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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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July 18, 2017
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DOCKET NO. FD 36135

**UNION PACIFIC RAILROAD COMPANY
-- TEMPORARY TRACKAGE RIGHTS EXEMPTION --
THE KANSAS CITY SOUTHERN RAILWAY COMPANY**

PETITION FOR WAIVER

EXPEDITED CONSIDERATION REQUESTED

UNION PACIFIC RAILROAD COMPANY

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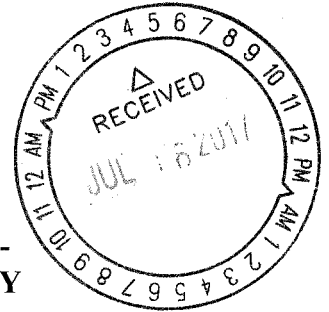
July 18, 2017
SURFACE
TRANSPORTATION BOARD

Dated: July 17, 2017

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PETITION FOR WAIVER

Pursuant to 49 C.F.R. § 1180.4(f), Union Pacific Railroad Company (“UP”) respectfully requests that the Board expeditiously grant a waiver of 49 C.F.R. § 1180.4(g)(1) with respect to the Notice of Exemption filed in the above-captioned docket. UP filed the Notice of Exemption pursuant to 49 C.F.R. § 1180.2(d)(8). For such exemptions, section 1180.4(g)(1) requires, “a railroad must file a verified notice of the transaction with the Board at least 30 days before the transaction is consummated.” For the reasons stated below, UP requests a waiver of this 30-day requirement to allow the exemption to become effective immediately so that UP may commence operations under the temporary trackage rights agreement without waiting 30 days for the exemption to become effective.¹ UP has consulted with Kansas City Southern Railway (“KCS”) and KCS supports this petition.

On June 9, 2017, a barge ran into UP’s Krotz Springs Bridge, a swing bridge over the Atchafalaya River in Eastern Louisiana. The barge strike cracked a pier and knocked the bridge

¹ If this petition is not granted, UP will wait to consummate operations under the temporary trackage rights until 30 days after filing of the Notice of Exemption.

span out of alignment, making it impassable to train traffic. UP is diligently working to repair the bridge but expects the outage will continue for at least another several weeks.

The bridge is located on UP's DeQuincy Subdivision, which provides a route between Houston and New Orleans. To get around the bridge outage, UP is rerouting trains on other UP rail lines and on rail lines of BNSF Railway and KCS.

The reroutes over KCS are primarily between Shreveport, Louisiana and UP's Livonia Yard, near Baton Rouge. These reroutes have been facilitated using detour agreements between UP and KCS. The detour trains are operated over KCS tracks by KCS crews. KCS is now experiencing difficulty providing sufficient crews for its own trains and the UP detour trains. To remedy this crew shortage, KCS agreed to grant UP the temporary trackage rights that are the subject of this proceeding.

This waiver is needed to avoid any disruptions in service as a result of the KCS crew shortage. If KCS is unable to provide the crews needed to operate its own trains and the UP detour trains then service to UP customers will negatively affected. If KCS decides to stop providing crews for the detour trains, then UP will have to reroute these trains, again, over rail lines in the area that are already seeing increased traffic due to the bridge outage. This would likely result in increased transit times due to trains being held in yards and sidings because of the number of additional trains that will need to operate over the routes.

UP is working to qualify its crews on the KCS route and will be able to begin relieving the pressure on KCS crews as soon as this exemption becomes effective. Granting this waiver will ensure there are no service disruptions by allowing UP to operate its own trains, without waiting the standard 30 days for the exemption to become effective.

The need for a waiver in this proceeding, to prevent service disruptions to customers, is in line with the need presented in prior proceedings where the Board found a waiver was warranted. The Board has previously granted such requests to shorten the effectiveness date of notices of exemption, including notices covering trackage rights. See, e.g., Arkansas Midland Railroad Company, Inc.--Trackage Rights Exemption--Caddo Valley Railroad Company, FD 35530 (STB served June 14, 2011); Washington State Department of Transportation--Acquisition Exemption--Palouse River and Coulee City Railroad, Inc., FD 35024 (STB served May 30, 2007); CSX Transportation, Inc.--Temporary Trackage Rights Exemption--Alabama Great Southern Railroad Company, FD 34762 (STB served September 23, 2005); Ohio & Pennsylvania Railroad Company--Lease and Operation Exemption--P&LE Properties, Inc., FD 32711 (ICC served June 23, 1995).

WHEREFORE, UP respectfully requests that the Board grant a waiver of 49 C.F.R. § 1180.4(g)(1) and allow the exemption in this proceeding to become effective immediately.

Respectfully submitted,

UNION PACIFIC RAILROAD COMPANY

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