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SERVICE DATE – NOVEMBER 6, 2015

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35968]

San Pedro Railroad Operating Company, LLC, d/b/a San Pedro & Southwestern
Railroad—Lease and Operation Exemption—Union Pacific Railroad Company

San Pedro Railroad Operating Company, LLC, d/b/a San Pedro & Southwestern Railroad (SPSR), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to lease and operate 7,422 feet of track owned by the Union Pacific Railroad Company (UPRR). This trackage, which is known as the Willcox Yard, is located at UPRR milepost 1074 in Willcox, Ariz. (the Line).

SPSR states that it has operated the Line pursuant to a lease entered into between SPSR and UPRR dated June 29, 2005 (the Initial Willcox Lease). According to SPSR, the Initial Willcox Lease expired on November 1, 2015. SPSR states that it has entered into a new lease with UPRR providing for SPSR's continued operation of the Line for a term of five years beginning on or about November 1, 2015 (the New Willcox Lease).¹

¹ In addition to invoking the class exemption for the New Willcox Lease, SPSR is asking the Board to grant retroactive authority for the Initial Willcox Lease. However, the class exemption invoked by SPSR does not provide for retroactive effectiveness.

The parties may consummate the transaction on or after November 22, 2015, the effective date of the exemption (30 days after the verified notice of exemption was filed).²

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

SPSR states that the lease contains no interchange commitment between the parties.

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 13, 2015 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35968, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy must be served on applicant's representative, John D. Heffner, Strasburger & Price, LLP, 1025 Connecticut Ave., N.W., Suite 717, Washington, DC 20036.

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

Decided: November 3, 2015.

² Because SPSR amended its verified notice of exemption on October 23, 2015, that date is the official filing date and the basis for all subsequent dates.

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By the Board, Joseph H. Dettmar, Acting Director, Office of Proceedings.