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SERVICE DATE - JUNE 12, 2001

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34047]

Kansas & Oklahoma Railroad, Inc.—Trackage Rights Exemption—Central Kansas
Railway, L.L.C.

Central Kansas Railway, L.L.C. (CKR), has agreed to grant to Kansas & Oklahoma Railroad, Inc. (K&O) temporary overhead trackage rights over the trackage of CKR located between CKR milepost 19.5, near Garden Plain, KS, and CKR milepost 3.5, at Wichita, KS, a distance of 16 miles (trackage rights line).¹

The transaction was scheduled to be consummated on or shortly after
June 1, 2001.²

This transaction is related to two concurrently filed verified notices of exemption:
STB Finance Docket No. 34030, Kansas & Oklahoma Railroad, Inc.—Acquisition
Exemption—Central Kansas Railway, L.L.C., wherein K&O seeks to acquire most of the

¹ The trackage rights line was authorized for abandonment by the Board in Central Kansas Railway, L.L.C.—Abandonment Exemption—in Sedgwick County, KS, STB Docket No. AB-406 (Sub-No. 14X) (STB served Apr. 10, 2001). As noted in STB Docket No. AB-406 (Sub-No. 14X), the abandonment of the trackage rights line was subject to the condition that CKR could not consummate abandonment until it certified to the Board that its relocation project near Kingman, KS, had been completed and that any necessary rehabilitation and maintenance had been performed on its rail line between Wichita and Kingman via Conway Springs, KS.

² K&O indicates that it will shortly file a petition for exemption to permit temporary trackage rights operations and thus to limit the term of the trackage rights.

rail lines owned or leased and operated by CKR in the States of Kansas and Colorado;³ and STB Finance Docket No. 34042, Watco Companies, Inc.–Continuance in Control Exemption–Kansas & Oklahoma Railroad, Inc., wherein Watco Companies, Inc. seeks to continue in control of K&O upon K&O's becoming a Class III rail carrier.

The trackage rights will allow K&O to move traffic to and from Wichita until the relocation and rehabilitation projects have been completed.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

This notice is filed under 49 CFR 1180.2(d)(7). If it 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. 34047, must be filed with the Surface Transportation Board, Office of the Secretary,

³ In addition to the lines being acquired by K&O in the STB Finance Docket No. 34030 proceeding, K&O will also assume from CKR the ongoing work on the relocation project near Kingman and the rehabilitation of the rail line between Wichita and Kingman via Conway Springs. However, K&O will not acquire the trackage rights line.

Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Karl Morell, Esq., Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, DC 20005.

Board decisions and notices are available on our website at www.stb.dot.gov.

Decided: June 5, 2001.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary