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THOMAS F. MCFARLAND

December 3, 2009

*By e-filing*

Ms. Cynthia Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20024

Re: STB Docket No. AB-914X, *McCloud Railway Company -- Abandonment and Discontinuance of Service Exemption -- in Siskiyou, Shasta and Modoc Counties, CA*

Dear Ms. Brown:

This refers to the Request for Trail Use Condition in the above proceeding contained in a letter to you dated November 23, 2009 from Mr. Joseph R. Studenicka in behalf of SAVE BURNEY FALLS (SBF). The Request encompasses the entire rail line that has been exempted from the requirement of abandonment approval.

This is to advise the Board that McCLOUD RAILWAY COMPANY (MCR) hereby agrees to negotiate with SBF for trail use, and thus agrees to imposition of a trail use condition covering a 180-day negotiating period.

MCR acknowledges that it previously stated that it is unwilling to negotiate with SBF for trail use. *See* decision served January 12, 2006 at 2. However, MCR did not have unconditioned exemption authority for abandonment until the historic preservation condition was removed in a Board decision served November 9, 2009. MCR was legally precluded from consummating the exemption for abandonment prior to that date. MCR has not consummated that exemption for abandonment in the period following issuance of the latter decision. Therefore, at this time, MCR is free to agree or not to agree to a renewed Request for Trail Use Condition.

THOMAS F. MCFARLAND

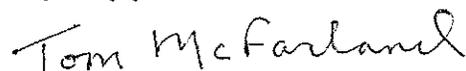
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Notwithstanding its prior refusal to negotiate, MCR now hereby agrees to negotiate with SBF for trail use of the entire right-of-way involved in the above proceeding.

Very truly yours,

A handwritten signature in cursive script that reads "Tom McFarland".

Thomas F. McFarland

*Attorney for McCloud Railway Company*

*TMcF:kl:wp8.0\1408\efstb1*

cc: Mr. Joseph R. Studenicka  
Jeffrey J. Swanson, Esq.  
Matthew Bornstein, Esq.  
Mr. Jeff Forbis