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May 1, 2025
Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 35015 (SUB-NO. 1)

KAW RIVER RAILROAD, LLC
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
BNSF RAILWAY COMPANY

**VERIFIED NOTICE OF EXEMPTION OF KAW RIVER RAILROAD, LLC
PURSUANT TO 49 C.F.R. PART 1150, SUBPART E**

PUBLIC VERSION

Stephen J. Foland
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**ATTORNEYS FOR KAW RIVER
RAILROAD, LLC**

Dated: May 1, 2025.

FILED
May 1, 2025
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
May 1, 2025
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**VERIFIED NOTICE OF EXEMPTION OF KAW RIVER RAILROAD, LLC
PURSUANT TO 49 C.F.R. PART 1150, SUBPART E**

Kaw River Railroad, LLC (“KAW”), a Class III rail carrier, files this Verified Notice of Exemption (“Notice”) pursuant to 49 C.F.R. Part 1150, Subpart E, to authorize KAW’s updated and extended lease from BNSF Railway Company (“BNSF”) of approximately 14.66 miles of railroad line (the “Bedford Yard Lines”), and its continued exercise of incidental trackage rights over approximately 1.52 miles of BNSF-owned railroad line, all of which are located in North Kansas City, Clay County, Missouri.

Pursuant to 49 C.F.R. § 1150.43, KAW submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

Kaw River Railroad, LLC
315 West Third Street
Pittsburg, KS 66762

Applicant’s Representative: 49 C.F.R. § 1150.43(b)

Stephen J. Foland, Esq.
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, IL 60606
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

KAW and BNSF have concluded a Lease of Rail Operations and Real and Personal Property between BNSF Railway Company and Kaw River Railroad, LLC, dated December 19, 2020, with a First Amendment dated January 1, 2021, and a Second Amendment dated August 1, 2024 (collectively, the “Agreement”), renewing and extending their currently-existing arrangement for KAW’s lease and operation of the Bedford Yard Lines through November 30, 2030, and providing for KAW’s continued exercise of trackage rights incidental to the lease transaction. The Agreement will take effect upon appropriate Board authorization.

Operator of the Property: 49 C.F.R. § 1150.43(d)

KAW will continue to provide common carrier railroad freight service to all freight shippers located along the Bedford Yard Lines.

Background and Summary of the Transaction: 49 C.F.R. § 1150.43(e)

The Bedford Yard Lines are located within BNSF’s Bedford Yard and the Bedford Industrial Park, North Kansas City, Clay County, Missouri. Specifically, the Lines consist of Tracks 1601 through 1605, including Lead Tracks 1 through 10 (diverging from Track 1606), and Track 1606 starting at the west end from the clearance point on the switch diverging from Track 1502, a total of roughly 14.66 miles. As part of the transaction, KAW will retain incidental trackage rights over BNSF’s 1.52-mile line between Bedford Yard and The Kansas City Southern Railway Company (“KCSR”) track leading to KCSR’s Knoche Yard, via the ASB Bridge, also in North Kansas City.

KAW has leased the Bedford Yard Lines from BNSF since 2007. *See Kaw River R.R., Inc. – Lease Exemption – BNSF Ry. Co.*, FD 35015 (STB served Apr. 20, 2007). KAW

converted from a corporation into a limited-liability company in 2011. KAW and BNSF have agreed to updated terms to govern KAW's continued operation of the Bedford Yard Lines and KAW's exercise of incidental trackage rights. KAW intends to consummate the subject transaction upon the effectiveness of the subject class exemption.

The name and address of the railroad leasing the Lines to KAW is:

BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, Texas 76131

Map: 49 C.F.R. § 1150.43(f)

A map showing the Bedford Yard Lines and incidental trackage rights is attached hereto as Exhibit A.

Certification of Eligibility: 49 C.F.R. § 1150.43(g)

See the attached Certification and Verification page.

Interchange Commitments: 49 C.F.R. § 1150.43(h)(1)

(i) The Bedford Yard Lines connect only to contiguous BNSF lines. KAW will retain incidental trackage rights over certain BNSF property, which connects to KCSR via the ASB Bridge. However, pursuant to its Agreement with BNSF, KAW does not utilize these incidental trackage rights to interchange traffic. Accordingly, this commitment affects a theoretical interchange with KCSR. No other carriers are affected by the Agreement.

(ii) A true and correct copy of the Agreement subject to this Notice has been filed under seal and is attached hereto as Confidential Exhibit B.

(iii) A list of shippers located on the Bedford Yard Lines which have used KAW's rail service during the past two calendar years includes AITX Railcar Services LLC; BlueLinx Corp.;

Certified DEF LLC; The Clorox Co.; CMC Foods, Inc.; Connemara Converting NKC; Consolidated Transfer & Warehouse Co.; CRH plc; Henkel Corp.; Ingredion, Inc.; Metro Park Warehouses LLC; Mode 3 Logistics LLC; Murphy Warehouse Co.; Musket Corp.; and Pizza Blends LLC.

(iv) The confidential aggregate total of carloads originated or terminated on the Bedford Yard Lines during the past two calendar years by the shippers enumerated above is [x,xxx] cars for calendar year 2023 and [x,xxx] cars for calendar year 2024.

(v) KAW certifies it has provided notice of the proposed transaction and interchange commitment to the shippers enumerated above via United States Mail.

(vi) As noted above, KAW leases property only from BNSF and does not interchange with any third-party carriers.

(vii) BNSF informed KAW that it would not lease the Bedford Park Lines to KAW without an interchange commitment. Accordingly, the value of this interchange commitment cannot be estimated.

(viii) The caption indicates the presence of an interchange commitment. Accordingly, there is no change to the caption to be made.

Advance Labor Notice: 49 C.F.R. § 1150.42(e)

KAW's annual revenues are projected to exceed \$5 million, therefore triggering the sixty (60)-day labor notice requirement of 49 C.F.R. § 1150.42(e). However, concurrent with this Notice, KAW has filed a petition for a waiver of the present Labor Notice requirements, in light of KAW's continuous and exclusive operation of the Bedford Yard Lines for more than seventeen (17) years.

Environmental and Historical Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(2), the proposed transaction is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), KAW's lease of the Bedford Yard Lines also is exempt from historic preservation reporting requirements. The proposed transaction is for the purpose of continued rail operations. Further Board approval would be required to discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.42(a)

A caption summary in appropriate form is attached as Exhibit C.

Respectfully submitted,

By: /s/*Stephen J. Foland*

Stephen J. Foland
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**ATTORNEYS FOR KAW RIVER
RAILROAD, LLC**

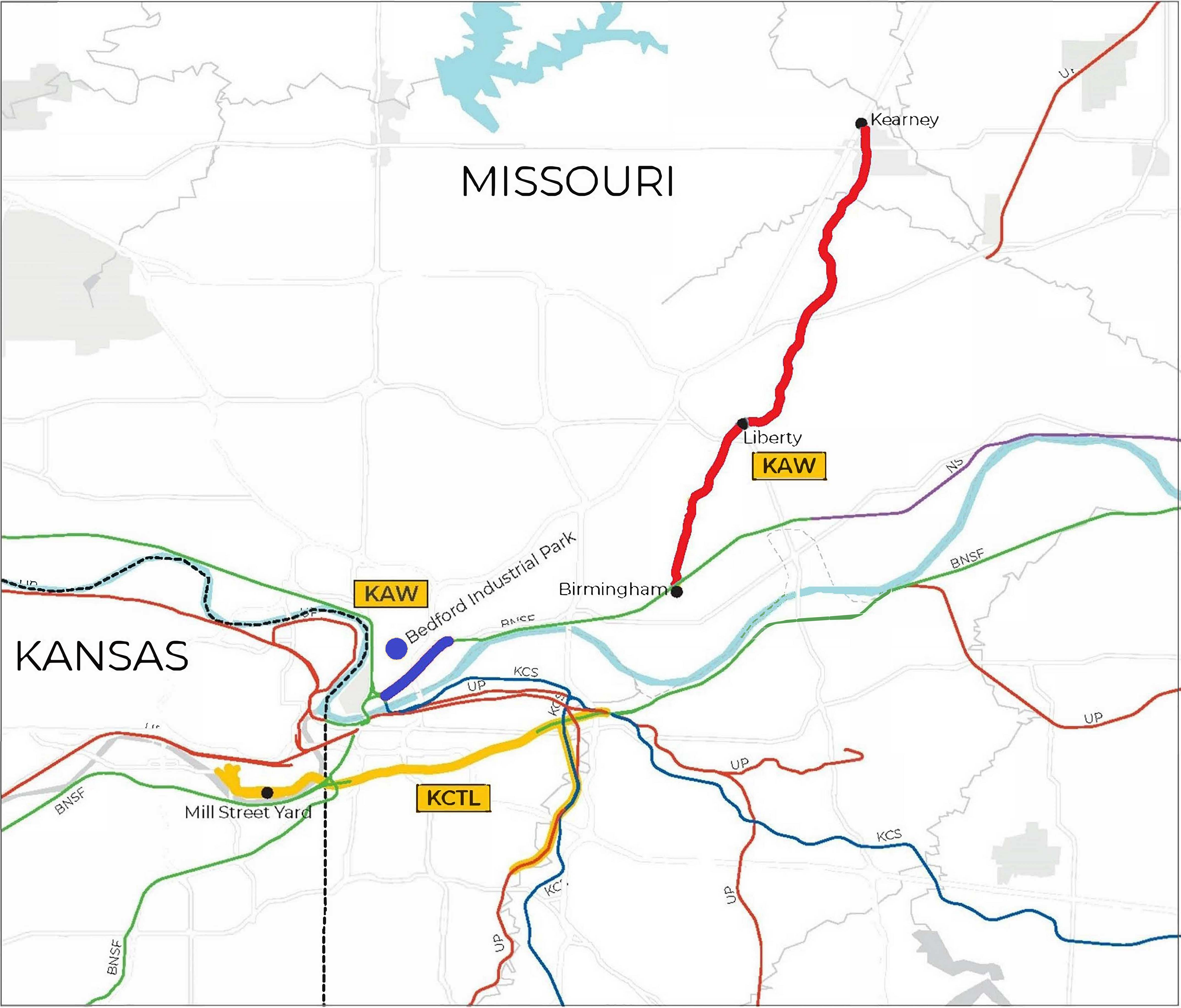
Dated: May 1, 2025.

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EXHIBIT A
MAP



LEGEND

KCTL

Bedford Line

Kearney Line

BNSF

CPKC

NS

UP

Switching

Interchanges

Kansas City, KS (KCTL) - BNSF

Kansas City, MO (KCTL) - BNSF, CPKC, NS,

Birmingham, MO (KAW) - BNSF

North Kansas City, MO (KAW) - BNSF

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HIGHLY CONFIDENTIAL EXHIBIT B LEASE AGREEMENT

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EXHIBIT C
CAPTION SUMMARY

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KAW RIVER RAILROAD, LLC
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
BNSF RAILWAY COMPANY

Kaw River Railroad, LLC (“KAW”), a Class III carrier, has filed a verified Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart E, to update and extend its lease of approximately 14.66 miles of rail line owned by BNSF Railway Company (“BNSF”) (the “Line”), and its continued exercise of incidental trackage rights on approximately 1.52 miles of BNSF-owned line. Specifically, the Lines consist of BNSF Tracks 1601 through 1605, including Lead Tracks 1 through 10 (diverging from Track 1606) and Track 1606 starting at the west end from the clearance point on the switch diverging from Track 1502 – all located in North Kansas City, Clay County, Missouri. As part of the updated lease terms, KAW will retain incidental trackage rights over BNSF’s line between Bedford Yard and The Kansas City Southern Railway Company (“KCSR”) track leading to KCSR’s Knoche Yard, via the ASB Bridge over the Missouri River, also in North Kansas City.

Comments must be filed with the Board and served on: Stephen J. Foland, Esq., Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208, (312) 252-1500, sfoland@fletcher-sippel.com.

This Notice has been filed pursuant to 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 stay the transaction automatically.

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CERTIFICATION AND VERIFICATION

CERTIFICATION AND VERIFICATION

I, Rick D. Baden, hereby certify and verify the following under penalty of perjury:

1. I am the Executive Vice President and Chief Financial Officer of Kaw River Railroad, LLC ("KAW");
2. I am authorized to execute this certification and verification on KAW's behalf;
3. KAW's annual operating revenues, although projected to exceed \$5 million, have not and will not exceed the threshold of a Class I or Class II rail carrier;
4. I have read the foregoing Verified Notice of Exemption, and know the facts stated therein to be true and correct to the best of my knowledge and belief.

By: /s/

_____

Dated: May 1, 2025