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SERVICE DATE – SEPTEMBER 30, 2026

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36953

SOUTHERN OKLAHOMA RAILROAD, L.L.C.
—OPERATION EXEMPTION—
IN CARTER COUNTY, OKLA.

Docket No. 36954¹

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

Decided: September 30, 2026

On September 1, 2026, in Docket No. FD 36953, Southern Oklahoma Railroad, L.L.C. (SOK), a non-carrier, filed a verified notice of exemption (Notice) under 49 C.F.R. § 1150.31 to operate approximately 0.51 miles of railroad track located in Gene Autry, Carter County, Okla. (the Line), which was recently acquired by WP Global, LLC (WP Global), also a non-carrier. On the same date, in Docket No. FD 36954, Watco Holdings, Inc., filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of SOK in anticipation of SOK’s commencement of common carrier operations on the Line.

The proposed transaction in Docket No. FD 36953 raises several issues that require clarification, as discussed below. Accordingly, the effective date of that exemption will be postponed until further order of the Board, and SOK will be directed to provide supplemental information to the Board. And because these two proceedings are interrelated, the effective date of the exemption in Docket No. FD 36954 will similarly be postponed until further order.

First, SOK will be directed to provide further details regarding the Line and its operations. SOK states that “[t]he Line was built as a private industry track.” (Notice 2.) However, SOK also states that BNSF Railway Company (BNSF) “currently utilizes the Line to

¹ These proceedings are not consolidated but are being addressed in the same decision for administrative convenience.

provide rail service to customers of WP Global.” (*Id.* at 3.) This statement could be read to suggest that BNSF is providing common carrier service via the Line.²

If BNSF is operating over the Line as a common carrier, it may require Board authority in order to be relieved of its common carrier obligation if SOK is going to be the sole operator. Alternatively, the Line may be excepted track under 49 U.S.C. § 10906, which provides that the “construction, acquisition, operation, abandonment, or discontinuance of spur, industrial, team, switching, or side tracks” is statutorily excepted from the entry and exit licensing requirements of 49 U.S.C. §§ 10901-10905, as well as the sales and acquisition licensing requirements of 49 U.S.C. §§ 11321-26. See Sunflower State Indus. Ry.—Pet. for Declaratory Ord., FD 36714 (Sub-No. 1), slip op. at 3 (STB served Mar. 28, 2025). If the Line is excepted track, then BNSF may terminate service without obtaining Board authority. SOK should inform the Board of its understanding of whether BNSF is operating on the Line as a common carrier and, if so, whether the Line is currently excepted track under 49 U.S.C. § 10906.

Second, SOK will be directed to provide additional information regarding its delineation of main line, spur, and industrial trackage associated with the Line. SOK states that the Line is “approximately 0.51 route miles of main line trackage,” and that it will also “operate over various spur and industrial tracks (falling under 49 U.S.C. § 10906)” associated with the Line. (Notice 3.) SOK’s description of some of the track as “main line” suggests that BNSF may have required Board authorization under 49 U.S.C. § 10901 to operate the Line, and that the current notice should more appropriately be categorized as an acquisition or change of operators exemption. If, however, SOK believes that BNSF is operating the Line as § 10906 track, SOK should explain why there should nevertheless be a delineation of some track as main line and some as spur or industrial for SOK’s proposed operations. See Effingham R.R.—Pet. for Declaratory Ord.—Constr. at Effingham, Ill., 2 S.T.B. 606, 609-610 (1997) (Board has licensing authority over proposal by new carrier to operate over excepted track that would constitute carrier's entire operation).

The map attached to SOK’s notice as Exhibit A depicts “STB-Regulated Track,” which appears to represent the approximately 0.51 route miles of main line trackage. Consistent with SOK’s description, the Exhibit A map indicates that the main line trackage runs from a clearance point near BNSF’s main line to a point at or near the west edge of Redwing Road.³ The Map also depicts “Other Track,” which appears to represent all or a portion of the spur and industrial

² Private track, which is outside the Board’s jurisdiction, is typically owned, built, and maintained by a shipper (or for a shipper at the shipper’s expense) and operated by the shipper (or its contractor) to serve that shipper, moving the shipper’s own goods, so that there is no holding out to serve other shippers for compensation. See, e.g., B. Willis, C.P.A., Inc.—Pet. for Declaratory Ord., FD 34013, slip op. at 2 (STB served Oct. 3, 2001); V&S Ry.—Pet. for Declaratory Ord.—Rail Operations in Hutchinson, Kan., FD 35459, slip op. at 8 (STB served July 12, 2012).

³ The map labels this road as “Peter Wates Road.” This decision refers to it as Redwing Road, consistent with the text of the verified notice. In its supplemental information, SOK should explain the naming discrepancy and submit a corrected map, if appropriate.

tracks that SOK describes. However, the map shows two segments of Other Track (Eastern Trackage) extending east across and beyond Redwing Road to the edge of the map, suggesting that those lines extend farther east.

SOK will be directed to clarify if the Eastern Trackage is part of the trackage that it plans to operate. Additionally, even if SOK does not intend to conduct any operations on the Eastern Trackage, it should explain the nature of any rail operations that will be conducted on it by other entities that will interchange traffic with SOK. SOK will also be directed to submit a revised Exhibit A map clearly depicting the entirety of the trackage over which it will operate, or explain that the current map already contains that trackage.

Finally, given that this decision discusses BNSF's current operations on the Line, SOK will be directed to serve a copy of this decision on BNSF and certify to the Board that it has done so by October 5, 2026.

The effective dates of the two related notices will be postponed until further order of the Board, and SOK will be directed to provide the requested supplemental and corrected information by October 30, 2026. If SOK does not provide this information to the Board by this date, the notices of exemption will be rejected without further order of the Board, effective October 31, 2026.

It is ordered:

1. The effective dates of the exemptions in Docket Nos. FD 36953 and FD 36954 are postponed until further order of the Board.
2. SOK shall file supplemental and corrected information, as described above, by October 30, 2026.
3. If SOK does not file the information, as described above, by October 30, 2026, the notices of exemption in Docket Nos. FD 36953 and FD 36954 will be rejected without further order of the Board, effective October 31, 2026.
4. SOK shall serve a copy of this decision on BNSF and certify to the Board that it has done so by October 5, 2026.
5. This decision is effective on its date of service.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.