

211334

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 14, 2004

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

FEE RECEIVED

JUN 14, 2004

**SURFACE
TRANSPORTATION BOARD**

RE: Finance Docket No. 34491, *Dallas, Garland & Northeastern Railroad—
Lease 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 \$1,400.00 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. Thank you for your assistance.

If you have any questions, please contact me.

Sincerely yours,

Louis E. Gitomer
Attorney for Dallas, Garland & Northeastern
Railroad

Enclosures

ENTERED
Office of Proceedings

JUN 14 2004

FILED
Office of Proceedings

FILED

JUN 14 2004

**SURFACE
TRANSPORTATION BOARD**

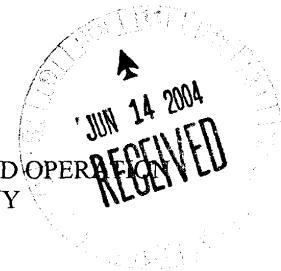
ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34491

DALLAS, GARLAND & NORTHEASTERN RAILROAD—LEASE AND OPERATING
EXEMPTION—UNION PACIFIC RAILROAD COMPANY

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



FEE RECEIVED

JUN 14 2004

**SURFACE
TRANSPORTATION BOARD**

FILED

JUN 14 2004

**SURFACE
TRANSPORTATION BOARD**

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
DALLAS, GARLAND &
NORTHEASTERN RAILROAD
5300 Broken Sound Blvd., NW
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, DC 20005
(202) 638-3307

Attorneys for: DALLAS, GARLAND &
NORTHEASTERN RAILROAD

Dated: June 14, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34491



DALLAS, GARLAND & NORTHEASTERN RAILROAD—LEASE AND OPERATION
EXEMPTION—UNION PACIFIC RAILROAD COMPANY

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

Dallas, Garland & Northeastern Railroad ("DGNO"), a Class III carrier, with current annual revenues in excess of \$5 million, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart E-Exempt Transactions Under 49 U.S.C. § 10902 for Class III Rail Carriers, with the Surface Transportation Board (the "Board") for DGNO to lease and operate from the Union Pacific Railroad Company ("UP") both the 11.0-mile rail line from milepost 629.50 near CentrePort, Texas to milepost 640.50 at Mockingbird Yard and Mockingbird Yard, both referred to as the "Line".

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

a. Full name and address of applicant:

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

b. Applicant's Representatives:

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
Dallas, Garland & Northeastern Railroad
5300 Broken Sound Blvd., NW
Boca Raton, FL 33487
(561) 994-6015

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

c. An agreement has been reached between UP, as lessor, and DGNO, as lessee.

d. The operator of the property will be DGNO.

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 June 21, 2004.

3. The mileposts of the subject property that DGNO is leasing from UP are between milepost 629.50 and milepost 640.50, including any branch lines.

4. DGNO is acquiring about 11 miles of track and Mockingbird Yard from UP.

f. A map of the Line is attached as Exhibit D. The map is in color and will be the last page of this pleading.

g. A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit A.

h. A caption summary, as required by 49 C.F.R. § 1150.44, 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 C.F.R. § 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 C.F.R. § 1105.6(b)(4) and (c)(2)(i).

j. An historic report is not required because DGNO will operate the Line, will require further Board approval to discontinue 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).

k. The Certification to the Board and the Notice posted and served on the national offices of all labor unions with employees on the affected line is attached as Exhibit C.

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

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
DALLAS, GARLAND &
NORTHEASTERN RAILROAD
5300 Broken Sound Blvd., NW.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Respectfully submitted,



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

Attorneys for: DALLAS, GARLAND &
NORTHEASTERN RAILROAD

Dated: June 14, 2004

EXHIBIT A—CERTIFICATE OF COMPLIANCE

CERTIFICATION

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

I, Larry W. Bush being duly sworn depose and state that I am Vice President-Treasurer of the Dallas, Garland & Northeastern Railroad, and that the projected annual revenues from the rail operations of Dallas, Garland & Northeastern Railroad would not exceed those that would make it a Classic II carrier under 49 C.F.R. Part 1201(1-1).

Larry W Bush
Larry W. Bush

Subscribed and sworn to before me this 4th day of June 2004

Kristin Dunlap
Notary Public

(SEAL)

My Commission Expires: 12.27.05

PERSONALLY KNOWN:
PRODUCED I.D.: X

 Kristin Dunlap
My Commission DD067657
Expires December 27, 2005

EXHIBIT B – CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34491

DALLAS, GARLAND & NORTHEASTERN RAILROAD—LEASE AND OPERATION
EXEMPTION— UNION PACIFIC RAILROAD COMPANY

Dallas, Garland & Northeastern Railroad (“DGNO”) has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to lease and operate, pursuant to an agreement entered into between Union Pacific Railroad Company (“UP”) and DGNO: (1) an 11-mile railroad line of UP between Milepost 629.50 near CentrePort, Texas and Milepost 640.50 at Mockingbird Yard and (2) Mockingbird Yard.

Because DGNO’s projected annual revenues will exceed \$5 million, DGNO certified to the Board on April 1, 2004, that it sent the required notice of the transaction to the national offices of all labor unions representing employees on the line on March 30, 2004, and posted a copy of the notice at the workplace of the employees on the affected lines on April 1, 2004. See 49 C.F.R. § 1150.42(e).

The transaction was scheduled to be consummated on June 21, 2004, the effective date of the exemption (which is more than 60 days after DGNO’s certification to the Board that it had complied with the Board’s rule at 49 C.F.R. § 1150.42(e)).

If the verified 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. 34491, 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, Dallas, Garland & Northeastern Railroad, 5300 Broken Sound Boulevard N.W., Boca Ration, FL 33487, (561)994-6015; and Louis E. Gitomer, Esq., Of Counsel, Ball Janik LLP, 455 F Street, NW, Suite 225, Washington, D.C. 20005, (202) 638-3307.

Board decisions and notices are available on our website at "www.stb.dot.gov." Decided: June __, 2004.

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

Vernon A. Williams
Secretary

EXHIBIT C – LABOR CERTIFICATION AND NOTICE

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

lgitomer@dc.bjllp.com

April 1, 2004

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

RE: Finance Docket No. 34491, *Dallas Garland & NorthEastern Railroad, Inc.—Lease
and Operation Exemption—Union Pacific Railroad Company*

Dear Secretary Williams:

The Dallas Garland & NorthEastern Railroad, Inc. ("DGNO") hereby certifies that on April 1, 2004, the attached Notice was posted at the workplace of the employees on the rail line that is the subject of this transaction and that on March 30, 2004, a copy of the Notice was served on the national offices of all labor unions with employees on the affected line. An original and ten copies of this letter and attachment are enclosed.

Please time and date stamp the extra copy of this letter and return it with our messenger.

If you have any questions, please call or email me.

Sincerely yours,



Louis E. Gitomer
Attorney for Dallas Garland & NorthEastern
Railroad, Inc.

Enclosure

NOTICE

Pursuant to Surface Transportation Board regulations at 49 C.F.R. § 1150.42(e), Dallas, Garland & NorthEastern Railroad, Inc. ("DGNO") hereby provides notice to the employees of Union Pacific Railroad Company ("UP") that subject to satisfaction of certain conditions of closing, including receipt of any required regulatory approvals, DGNO intends to lease the following properties:

- 1)- Mockingbird Yard at MP 641.50; and
- 2)- from MP 629.50 near Centre Port, TX to MP 641.50 Mockingbird Yard;

DGNO applying conservative traffic assumptions, plans to have employment opportunities in the areas shown on the attached list. The number of employment positions shown on the attached list is preliminary and represents DGNO's current good faith estimate of the positions it is planning to have available. The number of positions shown on the attached list may be more or less, perhaps significantly more or less, than the actual number of positions that DGNO may have available and will be dependent largely on the rail traffic levels in place at the start of its operations of the Mockingbird Line. DGNO is still in the process of finalizing internal projections about the anticipated level of traffic that will be in place at the time of the start of its planned operations. The actual number of employees hired will depend in part on the results of those projections and may be higher or lower than the number of positions set forth on the attached list.

With respect to benefits, DGNO plans to offer:

- Medical and dental insurance
- Life insurance
- Holidays
- Vacation
- 401(k) plan
- Employee assistance program
- Profit Sharing Plan

DGNO plans to select employees on the basis of some or all of the following criteria and other considerations (1) demonstrated work ethic that is customer-driven and customer-oriented; (2) commitment and ability to work within a team environment; (3) demonstrated stable work history and commitment to safety; (4) commitment to being accountable for work product; (5) ability to communicate effectively, both orally and in writing; (6) relevant work experience and ability to perform duties, with or without reasonable accommodation, required for particular job; (7) results of personal interview(s); and (8) demonstration of relevant work skills through non-discriminatory testing. No one factor listed above would be determinative in the employee selection process.

The most qualified candidates are planned to be selected from the available pool of applicants without regard to race, creed, color, religion, national origin, sex, age, marital status, disability, veteran National Guard or military reserve status, and any other protected characteristic. Successful applicants who have been conditionally offered positions would be required to pass a pre-employment drug and alcohol screen, complete a medical questionnaire, and pass a physical exam.

Any UP employee interested in obtaining an application for employment or further information concerning positions that DGNO is planning to make available should contact Jim Kuntz, Vice President & General Manager of DGNO at (972) 808-9800, ext. 221.

This Notice is being posted in accordance with the requirements of 49 C.F.R. § 1150.42(e) which requires the posting of a notice of intent to undertake a proposed transaction under 49 U.S.C. § 10902 and 49 C.F.R. § 1150.45 that will result in the creation of a Class II rail carrier with projected annual revenues in excess of \$5 million at the workplace of the employees of the affected railroad line(s) at least sixty (60) days before the notice of exemption relating to the proposed transaction becomes effective. A copy of this Notice is being served by overnight delivery on the national offices of the labor unions with employees on the affected railroad line(s), and service concurrently certified to the Surface Transportation Board.

MANPOWER REQUIREMENTS FOR MOCKINGBIRD LINE

Job Description	Approximate Number to be Hired			Approximate Pay Range /hr.
	Location	Position	Quantity	
ENGINEER/CONDUCTOR	Mockingbird		10	\$15.17
Trainmaster	Richardson		1	Commensurate with experience
MOW				
MECHANICAL				
Electrician	Carrollton		1	Commensurate with experience
Utility	Mockingbird		1	Commensurate with experience
CLERKS				

VERIFICATION

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

I, Larry W. Bush, being duly sworn depose and state that I am Vice President-Treasurer of the Dallas, Garland & Northeastern Railroad, and 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
Larry W. Bush

Subscribed and sworn to before me this 4th day of June 2004

Kristin Dunlap
Notary Public

 Kristin Dunlap
My Commission DD067657
Expires December 27, 2006

(SEAL)

My Commission Expires: 12-27-05

PERSONALLY KNOWN:
PRODUCED I.D.:

X

EXHIBIT D—MAP

EXHIBIT D

PARTIAL ASSIGNMENT
OF UNION PACIFIC RAILROAD FREIGHT SERVICE RIGHTS
TO DALLAS, GARLAND & NORTHEASTERN RAILROAD
MOCKINGBIRD, TX TO CENTREPORT, TX
MILEPOST 640.00 TO MILEPOST 629.50

