

SERVICE DATE – MAY 9, 2025

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36827

WILLAMETTE & PACIFIC RAILROAD, INC.—
LEASE AND OPERATION EXEMPTION INCLUDING INTERCHANGE COMMITMENT—
UNION PACIFIC RAILROAD COMPANY

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

Digest:¹ This decision waives a 60-day advance notice requirement and allows Willamette & Pacific Railroad, Inc., to enter into an amended lease agreement with Union Pacific Railroad Company and continue to operate approximately 160.95 miles of rail lines in Oregon, on or after May 14, 2025.

Decided: May 9, 2025

On April 14, 2025,² Willamette & Pacific Railroad, Inc. (WPRR), a Class III rail carrier, filed a verified notice of exemption under 49 C.F.R. § 1150.41 to amend and extend its lease originally entered into with a predecessor of Union Pacific Railroad Company (UP), Southern Pacific Transportation Company. The lines of railroad subject to the lease amendment include the following segments, totaling approximately 160.95 miles: (1) the Toledo Branch between milepost 691.61 near Albany, Or., and milepost 766.70 at the end of the track, near Toledo, Or.; (2) that portion of the Newberg Branch between milepost 738.00 near St. Joseph, Or., and milepost 749.67 near Newberg, Or.; (3) that portion of the West Side Branch between milepost 738.00 near St. Joseph and milepost 687.6 near Corvallis, Or.; (4) the Dallas Branch between milepost 729.01 near Gerlinger, Or., and milepost 733.80 at the end of the track, near Dallas, Or.; and (5) the Willamina Branch between milepost 730.46 near Whiteson, Or., and milepost 749.46 at the end of the track, near Willamina, Or. (collectively referred to as the Leased Lines).

In its verified notice, WPRR certifies that its revenues currently exceed \$5 million. (Verified Notice 6-7.) Accordingly, unless waived, 49 C.F.R. § 1150.42(e) would require WPRR, at least 60 days before the exemption becomes effective, to post a notice of its intent to undertake

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 WPRR initially filed its verified notice on April 4, 2025. WPRR filed a supplement on April 14, 2025, which was therefore deemed the filing date of the verified notice.

the proposed transaction setting forth certain information at the workplaces 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 a waiver of those notice requirements. (Id. at 7-9.)

Notice of WPRR's exemption was served and published in the Federal Register on April 30, 2025 (90 Fed. Reg. 17,989). The notice of exemption stated that the Board would establish the effective date of the exemption in a separate decision on the waiver request.

In its request for waiver, WPRR argues that the labor notice requirements are unnecessary because the proposed transaction would result in no changes for any employees working on the Line. (Verified Notice 6-7.) According to WPRR, it has been the operator of the Leased Lines since 1993, and there will be no changes for any WPRR employees working on the Leased Lines, or for UP employees, resulting from this transaction. (Id.) WPRR further notes that, even though there will be no effect on employees of WPRR, it is providing notice of this transaction to the national office of the union that represents employees working on the Leased Lines by serving it with a copy of its verified notice. (Id. at 8 n.3.) 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. WPRR is the current operator of the Leased Lines and has been since 1993, and WPRR states that there would be no changes for any WPRR employees working on the Line as a result of the proposed transaction. (Verified Notice 6-7.) Moreover, WPRR indicates that UP has no 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, WPRR's lease and operation exemption, unless stayed, will become effective on May 14, 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. WPRR's request for waiver is granted.
2. WPRR's exemption will be effective on May 14, 2025, unless stayed.

3. This decision is effective on its date of service.

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