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May 6, 2026

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VIA ELECTRONIC FILING

Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

ENTERED
Office of Chief Counsel
May 7, 2026
Part of
Public Record

Re: Finance Docket No. 36447, *Lake Providence Port Commission – Feeder Line Application – Line of Delta Southern Railroad Located in East Carroll and Madison, Parishes, Louisiana.*

Dear Chief of Case Administration:

Attached for filing in the above-captioned proceeding is the Delta Southern Railroad, Inc.'s is the following:

1. Omnibus Brief in Support of Motions for Issuance of Subpoenas to Applicant And to Party to This Proceeding.
2. Motion for Issuance of Subpoena to Patrecia Hargrove, on behalf of Southeast Arkansas Economic Development District.
3. Motion for Issuance of Subpoena to Bryant Killen, on behalf of applicant Lake Providence Port Commission.

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

Respectfully submitted,

/s/ John M. Scheib

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Attorney for:
Delta Southern Railroad, Inc.

cc: Parties of Record

**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, LOUISIANA.**

**DELTA SOUTHERN RAILROAD, INC.’S OMNIBUS BRIEF IN SUPPORT OF
MOTIONS FOR ISSUANCE OF SUBPOENAS TO APPLICANT AND TO A PARTY TO
THIS PROCEEDING**

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May 6, 2026

**BEFORE THE
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FINANCE DOCKET NO. 36447

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OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON
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THIS PROCEEDING**

Pursuant to the Board’s January 16, 2026 order, as amended, DSRR files motions (1) for a subpoena to the applicant for deposition testimony from its port director and (2) for a party subpoena for deposition testimony from the executive director of Southeast Arkansas Economic Development Director.

INTRODUCTION

The Lake Providence Port Commission (“LPPC”) is the applicant in this proceeding and filed the Amended Application. Bryant Killen became the port director in August 2024. Mr. Killen is the only witness available to testify to LPPC’s finances and activities since at least that date. In fact, non-party witness Wyly Gilfoil, a former port director of LPPC, disclaimed knowledge during his deposition and pointed to Mr. Killen as the appropriate witness to discuss certain topics, including LPPC’s current finances, LPPC’s application for bond authority, which public documents show was supported by rail traffic estimates that LPPC has not produced in

discovery. Gilfoil Dep., 119:18-20, 146:25-147:1, 158:8-20, Feb. 24, 2026, which is attached as **Attachment A**.

In addition, SEAEDD has actively participated in this proceeding and the Board has determined that it is a party. Decision 52954 at n.6. SEAEDD administers the INFRA grant that has been put at issue in the Amended Application. Ms. Hargrove also filed a verified statement that was submitted with the Amended Application. *See* Amended Application, Exhibit I, which is attached as **Attachment B**. Other partners to the grant have disclaimed knowledge about the grant during their deposition testimony, including Danny Robbins, of North Louisiana and Arkansas. Robbins Dep., Robbins Dep., 119:24-25-120:1-3, 138:3-5, 23-25, 139:1-25, Feb. 27, 2026, which is attached as **Attachment C**.

The stakes in this proceeding are very high for DSRR. It faces one of the most extreme actions the government can take against a private entity—the forced sale of its private property. . DSRR intends to show that DSRR’s service to actual rail customers is adequate and that LPPC’s Amended Application is an attempt to leverage the Board’s power to force its desired economic development project on DSRR, not to remedy inadequate rail service.

DSRR is indisputably entitled to discover evidence to oppose LPPC’s Amended Application. Already, discovery has revealed that many of the entities LPPC claims are not receiving adequate service are not actual rail customers, have not made reasonable requests for service, and in some instances do not have the infrastructure today to use rail service. DSRR’s right to discovery necessarily involves questioning the accuracy and basis for the verified statements claims regarding the INFRA grant that SEAEDD is administering. Moreover, DSRR intends to show that LPPC is not entitled to a rebuttable presumption of financial fitness, that its

rail traffic projects to obtain bond authority are different than the estimates used by its experts to value the rail line.

The subpoenas sought by DSRR are tailored precisely to these issues in the proceeding raised by the applicant and to the specific verified statements by the witnesses. Counsel for LPPC and counsel for SEAEDD do not object on the basis of the scope of the issues. They object to any deposition of the applicant's port director and to any deposition of the executive director of a party to this proceeding who filed a verified statement in support of the Amended Application. What DSRR seeks is reasonable, and the areas of continued objection should be overruled.

Because Petricia Hargrove and Bryant Killen are party witnesses, it is not necessary for DSRR to subpoena them to depose them. In that case, DSRR asks that the underlying motions may serve as Notices of Deposition for the individuals, respectively. However counsel for Ms. Hargrove and Mr. Killen have objected baselessly to having them deposed. DSRR asks that the Board issue subpoenas to them as prayed for in the underlying Motions. Accordingly, and for the reasons further set forth below, the Board should either order Ms. Hargrove and Mr. Killen to appear to the depositions, or grant DSRR's motions for issuance of subpoenas to these witnesses, as set forth in the specific motions filed contemporaneously herewith.

BACKGROUND

The Board's rules on discovery providing great flexibility to the party seeking discovery. Parties may obtain discovery under this subpart regarding any matter, not privileged, which is relevant to the subject matter involved in a proceeding. 49 CFR 1114(a)(1); *see also* Decision No. 52942 at 6. Inadmissibility is not an appropriate objection if the information sought appears to be reasonably calculated to lead to discovery of admissible evidence. 49 CFR 1114.21(b). All discovery procedures may be used by parties without filing a petition and obtaining prior board approval. 49 CFR 1114.21(b). Depositions may be taken of "any person, including a party." 49

CFR 1114.22(a). And, methods of discovery may be used in any sequence. 49 CFR 1114.21(d) (“ . . . for the convenience of parties and witnesses and in the interest of justice, orders otherwise, methods of discovery may be used in any sequence and the fact that a party is conducting discovery, whether by deposition or otherwise, should not operate to delay any party's discovery”).

Moreover, 49 U.S.C. 1321(d)(2) “explicitly authorizes a subpoena to take a deposition or produce documents, or both.” Decision No. 52942 at 6. And the Board has held that in this proceeding, discovery is “not stayed or concluded.” Decision No 52942 at 8 (“Instead, the Board has not entered a procedural schedule. Thus, the requested subpoena is not untimely.”).

Counsel for LPPC, counsel for SEAEDD and DSRR counsel were able to meet and confer about the depositions of Mr. Killen and Ms. Hargrove on April 22, 2026. Rather than cooperate to discuss dates and locations for the depositions, counsel for LPPC and counsel for SEAEDD asserted that DSRR had no right to depose the director of the Applicant or to depose the director of an entity that the Board has held to be a party to this proceeding. They baselessly asserted that an order by the Administrative Law Judge (“ALJ”) in this proceeding precluded these depositions. Nothing could be further from the truth.

In the ALJ Decision of December 31, 2025, the ALJ in footnote 2 requested that “[a]ny other disputed witnesses should be identified and included now.” Decision No. 52859, n. 2. In its January 5, 2026 filing, DSRR answered the ALJ’s question, but also provided even more information than was requested. DSRR explained that “[c]urrently, there are no other ‘disputed witnesses.’ However, DSRR identifies that it may seek to depose other LPPC witnesses . . .” Document No. 310650 at 8. DSRR went on to list possible additional witnesses, including both Mr. Killen and Ms. Hargrove. *Id.*

In the January 16, 2026 order, the ALJ limited the scope of her order: “[t]he non-party witnesses (plus Missy Courtwright, discussed later) at issue in this decision are:” 1) Robert N. Amacker, Jr., 2) Sam Angel, 3) Blake Livingston, 4) Neil Martin, and 5) Jerry J. Melton. Decision No. 52891 at n.3 (cleaned up). In doing so, the ALJ cited to DSRR’s January 5, 2026 filing. *Id.*

Nothing in DSRR’s filings have waived its rights to depose witnesses under the Board’s general rules of discovery nor under any order entered in this proceeding. Accordingly, DSRR seeks an order implementing the following discovery:

Witness	Scope of Production	Deposition Date, Location, and Time
Bryant Killen, port director of LPPC, on behalf of LPPC.	LPPC counsel has objected to any deposition of Mr. Killen.	East Carroll Parrish Library Conference Room, 109 Sparrow Street, Lake Providence, Louisiana 71254 at 9:00 a.m. on June 16, 2026
Patrecia Hargrove, executive director of party SEAED, on behalf of SEAEDD.	SEAEDD counsel has objected to any deposition of Ms. Hargrove.	Pine Bluff Main Library Board Room, 600 S. Main Street, Pine Bluff, Arkansas 71601 at 8:30 a.m. on June 17 & 18, 2026

ARGUMENT

I. The Board Should Compel or Subpoena Applicant’s Port Director, Mr. Killen, to Provide Deposition Testimony

All of the topics listed in the subpoena for Mr. Killen are directly relevant to the issues in this case, including adequacy of DSRR’s service, whether the sale of the line to LPPC will result in improved railroad transportation, LPPC’s financial fitness, and the value of the rail line at issue. 49 U.S.C. 10907; 49 C.F.R. 1151.

LPPC’s finances are relevant because DSRR is entitled to contest that LPPC is a financially responsible party. *See Ind. Sw. Ry.--Aban. Exemption--in Posey & Vanderburgh Ctys., Ind.* (Ind. Sw. Ry. Apr. 2011), STB AB 1065X, 2011 STB LEXIS 159 at *11 (STB

Decided Apr. 7, 2011) (“*Posey*”) (finding government entity was not financially responsible, dismissing its OFA, and stating that the presumption that government entities are responsible, although entitled to significant weight, is not conclusive); *see also Offers of Financial Assistance*, STB LEXIS 120 at *32 (“[I]t is appropriate to continue to address governmental entities that may not be financially responsible on a case-by-case basis.”).

LPPC filed a bond application in March 2024. The records from the bond commission show that it relied on information provided by LPPC that estimated future rail revenues if LPPC were to prevail in this proceeding. *See Attachment D*.

Although Mr. Gilfoil submitted the verified statement in support of the Amended Application, Mr. Gillen succeeded him. During Mr. Gilfoil’s deposition, he disclaimed knowledge of many topics because he was not the current port director. Gilfoil Dep., 119:18-20, 146:25-147:1, 158:8-20, Feb. 24, 2026, *see supra Attachment A*. Therefore, the deposition topics to be explored with Mr. Killen relate to his knowledge of LPPC since he became port director and are likely to lead to admissible evidence.

II. The Board Should Compel or Subpoena the Party Witness’s Director, Ms. Hargrove.

Ms. Hargrove is the executive director of a party to this proceeding -- SEAEDD. She personally signed a verified statement in support. Amended Application at Exhibit I. The topics listed in the proposed subpoena relate directly to issues discussed in that verified statement and to other issues that have come to light through other discovery.

Additionally, SEAEDD manages the INFRA grant that LPPC has made an issue in this proceeding. Amended Application Exhibits A and B (INFRA Grant Agreement and INFRA Grant Application). Other witnesses, including the railroad on whose property most of the money has been spent, have disclaimed knowledge of the grant administration and how the proceeds of

this grant have been used. Robbins Dep., 119:24-25 - 120:1-3, 138:3-5, 23-25, 139:1-25, Feb. 27, 2026, *see supra* **Attachment C**. Applicants have attacked DSRR's position on the grant and the work that could be achieved with the grant as unreasonable. *See* Robbins Verified Statement at 2-3, which is attached as **Attachment E**. Yet, DSRR believes, based on material obtained from the Federal Railroad Administration through the Freedom of Information Act that, the entire grant amount has been nearly spent on another line segment owned in part by LPPC, SEAEDD, and North Louisiana and Arkansas ("NLA") and operated by NLA. Despite spending nearly the entire grant amount, Mr. Danny Robbins testified in his deposition that that line segment has not improved its Federal Railroad Administration track classification to any higher level than the current status of DSRR's track. If so, that would validate DSRR's original concerns about the scope of the proposed project, its costs, and the stewardship of taxpayer dollars. DSRR is entitled to probe the INFRA grant, and therefore topics related to the grant and grant administration are also likely to lead to admissible information.

CONCLUSION

For the foregoing reasons, DSRR has worked diligently and in good faith to proceed with discovery of evidence central to its defense. The motions sought here should be granted, and the Board should issue the subpoenas.

Respectfully Submitted,

/s/ John M. Scheib

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Attorneys for:
Delta Southern Railroad, Inc.

May 6, 2026

CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing document was served by email
on the following:

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/s/ John M. Scheib

John Scheib
Dated: May 6, 2026

ATTACHMENT A

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BEFORE THE

SURFACE TRANSPORTATION BOARD

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FINANCE DOCKET NO. 36447

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LAKE PROVIDENCE PORT COMMISSION - FEEDER LINE APPLICATION

LINE OF DELTA SOUTHERN RAILROAD

LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

* * * * *

HIGHLY CONFIDENTIAL DEPOSITION OF

WILLIAM WYLY GILFOIL, SR.

February 24, 2026

* * * * *

Taken At:

Lake Providence Municipal Courtroom
201 Sparrow Street
Lake Providence, Louisiana 71254

* * * * *

Reported By:

MARGARET ANN COPELAND
CERTIFIED COURT REPORTER
CERTIFICATE NO. 92160
PARISH OF OUACHITA
STATE OF LOUISIANA

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ATTACHMENT B

**Before the
SURFACE TRANSPORTATION BOARD**

STB Docket FD No. 36447

**Lake Providence Port Commission—Feeder Line Application--LINE OF
DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND
MADISON PARISHES, LOUISIANA**

VERIFIED STATEMENT OF PATRECIA G. HARGROVE

1. My name is Patrecia G. Hargrove. I am the Executive Director of the Southeast Arkansas Economic Development District (“SEAEDD”), which is a non-profit quasi-governmental agency. Its address is 721 South Walnut Street, Pine Bluff, AR 71601. I am also the Director of Development & Project Oversight, a position that I have held since July 2013. I have personal knowledge of the facts stated herein. I am duly authorized to present this Verified Statement on behalf of SEADD in support of the Feeder Line Application filed by LPPC.

2. Since 2017, I have headed a unique private-public partnership (“PPP”) that, until 2020, was composed of SEAEDD, the Lake Providence Port Commission (“LPPC”), the Madison Parish Port Commission (“MPPC”), the North Louisiana and Arkansas Railroad (“NLA”) and the Delta Southern Railroad (“DSRR”). DSRR removed itself from the Coalition in August 2020. The goal of the Partnership was to rebuild the Lake Providence Branch Line (“the

Line”) between milepost 408.9 at McGehee, Arkansas and the interchange with the Kansas City Southern Railroad Company (“KCS”) in Tallulah, Louisiana.

3. The Line, which was developed in the early 1900s, extended 162.7 miles between McGehee, Arkansas and Vidalia, Louisiana. For many years, the Line was known as the Lake Providence Branch Line of the Missouri Pacific Railroad Company (“MP”). However, in 1988, MP, which was then owned by the Union Pacific Railroad Company (“UP”), filed an application with the Interstate Commerce Commission (“ICC”) seeking authority to abandon the entire Line between McGehee and Vidalia, Louisiana. Shortly after the application was filed, the ICC required MP to file separate traffic and financial data for the line segments running between milepost 408.9 near McGehee and milepost 498.4 at Tallulah (“Northern Segment”) and 498.4 at Tallulah and milepost 651.6 at Vidalia (“Southern Segment”). Unlike the Northern Segment, which was being operated by MP, the Southern Segment was the subject of an embargo and had not been operated after January 1987.

4. Recognizing the importance of preserving rail service that allowed shippers to access both UP, in McGehee, and KCS, in Tallulah, LPPC, SEAEDD and several shippers opposed the abandonment. The ICC, however, found that the public convenience and necessity permitted the abandonment. However, after LPPC and the National Railway Equipment Co. (“NRE”) filed separate offers of financial assistance, the 89.5-mile segment between McGehee and Tallulah was saved from abandonment. Before the sale was consummated,

NRE's owner, with the ICC's authorization, formed a new railroad, the Delta Southern Railway Company ("DSRC"), to acquire the Line from UP.

5. Saving the 85.9-mile segment from abandonment was just the beginning. As the history of the Line reflects, William Wainwright and his wife, after working for DSRC for a decade, formed Delta Southern Railroad, Inc. ("DSRR") and acquired ownership of DSRC's assets and operations in October 1999. By the beginning of 2004, much of the Line had been allowed to deteriorate to the point that DSRR was unable to safely operate over it. Because of the condition of the rail, there was a corresponding decrease in demand for service. At which point, the Wainwrights initiated the first of three (3) abandonment proceedings that led to SEAEDD, LPPC and NLA acquiring three (3) adjoining segments of the Line between milepost 408.9 at McGehee and 471.0 at Lake Providence. It cost SEAEDD \$704,467 to acquire the track between milepost 433.0 and milepost 454.8 in 2005.

6. Recognizing the need to restore the tracks, I was asked to work with Wyly Gilfoil at LPPC to acquire funds to rehabilitate the track between Lake Village, Arkansas and Lake Providence, Louisiana from the U.S. Economic Development Department, the Arkansas Economic Development Commission GIF Funds, the Arkansas Economic Development Commission via Chicot County and the Delta Regional Authority. Our efforts secured \$6,349,537 of grant funds between 2012 and 2019. In addition, NLA was able to obtain financial assistance from its Holding Company and grant funds of \$4,000,000

that it invested in the rehabilitation of the track that it owns. While positive results were achieved, SEAEDD officials recognized that far more had to be done.

7. In mid-summer of 2015, news was released that the Wainwrights had sold the tracks to Continental Rail. The sale was initially viewed as a positive development based on the history and reputations of Continental Rail's executives' involvement in the short line rail industry through ownership of Rail America and other short line railroads. It was only in 2016 that I personally learned of Golden Gate's involvement with DSRR. As I now realize, while it operated and managed DSRR between June 2015 and December 2020, Continental Rail did not acquire DSRR from the Wainwrights. Instead, DSRR had been sold to a holding company that, in turn, was owned by Golden Gate Capital ("Golden Gate"), which I understand is a private equity enterprise that is headquartered in San Francisco, California.

8. In September of 2016, John H. Marino, Jr., Continental Rail's CEO invited Glenn Bell, SEAEDD's former Executive Director, and David Dempsey, the former Deputy Director, to a meeting at DSRR's newly established headquarters located in the Madison Parish Port. Immediately following the meeting, I was told that the meeting largely focused on the need to rebuild the entire Line between Madison Parish Port and the Lake Providence Parish Port

and to focus on the needs of the Ports.¹ That meeting led to the formation of the PPP. Recognizing that a large grant of money would hasten the rebuilding of the Lake Providence Branch, the members of the PPP (Public Private Partnership) decided to seek a grant from the United States Department of Transportation's *Infrastructure for Rebuilding America (INFRA) Program*.² If successful, the grant funds were to be used to re-develop the entire multimodal freight corridor between milepost 408.9 in McGehee, Arkansas and the interchange point with KCS in Tallulah, Louisiana. As so defined, the Line included the track that is used in interchange service with KCS. The entire rail line, which parallels the Mississippi River, is referred to in the INFRA Application as the McGehee-Tallulah Railroad Corridor ("the Corridor").

9. A complete copy of INFRA Grant Application FY 19-20 is attached to this Feeder Line Application as Exhibit B and is incorporated by reference in this Verified Statement. I will in large measure focus on the steps that were taken to reduce the scope of the Project following the United States Department of Transportation's ("US DOT") offer to grant less funding than what was originally sought by the PPP and the need to strictly adhere to the terms and conditions that accompanied the INFRA Grant. While I was the designated

¹ See Attachment No. 1, photograph of a chalk board reflecting some of the topics that were discussed.

² The *Notice of Funding Opportunity for the Department of Transportation's Nationally Significant Freight and Highway Projects (INFRA Grants) for Fiscal Year 2019* was published at 83 Fed. Reg. 65789, Dec. 21, 2018.

point of contact for SEAEDD, which is the Grantee,³ I also represented all of the Stake Holders. My first point of contact at FRA was Marc Dixon, FRA's Project Manager – South Central Region. The Board should note that the Grantee is charged with the responsibility to comply with the scope of work and must obtain prior approval from FRA before it can make any change in the scope of work. Because the primary objective is to redevelop the entire Corridor, any changes to the scope of work that would negate the ability to traverse the track between MP 471.0 and 491.0 would have to be approved by FRA. In this respect, the ITC explicitly states that the Grant Manager, who oversees compliance with the terms and conditions in the Grant Agreement, "is not authorized to unilaterally change the Statement of Work, make any changes which affect this Agreement's monetary amount, Project Performance Period, or other terms and conditions." To obtain FRA's approval of scope changes, I would have to prepare and submit a detailed letter that reflected the proposed scope changes and the rationale for those changes. Such changes took a substantial amount of time to come to a consensus that appeared to be satisfactory to all parties. Even then, shifting priorities could cause the consensus to be derailed. The breakup of the PPP in this instance provides a prime example. After working from July 15, 2019 to March 17, 2020 to finalize

³ As defined in the INFRA Terms and Conditions ("ITC"), "Grantee means the entity identified on the Agreement cover sheet that receives Federal grant assistance directly from FRA for the accomplishment of the Project referenced in this Agreement."

the proposed scope changes, on August 21, 2020, DSRR declined to commit to the key provision of the revised INFRA Grant Statement of Work.

10. A previous INFRA Application that was filed in November 2017 was denied. Thereafter, I filed SEAEDD's FY 19-20 INFRA Application on March 2, 2019, on behalf of the Southeast Arkansas Northeast Louisiana Multimodal Freight Corridor Improvement Project ("Project"). The Application requested \$25,589,421 of Federal Funding to cover a portion of the projected total cost of \$59,438,029 to reconstruct the entire Corridor. By email dated July 10, 2019, Paul Baumer on behalf of Chief Infrastructure Funding Officer Dan DeBono at the US DOT, requested me, as FRA's designated point of contact, to commit, by close of business on the following day, to the completion of *the full project* with only \$10,516,259 of INFRA Grant money. This level of funding would require SEAEDD, LPPC, MPPC, NLA and DSRR (hereinafter jointly referred to as the "Stakeholders") to cover the shortfall of \$15,173,162 of additional funds that would be required to cover the rehabilitation of the entire corridor.⁴ Because Baumer's email to SEAEDD was sent at 7:18 PM on July 10, I had only one day to respond.

11. After reviewing the email from Paul Baumer, I immediately notified our consultants at HDR, which was hired for INFRA engineering services, and Wyly Gilfoil at LPPC to advise them that we needed to decide how we would respond to DOT's request that I provide a description of which sources I would

⁴ See Attachment No. 2 hereto.

expect to use to make up the difference between the request and the award amount. Given the urgency, on the following afternoon, all parties, including John Marino and Jon Ryan from Continental Rail, participated in the call. During the call, Mr. Marino strongly urged the group to accept US DOT's reduced amount. After further discussions, his recommendation carried the day. I then timely responded to Paul Baumer and advised him that SEAEDD and its partners would accept a reduced INFRA grant award of \$10,516,259, which reflects a \$15,173,162 reduction in the total amount requested.

12. By accepting a reduced award, we had to meet the critical goals and objectives of the overall project. The primary goal, which was shared by all, involved the rehabilitation of the *entire* rail corridor, which was estimated to cost \$18.6 million. We clearly realized that several components of the Project would have to be delayed, such as infrastructure investments associated with connectivity to local shippers and multimodal connections between the ports, the Mississippi River and the rail corridor. We anticipated that some of the funding gap could be made up through local port funds, the LADOTD Port Priority Program, and potentially more private funding from the short line railroads.

13. Without waiting for a response from Baumer, on July 15, 2019, Wyly Gilfoil and I, on behalf of the Stakeholders, participated in an initial conversation with US DOT concerning the need to reduce the scope of work because of the reduced award amount. In addition, the Stakeholders began their own review of ways to revise the project's scope of work to line up with the

reduced award amount. The reduced scope of work had to be submitted to US DOT for approval. On July 18, 2019, SEAEDD received an email notice that US DOT had designated the Project as being a “Nationally Significant Freight and Highway Project” and awarded \$10,516,259 to be used for the express purpose of rehabilitating *the entire corridor*.

14. Thereafter, the Stakeholders and HDR continued their efforts to revise the Project’s scope of work. No one ever suggested that the 20-mile segment from 471.0 to milepost 491.0 would not be rehabilitated. Nor did anyone who was actively involved in the process ever question that the overall goal of the Project was to rehabilitate the *entire* Corridor.

15. However, on November 26, 2019, Jon Ryan, who was a CPA located at Continental Rail’s office in Fort Lauderdale, Florida, sent an email to Doree Magiera at HDR and submitted what he labeled as the “DSRR SEAEDD Grant Budget.” As Ryan explained:

Attached please find the construction costs to upgrade the existing rail per the grant specifications. Based upon the attached budget, we plan to begin the rehabilitation at the KCS interchange and work north which based upon the current grant amount and our match would upgrade approximately 6 miles of track (highlighted yellow in the attached). As part of the track upgrades we plan to incorporate an existing agreement with KCS to install a new interchange track and lead of approximately 1,700 feet of track. Under this agreement, KCS is to provide the rail, rock, ties and OTM and we are to provide the labor. We believe incorporating this project into the grant specs will help serve our existing customers and attract new customers. As part of this agreement, we plan to extend this new lead an additional three quarters of a

mile north as indicated in the attached budget. This new interchange track will require surveying costs.

As we move forward with the project we believe there are other areas we have identified that we believe it would be cost beneficial to create a new line rather than upgrade the existing line. We would like the grant description to include the flexibility to incorporate this into the construction plan. These areas are currently past the limits of the priority 6 miles but could be incorporated into the grant based upon cost savings.⁵

16. As his comments plainly reflect, Ryan's plan deviated from the scope of rehabilitation that US DOT had established. Furthermore, by focusing on DSRR's existing customers and potential new customers, he signaled that he had no intent to spend funds to rehabilitate the much longer segment of track between the Lake Providence Port and the Madison Parish Port. Instead, he would leave it to LPPC and MPP to fund the rehabilitation of that track. In other words, he had no intent to comply with the scope of rehabilitation that US DOT had established.

After Ms. Magiera conferred with me and Mr. Gilfoil, she forwarded an email, dated December 4, 2019, to Ryan and tersely advised him that "[t]he latest DSRR spreadsheet does not follow the intended rail rehabilitation scope of work that has been discussed the past two years and presented to the FRA as part of the grant applications."⁶ In addition, Ms. Magiera posed several comments regarding the proposed use of the INFRA Grant request.

Later that day, Ryan responded that "I am not privy to what was discussed the past two years so I cannot speak to that." In addition, he

⁵ See Attachment No. 3 hereto.

⁶ See Attachment No. 4 hereto.

responded to Ms. Magiera's questions by inserting his comments in red, as follows:

Magiera: The current INFRA Build grant request includes approximately \$7,561,250 for Rail Infrastructure Rehabilitation to bring the existing main line track from Tallulah to Lake Providence Port to 25 mph Class 2 track.

Ryan: The spreadsheet that was transmitted does follow the rail rehabilitation scope of upgrading to Class 2 track in order to accommodate 25 MPH. It will be necessary to replace ties, ballast, track and OTM over the entire corridor.

* * *

Magiera: There was also \$200,000 for bridge upgrades to 286K.

Ryan: My understanding is this is correct the bridges have been upgrade (sic) to 286k. But there are still some defects that will need to be corrected.

* * *

Magiera: It is our understanding the bridge upgrades were completed and that the existing main line track has been rehabilitate from Tallulah to Madison Port under separate funding.

Ryan: No we have not completed the rehabilitation of mainline track from Tallulah to Madison Parish port for Class 2 track with the ability to run 25MPH.

* * *Magiera: The awarded INFRA grant has provided \$2.5 million for Rail Infrastructure Rehabilitation in Segment D. We are looking for the DSRR's priorities or task breakdown for rehabbing the existing main line track between Madison Port and Lake Providence Port to 25 mph Class 2 track. The original estimate was calculated with 50% tie replacement and approximately 6-in of ballast across 25 miles of track Therefore with approximately 1/3 of the requested funding, would the ties or the ballast be the priority? Or does the required rehabilitation vary through different sections of this line?

Please utilize the main line track rehabilitation cost estimate and reduce to match the \$2.5 million in funding.

Ryan: My understanding is that this will require ballast, ties, rail and OTM to accomplish the goal of upgrading the track to class II. The \$2.5 is a good start but is nowhere near (sic) the amount required to achieve the ultimate goal. The railroad currently operates on 85lbs track under accepted track conditions.⁷

17. On December 10, 2019, Ryan forwarded yet another proposal that outlined “Priority Uses DSRR.” As he stated in another email to Ms. Magiera, “[p]lease find the updated uses for the SEAEDD grant money that has been allocated to the DSRR to rehabilitate our portion of the corridor. We believe the plan laid out below will accomplish the overall goal for this section of track leading to Madison Parish port.”⁸

As shown in the Table below, DSRR’s “plan” consisted of a chart that covered the cost of ties, ballast, tamping, and labor for ballast/miscellaneous for DSRR’s tracks between mileposts 500 and 491 (“Priority Miles”) that totaled \$2,503,596.

⁷ See Attachment No. 4 hereto.

⁸ See Attachment No. 5 hereto.

Priority – Miles							
MP	40% Ties per mile	3,500 Tons Ballas per mile	Tamping	Labor for Ballast/ Miscellaneous	Total		
500	\$120,680	\$108,500	\$6,000	\$15,180	\$250,360		
499	\$120,680	\$108,500	\$6,000	\$15,180	\$250,360		
498	\$120,680	\$108,500	\$6,000	\$15,180	\$250,360		
497	\$120,680	\$108,500	\$6,000	\$15,180	\$250,360		
496	\$120,680	\$108,500	\$6,000	\$15,180	\$250,360		
495	\$120,680	\$108,500	\$6,000	\$15,180	\$250,360		
494	\$120,680	\$108,500	\$6,000	\$15,180	\$250,360		
493	\$120,680	\$108,500	\$6,000	\$15,180	\$250,360		
492	\$120,680	\$108,500	\$6,000	\$15,180	\$250,360		
491	\$120,680	\$108,500	\$6,000	\$15,180	\$250,360		
	\$1,206,800	\$1,085,000	\$60,000	\$151,796 1/	\$2,503,596	1/	
1/ Does not foot due to rounding.							

No mention whatsoever was made regarding the 20-mile segment of tracks between MP 471.0 and MP 491.0. Because Ryan's approach could not be reconciled with the previous approach that had consistently focused on an initial rehabilitation of the overall corridor, rather than a further rehabilitation of DSRR's track between Madison Parish Port and the point of interchange with KCS, it was rejected. However, an effort was made to increase the funds that would be allocated to DSRR. The fine tuning of the modifications continued until the middle of March of 2020.

18. On March 17, 2020, SEAEDD submitted its request to FRA for approval of the scope changes to the Project to fit the new budget that reduced the Non-Federal Cost share to \$10,861,267.⁹ Although the reduced share

⁹ A copy of my letter is attached hereto as Attachment No. 6.

reflected the elimination of certain components, such as a Mississippi River dock component, it did not impact the need to rehabilitate the tracks at issue.

19. On June 1, 2020, I received a letter from FRA approving the requested changes to the scope of work.¹⁰ Thereafter, I worked with my local attorney to prepare a proposed Consortium Agreement to the Partners for their approval. On July 30, 2020, I forwarded the “Consortium Agreement Final Draft” to all the consortium members. As I explained in my email:

During the life of the INFRA project, SEAEDD as the Grantee and Grant Administrator must oversee the management of the project. Because this project is comprised of 5 consortium members, it is necessary for all members to agree to work together toward the successful completion of this project. The agreement outlines roles and responsibilities for all consortium members involved, as well as funding flow/process, reporting, etc.

Please review the agreement and make any comments and/or revisions. The goal is to have an agreement in place prior to the signing of the grant agreement, which is expected to be completed and submitted to SEAEDD for execution by the end of August.¹¹

20. On August 14, 2020, Ryan responded by emailing “an updated draft with our comment so our scope matches the grant.” The “comment” consisted of DSRR’s unilateral change in the draft Consortium Agreement pertaining to the number of miles on DSRR’s tracks that would be upgraded from FRA excepted track to FRA Class 2 track. Ryan simply struck “20” miles and replaced it with “10” miles. No further explanation was provided.

¹⁰ See Attachment No. 7 hereto.

¹¹ See Attachment No. 8 hereto.

Recognizing the potential negative impact of Ryan's unilateral change that would require US DOT's further approval, I forwarded Ryan's email to Wyly Gilfoil and asked him to review it. Mr. Gilfoil agreed with my assessment that it would not satisfy the terms of the Grant and agreed to speak with John Marino.

21. After I learned that Mr. Gilfoil had not been able to obtain assurances from Mr. Marino that DSRR would rehab the tracks between MP 471 and MP 491, I forwarded an email to Mr. Marino on August 18, 2020 in which I explained that:

I need to have an answer in writing by 12 noon CDT on Friday, August 21, 2020 describing Delta Southern Railroad's intentions as far as the Consortium Agreement and the Grant Agreement to repair the track between Talla Bena, Louisiana and Lake Providence, Louisiana to a minimum of FRA Class I standards and provide service as described in the narrative of the INFRA application and INFRA award.¹²

22. I also had a follow-up call with Mr. Marino in which I questioned him as to why DSRR had changed the mileage that it would rehabilitate when the proposed Consortium Agreement reflected the scope of work that FRA had approved. Mr. Marino replied that he saw no reason for DSRR to upgrade the track beyond MP 491 to FRA Class 1 standards because DSRR doesn't have any business in that direction and did not need to rehabilitate that section of its track to service the shippers located at the Madison Parish Port. Mr. Marino also noted that there was no need to rehabilitate the six (6) miles of track that

¹² See Attachment No. 9 hereto. My proposal would also require a resubmission of the scope of work to US DOT to obtain its approval.

DSRR was using to receive income from storing railcars that were parked north of MP 491. Mr. Marino also indicated that DSRR did not intend to cease using the track for storage purposes. In response, I reminded Mr. Marino that because the intent of the grant funding was that the entire corridor has access to UP to the North and KCS to the south, the future storage of railcars would be inconsistent with the unquestioned goal of the Project.¹³

23. On August 21, 2020, Marino responded to my email of August 18, 2020. In his email he stated that “[t]he Delta Southern will commit to completing the grant work outlined in our original estimates as detailed below.” The document that he forwarded was Ryan’s December 10, 2019 “plan” that solely focused on the segment of DSRR’s track between milepost 491 and milepost 500. Because Mr. Marino’s email confirmed that DSRR and its owner would not commit to the rehabilitation of the twenty-mile segment of its line, LPPC, with the approval of SEAEDD, MPP and NLA, decided to file the original Feeder Line Application to acquire the segment of the Corridor between MP 471 and MP 491. That Application was filed November 12, 2020, and docketed as STB Docket No. FD 36447, Lake Providence Port Commission – Feeder Line Application – Line of Delta Southern Railroad Located in East Carroll and Madison Parishes, Louisiana (“Original Application”).

24. Shortly thereafter, I advised FRA that DSRR would not commit to rehabilitating the segment. I also explained that LPPC would take steps to

¹³ *Id.*

acquire the 20-mile segment from DSRR as soon as it could determine the NLV of the property. In response, I was advised that FRA's approval of the changes set out in SEAEDD's letter, dated March 17, 2020, had no impact on SEAEDD's prior commitment to rehabilitate the 20-mile segment. FRA also indicated that the change of ownership of the segment would not adversely impact the INFRA Grant funding *if* the segment were re-opened for rail service. I am aware that because we were unable to obtain a commitment from DSRR, LPPC filed its Feeder Application on November 12, 2020. SEAEDD and LPPC concurrently filed a petition seeking expedited consideration and acceptance of LPPC's application prior to the submission of evidence regarding the Line's valuation.

25. On January 14, 2021, I received a letter from Fletcher & Sippel, LLC, which for many years had represented SEAEDD before the Board. In its letter, I was advised that they had been asked to represent DSRR, following the withdrawal of its initial counsel. I did not respond immediately.

26. After all of the evidence was filed in the Original Application, the Board's Director, Office of Proceedings, by Decision served January 15, 2021, accepted LPPC's Feeder Line Application and established a procedural schedule. On that same day, the U.S. Department of State released the formal Grant Agreement that, in addition to detailing the INFRA Terms and Conditions, included the Statement of Work that not only summarized the background that created the need to rebuild entire Lake Providence Branch Line but also detailed the projects that were approved for which the INFRA

Grant funds could be used. Moreover, the Award identified the Deliverables and Approved Project Schedule, the Approved Project Budget and the Applicable Federal Laws and Regulations.

27. Five (5) days later, on January 19, 2021, I received a copy of an email from Jon Ryan that effective January 5, 2021, “Continental Rail and John Marino are no longer the manager of the Delta Southern Railroad. Subsequently Jon Ryan was hired as the CEO of the Delta Southern Railroad.” Because the original email from Ryan reflected that a copy had been sent to Javier Puig at Golden Gate Capital, I assumed that Golden Gate had made the call to terminate Continental Rail and Mr. Marino. Because I was aware that Continental Rail had previously admitted that it lacked the cash to participate in the initial INFRA Grant Application, I thought that Golden Gate, as the owner of DSRR’s stock, would assume the common carrier obligation and take steps that Continental Rail could not afford to take to restore the Line.

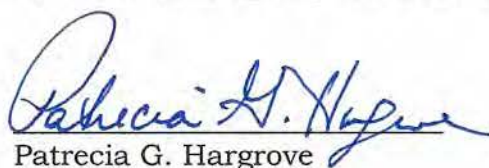
28. It would only be later that I would learn from Craig Huff’s testimony, that Jon Ryan, consistent with the positions that he took in 2019, had directed Huff, following J.D. Ventrcek’s resignation from Continental Rail in late 2016, to focus on railcar storage and cease his joint marketing efforts with Daniel Robbins to attract new business that would have moved in interchange. Given Mr. Ventrcek’s determination to upgrade DSRR’s track and expand interchange business, while reducing its reliance on railcar storage for third parties, I realized that Ryan was moving in lock step with Golden Gate

Capital with his conclusion that the desired track renovations of the “long-dormant” Line are unjustified and unwarranted.

29. I must strongly disagree with that conclusion. I am aware that the efforts that LPPC, SEAEDD and NLA have made to rehabilitate the Line between Lake Providence and McGehee have recently attracted two major new shippers, MD Power and ATM Gloves. The Ribbon Cutting Ceremony for the contract signing with both of these companies was held on June 10, 2022 and on November 14, 2022, the first-in-nation Waste-to-Energy Recycling Facility groundbreaking ceremony was held just north of Lake Village in Chicot County. A copy of the Talking Points of the MD Power Project is attached hereto.¹⁴

VERIFICATION

I, Patrecia G. Hargrove, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 9 day of December 2022.


Patrecia G. Hargrove

¹⁴ See Attachment No. 10 hereto.

Attachment No. 1

Photo dated September 26, 2016 that was
taken at DSRR's office at the Madison Parish Port
reflecting objective of reconstructing the Interchange
Tracks (Tallulah + Lake Providence)

Rail - \$16m

1. Interchange Tracks
(Tallulah + Lake Providence)
2. Crossties (Tallulah to McGhee)
3. Ballast and Surfacing
(Tallulah to McGhee)
4. Replacement of short broken
rails.
5. Rail to Yellow Bend

MATCH

Madison Parish - \$5m
District Big River \$4m

Port
Tallulah - \$3m

1. Widen Entire
Port Rd. 4 lane
2. Concrete and
Widen off loading
ramp on river bank
next to concrete dock
3. Build intermodal dock
on river with Rail connection.
4. Double Port lead - \$2m
Capacity.
5. Turning lane Hwy 65 - \$1
DOTD

90,000 ties (ballast)
\$100/tie (\$900K)
\$45K
55 x 90,000 =
\$4.9m

Port
Lake Providence - \$1m

1. Add track cap.
2. Big River Extension - \$1m
3. Rehab Existing Rail

TOTAL - \$20m²
8 m²
\$1.7m² DOTD
5 m
\$2m
5 District
1.5
5 MPP
1.0
5 L.P.
\$5m

9/26/2016
2:13 p.m.

Attachment No. 2

July 10, 2019, from Paul Baumer Email to
Hargrove to commit to Reduced Grant Funding

From: Patrecia Hargrove <phargrove@southeastarkansas.org>
Sent: Friday, August 21, 2020 4:08 PM
To: Richard Streeter <rhstreeter@gmail.com>
Cc: Danny Robbins <dan@dr railroad.com>; Daniel Robbins <dan.b.robbins@gmail.com>; Tim Robbins <tim@dr railroad.com>; Wyly Gilfoil <Wyly_Gilfoil@msn.com>; tmurphy <tmurphy@bayou.com>
Subject: FW: INFRA 2019 Request Re: Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Patrecia Hargrove
Southeastarkansas.org
870-536-1971

From: Patrecia Hargrove <phargrove@southeastarkansas.org>
Date: Thursday, July 11, 2019 at 2:53 PM
To: "Baumer, Paul (OST)" <paul.baumer@dot.gov>
Cc: "DeBono, Dan (OST)" <dan.debono@dot.gov>, Infragrants <Infragrants@dot.gov>
Subject: Re: INFRA 2019 Request Re: Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Good Afternoon Paul

In response to your email, SEAEDD and its partners would accept a reduced INFRA grant award of \$10,516,259, which you note reflects a \$15,173,162 reduction in the total amount requested. By accepting a reduced award, we could continue to meet the goals and objectives of the overall project, however, several project components would be delayed. The priority for SEAEDD is to rehabilitate the entire rail corridor, which is estimated at \$18.6 million. Reduced federal funding would delay infrastructure investments associated with connectivity to local shippers and multimodal connections between the ports, Mississippi River and the rail corridor. The funding gap could be made up through local port funds, the LADOTD port priority program, and potentially more private funding from the short line railroads.

Patrecia Hargrove
Southeast Arkansas Economic Development District, Inc.
870-536-1971

From: "Baumer, Paul (OST)" <paul.baumer@dot.gov>
Date: Wednesday, July 10, 2019 at 6:55 PM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>
Cc: "DeBono, Dan (OST)" <dan.debono@dot.gov>, Infragrants <Infragrants@dot.gov>
Subject: INFRA 2019 Request Re: Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Director Hargrove,

I'm contacting you today on behalf of Chief Infrastructure Funding Officer Dan DeBono at the U.S. Department of Transportation. The Department is approaching the final stages of the INFRA 2019 selection process, and while no selections have been made, we are in the process of reaching out to applicants to understand their capacity to receive a reduced award amount. As you are aware, the INFRA 2019 program is highly competitive, with many strong applications vying for a limited pool of funding.

The application for Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement project requested an award of \$25,689,421. We are interested in understanding if Southeast Arkansas Economic Development District can commit to completing the full project scope if it were to receive an award of \$10,516,259, a reduction of \$15,173,162.

If yes, please reply to this email indicating so, and provide a description of which sources you expect to use to make up the difference between the request and the award amount.

If no, please reply indicating saying that you cannot. We are not considering alternative award amount proposals at this time, but if your answer would change from no to yes with a larger but still reduced award amount, you may include that figure for possible consideration should circumstances change.

To enable timely consideration of your response, please reply by COB Thursday, July 11. If you have additional questions or wish to discuss over the phone, please give me a call at 202-366-1092.

As stated above, the Department is still evaluating applications, so please do not consider this notification of any decision or selection. Thank you for your time and flexibility in responding to this request on short notice.

Sincerely,
Paul

Paul Baumer
Office of Infrastructure Finance and Innovation
Office of the Secretary
U.S. Department of Transportation
(202) 366-1092 | paul.baumer@dot.gov

Attachment No. 3

November 26, 2019 Email from Jon Ryan outlining DSR
Budget for upgrading approximately 6 miles of track
(highlighted in the attached).

From: Jon Ryan [<mailto:Jon.Ryan@continentalrail.us>]
Sent: Tuesday, November 26, 2019 2:28 PM
To: Magiera, Doree <Doree.Magiera@hdrinc.com>
Subject: SEAEDD Response

Doree,

I hope all is well. I left you a message to discuss this as well.

Attached please find the construction costs to upgrade the existing rail per the grant specifications. Based upon the attached budget, we plan to begin the rehabilitation at the KCS interchange and work north which based upon the current grant amount and our match would upgrade approximately 6 miles of track (highlighted yellow in the attached). As part of the track upgrades we plan to incorporate an existing agreement with the KCS to install a new interchange track and lead of approximately 1,700 feet of track. Under this agreement the KCS is to provide the rail, rock, ties and OTM and we are to provide the labor. We believe incorporating this project into the grant specs will help serve our existing customers and attract new customers. As part of this agreement, we plan to extend this new lead an additional three quarters of a mile north as indicated in the attached budget. This new interchange track will require surveying costs.

As we move forward with the project we believe there are other areas we have identified that we believe it would be cost beneficial to create a new line rather than upgrade the existing line. We would like the grant description to include the flexibility to incorporate this into the construction plan. These areas are currently past the limits of the priority 6 miles but could be incorporated into the grant based upon cost savings.

If you have any questions or would like to discuss further please give me a call.

Jon D. Ryan



2929 E. Commercial Boulevard, Suite PH-D
Fort Lauderdale, Florida 33308
904-553-7431

DSRR
SEAEDD Infra Grant
Budget

MP	Tie Cost Plus Installation	Bridge Material Costs	Ballast Cost	Rail Cost	Miscellaneous - OTM etc.	Tamping	Labor	Engineering/Surveying Cost	Total Cost	Notes	Priority
500 New Interchange										KCS to supply ties, ballast, rail, OTM for 1,700 ft. DSRR to provide remaining 2/3 of mile. Would require surveying. There is an existing agreement with in place with the KCS for a new interchange track.	
Track	\$ 226,275		\$ 139,500	\$ 128,625	\$ 4,000	\$ 11,000	\$ 204,094	\$ 40,000	\$ 753,494		1
500	301,700		186,000	171,500	4,000	11,000	271,125		945,325		2
499	301,700		186,000	171,500	4,000	11,000	271,125		945,325		3
498	301,700		186,000	171,500	4,000	11,000	271,125		945,325		4
497	301,700		186,000	171,500	4,000	11,000	271,125		945,325		5
496	301,700		186,000	171,500	4,000	11,000	271,125		945,325		6
495	301,700		186,000	171,500	4,000	11,000	271,125		945,325		7
494	301,700		186,000	171,500	4,000	11,000	271,125	20,000	945,325		8
493	301,700		186,000	171,500	4,000	11,000	271,125	20,000	945,325		9
492	301,700		186,000	171,500	4,000	11,000	271,125	20,000	945,325		10
491	301,700		186,000	171,500	4,000	11,000	271,125		945,325		11
490	301,700		186,000	171,500	4,000	11,000	271,125		945,325		12
489.30 Bridge		1,500			2,000		30,000		33,500	Bridge needs upgrades on bents and posts to accommodate heavier rail.	13
489	301,700		186,000	171,500	4,000	11,000	271,125		945,325		14
488	301,700		186,000	171,500	4,000	11,000	271,125		945,325		15
487.30 Bridge		3,690			2,000		28,000		33,690	Bridge needs upgrades on bents and posts to accommodate heavier rail.	16
487	301,700		186,000	171,500	4,000	11,000	271,125		945,325		17
486	301,700		186,000	171,500	4,000	11,000	271,125		945,325		18
485.7 Bridge		600					42,000		42,600	Bridge needs upgrades on bents and posts to accommodate heavier rail.	19
485	301,700		186,000	171,500	4,000	11,000	271,125		945,325		20
484	301,700		186,000	171,500	4,000	11,000	271,125		945,325		21
483.70 Bridge		2,250					35,000		37,250	Bridge needs upgrades on bents and posts to accommodate heavier rail.	22
483	301,700		186,000	171,500	4,000	11,000	271,125		945,325		23
482	301,700		186,000	171,500	4,000	11,000	271,125		945,325		24
481	301,700		186,000	171,500	4,000	11,000	271,125		945,325		25
480	301,700		186,000	171,500	4,000	11,000	271,125		945,325		26
479	301,700		186,000	171,500	4,000	11,000	271,125		945,325		27
478	301,700		186,000	171,500	4,000	11,000	271,125		945,325		28
477	301,700		186,000	171,500	4,000	11,000	271,125		945,325		29
476	301,700		186,000	171,500	4,000	11,000	271,125		945,325		30
475	301,700		186,000	171,500	4,000	11,000	271,125		945,325		31
474	301,700		186,000	171,500	4,000	11,000	271,125		945,325		32
473	301,700		186,000	171,500	4,000	11,000	271,125		945,325		33
472	301,700		186,000	171,500	4,000	11,000	271,125		945,325		34
471	\$ 301,700		\$ 186,000	\$ 171,500	\$ 4,000	\$ 11,000	\$ 271,125		\$ 945,325		35

Total \$ 9,277,275 \$ 8,040 \$ 5,719,500 \$ 5,273,625 \$ 128,000 \$ 341,000 \$ 8,472,844 \$ 29,260,284

Grant Budget \$ 2,503,596.00
DSRR Match \$ 1,689,064.00
\$ 4,172,660.00 Approximately 6 miles

60%
40%

Ties per mile:	Replace all	Cost per tie installed	Cost per mile	Total Miles 25
3,017	3,017	\$ 100	\$ 301,700	\$ 7,542,500
Rock Tons per mile	Delivered Cost	Cost per mile	Total Cost per mile	Total 25 miles
6,000	\$ 31.00	\$ 186,000	\$ 5,000	\$ 191,000 \$ 4,775,000
Tamping, straightening, lining	Per mile Cost	# of passes	Cost per mile	Total 25 miles
	\$ 5,500	2	\$ 11,000	\$ 275,000
Miscellaneous (keys, spikes, plates)				\$ 100,000
\$4,000 per mile				
Rail 115 lbs	Cost per Ton	Tons per mile	Cost per mile	
	\$ 700.00	\$ 245.00	\$ 171,500.00	
11,000			Total Cost	\$ 12,692,500

Bridge Ties Per Tie \$ 118.00
Bridge Post Per Post \$ 150.00
Bridge Bents Per Bent \$ 185.00

COSTS OF A RAIL SIDING			
Rule of thumb for new track construction is between \$1 Million - \$2 Million per mile, depending on who is constructing the track. Some rail clients want alot of track space to handle unit trains over a mile long. Below is a basic cost estimate for a mile long siding.			
	Price per Unit [1]	# Units [2]	Total Cost [3]
No 10 Degree Switches	\$25,000 per switch	2 switches	\$50,000
No 10 Switch Timbers	\$6,200 per timber	2 timbers	\$12,400
No 2 Jotay 100/100 lb rail	\$700 per ton	240 tons	\$171,000
7x9 Ties on 21" Centers	\$55.22 per tie	3,017 ties	\$166,566.74
Ballast (rocky)	\$27.00 per ton	6,000 tons	\$162,000.00
Spikes 60 Kips	\$65.00 per keg	60 kegs	\$4,000
Labor			Varies by Contractor
Grading			Varies by Contractor/Topography/Soil
Drainage Pipes			Varies by Amt of Water Runoff
Road Crossings			Varies

Attachment No. 4
Email exchanges between Doree Magiera and Jon Ryan
exchanged December 4, 2019

From: Jon Ryan <Jon.Ryan@continentalrail.us>

Sent: Wednesday, December 4, 2019 11:15 AM

To: Magiera, Doree <Doree.Magiera@hdrinc.com>; Wyly Gilfoil <Wyly_Gilfoil@msn.com>; Patrecia Hargrove (phargrove@southeastarkansas.org) <phargrove@southeastarkansas.org>

Cc: Frostestad, Eric <Eric.Frostestad@hdrinc.com>; John Marino <John.Marino@continentalrail.us>; Dino Trevino <Dino.Trevino@deltasouthernrr.com>

Subject: RE: SEAEDD Response

I am not privy to what was discussed the past two years so I can not speak to that. See my comments below in red:

I have a conflict this afternoon and have countered back at noon EST tomorrow to have the call to discuss.

-----Original Appointment-----

From: Magiera, Doree <Doree.Magiera@hdrinc.com>

Sent: Wednesday, December 04, 2019 11:35 AM

To: Jon Ryan; Wyly Gilfoil; Patrecia Hargrove (phargrove@southeastarkansas.org)

Cc: Frostestad, Eric

Subject: SEAEDD Response

When: Wednesday, December 04, 2019 3:00 PM-3:30 PM (UTC-06:00) Central Time (US & Canada).

Where: dial-in 866-583-7984, conference code 9025213#

Jon

The latest DSR spreadsheet does not follow the intended rail rehabilitation scope of work that has been discussed the past two years and presented to the FRA as part of the grant applications.

- The current INFRA Build grant request includes approximately \$7,561,250 for Rail Infrastructure Rehabilitation to bring the existing main line track from Tallulah to Lake Providence Port to 25 mph Class 2 track. **The spreadsheet that was transmitted does follow the rail rehabilitation scope of upgrading to Class 2 track in order to accommodate 25 MPH. It will be necessary to replace ties, ballast, track and OTM over the entire corridor.**
- There was also \$200,000 for bridge upgrades to 286K. **My understanding is this is correct the bridges have been upgrade to 286k. But there are still some defects that will need to be corrected.**
- It is our understanding the bridge upgrades were completed and that the existing main line track has been rehabilitated from Tallulah to Madison Port under separate funding. **– No we have not completed the rehabilitation of mainline track from Tallulah to Madison Parish port for Class 2 track with the ability to run 25MPH.**
- The awarded INFRA Build grant has provided \$2.5 million for Rail Infrastructure Rehabilitation in Segment D. We are looking for the DSR's priorities or task breakdown for rehabbing the existing main line track between Madison Port and Lake Providence Port to 25 mph Class 2 track. The original estimate was calculated with 50%

tie replacement and approximately 6-in of ballast across 25 miles of track. Therefore with approximately 1/3 of the requested funding, would the ties or the ballast be the priority? Or does the required rehabilitation vary through different sections of this line? Please utilize the main line track rehabilitation cost estimate and reduce to match the \$2.5 million in funding. **My understanding is that this will require ballast, ties, rail and OTM to accomplish the goal of upgrading the track to class II. The \$2.5 million is a good start but is nowhere near the amount required to achieve the ultimate goal. The railroad currently operates on 85lbs rail under accepted track conditions.**

This meeting invite for a call at 3pm today is to discuss DSR rehab priorities and to finalize the Segment D rail rehab cost estimate for submittal to FRA.

Thank you

From: Jon Ryan [<mailto:Jon.Ryan@continentalrail.us>]
Sent: Tuesday, December 3, 2019 2:44 PM
To: Magiera, Doree <Doree.Magiera@hdrinc.com>
Cc: Frostestad, Eric <Eric.Frostestad@hdrinc.com>
Subject: RE: SEAEDD Response

Doree,

I hope all is well. Wanted to follow up on the information sent last week. Do you have any questions? I'm available tomorrow to discuss further.

Jon

From: Magiera, Doree <Doree.Magiera@hdrinc.com>
Sent: Wednesday, November 27, 2019 8:21 AM
To: Jon Ryan <Jon.Ryan@continentalrail.us>
Cc: Frostestad, Eric <Eric.Frostestad@hdrinc.com>
Subject: RE: SEAEDD Response

Jon

Sorry I missed your call yesterday; I am on PTO this week. Thank you for sending the spreadsheet.

I am not sure how to incorporate the KCS interchange as this has not been previously reported to FRA. From an engineering standpoint, formal PS&E would be required for bidding/construction and again, I am not sure how this would be accomplished if KCS is providing material and Continental is providing labor. We will likely have to discuss before we incorporate this in the overall budget.

I have not compared your priority project cost against the project budget; we need to look at that also.

I am sending to Eric for his review and comment also. I am available for a call today and the best way to reach me is my cell phone.

Doree Magiera
HDR Engineering, Inc.
D 504.218.1227 **M** 504.229.8317

hdrinc.com/follow-us

Attachment No. 5
December 10, 2019 Ryan Proposal

FW: SEAEDD Update - Priority Uses DSR

Magiera, Doree <Doree.Magiera@hdrinc.com>

Tue 12/10/2019 11:07 AM

To: Wyly Gilfoil <wyly_gilfoil@msn.com>; Patrecia Hargrove <phargrove@southeastarkansas.org>

Cc: Frostestad, Eric <Eric.Frostestad@hdrinc.com>

Wyly, Patrecia

See enclosed priority list from DSR below.

Doree Magiera

HDR Engineering, Inc.

D 504.218.1227 M 504.229.8317

hdrinc.com/follow-us

From: Magiera, Doree

Sent: Tuesday, December 10, 2019 11:05 AM

To: 'Jon Ryan' <Jon.Ryan@continentalrail.us>

Cc: John Marino <John.Marino@continentalrail.us>; Dino Trevino <Dino.Trevino@deltasouthernrr.com>

Subject: RE: SEAEDD Update - Priority Uses DSR

Jon

Thank you for providing the list along with priority sections. Based on the project component spreadsheet that Wyly updated yesterday, might be able to do another mile or so based on your per mile estimate.

Regards

Doree Magiera

HDR Engineering, Inc.

D 504.218.1227 M 504.229.8317

hdrinc.com/follow-us

From: Jon Ryan [<mailto:Jon.Ryan@continentalrail.us>]

Sent: Tuesday, December 10, 2019 10:25 AM

To: Magiera, Doree <Doree.Magiera@hdrinc.com>

Cc: John Marino <John.Marino@continentalrail.us>; Dino Trevino <Dino.Trevino@deltasouthernrr.com>

Subject: SEAEDD Update - Priority Uses DSR

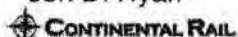
Doree,

Please find the updated uses for the SEAEDD grant money that has been allocated to the DSR to rehabilitate our portion of the corridor. We believe the plan laid out below will accomplish the overall goal for this section of track leading to Madison Parish Port.

Please let me know if this format is what you are seeking as far as detail, etc.

MP	Priority - Miles				
	40% Ties per mile	3,500 Tons Ballast per mile	Tamping	Labor for Ballast / Miscellaneous	Total
500	\$120,680.00	108,500	6,000	15,180	\$250,360.00
499	\$120,680.00	108,500	6,000	15,180	\$250,360.00
498	\$120,680.00	108,500	6,000	15,180	\$250,360.00
497	\$120,680.00	108,500	6,000	15,180	\$250,360.00
496	\$120,680.00	108,500	6,000	15,180	\$250,360.00
495	\$120,680.00	108,500	6,000	15,180	\$250,360.00
494	\$120,680.00	108,500	6,000	15,179	\$250,359.00
493	\$120,680.00	108,500	6,000	15,179	\$250,359.00
492	\$120,680.00	108,500	6,000	15,179	\$250,359.00
491	\$120,680.00	108,500	6,000	15,179	\$250,359.00
	\$ 1,206,800	\$1,085,000	\$ 60,000	\$ 151,796	\$ 2,503,596

Jon D. Ryan



2929 E. Commercial Boulevard, Suite PH-D
Fort Lauderdale, Florida 33308
904-553-7431

Attachment No. 6
March 17, 2020 Hargrove Letter to FRA



Post Office Box 6808, 721 S Walnut Pine Bluff, Arkansas 71601 – Phone (870) 536-1971 Fax (870) 536-7718

March 17, 2020

Marc Dixon
South Central Regional Manager
Federal Railroad Administration
Office of Railroad Policy and Development

RE: Southeast Arkansas Economic Development District (SEAEDD) FY19 INFRA Project,
Request for Change of Scope and Justification

Dear Mr. Dixon:

Please accept this letter as SEAEDD's request for the Federal Railroad Administration to approve scope changes to the fiscal year (FY) 19 INFRA Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (Project). This letter describes the scope changes and the rationale for those changes.

The Project will improve a multimodal freight corridor, through a mixture of rail rehabilitation, bridge upgrades, and new rail infrastructure improvements, located on a 91.3-mile continuous short line railroad corridor known as the McGehee-Tallulah Railroad Corridor (Corridor). Following the same structure as the grant application, the Project is organized into four segments (A-D) from north to south, and based on the owner (also referred to as "project partner") of the rail line within the segment. The segments are: Segment A - North Louisiana and Arkansas Railroad (NLA); Segment B - SEAEDD; Segment C – Lake Providence Port Commission (LPPC); and Segment D – Delta Southern Railroad (DSR). The subsequent sections contain the respective segment's INFRA and non-federal contribution amounts, scope components.

As you know, SEAEDD submitted its FY19 INFRA application before the March 2019 deadline requesting \$25.6 million for the Project. In July 2019 during the FY19 INFRA application review period, the U.S. Department of Transportation's (USDOT) Office of the Secretary (OST) contacted SEAEDD to identify a modified scope for a potential reduced INFRA award. In response, SEAEDD submitted a spreadsheet detailing a modified budget. In September 2019, the USDOT announced FY19 INFRA award selections and selected SEAEDD but for only \$10,516,259. Since that time, SEAEDD has made scope and Segment funding allocation changes for the following reasons: (1) increases and decreases in cost share amounts and (2) some unintended consequences. In February 2020, SEAEDD submitted an updated budget spreadsheet to FRA detailing these revisions.

Counties: Arkansas * Ashley * Bradley * Chicot * Cleveland * Desha * Drew * Grant * Jefferson * Lincoln

Equal Opportunity Employer

The letter is structured into two sections:

- Section 1: Describes changes to the overall total Project costs from SEAEDD's grant application to February 2020.
- Section 2: Organized by Project Segment, this section summarizes the Project's scope changes from the July 2019 spreadsheet (the version that SEAEDD submitted to OST) and February 2020 spreadsheet.

Section 1

Table 1 shows the changes to the Project's total estimated cost in relation to the INFRA and non-Federal cost share amounts. The modified scope that OST based the FY19 INFRA award selection on primarily focuses on rehabilitating existing infrastructure.

Table 1 also summarizes the overall estimated total Project cost changes from the grant application, the budget in the July 2019 spreadsheet, and the budget in the February 2020 spreadsheet. The Project's estimated total cost decreased from approximately \$45 million with the full scope to \$21.37 million for the modified scope for which SEAEDD is requesting FRA's approval.

Table 1. Changes to Estimated Total Project Cost, March 2019 – February 2020			
Data Source	INFRA Cost Share/ (% share)	Non-Federal Cost Share/(% share)	TOTAL
SEAEDD INFRA Grant Application, March 2019	\$25,689,421 (57%)	\$19,315,000 (43%)	\$45,004,421
July 2019 Revised Scope Spreadsheet	\$10,516,259 (38%)	\$17,210,340 (62%)	\$27,726,599
February 2020 Revised Scope Spreadsheet	\$10,516,259 (49%)	\$10,861,267 (51%)	\$21,377,526

Section 2

This section summarizes the Project's scope changes from the July 2019 budget spreadsheet (the version that SEAEDD submitted to OST) and February 2020 budget spreadsheet. *(NOTE: The budget tables in each section contain a component called 'project development'. This includes activities such as environmental review, engineering design activities, and project and grant administration activities.)*

Segment A (NLA)

NLA made some scope changes and clarifications, as well as funding changes for Segment A. The July 2019 Segment A budget included no non-Federal funds NLA's and the non-federal cost share is \$0. In the February 2020 Segment A budget, NLA added a total of \$300,000 in non-federal cost share column as the funds were inadvertently removed or omitted. The NLA

\$300,000 cost share contributes to costs for rehabilitation to rail track on the main line and existing sidings, and upgrades to bridge to make them sufficient to allow 286K lb. rail cars.

The July 2019 budget included \$1,055,561 for the Union Pacific (UP) Interchange because, during that time, LPPC was trying to secure funds from the Louisiana Department of Transportation and Development's (LADOTD) Port Priority Program¹ (PPP) to augment the Segment A budget. All of Segment A is located in Arkansas, however, and LPPC subsequently learned that PPP funds cannot be used on projects outside of Louisiana. As a result, SEAEDD and LPPC agreed to remove the UP Interchange, which is located in Arkansas, from the Project's scope.

Lastly, the July 2019 budget had an error and allocated funds to an 'Industrial Sidings' component, which seemed to indicate that part of the scope included construction of new rail sidings. Those funds, however, are for the rehabilitation of existing sidings at Lake Village and Macon Lake, AR. The changes are shown in Table 2.

Table 2. Segment A (NLA) 24.1 Miles, 26% of Corridor				
Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)	\$3,365,203	\$0	\$3,299,316	\$70,800
Bridge Upgrades (286,000 lb.) – 2 bridges	\$0	\$0	\$0	\$50,000
UP Interchange	\$1,055,561	\$0	\$0	\$0
Industrial Sidings Rehabilitation of existing sidings at Lake Village and Macon Lake <i>(this was incorrectly listed as 'Industrial Sidings' in the February 2020 spreadsheet)</i>	\$0	\$0	\$0	\$73,200
Subtotal	\$4,420,764	\$0	\$3,299,316	\$294,000
Project Development	\$176,831	\$0	\$131,973	\$6,000
Total	\$4,597,594	\$0	\$3,431,289	\$300,000

¹ Per the LADOTD's website, the PPP requires a cost participation from the ports of 10% based on construction cost of the project.

Segment B (SEAEDD)

For Segment B, SEAEDD made one scope change and one funding change. In the July 2019 Segment B budget, SEAEDD committed \$150,000 in Delta Regional Authority (DRA) funding to the INFRA project. DRA awarded the funds to SEAEDD for rail infrastructure improvements, and SEAEDD was planning to use them for the grade crossing upgrades (totaling approx. \$144,000). Unfortunately, these funds were set to lapse before the FRA and SEAEDD would execute the grant agreement for the Project, and DRA recaptured the funding. Therefore, in the February 2020 budget, SEAEDD defunded the At Grade Highway Rail Crossing Upgrades component. Furthermore, NLA has completed the grade crossing upgrades and SEAEDD removed that component from the Project scope.

Table 3. Segment B (SEAEDD) 21.8 Miles, 24% of Corridor

Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)	\$1,747,427	\$0	\$1,747,427	\$0
Bridge Upgrades (286,000 lb.) – 2 bridges*	\$0	\$0	\$0	\$100,000
At Grade Highway Rail Crossing Upgrades	\$0	144,230	\$0	\$0
Subtotal	\$1,747,427	\$144,230	\$1,747,427	\$0
Project Development	\$69,897	\$5,769	\$69,897	\$0
Total	\$1,817,324	\$149,999	\$1,817,324	\$0

**= Bridge upgrades will be paid for by NLA*

Segment C (LPPC)

For Segment C, LPPC made no scope changes but did make some funding changes. In the July 2019 budget, LPPC showed a project development costs totaling \$323,367 which SEAEDD and LPPC later determined is not sufficient to cover those costs. Therefore, LPPC adjusted the non-federal costs in the February 2020 budget spreadsheet to account for increased forecasted project development costs by adding \$1,061,673, and to incorporate the 10% match required under the PPP Program to LPPC's PPP grant. The changes are shown in Table 4.

Table 4. Segment C (LPPC) 16.2 Miles, 18% of Corridor

Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)	\$0	\$2,564,784	\$0	\$2,564,784
Miscellaneous (Anchors)	\$0	\$51,030	\$0	\$51,030
NLA-DSR Interchange	\$0	\$2,160,000	\$0	\$2,589,826
Industrial Leads	\$0	\$2,422,960	\$0	\$2,422,960
Port of Lake Providence Lead/Tracks	\$0	\$885,400	\$0	\$885,400
Subtotal	\$0	\$8,084,174	\$0	\$8,514,000
Project Development	\$0	\$323,367	\$1,166,306	\$0
Total	\$0	\$8,407,541	\$1,166,306	\$8,514,000

Segment D (DSR)

Segment D interfaces directly with the Madison Parish Port Commission (MPPC) via existing track from the DSR mainline; thus, MPPC is a key partner and decisionmaker in this segment. MPPC made several scope and funding changes that are summarized in the bullets below. Most of the scope changes are the result of the reduced FY19 INFRA award – see Table 5.

SEAEDD's FY19 INFRA application stated that MPPC would provide \$10.48 million in PPP funds. MPPC, however, hadn't submitted a PPP application as it was waiting to see if SEAEDD would be selected for an INFRA award, and, if so, the amount of the award². For SEAEDD's discussion with OST in July 2019, MPPC reduced its speculative PPP contribution to approx. \$8.65 million. After USDOT announced FY19 INFRA award selections, MPPC reduced its budget and scope, in response to the reduced INFRA award, and submitted a PPP application for \$2.047 million to LA DOTD in December 2019. In February 2020, LA DOTD notified MPPC that it was selected for a \$2.047 million PPP grant, which MPPC will apply to the 'doubling the lead' component, as shown in Table 5. MPPC removed the track to the riverbank and lead extension components due to lack of PPP funds and other private funds.

² If SEAEDD received the \$25.6 million INFRA award that it requested in its application, MPPC would've tried to obtain the non-federal cost share from multiple sources, including submitting an application to LA DOTD for PPP funds (LA DOTD limits an annual award to \$5 million to each entity selected) and going through a process to get state funds from the Louisiana Bond Commission, for example.

Summary of scope and funding changes:

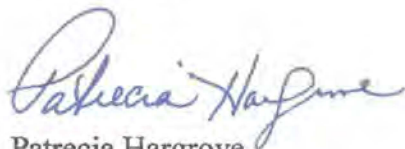
- Changes to the ‘track to the riverbank’ and ‘lead extension back to the main line’ components: MPPC removed these components from the Project because MPPC didn’t include them in its PPP application. With the reduced INFRA award, MPPC had to prioritize subprojects and identified the ‘doubling the lead track’ as the top priority. MPPC would like to complete these components in the future and is planning to apply for other funding programs, such as USDA Rural Development, DRA, and/or U.S. Economic Development Administration (EDA).
- Double tracking the lead track component: After MPPC received notification from LADOTD that it was selected for a PPP grant, it reprogrammed the budget for this component. It applied the PPP grant to the non-federal cost share and the amount in the INFRA cost share column is the 10% match for the PPP grant.
- River transload dock component: MPPC removed this component because the prospective transload facility investor backed out, which resulted in less of a need for the dock. Furthermore, business needs have changed. Instead of needing a transload dock, MPPC is working with a container on barge tenant and is currently identifying the necessary infrastructure improvements.
- Project development component: The July 2019 budget spreadsheet showed project development costs totaling \$490,544 which SEAEDD, DSR, and MPPC later determined is not sufficient to cover those costs. Therefore, DSR and MPPC increased total cost to \$666,076 in February 2020 to account for increased forecasted project development costs and to incorporate the match from the MPPC’s PPP grant.

Table 5. Segment D (DSR + Madison Port) 29.2 Miles, 32% Corridor				
Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)*	\$3,943,597	\$0	\$3,207,789	\$0
Bridge Upgrades (286,000 lb.)**	\$0	\$0	\$0	\$200,000
Track to Riverbank	\$0	\$1,395,000	\$0	\$0
Lead Extension Back to the Main Line	\$0	\$2,295,000	\$0	\$0
Double Tracking the Lead Track	\$0	\$2,880,000	\$227,474	\$2,047,267

River Transload Dock	\$0	\$1,750,000	\$0	\$0
Subtotal	\$3,943,597	\$8,320,000	\$3,435,365	\$2,247,267
Project Development	\$157,744	\$332,800	\$666,076	\$0
Minus Bridge Upgrades**	\$0	\$0	\$0	-\$200,00
Total	\$4,101,341	\$8,652,800	\$4,101,339	\$2,047,267
*= Only 21 miles of work remain as DSR has completed 7 miles of rehab. Work. **= DSR has completed the bridge repairs. These costs will not be included in the FRA-SEAEDD grant agreement.				

If you have any questions or need additional information, please contact me at your earliest convenience.

Respectfully,



Patrecia Hargrove
Executive Director

Attachment No. 7
June 1, 2020 FRA Letter Approving Scope of Work



U.S. Department
of Transportation

**Federal Railroad
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

June 1, 2020

Ms. Patrecia Hargrove
Executive Director
Southeast Arkansas Economic Development District, Inc.
721 South Walnut Street
Post Office Box 6806
Pine Bluff, Arkansas 71611

RE: Scope and Budget Modification Request for FY 2019 INFRA Project

Dear Ms. Hargrove:

Thank you for your March 17, 2020, letter to the Federal Railroad Administration (FRA)—in which you outlined the Southeast Arkansas Economic Development District, Inc.'s (SEAEDD) request to modify the scope and budget of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (the Project), selected for award under the Fiscal Year (FY) 2019 Infrastructure for Rebuilding America (INFRA) Program.

FRA has coordinated with the U.S. Department of Transportation's (USDOT) Office of the Secretary (OST), the agency responsible for the INFRA Program, in reviewing SEAEDD's request to modify the Project's scope and budget in response to OST selecting the Project for an award amount that is less than what SEAEDD requested. FRA and OST have determined that SEAEDD's request is sufficient and will therefore advance the Project, as revised. FRA will reach out to you to begin developing the Statement of Work and other documents for the FRA-SEAEDD grant agreement.

Thank you for your cooperation and patience. If you have any questions or concerns, please contact me at (202) 493-0614 or marc.dixon@dot.gov.

Sincerely,

MARC R. DIXON Digitally signed by MARC R.
DIXON
Date: 2020.06.01 12:57:44 -04'00'

Marc Dixon
Project Manager – South Central Region

Attachment No. 8
July 30, 2020 Email Forwarding “Consortium Agreement”

From: Patrecia Hargrove <phargrove@southeastarkansas.org>
Sent: Thursday, July 30, 2020 7:05 PM
To: Wyly Gilfoil <Wyly_Gilfoil@msn.com>; Danny Robbins <dan@dr railroad.com>; Daniel Robbins <dan.b.robbins@gmail.com>; Jon Ryan <Jon.Ryan@continentalrail.us>; tmurphy <tmurphy@bayou.com>
Cc: Doree Magiera <Doree.Magiera@hdrinc.com>; Frostestad, Eric <Eric.Frostestad@hdrinc.com>
Subject: INFRA Project Consortium Agreement draft
Importance: High

Good Evening Everyone –

During the life of the INFRA project, SEAEDD as the Grantee and Grant Administrator must oversee the management of the project. Because this project is comprised of 5 consortium members, it is necessary for all members to agree to work together toward the successful completion of this project. The agreement outlines roles & responsibilities for all consortium members involved, as well as funding flow/process, reporting, etc.

Please review the agreement and make any comments and/or revisions. The goal is to have an agreement in place prior to the signing of the grant agreement, which is expected to be completed and submitted to SEAEDD for execution by the end of August.

Contact me if you have any questions. Thanks

Patrecia Hargrove
Southeast Arkansas Economic Development District, Inc.
721 South Walnut Street
Post Office Box 6806
Pine Bluff, Arkansas 71611
870-536-1971 (Office)
870-536-7718 (Fax)
www.southeastarkansas.org



CONSORTIUM AGREEMENT

This Consortium Agreement (this “Agreement”) is entered into this ____ day of _____, 2020, by and among Southeast Arkansas Economic Development District, an Arkansas nonprofit corporation, created by statute (“SEAEDD”), North Louisiana & Arkansas Railroad, Inc., an Arkansas corporation (“NLA”), Lake Providence Port Commission, a political subdivision of the State of Louisiana (“LPPC”), Madison Parish Port Commission, a political subdivision of the State of Louisiana (“MPPC”), and Delta Southern Railroad, Inc., a Louisiana corporation (“DSR”) (SEAEDD, NLA, LPPC, MPPC, and DSR may be collectively referred to as the “Parties”).

RECITALS

WHEREAS, there is a continuous short line railroad corridor known as the McGehee-Tallulah Rail Corridor, which stretches for approximately 91.3 miles from McGehee, Arkansas to Tallulah, Louisiana;

WHEREAS, the Owners each own a specific portion of the McGehee-Tallulah Rail Corridor;

WHEREAS, NLA owns approximately 24.1 miles of the rail line from McGehee, Arkansas to Lake Village, Arkansas, more precisely stated as from milepost 408.9 to milepost 433.0 (hereafter referred to as “Segment A”);

WHEREAS, SEAEDD owns approximately 21.8 miles of the rail line from Lake Village, Arkansas to the Arkansas-Louisiana State Line, more precisely stated as from milepost 433.0 to milepost 454.8 (hereafter referred to as “Segment B”);

WHEREAS, LPPC owns approximately 16.2 miles of the rail line from the Arkansas-Louisiana State Line to Lake Providence, Louisiana, more precisely stated as from milepost 454.8 to milepost 471.0 (hereafter referred to as “Segment C”);

WHEREAS, DSR owns approximately 29.2 miles of the rail line from Lake Providence, Louisiana to Tallulah, Louisiana, more precisely stated as from milepost 471.0 to milepost 500.2 (hereafter referred to as “Segment D”);

WHEREAS, MPPC owns railspurs that connect from Segment D to points in the Madison Parish Port;

WHEREAS, in 2016 the Parties previously rehabilitated portions of the rail line in order to place the same back into continuous service, which was funded in part by a United States Economic Development Administration grant, under which SEAEDD and LPPC were co-applicants, and other Parties completed their own separate rehabilitation projects;

WHEREAS, to make additional improvements to the McGehee-Tallulah Rail Corridor, the Parties began operating as a “Consortium” in order to collaborate on their efforts to continue improving the rail line, which initially began in 2017 when they entered collaboratively into an agreement with an engineering firm for professional services related to obtaining grant funds to further improve the rail line;

WHEREAS, SEAEDD was awarded a grant by the Federal Railroad Administration (“FRA”) to provide funding for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (the “Project”);

WHEREAS, SEAEDD will be the grantee and grant administrator for the FRA grant funds awarded for the Project;

WHEREAS, the Project is a unique public-private partnership between a state economic development agency, two (2) public ports, and two (2) private short line railroads;

WHEREAS, LPPC, NLA, and MPPC have allocated certain amounts of non-federal money for use in funding the Project; and

WHEREAS, the Project consists of specific work to be done to each of the Parties' respective Segments of the rail line or to property owned by one of the Parties that connects to a Segment of the rail line.

NOW THEREFORE, in consideration of the mutual promises contained herein the Parties agree as follows:

A. Term of Agreement, Termination

1. This Agreement is entered into by the Parties solely for the purpose of collaborating on the Project funded, in part, by the FRA under the grant agreement between SEAEDD and FRA (the "Grant Agreement"). A copy of the Grant Agreement is attached hereto as Exhibit A and is incorporated by reference as though set forth word for word herein.

2. This Agreement shall expire upon completion of the Project and approval of the final close-out by FRA. However, the expiration of this Agreement shall not affect continuing obligations of the Parties under the terms of this Agreement or the Grant Agreement.

3. SEAEDD, as grantee and grant administrator, may upon written notice suspend or terminate this Agreement, in whole or in part, if:

- a. FRA suspends or terminates funding availability for the Project;
- b. FRA suspends or terminates the Grant Agreement;
- c. Any of the Parties fails to fulfill its obligations under the terms of this Agreement;

- d. Any of the Parties fails to make reasonable progress with respect to their portion of the Project, or does anything to inhibit progress of the Project;
- e. Any of the Parties fails to make their non-federal funding contribution; or
- f. Any of the Parties violates a provision of this Agreement, or the requirements of the Grant Agreement, resulting in a threat to the substantial completion of the Project in the sole discretion of SEAEDD, as grantee and grant administrator.

4. The Parties may enter into a new agreement in the future for other grant applications or funding ventures for future projects. However, this Agreement is specifically limited to the Project funded, in part, by the Grant Agreement.

5. The rights and obligations of the Parties under this Agreement are intended to survive termination or expiration of this Agreement and shall survive any such termination or expiration.

B. Grant Agreement

1. The Parties agree to comply with any and all applicable requirements of the Grant Agreement, insofar as the provisions of the same are related to any of the Parties, including, but not limited to, budgets, scope of work, Project scheduling, monetary contributions, reporting requirements, expenditure of FRA grant funds, providing information as necessary and required by SEAEDD, as grantee and grant administrator, in order to fulfill SEAEDD's obligations under the terms of the Grant Agreement, any and all applicable local, state, and federal laws, rules and regulations, and as further provided herein and therein.

2. In the event of a conflict between the Grant Agreement and this Agreement, the terms of the Grant Agreement shall govern, except with regard to the requirement of the Parties to provide the non-federal funding for the Project, which shall be governed by this Agreement.

C. Funding, Administration, Audits

1. SEAEDD is the recipient of an FRA grant award in the amount of \$10,516,259.00, which will be utilized for improvements throughout all segments of the rail line. Specifically, the FRA grant award will be spent on improvements to each of the segments of the rail line as follows:

- a. \$3,431,289.00 for use on improvements to Segment A, as follows:
 - i. \$3,299,316.00 for Rail Infrastructure Rehabilitation as set forth in Section D, below; and
 - ii. \$131,973.00 for Project Development;
- b. \$1,817,325.00 for use on improvements to Segment B, as follows:
 - i. \$1,747,428.00 for Rail Infrastructure Rehabilitation as set forth in Section D, below; and
 - ii. \$69,897.00 for Project Development;
- c. \$1,166,306.00 for use on improvements to Segment C, as follows:
 - i. \$1,166,306.00 for Project Development; and
- d. \$4,101,339.00 for use on improvements to Segment D, as follows:
 - i. \$3,207,789.00 for Rail Infrastructure Rehabilitation as set forth in Section D, below;
 - ii. \$227,474.00 for Double Tracking the Lead Track, as set forth in Section D, below; and
 - iii. \$666,076.00 for Project Development.

2. LPPC, NLA, and MPPC have pledged non-federal funding totaling \$10,861,267.00 for use on improvements to their respective Segments of the rail line. Specifically, the non-federal funding pledged by the Parties contributing such funding is as follows:

a. NLA - \$300,000.00 for use on improvements to Segment A and Segment B, as follows:

- i. \$70,800.00 for Rail Infrastructure Rehabilitation, as set forth in Section D, below;
- ii. \$150,000.00 for Bridge Upgrades, as set forth in Section D, below;
- iii. \$73,200.00 for Rehabilitation of existing sidings at Lake Village and Macon Lake, as set forth in Section D, below;
- iv. \$6,000.00 for Project Development;

b. LPPC - \$8,514,000.00 for use on improvements to Segment C, as follows:

- i. \$2,564,784.00 for Rail Infrastructure Rehabilitation, as set forth in Section D, below;
- ii. \$51,030.00 for Miscellaneous work, including, but not limited to Anchors, as set forth in Section D, below;
- iii. \$2,589,826.00 for the NLA-DSR Interchange, as set forth in Section D, below;
- iv. \$2,422,960.00 for Industrial Leads, as set forth in Section D, below;
- v. \$885,400.00 for Leads and Tracks in the Port of Lake Providence, as set forth in Section D, below; and

- c. MPPC - \$2,047,267.00 for use on improvement to Segment D, as follows:
 - i. \$2,047,267.00 for Double Tracking the Lead Track, as set forth in Section D, below.

3. The Parties hereby agree to contribute the non-federal funding pledged and set forth above for use in the Project as set forth in the Grant Agreement.

4. The Parties shall take any and all actions necessary to ensure that the non-federal funding pledged by them is available at or before the time such funds are needed to meet Project expenses.

5. The Parties acknowledge and agree that they have sufficient funds available to assure continued proper operation and maintenance of their respective segments and property funded under the Grant Agreement and will ensure that the same continues to be properly operated and maintained after the termination of this Agreement. In consideration of the use of FRA funds for the improvements to the Parties' respective Segments, the Parties agree that none of them shall permit, or take, any action that would impede the flow of rail traffic from one Segment to another during the term of this Agreement, nor shall any such action be taken following the termination or expiration of this Agreement. The Parties shall continue to cooperate with one another following the termination or expiration of this Agreement to allow the continued flow of rail traffic throughout the entire McGehee-Tallulah Rail Corridor. In the event of any interruption in service along any of the Segments owned by the respective Parties, the Parties agree to timely notify any and all tenants or customers affected by such interruption in service. The Parties shall be responsible for any loss of revenue suffered by any of the Parties as the result of any interference or impediment to the continual flow of rail traffic throughout the McGehee-Tallulah Rail Corridor, excepting such interference as may arise for maintenance to

ensure the safe operation of the rail line, and as may or may not be governed by prior or subsequent agreements among the Parties providing for the same.

6. SEAEDD will be responsible for the administration of the funds from FRA under the terms of the Grant Agreement.

7. SEAEDD is not responsible for the administration of the non-federal funding component that is part of the Project.

8. The Parties agree as follows with regard to receipt of FRA funds:

- a. The Parties shall be reimbursed for expenditures of money on the Project;
- b. The Parties shall submit any and all information necessary and required by SEAEDD, as grantee and grant administrator, to request funds from FRA;
- c. Upon receipt of funds requested from FRA, SEAEDD, as grantee and grant administrator, shall reimburse the Parties making a request for reimbursement; and
- d. Any reimbursement by SEAEDD, as grantee and grant administrator, to any of the Parties is contingent upon approval and release of funds by FRA and the Parties agree they shall not hold SEAEDD liable for the reimbursement of any funds not approved or received from FRA.

9. The Parties acknowledge that reimbursement of expenses for the Project does not constitute final decision by SEAEDD, as grantee and grant administrator, or FRA, regarding the allowability of the cost, nor does payment constitute a waiver of any violation by any of the Parties of any term of this Agreement. Final determinations on allowability will not be made until an audit of the Project has been completed. The Parties shall remain liable for any disallowed costs, refunds or other transactions determined to be recoverable by FRA, and

SEAEDD, as grantee and grant administrator, shall have the right to recover any disallowed costs or refunds, corrections, or other transactions determined to be recoverable by FRA.

10. The Parties shall comply with all audit requirements of 2 C.F.R. §§ 200.500 – 200.512. Upon request by SEAEDD, as grantee and grant administrator, the Parties shall permit SEAEDD, its authorized representatives, and if requested FRA, the Secretary and the Comptroller General of the United States, or their authorized representatives, to inspect all Project work, materials, payrolls, and other data, information or documentation, and to audit the books, records, and accounts of the Parties and any contractors relating to the Project.

11. The Parties shall take any and all steps necessary or required, including, but not limited to, litigation, to recover any FRA funds if, after consultation with SEAEDD, as grantee and grant administrator, it is determined that any part of FRA funds have been spent fraudulently, wastefully, or in violation of federal laws and regulations, or any of such funds have been misused in any manner throughout the course of the Project.

12. The Parties will cooperate with SEAEDD, as grantee and grant administrator, to ensure FRA funds for the Project are used in a sound, economical, and efficient manner, in accordance with the Grant Agreement, all parts thereof, and any and all applicable laws, regulations, and policies.

13. The Parties acknowledge and agree they are bound by the terms of the Grant Agreement, shall comply with any and all requirements set forth therein, and shall cooperate with SEAEDD in its capacity as grantee and grant administrator in providing any and all information or documentation necessary or required for purposes of reporting with regard to the use of federal or non-federal funds on the Project.

D. Scope, Schedule, Budget

1. The Parties acknowledge and agree under the terms of the Grant Agreement that the following improvements to each segment of the rail line will be made using the federal and non-federal funds as follows:

- a. Segment A, owned by NLA:
 - i. Rehabilitate 24 miles of track, which includes upgrading existing excepted track to Class 2 track;
 - ii. Rehabilitate sidings at Lake Village and Macon Lake, Arkansas; and
 - iii. Repairs to bridges to accommodate 286,000 lb. gross weight railcars.
- b. Segment B, owned by SEAEDD:
 - i. Rehabilitate 22 miles of track, which includes upgrading the existing excepted track to Class 2 track; and
 - ii. Repairs to bridges to accommodate 286,000 lb. gross weight railcars.
- c. Segment C, owned by LPPC:
 - i. Rehabilitate approximately 16 miles of track, which includes upgrading the existing excepted track to Class 2 track and replacing other track materials, such as track anchors;
 - ii. Install 6,600 feet of new track for the proposed NLA-DSR interchange;
 - iii. Install 1,550 feet of new track to the Consolidated Grain and Barge, Co. facility in Lake Providence, Louisiana;

- iv. Rehabilitate approximately 700 feet of track and install 1,700 feet of new track to Shelburn Grain west of U.S. Highway 65;
 - v. Install 350 feet of lead track to the John Deere facility in Lake Providence, Louisiana;
 - vi. Install a 1,500 foot extension of the siding track at the Lake Providence Pass; and
 - vii. Rehabilitate approximately 700 feet of track and install approximately 1,000 feet of new track to the The Andersons, Inc. in Lake Providence, Louisiana.
- d. Segment D, owned by DSR, and ancillary track owned by MPPC:
- i. Rehabilitate approximately 10 miles of track, which includes upgrading the existing excepted track to Class 2 track; and
 - ii. Install a new, second track, approximately 12,000 feet, of the lead track to facilitate port-rail connectivity between the DSR mainline and the Madison Parish Port, which will reduce congestion entering and exiting the Port.

2. In the event any contracted work is over the budgeted amount, as set forth in Sections C.1 and C.2 above, the scope of work for that part of the Project shall be rebid, negotiated, or the Parties affected shall be responsible for paying the difference between the budget amount and the actual cost. SEAEDD, as grantee and grant administrator, must request and obtain prior written approval from FRA for any revisions to the approved budget in the Grant Agreement equaling more than 10% of any budgeted item, or cost category involving contingent or miscellaneous costs. SEAEDD, as grantee and grant administrator, shall not be

liable for any loss suffered by the Parties resulting from any denial by FRA of a request for budget revision.

3. In the event any of the Parties becomes aware that any portion of work on the Project will not be completed within the time periods set forth in the Grant Agreement, the Parties affected shall immediately notify SEAEDD, as grantee and grant administrator, in a sufficient amount of time to allow SEAEDD, as grantee and grant administrator, to request an extension from FRA. If an extension is necessary, SEAEDD, as grantee and grant administrator, must request the same no later than 90 days prior to the end date for the pertinent Project period. As such, each of the Parties must notify SEAEDD, as grantee and grant administrator, in a sufficient amount of time to permit SEAEDD to make the request for an extension before expiration of the applicable deadline. Any extension not granted by FRA as a result of SEAEDD, as grantee and grant administrator, not having all necessary and required information in a sufficient amount of time to make such a request, shall not be the fault of SEAEDD, and the affected Parties shall be liable for any loss resulting therefrom. For purposes of this paragraph, the phrase “sufficient amount of time” shall be no less than 15 business days prior to the beginning of the 90 day period preceding the end date for the pertinent Project period within which SEAEDD, as grantee and grant administrator, must request an extension.

4. All project scheduling and applicable deadlines for completion of work on the Project are set forth in the Grant Agreement and the Parties shall comply with any and all scheduling and Project deadlines as set forth therein.

E. Compliance with Applicable Laws

1. The Parties shall comply with any and all federal laws, rules, regulations, or policies and any guidance that may be issued by FRA or DOT pertaining to safety in general, as well as to the Project, specifically.

2. The Parties shall cooperate and assist SEAEDD, as grantee and grant administrator, as necessary with SEAEDD's obligation to assist with FRA's requirements of, and support FRA's compliance with, applicable federal laws, regulations, executive orders, and policies relating to any required environmental reviews under the National Environmental Policy Act and historic preservation analyses under the National Historic Preservation Act and their respective regulations. SEAEDD, as grantee and grant administrator, may request documentation from any of the Parties for submission to FRA, as requested by FRA, and the Parties agree to provide such documentation in a timely manner. The Parties shall work to implement measures to ensure that adverse environmental or historic preservation impacts identified by FRA, and communicated to the Parties by SEAEDD, as grantee and grant administrator, are minimized, avoided, or mitigated.

3. The Parties shall comply, where necessary or required, with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §§ 4601, *et. seq.* and the Department of Transportation ("DOT") implementing regulations, 49 C.F.R. Part 24.

4. The Parties shall comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. § 4012a(a), as may be required or necessary.

5. The Parties shall, at all times throughout and in events relating to the Project, comply with any and all civil rights laws and regulations in accordance with applicable federal directives, including, but not limited to, Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended, 42 U.S.C. § 2000d, *et. seq.*, the DOT Title VI regulations at 49 C.F.R. part 21, prohibiting discrimination on the basis of race, color or national origin; the Americans with

Disabilities Act (“ADA”), as amended, 42 U.S.C. § 12101, *et. seq.*, the DOT ADA regulations at 49 C.F.R. parts 37-38, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), and DOT regulations at 49 C.F.R. part 27, prohibiting discrimination on the basis of disability; the Age Discrimination in Employment Act, as amended (42 U.S.C. §§ 621 – 634), and the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 1601 – 1607), prohibiting discrimination on the basis of age; Title XI of the Education Amendments of 1972, as amended (20 U.S.C. § 1681, *et. seq.*), prohibiting discrimination on the basis of race, color, national origin, or sex in railroad financial assistance programs; any nondiscrimination regulation implemented or relating to the statutes stated herein; any nondiscrimination executive order implemented relating to the statutes stated herein; any DOT order implemented relating to nondiscrimination; and any other applicable federal, state, or local laws, regulations, requirements, policies, and guidance prohibiting discrimination.

6. The Parties acknowledge that SEAEDD, as grantee and grant administrator, FRA, and the Parties by virtue of their receipt of FRA funds from SEAEDD for reimbursement of Project costs, are subject to FOIA. As such, any and all documentation, information, data, or other material submitted to SEAEDD, as grantee and grant administrator, or to FRA by SEAEDD will become records subject to FOIA and are subject to release upon FOIA requests.

7. The Parties acknowledge and agree that their performance will be governed by and in compliance with this Agreement, and applicable provisions of the Grant Agreement, 2 C.F.R. §§ 200 – 200.251, including Appendices I – XI, and DOT’s implementing regulations at 2 C.F.R. Part 1201.

8. The Parties acknowledge that federal laws, rules, regulations, policies, and administrative practices in place as of the date of the execution of this Agreement may be

modified from time to time and agree that the most recent such laws, rules, regulations, policies, and administrative practices will govern the terms of this Agreement, except where there is sufficient evidence in this Agreement of a contrary intent. In addition, the Parties acknowledge new federal laws, rules, regulations, policies, and administrative practices may be established subsequent to the execution of this Agreement and agree to comply with any and all applicable rules, regulations, policies, and administrative practices arising after the date of execution of this Agreement. Further, the Parties shall include in any contracts or awards receiving any funds, federal or non-federal, for the Project, specific notice that federal requirements may change and those changes apply to the Project, as required. Any and all limits or standards set forth in this Agreement to be observed throughout the Project are minimum requirements.

9. In the event any provision of this Agreement violates any applicable state, territorial, or local law, or if compliance with any provision of this Agreement would require the Parties to violate any applicable state, territorial, or local law, the affected Parties shall immediately notify SEAEDD, as grantee and grant administrator, in writing to permit SEAEDD to coordinate with FRA or the affected Parties to make appropriate arrangements for proceeding with the Project.

10. The Parties shall comply with any and all applicable federal laws, regulations, executive orders, policies, guidance, and requirements as the same relate to the application, acceptance, and/or use of FRA funds under this Agreement. Such applicable federal laws, regulations, executive orders, policies, guidance, and requirements include, but are not limited to, those referenced in this Agreement.

11. The Parties shall comply with environmental protection requirements described in this Agreement and in the Grant Agreement, and shall ensure that all work conducted on the

Project complies with all applicable laws, regulations, executive orders, and policies related to environmental protection and historic preservation, including, but not limited to, Section 114 of the Clean Air Act (42 U.S.C. § 7414) and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. § 1318).

12. The Parties shall comply with the applicable provisions of Fixing America's Surface Transportation Act, Section 1105 (23 U.S.C. § 117).

13. The Parties acknowledge that responses to requests under the Freedom of Information Act ("FOIA") with regard to the Project, will be governed by 2 C.F.R. § 200.315(e), and any definitional provisions set forth therein. The Parties agree to comply with such provisions in responding to requests under FOIA and to cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any obligation to respond to such requests.

14. The Parties agree that any contractors or other recipients of FRA funds from the Grant Agreement, directly or indirectly, shall be required by the Parties so contracting to comply with all applicable federal regulations, requirements and guidance governing the same.

15. The Parties must comply with all applicable parts of the Grant Agreement, including applicable provisions of 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and Department of Transportation's ("DOT") implementing regulations at 2 C.F.R. Part 1201 *See* 2 C.F.R. § 200.101. The Parties shall also comply with any and all federal statutory and regulatory requirements, including any limitations on the use of funds. The Parties shall ensure that their contractors and subcontractors will comply with the same requirements as set forth herein by contractually binding them to the same.

16. The Parties shall immediately notify SEAEDD, as grantee and grant administrator, in writing of any change in any local law, conditions, or any other event that may affect the Parties from fulfilling its obligations under the terms of this Agreement. The Parties shall immediately notify SEAEDD, as grantee and grant administrator, of any decision relating to the conduct of litigation of any of the Parties that may have any effect on SEAEDD's interests in the Project, on the administration of the FRA funds, or the enforcement of any applicable laws or regulations. Before SEAEDD, as grantee and grant administrator, or FRA can be named as a party in litigation for any reason whatsoever, the affected Party shall notify SEAEDD in writing and allow SEAEDD to notify FRA in writing.

F. Property, Equipment, Supplies, Publications and Acknowledgment of FRA Support

1. The Parties acknowledge and agree any property or equipment funded by the FRA under the Grant Agreement shall be used for the originally authorized purpose and the Parties will take any and all actions necessary to ensure their tenants, or anyone else having any right in the same, will continue to use the same for the originally authorized purpose.

2. The Parties, for any property or equipment acquired or improved with FRA funds, shall comply with applicable property management standards imposed by federal regulations, including but not limited to 2 C.F.R. §§ 200.310 – 200.316, and equipment use, management, and disposal standards imposed by federal regulations, including, but not limited to 2 C.F.R. § 1201.313, including amendments thereto and any other applicable guidelines or regulations.

3. The Parties shall maintain any property or equipment that is part of the Project and acquired or improved with FRA funds in good operating order and in accordance with any and all applicable guidelines, directives, or regulations that may be issued by FRA.

4. The Parties acknowledge that FRA may require the transfer of title to, or otherwise direct the disposition of, any property, equipment, or supplies acquired or improved

for the Project with FRA funds, as required under 2 C.F.R. §§ 200.311 – 200.316, and agree that they will cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any such obligation required by FRA.

5. In the event any property, equipment, or supplies acquired or improved for the Project with FRA funds are not used for the duration of their useful life, which shall be determined by FRA, the Parties shall immediately notify SEAEDD, as grantee and grant administrator, whether such use ceases by reason of planned withdrawal, misuse, or casualty loss and the Parties acknowledge and agree that disposition of any such withdrawn property, equipment, or supplies shall be in accordance with 2 C.F.R. §§ 200.311 – 200.316.

6. Without first obtaining express written consent from SEAEDD, as grantee and grant administrator, the Parties agree not to:

- a. Execute any transfer of title, lease, lien, pledge, mortgage, encumbrance, contract, grant anticipation note, alienation, or other obligation that would in any way dispose of or encumber the Parties' title or other interest in property or equipment acquired or improved for the Project with FRA funds; or
- b. Obligate itself, in any manner, to any third party with respect to Project property or equipment. Further, the Parties shall take no action that would adversely impact any interest FRA may have or impair the Parties' continuing control over the use of the property or equipment acquired or improved for the Project with FRA funds.

7. Any intangible property, as defined in 2 C.F.R. § 200.59, that is acquired by any of the Parties in the performance of this Agreement shall vest in the Party upon acquisition by the same. However, any of the Parties acquiring any such interest must use it for the originally

authorized purpose and may not encumber the interest without prior written approval by SEAEDD, as grantee and grant administrator. Any disposition of such interest acquired by any of the Parties, once it is no longer needed for its originally authorized purpose, shall be in compliance with 2 C.F.R. § 200.313(e).

8. The Parties may copyright work subject to copyright and developed for, or acquired under, this Agreement. However, the Parties acknowledge that FRA reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so, and the Parties agree they will cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any such request by FRA.

9. The Parties acknowledge that FRA reserves a royalty free, nonexclusive, and irrevocable license to use, and to authorize others to use, for Federal purposes, any patents secured by any of the Parties in the course of the Project and the Parties agree to cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any such request by FRA.

10. The Parties acknowledge, with regard to any research data, as defined in 2 C.F.R. § 200.315(e)(3), acquired as a result of the Project, FRA has the right to obtain, reproduce, publish, or otherwise use the same and to authorize others to receive, reproduce, publish, or otherwise use the same, and the Parties agree to cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any such request by FRA.

11. Any publication or other product developed by any of the Parties as a result of the Project, whether copyrighted or not, must contain an acknowledgement of FRA support and a disclaimer of such support, in the following terms:

a. “This material is based upon work supported by the Federal Railroad Administration under [INSERT GRANT/COOPERATIVE AGREEMENT NUMER], [INSERT DATE OF AWARD].”

b. “Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the Federal Railroad Administration and/or U.S. DOT.”

12. The Parties agree to send to SEAEDD, as grantee and grant administrator, three copies clearly referencing appropriate identifying information, any article resulting from work on the Project, which is published in a scientific, technical, or professional journal or publication, to allow SEAEDD, as grantee and grant administrator, to comply with its obligations for providing the same to FRA under the terms of the Grant Agreement.

G. Accounting, Reporting, Record Keeping

1. The Parties shall establish accounting systems whereby any FRA funds received can be separately tracked and accounted for and shall maintain accurate records of all FRA funds received.

2. The Parties shall ensure that all checks, payrolls, invoices, contracts, vouchers, orders, and other accounting documents relating in whole or in part to the Project are clearly identifiable as relating to the Grant Agreement, readily accessible, and kept separate from accounting documents not relating to the Project.

3. The Parties shall cooperate and provide any and all documentation and information necessary and required by SEAEDD, as grantee and grant administrator, to fulfill its obligations under the Grant Agreement for providing FRA quarterly progress reports, quarterly financial reports, interim performance reports, and final performance reports, as well as any other reports required by FRA under the Grant Agreement, or otherwise.

4. The Parties shall maintain and upon request provide to SEAEDD, as grantee and grant administrator, throughout the Project and for a minimum of three years following notification by FRA of grant closeout, complete and accurate data, documents, reports, records, contracts, and supporting materials relating to the Project, and shall otherwise comply with any additional requirements set forth in 2 C.F.R. §§ 200.333 – 200.337. However, in the event of litigation, any claim, or audit being initiated prior to expiration of the period contemplated in this paragraph, any and all such records shall be retained for the later of completion of the action and resolution of the issues or the period contemplated in this paragraph.

5. The Parties shall produce any and all information, data, documentation, or other items requested by SEAEDD, as grantee and grant administrator, in a format that will enable SEAEDD to comply with any requirements imposed by FRA regarding the format in which such information must be provided.

6. The Parties shall obtain and maintain an active System for Award Management (“SAM”) registration and Data Universal Numbering System (“DUNS”) Number and ensure that all SAM and DUNS information is current throughout the life of the Project. In the event any SAM or DUNS information becomes inactive, expired, or incorrect, the Parties will not be able to complete any Project work funded with FRA funds, including obligating or receiving payment of FRA funds from SEAEDD, as grantee and grant administrator, and SEAEDD may take appropriate action to terminate this Agreement.

7. The Parties shall cooperate in providing SEAEDD, as grantee and grant administrator, with any and all documentation or information necessary or required in order for it to develop the Detailed Project Work Plan, Budget, and Schedule for the Project work, as required under the Grant Agreement, which must be submitted to FRA for review and approval.

8. The Parties acknowledge and agree that work on the Project cannot commence until the Detailed Work Plan, Budget, and Schedule have been submitted and approved in writing by FRA. Any work completed by any of the Parties prior to such approval will not be reimbursed for costs incurred in contravention of this requirement and the Parties agree not to hold SEAEDD, or its officers, directors, employees, or agents liable for any such disallowed costs.

9. The Parties agree to cooperate with SEAEDD, as grantee and grant administrator, in providing any and all information or documentation necessary and required to allow SEAEDD to fulfill its reporting obligations as set forth in the Grant Agreement, including, but not limited to, periodic reporting, final reporting, and the close-out process for the Project. The close-out process includes, but is not limited to, final checks on contractor work, collecting and reviewing final documentation, making final payments, and submitting a final performance report, and any other required reports, to FRA within ninety days of the Project performance end date. The Parties agree to provide any information or documentation requested by SEAEDD, as grantee and grant administrator, in a sufficient amount of time to allow SEAEDD to meet any applicable reporting deadlines. The final performance report must describe the cumulative activities of the Project, including complete and accurate descriptions of the achievements of the Project relating to the Project's objectives and milestones, overall budget and financial status, benefits obtained from the use of FRA funds, and service outcomes. For purposes of this paragraph, the phrase "sufficient amount of time" shall mean no less than 15 business days prior to the date SEAEDD, as grantee and grant administrator, is required to submit any reports to FRA, or any other time period required of the Parties by SEAEDD, as grantee and grant administrator, set forth in a

request for information or documentation from the Parties to enable SEAEDD, as grantee and grant administrator, to compile and submit reports to FRA.

10. The Parties acknowledge that FRA has determined that the Project is categorically excluded from detailed environmental review. However, until such time as FRA issues a written notice to proceed, which will be informed by a final National Environmental Policy Act (“NEPA”) document, activity on the Project may not commence. The Parties further acknowledge any change in the categorical exclusion determination may result in a change by FRA to the Grant Agreement, which would necessitate a change to this Agreement. The Parties agree they will not hold SEAEDD, its employees, officers, directors, or agents liable for any funds expended by any of the Parties prior to FRA’s written notice to proceed, in the event any such costs are disallowed. In the event the Project leads to work outside the scope considered by FRA in making its NEPA determination, which may affect the environment, the Parties becoming aware of such shall immediately notify SEAEDD, as grantee and grant administrator, and shall not allow such work to begin until SEAEDD receives a written notice to proceed from FRA. In situations such as this, FRA may require additional environmental review and the Parties agree to cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any obligations relating to the same.

11. The Parties shall cooperate in providing to SEAEDD, as grantee and grant administrator, any and all documentation necessary and required by FRA in order to comply with NEPA and any other applicable environmental laws. This may include, but is not limited to, Project maps, Project description, and any other requested and relevant background information.

12. The Parties shall keep and maintain satisfactory records regarding the use of any property, equipment, or supplies acquired or improved for the Project with FRA funds and

submit, upon request by SEAEDD, as grantee and grant administrator, any and all information necessary and required to ensure compliance with FRA requirements for this purpose.

H. Prohibitions

1. The Parties are prohibited from engaging in severe forms of trafficking in persons throughout the duration of the Project; procuring a commercial sex act at any time throughout the duration of the Project; or using forced labor in performance of any of the work for the Project. The Parties acknowledge that FRA may terminate the Grant Agreement, and SEAEDD, as grantee and grant administrator, may terminate this Agreement, if it is determined that any of the Parties has violated the provisions of this paragraph or has an employee that violated the provisions of this paragraph through conduct that is associated with performance of the Grant Agreement or this Agreement, or is imputed to any of the Parties using standards and due process for imputing such conduct of an individual to an organization.

2. The Parties shall notify SEAEDD, as grantee and grant administrator, immediately of any information received from any source alleging a violation of the prohibitions set forth in the preceding paragraph and the Parties acknowledge the right to terminate hereunder is in addition to all other remedies for noncompliance under this Agreement.

3. The Parties shall maintain written codes of conduct governing performance of their respective officers, employees, board members, or agents engaged in any manner whatsoever in the Project for which FRA funds are expended. The code of conduct shall provide that the Parties' officers, employees, board members, or agents may neither solicit or accept gratuities, favors or anything of monetary value from present or potential contractors, person, or entity that may directly or indirectly benefit from FRA funds. However, the codes of conduct may provide for minimum rules whereby an unsolicited gift of non-monetary, nominal intrinsic value, may be accepted. As permitted by state or local laws or regulations, such codes of

conduct shall provide for penalties, sanctions, or other disciplinary measures for violations by the Parties' officers, employees, board members, or agents.

4. The codes of conduct contemplated in the preceding paragraph shall provide that none of the Parties' employees, officers, board members, or agents may participate in the selection, award, or administration of any contract or award supported by FRA funds if any real or apparent conflict of interest would be involved. Such a conflict would arise when an employee, officer, agent, or any member of their respective immediate family, partner, or organization employing, or about to employ, any of those individuals or entities, has a financial or other interest in, or tangible personal benefit from, an entity or person considered for a contract or award involving FRA funds.

5. The codes of conduct contemplated herein shall include procedures for identifying and preventing any real or apparent organizational conflicts of interest, which exist when the nature of the work to be performed under a proposed contract or award, may, without restriction on future activities, result in an unfair competitive advantage to the contractor or award recipient, or would impair their objectivity in performing the work for which the contract or award is granted.

6. The Parties are not required to adopt new written codes of conduct where there is an existing code of conduct in place to cover all of the elements contemplated herein, or where a state statute adequately covers the same.

7. The Parties are encouraged to adopt and enforce workplace policies to reduce accidents caused by distracted drivers, including policies prohibiting text messaging while operating company owned or company leased or rented vehicles, or government owned, government leased or rented vehicles, or privately owned or leased vehicles when performing

work for the Parties or when on official business for the Parties. This includes, but is not limited to, considering new rules or programs prohibiting text messaging while driving, or reevaluating existing rules and programs, conducting training, education, awareness and other outreach for employees regarding the safety risks associated with text messaging while driving, and encouraging voluntary compliance with such policies when off duty. The Parties are encouraged to include the substance of this paragraph in any contracts for work on the Project utilizing FRA funds. Where any of the Parties is located in a state that has enacted legislation regarding text messaging while driving, that state's laws control, and any such policies adopted may be more restrictive to meet the requirements of this paragraph, but must meet the minimum requirements of any requirements of that state's laws.

8. Where any of the Parties are relying on existing policies, procedures, or statutes to satisfy the requirements of this Section, a copy of the same shall be provided to SEAEDD, as grantee and grant administrator.

I. Accessibility and Participation

1. The Parties shall permit SEAEDD, as grantee and grant administrator, FRA, or either of their respective authorized representatives, to make site visits to monitor and review Project activities, accomplishments, and management control, and to provide any technical assistance that may be required. In the event such a visit is made, the Parties shall provide, or ensure provision is made for, reasonable facilities and assistance for the safety and convenience of SEAEDD, as grantee and grant administrator, FRA, or either of their respective authorized representatives to perform their duties during such visit. In fulfilling the obligations in this paragraph, the Parties agree they are responsible for ensuring any tenants cooperate in permitting such access.

2. The Parties shall permit SEAEDD, as grantee and grant administrator, to erect at any place where work for the Project is occurring, and maintain the same throughout the duration of the work on the Project, signs identifying the Project and indicating that FRA is participating in the funding of the Project.

3. The Parties agree to cooperate with SEAEDD, as grantee and grant administrator, in its facilitating the coordination of all activities necessary for implementation of the Project.

4. The Parties shall cooperate, and where required, participate with SEAEDD, as grantee and grant administrator, in monitoring and evaluating the progress of the Project through regular meetings throughout the duration of the Project. This includes, but is not limited to, as requested and required by SEAEDD, meeting with FRA for Project kickoff; hiring qualified consultants or contractors to perform required Project work; attending regularly scheduled meetings with FRA, as required and necessary; submitting invoices for SEAEDD review and approval prior to submission of the same to FRA; assisting and cooperating in Project close-out audits to ensure contractual compliance and in the preparation of the close-out report; assisting and cooperating with SEAEDD in submitting to FRA required documentation and other deliverables required under the Grant Agreement for the Project, including periodic requests and invoices; assist and cooperate with SEAEDD in complying with all FRA Project reporting requirements, including, but not limited to, status reports by task breakdown and percent complete, changes and explanations for changes in and updated versions of the Detailed Project Work Plan, Budget, and Schedule, descriptions of unanticipated problems and any resolution since the immediately preceding progress report, and summary of work scheduled for the next progress period; reading and understanding the terms of this Agreement and the Grant

Agreement; and notifying SEAEDD of changes that require written approval for the modification of this Agreement.

5. The Parties shall ensure that any of their tenants cooperate in providing access to the locations upon which the Project work is to be completed and will not permit any tenant to restrict access required for performance, or otherwise interfere or inhibit the progress of work for the Project or the performance of the Grant Agreement.

J. Amendments and Assignability

1. Modifications or amendments to this Agreement may only be made in writing signed by authorized representatives of all Parties. However, in the event FRA requires modification to the Grant Agreement, as set forth therein, none of the Parties may unreasonably withhold consent to modify or amend this Agreement as may be required by any such modification of the Grant Agreement required by FRA.

2. None of the Parties are authorized to assign their rights under this Agreement without SEAEDD's prior written consent, which may be withheld for any reason.

K. Entire Agreement, Authority, Execution, Severability, Miscellaneous

1. This Agreement constitutes the entire agreement between the Parties. All prior discussions, understandings, or agreements with regard to the Project are superseded by this Agreement.

2. Each of the Parties affirms and acknowledges that it has authority to enter into this Agreement and further affirms and acknowledges that any required resolutions or other similar actions have been duly adopted authorizing it to enter into and be bound by the terms of this Agreement.

3. Each of the Parties agrees that it will not permit, or take, any action that would result in it being deprived of the right and power to perform its obligations under this Agreement

and each of the Parties hereby agrees that it will act promptly to rectify any outstanding claims or rights of any person or entity not a party to this Agreement that might or could interfere with the performance of the obligations hereunder.

4. This Agreement may be executed in separate counterparts, each of which when so executed will be deemed an original.

5. Should any provision of this Agreement be held invalid, all remaining provisions shall continue in full force and effect to the extent not inconsistent with such holding.

6. The Parties shall not commence any work on the Project requiring FRA funding until authorized to do so by SEAEDD, as grantee and grant administrator.

7. This Agreement has been negotiated and prepared by the Parties and all Parties have had an opportunity to have their own counsel review and participate in drafting the same and each having done so, no provision of this Agreement shall be construed more strictly against one of the Parties.

8. As used in this Agreement, words in the singular include the plural, and words in the plural include the singular, in each case as the context may require.

9. Headings are for convenience only and do not constitute part of this Agreement.

10. The Parties agree that this Agreement shall be governed by the laws of the State of Arkansas and that venue for any cause of action arising out of this Agreement shall be proper in the circuit courts of the State of Arkansas having jurisdiction.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties now execute this Consortium Agreement as of the date first written above.

**SOUTHEAST ARKANSAS
ECONOMIC DEVELOPMENT
DISTRICT, INC.**

By _____

Title _____

**NORTH LOUISIANA & ARKANSAS
RAILROAD, INC.**

By _____

Title _____

**LAKE PROVIDENCE PORT
COMMISSION**

By _____

Title _____

**MADISON PARISH PORT
COMMISSION**

By _____

Title _____

DELTA SOUTHERN RAILROAD, INC.

By _____

Title _____

Attachment No. 9
August 18, 2020 Email from Hargrove to Marino

RE: INFRA Grant Award

John Marino <John.Marino@continentalrail.us>

Fri 8/21/2020 11:24 AM

To: Patrecia Hargrove <phargrove@southeastarkansas.org>

Mrs. Patrecia Hargrove,

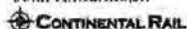
The Delta Southern will commit to completing the grant work outlined in our original estimates as detailed below.

The following is the construction estimate that we proposed:

MP	Priority - Miles				
	40% Ties per mile	3,500 Tons Ballast per mile	Tamping	Labor for Ballast / Miscellaneous	Total
500	\$ 120,680.00	108,500	6,000	15,180	\$ 250,360.00
499	\$ 120,680.00	108,500	6,000	15,180	\$ 250,360.00
498	\$ 120,680.00	108,500	6,000	15,180	\$ 250,360.00
497	\$ 120,680.00	108,500	6,000	15,180	\$ 250,360.00
496	\$ 120,680.00	108,500	6,000	15,180	\$ 250,360.00
495	\$ 120,680.00	108,500	6,000	15,180	\$ 250,360.00
494	\$ 120,680.00	108,500	6,000	15,179	\$ 250,359.00
493	\$ 120,680.00	108,500	6,000	15,179	\$ 250,359.00
492	\$ 120,680.00	108,500	6,000	15,179	\$ 250,359.00
491	\$ 120,680.00	108,500	6,000	15,179	\$ 250,359.00
	\$ 1,206,800	\$ 1,085,000	\$ 60,000	\$ 151,796	\$ 2,503,596

Thank you for your email and we look forward to working with you to complete this work.

John H. Marino, Jr.



2929 E. Commercial Boulevard, Suite PH-D
Fort Lauderdale, Florida 33308

Email: John.Marino@ContinentalRail.us

Office Phone: 855 946.7245

Mobile 703.629.6236

Web: www.continentalrail.us

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From: Patrecia Hargrove <phargrove@southeastarkansas.org>

Sent: Tuesday, August 18, 2020 12:43 PM

To: John Marino <John.Marino@continentalrail.us>

Cc: Wyly Giffoll <Wyly_Giffoll@msn.com>; tmurphy <tmurphy@bayou.com>

Subject: INFRA Grant Award

Importance: High

Mr. Jon Marino,

I need to have an answer in writing by 12 noon CDT on Friday, August 21, 2020 describing Delta Southern Railroad's intentions as far as the Consortium Agreement and the Grant Agreement to repair the track between Talla Bena, Louisiana and Lake Providence, Louisiana to a minimum of FRA Class I standards and provide service as described in the narrative of the INFRA application and INFRA award.

I look forward to your written response.

Patrecia Hargrove
Executive Director
Southeast Arkansas Economic Development District, Inc.
721 South Walnut Street
Post Office Box 6806
Pine Bluff, Arkansas 71611
870-536-1971 (Office)
870-536-7718 (Fax)
www.southeastarkansas.org



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Attachment No. 10
MD Power Presentation



MDGS IS AN APOSTILLE SEAL COMPANY

UNITED STATES APOSTILLE SEAL



CHINESE EQUIVALENT





April 2017

Fully functional 440 TPD Renewable Energy plant



Inez, Kentucky
July 2021

RST

MDGS

How are we Renewable Energy



Federal Renewable Energy Requirements-

As defined in 42 U.S.C. § 15852(b), renewable electricity is electric energy generated from solar, wind, biomass, landfill gas, ocean (including tidal, wave, current, and thermal), geothermal, municipal solid waste, or new hydroelectric generation capacity achieved from increased efficiency or additions of new capacity at an existing hydroelectric project. Per the Implementing Instructions for Executive Order 13834, for hydroelectric, "new" means placed in service after Jan. 1, 1999, consistent with the definition of new hydroelectric generation capacity in section 2852 of the National Defense Authorization Act for Fiscal Year 2007 as amended by section 2842 of the National Defense Authorization Act for Fiscal Year 2010 (10 U.S.C. § 2911(e)).

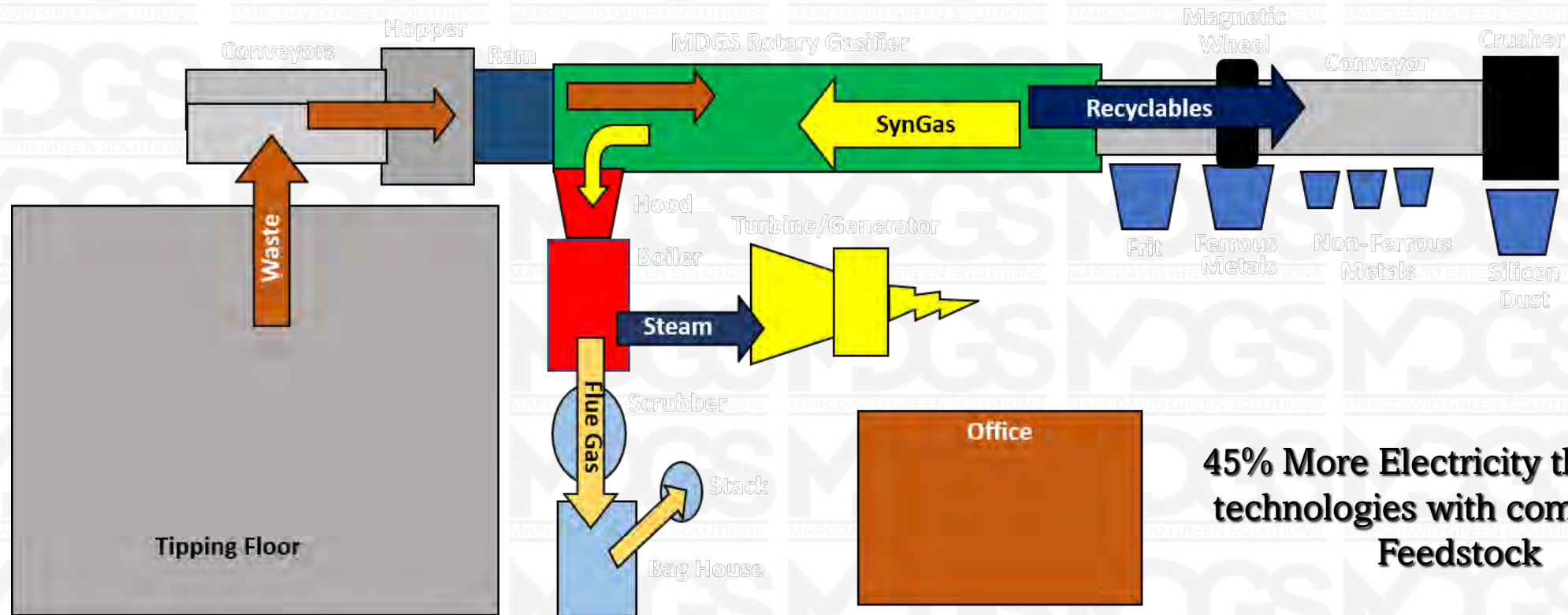
- Department of Energy



Inez, Kentucky Plant

- 3rd Party Verification of Electricity Production
- International feasibility study selecting our technology over all other current technologies.
- Letter of highest recommendation from a member of the EPA

Low Heat Rotary Gasification Layout



45% More Electricity than other technologies with comparable Feedstock

Operates 24/7 with 24 -30 employees

Path 1—Waste Stream

PATENTED/PROPRIETARY ROTARY GASIFIER

Scale House to 100% Recyclables

100% Recyclable



No Need for Landfill

SCALES—INDUSTRY STANDARD

- MSW/Fuel in



- 100% recyclables out



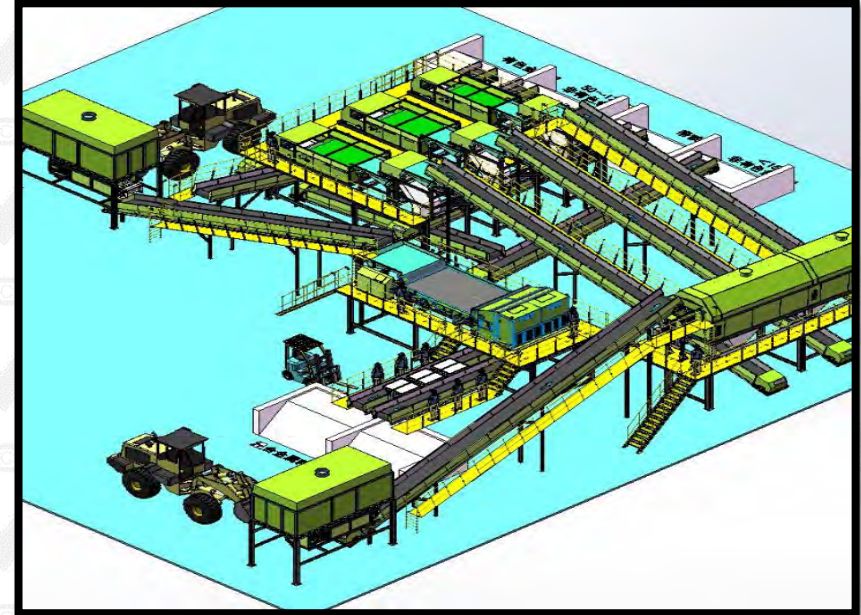
NO PRE- PROCESSING OF MSW!!!!



No Pre- sorting

No Pre- shredding

No Pre- treatment



**Drastically Reducing need for
Electricity (**Parasitic Load**), Land, Resources**

TIPPING FLOOR BASICS

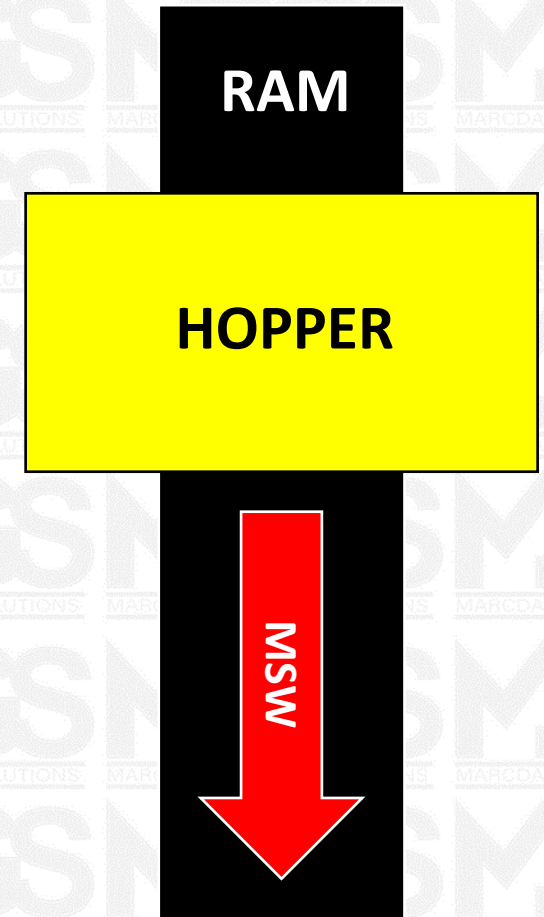


- Each Tipping Floor is Unique
- Large enough to mix and fluff MSW
- Completely enclosed with ID (Induced Draft) fans
- Sloped floor

MDGS

HOPPER/RAM

- Hopper (Giant Funnel) loads the high-powered Ram
- If it fits in Chute it can fit in Gasifier
- Design creates Oxygen Deprived environment— (1% O₂)
- It continually feeds gasifier through hinged gate



HOPPER AND RAM

HOPPER



RAM



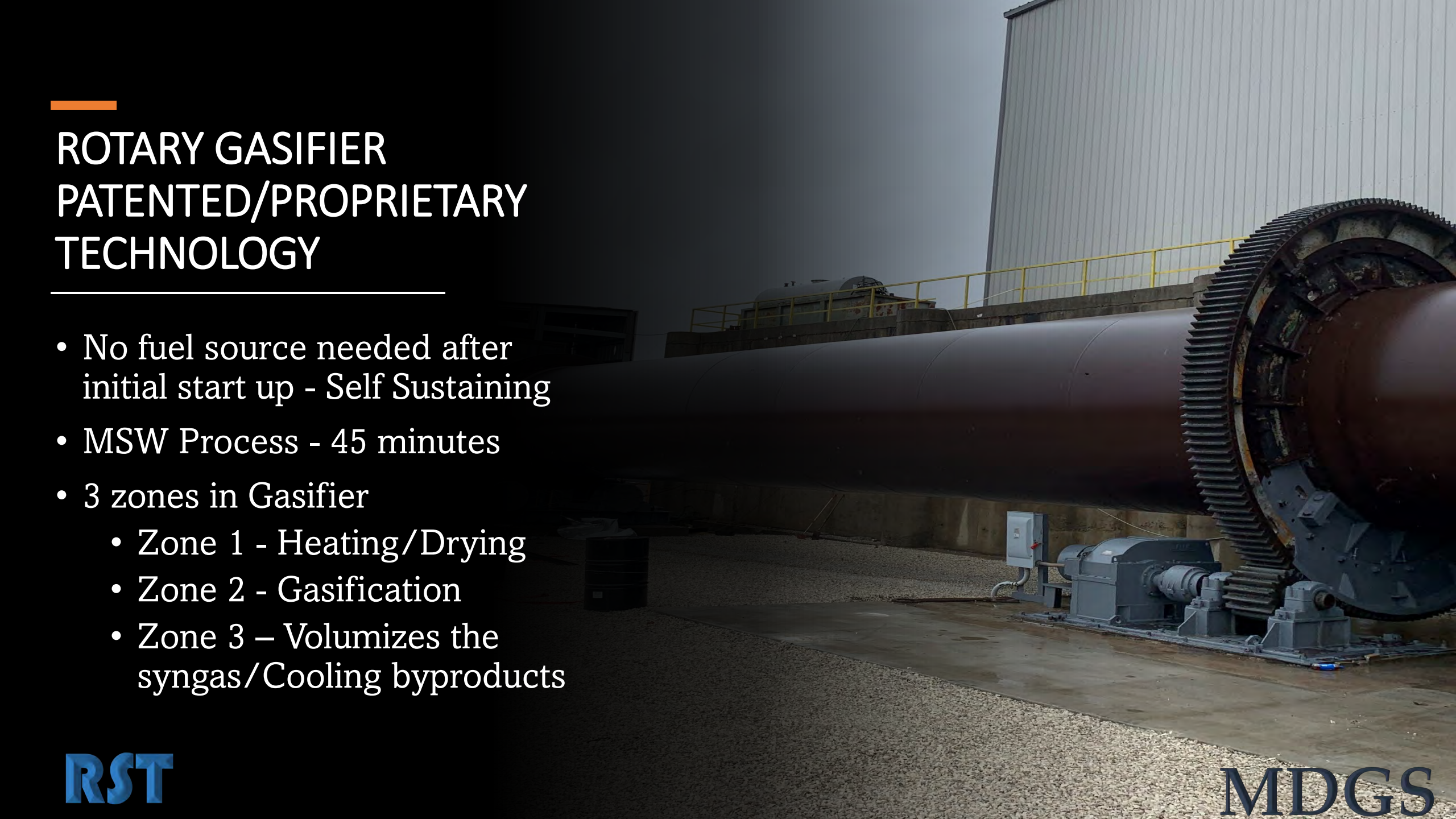
ROTARY GASIFIER PATENTED/PROPRIETARY TECHNOLOGY

- 10 feet diameter (3 meters)
- 120 feet long (36.5 meters)
- 4° slope
- 2 RPM
- Patented/Proprietary Refractory

RST

MDGS



A large industrial rotary gasifier is shown in an outdoor setting. The gasifier is a long, dark, horizontal cylinder supported by a concrete structure. At the right end, there is a large, complex gear mechanism with a motor. In the background, there is a large white industrial building with a yellow safety railing. The sky is overcast.

ROTARY GASIFIER PATENTED/PROPRIETARY TECHNOLOGY

- No fuel source needed after initial start up - Self Sustaining
- MSW Process - 45 minutes
- 3 zones in Gasifier
 - Zone 1 - Heating/Drying
 - Zone 2 - Gasification
 - Zone 3 – Volumizes the syngas/Cooling byproducts

ROTARY GASIFIER PATENTED/PROPRIETARY TECHNOLOGY

- MSW enters gasifier through the spiral flights
 - Approximately 400°F (204°C)
 - MSW is heated and dried
 - Prepares MSW for Gasification
-



ROTARY GASIFIER PATENTED/PROPRIETARY TECHNOLOGY

- All Organics are reduced to Syngas and give up all paper, plastics, etc.
 - Syngas Composition - Nitrogen, Hydrogen, Oxygen, Methane, Carbon Monoxide
 - 850°F (454°C) Gasifies Organics & Leaves Inorganics Whole
-



A photograph of an industrial facility, likely a biomass gasification plant. The scene shows a large, dark, cylindrical rotary gasifier in the background, partially obscured by structural elements. In the foreground, there's a concrete wall and a pile of dark, charred biomass residue. A yellow-painted metal structure, possibly a conveyor or part of the gasifier's support, is visible on the left. The ceiling features a series of parallel metal beams. The overall lighting is dim, with some light coming from the right side.

ROTARY GASIFIER PATENTED/PROPRIETARY TECHNOLOGY

- Fresh air introduced
- Assists syngas in reverse flow
- Cools byproducts for exit from the gasifier

EXPELLED RECYCLABLES

WASHER

ELECTRICAL WIRE

ALUMINUM FOIL

SODA CAN

HOSE CLAMP



EXPELLED RECYCLABLES

High Power Magnet recovers all fine metals for recycle and re-use.

Recycles all the way down to a staple as shown in the picture



Path 2—Emissions

PATENTED/PROPRIETARY ROTARY GASIFIER

Gasifier to Stack



Clean Cool Exhaust

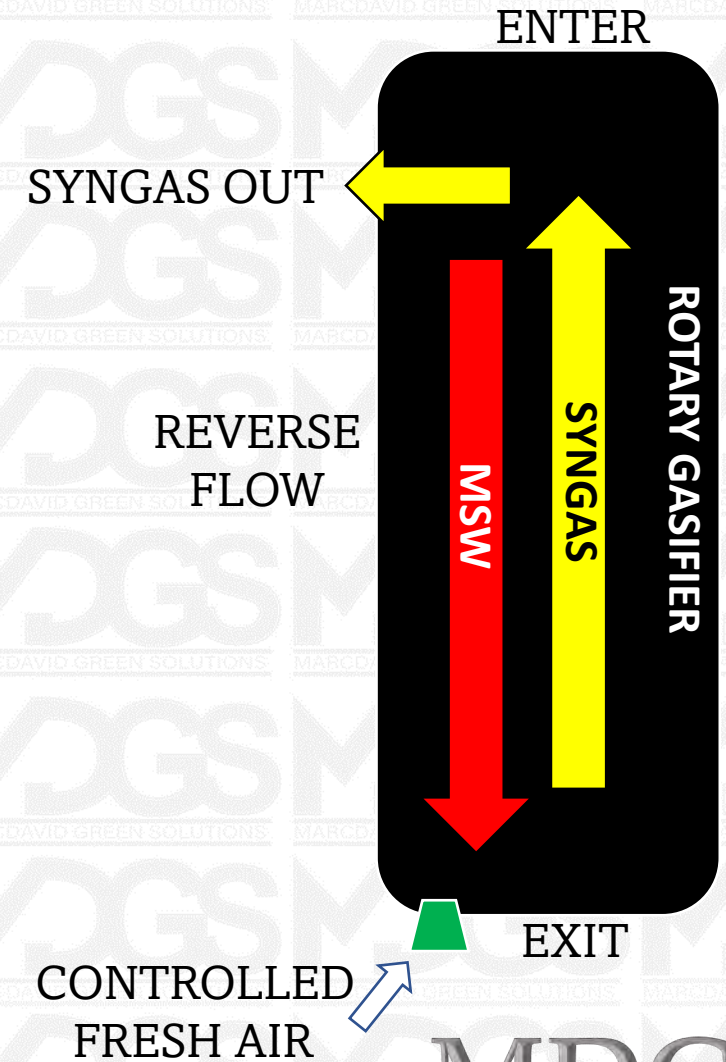
RST

MDGS

ROTARY GASIFIER

PATENTED/PROPRIETARY TECHNOLOGY

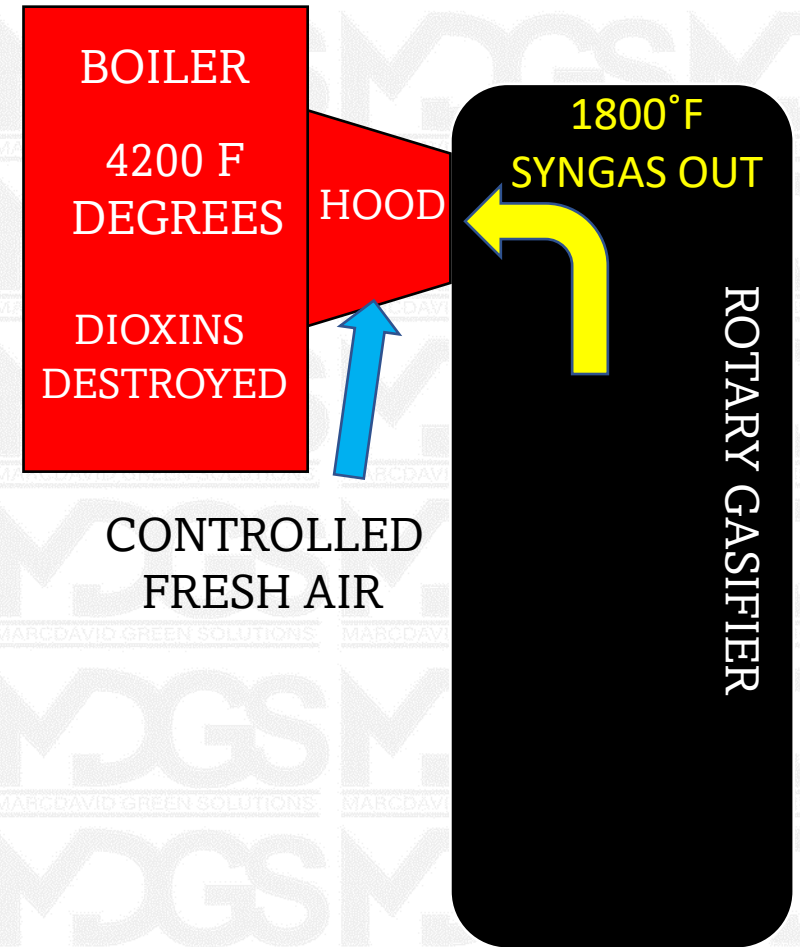
- System is Reverse Flow - As MSW works down the Gasifier, Syngas works back up to front
- Controlled amount of Fresh Air:
 - Diverts flow to beginning of Gasifier
 - Increases Syngas Volume
 - Increases Syngas temperature
(1800°F) (982°C)
- Syngas helps heat MSW - Then is extracted through the Hood



BURNER/BOILER

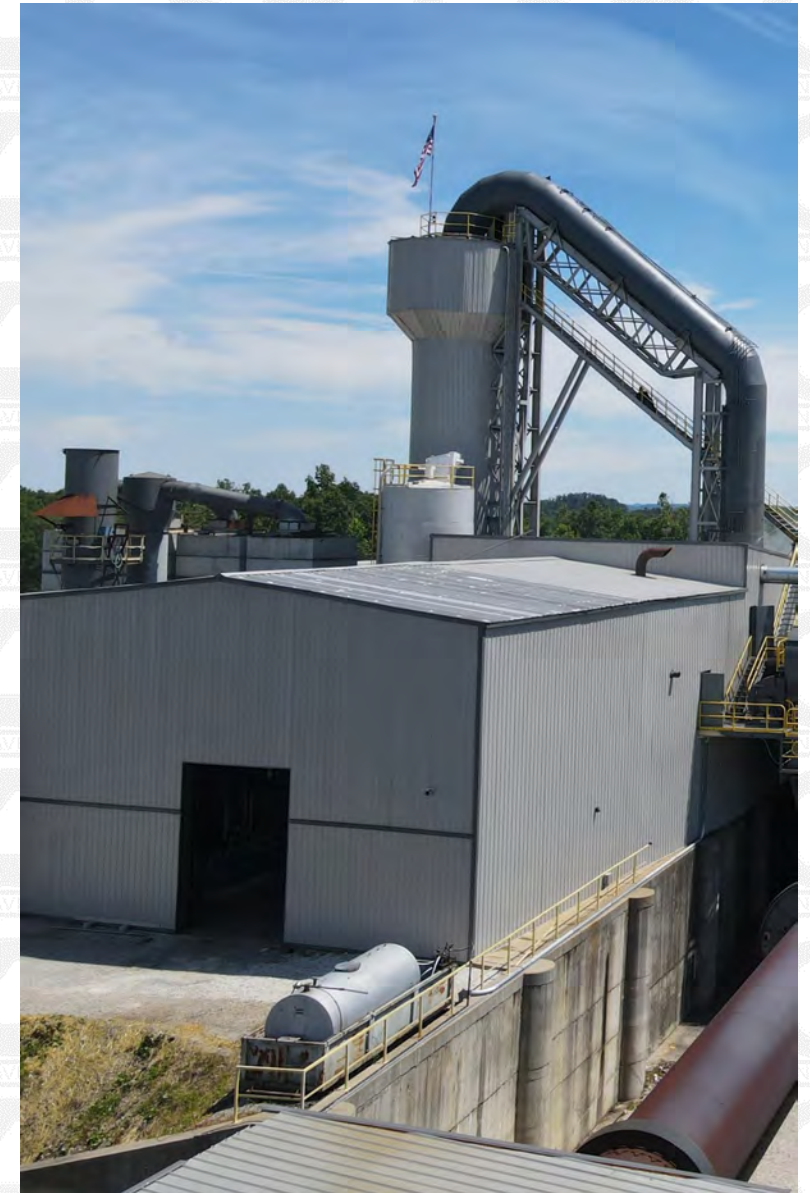
PATENTED/PROPRIETARY TECHNOLOGY

- Syngas is ignited as it enters Boiler (the only Flame in the entire process)
- Patented technology allows combusted Syngas to reach **4200°F (2315°C)**
- High temp destroys Syngas and **95%** of toxins including Dioxins



SCRUBBER

- Remaining Flue Gas moves to Mist Scrubber
- Flue Gas is sprayed with Activated Carbon and Lime Slurry to remove Acidic Gasses and Heavy Metals (Sulfur Dioxide SO_2)
- Slurry also cools Flue Gas for transport to Bag House
- Rapid cooling Below 300°F (148°C) prevents Dioxin formation



BAG HOUSE

- Bag House filters small particulates remaining in Flue Gas
- Intermittent shaking allows Fly Ash to drop from Filters
- (2%) Fly Ash is deposited in Bin for recycle—Mixed with Frit for Asphalt



STACK

47 FEET Tall
(14.3 Meters)

- Exhaust travels from Bag House to Stack

- Stack Exhaust

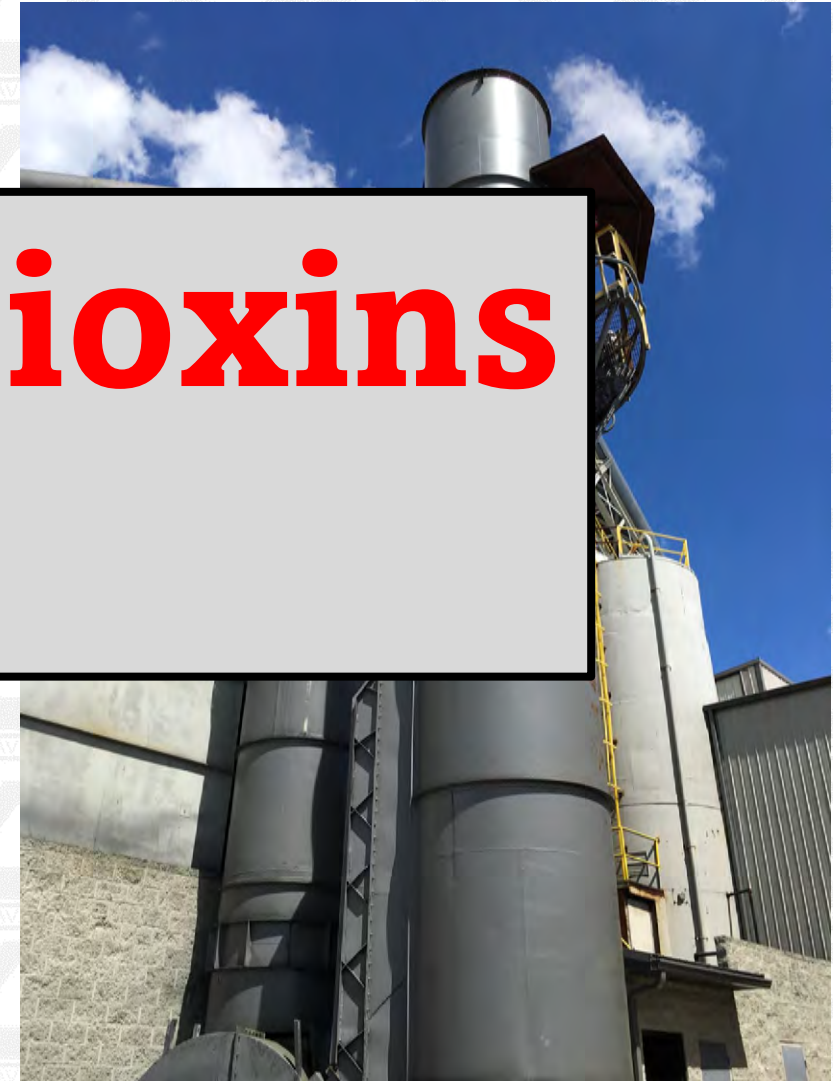
- Continuous System

exhaust meets all EPA standards

- Every 3 seconds - digital update
- Every 7 minutes - paper read out

*****WELL BELOW EPA STANDARDS*****

3.2ng/DSCM Dioxins
@ 7% O²



Path 3—Electricity

PATENTED/PROPRIETARY ROTARY GASIFIER

Gasifier to Turbine/Generator



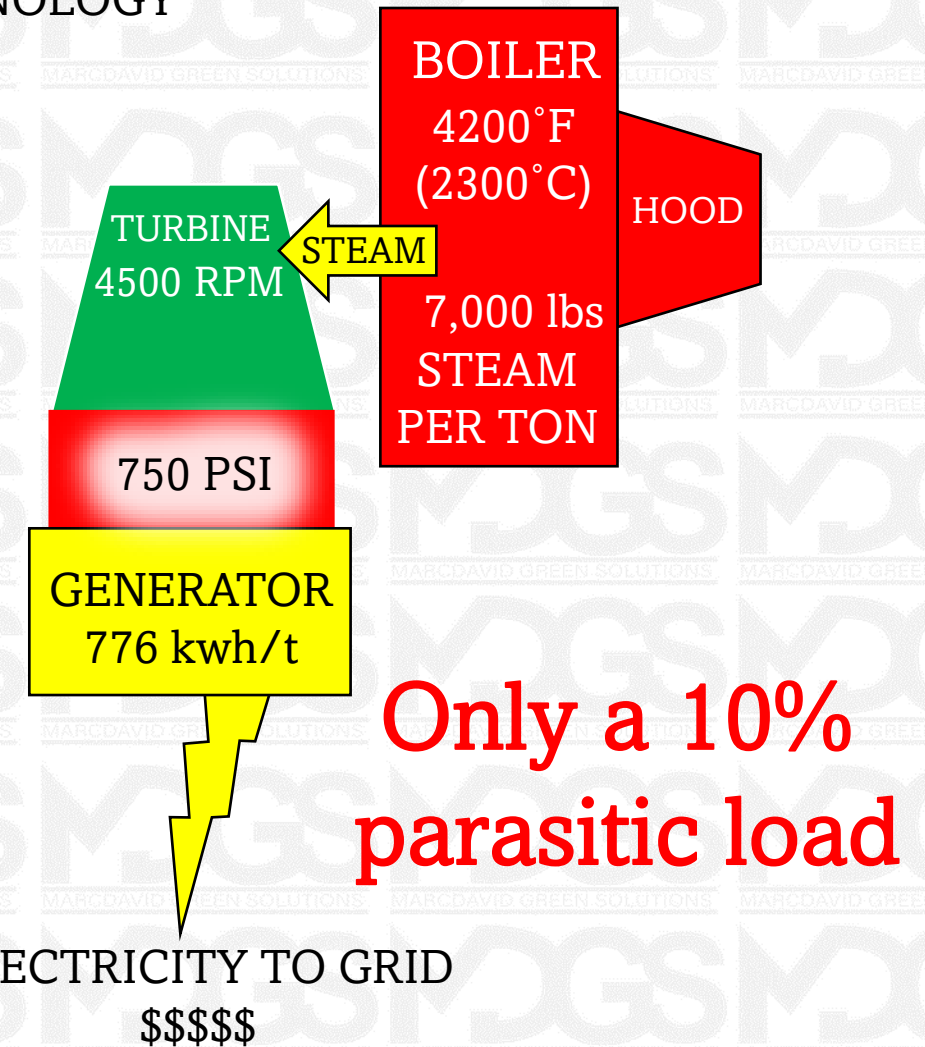
776 kwh/t

Base Load Electricity

STEAM PRODUCTION

PATENTED/PROPRIETARY TECHNOLOGY

- Boiler creates 7,000 Lbs. (3175 K/g) of steam per ton of MSW
- Steam reaches 750°F (398°C) at 750 psi—Powers Turbine—Powers Generator
- Electricity is sold to Grid



TURBINE/GENERATOR



SWITCH GEAR



RST



Arkansas Waste Numbers

- Arkansas has a waste generation per capita of .98 tons per year (5.36 lbs. per day)
- 2017 - 3,337,393 tons annually of waste was landfilled in Arkansas.
- 45.5% was recycled, but only #1 and #2 plastics can be recycled.

Why not #3-#7?

#3 - #7 plastics cannot be recycled at this time due to a lack of recycling markets. When recycling markets that can account for the recycling of these plastics are found, the program will be reinstated.

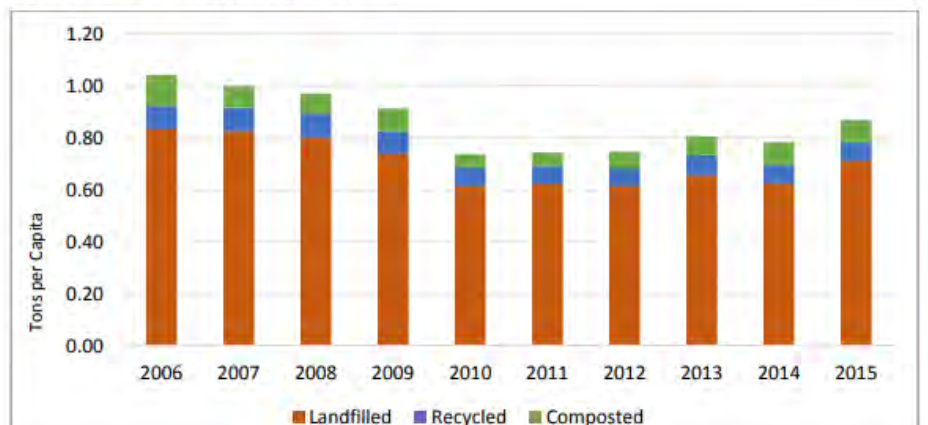
- While overall the amount of recycled plastics is relatively small—three million tons for a 8.7 percent recycling rate in 2018—the recycling of some specific types of plastic containers is more significant.

Table 2-1: Recovered Materials Marketed (tons)

Year	Glass	Alum. Cans	Mixed Paper	News	Card-board (OCC)	Chip-board with OCC	Steel Cans	Plastic Bottles	Scrap Metal	Concrete	E-Waste	Total
2015	1,315	75	951	633	2,507		108	292	124	43	26	6,074
2014	1,297	59	962	722	2,134	69	112	324	75	136	3	5,893
2013	1,357	57	952	754	1,925	206	110	252	68			5,681
2012	1,058	65	932	767	1,160	791	87	267	62			5,189
2011	1,010	73	848	892	1,175	827	110	252	114			5,301
2010	997	70	899	915	1,135	743	112	232	112			5,215
2009	1,144	63	867	1,096	1,113	727	112	266	126			5,514
2008	967	62	880	1,548	1,284	670	92	247	133			5,883
2007	897	48	773	1,749	1,153	718	102	247				5,687
2006	897	74	824	1,580	1,133	799	103	241				5,651
Avg.	1,094	65	889	1,066	1,472	555	105	262	102	89	14	5,609

Source

Figure 2-5: Tons per Capita Generation

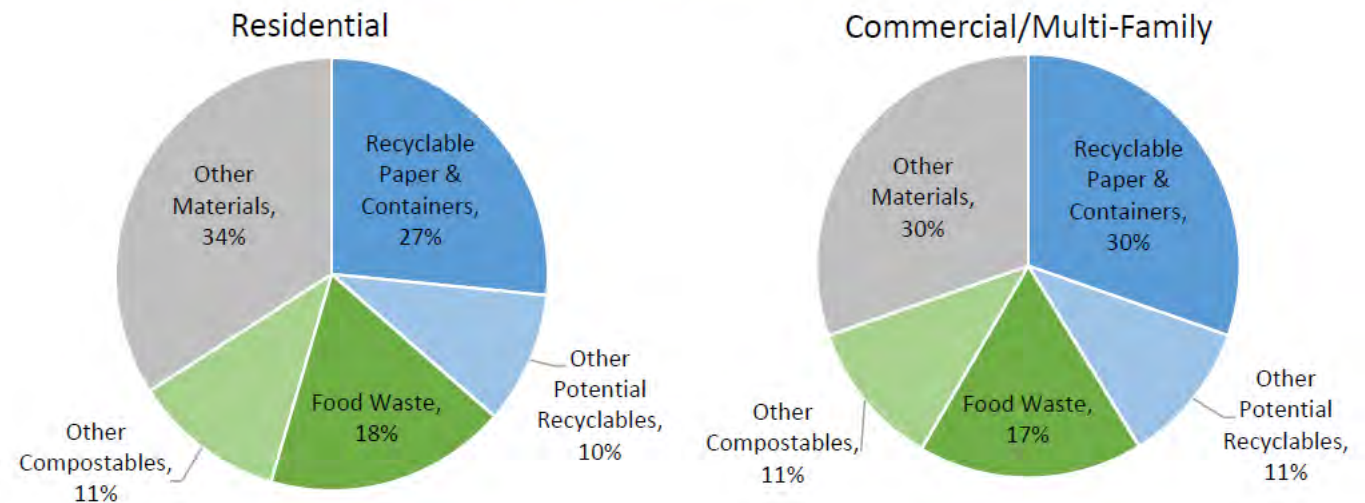


What can we do in Arkansas

- With a great BTU value in the MSW in Arkansas and tons of waste wood and agricultural waste for feedstock.
- RST gasification plant can provide 500 tons a day of treatment with low operational costs and high profits from electricity and tipping fees.
- 100% recycling of inorganics all the way down to a staple and recyclable byproducts.

City of Fayetteville, AR
Solid Waste Reduction, Diversion, and Recycling Master Plan
Section 2: Existing Materials Management System

Figure 2-6: Composition of Materials Landfilled (% by weight)



Questions?



MDGS

Jordan Boswell

Marc David Green Solutions

j.boswell@mdgsinc.com

813-763-8077

ATTACHMENT C

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, LOUISIANA.

ORAL DEPOSITION
OF
DANIEL B. ROBBINS
TAKEN FEBRUARY 27, 2026, AT 9:57 A.M.



Arkansas Diamond Court Reporting

*21043 Natalie Lane
Little Rock, Arkansas 72206*

www.arkansasdiamondcourtreporting.com

PHONE: 501.319.4807

1 (WHEREUPON, Exhibit 6 was marked for
2 identification and is attached hereto.)

3 Q Did you attend that meeting by telephone?

4 A Yes, sir, I did. Or was it Teams? One of the two.

5 Q Okay. A meeting was held; is that correct?

6 A Yes, a meeting was held.

7 Q Okay, and you attended that meeting?

8 A Yes.

9 Q Okay. On the third page, there's a map of the project
10 area. Does that accurately reflect what you described as -- in
11 your answers as the various Segments A through B?

12 A No. The project changed after Delta Southern withdrew
13 from the consortium.

14 Q When did Delta Southern withdraw?

15 A I believe that we -- I'd have to go back and look at
16 minutes and notes and whatnot, but it was not too long after
17 the award that Matt Prince advised that Delta Southern was
18 withdrawing.

19 Q Okay, and it was sometime before March 28th of 2023?

20 A That is correct.

21 Q And so the map that was used by the Federal Railroad
22 Administration and others was not updated to reflect that
23 change? Is that what I'm seeing in that map?

24 A I know that they've had discussions with the FRA about
25 Delta Southern's withdrawal; however, the grant is not to me,

1 and I don't administer it. So I'm not exactly -- I can't
2 answer that question for you, to be perfectly blunt, because I
3 don't do that.

4 Q Okay. Looking at some of the texts of the notes in March
5 28th of 2023, the first subcategory is track rehab for Segments
6 A and B. Those segments -- did those segments change, or are
7 those still the proper segment designations for A and B?

8 A Those are still the proper segment designations.

9 Q And as late as March 28th, 2023, it says, Contractor is
10 currently addressing deficiencies identified on a punch list.
11 So at this time, was the work complete?

12 A No.

13 Q It talks in the next subcategory about bridge rehab for
14 Sections A and B. In the second point, it talks about bridge
15 rehab scheduled to be updated when the contractor submits the
16 bridge material orders and receives the shipping dates. As of
17 March 28th, 2023, was the bridge rehab work complete?

18 A No, it was not.

19 Q When was the bridge rehab work completed?

20 A 2025, I believe.

21 Q If that's the case, are those bridges now able to support
22 FRA Class II designation?

23 A Well, a bridge support would be more like a weight.

24 Q I'm sorry. Let me rephrase my question. Are those
25 bridges now able to be designated as FRA Class II track?

1 Q Do you know how many contracts were let for work on
2 Segment C?

3 A I believe two, but again, you better ask Patricia. She's
4 administrator of the grant.

5 Q The email from the gentleman at HDR, which is Robbins
6 Exhibit 7 --

7 A Oh, from Shane Knight.

8 Q Oh, I'm sorry. From Shane Knight. Robbins 7.

9 A Okay.

10 Q The email at the bottom of the page, which is from Eric
11 Frostestad --

12 A Frostestad, yeah.

13 Q -- the last sentence of the first paragraph, it says, As
14 we've been discussing, we may need to adjust the Segment C
15 scope to match the available funding when we receive the
16 Segment C bids. Have you heard any discussion of running out
17 of money before Segment C can be completed?

18 A Not really. Because actually one of the calls we just had
19 was trying to figure out how to spend the last of the port
20 funding that was not consumed by the contract.

21 Q So will the full amount of the INFRA grant be spent on
22 just Segment A, B, and C?

23 A I believe there's a certain amount that was set aside for
24 the Madison Parish port, but again, I really don't know.
25 Because that's -- the grant came to the development district.

1 I don't administer it.

2 Q So you don't have any personal knowledge of how much INFRA
3 money is left to be spent?

4 A Just what they told me in the last meeting.

5 Q And what did they tell you in the last meeting?

6 A That there was about five, \$600,000 left. But I don't
7 know if that's five or \$600,000 as a portion to our end or 500,
8 \$600,000 total. I don't know. I'm not a party to that
9 conversation.

10 Q How much do you think it will cost to get the NLA line
11 from where it is today to being FRA Class II track?

12 A Approximately \$300,000.

13 Q 300,000 more?

14 A Uh-huh.

15 Q When you say, Mr. Robbins, that it's \$300,000 more, is
16 that \$300,000 more needed just for Segment A?

17 A Yes.

18 Q And how much more is needed for Segment B?

19 A I have not personally made a calculation on that one.

20 Q Do you have any idea how much more is needed for Segment
21 C?

22 A To receive Class II? Zero.

23 Q Because that one's already Class II?

24 A That is correct.

25 Q We're going to give you a document that is Robbins 11.

ATTACHMENT D

**STATE BOND COMMISSION**

April 18, 2024

Port, Harbor and/or Terminal Districts - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: L24-115
ENTITY: East Carroll Parish, Lake Providence Port Commission
TYPE OF REQUEST: \$10,000,000 Revenue Bonds
ANALYST: Brandon Rinaudo

PARAMETERS:

Not exceeding \$10,000,000 Revenue Bonds, not exceeding 6.75%, not exceeding 25 years, acquiring, constructing, repairing, rehabilitating or extending rail lines.

Bond proceeds will be used to acquire and rehabilitate 28-miles of additional railway at the Lake Providence Port. The railway will be leased to and operated and maintained by North Louisiana & Arkansas Railroad, Inc. (NLA). Acquisition of the railway is contingent upon approval from the Surface Transportation Board (STB), an independent federal agency that is charged with the economic regulation of various modes of surface transportation, primarily freight rail. Therefore, the proposed debt will not be issued until such approval is obtained.

NLA is a corporation organized and existing under the laws of Arkansas for which the principal officer is Timothy Robbins, president. NLA operates over 62 miles of line from McGehee, AR to Lake Providence, LA, formerly known as the Delta Southern Railroad.

The proposed debt may be issued as taxable due to private use of the railway.

Maximum Interest Cost	6.75%
Maximum Debt Service	\$918,350

Calculation of Coverage Ratio:

Excess Revenues Excluding Debt Service and One-Time Expenses*	\$ 496,326
Rail Revenues **	\$ 1,438,650
Revenue Available for Debt Service	\$ 1,934,976
Maximum Combined New Debt Service	\$ 1,154,881
Coverage Ratio	1.68

* Excess revenues are based upon unaudited financial statements for FYE December 31, 2023, excluding debt service and one-time expenses for professional fees related to the acquisition of the railway, and a one-time incurred costs of repairs and maintenance of an outdated dock that was completed in FY2023.

** Additional expected revenues under the Lease Agreement with NLA after acquisition and rehabilitation of the additional 28 miles of railway.

As stated above, the Commission does not intend to issue the proposed debt until approval for acquisition of the railway is obtained from STB, which is hoped to occur in FY 2024. The proposed debt will be structured as a draw down debt. The Commission intends to first draw the amount needed for the acquisition and immediately begin to rehabilitate the rail and draw funds as needed to the extent that the Commission can support debt service. As rehabilitation is being completed, additional rail revenues will begin to generate pursuant to the Lease Agreement. Once rehabilitation is complete, under the Lease Agreement, the rail will generate approximately \$1.4M per year which is sufficient for payment of the outstanding and proposed maximum annual debt service of \$1.2M.



STATE BOND COMMISSION

Coverage calculation presented above is based on proposed debt service schedules reflecting interest only payments beginning in 2025 through 2028, ranging from \$412,500 to \$675,500, with the first principal payment to occur in 2029. This assumes maximum parameters with a first draw in the amount of \$5M to occur in October of 2024 and then monthly draws totaling \$2.5M in year 2025 and \$2.5M in year 2026.

Outstanding Debt Secured by Same Pledge of Revenues Includes:
Taxable Revenue and Revenue Refunding Bonds, Series 2021

The Commission has applied for DOTD Port Priority funds in the amount of \$15M. There is a 10% match requirement, for which the Commission intends to find other sources of funding. If granted, the Commission intends to immediately use these funds to pay off any amount it has drawn on the bonds.

The application as currently submitted meets all legal and compliance requirements normally required for staff review with the exception of the provisions of 33:4712.10, which states "Notwithstanding any other provision of law to the contrary, no political subdivision shall purchase immovable property with a value greater than three thousand dollars unless prior to such purchase the property has been appraised by a qualified appraiser. No such appraisal shall include the value of improvements proposed to be made to the property after purchase by the political subdivision." Consultation with the Attorney General's Office indicates SBC approval could be provided with the provision that the applicant fulfill the requirements of La. R.S. 33:4712.10 prior to actual disbursement of proceeds for the purchase of immovable property and that no disbursement for purchase of immovable property will be in excess of the appraisal valuation.

Selection Method:	Private Placement
Purchaser:	Delta Bank
Terms:	
Interest Rate	Not exceeding 6.75%
Maturity	Not exceeding 25 years
Security:	Excess annual revenues above statutory, necessary and usual charges applicable fiscal years.

In a letter dated March 19, 2024, Delta Bank stated that they are willing to make the loan, subject to credit and document approval and other conditions.

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L24-115

Agenda Item # 15

Applicant: *

Lake Providence Port Commission

Parameters / Purposes: *

Not exceeding \$10,000,000 of Revenue Bonds (the "Bonds"), in one or more series, for the purpose of (i) acquiring, constructing, repairing, rehabilitating or extending rail lines owned or to be owned by the Issuer, and (ii) paying the costs of issuance of the Bonds. The Bonds shall mature no later than twenty-five (25) years from date of issuance and shall bear interest at a rate or rates not exceeding 6.75% per annum. The Bonds shall be issued in fully registered form and shall have such additional terms and provisions as may be determined by the Governing Authority.

Citation: Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended

Citation(s): *

See above.

Security: *

The Bonds will be payable in principal and interest solely from the Issuer's excess annual revenues above statutory, necessary and usual charges.

As Set Forth By: *

Resolution adopted by the Governing Authority on March 20, 2024.

Subject To:

to the applicant's compliance with the provisions of La. R.S. 33:4712.10 prior to actual disbursement of proceeds for purchase of immovable property and that no disbursement for purchase of immovable property will be in excess of the appraisal valuation.

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 15

		\$10,000,000 L24-115 East Carroll Parish, Lake Providence Port Commission Revenue Bonds April 18, 2024		\$7,000,000 S22-013 LCDA (St. Bernard Port, Harbor and Terminal District Project) Revenue Bonds April 21, 2022		
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Foley & Judell, LLP	Y	51,025	5.10	48,025	6.86
Co-Bond Counsel				0.00		0.00
Issuer Counsel	TBD	Y	10,000	1.00	7,500	1.07
Bank Counsel	TBD	Y	10,000	1.00		0.00
Co-Underwriter Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
Purchaser Counsel				0.00	20,000	2.86
Trustee Counsel				0.00	7,500	1.07
Total Legal			71,025	7.10	83,025	11.86
Underwriting						
Sales Commission				0.00		0.00
Management Fees				0.00		0.00
MSRP/CUSIP/PSA				0.00		0.00
Takedown				0.00		0.00
Day Loan				0.00		0.00
Placement Fee				0.00	42,000	6.00
Total Underwriting			0	0.00	42,000	6.00
Other						
Publishing/Advertising	East Carroll Banner	Y	2,500	0.25	2,000	0.29
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	5,775	0.58	4,125	0.59
Issuer Financing				0.00	3,500	0.50
Municipal Advisor				0.00		0.00
Trustee				0.00	6,000	0.86
Escrow Agent				0.00	35,000	5.00
Paying Agent	TBD	Y	2,500	0.25		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Miscellaneous Expenses				0.00	5,000	0.71
Total Other			10,775	1.08	55,625	7.95
TOTAL ISSUANCE COSTS			81,800	8.18	180,650	25.81

ATTACHMENT E

**Before the
SURFACE TRANSPORTATION BOARD**

STB Docket FD No. 36447

**Lake Providence Port Commission—Feeder Line Application--LINE OF
DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND
MADISON PARISHES, LOUISIANA**

VERIFIED STATEMENT OF DANIEL B. ROBBINS

1. My name is Daniel B. Robbins. I am the President, and head of Marketing of the North Louisiana & Arkansas Railroad (“NLA”). My address is 4416 S. Arkansas Ave., Russellville, AR 72802. I have personal knowledge of the facts stated herein and am duly authorized to present the Verified Statement on behalf of NLA. By way of personal background, I have been engaged in the railroad industry for 31 years and have 30 years of experience as a railroad engineer. During my career, I have worked as a conductor for the Union Pacific Railroad Company (“UP”) and in various positions, including engineer for the several short line railroads that are owned by Arkansas Short Line Railroad, Inc. (“ASL”), which is NLA’s parent corporation. In addition, I am a designated supervisor of locomotive engineers and a qualified track inspector.

2. NLA is one of the two (2) private short line railroads that partnered with the Southeast Arkansas Economic Development District (“SEAEDD”) and the Lake Providence Port Commission (“LPPC”) and the Madison Parish Port Commission (MPPC) in the public-private partnership (“PPP”) that is known as

the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project. Delta Southern Railroad, Inc. (“DSRR”) is the other short line railroad. In 2019, the PPP successfully obtained a FY 19-20 INFRA Grant from the U.S. Department of Transportation. The Grant funds are intended to be used to re-develop the entire McGehee-Tallulah Railroad Corridor (“the Corridor”), including the trackage between MP 408.9 and the point of interchange with the Kansas City Southern Railroad Company (“KCS”).

3. NLA currently owns, or by lease, operates sections of the Corridor between MP 408.9 and MP 471.0. If LPPC is authorized to acquire the track between MP 471 and the point of interchange with the KCS in Tallulah, Louisiana, NLA will enter into an extended lease with LPPC and, following the Board’s authorization, will operate over the entire Line, which has long been known as the Lake Providence Branch Line. NLA Railroad will operate the line from a point located in the middle of the line to be determined and provide tri weekly service to all stations on the line. This service will commence on the rehabilitation of Segment D, i.e., the DSRR line from Lake Providence, LA to the interchange location with KCS in Tallulah, LA. Until that time, NLA will provide tri weekly service from McGehee, AR to Lake Providence, LA and on demand service from Lake Providence, LA to Tallulah, LA.

4. The receipt of the Grant funds has enabled the owners to rehabilitate the track between McGehee and Lake Providence. Although work on the track continues, it is now possible to safely operate over it. By way of

background, in 2011, NLA began operating on the segment of the Corridor that LPPC and ASL had acquired from DSRR through an offer of financial assistance. The track was in a deplorable condition. As DSRR had admitted in its Petition for Exemption,¹ because of defective cross ties, and track alignment being out of compliance with FRA Class 1 standards at numerous locations, it had to embargo rail operations due to track conditions. DSRR also claimed that “operation of the Rail Line is unprofitable ... [and] there is no reasonable prospect for profitable operations”.² By that time, the shippers that had previously relied on rail service had disappeared and had, out of necessity, turned to trucks to move their traffic to UP in McGehee and KCS in Tallulah. Shippers located in the Madison Parish Port had no option but to use DSRR’s services if they were to continue shipping by rail.

5. To rehabilitate the tracks, NLA and its parent company invested over \$2.0 million of corporate funds. In addition, NLA, working with SEAEDD and LPPC, obtained funding for a portion of the needed repairs from the Arkansas Economic Developmental Commission GIF Funds. The Economic Development Department of the U.S. Department of Commerce also granted

¹ STB Docket No. AB-384 (Sub-No. 3X), *Delta Southern Railroad, Inc. – Abandonment Exemption – In Desha and Chicot Counties, Ark*, filed December 6, 2010, at p. 4 (“Petition”). See Exhibit D, V.S. Gilfoil at Attachment 6.

² Petition at p. 3. DSRR’s actions mirror Wainwright’s earlier comments in FD 34479, *Arkansas Midland Railroad Company-Emergency Service Order-Line of Delta Southern Railroad, Inc.*, dated February 27, 2004, that blamed DSRR’s inability to provide service and maintain and upgrade the Warren Line at the appropriate level for reliable service on the inadequacy of per car revenues. As he also acknowledged, this led to an excessive number of derailments. See Item 4 in Attachment 1 hereto.

SEAEDD and LPPC \$3.5 million to upgrade the track between Lake Village, Arkansas (MP 433.0) and Lake Providence, Louisiana (MP 471.0). NLA also sought Railroad Rehabilitation & Improvement Financing (“RRIF”) funding to rehabilitate portions of the line from McGehee Arkansas to the Arkansas/Louisiana State line. The RRIF loan was denied. Despite those efforts, there was much that remained to be done when the decision was made to establish the PPP and apply for a Grant from the United States Department of Transportation (“DOT”), which administers the Infrastructure for Rebuilding America (“INFRA”) Grants. As the photographs in the INFRA Grant Application demonstrate, in January and February 2019, NLA suffered major derailments due to track conditions that were exacerbated by DSRR’s previous owner and continue to impact safety and reliable rail service.³

6. In the Spring of 2015, I met with William Wainwright, who previously owned DSRR. I was aware at the time of an unmistakable decline in DSRR’s operations and facilities and was interested in acquiring DSRR’s tracks to be able to restore single-line service between McGehee and Tallulah that would link all shippers that are located on the corridor to UP and KCS. During our conversation, he told me that he had recently received an offer of \$3.5

³ See Feeder Line Application, Exhibit B, FY 19-20 INFRA Grant Application, Appendix A at A6 – A10. Prior to the filing with DOT, NLA sought an emergency loan guarantee from the Small Business Administration following these incidents, SBA declined that request. NLA’s inability to fully address the underlying track conditions has impacted multiple customers as NLA has had to embargo the use of the type of gondolas, which average 17 feet in height, that are normally used to transport cotton seeds and similar items.

million but would sell to me if I could match that offer within thirty days.

Before I could arrange my financing, Mr. Wainwright consummated the sale.

Even though I was disappointed, I was later delighted to learn that J.D.

Ventrcek was involved in the sale and would manage DSRR's operations. I first

met Mr. Ventrcek when he was President and Chief Operating Officer of

Weyerhaeuser's Arkansas and Oklahoma railroad operations. He later became

Senior Vice President Corporate Development with Patriot Rail. In addition, he

served as President of the Arkansas Short Line Association and the Chairman

of the Rail Advisory Committee for the State of Louisiana.

7. On August 12, 2015, I was invited to meet with DSRR's officers to discuss future joint efforts to expand and coordinate our rail operations. Mr. Ventrcek and I were joined in the meeting by John Marino. They told me that John Marino and his father had recently set up Continental Rail, LLC ("Continental Rail"). They also implied that Continental Rail's acquisition of DSRR's operations had been financed by a California-based private equity firm.⁴ They assured me that they were fully committed to the task of rebuilding DSRR and were going to improve DSRR's facilities and operations.

⁴ I did not learn that Continental Rail was not DSRR's owner until July 15, 2016. That was the date that Golden Gate reached out to me to acquire all four (4) short line railroads that are owned by ASL. During those negotiations, I learned that Golden Gate had insisted that Mr. Marino was not to reveal Golden Gate's involvement in West Bank Intermediate Holdings, LLC, which had been formed by Golden Gate to acquire DSRR's stock. After several sessions of negotiations with Golden Gate, its offer was declined.

Furthermore, they intended to expand the business by reestablishing DSRR's links to UP at McGehee.⁵

8. This was great news for NLA, which could look forward to substantially increased operations and revenues to be earned from interchange operations with DSRR. I assumed that Mr. Ventrcek would quickly act to reduce DSRR's inventory of stored cars to enable DSRR to reach NLA and satisfy its rail common-carrier obligations that were not served by the storage of railcars on DSRR's mainline, especially when car storage interfered with interchange operations. As a veteran short line operator, Mr. Ventrcek knew that if DSRR were to provide any interchange operations, it would first be necessary for DSRR to clear the entire corridor between MP 471 and MP 491 on every trip before dispatching its locomotive to MP 472.25 to pick up any cars that had been placed in interchange by NLA. As I can attest, the constant need to move several hundred stored railcars every time a single car was placed in interchange would raise logistical nightmares when DSRR does not have any tracks of its own where it can momentarily place the cars that will have to be pushed back into storage after interchanged cars have moved past the line of stored cars.⁶

⁵ As the record reflects, the Lake Providence Branch Line was owned by Missouri Pacific Railroad Company ("MP") until 1989. At that time, UP, which controlled MP, was in the process of selling numerous branch lines that were owned by MP to short line operators in the State of Arkansas.

⁶ It is my understanding that Terry Murphy, the Executive Director of the Madison Parish Port, has detailed the adverse impact on the Port and its

9. To illustrate the severity of the situation, on April 23, 2021, I counted at least 471 cars that DSRR had in storage on the mainline between MP 491.0 and 480.6. Assuming an average car length of 60 feet, the stored cars would create a train that is 28,260 feet (over 5.3 miles) long. That in itself raises questions as to where the cars would be temporarily stored while DSRR's locomotive travels to MP 472.5, where it would pick up cars that NLA would have placed in interchange. If the interchanged cars are to be interchanged with KCS, a further question is raised as to how DSRR expects to pass the stored cars that are temporarily stored on the mainline. Plainly, the storage of railcars on DSRR's mainline is not compatible with efficient interchange operations, which is why Wainwright disabled the track north of MP 471.0.

10. During the meeting, Mr. Ventrcek asked if I would do joint marketing initiatives with Craig Huff, who had worked with him at Patriot Rail. I quickly agreed to do so. Craig Huff and I immediately started looking for new business, which included joint marketing efforts that took us to Overland Park, Kansas, Kansas City, Missouri, Vicksburg, Mississippi, and other places. In fact, when Mr. Huff was asked by Mr. Marino to prepare estimates of shippers and revenues that he and I had identified for inclusion in DSRR's 2016 Budget, Mr. Huff, who was not familiar with NLA's contacts, called me to prepare an estimate of potential revenues that would be earned during the first six (6) months of operations that would follow the reopening of the entire Lake

tenants that is caused by DSRR's switching activities that regularly block road crossings leading to the Port and the Port's private tracks.

Providence Branch Line. As I recall, the estimated revenues exceeded \$600,000. It is my understanding that the estimate was used in DSRR's 2016 budget. A list of customers that indicated they would ship by rail once the tracks were restored is attached hereto as Attachment 4.

11. Consistent with the comments that were made in our June 2015 meeting, the needed repairs were begun. Initial repairs were concentrated on DSRR's bridges, and the track located between the Madison Parish Port (where they had relocated DSRR's headquarters) and the interchange with KCS. For a while, DSRR reduced the miles of stored cars that Wainwright had welcomed. Everything began to change when Mr. Ventrcek left Continental Rail.

12. Before he left, DSRR and NLA began interchange operations for Complex Chemical, which was and still is the largest rail shipper on DSRR's system. While some of Complex Chemical's cars were moved without incident, problems developed that are solely attributed to UP's EDI computer system's failure to recognize that Arkansas Midland Railroad ("AKMD") and NLA needed notification of car movements for DSRR interchange in Lake Providence, Louisiana. That caused UP to fail to alert AKMD and NLA when Complex Chemical's cars arrived in McGehee. That caused cars to be lost in AKMD's yard in McGehee and severely impacted NLA's ability to timely deliver cars to Complex Chemical. I will admit that this generated a series of irate emails from Complex Chemical and Jerry Melton, who is its CEO. Although those problems were finally resolved in early 2017, DSRR, without prior notice, abruptly closed

interchange on August 24, 2017. As I explained in an email that I sent to Gene Higginbotham at SEAEDD:⁷

The NLA interchanged cars on 8/23/17 to the DSRR at Lake Providence. We received word today from Inteletrans that the DSRR said the interchange was closed. After a call to DSRR (Craig Huff and Matt Prince) they confirmed the interchange was closed based upon track issues on the DSRR side. They are suppose[d] to be taking the steps to embargo the interchange. We notified DSRR on Tuesday we had cars for them but they made no mention of a closed interchange. The cars in question will have to be rerouted to DSRR via UP at someone's expense. We are awaiting the rebilling now. The 8 cars in question came in while the State of Louisiana had the NLA removed at Lake Providence for the flood mitigation project. Of the 8 cars in question 3 are Complex chemical cars that arrived on NLA on 4/20, 4/27 and 5/12. The other cars are assigned to Top Rail Solutions as storage cars.

I ended up having to take the Complex Chemical cars back to McGehee to interchange them with UP, which then took them to Monroe and interchanged them with KCS which, in turn, interchanged them with DSRR. After I reached an agreement with Mr. Huff, he drove to the point of interchange and hitched a ride on NLA's locomotive which slowly pushed the Top Rail Solutions' cars to a point on DSRR's track for storage. Most importantly, the fact that Complex Chemical was able to use the track to reach NLA as late as August 2017 belies DSRR's repeated arguments that it was not aware of any prospective customer that sought to make use of its "long-out-of-service" Line. Because Complex Chemical was, and still is, DSRR's largest

⁷ In August of 2017, NLA was working with SEAEDD and sharing information for use in the initial INFRA Application.

customer, how was it possible for Jon Ryan, DSRR's current CEO, to overlook it?

13. In Mr. Melton's Verified Statement, which is filed herewith as Exhibit L, he has provided the Board with estimates that reflect Complex Chemical's need to reach UP directly and avoid having to interchange with KCS and UP to be able to reach customers that are captive UP customers. In addition, he has faulted DSRR's refusal to maintain its rail that has imposed a penalty on Complex Chemical.

14. In addition, Mr. Melton has confirmed Mr. Murphy's testimony, as well as mine, that DSRR's storage activities create problems at the crossing as the entrance of the Port is blocked excessively when DSRR is switching storage cars. Given the above, Complex Chemical supports LPPC's acquisition and restoration of the entire Lake Providence Branch.⁸ Based on the adverse impact of DSRR's multi-year refusal to restore the track between MP 491.0 and MP 471.0, Complex Chemical views "DSRR's owner's self-imposed refusal to bear the cost of maintaining its own line as a restraint on trade and contrary to the public convenience and necessity and the public interest."⁹

15. Apart from the interchange movement, in September 2022, of the specialized Schnable car, no interchange occurred even though Mr. Huff and I unquestionably discovered a current need for service over the entire Lake

⁸ It is noted that Complex Chemical, recognizing the need to preserve rail service, protested MP's abandonment of the Line in 1988.

⁹ Exhibit L, V.S. Melton at p. 3, ¶6.

Providence Branch Line. This, of course, is proved by DSRR's very recent steps to improve the track so that it could showcase its new-found ability to move the Schnable car over the tracks that it finally worked on this past summer. NLA, pursuant to the Trackage Rights Agreement that NLA assumed from LPPC, NLA is permitted to inspect the interchange track between MP 471.0 and MP 472.25. In Section 4 of that Agreement, entitled "Maintenance" DSRR agreed that it shall "at its sole cost and expense, commence all work necessary to rehabilitate the Joint Trackage into FRA Class 1 track conditions. Thereafter, DSRR shall maintain the Joint Trackage in FRA Class 1 track condition for the term of this TRA, subject to the provisions of Section 3 above concerning allocation of such costs." The term "Joint Trackage," was defined in the TRA as "DSRR's tracks entitled between Milepost Nos. 471 and 472.25." Because Mr. Wainwright never bothered to rehabilitate that little segment to FRA Class 1 status, the provisions of Section 3 have never been applied.¹⁰

16. On March 22, 2022, the day before I announced that the Line between McGehee and MP 471.0 was reopened for full service, I informed Jerry Melton, the CEO of Complex Chemical, that I had one of his cars and would place it in interchange with DSRR. In response, Mr. Melton told me that he had "no confidence that DSR can get to and from Lake Providence over their bad track no matter what they were saying." I have been authorized by Mr. Melton to state that he told me not to place the car in interchange at MP 471, but to

¹⁰ See Attachment 2 hereto, Relevant provisions of the Trackage Rights Agreement.

take it back to McGehee from Lake Providence. I thanked Mr. Melton and told him we would await billing instructions for his car to send it back to UP in McGehee, where it would be forwarded to Monroe, and then moved over KCS, then DSRR to his facility.

17. After my conversation with Mr. Melton, I instructed NLA's track inspector, who is duly qualified consistent with FRA regulations, to inspect the Joint Trackage track between MP 471.0 and 472.25. On March 29, 2022, NLA's track inspector spent most of the day inspecting the track.¹¹ As he discovered, DSRR has recently taken some steps to address the tracks condition, however, he still identified 45 defects between MP 471.0 and 472.2 that include tie defects, gauge defects, cross level defects, broken rail defects, joint bar defects and even a vegetation defect involving a tree down across the track. Given his findings, I must question whether all such defects could be cured in a couple of weeks. If the Joint Tracks had been classified as FRA Class 1, DSRR would potentially face several thousand dollars of fines following an FRA Track Inspector's visit. In fact, the potential of incurring huge fines is preventing NLA from upgrading its track to FRA Class 2 status until all work is completed. Until that is done, all operations will move at the highest speed possible. To the best of my knowledge, the DSRR track, also somewhat improved, will require further rehabilitation after it is acquired by LPPC.

¹¹ See Attachment 3, Track Inspection Report.

18. I, and NLA's other locomotive engineers, have now operated for more than eleven (11) years over the track that is located between MP 408.9 in McGehee and MP 472.25, including time before they were rebuilt with the INFRA Grant funds, there is no excuse for DSRR's prior refusal to take "baby steps" to address the track issues. Because I am aware that Mr. Ventrcek was trying to take those steps from the moment that he was placed in charge of new business development over the track, the failure to continue to take those steps must be attributed to DSRR's San Francisco-based owners who have no apparent railroad experience. Instead of focusing on the needs of shippers and their railroad's common carrier obligations, it is obvious that DSRR's owners did not want rail storage revenues to be diminished. Nor did they want to attract new interchange business that would require them to invest in upgrading their railroad's tracks. As I first learned from Craig Huff in 2021, after Mr. Ventrcek resigned, he was instructed by John Marino and Jon Ryan to stop working with me to develop new business that would require interchange with NLA and to focus on revenues earned from railcar storage.

19. Having spent several millions of dollars to repair the track between 2011 and 2017 when the first INFRA Grant was filed, I do not question DSRR's claim that it would require several million dollars to rehabilitate its track to FRA Class 2 status. However, if DSRR had continued Mr. Ventrcek's efforts to take a series of small steps to make the track passable, similar to the efforts that NLA, SEAEDD and LPPC took, the cost to DSRR's owners of bringing the track to FRA Class 2 status in one giant step would have been far less than the

\$11,448,000 that DSRR originally sought for Rail Infrastructure Rehabilitation to FRA Class 2 status.¹² Based on my long experience in the rail industry, if the track that NLA acquired is used as the basis of comparison, it is readily apparent to me that DSRR's track between MP 471.0 and MP 491.0 continued to deteriorate further after West Branch acquired DSRR in June 2015. As a result, it does not surprise me that if DSRR only spent \$2,300,00 between 2015 and November 2017 to upgrade the entire track between MP 471.0 and the KCS interchange that it might require more than double the amount that NLA needed to rehabilitate the 24.1 miles of track between MP 408.9 and MP 433.0.

20. In the attempt to scale down the project to meet DOT's offer, Jon Ryan, in December 2019, proposed spending \$2,503,596 to rehabilitate the ten (10) miles of track between MP 500 and MP 491 that he referred to as DSRR's "Priority Miles." In her letter, dated March 17, 2020, that requested FRA's approval of scope changes, Patrecia Hargrove requested an allocation of \$3,207,789 to rehabilitate the 20-mile segment to FRA Class 2 status. That proposal, which was accepted by DOT and FRA, would leave only \$704,193 to be spent on the segment between MP 471.0 and MP 491.0 if \$2,503,596 were to be spent to rehabilitate Ryan's "Priority Miles." Using DSRR's cost estimate, DSRR (or its successor) would need an additional \$8,200,211 to cover the cost

¹² See Feeder Line Application, Exhibit B, INFRA Application at Table 4: Future Eligible Costs by Segment.

of bringing the segment of track between MP 471.0 and MP 491.0 to FRA Class 2 status.

21. By way of comparison, the section of track that NLA acquired from DSRR is 24.1 miles in length as compared with DSRR's section, which is 27.6 miles in length. The highest bid to reconstruct NLA's track was \$5,308,297, while the lowest bid was \$4,163,507. DSRR's estimate, which covers 27.6 miles of track, is more than double the bids that NLA received for similar mileage. Either DSRR is exaggerating the costs required to rehabilitate its track or DSRR has done very little to repair its share of the Lake Providence Branch other than rehabilitate Mr. Ryan's 10 priority miles.

22. Because Matt Prince, Continental Rail's Director of Operations, in an email dated September 21, 2017, told me that "We bowed out of the grant application for the time being as we simply cannot afford to spend the cash right now," I was aware that DSRR was struggling. However, having worked with Craig Huff to develop new business that reflected several hundred thousand dollars of potential income in the first six (6) months after the track between MP 471.0 and MP 491.0 was repaired, I could not understand why none of our joint efforts had produced any new revenues. Nor could I understand the reasons for Mr. Huff's seeming indifference to look for other business development opportunities prior to his resignation from DSRR. In any event, no one at DSRR reached out to me to renew such activities after Mr. Huff resigned as DSRR's General Manager.

23. It was months after LPPC filed its original Feeder Line Application (November 12, 2020) that I finally learned what had happened. In March of 2021, I received a call from Mr. Huff who told me that he had been reading the pleadings in the proceeding and was troubled by comments in some of DSRR's pleadings. He suggested that we should try to contact Donald Bush who had been the manager of a small company named Bayou Bioenergy ("Bayou") He also provided Mr. Bush's cell phone number.

24. Mr. Huff's call caused me to recall that in December 2016, I had been contacted by Mr. Bush who advised me that Bayou had recently opened a facility in Lake Providence and was currently moving all of its product by truck. However, he was attempting to expand Bayou's business to include shipments by rail of glycerin product and wet methanol to some new customers. He also wanted to know whether his company could use a NLA spur line located in Lake Providence for purposes of transloading product from Bayou's facility that was located within a mile of the spur. We had several conversations about potential movements and the need to work jointly with DSRR to move product over the KCS, which offered lower rates to certain locations than UP, which could be reached directly from Lake Providence.

25. I explained that to reach KCS, NLA would spot tank cars on the spur at MP 469.0 for loading and then move them to the point of interchange that had been established with DSRR between MP 472.2 and 472.5 just to the south of Lake Providence, a distance of only 3.5 miles. DSRR would then move

the loaded tank cars directly to KCS at Tallulah. At that time, we were interchanging freight with one another at the above-mentioned location.

26. Mr. Bush and I then contacted Mr. Huff who, at the time, was DSRR's General Manager. During our conversations, Huff expressed a willingness to work with NLA and Bayou to handle the shipments consistent with the reestablished interchange between DSRR and NLA. After the initial conversations with Mr. Bush, I did not hear further from Bayou and assumed, based on occasional sightings of trucks entering and leaving Bayou's facility in Lake Providence, that it had not yet reached the point where rail service was needed.

27. As Mr. Huff explained in our conversation in March 2021, after we spoke about the Bayou project in 2016, he had been directed to refuse interchange with NLA and to tell Bayou that it would only work if it trucked its product to the Madison Parish Port. Thereafter, without speaking further with me, he had refused to interchange with NLA in Lake Providence and forced Bayou to truck its product to DSRR's transload facility at Madison Parish Port for placement in tank cars.¹³

28. A bit later in 2021, Mr. Huff further explained that after Mr. Ventrcek resigned from Continental Rail in late 2016, he had been informed by John Marino and Jon Ryan that because new business did not fit DSRR's

¹³ Mr. Bush's Verified Statement that confirms the foregoing is attached as Exhibit K.

strategic objectives, he was to stop working with me to develop new business and inform shippers that due to conditions beyond his control, it would not be possible to move traffic that involved an interchange with NLA.

29. The bottom line is that there are multiple customers on the NLA track that for several years could not receive any rail service over two thirds of the Lake Providence Branch Line because of Wainwright's attempts to abandon various segments of the Line. After the sale to West Branch, DSRR's repeated refusal to upgrade its track so that it could accept interchange at Lake Providence also interfered with shippers' efforts to receive adequate rail service. Such shippers include PotlatchDeltic, Clearwater Paper, as well as Livingston Pecan and Metal, Inc. Although they have repeatedly expressed an interest in gaining access to KCS, this has proved to be impossible due to DSRR's refusal to open its track between MP 471 and MP 491. As a result, these companies, and several other shippers in the area are still "waiting to see what happens" while continuing, in some instances to ship via truck at a greater expense to themselves, and to the detriment of the local community.

30. Since 2017, there have been several instances when DSRR, under its new ownership, declined to interchange traffic with NLA at MP 471. In addition to the incident that was previously discussed which involved Complex Chemical's cars, in 2019, Epstein Gin and Transload Co. tried to ship cottonseed out on NLA to be interchanged with KCS. DSRR refused to accept the cottonseed. In 2020, Complex Chemical had both loaded and empty cars on

the UP interchange in McGehee Arkansas bound for Madison Parish, Louisiana. Because DSRR advised UP and NLA that it would not come to Lake Providence to retrieve the cars, the cars had to be re-routed to the UP at McGehee, and then to the KCS at either Shreveport or Monroe, Louisiana and then to DSRR for delivery to the customer. This resulted in increased costs and delay to all parties.

31. The foregoing actions not only harmed the shippers, but they also harmed and interfered with the joint efforts of LPPC, SEAEDD, MPPC and NLA to improve rail operations and thereby benefit the rural region and help catalyze greater opportunities for economic development. That, of course, was recognized by the DOT when it provided financial assistance to the unique public-private partnership. In addition, the foregoing actions, which are contrary to the public convenience and necessity, have financially harmed NLA and adversely impacted its ongoing efforts to rehabilitate the entire Lake Providence Branch Line that DSRR's owners allowed to deteriorate and refused to rehabilitate so that they could collect the "easy money" earned from car storage and switching fees. As they recognized, storage of several hundred cars at a time, did not require them to upgrade the track between MP 471.0 and 491.0.

32. The prior owners, Wainwright and Golden Gate Financial and the holding company, West Branch Intermediate Holdings, LLC, that Golden Gate established in 2015 to acquire the DSRR stock, must be held accountable for

the condition of the track and the failure to take action to repair and provide their common carrier obligations. Because Wainwright is deceased, he cannot be held accountable. The same is not true of the current owners. After terminating Continental Rail in January 2021, they caused DSRR, which had previously recognized the need to rehabilitate the *entire* Line to reverse course and announce that it has “concluded that the desired track renovations as to the long-dormant Line are unjustified and unwarranted.”

33. Because DSRR did not provide any evidence to explain what it meant for “long-dormant,” I was asked to respond to that claim. As I explained at length in my Supplemental Response to Delta Southern Railroad Inc.’s First Set of Interrogatories Nos. 1 through 6:

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 (now “Ag Motion”) 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.

Complex Chemical shipped until March 2017 cars in and out on NLA from DSR. 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.

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 PotlatchDeltic 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 making 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 move 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.

34. Because DSRR could not contest any of the above, DSRR moved to strike my evidence. In the Board's Decision, dated June 1, 2021, the Board denied DSRR's motion to strike. Furthermore, I will note that DSRR has never produced a single sworn statement from anyone that has rebutted or disproved any of the foregoing remarks. Although Jon Ryan presented a Verified Statement earlier this year, it is noted that Mr. Ryan, who was based in Florida, was never, to best of my knowledge, extensively involved with shippers and prospective shippers while the INFRA Grant Applications were being prepared. In fact, as is discussed elsewhere in this Application, he freely admitted in an email, dated December 4, 2019, addressed to Doree Magiera, HDR's person who put together the statistics that appear in the INFRA Grant Application, that he was not privy to what was discussed during the past two years.

35. In closing, I respectfully note that everything that I have testified about in this Verified Statement that relates to actual and potential movements

of freight in interchange traffic between NLA and DSRR, can be and is corroborated by Craig Huff, who was DSRR's General Manager in Tallulah between 2015 and 2018, when he resigned.¹⁴

36. Consistent with the requirements of 49 CFR § 1151.3(a)(8), a copy of NLA's current liability insurance is attached hereto as Attachment 5.

I, Daniel B. Robbins, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 28th day of December 2022.


Daniel B. Robbins

¹⁴ See Exhibit H.

Page 2 from
Affidavit of William P. Wainright in
Docket No. 34479 dated February 27, 2004

1. DSR has “functionally” ceased operations on the Warren Line:

DSR response: Although I am not sure what AKMD means by the term “functionally,” DSR has not ceased operations. Rather UP’s Warren Wilson has advised DSR to suspend operations until it obtains derailment and bill of lading insurance. UP’s letter to the STB dated February 20, 2004, submitted with AKMD’s Petition as Exhibit 3 states that “to our knowledge there has been no service on the Warren Branch for approximately two weeks.” I am attaching an email from Potlatch’s Ben Garner which states that we were going to move some rail cars but suspended loading upon learning that DSR did not have derail insurance and which states Potlatch’s plans to shift transportation to truck for three weeks. As discussed below, DSR is in the process of repairing defective track and obtaining derailment and bill of lading insurance. It has locomotives and personnel in place and is ready to resume service as soon as the customers are ready to return to using rail.

2. No shipper on the line has received service for at least two weeks.

DSR response: As recently as February 9, 2004, Fulghum attempted to use DSR’s service. It stopped loading on February 9 at Potlatch’s direction because Potlatch had been informed by Joel Blalock of UP that DSR lacked derailment insurance. Moreover, on-line shippers have made other arrangements for moving traffic (by truck for transloading to UP). DSR is prepared to resume railroad operations as soon as customers are ready to tender freight.

3. Potlatch and Fulghum have been forced to divert their significant volumes of rail traffic to motor carriers.

DSR response: As per instructions from Potlatch’s Ben Garner and Rick Warner, Potlatch has elected to divert its traffic to truck for three weeks. Potlatch has also directed Fulghum (which operates a woodchip mill under contract to Potlatch) to move its product by truck to the UP. As discussed above, DSR is prepared to resume rail service when shippers are ready to ship by rail.

4. DSR is apparently facing significant financial difficulties.

DSR response: DSR is a profitable company. Unfortunately, as discussed below, the per car revenues derived from operating the Warren Branch have not been adequate to permit DSR to provide service and maintain the Line at the appropriate level of maintenance for reliable service, let alone upgrade the Line to permit it to handle 286,000 freight cars or earn DSR’s cost of capital. DSR’s loss of derailment and bill of lading insurance was due to an excessive number of derailments (9 between March 2, 2003 and January 28, 2004) rather than financial problems. See, the Affidavit of Louis Schillinger submitted with the Reply.

Trackage Rights Agreement

TRACKAGE RIGHTS AGREEMENT

THIS TRACKAGE RIGHTS AGREEMENT (TRA) is made and entered into as of this 26th day of , May, 2011, between DELTA SOUTHERN RAILROAD, INC. (DSR) and LAKE PROVIDENCE PORT COMMISSION (the Port).

WITNESSETH:

WHEREAS, DSR has agreed to sell to the Port DSR's rail lines between Milepost No. 471.0, at or near a certain highway barn in East Carroll Parish, Louisiana, and Milepost No. 454.8 at the Louisiana-Arkansas State Line, and between Milepost No. 433.0 at or near Lake Village, Arkansas, and Milepost No. 408.9 at or near McGehee, Arkansas, a total distance of approximately 40.3 miles ("the purchased rail line"); and

WHEREAS, a sidetrack and a lead track that are used to provide rail service to warehouses and a dock owned by the Port ("the sidetrack and lead track"), extend from DSR's rail line between Milepost Nos. 471 and 472.25, a short distance south of the purchased rail line; and

WHEREAS, the Port desires to operate over DSR's tracks between Milepost Nos. 471 and 472.25 ("the Joint Trackage"), for the purposes of accessing, switching and servicing the Port's sidetrack and lead track; and

WHEREAS, DSR is agreeable to permit the Port to operate over the Joint Trackage, but only in accordance with the terms and conditions of this TRA, including a condition that DSR be permitted to continue to operate over the sidetrack and lead track to place loaded cars and to pick up empty cars at the Port's warehouses.

NOW, THEREFORE, DSR and the Port agree as follows:

SECTION 1 - GRANT OF TRACKAGE RIGHTS

1.1 Subject to all terms and conditions of this TRA and subject to the Port obtaining any necessary regulatory authority or exemption, DSR hereby grants to the Port the non-exclusive right to operate over the Joint Trackage on an overhead rather than local basis, for the purpose of accessing the sidetrack and lead track to or from the purchased rail lines, and for no other purpose whatsoever.

1.2 The Joint Trackage is shaded in yellow, and the sidetrack and lead track are shaded in blue, on a drawing that is attached to this TRA as Appendix 1.

1.3 Under no circumstances may the Port permit any third party to use any or all of the Joint Trackage without DSR's permission, except as set forth in Section 18.

1.4 DSR shall continue to have the right to use the sidetrack and/or the lead track to place loaded cars and to pick up empty cars at the Port's warehouses-

SECTION 2 - TERM

2.1 This TRA shall become effective on the date when it has been signed by both parties and shall continue in effect for a term of 20 years from that date, provided, however, that DSR may elect to terminate this TRA if the Port has breached a material provision of this TRA and has failed to cure such breach within 60 days of receipt of a written request by DSR to cure such breach. So long as the Port is not in default, the Port may renew this TRA for an additional term of 20 years by giving written notice to DSR at least 90 days prior to the expiration of the initial term.

2.2 Upon termination of this TRA by means of expiration or as a result of an uncured breach, the Port agrees to discontinue operations over the Joint Trackage and to seek any necessary regulatory authority or exemption for such discontinuance.

SECTION 3 - COMPENSATION

3.1 In lieu of a trackage rights fee, the Port hereby agrees to pay to DSR a proportionate share of the actual, reasonable, verifiable costs incurred by DSR to maintain FRA Class I track standards on the Joint Trackage. DSR and the Port hereby agree that their respective proportionate share of maintenance costs will be based on relative usage of the Joint Trackage in each calendar year provided, however, the annual amount of maintenance shall be pro rated for the first and last year of this TRA. As an illustration, if in a calendar year the Port were to have transported 90 percent of the loaded and empty cars that were transported over the Joint Trackage, the Port would pay 90 percent of the actual maintenance costs incurred by DSR during such calendar year. DSR shall provide the Port a detailed schedule of the costs incurred, including the dates, descriptions of the work done, costs incurred and applicable back-up invoices by no later than each January 20 during the term of this TRA. The Port shall be entitled to audit the records of DSR related to the maintenance of the Joint Trackage within one year after the date that the schedule is provided to the Port.

3.2 By not later than each January 20 during the term of this TRA, DSR and Port shall each certify to the other the number of loaded and empty cars moved by each during the calendar year then ending. The Port shall make its payment of the proportionate share of maintenance cost to DSR on or before January 31st. DSR and the Port shall each be entitled to audit the records of the other within one year after the date of their respective certifications; any necessary payments or refunds after the audit shall be paid by the responsible party within 20 days after the results are provided.

3.3 Reserved.

3.4 Notwithstanding the foregoing, until DSR rehabilitates the Joint Trackage into Class 1 track condition as provided in Section 4.1 below, no compensation shall be due for use of the Joint Trackage by the Port.

SECTION 4 – MAINTENANCE

4.1 The Port shall provide DSR with a notice of its intent to use the Joint Trackage not later than ninety (90) prior to its intended date of use (the "Notice of Intent to Use Joint Trackage"). Upon receipt thereof, DSR shall then, at its sole cost and expense, commence all work necessary to rehabilitate the Joint Trackage into FRA Class 1 track condition. Thereafter, DSR shall maintain the Joint Trackage in FRA Class 1 track condition for the term of this TRA, subject to the provisions of Section 3 above concerning allocation of such costs.

4.2 DSR shall maintain, repair and renew the Joint Trackage with its own supervision, labor and materials. DSR shall take reasonable steps to ensure that any interruptions will be kept to a minimum and shall use reasonable efforts to avoid such interruptions.

4.3 If DSR does not rehabilitate or thereafter maintain the Joint Trackage in FRA Class 1 track condition, then Port may, at its option but without any obligation to do so, after giving DSR 30 days advance notice, perform work on the Joint Trackage to bring the Joint Trackage into FRA Class 1 track condition. Any costs incurred by Port in doing so may be deducted from future trackage rights payments.

SECTION 5 - TRAIN DISPATCHING

5.1 DSR shall have the right to dispatch trains over the Joint Trackage in a manner that ensures safe operations. If DSR does not have dispatchers available at the time that the Port wishes to operate over the Joint Trackage, then the Port may do so as permitted under the General Code of Operating Rules.

5.2 All rules, regulations, and orders for dispatching trains over the Joint Trackage shall be reasonable, fair, and just between DSR and the Port, and shall not unjustly discriminate against either of them.

5.3 With respect to the operation of trains, locomotives, and cars on and over the Joint Trackage, each party shall comply with all applicable laws, rules, regulations, and orders promulgated by any governmental body or agency having jurisdiction.

SECTION 6 - LIABILITY AND INDEMNIFICATION

6.1 General.

(a) The provision of this Section 6 shall apply only as between the parties hereto and their affiliated persons and entities, and are solely for their benefit. Nothing herein is intended to be for the benefit of any person or entity other than such parties. It is the explicit intention of the parties hereto that no person or entity other than such parties is or shall be entitled to bring any action to enforce any provision hereof against any of the parties hereto, and the assumptions, indemnities, covenants, undertakings and agreements set forth herein shall be solely for the benefit of, and shall be enforceable only by, such parties hereto.

Track Inspection Report

NORTH LOUISIANA & ARKANSAS RAILROAD
TRACK INSPECTION REPORTDATE OF INSPECTION 3/29/22TRACK INSPECTED: MAIN LINE FROM MP 471.0 TO MP 472.25

OTHER THAN MAIN LINE

SWITCHES INSPECTED Pct Lead Switch

DEVIATIONS FROM REQUIREMENTS

LOCATION	DESCRIPTION	REMEDIAL ACTION TAKEN
	See Attached	

SIGNED

TITLE

Track Inspector

MP 471.0

Joint Tie Defect- No effective tie within 24 in. 109B3

Gauge Defect- Gauge less than 56 in. 55 1/2 in. 0053B2

Gauge Defect- Gauge less than 56 in. 55 3/4 in. 0053B2

Cross level Defect- Greater than allowable 3 in. 3 1/4 in. 0063A3

Cross level Defect- Greater than allowable 3 in. 3 1/4 in. 0063A3

Joint Bar Defect- Insufficient number of bolts. Only one bolt present. 0121D2

Joint Tie Defect- No effective tie within 24 in. 109B3

Joint Bar Defect- Insufficient number of bolts. 0121D2

Joint Bar Defect- Insufficient number of bolts. 0121D2

MP 471.1

Gauge Defect- Gauge less than 56 in. 55 5/6 in. 0053B2

Gauge Defect- Gauge less than 56 in. 55 1/2 in. 0053B2

Joint Tie Defect- No effective tie within 24 in. 109B3

Joint Tie Defect- No effective tie within 24 in. 109B3

Joint Bar Defect- Center Cracked joint bar. 0121C1

Broken Rail Defect- Broken rail, ordinary break. Inside of Joint Bar 0113D12

Gauge Defect- Gauge less than 56 in. 55 1/2 in. 0053B3

MP 471.2

Gauge Defect- Gauge less than 56 in. 55 3/4 in. 0053B3

MP 471.3

Gauge Defect- Gauge less than 56 in. 55 5/8 in. 0053B3

Gauge Defect- Gauge less than 56 in. 55 1/2 in. 0053B3

Gauge Defect- Gauge less than 56 in. 55 3/8 in. 0053B3

Broken Rail Defect- Broken Rail, ordinary break. Inside of Joint Bar 0113D12

MP 471.3

Joint Bar Defect- Insufficient number of bolts. 0121D2

MP 471.4

Gauge Defect- Gauge less than 56 in. 55 7/8 in. 0053B3

Gauge Defect- Gauge less than 56 in. 55 3/4 in. 0053B3

Gauge Defect- Gauge less than 56 in. 55 5/8 in. 0053B3

Broken Rail Defect- Broken Rail, ordinary break. Inside Joint Bar. 0113D12

Cross level Defect- Cross level greater than 3 in. 3 1/4 in. 0063A3

Gauge Defect- Gauge less than 56 in. 55 1/2 in. 0053B3

MP 471.5

Cross level Defect- Cross level greater than 3 in. 3 1/8 in. 0063A3

Gauge Defect- Gauge less than 56 in. 55 3/4 in. 0053B3

Gauge Defect- Gauge less than 56 in. 55 5/8 in. 0053B3

MP 476.7

Cross level Defect- Cross level greater than 3 in. 3 1/8 in. 0063A3

Gauge Defect- Gauge less than 56 in. 55 11/16 in. 0053B3

Cross level Defect- Cross level greater than 3 in. 4 1/4 in. 0063A3

Broken Rail Defect- Broken Rail, ordinary break. Inside Joint Bar. 0113D12

Broken Rail Defect- Broken Rail, ordinary break. Inside Joint Bar. 0113D12

MP 471.9

Broken Rail Defect- Broken Rail, ordinary break. Inside Joint Bar. 0113D12

Joint Bar Defect- Insufficient number of bolts. 0121D2

MP 472.0

Gauge Defect- Gauge less than 56 in. 55 7/8 in. 0053B3

MP 472.1

Broken Rail Defect- Broken Rail, ordinary break. Inside Joint Bar. 0113D12

Joint Bar Defect- Center Cracked joint bar. 0121C1

Joint Bar Defect- Insufficient number of bolts. 0121D2

Joint Bar Defect- Insufficient number of bolts. 0121D2

MP 472.2

Vegetation Defect- Tree down across the tracks. 0037C1

Gauge Defect- Gauge less than 56 in. 55 7/8 in. 0053B3

Client List

- | | |
|---|----------------------------------|
| 1. Stepan Company formerly Myriant Chemical | Lake Providence, LA |
| 2. Clearwater Paper Corp | McGehee, AR |
| 3. Livingston Pecan and Metal | Lake Village, AR |
| 4. Epstein Gin & Transloading Company | Lake Village, AR |
| 5. Hollybrook Gins & Warehouse | Hollybrook, LA |
| 6. Riceland Foods | McGehee, AR |
| 7. Sullivan Log Yard | Sondheimer, LA |
| 8. Anderson Trade Group | Lake Providence, LA |
| 9. Hensley Farms (Former Big River Grain) | Eudora, AR |
| 10. Greenfield (Former Big River Grain) | Lake Providence, LA |
| 11. Rail Vehicle Services | Talla Bena, LA |
| 12. Helena Chemical | Lake Providence & Talla Bena, LA |
| 13. Nutrien (Former CPS) | Lake Providence, LA |
| 14. Terral River Services | Lake Providence & Talla Bena, LA |
| 15. MD Power | Lake Village, AR |
| 16. Simplot (Former Lake Village Seed and Tire) | Lake Village, AR |
| 17. Gavilon (Former CHS) | Lake Providence, LA |
| 18. APEX | Lake Providence, LA |
| 19. Scott Petroleum | Lake Village, AR |
| 20. Complex Chemical | Talla Bena, LA |
| 21. John Deere | Lake Providence, LA |

Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/11/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Brown & Brown of Arkansas, Inc. 706 W. Main Russellville AR 72801	CONTACT NAME: Rhonda Smith PHONE (A/C, No, Ext): (479) 968-3333 FAX (A/C, No): (479) 968-4439 E-MAIL ADDRESS: Rhonda.Smith@bbrown.com																					
INSURED Arkansas Short Line Railroads, Inc. 4416 South Arkansas Ave Russellville AR 72801	<table><tr><th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A:</td><td>Westchester Surplus Lines Insurance Company</td><td>10172</td></tr><tr><td>INSURER B:</td><td>Auto-Owners Insurance Company</td><td>18988</td></tr><tr><td>INSURER C:</td><td>Starr Surplus Lines Insurance Company</td><td>13604</td></tr><tr><td>INSURER D:</td><td></td><td></td></tr><tr><td>INSURER E:</td><td></td><td></td></tr><tr><td>INSURER F:</td><td></td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Westchester Surplus Lines Insurance Company	10172	INSURER B:	Auto-Owners Insurance Company	18988	INSURER C:	Starr Surplus Lines Insurance Company	13604	INSURER D:			INSURER E:			INSURER F:		
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INSURER F:																						

COVERAGES**CERTIFICATE NUMBER:** 22/23**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☒ CLAIMS-MADE ☐ OCCUR ☒ Comprehensive ☒ Railroad Liability GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC OTHER:			G71758333004	11/10/2022	11/10/2023	EACH OCCURRENCE \$ 10,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ Excluded GENERAL AGGREGATE \$ 20,000,000 PRODUCTS - COMP/OP AGG \$ 10,000,000 Retention \$
B	AUTOMOBILE LIABILITY ☒ ANY AUTO OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY			4671056100	03/01/2022	03/01/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☐ Y / N If yes, describe under DESCRIPTION OF OPERATIONS below		N / A				PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
C	Equipment Floater			ITA11198721	12/10/2021	12/10/2022	Rented/Leased \$200,000 Deductible \$5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

(Comprehensive Railroad Liability Policy), FELA provides Employer's Liability Coverage as prescribed under the Federal Employers Liability Act as the sole remedy for railroad employee injuries.

CERTIFICATE HOLDER**CANCELLATION**

INFORMATION PURPOSES ONLY
INFORMATION PURPOSES ONLY
INFORMATION PURPOSES ONLY
INFORMATION PURPOSE

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Rhonda Smith

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Additional Named Insureds

Other Named Insureds

Camden & Southern Railroad, Inc.	Corporation, Additional Named Insured
Dardanelle and Russellville Railroad, Inc.	Corporation, Additional Named Insured
North Louisiana & Arkansas Railroad, Inc.	Corporation, Additional Named Insured
Ouachita Railroad, Inc.	Corporation, Additional Named Insured

**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, LOUISIANA.**

**SUBPOENA TO TESTIFY IN A DEPOSITION TO
PATRECIA HARGROVE, ON BEHALF OF
SOUTHEAST ARKANSAS ECONOMIC DEVELOPMENT DISTRICT, INC.**

To: Patrecia Hargrove, Executive Director
Southeast Arkansas Economic Development District, Inc.
315 East 8th Avenue
Pine Bluff, AR 71601

Pursuant to the rules of the Surface Transportation Board governing discovery, 49 C.F.R. § 1114, *et seq.*, and by Order of the Board:

YOU ARE HEREBY COMMANDED to appear at Pine Bluff Main Library Board Room, 600 S. Main Street, Pine Bluff, Arkansas 71601 at 9:00 a.m. on June 17 and 18, 2026, to provide testimony by oral deposition at the request of Delta Southern Railroad, Inc., in the above-caption proceeding. Your testimony will be recorded stenographically, by an officer authorized to administer oaths, and may be used as evidence in this proceeding. The deposition is anticipated to be completed within twelve hours over the course of two days, but may be continued from time to time until completed. Specific topics for which you will be expected to provide testimony are included in Attachment A to this subpoena.

DATED: May 6, 2026

Clerk of STB Seal

ATTACHMENT A TO SUBPOENA FOR DEPOSITION TESTIMONY

Delta Southern Railroad, Inc. (“DSRR”) seeks to depose you in order to obtain relevant evidence to the Lake Providence Port Commission’s (“LPPC”) Amended Feeder Line Application to acquire the line of DSRR located in East Carroll and Madison Parishes, Louisiana, STB Docket No. FD 36447 (the “proceeding”). Specifically, DSRR seeks testimony regarding the following topics:

1. Current and anticipated demand for rail service on the portion of rail line from milepost (“MP”) 471.0 to MP 498.44 of the DSRR line that runs from Lake Providence, Louisiana (MP 471.0) to the point of interchange with the Kansas City Southern Railway Company (“KCS”) at Tallulah, Louisiana (the “Line”).
2. The 2019-2020 INFRA Grant awarded in connection with the Line.
3. Administration of the INFRA Grant, including, but not limited to, Grant expenditures, work performed to the Line in connection with the Grant, and communications with third-parties relating to allocation of Grant funds.
4. All grants SEAEDD has applied for, received, or been denied relating to the Line from 2019 to present.
5. Communications with LPPC concerning the Line, the INFRA Grant, and/or DSRR.
6. Communications with any government agency, employee or official concerning the Line, the INFRA Grant, and/or DSRR.
7. Communications with Madison Parish Port Commission regarding the Line, the INFRA Grant, and/or DSRR.
8. Communications with DSRR concerning the Line, the INFRA Grant, and/or rail service.

9. Rail service provided by DSRR.
10. Interchange of freight between DSRR and other railroads.
11. Rail service provided by North Louisiana and Arkansas Railroad, Inc. (“NLA”).
12. Communications with NLA regarding past, present, or anticipated future operation on the Line.
13. Communications with NLA regarding DSRR, the Line, and/or the INFRA Grant.
14. All contracts or agreements SEAEDD has entered into related to the Line.
15. SEAEDD’s responses to discovery requests propounded in this proceeding.

Respectfully Submitted,

/s/ John M. Scheib

John M. Scheib
Noah P. Sullivan
William L. Spotswood
Gentry Locke Attorneys
101 W. Main Street, Suite 750
Norfolk, VA 23510
757-916-3511

Attorneys for:
Delta Southern Railroad, Inc.

May 6, 2026

**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, LOUISIANA.**

**SUBPOENA TO TESTIY IN A DEPOSITION TO W. BRYANT KILLEN, ON BEHALF
OF LAKE PROVIDENCE PORT COMMISSION**

To: W. Bryant Killen, Port Director
Lake Providence Port Commission
409 Port Road
Lake Providence, Louisiana 71254

Pursuant to the rules of the Surface Transportation Board governing discovery, 49 C.F.R §
1114, *et seq.*, and by Order of the Board:

YOU ARE HEREBY COMMANDED to appear at the East Carroll Parrish Library
Conference Room, 109 Sparrow Street, Lake Providence, Louisiana 71254 at 9:00 a.m. on June
16, 2026, to provide testimony by oral deposition at the request of Delta Southern Railroad, Inc.,
in the above-caption proceeding. Your testimony will be recorded stenographically, by an officer
authorized to administer oaths, and may be used as evidence in this proceeding. The deposition is
anticipated to be completed within six (6) hours, but may be continued from time to time until
completed. Specific topics for which you will be expected to provide testimony are included in
Attachment A to this subpoena.

DATED: May 6, 2026

Clerk of STB Seal

ATTACHMENT A TO SUBPOENA FOR DEPOSITION TESTIMONY

Delta Southern Railroad, Inc. (“DSRR”) seeks to depose you in order to obtain relevant evidence to the Lake Providence Port Commission’s (“LPPC”) Amended Feeder Line Application to acquire the line of DSRR located in East Carroll and Madison Parishes, Louisiana, STB Docket No. FD 36447 (the “proceeding”). Specifically, DSRR seeks testimony regarding the following topics:

1. Current and anticipated demand for rail service on the portion of rail line from milepost (“MP”) 471.0 to MP 498.44 of the DSRR line that runs from Lake Providence, Louisiana (MP 471.0) to the point of interchange with the Kansas City Southern Railway Company (“KCS”) at Tallulah, Louisiana (the “Line”).
2. LPPC’s financial position from 2023 to present, including, but not limited to, its assets, debts, liabilities, and income from any source.
3. LPPC’s ability to purchase the Line.
4. LPPC’s plans to finance purchase of the Line and to operate the Line for three years.
5. All bond applications submitted on behalf of LPPC in connection with the Line and communications related thereto.
6. All grant applications submitted in connection with or on behalf of LPPC relating to the Line.
7. LPPC’s plans for operating the Line.
8. The 2019-2020 INFRA Grant awarded in connection with the Line.
9. Communications with the Southeast Arkansas Economic Development District (“SEAEDD”) regarding the Line, the INFRA Grant, and/or DSRR.

10. Communications with any government agency or official concerning the Line, the INFRA Grant, and/or DSRR.
11. Communications with Madison Parish Port Commission regarding the Line, the INFRA Grant, and/or DSRR.
12. Rail service provided by North Louisiana and Arkansas Railroad, Inc. (“NLA”).
13. Communications with NLA regarding past, present, or anticipated future operation on the Line.
14. All contracts or agreements LPPC has entered into related to the Line.
15. Rail service provided by DSRR.
16. Interchange of freight between DSRR and other railroads.
17. Communications with DSRR regarding the INFRA Grant, the Line, and/or rail service.
18. LPPC’s relationship to the Northeast Louisiana Multimodal District or the Northeast Louisiana Railroad Development District.
19. LPPC’s responses to discovery requests propounded in this proceeding.

Respectfully Submitted,

/s/ John M. Scheib

John M. Scheib
Noah P. Sullivan
William L. Spotswood
Gentry Locke Attorneys
101 W. Main Street, Suite 750
Norfolk, VA 23510
757-916-3511

Attorneys for:
Delta Southern Railroad, Inc.

May 6, 2026