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August 21, 2026
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BEFORE THE
SURFACE TRANSPORTATION BOARD

WESKAN GRAIN LLC	)	
	)	
Complainant,	)	
	)	
v.	)	Docket No. NOR 42185
	)	
KANSAS & OKLAHOMA RAILROAD, INC	)	
	)	
Defendant	)	
	)	

COMPLAINT

COMES NOW Complainant, Weskan Grain LLC ("Weskan"), pursuant to 49 U.S.C. §11704, and 49 C.F.R. Part 1111 and files this Complaint with the Surface Transportation Board ("Board" or "STB") against Defendant, Kansas & Oklahoma Railroad, LLC ("K&O") for establishing unreasonable rates for the railroad transportation of agricultural commodities in violation of 49 U.S.C. §§ 10701, 10704, 10707.

As explained in more detail below, the common carrier rates for this rail transportation should be evaluated by the Board using the Board's constrained market pricing standards, in this case the Board's Stand-Alone Cost rate reasonableness standards.

In support hereof, Weskan states as follows:

IDENTITY OF THE PARTIES

1. Weskan is a limited liability corporation organized under the laws of Delaware with its principal place of business in Sheridan Lake, Colorado.

2. Weskan owns and operates a grain handling and storage facility connected to tracks

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owned and operated by K&O at 701 N Taos Rd, Scott City, KS (the "Scott City East" facility). Scott City East was acquired by Weskan in 2023, and since acquiring it Weskan has invested $18 million in expanding the facility to enable loading and originating shuttle trains transporting grain commodities, primarily corn, wheat, sorghum and milo.

3. In 2023, Weskan and its affiliates completed construction of a $25 million grain elevator complex connected to the main line of the Colorado Pacific Railroad, LLC ("CXR") at MP 752.5 of the CXR. The facility is called the Stockton Facility due to its location on the CXR's Stockton Siding. The Stockton Facility has 3.1 million bushels of upright grain storage capacity and 2.2 million bushels of ground storage capacity. It is also constructed to ship and receive grain commodities by rail utilizing shuttle trains.

4. K&O is a Class III rail carrier engaged in the common carriage of freight in interstate commerce. K&O is subject to the Interstate Commerce Commission Termination Act of 1995, 49 U.S.C. §10101, et seq., and to the jurisdiction of the Board.

5. K&O owns the mainline railroad track connected to Scott City East, and it holds operating rights granted by the Board over the mainline tracks that extend from the end of K&O's track at MP 682.5 in Scott City to MP 752.5 in the vicinity of Towner, CO, where the tracks connect to CXR's main line.[1] The tracks over which K&O operates are owned by the Union

[1] In 2001 K&O received authority from the Board to lease and operate the referenced line of railroad pursuant to lease agreement with UP with a term that expired around 2017. Docket No. FD 34030, *Kansas & Oklahoma Railroad, Inc.—Acquisition Exemption—Central Kansas Railway, LLC* (served June 12, 2001). On March 20, 2026, the Board denied without prejudice a petition for exemption filed by K&O seeking after-the-fact authorization to continue to lease and operate the line from UP. Docket No. FD 36849, *Kansas & Oklahoma Railroad, LLC – Lease and Operation Exemption with Interchange Commitment – Union Pacific Railroad Company* (served March 20, 2026). On May 4, 2026, K&O filed another petition for exemption seeking after-the-fact approval of the exact same lease terms in Docket No. FD 36849 (Sub-No.1), and that proceeding is pending before the Board. Consequently, on information and belief, K&O presently possesses authority to

Pacific Railroad Company ("UP").

6. K&O can transport Weskan's grain commodities directly to the Stockton Facility using the tracks K&O owns that are connected to Scott City East and its operating rights over the track owned by UP to its connection with CXR, whereupon K&O can make final delivery to the Stockton Facility pursuant to an interchange agreement between K&O and CXR. As such, K&O is the origin and destination carrier for the issue movement.

7. As the only rail carrier involved in the line haul portion of the issue movement from origin to destination, K&O exerts sole control over the line haul transportation rates charged to Weskan for this transportation.

WESKAN'S EFFORTS TO OBTAIN REASONABLE RATES AND SERVICE TERMS

8. Between 2023 when the Stockton Facility was constructed and November 2025, Weskan and K&O engaged in correspondence and discussions concerning rates and service terms that failed to result in Weskan shipping any grain commodities utilizing K&O.

9. On November 12, 2025 Weskan submitted a formal request for rates and service terms to K&O that, as relevant to this complaint, sought such rates and terms for the transportation of sorghum, wheat and corn from Scott City East to the Stockton Facility. The request sought such terms for K&O's transportation of 75-car shuttle trains.

10. On December 5, 2025 K&O responded to the request, but instead of supplying rates and service terms for 75-car shuttle trains as requested K&O supplied rates and service terms for "manifest service from Scott City East Facility with maximum of 25 loaded cars pulled per service."

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be the common carrier operator of the line and the obligation to respond to requests for common carrier service, but the terms and conditions that govern its presence on UP's line are not entirely clear as of the filing date of this complaint.

11. On December 17, 2025, Weskan filed a Notice of Intent to Commence a rate case pursuant to 49 C.F.R. §1111.1(a).

12. On January 15, 2026, the Chairman of the Surface Transportation Board issued a letter to the parties indicating that the Board mediators had been appointed pursuant to 49 C.F.R. §1109.4 and established a mediation period ending March 16, 2026.

13. Between January 15, 2026 and March 5, 2026, Weskan and K&O engaged in good faith with the assistance of the Board-appointed mediators, but the parties were unable to come to agreement on the rates and service terms that would apply to the transportation of corn, wheat and sorghum to Scott City East.

14. On March 5, 2026, Weskan submitted another request for rates and service terms to K&O that was informed by the parties' discussions during the mediation period. Specifically, Weskan requested rates and service terms for the transportation of wheat, corn, and sorghum in "50-car shuttle trains" of cars supplied by either K&O or by Weskan.

15. On March 6, 2026, the Board-appointed mediators informed the Board that the mediation was unsuccessful and terminated it.

16. On March 19, 2026, K&O responded to Weskan's request. However, once again, K&O did not supply rates and service terms for the transportation requested by Weskan. Instead of supplying such terms for 50-car shuttle trains, K&O responded with rates and terms for transporting "Non-dedicated manifest service, 50-car blocks" from Scott City East to the Stockton Facility. Exhibit A.

17. On March 25, 2026, while reserving all rights, Weskan informed K&O that it would begin shipping under the rate supplied by K&O for transportation of K&O supplied railcars from Scott City East to Stockton Siding. On April 22, 2026, K&O transported a 48-car shuttle train of milo from Scott City East to Stockton Siding pursuant to the rates and terms in Exhibit A.

18. On August 6, 2026, the parties participated in a second mediation session at the Board's offices in Washington, D.C. at the direction of the Board in a Decision served July 10, 2026. The second mediation was also unsuccessful, and the mediation period expired on August 10, 2026.

K&O HAS MARKET DOMINANCE OVER THE TRANSPORTATION COVERED BY THE CHALLENGED RATES

19. There is no economically feasible transportation alternative to K&O rail service for the transportation of grain from Scott City East to the Stockton Facility. K&O thus has qualitative market dominance over the transportation covered by the challenged rate.

20. There is no effective intramodal competition for the rail transportation subject to the challenged rate. K&O is the only railroad with physical access to Scott City East, and K&O owns or controls via its operating rights all the mainline tracks between Scott City East and the Stockton Facility, with the exception of the CXR-owned tracks used for interchange at the Stockton Facility. There are thus no railroad alternatives that effectively constrain K&O's pricing power over the transportation of grain from Scott City East to the Stockton Facility.

21. There is also no effective intermodal competition for the issue traffic. Transporting the volumes of grain Scott City East was constructed to process and ship using commercial trucks would be prohibitively costly compared to maximum reasonable rail rates. The cost of trucking the same volume of grain over the distance of the rail movement covered by the issue rates poses no effective competitive constraint on the rail rates K&O can charge absent Board intervention.

22. There is also no waterway that could be used for barge transportation between Scott City East and the Stockton Facility.

23. K&O also has quantitative market dominance over the transportation covered by the challenged rate. The common carrier transportation rate established by K&O for transportation of

grain from Scott City East to the Stockton Facility in K&O-supplied railcars produces revenues to K&O that are 253% of K&O's variable costs of providing the transportation in shuttle service to the CXR Interchange at the Stockton Facility. Similarly, the same transportation in railcars supplied by Weskan produces revenues to K&O that are 305% of its variable costs for the same service. Both are far in excess of the 180% Jurisdictional Threshold, meaning K&O has quantitative market dominance over this rail transportation, as described in 49 U.S.C. § 10707(d).

24. Because K&O possesses both qualitative and quantitative market dominance over the transportation for which it has supplied rates and service terms to Weskan, the Board has jurisdiction over the reasonableness of the common carrier rates, rules and practices established by K&O for this transportation. 49 U.S.C. § 1070l(d)(l).

THE COMMON CARRIER RATES ESTABLISHED BY K&O ARE UNREASONABLE

25. The common carrier transportation rates and service terms established by K&O for transporting grain from Scott City East to the Stockton facility in response to Weskan's March 5, 2026 request are unreasonable, unlawful, and exceed the maximum reasonable level permitted by 49 U.S.C. §§ 10701, 10704, and the principles of constrained market pricing.

26. This Complaint encompasses any changes or successors to the challenged rate, and all future iterations, issuances, or forms of common carrier tariffs, price documents, rates, charges, rules, and service terms applicable to the transportation by K&O to the CXR Interchange.

27. The Board should order K&O to establish reasonable rates and service terms for transportation of grain from Scott City East to the Stockton Facility. 49 U.S.C. § 10704. The Board should also order that reparations be paid, plus interest, for any unlawful charges assessed by K&O from and after March 19, 2026. 49 U.S.C. § 11704.

28. Neither this proceeding nor the granting of the relief requested will constitute a major federal action significantly affecting the quality of the human environment or the

conservation of energy resources.

CONCLUSION AND REQUEST FOR RELIEF

WHEREFORE, Complainant Weskan prays that Defendant Kansas & Oklahoma Railroad, LLC be required to answer the charges herein; that this Complaint be assigned for hearing under 49 CFR Part 1111; and that, after due hearing and investigation, this Board:

(1) find that the common carrier railroad rates K&O has established are unreasonable in violation of 49 U.S.C. §§ 1070l(d)(l) and 10704;

(2) issue an order pursuant to 49 U.S.C. § 10704(a)(l) which prescribes just and reasonable rates and related rules and service terms applicable to K&O''s rail transportation of Weskan's grain from Scott City East to the Stockton Facility

(3) award Weskan reparations, plus any applicable interest, as calculated based on the record in this proceeding, in accordance with 49 U.S.C. § 11704 for the unlawful charges assessed by K&O from and after March 19, 2026; and

(4) grant to Weskan such other and further relief as the Board may deem proper under the circumstances.

Respectfully submitted,

/ss/ Thomas W. Wilcox
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Attorney for Complainant Weskan Grain LLC

Dated: August 21, 2026

EXHIBIT A

KO rate proposal for volume moving in non-dedicated manifest service

Rate:
- $850 per car in Watco supplied covered hoppers.
- $825 per car in Weskan owned or leased covered hoppers with zero car hire or mileage charges.

Origin:
- Weskan's facility located at 701 N Taos Rd, Scott City, KS (Scott City East facility)

Destination:
- Weskan's Stockton grain elevator facility, located at approximately MP 752.5 of the tracks of the Colorado Pacific Railroad

Commodities:
- Sorghum, Wheat, and Corn

Train size:
- Non-dedicated manifest service, 50-car blocks

Key Terms:
- Rates are subject to KO/Watco fuel surcharge program
- KO will provide power and personnel to move volume in non-dedicated manifest service
- Rates are only applicable from the Weskan Grain origins and destinations stated above
- The provisions of Tariff WTS 9012 Series will apply.
- Rate offer is valid for 30 days.
- Rates, if accepted, will be published for one year.

Certificate of Service

I hereby certify that on this 21st day of August, 2026, copies of the foregoing Complaint were served by electronic mail on outside counsel for Kansas & Oklahoma Railroad, LLC, and Michael Gray, Esquire, Assistant General Counsel of WATCO.

/ss/ Thomas W. Wilcox
Thomas W. Wilcox