

UNION PACIFIC RAILROAD
101 N. Wacker Dr., Rm. 1920
Chicago, Illinois 60606-1718

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November 4, 2010

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 October 20, 2010 for an additional 180-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 180-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,

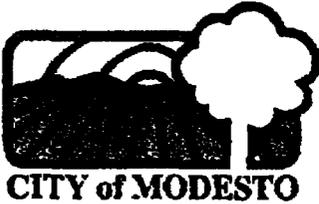
Mack Shumate, Jr.

Attachment

cc: City of Modesto

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**Parks,
Recreation and
Neighborhoods
Department**

1010 Leath Street
Suite 4000
P.O. Box 632
Modesto, CA 95353
209-577-9544
209-579-9077 Fax

*Fluoring and Speech
Impaired Only*
TDD 209-526-9277

October 20, 2010

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

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. 278X).

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 ended 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.

On January 26, 2010, the City of Modesto requested and was granted an additional 90-day extension to continue negotiations with the UPRR. This 90-day extension expired on April 28, 2010. On April 12, 2010, the City of Modesto requested and was granted an additional 180-day extension to the public use condition to allow more time for an appraisal of subject property and to negotiate with UPRR for use of the right-of-way as a trail. The latest extension is set to expire on October 25, 2010 and the City of Modesto has not been able to reach an agreement with the UPRR for trail use. Therefore, we are asking for a time extension of 180-days so as to continue negotiations with UPRR.

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 October 21, 2010.

Sincerely,

Julie G. Hannon
Director

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ENTERED
Office of Proceedings
OCT 26 2010
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Public Record