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ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34973

BURLINGTON SHORTLINE RAILROAD, INC.
D/B/A BURLINGTON JUNCTION RAILWAY
-- LEASE AND OPERATION EXEMPTION --
BNSF RAILWAY COMPANY

ORIGINAL



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DEC 14 2006

**SURFACE
TRANSPORTATION BOARD**

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41

ORIGINAL
NOTICE OF ACQUISITION OF RAIL LINE
INFORMATION REQUIRED BY 49 CFR 1150.43

Submitted By:

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner

ENTERED
Office of Proceedings

DEC 14 2006

**Part of
Public Record**

Dated: December 14, 2006

FILED

DEC 14 2006

**SURFACE
TRANSPORTATION BOARD**

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-- LEASE AND OPERATION EXEMPTION --
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NOTICE OF ACQUISITION OF RAIL LINE

INFORMATION REQUIRED BY 49 CFR 1150.43

Name and Address of Applicant **49 CFR 1150.43(a)**

Burlington Shortline Railroad, Inc.
d/b/a Burlington Junction Railway
1510 Bluff Road
P.O. Box 37
Burlington, IA 52601

Applicant's Representative **49 CFR 1150.43(b)**

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Statement of Agreement(s) **49 CFR 1150.43(c)**

The Burlington Shortline Railroad, Inc. d/b/a Burlington Junction Railway ("BJRY") has executed an agreement with BNSF Railway Company ("BNSF")¹ for BJRY to lease and operate BNSF railroad properties consisting of certain trackage, real property, and railroad operating rights identified on the map attached hereto as Exhibit A-1 and located at Ottumwa, IA.

Operator of the Property **49 CFR 1150.43(d)**

In all cases anticipated by this Notice, and as described in the transaction summary provided below, BJRY will hold itself out to provide common carrier rail freight service over the subject rail facilities.

Brief Summary of Transaction **49 CFR 1150.43(e)**

BJRY is an existing class III short line railroad which presently provides common carrier rail service over four disconnected properties.² By this transaction, BJRY will replace

¹ BNSF's address is 2650 Lou Menk Drive, 2nd Floor, Fort worth, TX 76131

² Pursuant to an exemption granted in 1985, BJRY operates a terminal switching railroad over 1.5 miles of track in Burlington, IA. See, FD No. 30522, Burlington Shortline, Inc., and Keokuk Northern Real Estate Company, et al (served March 7, 1985). Also in 1996, BJRY acquired and commenced operations over 0.5 miles of trackage owned by the Henry County Industrial Development Corporation in Mt. Pleasant, IA. That operation received an exemption from this Board in STB FD No. 32898, Burlington Shortline Railroad, Inc., d/b/a Burlington Junction Railway (served May 1, 1996). In 1997, BJRY purchased some additional trackage at Burlington, IA, from BNSF. See, STB FD No. 33518, Burlington Shortline, Inc., d/b/a Burlington Junction Railway--Acquisition and Operation Exemption, et al (Dec. 9, 1997). In 2003, BJRY assumed the lease operation of two BNSF rail lines near Quincy, IL. That transaction was exempted in a decision served October 21, 2003, and docketed as STB FD No. 34409, Burlington Shortline Railroad, Inc., d/b/a Burlington Junction Railway-Lease and Operation Exemption-The Burlington Northern and

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Santa Fe Railway Company.

BNSF^{2A} as the operator of its local operations at Ottumwa. The parties propose to consummate this transaction on January 14, 2007, as noted above. The rail properties to be leased and operated consist of five tracks, numbered 2001, 2002, 2003, 2012, and 2013. The tracks total approximately 1.2 miles in length. There are no mileposts.

As a locally based carrier,³ BJRY will be able to offer on demand switching to the three customers along the trackage. BJRY anticipates that this increase in service will generate additional traffic levels. Furthermore, BJRY anticipates that the improved car velocity will help ease congestion on BNSF mainline tracks. BJRY plans to make investments in the track assets to attract other shippers to the line.

This transaction qualifies for a class exemption under 49 CFR 1150.41 et seq., because it involves the lease and operation of a rail line by an existing class III short line rail carrier.

Map

49 CFR 1150.43(f)

Maps depicting the line to be acquired and operated and depicting the location of Ottumwa on Iowa's rail system are attached as Exhibit A, pages 1 and 2.

^{2A} For address see footnote 2 on previous page.

³ BJRY's headquarters at Burlington, IA, is about 75 miles from

Certificate of Carrier Classification **49 CFR 1150.43(g)**

BJRY hereby certifies that, with this acquisition, its projected annual revenues will still be less than \$5,000,000 annually. A certificate complying with the provisions of 49 CFR 1150.43(g) is attached as Exhibit B to this notice.

Labor Protection

Pursuant to 49 U.S.C. 10902(d) labor protective conditions do not apply and will not be imposed. In any event, no employees will be adversely affected.

Caption Summary **49 CFR 1150.44**

A caption summary in the prescribed form is attached as Exhibit C to this Notice.

Environmental and Historic Preservation Data **49 CFR 1105**

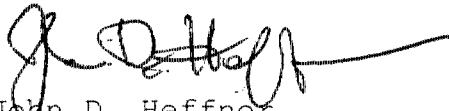
Pursuant to 49 CFR 1105.6(c)(2), the proposed transaction is exempt from environmental review under 49 CFR 1105.6(c)(2)(i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 1105.7(e)(4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b)(1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will

Ottumwa.

continue. Further Board approval is required for the parties to abandon service, and there are no plans to dispose of or alter the properties subject to Board jurisdiction.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John D. Heffner", with a long horizontal flourish extending to the right.

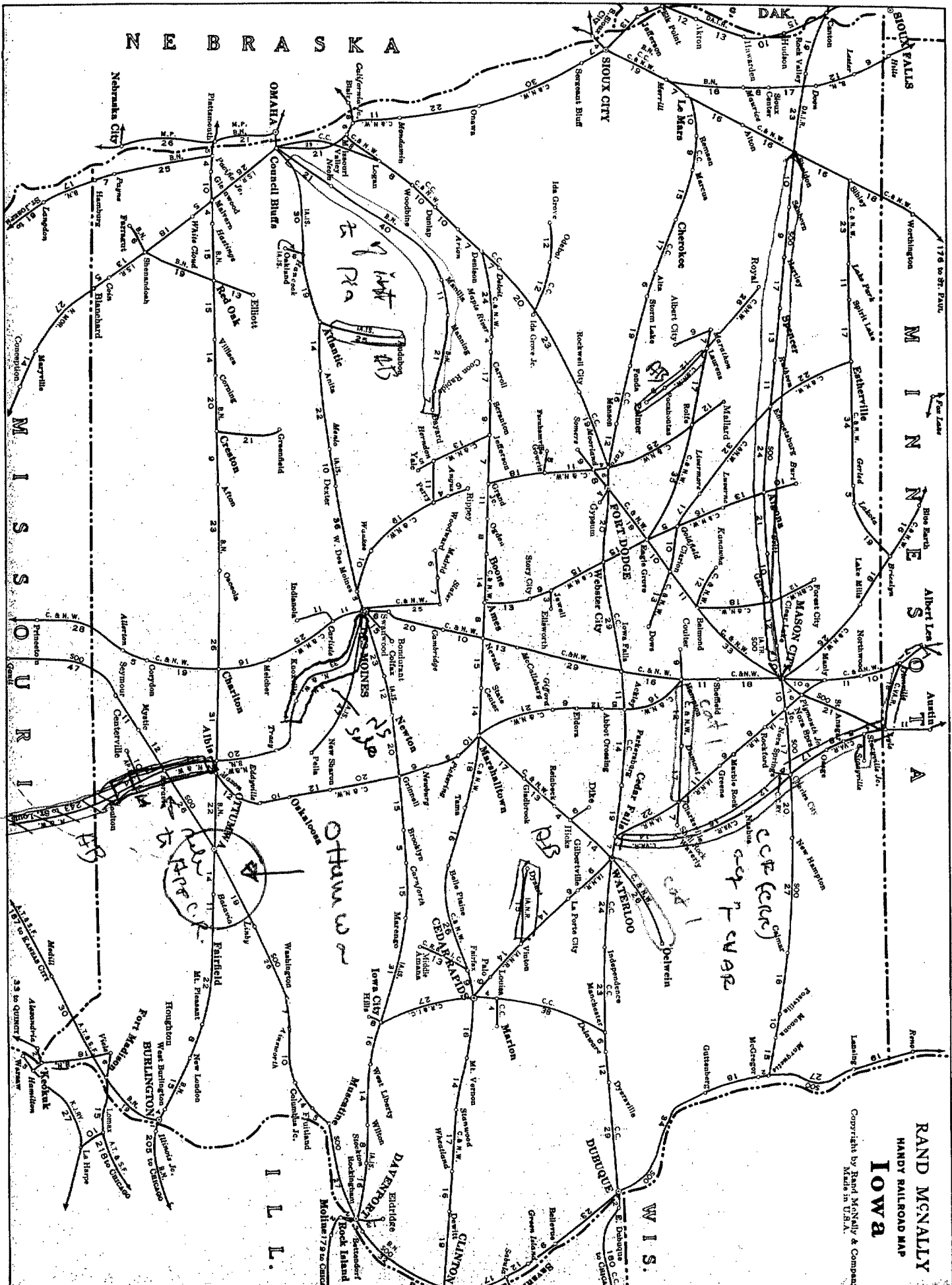
John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner

Dated: December 14, 2006

EXHIBIT A

EX. A-1



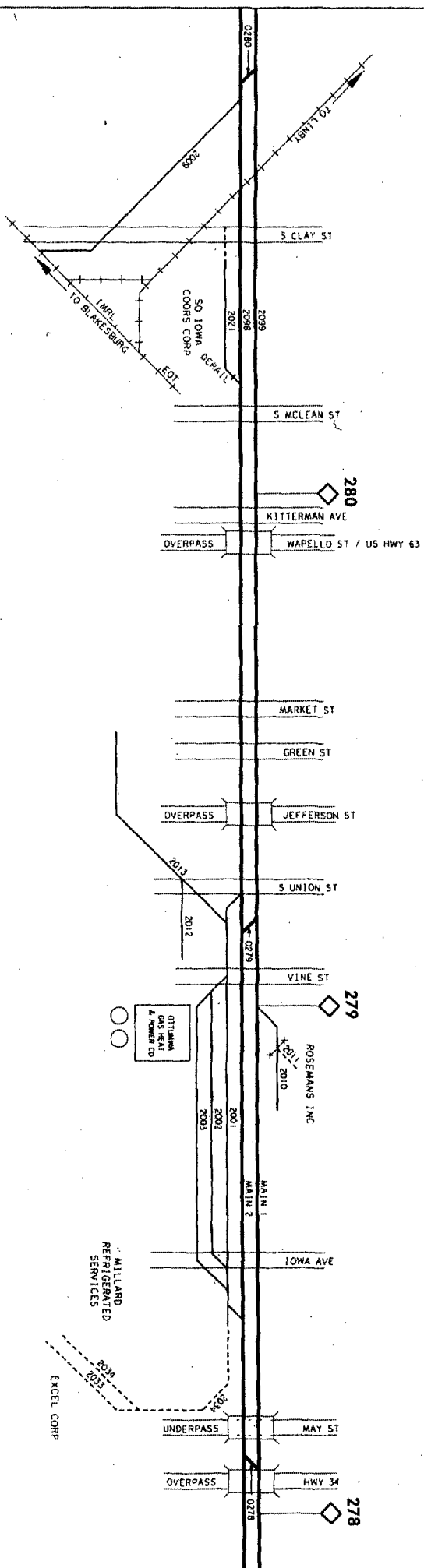


BNSF OWNED & MAINT
 INDUSTRY OWNED & BNSF MAINT
 IND OWNED & MAINT
 LEASE
 TRACKAGE RIGHTS
 FOREIGN TRACK

NOT TO SCALE

OTTUMWA, IA
Ottumwa Subdivision

YARD SEGMENT: 036	REVISED: 10/28/2002
STATION ABBR: OTTUMW	TRK CHT: OTT024A-TDGN
FSAC: 20241	TEAM: OTT020035.DGN



← Creston, IA

Line Segment 1

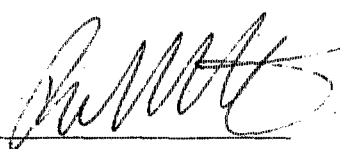
Galesburg, IL →



EXHIBIT B

CERTIFICATION

I, Robert Wingate, an officer of the Burlington Shortline d/b/a Burlington Junction Railway "BJRY" hereby certify under penalty of perjury that the projected annual railroad operating revenues of 2,000,000, in the aggregate, will not exceed \$5,000,000, and that "BJRY" will be a Class III rail carrier as set forth at 49 CFR 1201 (1-1) (a). Further, I certify that I am qualified and authorized to make this certification on behalf of "BJRY".



Signature

EXHIBIT C

BEFORE THE
SURFACE TRANSPORTATION BOARD

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BURLINGTON SHORTLINE RAILROAD, INC.
D/B/A BURLINGTON JUNCTION RAILWAY
-- LEASE AND OPERATION EXEMPTION --
BNSF RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 and 49 CFR 1150.41

NOTICE OF ACQUISITION OF RAIL LINE

The Burlington Shortline Railroad, Inc. d/b/a Burlington Junction Railway ("BJRY"), an existing class III short line railroad, has filed a Verified Notice of Exemption under 49 CFR 1150.41 to lease and operate railroad properties currently owned and operated by BNSF Railway Company and consisting of certain trackage, real property, and railroad operating rights. The rail properties to be leased and operated are located at Ottumwa, IA, and consist of five tracks, numbered 2001, 2002, 2003, 2012, and 2013. There are no mileposts. The tracks total approximately 1.2 miles in length.

BJRY intends to consummate this transaction on or about January 14, 2007.

This notice is filed under 49 C.F.R. 1150.41. 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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34973 must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 1925 K Street, N.W., Washington, D.C. 20423-0001. In addition, a copy of each pleading must be served on:

For Burlington Shortline Railroad, Inc.
John D. Heffner, Esq.
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C., 20036
Telephone: (202) 263-4180

(seal)

Vernon A. Williams
Secretary

VERIFICATION

STATE OF Iowa
County of Des Moines SS

Robert Wingate, being duly sworn according to law,
hereby deposes and states that (s)he is authorized to make the
Verification, has read the foregoing document, and knows the
facts asserted therein are true and accurate as stated, to the
best of (her)his knowledge, information and belief.

Robert Wingate

Subscribed and sworn to before me, a Notary Public, in and for
the City of Burlington in the State of Iowa, this 27
day of November, 06

Jennifer Cox
Notary Public

My Commission expires:

11-29-07

