

BEFORE THE
SURFACE TRANSPORTATION BOARD

ENTERED
Office of Proceedings
March 5, 2021
Part of
Public Record

Finance Docket No. 36447

LAKE PROVIDENCE PORT COMMISSION
--FEEDER LINE APPLICATION--
LINE OF DELTA SOUTHERN RAILROAD LOCATED IN
EAST CARROLL AND MADISON PARISHES, LA.

REPLY TO DELTA SOUTHERN RAILROAD, INC.'S
MOTION TO DISMISS PROCEEDING AND REQUEST
TO HOLD PROCEEDING IN ABEYANCE

Lake Providence Port Commission (LPPC), Southeast Arkansas Economic Development District (SEAEDD), Madison Parish Port Commission (MPPC), and North Louisiana & Arkansas Railroad (NLA), by and through counsel of record, jointly request the Board to deny all relief requested by Delta Southern Railroad, Inc. (DSR). There is no merit to DSR's positions which are based on the deceptive identification of a 20-mile Segment of the 91.3-mile rail line between McGehee, Arkansas and Tallulah, Louisiana (the Corridor) as "the Line."¹ While DSR seeks to paint a picture of a section of track that is "long dormant," the reality is that DSR knows that as late as mid-2017, traffic moved across the Segment. It was only after DSR made the profit-driven decision to refuse

¹ DSR Motion at 1-2 where DSR claims that LPPC is "seeking to dispossess DSR of a 20-mile railroad line (and associated ancillary trackage) extending between mileposts 471.0 and 491.0, in East Carroll and Madison Parishes, Louisiana (the "Line").

to maintain the Segment that the flow of traffic ceased. Because there is a continuing need for adequate rail service over the Segment, LPPC decided to force the sale of the Segment through the Feeder Line statute.

Background: Who is Driving the Train?

At stake herein is whether the overall public interest is to be served or whether the narrow interests of the private equity firm, which ultimately controls DSR, will prevail. By way of background, the Board's attention is invited to a past proceeding involving West Branch Intermediate Holdings, LLC and Continental Rail LLC. *See* FD 36006, *West Branch Intermediate Holds, LLC and Continental Rail LLC – Continuance in Control Exemption – Central Gulf Acquisition Company Verified Notice of Exemption Under 49 CFR § 1180.2(d)(2)*, filed April 4, 2016. In that proceeding, West Branch was identified as "a limited liability company and a noncarrier formed for the purpose of acquiring short line railroads as an investment." Its sidekick, Continental Rail was identified as a "limited liability company and a noncarrier formed for the purpose of managing and operating short line railroads.

As stated at p. 3 of the Notice of Exemption in FD 36006, "DSR is an existing Class III short line railroad operating in the State of Louisiana between Lake Providence and Tallulah and between Monroe and Sterlington. West Branch acquired the stock of DSR in 2015 from its former owners in a transaction outside of the Board's jurisdiction." As

the Verification reflects, it was signed by Rajeev Amara, who at the time was Managing Director, Golden Gate Capital, a multi-billion- dollar private equity firm.

On January 19, 2021, Jon Ryan, the current CEO of DSR, advised Terry Murphy, the Executive Director of MPPC, that “Effective January 5, 2021 Continental Rail and John Marino are no longer the manager of the Delta Southern Railroad.” A copy of that email was also forwarded to “Javier Puig jpuig@goldengatecap.com.”² Hence, although DSR seeks to portray itself “[a]s a small business” that has incurred substantial cost “in defending itself against LPPC’s and SEAEDD’s bullying,”³ there is no avoiding the fact that DSR answers to its owners who may not appreciate the statutory railroad common-carrier obligation.

That “DSR has engaged in discussions concerning renovation of the [Segment] ... and this far has concluded that the desired track renovation as to the long-dormant [Segment] are unjustified and unwarranted” is irrelevant and immaterial. While DSR claims that the Segment has been long dormant, it fails to provide any evidence to explain what is meant by “long-dormant.”

As the record reflects and as further demonstrated by the Supplemental Verified Statement of Daniel Robbins, which is attached

² See Attachment 1 hereto. Mr. Puig is a Principal of Golden Gate Capital.

³ DSR Motion at p. 9.

hereto, until DSR chose to discontinue service by terminating interchange traffic and began storing cars on the main line, interchanged traffic constituted a significant component of railcars handled by DSR and NLA while the interchange was open. The projections prepared by HDR for use in the INFRA Grant Application, which are of record as part of Exhibit 1 to LPPC's Feeder Application, repudiate DSR's claim that the Segment is "long dormant."

HDR's projections are based on information provided by DSR and NLA to HDR in early 2019. DSR projected that it would move approximately 1200 railcars in 2024 following rehabilitation, while NLA projected that it would move approximately 1000 cars over UP, and 1000 cars of local traffic on NLA. The remainder of the 6,248 rail cars or approximately 3048 railcars were projected to move in interchange between DSR and NLA. *See* Feeder Line Application, Exhibit No. 1, INFRA Grant Application, Appendix C, at p. 18, Section 5.3, Table 4: Demand Projections, Build case. *See also* p. 38 of Appendix C, Section 9.3, entitled "Annual Demand Projections (2 of 2)." This table, which contains projections that span from 2018 to 2053, repeats the information in Table 4, namely that the number of railcars is projected to increase from 2,804 in 2022 to 6,248 in 2024.⁴

⁴ In Section 9.2, which is entitled Annual Demand Projections (1 of 2), Train ton-miles per year moving over the Line are projected to grow from 25,482,337 ton-miles in 2022 to 56,786,733 in 2024.

As Robbins' statement also reflects, other shippers, including Livingston Pecan & Metal Co, requested Robbins in 2019 to provide rates via KCS to Columbus and Jackson, Mississippi for scrap metal. Although rates were provided, movements never began due to the inactive interchange with DSR.

As Robbins has also explained:

Epstein Gin and Transloading Company have had customers ask for rates over KCS to BNSF destinations. This includes a request in May 2017 from Morgan Wells, who is employed by US Commodities. Rates were supplied but we did not pursue again because of the inactive interchange with DSR. Paul Scruggs with Lansing Trade Group, LLC attempted to send his 2019 crop south over DSR but Dino Trevino with DSR said in a phone call that DSR could not take the cars. The same information was also given to Epstein and Paul with Lansing Trade Group (now the Anderson group).

Lansing also expressed interest in moving corn from its Lake Providence facility over KCS to southern Mississippi feeder markets to Robbins and Craig Huff, who was employed by DSR, during a meeting in Overland Park, Kansas in September 2016. As Robbins has also noted, That meeting led to the inclusion of INFRA Grant funds to partially cover the cost of rehabilitation of 700 feet of track and the planned installation of 1,000 feet of new track to the Lansing Grain facility in Lake Providence. See Statement of Work Segment C (MP 454.8 to MP 471.0) at p. 7.

As Robbins has also stated:

Complex Chemical shipped until March 2017 cars in and out on NLA from DSRR. Some of these shipments are still going on, but would be more cost effective if routed over DSR to NLA instead of UP, KCS and DSR for pricing and transit time concerns.

Additionally, in 2019 Complex had cars arrive in McGehee bound for Madison Parish Port. Lauren Sullivan with UP asked NLA to take the cars to Lake Providence and we agreed to do so. However, she had to call the move off and reroute the cars after DSR informed her they were unwilling or unable to come and receive the traffic in Lake Providence.

As Robbins has also explained, before Matt Prince, DSR's former Director of Operations left DSR, he and Matt had multiple meetings with Rail Vehicle Services (RVS), which is in the process of locating in the Madison Parish Port. During those meetings, which occurred in August 2017, RVS management informed them that RVS will have an absolute need for both a UP and a KCS connection.

Robbins has also stated that in 2020, Neil Martin with Terral River Services inquired about resuming shipments of cottonseed from the Madison Parish port to UP for PNW destinations when the grant is complete and the track in good condition. Additionally, they have looked at inbound aggregate from UP points to the port of Madison Parish.

Moreover, in March 2019, Chris Whallon with Potlatch Deltic expressed a desire to use the Corridor for loading lumber at Epstein for shipment to KCS when the corridor is open. These moves would be primarily to markets located in Mexico.

In addition, Clearwater Paper, which has a major facility in Cyprus Bend, Arkansas, located on the Arkansas Midland Railroad (AKMD), expressed an interest in May 2017 in moving paper movements to certain KCS destination and has had joint meetings with KCS, AKMD, NLA and DSR representatives regarding such movements.

In its Motion, DSR states that it “is not aware of, and has not been approached by, any prospective customers seeking to originate or terminate traffic from any point along the Line.”⁵ Given the active participation of DSR employees in the various meetings described in Mr. Robbin’s Statement, it is crystal clear that DSR was made aware of multiple opportunities for additional business along multiple points on the Line when the Line is correctly defined as being the entire Corridor. It is only when the “Segment” is misleadingly defined as the Line that DSR’s comment could approach being truthful.

**DSR’s Discontinuance Of All Service Over The Segment
Has Not Been Authorized By The Board**

While DSR seeks to defend its decision by claiming that, as a business matter, rehabilitation was unwarranted, there is nothing to suggest that DSR sought authority from the Board pursuant to 49 U.S.C. 10903(d) to abandon the segment or discontinue the operation of all rail transportation over any part of its railroad line between MP 471 and MP 491. As herein relevant, 49 U.S.C. § 10903(d) states that “[a] rail carrier

⁵ DSR Motion at p.3.

providing transportation subject to the Board's jurisdiction may ...
discontinue the operation of all rail transportation over any part of its
railroad lines, *only if the Board finds that the present or future public
convenience and necessity* require or permit the abandonment or
discontinuance."

As USDOT recognized in awarding INFRA Grant funds to SEAEDD,
the re-development of the entire line will assist the Ports to develop new
economic opportunities. That, of course, serves to rebut any attempt by
DSR to demonstrate that the abandonment or discontinuance would not
have a serious, adverse impact on rural and community development.

USDOT's decision to provide Grant funds under the Infrastructure
for Rebuilding America (INFRA) program, which has the full support of
the States of Louisiana and Arkansas, as well as multiple shippers, is
based on the conclusion that rebuilding the entire Line will promote
community and industrial development as well as having a positive
impact on the rural farming area through which the line of railroad
passes.

**DSR's Arguments That Shippers Should Be Content With
Routings That Are Not Responsive To Their Needs Is Baseless.**

DSR's brazen attempt to feather its own nest at the expense of
shippers should be condemned. Obviously, DSR will benefit financially if
it can avoid the costs of rehabilitating the Segment while continuing to
use tracks to collect storage fees for parked railcars.

While DSR suggests that “[o]verhead service over DSR is unnecessary, just preferred” it ignores the fact that the alternative routings require shippers to incur significant increases in freight rates to their detriment. Shippers chose to build their facilities with knowledge that a particular location offers multiple routings that enhance their competitiveness. When, however, a rail carrier deliberately refuses to maintain its tracks and needlessly upsets well-established routings and forces shippers to pay higher shipping rates, such forced alternative routings are per se inadequate. Plainly, the feeder provisions provide the means to correct this type of situation. By rebuilding the 20-mile Segment, LPPC will preserve the well-established routings that are required to protect shippers from a carrier’s unauthorized cessation of rail service. As the Board recognized in *Keokuk Junction Railway Company—Feeder Line Acquisition—Line of Toledo Peoria, and Western Railway Corporation Between La Harpe and Hollis, IL.*, 7 S.T.B. 893, 897 (2004), “it is clear that Congress envisioned an incumbent’s rates and practices to be potentially relevant to a feeder application.” Even if DSR has not hiked its own rates, its actions and practices have had that same impact and must be considered in this proceeding.

The benefits of rehabilitating the entire line were considered in the INFRA Grant Application. The Board’s attention is invited to page 40 of Appendix C in the INFRA Grant application. Section 9.5, entitled “Shipper Cost Efficiencies Benefits: Annual Benefit Estimates,” reflects

HDR's conclusion that the rebuilding of the entire Corridor will increase efficiency benefits from approximately \$2,295,607 in 2022 to \$5,115,702 in 2024. Such efficiencies reflect cost savings related to the ability move over cost effective routing. Such benefits will not be realized if LPPC is not allowed to perform the task that DSR has refused to perform.

DSR claims that "no DSR shipper has claimed that existing through routes via KCSR are inadequate."⁶ Attached hereto is a letter from Jerry J. Melton, the President of Complex Chemical, Inc., which is located in the Madison Parish Port Industrial Park. As Mr. Melton has explained in detail, "DSR's refusal to maintain its rail line imposes a penalty on Complex Chemical." As a result, he views DSR's "service to be inadequate from an economic standpoint."

Interchange Service Is Vital

As has been long recognized, the feeder line provisions at 49 U.S.C. § 10907 were enacted "[t]o provide shipper groups and government agencies an alternative to inadequate rail service and to preserve feeder lines prior to the total downgrading of such lines ...". *Caddo Antoine and Little Missouri R. Co. v. U.S.*, 95 Fed 740, 745 (8th Cir. 1996); *see also*, *Cheney R.R.—Feeder Line Acquis. Between Greens & Ivalee, Ala.*, 5 I.C.C.2d 250, 251 (1989), *aff'd sub nom Cheney R.R. v. ICC*, 902 F.2d 66

⁶ Motion at 4.

(D.C. Cir. 1990); H.R. Conf. Rep. 96-1430, at 85 (1980), *reprinted in* 1980 U.S.C.C.A.N. 4110, 4116.

Prior to DSR's unauthorized discontinuance of service over the Segment, shippers had an unquestioned ability to exercise the ability to route traffic in the manner that was most advantageous for them. Because LPPC's willingness to restore the Segment clearly serves a public interest that is not being served today due to DSR's intransigence, the grant of its Feeder Line Application is the only means to ensure adequate rail service.

In its motion, DSR claims that LPPC has failed to offer any information regarding inadequate service. DSR has apparently overlooked the original letter of support from Complex Chemicals.⁷ In that letter, Complex Chemical clearly stated that "it is extremely important that the entire Corridor must be rehabilitated consistent with the scope of work identified in the Grant Application". In addition, it noted that the reliability and safety of rail service will be improved, "as well as open access to both UP and KCS."

The same is true with respect to the letter submitted by Epstein Gin.⁸ That letter, which candidly acknowledged issues with NLA's service that are attributed to track issues that it inherited from DSR's

⁷ Feeder Application, Exhibit 8. *See also*, Letter attached hereto.

⁸ Feeder Application, Exhibit 9.

predecessor, unquestionably demonstrates DSR's past refusal to provide service. It also demonstrates the need that exists that for service over the Segment. Mr. Angel explicitly testified, based on an incident that occurred in 2019, that:

I have personal knowledge that the rail between mileposts 471 and 491 is impassable at points and has not been used to provide rail service since 2017. In June 2019, DSR refused to accept a train composed of 43 cars from North Louisiana & Arkansas Railroad (NLA) because it tracks between those mileposts could not accommodate the top-heavy loads that are generally handled in high-center-of-gravity cars. In declining the cars, DSR also claimed that [it] had approximately 200 rail cars stored on a portion of its Line between MP 481 and MP 491.⁹

He also stated, "[O]nce the tracks are rehabilitated, Epstein Gin and Epstein Transloading intends to expand its sales into Mexico via KCS. This is a new market for us that is dependent upon our being able to ship via NLA, DSR and KCS through Tallulah. Any other routing will not work."¹⁰ While DSR has chosen to denigrate Epstein Gin's testimony,¹¹ and otherwise take issue with the desire to utilize particular physical routings rather than others,¹² DSR's reply overlooks the reality that a particular routing may not be cost effective. As both Complex Chemical and Epstein Gin are aware, price is the primary factor that must be considered in the choice of routing. By refusing to rehabilitate

⁹ *Id.* Ex. 9 at p.2.

¹⁰ *Id.* at p.3.

¹¹ DSR Motion at p.7.

¹² DSR Motion at p.6.

the Segment, DSR has deprived shippers, such as Epstein Gin and Complex Chemical of their ability to choose the routing that is most favorable in terms of cost. As noted above, the Board has found that such factors can be relevant to a feeder line application.

Clearly, DSR's claim that the Feeder Application lacks "specific evidence from any potential shippers" is insupportable. To the extent that no traffic has recently moved can also be explained by the fact that the mainline track located in the Segment is clogged with stored railcars.

The evidence already of record conclusively proves that DSR, since mid-2017, has refused and continues to refuse to make the necessary efforts to provide adequate rail service over its tracks that are located within the Segment of its line between MP 491 and MP 471. This has repeatedly happened despite the fact that shippers located along the entire Corridor have sought and needed rail service over the Segment. Because of DSR's inaction, shippers have lost business and have been forced to turn to trucking to handle their traffic that should have moved over rail in the most expeditious fashion.

In the final analysis, the only reason that the track could be remotely described as "dormant," "inactive" or "out-of-service" must be attributed to DSR and its owners' decision to discourage use of the Segment. They alone decided not to rehabilitate DSR's tracks and by doing so have repeatedly violated DSR's statutory rail-common-carrier

statutory obligations. In stark contrast, LPPC intends to ensure that the entire corridor will be reopened for full transportation services.

Given the above, DSR's reliance on *KCVN, LLC, et al. – Feeder Line Application – Line of Union Pacific Railroad Company Located in Pueblo, Fremont, Chaffee, Lake, and Eagle Counties, Colo.*, FD 36386 (STB served Mar. 13, 2020), 5 (citing *Fiehrer – Feeder Line Appl. – Line of BNSF Ry. Between Helena & Great Falls, Mt.*, FD 34947, slip op. at 5 (STB served Aug. 29, 2007)), is misplaced.

Without doubt, the evidence of record satisfies all of the essential elements of a feeder application. DSR has refused within a reasonable time to make the necessary efforts to provide adequate service to shippers who have transported traffic over the Segment of the Corridor that is the subject of the Feeder Application.

As long recognized, the absence of no service at all is, a fortiori, an inadequate level of service. *PSI Energy, Inc. – Feeder Line – Norfolk Southern Corp.*, 7 I.C.C. 2d 227, 231 n. 13 (1991). Of course, because DSR never sought the Board's prior approval to discontinue all service for shippers over the Segment, it may not take advantage of Board and ICC precedents that have held that the feeder line statute may not be used to force the sale of a line that the Board has authorized for discontinuance.

Also, because the Segment has not been used to provide service for shippers since 2017, the sale will relieve DSR of the need to expend its own funds to rehabilitate the track between MP 471 and MP 491. As DSR has acknowledged, it lacks the financial ability to take on that responsibility. Because DSR has not provided any recent service for any shippers over the Segment and does not plan to do so in the future, LPPC's acquisition of the Segment will not impact DSR's overall operational performance. Finally, the sale of this segment of DSR's portion of the Corridor, which will allow the rehabilitation of the track, will undoubtedly result in improved railroad transportation for shippers that have in the past and will in the future transport traffic over the Segment.

The Board should also reject DSR's specious assertion that "there are no customers on the Segment."¹³ While it is true that no shipper has built a physical structure along the 20-mile stretch of track, there are multiple shippers located on the entire Corridor between MP 500.2 in Tallulah and MP 408.9 in McGehee that have used and are looking forward to using once the track is rehabilitated.

In summary, the Board should follow its line of precedent reflected in *KCVN, LLC and Colorado Pacific Railroad, LLC—Feeder Line Application—Line of V and S Railway, LLC, Located in Crowley, Pueblo,*

¹³ DSR Motion at p.4.

Otero, and Kiowa Counties, Colorado, FD 36005, slip op. at 10 (STB served July 1, 2017). As the Board therein recognized, in determining whether transportation over a line is inadequate for the majority of shippers who use the line, it looks “to former, current, and potential shippers.” See, e.g., *Or. Int’l Port of Coos Bay—Feeder Line Application—Coos Bay Line of the Cent. Or. & Pac. R.R.*, FD 35160, slip op. at 6 (STB served Oct. 31, 2008); *Pyco Indus.—Feeder Line Application—S. Plains Switching, Ltd. (Pyco)*, FD 3490 et al. (STB served Aug. 31, 2007). *Keokuk*, 7 STB at 898.

**DSR Has Misconstrued The Contents Of Correspondence
Between FRA and SEAEDD**

DSR’s claim that LPPC is attempting to “Persuade the Board to act based upon a false premise” lacks merit. As stated at p. 11 of the Application, “[a]s the entirety of the INFRA Application and the subsequent Grant reflects, the rehabilitation of that 20-mile stretch of the Corridor is essential. Hence, the failure to commit to the full rehabilitation of the Corridor *could* result in the loss of INFRA Grant funding, which would likely lead to the ultimate abandonment of the Corridor.” As the Statement of Work that was executed on January 15, 2021 reflects, FRA has imposed a requirement that funds allocated to Segment D (MP 471 to MP 500.2) are to be used to “Rehabilitate approximately 20 miles of track within this Segment which includes the

upgrading the existing Excepted track to Class 2 track by replacing rail, ties, ballast and OTM as needed.”

If the funds are not used to rehabilitate the 20 miles of track, the goal of the entire project will not be met. As a result, the Grant funds that are used to help rebuild the rest of the Corridor will not achieve the desired effect as the inability to move over the Segment in the future will be an obvious disincentive for most shippers to rely on rail service.

While DSR in footnote 7 of its Motion refers to comments of Wyly Gilfoil that the “failure to upgrade the tracks *could jeopardize the INFRA Grant*,” that comment, which is based on his feelings in August 2020 after learning of DSR’s intent, is taken out of context. As the next sentence in his statement reads, “Most importantly, because I realized that a feeder application would be supported by the industries that had fully supported the effort to obtain the INFRA Grant, I viewed it as being in the public interest to file with the Board.”¹⁴

DSR in its footnote 7 also distorts Hargrove’s comments regarding the impact on INFRA Grant funds. As she clearly disclosed in the next paragraph of her statement:

I promptly advised FRA of DSR’s decision and LPPC’s determination to acquire the segment after it was able to determine the property’s NLV. In response, FRA confirmed that LPPC’s acquisition of the property would not adversely impact the INFRA Grant funding *if* the segment is re-

¹⁴ V.S. Gilfoil at p.6, ¶12.

opened for rail service consistent with the approved Scope of Work.

Simply stated, funds are available to be used to partially rehabilitate the 20-mile segment. There is no reason whatsoever to deny the Feeder Application and to doom the hopes of all who have invested in this effort to restore the entire line. In reaching its decision, the Board should not ignore the fact, which is documented at p. 13 of the INFRA Grant Application, that SEAEDD, LPPC, MPPC and NLA have already invested \$12,133,608 to upgrade the track between MP 408.9 to MP 471. While DSR has invested \$2,300,000, very little was spent on its track between MP 471 and MP 491.

Conclusion

For all of the above-stated reasons, the Motion should be denied and the schedule established by the Board on January 15, 2021 should be left intact.

Respectfully submitted,

/s/ Richard H. Streeter

Richard H. Streeter
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5255 Partridge Lane, N.W.
Washington, D.C. 20016
Counsel for
Lake Providence Port Commission
Southeast Arkansas Economic
Development District
North Louisiana & Arkansas Railroad

Dated: March 5, 2021

Certificate of Service

I, Richard H. Streeter, do hereby certify that I have this 5th day of March 2021 served a true copy of this pleading on counsel for Delta Southern Railroad, Inc. via email at THealey@fletcher-sippel.com.

/s/ Richard H. Streeter

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 36447

LAKE PROVIDENCE PORT COMMISSION
--FEEDER LINE APPLICATION--
LINE OF DELTA SOUTHERN RAILROAD LOCATED IN
EAST CARROLL AND MADISON PARISHES, LA.

Supplemental Response to Delta Southern Railroad Inc.'s
First Set of Interrogatories Nos. 1 through 6

I, Daniel B. Robbins, Vice-President of North Louisiana & Arkansas Railroad (NLA), based on my personal knowledge of the facts herein stated, hereby provide additional responses regarding past operations and related matters over the 20-mile segment of track between MP 471 and 491 and shippers' needs for rail transportation over the entire rail Corridor between MP 408.9 and MP 500.2. The information provided herewith is related to and obtained through conversations with shippers, Delta Southern Railroad, Inc. (DSR), Union Pacific Railroad and Kansas City Southern that predated August 2020. In addition to the information provided in this Supplement Response, copies of all emails reflecting said conversations are being reproduced and will be presented to the Board under seal insofar as such conversations involve highly confidential proprietary information of shippers that includes information about the nature, kind, quantity, destination, consignee, or routing of property that

was tendered or delivered, or that was intended to be tendered or delivered, to NLA and/or DSR. Such information, if improperly released, may be used to the detriment of the shipper or consignee or may disclose improperly, to a competitor, the business transactions of the shipper or consignee.

Customers and would-be customers that have expressed interest in traffic over the Corridor that would include travel over MP 471 and MP 491 are as follows:

In 2019, Richard Livingston, of Livingston Pecan & Metal Inc., which is located in Lake Village, Arkansas, requested me to run rates via KCS to Columbus, MS and Jackson, MS for scrap metal. I provided the rates but could not pursue the traffic because of the inactive interchange with DSR.

Epstein Gin and Transloading Company have had customers ask for rates over KCS to BNSF destinations. In May 2017, Morgan Wells with US Commodities requested rates. Rates were supplied but again we did not pursue the business because of the inactive interchange with DSR. In 2019, Paul Scruggs with Lansing Trade Group, LLC attempted to send its 2019 crop south over DSR but Dino Trevino, a DSR employee, said in a phone call that DSR could not take the cars. The same information was also given to Epstein and Paul with Lansing Trade Group (now the Anderson group).

Lansing also expressed interest to both myself and Craig Huff, who was employed by DSR, when we were at the offices of Lansing in Overland Park, Kansas in 2016 about moving corn from the Lake Providence facility over KCS to southern Mississippi feeder markets. This meeting led to the inclusion of funds in the INFRA Grant to partially cover the cost of rehabilitation of 700 feet of track and the planned installation of 1,000 feet of new track to the Lansing Grain facility in Lake Providence. See Statement of Work Segment C (MP 454.8 to MP 471.0) at p. 7.

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Additionally, in 2019 Complex had cars arrive in McGehee bound for Madison Parish Port. Lauren Sullivan with UP asked NLA to take the cars to Lake Providence and we agreed to do so. However, she had to call the move off and reroute the cars after DSR informed her they were unwilling or unable to come and receive the traffic in Lake Providence.

Rail Vehicle Services (RVS) is a railcar shop that is in the process of locating in the Madison Parish Port. During personal meetings with DSR and a joint telephonic meeting with DSR and NLA in August 2017, RVS management informed me and Matt Prince, DSR's former Director of

Operations, that RVS will have an absolute need for both a UP and a KCS connection.

In 2020, Neil Martin with Terral River Services inquired about resuming shipments of cottonseed from the Madison Parish port to UP for PNW destinations when the grant is complete and the track in good condition. Additionally, they have looked at inbound aggregate originating on UP points that would move to the port of Madison Parish.

In March 2019, Chris Whallon with Potlatch Deltic expressed a desire to use the Corridor for loading lumber at Epstein for shipment to KCS when the corridor is open. These moves would be primarily to markets located in Mexico.

Clearwater Paper, which has a major facility in Cyprus Bend, Arkansas, expressed an interest in moving paper movements to certain KCS destination and has had a joint meeting with KCS, AKMD, NLA and DSR representatives regarding such movements.

Almost all of this information is in the INFRA grant application which DSR is privy to or was in emails between NLA and DSR employees Craig Huff, Matt Prince, and J D Ventrcek.

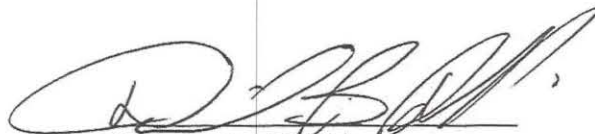
During the course of preparing the INFRA Grant Application, I prepared information for HDR regarding NLA's anticipated movements following completion of the reconstruction of the entire line. At that time, I anticipated that NLA would move approximately 1000 cars over UP and

1000 cars of local traffic on NLA. These figures were joined with figures submitted by DSR to produce Table 4, which HDR included in in Table 4 of Appendix C, at p. 18, Section 5.3, Table 4: Demand Projections, Build case. Because DSR projected that it would approximately 1200 railcars in 2024 following rehabilitation over KCS, this allowed me to realize that approximately 3048 railcars would likely move in interchange between DSR and NLA over the segment. Given DSR's active participation in preparing the projections, its employees were aware of these projections as far back as 2019. No further projections of traffic have been made since that time.

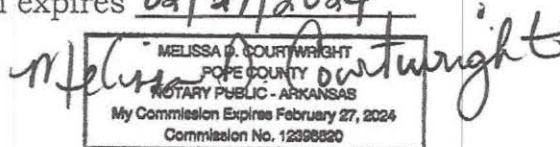
STATE OF ARKANSAS)
) ss:
COUNTY OF POPE)

Daniel B. Robbins, being duly sworn, states that he is the Vice President of North Louisiana & Arkansas Railroad (NLA), and that the facts asserted in the foregoing *Supplemental Response to Delta Southern Railroad's First Set of Interrogatories*, are known to him to be true and that the same are true as stated.

FURTHER SAYETH THE AFFIANT NOT.


Daniel B. Robbins

Subscribed and sworn to before me this 4th day of March, 2021.
Notary Public of Pope County, Arkansas
My Commission expires 02/27/2024





COMPLEX CHEMICAL CO., INC.

MADISON PARISH PORT INDUSTRIAL PARK
P.O. BOX 1352
TALLULAH, LA 71282
PHONE: (318) 574-0382

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board

Re: Support of LPPC's Reply to Delta Southern
Railroad, Inc.'s Motion to Dismiss Proceeding And
Request to Hold Proceeding in Abeyance

Dear Mrs. Brown:

This letter of support is written on behalf of Complex Chemical Co., Inc. (Complex Chemical). I have carefully reviewed Delta Southern Railroad's (DSR) motion and wish to reply to the comments expressed by DSR at page 6 that "Overhead service over DSR is therefore unnecessary, just preferred." Complex Chemical also wishes to reply to the statement that "no prospective customer has come forward claiming that DSR has rebuffed its efforts to secure service to or from a point on the line."

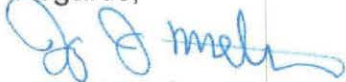
For many years, Complex Chemical has chosen to route traffic over DSR/KCS and over DSR/NLA/UP. DSR's refusal to maintain its line between MP 471 and 491 has deprived Complex Chemical of its ability to reach UP directly. Because of that loss, Complex Chemical has been forced to utilize the DSR/KCS/UP routing at a much higher rate than the rate paid for its DSR/NLA/UP routing.

This is significant in that Complex Chemical has 15 outbound destinations scattered throughout the United States, Canada and Mexico. In addition, it has inbound material from points in Texas, Louisiana, and Canada. Seven of its outbound customers are closed UP customers, while four (4) are closed KCS customers. In terms of incoming materials, five (5) origins are closed UP customers. As a result, the relationship with UP is significant.

Having to pay the higher rates that are charged for the current routing that has been created by DSR's refusal to maintain its rail line imposes a penalty on Complex Chemical. As a result, I view DSR's self-imposed refusal to maintain its own line as a restraint on trade. That restraint also causes its service to be inadequate from an economic standpoint. While it may be financially rewarding for DSR to exact higher rates while collect rental payments for storing railcars on its mainline, that action is in my mind a violation of its statutory rail common carrier obligation.

Because LPPC's ownership of the Segment promises to restore competitive direct routings to Complex Chemical. In this respect, I ask the Surface Transportation Board to note that prior to 2017, Complex Chemical was the major shipper on the direct line to UP at McGehee, Arkansas.

Regards,

A handwritten signature in blue ink, appearing to read "Jerry J. Melton", is written over the typed name.

Jerry J. Melton
President