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April 23, 2004

FILED
APR 23 2004
SURFACE
TRANSPORTATION BOARD



210673

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. 34500, Motive Rail, Inc. d/b/a Missouri North Central Railroad

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 formatted for WordPerfect 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

Enclosures

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Office of Proceedings

APR 23 2004

Part of
Public Record

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TRANSPORTATION BOARD

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**SURFACE
TRANSPORTATION BOARD**

BEFORE THE

210673

SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34500

MOTIVE RAIL, INC. d/b/a MISSOURI NORTH CENTRAL RAILROAD
--LEASE EXEMPTION--
THE CITY OF CHILLICOTHE, MO

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

ENTERED
Office of Proceedings
APR 23 2004
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FEE RECEIVED
APR 23 2004
**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:
MOTIVE RAIL, INC. d/b/a MISSOURI
NORTH CENTRAL RAILROAD

Dated: April 23, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34500



MOTIVE RAIL, INC. d/b/a MISSOURI NORTH CENTRAL RAILROAD
--LEASE EXEMPTION--
THE CITY OF CHILLICOTHE, MO

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

Motive Rail, Inc. d/b/a Missouri North Central Railroad ("MNCR"), a non-carrier,
files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt
Transactions, to permit MNCR to lease a 37.3-mile rail line from The City of Chillicothe, MO
("City").

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

(a) Full name and address of applicant:

Motive Rail, Inc. d/b/a Missouri North Central Railroad
P.O. Box 4283
Scott City, MO 63780-4283

(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:

MNCR has entered into an agreement with the City for the lease of the rail line.

(d) The operator of the property:

MNCR will be the operator of the property.

(e) Summary of proposed transaction:

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

The City of Chillicothe, MO
715 Washington Street
Chillicothe, MO 64601

(2) MNCR's lease of the rail line is expected to be consummated on or shortly after April 30, 2004.

(3) The rail line being leased from the City by MNCR is located between Milepost 188.7, at Brunswick, MO, and Milepost 226.0, at Chillicothe, MO.

(4) The length of the rail line being leased is 37.3 miles.

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

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

MNCR 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

MNCR is leasing the line from the City for continued rail operations. Further Board approval is required for MNCR 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).

MNCR'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. MNCR'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,



KARL MORELL

Of Counsel

BALL JANIK LLP

Suite 225

1455 F Street, N.W.

Washington, DC 20005

(202) 638-3307

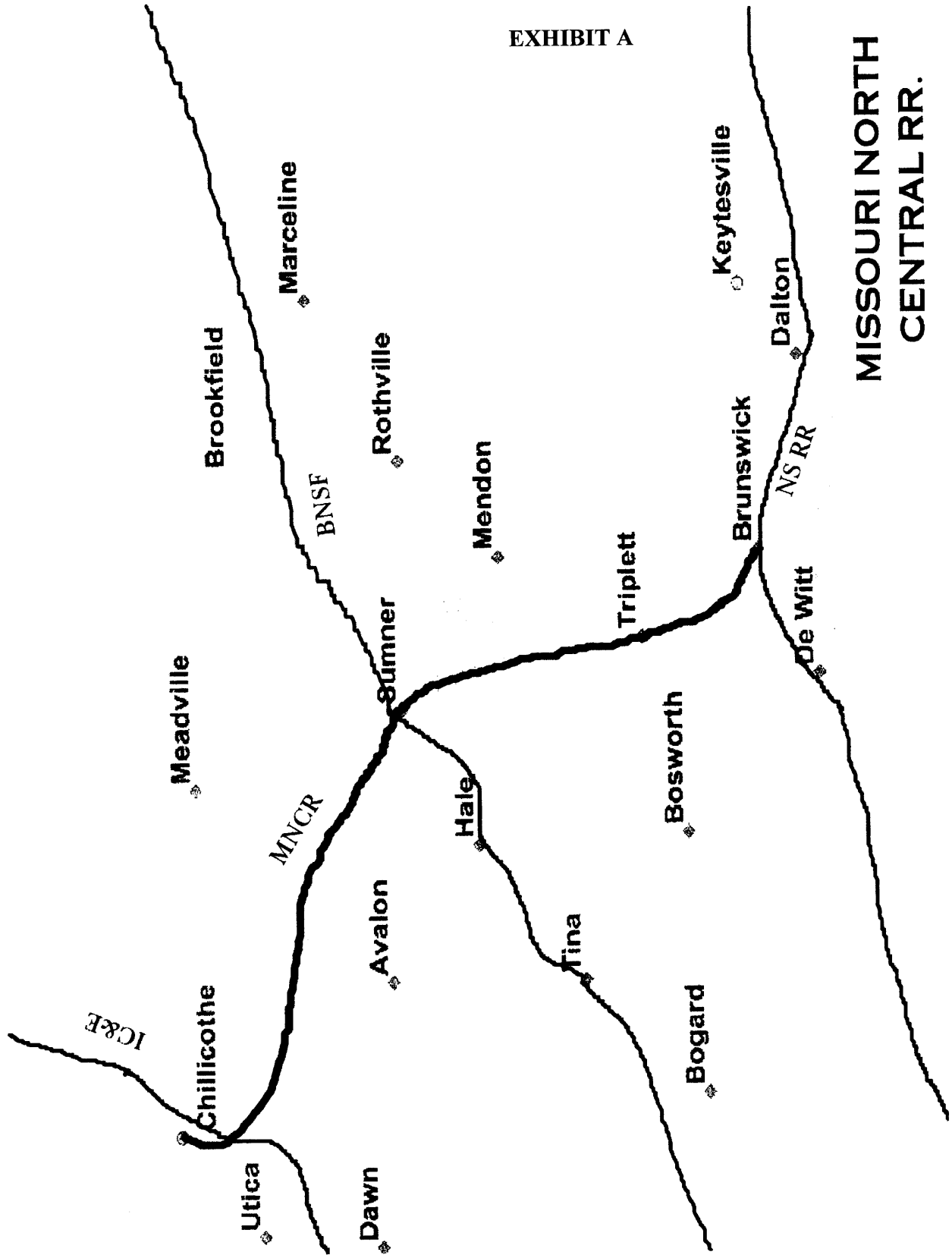
Attorneys for:

MOTIVE RAIL, INC. d/b/a MISSOURI NORTH

CENTRAL RAILROAD

Dated: April 23, 2004

EXHIBIT A



MISSOURI NORTH
CENTRAL RR.

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 34500

MOTIVE RAIL, INC. d/b/a MISSOURI NORTH CENTRAL RAILROAD
--LEASE EXEMPTION--
THE CITY OF CHILLICOTHE, MO

Motive Rail, Inc. d/b/a Missouri North Central Railroad ("MNCR"), a non-carrier, has filed a notice of exemption under 49 CFR 1150.31 to lease from The City of Chillicothe, MO ("City") the rail line located between Milepost 188.7, at Brunswick, and Milepost 226.0, at Chillicothe, MO.

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.

VERIFICATION

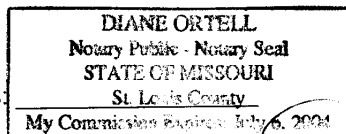
STATE OF MISSOURI)
)
COUNTY OF St. Louis) SS.

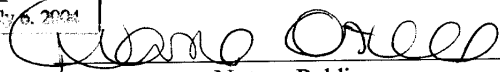
I, Robert F. Stern, being duly sworn depose and state that I am Vice President of Motive Rail, Inc., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate to the best of my knowledge, information, and belief.


Robert F. Stern

SUBSCRIBED AND SWORN TO before me this 21 day of April, 2004, in the County of St. Louis, State of Missouri.

My Commission Expires:




Notary Public