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SERVICE DATE – JULY 2, 2020

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36407]

Mississippi Southern Railroad, L.L.C.—Operation Exemption with Interchange

Commitment—The Kansas City Southern Railway Company

Mississippi Southern Railroad, L.L.C. (MSR), a Class III railroad, has filed a verified notice of exemption pursuant to 49 C.F.R. § 1150.41 to: (1) continue to lease from The Kanas City Southern Railway Company (KCS) and operate approximately 26.5 miles of rail line between milepost 133.0 near Bay Springs, Miss., and milepost 159.5 near Newton, Miss. (Bay Springs Branch), and (2) lease from KCS and operate approximately 114.2 miles of rail line from milepost 87.2 at the switch south of the Columbus & Greenville Railway crossing near West Point, Miss., to milepost 161.7 near Newton (Louisville Subdivision), and approximately 15.5 miles of rail line from milepost 0.0 near Union, Miss., to milepost 15.5 near Sebastopol, Miss. (Pearl River Industrial Lead).

MSR, which has leased and operated the Bay Springs Branch since 2005,¹ states that it has reached an agreement with KCS to modify the lease and extend its term to November 30, 2034, through an amendment. MSR states that it has also agreed with

¹ See Miss. S. R.R.—Lease & Operation Exemption—Kan. City S. Ry., Docket No. FD 34684 (STB served Apr. 21, 2005) (authorizing original lease and operation of the Bay Springs Branch); Miss. S. R.R.—Lease & Operation Exemption—Kan. City S. Ry., Docket No. FD 36060 (STB served Sept. 9, 2016) (authorizing continued lease and operation).

KCS to a separate lease for the Louisville Subdivision and Pearl River Industrial Lead with a term expiring on July 19, 2030. According to MSR, it will provide all common carrier service on the lines subject to these leases.

MSR certifies that the amended lease for the Bay Springs Branch and the new lease for the Louisville Subdivision and Pearl River Industrial Lead contain interchange commitments.² Accordingly, MSR has provided additional information regarding the interchange commitments, as required by 49 C.F.R. § 1150.43(h).³

MSR certifies that its projected revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier but states that its projected annual revenues will exceed \$5 million following the transaction. Pursuant to 49 C.F.R. § 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. On May 20, 2020, MSR certified that on May 19 it provided the required notice with respect to its proposed lease of the Louisville Subdivision and Pearl River Industrial Lead. However,

² A copy of the amended lease and the new lease were submitted under seal. See 49 C.F.R. § 1150.43(h)(1).

³ According to the verified notice, the only interchange affected by the interchange commitments is with the Columbus & Greenville Railway (CAGY) on the Louisville Subdivision at West Point, but there is currently no track connection between the Louisville Subdivision and CAGY's rail line, and the segment of the Louisville Subdivision leading to that location is out of service.

along with its verified notice of exemption, MSR filed a petition requesting a waiver of the 60-day advance labor notice requirements with respect to its amended lease for the Bay Springs Branch. MSR's petition for waiver 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.

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 July 10, 2020.

All pleadings, referring to Docket No. FD 36407, must be filed with the Surface Transportation Board either via e-filing 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 MSR's representative, Bradon J. Smith, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to MSR, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b).

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

Decided: June 29, 2020.

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