

SERVICE DATE – DECEMBER 9, 2025

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36885

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

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

Digest:¹ This decision waives the 60-day advance notice requirement and allows Arkansas Midland Railroad Company, Inc., to extend the term of, and make other changes to, its lease of approximately 57.6 miles of rail line in Arkansas, on or after December 13, 2025.

Decided: December 8, 2025

On November 13, 2025, Arkansas Midland Railroad Company, Inc. (AKMD), a Class III rail carrier, filed a verified notice of exemption under 49 C.F.R. § 1150.41 to extend the term of, and make other changes to, its lease with Union Pacific Railroad Company (UP). Pursuant to that agreement, AKMD leases and operates the following rail lines totaling approximately 57.6 miles (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) rail line extending between UP's milepost 292.00 and 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 between a connection with UP at milepost 422.32 in Dermott, Ark., and milepost 461.74 at Warren, Ark.; (4) the Cypress Bend Industrial Lead, between milepost 407.5 at McGehee, Ark., and milepost 399.7 at Cypress Bend, Ark.; and (5) the Potlatch Spur, between milepost 0.0 (milepost 399.7 on the Cypress Bend Industrial Lead), and approximately milepost 3.4.² (Verified Notice 1.)

AKMD states that, in 2000, it entered into an agreement with UP to lease and operate certain segments of the Leased Lines. (Verified Notice 2-3); Ark. Midland R.R.—Lease &

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 The verified notice states that 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. (Verified Notice 1 n.1.)

Operation Exemption—Union Pac. R.R., FD 33908 (STB served Aug. 23, 2000). The parties subsequently supplemented that lease to allow AKMD to lease and operate the other portions of the Leased Lines. See Ark. Midland R.R.—Change in Operators Exemption—Line of Union Pac. R.R., FD 34567 (STB served Nov. 17, 2004); Ark. Midland R.R.—Lease & Operation Exemption—Union Pac. R.R., FD 34714 (STB served Aug. 30, 2005). According to the verified notice, the parties also subsequently supplemented the lease to extend the term of the lease to allow the parties to negotiate the supplement that is the subject of the verified notice. (Verified Notice 3.) The verified notice indicates that AKMD and UP have now agreed to amend the lease to extend its term and make other commercial changes. (*Id.*) AKMD states that it will continue to operate the Leased Lines. (*Id.*)

In its verified notice, AKMD certifies that its annual revenues currently exceed \$5 million. (*Id.* at 5.) Accordingly, unless waived, 49 C.F.R. § 1150.42(e) would require AKMD, 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 Board that it has done so. However, the verified notice includes a request for waiver of those notice requirements. (Verified Notice 6-8.)

In its request for waiver, AKMD states that the 60-day labor notice requirements are unnecessary because the proposed transaction would result in no changes for any employees working on the Leased Lines. (*Id.* at 7.) According to AKMD: (1) no AKMD employees would be affected by the proposed transaction; (2) there would be no operational changes; (3) no employees of UP or its predecessor have worked on the Leased Lines since 2005; and (4) no UP employees would be affected by the transaction. (See *id.*) No opposition to this waiver request has been filed.

Notice of AKMD's exemption was served and published in the Federal Register on November 28, 2025 (90 Fed. Reg. 54,838). The published notice announced that the Board would establish the effective date of the exemption in a separate decision on the waiver request.

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. AKMD is the current operator of the Leased Lines, and AKMD states that there would be no changes for any AKMD employees working on the Line as a result of the proposed transaction. Moreover, AKMD indicates that UP has no employees who would be affected by the transaction.

Because no employees would be adversely affected by the requested waiver of the 60-day notice period, the Board will grant the waiver. AKMD's lease and operation exemption, unless stayed, will become effective on December 13, 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. AKMD's request for waiver is granted.
2. AKMD's exemption will be effective on December 13, 2025, unless stayed.
3. This decision is effective on its date of service.

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