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August 9, 2007

BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

ENTERED
Office of Proceedings

AUG 10 2007

Part of
Public Record

220020

RE: *Northwestern Pacific Railroad Company – Change in Operators Exemption – North Coast Railroad Authority, Sonoma-Marin Area Rail Transit District and Northwestern Pacific Railway Co., LLC*
Finance Docket No. 35073

Dear Secretary Williams:

Enclosed please find an original and eleven copies of a notice of exemption for a change of operators under 49 CFR 1150.31(a)(3), pursuant to which Northwestern Pacific Railroad Company would assume operation of certain lines owned by North Coast Railroad Authority and Sonoma-Marin Area Rail Transit District and over which Northwestern Pacific Railway Co., LLC currently possesses operating rights. Also enclosed is a draft *Federal Register* notice pursuant to 49 CFR 1150.34.

Finally, pursuant to 49 CFR 1002.2(f)(11)(ii) please find enclosed a check for \$1,600.00 covering the applicable filing fee. Please acknowledge the receipt and filing of the enclosed notice of exemption by time stamping the eleventh copy and returning it to the courier for delivery to me. If there are any questions about this matter, please contact me directly, either by telephone (202) 663-7823 or by email, wnullins@bakerandmiller.com.

Respectfully submitted,

FILED

AUG - 9 2007

Enclosures

SURFACE
TRANSPORTATION BOARD

Robert A. Wimbish
Attorney for Northwestern Pacific Railroad
Company

FEE RECEIVED

AUG - 9 2007

TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No 35073



NORTHWESTERN PACIFIC RAILROAD COMPANY
— CHANGE IN OPERATORS EXEMPTION —
NORTH COAST RAILROAD AUTHORITY,
SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, AND
NORTHWESTERN PACIFIC RAILWAY CO., LLC

220020

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 CFR 1150.31., ET SEQ

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**SURFACE
TRANSPORTATION BOARD**

FILED

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**SURFACE
TRANSPORTATION BOARD**

Douglas H. Bosco
Northwestern Pacific Railroad Company
37 Old Courthouse Square
Suite 200
Santa Rosa, CA 95404
Phone: (707) 525-8999
Facsimile: (707) 542-4752

William A. Mullins
Robert A. Wimbish
Baker & Miller PLLC
2401 Pennsylvania Avenue, NW
Suite 300
Washington, DC 20037
Phone: (202) 663-7820
Facsimile: (202) 663-7849

August 9, 2007

Attorneys for Northwestern Pacific
Railroad Company

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No 35073

**NORTHWESTERN PACIFIC RAILROAD COMPANY
— CHANGE IN OPERATORS EXEMPTION —
NORTH COAST RAILROAD AUTHORITY,
SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, AND
NORTHWESTERN PACIFIC RAILWAY CO., LLC**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 CFR 1150.31 , ET SEQ**

Northwestern Pacific Railroad Company (“NWPCO”), a noncarrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (the “Board”) to permit NWPCO to assume from the Northwestern Pacific Railway Co., LLC (“NWPY”) the common carrier rights and obligations associated with certain lines of railroad owned by North Coast Railroad Authority (“NCRA”) and Sonoma-Marín Area Rail Transit District (“SMART”) The proposed transaction would effect a voluntary change in operators on the subject rail lines consistent with 49 CFR 1150.31(a)(3), and would thereby terminate NWPY’ s common carrier obligations over those lines.

The rail properties that NWPCO will lease and operate pursuant to this notice (and over which NWPCO will replace NWPY) include the following: (1) the Willits Segment extending from NWP milepost 142.5 near Outlet Station to NWP milepost 68.22 near Healdsburg, CA, a distance of approximately 74.3 miles; (2) the Healdsburg Segment extending from NWP milepost 68.2 near Healdsburg, CA, to NWP milepost 26.96 near Novato, CA, a distance of approximately 41.2 miles; (3) the Novato Segment extending from NWP milepost 26.96 near

Novato to NWP milepost 25.6 near Ignacio, CA, a distance of approximately 1.4 miles; and (4) the Lombard Segment extending from NWP milepost 25.6 near Ignacio to Lombard Station in Napa County, CA. SP milepost 63.4, a distance of approximately 25.3 miles. (Hereafter, the above-referenced line segments will be referred to collectively as the “Line”)¹

In support of this Notice of Exemption, NWPCO submits the following information as required by 49 CFR 1150.33:

a. Full name and address of applicant:

Northwestern Pacific Railroad Company
385 Sherman Avenue, Ste. 1
Palo Alto, CA 94306-1840

b. Applicant’s Representatives:

Douglas H. Bosco
Northwestern Pacific Railroad Company
37 Old Courthouse Square
Suite 200
Santa Rosa, CA 95404
Phone: (707) 525-8999
Facsimile: (707) 542-4752

William A. Mullins
Robert A. Wimbish
Baker & Miller PLLC
2401 Pennsylvania Avenue, NW
Suite 300
Washington, DC 20037
Phone: (202) 663-7820
Facsimile: (202) 663-7849

c. Statement that an agreement has been reached or details about when an agreement will be reached:

¹ NCRA acquired the authority to operate the Line pursuant to North Coast Railroad Authority — Lease and Operation Exemption — California Northern Railroad Company, Northwestern Pacific Railroad Authority, and Golden Gate Bridge, Highway and Transportation District, STB Finance Docket No. 33115 (STB served Sept. 27, 1996). NCRA, in turn, contracted its surface freight easement rights on these line segments to NWPY pursuant to Northwestern Pacific Railway Co., LLC -- Lease and Operation Exemption — North Coast Railroad Authority, Northwestern Pacific Railroad Authority and Golden Gate Bridge, Highway and Transportation District, STB Finance Docket No. 33998 (STB served Feb. 6, 2001) (“NWPY – Exemption”). SMART obtained an ownership interest in the southern portion of the Line pursuant to Sonoma-Marín Area Rail Transit District – Acquisition Exemption – Northwestern Pacific Railroad Authority, STB Finance Docket No. 34400 (STB served Mar. 10, 2004) (“SMART Exemption”). As contemplated by this Notice of Exemption, NWPY’s operating rights over the Line would convey to NWPCO, which will replace NWPY as the common carrier operator.

Agreements will be reached among NWPCO, NCRA, and SMART that will govern NWPCO's accession of exclusive operating rights and common carrier obligations over the Line.

d. Operator of the property:

The operator of the property will be NWPCO.

e. Summary of proposed transaction:

1. The names and addresses of the rail entities transferring operating interests in the property are:

North Coast Railroad Authority
419 Talmage Road, Suite M
Ukiah, CA 95482

Sonoma-Marín Area Rail Transit District
ATTENTION: Lillian Hames
4040 Civic Center Drive
Suite 200
San Rafael, CA 94903

Northwestern Pacific Railway Co., LLC
ATTENTION: Brian Whipple
P.O. Box 318
Tomales, CA 94971-0318²

2. The proposed time schedule for the consummation of the transaction:

NWPCO intends to consummate this transaction on or after September 8, 2007.

3. The mileposts of the subject property, including any branch lines

NWPCO will acquire the rights to, and will operate, certain rail lines that were the subject of the NWPY – Exemption and SMART – Exemption notices, specifically: (1) the Willits Segment extending from NWP milepost 142.5 near Outlet Station to NWP milepost 68.22 near Healdsburg, CA, a distance of approximately 74.3 miles; (2) the Healdsburg Segment

² Attached as Exhibit 1 is a Verification from John Darling, president of NWPY, which acknowledges that NWPY will relinquish its common carrier status on the Line consistent with the objectives of this notice.

extending from NWP milepost 68.2 near Healdsburg, CA, to NWP milepost 26.96 near Novato, CA, a distance of approximately 41.2 miles; (3) the Novato Segment extending from NWP milepost 26.96 near Novato to NWP milepost 25.6 near Ignacio, CA, a distance of approximately 1.4 miles; and (4) the Lombard Segment extending from NWP milepost 25.6 near Ignacio to Lombard Station in Napa County, CA, SP milepost 63.4, a distance of approximately 25.3 miles.

4. Total route miles being acquired:

Approximately 142 miles.

f. Map:

A map of the Line is attached as Exhibit 2.

g. Certificate of Compliance with the provisions of 49 CFR 1150.33(g):

Such certification is attached as Exhibit 3.

Other information and supporting materials.

A caption summary, as required by 49 CFR 1150.34, is attached as Exhibit 4.

Pursuant to 49 CFR 1150.32(b), NWPCO will give notice of the proposed transaction to affected shippers concurrently with the filing of this class exemption.

No environmental documentation is required because there will be no operational changes that would exceed the thresholds established in 49 CFR 1105.7(c)(4) or (5) and there will be no action that would normally require environmental documentation. Hence, this Notice of Exemption does not require environmental documentation under 49 CFR 1105.6(b)(4) and (c)(2)(i).

An historic report is not required because NWPCO will operate the Line, NWPCO would be required to obtain further Board approval to discontinue 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 CFR 1105.8(b)(1).

NWPCO's projected annual revenues would not exceed \$5 million. See certification attached hereto as Exhibit 3. Accordingly, the advance notice and posting requirements of 49 CFR 1150.32(e) do not apply.

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

Respectfully submitted,



William A. Mullins
Robert A. Wimbish
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2401 Pennsylvania Avenue, NW
Suite 300
Washington, DC 20037
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Attorneys for Northwestern Pacific
Railroad Company

Douglas H. Bosco
Northwestern Pacific Railroad Company
37 Old Courthouse Square
Suite 200
Santa Rosa, CA 95404
Phone: (707) 525-8999
Facsimile: (707) 542-4752

Dated: August 9, 2007

EXHIBIT 1-RELINQUISHMENT

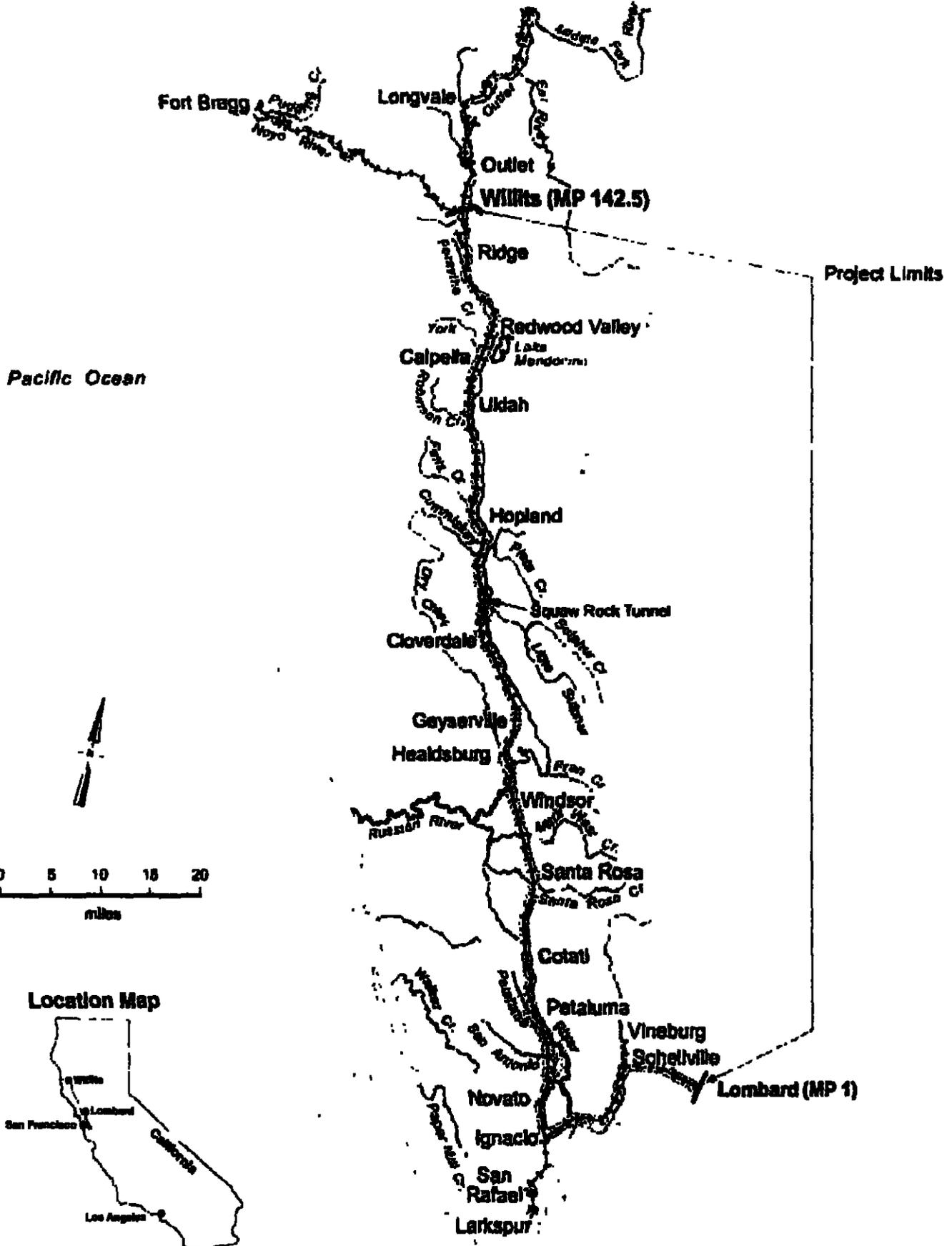
VERIFICATION

I, John Darling, President of Northwestern Pacific Railway Co., LLC ("NWPY"), hereby verify that I am authorized to make this verification and that I have read the foregoing notice of exemption and concur in the proposed change in operators contemplated therein


[Signature]

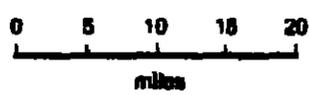
8/2/2007
Date

EXHIBIT 2-MAP



Pacific Ocean

Project Limits



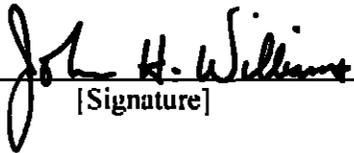
Location Map



EXHIBIT 3 CERTIFICATION

CERTIFICATION

I, John H. Williams, President of Northwestern Pacific Railroad Company ("NWPCO"), hereby certify that NWPCO's projected annual revenues from the rail operations would not exceed those that would make it a Class III carrier under 49 C.F.R. Part 1201(1-1). I further certify in connection with 49 CFR 1150.32(e) that NWPCO's projected annual revenues will not exceed \$5 million.


[Signature]

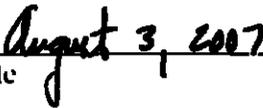

Date

EXHIBIT 4- CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 35073

**NORTHWESTERN PACIFIC RAILROAD COMPANY
— CHANGE IN OPERATORS EXEMPTION —
NORTH COAST RAILROAD AUTHORITY,
SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, AND
NORTHWESTERN PACIFIC RAILWAY CO., LLC**

Northwestern Pacific Railroad Company (“NWPCO”), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to operate approximately 142 miles of rail line owned by North Coast Railroad Authority (“NCRA”) and Sonoma-Marín Area Rail Transit District (“SMART”). The rail line consists of the following segments, which together total about 142 route miles: (1) the Willits Segment extending from NWP milepost 142.5 near Outlet Station to NWP milepost 68.22 near Healdsburg, CA, a distance of approximately 74.3 miles; (2) the Healdsburg Segment extending from NWP milepost 68.2 near Healdsburg, CA, to NWP milepost 26.96 near Novato, CA, a distance of approximately 41.2 miles; (3) the Novato Segment extending from NWP milepost 26.96 near Novato to NWP milepost 25.6 near Ignacio, CA, a distance of approximately 1.4 miles, and (4) the Lombard Segment extending from NWP milepost 25.6 near Ignacio to Lombard Station in Napa County, CA, SP milepost 63.4, a distance of approximately 25.3 miles.

With respect to the line segments described above, NWPCO will replace Northwestern Pacific Railway Co., LLC (“NWPY”), which has been operating over the those lines pursuant to Northwestern Pacific Railway Co., LLC — Lease and Operation Exemption — North Coast Railroad Authority, Northwestern Pacific Railroad Authority and Golden Gate Bridge, Highway and Transportation District, STB Finance Docket No. 33998 (STB served Feb. 6, 2001).

NWPCO will become a Class III rail carrier upon consummation of the transaction. NWPCO certifies that its projected revenues as a result of this transaction will not exceed those that would qualify it as a Class III carrier and that such revenues would not exceed \$5 million annually.

The transaction is scheduled to take place on or after September 8, 2007.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to reopen the proceeding 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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35073 must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 395 E Street, SW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Douglas H. Bosco, Northwestern Pacific Railroad Company, 37 Old Courthouse Square, Suite 200, Santa Rosa, California 95404, (707) 525-8999, and Robert A. Wimbish, Baker & Miller PLLC, 2401 Pennsylvania Avenue, N.W., Suite 300, Washington, DC 20037, (202) 663-7820. Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: August —, 2007.

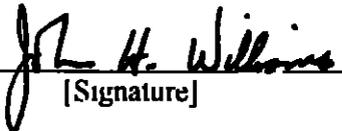
By the Board, David M. Konschnik, Director, Office of Proceedings

Vernon A. Williams
Secretary

EXHIBIT 5

VERIFICATION

I, John H. Williams, President of Northwestern Pacific Railroad Company ("NWPCO"), hereby verify that I am authorized to make this verification and that I have read the foregoing notice of exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief


[Signature]

August 3, 2007
Date