

ENTERED
Office of Chief Counsel
November 13, 2025
Part of
Public Record

Justin J. Marks
T (202) 772-0916
F +12027720919
Email:jmarks@ClarkHill.com

Clark Hill
1001 Pennsylvania Avenue N.W.
Suite 1300 South
Washington, DC 20004
T (202) 772-0909
F (202) 772-0919

November 13, 2025

VIA E-FILING
49 C.F.R. §1150.42(e) WAIVER REQUESTED

Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

Re: Arkansas Midland Railroad Company, Inc.
– Lease and Operation Exemption –
Including Interchange Commitment –
Union Pacific Railroad Company
Surface Transportation Board Finance Docket 36885

Dear Chief of Case Administration:

Enclosed for filing in the above referenced docket is a Notice of Exemption under 49 U.S.C. §10902 for Arkansas Midland Railroad Company, Inc. ("AKMD"), to continue operating on rail lines owned by the Union Pacific Railroad Company.

Included within this notice of exemption is a request to waive the notice requirements of 49 CFR §1150.42(e).

The filing fee has been paid via pay.gov. If you have any questions related to this filing, please let me know.

Sincerely,



Justin J. Marks
Counsel for Arkansas Midland Railroad
Company, Inc.

Enclosure
FEE RECEIVED
November 13, 2025
SURFACE
TRANSPORTATION BOARD

FILED
November 13, 2025
SURFACE
TRANSPORTATION BOARD

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36885

ARKANSAS MIDLAND RAILROAD COMPANY, INC.
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
UNION PACIFIC RAILROAD COMPANY

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

(includes color images)

Justin J. Marks
Clark Hill PLC
1001 Pennsylvania Ave. N.W.
Suite 1300 South
Washington, DC 20004
(202) 772-0916
jmarks@clarkhill.com

Eric M. Hocky
Clark Hill PLC
Two Commerce Square
2001 Market St.
Suite 2620
Philadelphia, PA 19103
(215) 640-8523
ehocky@clarkhill.com

*Attorneys for Arkansas Midland Railroad
Company, Inc.*

Dated: November 13, 2025

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36885

ARKANSAS MIDLAND RAILROAD COMPANY, INC.
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
UNION PACIFIC RAILROAD COMPANY

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

Arkansas Midland Railroad Company, Inc. (“AKMD”), a Class III railroad, files this Notice of Exemption under 49 USC § 10902 to exempt from regulation, AKMD’s entry into a lease supplement to extend the term of, and to make other changes to its lease with Union Pacific Railroad Company (“UP”) as previously supplemented (together, the “Original Lease”). The lines of railroad subject to the lease supplement (the “Supplement”) include the following segments of rail line totaling approximately 57.6 miles (together referred to herein as the “Leased Lines”): (1) a portion of the Carlisle Industrial Lead from UP’s milepost 130.33 to the end of the line at UP’s milepost 131.38, including side tracks appurtenant thereto; (2) from UP’s milepost 292.00 to UP’s milepost 297.93, including side tracks appurtenant thereto, connecting with UP’s mainline in North Little Rock Yard near milepost 343.40; (3) the Warren Line extending from a connection with UP at milepost 422.32 in Dermott, AR, to milepost 461.74 at Warren, AR; (4) the Cypress Bend Industrial Lead, between milepost 407.5 at McGehee, AR, and milepost 399.7 at Cypress Bend, AR; and the Potlatch Spur, between milepost 0.0 (milepost 399.7 on the Cypress Bend Industrial Lead), and approximately milepost 3.4.¹ The Leased Lines are shown on the map attached as

¹ The lease also includes the yard at the east end of the Potlatch Spur and portions of the McGehee Yard (except yard tracks 001 and 002) as well as incidental bridge trackage rights over

Exhibit A. The Supplement will extend the term of the Original Lease and will revise other commercial provisions.

Notice

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

(a) The full name and address of Applicant: Arkansas Midland Railroad Company, Inc., 314 Reynolds Road, Building 41, Malvern, AR 72104.

(b) Applicant's Representatives:

Justin J. Marks
Clark Hill PLC
1001 Pennsylvania Ave. N.W.
Suite 1300 South
Washington, DC 20004
(202) 772-0916

Eric M. Hocky
Clark Hill PLC
Two Commerce Square
2001 Market St.
Suite 2620
Philadelphia, PA 19103
(215) 640-8523

(c) AKMD and UP are entering into the Seventh Supplement to the Original Lease in order to extend the term of the Original Lease and to make other commercial revisions.

(d) The current operator of the Leased Lines is AKMD, and AKMD will continue to be the operator after the transaction.

(e) Brief Summary of the Proposed Transaction: In 2000, AKMD entered into an agreement with UP to lease and operate a segment of the Leased Lines. The parties then

UP's rail line between milepost 406.5 at McGehee and milepost 415.26 at Dermott, AR.

entered into supplements to the Original Lease adding additional segments of rail lines to the Original Lease. *Arkansas Midland Railroad Company, Inc.– Lease and Operation Exemption – Union Pacific Transportation Company*, STB Finance Docket No. 33908, (served Aug. 23, 2000); *Arkansas Midland Railroad Company, Inc.– Lease and Operation Exemption – Union Pacific Transportation Company*, STB Finance Docket No. 34567, (served Nov. 17, 2004); *Arkansas Midland Railroad Company, Inc.– Lease and Operation Exemption – Union Pacific Transportation Company*, STB Finance Docket No. 34714, (served Aug. 30, 2005). The remaining supplements temporarily extended the terms of the Original Lease to allow the parties to negotiate the Supplement that is the subject of this notice.

AKMD and UP have now agreed to amend the Original Lease to further extend the term and make other commercial changes.

- i. The name and address of the company leasing the Leased Lines is Union Pacific Railroad Company, 1400 Douglas Street, Mailstop 1350, Omaha, Nebraska 68179.
- ii. The Supplement will be effective upon the effective date of this Notice of Exemption, thirty days after filing (or upon the grant of the requested labor notice waiver). AKMD is currently operating the Leased Lines under the terms of the Original Lease and will continue to do so until the Supplement becomes effective.
- iii. The current mileposts of the Leased Lines are: (1) a portion of the Carlisle Industrial Lead from UP's milepost 130.33 to the end of the line at UP's milepost 131.38, including side tracks appurtenant thereto; (2) from UP's milepost 292.00 to UP's milepost 297.93, including side tracks appurtenant thereto, connecting with UP's mainline in North Little Rock Yard near milepost 343.40; (3) the Warren Line

extending from a connection with UP at milepost 422.32 in Dermott, AR, to milepost 461.74 at Warren, AR; (4) the Cypress Bend Industrial Lead, between milepost 407.5 at McGehee, AR, and milepost 399.7 at Cypress Bend, AR; and the Potlatch Spur, between milepost 0.0 (milepost 399.7 on the Cypress Bend Industrial Lead), and approximately milepost 3.4.²

- iv. The total route miles to be leased and operated is approximately 57.6 miles.
- (f) Attached as Exhibit A to this Notice of Exemption is a map of the Leased Lines.
- (g) AKMD 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) AKMD certifies that the Original Lease which is being amended includes an interchange commitment. In this transaction, the Original Lease contained an interchange commitment that potentially affects interchange with carriers other than UP. The following additional information is provided by AKMD with respect to the interchange commitment:
 - i. As noted above, the Original Lease contains an interchange commitment that affects interchange with carriers other than UP at the interchange points shown on the map attached as Exhibit A.
 - ii. A confidential version of the Original Lease, previously executed supplements, and the Seventh Supplement are being submitted under separate cover as part of a Confidential Appendix governed by 49 CFR §1104.14(a).
 - iii. A list of the shippers who currently use or who have used the Leased Lines in the last two calendar years, and whose traffic is subject to the interchange commitment

² The lease also includes the yard at the east end of the Potlatch Spur and portions of the McGehee Yard (except yard tracks 001 and 002) as well as incidental bridge trackage rights over UP's rail line between milepost 406.5 at McGehee and milepost 415.26 at Dermott, AR.

is attached hereto 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. AKMD hereby certifies that, as set forth in the certificate of service, it has provided notice of the proposed transaction and interchange commitment by serving a copy of this Notice of Exemption on the shippers identified in subparagraph iii. above.
 - vi. BNSF Railway Company (North Little Rock, AR.); North Louisiana and Arkansas Railroad (McGehee, AR); and Warren & Saline River Railroad Company (Warren, AR) physically interchange with the Leased Lines.
 - vii. AKMD does not have the information to estimate the difference between the rent with and without the interchange commitment at the time of the Original Lease. Moreover, in connection with the current supplement and extension of the lease there was no discussion or negotiation of the lease with and without the commitment. Accordingly, AKMD requested an estimate of the difference from UP as permitted by the Board. *Information Required in Notices and Petitions Containing Interchange Commitments*, STB Docket No. EP 714 (served September 5, 2013), slip op. at 5-6. The UP response is included in the Confidential Appendix.
 - viii. The caption of this proceeding reflects the existence of the interchange commitment.
- (i) In addition to the information set forth above, AKMD certifies that its revenues currently exceed \$5,000,000. However, since AKMD will continue to be the operator of the Leased Lines both before and after the transaction, AKMD 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

AKMD 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 AKMD is already the operator of the Leased Lines, there will be no employees adversely affected by the lease arrangements.

Environmental and Historic Reports

This is an extension of 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 AKMD to discontinue (or for UP 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, AKMD's total revenues exceed \$5,000,000. Under the Board's regulations at 49 C.F.R. §1150.42(e), AKMD would be required to give sixty days' notice to UP's employees working on the Leased Lines (and the national offices of their collective bargaining representatives). 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 Leased Lines 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, AKMD 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 Leased Lines. AKMD already leases the rail facilities and has been the sole common carrier operator on all of the Leased Lines since 2005. The Supplement extends the term of the Original Lease and AKMD will continue to be the sole common carrier operator of the Leased Lines. No employees of the transferring carrier, UP or its predecessor, have worked on the lines since 2000, 2004, or 2005 depending on the segment, and there are no employees of UP who will be affected or have to make any career choices as a result of the sale. Posting notices on the Leased Lines would not provide notice to any UP employees since none work on the Leased Lines. Further, there will be no operational changes and no employees of AKMD 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 AKMD 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 of lines it was previously operating and where it will remain as the common carrier operator on the lines. *See Marquette Rail, LLC – Lease and Operation Exemption Including Interchange Commitment – CSX Transp., Inc.*, STB Docket No.

FD 36831 (served May 8, 2025). *See also San Joaquin Valley R.R. CO. – Lease and Operation Exemption Including Interchange Commitment – Union Pacific Railroad Company*, STB Docket No. FD 36829 (served Apr. 30, 2025).

AKMD 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, AKMD requests that the Board issue a notice allowing the Seventh Supplement to become effective 30 days from the filing of this Notice of Exemption.

Respectfully submitted,



Justin J. Marks
Clark Hill PLC
1001 Pennsylvania Ave. N.W.
Suite 1300 South
Washington, DC 20004
(202) 772-0916
jmarks@clarkhill.com

Eric M. Hocky
Clark Hill PLC
Two Commerce Square
2001 Market St.
Suite 2620
Philadelphia, PA 19103
(215) 640-8523
ehocky@clarkhill.com

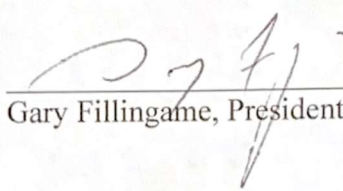
*Attorneys for Arkansas Midland Railroad
Company, Inc.*

Dated: November 13, 2025

VERIFICATION

I, Gary Fillingame, President of Arkansas Midland Railroad Company, 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 November 13, 2025



Gary Fillingame, President

EXHIBIT A

MAP

EXHIBIT B

LIST OF SHIPPERS

Bruce Oakley 3700 Lincoln Ave N. Little Rock 72114	Cedar Creek Lumber 400 E 13th St North Little Rock, AR 72114
Ash Grove Cement 11011 Cody Street Overland Park, KS 66210	Clearwater Paper 5082 HWY 4 Arkansas City, AR 71630
Safe Foods 1501 East 8th Street North Little Rock, AR 72114	Interfor 211 Old Troy Road Monticello, AR 71655
AmeriGas Propane LP 15340 Park Row Houston, Texas 77084	Potlatch Deltic 908 W Pine St Warren, AR 71671
All American Poly 309 Phillips Rd North Little Rock, AR 72117	Warren Timbers 146 US Highway 63 S Warren, AR, 71671
Cone Solvents 2228 Central Airport Rd N. Little Rock 72117	Ashcraft Wood Products 501 S Martin Warren, Arkansas 71671
Vertex 1331 Gemini St., Suite 250 Houston, TX 77058	NLA RR 500 Crooked Bayou Rd. McGehee, AR 71654
Polytec 701 Dixie St North Little Rock, AR 72114	Price Fibers 278 HWY 189 Bypass Warren, AR 71671

EXHIBIT C

CAPTION SUMMARY

**Before the
SURFACE TRANSPORTATION BOARD**

STB Docket No. FD 36885

**ARKANSAS MIDLAND RAILROAD COMPANY, INC.
- LEASE AND OPERATION EXEMPTION
INCLUDING INTERCHANGE COMMITMENT –
UNION PACIFIC RAILROAD COMPANY**

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

Arkansas Midland Railroad Company, Inc. (“AKMD”), a Class III railroad, files this Notice of Exemption under 49 USC § 10902 to exempt from regulation, AKMD’s entry into a lease supplement to extend the term of, and to make other changes to its lease with Union Pacific Railroad Company (“UP”) as previously supplemented (together, the “Original Lease”). The lines of railroad subject to the lease supplement (the “Supplement”) include the following segments of rail line totaling approximately 57.6 miles (together referred to herein as the “Leased Lines”): (1) a portion of the Carlisle Industrial Lead from UP’s milepost 130.33 to the end of the line at UP’s milepost 131.38, including side tracks appurtenant thereto; (2) from UP’s milepost 292.00 to UP’s milepost 297.93, including side tracks appurtenant thereto, connecting with UP’s mainline in North Little Rock Yard near milepost 343.40; (3) the Warren Line extending from a connection with UP at milepost 422.32 in Dermott, AR, to milepost 461.74 at Warren, AR; (4) the Cypress Bend Industrial Lead, between milepost 407.5 at McGehee, AR, and milepost 399.7 at Cypress Bend, AR; and the Potlatch Spur, between milepost 0.0 (milepost 399.7 on the Cypress Bend Industrial Lead), and approximately milepost 3.4. The Supplement will extend the term of the Original Lease and will revise other commercial provisions.

Comments must be filed with the Board and served on AKMD's representative, Justin J. Marks, Esq., Clark Hill, PLC, 1001 Pennsylvania Ave. N.W., Suite 1300 South, Washington, DC 20004; (202) 772-0916.

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, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.

CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing document was served by email or U.S. first class mail, postage pre-paid on the shippers shown on Exhibit B.



Justin J. Marks

Dated: November 13, 2025