

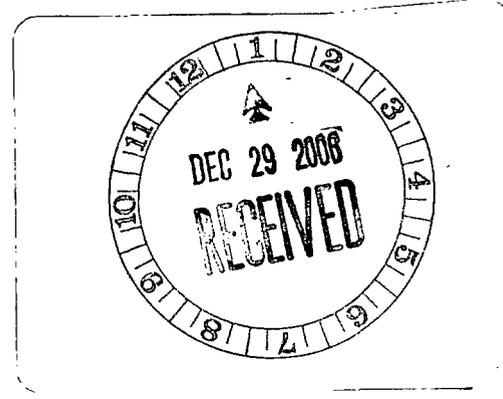


Gabriel S. Meyer
Assistant General Attorney

December 29, 2006

Via Fax and UPS Overnight

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



218361

Re: Finance Docket No. 34554 (Sub-No. 7); Union Pacific Railroad Company --Temporary Trackage Rights Exemption (Modification) – BNSF Railway Company

Dear Secretary Williams:

Enclosed for filing in the above proceeding are an original and ten (10) copies of a Petition for Partial Revocation of Class Exemption to Permit Expiration of Temporary Trackage Rights. Also enclosed is a payment form in the amount of \$200.00 for the filing fee required by 49 C.F.R. § 1002.2(f), Part V (61).

Please indicate receipt of the enclosed materials by returning a stamped copy of this letter in the self-addressed, stamped envelope enclosed for this purpose.

Sincerely,

Gabriel S. Meyer

Gabriel S. Meyer

ENTERED
Office of Proceedings

JAN 03 2007

Part of
Public Record

cc: (w/attachments)
Sarah Whitley Bailiff, Esq. - BNSF

FEE RECEIVED

FILED

DEC 29 2006

DEC 29 2006

SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34554 (SUB-NO. 7)



**UNION PACIFIC RAILROAD COMPANY
-- TEMPORARY TRackage RIGHTS EXEMPTION (MODIFICATION) --
BNSF RAILWAY COMPANY**

**PETITION FOR PARTIAL REVOCATION OF CLASS EXEMPTION
TO PERMIT EXPIRATION OF TEMPORARY TRackage RIGHTS**

UNION PACIFIC RAILROAD COMPANY

Gabriel S. Meyer
Assistant General Attorney
1400 Douglas Street
STOP 1580
Omaha, NE 68179
(402) 544-1658
(402) 501-3393 (FAX)

Dated and Filed: December 29, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34554 (SUB-NO. 7)



UNION PACIFIC RAILROAD COMPANY
-- TEMPORARY TRackage RIGHTS EXEMPTION (MODIFICATION) --
BNSF RAILWAY COMPANY

**PETITION FOR PARTIAL REVOCATION OF CLASS EXEMPTION
TO PERMIT EXPIRATION OF TEMPORARY TRackage RIGHTS**

Pursuant to 49 U.S.C. § 10502(d) and the regulations of the Surface Transportation Board at 49 C.F.R. § 1121, Union Pacific Railroad Company ("UP") hereby seeks partial revocation of the Board's trackage rights class exemption, 49 C.F.R. § 1180.2(d)(7), in Finance Docket No. 34554, as necessary to allow the UP/BNSF trackage rights arrangement which is the subject of this proceeding to expire, as expressly desired by both parties, on or about December 31, 2007.¹ Revoking the class exemption as necessary to allow that action is consistent with the rail transportation policy of 49 U.S.C. § 10101 and will promote efficient and competitive rail service.

¹ Since the trackage rights covered by the Notice of Exemption in Finance Docket No. 34554 are "local" rather than "overhead" rights, the Board's class exemption for temporary trackage rights, 49 C.F.R. § 1180.2(d)(8), is not applicable to this transaction.

DISCUSSION

Concurrently with this Petition, UP is filing a Notice of Exemption pursuant to 49 C.F.R. § 1180.2(d)(7), covering a modification of the temporary local trackage rights originally exempted in Finance Docket No. 34554. The trackage rights apply over a line of BNSF Railway Company ("BNSF") between BNSF Milepost 579.3 near Mill Creek, OK to BNSF Milepost 631.1 near Joe Junction, TX, a distance of approximately 51 miles, and are intended to allow the movement of loaded and empty UP ballast trains to be used in UP maintenance of way projects. The modification covered by the Notice of Exemption is the extension of the December 31, 2006 expiration date so that the trackage rights will expire on or about December 31, 2007.

While UP and BNSF expressly intend that these trackage rights are only temporary, trackage rights authorized under the § 1180.2(d)(7) class exemption normally would remain effective indefinitely, regardless of any durational contract provisions. See, e.g., STB Ex Parte No. 282 (Sub. No. 20) Railroad Consolidation Procedures -- Exemption for Temporary Trackage Rights (not printed), served February 10, 2003, pp. 2-3 ("Temporary Trackage Rights"). Accordingly, UP is filing this Petition to permit the trackage rights to expire on or about December 31, 2007, as provided in the underlying trackage rights agreement.

The Board has routinely granted petitions to permit temporary trackage rights to expire (either as exemptions or partial revocations) similar to that sought herein, see, e.g., Temporary Trackage Rights, supra, p. 3; Finance Docket No. 34554 (Sub-No. 1), Union Pacific Railroad Company -- Trackage Rights Exemption -- The Burlington Northern and Santa Fe Railway Company, served November 24, 2004; Finance Docket No. 34242

(Sub. No. 1), The Burlington Northern and Santa Fe Railway Company -- Trackage Rights Exemption -- Union Pacific Railroad Company, served October 7, 2002.

Granting this Petition to permit the trackage rights to expire in accordance with the underlying agreement would be entirely consistent with the exemption standards of 49 U.S.C. § 10502. Limiting the term of the trackage rights is consistent with the limited scope of the transaction covered by the Notice of Exemption in Finance Docket No. 34554 (Sub. No. 6) and will have no adverse impact on shippers. The grant of this Petition is essential for the benefits of the trackage rights in Finance Docket No. 34554 (Sub. No. 6) to be realized. As noted above, the temporary nature of the trackage rights is a key part of the agreement of the two carriers, and the trackage rights would not have been granted without this feature. Denial of this Petition would result in a loss of all these benefits, since the parties are unlikely to reach any other feasible arrangement which would allow UP to use BNSF's line.

The applicable labor protective conditions for the discontinuance of the temporary trackage rights pursuant to this petition are those imposed in Oregon Short Line Railroad Co. -- Abandonment -- Goshen, 360 I.C.C. 91 (1979).

WHEREFORE, UP respectfully requests the Board to partially revoke the Class Exemption for trackage rights to the extent necessary to permit the trackage rights authorized in STB Finance Docket No. 34554 to expire on or about December 31, 2007, in accordance with the terms of the underlying trackage rights agreement.

Respectfully submitted,

UNION PACIFIC RAILROAD COMPANY

By: 
Gabriel S. Meyer
Assistant General Attorney
1400 Douglas Street
STOP 1580
Omaha, NE 68179
(402) 544-1658
(402) 501-3393 (FAX)

CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the foregoing document upon the following by first class United States mail.

Sarah Whitley Bailiff, Esq.
BNSF Railway Company
2500 Lou Menk Drive
Fort Worth, TX 76161-2828

Dated at Omaha, Nebraska this 29th day of December, 2006.



Gabriel S. Meyer