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SERVICE DATE – NOVEMBER 28, 2025

OCC

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36885]

Arkansas Midland Railroad Company, Inc.—Lease and Operation Exemption Including
Interchange Commitment—Union Pacific Railroad Company

Arkansas Midland Railroad Company, Inc. (AKMD), a Class III railroad, has filed a verified notice of exemption under 49 CFR 1150.41 to extend the term of, and to make other changes to, its lease agreement with Union Pacific Railroad Company (UP). Pursuant to that agreement, AKMD leases and operates the following rail lines totaling approximately 57.6 miles (the Leased Lines): (1) a portion of the Carlisle Industrial Lead from UP's milepost 130.33 to the end of the line at UP's milepost 131.38, including side tracks appurtenant thereto; (2) rail line extending between UP's milepost 292.00 and UP's milepost 297.93, including side tracks appurtenant thereto, connecting with UP's mainline in North Little Rock Yard near milepost 343.40; (3) the Warren Line extending between a connection with UP at milepost 422.32 in Dermott, Ark., and milepost 461.74 at Warren, Ark.; (4) the Cypress Bend Industrial Lead, between milepost 407.5 at McGehee, Ark., and milepost 399.7 at Cypress Bend, Ark.; and (5) the Potlatch Spur, between milepost 0.0 (milepost 399.7 on the Cypress Bend Industrial Lead), and approximately milepost 3.4.¹

¹ The verified notice states that the lease also includes the yard at the east end of the Potlatch Spur and portions of the McGehee Yard (except yard tracks 001 and 002) as well as incidental bridge trackage rights over UP's rail line between milepost 406.5 at

According to the verified notice, in 2000, AKMD entered into an agreement with UP to lease and operate certain segments of the Leased Lines. See Ark. Midland R.R.—Lease & Operation Exemption—Union Pac. R.R., FD 33908 (STB served Aug. 23, 2000). The parties subsequently supplemented that lease to allow AKMD to lease and operate the other portions of the Leased Lines. See Ark. Midland R.R.—Change in Operators Exemption—Line of Union Pac. R.R., FD 34567 (STB served Nov. 17, 2004); Ark. Midland R.R.—Lease & Operation Exemption—Union Pac. R.R., FD 34714 (STB served Aug. 30, 2005). According to the verified notice, the parties also subsequently supplemented the lease to extend the term of the lease to allow the parties to negotiate the supplement that is the subject of the verified notice. The verified notice indicates that AKMD and UP have now agreed to amend the lease to further extend its term and make other commercial changes. AKMD states that it will continue to operate the Leased Lines.

AKMD certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and that its annual revenues currently exceed \$5 million. 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, AKMD has filed a request for waiver of the 60-day advance labor notice requirements to allow the exemption to take

McGehee and milepost 415.26 at Dermott.

effect 30 days after the filing of AKMD's verified notice of exemption. AKMD'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.

AKMD certifies that the lease contains an existing interchange commitment. AKMD has provided additional information regarding the interchange commitment, as required by 49 CFR 1150.43(h).²

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 December 5, 2025.

All pleadings, referring to Docket No. FD 36885, must be filed with the Surface Transportation Board either via e-filing on the Board's website 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 AKMD's representative, Justin J. Marks, Clark Hill PLC, 1001 Pennsylvania Ave., N.W., Suite 1300 South, Washington, DC 20004.

According to AKMD, 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.

² AKMD filed a copy of the agreement, including all supplements, under seal with the verified notice. See 49 CFR 1150.43(h)(1).

Decided: November 21, 2025.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.