

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832

THOMAS J. LITWILER
(312) 252-1500
tlitwiler@fletcher-sippel.com

224038

Phone: (312) 252-1500

Fax: (312) 252-2400

www.fletcher-sippel.com

November 20, 2008

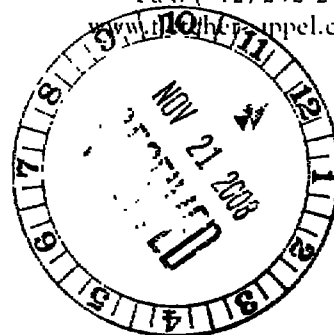
VIA FEDERAL EXPRESS

Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

FEE RECEIVED

NOV 21 2008

**SURFACE
TRANSPORTATION BOARD**



Re: **Finance Docket No. 35201**
Eastern Washington Gateway Railroad Company -- Change in
Operator Exemption -- Rail Line of Spokane County, Washington

Dear Secretary Quinlan:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of Eastern Washington Gateway Railroad Company Pursuant to 49 C.F.R. § 1150.41**, dated November 20, 2008. A check in the amount of \$1,800.00, representing the appropriate fee for this filing, and a 3.5-inch computer diskette containing the text of the Notice and the *Federal Register* caption summary in MS Word 2003 format are 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.

FILED
NOV 21 2008
**SURFACE
TRANSPORTATION BOARD**

Respectfully submitted,

Thomas J. Litwiler
Attorney for Eastern Washington
Gateway Railroad Company

TJL:tl

Enclosures

ENTERED
Office of Proceedings

NOV 21 2008

Part of
Public Record

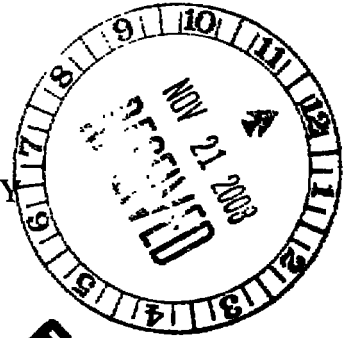
ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

224638

FINANCE DOCKET NO. 35201

EASTERN WASHINGTON GATEWAY RAILROAD COMPANY
-- CHANGE IN OPERATOR EXEMPTION --
RAIL LINE OF SPOKANE COUNTY, WASHINGTON



FEE RECEIVED
NOV 21 2008
SURFACE
TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION
OF
EASTERN WASHINGTON GATEWAY RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1150.41

ENTERED
Office of Proceedings
NOV 21 2008
Part of
Public Record

FILED
NOV 21 2008
SURFACE
TRANSPORTATION BOARD

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

ATTORNEYS FOR EASTERN WASHINGTON
GATEWAY RAILROAD COMPANY

Dated: November 20, 2008

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35201

EASTERN WASHINGTON GATEWAY RAILROAD COMPANY
-- CHANGE IN OPERATOR EXEMPTION --
RAIL LINE OF SPOKANE COUNTY, WASHINGTON

**VERIFIED NOTICE OF EXEMPTION
OF
EASTERN WASHINGTON GATEWAY RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, et seq., Eastern Washington Gateway Railroad Company ("EWG"), a Class III rail carrier, hereby files this Verified Notice of Exemption to assume operation of an approximately 5.9-mile rail line in Spokane County, Washington (the "Geiger Spur") owned by the County of Spokane ("the County") and currently operated by Western Rail Switching, Inc. ("WRS"). EWG's operating authority encompasses the recent relocation of a portion of the Geiger Spur. Based on projected revenues for the Geiger Spur, EWG expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. § 1150.43, EWG submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

The full name and address of the rail carrier applicant herein is as follows:

Eastern Washington Gateway Railroad Company
548 Anita Street
Des Plaines, Illinois 60016
(847) 824-1264

Applicant's Representative: 49 C.F.R. § 1150.43(b)

EWG's representative to whom correspondence regarding this transaction should be sent is as follows:

Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, IL 60606-2832
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

EWG and WRS have entered into a written agreement providing for the assignment to EWG of WRS's interest in an October 18, 2004 Operating Agreement with the County for operation of the Geiger Spur. On November 18, 2008, the Spokane County Board of Commissioners approved the assignment of the operating agreement to EWG.

Operation of the Property: 49 C.F.R. § 1150.43(d)

EWG will operate the Geiger Spur pursuant to the October 18, 2004 agreement being assigned to EWG by WRS. WRS's operations and common carrier rights and obligations on the Geiger Spur will terminate.

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

EWG is a Class III common carrier by rail which leases and operates approximately 108 miles of rail line in eastern Washington owned by the Washington State Department of Transportation. See Eastern Washington Gateway Railroad Company -- Lease and Operation Exemption -- Washington State Department of Transportation, Finance Docket No. 35029 (STB served May 25, 2007). EWG connects with BNSF Railway Company

("BNSF") at Cheney, Washington. EWG is a wholly-owned subsidiary of US Rail Partners, Ltd., a non-carrier holding company which also controls the Blackwell Northern Gateway Railroad Company, a Class III common carrier by rail in Oklahoma. See US Rail Partners, Ltd. -- Continuance in Control Exemption -- Eastern Washington Gateway Railroad Company, Finance Docket No. 35030 (STB served May 25, 2007).

The Geiger Spur extended from a connection with BNSF at milepost 0.00 near Fairchild Air Force Base to milepost 4.93 at McFarlane and Hayford Roads near Airway Heights, Washington, a distance of approximately 4.93 miles in Spokane County, Washington. The Geiger Spur formerly was owned by BNSF, and since 2004 has been owned by the County and operated by WRS. See Spokane County, WA, Division of Engineering and Roads -- Acquisition Exemption -- The Burlington Northern and Santa Fe Railway Company, Finance Docket No. 34541 (STB served October 1, 2004); Western Rail Switching, Incorporated -- Operation Exemption -- Rail Line of Spokane County, WA, Finance Docket No. 34546 (STB served October 1, 2004).

The western end of the Geiger Spur as currently configured traverses Fairchild Air Force Base, and for security reasons the U.S. Air Force has required the County to remove rail operations from the base by September 30, 2009. With the assistance of the U.S. Department of Defense and the Washington State Department of Transportation, the County has relocated that portion of the Geiger Spur to a new connection with EWG's existing line at Geiger Junction near Medical Lake, Washington. The relocation involves construction of approximately 3.45 miles of track from new milepost 0.00 at Geiger Junction to new milepost 3.45 at a new switch connection with the existing Geiger Spur (approximately milepost 2.7 on the existing Geiger

Spur), and discontinuance of operations on the western 2.5 miles of the existing Geiger Spur through Fairchild Air Force Base (milepost 0.00 to milepost 2.5).

Pursuant to the agreement between EWG and WRS, EWG will acquire via assignment all of WRS's interests in its existing operating agreement with County, and EWG will assume operation of the Geiger Spur in its relocated configuration (from milepost 2.5 to milepost 4.93 on the existing trackage and from milepost 0.00 to milepost 3.45 on the new trackage).

The complete name and address of the owner of the Geiger Spur is as follows:

County of Spokane, Washington
Division of Engineering and Roads
1026 West Broadway Avenue
Spokane, WA 99260-0170

EWG intends to assume operation of the Geiger Spur on or about January 2, 2009, but in no event prior to the effective date of this exemption on December 21, 2008.

Map: 49 C.F.R. § 1150.43(f)

A map showing the Geiger Spur and the surrounding area is attached as Exhibit A to this Notice.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this Notice.

Interchange Commitments: 49 C.F.R. § 1150.43(h)

The proposed operation of the Geiger Spur by EWG does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier.

Advance Notice: 49 C.F.R. § 1150.42(e)

The projected annual revenue of EWGR does not exceed \$5 million, and accordingly the advance notice requirements of 49 C.F.R. § 1150.32(e) are not applicable to this transaction. See Exhibit B hereto.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

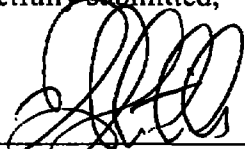
Under 49 C.F.R. § 1105.6(c)(2), EWG's proposed operation of the Geiger Spur is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), EWG's operation of the Geiger Spur also is exempt from historic preservation reporting requirements. The proposed transaction is for the purpose of continued common carrier rail operations. Further Surface Transportation Board approval is required to discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.44

A caption summary in appropriate form is attached as Exhibit C to this Notice.

Respectfully submitted,

By: 

William C. Sippel

Thomas J. Litwiler

Fletcher & Sippel LLC

29 North Wacker Drive

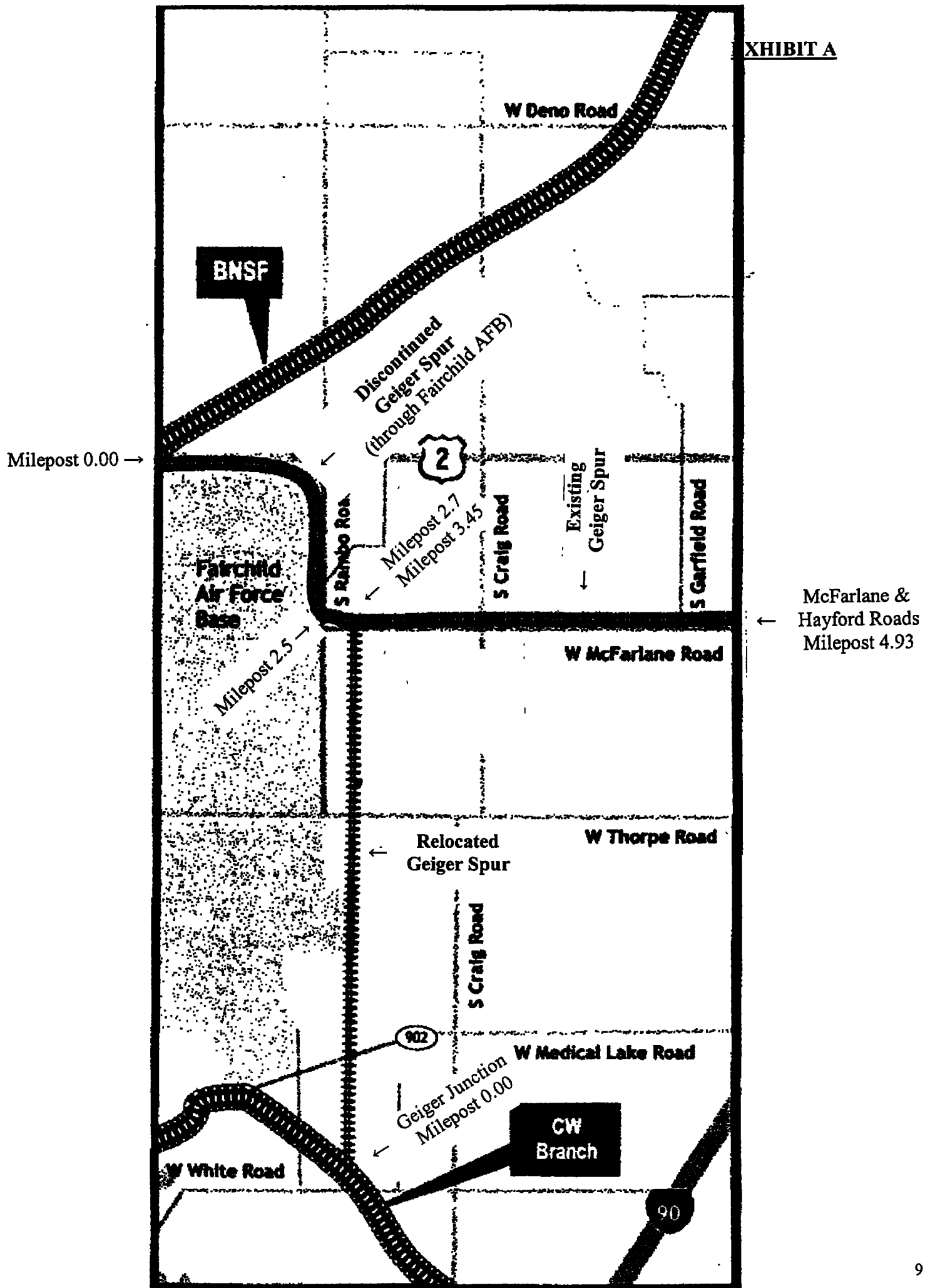
Suite 920

Chicago, Illinois 60606-2832

(312) 252-1500

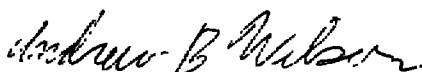
**ATTORNEYS FOR EASTERN WASHINGTON
GATEWAY RAILROAD COMPANY**

Dated: November 20, 2008



CERTIFICATION

Andrew B. Wilson, under penalty of perjury, hereby certifies that the projected annual rail revenue of Eastern Washington Gateway Railroad Company does not exceed \$5 million and will not result in the creation of a Class II or Class I carrier under the provisions of 49 C.F.R. § 1201 (1-1).

A handwritten signature in cursive script, reading "Andrew B. Wilson", is positioned above a horizontal line.

Andrew B. Wilson
Vice President of Business Solutions

Dated: November 18, 2008

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35201

EASTERN WASHINGTON GATEWAY RAILROAD COMPANY
-- CHANGE IN OPERATOR EXEMPTION --
RAIL LINE OF SPOKANE COUNTY, WASHINGTON

Eastern Washington Gateway Railroad Company ("EWG"), a Class III rail carrier, has filed a Verified Notice of Exemption to assume operation of approximately 5.9 miles of rail line in Spokane County, Washington (the "Geiger Spur") owned by the County of Spokane ("the County") and currently operated by Western Rail Switching, Inc. ("WRS"). As recently reconfigured to remove rail operations from Fairchild Air Force Base, the Geiger Spur extends from milepost 2.5 at the east gate of Fairchild Air Force Base to milepost 4.93 at McFarlane and Hayford Roads near Airway Heights, Washington, and from a connection with EWG at milepost 0.00 at Geiger Junction near Medical Lake, Washington to milepost 3.45 at a connection with the first segment (milepost 2.7 on the first segment). EWG will acquire WRS's interests in an existing operating agreement with the County and will replace WRS as the operator of the Geiger Spur.

EWG expects to consummate its operation of the Geiger Spur on or shortly after December 21, 2008.

Comments must be filed with the Board and served on:

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

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. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

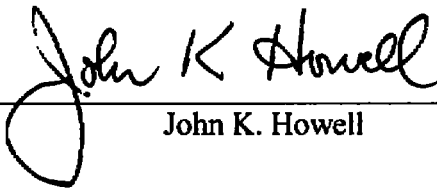
Dated: December __, 2008

By the Board

Vernon A. Williams
Secretary

VERIFICATION

John K. Howell, under penalty of perjury, declares and verifies that he is President of Eastern Washington 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: November 18, 2008