



SURFACE TRANSPORTATION BOARD

[Docket No. FD 36765]

San Joaquin Valley Railroad Co.—Lease and Operation Exemption Including Interchange Commitment—BNSF Railway Company

San Joaquin Valley Railroad Co. (SJVR), a Class III railroad, has filed a verified notice of exemption pursuant to 49 CFR 1150.41 to enter into a lease amendment to extend the term of, and to make other minor changes to, its lease of the Landco spur between the Porterville Subdivision, MP 111 + 4029 feet, near Oil Junction, Cal., and milepost 113 + 3717 feet, at or near Bakersfield, Cal., a distance of approximately 2.0 miles (the Line).

According to the verified notice, the original lease for the Line was part of a broader agreement between SJVR's predecessor and the predecessor of BNSF Railway Company (BNSF). See *Tulare Valley R.R.—Acquis. & Operation Exemption—the Atchison, Topeka & Santa Fe Ry.*, FD 32215 (ICC served Jan. 13, 1993). SJVR states that it is currently operating the Line pursuant to that lease, which has been renewed and amended numerous times, most recently in 2015. See *San Joaquin Valley R.R.—Lease Amendment & Operation Exemption Including Interchange Commitment—BNSF Ry.*, FD 35772 (STB served May 15, 2015). The verified notice indicates that SJVR and BNSF have reached an agreement to amend the agreement and further extend the term of the lease, pursuant to which SJVR will continue to operate the Line.

SJVR certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and that its annual revenues currently exceed \$5,000,000. Pursuant to 49 CFR 1150.42(e), if a carrier's projected annual revenues will exceed \$5 million, it must, at least 60 days before the exemption becomes effective, post a notice of its intent to undertake the proposed

transaction at the workplace of the employees on the affected lines, serve a copy of the notice on the national offices of the labor unions with employees on the affected lines, and certify to the Board that it has done so. However, SJVR has filed a request for waiver of the 60-day advance labor notice requirements to allow the exemption to take effect 30 days after the filing of SJVR's verified notice of exemption. SJVR's waiver request will be addressed in a separate decision. The Board will establish the effective date of the exemption in its separate decision on the waiver request.

According to the verified notice, the lease contains an existing interchange commitment. SJVR has provided additional information regarding the interchange commitment, as required by 49 CFR 1150.43(h).¹

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 June 7, 2024.

All pleadings, referring to Docket No. FD 36765, must be filed with the Surface Transportation Board either via e-filing on the Board's website 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 SJVR's representative, Eric M. Hocky, Clark Hill PLC, Two Commerce Square, 2001 Market Street, Suite 2620, Philadelphia, PA 19103.

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

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

¹ SJVR filed a copy of the agreement under seal with the verified notice. See 49 CFR 1150.43(h)(1).

Decided: May 24, 2024.

By the Board, Mai T. Dinh, Director, Office of Proceedings.

Stefan Rice,

Clearance Clerk.

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