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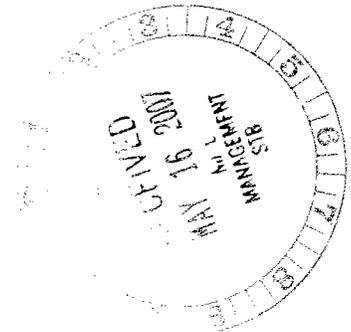
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May 15, 2007

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024



Re: **Finance Docket No. 35030**
US Rail Partners, Ltd. -- Continuance in Control Exemption --
Eastern Washington Gateway Railroad Company

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of US Rail Partners, Ltd. Pursuant to 49 C.F.R. § 1180.2(d)(2)**, dated May 15, 2007. A check in the amount of \$1,100, representing the appropriate fee for this filing, is attached.

One extra copy of the Notice and this letter also are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,

Thomas J. Litwiler
Attorney for US Rail Partners, Ltd.

ENTERED
Office Proceedings

TJL:tl

Enclosures

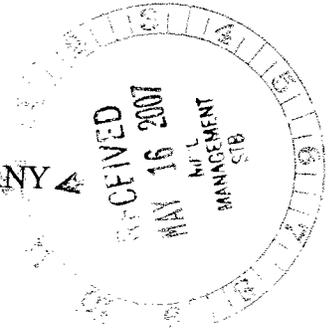
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MAY 16 2007
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

ORIGINAL

FINANCE DOCKET NO. 35030

US RAIL PARTNERS, LTD.
-- CONTINUANCE IN CONTROL EXEMPTION --
EASTERN WASHINGTON GATEWAY RAILROAD COMPANY



**VERIFIED NOTICE OF EXEMPTION
OF
US RAIL PARTNERS, LTD.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

William C. Sippel
Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR
US RAIL PARTNERS, INC.**

Dated: May 15, 2007

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35030

US RAIL PARTNERS, LTD.
-- CONTINUANCE IN CONTROL EXEMPTION --
EASTERN WASHINGTON GATEWAY RAILROAD COMPANY

**VERIFIED NOTICE OF EXEMPTION
OF
US RAIL PARTNERS, LTD.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

US Rail Partners, Ltd. ("USRP") hereby files this notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of Eastern Washington Gateway Railroad Company ("EWGR") once EWGR acquires rail lines and becomes a common carrier. EWGR is a non-carrier entity, wholly owned by USRP, that will shortly lease from the Washington State Department of Transportation ("WSDOT") a rail line extending from Cheney to Coulee City, Washington (the "CW Line"), a distance of approximately 107.8 miles. EWGR is concurrently filing a notice of exemption pursuant to 49 C.F.R. § 1150.32 to lease and operate the CW Line. See Finance Docket No. 35029, Eastern Washington Gateway Railroad Company -- Lease and Operation Exemption -- Washington State Department of Transportation.

The line of railroad to be leased by EWGR does not connect with the line of the one other regulated rail carrier controlled by USRP, and this control transaction is not part of a series of anticipated transactions that would result in such a connection. Nor does this proposed control transaction involve a Class I carrier. USRP's continuance in control of EWGR is accordingly exempt under 49 C.F.R. § 1180.2(d)(2).

In accordance with the requirements of 49 C.F.R. § 1180.4(g), USRP submits the following information:

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

USRP is a non-carrier holding company which currently controls through stock ownership the Blackwell Northern Gateway Railroad Company ("BNGR"), a Class III common carrier by rail. BNGR operates approximately 35 miles of rail line between Wellington, Kansas and Blackwell, Oklahoma. See Blackwell Northern Gateway Railroad Company -- Change in Operators Exemption -- Oklahoma Department of Transportation and Blackwell Industrial Authority, Finance Docket No. 34777 (STB served November 30, 2005).

EWGR is a new entity also owned and controlled by USRP which will lease and operate the CW Line. The rail lines of EWGR (in the State of Washington) and BNGR (in Kansas and Oklahoma) will not connect. USRP proposes to exercise common control of BNGR and EWGR once EWGR leases the CW Line pursuant to exemption in Finance Docket No. 35029 and becomes a rail carrier.

The full name and address of the applicant herein is:

US Rail Partners, Ltd.
548 Anita Street
Des Plaines, Illinois 60016
(847) 824-1264

Any questions concerning this Notice should be sent to USRP's representative at the following address:

William C. Sippel
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

USRP intends to consummate the proposed control transaction on June 15, 2007, concurrently with EWGR's lease of the CW Line and thirty days after the filing of this notice of exemption. See 49 C.F.R. § 1180.4(g)(1).¹

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The exemption sought herein will allow USRP to exercise common control of BNGR and EWGR and, in turn, will allow EWGR to proceed with acquisition and operation of the CW Line as contemplated in Finance Docket No. 35029.

States in Which Property of Applicants is Located: 49 C.F.R. § 1180.6(a)(5)

USRP is a non-carrier holding company and does not directly own any rail property. EWGR will lease and operate rail property within the state of Washington. BNGR operates over rail property located in the states of Kansas and Oklahoma..

Map - Exhibit 1: 49 C.F.R. § 1180.6(a)(6)

Maps of the CW Line to be leased by EWGR and the rail line currently operated by BNGR are attached hereto as Exhibits 1A and 1B, respectively.

Agreement - Exhibit 2: 49 C.F.R. § 1180.6(a)(7)(ii)

USRP already owns and controls EWGR, currently a non-carrier. No additional agreement is contemplated or necessary for USRP to continue in control of EWGR once EWGR leases the CW Line and becomes a carrier.

¹ If necessary, USRP, EWGR and WSDOT may file petitions in this docket and in Finance Docket Nos. 35029 and 35024, respectively, seeking an earlier effective date for the respective exemptions.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

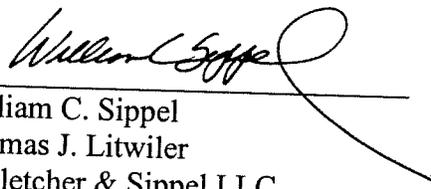
Pursuant to 49 U.S.C. § 11326(c), no employee protective conditions may be imposed on this transaction. BNGR is currently a Class III rail carrier, and EWGR will be a Class III carrier upon its commencement of operations.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the proposed control transaction is exempt from environmental reporting requirements. USRP's continuance in control of EWGR will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(3), the proposed continuance in control also is exempt from historic preservation reporting requirements. That control transaction will not substantially change the level of maintenance of any railroad property.

Respectfully submitted,

By: 
William C. Sippel
Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR
US RAIL PARTNERS, LTD.**

Dated: May 15, 2007

Exhibit 1A

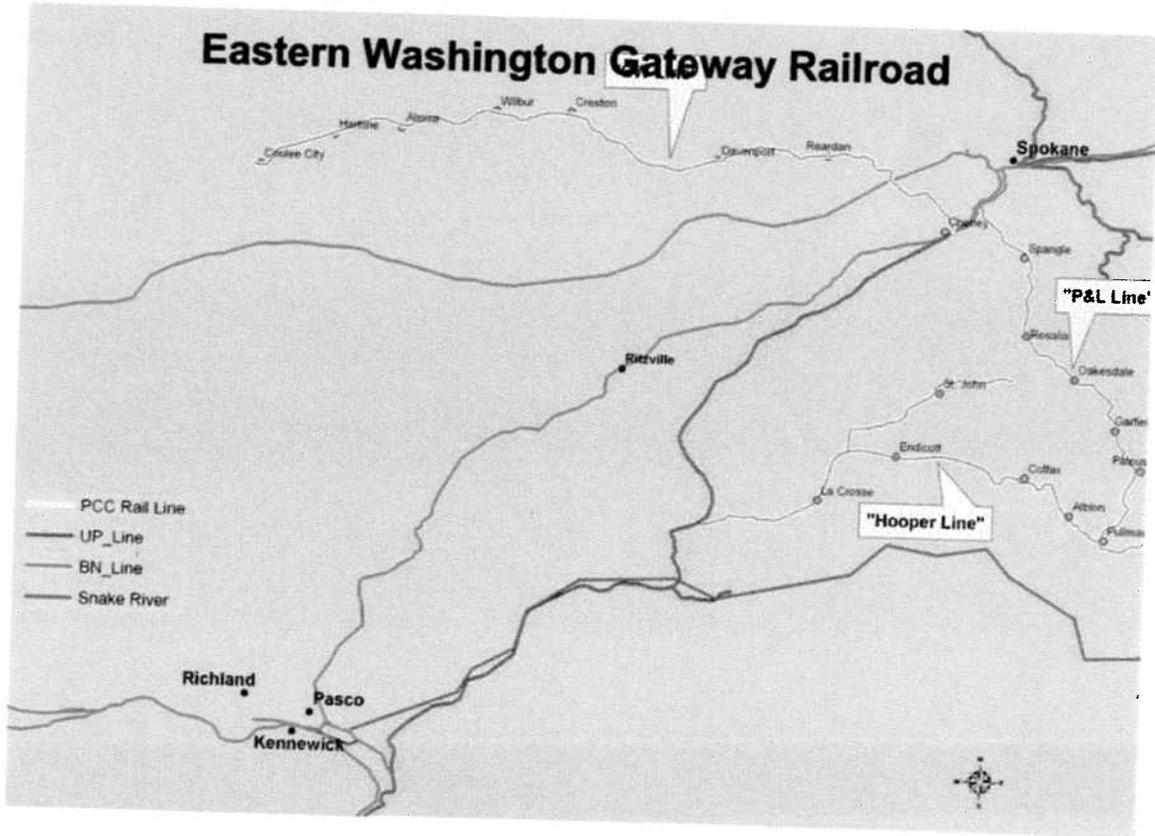
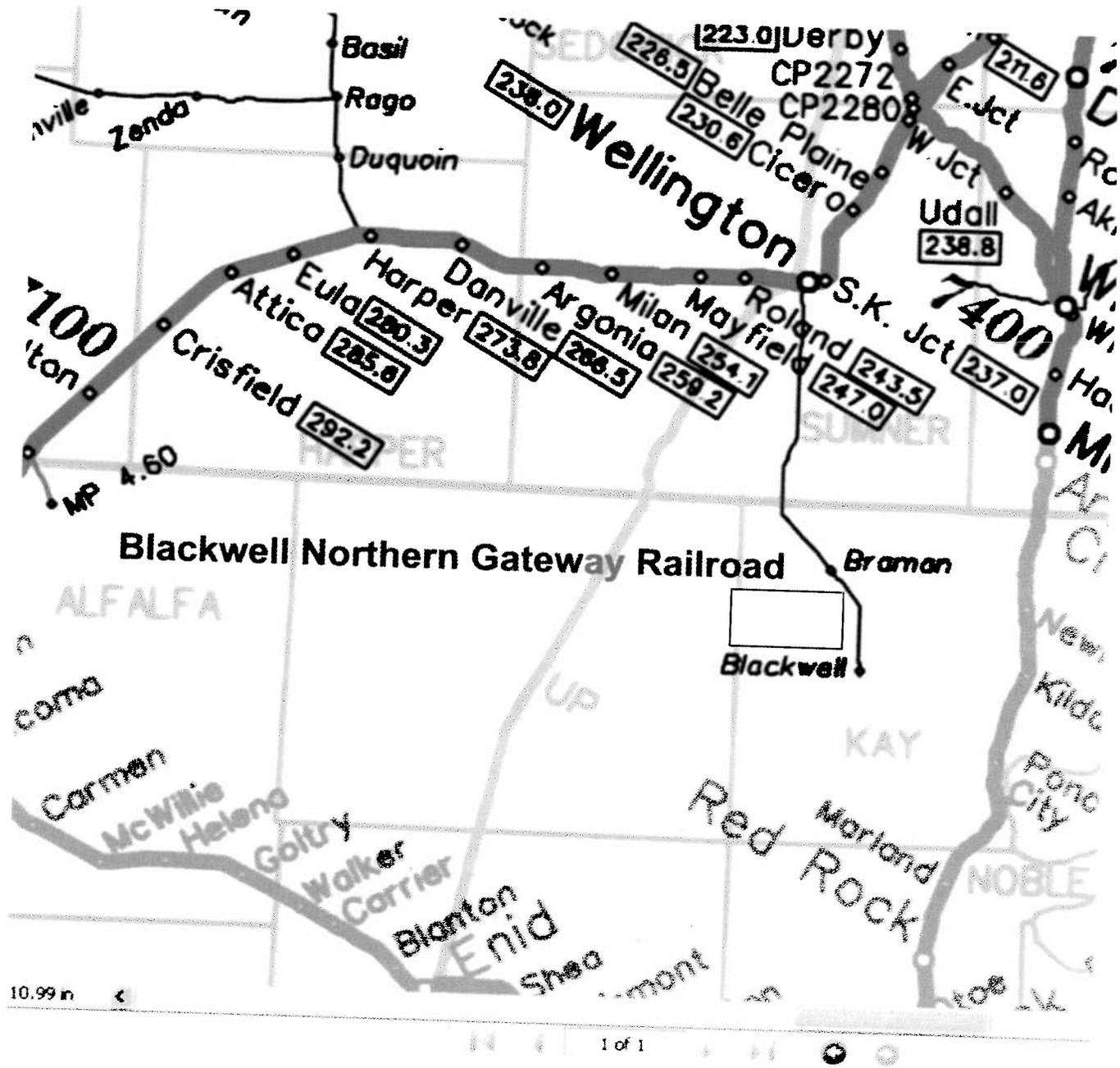


Exhibit 1B

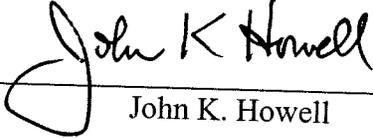


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VERIFICATION

John K. Howell, under penalty of perjury, declares and verifies that he is President of US Rail Partners, Ltd., that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



John K. Howell

Dated: May 12, 2007