

BEFORE THE SURFACE TRANSPORTATION BOARD
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C. 20423



FINANCE DOCKET NO. 35543
ARKANSAS SHORTLINE RAILROADS, INC.—CONTINUANCE IN CONTROL
DARDANELLE & RUSSELLVILLE RAILROAD, INC., OUACHITA RAILROAD,
CAMDEN & SOUTHERN RAILROAD, INC., AND NORTH LOUISIANA &
ARKANSAS RAILROAD, INC.

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. SECTION 1180.2(d)(2)

230708

INFORMATION REQUIRED BY 49 C.F.R. § 1180.6(a)(1)(i)-(iii), (a)(5)-(6), AND
(a)(7)(ii), AS MADE APPLICABLE TO EXEMPTION NOTICES
BY 49 C.F.R. § 1180.4(g)(i)

Arkansas Shortline Railroads, Inc. ("ASR") files this Verified Notice of Exemption, pursuant to 49 C.F.R. § 1180.2(d)(2), for it to continue in control of Northern Louisiana & Arkansas Railroad, Inc. ("NLA"), a non-carrier, upon NLA becoming a Class III railroad. In support of this Verified Notice of Exemption, ASR submits the following information as required by 49 C.F.R. § 1180.4(g):

Name, Business Address and Phone Number:

Arkansas Shortline Railroads, Inc.
4416 South Arkansas Ave.
Russellville, Arkansas 72801
Telephone: 479-968-6455

FILED

JUL 27 2011

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The name, address, and telephone number of the representative of the applicant who should receive correspondence:

Richard H. Streeter
Law Office of Richard H. Streeter
5255 Partridge Lane, N.W.
Washington, D.C. 20016
(202) 363-2011

ENTERED
Office of Proceedings

JUL 27 2011

Part of
Public Record

A brief description of the proposed transaction as required by § 1180.6(a)(i):

ASR, a non-carrier, is an Arkansas Corporation which controls three Class III railroads, Dardanelle & Russellville Railroad, Inc. ("D&R"), Ouachita Railroad ("OUCH") and Camden & Southern Railroad, Inc. ("C&S"). NLA is currently a non-operator. It will, however, become a Class III common carrier railroad upon commencing operations previously authorized by the Board in STB Docket No. AB 384 (Sub-No. 3X), *Delta Southern Railroad, Inc.—*

Abandonment Exemption—In Desha and Chicot Counties, Ark., In the Matter Of An Offer Of Financial Assistance, served May 19, 2011. Upon commencement of operations, NLA will be affiliated with D&R, OUCH and C&S. The properties of these carriers do not and will not connect with one another. Nor is this a part of a series of anticipated transactions that would connect these railroads with each other or any railroad in their corporate family. Because all four railroads will be owned by ASR, this notice of exemption under 49 C.F.R. § 1180.2(d) seeking Board approval for ASR to continue in control of all four railroads is being filed.

The proposed time schedule as required by § 1180.6(a)(ii):

The proposed operations will be commenced after the effective dates of this Notice of Exemption.

As required by § 1180.6(a)(iii), what is the purpose sought to be accomplished by the proposed transaction.

By establishing a separate non-carrier entity to consummate the transactions described in the previously approved proceeding, ASR is able to insulate its other railroads from the financial, legal, and operational risks associated with the transactions contemplated in that proceeding.

As required by § 1180.6(a)(5) and (6), provide a list of States in which the property of each applicant carrier is located and submit a map:

All lines are located in Arkansas and Louisiana. Maps are attached hereto as Exhibit 1, and twenty (20) unbound copies are being submitted herewith identifying the general location of the Affiliates' lines.

As required by § 1180.4(g)(i), indicate the level of labor protection to be imposed:

No labor protection may be imposed in this case, as it involves only class III rail carriers. See 49 U.S.C. § 11326(c).

Agreement

ASR will not enter into any agreement, or sign any written instrument, to continue in control of NLA.

Environment and Historic Impacts

ASR will continue to control NLA for the purpose of continued rail operations where further Board approval is required to abandon or discontinue any service, and there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

ASR's continuance in control of NLA will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of these lines to motor carriage. This transaction will not result in: (1) an increase in rail traffic of a least 100 percent or an increase of at least eight trains a day on any segment of the lines; (2) an increase of rail yard

activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. This transaction will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7€(5)(ii) will not be exceeded. Finally, this transaction does not contemplate the transportation of any ozone depleting materials. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This transaction will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,



Richard H. Streeter
Law Office of Richard H. Streeter
5255 Partridge Lane, N.W.
Washington, D.C. 20016
(202) 363-2011

Attorney for
Arkansas Shortline Railroads, Inc.

Dated: July 27, 2011

VERIFICATION

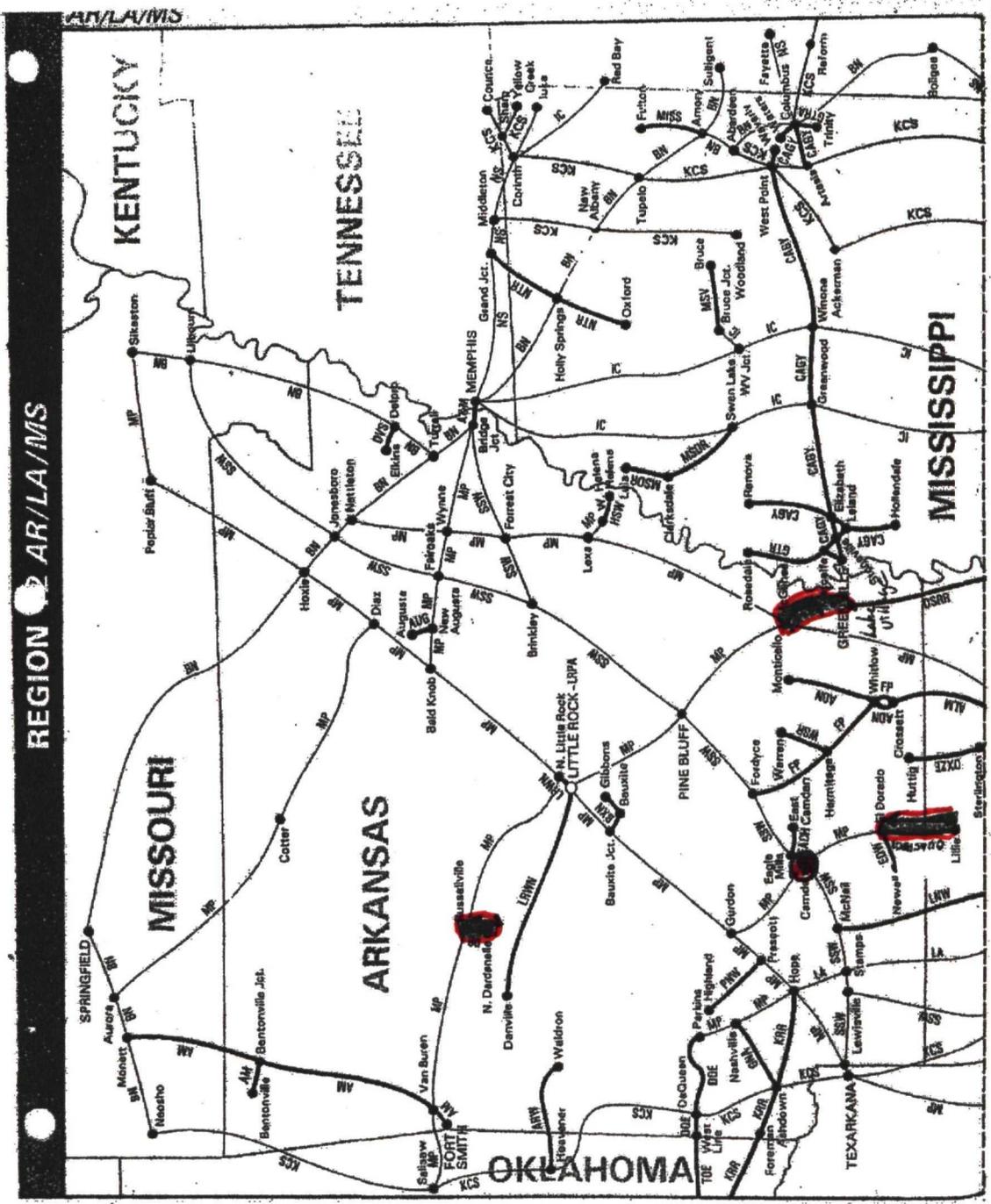
I, Danny Robbins, hereby declare under penalty of perjury that that I am Vice President and Secretary, Arkansas Shortline Railroads, Inc., that I am duly authorized to present this Verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and correct as stated to the best of my knowledge, information and belief.

Executed on July 27, 2011.


Danny Robbins

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Map of Tracks Owned By ASR Subsidiaries



REGION AR/LA/MS

KENTUCKY

TENNESSEE

MISSOURI

ARKANSAS

MISSISSIPPI

OKLAHOMA

TEXAS

AR/LA/MS