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SANTA ROSA, CALIFORNIA 95403

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NEIL C. BAKER

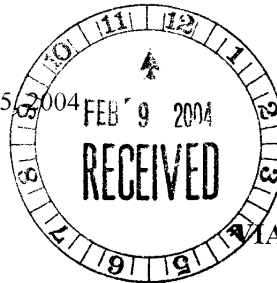


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WILLIAM L. ADAMS

February 5, 2004



210050

VIA EXPRESS MAIL

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

Re: Finance Docket No. ~~37400~~ ³⁴⁴⁰⁰
Sonoma-Marin Area Rail Transit District
Notice of Exemption -- Acquisition -- Northwestern Pacific Railroad
Authority

Dear Mr. Williams:

Enclosed for filing with the Board is the original and ten copies of the Notice of Exempt Acquisition documents by the Sonoma-Marin Area Rail Transit District to acquire a portion of the former Northwestern Pacific Railroad line in Marin, Napa and Sonoma Counties, California, from the Northwestern Pacific Railroad Authority.

As this filing is made on behalf of a local government entity, the filing fee is waived under 49 C.F.R. § 1002.2(e)(1).

Under 49 C.F.R. § 1105.6(c)(2)(i), the acquisition is exempt from environmental reporting requirements, since there will be no change in carrier operations resulting from the transaction. Further, under 49 C.F.R. § 1105.8(b)(1), this acquisition does not require a Historic Report, since further STB approval would be required to abandon any service and there are no plans to dispose of or alter properties subject to STB jurisdiction that are 50 years old or older.

ENTERED
Office of Proceedings

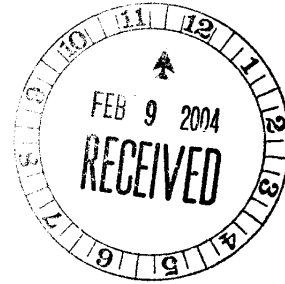
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Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD



SONOMA-MARIN AREA RAIL TRANSIT)
DISTRICT,)
Applicant)

Docket No. FD-34400

Notice by Sonoma-Marin Area Rail)
Transit District)
Exemption to Acquire Rail Line -)
66.75 miles of former Northwestern)
Pacific Railroad Line in)
Marin, Sonoma and Napa Counties,)
California)

210050

NOTICE OF EXEMPT ACQUISITION

The Sonoma-Marin Area Rail Transit District provides the following as its
Verified Notice of Exempt Acquisition and in response to 49 C.F.R. §1150.33:

A. Full name and address of the applicants:

Sonoma-Marin Area Rail Transit District
4040 Civic Center Dr., Ste. 200
San Rafael, CA 94903

B. The name, address and telephone number of representative of Applicant to
whom correspondence should be sent:

ENTERED
Office of Proceedings

FEB 10 2004

Part of
Public Record

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FILED

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SURFACE
TRANSPORTATION BOARD

Sally McGough, Deputy County Counsel
Sonoma County Counsel's Office
575 Administration Drive, Room 105-A
Santa Rosa, CA 95403

(707) 565-2421

C. Statement that an agreement has been reached or details of when the agreement shall be reached:

A Memorandum of Understanding between the Northwestern Pacific Railroad Authority and the Sonoma-Marin Area Rail Transit District ("SMART") was executed on June 13, 2003.

D. The operator of the property:

Freight service is currently being operated by the Northwestern Pacific Railway Co., LLC ("NWPY") between Healdsburg (NWP MP 68.2) and Schellville (NWP MP 40.6/SP MP 72.59) pursuant to a lease of trackage rights (see 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, FD 33998). Between Schellville and Lombard (SP MP 63.4) service is operated by CFNR Operating Company, Inc. ("CFNR") (See CFNR Operating Company, Inc.—Acquisition and Operation Exemption—ParkSierra Corp., FD 34199). However, no service has operated on either segment since 2001 due to financial and safety concerns.

E. Brief summary of the proposed transaction:

The Petitioner, a non-carrier, is a special district created pursuant to California Public Utilities Code Section 105000 *et seq.* to acquire and operate passenger service over the line. SMART has its administrative offices and its mailing address at 4040 Civic Center Dr., Ste. 200, San Rafael, CA 94903.

The transaction involves the acquisition of real estate and trackage which extends from Healdsburg, CA (NWP MP 68.2) to Lombard Station, Napa County, CA (SP MP 63.4), via Schellville (NWP MP 40.6/SP MP 72.59). These segments are shown on the map attached as Exhibit A.

This transaction involves the acquisition by a public agency of real estate and rail facilities owned by another public agency, the Northwestern Pacific Railroad Authority. The purpose of the acquisition is to place this line in the ownership of an agency that is legally authorized to operate passenger rail service on the line. SMART will not provide freight rail service. NWPRA is slated to cease existence once the transaction is completed.

The freight operator for the segment between Lombard and Schellville is currently CFNR, pursuant to an agreement with NCRA, and, between Healdsburg and Schellville, by NWPY pursuant to a long-term lease arrangement with NCRA. SMART will take title subject to an easement for freight and service in favor of NCRA, which was granted in 1996 as part of NWPRA's acquisition of the line, and the NWPY lease. CFNR and

NWPY will continue to be the carriers with responsibility for freight service on the line.

1. Name and address of railroad transferring the subject property:

Northwestern Pacific Railroad Authority
Box 9000, Presidio Station
San Francisco, CA 94129-0601

2. Proposed time schedule for the consummation of the transaction:

SMART and NWPRA have concluded an agreement, which was signed on June 13, 2003. The transaction is expected to close on or about February 19, 2004.

3. Mileposts of the subject property:

The line is between NWP MP 68.22 (Healdsburg, CA) and SP MP 63.40 (Lombard Station, Napa County, CA) via Schellville, CA (NWP MP 40.60/SP MP 72.60).

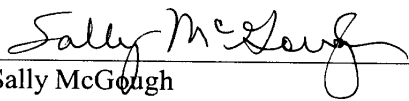
4. Total route miles being acquired: approximately 66.75 miles.

F. A map indicating the area to be served, including origins, termini, stations, cities, counties and state is attached as Exhibit A.

G. A certificate that applicant's projected revenues do not exceed those that would qualify it as a Class III carrier is attached as Exhibit B.

The required verification is attached as Exhibit C.

Respectfully submitted,


Sally McGough
Attorney for Applicant

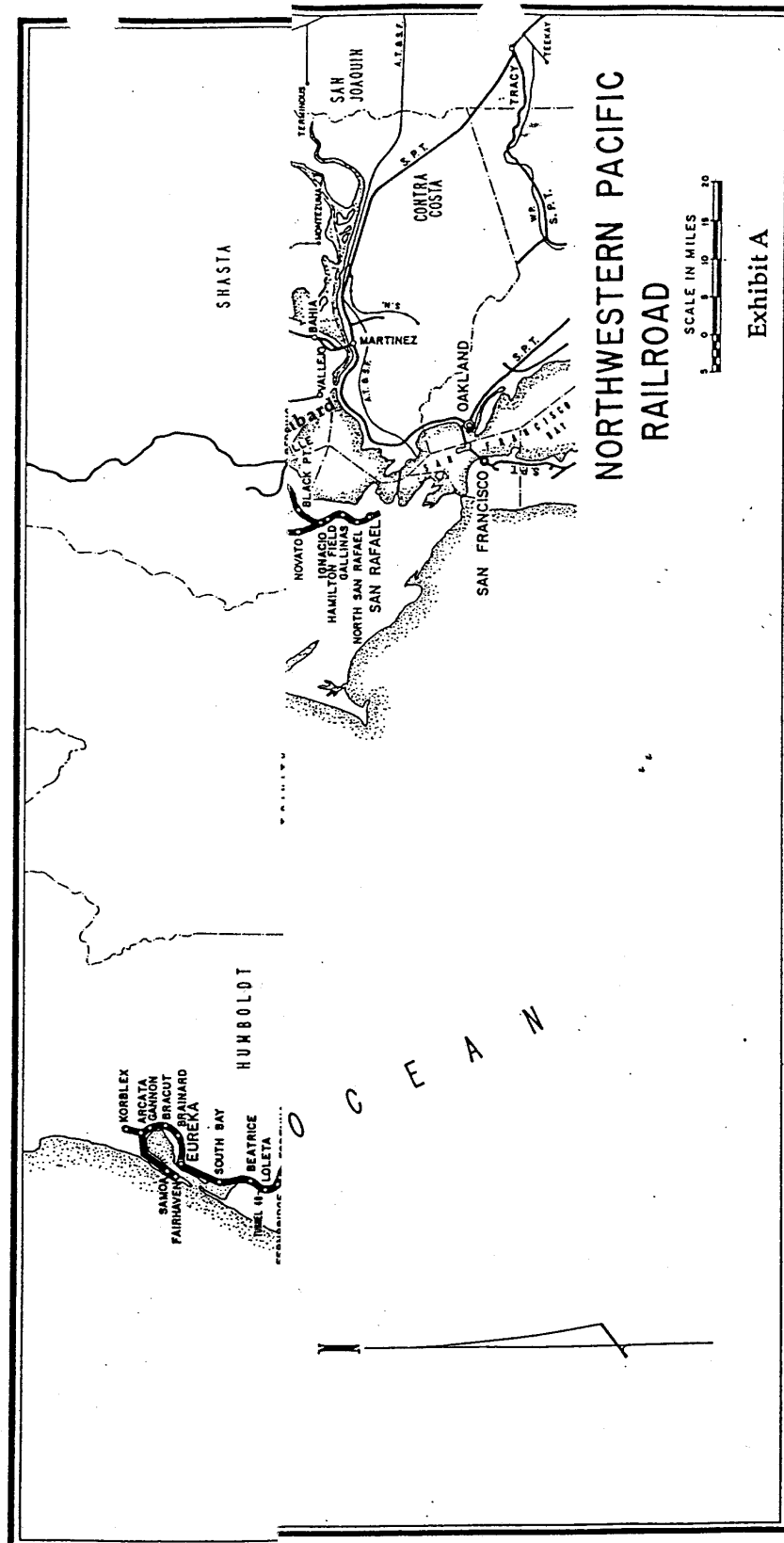
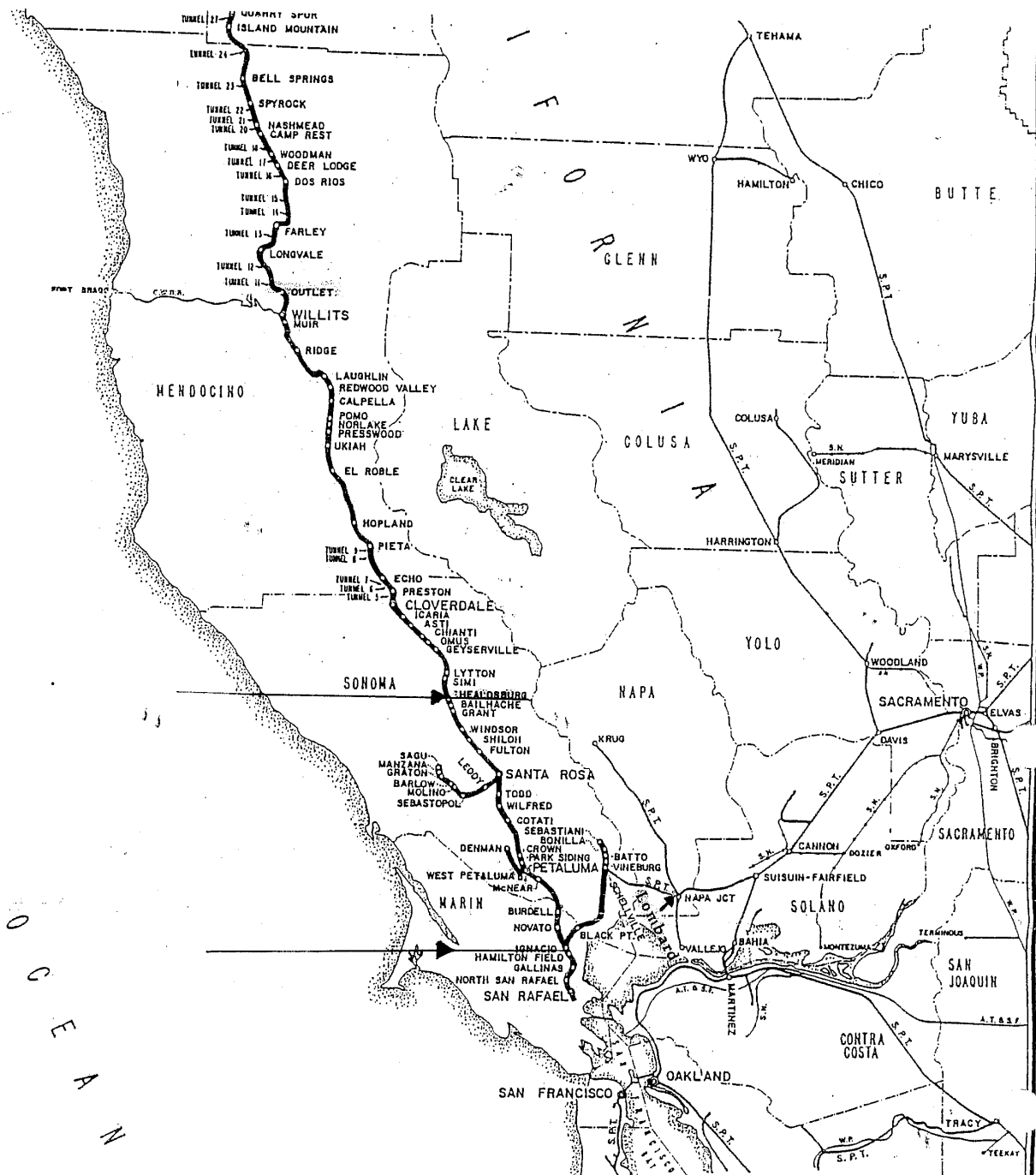


Exhibit A



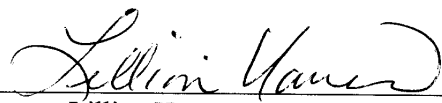
NORTHWESTERN PACIFIC RAILROAD

SCALE IN MILES
0 5 10 15 20

Exhibit A

EXHIBIT B

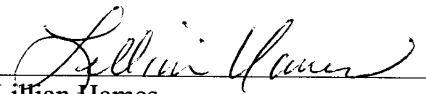
I, Lillian Hames, General Manager of the Sonoma-Marín Area Rail Transit District ("Applicant"), certify that the Applicant's projected annual carrier operating revenues will not exceed those of a Class III carrier (annual carrier operating revenues of \$10 million or less, as adjusted by the railroad revenue deflator formula described in Note A to Title 49, Code of Federal Regulations, part 1201).



Lillian Hames
General Manager
SONOMA-MARIN AREA
RAIL TRANSIT DISTRICT

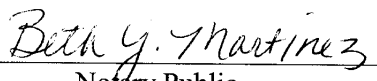
EXHIBIT C
VERIFICATION

Lillian Hames being duly sworn, deposes and says that she is the General Manager of the Sonoma-Marin Area Rail Transit District; that she has read the foregoing verified Notice of Exemption, knows the contents thereof and that the factual statements contained therein are true.


Lillian Hames
General Manager
SONOMA-MARIN AREA
RAIL TRANSIT DISTRICT

State of California) ss.
County of Sonoma)

Subscribed and sworn to before me
this 5th day of February, 2004.


Notary Public



My commission expires 5/10/06.

BEFORE THE
SURFACE TRANSPORTATION BOARD

SONOMA-MARIN AREA RAIL TRANSIT	)	
DISTRICT,	)	
Applicant	)	Docket No. FD 37400
	)	
Notice by Sonoma-Marin Area Rail	)	
Transit District	)	
Exemption to Acquire Rail Line -	)	
66.75 miles of former Northwestern	)	
Pacific Railroad Line in	)	
Marin, Sonoma and Napa Counties,	)	
California	)	
_____	)	

NOTICE OF EXEMPTION

The Sonoma-Marin Area Rail Transit District has filed a notice of exemption to acquire the line owned by Northwestern Pacific Railroad Authority located between NWP milepost 68.2 (Healdsburg, CA) and SP milepost 63.4 (Lombard Station, Napa County, CA), via Schellville (NWP MP 40.6/SP MP 72.59). Comments must be filed with the Surface Transportation Board and served upon Sally McGough, Attorney for the Sonoma-Marin Area Rail Transit District, c/o Sonoma County Counsel's Office, 575 Administration Drive, Room 105-A, Santa Rosa, CA 95403, telephone number (707) 565-2421.

The notice is filed under § 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under

49 U.S.C. 10505(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Dated:

By the Board:

Vernon A. Williams

Secretary

CERTIFICATE OF SERVICE

I, Beth Martinez, certify that I have this day caused copies to be served of the foregoing document upon all parties of record in this proceeding, by first class mail, postage prepaid:

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

Northwestern Pacific Railroad Authority
Box 9000, Presidio Station
San Francisco, CA 94129-0601

California State Historical
Preservation Office
P. O. Box 942896
Sacramento, CA 94296-0001

California Public
Utilities Commission
Rail Operating & Safety Branch
505 Van Ness Avenue
San Francisco, CA 94102

The Hon. Arnold Schwarzenegger
Governor
State of California
State Capitol
Sacramento, CA 94514

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on 2/6/04, at Santa Rosa, California.

Beth Martinez