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SERVICE DATE - OCTOBER 20, 1999

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33802]

Delta Southern Railroad, Inc.--Acquisition and Operation Exemption--Delta Southern
Railroad Company

Delta Southern Railroad, Inc. (Delta), a noncarrier, newly created to become a Class III railroad, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire (by purchase or lease) and operate approximately 132.78 miles of rail line from Delta Southern Railroad Company (DSRR). The lines or rights intended to be acquired are as follows: (1) from milepost 408.9 in or near McGehee, AR, to milepost 489.44 in or near Tallulah, LA; (2) a rail spur from milepost 445.53 (where it connects with the Warren Line described in (3)(a)) for 3 miles;¹ and (3) DSRR's leasehold interest in a rail line owned by Union Pacific Railroad Company (UP) and currently operated by DSRR (a) from milepost 422.32 at Dermott, AR, to milepost 461.74 at Warren, AR (The Warren Line), and (b) from milepost 566 at Monroe, LA, to milepost 556.18 at Sterlington, LA (The Sterlington Line). In addition, Delta will acquire approximately 11.76 miles of operating rights over other rail lines: (1) DSRR's operating rights over certain other rail assets located at milepost 491 in Tallulah, LA, and owned by the Madison Parish Port Commission (The Madison Line); (2) certain overhead trackage rights over UP's line (a) between milepost 415.26 at Dermott,

¹ Delta indicated in its notice that it takes no position on whether this line is a spur for the purpose of the spur exemption under 49 U.S.C. 10906.

AR, and milepost 409.7 at McGehee, AR, and (b) and yard facilities from milepost 566 and milepost 500.3 to milepost 504 at Monroe, LA; and (3) certain operating rights at milepost 472.8 at Lake Providence, LA, owned by the Lake Providence Port Commission.²

On August 4, 1999, William and Linda Wainwright, sole owners of Delta signed a letter of intent with Lawrence Beal for the parties to negotiate and execute a purchase and sale agreement for the acquisition and operation of DSRR.³ The verified notice states that William Wainwright has managed DSRR for the past 10 years since DSRR was established as a short line railroad in 1989. The parties had not yet signed an agreement as of the October 1, 1999 filing of the verified notice of exemption.

The transaction is scheduled to be consummated on or shortly after October 18, 1999.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33802, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy

² Delta states that its projected revenues will not exceed those that would qualify it as a Class III rail carrier and that its revenues are not projected to exceed \$5 million.

³ Lawrence Beal owns 100% of DSRR.

STB Finance Docket No. 33802

of each pleading must be served on John D. Heffner, Esq., Rea, Cross, & Auchincloss, 1707
L Street, N.W., Suite 570, Washington, DC 20036.

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

Decided: October 12, 1999.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary