ibid., p. 4).
3. Operating Agreement, dated June 12, 1909, as amended. (Ibid., p. 4).

This request is made pursuant to 49 CFR 1121 in accordance with the petition to revoke, filed today, along with 49 CFR 1114.

Very truly yours,



Attorney for Brotherhood of Locomotive
Engineers & Trainmen, a Division of the
Rail Conference, International Brother-
of Teamsters.

cc: David C. Reeves-KCS