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Gabriel S. Meyer  
Assistant General Attorney

June 29, 2006

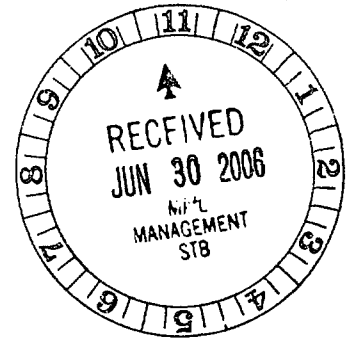
**Via UPS Overnight**

The Honorable Vernon Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001

ENTERED  
Office of Proceedings

JUN 30 2006

Part of  
Public Record



**Re: Finance Docket No. 34866 (Sub. No. 1); Union Pacific Railroad Company –  
Temporary Trackage Rights Exemption – Kansas City Southern Railway  
Company**

Dear Secretary Williams:

Enclosed for filing in the above proceeding are the following:

1. An original and ten (10) copies of a Verified Notice of Exemption and Caption Summary (Exhibit 3 to the Notice) pursuant to the trackage rights class exemption, 49 C.F.R. § 1180.2(d)(8).
2. A payment form in the amount of \$1,000.00 for the filing fee required by 49 C.F.R. § 1002.2(f), Part IV (40).
3. Twenty (20) unbound copies of the Exhibit 1 map.

Please indicate receipt of the enclosed materials by returning a stamped copy of this letter in the self-addressed, stamped envelope enclosed for this purpose. Thank you for your time and attention to this matter.

Sincerely,

**FILED**

JUN 30 2006

*Gabriel S. Meyer*

**SURFACE  
TRANSPORTATION BOARD**

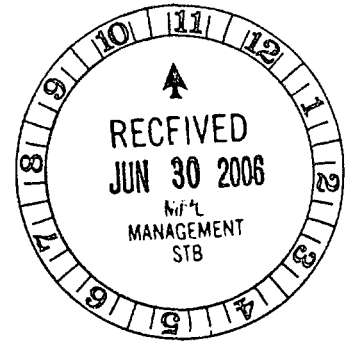
cc: (w/ attachments)  
Douglas A. Banks -- Kansas City Southern Railway Company

**FEE RECEIVED**

JUN 30 2006

**SURFACE  
TRANSPORTATION BOARD**

BEFORE THE  
SURFACE TRANSPORTATION BOARD



\_\_\_\_\_  
FINANCE DOCKET NO. 34866 (SUB. NO. 1)

\_\_\_\_\_  
UNION PACIFIC RAILROAD COMPANY  
-- TEMPORARY TRACKAGE RIGHTS EXEMPTION (MODIFICATION) --  
KANSAS CITY SOUTHERN RAILWAY COMPANY  
\_\_\_\_\_

VERIFIED NOTICE OF EXEMPTION

ENTERED  
Office of Proceedings

JUN 30 2006

Part of  
Public Record

**FILED**

JUN 30 2006

**SURFACE  
TRANSPORTATION BOARD**

UNION PACIFIC RAILROAD COMPANY  
Gabriel S. Meyer  
Assistant General Attorney  
1400 Douglas Street  
STOP 1580  
Omaha, NE 68179  
(402) 544-1658  
(402) 501-3393 (FAX)

**FEE RECEIVED**

JUN 30 2006

**SURFACE  
TRANSPORTATION BOARD**

Dated: June 29, 2006  
Filed: June 30, 2006

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**FINANCE DOCKET NO. 34866 (SUB. NO. 1)**

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**UNION PACIFIC RAILROAD COMPANY  
-- TEMPORARY TRACKAGE RIGHTS EXEMPTION (MODIFICATION) --  
KANSAS CITY SOUTHERN RAILWAY COMPANY**

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**VERIFIED NOTICE OF EXEMPTION**

Union Pacific Railroad Company ("UP") submits this Verified Notice of Exemption, pursuant to 49 C.F.R. § 1180.2(d)(8) for modification of an overhead, temporary trackage rights agreement. Under the agreement ("Original Agreement") filed with the Board on April 12, 2006, UP has the right to operate over lines of railroad of Kansas City Southern Railway Company ("KCS") between Kansas City, MO (Mexico Subdivision Milepost 482.0) on the one hand, and Godfrey, IL (East St. Louis Terminal Subdivision Milepost 252.1) on the other, a distance of approximately 285 miles. UP now seeks to modify the Original Agreement by extending its effective period through October 31, 2006.

Under 49 C.F.R. § 1180.2(d)(8), the acquisition of temporary trackage rights by a rail carrier over lines owned or operated by any other rail carrier or carriers is exempt if the rights are: (i) based on written agreements, (ii) not filed or sought in responsive applications in rail consolidation proceedings, (iii) for overhead operations only, and (iv) scheduled to expire on a specific date not to exceed one (1) year from the effective date of the exemption. The trackage

rights covered by this Notice: (i) are covered by the written agreement attached as Exhibit 2, (ii) are not being filed or sought in responsive applications in a rail consolidation proceeding, (iii) are for overhead operations only, and (iv) will expire on October 31, 2006, which is less than one (1) year from the effective date of the exemption.<sup>1</sup> As such, the § 1180.2(d)(8) exemption is applicable.

In accordance with the Board's regulations at 49 C.F.R.

§ 1180.4(g), a Notice of Exemption shall contain the information required in § 1180.6(a)(1)(i)-(iii), (a)(5)-(6), and (a)(7)(ii), and shall indicate the level of labor protection to be imposed. UP provides the following information:

**1180.6(a)(1) Description of the Proposed Transaction**

The transaction covered by this Notice is the modification of temporary, overhead trackage rights by UP over lines of KCS, between Kansas City, MO (Mexico Subdivision Milepost 482.0) on the one hand, and Godfrey, IL (East St. Louis Terminal Subdivision Milepost 252.1) on the other, a distance of approximately 285 miles. Pursuant to this transaction, the trackage rights will expire on October 31, 2006.

**1180.6(a)(1)(i) Summary of the Proposed Transaction.**

See answer to § 1180.6(a)(1), above.

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<sup>1</sup> Under the Original Agreement, the temporary trackage rights were consummated on April 19, 2006, and were to have expired on July 31, 2006.

**1180.6(a)(1)(i) Name, business address and telephone number of applicant, and the name of counsel to whom questions can be addressed.**

The name and business address of the applicant is:

Union Pacific Railroad Company  
1400 Douglas Street  
Omaha, Nebraska 68179

Questions regarding this transaction are to be addressed to the representative named below:

Gabriel S. Meyer  
Assistant General Attorney  
1400 Douglas Street  
STOP 1580  
Omaha, NE 68179  
(402) 544-1658  
(402) 501-3393 (FAX)

**§ 1180.6(a)(1)(ii) Consummation Date**

The agreement will be consummated on July 7, 2006.

**§ 1180.6(a)(1)(iii) Purpose of the Transaction**

The trackage rights are temporary rights to facilitate maintenance work on UP lines, and are intended to expire on October 31, 2006.

**§ 1180.6(a)(5) States in which Property of the Applicant is Situated**

UP property is situated in the states of Arizona, Arkansas, California, Colorado, Idaho, Illinois, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, Oklahoma, Oregon, Tennessee, Texas, Utah, Washington, Wisconsin, and Wyoming.

**1180.6(a)(6) Map (Exhibit 1)**

A map is provided as Exhibit 1.

**1180.6(a)(7)(ii) Agreement (Exhibit 2)**

An executed copy of the Amendment showing the principal terms of the modification of the Original Agreement is attached as Exhibit 2.

**1180.4(g)(1)(i) Labor Protection**

The applicable labor protection conditions are those imposed in Norfolk and Western Ry. Co. -- Trackage Rights -- BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc. -- Lease and Operate, 360 I.C.C. 653 (1980). The applicable labor protective conditions for the discontinuance of the temporary trackage rights are those imposed in Oregon Short Line Railroad Co.—Abandonment—Goshen, 360 I.C.C. 91 (1979).

**1180.4(g)(2)(iii) Caption Summary (Exhibit 3)**

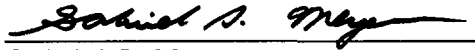
A caption summary of this transaction suitable for publication in the *Federal Register* is attached as Exhibit 3.

**1180.4(g)(3) Environmental Documentation**

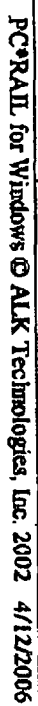
Environmental documentation is not required for this transaction. See 49 C.F.R. § 1105.6(c)(4) (no environmental documentation required for common use of rail terminals and trackage rights).

Respectfully submitted,

UNION PACIFIC RAILROAD COMPANY

By:   
Gabriel S. Meyer  
Assistant General Attorney  
1400 Douglas Street  
STOP 1580  
Omaha, Nebraska 68179  
(402) 544-1658  
(402) 501-3393 (FAX)

## Map



**EXHIBIT 2**  
**STB FINANCE DOCKET NO. 34866 (SUB. NO. 1)**

**KANSAS CITY SOUTHERN**

MAILING ADDRESS: P.O. BOX 219335 • KANSAS CITY, MO 64121-9335



**Douglas A. Banks**  
General Director Joint Facilities & Contracts  
(816) 983-1932  
(816) 983-1933 Fax

June 14, 2006

Mr. Jeff Grinnell  
Director Joint Facilities  
Network Planning and Operations  
Union Pacific Railroad  
1400 Douglas Street, Stop 1180  
Omaha, NE 68179-1180

**Re: Temporary Trackage Rights Agreement**

Dear Jeff:

The Kansas City Southern Railway Company ("KCS") and Union Pacific Railroad Company ("UP") entered into that certain temporary trackage rights agreement dated April 12, 2006 ("Agreement") covering KCS's grant of temporary overhead trackage rights to UP between Rock Creek Junction in Kansas City, Missouri and Godfrey, Illinois.

The rights granted under the Agreement were to be in effect from April 19, 2006 to July 31, 2006 while UP performed certain programmed track, roadbed and structural maintenance on its Jefferson City Subdivision. Inasmuch as UP has experienced a delay in beginning such maintenance work, UP has expressed its desire to extend the term of the Agreement to October 31, 2006.

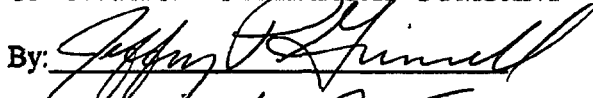
KCS is agreeable to extending the term of the Agreement to October 31, 2006, and hereby grants its written consent to such an extension. Except as specifically revised, altered, supplemented, or amended by this letter, the terms and conditions of the Agreement shall continue to be binding upon the parties.

Sincerely,

  
Douglas A. Banks

**AGREED:**

**UNION PACIFIC RAILROAD COMPANY**

By:   
Title: Director Jt. Facilities  
Date: June 15, 2006

**EXHIBIT 3**  
**STB FINANCE DOCKET NO. 34866 (SUB. NO. 1)**

**CAPTION SUMMARY**

**SURFACE TRANSPORTATION BOARD**

**NOTICE OF EXEMPTION**  
**FINANCE DOCKET NO. 34866 (SUB. NO. 1)**

**UNION PACIFIC RAILROAD COMPANY**  
**-- TEMPORARY TRACKAGE RIGHTS EXEMPTION (MODIFICATION) --**  
**KANSAS CITY SOUTHERN RAILWAY COMPANY**

Kansas City Southern Railway Company has agreed to modify an overhead, temporary trackage rights agreement, under which Union Pacific Railroad Company is authorized to operate between Kansas City, MO (Mexico Subdivision Milepost 482.0) on the one hand, and Godfrey, IL (East St. Louis Terminal Subdivision Milepost 252.1) on the other, a distance of approximately 285 miles. The temporary trackage rights were effective on April 19, 2006. The modified temporary trackage rights agreement will expire on October 31, 2006.

This Notice is filed under 49 C.F.R. § 1180.2(d)(8). Petitions to revoke the exemption under 49 U.S.C. § 10505(d) may be filed at any time. The filing of a petition to revoke will not stay the transaction.

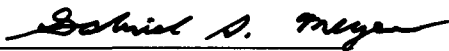
Dated:  
By the Board,

Vernon A. Williams,  
Secretary

**VERIFICATION**

I, Gabriel S. Meyer, Assistant General Attorney of Union Pacific Railroad Company, under penalty of perjury, declare and verify that I have read the foregoing Notice of Exemption in Finance Docket No. 34866 (Sub. No. 1), know the facts stated therein, and believe to the best of my knowledge and ability that said facts are true as stated.

Dated:            June 29, 2006

  
\_\_\_\_\_  
Gabriel S. Meyer

**CERTIFICATE OF SERVICE**

I certify that I have this day served a copy of the foregoing document upon  
the following by prepaid First Class United States mail:

Douglas A. Banks  
Kansas City Southern Railway Company  
114 W. 11th Street  
Kansas City, MO 64105-1804

Dated at Omaha, Nebraska this 29th day of June, 2006.

  
\_\_\_\_\_  
Gabriel S. Meyer