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KARL MORELL



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July 13, 2006

BY HAND DELIVERY

The Honorable Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, DC 20423-0001

FILED
JUL 13 2006
SURFACE
TRANSPORTATION BOARD

Re: STB Finance Docket No. 34879, Wallowa Union Railroad Authority
- Acquisition Exemption - Union Pacific Railroad Company

Dear Secretary Williams:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1150.41 and a check covering the \$1,500 filing fee. Also enclosed is a 3.5-inch diskette containing the Notice and Summary.

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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JUL 13 2006

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34879

WALLOWA UNION RAILROAD AUTHORITY
--ACQUISITION EXEMPTION--
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

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

Attorneys for:
WALLOWA UNION RAILROAD
AUTHORITY

Dated: July 13, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34879

WALLOWA UNION RAILROAD AUTHORITY
--ACQUISITION EXEMPTION--
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

Wallowa Union Railroad Authority ("WURA"), a Class III rail carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart E--Exempt Transactions Under 49 U.S.C. 10902, to permit WURA to acquire a half-mile rail line from the Union Pacific Railroad Company ("UP").

In support of this Notice of Exemption, WURA submits the following information as required by 49 C.F.R. § 1150.43:

- (a) Full name and address of applicant:

Wallowa Union Railroad Authority
P.O. Box 416
Wallowa, OR 97885

(b) Applicant's Representative:

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

(c) Statement of Agreement:

WURA will shortly enter into an agreement with UP for the acquisition of the rail line.

(d) The operator of the property:

WURA will be the operator of the property.

(e) Summary of proposed transaction:

(1) The name and address of the railroad selling the subject property is:

Union Pacific Railroad Company
1400 Douglas Street
Omaha, Nebraska 68179

(2) WURA's acquisition of the rail line is expected to be consummated shortly after the effective date of this notice of exemption.

(3) The rail line being acquired from UP by WURA is located between Milepost 21.0, in Elgin, OR and the North line of Baltimore Street in Elgin, OR, at approximately Milepost 20.50 (the "Line"). WURA owns and operates the adjacent rail line between Milepost 21.0, at Elgin, and Milepost 83.58, at Joseph, OR. *See STB Finance Docket No. 34349, Wallowa Union Railroad Authority – Acquisition and Operation*

*Exemption – Wallowa County, OR, and Idaho Northern & Pacific
Railroad Company (not printed), served November 26, 2003.*

- (4) The length of the rail line being acquired is approximately one half mile.
- (f) A map of the rail line being acquired is attached as Exhibit A.
- (g) WURA hereby certifies that WURA's projected revenues as a result of this transaction will not result in WURA becoming a Class II or Class I rail carrier.

WURA further certifies that its annual revenues as a result of this transaction will not exceed \$5 million. Accordingly, the notice requirements of 49 C.F.R. § 1150.42(e) do not apply to this transaction.

A caption summary, as required by 49 C.F.R. § 1150.44, is attached.

ENVIRONMENTAL AND HISTORIC IMPACTS

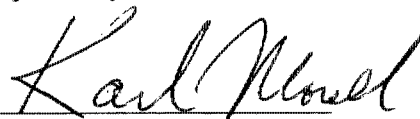
WURA is acquiring the line from UP for continued rail operations. Further Board approval is required for WURA to abandon any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require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

WURA's acquisition 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 this line 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 line; (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. WURA's acquisition of the rail line will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R.

§ 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

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

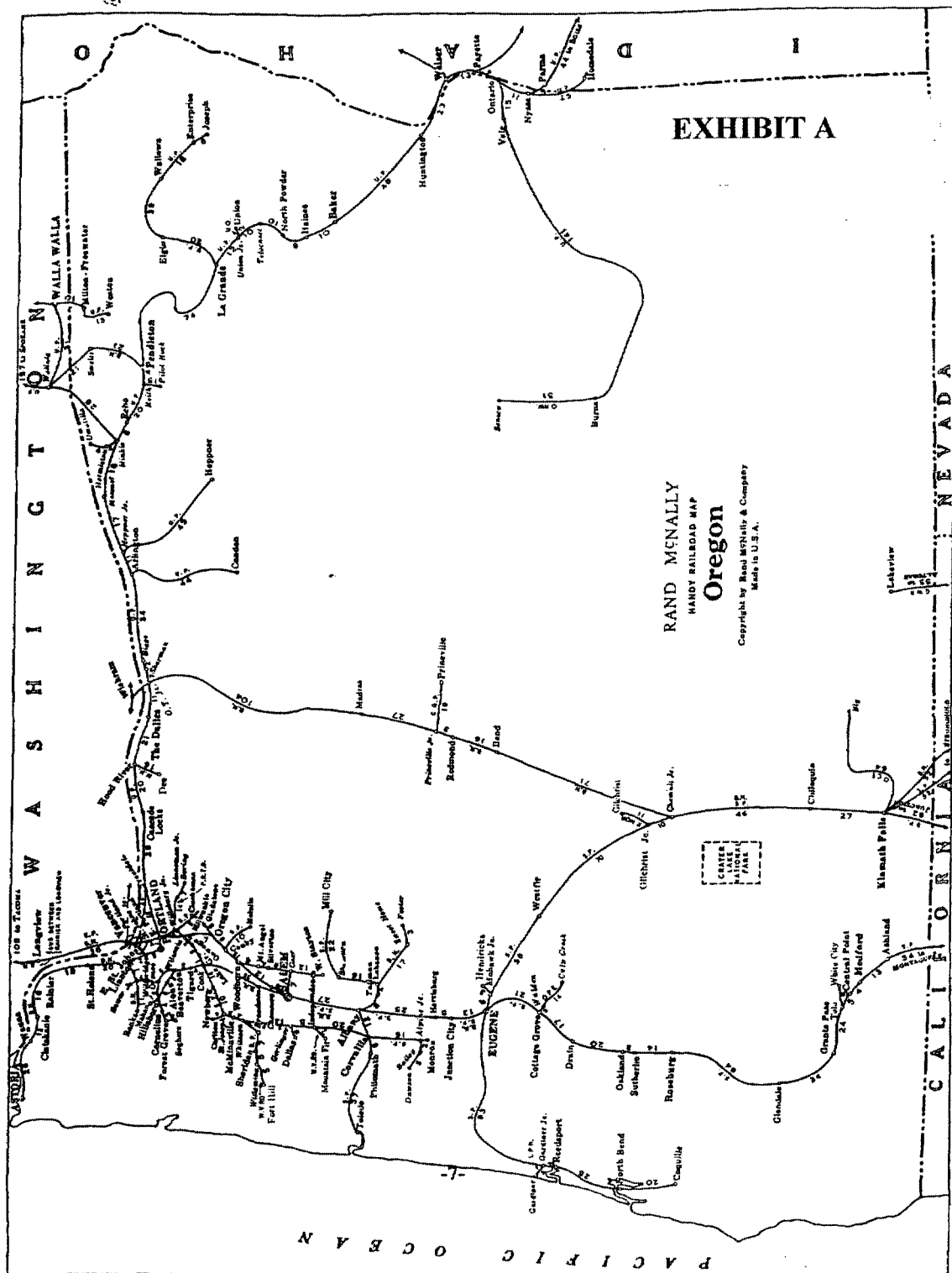
Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Karl Morell", is written over a horizontal line.

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

Attorneys for:
WALLOWA UNION RAILROAD AUTHORITY

Dated: July 13, 2006



SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 34879

WALLOWA UNION RAILROAD AUTHORITY
--ACQUISITION EXEMPTION--
UNION PACIFIC RAILROAD COMPANY

Wallowa Union Railroad Authority, a Class III rail carrier, has filed a notice of exemption to acquire from Union Pacific Railroad Company ("UP") the rail line located between Milepost 21.0, at Elgin, Oregon, and the North line of Baltimore Street in Elgin, Oregon, at approximately Milepost 20.50.

Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 1455 F Street, N.W., Washington, DC 20005, (202) 638-3307.

This notice is filed under 49 C.F.R. 1150.41. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

STATE OF OREGON)
) ss.
COUNTY OF UNION)

Steve McClure
Steve McClure

My Commission Expires: 7-27-09

Shelley A. Burgess
Notary Public

