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SERVICE DATE – AUGUST 1, 2008

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35159]

Baton Rouge Southern Railroad, LLC—Lease and Operation Exemption—The Kansas City Southern Railway Company

Baton Rouge Southern Railroad, LLC (BRSR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire, by lease, and to operate approximately 8.2 miles of rail line of The Kansas City Southern Railway Company (KCS) in Louisiana.<sup>1</sup> The lines to be leased and operated are: (1) KCS's UTL Lead located between the end of the turnout of switch near milepost 216.0 "D-Line" of the New Orleans Subdivision and extending west approximately 2 miles to the end of the UTL Lead; and (2) the tracks in KCS's New Yard and Dome Yard, approximately 6.2 miles.

According to BRSR, the lease agreement will contain a provision that prohibits BRSR from interchanging traffic with a third party at Baton Rouge, LA.

This transaction is related to a concurrently filed verified notice of exemption in STB Finance Docket No. 35169, Watco Companies, Inc.—Continuance in Control Exemption—Baton Rouge Southern Railroad, LLC. In that proceeding, Watco

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<sup>1</sup> BRSR states that it has been negotiating an agreement with KCS for several months and that all essential terms have been agreed to between the parties. The agreement is expected to be finalized soon.

Companies, Inc., has filed a verified notice of exemption to continue in control of BRSR upon BRSR's becoming a Class III rail carrier.

BRSR certifies that its projected annual revenues as a result of the transaction will not result in BRSR becoming a Class II or Class I rail carrier. However, because its projected annual revenues will exceed \$5 million, BRSR also certifies that it has complied with the notice requirements of 49 CFR 1150.32(e).

The transaction is expected to be consummated on or shortly after August 19, 2008, 60 days after BRSR's certification of the notice requirements of section 1150.32(e).

Pursuant to the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, § 193, 121 Stat. 1844 (2007), nothing in this decision authorizes the following activities at any solid waste rail transfer facility: collecting, storing or transferring solid waste outside of its original shipping container; or separating or processing solid waste (including baling, crushing, compacting and shredding). The term "solid waste" is defined in section 1004 of the Solid Waste Disposal Act, 42 U.S.C. 6903.

If the verified notice 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 effectiveness of the exemption. Petitions for stay must be filed no later than August 12, 2008 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35159, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on

Karl Morell, Of Counsel, Ball Janik LLP, Suite 225, 1455 F Street, N.W., Washington,  
DC 20005.

Board decisions and notices are available on our website at  
“[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: July 25, 2008.

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

Anne K. Quinlan

Acting Secretary