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June 28, 2010

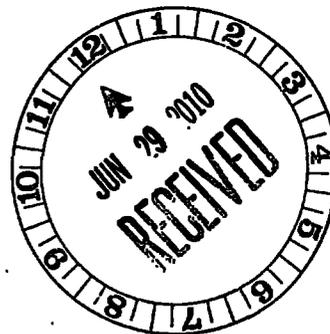
VIA FEDERAL EXPRESS

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

ENTERED
Office of Proceedings

JUN 29 2010

Part of
Public Record



227361

Re: **Finance Docket No. 35384**
US Rail Partners, Ltd. and Blackwell Northern Gateway
Railroad Company -- Continuance in Control Exemption --
Eastern Berks Gateway Railroad Company

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of US Rail Partners, Ltd. and Blackwell Northern Gateway Railroad Company Pursuant to 49 C.F.R. § 1180.2(d)(2)**, dated June 28, 2010. A check in the amount of \$1,300, representing the appropriate fee for this filing, is attached.

One extra copy of the Notice and this letter also are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,

A handwritten signature in black ink that reads 'William C. Sippel'.

William C. Sippel
Attorney for US Rail Partners, Ltd. and
Blackwell Northern Gateway Railroad Company

FILED

JUN 29 2010

**SURFACE
TRANSPORTATION BOARD**

WCS:tjl

Enclosures

FEE RECEIVED

JUN 29 2010

**SURFACE
TRANSPORTATION BOARD**

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35384

US RAIL PARTNERS, LTD. AND
BLACKWELL NORTHERN GATEWAY RAILROAD COMPANY
-- CONTINUANCE IN CONTROL EXEMPTION
EASTERN BERKS GATEWAY RAILROAD COMPANY



**VERIFIED NOTICE OF EXEMPTION
OF
US RAIL PARTNERS, LTD. AND
BLACKWELL NORTHERN GATEWAY RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

William C. Sippel
Thomas J. Litwiler
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**ATTORNEYS FOR US RAIL PARTNERS, INC.
AND BLACKWELL NORTHERN GATEWAY
RAILROAD COMPANY**

Dated: June 28, 2010

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35384

US RAIL PARTNERS, LTD. AND
BLACKWELL NORTHERN GATEWAY RAILROAD COMPANY
-- CONTINUANCE IN CONTROL EXEMPTION --
EASTERN BERKS GATEWAY RAILROAD COMPANY

**VERIFIED NOTICE OF EXEMPTION
OF
US RAIL PARTNERS, LTD. AND
BLACKWELL NORTHERN GATEWAY RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

US Rail Partners, Ltd. ("USRP") and Blackwell Northern Gateway Railroad Company ("BNGR") hereby file this notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of Eastern Berks Gateway Railroad Company ("EBGR") once EBGR commences rail operations and becomes a common carrier. EBGR is a non-carrier entity, wholly owned by BNGR and indirectly controlled by USRP, that will lease from Berks County, Pennsylvania ("the County") a rail line extending from Pottstown to Boyertown, Pennsylvania (the "Colebrookdale Line"), a distance of approximately 8.6 miles. EBGR will shortly file in Finance Docket No. 35383, Eastern Berks Gateway Railroad Company -- Modified Rail Certificate, a notice for a modified certificate of public convenience and necessity pursuant to 49 C.F.R. § 1150.23 to lease and operate the Colebrookdale Line.

The rail line to be operated by EBGR does not connect with the lines of BNGR or the single other regulated rail carrier controlled by USRP, and this control transaction is not part of a series of anticipated transactions that would result in such a connection. Nor does this

proposed control transaction involve a Class I carrier. USRP and BNGR's continuance in control of EBGR is accordingly exempt under 49 C.F.R. § 1180.2(d)(2).

In accordance with the requirements of 49 C.F.R. § 1180.4(g), USRP and BNGR submit the following information:

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

USRP is a non-carrier holding company which currently controls through stock ownership BNGR and the Eastern Washington Gateway Railroad Company ("EWGR"), both Class III common carriers by rail. See US Rail Partners, Ltd. -- Continuance in Control Exemption -- Eastern Washington Gateway Railroad Company, Finance Docket No. 35030 (STB served May 25, 2007). BNGR operates approximately 35 miles of rail line between Wellington, Kansas and Blackwell, Oklahoma. See Blackwell Northern Gateway Railroad Company -- Change in Operators Exemption -- Oklahoma Department of Transportation and Blackwell Industrial Authority, Finance Docket No. 34777 (STB served November 30, 2005). EWGR operates approximately 114 miles of rail line in the State of Washington. See Eastern Washington Gateway Railroad Company -- Lease and Operation Exemption -- Washington State Department of Transportation, Finance Docket No. 35029 (STB served May 25, 2007); Eastern Washington Gateway Railroad Company -- Change in Operator Exemption -- Rail Line of Spokane County, WA, Finance Docket No. 35201 (STB served December 5, 2008).

EBGR is a new entity owned by BNGR and indirectly controlled by USRP which will lease and operate the Colebrookdale Line pursuant to a modified rail certificate. The rail lines of BNGR and EWGR (in the states of Kansas, Oklahoma and Washington) and EBGR (in the Commonwealth of Pennsylvania) will not connect. USRP proposes to exercise common control of BNGR, EWGR and EBGR, and BNGR proposes to exercise control of EBGR, once

EBGR leases the Colebrookdale Line pursuant to modified certificate in Finance Docket No. 35383 and becomes a rail carrier.

The full names and addresses of the applicants herein are:

US Rail Partners, Ltd.
548 Anita Street
Des Plaines, Illinois 60016
(847) 824-1264

Blackwell Northern Gateway Railroad Company
1910 West Furguson
Blackwell, Oklahoma 74631
(580) 789-4534

Any questions concerning this Notice should be sent to the representative of USRP and BNGR at the following address:

William C. Sippel
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

USRP and BNGR intend to consummate the proposed control transaction on August 1, 2010, concurrently with EBGR's lease and operation of the Colebrookdale Line and more than thirty days after the filing of this notice of exemption. See 49 C.F.R. § 1180.4(g)(1).

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The exemption sought herein will allow USRP to exercise common control of BNGR, EWGR and EBGR, and will allow BNGR to exercise control of EBGR. In turn, the control exemption will allow EBGR to proceed with the lease and operation of the Colebrookdale Line to be proposed in Finance Docket No. 35383.

States in Which Property of Applicants is Located: 49 C.F.R. § 1180.6(a)(5)

USRP is a non-carrier holding company and does not directly own any rail property. EBGR will lease and operate rail property within the Commonwealth of Pennsylvania. BNGR operates over rail property located in the States of Kansas and Oklahoma, and EWGR operates over rail property located in the State of Washington.

Map - Exhibit 1: 49 C.F.R. § 1180.6(a)(6)

Maps of the Colebrookdale Line to be leased by EBGR and the rail lines currently operated by BNGR and EWGR are attached hereto as Exhibits 1A, 1B and 1C, respectively.

Agreement - Exhibit 2: 49 C.F.R. § 1180.6(a)(7)(ii)

BNGR, a USRP subsidiary, already owns and controls EBGR, currently a non-carrier. No additional agreement is contemplated or necessary for USRP and BNGR to continue in control of EBGR once EBGR leases the Colebrookdale Line and becomes a carrier.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

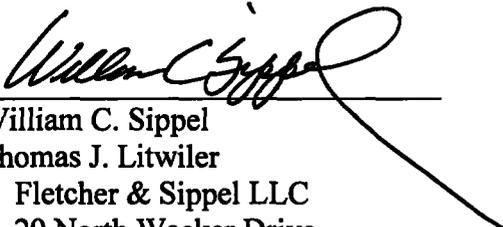
Pursuant to 49 U.S.C. § 11326(c), no employee protective conditions may be imposed on this transaction. BNGR and EWGR are currently Class III rail carriers, and EBGR will be a Class III carrier upon its commencement of operations.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the proposed control transaction is exempt from environmental reporting requirements. USRP and BNGR's continuance in control of EBGR will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(3), the proposed continuance in control also is exempt from historic preservation reporting requirements. That control transaction will not substantially change the level of maintenance of any railroad property.

Respectfully submitted,

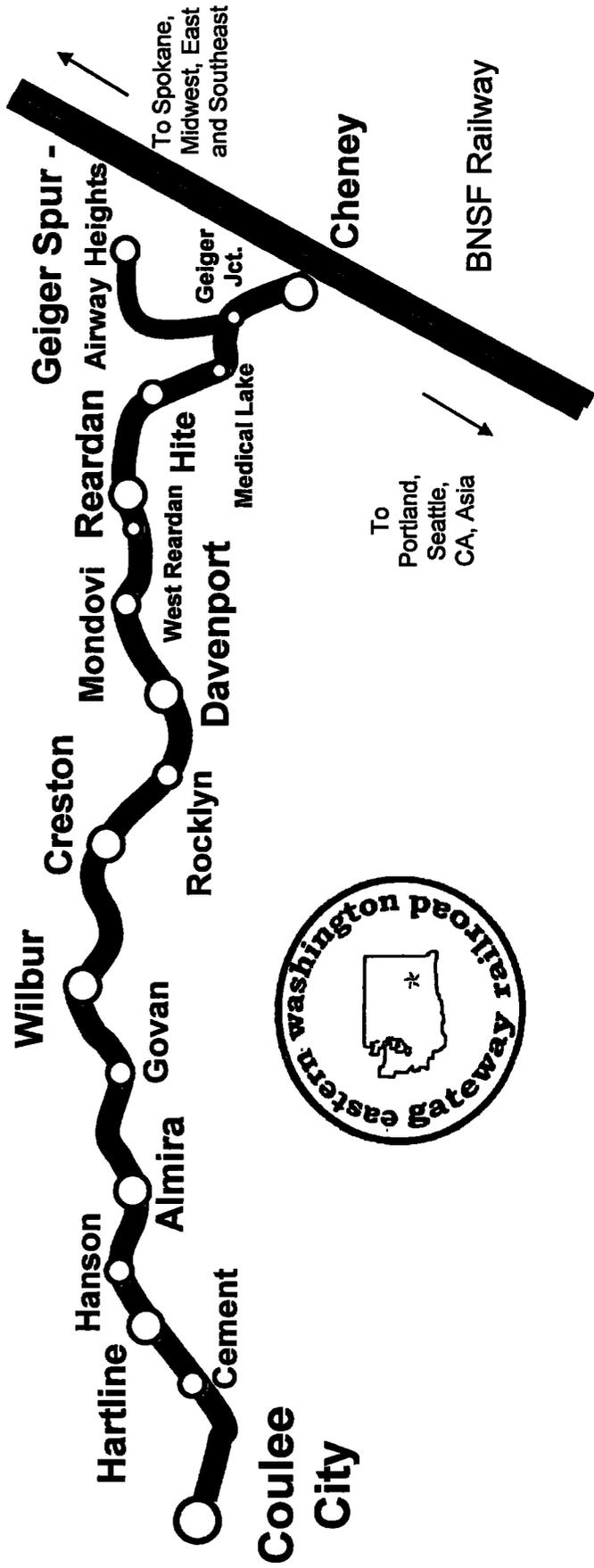
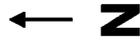
By: 
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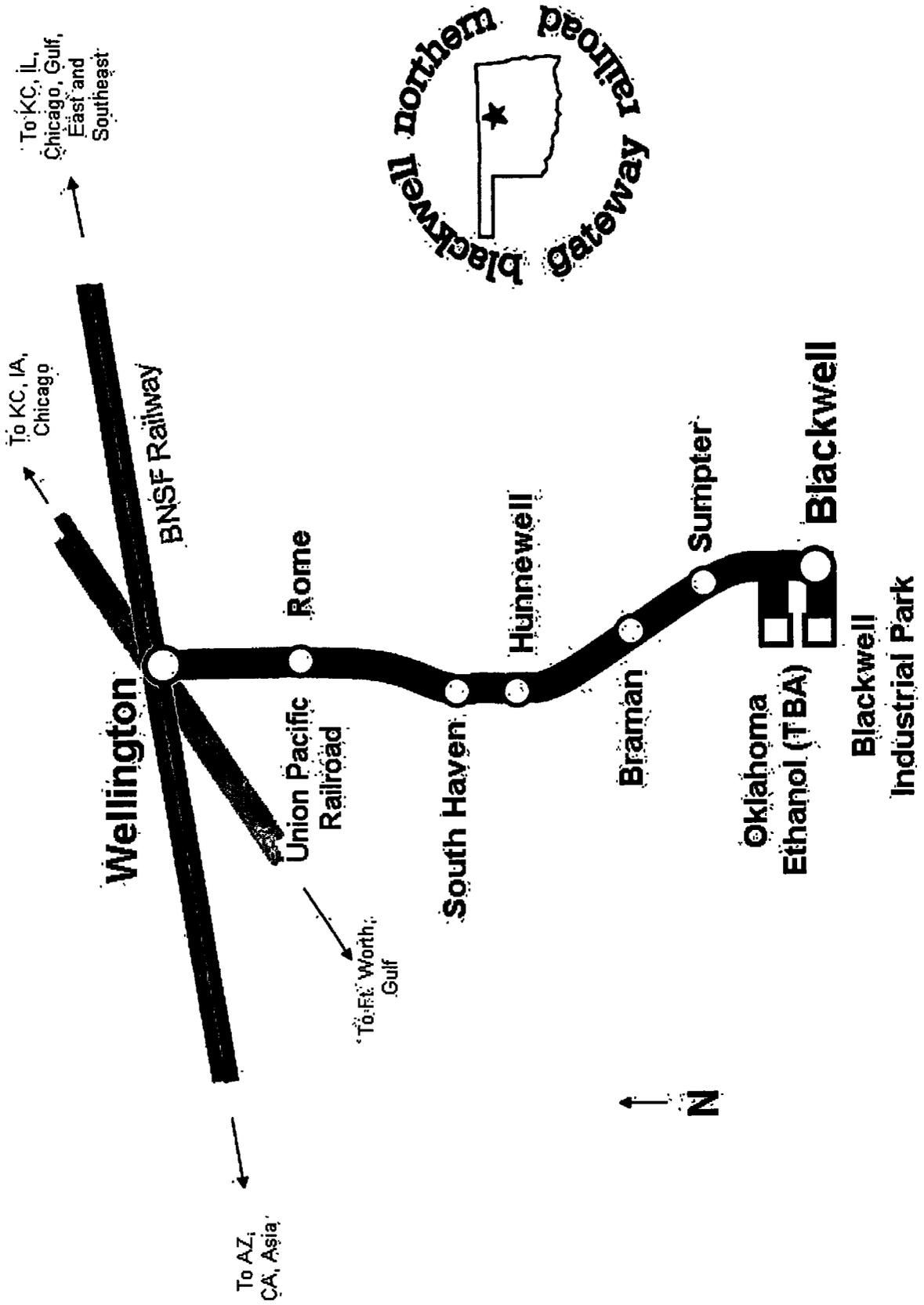
Dated: June 28, 2010

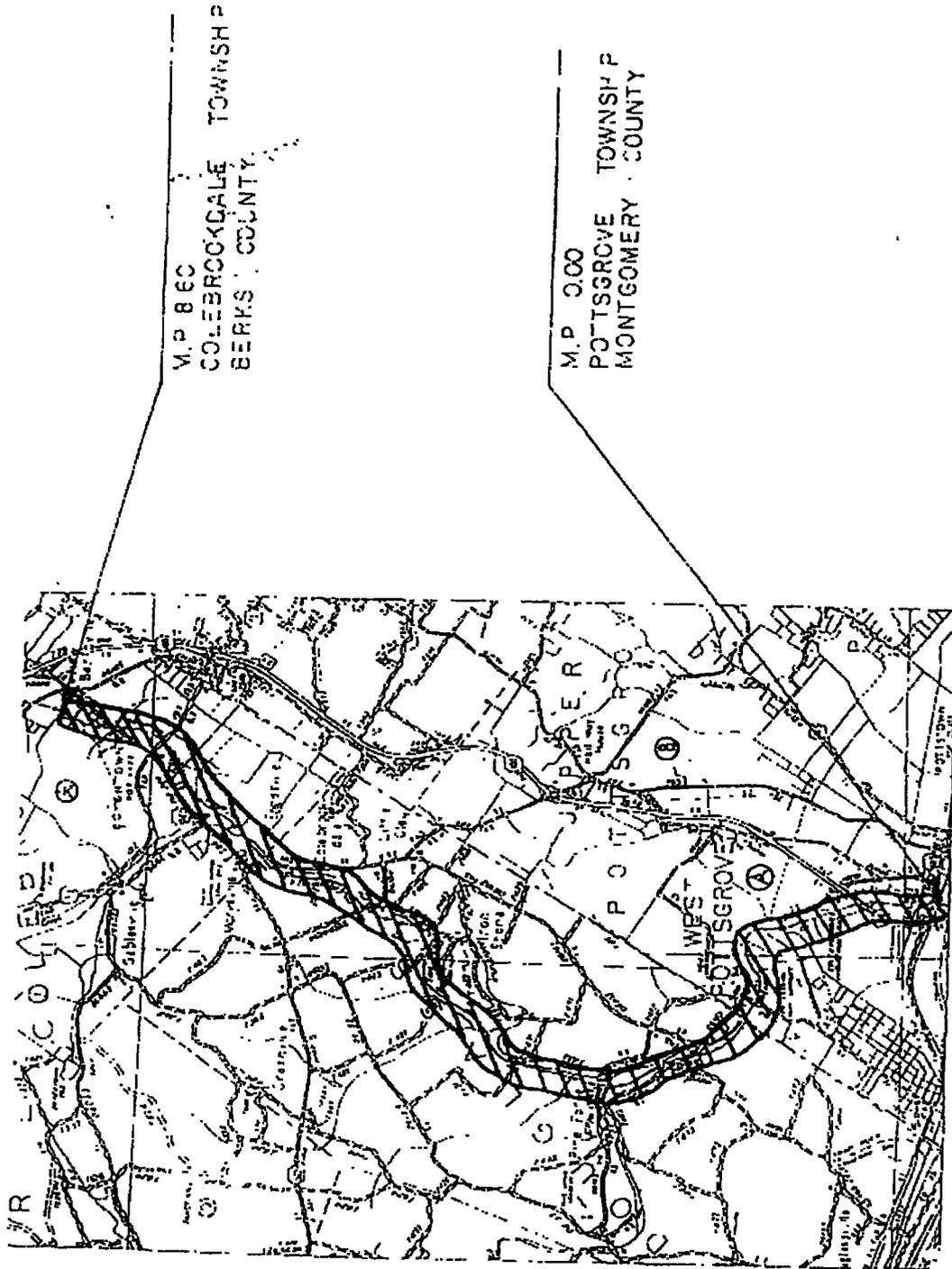
Eastern Washington Gateway Railroad

System Map



Blackwell Northern Gateway Railroad





VERIFICATION

John K. Howell, under penalty of perjury, declares and verifies that he is President of US Rail Partners, Ltd. and President of Blackwell Northern Gateway Railroad Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



John K. Howell

Dated: June 25th, 2010