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SERVICE DATE – FEBRUARY 3, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34821]

Norfolk Southern Railway Company—Trackage Rights Exemption—Meridian

Speedway LLC—Between Meridian, MS and Shreveport, LA

Meridian Speedway LLC (MSLLC) has agreed to grant overhead trackage rights to Norfolk Southern Railway Company (NSR)¹ to permit NSR 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 ± at Jackson, MS, and between milepost 95.7 ± at Jackson, MS, and milepost V-169.85 ± at Shreveport, LA,

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 NSR'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), Kansas City Southern Railway Company (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. 34823, KCSR has filed a notice of exemption to acquire trackage rights over the line to be transferred to MSLLC in STB Finance Docket No. 34822.

a total distance of approximately 320 miles.³

NSR had intended to consummate the transaction on the later of two dates, January 24, 2006, or when the transactions described in the two related verified notices of exemption are 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. And NSR has agreed to exercise the instant trackage rights only in the event of certain occurrences described in the agreement attached to the notice.

NSR will use the trackage rights for the overhead movement between Meridian, MS, and Shreveport, LA, of trains handling certain categories of intermodal traffic. This transaction and the transactions described in the two related notices of exemption are part of a joint-venture between KCS and NSR to share and upgrade this portion of the Meridian Speedway, a line running 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 The track segment between milepost 95.26 and milepost 95.7 at Jackson, MS, is owned by Canadian National Railway Company (CN). KCSR operates over the CN-owned segment pursuant to a trackage rights agreement. While NSR will seek to negotiate a trackage rights agreement with CN for that segment as well, KCSR will provide haulage service for NSR over the CN-owned segment should NSR exercise the trackage rights under this notice in the interim.

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. 34821, 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) G. Paul Moates, Sidley Austin, LLP, 1501 K Street, N.W., Washington, D.C. 20005; and (2) James A. Squires, Norfolk Southern Corporation, Three Commercial Place, Norfolk, VA 23510-9241.

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

Decided: January 27, 2006.

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

Vernon A. Williams
Secretary