



Mack H. Shumate, Jr.
Senior General Attorney, Law Department

June 27, 2007

Honorable Vernon A. Williams
Surface Transportation Board
395 E Street, S.W., Room 1149
Washington, D. C. 20423-0001

**Re: Savage, Bingham & Garfield Railroad Company – Acquisition and
Operation Exemption – Union Pacific Railroad Company, Finance
Docket No. 35002**

**Utah Transit Authority – Acquisition Exemption – Union Pacific
Railroad Company in Salt Lake City, Utah, Finance Docket
No. 35008**

(NOT CONSOLIDATED)

Dear Mr. Williams:

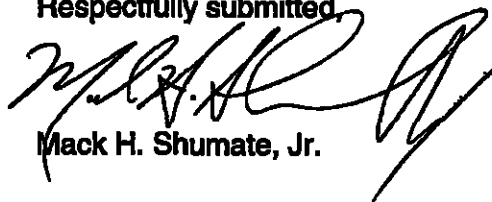
The Union Pacific Railroad Company ("UPRR") respectfully requests that the Board issue a decision regarding Utah Transit Authority's ("UTA's") Motion to Dismiss in STB Finance Docket No. 35008.

In the Board's decisions in the above-referenced matters having a late release service date of June 19, 2007 the Board decided in part that the UTA's Motion to Dismiss in STB Finance Docket No. 35008 would be addressed by a separate decision as soon as possible. After issuance of the decisions in the above-referenced matters on June 19, 2007, the Utah Shippers Coalition ("Coalition") filed an appeal of said decisions on June 22, 2007 (the "Appeal"). As correctly stated in said appeal, all parties in both matters unequivocally agreed to the imposition of a Board oversight condition in STB Finance Docket No. 35002 which was in fact the quid pro quo for the Coalition's agreement to vacate the stays the Coalition filed in both matters. As referenced, these actions were taken pursuant to a Settlement Agreement between all of the parties to the above-referenced matters, UPRR, UTA, Coalition and the Savage Bingham & Garfield Railroad Company ("SBGR").

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The UPRR along with UTA and SBGR are of the opinion that the Appeal as filed by the Coalition is appropriate under STB Finance Docket No. 35002. UPRR is of the further opinion that if the Board has or retains jurisdiction to rule on petitions covering freight service issues raised by the Coalition, SBGR or UPRR on an over sight basis, the Appeal as it applies to STB Finance Docket No. 35008 is not needed and has the potential to delay the underlying asset transfer from UPRR to UTA and the subsequent commuter operations by UTA and freight operations by SBGR, assuming a favorable decision authorizing SBGR's freight operations from the Board in STB Finance Docket No. 35002.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. H. Shumate, Jr.', written over a horizontal line.

Mack H. Shumate, Jr.

Certificate of Service

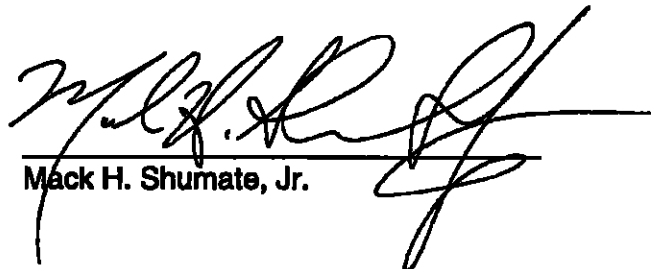
I hereby certify that I have this day caused a copy of the foregoing Reply of Union Pacific Railroad Company to be served by first class mail, properly addressed with postage prepaid upon the parties of record to this proceeding:

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Mack H. Shumate, Jr.

Dated: June 27, 2007