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September 10, 2004

VIA UPS NEXT DAY AIR

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

FILED
SEP 13 2004
SURFACE
TRANSPORTATION BOARD

**RE: Proposed Abandonment of the St. Joseph Industrial Lead
from M. P. 2.52 near Elwood to M. P. 33.60 near Robinson,
a distance of 30.98 miles in Brown and Doniphan Counties, Kansas;
STB Docket No. AB-33 (Sub-No. 220X)**

Dear Mr. Williams:

Pursuant to 49 U.S.C. §10502, Union Pacific Company submits the original and ten (10) copies of a Petition for Exemption, with Verification, to abandon the above-referenced rail line. The Certificate of Service and Publication pursuant to 49 C.F.R. §1152.60(d) and 49 C.F.R. §1105.12 is attached to the petition.

Also enclosed is a draft Federal Register notice pursuant to 49 C.F.R. §1152.60(c). Three computer diskettes containing the draft Federal Register notice, as well as the Petition for Exemption and Certificate of Service and Publication is also enclosed.

Please file the Petition for Exemption in Docket No. AB-33 (Sub-No. 220X). Enclosed is a voucher for \$4,700 for the filing fee.

Sincerely yours,

ENTERED
Office of Proceedings

SEP 14 2004

Part of
Public Record

Enclosures

FEE RECEIVED

SEP 13 2004

SURFACE
TRANSPORTATION BOARD

Mack H. Shumate, Jr.
Senior General Attorney, Law Department

O:\ABANDONMENTS\33-220X\STB.DOC

UNION PACIFIC RAILROAD
101 N. Wacker Dr., Rm. 1920, Chicago, IL 60606-1718
ph. (312) 777-2055 fx. (312) 777-2065

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Mr. Vernon Williams
Surface Transportation Board
September 10, 2004
Page 2

cc (w/ enclosures):

Transportation Planning Bureau
Kansas Department of Transportation
Docking State Office Building
915 West Harrison
Topeka, KS 66612

Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604

Kansas Department of Health and Environment
1000 SW Jackson
Topeka, KS 66612

County Commissioners
Brown County Courthouse
607 Oregon Street
Hiawatha, KS 66434-2241

County Commissioners
Doniphan County Courthouse
P. O. Box 278
Troy, KS 66087-0278

U.S. Environmental Protection Agency
Region 7
901 North 5th Street
Kansas City, KS 66101

U.S. Fish & Wildlife Service
Kansas Field Office
315 Houston Street, Suite E
Manhattan, KS 66502-6172

Mr. Vernon Williams
Surface Transportation Board
September 10, 2004
Page 3

U.S. Army Engineer Division - Kansas City District
700 Federal Building
Kansas City, MO 64106-2896

National Park Service
William D. Shaddox
Chief, Land Resources Division
1849 "C" St., N. W., #MS3540
Washington, DC 20240

Natural Resource Conservation Service
760 South Broadway
Salina, KS 67401

National Geodetic Survey
Edward J. McKay, Chief
Spatial Reference System Division
NOAA N/NGS2
1315 E-W Highway
Silver Spring, MD 20910-3282

Kansas State Historical Society
6425 SW Sixth Avenue
Topeka, KS 66615

Wildlife & Parks Department
900 Southwest Jackson Street, #502 N
Topeka, KS 66612

Water Resources Division
921 S. Kansas Ave., Fl 2
Topeka, KS 66612

BEFORE THE
SURFACE TRANSPORTATION BOARD

FILED

SEP 13 2004

Docket No. AB-33 (Sub-No. 220X)

UNION PACIFIC RAILROAD COMPANY **SURFACE
TRANSPORTATION BOARD**
-- ABANDONMENT EXEMPTION --
IN BROWN AND DONIPHAN COUNTIES, KANSAS
(ST. JOSEPH INDUSTRIAL LEAD, KANSAS)

PETITION FOR EXEMPTION

ENTERED
Office of Proceedings

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Public Record

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SEP 13 2004

**SURFACE
TRANSPORTATION BOARD**

UNION PACIFIC RAILROAD COMPANY

Mack H. Shumate, Jr.
Senior General Attorney
101 North Wacker Drive
Room 1920
Chicago, IL 60606
Tel: 312/777-2055
Fax: 312/777-2065

Dated: September 10, 2004
Filed: September 13, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. AB-33 (Sub-No. 220X)

UNION PACIFIC RAILROAD COMPANY
-- ABANDONMENT EXEMPTION --
IN BROWN AND DONIPHAN COUNTIES, KANSAS
(ST. JOSEPH INDUSTRIAL LEAD, KANSAS)

PETITION FOR EXEMPTION

I.

INTRODUCTION

Union Pacific Railroad Company ("UP") hereby petitions the Board, pursuant to 49 U.S.C. §10502, to grant an exemption from the prior approval requirements of 49 U.S.C. §§10903 in order to permit abandonment of operations over the St. Joseph Industrial Lead, from Milepost 2.52 near Elwood, Kansas to Milepost 33.60 near Robinson, Kansas (the "Line"), a distance of 30.98 miles in Brown and Doniphan Counties, Kansas (13.9 equals 14.0). The sole active customer on the Line is Wathena Grain ("Wathena Grain"), P.O. Box 249, Wathena, Kansas 66090. Wathena Grain utilized a track near the east end of the Line in Wathena for the receipt of fertilizer. Two (2) cars in 2002, five (5) cars in 2003 and one (1) car in the first quarter of 2004. For the Base Year, April 1, 2003 to March 31, 2004, the Line had 5 railcar loads. The Forecast year activity is projected to be the same at 5 railcar loads per year. Given the small amount of traffic handled on the Line in both the Base Years and Forecast Year, there will be minimal adverse shipper impact due to the proposed abandonment of the Line.

UP seeks exemption of this proposed abandonment from regulation under 49 U.S.C. §10903 in accordance with 49 U.S.C. §10502 and the Rules applicable thereto at 49 C.F.R. §1121 and 49 C.F.R. §1152 and the Special Rules at 49 C.F.R. §1152.60.

II.

PETITIONER'S BACKGROUND AND REPRESENTATIVE

UP has rail operations in the States of Arizona, Arkansas, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, Oklahoma, Oregon, Tennessee, Texas, Utah, Washington, Wisconsin and Wyoming. UP owns and operates the Line proposed for abandonment which is located near the Cities of Robinson, Brown County, Kansas on the west and Elwood, Doniphan County, Kansas on the east, with the Cities of Leona, Severence, Troy and Wathena in between.

The name, address and telephone number of UP's representative is listed below:

Mack H. Shumate, Jr.
Senior General Attorney
101 North Wacker Drive
Room 1920
Chicago, IL 60606
Tel: 312/777-2055
Fax: 312/777-2065

III.

LINE DESCRIPTIONS, ZIP CODE INFORMATION AND MAP

The proposed action involves the abandonment and discontinuance of service over the St. Joseph Industrial Lead from M.P. 2.52 near Elwood, Kansas to M.P. 33.60 near Robinson, Kansas, a distance of 30.98 miles, in Brown and Doniphan Counties, Kansas.

The segment of the Line from milepost 2.52 to milepost 7.5 was constructed in 1857 by the Marysville or Palmetto and Roseport Railroad. The segment of the Line from milepost 7.5 to milepost 13.9 (13.9 equals 14.0) was constructed in 1888 by the Chicago, Kansas & Nebraska Railway Company. The balance of the Line was constructed by the St. Joseph and Denver City Railroad Company in 1872. UP sold the Line to the Northeast Kansas & Missouri Division of Mid-Michigan Railroad in 1990 and reacquired it in 1999. The Line is constructed primarily with 131 or 133-pound jointed rail, except for 6.5 miles of 90-pound jointed rail.

The property is generally not suitable for other public purposes including roads or highways, other forms of mass transportation, conservation, energy production or transmission, as this area is adequately served by existing roads and utility lines at the present time. However, the Nebraska Trails Foundation has expressed an interest in acquiring the Line as a recreational trail. The land proposed for abandonment is mostly reversionary. Based on information in UP's possession, the Line does not contain federally granted right-of-way.

The Line traverses U.S. Postal Service Zip Codes 66024, 66087, 66090, 66434 and 66532.

A map of the Line is attached hereto as **Attachment 1** and hereby made a part hereof.

IV.

SHIPPER INFORMATION

Only one customer used the Line during 2003 and in the first quarter of 2004. The customer and associated rail shipment activity levels are as follows:

Wathena Grain
P. O. Box 249
Wathena, KS 66090

2002: Anhydrous Ammonia, STCC 2819815, **2 cars**, 154 tons.

2003: Urea, STCC 2818170, **2 cars**, 196 tons.
Anhydrous Ammonia, STCC 2819815, **3 cars**, 227 tons.

First Quarter 2004: Anhydrous Ammonia, STCC 2819815, 1 car, 77 tons.

Base Year: April 1, 2003 to March 31, 2004:
Urea, STCC 2818170, **2 cars**, 196 tons.

Anhydrous Ammonia, STCC 2819815, **3 cars**, 226 tons.

Forecast Year:
Urea, STCC 2818170, **2 cars**, 196 tons.

Anhydrous Ammonia, STCC 2819815, **3 cars**, 226 tons.

The proposed abandonment should have minimal adverse impact on shipping activity based on the very small volume of rail traffic handled in the Base Year or expected in the Forecast Year. In the case of Wathena Grain, the closest rail line after abandonment would be on the UP at Elwood, approximately 3.5 miles to the east. Wathena lies on U.S. Route 36, an east-west highway that connects to the north-south

Interstate 29 in St. Joseph, MO, approximately ten miles east. Transportation providers located in St. Joseph also offer rail service via BNSF and barge service. The development of new business in the Wathena area was explored but no commitments were made by prospective customers. UP will continue to evaluate traffic opportunities that may arise. The balance of the Line is in an agricultural area and it is not likely that a major new rail-oriented industry would locate in the area. While there are no agency stations on the Line, potential rail service at Wathena, Troy, Severance and Leona from the Line will end upon abandonment.

V.
REASONS FOR THE ABANDONMENT

There appears to be no economically reasonable alternative to the abandonment. There will be minimal adverse effect on shippers. Currently, UP freight train service to Wathena is provided as needed by a yard crew based in St. Joseph. It is unlikely that a new rail user would locate in the area of the proposed abandonment. The Line is not utilized for overhead traffic on any scheduled basis. UP has an efficient parallel route from St. Joseph through Atchison to Hiawatha.

Significant potential harm to the single affected shipper, Wathena Grain, and surrounding communities is virtually non-existent in this matter. As more specifically outlined in the verified statement of Hans Matthiessen, Senior Project Manager-Economic Research and Analysis for UP, a copy of which is attached hereto as **Attachment 3** and hereby made a part hereof, even when excluding other branch line operating costs and opportunity costs, the 2.7 mile segment of the Line needed to serve Wathena Grain requires an annual normalized maintenance expense of

\$29,971. Based on the annual income for the Base Year of \$3,825, the line segment conservatively incurs at least a \$26,146 annual operating loss. The Board and its predecessor have long recognized the appropriateness of considering normalized maintenance costs in instances of deferred maintenance. *See Chicago and North Western Transp. Co. – Abandonment, 366 I.C.C. 373, 377 (1982)* (Normalized maintenance is the amount needed for economic and efficient operation over the long term.***) We have, in the past, applied normalized maintenance calculations to actual maintenance figures and found that costs for normalized maintenance when compared to actual maintenance expenditures are indicative of deferred maintenance and are to be given consideration in determining whether or not the public convenience and necessity permit abandonment of a line.”) Therefore, UP is of the reasoned opinion that the proposed abandonment would be beneficial to both the UP and interstate commerce and will have a *deminimus* adverse effect on the sole shipper, Wathena Grain.

VI. REASONABLE ALTERNATIVE; VIABILITY

There appears to be no reasonable alternative to this abandonment. Even the prior shipments over the Line by the only previous shipper on the Line, Wathena Grain, does not economically justify retention of the Line and there are no known expected future shippers interested in using the Line.

The property is generally not suitable for other public purposes including roads or highways, other forms of mass transportation, conservation, energy production or transmission, as this area is adequately served by existing roads and utility lines at the present time. However, the Nebraska Trails Foundation has expressed an interest

in acquiring the Line as a recreation trail. The plan for disposition of the small amount of non-reversionary excess land in the Line would be to work with interested adjacent landowners to assure an orderly disposition of such property.

VII.

THE EXEMPTION STANDARDS HAVE BEEN MET

A. The abandonment requires an exemption from 49 U.S.C. §10903.

Abandonment of rail lines requires authorization and approval of the Board pursuant to 49 U.S.C. §10903. However, 49 U.S.C. §10502 requires the Board to exempt a transaction when it finds: (1) continued regulation is not necessary to carry out the Rail Transportation Policy of 49 U.S.C. §10101; and (2) either the transaction is of limited scope or Board regulation is not necessary to protect shippers from an abuse of market power. UP's proposal for abandonment and discontinuance of operations clearly satisfies the standards for exemption under 49 U.S.C. §10502.

Detailed scrutiny by the Board under 49 U.S.C. §10903 is not necessary to carry out the Rail Transportation Policy of 49 U.S.C. §10101. An exemption will minimize UP's administrative expense and the cost, preparation and review associated with progressing the proposed abandonment in a full application proceeding. An exemption will expedite regulatory action and will reduce regulatory barriers to exit from the Line consistent with Sections 10101(2) and (7). An exemption will permit UP to enhance its service to Kansas resulting in cost savings to UP and thereby enhancing UP's ability to compete with other Kansas rail carriers consistent with Sections 10101(4) and (5). An exemption will foster sound economic conditions in the transportation industry consistent with Section 10101(5), by permitting UP's abandonment of the Line

and avoiding the need to retain and operate a rail line that is not only currently under utilized by any shipper, but has no prospects of additional shippers seeking to use the Line.

The proposed abandonment is clearly a transaction of "limited scope." The Line is only 30.98 miles long and will have *deminimus* recurring local traffic. In addition, regulation of this abandonment is not needed to protect shippers from an abuse of market power, since the only local shipper does not provide sufficient traffic to justify retention of the Line especially in light of the alternative shipping opportunities that exist in the immediate vicinity.

VIII.

LAND AREA, FEDERAL GRANT INFORMATION, AND PUBLIC USE

The right-of-way considered in this proposed abandonment is typically 100 feet in width and passes through several small towns. The topography of the adjacent land is a mix of level, good farmland and hilly, tree covered pasture land.

Given the small amount of traffic handled, there should be little effect on local transportation systems and patterns. Assuming a truck to railcar ratio of four to one for the forecast year volume of five railcars, abandonment might result in the addition of 40 loaded/empty round trip truck movements to the area road network annually, or less than one round trip truck movement per week.

Based on information in UP's possession, the Line does not contain federally granted right-of-way. The plan for disposition of the small amount of non-reversionary excess land in the Line would be to work with interested adjacent landowners to assure an orderly disposition of such property. Any documentation in UP's possession will be made available to those requesting it.

While UP has and does currently serve Wathena Grain on the Line (1 carload in the first quarter of 2004, 5 carloads in 2003 and 2 carloads in 2002) there have been no other customers on the Line in the past two years and there is little, if any, indication that the situation will change in the foreseeable future. UP has told Doniphan County that UP continues to retain an open mind about development opportunities and will adjust the extent of any actual abandonment if confirmed new business warrants it.

IX.

LABOR

UP is agreeable to the labor protection conditions imposed in abandonment proceedings as prescribed in Oregon Short Line R. Co. - Abandonment - Goshen, 360 ICC 91 (1979).

X.

ENVIRONMENTAL AND HISTORIC REPORT.

The required environmental and historic information is contained in the Combined Environmental and Historic Report (the "Report") which was served on July 19, 2004. A copy of the UP's transmittal letter to the Environmental Section of the STB is attached hereto as **Attachment 2** and hereby made a part hereof. The original and ten (10) copies of the Report were sent to Ms. Victoria Rutson, Section of Environmental Analysis, on July 16, 2004 for filing.

Subsequent to the filing of the Combined Environmental and Historic Report, additional comment letters were received from the Kansas Department of Wildlife and Parks ("KDW&P"), the Mayor of the City of Troy and a resident of the City

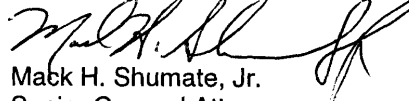
of Troy . Bryan R. Simmons, Ecologist, Environmental Services Section indicates that the KDW&P concurs with the comments of the U.S. Fish and Wildlife Service and has no further objections to this project as it is currently proposed. A copy of the KDW&P's letter dated August 11, 2004 is attached hereto as **Attachment 4** and is hereby made a part hereof. The Honorable Leonard L. Clary, Mayor of the City of Troy, indicates that the abandonment of the Line will result in an eventual esthetic clean-up of the right-of-way. A copy of the Mayor's letter dated September 3, 2004 is attached hereto as **Attachment 5** and is hereby made a part hereof. Finally, Jim and Rita Clary, of Troy, Kansas seek to acquire that portion of the Line adjacent to their property. A copy of Mr. and Mrs. Clary's letter dated September 3, 2004 is attached hereto as **Attachment 6** and is hereby made a part hereof.

WHEREFORE, Union Pacific Railroad Company respectfully requests that the Board issue a decision exempting the proposed abandonment from the provisions of 49 U.S.C. §10903 and direct that the exemption be effective on the date of the Board's decision.

Dated this 10th day of September, 2004.

Respectfully submitted,

UNION PACIFIC RAILROAD COMPANY



Mack H. Shumate, Jr.
Senior General Attorney
101 North Wacker Drive
Room 1920
Chicago, IL 60606
Tel: 312/777-2055
Fax: 312/777-2065

VERIFICATION

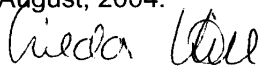
STATE OF NEBRASKA)
) ss:
COUNTY OF DOUGLAS)

I, RAYMOND E. ALLAMONG, JR., Senior Manager Rail Line Planning of Union Pacific Railroad Company, declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing document and that its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification on behalf of Union Pacific Railroad Company. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, I know that these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Omaha, Nebraska, this 31st day of August, 2004.

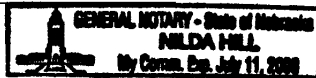

Raymond E. Allamong, Jr.

SUBSCRIBED AND SWORN TO
before me this 31st day of
August, 2004.



Notary Public

My Commission expires: _____



DRAFT FEDERAL REGISTER NOTICE
[49 C.F.R. § 1152.60(c)]

STB No. AB-33 (Sub-No. 220X)
Notice of Petition for Exemption to Abandon or
to Discontinue Service

On September 10, 2004, Union Pacific Railroad Company filed with the Surface Transportation Board, Washington, D.C. 20423, a petition for exemption for the abandonment of a line of railroad known as the St. Joseph Industrial Lead from M.P. 2.52 near Elwood to M.P. 33.60 near Robinson a distance of 30.98 miles in Brown and Doniphan Counties, Kansas (the "Line"). The Line traverses U. S. Postal Service Zip Codes 66024, 66087, 66090, 66434 and 66532. The proceeding has been docketed as No. AB-33 (Sub-No.220X). There are no agency stations on the Line.

The Line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

The interest of railroad employees will be protected as required by 49 U.S.C. 10903(b)(2).

Any offer of financial assistance will be due no later than 10 days after service of a decision granting the petition for exemption.

All interested persons should be aware that following abandonment of rail service and salvage of the Line, the Line may be suitable for other public use, including interim trail use.

Any request for a public use condition and any request for trail use/rail banking will be due no later than 20 days after notice of the filing of the petition for exemption is published in the Federal Register.

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment or discontinuance regulations at 49 CFR Part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis, telephone (202) 565-1545.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary), prepared by the Section of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Section of Environmental Analysis. EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

CERTIFICATE OF SERVICE AND PUBLICATION

The undersigned hereby certifies that a copy of the foregoing Petition for Exemption in Docket No. AB-33 (Sub-No. 220X) by Union Pacific Railroad Company was served on the date indicated below by mailing a copy, first class mail postage prepaid to the following:

MTMCTEA
Attn: Railroads for National Defense
720 Thimble Shoals Blvd., Suite 130
Newport News, VA 23606-2574

U. S. Department of the Interior
National Park Service
Recreation Resources Assistance Div.
P.O. Box 37127
Washington, D.C. 20013-7127

U.S. Department of Agriculture
Chief of the Forest Service
4th Floor NW, Auditors Building
14th Street & Independence Ave., S.W.
Washington, D.C. 20250

Kansas Corporation Commission
1500SW Arrowhead Road
Topeka, KS 66604-4027

County Commissioners
Brown County Courthouse
607 Oregon Street
Hiawatha, KS 66434-2241

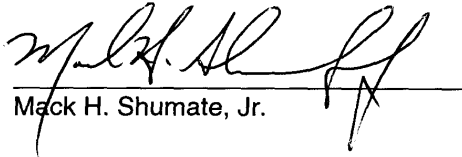
County Commissioners
Doniphan County Courthouse
P. O. Box 278
Troy, KS 66087-0278

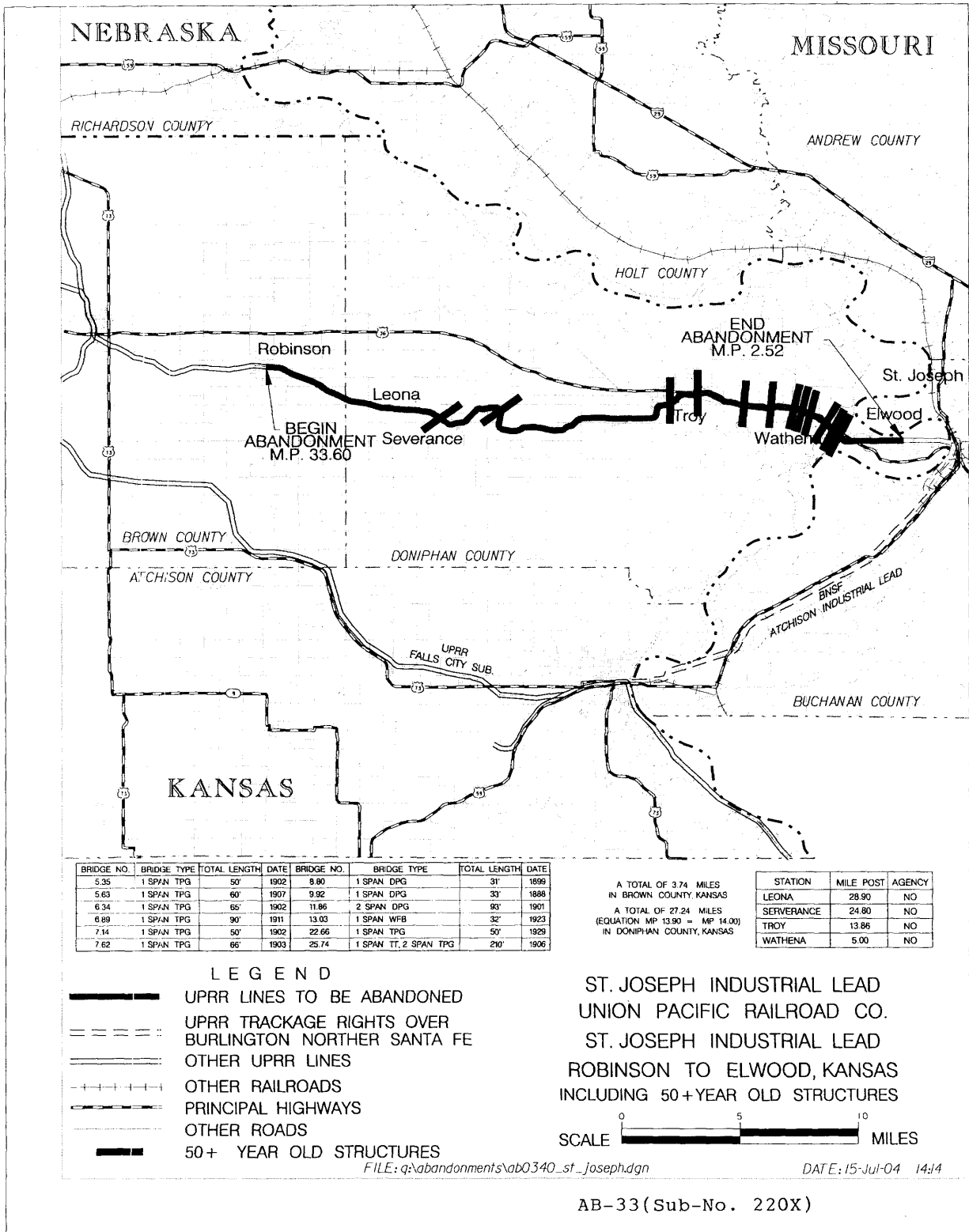
The undersigned further certifies that a notice of the abandonment was published one time in the County where the rail line is located as follows:

<u>County</u>	<u>Newspaper</u>	<u>Date</u>
Brown	<i>Hiawatha World</i>	September 8, 2004
Doniphan	<i>Kansas Chief</i>	September 8, 2004

The above newspapers are generally circulated in the counties where the rail line is located. The Notice as published was in the form prescribed by the Board for a Petition for Exemption at 49 CFR 1105.12.

Dated this 10th day of September, 2004.


Mack H. Shumate, Jr.





ATTACHMENT 2
FILE COPY

July 16, 2004

VIA U.P.S. OVERNIGHT

Surface Transportation Board
Section of Environmental Analysis
1925 "K" St., N.W., Room 504
Washington, DC 20423-0001

Attention: Victoria Rutson

RE: Proposed Abandonment of the St. Joseph Industrial Lead from M. P. 2.52 near Elwood to M. P. 33.60 near Robinson, a distance of 30.98 miles in Brown and Doniphan Counties, Kansas; STB Docket No. AB-33 (Sub-No. 220X)

Dear Ms. Rutson:

Enclosed for filing in the above-referenced docket is the original and ten (10) copies of a Combined Environmental and Historic Report prepared pursuant to 49 C.F.R. §1105.7 and §1105.8, with a Certificate of Service, and a transmittal letter pursuant to 49 C.F.R. §1105.11.

Union Pacific anticipates filing a Petition for Exemption in this matter on or after August 9, 2004.

Sincerely,

Enclosures

O:\ABANDONMENTS\33-220X\STB-EHR.wpd

Mack H. Shumate, Jr.
Senior General Attorney, Law Department

UNION PACIFIC RAILROAD
101 N. Wacker Dr., Rm. 1920, Chicago, IL 60606-1718
ph. (312) 777-2055 fx. (312) 777-2065

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VERIFIED STATEMENT

OF

HANS MATTHIESSEN

My name is Hans Matthiessen. I am a Senior Project Manager-Economic Research and Analysis for Union Pacific Railroad Company ("UP") with an office address of 1400 Douglas Street, Omaha, Nebraska 68179. I hold a Bachelor of Science degree in Business Administration from Iowa State University. I was employed by Chicago North Western Transportation Company ("CNW") from 1969 to 1995. I began my employment with UP in 1995, after merger of CNW into UP. My present responsibilities include regulatory planning and analysis. I held a similar position at CNW during the period 1989-1995.

The purpose of this statement is to provide information regarding the financial results of UP's operation over the St. Joseph Industrial Lead between M.P. 2.52 near Elwood to M.P. 5.20 near Wathena in Doniphan County, Kansas.

The one customer that used the Line in the Base Year,

1

Wathena Grain, received five carloads of fertilizer. UP earned net revenue of \$5,728 for the three carloads of Anhydrous Ammonia and two carloads of Urea. The off branch costs for hauling the five carloads was computed to be \$1,903. This would leave \$3,825 to cover on branch cost and opportunity cost. UP would need approximately 2.7 miles on the proposed Line left intact to serve Wathena Grain. Normalized maintenance for this segment of the Line was calculated to be \$11,183 per mile or \$29,971 for the 2.7 mile segment. UP would incur a \$26,146 annual operating loss. If the maintenance of way expense was at the \$5,000 per mile level, UP would still incur a \$9,675 annual operating loss. This does not include any other on branch operating costs or opportunity cost. To continue to operate and maintain a portion of the Line to Wathena for such a small volume of traffic, UP would incur annual operating losses and opportunity costs.

STATE OF NEBRASKA)
) SS
COUNTY OF DOUGLAS)

HANS MATTHIESSEN, being first duly sworn, deposes and states that he
has read the attached documents, knows the facts asserted therein, and that the same
are true as stated.

Hans Matthiessen
Hans Matthiessen

SUBSCRIBED and SWORN to before me
this 1st day of , 2004.

Gilda Hill
Notary Public



O:\Abandonments\33-213x\002.doc

KANSAS

DEPARTMENT OF WILDLIFE AND PARKS

KATHLEEN SEBELIUS, GOVERNOR

August 11, 2004

Mr. Mack H. Shumate
Senior General Attorney, Law Dept.
Union Pacific Railroad
101 North Wacker Drive /Rm. 1920
Chicago, Illinois 60606-1718

Ref: D2.0401a
Doniphan / Brown
MP 2.52-33.60
Track: 20040385

Dear Mr. Shumate: Re: AB-33 (Sub-No. 220X)

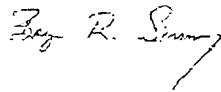
We have reviewed preliminary railway abandonment of the Union Pacific Railway Company involving approximately 30.98 miles between Milepost 2.52 near Elmwood to Milepost 33.60 near Robinson, Kansas. The project was reviewed for potential impacts on crucial wildlife habitats, current state-listed threatened and endangered species and species in need of conservation and public recreation areas for which this agency has some administrative authority.

We would like to inform UPRR that we should have been contacted during the initial review period and given opportunity to provide comments as performed by other agencies. This may have been an oversight due to the wrong address provided in the submitted report. All environmental correspondence should be made through the Pratt office, as Kansas has numerous threatened and endangered animals that are protected on the state level but not currently under US Fish and Wildlife Service protection. Even so, we would concur with comments as provided by the USFWS letter dated 10, March 2004. As such, we have no further objections to this project as it is currently proposed. We would only recommend to minimize any existing instream demolition activities while implementing standard erosion control BMP's, temporary weed-free seeding/mulching to protect water quality during demolition, and the use of native grasses and forbs to permanently revegetate any and all areas disturbed by abandonment activities.

Results of our review indicate there will be no significant impacts to crucial wildlife habitats; therefore, no special mitigation measures are recommended. The project will not impact any public recreational areas, nor could we document any potential impacts to currently listed threatened or endangered species or species in need of conservation. No Department of Wildlife and Parks permits or special authorizations will be needed if construction is started within one year, and no design changes are made in the project plans. Since the Department's recreational land obligations and the State's species listings periodically change, if construction has not started within one year of this date, or if design changes are made in the project plans, the project sponsor must contact this office to verify continued applicability of this assessment report. For our purposes, we consider construction started when advertisements for bids are distributed.

Thank you for the opportunity to provide these comments and recommendations.

Sincerely,



Bryan R. Simmons, Ecologist
Environmental Services Section

Pratt Operations Office
512 SE 25th Ave., Pratt, KS 67124-8174
Phone 620-672-5911 Fax 620-672-6020 www.kdwp.state.ks.us

City of Troy

Phone (785) 985-2265 or (785) 985-2101

FAX: (785) 985-3871

September 3, 2004

Union Pacific Railroad
Mr. Chuck Saylor
1416 Dodge Street Room 830
Omaha, NE 68179

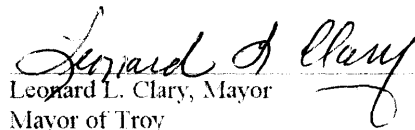
Subject: Railroad Right of Way

Dear Mr. Savlors:

As you are probably aware of the railroad right of way from the Northeast City Limits to area of where depot used to be at South end of Main Street is just a location for noxious weeds thistles galore and vermin. The area of ties and rails is covered with mule tails 4' to 6' tall. The only maintenance this gets is from property owners adjacent to same. If track was abandoned or sold back to property owners adjacent to right of way area would be cleaned up. The crossings of streets at third and at Liberty would be made must safer.

We all enjoyed when the trains were running and when people could safely walk the tracks, but we do not enjoy the eye sore now or the thistles, vermin (foxes, snakes, rats) etc.

Sincerely,


Leonard L. Clary, Mayor
Mayor of Troy

137 W. Walnut
TROY, KANSAS 66087

September 3, 2004

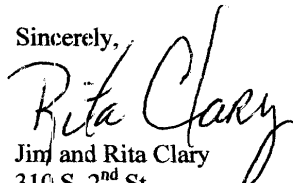
Union Pacific Railroad
Mr. Chuck Saylor
1416 Dodge St., Room 830
Omaha, NE 68179

Dear Mr. Saylor;

I am writing in regards to the abandonment of the Union Pacific Railroad in Troy, KS. Mr. Saylor, the railroad and railroad right-of-way is in terrible shape. It is covered in weeds, thistles, and brush. We own property at 310 S. 2nd St., and we would like to buy our portion of the railroad back. I have heard there is a possibility of the railroad being made into a biking and walking trail. If this happens, who will care for the railroad property then? I hope not the adjacent property owners!! Please respond by letter or phone call and let me know who I should contact next. You may call me at work 785-985-2265 Monday-Friday 8am to Noon/12:30pm to 4:30 pm.

Thank you.

Sincerely,


Jim and Rita Clary
310 S. 2nd St.
Troy, KS 66087