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SERVICE DATE – MAY 27, 2022

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36594]

Texas Coastal Bend Railroad, L.L.C.—Change in Operator Exemption—Corpus Christi Terminal Railroad, Inc.

Texas Coastal Bend Railroad, L.L.C. (TCBR), a noncarrier, has filed a verified notice of exemption pursuant to 49 C.F.R. § 1150.31 to assume operation of approximately 12.0 miles of rail line owned by the Port of Corpus Christi Authority of Nueces County, Tex. (the Port), located on the north and south sides of the Inner Harbor of the Corpus Christi Ship Channel, which runs parallel with the south shoreline of Nueces Bay (the Line). Incidental to the proposed operation of the Port-owned Line, TCBR will acquire overhead trackage rights over a connecting Union Pacific Railroad Company (UP) line extending between approximately UP milepost 140.5 near the west leg of the Fulton Wye Connection and approximately UP milepost 149.0, all in Nueces County, Tex. Corpus Christi Terminal Railroad, Inc. (CCTR) currently operates the Line under a lease with the Port and has done so since 1997. See Corpus Christi Terminal R.R.—Lease & Operation Exemption—Port of Corpus Christi Auth. of Nueces Cnty., Tex., FD 33436 (STB served Aug. 14, 1997).

According to the verified notice, TCBR has entered into an agreement with the Port under which TCBR will replace CCTR as the common carrier on the Line. TCBR states that CCTR does not object to the proposed change in common carrier operator on

the Line. Based on projected annual revenues for the Line, TCBR expects to become a Class III rail carrier after consummation of the proposed transaction.

This transaction is related to a concurrently filed verified notice in Watco Holdings—Continuance in Control Exemption—Texas Coastal Bend Railroad, Docket No. FD 36595, in which Watco Holdings, Inc., seeks to continue in control of TCBR upon TCBR's becoming a Class III rail carrier.

As required under 49 C.F.R. § 1150.33(h)(1), TCBR certifies that the agreements governing this transaction do not include any provision or agreement that may limit future interchange with a third-party connecting carrier.

TCBR certifies that its projected annual revenues as a result of the transaction will not result in the creation of a Class I or Class II rail carrier but also states that it expects its annual revenues to exceed \$5 million following the transaction. Pursuant to 49 C.F.R. § 1150.32(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. TCBR states that it complied with the advance notice posting requirements of 49 C.F.R. § 1150.32(e) on March 21, 2022, and that TCBR has been advised that no labor union represents CCTR employees and that the Port has no employees that conduct rail operations on the Line.

Under 49 C.F.R. § 1150.32(b), a change in operator exemption requires that notice be given to shippers. TCBR certifies that it has provided notice of the proposed change in operator to the shippers on the Line.

The transaction may be consummated on or after June 12, 2022, the effective date of the exemption (30 days after the verified notice was filed).

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 June 3, 2022 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36594, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on TCBR's representative, Robert A. Wimbish, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

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

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

Decided: May 24, 2022.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.