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BY ELECTRONIC FILING

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

**RE: 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**

Dear Ms. Brown:

Please accept this letter amending LRY LLC's ("LRY") Exemption Notice and Caption Summary to reflect correct milepost at Lakeview, OR as 513.05 rather than 512.30; further correcting the same pleadings to reflect the correct mileage of the Line as 54.45 miles rather than 53.70 miles as set forth in the original pleadings.

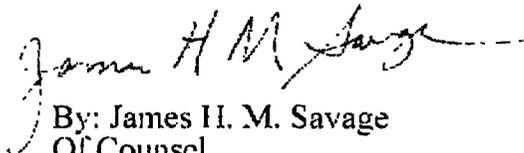
The mileage discrepancy was brought to LRY's attention by Robert I. Melbo, State Rail Planner for the Oregon Department of Transportation ("ODOT") via E-mail on December 10, 2008. See, Exhibit A. Our research discloses that ODOT is correct, and that LRY's filing perpetuated an error originating in STB Finance Docket No. 34995, *Modoc Railway and Land Company LLC-Acquisition and Operation Exemption-Lake County, OR* (served: Feb. 28, 2007).¹ The Board identified the discrepancy in its Decision served June

¹ Identical errors appear in the companion filing STB Finance Docket No. 34996, *Modoc Northern Railroad Company-Acquisition and Operation Exemption-in Lake County, OR* (served Feb. 28, 2007).

15, 2009 in STB Docket No. AB-1035, *Lake County, OR-Adverse Discontinuance of Rail Service-Modoc Railway and Land Company, LLC and Modoc Northern Railroad Company*, requesting clarification from Petitioner. Clarification was accordingly supplied by Petitioner by Adverse Discontinuance Application filed July 30, 2009. This correction conforms LRY's Notice to the above referenced proceedings.

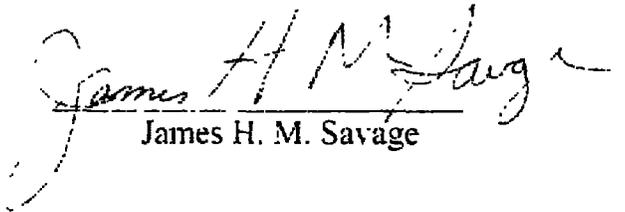
Please contact me if you have any questions regarding this filing. On behalf of our client, thank you for your time and consideration.

Respectfully submitted,
John D. Heffner, PLLC


By: James H. M. Savage
Of Counsel
Attorneys for LRY, LLC

CERTIFICATION OF SERVICE

I, James H. M. Savage, an attorney-at-law of the District of Columbia, certify that I have served this day by electronic mail a true copy of the within pleading upon Mack H. Shumate, counsel for Union Pacific Railroad Company, upon Thomas McFarland and James Bailey, counsel for Lake County, OR, and upon Robert I. Melbo for ODOT.


James H. M. Savage

Dated: December 11, 2009

From: MFLBO Robert I [mailto:Robert.I.Melbo@odot.state.or.us]
Sent: Thursday, December 10, 2009 6:25 PM
To: j.heffner@verizon.net
Cc: brgardner@lakecounty.or.us; j.d@tnt.net; McFarland, Thomas F; TAYLOR Kelly C * Rail Div
Subject: Discrepancy in Mileage in STB FD No. 35250, Sub No. 1

John D. Heffner, Esq.
Washington, D.C.
Dear Mr. Heffner:

In the above-captioned STB finance docket, Lake Railway (LRY) filed a Verified Notice of Exemption to lease and operate rail property owned by Lake County, Oregon, between Milepost 458.60 at Alturas, CA and Milepost 512.30 at Lakeview, OR, "a distance of 53.70 miles."

Why do the Mileposts quoted in LRY's filing differ from those that have historically defined Lake County, Oregon's ownership of the rail line as 5445 miles from Milepost 458.60 at Alturas, CA to Milepost 513.05 at Lakeview, OR (see various circa 1985 decisions under ICC Docket No. AB-12 [Sub-No. 84] and ICC Finance Docket No. 33581 served April 24, 1988)?

In a filing under STB Docket No. AB-1035 on July 30, 2009, Tom McFarland, attorney for applicant Lake County, explained in a footnote on page 2 that Lake County was acknowledging that the correct parameters of its line ownership are Mileposts 458.60 and 513.05, but the county's application addressed Milepost 458.89 in Alturas, CA and Milepost 512.30 in Lakeview, OR because they were used in Finance Docket Nos. 34995 and 34996 to establish in 2007 operating authority for Modoc Northern Railroad that the county was, in 2009, seeking to adversely discontinue.

It would appear that your filing has mistakenly adopted the northern Milepost of 512.30 for the Lake Railway transaction rather than the correct Milepost of 513.05.

Bob Melbo
State Rail Planner
Oregon Department of Transportation - Rail Division
Salem, OR
(503) 986-4137