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September 28, 2018

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VIA E-FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024

ENTERED
Office of Proceedings
September 28, 2018
Part of
Public Record

Re: **Docket No. FD 36228**
Coos Bay Rail Line, Inc. – Change in Operators Exemption – Coos Bay
Railroad Operating Company, LLC d/b/a Coos Bay Rail Link

Docket No. FD 36199
Oregon International Port of Coos Bay and Coos Bay Rail Line, Inc. – Intra-
Corporate Family Transaction Exemption

Dear Ms. Brown:

On September 21, 2018, Coos Bay Rail Line, Inc. (“Coos Rail”) filed a change in operators notice of exemption (the “Notice”) pursuant to 49 C.F.R. § 1150.31(a)(3) in the above-referenced FD 36228 proceeding. On September 25, 2018, Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link (“CBR”) filed a reply (the “Reply”) to the Notice, taking issue with Coos Rail’s characterization of the transaction that is the subject of the Notice, among other things. Subsequently, counsel for Coos Rail and CBR convened to reach an accord regarding Coos Rail’s invocation of the change in operators class exemption. Having reached common ground on the matter, Coos Rail and CBR hereby clarify the scope of the transaction encompassed by the Notice in keeping with their mutual understanding.

To clarify, the subject Notice involves – (a) the conveyance to Coos Rail of operating rights over a line of railroad (the “Line”) extending roughly 133 route miles from milepost 652.114 at Danebo, Oregon, to milepost 763.13 at Cordes, Oregon; and from milepost 761.13 at Cordes to milepost 785.5 at Coquille, Oregon, by the Line’s owner, Oregon International Port of Coos Bay (the “Port”); and (b) the termination of CBR’s operating rights

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over the Line by the Port¹ and the cessation of CBR's operations over it. As of or shortly after October 29, 2018, Coos Rail will commence common carrier operations over the Line, and CBR's common carrier status over the Line will terminate.² Virtually the same sequence of events have been the subject of other, recent change in operators class exemption proceedings.³

Having thus clarified the scope of the Notice, CBR confirms that it will not object to the proposed change in operators for the Line. The parties acknowledge, however, that the termination of CBR's Management Agreement-based operating rights is the subject of ongoing contract dispute arbitration, and that CBR's non-objection should not be construed to prejudice either party's interests in that arbitration.

Finally, in view of the above clarification concerning the Docket No. FD 36228 proceeding, Coos Rail and the Port request that the intra-corporate family transaction exemption that is the subject of Docket No. FD 36199 should be allowed to take effect to authorize the Port's continuance in control of Coos Rail (the Port's subsidiary corporate entity designated to assume railroad operations on behalf of the Port) upon Coos Rail's commencement of common carrier operations in place of CBR on or after October 29, 2018. As is expressed in the Reply, CBR no longer objects to the Board allowing the FD 36199 exemption to take effect (again subject to the understanding that CBR's withdrawal of its objection will not be construed so prejudicing either party's interest in the aforementioned arbitration).

¹ CBR has operated over the Line pursuant to a Management Agreement that the Port intends to terminate. CBRL has agreed voluntarily to vacate the line pursuant to such termination, but it is separately challenging the Port's decision to terminate CBR's contract rights, a matter that is currently the subject of arbitration in a separate venue.

² To be clear, there will be no formal conveyance of common carrier rights and obligations from CBRL to Coos Rail as originally contemplated in the Notice.

³ See, e.g., Buckingham Branch Railroad Company – Change in Operators Exemption – Cassatt Management, LLC d/b/a Bay Coast Railroad, Docket No. FD 36202 (STB served July 18, 2018); Chicago Junction Railway Company, LLC – Change in Operators Exemption Including Interchange Commitment – Chicago Terminal Railroad Company, Docket No. FD 36193; and Washington Eastern Railroad, LLC – Change in Operators Exemption – Eastern Washington Gateway Railroad Company, Docket No. FD 36226 (filed Sept. 25, 2018).

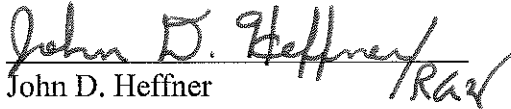
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Respectfully submitted,



Robert A. Wimbish
Attorney for Coos Bay Rail
Line, Inc., and Oregon
International Port of Coos Bay



John D. Heffner
Coos Bay Railroad Operating
Company, LLC d/b/a Coos Bay Rail Link

cc: All parties of record