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Public Record

November 7, 2002

Via Fax (202) 565-9004 and
UPS Overnight

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



RE: Finance Docket No. 34114 – Yolo Shortline Railroad Company -
Lease and Operation Exemption – Port of Sacramento

Dear Mr. Williams:

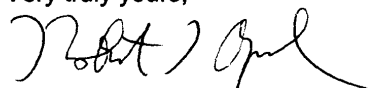
This refers to the "Reply to Petition to Revoke Exemption" filed by Yolo Shortline ("YSLR") in the above proceeding on November 6.

Since the Board's Rules of Practice prohibit a Reply to Reply, we do not intend to respond to the substance of the YSLR filing. However, we feel it necessary to comment on YSLR's claim (at p. 12 of its Reply) that it sent a copy of its Notice of Exemption "to Charles Penner at UP's headquarters in Omaha."

There is nothing in the Yolo Notice of Exemption or the transmittal letter accompanying it that indicates service on anyone at UP. Further, there was no "Charles Penner" employed by UP at Omaha or anywhere else when the YSLR notice was filed in October, 2001. There had been a "Charles Penner" in UP's Industrial Development Department, but he had left the company earlier in 2001. It is unclear to us why, if YSLR really did send a copy of its notice to UP, it would have addressed it to Mr. Penner in any case, since Mr. Penner was not responsible for dealings with YSLR when he was with UP. YSLR was well aware, from numerous contacts with UP during 2001, that its point of contact with UP in Omaha was John J. Miller, in UP's short line group. This is confirmed by the E-Mail note from YSLR to UP dated October 3, 2001 (13 days prior to the filing of the notice of exemption) attached as Exhibit A to YSLR's Reply, which is addressed to Mr. Miller and to Warren C. Wilson, the head of the UP short line group. We further note that, when YSLR sent something to UP that it really wanted UP to see (its November 16, 2001 notice of termination, attached as Exhibit 3 to UP's Petition to Revoke), it had no difficulty addressing it to someone that actually worked for UP and was familiar with YSLR.

An additional ten copies of this letter are enclosed with the mail copy of the original for the Board's files.

Very truly yours,



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