FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36411]

Arkansas-Oklahoma Railroad Company—Lease and Operation Exemption Including Interchange Commitment—Union Pacific Railroad Company

Arkansas-Oklahoma Railroad Company (AOK), a Class III railroad, has filed a verified notice of exemption pursuant to 49 CFR 1150.41 to continue to lease from Union Pacific Railroad Company (UP) and operate a UP rail line between milepost 445.0 near Brangus Road and milepost 482.0 near Oklahoma City, Okla., a total distance of approximately 37 miles (the Line). AOK states that it has entered into a lease agreement (New Lease) with UP, dated June 19, 2020, that will supersede and replace two existing leases (the Current Leases).[1]

AOK states that the New Lease extends the term and revises other commercial terms, which will allow AOK to continue to operate the Line for an additional 10 years, with a right to extend the term another 10 years. AOK states that the New Lease will take effect upon the effective date of the exemption and that it will continue to operate under the terms of the Current Leases until the New Lease becomes effective.

AOK certifies that the New Lease contains an interchange commitment that affects interchange with BNSF Railway Company at Shawnee.[2] Accordingly, AOK has

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[1] See Ark.-Okla. R.R.—–Lease & Operation Exemption—Union Pac. R.R., FD 33897 (STB served July 21, 2000) (between milepost 446.5 and milepost 482.0); Ark.-Okla. R.R.—Lease & Operation Exemption—Union Pac. R.R., FD 35655 (STB served Aug. 22, 2012) (between milepost 445.0 and milepost 446.5).

[2] A copy of the New Lease with the interchange commitment was submitted under seal. See 49 CFR 1150.43(h)(1).

provided additional information regarding the interchange commitments, as required by 49 CFR 1150.43(h).

AOK certifies that its projected revenues as a result of this transaction will not exceed those that would qualify it as a Class III carrier but states that its projected annual revenues will exceed $5 million following the transaction. Pursuant to 49 CFR 1150.42(e), if a carrier's projected annual revenues will exceed $5 million, it must, at least 60 days before the exemption becomes effective, post a notice of its intent to undertake the proposed transaction 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, AOK's verified notice includes a request for waiver of the 60-day advance labor notice requirements. AOK's waiver request will be addressed in a separate decision. The Board will establish the effective date of the exemption in its separate decision on the waiver request.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than July 31, 2020.

All pleadings, referring to Docket No. FD 36411, must be filed with the Surface Transportation Board either via e-filing or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on

AOK's representative, Eric M. Hocky, Clark Hill PLC, Two Commerce Square, 2001 Market St., Suite 2620, Philadelphia, PA 19103.

According to AOK, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirement under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: July 20, 2020.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

Aretha Laws-Byrum,

Clearance Clerk.

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