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SERVICE DATE – APRIL 7, 2005

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. AB-384 (Sub-No. 1X)

DELTA SOUTHERN RAILROAD, INC.—ABANDONMENT EXEMPTION—BETWEEN
LAKE VILLAGE, AR, AND SHELburn, LA

IN THE MATTER OF A REQUEST TO SET TERMS AND CONDITIONS

Decided: April 6, 2005

Delta Southern Railroad, Inc. (DSR), filed a notice of exemption under 49 CFR 1152 Subpart F-Exempt Abandonments to abandon a 30.0-mile portion of its Lake Providence Line (the line), between milepost 433.0, near Lake Village, AR, and milepost 463.0, near Shelburn, LA. Notice of the exemption was served and published in the Federal Register on June 10, 2004 (69 FR 32657-58).¹ On November 30, 2004, Southeast Arkansas Economic Development District (SAEDD) and Lake Providence Port Commission (LPPC) timely filed an offer of financial assistance (OFA) under 49 U.S.C. 10904 and 49 CFR 1152.27(c) to purchase the line.

In a decision served on December 3, 2004, SAEDD and LPPC were found financially responsible and the effective date of the exemption authorizing abandonment was postponed to permit the OFA process to proceed. The decision also set December 30, 2004, as the deadline for either party to request the Board to establish the terms and conditions for the purchase if the parties could not agree on the purchase price.

On December 30, 2004, SAEDD and LPPC, now joined by Madison Parish Port Commission (collectively, Offerors), requested that the Board set the terms and conditions for the sale because the parties were unable to agree on the sale price. By decision served on January 28, 2005, the Board set the purchase price for the line at \$1,831,408, and established terms for the transfer of the line. The deadline for accepting or rejecting the terms and conditions imposed in the January 28, 2005 decision was extended through March 28, 2005, by decisions served on February 7, 2005, and March 7, 2005.

By letter filed on March 29, 2005, the Offerors notified the Board that they had decided not to accept the the terms and conditions imposed in the January 28, 2005 decision, and that they intend to pursue acquisition of the line outside the OFA process.

¹ The exemption was subject to employee protective conditions. In addition, an environmental and a historic preservation condition were imposed in a decision served on October 7, 2004.

When an entity offering to purchase a line later notifies the Board that it does not accept the terms and conditions set by the Board, the Board will serve a decision vacating the decision which postponed the effective date of the the exemption. See 49 U.S.C. 10904 and 49 CFR 1152.27(h)(7). Accordingly, the OFA process will be terminated, and the December 3, 2004 decision will be vacated to permit the prior abandonment authorization for the line subject to the OFA to become effective on the service date of this decision.

This decision will not significantly affect either the quality of the human environment or conservation of energy resources.

It is ordered:

1. The OFA process in this proceeding is terminated.
2. The decision served on December 3, 2004, is vacated to the extent it postponed the effective date of the abandonment exemption to permit the OFA process to proceed. The abandonment exemption will be effective on the service date of this decision, subject to the previously imposed conditions.
3. This decision is effective on its service date.

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

Vernon A. Williams
Secretary