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BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34791

TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON
-- ACQUISITION EXEMPTION --
CERTAIN ASSETS OF WASHINGTON COUNTY, OREGON

VERIFIED NOTICE OF EXEMPTION
OF
TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON
PURSUANT TO 49 C.F.R. § 1150.31

FILED
OCT 26 2006
ENTERED
Office of Proceedings
OCT 26 2006
Part of
Public Record

FILED
OCT 26 2006
SURFACE
TRANSPORTATION BOARD

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

ATTORNEYS FOR TRI-COUNTY
METROPOLITAN TRANSPORTATION
DISTRICT OF OREGON

Dated: October 25, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34791

TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON
-- ACQUISITION EXEMPTION --
CERTAIN ASSETS OF WASHINGTON COUNTY, OREGON

**VERIFIED NOTICE OF EXEMPTION
OF
TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON
PURSUANT TO 49 C.F.R. § 1150.31**

Pursuant to 49 C.F.R. § 1150.31 et seq., Tri-County Metropolitan Transportation District Of Oregon ("TriMet") hereby files this Notice of Exemption to acquire from Washington County, Oregon ("County") certain right-of-way and trackage located in Washington County, Oregon. TriMet is a municipal corporation providing public transportation for much of the three counties in the Portland, Oregon metropolitan area.

TriMet will acquire County'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.¹ Freight operations on the line will be conducted by P&W pursuant to the transfer of the

¹ County will acquire the Subject Line from Union Pacific Railroad Company ("UP") pursuant to a Purchase and Sale Agreement. See STB Finance Docket No. 34810. 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").

freight easement.² TriMet will not acquire the right or obligation to conduct any rail freight operations on the Subject Line.

Simultaneously with this Verified Notice of Exemption, TriMet is filing in this docket a motion to dismiss this Notice. TriMet is utilizing this procedure to obtain a jurisdictional determination regarding TriMet'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, TriMet states as follows:

49 C.F.R. § 1150.32(e)
ADVANCE NOTICE

TriMet will not conduct any freight operations and therefore the prospective annual freight revenue of TriMet 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:

Tri-County Metropolitan Transportation District Of Oregon
ATTN: Neil S. McFarlane
710 N.E. Holladay Street
Portland, OR 97232-2168

² 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 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

TriMet'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. Following the closing of that transaction, County will transfer its right, title and interest in the Subject Line to TriMet via quitclaim deed.

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

TriMet will operate passenger rail service on the Subject Line.³ 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, and County will quitclaim its right, title and interest in the Subject Line to TriMet after the closing of the transaction. TriMet will not acquire any freight operating rights.

³ The transaction is not subject to Surface Transportation Board ("STB") jurisdiction because TriMet will not operate any freight rail service on the Subject Line. 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 quitclaim deed, County will transfer to TriMet County'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. TriMet will not acquire the right to operate rail freight service on the Subject Line. The assets TriMet will acquire in this transaction comprise a total of approximately 5 route miles.

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

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

TriMet has filed this Notice of Exemption, together with a motion to dismiss, in order to obtain a jurisdictional determination regarding TriMet's prospective status as a common carrier on the Subject Line. TriMet 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

TriMet 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 TriMet 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 TriMet is exempt from environmental reporting requirements. TriMet'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 TriMet also is exempt from historic preservation reporting requirements. TriMet's acquisition of the line will not disturb any existing common carrier obligations on the Subject Line. Further STB approval is required to abandon any freight 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

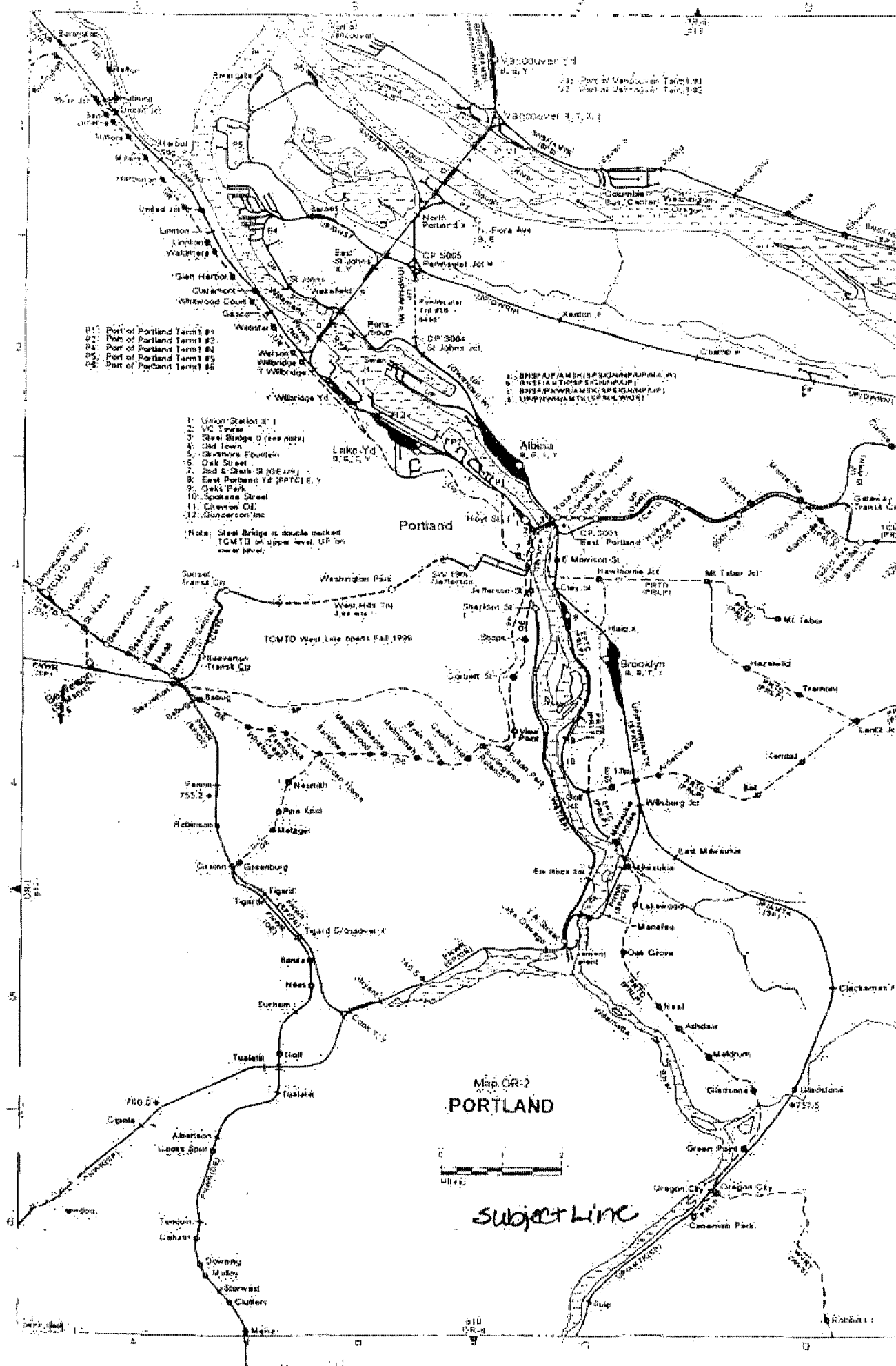
(202) 778-9000

**ATTORNEYS FOR TRI-COUNTY
METROPOLITAN TRANSPORTATION DISTRICT
OF OREGON**

Dated: October 25, 2006

Exhibit A

MAP OF THE SUBJECT LINE



CERTIFICATION

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Neil S McFarlane

Karsten Falgowski

OFFICIAL SEAL
KARMEN FALIGOWSKI
NOTARY PUBLIC-OREGON
COMMISSION NO. 391477
MY COMMISSION EXPIRES MAY 12, 2009

Exhibit C

CAPTION SUMMARY

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34791

**TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON
-- ACQUISITION EXEMPTION --
CERTAIN ASSETS OF WASHINGTON COUNTY, OREGON**

Tri-County Metropolitan Transportation District of Oregon has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire from Washington County, Oregon 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. 34791 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 MULTNOMAH)

Neil S. McFarlane, being duly sworn, deposes and says that he is the Executive Director, Capital Projects & Facilities Division, of Tri-County Metropolitan Transportation District Of Oregon, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.

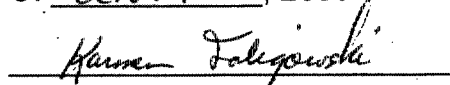


Neil S. McFarlane

SUBSCRIBED AND SWORN to

Before me this 19 day

Of October, 2006



Notary Public *for Oregon*

My Commission expires: 5-12-09

