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SERVICE DATE – DECEMBER 7, 2017

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36128]

Vicksburg Southern Railroad, L.L.C.—Lease and Operation Exemption—Kansas

City Southern Railway Company

Vicksburg Southern Railroad, L.L.C. (VSOR), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to continue to lease and operate from Kansas City Southern Railway Company (KCS) approximately 21.7 miles¹ of rail line consisting of the following lines located in Mississippi: (1) KCS's Redwood Branch, which is located between milepost 21.9, at the end of the line near Redwood, Miss., and milepost 220.3,² north of KCS's Vicksburg Yard, at Vicksburg, Miss; and (2) the portion of the Redwood Branch located between milepost 223.0, south of the connection with the KCS main line, and milepost 225.6.³

According to VSOR, it first entered into a lease agreement with KCS in 2005.

See Vicksburg S. R.R.—Lease & Operation Exemption—Kan. City S. Ry., FD 34765

(STB served Jan. 13, 2006). VSOR states that it recently entered into an amended and

¹ By letter filed on November 30, 2017, VSOR corrected the length of the rail line from 21.5 miles to 21.7 miles.

² VSOR states that KCS agreed to extend the leased line from milepost 218.0 to milepost 220.3 to provide VSOR better access to KCS's Vicksburg Yard.

³ VSOR states that the Amended Agreement no longer includes track numbers 418, 419, 429, 430, 431, 432, and (as indicated in VSOR's November 30 letter) 433, and the locomotive facility buildings within the Vicksburg Yard. VSOR states that it intends to file for authority to discontinue its operations over those tracks.

restated lease agreement (Amended Agreement) to extend the term of the lease through March 1, 2027, and to change the mileposts of the leased line and remove track numbers and buildings, as noted.

VSOR states that the Amended Agreement does not contain any provision that prohibits VSOR from interchanging traffic with a third party or limits VSOR's ability to interchange with a third party.

VSOR also certifies that its projected annual revenues as a result of the transaction will not result in VSOR becoming a Class II or Class I rail carrier and further certifies that its projected annual revenues will not exceed \$5 million.

The transaction may be consummated on or after December 21, 2017, the effective date of the exemption (30 days after the verified notice was filed).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than December 14, 2017 (at least seven days before the exemption becomes effective).

An original and ten copies of all pleadings, referring to Docket No. FD 36128, 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 Karl Morell, Karl Morell & Associates, 440 1st Street, N.W., Suite 440, Washington, DC 20001.

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

Decided: December 4, 2017.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.