

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208

AUDREY L. BRODRICK
(312) 252-1518
abrodick@fletcher-sippel.com

246407

ENTERED
Office of Proceedings
September 21, 2018
Part of

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

September 21, 2018

Public Record

VIA OVERNIGHT DELIVERY

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



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

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of a **Verified Notice of Exemption of Coos Bay Rail Line, Inc., Pursuant to 49 C.F.R. § 1150.31(a)(3)** (“the Notice”) dated June 28, 2018. An electronic version of the Notice has been copied to the enclosed disc. A check in the amount of \$2,000.00, representing the appropriate fee for the Notice, is included.

If you have any questions regarding these filings, please feel free to contact the undersigned. Thank you for your assistance on this matter. Kind regards.

FEE RECEIVED
September 21, 2018
SURFACE
TRANSPORTATION BOARD

Respectfully submitted,

Audrey L. Brodrick / RAJ

Audrey L. Brodrick
Robert A. Wimbish
Attorneys for Coos Bay Rail Line, Inc.

RAW/ah

Attachments

FILED
September 21, 2018
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

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

**VERIFIED NOTICE OF EXEMPTION OF
COOS BAY RAIL LINE, INC.
PURSUANT TO 49 C.F.R. § 1150.31(a)(3)**

Audrey L. Brodrick
Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR COOS BAY
RAIL LINE, INC.**

Dated: September 21, 2018

BEFORE THE
SURFACE TRANSPORTATION BOARD

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

**VERIFIED NOTICE OF EXEMPTION
COOS BAY RAIL LINE, INC.
PURSUANT TO 49 C.F.R. § 1150.31(a)(3)**

Pursuant to 49 C.F.R. part 1150, subpart D, Coos Bay Rail Line, Inc. (“Coos Rail”), currently a non-carrier, hereby files this Verified Notice of Exemption to acquire the common carrier rights and obligations of Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link (“CBRL”) and thereby to effectuate a change in common carrier operators with respect to two interconnected railroad lines extending generally from Eugene, Oregon, westward and southward to Coquille, Oregon, via Coos Bay, Oregon, a total of roughly 133 route miles of two rail lines (collectively, the “Line”). The Line is owned by Oregon International Port of Coos Bay (the “Port”), and is presently operated by CBRL.

In accordance with the requirements of 49 C.F.R. § 1150.33, Coos Rail submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.33(a)

The full name and address of the applicant herein is as follows:

Coos Bail Rail Line, Inc.
125 W Central Avenue, Suite 300
Coos Bay, OR 97420
Phone: 541-267-7678

Applicant's Representative: 49 C.F.R. § 1150.33(b)

Coos Rail's representative to whom correspondence regarding this transaction should be sent is as follows:

Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Illinois 60606
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

The Port and CBRL have reached an agreement under which CBRL has consented to transfer its common carrier rights and obligations on the Line to Coos Rail. The proposed transfer is part of a negotiated arrangement pursuant to which, among other things, the Management Agreement between the Port and CBRL governing CBRL's operation of the Line will be terminated. The intended result of the transaction is CBRL's departure from the Line in place of Coos Rail; CBRL will thereby cease to be a federally-recognized railroad common carrier on the Line. Coos Rail, a sister company and corporate affiliate to the Port,¹ has agreed to acquire from CBRL the common carrier rights and obligations that CBRL will relinquish.

Operator of the Property: 49 C.F.R. § 1150.33(d)

Coos Rail will operate and provide rail common carrier service to shippers on the Line in place of CBRL under the proposed change of operators transaction. CBRL will have no further common carrier obligation with respect to the Line upon consummation of the transaction. CBRL has advised Coos Rail and the Port that it does not object to CBRL's

¹ See Oregon International Port of Coos Bay and Coos Bay Rail Line, Inc. – Intra-Corporate Family Transaction Exemption, FD 36199 (filed May 31, 2018) (“Port of Coos Bay”) (pending, currently subject to a Board-imposed housekeeping stay issued on June 29, 2018).

assumption of operations over the Line, and that it will cooperate in the planned transition from CBRL to Coos Rail.

Summary of the Transaction: 49 C.F.R. § 1150.33(e)

Coos Rail is currently a non-carrier that has been established as a sister corporate entity to the Port (an existing carrier) to operate the Line in place of, or in addition to (if need be), CBRL, an existing Class III rail carrier. As part of settlement negotiations involving the Management Agreement that currently governs CBRL's operations of the Port-owned Line, CBRL has agreed to transfer its common carrier rights and obligations to Coos Rail. Upon the consummation of that transfer of common carrier rights and obligations, CBRL will cease to be a common carrier with respect to the Line, and Coos Rail will become the sole operating common carrier on it.

The Line consists of two interconnected segments, acquired by the Port in separate proceedings, extending 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, a total of roughly 133 route miles.²

On May 31, 2018, the Port and Coos Rail filed jointly a Verified Notice of Exemption to engage in an intra-corporate family transaction in Port of Coos Bay (FD 36199), pursuant to which the Coos Rail, a corporate affiliate of the Port (itself a rail carrier by virtue of its ownership of the Line), would be authorized to become a rail common carrier alongside the Port and to assume operations of the Line as part of a planned operating transition under which

² Oregon International Port of Coos Bay – Acquisition Exemption – Rail Line of Union Pacific Railroad Company in Coos County, Or., Docket No. FD 35385 (STB served Jul. 9, 2010); Oregon International Port of Coos Bay – Feeder Line Application – Coos Bay Line of the Central Oregon & Pacific Railroad, Inc., Docket No. FD 35160 (STB served Oct. 31, 2008; modified Mar. 12, 2009).

the Port would effectively take operation of its rail assets “in house.” Coos Rail and the Port recognize that it may be essential to the transaction proposed here for the intra-corporate family class exemption in FD 36199 to take effect as of, or before the effective date of the present change of operators class exemption, thereby avoiding any uncertainty regarding whether Coos Rail may become an operating rail carrier over the lines of the Port (again, an existing carrier).

The complete name and address of the incumbent operator of the Line to be replaced by Coos Rail pursuant to this change in operators class exemption notice is as follows:

Coos Bay Railroad Operating Company, LLC
d/b/a Coos Bay Rail Link
115 Hall Ave.
Coos Bay, OR 97401

CBRL has advised Coos Rail that CBRL does not object to the proposed change in operators, and that it will cooperate in the transition from CBRL to Coos Rail.

The subject exemption is anticipated to become effective as of October 21, 2018 (assuming prompt and favorable Board action on the pending exemption in aforementioned Port of Coos Bay FD 36199 proceeding). Coos Rail does not currently intend to consummate the subject transaction and commence operations on the Line on or after October 29, 2018

Map: 49 C.F.R. § 1150.33(f)

A map showing the Line and the surrounding area are attached as Exhibit A.

Certificate of Eligibility: 49 C.F.R. § 1150.33(g)

The required certification that Coos Rail’s projected revenues will not exceed those that would qualify it as a Class III carrier is included as part of Exhibit D (Certification and Verification).

Interchange Commitments: 49 C.F.R. § 1150.33(h)

Coos Rail's proposed operation of the Line does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier. A certification to that effect is included as part of the Certification and Verification appended hereto as Exhibit D.

Shipper Notice: 49 C.F.R. § 1150.32(b)

Coos Rail has, concurrently with this exemption filing, provided notice of the proposed change in operators to the shippers on the Line. A list of the shippers served and a representative copy of the notice letter sent to those shippers is attached as Exhibit B.

Advance Notice: 49 C.F.R. § 1150.32(e)

The projected annual revenues for Coos Rail are not expected to exceed \$5 million. Accordingly, the advance notice provisions of section 1150.32(e) are not applicable to this transaction.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(2), Coos Rail's proposed operation of the Line is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), Coos Rail's assumption of operations on the line also are exempt from historic preservation reporting requirements. The proposed transaction is for the purpose of continued rail operations. Further Surface Transportation Board approval is

required to discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.34

A caption summary in appropriate form is attached as Exhibit C.

Respectfully submitted,

By: Audrey L. Brodrick / RA3
Audrey L. Brodrick
Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR COOS BAY
RAIL LINE, INC.**

Dated: September 21, 2018

Coos Bay Rail Line, Inc. (rail lines shown in blue)

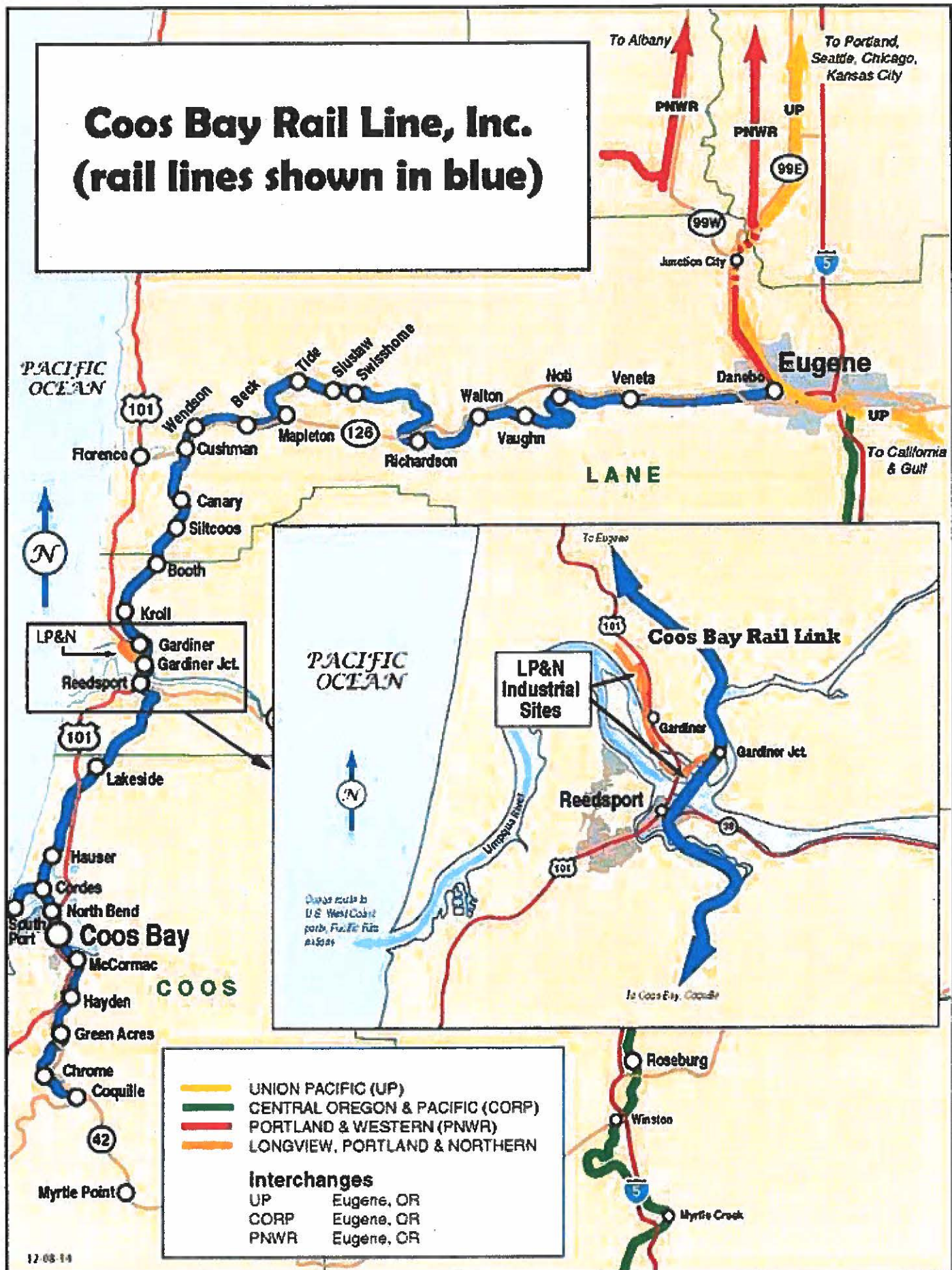


EXHIBIT B**SHIPPERS ON THE LINE**

Company	First Name	Last Name	Address
Danish Dairy	Karl	Foster	94912 Highway 42 Coquille, OR 97423
Greenhill Reload	Jeff and Greg	Demers	P.O. Box 518 Creswell, OR 97426
Swanson Bros. Lumber	Sam	Bacogiannis	P.O. Box 309 Noti, OR 97461
K2 Exports	John	Knutson	P.O. Box 908 Coos Bay, OR 97420
All Weather Wood/ Humboldt Redwood	Harold "Gus"	Jensen	69015 Hauser Depot Road North Bend, OR 97459
Georgia Pacific	Bill	Goodman	63779 Mullen St. Coos Bay, OR 97420
Roseburg Forest Products	Tom	Gennarelli	3660 Gateway St. Springfield, OR 97477
Seneca	Todd	Payne	P.O. Box 851 Eugene, OR 97440
Southport Forest Products	Jason	Smith	P.O. Box 298 Coos Bay, OR 97420

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

ROBERT A. WIMBISH
(312) 252-1504
rwimbish@fletcher-sippel.com

September 20, 2018

Seneca
P.O. Box 851
Eugene, OR 97440
Attention: Todd Payne

**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**

Dear Mr. Payne:

Coos Bay Rail Line, Inc. ("Coos Rail") has filed a change of operators notice of exemption (the "Notice") with the Surface Transportation Board ("STB") in connection with lines of railroad operated by Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link ("CBR"). Pursuant to the Notice, Coos Rail will commence common carrier operations over approximately 133 miles of rail lines (hereinafter, collectively, the "Line") that, prior to the effective date of the Notice, were operated by CBR. The Lines in question extend 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. On or about October 29, 2018, Coos Rail will assume operation of the Line, and will be responsible for providing rail service to your facility.

Kindly refer to the copy of the Notice attached for additional information. We are providing you with the Notice as information in keeping with STB shipper notification requirements. You are not required to respond or to the Notice or otherwise participate in the STB proceeding. If you have any questions regarding this matter, please feel free to contact me.

Very truly yours,



Robert A. Wimbish
Attorney for Coos Bay Rail Line, Inc.

RAW:dg
Enclosure

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

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**

Coos Bay Rail Line, Inc. (“Coos Rail”), a non-carrier, has filed a Verified Notice of Exemption to acquire the rail common carrier rights and obligations of Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link (“CBRL”), and to commence common carrier operations over, two interconnected rail line segments (collectively, the “Line”) owned by the Oregon International Port of Coos Bay (the “Port”) extending 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, a total of roughly 133 route miles. Coos Rail’s operation of the Line will replace those of CBRL, which, upon consummation of the subject transaction, will have no further common carrier obligation with respect to the Line.

The subject class exemption proceeding is related to Oregon International Port of Coos Bay and Coos Bay Rail Line, Inc. – Intra-Corporate Family Transaction Exemption, FD 36199 (filed May 31, 2018) (“Port of Coos Bay”) (pending, currently subject to a Board-imposed housekeeping stay issued on June 29, 2018), pursuant to which the Port has sought authority to establish a new corporate affiliate (Coos Rail) to assume operation of the Port-owned Line.

EXHIBIT D

Comments must be filed with the Board and served on:

Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-2832
(312) 252-1508

This Notice is filed under 49 C.F.R. § 1150.31(a)(3). If the Notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Dated: October __ 2018

By the Board

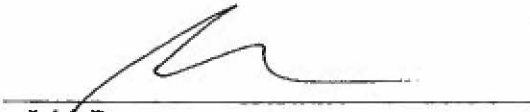
Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings

CERTIFICATION AND VERIFICATION

I, John Burns, President of Coos Bay Rail Line, Inc. ("Coos Rail"), hereby certify as follows:

1. The projected annual rail revenues of Coos Rail will not, as a result of the transaction proposed herein, result in the creation of a Class II or a Class I rail carrier under the provisions of 49 C.F.R. § 1201 (1-1).
2. The projected annual revenues of Coos Rail are not projected, as a result of the transaction proposed herein, to exceed \$5 million.
3. Coos Rail's proposed change of operators transaction, and Coos Rail's anticipated operation of the railroad line that is the subject of the present proceeding does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier.

I also hereby verify that that – (a) I have read the foregoing Notice of Exemption; (b) know the facts asserted therein; (c) the same are true as stated; and (d) that I am duly authorized to offer this certification and verification on behalf of Coos Rail.



John Burns
President, Coos Bay Rail Line, Inc.

Dated: September 20, 2018