

312160

BEFORE THE
SURFACE TRANSPORTATION BOARD

ENTERED
Office of Chief Counsel
September 1, 2026
Part of
Public Record

FD 36954

WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
SOUTHERN OKLAHOMA RAILROAD, L.L.C.

**VERIFIED NOTICE OF EXEMPTION OF WATCO HOLDINGS, INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

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

**ATTORNEYS FOR WATCO
HOLDINGS, INC.**

Dated: September 1, 2026.

FILED
September 1, 2026
SURFACE TRANSPORTATION BOARD

FEE RECEIVED
September 1, 2026
SURFACE TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36954

WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
SOUTHERN OKLAHOMA RAILROAD, L.L.C.

**VERIFIED NOTICE OF EXEMPTION OF WATCO HOLDINGS, INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Watco Holdings, Inc. (“Watco”), a non-carrier holding company, hereby files this notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of Southern Oklahoma Railroad, L.L.C. (“SOK”). Watco seeks this authority in anticipation of SOK’s commencement of common carrier operations over certain, currently private railroad tracks (the “Line”) that is the subject of SOK’s concurrently-filed verified notice of exemption in FD 36953, *Southern Oklahoma Railroad, L.L.C. — Operation Exemption — In Carter County, Okla.*

The Line over which SOK intends to commence common carrier operations does not connect with any lines of Watco’s forty-six (46) existing rail carriers, and this control transaction is not part of a series of anticipated transactions that would result in such a connection. Nor does this proposed control transaction involve a Class I carrier. Accordingly, Watco’s proposed continuance in control of SOK satisfies the class exemption criteria of 49 C.F.R. § 1180.2(d)(2).

In accordance with the requirements of 49 C.F.R. § 1180.4(g), Watco submits the following information:

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

Watco is a non-carrier holding company that controls one (1) Class II rail carrier and forty-six (46) Class III rail carriers, as listed in the Appendix to this Notice.

SOK, a new non-carrier entity established, and controlled, by Watco, will operate the Line. None of the rail lines of Watco's existing rail carrier holdings will connect with SOK, and this control transaction is not part of a series of anticipated transactions that would result in such an inter-connection. Watco seeks to continue in control of SOK and Watco's existing rail carrier subsidiaries once SOK commences common carrier operations over the rail line subject to the FD 36953 class exemption proceeding.

The full name and address of the Applicant is:

Watco Holdings, Inc.
315 West Third Street
Pittsburg, Kansas 66762

Any formal responses to this Notice should be sent to Watco's representative at the following address:

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

Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

Watco intends to consummate the proposed transaction upon the effectiveness of the present Notice and of the notice of exemption that is the subject of the related FD 36953 proceeding, in keeping with 49 C.F.R. § 1180.4(g)(1), on or around October 1, 2026.

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The present exemption will allow Watco to continue to exercise common control of its existing rail carrier subsidiaries along with SOK. In turn, the control exemption will allow SOK to commence common carrier operations over the Line pursuant to the related FD 36953 class exemption.

States in Which Property of Applicant is Located: 49 C.F.R. § 1180.6(a)(5)

Watco is a non-carrier holding company. It does not directly own any rail property. SOK will acquire and operate rail property in Oklahoma. Watco's existing rail carrier subsidiaries operate rail property located in twenty-eight (28) states, as listed in the Appendix.

Maps: 49 C.F.R. § 1180.6(a)(6)

Attached as Exhibit A is map of the track over which SOK will operate. Attached as Exhibit B is a general map of Watco's railroad properties. A user-friendly map of Watco's railroad properties is also available on the World Wide Web at <https://www.watco.com/system-map/>.

Agreement: 49 C.F.R. § 1180.6(a)(7)(ii)

Watco already controls SOK, a non-carrier. No agreement is contemplated or necessary for Watco to continue in control of SOK once SOK commences common carrier operations.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

The proposed transaction involves Watco's continued control of one Class II carrier (Wisconsin & Southern Railroad, L.C.C.), multiple Class III carriers (Watco's other subsidiary carriers), and now SOK. Accordingly, the subject control transaction is subject to the labor protection requirements of 49 U.S.C. § 11326(b) and the Board's decision in *Wisconsin Central Limited — Acquisition Exemption — Union Pacific Railroad Company*, 2 S.T.B. 218 (1997), *rev'd in part sub nom. Association of American Railroads v. Surface Transportation Board*, 162 F.3d 101 (D.C. Cir. 1998).

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. §§ 1105.6(c)(2)(i)–(ii), this proposed control transaction is exempt from environmental reporting requirements. Watco's control of SOK will not result in operational changes that exceed the thresholds at 49 C.F.R. §§ 1105.7(e)(4)–(5).

Under 49 C.F.R. § 1105.8(b)(3), the proposed control transaction also is exempt from historic preservation reporting requirements. The control transaction will not substantially change the level of maintenance of any railroad property.

Interchange Commitments: 49 C.F.R. § 1180.4(g)(4)

Watco's continuance in control of SOK would not involve the acquisition or operation of a rail line, and thus the provisions of 49 C.F.R. § 1180.4(g)(4) are not applicable. In any event, the transaction encompassed by the related FD 36953 proceeding does not include a provision restricting SOK's interchange of traffic with a third-party connecting carrier.

Respectfully submitted,

/s/ ***Stephen J. Foland***

Stephen J. Foland

Robert A. Wimbish

Fletcher & Sippel LLC

29 North Wacker Drive, Suite 800

Chicago, Illinois 60606-3208

(312) 252-1500

sfoland@fletcher-sippel.com

rwimbish@fletcher-sippel.com

**ATTORNEYS FOR WATCO
HOLDINGS, INC.**

Dated: September 1, 2026.

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36954

WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
SOUTHERN OKLAHOMA RAILROAD, L.L.C.

VERIFIED NOTICE OF EXEMPTION OF WATCO HOLDINGS, INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)

APPENDIX
WATCO-CONTROLLED CARRIERS AND
STATES OF OPERATION

Class II Carriers

Wisconsin & Southern Railroad, L.L.C. [Illinois, Wisconsin] (WSOR)

Class III Carriers

Alabama Southern Railroad, L.L.C. [Alabama, Mississippi] (ABS)
Alabama Warrior Railway, L.L.C. [Alabama] (ABWR)
Ann Arbor Railroad, Inc. [Michigan, Ohio] (AA)
Arkansas Southern Railroad, L.L.C. [Arkansas, Oklahoma] (ARS)
Austin Western Railroad, L.L.C. [Texas] (AWRR)
Autauga Northern Railroad, L.L.C. [Alabama] (AUT)
Baton Rouge Southern Railroad, L.L.C. [Louisiana] (BRS)
Birmingham Terminal Railway, L.L.C. [Alabama] (BHRR)
Blue Ridge Southern Railroad, L.L.C. [North Carolina] (BLU)
Bogalusa Bayou Railroad, L.L.C. (d/b/a Geaux Geaux Railroad) [Louisiana] (GOGR)
Boise Valley Railroad, L.L.C. [Idaho] (BVRR)
Cicero Central Railroad, L.L.C. [Illinois] (CERR)
Decatur & Eastern Illinois Railroad, L.L.C. [Illinois, Indiana] (DREI)
Dutchtown Southern Railroad, L.L.C. [Louisiana] (DUSR)
Eastern Idaho Railroad, L.L.C. [Idaho] (EIRR)
Elwood Joliet & Southern Railroad, L.L.C. [Illinois] (EJSR)
Fox Valley & Lake Superior Rail System, L.L.C. [Wisconsin] (FOXY)
Grand Elk Railroad, Inc. [Indiana, Michigan] (GDLK)
Great Lakes Central Railroad, Inc. [Michigan] (GLC)
Great Northwest Railroad, L.L.C. [Idaho, Washington] (GRNW)
Ithaca Central Railroad, L.L.C. [New York, Pennsylvania] (ITHR)
Jacksonville Port Terminal Railroad, L.L.C. [Florida] (JXPT)
Kanawha River Railroad, L.L.C. [Ohio, West Virginia] (KNWA)
Kansas & Oklahoma Railroad, L.L.C. [Colorado, Kansas] (KO)
Kaw River Railroad, L.L.C. [Kansas, Missouri] (KAW)
Louisiana Southern Railroad, L.L.C. [Louisiana] (LAS)
Lubbock and Western Railway, L.L.C. [Texas] (LBWR)
Mission Mountain Railroad, L.L.C. [Montana] (MMT)
Mississippi Southern Railroad, L.L.C. [Mississippi] (MSR)
Palouse River & Coulee City Railroad, L.L.C. [Idaho, Oregon, Washington] (PCC)
Pecos Valley Permian Railroad, L.L.C. d/b/a Pecos Valley Southern Railway [Texas]
(PVS)
Pennsylvania Southwestern Railroad, L.L.C. [Pennsylvania] (PSWR)
Ringneck & Western Railroad, L.L.C. [South Dakota] (RWRR)
San Antonio Central Railroad, L.L.C. [Texas] (SAC)
Savannah & Old Fort Railroad, L.L.C. [Georgia] (SVHO)

Smoky Ridge Railroad, L.L.C. [Tennessee] (SMO)
South Kansas and Oklahoma Railroad, L.L.C. [Kansas, Missouri, Oklahoma]
(SKOL)
Stillwater Central Railroad, L.L.C. [Oklahoma] (SLWC)
Swan Ranch Railroad, L.L.C. [Wyoming] (SRRR)
Texas and New Mexico Railway, L.L.C. [New Mexico] (TXN)
Texas Coastal Bend Railroad, L.L.C. [Texas] (TCBR)
Timber Rock Railroad, L.L.C. [Louisiana, Texas] (TIBR)
Verdigris Southern Railroad, L.L.C. [Oklahoma] (VESO)
Vicksburg Southern Railroad, L.L.C. [Mississippi] (VSOR)
Yellowstone Valley Railroad, L.L.C. [Montana, North Dakota] (YSVR)

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36954

WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
SOUTHERN OKLAHOMA RAILROAD, L.L.C.

**VERIFIED NOTICE OF EXEMPTION OF WATCO HOLDINGS, INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

**EXHIBIT A
MAP**



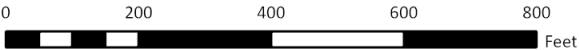
Map data © OpenStreetMap contributors, Microsoft, Facebook, Inc. and its affiliates, Esri Community
Maps contributors, Map layer by Esri. This work is licensed under the Esri Master License
Agreement. View Summary | View Terms of Use. Export: This layer is not intended to be used to export
tiles for offline.

- Other Track
- STB-Regulated Track
- ◆

Milepost
- Ⓐ

Switch
- Ⓑ

STB-Regulated Track Limits



Longitude:	-97.0425
Latitude:	34.3061
Date:	4/15/2025
Drawn By:	BB

BEFORE THE
SURFACE TRANSPORTATION BOARD

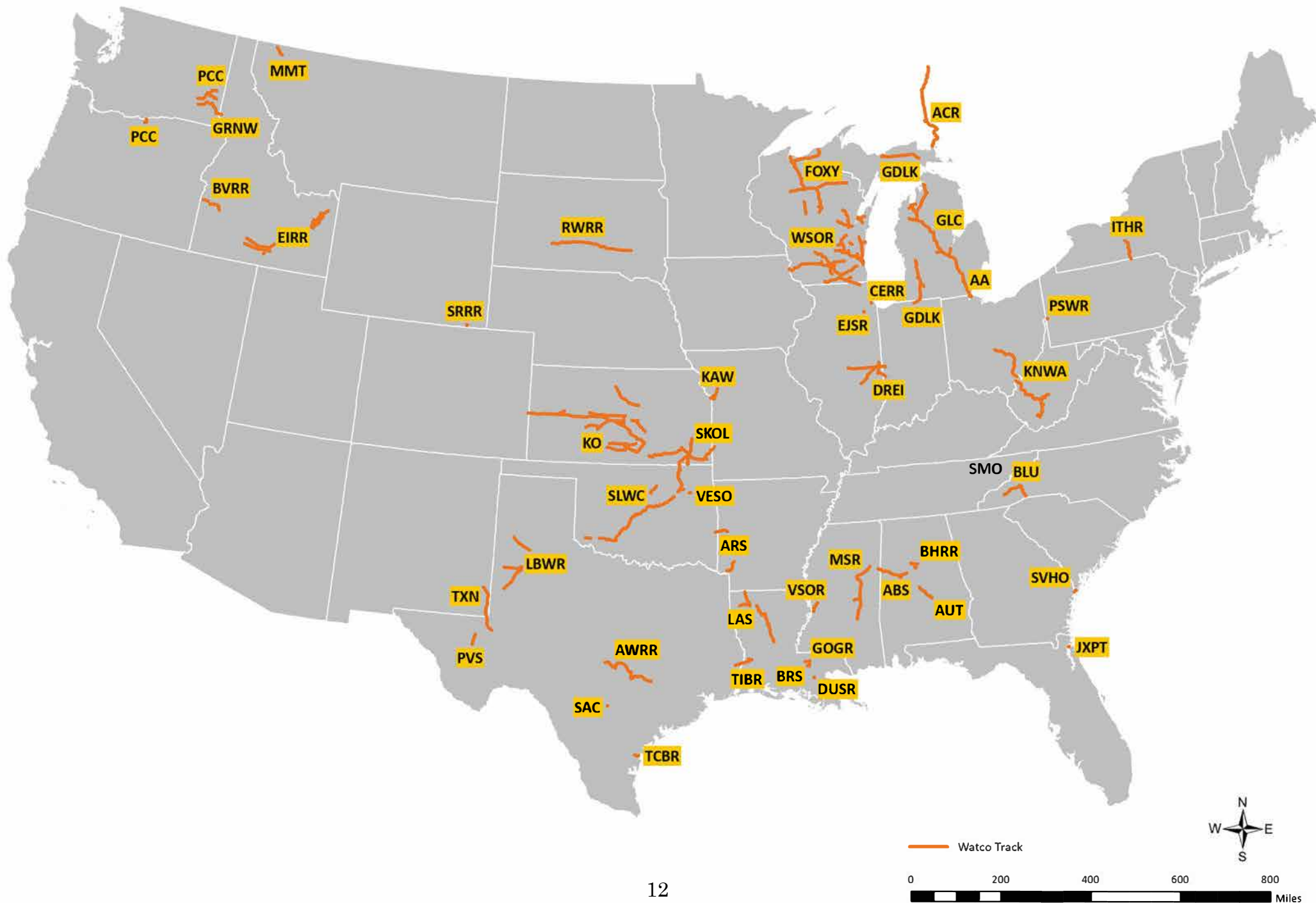
FD 36954

WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
SOUTHERN OKLAHOMA RAILROAD, L.L.C.

**VERIFIED NOTICE OF EXEMPTION OF WATCO HOLDINGS, INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

**EXHIBIT B
WATCO SYSTEM MAP**

Watco System Map



BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36954

WATCO HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
SOUTHERN OKLAHOMA RAILROAD, L.L.C.

**VERIFIED NOTICE OF EXEMPTION OF WATCO HOLDINGS, INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

VERIFICATION

VERIFICATION

I, Rachael Peterson, Chief Business Officer of Watco Holdings, Inc., verify under penalty of perjury that the foregoing notice of exemption is true and correct. Further, I certify that I am qualified and authorized to verify this notice of exemption on behalf of Watco Holdings, Inc.


Rachael Peterson