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**NORTHERN LINES RAILWAY, LLC
--LEASE AND OPERATION EXEMPTION--
THE BURLINGTON NORTHERN AND
SANTA FE RAILWAY COMPANY**

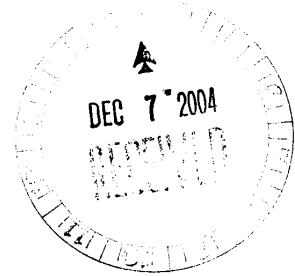
**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.31**

STB FINANCE DOCKET NO. 34627

ENTERED
Office of Proceedings

DEC 08 2004

Part of
Public Record



Applicant's name and current mailing address:

Northern Lines Railway, LLC
26 East Exchange Street
Suite 104
St. Paul, MN 55101
651-222-6318

FEE RECEIVED

DEC 07 2004

**SURFACE
TRANSPORTATION BOARD**

Applicant's representative to receive correspondence:

Rose-Michele Weinryb, Esq.
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW, Fifth Floor
Washington, D.C. 20036-1609
(202) 628-2000

FILED

DEC 14 2004

Information concerning the agreement:

Northern Lines Railway, LLC ("NLR"), a non-carrier, and The Burlington Northern and Santa Fe Railway Company ("BNSF"), entered into a lease agreement on November 23, 2004 (the "Lease Agreement"), whereby NLR will lease from BNSF certain rail lines.

Operator of the property:

NLR will be the operator of the leased property.

Brief summary of the proposed transaction:

BNSF is located at 2650 Lou Menk Drive, Fort Worth, TX 76131-2830. NLR and BNSF expect to consummate the transaction described in the Lease Agreement on or after December 14, 2004. Pursuant to the Lease Agreement, NLR will lease from BNSF the following rail lines, totaling approximately 22.4 route miles: (i) the rail line from the 33rd

Street crossing (approximately m.p. 76.03) in St. Cloud, MN, exclusive of the actual crossing (approximately one half mile west of the St. Cloud Yard), to the current end-of-track in St. Joseph, MN (approximately milepost 81.11 at Borgert Road), Line Segment 204; and (ii) the rail line from Rice Junction in St. Cloud, MN (approximately milepost 0.0 of the Cold Spring line) to the current end-of-track west of Cold Spring, MN (approximately milepost 16.98 near 178th Street), BNSF Line Segment 203, as well as certain related yard and industry tracks.¹

In addition, NLR will be acquiring from BNSF the following incidental trackage rights, which enable NLR to access the leased industry and yard tracks from the leased main line tracks: (A) trackage rights over the BNSF double main lines from approximate milepost 73.0 to approximate milepost 75.0, (B) trackage rights over the east leg of the wye (Track 156) and over the west leg of the wye (Track 157), in East St. Cloud; (C) trackage rights from the west end of the wye in East St. Cloud to the Track 12 switch with the East Lead in St. Cloud Yard, and (D) trackage rights from the clearance point of the Track 11 switch with the West Track in St. Cloud Yard to the 33rd Street crossing, inclusive of the actual crossing (approximately one half mile west of the St. Cloud Yard.). All of the incidental trackage rights involve rail track located in the vicinity of St. Cloud, MN.

Maps of the leased lines and incidental trackage rights are attached hereto as Exhibit A.

Related proceedings:

In connection with this proceeding, Peter A. Gilbertson and Bruce A. Lieberman, noncarrier individuals, and Anacostia Rail Holdings Company, a noncarrier holding company, have filed in STB Finance Docket No. 34628 a notice of exemption, pursuant to 49 C.F.R. § 1182.2(d)(2), to control NLR once NLR becomes a rail carrier.

Environmental Issues

Environmental documentation normally need not be prepared for a lease that does not involve the diversion "from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) An average of 50 rail carloads per mile per year for any part of the affected line..." (49 C.F.R. § 1105.7(e)(4)), on the one hand, or that does not involve "(A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) An increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment..." (49 C.F.R. § 1105.7(e)(5)), on the other hand. See 49 C.F.R. § 1105.6(c)(2).

¹ BNSF will reserve out of the leased trackage certain limited trackage rights between the 33rd Street crossing and a point west of the ballast pit track 582 (which includes trackage on the St. Joseph main line from the 33rd Street crossing to Rice Junction (approx. m.p. 0.0) and trackage on the Cold Spring main line from m.p. 0.0 to m.p. 2.5 just west of the ballast pit track 582).

NLR's lease of the subject rail lines from BNSF will not result in changes in carrier operations that exceed the above-listed thresholds. Therefore, no environmental documentation is required for this Verified Notice of Exemption.

Transactions involving a lease of a rail line for the purpose of continued rail operations are exempt from the historic report requirements of 49 C.F.R. § 1105.8(a) if termination of such operations requires further approval by the Surface Transportation Board (the "Board") and "there are no plans to dispose of or alter properties subject to [the Board's] jurisdiction that are 50 years old or older." *See* 49 C.F.R. § 1105.8(b)(1).

Common carrier service on the leased lines will be continued. NLR does not plan on disposing or altering 50-year old properties or older, over which the Board has jurisdiction. Therefore, a historic report is not required for this filing. *See* 49 C.F.R. § 1105.8(a), (b).

Certificate of projected revenue:

In accordance with 49 C.F.R. § 1150.33(g), a certificate concerning NLR's projected revenue is attached as Exhibit B.

Respectfully submitted,



Rose-Michele Weinryb
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW, Fifth Floor
Washington, D.C. 20036

Attorneys for:

Northern Lines Railway, LLC

Dated: December 7, 2004

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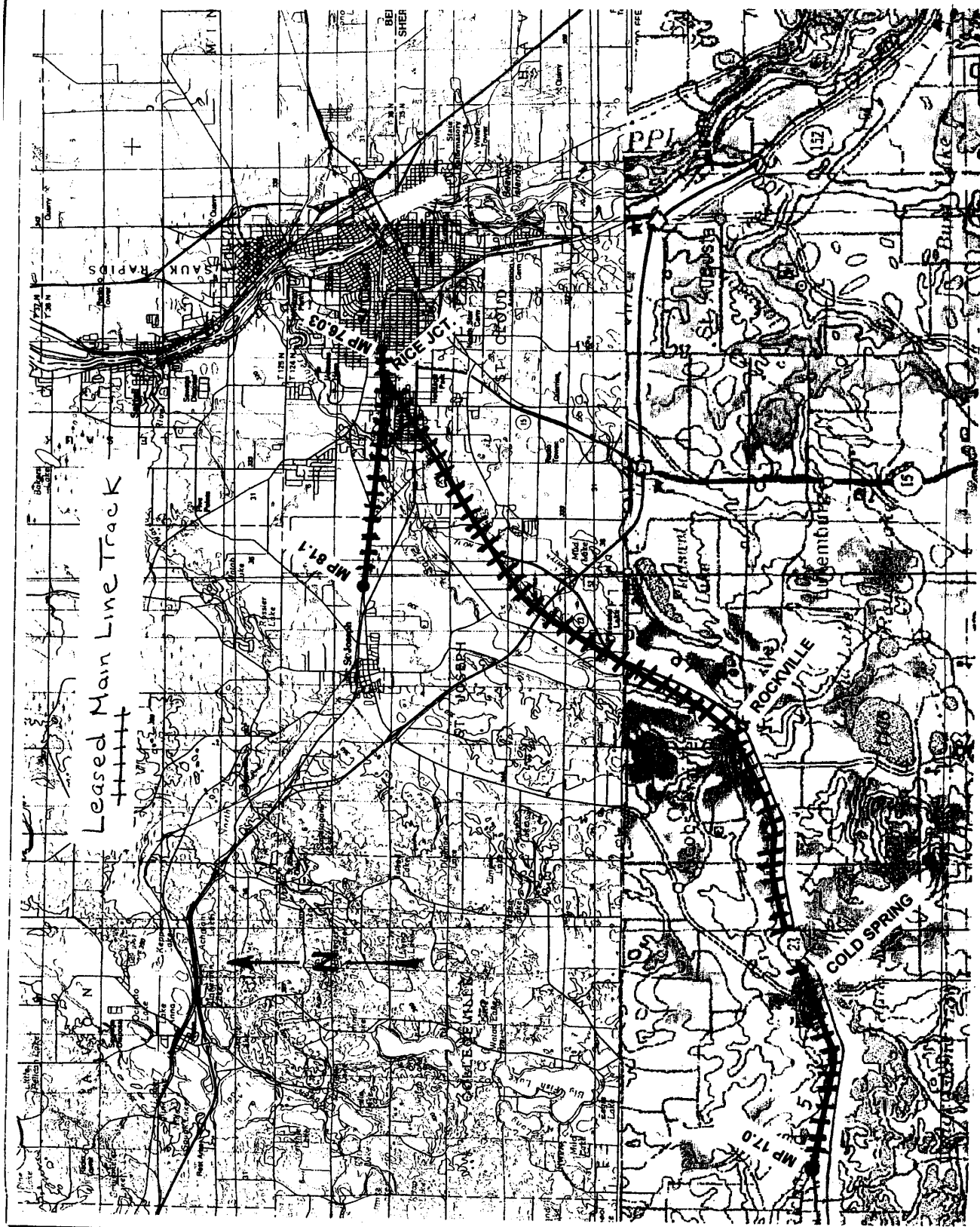
**VERIFIED NOTICE OF EXEMPTION
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STB Finance Docket No. 34627

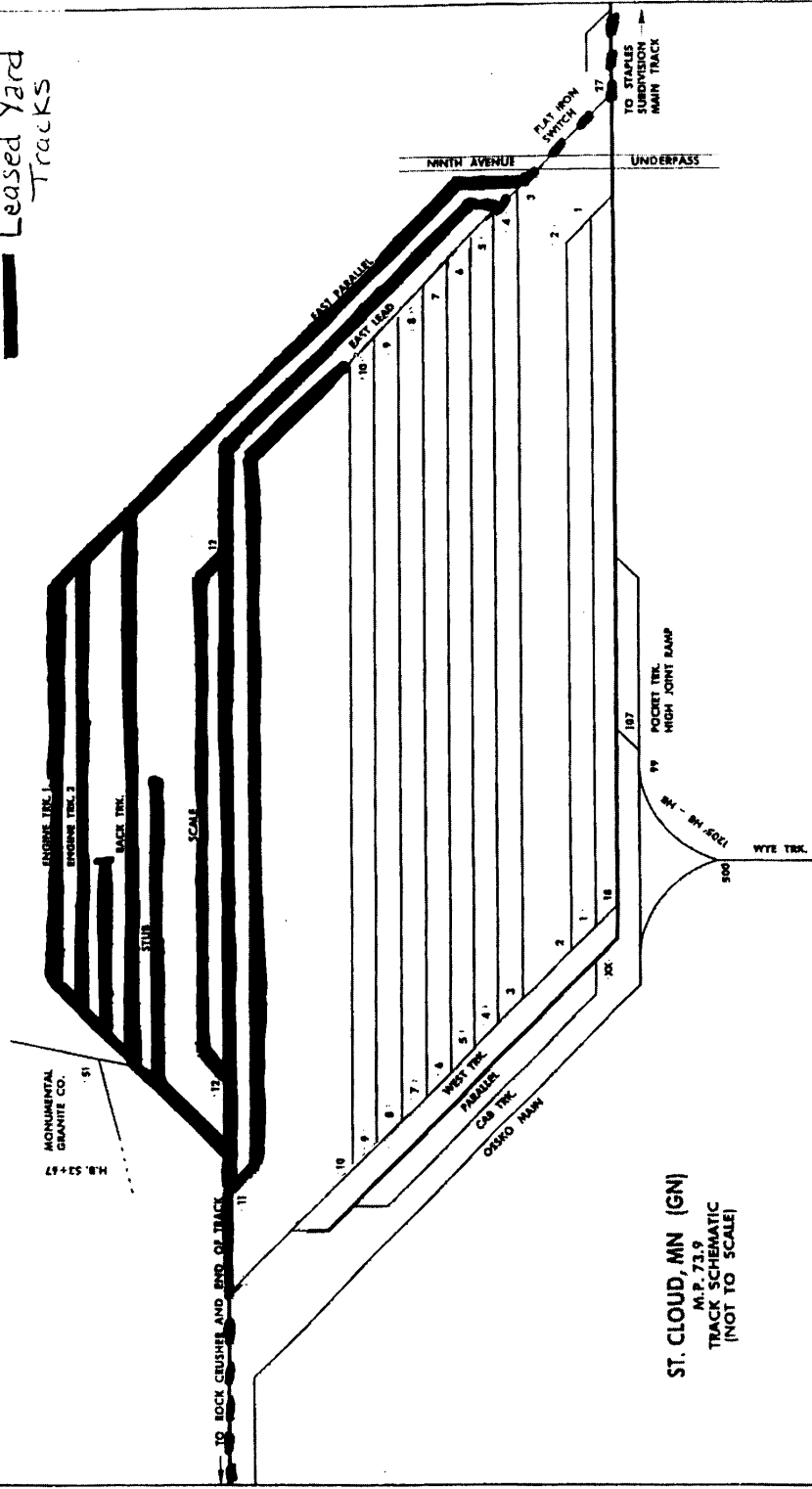
**NORTHERN LINES RAILWAY, LLC
--LEASE AND OPERATION EXEMPTION--
THE BURLINGTON NORTHERN AND SANTA
FE RAILWAY COMPANY**

EXHIBIT A

MAP OF SUBJECT LINES



--- Trackage Rights
— Leased Yard Tracks



ST. CLOUD, MN (GN)
M.P. 73.9
TRACK SCHEMATIC
(NOT TO SCALE)



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STB Finance Docket No. 34627

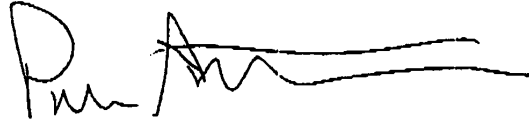
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EXHIBIT B

CERTIFICATE OF REVENUE

CERTIFICATE OF REVENUE

In accordance with 49 C.F.R. § 1150.33(g), I do hereby certify that the revenue projected for NLR as a result of this transaction does not exceed that which would qualify it as a class III carrier.

A handwritten signature in black ink, appearing to read 'Peter A. Gilbertson', written over a horizontal line.

Peter A. Gilbertson, Secretary

Northern Lines Railway, LLC

Dated: December 7, 2004

SURFACE TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 34627

**NORTHERN LINES RAILWAY, LLC
--LEASE AND OPERATION EXEMPTION--
THE BURLINGTON NORTHERN AND
SANTA FE RAILWAY COMPANY**

Northern Lines Railway, LLC ("NLR"), a noncarrier, has filed a notice of exemption under 49 C.F.R § 1150.31 to lease and operate the following rail lines of The Burlington Northern and Santa Fe Railway Company, totaling approximately 22.4 route miles: (i) the rail line from the 33rd Street crossing (approximately m.p. 76.03) in St. Cloud, MN, exclusive of the actual crossing (approximately one half mile west of the St. Cloud Yard), to the current end-of-track in St. Joseph, MN (approximately milepost 81.11 at Borgert Road), Line Segment 204; and (ii) the rail line from Rice Junction in St. Cloud, MN (approximately milepost 0.0 of the Cold Spring line) to the current end-of-track west of Cold Spring, MN (approximately milepost 16.98 near 178th Street), BNSF Line Segment 203, as well as certain related yard and industry tracks.¹

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¹ BNSF will reserve out of the leased trackage certain limited trackage rights between the 33rd Street crossing and a point west of the ballast pit track 582 (which includes trackage on the St. Joseph main line from the 33rd Street

trackage rights from the clearance point of the Track 11 switch with the West Track in St. Cloud Yard to the 33rd Street crossing, inclusive of the actual crossing (approximately one half mile west of the St. Cloud Yard.). All of the incidental trackage rights involve rail track located in the vicinity of St. Cloud, MN.

Comments must be filed with the Surface Transportation Board, Office of the Secretary, 1925 K Street, N.W., Washington, D.C. 20423-0001 and served on Rose-Michele Weinryb, Esq., Weiner Brodsky Sidman Kider PC, 1300 19th Street, NW, Fifth Floor, Washington, D.C. 20036-1609.

This proceeding is related to: STB Finance Docket No. 34628, *Peter A. Gilbertson, et al. and Anacostia Rail Holdings Company – Control Exemption – Northern Lines Railway, LLC*

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*. 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.

Decided:

By the Board,

crossing to Rice Junction (approx. m.p. 0.0) and trackage on the Cold Spring main line from m.p. 0.0 to m.p. 2.5 just west of the ballast pit track 582).

VERIFICATION

I, Peter A. Gilbertson, certify under penalty of perjury that the foregoing notice of exemption is true and correct to the best of my knowledge, information and belief.

Further, I certify that I am qualified and authorized to cause this Verified Notice of Exemption to be filed.

A handwritten signature in black ink, appearing to read 'Peter A. Gilbertson', written over a horizontal line.

Peter A. Gilbertson, Secretary

Northern Lines Railway, LLC

Dated: December 7, 2004