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VIA E-FILING
Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: 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, FD 36946

Dear Chief of Case Administration:

Pacific Harbor Line, Inc. ("PHL") respectfully submits this letter in response to the Board's decision served on October 15, 2026, which granted a Housekeeping Stay in the above-captioned proceeding and postponed the effective date of the notice of exemption filed by Alameda Belt Line ("ABL"). The Board stated that the stay would allow it to consider the issues raised in PHL's request for Housekeeping Stay, i.e., whether ABL's verified notice "provides the Board, PHL and the shipping public with sufficient information to evaluate whether the proposed transfer of operations qualifies for the class exemption process and can occur without disruption." (Stay Request at 1).

The purpose of this letter is to provide the Board with an overview of the type of information that should be provided by ABL to assist the Board in evaluating whether sufficient procedures, plans, and processes are in place to ensure a smooth transfer of operations in the Port of Los Angeles ("POLA") and Port of Long Beach ("POLB") (together, the "Ports"). The Ports are the largest container ports in North America, handling hundreds of billions of dollars of cargo annually, and a disruption of port operations could have material adverse effects on the nation's supply chain and economy.

A critical transition issue that needs to be carefully addressed is how and when existing PHL employees and managers will leave PHL and join ABL. ABL has stated that it intends to hire PHL's craft employees under identical terms as exist in PHL's collective bargaining agreement with the Brotherhood of Locomotive Engineers and Trainmen, as well as PHL

supervisory personnel. ABL Reply at 10. In other words, ABL intends to hire substantially all of PHL's employees. Unless ABL sequences its hiring under an agreed-upon schedule, the departures of PHL employees to ABL before the cut-over dates will create a significant risk to the continuity of service in the Ports. The manpower situation at PHL is further complicated by PHL employees taking leave and PHL employees seeking positions at other railroads or in other industries. In light of the fact that PHL has a contractual and common carrier obligation to conduct operations in the Ports at least through the cut-over dates (December 3, 2026, for maintenance and dispatching, and January 1, 2027, for train operations), the migration of the PHL workforce to ABL must be conducted in accordance with a detailed plan that ensures that PHL can operate through the cut-over dates, ABL is ready to commence operations on the cut-over dates, and that the ABL workforce (consisting of former PHL employees) is adequately trained on ABL systems and procedures to ensure a seamless transition of operations.

In addition to needing a detailed plan for the migration of PHL employees to ABL, a plan will be needed regarding the contractors that now perform essential functions for PHL, including functions that are performed by contractors that occupy facilities on PHL property. For example, locomotive repair and maintenance is performed by a contractor that occupies the locomotive shop in Berth 200 (PHL's largest yard). Similarly, car repair is performed by a contractor that occupies tracks and uses storage facilities in Berth 200. In order for the transition of train operations from PHL to ABL to be seamless, there needs to be a detailed plan that addresses the performance of essential functions by contractors through the cut-over dates and the orderly transition from PHL's contractors to ABL contractors or ABL employees if ABL does not hire one or more of the PHL contractors.

PHL operates in the busiest container ports in North America. The Port of Long Beach claims that it "handles trade valued at $300 billion annually." The Port of Los Angeles likewise handles hundreds of billions of dollars of trade on an annual basis. In August 2026 alone, POLB and POLA each processed over 900,000 twenty-foot equivalent units ("TEUs," i.e., containers). In September 2026, the Port of Long Beach had the busiest month in its 115-year history by moving 997,177 TEUs. In 2025, PHL handled approximately 2.67 million on-dock containers and more than 30,000 carloads of carload traffic (i.e., non-intermodal traffic). PHL Request for Stay at 13.

In order to handle the volume of commerce flowing through the Ports, PHL currently averages approximately 39 crew starts per day, 365 days per year. (This compares to the three crew starts per day that PHL's predecessor, Harbor Belt Line, operated when PHL took over operations in the Ports using a verified notice of exemption.) PHL's operations are complicated due to limited yard tracks and sidings in the Ports. In addition, PHL has to coordinate its operations in the Ports with UP and BNSF, which both handle intermodal trains on tracks over which PHL operates. To further complicate matters, approximately 15,000 truck trips occur in the Ports each day. The tracks in the Ports include 65 highway crossings. Given the volume of Port business, the presence of three railroads operating in the Ports, the volume of truck traffic in the Ports, and the 24/7/365 operations of PHL, there is significant risk of disruption in connection with the transition of operations from PHL to ABL. Consequently, it is crucial that a

detailed transition plan, embraced by both the incumbent and the successor, is in place to facilitate a seamless transfer of operations.

PHL and ABL met twice monthly in April, May, June, and July to discuss transition issues. PHL made numerous requests, orally and in writing, for details concerning ABL's transition plan. As the putative replacement operator, it was and is ABL's responsibility to create a workable, detailed transition plan. PHL's requests, which largely went unanswered, sought the following types of information:

- A week-by-week plan for on-boarding PHL employees by craft. This information is essential because PHL will need sufficient employees to conduct train operations through the cut-over date of January 1, 2027, and ABL will need sufficient trained employees to conduct train operations on and after the cut-over date.
- A schedule of the type and duration of training that ABL will need to conduct for PHL employees who will accept employment at ABL, including any training that will occur while those workers are still employed by PHL.
- A schedule when ABL plans to fill critical management positions, especially to the extent ABL plans to hire existing PHL managers. PHL will need a sufficient number of managers through the cut-over date in order to avoid service disruptions.
- ABL should identify its chief operating officer. At the time ABL submitted its response to the RFP for the port switching company, ABL had hired M.D. Stolzman, who had been the president of PHL from 2010 to 2012, to run ABL's operations. PHL understands that Mr. Stolzman was recently hired by a service provider to the railroad industry and will not run ABL operations. ABL should identify the new chief operating officer of the company and provide a description of his experience.
- ABL should provide an organizational chart of its senior management team and a description of their credentials.
- PHL uses contractors for several important functions in its operations (e.g., signal maintenance; car repair; locomotive maintenance; and certain track maintenance). Certain of those contractors have the contractual right to occupy facilities and space at PHL (e.g., the locomotive maintenance contractor occupies the locomotive repair shop in Berth 200, and the car repair contractor occupies tracks and uses storage facilities in Berth 200). ABL should identify the contractors it plans to engage to perform significant functions and whether those contractors will use PHL facilities. To the extent those contractors are different from contractors used by PHL, a transition plan needs to be in place to facilitate necessary transfers of facilities.

- ABL has stated its locomotive fleet (24 units) will consist entirely of Tier 4 locomotives. When will those locomotives arrive at the Ports? Does ABL plan to buy any of the locomotives owned by PHL? ABL previously indicated it wanted to acquire some of PHL's units, but no formal request has been made.

- PHL and ABL use different operating systems for car inventory management, interchange reporting, billing, and related functions. How and when will the transfer of data from PHL's systems to ABL's systems be accomplished?

- PHL currently provides contract switching service to 9 marine terminals. Has ABL made contractual arrangements to serve those terminals? Will ABL be able to provide service to the marine terminals commencing on January 1, 2027, or some other date?
- ABL has indicated that UP and BNSF have equal ownership interests in ABL. In the event the owners disagree on a material matter, what is the dispute resolution mechanism to address such issues?

PHL has raised the matters above with ABL and the Ports. To date, PHL has not received answers to its questions.

Given the magnitude of the commerce that flows through the Ports, the operational challenges presented in the Ports, the need for PHL to continue to operate efficiently and safely through the cut-over dates, and the need for ABL to be ready to operate efficiently and safely as of the cut-over dates, it is essential that ABL present a detailed plan as to how it will accomplish the transition from PHL to ABL, especially with regard to employees and contractors. Once ABL produces such a plan, PHL will work cooperatively with ABL to fine-tune the plan so as to avoid service disruptions before and after the cut-over dates. In light of the stakes, PHL urges that the Board monitor ABL's compliance with its transition plan to ensure that there is no disruption of rail service in the Ports before or after the cut-over dates.

PHL appreciates the Board's issuance of the housekeeping stay in this proceeding and urges that the Board require ABL to provide the type of detailed transition plan that will minimize the likelihood of service disruption in the transition from PHL to ABL operations in the Ports.

Respectfully submitted,

/s/ William A. Mullins

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cc: Parties of Record