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October 18, 2007

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

FILED

OCT 19 2007

SURFACE
TRANSPORTATION BOARD



Re **Finance Docket No. 35084**
Kansas City Terminal Railway Company—Purchase Exemption—
BNSF Railway Company

Dear Secretary Williams

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of Kansas City Terminal Railway Company pursuant to 49 C.F.R. § 1150.41**, dated October 18, 2007. A check in the amount of \$1,600, representing the appropriate fee for this filing, and a computer diskette containing the text of the Notice and the *Federal Register* caption summary in MS Word 2000 format are attached.

One extra copy of the Notice and this letter also are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,


Michael J. Barron, Jr.
Attorney for Kansas City
Terminal Railway Company

FEE RECEIVED

OCT 19 2007

SURFACE
TRANSPORTATION BOARD

Enclosures

cc: Mr. William Somervell
Ms. Allison Bergman
Mr. Jake DeBoever
Mr. Karl Morell

ENTERED
Office of Proceedings

OCT 19 2007

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 35084

KANSAS CITY TERMINAL RAILWAY COMPANY
-- PURCHASE EXEMPTION --
BNSF RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
OF
KANSAS CITY TERMINAL RAILWAY COMPANY
PURSUANT TO 49 C.F.R. § 1150.41

FEE RECEIVED

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ENTERED
Office of Proceedings

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Part of
Public Record

Ronald A. Lane
Michael J. Barron, Jr.
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

SURFACE
TRANSPORTATION BOARD

ATTORNEYS FOR
KANSAS CITY TERMINAL RAILWAY
COMPANY

Dated: October 18, 2007

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO 35084

KANSAS CITY TERMINAL RAILWAY COMPANY
-- PURCHASE EXEMPTION --
BNSF RAILWAY COMPANY

**VERIFIED NOTICE OF EXEMPTION
OF
KANSAS CITY TERMINAL RAILWAY COMPANY
PURSUANT TO 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, et seq, Kansas City Terminal Railway Company ("KCT"), a Class III carrier, hereby files this Verified Notice of Exemption to purchase approximately 5.5 miles of track in Jackson County, Missouri, all as shown on Exhibit A, attached herein. Based on projected revenues for the KCT, it expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

This Notice is related to Finance Docket No. 35085, Kansas City Transportation Company LLC—Lease and Operation Exemption—Kansas City Terminal Railway Company, in which Kansas City Transportation Company LLC ("KCTL") will lease from KCT and operate the line that KCT is purchasing from BNSF Railway Company ("BNSF") pursuant to this Notice of Exemption.

In accordance with the requirements of 49 C.F.R. § 1150.43, KCT submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

The full name and address of the rail carrier applicant herein is as follows:

Kansas City Terminal Railway Company
4501 Kansas Avenue
Kansas City, Kansas 66106

Applicant's Representative: 49 C.F.R. § 1150.43(b)

KCT's representative to whom correspondence regarding this transaction should be sent is as follows:

Michael J. Barron, Jr.
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

KCT has agreed to purchase the BNSF tracks shown on Exhibit A herein (the "Tracks"). Upon KCT's purchase of the Tracks, KCT has agreed to lease the Tracks to KCTL as proposed in Finance Docket No 35085, and KCTL will provide common carrier service on the Tracks.

Operation of the Property: 49 C.F.R. § 1150.43(d)

KCT will own the Tracks as a common carrier, but KCTL will lease the Tracks from KCT and operate the Tracks as a common carrier and provide common carrier service on the Tracks

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

BNSF currently owns the Tracks and provides service on them KCT shall purchase the Tracks from BNSF pursuant to 49 C.F.R § 1150.41 et seq Then, as discussed in Finance Docket No. 35085, KCT shall immediately lease the Tracks to KCTL, and KCTL will provide all common carrier service on the Tracks. The Tracks extend from BNSF milepost 5.78

near Sheffield Junction, Missouri to the end of track at mile post 11 23 near Blue Valley, Missouri, as described in Exhibit A, and consist of approximately 5 5 route miles.

KCT intends to consummate the purchase from BNSF of the Tracks any time on or after November 20, 2007.

BNSF's address is:

BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, TX 76131-2830

Map: 49 C.F.R. § 1150.43(f)

A map showing the Tracks and the surrounding area is attached as Exhibit A to this notice.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this notice.

Advance Notice: 49 C.F.R. § 1150.42(e)

A 60-day notice of this transaction was posted at the workplace of current employees working on the Track on September 20, 2007, and a copy of the notice was served on the national office of the labor unions for those employees on September 21, 2007, in compliance with 49 C.F.R. § 1150.42(e). A Certificate of Compliance with these requirements was filed on September 21, 2007 and a copy is attached as Exhibit C to this notice.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105 6(c)(2), KCT's proposed purchase of the Tracks is exempt from environmental reporting requirements. The proposed transaction will not result in

significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C F R § 1105.7(e)(4) or (5)

Under 49 C.F.R § 1105 8(b)(1), KCT's purchase of the Tracks also is exempt from historic preservation reporting requirements The proposed purchase is for the purpose of continued rail operations Further, Surface Transportation Board approval is required to discontinue or abandon any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.44

A caption summary in appropriate form is attached as Exhibit D to this notice.

Respectfully submitted,

By: 

Ronald A. Lane
Michael J. Barron, Jr
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR KANSAS CITY
TERMINAL RAILWAY COMPANY**

Dated October 18, 2007

CERTIFICATION

State of Missouri)
)
County of Jackson) ss.
)

Charles E Mader, being duly sworn, hereby certifies that the projected annual rail revenue of Kansas City Terminal Railway Company will not result in the creation of a Class II or Class I carrier under the provisions of 49 C.F.R. § 1201(1-1)

Charles E Mader
Charles E Mader
General Manager - Vice President of Engineering
Kansas City Terminal Railway Company

SUBSCRIBED AND SWORN TO
before me this 7th day
of October, 2007

Peggy L. Wells
Notary Public

My Commission expires _____

**Peggy L. Wells
Commission# 05498897
Notary Public - Notary Seal
STATE OF MISSOURI - Jackson County
My Commission Expires 05/20/09**

[Employee Notice and Certification]

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
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RONALD A. LANE
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September 21, 2007

Via Electronic Filing

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Re: **Finance Docket No. 35084**
Kansas City Terminal Railway Company—Purchase
Exemption—BNSF Railway Company

Finance Docket No. 35085
Kansas City Transportation Company LLC—Lease and Operation
Exemption—Kansas City Terminal Railway Company

Dear Secretary Williams:

Pursuant to 49 C.F.R. § 1150.42(e), Kansas City Terminal Railway Company ("KCT") and Kansas City Transportation Company, LLC ("KCTL") hereby certify that on September 20, 2007, the attached Notice was posted at the workplace of the employees on the rail lines that KCT proposes to acquire and KCTL proposes to lease in the above-captioned proceedings, and that on September 21, 2007 a copy of the Notice was served on the national offices of the labor unions with employees on those rail lines.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,



Ronald A. Lane
Attorney for Kansas City Terminal
Railway Company and Kansas City
Transportation Company, LLC

RAL.dg
Attachment

SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35084

**KANSAS CITY TERMINAL RAILWAY COMPANY-- PURCHASE EXEMPTION --BNSF
RAILWAY COMPANY**

FINANCE DOCKET NO. 35085

**KANSAS CITY TRANSPORTATION COMPANY LLC-- LEASE AND OPERATION
EXEMPTION --KANSAS CITY TERMINAL RAILWAY COMPANY**

NOTICE TO BNSF EMPLOYEES

Pursuant to Surface Transportation Board regulations, 49 C.F.R. §§ 1150.42(e), Kansas City Terminal Railway Company ("KCT"), Kansas City Terminal Transportation Company, LLC ("KCTL") and Kaw River Railroad, LLC ("Kaw River") hereby provide notice to the employees of BNSF Railway Co. that KCT has agreed to purchase approximately 5.5 miles of local BNSF switching track in the Kansas City Terminal District (MP 5.78 near Sheffield Junction, MO to end of track at MP 11.23 near Blue Valley, MO) commonly referred to as "the Coburg Lead," effective on or before December 1, 2007. KCTL has agreed to lease the Coburg Lead from KCT, and Kaw River is expected to perform certain operating functions under KCTL's direction and control.

KCT, KCTL and Kaw River do not anticipate hiring any additional employees as a result of these transactions. However, any BNSF employee interested in seeking employment with KCT or KCTL should contact those companies at 4501 Kansas Avenue, Kansas City, Kansas 66106 or (913) 915-5539. BNSF employees interested in seeking employment with Kaw River should contact its General Manager at 1128 S. Mill Street, Kansas City, Kansas 66105 or (816) 983-1910.

Kansas City Terminal Railway Company
Kansas City Terminal Transportation Company, LLC
Kaw River Railroad, LLC

September 17, 2007

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35084

**KANSAS CITY TERMINAL RAILWAY COMPANY
-- PURCHASE EXEMPTION --
BNSF RAILWAY COMPANY**

KANSAS CITY TERMINAL RAILWAY COMPANY ("KCT") a Class III common carrier by rail, has filed a Verified Notice of Exemption to purchase certain tracks (the "Tracks") of the BNSF Railway Company ("BNSF") which Tracks are described as follows:

The Tracks extend from BNSF milepost 5.78 near Sheffield Junction, Missouri to the end of track at BNSF milepost 11.23 near Blue Valley, Missouri, all in Jackson County, Missouri. The total length of the Tracks is 5.5 route miles

This Notice of Exemption is related to Finance Docket No 35085, KANSAS CITY TRANSPORTATION COMPANY LLC – LEASE AND OPERATION EXEMPTION – KANSAS CITY TERMINAL RAILWAY COMPANY, in which Kansas City Transportation Company LLC ("KCTL") is concurrently filing a Verified Notice of Exemption pursuant to 49 C.F.R. § 1150.41 for an exemption to allow KCTL to lease from KCT and operate the Tracks once KCT purchases the Tracks from BNSF.

KCT expects to consummate the purchase of the Tracks any time on or after November 20, 2007.

Comments must be filed with the Board and served on:

Michael J. Barron, Jr
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

This Notice is filed under 49 C.F.R. § 1150.41. If this 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.

Dated: _____, 2007

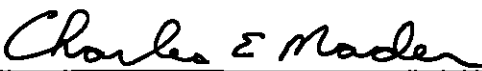
By the Board

Vernon A. Williams
Secretary

VERIFICATION

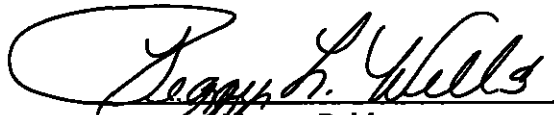
State of Missouri)
)
County of Jackson) ss

Charles E Mader, being duly sworn, deposes and says that he is General Manager and Vice President of Engineering of Kansas City Terminal Railway Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated



Charles E Mader

SUBSCRIBED AND SWORN TO
before me this 17th day
of October, 2007



Notary Public

My Commission expires _____

Peggy L. Wells
Commission# 05498897
Notary Public - Notary Seal
STATE OF MISSOURI - Jackson County
My Commission Expires 05/20/09