

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35692]

Eastside Community Rail, LLC—Acquisition and Operation Exemption—GNP RLY, Inc.

Eastside Community Rail, LLC (ECR), a noncarrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire, pursuant to an Asset Purchase Agreement dated September 5, 2012, between ECR and the Bankruptcy Trustee for GNP RLY, Inc. (GNP), all of GNP's assets, lease and operating rights including, inter alia, all assets and operating agreements pertaining to a line of railroad (the Line)¹ between approximately milepost 23.8 southwest of Woodinville and approximately milepost 38.25 in Snohomish, a distance of 14.45 miles, in King and Snohomish Counties, Wash.²

¹ Those rights encompass all of GNP's assets and operating agreements pertaining to the Line, including, but not limited to, the following: all of GNP's rights and interests under the Railroad Right-of-Way License between Port of Seattle and GNP, dated on or about December 18, 2009; all of GNP's rights and interests under the Operations Maintenance Agreement between the Port of Seattle and GNP, dated on or about December 18, 2009; all of GNP's rights and interests under the Running Rights and Railway Operations Agreement dated May 23, 2008 between GNP and Snohomish County; all of GNP's rights and interests in all real property and easements described in Quit Claim Deeds recorded under Snohomish County AF 20091218001535, 20091218001536, 20091218001537, 20091218001538, 20091218001539, 20091218001540 and King County AF 200912201438 and 20091220439; and all car hire agreements and interchange agreements.

² The Line previously was owned by BNSF Railway Company (BNSF). GNP was granted authority to acquire from BNSF an exclusive freight rail operating easement (continued . . .)

ECR states that, pending the closing of the transaction, ECR and Ballard Terminal Railroad Company (Ballard) entered into an Interim Operating Agreement with the Bankruptcy Trustee of GNP in which ECR will manage the assets of GNP and Ballard will continue to operate the Line in the same fashion that it did while operating the Line for GNP.³

ECR states that it plans to consummate the transaction on or after December 8, 2012. Unless stayed, the effective date of the exemption will be December 7, 2012 (30 days after the verified notice was filed).

ECR certifies that its projected annual revenues as a result of this transaction will not exceed \$5 million and will not result in the creation of a Class II or Class I rail carrier.

If the verified 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 effectiveness of the exemption. Petitions to stay must be filed no later than November 30, 2012 (at least 7 days before the exemption becomes effective).

(. . . continued)
for operations on the Line in GNP Rly Inc.—Acquisition & Operation Exemption—BNSF Railway, FD 35213 (STB served Feb. 13, 2009). In 2011, GNP filed for bankruptcy in the United States Bankruptcy Court for the Western District of Washington.

³ GNP indicates that Ballard has been operating the Line for several years as an agent of GNP. ECR states that it will be a non-operating common carrier on the Line, and that, once ECR acquires the Line, it will either sublease rights on the Line to Ballard or utilize Ballard as its agent for rail operations on the Line.

An original and 10 copies of all pleadings, referring to Docket No. FD 35692, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Myles L. Tobin, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: November 19, 2012.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.