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SERVICE DATE – FEBRUARY 3, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34823]

The Kansas City Southern Railway Company—Trackage Rights Exemption—

Meridian Speedway LLC

Meridian Speedway LLC (MSLLC) has agreed to grant local and overhead trackage rights to The Kansas City Southern Railway Company (KCSR)¹ to permit KCSR to operate over a line of railroad being transferred to MSLLC.² The trackage rights extend over this line between milepost 0.0 at Meridian, MS, and milepost 95.26

¹ A redacted version of the trackage rights agreement was filed with the notice of exemption. The full version of the agreement, as required by 49 CFR 1180.6(a)(7)(ii), was filed under seal along with a motion for a protective order.

² KCSR's verified notice of exemption is related to two other verified notices of exemption filed on January 17, 2006. In STB Finance Docket No. 34822, Kansas City Southern (KCS), KCSR, and MSLLC have filed a notice of exemption relating to an intra-corporate family transaction pursuant to which KCSR will transfer its line between Meridian, MS, and Shreveport, LA, to MSLLC, KCS will continue in control of MSLLC (which will become a carrier upon acquiring the line), and KCSR will contract with MSLLC to operate the transferred line on MSLLC's behalf. In STB Finance Docket No. 34821, Norfolk Southern Railway Company (NSR) has filed a notice of exemption to acquire trackage rights over the line to be transferred to MSLLC in STB Finance Docket No. 34822.

± at Jackson, MS, and between milepost 95.7 ± at Jackson, MS, and milepost V-169.85 ± at Shreveport, LA, a total distance of approximately 320 miles.³

KCSR had intended to consummate the transaction on the later of two dates, January 24, 2006, or when the transaction described in STB Finance Docket No. 34822 is consummated. However, by decision served on January 23, 2006, the effective date of the three exemptions was stayed, at the joint request of CN, NSR, KCS, KCSR, and MSLLC, until February 23, 2006. Accordingly, consummation of the transaction cannot occur until February 23, at the earliest.

KCSR will use the trackage rights to continue to provide local rail service to shippers located on the line once ownership of the line has transferred from KCSR to MSLLC. In addition, the trackage rights will allow KCSR to transport goods to and from shippers and other rail carriers between Shreveport, LA, and Meridian, MS. This transaction and the transactions covered by the other two notices of exemption are part of a joint-venture between KCS and NSR to share and upgrade the instant line, a segment of a longer line located between Meridian, MS, and Dallas, TX.

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed 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).

³ KCSR currently operates via trackage rights over the approximately four-tenths of a mile section of track in Jackson, MS, connecting these two line segments. That section of track is controlled by Canadian National Railway Company (CN) as successor to Illinois Central Railroad Company (IC) pursuant to a trackage rights agreement dated March 26, 1986, between MidSouth Rail Corporation and IC.

This notice is filed under 49 CFR 1180.2(d)(7). 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 transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34823, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on: (1) Robert B. Terry, The Kansas City Southern Railway Company, P.O. Box 219335, Kansas City, MO 64121-9335; and (2) William A Mullins, Baker & Miller PLLC, 2401 Pennsylvania Avenue, N.W., Suite 300, Washington, DC 20037.

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Decided: January 27, 2006.

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

Vernon A. Williams

Secretary