

22848

BALL JANIK LLP
ATTORNEYS

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005
www.balljanik.com
TELEPHONE 202-638-3307
FACSIMILE 202-783-6947



kmorell@dc.bjllp.com

KARL MORELL

December 10, 2010

HAND-DELIVERED

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423-0001

ENTERED
Office of Proceedings

DEC 10 2010

Part of
Public Record

Re: STB Finance Docket No. 35452, Wichita, Tillman & Jackson
Railway Company – Lease Renewal Exemption – Union Pacific
Railroad Company

Dear Ms. Brown:

Attached for filing are the original and ten copies of the Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(4), and a check covering the \$1,700 filing fee.

Please time and date stamp the extra copy of the Notice of Exemption and return it with our messenger.

If you have any questions, please contact me.

Sincerely yours,

Karl Morell

Enclosures

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SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35452

WICHITA, TILLMAN & JACKSON RAILWAY COMPANY
--LEASE RENEWAL EXEMPTION --
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(4)

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Karl Morell
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, D.C. 20005
(202) 638-3307

Attorney WICHITA, TILLMAN &
JACKSON RAILWAY COMPANY

Dated: December 10, 2010

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35452

WICHITA, TILLMAN & JACKSON RAILWAY COMPANY
--LEASE RENEWAL EXEMPTION--
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(4)

Wichita, Tillman & Jackson Railway Company ("WTJR") files this Notice of Exemption, pursuant to 49 C.F.R. § 1180.2(d)(4), to permit WTJR to renew its lease of approximately 40.48 miles of rail line consisting of two unconnected segments in Texas and Oklahoma. WTJR has been leasing and operating the two segments since 1991. *See Finance Docket No. 31787, Wichita, Tillman & Jackson Railway Company -- Lease and Operation Exemption -- Missouri Pacific Railroad Company (not printed), served January 8, 1991.*

In support of this Notice of Exemption, the following information as required by 49 C.F.R. § 1180.4(g)(1)(i) is submitted:

Section 1180.6 Supporting Information

(a)(1)(i) Description of Proposed Transaction

Since 1991, WTJR has been leasing two unconnected segments of rail line. The first is owned by the Union Pacific Railroad Company ("UP") and extends from Milepost 0.99,

in Wichita Falls, TX, to Milepost 17.54, at the Texas-Oklahoma State line near Burkburnett, TX (the "Texas Segment"). The second segment is owned by Oklahoma Department of Transportation ("ODOT") and extends from Milepost 513.50, at Walters, OK, to Milepost 537.43, at Waurika, OK (the "OK Segment")(the Texas Segment and OK Segment will collectively be referred to as the "Lines"). Prior to 1991, the OK Segment was leased to one of UP's predecessors.

The 1991 Lease Agreement, by its terms, provides for an automatic 20 year extension if WTJR gives UP not more than 12 months', but not less than 6 months' written notice of an election to extend. In July 2010, WTJR provide UP notice of WTJR election to extend the Lease Agreement. UP is currently challenging the form of the notice. Hopefully, the parties will be able to work out their difference before January 12, 2011, which is the date UP claims is the end of the first term of the Lease Agreement. If the parties cannot work out their difference, WTJR will be forced to cease all operations over the Lines on January 12, 2011, given the significant escalation in rental payments for any holdover period.

Applicant's representative is:

Karl Morell
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, D.C. 20005
(202) 638-3307

(a)(1)(ii) Consummation Date

Provided the parties can work out their difference, WTJR expects to consummate the proposed lease extension on January 12, 2010.

(a)(1)(iii) Purpose Sought to be Accomplished

The purpose of the proposed transaction is to renew the Lease Agreement which was authorized by the Surface Transportation Board's ("Board") predecessor.

(a)(5) List of States

The Lines are located in Oklahoma and Texas. All of the rail lines operated by WTJR are located in Oklahoma and Texas.

(a)(6) Map

A map of the Lines is attached as Exhibit 1.

(a)(7)(ii) Agreement

WTJR is hopeful that it will be able to enter into a Renewal of Lease Agreement with UP prior to January 12, 2011.

LABOR PROTECTION

WTJR is agreeable to the imposition of the conditions imposed in *Mendocino Coast Ry., Inc. – Lease and Operate*, 354 I.C.C. 732 (1978) and 360 I.C.C. 653 (1980).

INTERCHANGE COMMITMENTS

The Renewal of Lease Agreement will not contain a provision that would limit future interchange with a third-party connecting carrier.

RELATED TRANSACTION

This transaction is related to another exemption request by WTJR in STB Finance Docket No. 35451, *Wichita, Tillman & Jackson Railway Company – Lease Renewal Exemption – Oklahoma Department of Transportation*.

ENVIRONMENTAL AND HISTORIC IMPACTS

WTJR is renewing its lease of the Lines for the purpose of continued rail operations. Further Board approval is required to WTJR to discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

WTJR's lease renewal will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of these lines to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the lines; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. The thresholds in 49 C.F.R. § 1105.7(e)(5)(ii) will also not be exceeded as a result of this transaction. Finally, this transaction does not contemplate the transportation of any ozone depleting material. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect the quality of the human environment or energy conservation.

Respectfully submitted,



KARL MORELL
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005
(202) 638-3307

Attorney WICHITA, TILLMAN & JACKSON
RAILWAY COMPANY

Dated: December 10, 2010

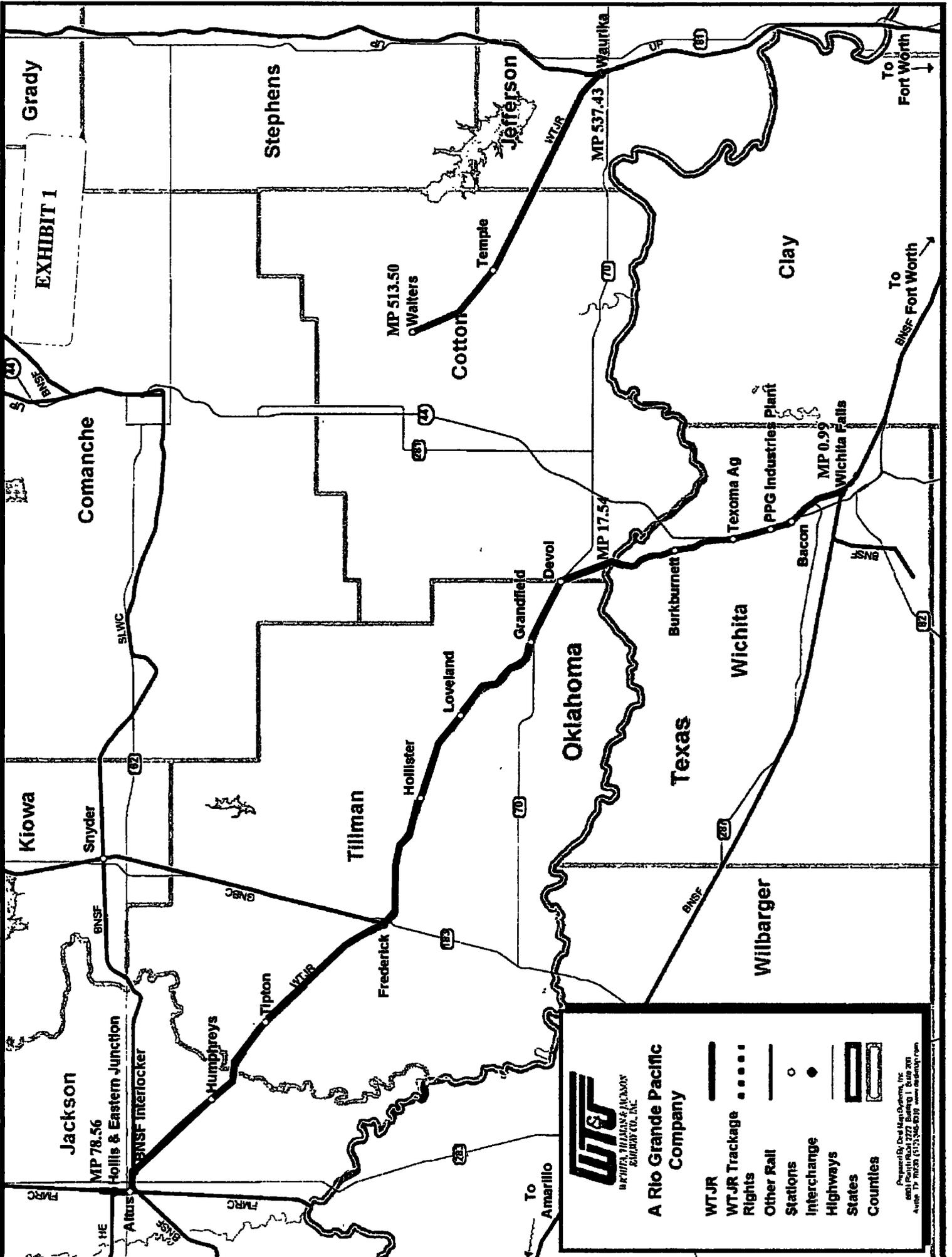


EXHIBIT 1



WTJR
 A RIO GRANDE PACIFIC COMPANY

WTJR Trackage ———
 Rights
 Other Rail ———
 Stations ○
 Interchange ●
 Highways ———
 States ———
 Counties ———

Prepared by: Civil Map Systems, Inc.
 6801 Roswell Road 2727 Building 1, Dallas, TX 75206
 Author: Dr. Robert (1975) 2465-8219 www.civilmap.com

