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ATTORNEYS AT LAW SINCE 1895

VIA OVERNIGHT DELIVERY

Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street SW  
Washington, DC 20024

May 26, 2011



Re: Delta Southern Railroad, Inc. – Abandonment Exemption –  
In East Carroll Parish, LA  
STB Docket No. AB-384 (Sub-No. 2 X)  
*Offer of Financial Assistance*

ENTERED  
Office of Proceedings  
MAY 27 2011  
Part of  
Public Record

Dear Ms. Brown:

Enclosed for filing are the original and 10 copies of an Offer of Financial Assistance (“OFA”) being filed on behalf of Lake Providence Port Commission. Also enclosed is our check in the amount of \$1500 representing the filing fee.

Please time stamp the extra copy of the OFA and return it to me in the stamped, self-addressed envelope provided for your convenience.

Please let me know if there are any questions regarding this filing.

Respectfully,

Eric M. Hocky

*Counsel for Lake Providence Port  
Commission*

Pittsburgh

Philadelphia

Princeton

Wheeling

EMH/e  
Enclosure

cc: Thomas F. McFarland, Esq. (via e-mail and US first class mail)

Thorpe Reed & Armstrong, LLP  
One Commerce Square  
2005 Market Street  
Suite 1000  
Philadelphia, PA 19103-7041  
215 640 8500  
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**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

STB Docket No. AB 384 (Sub-No. 2X)



**DELTA SOUTHERN RAILROAD, INC.**

**- ABANDONMENT EXEMPTION -**

**IN EAST CARROLL PARISH, LA**

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**LAKE PROVIDENCE PORT COMMISSION  
OFFER OF FINANCIAL ASSISTANCE (OFA)  
TO ACQUIRE RAIL LINES**

**ENTERED  
Office of Proceedings**

**MAY 27 2011**

**Part of  
Public Record**

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Attorneys for Lake Providence Port  
Commission**

Dated: May 26, 2011

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

STB Docket No. AB 384 (Sub-No. 2X)

**DELTA SOUTHERN RAILROAD, INC.  
- ABANDONMENT EXEMPTION -  
IN EAST CARROLL PARISH, LA**

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**LAKE PROVIDENCE PORT COMMISSION  
OFFER OF FINANCIAL ASSISTANCE (OFA)  
TO ACQUIRE RAIL LINES**

Lake Providence Port Commission, a governmental agency created by Act 450 (R.S. 1501 et seq.) of the 1958 regular session of the Louisiana Legislature (the "Port Commission"), hereby files this offer of financial assistance ("OFA") to acquire the rail line that Delta Southern Railroad ("DSR" or "Applicant") seeks to abandon in this proceeding. This OFA is submitted in accordance with the regulations set forth in 49 CFR 1152.27, *et seq.*

On December 8, 2010, the Port Commission filed a formal expression of intent to file an OFA to purchase the line. This filing automatically stayed the effective date of the exemption for 10 days, until January 8, 2011. By petition filed on December 22, 2010, the Port Commission requested that the time period for it to submit an OFA be tolled until after it received requested information from DSR. In its decision served March 25, 2011, the Board the time period for the Port Commission to file an until 10 calendar days after DSR notifies the Board in writing that it had provided the Port Commission with the requested information and documentation. Although the requested information has not been provided, DSR and the Port Commission have been negotiating with respect to the OFA acquisition and have reached agreement on the price and other terms and conditions related to the purchase price of the subject line.

An OFA to acquire a line for continued rail service need not be detailed, but an offeror must show that it is financially responsible and that the offer is reasonable. *See Arizona & California Railroad Company – Abandonment Exemption – In San Bernardino and Riverside Counties, CA*, STB Docket No. AB-1022 (Sub-No. 1X) (served July 29, 2009); *East Penn Railroad, LLC – Abandonment Exemption – In Berks and Montgomery Counties, PA*, STB Docket No. AB-1020X (served December 2, 2008). *See also Conrail Abandonments under NERSA*, 365 ICC 472 (1981). The Port Commission and this OFA clearly satisfy both requirements.

### **BACKGROUND**

DSR filed a verified notice of exemption under 49 C.F.R. 1152 subpart F—Exempt Abandonments to abandon 8 miles of rail line extending from milepost 463.0, near Shelburn, to milepost 471.0, which is approximately a mile south of Lake Providence, in East Carroll Parish, LA (the “Abandonment Line”). Notice of the exemption was served and published in the Federal Register on November 29, 2010 (75 Fed. Reg. 73,161-62). A map of the Abandonment Line is attached hereto as Exhibit A. The Port Commission has been negotiating with DSR to acquire the Abandonment Line, and has reached agreement on the terms and conditions of the acquisition. This OFA is being filed to permit the acquisition to be made under the applicable regulations.

### **OFFER OF FINANCIAL ASSISTANCE**

The Port Commission hereby offers to purchase the Abandonment Line for a purchase price of \$35,000 per mile ,or a total purchase price of \$280,000, and on the following terms and conditions:

- (1) Closing within 90 days.

- (2) Transfer of land by quitclaim deed.
- (3) Transfer of track and track materials by bill of sale.
- (4) Assignment of all leases, licenses and other agreements related or pertaining to the Abandonment Line.
- (5) The transfers to be free and clear of monetary liens and encumbrances.
- (6) The grant of trackage rights over the 1.25± miles of track connecting the Abandonment Line and the private tracks owned by the Port Commission.

In accordance with the requirements of 49 CFR 1152.27(c)(1)(ii), the Port Commission also provides the following information with respect to its OFA:

*(A) Identity of Lines in Question*

The OFA is for the acquisition of the entire Abandonment Line as described above, and in the Notice of Exemption.

*(B) Financial Responsibility of Offeror*

As set forth in 49 CFR 1152.27(c)(1)(ii)(B), governmental entities such as the Port Commission are presumed to be financially responsible.<sup>1</sup>

*(C) Explanation of Disparity between Offer and Applicant's Estimate*

Applicant has not formally provided an estimate of the minimum purchase price. However, the parties have reached agreement on the price which is the same as the price per mile that the parties agreed on for the OFA purchase of the line of railroad for which DSR sought abandonment in AB 384 (Sub-No. 3X). There is no disparity between DSR's estimate of net liquidation value and the offer of the Port Commission.

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<sup>1</sup> On March 1, 2011, the Louisiana State Bond Commission approved a Certificate of Indebtedness for the benefit of the Port Commission in the amount of \$ 1,500,000.00. The Port Commission has the funds available.

## CONCLUSION

Based on the foregoing, the Port Commission hereby requests that the Board determine that it is financially responsible and that this offer of financial assistance to purchase the Abandonment Line is reasonable.

Respectfully submitted,



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Attorneys for Lake Providence Port  
Commission

Dated: May 26, 2011

**VERIFICATION**

I, William W. Gilfoil, hereby declare under penalty of perjury that I am Port Director, Lake Providence Port Commission, that I am duly authorized to present this Verification, and that I have read the foregoing Offer of Financial Assistance and know the fact asserted therein with respect to Lake Providence Port Commission are true and correct as stated to the best of my knowledge, information and belief.

Executed on May 26, 2011

  
William W. Gilfoil

# EXHIBIT A

Appendix 1

RAND McNALLY  
HANDY RAILROAD MAP  
Louisiana

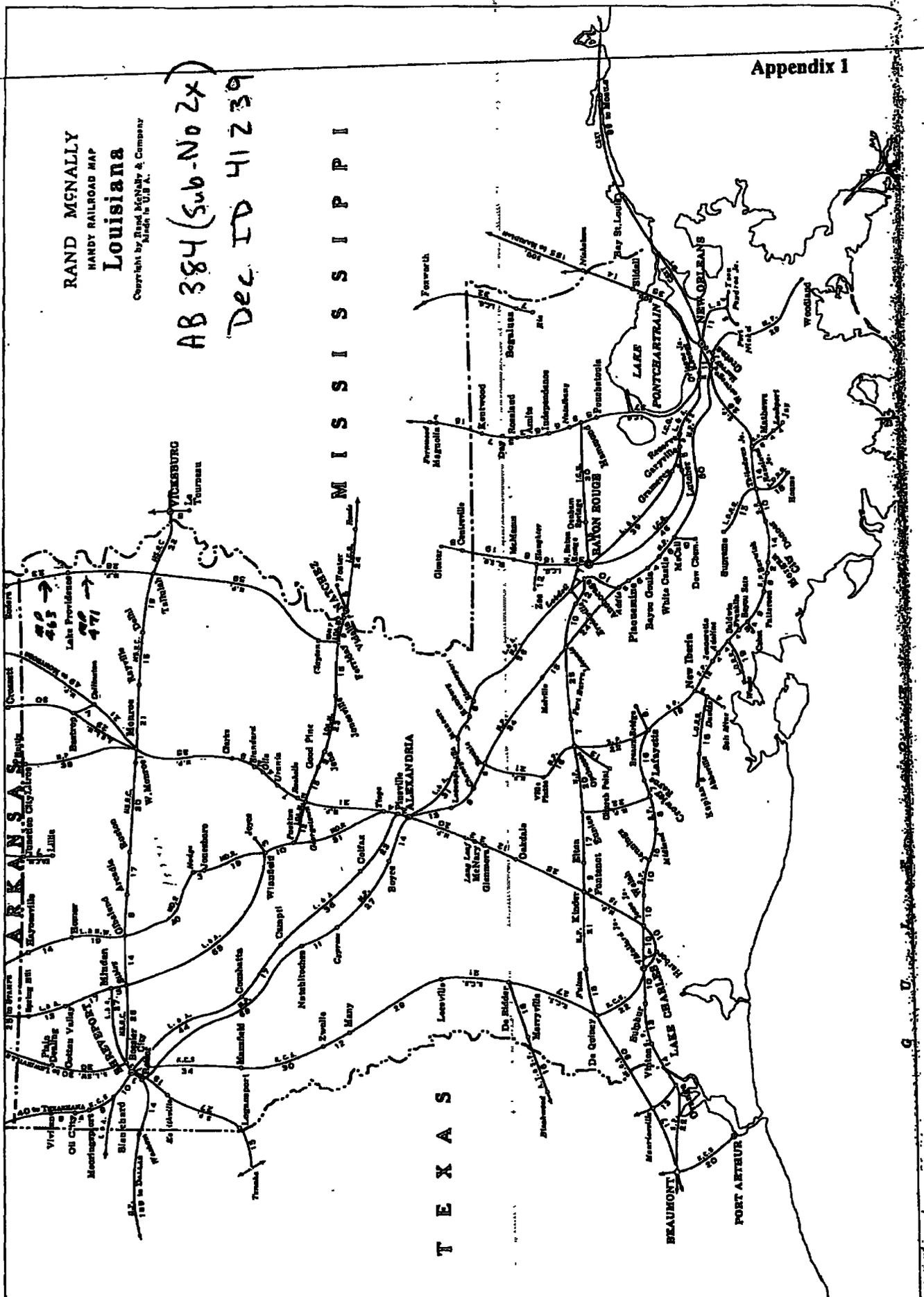
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AB 384 (Sub-No 2x)

DEC ID 41239

M I S S I S S I P P I

T E X A S



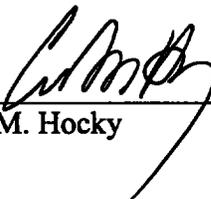
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**CERTIFICATE OF SERVICE**

I hereby certify that on the date set forth below, I caused a copy of the foregoing Offer of Financial Assistance (OFA) to Acquire Rail Lines, to be served on counsel for Delta Southern Railroad, Inc. by email and by US first class mail as follows:

Thomas F. McFarland  
Thomas F. McFarland, P.C.  
208 South LaSalle Street – Suite 1890  
Chicago, IL 60604-1112  
[mfarland@aol.com](mailto:mfarland@aol.com)

Dated: May 26, 2011

  
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Eric M. Hocky