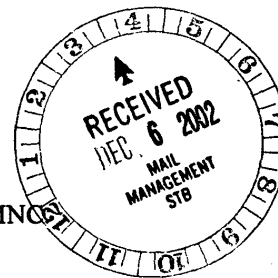


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SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34286

FORT WORTH AND WESTERN RAILROAD COMPANY, INC.
--ACQUISITION AND OPERATION EXEMPTION--
UNION PACIFIC RAILROAD COMPANY



NOTICE OF EXEMPTION OF
FORT WORTH AND WESTERN RAILROAD COMPANY, INC.

FILED
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DEC 06 2002

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ENTERED
Office of Proceedings

DEC 06 2002

Part of
Public Record

FEE RECEIVED

DEC 06 2002

SURFACE
TRANSPORTATION BOARD

Paul H. Lamboley
1701 Pennsylvania Ave., NW
Suite 300
Washington, DC 20006
Tel. 202.879.2623

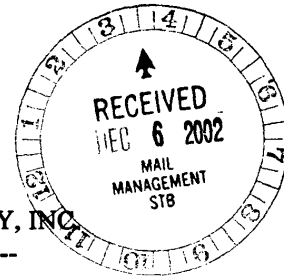
Counsel for Fort Worth and
Western Railroad Company

November 26, 2002

SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34286

FORT WORTH AND WESTERN RAILROAD COMPANY, INC.
--ACQUISITION AND OPERATION EXEMPTION--
UNION PACIFIC RAILROAD COMPANY



NOTICE OF EXEMPTION OF
FORT WORTH AND WESTERN RAILROAD COMPANY, INC.

Pursuant to provisions of 49 C.F.R. Part 1150, Subpart E, Fort Worth and Western Railroad Company, Inc. (FWWR) files this verified notice of exemption from requirements of 49 U.S.C. 10902, for acquisition and operation, under an agreed supplement to an existing lease agreement with Union Pacific Railroad Company (UP), of certain portions of UP's rail lines known as the Everman Industrial Lead near Everman, TX, together with acquisition of incidental trackage rights accessing the Everman Lead, for the purpose of interchange of traffic between the parties through UP's Peach Yard in Fort Worth, TX.

In support of this notice application, FWWR submits the following:

Section 1150.43(a) and (b)
Identification of Applicant and Representative

Applicant Fort Worth and Western Railroad Company, Inc. (FWWR), is a Texas corporation with principal offices at 6300 Ridglea Place, Suite 1200, Fort Worth, TX 76116.

Applicant is a "Class III rail carrier", as defined by 49 U.S.C. 10102(5) and 49 C.F.R. Part 1202 Subpart A 1-1, which owns and operates some 155 miles of rail lines, and operates some 97 miles of rail lines under various trackage rights agreements, all in the state of Texas.

Applicant's representative who should receive all pleadings and correspondence is Paul H. Lamboley, 1701 Pennsylvania Avenue, N.W., Suite 300, Washington, DC 20006. Tel. 202.879.2623.

Section 1150.43(c)
Date and Commencement of Agreement(s)

The First Supplemental Agreement and incidental trackage rights agreements between FWWR and Union Pacific Railroad Company (UP) have been reached, and their documentation has been duly executed by the respective parties. By their terms, the agreements shall commence five (5) days after UP's written notice to FWWR of evidence of satisfactory compliance with conditions precedent, including all requisite regulatory approvals or exemptions.

Section 1150.43(d)
Identification of Operators of the Subject Property(s)

UP is currently the owner and operator of the subject rail lines. Upon execution and commencement of the agreements, FWWR will be the full and exclusive use operator of the subject rail lines acquired by lease and will be a non-exclusive use operator on the rail lines acquired by incidental trackage rights.

Sections 1150.43(e)(1)-(4)
Summary of the Proposed Transaction(s)

Transferor/grantor Union Pacific Railroad Company (UP) is a Delaware corporation with principal offices at 1416 Dodge Street, Omaha, NE 68179. UP is a "Class I rail carrier", as defined by 49 U.S.C. 10102(5) and 49 C.F.R. Part 1201 Subpart A 1-1, which owns and operates rail lines in Western United States, including the state of Texas.

UP and FWWR have previously entered into related agreements by which UP leased its Peach Yard to FWWR, not including UP main line trackage (Lease Agreement) and granted incidental trackage rights to FWWR over certain portions of UP's main line (Trackage Rights Agreement). The agreements were essential elements of an integrated plan to facilitate and improve the interchange of traffic between UP and FWWR and became effective January 2, 2002 pursuant to notice of exemption filed in Finance Docket No. 34131, Fort Worth And Western Railroad Company, Inc.--Acquisition And Operation Exemption--Union Pacific Railroad Company.

As supplements to the existing lease and trackage rights agreements, UP and FWWR have now entered into related agreements by which UP leased its Everman Industrial Lead to FWWR, (First Supplemental Lease Agreement) and granted incidental trackage rights to FWWR over certain portions of UP's rail lines connecting the Everman Lead with Peach Yard (Supplement to Trackage Rights Agreement) to further facilitate and improve the interchange of traffic between UP and FWWR augmenting the existing Peach Yard Lease Agreement.

Under the First Supplemental Agreement to the Lease Agreement, UP, as lessor, transferred full and exclusive use of certain UP rail lines to FWWR, as lessee. The subject rail lines and property, i.e. leased premises, are known as UP's Everman Industrial Lead, which extends from clearance point near milepost 244.98 in UP's Ginnie Yard to the end of the line near milepost 251.90, including the Carter Industrial Park spur, in Fort Worth, TX near Everman, TX, not including main line trackage.

Under the related incidental Supplement to Trackage Rights Agreement, UP granted to FWWR the non-exclusive right to use and operate on certain portions of UP's main lines, solely for the purpose of interchanging traffic, utilizing the connection tracks of the northeast and southeast quadrant legs of the wye at Tower 55 off the Choctaw Subdivision in Fort Worth, TX in an easterly direction to connections on both main lines on the Dallas Subdivision, including a crossover between mileposts 245.41 and 245.35 just west of Ginnie Yard, to access track in Ginnie Yard at milepost 245.2 and make a connection with the Everman Industrial Lead at milepost 244.98.

The total route miles of trackage acquired under lease is 6.92 mile, and that acquired under incidental trackage rights are roughly 0.60 miles.

FWWR continues to use Peach Yard as a primary location for interchange, switch and set-out of UP traffic. The related incidental trackage rights will provide FWWR with additional trackage for flexible entry and egress at Peach Yard over which to move interchange traffic to/from the leased premises, the Everman Industrial Lead.

The Everman Industrial Lead as currently used by UP serves a limited number of shippers. Traffic is relatively light and considerable expense is required to maintain the lines. This transaction promotes effective coordination of traffic interchange between UP and FWWR. Lease of the Everman Industrial Lead, with incidental trackage rights, encourages FWWR to make appropriate investments in line maintenance, modifications and improvements that enhance financial viability and operations, and provide more frequent, more efficient interchange resulting in improved rail service for shipper customers.

Section 1150.43(f)
Maps of Subject Property(s)

The map of the subject rail lines acquired under lease, known as Peach Yard, is attached hereto as Exhibit A-1. The maps of the subject rail lines acquired under incidental trackage rights are attached hereto as Exhibit A-2.

Sections 1150.42(a), (e) and .43(g)
Class III Revenue and Notice Certification

The projected annual revenue of the rail lines acquired by FWWR, together with the projected annual revenue of FWWR, will not exceed the annual revenue of a Class III railroad. Therefore, the projected revenue as a result of the transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under Section 1150.45.

However, the projected annual revenue of the rail lines to be acquired by FWWR, together with the projected annual revenue of FWWR, will exceed the sum of \$5 million. Thus, posting of an appropriate notice at the workplace of employees on the affected lines(s) and service of a copy of the notice on the national offices of the labor unions of with employees on the affected line(s) is required under Section 1150.42(e), and was undertaken on October 4, 2002.

FWWR certifies that it has complied with the posting and service requirements of Section 1150.42(e). A copy of the notice posted and served is attached hereto as Exhibit B.

The notice states that FWWR intends to carry out Everman Industrial Lead interchange operations with its current employees and that no additional employment with FWWR is expected to be available on the subject lines as a result of the proposed transaction.

Section 1150.42(d)
Historic Preservation

FWWR will preserve intact any and all sites and structures on the subject property that are more than 50 years old until compliance with Section 1056 of the National Historic Preservation Act, 16 U.S.C. 470f, is achieved. Moreover, since the proposed transaction proposes to continue operations where cessation would require Board approval and does not include any plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older, no historic preservation report is required under provisions of 49 C.F.R. 1105.8(b)(1). And since there will not be any substantial change in the maintenance of commonly used trackage rights property no report is required under provisions of Section 1105.8(b)(3).

Section 1105.6(c)(2)
Environmental Documentation

Since the proposed transaction will not result in significant changes in carrier operations no environmental documentation is required under the criteria of 49 C.F.R. 1105(c)(2).

Section 1150.44
Caption Summary

A caption summary of the proposed transaction suitable for publication in the Federal Register is attached hereto as Exhibit C.

Respectfully submitted,



Paul H. Lamboley
1701 Pennsylvania Avenue, NW
Suite 300
Washington, DC 20006
Tel. 202.879.2623

Counsel for Fort Worth and
Western Railroad Company, Inc.

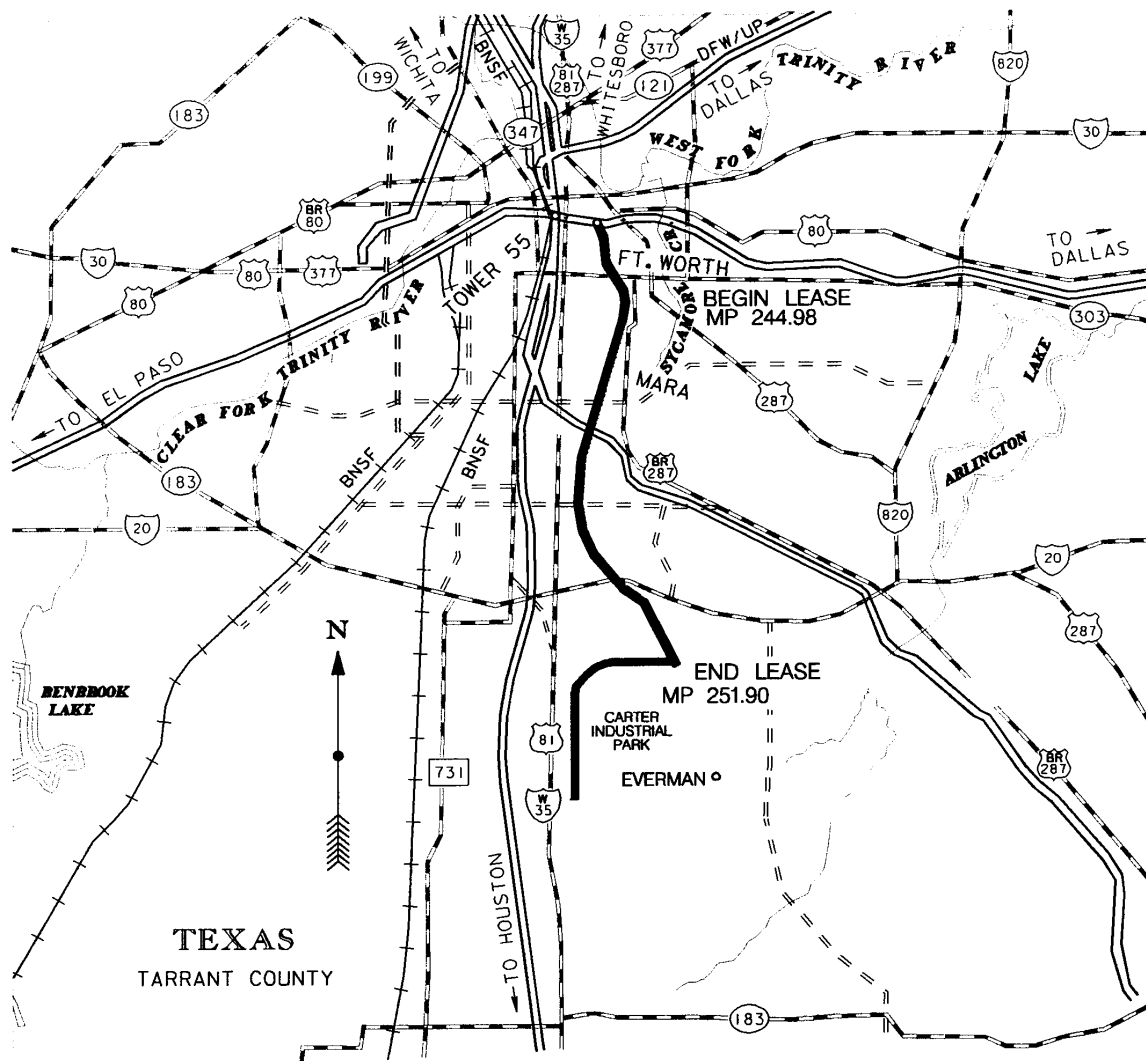
Dated: November 28, 2002

EXHIBIT A
MAPS OF SUBJECT PROPERTY(S)

EXHIBIT A-1
MAP OF LEASED PREMISES

EXHIBIT A-2
MAPS OF INCIDENTAL TRACKAGE RIGHTS

EXHIBIT A-1
MAP OF LEASED PREMISES

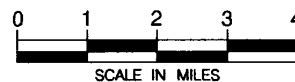


EVERMAN BRANCH

MP 244.98 TO MP 251.90
EVERMAN BRANCH A TOTAL OF 6.92 MILES
TARRANT COUNTY, TEXAS

EXHIBIT "A"

UNION PACIFIC RAILROAD CO.
EVERMAN BRANCH



LEGEND

- LEASE PREMISES
- OTHER UPRR LINES
- OTHER RAILROADS
- PRINCIPAL HIGHWAYS
- OTHER ROADS

Q:\ABANDONMENTS\AB0321_EVERMAN.DGN SEPTEMBER 27, 2002

EXHIBIT A-2
MAPS OF INCIDENTAL TRACKAGE RIGHTS

Exhibit 'B-2' - Trackage Rights Supplement
Fort Worth and Western RR
On Union Pacific
 As per Supplement dated November 26, 2002

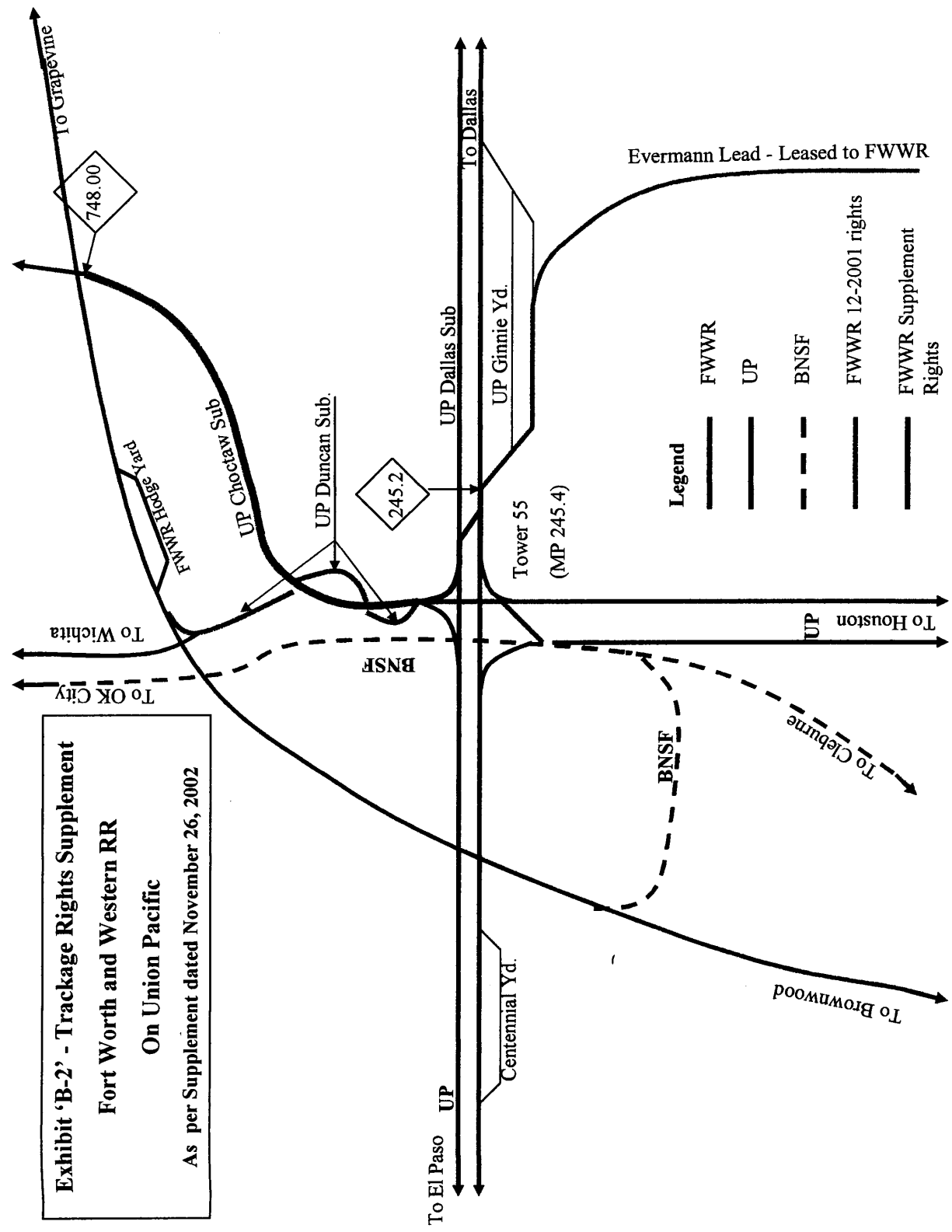


EXHIBIT B
EMPLOYEE NOTICE POSTED AND SERVED

FORT WORTH & WESTERN RAILROAD

A Tarantula Corporation Company

October 4, 2002

Mr. Don M. Hahs
International President
Brotherhood of Locomotive Engineers
1370 Ontario St.
Cleveland, OH 44113-1702

Mr. Byron A. Boyd, Jr.
President
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107

Mr. W. D. Pickett, Jr.
President
Brotherhood of Railroad Signalmen
P. O. Box U
Mr. Prospect, IL 60056

Mr. M. A. Fleming
President
Brotherhood of Maintenance of
Way Employees
26555 Evergreen Rd. Suite 200
Southfield, MI 48076

Dear Sirs:

Enclosed is our "NOTICE OF INTENTION TO ACQUIRE AND OPERATE CERTAIN RAIL LINES UNDER LEASE AND INCIDENTAL TRACKAGE RIGHT" regarding our lease of the Union Pacific Railroad Company's Everman Industrial Lead in Fort Worth, TX.

If you have any questions concerning this notification, please call me at the number listed below.

Sincerely,


Robert C. Roberson
Chairman & CEO

CC: Mr. John E. Rice
Director Terminal Operations
Union Pacific Railroad Company
5701 West Vickery Blvd.
Ft. Worth, TX 76107

6300 Ridglea Place, Suite 1200, Fort Worth, TX 76116-5738
Phone 817-763-8297 Fax 817-738-9657

FORT WORTH & WESTERN RAILROAD

A Tarantula Corporation Company

NOTICE OF INTENTION TO ACQUIRE AND OPERATE CERTAIN RAIL LINES UNDER LEASE AND INCIDENTAL TRACKAGE RIGHT

Fort Worth and Western Railroad Company, Inc. (FWWR) hereby gives notice of its intention to acquire and operate certain rail lines of the Union Pacific Railroad Company (UP) as a result of lease and incidental trackage rights agreements entered into between FWWR and UP for purposes of interchange of traffic between the parties.

Under the lease, FWWR will acquire the exclusive right to use and operate leased premises known as UP's EVERMAN Industrial Lead, extending from the clearance point near milepost 244.98 to the end of the line near milepost 251.90 near Everman, TX in Fort Worth, not including UP main line trackage.

Under the incidental trackage rights, FWWR will acquire the non-exclusive right to use and operate on certain portions of UP's main line for the purpose of traffic interchange: i.e. between the connection of the northeast quadrant of the wye at Tower 55 off the Choctaw Subdivision at mileposts 754.44 to a connection at milepost 245.42 thence to milepost 245.34 on the Dallas Subdivision accessing Ginnie Yard and making connection with the Everman Industrial Leased at milepost 244.98.

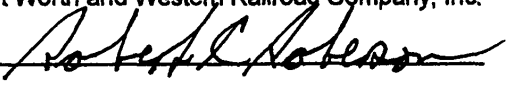
FWWR intends to file notice of exemption to acquire and operate the rail lines under lease and incidental trackage rights under 49 USC 10902 pursuant to regulations in 49 CFR Part 1150, Subpart E.

For interchange operations on the rail lines under lease and trackage rights, FWWR intends to use its current employees, and no additional employment with FWWR is expected to be available on the subject lines as a result of the proposed transaction.

This notice is being posted at the workplace of employees on the affected line(s), as well as being served upon the national offices of the labor unions with employees on the affected line(s), at least 60 days before the exemption becomes effective as required by 49 CFR 1150.42(e).

Dated: October 4, 2002

Fort Worth and Western Railroad Company, Inc.

By 

cc: Brotherhood of Locomotive Engineers
Brotherhood of Maintenance of Way Employees
Brotherhood of Railroad Signalmen
United Transportation Union

6300 Ridglea Place, Suite 1200, Fort Worth, TX 76116-5738
Phone 817-763-8297 Fax 817-738-9657

FORT WORTH WESTERN DALLAS SUBDIVISION TRACKAGE RIGHTS

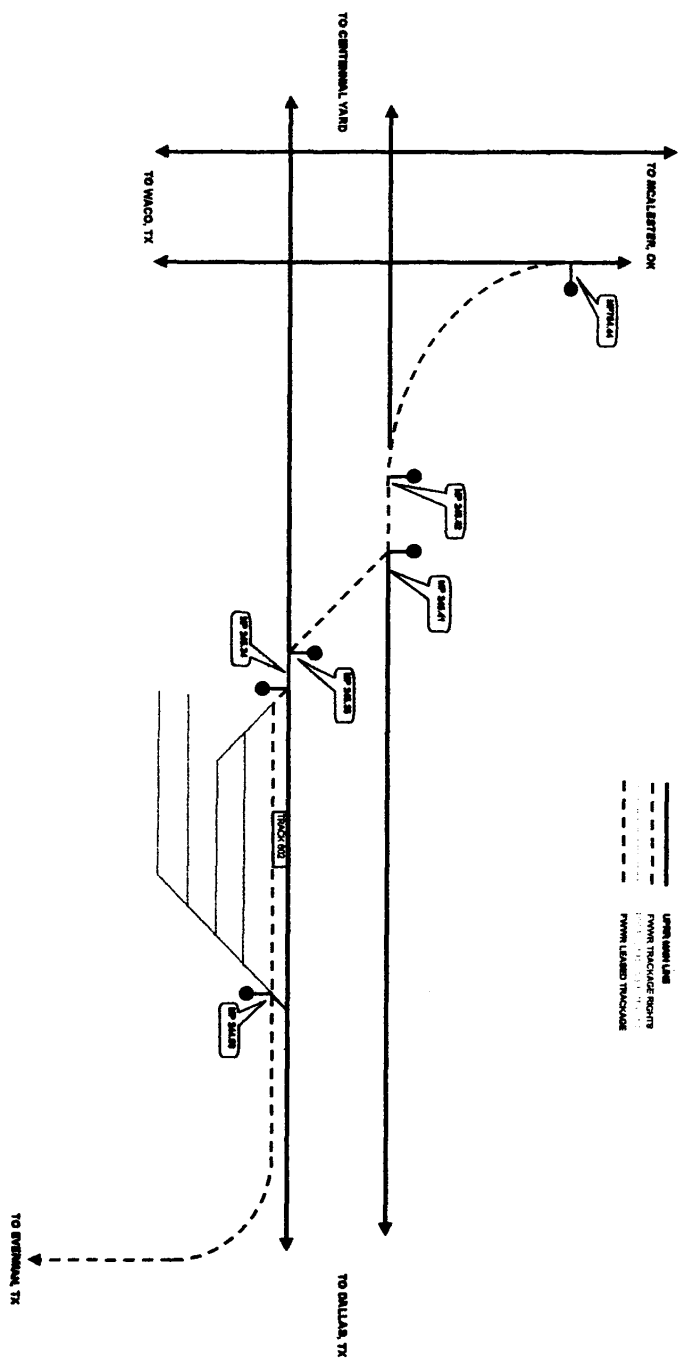


EXHIBIT C
CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 34286

FORT WORTH AND WESTERN RAILROAD COMPANY, INC.
--ACQUISITION AND OPERATION EXEMPTION--
UNION PACIFIC RAILROAD COMPANY

Fort Worth and Western Railroad Company, Inc. (FWWR) has filed a verified notice of exemption under 49 C.F.R. 1150 Subpart E to acquire the exclusive right to use and operate under supplemental lease agreement with Union Pacific Railroad Company (UP) that certain portion of UP's rail lines known as Everman Industrial Lead, which extends from clearance point near milepost 244.98 in Ginnie Yard to the end of the line near milepost 251.90, including the Carter Industrial Park spur, in Fort Worth, TX near Everman, TX, not including main line trackage.

FWWR's notice of exemption also includes acquisition of non-exclusive rights to use and operate under supplemental incidental trackage rights agreement certain portions of UP's main lines solely for the purpose of interchanging traffic, utilizing the connection tracks of the northeast and southeast quadrant legs of the wye at Tower 55 off the Choctaw Subdivision in Fort Worth, TX in an easterly direction to connections on both main lines of the Dallas Subdivision, including a crossover between mileposts 245.41 and 245.35 just west of Ginnie Yard, to access track in Ginnie Yard at milepost 245.2 and make a connection with the Everman Industrial Lead at milepost 244.98.

In its notice of exemption, FWWR has certified that posting and service of the notice required under 49 C.F.R. 1150.42(e) was undertaken on October 4, 2002.

The earliest the transaction could be consummated is December 15, 2002, the earliest effective date of the exemption following the 60 day post-notice period required under 49 C.F.R. 1150.42(e) and filing under 1150.42(b).

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502 (d) may be filed at any time. However, the filing of a petition to revoke will not automatically stay the transaction.

An original and ten (10) copies of all pleadings in this proceedings, STB Finance Docket No. 00000, 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 FWWR's representative: Paul H. Lamboley, 1701 Pennsylvania Avenue, N.W., Suite 300, Washington, DC 20006, Tel. 202.879.2623.

Decided: December __, 2002

By the Board: David M. Konschnik, Director, Office of Proceeding

Vernon A. Williams
Secretary

VERIFICATION

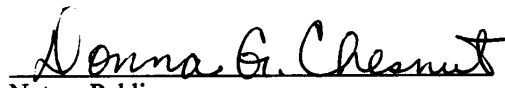
State of Texas)
)
County of Tarrant) SS:

Jim M. Martin, being duly sworn, deposes and says that he has read the foregoing Notice of Exemption and has personal knowledge of the facts asserted therein, and that the same are true as stated.



Jim M. Martin, President & COO
Fort Worth & Western Railroad Company, Inc.

SUBSCRIBED AND SWORN TO
Before me this 26th day of November, 2002



Notary Public

My Commission expires: 2/28/2003

