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April 3, 2025

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20024

Re: San Joaquin Valley Railroad Co.
-Lease and Operation Exemption
Including Interchange Commitment-
Union Pacific Railroad Company
Surface Transportation Board Finance Docket 36829

Dear Ms. Brown:

Enclosed for filing in the above referenced docket is a Notice of Exemption under 49 U.S.C. § 10902 for San Joaquin Valley Railroad Co. ("SJVR") to continue operating on rail lines owned by the Union Pacific Railroad Company.

Included within this notice of exemption is a request to waive the notice requirements of 49 CFR § 1150.42(e).

The filing fee has been paid via pay.gov. If you have any questions related to this filing, please let me know.

Sincerely,

Justin J. Marks
Counsel to for San Joaquin Valley Railroad Co.

Enclosure

FILED
April 3, 2025
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
April 3, 2025
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Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36829

SAN JOAQUIN VALLEY RAILROAD CO.
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10902

(includes color images)

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*Attorneys for San Joaquin Valley Railroad
Co.*

Dated: April 3, 2025

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36829

SAN JOAQUIN VALLEY RAILROAD CO.
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10902

San Joaquin Valley Railroad Co. (“SJVR”), a Class III railroad, files this Notice of Exemption under 49 U.S.C. § 10902 to exempt from regulation SJVR’s entry into a lease amendment (“Lease Amendment”) with the Union Pacific Railroad Company (“UPRR”) to amend a Lease Agreement entered into between SJVR and UPRR in 2020 (“Replacement Lease”). The Replacement Lease superseded a 1994 lease (the “Original Lease”) between UPRR’s predecessor company, Southern Pacific Transportation Company, and SJVR, as an assignee of Port Railroads, Inc. The Replacement Lease and this Lease Amendment covers the following 101.5 miles of rail line (“Rail Lines”): (1) the Westside Branch (Lower Los Banos) from Oxalis, CA MP 159.9 to MP 181.9, at or near Ingle, CA; (2) the Westside Branch (Lower Los Banos) from Ingle, CA MP 181.9 to Fresno, CA, at MP 207.0 and including the Riverdale Branch from Ingle, CA, MP 181.8 to the end of the track at or near MP 206.2 at Burrell, CA; (3) the Buttonwillow Branch from Kern Jct., CA, MP 316.3 to Gosford, CA, MP 322.6; and (4) the Buttonwillow Branch from Gosford, CA, MP 322.6 to the end of the track at or near Buttonwillow, CA, MP 346.3.

SJVR and UPRR entered into the Lease Amendment to extend the term of the Replacement Lease.

Notice

In accordance with 49 C.F.R. §1150.43, SJVR hereby provides the following information:

- (a) The full name and address of Applicant: San Joaquin Valley Railroad Co., 221 North F Street, P.O. Box 937, Exeter, CA 93221.

- (b) Applicant's Representatives:

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Two Commerce Square
2001 Market St.
Suite 2620
Philadelphia, PA 19103
(215) 640-8523

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- (c) SJVR is currently the operator of the Rail Lines under the Replacement Lease. *San Joaquin Valley Railroad CO. – Lease and Operation Exemption Including Interchange Commitment – Union Pacific Railroad Company*, STB Finance Docket No. 36466 (served January 22, 2021). Prior to entering into the Replacement Lease, PNWR operated the Rail Lines under the Original Lease as assignee of Port Railroads, Inc. *See Port Railroads, Inc. – Lease and Operation Exemption – Southern Pacific Transportation Company*, ICC Finance Docket No. 32457 (served Mar. 14, 1994); *San Joaquin Valley Railroad Co. – Corporate Family Transaction Exemption – Port Railroads, Inc.* STB Finance Docket No. 32906 (served May 3, 1996); SJVR and UPRR have now entered into the Lease Amendment for the Rail Lines dated as of January 9, 2025.

- (d) The current operator of the Rail Lines is SJVR, and SJVR will continue to be the operator after the transaction.
- (e) Brief Summary of the Proposed Transaction: SJVR is currently operating the Rail Lines under the Replacement Lease. This proposed transaction extends the lease term, which will allow SJVR to continue operating the Rail Lines for an additional 5 years.
- i. The name and address of the company leasing the Rail Lines is Union Pacific Railroad Company, 1400 Douglas Street, Mailstop 1350, Omaha, Nebraska 68179.
 - ii. The Lease Amendment will be effective upon the effective date of this Notice of Exemption, thirty days after filing (or upon the grant of the requested labor notice waiver). SJVR is currently operating the Rail Lines under the terms of the Replacement Lease and will continue to do so until the Lease Amendment becomes effective.
 - iii. The mileposts of the Rail Lines are: (1) the Westside Branch (Lower Los Banos) from Oxalis, CA MP 159.9 to MP 181.9, at or near Ingle, CA; (2) the Westside Branch (Lower Los Banos) from Ingle, CA MP 181.9 to Fresno, CA, at MP 207.0 and including the Riverdale Branch from Ingle, CA, MP 181.8 to the end of the track at or near MP 206.2 at Burrell, CA; (3) the Buttonwillow Branch from Kern Jct., CA, MP 316.3 to Gosford, CA, MP 322.6; and (4) the Buttonwillow Branch from Gosford, CA, MP 322.6 to the end of the track at or near Buttonwillow, CA, MP 346.3.¹
 - iv. The total mileage to be acquired and operated is approximately 101.5 miles.

¹ The mileposts are slightly different from the Original Lease reflecting the updated mileposts on the Rail Lines.

- (f) Attached as Exhibit A to this Notice of Exemption are maps of the Rail Lines.
- (g) 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.
- (h) SJVR certifies that the Replacement Lease to be amended by the Lease Amendment contains an interchange commitment. The following additional information is provided by SJVR with respect to the interchange commitment:
 - i. The Replacement Lease to be amended (like the Original Lease) contains an interchange commitment that affects interchange with carriers other than UPRR at the interchange point shown on the maps attached as Exhibit A.
 - ii. A confidential complete version of the Replacement Lease and the Lease Amendment is being submitted under separate cover as part of a Confidential Appendix governed by 49 CFR 1104.14(a).
 - iii. A list of the shippers who currently use or who have used the Rail Line in the last two calendar years, and whose traffic is subject to the interchange commitment is attached hereto as Exhibit B.
 - iv. The aggregate number of carloads originated or terminated within the last two calendar years by the shippers identified in subparagraph iii. above is included as part of the Confidential Appendix.
 - v. SJVR hereby certifies that, as set forth in the certificate of service, it has provided notice of the proposed transaction and the interchange commitment by serving a copy of this Notice of Exemption on the shippers identified in subparagraph iii. above.
 - vi. UPRR and BNSF Railway Company could physically interchange with the Rail

Line.

- vii. SJVR does not have the information to estimate the difference between the rent with and without the interchange agreement. Accordingly, SJVR requested an estimate of the difference from UPRR as permitted by the Board. *Information Required in Notices and Petitions Containing Interchange Commitments*, STB Docket No. EP 714 (served September 5, 2013), slip op. at 5-6. A copy of the UPRR response is included in the Confidential Appendix.
- viii. The caption of this proceeding reflects the existence of the interchange commitment.
- (i) In addition to the information set forth above, SJVR certifies that its revenues currently exceed \$5,000,000. However, since SJVR will continue to be the operator of the Rail Lines both before and after the transaction, SJVR is requesting a waiver of the labor notice requirements under 49 C.F.R. §1150.42(e). *See* request for waiver set forth below.

Labor Protection

SJVR is a Class III carrier, and pursuant to 49 U.S.C. §10902(d), approval of this transaction may not be subjected to labor protection conditions. Additionally, since SJVR is already the operator of the Rail Lines, there will be no employees adversely affected by the lease arrangements.

Environmental and Historic Reports

This is an extension of a lease for continued rail operations that will not result in changes in carrier operations that will exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5). Further Board approval is required for SJVR to discontinue (or for UPRR to abandon) service, or to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

Accordingly, no environmental or historic documentation is required. See 49 C.F.R. §1105.6(c)(2); 49 C.F.R. §1105.8(b)(1).

Caption Summary

Attached hereto as Exhibit C is the caption summary required by 49 C.F.R. §1150.44.

Request for Waiver of Notice Requirements of 49 C.F.R. §1150.42(e)

As noted above, SJVR's total revenues exceed \$5,000,000. Under the Board's regulations at 49 C.F.R. §1150.42(e), SJVR would be required to give sixty days' notice to employees working on the Rail Lines (and the national offices of their collective bargaining representatives). However, the Board has held: "The purpose of 49 CFR 1150.42(e) is to ensure that rail labor unions and employees who would be affected by the transfer of a line are given sufficient notice of the transaction before consummation." *Louisiana & Delta Railroad, Inc. – Lease Amendment and Operation Exemption – Union Pacific Railroad Company*, STB Finance Docket No. 36379, slip op. at 2 (served Mar. 4, 2020). See also *Acquisition of Leased Lines under 49 USC 10901 and 10902 – Advance Notice of Proposed Transactions* ("Advanced Notice of Proposed Transactions"), 2 STB 592 (1997). In adopting the notice requirement, the Board specifically recognized that "exceptional situations may occur necessitating acquirer requests for waiver of the 60 day notice provision ..." *Advanced Notice of Proposed Transactions, supra* at 601.

In this instance, SJVR should not be required to comply with the requirements of Section 1150.42(e) because there will be no changes for any employees working on the Rail Lines. SJVR already leases the rail facilities, and it or its predecessor have been the sole common carrier operator of the Rail Lines since at least 1994. The Lease Amendment extends the term of the Replacement Lease and SJVR will continue to be the sole common carrier operator of the Rail Lines. No employees of the transferring carrier, UPRR, have worked on the Rail Lines since at

least 1994, and there are no employees of UPRR who will be affected or have to make any career choices as a result of the transaction. Posting notices on the Rail Lines would not provide notice to any UPRR employees since none work on the Rail Lines. Further, there will be no operational changes, and no employees of SJVR will be affected.² Thus, under the circumstances of this transaction, compliance with the notice requirements will not further the purposes of the rule and should be waived. Granting SJVR a waiver would be consistent with other circumstances in which the Board has granted waivers from the labor notice requirements when a common carrier has filed to extend the term of its operation of a line it was previously leasing and to remain as the common carrier operator on the line. *See North Carolina & Virginia Railroad Company, LLC, Chesapeake & Albemarle Railroad Division – Lease Amendment Exemption – Norfolk Southern Railway Company*, STB Docket No. FD 35564 (Sub-No. 1) (served December 23, 2011). *See also Louisiana Southern Railroad, LLC – Lease Exemption containing Interchange Commitment – The Kansas City Southern Railway Company*, STB Docket No. FD 35983 (served February 18, 2016).

SJVR asks that the waiver of the labor notice requirements be granted expeditiously so that this Notice of Exemption can become effective as scheduled 30 days after it is filed.

² Notwithstanding that there will be no effect on employees of SJVR, SJVR is providing notice of the Lease to the national office of the unions that represents employees working on the Rail Lines by serving it with a copy of this Notice of Exemption.

Conclusion

Accordingly, SJVR requests that the Board issue a notice allowing the Lease Amendment to become effective 30 days from the filing of this Notice of Exemption.

Respectfully submitted,



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(202) 772-0916
jmarks@clarkhill.com

*Attorneys for San Joaquin
Valley Railroad Co.*

Dated: April 3, 2025

VERIFICATION

I, David Franklin, Jr., President of San Joaquin Valley Railroad Co., verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on April 12, 2025

A handwritten signature in black ink, appearing to read 'David Franklin, Jr.', is written over a horizontal line.

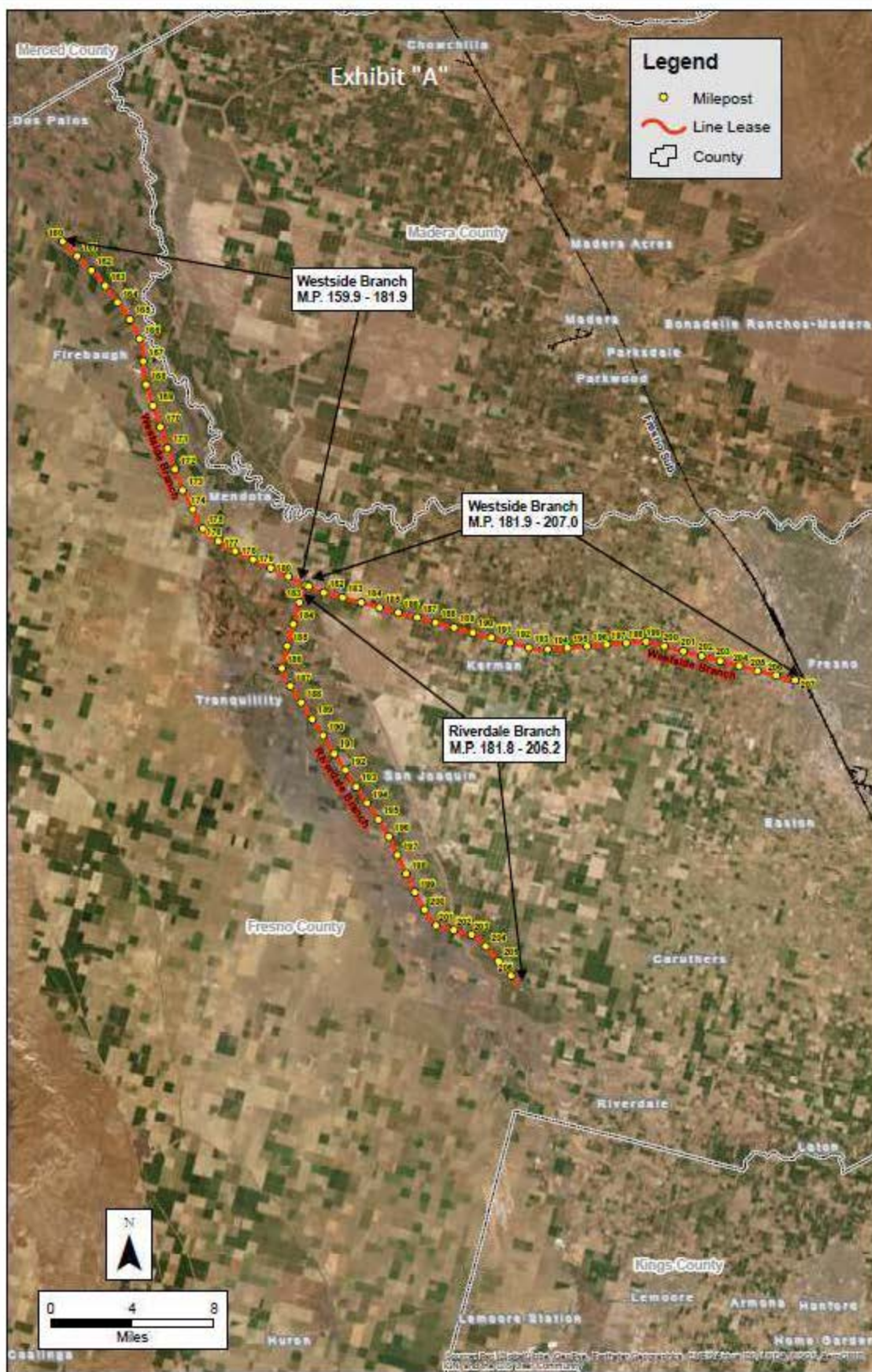
David Franklin, Jr.

EXHIBIT A

MAPS

Butterwillow Branch







San Joaquin Valley Railroad Co.
221 North F Street
P.O. Box 937
Exeter, California 93221
559-592-1857

Genesee & Wyoming Railroads

- **SJVR** Youngstown & Austintown Railroad, Inc.
 - **CFNR** California Northern Railroad Company
- Dashed line indicates Trackage Rights.

EXHIBIT B

LIST OF SHIPPERS

Brenntag Pacific 175 N Hughes Ave, Fresno, CA 93725
Buttonwillow Warehouse 1403 S INDUSTRIAL WAY, Kerman, CA. 93630
Central Valley Distribution 14600 W COMMERCE WAY, Kerman, CA. 93630
D1-Distribution 15287 W COMMERCE WAY Kerman, CA. 93630
Empire Mining 29400 W WHITESBRIDGE AVE, MENDOTA, CA. 93640
Helena Chemical 14600 W COMMERCE WAY, Kerman, CA. 93630
Helina Industries 1075 S VINELAND,PO BOX 305, Kerman, CA. 93630
JS West & Companies 15287 W COMMERCE WAY, Kerman, CA. 93630
Mesa Verde Trading Co., Inc 29400 W WHITESBRIDGE AVE, MENDOTA, CA. 93640
NF Davis 9421 N DOS PALOS RD, PO BOX 425 FIREBAUGH, CA. 93622
Nutrien Ag Solutions 12325 N DOS PALOS AVE, FIREBAUGH, CA. 93622
Simplot Growers Solutions 35836 W BULLARD AVE, FIREBAUGH, CA 93622
Tomatek 2502 N ST, FIREBAUGH, CA 93622
JR Simplot Co. 12688 S COLORADO AVE, PO BOX 128, HELM, CA. 93627

True Organics 20225 W KAMM AVE PO BOX 124, HELM, CA. 93627
Willbur Ellis 22312 RAILROAD AVE, SAN JOAQUIN, CA. 93660
Willbur Ellis 12550 S COLORADO AVE, HELM, CA, 93627
Buttonwillow Warehouse 125 FRONT ST PO BOX 98 BUTTONWILLOW, CA. 93206
California Wholesale Materials 5601 ALDRIN CT TRACK NO 1937, BAKERSFIELD, CA. 93313
Frito Lay 22801 HWY 58, BAKERSFIELD, CA. 93314
Harvel Plastics 7001 SCHIRRA CT, BAKERSFIELD, CA, 93313
Hondo Chemical 20807 STOCKDALE HWY, BAKERSFIELD, CA. 93312
Hoover Treated Wood Products 5601 DISTRICT BLVD, BAKERSFIELD, CA 93313
JG Boswell 36889 HWY 58 PO BOX 515 BUTTONWILLOW, CA. 93206
Midstream Energy Partners 9224 TUPMAN RD PO BOX 430, TUPMAN CA. 93276
Tubular Transport 508 ENOS LN, BAKERSFIELD, CA. 93314
84 Lumber Company 101 MING AVE. Bakersfield, CA. 93307
SA Recycling 2000 EAST BRUNDAGE LANE, BAKERSFIELD, CA. 93387

Sierra Recycling & Demolition

1620 EAST BRUNDAGE LANE, BAKERSFIELD, CA. 93307

Banducci Farms

321 INDUSTRIAL STREET, BAKERSFIELD CA. 93380

Fiberspar

1900 EAST BRUNDAGE LANE BAKERSFIELD, CA. 93302

West Coast Lumber

1800 WHITE LN BAKERSFIELD, CA. 93304

EXHIBIT C

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Docket No. FD 36829

**SAN JOAQUIN VALLEY RAILROAD CO.
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
UNION PACIFIC RAILROAD COMPANY**

VERIFIED NOTICE OF EXEMPTION

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Comments must be filed with the Board and served on SJVR’s representative, Justin J. Marks, Esq., Clark Hill, PLC, 1001 Pennsylvania Ave. N.W., Suite 1300 South, Washington, DC 20004; (202) 772-0916.

The Notice is filed under 49 C.F.R. §1150.41. 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.

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

Decided: _____, 2025.

By the Board, Mai T. Dinh, Director, Office of Proceedings.

CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing document was served by U.S. first class mail, postage pre-paid on the following national representative of SJVR employees working on the lines:

International Association of Machinists representing Engineering employees:

Kenny Krause
General Chairman
District Lodge 19, IAMAW
kkrause@districtlodge19.com

International Association of Sheet Metal, Air, Rail and Transportation Workers

W. Todd Campbell
General Chairperson
SMART-TD GO887
campbellwt@att.net

and on the shippers shown on the attached list.



Justin J. Marks

Dated: April 3, 2025

Brenntag Pacific 175 N Hughes Ave, Fresno, CA 93725
Buttonwillow Warehouse 1403 S INDUSTRIAL WAY, Kerman, CA. 93630
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