

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36850]

**Portland & Western Railroad, Inc.—
Acquisition and Operation
Exemption—Port of Tillamook Bay**

Portland & Western Railroad, Inc. (PNWR), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to acquire from Port of Tillamook Bay (POTB) and operate approximately 1.01 miles of rail line near Banks, Or., between milepost 774.0 and milepost 775.01 in Washington County, Or. (the Line).

The verified notice states that PNWR and POTB have entered into a purchase agreement dated April 9, 2025. PNWR states that it holds incidental overhead trackage rights over a portion of the Line from approximately milepost 774.0 to milepost 774.7, which it acquired in connection with the unrelated purchase of a parallel line. See *Portland & W. R.R.—Trackage Rts. Exemption—Burlington N. R.R.*, FD 32765 (STB served Oct. 13, 1995). PNWR states that, after the transaction, it will operate the Line (and the parallel line) and will no longer need to exercise the incidental trackage rights. The verified notice also states that there are currently no customers on the Line and that POTB no longer has any railroad operating employees.

PNWR certifies that its projected annual revenues as a result this transaction will not exceed those that would qualify it as a Class III carrier and that its annual revenues currently exceed \$5 million. 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, PNWR has requested a waiver of the 60-day advance labor notice requirement. PNWR's waiver request will be addressed in a separate decision. The Board will establish the effective date of the exemption in its decision on the waiver request.

PNWR also certifies that the proposed acquisition and operation of the Line does not involve a provision or agreement that may limit future interchange with a third-party connecting carrier.

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 16, 2025.

All pleadings, referring to Docket No. FD 36850, 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 SW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on PNWR's representative, Justin J. Marks, Clark Hill PLC, 1001 Pennsylvania Ave. NW, Suite 1300 South, Washington, DC 20004.

According to PNWR, 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.

Decided: May 6, 2025.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

Eden Besera,
Clearance Clerk.

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SURFACE TRANSPORTATION BOARD

[Docket No. AB 534 (Sub-No. 4X)]

**Lake State Railway Company—
Abandonment Exemption—in Saginaw
County, Michigan**

Lake State Railway Company (LSRC) has filed a verified notice of exemption under 49 CFR part 1152 subpart F—Exempt Abandonments to abandon approximately 6,805 feet of rail line extending from Sta. 9+00 approximately 270 feet northeast of the intersection of Carrollton Road and Ellsworth Road to the end of line at Sta. 77+05 approximately 1,000 feet southwest of the North Niagara Street at-grade railroad crossing of the Huron & Eastern Railway Company, in Saginaw County, Mich. (the Line).¹ The Line traverses

¹ The verified notice states that LSRC is a Class III rail carrier that owns or operates approximately 350 miles of rail line in the Lower Peninsula of Michigan. See, e.g., *Lake State Ry.—Lease & Operation Exemption—Detroit & Mackinac Ry.*, FD 32012 (ICC served Feb. 27, 1992). LSRC also states that it leases and operates approximately four miles of track in Port Huron, Mich., which is disconnected from the remainder of its rail system. See *Lake State Ry.—Lease Exemption—Line of Grand Trunk W. R.R.*, FD 36179 (STB served May 25, 2018).

U.S. Postal Service Zip Codes 48604 and 48602.

LSRC has certified that: (1) no local traffic has moved over the Line for at least two years; (2) no overhead traffic could be or was previously handled on the stub-ended Line; (3) no formal complaint filed by a user of rail service on the Line (or by a state or local government on behalf of such user) regarding cessation of service over the Line is pending with either the Surface Transportation Board (Board) or any U.S. District Court or has been decided in favor of a complainant within the past two years; and (4) the requirements at 49 CFR 1105.7(b) and 1105.8(c) (notice of environmental and historic reports), 49 CFR 1105.12 (newspaper publication), and 49 CFR 1152.50(d)(1) (notice to government agencies) have been met.

As a condition to this exemption, any employee adversely affected by the abandonment shall be protected under *Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho*, 360 I.C.C. 91 (1979). To address whether this condition adequately protects affected employees, a petition for partial revocation under 49 U.S.C. 10502(d) must be filed.

Provided no formal expression of intent to file an offer of financial assistance (OFA) has been received,² this exemption will be effective on June 8, 2025, unless stayed pending reconsideration. Petitions to stay that do not involve environmental issues,³ formal expressions of intent to file an OFA under 49 CFR 1152.27(c)(2), and interim trail use/railbanking requests under 49 CFR 1152.29 must be filed by May 19, 2025.⁴ Petitions to reopen and requests for public use conditions under 49 CFR 1152.28 must be filed May 29, 2025.

All pleadings, referring to Docket No. AB 534 (Sub-No. 4X), must be filed with the Surface Transportation Board either

² Persons interested in submitting an OFA must first file a formal expression of intent to file an offer, indicating the type of financial assistance they wish to provide (*i.e.*, subsidy or purchase) and demonstrating that they are preliminarily financially responsible. See 49 CFR 1152.27(c)(2)(i).

³ The Board will grant a stay if an informed decision on environmental issues (whether raised by a party or by the Board's Office of Environmental Analysis (OEA) in its independent investigation) cannot be made before the exemption's effective date. See *Exemption of Out-of-Serv. Rail Lines*, 5 I.C.C.2d 377 (1989). Any request for a stay should be filed as soon as possible so that the Board may take appropriate action before the exemption's effective date.

⁴ Filing fees for OFAs and trail use requests can be found at 49 CFR 1002.2(f)(25) and (27), respectively.