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BEFORE THE
SURFACE TRANSPORTATION BOARD

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FD 36946

ALAMEDA BELT LINE
—OPERATION EXEMPTION—
BOARD OF HARBOR COMMISSIONERS OF THE PORT OF LOS ANGELES,
BOARD OF HARBOR COMMISSIONERS (LONG BEACH), ALAMEDA
CORRIDOR TRANSPORTATION AUTHORITY, AND
UNION PACIFIC RAILROAD COMPANY

**VERIFIED REPLY OF ALAMEDA BELT LINE IN
OPPOSITION TO REQUEST FOR HOUSEKEEPING STAY**

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**ATTORNEYS FOR ALAMEDA
BELT LINE**

Dated: October 13, 2026

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INTRODUCTION

Alameda Belt Line (“ABL”) submits this reply pursuant to the Board’s October 9, 2026, decision directing ABL to respond to the Request for a Housekeeping Stay (the “Request”) filed by Pacific Harbor Line, Inc. (“PHL”). PHL’s Request has no merit and is not the appropriate vehicle for injunctive relief. Further, there is no valid legal or factual reason for the Board to issue a housekeeping stay. PHL cannot satisfy the rigorous four-part test for an injunction per *Holiday Tours*.¹ Nor has PHL attempted to meet that standard. Thus, the class exemption should be permitted to take effect in the ordinary course at the end of the week as is currently scheduled.

¹ *Washington Metropolitan Area Transit Commission v. Holiday Tours, Inc.*, 550 F.2d 841, 843 (D.C. Cir. 1977) (“*Holiday Tours*”).

The underlying transaction involves ABL's assumption of common carrier rail operations within and proximate to the Ports of Los Angeles and Long Beach, and is supported by Class I line haul service stakeholders, Union Pacific Railroad Company ("UP") and BNSF Railway Company ("BNSF"). ABL was selected to assume these operations following a comprehensive, competitive procurement process initiated by the Ports to modernize and innovate their rail network. PHL is now seeking a procedural bypass to stall that outcome, using the Board's informal housekeeping stay process to secure a *de facto*, indefinite preliminary injunction.

If, for the sake of argument, the Board erred in issuing the class exemption notice on October 2nd, the Board's regulations provide proper avenues for relief. PHL could have sought outright rejection of the exemption for fatal defects or it could allow the exemption to become effective and seek revocation under the standards of 49 U.S.C. § 10502(d). Or, as noted, it could have sought rejection of the exemption filing in tandem with a proper stay request addressing the *Holiday Tours* criteria. PHL chose none of these, instead attempting a procedural end-run. The Board should reject this attempted evasion of its stay standards and permit the exemption to take effect on schedule.

BACKGROUND AND PROCEDURAL HISTORY

The 17-Month Procurement Process and Operational Culmination

The underlying transaction encompassed by this proceeding is the result of a comprehensive competitive procurement process designed to modernize

and innovate port operations following more than 25 years of PHL incumbency. In May 2025, the Ports issued a Request for Proposals for new port rail operating contracts. Following a rigorous evaluation, the Ports selected ABL to assume these operations, transitioning the project from procurement into the active, ongoing implementation phase. The Ports and ABL intend to implement ABL's operations through a two-step transition: port terminal maintenance, dispatching, and train control operations will transfer to ABL on December 3, 2026 (upon the expiration of PHL's current contract), followed by the commencement of ABL operations on January 1, 2027 (again, upon the expiration of PHL's operating contracts).

The STB Class Exemption

To secure the federal common carrier authority to commence common carrier operations within and proximate to the Los Angeles and Long Beach port terminals, ABL filed its verified notice of exemption on September 16, 2026. The Board duly served and published notice of the exemption in the *Federal Register* on October 2, 2026, with the exemption set to become effective on October 16, 2026.

In that October 2nd notice, the Board explicitly directed that any "Petitions for stay must be filed no later than October 9, 2026." In STB practice at this particular phase of the proceeding, a petition for stay requires the petitioner to satisfy the *Holiday Tours* standard by proving a strong likelihood of success on the merits, irreparable harm, a favorable balance of harms, and public interest. On October 7, 2026, rather than filing the formal petition for stay contemplated by the Board's notice, PHL submitted its informal request for a "housekeeping stay."

On October 9, 2026, the Board issued a decision directing ABL to reply to PHL's request by October 13, 2026. The Board's decision correctly observed the discrepancy between ABL's advance notice to PHL employees and its class exemption filing, an issue ABL addresses immediately below.

**PHL PUBLICLY COMMITTED TO A SEAMLESS TRANSITION WHILE
SEEMINGLY ACTING HERE TO PREVENT IT**

In its October 9, 2026 decision, the Board correctly observed that ABL's verified notice did not state whether PHL consented to being replaced as the common carrier service provider. PHL's stay request feigns confusion over the *unexplained change* between ABL's July labor notice (which contemplated a change-of-operator class exemption) and its September operation exemption filing (which instead adhered to the basics of an operation class exemption excluding the change of operator element). See Request at 2-3, 10.

However, there is no mystery. Prior to the class exemption filing in this docket, ABL formally offered the opportunity to participate in a coordinated "change of operator" filing, recognizing the procedural advantages of such a regulatory process. But Anacostia declined that invitation, forcing ABL to proceed under the standard operation exemption to best meet the clear Port-prescribed transition deadlines. PHL cannot be permitted to reject the offer of a cooperative (and administratively more efficient) joint filing and then demand an administrative stay based on the procedural outcome it forced.

PHL cites *Thompson v. Texas Mexican Railway Co.*, 328 U.S. 134 (1946), to emphasize that its own common carrier authority does not automatically

terminate upon contract expiration.² It is unclear whether PHL's motivation in citing to *Hoboken/Tex Mex* doctrine is to raise the specter of overlapping authorizations that could create terminal service disruptions. ABL does not dispute that PHL retains its authority until it formally seeks discontinuance authorization (having passed on the procedural efficiencies of a change of operator proceeding). However, PHL is contradicted by its own corporate commitments. Just last Thursday, October 8, 2026, Peter Gilbertson, President and CEO of Anacostia Rail Holdings Company ("Anacostia"—PHL's parent company), assured the Port of Los Angeles Board of Harbor Commissioners that PHL is committed to participating in a seamless transition of operations from PHL to ABL. Addressing the Board of Commissioners directly, Mr. Gilbertson stated:

Regardless of what happens, I want you to know that we will be professional. If there is a transition that takes place, we'll do our best to make it work and make it smooth so there's no disruption.

See Los Angeles Board of Harbor Commissioners Special Meeting (Oct. 8, 2026), available at <https://www.youtube.com/live/pyEi25DnXQ4> (statement of Peter Gilbertson at 3:29:10–3:33:54).

Even PHL's suggestion that ABL is unwilling to share transition plans is inaccurate. In fact, ABL and PHL had been engaging in regular, recurring transition-oriented discussions post ABL-selection, but that dialogue stopped because of unilateral PHL action. Specifically, as of April 2, 2026, in the aftermath

² In doing so, PHL relies on a trackage rights case when it presumably meant to cite its sister Supreme Court case involving leasehold operations, *Smith v. Hoboken Railroad, Warehouse & Steamship Connecting Co.*, 328 U.S. 123 (1946).

of the operator selection process, ABL, the Ports, and PHL leadership regularly met every other week to discuss a potential transition plan and terminal operating details. But on August 6, 2026, Anacostia informed the Ports and ABL that PHL would no longer participate in transition meetings due to an unrelated lawsuit.

Since then, ABL and the Port of Long Beach have reached out to PHL and Anacostia officials to resume the previous transition dialogue without success. All PHL needs to do is restore that dialogue so the two companies can return to attending to transition details, per Mr. Gilbertson's recent assurances of cooperation. Regardless, ABL will move ahead in cooperation with the Ports, UP, BNSF and other terminal stakeholders to faithfully implement the assumption of dispatching, train control and terminal maintenance as of December 3, 2026, and to assume railroad terminal operations on January 1, 2027, assuring that its obligations are met in keeping with the Ports' expectations.

ABL'S USE OF THE CLASS EXEMPTION PROCESS IS APPROPRIATE AND CONSISTENT WITH PHL'S OWN HISTORY

PHL raises a separate, standalone argument that the class exemption procedures are inappropriate here because the transaction is allegedly "controversial." See Request at 8-10. This argument fails on two fronts.

First, the transaction is not genuinely controversial. The only putative controversy is the artificial friction PHL has decided to generate itself as an attempt to delay the inevitable transition. To that end, PHL offers a litany of STB decisions into its Request that bear no resemblance to this transaction. A brief review reveals

the abundant weaknesses of PHL’s offered citations: the Board’s rejection of class exemptions in PHL’s cited cases involved fundamental, structural, or jurisdictional defects in the filings themselves—not the complaints of a departing incumbent.

For example, PHL relies heavily on *Rail Switching Servs., Inc.—Operation Exemption—Pemiscot Cty. Port Auth.*, FD 35685 (STB served Nov. 13, 2012, and Jan. 8, 2013), a case where the *owner* of the rail line explicitly objected because the applicant had no agreement to operate on the property. Here, the exact opposite is true: the track owners—the Ports—actively selected ABL and are sponsoring the transition. Others among PHL’s case citations are similarly unavailing when properly examined, involving rogue applicants who lacked STB jurisdiction entirely because the tracks were located in Mexico (*FPN-USA, Inc.—Operation Exemption—Tijuana-Tecate Shortline*, FD 35155 (STB served Aug. 8, 2008)), attempted to acquire disjointed 180-foot parking lots through quiet title actions (*James Riffin—Acquisition & Operation Exemption—in York Cty., Pa.*, FD 36548 (STB served Apr. 21, 2022)), or failed to provide basic interchange certifications and coherent track maps (*Perry Cty. R.R.—Operation Exemption—Uniontown, Ala.*, FD 36296 (STB served June 7, 2019); *Branch Line R.R., Inc.—Lease & Operation Exemption—Northwoods Distribut. Servs., Inc.*, FD 36422 (STB served Apr. 6, 2021)). A single aggrieved party in PHL taking issue with a transition on a nominal basis cannot unilaterally manufacture a “controversy” by citing patently irrelevant case law in an effort to bypass the appropriate agency injunction standards and to defeat the Board’s standard class exemption processes.

PHL’s interpretive overreach also extends to cases it cites to justify bypassing the formal stay process altogether. PHL relies on *SteelRiver Infrastructure Partners LP—Control Exemption—Patriot Rail Corp.*, FD 35622 (STB served May 25, 2012) (“*SteelRiver*”), implying it supports using a housekeeping stay to pause an exemption to investigate substantive issues. In reality, the Board in *SteelRiver* issued a brief housekeeping stay facilitative of a protective order that would allow outside counsel to examine a highly confidential stock purchase agreement before the actual stay petition deadline. Equating a routine scheduling adjustment for a protective order with a demand for an indefinite, substantive injunction of a competitively procured transition further illustrates the abject inapplicability of PHL’s cited precedent.

Second, PHL’s current criticism of the class exemption process directly conflicts with its own corporate history. When PHL originally assumed this exact same scope of operations starting in 1997 and continuing into the 2000s, it consistently utilized these very same expedited class exemption procedures. PHL cannot now claim the class exemption process is an inappropriate vehicle for ABL when PHL relied upon those exact regulatory procedures to build its own operating footprint at the Ports.

ABL’S OPERATIONAL READINESS AND WORKFORCE CONTINUITY

ABL is actively taking steps to ensure operational seamlessness, particularly regarding workforce continuity. The operational craft personnel running trains and switching terminals today under PHL are represented by the

Brotherhood of Locomotive Engineers and Trainmen (“BLET”). A relative handful of additional supervisory employees who oversee those craft individuals represent the balance of the PHL workforce which ABL intends to employ.

ABL has committed to retaining these craft employees under the identical terms, work rules, and conditions of the existing PHL-BLET collective bargaining agreement. Solidifying this commitment, ABL several months ago entered into a Memorandum of Understanding with the BLET precisely to ensure comprehensive retention of current PHL craft employees under ABL employment, and ABL is actively working with BLET leadership on an orderly transition of PHL agreement employees into ABL. The transition plan ensures that every one of these BLET-represented employees is offered and obtains a job with ABL, subject to standard railroad screening processes. Except for standard attrition (such as a few senior employees who may opt for retirement at year’s end), the vast majority of employees currently in positions with PHL will continue under ABL under identical employment and collective bargaining agreement terms and conditions.

Concurrently, ABL is actively finalizing the selection of non-union operations management officials, a process that will be completed, as applicable, by the December 3 and January 1 transition deadlines.

THE TRANSITION SCHEDULE AND AGREEMENT STATUS

PHL bases much of its stay request on a two-pronged attack regarding the underlying operating agreements, complaining that the agreements are not yet

fully executed and alleging that ABL does not know when they will be finalized. Request at 6-8.

However, the governing regulation, 49 C.F.R. § 1150.43(c), does not require fully executed agreements as a prerequisite to filing; it merely requires “details about when an agreement will be reached.” The STB already deemed the details ABL provided adequate when it published notice of ABL’s class exemption filing. In addition, PHL’s reliance on *City of Alameda—Acquisition Exemption—Alameda Beltline R.R.*, FD 34798 (STB served Jan. 11, 2006), to demand a completed contract is a glaring omission of subsequent Board precedent; the Board later ruled in that exact dispute that litigating the validity of an agreement “does not make the [applicant’s] notice complicated or controversial insofar as use of the exemption is concerned.” See *Oakland Global Rail Enterprise, LLC—Acquisition Exemption—Rail Line in Alameda Cty., Cal.*, FD 36301 et al., slip op. at 4-5 (STB served Oct. 22, 2019) (quoting *City of Alameda—Acquisition Exemption—Alameda Beltline R.R.*, FD 34798 (STB served Apr. 3, 2006)). In offering cases that so directly undermine its own argument, PHL reveals that its Request is a substantively hollow exercise.

Nevertheless, ABL hereby offers updated information on when transaction elements would be consummated.³ A clear, two-step transition

³ *Contra Riffin—Acq. & Operation Exemption—in Balt. City, Md.*, FD 34982, slip op. at 2-4 (Oct. 9, 2007) (rejecting a notice of exemption because the precise location of the property to be acquired was unknown, it was unclear who owned the property, and the applicant admitted no agreement had been reached and there was no indication of when an agreement would be executed); *Rail Switching Servs.*,

roadmap has been established. On December 3, 2026, port terminal maintenance, dispatching, and train control operations will transfer to ABL, the day after PHL's contract for such services expires. Subsequently, on January 1, 2027, full terminal switching and rail operating responsibilities will transfer to ABL upon the December 31, 2026, expiration of the Ports and UP operating contracts with PHL.

The necessary contractual approvals for this transition are actively progressing, and each of the pertinent agreements (with the Ports and with UP) are expected to be finalized before the initial phased transition on December 3, 2026. The Los Angeles Board of Harbor Commissioners has approved the Port Rail Operator Agreement with ABL on October 8, 2026, and anticipates Los Angeles City Council ratification by the end of this month. For its part, the Long Beach Board of Harbor Commissioners plans to take up its Port Rail Operator Agreement with ABL at its October 26, 2026, board meeting, with final ratification scheduled for November 9, 2026. PHL's attempt to delay ABL's exemption can be swiftly resolved to prevent any postponement of ABL's provision of service to the Ports.

CONCLUSION

All of the key stakeholders to the ABL transaction are fully committed to the organized transition of rail operations. As one member of the Los Angeles Board of Harbor Commissioners, Edward R. Renwick, recently explained in his

Inc.—Operation Exemption—Pemiscot Cnty. Port Auth., FD 35685 et al., slip op. at 4 (Jan. 8, 2013) (rejecting a notice of exemption where the applicant and the owner of the line were in an active dispute about whether their agreement contemplated the applicant seeking common carrier status over the line).

public comments, it is time for the parties to move forward, the Port of Los Angeles was supplied with a superior proposal (from ABL), and delaying on authorization and implementation of ABL service would be inadvisable in light of the better terminal service option ABL offers. *See* Los Angeles Board of Harbor Commissioners Special Meeting (Oct. 8, 2026), *available at* <https://www.youtube.com/live/pyEi25DnXQ4> (closing comments of Edward R. Renwick at 3:39:57–3:44:24). The Ports are ready to realize the anticipated benefits and operational innovations that were central to ABL’s successful bid. The actual culmination of this extended process is ready to begin. The only obstacle to the finish line is PHL’s attempt to inject self-interested innuendo into an otherwise straightforward STB process.

Accordingly, ABL respectfully requests that the Board deny PHL’s Request for a Housekeeping Stay and permit ABL’s class exemption to become effective on October 16, 2026, as scheduled. But if the Board were to determine that additional information is necessary to allow the exemption to take effect (the foregoing facts and argument notwithstanding), ABL requests that the Board promptly identify the specific information required and allow ABL to supplement the record without imperiling the planned transition of operations.

Respectfully submitted,

/s/ *R. A. Wimbish*

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ATTORNEYS FOR ALAMEDA BELT LINE

Dated: October 13, 2026

VERIFICATION

I, Martin T. Yarnall, being duly sworn, hereby verify, under penalty of perjury, as follows:

1. I am Chief Executive Officer of Alameda Belt Line (“ABL”), and I am duly authorized to make this verification on behalf of ABL;

2. I have read the foregoing reply in opposition to Pacific Harbor Line Inc.’ Request for Housekeeping Stay, know the contents thereof, and that the same are true and correct as stated to the best of my knowledge, information, and belief.

By: /s/ *Martin T. Yarnall*
Martin T. Yarnall

Dated: October 13, 2026

CERTIFICATE OF SERVICE

I certify that, on October 13, 2026, in accordance with 49 C.F.R. § 1114.21(f), I caused a copy of the foregoing Verified Reply in Opposition to Request for a Housekeeping Stay to be served upon all parties of record in this proceeding.

/s/ *R. A. Wimbish*

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