

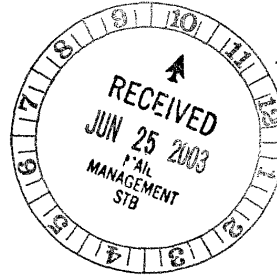
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DIRECT DIAL 215.320.3720
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Hon. Vernon A. Williams
Secretary
Surface Transportation Board
Mercury Building, #711
1925 K Street, N.W.
Washington, DC 20423-0001



June 24, 2003
VIA: FedEx

Re: STB Finance Docket No. 34367
Portland & Western Railroad, Inc. and Willamette &
Pacific Railroad, Inc. - Trackage Rights -
Union Pacific Railroad Company
Notice of Exemption

ENTERED
Office of Proceedings

JUN 25 2003

Part of
Public Record

Dear Secretary Williams:

Enclosed please find for filing the original and ten (10) copies of the above-referenced Trackage Rights Notice of Exemption of Portland & Western Railroad, Inc. and Willamette & Pacific Railroad, Inc., along with a diskette containing the document in WordPerfect 9. A check in the amount of \$900 representing the filing fee is also enclosed.

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.

Respectfully,


ERIC M. HOCKY

Enclosures

FILED
JUN 25 2003
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
JUN 25 2003
SURFACE
TRANSPORTATION BOARD

GOLLATZ, GRIFFIN & EWING, P.C.

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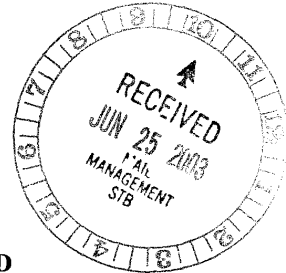
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BEFORE THE
SURFACE TRANSPORTATION BOARD
FINANCE DOCKET NO. 34367



**PORTLAND & WESTERN RAILROAD, INC. AND
WILLAMETTE & PACIFIC RAILROAD, INC.**

- TRACKAGE RIGHTS EXEMPTION -

UNION PACIFIC RAILROAD COMPANY

NOTICE OF EXEMPTION

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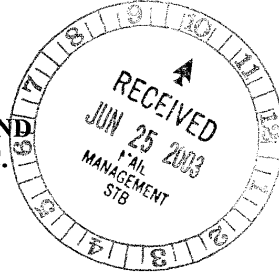
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Eric M. Hocky
Gollatz, Griffin & Ewing, P.C.
Four Penn Center Plaza
1600 John F. Kennedy Blvd.
Suite 200
Philadelphia, PA 19103-2808
(215) 563-9400
Attorney for Applicants

DATED: June 24, 2003

BEFORE THE
SURFACE TRANSPORTATION BOARD
FINANCE DOCKET NO. 34367

**PORTLAND & WESTERN RAILROAD, INC. AND
WILLAMETTE & PACIFIC RAILROAD, INC.
- TRACKAGE RIGHTS EXEMPTION -
UNION PACIFIC RAILROAD COMPANY**



NOTICE OF EXEMPTION

Portland & Western Railroad, Inc. ("PNWR") and Willamette & Pacific Railroad, Inc. ("WPRR"), Class III railroads, file this Notice of Exemption pursuant to 49 C.F.R. §1180.2(d)(7) to exempt from the provisions of 49 U.S.C. §11323 the grant of trackage rights by Union Pacific Railroad Company ("UP") to PNWR and WPRR. The trackage rights will be based on a written agreement and are not being filed or sought in a responsive application.

Required Information

In accordance with the provisions of 49 C.F.R. §1180.4(g), PNWR and WPRR provide the following information as required by 49 C.F.R. §1180.6(a)(1)(i)-(iii), (a)(5), (a)(6), and (a)(7)(ii):

(a)(1)(i) UP is granting trackage rights to PNWR and WPRR over 0.29 miles of rail lines between UP's Albany Yard (M.P. 691.24) and the point of connection with the former Oregon Electric Line currently being leased by PNWR¹ in Albany, OR (M.P. 691.53), and approximately

¹ PNWR lease of the connecting portion of the Oregon Electric line from The Burlington Northern Santa Fe Railway Company ("BNSF") was authorized by the Board in *Portland and Western Railroad, Inc. - Lease and Operation Exemption - The Burlington Northern Santa Fe Railway Company*, STB Finance Docket No. 34255 (served January 3, 2003).

0.20 miles of rail line constituting the north leg of the wye track connecting the Toledo Branch and the UP Main Line near M.P. 691.35 (together, the "Subject Line"). The Subject Line is located in the State of Oregon.

The name, business address and telephone number of Applicants (tenant railroads) are:

Portland & Western Railroad, Inc.
Willamette & Pacific Railroad, Inc.
650 Hawthorne Ave., SE
Suite 220
Salem, OR 97301
(503) 365-7717

The name, business address and telephone number of counsel to whom questions regarding the transaction can be addressed are:

Eric M. Hocky
Gollatz, Griffin & Ewing, P.C.
Four Penn Center Plaza
1600 John F. Kennedy Blvd.
Suite 200
Philadelphia, PA 19103-2808
(215) 563-9400

(a)(1)(ii) PNWR and WPRR intend to commence operations under the trackage rights on or after July 2, 2003.

(a)(1)(iii) The trackage rights will allow improved access to the Oregon Electric line PNWR is leasing from BNSF, and to provide for more fluid yard and interchange operations among WPRR, PNWR and other carriers.

(a)(5) PNWR and WPRR currently operate in the State of Oregon, and the Subject Line is also located in the State of Oregon.

(a)(6) A map showing the Subject Line is attached as Exhibit A. Twenty extra copies of the map are also included.

(a)(7)(ii) The parties are finalizing the written trackage rights agreement. A copy of the signed agreement will be submitted within ten days of execution as permitted under 49 C.F.R. §1180.6(a)(7)(ii).

Labor Protection

Applicants understand that any employees adversely affected by the trackage rights are entitled to protection under the conditions imposed in *Norfolk and Western Railway Company – Trackage Rights – Burlington Northern, Inc.*, 354 I.C.C. 605 (1978), as modified by *Mendocino Coast Railway, Inc. – Lease and Operate – California Western Railroad*, 360 I.C.C. 653 (1980).

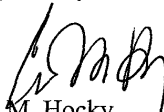
Environmental and Historic Reports

Under 49 C.F.R. §1105.6(c)(4) and 49 C.F.R. §1105.8(b)(3), no environmental or historic documentation is required.

Caption Summary

Attached as Exhibit B is the caption summary required by 49 C.F.R. §1180.4(g)(2)(i).

Respectfully submitted,



Eric M. Hocky
Gollatz, Griffin & Ewing, P.C.
Four Penn Center Plaza
1600 John F. Kennedy Blvd.
Suite 200
Philadelphia, PA 19103-2808
(215) 563-9400
Attorney for Applicants

DATED: June 24, 2003

VERIFICATION

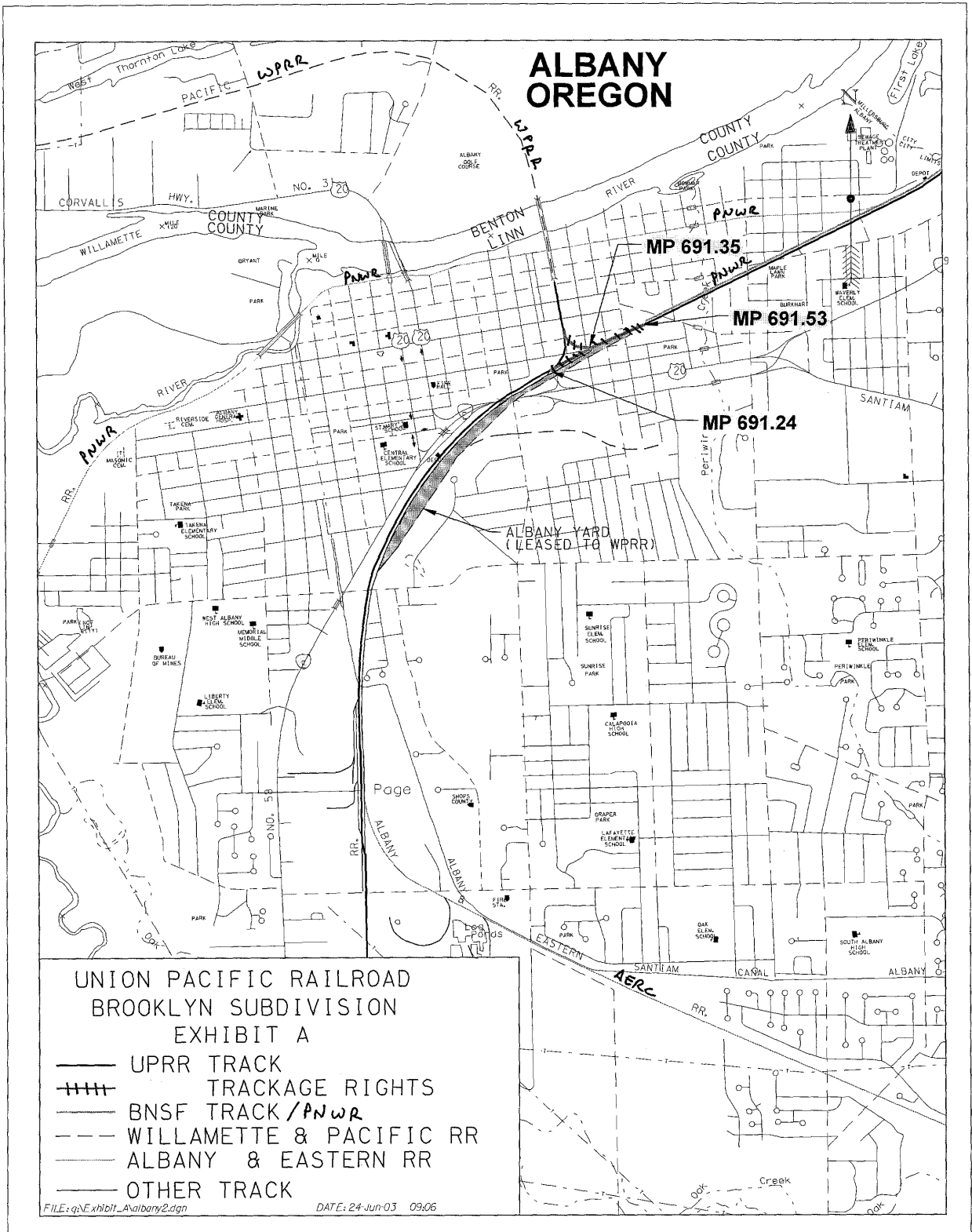
I, Larry Phipps, President and General Manager of Portland & Western Railroad, Inc. and Willamette & Pacific Railroad, Inc., verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on June 24, 2003.


Larry Phipps

MAP

EXHIBIT A



CAPTION SUMMARY

EXHIBIT B

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 34367

**PORTLAND & WESTERN RAILROAD, INC. AND
WILLAMETTE & PACIFIC RAILROAD, INC.
– TRACKAGE RIGHTS EXEMPTION –
UNION PACIFIC RAILROAD COMPANY**

Union Pacific Railway Company (“UP”) has agreed to grant trackage rights to Portland & Western Railroad, Inc. (“PNWR”) and Willamette & Pacific Railroad, Inc. over 0.29 miles of rail line between UP’s Albany Yard (M.P. 691.24) and the point of connection with the former Oregon Electric Line currently being leased by PNWR in Albany, OR (M.P. 691.53), and approximately 0.20 miles of rail line constituting the north leg of the wye track connecting the Toledo Branch and the UP Main Line near M.P. 691.35, all in the State of Oregon.

The 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 Williams, Secretary

EXHIBIT B