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BRADON J. SMITH

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February 12, 2021

301633

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

ENTERED
Office of Proceedings
February 12, 2021
Part of
Public Record

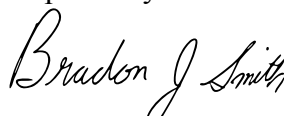
Re: **FD 36355**
Louisiana Southern Railroad L.L.C. —
Lease and Operation Exemption with Interchange Commitment —
The Kansas City Southern Railway Company

Dear Ms. Brown:

Attached for filing in the above-captioned proceeding is a **Verified Notice of Exemption of Louisiana Southern Railroad L.L.C. Pursuant to 49 C.F.R. § 1150.42 and Petition for Waiver of 49 C.F.R. § 1150.42(e)**, dated February 12, 2021. A confidential version of the notice has been filed separately. The filing fee for this matter has been tendered electronically via Pay.gov.

If you have any questions regarding this filing, please feel free to contact me.
Thank you for your assistance on this matter.

Respectfully submitted,



Bradon J. Smith
Attorney for Louisiana Southern Railroad L.L.C.

FILED
February 12, 2021
SURFACE
TRANSPORTATION BOARD

BJS:bs

Attachments

FEE RECEIVED
February 12, 2021
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36355

LOUISIANA SOUTHERN RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
THE KANSAS CITY SOUTHERN RAILWAY COMPANY

**VERIFIED NOTICE OF EXEMPTION OF
LOUISIANA SOUTHERN RAILROAD, L.L.C.
PURSUANT TO 49 C.F.R. PART 1150, SUBPART E**

Bradon J. Smith
Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

**ATTORNEYS FOR LOUISIANA SOUTHERN
RAILROAD, L.L.C**

Dated: February 12, 2021

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36355

LOUISIANA SOUTHERN RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
THE KANSAS CITY SOUTHERN RAILWAY COMPANY

**VERIFIED NOTICE OF EXEMPTION OF
LOUISIANA SOUTHERN RAILROAD, L.L.C
PURSUANT TO 49 C.F.R. PART 1150, SUBPART E**

Pursuant to 49 C.F.R. Part 1150, subpart E, Louisiana Southern Railroad, L.L.C (“LAS”), a Class III rail carrier, hereby files this Verified Notice of Exemption (the “Notice”) to continue to lease and operate approximately 165.8 miles of rail lines owned by The Kansas City Southern Railway Company (“KCS”) extending between: (1) a point 1,600 feet south of Highway 80 near Gibsland, Louisiana, and milepost B-192, near Pineville, Louisiana; (2) on the Sibley Branch, milepost 83.5 at Sibley, Louisiana, and milepost 78.8, at Minden, Louisiana; (3) milepost 49.6, near Cullen, Louisiana, and milepost 78.8, at Minden; and (4) milepost 78.8, at Minden, and milepost B-102, near Bossier, Louisiana, on the Hope subdivision (collectively, the “Lines”).

In accordance with the requirements of 49 C.F.R. § 1150.43, LAS 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:

Louisiana Southern Railroad, L.L.C.
315 W. Third Street
Pittsburg, KS 66782

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

LAS's representative to whom correspondence regarding this transaction should be sent is as follows:

Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, IL 60606
(312) 252-1516

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

KCS and LAS executed amendments on July 20, 2020 (the "Amendments") to the Amended and Restated Lease Agreements from 2016 (the "Restated Leases") currently governing LAS's lease and operation of the Lines. The Amendments will extend the terms of the leases, and will take effect upon the effectiveness of this exemption.

Operator of the Property: 49 C.F.R. § 1150.43(d)

LAS will continue to operate the Lines and provide common carrier freight service to customers.

Background and Summary of the Transaction: 49 C.F.R. § 1150.43(e)

LAS has reached an agreement with KCS to extend LAS's lease of four lines of railroad totaling approximately 165.8 miles extending between: (1) a point 1,600 feet south of Highway 80 near Gibsland, Louisiana, and milepost B-192, near Pineville, Louisiana; (2) on the Sibley Branch, milepost 83.5, at Sibley, Louisiana, and milepost 78.8, at Minden, Louisiana; (3) milepost 49.6, near Cullen, Louisiana, and milepost 78.8, at Minden; and (4) milepost 78.8, at Minden, and milepost B-102, near Bossier, Louisiana on the Hope subdivision. LAS has operated the Lines since 2005. *Louisiana Southern Railroad, Inc — Lease and Operation Exemption — The Kansas City Southern Railway Company*, FD 34751 (STB served Oct. 7, 2005). KCS and LAS entered into the Restated Leases currently governing LAS's continued possession and operation of the Lines in 2016. *Louisiana Southern Railroad, L.L.C.¹ — Lease and Operation Exemption Including Interchange Commitment — The Kansas City Southern Railway Company*, FD 35983 (STB served Feb. 5, 2016 as amended by decision served Feb. 18, 2016) ("*LAS-2016*"). The Lines comprise a total of approximately 165.8 route miles.

The Amendments referenced extend the Restated Leases through November 30, 2034. LAS intends for the Amendments to take effect on or shortly after the effective date of the subject class exemption.

The name and address of the railroad leasing the Lines to LAS is:

The Kansas City Southern Railway Company
427 W. Twelfth St.
Kansas City, Missouri 64105

Map: 49 C.F.R. § 1150.43(f)

Maps showing the Lines are attached as Exhibits A-1 through A-3 to this Notice.

¹ On December 10, 2010, Louisiana Southern, Inc., became Louisiana Southern, L.L.C.

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

The projected revenues will not result in the creation of a Class II or Class I rail carrier. A certification to this effect is made with the verification of this Notice.

Interchange Commitments: 49 C.F.R. § 1150.43(h)

(i) The Restated Leases include interchange commitments. Affected interchanges are with Louisiana and North West Railroad Company, LLC (“LNW”) at Gibsland, and Union Pacific Railroad Company (“UP”) at Tioga², Louisiana, both of which are located on the Gibsland-Pineville line segment and with UP at Bossier City, Louisiana (on the Hope subdivision)³.

(ii) Complete, confidential versions of the Restated Leases and the Amendments thereto that are subject to this Notice are filed under seal as Confidential Exhibit B.

(iii) Customers located on the Lines that have made use of LAS service over the past two years are as follows: Aeropres Co; Anchor Drilling; Arclin; Badger Mining Corp; Bossier City Bioenergy Partnership; Calumet Lubricants; H. Brown, Inc.; The Kansas City Southern Railway; Madden Contracting Company; Magnolia Forest Products, Inc.; McFarland Cascade Holdings, Inc.; MI LLC; Phillips 66 Company; Stella Jones; Tauber Oil; Unimin; West Fraser; Westrock CP; and Weyerhaeuser.

(iv) The confidential aggregate number of carloads originated or terminated on the Lines by the above-listed customers are as follows:

² *LAS-2016* (STB filing Jan. 20, 2016) referenced Tioga as a more precise locale than Pineville regarding the affected interchange with UP. *Compare id.* at 4 with *id.* at 6 (using “Pineville” to identify affected interchange and “Tioga” as the point of affected interchange with UP). Pineville and Tioga appear to reference the same interchange point.

³ The supplemental filing in *LAS-2016* (STB filing Jan. 29, 2016) clarified the end of the segment as Bossier; it ought to have been further identified as an affected interchange.

2018: [REDACTED]

2019: [REDACTED]

(v) LAS certifies that it has provided notice of the proposed transaction and interchange commitment to the above-listed customers (see example transmittal letter attached as Exhibit C).

(vi) LNW and UP are the third-party carriers that could physically interchange with LAS at the respective interchange points listed above.

(vii) KCS has informed LAS that it would not undertake the subject lease transaction with LAS absent the interchange commitment, and thus its value is inestimable.

(viii) LAS has noted the existence of an interchange commitment in the proceeding's caption.

Advance Notice: 49 C.F.R. § 1150.42(e)

LAS's annual revenue exceeds, and is expected to continue to exceed, \$5 million. Concurrent with this Notice, however, LAS is seeking a partial waiver of the application of section 1150.42(e) consistent with *LAS-2016*.

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

Under 49 C.F.R. § 1105.6(c)(2), this transaction is exempt from environmental reporting requirements, because it 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).

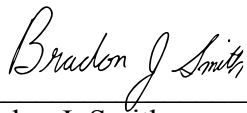
Under 49 C.F.R. § 1105.8(b)(1), the transaction—which is intended for the purpose of continued rail operations—is exempt from historic preservation reporting requirements. Separate Surface Transportation Board approval would be required for LAS to

discontinue any 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. § 1150.42(a)

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

Respectfully submitted,

By: 

Bradon J. Smith
Robert A. Wimbish

Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1500

**ATTORNEYS FOR LOUISIANA SOUTHERN
RAILROAD, L.L.C**

Dated: February 12, 2021

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36355

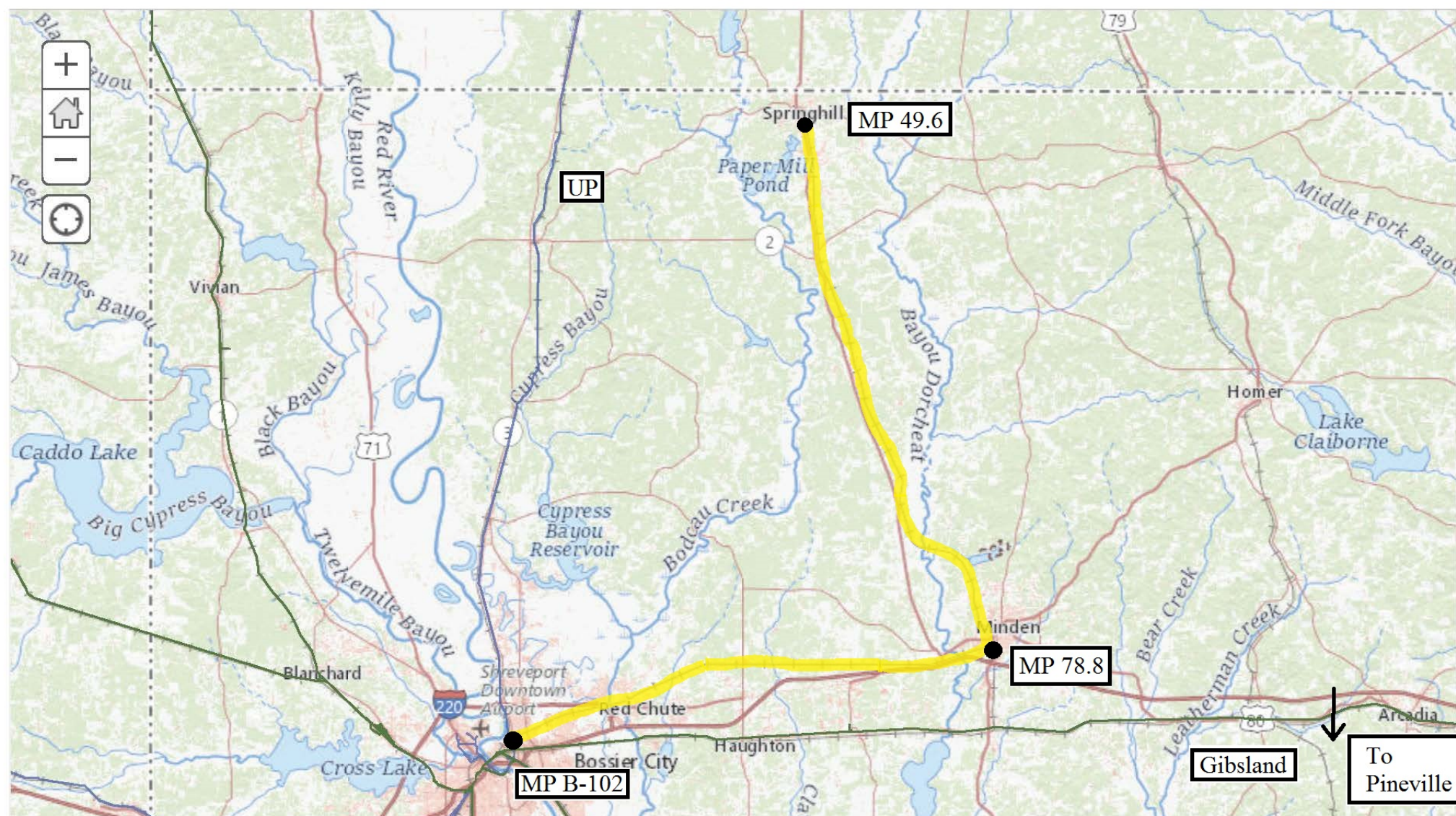
**LOUISIANA SOUTHERN RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
THE KANSAS CITY SOUTHERN RAILWAY COMPANY**

EXHIBIT A

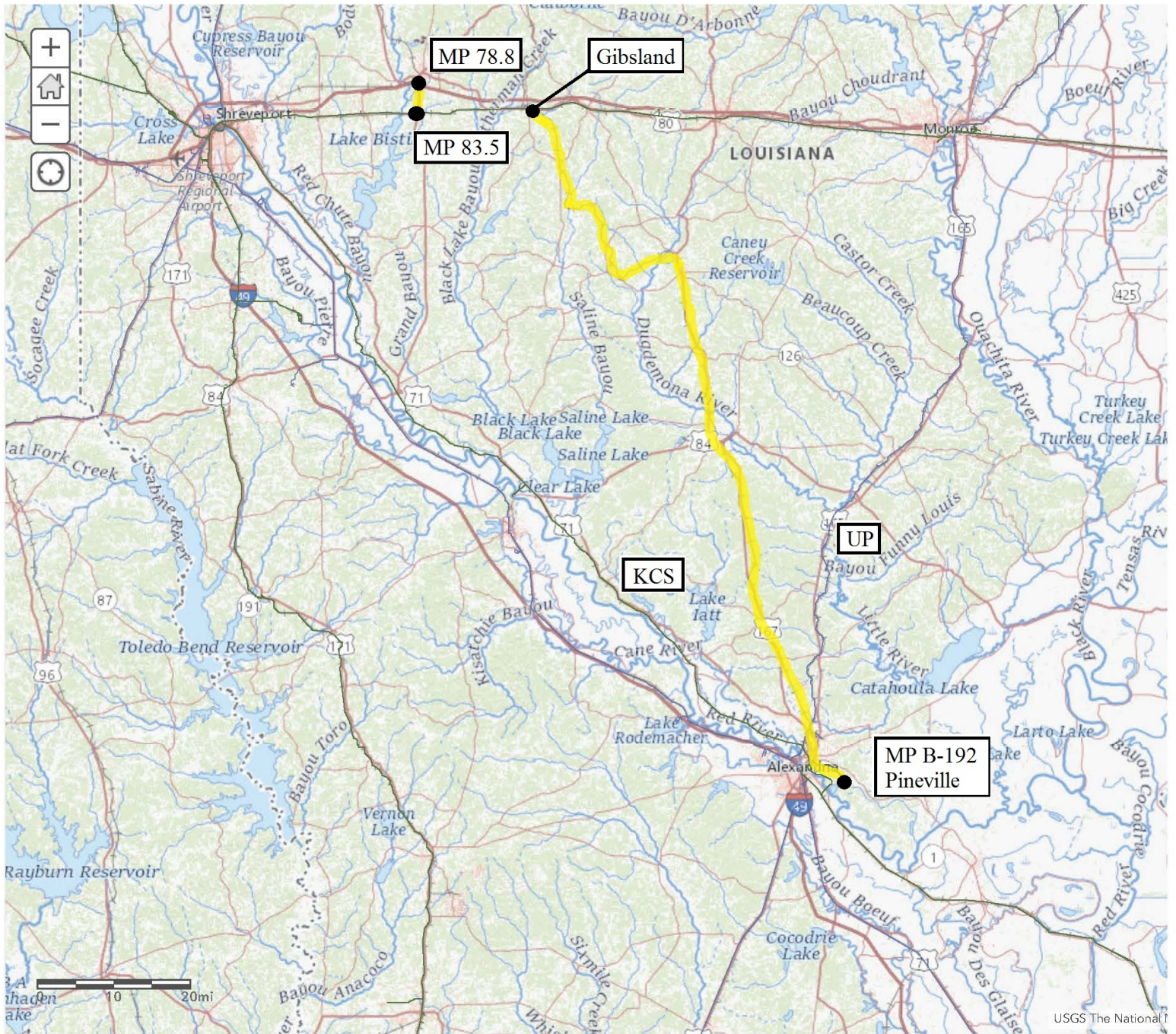
MAPS

PUBLIC

FD 36355 Exhibit A



PUBLIC
FD 36355
Exhibit A



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36355

**LOUISIANA SOUTHERN RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
THE KANSAS CITY SOUTHERN RAILWAY COMPANY**

CONFIDENTIAL EXHIBIT B

TRANSACTION DOCUMENTS

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36355

**LOUISIANA SOUTHERN RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
THE KANSAS CITY SOUTHERN RAILWAY COMPANY**

EXHIBIT C

NOTICE TO CUSTOMERS

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

BRADON J. SMITH
(312) 252-1516
bsmith@fletcher-sippel.com

February 12, 2021

Aeropres Co.
Hwy. 371 South
Sibley, LA 71073

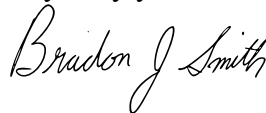
Re: **FD 36355**
Louisiana Southern Railroad, L.L.C. — Lease Exemption with
Interchange Commitment — The Kansas City Southern Railway Company

Dear Sirs:

Louisiana Southern Railroad, L.L.C. (“LAS”) has filed a Notice of Exemption (the “Notice”) with the Surface Transportation Board (“STB”) to continue to lease and operate approximately 165.8 miles of rail lines owned by The Kansas City Southern Railway Company (“KCS”) (1) a point 1,600 feet south of Highway 80 near Gibsland, Louisiana and milepost B-192, near Pineville, Louisiana; (2) on the Sibley Branch, milepost 83.5, at Sibley, Louisiana, and milepost 78.8, at Minden, Louisiana; (3) milepost 49.6, near Cullen, Louisiana, and milepost 78.8, at Minden; and (4) milepost 78.8, at Minden, and milepost B-102, near Bossier, Louisiana. The subject lease extensions will take effective on or after the effective date of the Notice. LAS will continue providing rail service to your facility.

We are providing you with this information in keeping with STB’s shipper notice requirements. You are not required to respond or to this letter or otherwise participate in the STB proceeding. If you have any questions regarding this matter, please feel free to contact me.

Very truly yours,



Bradon J. Smith
Attorney for Louisiana Southern Railroad, L.L.C.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FD 36355

**LOUISIANA SOUTHERN RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
THE KANSAS CITY SOUTHERN RAILWAY COMPANY**

EXHIBIT D

FEDERAL REGISTER NOTICE

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

LOUISIANA SOUTHERN RAILROAD, L.L.C.
— LEASE EXEMPTION WITH INTERCHANGE COMMITMENT —
THE KANSAS CITY SOUTHERN RAILWAY COMPANY

Louisiana Southern Railroad, L.L.C., (“LAS”) a carrier, has filed a notice of exemption (the “Notice”) to continue to lease and operate approximately 165.8 miles of rail lines owned by The Kansas City Southern Railway Company (“KCS”) extending between: (1) a point 1,600 feet south of Highway 80 near Gibsland, Louisiana, and milepost B-192 near Pineville, Louisiana; (2) on the Sibley Branch, milepost 83.5 at Sibley, Louisiana, and milepost 78.8 at Minden, Louisiana; (3) milepost 49.6 near Cullen, Louisiana, and milepost 78.8 at Minden and (4) milepost 78.8 at Minden and milepost B-102 near Bossier, Louisiana.

Comments must be filed with the Board and served on:

Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208
(312) 252-1516

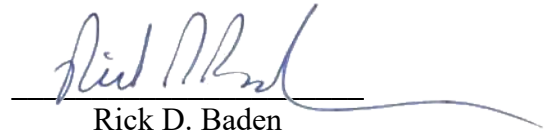
The Notice is filed under 49 C.F.R. § 1150.41. If the Notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

CERTIFICATION AND VERIFICATION

Rick D. Baden hereby certifies and verifies under penalty of perjury as follows:

1. I am the Executive Vice President and Chief Financial Officer of the Louisiana Southern Railroad, L.L.C. ("LAS").
2. The annual rail revenues of LAS will not result in LAS becoming Class I or II rail carrier under the thresholds set forth at 49 C.F.R. § 1201 (1-1).
3. I have read the foregoing Notice of Exemption and know that the facts stated herein are true.

Dated: February 12, 2021


Rick D. Baden