

D: D # 0102198001

208139

BALL JANIK LLP

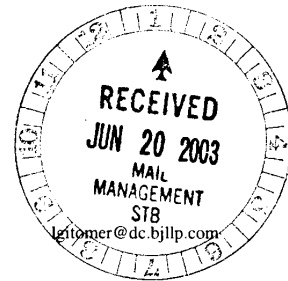
A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

LOUIS E. GITOMER
OF COUNSEL
(202) 466-6532



June 20, 2003

ENTERED
Office of Proceedings

JUN 20 2003

Part of
Public Record

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Suite 700
Washington, DC 20423

RE: Finance Docket No. 34350, *San Luis & Rio Grande Railroad Company—Acquisition
and Operation Exemption—Union Pacific Railroad Company*

Dear Secretary Williams:

Enclosed for filing are the original and ten copies of a Verified Notice of Exemption under 49 CFR § 1150.41, three diskettes with the file Notice.doc, and a check covering the \$1,300.00 filing fee. Please time and date stamp the extra copy of this letter and the Verified Notice of Exemption and return them with our messenger.

If you have any questions, please contact me.

Sincerely yours,

Louis E. Gitomer
Attorney for San Luis & Rio Grand
Railroad Company

Enclosures

FILED

JUN 20 2003

**SURFACE
TRANSPORTATION BOARD**

FEE RECEIVED

JUN 20 2003

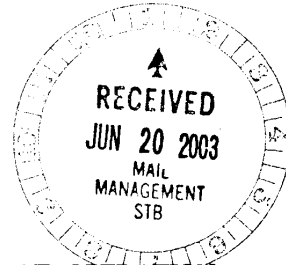
**SURFACE
TRANSPORTATION BOARD**

208139

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34350



SAN LUIS & RIO GRANDE RAILROAD COMPANY—ACQUISITION AND OPERATION
EXEMPTION—UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

ENTERED
Office of Proceedings

JUN 20 2003

Part of
Public Record

FEE RECEIVED

JUN 20 2003

**SURFACE
TRANSPORTATION BOARD**

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
San Luis & Rio Grande Railroad Company
5300 Broken Sound Boulevard N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
BALL JANIK LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

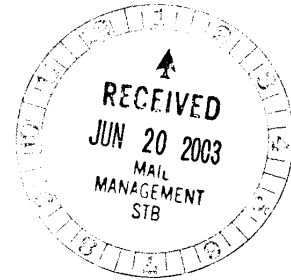
Attorneys for: SAN LUIS & RIO GRANDE
RAILROAD COMPANY

Dated: June 20, 2003

FILED
JUN 20 2003
**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34350



SAN LUIS & RIO GRANDE RAILROAD COMPANY—ACQUISITION AND OPERATION
EXEMPTION—UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

San Luis & Rio Grande Railroad Company (“SLRG”), a noncarrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (the “Board”) to permit SLRG to acquire and operate the following lines from the Union Pacific Railroad Company (“UP”): (1) from near Derrick, CO, milepost 299.30, to near Walsenburg, CO, milepost 180.00, the Alamosa Subdivision, and (2) between Alamosa, CO, milepost 251.7, and Antonito, CO, milepost 281.78, the Antonito Subdivision, a total distance of approximately 149.38 miles (the “Acquired Line”). UP is also granting SLRG incidental trackage rights in the vicinity of Walsenburg between milepost 180.00 and milepost 175.00 (the “Trackage Rights Line”). The Acquired Line and the Trackage Rights Line are jointly referred to as the “Line.”

In support of this Notice of Exemption, SLRG submits the following information as required by 49 C.F.R. § 1150.33:

a. Full name and address of applicant:

San Luis & Rio Grande Railroad Company
601 State Street
Alamosa, CO 81101
719-587-0516

b. Applicant's Representatives:

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
San Luis & Rio Grande Railroad Company
5300 Broken Sound Boulevard N.W.
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
Ball Janik LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

c. An agreement has been reached among SLRG, as buyer, and UP, as seller.

d. The operator of the property will be SLRG.

e. Summary of proposed transaction:

1. The name and address of the railroad transferring the property is:

Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179

2. The proposed time schedule for the consummation of the transaction is on or after
June 30, 2003.

3. The mileposts of the subject property, including any branch lines. SLRG will acquire
and operate the following lines from the UP: (1) from near Derrick, CO, milepost 299.30, to near

Walsenburg, CO, milepost 180.00, the Alamosa Subdivision, and (2) between Alamosa, CO, milepost 251.7, and Antonito, CO, milepost 281.78, the Antonito Subdivision, a total distance of approximately 149.38 miles. UP is also granting SLRG incidental trackage rights in the vicinity of Walsenburg between milepost 180.00 and milepost 175.00.¹

4. SLRG is acquiring and operating about 149.38 route miles and operating over trackage rights for about five miles.

f. A map of the rail Lines is attached as Exhibit C.

g. A Certificate of Compliance with the provisions of 49 CFR § 1150.33(g) is attached as Exhibit A.

h. A caption summary, as required by 49 C.F.R. §1150.34, is attached as Exhibit B.

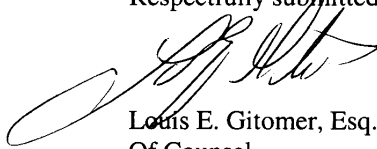
i. No environmental documentation is required because there will be no operational changes that would exceed the thresholds established in 49 CFR §1105.7(e)(4) or (5) and there will be no action that would normally require environmental documentation. Hence, this Notice of Exemption does not require environmental documentation under 49 CFR §1105.6(b)(4) and (c)(2)(i).

j. An historic report is not required because SLRG will operate the Lines, will require further Board approval as required to discontinue and abandon any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. §1105.8(b)(1).

¹ At this time, the 29.3-mile portion of the Line between Monte Vista, milepost 270.0 and Derrick, milepost 299.30, is inactive.

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,



Gary A. Laakso, Esq.
Vice President Regulatory Counsel
San Luis & Rio Grande Railroad Company
5300 Broken Sound Boulevard N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
BALL JANIK LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

Attorneys for: SAN LUIS & RIO GRANDE
RAILROAD COMPANY

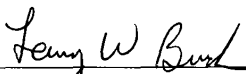
Dated: June 20, 2003

EXHIBIT A

CERTIFICATION

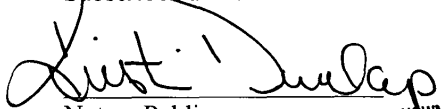
State of Florida)
) ss:
County of Palm Beach)

I, Larry W. Bush, being duly sworn depose and state that I am Vice President and Treasurer of San Luis & Rio Grande Railroad Company, and that the projected annual revenues from the rail operations would not exceed those that would make it a Class III carrier under 49 CFR Part 1201(1-1) and would not exceed \$ 5 million.



Larry W. Bush

Subscribed and sworn to before me this 19th day of June, 2003.



Notary Public

(SEAL)

PERSONALLY KNOWN: X
PRODUCED I.D.: —



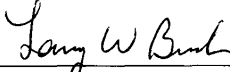
Kristin Dunlap
My Commission DD067657
Expires December 27, 2006

My Commission Expires: 12-27-05

VERIFICATION

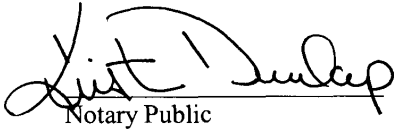
State of Florida)
) ss:
County of Palm Beach)

I, Larry W. Bush, being duly sworn depose and state that I am Vice President and Treasurer of San Luis & Rio Grande Railroad Company, that I am authorized to make this verification, and that I have read the foregoing notice of exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.



Larry W. Bush

Subscribed and sworn to before me this 19th day of June, 2003.



Notary Public



Kristin Dunlap
My Commission DD067667
Expires December 27, 2006

PERSONALLY KNOWN: X
PRODUCED I.D.:

EXHIBIT B – CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

FINANCE DOCKET NO. 34350

SAN LUIS & RIO GRANDE RAILROAD COMPANY—ACQUISITION AND OPERATION
EXEMPTION—UNION PACIFIC RAILROAD COMPANY

San Luis & Rio Grande Railroad Company has filed a notice of exemption to acquire and operate the following lines from the Union Pacific Railroad Company (“UP”): (1) from near Derrick, CO, milepost 299.30, to near Walsenburg, CO, milepost 180.00, the Alamosa Subdivision, and (2) between Alamosa, CO, milepost 251.7, and Antonito, CO, milepost 281.78, the Antonito Subdivision, a total distance of approximately 149.38 miles (the “Acquired Line”). UP is also granting SLRG incidental trackage rights in the vicinity of Walsenburg between milepost 180.00 and milepost 175.00

The transaction is scheduled to take place on or after June 30, 2003.

A class exemption for RailAmerica to continue in control of San Luis & Rio Grande Railroad Company, was concurrently filed in Finance Docket No. 34351, *RailAmerica, Inc., Et Al.—Continuance in Control Exemption—San Luis & Rio Grande Railroad Company*.

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to reopen the proceeding 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 transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34350, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit,

1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Gary A. Laakso, Esq., Vice President Regulatory Counsel, San Luis & Rio Grande Railroad Company, 5300 Broken Sound Boulevard N.W., Boca Raton, FL 33487, (561) 994-6015, and Louis E. Gitomer, Esq., Of Counsel, Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, D.C. 20005, (202) 638-3307.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: ____ __, 2003.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary

EXHIBIT C-MAP

