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1750 K STREET, N.W.
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ORIGINAL

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SURFACE
TRANSPORTATION BOARD

AUG 29 2011
230884

BY HAND

August 29, 2011

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20324-0001

FILED
AUG 29 2011
SURFACE
TRANSPORTATION BOARD

**RE: FD 35550, American Railroad Group Transportation Services, LLC--
Continuance-in-Control Exemption--Coos Bay Railroad Operating
Company, LLC d/b/a Coos Bay Rail Link**

**FD 35551, Coos Bay Railroad Operating Company, LLC d/b/a Coos
Bay Rail Link--Operation Exemption--Line of Railroad Owned by the
Oregon International Port of Coos Bay**

Dear Ms. Brown:

On behalf of applicants American Railroad Group Transportation Services, LLC and Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link, I am submitting the following two exemption notices:

- (1) in FD 35550, a verified notice of exemption pursuant to 49 CFR §1180.2(d)(2) for American Railroad Group Transportation Services, LLC to continue in control of Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link, and

(2) in FD 35500, a verified notice of exemption pursuant to 49 CFR §1150.31 for of Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link to operate a line of railroad owned by the Oregon International Port of Coos Bay.

I am including with these filings a copy of each document on a computer diskette as well as a check for \$3100 to cover the requisite filing fee.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John D. Heffner", with a long horizontal flourish extending to the right.

John D. Heffner

Enclosures

cc: Sandra Brown, Esq.
Mr. Scott Parkinson

ORIGINAL

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FILED

AUG 29 2011

**SURFACE
TRANSPORTATION BOARD**

FD 35551

230884



**COOS BAY RAILROAD OPERATING COMPANY, LLC
D/B/A COOS BAY RAIL LINK
- OPERATION EXEMPTION -
LINE OF RAILROAD OWNED BY THE
OREGON INTERNATIONAL PORT OF COOS BAY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. § 10901 AND 49 C.F.R. § 1150.31**

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TRANSPORTATION BOARD**

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Office of Proceedings

AUG 29 2011

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Submitted by

John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 200
Washington, D.C. 20006
(202) 296-3334

Counsel to Coos Bay Railroad
Operating Company, LLC

Dated: August 29, 2011

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 35551

**COOS BAY RAILROAD OPERATING COMPANY, LLC
D/B/A COOS BAY RAIL LINK
- OPERATION EXEMPTION -
LINE OF RAILROAD OWNED BY THE
OREGON INTERNATIONAL PORT OF COOS BAY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. § 10901 AND 49 C.F.R. § 1150.31**

Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link (“CBR”), a limited liability company and a noncarrier, files this verified Notice of Exemption with the Board pursuant to 49 C.F.R. § 1150, Subpart D-Exempt Transactions, to operate approximately 133 miles of railroad currently owned by the Oregon International Port of Coos Bay (“the Port”). The track to be operated consists of two segments. Segment #1 known as the “Coos Bay Line” extends between MP 652.114 at Danebo and MP 763.13 at Cordes, all in the State of Oregon. Segment #1 was formerly owned by the Central Oregon & Pacific Railroad, Inc. (“CORP”) and was acquired by the Port under the feeder line

provisions of the I.C.C. Termination Act (“the ICCTA”) at 49 U.S.C. § 10907.¹

Segment #2 known as the Coquille Branch extends between the junction with the Coos Bay Line at MP 761.13 at Cordes and MP 785.5 at Coquille, also in Oregon. Segment #2 was formerly owned by the Union Pacific Railroad Company (“UP”) and was leased to and served by the CORP. After CORP discontinued service on the Coquille Branch² and the Port acquired the Coos Bay Line, the Port acquired the Coquille Branch from UP.³

INFORMATION REQUIRED BY 49 C.F.R. § 1150.33

Name and address of applicant

49 C.F.R. § 1150.33(a)

Coos Bay Rail Link
7064 E. Coronado Rd.,
Tucson, AZ 85750

Applicant’s representative

49 C.F.R. § 1150.33(b)

John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 200
Washington, D.C. 20006
(202) 296-3334

Statement of agreement

49 C.F.R. § 1150.33(c)

CBR has executed an agreement with the Port to operate the subject rail

¹ Or. Int’l Port of Coos Bay—Feeder Line Application—Coos Bay Line of the Cent. Or. & Pac. R.R., FD 35160 (STB served Oct. 31, 2008).

² Cent. Or. & Pac. R.R.—Abandonment and Discontinuance of Service—In Coos, Douglas, and Lane Counties, Or., Docket No. AB-515 (Sub-No. 2) (STB served Oct. 31, 2008).

lines on an interim basis pending the negotiation and execution of a long term operating agreement with the Port.

Operator of the property

49 C.F.R. § 1150.33(d)

CBR will provide all common carrier rail service on the subject rail lines.

Brief Summary of the Transaction

49 C.F.R. § 1150.33(e)

The subject rail lines were formerly owned or leased and operated by CORP. On October 31, 2008, the Board served a decision permitting CORP to discontinue service over and abandon the Coos Bay Line and to discontinue service over the Coquille Branch subject to numerous conditions not relevant here.⁴ During the pendency of CORP's application for abandonment and discontinuance authority, the Port filed an application to *forcibly* acquire the Coos Bay Line from CORP under the public convenience and necessity provisions of 49 U.S.C. § 10907 and the Board's regulations thereunder. On October 31, 2008, the Board served a second decision authorizing the Port to acquire the Coos Bay Rail Line under those provisions. Subsequently, it purchased that line and also acquired the Coquille Branch from UP.

Upon acquisition the Port undertook a major rehabilitation of the subject lines because the lines deteriorated badly while under CORP's ownership. The

³ Or. Int'l Port of Coos Bay—Acquisition Exemption—Rail Line of Union Pac. R.R. in Coos County, Or., FD 35385 (STB served July 9, 2010).

rehabilitation and restoration has been ongoing. Also upon acquisition of the subject rail lines, the Port solicited expressions of interest from qualified short-line railroads to operate these lines. Thereafter, the Port selected American Railroad Group Transportation Services, LLC d/b/a ARG Trans (“ARG Trans”), CBR’s corporate parent, to operate the line on an interim basis pending negotiation of a long term agreement. ARG Trans established CBR as a subsidiary to operate the lines as a class III short line railroad. CBR anticipates initiating service over the subject lines in phases with operations over the first segment to commence around October 2011.

Other information required

- (1) *The name and address of the entity transferring the subject operating rights*

The Oregon International Port of Coos Bay
125 Central Avenue, Suite 300
Coos Bay, OR 97420

- (2) *The proposed time schedule for consummation*

On or about October 1, 2011, more than 30 days from the date of this notice.

- (3) *The mileposts of the subject rail lines including any branch lines*

Segment #1, the Coos Bay Line, extends between MP 652.114 at Danebo and MP 763.13 at Cordes, OR.

Segment #2, the Coquille Branch, extends between the junction with the

⁴ Cent. Or. & Pac. R.R.—Abandonment and Discontinuance of Service—In Coos, Douglas,

Coos Bay Line at MP 761.13 at Cordes and MP 785.5 at Coquille, OR.

(4) *The total route miles to be operated*

CBR will operate approximately 133 miles of railroad.

(5) *Related transactions*

Concurrently ARG, CBR's corporate parent, is filing a verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of CBR and the San Pedro Railroad Operating Company, LLC, d/b/a San Pedro & Southwestern Railroad, an existing class III short line railroad operating in the State of Arizona. This proceeding has been docketed as FD 35550.

Map

49 C.F.R. § 1150.33(f)

A map depicting the railroad trackage to be operated is attached as Exhibit A.

Certificate of carrier classification

49 C.F.R. § 1150.33(g)

CBR certifies that with this transaction its projected revenues will be less than \$5,000,000 annually and will not lead to the creation of a class I carrier. A certificate complying with the provisions of 49 C.F.R. § 1150.33(g) is attached to this notice as Exhibit B.

Transactions imposing interchange commitments

49 C.F.R. § 1150.33(h)

The proposed transaction does not impose any interchange commitment.

Disclosure of Intent to Transport Waste

CBR does not presently intend to provide facilities for the collecting, sorting, loading, unloading, transferring, and transporting of municipal solid waste (“MSW”) or construction and demolition (“C&D”) material.

Labor Protection

Labor protective conditions are not applicable to transactions under 49 U.S.C. § 10901.

Caption Summary

49 C.F.R. § 1150.34

A caption summary in the prescribed form is attached to this Notice as Exhibit C.

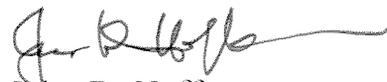
Environmental and Historic Preservation Data

49 C.F.R. § 1105

The proposed transaction is exempt from environmental review under 49 C.F.R. § 1105(c) (2) (i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e) (4) or (5).

In addition, the transaction is exempt from historic review under 49 C.F.R. § 1105.8(b) (1). Under this section, a sale, lease, or transfer of a rail line is exempt if rail operations will continue. Further, Board approval is required for parties to abandon service, and there are no plans to dispose of or alter the properties subject to Board jurisdiction. The transaction meets these exemption criteria.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John D. Heffner", with a long horizontal flourish extending to the right.

John D. Heffner

John D. Heffner, PLLC

1750 K Street, N.W.

Suite 200

Washington, D.C. 20006

(202) 296-3334

Counsel to Coos Bay Railroad
Operating Company, LLC

Dated: August 29, 2011

Exhibit B

Certification

I, Scott L. Parkinson, certify that I am President / Managing Member of Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link (CBR) and that applicant's projected revenues will not exceed \$5 million annually and will not result in the applicant becoming a Class I or Class II carrier under the provisions of 49 CFR 1201(1-1).

Dated: 23 August, 2011

Signature

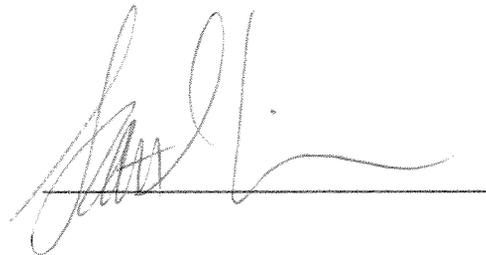
A handwritten signature in black ink, appearing to read "Scott L. Parkinson", is written over a solid horizontal line. The signature is cursive and somewhat stylized.

EXHIBIT C

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 35551

**COOS BAY RAILROAD OPERATING COMPANY, LLC
D/B/A COOS BAY RAIL LINK
- OPERATION EXEMPTION -
LINE OF RAILROAD OWNED BY THE
OREGON INTERNATIONAL PORT OF COOS BAY**

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PURSUANT TO 49 U.S.C. § 10901 AND 49 C.F.R. § 1150.31**

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¹ Segment 1 was formerly owned by the Central Oregon & Pacific Railroad, Inc. (“CORP”) and was acquired by the Port under the feeder line provisions of the I.C.C. Termination Act (“the ICCTA”) at 49 U.S.C. § 10907. Or. Int’l Port of Coos Bay—Feeder Line Application—Coos Bay Line of the Cent. Or. & Pac. R.R., FD 35160 (STB served Oct. 31, 2008). Segment 2 was formerly owned by the Southern Pacific Railroad Company, now part of the Union Pacific Railroad, and was leased to and served by the

between the junction with the Coos Bay Line at MP 761.13 at Cordes and MP 785.5 at Coquille, also in Oregon.

This proceeding is related to one other proceeding. Concurrently with this filing, CBR's corporate parent, American Railroad Group Transportation Services, LLC d/b/a ARG Trans ("ARG Trans"), is submitting a verified Notice of Exemption under 49 CFR § 1180.2(d) (2) covering its continuance in control of CBR and an existing class III short line rail carrier it owns, the San Pedro Rail Operating Company d/b/a San Pedro & Southwestern Railroad. That proceeding has been assigned docket number FD 35550.

CBR certifies that its projected annual revenues as a result of this transaction would not exceed those that would qualify it as a Class III rail carrier and further certifies that its projected annual revenues will not exceed \$5 million.

The notice is filed under 49 C.F.R. § 1150.31. 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.

Petitions for stay must be filed no later than _____, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to FD No. 35551 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 John D. Heffner, Esq., John D. Heffner, PLLC, 1750 K Street, N.W. – Suite 200, Washington, D.C. 20006, Telephone: (202) 296-3334, counsel for CBR; and Sandy Brown, Esq., Thompson Hine, LLC, 1920 N Street, N.W.-Suite 800, Washington, D.C. 20036, Telephone: (202) 263-4101, counsel for the Port.

Board decisions and notices are available on our website at WWW.STB.DOT.GOV.

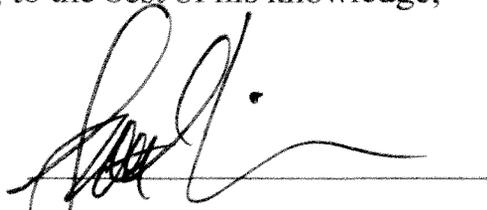
Decided:

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

VERIFICATION

STATE OF)
)
CITY OF) SS

Scott L. Parkinson, being duly sworn according to law, hereby
deposes and states that he is holds the position of President / Managing
Member with applicant/petitioner (respondent), is authorized to make this
Verification, has read the foregoing document, and knows the facts asserted
therein are true an accurate as stated, to the best of his knowledge,
information, and belief.



Subscribed to and sworn to before me, a Notary Public, in and for the City of
BENSON in the State of ARIZONA this 23 day of AUGUST.


Notary Public

My commission expires:

