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ENTERED
Office of Proceedings
June 7, 2019
Part of
Public Record

William A. Mullins

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June 7, 2019

VIA E-FILING

Cynthia T. Brown, Chief
Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

Re: FD 36314
The Kansas City Southern Railway Company – Temporary
Trackage Rights Exemption – Norfolk Southern Railway Company

FD 36315
Norfolk Southern Railway Company – Temporary Trackage
Rights Exemption – The Kansas City Southern Railway Company

EXPEDITED CONSIDERATION REQUESTED

Dear Ms. Brown:

Enclosed for filing in the above proceedings is a joint notice of exemption (“Notice”) filed under 49 C.F.R. §1180.2(d)(8) whereby The Kansas City Southern Railway Company and the Norfolk Southern Railway Company seek temporary trackage rights authority over each other’s lines between Kansas City and St. Louis, Missouri. The trackage rights are necessary to resolve serious operational issues caused by the extensive flooding in the Midwest. Also enclosed is joint petition (“Petition”) by which KCS and NSR request that the temporary trackage rights authority become effective as soon as possible. KCS and NSR seek expedited consideration of the Notice and the Petition.

The Notice and Petition have been filed separately in each docket. Pursuant to 49 C.F.R. §1002.2(f)(40(iv)), a filing fee of \$1,300 has been paid for each of the dockets.

FEE RECEIVED
June 7, 2019
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BAKER & MILLER PLLC

June 7, 2019

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If there are any questions concerning these filings, please contact me by telephone at (202) 663-7823 or by e-mail at wmullins@bakerandmiller.com.

Sincerely,



William A. Mullins

Enclosures

cc: David C. Reeves
Garrett Urban

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 36314

**THE KANSAS CITY SOUTHERN RAILWAY COMPANY
– TEMPORARY TRACKAGE RIGHTS EXEMPTION –
NORFOLK SOUTHERN RAILWAY COMPANY**

DOCKET NO. FD 36315

**NORFOLK SOUTHERN RAILWAY COMPANY
– TEMPORARY TRACKAGE RIGHTS EXEMPTION –
THE KANSAS CITY SOUTHERN RAILWAY COMPANY**

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***Counsel for The Kansas City Southern Railway
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***Counsel for Norfolk Southern Railway
Company***

Dated: June 7, 2019

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 36314

**THE KANSAS CITY SOUTHERN RAILWAY COMPANY
– TEMPORARY TRACKAGE RIGHTS EXEMPTION –
NORFOLK SOUTHERN RAILWAY COMPANY**

DOCKET NO. FD 36315

**NORFOLK SOUTHERN RAILWAY COMPANY
– TEMPORARY TRACKAGE RIGHTS EXEMPTION –
THE KANSAS CITY SOUTHERN RAILWAY COMPANY**

The Kansas City Southern Railway Company (“KCS”) and Norfolk Southern Railway Company (“NSR”), Class I rail carriers, hereby jointly file this verified notice of exemption under 49 C.F.R. § 1180.2(d)(8) for the acquisition of temporary overhead trackage rights (1) by KCS over an approximately 105.2-mile line of railroad of NSR between St. Louis, Missouri (NSR Milepost S5.0), and Mexico, Missouri (NSR Milepost S110.2), and (2) by NSR over an approximately 156.3 mile line of railroad of KCS between Mexico, Missouri (KCS Milepost 325.7), and Rock Creek Junction in Kansas City, Missouri (KCS Milepost 482.0). The proposed reciprocal temporary trackage rights will accommodate KCS’s and NSR’s operations over portions of each other’s lines in order to create an accessible route between the Kansas City and St. Louis, Missouri areas, during a time of severe flooding in the state. The temporary trackage rights will expire no later than August 31, 2019.

Due to the emergency need for these operations, KCS and NSR are concurrently filing a joint petition for waiver of the 30-day effectiveness period specified by 49 C.F.R. 1180.4(g) to

permit the proposed temporary trackage rights to become effective immediately.

In accordance with the requirements of 49 C.F.R. § 1180.4(g), KCS and NSR jointly submit the following information:

Description of the Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

KCS and NSR are Class I common carriers by rail that, relevant to this Notice, operate over their own lines between the St. Louis, Missouri and Kansas City, Missouri areas. After a record-setting month of rainfall in May, the state of Missouri is dealing with significant river flooding, breaching levees and flooding many surrounding communities. The flooding is ongoing, and additional rainfall may cause additional impacts. As a result, both KCS and NSR have been forced to shut down portions of their respective routes between St. Louis and Kansas City. As a consequence, neither carrier is continuously able to directly traverse between the Kansas City and St. Louis areas solely via its own routing, causing significant impacts for the service that can be provided to our customers. The carriers are currently conducting emergency detour operations over portions of each other's lines to maintain some operations.

Because these flood-related impacts are expected to continue for a period of weeks, and potentially months, KCS and NSR have entered into a written Temporary Trackage Rights Agreement by which each will be granted non-exclusive, temporary overhead trackage rights over portions of the other carrier's lines. KCS will operate over NSR's line between St. Louis, MO (NSR Milepost S5.0) and Mexico, MO (NSR Milepost S110.2) a total of 105.2 miles, including yard trackage at NSR Luther Yard (NSR Milepost S6.2- S7.6) as necessary. NSR in turn will operate over KCS's line between Mexico, MO (KCS Milepost 325.7) and Rock Creek Junction at Kansas City, MO (KCS Milepost 482.0), a total of 156.3 miles. Given the emergency situation, KCS and NSR are concurrently filing a joint petition for waiver of the 30-day effectiveness period

specified by 49 C.F.R. 1180.4(g) to permit the proposed temporary trackage rights to become effective immediately.

Pursuant to 49 C.F.R. § 1180.2(d)(8), and as provided in the agreement between KCS and NSR, the temporary trackage rights authorized herein will automatically expire on August 31, 2019. *See Railroad Consolidation Procedures*, 6 S.T.B. 910 (2003).

The full name and address of the applicant carriers herein are as follows:

The Kansas City Southern Railway Company
427 West 12th Street
Kansas City, MO 64105-1403

Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510

Any questions concerning this Notice should be sent to KCS's and NSR's representatives at the following address:

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2401 Pennsylvania Ave N.W.
Suite 300
Washington D.C. 30007
202-663-7823
wmullins@bakerandmiller.com

*Counsel for The Kansas City Southern
Railway Company*

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Counsel for Norfolk Southern Railway Company

Proposed Time Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

Pursuant to the joint petition for waiver filed concurrently to this notice, KCS and NSR intend to consummate the temporary trackage rights proposed in this notice immediately on issuance of a Board waiver decision. In the absence of such a decision, the parties would consummate the temporary trackage rights thirty (30) days after the date of this notice. The carriers are currently conducting emergency detour operations over portions of each other's lines pending acquisition of temporary trackage rights exemption authority in this proceeding.

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The proposed temporary trackage rights will accommodate NSR's and KCS's emergency detour operations between St. Louis and Kansas City on account of flooding, and thus permit continued rail service for both carriers while the impacts continue and during recovery.

States in Which Applicant's Property is Located: 49 C.F.R. § 1180.6(a)(5)

KCS owns and operates over rail property in Illinois, Missouri, Kansas, Oklahoma, Arkansas, Louisiana, Texas, Mississippi, Alabama and Tennessee. NSR owns and operates over rail property in the States of Alabama, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia and in the District of Columbia.

Map - Exhibit 1: 49 C.F.R. § 1180.6(a)(6)

A map of the rail lines over which KCS and NSR propose to acquire temporary trackage rights is attached hereto as Exhibit 1.

Agreement - Exhibit 2: 49 C.F.R. § 1180.6(a)(7)(ii)

A copy of the Temporary Trackage Rights Agreement dated as of June 7, 2019, between KCS and NSR is attached hereto as Exhibit 2.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

As a condition to this exemption, KCS and NSR agree to the employee protective conditions established in *Norfolk and Western Ry. Co. -- Trackage Rights -- BN*, 354 I.C.C. 605 (1978), as modified in *Mendocino Coast Ry. Inc. -- Lease and Operate*, 360 I.C.C. 653 (1980). KCS and NSR's discontinuance of operations upon expiration of the temporary trackage rights on or before December 15, 2019 will be subject to the employee protective conditions established in *Oregon Short Line R. Co. -- Abandonment -- Goshen*, 360 I.C.C. 91 (1979). *See Railroad Consolidation Procedures*, 7 S.T.B. 587 (2004).

Caption Summary: 49 C.F.R. § 1180.4(g)(2)(i)

A caption summary of this transaction suitable for publication in the *Federal Register* is attached hereto as Exhibit 3.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(4), the proposed acquisition of temporary trackage rights by KCS and NSR is exempt from environmental reporting requirements. Under 49 C.F.R. § 1105.8(b)(3), KCS's and NSR's proposed temporary trackage rights also are exempt from historic preservation reporting requirements.

Respectfully submitted,



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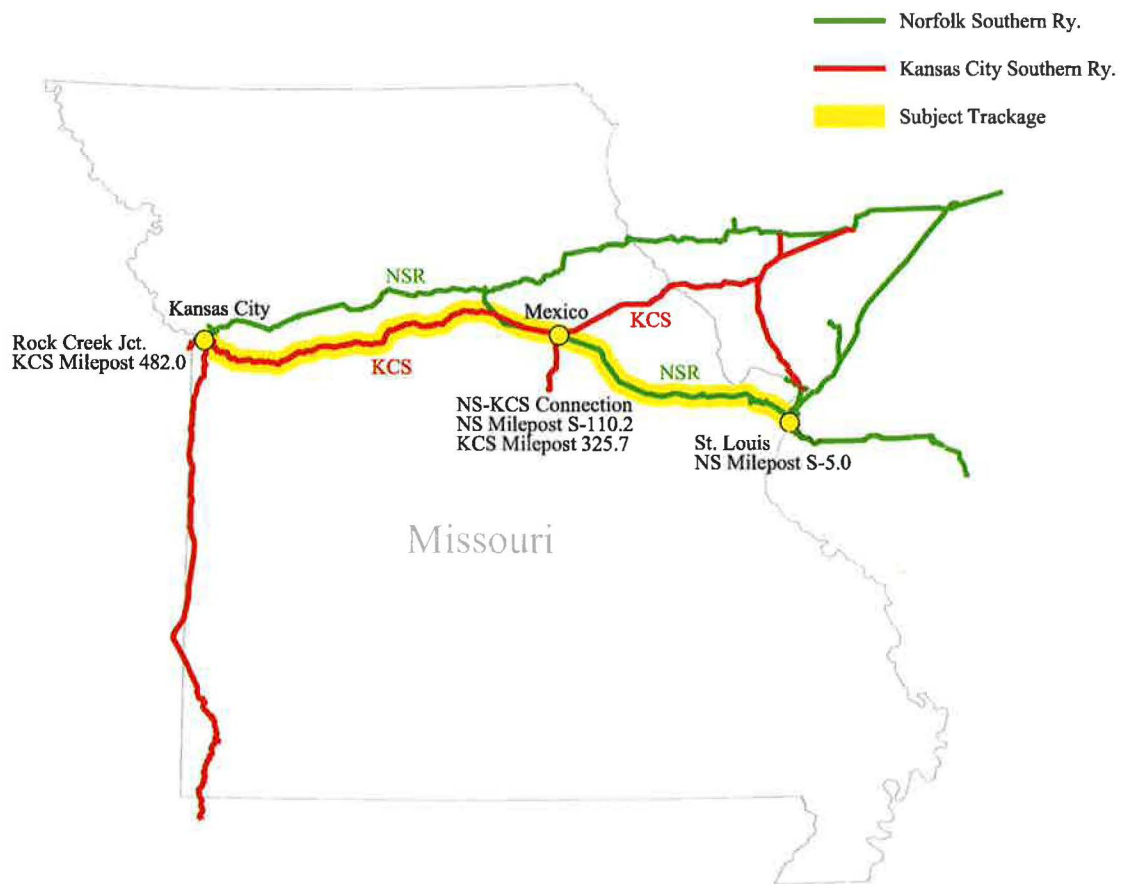
Counsel for Norfolk Southern Railway Company

Dated: June 7, 2019

[Map Exhibit]

49 C.F.R. §1180.6(a)(7)(ii)

Exhibit 1



TEMPORARY TRACKAGE RIGHTS AGREEMENT

TEMPORARY TRACKAGE RIGHTS AGREEMENT

Between

NORFOLK SOUTHERN RAILWAY COMPANY

And

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

THIS TEMPORARY TRACKAGE RIGHTS AGREEMENT, ("Agreement"), entered into as of this 7th day of June, 2019 (the "Effective Date"), by and between THE KANSAS CITY SOUTHERN RAILWAY COMPANY (hereinafter referred to as "KCS") and NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation (hereinafter referred to as "NSR"). Each of KCS and NSR shall individually be referred to as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, KCS owns and operates a rail line from Kansas City, MO to East St. Louis, IL ("KCS Line"); and

WHEREAS, NSR owns and operates a rail line from Kansas City, MO to St. Louis, MO ("NSR Line"); and

WHEREAS, both Parties' railroad lines and infrastructure have been adversely impacted by recent and continuing flooding in the Missouri area prompting emergency use of available trackage to maintain railroad operations; and

WHEREAS, the Parties have requested and are agreeable to granting each other temporary reciprocal overhead trackage rights over portions of the KCS Line and NSR Line for the movement of traffic, subject to the terms and conditions set forth herein.

NOW, THEREFORE, KCS and NSR, intending to be legally bound, agree as follows:

ARTICLE 1. GRANT OF TRACKAGE RIGHTS

1.1 Subject to the terms and conditions herein provided, NSR hereby grants to KCS the right to operate in overhead service, its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segments of NSR's railroad, as shown on the plan attached hereto, made a part hereof and marked Exhibit "A":

- a. Portion of the NSR Line from point of connection between NSR and KCS in Mexico, MO (NSR Milepost S110.2) to St. Louis, MO (NSR Milepost S5), including yard trackage at NSR Luther Yard (NSR Milepost S6.2-S7.6) as necessary, a total distance of 105.2 miles. Such rights shall include

the right to enter and exit only at these designated endpoints.

- 1.2 Subject to the terms and conditions herein provided, KCS hereby grants to NSR the right to operate in overhead service, its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segments of KCS's railroad, as shown on the plan attached hereto, made a part hereof and marked Exhibit "A":
 - a. Portion of the KCS Line from point of connection between KCS and NSR in Mexico, MO (KCS Milepost 325.7) to Rock Creek Jct. at Kansas City, MO (KCS Milepost 482.0), a total distance of 156.3 miles. Such rights shall include the right to enter and exit only at those designated endpoints.
- 1.3 Collectively, the segments of NSR's and KCS's railroad specified in Sections 1.1 and 1.2 are referred to herein as the "Subject Trackage". As used herein, "Owner" will refer to NSR and "User" to KCS when KCS is operating over NSR's tracks, and "Owner" will refer to KCS and "User" to NSR when NSR is operating over KCS's tracks.

ARTICLE 2. USE OF LINE

- 2.1 User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage and Owner's right to use the Subject Trackage shall not be diminished by this Agreement. Owner shall retain the exclusive right to grant to other persons rights of any nature on the Subject Trackage.
- 2.2 Except as may be otherwise provided by this Agreement, User shall not use any part of the Subject Trackage for the purpose of switching, storage, or servicing of cars or equipment, or the making or breaking up of trains, except that nothing contained herein will, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purposes.
- 2.3 Owner shall have exclusive control of the management and operation of the Subject Trackage. User shall not have any claim against Owner for liability on account of loss or damage of any kind in the event the use of the Subject Trackage by User is interrupted or delayed at any time from any cause.
- 2.4 At the direction and under the supervision of Owner's Transportation Department, User shall arrange to have all necessary User's employees qualified to operate over the Subject Trackage no later than seven days prior to commencement of the Trackage Rights.
- 2.5 Before any dimensional load or excess clearance traffic is tendered by User for movement over the Subject Trackage, User shall first notify Owner in writing, giving measurements and dimensions of the shipment, and requesting permission to tender the dimensional shipment for movement over the Subject Trackage. Owner shall respond promptly either confirming that the physical characteristics of the Subject Trackage will permit movement of the dimensional shipment, or specifically identifying the physical characteristics of the

Subject Trackage which would interfere with the planned move.

- 2.6 User shall not use any part of the Subject Trackage to transport any shipments of Toxic by Inhalation or Poisonous by Inhalation commodities.
- 2.7 User shall have the right to operate in either direction over the Subject Trackage.

ARTICLE 3. INTENTIONALLY OMITTED

ARTICLE 4. COMPENSATION

- 4.1. The Parties agree to offset miles accumulated by KCS on the NSR Line of the Subject Trackage and the miles accumulated by NSR on the KCS Line of the Subject Trackage during the term of this Agreement. Within thirty days following the end of the term of this Agreement, each User will determine the total number of train-miles that it operated on the other Owner's track under this Agreement and shall provide that number to the other Owner. Should there be any discrepancy between an Owner's and a User's calculation of the User's use of the Owner's track, the Parties will work in good faith to resolve the discrepancy. Then, the User with the larger total number of train-miles will pay the Owner with the smaller number of train-miles [REDACTED] multiplied by the difference between that User's total number of train-miles and the other Owner's number of each train-miles. For example, if User #1 accumulates ten thousand (10,000) train miles on the other Owner's track during the course of this Agreement, and User #2 accrues eight thousand (8,000) train miles on the other Owner's track, User #1 would pay the other Owner [REDACTED] following receipt of the other Owner's invoice therefor.

ARTICLE 5. PAYMENT OF BILLS

- 5.1 All payments called for under this Agreement shall be made by User within thirty (30) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the Parties shall be adjusted in the accounts of a subsequent month. The records of each Party, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other Party for a period of three (3) years from the date of billing.
- 5.2 Bills rendered pursuant to the provisions of this Agreement, if any, shall include direct labor and material costs, together with the surcharges, overhead percentages and equipment rentals as specified by the performing party at the time any work is performed by one Party for the other Party.
- 5.3 With the exception of any claims arising out of or related to any indemnification obligation herein, no bill shall be rendered, honored, recognized, or considered if filed later than three (3) years after the last day of the calendar month in which the expense covered thereby is

incurred. No exception to any bill shall be honored, recognized, or considered if filed after the expiration of three (3) years from the last day of the calendar month during which the bill was rendered.

ARTICLE 6. MAINTENANCE OF LINE

- 6.1 Except as provided by this Article, Owner shall be responsible for all maintenance of the Subject Trackage, including but not limited to track, bridges, signals, detectors and highway grade crossing equipment as applicable. Owner shall maintain the Subject Trackage in reasonably good condition for the use herein contemplated, but Owner does not guarantee the condition of the Subject Trackage, or that operation thereover will not be interrupted. Furthermore, except as may be otherwise provided in Article 12 hereof, User shall not by reason of failure or neglect on the part of Owner to maintain, repair, or renew the Subject Trackage, have or make any claim or demand against Owner or its parent corporation, subsidiaries and affiliates and any or all of their respective directors, officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by a party resulting from any such failure or neglect. If the use of the Subject Trackage shall at any time be interrupted or traffic thereon is delayed for any cause, Owner shall with reasonable diligence restore the Subject Trackage for the movement of cars.

ARTICLE 7. INTENTIONALLY OMITTED

ARTICLE 8. INTENTIONALLY OMITTED

ARTICLE 9. MANAGEMENT AND OPERATIONS

- 9.1 When operating over the Subject Trackage, User's locomotives and crews will be equipped to communicate with Owner on radio frequencies normally used by Owner in directing train movements on the Subject Trackage.
- 9.2 Before its locomotives enter onto the Subject Trackage, User shall request permission from Owner's dispatcher or other designated representative at Owner's rail traffic control center or such other location as Owner may designate. Further, User shall ascertain that said Subject Trackage is clear and shall await confirmation from said representative that such permission has been issued to allow User's movements on or over the Subject Trackage. Upon completing its operations and clearing the Subject Trackage, User will notify Owner's designated representative that it has completed its operations and that its equipment has cleared the Subject Trackage. Once User has notified Owner's representatives that it has cleared the Subject Trackage, User will not reenter the Subject Trackage without again obtaining permission from Owner's representative. User shall provide and maintain at its expense all communication facilities needed as may be required by Owner to permit User to use Owner's trackage.

- 9.3 Both Parties shall comply with the provisions of the Federal Railroad Safety Act, the Federal Locomotive Inspection Act, and the Federal Safety Appliance Act, as amended, and any other federal and state and local laws, regulations and rules respecting the operation, condition, inspection and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. Each Party shall indemnify, protect, defend, and save harmless the other and its respective parent corporation, subsidiaries, and affiliates, and all of their respective directors, officers, agents and employees from and against all fines, penalties and liabilities imposed upon such Party and its respective parent corporation, subsidiaries, and affiliates, and all of their respective directors, officers, agents and employees under such laws, rules, and regulations by any public agency, authority, or court having jurisdiction over the Subject Trackage or over operations on the Subject Trackage, when attributable to the failure of that Party to comply with its obligations in this regard.
- 9.4 User in its use of the Subject Trackage shall comply in all respects with its own safety and general conduct rules, equipment operation and train handling rules, and hazardous materials instructions. While using the Subject Trackage, User shall comply in all respects with the operating rules, timetables, and special instructions of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of Owner; provided, however, that such operating rules, timetables, and special instructions and orders of the transportation officers of Owner shall not unjustly discriminate between the Parties. Owner will not make any rule or restriction applying to User's trains that does not apply equally to Owner's trains. User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the maximum authorized freight speeds as provided by Owner's operating rules and regulations, without the prior consent of Owner. The Parties shall make proper accommodation for exceptions, should that be reasonable, necessary and practicable. All User trains shall be powered to permit operation at the maximum track speed allowed for the Subject Trackage's class of track.
- 9.5 User shall make such arrangements with Owner as may be required to have all of its employees who shall operate its trains, locomotives and cars over the Subject Trackage qualified for operation thereover, and User shall pay to Owner, upon receipt of bills therefor, any reasonable cost incurred by Owner in connection with the qualification of such employees of User, as well as the reasonable cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer of Owner to be properly qualified for operation as herein contemplated, such determination not to be unreasonably withheld, conditioned or delayed.
- 9.6 Owner shall have the right to exclude from its tracks any employee of User, except officers, determined by Owner to be in violation of Owner's rules, regulations, orders, practices, or instructions promulgated in the normal course of business in writing by Owner in its timetable or otherwise, and provided in advance to User. The decision to bar any employee

of User from its tracks will not be interpreted as a request for User to fire the individual(s). User shall release, indemnify, defend, and save harmless Owner from and against any and all claims and expenses resulting from such exclusion.

- 9.7 The trains, locomotives, cars and equipment of User, Owner, and any other present or future user of the Subject Trackage or any portion thereof, will be operated without prejudice or partiality to any party and in such manner as shall afford the most economical and efficient manner of movement of all traffic.
- 9.8 User shall ensure that its locomotives are fueled to a capacity that enables User's trains to traverse the Subject Trackage without having to be fueled.
- 9.9 In the event that (i) one of User's trains is forced to stop on the Subject Trackage and is unable to proceed due to mechanical failure of User's equipment or any other cause not resulting from an accident or derailment, (ii) one of User's trains fails to maintain the speed required by Owner on the Subject Trackage; or (iii) in emergencies, crippled or otherwise defective cars are set out of User's trains on the Subject Trackage, Owner will have the option to furnish motive power or such other assistance (including but not limited to the right to recrew User's train) as may be necessary to haul, help or push such trains, locomotives or cars, or to properly move the disabled equipment off the Subject Trackage, and User will reimburse Owner for the cost incurred by Owner in rendering any such assistance.
- 9.10 If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Subject Trackage, Owner will have the option to perform such work, and User will reimburse Owner for the cost incurred by Owner with respect thereto.
- 9.11 In the event Owner and User agree that Owner should retain employees or provide additional employees for the sole benefit of User, the Parties will enter into a separate agreement under which User will bear all cost and expense for any such retained or additional employees provided, including recruitment and training cost, and including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the retained or additional employees not been provided.

ARTICLE 10. MILEAGE AND CAR HIRE

- 10.1 All mileage and car hire charges accruing on cars in User's trains on the Subject Trackage shall be assumed by User and reported and paid by User directly to the owner(s) of such cars.

ARTICLE 11. CLEARING OF WRECKS

- 11.1 Whenever User's use of the Subject Trackage requires rerailling, wrecking service or wrecking train service, Owner shall be responsible for the provision of such service, including the repair and restoration of roadbed, track and structures so as to minimize the impact on Owner and User operations. The cost, liability and expense of the foregoing, including without limitation loss of, damage to, or destruction of any property whatsoever and injury to and death of any person or persons whomsoever or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, resulting therefrom, shall be apportioned in accordance with the provisions of Article 12 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck, shall be promptly delivered to User.

ARTICLE 12. LIABILITY

- 12.1 Without changing the responsibility for the provision of emergency services as set forth in Article 11, the responsibility and liability between the Parties for: (i) any personal injury or death of any person (including employees of the Parties and third persons), (ii) any real or personal property damage of any person (including property of the Parties and third persons), (iii) any damage or destruction to the environment (including land, air, water, wildlife and vegetation), and (iv) all cleanup and remedial expenses, court costs, settlements, claims, judgments, litigation expenses, and reasonable attorneys' fees resulting from the use of the Subject Trackage by either Party as described herein, all of which are collectively referred to as a "Loss", shall be allocated as follows:
- (a) If a Loss results from use of the Subject Trackage involving the trains, locomotives or other units of motive power (hereinafter in Article 12, "Locomotives"), cars, and/or equipment of only one Party, then such Party shall be solely responsible for the Loss, even if caused partially or completely by the other Party.
 - (b) Losses involving the trains, Locomotives, cars, and/or equipment of both Parties.
 - (i) Except as otherwise provided in Section 12.1(b)(ii), if a Loss results from use of the Subject Trackage involving the trains, Locomotives, cars, and/or equipment of both Owner and User, then: (A) each Party shall be solely responsible for any Loss to its own employees, trains, Locomotives, equipment, and cars in its own account including lading and (B) responsibility for any Loss to the Subject Trackage and Loss sustained by third parties shall be divided equally between the two Parties, regardless of the proportionate responsibility between them as to the cause of the Loss.
 - (ii) If any damage of the environment, including without limitation land, air, water, wildlife, and vegetation, results from use of the Subject Trackage involving both Owner and User's trains, Locomotives, cars, and/or equipment, then as between themselves, (A) Owner shall be solely responsible for any damage or destruction to the environment and to third

parties which results solely from a substance transported in such Owner's cars and equipment and/or Owner's Locomotive(s) from which there is a release, (B) User shall be solely responsible for any damage or destruction to the environment and to third parties that results solely from a substance transported in such User's cars and equipment and/or User's Locomotive(s) from which there was a release, and (C) Owner and User shall be responsible, in proportion to the total number of Locomotives, cars, and/or equipment of each Party from which there was a release, for any damage or destruction to the environment (including exacerbation of existing conditions) and to third parties that results from one or more substances transported in cars or equipment in the revenue waybill and car hire accounts or Locomotives of both Owner and User from which there were releases.

- (c) If a Loss results from use of the Subject Trackage involving the trains, Locomotives, cars, and/or equipment only one of the Parties and one or more third parties, then such Party hereto shall be solely responsible for such Loss as between the Parties.
- 12.2 If a Loss occurs other than one resulting from the use of the Subject Trackage by the trains, Locomotives, cars, and/or equipment of either Owner or User, then each of Owner and User is solely responsible for any Loss to its own employees, trains, Locomotives, cars, and/or equipment, even if caused partially or completely by the other Party.
- 12.3 Except as provided in Section 9.11, each party agrees to indemnify and hold harmless the other Party and its parent corporation, subsidiaries and affiliates, and any or all their respective directors, officers, agents and employees from and against any and all costs and payments, including benefits, allowances and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of its own employees, either pursuant to a collective bargaining agreement or employee protective conditions imposed by a governmental agency upon the agency's approval or exemption of this Agreement. It is the intention of the Parties that each Party shall bear the full costs of protection of its own employees under employee protective conditions that may be imposed, and of grievances filed by its own employee arising under its collective bargaining agreements with its employees. Similarly, each Party agrees to indemnify and hold harmless the other Party against any and all costs and payments, including judgments, damages, attorneys' fees and litigation expenses, arising out of claims, lawsuits and actions brought by or on behalf of its own employees pursuant to any provision of law, including common law, and based on employment arising out of the operations covered by this Agreement, except to extent otherwise specifically provided in this Agreement.
- 12.4 Whenever any Loss is assumed by or apportioned to a Party under the foregoing provisions, that Party shall forever protect, defend, indemnify, and save harmless the other Party and its parent corporation, subsidiaries and affiliates, and any and all of their respective directors, officers, agents, and employees from and against such Loss assumed by that Party or apportioned to it, regardless of whether caused in whole or in part by the fault,

failure, negligence, misconduct, nonfeasance, or misfeasance of the indemnitee or its directors, officers agents, or employees.

- 12.5 In every case of death or injury suffered by an employee of either User or Owner, when compensation to such employees or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employers' liability or other law, and either of said Parties, under the provisions of this Agreement, is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such Party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.
- 12.6 For purposes of determining liability, pilots furnished by Owner to User pursuant to this Agreement shall be considered as the employees of User while such employees are on duty as pilots for User.
- 12.7 If any suit or action shall be brought against either Party for damages which under the provisions of this Agreement are in whole or in part the responsibility of the other Party, said other Party shall be notified in writing by the Party sued, and the Party so notified shall have the right and be obligated to take part in the defense of such suit and shall pay a proportionate part of the judgment and costs, expense and attorneys' fees incurred in such suit according to its liability assumed hereunder.
- 12.8 In the event of a Loss as set out herein, the Parties shall be bound by the Freight Claim Rules, Principles, and Practices of the AAR as to the handling of any claims for the loss or damage to lading.
- 12.9 Notwithstanding any provision of this Agreement to the contrary, for the purpose of this Article 12, the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Subject Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Subject Trackage or its right of way for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.
- 12.10 Notwithstanding any and all of the forgoing provisions of this Article 12, in the event a Loss occurs while the Subject Trackage is being used by Owner and/or User, and such Loss is attributable solely to the willful or wanton negligence of only one of the Parties to this Agreement, then the Party which was so willfully or wantonly negligent shall be solely responsible for such Loss. The Parties shall submit disputes involving the determination of whether a Loss is attributable solely to the willful or wanton negligence of one of the Parties to this Agreement, but no other disputes under this Agreement, to binding arbitration under the commercial arbitration rules of the American Arbitration Association.
- 12.11 Notwithstanding any provision of this Agreement to the contrary and regardless of the nature of the cause of action (whether in contract, tort or otherwise), but without limiting any Party's indemnification obligations with respect to a Loss of a third party under this

Article 12, in no event shall either Party be liable to the other Party for any incidental, special, indirect, consequential or punitive damages whatsoever (including but not limited to lost profits, business interruption expenses, lost use of equipment, liability to a Party's customers for liquidated damages or other damages) arising out of or related to the activities contemplated by this Agreement, even if advised of the possibility of such damages. Except as otherwise provided in Sections 12.7 and 13.1(c) hereof, under no circumstances shall either Party be entitled to recover its attorneys' fees and legal cost and expenses from the other Party for a dispute arising out of this Agreement.

ARTICLE 13. CLAIMS

13.1 Except as provided in Section 13.1(a) below, all claims, injuries, death, property damages, and losses arising out of or connected with this Agreement will be investigated, adjusted, and defended by the Party bearing the liability, cost, and expense therefor under Article 12 of this Agreement.

- (a) Each Party shall investigate, adjust and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. § 11706 and 49 C.F.R. Section 1005, or in accordance with any applicable transportation contract filed pursuant to 49 U.S.C. § 10709.
- (b) In the event a claim or suit is asserted against Owner or User which is the other's duty hereunder to investigate, adjust or defend, then, unless otherwise agreed, such other Party shall, upon request, take over the investigation, adjustment, and defense of such claim or suit.
- (c) All costs and expenses in connection with the investigation, adjustment and defense of any claim or suit under this Agreement shall be included as costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time agents, full-time attorneys and other full-time employees of either Party engaged directly or indirectly in such work shall be borne by such Party.
- (d) Excluding freight loss and damage claims filed in accordance with 49 U.S.C. § 11706 or 49 C.F.R. Section 1005, or in accordance with any applicable transportation contract filed pursuant to 49 U.S.C. § 10709, neither Party shall settle or compromise any claim, demand, suit or cause of action for which the other Party has any liability under this Agreement without the concurrence of such other Party if the consideration for such settlement or compromise exceeds [REDACTED].

13.2 It is understood that nothing in this Article 13 shall modify or waive the conditions, obligations, assumptions or apportionments provided in Article 12.

ARTICLE 14. INDEMNITY COVERAGE

- 14.1 As part of the consideration hereof, each Party hereby agrees that each and all of its indemnity commitments in this Agreement in favor of the other Party shall also extend to and indemnify the parent corporation, subsidiaries, and affiliates of such other Party, and all of their respective directors, officers, agents, and employees.

ARTICLE 15. INTENTIONALLY OMITTED

ARTICLE 16. TERM, TERMINATION, AND DEFAULT

- 16.1 This Agreement shall become effective as of the Effective Date and continue until August 31, 2019, at which time the underlying right of movement as granted by this Agreement shall terminate. However, User operations over the Subject Trackage pursuant to this Agreement will not commence until the effective date of any required Surface Transportation Board ("STB") authorization or exemption of User's trackage rights granted by this Agreement (including compliance with any condition(s) imposed by the STB in connection with such approval or exemption).
- 16.2 Termination of this Agreement shall not relieve or release either Party hereto from any obligations assumed or from any liability which may have arisen or been incurred by such Party under the terms of this Agreement prior to termination thereof.
- 16.3 In the event of any material failure on the part of User to perform its obligations under this Agreement and the continuation of such failure for a period of sixty (60) days after written notice thereof by certified mail from Owner, Owner shall have the right at its option and after first giving thirty (30) days' written notice thereof by certified mail, and notwithstanding any waiver by Owner of any prior breach thereof, to terminate the Agreement and User's use of the Subject Trackage, subject to any regulatory approval or exemption that may be required under governing law. The exercise of such right by Owner will not impair its rights under this Agreement or any cause or causes of action it may have against User for the recovery of damages.

ARTICLE 17. REGULATORY APPROVAL

- 17.1 Should implementation of this Agreement require the prior approval and authorization of the STB or other regulatory authority, NSR and KCS will initiate and thereafter diligently pursue such approval and authorization or an exemption therefrom under 49 C.F.R. § 1180.2(d)(8). Prior to making any submission to the STB, NSR and KCS shall both review and comment on the filing(s). NSR and KCS shall share equally in the cost and expense of any required filing for such approval, authorization, or exemption.

ARTICLE 18. FORCE MAJEURE

- 18.1 The obligations, other than payment obligations, of the Parties to this Agreement shall be subject to force majeure (including Acts of God, floods, storms, earthquakes, hurricanes, tornadoes, or other severe weather or climatic conditions, acts of public enemy, war, blockade, insurrection, vandalism or sabotage, fire, accident, wreck, derailment, washout or explosion, strike, lockout or labor disputes experienced by the Parties hereto, embargoes or AAR service orders; Federal Railroad Administration (FRA) orders, or governmental laws, orders, or regulations, and other causes or circumstances beyond the control of the Party invoking such force majeure as an excuse for nonperformance), but only as long as, and to the extent that, such force majeure shall reasonably prevent performance of such obligations by the affected Party. In the event that an event of force majeure impairs either Party's ability to fulfill its obligations to the other Party under this Agreement, said Party shall take all reasonable measures including providing routing over alternate rail lines to the extent practicable (subject to reimbursement for incremental costs), and granting the right to enter and exit the Subject Trackage at locations other than the End Points in the case of a necessary detour, to restore performance of its obligations in a timely manner.

ARTICLE 19. INTENTIONALLY OMITTED

ARTICLE 20. SUCCESSORS AND ASSIGNS

- 20.1 Neither Party hereto may assign this Agreement, in whole or in part, or any rights granted herein, or delegate to another party any duties hereunder, except a subsidiary, or an affiliate, without the prior written consent of the other party. Any transfer, assignment, or delegation of this Agreement, or of any rights or duties herein granted or imposed, whether voluntary, by operation of law, or otherwise, without such consent in writing, shall be absolutely void, and at the option of the party whose written consent should have been obtained, this Agreement may be terminated. Subject to this Article, this Agreement shall be binding upon and inure to the benefits of the Parties hereto, their successors and assigns.

ARTICLE 21. NOTICE

- 21.1 Any notice required or permitted to be given by one Party to another under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the Parties may mutually agree, and shall be addressed as follows:

If to KCS:

Kansas City Southern Railway Company
Attn: Director Interline Operations
427 West 12th Street
Kansas City, Missouri 64105

If to NSR:

Norfolk Southern Railway Company
c/o Norfolk Southern Corporation
Attn: Vice President Network Planning & Optimization
1200 Peachtree Street, NE – Box 158
Atlanta, Georgia 30309

with a copy to:

Norfolk Southern Railway Company
c/o Norfolk Southern Corporation
Attn: Senior Director – Interline Services
1200 Peachtree Street, NE – Box 158
Atlanta, Georgia 30309

Either Party may provide changes in the above addresses to the other Party by personal service or U.S. mail.

ARTICLE 22. GENERAL PROVISIONS

- 22.1 This Agreement and each and every provision hereof is for the exclusive benefit of the Parties and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right of any third party to recover by way of damages or otherwise against either of the Parties.
- 22.2 This Agreement contains the entire understanding of the Parties and supersedes any and all oral understandings between the Parties.
- 22.3 No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing and signed by both Parties.
- 22.4 No consent or waiver, expressed or implied, by a Party of any breach or default by the other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance hereunder by such other Party. Failure on the part of a Party to complain of any act or failure of the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned Party of its rights hereunder.
- 22.5 All words, terms and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry.
- 22.6 All Article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

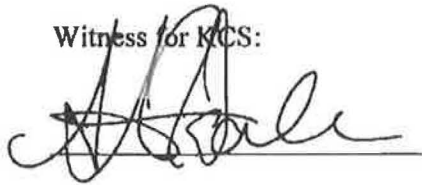
- 22.7 As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of, one of the Parties, such expression means the trains, locomotives, cars, and equipment in the possession of or operated by one of the Parties and includes such trains, locomotives, cars, and equipment which are owned by, leased to, or in the account of such Party. Whenever such locomotives, cars, or equipment are owned or leased by one Party and are in the possession or account of the other Party, such locomotives, cars, and equipment shall be considered those of that other Party in whose possession or train such locomotives, cars and equipment are located.
- 22.8 This Agreement is the result of mutual negotiations of the Parties, neither of whom shall be considered the drafter for purposes of contract construction.
- 22.9 This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri without giving effect to any choice or conflict of laws provision or rule (whether of the State of Missouri or any other jurisdiction) that would cause the application of laws of any jurisdiction other than the State of Missouri.
- 22.10 If any provision of this Agreement or the application thereof to any Party hereto or to any circumstance shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent or for any reason, the remainder of this Agreement or the application of the provisions thereof to such Party or circumstance, other than those determined to be invalid or unenforceable, shall not be affected thereby and shall be enforced to the fullest extent permitted by law, and the Parties shall promptly enter into such other agreement(s) as their respective legal counsel may deem appropriate in order to replace such invalid or unenforceable provisions in a manner which produces a result which is substantially equivalent to the terms of this Agreement in all material respects.
- 22.11 This Agreement may be executed in several counterparts, each of which will be deemed an original, and such counterparts shall constitute one and the same instrument.

ARTICLE 23. CONFIDENTIALITY

- 23.1 Except as provided by law or by rule, order, or regulation of any court or regulatory agency with jurisdiction over the subject matter of this Agreement or as may be necessary or appropriate for a Party to enforce its rights under this Agreement, during the term of this Agreement and during a period of three (3) years subsequent to termination of this Agreement, the terms and provisions of this Agreement and all information to which access is provided or obtained hereunder shall be kept confidential and shall not be disclosed by either Owner or User to any party other than each Party's respective parent corporation, subsidiaries, and affiliates, and their respective directors, officers, agents, employees and attorneys, without the prior written approval of the other Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

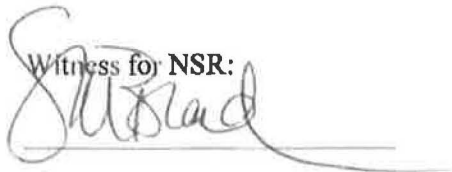
Witness for KCS:



THE KANSAS CITY SOUTHERN RAILWAY
COMPANY

By: 
Director Interline Operations

Witness for NSR:



NORFOLK SOUTHERN RAILWAY COMPANY

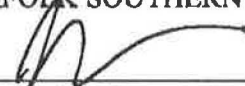
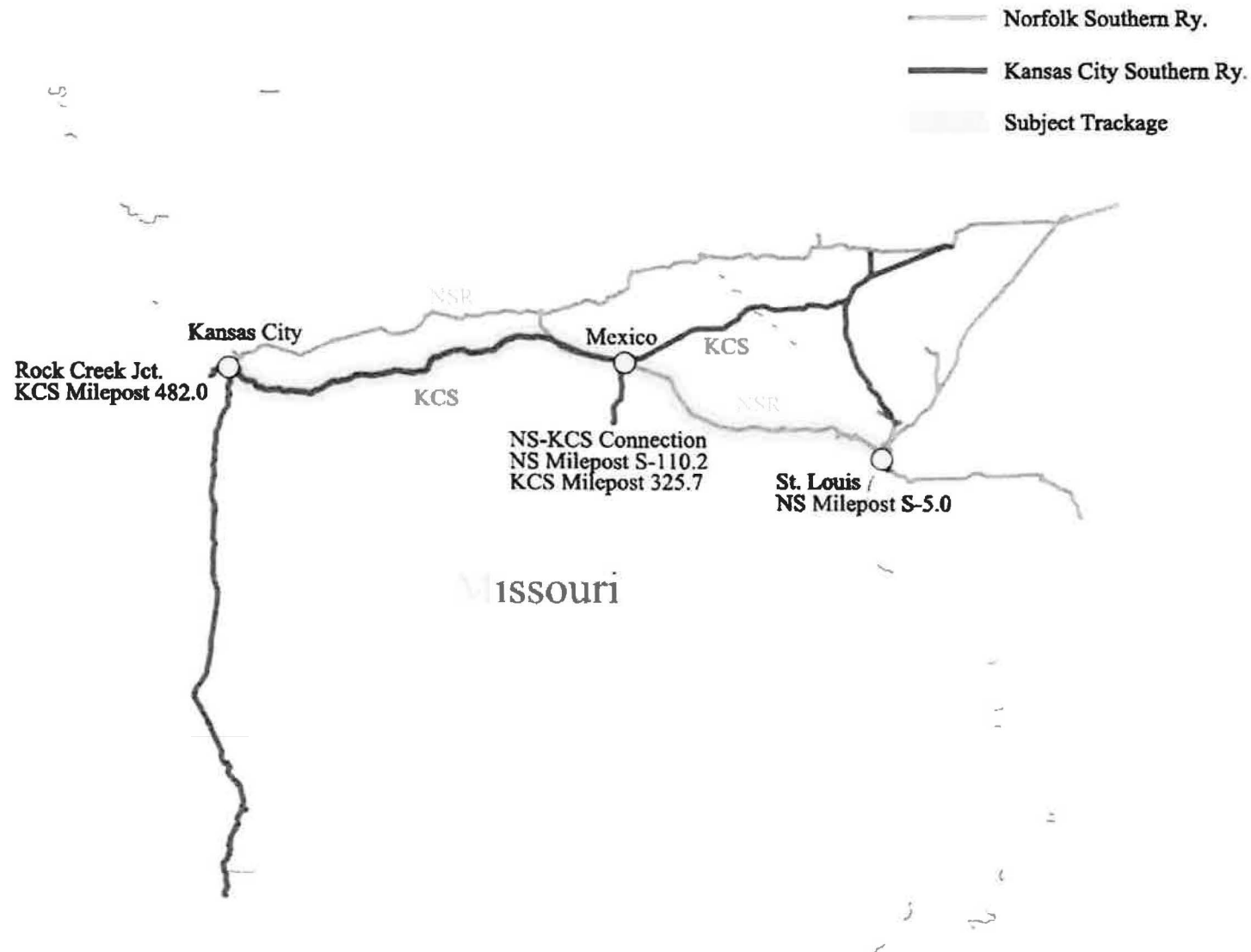
By: 
Vice President Network Planning & Optimization

Exhibit A



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 36314

**THE KANSAS CITY SOUTHERN RAILWAY COMPANY
– TEMPORARY TRACKAGE RIGHTS EXEMPTION –
NORFOLK SOUTHERN RAILWAY COMPANY**

DOCKET NO. FD 36315

**NORFOLK SOUTHERN RAILWAY COMPANY
– TEMPORARY TRACKAGE RIGHTS EXEMPTION –
THE KANSAS CITY SOUTHERN RAILWAY COMPANY**

Pursuant to a written agreement dated as of June 7, 2019, The Kansas City Southern Railway Company (“KCS”) and Norfolk Southern Railway Company (“NS”) have agreed to grant each other non-exclusive, temporary overhead trackage rights as follows: (1) to KCS over an approximately 105.2-mile line of railroad of NSR between St. Louis, Missouri (NSR Milepost S5.0), and Mexico, Missouri (NSR Milepost S110.2), and (2) to NSR over an approximately 156.3 mile line of railroad of KCS between Mexico, Missouri (KCS Milepost 325.7), and Rock Creek Junction in Kansas City, Missouri (KCS Milepost 482.0). The temporary trackage rights will provide KCS and NSR with an accessible alternate route between St. Louis, Missouri, and Kansas City, Missouri, while portions of each carrier’s route have been impacted by severe flooding.

KCS and NSR have concurrently filed a petition for waiver of the 30-day period in 49 C.F.R. § 1180.4(g) to allow the proposed temporary trackage rights to become effective immediately. The Board will address KCS’s and NSR’s joint petition in a separate decision. In the absence of granting KCS’s and NSR’s petition, the temporary trackage rights will be effective

[immediately] on June ____ 2019. Pursuant to 49 C.F.R. § 1180.2(d)(8), the temporary trackage rights authorized herein will automatically expire by agreement of the parties no later than August 31, 2019.

As a condition to this exemption, any employee affected by the temporary trackage rights will be protected by the conditions imposed in *Norfolk & Western Railway -- Trackage Rights -- Burlington Northern, Inc.*, 354 I.C.C. 605 (1978), as modified in *Mendocino Coast Railway -- Lease & Operate -- California Western Railroad*, 360 I.C.C. 653 (1980). Any employee affected by KCS's and NSR's discontinuance of operations upon expiration of the temporary trackage rights will be protected by the conditions imposed in *Oregon Short Line R. Co. -- Abandonment - Goshen*, 360 I.C.C. 91 (1979).

This notice is filed under 49 C.F.R. § 1180.2(d)(8). If it contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Stay petitions must be filed by June __, 2019 (at least 7 days before the exemption would ordinarily become effective).

An original and 10 copies of all pleadings, referring to Docket Nos. FD 36314 and 36315, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on (for The Kansas City Southern Railway Company), William A. Mullins, Baker & Miller PLLC, 2401 Pennsylvania Ave., NW, Suite 300, Washington, DC 20037, and (for Norfolk Southern Railway Company) on Garrett D. Urban, Norfolk Southern Corporation, Three Commercial Place, Norfolk, VA 23510.

Board decisions and notices are available on our website at WWW.STB.GOV.

Decided: June __, 2019

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

State of Missouri)
)
County of Jackson) SS:

14/12

Michelle M Jantal
Notary Public

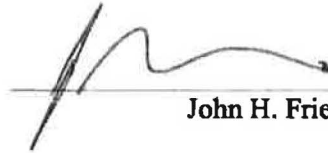
A circular notary seal for the State of Missouri. The outer ring contains the text "NOTARY PUBLIC" at the top and "STATE OF MISSOURI" at the bottom, separated by two stars. The center of the seal contains the words "NOTARY" and "SEAL" stacked vertically.

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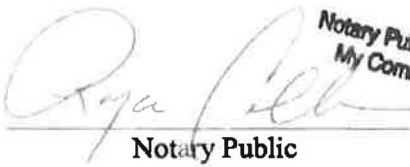
VERIFICATION OF NORFOLK SOUTHERN RAILWAY COMPANY

State of Georgia)
County of Fulton) SS:

John H. Friedmann, being duly sworn, deposes and says that he is Vice President of Norfolk Southern Railway Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.


John H. Friedmann

SUBSCRIBED AND SWORN TO
before me this 17th day
of June, 2019.


Notary Public
Royce Collins
Notary Public, Bibb County, Georgia
My Comm. Expires 08/13/2021

My Commission expires: 8/13/2021