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KARL MORELL
Of Counsel

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SEP 23 2003

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kmorell@bjilp.com

208969

September 23, 2003

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Suite 715
Washington, DC 20423-0001

FEE RECEIVED

SEP 23 2003

**SURFACE
TRANSPORTATION BOARD**



**RE: Finance Docket No. 34411, New Orleans & Gulf Coast Railway
Company, Inc. -- Lease Exemption -- Union Pacific Railroad
Company**

Dear Secretary Williams:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1150.41 and a check covering the \$1,300.00 filing fee. Also enclosed is a 3.5-inch diskette formatted for WordPerfect containing the Notice and Summary.

Please time and date stamp the extra copy of the Notice of Exemption and return it with our messenger.

If you have any questions, please contact me.

Sincerely yours,

Karl Morell
Karl Morell

FILED

SEP 23 2003

**SURFACE
TRANSPORTATION BOARD**

Enclosures

208969

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34411



NEW ORLEANS & GULF COAST RAILWAY COMPANY, INC.

--LEASE EXEMPTION--
UNION PACIFIC RAILROAD COMPANY

FILED
SEP 23 2003
SURFACE
TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

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SURFACE
TRANSPORTATION BOARD

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

Attorney for:
NEW ORLEANS & GULF COAST
RAILWAY COMPANY, INC.

Dated: September 23, 2003

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34411



NEW ORLEANS & GULF COAST RAILWAY COMPANY, INC.
--LEASE EXEMPTION--
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

New Orleans & Gulf Coast Railway Company, Inc. ("NOGC"), a Class III rail carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart E--Exempt Transactions Under 49 U.S.C. 10902, to permit NOGC to lease and operate approximately 11.52 miles of rail line in Louisiana from Union Pacific Railroad Company ("UP").

In support of this Notice of Exemption, NOGC submits the following information as required by 49 C.F.R. § 1150.43:

(a) Full name and address of applicant:

New Orleans & Gulf Coast Railway Company, Inc.
4420 W. Vickery Blvd.
Fort Worth, Texas 76107

(b) Applicant's Representative:

Karl Morell
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005
(202) 638-3307

(c) Statement of Agreement:

NOGC has entered into an agreement with UP for the lease of the rail line.

(d) The operator of the property:

NOGC will become the operator of the property.

(e) Summary of proposed transaction:

(1) The name and address of the company leasing the subject property is:

Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179

(2) The involved transaction is expected to be consummated on or shortly after October 19, 2003.

(3) The rail line being leased by NOGC consists of 7.02 miles of main line railroad located between Milepost 0.98, at Goldsboro, LA, and Milepost 8.00, near Westwego, LA and the 4.5-mile Hooper Spur extending from Harvey Yard, at Harvey, LA south to the end of the spur near Bayou Street.

(4) The length of the main line being leased is approximately 7.02 miles and the length of the Hooper Spur is approximately 4.5 miles.

- (f) A map of the rail line being leased is attached as Exhibit A.
- (g) NOGC hereby certifies that NOGC's projected revenues as a result of this transaction will not result in NOGC becoming a Class II or Class I rail carrier. NOGC further certifies that the projected annual revenue of NOGC will not exceed \$5 million. Accordingly, the requirements 49 C.F.R. § 1150.42(e) do not apply to this transaction.

A caption summary, as required by 49 C.F.R. § 1150.44, is attached.

ENVIRONMENTAL AND HISTORIC IMPACTS

NOGC is leasing the rail line from UP for continued rail operations. Further Board approval is required for NOGC to discontinue or 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).

NOGC's lease will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of this line to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the line; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. NOGC's lease of the rail line will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

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

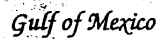
Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Karl Morell", written over a horizontal line.

KARL MORELL
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005
(202) 638-3307

Attorney for:
NEW ORLEANS & GULF COAST RAILWAY
COMPANY, INC.

Dated: September 23, 2003



SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 34411

NEW ORLEANS & GULF COAST RAILWAY COMPANY, INC.

--LEASE EXEMPTION--

UNION PACIFIC RAILROAD COMPANY

New Orleans & Gulf Coast Railway Company, Inc. (NOGC), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41, to lease from Union Pacific Railroad Company (UP) the 7.02-mile main line located between Milepost 0.98, at Goldsboro, Louisiana, and Milepost 8.00, near Westwego, Louisiana and the 4.50-mile spur line known as the Hooper Spur located between Harvey Yard, at Harvey, Louisiana, and the end of the spur at Bayou Street.

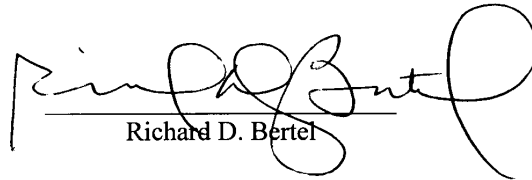
Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 1455 F Street, N.W., Washington, DC 20005, (202) 638-3307.

This notice is filed under 49 C.F.R. 1150.41. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

I, Richard D. Bertel, Chairman of New Orleans & Gulf Coast Railway Company, Inc.,
verify under penalty of perjury that the foregoing Notice of Exemption is true and correct.

Further, I certify that I am qualified and authorized to file this Notice of Exemption.


Richard D. Bertel

Executed on September 19, 2003.