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January 14, 2010

VIA E-MAIL FILING
Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D. C. 20423

ENTERED
Office of Proceedings
JAN 14 2010
Part of
Public Record

Dear Ms. Brown:

Attached for filing in STB Finance Docket No. 35175, Roseburg Forest Products Co., et al.—Alternative Rail Service—Central Oregon & Pacific Railroad, Inc., is the Petition of Yreka Western Railroad Company for Leave to Withdraw from Proceeding.

The \$250 filing fee was paid by credit card, information about which previously was facsimile transmitted to the Board.

I certify that this letter, as well as the Petition, were served upon the parties of record by e-mailing copies of them to their representatives.

If you have any question concerning this filing or if I otherwise can be of assistance, please let me know.

Sincerely yours,



Fritz R. Kahn

Fritz R. Kahn

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

STB Finance Docket No. 35175¹

ROSEBURG FOREST PRODUCTS CO., et al.
—ALTERNATIVE RAIL SERVICE—
CENTRAL OREGON & PACIFIC RAILROAD, INC.

PETITION OF YREKA WESTERN RAILROAD COMPANY
FOR LEAVE TO WITHDRAW FROM PROCEEDING

Fritz R. Kahn
Fritz R. Kahn, P.C.
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Attorney for

YREKA WESTERN RAILROAD COMPANY

Dated: January 14, 2010

¹ The petition embraces as well Ex Pate No. 346 (Sub-No. 25C), Rail General Exemption Authority—Lumber or Wood Products.

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

STB Finance Docket No. 35175¹

ROSEBURG FOREST PRODUCTS CO., et al.
~~--ALTERNATIVE RAIL SERVICE--~~
CENTRAL OREGON & PACIFIC RAILROAD, INC.

PETITION OF YREKA WESTERN RAILROAD COMPANY
FOR LEAVE TO WITHDRAW FROM PROCEEDING

Petitioner, Yreka Western Railroad Company ("YWR"), pursuant to 49 C.F.R. 1117.1, seeks leave to withdraw from the instant proceeding, and in support of its request, YWR states as follows:

1. YWR is a Class III rail carrier subject to the jurisdiction of the Board. Its office is located in Yreka, CA, and its freight-carrying line of railroad extends eight miles between Yreka and Montague, CA. At Montague, YWR connects with the Central Oregon & Pacific Railroad ("CORP"), its only means of accessing the Nation's general system of railroad lines.

2. YWR's principal source of freight traffic in years past has been the green veneer facility of Timber Products Company at Yreka. YWR also has served Suburban Propane L.P. at Yreka. Both companies are Petitioners in this proceeding.

3. The reduction of service and the increase of rates by CORP prompted Timber Products Company, as well as Roseburg Forest Products Co. and the other shipper

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Petitioners, to stop tendering traffic to be transported by CORP, and, in the absence of a reasonable demand for service, CORP ceased operating the Siskiyou Line, between Dillard, OR, and Black Butte, CA. Part of the Siskiyou Line, the 80 miles between Belleview, OR., and Black Butte, sometimes referred to as the Black Butte Branch, is owned by the Union Pacific Railroad Company ("UP") and is leased to CORP. The remainder of the Siskiyou Line, the 138 miles between Dillard and Belleview, is owned by CORP.

4. Without the connection to an operating CORP, YWR has been unable to earn freight revenue since April 2008. YWR, accordingly, joined the shipper Petitioners which had relied on CORP's service in filing the August 28, 2008, petition for alternative rail service, which was to be provided by the West Texas and Lubbock Railway Company, aided by YWR in its service area.

5. The petition for alternative rail service remains pending before the Board, and to YWR it seems increasingly unlikely that the relief sought by the Petitioners soon will be granted by the Board. The shipper Petitioners can await the Board's decision, because meanwhile they are trucking their shipments. The YWR, however, remains shut down, earning no freight revenue, as it has for almost two years' time.

6. In the meantime, a local government joint powers authority, the Siskiyou Regional Railroad Authority ("SRRA"), has been organized by the cities of Montague and Weed, CA, located just north of Black Butte. Registered in California and Oregon, SRRA would like to purchase the Black Butte Branch from the UP and arrange for an experienced short line railroad to operate it. SRRA has signed a Memorandum of Understanding with the UP to acquire the Black Butte Branch with the understanding that

SRRA will arrange for an experience short line railroad to render service on the line. Pending its purchase of the Black Butte Branch, SRRA would like to have UP and CORP reach an understanding for the assignment of CORP's lease of the line to SRRA. SRRA has filed an application with the Connect Oregon III program for a grant to assist with SRRA's purchase of the line and seeking to obtain funding from other sources as well.

7. SRRA intends to preserve the Black Butte Branch and the transportation options that it provides. It expects the short line railroad engaged to render service on the line to market and operate the line in a manner that will encourage the growth of freight and possibly even passenger traffic. By providing competitive, dependable rail service on the Black Butte Branch, interlining with connecting rail carriers, including CORP and UP, and affording opportunities for transloading shipments of forest products, SRRA anticipates that its proposal will benefit the economy of the region, the quality of the environment and the health and well being of the people of Northern California and Southern Oregon.

8. SRRA's proposal affords a more achievable and permanent solution for at least a portion of the Siskiyou Line than the petition for alternative rail service would. SRRA's proposal already has won the support of the City of Ashland, OR, the City of Medford, OR, and Oregon State Senator Alan C. Bates. In its letter to the Board, dated January 12, 2010, CORP, among other things, said, "CORP is . . . supportive of SRRA's effort to strike a deal with Union Pacific to acquire the necessary rights and/or arrange for an alternative operator on the Siskiyou summit, and CORP will consider amending its Lease obligations with Union Pacific to facilitate such an objective."

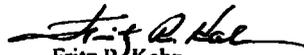
9. YWR has wanted to explore with the shipper Petitioners in this proceeding whether SRRA's proposal may not be a quicker and more lasting solution for securing a short line operator who will provide better service and at more reasonable rates than an alternative rail carrier would. They, however, have not wanted to hear from YWR, and, although YWR has sought to participate, the shipper Petitioners have held meetings and engaged in discussions excluding YWR. In effect, they have excommunicated YWR from the group.

WHEREFORE, Yreka Western Railroad Company seeks leave to withdraw as a Petitioner in this proceeding.

Respectfully submitted,

YREKA WESTERN RAILROAD COMPANY

By its attorney,

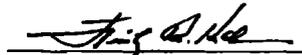

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Dated: January 14, 2010

CERTIFICATE OF SERVICE

I certify that I have served the foregoing Petition upon each party of record by e-mailing a copy to their respective representatives.

Dated at Washington, DC, this 14th day of January 2010.


Fritz R. Kahn