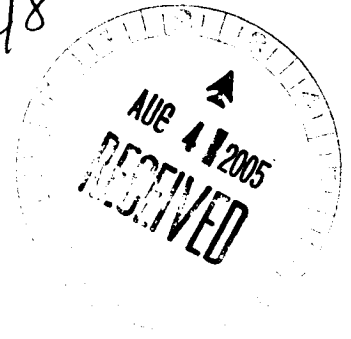


214482

Dicalite Minerals Corp.
225 City Avenue, Suite 14
Bala Cynwyd, PA 19004
(610) 660-8806

August 3, 2005



Via DHL Overnight

Vernon Williams, Secretary
Surface Transportation Board
1925 K Street, N.W. - Room 700
Washington, DC 20423

ENTERED
Office of Proceedings

AUG 04 2005

Part of
Public Record

Re: McCloud Railway Company –
Abandonment and Discontinuance of Service
Exemption – In Siskiyou, Shasta and Modoc
Counties, CA
Docket No. AB-914 (Sub No. 0)X

Dear Mr. Williams:

Pursuant to 49 C.F.R. Section 1152.25, Dicalite Minerals Corp. submits the following protest as to the above captioned Petition for Exemption From 49 U.S.C. 10903:

(i) Protestant's Name:
Dicalite Minerals Corp.
c/o Rocky Torgrimson, Operations Manager
36994 Summit Lake Rd.
Burney, CA 96013

Ph. 530-335-5451, Fax 530-335-5348

Dicalite Minerals Corp. mines and processes diatomaceous earth and ships carloads of bulk diatomaceous earth using the McCloud Railway Company (MCR) tracks. MCR has filed a petition to abandon the tracks with the Surface Transportation Board, Docket No. AB-914 (Sub No. 0)X. Dicalite Minerals Corp. is protesting this petition.

- (ii) Dicalite Minerals Corp. has mined and processed diatomaceous earth at the above location for the past 20 years. Processed diatomaceous earth from this location is used as an industrial filtering media, a/k/a/ filteraids, around the world. Dicalite uses the McCloud Railway Company (MCR) to supply large domestic corn fructose companies with bulk filteraids. Shipping by bulk pressure differential railcars is the most economical means for these large companies to receive and handle the filteraid.

(A) Dicalite Minerals Corp. hauls bulk filteraid 3.5 miles from the plant, in an off highway truck, to the Cayton Rail siding ~MP48, where the material is pumped into bulk pressure differential rail cars. The MCR hauls the loaded railcars to Mt. Shasta where the Union Pacific Railroad (UP) picks up the railcars. Some of these cars are taken to the Burlington Northern Santa Fe (BNSF) in Klamath Falls, Oregon, for delivery to our customers. Presently, Dicalite Minerals Corp. ships approximately 200 rail cars per year to four different locations, all East of the Rocky Mountains. The shipping is year around. This fructose corn syrup filtration business for Dicalite is up 65% in volume since 2000. We were anticipating and counting on further growth into this market. Allowing the MCR to close this rail line will have an adverse economic impact on our company and the industry. Dicalite presently employees approximately 70 employees and is the third largest employer in Eastern Shasta County.

(B) N/A

(C) Dicalite Minerals Corp. is interested in keeping the MCR rail line operating from, approximately, MP 48.0, Cayton Siding, to MP 15.2 in Mt. Shasta.

(iii) Dicalite Minerals Corp. relies on the MCR to haul 15% of our production as bulk filteraids. Should the MCR be allowed to abandon this track and service, we will be forced to haul our contractual obligations to either McCloud for access to the UP at Mt. Shasta, or to haul to Nubieber for access to the BNSF. The annual fiscal impact to Dicalite Minerals Corp. will greater than \$150,000 per year. There is infrastructure costs for loading and maintenance facilities at greater than \$50,000. Additionally, there would be a truck traffic increase of 33% to haul the materials to a rail siding in highway legal trucks.

(iv) (a.) MCR mistakenly stated on page 11 of its petition for exemption, dated June 27, 2005, "Dicalite has stated that in the event of abandonment it likely would ship by truck to the MCR at McCloud, and thence by rail via MCR to connection with UP in Mt. Shasta." Dicalite Minerals Corp. did not state this. While hauling to McCloud is an alternative, it is not the most favored by Dicalite Minerals Corp.

(b.) MCR stated on page 4 of its petition for exemption "The current rail traffic volume (1,820 carloads in 2004) will not add appreciably to truck traffic volume on local highways because such is spread evenly throughout the year." One carload equals 4 to 6 truckloads, depending on the commodity.

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This would equal more like 8,000 truckloads, or 32 truckloads per day on local highways.

The undersigned hereby also requests to be put on the service list as to this proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Barry L. Katz', written in a cursive style.

Barry L. Katz

BLK/eh

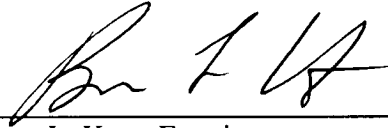
cc: Thomas F. McFarland, Esquire via DHL Overnight

CERTIFICATE OF SERVICE

I hereby certify that I have this day sent a true and correct copy of the attached protest addressed to Vernon William, via overnight courier as follows:

Thomas F. McFarland, Esquire
Counsel for Petitioner
Thomas F. McFarland, P.C.
208 South LaSalle Street
Suite 1890
Chicago, IL 60604-1112

Dated: August 3, 2005



Barry L. Katz, Esquire