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SERVICE DATE – APRIL 9, 2021

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36353]

Alabama Southern Railroad, L.L.C.—Lease Exemption with Interchange Commitment—

The Kansas City Southern Railway Company

Alabama Southern Railroad, L.L.C. (ABS), a Class III rail carrier, has filed a verified notice of exemption pursuant to 49 C.F.R. § 1150.41 to continue to lease from The Kansas City Southern Railway Company (KCS) and operate approximately 85.6 miles of rail lines extending between: (1) milepost 17.0 near Columbus, Miss., and milepost 78.9 at Tuscaloosa, Ala. (the Tuscaloosa Subdivision); (2) milepost 0.0 at Tuscaloosa and milepost 9.3 near Fox, Ala. (the Warrior Branch); and (3) milepost 443.5 at Brookwood Junction, Ala., and milepost 429.1 at Brookwood, Ala. (the Brookwood Branch) (collectively, the Lines).

According to the verified notice, ABS has leased and operated the Lines since 2005.¹ ABS states that it has entered into an amendment of the lease agreement governing the Lines, which will extend the term of the lease until November 30, 2034. ABS states that it will continue to be the operator of the Lines.

¹ ABS was granted authority to lease and operate the Lines in Alabama Southern Railroad—Lease & Operation Exemption—Kansas City Southern Railway, FD 34754 (STB served Dec. 2, 2005). ABS was granted authority for an amendment to the lease extending its term to November 30, 2024, in Alabama Southern Railroad—Lease & Operation Exemption Including Interchange Commitment—Kansas City Southern Railway, FD 35889 (STB served Jan. 2, 2015).

According to ABS, the amended lease between ABS and KCS contains an interchange commitment that affects interchange with carriers other than KCS.² The affected interchanges are with Alabama & Gulf Coast Railway (AGR), BNSF Railway Company (BNSF), and Columbus & Greenville Railway (CAGR) at Columbus;³ Norfolk Southern Railway Company at Tuscaloosa; and CSX Transportation, Inc., at Brookwood. As required under 49 C.F.R. § 1150.43(h), ABS provided additional information regarding the interchange commitment.

ABS has certified that its projected annual revenues as a result of this transaction will not result in ABS becoming a Class II or Class I rail carrier, but that its projected annual revenues will 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, ABS, concurrently with its verified notice of exemption, filed a petition for waiver of the 60-day advance labor notice requirement. ABS's waiver request will be addressed in a separate decision. The Board

² A copy of the amended lease with the interchange commitment was submitted under seal. See 49 C.F.R. § 1150.43(h)(1).

³ ABS states that the potential connection with AGR, BNSF, and CAGR at Columbus exists on a KCS-owned segment of railroad line that ABS does not lease (and will not be leasing pursuant to the present transaction), but over which ABS operates strictly for purposes of effecting interchange with KCS at Artesia, Miss.

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 April 16, 2021.

All pleadings, referring to Docket No. FD 36353, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, one copy of each pleading must be served on ABS's representative: Bradon J. Smith, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606.

According to ABS, 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: April 5, 2021.

By the Board, Allison C. Davis, Director, Office of Proceedings.