

BNSF

MICHAEL E. ROPER
Senior General Attorney

The Burlington Northern and
Santa Fe Railway Company
2500 Lou Menk Drive
Fort Worth, Texas 76131-2828
(817) 352-2353 - Telephone
(817) 352-2397 - Fax
Michael.Roper@BNSF.com



November 1, 2002

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
NOV 1 2002
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

Cc: David McGaw
General Manager
Yolo Shortline Railroad Company
341 Industrial Way
Woodland, CA 95776-6012

John G. Sulpizio
Port Director
Port of Sacramento
West Sacramento, CA 95798-0070

Curt Graham
Farmers Rice Cooperative
2525 Natomas Park Drive
Sacramento, CA 95833-2927

Robert T. Opal
General Commerce Counsel
Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179-0001