



SURFACE TRANSPORTATION BOARD

[Docket No. FD 36266]

San Francisco Bay Railway, LLC—Acquisition & Operation Exemption—San Francisco Bay Railroad, Inc.

San Francisco Bay Railway, LLC (SFB Railway), a non-carrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire by assignment from San Francisco Bay Railroad, Inc. (SFBR), SFBR's lease of and license to operate trackage of the San Francisco Port Commission (the Port), extending from a connection with Union Pacific Railroad Company near the intersection of Amador Street and Cargo Way, through the Intermodal Container Transfer Facility and to Piers 92, 94, and 96, a distance of approximately 0.5 route miles and approximately 16,750 track feet in San Francisco, Cal. (the Line).¹ According to SFB Railway, there are no mileposts assigned to the Line.

SFBR is a Class III rail carrier that has leased and operated rail trackage in the vicinity of the Intermodal Container Transfer Facility at the Port of San Francisco. LB Railco, Inc.—Lease & Operation Exemption—S.F. Port Comm'n, FD 33985 (STB served Jan. 8, 2001);² S.F. Bay R.R.—Lease & Operation Exemption—S.F. Port Comm'n, FD 36265 (STB served Feb. 15, 2019).

¹ On May 3, 2019, SFB Railway supplemented its verified notice of exemption by submitting a certification that notice of the transaction was provided to shippers on the Line pursuant to the change in operators provisions at 49 CFR 1150.31(a)(3) and 1150.32(b).

² According to the verified notice, LB Railco, Inc., changed its name to San Francisco Bay Railroad, Inc., on February 20, 2008.

SFB Railway states that, pursuant to an Asset Purchase Agreement executed by SFB Railway and SFBR, SFB Railway will acquire, via assignment of certain agreements between SFBR and the Port (the Lease/Rail Agreements), SFBR's lease and license to operate the Line. The Lease/Rail Agreements provide for the lease and operation of the Line until December 31, 2033, with a mutual five-year extension option to December 31, 2038. The verified notice states that, as contemplated by the Lease/Rail Agreements, the parties have sought the Port's consent to the assignment of those agreements.

According to SFB Railway, the proposed transaction does not involve a limitation on SFB Railway's interchange with a third-party connecting carrier.

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

Under 49 CFR 1150.32(b), a change in operators requires that notice be given to shippers. As noted above, on May 3, 2019, SFB Railway filed a certification that it has provided notice of the proposed transaction to shippers on the Line.

The earliest this transaction may be consummated is May 30, 2019 (30 days after the verified notice was filed).³ 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 for stay must be filed no later than May 23, 2019 (at least seven days before the exemption becomes effective).

³ SFB Railway states that it intends to consummate the proposed transaction on or shortly after May 31, 2019, but in no event prior to the Port's pending issuance of consent to the assignment of the Lease/Rail Agreements to SFB Railway.

All pleadings, referring to Docket No. FD 36266, must be filed with the Surface Transportation Board either via e-filing or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on SFB Railway's representative, Thomas J. Litwiler, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to SFB Railway, this action is excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b)(1).

Board decisions and notices are available at www.stb.gov.

Decided: May 13, 2019.

By the Board, Allison C. Davis, Acting Director, Office of Proceedings.

Brendetta Jones,

Clearance Clerk.

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