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SERVICE DATE - APRIL 24, 1998

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33581]

Lake County Railroad--Modified Rail Certificate

On March 24, 1998, Lake County, OR<sup>1</sup> filed a notice for a modified certificate of public convenience and necessity under 49 CFR 1150, Subpart C, Modified Certificate of Public Convenience and Necessity, to operate, as Lake County Railroad (LCR), a 54.45-mile line of railroad, known as the Lakeview Branch, extending from milepost 458.60 in Alturas, CA, to milepost 513.05 in Lakeview, OR.<sup>2</sup>

The involved rail line was abandoned by Southern Pacific Transportation Company (SPT) in Southern Pacific Transportation Company - Abandonment - in Modoc County, CA and Lake County, OR, Docket No. AB-12 (Sub-No. 84) (ICC served Oct. 20, 1985). LCR acquired the line from SPT, and subsequently contracted with Great Western Railway of Oregon (GWR) to operate the line as a short line operator.<sup>3</sup>

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<sup>1</sup> Lake County is a political subdivision of the State of Oregon and therefore is considered a "State" as defined at 49 CFR 1150.21.

<sup>2</sup> On April 8, 1998, Lake County submitted supplemental information as required by 49 CFR 1150.23.

<sup>3</sup> See The Great Western Railway Co.-Modified Rail Certificate, Finance Docket No. 30777 (ICC served Feb. 26, 1986).

According to LCR, the lease agreement entered into between LCR and GWR on May 1, 1991, as amended on May 5, 1991, December 7, 1994, and on or about October 1, 1995, was terminated on November 1, 1997.

LCR provides freight service between Lakeview and Alturas, and connects with Union Pacific Railroad Company at Alturas. Operations by LCR over the 54.45-mile line commenced on November 1, 1997.<sup>4</sup>

The rail segment qualifies for a modified certificate of public convenience and necessity. See Common Carrier Status of States, State Agencies and Instrumentalities and Political Subdivisions, Finance Docket No. 28990F (ICC served July 16, 1981).

LCR indicates that no subsidy is involved and that there are no preconditions for shippers to meet in order to receive rail service.

This notice must be served on the Association of American Railroads (Car Service Division) as agent for all railroads subscribing to the car-service and car-hire agreement: Association of American Railroads, 50 F Street, NW., Washington, DC 20001; and on the

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<sup>4</sup> According to 49 CFR 1150.23(a), operations may commence immediately upon the filing of the notice for a modified certificate. Lake County has not explained why it did not file its notice before November 1, 1997. However, it does not appear that the late filing was due to any intent to avoid the regulatory requirements and Lake County now has submitted all of the requisite information.

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American Short Line Railroad Association: American Short Line Railroad Association,  
1120 G Street, NW., Suite 520, Washington, DC 20005.

Decided: April 17, 1998.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary