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August 27, 2021

302934

VIA E-FILING

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20024

ENTERED
Office of Proceedings
August 27, 2021
Part of
Public Record

Re: STB Docket No. FD 36534
Arkansas-Oklahoma Railroad Company
-Lease and Operation Exemption Including Interchange Commitment-
BNSF Railway Company

Dear Ms. Brown:

Enclosed for e-filing on behalf of Arkansas-Oklahoma Railroad Company ("AOK") is a Notice of Exemption being filed in accordance to 49 CFR 1150.43. Further, AOK is submitting a Confidential Appendix pursuant to 49 CFR 1150.43(h)(1).

The filing fee was paid using Pay.gov. Please let me know if there are any questions regarding this filing.

Sincerely,

Justin J. Marks
Counsel for Arkansas-Oklahoma
Railroad Company

Enclosure

FILED
August 27, 2021
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
August 27, 2021
SURFACE
TRANSPORTATION BOARD

clarkhill.com

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36534

ARKANSAS-OKLAHOMA RAILROAD, INC.
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
BNSF RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10902

(includes color images)

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*Attorneys for Arkansas-Oklahoma
Railroad Inc.*

Dated: August 27, 2021

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36534

ARKANSAS-OKLAHOMA RAILROAD, INC.
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
BNSF RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
UNDER 49 U.S.C. §10902

Arkansas-Oklahoma Railroad, Inc. (“AOK”), a Class III railroad, files this Notice of Exemption under 49 U.S.C. § 10902 to exempt from regulation AOK’s entry into a lease agreement (“Lease”) with BNSF Railway Company (“BNSF”) to govern the lease of a line of railroad between milepost 134.037 and milepost 123.379 on BNSF’s Shawnee Industrial Spur in Shawnee, OK (the “Rail Line”).

Notice

In accordance with 49 C.F.R. §1150.43, AOK hereby provides the following information:

(a) The full name and address of Applicant: Arkansas-Oklahoma Railroad, Inc., 116 W. Main St., Wilburton, OK 74578.

(b) Applicant’s Representatives:

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(215) 640-8523

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(202) 772-0916

- (c) AOK and BNSF have entered into the Lease for the Rail Line to be effective on the later of October 1, 2021, or the effective date of this Notice of Exemption, thirty days after filing.
- (d) The current operator of the Rail Line is BNSF. AOK will be the operator after the transaction.
- (e) Brief Summary of the Proposed Transaction: AOK and BNSF have entered into the Lease to permit AOK to lease and operate the Rail Line.
 - i. The name and address of the company leasing the Rail Line is BNSF Railway Company 2650 Lou Menk Drive Fort Worth, Texas 76131.
 - ii. The Lease will be effective upon the later of October 1, 2021, or the effective date of this Notice of Exemption, thirty days after filing.
 - iii. The mileposts of the Rail Line are between milepost 134.037 and milepost 123.379 on BNSF's Shawnee Industrial Spur in Shawnee, OK.
 - iv. The total mileage to be acquired and operated is approximately 10.658 miles.
- (f) Attached as Exhibit A to this Notice of Exemption is a map of the Rail Line.
- (g) AOK certifies that its projected revenues as a result of the transaction will not exceed those that would qualify it as a Class III carrier.
- (h) AOK certifies that the Lease contains an interchange commitment. The following

additional information is provided by AOK with respect to the interchange commitment:

- i. The Lease contains an interchange commitment that affects interchange with Union Pacific Railroad Company (“UPRR”) at Oklahoma City (via AOK’s lease of a UPRR line between Shawnee and Oklahoma City).
- ii. A confidential version of the Lease is being submitted under separate cover as part of a Confidential Appendix governed by 49 CFR 1104.14(a).
- iii. Shippers who currently use or who have used the Rail Line in the last two calendar years, and whose traffic is subject to the interchange commitment are: Ball Pile & Supply, Inc., Jindal Films Americas, LLC, TDK Ferrites Corp.
- iv. The aggregate number of carloads originated or terminated within the last two calendar years by the shippers identified in subparagraph (iii) above is included as part of the Confidential Appendix.
- v. AOK hereby certifies that, as set forth in the certificate of service, it has provided notice of the proposed transaction and the interchange commitment by serving a copy of this Notice of Exemption on the shippers identified in subparagraph (iii) above.
- vi. A UPRR line (currently leased to and operated by AOK) physically connects with the Rail Line.
- vii. AOK’s estimate of the difference between the rent with and without the interchange agreement is included in the Confidential Appendix.
- viii. The caption of this proceeding reflects the existence of the interchange

commitment.

Advanced Notice to Labor

AOK's annual freight revenues currently exceed \$5,000,000. Accordingly, AOK arranged for BNSF to post the advanced notice required under 49 C.F.R. §1150.42(e) and certified to the Board that BNSF had done so on July 29, 2021. A copy of the certification is attached hereto as Exhibit B.

Labor Protection

AOK is a Class III carrier, and pursuant to 49 U.S.C. §10902(d), approval of this transaction may not be subjected to labor protection conditions.

Environmental and Historic Reports

This is a lease for continued rail operations that will not result in changes in carrier operations that will exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5). Further Board approval is required for AOK to discontinue (or for BNSF to abandon service), or to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. Accordingly, no environmental or historic documentation is required. *See* 49 C.F.R. §1105.6(c)(2); 49 C.F.R. §1105.8(b)(1).

Caption Summary

Attached hereto as Exhibit C is the caption summary required by 49 C.F.R. §1150.44.

Conclusion

Accordingly, AOK requests that the Board issue a notice allowing the Lease to become effective 30 days from the filing of this Notice of Exemption.

Respectfully submitted,



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Attorneys for Arkansas-Oklahoma Railroad, Inc.

Dated: August 27, 2021

VERIFICATION

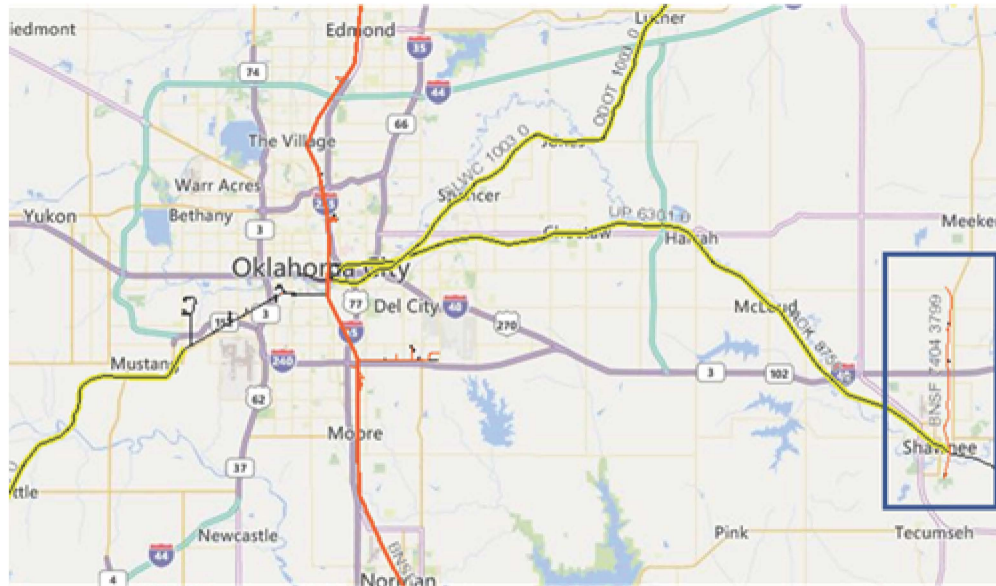
I, Heather Watson, General Manager of Arkansas-Oklahoma Railroad, Inc., verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on August 27, 2021

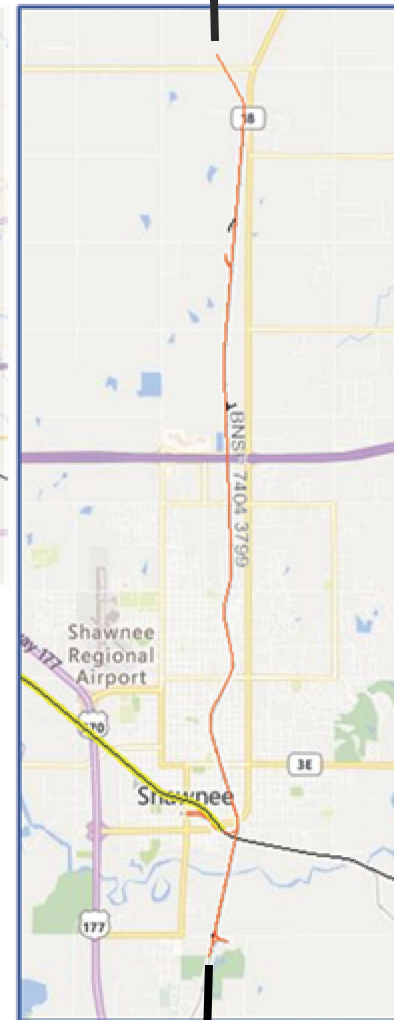

Heather Watson

EXHIBIT A

MAP



MP 123.379



MP 134.037

EXHIBIT B

ADVANCED NOTICE TO LABOR



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July 29, 2021

VIA E-FILING

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20024

Re: STB Docket No. FD 36534
Arkansas-Oklahoma Railroad Company
-Lease and Operation Exemption Including Interchange Commitment-
BNSF Railway Company

Dear Ms. Brown:

Pursuant to 49 C.F.R. § 1150.42(e), Arkansas-Oklahoma Railroad Company ("AOK") certifies that on July 28, 2021 the attached Notice was posted by BNSF Railway Company ("BNSF") at the BNSF Flynn Yard Office, 8401 S. Eastern Ave Oklahoma City, OK 73149.

AOK further certifies that it is serving a copy of this letter and the enclosed Notice via first class mail on the national offices of the labor unions shown on the following page.

Respectfully,

A handwritten signature in blue ink that reads 'Justin J. Marks'.

Justin J. Marks
Counsel for Arkansas-Oklahoma
Railroad Company

Enclosure

July 29, 2021
Page 2

Jeremy Ferguson
Division President, SMART-TD
25950 Country Club Blvd., Ste. 340
North Olmsted, OH 44070-5333

Dennis Pierce
National President
BLET
7061 East Pleasant Valley Rd.,
Independence, OH 44131

Jeff Fry
General Chairman
Brotherhood of Maintenance of Way Employee Division
521 Southeast 10th Street
Newton, KS 67114-4407

Jeremy Huckabee
General Chairman
Brotherhood of Railroad Signalmen
6032 P Hwy
Alton, MO 65606-8414

SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36534

**ARKANSAS-OKLAHOMA RAILROAD COMPANY
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT -
BNSF RAILWAY COMPANY**

**NOTICE OF INTENT DIRECTED TO EMPLOYEES OF
BSNF RAILWAY COMPANY**

Pursuant to the regulations of the Surface Transportation Board (the "Board") at 49 C.F.R. §1150.42(e), Arkansas-Oklahoma Railroad Company ("AOK") hereby gives notice of its intent to lease from BNSF Railway Company ("BNSF"), the line of railroad between milepost 134.037 and milepost 123.379 on BNSF's Shawnee Industrial Spur in Shawnee, OK. The lease is intended to be effective as of October 1, 2021, or as soon thereafter as the Board gives its approval.

As a result of the lease, AOK does not expect any new jobs to be available on AOK.

Arkansas-Oklahoma Railroad Company

By: 
Heather Watson
General Manager

EXHIBIT C

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Docket No. FD 36534

**ARKANSAS-OKLAHOMA RAILROAD, INC.
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
BNSF RAILWAY COMPANY**

VERIFIED NOTICE OF EXEMPTION

Arkansas-Oklahoma Railroad, Inc. (“AOK”), a Class III railroad, files this Notice of Exemption under 49 U.S.C. § 10902 to exempt from regulation AOK’s entry into a lease agreement with BNSF Railway Company (“BNSF”) to govern the lease of a line of railroad between milepost 134.037 and milepost 123.379 on BNSF’s Shawnee Industrial Spur in Shawnee, OK.

Comments must be filed with the Board and served on AOK’s representative, Eric M. Hocky, Esq., Clark Hill, PLC, Two Commerce Square, 2001 Market St., Suite 2620, Philadelphia, PA 19103; (215) 640-8523.

The Notice is filed under 49 C.F.R. §1150.41. 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.

Board decisions and notices are available at www.stb.gov.

Decided: _____, 2021.

By the Board, Allison C. Davis, Director, Office of Proceedings.

CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing document was served by U.S.
first class mail, postage pre-paid on the following shippers subject to the interchange
commitment:

BALL PIPE & SUPPLY INC
701 E HARDESTY RD
SHAWNEE, OK 74801

JINDAL FILMS AMERICAS LLC
41501 WOLVERINE RD
SHAWNEE, OK 74804

TDK FERRITES CORP
5900 N HARRISON
SHAWNEE, OK 74801



Justin J. Marks

Dated: August 27, 2021