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Public Record



Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

**Re: Finance Docket No. 34927, Coast Belle Rail Corp. d/b/a Santa Maria
Valley Railroad—Operation Exemption—Line of Coast Belle Rail, LLC**

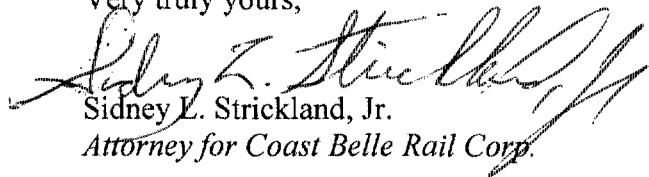
Dear Secretary Williams:

In the above referenced docket, Coast Belle Rail Corp., d/b/a Santa Maria Valley Railroad ("CBRC"), filed a Notice of Exemption with the Surface Transportation Board ("STB") to permit CBRC to: (1) operate 8.74 miles of rail line owned by Coast Belle Rail, LLC ("CBRLLC"), extending between milepost 3.26, near Guadalupe, CA, and milepost 9.0 in Santa Maria, CA, including the Airbase Branch located between milepost 9A and milepost 12A ("CBRLLC Line"), and, (2) lease 4.26 miles of rail line owned by Union Pacific Railroad Company ("UP"), extending between milepost 0.0 and milepost 3.26, including the branch between milepost 3A at Betteravia Junction southeast to milepost 4A in Betteravia, CA ("UP Line"). Both lines are located in Santa Barbara County, CA. The total distance of the CBRLLC Line and the UP Line is 13.0 miles.

UP has agreed to the assignment of its 1912 lease with the existing Santa Maria Valley Railroad Company ("SMVRR") to CBRC.

The 8.74 mile CBRLLC Line referenced above is the subject of another proceeding before the Board. In F.D. 34923, *Coast Belle Rail, LLC—Acquisition Exemption—Santa Maria Valley Railroad Company*, CBRLLC filed a Notice of Exemption with the STB to permit CBRLLC to acquire the CBRLLC Line from SMVRR.

Very truly yours,


Sidney L. Strickland, Jr.
Attorney for Coast Belle Rail Corp.