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SERVICE DATE – MAY 15, 2015

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35772]

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

San Joaquin Valley Railroad Co. (SJVR), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R § 1150.41 to continue to lease from BNSF Railway Company (BNSF) and operate the Landco spur line 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 Leased Line).

SJVR states that it has entered into an amendment to extend the term of, and make other minor changes to, the lease, which originally was part of a broader agreement between SJVR's predecessor, Tulare Valley Railroad Company, and BNSF's predecessor, The Atchison, Topeka and Santa Fe Railway Company (ATSF). SJVR states that it will continue to be the operator of the Leased Line.

According to SJVR, the agreement between SJVR and BNSF contains an interchange commitment that affects interchange with carriers other than ATSF, now BNSF. In its verified notice of exemption, SJVR submits a map of the affected interchange points. As required under 49 C.F.R. § 1150.43(h)(1), SJVR also provided additional information regarding the interchange commitment.

SJVR has certified that its projected annual revenues as a result of this transaction will not result in its becoming a Class II or Class I rail carrier. However, SJVR's projected annual revenues following this transaction will exceed \$5 million.

Accordingly, SJVR is required by Board regulations to send notice of the transaction to the national offices of the labor unions with employees on the affected lines at least 60 days before this exemption is to become effective, to post a copy of the notice at the workplace of the employees on the affected lines, and to certify to the Board that it has done so. 49 C.F.R. § 1150.42(e).

SJVR, concurrently with its verified notice of exemption, filed a request for waiver of the 60-day advance labor notice requirement under 49 C.F.R. § 1150.42(e). In that request SJVR asserts that: (1) no employees of the transferring carrier, BNSF, will be affected by the lease and no employees of BNSF or its predecessor have worked on the Leased Line since 1992; (2) no SJVR employees will be affected by the lease and there will be no operational changes; and (3) posting notices on the Leased Line would be futile because no BNSF employees work on the Leased Line. SJVR's waiver request will be addressed in a separate decision.

SJVR states that it expects to consummate the transaction on the effective date of this exemption. The Board will establish in the decision on the waiver request the earliest date this transaction may be consummated.

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 effectiveness of the exemption. Petitions for stay must be filed no later than May 22, 2015.

An original and 10 copies of all pleadings, referring to Docket No. FD 35772, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Eric M. Hocky, Clark Hill PLC, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103.

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Decided: May 12, 2015.

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