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October 12, 2007

### VIA ELECTRONIC FILING

The Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0001

**RE: *The Kansas City Southern Railway Company – Abandonment Petition for Exemption – Line in Warren County, MS, Docket No. AB-103 (Sub-No. 21X)***

***Vicksburg Southern Railroad, Inc. – Discontinuance of Service Petition for Exemption – Line in Warren County, MS, Docket No. AB-1016X***

Dear Secretary Williams:

On October 2, 2007, The Kansas City Southern Railway Company (“KCSR”) and the Vicksburg Southern Railroad, Inc. (“VSOR”) (collectively, “Petitioners”) filed in the above-captioned proceedings a joint “Response To Comments Of Foam Packaging, Inc.” (“Joint Response”). On page five of their Joint Response, Petitioners referred to, and generally described, newspaper articles published by the Vicksburg Post on April 7 and May 31, 2007, respectively. Copies of those articles taken from the Vicksburg Post’s website were to be attached to the Joint Response as Exhibit A. This Exhibit, however, was inadvertently omitted from the Joint Response. Attached hereto is Exhibit A to the Joint Response, which Petitioners respectfully request the Board to accept and incorporate into the Joint Response filing.

If there are any questions about this matter, please contact me directly, either by telephone: (202) 663-7823 or by email: [wmullins@bakerandmiller.com](mailto:wmullins@bakerandmiller.com).

Respectfully submitted,



William A. Mullins

Enclosures  
cc: All parties of record

**STB DOCKET NO. AB-103  
(SUB-NO. 21X)**

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**THE KANSAS CITY SOUTHERN RAILWAY COMPANY  
-- ABANDONMENT PETITION FOR EXEMPTION --  
LINE IN WARREN COUNTY, MS**

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**STB DOCKET NO. AB-1016X**

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**VICKSBURG SOUTHERN RAILROAD, INC.  
-- DISCONTINUANCE OF SERVICE PETITION FOR EXEMPTION --  
LINE IN WARREN COUNTY, MS**

**EXHIBIT A**

# The Vicksburg Post.

SINCE 1863 - EVERYTHING A HOMETOWN NEWSPAPER SHOULD BE

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MONDAY SEPTEMBER 24, 2007 Last modified: Saturday, April 7, 2007 12:25 AM CDT



Steve English, a quality control manager with Foam Packaging Inc., stands near one of the rail cars that delivers plastic granules to the company off U.S. 61 South. (Joshua Corban • The Vicksburg Post)

## Foam Packaging 'fighting a losing battle' for rail lines

By Danny Barrett Jr.

[04/07/07]Deborah Isaacs has left the plastics business founded by her father a time or two before.

"I've worked for Fortune 500 companies and come back," Isaacs said, hoping the next time Foam Packaging Inc. isn't part of her life hasn't already arrived.

Since 1971, the company has converted polystyrene into plastic food containers and foam materials for home construction at its facility just off U.S. 61 South.

The raw materials for its operation, the polystyrene pellets, are delivered to the plant via rail cars, at a dropoff point down a narrow roadway behind Cooper Lighting, a half-mile south.

That process is jeopardized, company officials say, by the sale of 155 acres of railroad-owned right-of-way to the City of Vicksburg to help land a casino.

In a deal approved by the city board Thursday, the city purchased the acreage from Kansas City Southern Railway using money deposited into an escrow account by Lakes Entertainment, developers of a proposed casino between U.S. 61 South and the Mississippi River.

Mayor Laurence Leyens said Friday the Minnesota-based company would put up \$70,000 of the total price of about \$1 million immediately, then has two years to come up with the balance of the money and develop their gaming site.

Else, according to terms of the agreement, the land reverts back to the city and would be considered for a Rails-to-Trails bicycle path.

Of particular interest to both the city and the casino development is about 65 acres that will either become part of Lakes' plans or become public property.

Either way, it means the end of rail service to any industry wanting to use the mode of transportation for unloading their freight.

Isaacs said the cost of having their materials trucked in as opposed to rolled in on the railroad would increase 40 to 50 percent.

"That's huge," Isaacs said. "There's only so much plastic you can fit on a rail car, too."

Steve English, who manages the company's quality control and production area, said freight associated with Foam Packaging's business would have to be done "way across the other side of the county" to stay profitable.

"I think we're fighting a losing battle," he said.

The deal to facilitate the casino's process of obtaining a license hit snags with the railroad, as Lakes needed an easement across KCS-owned property to access their site, which would include more than 200 acres if they develop the newly secured acreage.

Talks between the city and Foam Packaging had been ongoing for more than a year and involved convincing the railroad to upgrade the decades-old rail line running south of the city.

It failed, Leyens said, when KCS "made it clear" they would not invest the money required to bring the infrastructure up to standards.

"I think they said \$1 million a mile," Leyens said. "They said they were abandoning the lines anyway and didn't want to run trains on a degraded rail system."

Leyens also said efforts to lobby the federal government to fund improvements to the rail line fell on deaf ears.

Isaacs said the company talked with the railroad about building a rail spur off the rail line to service their property, an idea she said proved "very costly."

Both Isaacs, whose father, Jesse Davenport, co-founded the business with English's father, Ray, claim city officials kept too many details of the plan's progress over the past year, despite all parties having general knowledge.

"A main issue we have is we were not advised of this," Isaacs said, adding South Ward Alderman Sid Beauman talked with her about it once in the past year, but the plan "seemed to die down about a year ago."

Beauman did not attend a special called meeting Thursday to approve the action. It passed on a 2-0 vote of Leyens and North Ward Alderman Michael Mayfield.

Reached Friday, Beauman, said he spoke with company officials once "seven or eight months ago."

"She was upset, but she knew about the casino," he said, adding he felt it he "had to make a decision for what was best for the community."

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