

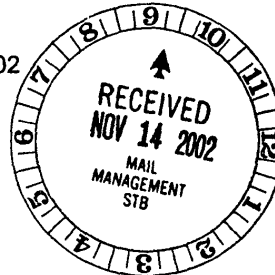
Law Department

UNION PACIFIC RAILROAD COMPANY



1416 DODGE STREET
ROOM 830
OMAHA, NEBRASKA 68179-0001
FAX (402) 271-5610

November 13, 2002



VIA FAX to (202) 565-9004 and UPS Next Day Air

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

Re: Finance Docket No. 34252; Union Pacific Railroad Company - Operation
Exemption - In Yolo County, California

Dear Mr. Williams:

This refers to the November 13, 2002, letter to the Board from counsel for Yolo Shortline Railroad concerning the request made by the Board in its November 8, 2002, decision that the parties "maintain the status quo until this agency acts on Yolo's petition to reject the UP notice."

Yolo's November 13 letter attaches a copy of a November 8 proposal Yolo made to UP on the above request, and then makes passing reference to a response by UP. In fact, UP responded in writing to Yolo's proposal on November 12, pointing out that the conditions Yolo proposed were inconsistent with the Board's status quo request and showed that Yolo did not intend to fully comply with the Board's request. We do not understand why Yolo's counsel chose to furnish the Board with their November 8 proposal without also furnishing a copy of UP's November 12 response. A copy of UP's November 12 response is attached to this letter.

Yolo's November 13 letter also complains that UP "had a full year" to seek Board authority for its operation, but waited "until the eleventh hour" before filing its notice of exemption. The reason for the timing of UP's notice in this case and UP's petition to revoke Yolo's acquisition exemption in Finance Docket No. 34114 was that UP first attempted to reach a negotiated solution with the Port before seeking relief from the Board, as explained in the Declaration of Warren C. Wilson in Finance Docket No. 34114, pp 13-14. These efforts continued until August 21, 2002, when the Port rejected UP's proposal to maintain the Port track at UP expense. UP then started the process for filing the notice of exemption in the above proceeding, beginning with the posting and service of a labor notice on September 11, 2002.

An additional 10 copies of this letter are enclosed for the Board's files

Very truly yours,

Robert T. Opal
General Commerce Counsel
Phone: 402/271-3072
Fax: 402/271-5610

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Office of Proceedings

NOV 14 2002

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cc: *(Via FAX to 202/628-2011)*
Jo A. DeRoche
Weiner Brodsky Sidman Kider, P.C.
1300 19th Street, N.W.
Fifth Floor
Washington, D.C. 20036

Att.

Law Department

UNION PACIFIC RAILROAD COMPANY



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November 12, 2002

Via Fax (202) 628-2011

Jo A. DeRoche
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW
Fifth Floor
Washington DC 20036

RE: Finance Docket No. 34252 - Union Pacific Railroad Company -
Operation Exemption - In Yolo County, CA

Dear Ms. DeRoche:

This is in response to your letter of November 8, 2002 concerning my letter of the same date. Your letter proposes that UP be permitted to continue operating under the 1951 Agreement "until the sooner of 1) 30 days from the date of this letter agreement or 2) the Board acts on Yolo's petition to reject UP's notice of exemption." As a clarification, while you describe my November 8 letter as having been "to Mr. Williams" (presumably the Secretary of STB), it was not sent to STB.

We do not agree that continuing the status quo for the "sooner of 30 days from the date of this letter agreement" or Board action on Yolo's petition is consistent with the request made by the Board in its November 8 decision. The Board's November 8 decision urges the parties "to maintain the status quo until this agency acts on Yolo's petition to reject UP's notice". There is no mention of a 30 day period or any other arbitrary limit. UP is willing to comply with the Board's request without reservation. If your client is not willing to extend the status quo for more than 30 days, you should advise the Board to that effect, so the Board is aware that your client does not intend to fully comply with its request.

Please contact me should you wish to discuss.

Very truly yours,

Robert T. Opal
General Commerce Counsel
Phone: (402) 271-3072
Fax: (402) 271-5610