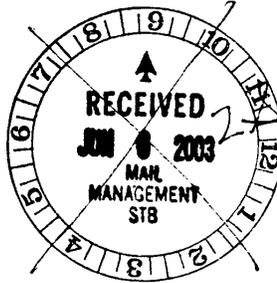


BARNES & THORNBURG

Richard H. Streater
(202) 408-6933
Email: richard.streater@btlaw.com

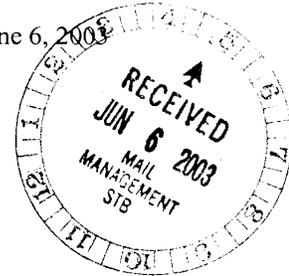
Honorable Vernon A. Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001



750 17th Street, N.W.
Suite 900
Washington, D.C. 20006 U.S.A.
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June 6, 2003



RE: Docket No. ~~AB-364~~ (Sub-No. 163X), Union Pacific Railroad Company
(UP) - Abandonment Exemption - In Lamar and Fannin Counties, TX
(Bonham Subdivision between Paris and Bonham, TX); and

~~Docket No. AB-364 (Sub-No. 8X), Texas Northeastern Division, Mid-~~
~~Michigan Railroad, Inc. (TNER) Discontinuance of Service - In Lamar~~
~~and Fannin Counties, TX (Bonham Subdivision between Paris and~~
~~Bonham, TX)~~

Dear Secretary Williams:

This letter is written on behalf of the Texas Department of Transportation ("TxDOT") and serves to provide notice that TxDOT:

1. requests the Surface Transportation Board ("Board") to act favorably on an Offer of Financial Assistance ("OFA") which will be submitted by the Fannin County Rural Rail Transportation District ("FRTD") in order to preserve rail transportation services along the subject rail corridor; and
2. intends to enter into negotiations with the Union Pacific Railroad Company ("UP") to rail-bank the subject line for a Public-Use Condition (the required "Certificate of Service" is attached) should negotiations between UP and FRTD fail.

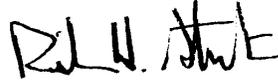
TxDOT wishes to preserve this rail corridor for future transportation or alternative public uses if FRTD cannot purchase the line for continued rail service. TxDOT is currently communicating with FRTD and other local transportation and economic development interests to determine how these entities can either partner to restore and expand service along this rural rail corridor, or at least preserve the line for future transportation use.

TxDOT has notified UP that it intends to pursue a Public-Use request for this line. We have also inquired about their estimated price to sell the line. However, UP as of this date has not yet determined its price.

Honorable Vernon A. Williams
June 6, 2003
Page 2

Please file stamp and return the extra copy of this letter. Thank you for your assistance in this matter. If you have any questions, please contact me at (202) 408 6933.

Very truly yours,

A handwritten signature in black ink, appearing to read "R.H. Streeter". The signature is written in a cursive, somewhat stylized font.

Richard H. Streeter

RHS:rs

cc: Mack H. Shumate, Jr.
Gary A. Laasko
Louis E. Gitomer
James L. Randall
Mario G. Medina

BARNES & THORNBURG

Richard H. Streeter
(202) 408-6933
Email: richard.streeter@btlaw.com

Via Fax and U.S. Mail

Mack H. Shumate, Jr., Esq.
Union Pacific Railroad Company
Senior General Attorney
101 North Wacker Drive
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June 6, 2003

RE: Docket No. AB-33 (Sub-No. 163X), Union Pacific Railroad Company -
Abandonment Exemption - In Lamar and Fannin Counties, TX
(Bonham Subdivision between Paris and Bonham, TX)

Dear Mr. Shumate:

In accordance with the regulations of the Surface Transportation Board, at 49 C.F.R. 1152.28, the Texas Department of Transportation hereby informs you its intent to enter into Rail-banking, Public Use Condition negotiations with your company to preserve the subject rail corridor in Lamar and Fannin Counties for either future transportation or alternative public uses.

Your attention to this matter is greatly appreciated. If you have any questions, you may contact me at 202-408-6933. Thank you for your consideration in this matter.

Very truly yours,

A handwritten signature in black ink that reads "Richard H. Streeter".

Richard H. Streeter

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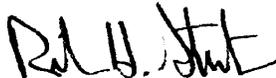
Certificate of Service

I, Richard H. Streeter, do hereby certify that a true copy of the foregoing document was served by first-class mail, postage prepaid, this 6th day of June, 2003, on the following:

Mack H. Shumate, Jr.
101 North Wacker Drive
Room 1920
Chicago, IL 60606

Gary A. Laakso, Esq.
5300 Broken Sound Boulevard N.W.
Second Floor
Boca Raton, FL 33487

Louis E. Gitomer
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1455 F Street, N.W., Suite 225
Washington, D.C. 20005



Richard H. Streeter