



Wendell Bell  
General Director  
Labor Relations

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June 26, 2006

**REGISTERED MAIL - RETURN RECEIPT REQUESTED**

Mr. John Fitzgerald, GC  
UTU

Mr. Dennis Pierce, GC  
BLETD-IBT

Gentlemen:

This is a notice, under Section 4 of the Norfolk & Western Conditions, of trackage rights operations in the northwestern area of Oregon.

Portland & Western (PNWR) either has or soon will be granted the following trackage rights:

1. Over BNSF between MP 10 (on the Fallbridge Sub; MP 136.5 on the Seattle Sub) at Vancouver, Washington to Lake Yard MP 0.69 (Main Track 1) or MP 0.91 (Main Track 2) at Portland, Oregon.
2. Over Portland Terminal (PTR) between MP 0.69 (Main Track 1) or MP 0.91 (Main Track 2) at Lake Yard and end of PTR ownership at MP 0 at Portland, Oregon.
3. Over Union Pacific between Portland MP 0.0 and East Portland MP 0.2 (equivalent of MP 770.2 on UP's Brooklyn Sub)
4. Over Union Pacific between East Portland MP 770.2 and Labish, Oregon MP 720.9

In the latter three arrangements, PNWR has been granted the right to act as BNSF's agent. All that this means is that PNWR has not been granted trackage rights separate and apart from those that BNSF has had. Rather, non-assignment restrictions in the trackage rights agreements that BNSF was party to have now been modified to allow PNWR to make the movement in question.

What all this will allow is for PNWR to take traffic from Portland - Vancouver and bring it down to the PNWR operation at Albany and bring traffic from the PNWR operation between Albany and Salem to Portland - Vancouver. The result will be the abolishment of the two 6-day locals that BNSF has been

operating to bring and take these cars between Portland – Vancouver and Albany. While there will, then, be 6 job abolishments (2 engineers, 2 conductors, 2 brakemen), I am advised that no one is expected to be adversely affected, in that there are immediate needs for the incumbents to protect other assignments in the Portland – Vancouver terminal. Also, since these are trackage rights arrangements being submitted to the Surface Transportation Board, we fully expect that the STB will impose the employee protections of the *Norfolk & Western* Conditions.

If further handling is needed, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Kendall". The signature is written in a cursive style with a large, looped initial "K".