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Office of Chief Counsel
August 25, 2025
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Public Record

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August 25, 2025

VIA E-FILING

Cynthia T. Brown
Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street SW
Washington, DC 20423-0001

Re: STB Docket No. FD 36871
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. Included in the Notice of Exemption is request for a waiver of the labor notice requirements under 49 C.F.R. §1150.42(e). 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 25, 2025
SURFACE TRANSPORTATION BOARD

FEE RECEIVED
August 25, 2025
SURFACE TRANSPORTATION BOARD
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Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36871

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

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 25, 2025

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36871

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

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 an amendment (the “Amendment”) extending the term of a lease between AOK and BNSF Railway Company, Inc. (“BNSF”) on a line of railroad between milepost 134.037 and milepost 123.379 on BNSF’s Shawnee Industrial Spur in Shawnee, OK (the “Rail Line”).

The original lease agreement was authorized by the Board in *Arkansas-Oklahoma Railroad, Inc. – Lease and Operation Exemption with Interchange Commitment – BNSF Railway Co.*, STB Finance Docket No. 36534 (served Sept. 10, 2021).¹

Notice

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

- (a) The full name, address, and phone number of Applicant: Arkansas-Oklahoma Railroad, Inc., 116 W. Main St., Wilburton, OK 74578; 918-465-0299.

¹ AOK understands that it could have filed for this authority under 49 C.F.R. §1180.2(d)(4), but the Board’s regulations do not preclude the use of 49 C.F.R. Part 1150, Subpart E for a lease extension.

(b) Applicant's Representatives:

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(c) AOK and BNSF have entered into the Amendment to extend the terms of the lease to be effective upon the effective date of this Notice of Exemption, thirty days after filing.

(d) The current operator of the Rail Line is AOK. AOK will be the operator after the transaction.

(e) Brief Summary of the Proposed Transaction: AOK and BNSF have entered into the Amendment to permit AOK to continue to lease and operate the Rail Line beyond when the original lease was scheduled to expire.

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 Amendment will be effective upon the later of August 1, 2025, 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 original lease contains an interchange commitment. Although the Amendment does not affect the terms of the interchange commitment that was disclosed with the

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

- i. The original 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. Confidential versions of the Amendment and the original lease are being submitted under separate cover as part of a Confidential Appendix governed by 49 CFR 1104.14(a).
- iii. A list of 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 is attached here to as Exhibit B.
- 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

In addition to the information set forth above, AOK certifies that its revenues currently exceed \$5,000,000. However, since AOK will continue to be the operator of the Rail Line both before and after the transaction, AOK is requesting a waiver of the labor notice requirements under 49 C.F.R. §1150.42(e). See request for waiver set forth below.

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. Additionally, since AOK is already the operator of the Rail Line, there will be no employees adversely affected by the Amendment.

Environmental and Historic Reports

The Amendment is 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.

Request for Waiver of Notice Requirements of 49 C.F.R. §1150.42(e)

As noted above, AOK's total revenues exceed \$5,000,000. Under the Board's regulations at 49 C.F.R. §1150.42(e), AOK would be required to give sixty days' notice to BNSF employees working on the Rail Line (and the national offices of their collective bargaining

representatives) as AOK had previously done in 2021. However, the Board has held: “The purpose of 49 CFR 1150.42(e) is to ensure that rail labor unions and employees who would be affected by the transfer of a line are given sufficient notice of the transaction before consummation.” *Louisiana & Delta Railroad, Inc. – Lease Amendment and Operation Exemption – Union Pacific Railroad Company*, STB Finance Docket No. 36379, slip op. at 2 (served Mar. 4, 2020). *See also Acquisition of Rail Line under 49 USC 10901 and 10902 – Advance Notice of Proposed Transactions (“Advanced Notice of Proposed Transactions”)*, 2 STB 592 (1997). In adopting the notice requirement, the Board specifically recognized that “exceptional situations may occur necessitating acquirer requests for waiver of the 60 day notice provision ...” *Advanced Notice of Proposed Transactions, supra* at 601.

In this instance, AOK should not be required to comply with the requirements of Section 1150.42(e) because there will be no changes for any employees working on the Rail Line. AOK already leases the rail facilities and has been the sole common carrier operator of the Rail Line since 2021. The Amendment extends the term of the lease and AOK will continue to be the sole common carrier operator of the Rail Line. No employees of the transferring carrier, BNSF have worked on the line since 2021, and there are no employees of BNSF who will be affected or have to make any career choices as a result of the Amendment. Posting notices on the Rail Line would not provide notice to any BNSF employees since none work on the Rail Line. Further, there will be no operational changes and no employees of AOK will be affected. Thus, under the circumstances of this transaction, compliance with the notice requirements will not further the purposes of the rule and should be waived. Granting AOK a waiver would be consistent with other circumstances in which the Board has granted waivers from the labor notice requirements when a common carrier has filed to extend a lease for a rail line it was previously leasing and

will remain as the common carrier operator on the line. *See North Carolina & Virginia Railroad Company, LLC, Chesapeake & Albemarle Railroad Division – Lease Amendment Exemption – Norfolk Southern Railway Company*, STB Docket No. FD 35564 (Sub-No. 1) (served December 23, 2011). *See also Louisiana Southern Railroad, LLC – Lease Exemption containing Interchange Commitment – The Kansas City Southern Railway Company*, STB Docket No. FD 35983 (served February 18, 2016).

AOK requests that the waiver of the labor notice requirements be granted expeditiously so that this Notice of Exemption can become effective as scheduled 30 days after it is filed.

Conclusion

Accordingly, AOK requests that the Board issue a notice allowing the Amendment 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 25, 2025

VERIFICATION

I, Heather Watson, President 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.

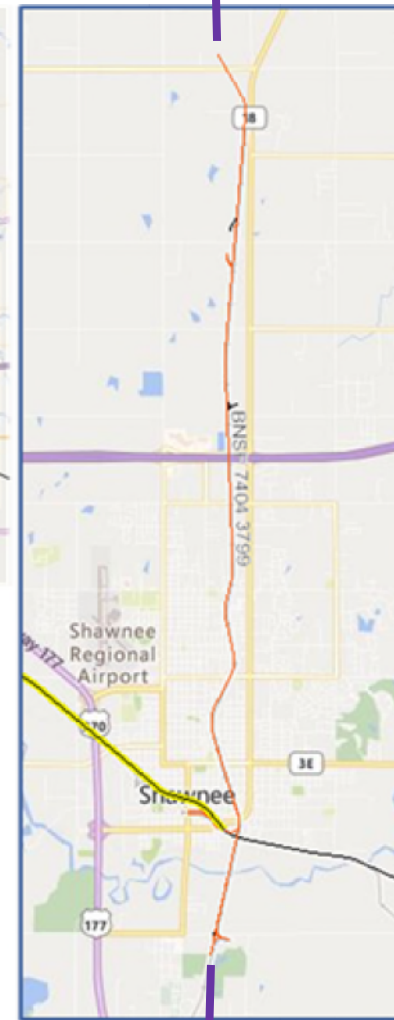
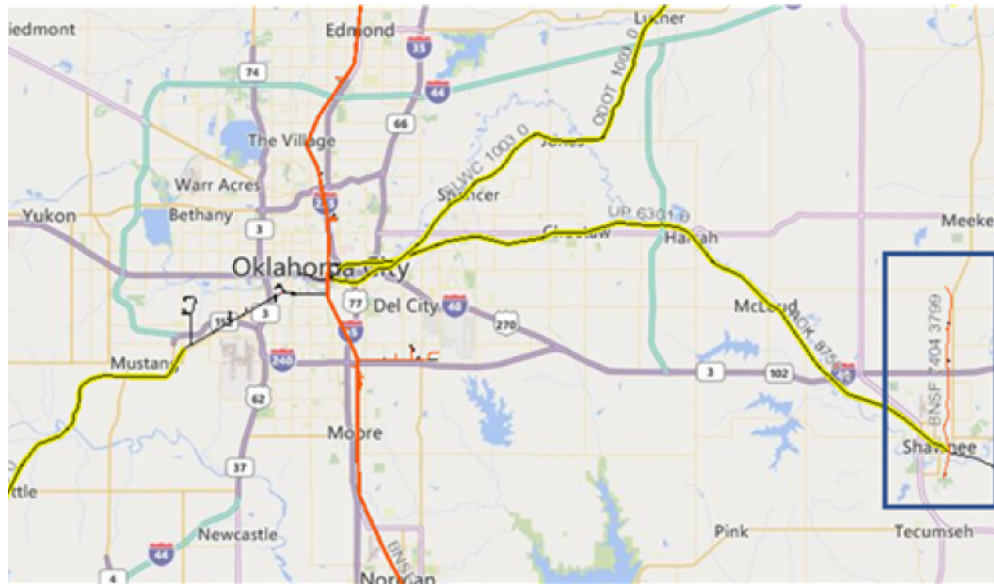
Executed on August 25, 2025


Heather Watson

EXHIBIT A

MAP

MP 123.379



MP 134.037

EXHIBIT B

LIST OF SHIPPERS

Ball Pile & Supply, Inc. 701 Hardesty Rd, Shawnee, OK 74801

Jindal Films Americas, LLC 41501 Wolverine Rd, Shawnee, OK 74801

TDK Ferrites Corp. 5900 N Harrison St., Shawnee, OK 74802

EXHIBIT C

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Docket No. FD 36871

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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: _____, 2025.

By the Board, Mai. T. Dinh, Director, Office of Proceedings.