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Mack H. Shumate, Jr.
Senior General Attorney, Law Department

February 1, 2010

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Office of Proceedings

FEB - 1 2010

Part of
Public Record

Via E-Filing

The Honorable Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W., Room #100
Washington, D. C. 20423-0001

RE: Abandonment of the McHenry Industrial Lead from Milepost 21.25 to Milepost 26.43 in Modesto, Escalon, San Joaquin and Stanislaus Counties, California; STB Docket AB-33 (Sub-No. 278X)

Union Pacific Railroad Company ("Union Pacific") has received a request from the City of Modesto ("City") dated January 25, 2010 for an additional 90-day extension in which to complete negotiations for the acquisition under the provisions 16 U.S.C. §1247(d) and 49 C.F.R. § 1152.29 regarding that portion of the Union Pacific's right-of-way known as the McHenry Industrial Lead from Milepost 21.25 to Milepost 26.43 in Modesto, Escalon, San Joaquin and Stanislaus Counties, California.

The Union Pacific is willing to continue negotiating with the City concerning the acquisition of the subject property for trail use and supports the City's request for an additional 90-day extension in which to negotiate. A copy of the City's request is attached hereto as Exhibit "A" and hereby made a part hereof.

Sincerely,

cc: .. City of Modesto

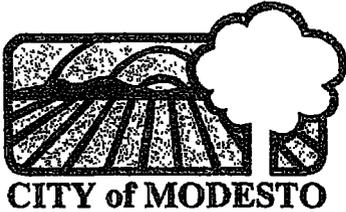


EXHIBIT "A"

COPY

*Parks,
Recreation and
Neighborhoods
Department*

*1010 Tenth Street
Suite 4400
P.O. Box 642
Modesto, CA 95353
209/577-5344
209/579-5077 Fax*

January 25, 2010

Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

*Hearing and Speech
Impaired Only*

TDD 209/526-9211

Dear Ms. Quinlan:

RE: Union Pacific Railroad Company Abandonment in Modesto, Escalon, Stanislaus and San Joaquin Counties, California; STB Docket No.AB-33 (sub-no. 278).

On July 31, 2009, the Surface Transportation Board issued a "Decision and Notice of Interim Trail Use or Abandonment" whereby the Union Pacific Railroad (UPRR) would be required to negotiate with the City of Modesto for a trail use agreement. A 180-day public use condition was imposed, commencing from August 1, 2009, and will end on January 28, 2010. The 180-day public use condition was to allow Modesto the needed time to assemble and review title information, complete a trail plan and to negotiate an agreement with UPRR for use of the right-of-way as a trail.

At present time, the City of Modesto has not been able to reach an agreement with the UPRR for trail use. The UPRR has asked for the city to present an offer for the railroad right-of-way, and additional time is needed to seek an appraisal of the property to substantiate and offer. A realistic time extension to complete negotiations with the UPRR would be 90-days from January 28, 2010.

Thank you for your consideration of this important request.

By my signature below, I certify service upon Union Pacific Railroad Company Director of Real Estate-west/1800 Farnam Street/Omaha, Nebraska 68102, by Federal Express priority overnight delivery on January 26, 2010.

Sincerely,

Julie G. Hannon
Director

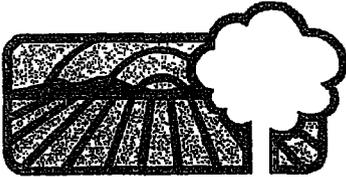
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LAW DEPARTMENT
UNION PACIFIC RR CO.

B. Ford



CITY of MODESTO

*Parks,
Recreation and
Neighborhoods
Department*

*1010 Tenth Street
Suite 4400
P.O. Box 642
Modesto, CA 95353
209/577-5344
209/579-5077 Fax*

*Hearing and Speech
Impaired Only
TDD 209/526-9211*

July 21, 2009

Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

COPY

Dear Ms. Quinlan:

RE: Union Pacific Railroad Company Abandonment in Modesto, Escalon, Stanislaus and San Joaquin Counties, California; STB Docket No. AB-33 (sub-no. 278).

This request is filed on behalf of the City of Modesto, which is a government agency interested in transportation and recreation, hereinafter referred to as "proponent."

While not taking a position on the merits of this abandonment, proponent requests issuance of a Public Use Condition as well as a Certificate or Notice of Interim Trail Use rather than an outright abandonment authorization for the rail corridor between Pelandale Avenue in Modesto to just south of East Jones Avenue in Escalon, for a total of 5.18 miles.

A. Public Use Condition

Proponent requests the STB to find that this property is suitable for other public use, specifically trail use, and to place the following conditions on the abandonment:

1. An order prohibiting the carrier from disposing of the corridor, other than the tracks, ties and signal equipment, except of public use on reasonable terms. The justification for this condition is that the corridor would make an excellent recreational trail, and conversion of the property to trail use is in accordance with local plans. Modesto has already "Railbanked" four (4) miles of the rail corridor, south of Pelandale Avenue to downtown, and we have built the first 1.4 miles of trail and linear park. The conversion of this additional 5.18 miles to recreational trail use will augment the existing "Virginia Corridor Trail" project. The time period sought is 180 days from the effective date of the abandonment authorization. Proponent needs this much time because we have not had an opportunity to assemble or to review title information, complete a trail plan or commence negotiations with the carrier.

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of any and all taxes that may be levied or assessed against the right-of-way owned

2. An order barring removal or destruction of potential trail-related structures, such as bridges, trestles, culverts and tunnels. The justification for this condition is that these structures have considerable value for recreational trail purposes. The time period requested is 180 days from the effective date of the abandonment authorization for the same reason as indicated above.

B. Interim Trail Use

The railroad right-of-way in this proceeding is suitable for rail banking. In addition to the public use conditions sought above, proponent also make the following request:

STATEMENT OF WILLINGNESS TO ASSUME FINANCIAL RESPONSIBILITY

In order to establish interim trail use and rail banking under section 8(d) of the National Trails System act, 16 U.S.C. 1247(d), and 49 C.F.R. 1152.29, the City of Modesto is willing to assume full responsibility for management of , for any legal liability arising out of the transfer or use of (unless the user is immune from liability, in which case it need only indemnify the railroad against any potential liability), and for the payment of any and all taxes that may be levied or assessed against the right-of-way owned by the Union Pacific Railroad Company and operated by same.

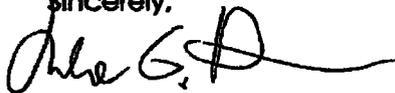
The property, known as the McHenry Industrial Lead, extends from railroad milepost 21.25 near East Jones Avenue to railroad milepost 26.43 near Pelandale Avenue, a distance of 5.18 miles in Stanislaus and San Joaquin Counties, California. The right-of-way is part of a line of railroad proposed for abandonment is STB Docket No. AB-33 (Sub278).

A map depicting the right-of-way is enclosed.

The City of Modesto acknowledges that use of the right-of-way is subject to the user's continuing to meet its responsibilities described above and subject to possible future reconstruction and reactivation of the right-of-way for rail service.

By my signature below, I certify service upon Union Pacific Railroad Company/Director of Real Estate-West/1800 Farnam Street/Omaha, Nebraska 68102, by Federal Express priority overnight delivery, on July 21, 2009.

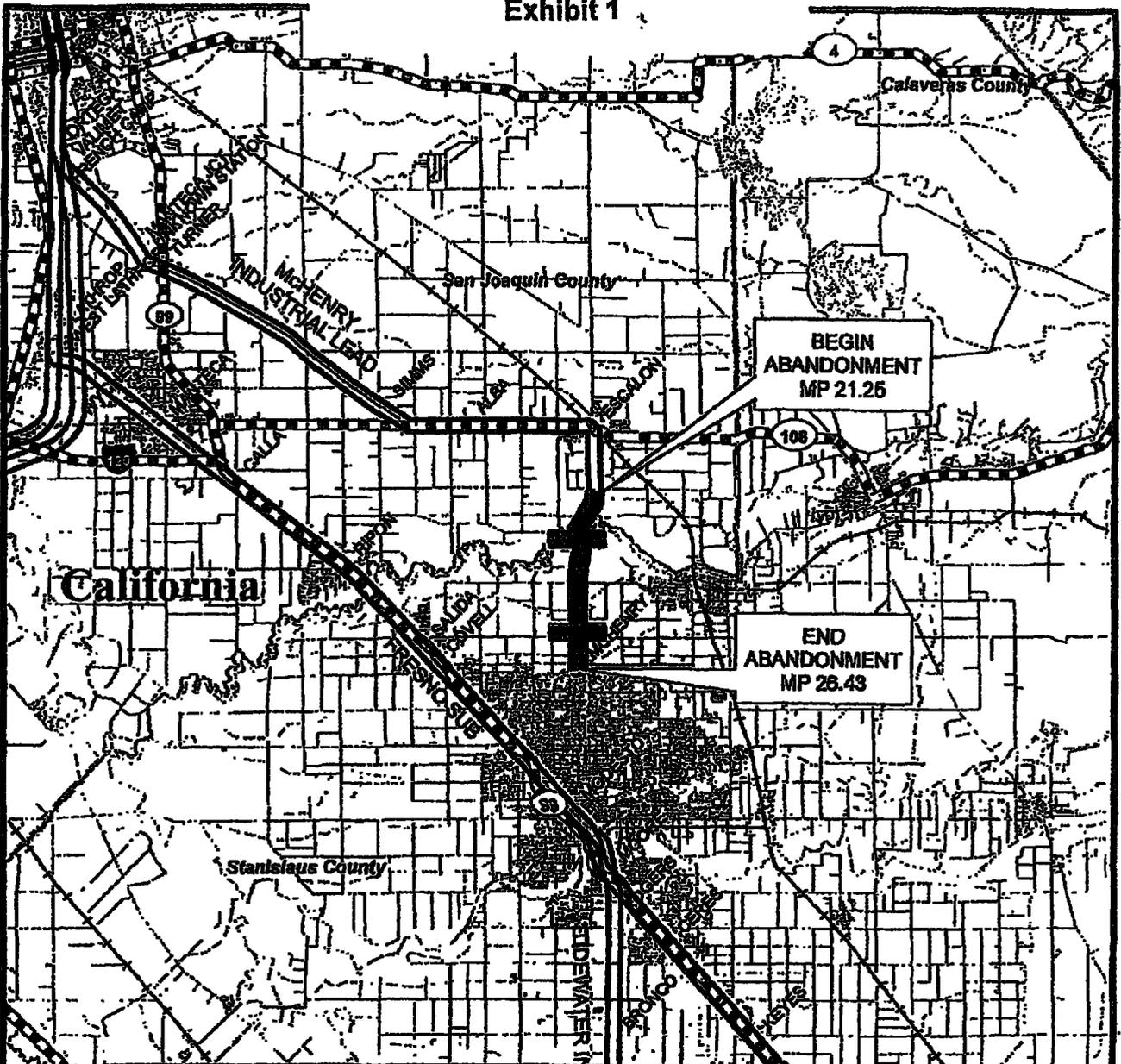
Sincerely,



Julie G. Hannon
Director

JGH:BF:mch
Enclosure

Exhibit 1



BEGIN
ABANDONMENT
MP 21.25

END
ABANDONMENT
MP 26.43

BRIDGE NO.	BRIDGE TYPE	TOTAL LENGTH	DATE
2274	5 - SPAN DECK PLATE GIRDER	957	1942
2538	59 - SPAN THROUGH PLATE TRESTLE BALLAST DECK	25	1912

STATION	MILE POST
MCHENRY	26.1

Legend

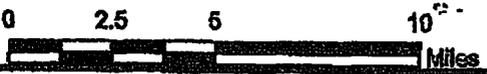
- 50 + YEAR OLD STRUCTURES
- UPRR TO BE ABANDONED
- OTHER UPRR LINES
- OTHER RAILROADS
- PRINCIPAL HIGHWAYS
- OTHER ROADS

MCHENRY INDUSTRIAL LEAD

MP 21.25 TO MP 26.43
TOTAL OF 5.18 MILES IN CALIFORNIA,
IN SAN JOAQUIN COUNTY = 1.85 MILES
IN STANISLAUS COUNTY = 3.33 MILES

UNION PACIFIC RAILROAD CO.
MCHENRY INDUSTRIAL LEAD
CALIFORNIA

INCLUDING 50+ YEAR OLD STRUCTURES



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