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SERVICE DATE – JANUARY 21, 2022

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36571]

Verdigris Southern Railroad, L.L.C.—Lease and Operation Exemption—Track in Rogers County, Okla.

Verdigris Southern Railroad, L.L.C. (VESO), a noncarrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to lease from the City of Tulsa – Rogers County Port Authority (the Port), and to commence common carrier operations over, certain track owned by the Port (also a noncarrier) located in Rogers County, Okla. (the Line). The Line extends from the point of connection to the northwest-southeast-running Union Pacific Railroad Company (UP) Wagoner Subdivision mainline at UP milepost 594.76 at Inola, Okla., westward for a distance of approximately 13,883 feet to an end point to the west of the Line’s at-grade crossing of State Road S 4200. According to VESO, the Line currently serves as a private track and has no mileposts of its own.

This transaction is related to a verified notice of exemption filed concurrently in Watco Holdings, Inc.—Continuance in Control Exemption—Verdigris Southern Railroad, Docket No. FD 36572, in which Watco Holdings, Inc., seeks to continue in control of VESO upon VESO’s becoming a Class III rail carrier.

The verified notice states that VESO and the Port have entered into a Track Lease and Operating Agreement (Agreement) pursuant to which VESO will lease and operate the Line as a common carrier.¹

VESO certifies that its projected annual revenues from this transaction will not result in its becoming a Class I or Class II rail carrier and will not exceed \$5 million. VESO also certifies that the Agreement does not include an interchange commitment.

The earliest this transaction may be consummated is February 6, 2022, the effective date of the exemption (30 days after the verified notice was filed).

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 January 28, 2022 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36571, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading must be served on VESO's representative, Bradon J. Smith, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606.

According to VESO, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b).

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

¹ Public and confidential versions of the Agreement were filed with the verified notice. The confidential version was submitted under seal concurrently with a motion for protective order, which is addressed in a separate decision.

Decided: January 14, 2022.

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