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October 7, 2026

VIA E-FILING

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

312669

ENTERED
Office of Chief Counsel
October 7, 2026
Part of
Public Record

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 No. 36946

Dear Chief of Case Administration:

Pacific Harbor Line, Inc. respectfully submits the enclosed Request for a Housekeeping Stay of the Effective Date of the Exemption in the above-referenced proceeding. Questions regarding this filing may be directed to me at wmullins@mullinslawgroup.net or (202) 663-7823. If I am unavailable, Pedro A. Panelo may be reached at (202) 663-7855 or ppanelo@mullinslawgroup.net.

Respectfully submitted,

/s/ ***William A. Mullins***

William A. Mullins
Attorney for Pacific Harbor Line, Inc.

Enclosures

BEFORE THE SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 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**

REQUEST FOR A HOUSEKEEPING STAY

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October 7, 2026

BEFORE THE SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 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**

REQUEST FOR A HOUSEKEEPING STAY

Pacific Harbor Line, Inc. (“PHL”) requests that the Surface Transportation Board (“Board”) issue a housekeeping stay of the effective date of the exemption invoked by the Verified Notice of Exemption (“Notice”) filed by Alameda Belt Line (“ABL”) on September 16, 2026. The 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 class exemption process and can occur without disruption. A stay is warranted for three related reasons: (1) the 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 ABL has never explained how personnel, management, equipment, operating responsibilities, and service will be transferred without disruption; and (3) the proposed transfer concerns nationally significant, complex terminal facilities where any service failure could affect shippers, the broader rail network, and the U.S. economy. Unless those issues are resolved, the transaction should not be permitted to proceed through the class exemption procedures.

BACKGROUND

Since 1998, PHL has operated and dispatched rail lines owned or controlled by the Ports pursuant to contractual agreements and STB authority. In 2024, ABL assumed dispatching authority over certain portions of the Alameda Corridor pending STB approval. In May 2025, the Ports issued a request for proposals (“RFP”) for a ten-year rail operating contract covering the lines currently operated by PHL. ABL was selected at the end of that process to provide operating services that PHL has performed since 1998. The RFP process required the successful bidder to negotiate and obtain necessary approvals of an operating agreement with both Ports and the Los Angeles City Council, the STB, and agreement from Union Pacific (“UP”) for lines in which UP has an interest. As of the date of this Request, PHL is not aware that any of those required approvals has been granted.

On July 6–7, 2026, as required by 49 C.F.R. § 1150.42(e), ABL posted at PHL’s yard and various workplaces a notice indicating ABL’s intent to acquire the operating rights and related assets currently held by PHL, “subject to final approval by the City of Los Angeles Harbor Department and City of Long Beach Harbor Department[] and Union Pacific Railroad Company (‘UP’),” and to assume common-carrier operations over certain railroad assets “located within and proximate to the Ports of Los Angeles and Long Beach, including railroad facilities currently operated by PHL.”

On July 13, 2026, ABL filed the public notice required by 49 C.F.R. § 1150.42(e), captioned “Alameda Belt Line—Change of Operator 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.” That caption indicated that ABL initially contemplated succeeding PHL as the authorized operator through the

Board’s change-of-operator process, which ordinarily addresses both the incoming operator’s authority and the incumbent operator’s discontinuance authority. ABL’s September 16 Notice instead sought only operation authority for ABL and did not request discontinuance authority for PHL or explain why ABL abandoned the change-of-operator procedure identified in its July public notice. That unexplained change leaves unresolved how PHL’s existing common-carrier authority and obligations will be terminated or otherwise reconciled with ABL’s proposed operations.

On September 16, 2026, ABL filed with the Surface Transportation Board a verified notice of exemption (the “Notice”) pursuant to 49 C.F.R. Part 1150, Subpart E, entitled “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.”¹ The Notice stated that ABL sought “to acquire by agreement rights to operate over various tracks and facilities (the ‘Lines’)” owned in part by the City of Los Angeles, acting through its Board of Harbor Commissioners; the City of Long Beach, acting through its Board of Harbor Commissioners; and Union Pacific Railroad Company.² The Lines are located within and near the terminal facilities of the Ports of Los Angeles and Long Beach (collectively, the “Ports”) and “include the entire scope of common carrier operations currently conducted” by PHL.³

¹ See Alameda Belt Line – Operation Exemption – Board of Harbor Commissioners of the Port of Los Angeles, Board of Harbor Commissioners (Long Beach), and Alameda Corridor Transportation Authority, FD 36946 (STB served September 16, 2026).

² Id.

³ Id.

ARGUMENT

ABL has invoked expedited class exemption procedures that are available only when the filing demonstrates that the proposed transaction falls within the regulatory exemption. The Notice does not establish a threshold regulatory requirement—the existence of the necessary agreements or sufficient details about when they will be reached—and leaves unresolved whether ABL can assume these complex operations without disrupting service. Because those omissions prevent the Board from determining both regulatory eligibility and operational readiness, the Board should stay the exemption while it obtains the information necessary to decide whether the transaction may properly proceed through the class exemption process.

ABL invokes the class exemption procedures set forth in 49 C.F.R. §§ 1150.41–1150.43. A housekeeping stay is warranted on three independent but related grounds. First, the present record does not establish that the agreements required by 49 C.F.R. § 1150.43(c) have been reached or provide sufficient details about when they will be reached. Second, despite PHL's repeated requests, several transition planning questions have gone unanswered and ABL has failed to provide the information necessary to explain how operations, employees, management personnel, locomotives, and service responsibilities will be transferred without disruption. Third, the proposed transfer involves complex operations at two of the Nation's most important ports, where any service failure could affect shippers, the broader rail network, and the U.S. economy. The Board should stay the exemption until the record establishes that ABL has the necessary agreements, approvals, operational plan, personnel, equipment, and experience to complete the transition without disrupting service.

I. THE NOTICE OF EXEMPTION LACKS SUFFICIENT INFORMATION TO DEMONSTRATE THAT THE TRANSACTION QUALIFIES FOR THE EXEMPTION PROCESS

Under 49 C.F.R. § 1150.41, the class exemption applies to acquisitions or operations by Class III rail carriers under 49 U.S.C. § 10902, including operation by a Class III carrier over rail property owned by another party. The Board's notice-of-exemption proceedings are intended to ease the regulatory burden on simple transactions involving Class III rail carriers. Association of American R.R.s. v. Surface Transp. Bd., 161 F.3d 58, 61 (D.C. Cir. 1998). Pursuant to 49 C.F.R. § 1150.43, a Class III rail carrier must provide information demonstrating that the proposed transaction complies with the regulation. Among other required disclosures, the filing party must provide "a statement that an agreement has been reached or *details* about when an agreement will be reached." See 49 C.F.R. § 1150.43(c) (emphasis supplied).

Here, issuance of a housekeeping stay is particularly appropriate for three reasons. First, ABL has not stated that the required agreements have been reached or provided sufficient details about when those agreements will receive the necessary approvals or be reached. Second, despite PHL's repeated requests, the record does not provide sufficient information regarding how service, personnel, management, equipment, and operating responsibilities will be transferred and maintained without disruption. Third, because of the size and scope of the transaction and the importance of the Ports to the U.S. economy, the Board should not permit the transaction to proceed under the class exemption process until the record demonstrates that ABL can undertake the transition without disrupting service.

A. ABL Has Not Demonstrated That an Agreement Has Been Reached with the City of Los Angeles Harbor Department, the City of Long Beach Harbor Department, and Union Pacific

As noted above, the Board's notice-of-exemption procedures require the filing to state either that an agreement has been reached or provide "details about when an agreement will be reached." Although § 1150.43(c) does not require an agreement to be finalized when the notice is filed, the Board has rejected a notice when the asserted agreement was unclear or remained at too preliminary a stage to satisfy the regulation. See James Riffin D/B/A The Northern Central Railroad—Acquisition and Operation Exemption—in Baltimore City, Md., FD 34982, slip op. at 3 (STB served Oct. 9, 2007).

The Board has applied the agreement requirement in precisely this manner in an operation-exemption proceeding. In Rail Switching Services, Inc.—Operation Exemption—Pemiscot County Port Authority, FD 35685 (STB served Jan. 8, 2013), the Board rejected the notice because the proposed operator had not reached an agreement with the owner of the line and therefore did not qualify for the exemption. The Board had previously imposed a housekeeping stay to prevent the exemption from becoming effective while that threshold issue was considered. *Id.* (STB served Nov. 13, 2012). The same course is appropriate here. ABL identifies no completed agreements with the Ports or Union Pacific and provides no concrete details establishing when the necessary agreements and governmental approvals will be obtained. The exemption therefore should not become effective until the Board can determine that ABL has satisfied the threshold agreement requirement in 49 C.F.R. § 1150.43(c).

PHL requests a housekeeping stay so that the Board can determine whether the Notice satisfies the agreement requirement before the exemption becomes effective. ABL must have, or provide sufficient details about when it will have, the necessary agreements and approvals with

the Port of Los Angeles, the Port of Long Beach, and Union Pacific, including the approvals required from the political subdivisions that govern the Ports. The current record does not show that those approvals have been obtained. Instead, the Notice states only that ABL is in the “process” of reaching agreements and “anticipates that all agreements essential to this transaction will be finalized in October of this year.” Notice at 3. Those general assertions do not constitute the “details” required by 49 C.F.R. § 1150.43(c), and the exemption should not become effective until the Board can determine that the threshold agreement requirement has been satisfied.

The proposed ABL agreements were procured through a Request for Proposals (“RFP”) solicited by the Ports. The RFP provides that the selected proposer must separately negotiate operating agreements with each Port, that any agreement requires approval from both Boards of Harbor Commissioners, and that any agreement with the Port of Los Angeles is further subject to approval by the Los Angeles City Council. The RFP also reserves to the Ports the right to discontinue negotiations, reject proposals, negotiate with another proposer, or terminate the procurement altogether before execution of any operating agreement. Thus, even assuming negotiations are ongoing, the record contains no evidence that ABL has obtained, or is certain to obtain, the approvals necessary for the transaction to proceed.

A recent records request by interested parties produced a draft agreement between ABL and POLA that has been provided to PHL. Far from demonstrating that the required agreements have been reached, the draft confirms that the transaction remains subject to multiple layers of negotiation and contingent and discretionary governmental approval. Moreover, the draft does not include POLB or UP, both of which are necessary parties to the proposed operations over the Line and the transition from PHL to ABL. The present record therefore reflects ongoing discussions and proposals, not approved agreements.

Nor does the Notice provide the “details” required by 49 C.F.R. § 1150.43(c) regarding when those approvals will occur. It offers only a general estimate, without supporting documentation, a statement from a person responsible for approval, or a specific execution date. That description does not provide sufficient detail regarding when the required agreements will be reached, and a housekeeping stay is warranted while the record is completed.

ABL’s Notice merely states that the “process” of reaching separate agreements remains ongoing without any definitive date. There are no details concerning when the Port Boards will consider the matter, whether the Los Angeles City Council approval will be sought, the status of any negotiations with Union Pacific, or any schedule for obtaining the approvals that the RFP itself identifies as prerequisites to a final agreement. The present record therefore reflects little more than an expectation that a series of future negotiations and governmental actions will occur. That is not a completed agreement, nor is it a sufficient explanation of when the required agreements will actually be reached. The Board should therefore issue a housekeeping stay until such time as ABL provides sufficient information to satisfy the Board’s notice of exemption process.

B. The Operating Issues Are Far Too Complex and Require a More Detailed Evidentiary Record

The Board has made clear that the notice of exemption process is one to be expedited and is intended for “routine and non-controversial cases.” See California High-Speed Rail Authority – Acquisition Exemption – Peninsula Corridor Joint Powers Board, FD 36351, (STB served September 11, 2020); see also N.E. Interchange Ry. – Lease & Operation Exemption – Line in Croton-on-Hudson, N.Y., FD 34734 (STB served Nov. 18, 2005). Accordingly, when a case is non-routine or controversial, “the class exemption process is not appropriate for controversial cases in which a more detailed record is required than is produced through a notice of class

exemption.” See Oakland Global Rail Enterprise, LLC – Acquisition Exemption – Rail Line in Alameda County, Cal.; City of Oakland, Cal. – Acquisition Exemption – Rail Line in Alameda County, Cal.; City of Oakland, Cal. – Acquisition Exemption – Former Oakland Army Base, Alameda County, Cal., FD 36301, FD 36302, FD 36303, slip op. at 6 (STB served October 22, 2019) (proceedings not consolidated; single decision issued for administrative purposes); citing Riffin – Acquisition & Operation Exemption – in York City, Pa. & Balt. Cty., Md., FD 34484, slip op. at 3 (STB served April 20, 2004). More recently, the Board rejected a notice where unresolved questions prevented it from determining that the proposed transaction fit within the class exemption and required more scrutiny than the notice process affords. James Riffin—Acquisition & Operation Exemption—in York County, Pa., FD 36548, slip op. at 2–3 (STB served Apr. 21, 2022). The Board has likewise stated that a notice will be rejected if it “is controversial and raises important issues that require more scrutiny and the development of a more complete record.” Riffin – Acquisition & Operation Exemption – Veneer Spur – in Balt. Cnty., Md., FD 35236, slip op. at 2 (STB served Apr. 28, 2009). A notice will also be rejected if it “raises too many unanswered questions.” FD 36351 at 2; see also Perry County Railroad Operation – Exemption – Uniontown, Ala., FD 36296 (STB served June 7, 2019); FPN-USA, Inc. – Operation Exemption – Tijuana-Tecate Shortline, FD 35155 (STB served August 8, 2008).

Those decisions establish that the class exemption process is inappropriate when material unanswered questions prevent the Board from determining whether a transaction is routine, noncontroversial, and suitable for abbreviated review. This record presents three such concerns: the necessary agreements and approvals remain unresolved; ABL has not provided the information needed to demonstrate that personnel, equipment, operating responsibilities, and service can be transferred without disruption; and the operations affect nationally significant port

facilities where a service failure could have consequences extending beyond the immediate parties. A housekeeping stay would preserve the status quo while the Board develops the record necessary to evaluate each of those concerns before the exemption becomes effective.

The Board has likewise postponed and ultimately rejected a lease-and-operation exemption where unresolved ownership, contractual, and operational questions prevented it from determining the scope and nature of the proposed transaction. Branch Line Railroad, Inc.—Lease & Operation Exemption—Northwoods Distribution Services, Inc., FD 36422, slip op. at 1–5 (STB served Apr. 6, 2021). There, uncertainty concerning the applicant’s rights, the track to be operated, and the operations the applicant proposed to conduct left the notice confusing and incomplete. The present Notice raises comparable concerns. The governing agreements and approvals remain unresolved, and the record does not explain how personnel, management, locomotives, operating responsibilities, and service will be transferred from PHL to ABL without disruption. Those unanswered contractual and operational questions prevent the Board from determining whether—and how—the proposed operation can be implemented and warrant a stay while the record is completed.

The Notice also raises significant unanswered questions concerning how the proposed transition from PHL to ABL will occur, and those questions independently warrant a housekeeping stay while additional information is developed. Although ABL’s July public notice invoked the change-of-operator process, its September Notice sought only operation authority for ABL. It therefore does not address how PHL’s existing common-carrier obligations and legal right to operate over the Line will be resolved or provide PHL with discontinuance authority. The expiration of PHL’s contractual rights would not, by itself, terminate that regulatory authority or those obligations. See Thompson v. Tex. Mexican Ry., 328 U.S. 134, 144–45 (1946); Fillmore &

W. Freight Serv., LLC—Emergency Pet. for Declaratory Order, FD 35813, slip op. at 3 (STB served Mar. 12, 2015); Ingredion Incorporated—Petition for Declaratory Order, FD 36014, slip op. at 10–11 (STB served Sept. 29, 2016). These unresolved regulatory issues are particularly significant given the complexity of the terminal operations and the importance of ensuring a smooth transfer of service.

PHL has consistently sought information and cooperation from ABL and the Ports regarding transition planning, operating responsibilities, shipper service, and related operational matters, yet those efforts have not produced the information necessary to assess how the transition will occur. ABL has not disclosed to PHL or its shippers any meaningful transition plan and has provided little detail regarding how operations will be transferred or service disruptions will be avoided. A housekeeping stay is therefore necessary to permit the Board and the parties to address those unresolved operational issues before the exemption becomes effective.

The correspondence confirms that PHL repeatedly sought the information necessary to plan an orderly transition. On June 26, 2026, PHL requested transition-planning information and expressed a “spirit of cooperation.” (Ex. A). The Ports’ July 21 response provided little substantive information and stated that they “appreciate the ongoing cooperation and collaboration in which Pacific Harbor Line (PHL) has worked with the Ports and ABL.” (Ex. B). On August 31, PHL advised that the transition process needed to be reset in light of the pending litigation.⁴ (Ex. C). On September 9, the Ports transmitted information supplied by ABL. (Ex. D).

⁴ In August 2026, the Port of Los Angeles brought a state court action against PHL relating to construction work performed at Badger Bridge, a Port asset. PHL has consistently maintained that those claims lacked merit and were asserted outside the contractual dispute-resolution process established by the parties’ agreements in an effort to influence City decisionmakers in connection with securing necessary approvals for the ABL award. The litigation was also initiated without prior notice and in the midst of transition discussions. Regardless of the merits of that dispute and motivations of the Port of Los Angeles, the emergence of litigation further

On September 21, PHL again offered to participate in transition meetings while identifying information that had remained outstanding and unanswered since June 26. (Ex. E). This chronology demonstrates that the continuing information gaps persist despite repeated, documented requests by PHL.

The record demonstrates that the absence of transition information is not attributable to inaction by PHL. Since June 2026, PHL has repeatedly requested information concerning transition planning, operating responsibilities, service continuity, shipper coordination, and the other steps necessary to ensure a smooth transfer of operations. Many of those questions remain unanswered, and the information needed to evaluate the proposed transition has not been publicly provided. Coordination has been further impeded by the Ports' insistence that transition communications and information be routed through them rather than exchanged directly between PHL and ABL. The Ports have maintained that some information necessary for an orderly transition cannot be provided until the governing agreements are finalized, creating a practical "Catch-22": PHL needs the information to evaluate and plan the transition, but the information is being withheld pending completion of the arrangements that themselves require transition planning. The resulting information gap presents more than a private transition dispute. It leaves unresolved whether service can continue without disruption at nationally significant terminal facilities. Because the potential consequences extend beyond PHL and ABL to port users, connecting carriers, employees, shippers, and the broader economy, the Board should not allow the exemption to become effective based on assumptions about ABL's readiness. Before permitting the transaction to proceed through abbreviated class exemption procedures, the Board

complicated transition planning and reinforced the need for a structured process supported by complete information.

should satisfy itself on a developed record that ABL has the agreements, personnel, equipment, operating protocols, and experience necessary to complete the transition without disrupting service.

The Ports at issue are critical to international trade and the U.S. economy, and recent evidence confirms the extraordinary scale of their operations. The Port of Long Beach (“POLB”) describes itself as the “premier U.S. gateway for trans-Pacific trade” and states that it “handles trade valued at \$300 billion annually.” POLB also announced that August 2026 was its busiest August on record, with 919,992 twenty-foot equivalent units (“TEUs”) moved. The Port of Los Angeles (“POLA”) similarly describes itself as “the nation’s premier gateway for international commerce and the busiest seaport in the Western Hemisphere.” POLA processed 955,907 TEUs in August 2026 and reported that 2026 included the “busiest consecutive months in Port history,” with more than 2.9 million TEUs moving across Port docks during June, July, and August. PHL’s records show that it handled 2.67 million on-dock containers in 2025. Those volumes underscore both the national importance of these facilities and the need for a complete record before the exemption becomes effective. They were achieved while PHL was providing rail service, and an inadequately planned transition could jeopardize that continued operational success. A housekeeping stay would permit the Board to determine how operations will be transferred, how shippers will be protected, and how service continuity will be maintained.

The Board has recently emphasized the importance of preventing operational deterioration at complex terminal facilities. In its letter concerning the Belt Railway Company of Chicago (“BRC”)⁵, the Board expressed concern that terminal congestion and declining service

⁵ Letter from the Surface Transportation Board to Jerry Peck, President & General Manager, Belt Railway Company of Chicago (Aug. 3, 2026).

performance could affect the broader rail network. That concern applies with equal force here. Like BRC, PHL performs integrated switching and terminal functions at a critical rail gateway where failures of coordination can disrupt connecting carriers, customers, and the broader freight network. Indeed, the consequences could be especially significant because PHL serves the Nation's two largest container ports and handled 2.67 million on-dock containers in 2025. If deteriorating service at BRC warranted the Board's intervention, the foreseeable risks associated with replacing PHL with an inexperienced operator warrant at least the same degree of scrutiny before the exemption becomes effective.

The present record identifies substantial and concrete coordination risks. No plan explains how PHL's existing obligations will be resolved, how operating responsibility will be transferred to ABL, or how service will be protected during that transition. The lack of operational detail extends to staffing, management, equipment, and workforce-transition issues that are essential to maintaining reliable service. ABL has advised PHL that it intends to hire PHL employees, including management personnel, and acquire PHL locomotives, yet it has provided no implementation schedule, staffing plan, equipment-transfer protocol, or allocation of operating responsibility. ABL's proposed transition plan states that, "Every new team member, whether retained from the incumbent or newly hired, will receive: FRA-aligned training modules ... instruction on digital tools ... enrollment in ABL's 'Target Zero' safety initiative..." (Ex. F). The plan does not explain when that onboarding and training will occur, how PHL will retain the personnel necessary to provide uninterrupted service through the end of its operations, when locomotives will be acquired and placed in service, or how PHL and ABL will coordinate those interdependent steps. Without defined responsibilities, schedules, staffing commitments, equipment protocols, and service-continuity procedures, the proposed change in operator could

produce congestion, delays, service disruptions, and uncertainty for shippers. The Board should therefore stay the exemption until the record contains a concrete and workable implementation plan addressing each of those issues.

The need for a further record is heightened by ABL's limited railroad operating experience, which has consisted principally of dispatching rather than the full range of operations it now proposes to assume. The Board and the public therefore lack sufficient information to determine whether ABL can assume operating responsibility, maintain service continuity, and avoid disruption at these terminals.⁶ In comparable circumstances, the Board has entered housekeeping stays to obtain additional information or permit adequate consideration of issues raised in a stay request. In Burlington Shortline Railroad, Inc., d/b/a Burlington Junction Railway—Lease & Operation Exemption—BNSF Railway Company, FD 35136 (STB served Apr. 29, 2008), the Board imposed a housekeeping stay to allow time to consider the issues raised in a petition to reject or stay before the exemption became effective; the applicant thereafter withdrew its original notice and filed a clarifying notice that more fully described the transaction. See also City of Alameda—Acquisition Exemption—Alameda Beltline Railroad, FD 34798 (STB served Jan. 11, 2006); Rail Switching Services, Inc.—Operation Exemption—Pemiscot County Port Authority, et al., FD 35685 (STB served Nov. 13, 2012); Steel River Infrastructure Partners LP, et al.—Control Exemption—Patriot Rail Corp., et al., FD 35622 (STB served May 25, 2012); Intra-Corporate Family Transaction Exemption, FD 36199 (STB served June 29, 2018). The Board should do the same here.

⁶ Further complicating matters here include the issue that UP and BNSF each own 50% of ABL, which makes management and operating protocols subject to the approvals of two vigorous competitors.

Such a housekeeping stay would not prejudice any party. It would preserve the status quo only while the Board obtains the information necessary to resolve the threshold agreement issue and evaluate ABL's operational readiness. During that period, the parties could continue discussions regarding transition planning and operational coordination, and ABL could supplement the record with the governing agreements and approvals, a defined allocation of operating responsibilities, a personnel and equipment transition plan, and service-continuity protocols. In contrast, denying a stay would allow the exemption to become effective before the Board can determine whether those essential arrangements exist and whether service can be maintained without disruption.

CONCLUSION

For these reasons, the Board should issue a housekeeping stay of the exemption's effective date. First, the present record does not establish that the necessary agreements and approvals are in place or provide sufficient details about when they will be reached. Second, despite PHL's repeated requests, ABL has not provided the cooperation, information, or concrete transition plan necessary to demonstrate how personnel, management, equipment, operating responsibilities, and service will be transferred without disruption. Third, because these complex terminal operations serve two of the Nation's most important ports, the consequences of an unsuccessful transition could extend to shippers, connecting carriers, the broader rail network, and the U.S. economy. Those deficiencies concern both the Notice's eligibility for abbreviated processing and the operational consequences of allowing it to become effective before the record is complete.

The need for additional scrutiny is particularly important given the history and significance of these operations. PHL was created in the 1990s in response to concerns regarding

the coordination and efficiency of rail service at the Ports and has successfully provided integrated rail operations for decades. During that time, PHL has developed the institutional knowledge, operating practices, and workforce necessary to maintain reliable service at some of the Nation's most important port facilities. The current record provides little information regarding how ABL intends to assume those responsibilities, maintain service continuity, and implement the transition without disruption. These unanswered questions are especially significant given the complexity of the operations involved and the importance of uninterrupted rail service to shippers, the Ports, and interstate commerce.

At this time, the Board should not permit the exemption to become effective by regulatory default while the governing agreements remain unresolved and no concrete plan protects continuous service at two of the Nation's most important ports. Given the Ports' critical role in international trade and the U.S. economy, the Board should satisfy itself before the exemption becomes effective that ABL can assume these complex operations without disrupting service. A housekeeping stay would preserve the status quo without determining the ultimate merits of the Notice and would provide the Board, the parties, and the public the time necessary to confirm the required agreements, evaluate ABL's operational readiness, develop enforceable transition and operating protocols, and address the risks to PHL, its employees, shippers, and the public. The consequences of allowing an abbreviated class exemption to become effective without that assurance would fall not only on the immediate parties but also on port users, connecting carriers, and the broader economy. The Board should therefore 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.

Respectfully submitted,

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Attorneys for Pacific Harbor Line, Inc.

October 7, 2026

CERTIFICATE OF SERVICE

I certify that, on October 7, 2026, in accordance with 49 C.F.R. § 1114.21(f), I caused a copy of the foregoing Request for a Housekeeping Stay to be served upon each Party of Record in this proceeding.

//s// William A. Mullins

William A. Mullins
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Tel.: (202) 663-7823

Attorney for Pacific Harbor Line, Inc.

VERIFICATION

I, Otis L. Cliatt II, President, Pacific Harbor Line, Inc. ("PHL"), hereby verify under penalty of perjury that, to the best of my knowledge, the statements contained in the foregoing Request for a Housekeeping Stay are true and correct. I further certify that I am qualified and authorized to make this verification on behalf of PHL in this proceeding before the Surface Transportation Board.

Executed this 7th day of October 2026

A handwritten signature in black ink, appearing to read "O L Cliatt II", written over a horizontal line.

Otis L. Cliatt II
President
Pacific Harbor Line, Inc

BEFORE THE SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 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**

REQUEST FOR A HOUSEKEEPING STAY

EXHIBIT A



PACIFIC HARBOR LINE

Sent Via Overnight Courier & Electronic Mail

June 26, 2026

Port of Los Angeles
425 South Palos Verdes Street
P.O. Box 151
San Pedro, California 90733
Attn: Eugene D. Seroka, Executive Director

Port of Long Beach
415 W. Ocean Blvd.
P.O. Box 570
Long Beach, California 90801
Attn: Dr. Noel Hacegaba, Chief Executive Officer

RE: SAN PEDRO BAY HARBOR RAIL OPERATING PERMIT

Dear Messrs. Delgado and Cartwright:

As you know, on June 2, 2026, POLA and POLB (the Ports) issued their six-month notice of termination of PHL's maintenance, dispatching and train control services under Article 21.1 of the Operating Permit (the "Agreement"), effective December 2, 2026. We also received the Ports' June 17, 2026 letter requesting information regarding certain PHL assets and vendors. As to the letter, we note that the Ports' agreement with Alameda Belt Line ("ABL") has not yet been finalized or received the required approvals, and accordingly PHL has no obligation to provide documentation or information directly to ABL. PHL will work only with the Ports on any such requests.

In the spirit of cooperation, PHL will work with the Ports to ensure a smooth and orderly transition. PHL does note, however, that while the Ports have made repeated requests for information and cooperation from PHL, PHL's own repeated requests for information necessary to plan for the transition remain unanswered. A smooth transition requires a timely and reciprocal exchange of information. Before PHL can meaningfully respond to the Ports' recent requests, PHL would appreciate written responses to the following questions:

- When is BOHC approval of the Port Railroad Operator ("PRO") contract anticipated, for both POLA and POLB?
- Please provide all proposals, evaluation criteria, and ranking information for the PRO RFP.
- When will the plan for the transition of the PRO services be available? If phased, what are the phases and effective dates? This will allow us to effectively plan for short- and long-term resource needs during this time period to enable us to continue to serve the Ports and our customers effectively and to minimize disruption.
- Can you provide additional detail regarding the Ports' plans for the PHL services that are not being terminated on December 2, 2026?

705 North Henry Ford Avenue • Wilmington, CA 90744
Telephone (310) 984-5765 • Fax (310) 834-1342



- What is ABL intention regarding hiring/retaining the current staff, both union and management?
- Any departure of PHL employees prior to the termination date may cause service disruption. Are the Ports prepared to work with PHL on strategies to minimize potential Port disruption?
- Is ABL recruiting current PHL managers?
- As you may know, PHL's operating rights were approved by the U.S. Surface Transportation Board ("STB"). Please explain regulatory considerations and timing associated with any change in operators, including with respect to PHL's common carrier obligations.
- Your recent request asked about certain assets; however, the Ports have verbally communicated to PHL that they do not intend to acquire any of PHL's assets, including locomotives and/or other equipment (Section 21.4 of the Operating Permit), or other materials inventory. Please clarify the Ports' current position regarding acquisition of these assets. PHL has provided an initial list of all equipment dedicated to its operation on April 30, 2026.
- What Related Agreements (as defined in the Operating Permit) will ABL or the Ports seek to have assigned?

We appreciate your prompt written response.

As noted, PHL is prepared to cooperate to help achieve an efficient transition of operations to ensure that our customers and the Ports continue operating with minimal disruption.

Very truly yours,

Otis L. Cliatt II
President

cc: Ralph Delgado, Director of Tenant Services, POLB (via email only rafael.delgado@polb.com)
Kerry Cartwright, Director of Goods, POLA (via email only KCartwright@portla.org)

Peter Gilbertson, CEO, ARH (via email only pgilbertson@anacostia.com)
Mike Naatz, COO, ARH (via email only mnaatz@anacostia.com)
Aimee Nolan, CLO, ARH (via email only anolan@anacostia.com)

BEFORE THE SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 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**

REQUEST FOR A HOUSEKEEPING STAY

EXHIBIT B

Sent Via Overnight Courier & Electronic Mail

July 21, 2026

O.L. Cliatt, II, President
Pacific Harbor Line, Inc.
705 North Henry Ford Ave.
Wilmington, CA 90744

RE: SAN PEDRO BAY HARBOR RAIL OPERATING PERMIT

Dear Mr. Otis Cliatt:

Thank you for your June 26, 2026, letter in response to the Notice of Termination issued June 2, 2026. Since your response was addressed to both Ports, this reply is on behalf of both Ports.

We appreciate the ongoing cooperation and collaboration in which Pacific Harbor Line (PHL) has worked with the Ports and ABL. This will assist all parties involved to support a successful transition with minimal disruption to the San Pedro Bay and the national supply chain. We agree that a successful transition will depend on the timely and reciprocal exchange of information among all parties. While we recognize that PHL has no formal obligation to provide information directly to ABL, your continued collaboration is essential. PHL's proactive engagement is highly valued by the Ports and remains critical to mitigating operational risks, ensuring business continuity, maintaining customer satisfaction, and achieving a seamless transition.

Please see our responses below to the questions from your letter dated June 26, 2026:

Q: When is BOHC approval of the Port Railroad Operator ("PRO") contract anticipated, for both POLA and POLB?

A: The Port of Long Beach (POLB) and the Port of Los Angeles (POLA) are currently engaged in contract negotiations with the highest-ranked proposer, ABL. Subject to and upon the successful completion of those negotiations, each Port will present the finalized agreement to its respective Board of Harbor Commissioners in the third quarter of 2026 for review and approval.

Q: Please provide all proposals, evaluation criteria, and ranking information for the PRO RFP.

A: The Port's will provide responsive records once negotiations are complete and prior to the matter going before the respective Board of Commissioners for approval. The Ports' interest in keeping these proposals and the scoring data confidential temporarily outweighs the public's interest in disclosure until negotiations with the highest-ranked proposer are complete. Gov. Code, § 7922; Michaelis, Montanari & Johnson v. Superior Court (2006) 38 Cal.4th 1065.

We expect to make the requested documents available once the Ports' recommendation/request is placed on the public agenda.

Q: When will the plan for the transition of the PRO services be available? If phased, what are the phases and effective dates? This will allow us to effectively plan for short- and long-term resource needs during this time period to enable us to continue to serve the Ports and our customers effectively and to minimize disruption.

A: The transition plan including phases and timelines is still in development and will be shaped by everyone's participation in the process and contingent upon full execution of the respective Agreements between ABL and each Port. Like PHL, the Ports' primary goal is also to minimize disruption to the San Pedro Bay Complex during this transition. PHL's continued cooperation and collaboration in current bi-weekly and future cross functional meetings is essential to the national supply chain. The expertise provided by all parties will be essential to achieve this goal. Working together we can assemble the optimal transition plan that both Ports will present to their respective Board of Harbor Commissioners.

Q: Can you provide additional detail regarding the Ports' plans for the PHL services that are not being terminated on December 2, 2026?

A: The Notice of Termination letter that the Ports issued on June 2, 2026, was specific to Maintenance of Way, Dispatching and Train Control services. Unless otherwise agreed, all other services not specified in the June 2, 2026, notice provided by the Ports under the Port of Long Beach Rail Operating Agreement and the Port of Los Angeles' San Pedro Bay Harbor Rail Operating Permit shall expire on December 31, 2026. At this time, the details surrounding the expansion of other operational services are in development. Through our ongoing collaborative meetings and communications, we can continue to develop plans that will mitigate and eliminate operational issues during this transition.

Q: What is ABL's intention regarding hiring/retaining the current staff, both union and management?

A: See attached "Notice" from ABL, which was posted July 7-8 at the following locations: Berth 200 Railyard Building, Badger Bridge, all POLA container terminals, and Long Beach Container Terminal and Total Terminals International at the POLB. This notice, as required by the federal Surface Transportation Board, outlines the ABL hiring plan, which fully complies with the City of Los Angeles Worker Retention Ordinance. As previously discussed during our bi-weekly operations meetings with PHL staff, the Ports are committed to ensuring a smooth transition for eligible employees and to minimizing any disruption in employment as operations transition to the incoming operator. PHL's input will continue to be of great value in this and all areas to support uninterrupted cargo movement.

Q: Any departure of PHL employees prior to the termination date may cause service disruption. Are the Ports prepared to work with PHL on strategies to minimize potential Port disruption?

A: Yes. The Ports have consistently collaborated to minimize disruptions throughout this transition, and we reiterate that our primary objective is to ensure continuity of operations while minimizing impacts to our customers and all involved stakeholders. Achieving a successful transition will require the active participation, coordination, and cooperation of all parties, including all of our rail partners, to support effective planning and execution of the necessary labor planning to accomplish our collective goals.

Q: Is ABL recruiting current PHL managers?

A: See attached Notice. Also, the Ports are unable to respond on behalf of ABL in terms of their actual recruitment. However, as additional transition discussions take place, this is an item that can be discussed further.

Q: As you may know, PHL's operating rights were approved by the U.S. Surface Transportation Board ("STB"). Please explain regulatory considerations and timing associated with any change in operators, including with respect to PHL's common carrier obligations.

A: The next selected party to run shortline operations for the San Pedro Bay Complex will also require STB authorization for its operations. The Ports will coordinate with PHL as needed to ensure continuity of service.

Q: Your recent request asked about certain assets; however, the Ports have verbally communicated to PHL that they do not intend to acquire any of PHL's assets, including locomotives and/or other equipment (Section 21.4 of the Operating Permit), or other materials inventory. Please clarify the Ports' current position regarding acquisition of these assets. PHL has provided an initial list of all equipment dedicated to its operation on April 30, 2026.

A: The Ports will not acquire any PHL-owned assets. Over the course of several meetings, in particular the week of April 16, 2026, the Ports requested a list of all physical assets owned by PHL available for purchase (outside of the locomotives). A list was then provided by PHL on April 30, 2026. The additional "list of consumables" remains outstanding from PHL. Subsequent meetings have led to cooperative on-site visits with PHL and ABL. Additional formal requests were made by POLA on June 17, 2026 and our meeting of Wednesday, June 24, 2026. It is our current understanding, with the exception of the locomotives, that ABL will be interested in attaining the vast majority of assets directly from PHL. As transition discussions continue, the parties may coordinate the appropriate purchase and sale terms to facilitate the transfer of assets.

Q: What Related Agreements (as defined in the Operating Permit) will ABL or the Ports seek to have assigned?

A: The Ports are currently focused on negotiating the next Rail Operating Agreements with the highest ranked proposer, ABL. With respect to any other agreements, the Ports are not a party to those arrangements and are therefore not privy to their terms or details. However, with continued cooperation from all parties we can facilitate an orderly transition of operations and further discuss action items to minimize and eliminate disruption to the national supply chain.

As discussed in previous PHL-ABL-Ports Operations meetings the Ports requested information regarding PHL's existing vendor contracts and service agreements. This type of information will contribute to transition planning and assist with business continuity.

Again, we greatly appreciate PHL's continued cooperation and look forward to future discussions as we work collaboratively toward a successful and seamless transition.

Sincerely,



Kerry Cartwright
Director of Goods Movement
KCartwright@portla.org

Rafael Delgado

Rafael Delgado
Director of Tenant Services
rafael.delgado@polb.com

cc:

Mike Naatz, COO, ARH (via email only mnaatz@anacostia.com)
Aimee Nolan, CLO, ARH (via email only anolan@anacostia.com)
Peter Gilbertson, CEO, ARH (via email only pgilbertson@anacostia.com)

ALAMEDA BELT LINE
1 World Trade Center, Suite 2350
Long Beach, CA 90831

NOTICE

Alameda Belt Line (“ABL”), an existing Class III railroad common carrier, hereby provides notice to the employees of Pacific Harbor Line, Inc. (“PHL”) that ABL intends to acquire operating rights, subject to final approval by the City of Los Angeles Harbor Department and City of Long Beach Harbor Department (the “Harbor Departments”) and Union Pacific Railroad Company (“UP”), to assume common carrier operations over certain railroad assets (the “Rail Facilities”) located within and proximate to the Ports of Los Angeles and Long Beach, including railroad facilities currently operated by PHL.

Specifically, ABL anticipates filing for Surface Transportation Board (“STB”) authorization to assume common carrier operations over the following railroad assets (collectively, the above-referenced Rail Facilities):

- track owned or leased by the City of Los Angeles, acting through its Board of Harbor Commissioners (“POLA”), within and proximate to the Port of Los Angeles;
- track owned or leased by the City of Long Beach, acting through its Board of Harbor Commissioners (“POLB”), within and adjacent to the Port of Long Beach;
- track jointly owned by POLA and POLB constituting the south end of the Alameda Corridor between milepost 16.1 at CP West Thenard, California, and milepost 18.2 at CP Badger Bridge, California;
- the portion of the Alameda Corridor extending from milepost 0.0 at CP East Redondo, California, to milepost 16.1 at CP West Thenard, a triple-tracked main line corridor owned jointly by the Harbor Departments but for which asset administration between East Redondo and West Thenard has been delegated to the Alameda Corridor Transportation Authority (a joint powers authority established by the Cities of Los Angeles and Long Beach);
- the UP-owned Northerly Drill Track, aka Patata Industrial Lead (formerly known as the Santa Ana Bypass Track), extending from milepost 15.9 at CP Firestone Park, California, to milepost 21.7 at CP Compton, California; and
- the UP-owned Southerly Drill Track, aka the Carson Industrial Lead (referred to in prior Board proceedings as the Drill Track Portion), extending

from milepost 12.8 at CP Tyler, California, to milepost 16.1 at CP West Thenard.

ABL intends to commence common carrier operations over the above-described Rail Facilities after the effective date of the subject class exemption, and, in any event, is targeting commencing operations by or before January 1, 2027 (generally, the “Transition Date”). This notice is provided pursuant to the STB regulations at 49 C.F.R. § 1150.42(e).

ABL anticipates offering employment to all active PHL employees who are members in good standing with the Brotherhood of Locomotive Engineers and Trainmen (“BLET”). No formal employment application will be required for these individuals to transition into their current roles at equal terms with ABL. In addition, ABL will honor the terms and conditions of the current PHL-BLET collective bargaining agreement (“CBA”) for the balance of the current term of the PHL-BLET CBA, provided that employees select BLET as their representative under ABL management.

Regarding non-BLET management and administrative opportunities, ABL anticipates offering approximately 41 positions. Precise numbers and exact position names are yet to be determined. Positions expected to be available will encompass various functional types, including terminal and train operations, safety and compliance, mechanical operations, human resources, administration, and customer service. Current PHL management employees will be eligible to apply for available positions with ABL.

Regarding the principles of employee selection for the roles not falling under the classes and crafts on PHL currently represented by BLET, ABL intends to evaluate candidates based on a standard review of applications and/or resumes, relevant industry experience, and standard interview processes. The terms of employment for these management and administrative positions will be on a standard at-will basis, with compensation and benefits commensurate with the specific roles and general industry standards.

To ensure a safe and seamless transition of operations, all offers of employment or retention for current PHL employees – both BLET members and non-BLET management as applicable – will be contingent upon meeting standard, objective safety and fitness prerequisites. These include passing a physical examination, a drug screen, and a standard background check.

ABL will not discriminate in hiring or employment based on race, color, religion, sex (including pregnancy), sexual orientation, national origin, age, disability, or genetic

information. Post-transition employment levels on ABL may be affected by traffic, market, and other routine business conditions.

ABL expects to file with the STB a notice of exemption to authorize the proposed railroad common carrier operations on or after July 27, 2026 in Docket No. FD 36946.

Any PHL employee who may be interested in more information about the transaction, future employment with ABL, or who may wish to opt out of employment with ABL, may contact:

Ronald Wendel
Chief Financial Officer
Alameda Belt Line
1 World Trade Center, Suite 2350
Long Beach, CA 90831
Phone 562-312-1972, Extension 110
Careers@ablrail.com
July 8, 2026

BEFORE THE SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 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**

REQUEST FOR A HOUSEKEEPING STAY

EXHIBIT C

August 31, 2026

Sent Via Electronic Mail

Port of Los Angeles
425 South Palos Verdes Street
San Pedro, California 90733
Attention: Kerry Cartwright, Director of Goods
Movement
e: KCartwright@portla.org

Port of Long Beach
925 Harbor Plaza
Long Beach, California 90801
Attention: Rafael Delgado, Director of Tenant
Services
e: Rafael.Delgado@polb.com

Re: Transition Process Concerning Termination of PHL Rail Operating Rights

Messrs. Cartwright and Delgado:

Over the last several weeks, PHL has been unable to continue participating in transition meetings due to advice of counsel following the Port of Los Angeles' recently filed lawsuit against PHL. That lawsuit, which PHL believes is without merit, has complicated a transition process that until recently was progressing productively despite repeated requests for a transition plan.

Indeed, in a letter dated July 21, 2026 - the before day POLA filed the amended complaint that it ultimately served on PHL - the Ports acknowledged and appreciated PHL's "ongoing cooperation and collaboration" and highlighted PHL's "proactive engagement" during the transition. We appreciated those statements because PHL devoted substantial time, personnel, and resources toward cooperation, collaboration, and engagement. We have consistently acted in good faith to facilitate a successful transition and minimize operational disruption. Among other things, PHL has:

- Participated in recurring transition meetings involving both Ports and ABL;
- Dedicated senior management to transition planning efforts, even in the absence of an ABL transition plan;
- Provided detailed operational information regarding rail operations, dispatching functions, maintenance activities, facilities, and business processes;
- Facilitated site visits and operational walkthroughs;
- Responded to numerous requests for information from the Ports and ABL;
- Provided asset inventories and other operational information requested by the Ports;
- Participated in discussions concerning workforce continuity and staffing; and

- Continued providing uninterrupted rail service throughout the transition period despite ongoing uncertainty regarding future operations.

PHL undertook these efforts because it recognized that an orderly transition serves the interests of the Ports, rail customers, employees, terminal operators, and the local and national supply chain, unaware during this time that a suit had already been filed against PHL by POLA.

Unfortunately, POLA's decision to sue PHL - initially unannounced as we were working with POLA on transition issues in good faith - fundamentally changed the dynamics of the transition process. The decision to proceed in this way was the City's alone. The City's conduct left PHL with no choice but to pause transition meetings. That reflects the realities created by the City's lawsuit, not any unwillingness by PHL to cooperate or support an orderly transition.

PHL remains willing to engage, but it is important that the transition process be reset in a manner that acknowledges the realities created by the pending litigation while still advancing the collective objective of achieving a successful transition. To that end, we are separately working with POLA to arrange meetings among senior principals concerning the litigation issues that have affected the transition process. We believe it is prudent to allow those discussions to occur as soon as possible.

Respectfully,



Michael Naatz, COO

Cc: Otis L. Cliatt II, President, PHL (via email only – ocliatt@anacostia.com)

Tom Becker, Manager of Intermodal Operations, POLB (via email only – tom.becker@polb.org)

Michael DiBernardo, Deputy Executive Director of Marketing and Customer Relations, POLA (via email only – MDiBernardo@portla.org)

BEFORE THE SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 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**

REQUEST FOR A HOUSEKEEPING STAY

EXHIBIT D

September 9, 2026

Michael Naatz, COO
Anacostia Rail Holdings Company
Railway Exchange Building
224 South Michigan Avenue, Suite 330
Chicago, Illinois 60604

Via Electronic Email
mnaatz@anacostia.com

Dear Mr. Naatz:

Thank you for your letter dated August 31, 2026, and for your continued cooperation throughout the transition involving ABL, PHL, and both Ports. We sincerely appreciate your collaboration during such an important process.

We believe PHL may be attributing some ill-intent to the Port of Los Angeles' filing of the lawsuit concerning structural damage to Badger Bridge. I would like to clarify that the Port filed the lawsuit on the last possible day to preserve its rights under the applicable Statute of Limitations. Although a tolling agreement would have been ideal, there was not enough time to work that out in advance of the statutory deadline. My understanding is that our respective legal counsel has been in discussions and our offer to enter into a tolling agreement remains on the table. I hope you understand our reasoning for this action, as it was simply necessary to protect the Port's interests.

As we progress to the next stage, it will be important to separate matters accordingly, so everything can proceed smoothly and efficiently. To support a timely, safe, and transparent transition, we kindly ask PHL to provide several outstanding pieces of information. These will help us ensure continuity and minimize disruptions for all parties involved:

- ABL requests a work/job scheduling plan (including job numbers) for the initial weeks following the cutover date(s). ABL's goal is to maintain continuity by keeping people in their current job functions, locations, and shifts, which will help reduce complexity and ensure a safe turnover.
- ABL will also need employee information and access for engagement, as this will ease the transition for everyone affected.

- Regarding locomotive transitions. ABL would like clarification on when ABL locomotives can enter specific locations, and guidance on where PHL locomotives should be relocated. The Port is also prepared to assist PHL by providing necessary space to store equipment and locomotives at the conclusion of the operating agreement.
- ABL would like to discuss Berth 200 office transition. Please let ABL know about access for IT, as well as any opportunities to purchase office furniture and potentially some equipment.
- ABL request collaboration on the Badger Bridge operations handover as well as the transfer of railcar inventory information.

Should you have any questions or need further details regarding our approach, please don't hesitate to reach out. We look forward to continuing our productive relationship and collaborate closely as we enter the next phase of the transition.

Thank you again for your understanding and partnership.

Sincerely,

Michael DiBernardo

MICHAEL DiBERNARDO
Deputy Executive Director

CC: Otis L. Cliatt II, President PHL via electronic email
Kerry Cartwright Director of Goods Movement – POLA
Rafael Delgado Director of Tenant Services – POLB via electronic email

MD:vb

BEFORE THE SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 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**

REQUEST FOR A HOUSEKEEPING STAY

EXHIBIT E

September 21, 2026

SENT VIA ELECTRONIC MAIL ONLY

Michael DiBernardo
Deputy Executive Director
Port of Los Angeles
MDiBernardo@portla.org

Re: Response to September 9, 2026 Letter Regarding Transition Process

Dear Mr. DiBernardo:

Thank you for your letter dated September 9, 2026, regarding the transition process and the Badger Bridge litigation. PHL appreciates the Port's acknowledgment of our cooperation and collaboration throughout this process.

We note the Port's explanation that the lawsuit was filed to preserve rights under the applicable statute of limitations. PHL notes with concern that the Port initiated litigation without first exhausting the dispute resolution procedures prescribed in Article 27 of the Operating Permit. PHL continues to believe the claims are without merit. Our respective counsel have been discussing options to address the outstanding issues, and PHL remains open to, and interested in, engaging directly with Port leadership to resolve these matters. To date, however, the Ports have declined our repeated requests to meet at the leadership level, which we believe would be a productive step forward. PHL is willing to discuss the litigation separately from the transition process, under certain circumstances.

With that in mind, PHL is willing to rejoin the transition meetings, subject to certain parameters. We believe the process would benefit from an independent, neutral third-party facilitator who would keep discussions focused on operational matters, provide structure for communications while the litigation remains pending, and promote confidence that the process is being conducted collaboratively.

To that end, PHL proposes George Sturm as the neutral facilitator. Mr. Sturm is the retired General Director of Joint Facilities for Union Pacific Railroad and brings extensive experience with multi-party rail operations and transition processes. Mr. Sturm was for many years Union Pacific's representative on the PHL Oversight Committee and ACTA's Operating Committee. We believe his background would be well suited to this role. PHL is also open to other suggestions for facilitators and would welcome a discussion with the Ports to identify a mutually acceptable individual.

September 21, 2026
Page 2 of 2
Mr. DiBernardo

Several of the information requests in your letter appear to be new, rather than outstanding items. PHL is prepared to address them as part of resumed transition discussions. Working through these details in facilitated meetings will be more productive than correspondence and will allow all parties to coordinate on scheduling, employee matters, locomotive logistics, the Berth 200 office transition, and the Badger Bridge operations handover. We also note that several questions PHL raised in its June 26, 2026 letter remain unanswered or were answered only in general terms. In particular, PHL has not received the RFP proposals, evaluation criteria, and ranking information previously requested, nor a substantive response regarding the assignment of Related Agreements under Section 21.3, nor a definitive timeline for BOHC approval of the ABL agreements. We also reiterate our request for a transition project plan, which was a requirement of the RFP, is necessary to facilitate an orderly transition, and has been outstanding for seven months.

While we await your response to our proposal, PHL has a number of questions that the Ports and ABL, hopefully, have answers to. As the Ports and ABL undoubtedly recognize, action on these issues cannot wait for Harbor Commission finality. Withholding transition plans from PHL pending such finality creates risks to a successful transition due to lack of available time.

We look forward to hearing from you regarding the facilitator proposal so that we can reestablish meetings promptly and continue working toward the shared goal of a successful transition with minimal disruption to the Port complex and the national supply chain.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Naatz".

Michael Naatz
Chief Operating Officer

cc: Otis L. Cliatt II, President, PHL (via email only – ocliatt@anacostia.com)

Kerry Cartwright, Director of Goods Movement, Port of Los Angeles (via email only - KCartwright@portla.org)
Rafael Delgado, Director of Tenant Services, Port of Long Beach (via email only - rafael.delgado@polb.com)

Transition Discussion List

Previously Unanswered Items (PHL June 26, 2026 Letter)

1	When will the Ports finalize and present the ABL operating agreements to their respective Boards of Harbor Commissioners? The Ports previously indicated Q3 2026, which concludes September 30. PHL requires a definitive timeline, as the ABL agreements are the precondition for all substantive transition planning.
2	Please provide the RFP proposals, evaluation criteria, and ranking information as previously requested on June 26, 2026. The Ports indicated these documents would be made available once negotiations are complete and the matter is placed on the public agenda. Has that occurred?
3	Which Related Agreements (as defined in the Operating Permit) will the Ports require PHL to assign to ABL under Section 21.3? The Ports' July 21 response stated they are "not a party to those arrangements," but Section 21.3 places this determination with Owner. PHL cannot plan for the assignment process without knowing which agreements are in scope.
4	Please clarify which services PHL is expected to perform between December 2, 2026 (the effective date of the June 2 termination notice for Maintenance of Way, Dispatching, and Train Control services) and December 31, 2026 (the expiration of the Operating Permit), and on what terms. The Ports' July 21 response indicated that all other services expire December 31, 2026, but provided no detail on operational expectations during this period.
Overall	
5	The RFP required bidders to provide a transition plan. Please provide the ABL plan or any plan that outlines the tasks, responsible party, and due dates. When will this plan be available? PHL requests receipt no later than October 1, 2026.

People

6	When will the Ports and ABL provide a definitive list of employees ABL intends to hire along with the projected hire date(s)? PHL requests this list no later than October 15, 2026. It is critical that we understand expectations regarding any role of PHL in ABL's onboarding process and PHL "off-boarding" so that a critical number of PHL employees remain available to perform service for the Ports through 12/31/26 and are available to ABL on 1/1/27.
7	When do the Ports and ABL expect to have confirmation that employees have accepted job offers? Please provide a specific target date.
8	To the extent the hire dates conflict with PHL needs to service customers and perform an orderly transition, what do the Ports and ABL suggest as a solution?

9	PHL can provide required FRA certification records and other documents. The Ports or ABL must first make a formal request of PHL, and PHL will make best efforts to secure releases from employees. When will the request be made? When does ABL anticipate needing these records?
10	Is it ABL's plan to establish a collective bargaining unit by hiring PHL employees in advance of the employees' actual transition date for the purposes of ratifying the proposed BLET contract? How many and when? What is the Ports' role in this process?
11	Have the Ports and ABL planned for the possibility that some management employees may exercise their seniority and revert to union positions?
12	What is the Ports' and ABL's plan for the transition of PHL dispatchers to become ABL dispatchers given 24hour operation and limited resources? What is the target date for dispatcher transition? How do the Ports and ABL propose PHL cover dispatcher vacancies created by ABL hiring?
13	PHL has a number of "inactive" union employees. What is the Ports' and ABL's plan for them?
14	Are there any PHL managers ABL does not intend to hire? PHL needs to plan for final separation for those individuals. Please identify by name no later than October 31, 2026.

Locomotives

15	Section 21.4 of the POLA Operating Permit gives the Ports an option to acquire PHL assets at Fair Market Value. That option, and the process to establish FMV, is not triggered until termination. Do the Ports intend to acquire <i>ownership</i> of any PHL-owned locomotives under the option? If yes, will the Ports request that PHL commence the appraisal process before termination? Please respond by October 15, 2026, and identify the specific locomotives and the intended timeline so PHL can prepare the required equipment and materials list under Section 21.4.
16	Section 16.6.5 of the POLA Second Amendment also gives the Ports a right of first refusal and option on a certain subset of PHL locomotives. Likewise, this option, and the valuation process that follows, does not trigger until termination. Do the Ports seek to acquire <i>ownership</i> of any of these locomotives? Will the Ports request that PHL commence the appraisal process before termination? Please respond by October 15, 2026.
17	We understand ABL now may have a need for some of the PHL locomotive fleet. If so, which ones? Do the Ports intend to enable that acquisition through exercise of their option to acquire and resale to ABL? Please identify the specific locomotives and the intended timeline.

Technology

18	What are the Ports' and ABL's plans for preparing B200 for technology and service transition? What is the timeline for installation of a new operating system?
19	What is the Ports' and ABL's plan for changes, if any, to dispatch hardware and operating system? When will any new systems be operational?

20	What is the Ports' and ABL's plan for transition of the Badger Bridge dispatch system (Railcom)? When will ABL be prepared to assume 24/7 Badger Bridge operations, including vessel passage and bridge approach rail maintenance under Article 11?
21	What is the Ports' and ABL's plan and timeline for transition of other technology (network equipment, security, etc.)?
22	What is the Ports' and ABL's plan and timeline for assignment of radio frequencies?

Customers

23	What are the Ports' and ABL's plans and timeline for assuming carload customer service?
24	Is there a written plan for each major customer covering point of contact, service continuity, and any contract amendments needed? If so, when will it be shared with PHL?
25	Article 25 of the Operating Permit contemplates potential assignment of PHL's tenant service agreements (marine terminals, spur track agreements, storage agreements, etc.) to a new operator designated by Owner. Do the Ports intend to direct assignment of any of these agreements to ABL? If so, please identify the specific agreements and confirm that the Ports will coordinate the assignment process. Please respond by November 1, 2026.

Reyes and Carson Branch

26	Following PHL's termination notice, ABL has indicated that it will not be prepared to begin service on the Reyes and Carson branches by October 16, 2026. Further, UP is not prepared to take over that service and wishes PHL to continue providing this service until year's end. PHL is willing to continue service under certain conditions. Will the Ports facilitate UP providing a draft extension agreement? PHL requests a draft by October 1, 2026.
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Other Transition Concerns

27	What are ABL's plans regarding other asset purchases from PHL, if any? We require this information by October 15.
28	What is the Ports' release protocol for PHL as it exits the Port facilities? Under Section 21.3, PHL must remove all trains and equipment within 30 days after termination (or 90 days under Section 24.2). What is the Ports' proposed schedule for facility inspections and equipment removal coordination? Will this period be extended to facilitate transfer of locomotives?

BEFORE THE SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 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**

REQUEST FOR A HOUSEKEEPING STAY

EXHIBIT F

Training and Cultural Integration

Every new team member, whether retained from the incumbent or newly hired, will receive:

- FRA-aligned training modules (e.g., GCOR, Air Brake, Hazmat, Roadway Worker Protection)
- Instruction on digital tools including TMS, dispatch systems, and timekeeping tablets
- Enrollment in ABL's "Target Zero" safety initiative, which emphasizes stop-work authority, root cause analysis, and individual accountability

Onboarding and training will be conducted locally in Long Beach and on-site at terminals to maximize relevance and retention. Refresher courses and continuous education modules will be scheduled annually and in response to safety audit results or operational changes.