



U.S. Department
of Transportation

**Federal Railroad
Administration**

1200 New Jersey Ave., SE
Washington, D.C. 20590

JAN 18 2008

Mr. Steven C. Beckwith
Director- Service Performance
Union Pacific Railroad Company
1400 Douglas Street, Stop 1050
Omaha, Nebraska 68179-1050

Re: Docket Number FRA-2007-28339

Dear Mr. Beckwith:

This letter is in response to the Union Pacific Railroad Company's (UP) petition dated May 22, 2007, for a waiver from certain provisions of 49 Code of Federal Regulations (CFR) Part 232 - *Brake System Safety Standards for Freight and Other Non-Passenger Trains and Equipment; End-of Train Devices* and CFR Part 215 - *Railroad Freight Car Safety Standards*. Specifically, UP seeks relief to move freight cars received in interchange from the Kansas City Southern De Mexico Railway (KCSM) at the US/Mexico border at Laredo, Texas (International Bridge) from the interchange point to UP's yard at Port Laredo, Texas, without performing the regulatory tests and inspections specified in CFR Part 215 and § 232.205(a)(1). This request was assigned Docket Number FRA-2007-28339.

After careful review of the petition, consideration of all submitted comments, and the Federal Railroad Administration (FRA) regional findings, FRA's Railroad Safety Board (Board) believes that granting the requested relief, subject to the conditions below, is in the public interest and consistent with railroad safety. Accordingly, on December 6, 2007, the Board granted UP's waiver request subject to the conditions listed below:

- 1) A roll-by inspection will be performed by a qualified operating or mechanical UP employee as the train comes off the bridge.
- 2) Any non-complying condition identified by the roll-by inspection shall be addressed according to Federal regulations.
- 3) UP train crew shall obtain an accurate train consist and proper hazardous material documents before departing the interchange point at Laredo.
- 4) The accuracy of the train's consist will be verified by using the AEI Reader or by conducting a manual visual check to ensure 100% accuracy before the train departs the Laredo, TX, interchange point.

- 5) A successful Class III brake test (set & release) shall be performed before departing the interchange point at Laredo.
- 6) Train speed between Laredo and Port Laredo will not exceed restricted speed.
- 7) All trains will be inspected by a Qualified Mechanical Inspector (QMI) upon arrival at Port Laredo, and all defects will be corrected and logged into a database. The database will record the following information for each car found with FRA defects:
 - Train ID
 - Date
 - Time
 - Description of defect(s)
 - Car initials
 - Car number
 - Name of QMI.

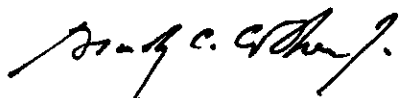
The database will also include the initial and number of each car received through interchange under this waiver. The database will be designed to permit appropriate analysis of cars deemed defective in accordance with FRA regulations and Association of American Railroads' standards. The database shall be made available to FRA upon request.

- 8) UP will transmit defect information to KCSM Mechanical Management daily.
- 9) Prior to departure from Port Laredo, interchanged freight cars from Mexico shall be inspected and tested in accordance with all applicable regulations, including 49 CFR Parts 215 and 232.
- 10) A monthly meeting will be conducted to review the traffic flow, defect ratios, and any other specific issues relative to trains interchanged at Laredo. FRA will participate in these meeting at FRA's discretion.
- 11) All trains moving under this waiver shall be equipped with an armed two-way EOT.
- 12) This waiver is effective for a 5-year period from the date of this letter. At the conclusion of the 5-year period, FRA reserves the right to extend the waiver if conditions warrant and UP has made a written request for an extension to FRA's Office of Safety Assurance and Compliance, within 6 months of the expiration date.

FRA reserves the right to modify or rescind this waiver at anytime upon receipt of information pertaining to the safety of rail operations or in the event of non-compliance with any of the aforementioned conditions.

The relief granted by this conditional waiver does not excuse compliance with any other Federal safety requirement. In any future correspondence regarding this waiver, please refer to Docket Number FRA-2007-28339.

Sincerely,

A handwritten signature in black ink, appearing to read "Grady C. Cothen, Jr.", written in a cursive style.

Grady C. Cothen, Jr.
Deputy Associate Administrator
for Safety Standards and Program Development

cc John P. Tolman, Vice President and National Legislative Director, Brotherhood of Locomotive Engineers and Trainman (BLET)