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SERVICE DATE – JANUARY 22, 2021

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36466]

San Joaquin Valley Railroad Co.—Lease and Operation Exemption Including
Interchange Commitment—Union Pacific Railroad Company

San Joaquin Valley Railroad Co. (SJVR), a Class III railroad, filed a verified notice of exemption under 49 C.F.R. § 1150.41 to continue to lease from Union Pacific Railroad Company (UP) and operate 101.5 miles of rail lines (the Lines), specifically: (1) the Westside Branch (Lower Los Banos) from Oxalis, Cal., milepost 159.9 to milepost 181.9, at or near Ingle, Cal.; (2) the Westside Branch (Lower Los Banos) from Ingle, milepost 181.9 to Fresno, Cal., at milepost 207.0 and including the Riverdale Branch from Ingle, milepost 181.8 to the end of the track at or near milepost 206.2 at Burrell, Cal.; (3) the Buttonwillow Branch from Kern Jct., Cal., milepost 316.3 to Gosford, Cal., milepost 322.6; and (4) the Buttonwillow Branch from Gosford, milepost 322.6 to the end of the track at or near Buttonwillow, Cal., milepost 346.3.

According to SJVR, it has entered into a lease with UP (the Lease) to replace a 1994 lease (the Original Lease) between UP's predecessor company, Southern Pacific Transportation Company, and SJVR, as an assignee of Port Railroads, Inc., and that

SJVR is currently the operator of the Lines under the Original Lease.¹ SJVR states that it entered the Lease with UPRR on December 28, 2020, to further extend the term of the Original Lease and make other commercial revisions and that SJVR will continue to be the operator after the transaction.

SJVR certifies that the Lease contains an interchange commitment.² Accordingly, SJVR has provided additional information regarding the interchange commitment, as required by 49 C.F.R. § 1150.43(h).

SJVR certifies that its projected revenues as a result of the transaction will not exceed those that would qualify it as a Class III carrier but also certifies that its revenues currently exceed \$5 million. Pursuant to 49 C.F.R. § 1150.42(e), if a carrier's projected annual revenues will exceed \$5 million, it must, at least 60 days before the exemption becomes effective, post a notice of its intent to undertake the proposed transaction at the workplace of the employees on the affected lines, serve a copy of the notice on the national offices of the labor unions with employees on the affected lines, and certify to the Board that it has done so. However, SJVR's verified notice includes a request for waiver of the 60-day advance labor notice requirements. SJVR's waiver request will be

¹ See Port R.Rs.—Lease & Operation Exemption—S. Pac. Transp. Co., FD 32457 (ICC served Mar. 14, 1994) (authorizing lease of approximately 107.438 miles of line); San Joaquin Valley R.R.—Corp. Family Transaction Exemption—Port R.Rs., FD 32906 (STB served May 3, 1996). According to the verified notice, the milepost designations differ slightly from the Original Lease, reflecting updated mileposts on the Lines.

² A copy of the Lease with the interchange commitment was submitted under seal. See 49 C.F.R. § 1150.43(h)(1).

addressed in a separate decision. The Board will establish the effective date of the exemption in its separate decision on the waiver request.

If the verified 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 effectiveness of the exemption. Petitions for stay must be filed no later than January 29, 2021.

All pleadings, referring to Docket No. FD 36466, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading must be served on SJVR's representative, Eric M. Hocky, Clark Hill PLC, Two Commerce Square, 2001 Market St., Suite 2620, Philadelphia, PA 19103.

According to SJVR, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: January 15, 2021.

By the Board, Allison C. Davis, Director, Office of Proceedings.