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FEE RECEIVED

SEP 15 2004

**SURFACE
TRANSPORTATION BOARD**

September 15, 2004



211999

BY HAND DELIVERY

The Honorable Vernon Williams
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, DC 20423-0001

Re: Finance Docket No. 34553, Idaho & Sedalia Transportation
Company, LLC – Lease Exemption – Idaho Northern & Pacific
Railroad Company

Dear Secretary Williams:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. 1150.31 and a check covering the \$1,400.00 filing fee. Also enclosed is a 3.5-inch diskette containing the Notice and Summary.

Please time and date stamp the extra copy of the Notice of Exemption and return it with our messenger.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Karl Morell'.

Karl Morell

FILED

SEP 15 2004

**SURFACE
TRANSPORTATION BOARD**

Enclosures

**ENTERED
Office of Proceedings**

SEP 15 2004

**Part of
Public Record**

ENTERED
Office of Proceedings

SEP 15 2004

Part of
Public Record

211999
BEFORE THE

SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34553

ORIGINAL



IDAHO & SEDALIA TRANSPORTATION COMPANY, LLC

--LEASE EXEMPTION--

IDAHO NORTHERN & PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 C.F.R. § 1150.31, Et Seq.

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TRANSPORTATION BOARD

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SURFACE
TRANSPORTATION BOARD

KARL MORELL
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N.W.
Washington, D.C. 20005
(202) 638-3307

Attorneys for:
IDAHO & SEDALIA
TRANSPORTATION COMPANY, LLC.

Dated: September 15, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34553

IDAHO & SEDALIA TRANSPORTATION COMPANY, LLC
--LEASE EXEMPTION--
IDAHO NORTHERN & PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.



Idaho & Sedalia Transportation Company, LLC ("I&S"), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt Transactions, to permit I&S to lease a 5-mile rail line from the Idaho Northern & Pacific Railroad Company ("INPR").

In support of this Notice of Exemption, I&S submits the following information as required by 49 C.F.R. § 1150.33:

- (a) Full name and address of applicant:

Idaho & Sedalia Transportation Company, LLC
7471 Benbrook Parkway
Benbrook, Texas 76126

- (b) Applicant's Representative:

Karl Morell
Of Counsel
BALL JANIK LLP, Suite 225
1455 F Street, N.W.
Washington, DC 20005
(202) 638-3307

(c) Statement of Agreement:

I&S will enter into an agreement with INPR in the near future for the lease of the rail line.

(d) The operator of the property:

I&S will become a nonexclusive operator over the property.

(e) Summary of proposed transaction:

(1) The name and address of the entity leasing the subject property is:

Idaho Northern & Pacific Railroad Company
6100 Southwest Blvd., Suite 320
Fort Worth, Texas 76109

(2) I&S's lease of the rail line is expected to be consummated on or shortly after September 22, 2004.

(3) The rail line being leased from the INPR by I&S is located between Milepost 94.68, near Cascade, ID, and Milepost 99.68, at Cascade, ID.

(4) The length of the rail line being leased is 5 miles.

(f) A map of the rail line being leased is attached as Exhibit A.

(g) I&S hereby certifies that I&S's projected revenues as a result of this transaction will not result in I&S becoming a Class II or Class I rail carrier.

I&S further certifies that its annual rail freight revenue as a result of this transaction will not exceed \$5 million. Accordingly, the requirements of 49 C.F.R. § 1150.32(e) do not apply to this transaction.

A caption summary, as required by 49 C.F.R. § 1150.34, is attached.

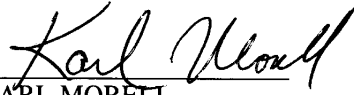
ENVIRONMENTAL AND HISTORIC IMPACTS

I&S is leasing the line from the INPR for continued rail operations. Further Board approval is required for I&S to discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

I&S's lease will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of this line to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the line; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. I&S's lease of the rail line will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Karl Morell", written over a horizontal line.

KARL MORELL
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005
(202) 638-3307

Attorneys for:
IDAHO & SEDALIA TRANSPORTATION
COMPANY, LLC

Dated: September 15, 2004

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 34553

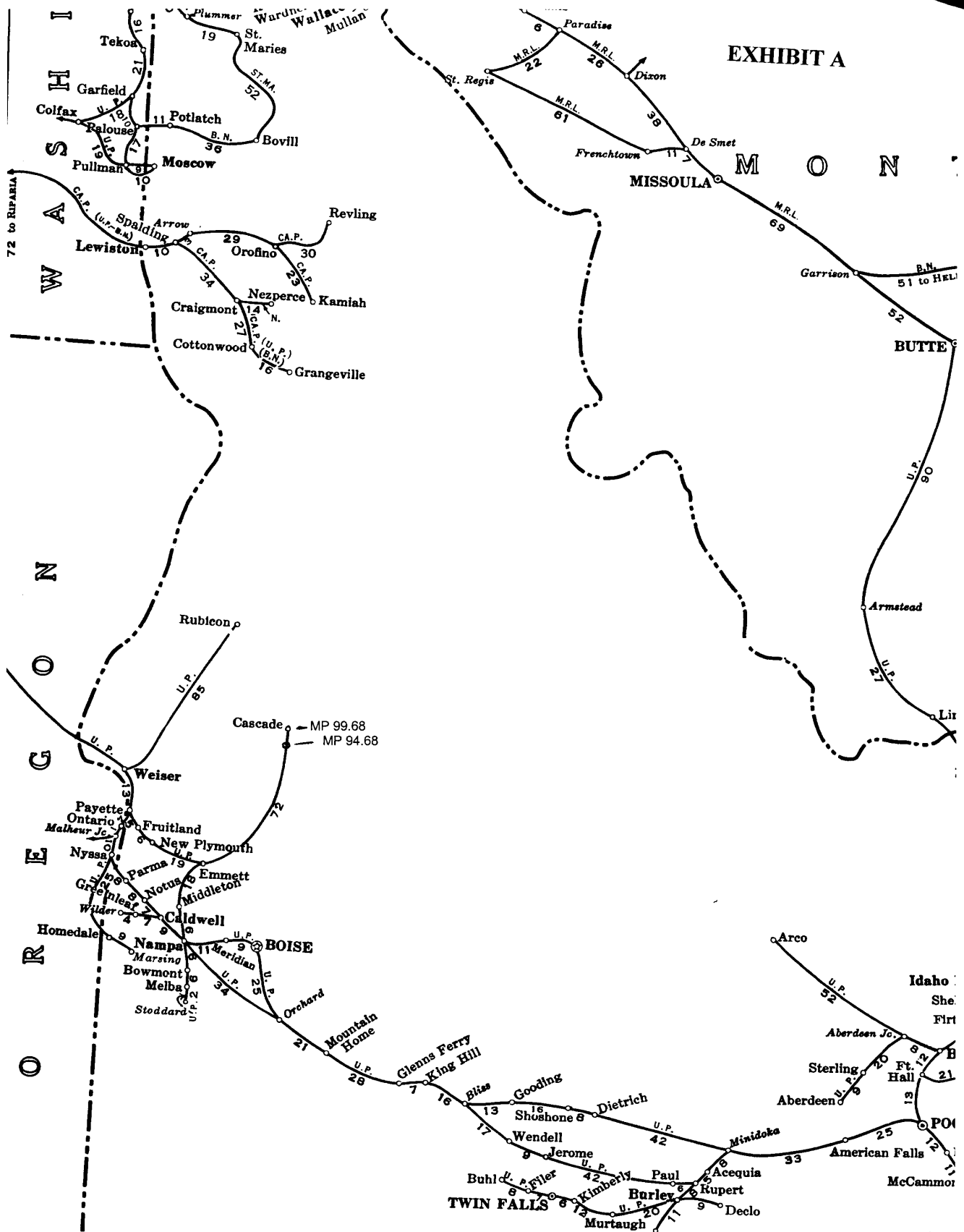
IDAHO & SEDALIA TRANSPORTATION COMPANY, LLC
--LEASE EXEMPTION--
IDAHO NORTHERN & PACIFIC RAILROAD COMPANY

Idaho & Sedalia Transportation Company, LLC, a non-carrier, has filed a notice of exemption under 49 CFR 1150.31 to lease from the Idaho Northern & Pacific Railroad Company the rail line located between Milepost 94.68, near Cascade, ID, and Milepost 99.68, at Cascade, ID.

Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 1455 F Street, N.W., Washington, DC 20005, (202) 638-3307.

This notice is filed under 49 C.F.R. 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

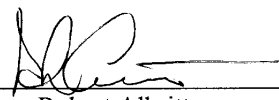
EXHIBIT A



VERIFICATION

STATE OF TEXAS)
) SS.
COUNTY OF TARRANT)

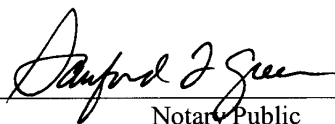
I, Robert Albritton, being duly sworn depose and state that I am Chairman of Idaho & Sedalia Transportation Company, LLC, that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate to the best of my knowledge, information, and belief.



Robert Albritton

SUBSCRIBED AND SWORN TO before me this 15 day of September, 2004, in the County of Tarrant, State of Texas.

My Commission Expires: April 22, 2008



Notary Public

