

211335  
PAUL C. THOMPSON  
International President

RICK L. MARCEAU  
Assistant President

DAN E. JOHNSON  
General Secretary and Treasurer

**united  
transportation  
union**



14600 DETROIT AVENUE  
CLEVELAND, OHIO 44107-4250  
PHONE: 216-228-9400  
FAX: 216-228-0937  
www.utu.org

**LEGAL DEPARTMENT**

CLINTON J. MILLER, III  
General Counsel

• KEVIN C. BRODAR  
Associate General Counsel

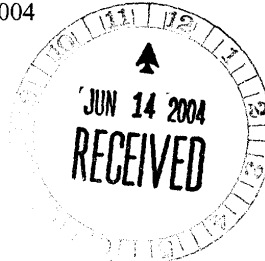
• ROBERT L. McCARTY  
Associate General Counsel

• DANIEL R. ELLIOTT, III  
Associate General Counsel

June 10, 2004

UPS Next Day Air

Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street N W  
Washington, DC 20423-0001  
(202) 565-1674



Re: Finance Docket No. 34509  
Kaw River Railroad, Inc. – Acquisition and Operation Exemption  
– The Kansas City Southern Railway Company

Dear Secretary Williams:

In reference to the above-captioned matter, which was received in your office on June 10, 2004 without our filing fee attached, enclosed please find our check No. U 167069, dated June 10, 2004, in the amount of \$200.00, which represents the filing fee with respect to this matter. Please proceed with filing United Transportation Union's Petition to Revoke.

Thank you for your cooperation.

ENTERED  
Office of Proceedings

JUN 14 2004

Part of  
Public Record

Enclosure

cc: C. J. Miller, III, General Counsel

Sincerely,

Daniel R. Elliott, III  
Associate General Counsel

**FEE RECEIVED**

JUN 14 2004

SURFACE  
TRANSPORTATION BOARD

**FILED**

JUN 14 2004

211335  
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International President

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General Counsel

• KEVIN C. BRODAR  
Associate General Counsel

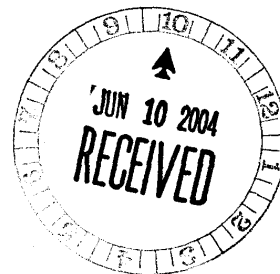
• ROBERT L. McCARTY  
Associate General Counsel

• DANIEL R. ELLIOTT, III  
Associate General Counsel

June 9, 2004

UPS Next Day Air

Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street N W  
Washington, DC 20423-0001  
(202) 565-1674



Re: Finance Docket No. 34509  
Kaw River Railroad, Inc. – Acquisition and Operation Exemption  
– The Kansas City Southern Railway Company

Dear Secretary Williams:

Please find enclosed an original and ten (10) copies of the United Transportation Union's Petition to Revoke to be filed in connection with the above-named matter. We have also enclosed a WordPerfect disk.

Thank you for your cooperation.

**FILED**

JUN 14 2004

SURFACE  
TRANSPORTATION BOARD

Enclosure

cc: C. J. Miller, III, General Counsel

Sincerely,

Daniel R. Elliott, III  
Associate General Counsel

**FEE RECEIVED**

ENTERED  
Office of Proceedings

JUN 14 2004

Part of  
Public Record

JUN 14 2004

SURFACE  
TRANSPORTATION BOARD

211335

**FILED**

JUN 14 2004

SURFACE  
TRANSPORTATION BOARD

Before the

SURFACE TRANSPORTATION BOARD

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Finance Docket No. 34509

KAW RIVER RAILROAD, INC.

-ACQUISITION AND OPERATION EXEMPTION-  
THE KANSAS CITY SOUTHERN RAILWAY COMPANY

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**FEE RECEIVED**

JUN 14 2004

SURFACE  
TRANSPORTATION BOARD

PETITION TO REVOKE

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Daniel R. Elliott, III  
Associate General Counsel  
UNITED TRANSPORTATION UNION  
14600 Detroit Avenue  
Cleveland, Ohio 44107-4250  
Telephone: (216) 228-9400  
Facsimile: (216) 228-0937

Attorney for United Transportation Union

Before the  
SURFACE TRANSPORTATION BOARD

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Finance Docket No. 34509

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

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PETITION TO REVOKE

Petitioner United Transportation Union ("UTU") respectfully asks the Surface Transportation Board ("STB") to revoke the 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.<sup>1</sup>

KRR is a newly-formed noncarrier created by Watco Companies, Inc. (Watco)<sup>2</sup> 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 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.

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<sup>1</sup>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."

<sup>2</sup>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. - Continuation in Control Exemption - Kaw River Railroad, Inc. The Watco notice became effective June 1, 2004. UTU does not oppose the Watco notice. It would become inoperative in the event the exemption is revoked in the instant Finance Docket No. 34509.

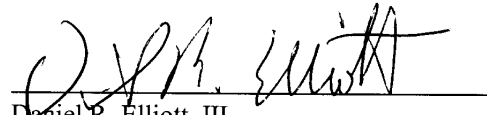
KRR has under lease and operates approximately 7.5 miles of trackage in Kansas City, KS from KCS; KRR subleases from KCS and operates approximately 4.5 miles of trackage in Kansas City, KS/MO that are owned by KCT; and KRR has acquired by assignment from KCS the operation over approximately 6.2 miles 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 exempted 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.
4. The Notice contains false or misleading information about the transaction.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D.R. Elliott", is written over a horizontal line.

Daniel R. Elliott, III  
Associate General Counsel  
UNITED TRANSPORTATION UNION  
14600 Detroit Avenue  
Cleveland, Ohio 44107-4250  
Telephone: (216) 228-9400  
Facsimile: (216) 228-0937

Attorney for United Transportation Union

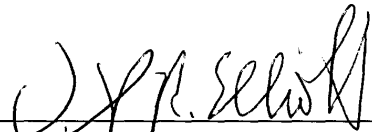
CERTIFICATE OF SERVICE

I hereby certify I have served a copy of the foregoing counsel by first class mail, postage prepaid.

Karl Morell  
Ball Janik, LLP  
1455 F Street, NW, Suite 225  
Washington, DC 20005

Harold A. Ross  
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1548 Standard Building  
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Gordon P. MacDougall  
1025 Connecticut Ave., N.W.  
Washington, DC 20036

  
\_\_\_\_\_  
Daniel R. Elliott, III