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SERVICE DATE – FEBRUARY 5, 2016

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 35983]

Louisiana Southern Railroad, L.L.C.—Lease Exemption Containing Interchange
Commitment—The Kansas City Southern Railway Company

Louisiana Southern Railroad, L.L.C. (LAS), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to continue to lease from The Kansas City Southern Railway Company (KCS), and to operate, approximately 165.8 miles of rail line between: (1) a point 1,600 feet south of Highway 80 crossing, near Gibsland, La., and milepost B-192, near Pineville, La.; (2) milepost 83.5, at Sibley, La., and milepost 78.8, at Minden, La., on the Sibley Branch; (3) milepost 49.6, near Cullen, La., and milepost 78.8, at Minden on the Hope Subdivision; and (4) milepost 78.8, at Minden, and milepost B-102, near Bossier, La. on the Hope Subdivision.¹

In the verified notice, LAS states that LAS and KCS have recently entered into two amended and restated lease agreements² (Amended Agreements) which, among other things, extend the term of the original lease agreement to October 31, 2025. As required

¹ LAS was granted authority to lease and operate portions of the rail lines in Louisiana Southern Railroad, Inc.—Lease and Operation Exemption—The Kansas City Southern Railway Company, FD 34751 (STB served Oct. 7, 2005). In a letter filed on January 29, 2016, LAS clarified the locations of the rail lines being leased.

² LAS filed a confidential, complete version of the Amended Agreements with its notice of exemption to be kept confidential by the Board under 49 C.F.R. § 1104.14(a) without need for the filing of an accompanying motion for protective order under 49 C.F.R. § 1104.14(b).

under 49 C.F.R. § 1150.43(h)(1), LAS has disclosed in its verified notice that the Amended Agreements contain an interchange commitment that affects the interchange points in Sibley, Gibsland, and Pineville, La. In addition, LAS has provided additional information regarding the interchange commitment as required by 49 C.F.R.

§ 1150.43(h). LAS states that it will continue to be the operator of the rail lines.

LAS has certified that its projected annual revenues as a result of this transaction will not result in LAS' becoming a Class II or Class I rail carrier, but that its projected annual revenues would exceed \$5 million. Accordingly, LAS is required, at least 60 days before this exemption is to become effective, to send notice of the transaction to the national offices of the labor unions with employees on the affected lines, post a copy of the notice at the workplace of the employees on the affected lines, and certify to the Board that it has done so. 49 C.F.R. § 1150.42(e).

LAS has also filed a petition for waiver of the 60-day advance labor notice requirement under § 1150.42(e), asserting that: (1) no KCS employees will be affected because no KCS employees have performed operations or maintenance on the lines since 2005; and (2) no LAS employees will be affected because LAS will continue to provide the same service and perform the same maintenance as it has since 2005. LAS' waiver request will be addressed in a separate decision.

LAS states that the transaction is expected to be consummated on or shortly after the effective date of this notice. The Board will establish in the decision on the waiver request the earliest date this transaction may be consummated.

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 effectiveness of the exemption. Petitions for stay must be filed no later than February 12, 2016.

An original and ten copies of all pleadings, referring to Docket No. FD 35983, 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 applicant's representative, Karl Morell, Karl Morell & Associates, 655 Fifteenth Street, Suite 225, N.W., Washington, DC 20005.

According to LAS, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

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Decided: February 2, 2016.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.