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May 17, 2021

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Office of Proceedings
May 17, 2021
Part of
Public Record

By e-filing

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

Re: Finance Docket No. 36519, *Gulf & Ship Island Railroad LLC -- Lease and
Operation Exemption -- Rail Line of Harrison County Development Commission
at or near Gulfport, Harrison County, Mississippi*

Dear Ms. Brown:

Hereby transmitted is a Verified Notice Of Exemption Under 49 C.F.R. § 1150.31 for
filing with the Board in the above referenced matter.

The filing fee of \$2,200 is being paid electronically via *pay.gov*.

Respectfully submitted,

/s/ Thomas F. McFarland
Thomas F. McFarland
*Attorney for Gulf & Ship Island
Railroad LLC*

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FILED
May 17, 2021
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
May 17, 2021
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

GULF & SHIP ISLAND RAILROAD LLC)
-- LEASE AND OPERATION)
EXEMPTION -- RAIL LINE OF) FINANCE DOCKET
HARRISON COUNTY DEVELOPMENT) NO. 36519
COMMISSION AT OR NEAR)
GULFPORT, HARRISON COUNTY,)
MISSISSIPPI)

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31**

GULF & SHIP ISLAND RAILROAD LLC
P.O. Box 601
Hernando, MS 38632

Applicant

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
2230 Marston Lane
Flossmoor, IL 60422-1336
(708) 704-7679
mcfarland@aol.com

Attorney for Applicant

DATE FILED: May 17, 2021

BEFORE THE
SURFACE TRANSPORTATION BOARD

GULF & SHIP ISLAND RAILROAD LLC	)	
-- LEASE AND OPERATION	)	
EXEMPTION -- RAIL LINE OF	)	FINANCE DOCKET
HARRISON COUNTY DEVELOPMENT	)	NO. 36519
COMMISSION AT OR NEAR	)	
GULFPORT, HARRISON COUNTY,	)	
MISSISSIPPI	)	

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31**

Pursuant to 49 U.S.C. § 10502(a) and the class exemption for noncarrier operation of rail lines at 49 C.F.R. § 1150.31 *et seq.*, Gulf & Ship Island Railroad LLC (GSIR), a noncarrier, hereby provides notice of its verified class exemption from 49 U.S.C. § 10901 for its lease from Harrison County Development Commission (acting with the Harrison County Board of Supervisors) (the County), and operation of excepted industrial lead tracks commonly known as the Seaway Lead that the County recently acquired from The Kansas City Southern Railway Company (KCS) that extend between a point approximately 800 feet east of US Highway 49 on the Seaway Lead, and the end of the Seaway Lead at Bernard Bayou Industrial Park at or near Gulfport, a distance of approximately 5 miles in Harrison County, Mississippi (the Rail Line).

The Rail Line encompasses all but 800 feet of a Line commonly known as the Gulfport Seaway Lead. (KCS will retain the remaining 800 feet). GSIR will operate over the segment of the Seaway Lead retained by KCS and other ancillary KCS track solely for the purpose of interchange.

The Rail Line is depicted in a map that is attached to this Notice as Appendix 1.

This proceeding is related to Finance Docket No. 36520, *Chicago, Rock Island & Pacific Railroad LLC -- Continuance in Control Exemption -- Gulf & Ship Island Railroad LLC*, in which Chicago, Rock Island & Pacific Railroad LLC (CRIP) is seeking an exemption from 49 U.S.C. §§ 11323-11327 to continue in control of GSIR when GSIR becomes a rail carrier in the subject proceeding.

BACKGROUND

Beginning IN 1955, Mississippi Power Company (MPC) and Illinois Central Railroad Company (ICR) entered into a series of agreements concerning construction and operation of industrial lead tracks to facilitate construction and operation of MPC's Gulf Coast Steam Plant (the Seaway Lead).

Through a series of transactions, KCS became the successor of ICR in regard to ownership and operation of the Seaway Lead.

On April 28, 2016, Gulfport and Harrison County experienced a deluge of as much as 12 inches of rain in a five-hour period, resulting in extensive flash flooding and damage to the Seaway's bridge across Bernard Bayou and to a major culvert under the Seaway Lead.

KCS determined that the cost of repair of the damaged structures on the Seaway Lead was not economically supportable for KCS based on the volume of business handled by KCS on the Seaway Lead.

In 2018, the County expressed interest in acquiring the Seaway Lead to support local business development. MPC had failed to exercise an option under an agreement dated August

12, 1965 to resume operation of the Seaway Lead after KCS had announced an intent to cease service on the Seaway Lead.

By virtue of a Memorandum of Understanding dated December 28, 2020, KCS expressed an intent, under stated circumstances, to sell the Seaway Lead to the County, except for the western 800 feet thereof. KCS would retain that segment because the grade crossing signals on that segment and on the connecting KCS main line are operated as a unit.

GSIR is proposing to lease and operate the portion of the Seaway Lead owned by the County in order to repair the structures that were damaged by the 2016 flood, and to resume rail service over that rail line for the first time in five years.

INFORMATION REQUIRED BY 49 C.F.R. § 1150.33

(a) The full name and address of the applicant;

The Applicant is Gulf & Ship Island Railroad LLC, P.O. Box 601, Hernando, MS 38632.

(b) The name, address, and telephone number of the representative of the applicant who should receive correspondence;

Applicant's representative to receive correspondence is Thomas F. McFarland, Thomas F. McFarland, P.C., 2230 Marston Lane, Flossmoor, IL 60422-1336, ph (708) 704-7679, mcfarland@aol.com.

(c) A statement that an agreement has been reached or details about when an agreement will be reached;

An agreement has been reached between GSIR and the County for GSIR to operate the rail line.

(d) The operator of the property;

GSIR will operate the line.

(e) A brief summary of the proposed transaction, including:

(1) The name and address of the railroad transferring the subject operating authority,

The lessor transferring operation of the line is the County, i.e. Harrison County Development Commission, 12281 Intraplex Parkway, Gulfport, MS 39503.

(2) The proposed time schedule for consummation of the transaction,

The transaction will not be consummated until an exemption authorizing the transaction has been issued by the Board and has become final.

(3) The mile-posts of the subject property, including any branch lines, and

The line is not identified by mileposts.

(4) The total route miles being operated;

Approximately 5 route miles will be operated.

(f) A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and States; and

The Rail Line is illustrated on a map that is attached to this Notice as Appendix 1.

(g) A certificate that applicant's projected revenues do not exceed those that would qualify it as a Class III carrier.

Attached to this Notice as Appendix 2 is a sworn statement by Mr. Robert Riley, CEO of GSIR certifying that GSIR's projected revenues do not exceed those that would qualify it as a Class III rail carrier.

(h) Interchange Commitments.

(1) The filing party must certify whether or not a proposed acquisition or operation of a rail line involves a provision or agreement that may limit future interchange with a third-party connecting carrier, whether by outright prohibition, per-car penalty, adjustment in the purchase price or rental, positive economic inducement, or other means ("interchange commitment").

Appendix 2 contains a certification by Mr. Riley that the proposed operation do not involve a provision or agreement that may limit future interchange with a third-party connecting carrier.

REVENUES LESS THAN \$5 MILLION PER YEAR

Appendix 2 contains a certification by Mr. Riley that the projected annual revenues of GSIR to be created by the proposed transaction will not exceed \$5 million per year.

VERIFICATION

Mr. Riley's sworn statement includes the truth of all factual assertions in this Notice (Appendix 2).

LABOR PROTECTION

By virtue of 49 U.S.C. § 10901(c), labor protective conditions are not to be imposed in this proceeding.

ENVIRONMENTAL AND HISTORIC REPORTING

By virtue of 49 C.F.R. § 1105.6(c)(1)(i) and 49 C.F.R. § 1105.8(b)(1) and (3), environmental and historic reporting is not required in this proceeding.

CAPTION SUMMARY

A caption summary required by 49 C.F.R. § 1150.34 is attached to this Notice as Appendix 3.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, the Board should accept this Notice for filing, and should arrange for its publication in the *Federal Register* as notice to the general public.

Respectfully submitted,

GULF & SHIP ISLAND RAILROAD LLC
P.O. Box 601
Hernando, MS 38632

Applicant

/s/ Thomas F. McFarland

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
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Attorney for Applicant

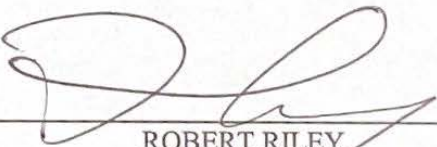
DATE FILED: May 17, 2021

Appendix 2

STATE OF MISSISSIPPI)
) SS:
COUNTY OF DeSOTO)

VERIFICATION

ROBERT RILEY, being duly sworn, states that he is an authorized representative of Gulf & Ship Island Railroad LLC (GSIR); that he has read the foregoing Notice of Exemption; that the projected annual revenues of the rail line being acquired by GSIR, together with GSIR's annual revenues, do not exceed \$5 million; that GSIR's projected revenues as a result of the proposed acquisition will not result in the creation of a Class I or Class II rail carrier; that the proposed acquisition does not involve any interchange commitment as defined in 49 C.F.R. § 1150.43(h); and that all allegations of fact contained in GSIR's Notice of Exemption are true and correct.



ROBERT RILEY

SUBSCRIBED AND SWORN to
before me this 17th day
of May, 2021.


Notary Public



My Commission Expires: October 30, 2024

Appendix 3

CAPTION SUMMARY

**SURFACE TRANSPORTATION BOARD
VERIFIED NOTICE OF EXEMPTION**

(Finance Docket No. 36519)

**GULF & SHIP ISLAND RAILROAD LLC -- LEASE AND OPERATION
EXEMPTION -- RAIL LINE OF HARRISON COUNTY DEVELOPMENT
COMMISSION AT OR NEAR GULFPORT, HARRISON COUNTY,
MISSISSIPPI**

Gulf & Ship Island Railroad LLC (GSIR) has filed a Verified Notice of Exemption under 49 C.F.R. § 1150.31 for its lease from Harrison County Railroad Commission (acting through the Harrison County Board of Supervisors) (the County), and for its operation of industrial lead tracks that the County recently acquired from The Kansas City Southern Railway Company (KCS) that extend between a point approximately 800 feet east of US Highway 49 on the Seaway Lead track and the end of the Seaway Lead track at Bernard Bayou Industrial Park at or near Gulfport, a distance of approximately 5 miles in Harrison County, Mississippi (commonly known as the Gulfport Seaway Lead).

This proceeding is related to Finance Docket No. 36520, *Chicago, Rock Island & Pacific Railroad LLC -- Continuance in Control Exemption -- Gulf & Ship Island Railroad LLC*, in which Chicago, Rock Island & Pacific Railroad LLC seeks an exemption from 49 U.S.C. §§ 11323-11327 for it to continue in control of GSIR when GSIR becomes a rail carrier as a result of the subject proceeding.

Comments must be filed with the Board and be served on Applicant's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 2230 Marston Lane, Flossmoor, IL 60422-1336, ph (708) 704-7679, mcfarland@aol.com.

This Notice is filed under 49 C.F.R. § 1150.31. If the Notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption can be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

(SEAL)

By the Board