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JUN 20 2005

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**SURFACE
TRANSPORTATION BOARD**

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(202) 347-3619

WRITER'S E-MAIL:

cml@sloverandloftus.com

214219

June 20, 2005

BY HAND DELIVERY

Honorable Vernon A. Williams
Secretary

Surface Transportation Board
1925 K Street, N.W., Room 711
Washington, D.C. 20423-0001

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JUN 20 2005

**SURFACE
TRANSPORTATION BOARD**



Re: Finance Docket No. 34719, Cornhusker Railways LLC
– Acquisition and Operation Exemption – Rail Line of
DTE Rail Services, Inc. in Hall County, Nebraska

Dear Secretary Williams:

Enclosed for filing in the referenced docket please find an original and 10 copies of the Verified Notice of Exemption of Cornhusker Railways LLC, together with a WordPerfect diskette containing the filing in electronic form. We are also submitting a check in the amount of \$1,500.00 to cover the requested filing fee.

An additional copy of the Notice also is enclosed. Kindly indicate receipt of the filing by time-stamping this extra copy and returning it to the bearer of this letter. Thank you for your consideration in this matter.

Sincerely,

C. Michael Loftus

An Attorney for Cornhusker Railways LLC

Enclosures

ENTERED
Office of Proceedings

JUN 20 2005

Part of
Public Record

214219

BEFORE THE
SURFACE TRANSPORTATION BOARD



CORNHUSKER RAILWAYS LLC –
ACQUISITION AND OPERATION
EXEMPTION – RAIL LINE OF DTE
RAIL SERVICES, INC. IN HALL
COUNTY, NEBRASKA

Finance Docket No. 34719

Office of Proceedings
ENTERED
JUN 21 2005
Part of
Public Record

VERIFIED NOTICE OF EXEMPTION

Cornhusker Railways LLC (“CHR”), pursuant to 49 C.F.R. Part 1150.31-

34, files this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. § 10901, to permit CHR to purchase from DTE Rail Services, Inc. (“DTERS”) and operate – as a common carrier – a total of approximately 5.0 route miles of rail line, as well as certain related yard, industry, side and spur tracks, between an interchange with BNSF Railway Company at Milepost 103.55 near Ovina, Nebraska, and an interchange with Union Pacific Railroad Company at Milepost 154.5 near Alda, Nebraska, in Hall County, Nebraska (the “Line”). Currently, the Line is held by DTERS as a private track, and is not used for common carrier service.

In support hereof, CHR shows as follows:

a. Full Name and Address of Applicant

Cornhusker Railways LLC
425 S. Main St., Suite 201
Ann Arbor, MI 48104

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b. Name and Address of Applicant's Representative

C. Michael Loftus
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170

c. Statement Regarding Agreement

CHR and DTERS have reached agreement on terms to govern the purchase of the line that is the subject of this Notice.

d. Operation of the Property

Following the effective date of the exemption noticed hereby, CHR will be the operator of the property in question.¹

e. Summary of the Transaction

DTERS purchased the Line, together with certain other adjacent rail facilities and associated structures, from the United States Government in 2004, for use in the construction and operation of a railcar repair facility. Previously the structures, facilities, and rail trackage had been part of the Cornhusker Army Ammunition Plant, owned and operated by the Defense Department. Since that purchase, DTERS has used the Line as a private spur for the transfer of railcars between its shops and the two Class I railroads to which the Line connects.

¹ CHR presently is a non-carrier, and is controlled by DTE Coal Services, a non-carrier which does not control any other carriers.

Recently, DTERS has learned that at least one and possibly more large industrial facilities are planned for sites adjacent to the Line, and that the expected operators of those facilities will require access to common carrier rail service. In order to accommodate such anticipated needs, DTERS has created CHR and agreed to transfer ownership and control of the Line to it, with the understanding that CHR will become a common carrier and be ready to provide common carrier service to those operators, and any other potential customers, upon reasonable request. CHR has filed this Notice of Exemption to fulfill that understanding.

Under the proposed transaction, CHR will purchase both the track and the underlying right-of-way from DTERS. CHR thereupon will grant a non-exclusive, immediately terminable lease of the Line back to DTERS for its own non-common carrier use, but CHR will at all times retain the responsibility and the ability to provide common carrier service over the Line upon request by means of reserved joint use rights. Based upon its communications with potential shippers on the Line regarding their anticipated service needs, CHR does not anticipate that it will need to commence actual common carrier operations over the Line for at least one year, but it will be ready to do so earlier if shippers so request.

It is contemplated that the transaction described herein will be consummated shortly after the effective date of CHR's exemption authorization.

Pursuant to Board regulations, CHR states that DTERS's corporate address is 425 S. Main St., Suite 201, Ann Arbor, MI 48104.

f. Map

See Exhibit No. 1.

g. Certificate of Projected Revenue

Pursuant to 49 C.F.R. Part 1150.33(g), CHR hereby certifies that its projected revenues do not exceed those that would qualify it as a Class III carrier. Although the uncertainty regarding the precise timing and scope of common carrier services to be provided over the Line makes a precise estimate impossible at this time, upon information and belief, CHR's projected annual revenues also will not exceed \$5 million.²

h. Environmental and/or Historical Documentation

The proposed transaction qualifies under 49 C.F.R. Part 1105.6(c)(2), and as such, no environmental documentation is required. Likewise, inasmuch as the transaction involves the continuation of rail services and CHR has no plans to alter or dispose of any properties subject to STB jurisdiction that are fifty years old or older, the

² It should also be noted that there currently are no railroad employees on the Line, and as a result, the interests to be protected under 49 C.F.R. § 1150.32(e) are not present. To the extent that this regulation could be construed as applying to the subject transaction, CHR respectfully requests waiver of the Board's regulation.

transaction does not require an historic report, in accordance with 49 C.F.R. Part 1105.8(b).

i. Caption Summary

See Exhibit No. 2.

Respectfully submitted,

CORNHUSKER RAILWAYS LLC
425 S. Main St., Suite 201
Ann Arbor, MI 48104

By: C. Michael Loftus
Donald G. Avery
Andrew B. Kolesar III
Slover & Loftus




OF COUNSEL:

SLOVER & LOFTUS
1224 17th Street, N.W.
Washington, D.C. 20036

1224 17th Street, N.W.
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(202) 347-7170

Dated: June 20, 2005

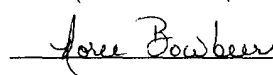
Attorneys & Practitioners

VERIFICATION

STATE OF MICHIGAN)
)
)
COUNTY OF WASHTENAW) ss:

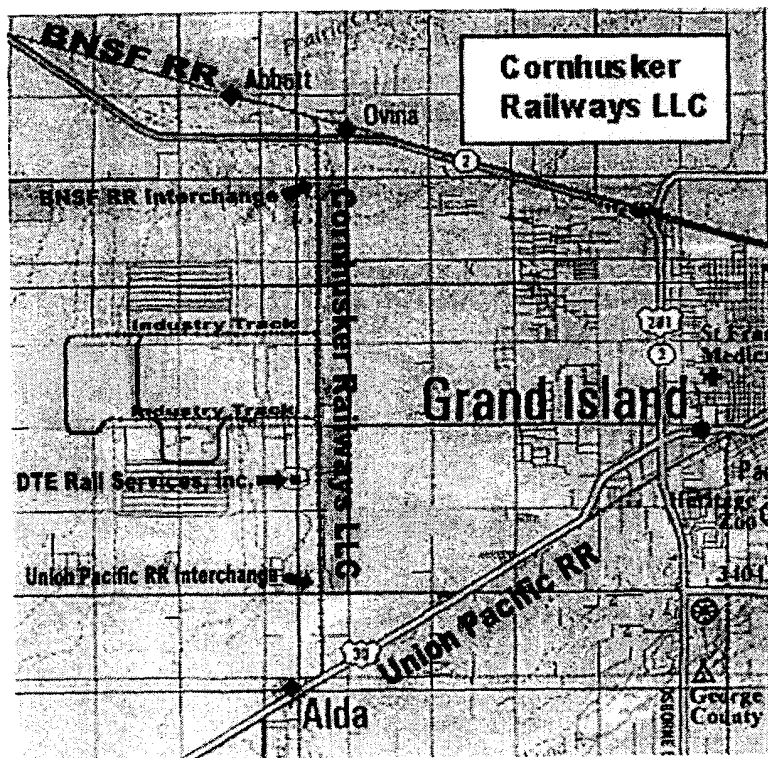
Evan J. O'Neil, being duly sworn, deposes and says that he is CEO of Cornhusker Railways LLC, that he has read the foregoing Notice and knows the contents thereof, and that the same are true as stated to the best of his knowledge, information, and belief.

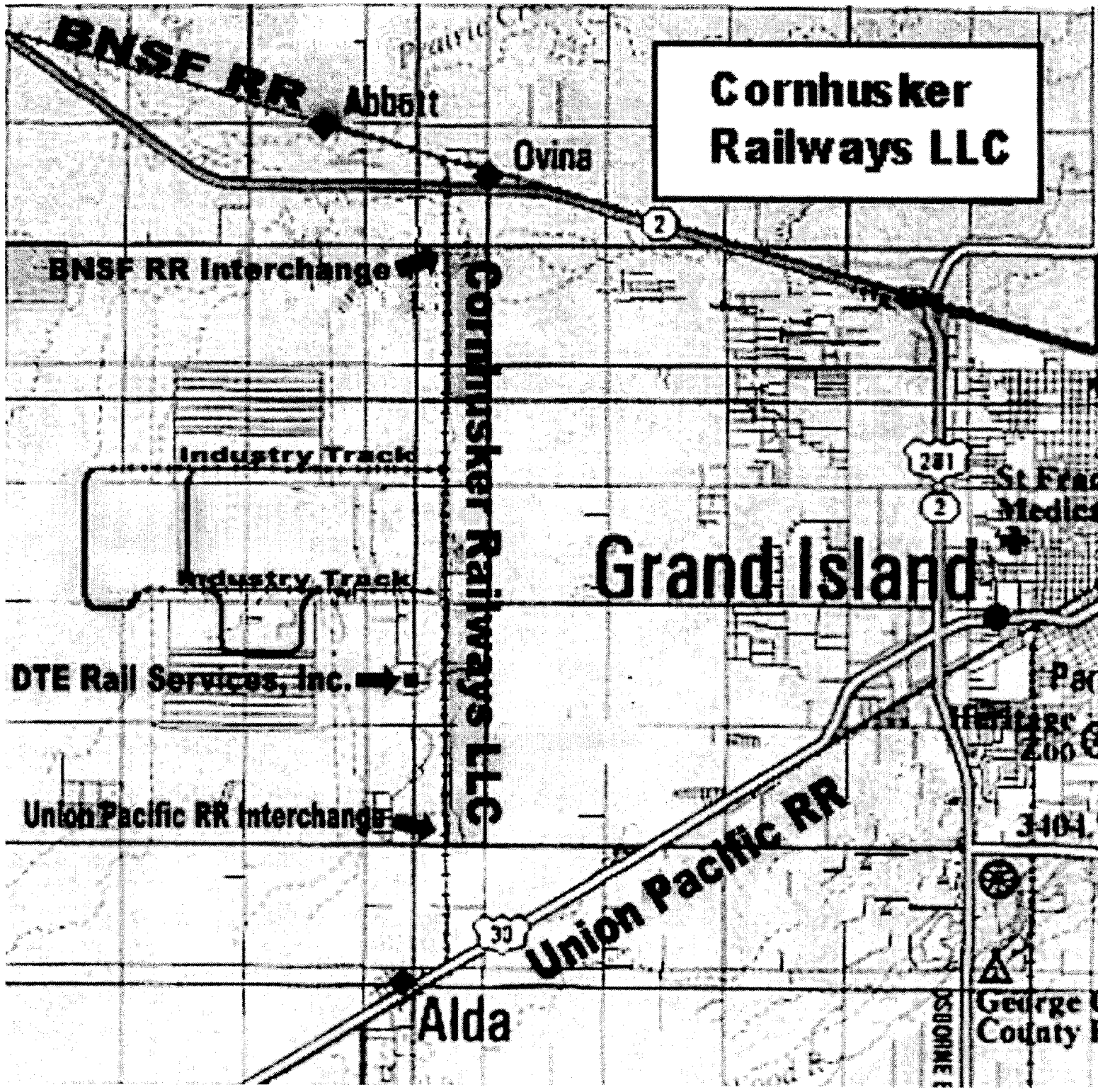

Evan J. O'Neil

Sworn and subscribed before me
this 17 day of July, 2005
 Notary Public

My Commission expires: 9/2/2007

Exhibit No. 1





**Cornhusker
Railways LLC**

Grand Island

Union Pacific RR

Cornhusker Railways LLC

BNSF RR

Abbott

Ovina

BNSF RR Interchange

Industry Track

Industry Track

DTE Rail Services, Inc.

Union Pacific RR Interchange

Alda

281
2

St. Francis
Medical

Hartman
200 E

3404

George
County

Finance Docket No. 34719

**CORNHUSKER RAILWAYS LLC
– ACQUISITION AND OPERATION EXEMPTION –
RAIL LINE OF DTE RAIL SERVICES, INC. IN HALL COUNTY, NE**

Cornhusker Railways LLC (“CHR”) has filed a Verified Notice of Exemption to acquire by purchase from DTE Rail Services, Inc. and to operate approximately 5.0 route miles of rail line, as well as certain related yard, industry, side and spur tracks, between an interchange with BNSF Railway Company at Milepost 103.55 near Ovina, Nebraska and an interchange with Union Pacific Railroad Company at Milepost 154.5 near Alda, Nebraska, in Hall County, Nebraska. Comments must be filed with the Board and served on C. Michael Loftus, Slover & Loftus, 1224 Seventeenth Street, N.W., Washington, D.C. 20036 (202) 347-7170.

This Notice is filed under 49 C.F.R. Part 1150.31, et seq. 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.