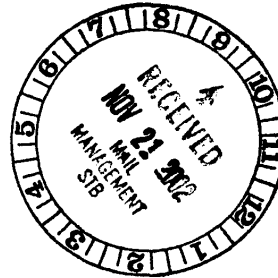


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ATTORNEYS - AT - LAW

ERIC M. HOCKY  
DIRECT DIAL 610.350.4129  
emhocky@ggelaw.com

206691



November 20, 2002  
VIA: FEDEX

Hon. Veron A. Williams, Secretary  
Surface Transportation Board  
Mercury Building, #711  
1925 K Street, N.W.  
Washington, DC 20423-0001

RE: STB Finance Docket No. 34255  
Portland & Western Railroad, Inc.  
-- Lease and Operation Exemption --  
the Burlington Northern and Sante Fe Railway Company  
**NOTICE OF INTENT**

ENTERED  
Office of Proceedings

NOV 21 2002

Part of  
Public Record

Dear Secretary Williams::

Enclosed please find for filing an original and ten (10) copies of a Notice of Intent to be filed in the above-referenced proceeding.

Please time stamp the extra copy of this letter to indicate receipt and return it to me in the stamped, self-addressed envelope provided for your convenience.

Very truly yours,

  
Eric M. Hocky

Enc: Notice of Intent  
cc: All persons on service list

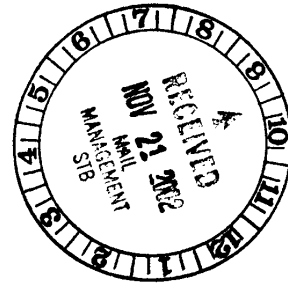
GOLLATZ, GRIFFIN & EWING, P.C.

WEST CHESTER

PHILADELPHIA

WILMINGTON

206691



BEFORE THE  
**SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 34255

**PORTLAND & WESTERN RAILROAD, INC.**

**--LEASE AND OPERATION EXEMPTION--**

**THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY**

---

**NOTICE OF INTENT**

**ENTERED  
Office of Proceedings**

**NOV 21 2002**

**Part of  
Public Record**

ERIC M. HOCKY  
GOLLATZ, GRIFFIN & EWING, P.C.  
213 West Miner Street  
P.O. Box 796  
West Chester, PA 19381-0796  
(610) 692-9116

Attorneys for  
Portland & Western Railroad, Inc.

Dated: November 20, 2002

BEFORE THE  
SURFACE TRANSPORTATION BOARD  
STB FINANCE DOCKET NO. 33734

PORTLAND & WESTERN RAILROAD, INC.  
--LEASE AND OPERATION EXEMPTION--  
THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY



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**NOTICE OF INTENT**

Portland & Western Railroad, Inc. ("PNWR"), a Class III carrier, hereby gives notice of its intent to file an exemption notice pursuant to 49 C.F.R. §1150.41, to exempt from regulation under 49 U.S.C. §10902 its lease and operation of the line of railroad (the "Rail Line") of The Burlington Northern and Santa Fe Railway Company ("BNSF") between milepost 64.70 located between Quinaby and Salem and the End of Track at milepost 141.45 near Eugene, as shown on the map attached as Exhibit A.<sup>1</sup> PNWR expects to file the exemption notice with the Surface Transportation Board on December 6, 2002.

**General Statement of Service Intentions**

PNWR intends to provide local customers on the Rail Line with service 5 or 6 days per week. PNWR will interchange traffic with BNSF at Minto (near Salem) and at Albany.

The Minto interchange will include traffic destined for the portion of the Rail Line north of Salem, as well as points at and around Salem. This will reduce circuitous handling, and expedite service for this traffic. A local train out of Salem will operate 6 days per week and

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<sup>1</sup> As part of the transaction, PNWR will grant incidental overhead trackage rights to BNSF over the rail line between Bush (milepost 68.6) and Albany (milepost 96.5), and to Central Oregon & Pacific Railroad, Inc. ("CORP") between Albany (milepost 96.5) and Eugene (milepost 141.5).

handle the local service on the northern end of the Rail Line. A second assignment will operate 5 days per week to handle local switching in the Salem area, as well as blocking cars to return to BNSF.

There will be switchers based in Albany that will operate 7 days per week to serve Albany industries, to block traffic returning to BNSF, and to handle BNSF cars being interchanged at Albany with the Albany & Eastern Railroad Company. PNWR will also interchange traffic with BNSF at Albany that is destined to, or originating from, industries located between Albany and Eugene, and which will be moved to and from Eugene 6 days per week. At Eugene, a switcher will operate 5 days per week to serve industries in the Eugene and Harrisburg areas, and block outbound traffic for Albany.

Car inventory and reporting will be performed by PNWR customer service in Albany. Maintenance of locomotives will be performed in Albany, and track maintenance will be performed by a gang headquartered in Albany.

#### **General Statement of Labor Impacts**

PNWR intends to hire approximately fifteen new employees to work on the line. It is anticipated that these employees will fill the following positions: Locomotive Engineers (4), Conductors (4), Machinist (1), Signal Maintainer (1), Carman (1), Customer Service/RMI Input (1), and Maintenance of Way Laborers (3). Employees of BNSF that work on the line, and the national offices of their unions, have received notice of the transaction in accordance with the STB's regulations.

### **Additional Information**

PNWR hereby sets forth the information required to be included in its exemption notice under 49 C.F.R. §1150.43:

(a) The full name and address of Applicant are: Portland & Western Railroad, Inc., 650 Hawthorne Ave., SE, Suite 220, Salem, OR 97301; 503-365-7717.

(b) The name, address and telephone number of the representative of PNWR who should receive correspondence are: Eric M. Hocky, Esquire, Gollatz, Griffin & Ewing, P.C., 213 West Miner Street, P.O. Box 796, West Chester, PA 19381-0796; (610) 692-9116.

(c) PNWR and BNSF have entered into a lease agreement covering PNWR's lease and operation of the Rail Line.

(d) The current operator of the Rail Line is BNSF.

(e) Brief Summary of the Proposed Transaction:

(1) PNWR is leasing the Rail Line which connects to rail lines already operated by PNWR. Control of the Rail Line will add to PNWR's traffic base and will allow PNWR to route its traffic more efficiently. These benefits will allow PNWR to justify incurring the cost of the rehabilitation that the Rail Line needs. The railroad transferring the Rail Line is BNSF, 2500 Lou Menk Drive, Fort Worth, Texas 76131 (Attn.: Sarah Bailiff, Esq.).

(2) PNWR expects to commence operation of the Rail Line on or about December 27, 2002.

(3) The mileposts of the Rail Line are between milepost 64.70 between Quinaby and Salem and milepost 141.45 near Eugene, in the Counties of Marion, Linn and Lane, Oregon.

(4) The total mileage to be leased and operated is 76.75 miles.

(f) Attached as Exhibit A is a map of the Rail Line.

(g) PNWR certifies that its projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier.

### **Certificate of Service**

As shown on the attached certificate of service, copies of this notice are being served on the Governor of Oregon, the Oregon Department of Transportation - Rail Division, the national offices of the labor unions with employees on the Rail Line, counsel for BNSF's local UTU chairman, and shippers representing at least 50 percent of the volume of local traffic and traffic originating or terminating on the Rail Line during the most recent 12 months for which data is available.

Respectfully submitted,



ERIC M. HOCKY  
GOLLATZ, GRIFFIN & EWING, P.C.  
213 West Miner Street  
P.O. Box 796  
West Chester, PA 19381-0796  
(610) 692-9116

Attorneys for  
Portland & Western Railroad, Inc.

Dated: November 20, 2002

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing notice of intent was sent by first class mail, postage prepaid, upon each of the following persons:

Office of the Governor  
State of Oregon  
State Capitol Building  
900 Court Street NE  
Salem, OR 97301-4047

Oregon Department of Transportation  
Rail Division  
555 13th Street, N.E., Suite 3  
Salem, Oregon 97301-4179  
Attention: Claudia Howells, Manager

Mr. Edward Dubroski  
International President  
Brotherhood of Locomotive Engineers  
Standard Building  
1370 Ontario Street  
Cleveland, OH 44113

Mr. Mac A. Fleming, President  
Brotherhood of Maintenance of Way  
Employees  
26555 Evergreen Road, Suite 200  
Southfield, MI 48076-4225

Mr. Byron A. Bryd, Jr.  
International President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, OH 44107

Mr. W.D. Pickett, President  
Brotherhood of Railroad Signalmen  
601 West Golf Road, Box U  
Mt. Prospect, IL 60056

Gordon P. MacDougall, Esq.  
1025 Connecticut Ave. NW  
Washington, D.C. 20036

Seneca Sawmills  
P. O. Box 851  
Eugene, OR 97440  
Attn.: Richard Re

Georgia Pacific Corp.  
Corporate Headquarters:  
Georgia-Pacific Corporation  
133 Peachtree Street  
Atlanta, Georgia 30303

A&M Reload Inc.  
P. O. Box 11255  
Eugene, OR 97402  
Attn.: Brad Asbury & Ron Mckern

Boise Cascade Corp.  
1111 W. Jefferson Street  
Boise, ID 83728-0001

Boise Cascade Corp. - Paper Sales &  
Marketing  
907 West Seventh Street  
Vancouver, WA 98660

Weyerhaeuser Co.  
P. O. Box 907  
Albany, OR 97321

Cascade Warehouse Co  
1330 Salem Industrial Dr. NE  
Salem, OR 97303

Eagle Veneers  
P.O. Box 288  
Harrisburg, OR 97446

Eagle Veneer Inc.  
P.O. Box 908  
Grants Pass, Oregon 97528

Morse Brothers  
P.O. Box 205  
Harrisburg, OR 97446  
23505 Peoria Rd.  
Harrisburg, OR 97446

Morse Brothers  
Corporate Administration  
1300 E. Grant Street  
Labanon, OR 97355

Albany Rocks Products (Morse Bros)  
35973 Kennel Rd. S.E.  
Albany, OR 97321

Salem Reed Plant (Morse Bros)  
9710 Wheatland Rd.  
Salem, OR 97303

States Industries Inc.  
P.O. Box 7037  
Eugene, OR 97401-0038

Kropf Feed & Seed  
815 s. 2nd Street  
Harrisburg, OR 97446

Grain Millers Inc.  
315 Madison  
Eugene, OR 97402

Emerald Forest Products Inc  
PO BOX 2746  
Eugene, OR 97402

Pope & Talbot Inc.  
1500 S. W. 1st Avenue  
Portland, OR 97201

Panolam Industries Inc.  
3030 Calapooia Street S.W.  
Albany, OR 97321-3840

Specialty Laminates  
1740 West 5th Street  
Eugene, OR 97402-4303

Truitt Brothers Inc.  
P. O. Box 309  
Salem, OR 07308-0309

Agri Trading Corp  
P. O. Box 609  
Hutchinson, MN 55355

D R Johnson Lumber Co.  
P.O. Box 66  
Riddle, Oregon 97469

Forest City Trading Group  
10250 S.W. Greenburg Road  
Portland, OR 97223

ISG Resources Inc.  
136 East South Temple, Suite 1300  
Salt Lake City, UT 84111

ISG Resources Inc.  
Western Region Office  
950 Andover Park East, Suite 24  
Tukwila, WA 98188

ISG Resources Inc.  
Northern Region Office  
4034 North Euclid Avenue  
Bay City, MI 48706

ISG Resources Inc.  
Southern Region Office  
3045 West 28<sup>th</sup> Street  
Pine Bluff, AR 71603

Building Products Division  
16745 West Hardy Road  
Houston, TX 77060

Hampton Lumber Sales  
9600 S. W. Barnes Road  
Portland, OR 97225

Dated: November 20, 2002

  
\_\_\_\_\_  
Eric M. Hocky

**MAP**

**EXHIBIT A**

