

BEFORE THE
SURFACE TRANSPORTATION BOARD



FILED
OCT 25 2006
SURFACE
TRANSPORTATION BOARD

FINANCE DOCKET NO. 34810

WASHINGTON COUNTY, OREGON
-- ACQUISITION EXEMPTION --
CERTAIN ASSETS OF THE UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
OF
WASHINGTON COUNTY, OREGON
PURSUANT TO 49 C.F.R. § 1150.31

ENTERED
Office of Proceedings
OCT 6 2 2006
Part of
Public Record

Kevin M. Sheys
Janie Sheng
Kirkpatrick & Lockhart Nicholson Graham LLP
1601 K Street, NW
Washington, D.C. 20006
(202) 778-9000

ATTORNEYS FOR WASHINGTON COUNTY,
OREGON

Dated: October 25, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34810

WASHINGTON COUNTY, OREGON
-- ACQUISITION EXEMPTION --
CERTAIN ASSETS OF THE UNION PACIFIC RAILROAD COMPANY

**VERIFIED NOTICE OF EXEMPTION
OF
WASHINGTON COUNTY, OREGON
PURSUANT TO 49 C.F.R. § 1150.31**

Pursuant to 49 C.F.R. § 1150.31 et seq., Washington County, Oregon ("County") hereby files this Notice of Exemption to acquire from the Union Pacific Railroad Company ("UP") certain right-of-way and trackage located in Washington County, Oregon. County is a political subdivision of the State of Oregon, and is currently a non-carrier.

County will acquire UP's right, title and interest in the right-of-way, trackage and other physical assets associated with a rail line approximately 5 route miles in length extending between Tigard (approximately milepost 749.95) and Beaverton (approximately milepost 755.43) ("the Subject Line") in Washington County, Oregon. UP will retain an exclusive, permanent easement for freight operations on the Subject Line, and then transfer the freight easement to Portland & Western Railroad, Inc. ("P&W").¹ Freight operations on the line will be conducted by P&W pursuant to the

¹ P&W currently provides freight rail service on the Subject Line pursuant to a Lease with UP. P&W has filed or soon will file a Verified Notice of Exemption pursuant to

transfer of the freight easement. County will not acquire the right or obligation to conduct any rail freight operations on the Subject Line.

Simultaneously with this Verified Notice of Exemption, County is filing in this docket a motion to dismiss this Notice. County is utilizing this procedure to obtain a jurisdictional determination regarding County's potential common carrier status on the Subject Line. See State of Maine, Department of Transportation -- Acquisition and Operation Exemption - Maine Central Railroad Company, 8 I.C.C.2d 835 (1991).

In accordance with the requirements of 49 C.F.R. § 1150.33, County states as follows:

49 C.F.R. § 1150.32(e)
ADVANCE NOTICE

County will not conduct any freight operations and therefore the prospective annual freight revenue of County will not exceed \$5 million. Accordingly, the requirements of 49 C.F.R. § 1150.32(e) do not apply to this transaction.

49 C.F.R. § 1150.33(a)
NAME AND ADDRESS OF APPLICANT

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

Washington County, Oregon
ATTN: Tom Brian
155 N. First Avenue
Hillsboro, OR 97124-3072

49 C.F.R. § 1150.41, and upon its effectiveness will acquire the freight easement from UP. See Finance Docket No. 34792.

49 C.F.R. § 1150.33(b)
APPLICANT'S REPRESENTATIVE

County's representative to whom correspondence regarding this transaction should be addressed is as follows:

Kevin M. Sheys
Kirkpatrick & Lockhart Nicholson Graham LLP
1601 K Street, NW
Washington, D.C. 20006
(202) 778-9000

49 C.F.R. § 1150.33(c)
STATEMENT CONCERNING AGREEMENT

Pursuant to a Purchase and Sale Agreement by and between County and UP, UP will convey to County the right-of-way, track and other real property and assets associated with the Subject Line, subject to UP's retention of a permanent, exclusive freight railroad operating easement.

49 C.F.R. § 1150.33(d)
OPERATION OF THE PROPERTY

County will not operate any freight rail service on the Subject Line. Under the terms of the Purchase and Sale Agreement, County will acquire the assets of the Subject Line in order to operate passenger rail services. Rail freight operations on the Subject Line will be conducted by P&W pursuant to a freight rail operating easement reserved from UP's sale to County and transferred to P&W.

49 C.F.R. § 1150.33(e)
SUMMARY OF THE TRANSACTION

Pursuant to a Purchase and Sale Agreement, County will acquire by purchase UP's right, title and interest in the right-of-way, trackage and other real property and physical assets associated with line extending between Tigard (approximately milepost

749.95) and Beaverton (approximately milepost 755.43) in Washington County, Oregon, subject to UP's reservation of an exclusive freight rail operating easement on the line. County will not acquire the right to operate rail freight service on the Subject Line. The assets County will acquire in this transaction comprise a total of approximately 5 route miles.

The name and address of the railroad transferring the Subject Line is as follows:

Union Pacific Railroad Company
1400 Douglas Street
Omaha, NE 68179

County has filed this Notice of Exemption, together with a motion to dismiss, in order to obtain a jurisdictional determination regarding County's prospective status as a common carrier on the Subject Line. County plans to consummate acquisition of the Subject Line on or before November 27, 2006.

49 C.F.R. § 1150.33(f)
MAP

A map indicating the area served by the Subject Line, including origins, termini, stations, cities and counties, is attached as Exhibit A to this Notice.

49 C.F.R. § 1150.33(g)
CERTIFICATION OF CLASS III STATUS

County will not conduct any freight operations and therefore the projected freight revenues of the rail line involved in this transaction will not exceed those that would qualify County as a Class III rail carrier. A certificate complying with the provisions of 49 C.F.R. § 1150.33(g) is attached as Exhibit B to this Notice.

49 C.F.R. Part 1105
ENVIRONMENTAL/HISTORIC PRESERVATION DATA

Under 49 C.F.R. § 1105.6(c)(2), the proposed acquisition of assets by County is exempt from environmental reporting requirements. County's acquisition of the Subject Line will not result in significant changes in carrier operations (i.e., changes which exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5)).

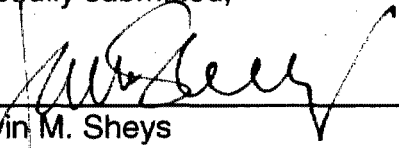
Under 49 C.F.R. § 1105.8(b)(1), the proposed acquisition of assets by County also is exempt from historic preservation reporting requirements. County's acquisition of the line will not disturb any existing common carrier obligations on the Subject Line. Further Surface Transportation Board approval is required 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.

49 C.F.R. § 1150.34
CAPTION SUMMARY

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

Respectfully submitted,

By: _____


Kevin M. Sheys
Janie Sheng
Kirkpatrick & Lockhart Nicholson Graham LLP
1601 K Street, NW
Washington, D.C. 20006
(202) 778-9000

**ATTORNEYS FOR WASHINGTON COUNTY,
OREGON**

Dated: October 25, 2006

Exhibit A

MAP OF THE SUBJECT LINE

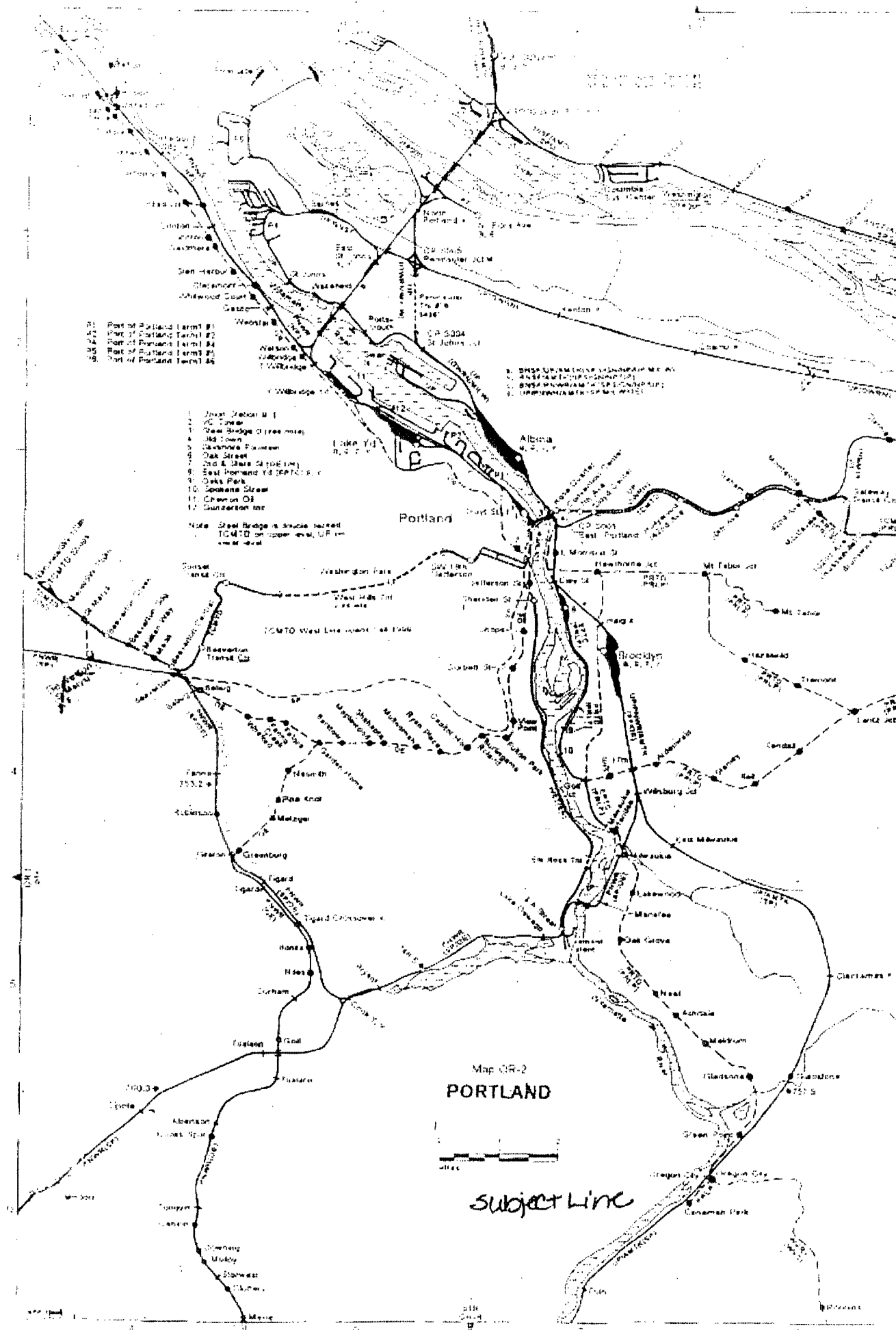


Exhibit B
CERTIFICATION

STATE OF OREGON)
) SS:
COUNTY OF WASHINGTON)

Tom Brian, being duly sworn, deposes and says that he is the Chairman of
County Commissioners, Washington County, Oregon, and that to the best of his
knowledge, information and belief:

Washington County, Oregon's projected freight revenues as a result of the
transaction will not exceed those that would qualify it as a Class III carrier.

Tom Brian
Tom Brian

SUBSCRIBED AND SWORN to

Before me this 19th day

Of October, 2006

Richard A. Layne
Notary Public

My Commission expires: 1/14/08

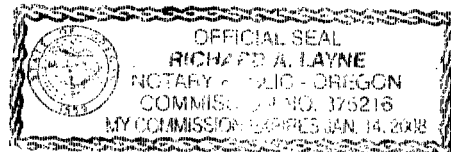


Exhibit C

CAPTION SUMMARY

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34810

**WASHINGTON COUNTY, OREGON
-- ACQUISITION EXEMPTION --
CERTAIN ASSETS OF THE UNION PACIFIC RAILROAD COMPANY**

Washington County, Oregon has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire from the Union Pacific Railroad Company certain right-of-way and trackage between milepost 749.95 in Tigard, Oregon to milepost 755.43 in Beaverton, Oregon, a distance of approximately 5 miles.

This 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. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and ten (10) copies of all pleadings referring to STB Finance Docket No. 34810 must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington DC 20423-0001. In addition, a copy of each pleading must be served on: Kevin M. Sheys, Kirkpatrick & Lockhart Nicholson Graham, LLP, 1601 K Street, NW, Washington DC 20006, (202) 778-9000.

VERIFICATION

STATE OF OREGON)
) SS:
COUNTY OF WASHINGTON)

Tom Brian, being duly sworn, deposes and says that he is the Chairman of County Commissioners, Washington County, Oregon, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that to the best of his knowledge, information and belief, the same are true as stated.

Tom Brian
Tom Brian

SUBSCRIBED AND SWORN to

Before me this 19th day

Of October, 2006

Richard A. Layne

Notary Public

My Commission expires: 1/14/08

