

June 17, 2008

E-File

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423-001

Re: STB Docket No. AB 853 (Sub-No. 3X), Kansas & Oklahoma
Railroad, Inc. -- Abandonment Exemption -- In Rice County, KS

Dear Acting Secretary Quinlan:

By notice served May 10, 2006, in the above-referenced proceeding, the Surface Transportation Board ("Board") authorized the abandonment of the 6-mile rail line located between milepost 85.0, at Chase, and milepost 91.0, at Silica, in Rice County, KS (the "Line"). By decision served June 8, 2006, the Board reopened the proceeding and imposed the three salvage conditions recommended by the Board's Section of Environmental Analysis.

Prior to April 23, 2008, the three salvage conditions constituted a regulatory barrier to consummating the abandonment of the Line. See e.g., STB Docket No. AB-391 (Sub-No. 8X), *Red River Valley & Western Railroad Company – Abandonment Exemption – In Dickey County, ND and Brown County, SD* (not printed), served October 17, 2001. Under the terms of 49 C.F.R. § 1152.29(e)(2), a railroad may not consummate an authorized abandonment if there is a legal or regulatory barrier to consummation but that once the legal or regulatory barrier is removed after the 1-year time limit for consummation, the railroad has up to 60 days to file its notice of consummation.

In the policy statement in STB Ex Parte No. 678, *Consummation of Rail Line Abandonments That Are Subject to Historic Preservation and Other Environmental Conditions* (not printed), served April 23, 2008 (the "Consummation Policy Statement"), the Board stated that salvage conditions are no longer a regulatory barrier to the filing of a notice of consummation. In other words, the *Consummation Policy Statement* had the

June 17, 2008
Page 2

effect of removing salvage conditions as regulatory barriers to the consummation of abandonments.

Pursuant to the *Consummation Policy Statement*, Kansas & Oklahoma Railroad, Inc. ("K&O"), hereby gives notice that K&O consummated the abandonment of the Line as of June 16, 2008.

If you have any questions, please call me.

Sincerely,

Karl Morell

Enclosures