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Office of Proceedings
January 18, 2013
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Public Record

January 18, 2013

Ms. Cynthia T. Brown

Section Chief, Section of Administration

Surface Transportation Board

395 E Street S.W.

Washington, DC 20423-0001

RE: Ex Parte No. 714 – *Information Required in Notices and Petitions Containing Interchange Commitments*

Dear Ms. Brown:

My name is David Donoley and I am the President of the Arkansas Oklahoma Railroad (A-OK). We operate 118 miles of track with two Union Pacific (UP) connections. I fully support ASLRRRA and UP's positions regarding Ex Parte 714.

We lease three properties from UP and have been partners for 18 years. Our leases have been fair to both parties, and we would like to maintain them. We recently renewed a lease with UP in FD 35667. UP offered A-OK options for renewing the lease, and A-OK voluntarily chose the option with an interchange commitment because it was in our best financial interests. Interchange commitments, like the one we agreed to in FD 35667, have allowed A-OK to use

available funds to reinvest in the lines we operate, which enhances the service we provide to our customers.

We feel that no company should be forced to act against its own financial interests. Without UP's ability to negotiate adequate compensation for the use of their property, UP would have less incentive to lease to short lines. For example, every business in McAlester, Oklahoma's industrial park is served by UP and A-OK. If UP could not protect against losing its line haul revenue by using interchange commitments, then UP would either require higher rent than we could pay or UP might possibly not lease the track to A-OK. Either way, A-OK would not be able to provide cost-effective service to the park. Instead, the A-OK and UP work together to provide quality transportation for our customers. A-OK focuses on pick-up and delivery and UP transports the freight between the interchange with A-OK to the origins and destinations. The rail transportation we provide supports over 600 jobs in this town alone.

Besides being concerned about the harmful effects the proposed rules could have on future leases, developing and disclosing all of the additional information when we renew leases would be complicated and would take a lot of time. We are a small family owned railroad with 57 employees and all of them stay very busy to keep us in operation. With new burdensome regulations, they would be spending more time doing paper work and less time performing the job I need them doing to keep my business running. I would respectfully request that the STB maintain its current interchange commitment policy.

If you have any questions, please call me at 918-465-0299.

Thank You,

David Donoley
President
Arkansas Oklahoma Railroad