

52538

SERVICE DATE – APRIL 18, 2025

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36829]

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 CFR 1150.41 to continue to lease from Union Pacific Railroad Company (UPRR) and operate 101.5 miles of rail 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 (the Lines).

According to SJVR, it has entered into a lease amendment (Lease Amendment) with UPRR to replace a renewed lease entered into between SJVR and UPRR in 2020 (the Replacement Lease). See San Joaquin Valley R.R.—Lease & Operation Exemption Including Interchange Commitment—Union Pac. R.R., FD 36466 (STB served Jan. 22, 2021). The Replacement Lease superseded a 1994 lease (the Original Lease) between UPRR's predecessor company, Southern Pacific Transportation Company, and SJVR, as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. (Port Railroads).¹ SJVR states that it is currently the operator of the Lines under the Replacement Lease and that, prior to entering into the Replacement Lease, SJVR operated the Lines under the Original Lease as assignee of Port Railroads. SJVR states that it entered into the Lease Amendment with UPRR on January 9, 2025, to further extend the term of the Replacement Lease and allow SJVR to continue operating the Lines for an additional five years.

SJVR certifies that the Lease Amendment contains an interchange commitment.² Accordingly, SJVR has provided additional information regarding the interchange commitment, as required by 49 CFR 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 and that its revenues currently exceed \$5 million. Pursuant to 49 CFR 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-

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 Amendment with the interchange commitment was submitted under seal. See 49 CFR 1150.43(h)(1).

day advance labor notice requirements. SJVR's waiver request will be 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 April 25, 2025.

All pleadings, referring to Docket No. FD 36829, 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 SJVR's representative, Justin J. Marks, Clark Hill PLC, 1001 Pennsylvania Ave., N.W., Suite 1300 South, Washington, DC 20004.

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

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

Decided: April 14, 2025.

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