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VIA HAND DELIVERY

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

ENTERED
Office of Proceedings
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Part of
Public Record

Re: **Finance Docket No. 34114, Yolo Shortline Railroad Company - Lease and
Operation Exemption - Port of Sacramento**

**Finance Docket No. 34252, Union Pacific Railroad Company - Operation - 206541
Exemption - In Yolo County, California**

Dear Secretary Williams:

Please consider this letter as the statement of position by The Burlington Northern and Santa Fe Railway Company (BNSF) in the above-referenced proceedings. BNSF takes no position on the merits in either docket. However, BNSF requests that whatever decisions are reached by the Board not adversely impact BNSF's customer or facility access in the Sacramento area or BNSF's ability to provide efficient and reliable competitive service as envisioned by the Board when it approved the UP/SP merger.

In **Union Pacific Corp. -- Control -- Southern Pacific Rail Corp.**, 1 S.T.B 233 (1996), the Board imposed as a condition of approval of the merger the Settlement Agreement (Settlement Agreement) between Union Pacific and BNSF dated as of September 25, 1995, as amended and restated.¹ Under Section 1(b) of the Settlement Agreement, BNSF obtained access to certain so-called "2-to-1" points including the Johnson Industrial Park at Sacramento, West Sacramento (Farmers Rice) and the Port of Sacramento. BNSF obtained the right, *inter alia*, to serve all existing "2-to-1" industries and all transloads at those locations either (a) directly, (b) via UP reciprocal switching, or (c) with UP's consent, through a third party contractor. In addition, BNSF has access to any new

¹ On March 1, 2002, BNSF and UP jointly submitted a Restated and Amended Settlement Agreement to the Board in which BNSF and UP incorporated the modifications required as a result of Board decisions in the UP/SP merger proceeding served after the original Settlement Agreement was signed.

shipper facilities that locate at those points either directly, via reciprocal switching, or with UP's consent, through a third party contractor.

In view of these concerns, BNSF respectfully requests the Board to take no action which would adversely impact BNSF's access to points listed above or its ability to provide competitive service to shippers located at those points when it issues a decision in these two proceedings. Further, BNSF requests that the Board make it clear to all parties that the ongoing dispute which is the subject of these proceedings not be allowed to impact BNSF's service to the involved industries.

I am enclosing the original and ten copies of this letter as well as a diskette in WordPerfect 9. If anything further is needed, please give me a call. I further certify that a copy of this letter has been sent via overnight delivery to all known parties of record.

Sincerely,

Michael E. Roper

Michael E. Roper

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