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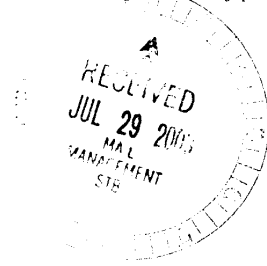
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July 29, 2003



ENTERED
Office of Proceedings

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Part of
Public Record

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

RE: Docket No. AB-33 (Sub-No. 163X), *Union Pacific Railroad Company—
Abandonment Exemption—in Lamar and Fannin Counties, TX (Bonham Subdivision
between Paris and Bonham, TX)* 208549
Docket No. AB-364 (Sub-No. 8X), *Texas Northeastern Division, Mid-Michigan
Railroad, Inc.—Discontinuance Exemption—in Lamar and Fannin Counties, TX (Bonham
Subdivision between Paris and Bonham, TX)* -208551

Dear Secretary Williams:

By letter dated July 24, 2003, in the above-entitled proceeding, the Union Pacific Railroad Company ("UP") confirmed to the Surface Transportation Board (the "Board") that it had agreed to transfer its right-of-way between milepost 94.0, near Paris, TX on the east, and milepost 127.5, east of Bonham, TX on the west (the "Line"), to the Fannin Rural Rail Transportation District ("FRRTD") pursuant to 49 U.S.C. § 10904. Pursuant to 49 C.F.R. § 1152.27(f)(2), the Board should approve the transfer and dismiss the notice of exemption for the UP abandonment.

The Texas Northeastern Division, Mid-Michigan Railroad, Inc. ("TNER") operates over the Line pursuant to a lease and filed a notice of exemption to discontinue service over the Line concurrently with UP's notice of exemption to abandon the Line. TNER will not be involved in operating the Line once it is acquired by FRRTD. In order to terminate its common carrier obligation over the Line, TNER respectfully requests the Board to reinstate the discontinuance notice of exemption and to make it effective on the date of service in the same decision that it approves the transaction between UP and FRRTD.

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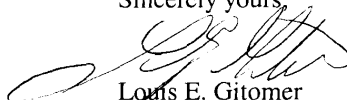
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Enclosed are the original and 10 copies of this letter. Please time and date stamp the additional copy of this letter and return it with our messenger. Thank you for your assistance. If you have any questions, call or email me.

Sincerely yours

A handwritten signature in black ink, appearing to read "L. Gitomer", written over the printed name.

Louis E. Gitomer

Attorney for The Texas Northeastern
Division, Mid-Michigan Railroad, Inc.

Cc: Parties of record