53297 SERVICE DATE – NOVEMBER 12, 2026
OCC

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. 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

Decided: November 12, 2026

On September 16, 2026, Alameda Belt Line (ABL), a Class III railroad, filed a verified notice of exemption pursuant to 49 C.F.R. § 1150.41 to assume common carrier operations over various tracks and terminal facilities in the Los Angeles Basin area (the Lines). Notice of the exemption was served and published in the Federal Register on October 2, 2026 (91 Fed. Reg. 62,804) (October 2 Notice).

The Lines are within and proximate to the terminal facilities of the Port of Los Angeles (POLA) and the Port of Long Beach (POLB) (collectively, the Ports). (Verified Notice 1.) ABL states that the Lines are owned in part by the City of Los Angeles (LA), a municipal corporation, acting through its Board of Harbor Commissioners; in part by the City of Long Beach (LB), a municipal corporation, acting through its Board of Harbor Commissioners; and in part by Union Pacific Railroad Company (UP). (Id.) ABL adds that it is negotiating separate agreements with the Alameda Corridor Transportation Authority,[1] LA, LB, UP, and, as needed, jointly with the Ports, (id. at 2-3), and that, as of the date it filed its verified notice, it anticipated that all agreements essential to the transaction would be finalized in October 2026 (id. at 3).

As explained in the October 2 Notice, ABL states that it will replace Pacific Harbor Line, Inc. (PHL), the current operator of the Lines. Because the verified notice did not state whether PHL consented to the replacement, the Board's October 2 Notice indicated that PHL would retain all existing common carrier operating authority over the Lines. The October 2 Notice further explained that PHL may seek Board authority to discontinue its operations over the Lines, or a third party may request that the Board authorize an "adverse" discontinuance of PHL's operating authority.

On October 7, 2026, PHL filed a request for a housekeeping stay, arguing that a stay should remain in place "until ABL provides the Board, PHL, and the shipping public with sufficient information to evaluate whether the proposed transfer of operations qualifies for the

[1] ABL states that asset administration for a portion of the Lines has been delegated to the Alameda Corridor Transportation Authority. (Verified Notice 5.)

class exemption process and can occur without disruption." (Stay Request 1.) PHL claims that the verified notice does not establish the existence of the necessary agreements or provide sufficient details about when agreements will be reached and therefore does not meet the regulatory requirements for an exemption. (Id. at 4.) PHL also argues that ABL has not provided enough information about its plans for the transition and that disruption of operations could have serious consequences given the scale of operations at the Ports. (Id. at 11-15.)

ABL responded in opposition to PHL's request on October 13, 2026. ABL argues that PHL's request has no merit and that no additional information is necessary for the Board to allow the exemption to take effect. (ABL Reply 1-2, 11, 13.) ABL also provides updated information about the planned transition. (Id. at 11-12.)

To allow the Board sufficient time to consider the issues raised in PHL's request and ABL's reply, the effective date of ABL's exemption was postponed in a decision served on October 15, 2026 (October 15 Decision). In an October 21, 2026 letter, PHL provides additional details regarding the information it argues ABL should provide to the Board. On October 26, 2026, ABL replied to that letter, arguing that PHL's filing was procedurally improper and "urg[ing] the Board to disregard PHL's unauthorized filing." (ABL Letter 1, Oct. 26, 2026.) On the same day, PHL filed seven letters from shippers and one letter from an environmental group in support of PHL's request. On October 28, 2026, ABL replied that PHL's filing was unauthorized. On October 29, 2026, PHL filed a letter stating that the Board of Commissioners of POLB had removed from its agenda approval of its agreement with ABL (when ABL had previously told the Board that consideration of the agreement was scheduled for October 26, with final ratification scheduled for November 9) and further arguing that the Board should order ABL to provide additional information. On October 30, 2026, UP filed a letter "express[ing] [UP's] strong support for a smooth transition of operations to the terminal operator that the Ports have selected." (UP Letter 2.) On November 10, 2026, LB filed a letter stating that it, acting by and through its Board of Harbor Commissioners, had formally approved ABL to be the next port rail operator of POLB's rail facilities and the agreement between POLB and ABL. On the same day, POLA filed a letter stating that it anticipated the agreement between ABL and POLA to be presented for approval by the full City Council on November 18, 2026, and asking the Board to lift the postponement of the exemption's effective date.

DISCUSSION AND CONCLUSIONS

PHL argues that a housekeeping stay that would remain in place "until ABL provides the Board, PHL, and the shipping public" certain additional information is necessary because (1) the verified notice "does not establish that the necessary agreements have been reached or provide sufficient details about when they will be reached;" (2) there are "many open transition planning questions;" and (3) the "transfer concerns nationally significant, complex terminal facilities where any service failure could affect shippers, the broader rail network, and the U.S. economy."

(Stay Request 1.)[2] For the reasons discussed below, PHL's request to stay the exemption's effective date will be denied.[3]

When a party files a verified notice of exemption under 49 C.F.R. pt. 1150 subpart E, § 1150.43(c) requires "[a] statement that an agreement has been reached or details about when such an agreement will be reached." PHL claims that ABL has not provided sufficient details about when ABL will reach agreements with the Ports and UP. (Stay Request 6-8.)

PHL cites Rail Switching Services—Operation Exemption—Pemiscot County Port Authority, FD 35685 et al. (STB served Jan. 8, 2013) and Riffin—Acquisition and Operation Exemption—in Baltimore City, Md., FD 34982 (STB served Oct. 9, 2007) in support of its argument that more detail is needed regarding the timing of the agreements. Both cases are inapposite. In Rail Switching Services, the Board found that the verified notice was misleading because it failed to disclose that the owner of the line and the applicant disagreed about whether the underlying agreement permitted the applicant to seek operating authority from the Board. Rail Switching Servs., FD 35685 et al., slip op. at 4. Similarly, in Riffin, the Board rejected the verified notice when ownership of the line at issue was "deeply contested," the location of the line was unclear, and the applicant merely stated that agreements "are expected to be executed sometime after the date" that the verified notice was filed. Riffin, FD 34982, slip op. at 2-3.

Here, ABL stated in its verified notice that it "anticipates that all agreements essential to this transaction will be finalized in October of this year." (Verified Notice 3.) ABL later updated its original estimate of when the agreements would be reached. (ABL Reply 11-12, Oct. 13, 2026.) Under the circumstances in this proceeding, this constitutes sufficient information about when the agreements will be reached to satisfy § 1150.43(c). (See Verified Notice 3.) Nothing in the record indicates that ABL misled the Board or that any parties involved with the expected agreements have encountered fundamental issues comparable to those in Rail Switching Services or Riffin. Rather, ABL was selected by the Ports as the new operator after a 17-month procurement process (ABL Reply 3-4, Oct. 13, 2026), and no parties to the expected agreements have raised concerns with the Board. Further, UP states that "agreements are being finalized to ensure a smooth transition." (UP Letter 1-2.)

PHL also observes that the Board has postponed the effective date of exemptions and rejected verified notices where there were unresolved questions. (Stay Request 8-10.) For example, it points to Branch Line Railroad—Lease & Operation Exemption—Northwoods Distribution Services, FD 36422 (STB served Apr. 6, 2021), where there was uncertainty about the length of the line, the type of service that would be provided, and whether construction would occur. PHL points to the need to reach agreements and concerns about transition planning as

[2] PHL does not attempt to show that a stay is necessary under Washington Metropolitan Area Transit Commission v. Holiday Tours, Inc., 559 F.2d 841, 843 (D.C. Cir. 1977).

[3] PHL asserts, incorrectly, that its request for a housekeeping stay was granted in the October 15 Decision. (PHL Letter 1, Oct. 21, 2026.) In that decision, the Board postponed sua sponte the effective date of the exemption pending further Board order only "[t]o allow the Board sufficient time *to consider the issues raised* in PHL's request and ABL's reply." Oct. 15 Decision, FD 36946, slip op. at 1 (emphasis added).

unresolved issues here and argues that the concerns are particularly acute given the Ports' critical role in the economy as well as the "extraordinary scale" of their operations. (Stay Request 9-14.) However, the authority sought by ABL is permissive, see Grand Elk R.R.—Acquis. of Incidental Trackage Rts. Exemption—Norfolk S. Ry., FD 35187 (Sub-No. 1), slip op. at 2-3 (STB served Nov. 1, 2016), and there is not a requirement that all agreements need to be in place before the effective date of the exemption, see 49 C.F.R. § 1150.43(c); Hi-Tech Trans, LLC—Operation Exemption—over Lines Owned by Canadian Pac. Ry., FD 33901 (STB served July 19, 2000) (providing notice of an exemption where agreements were still being negotiated). Further, PHL will continue to have operating authority on the Lines, which could provide additional flexibility for the parties to resolve issues related to the transition before full implementation. PHL reports that transition meetings have resumed, (PHL Letter 2, Oct. 29, 2026), and ABL states that it "remains firmly committed to a seamless transition and is diligently executing its operational framework." (ABL Letter 2, Oct. 26, 2026.) Therefore, permitting the exemption to become effective need not lead to a disruption of service. Although the transition might be complex, further information from ABL and oversight by the Board is not warranted in this proceeding.

As such, PHL's request that the Board stay the exemption's effective date until the required agreements are established and the record demonstrates that ABL can undertake the transition without service disruption will be denied. The postponement in the October 15 Decision will be lifted, and ABL's exemption will become effective immediately.

It is ordered:

1. PHL's request for a housekeeping stay is denied.

2. The postponement imposed in the October 15 Decision is lifted, and the exemption is effective immediately.

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

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.