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SERVICE DATE – FEBRUARY 26, 2021

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36355]

Louisiana Southern Railroad, L.L.C.—Lease & Operation Exemption with Interchange Commitment—The Kansas City Southern Railway Company

Louisiana Southern Railroad, L.L.C. (LAS), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to continue to lease from the Kansas City Southern Railway Company (KCS) and operate approximately 165.8 miles of rail lines extending: (1) between a point 1,600 feet south of Highway 80 near Gibsland, La., and milepost B-192, near Pineville, La.; (2) on the Sibley Branch, between milepost 83.5, at Sibley, La., and milepost 78.8, at Minden, La.; (3) between milepost 49.6, near Cullen, La., and milepost 78.8, at Minden; and (4) between milepost 78.8, at Minden, and milepost B-102, near Bossier, La., on the Hope Subdivision (the Lines).¹

LAS states that it and KCS executed amendments on July 20, 2020 (Amendments), to the Amended and Restated Lease Agreements from 2016 (Restated

¹ According to the verified notice, LAS has operated the Lines since 2005. See La. S. R.R.—Lease & Operation Exemption—Kan. City S. Ry., FD 34751 (STB served Oct. 7, 2005); La. S. R.R.—Lease & Operation Exemption Including Interchange Commitment—Kan. City S. Ry., FD 35983 (STB served Feb. 5, 2016).

Leases)² currently governing LAS's lease and operation of the Lines. The Amendments extend the terms of the Restated Leases to November 30, 2034.

LAS states that the Restated Leases contain interchange commitments and that the affected interchanges are with Louisiana and North West Railroad Company, LLC, at Gibsland and Union Pacific Railroad Company (UP) at Tioga, La., both of which are located on the Gibsland-Pineville line segment, and with UP at Bossier City, La. (on the Hope Subdivision). Accordingly, LAS has provided additional information regarding the interchange commitments, as required by 49 C.F.R. § 1150.43(h). LAS states that it will continue to be the operator of the Lines.

LAS certifies that its projected annual revenues as a result of this transaction will not result in LAS's becoming a Class II or Class I rail carrier, but that its current annual revenues exceed, and are expected to continue to exceed, \$5 million. 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 this exemption is to become 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, LAS has filed a petition for waiver of the 60-day advance labor notice requirements.

² Copies of the Restated Leases and Amendments with the interchange commitments were submitted under seal. See 49 C.F.R. § 1150.43(h)(1).

LAS'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.

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 effectiveness of the exemption. Petitions for stay must be filed no later than March 5, 2021.

All pleadings, referring to Docket No. FD 36355, 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 LAS's representative, Bradon J. Smith, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606.

According to LAS, 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: February 22, 2021.

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