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BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 35217 (SUB-NO. 1)

STILLWATER CENTRAL RAILROAD, L.L.C.
—LEASE AND OPERATION EXEMPTION—
HOLLIS & EASTERN RAILROAD L.L.C.

PETITION FOR WAIVER
FROM THE REQUIREMENTS OF 49 C.F.R. § 1150.42(e)

Stephen J. Foland
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500
sfoland@fletcher-sippel.com

**ATTORNEY FOR STILLWATER
CENTRAL RAILROAD, L.L.C.**

Dated: March 19, 2026.

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FROM THE REQUIREMENTS OF 49 C.F.R. § 1150.42(e)**

Stillwater Central Railroad, L.L.C. (“SLWC”), a Class III rail carrier, hereby submits this Petition to the Surface Transportation Board (the “Board”) for a waiver of the sixty (60)-day labor notice requirement at 49 C.F.R. § 1150.42(e), which notice requirement would otherwise apply to the lease renewal transaction that is the subject of the above-referenced proceeding.

Since 2010, SLWC has leased approximately 14.0 miles of railroad line (the “Line”) from their owner, Hollis & Eastern Railroad, L.L.C. (“HE”), and has provided common carrier rail service on that Line. *See Stillwater Cent. R.R., Inc.—Lease and Operation Exemption—Hollis & E. R.R. L.L.C.*, FD 35217 (STB served Feb. 12, 2010). SLWC and HE have recently reached an agreement whereby SLWC will extend its lease from HE, and continue to operate, the Line. SLWC has invoked the Board’s class exemption procedures to authorize its continued operation under the updated and extended lease terms. SLWC’s annual revenues do not exceed

those of a Class III carrier, but they do exceed \$5 million, thereby triggering application of Section 1150.42(e) in this proceeding (unless otherwise waived by the Board in response to this petition).

The Board's regulations provide that when the annual revenue of an acquiring Class III carrier exceeds, or because of the transaction before the Board would exceed, \$5 million, the prospective acquirer must post advanced notice of the transaction (the "Labor Notice") at the workplace of the transferor's affected employees, and serve the Labor Notice on the national office of each labor union representing the transferor's affected employees. *See* 49 C.F.R. § 1150.42(e). Barring a waiver of the Labor Notice requirement, a notice of exemption involving a transaction qualifying for a class exemption will not become effective until sixty (60) days after the Class III acquirer has certified its compliance with the foregoing posting and advanced notice requirements. *Id.*

The Labor Notice serves two purposes: (1) to permit the acquiring carrier to "give notice of its general intentions in hiring a work force[;]" and (2) to permit affected railroad employees to make informed decisions about the future of their employment and whether to seek employment from the acquiring carrier. *See Acquisition of R.R. Lines under 49 U.S.C. 10901 & 10902—Advance Notice*, 2 S.T.B. 592, 597 (1997). In adopting this rule, the Board indicated it would entertain waivers of the notice requirement in appropriate circumstances. *Id.* at 601.

The Board has consistently waived the sixty (60)-day notice requirement where the transaction at issue extends arrangements the Board has

authorized previously, the effect of which would be to continue the operational and labor *status quo*. See, e.g., *Dak., Mo. Valley & W. R.R., Inc.—Lease and Operation Exemption—Soo Line R.R. Co.*, FD 34904 (STB served Jul. 24, 2006) (“*DMV&W*”). The Board requires petitions for such waivers to be reasonable. See *Portland & W. R.R.—Lease and Operation Exemption—Port of Tillamook Bay*, FD 33734 (STB served May 10, 2009). For example, in *DMV&W*, the Board granted a petition for waiver where, as here, the exemption proceeding applied to the renewal of an existing lease, recognizing in so doing that no railroad labor employees would be affected by the renewal of the lease. “Here, no [Soo Line] employees will be affected because no [Soo Line] employees are currently working on the lines and no [Soo Line] jobs will become available, abolished or relocated as a result of the proposed transaction.” *DMV&W* at 2.

Here, the renewal and extension of SLWC’s lease maintains the operational and labor *status quo* in effect since SLWC assumed operation of the Line in 2010. Consequently, extending the leases will not affect any employees of either SLWC or HE. A waiver of the sixty (60)-day Labor Notice requirement in this case is therefore reasonable. Further, such waivers are consistent with the Board’s long-standing practice. See *DMV&W* at 2; see also *Ala. S. R.R., Inc.—Lease and Operation Exemption Including Interchange Commitment—Kan. City S. Ry. Co.*, FD 35889 (STB served Jan. 13, 2015), at 2-3 (waiving notice requirement where record indicated waiver would have no adverse effects on any railroad labor employees; where the acquirer’s employees would continue maintaining and

operating the line; and where none of the transferor's employees worked on the line).

The extension of SLWC's lease in this case will continue the *status quo* in place since 2010. No SLWC or HE jobs will be "abolished or relocated as a result of the proposed transaction." See *DMV&W* at 2. Further, the update and extension of the leases will have no effect upon any H&E employees, since there have been no H&E employees working on the Line for the last fifteen (15) years. Accordingly, no Labor Notice is necessary in this proceeding.

Wherefore Stillwater Central Railroad, L.L.C., respectfully petitions the Board to waive the sixty (60)-day labor notice requirements published at 49 C.F.R. § 1150.42(e), for purposes of the current class exemption proceeding only.

Respectfully submitted,

By: *Stephen J. Foland*

Stephen J. Foland
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500
sfoland@fletcher-sippel.com

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