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November 8, 2002



Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Suite 700
Washington, DC 20423

RE: Finance Docket No. 34213, *Puget Sound & Pacific Railroad—
Lease and Operation Exemption—Union Pacific Railroad Company*

Dear Secretary Williams:

Puget Sound & Pacific Railroad ("PSPR") hereby certifies that on October 2, 2002, NCVR posted the attached Notice at the workplace of the employees on the rail line that is the subject of this transaction and on October 2, 2002 PSPR served a copy of the Notice on the national offices of all labor unions with employees on the affected line. An original and ten copies of this letter and attachment are enclosed.

Please time and date stamp the extra copy of this letter and return it with our messenger.

If you have any questions, please call or email me.

Sincerely yours,

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Public Record

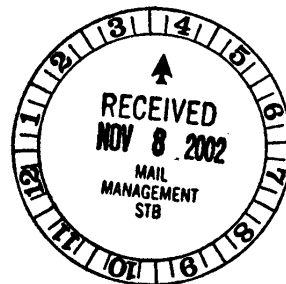
Louis E. Gitomer
Attorney for Puget Sound & Pacific
Railroad

Enclosure

UNION PACIFIC RAILROAD COMPANY

NOTICE TO EMPLOYEES

OCTOBER 2, 2002



Union Pacific Railroad Company ("UP") intends to lease a portion of the Grays Harbor Subdivision from a connection with the PSAP's operated line at Blakeslee Junction, WA (M.P. 2.41) to the end of the existing line at Raisch, WA (M.P. 4.26) (the Raisch Line) to the Puget Sound & Pacific Railroad (PSAP). The PSAP intends to file prior to December 1, 2002, with the Surface Transportation Board (STB) a Notice of Exemption pursuant to the provisions of 49 CFR § 1150.41-.44 to lease the Raisch Line.

No rearrangement of forces will be required on the UP as a result of this transaction and it is not anticipated there will be any effect on UP employees. No additional jobs will be available on the PSAP.

//Signed//

Puget Sound & Pacific Railroad, Inc.

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