

SERVICE DATE – SEPTEMBER 19, 2025

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36871

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

[REQUEST FOR WAIVER OF 49 C.F.R. § 1150.42(e)]

Digest:¹ This decision waives a 60-day advance notice requirement and allows Arkansas-Oklahoma Railroad, Inc., to continue to lease and operate approximately 10.658 miles of rail line in Oklahoma, on or after September 24, 2025.

Decided: September 19, 2025

On August 25, 2025, Arkansas-Oklahoma Railroad, Inc. (AOK), a Class III rail carrier, filed a verified notice of exemption under 49 C.F.R. § 1150.41 to extend its lease with BNSF Railway Company, Inc. (BNSF), of approximately 10.658 miles of rail line extending between milepost 134.037 and milepost 123.379 on BNSF's Shawnee Industrial Spur in Shawnee, Okla. (the Line).²

According to the verified notice, AOK is the current operator on the Line, having received authority to lease and operate the Line in 2021. (Verified Notice 2, 3); see Ark.-Okla. R.R.—Lease & Operation Exemption with Interchange Commitment—BNSF Ry., FD 36534 (STB served Sept. 10, 2021). AOK states that it has an agreement with BNSF to enter into a second amendment to the lease to extend its term and that AOK will continue as the operator on the Line after the transaction. (Verified Notice 3; id., App. A.) In its verified notice, AOK certifies that its revenues currently exceed \$5 million. (Id. at 5.) Accordingly, unless waived, 49 C.F.R. § 1150.42(e) would require AOK, at least 60 days before the exemption becomes effective, to post a notice of its intent to undertake the proposed transaction setting forth certain information at the workplace of the employees on the affected lines, serve a copy of the notice on the national offices of the labor unions with employees on the affected lines, and certify to the

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. See Pol'y Statement on Plain Language Digs. in Decisions, EP 696 (STB served Sept. 2, 2010).

² AOK also filed a supplement on September 4, 2025, providing, under seal, a portion of the lease that was missing from its initial filing.

Board that it has done so. However, the verified notice includes a request for waiver of those notice requirements. (Verified Notice 5-6.)

Notice of AOK's exemption was served and published in the Federal Register on September 10, 2025 (90 Fed. Reg. 43,728). The published notice announced that the Board would establish the effective date of the exemption in a separate decision on the waiver request.

In its request for waiver, AOK argues that the labor notice requirements are unnecessary because the proposed transaction would result in no changes for any employees working on the Lines. (Verified Notice 6.) According to AOK: (1) no AOK employees would be affected by the proposed transaction; (2) there would be no operational changes; (3) no employees of BNSF have worked on the Lines since 2021; and (4) no BNSF employees would be affected by the transaction. (Id. at 6-7.) No opposition to this waiver request has been filed.

DISCUSSION AND CONCLUSIONS

The purpose of the notice requirements at 49 C.F.R. § 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.

Here, however, it does not appear that the purpose behind the requirements would be thwarted if the requested waiver is granted. The record indicates that no employees would be adversely affected by a waiver of the 60-day notice requirements. AOK is the sole operator of the Line and has been since 2021; AOK further states that there would be no changes for any AOK employees working on the Line as a result of the proposed transaction. (Verified Notice 6.) Moreover, AOK indicates that BNSF has no employees who would be affected by the transaction. (Id.)

Because no employees would be adversely affected by the requested waiver of the 60-day notice period, the Board will grant the waiver. Accordingly, AOK's lease and operation exemption, unless stayed, will become effective on September 24, 2025, the effective date under the Board's rules absent the notice requirement.

This action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

It is ordered:

1. AOK's request for waiver is granted.
2. AOK's exemption will be effective on September 24, 2025, unless stayed.
3. This decision is effective on its date of service.

By the Board, Board Members Fuchs, Hedlund, and Schultz.