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SERVICE DATE – LATE RELEASE OCTOBER 28, 2009

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. AB-1022 (Sub-No. 1X)

ARIZONA & CALIFORNIA RAILROAD COMPANY—ABANDONMENT EXEMPTION—
IN SAN BERNARDINO AND RIVERSIDE COUNTIES, CA

Decided: October 28, 2009

By petition filed on March 12, 2009, Arizona & California Railroad Company (ARZC) sought an exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10903 to abandon a 49.40-mile rail line (the line) between milepost 0.0 at Rice and milepost 49.4 at Ripley, in San Bernardino and Riverside Counties, CA. Notice of the exemption filing was served and published in the Federal Register on April 1, 2009 (74 FR 14862). By decision served June 30, 2009, the Board granted the abandonment, subject to conditions. The abandonment exemption was scheduled to become effective on July 30, 2009, unless stayed by the Board or an offer of financial assistance (OFA) was filed by July 10, 2009.

BG&CM Railroad, Inc. (BG&CM) filed an OFA on July 10, 2009. By decision served on July 15, 2009, the Board rejected (without prejudice to refiling) BG&CM's OFA because BG&CM did not provide sufficient evidence of financial responsibility. On July 22, 2009, BG&CM refiled an OFA in the form of a purchase offer for the line in its entirety for \$1,830,000.

In a decision served July 29, 2009, BG&CM was found financially responsible and the effective date of the exemption authorizing the abandonment was postponed to permit the OFA process to proceed. The decision also made any request by the parties to establish the terms and conditions of the purchase due by August 21, 2009.

On August 10, 2009, ARZC filed a motion for extension of the procedural schedule. By letter filed on August 13, 2009, BG&CM stated that it did not oppose the extension request. Consequently, in a decision served August 21, 2009, the Board granted the motion and extended the deadline for the parties to request the Board to establish terms and conditions of a purchase to October 28, 2009.

On October 27, 2009, BG&CM filed a further request for extension of time. BG&CM states that a 51-day extension is necessary for it to appraise the fair market value of the parcels in the right-of-way of the line for which ARZC claims marketable fee simple title. BG&CM adds that it has been authorized by ARZC's counsel to state that ARZC does not oppose the requested extension.

BG&CM's request for an extension is reasonable in the circumstances. Consequently, an extension will be granted. Accordingly, the deadline for the parties to request the Board to establish terms and conditions of a purchase will be extended to December 18, 2009.

This decision will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The request for extension of time is granted.
2. If ARZC and BG&CM cannot agree on the purchase price, either party may request the Board to establish the terms and conditions of a purchase by December 18, 2009. If no agreement is reached and no request is submitted by that date, the Board will serve a decision vacating this decision and allowing the abandonment exemption to become effective.
3. This decision is effective on its service date.

By the Board, Joseph H. Dettmar, Acting Director, Office of Proceedings.

Anne K. Quinlan
Acting Secretary