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ENTERED
Office of Proceedings
December 1, 2021
Part of
Public Record

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December 1, 2021

Via E-Filing

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

Re: Sierra Northern Railway – Lease and Operation Exemption – Ventura
County Transportation Commission, FD 36570

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding is a Verified Notice of Exemption (the "Notice") filed on behalf of Sierra Northern Railway, a Class III rail carrier, pursuant to 49 CFR §1150.41, et seq. The required filing fee of \$2,100.00 has been paid on pay.gov. If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance with this matter.

Respectfully submitted,

/s/ William A. Mullins

William A. Mullins
Attorney for Sierra Northern Railway

Enclosures

FILED
December 1, 2021
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
December 1, 2021
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36570

**SIERRA NORTHERN RAILWAY – LEASE AND OPERATION EXEMPTION –
VENTURA COUNTY TRANSPORTATION COMMISSION**

VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 CFR §1150.41, ET SEQ.

**William A. Mullins
Crystal M. Zorbaugh
Baker & Miller PLLC
2401 Pennsylvania Ave., N.W.
Suite 300
Washington, DC 20037
Phone: (202) 663-7820
Facsimile: (202) 663-7849**

Dated: December 1, 2021

Attorneys for Sierra Northern Railway

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36570

**SIERRA NORTHERN RAILWAY – LEASE AND OPERATION EXEMPTION –
VENTURA COUNTY TRANSPORTATION COMMISSION**

VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 CFR §1150.41, ET SEQ.

Pursuant to 49 CFR §1150.41, et seq., Sierra Northern Railway (“SNR”), a Class III common carrier,¹ hereby files this Verified Notice of Exemption to lease and operate from Ventura County Transportation Commission (“VCTC”)² an approximately 31.87-mile rail line extending from at or near MP 403.20 + or – (in Ventura) eastward to MP 435.07 (east of Piru) (the “Line”).³ Over the years, VCTC, the owner of the Line has entered several leases/arrangements related to the Line. Pursuant to one of those arrangements, Union Pacific

¹ Coast Enter., Inc. – Acquisition Exemption – Sierra Pac. Coast Ry., Inc.; Sierra R.R., a Div. of Coast Enter., Inc. – Operation Exemption – Coast Enter., Inc., FD 32818 (I.C.C. served Dec. 20, 1995); Sierra R.R. Co. – Corp. Family Transaction Exemption – Yolo Shortline R.R. Co., FD 34360 (S.T.B. served June 23, 2003); Sierra R.R. Co. – Acquisition of Control Exemption–Yolo Shortline R.R. Co., FD 34351 (S.T.B. served June 11, 2003). Yolo Shortline Railroad Company changed its name to Sierra Northern Railway in June 2003.

² Since 2002, the VCTC-owned rail line has been leased and operated by Fillmore & Western Freight Service, LLC. See Fillmore & W. Freight Serv., LLC–Lease and Operation Exemption–Ventura Cty. Transp. Comm’n, FD 34173 (S.T.B. served May 3, 2002). VCTC put continued operation of the Line up for bid earlier this year. The outcome of the bidding process was that SNR was selected to be the operator of the Line going forward.

³ Rail infrastructure currently exists on the portion of the Line from MP 403.20 in Ventura to MP 431.59 in Piru, a distance of approximately 28.39 miles. The tracks from MP 431.59 to MP 435.07, were removed several years ago. The Line is currently used for rail services, an active transportation public use trail, and broadband infrastructure and utilities.

Railroad Company (“UP”) currently provides freight railroad services to one shipper over a portion of the Line from MP 415.0 to MP 403.2 (“Western Portion”).⁴

In accordance with the requirements of 49 CFR §1150.43, SNR submits the following information:

Full name and address of Class III rail carrier applicant: 49 CFR §1150.43(a)

Sierra Northern Railway
1745 Enterprise Blvd
West Sacramento, CA 95691

Applicant’s Representatives: 49 CFR §1150.43(b)

William A. Mullins
Crystal M. Zorbaugh
Baker & Miller PLLC
2401 Pennsylvania Ave., NW, Ste. 300
Washington, DC 20037
Telephone: (202) 663-7820
E-mail: wmullins@bakerandmiller.com

Statement that an agreement has been reached or details about when an agreement will be reached: 49 CFR §1150.43(c)

SNR & VCTC have reached an agreement in principle pursuant to which VCTC will lease and grant operating rights for the Line. SNR expects the deal with VCTC will be finalized next week.

⁴ Despite SNR taking over lease and operating authority for the Line, UP’s operating rights over the Western Portion will continue pursuant to the terms of UP’s agreement with VCTC.

Operator of the property: 49 C.F.R. §1150.43(d)

SNR will be the operator of the Line. SNR will interchange with UP at or near MP 403.20 + or – (in Ventura).

Brief summary of the proposed transaction: 49 C.F.R. §1150.43(e)⁵

SNR has reached an agreement with VCTC to take over the lease and operation of VCTC's approximately 31.87-mile rail line extending from at or near MP 403.20 + or – (in Ventura) eastward to MP 435.07 (east of Piru).

Name And Address Of Party Transferring Property: 49 C.F.R. §1150.43(e)(1) –

Ventura County Transportation Commission
751 E. Daily Dr.
STE. 420
Camarillo, CA 93010

Proposed Time Schedule: 49 C.F.R. §1150.43(e)(2)

SNR anticipates that the subject rail line lease and operation transaction will be consummated on or after December 31, 2021 (30 days after SNR files this notice of exemption).

Mileposts and Description: 49 C.F.R. §1150.43(e)(3) & (4)

SNR seeks to lease and operate an approximately 31.87-mile rail line extending from at or near MP 403.20 + or – (in Ventura) eastward to MP 435.07 (east of Piru). The Line is shown in Exhibit A:

⁵ SNR will provide tourist and freight service over the Line, specifically such services will include the following: (a) still and motion picture production; (b) filming of television productions, commercials, and other still and motion picture activities; (c) video productions and any other still or motion picture related media events; (d) freight railroad service; (e) mail and express service; (f) public/tourist excursions including railbikes; (g) charter and dinner train operations; (h) storage and transload services; (i) maintenance of way; and (j) any other purposes mutually agreed upon in writing between the Parties.

Map: 49 CFR §1150.43(f)

A Map showing the Line and surrounding area is attached as Exhibit A to this Notice.

Certificate of compliance: 49 CFR §1150.43(g)

SNR has certified that SNR's projected annual rail revenues resulting from the consummation of the proposed transaction will not exceed \$5 million annually, and will not result in SNR becoming a Class I or Class II carrier. Certification of compliance with the provisions of 49 CFR 1150.43(g) is attached as Exhibit B to this Notice.

Interchange commitments: 49 CFR §1150.43(h)

SNR's lease and operation of the Line does not involve any provision or agreement limiting future interchange with a third-party connecting carrier.

Advance Notice (Posting): 49 CFR §1150.42(e)

The proposed transaction will not result in the creation of a carrier with projected annual operating revenues exceeding \$5 million, and, accordingly, the advance notice requirement of 49 CFR §1150.42(e) is not applicable to this transaction. See Exhibit B.

Environmental and Historic Preservation Information: 49 CFR §1105

Under 49 CFR §1105.6(c)(2), SNR's proposed lease and operation of the Line is exempt from environmental reporting requirements because the proposed lease and operation will not result in significant changes in carrier operations (i.e., changes that exceed the thresholds established in 49 CFR §1105.7(e)(4) or (5)). Accordingly, this action will not significantly affect either the quality of the human environment or energy conservation.

Under 49 CFR §1105.8(b)(1), SNR's proposed lease and operation of the Line also is exempt from historic preservation reporting requirements. Further STB approval would be

necessary for VCTC to discontinue or abandon the Line and there are no plans to dispose of or alter properties subject to STB jurisdiction that is 50 years old or older.

Caption Summary: 49 CFR §1150.44

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

Respectfully submitted,

/s/ William A. Mullins

William A. Mullins
Crystal M. Zorbaugh
Baker & Miller PLLC
2401 Pennsylvania Ave., N.W.
Suite 300
Washington, DC 20037
(202) 663-7820

Attorneys for Sierra Northern Railway

December 1, 2021

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

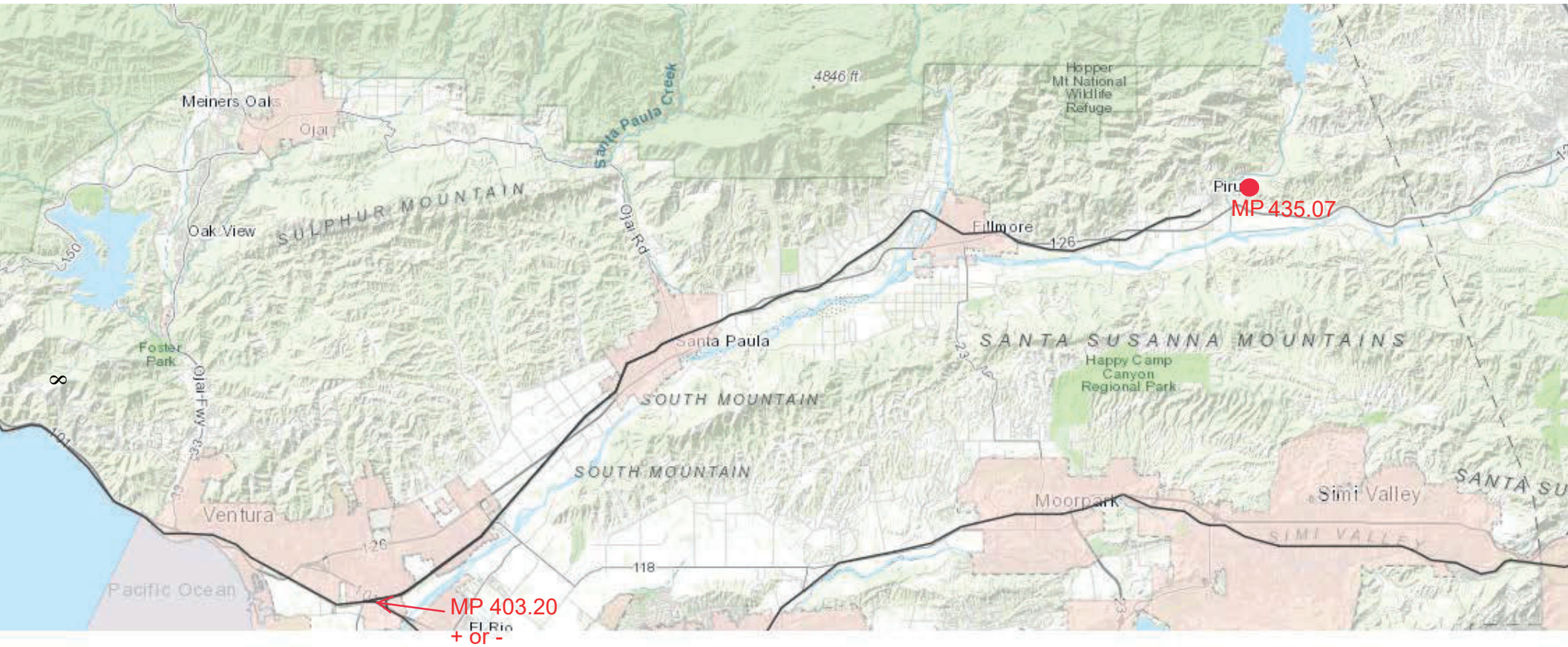
FD 36570

**SIERRA NORTHERN RAILWAY – LEASE AND OPERATION EXEMPTION –
VENTURA COUNTY TRANSPORTATION COMMISSION**

VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 CFR §1150.41, ET SEQ.

EXHIBIT A

MAP



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36570

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EXHIBIT B

49 CFR §1150.33(g) – CERTIFICATION

CERTIFICATION

I, Kennan H. Beard III, President, Sierra Northern Railway ("SNR"), hereby certify that SNR's projected annual rail revenues resulting from the consummation of the proposed transaction will not exceed \$5 million annually, and will not result in SNR becoming a Class I or Class II carrier.



Kennan H. Beard III
President
Sierra Northern Railway

December 1, 2021

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36570

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VENTURA COUNTY TRANSPORTATION COMMISSION**

VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 CFR §1150.41, ET SEQ.

EXHIBIT C

49 CFR §1150.44 – CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

FD 36570

– LEASE AND OPERATION EXEMPTION –

Sierra Northern Railway (“SNR”), a Class III common carrier,¹ has filed a Verified Notice of Exemption to lease and operate from Ventura County Transportation Commission (“VCTC”) an approximately 31.87-mile rail line extending from at or near MP 403.20 + or – (in Ventura) eastward to MP 435.07 (east of Piru) (the “Line”).² Upon consummation of the transaction, SNR will be the lessee and operator of the Line. SNR’s projected annual rail operating revenues from the operation of the Line will not exceed \$5 million, and, accordingly, the advance notice requirement of 49 CFR §1150.42(e) is not applicable to this transaction. SNR anticipates that the subject rail line acquisition transaction will be consummated on or after December 31, 2021.

All pleadings or comments relating to this transaction must be filed with the Surface Transportation Board, 395 E Street, SW, Washington, DC 20523-0001. In addition, a copy of

¹ Coast Enter., Inc. – Acquisition Exemption – Sierra Pac. Coast Ry., Inc.; Sierra R.R., a Div. of Coast Enter., Inc. – Operation Exemption – Coast Enter., Inc., FD 32818 (I.C.C. served Dec. 20, 1995); Sierra R.R. Co. – Corp. Family Transaction Exemption – Yolo Shortline R.R. Co., FD 34360 (S.T.B. served June 23, 2003); Sierra R.R. Co. – Acquisition of Control Exemption–Yolo Shortline R.R. Co., FD 34351 (S.T.B. served June 11, 2003). Yolo Shortline Railroad Company changed its name to Sierra Northern Railway in June 2003.

² Since 2002, the VCTC-owned rail line has been leased and operated by Fillmore & Western Freight Service, LLC. See Fillmore & W. Freight Serv., LLC–Lease and Operation Exemption–Ventura Cty. Transp. Comm’n, FD 34173 (S.T.B. served May 3, 2002). VCTC put continued operation of the Line up for bid earlier this year. The outcome of the bidding process was that SNR was selected to be the operator of the Line going forward.

each pleading must be served on SNR's representative, William A. Mullins, Baker & Miller PLLC, 2401 Pennsylvania Avenue, N.W., Suite 300, Washington, DC 20037.

The notice is filed under 49 CR §1150.41, et seq. If the 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. Stay petitions must be filed by _____.

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EXHIBIT D

VERIFICATION

VERIFICATION

Pursuant to 28 U.S.C. 1746, I, Kennan H. Beard III, declare under the penalty of perjury under the laws of the United States that I am authorized to make this verification on behalf of Sierra Northern Railway, a Class III rail carrier, and that the foregoing notice of exemption is true and correct to the best of my knowledge and belief.



Kennan H. Beard III
President
Sierra Northern Railway

December 1, 2021