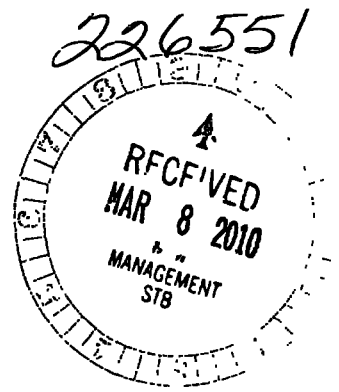


LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1112
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com



THOMAS F. MCFARLAND

March 5, 2010

By UPS overnight mail

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

Re: Finance Docket No. 35359, *Pacific Rim Railway Company, Inc. -- Acquisition and Operation Exemption -- City of Keokuk, Iowa*

Dear Section of Administration Chief:

Enclosed please find an original and 10 copies of Verified Notice of Exemption Under 49 C.F.R. § 1150.31 for filing with the Board in the above referenced matter.

Also enclosed is a check in the amount of \$1,800 for the filing fee.

RECEIVED
Office of Proceedings

MAR 08 2010

Part of
Public Record

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Applicant

TMCF-kl.enc/wp8.0\1425\1rstb1

FEE RECEIVED

MAR 08 2010

SURFACE
TRANSPORTATION BOARD

FILED

MAR 08 2010

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

PACIFIC RIM RAILWAY COMPANY,)
INC. -- ACQUISITION AND) FINANCE DOCKET
OPERATION EXEMPTION -- CITY OF) NO. 35359
KEOKUK, IOWA)

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31

PACIFIC RIM RAILWAY COMPANY, INC.
1515 East Tudor Road, Suite 5
Anchorage, AK 99507

Applicant

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204 (ph)
(312) 201-9695 (fax)
mcfarland@aol.com

Attorney for Applicant

DATE FILED: March 8, 2010

BEFORE THE
SURFACE TRANSPORTATION BOARD

PACIFIC RIM RAILWAY COMPANY,	)	
INC. -- ACQUISITION AND	)	FINANCE DOCKET
OPERATION EXEMPTION -- CITY OF	)	NO. _____
KEOKUK, IOWA	)	

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

Pursuant to 49 C.F.R. § 1150.31, *et seq.*, PACIFIC RIM RAILWAY COMPANY, INC. (PRIM), a noncarrier, hereby provides notice of a class exemption for its acquisition from the City of Keokuk, Iowa (the City) and operation^{1/} of a railroad bridge over the Mississippi River commonly known as the Keokuk Municipal Bridge and corresponding approaches on both sides of that Bridge. The railroad bridge connects railroad trackage at Keokuk, Iowa with railroad trackage at Hamilton, Illinois. The bridge is 2,194 feet long. The acquisition and operation includes approximately 600 feet of land and track at the approach to the bridge at Hamilton, IL, and approximately 100 feet of land and track at the approach to the bridge at Keokuk, IA. Thus, the proposed acquisition and operation encompasses approximately 2,894 feet of trackage (.544-mile). For convenience, the bridge and the approaches to be acquired and operated will be

^{1/} PRIM does not propose to operate over the Bridge. However, as owner of the Bridge, PRIM would have a residual common carrier obligation to provide rail transportation over the Bridge in the event that the current rail operator ceases to provide such transportation and a replacement rail operator does not provide such transportation. An exemption for operation over the Bridge is sought in light of that potential operation pursuant to a residual common carrier obligation.

referred to collectively as “the Bridge.” A drawing of the Bridge is attached to this Notice as Appendix 1. A photograph of the Bridge is attached to this Notice as Appendix 2.

ELIGIBILITY OF THE BRIDGE FOR THE CLASS EXEMPTION

The Bridge clearly is a “railroad line” within the meaning of that term in 49 U.S.C. § 10901(a)(4). Trackage over the Bridge is part of a through route for interstate rail transportation. Rail transportation over the Bridge and on the land on both sides of the Bridge (i.e., at Keokuk, IA and at Hamilton, IL) is performed by Keokuk Junction Railway Company (KJRY), a Class III rail carrier. Trackage that constitutes part of such a through route for rail transportation is a “line of railroad,” for which Board authority or an exemption is required for acquisition and operation and for abandonment. *New Orleans Term. Co. v. Spencer*, 366 F.2d 160, 165-166 (5th Cir. 1966), *cert. den.* 386 U.S. 942 (1967) (“... If there are traffic movements which are part of the actual transportation haul from shipper to consignee, then the trackage over which the movement takes place is a ‘line of railroad, or extension thereof’ ...”).

The Board’s predecessor, the Interstate Commerce Commission, adopted a class exemption from 49 U.S.C. § 10901 for acquisition and/or operation of such railroad lines by an entity that is not a rail carrier within the definition of that term in 49 U.S.C. § 10102(5). *Class Exemption - Acq. & Oper. Of R. Lines Under 49 U.S.C. 10901*, 1 I.C.C.2d 810 (1985). The proposed acquisition and operation of the Bridge by PRIM qualifies for that class exemption because the Bridge is a line of railroad and because PRIM is not a rail carrier.

BACKGROUND

The first bridge at the location of the Bridge was constructed by the Keokuk and Hamilton Bridge Company in 1870. The current Bridge was built in 1915 and 1916 on the same

piers as the 1870 bridge. The Bridge was acquired by the City of Keokuk, Iowa in 1948. *See Keokuk Municipal Bridge,*

http://www.johnweeks.com/river_mississippi/pagesB/umissBR04.html.

After nearly 62 years of owning the Bridge, the City has decided to privatize such ownership. The City has agreed in principle to sell the Bridge to PRIM. A purchase and sale agreement for that transaction will be signed following municipal proceedings being conducted by the City in regard to that proposed sale.

CONTINUATION OF OPERATION OVER THE BRIDGE BY KJRY

PRIM will honor the current ordinance by which KJRY operates over the Bridge. Upon expiration of that ordinance, PRIM proposes to enter into an agreement with KJRY for KJRY's continued operation over the Bridge under terms that provide for recovery of the cost of ownership and operation, and for adequate maintenance of the Bridge. PRIM does not propose to operate over the Bridge itself except if necessary to fulfill a residual common carrier obligation (*see footnote 1, supra*).

INFORMATION REQUIRED BY 49 C.F.R. § 1150.33

The following is furnished pursuant to 49 C.F.R. § 1150.33:

(a) *The full name and address of applicants;*

Applicant is Pacific Rim Railway Company, Inc., 1515 East Tudor Road, Suite 5,
Anchorage, AK 99507.

(b) *The name, address, and telephone number of the representative of the applicant who should receive correspondence;*

Applicants' representative is Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, #1890, Chicago, IL 60604-1112, (312) 236-0204 (ph), (312) 201-9695 (fax), mcfarland@aol.com.

- (c) *A statement that an agreement has been reached or details about when an agreement will be reached;*

An agreement in principle has been reached between the City of Keokuk, Iowa and PRIM for sale of the Bridge by the City to PRIM. A signed purchase and sale agreement is expected shortly following compliance with certain municipal requirements of the City.

- (d) *The operator of the property;*

KJRY will continue to be the operator of the property.

- (e) *A brief summary of the proposed transaction, including:*

- (1) *The name and address of the railroad transferring the subject property;*

The transferor of the Bridge is the City of Keokuk, 415 Blondeau Street, Keokuk, IA 52632-5900.

- (2) *The proposed time schedule for consummation of the transaction;*

The transactions is proposed to be consummated on or shortly after the 30th day after this Notice is filed with the Board.

- (3) *The mileposts of the subject property, including any branch lines; and*

It is not known whether KJRY has identified the Bridge by milepost numbers and, if so, what milepost numbers have been applied to the Bridge.

- (4) *The total route miles being acquired;*

A total of 2,894 feet of track on the Bridge is proposed to be acquired.

- (f) *A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and States; and*

An expanded map of the Bridge is attached to this Notice as Appendix 1.

- (g) *A certificate that applicants' projected revenues do not exceed those that would qualify them as Class III rail carriers.*

The required certification is attached to this Notice as Appendix 3.

- (h) *Transactions imposing interchange commitments.*

The proposed transaction does not involve interchange commitments.

CAPTION SUMMARY

The caption summary required by 49 C.F.R. § 1150.34 is attached to this Notice as Appendix 4.

NO LABOR PROTECTION CONDITIONS

By virtue of 49 U.S.C. § 10901(c), labor protection conditions are not to be imposed on transactions under or exempted from 49 U.S.C. § 10901.

NO ENVIRONMENTAL OR HISTORIC REPORTING

Pursuant to 49 C.F.R. § 1105.6(c)(2)(i) and 49 C.F.R. § 1105.8(b)(1), no environmental or historic reporting is required in conjunction with the proposed transaction.

VERIFICATION

A verification of Thomas F. McFarland of the facts contained in this Notice is attached as Appendix 5.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, within 16 days of the date of filing of this Notice, the Director of the Board's Office of Proceedings should public in the Federal Register a notice of the filing of this Notice.

Respectfully submitted,

PACIFIC RIM RAILWAY COMPANY, INC.
1515 East Tudor Road, Suite 5
Anchorage, AK 99507

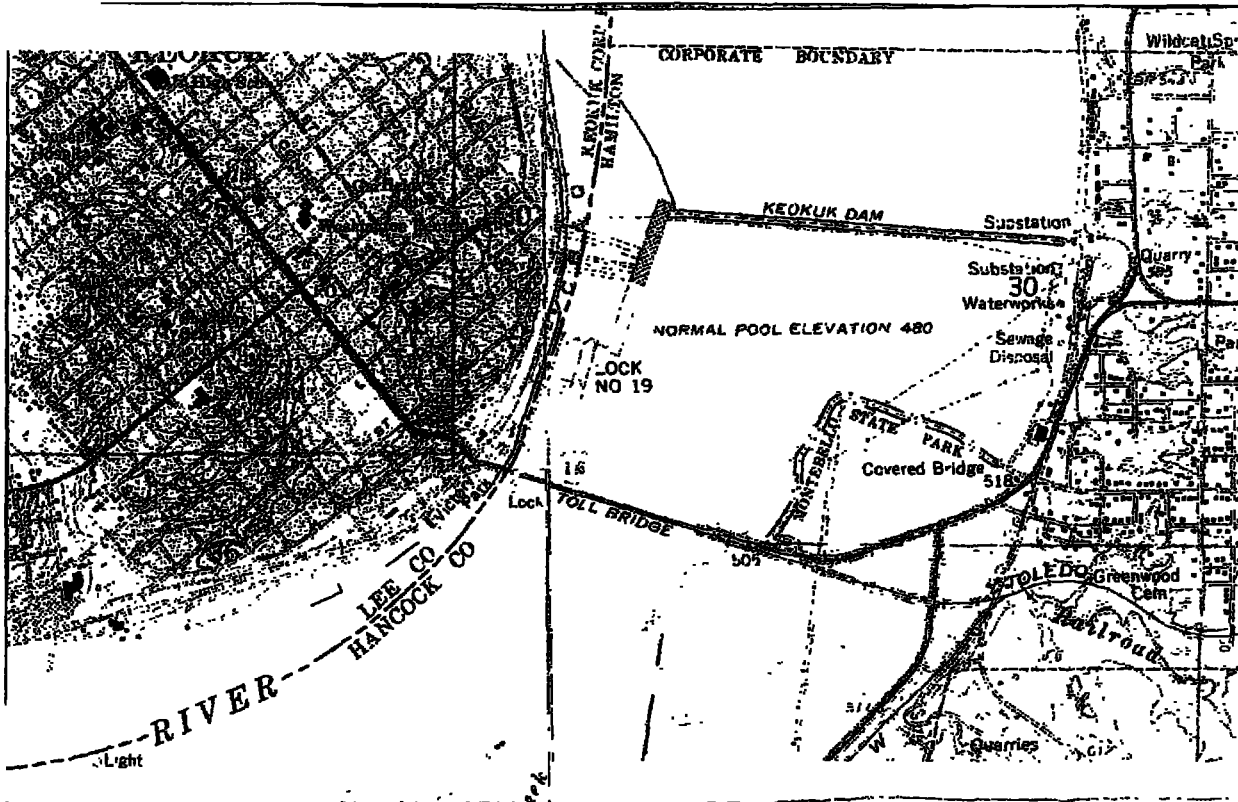
Applicant

Thomas F. McFarland

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204 (ph)
(312) 201-9695 (fax)
mcfarland@aol.com

Attorney for Applicant

DATE FILED: March 8, 2010



Expanded map view of Keokuk Municipal Bridge, shown above as Toll Bridge. (1962 Datum)

LOC Photo Display

11/1/09 7:08 AM

1. GENERAL VIEW FROM UPSTREAM ON THE IOWA SHORE, LOOKING S. PHOTOGRAPHER: SARAH J. DENNETT
HAER IOWA,56-KEOK,1-1



APPENDIX 3

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

CERTIFICATE UNDER 49 C.F.R. § 1150.33(g)

The undersigned hereby certifies that the proposed revenues of Pacific Rim Railway Company, Inc. do not exceed those that would qualify it as a Class III rail carrier.



Thomas F. McFarland
Thomas F. McFarland

SUBSCRIBED and SWORN to
before me this 5th day of
March, 2010.

Kathleen Lenihan
Notary Public

My Commission expires: 2/5/2014

APPENDIX 4

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35359

*Pacific Rim Railway Company, Inc. -- Acquisition
and Operation Exemption -- the City of Keokuk, Iowa*

PACIFIC RIM RAILWAY COMPANY, INC. (PRIM) has filed a Notice of Exemption from 49 U.S.C. § 10901 for its acquisition from the City of Keokuk, Iowa (the City) and for operation^{1/} of a railroad bridge over the Mississippi River commonly known as the Keokuk Municipal Bridge and corresponding approaches on both sides of that Bridge. The railroad bridge connects railroad trackage at Keokuk, Iowa with railroad trackage at Hamilton, Illinois. The bridge is 2,194 feet long. The acquisition and operation includes approximately 600 feet of land and track at the approach to the bridge at Hamilton, IL, and approximately 100 feet of land and track at the approach to the bridge at Keokuk, IA. Thus, the proposed acquisition and operation encompasses approximately 2,894 feet of trackage (.544-mile). Any comments must be filed with the Board and be served on PRIM's representative, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, (312) 236-0204 (ph), (312) 201-9695 (fax), mcfarland@aol.com.

The 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.

Dated: _____

By the Board

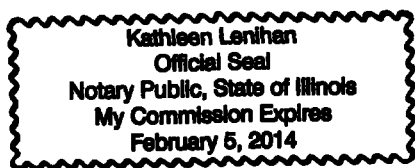
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APPENDIX 5

VERIFICATION

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

THOMAS F. McFARLAND, being duly sworn, states that he is attorney for Pacific Rim Railway Company, Inc.; that he has knowledge of the facts stated in this Notice of Exemption; and that those facts are true and correct.



Thomas F. McFarland
Thomas F. McFarland

SUBSCRIBED and SWORN to
before me this 5th day of
March, 2010.

Kathleen Lenihan
Notary Public

My Commission expires: 2/5/2014