



SIERRA NORTHERN RAILWAY

223847



October 24, 2008

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street S W
Washington, D C 20423

ENTERED
Office of Proceedings
OCT 28 2008
Part of
Public Record

Re FD 35189, Sierra Northern Railway – Acquisition and Operation Exemption
Railway Company

Dear Acting Secretary Quinlan

The following are enclosed for filing

- 1 An original and 10 copies of the Verified Notice of Exemption by Sierra Northern Railway (“Sierra”) pursuant to 49 C.F.R. Part 1150, Subpart E—*Exempt Transactions Under 49 U.S.C. 10902*,
- 2 Pursuant to 49 C.F.R. §§ 1150.33(h)(1)(ii) and 1104.14(a), Sierra is filing ten (10) copies of the Purchase and Sale Agreement under seal,
- 3 A CD containing the Notice of Exemption, and
- 4 A check in the amount of \$1,800 for the filing fee

Please contact me if you have any questions regarding this filing

Thank you

Sincerely,

David Magaw
President
Sierra Northern Railway

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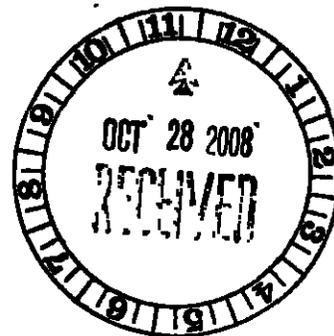
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NOTICE OF EXEMPTION

STB Finance Docket No FD 35189

**SIERRA NORTHERN RAILWAY — ACQUISITION AND OPERATION EXEMPTION
— BNSF RAILWAY COMPANY**

Sierra Northern Railway (“SERA”), a Class III rail carrier, files this Notice of Exemption pursuant to 49 C F R Part 1150, Subpart E—*Exempt Transactions Under 49 U.S.C. 10902*, to permit SERA to acquire and operate two rail lines owned by BNSF Railway Company (“BNSF”) SERA submits the following information in support of this Notice of Exemption as required under 49 C F R § 1150 43

(a) Full name and address of applicant

Sierra Northern Railway
341 Industrial Way
Woodland, CA 95776
Telephone 530-666-9646
E-mail dmagaw@att net

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(b) Applicant’s Representative Please address correspondence to David Magaw, President, at the aforementioned address and telephone number

(c) Statement of Agreement

SERA and BNSF have entered into an October 1, 2008 agreement entitled “Purchase And Sale Of Rail Operations And Real And Personal Property Between Riverbank And Oakdale In Stanislaus County, California” (the “Purchase Agreement”)

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pursuant to which BNSF has agreed to sell to SERA two rail lines and associated property in Stanislaus County, California

(d) The operator of the property SERA will be the operator of the rail lines

(e) Summary of proposed transaction

(1) The name and address of the entity selling the Lines

**BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, Texas 76131**

(2) Proposed time schedule for consummation of the transaction

The transaction will be consummated on or shortly after the effective date of this Notice

(3) Subject property

SERA will acquire (1) the Oakdale Branch located between Milepost 10 in Riverbank, CA, and the end of BNSF's line at Milepost 71 in Oakdale, CA, and (2) the Riverbank Industrial Park Lead, Track 7959, between Engineer's Station 8+60 and Engineer's Station 38+02, the end of BNSF's line at the Park gate (the "Lines")

Pursuant to an "Assignment And Assumption Agreement Between BNSF Railway Company And Sierra Northern Railway," attached to the Purchase Agreement and part of this transaction, BNSF is also assigning to SERA certain trackage rights of Union Pacific Railroad ("UP") over the Oakdale Branch between BNSF's Riverbank yard and Oakdale, CA, to the extent such UP trackage rights and obligations are related to the Lines

(4) The length of the rail lines is approximately 6.5 miles

(f) A map of the Lines is attached as Attachment 1

(g) SERA hereby certifies that its revenues as a result of this transaction will not result in SERA becoming a Class II or Class I rail carrier SERA also certifies that its projected annual revenue will not exceed \$5 million as a result of this transaction Accordingly, the requirements of 49 C F R § 1150 42(e) do not apply to this transaction

(h) The Purchase Agreement contains a provision that may limit future interchange with a third-party connecting carrier The affected interchange point is Riverbank, CA A copy of the Purchase Agreement is being filed with the Board under seal pursuant to 49 C F R §§ 1150 43(h)(ii) and 1104 14(b)

A caption summary is attached as required by 49 C F R § 1150 44

The proposed transaction does not require an historic report pursuant to 49 C F R § 1150 8(b)(1)

The proposed transaction will not result in significant changes in carrier operations Thus, pursuant to 49 C F R § 1105 6(c)(2), environmental documentation is not required

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

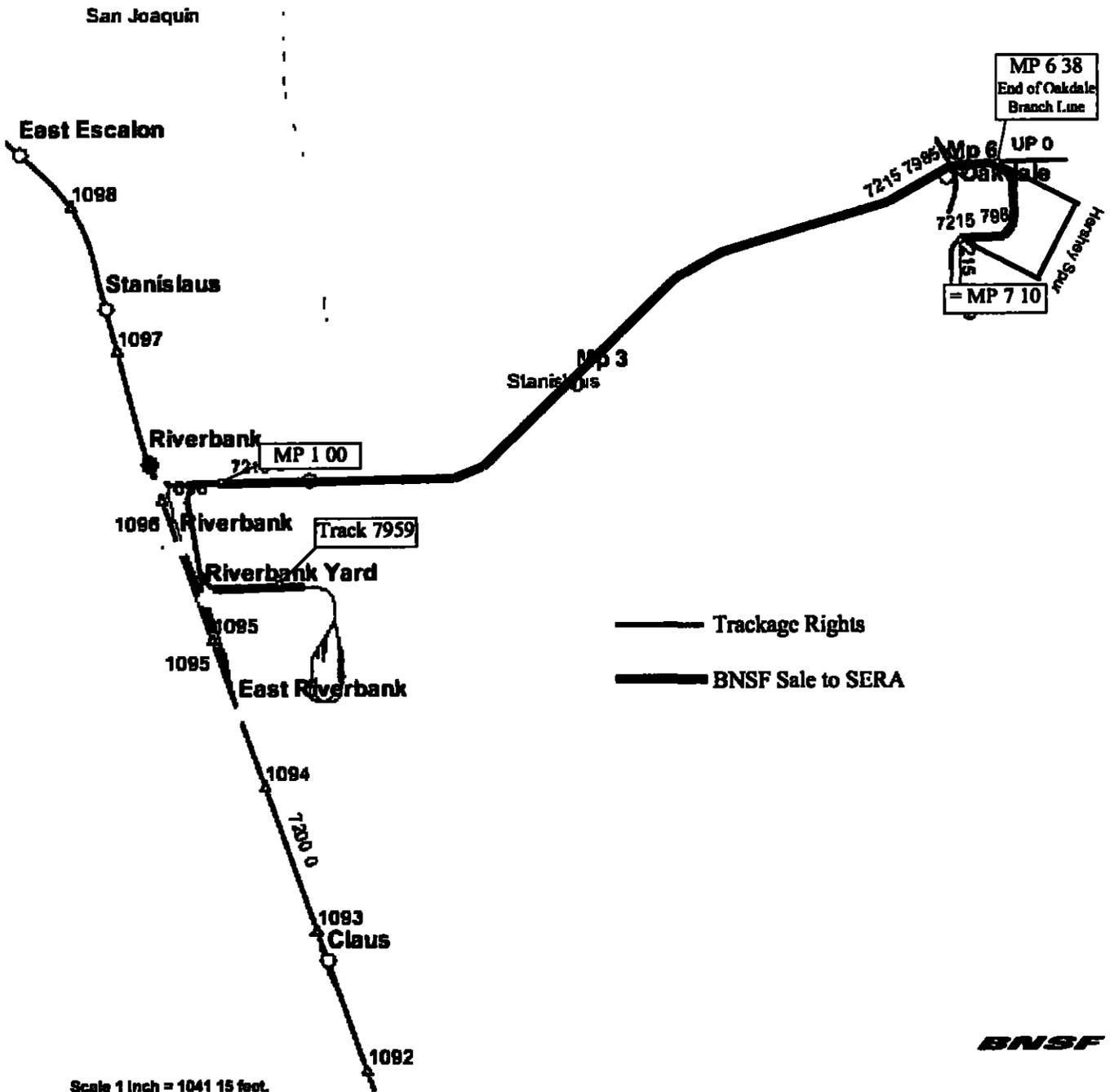
Respectfully Submitted,



David Magaw, President
Sierra Northern Railway
341 Industrial Way
Woodland, CA 95776
Telephone 530-666-9646

Dated October 24, 2008

Attachment 1 Riverbank to Oakdale, CA



SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB Finance Docket No FD 35189

**SIERRA NORTHERN RAILWAY
— ACQUISITION AND OPERATION EXEMPTION —
BNSF RAILWAY COMPANY**



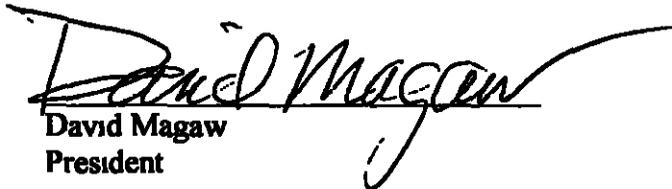
Sierra Northern Railway, a Class III rail carrier, has filed a Notice of Exemption to acquire and operate the following two rail lines owned by BNSF Railway Company (1) the Oakdale Branch located between Milepost 10 in Riverbank, CA and the end of BNSF's line at Milepost 71 in Oakdale, CA and (2) the Riverbank Industrial Park Lead, Track 7959, between Engineer's Station 8+60 and Engineer's Station 38+02, the end of BNSF's line at the Park gate

Comments must be filed with the Board and served on David Magaw, President of Sierra Northern Railway, 341 Industrial Way, Woodland, CA 95776

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*. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

I, David Magaw, having been duly sworn, state that I am the President of Sierra Northern Railway, that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption of Sierra Northern Railway, and that its contents are true and correct to the best of my knowledge and belief


David Magaw
President

Subscribed and sworn to before me this 24 day of October 2008


Notary Public
Richard J Harkless

