

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 35015 (Sub-No. 1)]

Kaw River Railroad, LLC—Lease Exemption with Interchange Commitment—BNSF
Railway Company

Kaw River Railroad, LLC (KAW), a Class III railroad, filed a verified notice of exemption under 49 CFR 1150.41 to continue to lease from BNSF Railway Company (BNSF) and operate 14.66 miles of rail line consisting 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 (the Bedford Yard Lines), all located in North Kansas City, Clay County, Mo. Kaw also seeks to continue to exercise incidental trackage rights over BNSF's 1.52-mile line between Bedford Yard and the Kansas City Southern Railway (KCSR) track leading into KCSR's Knoche Yard, via the ASB Bridge, also in North Kansas City.

According to KAW, it has leased the Bedford Yard Lines since 2007. See Kaw River R.R.—Lease & Operation Exemption—BNSF Ry., FD 35015 (STB served Apr. 20, 2007). KAW states that it entered into an agreement (Agreement) with BNSF dated December 19, 2020, and amended on January 1, 2021, and August 1, 2024, renewing and extending their 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. According to the verified

notice, KAW intends to consummate the proposed transaction upon the effectiveness of the exemption. KAW states that it will continue to provide common carrier freight service to all freight shippers located along the Bedford Yard Lines.

KAW certifies that the Agreement contains an interchange commitment.¹ Accordingly, KAW has provided additional information regarding the interchange commitment, as required by 49 CFR 1150.43(h).

KAW certifies that its projected revenues as a result of the transaction will not exceed those that would qualify it as a Class III carrier but will exceed \$5 million. Pursuant to 49 CFR 1150.42(e), if a carrier's projected annual revenues will exceed \$5 million, it must, at least 60 days before the exemption becomes effective, post a notice of its intent to undertake the proposed transaction at the workplace of the employees on the affected lines, serve a copy of the notice on the national offices of the labor unions with employees on the affected lines, and certify to the Board that it has done so. However, KAW has contemporaneously filed a request for waiver of the 60-day advance labor notice requirements. KAW's waiver request will be addressed in a separate decision. The Board will establish the effective date of the exemption in its decision on the waiver request.

If the verified 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

¹ A copy of the Agreement with the interchange commitment was submitted under seal. See 49 CFR 1150.43(h)(1).

effectiveness of the exemption. Petitions for stay must be filed no later than May 23, 2025.

All pleadings, referring to Docket No. FD 35015 (Sub-No. 1), must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on KAW's representative, Stephen J. Foland, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606.

According to KAW, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: May 9, 2025.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.