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# FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive  
Suite 800  
Chicago, Illinois 60606-3208

ROBERT A. WIMBISH  
(312) 252-1504  
rwimbish@fletcher-sippel.com

ENTERED  
Office of Proceedings  
October 29, 2018  
Part of  
Public Record

Phone: (312) 252-1500  
Fax: (312) 252-2400  
www.fletcher-sippel.com

October 29, 2018

**VIA E-FILING**

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W., Room 1034  
Washington, DC 20024

Re: **Docket No. FD 36241**  
**Coos Bay Rail Line, Inc. – Change in Operators Exemption – Coos**  
**Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link**  
**and**

**Docket No. FD 36242**  
**Oregon International Port of Coos Bay – Continuance in Control**  
**Exemption – Coos Bay Rail Line, Inc.**

Dear Ms. Brown:

Enclosed for e-filing in the above-captioned proceedings are a **Verified Notice of Exemption of Coos Bay Rail Line, Inc., Pursuant to 49 C.F.R. § 1150.31(a)(3)** and a **Verified Notice of Exemption of Oregon International Port of Coos Bay Pursuant to 49 C.F.R. § 1180.2(d)(2)**, both dated October 29, 2018. Payment in the amount of \$3,500, representing the appropriate fees for the two class exemption filings (\$2,000 and \$1,500, respectively), has been furnished to the Board via electronic payment.

If you have any questions regarding these filings, please feel free to contact the undersigned. Thank you for your assistance on this matter. Kind regards.

Respectfully submitted,



Robert A. Wimbish  
Attorney for Coos Bay Rail Line, Inc.

RAW/ah

Attachments

FEE RECEIVED  
October 29, 2018  
SURFACE  
TRANSPORTATION BOARD

FILED  
October 29, 2018  
SURFACE  
TRANSPORTATION BOARD

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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DOCKET NO. FD 36241

COOS BAY RAIL LINE, INC.  
– CHANGE IN OPERATORS EXEMPTION –  
COOS BAY RAILROAD OPERATING COMPANY, LLC  
D/B/A COOS BAY RAIL LINK

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**VERIFIED NOTICE OF EXEMPTION OF  
COOS BAY RAIL LINE, INC.  
PURSUANT TO 49 C.F.R. § 1150.31(a)(3)**

Robert A. Wimbish  
Audrey L. Brodrick  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 800  
Chicago, Illinois 60606-2832  
(312) 252-1500

**ATTORNEYS FOR COOS BAY  
RAIL LINE, INC.**

Dated: October 29, 2018

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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DOCKET NO. FD 36241

COOS BAY RAIL LINE, INC.  
– CHANGE IN OPERATORS EXEMPTION –  
COOS BAY RAILROAD OPERATING COMPANY, LLC  
D/B/A COOS BAY RAIL LINK

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**VERIFIED NOTICE OF EXEMPTION**  
**COOS BAY RAIL LINE, INC.**  
**PURSUANT TO 49 C.F.R. § 1150.31(a)(3)**

Pursuant to 49 C.F.R. part 1150, subpart D, Coos Bay Rail Line, Inc. (“Coos Rail”), currently a non-carrier, hereby files this Verified Notice of Exemption to effectuate a change in common carrier operators with respect to two interconnected railroad lines extending generally from Eugene, Oregon, westward and southward to Coquille, Oregon, via Coos Bay, Oregon, a total of roughly 133 route miles (collectively, the “Line”). The Line is owned by Oregon International Port of Coos Bay (the “Port”), and is presently operated by Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link (“CBR”). Upon consummation of the transaction encompassed herein, CBR’s common carrier status will terminate, and Coos Rail will assume the primary common carrier obligation for the Port-owned Line in place of CBR.

In accordance with the requirements of 49 C.F.R. § 1150.33, Coos Rail submits the following information:

**Name and Address of Applicant: 49 C.F.R. § 1150.33(a)**

The full name and address of the applicant herein is as follows:

Coos Rail Rail Line, Inc.  
125 W Central Avenue, Suite 300  
Coos Bay, OR 97420  
Phone: 541-267-7678

**Applicant's Representative: 49 C.F.R. § 1150.33(b)**

Coos Rail's representative to whom correspondence regarding this transaction should be sent is as follows:

Robert A. Wimbish  
Fletcher & Sippel LLC  
29 North Wacker Drive, Suite 800  
Chicago, Illinois 60606  
(312) 252-1500

**Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)**

The Port, a rail common carrier by virtue of its ownership of active railroad lines, has reached an agreement with Coos Rail,<sup>1</sup> pursuant to which Coos Rail will acquire operating rights over the above-described Line. Coos Rail is a public, non-profit corporation which the Port formed to operate the railroad lines on the Port's behalf. The Port controls Coos Rail. Upon Coos Rail's commencement of common carrier operations, CBR's common carrier status and corresponding operating rights will terminate. The result of the above-described steps will be that Coos Rail will succeed (and replace) CBR as rail common carrier on the Line. CBR confirms that it will not object to the proposed change in operators.<sup>2</sup>

Virtually the same sequence of events have been the subject of other, recent change in operators class exemption proceedings.<sup>3</sup>

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<sup>1</sup> Coos Rail emphasizes that it is a public, non-profit corporation, which the Port formed and incorporated under Oregon's non-profit corporation statutes. The Port is Coos Rail's sole member, and, as such, the Port exercises control over Coos Rail. Coos Rail hopes hereby to remove any confusion concerning the interrelationship between the Port and Coos Rail.

<sup>2</sup> The parties acknowledge, however, that termination of CBR's Management Agreement-based operating rights is the subject of ongoing contract dispute arbitration, and that CBR's non-objection should not be construed to prejudice either party's interests in that arbitration.

<sup>3</sup> See, e.g., Buckingham Branch Railroad Company – Change in Operators Exemption – Cassatt Management, LLC d/b/a Bay Coast Railroad, Docket No. FD 36202 (STB served July 18, 2018); Chicago Junction Railway Company, LLC – Change in Operators Exemption Including Interchange Commitment – Chicago Terminal Railroad Company, Docket No. FD

**Operator of the Property: 49 C.F.R. § 1150.33(d)**

Coos Rail will operate the Line and will provide rail common carrier service to shippers on it in place of CBR. CBR will have no further common carrier obligation with respect to the Line upon consummation of the transaction. CBR has advised Coos Rail and the Port that it does not object to the filing of this change in operators class exemption notice.

**Summary of the Transaction: 49 C.F.R. § 1150.33(e)**

Coos Rail is a non-carrier established and controlled by the Port as an Oregon non-profit corporation which the Port formed<sup>4</sup> to operate the Line in place of CBR, an existing Class III rail carrier. The Port has reached an agreement with Coos Rail pursuant to which Coos Rail will operate the Line as a rail common carrier, with the expectation that Coos Rail's operations will take the place of those of CBR. Upon the commencement of Coos Rail's common carrier operations, the Port, CBR, and Coos Rail understand that CBR will cease to be a common carrier with respect to the Line, and that Coos Rail will become the sole operating common carrier on the Line.

The Line consists of two interconnected segments, acquired by the Port in separate proceedings,<sup>5</sup> extending from milepost 652.114 at Danebo, Oregon, to milepost 763.13

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36193; and Washington Eastern Railroad, LLC – Change in Operators Exemption – Eastern Washington Gateway Railroad Company, Docket No. FD 36226 (filed Sept. 25, 2018).

<sup>4</sup> Because Coos Rail is an Oregon non-profit corporation, it is not technically by law a “subsidiary” of the Port under common concepts of corporate structure, but it may be considered the practical equivalent of a subsidiary from the perspective of control here.

<sup>5</sup> Oregon International Port of Coos Bay – Acquisition Exemption – Rail Line of Union Pacific Railroad Company in Coos County, Or., Docket No. FD 35385 (STB served Jul. 9, 2010); Oregon International Port of Coos Bay – Feeder Line Application – Coos Bay Line of the Central Oregon & Pacific Railroad, Inc., Docket No. FD 35160 (STB served Oct. 31, 2008; modified Mar. 12, 2009).

at Cordes, Oregon; and from milepost 761.13 at Cordes to milepost 785.5 at Coquille, Oregon, a total of roughly 133 route miles.

Simultaneously with this Notice, the Port has filed in Docket No. FD 36242 a Verified Notice of Exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of Coos Rail upon Coos Rail's commencement of common carrier operations, in keeping with the Board's guidance in Oregon International Port of Coos Bay and Coos Bay Rail Line, Inc. – Intra-Corporate Family Transaction Exemption, Docket No. FD 36199 (STB served Oct. 26, 2018) ("Oregon International Port"). Indeed, the subject class exemption filing is made in accordance with guidance set forth in the same Oregon International Port decision,<sup>6</sup> wherein the Board, through its Acting Director of the Office of Proceedings, decided, based upon uncertainty and inconsistency, to reject the class exemption filings involved there.

The complete name and address of the incumbent operator of the Line to be replaced by Coos Rail pursuant to this change in operators class exemption notice is as follows:

Coos Bay Railroad Operating Company, LLC  
d/b/a Coos Bay Rail Link  
115 Hall Ave.  
Coos Bay, OR 97401

CBR has advised Coos Rail that it does not object to the proposed change in operators, and that it will cooperate in the transition.

The subject exemption will become effective, and the proposed change of operators would be consummated, no later than November 28, 2018 (assuming prompt and favorable Board action here and in the aforementioned FD 36242 proceeding).

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<sup>6</sup> Oregon International Port, slip op. at 3-4 ("if the parties still intend for Coos Rail to replace CBR as the operator by having Coos Rail obtain common carrier rights, currently held by CBR, Coos Rail may file another notice of exemption for a change in operators under 49 C.F.R. § 1150.31(a)(3) that corrects the inconsistencies noted above").

**Map: 49 C.F.R. § 1150.33(f)**

A map showing the Line and the surrounding area is attached as Exhibit A.

**Certificate of Eligibility: 49 C.F.R. § 1150.33(g)**

The required certification that Coos Rail's projected revenues will not exceed those that would qualify it as a Class III carrier is included as part of Exhibit D (Certification and Verification).

**Interchange Commitments: 49 C.F.R. § 1150.33(h)**

Coos Rail's proposed operation of the Line does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier. A certification to that effect is included as part of the Certification and Verification appended hereto as Exhibit D.

**Shipper Notice: 49 C.F.R. § 1150.32(b)**

Coos Rail has, concurrently with this exemption filing, provided notice of the proposed change in operators to the shippers on the Line. A list of the shippers served and a representative copy of the notice letter sent to those shippers is attached as Exhibit B.

**Advance Notice: 49 C.F.R. § 1150.32(e)**

The projected annual revenues for Coos Rail are not expected to exceed \$5 million. Accordingly, the advance notice provisions of section 1150.32(e) are not applicable to this transaction.

**Environmental and Historic Preservation Data: 49 C.F.R. § 1105**

Under 49 C.F.R. § 1105.6(c)(2), Coos Rail's proposed operation of the Line is exempt from environmental reporting requirements. The proposed change of operators

transaction will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), Coos Rail's assumption of operations on the Line also are exempt from historic preservation reporting requirements. The proposed transaction will continue rail operations. Further Surface Transportation Board approval is required to discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

**Caption Summary: 49 C.F.R. § 1150.34**

A caption summary in appropriate form is attached as Exhibit C.

Respectfully submitted,

By: R. A. Wimbish

Robert A. Wimbish

Audrey L. Brodrick

Fletcher & Sippel LLC

29 North Wacker Drive

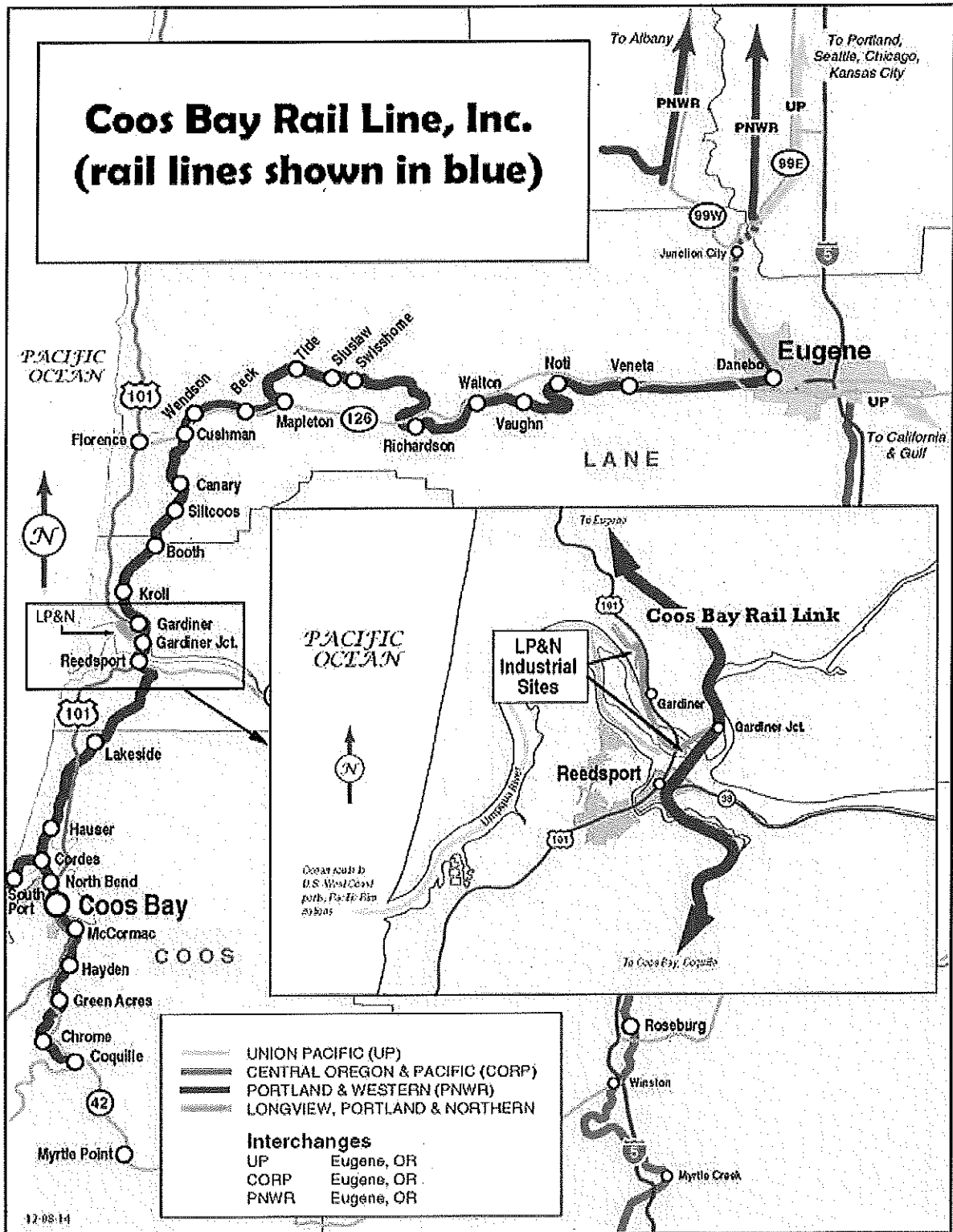
Suite 800

Chicago, Illinois 60606-3208

(312) 252-1500

**ATTORNEYS FOR COOS BAY  
RAIL LINE, INC.**

Dated: October 29, 2018



**EXHIBIT B****SHIPPERS ON THE LINE**

| <b>Company</b>                                | <b>First Name</b>    | <b>Last Name</b>   | <b>Address</b>                                          |
|-----------------------------------------------|----------------------|--------------------|---------------------------------------------------------|
| <b>Danish Dairy</b>                           | <b>Karl</b>          | <b>Foster</b>      | <b>94912 Highway 42<br/>Coquille, OR 97423</b>          |
| <b>Greenhill Reload</b>                       | <b>Jeff and Greg</b> | <b>Demers</b>      | <b>P.O. Box 518<br/>Creswell, OR 97426</b>              |
| <b>Swanson Bros. Lumber</b>                   | <b>Sam</b>           | <b>Bacogiannis</b> | <b>P.O. Box 309<br/>Noti, OR 97461</b>                  |
| <b>K2 Exports</b>                             | <b>John</b>          | <b>Knutson</b>     | <b>P.O. Box 908<br/>Coos Bay, OR 97420</b>              |
| <b>All Weather Wood/<br/>Humboldt Redwood</b> | <b>Harold "Gus"</b>  | <b>Jensen</b>      | <b>69015 Hauser Depot Road<br/>North Bend, OR 97459</b> |
| <b>Georgia Pacific</b>                        | <b>Bill</b>          | <b>Goodman</b>     | <b>63779 Mullen St.<br/>Coos Bay, OR 97420</b>          |
| <b>Roseburg Forest Products</b>               | <b>Tom</b>           | <b>Gennarelli</b>  | <b>3660 Gateway St.<br/>Springfield, OR 97477</b>       |
| <b>Seneca</b>                                 | <b>Todd</b>          | <b>Payne</b>       | <b>P.O. Box 851<br/>Eugene, OR 97440</b>                |
| <b>Southport Forest Products</b>              | <b>Jason</b>         | <b>Smith</b>       | <b>P.O. Box 298<br/>Coos Bay, OR 97420</b>              |

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ATTORNEYS AT LAW

29 North Wacker Drive  
Suite 800  
Chicago, Illinois 60606-3208

Phone: (312) 252-1500  
Fax: (312) 252-2400  
[www.fletcher-sippel.com](http://www.fletcher-sippel.com)

ROBERT A. WIMBISH  
(312) 252-1504  
[rwimbish@fletcher-sippel.com](mailto:rwimbish@fletcher-sippel.com)

October 29, 2018

Southport Forest Products  
P.O. Box 298  
Coos Bay, OR 97420  
Attention: Jason Smith

**Re: Docket No. FD 36241  
Coos Bay Rail Line, Inc. – Change in Operators Exemption – Coos  
Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link**

Dear Mr. Smith:

Coos Bay Rail Line, Inc. ("Coos Rail") has re-filed a change in operators notice of exemption (the "Notice") with the Surface Transportation Board ("STB") in connection with lines of railroad operated by Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link ("CBR"). Pursuant to the Notice, Coos Rail will commence common carrier operations over approximately 133 miles of rail lines (hereinafter, collectively, the "Line") that, prior to the effective date of the Notice, were operated by CBR. The Lines in question extend from milepost 652.114 at Danebo, Oregon, to milepost 763.13 at Cordes, Oregon; and from milepost 761.13 at Cordes to milepost 785.5 at Coquille, Oregon. On no later than November 28, 2018, Coos Rail will assume common carrier operations over the Line in place of CBR.

Kindly refer to the copy of the Notice attached for additional information. We are providing you with the Notice in keeping with STB shipper notification requirements. You are not required to respond or to the Notice or otherwise participate in the STB proceeding. If you have any questions regarding this matter, please feel free to contact me.

Very truly yours,



Robert A. Wimbish  
Attorney for Coos Bay Rail Line, Inc.

RAW:ah  
Enclosure

SURFACE TRANSPORTATION BOARD

**NOTICE OF EXEMPTION**

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DOCKET NO. FD 36241

COOS BAY RAIL LINE, INC.  
– CHANGE IN OPERATORS EXEMPTION –  
COOS BAY RAILROAD OPERATING COMPANY, LLC  
D/B/A COOS BAY RAIL LINK

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Coos Bay Rail Line, Inc. (“Coos Rail”), a non-carrier, has filed a Verified Change in Operators Notice of Exemption to assume common carrier operations over two interconnected rail line segments (collectively, the “Line”) owned by the Oregon International Port of Coos Bay (the “Port”) extending from milepost 652.114 at Danebo, Oregon, to milepost 763.13 at Cordes, Oregon; and from milepost 761.13 at Cordes to milepost 785.5 at Coquille, Oregon, a total of roughly 133 route miles. Coos Rail will commence common carrier operations over the Line in place of Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link (“CBR”), and upon consummation of the subject transaction, CBR will have no further common carrier obligation with respect to the Line.

The subject class exemption proceeding is related to Oregon International Port of Coos Bay – Continuance in Control Exemption – Coos Bay Rail Line, Inc., FD 36242 (also filed on October 29, 2018) (“Port of Coos Bay”), pursuant to which the Port will remain in control of Coos Rail, upon Coos Rail’s commencement of operations on the Line as a common carrier.

Comments must be filed with the Board and served on:

Robert A. Wimbish  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 800  
Chicago, Illinois 60606-3208  
(312) 252-1508

This Notice is filed under 49 C.F.R. § 1150.31(a)(3). 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 transaction.

Dated: November \_\_, 2018

By the Board

Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings

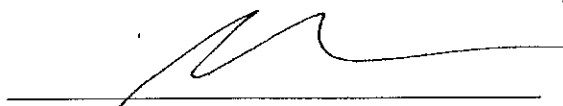
EXHIBIT D

**CERTIFICATION AND VERIFICATION**

I, John Burns, President of Coos Bay Rail Line, Inc. ("Coos Rail"), hereby certify as follows:

1. The projected annual rail revenues of Coos Rail will not, as a result of the transaction proposed herein, result in the creation of a Class II or a Class I rail carrier under the provisions of 49 C.F.R. § 1201 (1 1).
2. The projected annual revenues of Coos Rail are not projected, as a result of the transaction proposed herein, to exceed \$5 million.
3. Coos Rail's proposed change of operators transaction, and Coos Rail's anticipated operation of the railroad line that is the subject of the present proceeding does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier.

I also hereby verify that that -- (a) I have read the foregoing Notice of Exemption; (b) know the facts asserted therein; (c) the same are true as stated; and (d) that I am duly authorized to offer this certification and verification on behalf of Coos Rail.

  
\_\_\_\_\_  
John Burns  
President of Coos Bay Rail Line, Inc.

Dated: October 29, 2018