

JOHN D. HEFTNER, PLLC

1920 N St., N.W.

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WASHINGTON, D.C. 20036

(202) 263-4180

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ENTERED
Office of Proceedings j.heffner@verizon.net



SEP 27 2004

BY HAND

Part of
Public Record

September 24, 2004

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street
Washington, D.C. 20423-0001

RE: FD No. 34549, Illinois RailNet, Inc. - *212077*
Acquisition and Operation Exemption - The
Burlington Northern And Santa Fe Railway Company

~~FD No. 34559, Illinois RailNet, Inc.~~
~~- Trackage Rights Exemption- The Burlington~~
~~Northern And Santa Fe Railway Company~~

Dear Mr. Williams:

On behalf of Illinois RailNet, Inc., I am filing an original
and ten copies of:

(1) a verified notice of exemption under 49 CFR 1150.41 for
the acquisition and operation by Illinois RailNet, Inc., of a
line of railroad owned by The Burlington Northern And Santa Re
Railway Company.

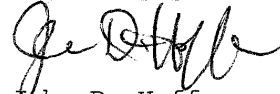
(2) a verified notice of exemption under 49 CFR 1180.2(d) (7)
for the grant of trackage rights by The Burlington Northern And
Santa Re Railway Company to Illinois RailNet, Inc.

I am also enclosing two checks payable to the Board for
\$1,400 and \$950, respectively, to cover the applicable filing
fees and a computer disk formatted in WordPerfect 8.0 containing
these filings.

Hon. Vernon A. Williams
September 24, 2004
Page Two

Please date stamp and return one copy of each filing for our records.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "John D. Heffner", written in a cursive style.

John D. Heffner

cc: Mr. Robert F. McKenney

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

FILED

SEP 27 2004

**SURFACE
TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 34549

212077



ILLINOIS RAILNET, INC.
-- ACQUISITION AND OPERATION EXEMPTION --
THE BURLINGTON NORTHERN
AND SANTA FE RAILWAY COMPANY

FEE RECEIVED

SEP 27 2004

**SURFACE
TRANSPORTATION BOARD**

**ENTERED
Office of Proceedings**

SEP 27 2004

**Part of
Public Record**

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

NOTICE OF OPERATION OF RAIL LINE

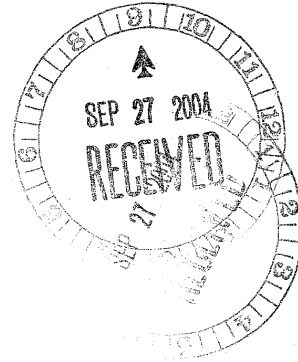
Submitted By:

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

Counsel for Illinois RailNet, Inc.

Dated: September 24, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD



STB FINANCE DOCKET NO. 34549

ILLINOIS RAILNET, INC.
-- ACQUISITION AND OPERATION EXEMPTION --
THE BURLINGTON NORTHERN
AND SANTA FE RAILWAY COMPANY

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

NOTICE OF OPERATION OF RAIL LINE

INFORMATION REQUIRED BY 49 CFR 1150.43

Name and Address of Applicant 49 CFR 1150.43(a)

Illinois RailNet, Inc.
2350 Airport Freeway
Suite 300
Bedford, TX 76022

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)

Illinois RailNet, Inc. ("Illinois") is negotiating and

expects shortly to execute an agreement with The Burlington Northern And Santa Fe Railway Company ("BNSF"),¹ for Illinois to acquire and operate two lines of railroad, a portion of BNSF's Oregon Subdivision between MP 98.75² at Oregon, IL, and MP 105.78 at Mt. Morris, IL ("the Mt. Morris Line"), and a portion of BNSF's La Salle Subdivision between MP 25.7 at La Salle, IL, and MP 43.36 at Zearing, IL ("the La Salle Line"). The subject rail lines total approximately 24.7 miles in length and serve Ogle, La Salle, and Bureau Counties, IL. In addition, BNSF will grant Illinois limited local trackage rights for the purpose of servicing customers on BNSF in and around Oregon, IL, and limited overhead rights for the purpose of interchanging traffic between BNSF and Illinois and accommodating light power moving over BNSF's lines between MP 98.49 near Oregon, IL, and MP 86.57 near Flag Center, IL, and between MP 43.36 near Zearing, IL, and MP 40.73 near Montgomery, IL.³

Illinois plans to commence operations on or after October 1, 2004.

Operator of the Property

49 CFR 1150.43(d)

In all cases anticipated by this Notice, and as described in

¹ The address for BNSF is 2500 Lou Menk Drive, Fort Worth, TX 76131.

² The milepost shown for Oregon on BNSF's employee timetable is on BNSF's mainline between Aurora, IL, and North La Crosse, WI.

³ Illinois is filing a separate trackage rights exemption in FD No. 34559, as of even date of this exemption.

the transaction summary provided below, Illinois will hold itself out to provide common carrier rail freight service over the subject rail lines.

Brief Summary of Transaction

49 CFR 1150.43(e)

Illinois, an existing class III short line rail carrier, proposes to purchase and operate and BNSF proposes to sell the subject rail lines.

This transaction qualifies for a class exemption under 49 CFR 1150.41 et seq., because it involves the purchase and operation of active rail lines by an existing class III short line rail carrier.⁴

Map

49 CFR 1150.43(f)

A Map depicting the line to be acquired and operated is attached as Exhibit A.

Certificate of Carrier Classification

49 CFR 1150.43(g)

Illinois 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

⁴ Illinois currently owns and operates rail lines extending between Rockford and Rochelle, IL, and between Aurora and Streator, IL. The Board authorized these transactions in STB FD No. 33516, Illinois RailNet, Inc.-Acquisition And Operation Exemption-The Burlington Northern and Santa Fe Railway Company (served Dec. 30, 1997) and STB FD No. 33706, Illinois RailNet, Inc.-Acquisition And Operation Exemption-The Burlington Northern and Santa Fe Railway Company (served Dec. 30, 1997).

1150.43(g) is attached as Exhibit B to this notice.

Labor Protection

Under 49 U.S.C. 10902 the imposition of labor protective conditions are not authorized for a Class III acquisition, and thus none should be imposed on this transaction.

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(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 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 "J. 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 Illinois RailNet, Inc.

Dated: September 24, 2004

STB FINANCE DOCKET NO. 34549

EXHIBIT A

Map of rail line

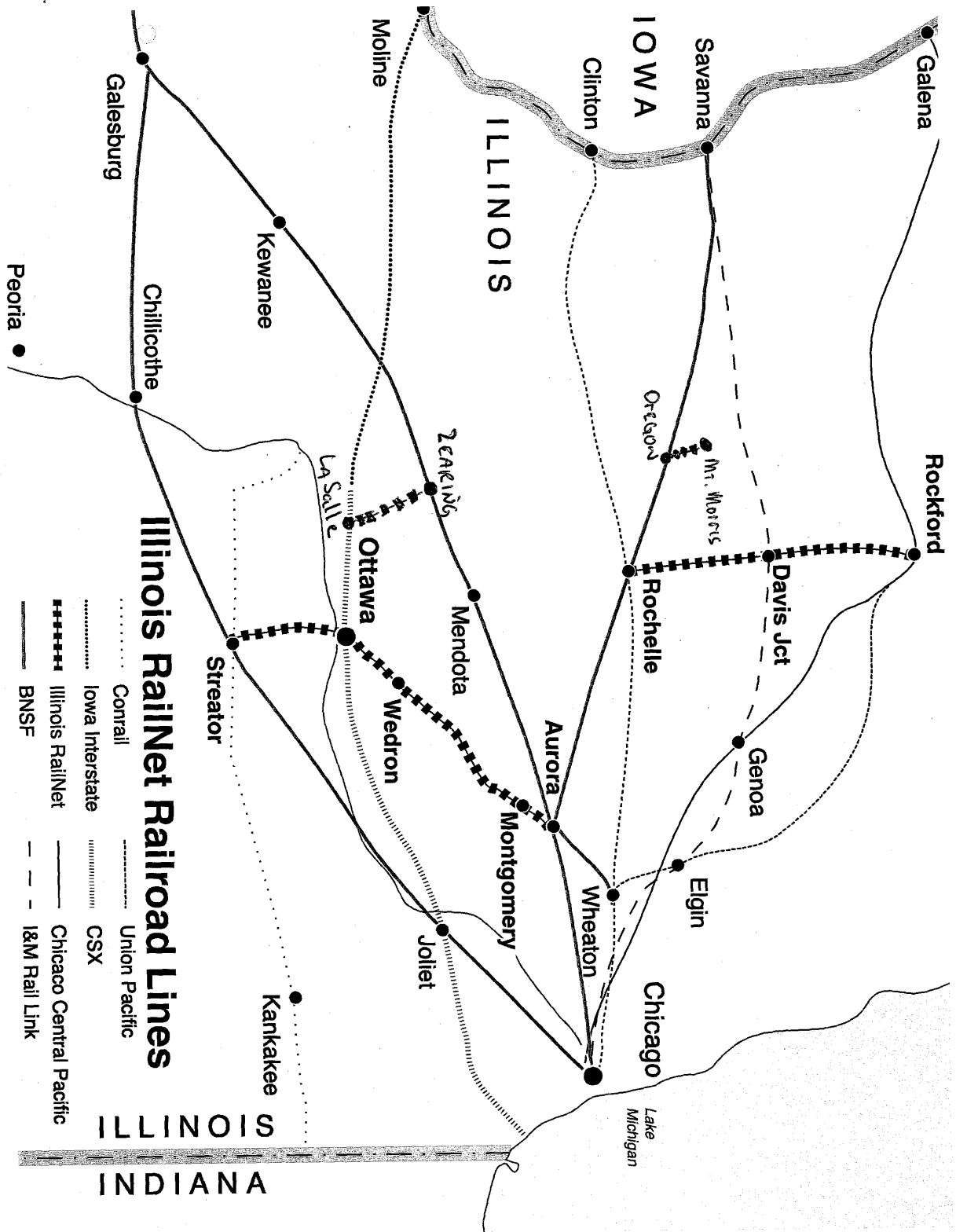


EXHIBIT B

CERTIFICATION

I, William E. Glavin, an officer of the
Illinois RailNet, Inc. (" IR ") hereby certify under
penalty of perjury that the projected annual revenues of
IR, in the aggregate, will not exceed \$5,000,000, and
that IR 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
IR.



Signature

EXHIBIT C

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34549

ILLINOIS RAILNET, INC.
-- ACQUISITION AND OPERATION EXEMPTION --
THE BURLINGTON NORTHERN
AND SANTA FE RAILWAY COMPANY

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

NOTICE OF ACQUISITION OF RAIL LINE

Illinois RailNet, Inc. ("Illinois"), an existing class III short line railroad, has filed a Verified Notice of Exemption under 49 CFR 1150.41 to purchase and operate the following railroad properties:

(1) a portion of The Burlington Northern And Santa Fe Railway Company's ("BNSF's") Oregon Subdivision between at MP 98.75¹ at Oregon, IL, and MP 105.78 at Mt. Morris, IL ("Mt. Morris Line"),

and

(2) a portion of BNSF's La Salle Subdivision between MP 25.7 at La Salle, IL, and MP 43.36 at Zearing, IL ("the La Salle Line").

The subject rail lines total approximately 24.7 miles in

¹ The milepost shown for Oregon on BNSF's employee timetable is on BNSF's mainline between Aurora, IL, and North La Crosse, WI.

length and serve Ogle, La Salle, and Bureau Counties, IL.

Illinois intends to consummate this transaction on or after October 1, 2004.

Contemporaneously with this filing, Illinois is submitting in FD No. 34559, a verified notice of exemption for trackage rights under the provisions of 49 CFR 1180.2(d)(7). BNSF will grant Illinois limited local trackage rights for the purpose of servicing customers on BNSF in and around Oregon, IL, and limited overhead rights for the purpose of interchanging traffic between BNSF and Illinois and accommodating light power moving over BNSF's lines between MP 98.49 near Oregon, IL, and MP 86.57 near Flag Center, IL, and between MP 43.36 near Zearring, IL, and MP 40.73 near Montgomery, IL.

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. 34549 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 Illinois RailNet, Inc.
John D. Heffner, Esq.
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C., 20036
Telephone: (202) 263-4180

For The Burlington Northern and
Santa Fe Railway Company:
Sarah Bailiff, Esq.
Law Department
The Burlington Northern and
Santa Fe Railway Company
2500 Lou Menk Drive,
Fort Worth, TX 76131
(817) 352-2354

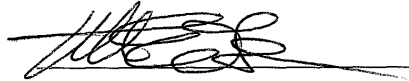
(seal)

Vernon A. Williams
Secretary

VERIFICATION

STATE OF)
) SS
CITY OF)

William E. Garvin, 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.



Subscribed and sworn to before me, a Notary Public, in and for
the City of Bedford in the State of Texas, this 7th
day of Sept.

Shelly Faye Aman
Notary Public

My Commission expires:

