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SERVICE DATE - JULY 20, 2001

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34063]

Dallas Area Rapid Transit–Acquisition Exemption–Lines of Union Pacific Railroad  
Company

Dallas Area Rapid Transit (DART), a political subdivision of the State of Texas, a Class III rail carrier, has filed a notice of exemption under 49 CFR 1150.41 to acquire (by purchase) pursuant to an agreement entered into with Union Pacific Railroad Company (UP), as indicated in its notice, approximately 60.78 miles of rail line in Collin, Dallas, Denton, Grayson and Rockwall Counties, TX, as follows: (1) the segment of the Denton Subdivision between approximately milepost K-741.3 (Frankford Road) in Carrollton and approximately milepost K-729.5 in Lake Dallas (approximately 11.8 miles); (2) the segment of the Sherman Subdivision between approximately milepost 285.1 (Spring Creek Parkway) in Plano and approximately milepost 324.7 at South Sherman Junction (approximately 39.6 miles); (3) the Rowlett Extension between approximately milepost 745.5 (near Kirby Road) in Rowlett and approximately milepost 741.3 in Rockwall (approximately 4.2 miles); (4) the White Rock/Fair Park Connector between approximately milepost 6.93 (the GC&SF Overpass) at Tenison Park and approximately milepost 5.06 near Missouri Pacific Junction (approximately 1.87 miles); and (5) the

Brookhollow Branch Line between the DFW Main at approximately milepost 0.0 and the Denton Subdivision at approximately milepost 3.31 (approximately 3.31 miles).

DART will acquire UP's interest in the rail right-of-way on the Denton Subdivision between approximately milepost K-729.5 in Lake Dallas and approximately milepost K-721.53 in Denton (City of Denton Line) that is presently subject to a trail use agreement between UP and the City of Denton. See Missouri Pacific Railroad Company—Abandonment Exemption—In Denton County, TX, Docket No. AB-3 (Sub-No. 99X) (ICC served May 28, 1993). Among other things, DART will acquire UP's right to restart freight service on the City of Denton Line. DART states that it has no intention of exercising that right at the present time, but that the right to restart freight service is a residual common carrier interest and the acquisition of that right requires Board approval. See Norfolk & Western Railway Company—Abandonment Between St. Marys and Minster in Auglaize County, OH, Docket No. AB-290 (Sub-No. 68) (ICC served Oct. 25, 1993).

DART will also acquire the above-referenced segment of the Denton Subdivision, the above-referenced segment of the Sherman Subdivision, the Rowlett Extension and the Brookhollow Branch Line, subject to the Dallas, Garland and Northeastern Railroad, Inc.'s (DGNO) leasehold interest in those lines for the operation of freight service and will acquire the White Rock/Fair Park Connector subject to the trackage rights of certain freight railroads in that segment.<sup>1</sup> DART certifies that its annual revenues will not exceed

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<sup>1</sup> DART will also acquire from UP: (1) all spur and lead tracks connecting with  
(continued...)

those that would qualify it as a Class III rail carrier and that its annual freight revenues are not projected to exceed \$5 million.

The transaction was scheduled to be consummated on or before June 28, 2001, the effective date of the exemption.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to reopen the proceeding to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34063, must be filed with the Surface Transportation Board, Office of the Secretary, Case

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<sup>1</sup>(...continued)

the Brookhollow Branch Line; (2) the approximately 0.5-mile lead track from the Denton Subdivision to the Coca Cola Bottling Plant; (3) the SSW bridge across I-30 at Dallas Convention Center and South Side Development, and (4) the H&TC bridge across I-30 between Dallas Farmer's Market and DART right-of-way north of the LRT Yard Lead. The acquisition of these spur tracks, lead tracks and other property interests do not require Surface Transportation Board approval. See 49 U.S.C. 10906.

DGNO's leasehold interest in the Sherman Subdivision, the Rowlett Extension, and the Brookhollow branch line will be the subject of a forthcoming petition for exemption, wherein DGNO will seek exemption from the Board for approval to convert most of its leasehold interests into trackage rights with DART. There is no freight traffic over the portion of the Sherman Subdivision being acquired by DART between approximately milepost 285.1 (Spring Creek Parkway) and approximately milepost 290.5 (Stacy Road). DART states that shortly after consummation of the acquisition of the above segment DART will seek Board authority to abandon that segment and DGNO will seek Board authority to discontinue its lease on that segment.

The Burlington Northern Santa Fe Railway Company, DGNO and possibly other freight railroads have trackage rights over the White Rock/Fair Park Connector. There is no current local freight service on the White Rock/Fair Park Connector segment, and any local or overhead freight railroad operations on the White Rock/Fair Park Connector in the future will be conducted by entities other than DART pursuant to such trackage rights.

Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Kevin M. Sheys, Kirkpatrick & Lockhart LLP, 1800 Massachusetts Avenue, 2nd Floor, Washington, DC 20036.

Board decisions and notices are available on our website at  
“WWW.STB.DOT.GOV.”

Decided: July 13, 2001.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary