

SERVICE DATE – JUNE 4, 2025

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36486 (Sub-No. 9)

GRAINBELT CORPORATION—TRACKAGE RIGHTS EXEMPTION—
BNSF RAILWAY COMPANY

Digest:¹ This decision authorizes the expiration of certain Board-approved rights by Grainbelt Corporation to operate over certain lines of BNSF Railway Company, even though such rights typically continue indefinitely.

Decided: May 29, 2025

By petition filed on April 1, 2025, Grainbelt Corporation (GNBC) requests that the Board permit the trackage rights granted to it under 49 CFR 1180.2(d)(7) in Docket No. FD 36486 (Sub-No. 8) to expire under the terms agreed to by GNBC and the grantor of the rights, BNSF Railway Company (BNSF).

As explained by GNBC in its verified notice of exemption in Docket No. FD 36486 (Sub-No. 8), GNBC and BNSF entered into an agreement to extend the term of the previously amended, local trackage rights on trackage owned by BNSF between approximately milepost 668.73 in Long, Okla., and approximately milepost 723.30 in Quanah, Tex. (the Line), allowing GNBC to (1) use the Line to access the Plains Cotton Cooperative Association (PCCA) facility near BNSF Chickasha Subdivision milepost 688.6 at Altus, Okla., and (2) operate additional trains on the Line to accommodate the movement of trains transporting BNSF customers' railcars (loaded or empty) located along the Line to unit train facilities on the Line (collectively, the PCCA Trackage Rights). GNBC Verified Notice of Exemption 1, Apr. 1, 2025, Grainbelt Corp.—Trackage Rts. Exemption—BNSF Ry., FD 36486 (Sub-No. 8). According to GNBC, it filed its verified notice of exemption under the Board's trackage rights class exemption at 49 CFR 1180.2(d)(7), instead of the temporary trackage rights exemption at 49 CFR 1180.2(d)(8), because the trackage rights covered by the notice are local rather than overhead. (GNBC Pet 3.)

In its petition, GNBC asks the Board to partially revoke the exemption as necessary to permit the trackage rights to expire on March 30, 2026, pursuant to the parties' agreement. (GNBC Pet. 1, 3.) GNBC argues that granting this petition would promote the rail transportation policy at 49 U.S.C. 10101, would be consistent with the limited scope of the transaction, and

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).

would not have an adverse effect on shippers. (GNBC Pet. 4.) In addition, GNBC asserts that the Board has granted similar petitions for partial revocation to permit temporary trackage rights to expire, including petitions involving prior iterations of the trackage rights agreement at issue here. (Id. at 4-5.)

DISCUSSION AND CONCLUSIONS

Although GNBC and BNSF have expressly agreed on the duration of the proposed PCCA Trackage Rights, trackage rights approved under the class exemption at 49 CFR 1180.2(d)(7) typically remain effective indefinitely, regardless of any contractual provisions. At times, however, the Board has taken action to allow such rights to expire after a limited time rather than lasting in perpetuity, based on the parties' agreement. See, e.g., Grainbelt Corp.—Trackage Rts. Exemption—BNSF Ry., FD 36486 (Sub-No. 7) (STB served May 1, 2024) (allowing trackage rights under 49 CFR 1180.2(d)(7) to expire).

Permitting the trackage rights to expire as agreed to by the parties would eliminate the need for GNBC to separately seek discontinuance authority at a later date, thereby minimizing the need for federal regulatory control (49 U.S.C. 10101(2)), reducing regulatory barriers to entry into and exit from the rail industry (49 U.S.C. 10101(7)), and allowing for the expeditious handling and resolution of this transaction (49 U.S.C. 10101(15)). Moreover, doing so is consistent with the limited scope of the transaction previously exempted.² Therefore, the Board will grant the petition and permit the trackage rights exempted in Docket No. FD 36486 (Sub-No. 8) to expire on March 30, 2026.

To provide the statutorily mandated protection to any employee adversely affected by the discontinuance of trackage rights, the Board will impose the employee protective conditions set forth in Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

This action is categorically excluded from environmental review under 49 CFR 1105.6(c).

It is ordered:

1. GNBC's petition to permit expiration of the trackage rights in Docket No. FD 36486 (Sub-No. 8) per the agreement of the parties is granted.
2. As discussed above, the trackage rights in Docket No. FD 36486 (Sub-No. 8) are permitted to expire on March 26, 2026, subject to the employee protective conditions set forth in Oregon Short Line.
3. Notice of this decision will be published in the Federal Register.

² Because the proposed transaction is of limited scope, the Board need not make a market power finding. See 49 U.S.C. 10502(a).

4. This decision is effective on July 4, 2025. Petitions for stay must be filed by June 16, 2025. Petitions for reconsideration must be filed by June 24, 2025.

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