



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

October 31, 2007

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

**RE: Proposed Abandonment of the Waxahachie Industrial Lead from Milepost 798.03 to Milepost 802.60, a distance of 4.57 miles in Ellis County, Texas; STB Docket No. AB-33 (Sub-No. 229X)**

**COMPLETION OF TRAIL USE TRANSACTION WITH THE  
CITY OF WAXAHACHIE, TEXAS**

Dear Mr. Williams:

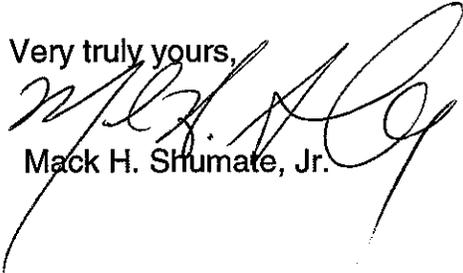
The Union Pacific Railroad Company, ("Union Pacific") filed a Notice of Exemption under 49 C.F.R. 1152 sub-part f to abandon the 4.57 mile line of railroad known as the Waxahachie Industrial Lead extending from Milepost 798.03 near Waxahachie to Milepost 802.60 near Neena in Ellis County, Texas (the "Line") on November 17, 2005. The Board by decision having a service date of December 7, 2005 ordered that the exemption would be effective on January 6, 2006 unless stayed pending reconsideration. On January 11, 2006, the City of Waxahachie, Texas late-filed a request for the issuance of a Notice of Interim Trail Use. Union Pacific indicated to the Board its willingness to negotiate for interim trail use. The initial negotiating term was for a period of 180-days. The NITU negotiating period was extended by Board decision six times with the latest negotiating period ending on October 24, 2007.

On October 2, 2007, the Union Pacific and the City of Waxahachie, Texas entered into a Donation and Purchase and Sale Agreement covering the entire Line. The Donation and Purchase and Sale Agreement was entered into in accordance with and is subject to the National Trails System Act, 16 U.S.C. § 1247(d), and the terms and conditions contained in the Decision served February 1, 2006 by the Board in STB Docket No. AB-33 (Sub-No. 229X). If rail service on the Line is reactivated pursuant to the National Trails System Act, then Union Pacific shall have the right to repurchase the property for the then current fair market value of the property including all improvements thereon as determined by appraisal.

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Ten (10) additional copies of this letter and exhibit are enclosed for the Board's use and distribution.

Very truly yours,  
  
Mack H. Shumate, Jr.

Enclosures

cc: City of Waxahachie