

SERVICE DATE – MAY 8, 2025

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36831

MARQUETTE RAIL, LLC—LEASE AND OPERATION EXEMPTION INCLUDING
INTERCHANGE COMMITMENT—CSX TRANSPORTATION, INC.

[REQUEST FOR WAIVER OF 49 C.F.R. § 1150.42(e)]

Digest:¹ This decision waives a 60-day advance notice requirement and allows Marquette Rail, LLC, to continue to lease and operate approximately 129.03 miles of rail line in Michigan, on or after May 11, 2025.

Decided: May 8, 2025

On April 11, 2025,² Marquette Rail, LLC (MQT), a Class III rail carrier, filed a verified notice of exemption under 49 C.F.R. § 1150.41 to continue to lease from CSX Transportation, Inc. (CSXT), and to operate the following several segments of rail line in Michigan totaling approximately 129.03 miles: (1) from milepost CGE 3.6 at the Grand Rapids station to milepost CGE 73.71 at the Baldwin station; (2) from milepost CB 106.91 at the Baldwin station to milepost CB 136.5 at the Ludington station; (3) from milepost CBA 87.0 at the Walhalla station to milepost CBA 113.7 at the Manistee station; and (4) the Filer City Spur extending an additional 2.63 miles from milepost CBA 113.7 at the Manistee station to the end of track at Filer City (the Line).

MQT states that it is the current freight rail operator on the Line and has been the sole common carrier operator of the Line since 2005. (Verified Notice 3, 7.) Further, in its verified notice, MQT certifies that its revenues currently exceed \$5 million. (Id. at 5.) Accordingly, unless waived, 49 C.F.R. § 1150.42(e) would require MQT, at least 60 days before the exemption becomes effective, to post a notice of its intent to undertake the proposed transaction setting forth certain information 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, the verified notice includes a request for waiver of those notice requirements. (Id. at 6-8.)

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. See Pol’y Statement on Plain Language Digs. in Decisions, EP 696 (STB served Sept. 2, 2010).

² MQT initially filed its verified notice on April 1, 2025. MQT filed a supplement on April 11, 2025, which was therefore deemed the filing date of the verified notice.

Notice of MQT's exemption was served and published in the Federal Register on April 25, 2025 (90 Fed. Reg. 17,500).³ The published notice announced that the Board would establish the effective date of the exemption in a separate decision on the waiver request.

In its request for waiver, MQT argues that the labor notice requirements are unnecessary because there will be no changes for any employees working on the Line. (Verified Notice 7.) According to MQT: (1) no MQT employees would be affected by the proposed transaction; (2) there would be no operational changes; (3) no employees of CSXT or its predecessor have worked on the Line since 2005; and (4) no CSXT employees would be affected by the transaction. (Id.) No opposition to this waiver request has been filed.

DISCUSSION AND CONCLUSIONS

The purpose of the notice requirements at 49 C.F.R. § 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.

Here, however, it does not appear that the purpose behind the requirements would be thwarted if the requested waiver is granted. The record indicates that no employees would be adversely affected by a waiver of the 60-day notice requirements. MQT is the current operator of the Line and has been since 2005, and MQT states that there would be no changes for any employees working on the Line as a result of the proposed transaction. (Verified Notice 7.) Moreover, MQT indicates that CSXT has no railroad employees who would be affected by the transaction. (Id.)

Because no employees would be adversely affected by the requested waiver of the 60-day notice period, the Board will grant the waiver. Accordingly, MQT's lease and operation exemption, unless stayed, will become effective on May 11, 2025, the effective date under the Board's rules absent the notice requirement.

This action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

It is ordered:

1. MQT's request for waiver is granted.
2. MQT's exemption will be effective on May 11, 2025, unless stayed.
3. This decision is effective on its date of service.

By the Board, Board Members Fuchs, Hedlund, Primus, and Schultz.

³ A corrected notice was served and published in the Federal Register on May 5, 2025 (90 Fed. Reg. 19,065.)