

Karl Morell & Associates  
655 15<sup>th</sup> Street, NW, Suite 225  
Washington, DC 20005  
(202) 595-9045  
[karlm@karlmorell.com](mailto:karlm@karlmorell.com)

239918

ENTERED  
Office of Proceedings  
January 20, 2016  
Part of  
Public Record



HAND DELIVERY

January 20, 2016

Cynthia Brown  
Chief, Section of Administration  
Surface Transportation Board  
Office of Proceedings  
395 E Street, SW  
Washington, DC 20423

Re: Finance Docket No. 35983, Louisiana Southern Railroad,  
L.L.C. -- Lease Exemption Containing Interchange  
Commitment – The Kansas City Southern Railway Company

Dear Ms. Brown:

Attached for filing with the Surface Transportation Board, please find the original and ten copies of the Verified Notice of Exemption pursuant to 49 C.F.R. 1150.41. Enclosed is a check in the amount of \$1,900 to cover the filing fee.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Karl Morell".

Karl Morell

Enclosures

FEE RECEIVED  
January 20, 2016  
SURFACE  
TRANSPORTATION BOARD

FILED  
January 20, 2016  
SURFACE  
TRANSPORTATION BOARD

BEFORE THE  
SURFACE TRANSPORTATION BOARD

---

FINANCE DOCKET NO. 35983

---

LOUISIANA SOUTHERN RAILROAD, L.L.C.  
--LEASE EXEMPTION CONTAINING INTERCHANGE COMMITMENT--  
THE KANSAS CITY SOUTHERN RAILWAY COMPANY

---

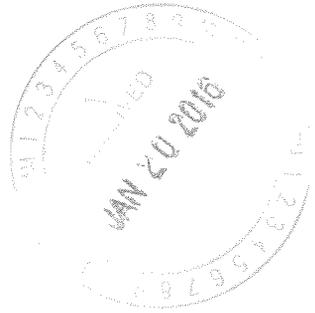
VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

---

KARL MORELL  
Karl Morell & Associates  
Suite 225  
655 Fifteenth Street, N.W.  
Washington, D.C. 20005  
(202) 595-9045

Attorney for:  
LOUISIANA SOUTHERN  
RAILROAD, L.L.C.

Dated: January 20, 2016



BEFORE THE  
SURFACE TRANSPORTATION BOARD

---

FINANCE DOCKET NO. 35983

---

LOUISIANA SOUTHERN RAILROAD, L.L.C.  
--LEASE EXEMPTION CONTAINING INTERCHANGE COMMITMENT--  
THE KANSAS CITY SOUTHERN RAILWAY COMPANY

---

VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1150.41, Et Seq.

---

Louisiana Southern Railroad, L.L.C. ("LAS"), a Class III rail carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart E--Exempt Transactions Under 49 U.S.C. 10902, to permit LAS to continue to lease and operate approximately 165.8 miles of rail lines in Louisiana from The Kansas City Southern Railway Company ("KCS").

In support of this Notice of Exemption, LAS submits the following information as required by 49 C.F.R. § 1150.43:

- (a) Full name and address of applicant:

Louisiana Southern Railroad, L.L.C.  
315 W. 3<sup>rd</sup> Street  
Pittsburg, Kansas 66762

(b) Applicant's Representative:

Karl Morell  
Karl Morell & Associates  
Suite 225  
655 Fifteenth Street, N.W.  
Washington, DC 20005  
(202) 595-9045

(c) Statement of Agreement:

LAS entered into a Lease Agreement with KCS in 2005. *See* STB Finance Docket No. 34751, *Louisiana Southern Railroad, Inc. – Lease and Operation Exemption – The Kansas City Southern Railway Company* (not printed), served October 7, 2005. LAS recently entered into two Amended and Restated Lease Agreements with KCS (“Amended Agreements”) which, among other things, extended the term of the lease to October 31, 2025.

(d) The operator of the property:

LAS will continue to be the operator of the property.

(e) Summary of proposed transaction:

(1) The name and address of the company leasing the subject property is:

The Kansas City Southern Railway Company  
Cathedral Square Headquarters Building  
427 West 12<sup>th</sup> Street  
Kansas City, Missouri 64105

(2) The involved transaction is expected to be consummated on or shortly after the effective date of this notice of exemption.

(3) The rail lines that will continue to be leased by LAS are located between:

(1) a point 1,600 feet south of Highway 80 crossing near Gibsland,

Louisiana, and Milepost B-192, near Pineville, Louisiana; (2) on the Sibley Branch, Milepost 83.5 and Milepost 78.8; (3) Milepost 49.6 and Milepost 78.8, and (4) Milepost 78.8 and Milepost B-102, on the Hope subdivision.

- (4) The length of the rail lines being leased is approximately 165.8 miles.
- (f) A map of the rail lines that will continue to be leased is attached as Exhibit A.
- (g) LAS hereby certifies that LAS's projected revenues as a result of this transaction will not result in LAS becoming a Class II or Class I rail carrier. LAS's annual revenues exceed \$5 million. Accordingly, the requirements 49 C.F.R. § 1150.42(e) apply to this transaction. Providing the 60-day notice, however, would serve no useful purpose since LAS already operates the leased lines. Consequently, LAS is seeking a waiver of the notice period set forth in Section 1150.42(e).
- (h)(1)
  - (i) The Amended Agreements contain an interchange commitment. The affected interchange points are Sibley, Gibsland and Pineville, LA.
  - (ii) The Amended Agreements are being filed with the Board under 49 C.F.R. § 1104.14(a).
  - (iii) Calumet Lubricants Co., Madden Contracting Company LLC,

Unimin Corp., Aeropress Corp., Bendstar, Badger Mining, Hollingsworth Construction Company, Inc., Baker Hughes, Inc., Halliburton Energy Services, Inc., Anchor Drilling, International Paper, Westrock CP, LLC, Weyerhaeuser, Arclin USA, LLC, and West Fraiser.

(iv) Information being filed under Section 1104.14(a).

(v) LAS hereby certifies that LAS has provided notice of the proposed transaction and interchange commitments to the shippers identified in paragraph (iii).

(vi) Louisiana & Northwest Railroad at Gibsland, LA and Union Pacific Railroad at Tioga, LA.

(vii) Information being filed under Section 1104.14(a).

A caption summary, as required by 49 C.F.R. § 1150.44, is attached.

#### **ENVIRONMENTAL AND HISTORIC IMPACTS**

LAS is leasing the rail lines from KCS for continued rail operations. Further Board approval is required for LAS to discontinue or abandon any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

LAS's lease will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of this line to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the line; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50

vehicles a day. LAS's lease of the rail line will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

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

Respectfully submitted,



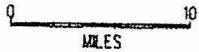
KARL MORELL  
Karl Morell & Associates  
Suite 225  
655 Fifteenth Street, N.W.  
Washington, DC 20005  
(202) 595-9045

Attorney for:  
LOUISIANA SOUTHERN RAILROAD, L.L.C.

Dated: January 20, 2016

# **EXHIBIT A**

# Hope Subdivision



COLUMBIA

AR

Spring Hill  
MP 47.0

WEBSTER

Cullen  
MP 50.3

CLAIBORNE

LA

CADDO

BOSSIER

Shoreline

Minden  
MP 78.8

TX

Blanchard

Shreveport

L&A Junction  
MP 105.1

Sibley

Gibbsland

LINCOLN

Simsboro

Ruston

Bienville

Hodge

BIENVILLE

JACKSON

PANOLA

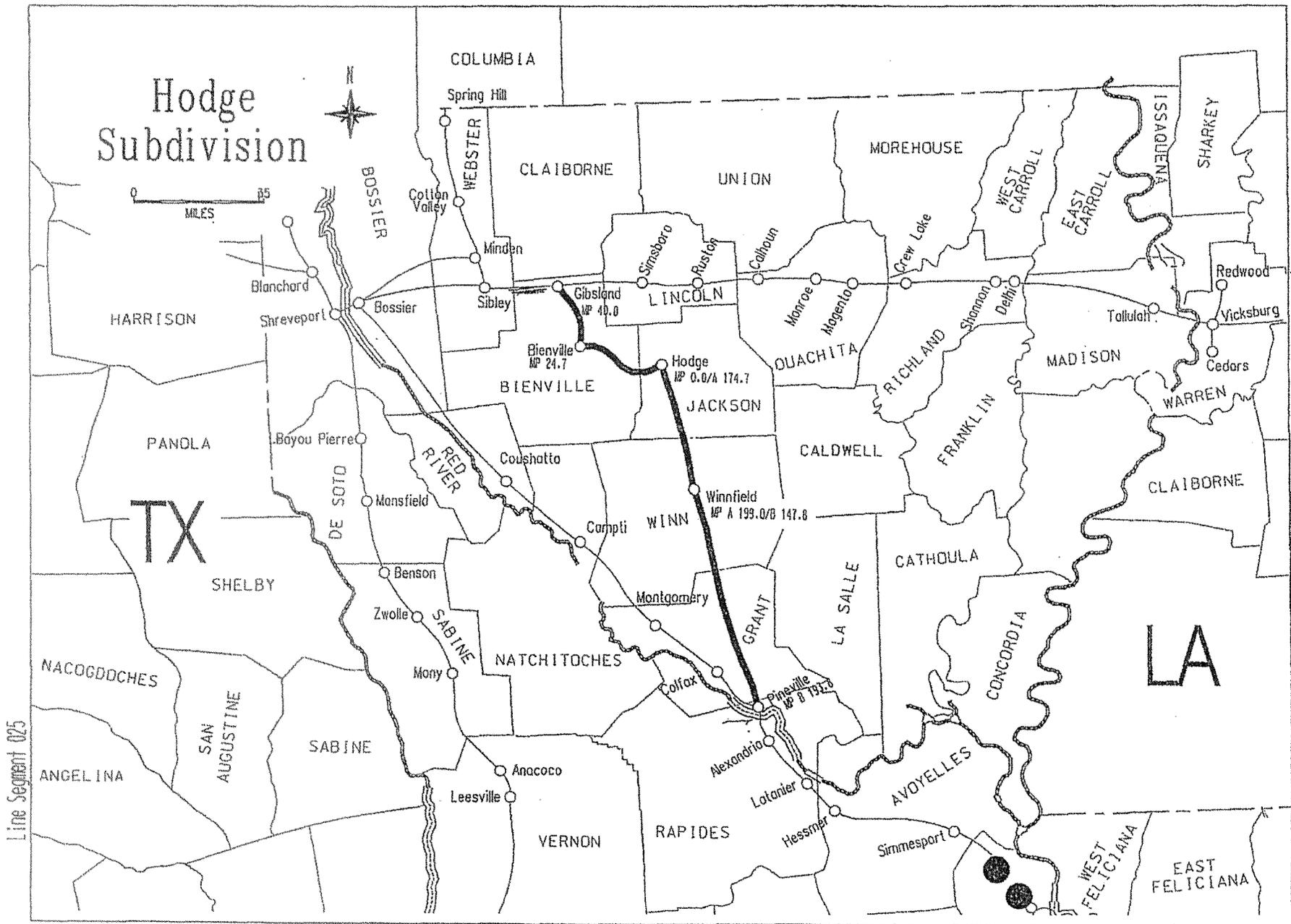
Bayou Pierre

Line Segment 023

# Hodge Subdivision



0 0.5  
MILES



Line Segment 025

1100-568.dgn

Hodge Subdivision  
025-000

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 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 CFR 1150.41, to continue to lease from The Kansas City Southern Railway Company (KCS) approximately 165.8 miles of rail lines located between: (1) a point 1,600 feet south of Highway 80 crossing near Gibsland, Louisiana, and Milepost B-192, near Pineville, Louisiana; (2) on the Sibley Branch, Milepost 83.5 and Milepost 78.8; (3) Milepost 49.6 and Milepost 78.8, and (4) Milepost 78.8 and Milepost B-102, on the Hope subdivision.

Comments must be filed with the Board and served on Karl Morell, Karl Morell & Associates, Suite 225, 655 Fifteenth Street, N.W., Washington, DC 20005, (202) 638-3307.

This notice is filed under 49 C.F.R. 1150.41. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

STATE OF KANSAS

)

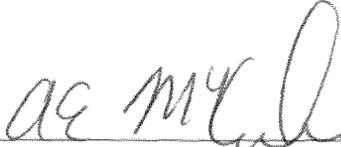
)

ss.

COUNTY OF CRAWFORD

)

I, Arthur E. McKechnie, III, being duly sworn depose and state that I am Assistant Secretary of Louisiana Southern Railroad, L.L.C., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.

  
Arthur E. McKechnie, III

SUBSCRIBED AND SWORN TO before me this 4 day of December, 2015, in the County of Crawford, State of Kansas.

My Commission Expires: 3/31/2018



GINA G. WILLIAMS  
Notary Public  
State of Kansas  
My Commission Expires 3/31/2018