



SURFACE TRANSPORTATION BOARD

[Docket No. FD 36354]

Arkansas Southern Railroad, L.L.C. - Lease Exemption with Interchange

Commitment - The Kansas City Southern Railway Company

Arkansas Southern Railroad, L.L.C. (ARS), a Class III railroad, has filed a verified notice of exemption under 49 CFR 1150.41 to amend and extend its leases from The Kansas City Southern Railway Company (KCS) of two lines of railroad:

(1) between milepost 4.0 near Heavener, Okla., and milepost 33.0 at Waldron, Ark.; and

(2) between milepost 32.0 at Ashdown, Ark., and milepost 0.0 at Nashville, Ark.

(excluding the 601 track switch at Ashdown) (collectively, the Lines).

According to ARS, it has operated the Lines since 2005 pursuant to lease agreements with KCS,¹ and the parties entered into restated leases in 2016 (the Leases).² The verified notice indicates that ARS and KCS executed amendments to the Leases on July 20, 2020 (the Amendments), extending the term of the Leases through November 30, 2034, among other changes. ARS states that it intends for the Amendments to take effect on or shortly after the effective date of this exemption.

ARS certifies that the Leases contain an interchange commitment.³ Accordingly, ARS has provided additional information regarding the interchange commitment, as required by 49 CFR 1150.43(h).

¹ See Ark. S. R.R.—Lease Exemption—The Kan. City S. Ry., FD 34760 (STB served Oct. 26, 2005).

² See Ark. S. R.R.—Lease Exemption Containing Interchange Commitment—The Kan. City S. Ry., FD 36061 (STB served Oct. 7, 2016).

³ A copy of the Leases and the Amendments with the interchange commitment was submitted under seal. See 49 CFR 1150.43(h)(1).

ARS certifies that its projected annual revenues as a result of this transaction will not exceed \$5 million and will not result in the creation of a Class I or Class II rail carrier.

The earliest this transaction may be consummation is March 14, 2021, the effective date of the exemption (30 days after the verified notice was filed).

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 March 5, 2021.

All pleadings, referring to Docket No. FD 36354, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading must be served on ARS's representative, Bradon J. Smith, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606.

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

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

Decided: February 22, 2021.

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

Eden Besera,
Clearance Clerk.