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SERVICE DATE – DECEMBER 18, 2009

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35250]

LRY, LLC D.B.A. Lake Railway—Lease and Operation Exemption—Union Pacific  
Railroad Company

LRY, LLC D.B.A. Lake Railway (LRY), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to lease from Union Pacific Railroad Company (UP), and to operate 62.21 miles of UP's lines of railroad, consisting of: (1) part of the Modoc Subdivision, extending from milepost 445.6 near MacArthur, CA, to milepost 506.1 near Perez, CA; and (2) part of the Lakeview Branch, extending from milepost 456.89 to milepost 458.60 at Alturas, CA (the lines).

This transaction is related to a concurrently filed verified notice of exemption in STB Finance Docket No. 35250 (Sub-No. 1), LRY, LLC D.B.A. Lake Railway—Lease and Operation Exemption—Rail Line in Lake County, OR, wherein LRY seeks to lease and operate 54.45 miles of railroad on the Lakeview Branch, owned by Lake County, OR, extending from milepost 458.6 at Alturas, to milepost 513.05, at Lakeview, OR. The lines involved herein, and the line involved in the (Sub-No. 1) proceeding had been previously leased to Modoc Railway and Land Company, LLC (MR&L), and operated by Modoc Northern Railroad Co. (MNRR). UP has terminated the lease with MR&L and MNRR and plans to file for adverse discontinuance authority for MNRR from the Board.

The transaction cannot be consummated until January 1, 2010, the effective date of the exemption (30 days after the exemption is filed).<sup>1</sup>

LRY certifies that, as a result of this transaction, its projected revenues will not exceed those that would qualify it as a Class III carrier.

Pursuant to the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, §193, 121 Stat. 1844 (2007), nothing in this decision authorizes the following activities at any solid waste rail transfer facility: collecting, storing or transferring solid waste outside of its original shipping container; or separating or processing solid waste (including baling, crushing, compacting, and shredding). The term “solid waste” is defined in section 1004 of the Solid Waste Disposal Act, 42 U.S.C. 6903.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed by no later than December 24, 2009 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35250 must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy must be served on James H. M. Savage, Of Counsel, John D. Heffner, PLLC, 1750 K Street, N.W., Suite 200, Washington, DC 20006.

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<sup>1</sup> LRY states in its notice that it plans to commence operations on or after December 31, 2009.

Board decisions and notices are available on our website at

“[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: December 15, 2009.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.