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ENTERED
Office of Proceedings
June 28, 2016
Part of
Public Record

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June 28, 2016

BY HAND DELIVERY

Cynthia T. Brown, Chief
Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

Re: Southwestern Railroad, Inc. – Amended Lease and Operation Exemption – BNSF Railway Company, FD 34533 (Sub-No. 1)

Dear Ms. Brown:

Pursuant to 49 C.F.R. § 1150.42(e), Southwestern Railroad, Inc. ("SWRR") hereby certifies that on or before June 28, 2016, the attached notice was posted at the workplaces of all employees currently working on the approximately 227.6 mile rail line that SWRR leases from BNSF Railway Company ("BNSF") pursuant to Southwestern Railroad Company – Lease And Operation Exemption – The Burlington Northern And Santa Fe Railway Company, FD 34533 (STB served Oct. 22, 2004). None of SWRR's employees belong to a union; accordingly, SWRR did not serve the notice on the national offices of any labor unions. If there are any questions about this matter, please contact me directly, either by telephone: 202-663-7823 or by e-mail: wmullins@bakerandmiller.com.

Sincerely,



William A. Mullins
Attorney for Southwestern Railroad, Inc.

Enclosures

cc: Bruce Carswell
Stuart Fredman
Courtney Estes

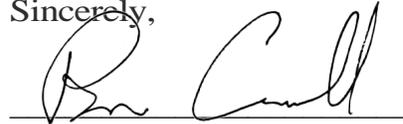
**NOTICE OF INTENT DIRECTED TO EMPLOYEES OF
SOUTHWESTERN RAILROAD, INC.**

Over the past few months, Southwestern Railroad, Inc. (“SWRR”) and BNSF Railway (“BNSF”) have engaged in discussions concerning SWRR’s continued operations of the SWRR Carlsbad Division (the “Line”). As a result of those discussions, SWRR and BNSF have agreed to amend the existing lease agreement to change the termination date of the existing lease agreement to January 17, 2017 and to provide that upon termination, BNSF can immediately renew operations on the Line.

The effectuation of this amendment requires approval from the Surface Transportation Board (“STB” or “Board”). Pursuant to the STB’s regulations at 49 C.F.R. § 1150.42(e), SWRR is required to provide 60 days notice to current employees on the Line of the proposed transaction and to disclose any impacts on its employees. Accordingly, this notice of intent serves to inform you that SWRR’s lease of the Line will terminate effective January 17, 2017 and BNSF will have the right to renew its service over the Line on that date. The amendment to the lease will have no immediate effects on employees. All existing positions, wages, and salaries will remain the same. SWRR will remain the exclusive operator of the Line until the termination date.

SWRR intends to hold a series of meetings with employees to answer questions and address any concerns. SWRR will continue to update its employees as information concerning the Line’s transition back to BNSF becomes available.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Carswell", written over a horizontal line.

Bruce Carswell

Dated: June 24, 2016