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SERVICE DATE – AUGUST 21, 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: August 21, 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 in this matter. ARZC states that, in order to negotiate with BG&CM as to the fair market value of the line, it first needs to obtain a real estate appraisal. ARZC adds that, to that end it has retained the First American Title Insurance Company to prepare a preliminary report to determine ARZC's fee simple title and the value of the real estate. According to ARZC, that report will take about 10 weeks to prepare. Consequently, ARZC asks that the due date for any request to set terms be extended to October 28, 2009. By letter filed on August 13, 2009, BG&CM states that it is not opposed to the extension request.

ARZC'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 for a purchase will be extended to October 28, 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 motion to extend the procedural schedule in this matter 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 October 28, 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