

BEFORE THE SURFACE TRANSPORTATION BOARD 232647

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FINANCE DOCKET NO. 35655

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ENTERED  
Office of Proceedings  
August 6, 2012  
Part of  
Public Record

ARKANSAS-OKLAHOMA RAILROAD CO.  
- LEASE AND OPERATION EXEMPTION -  
LINE OF UNION PACIFIC RAILROAD COMPANY  
IN POTTAWOTAMIE COUNTY, OKLAHOMA

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**VERIFIED NOTICE OF EXEMPTION**  
PURSUANT TO 49 CFR 1150.41

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NOTICE OF OPERATION OF RAIL LINES  
INFORMATION REQUIRED BY 49 CFR 1150.43

Daniel A. LaKemper, Esq.  
General Counsel  
Arkansas-Oklahoma Railroad Co.  
P.O. Box 185  
Morotn, Illinois 61550  
Tel.: (309) 678-6048

Dated: July 31, 2012

**FILED**  
August 6, 2012  
**SURFACE**  
**TRANSPORTATION BOARD**

**FEE RECEIVED**  
August 6, 2012  
**SURFACE**  
**TRANSPORTATION BOARD**

BEFORE THE  
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO.35655

ARKANSAS-OKLAHOMA RAILROAD CO.  
--LEASE AND OPERATION EXEMPTION--  
LINES OF UNION PACIFIC RAILROAD COMPANY  
IN POTTAWATOMIE COUNTY, OKLAHOMA

VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 C.F.R. §1150.41, et. seq., Arkansas-Oklahoma Railway Co. ("AOK"), a Class III Carrier, hereby files this Verified Notice of Exemption to lease and operate Union Pacific Railroad's rail line between Milepost 446.5, at/near Shawnee, Oklahoma, and Brangus Road, east of Shawnee, Oklahoma (Milepost 445.0), a distance of approximately 1.5 miles in Pottawatomie County, Oklahoma, as shown on Exhibit A, attached hereto ( the "Line"). Based on projected revenues for the Lines, AOK expects to be remain a Class III rail carrier after consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. §1150.43, AOK submits the following information:

**Name and Address of Applicant: 49 C.F.R. §1150.43(a)**

The full name and address of the applicant herein is as follows:

Arkansas-Oklahoma Railroad, Inc.  
103 S. Central  
Wilburton, OK 74578

**Applicant's Representative: 49 C.F.R. §1150.43(b)**

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

Daniel A. LaKemper, General Counsel  
Arkansas-Oklahoma Railroad, Inc.  
P.O. Box 185  
Morton, Illinois 61550

**Statement Concerning Agreement: 49 C.F.R. §1150.43(c )**

AOK has reached agreement with Union Pacific Railroad Company ("UP"), providing for AOK to lease and operate the Line.

**Operation of the Property: 49 C.F.R. §1149.43(d)**

AOK will operate, maintain and provide all rail common carrier services on the Line, pursuant to the Lease Agreement with UP.

**Brief Summary of the Transaction: 49 C.F.R. §1150.43(e):**

Pursuant to the Lease with UP, AOK proposes to lease, operate, maintain, and perform all common carrier service on the Line. AOK's lease contains no restrictions on interchange.

AOK currently leases and operates the trackage connecting with he Line, between Milepost 446.5 at/near Shawnee to Milepost 482,0 at Oklahoma City, Oklahoma (**See Finance Docket No. FD-33897, Served July 31, 2000, Arkansas-Oklahoma Railroad, Inc. – Lease and Operation Exemption – Union Pacific Railroad Company**).

AOK will operate the Line as part of its existing rail line between Shawnee and Oklahoma City, Oklahoma.

**Other Information.**

- (1) The name and address of the railroad transferring the subject property to the Class III rail carrier applicant:

Union Pacific Railroad Company  
1400 Douglas Street  
Omaha, Nebraska 68179

- (2) The proposed time schedule for consummation of the transaction:

Consummation of this transaction will occur on or about September 4, 2012, or upon the effective date of this exemption, if later, and operations under this exemption will begin thereafter.

- (3) The mileposts of the subject property:

The Line extends from Milepost 446.5, at/near Shawnee, Oklahoma to Milepost 445.0, at/Brangus Road, east of Shawnee, Oklahoma, a distance of approximately 1.5 miles in Pottawatomie County, Oklahoma;

- (4) The total route miles being acquired:

The length of the mainline trackage of the Lines is approximately 1.5 miles.

**Map: 49 C.F.R. §1150.43(f):**

A map showing the Line and the surrounding trackage is attached as Exhibit A of this Notice.

**Certificate of Compliance: 49 C.F.R. §1150.43(g):**

A Certificate of Compliance with the provisions of 49 C.F.R. §1150.33(g) is attached as Exhibit B to this Notice.

**Environmental and Historic Preservation Data: 49 C.F.R. §1105:**

Under 49 C.F.R. §1105(c)(2), GASR's proposed lease and operation of the Line is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, **i.e.**, changes that exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5).

Under 49 C.F.R. §1105.8(b)(1), AOK's lease and operation of the Line is also exempt from historic preservation reporting requirements. The proposed lease is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to discontinue or abandon service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

**Caption Summary: 49 C.F.R. §1150.44:**

A caption summary in appropriate form is attached as Exhibit C to this Notice.

Pursuant to 49 USC §10902(d), no labor protection is required by the action described in this Notice. The Applicant certifies that the projected annual revenue on the Line is less than \$5 Million.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel A. LaKemper". The signature is written in a cursive, flowing style.

Daniel A. LaKemper, Esq.  
Counsel for  
Arkansas-Oklahoma Railroad Inc.  
P.O. Box 185  
Morton, Illinois 61550  
Tel.: (309) 678-6048

# Shawnee, OK

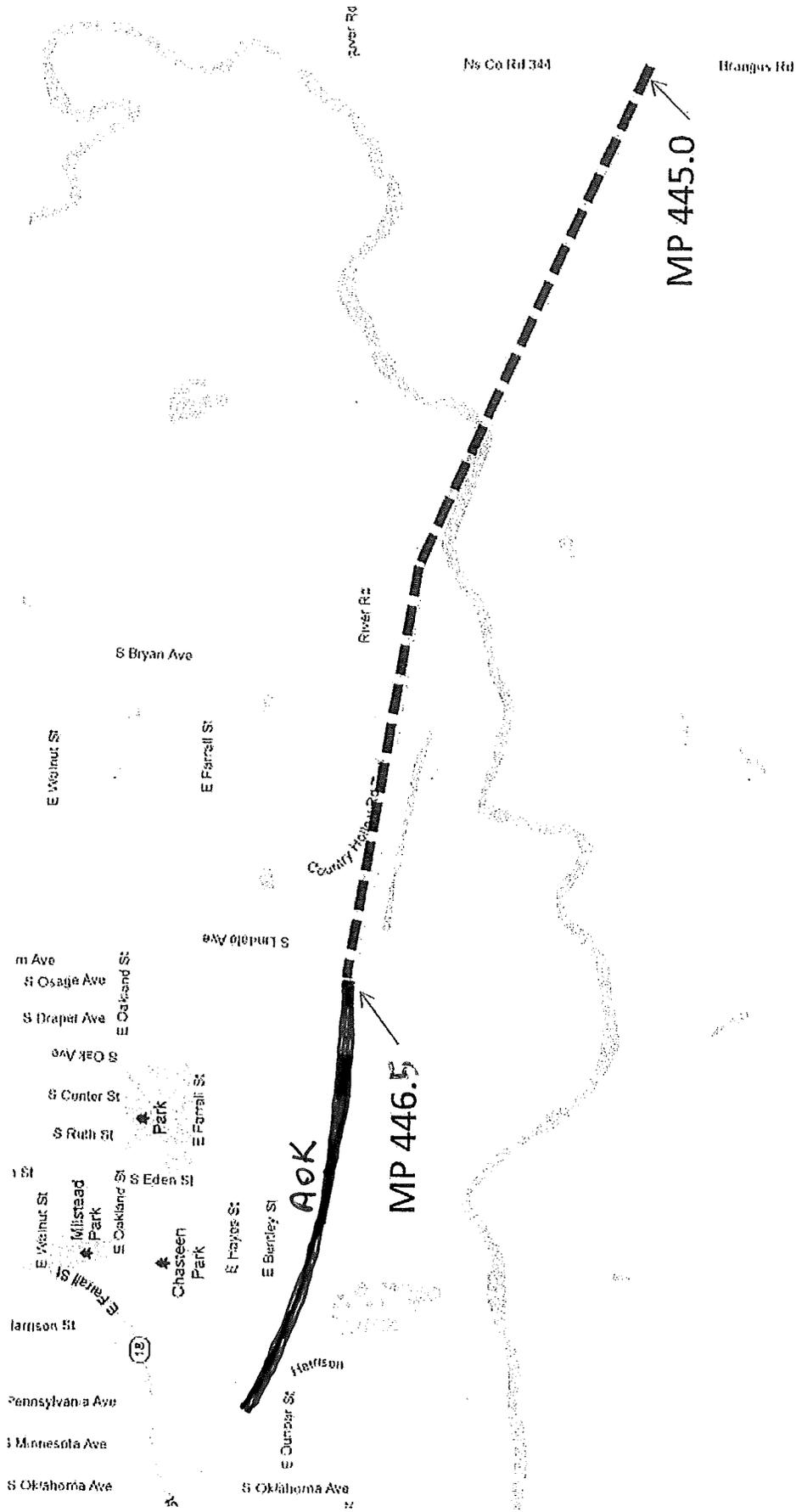


Exhibit A



SURFACE TRANSPORTATION BOARD

*Notice of Exemption*

Finance Docket No. 35655

ARKANSAS-OKLAHOMA RAILROAD INC.  
-LEASE AND OPERATION EXEMPTION-  
LINE OF UNION PACIFIC RAILROAD COMPANY  
IN POTTAWATOMIE COUNTY, OKLAHOMA

**VERIFIED NOTICE OF EXEMPTION**  
PURSUANT TO 49 CFR 1150.41

Arkansas-Oklahoma Railroad, Inc. (“AOK”) has filed a notice of exemption, pursuant to 49 CFR 1150.41, et. seq., Exempt Transactions, with the Surface Transportation Board, to lease and operate the rail line owned by Union Pacific Railroad Company between Milepost 446.5, in/near Shawnee, Oklahoma, and Brangus Road, Milepost 445.0, east of Shawnee, in Pottawatomie County, Oklahoma, a distance of approximately 1.5 miles.

AOK certifies that its projected annual revenues as a result of this transaction would not exceed those that would qualify it as a Class III rail carrier and further certifies that its projected annual revenues on this Line will not exceed \$5 million.

If the verified notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 40 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 this exemption.

Petitions to stay must be filed no later than August \_\_\_\_, 2012 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to FD 35655 must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington D.C. 20423-0001. In addition, one copy of each pleading must be served on Daniel A. LaKemper, Esq., P.O. Box 185, Morton, Illinois 61550, Telephone (309) 678-6048, counsel for AOK.

Board decisions and notices are available on our website at [WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).

Decided:

By the Board,  
Rachel D. Campbell, Director, Office of Proceedings.