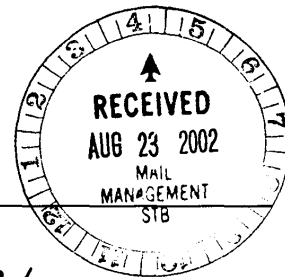


DALLAS, GARLAND & NORTHEASTERN RAILROAD, INC.
5300 BROKEN SOUND BLVD., N.W. 2ND FLOOR
BOCA RATON, FL 33487



August 23, 2002

206096

DID# 0102018001

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

ENTERED
Office of Proceedings

AUG 26 2002

Part of
Public Record

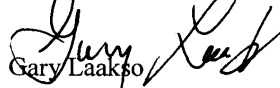
**Re: Finance Docket No. 34248, Dallas, Garland & Northeastern Railroad, Inc. –
Trackage Rights Exemption – Dallas Area Rapid Transit**

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of a **Verified Notice of Exemption** under 49 C.F.R. § 1180.2(d)(7), a check covering the filing fee of \$900 and 20 additional maps.

Should any questions arise regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,


Gary Laakso

Enclosures

FILED

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34248

DALLAS, GARLAND & NORTHEASTERN RAILROAD, INC.
-- TRACKAGE RIGHTS EXEMPTION --
DALLAS AREA RAPID TRANSIT

ENTERED
Office of Proceedings
AUG 26 2002
Part of
Public Record

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(7)

FILED

SURFACE
TRANSPORTATION BOARD

Gary Laakso
Vice President Regulatory Counsel
5300 Broken Sound Blvd., N.W.
2nd Floor
Boca Raton, FL 33487

DALLAS, GARLAND & NORTHEASTERN
RAILROAD, INC.

Dated: August 23, 2002

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34248

**DALLAS, GARLAND & NORTHEASTERN RAILROAD, INC.
-- TRACKAGE RIGHTS EXEMPTION --
DALLAS AREA RAPID TRANSIT**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(7)**

Dallas, Garland & Northeastern Railroad, Inc. ("DGNO") hereby files this Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(7) for the acquisition of exclusive trackage rights by assignment from Union Pacific Railroad Company ("UP") over approximately 6.04 miles of railroad line owned by Dallas Area Rapid Transit ("DART").

**SECTION 1180.6(a)(1)(i)
DESCRIPTION OF THE PROPOSED TRANSACTION**

Pursuant to a written agreement by and between UP and DGNO, and consented to by DART, DGNO will acquire by assignment from UP exclusive trackage rights over DART's Elam Branch Line between approximately Milepost 308.80 near Elam, Texas and approximately Milepost 314.84 near Briggs, Texas (the "Subject Line"). The total distance of the Subject Line is approximately 6.04 miles.

The full name and address of the applicant carrier is:

Dallas, Garland & Northeastern Railroad, Inc.
403 International Parkway, Suite 500
Richardson, TX 75081

Any questions concerning this Notice should be sent to DGNO's Regional Vice President – Lonestar Region, David Eyermann, at the same address.

SECTION 1180.6(a)(1)(ii)
PROPOSED TIME SCHEDULE FOR CONSUMMATION

DGNO intends to consummate this trackage rights transaction upon the effective date of this Notice of Exemption or soon thereafter.

SECTION 1180.6(a)(1)(iii)
PURPOSE SOUGHT TO BE ACCOMPLISHED

The proposed transaction will enable DGNO to provide freight rail service on the rail line that is owned by DART.

SECTION 1180.6(a)(5)
STATES IN WHICH APPLICANT'S PROPERTY IS LOCATED

DGNO's rail property is located entirely within the State of Texas.

SECTION 1180.6(a)(6)
MAP – EXHIBIT 1

A map of the rail line over which DGNO proposes to acquire trackage rights is attached hereto as Exhibit 1.

SECTION 1180.6(a)(7)(ii)
AGREEMENT

A copy of the agreement between DGNO and UP, as consented to by DART, is being filed concurrently herewith "under seal" along with a Motion for Protective Order.

SECTION 1180.4(g)(1)(i)
LABOR PROTECTIVE CONDITIONS

This trackage rights transaction involves one class I railroad and one Class III railroad. Therefore, under 49 U.S.C. § 11326(c) the appropriate level of labor protection is Norfolk & Western Ry. Co. – Trackage Rights –BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc. – Lease and Operate, 354 I.C.C. 732 (1978) and 360 I.C.C. 653 (1978).

SECTION 1180.4(g)(2)(i)
CAPTION SUMMARY

A caption summary of this transaction suitable for publication in the Federal Register is attached hereto as Exhibit 2.

SECTION 1180.4(g)(3)
ENVIRONMENTAL AND HISTORIC PRESERVATION MATTERS

Under 49 C.F.R. § 1105.6(c)(4), the proposed acquisition of trackage rights by DGNO is exempt from environmental reporting requirements.

Under 49 C.F.R. § 1105.8(b)(3), the proposed acquisition of trackage rights by DGNO also is exempt from historic preservation reporting requirements. The proposed trackage rights will not substantially change the level of maintenance of any railroad property.

Respectfully submitted,

By: _____

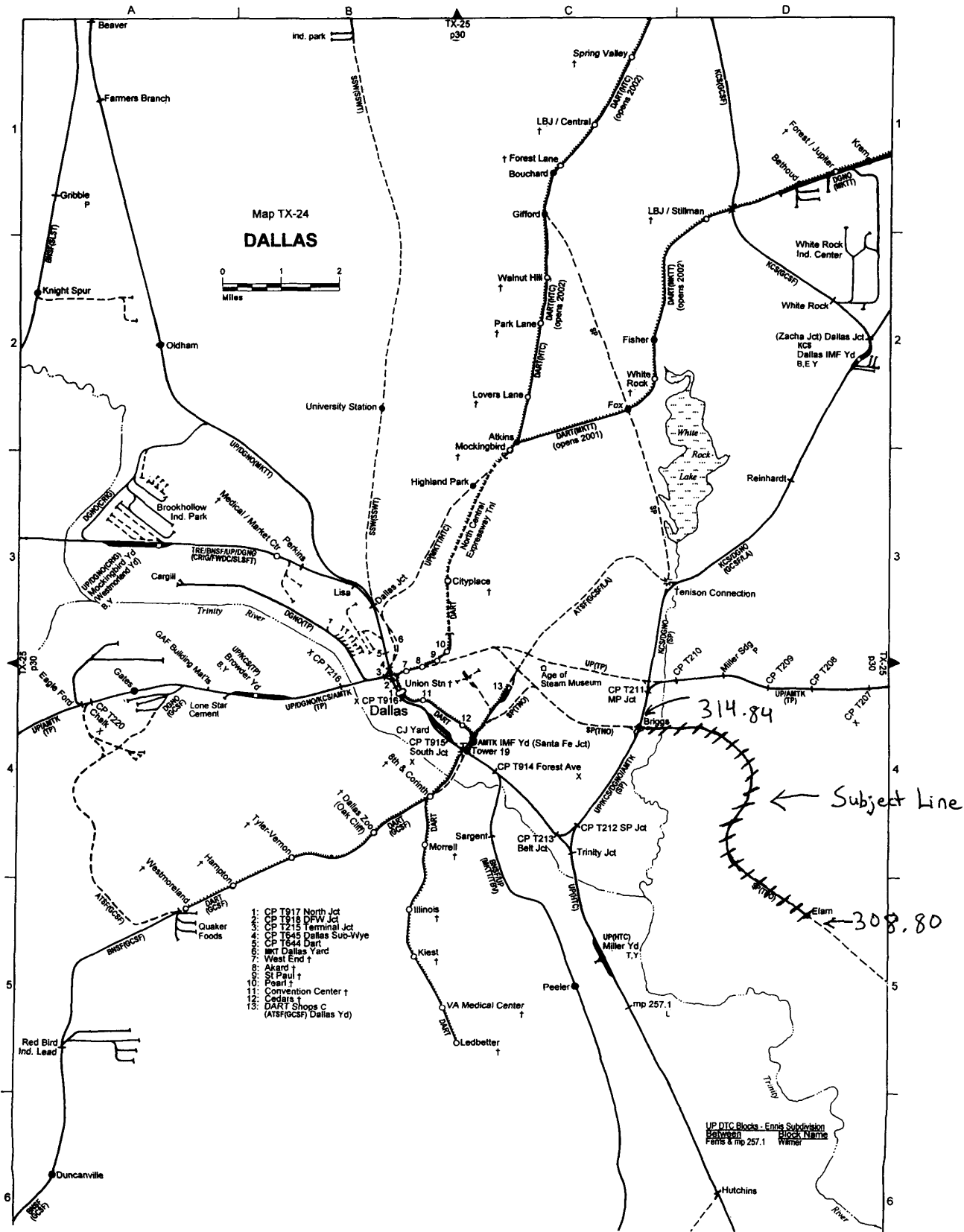
Gary Laakso

Vice President – Regulatory Counsel

**DALLAS, GARLAND & NORTHEASTERN
RAILROAD, INC.**

Dated: August 23, 2001

Exhibit 1



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34248

**DALLAS, GARLAND & NORTHEASTERN RAILROAD, INC.
-- TRACKAGE RIGHTS EXEMPTION --
DALLAS AREA RAPID TRANSIT**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(7)**

Dallas, Garland & Northeastern Railroad, Inc. ("DGNO") has agreed to acquire by assignment from Union Pacific Railroad Company ("UP") exclusive trackage rights on a line of railroad owned by Dallas Area Rapid Transit ("DART") known as the Elam Branch between approximately Milepost 308.80 near Elam, Texas and approximately Milepost 314.84 near Briggs, Texas (the "Subject Line"). The total distance of the Subject Line is approximately 6.04 miles. The trackage rights are anticipated to become effective upon the effective date of the Notice of Exemption.

This Notice is filed under 49 C.F.R. § 1180.2(d)(7). 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.

Dated:

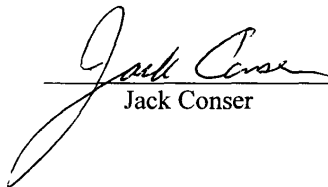
By the Board

Vernon A. Williams, Secretary

VERIFICATION

STATE OF FLORIDA)
) ss.
COUNTY OF PALM BEACH)

Jack Conser, being duly sworn, deposes and says that he is the Senior Vice President Transportation of the Dallas, Garland & Northeastern Railroad, Inc., he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.

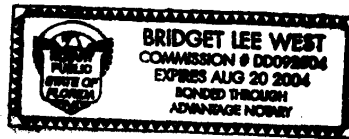


Jack Conser

SUBSCRIBED AND SWORN TO before
me this 22nd day of August, 2002.



Notary Public



My Commission expires: 8/20/2004