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September 13, 2024
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BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36811

OKLAHOMA & KANSAS RAILROAD, LLC
— CHANGE OF OPERATOR EXEMPTION —
OKLAHOMA DEPARTMENT OF TRANSPORTATION AND
BLACKWELL INDUSTRIAL AUTHORITY

**VERIFIED NOTICE OF EXEMPTION OF
OKLAHOMA & KANSAS RAILROAD, LLC
PURSUANT TO 49 C.F.R. PART 1150, SUBPART D**

FILED
September 13, 2024
SURFACE
TRANSPORTATION BOARD

Dated: September 13, 2024

Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500
rwimbish@fletcher-sippel.com

**ATTORNEY FOR OKLAHOMA & KANSAS
RAILROAD, LLC**

FEE RECEIVED
September 13, 2024
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— CHANGE OF OPERATOR EXEMPTION —
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**VERIFIED NOTICE OF EXEMPTION OF
OKLAHOMA & KANSAS RAILROAD, LLC
PURSUANT TO 49 C.F.R. PART 1150, SUBPART D**

Oklahoma & Kansas Railroad, LLC (“OKRL”), a non-carrier,¹ files this Verified Notice of Exemption (“Notice”) under 49 C.F.R. part 1150 subpart D to lease, and to conduct common carrier operations over, approximately 37.26 miles of rail line (the “Line”) owned by Oklahoma Department of Transportation (“OKDOT”) and Blackwell Industrial Authority (“BIA”).² Under the proposed transaction, OKRL also will replace Blackwell Northern Gateway Railroad Company (“BNGR”) as the common carrier service provider on the Line.³

¹ Upon consummation of the proposed lease transaction, OKRL will become a rail carrier under the control of the Chicago Rock Island & Pacific Railroad LLC (“Rock Island”). For that reason, Rock Island is concurrently seeking authority to continue control of OKRL upon such transaction consummation pursuant to the contemporaneously-filed *Chicago Rock Island & Pacific Railroad LLC — Continuance in Control Exemption — Oklahoma & Kansas Railroad, LLC*, FD 36____.

² See *State of Oklahoma by and through the Oklahoma Department of Transportation and Blackwell Industrial Authority – Acquisition Exemption – Central Kansas Railway, L.L.C.*, FD 33492 (STB served Oct. 31, 1997) (“*State of Oklahoma*”).

³ See *State of Oklahoma by and through the Oklahoma Department of Transportation and Blackwell Industrial Authority – Alternative Rail Service – Line of Blackwell Northern Gateway Railroad Company*, FD 36762 (STB served July 26, 2024) (“*Alternative Rail Service*”); *Blackwell Northern Gateway Railroad Company—Lease Exemption—Oklahoma Department of Transportation and Blackwell Industrial Authority*, FD 35441 (Sub-No. 1) (STB Served Oct. 18, 2023); and *Blackwell Northern Gateway Railroad Company—Change*

Under the requirements of 49 C.F.R. § 1150.33, OKRL submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.33(a)

The full name and address of the applicant is:

Oklahoma & Kansas Railroad, LLC
165 W. South St., Suite 201
Hernando, MS 38632

Applicant's Representative: 49 C.F.R. § 1150.33(b)

Correspondence should be sent to:

Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Ill. 60606
(312) 252-1500
rwimbish@fletcher-sippel.com

Statement Concerning Agreement: 49 C.F.R. § 1150.33(c)

As reported upon in the OKDOT/BIA filing in the above-referenced *Alternative Rail Service* proceeding, OKRL, OKDOT, and BIA have reached an agreement under which OKRL will lease the Line and will, upon consummation of the lease transaction, assume a common carrier status over the Line in place of BNCR. OKRL understands that BNCR does not object to the proposed change in operator.

Operator of the Property: 49 C.F.R. § 1150.33(d)

OKRL will, upon consummation of the present transaction, assume the obligation to operate and provide railroad common carrier service to shippers on the Line.

in Operators Exemption— Oklahoma Department of Transportation and Blackwell Industrial Authority, FD 34777 (STB served Nov. 30, 2005).

Background and Summary of the Transaction: 49 C.F.R. § 1150.33(e)

This transaction involves OKRL's proposed lease of, and commencement of common carrier service over, approximately 37.26 route miles of railroad line owned by OKDOT and BIA extending from milepost 0.09 at Wellington, Kansas, to milepost 35.35 at Blackwell, Oklahoma, and from milepost 127.0 at Blackwell to milepost 125.0 also at Blackwell. OKDOT owns the portions of the Line extending from milepost 18.32 at Hunnewell, Kansas, to milepost 35.35 at Blackwell, and from milepost 127.0 to milepost 126.45 in Blackwell. BIA owns the portions of the Line extending from milepost 0.09 at Wellington to milepost 18.32 at Hunnewell, and from milepost 126.45 to milepost 125.0 in Blackwell. Once the proposed lease transaction is effectuated, OKRL will assume a common carrier status over the Line in place of the incumbent, BNGR.

OKRL intends to consummate its lease of the Line on or after the anticipated effective date of this notice.

The names and addresses of the lessors are as follows:

Oklahoma Department of Transportation
200 NE 21st Street
Oklahoma City, OK 73107

Blackwell Industrial Authority
525 N. 25th Street, P.O. Box 150
Blackwell, OK 74631

Map: 49 C.F.R. § 1150.33(f)

Attached as Exhibit A.

Certificate of Compliance: 49 C.F.R. § 1150.33(g)

The proposed transaction will not cause OKRL revenues to meet or exceed the Class I or II thresholds. See attached Certification and Verification.

Interchange Commitments: 49 C.F.R. § 1150.33(h)

The agreement governing this transaction does not include any provision that may limit future interchange with a third-party connecting carrier. See attached Certification and Verification.

Shipper Notice: 49 C.F.R. § 1150.32(b)

OKRL hereby certifies through the undersigned counsel that it has provided a copy of this verified notice of exemption to all customers on the Line in accordance with the Board's change of operator rules. See Exhibit B.

Advance Notice: 49 C.F.R. § 1150.32(e)

OKRL does not anticipate its annual revenues will exceed \$5 million. Therefore, no advance notice to BNGR employees is required.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(1), a change in operator transaction such as this one is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(3), the proposed change in operator transaction is also exempt from historic preservation reporting requirements. The proposed transaction is intended to facilitate common carrier rail service over the Line; it will not substantially change the maintenance of rail property. Additionally, a common carrier operator requires further Board approval to discontinue service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.32(a)

A Caption Summary is attached as Exhibit C.

Respectfully submitted,

By: /s/ *R. A. Wimbish*

Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500
rwimbish@fletcher-sippel.com

**ATTORNEY FOR OKLAHOMA & KANSAS
RAILROAD, LLC**

Dated: September 13, 2024

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

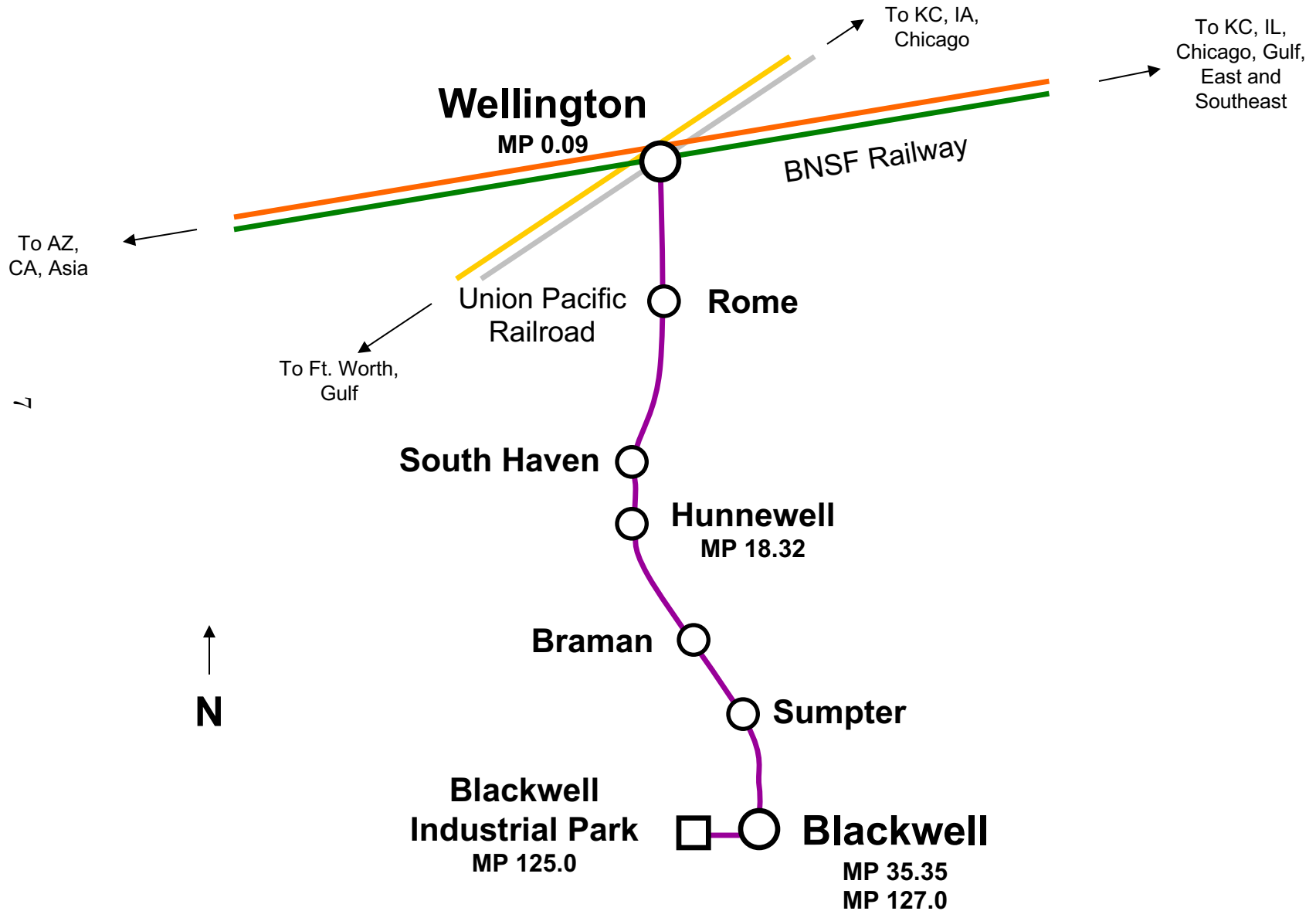
FD 36811

**OKLAHOMA & KANSAS RAILROAD, LLC
— CHANGE OF OPERATOR EXEMPTION —
OKLAHOMA DEPARTMENT OF TRANSPORTATION AND
BLACKWELL INDUSTRIAL AUTHORITY**

EXHIBIT A

MAP

OKLAHOMA & KANSAS RAILROAD, LLC



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EXHIBIT B

**FORM OF NOTICE TO
ON-LINE CUSTOMERS**

TEXT OF NOTICE TO CUSTOMERS

Re: FD 36811, *Oklahoma & Kansas Railroad, LLC — Change of Operator Exemption — Oklahoma Department of Transportation and Blackwell Industrial Authority*

Oklahoma & Kansas Railroad, LLC (“OKRL”), a non-carrier, has filed with the Surface Transportation Board (“STB”) a notice of exemption (the “Notice” – attached) to assume common carrier operations over the following railroad line segments owned by the Oklahoma Department of Transportation and the Blackwell Industrial Authority: (a) from milepost 0.09 at Wellington, Kansas, to milepost 35.35 at Blackwell, Oklahoma; and (b) from milepost 127.0 at Blackwell to milepost 125.0 also at Blackwell (collectively, the “Lines”).

OKRL will replace the incumbent carrier – Blackwell Northern Gateway Railroad Company (“BNGR”) – as the exclusive railroad common carrier on the Lines. Attached is a copy of OKRL’s exemption filing with the STB in the above-referenced docket, which will serve to authorize OKRL’s assumption of railroad service obligations in place of NHCR.

OKRL anticipates effectuating its lease of the Lines on or after October 13, 2024.

We are providing you with this information in keeping with the STB’s shipper notice requirements. You are not required (or expected) to respond or to this notification or to participate in the subject STB proceeding. Please contact the undersigned if you have any questions.

Respectfully,

Robert A. Wimbish
Attorney for Oklahoma & Kansas
Railroad, LLC

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EXHIBIT C

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

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— CHANGE OF OPERATOR EXEMPTION —
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BLACKWELL INDUSTRIAL AUTHORITY

Oklahoma & Kansas Railroad, LLC (“OKRL”), a non-carrier, has filed a notice of exemption (“Notice”) to operate approximately 37.26 route miles of railroad (the “Line”) owned by Oklahoma Department of Transportation (“OKDOT”) and Blackwell Industrial Authority (“BIA”) extending from milepost 0.09 at Wellington, Kansas, to milepost 35.35 at Blackwell, Oklahoma, and from milepost 127.0 at Blackwell to milepost 125.0 also at Blackwell. Under the proposed transaction, OKRL will replace Blackwell Northern Gateway Railroad Company as the common carrier service provider on the Line.

Comments must be filed with the Board and served on:

Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, IL 60606
(312) 252-1500

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.

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CERTIFICATION AND VERIFICATION

VERIFICATION AND CERTIFICATION

I, Robert Riley, Chief Executive Officer of the Oklahoma & Kansas Railroad, LLC (“OKRL”) verify under penalty of perjury that the foregoing notice of exemption is true and correct to the best of my information and belief.

Further, I certify that the agreement governing the proposed transaction does not have an interchange commitment; that OKRL’s expected annual revenues will not exceed \$5 million; and, accordingly, OKRL will not become a Class I or II rail carrier under the applicable thresholds set forth at 49 C.F.R. § 1201 (1-1).

Dated: September 12, 2024

/s/ *Robert Riley*
Robert Riley