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RICHARD H. STREETER
ATTORNEY AT LAW
5255 Partridge Lane, N.W.
Washington, D.C. 20016
tele: 202-363-2011 fax: 202-363-2012
rhstreeter@gmail.com

January 4, 2023

Via electronic filing

Ms. Cynthia T. Brown
Chief, Section of Administration Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: Finance Docket No. 36447, Lake Providence Port Comm.—Feeder Line Application—Line of Delta South. R.R. Located in East Carroll And Madison Parishes, LA.

Dear Ms. Brown:

Accompanying this letter for filing in the above-referenced document is the expanded Feeder Line Application of Lake Providence Port Commission ("LPPC"), which is a political subdivision of the State of Louisiana. The filing of this expanded Feeder Line Application, which seeks to force the sale of Delta Southern Railroad, Inc.'s ("DSRR") track between milepost 471.0, at Lake Providence, LA, and milepost 498.44 at Tallulah, LA, was authorized by the Board in its Decision dated August 23, 2022. This filing contains color images.

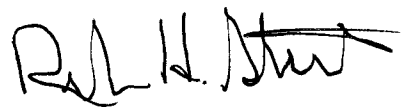
Pursuant to a directive received from the Office of Proceedings on August 24, 2022, a duplicate filing fee is not required. LPPC, pursuant to 49 C.F.R. § 1002.2(e), once again requests that its original filing fee, which was contemporaneously filed with LPPC's original Feeder Line Application on November 12, 2020, should be refunded pursuant to the Board's general policy of waiving such fees when the applicant is a state government entity.

Pursuant to the Board's decision, dated August 23, 2022, because LPPC has been unable to receive needed information to prepare a going concern value assessment based on DSRR's current revenues a request for discovery under 49 C.F. R part 1114 is attached hereto. In addition, a true copy of the Expanded Feeder Line Application is being served on DSRR's counsel by first-class mail, postage prepaid of this date. A copy of this letter, and the attached

request for discovery is being served electronically at thealey@fletcher-sippel.com.

If you have any questions, please give me a call.

Respectfully submitted,



Richard H. Streeter

Cc: Tom Healey, counsel for DSRR
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket 36447

LAKE PROVIDENCE PORT COMMISSION
--FEEDER LINE APPLICATION—
LINE OF DELTA SOUTHERN RAILROAD, INC. LOCATED IN
EAST CARROLL AND MADISON PARISHES, LA

FIRST SETOF INTERROGATORIES AND DISCOVERY REQUESTS OF LAKE PROVIDENCE PORT COMMISSION

The Lake Providence Port Commission ("LPPC") hereby serve their First Discovery Requests upon the Delta Southern Railroad, Inc. ("DSRR") pursuant to 49 C.F.R. Part 1114. Responses and responsive documents, as well as any objections, must be delivered by January 25, 2023 to counsel for LPPC, Richard H. Streeter, ATTORNEY AT LAW, 5255 Partridge Lane, N.W. Washington, D.C. 20016.

I. DEFINITIONS

As used in these Interrogatories and Requests for Production of Documents (collectively "Requests"), the following terms shall have the meaning set forth below:

1. "Analyses" means any documents containing or consisting of studies, reports, memoranda, summaries, statistical compilations, presentations, reviews, audits, and other types of written, printed, or electronic submissions of information, and specifically includes all supporting hard-copy or electronic workpapers necessary to replicate the analyses' results.

2. "Communicate" or "communication" mean every manner or means of disclosure, transfer, or exchange and every disclosure, transfer, or exchange of information, whether orally

or by document or whether face-to-face, by telephone, mail, personal delivery, electronic mail, facsimile, or otherwise.

3. "Concerning," "relate to," or "relating to" means containing, describing, discussing, embodying, commenting upon, identifying, incorporating, regarding, evidencing, evaluating, summarizing, constituting, comprising, or otherwise pertaining to the matter or any aspect thereof.

4. "DSRR" means the Delta Southern Railroad, Inc., its present or former employees, agents, counsel, officers, directors, advisors, consultants, divisions, departments, predecessor, parent and/or holding companies, subsidiaries, or any of them, and all other persons acting (or who have acted) on its behalf.

5. "Document(s)" means all writings or visual displays of any kind, whether generated by hand or electronic means, including, without limitation, photographs, lists, memoranda, reports, notes, letters, electronic mail, phone logs, contracts, drafts, workpapers, computer print-outs, electronic data, telecopies, newsletters, notations, books, affidavits, statements (whether or not verified), speeches, summaries, opinions, studies, analyses, evaluations, statistical records, proposals, treatments, outlines, any electronic or mechanical records or representations (including physical things such as, but not limited to, computer disks or drives), and all other materials of any tangible medium or expression, in DSRR's current or prior possession, custody or control. A draft or non-identical copy is a separate document within the meaning of this term.

6. "Identify" or "state" or "describe" or "describe in detail" mean:

(a) describe fully by reference to underlying facts rather than by reference to ultimate facts or conclusions of fact or law;

(b) where applicable, particularize as to time, place, and manner;

(c) set forth all relevant facts necessary to the complete understanding of the act, process, event, or thing in question;

(d) as to a person (as defined): name, business and residence address(es), last known telephone number, occupation, job title, and dates so employed; and, if not an individual, state the type of entity, last known address of its principal place of business, and the names of its officers and directors; to the extent that any of the above information is not available, please state all other available means of identifying and locating such person;

(e) as to a document (as defined): the type of document (letter, memorandum, printed version of an electronic mail message, printed version of facsimile, etc.), the identity of the author or originator, the date authored or originated, the identity of each person to whom the original or a copy was addressed or delivered, the identity of such person known or reasonably believed by you to have present possession, custody, or control thereof, and a brief description of the subject matter thereof, all with sufficient particularity to request its production;

(f) as to a communication (as defined): the date of the communication, the type of communication (telephone conversation, electronic mail message, meeting, etc.), the place where the communication took place, the identity of the person who made the communication, the identity of each person who received the communication and of each person present when it was made, and the subject matter discussed; and

(g) as to a meeting: the date of the meeting, the place of the meeting, each person invited to attend, each person who attended, and the subject matter discussed.

7. "Person" means natural persons, corporations, institutions, partnerships, firms, joint ventures, associations, political subdivisions or other legal entities, as the case may be.

8. "Possession, custody, or control" refers to and includes documents actually within the possession, custody or control of DSRR or any other person acting for or in concert with DSRR; and refers to and includes documents prepared by, obtained, or placed in the possession, custody, or control of any such person within the scope of his or her duties or relationship to DSRR; and further refers to and includes documents having been placed in the temporary possession, custody, or control of any third party by any of the foregoing or DSRR. Documents

are deemed to be in the possession, custody, or control of DSRR if DSRR has the right to secure the document, or a copy thereof, from another person or entity, whether public or private, having such actual physical possession, custody, or control thereof.

9. The Line Segment means the portion from milepost ("MP") 471.0 to MP 498.44 of the DSRR line that runs from Lake Providence, LA (MP 471.0) to the point of interchange with the Kansas City Southern Railway Company ("KCS") at Tallulah, LA.

10. "You" or "Your" means DSRR or any of its affiliates, and Your consultants. The terms "You," "Your," and any other nouns or pronouns shall be gender inclusive.

II. INSTRUCTIONS

DSRR is requested to conform to the following instructions in responding to these Interrogatories and Requests for Production.

1. These discovery requests ("Requests") call for all non-privileged information which is in the possession, custody, or control of DSRR and its affiliates, subsidiaries and counsel.

2. Where a Request has a number of separate subdivisions, or related parts or portions, a complete response is required to each part or portion. Any objection to a Request should clearly indicate the subdivision, part, or portion of the Request to which it is directed.

3. Each paragraph below shall operate and be construed independently. Unless otherwise indicated, no paragraph limits the scope of any other paragraph. Where these discovery requests seek data in a computer-readable format, machine-readable format, or in its native format, this data is defined as including, but is not limited to, any electronically stored data on hard disk drives, optical storage media (*e.g.*, CD or DVD), flash, or solid state memory (*e.g.*, USB drive or SSD), cloud storage, or as an "active" file or files readable by one or more computer applications (*e.g.*, a Microsoft Excel file).

4. Words used in the singular shall include the plural and words used in the plural shall include the singular, whenever the context permits. Terms such as "and", "or", or "including" shall be construed in the broadest and most inclusive manner, in the disjunctive or conjunctive as necessary, in order to call for all responsive information without limitation.

5. References to the present tense shall be construed to include the past tense, and references to the past tense shall be construed to include the present tense, as necessary to bring within the scope of each Request all documents that might otherwise be construed to be outside the scope of the Request.

6. If you believe that any request or definition or instruction applicable thereto is ambiguous, you should set forth the language that you believe is ambiguous and the interpretation that you are using in responding to the Request.

7. If any document covered by a Request is withheld for whatever reason, including any privilege, you shall furnish a written document identifying all withheld documents in the following manner:

a. The specific Request to which the document is responsive;

b. The date of the document;

c. The name of each author or preparer;

d. The name of each person who received the document and the name of such person's employer at the time the person received the document;

e. A brief description of the subject matter of the document and any withheld attachments or appendices;

f. The specific factual and legal basis for withholding; and

g. The number of pages withheld.

8. All documents should be produced or made available for inspection in the form in which they are retained by DSRR in the usual course of business (*e.g.*, if the documents are in a

file, the file containing the documents should be produced), unless otherwise agreed to by the parties. All files containing responsive documents should be identified by the file name and number.

9. All Requests are continuing, and amended or supplemental responses shall be provided if and when responsive new information and documents are discovered by You.

10. Identify all persons who provided information for each response.

11. Unless otherwise stated, the discovery data should be provided for MP 471.0 through MP 498.44, inclusive, covering the time period from January 1, 2017 to the present.

12. Where these Requests seek data in a computer-readable format, machine-readable format, or in its native format, this data is defined as an electronic file which contains structured, relational data, and is managed within a commercially available and relational database system (for example Microsoft, Oracle, IBM) and is readable via commercially available and standard Microsoft Windows software API (Application Programming Interfaces) methods to include Open Database Connectivity (ODBC) implementations, thereby making the data accessible independent of the host system.

13. If the source table is stored within a non-relational system, such as a 'flat file,' or a custom system (not commercially available), provide the data in standard sequential or delimited text files. The text files should be MS-DOS or MS-Windows compatible text formats.

a. For each computer file supplied provide:

i. The name and description of the source database or other file from which the records in the computer file were selected (stating whether the file is an original extract from a line of business transactional or data warehouse computer system, or if the provided file is an extract, or report, created specifically for this request) including a graphic or textual representation of the database relational model for each system to include all named tables of data within the system's relational model. Assure the data tables contain the primary and foreign key fields necessary to establish proper parent-child relationships, and for every table provide a list of fields,

primary keys, foreign keys, list relational links to other tables and fields, and filters, if any, associated to the relational links. Include all related tables, and all fields within each included table. List the fields which define a unique record (row) for each table, or state if the table does not require unique row differentiators or primary keys. For code tables, provide the code and associated data elements in a discreet list (no duplicates);

ii. A description of how the records in the file produced were selected;

iii. The original table names (no aliases), original field names, to match the provided systems' data structures within each computer program (in native software and text file) and intermediate file used in deriving the files produced if the files produced are flat files. If the files produced are commercially available relational database files, provide the method used and code (if code was created) used to export the data to this relational format, including the operating system and version under which the final text files or relational tables were produced; and

iv. A relational diagram defining relationships between tables, with all fields, listing primary keys, foreign keys, with each table or file provided as listed in the relational diagram. Also provide all table indexes, and index files, which define the index to be clustered or non-clustered.

b. For each field in each computer database file provide a complete, standard data structure, including:

i. The name of the field including its source table name, and if different from the LOB (line of business) or off-line analytical system field name, provide all field name incarnations so that there is a linkage between the provided fieldname and the original source fieldname and source table, and source application/system. Also provide the "Synonymous Name," that being a single word or multiple words that differ from the fieldname, but represents the same data element using alternative or more descriptive terminology. Also provide the "Context," that being a designation or description of the application environment in which the data item (or field) is applied or from which it is originally derived (its origin);

ii. The starting and ending positions of the field if the file is a non-delimited flat file, or if the file is delimited, verify that the delimiter is inserted at the end of each field and the delimiter is not contained, as data, within any data cell (provide row terminators and line feed codes), otherwise, if the provided data set is a relational database "table," export the table structure into a separate ANSI SQL 92 code or text file;

iii. A detailed definition of the field and whether this field is the record's (or row's) unique identifier, or it is one of many fields which create a unique row (list them);

iv. A detailed description of the data in the field, including an explanation of what they are used for and also provide all related index files in SQL code format or text files, if any;

v. The type of data in the field, i.e., whether numeric, character, alphanumeric, number of digits, number of significant digits, whether signed or unsigned (i.e., negatives allowed) and whether this field is Unicode, or contains any constraints, or requirements to be Non-Null, or non-blank;

vi. If the values in a field are terms or abbreviations, a list of all terms or abbreviations used with detailed definitions of each and provide the approved domain (range of values if indeterminate) or list of values permitted if determinate. Also provide minimum and maximum values, including whether the values are Null, hidden, or specific ASCII or ISO codes. Include the character encoding or software vendor's code page, for each table if any;

vii. An indication of whether the data in the field are packed or compressed; and

viii. If the data in the field are packed or compressed, the type of packing or compression:

(1) Zoned with low-order sign;
(2) Binary with LSB first;
(3) Binary with MSB first;
(4) Packed with high-order sign;
(5) Packed with low-order sign;
(6) Packed with no sign; and
(7) Other (specify and provide detailed instructions for unpacking).

ix. If the data files and tables originate on a non-Microsoft Windows operating system, state the original operating system and convert to Microsoft Windows format.

x. For data or other electronic information submissions where the source system does not have at least a 32-bit operating system, verify that all data and files are computer-readable on at least a 32-bit operating system.

14. LPPC reserve the right to file supplemental or follow-up requests and other discovery, as necessary or appropriate.

III. INTERROGATORIES

INTERROGATORY NO. 1

Please identify and describe in detail the manner in which DSRR currently provides service for the Line Segment, including the number of employees, agents or contractors assigned to each portion of line broken down into categories such as Transportation, Maintenance of Way, Maintenance of Equipment, General & Administrative and Marketing.

INTERROGATORY NO. 2

Please provide DSRR Income Statements and Operating Results for the Line Segment for each year from 2017 to the present.

INTERROGATORY NO. 3

Please describe all categories of revenue received by DSRR associated with the Line Segment.

INTERROGATORY NO. 4

Please describe all categories of expense DSRR incurs associated with the Line Segment, including both cash and non-cash expenses.

INTERROGATORY NO. 5

Please describe any derailments that have occurred on the Line Segment since January 1, 2017, including cars per train, cars derailed, shippers impacted, locomotives per train, date, time and location of derailment, and cause of derailment, if known.

INTERROGATORY NO. 6

Please provide all costs associated with any derailment identified in Interrogatory No. 5.

INTERROGATORY NO. 7

Please describe in detail and provide any projections or forecasts of future traffic volumes and/or revenues on the Line Segment.

INTERROGATORY NO. 8

Please describe all agreements with connecting carriers for each year from 2017 through year-to-date 2022, including requirements, interchange commitments, payments and definitions.

INTERROGATORY NO. 9

Please describe in detail all maintenance work and repair work performed on the Line Segment between 2017 and the present including the exact location and nature of the work performed.

INTERROGATORY NO. 10

Please identify all amounts actually expended for track materials for any maintenance performed on the Line Segment between January 1, 2017 and the present.

IV. REQUESTS FOR PRODUCTION OF DOCUMENTS

Request for Production No. 1

Please produce DSRR's income statements, profit or loss statements and/or statements of revenues and expenses for the years 2017 to 2021 and year-to-date 2022, including breakout of revenues and expenses by category.

Request for Production No. 2

Please produce documents describing any non-recurring expense items and/or extraordinary items that were included in the income statements, profit or loss statements and/or statements of revenues and expenses provided in response to Request for Production No. 1.

Request for Production No. 3

Please produce DSRR's corporate consolidated statements of financial position or balance sheets for the years 2017 to 2021 and year-to-date 2022.

Request for Production No. 4

Please produce DSRR corporate statements of cash flow for the years 2017 to 2021 and year-to-date 2022.

Request for Production No. 5

Please produce copies of all trackage rights agreements entered into by You for the Line Segment and any and all documents and correspondence referring or relating to any trackage rights agreements relating to the Line Segment.

Request for Production No. 6

Please produce copies of all documents referring or relating to the total ton-miles of freight moved by DSRR on the Line Segment, and any other measures of DSRR's revenue on the Line Segment, including storage revenue, since 2017 and all documents referring or relating to the costs, including storage costs, incurred by DSRR related to the Line Segment over the same time period.

Request for Production No. 7

Please produce copies of all documents referring or relating to all transportation services provided by DSRR in response to a request for service over the Line Segment, including but not limited to, any correspondence between DSRR and shippers.

Request for Production No. 8

Please produce copies of all documents referring or relating to the taxes assessed to You due to Your ownership of the Line Segment, including but not limited to all correspondence between You and county or state representatives referring or relating to any disputes over the assessed taxes and assessed value of the Line Segment's assets.

Request for Production No. 9

Please produce all current tariffs that govern traffic on the Line Segment.

Request for Production No. 10

Please produce capital expense projects for the years 2017 to 2021 and year-to-date 2022, including descriptions of the projects.

Request for Production No. 11

Please produce all current agreements or contracts with any operators on the Line Segment, including car storage agreements.

Request for Production No. 12

Please produce copies of all documents referring or relating to forecasts of traffic, revenue, or expense data for the Line Segment.

Request for Production No. 13

Please provide documentation for miles, tons, Gross Salvage Value ("GSV"), condition for each weight and type, e.g., jointed, CWR, of rail on the Line Segment.

Request for Production No. 14

Please provide number/amount and condition of all other track material ("OTM") for the Line Segment. OTM consists of the material required to hold rail in place and includes, but is not limited to, the following: a) Tie Plates; b) Joint Bars; c) Rail Anchors; d) Track Spikes; and e) Bolts and Washers.

Request for Production No. 15

Please provide the number/amount and condition of all cross ties for the Line Segment.

Request for Production No. 16

Please provide the number/amount and condition of all turnouts, as well as the type of turnout, e.g., 136 lb. No.10, 112 lb. No. 10, etc., for the Line Segment.

Request for Production No. 17

Please provide unit prices and support for all inventory along the Line Segment including, but not limited to: a) Rail; b) Ties; c) Tie Removal; d) Tie Plates; e) Joint Bars; f) Rail Anchors; g) Spikes; h) Bolts and Washers; i) Turnouts; and j) Scrap.

Request for Production No. 18

Please provide any studies or estimates that DSRR has on the cost of removal and transportation cost of any track or other material for the Line Segment.

Request for Production No. 19

Please provide the number/amount, condition, and location of all public and private crossings for the Line Segment. Identify the following for each public or private crossing separately: a) Crossing Type; b) Types of Signals; and c) Party responsible for Maintenance.

Request for Production No. 20

Please provide the number/amount, condition, and location of all bridges on the Line Segment.

Request for Production No. 21

Please provide any studies or estimates DSRR has on the value of the Line Segment Real Estate.

Request for Production No. 22

Please provide the number and location of non-reversionary acres owned by DSRR along the Line Segment.

Request for Production No. 23

Please provide any studies or estimates DSRR has on the cost to restore any inactive portions of the Line Segment to Federal Railroad Administration ("FRA") Class 1 or Class 2 status. Studies should include, but not be limited to, costs for the following: a) Vegetation

Removal; b) Crosstie Replacement; c) Ballast Cleaning and Replacement; d) Track Resurfacing; e) Rail Replacement; f) Track and Bridge Inspections; g) Crossing Re-pavement; and h) Communications & Signaling.

Request for Production No. 24

Please produce documents, in a computer-readable format to the extent available, which contain complete information (including all events) tracking and describing car, trailer/container, and locomotive movements (including yard and hub operations) for all rail traffic handled by DSRR on the Line Segment during the time period from January 2017 to the present. The requested car event information includes, but is not limited to, the following:

a)

b) Car/Locomotive Initial;

c) Car/Locomotive Number;

d) Car Owner (System, Foreign, Private);

e) Car Tare weight;

f) Car Lading weight;

g) Number of loaded intermodal units on flat cars;

h) Number of empty revenue units on flat cars;

i) Number of empty non-revenue units on flat cars;

j) Event Sequence Number;

k) Year;

l) Month;

m) Day;

n) Unique Train Identification Symbol and/or Number;

o) Train Date;

p) Unique Waybill Number;

q) Waybill Date;

r) Load/Empty Indicator;

s) Unique Shipment Identification Number or order number for each intermodal container or trailer;

t) Actual event date/time stamp for nodal events;

u) Time zone indicator;

v) Event type indicator specifying if the event was an arrival, a departure, an intermediate switching/handling event, or an instantaneous time as in the case of a non-swell event (e.g., passing a scanner);

w) Unique System/Network Location Identifier to include the following:

x) Station name;

y) City or metropolitan name;

z) State/Province name

aa) SPLC;

bb) Latitude and longitude;

cc) Engineering Milepost; and

dd) Transportation Milepost.

ee) Trackage Rights Indicator;

ff) Switching Type Indicator;

gg) Line Segment Name;

hh) Direction of Travel;

ii) Interchange Indicator specifying if the car was received or delivered in interchange;

jj) Identification of interchange railroad;

kk) Industry Handling Indicator specifying if the car was pulled from origin or placed at destination;

ll) Switching Indicator specifying if the car was switched to another train, from another train, or to a different position on the same train;

mm) Time elapsed at event location;

nn) Time elapsed between event locations; and

oo) Miles between event locations.

Request for Production No. 25

Please produce complete train movement data, in a computer-readable format to the extent available and including all events and intermediate stations, for all Line Segment traffic handled by DSRR during the time period from January 2017 to the present. The requested train movement information includes, but is not limited to, the following:

a) Unique Train Identification Symbol and/or Number;

b) Train Date;

c) Train Type;

d) Event Sequence number;

e) Year;

f) Month;

g) Day;

h) Event date/time stamp;

i) Time zone indicator;

j) Event type indicator specifying if the event was an arrival, a departure, an intermediate switching/handling event, or an instantaneous time as in the case of a non-swell event (e.g., passing a scanner);

k) Event indicator identifying crew change locations;

l) Event indicator identifying inspection locations;

m) Event indicator identifying fueling locations;

n) Unique System/Network Location Identifier to include the following:

i. Station name;

ii. City or Metropolitan Name;

iii. State/Province Name;

iv. SPLC;

v. Latitude and Longitude;

vi. Engineering Milepost; and

vii. Transportation Milepost.

o) Trackage Rights Indicator;

p) Number of active locomotives arriving at station;

q) Total Horsepower of all active locomotives arriving at station;

r) Number of idled locomotives arriving at station;

s) Number of active locomotives departing station;

t) Total horsepower of all active locomotives departing station;

u) Number of idled locomotives departing station;

v) Number of loaded railcars arriving at station;

w) Number of empty railcars arriving at station;

x) Number of loaded railcars departing from station;

y) Number of empty railcars departing from station;

z) Number of loaded intermodal units arriving at station;

aa) Number of loaded intermodal units departing from station;

bb) Number of empty intermodal units arriving at station;

cc) Number of empty intermodal units departing from station;

dd) Switching Indicator;

ee) Number of cars switched onto train;

ff) Number of cars switched out of train;

gg) Line Segment Name;

hh) Direction of Travel;

ii) Interchange Indicator specifying if the train was received or delivered in interchange;

jj) Identification of interchange railroad;

kk) Industry Handling Indicator specifying if cars were pulled from origin or placed at destination;

ll) Time elapsed at event location;

mm) Time elapsed between event locations; and

nn) Miles between event locations.

Request for Production No. 26

Please produce DSRR organization charts which show each DSRR management and/or supervisory position, the number of personnel in each position and the relationship or reporting authority and relative rank of each position. Please include organizational charts which include, but are not limited to, positions related to train operations, yard operations, maintenance of way, maintenance of equipment, engineering, and general and administrative functions.

Request for Production No. 27

Please produce current operating timetables (including special instructions and/or operating rule books), station lists, station books, and track charts (including a legend for the track chart markings) for the Line Segment. Please provide the requested documents in their native format to the extent available (including all necessary documentation). If current versions of any of the requested documents are not available, please produce the most recent versions that are available.

Request for Production No. 28

Please provide annual carloads and revenues by shipper for the Line Segment for each year from 2017 through year-to-date 2022.

Request for Production No. 29

For each year from 2017 through year-to-date 2022, please produce the following for each freight car purchased or leased by DSRR:

a) Initial and Number;

b) Manufacturer;

c) Lessor, if leased;

d) AAR Car Type;

e) Tare Weight;

f) Purchase or order date, if purchased;

g) Lease or order date, if leased;

h) Total purchase price, if purchased;

i) If lease, the type of lease, e.g., capital, operating, etc., and term; and

j) If leased, the amount and frequency of lease payments.

Request for Production No. 30

Please produce DSRR traffic volumes in number of loaded and empty railcars transported over the Line Segment for the years 2017 to 2021 and year-to-date 2022, including shipper/receiver and commodity.

Request for Production No. 31

Please produce documents relating to the calculation of DSRR's operating expenses for service provided on the Line Segment for the time period from January 1, 2017 to the present.

Request for Production No. 32

Please produce documents sufficient to show the information used by DSRR for the following items, in its native computer-readable format to the extent available, in determining the maintenance and operating costs associated with providing train service to the Line Segment, including the definitions and decoders needed to understand each piece of information and the supporting data used to develop the information:

a) Roadway maintenance;

b) Road property investment;

c) Locomotive investment;

d) Locomotive maintenance;

e) Locomotive fuel;

f) Railcar investment;

g) Railcar maintenance;

h) Trailer investment;

i) Trailer maintenance;

j) Train and engine crews; and

k) Clerical expenses.

Request for Production No. 33

Please produce documents sufficient to identify the profitability and/or costs relating to the Line Segment traffic, including but not limited to:

a) Any monthly, quarterly, annual or other regular studies, analyses, or reports referring or relating to the costs of service associated with DSRR traffic by customer; and

b) Any monthly, quarterly, annual or other regular studies, analyses, or reports referring or relating to the profitability, contribution and/or margin associated with DSRR traffic by customer.

Request for Production No. 34

Please produce DSRR operating statistics, volume and density data (including but not limited to train miles, train hours, locomotive unit-miles, loaded car-miles, empty car-miles, net ton-miles, gross ton-miles (both including and excluding locomotives), and number of trains) for the Line Segment from 2017 to the present.

Request for Production No. 35

Please produce studies and analyses undertaken by DSRR from January 1, 2017 to the present to evaluate available capacity, or capacity constraints, at DSRR facilities on the Line Segment.

Request for Production No. 36

Please produce all contracts, agreements or tariffs, and amendments or modifications thereto, including car storage agreements, in effect during the period from January 1, 2017 to the present between DSRR and all shippers with shipments traversing any part of the Line Segment.

Request for Production No. 37

Please produce documents which DSRR relies on in the ordinary course of business to determine mileages for movements on the Line Segment.

Request for Production No. 38

Please produce documents for 2017 through year-to-date 2022 that list by initial and unit number: (a) locomotives used to transport the Line Segment traffic; and (b) all the locomotives in the pool or other group from which the locomotives used to transport the Line Segment traffic are drawn. Please provide a copy of the guidelines used for assigning locomotives to the Line Segment traffic, indicating applicable horsepower requirement per ton and applicable locomotive models and/or series.

Request for Production No. 39

Please produce documents, in its native computer-readable format to the extent available, which provide the following information for each of the locomotives contained in each of the listings produced in response to RFP No. 38, to the extent that the information is in DSRR's possession or is available to DSRR upon request:

a) The locomotive initial and number;

b) The manufacturer, if purchased;

c) The lessor, if leased or rented, or provider, if used in run-through service;

d) Model or type (*e.g.*, SD-40-2);

e) Horsepower;

f) Capacity of its fuel tanks (gallons);

g) Weight;

h) Date of purchase or lease;

i) Date first placed into service;

j) The original cost plus the cost of any additions and betterments;

k) Financing vehicle (*e.g.*, equipment trust);

l) Debt rate as a percent;

m) Financing terms (in years);

n) Annual depreciation;

o) Annual depreciation as a percent;

p) Current salvage value as a percent;

q) Accrued depreciation;

r) If leased, the type of lease (i.e., capital, operating, "power by the hour", etc.);

s) If a capital lease, the capitalized value of the lease by locomotive or group of locomotives (if a group of locomotives, the number of locomotives (by initial and number) and aggregate dollars);

t) If an operating lease, the quarterly, semi-annual, etc., lease payment by locomotive or group of locomotives covering the term of the lease (if a group of locomotives, the number of locomotives (by initial and number) and aggregate dollars);

u) If leased or rented under a short-term or "power by the hour" agreement, the minimum annual fixed payment and the use payment (e.g., per kilowatt/hour, per diesel unit mile, etc.) per locomotive, the average annual payment per locomotive, and the annual locomotive unit-miles for each such locomotive, stated separately for intermodal service and other service;

v) Expected salvage value as a percent at the end of the locomotives expected physical life.

Request for Production No. 40

If any non-DSRR owned or leased locomotives have been used for the movement of traffic over the Line Segment during 2017 through year-to-date 2022, please produce documents sufficient to determine the frequency of DSRR's use of such locomotives including the following:

a) List all agreements (or describe any arrangements other than agreements) applicable to the use of the locomotive(s);

b) State the itemized amount of compensation or equalization for use of the locomotive, by each category of compensation or equalization, including but not limited to fuel, maintenance and servicing;

c) List service units covered by the compensation or equalization;

d) Describe the methodology used for computing the compensation or equalization by component;

e) State the time periods during which the locomotive was used for the movement of traffic over the Line Segment; and

f) State the locomotive unit miles traveled by the locomotive during the time period that it was used for the movement of traffic over the Line Segment.

Request for Production No. 41

Please produce all locomotive maintenance agreements, including all supplements, attachments, exhibits and schedules, with outside contractors and provide, for 2017 through year-

to-date 2022 for all locomotives in DSRR's fleet under such maintenance agreements: (a) the amount paid for each locomotive, by locomotive type and by maintenance agreement in total and broken down by each service or group of services performed for each separate charge performed under the agreement; and (b) the number of locomotive unit miles corresponding to the amounts listed above.

Request for Production No. 42

Please produce all DSRR locomotive maintenance and repair records and/or reports and related documents for 2017 through year-to-date 2022, which provide DSRR locomotive maintenance, repair and overhaul expenses by locomotive or locomotive type or series (or by other basis in which records are kept) and the total locomotive unit-miles corresponding to these maintenance, repair and overhaul expenses for all locomotives in DSRR's fleet.

Request for Production No. 43

Please produce the lease agreements or rental agreements, including all supplements and amendments, plus copies of all billings, applicable to each leased or rented locomotive identified in response to RFP No. 38.

Request for Production No. 44

Please produce documents sufficient to show the following information for DSRR for 2017 through year-to-date 2022:

a) The actual amount of fuel used by the locomotives identified in response to RFP No. 38, by individual locomotive;

b) The actual cost per gallon of fuel reported in response to (a) above;

c) The total number of diesel unit miles generated by the locomotives for which fuel consumption data was provided in response to (a) above during the same time period used in response to (a) above;

d) The method by which DSRR accounts for or records fuel usage for locomotives; and

e) Computer-readable versions (both compiled and non-compiled), including all supporting databases and necessary documentation, of any and all computer programs in DSRR's possession used to estimate the fuel usage of locomotives.

Request for Production No. 45

Please produce all studies, analyses and related documents or reports (including summaries and supporting data), in its native computer-readable format to the extent available, pertaining to the results of DSRR's fuel hedging programs.

Request for Production No. 46

Provide all documents for 2017 through year-to-date 2022, in its native computer-readable format to the extent available, containing:

a) Line-specific maintenance of way and structures expenditures for the Line Segment; and

b) The gross ton-miles for the Line Segment included in the response to (a) above.

Request for Production No. 47

Please produce documents for 2017 through year-to-date 2022 which provide DSRR's loss and damage costs separately for each commodity it carries on the Line Segment.

Request for Production No. 48

For each of the years 2017 to the present, please produce all studies, analyses and related documents (including logs, records and summaries) of switching performed on the Line Segment, including, but not limited to:

a) Inter-plant switching;

b) Intra-plant switching; and

c) Inter-terminal switching.

Request for Production No. 49

Produce all documents, in its native computer-readable format to the extent available (including all necessary documentation), relating to train activities for each crew handling each train operating on the Line Segment.

Request for Production No. 50

For each crew operating on the Line Segment (in both the loaded and empty directions), please produce documents, in its native computer-readable format to the extent available (including all documentation, i.e., record layouts, field definitions, code definitions, etc.), which provide the following information, in whole or in part, for individual trainmen and enginemen for each train carrying traffic for 2017 through year-to-date 2022:

a) The date;

b) Number of enginemen (including trainees);

c) Number of trainmen (including trainees);

d) Place, time, and date each employee went on duty;

e) Place, time, and date each employee went off duty;

f) Train number assigned;

g) Whether or not a relief crew;

h) Locomotive initials and numbers (including slave units) and number of units in train;

i) Number of cars in train;

j) Actual miles run per train;

k) Kind of service (e.g., local, through, switching, deadheading);

l) Service class for each employee (including definitions of codes used);

m) Run number (including definitions of codes used);

n) Time claimed for each employee;

o) Straight time actually worked for each employee;

p) Straight time paid for each employee (hours and dollars of compensation);

q) Overtime actually worked for each employee;

r) Overtime paid for, for each employee (hours and dollars of compensation);

s) Constructive codes, related miles and payments, for each employee (including Code Abbreviation or Number, complete words for which the abbreviation or number stands, definition and explanation of the basis for calculating the payment shown and the different payment rates, e.g., $0.50 for each five (5) minutes of this, $10.00 for company negotiated agreement to pay for that, $100 to reach the amount of salary the engineer is guaranteed for the month, etc.);

t) The definition DSRR uses internally for payroll determination, transportation classification, labor relations, or accounting purposes for each constructive code identified in response to (s) above. As a hypothetical example, if DSRR defines the constructive code "01" as "back pay," provide a description of what constitutes "back pay" under DSRR's guidelines;

u) Rate codes of each employee (including definition of codes used and all different wage rates); Payments for meals and lodging for each employee; and

v) Productivity fund payments on behalf of each employee as well as the amount in the fund, the basis for the distribution and the source/activity which created the fund.

Request for Production No. 51

Please produce all wage data, in its native computer-readable format, showing wages paid to each trainman and engineman, separately, by date, to the extent that is not included in the data DSRR provides in response to Request for Production No. 50 for 2017 through year-to-date 2022.

Request for Production No. 52

Please provide all documents related to the assignment or sale of Railroad Track Maintenance Tax Credits for the years 2017 to the present, including the identification of, to whom the credit was assigned or sold, the amount of the credit assigned or sold, and the miles of track related to the assigned or sold tax credit.

Request for Production No. 53

Please produce copies of all operating budgets associated with the Line Segment for the years 2017 to the present, including any subsidiary budgets, including, but not limited to:

a) Freight revenues;

b) Storage revenues;

c) Switching revenues;

d) Car hire expenses;

e) Locomotive expenses;

f) Track repair expenses;

g) Equipment repair expenses;

h) Insurance expenses;

i) Purchased services expenses;

j) Rental expenses;

k) Professional service expenses;

l) License expenses;

m) Tax expenses;

n) Utility expenses; and

o) Depreciation expenses.

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of January 2023, I served a copy of the foregoing document by email on the following:

Thomas Healey
thealey@fletcher-sippel.com

By: /s/ Richard H. Streeter

Richard H. Streeter
ATTORNEY AT LAW
5255 Partridge Lane, N.W.
Washington, DC 20016
(202) 363-2011

Attorney for
Lake Providence Port Commission

Dated: January 4, 2023

BEFORE THE

SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36447
LAKE PROVIDENCE PORT COMMISSION—FEEDER LINE APPLICATION-LINE OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

FEEDER LINE APPLICATION

Richard H. Streeter
Law Office of Richard H. Streeter
5255 Partridge Lane, N.W.
Washington, D.C. 20016
202-363-2011
rhstreeter@gmail.com

Attorney for
Lake Providence Port Commission

January 3, 2023

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EXHIBIT C	LPPC Letter dated August 10, 1988 and June 29, 1988 ICC Decision in Docket No. AB-3 (Sub-No. 72)
EXHIBIT D	Verified Statement of Wyly Gilfoil
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EXHIBIT N	Verified Statements from Various Supporting Potential Shippers
EXHIBIT O	DSRR Press Release, dated September 16, 2022

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36447
LAKE PROVIDENCE PORT COMMISSION—FEEDER LINE APPLICATION-LINE OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

FEEDER LINE APPLICATION

I. INTRODUCTION

Lake Providence Port Commission, a non-carrier, political subdivision of the State of Louisiana ("LPPC"), hereby files this Feeder Line Application pursuant to 49 U.S.C. § 10907 and 49 C.F.R. Part 1151.1, and the Decision of the Surface Transportation Board ("Board" or "STB"), dated August 23, 2022. LPPC requests the Board to issue an order finding that the Public Convenience and Necessity will be served by requiring the owner of the stock of Delta Southern Railroad, Inc. ("DSRR") to sell the segment of the Lake Providence Branch Line between milepost 471.0 at Lake Providence, LA and the point of interchange with Kansas City Southern Railroad ("KCS") at milepost 498.44 to LPPC.

Because the sale to LPPC will allow the resumption of single line rail service for all shippers that are located along the *entire* Line between milepost 408.9 in McGehee, Arkansas and milepost 498.44 in Tallulah for the first time since 2004, the sale will be consistent with the public convenience and

necessity. Furthermore, a sale to LPPC will once again restore the ability of all shippers located on the entire Line to reach both the Union Pacific Railroad Company ("UP") at McGehee, and KCS at Tallulah. The sale to LPPC would also assure the termination of the lengthy, repeated violations of 49 U.S.C. § 10744 that are attributed to the use of 72% of DSRR's mainline track for the long-term storage of several hundred railcars. That storage has interrupted and prevented the carriage of freight over an existing interchange that was created as a result of William Wainright's abandonment of all tracks between mileposts 408.9 and 471.0 between 2004 and 2011. The benefits cannot be overstated. Nor can they be realized by a sale to any other entity.

As John Brooks, Canadian Pacific Railroad Company's Executive Vice President and Chief Marketing Officer emphasized during his testimony before the Board during the oral hearing conducted by the Board in FD 36500 on September 28, 2022, "based on my meetings with customers, they prefer single line haul transportation options over most interline service options."[1] What is good for CP's customers is even better for the shippers on the Lake Providence Branch Line who have long wanted to ship to Mexico via KCS without having to first move their freight to McGehee to interchange with UP. UP would then transport the freight to KCS at Monroe, Louisiana. As several shippers have explained, the alternative routing that has been forced on them by DSRR makes no sense from an economic standpoint. Because that routing requires interchange operations between two (2) Class I railroads and a Class III railroad

[1] Transcript at p. 69, lines 11-13.

it increases costs and is less efficient. As a result, shippers in the region are placed at a competitive disadvantage, especially when they are left with no choice but to turn to trucking.

While shippers that are located within the Madison Parish Port, which is located on the north side of Tallulah, have existing single line service to reach KCS, they cannot directly reach UP. A sale to another railroad would not modify the current disparity.

The primary benefit of a sale to LPPC is that it, unlike a holding company that owns multiple short line railroads throughout the United States, is not driven primarily by the need to satisfy its shareholders. As the record reflects and as the shippers acknowledge, since 1988, LPPC has continuously sought to preserve rail service that will promote the economic development of the region. That goal is shared by all of the shippers who realize that a single short line railroad would eliminate the inefficient and more expensive routings that exist today.

This proceeding was triggered by DSRR's refusal to accept a multi-million-dollar INFRA Grant from the Department of Transportation ("DOT").[2] DOT's grant required DSRR to use its share of the funds to repair the crucial 20-mile segment of the Lake Providence Branch Line that will, under LPPC's ownership, allow shippers to fully realize the above-stated benefits. As is

[2] DOT's INFRA ("Infrastructure For Rebuilding America") Grants Program award competitive grants for multimodal freight and highway projects of national or regional significance to improve the safety, efficiency, and reliability of the movement of freight and peoples in and across rural and urban areas.

demonstrated herein, DSRR's failure to implement an adequate maintenance program can be traced back to the date that William Wainright and his wife acquired the track in 1999. The impact of that refusal has impacted every shipper on the Line for the past 23 years. Although DSRR has been content to use 72 percent of its mainline track for the continuous storage of several hundred railcars, that storage has interrupted and prevented the carriage of freight over a preexisting interchange and intentionally compelled shippers to move over less efficient and move expensive routings. Because there is no good faith or necessary purpose for the interruptions, DSRR's actions constitute a violation of former Section 7 of the original Interstate Commerce Act, which is now codified at § 10744.

Some steps were finally taken in August of 2022 to improve DSRR's track between mileposts 471.0 and 491.0 so that DSRR could showcase the interchange of one specialized railcar with North Louisiana & Arkansas Railroad, Inc. ("NLA"). That belated effort does not excuse any of DSRR's owners for their prior refusals to restore all of DSRR's tracks except the "priority" miles that are located between milepost 491.0 and 498.44. Their refusals have not only harmed shippers, but they have also adversely impacted the region's economy.

As DOT recognized when it approved the INFRA Grant Application:

> Much of the Corridor had been closed or underutilized for approximately 15 years, which is consistent with the overall economic decline of the region. During this period, there was a decrease in demand for freight rail service. Eventually, rail service ceased due to difficulties operating over substandard rail infrastructure, and DSRR filed to

> abandon the majority of the rail corridor from Lake Providence Port northward to McGehee due to unprofitability.
>
> In an effort to save the corridor from abandonment, the Grantee, NLA, DSRR and the Lake Providence Port Commission (owner of Lake Providence Port) acquired various segments of the Corridor from UP between 1989 and 2011. Their goal was to preserve rail service to spur economic development and to provide transportation connectivity with the Class I railroads. Portions of the rail line were partially rehabilitated by the Grantee and its partners and placed back into continuous service in 2016.[3]

DOT's grant recognizes the undeniable public interest in the restoration of the track and the potential economic and environmental benefits that will follow from the rehabilitation of the *entire* Line. It is no surprise that the consistent efforts made by LPPC and the Southeast Arkansas Economic Development District ("SEAEDD") have the full support of all levels of Government in Louisiana and Arkansas.[4] Those efforts, which have spanned 34 years, mirror the goal of the feeder line development program "to provide communities and shipper groups an opportunity to preserve rail lines before they are abandoned or downgraded by the owning railroad."[5]

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[3] *See* Exhibit A p. 33, DOT Grant Agreement Statement of Work at p. 2. NOTE: SEAEDD also acquired part of the rail line and all of the Lake Providence Port property is owned by the State of Louisiana.

[4] Exhibit B hereto.

[5] *Hudson River Estates, Inc.—Acquisition of Boston and Maine Corporation Reversionary Offer – Hillsborough Branch*, FD 31701 (Sub-No. 2), 8 I.C.C., 2d 807, 809 (1992). In other words, the "clear purpose is to give local interests an alternative to the status quo." *Id. See also* H Conf. Rep. No. 1430, 96th Cong., 2nd Sess. 124, *reprinted in* 1980 U.S.C.C.A.N. 4110, 4156 (the feeder program "provide[s] shipper groups and government agencies an alternative to inadequate rail service" and also allows preservation of "feeder lines prior to the

In determining whether LPPC's Feeder Line Application is consistent with the Public Convenience and Necessity, the Board should note that LPPC, SEAEDD, and NLA, in a collective attempt to preserve the Line and improve the health of the regional economy, collectively spent $2,131,367 to acquire the segment of the Line between mileposts 408.9 and 471.0. In addition, they had already expended over $12,133,608 before $10,516,259 of INFRA Grant funds were granted in 2019.[6] Moreover, as reflected on p. 15 of the INFRA Grant Application at Table 5: *Public and Private Funding Match Sources and Amounts*, parties other than DSRR have committed an additional $19,315,000 for the Project. Those expenditures will unquestionably aid the communities in the region and allow NLA to improve the productivity, reliability, and safety of rail operations over the entire Corridor.

Instead of agreeing to use grant funds to upgrade its entire track, DSRR chose to discriminate between shippers that are located on what it has labeled the "Northern Segment" and the "Southern Segment." The "Northern Segment" extends between mileposts 471.0 and 491.0. DSRR uses that segment to store railcars for third parties. According to DSRR, because it doesn't derive freight revenues from any business located in that direction, it does not need to

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total downgrading of such lines"), *Caddo Antoine and Little Missouri Railroad Company v. STB*, 95 F.3d 740, 745-46 (8th Cir. 2001).

[6] As shown in the FY 19-20 INFRA Grant Application (Exhibit B) at page 13, Table 3: *Previously Incurred Project Expenses*, SEAEDD, NLA and LPPC had already incurred $12,133,608 of expenses, compared with $2,300,000 that DSRR has expended to address problems on other sections of DSRR's tracks than the crucial segment between mileposts 471.0 and 491.0 upon which DOT has focused.

rehabilitate the Northern Segment. To support its position, DSRR has variously argued that the track is "inactive, long-out-of-service, and long-dormant."

The "Southern Segment" consists of the track between milepost 491.0, at the entrance to the Madison Parish Port and the point of interchange with KCS. The Southern Segment, however, does not include the private track within the Madison Parish Port. DSRR's position ignores the fact that when DSRR acquired the Lake Providence Line from the Delta Southern Railroad Company ("DSRC") in 1999, it assumed the statutory rail common-carrier obligation to operate over the entire Line between McGehee and Tallulah. That obligation, as well as the statutory requirement to provide continuous carriage of freight in interchange, continued after Wainright sold the track between milepost 408.9 at McGehee and milepost 471.0 at Lake Providence to West Branch Intermediate Holdings, LLC in 2015.

The artificial bifurcation of its track into Northern and Southern Segments clashes with the reasoning expressed by the Eighth Circuit in *Caddo Antoine.*[7] As the Eighth Circuit explained, the language of 49 U.S.C. § 10907, is focused on a "railroad line" and not merely "any part of a railroad line," as is the case in 49 U.S.C. §10903. DSRR never sought to abandon or discontinue freight service between milepost 471.0 and 491.0. Instead, it unlawfully refused

[7] *Caddo Antoine and Little Missouri Railroad Company v. STB*, 95 F.3d 740, 744-45 (8th Cir. 2001). See also, STB Finance Docket No. 32479, *Caddo Antoine and Little Missouri Railroad Company – Feeder Line Acquisition – Arkansas Midland Railroad Company Line between Gurdon and Birds Mill, AR*, decided August 10, 1999, 4 STB 326, at 340

freight service by making it clear that it intended to continue to use the "Northern Segment" to store railcars to receive income rather than refurbish that segment of its line and provide rail service.

In effect, DSRR chose to "cherry-pick" the easily served Southern Segment, which involves a bit over eight (8) miles, while discouraging potential interchange traffic that was documented during the joint marking efforts of DSRR's General Manager in Tallulah and the NLA's Head of Marketing in 2015 and 2016. Here, as was the situation in the *Caddo Antoine* proceeding, this left potential rail shippers on both the Northern and Southern Segment of the Line to fend for themselves.[8]

When considering the impact of DSRR's refusal to commit to the use of INFRA Grant funds to rehabilitate the most deteriorated segment of the Lake Providence Branch Line, the Board must question why West Branch and Golden Gate, which have dictated DSRR's policies and operations since they acquired ownership of Wainright's shares, should be allowed to realize more than the constitutional minimum value that LPPC is willing to pay. In effect, there is no significant difference between them and companies that have acquired active lines of railroad with an intent to scrap them at their earliest opportunity rather than provide service to shippers and maintain the rail transportation network.

[8] *See* Exhibit D, the Verified Statement of Wyly Gilfoil ("V.S. Gilfoil").

As the Board recognized in an analogous situation in *SF&L Railway, Inc.—Acquisition and Operation Exemption—Toledo, Peoria and Western Railway Corporation between La Harpe and Peoria, IL*, 6 STB 408, 427 (2002) ("*SF&L*"):

> Our exemption process is designed to facilitate continued service to shippers and continued maintenance of the transportation network. The integrity of that process is undermined by, and must be protected from, tactics such as those employed by Respondents in these cases, which have been detrimental to the shippers on the Line. We will not allow our class exemption processes to be abused by sales of active rail lines to persons whose intent is to degrade, abandon, and salvage those lines. Nor should the persons who engage in such abuses be allowed to profit from them.

The same is true of the feeder line process.

As the detailed history of the DSRR reveals, the abuse of the Board's exemption processes began when the Wainrights acquired the entire Lake Providence Branch Line in 1999. Furthermore, it has continued following West Branch's acquisition of DSRR in 2015. Given their decision to focus on railcar storage instead of upgrading the 20-mile segment between milepost 471.0 and 491.0 within a reasonable time, Golden Gate Capital, West Branch and Patriot Rail, who plans to step into their shoes, must be held accountable. To do so, the Board should apply the same reasoning and policy expressed in *SF&L* in this case. After all, the statutory provisions that are set out in 49 U.S.C. § 10907(c) were enacted and intended to facilitate continued service to shippers and continued maintenance of the transportation network. Even if Patriot Rail were to repair the track and reinstate interchange with NLA, it would not meet

the shippers' expressed need for uninterrupted single line service that allows them to reach both UP and KCS.

In any event, the opposition to LPPC's Feeder Line Application is not designed to protect DSRR. As the DOT Statement of Work has revealed, DSRR's owners have been trying to sell both the Monroe Branch Line and the Lake Providence Branch Line since 2019.[9] Instead, DSRR's opposition is fueled by its desire to be awarded with the receipt of far more than the constitutional minimum value. Given the absentee owners' indifference to the needs of the shippers and the communities for adequate rail service, the Board should not authorize any other railroad to take advantage of LPPC's and SEAEDD's joint efforts to preserve rail service over the entire Line. Were it to do so, the Board would unreasonably perpetuate the existing inefficient, needless and costly interchange operations at Monroe, Louisiana and at Lake Providence that adversely impact shippers. Furthermore, the inability to provide rail service to all shippers that are located on the Lake Providence Branch will unjustifiably deprive LPPC's operator of future revenues that will be needed to maintain the line between McGehee and Lake Providence.

Such results cannot be meshed with DOT's recognition that:

> The objective of the Project is to upgrade the Corridor and its connecting branch lines to two ports to improve rail operations, and leverage recent rehabilitation investments and construction of new infrastructure to benefit a rural region and help catalyze greater opportunities for economic development. This will be accomplished through

[9] *See* Exhibit A p. 33, DOT Grant Agreement Statement of Work at p. 2.

> the rehabilitation of track and railroad bridges, and the construction of new track in certain areas.
>
> Project benefits include:
>
> - Enhanced railroad transportation operating capacity, efficiency, and safety
> - Improved rail access/connectivity and capacity
> - Enhanced economic development through additional rail business opportunity throughout the entire corridor.[10]

The only parties to this proceeding that have satisfied that objective are LPPC, SEAEDD and NLA. DSRR, and its owners, have never done so.

II. HISTORICAL BACKGROUND 1988 TO 2022

Consistent with the Board's directive in its decision, dated August 23, 2022, that LPPC's "amended application must include all historical information known or reasonably available to LPPC in support of its case-in-chief for a Board-ordered sale,"[11] LPPC, before it addresses the specific information required by 49 C.F.R. § 1151.3, invites the Board's attention to the history of the Lake Providence Branch Line from 1988,[12] when the Missouri Pacific Railroad Company ("MP") filed an application to abandon the entire Line that then extended between milepost 408.9 at McGehee, AR to milepost 651.6 at Vidalia, LA, to the present date. As LPPC advised the Interstate Commerce Commission ("ICC") in a letter, dated August 10, 1988, "[t]he Lake Providence Port Commission's only interest is to see that rail service is continued in our

[10] Id.
[11] Slip op. at 8.
[12] The line was originally constructed in the early part of the 20th Century.

area so that jobs can be saved and economic growth will not be hindered."[13] That is the identical objective that is involved in this proceeding.

A. The Past Attempts to Abandon the Majority of The Lake Providence Branch Line Supports Lake Providence Port Commission's Decision to File the Feeder Line Application.

1. Missouri Pacific Railroad Company's Application to Abandon.

As Wyly Gilfoil, the Port Director for LPPC, has explained in his expanded Verified Statement, in 1988, MP, which was controlled by UP, filed an application with the ICC to abandon its 162.7-mile line of railroad between milepost 408.9 line near McGehee in Desha County, AR, and milepost 651.6 near Vidalia in Concordia Parish, LA. That application was docketed as Docket No. AB-3 (Sub-No. 72), *Missouri Pacific Railroad Company – Abandonment – In Desha and Chicot Counties AR, and East Carroll, Madison, Tensas and Concordia Parishes, LA.*[14] By its decision served March 11, 1988, the ICC required MP to supply traffic and financial data separately for the line segments running between milepost 408.9 and milepost 498.4 at Tallulah ("Northern Segment") and between milepost 498.4 and milepost 651.6 near Vidalia ("Southern Segment").[15] By its Decision, dated June 29, 1988, the ICC found that "[t]he present and future public convenience and necessity permit

[13] *See* Exhibit C, LPPC August 10, 1988 Letter.
[14] *See* Exhibit D, V.S. Gilfoil at Attachment 1.
[15] *Id.*

the abandonment of the line of railroad running between milepost 408.9 near McGehee and milepost 651.6 near Vidalia."[16]

To prevent MP's abandonment of the 89.5-mile "Northern Segment" between McGehee, Arkansas and Tallulah, Louisiana, LPPC filed an Offer of Financial Assistance ("OFA"), which the ICC found was *bona fide.* For the reasons explained in Mr. Gilfoil's V.S., a different party was authorized to acquire that segment of the Line.[17] On January 16, 1989, the 89.5-mile segment of the Lake Providence Branch Line was acquired by DSRC.

2. Delta Southern Railroad Inc.'s Multiple Attempts to Abandon the Segment of the Lake Providence Branch Line Between Mileposts 408.9 and 471.0.

For the next ten years, William Wainright was the President of DSRC. In 1999, he and his wife created a non-carrier to become a Class III railroad, which they named the Delta Southern Railroad, Inc. ("DSRR"). On October 1, 1999, DSRR applied for authority to acquire various rail lines and operating rights from DSRC. The proceeding was entitled *Delta Southern Railroad, Inc. – Acquisition and Operation Exemption—Delta Southern Railroad Company*, STB Finance Docket No. 33802. The Board published notice of the proceeding on October 20, 1999. DSRR's verified notice stated that it "will provide common carrier rail freight service over the subject rail lines." The notice also specified that DSRR would acquire, along with several other properties, the lines or

[16] *See* Exhibit C, ICC Docket No. AB-3 (Sub No. 72) decided June 29, 1988. As explained therein, the Line south of milepost 498.4 had been embargoed a year earlier.
[17] *See* Exhibit D, V.S. Gilfoil at ¶¶ 3 – 5 and Attachments thereto.

rights "from milepost 408.9 in or near McGehee, AR, to milepost 489.44 in or near Tallulah, LA;" and DSRC's leasehold interest in a rail line owned by UP "from milepost 566 at Monroe, LA, to milepost 556.18 at Sterlington, LA (The Sterlington Line); … acquire operating rights over certain other rail assets located at milepost 491 in Tallulah, LA, and owned by the Madison Parish Port Commission (The Madison Line);" and acquire "certain operating rights at milepost 472.8 at Lake Providence, LA, owned by the Lake Providence Port Commission."[18] On October 20, 1999, the Board approved the verified notice of exemption under 49 CFR 1150.31 and authorized DSRR to acquire (by purchase or lease) and operate the rail lines that were itemized in DSRR's verified notice.

Given that Wainright had managed DSRC for the previous ten years, he was unquestionably aware of the condition of the tracks that he acquired. However, it is evident that the Wainrights did little or nothing to adequately maintain the tracks. In hindsight, it appears that the Wainrights had no intent or ability to maintain the line and were content on setting the stage for the piecemeal abandonment and sale of the least profitable segments of the Lake Providence Branch Line.

On February 20, 2004, a Petition for Emergency Service Order was filed by Arkansas Midland Railroad ("AKMD") that was docketed as FD No. 34479, *Arkansas Midland Railroad Company, Inc. – Alternative Rail Service—Line of*

[18] *Delta S. R.R. – Acquis. & Operation Exemption – Delta S. R.R.*, FD 33802 (STB served Oct. 20, 1999).

Delta Southern Railroad, Inc. In that proceeding, it was alleged that "DSRR has functionally ceased operations on the Warren Line, and no shipper on the line has received rail service for at least two weeks." Petition at p. 1. The "Warren Line," was owned by UP and was leased to DSRR pursuant to the Board's authorization in FD No. 33802. In his Affidavit, Wainright responded to the charge that DSRR was facing significant financial difficulties with the incredulous comment that:

> the per car revenues derived from operating the Warren Branch have not been adequate to permit DSR to provide service and maintain the Line at the appropriate level of maintenance for reliable service, let alone upgrade the Line to permit it to handle 286,000 freight cars or earn DSR's cost of capital. DSR's loss of derailment and bill of lading insurance was due to an excessive number of derailments (9 between March 2, 2003 and January 28, 2004) rather than financial problems.[19]

In order to get rid of the Wainrights, UP filed in support of AKMD. As part of its supporting evidence, UP's Track Planning Engineer in the Engineering Services Department, Abollah (Abe) Grazai, provided a scathing assessment of the Wainrights' maintenance program, in which he identified numerous safety issues. In his report, Mr. Grazai identified numerous defects that he attributed to DSRR's lack of an effective maintenance program.[20] While this matter involved the Warren, AR line, his assessment equally applies to the

[19] *See* Exhibit J, the Verified Statement of Daniel B. Robbins ("V.S. Robbins") at Attachment 1.
[20] A copy of Mr. Grazai's Rebuttal Verified Statement, that was filed March 3, 2004, is included in Exhibit D, V.S. Gilfoil as Attachment 5.

Wainrights' maintenance of DSRR's tracks located on the Lake Providence Branch Line.

Having been forced to voluntarily terminate its operations over the Warren Line, the Wainrights took a different tact on the various segments of the Lake Providence Branch Line that would generate income for them through Offers of Financial Assistance. Between 2004 and 2010, the Wainrights filed two (2) notices of exemption and a petition to abandon.[21] In the very first sentence of the Notice of Exemption filed May 20, 2004, which involved the segment of the Lake Providence Line between MP 433.0 near Lake Village, AR and MP 463.0 near Shelburn, LA, DSRR described the subject of the abandonment as "an out of service line of railroad known as the Lake Providence Line." Immediately thereafter, it claimed that "no freight has moved over the Line in about seven years." In other words, no freight traffic had moved for three (3) years before the Wainrights acquired the track from DSRC in late 1999. By abandoning this segment, the Wainrights unquestionably intended to eliminate the possibility of future rail service between any point in Arkansas and Louisiana.

Recognizing that Wainright had allowed the track to disintegrate, no one bothered to protest the abandonment. Instead, SEAEDD and LPPC timely filed

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[21] See STB Docket No. AB-384 (Sub-No. 1X), *Delta Southern Railroad, Inc.-Abandonment Exemption – Between Lake Village, AR. and Shelburn, LA.*; STB Docket No. AB-384 (Sub-No. 2X), *Delta Southern Railroad, Inc.-Abandonment Exemption – In East Carroll Parish, LA*; STB Docket No. AB-384 (Sub-No. 3X), *Delta Southern Railroad, Inc.-Abandonment Exemption –In Desha and Chicot Counties, AR.*

offers of financial assistance ("OFA") under 49 U.S.C. 10904 and 49 C.F.R. 1152.27(c).[22] They did so even though they realized that all rail traffic had dried up because DSRR's service was deplorable. In 2005, SEAEDD terminated its negotiations and acquired the mileage in Arkansas outside of the OFA procedures.

LPPC continued to negotiate with DSRR until December 2010, when LPPC's attorney, Eric Hocky, accused DSRR of misrepresenting that it was interested in pursuing a sale for continued rail purposes. As he explained,

> [i]t is clear now, from the two additional abandonments that have been filed, and from the purported notice of consummation in this proceeding, that DSR never intended or wanted to do a sale for continued rail service; rather it is seeking to force all of the traffic from the Port and the remaining shippers on the Lake Providence Line to move to and from the south, and to eliminate their shipping options.[23]

Following its abandonment, the remaining 8.2-mile State Line-Shelburn segment was acquired by LPPC outside of the OFA process.

Furthermore, as the Wainrights admitted in their Petition for Exemption pleadings filed with the Board on December 6, 2010, the Lake Providence Branch Line tracks and roadbed had deteriorated to the point that they had been forced to embargo segments of the line. As described on page 6 of their Petition for Exemption:

> Virtually every rail length in the Rail Line has excessive defective crossties in clusters and under joints, such that crosstie conditions do not comply with Minimum FRA Class I track safety standards. Track alignment, cross-

[22] SEAEDD was represented by Fletcher & Sippel.
[23] *See* Exhibit D, V.S. Gilfoil at Attachment 7.

> level and gage are also out of compliance with FRA Class I standards at numerous locations.[24]

As Gilfoil has characterized the situation, "service was so bad that in November 2006, before LPPC/SEAEDD acquired the Line, it took DSRR six (6) weeks to move some carloads of cottonseed 64 miles from Lake Providence to McGehee."[25] That was the last train that DSRR operated from Lake Providence. As Sam E. Angel has confirmed, given DSRR's deplorable level of service, the demand for rail service over the Line completely vanished.[26]

As Gilfoil has also explained, the three (3) abandonment proceedings:

> were designed to eliminate rail service over the Lake Providence Branch Line between mileposts 408.9 and 471.0. Beginning with AB-384 (Sub-No 1 X), *Delta Southern Railroad, Inc. – Abandonment Exemption – Between Lake Village, Ark. and Shelburn, LA.*, DSRR launched its campaign to rid itself of its obligations to provide rail service over two thirds of the Line. In the very first sentence of its Notice of Exemption, DSRR announced that it was seeking to abandon what it described as "an out of service line of railroad known as the Lake Providence Line between MP 433.0 near Lake Village, Arkansas, and MP 463.0 near Shelburn, Louisiana, a distance of 30 miles."[27]

AB-384 (Sub-No. 3X) was not concluded until 2011, when LPPC acquired the 8.2-mile segment between the Arkansas/Louisiana State Line and milepost 463.0 near Shelburn, Louisiana.

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[24] AB-384(Sub-No. 3X), *Delta Southern Railroad, Inc. – Abandonment Exemption – In Desha and Chicot Counties, AR*, included hereto as Exhibit D, VS. Gilfoil at Attachment 6.
[25] *See* Exhibit D, V.S. Gilfoil at ¶ 12.
[26] *See* Exhibit E, V.S. Angel at ¶ 4.
[27] *See* Exhibit D, V.S. Gilfoil at ¶ 8.

In November and December 2010, DSRR sought further authority to abandon two (2) other segments of the Lake Providence Branch. As Mr. Gilfoil has explained:

> In AB-384 (Sub-No 2X), *Delta Southern Railroad, Inc. – Abandonment Exemption – In East Carroll Parish, LA*, sought to abandon 8.0 miles of track between Milepost 463.0 and Milepost 471.0. According to the Notice of Exemption, no local or overhead traffic had moved for the prior two (2) years. This proceeding was concluded when DSRR agreed to accept LPPC's OFA, which included the grant of trackage rights over the 1.25± miles connecting the line and the private tracks owned by LPPC. While DSRR retained ownership of the Line between milepost 471.0 and 498.4 and entered into a trackage rights agreement with LPPC to provide limited service within the Lake Providence Port, it made no effort to hold out interchange service after LPPC's operator, namely North Louisiana & Arkansas Railroad, Inc. ("NL&A"), was able to reopen the track for interline service in 2016.[28]

On December 6, 2010, DSRR filed its Petition for Exemption, which was docketed as AB-384 (Sub-No. 3X), *Delta Southern Railroad, Inc. – Abandonment Exemption – In Desha and Chicot Counties, AR.* By its petition, DSRR sought authorization from the Board to abandon the 24.1-mile segment of the Lake Providence Branch between MP 408.9 at or near McGehee and MP 433.0 at or near Lake Village. This matter was resolved when LPPC and Arkansas Shortline Railroads, Inc., as guarantor for its wholly owned subsidiary NLA, acquired the track though a joint offer of financial assistance. By Decision, late released May 19, 2011, the Offerors were authorized to acquire the line, and NLA was authorized to operate the line.

[28] *See* Exhibit D, V.S. Gilfoil at ¶ 10.

The prolonged delay in reopening the Line for interchange service was due to the unquestioned need to rehabilitate the entire Line between milepost 408.9 and milepost 471.0. In LPPC's Notice of Exemption, filed June 10, 2011, which was docketed as FD 35531, *Lake Providence Port Commission – Trackage Rights Exemption – Delta Southern Railroad, Inc.*, Gilfoil specifically informed the Board that:

> "[t]he Port Commission does not intend to commence operations under the trackage rights until after the OFA line and adjacent lines to the north are rehabilitated. This will not occur until well after this notice becomes effective on July 10, 2011." That it required LPPC, SEAEDD and NL&A to expend in excess of $10 million to get the Line into good enough shape to hold out interchange service in 2016 speaks for itself.[29]

In addition, as explained in the Verified Statements of Wyly Gilfoil and Patrecia Hargrove, DSRR sold the track between milepost 433.0 and milepost 454.8 to SEAEDD for $704,467, while simultaneously avoiding the cost of any amount for rehabilitation of the track. It later cost LPPC $1,123,500 to acquire the 8.0 segment between milepost 463.0 and milepost 471.0 along with the 24.1 miles of track between milepost 408.9 and milepost 433.0. Moreover, to acquire the 8.2 miles of rail and other track materials between 454.8 to milepost 463.0, LPPC had to pay National Salvage and Service Corporation $303,400.[30]

[29] *See* Exhibit D, V.S. Gilfoil at ¶12.
[30] *See* Exhibit I, V.S. Hargrove at ¶5; and Exhibit D, V.S. Gilfoil at ¶11.

B. In June 2015, West Branch Acquired DSRR's Stock from the Wainrights Without Having to Apply to the Board for Operating Authority and Ostensibly "Hired" Continental Rail to Manage and Operate DSRR.

The Board's first notice of West Branch's acquisition of DSRR's stock appeared in a Verified Notice of Exemption that was filed on April 4, 2016, in FD 36006, *West Branch Intermediate Holdings, LLC and Continental Rail LLC - Continuance in Control Exemption - Central Gulf Acquisition Company Verified Notice of Exemption Under 49 CFR § 110.2(d)(2).* As explained therein, "DSR is an existing Class III short line railroad operating in the State of Louisiana between Lake Providence and Tallulah and between Monroe and Sterlington. West Branch acquired the stock of DSR in 2015 from its former owners in a transaction outside of the Board's jurisdiction." In footnote 2, it was further explained that "[n]o Board authority was required because neither West Branch nor Continental owned or managed any common carrier railroads operating in the United States at the time of that acquisition." West Branch did not disclose that Rajeev Amara, who signed the verifications that were filed on April 4, 2016, was Golden Gate Capital's Manager.

The Board was first furnished with information regarding West Branch and its link to Golden Gate on January 31, 2017. On that date, West Branch submitted a heavily redacted, non-binding letter of intent, dated July 6, 2016, in FD No. 36084, *West Branch Intermediate Holdings, LLC, and Continental Rail LLC - Acquisition of Control Exemption – Cimarron Valley Railroad, L.C.,*

Clarkdale Arizona Central Railroad, L.C., Wyoming and Colorado Railroad Company, Inc.[31] As explained in that letter of intent:

> West Branch Holdings was formed by [redacted] in 2015 with a mandate to acquire and grow short line rail and rail-related assets. In June of 2015, West Branch successfully acquired the Monroe, LA-based Delta Southern Railroad, where it has committed over $1M to infrastructure upgrades to support the growth of the business and has begun to expand the line's scope of services. West Branch Holdings is led by a deeply experienced management team from Continental Railways ("Continental"). Continental was formed by John Marino, Sr. and John Marino, Jr., who were joined by several veterans of the short line industry.[32]

Not only was Golden Gate's name redacted, but no mention was made of its prior acquisition of ANGUS Chemical from Dow Chemical and its link to West Branch's 2015 acquisition of DSRR from the Wainrights.[33] As Terry Murphy, Madison Parish Port Commission's ("MPPC") Executive Director, has noted, shortly before Wainright's sale of its stock was announced, he was introduced to Dan Hecht, who is one of Golden Gate Capital's managers, by J.D. Ventrcek ("Ventrcek"), who at the time was a Vice President of Continental

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[31] The proposed acquisition of Cimarron Valley Railroad, L.C., Clarkdale Arizona Central Railroad, L.C., Wyoming and Colorado Railroad Company, Inc., which was docketed as F.D. No. 36804 collapsed at closing.

[32] A copy of the Letter of Intent is attached hereto as Exhibit F. The redacted letter pointed out that West Branch's financial backer was "a private equity investment firm based [redacted] with over $15 billion in committed capital [redacted.]" As has been subsequently confirmed in this proceeding, the backer was Golden Gate Capital. John Marino, Jr. is referred to herein as "Marino."

[33] On November 12, 2014, Golden Gate Capital announced that it had entered into a definitive agreement to acquire ANGUS Chemical from Dow Chemical for $1.2 billion. *See* https://www.reuters.com>anguschemical-goldengate.

Rail and headed its new business development efforts.[34] As Murphy was aware, Ventrcek was actively engaged in Continental Rail's effort to acquire ownership of DSRR shares from the Wainrights. As Murphy has also explained, he had been working with Ventrcek for several months in the hope that if Continental Rail were to acquire DSRR, it might move its headquarters to Madison Parish Port from Monroe, Louisiana. During the meeting at which Murphy met Dan Hecht, he was informed that Golden Gate Capital was thinking of buying DSRR and working with Continental Rail.

Even if is true that West Branch had "committed over $1M to infrastructure upgrades to support the growth of the business and has begun to expand the line's scope of services," what line was upgraded? While DSRR upgraded the Monroe Branch on which ANGUS Chemical is located as well as the track between the Madison Parish Port and the point of interchange with KCS, the track between mileposts 471.0 and 491.0 was not upgraded. As Craig Huff, who was DSRR General Manager in Tallulah has testified, Golden Gate employees never supported Continental's brief efforts to rehabilitate DSRR's mainline track between mileposts 471.0 and 491.0 on the Lake Providence Branch Line.

It is evident that Continental was unable to restore the tracks on its own. In fact, DSRR was so strapped for cash in 2017 that it could not afford to pay its share of HDR's invoice for developing the cost/benefit analysis supporting

[34] *See* Exhibit G, the Verified Statement of Patrick Terry Murphy ("V.S. Murphy") at ¶7.

the FY 17-18 INFRA Grant Application, which amounted to only $19,092. Moreover, in an email dated September 21, 2017, Matt Prince, Continental Rail's Director of Operations, responded to a spreadsheet regarding the NLA-DSRR corridor rebuild by stating that "[w]e bowed out of the grant application for the time being as we simply cannot afford to spend the cash right now."[35] That was only just over a month before SEAEDD filed the initial INFRA Grant Application on November 2, 2017.

Regardless of who ultimately owns DSRR's shares at the time of this filing, the history of abuse, lack of maintenance and the inability to provide rail service, should persuade the Board to hold DSRR accountable. Given their obvious indifference to the public convenience and necessity and DSRR's rail common-carrier obligations, the Board should determine the constitutional minimum value and grant LPPC's Feeder Line Application.

1. Continental Rail's Efforts to Revitalize DSRR's Operations over the Lake Providence Branch Line were Headed by J.D. Ventrcek.

It can be anticipated that DSRR will seek to immunize its failure to establish an effective maintenance program to rehabilitate all of the track that it acquired in June of 2015 by shifting the blame to Continental Rail, LLC, which Golden Gate hired to manage and operate the DSRR. The truth of the matter is that it was Golden Gate that determined, to the detriment of shippers, that essential track renovations were unjustified and unwarranted. Plainly, the ability of shippers to receive efficient and less costly single-line rail

[35] *See* Exhibit D, V.S. Gilfoil at Attachment 11.

service over the entire Line is consistent with the public convenience and necessity.

Throughout this proceeding, DSRR has sought to excuse the refusal to rehabilitate the track by claiming that "the only requests for service over the [Lake Providence Branch Line] have been traffic to be moved south from Madison Parish Port (milepost 491.0) to Tallulah."[36] As the following information demonstrates, that statement was false at the time and continues to be false even though it has been repeated ad nauseum in DSRR's filings.

In the first place, as Sam E. Angel, the owner of Epstein Gin, has explained in his Verified Statement,[37] because DSRR's entire track was known to be unsafe, shippers had no choice but to transload their rail traffic to UP at McGehee rather than see their products dumped on the ground and their railcars damaged.[38] Because transloading was more expensive than direct rail service, it is evident that DSRR's atrocious service was responsible for the shippers' decision to use transloading. West Branch, after acquiring ownership, did nothing for seven (7) full years to convince shippers that its track between

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[36] Reply of DSRR to Petition seeking Expediated Consideration of Feeder Line Application and the Acceptance of the Application Prior to the Determination of the Constitutional Minimum Value of the Property that is the Subject of the Application, dated December 2, 2020, at p. 2.

[37] *See* Exhibit E, the Verified Statement of Sam E. Angel ("V.S. Angel").

[38] Mr. Angel's comments are confirmed by the sworn testimony of Abollah (Abe) Grazai, UP's Track Planning Engineer in the Engineering Services Department, filed March 3, 2004, in FD No. 34479, *Arkansas Midland Railroad Company-Emergency Service Order-Line of Delta Southern Railroad, Inc.*, which is included in Exhibit D, V.S. Gilfoil at Attachment 5. In his report, Mr. Grazai identified numerous track defects that he attributed to DSRR's maintenance program. He also repudiated Wainright's sworn statements that he had undertaken a major track program to restore the line.

mileposts 471.0 and 491.0 had been restored. West Branch not only failed to address track conditions, it continued to store railcars on its mainline in plain view of anyone who happened to drive alongside the adjacent U.S. Hwy. 65.

The underlying desire for rail service is demonstrated by the joint marketing efforts that were initiated in the Fall of 2015 by Craig Huff, who was DSRR's General Manager in Tallulah, and Daniel Robbins, NLA Vice President Business Development. Their joint marketing efforts revealed potential new revenues of more than $600,000 that would be realized within six (6) months after shippers were satisfied that the segment of the Line between mileposts 471.0 and 491.0 was capable of being safely operated. As their joint business development efforts conclusively prove, there was, and is, an existing need for rail service that should have been met years ago.[39]

In addition, evidence submitted herewith shows that J.D. Ventrcek, Continental's Vice President, and head of its New Business Development Group, attempted to restore the entire Line in 2016 so that DSRR could reestablish former ties with UP and remove stored railcars from the crucial segment of the Line between mileposts 471.0 and 491.0. Because Golden Gate managers opposed Ventrcek's efforts, the track was not restored while several hundred highly visible railcars cars continue to clog the track at this time.

It is noted that Wainright's sale of DSRR's stock was met with hopes that the track would be restored. Rather strangely, however, neither West Branch

[39] P*SI Energy, Inc. – Feeder Line – Norfolk Southern Corp.*, 7 I.C.C. 2d 227, 231n.13 (1991)("*no* service at all is *a fortiori*, an inadequate level of service").

nor Golden Gate's interests were publicly acknowledged.[40] Instead, on July 1, 2015, Ventrcek and John Marino, Continental's CEO, attended a meeting of the Tallulah Chamber of Commerce to announce that Continental Rail had purchased the railroad line running through Madison Parish (the Lake Providence Branch Line). A press release issued by the Madison Parish Port, titled "*Railway Purchase Brings 'A New Day In Parish'*,"[41] highlights Continental Rail's intent to bring "portions of the track back up to federal standards." In his talk, Ventrcek pointed to his background at Patriot Rail where he had been the Senior Vice President Corporate Development and indicated that the DSRR presented a great opportunity for Continental Rail to grow both traffic and revenues.

Most importantly, he focused on the initial efforts to address the deplorable condition of DSRR's track that ran through Tallulah.[42] As Ventrcek explained, "[w]e are working with inspectors. That will be the first part, raising that portion of track to what is called acceptable track." The Port's press release also cites Ventrcek's explanation that the initial phase "will take

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[40] It was only on August 15, 2016, during negotiations with Golden Gate regarding its offer to acquire all of Arkansas Short Line Railroad, Inc.'s railroads, that Golden Gate had insisted that Marino was not to reveal Golden Gate's involvement with West Branch. *See* Exhibit J, V.S. Robbins at p. 5, n.4.
[41] *See* Exhibit G, V.S. Murphy at Attachment 1.
[42] As Terry Murphy has described the mainline track's condition, "I frequently watched DSRR's trains moving through Tallulah at speeds less than 5 MPH being led by pickup trucks driven by DSRR's maintenance crews. Because the track paralleled the highway, they were scouting the tracks ahead of the locomotive to detect defective track conditions that could be quickly dealt with. In those instances, they would alert the engineer to stop so they could fix the defects they had spotted. On a few occasions, they even removed and replaced cross ties." *See* Exhibit G, V.S. Murphy at ¶4.

approximately six-to-eight weeks."[43] Those basic plans were never fully implemented.

As Craig Huff, who followed Ventrcek from Patriot Rail has explained, from the outset, Ventrcek was intent upon reopening the track so that DSRR could reestablish DSRR's historic connection with UP at McGehee. Ventrcek recognized that had to be done to attract interchange freight from UP without involving a KCS interchange at Monroe.

As Huff also understood, that would require DSRR to eliminate or reduce the number of railcars that were being stored on the segment of track that was located between mileposts 491.0 and 471.0. As Huff has explained:

> [w]hen Continental took over the management of DSRR in 2015, a substantial percentage of DSRR's monthly revenues was derived from the long-term storage of over 400 railcars on that portion of its Lake Providence Branch Line located between 491.0 and Lake Providence. However, in 2016, the management team, which then consisted of J.D. Ventrcek, John Marino and me, decided to cancel an existing storage contract and actively focus on the movement of freight northbound from Tallulah.[44]

That decision was reversed by Golden Gate Capital's management who focused on the current revenues and concluded that it was not worth the cost to restore the track north of milepost 491.0. Instead of attempting to expand freight operations, Dan Hecht told DSRR's management that they were not to focus on new business that would require the tracks between milepost 471.0 and 491.0 to be restored. Instead, they were to focus on revenues that could be

[43] *See* Exhibit G, V.S. Murphy at Attachment 1.
[44] *See* Exhibit H, V.S. Huff at ¶4.

earned by railcar storage and the rebuilding of less than nine (9) miles of track between milepost 491.0 and 498.44. Realizing that Golden Gate's managers were driven by immediate cash flow, and therefore could be expected to continuously interfere with his attempts to focus on the development of new business consistent with DSRR's rail common-carrier-carrier obligations, Ventrcek resigned. His resignation was followed by the resignations of the other "veterans of the short line industry," namely, Robert Schellig, Corporate Counsel for Continental Rail, and Israel Perez, Continental Rail's Comptroller.

2. By Focusing Solely on Short Term Revenues Following Ventrcek's Resignation, DSRR and the West Branch Team Adopted Strategic Objectives that Ignored Long Term Gains that Would be Realized by Rehabilitating the Entirety of DSRR's Tracks.

Following Ventrcek's resignation, Jon Ryan, who acted as Continental Rail's Vice President of Finance in a consulting role for DSRR, assumed control of all expenditures involving business development. Based on his published resume, Ryan is a CPA who had no prior experience in the short line railroad industry before signing on with Continental Rail. Because Ryan was physically located in Florida, he had no personal contact with DSRR's existing customers or the shippers that Huff and Robbins identified who supported the rehabilitation of the Lake Providence Branch Line and the ability to reach either KCS on the south or UP on the north. In fact, Ryan did not bother to meet Wyly Gilfoil until October 13, 2011. In summary, Ryan had no appreciation of what it would take to attract shippers, such as Epstein Gin and

Transloading, which had been forced to turn to trucks by the Wainrights' failure to maintain the tracks. Because Ryan shared the idea that there was no need to seek new business that would interfere with railcar storage, he focused on the track between the Madison Parish Port and the interchange with KCS and firmly discouraged Huff's efforts to work with NLA.[45]

As Huff has explained, after Ventrcek left the company, Huff was repeatedly told by John Marino and Jon Ryan that "new business did not fit DSRR's strategic objective, which was to maximize profits by once again focusing on the storage of rail cars."[46] Huff was also directed to cease the successful joint marketing efforts with NLA that Ventrcek had set up with Daniel Robbins immediately after Huff was recruited to join DSRR by Ventrcek.

As Huff has also explained, he did not agree with Marino and Ryan's reasoning. His disagreement stemmed in part from his participation in the preparation of DSRR's 2016 budget. Huff was instructed to prepare estimates of projected traffic revenues that would be generated from interchange operations with NLA to be used in DSRR's 2016 budget. Because he was not fully acquainted with the shippers whose traffic was originated by NLA, Huff worked with Danny Robbins, his counterpart at NLA with whom he had conducted extensive marketing efforts, to identify shippers who could be counted on to ship over the track following the restoration of basic rail service.

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[45] As reflected by the Verified Statements of Patrecia Hargrove, SEAEDD's Executive Director (Exhibit I), and Wyly Gilfoil (Exhibit D), Ryan has continued to take that course until the present day.

[46] *See* Exhibit H, V.S. Huff at ¶5.

As he learned from those discussions, if NLA's track and the tracks between mileposts 491.0 and 471.0 were improved to the point that sustained operations could be safely conducted, several hundred thousand dollars of new revenue could potentially be realized by DSRR in the first six (6) months of sustained operations.[47]

As Huff and Robbins have also recounted, the fate of Bayou Bioenergy ("Bayou") demonstrates the extreme measures that DSRR took to avoid having to rehabilitate the track between mileposts 471.0 and 491.0. Because Huff was forced to refuse to provide interchange service with NLA at their interchange track, Bayou was told that it had to truck its products from its facility in Lake Providence to DSRR's facility in the Madison Parish Port where the products would be transloaded. Because this method of operations was so inefficient and costly, Bayou had no choice but to close its facility and terminate its employees.[48]

In addition, attention is invited to DSRR's treatment of its largest customer, Complex Chemical, which is located at the Madison Parish Port.[49] So long as DSRR did not rehabilitate the line north of the Madison Parish Port,

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[47] *Id.* at ¶6.
[48] *See* Exhibit H, V.S. Huff at ¶8; Exhibit J, V.S. Robbins; and Exhibit K, the Verified Statement of Donald Bush of Bayou Bioenergy ("V.S. Bush") at ¶6.
[49] Complex Chemical is supporting LPPC's acquisition of the entire Line even though NLA incurred a temporary problem with UP at the interchange track at McGehee when several cars were temporarily "lost" in UP's yard. That problem was cured in 2017 after NLA briefly opened the interchange with DSRR at MP 471.0 in 2016. However, because DSRR closed the interchange shortly thereafter, Complex Chemical has been forced to route its northbound traffic over DSRR, KCS and UP at Monroe. *See* Exhibit L, the Verified Statement of Jerry Melton ("V.S. Melton") at ¶3; and Exhibit J, V.S. Robbins at ¶¶ 12, 16.

Complex Chemical was unable to ship its products directly to McGehee to be interchanged with UP. In other words, it became a captive shipper. While this benefited DSRR, it served only to increase Complex Chemical's cost of transportation. That, of course, has backfired in that it has caused Complex Chemical to support LPPC's acquisition of the entire Line between mileposts 471.0 and the point of interchange with KCS.

3. DSRR'S Repeated Refusals to Commit to Use INFRA Grant Funds to Rehabilitate 20 Miles of its Track Reflects Golden Gate's Indifference to the Public Interest in Promoting the Provision of Adequate Rail Service.

On September 26, 2016, Marino hosted a meeting in DSRR's new headquarters in the Madison Parish Port that was attended by representatives of NLA (Tim Robbins), LPPC (Wyly Gilfoil and Lee Denny), SEAEDD (Glenn Bell) and MPPC (Terry Murphy). During the meeting, the parties identified the series of problems that needed to be addressed.[50] The following April, they reached an agreement that they would advertise a request for proposal ("RFP") for professional consulting services to secure federal awards for the rail/port infrastructure improvement project. In June 2017, the group issued its notice of award to HDR for consulting services.

The projections prepared by HDR for use in the INFRA Grant Application, which are of record as part of Exhibit 1 and included here in Exhibit B, reflect the projected traffic that was anticipated after the *entire* Line is rehabilitated. Given Ryan's admission in his email dated December 4, 2019, that he was "not

[50] A photograph of a chalk board reflecting some of the topics that were discussed is included in Exhibit I, V.S. Hargrove at Attachment No. 1.

privy to what was discussed the past two years," it appears that Ryan either was not aware of DSRR's projections or that he chose to ignore them.[51]

In his Verified Statement, Daniel Robbins has explained that HDR's projections of greatly increased rail traffic were based on information provided to HDR by DSRR and NLA in early 2019.[52] DSRR projected that it would move approximately 1,200 railcars in 2024 following rehabilitation, while NLA projected that it would move approximately 1,000 cars over UP, and 1,000 cars of local traffic on NLA. The remainder of the 6,248 rail cars or approximately 3,048 railcars were projected to move in interchange between DSRR and NLA. *See* Exhibit B, Feeder Line Application, Exhibit No. 1, INFRA Grant Application, Appendix C, at p. 18, Section 5.3, Table 4: Demand Projections, Build case. *See also* p. 38 of Appendix C, Section 9.3, entitled "Annual Demand Projections (2 of 2)." This table, which contains projections that span from 2018 to 2053, repeats the information in Table 4, that the number of railcars is projected to increase from 2,804 in 2022 to 6,248 in 2024.[53] These projections plainly confirm that the grant of LPPC's Feeder Line Application and the removal of DSRR will result in the future growth of rail service and the economy of the region.

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[51] *See* Exhibit D, V.S. Gilfoil at ¶23; and Exhibit I, V.S. Hargrove at Attachment 4.

[52] *See* Exhibit J, V.S. Robbins at ¶33.

[53] In Section 9.2, which is entitled Annual Demand Projections (1 of 2), Train ton-miles per year moving over the Line are projected to grow from 25,482,337 ton-miles in 2022 to 56,786,733 in 2024.

In November 2017, SEAEDD, along with LPPC, MPPC, Yellow Bend Port, NLA and DSRR, jointly submitted an INFRA application to the DOT pursuant to the Infrastructure for Rebuilding America ("INFRA") Program for Fiscal Year 17-18. The application projected that the reconstruction of the entire Corridor would cost $49,236,051 and sought Federal funding totaling $29,891,000. DSRR's estimated cost of rehabilitating the Line between milepost 471.0 and 491.0 to FRA Class 2 status was $11,448,000, while bridge upgrades totaled $1,000,000. On June 8, 2018, SEAEDD was notified that the 17-18 INFRA application was not funded.

Recognizing that Federal financial assistance would be essential if rail service over the entire Corridor is to survive, SEAEDD, once again acting as the lead entity for the unique public-private partnership ("PPP"), submitted the 2019 INFRA application on March 2, 2019.[54] This application projected that the cost of reconstructing the entire Corridor would total $45,004,421. SEAEDD requested $25,689,421 of Federal Funding. As reflected at Table 8: *Benefit Estimates by Benefit Category*, it was projected that benefits, depending on the discount rate, would range between $99,672,770 and $194,268,012. Shipper cost savings from truck to rail diversion alone totaled $62,472,452 (based on a 7% discount rate), and $122,830,587 (based on a 4% discount rate).

[54] *See* Exhibit B for a complete copy of the 2019 INFRA Application. A detailed Project Description and Project Details are at pp. 3-10.

By email dated July 10, 2019, Paul Baumer, on behalf of Chief Infrastructure Funding Officer Dan DeBono at the DOT, requested Patrecia Hargrove, who is FRA's designated point of contact, to commit, by close of business on the following day, to the completion of *the full project* with only $10,516,259 of INFRA Grant money. This level of funding would require SEAEDD, LPPC, MPPC, NLA and DSRR (hereinafter jointly referred to as the "Stakeholders") to cover the shortfall of $15,173,162 of additional funds that would be required to cover the rehabilitation of the entire corridor.[55] Because Baumer's email to SEAEDD was sent at 7:18 PM on July 10, SEAEDD had only one day to respond.

As Director Hargrove explains in her Verified Statement, upon receipt of the notice from DOT:

> After reviewing the email from Paul Baumer, I immediately notified our consultants at HDR, which was hired for INFRA engineering services, and Wyly Gilfoil at LPPC to advise them that we needed to decide how we would respond to DOT's request that I provide a description of which sources I would expect to use to make up the difference between the request and the award amount. Given the urgency, on the following afternoon, all parties, including John Marino and Jon Ryan from Continental Rail, participated in the call. During the call, Mr. Marino strongly urged the group to accept US DOT's reduced amount. After further discussions, his recommendation carried the day. I then timely responded to Paul Baumer and advised him that SEAEDD and its partners would accept a reduced INFRA grant award of $10,516,259, which reflects a $15,173,162 reduction in the total amount requested.
>
> By accepting a reduced award, we had to meet the critical goals and objectives of the overall project. The primary

[55] *See* Exhibit I, V.S. Hargrove at ¶10.

> goal, which was shared by all, involved the rehabilitation of the *entire* rail corridor, which was estimated to cost $18.6 million. We clearly realized that several components of the Project would have to be delayed, such as infrastructure investments associated with connectivity to local shippers and multimodal connections between the ports, the Mississippi River and the rail corridor. We anticipated that some of the funding gap could be made up through local port funds, the LADOTD Port Priority Program, and potentially more private funding from the short line railroads.[56]

On July 15, 2019, SEAEDD and LPPC representatives, on behalf of the Stakeholders, participated in an initial conversation with DOT concerning the need to reduce the scope of work because of the reduced award amount. In addition, the Stakeholders began their own review of ways to revise the project's scope of work to line up with the reduced award amount. As Hargrove has explained in her Verified Statement, the revised scope of work had to be submitted to DOT for approval. On July 18, 2019, SEAEDD received an email notice that DOT had designated the Project as being a "Nationally Significant Freight and Highway Project" and awarded $10,516,259 to be used for the express purpose of rehabilitating *the entire corridor*.

Thereafter, the Stakeholders and HDR, continued their efforts to revise the project scope of work. No one ever suggested that the 20-mile segment from 471.0 to milepost 491.0 would not be rehabilitated. Nor did anyone question that the overall goal of the Project was to rehabilitate the entire Corridor. However, on November 26, 2019, Jon Ryan sent an email to Doree Magiera at

[56] *Id.* at ¶¶ 11-12.

HDR and submitted what he labeled as the "DSRR SEAEDD Grant Budget."[57] As Ryan explained:

> Attached please find the construction costs to upgrade the existing rail per the grant specifications. Based upon the attached budget, we plan to begin the rehabilitation at the KCS interchange and work north which based upon the current grant amount and our match would upgrade approximately 6 miles of track (highlighted yellow in the attached). As part of the track upgrades we plan to incorporate an existing agreement with KCS to install a new interchange track and lead of approximately 1,700 feet of track. Under this agreement the KCS is to provide the rail, rock, ties and OTM and we are to provide the labor. We believe incorporating this project into the grant specs will help serve our existing customers and attract new customers. As part of this agreement, we plan to extend this new lead an additional three quarters of a mile north as indicated in the attached budget. This new interchange track will require surveying costs.
>
> As we move forward with the project we believe there are other areas we have identified that we believe it would be cost beneficial to create a new line rather than upgrade the existing line. We would like the grant description to include the flexibility to incorporate this into the construction plan. These areas are currently past the limits of the priority 6 miles but could be incorporated into the grant based upon cost savings.[58]

As his comments plainly reflect, Ryan's plan deviates from the scope of rehabilitation that DOT had established. Furthermore, by focusing on DSRR's existing customers and potential new customers, he signaled that he was focused on the track between the Madison Parish Port and the KCS and had no intent to spend funds to rehabilitate the much longer segment of track between

[57] *See* Exhibit I, V.S. Hargrove at Attachment 3.
[58] *Id.*

the Lake Providence Port and the Madison Parish Port. Instead, Ryan would force LPPC to fund the rehabilitation of that track. In other words, he had no intent to comply with the scope of rehabilitation that DOT had established.

After Magiera conferred with Hargrove and Gilfoil, she forwarded an email, dated December 4, 2019, to Ryan and tersely advised him that "[t]he latest DSRR spreadsheet does not follow the intended rail rehabilitation scope of work that has been discussed the past two years and presented to the FRA as part of the grant applications."[59] In addition, she posed several comments regarding the proposed use of the INFRA Grant request.

Later that day, Ryan responded that "I am not privy to what was discussed the past two years so I cannot speak to that." In addition, he responded to Magiera's questions by inserting his answers to her comments, as follows:

> Magiera: The current INFRA Build grant request includes approximately $7,561,250 for Rail Infrastructure Rehabilitation to bring the existing main line track from Tallulah to Lake Providence Port to 25 mph Class 2 track.
>
> Ryan: The spreadsheet that was transmitted does follow the rail rehabilitation scope of upgrading to Class 2 track in order to accommodate 25 MPH. It will be necessary to replace ties, ballast, track and OTM over the entire corridor.
>
> * * *
>
> Magiera: There was also $200,000 for bridge upgrades to 286K.

[59] *See* Exhibit I, V.S. Hargrove at Attachment 4.

> Ryan: My understanding is this is correct the bridges have been upgrade[d] to 286k. But there are still some defects that will need to be corrected.
>
> * * *
>
> Magiera: It is our understanding the bridge upgrades were completed and that the existing main line track has been rehabilitated from Tallulah to Madison Port under separate funding.
>
> Ryan: No we have not completed the rehabilitation of mainline track from Tallulah to Madison Parish port for Class 2 track with the ability to run 25MPH.
>
> * * *
>
> Magiera: The awarded INFRA Build grant has provided $2.5 million for Rail Infrastructure Rehabilitation in Segment D. We are looking for the DSR's priorities or task breakdown for rehabbing the existing main line track between Madison Port and Lake Providence Port to 25 mph Class 2 track. The original estimate was calculated with 50% tie replacement and approximately 6-in of ballast across 25 miles of track. Therefore with approximately 1/3 of the requested funding, would the ties or the ballast be the priority? Or does the required rehabilitation vary through different sections of this line? Please utilize the main line track rehabilitation cost estimate and reduce to match the $2.5 million in funding.
>
> Ryan: My understanding is that this will require ballast, ties, rail and OTM to accomplish the goal of upgrading the track to class II. The $2.5 is a good start but is nowhere need (sic) the amount required to achieve the ultimate goal. The railroad currently operates on 85lbs track under accepted track conditions.[60]

On December 10, 2019, Ryan forwarded yet another proposal that outlined "Priority Uses DSRR." As he stated in this email to Ms. Magiera, "[p]lease find the updated uses for the SEAEDD grant money that has been

[60] *Id.*

allocated to the DSRR to rehabilitate our portion of the corridor. We believe the plan laid out below will accomplish the overall goal for this section of track leading to Madison Parish port."[61]

As shown in the Table below,[62] DSRR's "plan" consisted of a chart that covered the cost of ties, ballast, tamping, and labor for ballast/miscellaneous for DSRR's tracks between mileposts 500 and 491 ("Priority Miles") that totaled $2,503,596.

		Priority – Miles					
MP	40% Ties per mile	3,500 Tons Ballas per mile	Tamping	Labor for Ballast/ Miscellaneous		Total	
500	$120,680	$108,500	$6,000	$15,180		$250,360	
499	$120,680	$108,500	$6,000	$15,180		$250,360	
498	$120,680	$108,500	$6,000	$15,180		$250,360	
497	$120,680	$108,500	$6,000	$15,180		$250,360	
496	$120,680	$108,500	$6,000	$15,180		$250,360	
495	$120,680	$108,500	$6,000	$15,180		$250,360	
494	$120,680	$108,500	$6,000	$15,180		$250,360	
493	$120,680	$108,500	$6,000	$15,180		$250,360	
492	$120,680	$108,500	$6,000	$15,180		$250,360	
491	$120,680	$108,500	$6,000	$15,180		$250,360	
	$1,206,800	$1,085,000	$60,000	$151,796	1/	$2,503,596	1/

1/ Does not foot due to rounding.

No mention whatsoever was made regarding the 20-mile segment of tracks between MP 471.0 and MP 491.0. As the entirety of the INFRA Application and the subsequent Grant reflects, the rehabilitation of that 20-mile stretch of the Corridor is essential. If West Branch is unwilling to expend

[61] *Id.* at Attachment 5.
[62] Reproduced from Ryan's email. The identical Table would be forwarded to Patrecia Hargrove by John Marino on August 21, 2020.

funds to rehabilitate the track to FRA Class 2 standards, it should be forced to sell the tracks to LPPC.

On March 17, 2020, SEAEDD submitted its request for FRA to approve scope changes to the Project to fit the new budget that reduced the Non-Federal Cost share to $10,861,267.[63] Although the reduced share reflected the elimination of certain components, such as a Mississippi River dock component, it did not impact the need to rehabilitate the tracks between MP 471.0 and 491.0.

Following receipt of a letter from FRA approving the requested changes to the scope of work, Hargrove prepared and forwarded a proposed Consortium Agreement to the Partners for their approval.[64] On July 30, 2020, she forwarded the "Consortium Agreement Final Draft" to all the consortium members. As she explained in her email:

> During the life of the INFRA project, SEAEDD as the Grantee and Grant Administrator must oversee the management of the project. Because this project is comprised of 5 consortium members, it is necessary for all members to agree to work together toward the successful completion of this project. The agreement outlines roles and responsibilities for all consortium members involved, as well as funding flow/process, reporting, etc.
>
> Please review the agreement and make any comments and/or revisions. The goal is to have an agreement in place prior to the signing of the grant agreement, which is expected to be completed and submitted to SEAEDD for execution by the end of August.[65]

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[63] *See* Exhibit I, V.S. Hargrove at Attachment 6.
[64] *See* Exhibit I, V.S. Hargrove at ¶19.
[65] *Id.*

On August 14, 2020, Ryan responded by emailing "an updated draft with our comment so our scope matches the grant." The "comment" consisted of DSRR's unilateral change in the draft Consortium Agreement pertaining to the number of miles on DSRR's tracks that would be upgraded from FRA excepted track to FRA Class 2 track. Ryan simply struck "20" miles and replaced it with "10" miles.[66] No further explanation was provided. Recognizing the potential negative impact of Ryan's unilateral change, Hargrove forwarded Ryan's email to Wyly Gilfoil and asked him to review it. Gilfoil agreed with Hargrove's assessment and agreed to speak with John Marino.

On the morning of August 20, 2020, Bryant Killen, LPPC's Deputy Director, and Gilfoil had a speaker phone conversation with Marino to urge him again to comply with the intent of the INFRA Grant Application by upgrading the 20 miles of track south of Lake Providence. During that conversation, Marino suggested that LPPC buy the track owned by DSRR in East Carroll Parish to below Tallulah. He stated a price tag of around a million dollars a mile estimating the cost would be between $13 and $16 million. He then said this would be the best option and, while he hated to use the cliche "win-win," it would be the only way in this instance that the line would be cleared of stored cars. Unprompted, he then said he "would move the cars somewhere else, no problem." Gilfoil informed Marino that because LPPC is a government agency, he was required to obtain an appraisal before he could make a commitment.[67]

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[66] *Id.* at ¶20.
[67] *See* Exhibit D, V.S. Gilfoil at ¶30.

Following that conversation, Gilfoil received an email from Marino thanking Gilfoil for the call. The email also included the following sentences:

> In an effort to work with you and the port I think we can come up with a creative solution to sell a portion of the right of way to the port. This could be beneficial for a port customer for many reasons – one most important being access to two class one railroads.[68]

Gilfoil did not respond to Marino and advised Hargrove of his conversation.

After learning that Gilfoil had not been able to obtain assurances from Marino that DSRR would rehabilitate the tracks between MP 471 and MP 491, Hargrove forwarded an email to Marino on August 18, 2020, in which she explained that:

> I need to have an answer in writing by 12 noon CDT on Friday, August 21, 2020 describing Delta Southern Railroad's intentions as far as the Consortium Agreement and the Grant Agreement to repair the track between Talla Bena, Louisiana and Lake Providence, Louisiana to a minimum of FRA Class I standards and provide service as described in the narrative of the INFRA application and INFRA award.[69]

She also had a follow-up call with Marino in which she questioned why DSRR had changed the mileage that it would rehabilitate when the proposed Consortium Agreement reflected the scope of work that FRA had approved. Marino replied that he saw no reason for DSRR to upgrade the track beyond MP 491 to FRA Class 1 standards because DSRR didn't have any business in that direction and did not need to rehabilitate that section of its track to service the shippers located at the Madison Parish Port. Marino also noted that there

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[68] *Id.* at ¶31.
[69] *See* Exhibit I, V.S. Hargrove at Attachment 9.

was no need to rehabilitate the six (6) miles of track that DSRR was using to receive income from storing railcars that were parked north of MP 491. Marino also indicated that DSRR did not intend to cease using the track for storage purposes. In response, Hargrove reminded Marino that because the intent of the grant funding was that the entire corridor would have access to UP to the North and KCS to the south, the future storage of railcars would be inconsistent with the unquestioned goal of the Project.[70]

On August 21, 2020, Marino responded to Hargrove's email of August 18, 2020. In his email he stated that "[t]he Delta Southern will commit to completing the grant work outlined in our original estimates as detailed below." The document that he forwarded was Ryan's December 10, 2019 "plan" that solely focused on the segment of DSRR's track between milepost 491 and milepost 500. Because Marino's email confirmed that DSRR and its owner would not commit to the rehabilitation of the 20-mile segment of its line, LPPC, with the approval of SEAEDD, MPP and NLA, decided to file the original Feeder Line Application to acquire the segment of the Corridor between MP 471 and MP 491.[71]

Shortly thereafter, Hargrove advised FRA that DSRR would not commit to rehabilitating the segment.[72] She also explained that LPPC would take steps to acquire the 20-mile segment from DSRR as soon as it could determine the NLV of the property. In response, Hargrove was advised that FRA's approval of the

[70] *Id.* at ¶22.
[71] *Id.* at ¶23.
[72] *Id.* at ¶24.

changes set out in SEAEDD's letter, dated March 17, 2020, had no impact on SEAEDD's prior commitment to rehabilitate the 20-mile segment. FRA also indicated that the change of ownership of the segment would not adversely impact the INFRA Grant funding *if* the segment were re-opened for rail service. Unable to obtain a commitment from DSRR, LPPC filed its original Feeder Line Application.

DSRR's claim that there is no need to rehabilitate the *dormant, long-out-of-service track* underscore's its lack of understanding of rail service requirements. The photograph of multiple tank and covered hopper cars that were being stored on DSRR's track alongside U.S. Highway 65 was taken on January 17, 2021, which was two (2) months after LPPC filed its original Feeder Line Application. It clearly demonstrates the fallacy that tracks that are used for storage do not need to be adequately maintained.



III. TO PROTECT THE INTEGRITY OF THE BOARD'S FEEDER LINE PROCEDURES AS WELL AS ITS EXEMPTION PROCEDURES, THE BOARD MUST HOLD PATRIOT RAIL ACCOUNTABLE FOR WEST BRANCH'S PAST ACTIONS THAT UNDERMINED THE EFFORTS OF CONTINENTAL RAIL TO TIMELY RESTORE DSRR'S ENTIRE LINE TO ENABLE SHIPPERS TO RECEIVE ADEQUATE RAIL INTERCHANGE SERVICE THAT WOULD ELIMINATE THE INEFFICIENT AND MORE EXPENSIVE INDIRECT ROUTINGS THAT ADVERSELY IMPACTED THE SHIPPERS' COMPETITIVE POSITIONS.

LPPC acknowledges that it has the burden of demonstrating that "regulation is necessary to carry out the rail transportation policy of 49 U.S.C. § 10101." In this regard, LPPC submits that the detailed history that has been offered in evidence herein, along with DOT's conclusions for granting the INFRA Grant, conclusively demonstrate that DSRR has not ensured the development and continuation of a sound rail transportation system with effective competition among rail carriers and other modes, to meet the needs of the public and the nation's defense. Moreover, DSRR has *not* maintained its transportation facilities and equipment without detriment to the public health and safety. In addition, it cannot be said that DSRR has offered honest and efficient management. All of which has compelled LPPC to file this Feeder Line Application.

LPPC also acknowledges that it was unable to complete the extensive revision of the initial Feeder Line Application to meet the requirements set out in the Board's decision, dated August 23, 2022, at an earlier date. As a result, the Board was unable to weigh the negative impact of Patriot Rail's sworn comments in its verified notice of exemption that control of DSRR "will not substantially change the level of operations over, or maintenance of, the rail

lines," or "affect the level of operations on the rail lines of DSRR." Patriot Rail's sworn statement must be accepted at face value. When that is done, LPPC believes that the Board will conclude, consistent with its prior decision in *SF&L,* that the exemption granted to Patriot Rail must be revoked.

While *SF&L* admittedly involved an intent to abandon the track, there is nothing to indicate that the best interests of any shipper will be advanced by replacing West Branch with Patriot Rail, which has already signaled that it does not plan to substantially change the level of operations or maintenance. Based on its statements, there is no avoiding the conclusion that Patriot Rail will adopt DSRR's position that the rehabilitation of the track is not currently warranted, and that inadequate rail service will continue to be performed over excepted track. Patriot Rail's position cannot be viewed as being consistent with the public convenience and necessity or address the concerns of shippers in the region that have watched their equipment being damaged and product lost due to the lack of proper maintenance by DSRR since Wainright acquired the entire Lake Providence Branch in 1999.

If Patriot Rail were to retain control of DSRR, it would be tantamount to forgiving DSRR's refusal to restore rail service over 22.33% of the Lake Providence Line, or 72.88 % of the track that DSRR owns. If the Board is to protect the interests of all shippers that stand to be adversely impacted by Patriot Rail's acquisition of DSRR's stock, that result must be rejected. Plainly, there is nothing in Patriot Rail's filing that provides any assurances to the Board, LPPC, SEAEDD, NLA or the shippers that wish to avoid the current

expensive and less efficient routings that have been forced on them by DSRR's former owners will be corrected.

In its decision in *SF&L*, the Board, upon finding that SF&L had engaged in tactics that had made rate making more difficult, complex and time consuming; created a less efficient routing and resulted in higher rates and reduced maintenance, compelled SF&L to reconvey the operating easement over, and the rail, ties, and certain improvements of a segment of a rail line to its prior owner.[73] DSRR, following its acquisition by West Branch, has engaged in similar tactics that have produced similar results. Not only have shippers been unable to receive service after negotiating rates, but they have also been forced to use less efficient routings that have resulted in higher transportation costs. Key examples include Complex Chemical, which is the largest shipper in the Madison Parish Port, Epstein Gin, Livingston Pecan & Metal, and Terral River. All of whom have testified that they have been disadvantaged by not being able to move directly to UP at McGehee.[74] It must be stressed that while DSRR's forced sale to LPPC will eliminate that inadequacy, DSRR's sale to Patriot Rail will do nothing to improve the situation for any shipper in the region.

Furthermore, because the track between milepost 471.0 and 491.0 has been perpetually clogged by West Branch's policy of favoring revenues earned

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[73] *See* 6 STB at 419-425.

[74] *See* Exhibit L, V.S. Melton, Exhibit E, V.S. Angel and Exhibit N for the Verified Statements of Neil Martin (Terral RiverService, Inc.) and Blake Livingston (Livingston Pecan & Metal).

by railcar storage, it is no surprise that Hollybrook Warehouse, Inc., which is located between mileposts 474.0 and 475.0, adjacent to DSRR's track, has never been contacted by DSRR since Mr. Huff and Mr. Daniels visited Robert Amacker, Jr., President of Hollybrook Warehouse, Inc., in 2015 or 2016 with the promise that things would improve under the new ownership.[75] DSRR has made no effort to even try to hold out service for Hollybrook since 2015 because it would require moving all of the stored railcars to reach Hollybrook with a locomotive to pick up outbound freight traffic or to deliver an inbound railcar. Of course, given DSRR's misleading comments that it is not aware of any prospective customers seeking to originate or terminate traffic from any point along the line, it appears that no one at West Branch ever bothered to note that DSRR's General Manager had met with Mr. Amacker and promised him that things would improve under the new owners.

Another "local" potential customer that DSRR failed to remember in 2021 is E. Sondheimer Co. ("Sondheimer"), which was subsequently acquired by Chip Sullivan, the owner of BLP Trucking ("BLP"). Its facility is located approximately at milepost 487.5. There are two (2) industrial spur lines that lead into BLP's facilities that were formerly used to move loaded and empty rail cars to both KCS and UP.

LPPC notes that Sondheimer was one of the parties that opposed MP's abandonment of the Lake Providence Branch in 1988. As was explained in its letter, dated February 23, 1988, "[w]e are a hardwood sawmill and are very

[75] *See* Exhibit N, Verified Statement of Robert N. Amacker, Jr.

dependent on rail shipments of our hardwood lumber production for our domestic markets, as well as shipments to Mexico."[76]

Despite the fact that DSRR has been aware of the existence of the two (2) industrial spur lines that lead into BPL's facilities that were long used to move loaded and empty cars to both KCS and UP, DSRR ignored BPL's existence when it falsely claimed in 2021 that no shippers were located on the 20-mile segment. That did not stop DSRR from frequently placing railcars in storage both to the north and south of BLP's spur tracks. As was the case with Hollybrook, Mr. Huff and Mr. Robbins met with Mr. Sullivan about seven (7) years earlier.

LPPC must note that somehow DSRR finally managed to become acquainted with Mr. Sullivan. In a press release, dated September 16, 2022, DSRR announced "the opening of a rail transload terminal on its Tallulah/Lake Providence branch in Sondheimer, LA slated for Fall 2022."[77] The announcement also quotes Mr. Sullivan.

LPPC finds it to be interesting that Frank Prentiss, DSRR's Vice President Sales & Marketing, while mentioning that KCS and UP are DSRR's interchange partners, somehow failed to note that DSRR has an open interchange with NLA that would be less expensive and more efficient than having to interchange with UP at Monroe, Louisiana. It is also noted that he has also claimed that DSRR was established in 2009.

[76] A copy of this letter is included in Exhibit N.
[77] A copy of the Press Release is attached at Exhibit O.

It is painfully obvious that the steps that have been taken in the past five (5) months could have been taken in 2015 and 2016. Instead of doing so, DSRR's owners discouraged Continental Rail from repairing the track between milepost 491.0 and 487.5 so that needed rail service could have been provided to BPL at a much earlier date. Having made the choice in 2016 to prioritize revenues received from railcar storage and switching fees at the expense of multiple potential freight shippers that were then known to DSRR's General Manager in Tallulah, LPPC respectfully submits that the decision to open a transload facility that is located 3.5 miles to the north of 491.0 cannot offset the economic damage that has been suffered by those who were prevented from moving their freight by rail as a direct result of the failure to restore DSRR's ***mainline*** between 471.0 and 491.0, which is suddenly being referred to as DSRR's "Tallulah/Lake Providence branch," at least six (6) years ago.

Given West Branch's past actions and inactions, LPPC submits that helping Golden Gate to recoup its original investment and a presumably substantial profit is contrary to the Board's holding in *SF&L* and its recognition therein of its "responsibility to protect the public interest in the continuation of active rail lines."[78] To protect the public interest, the Board should apply the same reasoning expressed in *SF&L* in this case. After all, the statutory provisions that are set out in 49 U.S.C. § 10907(c) were enacted and intended to facilitate continued service to shippers and continued maintenance of the transportation network.

[78] *SF&L, supra,* 6 STB 410 at n.8.

Although DSRR was aware of the reasons for the alleged lack of interest on the part of shippers, DSRR engaged in frivolous and unnecessary discovery to disrupt the procedural schedule established by the Board on January 15, 2021. In addition, without disclosing the fact that Jon Ryan had actively disrupted Ventrcek's and Huff's efforts to develop new interchange traffic, they misleadingly argued that:

> NLA's knowledge of efforts to develop an NLA-DSR interchange for through traffic, and the inability of DSR and NLA to develop any meaningful interchange business over the years, are well known to NLA. The information possessed by NLA, along with NLA's particular understanding for why such businesses failed to materialize from its end, will assist DSR in addressing the substance and merit of many of the claims contained in LPPC's Application that rely on through traffic expectations.[79]

As Mr. Robbins has explained, other than the fact that he was told on several occasions that DSRR had to decline interchange, he had no knowledge that, after he and Mr. Huff had identified potential new business, Mr. Huff had been forced to tell customers that due to conditions beyond his control, it would not be possible to offer them service. Had Mr. Robbins known what was going on in November 2020, Mr. Robbins would have included such evidence in the original Feeder Line Application.

While Golden Gate has opted to have its interests acquired by Patriot Rail, the Board, consistent with the 8th Circuit's construction of the Feeder Line statutory language that directed the Board to consider the Norman

[79] DSRR's Petition for Issuance of Subpoena, at pp. 2-3, filed February 26, 2021.

Branch Line as a single line, should hold that only LPPC and its affiliates are capable of satisfying the intent of Congress by acquiring and restoring the entire Lake Providence Branch Line between McGehee and Tallulah. Only by taking that approach can the Board hold Golden Gate accountable for its actions that have harmed shippers and interfered for more than seven (7) years with efforts to restore the Lake Providence Branch Line.

LPPC is aware of the first interchange movement between NLA and DSRR of the Schnabel railcar in early September and DSRR's belated effort to finally repair its track between mileposts 471.0 and 491.0 so that the railcar could be safely moved. The question remains as to why it took this long for DSRR to follow up on Huff's business development efforts and engage in other efforts to revive the long-dormant "main line" between milepost 471.0 and 491.0.

LPPC will conclude its review of the history of DSRR's assault on the public convenience and necessity by once again noting that the belated steps to provide adequate rail service for a few shippers cannot undo the damage that DSRR has inflicted on the entire region by its failure to maintain the overwhelming percentage of its track. Those failures started with William Wainright and were continued by DSRR's current owner when they undermined the efforts of Continental Rail to restore the tracks between 2015 and 2016. While Jon Ryan and DSRR's counsel have tried to support DSRR's reluctance to maintain its entire track system with the myth that there were no remaining shippers, the fallacy of that myth has been exposed by the expanded record which shows that DSRR's absentee owners disregarded the presence of

multiple shippers who informed DSRR's General Manager that they would utilize DSRR's rail services *if* they could be assured that DSRR's track would accommodate their freight.

In summary, DSRR's treatment of shipper's that are not located on the Line between milepost 491.0 and the point of interchange with KCS has long reflected a contemptuous disregard for the integrity of the Board's processes that are intended and designed to facilitate continued service to shippers and continued maintenance of the transportation network. As the Board has also recognized, it has a responsibility to protect the public interest in the continuation of active rail lines. In this case, DSRR's disregard for the public convenience and necessity is highlighted by the fact that the best interests of its largest shipper, Complex Chemical, have been ignored so that DSRR could concentrate for years on railcar storage revenues without making any concerted effort to upgrade other than what Jon Ryan candidly described as DSRR's "priority miles."

IV. SHOWINGS UNDER SECTION 1151.3

A. Identification of Line to be Purchased (49 CFR § 1151.3(a)(1)(i) – (ii))

1. The name of the owning carrier

The name and address of the incumbent carrier is as follows:

Delta Southern Railroad, Inc.
469 Port Road
Madison Parish Port
Tallulah, LA 71282

2. The exact location of the line to be purchased including milepost designations, origin and termination points, stations located on the line, and cities, counties and States traversed by the line.

The segment of the Corridor that LPPC seeks to acquire extends between mileposts 471.0 and milepost 498.44 and the ancillary spur track that extends to the point of interchange with KCS, as well as all other spur tracks between the foregoing mileposts. This includes the access to/from the Madison Parish Port at MP 491.0.

As the Board noted at p. 9, n. 20 of its decision, dated August 23, 2022, LPPC has been inconsistent in defining the southern terminus of the line it seeks to acquire. In response, LPPC again notes that DSRR's operations over the Lake Providence Branch Line have exceeded its authorized operations. LPPC acknowledges that on September 23, 2022, DSRR filed a petition to reopen FD 33802 to correct, *nunc pro tunc*, its petition for exemption filed October 1, 1999. It also notes that on September 26, 2022, LPPC filed a reply in which it specifically argued that neither DSRR, nor DSRC, its immediate predecessor, had ever acquired authority from the ICC or the Board to operate beyond milepost 489.4. As LPPC also noted, because the Lake Providence Branch Line was abandoned between mainline 498.4 in Tallulah, LA and 651.5 at Vidalia, LA, in 1988 by the Missouri Pacific Railroad Company, DSRR's proposed correction is itself in error.

The segment of the Lake Providence Branch Line that is at issue is located in agricultural areas of East Carroll and Madison Parishes, Louisiana.

Tallulah, with a projected population of 5,341, is the largest city that is traversed by the Line.

B. Identification of Applicant (49 CFR § 1151.3(a)(2)(i) – (iv))

1. The applicant's name and address:

Lake Providence Port Commission
409 Port Road
Lake Providence, LA 71254

2. The name, address, and phone number of the representative to receive correspondence concerning this application:

Richard H. Streeter
Law Office of Richard H. Streeter
5255 Partridge Lane, N.W.
Washington, D.C. 20016-5338
202-363-2011
rhstreeter@gmail.com

3. A description of applicant's affiliation with any railroad:

LPPC is a non-carrier that owns multiple segments of the Lake Providence Branch Line. The segments include the trackage between MP 454.8 and MP 471.0 that adjoins the remaining segment of the Lake Providence Branch Line that is at issue herein. The segments that are owned by LPPC are operated by NLA pursuant to authority previously granted by the Board. LPPC recognizes that it will have a residual common carrier obligation when it acquires the segment of the Corridor at issue herein and will extend the lease agreement with NLA to include the additional mileage. It will, however, require NLA to take all steps to ensure adequate rail service over the entire Line.

4. If the applicant is a corporation, the names and addresses of its officer and directors.

Not applicable.

C. Information sufficient to demonstrate that the applicant is a financially responsible person (49 CFR § 1151.3(a)(3)(i) –(ii))

Because LPPC is a governmental agency of the State of Louisiana, the Board's regulations presume that it is financially responsible. 49 CFR § 1152.27(c)(l)(ii)(B). Moreover, LPPC has the ability to cover expenses associated with providing services over the line (including, but not limited to, operating costs, rents, and taxes) for at least the first three (3) years after acquisition of the line.

D. Estimate of the NLV and the GCV (49 CFR § 1151.3(a)(4))

The price of acquiring a line of rail in a feeder line application is the greater of the estimated NLV and the estimated GCV. Although a part of the segment of the Line that is at issue has been used to store railcars, with the exception of one car, it has not been used since 2017 for common carrier purposes. As a result, consistent with Board's decision in *Caddo Antoine and Little Missouri Railroad Company—Feeder Line Acquisition –Arkansas Midland Railroad Company Line between Gurdon and Birds Mill, AR,* 4 S.T.B. 610 (2000), the segment has no going concern value. However, the segment between the Madison Parish Port and the point of interchange with DSRR does. As the 8th Circuit recognized in *Caddo Antoine and Little Missouri R. Co. v. U.S.*, 95 F.3d 740 (8th Cir. 1996) (*Caddo Antoine*), when a particular branch line has been operated as a single line, which is the case herein, it may not be bifurcated for purposes of determining its value in a Feeder Line Application case. Based on the analyses performed by Mr. Crowley and Ms. Nielsen of L. E. Peabody &

Associates, Inc., the NLV of the entire line equals $168,470 and the GCV of the entire line equals $778,451.[80] In the event that DSRR chooses to provide access to inspect the line, these values may be updated.

E. Offer to Purchase (49 CFR § 1151.3(a)(5)).

LPPC offers to buy the Line at its constitutional minimum value ("CMV") as determined by the Board. The CMV in this case equals the GCV or $778,451.

F. The Dates for the Proposed Period of Operation of the Line (49 CFR § 1151/3(a)(6))

If the track between milepost 471.0 and milepost 491.0 has been sufficiently upgraded to the point that cars can be safely moved, rail operations over the *entire* Line will commence immediately after closing. Based on the field inspection performed by L. E. Peabody & Associates, Inc., this segment of the rail line remains in need of repair to even meet FRA Class 1 standards. As such, the precise date that operations will be capable of being started cannot be determined as of the date of filing.

G. Operating Plan (49 CFR § 1151.3(a)(7))

As explained in Robbins' Verified Statement (Exhibit J), NLA plans to shift the focus of its operations from Lake Village, Arkansas to Lake Providence, Louisiana. Thereafter, it will offer tri-weekly service in both directions, both north and south bound from Lake Providence. Until NLA is allowed to inspect the track conditions, it is impossible to determine the speeds at which NLA will

[80] *See* Exhibit M, Verified Statement of Thomas D. Crowley and Christena Nielsen of L. E. Peabody & Associates, Inc. ("V.S. Crowley/Nielsen") at p. 4.

be able to perform safe operations. Hopefully, NLA will be able to operate in excess of five (5) MPH until track repairs are completed and track conditions between MP 471.0 and MP 491.0 improve.

H. Liability Insurance Coverage (49 CFR § 1151.3(a)(8))

NLA will secure and maintain at all times an insurance policy from a reputable insurance company that provides for commercial liability coverage in an amount not less than $10,000,000. LPPC would be named as an additional insured under all such policies. In addition, LPPC would obtain and maintain separate liability insurance policies as necessary to supplement the NLA coverages. A copy of NLA's current liability insurance is attached to Robbin's Verified Statement.[81]

I. Preconditions (49 CFR § 1151.3(a)(9))

LPPC is not seeking STB approval of any preconditions at this time. Absent the STB's approval, no preconditions will be placed upon shippers.

J. Name and Address of Subsidizing Person (49 CFR § 1151.3(a)(10))

LPPC will bear the entire cost of acquisition as described above and does not anticipate that any form of subsidization will be required.

[81] *See* Exhibit J, V.S. Robbins at Attachment 5.

K. LPPC Seeks to Acquire a Segment of the McGehee-Tallulah Railroad Corridor from DSRR Pursuant to a Finding by the Board That DSRR, while owned by West Branch, Refused Within a Reasonable Time to Make the Necessary Efforts to Provide Adequate Service Over the Entire Segment of the Lake Providence Branch Line that it Owns. (49 CFR § 1151.3(a)(11)(i)(A)).

LPPC is seeking a finding by the Board that the public convenience and necessity permits and requires acquisition by LPPC of the line of track between milepost 471.0 and milepost 498.44, which, based on DSRR's Petition to Reopen and Correct Notice, in FD 33802, filed September 23, 2022, is the southern terminal of DSRR's Line. In the first place, rail service over the 20-mile segment of the track between mileposts 471.0 and 491.0 that West Branch acquired when it bought DSRR's common shares from the Wainrights in 2015 has, as explained in DOT's Statement of Work (Exhibit A), been virtually non-existent since shortly after 2004.

Moreover, as LPPC has discussed in detail, DSRR's owner actively discouraged Continental Rail, which was supposedly DSRR's manager and operator from June 15, 2015 until January 5, 2021, from pursuing past shippers as well as new shippers whose shipments would move in interchange service over what DSRR has labeled the "Northern Segment" of its Line between milepost 471.0 and 491.0 to reach tenants that are located within the Madison Parish Port, which is to the east of Tallulah, or the point of interchange with KCS, which is located to the west of Tallulah.[82] Even if DSRR's service over the "Southern Segment" has been adequate for tenants located in the Madison

[82] *See* Exhibit H, V.S. Huff; Exhibit J, V.S. Robbins at ¶35; and Section II.B.2 above.

Parish Port who depend on KCS to move their products to and from locations that are captive to KCS in the U.S. and Mexico, they are penalized, as Complex Chemical has explained, by not being able to reach UP in McGehee and, therefore, are compelled to use highly inefficient and more expensive routings due to DSRR's refusal to rehabilitate its track on the "Northern Segment."

As the Board has previously noted, "it is clear that Congress envisioned an incumbent's rates and practices to be potentially relevant to a feeder line application." *Keokuk Junction Railway Company-Feeder Line Acquisition-Line of Toledo Peoria, and Western Railway Corporation Between La Harpe and Hollis, IL*, 7 S.T.B. 893, 897 (2004). Thus, it is appropriate for the Board to consider the evidence that DSRR's refusal to upgrade its track and provide interchange with NLA at milepost 472.25 forced shippers to incur higher freight charges associated with multiple interchanges with KCS and UP.

While West Branch has sought to place the blame on LPPC and NLA for the lack of active shippers, the evidence shows that Golden Gate employees actively questioned and interfered with Continental Rail's efforts to rehabilitate the "Northern Segment" of DSRR's segment of the Line from 2015 until early in January of 2021 and discouraged efforts to bring more shippers to the Line.

Those employees found a willing accomplice in Jon Ryan who actively shared their position that money should not be wasted on the Northern Segment of DSRR's Line because there were no current customers. Moreover, any new interchange business would upset the steady income that was derived from car storage and switching fees without having to upgrade the track. In

addition, it was DSRR's owners who opposed the removal of stored railcars that clog the line between mileposts 491.0 and 471.0, which has recently been referred to as the "Tallulah/Lake Providence branch." Moreover, as Terry Murphy has testified, DSRR's activities involving the storage and removal of railcars have interfered with the Port's operations by clogging the Port's private tracks.[83]

Consistent with its ultimate holdings in *Caddo Antoine*, the Board should hold that adequate service over what DSRR has named its "Southern Segment," namely the segment of the Lake Providence Branch Line between milepost 491.0 and the point of interchange with KCS, which feature DSRR's *priority miles*, does not immunize the failure to *timely* make sustained efforts to provide adequate service to shippers that would transport traffic over the entire rail line. As the evidence reflects, DSRR's belated efforts to restore the 20 miles of track between the Madison Parish Port and the Lake Providence Port were miniscule when compared with the prolonged efforts that have resulted in the restoration of the 62.1 miles of track between McGehee and Lake Providence.

This self-imposed limitation of service has allowed Golden Gate Capital, which has secretly been in control of the situation since June in 2015, to protect its billion-dollar investment in ANGUS Chemical, and cherry pick the largest shipper that is located on DSRR's portion of the Lake Providence Branch Line. However, its actions violate West Branch's residual rail common-

[83] *See* Exhibit G, V.S. Murphy.

carrier obligations to provide adequate rail service over the *entire* segment of the Lake Providence Branch Line that is at issue herein. In the final analysis, with the sole exception of the Monroe Branch Line, which protected Golden Gate Capital's investment in ANGUS Chemical, Golden Gate Capital didn't give a plugged nickel for DSRR and Continental Rail's efforts to rehabilitate any part of the Lake Providence Branch Line except for the track between Madison Parish Port and the point of interchange with KCS. Hence it must be held accountable for the continuous violations of DSRR's rail-common-carrier obligations.

L. The Transportation Over the Entire Lake Providence Branch Line is Inadequate for the Majority of Shippers who Have Affirmed Their Intent to Transport Traffic Over the Line Once it is Safe to do so. (49 CFR § 1151.3(a)(11)(i)(B)).

As Mr. Robbins has explained, because DSRR, after the Line was opened to interchange in 2016, abruptly closed the interchange with NLA in 2017, with the sole exception of one specialized Schnabel car that was moved in September 2022, no freight traffic has been moved by DSRR over the track between mileposts 491.0 and 471.0 since 2017.[84] In February 2020, DSRR refused to accept cars from NLA that were destined to Complex Chemical Co., Inc., which is located at the Madison Parish Port Industrial Park. In 2019, DSRR refused to accept a 40-car train that was destined for interchange with KCS at Tallulah. In addition, DSRR has refused to accept empty cars at the

[84] *See* Exhibit J, V.S. Robbins at ¶18.

Port of Lake Providence, which has increased Complex Chemical's costs when the cars had to be re-routed across Arkansas Midland, UP, KCS and DSRR.[85]

As has been long recognized, no service at all is, *a fortiori*, an inadequate level of service. *PSI Energy, Inc. – Feeder Line – Norfolk Southern Corp.*, 7 I.C.C. 2d 227, 231 n. 13 (1991). Given the comprehensive history that has been presented here, including statements from Sam Angel, that

> In June of 2019, Epstein Gin requested NLA to ship the remaining 40+ cars of cottonseed that were then stored in its Lake Village facility to KCS. These cars would have moved in interchange service with DSRR. Although NLA was ready, willing and able to move the 43 cars, Mr. Robbins informed us that Dino Trevino, who is DSRR's current General Manager, had advised him that he had to refuse interchange because DSRR's tracks between mileposts 471.0 and 491.0 could not accommodate the movement of the cars. Mr. Robbins also reported that Mr. Trevino had also claimed that DSRR had approximately 200 cars stored on a portion of that track. That DSRR was recently able to move a specialized low-gravity car over its track plainly demonstrates that if DSRR's owners had consistently taken steps during the seven (7) years that they have owned the track, it could have been properly rehabilitated at an earlier date. That it could handle the specialized car in September 2022 does not, by itself, demonstrate that DSRR can now handle our top-heavy loads of cotton seed.[86]

It is evident that shippers have been painfully aware that interchange traffic was not available and would not be available until the entire Lake Providence Branch was reopened. However, even when interchange was reopened in 2016, DSRR, unlike NLA, was unable or unwilling to accept cars belonging to

[85] *See* Exhibit J, V.S. Robbins at ¶38.
[86] *See* Exhibit E, V.S. Angel at ¶7.

Complex Chemical, DSRR's largest customer, and, therefore, shut down the interchange in August 2017.[87]

In addition, included at Exhibit N, Terral River Service, Inc., Hollybrook Warehouse, Inc. and Livingston Pecan & Metal have each provided a verified statement underscoring their desire to use rail once the Lake Providence Branch Line is fully rehabilitated.

In reaching its decision, the Board is guided by its line of precedent reflected in *KCVN, LLC and Colorado Pacific Railroad, LLC—Feeder Line Application—Line of V and S Railway, LLC, Located in Crowley, Pueblo, Otero, and Kiowa Counties, Colorado,* FD 36005, slip op. at 10 (STB served July 1, 2017). As the Board therein recognized, in determining whether transportation over a line is inadequate for the majority of shippers who use the line, it looks "to former, current, and potential shippers." *See, e.g., Or. Int'l Port of Coos Bay—Feeder Line Application—Coos Bay Line of the Cent. Or. & Pac. R.R.*, FD 35160, slip op. at 6 (STB served Oct. 31, 2008); *Pyco Indus.—Feeder Line Application—S. Plains Switching, Ltd. (Pyco)*, FD 3490 et al. (STB served Aug. 31, 2007); and *Keokuk Junction Railway Company—Feeder Line Acquisition—Line of Toledo Peoria, and Western Railway Corporation Between La Harpe and Hollis, IL.*, 7 S.T.B. 893, 898 (2004).

[87] S*ee* Exhibit I, V.S. Robbins at ¶12; *See* Exhibit H, V.S. Huff at ¶10.

M. The Sale of the Line will not have a Significantly Adverse Financial Effect on the DSRR.

The forced sale of the approximately 28-mile segment of track, will not have a significant adverse financial impact on DSRR. Not only will it allow DSRR to avoid the cost of a thorough rehabilitation of its track that is reflected in its estimates provided to HDR and DOT, but DSRR will also continue to retain the revenues that are derived from the financially successful operations over its Monroe Branch Line.

N. The Sale of the Line will not have an Adverse Effect on DSRR's Overall Operational Performance.

The sale of the segment of the Lake Providence Branch Line that is the subject of this proceeding will relieve DSRR of its statutory rail-common carrier obligations that it has ignored since taking ownership of the Line and will allow DSRR to focus on serving the shippers located on the Monroe Branch Line. Additionally, NLA will offer to hire any DSRR operating employees who may be displaced by the sale.

O. The Sale of the Line will be Likely to Result in Improved Railroad Transportation for all Shippers that will Transport Traffic Over the Line.

Given the multi-year efforts of LPPC and SEAEDD to ensure the existence of rail service over the entire Lake Providence Branch Line by funding the reconstruction of the track between McGehee, AR and Lake Providence, LA, there is no reason to believe that shippers, who have followed the reconstruction of those tracks, will not make full use of them to improve their transportation and logistics planning by taking advantage of cost savings

related to rail service as compared to trucking. This is borne out by the statistics reflected in the INFRA Grant application that reflect the likelihood that rail traffic will greatly increase following the rehabilitation of the entire rail corridor as well as the verified statements included in Exhibit N.

As Terry Murphy has testified, the elimination of railcar storage on the segment of the track just to the north of the entrance to Madison Parish Port will also improve rail operations within the Port.[88] LPPC has been trying for the past 34 years to reestablish rail service over the entire Lake Providence Branch Line specifically to improve railroad transportation for all shippers on the line. Only when the entire line is owned and controlled by LPPC, SEAEDD and NLA will such problems vanish along with the storage of railcars on the mainline cease and service over the entire segment be re-instated.

P. Election of Exemption from the Provisions of Title 49 (49 CFR 1151.3(a)(12))

Applicant does not seek to be exempt from the provisions of Title 49, U.S.C. at this time.

Q. Trackage Rights Sought Over the Owning Railroad (49 CFR 1151.3(a)(13))

Applicant does not seek trackage rights over DSRR's tracks. Following LPPC's acquisition of this segment of the Corridor, it will grant trackage rights to NLA.

[88] *See* Exhibit G, V.S. Murphy at ¶14.

R. No Joint Rate and Division Agreement (49 CFR 1151.3(a)(14))

Applicant does not request the establishment of joint rates and divisions at this time.

S. DSRR's Employees Who Service the Line (49 CFR 1151.3(a)(15)).

All of DSRR's current employees who service the Line will be offered Employment by LPPC's operator.

V. CONCLUSION

In conclusion, the Board must protect the public interest by finding that LPPC's Feeder Line Application to acquire the remainder of the Lake Providence Branch Line is consistent with the Public Convenience and Necessity. The Board should not award Golden Gate Capital by allowing it to realize more than the constitutional minimum value after it deliberately interfered with Continental Rail's efforts to restore the track and made no effort to do so after it took full control of DSRR in January 2021. There is no valid reason for DSRR's failure in 2017 to make the same improvements that were finally made in late August 2022 to open the entire Lake Providence Branch Line to interchange traffic. To send a clear message that it will not tolerate secretive private investors to benefit at the expense of shippers who are dependent upon the railroads to move their goods safely and efficiently, the Board should find that the public convenience and necessity requires or permits LPPC's acquisition of DSRR.

Respectfully submitted

/s/ Richard H. Streeter

Richard H. Streeter
Law Office of Richard H. Streeter
5255 Partridge Lane, N.W.
Washington, D.C. 20016
202-363-2011
rhstreeter@gmail.com

January 4, 2023

EXHIBIT A

US DOT Grant Agreement, August 2019

DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION

Grant Agreement – Attachment 1

INFRA TERMS AND CONDITIONS

August 2019

PART I. ATTACHMENT OVERVIEW AND DEFINITIONS

Attachment 1 is part of the Agreement and contains the standard terms and conditions governing the execution of the Project and the administration of the Agreement. By entering into this Agreement with the Federal Railroad Administration (FRA), the Grantee agrees to comply with these terms and conditions and all applicable Federal laws and regulations, including those discussed in this Agreement. Terms that appear frequently throughout the Agreement are defined, as follows:

a. **Agreement** means this Grant Agreement, including the cover sheet and all attachments and amendments. As used on the Agreement cover sheet, section 9 "Previous Agreements" refers to the amount of the original Agreement, together with, if applicable, all amounts from amendments to the Agreement that precede the current amendment. As used on the Agreement cover sheet, section 10 "This Agreement" refers to the amount being added or subtracted with the current amendment, if applicable, or the original Agreement. As used on the Agreement cover sheet, section 11 "Total Agreement" refers to the combined amounts of section 9 "Previous Agreements" and section 10 "This Agreement".

b. **Application** means the signed and dated application submitted by or on behalf of the Grantee, as may be amended, seeking Federal financial assistance for the Project, together with all explanatory, supporting, and supplementary documents, assurances and certifications filed with and accepted by FRA or DOT.

c. **Approved Project Budget** is in Attachment 4 to this Agreement and means the most recently dated written statement, approved in writing by FRA, of the estimated total cost of the Project. The term "Approved Project Budget" also includes "Financial Plan" as used in 2 C.F.R. § 200.308.

d. **Approved Project Schedule** is in Attachment 3 to this Agreement.

e. **Authorized Representative** means the person(s) at FRA or the Grantee who is able and approved to communicate on behalf of the organization, perform the referenced action, or commit the organization to the referenced action, pursuant to the organization's internal policies, procedures, or reporting structure.

f. **DOT** means the United States Department of Transportation, including its operating administrations.

g. **Effective Date** means the earlier of the federal award date and the beginning of the Project Performance Period.

h. **Federal Contribution** means the amounts obligated, whether paid or not, by FRA to the Grantee under this Agreement as shown in the "Federal" column in sections 9, 10 and 11 of the Agreement cover sheet.

i. **Federal Funding Period** means the period that FRA provides funds under this Agreement as shown in section 5 of the Agreement cover sheet.

j. **Federal Government** means the United States of America and any executive department or agency thereof.

k. **Federal Railroad Administration or FRA** is an operating administration of the DOT and the Federal Awarding Agency for this Agreement.

l. **Grantee** means the entity identified on the Agreement cover sheet that receives Federal grant assistance directly from FRA for the accomplishment of the Project referenced in this Agreement.

m. **Grant** as used in this Agreement means funding awarded through a grant agreement as well as funding awarded through a cooperative agreement as each of those terms is defined in 2 C.F.R. Part 200.

n. **Non-Federal Contribution** means any amount, as shown under the "Non-Federal" column in sections 9, 10 and 11 of the Agreement cover sheet, including matching funds as used in 2 C.F.R. Part 200, not funded by FRA under this Agreement, regardless of whether the source of any or all of such contribution is a Federal source.

o. **Pre-Agreement Costs** means "pre-award costs," as that term is defined in 2 C.F.R. § 200.458.

p. **Project** means the task or set of tasks set forth in the Statement of Work.

q. **Project Performance Period** means "period of performance" as defined in 2 C.F.R. § 200.77 and described in 2 C.F.R. § 200.309, and is shown in section 4 of the Agreement cover sheet.

r. **Statement of Work** means a detailed description of the work the Grantee will complete with the grant funding from this Agreement, and appears in Attachment 2 to this Agreement.

s. **Total Federal Assistance** means the combined total of the Federal Contribution and the portion, if any, of the Non-Federal Contribution that is from a Federal source.

Additional definitions are found in 2 C.F.R. Part 200, Subpart A, and these Subpart A definitions are incorporated herein by reference and made a part hereof. Defined terms in Subpart A incorporated herein are not capitalized in this Agreement.

PART II. GENERAL TERMS AND CONDITIONS

1. Grant Agreement:

This Agreement constitutes the entire agreement between the Grantee and FRA. All prior discussions and understandings concerning such scope and subject matter are superseded by this Agreement. This Agreement is governed by and subject to 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and DOT's implementing regulations at 2 C.F.R. Part 1201.

2. FRA Role:

This Agreement is between FRA and the Grantee. FRA is responsible for funding disbursements to the Grantee under this Agreement. FRA will also conduct oversight and monitoring activities to assess Grantee progress against established performance goals and the Statement of Work, as well as to assess compliance with terms and conditions and other requirements of this Agreement.

If this award is made as a Cooperative Agreement, FRA will have substantial programmatic involvement. Substantial involvement means that, after award, technical, administrative, or programmatic staff will assist, guide, coordinate, or otherwise participate with the Grantee in Project activities.

FRA may provide professional staff to review work in progress, completed products, and to provide or facilitate access to technical assistance when it is available, feasible, and appropriate, which may include the following:

a. Financial Analyst. The Financial Analyst will serve as the Grantee's point of contact for systems (e.g., GrantSolutions and the Delphi eInvoicing System) access and troubleshooting as well as for financial monitoring. The Financial Analyst is not authorized to unilaterally change the Statement of Work, make any changes which affect this Agreement's monetary amount, the delivery schedule, Project Performance Period or other terms or conditions.

b. Grant Manager. The Grant Manager will serve as the Grantee's point of contact for grant administration and will oversee compliance with the terms and conditions in this Agreement. The Grant Manager reviews financial reports, performance reports, and works with the Regional Manager to facilitate effective Project delivery. The Grant Manager is not authorized to unilaterally change the Statement of Work, make any changes which affect this Agreement's monetary amount, Project Performance Period, or other terms and conditions.

c. Regional Manager. The Regional Manager will be the Grantee's point of contact for the technical aspects of Project delivery. The Regional Manager coordinates Project deliverable review, evaluates Grantee technical assistance needs, and generally assesses Project progress and performance. The Regional Manager is not authorized to unilaterally change the Statement of Work, make any changes which affect this

Agreement's monetary amount, Project Performance Period, or other terms and conditions.

d. Contact Information. FRA strongly prefers electronic submission of most documents (instructions for electronic submission are included under various requirements outlined in Part II of this attachment). If the Grantee must mail documentation, that documentation should be delivered to the Grant Manager at:

Federal Railroad Administration
Office of Railroad Policy and Development
Mail Stop 20
1200 New Jersey, SE
Washington, DC 20590
ATTN: (ASSIGNED GRANT MANAGER)

3. Applicability of Title 23, United States Code:

This grant provides funds authorized under 23 U.S.C. § 117; as such Grantee agrees to comply with the requirements in Title 23, United States Code including those in Attachment 5, Applicable Federal Law and Regulations. The Federal Highway Administration will assist FRA in providing technical assistance and in its oversight and administration of this grant, including through participation in monitoring/project delivery meetings with the Grantee as applicable.

4. Grantee Responsibility and Authority:

The Grantee affirms that it had and has, as applicable, the legal authority to apply for the Grant, to enter into this Agreement, and to finance and carry out the proposed Project. The Grantee further affirms that any required resolution, motion or similar action has been duly adopted or passed as an official act authorizing the filing of the Application, where applicable, including all understandings and assurances contained therein, and the entering into of this Agreement. The Grantee will not take or permit any action that would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Agreement without the written approval of the FRA, and will act promptly to acquire, extinguish, or modify any outstanding rights or claims of right of others that would interfere with such performance by the Grantee. The Grantee agrees that this will be done in a manner acceptable to the FRA.

5. Project Scope, Schedule, and Budget:

The Grantee agrees to carry out, complete and ensure the use of the Project in a sound, economical, and efficient manner, and in accordance with the provisions of this Agreement, including the Approved Project Budget, the Statement of Work, the Approved Project Schedule, grant guidance, the Application as applicable, and all

applicable laws, regulations, and published policies.

a. Scope. The Grantee will furnish all personnel, facilities, equipment, and other materials and services, except as otherwise specified herein, that are necessary to complete the approved Project, in accordance with the representations, certifications and assurances set forth in the Grantee's Applications(s) as applicable, and any amendments thereto, incorporated herein by reference and made a part hereof.

b. Schedule. The Grantee will complete this Project, as documented in the Statement of Work, within the Project Performance Period. Schedule and Project Performance Period extension requests may be permitted, at the discretion of the FRA, subject to applicable law. The Grantee should request such an extension no later than 90 days prior to the Project Performance Period end date.

c. Budget. The Grantee will complete the Project within the funding limits and parameters specified on the Agreement cover sheet and the Statement of Work.

    1) Project Costs and Funding Contributions. The Federal Contribution, Non-Federal Contribution and total estimated Project costs toward this Project are documented in sections 9, 10 and 11 of the Agreement cover sheet and may not be changed without a written request and justification from the Grantee, written approval from FRA, and an amendment or closeout to the Agreement. FRA will fund the Project at the lesser of the Federal Contribution and the difference between the total actual Project cost and the Non-Federal Contribution. If the actual Project costs are less than the total estimated Project costs, then the Grantee may either:

    (a)submit for approval a written proposal to use the difference between total estimated Project costs and the actual Project costs, for additional activities that are within the scope of this award, or if such proposal is not submitted or approved,

    (b)submit for approval the reduced cost in their final reports documenting the reduction to the Federal Contribution by the difference between the total estimated Project costs and the actual Project costs, and refund any amounts owed to FRA as a result.

    Notwithstanding the above, funds authorized under 23 U.S.C. § 117 may not exceed 60% of the total Project costs, and Total Federal Assistance may not exceed 80% of the total Project cost, consistent with 23 U.S.C. § 117(j).

    2) Non-Federal Contribution. The Grantee is responsible for completing the Project, including providing the Non-Federal Contribution, consistent with the Approved Project Budget and 23 U.S.C. § 117(j), and any other funds necessary for completing the Project. The Grantee affirms that it will complete all actions necessary to provide the Non-Federal Contribution at or before the time that such funds are needed to meet Project expenses. The Grantee also affirms that it has

sufficient funds available to assure operation and maintenance of items funded under this Agreement that it will own or control.

3) Use of Limited Non-Highway Funds. The Grantee acknowledges that the DOT selected the Project for award with the expectation that no more than the "INFRA Grant Amount Subject to 23 U.S.C. 117(d)(2)" that is listed in the Approved Project Budget would be subject to the limitation at 23 U.S.C. 117(d)(2). The Grantee will not request reimbursements that are subject to the limitation at 23 U.S.C. 117(d)(2) and, in aggregate, exceed the "INFRA Grant Amount Subject to 23 U.S.C. 117(d)(2)" that is listed in the Approved Project Budget.

4) Project Budget Detail. The Grantee agrees to carry out the Project according to the Approved Project Budget. The Grantee agrees to obtain the prior written approval from FRA for any revisions to this Approved Project Budget that equal or cumulatively exceed 10 percent of any budget task line item (or pertain to a cost category involving contingency or miscellaneous costs).

e. Property and Equipment.

1) The Grantee will operate the property and equipment funded with this Agreement for the originally authorized purpose.

2) If the Grantee is not the entity operating the property and/or equipment funded with this Agreement, then the Grantee represents that it will ensure the property and equipment funded with this Agreement will be used for the originally authorized purpose, if necessary, through appropriate arrangements with:

i. The entity or entities operating the property and/or equipment funded with this Agreement; and

ii. If applicable, the owner of right-of-way used by the property and/or equipment funded with this Agreement.

f. Pre-Agreement Costs. Grantee may request approval of Pre-Agreement costs incurred after the date DOT notifies the Grantee of its proposed selection for award. Such a request must demonstrate the purpose and amount of the costs, and whether such costs serve as cost-sharing or matching funds. If FRA approves Pre-Agreement Costs, within the constraints described in the Statement of Work, the Grantee may seek reimbursement for these costs on or after the start of the Federal Funding Period specified on the Agreement cover sheet. Such costs are allowable for reimbursement only to the extent that they are otherwise allowable under the terms of this Agreement, and are consistent with 2 C.F.R § 200.458 and 23 C.F.R. 1.9(b).

6. **Grant Amendments:**
    a. Other than close-out, modifications to this Agreement may be made only in writing, signed by an Authorized Representative for FRA and the Grantee, and specifically referred to as an amendment to this Agreement.

    b. Required modifications include, but are not limited to, the following:
        1) the Project's activities differ from those described in the Statement of Work;
        2) changes to the Project Performance Period or the Federal Funding Period;
        3) the Project's "Other Federal Funds" increases from the amount listed in the Approved Project Budget;
        4) the Project's "State Funds," "Local Funds," or "Other Funds" decrease from the dollar amounts listed in the Approved Project Budget regardless of whether the Non-Federal Contribution remains the same; or
        5) the "INFRA Grant Amount subject to 23 U.S.C. 117(d)(2)" changes from the amount listed in the Approved Project Budget.

    c. FRA may accept or reject proposals from the Grantee under section 5(c) and this section, and in doing so may elect to consider only the interests of the DOT.

7. **Flow Down Provisions:**

The Grantee will ensure persons or entities that perform any part of the work under this Agreement, including Subrecipients, as defined in 2 C.F.R. § 200.93, or Contractors, as defined in 2 C.F.R. § 200.23, will comply with applicable federal requirements and federal guidance, and the applicable requirements of this Agreement. Grantee agrees that flowing down such requirements does not relieve it of any obligation to comply with the requirements itself.

For each of the Grantee's subawards or contracts to perform all or part of the work under this Agreement:

a. The Grantee must include applicable grant regulations in the subaward or contract and ensure compliance with these provisions, including applicable provisions of 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and DOT's implementing regulations at 2 C.F.R. Part 1201 *See* 2 C.F.R. § 200.101.

b. The Grantee must include applicable federal statutory and regulatory requirements in the subaward or contract and ensure compliance with these requirements, including applicable limitations on use of federal funds.

c. The Grantee must include any other applicable requirements of this Agreement in the subaward or contract and ensure compliance with these requirements.

d. The Grantee will require provisions for the further flow down of the regulations and requirements in subsections (a) and (b) of this section to each subsequent subaward

or subcontract, as required.

8. Successors and Assigns:

The Grantee is not authorized to assign this Agreement without FRA's express prior written consent.

9. Execution:

This Agreement may be executed by the Grantee and FRA in separate counterparts, each of which when so executed and delivered will be deemed an original.

10. Changed Conditions of Performance (Including Litigation):

The Grantee agrees to immediately notify FRA, in a written statement to the FRA Grant Manager, of any change in local law, conditions, or any other event that may affect its ability to perform the Project in accordance with the terms of this Agreement. In addition, the Grantee agrees to immediately notify the FRA Grant Manager of any decision pertaining to the Grantee's conduct of litigation that may affect FRA's interests in the Project or FRA's administration or enforcement of applicable federal laws or regulations. Before the Grantee may name FRA as a party to litigation for any reason, the Grantee agrees first to inform the FRA Grant Manager in writing; this provision applies to any type of litigation whatsoever, in any forum.

11. Severability:

If any provision of this Agreement is held invalid, all remaining provisions of this Agreement will continue in full force and effect to the extent not inconsistent with such holding.

12. Right of FRA to Terminate:

a. The Grantee agrees that, upon written notice, FRA may, in whole or in part, suspend, terminate, or suspend and terminate the Federal Contribution if:

1) Grantee fails to meet or violates the terms, conditions or obligations specified under this Agreement;
2) Grantee fails to make reasonable progress on the Project;
3) Grantee fails to provide the Non-Federal Contribution;
4) Grantee violates any other provision of this Agreement that the FRA determines significantly endangers substantial performance of the Project;
5) FRA determines that the purposes of the statute(s) under which the Project is authorized or funded would not be adequately served by continuation of the Federal Contribution; or
6) FRA determines that termination of this Agreement is in the public interest.

b. In general, suspension and/or termination of any part of the Federal Contribution will not invalidate obligations properly incurred by the Grantee and concurred in by FRA before the termination date; to the extent those obligations cannot be canceled. However, FRA reserves the right to require the Grantee to refund the entire amount of the Federal Contribution provided under this Agreement or any lesser amount as may be determined by FRA in its sole discretion, if FRA determines that the Grantee has misused the Federal Contribution, including by:

1) Failing to make adequate progress;
2) Failing to make reasonable use of the Project property, facilities, or equipment, or
3) Failing to adhere to the terms of this Agreement.

13. Term:

This Agreement is in effect from the Effective Date until the end of the closeout period, regardless of whether FRA suspends or terminates all or part of the Federal Contribution provided herein. The expiration of any time period for performance or funding established for this Project does not, by itself, constitute an expiration or termination of this Agreement.

The end of the closeout period of this Agreement does not affect continuing obligations under 2 C.F.R. Part 200, including those in 2 C.F.R. § 200.344. Any right or obligation of the parties in this Agreement or the closeout notification which, by its express terms or nature and context is intended to survive termination or expiration of this Agreement, will survive any such termination or expiration of this Agreement.

PART III. GRANT MANAGEMENT TERMS AND CONDITIONS

Performance and Reporting Provisions

14. Deliverables and Products:

The Grantee will submit deliverables, including publications or other products, to FRA as stipulated in this Agreement. Substantive changes to the nature of the deliverables or significant timeline modifications require advanced written approval and may require an Amendment to this Agreement.

The Grantee will submit deliverables that adhere to all applicable laws, regulations, and FRA guidance within the timeframes established. In some instances, as articulated in the Statement of Work, the Grantee may be required to submit deliverables and obtain approval from FRA prior to continuing all or a portion of the work on the Project. Accordingly, the Grantee must account for FRA deliverable review time when planning work or submissions.

Whether for technical examination, administrative review, publication, or approval, all deliverable submissions will be of a professional quality and suitable for their intended

purpose.

15. Quarterly Progress Reports:

The Grantee will submit one completed progress report quarterly (totaling four annually), in the form/format provided by FRA at http://www.fra.dot.gov/Page/P0274. For the duration of the Project Performance Period, the Grantee must report for the periods of: January 1 – March 31; April 1 – June 30; July 1 – September 30; and October 1 – December 31. The Grantee will furnish one copy of the completed progress report to the assigned FRA Grant Manager on or before the thirtieth (30th) calendar day of the month following the end of the quarter for which the report is submitted.

The Grantee will complete the report in its entirety with the most accurate information available at the time of reporting. The Grantee must be able to support the information contained in its progress reports and ensure that the activities described in the report are commensurate with reimbursement requests and/or outlay figures reported for the quarter. This report will be consistent with 2 C.F.R. § 200.301.

16. Quarterly Federal Financial Reports:

The Grantee will submit the Federal Financial Report (Standard Form 425) on the same schedule as the required quarterly progress report (listed above). Reports should be submitted online through GrantSolutions. Reports will be submitted in accordance with the form's instructions. The final SF-425 is due within 90 days after the end of the Project Performance Period, but may be submitted as soon as all outstanding expenditures have been completed. The Grantee must be able to support the information contained in its financial reports and will ensure that all data included in the reports is accurate and consistent.

17. Interim and Final Performance Reports:

If required by the Statement of Work, the Grantee will submit interim reports at the intervals specified in the Statement of Work. The Grantee must submit a Final Performance Report via email to the FRA Grant Manager when the Project(s)funded through this Agreement are completed. The Grantee must complete closeout activities and submit reports, no later than 90 days after the end of the Project Performance Period for this Agreement or the FRA termination date.

If the Grantee proposed Project-Specific Performance or Accountability Measures in response to section A.2.d of the Notice of Funding Opportunity, 82 FR 31135 (July 5, 2017), for funds provided under this Agreement (NOFO), then FRA will list those measures in an Attachment 6 to this Agreement, and the Grantee agrees to comply with those measures.

18. Project Completion and Closeout:

a. Final Documentation. As soon as the funded Project(s) are complete, the Grantee will submit a final SF-425, a final Progress Report, a final Performance Report, and a final payment request. Closeout activities by Grantee, including submission of the referenced documents, must be completed no later than 90 days after the end of the Project Performance Period for this Agreement or the FRA termination date.

b. Excess Payments. If FRA has made payments to the Grantee in excess of the total amount of FRA funding due, the Grantee will promptly remit that excess and interest as may be required by section 21(f) of this Attachment.

c. Closeout. Grantees should begin closeout procedures when their Project(s) is complete. The Project closeout period is complete when all of the following is complete: 1) the required Project work is complete; 2) all administrative procedures described in 2 C.F.R. Part 200 (all sections), as applicable, have been completed; and 3) when FRA either notifies the Grantee of closeout or when FRA acknowledges the Grantee's remittance of a proper refund. Project closeout will not invalidate any continuing obligations imposed on the Grantee by this Agreement, including 2 C.F.R. § 200.344, or by the FRA's final notification or acknowledgment.

19. Transparency Act Requirements—Reporting Subawards and Executive Compensation:

The Grantee will comply with the provisions of the Federal Funding Transparency and Accountability Act of 2006 (Pub. L. 109-282) and 2 C.F.R Part 170, incorporated herein by reference and made part hereof. For more information, visit https://www.fsrs.gov/.

20. Recipient Integrity and Performance Matters:

a. General Reporting Requirement. If the total value of the Grantee's currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies exceeds $10,000,000 for any period of time during the Project Performance Period, then the Grantee during that period of time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in subsection (b) of this section. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. § 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for federal procurement contracts, will be publicly available.

b. Proceedings About Which the Grantee Must Report.

Submit the information required about each proceeding that:

1) Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the federal government;

2) Reached its final disposition during the most recent five-year period; and

3) Is one of the following:

- A criminal proceeding that resulted in a conviction, as defined in subsection (e) of this section;

- A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of $5,000 or more;

- An administrative proceeding, as defined in subsection (e) of this section, that resulted in a finding of fault and liability and the Grantee's payment of either a monetary fine or penalty of $5,000 or more or reimbursement, restitution, or damages in excess of $100,000; or

- Any other criminal, civil, or administrative proceeding if:

  - It could have led to an outcome described in subsection (b)(3) of this section;

  - It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on the Grantee's part; and

  - The requirement in this section to disclose information about the proceeding does not conflict with applicable laws and regulations.

c. Reporting Procedures. Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in section (b) of this section. The Grantee does not need to submit the same information a second time under assistance awards that the Grantee received if the Grantee already provided the information through SAM because the Grantee was required to do so under federal procurement contracts that the Grantee was awarded.

d. Reporting Frequency. During any period of time when the Grantee is subject to the requirement in subsection (a) of this section, the Grantee must report proceedings information through SAM for the most recent five-year period, either to report new information about any proceeding(s) that the Grantee has not reported previously or affirm that there is no new information to report. Recipients that have federal contract, grant and cooperative agreement awards with a cumulative total value greater than $10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

e. Definitions. For purposes of this section:

1) Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (*e.g.,* Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the federal and state level but only in connection with performance of a federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.

2) Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

3) Total value of currently active grants, cooperative agreements, and procurement contracts includes—

- Only the federal share of the funding under any federal award with a Grantee; and

- The value of all expected funding increments under a federal award and options, even if not yet exercised.

Financial Management Provisions

21. Payments:

a. Request by the Grantee for Payment. The Grantee's request for payment of the Federal Contribution of allowable costs will be made to FRA and will be acted upon by FRA as set forth in this section. For states, payments are governed by Treasury/State CMIA agreements, and default procedures codified at 31 C.F.R. Part 205 "Rules and Procedures for Efficient Federal-State Funds Transfers" and TFM 4A-2000 Overall Disbursing Rules for All Federal Agencies. Non-states must comply with the provisions of 2 C.F.R. §200.305(b). To receive a Federal Contribution payment, the Grantee must:

1) Demonstrate or certify that it has made a binding commitment of the Non-Federal Contribution, if applicable, adequate when combined with the Federal Contribution, to cover all costs to be incurred under the Project as of the date of the request. The Grantee agrees:

i. to refrain from requesting reimbursements subject to the limitation at 23 U.S.C. 117(d)(2) that, in aggregate, exceed the "INFRA Grant Amount

Subject to 23 U.S.C. 117(d)(2)" listed in the Approved Project Budget by source;

ii. to refrain from requesting or obtaining any Federal Contribution that is more than the amount justified by the Non-Federal Contribution that has been provided; and

iii. to refrain from taking any action that would cause the proportion of the Federal Contribution at any time to exceed the percentages authorized under this Agreement and 23 U.S.C. §117(j). The phasing or expenditure rate of the Non-Federal Contribution may be temporarily adjusted only to the extent expressly provided in writing by an Authorized Representative of FRA.

2) Submit to FRA all financial and progress reports required to date under this Agreement; and

3) Identify the funding source(s) provided under this Project, if applicable, from which the payment is to be derived.

b. Reimbursement Payment by FRA. Unless otherwise approved by FRA, FRA will disburse funds to the Grantee on a reimbursable basis, whereby the Grantee will be reimbursed for actual expenses incurred and paid, after the submission of complete and accurate invoices and payment records. The Grantee's request for payment will be made to FRA through the Department of Transportation's Delphi eInvoicing System and will be acted upon as set forth in this section.

1) Delphi eInvoicing System first-time users must obtain access to the System by contacting the Financial Analyst. Additional information on the System can be found at www.dot.gov/cfo/delphi-einvoicing-system.html.

2) Upon receipt of a payment request and adequate accompanying information (invoices in accordance with applicable cost principles), FRA will authorize payment by direct deposit, provided the Grantee: (i) is complying with its obligations under this Agreement; (ii) has satisfied FRA that it needs the requested Federal Contribution for the period covered by the payment request (as identified on the Standard Form 270 Request for Advance or Reimbursement (SF-270)); and (iii) is making adequate and timely progress toward Project completion. If all these circumstances are present, FRA may reimburse allowable costs incurred by the Grantee up to the maximum amount of the Federal Contribution.

The Grantee agrees to give a written, five-day notice to the assigned FRA Grant Manager for any payment request totaling $50 million or more. Grantees should note that FRA is unable to process single payment requests greater than $99,999,999. The Grantee agrees to adhere to and impose upon its subrecipients all applicable foregoing "Reimbursement Payment by FRA" requirements of this

Agreement.

If the Grantee fails to adhere to the foregoing "Reimbursement Payment by FRA" requirements of this Agreement, FRA may withhold funding disbursements.

c. Allowable Costs. FRA will reimburse the Grantee's expenditures, within the Federal Funding Period, only if they meet all of these requirements:

1) Conform to the Project description, the Statement of Work, the Approved Project Budget, and all other terms of this Agreement;

2) Be necessary in order to accomplish the Project;

3) Be reasonable for the goods or services purchased;

4) Be actual net costs to the Grantee (i.e., the price paid minus any applicable credits, refunds, rebates, or other items of value received by the Grantee that have the effect of reducing the cost actually incurred);

5) Be incurred (and be for work performed) within the Project Performance Period, unless specific authorization from FRA to the contrary is received in writing;

6) Unless permitted otherwise by federal statutes or regulation, conform to federal guidelines or regulations and federal cost principles, as set forth in 2 C.F.R. Subpart E § 200.400 – 200.475.

7) Be satisfactorily documented; and

8) Be treated uniformly and consistently under accounting principles and procedures approved and prescribed by FRA for the Grantee, and those approved or prescribed by the Grantee for its subrecipients and contractors.

d. Disallowed Costs. Disallowed costs include the following:

1) Any Project costs incurred, activities undertaken, or work performed outside of the Project Performance Period, unless specifically authorized by FRA in writing, allowed by this Agreement, or otherwise permitted by federal law or regulation;

2) Any costs incurred by the Grantee that are not included in the latest Approved Project Budget; and

3) Any costs attributable to goods or services received under a contract or other arrangement that is required to be, but has not been, concurred in or approved in writing by FRA.

The Grantee agrees that reimbursement of any cost under this section does not constitute a final FRA decision about the allowability of that cost and does not constitute a waiver of any violation by the Grantee of the terms of this Agreement. The Grantee understands that FRA will not make a final determination about the allowability of any cost until an audit of the Project has been completed. If FRA determines that the Grantee is not entitled to receive any part of the Federal Contribution requested, FRA will notify the Grantee stating the reasons therefor. Project closeout will not alter the Grantee's obligation to return any funds due to FRA as a result of later refunds, corrections, or other transactions. Project closeout will not alter FRA's right to disallow costs and recover funds on the basis of a later audit or other review. Unless prohibited by law, FRA may offset any Federal Contribution to be made available under this Agreement, as needed, to satisfy any outstanding monetary claims that the federal government may have against the Grantee. Exceptions pertaining to disallowed costs will be assessed based on their applicability, as set forth in the applicable federal cost principals or other written federal guidance.

e. Bond Interest and Other Financing Costs. To the extent permitted in writing by FRA and consistent with 2 C.F.R. § 200.449, bond interest and other financing costs are allowable.

f. Requirement to Remit Interest. The Grantee agrees that any interest earned by the Grantee on the Federal Contribution must be handled in accordance with 2 C.F.R. § 200.305, and remittance back to the federal government must be made in accordance with the provisions thereof.

22. Accounting Procedures:

a. Project Accounts. The Grantee will establish and maintain for the Project either a separate set of accounts or accounts within the framework of an established accounting system, in a manner consistent with 2 C.F.R. §§ 200.302, 200.303, and 200.305.

b. Funds Received or Made Available for the Project. Grantees other than states will follow the provisions of 2 C.F.R. § 200.305(b)(7) with respect to the use of banks and other institutions as depositories of any advance payments that may be received under this Agreement. States will follow the provisions of 2 C.F.R. § 200.305(a).

c. Documentation of Project Costs and program income. All costs charged to the Project, including any approved services contributed by the Grantee or others, will be supported by properly executed payrolls, time records, invoices, contracts, or vouchers describing in detail the nature and propriety of the charges. The Grantee will also maintain accurate records of all program income derived from Project implementation.

d. Checks, Orders, and Vouchers. The Grantee will ensure that all checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project are clearly identified with a Grant Agreement number, readily accessible, and, to the extent feasible, kept separate from documents not pertaining to the Project.

23. Program Income:

The Grantee is encouraged to earn income to defray Project costs, where appropriate, and should work with the assigned FRA Grant Manager to determine how this income may be applied to the grant, in accordance with 2 C.F.R § 200.307 and 2 C.F.R. § 1201.80. Program income not deducted from total allowable costs may be used only for the purposes and under the terms and conditions established in this Agreement. Records of program income should be maintained consistent with subsection 22(c) of this Attachment.

Project Management Provisions

24. Environmental Protection:

a. Grantee Assistance. Grantees must comply with the governing laws and regulations referenced in this Attachment and may also be required to assist with FRA's compliance with applicable Federal laws, regulations, executive orders, and policies related to environmental review under the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 *et seq*., and its implementing regulations (40 C.F.R. Part 1500 *et seq*.); FRA's "Procedures for Considering Environmental Impacts" (45 Fed. Reg. 40854, June 16, 1980), as revised May 26, 1999, 64 Fed. Reg. 28545, and as updated in 78 FR 2713, January 14, 2013) or 23 C.F.R. Part 771, as applicable; Section 106 of the National Historic Preservation Act (NHPA) (54 U.S.C. § 300101 et seq.) and its implementing regulations (36 C.F.R. Part 800); Executive Order No. 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations; Section 4(f) of the Department of Transportation Act of 1966 (49 U.S.C. § 303(c)), and its implementing regulations (23 C.F.R. Part 774). In providing such assistance, FRA may require that the Grantee conduct environmental and/or historic preservation analyses and to submit documentation to FRA.

b. Timing of Grantee Action. The Grantee may not expend any of the funds provided in this Agreement on construction activities or other activities that represent an irretrievable commitment of resources to a particular course of action affecting the environment until FRA has provided the Grantee with a written notice authorizing the Grantee to proceed. See 23 C.F.R. 771.113(a).

c. Minimization, Avoidance and Mitigation Measures. The Grantee must implement all measures to minimize, avoid, or mitigate adverse environmental impacts identified by

FRA in the categorical exclusion, Finding of No Significant Impact, or Record of Decision for the Project. The Grantee must also implement any additional measures identified through all other environmental or historic preservation review processes conducted to support Project construction and operation (e.g., any commitments included in a Memorandum of Agreement executed pursuant to Section 106 of the NHPA).

d. Revisions to Minimization, Avoidance or Mitigation Measures. The Grantee must provide FRA with written notice if it has not, or cannot, implement any of the minimization, avoidance or mitigation measures identified in subsection (c). Upon receiving such notice, FRA will provide the Grantee direction in writing, which may include substitute mitigation measures. FRA may also revise its categorical exclusion, Finding of No Significant Impact, or Record of Decision.

25. Property, Equipment and Supplies:

Unless otherwise approved by FRA, the following terms and conditions apply to property, equipment, and supplies funded under this Agreement:

a. General Federal Requirements. The Grantee will comply with the property management standards of 2 C.F.R. §§ 200.310 through 200.316, including any amendments thereto, and other applicable guidelines or regulations. Exceptions to the requirements must be specifically approved by FRA in writing. The Grantee will use Project real property, as defined by 2 C.F.R. § 200.85, in accordance with the Property Standards of 2 C.F.R. § 200.211. Notwithstanding 2 C.F.R. § 200.313, subrecipients of states will comply with 2 C.F.R. § 1201.313 with respect to the use, management and disposal of equipment acquired under this Agreement.

b. Maintenance. The Grantee agrees to maintain the Project property and equipment in good operating order, and in accordance with any guidelines, directives, or regulations that FRA may issue.

c. Records. The Grantee agrees to keep satisfactory records with regard to the use of the property, equipment, and supplies, and submit to FRA, upon request, such information as may be required to assure compliance with this section.

d. Transfer of Project Property, Equipment or Supplies. The Grantee agrees that FRA may require the Grantee to transfer title to, or direct the disposition of, any property, equipment, or supplies financed with FRA assistance made available by this Agreement, as required by 2 C.F.R. §§ 200.311 – 200.316.

e. Withdrawn Property, Equipment or Supplies. If any Project property, equipment, or supplies are not used for the Project for the duration of their useful lives, as determined by FRA, whether by planned withdrawal, misuse or casualty loss, the Grantee agrees to notify FRA immediately. Disposition of withdrawn property, equipment, or supplies will be in accordance with 2 C.F.R. §§ 200.311 – 200.316.

f. Encumbrance of Project Property or Equipment. Unless expressly authorized in writing by FRA, the Grantee agrees not to:

1) Execute any transfer of title, lease, lien, pledge, mortgage, encumbrance, contract, grant anticipation note, alienation, or other obligation that in any way would dispose of or encumber the Grantee's title or other interest in any Project property or equipment; or

2) Obligate itself in any manner to any third party with respect to Project property or equipment. The Grantee will refrain from taking any action or acting in a manner that would adversely affect FRA's interest or impair the Grantee's continuing control over the use of Project property or equipment.

26. Relocation and Land Acquisition:

The Grantee agrees to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §§ 4601 *et seq.* and the U.S. DOT implementing regulations, 49 C.F.R. Part 24.

27. Flood Hazards:

The Grantee agrees to comply with the flood insurance purchase requirements of section 102(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. § 4012a(a), with respect to any construction or acquisition project.

28. Procurement:

a. Federal Standards. The Grantee may acquire property, goods or services in connection the Project. If the Grantee is a state, then it will use its own procurement procedures that reflect applicable state laws and regulations in compliance with 2 C.F.R. § 200.317. A subrecipient of a state will follow such policies and procedures allowed by that state when procuring property and services under this award consistent with 2 C.F.R. § 1201.317, notwithstanding 2 C.F.R. § 200.317. An entity that is not a state or a subrecipient will comply with 2 C.F.R. §§ 200.318 – 200.326, and applicable supplementary U.S. DOT or FRA directives and regulations. If determined necessary for proper Project administration, FRA reserves the right to review the Grantee's technical specifications and requirements.

b. Cargo Preference -- Grantee will comply with the U.S. DOT Maritime Administration regulations, 46 C.F.R. Part 381 as follows:
    1) Use of United States-flag vessels:
        - Pursuant to Pub. L. 664 (43 U.S.C. 1241(b)) at least 50 percent of any equipment, materials or commodities procured, contracted for or otherwise obtained with funds granted, guaranteed, loaned, or advanced by the U.S. Government under this Agreement, and which may be transported by ocean vessel, will be transported on privately owned United States-flag commercial vessels, if available.
        - Within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (a)(1) of this section will be furnished to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590.

2) The Grantee will insert the following clauses in contracts let by the Grantee in which equipment, materials or commodities may be transported by ocean vessel in carrying out the Project.

"Use of United States-flag vessels: The contractor agrees -

1) To utilize privately owned United States-flag commercial vessels to ship at least 50% of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, materials, or commodities pursuant to this contract to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels.

2) To furnish within 20 days following the date of loading for shipments originating within the United States, or within 30 working days following the date of loading for shipment originating outside the United States, a legible coy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in subsection (1) above to the recipient (through the prime contractor in the case of subcontractor bills-of lading) and to the Division of Cargo Preference and Domestic Trade, Maritime Administration, 1200 New Jersey Avenue, SE, Washington, D.C. 20590, marked with appropriate identification of the Project.

3) To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this contract."

c. Notification Requirement. With respect to any procurement for goods and services (including construction services) having an aggregate value of $500,000 or more, the Grantee agrees to:

1) specify in any announcement of the awarding of the contract for such goods or services the amount of Federal Contribution that will be used to finance the acquisition; and

2) express said amount as a percentage of the total costs of the planned acquisition.

d. Debarment and Suspension; and Drug-Free Work Place. The Grantee agrees to obtain certifications on debarment and suspension from its third-party contractors and subrecipients and otherwise comply with U.S. DOT regulations, Nonprocurement Suspension and Debarment, 2 C.F.R. Part 1200, and Government-wide Requirements for Drug-Free Workplace (Grants), 49 C.F.R. Part 32.

e. Reserved.

29. Rights in Intangible Property:

a. Title to Intangible Property. Intangible property, as defined in 2 C.F.R. § 200.59, acquired in the performance of this Agreement vests upon acquisition in the Grantee. The Grantee must use that property for the originally-authorized purpose, and must not encumber the property without approval of FRA. When no longer needed for the originally-authorized purpose, disposition of the intangible property must occur in accordance with the provisions of 2 C.F.R. § 200.313(e).

b. Copyright. The Grantee may copyright any work that is subject to copyright and was developed or for which ownership was acquired under this Agreement. FRA reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

c. Patents. The following provisions will apply to patents under this Agreement:

   1) The Grantee is subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 C.F.R. Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements".

   2) If the Grantee secures a patent with respect to any invention, improvement, or discovery of the Grantee or any of its subrecipients or contractors conceived or first actually reduced to practice in the course of or under this Project, the Grantee agrees to grant to FRA a royalty-free, nonexclusive, and irrevocable license to use and to authorize others to use the patented device or process for Federal purposes.

d. Research Data. For any research data (as defined in 2 C.F.R. § 200.315(e)(3)) acquired under a grant or contract, FRA has the right to:

   1) Obtain, reproduce, publish, or otherwise use the research data produced under this Agreement; and

   2) Authorize others to receive reproduce, publish, or otherwise use such data.

e. Freedom of Information Act (FOIA). Responding to a FOIA request under this Agreement will be handled in accordance with the provisions of 2 C.F.R. § 200.315(e), including any definitional provisions set forth therein. The "Federal awarding agency" is FRA, and the "non-Federal entity" is the Grantee for purposes of this clause.

30. Acknowledgment of Support and Disclaimer:

a. Acknowledgement and Disclaimer. An acknowledgment of FRA support and a disclaimer of said support must appear in any Grantee publication developed under a research and development grant, or any other product based on or developed under the Agreement as directed by FRA, whether copyrighted or not, in the following terms:

1) "This material is based upon work supported by the Federal Railroad Administration under [Grant/Cooperative Agreement number], [date of award]."

2) "Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the Federal Railroad Administration and/or U.S. DOT."

b. Signs. The Grantee is encouraged to erect at the site of any construction, and to maintain during construction, signs identifying the Project and indicating that FRA is participating in the development of the Project.

31. Reprints of Publications:

At such time as any article resulting from work under this Agreement is published in a scientific, technical, or professional journal or publication, two reprints of the publication should be sent to the FRA Grant Manager, clearly referenced with the appropriate identifying information.

Documentation and Oversight Provisions

32. Record Retention:

During the course of the Project and for three years after notification of grant closeout, the Grantee agrees to retain intact and to provide any data, documents, reports, records, contracts, and supporting materials relating to the Project as FRA may require. In cases where litigation, a claim, or an audit is initiated prior to the expiration of the record retention period, records must be retained until completion of the action and resolution of issues or the end of the record retention period, whichever is later. Reporting and record-keeping requirements are set forth in 2 C.F.R. §§ 200.333 – 200.337. Project closeout does not alter these requirements.

33. Audit and Inspection.

a. General Audit Requirements. The Grantee will comply with all audit requirements of 2 C.F.R. §§ 200.500 – 200.512.

b. Inspection by Federal Officials. The Grantee agrees to permit the Secretary and the Comptroller General of the United States, or their Authorized Representatives, to inspect all Project work, materials, payrolls, and other data, and to audit the books, records, and accounts of the Grantee and its contractors and subrecipients pertaining to the Project.

34. Fraud, Waste or Abuse:

The Grantee agrees to take all steps, including initiating litigation, if necessary, to recover the Federal Contribution if the FRA determines, after consultation with the Grantee, that all or a portion of such funds have been spent fraudulently, wastefully, or in violation of Federal laws, or misused in any manner in undertaking the Project.

35. Site Visits:

FRA, through its Authorized Representatives, has the right, at all reasonable times, to make site visits to review Project activities, accomplishments, and management control systems and to provide such technical assistance as may be required. If any site visit is made by FRA under this Agreement on the premises of the Grantee, contractor, beneficiary or subrecipient, the Grantee will provide, or will ensure the provision of all reasonable facilities and assistance for the safety and convenience of FRA representatives in the performance of their duties. All site visits and evaluations will be performed in such a manner as will not unduly delay work being conducted by the Grantee or any subrecipient.

36. Safety Compliance:

a. To the extent applicable, the Grantee agrees to comply with any Federal regulations, laws, or policy and other guidance that FRA or U.S. DOT may issue pertaining to safety in general, and in the performance of this Agreement, in particular.

b. U.S. DOT has determined that Section F.2.a of the NOFO does not apply [to this Project because it is for improvements on or for a railroad].

37. Electronic and Information Technology:

The Grantee agrees that reports or information it provides to or on behalf of FRA will use electronic or information technology that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794d, and "Electronic and Information Technology Accessibility Standards," 36 C.F.R. Part 1194.

Other Legislative and Regulatory Provisions

38. Reserved.

39. Ethics:

a. Standards of Conduct. The Grantee will maintain a written code or standards of conduct governing the performance of its officers, employees, board members, or agents engaged in the award and administration of contracts or agreements supported by the Federal Contribution provided through this Agreement. The code or standards will provide that the Grantee's officers, employees, board members, or agents may neither solicit nor accept gratuities, favors, or anything of monetary value from present or potential subrecipients or contractors. The Grantee may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. As permitted by state or local law or regulations, such code or standards will provide for penalties, sanctions, or other disciplinary actions for violations by the Grantee's officers, employees, board members, or agents, or by subrecipients or their agents.

1) Personal Conflict of Interest. The Grantee's code or standards must provide that no employee, officer, board member, or agent of the Grantee may participate in the selection, award, or administration of a contract supported by the Federal Contribution if a real or apparent conflict of interest would be involved. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

2) Organizational Conflicts of Interest. The Grantee's code or standards of conduct must include procedures for identifying and preventing real and apparent organizational conflicts of interests. An organizational conflict of interest exists when the nature of the work to be performed under a proposed contract, may, without some restrictions on future activities, result in an unfair competitive advantage to the contractor or impair the contractor's objectivity in performing the contract work.

b. Existing Codes or Standards. This section does not require the Grantee to implement a new code or standards of conduct where a state statute, or written code or standards of conduct, already effectively covers all of the elements of Section 38(a) of this Attachment.

40. Civil Rights:

The Grantee agrees to comply with all civil rights laws and regulations, in accordance

with applicable Federal directives. These include, but are not limited to, the following: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended, 42 U.S.C. § 2000d *et seq.*, the DOT Title VI regulations at 49 C.F.R. part 21, which prohibits discrimination on the basis of race, color or national origin; (b) the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 *et seq.,* the DOT ADA regulations at 49 C.F.R. parts 37-38, section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), and the DOT regulations at 49 C.F.R. part 27, which prohibits discrimination of the basis of disability; (c) the Age Discrimination in Employment Act, as amended (42 U.S.C. §§ 621 – 634), and the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 1601-1607), which prohibits discrimination on the basis of age; (d) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. § 1681 *et seq.*), which prohibits discrimination on the basis of sex; (e) 49 U.S.C. § 306, which prohibits discrimination on the basis of race, color, national origin, or sex in railroad financial assistance programs; (f) any nondiscrimination regulation implemented relating to the above stated statutes; (g) any nondiscrimination Executive Order implemented relating to the above stated statutes; (h) any U.S. DOT Order implemented relating to nondiscrimination, and (i) any other applicable federal laws, regulations, requirements, and guidance prohibiting discrimination.

41. SAM Registration and DUNS Number:

The Grantee is responsible for maintaining an active SAM Registration and Data Universal Numbering System (DUNS) Number and ensuring that all SAM/DUNS information is current throughout the lifecycle of this Agreement, in accordance with 2 C.F.R. § 25.200(a)(2). If SAM/DUNS information becomes inactive, expired, or incorrect, the Grantee will not be able to do any grant-related business with FRA, including the obligation and/or payment of Federal grant funds, and FRA may take appropriate action to terminate this Agreement, in accordance with the terms of this Agreement.

42. Freedom of Information Act:

The FRA is subject to the Freedom of Information Act (FOIA). The Grantee should, therefore, be aware that all applications and related materials submitted by the Grantee related to this Agreement will become agency records and thus are subject to FOIA and to public release through individual FOIA requests.

43. Text Messaging While Driving:

The Grantee is encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies that bar text messaging while driving company-owned or –rented vehicles, or government-owned, leased, or rented vehicles or privately-owned vehicles when on official government business or when performing any work for or on behalf of the government. *See* Executive Order 13513 "Federal Leadership on Reducing Text Messaging While Driving," Oct. 1, 2009 (available at http://www.gpo.gov/fdsys/pkg/FR-2009-10-06/pdf/E9-24203.pdf) and DOT Order 3902.10 "Text Messaging While Driving," Dec. 30, 2009, as implemented by Financial Assistance Policy Letter (No. FAP- 2010-01, Feb. 2, 2010, available at http://www.dot.gov/sites/dot.dev/files/docs/FAPL_2010-01.pdf. This includes, but is not limited to, the Grantee:

- considering new rules and programs or re-evaluating existing programs to prohibit text messaging while driving;
- conducting education, awareness, and other outreach for employees about the safety risks associated with texting while driving; and
- encouraging voluntary compliance with the agency's text messaging policy while off duty.

The Grantee is encouraged to insert the substance of this clause in all assistance awards.

Where a Grantee is located within a state that already has enacted legislation regarding texting while driving, that state's law controls and the requirements of this section will not apply to or be a part of this Agreement.

44. Trafficking in Persons:

a. Provisions applicable to a recipient that is a private entity.

1) You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not—

i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;

ii. Procure a commercial sex act during the period of time that the award is in effect; or

iii. Use forced labor in the performance of the award or subawards under the award.

2) We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —

   i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or

   ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

      a) Associated with performance under this award; or

      b) Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 C.F.R. part 180, ''OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),'' as implemented by our agency at 2 C.F.R. part 1200.

b. Provision applicable to a recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

   1) Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or

   2) Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—
      a) Associated with performance under this award; or
      b) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 C.F.R. part 180, ''OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),'' as implemented by our agency at 2 C.F.R. part 1200.

c. Provisions applicable to any recipient.

   1) You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
   2) Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:

      i. Implements section 106(g) of the Trafficking Victims Protection Act of

2000 (TVPA), as amended (22 U.S.C. § 7104(g)), and

ii. Is in addition to all other remedies for noncompliance that are available to us under this award.

3) You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

d. Definitions. For purposes of this award term:

1) ''Employee'' means either:

i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or

ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

2) ''Forced labor'' means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

3) ''Private entity'':

i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 C.F.R. § 175.25.

ii. Includes:

(a) A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 C.F.R. § 175.25(b).
(b) A for-profit organization.

4) ''Severe forms of trafficking in persons,'' ''commercial sex act,'' and ''coercion'' have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. § 7102).

5) "Recipient" and "subrecipient" include for-profit entities for the purpose of this award term only.

PART IV. GOVERNING LAWS AND REGULATIONS

45. Governing Laws and Regulations:

a. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The Grantee acknowledges and agrees that its performance will be governed by and in compliance with this Agreement, 2 C.F.R. §§ 200 – 200.521, including Appendices I – XI, and DOT's implementing regulations at 2 C.F.R. Part 1201.

b. Application of Federal, State, and Local Laws and Regulations.

1) Federal Laws and Regulations. The Grantee understands that Federal laws, regulations, policies, and related administrative practices in place on the date this Agreement was executed may be modified from time to time. The Grantee agrees that the most recent of such Federal requirements will govern the administration of this Agreement at any particular time, except if there is sufficient evidence in this Agreement of a contrary intent. Likewise, new Federal laws, regulations, policies and administrative practices may be established after the date the Agreement has been executed and may apply to this Agreement. To achieve compliance with changing federal requirements, the Grantee agrees to include in all subawards and contracts financed with all or part of the Federal Contribution or Non-Federal Contribution under this Agreement, specific notice that Federal requirements may change and the changed requirements will apply to the Project, as required. All limits or standards set forth in this Agreement to be observed in the performance of the Project are minimum requirements.

2) State, Territorial Law and Local Law. Except to the extent that a Federal statute or regulation preempts state, territorial, or local law, nothing in this Agreement will require the Grantee to observe or enforce compliance with any provision thereof, perform any other act, or do any other thing in contravention of any applicable state, territorial, or local law; however, if any of the provisions of this Agreement violate any applicable state, territorial, or local law, or if compliance with the provisions of this Agreement would require the Grantee to violate any applicable state, territorial, or local law, the Grantee agrees to notify the FRA immediately in writing in order that FRA and the Grantee may make appropriate arrangements to proceed with the Project.

3) The Grantee is required to comply with all applicable Federal laws, regulations, executive orders, policies, guidance, and requirements as they relate to the application, acceptance, and/or use of funds under this Agreement which may include, but are not limited to those referenced in this Agreement.

c. Environmental Protection. In addition to complying with other environmental protection requirements described in this Attachment, the Grantee will ensure that all work conducted under this Agreement complies with all applicable laws, regulations, executive orders, and policies related to environmental protection and historic preservation, including, but not limited to: Section 114 of the Clean Air Act (42 U.S.C. § 7414); and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. § 1318).

d. Fixing America's Surface Transportation Act, section 1105 (23 U.S.C. § 117).

Attachment 2

STATEMENT OF WORK

Southeast Arkansas Economic Development District, Inc.

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Nationally Significant Freight and Highway Projects (INFRA) Program, Fiscal Year 2019

I. AUTHORITY

Authorization	23 U.S.C. § 117(c)(1)(E) and (d)(1)(A)(iii)
Funding Authority/Appropriation	Contract authority in FAST Act Sec. 1101(a)(5), Pub. L. 114-94 (December 4, 2015)
Notice of Funding Opportunity	Nationally Significant Freight and Highway Projects (Infrastructure for Rebuilding America (INFRA)Grants) for Fiscal Year 2019; 83 FR 65789; Dec. 21, 2018

To the extent there is a conflict between Attachment 1 and this Attachment 2, Attachment 1 governs.

II. BACKGROUND

This Agreement between the Federal Railroad Administration (FRA) and the Southeast Arkansas Economic Development District ("SEAEDD" or "Grantee") provides $10,516,259 ("Federal Contribution" or "INFRA grant"), which, when combined with $10,861,267 in matching funds, will fund the partial redevelopment of a multimodal freight corridor, through a mixture of rail rehabilitation, railroad bridge upgrades, and new rail infrastructure improvements (together and as further described herein and in the tasks below, the "Project"), which is located along a 91.3-mile continuous short line railroad corridor known as the McGehee-Tallulah Railroad Corridor, that parallels the Mississippi River, between the city of McGehee in rural southeast Arkansas on the northern end and the city of Tallulah in rural northeast Louisiana on the southern end (the "Corridor").

The Project is a unique public-private partnership between the Grantee, which is a state economic development agency, two public ports (Lake Providence Port, Madison Parish Port), and two private short line railroads (North Louisiana & Arkansas Railroad (NLA) and Delta

Southern Railroad[1] (DSR)) (collectively "Project Partners"). The McGehee-Tallulah Railroad Corridor was developed in the early 1900s. It connects to two Class I railroads with regional and national connections: The Union Pacific Railroad (UP) in McGehee, AR, and the Kansas City Southern Railway (KCS) in Tallulah, LA. At points within the Corridor, the rail line is connected to local short line railroad Arkansas Midland Railroad in McGehee, AR; and the NLA and DSR connect with each other in Lake Providence, LA.

Much of the Corridor had been closed or underutilized for approximately 15 years, which is consistent with the overall economic decline of the region. During this period, there was a decrease in demand for freight rail service. Eventually, rail service ceased due to difficulties operating over substandard rail infrastructure, and DSR filed to abandon the majority of the rail corridor from Lake Providence Port northward to McGehee due to unprofitability.

In an effort to save the corridor from abandonment, the Grantee, NLA, DSR and the Lake Providence Port Commission (owner of Lake Providence Port) acquired various segments of the Corridor from UP between 1989 and 2011. Their goal was to preserve rail service to spur economic development and to provide transportation connectivity with the Class I railroads. Portions of the rail line were partially rehabilitated by the Grantee and its partners and placed back into continuous service in 2016. Although partially rehabilitated, some of the track on the main line is comprised of the original lightweight rail of 85 pounds (lb.) and is classified as FRA "Excepted" Track limiting train operations to less than 10 miles per hour (mph). Other portions include 115 lb. rail updated to Class 1 Track (max. speed is 10 mph) and Class 2 Track (max. speed is 25 mph). Furthermore, some of the railroad bridges have a load rating of 263,000 lb. and cannot support 286,000 lb. freight cars. These conditions and constraints of the existing legacy tracks and railroad bridges provide impediments to accommodating loaded freight cars with a maximum allowable gross weight of 286,000 lbs. along the entire Corridor.

III. OBJECTIVE

The objective of the Project is to upgrade the Corridor and its connecting branch lines to two ports to improve rail operations, and leverage recent rehabilitation investments and construction of new infrastructure to benefit a rural region and help catalyze greater opportunities for economic development. This will be accomplished through the rehabilitation of track and railroad bridges, and the construction of new track in certain areas.

Project benefits include:

- Enhanced railroad transportation operating capacity, efficiency, and safety
- Improved rail access/connectivity and capacity
- Enhanced economic development through additional rail business opportunity throughout the entire corridor

IV. PROJECT LOCATION

[1] As of the date of this Agreement, Delta Southern Railroad is negotiating the sale of its portion of the railroad mainline to be improved under this Agreement.

The Project limits are milepost (MP) 408.9 on the north end (McGehee, AR) to MP 500.2 in Tallulah, LA (MP 454.8 is the Arkansas-Louisiana State Line). The Project is located in Desha and Chicot Counties in Arkansas, and in East Carroll and Madison Parishes in Louisiana.

The Grantee organized the Corridor into the following four segments: Segment A (MP 408.9 to MP 433.0); Segment B (MP 433.0 to MP 454.8); Segment C (MP 454.8 to MP 471.0); and Segment D (MP 471.0 to MP 500.2).

V. DESCRIPTION OF WORK

Task 1: Project Administration

Project Administration includes such work that is necessary for the Grantee to oversee the management of this Project, including grant administration activities.

The Grantee will prepare a Detailed Project Work Plan, Budget, and Schedule for the following tasks, which may result in amendments to this Agreement. The Detailed Project Budget will be consistent with the Approved Project Budget but will provide a greater level of detail. The Detailed Project Work Plan will describe, in detail, the activities and steps necessary to complete the tasks outlined in the Statement of Work. The Detailed Project Work Plan will also include information about the project management approach (including team organization, team decision-making, roles and responsibilities and interaction with FRA), as well as address quality assurance and quality control procedures. In addition, the Detailed Project Work Plan will include the Project Schedule (with Grantee and agency review durations), a detailed Project Budget, and the anticipated National Environmental Policy Act (NEPA) class of action. The Grantee will also submit a copy of its executed Project agreements governing the Project delivery roles and responsibilities between the Grantee and the Project Partners. The Detailed Project Work Plan, Budget, and Schedule will be reviewed and approved by the FRA.

The Grantee acknowledges that work on subsequent tasks will not commence until the Detailed Project Work Plan, Budget, and Schedule has been completed, submitted to FRA, and the Grantee has received approval in writing from FRA. The FRA will not reimburse the Grantee for costs incurred in contravention of this requirement unless otherwise notified by FRA.

The Grantee will complete reports described in Attachment 1 and perform the close-out process for the Project. The closeout process includes making the final checks on contractor work, if applicable, collecting and checking final documentation, making final payment, and submitting a final performance report, along with other final reports as required under this Agreement, to the FRA within 90 days of the Project Performance Period end date. The Final Performance Report will describe the cumulative activities of the project, including a complete description of the Grantee's achievements with respect to the project objectives and milestones, overall budget/financial status, benefits obtained from the grant, and service outcomes.

Task 1 Deliverables:

- Detailed Project Work Plan, Budget, and Schedule

- SEAEDD - Project Partners project agreement
- Final Performance Report

Task 2: Environmental Review

The Grantee will complete, and submit to FRA for approval, the documentation FRA determines is necessary to comply with the NEPA and related environmental laws (collectively, "environmental documentation"). Upon request from FRA, the Grantee will submit a Project description, appropriate Project maps, or any other relevant background information, which will later be incorporated into the NEPA documentation. This information may be submitted with the Detailed Project Work Plan described in Task 1 above. FRA will use this documentation to provide the Grantee with additional direction regarding the required environmental documentation. The Grantee will submit an environmental review schedule for the completion of the environmental documentation. Once FRA accepts the environmental schedule, the Grantee will complete all required environmental documentation that covers all Project components in Segments A - D.

Task 2 Deliverables:
- Environmental review schedule
- Draft NEPA documentation
- Final NEPA documentation
- Environmental Permits, if applicable

Task 3: Engineering Design

- Subtask 3a: Track chart package for tie installation
  The Grantee will prepare the Detailed Project Work Plan, track charts, maps, or tables that identify the limits of work where the tie replacement will be done; and track standards that show the railroad's typical tie spacing and spiking patterns. The Grantee will update the Detailed Project Work Plan with the as-built information post-installation, as necessary.

- Subtask 3b: Track chart package for rail replacement
  The Grantee will prepare the Detailed Project Work Plan, track charts, maps, or tables that identify the limits of work where the rail replacement will be done; and track standards that show the railroad's typical tie spacing and spiking patterns. The Grantee will update the Detailed Project Work Plan with the as-built information post-installation, as necessary.

- Subtask 3c: Final Design Package for Rehabilitation of Railroad Bridges

Since the proposed railroad bridge improvements will be in-kind[2] repairs, the Grantee will submit the Final Design Package for Rehabilitation of Railroad Bridges including the scope component and specifications of the Request(s) for Bid that provides bidders the necessary information to a develop a cost estimate and schedule.

- Subtask 3d: Preliminary Engineering Design for new tracks

  The Grantee will complete the following for FRA approval:

  - Provide scaled maps or scaled aerial photography of existing conditions at a scale of one inch = 100 to 500 feet depending on complexity of location.
  - Prepare 30% preliminary engineering design plan drawings overlaid on maps/photography showing, as applicable, existing right-of-way limits along with railroad ownership; topography; design criteria and specifications; proposed track changes including removals and installations; track centers, track speeds, turnout sizes curve and spiral data; vertical profiles and grades of existing and proposed construction; typical cross sections to scale showing the proposed work to existing conditions for each change in track configuration and at other locations requiring retaining walls or right-of-way acquisitions; and public and private at-grade crossings with signal locations, if applicable.
  - Prepare a Basis of Design Report (BOD) that describes the technical approach planned for the project as well as the design parameters to be used. The BOD includes: the applicable government laws and regulations; process specifications; owner's standard specifications and details; industry codes and standards; and contractor specifications, which are listed in the order of precedence in case of conflict in requirements. Prepare project specifications that contain the written instructions for constructing all of the project work, outlining in detail a description of the work, materials, construction methods, method of measurement, basis of payment, and the pay item for each item of work involved in the contract. The Project specifications should include: standard specifications, supplemental specifications, developmental specifications, special specifications and reference specifications.
  - Ensure that design submittals include a title sheet and/or transmittal letter identified with a drawing revision number or date; an index identifying various plan sheets comprising the drawing set; a legend of symbols or abbreviations.

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[2] In-kind repairs mean that new materials used in repairs or replacements match the material being replaced in composition, design, color, texture, and other visual and material properties. Substitute materials should be used only on a limited basis and only when they will match the appearance and general properties of the historic material and will not damage the historic property.

- Obtain signature approval of the engineering plans cover sheet by all appropriate stakeholders (Madison Parish Port, Port of Lake Providence, DSR, and NLA, as appropriate) impacted by the proposed track configuration plan. And, the cover sheet should be stamped by a professionally licensed engineer in the state of Louisiana.
- Preliminary Engineering Package submitted to FRA should include design plans (30% design level), design specifications, BOD report, and the engineer's cost estimate and construction schedule.

- Subtask 3e: 100% Final Design for new tracks
  The Grantee will advance the 30% PE design to 100% Final Design and submit to FRA for acceptance. The deliverable for this task will be 100% Final Design Package for New Track which will include design plans, updated BOD report, as appropriate, updated engineer's cost estimate and construction schedule.

  The engineering plans cover sheet will include signatures from all appropriate stakeholders (Madison Parish Port Commission, Port of Lake Providence, DSR, as appropriate) impacted by the proposed track configuration plan. And, the cover sheet should be stamped by a professionally licensed engineer in the state of Louisiana.

Task 3 Deliverables:
- Final Design Package for Rehabilitation of Railroad bridges
- Preliminary Engineering Package for new tracks
- Final Design Package for new tracks

Task 4: Construction

The Grantee will complete the construction activities, as described in the Detailed Project Work Plan and in Subtasks 4a and 4b, within the Corridor.

Subtask 4a: Track Construction
- Segment A (MP 408.9 to MP 433.0):
  - Rehabilitate approximately 24 miles of track which includes upgrading the existing Excepted track to Class 2 track by replacing rail, ties, ballast and other track materials (OTM) (spikes, plates, track anchors etc.), as needed.
  - Rehabilitate a siding in Lake Village, AR and a siding at the Macon Lake rail station.

- Segment B (MP 433.0 to MP 454.8):
  - Rehabilitate approximately 22 miles of track which includes upgrading the existing Excepted track to Class 2 track by replacing rail, ties, ballast, and OTM as needed.

- Segment C (MP 454.8 to MP 471.0):

- Rehabilitate approximately 16 miles of track which includes upgrading the existing Excepted track to Class 2 track by replacing rail, ties, ballast, and OTM as needed.
- Install approximately 6,600 ft. of new track for the proposed NLA-DSR interchange
- Install approximately 1,550 ft. of new track to the Big River Rice and Grain facility in Lake Providence Port
- Rehabilitate approximately 700 ft. of track and install approximately 1,000 ft. of new track to Shelburn Grain west of U.S. 65;
- Install approximately 350 ft. of lead track to the John Deere facility in Lake Providence Port
- Install approximately 1,500ft. extension of the siding track at the Lake Providence Pass
- Rehabilitate approximately 700 ft. of track and install approximately. 1,000 ft. of new track to the Lansing Grain in Lake Providence Port

- Segment D (MP 471.0 to MP 500.2):
  - Rehabilitate approximately 20 miles of track within this Segment which includes upgrading the existing Excepted track to Class 2 track by replacing rail, ties, ballast, and OTM as needed.
  - Install new second track (approximately 12,000 feet) of the lead track to facilitate port-rail connectivity and ease congestion between the DSR mainline and the Madison Parish Port.

Subtask 4b: Railroad Bridge Construction

The Grantee will complete in-kind[3] repairs, as described in the Detailed Project Work Plan, on two railroad bridges in Segment A and two railroad bridges in Segment B to accommodate 286,000 lb. gross weight railcars.

Task 4 Deliverables:
- No deliverables

VI. ENVIRONMENTAL COMPLIANCE

FRA has evaluated the actions covered in this grant in accordance with NEPA (NEPA; 42 U.S.C. 4321 et seq.), other environmental statutes, related regulatory requirements, and FRA's NEPA implementing regulations (23 CFR part 771, Environmental Impact and Related Procedures). FRA has determined that the actions funded under this grant for the preliminary engineering and compliance with NEPA and related laws and regulations are categorically excluded from detailed environmental review pursuant to 23 CFR 771.116 (c) (1), (3), and (4) . Categorical exclusions (CEs) are actions identified in an agency's NEPA implementing procedures that do not normally have a significant impact on the environment and therefore do not require either an environmental assessment (EA) or environmental impact statement (EIS). See 40 CFR 1508.4.

[3] Ibid.

In analyzing the applicability of a CE, FRA also considered whether unusual circumstances are present that would warrant a more detailed environmental review through the preparation of an EA or EIS. In accordance with 23 CFR 771.116 (a) and (b), FRA has further concluded that no unusual circumstances exist with respect to development of preliminary engineering/NEPA documentation funded under this grant that might trigger the need for a more detailed environmental review.

The obligation of the funds for final design and construction does not predetermine or prejudice the outcome of the NEPA process. The Grantee may not commence any final design or construction activities until FRA has issued a written notice to proceed that will be informed by the final NEPA document. As appropriate, FRA may require an amendment to this Agreement for consistency with the final NEPA decision.

In addition, any final design and/or construction activities must be supported by, and be consistent with, a final FRA NEPA document (i.e., CE determination, Finding of No Significant Impact, or Record of Decision). If the Project leads to work outside of that considered by FRA in making its NEPA determination that may affect the environment, the Grantee agrees that it will not allow the work to begin until it has informed FRA of such work, and received a written notice to proceed. Before providing such notice to proceed to Grantee, FRA will determine what, if any, additional environmental review is required.

VII. PROJECT COORDINATION

The Grantee shall perform all tasks required for the Project through a coordinated process, which will involve affected railroad and right-of-way owners, operators, and funding partners.

VIII. PROJECT MANAGEMENT

The Grantee is responsible for facilitating the coordination of all activities necessary for implementation of the Project. Upon award of the Project, the Grantee will monitor and evaluate the Project's progress through regular meetings scheduled throughout the Project Performance Period. The Grantee will:

- Participate in a project kickoff meeting with FRA
- Complete necessary steps to hire a qualified consultant/contractor to perform required Project work
- Hold regularly scheduled Project meetings with FRA
- Inspect and approve work as it is completed
- Review and approve invoices as appropriate for completed work
- Perform Project close-out audit to ensure contractual compliance and issue close-out report

- Submit to FRA all required Project deliverables and documentation on-time and according to schedule, including periodic receipts and invoices
- Comply with all FRA Project reporting requirements, including, but not limited to providing the following information in the quarterly progress reports, which will also satisfy performance measurement reporting:
    a. Status of project by task breakdown and percent complete
    b. Changes and reason for changes in and updated versions of Detailed Project Work Plan, Budget, and Schedule
    c. Description of unanticipated problems and any resolution since the immediately preceding progress report
    d. Summary of work scheduled for the next progress period
- Read and understand the Terms and Conditions of this Agreement (Attachment 1)
- Notify FRA of changes to this Agreement that require written approval or modification to the Agreement

Attachment 3

DELIVERABLES AND APPROVED PROJECT SCHEDULE

Southeast Arkansas Economic Development District, Inc.

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

The Project Performance Period will be as stated in section 4 on the cover sheet of this Agreement (page 1). Unless otherwise approved, requests for extensions of the Project Performance Period must be submitted not later than 90 days before the end of the Project Performance Period, consistent with Attachment 1.

Approved Project Schedule

Task #	Subtask #	Task Name	Estimated Start Date	Estimated Completion Date
1		Project Administration	Continuous throughout duration of Agreement	
2		Environmental Review	11/01/2020	5/31/2021
3		Engineering	11/01/2020	1/31/2022
4		Construction		

	4a	Track Construction	10/01/2021	1/31/2024
	4b	Railroad Bridge Construction	10/01/2021	1/31/2024

The deliverables associated with this Agreement are listed below. The Grantee must complete these deliverables to FRA's satisfaction to be authorized for funding reimbursement and for the Project to be considered complete.

Task #	Deliverable Description	Estimated Due Date
1	Detailed Project Work Plan (including budget and schedule)	Within 30 days of Agreement date
1	Project Agreement	Within 30 days of Agreement date
1	Final Performance Report	Within the 90-days of the Project performance period end date
2	Environmental review schedule	Within 30 days of Agreement date
2	Draft NEPA documentation	1/31/2021
2	Final NEPA documentation	4/15/2021
2	Environmental Permits, if applicable	4/30/2021
3	Final Design Package for Rehabilitation of Railroad Bridges	7/31/2021
3	Preliminary Engineering Package for new tracks	4/30/2021
3	Final Design Package for new tracks	8/01/2021

Attachment 4

APPROVED PROJECT BUDGET

Southeast Arkansas Economic Development District, Inc.

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

I. APPROVED PROJECT BUDGET

The total estimated cost of the Project is $21,377,526, for which the FRA grant will contribute funds consistent with Section 5(c) of Attachment 1 to this Agreement. Any additional expense required beyond that provided in this grant to complete the Project will be borne by the Grantee.

Use of Limited Freight Funds. The Grantee acknowledges that the Government selected the Project for award with the expectation that no more than $10,516,259 of the award would be subject to the limitation at 23 U.S.C. § 117(d)(2). The Grantee will not request reimbursements that are subject to the limitation at 23 U.S.C. § 117(d)(2) and, in aggregate, exceed $10,516,259.

Project Budget by Task

Task #	Task Name	Federal Contribution	Non-Federal Contribution	Total Cost
1	Project Administration	$180,000	$0	$180,000
2	Environmental Review	$40,000	$0	$40,000
3	Engineering Design	$1,690,877	$6,000	$1,696,877
4	Construction	$8,605,382	$10,855,267	$19,460,649
	Total Project Cost	**$10,516,259**	**$10,861,267**	**$21,377,526**

Revisions to the Approved Project Budget wall be made in compliance with Attachment 1 of this Agreement. The Grantee will allocate expenditures, by Federal and Non-Federal Contributions, when seeking reimbursement from FRA.

Project Budget by Source

Funding Source		Project Contribution Amount	Percentage of Total Project Cost
Federal Contribution (INFRA Grant)		**$10,516,259**	**49.19%**
	INFRA Grant Amount subject to 23 U.S.C. § 117(d)(2)	*$10,516,259*	*49.19%*
	Amount of INFRA Grant not subject to 23 U.S.C. § 117(d)(2)	*$0*	*0%*
Non-Federal Contribution (Combined amounts from different sources)		**$10,861,267**	**50.81%**
	State Funds (Louisiana Department of Transportation & Development's Port Construction and Development Priority Program grant)	*$10,561,267*	*49.41%*
	Local Funds	*$0*	*0%*
	Other Funds (NLA)	*$300,000*	*1.40%*
TOTAL PROJECT COST		**$21,377,526**	**100.00%**

Costs for completing the Project in excess of the amounts set forth in this section are the responsibility of the Grantee.

EXHIBIT B

The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project FY 19-20 INFRA Grant Application

Southeast Arkansas Economic Development District

Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Madison Parish Port, LA
Port of Lake Providence, LA
Yellow Bend Port, AR
Delta Southern Railroad
North Louisiana & Arkansas Railroad

FY 19-20 INFRA

SEAEDD
Southeast Arkansas Economic Development District







Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Project Name: Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project
Project Sponsor: Southeast Arkansas Economic Development District

Was an INFRA application for this project submitted previously?	Yes; in FY 2017
(If yes, please include title)	(Same as above)
PROJECT COSTS	
INFRA Request Amount	$25,689,421
Estimated Federal Funding (excluding INFRA)	$0
Estimated Non-Federal Funding	$19,315,000
Future Eligible Project Cost	$45,004,421
Previously Incurred Project Cost	$14,433,608
Total Project Cost	$59,438,029
Are matching funds restricted to a specific project component? If so, which one?	No
PROJECT ELIGIBILITY	
Approximately how much of the estimated future eligible project costs will be spent on components of the project currently located on National Highway Freight Network?	$0.00
Approximately how much of the estimated future eligible project costs will be spent on components of the project currently located on National Highway System?	$0.00
Approximately how much of the estimated future eligible project costs will be spent on components constituting railway-highway grade crossing or grade separation projects?	$452,400
Approximately how much of the estimated future eligible project costs will be spent on components constituting intermodal or freight rail projects, or freight projects within the boundaries of a public or private freight rail, water (incl ports) or intermodal facility?	$44,552,021
PROJECT LOCATION	
State(s) in which project is located	Arkansas & Louisiana
Small or large project	Small
Urbanized Area in which project is located, if applicable	Not Applicable
Population of Urbanized Area	Not Applicable
Is the project currently programmed in the:	
• TIP	No
• STIP	Yes
• MPO Long Range Transportation Plan	Not Applicable
• State Long Range Transportation Plan	Yes *
• State Freight Plan?	Yes *

* included in both Arkansas and Louisiana Plan

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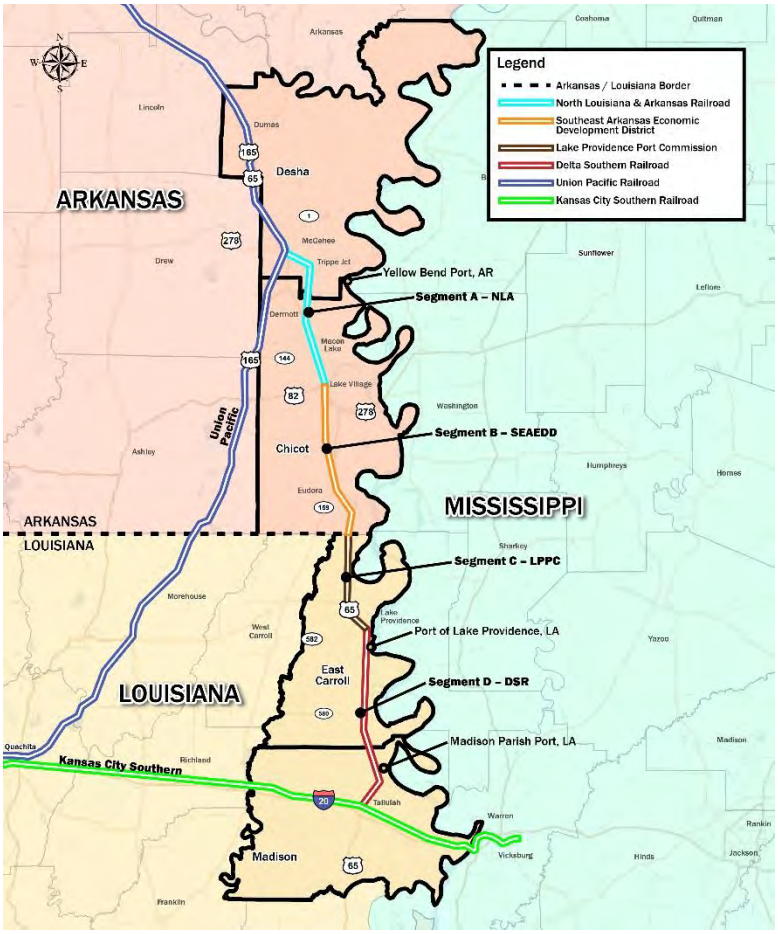
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1.0 Project Description

The Southeast Arkansas Economic Development District (SEAEDD), Lake Providence Port Commission (LPPC), the Madison Parish Port Commission (MPPC), the Chicot-Desha Metropolitan Port Authority, the North Louisiana & Arkansas Railroad (NLA), and the Delta Southern Railroad (DSR) are partnering to re-develop a multimodal freight corridor located along a 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas, south to Tallulah in rural Northeast Louisiana (**Figure 1**). The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (the Project) is a unique public-private partnership (P3) between a state economic development agency (SEAEDD), three public ports (Port of Lake Providence, Madison Parish Port and Yellow Bend Port), and two private short line railroads (NLA and DSR). Located in one of the most severely economically distressed regions of the US, the Project is located in Desha and Chicot Counties, AR, and in East Carroll and Madison Parishes, LA.

Figure 1: Multimodal Freight Corridor Improvement Project



The Port of Lake Providence, located near Lake Providence, LA in East Carroll Parish, is Louisiana's largest inland port and ships over 1.3 million tons of freight annually. The Madison Parish Port, located 6 miles north of Tallulah, LA ships approximately 750,000 tons of freight annually. Yellow Bend Port, an inland slackwater harbor port, handles approximately 500,000 tons of cargo annually. Each of these port facilities are located on the batture of the Mississippi River, and the land has been raised to protect them from Mississippi River flooding. The ports are located in an agricultural section of the delta region and primarily serve area farmers by providing storage and shipping solutions for grain and fertilizer. In addition to agricultural products, the ports handle aggregates, building materials, and other commodities for shippers and receivers, including steel. The Louisiana ports also have warehouses available for storage of many different commodities and provide multimodal access to barge, rail, and truck transportation services. The ports develop and lease land to river-related industries and terminals, and several terminal companies provide freight transfer between barge, rail, and truck. Tenants pay land rent and freight tonnage rent; the ports are self-supporting and their operation is not subsidized by the jurisdictional parishes and counties where the ports are located.

This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port (and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, AR); several local railroad shippers; and three other railroads with local, regional, national, and international connections. US Highway 65 (US 65) parallels the McGehee-Tallulah Railroad Corridor.

The McGehee-Tallulah Railroad Corridor was developed as part of a route of a predecessor of the Missouri Pacific Railroad (MP) in the Mississippi Delta between Memphis, Tennessee; Helena, Arkansas; Vidalia, Louisiana; and Natchez, Mississippi, along the west side of the Mississippi River, during the early 1900s. MP was acquired by Union Pacific Railroad (UP) in 1982. In 1989, Delta Southern Railroad acquired the 91.3 mile railroad between McGehee and Tallulah from UP in order to preserve local rail service. The McGehee-Tallulah Railroad Corridor is connected to two major Class I railroads with regional, national, and international reach including the UP Railroad at McGehee, AR, and the Kansas City Southern (KCS) Railway at Tallulah, LA. The KCS parallels Interstate 20 **(Figure 1)**.

Much of McGehee-Tallulah Railroad Corridor had been closed or underutilized for approximately 15 years. During this period, which is consistent with the overall economic decline of the region, there was a decrease in demand for freight rail service. Coupled with overall maintenance neglect, this left the DSR in poor condition **(Figure 2)**. Eventually, rail service ceased due to difficulties operating over substandard rail infrastructure, and DSR filed to abandon the majority of the rail corridor from Lake Providence northward to McGehee due to unprofitability. In an effort to save the corridor from abandonment, the Southeast Arkansas Economic Development District and Lake Providence Port Commission collectively acquired 60 miles of the track between 2008 and 2011. Their goal was to preserve rail service to spur economic development and to provide transportation connectivity with the Class I railroads. The North Louisiana and Arkansas Railroad now operates rail service along this portion of the corridor.



Figure 2: McGehee-Tallulah Railroad Corridor Existing Track Conditions

The current ownership and operators of the continuous 91.3-mile rail corridor between McGehee and Tallulah is shown by corridor segment (Segment A – D) in **Table 1**.

Table 1: McGehee-Tallulah Railroad Corridor Ownership and Operator by Segment

	Railroad Line Segment	Mileage / Railroad Mileposts	Current Owner	Current Operator
A	McGehee, AR to Lake Village, AR	24.1 miles *(MP 408.9 to MP 433.0)*	North Louisiana & Arkansas Railroad	North Louisiana & Arkansas Railroad
B	Lake Village, AR to Arkansas-Louisiana State Line	21.8 miles *(MP 433.0 to MP 454.8)*	Southeast Arkansas Economic Development District	North Louisiana & Arkansas Railroad under lease
C	Arkansas-Louisiana State Line to Lake Providence, LA	16.2 miles *(MP 454.8 to MP 471.0)*	Lake Providence Port Commission	North Louisiana & Arkansas Railroad under lease
D	Lake Providence, LA to Tallulah, LA	29.2 miles *(MP 471.0 to MP 500.2)*	Delta Southern Railroad	Continental Rail

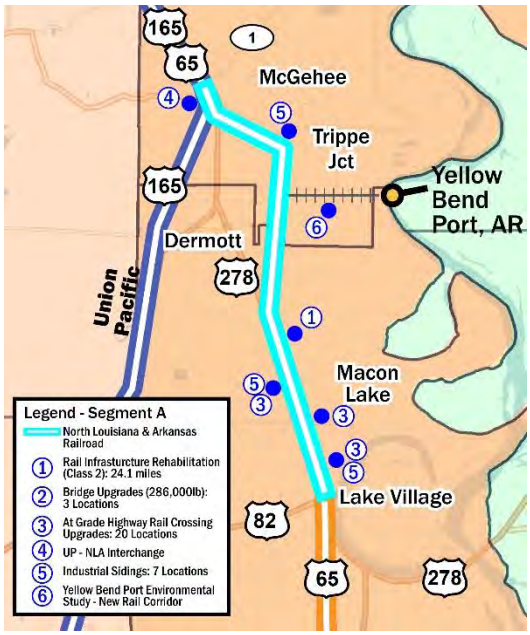
The rail line is also connected to local short line Arkansas Midland Railroad in McGehee, AR. The NLA and DSR connect with each other at Lake Providence, LA.

Portions of the rail line were partially rehabilitated by SEAEDD and its partners and placed back into continuous service in 2016. Although partially rehabilitated, some of the track on the main line is comprised of the original lightweight rail of 85 pounds (lb.) and is classified as Federal Railroad Administration (FRA) "Excepted" Track allowing for train operations less than 10 miles per hour (mph). Other portions include 115 lb. rail updated to Class 1 (10 mph) and Class 2 (25 mph). These conditions and constraints of the existing legacy tracks and rail bridges provide impediments to accommodating loaded freight cars with a maximum allowable gross weight of 286,000 lbs. along the entire corridor, which is the current and heavier industry standard for freight transportation by rail (see **Figure 2**).

Project Details

The purpose of the Project is to leverage the strength of recent rail rehabilitation investment in connecting multimodal transportation facilities in the region and a long-standing public-private partnership and related long-term planning between local public agencies (including the ports), area railroads, and other regional stakeholders to develop a project with several direct benefits to rural communities through rehabilitation of existing railroad infrastructure on the McGehee-Tallulah Railroad Corridor and construction of new infrastructure at the ports. These Project improvements accruing to a rural region will catalyze greater opportunities for economic development, job creation, rail system preservation/state of good repair, freight system efficiency and greatly enhance access to domestic multimodal transportation and the global marketplace for local industries and shippers. Furthermore, the Project will reduce truck traffic on the area roadway network, with known capacity and safety needs, through diversion of freight from truck to rail. The Project improvements are described by segment as follows.

Figure 3: Segment A Map



SEGMENT A – NLA including Yellow Bend Port

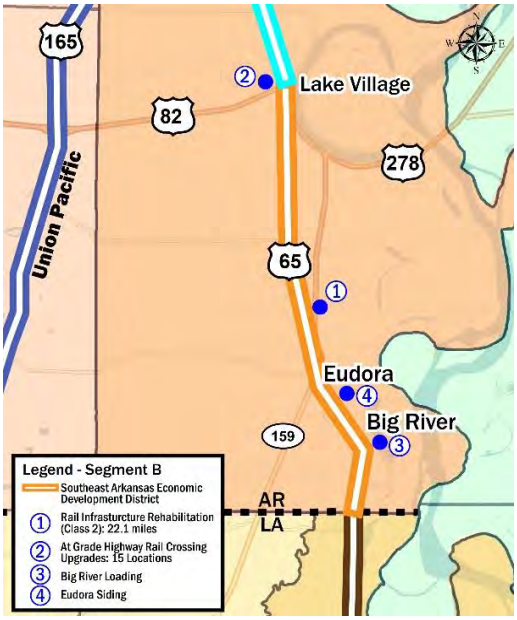
NLA Rail Rehabilitation – Segment A (**Figure 3**) extends from McGehee, AR (MP 408.9) to Lake Village, AR (MP 433.0). Rail rehabilitation in Segment A includes 24.1 miles of rail infrastructure rehabilitation to FRA Class 2 Track allowing for train operations up to 25 mph, three bridge upgrades (to handle 286,000 lb. railcars), and 20 highway-rail grade crossing upgrades.

Railroad Connectivity – Segment A includes rail to rail connectivity upgrades at the UP-NLA interchange in McGehee, AK providing NLA a more efficient, direct interchange with UP. The UP-NLA interchange includes 1,250 feet of connector track and 3,400 feet of interchange track.

NLA Rail Connectivity to Users/Tenants – Several new industrial leads and sidings in Segment A would improve the efficiency of customer switching operations, including 7,700 feet of lead track to the Lake Village Industrial Park, including required right-of-way; and 1,860 feet of Lake Village House siding track east of US 65. The Lake Village Industrial Park has one user that would immediately divert business from truck to rail.

Environmental –Segment A also includes the Yellow Bend environmental assessment (EA) to investigate the feasibility and impacts of a new 6-mile rail line connecting NLA near Trippe Junction to the Yellow Bend Port. In 2008, an EA was completed for an 8.1 mile rail connection and in August 2009 the USDOT issued a Finding of No Significant Impact (FONSI) for the projects preferred alternative. However since then industrial development has taken place beyond the original limits of the initial EA study limits. This industrial growth has identified a greater need for a rail-port connection to serve a different set of industrial tenants located nearby, resulting in a shorter 6-mile connection; thus a new EA is warranted.

Figure 4: Segment B Map



SEGMENT B – SEAEDD

SEAEDD Rail Rehabilitation – Segment B (**Figure 4**) extends from Lake Village, AR (MP 433.0) to the Arkansas/Louisiana state line (MP 454.8). Rail rehabilitation in Segment B includes 22.1 miles of rail infrastructure rehabilitation (FRA Class 2 Track) allowing for train operations up to 25 mph, and 15 highway-rail grade crossing upgrades.

SEAEDD Rail Connectivity to Users/Tenants – Segment B includes 1,540 feet of industrial siding track at Big River Rice and Grain (an Agspring company) west of US 65 in Eudora, AK.

SEGMENT C – LPPC including Lake Providence Port

LPPC Rail Rehabilitation – Segment C (**Figure 5**) extends from the Arkansas/Louisiana state line (MP 454.8) to Lake Providence, LA (MP 471.0). Rail rehabilitation in Segment C includes 16.2 miles of rail infrastructure rehabilitation (FRA Class 2 Track) allowing for train operations up to 25 mph, 14 highway-rail grade crossing upgrades, and 6,600 feet of track for the proposed NLA-DSR interchange.

Lake Providence Port Infrastructure – Segment C includes a rail extension to the Port of Lake Providence including 2,100 feet of new track (**Figure 6**). The Lake Providence Port industrial facilities include Agspring's Big River Rice and Grain barge loading conveyor and grain storage bin, and the Myriant Chemical Plant.

Figure 5: Segment C Map

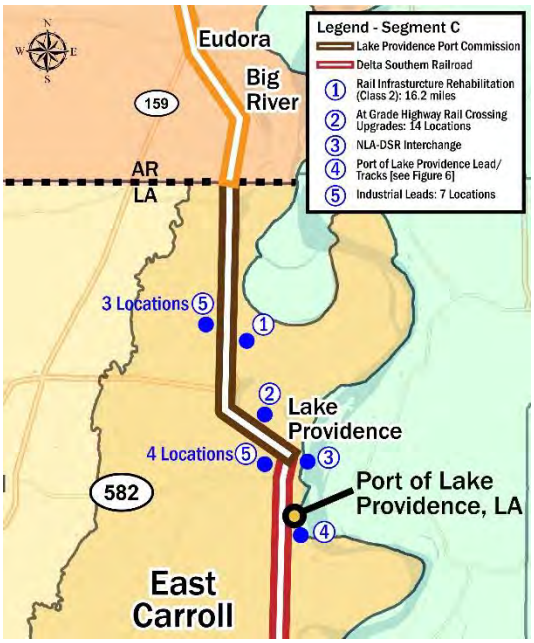
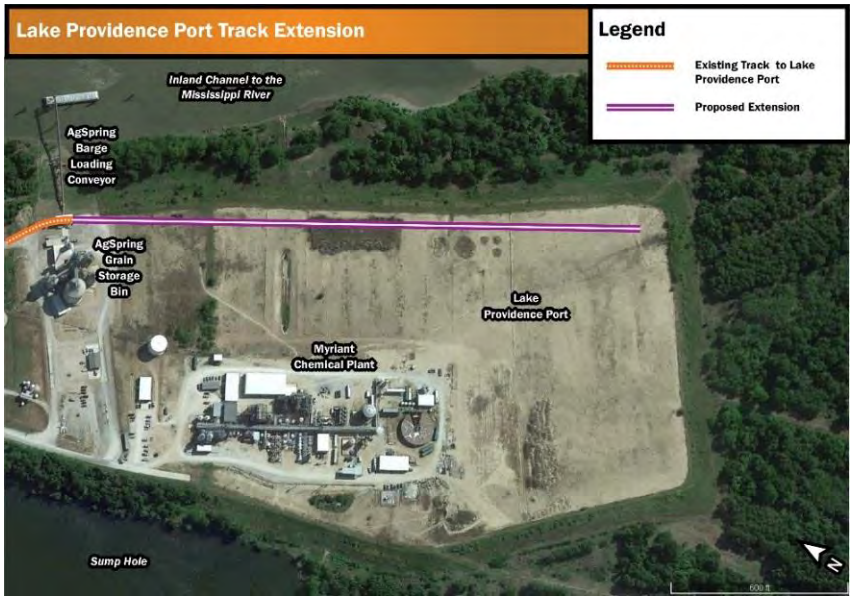


Figure 6: Lake Providence Port Track Extension



LPPC Rail Connectivity to Users/Tenants – Segment C includes new or upgraded industrial leads and sidings: 1,550 feet of track to the Big River Rice and Grain facility in Lake Providence; 1,700 feet of track to Shelburn Grain west of US 65; 350 feet of lead track to the John Deere facility in Lake Providence; a 1,500-foot extension of the siding track at the Lake Providence Pass; and 1,697 feet of track to Lansing Grain in Lake Providence, all of which would enhance railroad capacity and divert business from truck to rail.

SEGMENT D – DSR including Madison Parish Port

DSR Rail Rehabilitation – Segment D (**Figure 7**) extends from Lake Providence, Louisiana (MP 471.0) to where the rail line connects with Kansas City Southern in Tallulah, Louisiana (MP 500.2). Rail rehabilitation in Segment D includes 28 miles of rail infrastructure rehabilitation (FRA Class 2 Track) allowing for train operations up to 25 mph and four bridge upgrades (to handle 286,000 lb. railcars).

Madison Parish Port Infrastructure – Segment D includes existing track to Madison Parish Port from the DSR mainline track heading directly east towards the Mississippi River and then turning south across Port Elevator Road. Segment D improvements include a proposed lead extension back to the mainline with a length of 9,000 feet (**Figure 8**).

Figure 7: Segment D Map

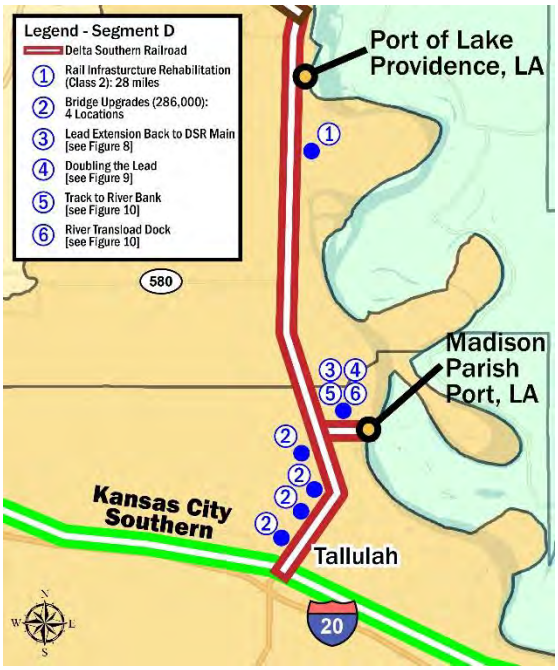
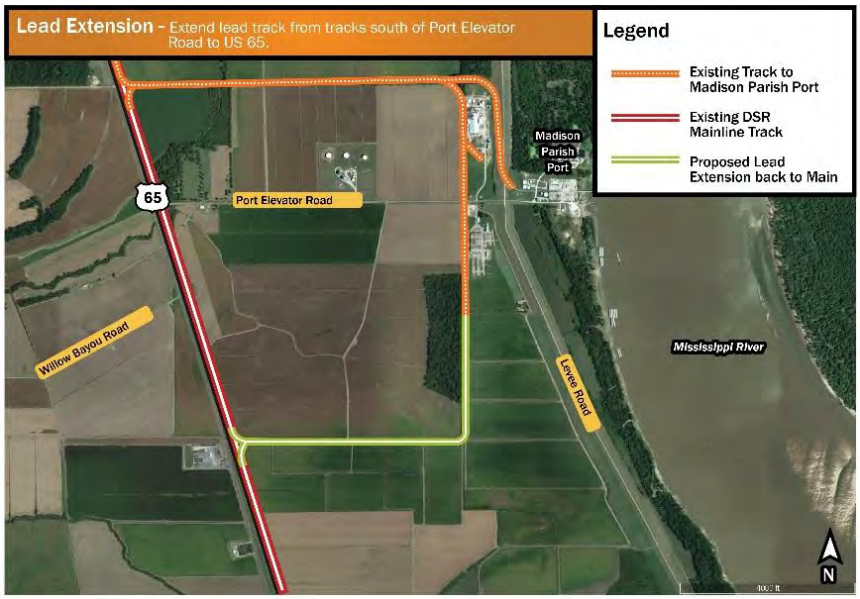


Figure 8: Madison Parish Port Lead Extension



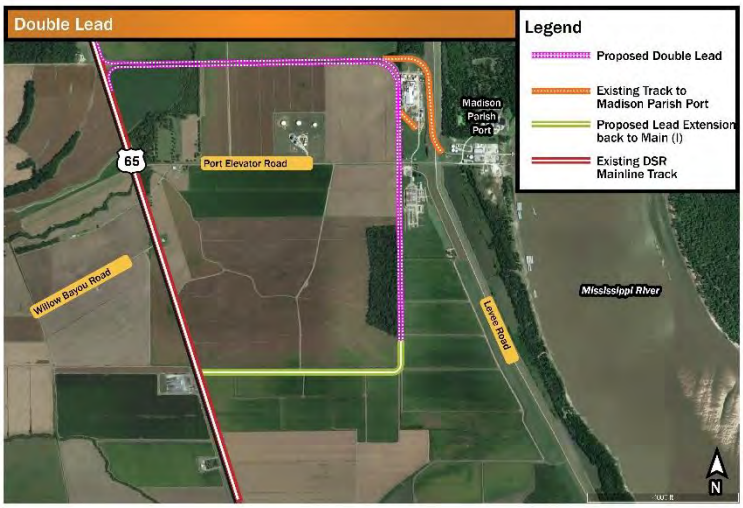


Figure 9: Madison Parish Port Double Lead

Port-rail connectivity improvements within Segment D would also include double tracking 12,000 feet of the lead and a proposed lead extension (**Figure 9**).

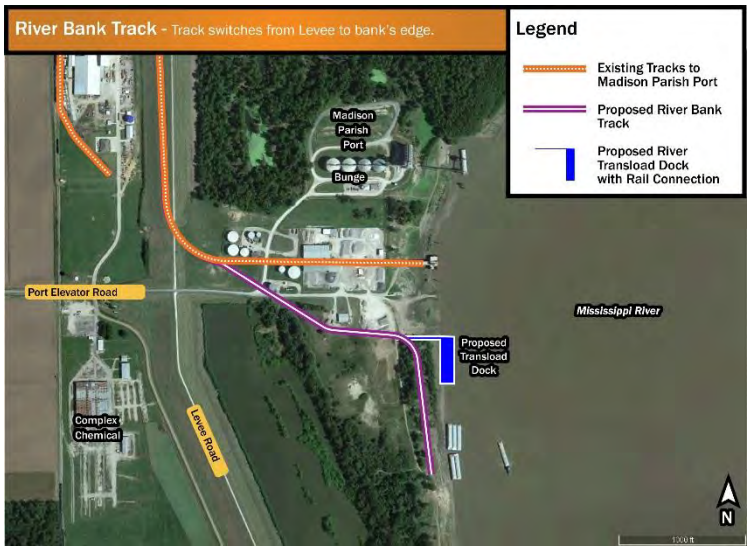


Figure 10: Madison Parish Port River Bank Track and Transload Dock

Another component of the Madison Parish Port infrastructure improvements is 5,800 feet of new track to the west bank of the Mississippi River and a proposed river transload dock (**Figure 10**). These projects will enhance the capacity, efficiency, and safety of railroad operations and multimodal transportation access.

Several highway-rail grade crossings would be upgraded throughout the McGehee-Tallulah Railroad Corridor. The planned rehabilitation will make these crossings into safer, smoother crossing points for the public, and will reduce the time that a train occupies a crossing, thus reducing congestion and enhancing mobility on the region's multimodal network. **Table 2** lists the US highway and state route crossing locations within Arkansas that would be upgraded under the Project. Other local and private at-grade highway crossings would also be improved.

Table 2: Highway-Rail Grade Crossing Locations

Location	DOT Crossing Number
US Hwy 65, McGehee	425686P
Arkansas Hwy 35	425682M
Arkansas Hwy 144	425718T
Arkansas Hwy 160	426028V
Arkansas Hwy 257	425713J

Project Benefits

The following benefits will be achieved through the following infrastructure investments undertaken for the Project:

- Enhanced railroad transportation operating capacity, efficiency, and safety by upgrading the McGehee-Tallulah Railroad Corridor and its connecting branch lines to the Port of Lake Providence and Madison Parish Port, to FRA Class 2 Track allowing for train operations up to 25 mph and elimination of existing weight restrictions on bridges that would preclude accommodation of loaded freight cars with a maximum allowable gross weight of 286,000 lbs.
- Enhanced railroad connectivity through development of a more direct and efficient interchange of railcars between the NLA and the UP in McGehee, and between NLA and DSR at the Port of Lake Providence facility via a new interchange track that can accommodate carload and unit train interchange between the two short lines.
- Improved rail access and capacity at the Port of Lake Providence via a rail extension to its southern property line.
- Madison Parish Port upgrades including track extensions, double track, and a transload dock to enhance multimodal connectivity between port and rail modes.
- Enriched capacity, efficiency, and safety of railroad switching and service operations via the rehabilitation of the majority of current rail sidings and industrial leads on the McGehee-Tallulah Railroad Corridor.
- Improved safety at highway-rail grade crossings on the McGehee-Tallulah Railroad Corridor via the upgrade of grade crossing surfaces, signal infrastructure, and signage at select locations; there are 49 grade crossings in the corridor in need of upgrades.
- Future railroad connectivity and economic development opportunity throughout the corridor through a future freight rail connection to the Yellow Bend Port.
- Enhanced economic development through additional rail business opportunity throughout the entire corridor. Existing tenants and port representatives have indicated that the multimodal infrastructure upgrades would attract new business.

2.0 Project Location

The Project is located on a multimodal freight corridor situated along a 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas south to Tallulah in rural Northeast Louisiana that also includes a parallel 91.3-mile short line railroad corridor (**Figure 1** above). The Mississippi River is authorized to support 12-foot navigation, but is maintained for a 9-foot draft (**Figure 11**). Within the Project limits, the Mississippi River is designated as the West Bank Mississippi River Levee (MRL) System, segment "MS River Levee, West Bank (Louisiana)" and the Mississippi River federal navigation channel.

Figure 11: Project Corridor Location



In terms of area roadway connections for supporting truck transportation in Southeast Arkansas and Northeast Louisiana, US Highway 65 (US 65) closely parallels the railroad corridor between McGehee and Tallulah, and Interstate 20 (I-20) is located on the south end of the Project. US 65 is primarily a 2-lane arterial throughout the project limits. I-20 in Louisiana, which runs through Tallulah, is a designated segment of the National Highway Freight Network, an important east-west transcontinental interstate highway and trade route (**Figure A-1; Appendix A**). The KCS parallels I-20 throughout Louisiana and is designated a part of the Tier I National Primary Freight Network (**Figure A-2; Appendix A**).

The proposed route of Interstate 69 – a major domestic and international trade corridor under development between the US/Canada border at Port Huron, Michigan, and the US/Mexico border in Texas – is anticipated to be routed through the McGehee area. A portion of the Monticello Bypass in Drew County (to be identified as I-69) is under construction, and project development is underway between Monticello and US 65 (**Figure A-3; Appendix A**).

3.0 Project Parties

The Southeast Arkansas Economic Development District is the primary applicant for the requested INFRA Grant funding. The other public and private project partners include the Lake Providence Port Commission, Madison Parish Port Commission, Yellow Bend Port, DSR, and NLA. Brief descriptions of each of these project parties are provided below.

Southeast Arkansas Economic Development District (SEAEDD) – SEAEDD was organized and began operation in 1967 under the provisions of the United States Public Works and Economic Development Act of 1965. Headquartered in Pine Bluff, Arkansas, SEAEDD serves 10 counties in Southeast Arkansas: Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson and Lincoln. With a staff consisting of 11 highly professional individuals experienced in economic development, community development, workforce training, and waste management, SEAEDD assists local governments with administering grants and program opportunities made available from state and federal sources.

Lake Providence Port Commission – The Lake Providence Port Commission (LPPC) was created in 1958. The Lake Providence Port is an inland shallow-draft port located on the Mississippi River (River Mile 484) in Lake Providence, East Carroll Parish, LA. The Lake Providence Port is one of the top 20 US inland ports and ships over 1.3 million tons annually. The port is the largest inland port in Louisiana, and is the second leading Louisiana port in tonnage among the state's network of inland ports. The Port ranks third in operating revenue. The Port of Lake Providence is a unique port among Louisiana's network of ports. ***It is Louisiana's largest inland port operating as a high-capacity agricultural niche port***. The port handles inbound commodities such as aggregates, coal, dry and liquid fertilizer, forest products, lime, and tire chips and outbound commodities such as cottonseed and grain. The port is easily accessible to ground transportation by US 65 and is serviced by both the DSR and the NLA. Port tenants include Myriant, Helena, Bunge North America, Big River Rice & Grain, Terral River Service, Crop Production Services, and CHS.

Madison Parish Port Commission – The Madison Parish Port Commission (MPPC) was created by Act 369 of the 1966 Session of Louisiana Legislature as the governing authority of the Madison Parish Port Harbor and Terminal District. The primary object and purpose of the MPPC is to fully develop the 266-acre port and industrial site along the Mississippi River to stimulate and encourage economic development in Madison Parish, LA through commerce, industry and tourism and for the utilization and development of natural and human resources of the area and provide job opportunities. Primary cargo handled at the port inbound includes aggregates, lime, dry and liquid fertilizer, cottonseed, grain, and steel. Outbound commodities include aggregates, lime, dry and liquid fertilizer, cottonseed, grain and steel. ***Madison Parish Port is the region's largest chemical niche port.*** Overall Annual Tonnage is 750,000 tons (2017). The port has direct access to the Mississippi River (River Mile 457) approximately 6 miles north of I-20. A full service dock, with rail spur allows access while providing safe harbor. The typical draft depth at the dock is at least 20 feet throughout the majority of the year. The port's current tenants include DSR, Bunge North America, CHS, Complex Chemical, Helena Chemical, Jimmy Sanders, Lansing Grain, and Terral River Service.

Yellow Bend Port – Located on the Mississippi River just south of Arkansas City, the Yellow Bend Port is a slack-water harbor that is easily accessible through a 250-foot-wide entrance to a 350 by 810 foot turning basin. Its location on the Mississippi River makes it one of the most convenient port locations on the inland waterway system, and it is convenient to I-20 in Tallulah. The future Interstate 69 corridor is located 6 miles north of the port. Yellow Bend Port reported 477,000 tons of cargo moving through their facility in 2013 which consisted of receipt and shipment of general cargo and steel products and shipment of cottonseed, grain and other miscellaneous dry-bulk commodities. In addition to port facilities, Yellow Bend has large tracts of land zoned for industrial use. ***The Yellow Bend Port is one the region's largest handlers of wood chips and pellets***.

Delta Southern Railroad (DSR) – Continental Rail purchased DSR in 2016 for the portion of the McGehee-Tallulah Railroad Corridor that extends between Tallulah north to Madison Parish Port and then to the Lake Providence Port; 29.2 miles. The DSR has two separate rail lines in LA and operates as two divisions—the Sterlington Division in Monroe, and the Lake Providence Division in Tallulah. The two divisions operate under common staff headquartered in an owned and recently renovated office building at the Madison Parish Port. The DSR was previously poorly maintained and a $2 million capital infrastructure investment allowed Continental Rail to open the rail line in 2017 which had not hosted rail traffic in almost 20 years. Major commodities currently carried by DSR include grain, aggregates, agricultural products, cotton, coal, chemicals, fertilizer, forest products, sand clay, and soda ash.

North Louisiana & Arkansas Railroad (NLA) – The NLA operates over 62 miles of line from McGehee, AK, to Lake Providence, LA, which was formerly owned by the DSR, and today a part of the McGehee-Tallulah Railroad Corridor. NLA owns 24 miles of the short

line and leases approximately 41 miles of railroad from LPPC and SEAEDD. Rail traffic includes agricultural and industrial commodities.

Project Supporters – Due to the local, regional and national importance of the Project and its significant numerous benefits, project supporters include numerous elected officials from both Arkansas and Louisiana consisting of: US and State Senators; US and State House of Representatives; and county, parish and local government officials. Other project supporters from Arkansas and Louisiana are: economic development agencies; State departments of transportation; industry representatives; key stakeholders (port and rail); and local businesses. These entities are listed in **Appendix B** along with their Letters of Support.

4.0 Grant Funds, Sources, and Uses of all Project Funding

SEAEDD and its partners are requesting $25.7 million (57.1%) in INFRA Grant funding to be matched by $19.3 million (42.9%) in the form of a combination of public and private funds for this $45 million future eligible cost.

Previous Incurred Expenses – Previously Incurred Project Costs are not accounted for as matching contributions toward Future Eligible Project Costs, but clearly convey that SEAEDD and its partners are committed to bringing the rail corridor closer to a state of good repair. Further implementation of the necessary infrastructure upgrades associated with this INFRA Grant funding request are identified as critical rail infrastructure needs in both the Arkansas and Louisiana State Rail Plans. The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project is a true public-private partnership with each of the partners previously incurring $14.4 million in expenses towards partial rail rehabilitation simply to resume service on the line (**Table 3**). Furthermore, DSR plans additional renovations in Segment D in the first quarter of 2019. Expenditures to-date represent the commitment by SEAEDD and its partners as to the viability of this multimodal project. No federal funds have been utilized for previously incurred project expenses for the Project.

Table 3: Previously Incurred Project Expenses

Owner/ Project Partner	Project Component	Previous Expense	Percent Previous Expense
Southeast Arkansas Economic Development District	Bridge and rail rehabilitation, signal upgrades and engineering	$4,111,430	28%
Lake Providence Port Commission	Bridge and rail rehabilitation	$2,238,107	16%
Madison Parish Port Commission	Structures and rail rehabilitation, including material	$1,784,071	12%
North Louisiana & Arkansas Railroad	Rail rehabilitation	$4,000,000	28%
Delta Southern Railroad	Rail rehabilitation	$2,300,000	16%
	Total	**$14,433,608**	**100%**

Future Eligible Costs – A breakdown of construction and other costs by corridor segment and the uses of the funds are shown in **Table 4.** As part of the rail rehabilitation throughout the northern portion of the corridor, the construction cost estimates for Segments A to C assume the following:

- *Segment A* – Replacement of 50 percent of the railroad ties and 3.25 miles of track will be relaid with heavier 115 lb. rail from the UP-NLA McGehee interchange to Trippe Junction.
- *Segment B* – Replacement of 13 percent of the railroad ties.
- *Segment C* – Replacement of 35 percent of the railroad ties.

Table 4: Future Eligible Costs by Segment

Segment A - NLA including Yellow Bend Port		
Component		**Cost Estimate**
Rail Infrastructure Rehabilitation (Class 2)	$	5,543,167
Bridge Upgrades (286,000 lb)	$	150,000
At Grade Highway Rail Crossing Upgrades	$	255,000
Miscellaneous (Anchors)	$	75,916
UP - NLA Interchange	$	1,815,000
Industrial Sidings	$	3,487,220
Subtotal (1)	$	11,326,303
Right-of -way Acquisition (Lake Village Industrial)	$	35,000
Yellow Bend Environmental Study - New Rail Corridor	$	300,000
Subtotal (2)	$	11,661,303
Project Development (4%)	$	466,452
Total	**$**	**12,127,755**

Segment B - SEADD		
Component		**Cost Estimate**
Rail Infrastructure Rehabilitation (Class 2)	$	1,891,657
At Grade Highway Rail Crossing Upgrades	$	180,000
Miscellaneous (Anchors)	$	34,808
Big River Loading	$	582,000
Eudora Siding	$	71,540
Subtotal	$	2,760,005
Project Development (4%)	$	110,400
Total	**$**	**2,870,405**

Segment C – LPPC including Lake Providence Port		
Component		Cost Estimate
Rail Infrastructure Rehabilitation (Class 2)		$ 2,564,784
Miscellaneous (Anchors)		$ 51,030
NLA-DSR Interchange		$ 2,160,000
Industrial Leads		$ 2,422,960
Port of Lake Providence Lead/Tracks		$ 885,400
	Subtotal	$ 8,084,174
Project Development (4%)		$ 323,367
	Total	**$ 8,407,541**

Segment D - DSR including Madison Parish Port		
Component		Cost Estimate
Rail Infrastructure Rehabilitation (Class 2)		$ 11,448,000
Bridge Upgrades (286,000 lb)		$ 1,000,000
Track to River Bank		$ 1,395,000
Lead Extension Back to the Main		$ 2,295,000
Doubling the Lead Track		$ 2,880,000
River Transload Dock		$ 1,750,000
	Subtotal	$ 20,768,000
Project Development (4%)		$ 830,720
	Total	**$ 21,598,720**
Total Future Eligible Costs Segments A-D		$ 45,004,421

Committed Funding Sources – SEAEDD and their partners are committed to delivering the Project and will collectively contribute approximately $19.3 million in the form of a combination of public and private funds as shown in **Table 5**.

Table 5: Public and Private Funding Match Sources and Amounts

Owner / Project Partner	Funding Source	Amount	Funding Percent
SEAEDD	Public, State – Delta Regional Authority (DRA)	$150,000	1%
LPPC	Public, State – Port Priority Program	$8,300,000	43%
MPPC	Public, State – Port Priority Program	$10,480,000	54%
NLA	Private – NLA Contribution	$385,000	2%
	Total	**$19,315,000**	**100%**

Table 6 summarizes the commitment of public and private funds, and the requested amount of INFRA funding necessary to complete the Project.

Table 6: Committed Funding Sources for Future Eligible Costs

Owner / Project Partner	Description	Amount	Funding Percent
SEAEDD and its Partners	Applicant / Partners	$19,315,000	42.9%
US Department of Transportation	INFRA Grant Funds Administrator	$25,689,421	57.1%
	Total	**$45,004,421**	**100%**

5.0 Merit Criteria

Criterion #1: Support for National or Regional Economic Vitality

The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project will provide a severely economically distressed rural region of the country with an immediate impact on regional economic development opportunities by providing the region's producers and shippers with an expanded and more cost-effective manner to transport their goods to regional, national, and international markets. All labor and materials that will be required to complete the Project will be locally sourced, allowing for an immediate opportunity to provide jobs and other positive impacts.

The three ports and the two connecting short line railroads provide a complimentary range of services to the region's shippers. The Lake Providence Port is a high-capacity agricultural niche port, the Madison Parish Port is the region's largest chemical niche port, and the Yellow Bend Port is one the region's largest handlers of wood chips and pellets. This specialization of the ports leads to very little competition between them and allows the partnering short line railroads an opportunity to provide cost-competitive common carrier service to a number of different industries. The improved rail infrastructure will allow for the handling of an even larger variety of commodity types by the railroads and ports.

In 2011, the Mississippi River experienced record flooding, and in 2012, the river was at low water flow levels. Both events caused numerous barge shipping challenges and delays. The requested improvements to the McGehee-Tallulah Railroad Corridor would provide an alternate method for the shipment of goods along the corridor and also provide minimal delays to goods moving east and west along the UP and KCS railroads. Disruptions in the shipment of services to these ports would severely impact the farming in the area and distribution of construction materials and shipments of chemicals to plants to the south that then ship goods to the global marketplace. The NLA is designated as a Critical Rural Freight Corridor within Arkansas (**Figure A-4; Appendix A**).

Demographics and Economic Conditions

Desha and Chicot Counties, AK and East Carroll and Madison Parishes, LA are located in the Delta Region of the southern United States, which includes some of the most impoverished

areas in the Nation. All four of these counties/parishes are identified by the Delta Regional Authority as economically distressed counties. The economies of these rural communities depend largely on agriculture. Farming has transitioned from cotton and now includes corn, soybeans, and rice as the primary crops. The most important quality of life issue in these areas is the ability to obtain a good paying job. The area's employment is primarily based on minimum wage salaries in the agricultural and service sectors of the economy. Job opportunities in the agricultural sector continue to decline due to automation of agricultural operations and consolidation of small family type farms into fewer, larger farms. Given the lack of employment opportunities, these counties/parishes have experienced a steady decline in population. The slow population migration from the area will not reverse unless the area sees positive economic growth through economic and community development and the creation and retention of new jobs. **Table 7** illustrates several demographic issues facing these counties/parishes, including their rural geography, high rates of population outmigration, below average incomes, high rates of poverty, and high rates of unemployment.

- *Rural Population* – The average population in the area is approximately 18 people per square mile, compared to a national average of 87 people per square mile.
- *Population Outmigration* – A high rate of outmigration can be seen by the population change in these counties/parishes from 2010 to 2017 ranging from a -6.5 to -9.9 percent population change as compared to the national population increase of 5.5 percent over the same period.
- *Income Levels* – The average median household income for the area is approximately $27,400, which is less than half of the national average. Similarly, the average per capita income is approximately $17,100, which is about half of the national average.
- *Poverty Rate* – The average poverty rate for the area is 36 percent, which is almost three times the national rate. The poverty rate is highest in East Carroll Parish, Louisiana at 46.7 percent, which is more than three times the national rate.
- *Unemployment* – In December 2018, East Carroll Parish had the highest unemployment rate in the area at 10.5 percent, which was more than twice the national unemployment rate. In the same month, Madison Parish, Chicot County, and Desha County had unemployment rates of 7.4 percent, 7.2 percent and 4.6 percent, respectively (*www.homefacts.com/unemployment.html*).
- *Rural Population Growth* – While Arkansas's population is expected to surpass 3.3 million by 2040, Desha and Chicot counties are projected to continue to experience a decline in population between 2010 and 2040 (**Figure A-5: Appendix A**)

Table 7: Demographics for Desha and Chicot Counties, Arkansas and East Carroll and Madison Parishes, Louisiana

	POPULATION & GEOGRAPHY			INCOME & POVERTY		
County/ Parish; State	**Population Estimates,** July 1, 2017	**Population, Percent Change** – April 1, 2010 (estimates base) to July 1, 2017	**Population** per Square Mile, 2010	**Median Household Income** (in 2017 dollars), 2013-2017	**Per Capita Income** in Past 12 Months (in 2017 dollars), 2013-2017	**Percent Persons in Poverty**
Desha County, Arkansas	11,764	-9.5%	16.9	$27,036	$18,187	29.0%
Chicot County, Arkansas	10,636	-9.9%	18.3	$32,412	$20,560	30.1%
East Carroll Parish, Louisiana	7,126	-8.2%	18.4	$20,795	$14,694	46.7%
Madison Parish, Louisiana	11,316	-6.5%	19.4	$29,424	$15,134	38.9%

Source: www.census.gov/quickfacts accessed February 2019

Cost Effectiveness

A Benefit-Cost Analysis (BCA) of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project was conducted in conformance with federal guidance regarding evaluation criteria, discount and monetization rates, and evaluation methods recommended by the USDOT in the December 2018 Benefit-Cost Analysis Guidance for Discretionary Grant Programs. The BCA model incorporated the parameter updates in accordance with the above referenced USDOT guidance, including the value of travel time, the values of statistical life (VSL), injuries and property damage only (PDO) crashes, damage costs by emission type, and other factors. The USDOT recommended default values are used unless otherwise stated. The real discount rates recommended by USDOT (7 percent), as well as a 3 percent discount rate as a sensitivity analysis, consistent with USDOT guidance and OMB Circular A-45 are used to compute net present value (NPV) of benefits and costs.

A summary of the BCA results is shown in **Table 8** and **Table 9**. More detail regarding data inputs, sources, and estimation of each benefit category is provided in **Appendix C.** The monetized benefits and costs are estimated in 2017 dollars with future dollars discounted in compliance with USDOT INFRA requirements using a 7 percent real rate, and sensitivity testing at 3 percent.

Table 8: Benefit Estimates by Benefit Category

Benefit Category	Impact Categories	7% Discount Rate	3% Discount Rate
Economic Benefits	Shipper Cost Savings from Truck to Rail Diversion	$ 62,472,452	$ 122,830,587
	Avoided Pavement Maintenance Costs from Truck to Rail Diversion	$ 2,069,589	$ 4,069,134
	Residual Value of Capital Assets	$ 602,178	$ 2,284,832
	O&M Cost Savings	$ 6,913,877	$ 10,964,703
Safety Benefits	Improved Safety and Avoided Accident Costs from Truck to Rail Diversion	$ 26,682,189	$ 52,461,345
Environmental Benefits	Avoided Emissions from Truck to Rail Diversion	$ 932,486	$ 1,657,411
	Total Benefit Estimates	**$ 99,672,770**	**$ 194,268,012**

All values are in 2017$

Table 9: Overall Results of the Benefit Cost Analysis

Project Evaluation Metric	7% Discount Rate	3% Discount Rate
Total Discounted Benefits	$ 99,763,881	$ 194,387,594
Total Discounted Costs	$ 36,924,680	$ 41,253,181
Net Present Value	$ 62,839,202	$ 153,134,413
Benefit / Cost Ratio	2.70	4.71
Payback Period (years)	10.50	9.36
Internal Rate of Return (%)	18.1%	

All values are in 2017$

The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project is the type of project that will fulfil key objectives of Criterion #1 as follows:

Reduce traffic fatalities and serious injuries on the surface transportation system. Rail safety is of utmost concern. The Arkansas State Rail Plan and Louisiana Freight Mobility Plan present recent data on highway-rail grade crossing incidents and type of rail crossing protection measures. Within Arkansas out of the 2,451 public highway-rail grade crossings, 1,591 locations (65%) have passive warning devices only (crossbucks and/or stop signs). Within Louisiana there are 2,748 total at-grade crossing, of which 49% have passive warning devices only. The remainder of grade crossings include active warning devices (gated or flashers without gates). Approximately 49 highway-rail grade crossings that are currently in fair to poor condition would be upgraded throughout the corridor; 35 in Arkansas

and 14 in Louisiana. These include both public and private grade crossings. The planned rehabilitation will make these crossings into safer, smoother crossing points for the public, and will reduce the time that a train occupies a crossing, thus improving safety, improving the resilience of the freight transportation system, reducing congestion and enhancing mobility on the region's multimodal network. The majority of the at-grade crossing improvements throughout the corridor involve low–cost passive warning device measures.

Improve interactions between roadway users, reducing the likelihood of derailments or high consequence events. See **Figures A-6 through A-10** in Appendix A which depict photos of two recent derailments which occurred on the NLA at two separate locations on January 26, 2019 and February 4, 2019. Upgrading the rail to Class 2 capability along with other track improvement components will reduce the likely hood of derailments, thus improving safety and the ability to increase operating speed and capacity.

Eliminate bottlenecks in the freight supply chain. See **Figures A-11 through A-13** in Appendix A which depict the track weight restrictions on the existing NLA and DSR railroads within Arkansas and Louisiana, which are described as critical freight rail bottlenecks. Enhanced railroad transportation operating capacity, efficiency, and safety would be realized by upgrading the McGehee-Tallulah Railroad Corridor and its connecting branch lines to the Port of Lake Providence and Madison Parish Port to FRA Class 2 Track. This will allow trains to operate at speeds up to 25 mph, accommodate loaded freight cars with a maximum allowable gross weight of 286,000 lbs. and reduce the number of weight restricted bridges along the corridor.

Reduce Traffic Congestion. The Project would reduce traffic congestion on primary interstate and state routes within the project area. According to the *Louisiana Freight Mobility Plan*, Interstate 20 near the Mississippi State Line is identified as congested and motorists experience peak hour delays, where a median speed of 25 to 35 mph exists during the afternoon peak period. US 65 is a 2-lane roadway for the majority of its length along the corridor. The widening of US 65 to a 4-lane facility to provide additional capacity is identified as a Priority D Megaproject within the *Louisiana Long Range Transportation Plan* (LADOTD, 2015). However, funding to upgrade these facilities has not been identified and congestion will worsen as transportation demand in the corridor continues to grow. These capacity constraints have costly impacts on freight transportation providers. By diverting some truck shipments to rail, the Project will aid in reducing congestion.

Sustain or advance national or regional economic development in areas of need and improve connections to the National transportation network to support the movement of freight and people. The Project meets these goals in a number of ways:

- Improves freight network access, access to freight generators, and access between transportation modes.
- Supports retention or expansion of business; in-turn preserving freight reliant jobs.
- Provides greater opportunities for direct imports and exports to domestic and global markets outside of the rural Southeast Arkansas/Northeast Louisiana area.
- Improves market and multimodal access potential for railroads and ports.

- Helps all local market sectors remain competitive in both the domestic and global environment, as well as supporting the local and regional economy.
- Promotes the development of larger regional distribution hubs for shippers in the region, with improved productivity and operating efficiency.

Criterion #2: Leveraging of Federal Funding

Louisiana Port Construction and Development Program (aka Port Priority Program)

The two Louisiana ports are eligible recipients of the Louisiana Department of Transportation and Development's (LADOTD) Port Construction and Development Priority Program. The Port Priority Program was created by Act 452 of the 1989 Regular Session of the Louisiana Legislature. The purpose of the program is to ensure that adequate landside facilities are available to meet a definite market need by providing guidance and public funds to build landside infrastructure; thereby, providing jobs and competitive transportation cost to move cargo, minimizing highway congestion, improving safety and reducing maintenance cost on our highways. The feasibility of a port project is taken into account in determining the ranking/priority of projects supported by the LADOTD. Traditionally the program provides an average annual $39.4 million contribution to port and infrastructure projects. The LADOTD limits the amount of funds for any one project to $15 million received at a maximum rate of $5million per year. According to the LADOTD, the average economic return from these projects has been $6 for every $1 spent.

The Madison Parish Port and Port of Lake Providence will provide a total of $18.7 million in Port Priority Program funds as non-federal matching funds for the Project (Table 5).

SEAEDD and its partners are requesting $25.7 million (57.1%) in INFRA Grant funding to be matched by $19.3 million (42.9%) in the form of a combination of public and private funds for this $45 million future eligible cost.

In addition to other federal and non-federal matching funds to support the Project, project partners will cover all future operations and maintenance costs for railroad and port activities in the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor.

Criterion #3: Potential for Innovation

There are several innovative parts of the Project, but perhaps the most innovative part is the public-private partnership developed by SEAEDD and their partners. In fact, ***SEAEDD and their partners are candidates of the USDOT's SEP-15 process***. The grant applicants understand that SEP-15 is a new experimental process for USDOT to identify for trial evaluation new public-private partnership approaches to project delivery. It is anticipated that these new approaches will allow the efficient delivery of transportation projects without impairing USDOT's ability to carry out its stewardship responsibilities to protect both the environment and US taxpayers. SEP-15 addresses, but is not limited to, four major components of project delivery—contracting, compliance with environmental requirements, right-of-way acquisition, and project finance. Elements of the transportation planning process may be involved as well. While the majority of the right-of-way on this project is already owned by the applicants on this INFRA Grant request, the other SEP-15 elements of

contracting, compliance, and environmental requirements (such as an expedited NEPA review of all of the project elements) would prove to be appropriate for this project.

Another innovation is that this Project will realize the diversion of an array of hazardous materials commodities off of the region's roadways and onto the short line railroads. The transportation of hazardous materials by rail is approximately 80 times safer than by truck (Source: Association of American Railroads, 2016).

Project delivery is another area of innovation that will be undertaken for the Project. Detailed engineering design work is not typically required for rail rehabilitation projects, thus each of the railroads would follow a design-build procurement process where their internal forces would design the track infrastructure improvements to UP standards and only procure/complete design services for the required structural and bridge elements along the corridor and within each port. Also see Section 6, Project Readiness.

In an effort to advance the economic development and infrastructure goals for this rural region, SEAEDD and NLA have offered the rail right-of-way for installing fiber optic cable to advance data and communications for businesses and residents along the corridor.

Criterion #4: Performance and Accountability

SEAEDD, as the primary applicant for the requested INFRA Grant funding, will provide management oversight for the project. With a staff consisting of 11 highly professional individuals experienced in economic development, community development, and workforce training, SEAEDD assists local governments with administering grants and program opportunities made available from state and federal sources.

In order to maximize public benefits from INFRA funds and to promote local activity that will provide benefits beyond the INFRA-funded Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project, SEAEDD will utilize funds on specific, measurable outcomes, and provide accountability for project performance.

SEAEDD understands that USDOT is exploring strategies for potential conditioning of INFRA funds for appropriate projects. The proposed structure of conditions on funding above advances INFRA program goals by providing specific, measurable outcomes that achieve transportation performance objectives supporting economic vitality and improved safety, all while assuring timely delivery of the Project.

With regard to operations and maintenance (O&M), the Port of Lake Providence and Madison Parish Port Commission currently and will continue to work together with their tenants on maintenance and repairs of the required infrastructure such as the tracks and the dock. The DSR and NLA maintain the rail throughout the corridor.

6.0 Project Readiness

Technical Feasibility

The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project is ready to begin concurrent design and construction within 18 months of receipt of

the INFRA Grant. The Project Schedule section includes additional information on the Project's timeframes. The following efficiencies demonstrate Project Readiness:

With the exception of a new industrial lead that would serve the Lake Village Industrial Park (located within Project Segment A limits), construction of the proposed improvements would occur within existing rail right-of-way or on port-owned land. Utilization of existing right-of-way and port property would allow design and construction phases to advance in an expedited manner. A Lake Village Industrial lead has not been included as part of this INFRA Grant funding request and is the only project component requiring additional right-of-way.

The proposed rail rehabilitation throughout the corridor and at industrial sidings would be designed and constructed to Union Pacific Railroad (UP) standards. NLA and DSR have indicated that there would be efficiencies associated with the design phase of the project; i.e., detailed engineering design work is not typically required for rail rehabilitation projects; rehabilitation using UP standards means the contractors who bid the projects already have the engineering standards in place. Detailed engineering design would only be required for certain project components that involve new infrastructure construction such as bridges along the corridor, the UP-NLA interchange in McGehee, and the transload dock at Madison Parish Port. Due to these anticipated efficiencies, a lower overall percentage for project design contingencies (4%) has been assumed in the cost estimate.

Local construction material would be utilized to the extent practicable. Several material sources are within close proximity to the corridor or within the ports themselves enabling material, such as ballast, to be locally sourced thus reducing construction cost and construction duration. Crossties, spikes, and rail will also be sourced within the mid-delta region (Arkansas, Louisiana, and Mississippi).

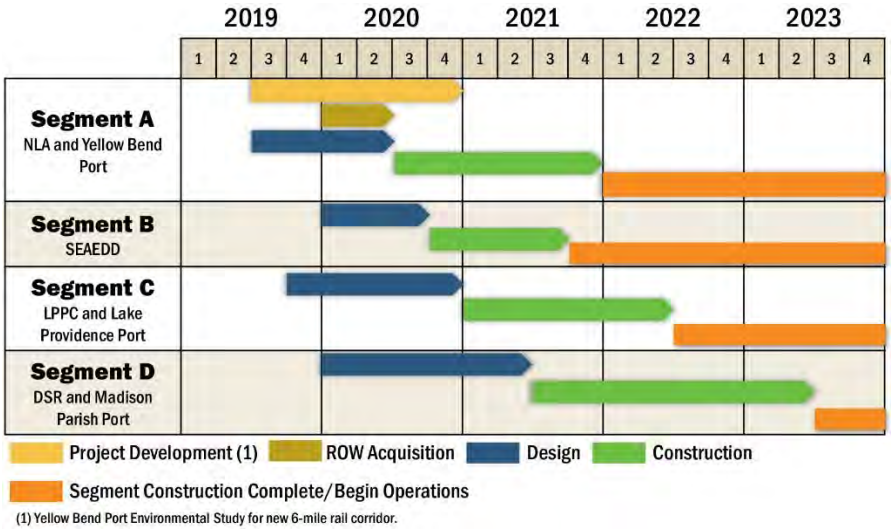
Project Schedule

The Project Schedule shown in **Figure 12**, discusses anticipated timeframes for major mile stones along each segment of the corridor. Construction activities for the INFRA Grant meet all identified schedule requirements.

Necessary Activities to Allow Grant Funds to Be Obligated. Project development, environmental permitting, right-of-way acquisition, and utility relocation will all begin in late-2019. Right-of-way acquisition will be completed by mid-2020. Thus, the activities that allow project construction and obligation of funds meet the INFRA requirements.
Project Construction Timeline. As shown in Figure 12, construction activities are expected to begin by late-2021 and be completed by mid-year of 2023.

Property and/or Row Acquisition Timeline. Right-of-way for the new industrial lead that would serve the Lake Village Industrial Park (located within Segment A limits) would be acquired in the first half of 2020.

Figure 12: Project Schedule



Required Approvals

Approvals and Permits by Other Agencies -- This Project would require limited approvals and permits as most of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project components are located within existing railroad right-of-way or on port property. A US Army Corps of Engineers Section 10 permit would be required for Madison Parish Port's transload dock on the Mississippi River due to its location adjacent to the levee. As a possible innovative approach to expediting, SEAEDD proposes to "overlap" portions of the rail rehabilitation construction on a segment by segment basis. In the absence of property and right of way acquisition, the Project could be ready for construction within 18 months.

State and Local Planning Documents -- Components of the Project, in addition to the Project goals, are included in numerous state and regional plans listed in **Appendix A.**

Project Risks and Mitigation Strategies

A table has been developed assessing the risks that may potentially pose a threat to the ability of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project to meet its objectives and schedule along with proposed mitigation actions. **Table 10** shows the general categories of risk assessed and mitigation strategies.

Table 10: Project Risks and Mitigation

1 Low 2 Minor 3 Moderate 4 Significant

Risk #	Risk Category	Risk Name	Description	Likeli-hood	Impact		Mitigation Strategies
					Cost	Schedule	
1	**Financial**	Loss of Private Funding	Loss of funding due to unforeseen circumstances	1	2	2	Highly unlikely; SEAEDD and its project partners are committed to completing the project.
2	**Financial**	Loss of Public Funding	Loss of funding due to unforeseen circumstances	2	2	3	Given public and private benefits, this project will need both Federal and State sources to be completed in a timely manner or the project will be delayed.

3	**Management**	Stakeholders	Stakeholders may have varying procedures and objectives	1	2	2	SEAEDD has successfully worked with numerous stakeholders throughout the corridor; obstacles can be overcome with stakeholder involvement during all implementation phases.
4	**Contracting & Procurement**	Administrative Burden	SEAEDD will manage all contracts where INFRA funding is utilized	1	1	1	SEAEDD will administer all contracts. It has successfully completed many capital projects, in the past, with a similar scope.
5	**Contracting & Procurement**	Availability of Qualified Contractors	Project involves typical freight rail construction and port-related infrastructure	1	1	1	The ports and shortline railroads has experience delivering capital projects. Procurement with local contractors with experience with Class I railroad standards would provide schedule and economic benefits during construction.
6	**Construction**	Traffic	Roadway traffic congestion resulting from construction and site infrastructure	1	1	1	The majority of upgrades are within existing railroad right-of-way. Coordination with State DOTs, and local jurisdictions would be required for grade crossing improvements for road closures/detours to minimize traffic impacts.
7	**Construction**	Business Disruption	Existing businesses along the rail corridor may be temporarily impacted by construction	1	1	2	Project phasing and stakeholder coordination will reduce impacts. Coordination with existing tenants and customers will occur to minimize business disruption.
8	**Environmental**	EA for Yellow Bend Port	Compliance with NEPA because of federal funding	1	1	2	Required regulations will be followed during the EA. Potential environmental issues may include noise, wetlands, and cultural resources.
9	**Real Estate**	Property Acquisitions	Need for property acquisition	1	1	1	With the exception of required right-of-way for the Lake Village Industrial Park rail lead, no other property acquisition is required.

7.0 Large/Small Project Requirements

The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project funds will be used for construction activities. The Project meets the minimum project size for a small project under INFRA, as described in the Notice of Funding Opportunity (NOFO).

Cost-Effectiveness – The Project is a small project that provides a cost-effective and impactful solution for enhancing multimodal transportation access, connectivity, capacity, efficiency, and safety and for catalyzing economic development and other public benefits in a rural and economically distressed region. As shown in **Table 9**, the project provides $2.70 in public funds (based on a 7% discount rate) for every $1 spent.

Effect on Mobility in the Project's State or Region – The Project, when completed, will provide the bi-state region with a vastly improved network for rail and river transportation of goods by railroad and river barges. Besides providing the improvements to the multimodal freight transportation network, trucks will be diverted off of the region's roadways, which will reduce congestion and improve passenger mobility.

Appendix A

Figures

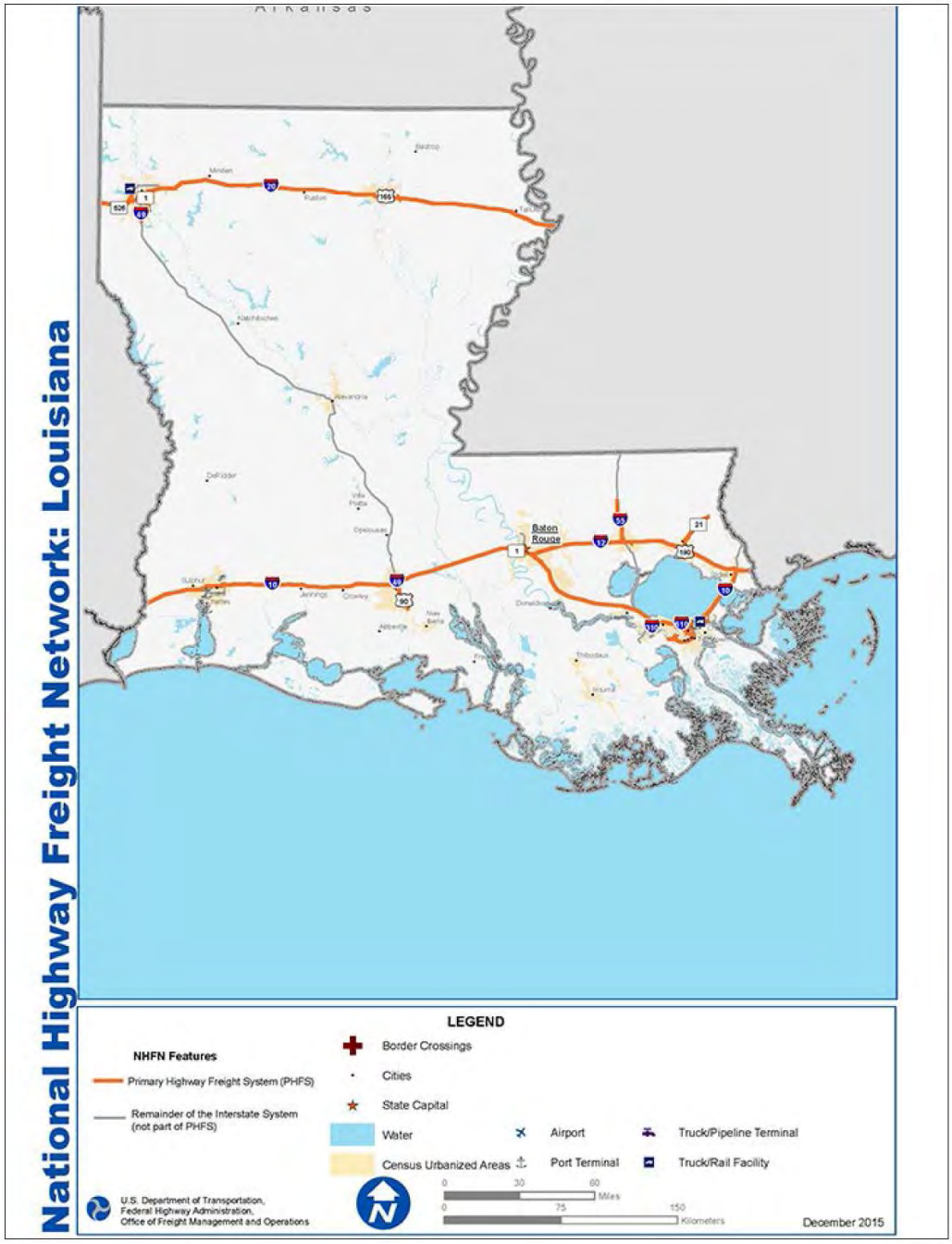
SEAEDD
Southeast Arkansas Economic Development District





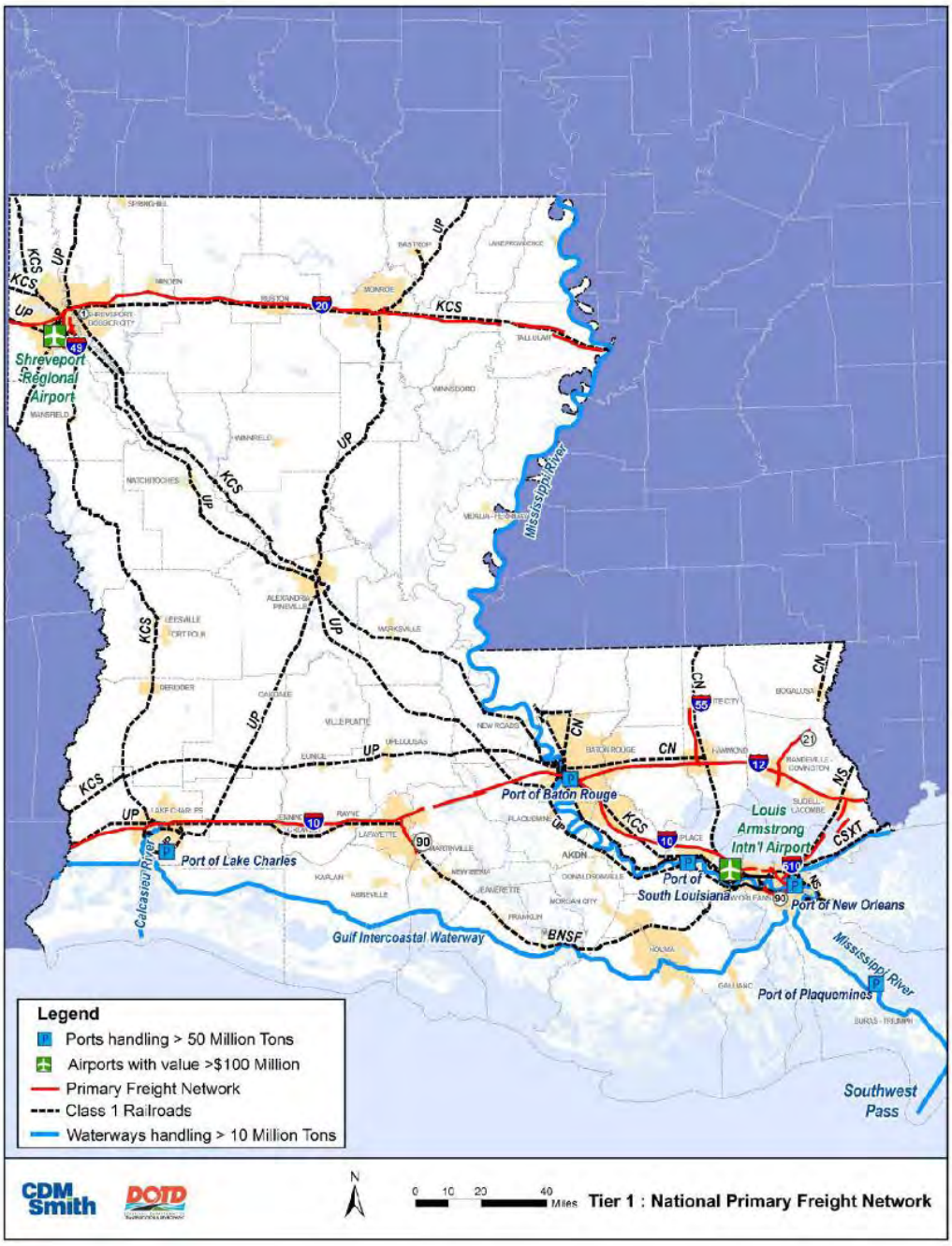


Figure A-1: Interstate 20 through Louisiana;
Part of the National Highway Freight Network within the Project Corridor



Source: Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017

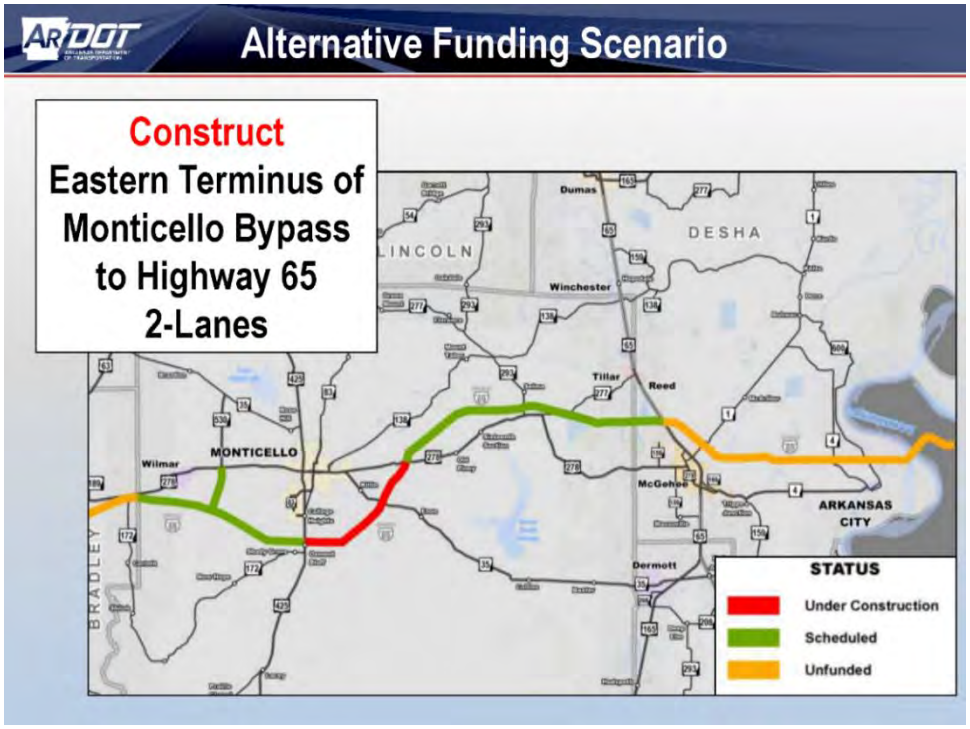
Figure A-2: KCS Railroad through Louisiana;
Part of the Tier 1 National Primary Freight Network within the Project Corridor



Source: Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017

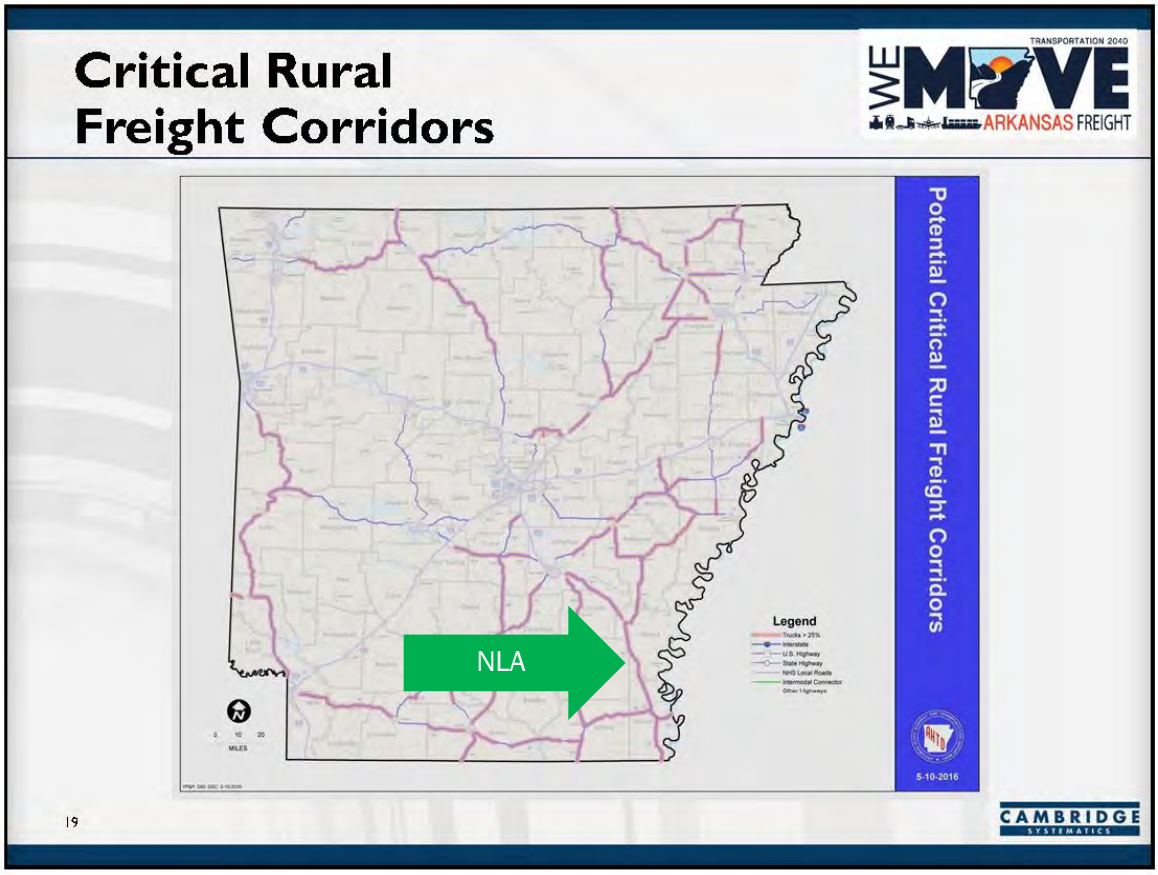
Figure A-3: Interstate 69 near Project Location





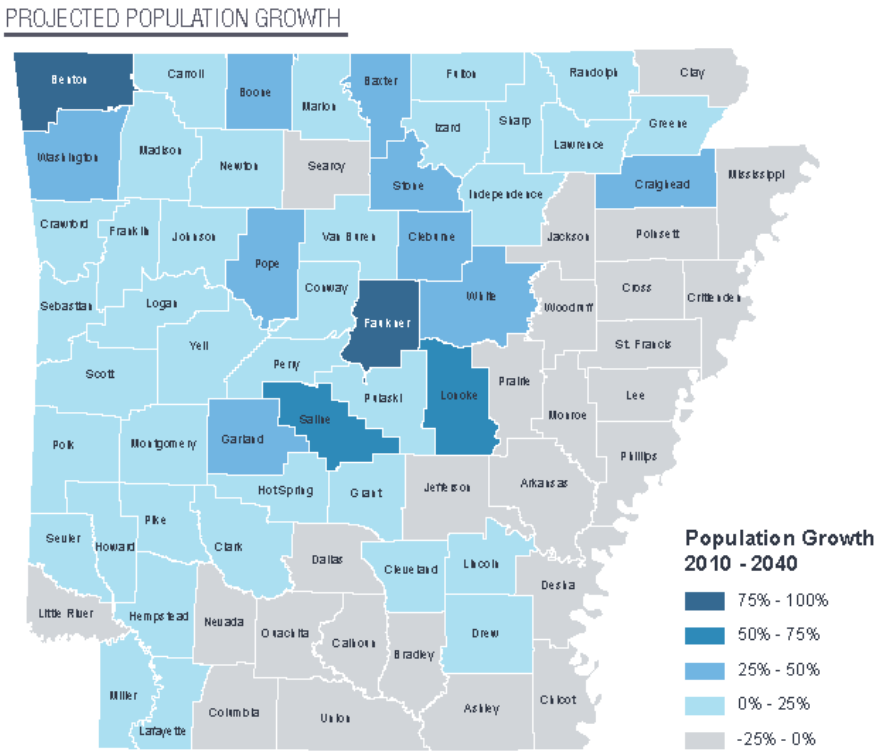
Source: Arkansas Department of Transportation, Highway Commission Review & Advisory Subcommittee presentation by Scott E. Bennett, P.E., Director http://www.arkansashighways.com/PowerPoints/2018/HCRAS%2002082018.pdf

Figure A-4: Location of NLA within Critical Rural Freight Corridors



Source: Adapted from Arkansas State Freight Plan Appendices, Arkansas State Highway and Transportation Department, October 2017 http://www.arkansashighways.com/Trans_Plan_Policy/freight_plan/SFP%20Appendices%20-%20with%20covers.pdf

Figure A-5: Arkansas Projected Population Growth



Source: We Move Arkansas Transportation 2040, Arkansas Long Range Intermodal Transportation Plan Executive Summary http://wemovearkansas.com/docs/ARDOT_LRITP_ExecSummary.pdf

Figure A-6: NLA Rollover Derailment January 26, 2019; 10 Miles North of Lake Village



Photo courtesy of SEAEDD and NLA.

Figure A-7: NLA Rollover Derailment January 26, 2019; 10 Miles North of Lake Village



Photo courtesy of SEAEDD and NLA.

Figure A-8: NLA Rollover Derailment February 4, 2019; 4 Miles North of Lake Village



Photo courtesy of SEAEDD and NLA.

Figure A-9: NLA Rollover Derailment February 4, 2019; 4 Miles North of Lake Village



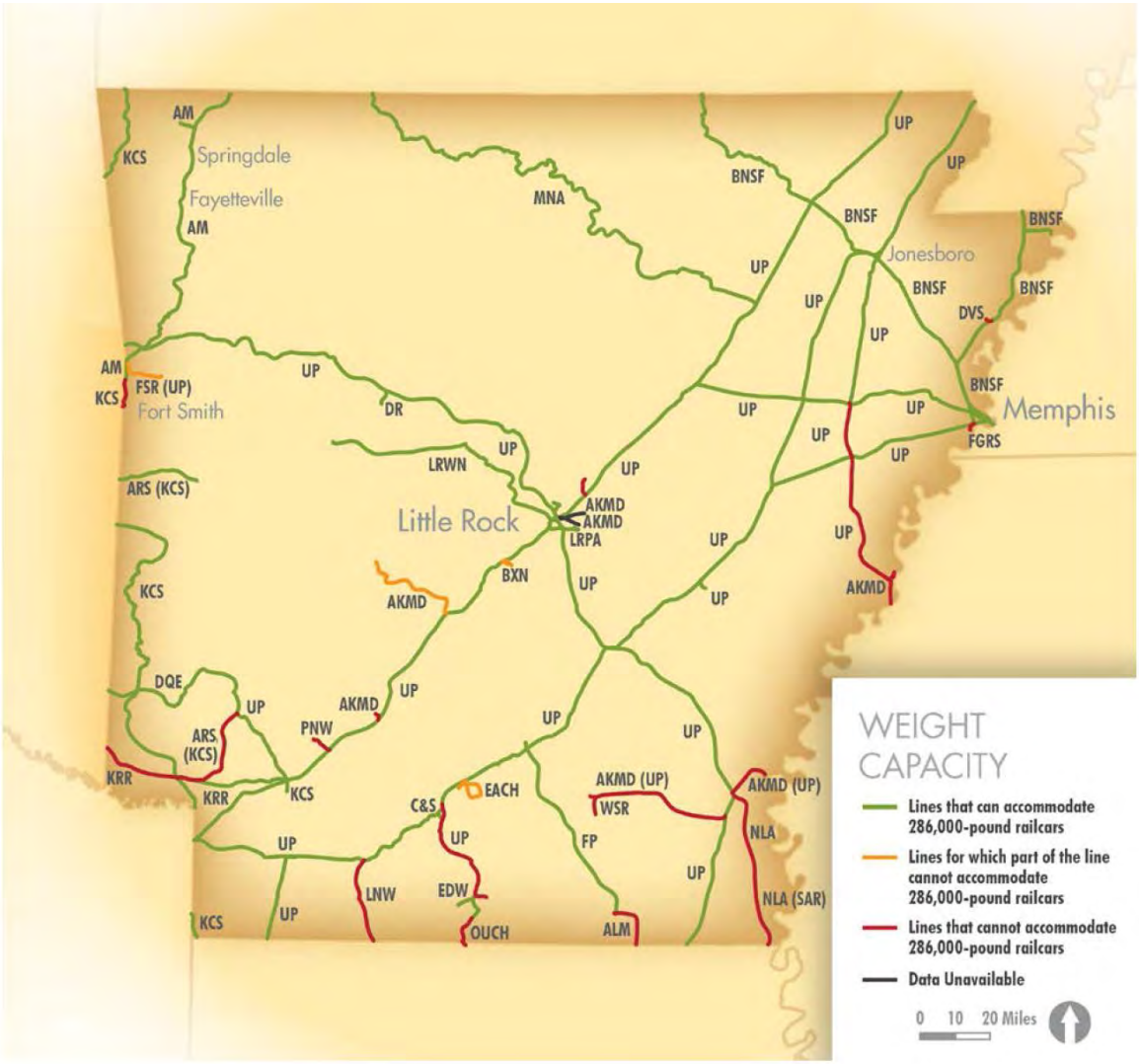
Photo courtesy of SEAEDD and NLA.

Figure A-10: NLA Rollover Derailment February 4, 2019; 4 Miles North of Lake Village



Photo courtesy of SEAEDD and NLA.

Figure A-11: NLA Track Weight Restriction within Arkansas



Source: Arkansas State Rail Plan - 2015, Arkansas State Highway and Transportation Department, August 2016
https://www.arkansashighways.com/Trans_Plan_Policy/state_rail/AR_StateRailPlan_Final_with_Summary.pdf

Figure A-12: DSR Track Weight Restriction within Louisiana



Source: Louisiana State Rail Plan, Louisiana Department of Transportation and Development, June 2015
http://wwwsp.dotd.la.gov/Inside_LaDOTD/Divisions/Multimodal/Marine_Rail/Misc%20Documents/2015%20Louisiana%20Rail%20Plan.pdf

Figure A-13: DSR Freight Rail Bottlenecks



Source: Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017

State and Local Planning Documents Components of the Project, in addition to the Project goals, are included in the following state and regional plans:

- Arkansas State Rail Plan - 2015, Arkansas State Highway and Transportation Department, August 2016
  https://www.arkansashighways.com/Trans_Plan_Policy/state_rail/AR_StateRailPlan_Final_with_Summary.pdf
- Arkansas State Freight Plan, Arkansas State Highway and Transportation Department, October 2017
  http://www.arkansashighways.com/Trans_Plan_Policy/freight_plan/ArkansasStateFreightPlan_20171204.pdf
- Louisiana State Rail Plan, Louisiana Department of Transportation and Development, June 2015
  http://wwwsp.dotd.la.gov/Inside_LaDOTD/Divisions/Multimodal/Marine_Rail/Misc%20Documents/2015%20Louisiana%20Rail%20Plan.pdf
- Louisiana Statewide Transportation Plan, Louisiana Department of Transportation and Development, December 2015
  http://wwwsp.dotd.la.gov/Inside_LaDOTD/Divisions/Multimodal/Transportation_Plan/Pages/default.aspx
- Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017
- 2018-2022 Comprehensive Economic Development Strategy (CEDS), Southeast Arkansas Economic and Development District, 2018
- Moving the Delta Forward: Delta Regional Development Plan III, Delta Regional Authority, April 2016
  https://dra.gov/images/uploads/content_files/DRA_RDP3-FINAL_APRIL2016.pdf
- Arkansas's Five-Year Delta Development Plan, for the Delta Regional Authority, December 2015
  https://dra.gov/images/uploads/content_files/Arkansas_State_Plan-DRA_FINAL-2016.pdf
- Louisiana's Regional Development Plan 2016-2021 Rethinking the Delta, for the Delta Regional Authority, 2016
  https://dra.gov/images/uploads/content_files/Louisiana_State_Plan-DRA_FINAL-2016.pdf
- Louisiana's Comprehensive Economic Development Strategy 2015-2020, North Delta Regional Planning and Development District, Inc., undated

Appendix B

Letters of Support

SEAEDD
Southeast Arkansas Economic Development District







Appendix B – Letters of Support

Table of Contents

Name/Title	Affiliation	Grant Year	Page Number(s)
Arkansas Letters of Support			
John Boozman, U.S. Senator	Congress of the United States	2017	B-1
Tom Cotton, U.S. Senator	Congress of the United States	2017	B-1
Rick Crawford, U.S. Representative	Congress of the United States	2017 & 2019	B-1/B-2/B-3
Bruce Westerman, U.S. Representative	Congress of the United States	2017 & 2019	B-1/B-4
Eddie Cheatham, State Senator, District 26	Senate, State of Arkansas	2019	B-5
Mark D. McElroy, State Representative, District 11	Arkansas House of Representatives	2017	B-6/B-7
Scott E. Bennett, P.E., Director	Arkansas State Highway Commission	2017	B-8
Michael Preston, Executive Director	Arkansas Economic Development Commission	2019	B-9
Deidre Smith, Director	Arkansas Waterways Commission	2019	B-10/B-11
Jack May, Desha County Judge	Desha County	2017	B-12/B-13
Jim Hudson, Ashley County Judge	Ashley County	2019	B-14
Randy Pruitt, Grant County Judge	Grant County	2019	B-15/B-16
Robert Akin, Drew County Judge	Drew County	2019	B-17
Flora J. Simon, Mayor	City of Dumas	2019	B-18/B-19
JoAnne H. Bush, Mayor	City of Lake Village	2017	B-20/B-21
Jeff Owyoung, Mayor	City of McGehee	2019	B-22
Travis Collins, Mayor	City of Eudora	2019	B-23
Walter Donald, Mayor	City of Dermott	2019	B-24
Joe Wise, Jr. Mayor	City of Sheridan	2019	B-25
Kathleen M. Slavens, General Counsel	Arkansas Short Line Railroads, Inc.	2017	B-26

Name/Title	Affiliation	Grant Year	Page Number(s)
Louisiana Letters of Support			
Bill Cassidy, M.D., U.S. Senator	Congress of the United States	2019	B-27
John Kennedy, U.S. Senator	Congress of the United States	2019	B-28
Ralph Abraham, M.D., U.S. Representative	Congress of the United States	2019	B-28
Francis C. Thompson, State Senator, District 34	Senate, State of Louisiana	2019	B-29
Andy Anders, State Representative, District 21	Louisiana House of Representatives	2019	B-30/B-31
Charles R. “Bubba” Chaney, State Representative, District 19	Louisiana House of Representatives	2019	B-32/B-33
Mike Strain, DVM, Commissioner	Louisiana Department of Agriculture & Forestry	2019	B-34
Jennifer L. Marusak, Executive Director	Ports Association of Louisiana	2019	B-35
Tana Trichel, President/CEO	Northeast Louisiana Economic Alliance (NELEA)	2019	B-36
Robert D. Fortenberry, President	Madison Parish Police Jury	2019	B-37/B-38
S. Lee Denny, President	East Carroll Parish Police Jury	2019	B-39/B-40
Gloria Owens Hayden, Mayor	City of Tallulah	2019	B-41/B-42
Robert N. Amacker Jr., Mayor	Town of Lake Providence	2017	B-43/B-44
Matt Prince, Director of Operations	Continental Rail	2017	B-45
Fred W. Eubanks, Human Resources Mgr-HRMC/Southeast Region	Hydro Extrusion North America	2017	B-46
Kevin Tubbs, Operations Manager	Big River Rice and Grain	2019	B-47
Neil D. Martin, Vice President	Terral	2019	B-48
Travis Melton, VP Sales & Marketing	Complex Chemical Co., Inc.	2019	B-49/B-50
Larry Stivers, CHS Crop Nutrients East Sales Manager	CHS, Inc.	2019	B-51
David Cirilli	Helena Agri-Enterprises, LLC	2019	B-52
Bruce McNabb, Operations Manager South Delta Division	Nutrien	2019	B-53
Amanda Edge	Entergy	2019	B-54

Name/Title	Affiliation	Grant Year	Page Number(s)
National Letters of Support			
Kurt J. Nagle, President and CEO	American Association of Port Authorities (AAPA)	2017	B-55/B-56
Brenda Mainwaring	Union Pacific Railroad	2017	B-57

Congress of the United States

Washington, DC 20510

November 1, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Secretary Chao:

We're writing to express our support for the Improvement Project Infrastructure for Rebuilding America (INFRA) grant application submitted by the Southeast Arkansas Economic Development District.

If approved, this grant will provide funding for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor. This project would achieve the goals of the INFRA program by modernizing and improving rail safety infrastructure along an important freight corridor, while also improving the regional connectivity of three inland waterway ports. These infrastructure improvements are necessary to provide the port's customers access to the nation's rail network and will have a significant impact on the region's economic development efforts through increases in efficiency and cost savings for regional shippers.

Increasing rail and river traffic is vital to the growth of our regional and national economy, particularly in rural America. This grant will provide the necessary funds to improve the connectivity and efficiency of our rail systems and inland waterways, driving growth in the region. For these reasons, we think improving this freight corridor is a worthy project that meets the goals of the INFRA grant program and furthers the economic development goals of the Trump administration. We ask that you approve the district's application. Thank you for your full and fair consideration.

Sincerely,

John Boozman
United States Senator

Tom Cotton
United States Senator

Rick Crawford
United States Representative

Bruce Westerman
United States Representative

RICK CRAWFORD
1ST DISTRICT, ARKANSAS

COMMITTEE ON AGRICULTURE
CHAIRMAN OF SUBCOMMITTEE ON FARM COMMODITIES AND RISK MANAGEMENT
SUBCOMMITTEE ON NUTRITION

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Congress of the United States
House of Representatives
2422 Rayburn Building
Washington, DC 20515

☐ WASHINGTON, DC
2422 RAYBURN HOB
WASHINGTON, DC 20515
PHONE: 202-225-4076
FAX: 202-225-5602

☐ JONESBORO
2400 EAST HIGHLAND
SUITE 300
JONESBORO, AR 72401
PHONE: 870-203-0540
FAX: 870-203-0542

☐ CABOT
112 SOUTH FIRST STREET
CABOT, AR 72023
PHONE: 501-843-3043
FAX: 501-843-4955

☐ MOUNTAIN HOME
1001 HIGHWAY 62 EAST
SUITE 9
MOUNTAIN HOME, AR 72653
PHONE: 870-424-2075
FAX: 870-424-3149

WWW.CRAWFORD.HOUSE.GOV

February 20, 2019

The Honorable Elaine Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20059

Dear Secretary Chao,

As the U.S. representative for the first congressional district of Arkansas, I write to express my support of the grant proposal submitted by the Southeast Arkansas Economic Development District (SEAEDD) and its partners to the U.S. Department of Transportation (DOT) for an Infrastructure For Rebuilding America (INFRA) grant.

As Ranking Member of the Subcommittee on Railroads, Pipelines, and Hazardous Materials within the House Committee on Transportation and Infrastructure, I proudly support SEAEDD and its partners in their efforts to modernize and improve rail safety infrastructure along an important freight corridor, boosting regional connectivity to three inland waterway ports. I understand the improvements will provide these ports' customers access to our nation's rail network, significantly impacting the region's economic development efforts and expanding effectiveness and cost savings to regional shippers.

Grant funding will provide shippers in the region with new cost-effective alternatives for delivering their products and manufactured goods nationwide and even globally, while also establishing a desperately-needed economic development tool in the area. This application for multimodal freight corridor improvements is critical for the region, state, and nation, with increased rail transportation and river traffic growing our economy.

Thank you for your time and attention, and I request that you give this worthy project serious and all due consideration when making final funding decisions.

Sincerely,



Member of Congress

RC/cl

BRUCE WESTERMAN
4TH DISTRICT, ARKANSAS

COMMITTEE ON
NATURAL RESOURCES

COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE

Congress of the United States
House of Representatives
Washington, DC 20515–0404

209 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-3772

101 RESERVE STREET, SUITE 200
HOT SPRINGS, AR 71901
(501) 609-9796

http://westerman.house.gov

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Ms. Elaine Chao,

I write to express my support for Southeast Arkansas Economic Development District's (SEAEDD) and its partners' INFRA Grant application. If awarded, SEAEDD and its partners will provide shippers with new cost-effective alternatives for delivering their goods throughout the nation and internationally, providing a new economic tool vital to the area.

SEAEDD, the Port of Lake Providence and the Madison Parish Port, both of Louisiana, are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) and served by a parallel 91.3-mile continuous short line railroad corridor of commerce which interfaces with existing ports. SEAEDD and its partners have developed the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project to modernize and improve rail safety infrastructure along an essential freight corridor and improve the regional connectivity to three inland waterway ports.

It is of the utmost importance to support projects like SEAEDD's and its partners', to improve necessary infrastructure for the region's and nation's economic growth. This infrastructure project better serves Arkansas' Fourth Congressional District, and I am proud to support their efforts to improve infrastructure and enhance economic growth.

Thank you for your full and fair consideration of SEAEDD's and partners' application. Please apprise me of its progress by contacting Melinda Boyer in my El Dorado office at (870) 864-8946 or at melinda.m.boyer@mail.house.gov.

Sincerely,

Bruce Westerman

Bruce Westerman
United States Congressman
Arkansas' Fourth District

100 EAST 8TH AVENUE, ROOM 2521
PINE BLUFF, AR 71601
(870) 536-8178

101 NORTH WASHINGTON AVENUE, SUITE 406
EL DORADO, AR 71730
(870) 864-8946

211 WEST COMMERCIAL STREET
OZARK, AR 72949
(479) 667-0075

PRINTED ON RECYCLED PAPER

EDDIE CHEATHAM

SENATOR
26TH DISTRICT
OFFICE: 870-364-5659
eddie.cheatham@senate.ar.gov

2814 ASHLEY 239
CROSSETT, ARKANSAS 71635-8824

THE SENATE
STATE OF ARKANSAS

VICE-CHAIR:
JOINT AUDIT

MEMBER:
LEGISLATIVE COUNCIL
JOINT AUDIT
JOINT BUDGET
EDUCATION
JOINT RETIREMENT AND SOCIAL SECURITY
AGRICULTURE, FORESTRY AND ECONOMIC DEVELOPMENT
RULES, RESOLUTIONS AND MEMORIALS

February 25, 2019

The Honorable Elaine Chao
Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Ms. Chao:

Please accept this letter supporting the Southeast Arkansas Economic Development District and its partners as they apply for the 2018-19 INFRA Grant from the U.S. Department of Transportation. It is my understanding the grant would be used for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project.

It is my understanding the funds will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports between McGehee, Arkansas and Tallulah, Louisiana. The infrastructure improvements are needed to provide the ports' railroad customers access to the nation's rail network. This project will have a significant impact on the southeast region's economic development efforts and will expand the efficiency and cost savings to regional shippers. It will also provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and world. Increased transportation of rail and river traffic is vital to the growth of our regional and national economy.

I respectfully ask you to give their application every consideration. Thank you for your time and attention in this matter. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Eddie Cheatham
State Senator
District 26

EC:em

REPRESENTATIVE
Mark D. McElroy
2645 Highway 138 East
Tillar, Arkansas 71670-9372

870-644-3822 Residence
mdmcelroy1@yahoo.com

DISTRICT 11

Counties:
Part Desha
Part Ashley
Chicot

COMMITTEES:

Education
Higher Education Subcommittee

Agriculture, Forestry and Economic Development
Vice Chairperson,
Parks and Tourism Subcommittee

House Management

Joint Budget

STATE OF ARKANSAS

House of Representatives

October 18, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U. S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Secretary Chao:

I am writing in support of the Southeast Arkansas Economic Development District's request for a 2017-2017 INFRA Grant application for multimodal freight corridor improvements in Southeast Arkansas and Northeast Louisiana. The project will be shared by the Southeast Arkansas Economic Development District, Port of Lake Providence, Louisiana, and Madison Parish, Louisiana.

Each partner is located along a 100 mile section of the Mississippi River, between McGehee in Southeast Arkansas and Tallulah in Northeast Louisiana. There is a short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence, Madison Parish Port, and a future rail connection to the Port of Yellow Bend near Arkansas City, Arkansas.

The grant will be utilized to modernize and expand the infrastructure located along the corridor. The renovation is necessary because it will bring about regional connectivity to three inland waterway ports. The construction mentioned in the grant application will give the port's railroad customers access to the nation's rail network. This project will expand effectiveness, support economic development efforts while bringing about cost savings to shippers.

I'm sure you will review the detailed information in the grant application that explains how the freight corridor improvements will be cost-effective for shippers in the region. Shippers will be able to effortlessly deliver their produce and goods to the nation and around the world. Once this project is completed it will economically benefit Arkansas, Louisiana, the entire region and the nation.

I truly appreciate your consideration of the grant request, and respectfully ask you to approve the funding. If I can be of assistance to you, please contact me.

Sincerely,

Mark D. McElroy

Mark D. McElroy
State Representative
District 11

MDM/prs

ARKANSAS STATE HIGHWAY COMMISSION

DICK TRAMMEL
CHAIRMAN
ROGERS

THOMAS B. SCHUECK
VICE CHAIRMAN
LITTLE ROCK

ROBERT S. MOORE, JR.
ARKANSAS CITY

DALTON A. FARMER, JR.
JONESBORO

PHILIP TALDO
SPRINGDALE

SCOTT E. BENNETT, P.E.
DIRECTOR

P.O. Box 2261 • Little Rock, Arkansas 72203-2261
Phone (501) 569-2000 • Voice/TTY 711 • Fax (501) 569-2400
www.ArDOT.gov • www.IDriveArkansas.com

October 27, 2017

The Honorable Elaine L. Chao
Secretary, U.S. Department of Transportation
1200 New Jersey Ave. SE.
Washington, DC 20590-0001

Dear Madam Secretary:

Reference is made to the Southeast Arkansas Economic Development District's (SEAEDD) 2017-2018 INFRA Grant Application for Multimodal Freight Corridor Improvements in Southeast Arkansas and Northeast Louisiana. This application is for modernization and improvements to rail safety infrastructure and improvement of regional connectivity to three inland waterway ports between McGehee, Arkansas and Tallulah, Louisiana.

The Arkansas Department of Transportation acknowledges that modernizing critical rail safety infrastructure and improving regional connectivity for these ports will allow for more efficient inland waterway shipping and would improve the economic viability of this largely rural and socioeconomically depressed Delta region.

If additional information is needed, please advise.

Sincerely,

Scott E. Bennett, P.E.
Director

c: Deputy Director and Chief Operating Officer
Deputy Director and Chief Engineer
Assistant Chief Engineer – Planning
Transportation Planning and Policy
Governmental Relations Office
Southeast Arkansas Economic Development District

Y:\WINWORD\DD & COO\Correspondence\Letters\Bennett\INFRA Support Letters\SEAEDD INFRA Grant Support Letter REV.docx

ARKANSAS INC

ASA HUTCHINSON | Governor MICHAEL PRESTON | Executive Director

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Secretary Chao:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our agency, our states and our region; I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Michael Preston
Executive Director

Arkansas Waterways Commission

Asa Hutchinson, Governor

Deidre Smith, Director

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Re: Letter of Support for SEAEDD INFRA Grant Submittal

Dear Secretary Chao,

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partner's application for INFRA program funding.

Sincerely,

Deidre Smith, Director
Arkansas Waterways Commission

cc: Patrecia Hargrove, Executive Director – Southeast Arkansas Economic Development District
Marty Shell, Chairman – Arkansas Waterways Commission

JACK MAY
DESHA COUNTY JUDGE

October 18, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

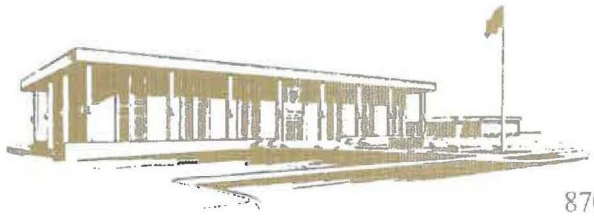
The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a positive step for Arkansas and Louisiana, and a positive step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

P.O. BOX 188 • ARKANSAS CITY, ARKANSAS • TELEPHONE (870) 877-2426 • FAX (870) 877-3413

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Jack May
Desha County Judge



JIM HUDSON
ASHLEY COUNTY JUDGE
205 E. JEFFERSON ST. #14
HAMBURG, ARKANSAS 71646
ashleycountyjudge.jh@yahoo.com
870-853-2000 FAX 870-853-2005 MOBILE 870-853-6810

February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Jim Hudson

Jim Hudson, Ashley County Judge

Grant County Courthouse
Sheridan, AR 72150

RANDY PRUITT
Grant County Judge

(870) 942-2551

February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Randy Pruitt

Randy Pruitt
Grant County Judge

Robert Akin
Drew County Judge

210 South Main Street • Monticello, Arkansas • 870-460-6200 • 870-367-7046 fax • drewcojudge@sbcglobal.net

February 21, 2019
The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Drew County Judge
Robert Akin

02/21/2019 09:28 #1583 P.002/002

DUMAS
Where life is more.

Flora Simon, Mayor
Erma Coburn, City Clerk/Treasurer
City Council:
Roy Dalton
Kenneth Daniels
Franklin Healey
Amber Madison
Ross Martin
Jared May
John Owen
Romona Weatherford

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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P.O. Box 157 | 155 E. Waterman St. | Dumas, AR 71639-0157
870.382.2121 phone | 870.382.6846 fax | dumas@centurytel.net | dumasar.net

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Flora J. Simon
Mayor, City of Dumas

CITY OF LAKE VILLAGE

JOANNE H. BUSH
MAYOR

AMANDA BROWN
ADMIN. ASST.

October 17, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a positive step for

P.O. BOX 725 | LAKE VILLAGE, ARKANSAS 71653
P: (870) 265-2228 | F: (870) 265-5817 | EMAIL MAYOR: jbush@lakevillagear.gov • Admin. Asst.: abrown@lakevillagear.gov

CITY OF LAKE VILLAGE

JOANNE H. BUSH
MAYOR

AMANDA STRICKLAND
ADMIN. ASST.

Arkansas and Louisiana, and a positive step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

JoAnne H. Bush, Mayor

P.O. BOX 725 • LAKE VILLAGE, ARKANSAS 71653
PHONE (870) 265-2228 • FAX (870) 265-5817 • E-MAIL MAYOR: jbush@cityoflakevillage.com • Admin. Asst.: astricklandclv@gmail.com
www.cityoflakevillage.com

Jeff Owyoung, Mayor
Marcia Massey, City Clerk
Judge Gibbs Ferguson
Attorney Melinda French

City of McGehee
P.O. Box 612
McGehee AR 71654
870-222-3160
Fax: 870-222-5729

Council
LeRoy Hood
Margaret Hood
Steve Montgomery
Al Murphy
Mike Rogers
Helen Wesson

February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Jeff Owyoung, Mayor

City of Eudora, AR
239 SOUTH MAIN STREET
Eudora, Chicot County, Arkansas 71640
Phone: (870) 355-4436
Fax: (870) 355-4003
Email: EudoraCity@gmail.com

TRAVIS COLLINS, MAYOR
KATIE HARRIS-ELLIOTT, CITY ATTORNEY
PRUSTINA CURRY, CITY CLERK

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ROBERT THOMAS
BUELAH MAIDEN
EZELL MINNIEFIELD

Monday, February 25, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Travis Collins, Mayor

Date: 21 February 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Walter Donald
Dermott City Mayor

City of Sheridan
OFFICE OF THE MAYOR
BOX 44
Sheridan, Arkansas 72150

Joe Wise, Jr., Mayor

Carrie Smith, City Clerk-Treasurer

February 20th, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Joe Wise

Kathleen M. Slavens
General Counsel
Arkansas Short Line Railroads, Inc.
kathleenslavens@gmail.com
4416 S. Arkansas Avenue, Russellville, Arkansas 72802 * 479-968-6455 * 479-968-2634

November 1, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

Arkansas Short Line Railroads is the parent company of North Louisiana and Arkansas Railroad (NLA). NLA is a partner in the above referenced Grant application, and is well aware of how important the requested improvements are to the Delta area. New rail will attract new businesses, and will thus bring new jobs to this impoverished section of the Delta region. It is because of this need, and our confidence in the very real benefits that will be realized by this project, that NLA is willing to put its own money toward this project. We appreciate that you will also see the benefits to the planned improvements, and request that you fund this project.

Sincerely,

Kathleen M. Slavens
General Counsel,
Arkansas Short Line Railroads

BILL CASSIDY, M.D.
LOUISIANA

WASHINGTON, DC OFFICE:
SUITE SH-520
HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-5824

United States Senate

COMMITTEES:
FINANCE
HEALTH, EDUCATION, LABOR, AND PENSIONS
ENERGY AND NATURAL RESOURCES
VETERANS' AFFAIRS
JOINT ECONOMIC COMMITTEE

February 19, 2019

The Honorable Elaine Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Ave., SE
Washington, DC 20590-0001

Dear Secretary Chao:

It has recently come to my attention that the Southeast Arkansas Economic Development District is applying for funding from the Infrastructure For Rebuilding America (INFRA) grant program. They are requesting $29,541,000 this year to perform upgrades on a short rail system in Arkansas and Louisiana.

The Southeast Arkansas Economic Development District plans to use the funds to complete rail rehabilitation that would allow trains to travel up to 25 miles per hour; to improve rail connectivity between customers and other railroads; and upgrade bridges and road crossings. This project is part of a multiyear investment in the railroad. The project is expected to benefit communities from Tallulah, Louisiana, to Southeast Arkansas. The targeted short rail is connected to the Ports of Lake Providence and Madison on the Mississippi River in Louisiana.

I appreciate the department's consideration of this application. I ask that you please keep my office informed on the progress of this proposal as well as when a final decision has been made regarding this grant. Should you have any questions, please feel free to contact Michael Eby in my Baton Rouge Office at (225) 929-7711.

Sincerely,

Bill Cassidy, M.D.

Bill Cassidy, M.D.
United States Senator

BC/ME

3600 JACKSON STREET
SUITE 115A
ALEXANDRIA, LA 71301
(318) 448-7176

5555 HILTON AVENUE
SUITE 100
BATON ROUGE, LA 70808
(225) 929-7711

101 LA RUE FRANCE
SUITE 505
LAFAYETTE, LA 70508
(337) 261-1400

1 LAKESHORE DRIVE
SUITE 1155
LAKE CHARLES, LA 70629
(337) 261-1400

3421 N. CAUSEWAY BOULEVARD
SUITE 204
METAIRIE, LA 70002
(504) 838-0130

1651 LOUISVILLE AVENUE
SUITE 123
MONROE, LA 70201
(318) 324-2111

6425 YOUREE DRIVE
SUITE 415
SHREVEPORT, LA 71105
(318) 798-3215

Congress of the United States
Washington, DC 20515

February 28, 2019

The Honorable Elaine Chao
Secretary
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Chao:

We write in support of the proposal submitted by the Southeast Arkansas Economic Development District (SEAEDD) and its partners for funding under the FY 2019 Infrastructure for Rebuilding America (INFRA) Grant program to construct the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project.

SEAEDD, the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile stretch of the Mississippi River between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This stretch is also served by a parallel 91.3-mile short line railroad that interfaces directly with the Port of Lake Providence and Madison Parish Port, and will soon serve an additional rail connection to the Port of Yellow Bend near Arkansas City, AR.

Funds will be used to modernize rail infrastructure in order to increase the speed, safety and overall efficiency of the rail system, and to improve connectivity between three inland ports. These improvements will reduce shipping costs and provide customers of the ports with a cost-effective alternative for delivering commodities and manufactured goods to market. Greater connectivity for producers and shippers with the region's inland waterway ports will provide a new economic development tool and increased opportunities for a historically underserved area of the country.

Increasing commercial rail and barge traffic is critical to economic growth in this region and throughout the nation. This proposal is a great example of a multimodal transportation project that improves existing infrastructure in a rural area and will provide much needed economic benefits to this region as well as manufacturers and end-users in connected markets.

As you continue to evaluate proposals to improve and rebuild our Nation's infrastructure, we ask that you give all due consideration to this project for funding under the INFRA Grant program. Thank you for your consideration of this request.

Sincerely,

John Kennedy
U.S. Senator

Ralph Abraham, M.D.
U.S. Representative

PRINTED ON RECYCLED PAPER

SENATE
STATE OF LOUISIANA

FRANCIS C. THOMPSON
State Senator
District 34
P.O. Box 68
Delhi, LA 71232
Phone: (318) 878-9408
Fax: (318) 878-5650
Email: thompsof@legis.la.gov

COMMITTEES:

Agriculture, Forestry, Aquaculture and Rural Development, *Chairman*
Commerce, Consumer Protection and International Affairs
Finance, *Interim Member*
Joint Legislative Committee on the Budget
Select Committee on Homeland Security

February 12, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Ms. Secretary,

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi Rivert between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of the project to our state and our region. I urge your expeditious approval of SEAEDD's and its partner's application for INFRA program funding.

Sincerely,

Francis C. Thompson
State Senator, District 34

LOUISIANA HOUSE OF REPRESENTATIVES

200 Advocate Row, Suite D
Vidalia, Louisiana 71373
Email: larep021@legis.state.la.us
Phone: 318.336.5865
800.259.3660
Fax: 318.336.9268

Agriculture, Forestry,
Aquaculture and Rural Development
Insurance
Commerce

ANDY ANDERS
State Representative - District 21

February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U. S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D. C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multi modal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District(SEADD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3 mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports'railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The Multi modal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for Multi modal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEADD's and its partners application for INFRA program funding.

Sincerely,

Andy Anders
State Representative/District 21

LOUISIANA HOUSE OF REPRESENTATIVES

P.O. Box 8
806 Louisa Street, Suite B
Rayville, LA 71269
Email: chanyb@legis.la.gov
Phone: 318.728.5875
Fax: 318.728.5876

CHARLES R. "BUBBA" CHANEY
State Representative ~ District 19

Agriculture, Forestry, Aquaculture, and Rural Development
Appropriations
Health and Welfare
House Committee on Enrollment
Joint Legislative Committee on the Budget

February 14, 2019

The Honorable Elaine Chao
Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Madam Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvements Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant for Fiscal year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100 mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3 mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be modernized and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the regions economic development efforts and will expand the effectiveness and cost savings to regional shippers.

Lake Providence, LA
Letter of Support 2019 INFRA Grant

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as we provide a new economic development tool for the region which is so desperately needed. This application for multimodal freight corridor improvements is critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to businesses using this railway and these ports, our state, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Yours truly,

Charles R. Chaney

CHARLES R. CHANEY
LA STATE REPRESENTATIVE
DISTRICT 19

C: Mr. Lee Denny, Assistant Manager, Port of Lake Providence

LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY
MIKE STRAIN DVM
COMMISSIONER

February 21, 2019

The Honorable Elaine L. Chao
US Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590
United States

Dear Secretary Chao: Elaine

I hope this letter finds you well. It was a pleasure to meet you and work together at the White House Infrastructure Summit in August 2017. I am writing to offer my support support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are presenting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence and the Madison Parish Port are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas. This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region. I respectfully request your favorable consideration for this grant application.

Sincerely,

Mike Strain, DVM
Commissioner

Post Office Box 631, 5825 Florida Blvd., Baton Rouge, Louisiana 70821-0631 Telephone: (225) 922-1234 Fax: (225) 922-1253 www.ldaf.state.la.us

666 North Street, Baton Rouge, LA 70802
Phone: 225.572.1916

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Secretary Chao:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, Louisiana and the Madison Parish Port, Louisiana are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world. It will also provide a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, as well as for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our organization and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Jennifer L. Marusak
Executive Director
Ports Association of Louisiana

NORTHEAST LOUISIANA ECONOMIC ALLIANCE

Partners Driving Progress

NELEA

www.nelea.us

February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also serviced by a parallel 91.3 –mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Tana Trichel, President/CEO

Economic Development
Mail and Operations

LOUISIANA DELTA COMMUNITY COLLEGE | ADVANCED TECHNOLOGY BUILDING
7500 MILLHAVEN ROAD, ROOM 210 | MONROE, LA 71203 | P. 318.345.9288
204 Fair Avenue | Winnsboro, LA 71295
p. 318.435.4 865 | f. 318.435.4895

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Madison Parish Police Jury

Courthouse Building
Ofc (318) 574-3451

100 North Cedar Street
Fax (318) 574-3122

Tallalah, Louisiana 71282

MARGARET DEW
SECT/TREAS

MARILYN WYCHE
ASST SECT/TREAS

MARGARET WHITNEY
ADMIN CLERK

CLINTON EPPS
SUPERINTENDENT

LARRY HEARN
ASST SUPERINTENDENT

February 25, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U. S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application to NFRA program funding.

Sincerely,

Robert D. Fortenberry
President Madison Parish Police Jury

East Carroll Parish Police Jury

400 First Street, Suite 5
Lake Providence, LA 71254

MEMBERS:
BILLY TRAVIS , Dist. 1
KOFI DARDEN-HAWKINS, Dist. 2
BRIAN BLOCKWOOD, Dist. 3
KENDALL L. THOMPSON, Dist.4
S. LEE DENNY, Dist.5

PRESIDENT
S. Lee Denny
VICE-PRESIDENT
Kendall L. Thompson
SECRETARY-TREASURER
Natosha Davis
TELEPHONE 318 / 559-2256
FAX NO. 318 / 559-1502
E-mail: ecpj400@att.net

February 12, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D. C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the port's railroad customer's access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

S. Lee Denny

Gloria Owens Hayden
Interim Mayor
Charles Finlayson
District 1
Martez Robinson
District 2
Andrew Sims
District 3
Marjorie Day
District 4
Michael Whitney
District 5

204 North Cedar Street
Tallulah, Louisiana 71282
Telephone (318) 574-0964
Fax (318) 574-2773

Office of the Mayor

February 21, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary Chao:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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"This Institution is an Equal Opportunity Employer/Provider"

I appreciate the opportunity to share with you the importance of this project to our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Gloria Owens Hayden
Mayor

Town of Lake Providence

Robert N. Amacker Jr.
Mayor
Lee Ann W. Clement
Clerk

EXECUTIVE DEPARTMENT
201 SPARROW STREET
LAKE PROVIDENCE, LOUISIANA 71254
TELEPHONE: 318-559-2288
FAX: 318-559-3442

Alderman:
Jason Condrey
Nathaniel Madere
Barbara McDaniel
Karl Magee
Donald B. Meadows
Attorney: Kenneth "Andy" Brister, Jr.

October 24, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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Town of Lake Providence

Robert N. Amacker Jr.
Mayor
Lee Ann W. Clement
Clerk

EXECUTIVE DEPARTMENT
201 SPARROW STREET
LAKE PROVIDENCE, LOUISIANA 71254
TELEPHONE: 318-559-2288
FAX: 318-559-3442

Alderman:
Jason Condrey
Nathaniel Madere
Barbara McDaniel
Karl Magee
Donald B. Meadows
Attorney: Kenneth "Andy" Brister, Jr.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Robert N. Amacker Jr.
Mayor, Lake Providence

"This institution is an equal opportunity provider and employer"

CONTINENTAL RAIL

October 17, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:
Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Matt Prince
Director of Operations

2929 E. Commercial Blvd., Suite PH-D – Fort Lauderdale, FL 33308
Toll free: 1-855-946-RAIL (7245) – www.ContinentalRail.us

HYDRO

October 16, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers, with our manufacturing plant, with 350 ee's benefitting from this investment.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a positive step for Arkansas and Louisiana, and a positive step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Fred W. Eubanks
Human Resources Mgr-HRMC/Southeast Region
Hydro Extrusion North America
142 Sapa Drive
Delhi, LA 71232
(318) 341.7402

Hydro (Formerly Sapa)
Extrusion North America
www.hydroextrusions.com
142 Sapa Drive, Delhi LA 71232

mailed 2/21/19

BIG RIVER

★ RICE AND GRAIN ★

AN AGSPRING COMPANY

February 20, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between these two points is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, AR.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers access to the nation's rail network. The improvements will have significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

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I appreciate the opportunity to share with you the importance of this project to our company and the areas we operate in. I urge your expeditious approval of SEAEDD's and its partners' application for INFRA program funding.

Sincerely,

Kevin Tubbs
Operations Manager

P.O. BOX 38 • PIONEER, LA 71266 • (318) 428-2439 • FAX (318) 428-4570

TERRAL

10100 Highway 65 South
Lake Providence, LA 71254
(800) 228-1961

February 26, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Mrs. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and the Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Respectfully,

Terral RiverService, Inc.

Neil Martin
Vice President

COMPLEX CHEMICAL CO., INC.
MADISON PARISH PORT INDUSTRIAL PARK
P.O. BOX 1352
TALLULAH, LA 71282
PHONE: (318) 574-0382

February 26, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary Chao:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3 – mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and yet – to – be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Travis Melton

VP Sales & Marketing
Complex Chemical Co., Inc.
177 Complex Chemical Rd.
Tallulah, LA 71282
318-574-0382

CHS

405 Port Road
Lake Providence, LA
71254

2/20/19

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are location along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, AR.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports' railroad customers' access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured good to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for the multimodal freight corridor improvements is a critical, much needed step for Arkansas and Louisiana, and a critical much needed step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application of INFRA program funding.

Sincerely,

Larry Stivers

Larry Stivers
CHS Crop Nutrients
East Sales Manager

2/20/2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for the 2019 fiscal year.

The Southeast Arkansas Economic Development District (SAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100 mile long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural southeast Arkansas and Tallulah in rural northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also serviced by a parallel 91.3 mile continuous short line railroad corridor of commerce that directly connects the Port of Lake Providence to the Port of Madison Parish. There is also a yet-to-be-constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant for a multi-state Public Private Partnership will be used to modernize and improve rail safety infrastructure along an already important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide access to the nation's railway network for each of the respective port's railroad customers. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a critical step for Arkansas and Louisiana, and a much needed step for the region and the nation. Increased transportation via rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region. I urge your expeditious approval of SEAEDD's and its partners' application for INFRA program funding.

Sincerely,

David Cirilli

Helena Agri-Enterprises, LLC

Date: 2/25/19

Nutrien™
Feeding the Future™

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Bruce McNabb

Bruce McNabb
Operations Manager
South Delta Division

Entergy

P.O. Box 35803
West Monroe, LA 71294-5803

March 28, 2019

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:

Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their INFRA Grant application for Fiscal Year 2019.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

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I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Amanda Edge

October 13, 2017

The Honorable Elaine Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington DC 20590

Dear Secretary Chao:

The American Association of Port Authorities (AAPA) is writing to express its strong support for public seaports' applications for the FY 2017 Infrastructure For Rebuilding America (INFRA) Grants. Direct and sustainable multimodal funding for freight infrastructure was AAPA's top priority for the FAST Act.

Founded in 1912, AAPA is the unified and collective voice of the seaport industry in the Americas. AAPA empowers port authorities, maritime industry partners and service providers to serve their global customers and create economic and social value for their communities. Our activities, resources and partnerships connect, inform and unify seaport leaders and maritime professionals in all segments of the industry around the western hemisphere. Our letter today is on behalf of our U.S. members.

Last year, AAPA and the American Association of State Highway Transportation Officials (AASHTO) released the *State of Freight II – Implementing the FAST Act and Beyond*. This timely report highlights the work state DOTs and seaports have engaged in since implementation of the FAST Act to develop and finalize state freight plans, in coordination with state freight advisory committees. For example, the survey found that 71 percent of states have state freight plans that they are actively working to make FAST Act compliant. In addition, 57 percent of states have targeted more than 6,200 freight projects for inclusion in their state freight plans, while 35 percent have identified a combined $259 billion in costs for their state's freight plan projects.

Ports are integral partners in developing these state freight plans and a national multimodal freight plan. *The State of Freight II* builds off AAPA's 2015 *State of Freight* report, which identified $28.9 billion in needed freight landside infrastructure investments by 2025.

American seaports and their private-sector partners annually spend more than $30 billion collectively in marine terminal capital improvements that help handle freight and cruise passengers more efficiently. INFRA grants will provide ports with needed funding for multimodal projects that support America's transportation system and freight network. State's have already begun to submit their state freight plans in anticipation of the December 4 grant application deadline. USDOT should already be seeing port-related projects of regional and national significance that would benefit from INFRA grants to make improvements to America's transportation infrastructure.

The governments of Canada and Mexico are making large investments in their freight transportation systems, including their seaports. Goods imported and exported do not need to go through U.S. ports. If we do not maintain our infrastructure, more freight will flow through neighboring countries. In order to keep these important maritime jobs at home, the U.S. government must make significant investments in seaport infrastructure.

As the Department of Transportation begins to evaluate the applications for the INFRA grants, we strongly urge you to focus on seaports and the last mile freight-related projects, including gateways and corridor projects, to help maintain and expand the maritime infrastructure. These projects support U.S. exports and imports, which are vital to our nation's economy, standard of living and U.S. jobs.

Sincerely,



Kurt J. Nagle
President and CEO

BUILDING AMERICA®

October 31, 2017

The Honorable Elaine L. Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Ave., SE
Washington, D.C. 20590

Dear Secretary Chao:

On behalf of Union Pacific Railroad, I am writing in support of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017 INFRA Grant application. This grant will be used to modernize and improve rail infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports.

The strategic location of the project provides ready access to the nation's markets via 32,000 miles of Union Pacific track and connectivity to other Class I and short line railroads. Union Pacific has a positive working partnership with the Southeast Arkansas Economic Development District and its partners and looks forward to working with them if they are awarded a 2017 INFRA grant. Furthermore, we look forward to continue working with the parties involved to ensure their rail and roadway improvements plans follow our rail access standards and engineering safety requirements.

Thank you for your consideration and please feel free to contact me if you have any questions.

Sincerely,

Brenda Mainwaring

UNION PACIFIC RAILROAD
24125 Old Aldine Westfield
Spring, TX 77373

Brenda S. Mainwaring
AVP – Public Affairs

P 281-350-7501
E brendamainwaring@up.com

Appendix C

Benefit-Cost Analysis Supplementary Documentation

SEAEDD
Southeast Arkansas Economic Development District





Benefit-Cost Analysis Supplementary Documentation

INFRA Discretionary Grant Program

Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project

Southeast Arkansas Economic Development District

February 28, 2019

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Executive Summary

The Southeast Arkansas Economic Development District (SEAEDD), Lake Providence Port Commission (LPPC), the Madison Parish Port Commission (MPPC), Yellow Bend Port, the Delta Southern Railroad (DSR), and the North Louisiana & Arkansas Railroad (NLA) are partnering to re-develop a multimodal freight corridor located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas south to Tallulah in rural Northeast Louisiana. The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (the Project) is a unique public-private partnership between a state agency (SEAEDD), three public ports (Yellow Bend Port, Port of Lake Providence, and Madison Parish Port), and two private short line railroads (NLA and DSR) in one of the most severely economically distressed regions of the US. The Project covers two counties in Southeast Arkansas (Desha and Chicot) and two parishes in Northeast Louisiana (East Carroll and Madison).

The purpose of the Southeast Arkansas and Northeast Louisiana Rail and Port Infrastructure Improvements Project (the Project) is to leverage the strength of and recent investment in connecting multimodal transportation facilities in the region and a long-standing public-private partnership and related long-term planning between local public agencies (including three Ports), area railroads, and other regional stakeholders to develop a project with several direct benefits to rural communities through enhancement of existing and construction of new railroad infrastructure on the McGehee-Tallulah Railroad Corridor and at the Ports. These project improvements accruing to a rural region will catalyze greater opportunities for economic development and job creation, greatly enhance access to domestic multimodal transportation and the global marketplace for local industries and shippers, and reduce truck traffic on the area roadway network and related Port congestion through diversion of freight from truck to rail.

The SE Arkansas and NE Louisiana Multi-modal Freight Corridor Project will provide a severely economically distressed region of the country with an immediate impact on regional economic development opportunities by providing the region’s producers and shippers with an expanded and more cost-effective manner to transport their goods to regional, national, and international markets. All labor and materials that will be required to complete the project will be locally sourced, allowing for an immediate opportunity to provide jobs.

A Benefit-Cost Analysis (BCA) of the SE Arkansas and NE Louisiana Multi-modal Freight Corridor Project was conducted in conformance with Federal guidance regarding evaluation methods and monetization values recommended by the USDOT in the December 2018 Benefit-Cost Analysis Guidance for Discretionary Grant Programs. A table summarizing the changes expected from the project (and the associated benefits) is provided below.

Table ES-1: Summary of Infrastructure Improvements and Associated Benefits

Current Status or Baseline & Problems to be Addressed	Changes to Baseline / Alternative	Types of Impacts	Population Affected by Impacts	Summary of Results (discounted at 7%)	Page #
Much of McGehee-Tallulah Railroad Corridor had been closed or underutilized for approximately 15 years, but was recently rehabilitated and placed back into continuous service. However, the original lightweight track on the main line and other constraints from the existing legacy track structure and bridges on the Corridor provide impediments to accommodating fully loaded and heavier industry-standard freight cars. The existing operational constraints have an adverse impact on efficiency to existing shippers and prevent rail from being a viable option for many others in the region who have to rely on trucks to move goods to and from market.	Upgrades to rail infrastructure in the McGehee-Tallulah Railroad Corridor and connections to the local Ports will improve railroad connectivity, access, capacity, efficiency, and safety. The improvements will enable more producers and shippers to move goods by rail instead of freight trucks which will improve shipper efficiencies along with other socioeconomic public benefits.	Shipper cost efficiencies from truck to rail diversion	Shippers	**$62,472,452**	**On Page 19**
		Avoided emissions from reduced freight truck movements	Local and State residents and motorists	**$1,023,597**	**On Page 21**
		Improved safety and avoided accident costs from reduced freight truck movements	Local and State residents and motorists	**$26,682,189**	**On Page 25**
		Avoided pavement maintenance costs from reduced freight truck movements	Federal and State governments	**$2,069,589**	**On Page 28**
		Residual value of capital assets	Project sponsors	**$602,178**	**On Page 29**
		Operations & maintenance costs savings	Project sponsors	**$6,913,877**	**On Page 30**
		Avoided road congestion costs from reduced freight truck movements	Local and State residents and motorists	**n/a**	**On Page 30**
		Trade flow reliability benefits	Shippers and producers	**n/a**	**On Page 30**
		Reduced noise pollution from less truck traffic	Local and State residents	**n/a**	**On Page 30**

The period of analysis used in the estimation of benefits and costs corresponds to 35 years, including 5 years of design, engineering and construction and 30 full years of operation. The total future eligible costs consist of $45 million dollars in capital expenditures and are expected to be financed by Federal, State, and private funds according to the distribution shown in Table ES-2.

Table ES-2: Summary of Project Costs and Anticipated Funding Sources

Owner	Funding Source	Amount	Share
SEAEDD	Public, State – Delta Regional Authority (DRA)	$150,000	1%
LPPC	Public, State – Port Priority Program	$8,300,000	43%
Madison Parish Port	Public, State – Port Priority Program	$10,480,000	54%
NLA	Private – NLA Contribution	$385,000	2%
	Total State & Private	**$19,315,000**	**42.9%**
	Total Federal INFRA Request	**$25,689,421**	**57.1%**
	Total Future Eligible Project Cost	**$45,004,421**	**100 %**

Tables ES-3, ES-4 and ES-5 provide various summaries of the relevant data and calculations used to derive the benefits and costs of the project. Based on the analysis presented in the rest of this document, the project is expected to generate $99.7 million in discounted benefits and $36.9 million in discounted costs, using a 7 percent real discount rate. Therefore, the project is expected to generate a Net Present Value (NPV) of $62.8 million and a Benefit/Cost Ratio (BCR) of 2.70.

Figure 1: Distribution of Project Lifecycle Benefits and Costs, Discounted at 7%

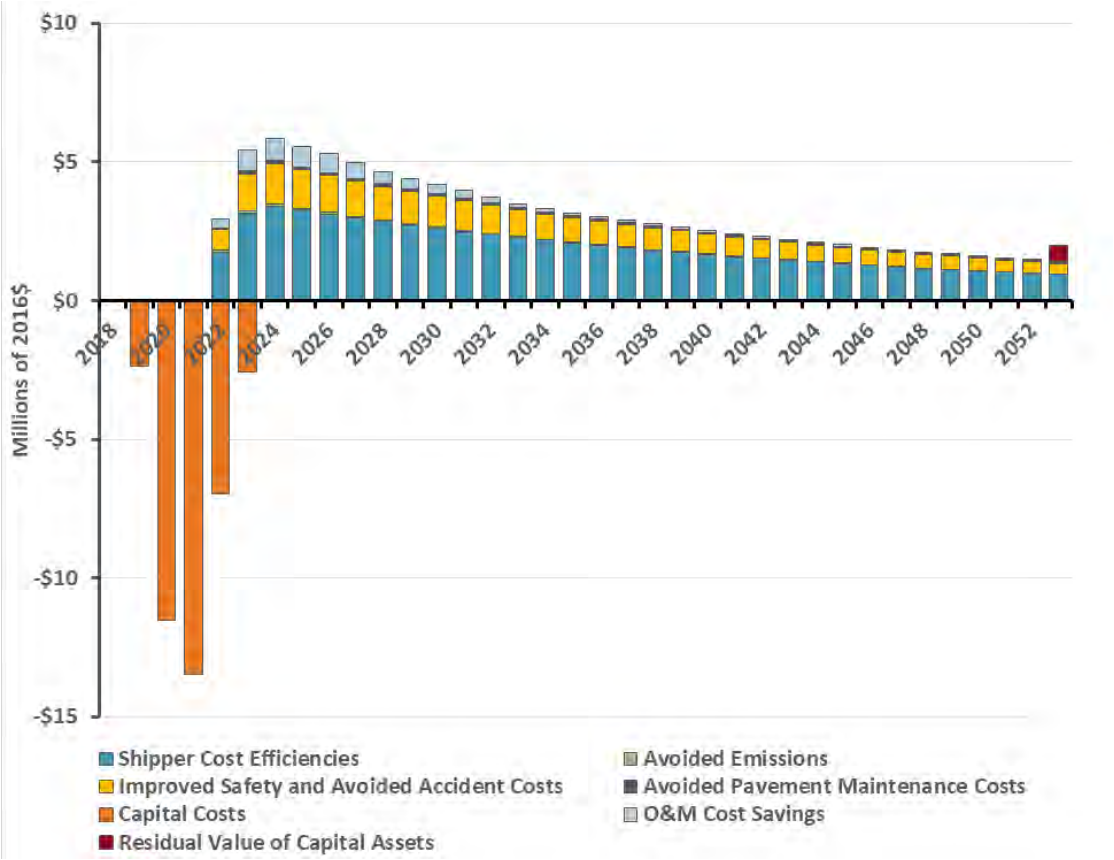


Table ES-3: Summary of Total Project Benefits and Costs

Calendar Year	Project Year	Direct Beneficiaries	Total Benefits (2017$)	Total Costs (2017$)	Undiscounted Net Benefits (2017$)	Discounted Total Benefits at 7%	Discounted Total Costs at 7%	Discounted Net Benefits at 7%
2018	0	Workers otherwise unemployed (shadow wage benefit); not quantified.	$0	$0	$0	$0	$0	$0
2019	1		$0	-$2,515,820	-$2,515,820	$0	-$2,351,234	-$2,351,234
2020	2		$0	-$13,203,762	-$13,203,762	$0	-$11,532,677	-$11,532,677
2021	3		$0	-$16,495,332	-$16,495,332	$0	-$13,465,104	-$13,465,104
2022	4		$3,892,629	-$9,155,107	-$5,262,478	$2,969,668	-$6,984,387	-$4,014,719
2023	5		$7,623,910	-$3,634,400	$3,989,510	$5,435,742	-$2,591,277	$2,844,465
2024	6	Producers and shippers, Federal and State governments, motorists, rail operators and, local residents and businesses.	$8,799,638	$0	$8,799,638	$5,863,570	$0	$5,863,570
2025	7		$8,935,578	$0	$8,935,578	$5,564,629	$0	$5,564,629
2026	8		$9,110,991	$0	$9,110,991	$5,302,680	$0	$5,302,680
2027	9		$9,113,995	$0	$9,113,995	$4,957,410	$0	$4,957,410
2028	10		$9,095,685	$0	$9,095,685	$4,623,785	$0	$4,623,785
2029	11		$9,260,881	$0	$9,260,881	$4,399,778	$0	$4,399,778
2030	12		$9,450,176	$0	$9,450,176	$4,195,991	$0	$4,195,991
2031	13		$9,639,510	$0	$9,639,510	$4,000,054	$0	$4,000,054
2032	14		$9,661,561	$0	$9,661,561	$3,746,920	$0	$3,746,920
2033	15		$9,637,714	$0	$9,637,714	$3,493,151	$0	$3,493,151
2034	16		$9,793,053	$0	$9,793,053	$3,317,246	$0	$3,317,246
2035	17		$9,997,650	$0	$9,997,650	$3,165,000	$0	$3,165,000
2036	18		$10,229,733	$0	$10,229,733	$3,026,609	$0	$3,026,609
2037	19		$10,462,016	$0	$10,462,016	$2,892,834	$0	$2,892,834
2038	20		$10,704,827	$0	$10,704,827	$2,766,331	$0	$2,766,331
2039	21		$10,948,001	$0	$10,948,001	$2,644,086	$0	$2,644,086
2040	22		$11,200,856	$0	$11,200,856	$2,528,181	$0	$2,528,181
2041	23		$11,452,176	$0	$11,452,176	$2,415,801	$0	$2,415,801
2042	24		$11,709,306	$0	$11,709,306	$2,308,450	$0	$2,308,450
2043	25		$11,972,380	$0	$11,972,380	$2,205,901	$0	$2,205,901
2044	26		$12,241,536	$0	$12,241,536	$2,107,937	$0	$2,107,937
2045	27		$12,516,915	$0	$12,516,915	$2,014,352	$0	$2,014,352
2046	28		$12,799,944	$0	$12,799,944	$1,925,140	$0	$1,925,140
2047	29		$13,089,547	$0	$13,089,547	$1,839,904	$0	$1,839,904
2048	30		$13,385,875	$0	$13,385,875	$1,758,464	$0	$1,758,464
2049	31		$13,689,086	$0	$13,689,086	$1,680,650	$0	$1,680,650
2050	32		$13,999,338	$0	$13,999,338	$1,606,300	$0	$1,606,300
2051	33		$14,316,795	$0	$14,316,795	$1,535,257	$0	$1,535,257
2052	34		$14,641,625	$0	$14,641,625	$1,467,374	$0	$1,467,374
2053	35		$21,403,202	$0	$21,403,202	$2,004,687	$0	$2,004,687
Total			**$354,776,131**	**-$45,004,421**	**$309,771,710**	**$99,763,881**	**-$36,924,680**	**$62,839,202**

Table ES-4: Summary of Project Benefits by Benefit Type

Calendar Year	Project Year	Shipper Cost Efficiencies	Avoided Emissions	Improved Safety and Avoided Accident Costs	Avoided Pavement Maintenance Costs	Residual Value of Capital Assets	O&M Cost Savings
2018	0	$0	$0	$0	$0	$0	$0
2019	1	$0	$0	$0	$0	$0	$0
2020	2	$0	$0	$0	$0	$0	$0
2021	3	$0	$0	$0	$0	$0	$0
2022	4	$2,295,607	$100,512	$980,461	$76,049	$0	$440,000
2023	5	$4,406,742	$159,047	$1,882,134	$145,987	$0	$1,030,000
2024	6	$5,115,702	$149,531	$2,184,933	$169,473	$0	$1,180,000
2025	7	$5,234,509	$111,984	$2,235,676	$173,409	$0	$1,180,000
2026	8	$5,356,075	$109,882	$2,287,597	$177,436	$0	$1,180,000
2027	9	$5,480,465	$106,249	$2,340,725	$181,557	$0	$1,005,000
2028	10	$5,607,744	$102,082	$2,395,086	$185,773	$0	$805,000
2029	11	$5,737,978	$102,106	$2,450,709	$190,088	$0	$780,000
2030	12	$5,871,237	$96,812	$2,507,625	$194,502	$0	$780,000
2031	13	$6,007,591	$87,038	$2,565,862	$199,020	$0	$780,000
2032	14	$6,147,112	$80,356	$2,625,452	$203,642	$0	$605,000
2033	15	$6,289,873	$73,045	$2,686,425	$208,371	$0	$380,000
2034	16	$6,435,949	$65,079	$2,748,815	$213,210	$0	$330,000
2035	17	$6,585,418	$51,417	$2,812,653	$218,162	$0	$330,000
2036	18	$6,738,358	$60,172	$2,877,975	$223,228	$0	$330,000
2037	19	$6,894,850	$63,940	$2,944,813	$228,413	$0	$330,000
2038	20	$7,054,976	$72,930	$3,013,203	$233,717	$0	$330,000
2039	21	$7,218,821	$76,852	$3,083,182	$239,145	$0	$330,000
2040	22	$7,386,471	$84,899	$3,154,786	$244,699	$0	$330,000
2041	23	$7,558,015	$85,726	$3,228,053	$250,382	$0	$330,000
2042	24	$7,733,543	$86,545	$3,303,021	$256,197	$0	$330,000
2043	25	$7,913,147	$87,355	$3,379,731	$262,147	$0	$330,000
2044	26	$8,096,922	$88,157	$3,458,222	$268,235	$0	$330,000
2045	27	$8,284,966	$88,949	$3,538,536	$274,465	$0	$330,000
2046	28	$8,477,376	$91,014	$3,620,715	$280,839	$0	$330,000
2047	29	$8,674,255	$93,128	$3,704,803	$287,361	$0	$330,000
2048	30	$8,875,707	$95,291	$3,790,843	$294,035	$0	$330,000
2049	31	$9,081,836	$97,504	$3,878,882	$300,863	$0	$330,000
2050	32	$9,292,753	$99,768	$3,968,965	$307,851	$0	$330,000
2051	33	$9,508,569	$102,085	$4,061,141	$315,000	$0	$330,000
2052	34	$9,729,396	$104,456	$4,155,457	$322,316	$0	$330,000
2053	35	$9,955,352	$106,882	$4,251,964	$329,801	$6,429,203	$330,000
Total		**$225,047,317**	**$2,980,793**	**$96,118,445**	**$7,455,373**	**$6,429,203**	**$16,745,000**

Table ES-5: Summary of Pertinent Quantifiable Data

Calendar Year	Project Year	Freight Ton-miles Diverted from Truck to Rail	Truck-miles Diverted from Public Roads to Rail	Avoided Fatalities	Avoided Injuries
2018	0	0	0	0.00	0.00
2019	1	0	0	0.00	0.00
2020	2	0	0	0.00	0.00
2021	3	0	0	0.00	0.00
2022	4	23,584,625	943,385	0.05	1.24
2023	5	45,274,021	1,810,961	0.10	2.37
2024	6	52,557,731	2,102,309	0.11	2.75
2025	7	53,778,334	2,151,133	0.11	2.82
2026	8	55,027,285	2,201,091	0.12	2.88
2027	9	56,305,242	2,252,210	0.12	2.95
2028	10	57,612,877	2,304,515	0.12	3.02
2029	11	58,950,882	2,358,035	0.12	3.09
2030	12	60,319,960	2,412,798	0.13	3.16
2031	13	61,720,834	2,468,833	0.13	3.23
2032	14	63,154,241	2,526,170	0.13	3.31
2033	15	64,620,939	2,584,838	0.14	3.39
2034	16	66,121,698	2,644,868	0.14	3.46
2035	17	67,657,312	2,706,292	0.14	3.54
2036	18	69,228,589	2,769,144	0.15	3.63
2037	19	70,836,357	2,833,454	0.15	3.71
2038	20	72,481,464	2,899,259	0.15	3.80
2039	21	74,164,777	2,966,591	0.16	3.89
2040	22	75,887,184	3,035,487	0.16	3.98
2041	23	77,649,591	3,105,984	0.16	4.07
2042	24	79,452,929	3,178,117	0.17	4.16
2043	25	81,298,148	3,251,926	0.17	4.26
2044	26	83,186,220	3,327,449	0.18	4.36
2045	27	85,118,141	3,404,726	0.18	4.46
2046	28	87,094,929	3,483,797	0.18	4.56
2047	29	89,117,626	3,564,705	0.19	4.67
2048	30	91,187,298	3,647,492	0.19	4.78
2049	31	93,305,037	3,732,201	0.20	4.89
2050	32	95,471,958	3,818,878	0.20	5.00
2051	33	97,689,203	3,907,568	0.21	5.12
2052	34	99,957,942	3,998,318	0.21	5.24
2053	35	102,279,370	4,091,175	0.22	5.36
Total		**2,312,092,748**	**92,483,710**	**4.90**	**121**

In addition to the monetized benefits presented in Tables ES-3 to ES-5, the project would generate benefits that are difficult to quantify, including

- ***Reduced Road Congestion***

  Fewer freight trucks on Interstate Highways and local roads would help alleviate traffic congestion. This impact is not monetized as a detailed traffic study has not been conducted to assess the impact of the project.

- ***Trade Flow Reliability***

  The requested improvements to the rail would provide an alternate method for the shipment of goods along the corridor in the event of flooding or other disruptions on the Mississippi river and provide minimal delays to goods moving East and West along the Union Pacific and Kansas City Southern Class 1 rails.

- ***Reduced Noise Pollution***

  Studies have indicated that diverting truck freight from public roads to rail reduces noise pollution and benefits a wide range of stakeholders along the transportation corridors.

1 Introduction

This document provides detailed technical information on the economic analyses conducted in support of the USDOT INFRA Grant Application for the Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project.

Section 2, Methodological Framework, introduces the conceptual framework used in the Benefit-Cost Analysis (BCA). Section 3, Project Overview, provides an overview of the project, including a brief description of existing conditions and proposed alternatives; a summary of cost estimates and schedule; and a description of the types of effects that the Project is expected to generate. Section 4, General Assumptions, discusses the general assumptions used in the estimation of project costs and benefits, while estimates of travel demand and traffic volumes can be found in Section 5, Demand Projections. Specific data elements and assumptions pertaining to the "Support for National or Regional Economic Vitality" merit criteria are presented in Section 6, Benefits Measurement, Data, and Assumptions, along with associated benefit estimates. Estimates of the project's NPV, its BCR and other project evaluation metrics are introduced in Section 7, Summary of Findings and Benefit-Cost Outcomes. Next, Section 8, Benefit Cost Analysis Sensitivity, provides the outcomes of the sensitivity analysis. Additional data tables are provided in Section 9, Supplementary Data Tables including annual estimates of benefits and costs, as well as intermediate values to assist USDOT in its review of the application.

2 Methodological Framework

Benefit-Cost Analysis (BCA) is a conceptual framework that quantifies in monetary terms as many of the costs and benefits of a project as possible. Benefits are broadly defined. They represent the extent to which people impacted by the project are made better off, as measured by their own willingness-to-pay. In other words, central to BCA is the idea that people are best able to judge what is "good" for them, what improves their well-being or welfare.

BCA also adopts the view that a net increase in welfare (as measured by the summation of individual welfare changes) is a good thing, even if some groups within society are made worse-off. A project or proposal would be rated positively if the benefits to some are large enough to compensate the losses of others.

Finally, BCA is typically a forward-looking exercise, seeking to anticipate the welfare impacts of a project or proposal over its entire life cycle. Future welfare changes are weighted against today's changes through discounting, which is meant to reflect society's general preference for the present, as well as broader inter-generational concerns.

The specific methodology developed for this application was developed using the above BCA principles and is consistent with the USDOT INFRA guidelines (December 2018). In particular, the methodology involves:

- Establishing existing and future conditions under the Base Case (No-Build) and Alternative Case (Build) scenarios;
- Assessing benefits with respect to each of the five long-term outcomes identified in the INFRA Notice of Funding Opportunity (NOFO);
- Measuring benefits in dollar terms, whenever possible, and expressing benefits and costs in a common unit of measurement;
- Using USDOT guidance for the valuation of travel time savings, safety benefits and reductions in air emissions, while relying on industry best practice for the valuation of other effects;
- Discounting future benefits and costs with the real discount rates recommended by the USDOT (7 percent) , as well as a 3 percent discount rate as a sensitivity; and,
- Conducting a sensitivity analysis to assess the impacts of changes in key estimating assumptions.

3 Project Overview

The Southeast Arkansas Economic Development District (SEAEDD), Lake Providence Port Commission (LPPC), the Madison Parish Port Commission (MPPC), Yellow Bend Port, the Delta Southern Railroad (DSR), and the North Louisiana & Arkansas Railroad (NLA) are partnering to re-develop a multimodal freight corridor located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas south to Tallulah in rural Northeast Louisiana (Figure 2). The Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (the Project) is a unique public-private partnership between a state agency (SEAEDD), three public ports (Yellow Bend Port, Port of Lake Providence, and Madison Parish Port), and two private short line railroads (NLA and DSR) in one of the most severely economically distressed regions of the US. The Project covers two counties in Southeast Arkansas (Desha and Chicot) and two parishes in Northeast Louisiana (East Carroll and Madison).

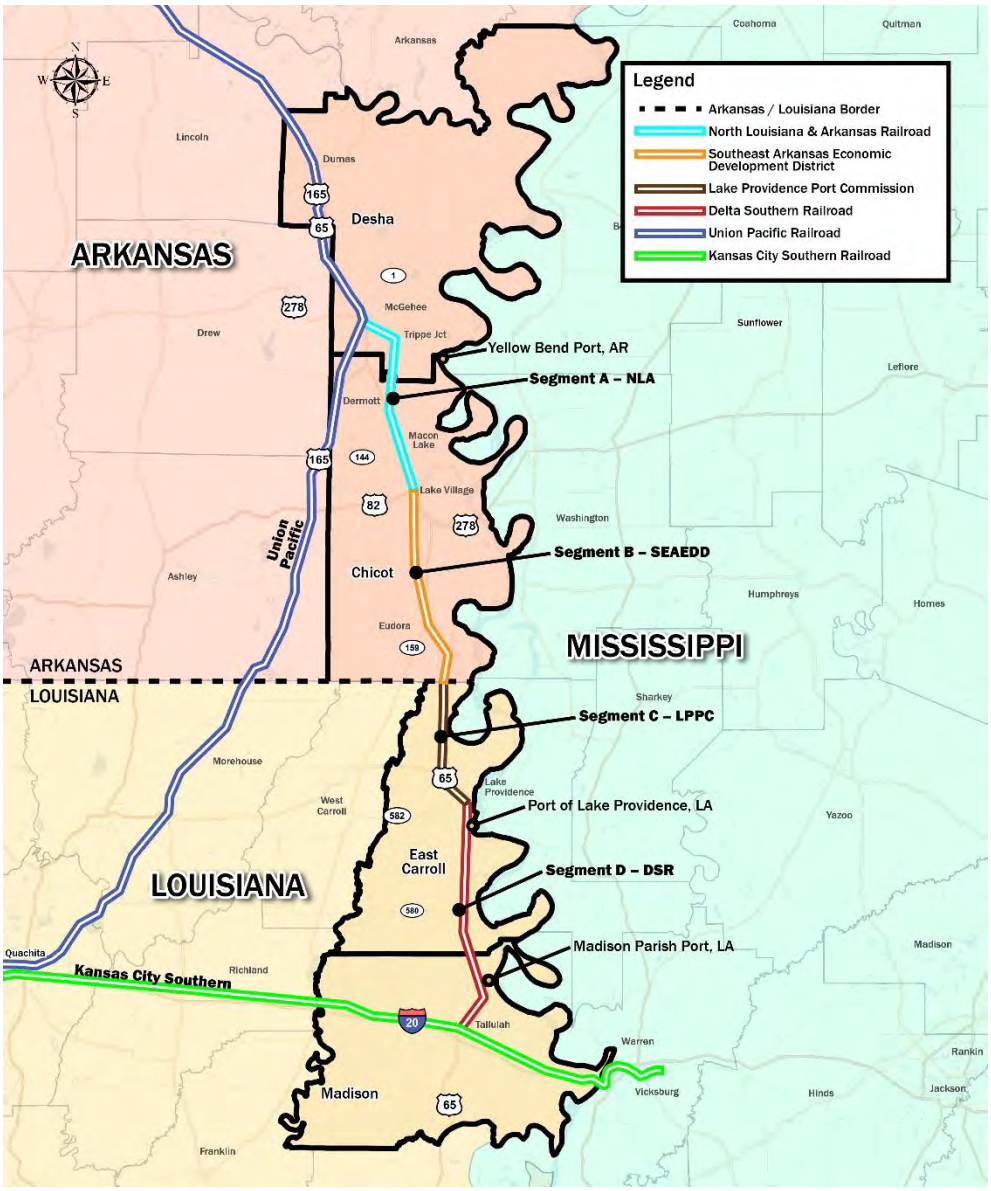
The Port of Lake Providence facility is Louisiana's largest inland port. It ships over 1.3 million tons of freight annually, and is located near Lake Providence, Louisiana, in East Carroll Parish. The Madison Parish Port facility ships approximately 750,000 tons of freight annually and is located 6 miles north of Tallulah, Louisiana. The Ports are located in an agricultural section of Northeast Louisiana and primarily serve the area farmers by providing storage and shipping solutions for grain and fertilizer. In addition to agricultural products, the ports handle aggregates, building materials, and other commodities for shippers and receivers, including steel.

This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce. The McGehee-Tahhulah Railroad Corridor interfaces directly with the existing Port of Lake Providence and Madison Parish Port (and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas); several local railroad shippers; and three other railroads with local, regional, national, and international connections.

Much of the McGehee-Tallulah Railroad Corridor had been closed or underutilized for approximately 15 years, but was recently rehabilitated and placed back into continuous service in 2016. However, most of the track on the main line is comprised of the original lightweight rail of 85 pounds / yard. This condition and other constraints from the existing legacy track structure and bridges on the Corridor provide impediments to accommodating loaded freight cars with a maximum allowable gross weight of 286,000 lbs., which is the current and heavier industry standard for freight transportation by rail.

In terms of area roadway connections for supporting truck transportation in Southeast Arkansas and Northeast Louisiana, U.S. Highway 65 closely parallels the McGehee-Tallulah Railroad Corridor, and Interstate 20, a segment of an important east-west transcontinental interstate highway and trade route, runs through Tallulah.

Figure 2: Project Map



The three ports and the two connecting short line railroads provide a complimentary range of services to the region's shippers - the Lake Providence Port is a high-capacity agricultural niche port, the Madison Parish Port is the region's largest chemical niche port, and the Yellow Bend Port is one the region's largest handlers of wood chips and pellets. This specialization of the ports leads to very little competition between them and allows the partnering short line railroads an opportunity to provide cost-competitive common carrier service to a number of different industries. The improved rail infrastructure will allow for the handling of an even larger variety of commodity types by the railroads and ports.

3.1 Base Case and Alternative Case

The **Base Case** for the Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project is defined as the No-Build scenario. In the Base Case, there are no improvements to the existing track in the project corridor and no infrastructure to connect new shippers to the rail network. Rail operations continue to be more costly and less efficient for existing shippers, track maintenance costs remain high, and several shippers in the region rely on trucks to move goods to and from the market.

Some key assumptions used to define the Base Case include:

- Overall freight volume to and from the region grows at a weighted average rate of **2.3 percent** per year
- Many local producers and shippers have to move goods by truck over an average haul distance of **86 miles** in absence of rail capacity
    - Haul distances based on actual shipper origin/destination pairs and weighted based on the tonnage of commodities and products shipped
    - Assumed that only moves shorter than 500 miles go purely by truck; longer haul moves are hauled an average of **27 miles** to nearby transload facilities
- Rail traffic on the existing line continues to be less efficient and more costly to operate and maintain

The **Alternative Case** is defined as the Build scenario. In the Alternative Case, infrastructure improvements are implemented in the Project corridor which generate substantial public benefits. Some of these improvements and associated benefits include:

- Enhanced railroad transportation operating capacity, efficiency, and safety by upgrading the McGehee-Tallulah Railroad Corridor and connecting branch lines to the Port of Lake Providence and Madison Parish Port to Federal Railroad Administration (FRA) Class 2 Track allowing for train operations up to 25 miles per hour and elimination of any existing weight restrictions on bridges that would preclude accommodation of loaded freight cars with a maximum allowable gross weight of 286,000 lbs. This condition will result from improvements to the existing track structure where required, generally including installation of rail of 115 pounds per yard on the main track, replacement of 75 percent of crossties on the main line, and placement of 1,200 tons of stone ballast per mile.
- Enhanced railroad connectivity on the McGehee-Tallulah Railroad Corridor through development of a more direct and efficient interchange of railcars between the North Louisiana & Arkansas and the Union Pacific Railroad in McGehee, Arkansas, and between NLA and DSR at the Port of Lake Providence facility via a new interchange track that can accommodate carload and unit train interchange between the two short lines.
- Improved rail access and capacity at the Port of Lake Providence via a rail extension to its southern property line and to Madison Parish Port via an additional extension to some existing tracks and development of a new siding.
- Enriched capacity, efficiency, and safety of railroad switching and service operations via the rehabilitation of all current rail sidings on the McGehee-Tallulah Railroad Corridor.

- Improved safety at roadway/railroad grade crossings on the McGehee-Tallulah Railroad Corridor via the upgrade of grade crossing surfaces, signal infrastructure, and signage at select locations, including those interfaces between the railroad and heavily trafficked U.S. Highway 65. Previous analysis determined that there were 32 grade crossings in the Corridor likely in need of upgrades, including: U.S. Highways; State Highways; Parish Roads; Public Roads; and Private Roads.

Some key assumptions used to define the Alternative Case include:

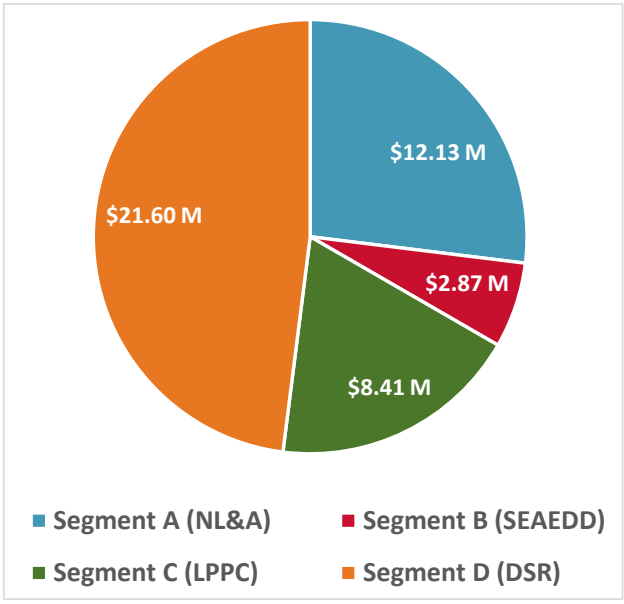
- Overall freight volume to and from the region grows at a weighted average rate of **2.3 percent** per year (same as Base Case)
- Project-related investments including new track and other infrastructure enable new shipments directly by rail, allowing shippers to avoid the average truck haul distance of **93 miles**, and instead move goods over the same distance by rail.
- For the purposes of the BCA, no freight is hauled by truck since only divertible shipper volumes are considered in the analysis
- New track greatly improves local operational efficiencies resulting in permanent operating benefits, and reduces the maintenance costs for the first 10 years of operations.

These project improvements accruing to a rural region will catalyze greater opportunities for economic development and job creation, greatly enhance access to domestic multimodal transportation and the global marketplace for local industries and shippers, and reduce truck traffic on the area roadway network and related Port congestion through diversion of freight from truck to rail.

3.2 Project Cost and Schedule

The Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project is a true public-private partnership, with State and private contributions representing 43.76 percent of the total funds needed. The $25.3 million request for INFRA funds would provide the remaining project funding and help leverage existing investments in the Project corridor. Figure 3 summarizes the uses of project capital expenditure funds, broken down by the project's major components.

Figure 3: Uses of Project Funds (2017$)



The capital costs would be incurred starting in 2019 through project completion in 2023. Some incremental operational and maintenance cost savings would begin to accrue as different segments of the project are constructed, and while incremental maintenance

impacts would level off in future years, operational savings are a permanent benefit to the project. Approximately 47% of the shipper volumes would become accessible by 2022, 89% by 2023, and all 100% of divertible shipper volumes by 2024 when all construction is complete and the first full year of benefits is accrued.

Table 1: Cost Summary Table

Capital Costs	2019	2020	2021	2022	2023	Total
Segment A (NL&A)	$1.97 M	$4.88 M	$5.29 M	-	-	$12.13 M
Segment B (SEAEDD)	-	$1.42 M	$1.45 M	-	-	$2.87 M
Segment C (LPPC)	$0.55 M	$2.20 M	$3.77 M	$1.89 M	-	$8.41 M
Segment D (DSR)	-	$4.71 M	$5.99 M	$7.27 M	$3.63 M	$21.60 M
Total Capital Costs	**$2.52 M**	**$13.20 M**	**$16.50 M**	**$9.16 M**	**$3.63 M**	**$45.00 M**

3.3 Impacts to National and Regional Economic Vitality

The main benefit categories associated with the project are mapped into categories in line with the "Support for National and Regional Economic Vitality" merit criteria.

Table 2: Expected Effects on Benefit Categories

Merit Criteria	Description	Monetized	Qualitative
Support for National or Regional Economic Vitality	Shipper cost efficiencies from truck to rail diversion	Yes	-
	Avoided emissions from reduced freight truck movements	Yes	-
	Improved safety and avoided accident costs from reduced freight truck movements	Yes	-
	Avoided pavement maintenance costs from reduced freight truck movements	Yes	-
	Residual value of capital assets	Yes	-
	Operations & maintenance costs savings	Yes	-
	Avoided road congestion costs from reduced freight truck movements	-	Yes
	Trade flow reliability benefits	-	Yes
	Reduced noise pollution from less truck traffic	-	Yes

4 General Assumptions

The BCA measures benefits against costs throughout a period of analysis beginning at the start of construction and including 30 full years of operations.

The monetized benefits and costs are estimated in 2017 dollars with future dollars discounted in compliance with USDOT INFRA requirements using a 7 percent real rate, and sensitivity testing at 3 percent.

The methodology makes several important assumptions and seeks to avoid overestimation of benefits and underestimation of costs. Specifically:

- Input prices are expressed in 2017 dollars;
- The period of analysis begins in 2018 and ends in 2053. It includes project development and construction years (2019 – 2023 including some initial operations in 2022 and 2023) and 30 full years of operations (2024 - 2053); and,
- A constant 7 percent real discount rate is assumed throughout the period of analysis. A 3 percent real discount rate is used for sensitivity analysis.

5 Demand Projections

Accurate demand projections are important to ensure the reasonable BCA output results. The magnitudes of the long-term benefits accruing over the Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project study period are a function of incremental volumes of freight that can be handled by rail in lieu of trucks, and the demand growth for freight movements to and from the region.

5.1 Methodology

The demand for freight movements and the associated truck (Base Case) and train (Alternative Case) volumes were derived from a detailed assessment of local producers, shippers, and the goods being moved to and from the region. Shipper data for the BCA was derived from interviews and past studies conducted by the local Ports, NLA, and DSR. Some of the specific data collected for shippers included:

- Estimate of truckloads per year required to ship all products
- Estimate of rail carload-equivalents required to ship all freight by train
- Origin and destination pairs of goods being shipped and the associated distance of haul
- Shipping costs by truck and carload

While some shippers suggested they would haul goods by truck over long distances, it was determined that beyond a distance of approximately 500 miles, it becomes more economical to truck goods to a transload facility and ship the remainder of the distance by rail. Given that the average distance to the nearest transload facilities for shippers in the project vicinity was assessed at 27 miles, it was assumed that only origins/destinations within 500 miles would be trucked directly to market. For any movements over longer distances would instead be trucked 27 miles, and moved by rail from there. Given that the remainder of the haul would be by rail and equivalent in the Base and Alternative Cases, only the trucked component is considered for analysis.

A detailed analysis of the U.S. Federal Highway Administration's (FHWA) Freight Analysis Framework (FAF4) forecasts for specific commodities and origin-destination pairs was used to generate a long-term freight movement growth rate.

The diversion of trucks to rail is a key driver of public value for the Project, so freight demand forecasts and modal diversion estimates were derived from shipper consultations and market analysis. Several assumptions were made as part of the analysis, with some of the key ones stipulating that:

- All volumes considered for analysis cannot currently be moved by rail and would have to be moved by truck as the next-best alternative
- New infrastructure proposed under the Alternative Case would allow all identified shippers to move all freight by rail

5.2 Assumptions

All assumptions used in the estimation of demand inputs for the Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project are provided in Table 3.

Table 3: Assumptions used in the Estimation of Demand

Forecast Output	Build Case - Rail	No Build Case - Trucks
Tons of freight	533,925	533,925
Weighted avg. growth /yr	2.32%	2.32%
Shipments (carloads/trucks)	21,297	5,444
Avg. freight per railcar/truck	25	98
Avg. carloads per train	-	100
Total average origin/destination haul distance	738 mi	738 mi
Average distance to the nearest transload facility	27 mi	27 mi
Average haul distance for diversion calculations	86 mi	93 mi
Shipping rate ($/ton-mile)	$0.0929	$0.0819
Shipping rate ($/shipment)	$1,675	$5,893

5.3 Demand Projections

The resulting projections for average freight movements and modal diversion outcomes are presented in the table below. Further details are available in Section 9, and the accompanying BCA spreadsheet model.

Table 4: Demand Projections

Forecast Output	2018	2024	2038	2053
No build case				
Tons of freight	533,925	612,780	845,075	1,192,494
Railcars per year	0	0	0	0
Trains per year	0	0	0	0
Trucks per year	21,297	24,442	33,708	47,566
Train ton-miles per year	0	0	0	0
Truck ton-miles per year	45,794,379	52,557,731	72,481,464	102,279,370
Build case				
Tons of freight	533,925	612,780	845,075	1,192,494
Railcars per year	0	6,248	8,617	12,159
Trains per year	0	62	86	122
Trucks per year	21,297	0	0	0
Train ton-miles per year	0	56,786,733	78,313,608	110,509,171
Truck ton-miles per year	45,794,379	0	0	0
Incremental impacts				
Tons of freight	0	0	0	0
Railcars per year	0	6,248	8,617	12,159
Trains per year	0	62	86	122
Trucks per year	0	-24,442	-33,708	-47,566
Train ton-miles per year	0	56,786,733	78,313,608	110,509,171
Truck ton-miles per year	0	-52,557,731	-72,481,464	-102,279,370

6 Benefits Measurement, Data, and Assumptions

This section describes the measurement approach used for each benefit or impact category identified in Table 2 and provides an overview of the associated methodology, assumptions, and estimates.

6.1 Support for National and Regional Economic Vitality

The Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project is expected to generate substantial benefits in line with the "Support for National and Regional Economic Vitality" merit criteria, where the specific benefits are described below.

6.1.1 Shipper Cost Efficiencies

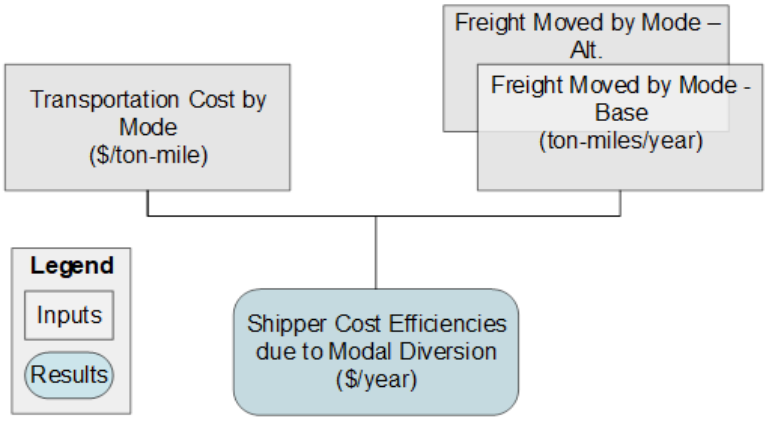
The proposed project would generate shipper cost efficiencies from modal diversion. As rail is generally more efficient in transporting goods across larger distances, the diversion to rail would increase the efficiency of delivering goods and thereby reduce the costs of doing business.

Demand for such services were determined through various interviews with current shipper who transport their goods by truck. It was indicated that the main reason that these shippers transport their goods by trucks was due to a lack of proper rail infrastructure. It should be noted that all the volumes used in this study are based upon current shippers and do not include any induced demand.

6.1.1.1 METHODOLOGY

Increasing rail capacity and freight throughput under the Alternative Case will enable current shippers to move more freight on rail at lower rates compared to truck alternatives when moving goods to market. The increased efficiency and reduced cost of doing business for shippers was estimated using recent average market rates for rail and truck shipments, multiplied by the volumes that would have otherwise continue to ship by truck in the Base Case and the average distance over which they are shipped. The impact on shipper cost efficiencies are demonstrated in Figure 4. Costs of trucking freight in the Base Case include cost of haul to market, as well as additional fees for empty return since these trucks are unlikely to be loaded with freight for return to origin.

Figure 4: Shipper Cost Efficiencies from Modal Diversion



6.1.1.2 ASSUMPTIONS

The assumptions used in the estimation of shipper cost efficiencies are summarized in the table below.

Table 5: Assumptions used in the Estimation of Shipper Cost Efficiency

Variable Name	Unit	Value	Source
Average Freight per Truck	tons/truck	25	Based on shipper data for types of commodities and industry averages. Assuming 25 tons per truck in line with maximum Interstate Highway load limits.
Average Freight per Train	tons/train	9,816	
Average truck shipping rate	$/ton-mile	$0.09	Regional rail rates based on shipper info, input from Delta Southern Railroad. Values inflated to 2017$
Average cost for empty truck return trip	$/truck mile	$2.32	Calculated based on shipper data and spot truck rates from DAT Solutions - Industry Trends - Spot Van Truck Rates for the South Central and South Eastern regions. Values inflated to 2017$.
Average train shipping rate	$/ton-mile	$0.08	Regional rail rates based on shipper info, input from Delta Southern Railroad. Values inflated to 2017$

6.1.1.3 BENEFIT ESTIMATES

Table 6 provides the monetized benefit estimates of shipper cost efficiencies. With a 7 percent discount rate applied, the estimated present value over the projected 30 year benefit period is $62.5 million dollars. See Sections 9.4 – 9.5 for additional information.

Table 6: Estimates of Shipper Cost Efficiencies

Values in 2017$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
Shipper Cost Efficiencies	$2,295,607	$225,047,317	$62,472,452
Total	**$2,295,607**	**$225,047,317**	**$62,472,452**

6.1.2 Environmental Benefits

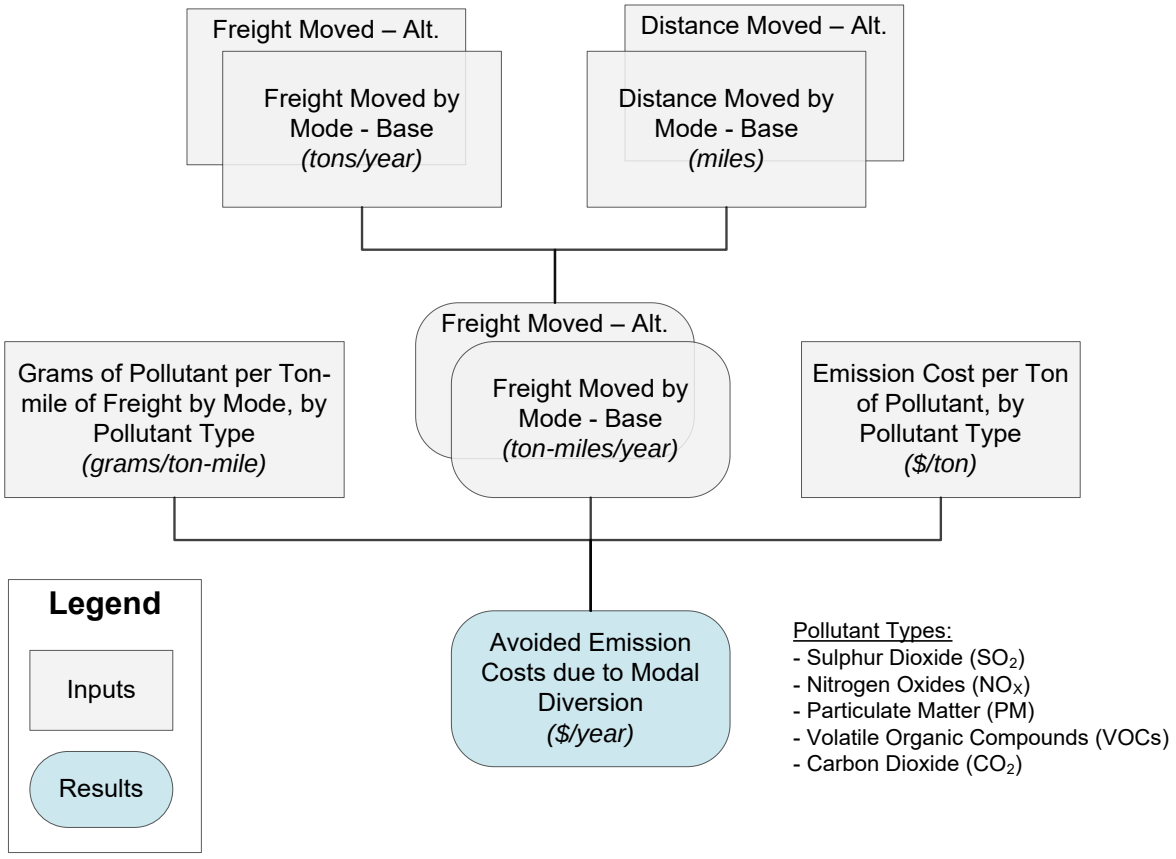
The proposed project would contribute to environmental sustainability through a net reduction in emissions due to reduced freight truck movements and reduced vehicle delay time at several rail crossings. Environmental costs are increasingly considered as an important component in the evaluation of transportation projects and the main environmental impacts of vehicle use and exhaust emissions can impose wide-ranging social costs on people, material, and vegetation. The negative effects of pollution depend not only on the quantity of pollution produced, but also on the types of pollutants emitted and the conditions into which the pollution is released.

6.1.2.1 METHODOLOGY

The environmental cost reduction for reduced truck movements is calculated by subtracting the cost of pollution produced by the increase in freight movements by rail from the cost of pollution prevented by reducing truck hauls. Air emission externalities are included in the calculations and are estimated in monetized costs per ton-mile for specific emission rates based on each pollutant.

Figure 5 below demonstrates the methodology used to estimate emission cost impacts for trucks and trains. Using forecasts of new rail capacity that will displace movements of the same freight by trucks, the change in emission costs from the reduction in the annual production of NO_x, VOC, PM, SO_2, and CO_2 were calculated.

Figure 5: Avoided Emission Costs due to Modal Diversion



6.1.2.2 ASSUMPTIONS

The assumptions used in the estimation of environmental benefits are summarized in the table below.

Table 7: Assumptions used in the Estimation of Environmental Benefits – Trucks

Emissions per Gallon of Fuel Burned - Long-haul Freight Trucks (grams/ton-mile)						
Year	**NOx**	**VOC**	**PM2.5**	**SO2**	**CO2**	**Source/Comment**
2018	0.3543	0.0177	0.0204	0.0009	102.5	Assuming combination Long-haul trucks with an average speed of 27.5 - 32.5mph, 6.3mpg fuel efficiency, and 130 ton-miles per gallon. Model run in June 2018.
2019	0.3272	0.0162	0.0186	0.0009	101.9	
2020	0.3002	0.0148	0.0168	0.0009	101.4	
2021	0.2731	0.0133	0.0151	0.0009	100.8	
2022	0.2460	0.0119	0.0133	0.0008	100.2	
2023	0.2190	0.0104	0.0115	0.0008	99.6	
2024	0.1919	0.0090	0.0097	0.0008	99.0	
2025	0.1649	0.0075	0.0079	0.0008	98.4	
2026	0.1565	0.0071	0.0074	0.0008	98.2	
2027	0.1481	0.0066	0.0068	0.0008	97.9	
2028	0.1397	0.0061	0.0063	0.0008	97.7	
2029	0.1314	0.0057	0.0057	0.0008	97.4	
2030	0.1230	0.0052	0.0052	0.0008	97.2	
2031	0.1146	0.0047	0.0046	0.0008	97.0	
2032	0.1062	0.0043	0.0041	0.0008	96.7	
2033	0.0979	0.0038	0.0035	0.0008	96.5	
2034	0.0895	0.0033	0.0030	0.0008	96.2	
2035	0.0811	0.0029	0.0024	0.0008	96.0	
2036	0.0806	0.0029	0.0024	0.0008	96.0	
2037	0.0801	0.0028	0.0024	0.0008	95.9	
2038	0.0796	0.0028	0.0023	0.0008	95.9	
2039	0.0791	0.0028	0.0023	0.0008	95.9	
2040	0.0786	0.0028	0.0023	0.0008	95.8	
2041	0.0781	0.0027	0.0023	0.0008	95.8	
2042	0.0777	0.0027	0.0022	0.0008	95.8	
2043	0.0772	0.0027	0.0022	0.0008	95.7	
2044	0.0767	0.0027	0.0022	0.0008	95.7	
2045	0.0762	0.0027	0.0022	0.0008	95.7	
2046	0.0762	0.0027	0.0022	0.0008	95.7	
2047	0.0762	0.0027	0.0022	0.0008	95.7	
2048	0.0762	0.0027	0.0022	0.0008	95.7	
2049	0.0762	0.0027	0.0022	0.0008	95.7	
2050	0.0762	0.0027	0.0022	0.0008	95.7	
2051	0.0762	0.0027	0.0022	0.0008	95.7	
2052	0.0762	0.0027	0.0022	0.0008	95.7	
2053	0.0762	0.0027	0.0022	0.0008	95.7	

Table 8: Assumptions used in the Estimation of Environmental Benefits – Locomotives

Emissions per Gallon of Fuel Burned - Line Haul Locomotives (grams/ton-mile)						
Year	**NOx**	**VOC**	**PM2.5**	**SO2**	**CO2**	**Source/Comment**
2018	0.2361	0.0097	0.0057	0.0041	22.34	United States Environmental Protection Agency, Office of Transportation and Air Quality, "Emission Factors for Locomotives", EPA-420-F-09-025, April 2009.
2019	0.2219	0.0088	0.0052	0.0040	22.01	
2020	0.2101	0.0080	0.0047	0.0040	21.68	
2021	0.1966	0.0075	0.0045	0.0039	21.36	
2022	0.1833	0.0069	0.0040	0.0039	21.05	
2023	0.1705	0.0064	0.0037	0.0038	20.74	
2024	0.1580	0.0059	0.0033	0.0038	20.43	
2025	0.1458	0.0054	0.0031	0.0037	20.13	
2026	0.1339	0.0051	0.0028	0.0036	19.83	
2027	0.1243	0.0046	0.0026	0.0036	19.54	
2028	0.1149	0.0042	0.0024	0.0035	19.25	
2029	0.1058	0.0039	0.0020	0.0035	18.96	
2030	0.0969	0.0037	0.0018	0.0034	18.68	
2031	0.0883	0.0032	0.0017	0.0034	18.41	
2032	0.0817	0.0030	0.0015	0.0033	18.14	
2033	0.0752	0.0028	0.0014	0.0033	17.87	
2034	0.0689	0.0025	0.0012	0.0032	17.60	
2035	0.0628	0.0023	0.0012	0.0032	17.34	
2036	0.0585	0.0021	0.0010	0.0031	17.09	
2037	0.0544	0.0021	0.0010	0.0031	16.84	
2038	0.0503	0.0019	0.0008	0.0031	16.59	
2039	0.0464	0.0019	0.0008	0.0030	16.34	
2040	0.0441	0.0017	0.0006	0.0030	16.10	
2041	0.0441	0.0017	0.0006	0.0030	16.10	
2042	0.0441	0.0017	0.0006	0.0030	16.10	
2043	0.0441	0.0017	0.0006	0.0030	16.10	
2044	0.0441	0.0017	0.0006	0.0030	16.10	
2045	0.0441	0.0017	0.0006	0.0030	16.10	
2046	0.0441	0.0017	0.0006	0.0030	16.10	
2047	0.0441	0.0017	0.0006	0.0030	16.10	
2048	0.0441	0.0017	0.0006	0.0030	16.10	
2049	0.0441	0.0017	0.0006	0.0030	16.10	
2050	0.0441	0.0017	0.0006	0.0030	16.10	
2051	0.0441	0.0017	0.0006	0.0030	16.10	
2052	0.0441	0.0017	0.0006	0.0030	16.10	
2053	0.0441	0.0017	0.0006	0.0030	16.10	

Table 9: Assumptions used in the Estimation of Environmental Benefits – Emission Values

Pollutant	Units	Year	Value	Source/Comment
Carbon Dioxide (CO_2)	$/short ton	2018	$0.91	US DOT, BCA Guidance December 2018; The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021-2026 Passenger Cars and Light Trucks (July 2018)
		2019	$0.91	
		2020	$0.91	
		2021	$0.91	
		2022	$0.91	
		2023	$0.91	
		2024	$0.91	
		2025	$0.91	
		2026	$0.91	
		2027	$0.91	
		2028	$0.91	
		2029	$0.91	
		2030	$0.91	
		2031	$1.09	
		2032	$1.27	
		2033	$1.45	
		2034	$1.63	
		2035	$1.81	
		2036	$1.81	
		2037	$1.81	
		2038	$1.81	
		2039	$1.81	
		2040	$1.81	
		2041	$1.81	
		2042	$1.81	
		2043	$1.81	
		2044	$1.81	
		2045	$1.81	
		2046	$1.81	
		2047	$1.81	
		2048	$1.81	
		2049	$1.81	
		2050	$1.81	
		2051	$1.81	
		2052	$1.81	
		2053	$1.81	
Nitrogen oxides (NOx)	$/short ton	2017-2053	$8,300	US DOT, BCA Guidance December 2018; The Safer Affordable Fuel-Efficient Vehicles Rule for MY2021-MY2026 Passenger Cars and Light Trucks Preliminary Regulatory Impact Analysis (October 2018)".
Volatile Organic Compounds (VOCs)	$/short ton	2017-2053	$2,000	
Particulate matter (PM)	$/short ton	2017-2053	$377,800	
Sulfur dioxide (SO_2)	$/short ton	2017-2053	$48,900	

6.1.2.3 BENEFIT ESTIMATES

The table below shows the benefit estimates of reducing vehicle delay times and reducing the amount of freight that must be shipped by truck. With a 7 percent discount rate, the estimated present value over the projected 30 year benefit period is $1.02 million dollars. See Sections 9.6 – 9.7 for additional information.

Table 10: Estimates of Environmental Benefits

Values in 2017$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
Avoided Emissions	$100,512	$2,980,793	$1,023,597
Total	**$100,512**	**$2,980,793**	**$1,023,597**

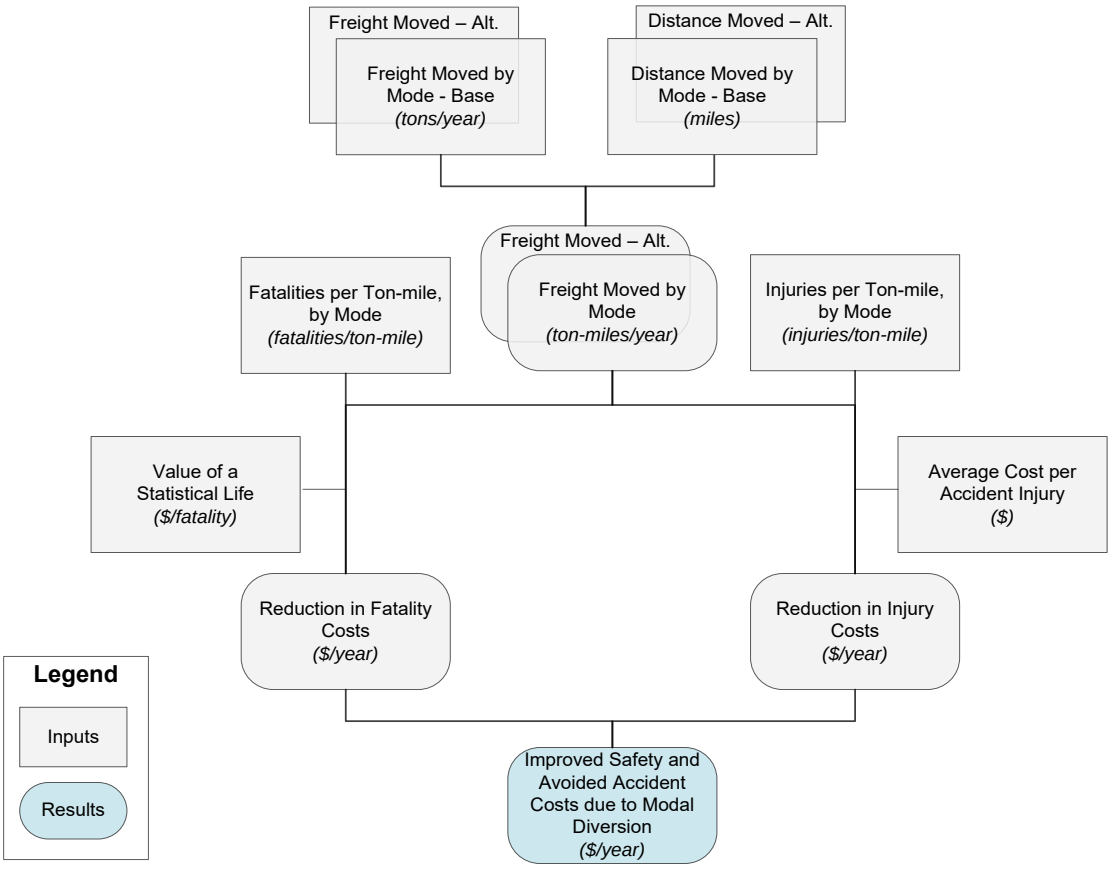
6.1.3 Safety Benefits

The proposed project would contribute to promoting safety through accident reductions due to fewer freight truck movements on public highways.

6.1.3.1 METHODOLOGY

Accident costs, and impacts on life, limb, and property, are a significant component of road user costs. Road safety is a key economic factor in the planning of roads, as well as an important indicator of transportation efficiency. Outside of the economic context, highway safety is often the object of public concern and a leading social issue. Estimating safety benefits requires data on the frequency and severity of accidents for the type of road and area under consideration. In addition, the costs of injuries and fatalities must be monetized. The reduction of trucks on local highways reduces traffic and the likelihood of accidents. Using publicly available data on fatalities and injuries per ton-mile by mode, accident cost impacts were monetized as shown in Figure 6.

Figure 6: Improved Safety and Avoided Accident Costs due to Modal Diversion



While the US DOT BCA Guidance provides a "Severity Unknown" category for injuries based on an assumed distribution of injuries shown in Table 11, which is based on all highway traffic, the vehicles assessed in this study generally are significantly heavier than the average highway vehicle. Moreover, given their heavier weight, it is expected that accidents involving these vehicles are expected to produce more serious injuries.

Table 11: Weighted Average for Severity Unknown Injuries per US DOT BCA Guidance

MAIS Category	Distribution	Value
No Injury	21.54%	$0
MAIS 1-Minor	62.73%	$28,800
MAIS 2-Moderate	10.40%	$451,200
MAIS 3-Serious	3.86%	$1,008,000
MAIS 4-Severe	0.44%	$2,553,600
MAIS 5-Critical	1.03%	$5,692,800
Injury – Severity Unknown	100.00%	$174,000

Road Traffic Related Injury Severity in Truck Drivers: A Prospective Medical and Technical Analysis of 582 Truck Crashes[1] analyzes injury severity for both truck drivers and other parties

[1] Decker, Sebastian, Dietmar Otte, Christian Walter Muller, Mohamed Omar, Christian Krettek, Carl Haasper, and Stephan Brand. "Road Traffic Related Injury Severity in Truck Drivers: A Prospective Medical and Technical Analysis of 582 Truck

involved in the crashes between 2000 and 2011. The findings from this 2016 study can be found in Table 12, which found a significantly higher percentage of critical injuries relative to the assumed distribution from the table above. Applying this adjusted weighting, the cost of injuries with unknown severity increases to $405,271 per injury and was applied to the monetization of expected injuries, but this assumption is tested in the sensitivity section of the report.

Table 12: Adjusted Average for Severity Unknown Injuries

MAIS Category	Distribution	Value
No Injury	49.96%	$0
MAIS 1-Minor	32.80%	$28,800
MAIS 2-Moderate	7.96%	$451,200
MAIS 3-Serious	3.01%	$1,008,000
MAIS 4-Severe	0.88%	$2,553,600
MAIS 5-Critical	5.39%	$5,692,800
Injury – Severity Unknown	100.00%	$405,271

6.1.3.2 ASSUMPTIONS

The assumptions used in the estimation of safety benefits are summarized in the table below.

Table 13: Assumptions used in the Estimation of Safety Benefits

Variable Name	Unit	Value	Source
Fatalities per Billion Ton-Miles by Train	fatalities/Btm	2.54	US Government Accountability Office, Surface Freight Transportation; A Comparison of the Costs of Road, Truck, and Waterways Freight Shipments That Are Not Passed on to Consumers, January 2011, Table 4.
Fatalities per Billion Ton-Miles by Truck	fatalities/Btm	0.39	
Injuries per Billion Ton-Miles by Truck	injuries/Btm	55.98	
Injuries per Billion Ton-Miles by Train	injuries/Btm	3.32	
Average Cost per Accident Injury	$/injury	$405,271	US DOT BCA Guidance for estimating costs of various MAIS injuries. Injuries for unknown severity for accidents calculated based on weighted average of data from "Road Traffic Related Injury Severity in Truck Drivers: A Prospective Medical and Technical Analysis of 582 Truck Crashes"
Value of a Statistical Life	$/fatality	$9,600,000	US DOT, Guidance on Treatment of the Economic Value of a Statistical Life in U.S. Department of Transportation Analyses. 2016. Obtained from US DOT BCA Guidance 2018.
Annual Growth in Real Accident Costs	%	0.00%	

6.1.3.3 BENEFIT ESTIMATES

The table below shows the benefit estimates of increased road safety and reduction of the probability of accidents due to a reduction in freight truck traffic. With a 7 percent discount rate applied to the safety benefit, the estimated present value over the projected 30 year benefit period is $26.7 million dollars. See Sections 9.6 – 9.9 for additional information.

Crashes," Archives of Trauma Research, 5(2) June 2016. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5035669/#A31380R21.

Table 14: Estimate of Safety Benefits

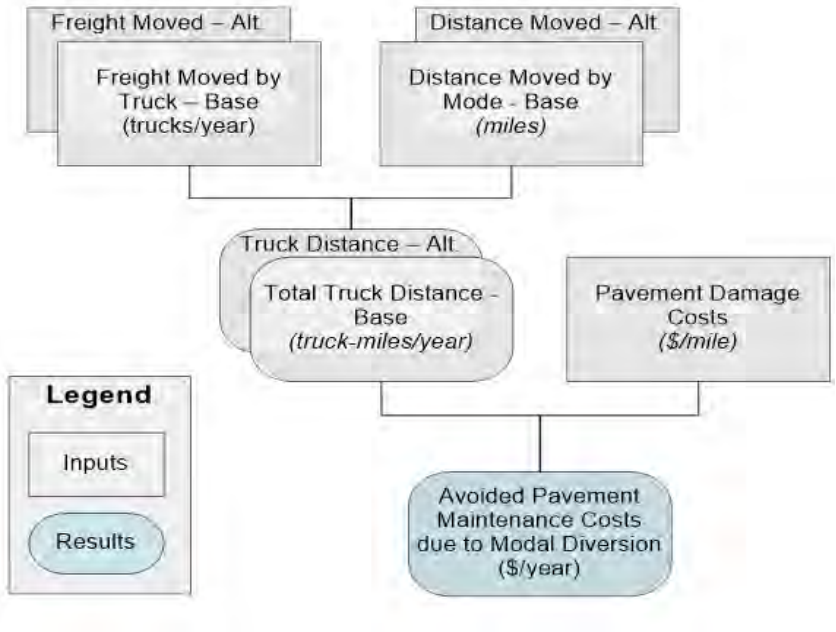
Values in 2017$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
Improved Safety and Avoided Accident Costs	$980,461	$96,118,445	$26,682,189
Total	**$980,461**	**$96,118,445**	**$26,682,189**

6.1.4 Avoided Pavement Maintenance Costs

6.1.4.1 METHODOLOGY

In estimating the pavement maintenance costs, ton-miles of goods transported by truck in both the Base and Alternative case are multiplied by the pavement maintenance cost factor from US DOT. Figure 7 outlines the methodology used to monetize the avoided pavement maintenance costs.

Figure 7: Avoided Pavement Maintenance Costs due to Modal Diversion



6.1.4.2 ASSUMPTIONS

The assumptions used in the estimation of avoided pavement maintenance costs are summarized in the table below.

Table 15: Assumptions used in the Estimation of Avoided Pavement Maintenance Costs

Variable Name	Unit	Value	Source
Pavement maintenance cost - rural interstate trucks	$/truck mile	$0.08	Addendum to the 1997 Federal Highway Cost Allocation Study, Final Report, U.S. Department of Transportation and Federal Highway Administration, May 2000; Table 13. Assuming 60 kip 5-axle trucks 65% on rural and 35% on urban highways, escalated to 2017$.

6.1.4.3 BENEFIT ESTIMATES

The table below shows the benefit estimates of reducing truck volumes. With a 7 percent discount rate, the estimated present value over the projected 30 year benefit period is $2.1 million dollars. See Section 9.10 for additional information.

Table 16: Estimates of Avoided Pavement Maintenance Costs

Values in 2017$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
Avoided Pavement Maintenance Costs	$76,049	$7,455,373	$2,069,589
Total	**$76,049**	**$7,455,373**	**$2,069,589**

6.1.5 Residual Value of Capital Assets

6.1.5.1 METHODOLOGY

The residual value of capital assets are calculated in line with the US DOT BCA Guidance based upon an estimated useful life of 35 years for railroads, determined through consultation with the SEADD, NLA, LPPC, and DSR.

6.1.5.2 ASSUMPTIONS

The table below highlights the assumptions used in the estimation of the residual value of the capital assets.

Table 17: Assumptions used in the Estimation of the Residual Value of Capital Assets

Variable Name	Unit	Value	Source
Useful Life of Assets from Segment A	years	35	North Louisiana & Arkansas Railroad (NLA)
Useful Life of Assets from Segment B	years	35	Southeast Arkansas Economic Development District
Useful Life of Assets from Segment C	years	35	Lake Providence Port Commission
Useful Life of Assets from Segment D	years	35	The Delta Southern Railroad

6.1.5.3 BENEFIT ESTIMATES

The table below shows the benefit estimate of the residual value. With a 7 percent discount rate, the estimated present value over the projected 30 year benefit period is $0.6 million dollars. See Section 9.11 for additional information.

Table 18: Estimates of the Residual Value of Capital Assets

Values in 2017$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
Residual Value of Capital Assets	$0	$6,429,203	$602,178
Total	**$0**	**$6,429,203**	**$602,178**

6.1.6 O&M Cost Savings

6.1.6.1 METHODOLOGY

The project is expected to generate both operations and maintenance cost savings from upgrading the current railroad infrastructure through improved railway efficiencies and reduced maintenance costs. The improved rail efficiencies generated by the project is expected to result in a permanent reduction in operations cost. Meanwhile, the railroad infrastructure is expected to reduce the maintenance cost, however as the railroad ages it is expected to incur maintenance costs. Specifically, it Is assumed that after 10 years of completing the railroad, maintenance costs would reflect current maintenance costs.

6.1.6.2 ASSUMPTIONS

The assumptions used in the estimation of O&M cost savings are summarized in the table below.

Table 19: Assumptions used in the Estimation of O&M Cost Savings

Variable Name	Unit	Value	Source
Operation Costs Savings - NL&A	$/year	$180,000	North Louisiana & Arkansas Railroad (NL&A). Value from a permanent railroad efficiency improvement.
Operation Cost Savings - DSR	$/year	$150,000	Delta Southern Railroad (DSR). Value from a permanent railroad efficiency improvement.
Average Annual Maintenance Costs Savings - NL&A	$/year	$525,000	North Louisiana & Arkansas Railroad (NL&A). Reduce maintenance cost for new rail for 10 years
Average Annual Maintenance Cost Savings - DSR	$/year	$125,000	Delta Southern Railroad (DSR). Reduce maintenance cost for new rail for 10 years

6.1.6.3 BENEFIT ESTIMATES

The table below presents the benefit estimates for O&M cost savings through modal diversion. With a 7 percent discount rate, the estimated present value over the projected 30 years benefit period is $6.9 million dollars. See Section 9.12 for additional information.

Table 20: Estimates of O&M Cost Savings

Values in 2017$	In Project Opening Year	Over the Project Lifecycle	
		In Constant Dollars	Discounted at 7%
O&M Cost Savings	$440,000	$16,745,000	$6,913,877
Total	**$440,000**	**$16,745,000**	**$6,913,877**

6.1.7 Other Economic and Social Impacts

In addition to the monetized benefits presented in this section, the project would generate benefits that are difficult to quantify. A brief description of those benefits is provided below.

- ***Reduced Road Congestion***

  Fewer freight trucks on Interstate Highways and local roads would help alleviate traffic congestion. This impact is not monetized as a detailed traffic study has not been conducted to assess the impact of the project.

- ***Trade Flow Reliability***

  In 2011 the Mississippi River experienced record flooding and in 2012 the River was at low water flow levels. Both events caused numerous barge shipping challenges and delays. The requested improvements to the rail would provide an alternate method for the shipment of goods along the corridor and also provide minimal delays to goods moving East and West along the Union Pacific and Kansas City Southern Class 1 rails. Disruptions to the regional freight network have severe impacts on local farms and hinder the delivery of input materials and international exports from manufacturing plants in the south.

- ***Reduced Noise Pollution***

  Studies have indicated that diverting truck freight from public roads to rail reduces noise pollution and benefits a wide range of stakeholders along the transportation corridors.

7 Summary of Findings and Benefit-Cost Outcomes

The tables below summarize the BCA findings. Annual costs and benefits are computed over the lifecycle of the project (35 years). As stated earlier, construction is expected to be completed by 2023. Benefits accrue during the full operation of the project.

Table 21: Overall Results of the Benefit Cost Analysis

Project Evaluation Metric	7% Discount Rate	3% Discount Rate
Total Discounted Benefits	$99,763,881	$194,387,594
Total Discounted Costs	$36,924,680	$41,253,181
Net Present Value	$62,839,202	$153,134,413
Benefit / Cost Ratio	2.70	4.71
Payback Period (years)	10.50	9.36
Internal Rate of Return (%)	18.1%	

Table 22: Benefit Estimates by Benefit Category

Impact Categories	7% Discount Rate	3% Discount Rate
Shipper Cost Efficiencies	$62,472,452	$122,830,587
Avoided Pavement Maintenance Costs	$2,069,589	$4,069,134
Residual Value of Capital Assets	$602,178	$2,284,832
O&M Cost Savings	$6,913,877	$10,964,703
Improved Safety and Avoided Accident Costs	$26,682,189	$52,461,345
Avoided Emissions	$932,486	$1,657,411
Total Benefit Estimates	**$99,672,770**	**$194,268,012**

Considering all monetized benefits and costs, the estimated internal rate of return of the project is 18.1 percent. With a 7 percent real discount rate, the $36.9 million investment would result in $99.8 million in total benefits for a Net Present Value of $62.8 million and a Benefit/Cost ratio of approximately 2.70.

With a 3 percent real discount rate, the Net Present Value of the project would increase to $153.1 million, for a Benefit/Cost ratio of 4.71.

8 Benefit Cost Analysis Sensitivity

8.1 Variation in Key Inputs and Assumptions

The BCA outcomes presented in the previous sections rely on a large number of assumptions and long-term projections — both of which are subject to considerable uncertainty.

The primary purpose of the sensitivity analysis is to help identify the variables and model parameters whose variations have the greatest impact on the BCA outcomes: the "critical variables."

The sensitivity analysis can also be used to:

- Evaluate the impact of changes in individual critical variables – how much the final results would vary with reasonable departures from the "preferred" or most likely value for the variable; and
- Assess the robustness of the BCA and evaluate, in particular, whether the conclusions reached under the "preferred" set of input values are significantly altered by reasonable departures from those values.

The outcomes of the quantitative analysis for Southeast Arkansas and Northeast Louisiana Multi-modal Freight Corridor Improvement Project using a 7 percent discount rate are summarized in the table below. The table provides the percentage changes in project NPV associated with variations in variables or parameters, as indicated in the column headers. Given the overwhelming majority of the benefits being derived from impacts associated with the track capacity constraints, three parameters in the sensitivity focused on critical assumptions for the benefits and costs of the project: freight movement demand growth, average haul distance, and the capital costs of the new infrastructure. In addition, a sensitivity for the cost of injuries of unknown severity was conducted to ensure assess the variation between applying the adjusted value and the value provided in the latest US DOT BCA Guidance.

Table 23: Sensitivity Analysis Results

Original NPV (Discounted at 7%)	Parameters	Change in Parameter Value	New NPV (Discounted at 7%)	Change in NPV	New B/C Ratio
$62,839,202	Avg. Annual Freight Growth Rate	+2.0% higher growth per year	$98,701,847	+57.07%	3.67
		-2.0% lower growth per year	$38,514,557	-38.71%	2.04
	Avg. Haul Distance	+25% increase in distance	$62,839,202	+36.70%	3.33
		-25% reduction in distance	$39,777,245	-36.70%	2.08
	Injury Cost	Using cost of injury of unknown severity from the US DOT BCA guidance.	$55,062,178	-12.38%	2.49
	Capital Cost Estimate	+25% increase in capital cost	$53,758,576	-14.45%	2.16
		-25% reduction in capital cost	$71,919,827	14.45%	3.60

As can be expected, using a lower freight growth forecast results in lower project benefits as fewer trucks would be needed for the gradual growth in demand. The benefit-cost ratio remains well above 1.0 and demonstrates that even at a very conservative (0.3%/year) demand growth rate, there is a strong case for this project. Inversely, a more aggressive growth rate (4.3%) could result in the BCR reaching as high as 3.67.

Changes in the haul distance have a more uniform and significant impact on results since every ton-mile of freight transported is incrementally beneficial by rail over truck. A 25% increase in average distance increases the NPV by 37% and changes the BCR to 3.33; an inverse 25% decrease reduces the NPV by 37% to $39.8M and a BCR of 2.08.

By applying a cost of injuries of unknown severity aligned with the values presented in the US DOT BCA Guidance 2018 of $174,000 per injury, the NPV decreases by 12% but still results in a BCR greater than 1.0.

Changes in the capital cost estimates have a relatively less impactful influence on the net present value, but a greater influence on the BCR, resulting in a potential range of 2.16 to 3.60.

Given that these variables drive the overwhelming majority of the analysis results, the sensitivity analysis indicates that the project is expected to be highly beneficial from the standpoint of its stakeholders and society as a whole.

9 Supplementary Data Tables

This section reports on all economic benefits in line with the “Support for National and Regional Economic Vitality” merit criteria in annual form for the Southeast Arkansas Economic Development District project. Results are reported by year and benefit type. For example, tables providing estimates of annual emission reductions (in tons) are provided under Environmental Benefits.

9.1 Annual Estimates of Total Project Benefits and Costs

Calendar Year	Project Year	Total Benefits (2017$)	Total Costs (2017$)	Undiscounted Net Benefits (2017$)	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	$0	$0	$0	$0	$0
2019	1	$0	-$2,515,820	-$2,515,820	$0	-$2,351,234
2020	2	$0	-$13,203,762	-$13,203,762	$0	-$11,532,677
2021	3	$0	-$16,495,332	-$16,495,332	$0	-$13,465,104
2022	4	$3,892,629	-$9,155,107	-$5,262,478	$2,969,668	-$4,014,719
2023	5	$7,623,910	-$3,634,400	$3,989,510	$5,435,742	$2,844,465
2024	6	$8,799,638	$0	$8,799,638	$5,863,570	$5,863,570
2025	7	$8,935,578	$0	$8,935,578	$5,564,629	$5,564,629
2026	8	$9,110,991	$0	$9,110,991	$5,302,680	$5,302,680
2027	9	$9,113,995	$0	$9,113,995	$4,957,410	$4,957,410
2028	10	$9,095,685	$0	$9,095,685	$4,623,785	$4,623,785
2029	11	$9,260,881	$0	$9,260,881	$4,399,778	$4,399,778
2030	12	$9,450,176	$0	$9,450,176	$4,195,991	$4,195,991
2031	13	$9,639,510	$0	$9,639,510	$4,000,054	$4,000,054
2032	14	$9,661,561	$0	$9,661,561	$3,746,920	$3,746,920
2033	15	$9,637,714	$0	$9,637,714	$3,493,151	$3,493,151
2034	16	$9,793,053	$0	$9,793,053	$3,317,246	$3,317,246
2035	17	$9,997,650	$0	$9,997,650	$3,165,000	$3,165,000
2036	18	$10,229,733	$0	$10,229,733	$3,026,609	$3,026,609
2037	19	$10,462,016	$0	$10,462,016	$2,892,834	$2,892,834
2038	20	$10,704,827	$0	$10,704,827	$2,766,331	$2,766,331
2039	21	$10,948,001	$0	$10,948,001	$2,644,086	$2,644,086
2040	22	$11,200,856	$0	$11,200,856	$2,528,181	$2,528,181
2041	23	$11,452,176	$0	$11,452,176	$2,415,801	$2,415,801
2042	24	$11,709,306	$0	$11,709,306	$2,308,450	$2,308,450
2043	25	$11,972,380	$0	$11,972,380	$2,205,901	$2,205,901
2044	26	$12,241,536	$0	$12,241,536	$2,107,937	$2,107,937
2045	27	$12,516,915	$0	$12,516,915	$2,014,352	$2,014,352
2046	28	$12,799,944	$0	$12,799,944	$1,925,140	$1,925,140
2047	29	$13,089,547	$0	$13,089,547	$1,839,904	$1,839,904
2048	30	$13,385,875	$0	$13,385,875	$1,758,464	$1,758,464
2049	31	$13,689,086	$0	$13,689,086	$1,680,650	$1,680,650
2050	32	$13,999,338	$0	$13,999,338	$1,606,300	$1,606,300
2051	33	$14,316,795	$0	$14,316,795	$1,535,257	$1,535,257
2052	34	$14,641,625	$0	$14,641,625	$1,467,374	$1,467,374
2053	35	$21,403,202	$0	$21,403,202	$2,004,687	$2,004,687
Total		**$354,776,131**	**-$45,004,421**	**$309,771,710**	**$99,763,881**	**$62,839,202**

9.2 Annual Demand Projections (1 of 2)

Calendar Year	Project Year	Base Case		Alternative Case	
		Train ton-miles per year	Truck ton-miles per year	Train ton-miles per year	Truck ton-miles per year
2018	0	0	45,794,379	0	45,794,379
2019	1	0	46,857,910	0	46,857,910
2020	2	0	47,946,140	0	47,946,140
2021	3	0	49,059,644	0	49,059,644
2022	4	0	50,199,007	25,482,337	26,614,382
2023	5	0	51,364,832	48,916,947	6,090,810
2024	6	0	52,557,731	56,786,733	0
2025	7	0	53,778,334	58,105,551	0
2026	8	0	55,027,285	59,454,997	0
2027	9	0	56,305,242	60,835,783	0
2028	10	0	57,612,877	62,248,636	0
2029	11	0	58,950,882	63,694,302	0
2030	12	0	60,319,960	65,173,541	0
2031	13	0	61,720,834	66,687,135	0
2032	14	0	63,154,241	68,235,880	0
2033	15	0	64,620,939	69,820,594	0
2034	16	0	66,121,698	71,442,111	0
2035	17	0	67,657,312	73,101,286	0
2036	18	0	69,228,589	74,798,994	0
2037	19	0	70,836,357	76,536,129	0
2038	20	0	72,481,464	78,313,608	0
2039	21	0	74,164,777	80,132,367	0
2040	22	0	75,887,184	81,993,365	0
2041	23	0	77,649,591	83,897,583	0
2042	24	0	79,452,929	85,846,025	0
2043	25	0	81,298,148	87,839,717	0
2044	26	0	83,186,220	89,879,711	0
2045	27	0	85,118,141	91,967,082	0
2046	28	0	87,094,929	94,102,930	0
2047	29	0	89,117,626	96,288,381	0
2048	30	0	91,187,298	98,524,587	0
2049	31	0	93,305,037	100,812,727	0
2050	32	0	95,471,958	103,154,007	0
2051	33	0	97,689,203	105,549,661	0
2052	34	0	99,957,942	108,000,952	0
2053	35	0	102,279,370	110,509,171	0
Total		**0**	**2,534,456,013**	**2,498,132,832**	**222,363,266**

9.3 Annual Demand Projections (2 of 2)

Calendar Year	Project Year	Base Case		Alternative Case	
		Railcars per year	Trucks per year	Railcars per year	Trucks per year
2018	0	0	21,297	0	21,297
2019	1	0	21,792	0	21,792
2020	2	0	22,298	0	22,298
2021	3	0	22,816	0	22,816
2022	4	0	23,345	2,804	12,377
2023	5	0	23,888	5,382	2,833
2024	6	0	24,442	6,248	0
2025	7	0	25,010	6,393	0
2026	8	0	25,591	6,542	0
2027	9	0	26,185	6,694	0
2028	10	0	26,793	6,849	0
2029	11	0	27,416	7,008	0
2030	12	0	28,052	7,171	0
2031	13	0	28,704	7,337	0
2032	14	0	29,370	7,508	0
2033	15	0	30,052	7,682	0
2034	16	0	30,750	7,860	0
2035	17	0	31,465	8,043	0
2036	18	0	32,195	8,230	0
2037	19	0	32,943	8,421	0
2038	20	0	33,708	8,617	0
2039	21	0	34,491	8,817	0
2040	22	0	35,292	9,021	0
2041	23	0	36,111	9,231	0
2042	24	0	36,950	9,445	0
2043	25	0	37,808	9,665	0
2044	26	0	38,686	9,889	0
2045	27	0	39,585	10,119	0
2046	28	0	40,504	10,354	0
2047	29	0	41,445	10,594	0
2048	30	0	42,407	10,840	0
2049	31	0	43,392	11,092	0
2050	32	0	44,400	11,350	0
2051	33	0	45,431	11,613	0
2052	34	0	46,486	11,883	0
2053	35	0	47,566	12,159	0
Total		**0**	**1,178,667**	**274,860**	**103,412**

9.4 Shipper Cost Efficiencies: Pertinent Quantifiable Impacts

Calendar Year	Project Year	Freight Ton-miles Diverted from Truck to Rail	Truck-miles Diverted from Public Roads to Rail
2018	0	0	0
2019	1	0	0
2020	2	0	0
2021	3	0	0
2022	4	23,584,625	943,385
2023	5	45,274,021	1,810,961
2024	6	52,557,731	2,102,309
2025	7	53,778,334	2,151,133
2026	8	55,027,285	2,201,091
2027	9	56,305,242	2,252,210
2028	10	57,612,877	2,304,515
2029	11	58,950,882	2,358,035
2030	12	60,319,960	2,412,798
2031	13	61,720,834	2,468,833
2032	14	63,154,241	2,526,170
2033	15	64,620,939	2,584,838
2034	16	66,121,698	2,644,868
2035	17	67,657,312	2,706,292
2036	18	69,228,589	2,769,144
2037	19	70,836,357	2,833,454
2038	20	72,481,464	2,899,259
2039	21	74,164,777	2,966,591
2040	22	75,887,184	3,035,487
2041	23	77,649,591	3,105,984
2042	24	79,452,929	3,178,117
2043	25	81,298,148	3,251,926
2044	26	83,186,220	3,327,449
2045	27	85,118,141	3,404,726
2046	28	87,094,929	3,483,797
2047	29	89,117,626	3,564,705
2048	30	91,187,298	3,647,492
2049	31	93,305,037	3,732,201
2050	32	95,471,958	3,818,878
2051	33	97,689,203	3,907,568
2052	34	99,957,942	3,998,318
2053	35	102,279,370	4,091,175
Total		**2,312,092,748**	**92,483,710**

9.5 Shipper Cost Efficiencies Benefits: Annual Benefit Estimates

Calendar Year	Project Year	Shipper Cost Efficiencies	Total Shipper Cost Efficiencies	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	$0	$0	$0	$0
2019	1	$0	$0	$0	$0
2020	2	$0	$0	$0	$0
2021	3	$0	$0	$0	$0
2022	4	$2,295,607	$2,295,607	$1,751,308	$2,039,617
2023	5	$4,406,742	$4,406,742	$3,141,946	$3,801,295
2024	6	$5,115,702	$5,115,702	$3,408,808	$4,284,319
2025	7	$5,234,509	$5,234,509	$3,259,789	$4,256,135
2026	8	$5,356,075	$5,356,075	$3,117,285	$4,228,135
2027	9	$5,480,465	$5,480,465	$2,981,010	$4,200,320
2028	10	$5,607,744	$5,607,744	$2,850,693	$4,172,688
2029	11	$5,737,978	$5,737,978	$2,726,072	$4,145,238
2030	12	$5,871,237	$5,871,237	$2,606,900	$4,117,968
2031	13	$6,007,591	$6,007,591	$2,492,937	$4,090,877
2032	14	$6,147,112	$6,147,112	$2,383,956	$4,063,965
2033	15	$6,289,873	$6,289,873	$2,279,739	$4,037,230
2034	16	$6,435,949	$6,435,949	$2,180,079	$4,010,671
2035	17	$6,585,418	$6,585,418	$2,084,775	$3,984,286
2036	18	$6,738,358	$6,738,358	$1,993,637	$3,958,075
2037	19	$6,894,850	$6,894,850	$1,906,483	$3,932,036
2038	20	$7,054,976	$7,054,976	$1,823,140	$3,906,169
2039	21	$7,218,821	$7,218,821	$1,743,440	$3,880,472
2040	22	$7,386,471	$7,386,471	$1,667,224	$3,854,944
2041	23	$7,558,015	$7,558,015	$1,594,340	$3,829,584
2042	24	$7,733,543	$7,733,543	$1,524,642	$3,804,391
2043	25	$7,913,147	$7,913,147	$1,457,991	$3,779,363
2044	26	$8,096,922	$8,096,922	$1,394,254	$3,754,500
2045	27	$8,284,966	$8,284,966	$1,333,303	$3,729,801
2046	28	$8,477,376	$8,477,376	$1,275,016	$3,705,264
2047	29	$8,674,255	$8,674,255	$1,219,278	$3,680,889
2048	30	$8,875,707	$8,875,707	$1,165,976	$3,656,674
2049	31	$9,081,836	$9,081,836	$1,115,004	$3,632,618
2050	32	$9,292,753	$9,292,753	$1,066,261	$3,608,720
2051	33	$9,508,569	$9,508,569	$1,019,649	$3,584,980
2052	34	$9,729,396	$9,729,396	$975,074	$3,561,396
2053	35	$9,955,352	$9,955,352	$932,448	$3,537,967
Total		**$225,047,317**	**$225,047,317**	**$62,472,452**	**$122,830,587**

9.6 Environmental Benefits: Pertinent Quantifiable Impacts

Calendar Year	Project Year	Annual Emissions Avoided - NOx (tons)	Annual Emissions Avoided - VOC (tons)	Annual Emissions Avoided - PM (tons)	Annual Emissions Avoided - SO2 (tons)	Annual Emissions Avoided - CO2 (tons)	Freight Ton-miles Diverted from Truck to Rail	Truck-miles Diverted from Public Roads to Rail
2018	0	0	0.0	0.0	0.0	0	0	0
2019	1	0.00	0.00	0.00	0.00	0	0	0
2020	2	0.00	0.00	0.00	0.00	0	0	0
2021	3	0.00	0.00	0.00	0.00	0	0	0
2022	4	1.25	0.11	0.23	-0.09	2,013	23,584,625	943,385
2023	5	1.74	0.17	0.37	-0.16	3,851	45,274,021	1,810,961
2024	6	1.23	0.15	0.36	-0.19	4,456	52,557,731	2,102,309
2025	7	0.44	0.10	0.28	-0.19	4,544	53,778,334	2,151,133
2026	8	0.71	0.09	0.26	-0.19	4,654	55,027,285	2,201,091
2027	9	0.86	0.10	0.25	-0.19	4,767	56,305,242	2,252,210
2028	10	0.99	0.10	0.24	-0.19	4,883	57,612,877	2,304,515
2029	11	1.11	0.09	0.23	-0.19	5,000	58,950,882	2,358,035
2030	12	1.21	0.08	0.22	-0.19	5,121	60,319,960	2,412,798
2031	13	1.31	0.09	0.19	-0.19	5,244	61,720,834	2,468,833
2032	14	1.25	0.07	0.17	-0.19	5,369	63,154,241	2,526,170
2033	15	1.18	0.06	0.15	-0.20	5,498	64,620,939	2,584,838
2034	16	1.10	0.04	0.12	-0.20	5,629	66,121,698	2,644,868
2035	17	0.99	0.03	0.09	-0.20	5,763	67,657,312	2,706,292
2036	18	1.33	0.04	0.10	-0.20	5,915	69,228,589	2,769,144
2037	19	1.67	0.05	0.10	-0.20	6,071	70,836,357	2,833,454
2038	20	2.02	0.06	0.12	-0.20	6,230	72,481,464	2,899,259
2039	21	2.37	0.06	0.12	-0.20	6,394	74,164,777	2,966,591
2040	22	2.59	0.08	0.14	-0.20	6,561	75,887,184	3,035,487
2041	23	2.61	0.08	0.14	-0.21	6,711	77,649,591	3,105,984
2042	24	2.63	0.08	0.14	-0.21	6,863	79,452,929	3,178,117
2043	25	2.64	0.08	0.14	-0.22	7,019	81,298,148	3,251,926
2044	26	2.66	0.08	0.14	-0.22	7,179	83,186,220	3,327,449
2045	27	2.67	0.08	0.14	-0.23	7,343	85,118,141	3,404,726
2046	28	2.74	0.08	0.14	-0.23	7,513	87,094,929	3,483,797
2047	29	2.80	0.09	0.15	-0.24	7,688	89,117,626	3,564,705
2048	30	2.86	0.09	0.15	-0.24	7,866	91,187,298	3,647,492
2049	31	2.93	0.09	0.15	-0.25	8,049	93,305,037	3,732,201
2050	32	3.00	0.09	0.16	-0.25	8,236	95,471,958	3,818,878
2051	33	3.07	0.09	0.16	-0.26	8,427	97,689,203	3,907,568
2052	34	3.14	0.10	0.17	-0.26	8,623	99,957,942	3,998,318
2053	35	3.21	0.10	0.17	-0.27	8,823	102,279,370	4,091,175
Total		**62.3**	**2.73**	**5.67**	**-6.64**	**198,302**	**2,312,092,748**	**92,483,710**

9.7 Environmental Benefits: Annual Benefit Estimates

Calendar Year	Project Year	Avoided Emissions Costs due to Modal Diversion	Total Environmental Sustainability Benefits	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	$0	$0	$0	$0
2019	1	$0	$0	$0	$0
2020	2	$0	$0	$0	$0
2021	3	$0	$0	$0	$0
2022	4	$100,512	$100,512	$76,680	$89,304
2023	5	$159,047	$159,047	$113,398	$137,195
2024	6	$149,531	$149,531	$99,639	$125,230
2025	7	$111,984	$111,984	$69,738	$91,053
2026	8	$109,882	$109,882	$63,953	$86,742
2027	9	$106,249	$106,249	$57,792	$81,431
2028	10	$102,082	$102,082	$51,893	$75,958
2029	11	$102,106	$102,106	$48,510	$73,764
2030	12	$96,812	$96,812	$42,986	$67,902
2031	13	$87,038	$87,038	$36,118	$59,269
2032	14	$80,356	$80,356	$31,163	$53,125
2033	15	$73,045	$73,045	$26,475	$46,885
2034	16	$65,079	$65,079	$22,044	$40,555
2035	17	$51,417	$51,417	$16,277	$31,108
2036	18	$60,172	$60,172	$17,803	$35,345
2037	19	$63,940	$63,940	$17,680	$36,464
2038	20	$72,930	$72,930	$18,846	$40,379
2039	21	$76,852	$76,852	$18,561	$41,312
2040	22	$84,899	$84,899	$19,163	$44,308
2041	23	$85,726	$85,726	$18,084	$43,436
2042	24	$86,545	$86,545	$17,062	$42,574
2043	25	$87,355	$87,355	$16,095	$41,721
2044	26	$88,157	$88,157	$15,180	$40,878
2045	27	$88,949	$88,949	$14,315	$40,044
2046	28	$91,014	$91,014	$13,689	$39,780
2047	29	$93,128	$93,128	$13,090	$39,519
2048	30	$95,291	$95,291	$12,518	$39,259
2049	31	$97,504	$97,504	$11,971	$39,000
2050	32	$99,768	$99,768	$11,448	$38,744
2051	33	$102,085	$102,085	$10,947	$38,489
2052	34	$104,456	$104,456	$10,469	$38,236
2053	35	$106,882	$106,882	$10,011	$37,984
Total		**$2,980,793**	**$2,980,793**	**$1,023,597**	**$1,776,992**

9.8 Safety Benefits: Pertinent Quantifiable Impacts

Calendar Year	Project Year	Fatalities Avoided	Injuries Avoided
2018	0	0.00	0.00
2019	1	0.00	0.00
2020	2	0.00	0.00
2021	3	0.00	0.00
2022	4	0.05	1.24
2023	5	0.10	2.37
2024	6	0.11	2.75
2025	7	0.11	2.82
2026	8	0.12	2.88
2027	9	0.12	2.95
2028	10	0.12	3.02
2029	11	0.12	3.09
2030	12	0.13	3.16
2031	13	0.13	3.23
2032	14	0.13	3.31
2033	15	0.14	3.39
2034	16	0.14	3.46
2035	17	0.14	3.54
2036	18	0.15	3.63
2037	19	0.15	3.71
2038	20	0.15	3.80
2039	21	0.16	3.89
2040	22	0.16	3.98
2041	23	0.16	4.07
2042	24	0.17	4.16
2043	25	0.17	4.26
2044	26	0.18	4.36
2045	27	0.18	4.46
2046	28	0.18	4.56
2047	29	0.19	4.67
2048	30	0.19	4.78
2049	31	0.20	4.89
2050	32	0.20	5.00
2051	33	0.21	5.12
2052	34	0.21	5.24
2053	35	0.22	5.36
Total		**4.90**	**121.14**

9.9 Safety Benefits: Annual Benefit Estimates

Calendar Year	Project Year	Improved Safety and Avoided Accident Costs	Total Safety Benefits	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	$0	$0	$0	$0
2019	1	$0	$0	$0	$0
2020	2	$0	$0	$0	$0
2021	3	$0	$0	$0	$0
2022	4	$980,461	$980,461	$747,989	$871,127
2023	5	$1,882,134	$1,882,134	$1,341,936	$1,623,545
2024	6	$2,184,933	$2,184,933	$1,455,913	$1,829,847
2025	7	$2,235,676	$2,235,676	$1,392,267	$1,817,809
2026	8	$2,287,597	$2,287,597	$1,331,402	$1,805,850
2027	9	$2,340,725	$2,340,725	$1,273,199	$1,793,970
2028	10	$2,395,086	$2,395,086	$1,217,540	$1,782,169
2029	11	$2,450,709	$2,450,709	$1,164,314	$1,770,445
2030	12	$2,507,625	$2,507,625	$1,113,415	$1,758,797
2031	13	$2,565,862	$2,565,862	$1,064,741	$1,747,227
2032	14	$2,625,452	$2,625,452	$1,018,195	$1,735,733
2033	15	$2,686,425	$2,686,425	$973,684	$1,724,314
2034	16	$2,748,815	$2,748,815	$931,119	$1,712,971
2035	17	$2,812,653	$2,812,653	$890,414	$1,701,702
2036	18	$2,877,975	$2,877,975	$851,489	$1,690,507
2037	19	$2,944,813	$2,944,813	$814,265	$1,679,386
2038	20	$3,013,203	$3,013,203	$778,669	$1,668,338
2039	21	$3,083,182	$3,083,182	$744,629	$1,657,362
2040	22	$3,154,786	$3,154,786	$712,077	$1,646,459
2041	23	$3,228,053	$3,228,053	$680,948	$1,635,628
2042	24	$3,303,021	$3,303,021	$651,180	$1,624,868
2043	25	$3,379,731	$3,379,731	$622,713	$1,614,178
2044	26	$3,458,222	$3,458,222	$595,490	$1,603,559
2045	27	$3,538,536	$3,538,536	$569,458	$1,593,010
2046	28	$3,620,715	$3,620,715	$544,564	$1,582,530
2047	29	$3,704,803	$3,704,803	$520,758	$1,572,120
2048	30	$3,790,843	$3,790,843	$497,992	$1,561,777
2049	31	$3,878,882	$3,878,882	$476,222	$1,551,503
2050	32	$3,968,965	$3,968,965	$455,404	$1,541,296
2051	33	$4,061,141	$4,061,141	$435,495	$1,531,157
2052	34	$4,155,457	$4,155,457	$416,457	$1,521,084
2053	35	$4,251,964	$4,251,964	$398,251	$1,511,077
Total		**$96,118,445**	**$96,118,445**	**$26,682,189**	**$52,461,345**

9.10 Avoided Pavement Maintenance Costs: Annual Benefits Estimates

Calendar Year	Project Year	Avoided Pavement Maintenance Costs	Total Avoided Pavement Maintenance Costs	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	$0	$0	$0	$0
2019	1	$0	$0	$0	$0
2020	2	$0	$0	$0	$0
2021	3	$0	$0	$0	$0
2022	4	$76,049	$76,049	$58,017	$67,568
2023	5	$145,987	$145,987	$104,086	$125,929
2024	6	$169,473	$169,473	$112,927	$141,931
2025	7	$173,409	$173,409	$107,990	$140,997
2026	8	$177,436	$177,436	$103,269	$140,070
2027	9	$181,557	$181,557	$98,755	$139,148
2028	10	$185,773	$185,773	$94,438	$138,233
2029	11	$190,088	$190,088	$90,309	$137,324
2030	12	$194,502	$194,502	$86,361	$136,420
2031	13	$199,020	$199,020	$82,586	$135,523
2032	14	$203,642	$203,642	$78,976	$134,631
2033	15	$208,371	$208,371	$75,523	$133,745
2034	16	$213,210	$213,210	$72,222	$132,866
2035	17	$218,162	$218,162	$69,064	$131,992
2036	18	$223,228	$223,228	$66,045	$131,123
2037	19	$228,413	$228,413	$63,158	$130,261
2038	20	$233,717	$233,717	$60,397	$129,404
2039	21	$239,145	$239,145	$57,757	$128,552
2040	22	$244,699	$244,699	$55,232	$127,707
2041	23	$250,382	$250,382	$52,817	$126,867
2042	24	$256,197	$256,197	$50,508	$126,032
2043	25	$262,147	$262,147	$48,300	$125,203
2044	26	$268,235	$268,235	$46,189	$124,379
2045	27	$274,465	$274,465	$44,170	$123,561
2046	28	$280,839	$280,839	$42,239	$122,748
2047	29	$287,361	$287,361	$40,392	$121,941
2048	30	$294,035	$294,035	$38,626	$121,138
2049	31	$300,863	$300,863	$36,938	$120,341
2050	32	$307,851	$307,851	$35,323	$119,550
2051	33	$315,000	$315,000	$33,779	$118,763
2052	34	$322,316	$322,316	$32,302	$117,982
2053	35	$329,801	$329,801	$30,890	$117,206
Total		**$7,455,373**	**$7,455,373**	**$2,069,589**	**$4,069,134**

9.11 Residual Value of Capital Assets: Annual Benefit Estimates

Calendar Year	Project Year	Residual Value of Capital Assets	Total Residual Value of Capital Assets	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	$0	$0	$0	$0
2019	1	$0	$0	$0	$0
2020	2	$0	$0	$0	$0
2021	3	$0	$0	$0	$0
2022	4	$0	$0	$0	$0
2023	5	$0	$0	$0	$0
2024	6	$0	$0	$0	$0
2025	7	$0	$0	$0	$0
2026	8	$0	$0	$0	$0
2027	9	$0	$0	$0	$0
2028	10	$0	$0	$0	$0
2029	11	$0	$0	$0	$0
2030	12	$0	$0	$0	$0
2031	13	$0	$0	$0	$0
2032	14	$0	$0	$0	$0
2033	15	$0	$0	$0	$0
2034	16	$0	$0	$0	$0
2035	17	$0	$0	$0	$0
2036	18	$0	$0	$0	$0
2037	19	$0	$0	$0	$0
2038	20	$0	$0	$0	$0
2039	21	$0	$0	$0	$0
2040	22	$0	$0	$0	$0
2041	23	$0	$0	$0	$0
2042	24	$0	$0	$0	$0
2043	25	$0	$0	$0	$0
2044	26	$0	$0	$0	$0
2045	27	$0	$0	$0	$0
2046	28	$0	$0	$0	$0
2047	29	$0	$0	$0	$0
2048	30	$0	$0	$0	$0
2049	31	$0	$0	$0	$0
2050	32	$0	$0	$0	$0
2051	33	$0	$0	$0	$0
2052	34	$0	$0	$0	$0
2053	35	$6,429,203	$6,429,203	$602,178	$2,284,832
Total		**$6,429,203**	**$6,429,203**	**$602,178**	**$2,284,832**

9.12 O&M Costs Savings: Annual Benefit Estimates

Calendar Year	Project Year	O&M Cost Savings	Total O&M Cost Savings	Total Benefits Discounted at 7%	Total Benefits Discounted at 3%
2018	0	$0	$0	$0	$0
2019	1	$0	$0	$0	$0
2020	2	$0	$0	$0	$0
2021	3	$0	$0	$0	$0
2022	4	$440,000	$440,000	$335,674	$390,934
2023	5	$1,030,000	$1,030,000	$734,376	$888,487
2024	6	$1,180,000	$1,180,000	$786,284	$988,231
2025	7	$1,180,000	$1,180,000	$734,845	$959,448
2026	8	$1,180,000	$1,180,000	$686,771	$931,503
2027	9	$1,005,000	$1,005,000	$546,653	$770,249
2028	10	$805,000	$805,000	$409,221	$598,996
2029	11	$780,000	$780,000	$370,572	$563,489
2030	12	$780,000	$780,000	$346,329	$547,076
2031	13	$780,000	$780,000	$323,672	$531,142
2032	14	$605,000	$605,000	$234,629	$399,976
2033	15	$380,000	$380,000	$137,729	$243,908
2034	16	$330,000	$330,000	$111,782	$205,645
2035	17	$330,000	$330,000	$104,470	$199,655
2036	18	$330,000	$330,000	$97,635	$193,840
2037	19	$330,000	$330,000	$91,248	$188,194
2038	20	$330,000	$330,000	$85,278	$182,713
2039	21	$330,000	$330,000	$79,699	$177,391
2040	22	$330,000	$330,000	$74,485	$172,225
2041	23	$330,000	$330,000	$69,612	$167,208
2042	24	$330,000	$330,000	$65,058	$162,338
2043	25	$330,000	$330,000	$60,802	$157,610
2044	26	$330,000	$330,000	$56,825	$153,019
2045	27	$330,000	$330,000	$53,107	$148,562
2046	28	$330,000	$330,000	$49,633	$144,235
2047	29	$330,000	$330,000	$46,386	$140,034
2048	30	$330,000	$330,000	$43,351	$135,956
2049	31	$330,000	$330,000	$40,515	$131,996
2050	32	$330,000	$330,000	$37,865	$128,151
2051	33	$330,000	$330,000	$35,387	$124,419
2052	34	$330,000	$330,000	$33,072	$120,795
2053	35	$330,000	$330,000	$30,909	$117,277
Total		**$16,745,000**	**$16,745,000**	**$6,913,877**	**$10,964,703**

EXHIBIT C

LPPC Letter dated August 10, 1988

June 29, 1988 ICC Decision in Docket No. AB-3 (Sub-No. 72)

LPPC Letter dated August 10, 1988

LAKE PROVIDENCE PORT COMMISSION

HIGHWAY 65 SOUTH ⁘ P.O. BOX 348
LAKE PROVIDENCE, LOUISIANA 71254
PHONE: (318) 559-2365

August 10, 1988

AUG 11 1988
MAIL MANAGEMENT
I.C.C.

Ms. Noreta McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Re: Docket No. AB-3 (Sub. No. 72) Missouri Pacific Railroad Company Abandonment - In Desha and Chicot Counties Arkansas and East Carroll, Madison, Tensas and Concordia Parishes, Louisiana

Dear Ms. McGee:

The Lake Providence Port Commission would like to support the appeal submitted by National Railway Equipment Company ("NREC").

The Lake Providence Port Commission's only interest is to see that rail service is continued in our area so that jobs can be saved and economic growth will not be hindered. We have no desire to own or operate a railroad.

We understand that NREC and Missouri Pacific Railroad ("MP") have been working for several months on an agreement that would allow the sale of this line from MP to NREC. We also understand that the two parties are close to reaching a final agreement.

We feel that it is in everyone's best interest if the Commission reverses it decision of July 27 so that, ultimately, this rail line can be purchased by NREC and rail service can be continued.

We would appreciate a decision on this matter as soon as possible.

Again, we strongly support the reversal of your decision of July 27 and feel that this is in the best interest of all parties.

Respectfully requested,

Randy Walters
Port Director

cc: Mr. Karl Morell
Mr. Joseph D. Anthofer

ENTERED
Office of the Secretary
AUG 11 1988
Part of
Public Record

June 29, 1988 ICC Decision in Docket No. AB-3 (Sub-No. 72)

RC

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SERVICE DATE

JUL 11 1988

INTERSTATE COMMERCE COMMISSION

DECISION

Docket No. AB-3 (Sub-No. 72)

MISSOURI PACIFIC RAILROAD COMPANY - ABANDONMENT - IN DESHA AND CHICOT COUNTIES, AR, AND EAST CARROLL, MADISON, TENSAS, AND CONCORDIA PARISHES, LA

Decided: June 29, 1988

By application filed January 29, 1988, Missouri Pacific Railroad Company (MP), seeks to abandon its 162.7-mile line of railroad between milepost 408.9 near McGehee in Desha County, AR, and milepost 651.6 near Vidalia in Concordia Parish, LA. This line consists of the Lake Providence Branch between milepost 408.9 and milepost 642.2 at Ferriday and the Vidalia Branch between milepost 642.2 and milepost 651.6. Public notice was properly given. Protests were filed by Arkansas Transportation Safety Agency (ARTrans), Brotherhood of Locomotive Engineers (BLE), Chicot Warehouse, Inc. (ChiWare), Cobra Resources, Inc. (Cobra) Complex Chemicals Co. Inc. (Complex) Farmers Terminal (FarmGrain) and its wholly-owned subsidiary Farmers Cottonseed Company (FarmCotCo), Hardwoods of Morganton, Inc. (Hardwoods), Lake Providence Port Commission (PortCom), Livingston Pecan & Metal Co. (Livingston) Louisiana Railcar, Inc. (LARailcar), Riceland Foods, Inc. (Riceland), E. Sondheimer Co. (Sondheimer Lumber), The Louisiana Public Service Commission (LAPSC) and U.S. Senators Dale Bumpers and David Pryor. Comments were filed by U.S. Senators John Breaux and J. Bennett Johnston; U.S. Representatives John P. Hammerschmidt, Jerry Huckaby and Beryl Anthony, Jr.; the First National Bank of McGehee (Bank of McGehee), City of McGhee, McGhee Chamber of Commerce (Chamber), Hollybrook Warehouse, Inc. (Hollybrook) and Epstein Gin Company (Epstein).

Comments were also filed by numerous non-shipper protestants, area cotton producers, municipal governments, state and local officials, and residents of the communities served by the rail line. However, the railroad was not served with a copy of any of these comments. Accordingly, none of these comments will be considered.

By decision served March 11, 1988, we instituted an investigation and set the proceeding for handling under the modified procedure. MP was directed to supply traffic and financial data separately for the line segments running between milepost 408.9 near McGehee and milepost 498.4 at Tallulah, LA (Northern Segment) and milepost 498.4 at Tallulah and milepost 651.6 near Vidalia (Southern Segment).1/

Pursuant to the March 11, 1988 order and the grant of a requested 2-week extension, MP filed its opening statement on April 7, 1988. In it, MP replied to the protests filed in response to its application. No protestants filed any statements, and by notice filed April 29, 1988, MP asked that we find that protestants had waived any further participation in this proceeding and asked that we grant the application forthwith. The fact that the protestants have not elected to submit statements, does not constitute a waiver of their protests and we will not treat it as such.

1/ For the Northern Segment, the requested information covered 1986 and 1987 (base year). Since the Southern Segment was not operated after January 1987, the requested information covered only 1986.

On March 23, 1988, FarmGrain and FarmCotCo filed a letter stating that they no longer intend to participate in this proceeding. Material contained in their protests remains a part of the record, but will be considered only to the extent other pleadings refer to them.

By decision served March 25, 1988, the Acting Director of the Office of Proceedings granted the motion to compel answers to interrogatories filed by MP, and directed ChiWare, Complex, Cobra and Hardwoods to answer MP's interrogatories on or before April 1, 1988. Embraced in MP's opening statement is a motion to strike the protests of Cobra, Complex and ChiWare for failure to answer MP's interrogatories and a request that we order that these three protestants not oppose the abandonment application. Subsequently, Cobra answered MP's interrogatories and on April 15, 1988, MP amended its motion accordingly. Because Complex and ChiWare failed to answer MP's interrogatories and because they advanced no reason why they were unable to comply with the March 25th decision directing them to answer MP's interrogatories, we will strike their protests from the record and dismiss them from further participation in this proceeding See 49 CFR 1114.31(b)(2)(iii).

Lastly, on April 25, 1988, LARailcar filed a letter requesting permission to withdraw its protest. Permission is granted.

TRAFFIC AND OPERATIONAL DATA

MP seeks to abandon the 162.7-mile line because the line allegedly requires substantial rehabilitation and revenues are insufficient to justify continued operation and rehabilitation of the line. Train service over the Northern Segment is provided by one tri-weekly local. The train departs McGehee on a Monday, travels to Tallulah and returns to McGehee on a Saturday. Farm products, coal, waste or scrap materials, food or kindred products and petroleum products are the principal commodities moving over the Northern Segment, while transportation equipment, metallic ores and farm products were the principal commodities hauled on the Southern Segment prior to January 1987. Traffic handled on the Northern Segment amounted to 1,569 cars in 1986 and 1,279 in 1987, while the Southern Segment handled 617 cars in 1986. Applicant identified 12 significant users of its Northern Segment service (users of 20 cars or more) during 1986 and 1987,[2/] and 8 significant users were identified for the Southern Segment service during 1986.[3/] Of these significant users, only Cobra (301 carloads in 1986 and 238 in 1987), Livingston (22 carloads in 1986 and 21 in 1987) and Riceland (144 carloads in 1986 and 58 in 1987) oppose the application.

Overhead traffic handled on the line amounted to 12 carloads of lumber in 1986 and 21 carloads in 1987. This traffic moves to points in California and is now interchanged with MidSouth Rail Corporation at Tallulah. If abandonment is approved, MP anticipates that a similar route can be found for this California lumber traffic.

Applicant states that it has employed "standard and customary" sales techniques in an effort to obtain additional traffic over the line. It asserts that customers have been made

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[2/] Allenberg Cotton, Cobra, Complex, Dixie River Cotton, Dunavant Enterprises, FarmCotCo, Great River Grain, Howard Cotton, Livingston, Riceland, Shell Chemical and Waterman Lines shipped or received 1,500 carloads in 1986 and Allenberg Cotton, Cobra, Complex, Conoco, Delta Gin, FarmCotCo, Great River Grain, Julien, Livingston, Newellton Gin, Planters Gin and Riceland shipped or received 1,132 carloads in 1987.

[3/] Allenberg Cotton, Aluminum Company of America, Delta Gin, Dunavant Enterprises, LARailcar, Newellton Gin, Howard Cotton and Planters Gin shipped or received 573 carloads.

aware of the poor economic condition of the line through letters, telephone calls and public meetings. MP claims that it was through its efforts in recent years that new movements of cottonseed to the Pacific Northwest were developed, and this traffic constitutes the major portion of traffic originating on the line. However, MP maintains that there appear to be no reasonable prospects for traffic to increase sufficiently in the foreseeable future so as to justify continued operation of the line.

PortCom states that it is very questionable that MP officials have made any effort to obtain new business for the line. It further states that it understands that MP was instrumental in forcing one business from the Port of Lake Providence.[4]/ According to PortCom, this business operated a public terminal at the port from 1978 to 1985 and received an average of 51,000 tons of cargo by rail each year.

MP replies that it has made strong efforts to develop new business on the line. It notes that, in February 1986, its sales personnel were involved in meetings with local business people, State economic development and transportation officials and local government officials to emphasize that more business was needed to keep the line in operation. MP states that it has not seen any substantial increase in traffic over the line since the February meetings.

TRACK CONDITION, MAINTENANCE AND REHABILITATION

The line is classified as "excepted track" under Federal Railroad Administration (FRA) regulations.[5]/ MP states that the excepted track designation was necessary primarily because of the poor tie condition caused by: (1) lightweight 85-pound rail section with a small tie plate (which decreases tie life); and (2) the fact that the ground underneath the track -- the "subgrade" -- remains saturated through much of each year due to the proximity of the Mississippi River and because the line passes through swamp areas. MP asserts that the Southern Segment was removed from service in January 1987 because the carrier could no longer operate over this segment without derailments. According to MP, the condition of the Southern Segment has continued to deteriorate and the segment is in such poor condition that only walking track inspections are possible over much of it. MP estimates that to rehabilitate the line to FRA Class I safety standards would require expenditures of $2,957,978 for the Northern Segment and $2,737,153 for the Southern Segment. MP indicates that these rehabilitation expenditures would only enable it to provide service for 2 to 3 years (or 1 year with poor weather conditions). It projects annual normalized maintenance at $880,070 for the Northern Segment and $734,282 for the Southern Segment.

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[4]/ To support this statement, PortCom submits a letter dated February 22, 1988, addressed to PortCom from the Columbus River Transportation Center (CRTC), of Columbus, MS, stating that the prime reason it did not exercise the 5-year option on its port facilities lease is the pending abandonment of the MP line. It also states that had the rail rate structures into Lake Providence been more "fair", the port would have continued to share in its traffic. Finally, the letter concludes that if: (1) rail service at the port is retained, (2) freight rate structures return to more logical and reasonable levels, and (3) there would be an opportunity for CRTC to engage in a stevedoring and terminal business, then CRTC would consider once again its involvement with Lake Providence port.

[5]/ Under FRA regulations, when a line is in such a condition that it does not comply with FRA Class I standards, it is classified as excepted track.

of the line and the expenditures estimated to rehabilitate and maintain the line at FRA Class I safety standards. We have reviewed the evidence and accept MP's representations.

REVENUE AND COST DATA

MP's operations have yielded the following revenues,[6] costs, and losses:

	Northern Segment		Southern Segment
	1986	Base Year (1987)	Base Year (1986)
Revenues	$2,251,828	$1,794,114	$651,909
Avoidable Costs	2,564,362	2,183,435	1,149,723
Avoidable Losses	$ 312,534	$ 389,321	$ 497,814

MP's revenue and cost data are not contested they are reasonable in light of the evidence in the record. We will therefore accept them.

ECONOMIC COSTS

Economic costs are derived by adding the opportunity costs incurred on the line and the return on investments (ROI) in freight cars and locomotives. The ROI for locomotives and freight cars is $263,693 for the Northern Segment and 93,876 for the Southern Segment for a total of $357,569.[7]

Opportunity cost reflects the economic loss experienced by a carrier from forgoing a more profitable alternative use of its assets. It is determined by multiplying an investment base consisting of: (1) the net liquidation value (NLV) of the line; (2) the allowable base year working capital; and (3) the current

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6/ MP submitted revenue and cost data reflecting all traffic, including bridge traffic on the Northern Segment which generated revenues of $21,434 in 1986 and $36,330 in 1987. MP has not demonstrated conclusively that it would continue to receive this bridge traffic revenues and incur the associated costs following the abandonment. Accordingly, it was appropriate for MP to include the revenue and cost data for the bridge traffic.

7/ MP's Exhibit EJB-1A list the ROI for Freight Cars at $34,060 and the ROI for locomotives at $231,633 for a total ROI of $265,693 for the Northern Segment. Exhibit EJB-IC lists the ROI for freight cars at $32,107 and the ROI for locomotives at $61,769 for a total ROI of $93,876 for the Southern Segment. In calculating its opportunity costs in Exhibits EJB-2A and EJB-2C MP: (a) used $263,899 as the ROI for Freight Cars and Locomotives for the Northern Segment and $93,357 for the Southern Segment ROI for Freight Cars and Locomotives; and (b) included the ROI in the investment base by which the 14.5 percent rate of return was then multiplied, rather than adding it as a separate item to opportunity cost. Because page 2 of Exhibits EJB-1A and EJB-1C list the ROI separately for freight cars and locomotives, these figures will be used in computing MP's economic costs rather than the $263,899 and $93,357 figures used by MP. In Association of American Railroads v. ICC, No. 87-1124 (D.C. Cir. May 17, 1988), the court remanded for further analysis our decision in Abandonment Regulations - Costing, 3 I.C.C.2d 340 (1987), to the extent that we had concluded that the ROI for freight cars and locomotives is an economic cost and not an avoidable cost of operation in abandonment and subsidy proceedings. Even if we were to move these ROI costs to the avoidable cost category, it would not change the result in this case.

income tax benefits (if any) resulting from abandonment, by a rate of return adequate to cover the current cost capital.[8/]

Based on MP's data, the NLV of the Northern Segment is $2,035,335 and the Southern Segment is $2,047,212. The figures are based on a land value of $375,130 for the Northern Segment and $722,150 for the Southern Segment land value; and a net value of track materials of $1,660,205 for the Northern Segment and $1,325,062 for the Southern Segment track materials. Base year working capital is $26,062 for the Northern Segment and $20,480 for the Southern Segment. An income tax liability of $106,162 is reported for the Northern Segment and $204,358 for the Southern Segment income tax liability. Accordingly, the investment base for the Northern Segment is $1,955,235 and $1,863,234 for the Southern Segment investment base. No party objects to these figures. Applying a 14.5 percent rate of return[9/] to the unchallenged investment figures of $1,955,235 for the Northern Segment and $1,863,234 for the Southern Segment, results in annual opportunity costs of $283,509 and $270,182 respectively.

Total economic costs are $549,202 and $364,058 for the Northern and Southern segments, respectively.

None of these costs has been challenged by any of the protestants, and none has submitted its own evidence. The costs on their face do not appear to be unreasonable or disproportionate to the to the amount of real estate or real property involved. We will accept the figures submitted by the applicant.

ALTERNATIVE TRANSPORTATION AND SHIPPER INTEREST

MP states that rail, motor and water carrier service alternatives exist to meet the needs of shippers in Desha and Chicot Counties and East Carroll, Madison, Tenas and Concordia Parishes. It states that rail service for Arkansas shippers is available at McGehee from MP and one of its rail lines runs parallel to the Northern Segment.[10/] Louisiana shippers will have rail service from MidSouth at Tallulah and Illinois Central Gulf Railroad Company at Natchez, MS. Additional rail service is available at Greenville, MS from Columbus and Greenville Railway Co.

U.S. Highway 65 parallels the line providing good access to Interstate Highways 30 and 40 near Little Rock, AR, and Interstate Highway 20 at Tallulah. According to MP, numerous bulk and general commodities carriers are authorized to provide motor carrier service for the considered Arkansas and Louisiana shippers.

MP notes that water carrier service is available at numerous facilities along the Mississippi River, including those at Natchez, Lake Providence, Vicksburg, MS, and Greenville. MP states that another alternative available to local shippers is to purchase the line.

LAPSC maintains that, contrary to MP's representations, no viable transportation alternatives exist. It contends that the available transportation alternatives result in prohibitive freight charges, rendering businesses noncompetitive.

8/ See Abandonment Regulations - Costing, 3 I.C.C.2d 340,343 (1987).

9/ In Abandonment of Railroad Lines-Use of Opportunity Costs, 4 I.C.C.2d 92(1987), we adopted 14.5 percent as the appropriate rate of return.

10/ For example, MP notes that Parkdale, AR is on a parallel MP line located 18 highway miles west of Eudora, AR, which is located on the Northern Segment.

Cobra, of Madisonville, KY, operates the port facilities at Lake Providence, LA (milepost 470.1 on the Northern Segment). It currently ships coal by rail from Lake Providence to the International Paper company (IPC) at Mansfield, LA. Cobra has shipped approximately 300 carloads of coal a year for the past 2 years, and anticipates shipping the same volume or more in 1988 and coming years. It asserts that it is pursuing other business with a possible customer near Texarkana, TX, for a quantity of about 100,00 tons of coal a year. Cobra complains that, because MP will not quote it a freight rate for this potential coal traffic, it is investigating other possible opportunities in Arkansas to supply this potential customer with coal. Cobra maintains that, if MP abandons the Northern Segment, Cobra will lose it business with IPC and all possibilities of obtaining additional business.

Cobra claims that service on the Northern Segment has gotten progressively worse over the last 3 years, and is so bad that it once had to ship coal by truck at a considerable higher rate and at a loss to keep its customer in fuel. It further claims that rail cars are hard to obtain when needed and service is only once a week.[11/] Furthermore, it notes that transit time for traffic to reach IPC, which initially was 3 to 5 days, is now 7 to 17 days. Finally, Cobra asserts that its ability to continue a port operation at Lake Providence will be severely jeopardized if abandonment is allowed, since alternative transportation is not economically competitive with rail.

Epstein operates a cotton gin and owns a cotton seed warehouse at Lake Village, AR. Epstein claims that it spoke with two local MP officials in 1986 about the feasibility of constructing a $400,000 cotton seed warehouse adjacent to MP's line. According to Epstein, both MP officials encouraged it to build the warehouse and promised the continued cooperation of MP. It notes that MP even repaired a spur line so more boxcars could be stored in the area. Epstein states that it built the warehouse, and FarmCotCo,[12/] a buyer of Epstein's cotton seed, stores cotton seed there. Epstein complains that at no time during the construction of the warehouse did the local MP officials inform it that abandonment of the Northern Segment was being contemplated. It fears that, if the Northern Segment were abandoned and FarmCotCo no longer could sell the cotton seed stored in its warehouse, the warehouse will close, four employees will lose their jobs and it will be in jeopardy of losing a $450,000 investment in land, building materials and machinery.

Hardwoods maintains a wholesale lumber facility at Morganton, NC. It opposes the proposed abandonment because it relies exclusively on MP to transport hardwood lumber from Sondheimer, LA (milepost 487.4 on the Northern Segment) to Morganton.

Hollybrook operates a cotton gin and warehouse at Lake Providence. It maintains that customers have directed cotton bales not be loaded on rail cars because of the deteriorating and undependable service received from MP. Consequently, Hollybrook now uses motor carriers to transport about 100,000 cotton bales a year to North and South Carolina textile customers and to Gulf of Mexico export facilities. It asserts that MP has never exhibited any interest in recapturing its cotton bale traffic.

11/ While as noted above, MP describes its service as tri-weekly (and it is unclear whether this means service is provided three times a week or once every 3 weeks) this shipper's indication that service is provided once a week may be in conflict. However, the frequency of service is not a matter that must be resolved in reaching a decision on the merits.

12/ As noted supra, FarmCotCo is no longer participating in this proceeding.

Livingston conducts a scrap metal business at Lake Village, AR. It notes that in 1980 it purchased land and track from MP so that its could expand its scrap yard and better handle its increasing volume of scrap metal shipments. Livingston claims that rail shipments of scrap metal in 1987 were the largest in 3 years and each rail car generated about $1,400 in revenue for MP. It currently uses MP to transport scrap metal to customers at Fort Smith, AR, and points in Louisiana, Oklahoma and Texas. Livingston claims that, without MP's service, its business and the jobs of eight employees will be threatened.

Riceland is a farmer-owned cooperative engaged in processing and marketing agricultural commodities produced by its more than 12,500 members. It operates 34 rice and grain elevators, including one at Eudora. Riceland states that since 1985 it has shipped 334 carloads of rice from Eudora to Pine Bluff, AR, under a rail transportation contract with MP.

Sondheimer Lumber operates a sawmill at Sondheimer. It claims that it is very dependent on MP to transport its hardwood lumber products to its domestic and Mexican markets.

In reply, MP reaffirms its statement that rail, motor, and water carrier transportation alternatives exist to meet the needs of the line's shippers. MP states that: (1) rice and cotton seed are transported by rail, motor and water carriers; (2) scrap metals and coal are hauled by rail and motor carriers; and (3) baled cotton is handled exclusively by motor carriers. As to the movement of rice, MP asserts that, prior to an adjustment of MP's rates in 1984 and 1985, all traffic moved by motor carriage. After the adjustment of rates, rice traffic shifted to MP. However, MP complains that its revenue on rice traffic is limited on movements to Stuttgart, AR, because of the short distance (130 miles) and because of the joint-line nature of these shipments. Since Riceland used motor carriers to haul 482,920 bushels of rice in 1986 and 722,888 bushels in 1987 from its Eudora facility, it is MP's opinion that motor carriers can easily replace rail as the prime carrier of rice after abandonment of the Northern segment. MP notes that the only cotton seed shipper still opposing the abandonment (Epstein) does not use rail service, since all of its cotton seed traffic is sold to FarmCotCo.[13/] With respect to scrap metal traffic, MP states motor carriers are currently used for inbound movements and there is no reason why motor carriers can not be used for outbound movements of scrap metal. As to coal, MP asserts that it has presented a rate offer to Cobra for possible new business into Arkansas. It maintains that it has attempted to increase rail volume from Cobra in the past, i.e., rate negotiations were begun with Cobra on a coal movement to Box, TX, but negotiations were unsuccessful because of delivery carrier revenue requirements. MP claims that much time has been spent coordinating equipment to protect continuing coal movement by Cobra. Lastly, MP states that Cobra has at least one major segment of business which involves shipping coal by motor carriers and it asserts it is reasonable to assume Cobra could remain competitive in certain markets if rail service were no longer available at Lake Providence.

COMMUNITY INTEREST

U.S. Senators Dale Bumpers and David Pryor maintain that the closing of MP's rail line will be highly disruptive to the citizens who are now being served by it.

13/ MP asserts that it has attempted to develop a truck/rail reload operation near Collinston LA, or McGehee, which would allow cotton seed shippers to truck cotton seed traffic to these railpoints for reloading onto rail cars. However, MP claims that the principal shipper of cotton seed has decided not to pursue this option.

The Governor of Arkansas, Bill Clinton, filed a statement in conjunction with the City of McGehee. The Governor notes that, while MP has submitted detailed information concerning the abandonment's impact on the environment, there is an absence of information on the economic impact that the abandonment would have on the local communities. He states that the Chicot and Desha Counties area is one of the most economically depressed areas in the Nation. The Governor states that retention of the Northern Segment is necessary for economic improvement in Chicot and Desha Counties.

The City of McGehee asserts that abandonment of the Northern Segment would spell economic disaster in southeast Arkansas and northeast Louisiana. It notes that unemployment is high in the area and loss of rail service would cause a large upturn in the already unacceptable unemployment rate. It maintains that abandonment of the line would result in McGehee's rail service being cut off both to the south and the north, stopping rail service to a proposed river port at Yellow Bend MS. Furthermore, the city asserts that the abandonment would leave McGehee's "biggest selling point," its proposed industrial park, without rail service.

ARTrans is vested with the general jurisdiction over intrastate service in Arkansas. The agency has the responsibility to ensure there is reasonable, safe, adequate, sufficient service observed, furnished, enforced, or employed by railroads operating in Arkansas. ARTrans notes that the Northern Segment runs throught the Mississippi Delta region where cotton, rice, soybeans, and other products are grown for consumption in various domestic and foreign markets. It claims that industries situated on rail lines have made sizeable expenditures to allow use of rail service and that most of the commodities grown in the Chicot and Desha Counties area or shipped into the area are by their sheer volume not suitable for handling by motor carriers. It further claims that to require shippers or receivers in Chicot and Desha Counties to transport their traffic to or from the nearest railhead in another county or parish would be inconvenient and expensive. ARTrans alleges, without supporting evidence, that MP apparently has performed very little, if any, maintenance on the line in the past 5 years and shippers and receivers of freight have been systematically discouraged from using the line. ARTrans predicts that in the next decade: (a) barge traffic will increase dramatically and Arkansas will be the site of a number of new slack water harbors; and (b) industry will seek to locate in Chicot and Desha Counties area because of an abundant, capable work force and will demand rail facilities to move their traffic efficiently, quickly and economically.

PortCom of Lake Providence is a governmental agency created for the development of port and port-related facilities. It states that its primary objective is to create jobs and improve the economic well being of the Lake Providence community. PortCom asserts that coal and cotton seed are the only commodities currently shipped from the port. However, PortCom claims that the markets for these two commodities are in their infancy and it expects the amount of coal and cotton seed shipped from port facilities to increase each year. It notes that over 21,000 ton of coal were shipped by rail in 1987 and estimates for cotton seed traffic in 1988 amount to over 12,000 tons. PortCom states that is presently working with a company that would create 15 new jobs at the port if rail service is available. According to PortCom, loss of rail service at the port facilities will force the company to locate elsewhere. It maintains that not only will these jobs be lost, but 20 additional jobs will be lost if MP abandons the line. On the other hand, PortCom claims that the number of future jobs that would be created at the port should rail service continue is unlimited.

The president of Bank of McGehee states that he is a member of the Chicot-Desha Port Authority (Port Authority) and recently received notice that Congress had appropriated funds: (1) for the

construction of a river port at Yellow Bend; and (2) to conduct a feasability study to construct a bridge between Desha and Bolivar Counties. He further states that the Port Authority is in the process of developing an industrial park adjacent to the Yellow Bend port and the City of McGehee recently acquired land within the city limits for industrial park development. He claims that continued rail service is extremely essential to the development of the industrial parks and new bridge. According to this witness, without rail service the Chicot and Desha Counties area as well as northeast Louisiana will experience continued economic decline. However, he claims that if MP continues rail service, these areas will have not only a chance for economic survival, but will prosper with the development of the industrial park, Yellow Bend port and bridge projects.

The Chamber contends that retention of MP's rail service is necessary for the area's economic survival.

LAPSC is the agency charged with the responsibility of assuring adequate and sufficient common carrier transportation, including rail transportation, in the State of Louisiana. It claims that abandonment of the line will detrimentally and seriously affect critical portions of the integrated transportation system in Louisiana and will consequently have an adverse effect on the shipping, receiving, producing and consuming public. LAPSC notes that during 1986 and 1987, shippers on the line used over 4,000 rail cars for their transportation needs. Furthermore, LAPSC asserts that various political subdivisions and other authorities have constructed port facilities on the banks of the Mississippi River for the shipment and trans-shipment of cotton seed; coal and other bulk commodities. According to LAPSC, these port facilities were constructed especially to take advantage of MP's rail presence with a spur being built at great expense by the port authorities to tie into the line. LAPSC states that loss of MP's rail service would be economically devastating to the region and financially disastrous to Louisiana shippers and ports.

MP replies that industrial development along the Northern and Southern Segments of the line and the adjacent Mississippi River area has been very slow in recent times, and that the future does not appear any brighter. According to MP, the area has inherent disadvantages, i.e., no deep water ports, a lack of proximity to a major airport, and land with poor weight-bearing qualities which make some types of construction very expensive. It states that the agricultural orientation of the area also works against the location of large manufacturing or chemical plants, which require a ready pool of technically-trained workers. MP concludes that since future industrial development is most likely to occur only by small fabricators or manufacturers requiring relatively-small amounts of rail service, and since existing transportation alternatives exist to handle rail traffic, abandonment of the line should not have a serious impact on industrial development or any other community interest.

DISCUSSION AND CONCLUSIONS

In considering an application for abandonment, our responsibility is one of balancing the public need for continuation of rail service against the burden which continued operations impose on the railroad and interstate commerce. The factors in this case weigh in favor of abandonment.

MP has incurred substantial losses from operating both segments of the line in 1986 and the Northern Segment in 1987. These already substantial losses would be significantly increased if rehabilitation is done, and it must be done if the Southern Segment service is to be resumed. If normalized maintenance were performed losses would be even greater. In addition, MP is incurring significant economic costs by continuing to operate the line.

Protestants have the burden of showing that their proposal for retention of service over the Northern or Southern Segment is in the public interest. See State of Me. Dept. of Transp. v. I.C.C. 587 F.2d 541,543 (1st Cir 1972). We required segmented data so that they could further develop their protest arguments regarding segmentation. However, protestants did not make use of this opportunity and have not shown that retention of either segment is economically justified. MP instead has demonstrated that it incurred avoidable losses of $389,321 in operating the Northern segment during 1987 and operation of this segment for another year would increase this loss to $486,808;[14]/ avoidable losses on the Southern Segment amounted to $497,814 in 1986 and if operations were resumed, the loss would increase. This does not include rehabilitation costs of $2,957,978, normalized maintenance of $880,070 and opportunity cost of $283,509 for the Northern Segment and rehabilatation costs of $2,737,672, normalized maintenance of $734,282 and opportunity cost of $270,182 for the Southern Segment.

Rail shippers have not shown that they could generate sufficient additional traffic to warrant continued rail service. Traffic on the Northern Segment has declined from 1,569 cars in 1986 to 1,279 cars in 1987. Significant users of the Northern Segment shipped or received 1,500 cars in 1986 and only 1,132 in 1987. Of the 12 significant users of this segment only Cobra, Livingston, and Riceland oppose the abandonment and their traffic has also declined: Cobra from 301 cars in 1986 to 238 in 1987; Livingston from 22 carloads in 1987 to 21 in 1987; and Riceland from 114 carloads in 1986 to 58 in 1987. The traffic increases projected by Cobra and Livingston are speculative. There is no assurance that Cobra will capture new coal business or if it does that it will move by rail via MP. Even if they ocur, they will not be adequate to stem MP's losses. Riceland made no prediction about future traffic increases. Of the remaining shippers opposing the application, Hollybrook uses motor carriers exclusively; Epstein currently sells all of its cotton seed to FarmCotCo and has no control over the traffic moving from its warehouse; and Sondheimer Lumber and Hardwoods ship and receive, respectively, small amounts of lumber. There is no shipper support for retention of the Southern Segment.

There are alternative transportation services available for all shippers from water, motor or through trans-shipping arrangements with the nearest rail sites at McGehee, Parkdale and Tallulah. It is apparent that none of the opposing shippers is totally rail dependent: Riceland now uses motor carriers for a large part of its traffic; Cobra has not denied MP's contention that it uses motor carriers for some traffic; and Livingston, Sondheimer and Hardwoods have not refuted MP's claim that motor or water carriers are capable of handling their traffic. Admittedly, the opposing shippers may be forced to use alternative and possibly more expensive water, motor or rail trans-shipping options causing them to experience higher transportation costs and other forms of inconvenience. However, in numerous proceedings the Commission has held that inconvenience and increased costs alone are not sufficient to outweigh the detriment to the public interest of continued operation of uneconomic and excess facilities. Chicago and North Western Transp. Co. - Abandonment, 354 I.C.C. 1,7 (1977). Here on balance MP's losses are very high.

The concern expressed by ARTrans, LAPSC, PortComm, the Governor, City of McGehee, Chamber and Bank of McGehee over the adverse impact abandonment will have on the development and industrial growth of the area through which the line traverses is a serious one that we consider in our balancing. While the availability of rail service is a positive factor which may

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[14]/ Based on 1987 traffic levels set forth in MP's Exhibit EJB-1A.

enhance prospects not only for attracting manufacturing concerns to locate in the proposed Yellow Bend and City of McGehee industrial parks but also for the economic development of the Arkansas and Louisiana area under consideration here, the record fails to reveal that those prospects are firm and would allow MP to operate either segment of the line profitably or even marginally. While retention of rail service might enhance the continued employment prospects of the present employees of Epstein, Livingston and PortComm and thus preserve the status quo of the economic bases of Chicot County and East Carroll Parish, the record does not indicate that the loss of rail service and its replacement by water or motor transportation will force Epstein, Livingston and PortCom to cease any of their operations or discharge any of their employees. Although the use of motor or water carrier transportation may result in some changes in Epstein's warehouse operations and Livingston's and PortComm's traffic arrangements, the record does not show that such changes would have a significant adverse impact on Chicot County and East Carroll Parish as a whole.

Finally, MP argues that we should consider protestants' ability to purchase or subsize the line. In Ex Parte No. 274 (Sub-No. 18), Rail Abandonments - Consideration of Possible Sale or Subsidy In Analysis of an Abandonment under 49 U.S.C. 10903," Et Al., served January 25, 1988, we have instituted a proceeding to consider whether the possibility that a shipper could purchase or subsidize a rail line should be considered in our analysis of an application under 49 U.S.C. 10903 and, if so, how the issue should be factored into the decision on whether to grant or deny an abandonment. Given our above conclusions, we need not decide this question here.

On balance, we conclude that neither the speculative prospects for future traffic nor the adverse effects on present shippers or the potential effects on the area offset the substantial actual burdens which continued operation of the line will impose upon applicant and interstate commerce.

ENVIRONMENTAL ISSUES

The Commission's Section of Energy and Environment (SEE) assessed the environmental and energy impacts of the proposed abandonment and concluded that they will not be significant. Areas of consideration included, but were not limited to, energy consumption, air and water quality, noise levels, and public safety. It was determined that the right-of-way would be suitable for alternative public use following the abandonment.[15] However, since no one requested the imposition of a public use condition, none will be imposed.

15/ One of the landowners whose property abuts the line opposes SEE's determination that the right-of-way would be suitable for alternative public use following the abandonment. He argues that he has a reversionary interest which should be protected by the Commission. The Commission does not regulate the post-abandonment use of the property. A public use condition does not require the railroad to sell the land for these purposes. The condition merely disallows disposal of the property for a non-public use for up to 180 days unless it has first been offered on reasonable terms for sale for public use. If the railroad does not hold clear title to the property and it would revert to adjacent landowners after abandonment (absent trail use, which has not been requested here), the imposition of a public use condition will not defeat such reversion and it does not imply that the carrier holds a transferable interest in the subject property following abandonment. Whether the landholders' reversionary rights would be protected in the face of government interest in acquiring the land for public use is a question for the state courts to decide. Docket No. AB-6 (Sub-No. 242) Burlington Northern R. Co. - Abandonment - In King County, WA, (not printed) served June 17, 1985.

LABOR PROTECTION

In approving this application, we must ensure that affected rail employees are protected. 49 U.S.C. 10903(b)(2). We have found that the conditions in Oregon Short Line R.Co. - Abandonment -Goshen, 360 I.C.C. 91 (1979) satisfy these statutory requirements. The Oregon conditions will, therefore, be imposed.

We find:

1. The present and future public convenience and necessity permit the abandonment of the line of railroad running between milepost 408.9 near McGehee and milepost 651.6 near Vidalia, subject to the provisions for protection of employees in Oregon Short Line R. Co. - Abandonment - Goshen, 360 I.C.C. 91 (1979).

2. The property is suitable for other public purposes.

3. Abandonment of this line will not result in a serious adverse impact on rural and community development.

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

It is ordered:

1. The protests of Chicot Warehouse, Inc. and Complex Chemicals Co. Inc., are stricken from the record for failure to comply with the March 25, 1988 decision directing them to answer MP's interrogatories and they are dismissed from further participation in this proceeding.

2. These findings will be published in the Federal Register on the date this decision is served. An offer of financial assistance to allow rail service to continue must be received by the railroad and the Commission within 10 days after publication. The offeror must comply with 49 U.S.C. 10905 and 49 CFR 1152.27(c).

3. Offers and related correspondence to the Commission must refer to this proceeding. The following notation must be typed in bold face on the lower left-hand corner of the envelope: Rail Section, AB-OFA."

4. Subject to the conditions set forth above, and provided no offer for continued rail operations is received, an appropriate certificate of abandonment will be issued. The railroad may not effect abandonment before the effective date of the certificate.

5. If abandonment is effected, tariffs applicable to this line may be canceled upon not less than 10 days notice to this Commission. The cancellation tariffs must refer to the certificate by date and docket number.

6. This decision will be effective 30 days from the date of service unless otherwise ordered by the Commission.

By the Commission, Chairman Gradison, Vice Chairman Andre, Commissioners Sterrett, Simmons, and Lamboley. Commissioner Lamboley dissented with a separate expression. Commissioner Simmons did not participate in the disposition of this proceeding.

(SEAL)

Noreta R. McGee
Secretary

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COMMISSIONER LAMBOLEY, dissenting:

I would deny this application for abandonment of 162 miles of rail line in Eastern Arkansas and Louisiana.

While evidence has been presented in reference to Northern and Southern line segments, the entire line is at issue.

On the record established in this case, I am persuaded that abandonment is not appropriate.

EXHIBIT D

Verified Statement of Wyly Gilfoil

Before the
SURFACE TRANSPORTATION BOARD

STB Docket FD No. 36447

Lake Providence Port Commission—Feeder Line Application--LINE OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

VERIFIED STATEMENT OF WYLY GILFOIL

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1. My name is Wyly Gilfoil. I am the Port Director for the Lake Providence Port Commission ("LPPC"), the Applicant herein. My address is 409 Port Road, Lake Providence, LA 71254. I have personal knowledge of the facts stated herein and am duly authorized to present this Verified Statement on behalf of LPPC. LPPC is a non-carrier, political subdivision of the State of Louisiana. Because LPPC is Louisiana's largest inland waterway port and ships over 1.3 million tons of freight annually, it is clearly in the public interest to protect it, as well as the Madison Parish Port, from Delta Southern Railroad, Inc. ("DSRR") and its owner's predatory and unlawful efforts to interfere with the full realization of the rehabilitation of the *entire* Lake Providence Branch Line and the flow of interchange traffic over the Line.

2. LPPC has long recognized the importance of the rail corridor between McGehee, Arkansas and Tallulah, Louisiana, which historically was known as the Lake Providence Branch Line when it was operated by the Missouri Pacific Railroad Company ("MP"). Because of its importance to the

Louisiana inland ports located on the Mississippi River, and the overall economy of northeast Louisiana, LPPC, along with the Southeast Arkansas Economic Development District ("SEAEDD"), actively opposed MP's application to abandon its 162.7-mile line of railroad between milepost 408.9 line near McGehee in Desha County, AR, and milepost 651.6 near Vidalia in Concordia Parish, LA. That application was docketed as Docket No. AB-3 (Sub-No. 72), *Missouri Pacific Railroad Company – Abandonment – In Desha and Chicot Counties AR, and East Carroll, Madison, Tensas and Concordia Parishes, LA*. By its decision served March 11, 1988, the Interstate Commerce Commission ("ICC") required MP to supply traffic and financial data separately for the line segments running between milepost 408.9 and milepost 498.4 at Tallulah (Northern Segment) and milepost 498.4 and milepost 651.6 near Vidalia.[1] By its decision served July 11, 1988, the ICC found that the present and future public convenience and necessity permitted the abandonment of the line between milepost 408.9 and milepost 651.6.

3. Following publication in the Federal Register of the ICC's notice that it had found that the public convenience and necessity permitted MP to abandon its line, LPPC timely filed an offer of financial assistance ("OFA") to acquire that portion of the line between milepost 408.9 near McGehee and milepost 498.4 at Tallulah, Louisiana, a distance of 89.5 miles. By its decision served July 27, 1988, the ICC found that LPPC's offer was *bona fide* and

[1] *See* Attachment 1 hereto.

reasonable to initiate negotiates between the parties. In its decision, the ICC rejected National Railway Equipment Co.'s ("NREC") OFA that sought to acquire portions of the line between: (1) milepost 409.07 near McGehee and milepost 557.2 near Clayton Junction, LA and (2) milepost 637.2 near Clayton Junction and milepost 651.6 at Vidalia, a distance of 162.53 miles.[2]

4. NREC timely filed an appeal in which it substantially modified its OFA and the mileage that it wished to acquire from MP. With LPPC's concurrence, NREC advised the Commission that, because LPPC's "only interest was to assure continued rail service to the Lake Providence Port,"[3] LPPC, along with MP, supported NREC's revised offer. By letter dated August 9, 1988, Union Pacific Railroad Company ("UP"), which owned MP, also supported NREC's appeal. As UP explained, because it was aware of LPPC's preference that UP should negotiate with NREC, it had not yet negotiated with LPPC. By its decision, served August 22, 1988, the ICC granted NREC's appeal and found that NREC's offer was *bona fide*.

5. On September 30, 1988, the ICC "authorized NREC to acquire the 89.5-mile line between milepost 408.9 near McGehee and milepost 498.4 at Tallulah." Thereafter, by decision served October 13, 1988, Delta Southern Railroad Company ("DSRC"), which was a corporate affiliate of NREC, was substituted for NREC and "authorized to acquire and operate MP's 89.5-mile

[2] *See* Attachment 2 hereto.
[3] *See* Attachment 3 hereto at p. 6.

line between milepost 408.9 near McGehee and milepost 498.4 at Tallulah."[4] The ICC's consistent description of the line 89.5-mile line of railroad cannot be reconciled with DSRR's current position that DSRC was authorized to acquire and operate between milepost 408.9 and milepost 498.44.

6. LPPC's acknowledged effort in AB-3 (Sub-72) to assure continued rail service to the Lake Providence Port was supported by many of the same companies that supported the 2019-2020 INFRA Grant Application and LPPC's original Feeder Line Application. They include Complex Chemicals Co., Inc., Livingston Pecan and Metal Co., E. Sondheimer Co., Riceland Foods, Inc., Hollybrook Warehouse, Inc., and Epstein Gin Company, along with numerous non-shipper protestants, area cotton producers, municipal governments, state and local officials and members of Congress that also protested MP's application.

7. LPPC's efforts to preserve rail service over the Lake Providence Branch Line did not stop in 1988. As the Surface Transportation Board's ("STB" or "Board") records reflect, LPPC, between 2004 and 2011, was compelled to engage in a series of abandonment proceedings filed by William Wainwright, the CEO of Delta Southern Railroad, Inc. ("DSRR"), who acquired DSRC's assets in 1999. Because he had managed the track for DSRC for the previous ten years, he obviously was aware of the track's condition. He was also aware of LPPC's and SEAEDD's interest in the preservation of the track

[4] *See* Attachment 4 hereto.

and likely realized that he could achieve a quicker return by allowing the track to deteriorate and then look for the States of Louisiana and Arkansas to acquire it through offers of financial assistance. Beginning in 2004, shortly after the Board, at the request of Arkansas Midland Railroad Company ("AKMD") and UP, had terminated DSRR's leasehold interest in UP's Warren Line, Wainwright began his effort to dismantle the segment of the Lake Providence Branch Line that was owned by DSRR.[5] As Wainwright readily admitted in pleadings filed with the Board, the track had deteriorated to the point that DSRR had been forced to embargo segments of the line. Of course, by that time, DSRR had driven off all of its customers, except the shippers that had traffic moving to and from the Madison Parish Port.[6] As described in DSRR's Petition for Exemption, filed December 6, 2010:

> Virtually every rail length in the Rail Line has excessive defective crossties in clusters and under joints, such that crosstie

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[5] *See also* STB Docket No. AB-384 (Sub-No. 1X), *Delta Southern Railroad, Inc.-Abandonment Exemption – Between Lake Village, Ark. and Shelburn, LA.;* STB Docket No. AB-384 (Sub-No. 2X), *Delta Southern Railroad, Inc.-Abandonment Exemption – In East Carroll Parish, LA;* STB Docket No. AB-384 (Sub-No. 3X), *Delta Southern Railroad, Inc.-Abandonment Exemption –In Desha and Chicot Counties, AR.*

[6] For a contemporaneous assessment of Wainwright's maintenance program, see the Rebuttal Verified Statement of Abollah (Abe) Grazai, UP's Track Planning Engineer in the Engineering Services Department, filed March 3, 2004, in FD No. 34479, *Arkansas Midland Railroad Company-Emergency Service Order-Line of Delta Southern Railroad, Inc.*, which is included hereto as Attachment 5. In his report, Mr. Grazai identified numerous track defects that he attributed to DSRR's maintenance program or lack thereof. He also repudiated Wainwright's sworn statements that he had undertaken a major track program to restore the line. While this matter involved the Warren, AR line over which DSRR was operating pursuant to the Board's authorization in FD No. 33802, the identical problems were encountered on the tracks that LPPC acquired from DSRR.

> conditions do not comply with Minimum FRA Class I track safety standards. Track alignment, cross-level and gage are also out of compliance with FRA Class I standards at numerous locations.[7]

8. The abandonment proceedings were designed to eliminate rail service over the Lake Providence Branch Line between mileposts 408.9 and 471.0. Beginning with AB-384 (Sub-No 1 X), *Delta Southern Railroad, Inc. – Abandonment Exemption – Between Lake Village, Ark. and Shelburn, LA.*, filed May 21, 2004, DSRR launched its campaign to rid itself of its obligations to provide rail service over two thirds of the Line. In the very first sentence of its Notice of Exemption, DSRR announced that it was seeking to abandon what it described as "an out of service line of railroad known as the Lake Providence Line between MP 433.0 near Lake Village, Arkansas, and MP 463.0 near Shelburn, Louisiana, a distance of 30 miles."[8] Because it was treated as an exemption, no investigation was made to determine DSRR's culpability in the disappearance of active shippers. If the track was incapable of supporting rail operations, why did the Wainwrights bother to acquire it from DSRC only four (4) years earlier?

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[7] *See* Attachment 6 hereto at p. 6.

[8] It is rather interesting that DSRR has resuscitated the phrase "long-out-of-service railroad line," accompanied by "inactive rail line" and "long-dormant Line," to describe the 20-mile segment between milepost 471.0 and 491.0 in this proceeding. Although it has successfully resisted requests for rail service over the past several years, DSRR has never obtained authority from the Board to cease any operations so that it could openly use the "out-of-service track" to concentrate on railcar storage as a source of revenues.

9. Because abandonment of this segment in 2004 would have terminated the ability to move between Arkansas and Louisiana over the Line, both LPPC and SEAEDD protested. After the Board authorized abandonment, LPPC and SEAEDD filed offers of financial assistance. When they could not reach an agreement with the Wainwrights, the Board established the compensation and conditions for financial assistance. On March 8, 2005, William Sippel advised the Board that SEAEDD did not accept the Board's terms and conditions and announced SEAEDD's intent to pursue acquisition of the line outside of the OFA process. On March 21, 2006, DSRR announced that the portion of the Line between milepost 433.0 at Lake Village, AR and 454.8 at the Arkansas/Louisiana State Line had been sold to SEAEDD for continued rail operation. In addition, DSRR requested an extension of time for providing consummation of the sale of the remaining 8.2-mile segment of the Line for continued rail operations. Those negotiations, which lasted until December 2010, were terminated when LPPC's attorney, Eric Hocky, accused DSRR of misrepresenting that it was interested in pursuing a sale for continued rail purposes. As Mr. Hockey explained,

> It is clear now, from the two additional abandonments that have been filed, and from the purported notice of consummation in this proceeding, that DSR never intended or wanted to do a sale for continued rail service; rather it is seeking to force all of the traffic from the Port and the remaining shippers on the Lake Providence Line to move to and from the south, and to eliminate their shipping options.[9]

[9] *See* Attachment 7 at p. 3.

Thereafter, the remaining 8.2-mile State Line-Shelburn segment was subsequently acquired by LPPC outside of the OFA process.

10. As the Board's records reflect, in November and December 2010, DSRR sought further authority to abandon two (2) other segments of the Lake Providence Branch. In AB-384 (Sub-No 2X), *Delta Southern Railroad, Inc. – Abandonment Exemption – In East Carroll Parish, LA*, sought to abandon 8.0 miles of track between Milepost 463.0 and Milepost 471.0. According to the Notice of Exemption, no local or overhead traffic had moved for the prior two (2) years. This proceeding was concluded when DSRR agreed to accept LPPC's OFA, which included the grant of trackage rights over the 1.25± miles connecting the line and the private tracks owned by LPPC. While DSRR retained ownership of the Line between milepost 471.0 and 498.4 and entered into a trackage rights agreement with LPPC to provide limited service within the Lake Providence Port, DSRR made no effort to hold out interchange service after LPPC's operator, namely North Louisiana & Arkansas Railroad, Inc. ("NL&A"), was able to reopen the track for interline service in 2016.

11. On December 6, 2010, DSRR filed its third Petition for Exemption, which was docketed as AB-384 (Sub-No. 3X), *Delta Southern Railroad, Inc. – Abandonment Exemption – In Desha and Chicot Counties, AR*. By this petition, DSRR sought approval to abandon the 24.1-mile segment of the Lake Providence Branch between MP 408.9 at or near McGehee and MP 433.0 at or near Lake Village. This matter was resolved when LPPC and Arkansas Shortline

Railroads, Inc., as guarantor for its wholly owned subsidiary NL&A, acquired the track though a joint offer of financial assistance. By Decision, late released May 19, 2011, the Offerors were authorized to acquire the line, and NL&A was authorized to operate the line. It cost LPPC $1,123,500 to acquire the 8.0 segment between milepost 463.0 and milepost 471.0 along with the 24.1 miles of track between milepost 408.9 and milepost 433.0. Moreover, to acquire the 8.2 miles of rail and other track materials between 454.8 to milepost 463.0, LPPC had to pay National Salvage and Service Corporation $303,400.

12. I must emphasize that the delay in reopening the Line for interchange service was due to the unquestioned need to rehabilitate the entire Line between milepost 408.9 and milepost 471.0. In fact, service was so bad that in November 2006, before LPPC/SEAEDD acquired the Line, it took DSRR six (6) weeks to move some carloads of cottonseed 64 miles from Lake Providence to McGehee. Needless to say, that was the last train that DSRR operated from Lake Providence. Given that level of service, the demand for rail service over the Line completely vanished. In the Port's Notice of Exemption, filed June 10, 2011, which was docketed as FD 35531, *Lake Providence Port Commission – Trackage Rights Exemption – Delta Southern Railroad, Inc.*, I specifically informed the Board that "[t]he Port Commission does not intend to commence operations under the trackage rights until after the OFA line and adjacent lines to the north are rehabilitated. This will not occur until well after this notice becomes effective on July 10, 2011." That it required LPPC,

SEAEDD and NL&A to expend in excess of $10 million to get the Line into good enough shape to hold out interchange service in 2016 speaks for itself.

13. The Trackage Rights Agreement that the Wainwrights offered, which was approved by the Board, allowed LPPC to operate over DSRR's tracks between Milepost Nos. 471 and 472.25 ("the Joint Trackage"), "overhead rather than local basis, for the purpose of accessing sidetrack and lead track."[10] The Agreement also provided that "DSR shall continue to have the right to use the sidetrack and/or the lead track to place loaded cars and to pick up empty cars at the Port's warehouses." As a result of the limitation on LPPC's operating rights, which was composed by the Wainwrights, LPPC cannot offer service to all of the shippers who are located within the Port.

14. Section 4 of the Trackage Rights Agreement imposes the requirement that the Port "shall provide DSR with a notice of its intent to use the Joint Trackage not later than ninety (90) [days] prior to its intended date of use (the 'Notice of Intent to Use Joint Trackage')."[11] It further provides that:

> Upon receipt thereof, DSR shall then, at its sole cost and expense, commence all work necessary to rehabilitate the Joint Trackage into FRA Class 1 track condition. Thereafter, DSR shall maintain the Joint Trackage in FRA Class 1 track condition for the term of this TRA, subject to the provisions of Section 3 above concerning allocation of such costs.

It is my understanding, based on Daniel Robbins' testimony in this proceeding, that because DSRR never used the revenues that it received from the series of

[10] *See* Exhibit J, V.S. Robbins at Attachment 1.
[11] *Id.*

sales to LPPC, SEAEDD and NL&A to maintain the Joint Trackage in FRA Class 1 track condition, the Section 3 provisions concerning allocation of costs has never been applied.

15. As Mr. Robbins will confirm, on March 29, 2022, NL&A's track inspector spent most of the day inspecting the track. His Track Inspection Report is attached to Mr. Robbins Verified Statement that is filed herewith. As the inspector discovered, DSRR had recently taken some steps to address the tracks condition, however, he still identified 45 defects that include tie defects, gauge defects, cross level defects, joint bar discounts, broken rail defects, joint bar defects and even a vegetation defect involving a tree down across the track.[12]

16. It is my further understanding that DSRR recently spent several days repairing its track so that it could safely move one empty flat car between milepost 491.0 and 471.0. The question the Board must ask is why it took DSRR one year and ten months after LPPC filed its original Feeder Line Application to act in response to allegations that the track was virtually impassable? Such action should have been taken in 2016 when interchange was opened following the completion of a flood mitigation project in Lake Providence. DSRR did not do so. Instead, as Mr. Robbins and Mr. Huff confirm, DSRR abruptly closed interchange without prior notice to NL&A on August 24,

[12] A copy of that report is attached to Mr. Robbins' Verified Statement (Exhibit J) at Attachment 2.

2017, due the deplorable condition of DSRR's tracks and the stored rail cars. DSRR's actions unquestionably inflicted economic harm on shippers who were forced to route traffic over two (2) Class I rail carriers at an additional expense.

17. Since 2016, LPPC has partnered with SEAEDD, Madison Parish Port Commission ("MPPC"), NL&A and DSRR ("the Partners") in the "Southeast Arkansas and Northeast Louisiana Multimodal Freight Improvement Project" ("the Project"). The Project was and is devoted to the restoration of the *entire* rail corridor that exists between McGehee, Arkansas and Tallulah, Louisiana.[13] The Board's attention is invited to Exhibit B, *Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project, FY 19-20 INFRA*, Appendix C, Table ES-1: *Summary of Infrastructure Improvements and Associated Benefits* of the INFRA Grant Application. As summarized therein, "[u]pgrades to rail infrastructure in the McGehee-Tallulah Railroad Corridor and connections to the local Ports will improve railroad connectivity, access, capacity, efficiency, and safety."[14]

18. In addition to diverting shipments from trucks, the ability to use rail service to Lake Providence Port ("LPP") and the Madison Parish Port ("MPP"), will benefit the many farmers and processors that seek to use rail to deliver their agricultural products to the ports where they can be transloaded

[13] *See* Stephen Steed, *Where Arkansas and Louisiana meet, economy trumps rivalries. Rail line venture offers taste of what area could become,* Arkansas Democrat-Gazette, May 21, 2017, included as Attachment 8 hereto.
[14] *See* Feeder Line Application, Exhibit B.

on barges. Such movements will also result in the diversion of trucks from the highways and improve the environment by avoiding emissions while simultaneously achieving energy efficiencies and improving highway safety.[15] As the Partners recognized, these benefits cannot be fully achieved unless the *entire Lake Providence Branch Line is rehabilitated consistent with the goals of INFRA Grant Application.* As has been the case for the past 30 years, the ultimate goal of the States of Louisiana and Arkansas is to promote the redevelopment of the Lake Providence Branch Line so that rail service will be safely and efficiently operated by a railroad that is committed to the economic development of the region.

19. For over 40 years, rail operations over much of the line have not been safely, reliably, and efficiently conducted due to years of deferred maintenance by prior owners that precipitated the near abandonment of the line in 1988 and again in 2011. In some respects, the current condition of the line resulted from the inability to obtain Railroad Rehabilitation & Improvement Financing ("RRIF") and Small Business Administration loan guarantees. For a detailed understanding of the Project, the Board's attention is invited to the "FY

[15] As a recent study entitled *Recovery of the Columbus & Greenville Railroad*, conducted by the Mississippi State University, Department of Political Science and Public Administration and Industrial Outreach Service, demonstrates that agricultural interests are harmed by the lack of cost-effective logistics services, especially when they must rely on trucking. A copy of this study is included hereto as Attachment 9.

19-20 INFRA Application" that SEAEDD, on behalf of the partnership, filed with the United States Department of Transportation in March 2019.[16]

20. On July 10, 2019, Patrecia Hargrove, SEAEDD's Executive Director, who as the Grant Administrator oversees the management of the Project and is the contact person for the Project with the United States Department of Transportation ("DOT") and the Federal Railroad Administration ("FRA") received an email from DOT advising her that they were offering an INFRA Grant at the reduced amount of $10,516,259. The email also established an immediate response date that required all parties to accept the reduced amount. As a result, the five (5) Partners were required to commit that they would come up with additional private and public funds to cover the deficit needed to restore the entire track from milepost 408.9 to the point of interchange with the Kansas City Southern ("KCS") at Tallulah, LA to FRA Class 2 status or to revise the scope of the project. The process of refining the process and deciding how the partnership would make up the difference between its request and the award amount was started on July 11, 2019, with a conference call. The call involved all of the stakeholders and HDR, which was the engineering firm that prepared the INFRA Grant Applications. During the call, John Marino, Jr., speaking on behalf of DSRR, strongly advocated for the acceptance of the reduced grant noting that it would be foolish to turn it down.

[16] *See* Feeder Line Application, Exhibit B.

After the other stakeholders agreed with him, Ms. Hargrove notified DOT that the reduced grant would be accepted.

21. On July 15, 2019, Hargrove and I had a conference call with DOT concerning the need to reduce the project scope of work because of the reduced award. We were advised that any reduced scope of work would have to be submitted to DOT for approval. DOT emphasized that the primary goal of the Project, the rebuilding of the entire rail corridor between McGehee, AR and Tallulah, LA, could not be compromised.

22. On July 18, 2019, we received notice that the reduced grant was funded. Thereafter, an intense process of shrinking the Project by delaying some components and by eliminating others was undertaken by Ms. Hargrove with input from all participants. That process did not involve any steps to reduce the key component of the Project, namely the track that had to be rehabilitated to FRA Class 2 status. However, on November 26, 2019, Jon Ryan, who acted as Continental Rail's Vice President of Finance in a consulting role for DSRR, forwarded a "DSR SEAEDD Infra Grant Budget," that he had prepared, to Doree Magiera, who was our primary contact at HDR. His proposed budget would have used all of the grant funds that would have been allocated to DSRR to the building of a new interchange connection with KCS in Tallulah between milepost 500.0 and milepost 496.0. Because HDR employees recognized that the proposed new work that DSRR was proposing conflicted

with the grant request for rail rehab only, they forwarded his proposed budget to me and Ms. Hargrove for review.[17]

23. On December 4, 2019, Ms. Magiera forwarded an email to Ryan that set out that "the intended rail rehabilitation scope of work that has been discussed the past two years and presented to the FRA as part of the grant application."[18] In his response, Ryan stated that "I am not privy to what was discussed the past two years so I can not speak to that. See my comments below in red."[19]

24. On December 10, 2019, Ryan forwarded a slightly different proposal that introduced a list of:

> updated uses for the SEAEDD grant money that has been allocated to the DSR to rehabilite (sic) our portion of the corridor. We believe the plan laid out below will accomplish the overall goal for this section of track leading to Madison Parish Port.[20]

The new proposal reflected DSRR's intent to use the grant funds to rehabilitate its track between milepost 500 and milepost 491.0 but did not address the need to rehabilitate the critical track between mileposts 491.0 and 471.0. In response to DSRR's proposal, I worked with Ms. Hargrove in preparing the SEAEDD Infra Budget by reducing funds that had originally been intended to be used for a project in the Madison Parish Port, removing the UP interchange

[17] *See* Exhibit I, V.S. Hargrove, at Attachment 3.
[18] *Id.* at Attachment 4.
[19] *Id.*
[20] *See* Attachment 10 hereto.

in Arkansas and adding some rehab money to DSRR to replace the reduced MPP draw. DSRR did not voice any objections to the proposed allocations.

25. On March 17, 2020, SEAEDD forwarded a detailed letter to FRA that explained all of the adjustments that had been made to the original SEAEDD Infra Grant Budget.[21] SEAEDD's adjusted budget reflects an allocation of $3,207,789 to cover the Rail Infrastructure Rehabilitation to Class II standards for the 29.2 miles that are owned by DSRR. As noted at the bottom of the chart, "*Only 21 miles of work remain as DSR has completed 7 miles of rehab. Work*" (emphasis in original). In addition, it allocated DSRR an additional $666,076 for project development.

26. On June 1, 2020, SEAEDD received a letter from Marc R. Dixon, FRA's Project Manager for the South Central Region, announcing that SEAEDD's request to modify the Project's scope and budget had been determined to be "sufficient and will therefore advance the Project, as revised."[22] A required component of the effort was the drafting of a Consortium Agreement between the five (5) partners who are stakeholders. On July 30, 2020, Ms. Hargrove emailed the initial draft of the Consortium Agreement to the stakeholders for their review and comments. As stated in her July 30 email, "[t]he goal is to have an agreement in place prior to the signing of the grant

[21] *See* Exhibit I, V.S, Hargrove, at Attachment 6.
[22] *Id.* at Attachment 7.

agreement, which is expected to be completed and submitted to SEAEDD for execution by the end of August."[23] Unfortunately, that goal was not achieved.

27. On August 14, Jon Ryan responded to Ms. Hargrove by emailing "an updated draft with our comment so our scope matches the grant." That "comment" proposed a reduction in the number of miles on DSRR's tracks to be upgraded by striking "20" miles and replacing it with "10" miles. As I and Ms. Hargrove realized, Ryan's proposed change did not and could not match the specific "Scope and Budget Modification Request" that was outlined in SEAEDD's letter, dated March 17, 2020.[24] Those changes did not include any reduction of the 20 miles that were to be upgraded. No further explanation was provided. Because Ms. Hargrove was concerned that DSRR's unilateral reduction in mileage openly conflicted with the terms that FRA and DOT had established, she asked for my assistance. The revised statement of work for the DSRR segment explicitly requires the Grantees to "[r]ehabilitate approx. 20 miles of rail which includes replacing the existing Excepted track with Class 2 track." To confirm her conclusion, Ms. Hargrove requested me to review Mr. Ryan's response, which I did. Because I agreed with her assessment, I agreed to speak with John Marino, Jr., who was Continental Rail's CEO. Continental Rail, which was physically located in Florida, was the management team that West Branch Intermediate Holdings, LLC ("West Branch") hired to manage

[23] *Id.* at Attachment 8.
[24] Id. at Attachment 6.

DSRR's operations. West Branch, which is in California, is a subsidiary of Golden Gate Capital, a private investment company.

28. The following Monday afternoon, August 17, 2020, I spoke with Mr. Marino. During that conversation, I told him that Ms. Hargrove and I viewed Mr. Ryan's proposed change to be very troubling as it could jeopardize the INFRA Grant. I also informed him that I would push for reallocation of the $3.2 million plus Engineering if he refused to agree to upgrade the 20 miles to Class 2 status consistent with the underlying goal of the Project. He said he would get with Jon and consider it. In response I indicated that we would apply in the future for funds to use on the Madison Port to Tallulah track.

29. Realizing the need to clear all modifications of the Scope of Work with FRA, the other partners had a telephone call to discuss possible responses to FRA if DSRR refused to agree to upgrade the twenty miles and sign the Consortium Agreement. On August 18, Ms. Hargrove sent an email to Marino advising him that she needed to have an answer in writing by 12 noon CDT, August 21, 2020:

> describing Delta Southern Railroad's intentions as far as the Consortium Agreement and the Grant Agreement to repair the track between Talla Bena, Louisiana and Lake Providence, Louisiana to a minimum of FRA Class I standards and provide service as described in the narrative of the INFRA application and INFRA award.[25]

[25] *See* Exhibit I, V.S. Hargrove, at Attachment 9.

As is evident, by reducing the target from FRA Class 2 to Class 1, SEAEDD, in effect, would reduce the amount of Grant funds that DSRR would be required to expend *if USDOT and FRA would approve the requested modification*. I had no idea whether they would do so.

30. On the morning of August 20, 2020, Bryant Killen, LPPC's Deputy Director, and I had a speaker phone conversation with Mr. Marino to urge him again to comply with the intent of the INFRA Grant Application by upgrading the 20 miles of track south of Lake Providence. During that conversation, Mr. Marino suggested that LPPC buy the track owned by DSRR in East Carroll Parish to below Tallulah. He stated a price tag of around a million dollars a mile estimating the cost would be between $13 and $16 million. He then said this would be the best option and, while he hated to use the cliche "win-win," would be the only way in this instance that the line would be cleared of stored cars. Unprompted, he then said he "would move the cars somewhere else, no problem." I informed Mr. Marino that because LPPC is a government agency, I was required to obtain an appraisal before I could make a commitment.

31. Following our conversation, I received an email from Mr. Marino thanking me for the call. He also included the following sentences:

> In an effort to work with you and the port I think we can come up with a creative solution to sell a portion of the right of way to the port. This could be beneficial for a port customer for many reasons – one most important being access to two class one railroads.
>
> Let me know the next steps needed to get this to a term sheet?

Because I could not proceed without an appraisal to determine the NLV of the Line, I did not reply. I did, however, agree with the benefit to port customers that Mr. Marino identified.

32. On August 21, 2020, I learned that SEAEDD had received a responsive email from Mr. Marino confirming DSRR's lack of intent to rehabilitate the segment of its track between MP 471 and MP 491 to even FRA Class 1 status. As was made clear, the INFRA GRANT funds would be applied only to DSRR's "Priority Miles." These are the miles between MP 500.0 and MP 491.0 that allow DSRR to provide service to the MPP. As I have subsequently learned, DSRR does not appear to be authorized to operate over some of the "priority miles" that DSRR intended to upgrade with INFRA funds that were sought to upgrade the Lake Providence Branch Line between McGehee and Tallulah. That matter is presently pending before the Board.

33. Because this would leave the twenty miles of track in their current excepted status, which is contrary to the goal of reopening the entire Corridor, I was concerned that the failure to upgrade the tracks could jeopardize the INFRA Grant fund. Those concerns have been somewhat alleviated by the passage of time. However, after learning in 2021 that DSRR had concluded that the track between milepost 471.0 and milepost 491.0 was long-dormant and that track renovations required by FRA were unjustified and unwarranted, I realized that DSRR's goals clashed with LPPC's goal of rehabilitating the track to promote economic development of the region.

34. That statement removed any doubt in my mind that DSRR, while being content to use grant funds to rebuild some of the track between its interchange point with KCS and Madison Parish Port, would not invest sufficient funds to give shippers the confidence to resume shipping over the 20-mile segment. Instead, they would set up LPPC and the taxpayers of Louisiana to do the dirty work to cover the cost of rehabilitating DSRR's Line to FRA Class 2 standards consistent with the Statement of Work that had been approved by DOT and FRA, while DSRR would reap the benefits. In fact, that process had started years ago when LPPC agreed to pay DSRR's share of HDR's Final Invoice, which was only $19,092. LPPC's payment was made after Matt Prince, Continental Rail's Director of Operations, on September 21, 2017, sent an email to Danny Robbins informing him that "[w]e bowed out of the grant application for the time being as we simply cannot afford to spend the cash right now."[26] Rather ironically, 26 days later, Mr. Prince sent a letter to Elaine Chao, Secretary of Transportation, that detailed the unquestioned need to "modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports."[27]

35. My decision to acquire the remainder of the Lake Providence Branch was also based on new information that was discovered months after

[26] *See* Attachment 11, Email from Matt Prince, Director of Operations, Continental Rail to Danny Robbins, dated September 21, 2017 3:33 PM.
[27] *See* Attachment 12 hereto.

the original Feeder Line Application was filed. This evidence includes the sworn statement that was offered by Craig Huff, DSRR's former General Manager, in March of 2022, after the Board had suspended the procedural schedule. As he explained in his Verified Statement that is being refiled in accordance with the Board's order as Attachment 13 hereto, he was upset by statements made in DSRR's pleadings in this proceeding and wanted to help set the record straight. In particular, he explained that John Marino, Jr. and Jon Ryan discouraged him from working with Danny Robbins to develop new interchange business because DSRR could make more money by using the track to store rail cars. Given that the new information, which was not available when the original Feeder Line Application was filed in November 2020, I realized that it would be in the public interest to amend the pending Feeder Line Application to force the sale of the track between milepost 471.0 and the end of the Line in Tallulah.

36. My decision to acquire the remainder of the Lake Providence Branch Line is also based on my understanding, gained from my long involvement in the transportation industry, that shippers prefer single-line service that eliminates the need to negotiate with multiple rail carriers to establish rates and extra switching that delays the delivery of cars to their destinations. Because of DSRR's decision to focus on storage, rather than provide interchange service, various shippers were unable to receive rates from DSRR that would involve interchange with NL&A. A prime example of DSRR's unwillingness to cease car storage to promote interchange traffic is its treatment of Bayou Bioenergy ("BBE"). As Mr. Bush has explained in his

Verified Statement,[28] because DSRR refused to accept the loaded cars from NL&A at the interchange point, BBE was compelled to truck its product to Madison Parish Port where the product was transloaded to DSRR. Mr. Bush's testimony is confirmed by Mr. Huff. As Mr. Huff has explained, BBE's:

> goal at that time was to ship about 78 cars per year. Even if the track between MP 491 and MP 471 had been rehabilitated, given the number of cars that were being stored, clearing the track more than once a week would have created an operational nightmare. Although DSRR wanted the traffic, it refused to accept the loaded cars from NLA at the interchange point. Instead, DSRR demanded that BBE truck its product to Tallulah to be transloaded into railcars for further movement by rail.[29]

As Mr. Huff has testified, although he and Mr. Robbins had promised to provide shippers with rates, they could not rely on Mr. Huff's assurances that DSRR would agree to any rates involving interchange with NL&A.[30] As he has also testified, he was told to focus on storage and to stop his efforts to attract traffic that would involve interchange movements over the track between mileposts 471.0 and 491.0.[31] Plainly, the foregoing demonstrates that DSRR and its owners deliberately refused to hold out interchange service over that segment of its track so that it could store empty rail cars.

37. DSRR's practice is also condemned by DSRR's largest shipper, Complex Chemical, which is in the Madison Parish Port. As Jerry Melton, the President of Complex Chemical has stated:

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[28] *See* Exhibit K, V.S. Bush.
[29] *See* Exhibit H, V.S. Huff at ¶8.
[30] *Id.*
[31] *Id.* at ¶5.

> having to pay the higher rates that are charged for the current routing that has been created by DSRR's refusal to maintain its rail line imposes a penalty on Complex Chemical. As a result, I view DSRR's owner's self-imposed refusal to maintain its own line as a restraint on trade and contrary to the public convenience and necessity and the public interest. That restraint also causes its service to be inadequate from an economic standpoint. While it may be financially rewarding for DSRR to exact higher rates while collecting rental payments for storing railcars on its mainline, that action is, in my mind, a violation of its statutory rail common carrier obligation.[32]

No one can estimate the number cars that could have been handled in interchange service had DSRR complied with the ICC statutory provisions governing interchange that were enacted in 1887.

38. In reaching my decision, which has the full support of the other Partners, I was aware that we could not expect DSRR to rehabilitate the tracks. I also knew that rehabilitation of the tracks, if they were owned by LPPC, would enable industries located in both the Madison Parish Port and the Lake Providence Port to reach both UP and KCS. That, of course, was one of the reasons that the Partners had supported the INFRA Grant Application. In fact, both Matt Prince, in his letter to Secretary of Transportation, Elaine Chao, and John Marino, Jr., in his offer to sell some of the Line to LPPC, recognized the benefits to shippers that flow from the ability to reach both KCS and UP without having to interchange. I also focused on DSRR's repeated refusals, of which I was personally aware, to provide interchange service with NL&A at MP 471 since 2017. I also considered the fact that while DSRR was not using the

[32] *See* Exhibit L, V.S. Melton at p. 3.

tracks north of MP 491 to provide any rail common-carrier service, it was using about ten miles of the track to store idle railcars for third parties. That storage provided no benefits to the industries located at either of the Louisiana Ports. Because the continued storage of rail cars effectively interferes with and prevents reliable and timely service over the entire Corridor, the stored cars would have to be removed.

39. I respectfully request the Board to carefully reconsider the benefits that shippers realize by having to work with and depend upon a single short line rail carrier. By allowing Patriot Rail to assume ownership of DSRR, the Board has not protected the public interest. As is demonstrated by the record and discussed at length in this expanded Feeder Line Application, having to negotiate with multiple short line railroads for rate quotations, tracking and claims is inefficient at best. Furthermore, as the Board has recognized, having multiple short line carries involved in situations such as this prevents shippers from having a direct interchange of traffic with KCS and UP, necessitates costly and inefficient short movements and additional interchanges. Those results in higher costs to shippers and their customers, which is not in the public interest.

40. Furthermore, I am concerned that DSRR intends to shut down interchange with NL&A and afterwards compel all of the captive shippers located in the Madison Parish Port to reach UP at Monroe, LA, rather than at McGehee, AR. In a press release, dated September 16, 2022, DSRR announced

"the opening of a rail transload terminal on its Tallulah/Lake Providence branch in Sondheimer, LA slated for Fall 2022." In its announcement, Frank Prentiss, DSRR's VP Sales & Marketing, while mentioning that KCS and UP are DSRR's interchange partners, never mentioned that DSRR has an open interchange with NL&A that would be less expensive and more efficient than having to interchange with UP at Monroe, Louisiana.

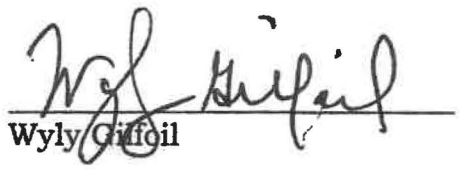
41. In addition, while Golden Gate is unquestionably seeking to milk as much as it can out of the sale of DSRR, what is to be gained by rewarding Golden Gate for its abuse of the Board's procedures when DSRR has selfishly interfered with and undermined LPPC's and SEAEDD's prolonged efforts to restore the entire Lake Providence Line. Moreover, it even refused to commit any funds to supplement DOT's INFRA Grant. Viewed in slightly different terms, while LPPC and SEAEDD have spent over 30 years trying to preserve the track for the movement of freight traffic to assist shippers in the region, Golden Gate has spent seven (7) years resisting the movement of freight so that it could sustain a steady stream of revenues from the use of the "Tallulah/Lake Providence Branch" to store railcars.

42. The evidence is indisputable that DSRR's initial owners deliberately allowed most of the Line to deteriorate before they sold the most profitable segment to West Branch. The evidence that is being submitted with this application proves that after it acquired ownership of DSRR, West Branch undermined Continental Rail's efforts to restore the critical 20-mile segment of

track that is needed to allow all shippers in the region to reach both KCS and UP. Although West Branch's goal is to maximize its profit from the sale of DSRR, that has nothing to do with continued rail service. Finally, because NL&A stands ready, willing and able to provide direct, efficient and less expensive service than any other rail carrier that will only increase the cost of transportation for shippers who are located along the entire Lake Providence Branch between McGehee and Tallulah, I urge the Board to grant this Feeder Line Application and deny any competitive application that may be filed on the grounds that it will not be able to guarantee direct access to both UP, in McGehee, Arkansas, and KCS, in Tallulah.

VERIFICATION

I, Wyly Gilfoil, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 31st day of January 2023.



Wyly Gilfoil

Attachment 1

March 11, 1988 ICC Decision in
Docket No. AB-3 (Sub-No. 72), *Missouri Pacific Railroad Company – Abandonment – In Desha and Chicot Counties AR, and East Carroll, Madison, Tensas and Concordia Parishes, LA*

DO

SERVICE DATE
MAR 11 1988

INTERSTATE COMMERCE COMMISSION

DECISION

Docket No. AB-3 (Sub-No. 72)

MISSOURI PACIFIC RAILROAD COMPANY - ABANDONMENT - IN DESHA AND CHICOT COUNTIES, AR, AND EAST CARROL, MADISON, TENSAS AND CONCORDIA PARISHES, LA

Decided: March 8, 1988

By application filed January 29, 1988, Missouri Pacific Railroad Company (MP) seeks to abandon 162.7 miles of railroad between milepost 408.9 near McGehee, AR and milepost 651.6 near Vidalia, LA. Protests were filed by Cobra Resources, Riceland Foods, Farmers Grain Terminal and Farmers Cottonseed Company (Farmers), Livingston Pecan & Metal Co., Louisiana Railcar, Inc. (LRC) and the Louisiana Public Service Commission. Comments were filed by U.S. Senators David Pryor, John Breaux, and J. Bennett Johnston; U.S. Representatives John P. Hammerschmidt, Jerry Huckaby, and Beryl Anthony, Jr.; Louisiana State Representatives Archie L. Crosby and Jess Smith, and Arkansas State Representative Charlotte L. Schexnayder.

Comments were also filed by numerous non-shipper protestants, area cotton producers, municipal governments, local officials, and residents of the communties served by the rail line.[1/] Applicant did not reply to the protests.

Most of the protestants oppose the abandonment of the 90-mile segment of the line between McGehee, AR and Tallulah, LA which is the northern portion of the rail line. Several of the protestants (located on the McGeehee-Tallulah portion of the line) request that the Commission: (1) bifurcate the abandonment proceeding at Tallulah; and (2) require the railroad to submit revenue and avoidable cost data separately for the 90-mile McGehee-Tallulah segment and for the 73-mile Tallulah-Vadalia segment. The protestants claim that, because the line south of Tallulah (Tallulah-Vadalia) has been embargoed for a year, aggregating it with the line north of Tallulah burdens the shippers and communities on the upper segment with costs that are inappropriate to that segment. This group of protestants does not oppose the abandonment of the southern segment of the line.

(LRC), a protestant located on the southern Tallulah-Vadalia segment of the rail line, also requests that the applicant produce evidence of traffic, revenues, operating costs and opportunity costs for the separate segments of the rail line. However, LRC requests that the investigation encompass both segments of the line and that the abandonment be considered as a whole. LRC, alleging that MP intentionally downgraded service on the line and effected de facto abandonment, also requests that a full investigation and oral hearing be held. LRC claims that an oral hearing with cross-examination is needed to resolve questions of fact regarding the alleged intentional downgrading of service on the entire line, even prior to the embargo of the Tallulah-Vadalia segment.

Based on the protests and comments, an investigation will be instituted with regard to abandonment of the entire line as well

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1/ Some of these individuals did not serve copies of their statements on the railroad, therefore we will not consider them to be protestants. However we will place them on the service list and they will receive copies of all decisions. If any of these individuals desire to be considered protestants they must serve their statements on the railroad and abide by all other requirements of 49 CFR 1152.25.

as of the component two segments. While LCR seeks an oral hearing, an oral hearing with cross-examination of witnesses is not necessary to have a complete and accurate record in this proceeding. It has not been shown that cross-examination is required to resolve the disputed issues. Nor has witness demeanor been shown to be a matter requiring oral hearing in this proceeding. The request for oral hearing will, therefore, be denied. A written record, accompanied by discovery, if necessary, can address all disputed issues of fact.

As noted above, most of the protestants only oppose the abandonment of the 90-mile segment of the line between McGehee and Tallulah. (Most of the shippers are located on this segment.) I note, for their information, that proponents of partial abandonments bear the ultimate burden of establishing the viability of a suggested alternative to complete abandonments. State of ME Dept. of Transp. v. I.C.C., 587 F.2d 546 (1st Cir. 1978).

However, in this instance, the southern segment of the line has been embargoed, and statements received from protestants LRC and Farmers indicate that, even before the embargo, the north and south segments of the rail line were operated separately. Therefore, I will direct that separate traffic and financial information for the northern and southern segments be presented [illegible].[2]

The environmental and energy impacts of this action have been examined and found not to be significant. Areas of consideration included, but were not limited to, energy consumption, air and water quality, noise levels, and public safety. It was determined that the right-of-way would be suitable for alternative public use following abandonment.

The environmental document supporting these conclusions is available upon request to: Section of Energy and Environment, Room 4143, Interstate Commerce Commission, 12th and Constitution, N.W., Washington, DC 20423. Telephone: (202) 275-6874. Interested persons may comment on this matter by filing their statements in writing on or before the 40th day after the service date of this decision. Environmental documentation may be cross-examined only if good cause is shown. Good cause contemplates, among other things, that the normal written commenting process is inadequate. See 49 CFR 1108.10(h).

Applicant must publish the above finding and notice of availability in the local newspaper of the affected area and inform (by letter) the Section of Energy and Environment that publication has been accomplished within 3 weeks of the date of service of this decision.

The parties may appeal this decision under the provisions of 49 CFR 1011.2(a)(8). An appeal must be filed within 10 days of the service date of this decision, and will be heard by the entire Commission.

It is ordered:

1. An investigation into the proposed abandonment is instituted under modified procedure. The parties must comply with the applicable provisions of 49 C.F.R. 1112.1 through 10.

2. The request for oral hearing is denied.

3. The schedule for filing verified statements is as follows:

2/ For the northern segment, the requested information should cover both 1986 and 1987. Since the southern segment was not operated after January 1987, the requested information for the southern segment should cover 1986.

Applicant's initial statements (including the additional date requested) - March 28, 1988.
Protestants' statements - April 20, 1988.
Applicant's reply statements - May 2, 1988.

4. Except when good cause has been shown, preliminary motions and requests for other relief will not be acted on prior to the date that all verified statements are required to be filed.

5. This decision is effective on the date served.

By the Commission, Jane F. Mackall, Director, Office of Proceedings.

Noreta R. McGee
Secretary

Attachment 2

July 27, 1988 ICC Decision in
Docket No. AB-3 (Sub-No. 72)

DO

SERVICE DATE
JUL 27

INTERSTATE COMMERCE COMMISSION

DECISION

Docket No. AB-3 (Sub-No. 72)

MISSOURI PACIFIC RAILROAD COMPANY - ABANDONMENT - IN DESHA AND CHICOT COUNTIES, AR, AND EAST CARROLL, MADISON, TENSAS AND CONCORDIA PARISHES, LA

IN THE MATTER OF AN OFFER OF FINANCIAL ASSISTANCE

Decided: July 25, 1988

By decision served July 11, 1988, the Commission found that the public convenience and necessity permit the abandonment by Missouri Pacific Railroad Company (MP) over its 162.7-mile line of railroad between milepost 408.9 near McGehee in Desha County, AR, an milepost 651.6 near Vidalia in Concordia Parish, LA. Notice of this decision was published in the Federal Register on July 11, 1988.

On July 20, 1988, National Railway Equipment Co. (NREC) timely filed an offer of financial assistance to acquire those portions of the line between: (1) milepost 409.07 near McGehee and milepost 557.2 near Clayton Junction, LA and (2) milepost 637.2 near Clayton Junction and milepost 651.6 at Vidalia, a distance of 162.53 miles. NREC offers $500,000.

On July 21, 1988, the Lake Providence Port Commission (PortCom) of Lake Providence, LA, timely filed an offer of financial assistance to acquire that portion of the line between milepost 408.9 near McGehee and milepost 498.4 at Tallulah, LA, a distance of 89.5 miles. PortCom offers $1,116,000.

The Commission has determined that offers of financial assistance need not be detailed, but an offeror must show that it is financially responsible and that its offer is reasonable. See Conrail Abandonments Under NERSA, 365 I.C.C. 472 (1981).

NREC does show that it is financially responsible. NREC submits financial statements showing total assets of $2,477,747, current assets of $1,729,738, shareholder equity of $668,590 and a net income of $71,407 for the 12-month period ending April 30, 1988.

PortCom is a government entity and as such is financially responsible. 49 U.S.C. 10905(d)(1).

NREC, however has made no attempt to explain the disparity between its offer and MP's estimated valuation of the line as required by 49 U.S.C. 10905(c) and 49 CFR 1152.27(c)(2)(iii). Accordingly, NREC has not shown that its $500,000 purchase price, which is only about 12.5 percent of MP's estimated NLV,[1] constitutes a bona fide offer. The NREC offer of financial assistance is therefore rejected.

A different conclusion is warranted for PortCom's offer. PortCom's offer is based upon independent valuation of the track, materials and real estate. MP estimated a NLV of $2,035,335[2] or $22,615 a mile. PortCom's offer of $12,400 a mile is considerably less than MP's NLV estimate. However, because PortCom has explained the disparity between its offer and MP's valuation and explained the manner in which its offer was calculated, as required by section 10905(c), I find PortCom's offer to be bona fide and reasonable to initiate negotiations between the parties. It is likely that the financial assistance that could result from these negotiations would equal the acquisition cost of the line between McGehee and Tallulah. Therefore, I will postpone issuance of the certificate for that

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1/ See page 5 of the July 11 decision.

2/ Id.

portion of the line between McGehee and Tallulah.

Appeals to this decision are governed by 49 CFR 1011.8(a)(8). Any appeal must be filed within 10 days of the service date of this decision and will be heard by the entire Commission.

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

It is ordered:

1. National Railway Equipment Co.'s offer of financial assistance is rejected.

2. Issuance of a certificate and decision authorizing abandonment of the 89.5-mile portion of the line between milepost 408.9 near McGehee and milepost 498.4 at Tallulah is postponed.

3. Either Lake Providence Port Commission or Missouri Pacific Railroad Company may request the Commission to set the terms and condition of purchase on or before August 25, 1988. If no agreement is reached and no request submitted by that date, a certificate authorizing abandonment of the segment between milepost 408.9 and milepost 498.4 will be issued, unless otherwise ordered by the Commission.

4. This decision is effective on the date served.

By the Commission, Jane F. Mackall, Director, Office of Proceedings.

Noreta R. McGee

Noreta R. McGee
Secretary

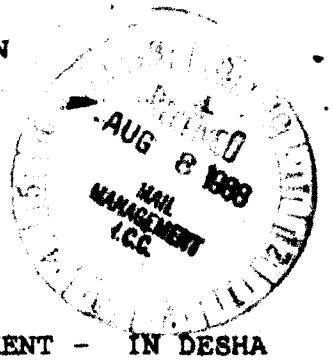
Attachment 3

1988 NREC Letter

BEFORE THE

INTERSTATE COMMERCE COMMISSION

WASHINGTON, D.C. 20423



Docket No. AB-3 (Sub-No. 72)

MISSOURI PACIFIC RAILROAD COMPANY - ABANDONMENT - IN DESHA AND CHICOT COUNTIES, AR, AND EAST CARROLL, MADISON, TENSAS, AND CONCORDIA PARISHES, LA

IN THE MATTER OF AN OFFER OF FINANCIAL ASSISTANCE

APPEAL

AUG 9 1988 SD
BR 243

NATIONAL RAILWAY EQUIPMENT CO.

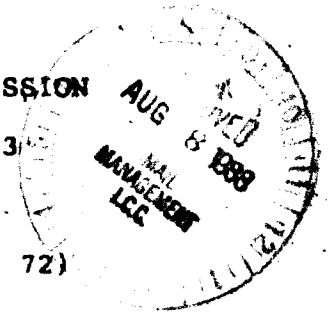
KARL MORELL
HERON, BURCHETTE, RUCKERT
& ROTHWELL
1025 THOMAS JEFFERSON ST., N.W.
EAST LOBBY - SUITE 700
WASHINGTON, D.C. 20007
ITS ATTORNEYS

AUGUST 8, 1988

BEFORE THE

INTERSTATE COMMERCE COMMISSION

WASHINGTON, D.C. 20423



Docket No. AB-3 (Sub-No. 72)

MISSOURI PACIFIC RAILROAD COMPANY - ABANDONMENT - IN DESHA AND CHICOT COUNTIES, AR, AND EAST CARROLL, MADISON, TENSAS, AND CONCORDIA PARISHES, LA

IN THE MATTER OF AN OFFER OF FINANCIAL ASSISTANCE

APPEAL

NATIONAL RAILWAY EQUIPMENT COMPANY ("NREC") hereby submits its appeal to the initial decision of Director Mackall, served July 27, 1988, in this matter. In that decision, the Director rejected NREC's offer of financial assistance on the grounds that NREC had failed to establish that its offer was bona fide. NREC urges the Commission to reverse the July 27th

decision, to the extent that the decision rejected NREC's offer of financial assistance, and to permit NREC to continue its negotiations with the Missouri Pacific Railroad Company ("MP") for the preservation of rail service over a portion of the MP lines to be abandoned.

On July 11, 1988, the Commission gave notice in the Federal Register of its decision permitting MP to abandon 162.7 miles of rail line between McGehee, AR and Vidalia, LA. On July 20, 1988, NREC timely filed an offer of financial assistance to acquire 162.53 miles of the line for a cash price of $500,000.[1/] On July 21, 1988, the Lake Providence Port Commission ("PortCom") also filed an offer of financial assistance to acquire 89.5 miles of the line for $1,116,000.[2/]

In the July 27th decision, the Director found that NREC was financially responsible. However, because NREC did not explain the difference between its offer and MP's estimated valuation of the line, the Director determined that NREC had

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1/ NREC proposed to acquire the portions of the line between (1) milepost 409.07 near McGehee and milepost 557.2 near Clayton Junction, LA and (2) milepost 637.2 near Clayton Junction and milepost 651.6 at Vidalia, LA.

2/ PortCom proposed to acquire that portion of the line between milepost 408.9 near McGehee and milepost 498.4 at Tallelah, LA.

failed to establish that NREC's offer was bona fide, and therefore, rejected that offer. The Director went on to find PortCom's offer as bona fide, and accordingly, postponed the issuance of a certificate authorizing the abandonment of the line between McGehee and Tallulah.

Although NREC now recognizes that it should have explained its offer of financial assistance in greater detail, NREC felt that such an explanation was unnecessary since its offer was based on negotiations with MP and it was NREC's understanding that MP would file a letter with the Commission supporting the offer.3/ Prior to filing its offer with the Commission, NREC had negotiated with MP over the acquisition of the lines involved in this abandonment proceeding as well as certain other lines in the same geographic area. As pertinent here, these negotiations generally centered around a compensation package whereby MP would receive an up-front cash payment, plus certain additional remuneration during the term of the agreement. In submitting its offer of financial assistance to the Commission, NREC simply computed, on an average per-mile basis, the up-front cash payment NREC had offered to MP. Since the additional

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3/ By letter dated July 20, 1988, MP notified the Commission that MP viewed NREC's offer "to be bona fide and adequate to begin negotiations."

remuneration to be provided to MP was still being negotiated, NREC was unable to provide any specifics regarding its current monetary value.4/ Nevertheless, at the time NREC filed its offer of financial assistance, it was fully aware that the overall compensation package would have to be generally equal to the line's net liquidation value in order for MP to accept its offer.

Pursuant to the provisions of 49 CFR 1152.27(c)(2)(iii), an offeror is required to explain the disparity between its "purchase price or subsidy if it is less than the carrier's estimate under (Section 1152.27(a)(1))...." Since NREC's offer was based on direct negotiations with MP, rather than on information provided by the carrier under Section 1152.27(a)(1), NREC felt that it was unnecessary to comply with the requirements of Section 1152.27(c)(2)(iii). In fact, NREC has never specifically requested nor has it ever received an estimate of the minimum purchase price. Moreover, NREC felt that its offer was reasonable since the offer had been the basis of extensive and generally fruitful negotiations with MP and MP had agreed to support the offer before the Commission.

4/ In addition, both NREC and MP consider the specifics of the additional remuneration under negotiation to be proprietary information. Therefore, should the Commission require that information for purposes of this appeal, NREC requests that the parties be permitted to file that information under seal.

NREC urges the Commission to reverse the July 27th decision so that continued rail service can be maintained on the involved line. NREC realizes that all but the McGehee to Tallulah portion of the line may already have been abandoned by the time the Commission considers this appeal. Accordingly, NREC requests that the Commission consider its prior offer, as more fully explained in this appeal, to be for the remaining 89.5 mile portion of the line between mile post 408.9 near McGehee and milepost 498.4 at Tallulah.5/

Since the July 27th decision was issued, NREC has continued to negotiate with MP for the acquisition of the McGehee to Tallulah portion of the line. On the basis of those negotiations, NREC offers to make an up-front cash payment of approximately $500,000 plus provide MP with certain additional cash and/or non-cash benefits during the term of the agreement for the McGehee to Tallulah line. Although all the specifics have not yet been worked out, the parties are close to reaching an agreement on an overall compensation package that is close to the line's net liquidation value. It is NREC's understanding that MP intends to support this appeal and

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5/ If NREC is successful in acquiring the 89.5 mile portion of the line, it intends to negotiate separately with MP for a post-abandonment acquisition of the remainder of the line.

verify that NREC and MP are close to reaching a mutually satisfactory agreement.

NREC has also been authorized to state that PortCom is cooperating with NREC in NREC's efforts to acquire the involved line and that PortCom intends to file a pleading supporting this appeal. PortCom has no desire to own and operate the involved line and would prefer that NREC purchase the line. In fact, there are still some unresolved questions as to PortCom's ability to acquire the line under the relatively short time constraints provided for in a Section 10905 transaction. At the time it filed its offer of financial assistance, PortCom was unaware that NREC would also be filing an offer of assistance and its only interest in this proceeding is to assure continued rail service to the Lake Providence Port.

In summary, NREC's offer of financial assistance was and continues to be based on direct negotiations with MP. Although a final agreement has not yet been reached, NREC and MP are close to reaching a mutually satisfactory agreement on an overall compensation package that will equal the line's net liquidation value. Moreover both MP, the selling carrier, and PortCom, the only other offeror, fully support NREC's appeal and proposed acquisition of the involved line. Accordingly, NREC respectfully requests that the Commission reverse the July 27th decision, to the extent that it rejected NREC's offer of financial assistance, and provide such other relief as may be

necessary to enable NREC and MP to reach a voluntary agreement for the acquisition of the involved line.6/

Respectfully submitted,

NATIONAL RAILWAY EQUIPMENT CO.

By: Karl Morell
Karl Morell
Heron, Burchette, Ruckert & Rothwell
1025 Thomas Jefferson St., N.W.
East Lobby - Suite 700
Washington, D.C. 20007
Its Attorneys

August 8, 1988

6/ NREC further requests that the Commission decide this appeal as expeditiously as possible. MP and PortCom must either reach an agreement or request the Commission to set the terms and conditions of purchase by August 25, 1988. NREC is confident that, if its appeal is expeditiously granted, it will be able to reach a voluntary agreement with MP prior to the August 25th deadline and ensure continued rail service over the line without further Commission involvement..

CERTIFICATE OF SERVICE

I hereby certify that I have served a true and correct copy of the foregoing document upon the following parties of record in this proceeding, by First Class Mail, postage prepaid:

Joseph D. Anthofer
General Attorney
Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179

Randy Walters
Port Director
Lake Providence Port Commission
Highway 65 South
P.O. Box 348
Lake Providence, Louisiana 71254

Dated this 8th day of August, 1988.

Karl Morell

Karl Morell

Attachment 4

ICC Decision in Docket No. AB-3 (Sub-No. 72)
Served October 13, 1988

[redacted]

Docket No. AB-3 (Sub-No. 72)

MISSOURI PACIFIC RAILROAD COMPANY--ABANDONMENT-- IN DESHA AND CHICOT COUNTIES, AR, AND EAST CARROLL, MADISON, TENSAS AND CONCORDIA PARISHES, LA.

IN THE MATTER OF FINANCIAL ASSISTANCE

Decided: October 11, 1988

By decision served September 30, 1988, in this proceeding, National Railway Equipment Co. (NREC) was authorized pursuant to 49 U.S.C. 10905 to acquire and operate an 89.5-mile line of the Missouri Pacific Railroad Company (MP) between milepost 408.9 near McGehee in Desha County, AR and milepost 498.4 at Tallulah in Madison Parish, LA. In that decision, this Commission stated that MP's application to abandon the line would be dismissed effective on the consummation date of the sale. By petition filed October 4, 1988, NREC states that the transaction has not been consummated.

In the October 4 petition, NREC, Delta Southern Railroad Company (DSRC) and Mr. Lawrence J. Beal request approval to substitute DSRC, a corporate affiliate of NREC, as the purchaser of the 89.5-mile line in lieu of NREC. DSRC is a newly-formed Louisiana Corporation. Both companies are wholly owned by Mr. Beal. Mr. Beal will contribute to DSRC about $150,000 to $200,000 for working capital. Also NREC is guaranteeing the bank loan to be made to DSRC for the entire purchase price of the line. Mr. Beal and NREC will guarantee the financial responsibility of DSCR. Mr. Beal also submitted a personal financial statement indicating he has adequate financial resources.

Prior to the consummation of a purchase under the financial assistance procedures, an offeror may substitute its corporate affiliate as the purchaser under an agreement, provided the original offeror has guaranteed the financial responsibility of its affiliate. 49 CFR 1152.27 (c)(1). Because NREC, the original offeror, has guaranteed the financial responsibility of its corporate affiliate, DSRC, the substitution of DSRC as the purchaser of the 89.5-mile will be authorized.

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

It is ordered:

1. DSRC is substituted for its affiliate, NRSC, and is authorized to acquire and operate MP's 89.5-mile line between milepost 408.9 near McGehee and milepost 498.4 at Tallulah.

2. The application to abandon this 89.5-mile line is dismissed effective on the date of consummation of the sale to Delta Southern Railroad Company.

3. This decision is effective on the date of service.

By the Commission, Jane F. Mackall, Director, Office of Proceedings.

(SEAL)

Noreta R. McGee
Secretary

Attachment 5

Rebuttal Verified Statement of Abollah (Abe) Grazai,
UP's Track Planning Engineer,
filed March 3, 2004, in FD No. 34479,
Arkansas Midland Railroad Company-Emergency Service Order-Line of Delta Southern Railroad, Inc.

TAB B

FINANCE DOCKET NO. 34479

REBUTTAL VERIFIED STATEMENT

OF

ABDOLLAH (ABE) GHAZAI

My name is Abdollah (Abe) Ghazai. I have been employed by Union Pacific Railroad Company ("UP") and its predecessors since 1978 and currently hold a position as Track Planning Engineer in the Engineering Services Department. My office address is 1416 Dodge Street, Omaha, Nebraska 68179.

I have a total of 25 years of experience in railroad engineering matters, and I have held various railroad maintenance-of-way positions. As a Trackman I have inspected and performed overall track maintenance activities and have maintained track and railroad right-of-way in accordance with UP and FRA guidelines. I have also worked as a Supply System Analyst, as a Data Analyst, as a Manager of Vegetation Control, and most recently as a Track Planning Engineer. In my current position, I have responsibility throughout the UP system for evaluating track conditions, and estimating the cost of maintenance and rehabilitation projects on various types of track structures and projects.

I am very familiar with the Warren, AR line which UP leases to the Delta Southern Railroad ("DSR"). The line runs approximately 39.42 miles from Dermott, AR (MP 422.32) to Warren, AR (MP 461.74). I have inspected this line on two occasions in the past three years. The first inspection was on July 24,

2001. My second inspection was conducted on Thursday, February 26, 2004 with Sam Wiersma, UP Manager Track Maintenance - Central Region, and John Taylor, UP Manager-Special Projects. We were accompanied by Don Avis of DSR. The purpose of the latest inspection was to evaluate the current condition on the line.[1]

RESULTS OF FEBRUARY 26 INSPECTION

Attached to this statement are inspection notes of the February 26 inspection. A summary of our conclusions is as follows:

1. Overall, the line has been poorly maintained, particularly the portion with jointed rail (MP 422.32-440.6). It appears that DSR's maintenance strategy for some time has been to do the minimum necessary for short-term operation. Unfortunately, the "short term" has nearly run out.

2. Alignment and surfacing are particularly bad and are not in compliance with FRA Class 1 requirements. There are numerous strategic locations with serious problems that are derailments waiting to happen (for example, reverse super-elevation of over 3" in a curve). Tie conditions are marginal, at best, for FRA Class 1 track, with numerous locations of joint tie violations in the 18 miles of jointed track.

3. DSR obviously does not have an effective maintenance program for dealing with alignment and surfacing. From what we saw, its solution for these conditions is simply to dump ballast on top of the track structure, without raising and aligning the track or tamping the ballast under the ties. This approach does

[1] I understand that FRA recently conducted its own inspection of a 20-mile segment of the line between MP 422 and MP 442, and wrote up 79 defects for this segment.

nothing to correct the existing alignment and surface conditions. DSR follows the same ineffective approach in repairing derailment damage to its track. Dumping ballast on top of the track structure and leaving it there also makes it impossible to determine the condition of the ties buried under the ballast and, by holding moisture against the ties, hastens tie deterioration.

4. DSR similarly does not have an effective tie replacement program. Based on what we saw, DSR's general practice has been to replace the minimum number of defective ties necessary to comply with tie spacing requirements of FRA Class 1 track standards (although, as noted above, there are numerous locations where they have not complied with these requirements). Particularly given the light weight of the rail (90 lbs.), this approach will often not provide sufficient track support for keeping the track structure within FRA geometry standards for Class 1 rail under load. We observed evidence on the track structure of excessive movement under load at a number of locations, which is consistent with insufficient tie support. Another problem is that a single non-defective tie in a large cluster of ties that aren't doing their jobs creates a short, relatively rigid area under the rail at that location, which increases the possibility of a break. Finally, this practice makes correction of alignment and surfacing defects more difficult. When the track structure is raised, as it must be in the surfacing process, the defective ties will pull loose from the rail and remain buried under the new ballast.

5. I understand that Bill Wainwright, DSR's President, said in a recent affidavit that DSR had undertaken a major track program to restore the line to

FRA Class 1 condition which was about two-thirds complete. During our February 26 inspection, we observed no maintenance or rehabilitation work in progress anywhere on the line. In fact, we observed no maintenance personnel on the entire line, except for the DSR employee who accompanied us. There were also no stockpiles of materials that would indicate that work was to be undertaken in the near future.

6. We did encounter two track machines on the line near MP 434, a ballast regulator and a tamper/liner. These machines were unmanned and appeared to be inoperational (particularly the tamper/liner, which was missing its vibrator motors). Suspecting that the machines may have been placed at MP 434 to prevent us from inspecting some of the track beyond this point, we ran around the machines, set back on the track near MP 439, and ran back toward MP 434. At MP 437.5, we discovered two derailed cars (one of which was on its side), and a crane, which had apparently been brought there for rerailing. The crane was unmanned and there were no personnel in the area.

7. We observed no rail operations during our entire inspection on February 26.

VERIFICATION

Abdollah (Abe) Ghazai, states on penalty of perjury that he has read the above document, knows the facts asserted therein, and that the same are true as stated.

March 2, 2004

Abdollah Ghazai



John E. Taylor
03/02/04 11:57 AM

To: Abe Ghazai@UP
cc: Bob Opal@UP
Subject: Warren Branch

Mr. Ghazai

This is the report of our February 26 track inspection of the Warren Branch that you requested.

On February 26 the Union Pacific Railroad preformed a track assessment of the Warren Branch which is currently leased to the Delta Southern Railroad. The inspection was preformed by hy-rail and the following were present Sam Wiersma UPRR, Abe Ghazai UPRR, John Taylor UPRR and Don Avis DSRR. Following is a summary with attachments of our findings.

The inspection was from MP 422.32 to MP 461.74 a total of 39.42 miles, of this 18.23 miles is 90lb jointed rail (422.32 to 440.6) the remainder is 90lb CWR (440.60 to 461.74). Overall the jointed rail is in poor condition with many bent rails and dutchman installed to repair pull-apart joints. The CWR is in good condition. There is evidence that ties were installed across the entire branch to break up clusters and at rail joint locations. Tie spacing is 22 inch or 2880 per mile. We performed a walking inspection of 100 consecutive ties per mile, where ties were visible. Based on these sample areas, the defective tie counts per mile would range from a low of 576 per mile to a high of 2016 per mile. There were four miles of no tie count account of ballast. The tie condition is marginal for class one. Although there is ballast placed for surfacing (MP422 through MP452) there was no evidence of any surface or lining activity.

The Public road crossings are poorly maintained, although the crossing surfaces are good in most cases, the vegetation is not cut back for sight distance and there are numerous locations of missing signage.

There are three areas of derailed rail cars and indications of several past derailments, in these derailment areas repairs were made by installing ties and spiking back down the existing rail which in many cases was severely bent causing alignment problems, no surfacing was done. There were three areas that we could not inspect MP434.03 to MP437.5 - 3.47 miles account track machines on main, MP445.2 to MP447.5 – 2.3 miles account switch engines on main and MP460 to MP461.74 – 1.74 miles account cars on main. We were on the property for approximately eight hours but did not see any personal performing maintenance or switching operations.

• MP422 – MP430	Surface and line condition is poor
• MP432 – MP442	Surface and line condition is good
• MP423 – MP440	Numerous locations of joint tie defects
• MP423 – MP440	Numerous locations of joint defects
• MP450 – MP460	Numerous locations of tie clusters
• MP422 – MP452	Ballast placed for surfacing
• MP429 – MP455	Vegetation is close to or hitting rolling stock
• MP448.25	No effective tie in 39ft.
• MP425.05	X-level 3 ½ inch
• MP426.5	X-level 4 ½ inch
• MP449.8	X-level 6 ¼ inch
• MP458.95	X-level 3 ½ inch
• MP459.7	X-level 3 ¾ inch reverse in curve
• MP437.50	Derailment area (LW73049 & MP592746)
• MP446.70	Derailment area (MP377319)
• MP461.60	Derailment area (CN625943)

Pictures

1.	MP424	Poor alignment
2.	MP425	Poor alignment and 3 ½ inch x-level

3. MP431.7 Poor surface and alignment derailment area that I feel is unsafe to operate on.
4. MP431.7 Same
5. MP433.15 Derailment area


001.jpg 002.jpg 003.jpg 004.jpg 005.jpg


Warren Branch summary.

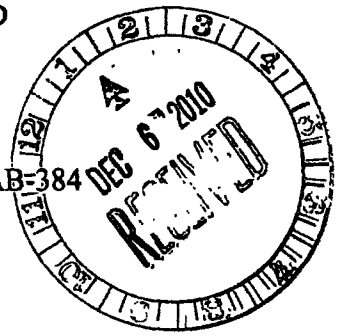
Thanks
John E. Taylor
Co. (817) 878-4557
Cell (469) 387-6098

Attachment 6

DSRR Petition for Exemption
Filed December 6, 2010

BEFORE THE
SURFACE TRANSPORTATION BOARD

DELTA SOUTHERN RAILROAD, INC. -- ABANDONMENT EXEMPTION -- IN DESHA AND CHICOT COUNTIES, AR	))))	DOCKET NO. AB-384 (SUB-NO. 3X)



PETITION FOR EXEMPTION

FILED
DEC 6 - 2010
SURFACE TRANSPORTATION BOARD

ENTERED
Office of Proceedings
DEC 6 - 2010
Part of
Public Record

DELTA SOUTHERN RAILROAD, INC.
P.O. Box 1709
Tallulah, LA 71284

Petitioner

FEE RECEIVED
DEC 6 - 2010
SURFACE TRANSPORTATION BOARD

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1194
(312) 236-0204
(312) 201-9695 fax
mcfarland@aol.com

Attorney for Petitioner

DATE FILED: December 6, 2010

BEFORE THE
SURFACE TRANSPORTATION BOARD

DELTA SOUTHERN RAILROAD, INC. -- ABANDONMENT EXEMPTION -- IN DESHA AND CHICOT COUNTIES, AR	))))	DOCKET NO. AB-384 (SUB-NO. 3X)

PETITION FOR EXEMPTION

Pursuant to 49 U.S.C. § 10502(a), 49 C.F.R. § 1152.60, and 49 C.F.R. § 1121.1, *et seq.*, DELTA SOUTHERN RAILROAD, INC. (DSR) hereby petitions for an exemption from the requirements of 49 U.S.C. § 10903 for abandonment of a 24.1-mile rail line between Milepost 408.9 at or near McGehee and Milepost 433.0 at or near Lake Village, in Desha and Chicot Counties, Arkansas ("the Rail Line").

The facts asserted in the Petition are verified by DSR's President, Mr. William Wainright, whose verification is attached to this Petition as Appendix 1.

THE SUBJECT RAIL LINE

The subject Rail Line extends between a point of connection with Union Pacific Railroad Company (UP) at or near McGehee (Milepost 408.9) and a point of connection with Southeast Arkansas Economic Development District (SAEDD) at or near Lake Village (Milepost 433.0), a distance of 24.1 miles in Desha and Chicot Counties, Arkansas. Attached to this Petition as Appendix 2 is a map on which the Rail Line has been shaded in yellow.

The Rail Line was constructed by UP predecessor Missouri Pacific Railroad Company (MP) between 1907 and 1915. DSR acquired the Rail Line as part of a purchase of rail lines from UP in 1989.

SAEDD acquired a connecting 21.8-mile segment of rail line between Lake Village and the Arkansas-Louisiana State Line from DSR in 2005 following a class exemption for abandonment of that segment in *Delta Southern Railroad, Inc. -- Aband. Exempt. -- between Lake Village, AR and Shelburn, LA*, 2005 WL 778772 (Docket No. AB-384 [Sub-No. 1X], decision served April 7, 2005), but before consummation of that abandonment.

REASONS FOR ABANDONMENT

An exemption is sought for abandonment of the Rail Line because (1) operation of the Rail Line is unprofitable; (2) there is no reasonable prospect for profitable operations; (3) the Rail Line requires substantial rehabilitation, the cost of which cannot be recovered from operating profits; (4) continued operation of the Rail Line would result in substantial opportunity costs; and (5) shippers on the line have feasible transportation alternatives.

1. Unprofitability

The only company to have made use of the Rail Line in the past 10 years is Epstein Gin (Epstein), 537 Reynolds Street, Lake Village, AR 71653. Epstein has shipped cottonseeds by rail over the Rail Line. Epstein's shipping facility is located at Lake Village at approximately Milepost 431.3, about 2.7 miles north of the southern terminus of the proposed abandonment.

Epstein's use of the Rail Line in recent years has declined radically. Epstein shipped 451 carloads over the Line in 2008, but shipped only 81 carloads in 2009, a decline of more than 82

percent. Epstein's rail shipments have remained low in 2010, i.e., 20 carloads during the first ten months of 2010.

The Rail Line was embargoed due to unsafe track conditions, effective November 2, 2010. Epstein has stated that it would have shipped 40 additional carloads but for that embargo. That would have brought its rail shipments for 2010 to a total of 60. That traffic level reflects an additional decline of 26 percent from Epstein's already reduced traffic level in 2009, and a decline of 87 percent from Epstein's 2008 rail traffic.

Based on Epstein's likely 2010 rail traffic volume had the Rail Line not been embargoed, DSR has estimated that Epstein's use of the Rail Line in a forecast year (i.e., 2011) would be 60 carloads. Based on Epstein's actual use of the Rail Line in 2009 and its projected use of the Line in 2010, there is no credible evidence to show that Epstein's future use of the Rail Line would be anywhere near its use of the Rail Line in 2008. Any projection of forecast year traffic in excess of 60 carloads would be unduly speculative.

Any contention that a shipper other than Epstein will locate on the Rail Line and ship by rail would also be contrary to the evidence. As noted above, Epstein has been the only rail shipper on the Line for more than 10 years in the past. There is nothing to suggest that any other rail shipper will locate on the Line. The area surrounding the Rail Line is rural, making it highly unlikely that a rail-served industry will locate on the Line in the future.

As demonstrated below, there would be a very substantial operating loss in a forecast year at a 60-car traffic level.

DSR currently derives $341.59 per car for transportation of Epstein's traffic. Assuming a 3-percent increase in per-car revenue in 2011, DSR would derive $351.84 per car for

transportation of Epstein's traffic in a forecast year. At that revenue level, DSR would derive total revenue of $21,110 from transportation of 60 carloads for Epstein in a forecast year.

That revenue would fall far short of enabling DSR to operate the Rail Line at a profit in a forecast year. The cost for DSR to maintain the track and bridges on the Rail Line alone would amount to approximately $144,600 in the forecast year, based on an average maintenance cost of $6,000 per mile per year that the Board has recognized as a reasonable estimate of such cost in other abandonment cases. ($6,000 per mile x 24.1 miles = $144,600). *See*, e.g., *Conrail - Aban. - bet. Warsaw & Valp. Counties, IN*, 9 I.C.C. 2d 1299, 1304 (1993). Thus, considering only maintenance costs, DSR would suffer a forecast year operating loss of $123,490.

Rail service to Epstein is provided by a two-person train crew operating a 1,500-horsepower locomotive originating at McGehee, AR, and operating round-trip approximately 50 miles between that point and Lake Village, AR. The substantial avoidable costs of the train crew, locomotive, and freight cars associated with provision of that service would add appreciably to the forecast year loss from operating the Rail Line.

There would be a serious adverse effect on DSR and on DSR's ability to provide quality rail service to its other shippers if DSR were to be required to bear operating losses in excess of $123,000 per year on a continuing basis. Consistently with Constitutional provisions, a rail carrier cannot be required to operate a rail line at a loss for an extended period of time. *See Brooks-Scanlon v. Railroad Com. of Louisiana*, 251 U.S. 396, 399 (1920).

2. Rehabilitation

DSR has been forced to defer track and bridge maintenance on the Rail Line in order to economize in an effort to minimize operating losses and opportunity costs. As a result, the

physical condition of the Rail Line has seriously deteriorated. Virtually every rail length in the Rail Line has excessive defective crossties in clusters and under joints, such that crosstie conditions do not comply with minimum FRA Class I track safety standards. Track alignment, cross-level and gage are also out of compliance with FRA Class I standards at numerous locations. Eight bridges on the Rail Line are in serious need of extensive repair. There are numerous defective rails. The cumulative effect of these conditions has been to seriously compromise safety of operations over the Line. As a result, DSR has embargoed rail operations over the Line due to track conditions, effective November 2, 2010. A copy of that embargo is attached to this Petition as Appendix 3.

Appendix 4 attached to this Petition consists of a series of photographs of track and bridge conditions on the Rail Line at milepost locations noted adjacent to the photographs. The photographs were taken by Mr. William Wainright during a hi-rail inspection trip over the Rail Line on November 29, 2010. The photographs depict the seriously defective rail, crosstie, and bridge conditions on the Rail Line. The photographs are representative of rail, crosstie, and bridge conditions that exist throughout the Rail Line.

Mr. Wainright was accompanied on the November 29, 2010 hi-rail inspection trip over the Rail Line by Mr. William Vanderberry of McHann Railroad Services, Inc., Edwards, MS. That company is a leading consultant on railroad track and bridge construction and maintenance. Appendix 5 attached to this Petition is a copy of Mr. Vanderberry's Report of the results of his inspection of the Rail Line, dated December 1, 2010. Having carefully inspected the Line, Mr. Vandenberry stated that "(t)he complete track and bridges needs (sic) to be completely removed and new track and bridges reconstructed." (Appdx. 5, p.1). The estimated cost of that activity is

$792,000 per mile for track work, or more than $19 million for the 24.1-mile Rail Line, and $1,368,779 for bridge replacement (*id.* at pp. 1-2).

DSR recognizes that in rail abandonment cases, rehabilitation costs are to be limited to those necessary to achieve FRA Class I track safety standards. Based on that standard, it would cost more than $4 million to rehabilitate the track and bridges on the Rail Line to Class I standards. The components of that rehabilitation are shown in the table below.

Item of Rehabilitation	Cost Basis	Cost
1. Crosstie Replacement	Five non-defective ties per 39-foot rail length plus one non-defective tie under each joint at $100 per tie installed (6 ties x 3,263 rail lengths x $100)	$1,957,800
2. Ballast Rock	$3,363 per carload, eight carloads per mile, 24.1 miles	648,386
3. Rail Replacement	240 defective rails at $400 per rail installed	96,000
4. Bridge Replacement	Per McHann Report	1,368,779
TOTAL		$4,070,965

DSR would be unable to recover that cost from profit from operating the Rail Line because operation of the Rail Line will result in a substantial operating loss, not a profit. It would be a serious burden on DSR and on interstate commerce if a requirement of continued operation of the Rail Line were to force DSR to incur an unrecoverable cost in excess of $4 million for required track and bridge rehabilitation.

3. Opportunity Cost

Opportunity costs are measured by the extent to which profit from operating a rail line falls short of providing a cost-of-capital return on the net liquidation value of the assets of the rail line. In addition to suffering operating losses and unrecoverable rehabilitation costs if required to

continue to operate the Rail Line, DSR would also be burdened as a result of incurring significant opportunity costs.

In 2005, DSR sold a 21.8-mile segment of rail line immediately to the south of the subject Rail Line to SAEDD. The assets in that segment are substantially similar to the assets in the subject Rail Line (e.g., weight and physical condition of rail and other track material, quality of title to land in the right-of-way, primarily rural use of adjacent land, etc.). Consequently, the unit value for liquidation of that rail line provides convincing evidence of the net liquidation value of the subject Rail Line. Application of that unit value of $32,315 per mile to the 24.1 miles of the subject Rail Line results in a net liquidation value of $778,791 for the Rail Line.[1/]

The most recent cost of capital of the rail industry is 10.43 percent per year. *See Railroad Cost of Capital - 2009 Determination*, _____ STB _____ (Ex Parte No. 559 [Sub-No. 13], decision served October 29, 2010).

Application of that cost of capital to the net liquidation value of $778,791 determined above results in a cost of capital return of $81,228 per year on that value. Inasmuch as there would be no operating profit in a forecast year, continued operation of the Rail Line would result in an opportunity cost of $81,228 per year. That would constitute an additional undue burden on DSR and interstate commerce.

[1/] DSR reserves the right to perform an independent study of the net liquidation value of the Rail Line assets if an Offer of Financial Assistance were to be filed in this proceeding.

Attachment 7

December 23, 2010 Petition of LPPC to
Strike Notice of Consummation
and to Reopen and Reconsider

228529

THORP REED & ARMSTRONG

Eric M. Hocky
Direct Dial 215 640 8523
Email: ehocky@thorpreed.com

ATTORNEYS AT LAW SINCE 1895

VIA ELECTRONIC FILING

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

December 23, 2010

Re: Delta Southern Railroad, Inc. – Abandonment Exemption –
Between Lake Village, Ark., and Shelburn, LA
STB Docket No. AB-384 (Sub-No. 1 X)
Petition of Lake Providence Port Commission to Strike Notice of Consummation and to Reopen and Reconsider

Dear Ms. Brown:

Enclosed for filing in the above-referenced proceeding is the Petition of Lake Providence Port Commission to Strike Notice of Confirmation and to Reopen and Reconsider.

As set forth in the Petition, the Port Commission is a "government entity". Therefore any filing fee that would apply should be waived in accordance with the Board's policy as set forth in 49 CFR 1002.2(e)(1).

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

Respectfully,

Eric M. Hocky

Counsel for Lake Providence Port Commission

EMH/e
Enclosure
cc (via email):
Thomas F. McFarland, Esq.
Wyly Gilfoil

FILED
DEC 23 2010
SURFACE TRANSPORTATION BOARD

ENTERED
Office of Proceedings
DEC 23 2010
Part of
Public Record

FILING FEE WAIVED

Pittsburgh
Philadelphia
Princeton
Wheeling

Thorp Reed & Armstrong, LLP
One Commerce Square
2005 Market Street
Suite 1000
Philadelphia, PA 19103-7041
215 640 8500
215 640 8501 Fax

Before the

SURFACE TRANSPORTATION BOARD

STB Docket No. AB 384 (Sub-No. 1X)

DELTA SOUTHERN RAILROAD, INC.
- ABANDONMENT EXEMPTION -
BETWEEN LAKE VILLAGE, ARK., AND SHELBURN, LA

PETITION OF LAKE PROVIDENCE PORT COMMISSION TO STRIKE NOTICE OF CONSUMMATION AND TO REOPEN AND RECONSIDER

Eric M. Hocky
Thorp Reed & Armstrong, LLP
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103
215.640.8500
ehocky@thorpreed.com

Attorneys for Lake Providence Port Commission

Dated: December 23, 2010

Before the

SURFACE TRANSPORTATION BOARD

STB Docket No. AB 384 (Sub-No. 1X)

DELTA SOUTHERN RAILROAD, INC.
- ABANDONMENT EXEMPTION –
BETWEEN LAKE VILLAGE, ARK., AND SHELBURN, LA

PETITION OF LAKE PROVIDENCE PORT COMMISSION
TO STRIKE NOTICE OF CONSUMMATION
AND TO REOPEN AND RECONSIDER

On December 8, 2010, Delta Southern Railroad, Inc. ("DSR") filed a notice of consummation with respect to the abandonment of an 8.2 mile segment of rail line between milepost 454.8 at the Arkansas-Louisiana state line, and milepost 463.0 at or near Shelburn, Louisiana. The notice purports to have consummated the abandonment as of December 6, 2010.

Background

As is relevant here, DSR at one time operated a line of railroad (the "Lake Providence Line") that ran between a connection with Union Pacific Railroad ("UP") at McGehee, Arkansas, and a connection with Kansas City Southern ("KCS") at Tallulah, Louisiana. Lake Providence Port Commission (the "Port Commission") is a governmental agency created by Act 450 (R.S. 1501 et seq.) of the 1958 regular session of the Louisiana Legislature. It operates an inland port facility in Lake Providence served by DRS. In the past, traffic could move north or south from the Port.

In 2004, DSR commenced this proceeding by filing for authority to abandon a 30-mile segment in the middle of the line between McGehee and Tallulah. The Port Commission and other

shippers in the area sought to save the northbound shipping option through the offer of financial assistance ("OFA") process. Although the OFA process did not lead to a sale, a 22-mile portion of the line between Lake Village, Arkansas and the Arkansas-Louisiana state line was sold to Southeast Arkansas Economic Development District ("SEAEDD") for continued rail service. Since that time, there were periodic talks between the Port Commission and DRS about service to the Port, possible new business and the Port Commission's interest in acquiring the remaining 8.2 miles subject to abandonment. DRS sought and received a series of extensions to the consummation deadline.

In October, 2010, DSR obtained its most recent extension of the time to consummate the abandonment of the remaining 8.2-mile segment on the grounds that it was trying to sell the line for continued rail service. At the time of the request, the time for consummation had expired. On the basis of the representation the extension was granted. *See Delta Southern Railroad, Inc. – Abandonment Exemption – Between Lake Village, Ark. and Shelburn, LA,* STB Docket No. AB 384 (Sub-No. 1X) (served October 22, 2010) (the "October 22 Decision").

Shortly, thereafter, on November 9, 2010, DSR filed to abandon a second segment of the line – approximately 8 miles from Shelburn, LA, south to East Carroll Parish, LA (approximately 2 miles north of the Port in Lake Providence). *Delta Southern Railroad, Inc. – Abandonment Exemption – In East Carroll Parish, LA*, STB Docket No. AB 384 (Sub-No. 2X). As soon as the Port Commission on December 7, 2010, expressed interest in making an OFA for this additional segment of the line to be able to preserve service options to the north (by sending a request for information) second abandonment, DSR filed its notice of consummation.[1] The Port Commission remains interested in

[1] DSR has also filed a petition to abandon the remaining northern segment of the Lake

preserving the line between the Port and McGehee, Arkansas for future rail service. It has already indicated that it will make an offer of financial assistance to acquire the line in the Sub-No. 2X abandonment proceeding, and intends to participate likewise in the Sub-No. 3X proceeding.

Discussion

The Port Commission is requesting that the Board strike the notice of consummation, and reopen and reconsider the October 22 Decision extending the time for consummation. Under 49 CFR 1115.3 and 1115.4, the Board has the power to reopen and reconsider based on new evidence or material error. In this instance, when DSR obtained its latest extension it misrepresented to the Board that it was interested in pursuing a sale for continued rail purposes. It is clear now, from the two additional abandonments that have been filed, and from the purported notice of consummation in this proceeding, that DSR never intended or wanted to do a sale for continued rail service; rather it is seeking to force all of the traffic from the Port and the remaining shippers on the Lake Providence Line to move to and from the south, and to eliminate their shipping options. This evidence of DSR's true intent not to make the line available for continued rail service has only been made clear now with its recent filings, and was not available at the time of its request for an extension.[2]

Additionally, the Board should find that the granting of the extension after the consummation deadline had already passed, was material error. The Board's regulations provide that if the consummation notice has not been timely filed, then the abandonment authority "automatically"

Providence Line in Arkansas between Lake Village and McGehee. *Delta Southern Railroad, Inc. – Abandonment Exemption – In Desha and Chicot Counties, AR, LA*, STB Docket No. AB 384 (Sub-No. 3X).

[2] It should also be noted that DSR did not give notice of its request for an extension to any other parties to the abandonment proceeding.

expires, and "[i]n that event, a new proceeding would have to be instituted if the railroad wants to abandon the line." 49 CFR 1152.29(e)(2). In this instance, since DSR did not timely file its notice of consummation, or timely request an extension, the abandonment authority expired, and an extension should not have been granted.[3]

Usually the Board loses jurisdiction when a notice of consummation has been filed. However, the Board has in exceptional circumstances acted to reopen proceedings to protect its jurisdiction. *See CSX Transportation Inc. – Abandonment – Between Bloomingdale and Montezuma, In Parke County, IN*, ICC Docket AB-55 (Sub-No. 486). 2002 STB LEXIS 535, *11 ("There are rare cases, such as instances of fraud, where we may assert jurisdiction over property after abandonment authority has been exercised."). *Cf. Missouri-Kansas-Texas Railroad Company – Abandonment – In St. Charles, Warren, Montgomery, Callaway, Boone, Howard, Cooper and Pettis Counties, MO*, STB Docket No. AB 102 (Sub-No. 13), served July 12, 2010, slip op. at 4 ("The Board retains jurisdiction over rail property until abandonment authority has been *lawfully* consummated." Emphasis added.). Here Board should act.

The Board has established a general requirement that a notice of consummation be filed within one year. *See* 49 CFR 1152.29(e)(2). The reason for the establishment of the consummation notice requirement and the one-year period was to establish certainty in the process. *See Abandonment and Discontinuance of Rail Lines and Transportation Under 49 U.S.C. §10903*, 2 STB 311, 315-317 (1997); *Abandonment and Discontinuance of Rail Lines and Transportation Under 49 U.S.C. §10903*, 1 STB 904-906 (1996). In keeping with this goal, the regulations provide

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[3] If DSR's true purpose were to sell the line for continued rail service it would not have been

that requests for extensions of the consummation date are to be filed in advance of the consummation deadline. 49 CFR 1152.29(e)(2). As discussed above, the failure to file a notice of consummation, or to request an extension, by the deadline means that the authority to abandon automatically expires, and a new proceeding is necessary if abandonment is still desired.

In a decision served May 17, 2010, the Board extended the consummation date in this proceeding until October 2, 2010. DSR, however, did not file an extension to extend the consummation date until October 4, 2010. Rather than dismiss the late-filed extension and allow the abandonment authority to expire, the Board, through the Office of Proceedings, accepted DSR's justification for the extension "that the line segment can be sold for continued rail service, and that additional time will be necessary to complete the sale." Decision served October 22, 2010. [4] In and of itself, the failure to follow the regulations that provide for automatic expiration of the abandonment authority was material error.

Further, based on DSR's subsequent actions, it is clear that DSR never intended to sell the remaining 8.2 mile segment for continued rail service. There were no additional discussions and within weeks DSR had filed to abandon a second segment of the line, and a month later, a third segment. It is now clear that the time for consummation had passed, and the only reason that DSR said it wanted to sell the line for continued rail service was to get the time for consummation extended. This new evidence demonstrates that DSR obtained its latest extension to consummate in

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prejudiced by the expiration of the abandonment authority.

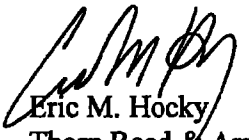
[4] As noted in the May 17 Decision, DSR's request for extension of the previous April 5 deadline was also filed after the expiration of the consummation period. DSR also justified that extension on the grounds that it needed time "in order to permit DSR to negotiate to convey the rail line for continued rail use, which would be consistent with the national rail policy."

this proceeding by misrepresenting its intentions to the Board. Since the extension was obtained by false representations, the notice of consummation should be stricken and extension request should be reopened and reconsidered. In doing so the Board should then deny the extension and find that the abandonment authority expired when the time for consummation passed.

CONCLUSION

For all of the foregoing reasons, the Port Commission requests that the Board strike the notice of consummation filed by DSR on December 8, 2010, and reopen and reconsider the decision to grant DSR an extension to consummate the abandonment. Instead the Board should find that the authority for abandonment expired, and that if DSR wants to abandon the line, it needs to start a new proceeding.[5]

Respectfully submitted,



Eric M. Hocky
Thorp Reed & Armstrong, LLP
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103
215.640.8500
ehocky@thorpreed.com

Attorneys for Lake Providence Port Commission

Dated: December 23, 2010

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[5] If DSR, as it has represented to the Board, truly wants to sell the line for continued rail use, then the Port Commission would still be willing to discuss such a purchase. Such a purchase would not be impeded by a finding that DSR's abandonment authority expired.

VERIFICATION

I, William W. Gilfoil, Port Director of the Lake Providence Port Commission, verify under penalty of perjury that statements contained in the foregoing Petition are true and correct to the best of my knowledge and belief. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on December 23, 2010.

William W Gilfoil

Name

[redacted]

CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing document was served on the following person by e-mail:

Thomas F. McFarland
208 South LaSalle Street
Suite 1890
Chicago, IL 60604-1112
mcfarland@aol.com

Eric M. Hocky

Dated: December 23, 2010

Attachment 8

Arkansas Democrat-Gazette, May 21, 2017
Where Arkansas and Louisiana Meet, Economy Trumps Rivalries. Rail Line Venture Offers Taste of What Area Could Become
Stephen Steed

From: Stephen Steed [mailto:ssteed@arkansasonline.com]
Sent: Monday, May 22, 2017 12:06 PM
To: dan@drrailroad.com
Subject: Sunday's story

Hello, Dan …
Wanted to send this to you in case you didn't see Sunday's paper.
ss

Where Arkansas and Louisiana meet, economy trumps rivalries

Rail line venture offers taste of what area could become

By Stephen Steed

This article was published May 21, 2017 at 2:12 a.m.



PHOTOS BY STEPHEN STEED/ARKANSAS DEMOCRAT GAZETTE

Map showing the location of The Arkansas-Louisiana Transportation Corridor



Crooked tracks mar the short-line Northern Louisiana & Arkansas Railroad where it meets Arkansas 4 in McGehee in Desha County. The line runs from McGehee to Lake Providence, La.



Progress on rehabilitating the Northern Louisiana & Arkansas Railroad line is touted on a sign in Lake Village.

MONTICELLO -- A rail line of only 90 miles would seem to be an apt metaphor for the tough times experienced over the past several decades by those in southeast Arkansas and northeast Louisiana.

The line is crooked in spots, where 5 mph is the norm, along the Northern Louisiana & Arkansas Railroad's 62-mile run from McGehee to Lake Providence, La. Tree limbs and brush scrape the sides of train cars traveling along the rails. The typical crew of two has plenty of time to gaze at abandoned grain bins covered in vines and pass through towns long past their glory days.

From 2007-16, parts of tracks for the short-line railroad with roots going back to 1878 were broken and all but unusable.

Improvements along the entire line -- itself a cooperative venture involving both states and several private ventures -- could be a sign of better things to come.

Any rivalries between the two areas must be cast aside for either one to grow, according to leaders of the latest economic-development effort there.

Bolstered this year by two grants totaling $1 million, including matching funds, the initiative is aimed at what the region has in common.

Five Arkansas counties and five Louisiana parishes make up the alphabet soup known as the ArkLaMEC, or Arkansas-Louisiana Multimodal Economic Corridor. The five counties in Arkansas are Ashley, Bradley, Chicot, Desha and Drew. The five parishes are East Carroll, West Carroll, Madison, Morehouse and Richland.

"None of these communities have really tried to address strategies on a regional basis, and that's not their fault," Jim Youngquist, executive director of the Institute of Economic Advancement at the University of Arkansas at Little Rock, said recently. "States tend to think the world ends at the state line."

The UALR institute and a similar entity at Louisiana Tech University in Ruston have taken leadership roles in getting the effort organized.

"We can't be the driver of this," Youngquist told some area leaders May 12 in Monticello. "Local leaders need to drive this."

THE STATISTICS

But the commonalities can be depressing.

The areas are among the poorest in their respective states, in jobs and in per-capita income.

The average unemployment rate in the five Arkansas counties is 5.6 percent, compared with the state average of 3.6 percent.

The five parishes in Louisiana average 9.7 percent unemployment, compared with the state average of 5.7 percent.

The areas in both states have lost population at roughly the same rates, largely as agriculture became more mechanized over the past several decades, requiring fewer workers.

The population in the five Arkansas counties combined hit a high of about 121,500 in 1940 but is now at about 74,000. The five Louisiana parishes also hit their population highs in the 1940s, with 120,350 residents. The total now is about 77,000 residents.

"Together, the region is obviously the Delta and primarily it's in agri-business," Youngquist told a reporter before the meeting. "Over the years, they've lost a lot of population. They've lost a lot of jobs. But, despite all that, they have a tremendous intermodal system of highways, rivers, ports and railroads."

The high points are:

• The Port of Crossett on the Ouachita River and the Yellow Bend Port near Arkansas City on the Mississippi River; and the Port of Lake Providence and Port of Madison Parish near Tallulah, on the Mississippi River in Louisiana.

• U.S. 65, 165 and 425, running from southeast Arkansas into northeast Louisiana where they tie into Interstate 20, which helps connect the eastern and western United States coasts; U.S. 82, which runs across southern Arkansas.

• Union Pacific and Kansas City Southern railroads, along with the Northern Louisiana & Arkansas short line. Two other short lines operate in the region: the Arkansas Midland, which runs for 51 miles between Warren and McGehee, primarily hauling timber; and the Delta Southern, which runs for 30 miles from Lake Providence to Tallulah.

GETTING TOGETHER

The Monticello meeting attended by Youngquist and two UALR colleagues also attracted representatives from Louisiana Tech's Innovation Center, the Southeast Arkansas Economic Development District in Pine Bluff, the Delta Regional Authority, the Arkansas Economic Development Commission, and the Port of Madison Parish and the Port of Lake Providence. Louisiana state economic development leaders listened by phone and watched by webcast. The Monticello Economic Development Corp. played host to the gathering.

"We started having small meetings of the rails and ports and economic leaders in Arkansas and in Louisiana about how to market ourselves regionally," Youngquist said. "Singularly, we don't stand a good fighting chance of getting jobs in there. But our ports, highways and rail all lead, one way or another, to Mexico and to the Pacific and Atlantic oceans."

While the most obvious and direct beneficiaries of any success will be farmers and others in agri-business, any progress also could provide "value-added" or related industry to benefit more people, Youngquist said. The western portions of Ashley and Bradley counties and Morehouse Parish are still heavy in timber, an industry that also could benefit from the two-state tag-team effort, he said.

A $100,000 grant awarded recently by the federal-state Delta Regional Authority will be used for a marketing campaign and startup money for the ArkLaMEC council, whose membership hasn't yet been fully lined out. The UALR and Louisiana Tech entities provided matching funds of $135,000.

An arm of the federal Department of Commerce also recently approved a $400,000 grant to the UALR and Louisiana Tech entities to develop a disaster response-and-recovery plan for the area. The two universities matched the federal money with another $400,000. Floods in late 2015 and early 2016 cut off the region's supply line for some 45 days.

State and federal money in 2014 helped extend rail service at the Lake Providence Port, providing better access to a bio-refinery operated by Myriant Corp. and to grain terminals operated by Bunge, and Big River Rice and Grain.

"The two states worked really well together on the (Northern Louisiana & Arkansas) rail, and I think that bodes well for what we're working on now," said Wyly Gilfoil, director of the Lake Providence Port.

SAVING THE LINE

Glenn Bell recently retired from the Southeast Arkansas Economic Development District after 45 years, including the past 30 years as director. With his retirement, Bell, who is widely credited for starting the ArkLaMEC effort, won't have an official role with whatever governing body is developed.

In 2005, Bell steered the development district into buying 22 miles of dilapidated rail, from Arkansas' Lake Village to the state line, that had been abandoned. It took years to raise the money to fix the rails and reopen the line, he said.

"We had to look beyond just a railroad and see it now as a 90-mile-long industrial park," Bell said recently by telephone while tending to his tomato garden. "Otherwise, all we're doing is stopping traffic in Lake Village."

When asked what could boost economic development in the region, he was quick to point to Mississippi County in northeast Arkansas, where steel mills line the river on land once heavily planted in cotton and soybeans.

"Steel didn't grow there," Bell said. "Steel is there because of the river."

Like Mississippi County, southeast Arkansas and northeast Louisiana have the acreage and the rivers for a steel plant. "I guarantee you that if a steel mill got put in, no matter what state it's in, it's going to draw workers from both states," Bell said.

Dan Robbins, vice president of the Russellville-based North Louisiana & Arkansas Railroad, said of Bell, "He saved that rail line."

Once rails and crossties are pulled up for scrap, "it's very difficult to put a railroad back in," Robbins said. "Glenn's move protected that entire line."

The North Louisiana & Arkansas Railroad owns 24 miles of the line from McGehee to Lake Village. It began operations in August 2011 and primarily hauls agricultural goods but also some petrol-chemical products.

"The two states got together," Robbins said. "We took over 24 miles that had been put up for abandonment. We got together with the port and the regional economic development districts, and took out lease agreements the rest of the way down."

Short-line railroads are Class 3 operations, meaning they have less than $20 million in annual operating income. "And believe me, the NLA is under $20 million," he said with a laugh.

The track is in "accepted" condition -- the lowest standard for a line to continue -- but progress keeps being made, Robbins said. The best section probably is from Lake Village to the Arkansas-Louisiana border and likely will be upgraded by federal regulators soon, he said.

A long-range plan is to build another short-line rail from McGehee to the Yellow Bend Port, but that will be expensive, Robbins said.

Robbins estimated that $14 million has been spent upgrading the entire 90-mile line, split equally between public and private interests. "That's still less than the cost of building a rail just 9 miles to Yellow Bend," he said.

Robbins said he has been impressed with the cooperation among the varied interests in the region and noted the distance from their respective state capitals. "It's a long ways up there from Baton

Rouge, and it's a long ways down there from Little Rock," he said. "Working together, they stand a better chance [at success] than standing separately."
SundayMonday Business on 05/21/2017

Attachment 9

Columbus & Greenville Railroad Studies

R E C O V E R Y

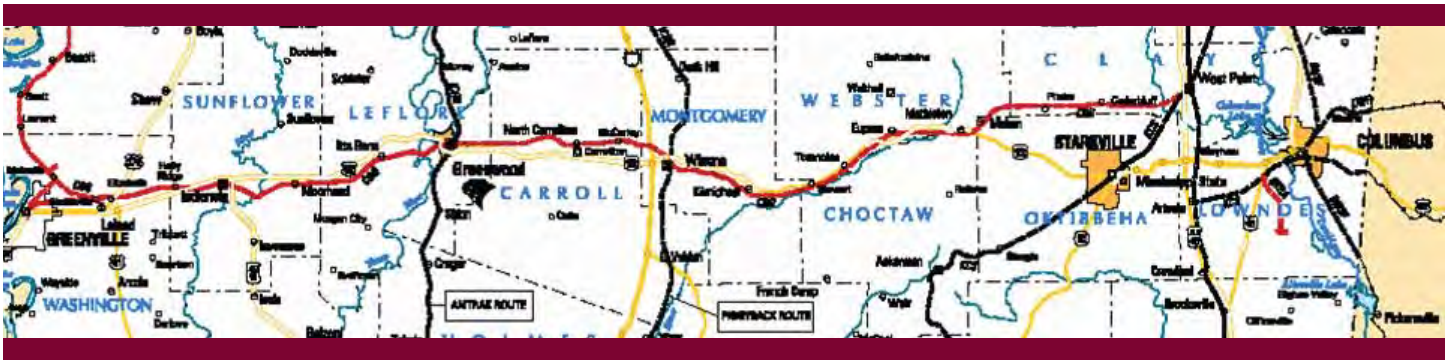
of the Columbus & Greenville Railroad



MISSISSIPPI STATE UNIVERSITY

Department of Political Science and Public Administration
and
Industrial Outreach Service

INTRODUCTION



Today's Columbus & Greenville Railway (C&G) began operation in 1975 to transport freight between Columbus and Greenville, Mississippi. However, the railroad itself has played a major role in Mississippi's agricultural economy since the 1800s, when it was first built to transport cotton and other products from the Mississippi Delta to the Southeastern United States as part of the Southern Railway. The C&G provides feeder traffic for interchange with other railroads as well as local freight service. The majority of C&G business is through interchange. C&G maintains interchange connections with the Burlington Northern Santa Fe Railroad, Luxapalila Valley Railroad, Norfolk Southern, Golden Triangle Railroad, and Kansas City Southern (KSC) at Columbus; with the KCS at West Point and Artesia; with the Canadian National at Winona and Greenwood; and the CSX Transportation Company at Birmingham, Alabama through a car haul agreement with the KSC. C&G also has an interchange with the Great River Railroad at Metcalfe, Mississippi, which serves the Port of Rosedale on the Mississippi River. The railroad's current owner and holding group, CAGY Industries also owns and operates two other short lines, the Luxapalila Valley Railway in Columbus, MS and the Chattooga and Chickmauga Railway in Georgia.

Currently, the C&G offers services from the port at Greenville to Greenwood, Mississippi, and predominately is the carrier of the feed grain products for Heathman Catfish Feed. It also carries cotton oil and cotton mill by-products for Pyco Industries. Additionally, the C&G provides service between West Point and Columbus predominantly for Prestage Farms and Columbus Brick, two local commodity producers.



The company owns 207 miles of mainline track and 104 miles of sidings and passing track between Columbus and Greenville. The lines contiguous east-west operations were closed in March 2001 due to bridge failure and deteriorating track conditions. The 93 miles between Greenwood and West Point are out of service at this date. If the entire line is restored, the C&G could provide attractive new capacity and efficiencies for long distance Class 1 carriers such as the Union Pacific (UP) and Norfolk Southern and CSX Burlington Northern Sante Fe (BNSF), as well as offering improved shipping efficiencies for local Mississippi firms.

Closure of the C&G Railway corridor between Greenwood and West Point severely affected economic development efforts, limited industrial growth, created unemployment, and increased logistic cost for industry in the contiguous counties. The trends in interstate commerce show that its continued closure will continue to do so. If local communities along the C&G want to take advantage of the recent economic development occurring in central Mississippi and future economic development opportunities, it is imperative that they take action to remedy the lack of rail access. If Mississippi wants to continue to attract new industry, particularly to northern and central parts of the state, improvements to rail infrastructure will be necessary. This restoration would mean upgrading the track that would allow 286 thousand pound rail car capacity and is estimated to cost between $32 million and $56 million (CAGY and DMJM Harris/MDOT estimates).

INDUSTRY RECRUITMENT



Seventy-five percent of industries interested in locating at megasite locations require either rail or want access to rail service. More than twenty-five percent of non-megasite industries desire close proximity to rail access.

Mississippi has enjoyed a surge of economic development in the last couple of years, focused mainly in North Mississippi. Companies such as Severcorr, Eurocopter and Paccar, Inc in Lowndes County and Toyota in Union County are examples of increased interest in Mississippi's economic development model. One should note that these counties have access to either Class 1 or short-line rail service or both.

TVA, in conjunction with MDA, is an economic development engine for the region. TVA serves three counties on the east end of the C&G rail line: Lowndes, Clay, and Webster. To develop rural areas, TVA establishes specific criteria for those who wish to establish Megasites to attract large manufacturers. The Megasite Initiative certifies large industrial properties, or "Megasites," for potential automotive manufacturing or assembly plants. According to Ed McCallum of McCallum Sweeney Consulting, "The demand for certified industrial sites is one of the fastest-growing trends in the site location business, because companies want sites that are ready to go and relatively risk-free." Of the nine certified megasites located in the TVA region, three are sold and all are located in North Central Mississippi with rail access to the property.

MAJOR CONCERN

Without an active rail system, the six counties contiguous to the closed portion of the C&G Railway will most likely never appear in megasite selection searches or searches for smaller industrial sites due to deficient rail access. Lack of rail service may not be the only deterrent to economic development in these counties, but it is an accretive factor.

INDUSTRY RETENTION

Prestage Farms ceased buying local grain due to transportation cost increases of $2,500 per shipment. The company is now forced to buy its grain out of Iowa.

In 2007, Mississippi increased its corn crop acreage from 350,000 to over 1.2 million acres straining logistic infrastructure.

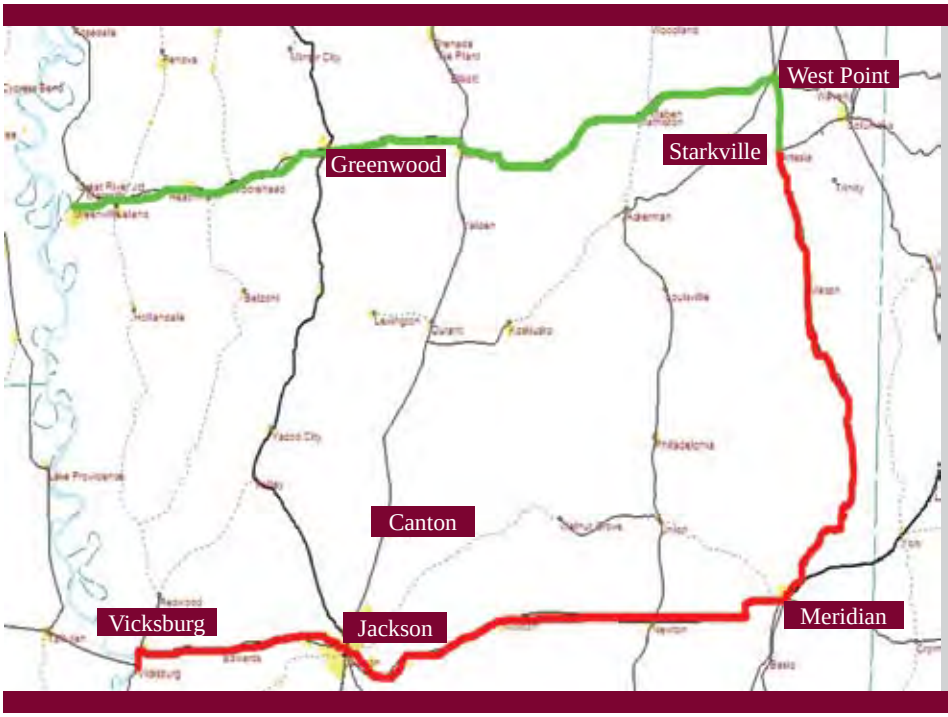
If the C&G rail line was operational from Greenville to Columbus, SeverCorr would generate logistic savings of approximately $2.5 million per year.

Industries affected by rail closure or lack of cost effective rail access include agriculture, wood and wood products, and metal scrap. The largest impact resulted in the three western counties served by the C&G: Washington, Sunflower, and Leflore. These counties are located in the Mississippi Delta where the economy is historically based on agriculture and agricultural products. MDES data reveals that from 2004 to a rolling 12-month average of May 2007, these three counties had a 10.9 percent decrease in employment. While these counties currently have rail access, the lack of cost effective west to east logistics service for agricultural products have negatively affected business development. Companies must route products by rail north to Memphis for shipment to the east coast or utilize truck freight, which is more expensive on hauls over 300 miles.

RETENTION ASSESSMENTS

- The C&G would offer direct shipment to Columbus and into Birmingham, thus saving time and money for the customer.
- The current spike in corn production is the result of increased focus in bio-fuels and ethanol production. Interviews with the Mississippi Farm Bureau indicate that the increased corn production strained logistic infrastructure to the point where there are concerns on how this production volume will be stored and shipped in a timely manner to customers.
- Ethanol must ship by rail or truck. The lack of rail access limits job creation in this industry.
- Forestry ranks as Mississippi's number two agricultural commodity with over 61 percent of the state's total land devoted to this sector. When asked if transportation costs are hurting competitiveness, 80 percent of Mississippi companies surveyed responded "Yes."
- The metal scrap industry in Mississippi was negatively impacted due to lack of west-east rail service. Piper Industries, a steel slitting jobber in Greenville, closed operations due to the lack of cost effective freight options.
- C&G company records show missed opportunities amounted to 862 carloads or 12 percent increased volume in 2006 alone due to the rail closure. This volume would help sustain operations and would spawn economic development efforts in the contiguous counties.

TRANSPORTATION RELIEF

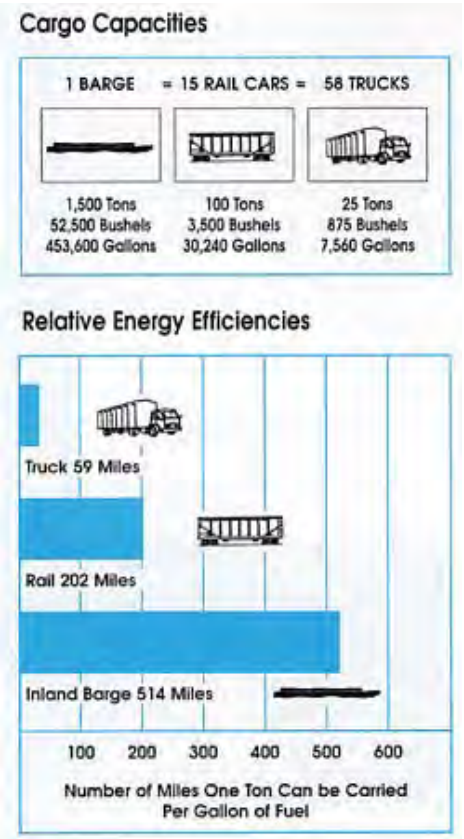


MAP 1: Vicksburg to Artesia

Green – Columbus and Greenville Railway

Red – Kansas City Southern Railway

Smaller industries that rely 100 percent on trucking present an unquantifiable potential for economic development in the region. Burdensome transportation costs significantly hinder the growth of smaller industries. Even though a number of smaller industries have located or grown in the region since the closure of the C&G, they are now faced with transportation costs not ever seen or imagined previously due to high fuel costs and truck driver shortages.



VICKSBURG TO ARTESIA

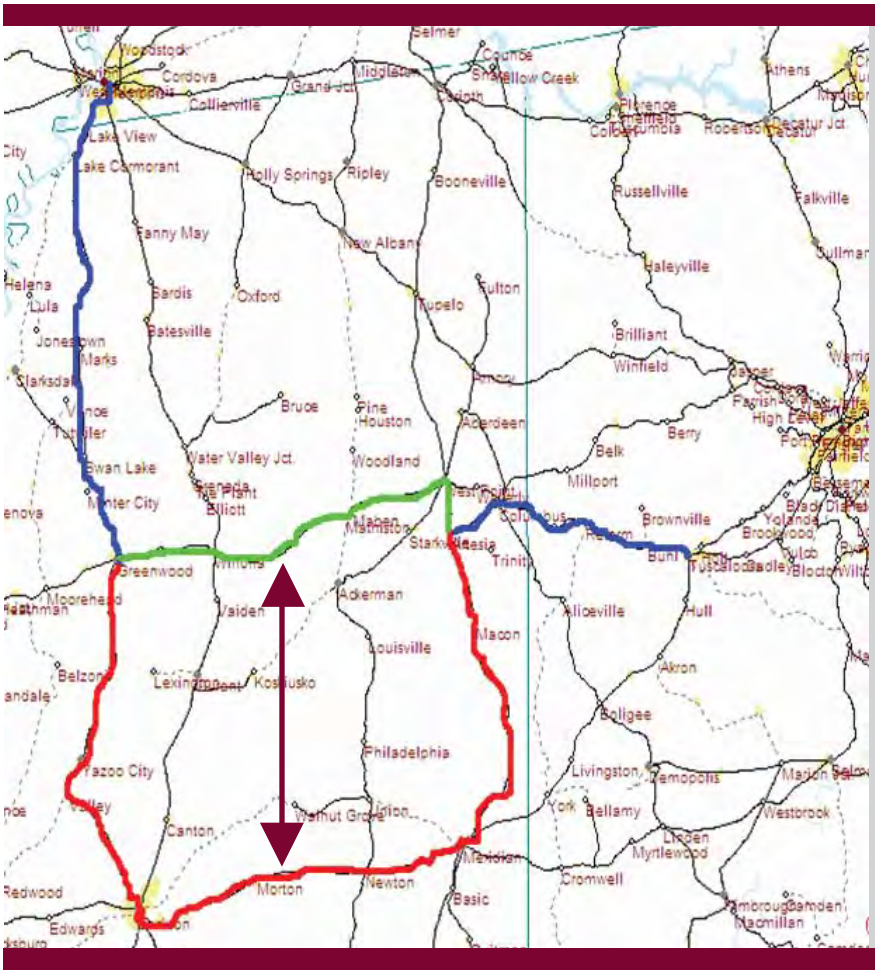
- The utilization of barge traffic from the Mississippi River for inbound raw material can be problematic for industries in North east Mississippi. Map 1 shows the rail routing for this opportunity. Today, the barge would be unloaded at Vicksburg and railed to Artesia by the Kansas City Southern as seen by the red highlight. Assuming the C&G Railway was operational, this product could ship to the Greenville Port and on to Artesia at approximately 50 percent of the quoted Vicksburg origination.

CONNECTING INDUSTRY & RAIL

- Burdensome transportation costs figured into the recent closure of the West Point meat processing facility of Sara Lee Corporation, which at one time employed as many as 1500 people. Higher feed production costs translated to higher meat costs. These higher costs made it problematic for Sara Lee to produce competitive priced products at the West Point facility.

- Smaller businesses are forced to rely on product traveling scurrilous routes to satisfy the financial objectives of the rail service. Assuming the C&G Railway was operational, anecdotal evidence indicate a cost savings to Lowndes County industry and would favorability impact economic efforts along the rain line.

FREIGHT LOGISTICS COST SAVINGS



MAP 2: East– West Shipment Routes

Revitalization of C&G reduces approximately 300 haulage miles

Rail traffic in the state of Mississippi will continue to grow and congestion at the major hubs and interchanges such as Memphis, Jackson and Meridian will become logistical challenges. As Class I carriers increase volume, the Canadian National (CN) North/South route and the Kansas City Southern (KCS) East/West routes will create infrastructure capacity issues at the Jackson interchange. Additional congestion will occur due to the Meridian Speedway, part of Norfolk Southern's Crescent Corridor project, passing through both Jackson and Meridian. If the 93 miles of the C&G were revitalized, the North/South traffic from Memphis to Columbus, Artesia and other points east could be routed over the C&G.

SAVINGS ASSESMENT

- Map 2 illustrates the C&G would reduce congestion in the Jackson, MS interchange, relieve capacity issues in Jackson and Meridian, and reduce haulage by approximately 300 miles, creating saving and enhancing delivery time for shipper.
- With the revitalization of the C&G, points in Eastern Mississippi and Alabama could ship to Greenwood and connect to the CN; thereby avoiding logistics issues regarding the KCS in Jackson. This would reduce shipper freight cost, enhance delivery schedules, and create volume that would help sustain the C&G Railway.
- The inability of industries to ship by direct east-west rail has caused business closure, increased transportation cost, and presented lost opportunities for business growth, not to mention the negative impact on economic development efforts in Central Mississippi.

MAP 3: Potential Winona Facility



LOCAL FREIGHT IMPLICATIONS

- SeverCorr will use the Port of Vicksburg to ship other raw material from the West. Routing will be Vicksburg-Jackson-Meridian-Artesia. The C&G's Greenville to Artesia routing could be used assuming the corridor was available. According to company representatives the C&G routing would save approximately $6 per ton and would result in over $2.5 million in annual logistics savings. This volume would create approximately 5,000 rail cars of product and according to C&G officials would be enough volume to sustain operations and cover some annual maintenance cost. SeverCorr officials are very interested in a revitalized C&G. (See Map 1)

NATIONAL FREIGHT IMPLICATIONS

- The construction of a Mississippi River bridge that would connect the C&G Railway to major railroads in the United States for use by a major automaker from the Columbus Megasite could positively impact freight cost. A bridge from Mississippi to Arkansas would significantly reduce the number of railway miles, the number of trucking miles, which will decrease the overall shipping costs, creating a significant financial advantage for a major industry to utilize the C&G and the bridge. In addition, the bridge would be an attraction for additional manufacturers to locate facilities in Mississippi along this main rail freight corridor, thus impacting the Mississippi economy.

REGIONAL FREIGHT IMPLICATIONS

- Over 400 Wal-Mart facilities are located throughout Mississippi, Alabama, Louisiana, and Tennessee. There are eight distribution centers servicing these stores. The current distribution centers must service Wal-Mart facilities within 100 miles. Much of Northwest Mississippi does not fall within the 100-mile range resulting in longer truck hauls and, thus, high transportation costs for Wal-Mart. Access to east-west and north-south rail lines and east-west and north-south highway facilities make Winona an ideal location for an intermodal facility. The potential for local traffic for the C&G would be great under this model. Map 3 illustrates how a distribution facility in Winona fills a gap in the Wal-Mart distribution system as indicated with a red circle.

Annual savings using C&G = $39,348,059

Cost of the bridge = $100,000,000

Interest rate = 10 percent

Number of years to pay off = 3.1

ECONOMIC DEVELOPMENT OF INFRASTRUCTURE INVESTMENT

Montgomery County, Webster County, and Clay County are Distressed Counties. They rank in the worst 10 percent of the nation's counties. Oktibbeha and Lowndes Counties are considered At-Risk Counties. They rank between the worst 10 percent and 25 percent of the nation's counties.

Staff members of Senator Lott and Cochran pledged to a "tell us what you want and when" commitment.

From the micro-level perspective of an economic developer dealing with specific business site location decisions, the need for adequate transportation access is clear. Essentially all businesses require some level of transportation access to labor, materials and/or customers in order to operate and survive. When transport system investments are made which reduce business operating costs, expand market size and/or improve the breadth of available labor and material inputs, then affected businesses can become more competitive and capture a greater share of the market for their products. This is why a variety of state and regional funding programs have been set up to provide needed access improvements to attract individual businesses to desired areas. (NCHRP Synthesis Report 290). It is vitally important that any opportunities for economic development through the suggested area are considered seriously. Investment in the revitalization of the C&G will result in an investment toward economic development opportunities in the six counties serviced by the rail.

INFRASTRUCTURE ASSESSMENTS

- Interstate commerce today is overly reliant on trucking and our highways and the country's infrastructure will not long sustain it. This crisis can be illustrated through three key points:

  FUNDING: Cumulative shortfall to maintain our current transportation system through 2015 is $42 billion and to improve the system through 2015, the shortfall is $91 billion.

  INCREASE in DEMAND: Trucking is projected to haul 13 billion tons of freight by 2016, compared with 9.8 billion tons in 2004; And in 2016, the American Trucking Association (ATA) projects 3.7 million Class 8 trucks will be operating on the nation's highways, up from 2.7 million in 2004 (Graves, 2006).

  GLOBALISM and TRANSPORTATION: Intermodal global supply chain relies on the containerization of freight (Levinson, 2006)."

- Investors the world over have begun to invest in American rail companies—a trend not seen in nearly a century. With rising fuel costs complementing this investment trend, the time is ripe, now more than ever before, to begin significant investment in our national rail service. Connecting the Atlantic and Pacific Coasts with a rail line that runs directly throughout the middle of North Mississippi accounts for a potential that is difficult to quantify but not difficult to imagine.

- In addition to economic growth, discussions of Homeland Security have emerged since the Vicksburg Mississippi River rail crossing is on the top 100 terrorist targets as determined by the Department of Homeland Security. Mississippi's influence in the U.S. Senate is of prime importance to the revitalization effort. Staff members of Senators Lott and Cochran pledged to a "tell us what you want and when" commitment. The State of Mississippi has also shown interest. Meetings with the Governor's staff found them amenable to the project.

- In addition to Congressional support, industry has embraced the revitalization effort. Businesses from Louisiana and Mississippi have verbally committed political and perhaps financial capital to revitalize the Greenville Port and the C&G Railway.

CONCLUSIONS



Closure of the C&G Railway corridor between Greenwood and West Point severely affected economic development efforts, limited industrial growth, created unemployment, and increased logistics cost for industry in the contiguous counties. This detrimental effect on economic development will be compounded as our highways become more burdened and fuel costs continue to rise.

Research indicates the counties with deficient rail service have little opportunity to attract new industry because they do not appear in searches for industry wanting rail; numerous companies along the rail have either closed or have been negatively impacted; new and existing industry at the East and West ends of the rail stand to gain large logistics cost savings; and new traffic generated by new industry could sustain operations of the C&G. Additionally, because Mississippi's logistics costs are 48 percent higher than the rest of the nation, these costs must be off set through the use of incentives. Mississippi's incentives package to Toyota totaled $293.9 million. Nissan received $295 million in incentives in 2000 and an additional $68 million in 2002. Some of these incentives would be unnecessary if investments are made in the state's rail infrastructure, like the C&G, to bring down the logistics costs of doing business in MS.

If local communities along the C&G want to take advantage of the recent economic development occurring in central Mississippi and future economic development opportunities, it is imperative that they take action to remedy the lack of rail access. If Mississippi wants to continue to attract new industry, particularly to northern and central parts of the state, improvements to rail infrastructure will be necessary.

RECOMMENDATIONS





Several initiatives can be taken as a remedy:

SHORT TERM

- Establish a rail authority.
- Large industry and interested parties should collaborate to present findings and recommendations to the Director of Mississippi's Development Authority.
- Secure additional revenue to conduct an economic feasibility study with ROI calculations.
- Contact interested parties, private and public, to secure political and financial capital for the revitalization effort.
- Focus energy on the existing local freight traffic and the realization of potential business and industry expansion and development in the area.
- Send a delegation to Washington D.C.
- Pursue possible revitalization funds through both public (federal, state and local) and private sources.

LONG TERM

- Work diligently with Mississippi and Louisiana political leaders for a rail bridge at the I-69 or US 82 Mississippi River crossing at Greenville, MS.
- Work diligently with Alabama and the NS to reestablish rail access in Fayette and Walker County Alabama to gain direct access from Greenville MS to Birmingham, AL.



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Mississippi State University
Department of Political Science
and Public Administration



An Analysis of the Economic, Workforce and Regional Impacts Associated with the Revitalization of the Columbus & Greenville Railroad

Prepared for:

Appalachian Regional Commission (ARC)
Delta Regional Authority (DRA)
Mississippi Department of Transportation (MDOT)

ARC
APPALACHIAN REGIONAL COMMISSION

MDOT
MISSISSIPPI DEPARTMENT OF TRANSPORTATION

Delta Regional Authority

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Carroll County Board of Supervisors
Washington County Board of Supervisors
Sunflower County Board of Supervisors
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John Hardy, Director Lowndes County Port
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Delta Council



INTRODUCTION

In 2006, a team at Mississippi State University completed the Columbus & Greenville (C&G) Rail Recovery Exploratory Study. This initial study found the closure of the 93-mile section of the railroad between Greenwood and West Point Mississippi had limited economic development and increased both unemployment and logistical costs for industry in the area. In 2009, researchers from Mississippi State University and the University of Southern Mississippi completed nine tasks that examined economic, transportation, workforce, and engineering data to determine the needs and impacts of the revitalization of this 93-mile rail corridor. The study area encompasses the northern part of Mississippi stretching from the Mississippi River in the west to the Tennessee-Tombigbee Waterway in the east. The counties included in the study are Washington, Sunflower, Leflore, Carroll, Montgomery, Webster, Oktibbeha, Clay, and Lowndes (Figure 1).



Figure 1: Map of the C&G Corridor

C&G REVITALIZATION COST AND ECONOMIC IMPACT

Rail Revitalization's Cost



Included in the scope of the revitalization cost analysis of upgrading the 93 miles of railroad between West Point and Greenwood, MS to 286,000 pounds railcar weight capacity and minimum of FRA Class 2 Track Standards were ROW clearing, rail ties, 115-pound rail, rebuilt public and private crossings, reconstructed bridge work, installation, and numerous other items required to upgrade the railroad. The engineering firm's estimated direct cost for this project was approximately $87 million. To validate this estimated cost, existing rail lines on like-projects were polled and their estimate was within $1.4 million of the study's engineering estimate. would be approximately $99 million in 2009 dollars.

Total Economic Impact



The researchers examined the economic impacts associated with connecting the Port of Lowndes County and the Port of Greenville as well as impacts associated with future industries and businesses that may locate along the C&G corridor. Findings indicate revitalization of the C&G rail line will induce significant economic impact in the region. The following estimate depicts the total projected impact of reestablishing rail freight service between West Point and Greenwood, MS, including new industry opportunities and the construction impacts of these new industries.

TOTAL PROJECT EMPLOYMENT, INCOME AND TAX REVENUE IMPACTS

New Direct Jobs: 1,975
New Indirect Jobs: 3,210
New Personal Income: $236.8 million annually
New State Tax Revenues: $14.42 million annually

Connectivity Impacts

The researchers investigated the economic impacts associated with connecting the Port of Greenville and the Port of Columbus via the C&G rail line. According to port personnel, connecting the two ports would enhance current infrastructure investment and provide additional economic impacts.

- ***Port of Greenville:*** Over the past two years, the Port of Greenville has invested significantly in the infrastructure of the operation due to increased demands and capacity limitations. These investments have created job opportunities and increased personal income. In 2008, the Port invested $677,000. In 2009, it invested $100,000, and in 2010 the Port will invest a total of $3.2 million. In 2011, the Port expansion project will continue investing an additional $400,000. These investments have created 55 direct and 76 indirect job opportunities.
- ***Port of Columbus:*** Over the past few years, the Port of Columbus has invested significantly in the infrastructure of the operation. The investments are: 2005 - $965,000; 2006 - $247,000; 2007 - $660,000; 2008 - $703,000; and 2009 - $1.39 million for a total investment of $3.965 million. These investments have created 57 direct and 84 indirect job opportunities.

Furthermore, the revitalized C&G rail scenario could reduce transportation cost by approximately 35 percent over current highway transportation cost, especially when considering those counties that are not currently served by rail. Also, for counties that are within the State of Mississippi and currently being served by rail, the added connections will help to reduce transportation costs on average of approximately 23 percent.

Both the Network Appalachia Global Opportunity Report and the Delta Regional Authority's Multimodal Transportation Assets, Needs and Recommendations Report support the restoration of the C&G Railway Corridor. Respectively, they cite the need "to fully redevelop the cross-state Columbus and Greenville rail corridor, enhancing access to both domestic and intermodal markets for central Mississippi" and the "need to provide railroad service between the Port of Greenville on the Mississippi River and Columbus, MS on the Tennessee-Tombigbee Waterway." These Reports were certified by the agencies full commissions which include representatives from Alabama, Arkansas, Georgia, Illinois, Kentucky, Louisiana, Maryland, Mississippi, Missouri, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia.



The study evaluated biofuel, automotive, metal fabrication and steel, and food processing industries in the region. The following highlights the findings regarding long-term and short-term economic impacts:

Long-Term Economic Impacts

Feasible New Industrial Sites Dependent Upon Direct Rail Access

- Biofuels: A $53 million biofuel investment on the closed portion of the railroad (Winona) would generate an increase of 25 direct jobs and 144 indirect jobs, increasing personal income by $7.9 million and state tax collections by $464,000 each year.
- Automotive: A new "Tier One" automotive supplier creating 240 direct jobs, 436 indirect jobs, would generate an annual total of $32.9 million in personal income and $1.9 million of additional annual tax collections.
- Steel Pipe Fabrication: A $100 million investment would result in 180 direct and 388 indirect employees, producing $25.7 million in new earnings and increasing state tax revenue by $1.5 million annually.
- Steel Processing: A $10 million investment would result in 67 direct and 190 indirect employees, resulting in $12.9 million in new personal earnings and increasing state tax revenue by $757,000 annually.
- Steel Processing: A $6 million investment would result in 52 direct and 145 indirect employees, producing $9.9 million in new personal earnings and increasing state tax revenue by $582,000 annually.

Expansion of Existing Industries

- Delta Western (Indianola, MS)—one of the largest feed suppliers to the catfish industry—would likely expand operations, creating 13 direct jobs, 45 indirect jobs, an annual increase of $2 million in personal income and $115,000 in new annual state tax revenues.
- USG Interiors (Greenville, MS), a subsidiary of USG Corporation, would likely expand operations, creating 40 direct jobs, 56 indirect jobs, an annual increase of $4.3 million in personal income and $255,000 in new annual state tax revenues.
- Phase II of Severstal's three-phase expansion plan consists of two stages, totaling $500 million in new investment. In the first stage, $300 million is invested in the operation. This activity is projected to create 95 direct jobs and 491 indirect jobs. In stage II of Phase II, $200 million will be invested over a two-year period. This investment activity is projected to create 49 direct jobs and 256 indirect jobs. Together, these investments will generate $46.1 million in personal income and $2.7 million in state tax revenue annually as well as 144 direct jobs and 745 indirect jobs.

Delta Region corn production is restrained by inadequate transportation options for corn to reach the poultry consumption markets.

- Delta Region corn production is restrained by inadequate transportation options for corn to reach the poultry consumption markets. Assuming that approximately 65 percent of this grain is shipped by rail, the renewed rail corridor through the Delta would provide approximately $15.2 million in annual transportation cost savings to reach these markets, allowing Delta corn growers to expand their market reach and increase their production.

Short-Term Economic Impacts

- Reconstruction of the rail corridor between West Point and Greenwood will create 536 direct jobs, 324 indirect jobs, a total of $39 million in personal income and increase state tax revenues by $2.3 million annually over two years.
- Construction jobs associated with the new facilities and expansions outlined above could generate 1,140 direct and indirect jobs, a total of $53.5 million in personal income and increase state tax revenues by $3.7 million annually for two years.

TOTAL LONG-TERM EMPLOYMENT, INCOME AND TAX REVENUE IMPACTS

New Direct Jobs: **873**
New Indirect Jobs: **2,309**
New Personal Income: **$144.3 million annually**
New State Tax Revenues: **$8.42 million annually**

TOTAL SHORT-TERM CONSTRUCTION EMPLOYMENT, INCOME AND TAX REVENUE IMPACTS

New Direct Jobs: **1,102**
New Indirect Jobs: **901**
New Personal Income: **$92.5 million annually**
New State Tax Revenues: **$5.4 million annually**

- Revitalizing the C&G Railroad will result in improved economic development opportunities along the corridor, an additional workforce connection, improved public safety, new competitive routes for existing products, and the retention of existing industry.
- Grain mills, biofuel refineries, steel industries, and automotive suppliers are potential industries that would be attracted to the region,
- Existing companies located on the rail line (e.g., Delta Western, USG Interiors, Severstal, Master Kraft, and Scott's Bio-Fuels) can benefit from the rail line in terms of employment, increased freight choices for shippers, local tax revenues, increased competition, and an overall regional commitment to attract new businesses.
- The steel industry, as one of the major industries in Mississippi, continues to have a major economic impact on the state. Providing the steel industry with the requisite infrastructure is a federal, state and local government responsibility. With improved transportation options, the steel industry will contribute more direct and indirect economic benefits to the state of Mississippi.

ECONOMIC DISTRESS AND WORKFORCE SUMMARY

Table 1 lists the per capita income levels and the unemployment rates of the nine corridor counties and compares them to the national averages. As the information in the table indicates, all of the nine counties in the rail study corridor qualify as economically distressed using at least one of these two criteria for eligibility[1].

Table 1: Per Capita Income Levels and Unemployment Rates of Nine Corridor Counties

County	Unemployment Rate 2010	Unemployment Rate 2009	Per Capita Income 2008	Percent of National Average
National Average	**9.7%**	**9.4%**	**$40,166**	**NA**
Clay	19.7	16.9	$28,301	70.46
Lowndes	12.8	**10.3***	$31,196	77.67
Montgomery	14.6	14.2	$26,355	65.62
Webster	16.0	13.0	$23,648	58.88
Oktibbeha	10.7	**8.1***	$29,068	72.37
Leflore	14.7	12.3	$26,943	67.08
Carroll	11.4	11.7	$29,753	74.08
Washington	15.0	13.9	$27,553	68.60
Sunflower	16.3	12.3	$24,624	61.31

Note: * indicates that number does not reach threshold

1 The two primary methods that are used to establish distressed status for a given area are 1) that area have a per capita income level 80 percent or less than that of the national average, 2) likewise, an area can qualify by having an unemployment rate at least 1 percent above the national average for the most recent 24-month period.

- All nine counties located within the C&G corridor are classified as distressed areas under the "Public Works and Economic Development Act of 1965, As Amended" (42 U.S.C.).
- Seven out of the ten largest declines in employment within the region from 2002 to 2009 can be seen in production occupations.
- Primary areas of workforce loss in production occupations can be replaced by potential new industry recruitment of steel, furniture, biofuels, and automobile suppliers.

The research team analyzed the workforce status and skills available in each of the nine counties included along the C&G rail corridor. As the workforce summary highlights, the need for the positive economic impact associated with the revitalization of the C&G rail line can not be overstated due to the high level of unemployment and economic distress in each of the nine counties.

Table 2: C&G Total Region: Employment Comparison by Sector

	Employment			
Sector	**2002**	**2009**	**Change**	**Current EPW**
Agriculture, forestry, fishing and hunting	7,622	7,035	-8.0%	$28,274
Mining	188	199	6.0%	$68,663
Utilities	622	471	-24.0%	$59,270
Construction	6,301	7,238	15.0%	$44,583
Manufacturing	18,678	11,617	-38.0%	$50,074
Wholesale trade	4,019	3,822	-5.0%	$55,156
Retail trade	16,849	14,898	-12.0%	$26,624
Transportation and warehousing	5,047	5,285	5.0%	$46,122
Information	1,429	1,432	0.0%	$35,853
Finance and insurance	3,178	3,205	1.0%	$35,148
Real estate and rental and leasing	2,867	3,931	37.0%	$16,259
Professional and technical services	3,658	4,045	11.0%	$42,393
Management of companies and enterprises	841	819	-3.0%	$67,026
Administrative and waste services	5,251	6,238	19.0%	$21,274
Educational services	1,884	1,781	-5.0%	$17,100
Health care and social assistance	10,524	12,047	14.0%	$35,391
Arts, entertainment, and recreation	1,755	1,692	-4.0%	$15,224
Accommodation and food services	8,067	9,181	14.0%	$14,443
Other services, except public administration	6,901	7,595	10.0%	$21,934
Government	32,795	33,757	3.0%	$48,605
Total	138,474	136,290	-2.0%	$36,728

Source: EMSI Complete Employment - 4th Quarter 2009 EPW: Earnings per Worker

Employment in the region that encompasses the C&G corridor fell slightly from 2002 to 2009. Manufacturing was especially hard hit, losing over 7,000 jobs, a 38 percent decline. Retail trade also saw significant declines, losing over 1,000 jobs (12 percent of the total in 2002). There were some sectors which showed strong growth. For example, health care and social assistance, accommodation and food service, and real estate each added over 1,000 jobs. Table 2 displays this employment data for each sector in 2002 and 2009.



HOMELAND SECURITY BENEFITS

The research team determined possible homeland security benefits associated with improvements made to the C&G rail line. The objective was to investigate two C&G revitalization scenarios. In scenario 1, the research team investigated both the regional and national economic impacts and explored potential railroad traffic gains associated with restoration of the C&G Railway back to an operating condition. In scenario 2, the research team investigated both the regional and national economic impacts and explored potential railroad traffic associated with a new railroad connection from Union Pacific in Arkansas to Birmingham, Alabama. Under this scenario, a new bridge over the Mississippi River would provide a new rail corridor for the growing intermodal traffic between the Southwest and Southeast parts of the United States; it would also provide a rail alternative to highway delivery of commodities in Mississippi.

Another significance of adding a railroad crossing over the Mississippi River is to accommodate traffic in case of manmade or natural disasters on current rail corridors in the region.

- In addition to facilitating the highway trade flows between Canada and Mexico, the completion of I-69 Charles W. Dean Bridge can significantly impact the railroad freight flow in the United States. The Columbus & Greenville Railway can connect to Union Pacific Railroad at McGehee, Arkansas, to the west with less than 20 miles of new railroad track. To the east, the C&G Railway can connect to Birmingham, Alabama, via the Alabama Southern Railroad and CSXT. After Birmingham, the freight on the C&G Railway can be transferred and go to all major cities on the east coast. This new railroad route will bring competitive freight transportation rates to many railroad freight origin and destination metropolitan areas in the nation. Consequently, it could ensure a healthy railroad transportation industry in the future. There will be enormous primary, secondary, and tertiary impacts on our national economy from this new rail corridor.



- This new rail route will also have significant benefits for national security. The new rail corridor will add redundancies in the current railroad networks. Such redundancies could make the national railroad transportation network more resilient and less vulnerable.
- Another significance of adding a railroad crossing over the Mississippi River is to accommodate traffic in case of manmade or natural disasters on current rail corridors in the region. Specifically, a closure of the strained bridges at Memphis due to an earthquake on the New Madrid Fault or a bypass in case the Vicksburg Bridge is lost to a manmade disaster.

REGIONALISM AND THE NORTH CENTRAL MISSISSIPPI REGIONAL RAILROAD AUTHORITY (NCMRRA)

The team at Mississippi State University assisted the nine distressed counties within the region in the form and functionality of the then recently established, but not yet operational, North Central Mississippi Regional Railroad Authority. To facilitate and help implement NCMRRA, the MSU team was instrumental in creating a culture of regionalism across the nine counties and municipalities within those counties. The goal was to help this board's executive body become empowered as the lead organization through which revitalization options for the railroad project can proceed. MSU aided the authority in finding potential funding opportunities, including strategies for revitalization through multisource public-private partnerships.

The initial meeting of the newly formed North Central Mississippi Regional Railroad Authority Board was held in Eupora, MS, on January 29, 2009. The board has been active in helping to inform elected representatives about the economic viability and importance of the project. Efforts have included personal contacts and correspondence to members of the Mississippi legislation and to the MS Congressional delegation. In 2009, due to the efforts of the NCMRRA, $14 million in funding was initially dedicated for the project through MS HB 1713. However, at the last minute these dedicated funds were moved into a general purpose category.

NCMRRA efforts in 2010 proved more successful. Senate Bill 3181 allocated $15 million through the Mississippi Development Authority for the repair, reconstruction and improvement of the existing railroad line from the City of West Point to the City of Greenwood, Mississippi. This funding provides seed money for the revitalization project but is contingent upon obtaining an additional $65 million for the project.

Other general grant funding opportunities are available for possible funding for this revitalization project. The most promising funding opportunities are found in the U.S. Department of Transportation's Transportation Investment Generating Economic Recovery (TIGER), which are discretionary grants for surface transportation projects. NCMRRA is currently in the application process for Tiger II grant funding.

- Participation by the authority in lobbying Mississippi legislators resulted in $15 million in seed money funding for the rehabilitation project.
- Other funding opportunities exist with the most promising being the TIGER II program.
- Potential funding could be provided as part of the transportation reauthorization bill.
- Potential funding opportunities may exist with the Department of Homeland Security.



Mississippi State University
Department of Political Science
and Public Administration



Authors

Bethany Stich, PhD
Bill Martin, MPPA
Chad Miller, PhD
Brian Richardson, PhD
Joseph (Jody) Holland, PhD
Bob Eskridge, Graduate Assistant
Kywaii Lawrence, Graduate Assistant
Di Miao, Graduate Assistant
Kenna Walsh, Graduate Assistant

Attachment 10

December 10, 2019
Jon Ryan Proposal

HDR Engineering, Inc.
D 504.218.1227 M 504.229.8317

hdrinc.com/follow-us

From: Magiera, Doree
Sent: Tuesday, December 10, 2019 11:05 AM
To: 'Jon Ryan' <Jon.Ryan@continentalrail.us>
Cc: John Marino <John.Marino@continentalrail.us>; Dino Trevino <Dino.Trevino@deltasouthernrr.com>
Subject: RE: SEAEDD Update - Priority Uses DSRR

Jon
Thank you for providing the list along with priority sections. Based on the project component spreadsheet that Wyly updated yesterday, might be able to do another mile or so based on your per mile estimate.
Regards

Doree Magiera
HDR Engineering, Inc.
D 504.218.1227 M 504.229.8317

hdrinc.com/follow-us

From: Jon Ryan [mailto:Jon.Ryan@continentalrail.us]
Sent: Tuesday, December 10, 2019 10:25 AM
To: Magiera, Doree <Doree.Magiera@hdrinc.com>
Cc: John Marino <John.Marino@continentalrail.us>; Dino Trevino <Dino.Trevino@deltasouthernrr.com>
Subject: SEAEDD Update - Priority Uses DSRR

Dorree,

Please find the updated uses for the SEAEDD grant money that has been allocated to the DSRR to rehabilite our portion of the corridor. We believe the plan laid out below will accomplish the overall goal for this section of track leading to Madison Parish Port.

Please let me know if this format is what you are seeking as far as detail, etc.

	Priority - Miles				
MP	40% Ties per mile	3,500 Tons Ballast per mile	Tamping	Labor for Ballast / Miscellaneous	Total
500	$ 120,680.00	108,500	6,000	15,180	$ 250,360.00
499	$ 120,680.00	108,500	6,000	15,180	$ 250,360.00
498	$ 120,680.00	108,500	6,000	15,180	$ 250,360.00
497	$ 120,680.00	108,500	6,000	15,180	$ 250,360.00
496	$ 120,680.00	108,500	6,000	15,180	$ 250,360.00
495	$ 120,680.00	108,500	6,000	15,180	$ 250,360.00
494	$ 120,680.00	108,500	6,000	15,179	$ 250,359.00
493	$ 120,680.00	108,500	6,000	15,179	$ 250,359.00
492	$ 120,680.00	108,500	6,000	15,179	$ 250,359.00
491	$ 120,680.00	108,500	6,000	15,179	$ 250,359.00
	$ 1,206,800	$ 1,085,000	$ 60,000	$ 151,796	$ 2,503,596

CONTINENTAL RAIL
2929 E. Commercial Boulevard, Suite PH-D
Fort Lauderdale, Florida 33308
904-553-7431

Attachment 11

September 21, 2017 Email from
Matt Prince to Danny Robbins

From: Matt Prince [mailto:matt.prince@continentalrail.us]
Sent: Thursday, September 21, 2017 3:33 PM
To: Danny Robbins
Subject: RE: NLA-DSRR corridor rebuild.xlsx

Danny,
We bowed out of the grant application for the time being as we simply cannot afford to spend the cash right now. I did not forward your spreadsheet to anyone so you may want to share that information with HDR. Thanks.

Matt Prince
Director of Operations
Continental Rail

CONTINENTAL RAIL

2929 E. Commercial Boulevard, Suite PH-D
Fort Lauderdale, Florida 33308
Email: matt.prince@continentalrail.us
Mobile: (931)309-8721

Attachment 12

October 17, 2017 Letter from
Matt Prince to Elaine Chao,
Secretary of Transportation

CONTINENTAL RAIL

October 17, 2017

The Honorable Elaine Chao, Secretary of Transportation
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington D.C. 20590

Dear Ms. Secretary:
Please accept this letter as support for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project that the Southeast Arkansas Economic Development District and its partners are requesting in their 2017-18 INFRA Grant application.

The Southeast Arkansas Economic Development District (SEAEDD), the Port of Lake Providence, LA and the Madison Parish Port, LA are located along an approximately 100-mile-long section of the Mississippi River (the designated M-55 Marine Highway) between McGehee in rural Southeast Arkansas and Tallulah in rural Northeast Louisiana. This section of the Mississippi River between McGehee and Tallulah is also served by a parallel 91.3-mile continuous short line railroad corridor of commerce that interfaces directly with the existing Port of Lake Providence and Madison Parish Port and a yet-to-be constructed rail connection to the separate Port of Yellow Bend near Arkansas City, Arkansas.

This grant will be used to modernize and improve rail safety infrastructure along an important freight corridor and improve the regional connectivity to three inland waterway ports. The infrastructure improvements described in the grant application are needed to provide the ports railroad customers access to the nation's rail network. The improvements will have a significant impact to the region's economic development efforts and will expand the effectiveness and cost savings to regional shippers.

The multimodal improvements described in the grant application will provide shippers in the region with new cost-effective alternatives for delivering their produce and manufactured goods to the nation and to the world, as well as providing a new economic development tool for the region, which is so desperately needed. This application for multimodal freight corridor improvements is a positive step for Arkansas and Louisiana, and a positive step for the region and the nation. Increased transportation of rail and river traffic is important to the growth of our region's and nation's economy.

I appreciate the opportunity to share with you the importance of this project to our firm, our states, and our region, and I urge your expeditious approval of SEAEDD's and its partners application for INFRA program funding.

Sincerely,

Matt Prince
Director of Operations

2929 E. Commercial Blvd., Suite PH-D – Fort Lauderdale, FL 33308
Toll free: 1-855-948-RAIL (7245) – www.ContinentalRail.us

Attachment 13

March 2022 Verified Statement of Craig Huff

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 36447

LAKE PROVIDENCE PORT COMMISSION
--FEEDER LINE APPLICATION—
LINE OF DELTA SOUTHERN RAILROAD LOCATED IN
EAST CARROLL AND MADISON PARISHES, LA.

Verified Statement of Craig Huff
in Support of
Feeder Line Application filed by
Lake Providence Port Commission

1. My name is Craig Huff. My address is 130 Cedar Street, Delhi, Louisiana, 71232. I am filing this Statement in support of the Feeder Line Application filed by Lake Providence Port Commission (LPPC). I am not, and never have been, an employee of LPPC, the Madison Parish Port Commission (MPPC), Southeast Arkansas Economic Development District (SEAEDD), or North Louisiana & Arkansas Railroad (NLA) or any of its affiliates. This Statement is based on facts of which I have personal knowledge and are true to the best of my knowledge.

2. I have been involved in the railroad industry for over eighteen years. Between June 6, 2015, and August 20, 2018, I was the General Manager of Delta Southern Railroad, Inc. (DSR). In my capacity as the General Manager, I managed DSR's daily short line rail operations over its two lines of railroad.

One line extends from MP 471.0 near the Lake Providence Port to Milepost 500.2 in Tallulah, Louisiana. DSR connects with Kansas City Southern Railway Company (KCS) at MP 498.6 in Tallulah, Louisiana. The other line extends between MP 566 at Monroe to MP 556.18 at Sterlington, LA. Because I was physically located at DSR's headquarters in Tallulah, I oversaw Customer Relations/Marketing.

3. It is my understanding that shortly before I was hired to be DSR's General Manager, the common shares of DSR were sold by its owners, William Wainwright and Linda Wainwright, to West Branch Intermediate Holdings, LLC (West Branch), whose headquarters were located in San Francisco, California. I was hired by J. D. Ventrcek, who was then employed by Continental Rail, LLC (Continental). It is my further understanding that Continental was a noncarrier that had been formed for the purpose of managing the short line railroads that were to be acquired by West Branch.

4. After Mr. Ventrcek left the company, I reported to John Marino, who was Continental's CEO. Because Continental was headquartered in Fort Lauderdale, Florida, Mr. Marino had minimal contact with the Ports and with shippers that sought rail service over DSR's line between Lake Providence and Tallulah. I also had extensive contacts with Jon Ryan, who approved or disapproved all expenditures on a weekly basis. Mr. Ryan, who was physically located in Florida, did not have an office in the State of Louisiana. To the best of my knowledge, he did not have any personal contact with DSR's customers or prospective customers. However, he and John Marino were aware of my

efforts to attract new business and strongly disapproved of such efforts because they interfered with the storage of railcars. In addition, they opposed using funds to rehabilitate the track that was used for storage.

5. In addition to my regular duties, I represented DSR at various meetings of the Consortium that initially joined together in September 2016 to discuss the possibility of jointly seeking INFRA Grants from the United States Department of Transportation (USDOT) to rebuild the entire rail corridor between McGehee and Tallulah . Members of the Consortium included SEAEDD, LPPC, MPPC, NLA and DSR. DSR initially supported the goal of rebuilding the entire corridor. As I learned in March 2021, after DSR refused to commit to the rehabilitation of the 20-mile-Segment of the Corridor between MP 471 and MP 491, LPPC filed its Feeder Application to acquire the 20-mile segment of DSR's track located between MP 471 and MP 491. I have recently learned that LPPC filed a motion to file a supplemental application to acquire the entire segment of the former Lake Providence Line between MP 471 and 498.4 at Tallulah. Because this would result in more efficient service of all shippers who wish to use rail services over the entire corridor between McGehee, Arkansas and Tallulah, Louisiana, I urge the Board to allow LPPC to supplement its original Feeder Application.

6. I have read several of DSR's pleadings, including its Motion to Dismiss Proceeding, filed March 2, 2021; its Motion to Strike the Reply to its Motion to Dismiss filed by LPPC, SEAEDD and NLA; and its Response to Lake Providence Port Commission's Motion to File a Supplemental Application to

acquire the Entire Lake Providence Line Between MP 471.0 and MP 498.6. Based on my personal knowledge, I will address certain comments made by counsel for DSR in opposition to LPPC's Feeder Line Application and by Jon Ryan in his Verified Statement, executed March 24, 2022, that I believe are misleading and erroneous.

7. At p. 3 of its Motion to Dismiss, DSR claimed as follows:

> The entire 20-miles of the Line that is the subject of LPPC's Feeder Line Application has no active customers. Indeed, there have been none on the Line for more than three years. DSR is not aware of, and has not been approached by, any prospective customers seeking to originate or terminate traffic from any point along the Line.

8. I strongly disagree with DSR's unsworn comments at page 3 of its Motion to Dismiss that "DSR is not aware of, and has not been approached by, any prospective customers seeking to originate or terminate traffic from any point along the Line." That statement is misleading. While I was involved in Customer Relations and Marketing, I worked closely with Mr. Daniel Robbins, NLA's Vice President, in attempting to develop additional new business for both DSR and NLA. As a result, I was made aware of several prospective customers that wished to move traffic over the corridor to reach KCS or UP, which is the only meaningful way to view the situation.

9. In 2016, I worked for several months with Arkansas Midland Railroad and NLA to route paper commodities from points north of McGehee to Tallulah to be moved to multiple points in the southern part of the United States. The

effort did not result in any movements after DSR put out word in early April 2017 that it had ceased serving the NLA interchange.

10. Later in the year, Mr. Robbins and I traveled to Overland Park, Kansas to meet with Lansing Trade Group. Although Lansing had several potential moves from the Lake Providence area that would have involved DSR, Continental was unwilling to fund the repairs that were needed to provide safe and adequate rail service over the 20-mile-Segment to reach the point of interchange with NLA. The bottom line is that my efforts to attract new customers were actively discouraged by DSR's managers.

11. I must also take issue with Mr. Ryan's statement in his Verified Statement that he has "determined that the records of the Association of American Railroad show that the interchange between DSR and North Louisiana & Arkansas Railroad ("NLA") at Lake Providence, Louisiana has been open for customers to request interchange service since May 1, 2016, after DSR completed track work to restore its connection to NLA." DSR did not come anywhere near the track work that was required to provide safe and efficient rail service for active shippers.

12. Based on my experience as a locomotive engineer, and my knowledge of the track as it existed when I left DSR in 2018, I would not feel safe operating over that line until it is properly rebuilt, especially if the train consist included excessive height boxcars or tall gondola rail cars that are

typically used to transport cotton seed in this area. The same is true of cars that were loaded with hazardous materials.

13. Even if the tracks were not entirely impassible, they were in such poor condition in 2018 that a train could not be safely operated at speeds greater than 5 miles per hour. As noted above, I participated in the preparation of the initial FY 17-18 INFRA Grant Application that was denied by the US Department of Transportation. At that time, we determined that $11,448,000 would be required to bring the track up to FRA Class 2 status from its excepted track status. At that time, problems with track gage, elevation, alignment, ballast, defective crossties, and rail needed to be addressed. Those problems remained when work began on the 19-20 INFRA Grant Application and could not possibly be addressed by inserting a limited number of used crossties. Until extensive repairs are made, the track will likely remain in FRA excepted status.

14. While we continued to interchange with NLA until August 2017 in order to serve Complex Chemical, which is DSR's largest customer, Matt Prince, another former employee of Continental Rail, and I were ultimately directed to advise NLA that interchange was closed in August 2017 due to track conditions on DSR's track, which was designated as excepted track pursuant to 49 CFR 213.4. As a result, NLA, which had placed multiple cars destined for Complex Chemical in interchange the previous day, had to retrieve the cars and reroute them around the horn to return them to Complex

Chemical. I am not aware that DSR has taken any steps to rehabilitate the 20-mail segment above FRA excepted track status since that time.

15. Another primary reason for the absence of current shippers is that several miles of the mainline track between MP 491 and MP 471 were clogged by hundreds of stored railcars. Because of the lack of sidetracks and the deteriorated condition of the mainline, it required up to four (4) days to clear the Line so that railcars originating at points beyond MP 471 that are destined to Madison Parish Port or to be placed in interchange service at Tallulah could be moved through to the point of interchange. The same is true of northbound trains that originate at the Madison Parish Port or that are received in interchange at Tallulah that are destined to move beyond MP 471 to reach sections of the Corridor that are served by NLA or to be interchanged by it with other railroads at McGehee.

16. When Continental Rail took over the management of DSR in 2015, a substantial percentage of DSR's monthly revenues was derived from the long-term storage of over 400 railcars on that portion of its mainline located between MP 491 and Lake Providence. The new management team, which included J.D. Ventrcek, John Marino and me, decided to cancel an existing storage contract and actively focus on the movement of freight northbound from Tallulah. During this period, DSR began the process of rehabilitating the bridges and some of the rail. However, after Mr. Ventrcek resigned, John Marino made it clear that we were to use the track to store railcars and actively discourage shipments of interchange rail traffic with NLA. That policy was based on the

conclusion that the cost of restoring the track north of MP 491 was greater than the revenues to be earned from interchanging traffic with NLA. In addition, the cost of constantly having to shuffle long strings of stored cars to allow individual freight cars to move over the Line would reduce profits.

17. As a result, when I brought prospective new business to Marino's attention, I was repeatedly told that the new business did not fit DSR's strategic objective, which was to maximize profits by once again focusing on storage of rail cars. The same message was conveyed by Jon Ryan. This put me in the uncomfortable position of having to tell shippers, to whom I had held out the possibility of moving their shipments by rail, that it would not be possible due to conditions beyond my control. This ultimately caused me to resign from DSR.

18. DSR actively sought to discourage interchange by other tactics. By way of example, in late 2016, Danny Robbins alerted me to Bayou Bioenergy (BBE), which was a new customer that had recently opened a facility in Lake Providence and wanted to move to rail service to expand its business. BBE was planning on transloading its product from tank trucks to rail cars at a spur located at MP 462.7, which was about a mile from its new facility. Its goal at that time was to ship about 78 cars per year. Even if the track between MP 491 and MP 471 had been rehabilitated, given the number of cars that were being stored, clearing the track more than once a week would have created an operational nightmare. Although DSR wanted the traffic, it refused to accept the loaded cars from NLA at the interchange point. Instead, DSR demanded

that BBE truck its product to Tallulah to be transloaded into railcars for further movement by rail. It is my understanding that the additional costs associated with trucking to DSR's transload facility in the Madison Parish Port forced BBE to raise the cost of its product, which put it at a substantial competitive disadvantage. This caused the owner of BBE to close the facility and layoff the entire workforce in December 2019.

19. When I resigned from DSR in August of 2018, nothing had been done to rehabilitate the track north of MP 491; interchange had not been reopened; and only the storage of railcars continued. Because I believe that the rebuilding of the entire 91.3-mile rail corridor between McGehee, Arkansas and Tallulah, Louisiana is essential to attracting new rail freight business and spur economic development and growth in this region, I support LPPC's acquisition of the entire line.

FURTHER SAYETH THE AFFIANT NOT.

VERIFICATION

I, Craig Huff, declare under penalty of perjury that the foregoing is based on my personal knowledge and is true and correct to the best of my knowledge and belief.

Executed on March 28, 2022

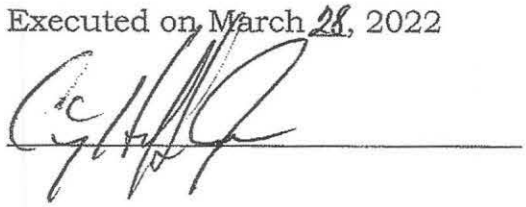


EXHIBIT E

Verified Statement of Sam E. Angel

BEFORE THE

SURFACE TRANSPORTATION BOARD

Finance Docket No. 36447

LAKE PROVIDENCE PORT COMMISSION
--FEEDER LINE APPLICATION—
LINE OF DELTA SOUTHERN RAILROAD LOCATED IN
EAST CARROLL AND MADISON PARISHES, LA.

Verified Statement of Sam E. Angel II
in Support of
Feeder Line Application filed by
Lake Providence Port Commission

1. My name is Sam E. Angel II. I am the owner of Epstein Gin Co. and Epstein Transloading. I am duly authorized to present this Statement in Support of the Feeder Line Application that has been filed by the Lake Providence Port Commission ("LPPC). My business address is 537 Reynolds St, Lake Village, AR 71653. My telephone number is (870) 265-2332. I have been involved with Epstein Gin for 30 years and have personal knowledge about the facts that are stated herein. Those facts are true to the best of my knowledge.

2. Epstein Gin has been in this location since the early 1900s. The ginning process separates the seed from the cotton fiber. We store up to sixteen thousand tons of seed here. Storage and rail are critical to our operations because the cotton harvest is approximately 60 days annually. Therefore, the seed markets quickly flood, and prices drop just

as fast. With seed storage we can ship and sell throughout the year using rail to reach distant dairy markets. Epstein Transloading does the same for other cotton gins located in the Mississippi Delta that have seed storage but no access to transloading or rail services. In addition to selling and shipping our own seed, Epstein has loaded cars for various Commodity Companies that have included Anderson Grain, Apex Commodities and Gavilon. In all instances, we are not considered to be the shipper. Instead, the above-named companies are the actual shippers. When they are ready to ship, they tell us how many empty cars they need for us to load, and we schedule the cars for loading. It is left to the shippers to determine the routing. While we are generally aware of the destination markets, and may influence the routing, the shipper works with the railroads to establish their rates and routing.

3. Because of the price differential between the Union Pacific Railroad ("UP") and Kansas City Southern Railroad ("KCS") can be substantial, Epstein Gin and the shippers whose cars we load, would prefer to route cars that are destined to markets in Mexico and other locations in the United States that are served by KCS, directly to KCS at Tallulah. The grant of LPPC's feeder line application, would result in a single movement of only 65 miles as NLA would interchange directly with KCS. This would eliminate two (2) inefficient interchanges that involve DSRR. In addition, it will eliminate the alternate routing that has NLA moving the cars 24.1 miles to McGehee, where they are interchanged

with UP. UP then moves the cars 95 miles to Monroe, Louisiana where it interchanges with KCS. Although this alternative "works," it adds to the cost of the entire movement. Given the markets in which we operate, any extra costs and unnecessary interchanges are counterproductive. At present, we are in discussions with Central Valley Ag Products from California about loading for it. While they would prefer shipping via KCS for some shipments, the added costs have caused them to hold back until they can be assured that the entire Line south of Lake Providence, Louisiana has been fully restored. To understand the hesitancy to take a chance that the unrestored track will be able to safely handle the high-gravity cars that are used to transport cotton seed, it is necessary to realize that about 95 percent of the cars are privately owned by the companies that hire us to load them. Having experienced several expensive derailments attributed to DSRR's deteriorated tracks, Epstein Gin got rid of all the private cars that it once owned.

4. The Epstein Companies and the companies for which it loads have been denied interchange rail service ever since William Wainwright, the former owner of Delta Southern Railroad, Inc. ("DSRR"), on November 2, 2010, embargoed the Line between milepost 408.9 and milepost 433.0. Two (2) years before he allowed the track to disintegrate to the point that the high-center-of-gravity Hopper cars used to transport our products could not be safely operated, Epstein Gin had shipped 451 carloads. That number had fallen to 20 carloads by the end of October 2010. That

decline was totally attributed to track conditions and DSRR's horrendous rail service. Not only did it suffer numerous derailments, which resulted in the loss of product and damaged railcars, but its service was unreliable. While DSRR would promise to deliver cars for loading on a Friday, it often failed to arrive until the next Friday. In our business, repeated delays of a week for delivery results in the loss of customers who use the cotton seed to feed their cattle. Due to the unreliable rail service, we had to resort to transloading shipments for delivery to UP. This necessarily and substantially increased our cost of transportation. As a result, all use of DSRR's services to the north of milepost 471.0 ceased.

5. Even after LPPC and NLA acquired ownership of the track, track conditions continued to plague NLA's ability to safely operate the type of railcar upon which we rely. Because NLA and the Southeast Arkansas Economic Development District ("SEAEDD") have already used the INFRA Grant funds, as well as previous grants, to rehabilitate the Line between McGehee and the Arkansas/Louisiana State boundary and the spur track into our facilities at Lake Village, that track can now be safely operated to reach UP in McGehee. I am informed that LPPC has also taken steps to improve the Line between the State Line and the point of interchange with DSRR at the Port of Lake Providence. I also know that NLA can safely move our cars over that section of the track between the Arkansas/Louisiana boundary since 2016.

6. In 2015, Wainwright sold his shares of DSRR's stock and the last segment of the Line that he had not abandoned to some other entities which, I am advised, include Golden Gate Capital, a private equity investment firm which is headquartered in San Francisco, with no apparent ties to this region. While the new investors encouraged efforts to upgrade DSRR's track between the Madison Parish Port and the point of interchange with KCS, they refused to take any steps to rebuild the segment of track that must be rebuilt before Epstein Gin can reach KCS. That refusal continued for approximately 21 months after Epstein Gin filed its letter of support for LPPC's original feeder line application in November 2020.

7. In June of 2019, Epstein Gin requested NLA to ship the remaining 40+ cars of cottonseed that were then stored in its Lake Village facility to KCS. These cars would have moved in interchange service with DSRR. Although NLA was ready, willing and able to move the 43 cars, Mr. Robbins informed us that Dino Trevino, who is DSRR's current General Manager, had advised him that he had to refuse interchange because DSRR's tracks between mileposts 471.0 and 491.0 could not accommodate the movement of the cars. Mr. Robbins also reported that Mr. Trevino had also claimed that DSRR had approximately 200 cars stored on a portion of that track. That DSRR was recently able to move a specialized low-gravity car over its track plainly demonstrates that if DSRR's owners had consistently taken steps during the seven (7)

years that they have owned the track, it could have been properly rehabilitated at an earlier date. That it could handle the specialized car in September 2022 does not, by itself, demonstrate that DSRR can now handle our top-heavy loads of cotton seed.

8. I hereby confirm the statement in the earlier letter that Epstein Gin and Epstein Transload intend to expand sales into Mexico and other destinations via the KCS once it can be assured that its cars can be safely operated over the 20-mile segment of track. As I view the situation, the expectancy of increased new business and increased revenues would have prompted most short line railroads to repair their tracks. As is obvious from DSRR's response to Epstein Gin's testimony and the joint business development activities that were undertaken shortly after Wainwright sold his stock, DSRR's new owners have never committed to take the necessary steps to rebuild the segment of the Line that must be repaired if DSRR is to provide the rail service that Epstein Gin requires. Instead, they continued to argue as late as March 2021, that the renovation of its "long-dormant" was unjustified and unwarranted.

9. Epstein Gin and Epstein Transloading support LPPC for several other reasons. First, LPPC's ownership of the segment from milepost 471.0 and the point of interchange with KCS will ease the administrative burdens of having to deal with three (3) distinct railroads to establish contracts, obtain rate quotes, track the location of cars, and settle freight claims in the event of a problem. In other words, it will enhance

efficiencies both administratively and operationally. In addition, our support for LPPC is also based on a shared belief that preservation of rail service will benefit the economic development of the area. I am a current member of the Lake Village Economic Development Commission as well as the Chicot-Desha Metropolitan Port Authority, which is heavily involved in the effort to further develop the Yellow Bend Slackwater Harbor. That Port is currently underutilized with regard to its potential. In addition, I am a Board Member of the SEAEDD. As such, I am very aware of the urgent need for economic development and the need to fully restore the entire Lake Providence Branch Line. Without the full support that LPPC and SEAEDD have provided Epstein Gin in preserving rail service for the past 34 years, the Line would have been abandoned. As the Interstate Commerce Commission's ("ICC") decision in *Missouri Pacific Railroad Company – Abandonment – In Desha and Chicot Counties, AR, and East Carroll, Madison, Tensas, and Concordia Parishes, LP*, dated July 11, 1988, reflects, Epstein Gin, along with LPPC and SEAEDD, opposed MoPac's application. It was only because of offers of financial assistance filed by LPPC and the predecessor of Delta Southern Railroad Company that the Line is still in place.

10. I am personally aware that SEAEDD's and NLA's use of INFRA Grant funds for the recent reconstruction of the Line has already resulted in two (2) new industries announcing their intent to consider the construction of new facilities in Chicot County. In fact, I attended the

groundbreaking that was conducted on November 14, 2022, for MD Power and its Waste to Energy facility that is being constructed in Chicot County. It is anticipated that this will result in an increase of hundreds of jobs within the next two (2) years and will substantially increase rail traffic over the Line between McGehee and Tallulah. LPPC's, SEAEDD's and NLA's joint ownership of the entire Lake Providence Branch Line will benefit Epstein Gin and Epstein Transloading and their employees.

I, Sam E. Angel II, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 20th day of December 2022.

Sam E. Angel II

EXHIBIT F

West Branch Letter of Intent,
dated July 6, 2016 in FD No. 36084

Strasburger
ATTORNEYS AT LAW

242544

ENTERED
Office of Proceedings
January 31, 2017
Part of
Public Record

January 31, 2017

JOHN D. HEFFNER
(202) 742-8607
Direct Fax (202) 742-8697
John.Heffner@strasburger.com

BY E-Filing
Ms. Cynthia T. Brown
Chief of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

RE: FD 36084, West Branch Intermediate Holdings, LLC, and Continental Rail LLC –Acquisition of Control Exemption – Cimarron Valley Railroad, L.C., Clarkdale Arizona Central Railroad, L.C., Wyoming And Colorado Railroad Company, Inc.

Dear Ms. Brown:

On behalf of applicants West Branch Intermediate Holdings, LLC, and Continental Rail LLC, I am filing in the above-captioned proceeding a redacted version of the Letter of Intent pertaining to Applicants' acquisition of the three rail companies identified above that are currently owned by David L. Durbano. Applicants will submit confidential and redacted versions of the Purchase and Sale Agreement once that document is finalized and executed.

Please contact me if you have any questions.

Sincerely yours,



John D. Heffner

Enclosure

cc: William Mullins, Esq.
Scott Zimmerman, Esq.

8650202.1/SP/27177/0104/013117

WEST BRANCH
◆ RAIL GROUP ◆

July 6th, 2016

Private & Confidential

[redacted] Managing Director

[redacted]

We are pleased to submit the following non-binding letter of intent for the assets (collectively the "Business" or the "Properties") of The Western Group LLC, Snowy Range Cattle Co. Inc., Wyoming Colorado Railroad Inc.[1], Southwestern Rail Car Services LLC, Verde Canyon Railroad LLC, Clarkdale Arizona Central Railroad LLC, Southwestern Railroad Inc.[2], Cimarron Valley Railroad LLC and The Western Railroad Builders Inc. (collectively the "Company") pursuant to which an affiliate controlled by West Branch Holdings Intermediate, LLC ("West Branch" or the "Buyer") would acquire substantially all of the Properties (the "Transaction"). Based on our review of the materials provided to date, we believe West Branch Holdings, a portfolio company of [redacted] is an excellent strategic and financial partner to steward these properties through their next phase of growth.

[redacted] a private equity investment firm based [redacted] with over $15 billion in committed capital from leading [redacted]

[redacted]

By way of background, West Branch Holdings was formed by [redacted] in 2015 with a mandate to acquire and grow short line rail and rail-related assets. In June of 2015, West Branch successfully acquired the Monroe, LA-based Delta Southern Railroad, where it has committed over $1M to infrastructure upgrades to support the growth of the business and has begun to expand the line's scope of services. West Branch Holdings is led by a deeply experienced management team from Continental Railways ("Continental"). Continental was formed by John Marino Sr. and John Marino Jr., who were joined by several veterans of the short line industry.

[redacted]

The following outlines the significant terms of our non-binding proposal to acquire the Business:

---

[1] Exclusive of the assets of Duraco, LLC.

[2] Exclusive of the assets relating to the Carlsbad Division.

Key Terms of the Proposed Transaction

1) **Purchase Price.** Relying on the confidential materials provided by your team to date, we are pleased to propose a purchase price [redacted] in cash for the Business comprised of [redacted] cash at closing and [redacted] paid over ten years on an annual basis assuming continuation of the 45G tax credits. This valuation relies on the following assumptions:
   a) The Business continues to perform at least in-line with the forecast provided
   b) The Business will be delivered with substantially all assets of the Company excluding the assets of Duraco, LLC, any assets related solely to the operation of the Carlsbad Division and any other assets excluded in subsequent discussions
   c) The Business will be delivered with a normalized level of working capital
   d) Buyer assumes only limited, specified liabilities of the Business and specifically does not assume any liabilities in respect of pre-closing claims or litigation
   e) Execution of a modified contract with [redacted] containing substantially similar terms to the existing contract but including a multi-year contract term and minimum volume commitments

2) **Financing.** We anticipate funding the Transaction with a combination of cash equity invested by [redacted] and debt from third-party lenders. The equity needed to complete the Transaction would be drawn from th[redacted] in capital currently managed by [redacted] We have extensive experience raising third-party debt financing for transactions of this type and are confident in our ability to raise term loan financing consistent with the timeline described below. Our experience in similar transactions in the past, we can provide a high level of confidence that our proposed transaction will close.

3) **Key Diligence Items.** As you are aware [redacted] West Branch Holdings, and our partners at Continental Railways have significant experience with transactions of this nature and the railroad space generally. Given this expertise, we are highly confident that we can work towards the signing of definitive documentation in an expedited manner. Our key due diligence activities would include the following: (i) completion of business and financial due diligence, including a review of the historical and projected financial performance of the business, tours of key facilities, and interviews with customers; (ii) confirmatory accounting due diligence (iii) confirmatory legal due diligence by Continent[redacted]ounsel and a firm they may designate; (iv) receipt of all necessary and material governmental and third party approvals required to consummate the Transaction (if any); and (v) negotiation of a mutually satisfactory definitive asset purchase agreement and other related documents. In addition, due to the critical nature of th[redacted] [redacted]ntract, a first order of business in our due diligence activities would be a meeting with the relevant individuals a[redacted] discuss the contract modifications referenced in section 1(e).

4) **Conditions and Approvals.** As you are aware the Continental senior management team has spent considerable time and effort on this Transaction, including briefing the Board of Directors of West Branch, and, as a privately held investment partnershi[redacted] does not require any corporate or shareholder approvals or other extraordinary conditions to consummate the Transaction. However, entry into a definitive agreement is subject to the final approval of West Branch's Board of Directors, and closing is subject to entering into mutually satisfactory definitive agreements with respect to the proposed transaction, which we would expect to include customary terms and conditions, including, but not limited to, governmental and third-party approvals.

5) **Access to Information.** The Company will afford, and will cause its affiliates and their respective officers, employees, agents and representatives to afford, to Continental and [redacted]

and their representatives, consultants, agents, lenders and investors reasonable access to the properties, business, personnel (including outside accountants and lawyers), and financial, legal, accounting, tax and other data and information relating to the Business or the Transaction as requested by Continental or [redacted] or their representatives or agents.

6) **Fees and Expenses.** Except as may be provided in a definitive asset purchase agreement, the Company and its affiliates, on the one hand, an[redacted]on the other hand, will pay their own respective fees and expenses (including the fees and expenses of legal counsel, brokers or other representatives or consultants) in connection with the transactions contemplated hereby.

7) **Exclusive Dealing.** In order to facilitate our efforts to pursue the Transaction, to incur the costs and expenses to complete the Transaction, and to successfully complete our diligence in an expedited manner (which will require that we have the management teams' full attention), from and after the date that the Company accepts and agrees to this letter of intent until the date that is the later of (a) sixty (60) days after receiving a countersigned copy of this letter of intent and (b) 11:59 p.m. Central time on the second (2nd) business day following the date on which the Company provides written notice to West Branch terminating the exclusivity arrangement under this Section 8 (the "Exclusivity Period"), the Company agrees that it will not (and will cause its affiliates, subsidiaries, stockholders and their respective directors, officers, agents and representatives and any other person acting on behalf of the Company not to), directly or indirectly: (i) solicit offers, inquiries or proposals for, negotiate or actively discuss any offer, inquiry or proposal to enter into, any business combination or merger, an issuance or sale of debt or equity of the Company or any of its subsidiaries (other than issuances of equity to employees of the Company or its subsidiaries pursuant to existing rights to acquire such equity), a sale of a significant portion of the assets of the Company or any of its subsidiaries (other than sales of inventory in the ordinary course), or a transaction comparable to or similar to the Transaction (any of the foregoing, a "Competing Transaction"), (ii) provide any new information to, or allow continued data room access for, any other person regarding the Company or any of its subsidiaries (except in the ordinary course of business consistent with past practice), or (iii) enter into any agreement, arrangement or understanding regarding any Competing Transaction. The Company represents that, from and after the date hereof, neither it nor any of its affiliates will, by pursuing the Transaction contemplated hereby, violate the terms of any other agreement or obligation to which it or any such affiliate is subject. The term "person" as used in this letter of intent will be broadly interpreted to include any individual, corporation, partnership, company, group or other entity.

8) **Confidentiality.** Unless mutually agreed to in writing, no party to this letter of intent will make any disclosure to any third party (other than their respective officers, directors, employees, agents, potential financing sources and other representatives who have a need to know such information in furtherance of the transactions contemplated hereby) of the existence or contents of this letter of intent, the transactions contemplated hereby or the status of negotiations with respect thereto.

9) **Key Contacts.** Should you have any questions regarding our proposal, please feel free to contact [redacted]

10) **Miscellaneous.** This offer will remain in effect through 5:00 p.m. Central time on July 8, 2016. This Letter of intent will be governed by and construed in accordance with the laws of the State of Delaware without regard to the principles of conflicts of law that would apply the laws of another jurisdiction. In the event of your acceptance of this offer, as indicated by your signature hereon, Sections 5 through 8 of this letter of intent and this Section 10 will become a binding agreement between the parties; the remaining provisions of this letter of intent constitute a non-binding expression of interest and are not intended, and shall not be construed, to constitute a binding

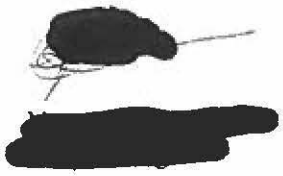
obligation of the Sellers, [redacted]Vest Branch Holdings Intermediate LLC, or any of their respective affiliates. Except as expressly stated, no such person will have obligation of any kind whatsoever by virtue of this letter of intent or any other written or oral expression by any party hereto or their respective representatives, subsidiaries and affiliates unless and until a definitive agreement relating thereto among the applicable parties is executed and delivered. No prior or subsequent course of conduct or dealing among the parties, oral communications or other actions not reduced to or reflected in writing executed by all of the parties shall serve to modify this paragraph in any way or cause the provisions of this proposal to become in any sense legally binding or enforceable.

* * * * *

We thank you for the opportunity to present this proposal. We are enthusiastic about this opportunity and are prepared to dedicate the necessary resources to quickly complete the proposed Transaction. Should you have any questions regarding our proposal, please do not hesitate to give us a call as we would very much appreciate the opportunity to discuss our proposal in more detail.

Sincerely,

West Branch Holdings, LLC



ACCEPTED AND AGREED
as of _____, 2016:

THE WESTERN GROUP, LLC ("SELLER")

By: _____
Name: _____
Title: _____

EXHIBIT G

Verified Statement of Patrick Terry Murphy

Before the
SURFACE TRANSPORTATION BOARD

STB Docket FD No. 36447

Lake Providence Port Commission—Feeder Line Application--LINE OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

VERIFIED STATEMENT OF PATRICK TERRY MURPHY

---

1. My name is Patrick Terry Murphy. I am the Executive Director for the Madison Parish Port Commission ("MPPC"). I have held the position as Executive Director for nine (9) years. My address is 1603 Felicia Drive, Tallulah LA 71282. I have personal knowledge of the facts stated herein and am duly authorized to present this Verified Statement on behalf of MPPC. MPPC is a non-carrier, political subdivision of the State of Louisiana.

2. The Madison Parish Port ("MPP") is a leading port along the more than 500-mile section of the Mississippi River between Baton Rouge and Memphis. MPP currently handles about 750,000 tons of cargo annually, including aggregates, lime, dry and liquid fertilizer, cottonseed, grain and steel. Today, MPP is served by one railroad, the Delta Southern Railroad, Inc. ("DSRR"), which owns the southernmost segment of the Lake Providence Branch Line between milepost 471.0 at the Lake Providence Port and the point where DSRR interchanges with the Kansas City Southern Railroad ("KCS"). DSRR's headquarters at Tallulah are located inside of the Port.

3. MPPC is one of the public members of the public-private partnership ("PPP") that was awarded an INFRA Grant by the United States Department of Transportation ("US DOT"). The other members, Lake Providence Port Commission ("LPPC"), Southeast Arkansas Economic Development District ("SEAEDD"), North Louisiana & Arkansas Railroad ("NLA") and DSRR are the owners of various segments of the Lake Providence Branch Line, which is the subject of the INFRA Grant and this proceeding. The Lake Providence Branch Line was constructed in the early 1900's and originally extended between milepost 408.9 near McGehee, Arkansas and milepost 651.6 near Vidalia, Louisiana. In 1988, the Missouri Pacific abandoned the segment of the Line between milepost 498.4 at Tallulah and 651.6. However, although the segment of the Lake Providence Branch Line between McGehee and Tallulah was saved from abandonment, in 1999, it was acquired by DSRR, whose shares were owned by William and Linda Wainwright. As the record reflects, because the Wainwrights did not have a proper maintenance program, they allowed the tracks to deteriorate.

4. Before Continental Rail took over DSRR's operations and improved the track that extends from MPP to KCS, I frequently watched DSRR's trains moving through Tallulah at speeds less than five (5) MPH being led by pickup trucks driven by DSRR's maintenance crews. Because the track paralleled the highway, they were scouting the tracks ahead of the locomotive to detect defective track conditions that could be quickly dealt with. In those instances,

they would alert the engineer to stop so they could fix the defects they had spotted. On a few occasions, they even removed and replaced cross ties.

5. Because the deteriorated tracks have directly affected economic development efforts of both Louisiana and Arkansas, MPP and its tenants that are heavily dependent upon safe and adequate rail traffic have been adversely impacted. For this reason, I have actively supported the efforts of the PPP to ensure the future viability of rail service. In my capacity as the Port Director, I have become very familiar with DSRR's operations and their negative impact on MPP's tenants, which are currently captive shippers due to DSRR's repeated failures to remove the track to the north from excepted track status and raise it to FRA Class 1 status. As I learned from conversations with Craig Huff, a locomotive engineer and DSRR's former General Manager, due to the deteriorated track conditions, he was unable to operate the locomotive at more than five (5) MPH between mileposts 491.0 and 471.0 in 2018.

6. After the Wainwrights allowed the tracks to the north of milepost 471.0 to deteriorate to the point that they could not be safely operated, they took advantage of the situation by storing railcars over DSRR's track between milepost 471.0 and 491.0. After DSRR was sold to its new owners in 2015, the storage continued. The storage of hundreds of railcars, which began just north of milepost 490.0, constantly interfered with Port operations even though no interchange traffic was being moved due to the extended time to correct the problems that the Wainwrights had caused before they sold the tracks to LPPC, SEAEDD and NLA. Simply put, because the need to switch a particular railcar

is random, the removal of a car from storage that is parked at milepost 481.0 would require all cars stored to the south of that point to be moved. This obviously required DSRR to temporarily spot rail cars wherever it could. Because DSRR only has one track, the process could take several days. During that time, the entry to the Port was blocked. In addition, DSRR would often park cars on the Port's private tracks but would not pay the Port for the use of its tracks.

7. Because of the problems created by the Wainwrights, I was very pleased to meet J.D. Ventrcek, a Vice President of Continental Rail, and learn that his company was in the process of negotiating with the Wainwrights to acquire ownership of DSRR. Given his impressive management style and past success with developing other short line rail carriers and developing business, I gladly worked with him for over a year. During that time, I hoped that I would be able to convince his company to move DSRR's corporate offices from Monroe to Tallulah, which is closer to the center of DSRR's operations. In 2015, Ventrcek introduced me to Don Hecht, who was a Manager at Golden Gate Capital, a private investment company based in San Francisco. When I learned that Golden Gate was considering the purchase of DSRR along with Continental Rail, I was convinced that the problems with DSRR were soon to end.

8. On July 1, 2015, shortly after the sale of stock was consummated, a meeting was held at the Tallulah Chamber of Commerce. In his opening remarks, Louisiana Senator Francis Thompson called it "a new day in Madison

Parish" when he announced that Continental Rail had purchased DSRR from the Wainwrights. After John Marino, Continental's CEO and J.D. Ventrcek were introduced, Ventrcek acknowledged that I had worked with him for over a year to reach a deal with the Madison Parish Port. He then briefed the audience about the extensive background of Continental Rail's founders and expressed the thought that Continental Rail's purchase of the track was a "great opportunity." He also explained Continental Rail's intent to extensively rehabilitate the track to what he called acceptable track and to hire local citizens who would be very involved in the community and business development. Such efforts included the hiring of Craig Huff to serve as Continental Rail's General Manager. I have attached a press release, entitled *Railroad Purchase Brings 'A New Day' in Parish'*, that I issued after that meeting.[1] I subsequently learned that West Branch Intermediate Holdings, LLC, had been formed by Golden Gate Capital to acquire DSRR's stock from the Wainwrights and that Continental Rail was supposed to be DSRR's manager and operator.

9. Based on subsequent conversations with Huff, I learned that Ventrcek had teamed him with Danny Robbins, the Vice President of NLA, to identify shippers who would utilize DSRR's services once it was safe to operate over the tracks. As Huff informed me, he and Robbins had identified new and former shippers that anticipated shipping several hundred thousand dollars of freight during the first 6 months after rail service was available. Following the

[1] *See* Attachment No. 1 hereto.

July 1 meeting, the track that is located between the Port and the point where DSRR interchanges with KCS was noticeably improved. The same was not true of the track that is located just to the north of the entrance to the Madison Parish Port.

10. Recognizing the need to focus on the 20-mile segment, John Marino hosted a meeting at DSRR's new headquarters in the Port on September 26, 2016. The guests included representative from NLA, SEAEDD, LPPC, DSRR and me. The group would evolve into the PPP. After identifying our common issues and focusing on the projected costs of rehabilitation, the parties jointly worked with HDR, Inc. ("HDR") to prepare an INFRA Grant Application. That application, which was filed on November 2, 2017, was not funded. After adjusting the scope of work, the PPP filed the FY 19-20 INFRA Application on March 2, 2019. In granting the PPP's application, US DOT determined that the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project is a "Nationally Significant Freight and Highway Project." US DOT also recognized that "[t]he objective of the Project is to upgrade the Corridor and its connecting branch lines to two ports to improve rail operations, and leverage recent rehabilitation investments and construction of new infrastructure to benefit a rural region and help catalyze greater opportunities for economic development."[2] As that comment reflects, the interests in improving rail operations of LPPC and MPPC were considered to

[2] *See* Feeder Line Application, Exhibit A, Grant Agreement, *Statement of Work* (Attachment 2 to *Grant Agreement*, dated January 15, 2021), at p. 2.

be a significant objective. That objective, however, cannot be achieved if DSRR's owners are not held accountable for the refusal to commit to the use of INFRA Grant funds to rebuild the track between mileposts 471.0 and 491.0.

11. As the FY 19-20 INFRA Grant Application reflects, DSRR had spent $2,300,000 on track repairs before the application was filed on March 2, 2019. However, when the INFRA Grant was prepared in 2017, DSRR liberally estimated that another $12,448,000 was required for rail infrastructure rehabilitation to FRA Class 2 standards and bridge upgrades. Most of that would have involved the track between mileposts 471.0 and 491.0 that continued to be used for car storage even after the entire track was briefly opened for interchange traffic in 2016. By way of comparison, the estimated costs of infrastructure rehabilitation for the 62.1 miles of track between mileposts 408.9 and 471.0 was $9,999,608, whereas it was estimated that the 29.2 miles owned by DSRR (which included the interchange track with KCS) would require $11,448,000 for infrastructure rehabilitation.

12. As the Port's Executive Director, I have an obligation to all of the tenants that are located in the Port to assure them that they will have access to adequate rail service. So long as the tracks are blocked by stored rail cars that prevent the shippers from expeditiously arranging their shipments to reach UP without having to include KCS in the movement for approximately 50 miles, the shippers' rail service, by definition, is not adequate.

13. DSRR, pursuant to the Lease Agreement with the Port, is authorized to operate over the Port's private tracks "for the purposes of the

railroad transport of commodities and goods." It is not, however, authorized to temporarily place railcars on the Port's private tracks that it is storing on its mainline while it engages in switching other stored cars that, after "resting" on the Port's tracks, are replaced on DSRR's mainline track to the north of milepost 491.0. Because DSRR's switching activities could take several days if the stored car was located at the northern end of DSRR's track and requires the movement of several hundred cars before that car can be removed, I have repeatedly complained to DSRR's local employees, including Jon Ryan, DSRR's current CEO, who replaced John Marino, the CEO of Continental Rail, in January 2021.

14. As I have explained, the Port's operations and those of its tenants are adversely impacted by DSRR's unauthorized use of the Port's private tracks for the storage of railcars that have been momentarily removed from DSRR's mainline so that DSRR could increase its revenues earned from storage and switching fees from third parties who have no connection with the Port. I am mindful that while the storage of rail cars has private financial benefits for DSRR, those private financial benefits cannot be allowed to outweigh the needs of shippers for reliable rail service. Given the importance that the Port attributes to the need to restore the track and eliminate storage on the track, I request the Board to find that DSRR's storage activities between mileposts 491.0 and 471.0 are contrary to the public convenience and necessity. Only when the entire line is owned and controlled by the PPP will such problems vanish along with the storage of railcars on the mainline. Furthermore, I am

aware that tenants in the Port strongly support the effort to rebuild the entire line and intend upon using it to reach UP at McGehee instead of having to absorb the cost of multiple interchange operations.

VERIFICATION

I, Patrick Terry Murphy, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 9 day of December 2022.

Patrick Terry Murphy

Railroad Purchase Brings 'A New Day' In Parish

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Railroad purchase brings 'a new day' in parish

Wed, 07/01/2015 – 1:40pm by Blake Bell

Louisiana Senator Francis Thompson called it "a new day in Madison Parish" Wed., July 1, at the Tallulah Chamber of Commerce meeting, where it was announced that Continental Rail has purchased the railroad track running through Madison Parish.

Both Continental Rail CEO John Marino and Vice President J.D. Ventreck were on hand Wednesday to discuss some of the broad strokes of the company's acquisition of the railroad. Ventreck said the company will relocate offices from Monroe to a site at the Madison Parish Port and will also be making future hires from the local area.

"I want to say a special thanks to (port commissioner) Terry (Murphy)," Ventreck said. "This man has worked tirelessly for you."

After more than a year of working with Murphy on a deal with the Madison Parish Port, Ventreck said the company officially closed on the track Mon., June 29.

Ventreck said the company has a long history of success, starting with Marino's father, who started Rail America in 1985 and grew the company to 75 railroads across the world before selling it in 2005 for $1.2 billion. The company also owned Patriot Rail, which it grew to 13 railroads in nine states before it was also sold.

Ventreck said Monday's purchase is the company's first acquisition as Continental Rail, one he said he feels is the first in a long line of successes.

"We're looking for longevity," Ventreck said. "Long term investments. This is a great opportunity."

Ventreck said the railroad in Madison Parish presented the company with all three of the facets it looks for in investments: raw material; a labor base; and opportunities to bring in new businesses.

"We are going to send out a blast email to a lot of our customers and say, 'We have this property in this geographic location. Do you have any interest?'" he said.

As for what the residents of Madison Parish can expect from Continental Rail, Ventreck said the company operates on three principles: customer service; taking care of employees; and getting involved in local communities.

"We are civically involved," he said. "We get involved in the towns along our railroads. We are going to be available. You can't operate through a town and not ever acknowledge it."

Ventreck also said his company will eventually be hiring, creating job opportunities for locals.

"We hire for attitude and we train skills," he said. "We always try to hire local."

While long term plans for the railroad are still in the works, Ventreck said initial steps will include bringing portions of the track back up to federal standards.

"What we're going to do with this railroad – what we consider a critical part – we call a kind of phase one," he said. "We are working with inspectors. That will be the first part, raising that portion of track to what is called acceptable track."

Ventreck said that initial phase will take approximately six-to-eight weeks and will include construction crews working throughout the day in Tallulah and Madison Parish.

Ventreck also said more detailed plans for the track, as well as Madison' s port, will soon be released by the company.

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Contact US

EXHIBIT H

Verified Statement of Craig Huff

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 36447

LAKE PROVIDENCE PORT COMMISSION
--FEEDER LINE APPLICATION—
LINE OF DELTA SOUTHERN RAILROAD LOCATED IN
EAST CARROLL AND MADISON PARISHES, LA.

Verified Statement of Craig Huff
in Support of
Feeder Line Application filed by
Lake Providence Port Commission

1. My name is Craig Huff. My address is 130 Cedar Street, Delhi, Louisiana, 71232. I am filing this Statement in support of the Feeder Line Application filed by the Lake Providence Port Commission ("LPPC"). I am not, and never have been, an employee of LPPC, the Madison Parish Port Commission ("MPPC"), Southeast Arkansas Economic Development District ("SEAEDD"), or North Louisiana & Arkansas Railroad ("NLA") or any of its affiliates. This Statement is based on facts of which I have personal knowledge and are true to the best of my knowledge.

2. I have been involved in the railroad industry for over eighteen years. Between June 6, 2015, and August 20, 2018, I was the General Manager of the Delta Southern Railroad, Inc. ("DSRR"). In my capacity as the General Manager, I managed DSRR's daily short line rail operations over its two (2) lines of railroad. One line extends from MP 471.0 near the Lake Providence Port

to Milepost 498.4 in Tallulah, Louisiana. DSRR connects with the Kansas City Southern Railway Company ("KCS") in Tallulah, Louisiana, this was the southernmost segment of the Lake Providence Branch Line. The other line extends between MP 566 at Monroe, LA to MP 556.18 at Sterlington, LA ("Monroe Branch Line"). Because I was physically located at DSRR's headquarters in Tallulah, I oversaw Customer Relations/Marketing for its segment of the Lake Providence Branch Line.

3. It is my understanding that shortly before I was hired to be DSRR's General Manager, the common shares of DSRR were sold by its owners, William and Linda Wainwright, to West Branch Intermediate Holdings, LLC ("West Branch"), whose headquarters were located in San Francisco, California. I was hired by J. D. Ventrcek, who was then employed by Continental Rail, LLC ("Continental"), as the head of New Business Development. It is my further understanding that Continental was a noncarrier that had been formed for the purpose of managing the short line railroads that were to be acquired by West Branch.

4. When Continental took over the management of DSRR in 2015, a substantial percentage of DSRR's monthly revenues was derived from the longterm storage of over 400 railcars on that portion of its Lake Providence Branch Line located between MP 491.0 and Lake Providence. However, in 2016, the management team, which then consisted of J.D. Ventrcek, John Marino and me, decided to cancel an existing storage contract and actively focus on the movement of freight northbound from Tallulah. That decision was

opposed by DSRR's absentee owners who concluded that the cost of restoring the track north of MP 491.0 was greater than the revenues to be earned from interchanging traffic with NLA. In addition, the cost of constantly having to shuffle long strings of stored cars to allow individual freight cars to move over the northern portion of the Lake Providence Branch Line would reduce profits. Shortly thereafter, Mr. Ventrcek resigned his position as Continental's Vice President of Operations.

5. After Mr. Ventrcek left the company, I reported to John Marino, who was Continental's CEO. Because Continental was headquartered in Fort Lauderdale, Florida, Mr. Marino had minimal contact with the Ports and with shippers that sought rail service over DSRR's line between Lake Providence and Tallulah. I also had some occasional contacts with Jon Ryan, who acted as an accountant for Continental. Mr. Ryan, who was physically located in Florida, did not have an office in the State of Louisiana. To the best of my knowledge, he did not have any personal contact with DSRR's customers or prospective customers. I found it to be difficult to deal with Mr. Ryan because he resisted efforts to rebuild the segment of the track that was used for storage. Although Mr. Marino had supported the cancellation of the storage contract, when I thereafter brought prospective new business to Marino's attention, I was repeatedly told that the new business did not fit DSRR's strategic objectives., which was to maximize profits by once again focusing on the storage of rail cars. Mr. Marino never told me what had caused him to change his position. The same message was conveyed by Jon Ryan. This put me in the

uncomfortable position of having to tell shippers, to whom I had held out the possibility of moving their shipments by rail, that it would not be possible due to conditions beyond my control. This ultimately caused me to resign from DSRR.

6. I could not understand Marino's and Ryan's reasoning. As I was aware from my joint marketing efforts with Mr. Robbins, NLA's Vice President Marketing, that multiple shippers had provided us with estimates of future shipments that DSRR could anticipate if interchange was reopened with NLA. Mr. Robbins, Mr. Ventrcek, Mr. Marino and I clearly understood that the traffic would shortly follow the ongoing efforts that were being made to upgrade the norther segment of the Lake Providence Branch Line that William Wainwright had allowed to deteriorate prior to his sale of the tracks to LPPC, SEAEDD and NLA. In fact, the budget that was prepared by DSRR for 2016 reflected several hundred thousand dollars that would be realized in the last six (6) months of the year if the tracks between MP 491.0 and Lake Providence were improved to the point where sustained operations could be safely conducted. While I clearly understood that the track was not being targeted for major upgrading, I assumed that Continental Rail was trying to show what could be realized if the track was to be repaired. As a result, I followed orders when Mr. Marino demanded that I prepare a list of projected revenues based on conversations with the shippers that Mr. Robbins and I had approached. Because I did not have close ties with the potential shippers that were located to the north of Lake Providence, I asked Mr. Robbins to prepare a list of shippers that could be

counted on to produce interchange revenues once the Line was restored to the point where it would be possible to hold out safe passage. The projected revenues exceeded $600,000.

7. Based on the reaction of shippers that I witnessed while working with Mr. Robbins, I urge the Board to disregard the superficial arguments that DSRR cannot be accused of failing to provide adequate rail service because DSRR was not aware of and had not been approached by any prospective shippers. As Mr. Ventrcek and Mr. Marino knew, I was made aware of several prospective customers that wished to move traffic over the corridor to reach KCS or UP if their products could be safely transported. That is the only meaningful way to view the situation. If DSRR's owners had supported our local efforts and those of Continental's marketing team, which initially encouraged me to work with NLA, the twenty-mile segment of the track between mileposts 491.0 and 471.0 could have been opened for active rail service at less than FRA Class 2 status. As we discovered, there were companies that had actively used rail service in the past and could be counted on to return to rail service if they were certain that DSRR and NLA could safely operate.

8. DSRR actively sought to discourage interchange by other tactics. By way of example, in late 2016, Danny Robbins alerted me to Bayou Bioenergy ("BBE"), which was a new customer that had recently opened a facility in Lake Providence and wanted to move to rail service to expand its business. BBE was planning on transloading its product from tank trucks to

rail cars at a spur located at MP 462.7, which was about a mile from its new facility. BBE's goal at that time was to ship about 78 cars per year. Even if the track between MP 491.0 and MP 471.0 had been rehabilitated, given the number of cars that were being stored, clearing the track more than once a week would have created an operational nightmare. Although DSRR wanted the traffic, it refused to accept the loaded cars from NLA at the interchange point. Instead, DSRR demanded that BBE truck its product to Tallulah to be transloaded into railcars for further movement by rail. It is my understanding that the additional costs associated with trucking to DSRR's transload facility in the Madison Parish Port forced BBE to raise the cost of its product, which put it at a substantial competitive disadvantage. This caused the owner of BBE to close the facility and layoff the entire workforce in December 2019.

9. As I view the situation, one must focus on the big picture rather than looking only for shippers who were physically located on the small segment of the track between mileposts 471.0 and 491.0. The joint marketing efforts with NLA also involved traveling to Overland Park, Kansas to meet with Lansing Trade Group. As we discovered, Lansing had several potential moves from the Lake Providence area that would have involved DSRR as well as NLA. In addition, I worked for several months with the Arkansas Midland Railroad ("AKMD") and NLA to route paper commodities from points north of McGehee to Tallulah to be moved to multiple points in the southern part of the United States.

10. Because I personally operated over the track while shuttling stored rail cars, I speak from my own experience when I state that DSRR could not agree to accept loaded cars in interchange traffic from NLA in 2017 and later. It simply didn't matter whether the interchange was officially closed or not. The tracks were virtually impassable. While DSRR has recently moved a single car over the track in interchange service with NLA after finally taking some steps to address its track issues, I am not that impressed as I must question why such steps were not taken by DSRR's owners years ago. Instead of doing so, any effort to move the track from excepted track status to even FRA Class 1 status was discouraged. Instead, DSRR's owners solely focused on the established flow of existing traffic over the track between the Madison Parish Port and the point of interchange in Tallulah and the revenues that flowed from the cars that were stored on the track to the north of milepost 491.0.

11. I must note that Mr. Marino personally pushed the idea that all the interested parties should collectively look for ways to fund the rehabilitation of the entire track. Because I knew that shippers would come if the Line were rebuilt, I welcomed this approach. The first meeting that I attended was held at DSRR's new headquarters in the Madison Parish Port in September 2016. At that meeting, the attendees included SEAEDD, LPPC, MPPC, NLA and DSRR. During that meeting the parties identified several steps that had to be taken to rebuild the tracks. In addition, they also discussed the possibility of jointly seeking various grants, including INFRA Grants from the United States

Department of Transportation ("US DOT") to rebuild the entire rail corridor between McGehee and Tallulah.

12. To my knowledge, the Association of American Railroads never showed that the interchange between DSRR and NLA had been open for customers to request interchange service since May 1, 2016. DSRR did not come anywhere near the track work that was required to provide safe and efficient rail service for active shippers at this interchange.

13. Based on my experience as a locomotive engineer, and my knowledge of the track as it existed when I left DSRR in 2018, I would not feel safe in operating over that line, especially if the train consist included excessive height boxcars or tall gondola rail cars that are typically used to transport cotton seed in this area. The same is true of cars that were loaded with hazardous materials.

14. Even if the tracks were not entirely impassible, they were in such poor condition in 2018 that a train could not be safely operated at greater than five (5) miles per hour. As noted above, I participated in the preparation of the initial FY 17-18 INFRA Grant Application that was denied by the US DOT. At that time, we determined that $11,448,000 would be required to bring the track up to FRA Class 2 status from its excepted track status. At that time, problems with track gage, elevation, alignment, ballast, defective crossties, and rail needed to be addressed. Those problems remained when work began on the 19-20 INFRA Grant Application and could not possibly be addressed by

inserting a limited number of used crossties. Until extensive repairs are made, the track will likely remain in FRA excepted status.

15. While we continued to interchange with NLA until August 2017 in order to serve Complex Chemical, which is DSRR's largest customer, Matt Prince and I were ultimately directed to advise NLA that the interchange was closed in August 2017 due to track conditions on DSRR's track, which was designated as excepted track pursuant to 49 CFR 213.4. As a result, NLA, which had placed multiple cars destined for Complex Chemical in interchange the previous day, had to retrieve the cars and reroute them around the horn to return them to Complex Chemical. I am not aware that DSRR has taken any steps to rehabilitate the 20-mile segment from FRA excepted track since that time.

16. Another primary reason for the absence of current shippers is that several miles of the mainline track between MP 491 and MP 471 were clogged by hundreds of railcars that, because of the lack of sidetracks and the deteriorated condition of the mainline, could require up to four (4) days to clear so that railcars originating at points beyond MP 471 that are destined to Madison Parish Port or to be placed in interchange service at Tallulah could be moved through to the point of interchange. The same is true of northbound trains that originate at the Madison Parish Port or that are received in interchange at Tallulah that are destined to move beyond MP 471 to reach sections of the Corridor that are served by NLA or to be interchanged by it with other railroads at McGehee.

17. Because it was not worth it for DSRR to move the stored cars to accept only the three (3) cars that were to be delivered to Complex Chemical, Mr. Prince instructed me to not accept them. As a result, NLA had to take them back to McGehee where they were once again interchanged with UP, which then transported them to Monroe where they were interchanged with KCS, which then interchanged them with DSRR for delivery to Complex Chemical. Because it would have required us to clear the track to pick up the five (5) cars that were going to be placed in storage, I reach a gentlemanly agreement with Mr. Robbins to allow his locomotive and his crew to push the railcars to the back end of the line of stored cars. Because I was acquainted with the track conditions, I agreed to drive to Lake Providence to ride with NLA's crew over DSRR's track acting as the pilot. Afterwards, I accompanied them on the return trip to Lake Providence.

18. When I resigned in August of 2018, nothing had been done to rehabilitate the track north of MP 491; interchange had not been reopened; only the storage of railcars continued. Because I believe that the rebuilding of the entire 91.3-mile rail corridor between McGehee, Arkansas and Tallulah, Louisiana is essential to attracting new rail freight business and spur economic development and growth in this region, I support LPPC's acquisition of the entire line.

VERIFICATION

I, Craig Huff, declare under penalty of perjury that the foregoing is based on my personal knowledge and is true and correct.

Executed on November 11, 2022.



EXHIBIT I

Verified Statement of Patrecia Hargrove

Before the
SURFACE TRANSPORTATION BOARD

STB Docket FD No. 36447

Lake Providence Port Commission—Feeder Line Application--LINE OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

VERIFIED STATEMENT OF PATRECIA G. HARGROVE

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1. My name is Patrecia G. Hargrove. I am the Executive Director of the Southeast Arkansas Economic Development District ("SEAEDD"), which is a non-profit quasi-governmental agency. Its address is 721 South Walnut Street, Pine Bluff, AR 71601. I am also the Director of Development & Project Oversight, a position that I have held since July 2013. I have personal knowledge of the facts stated herein. I am duly authorized to present this Verified Statement on behalf of SEADD in support of the Feeder Line Application filed by LPPC.

2. Since 2017, I have headed a unique private-public partnership ("PPP") that, until 2020, was composed of SEAEDD, the Lake Providence Port Commission ("LPPC"), the Madison Parish Port Commission ("MPPC"), the North Louisiana and Arkansas Railroad ("NLA") and the Delta Southern Railroad ("DSRR"). DSRR removed itself from the Coalition in August 2020. The goal of the Partnership was to rebuild the Lake Providence Branch Line ("the

Line") between milepost 408.9 at McGehee, Arkansas and the interchange with the Kansas City Southern Railroad Company ("KCS") in Tallulah, Louisiana.

3. The Line, which was developed in the early 1900s, extended 162.7 miles between McGehee, Arkansas and Vidalia, Louisiana. For many years, the Line was known as the Lake Providence Branch Line of the Missouri Pacific Railroad Company ("MP"). However, in 1988, MP, which was then owned by the Union Pacific Railroad Company ("UP"), filed an application with the Interstate Commerce Commission ("ICC") seeking authority to abandon the entire Line between McGehee and Vidalia, Louisiana. Shortly after the application was filed, the ICC required MP to file separate traffic and financial data for the line segments running between milepost 408.9 near McGehee and milepost 498.4 at Tallulah ("Northern Segment") and 498.4 at Tallulah and milepost 651.6 at Vidalia ("Southern Segment"). Unlike the Northern Segment, which was being operated by MP, the Southern Segment was the subject of an embargo and had not been operated after January 1987.

4. Recognizing the importance of preserving rail service that allowed shippers to access both UP, in McGehee, and KCS, in Tallulah, LPPC, SEAEDD and several shippers opposed the abandonment. The ICC, however, found that the public convenience and necessity permitted the abandonment. However, after LPPC and the National Railway Equipment Co. ("NRE") filed separate offers of financial assistance, the 89.5-mile segment between McGehee and Tallulah was saved from abandonment. Before the sale was consummated,

NRE's owner, with the ICC's authorization, formed a new railroad, the Delta Southern Railway Company ("DSRC"), to acquire the Line from UP.

5. Saving the 85.9-mile segment from abandonment was just the beginning. As the history of the Line reflects, William Wainwright and his wife, after working for DSRC for a decade, formed Delta Southern Railroad, Inc. ("DSRR") and acquired ownership of DSRC's assets and operations in October 1999. By the beginning of 2004, much of the Line had been allowed to deteriorate to the point that DSRR was unable to safely operate over it. Because of the condition of the rail, there was a corresponding decrease in demand for service. At which point, the Wainwrights initiated the first of three (3) abandonment proceedings that led to SEAEDD, LPPC and NLA acquiring three (3) adjoining segments of the Line between milepost 408.9 at McGehee and 471.0 at Lake Providence. It cost SEAEDD $704,467 to acquire the track between milepost 433.0 and milepost 454.8 in 2005.

6. Recognizing the need to restore the tracks, I was asked to work with Wyly Gilfoil at LPPC to acquire funds to rehabilitate the track between Lake Village, Arkansas and Lake Providence, Louisiana from the U.S. Economic Development Department, the Arkansas Economic Development Commission GIF Funds, the Arkansas Economic Development Commission via Chicot County and the Delta Regional Authority. Our efforts secured $6,349,537 of grant funds between 2012 and 2019. In addition, NLA was able to obtain financial assistance from its Holding Company and grant funds of $4,000,000

that it invested in the rehabilitation of the track that it owns. While positive results were achieved, SEAEDD officials recognized that far more had to be done.

7. In mid-summer of 2015, news was released that the Wainwrights had sold the tracks to Continental Rail. The sale was initially viewed as a positive development based on the history and reputations of Continental Rail's executives' involvement in the short line rail industry through ownership of Rail America and other short line railroads. It was only in 2016 that I personally learned of Golden Gate's involvement with DSRR. As I now realize, while it operated and managed DSRR between June 2015 and December 2020, Continental Rail did not acquire DSRR from the Wainwrights. Instead, DSRR had been sold to a holding company that, in turn, was owned by Golden Gate Capital ("Golden Gate"), which I understand is a private equity enterprise that is headquartered in San Francisco, California.

8. In September of 2016, John H. Marino, Jr., Continental Rail's CEO invited Glenn Bell, SEAEDD's former Executive Director, and David Dempsey, the former Deputy Director, to a meeting at DSRR's newly established headquarters located in the Madison Parish Port. Immediately following the meeting, I was told that the meeting largely focused on the need to rebuild the entire Line between Madison Parish Port and the Lake Providence Parish Port

and to focus on the needs of the Ports.[1] That meeting led to the formation of the PPP. Recognizing that a large grant of money would hasten the rebuilding of the Lake Providence Branch, the members of the PPP (Public Private Partnership) decided to seek a grant from the United States Department of Transportation's *Infrastructure for Rebuilding America (INFRA) Program.*[2] If successful, the grant funds were to be used to re-develop the entire multimodal freight corridor between milepost 408.9 in McGehee, Arkansas and the interchange point with KCS in Tallulah, Louisiana. As so defined, the Line included the track that is used in interchange service with KCS. The entire rail line, which parallels the Mississippi River, is referred to in the INFRA Application as the McGehee-Tallulah Railroad Corridor ("the Corridor").

9. A complete copy of INFRA Grant Application FY 19-20 is attached to this Feeder Line Application as Exhibit B and is incorporated by reference in this Verified Statement. I will in large measure focus on the steps that were taken to reduce the scope of the Project following the United States Department of Transportation's ("US DOT") offer to grant less funding than what was originally sought by the PPP and the need to strictly adhere to the terms and conditions that accompanied the INFRA Grant. While I was the designated

[1] *See* Attachment No. 1, photograph of a chalk board reflecting some of the topics that were discussed.
[2] The *Notice of Funding Opportunity for the Department of Transportation's Nationally Significant Freight and Highway Projects (INFRA Grants) for Fiscal Year 2019* was published at 83 Fed. Reg. 65789, Dec. 21, 2018.

point of contact for SEAEDD, which is the Grantee,[3] I also represented all of the Stake Holders. My first point of contact at FRA was Marc Dixon, FRA's Project Manager – South Central Region. The Board should note that the Grantee is charged with the responsibility to comply with the scope of work and must obtain prior approval from FRA before it can make any change in the scope of work. Because the primary objective is to redevelop the entire Corridor, any changes to the scope of work that would negate the ability to traverse the track between MP 471.0 and 491.0 would have to be approved by FRA. In this respect, the ITC explicitly states that the Grant Manager, who oversees compliance with the terms and conditions in the Grant Agreement, "is not authorized to unilaterally change the Statement of Work, make any changes which affect this Agreement's monetary amount, Project Performance Period, or other terms and conditions." To obtain FRA's approval of scope changes, I would have to prepare and submit a detailed letter that reflected the proposed scope changes and the rationale for those changes. Such changes took a substantial amount of time to come to a consensus that appeared to be satisfactory to all parties. Even then, shifting priorities could cause the consensus to be derailed. The breakup of the PPP in this instance provides a prime example. After working from July 15, 2019 to March 17, 2020 to finalize

[3] As defined in the INFRA Terms and Conditions ("ITC"), "Grantee means the entity identified on the Agreement cover sheet that receives Federal grant assistance directly from FRA for the accomplishment of the Project referenced in this Agreement."

the proposed scope changes, on August 21, 2020, DSRR declined to commit to the key provision of the revised INFRA Grant Statement of Work.

10. A previous INFRA Application that was filed in November 2017 was denied. Thereafter, I filed SEAEDD's FY 19-20 INFRA Application on March 2, 2019, on behalf of the Southeast Arkansas Northeast Louisiana Multimodal Freight Corridor Improvement Project ("Project"). The Application requested $25,589,421 of Federal Funding to cover a portion of the projected total cost of $59,438,029 to reconstruct the entire Corridor. By email dated July 10, 2019, Paul Baumer on behalf of Chief Infrastructure Funding Officer Dan DeBono at the US DOT, requested me, as FRA's designated point of contact, to commit, by close of business on the following day, to the completion of *the full project* with only $10,516,259 of INFRA Grant money. This level of funding would require SEAEDD, LPPC, MPPC, NLA and DSRR (hereinafter jointly referred to as the "Stakeholders") to cover the shortfall of $15,173,162 of additional funds that would be required to cover the rehabilitation of the entire corridor.[4] Because Baumer's email to SEAEDD was sent at 7:18 PM on July 10, I had only one day to respond.

11. After reviewing the email from Paul Baumer, I immediately notified our consultants at HDR, which was hired for INFRA engineering services, and Wyly Gilfoil at LPPC to advise them that we needed to decide how we would respond to DOT's request that I provide a description of which sources I would

[4] *See* Attachment No. 2 hereto.

expect to use to make up the difference between the request and the award amount. Given the urgency, on the following afternoon, all parties, including John Marino and Jon Ryan from Continental Rail, participated in the call. During the call, Mr. Marino strongly urged the group to accept US DOT's reduced amount. After further discussions, his recommendation carried the day. I then timely responded to Paul Baumer and advised him that SEAEDD and its partners would accept a reduced INFRA grant award of $10,516,259, which reflects a $15,173,162 reduction in the total amount requested.

12. By accepting a reduced award, we had to meet the critical goals and objectives of the overall project. The primary goal, which was shared by all, involved the rehabilitation of the *entire* rail corridor, which was estimated to cost $18.6 million. We clearly realized that several components of the Project would have to be delayed, such as infrastructure investments associated with connectivity to local shippers and multimodal connections between the ports, the Mississippi River and the rail corridor. We anticipated that some of the funding gap could be made up through local port funds, the LADOTD Port Priority Program, and potentially more private funding from the short line railroads.

13. Without waiting for a response from Baumer, on July 15, 2019, Wyly Gilfoil and I, on behalf of the Stakeholders, participated in an initial conversation with US DOT concerning the need to reduce the scope of work because of the reduced award amount. In addition, the Stakeholders began their own review of ways to revise the project's scope of work to line up with the

reduced award amount. The reduced scope of work had to be submitted to US DOT for approval. On July 18, 2019, SEAEDD received an email notice that US DOT had designated the Project as being a "Nationally Significant Freight and Highway Project" and awarded $10,516,259 to be used for the express purpose of rehabilitating *the entire corridor*.

14. Thereafter, the Stakeholders and HDR continued their efforts to revise the Project's scope of work. No one ever suggested that the 20-mile segment from 471.0 to milepost 491.0 would not be rehabilitated. Nor did anyone who was actively involved in the process ever question that the overall goal of the Project was to rehabilitate the *entire* Corridor.

15. However, on November 26, 2019, Jon Ryan, who was a CPA located at Continental Rail's office in Fort Lauderdale, Florida, sent an email to Doree Magiera at HDR and submitted what he labeled as the "DSRR SEAEDD Grant Budget." As Ryan explained:

> Attached please find the construction costs to upgrade the existing rail per the grant specifications. Based upon the attached budget, we plan to begin the rehabilitation at the KCS interchange and work north which based upon the current grant amount and our match would upgrade approximately 6 miles of track (highlighted yellow in the attached). As part of the track upgrades we plan to incorporate an existing agreement with KCS to install a new interchange track and lead of approximately 1,700 feet of track. Under this agreement, KCS is to provide the rail, rock, ties and OTM and we are to provide the labor. We believe incorporating this project into the grant specs will help serve our existing customers and attract new customers. As part of this agreement, we plan to extend this new lead an additional three quarters of a

> mile north as indicated in the attached budget. This new interchange track will require surveying costs.
>
> As we move forward with the project we believe there are other areas we have identified that we believe it would be cost beneficial to create a new line rather than upgrade the existing line. We would like the grant description to include the flexibility to incorporate this into the construction plan. These areas are currently past the limits of the priority 6 miles but could be incorporated into the grant based upon cost savings.[5]

16. As his comments plainly reflect, Ryan's plan deviated from the scope of rehabilitation that US DOT had established. Furthermore, by focusing on DSRR's existing customers and potential new customers, he signaled that he had no intent to spend funds to rehabilitate the much longer segment of track between the Lake Providence Port and the Madison Parish Port. Instead, he would leave it to LPPC and MPP to fund the rehabilitation of that track. In other words, he had no intent to comply with the scope of rehabilitation that US DOT had established.

After Ms. Magiera conferred with me and Mr. Gilfoil, she forwarded an email, dated December 4, 2019, to Ryan and tersely advised him that "[t]he latest DSRR spreadsheet does not follow the intended rail rehabilitation scope of work that has been discussed the past two years and presented to the FRA as part of the grant applications."[6] In addition, Ms. Magiera posed several comments regarding the proposed use of the INFRA Grant request.

Later that day, Ryan responded that "I am not privy to what was discussed the past two years so I cannot speak to that." In addition, he

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[5] *See* Attachment No. 3 hereto.
[6] *See* Attachment No. 4 hereto.

responded to Ms. Magiera's questions by inserting his comments in red, as follows:

> Magiera: The current INFRA Build grant request includes approximately $7,561,250 for Rail Infrastructure Rehabilitation to bring the existing main line track from Tallulah to Lake Providence Port to 25 mph Class 2 track.
>
> Ryan: The spreadsheet that was transmitted does follow the rail rehabilitation scope of upgrading to Class 2 track in order to accommodate 25 MPH. It will be necessary to replace ties, ballast, track and OTM over the entire corridor.
>
> * * *
>
> Magiera: There was also $200,000 for bridge upgrades to 286K.
>
> Ryan: My understanding is this is correct the bridges have been upgrade (sic) to 286k. But there are still some defects that will need to be corrected.
>
> * * *
>
> Magiera: It is our understanding the bridge upgrades were completed and that the existing main line track has been rehabilitate from Tallulah to Madison Port under separate funding.
>
> Ryan: No we have not completed the rehabilitation of mainline track from Tallulah to Madison Parish port for Class 2 track with the ability to run 25MPH.
>
> * * *Magiera: The awarded INFRA grant has provided $2.5 million for Rail Infrastructure Rehabilitation in Segment D. We are looking for the DSRR's priorities or task breakdown for rehabbing the existing main line track between Madison Port and Lake Providence Port to 25 mph Class 2 track. The original estimate was calculated with 50% tie replacement and approximately 6-in of ballast across 25 miles of track Therefore with approximately 1/3 of the requested funding, would the ties or the ballast be the priority? Or does the required rehabilitation vary through different sections of this line?

> Please utilize the main line track rehabilitation cost estimate and reduce to match the $2.5 million in funding.
>
> Ryan: My understanding is that this will require ballast, ties, rail and OTM to accomplish the goal of upgrading the track to class II. The $2.5 is a good start but is nowhere need (sic) the amount required to achieve the ultimate goal. The railroad currently operates on 85lbs track under accepted track conditions.[7]

17. On December 10, 2019, Ryan forwarded yet another proposal that outlined "Priority Uses DSRR." As he stated in another email to Ms. Magiera, "[p]lease find the updated uses for the SEAEDD grant money that has been allocated to the DSRR to rehabilitate our portion of the corridor. We believe the plan laid out below will accomplish the overall goal for this section of track leading to Madison Parish port."[8]

As shown in the Table below, DSRR's "plan" consisted of a chart that covered the cost of ties, ballast, tamping, and labor for ballast/miscellaneous for DSRR's tracks between mileposts 500 and 491 ("Priority Miles") that totaled $2,503,596.

[7] *See* Attachment No. 4 hereto.
[8] *See* Attachment No. 5 hereto.

		Priority – Miles					
MP	40% Ties per mile	3,500 Tons Ballas per mile	Tamping	Labor for Ballast/ Miscellaneous		Total	
500	$120,680	$108,500	$6,000	$15,180		$250,360	
499	$120,680	$108,500	$6,000	$15,180		$250,360	
498	$120,680	$108,500	$6,000	$15,180		$250,360	
497	$120,680	$108,500	$6,000	$15,180		$250,360	
496	$120,680	$108,500	$6,000	$15,180		$250,360	
495	$120,680	$108,500	$6,000	$15,180		$250,360	
494	$120,680	$108,500	$6,000	$15,180		$250,360	
493	$120,680	$108,500	$6,000	$15,180		$250,360	
492	$120,680	$108,500	$6,000	$15,180		$250,360	
491	$120,680	$108,500	$6,000	$15,180		$250,360	
	$1,206,800	$1,085,000	$60,000	$151,796	1/	$2,503,596	1/

1/ Does not foot due to rounding.

No mention whatsoever was made regarding the 20-mile segment of tracks between MP 471.0 and MP 491.0. Because Ryan's approach could not be reconciled with the previous approach that had consistently focused on an initial rehabilitation of the overall corridor, rather than a further rehabilitation of DSRR's track between Madison Parish Port and the point of interchange with KCS, it was rejected. However, an effort was made to increase the funds that would be allocated to DSRR. The fine tuning of the modifications continued until the middle of March of 2020.

18. On March 17, 2020, SEAEDD submitted its request to FRA for approval of the scope changes to the Project to fit the new budget that reduced the Non-Federal Cost share to $10,861,267.[9] Although the reduced share

[9] A copy of my letter is attached hereto as Attachment No. 6.

reflected the elimination of certain components, such as a Mississippi River dock component, it did not impact the need to rehabilitate the tracks at issue.

19. On June 1, 2020, I received a letter from FRA approving the requested changes to the scope of work.[10] Thereafter, I worked with my local attorney to prepare a proposed Consortium Agreement to the Partners for their approval. On July 30, 2020, I forwarded the "Consortium Agreement Final Draft" to all the consortium members. As I explained in my email:

> During the life of the INFRA project, SEAEDD as the Grantee and Grant Administrator must oversee the management of the project. Because this project is comprised of 5 consortium members, it is necessary for all members to agree to work together toward the successful completion of this project. The agreement outlines roles and responsibilities for all consortium members involved, as well as funding flow/process, reporting, etc.
>
> Please review the agreement and make any comments and/or revisions. The goal is to have an agreement in place prior to the signing of the grant agreement, which is expected to be completed and submitted to SEAEDD for execution by the end of August.[11]

20. On August 14, 2020, Ryan responded by emailing "an updated draft with our comment so our scope matches the grant." The "comment" consisted of DSRR's unilateral change in the draft Consortium Agreement pertaining to the number of miles on DSRR's tracks that would be upgraded from FRA excepted track to FRA Class 2 track. Ryan simply struck "20" miles and replaced it with "10" miles. No further explanation was provided.

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[10] *See* Attachment No. 7 hereto.
[11] *See* Attachment No. 8 hereto.

Recognizing the potential negative impact of Ryan's unilateral change that would require US DOT's further approval, I forwarded Ryan's email to Wyly Gilfoil and asked him to review it. Mr. Gilfoil agreed with my assessment that it would not satisfy the terms of the Grant and agreed to speak with John Marino.

21. After I learned that Mr. Gilfoil had not been able to obtain assurances from Mr. Marino that DSRR would rehab the tracks between MP 471 and MP 491, I forwarded an email to Mr. Marino on August 18, 2020 in which I explained that:

> I need to have an answer in writing by 12 noon CDT on Friday, August 21, 2020 describing Delta Southern Railroad's intentions as far as the Consortium Agreement and the Grant Agreement to repair the track between Talla Bena, Louisiana and Lake Providence, Louisiana to a minimum of FRA Class I standards and provide service as described in the narrative of the INFRA application and INFRA award.[12]

22. I also had a follow-up call with Mr. Marino in which I questioned him as to why DSRR had changed the mileage that it would rehabilitate when the proposed Consortium Agreement reflected the scope of work that FRA had approved. Mr. Marino replied that he saw no reason for DSRR to upgrade the track beyond MP 491 to FRA Class 1 standards because DSRR doesn't have any business in that direction and did not need to rehabilitate that section of its track to service the shippers located at the Madison Parish Port. Mr. Marino also noted that there was no need to rehabilitate the six (6) miles of track that

[12] *See* Attachment No. 9 hereto. My proposal would also require a resubmission of the scope of work to US DOT to obtain its approval.

DSRR was using to receive income from storing railcars that were parked north of MP 491. Mr. Marino also indicated that DSRR did not intend to cease using the track for storage purposes. In response, I reminded Mr. Marino that because the intent of the grant funding was that the entire corridor has access to UP to the North and KCS to the south, the future storage of railcars would be inconsistent with the unquestioned goal of the Project.[13]

23. On August 21, 2020, Marino responded to my email of August 18, 2020. In his email he stated that "[t]he Delta Southern will commit to completing the grant work outlined in our original estimates as detailed below." The document that he forwarded was Ryan's December 10, 2019 "plan" that solely focused on the segment of DSRR's track between milepost 491 and milepost 500. Because Mr. Marino's email confirmed that DSRR and its owner would not commit to the rehabilitation of the twenty-mile segment of its line, LPPC, with the approval of SEAEDD, MPP and NLA, decided to file the original Feeder Line Application to acquire the segment of the Corridor between MP 471 and MP 491. That Application was filed November 12, 2020, and docketed as STB Docket No. FD 36447, Lake Providence Port Commission – Feeder Line Application – Line of Delta Southern Railroad Located in East Carroll and Madison Parishes, Louisiana ("Original Application").

24. Shortly thereafter, I advised FRA that DSRR would not commit to rehabilitating the segment. I also explained that LPPC would take steps to

[13] *Id.*

acquire the 20-mile segment from DSRR as soon as it could determine the NLV of the property. In response, I was advised that FRA's approval of the changes set out in SEAEDD's letter, dated March 17, 2020, had no impact on SEAEDD's prior commitment to rehabilitate the 20-mile segment. FRA also indicated that the change of ownership of the segment would not adversely impact the INFRA Grant funding *if* the segment were re-opened for rail service. I am aware that because we were unable to obtain a commitment from DSRR, LPPC filed its Feeder Application on November 12, 2020. SEAEDD and LPPC concurrently filed a petition seeking expedited consideration and acceptance of LPPC's application prior to the submission of evidence regarding the Line's valuation.

25. On January 14, 2021, I received a letter from Fletcher & Sippel, LLC, which for many years had represented SEAEDD before the Board. In its letter, I was advised that they had been asked to represent DSRR, following the withdrawal of its initial counsel. I did not respond immediately.

26. After all of the evidence was filed in the Original Application, the Board's Director, Office of Proceedings, by Decision served January 15, 2021, accepted LPPC's Feeder Line Application and established a procedural schedule. On that same day, the U.S. Department of State released the formal Grant Agreement that, in addition to detailing the INFRA Terms and Conditions, included the Statement of Work that not that only summarized the background that created the need to rebuild entire Lake Providence Branch Line but also detailed the projects that were approved for which the INFRA

Grant funds could be used. Moreover, the Award identified the Deliverables and Approved Project Schedule, the Approved Project Budget and the Applicable Federal Laws and Regulations.

27. Five (5) days later, on January 19, 2021, I received a copy of an email from Jon Ryan that effective January 5, 2021, "Continental Rail and John Marino are no longer the manager of the Delta Southern Railroad. Subsequently Jon Ryan was hired as the CEO of the Delta Southern Railroad." Because the original email from Ryan reflected that a copy had been sent to Javier Puig at Golden Gate Capital, I assumed that Golden Gate had made the call to terminate Continental Rail and Mr. Marino. Because I was aware that Continental Rail had previously admitted that it lacked the cash to participate in the initial INFRA Grant Application, I thought that Golden Gate, as the owner of DSRR's stock, would assume the common carrier obligation and take steps that Continental Rail could not afford to take to restore the Line.

28. It would only be later that I would learn from Craig Huff's testimony, that Jon Ryan, consistent with the positions that he took in 2019, had directed Huff, following J.D. Ventrcek's resignation from Continental Rail in late 2016, to focus on railcar storage and cease his joint marketing efforts with Daniel Robbins to attract new business that would have moved in interchange. Given Mr. Ventrcek's determination to upgrade DSRR's track and expand interchange business, while reducing its reliance on railcar storage for third parties, I realized that Ryan was moving in lock step with Golden Gate

Capital with his conclusion that the desired track renovations of the "long-dormant" Line are unjustified and unwarranted.

29. I must strongly disagree with that conclusion. I am aware that the efforts that LPPC, SEAEDD and NLA have made to rehabilitate the Line between Lake Providence and McGehee have recently attracted two major new shippers, MD Power and ATM Gloves. The Ribbon Cutting Ceremony for the contract signing with both of these companies was held on June 10, 2022 and on November 14, 2022, the first-in-nation Waste-to-Energy Recycling Facility groundbreaking ceremony was held just north of Lake Village in Chicot County. A copy of the Talking Points of the MD Power Project is attached hereto.[14]

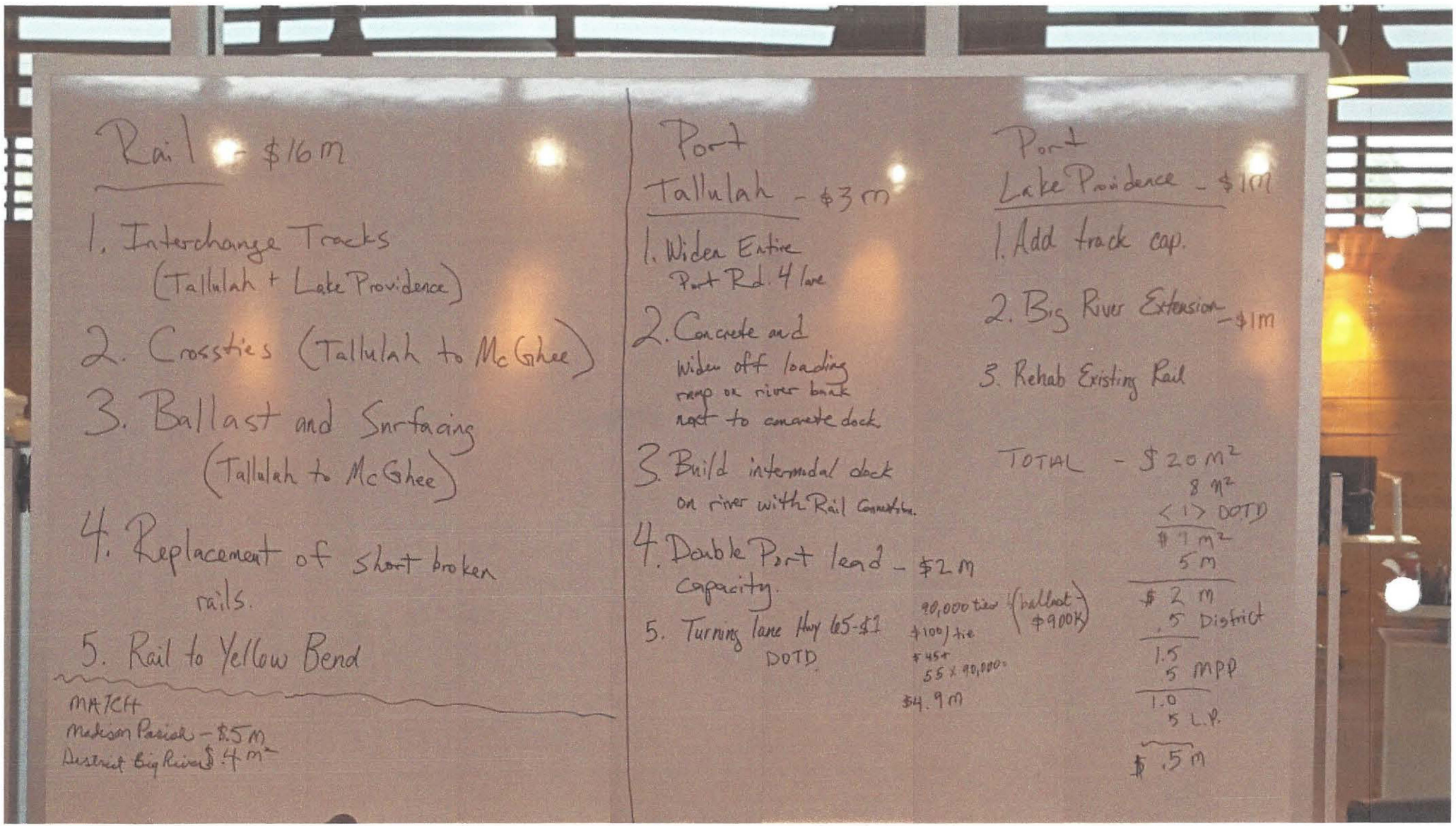
VERIFICATION

I, Patrecia G. Hargrove, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 9 day of December 2022.

Patrecia G. Hargrove

[14] *See* Attachment No. 10 hereto.

Attachment No. 1
Photo dated September 26, 2016 that was
taken at DSRR's office at the Madison Parish Port
reflecting objective of reconstructing the Interchange
Tracks (Tallulah + Lake Providence)



9/24/2014
2:13 P.M.

Attachment No. 2

July 10, 2019, from Paul Baumer Email to Hargrove to commit to Reduced Grant Funding

From: Patrecia Hargrove <phargrove@southeastarkansas.org>
Sent: Friday, August 21, 2020 4:08 PM
To: Richard Streeter <rhstreeter@gmail.com>
Cc: Danny Robbins <dan@drrailroad.com>; Daniel Robbins <dan.b.robbins@gmail.com>; Tim Robbins <tim@drrailroad.com>; Wyly Gilfoil <Wyly_Gilfoil@msn.com>; tmurphy <tmurphy@bayou.com>
Subject: FW: INFRA 2019 Request Re: Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Patrecia Hargrove
Southeastarkansas.org
870-536-1971

From: Patrecia Hargrove <phargrove@southeastarkansas.org>
Date: Thursday, July 11, 2019 at 2:53 PM
To: "Baumer, Paul (OST)" <paul.baumer@dot.gov>
Cc: "DeBono, Dan (OST)" <dan.debono@dot.gov>, Infragrants <Infragrants@dot.gov>
Subject: Re: INFRA 2019 Request Re: Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Good Afternoon Paul

In response to your email, SEAEDD and its partners would accept a reduced INFRA grant award of $10,516,259, which you note reflects a $15,173,162 reduction in the total amount requested. By accepting a reduced award, we could continue to meet the goals and objectives of the overall project, however, several project components would be delayed. The priority for SEAEDD is to rehabilitate the entire rail corridor, which is estimated at $18.6 million. Reduced federal funding would delay infrastructure investments associated with connectivity to local shippers and multimodal connections between the ports, Mississippi River and the rail corridor. The funding gap could be made up through local port funds, the LADOTD port priority program, and potentially more private funding from the short line railroads.

Patrecia Hargrove
Southeast Arkansas Economic Development District, Inc.
870-536-1971

From: "Baumer, Paul (OST)" <paul.baumer@dot.gov>
Date: Wednesday, July 10, 2019 at 6:55 PM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>
Cc: "DeBono, Dan (OST)" <dan.debono@dot.gov>, Infragrants <Infragrants@dot.gov>
Subject: INFRA 2019 Request Re: Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Director Hargrove,

I'm contacting you today on behalf of Chief Infrastructure Funding Officer Dan DeBono at the U.S. Department of Transportation. The Department is approaching the final stages of the INFRA 2019 selection process, and while no selections have been made, we are in the process of reaching out to applicants to understand their capacity to receive a reduced award amount. As you are aware, the INFRA 2019 program is highly competitive, with many strong applications vying for a limited pool of funding.

The application for Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement project requested an award of $25,689,421. We are interested in understanding if Southeast Arkansas Economic Development District can commit to completing the full project scope if it were to receive an award of $10,516,259, a reduction of $15,173,162.

If yes, please reply to this email indicating so, and provide a description of which sources you expect to use to make up the difference between the request and the award amount.

If no, please reply indicating saying that you cannot. We are not considering alternative award amount proposals at this time, but if your answer would change from no to yes with a larger but still reduced award amount, you may include that figure for possible consideration should circumstances change.

To enable timely consideration of your response, please reply by COB Thursday, July 11. If you have additional questions or wish to discuss over the phone, please give me a call at 202-366-1092.

As stated above, the Department is still evaluating applications, so please do not consider this notification of any decision or selection. Thank you for your time and flexibility in responding to this request on short notice.

Sincerely,
Paul

Paul Baumer
Office of Infrastructure Finance and Innovation
Office of the Secretary
U.S. Department of Transportation
(202) 366-1092 | paul.baumer@dot.gov

Attachment No. 3
November 26, 2019 Email from Jon Ryan outlining DSR Budget for upgrading approximately 6 miles of track (highlighted in the attached).

From: Jon Ryan [mailto:Jon.Ryan@continentalrail.us]
Sent: Tuesday, November 26, 2019 2:28 PM
To: Magiera, Doree <Doree.Magiera@hdrinc.com>
Subject: SEAEDD Response

Doree,

I hope all is well. I left you a message to discuss this as well.

Attached please find the construction costs to upgrade the existing rail per the grant specifications. Based upon the attached budget, we plan to begin the rehabilitation at the KCS interchange and work north which based upon the current grant amount and our match would upgrade approximately 6 miles of track (highlighted yellow in the attached). As part of the track upgrades we plan to incorporate an existing agreement with the KCS to install a new interchange track and lead of approximately 1,700 feet of track. Under this agreement the KCS is to provide the rail, rock, ties and OTM and we are to provide the labor. We believe incorporating this project into the grant specs will help serve our existing customers and attract new customers. As part of this agreement, we plan to extend this new lead an additional three quarters of a mile north as indicated in the attached budget. This new interchange track will require surveying costs.

As we move forward with the project we believe there are other areas we have identified that we believe it would be cost beneficial to create a new line rather than upgrade the existing line. We would like the grant description to include the flexibility to incorporate this into the construction plan. These areas are currently past the limits of the priority 6 miles but could be incorporated into the grant based upon cost savings.

If you have any questions or would like to discuss further please give me a call.

Jon D. Ryan
CONTINENTAL RAIL
2929 E. Commercial Boulevard, Suite PH-D
Fort Lauderdale, Florida 33308
904-553-7431

DSRR
SEAEDD Infra Grant
Budget

MP	Tie Cost Plus Installation	Bridge Material Costs	Ballast Cost	Rail Cost	Miscellaneous - OTM etc.	Tamping	Labor	Engineering/Surveying Cost	Total Cost	Notes	Priority
500 New Interchange Track	$ 226,275		$ 139,500	$ 128,625	$ 4,000	$ 11,000	$ 204,094	$ 40,000	$ 753,494	KCS to supply ties, ballast, rail, OTM for 1,700 ft. DSRR to provide remaining 2/3 of mile. Would require surveying. There is an existing agreeemnt with in place with the KCS for a new interchange track.	1
500	301,700		186,000	171,500	4,000	11,000	271,125		945,325		2
499	301,700		186,000	171,500	4,000	11,000	271,125		945,325		3
498	301,700		186,000	171,500	4,000	11,000	271,125		945,325		4
497	301,700		186,000	171,500	4,000	11,000	271,125		945,325		5
496	301,700		186,000	171,500	4,000	11,000	271,125		945,325		6
495	301,700		186,000	171,500	4,000	11,000	271,125		945,325		7
494	301,700		186,000	171,500	4,000	11,000	271,125	20,000	945,325		8
493	301,700		186,000	171,500	4,000	11,000	271,125	20,000	945,325		9
492	301,700		186,000	171,500	4,000	11,000	271,125	20,000	945,325		10
491	301,700		186,000	171,500	4,000	11,000	271,125		945,325		11
490	301,700		186,000	171,500	4,000	11,000	271,125		945,325		12
489.30 Bridge		1,500			2,000		30,000		33,500	Bridge needs upgrades on bents and posts to accommodate heavier rail.	13
489	301,700		186,000	171,500	4,000	11,000	271,125		945,325		14
488	301,700		186,000	171,500	4,000	11,000	271,125		945,325		15
487.30 Bridge		3,690			2,000		28,000		33,690	Bridge needs upgrades on bents and posts to accommodate heavier rail.	16
487	301,700		186,000	171,500	4,000	11,000	271,125		945,325		17
486	301,700		186,000	171,500	4,000	11,000	271,125		945,325		18
485.7 Bridge		600					42,000		42,600	Bridge needs upgrades on bents and posts to accommodate heavier rail.	19
485	301,700		186,000	171,500	4,000	11,000	271,125		945,325		20
484	301,700		186,000	171,500	4,000	11,000	271,125		945,325		21
483.70 Bridge		2,250					35,000		37,250	Bridge needs upgrades on bents and posts to accommodate heavier rail.	22
483	301,700		186,000	171,500	4,000	11,000	271,125		945,325		23
482	301,700		186,000	171,500	4,000	11,000	271,125		945,325		24
481	301,700		186,000	171,500	4,000	11,000	271,125		945,325		25
480	301,700		186,000	171,500	4,000	11,000	271,125		945,325		26
479	301,700		186,000	171,500	4,000	11,000	271,125		945,325		27
478	301,700		186,000	171,500	4,000	11,000	271,125		945,325		28
477	301,700		186,000	171,500	4,000	11,000	271,125		945,325		29
476	301,700		186,000	171,500	4,000	11,000	271,125		945,325		30
475	301,700		186,000	171,500	4,000	11,000	271,125		945,325		31
474	301,700		186,000	171,500	4,000	11,000	271,125		945,325		32
473	301,700		186,000	171,500	4,000	11,000	271,125		945,325		33
472	301,700		186,000	171,500	4,000	11,000	271,125		945,325		34
471	$ 301,700		$ 186,000	$ 171,500	$ 4,000	$ 11,000	$ 271,125		$ 945,325		35
Total	$ 9,277,275	$ 8,040	$ 5,719,500	$ 5,273,625	$ 128,000	$ 341,000	$ 8,472,844		$ 29,260,284		

Grant Budget	$ 2,503,596.00	60%
DSRR Match	$ 1,669,064.00	40%
	$ 4,172,660.00	Approximately 6 miles

Ties per mile:	Replace all	Cost per tie installed	Cost per mile		Total Miles 25
3,017	3,017	$ 100	$ 301,700		$ 7,542,500
Rock Tons per mile	**Delivered Cost**	**Tost per mile**	**Installation per mile**	**Total Cost per mile**	**Total 25 miles**
6,000	$ 31.00	$ 186,000	$ 5,000	$ 191,000	$ 4,775,000
Tamping, straightening, Lining	**Per mile Cost**	**# of passes**	**Cost per mile**		**Total 25 miles**
	$ 5,500	$ 2	$ 11,000		$ 275,000
Miscellaneous (kegs spikes, plates) $4,000 per mile					$ 100,000
Rail 115 lbs	**Cost per Ton**	**Tons per mile**	**Cost per mile**		
	$ 700.00	$ 245.00	$ 171,500.00		
				Total Cost	$ 12,692,500
	11,000				

Brdige Ties	Per Tie $ 118.00
Bridge Post	Per Post $ 150.00
Bridge Bents	Per Bent $ 185.00

OF A RAIL SIDING

Rule of thumb for new track construction is between $1 Million - $2 Million per mile, depending on who is constructing the track. Some rail clients need alot of track space to handle unit trains over a mile long. Below is a basic cost estimate for a mile long siding

	Price per Unit [-]	# Units [-]	Total Cost [-]
No 10 Degree Switches	$25,000 per switch	3 switches	$50,000
No 10 Switch Timbers	$6,200 per timber	2 timbers	$12,400
No.2 Relay 132/136 lb rail	$700 per ton	245 tons	$171,500
7"x9" Ties on 21" Centers	$55.22 per tie	3,017 ties	$166,596.74
Ballast (Rock)	$27.00 per ton	6,000 tons	$162,000.00
Spikes 68 Kegs	$65.00 per keg	68 kegs	$4,000
Labor			Varies by Contractor
Grading			Varies by Contractor/Topography/Soil
Drainage Pipes			Varies by Amt of Water Runoff
Road Crossings			Varies

Attachment No. 4
Email exchanges between Doree Magiera and Jon Ryan
exchanged December 4, 2019

From: Jon Ryan <Jon.Ryan@continentalrail.us>
Sent: Wednesday, December 4, 2019 11:15 AM
To: Magiera, Doree <Doree.Magiera@hdrinc.com>; Wyly Gilfoil <Wyly_Gilfoil@msn.com>; Patrecia Hargrove (phargrove@southeastarkansas.org) <phargrove@southeastarkansas.org>
Cc: Frostestad, Eric <Eric.Frostestad@hdrinc.com>; John Marino <John.Marino@continentalrail.us>; Dino Trevino <Dino.Trevino@deltasouthernrr.com>
Subject: RE: SEAEDD Response

I am not privy to what was discussed the past two years so I can not speak to that. See my comments below in red:

I have a conflict this afternoon and have countered back at noon EST tomorrow to have the call to discuss.

-----Original Appointment-----
From: Magiera, Doree <Doree.Magiera@hdrinc.com>
Sent: Wednesday, December 04, 2019 11:35 AM
To: Jon Ryan; Wyly Gilfoil; Patrecia Hargrove (phargrove@southeastarkansas.org)
Cc: Frostestad, Eric
Subject: SEAEDD Response
When: Wednesday, December 04, 2019 3:00 PM-3:30 PM (UTC-06:00) Central Time (US & Canada).
Where: dial-in 866-583-7984, conference code 9025213#

Jon

The latest DSR spreadsheet does not follow the intended rail rehabilitation scope of work that has been discussed the past two years and presented to the FRA as part of the grant applications.

- The current INFRA Build grant request includes approximately $7,561,250 for Rail Infrastructure Rehabilitation to bring the existing main line track from Tallulah to Lake Providence Port to 25 mph Class 2 track. The spreadsheet that was transmitted does follow the rail rehabilitation scope of upgrading to Class 2 track in order to accommodate 25 MPH. It will be necessary to replace ties, ballast, track and OTM over the entire corridor.
- There was also $200,000 for bridge upgrades to 286K. My understanding is this is correct the bridges have been upgrade to 286k. But there are still some defects that will need to be corrected.
- It is our understanding the bridge upgrades were completed and that the existing main line track has been rehabilitated from Tallulah to Madison Port under separate funding. – No we have not completed the rehabilitation of mainline track from Tallulah to Madison Parish port for Class 2 track with the ability to run 25MPH.
- The awarded INFRA Build grant has provided $2.5 million for Rail Infrastructure Rehabilitation in Segment D. We are looking for the DSR's priorities or task breakdown for rehabbing the existing main line track between Madison Port and Lake Providence Port to 25 mph Class 2 track. The original estimate was calculated with 50%

tie replacement and approxi..ately 6-in of ballast across 25 miles of track. .herefore with approximately 1/3 of the requested funding, would the ties or the ballast be the priority? Or does the required rehabilitation vary through different sections of this line? Please utilize the main line track rehabilitation cost estimate and reduce to match the $2.5 million in funding. My understanding is that this will require ballast, ties, rail and OTM to accomplish the goal of upgrading the track to class II. The $2.5 million is a good start but is nowhere need the amount required to achieve the ultimate goal. The railroad currently operates on 85lbs rail under accepted track conditions.

This meeting invite for a call at 3pm today is to discuss DSR rehab priorities and to finalize the Segment D rail rehab cost estimate for submittal to FRA.

Thank you

From: Jon Ryan [mailto:Jon.Ryan@continentalrail.us]
Sent: Tuesday, December 3, 2019 2:44 PM
To: Magiera, Doree <Doree.Magiera@hdrinc.com>
Cc: Frostestad, Eric <Eric.Frostestad@hdrinc.com>
Subject: RE: SEAEDD Response

Doree,

I hope all is well. Wanted to follow up on the information sent last week. Do you have any questions? I'm available tomorrow to discuss further.

Jon

From: Magiera, Doree <Doree.Magiera@hdrinc.com>
Sent: Wednesday, November 27, 2019 8:21 AM
To: Jon Ryan <Jon.Ryan@continentalrail.us>
Cc: Frostestad, Eric <Eric.Frostestad@hdrinc.com>
Subject: RE: SEAEDD Response

Jon
Sorry I missed your call yesterday; I am on PTO this week. Thank you for sending the spreadsheet.

I am not sure how to incorporate the KCS interchange as this has not been previously reported to FRA. From an engineering standpoint, formal PS&E would be required for bidding/construction and again, I am not sure how this would accomplished if KCS is providing material and Continental is providing labor. We will likely have to discuss before we incorporate this in the overall budget.

I have not compared your priority project cost against the project budget; we need to look at that also.

I am sending to Eric for his review and comment also. I am available for a call today and the best way to reach me is my cell phone.

Doree Magiera
HDR Engineering, Inc.
D 504.218.1227 **M** 504.229.8317

hdrinc.com/follow-us

Attachment No. 5
December 10, 2019 Ryan Proposal

FW: SEAEDD Update - Priority Uses D' ?

Magiera, Doree <Doree.Magiera@hdrinc.com>
Tue 12/10/2019 11:07 AM

To: Wyly Gilfoil <wyly_gilfoil@msn.com>; Patrecia Hargrove <phargrove@southeastarkansas.org>
Cc: Frostestad, Eric <Eric.Frostestad@hdrinc.com>

Wyly, Patrecia

See enclosed priority list from DSR below.

Doree Magiera
HDR Engineering, Inc.
D 504.218.1227 M 504.229.8317

hdrinc.com/follow-us

From: Magiera, Doree
Sent: Tuesday, December 10, 2019 11:05 AM
To: 'Jon Ryan' <Jon.Ryan@continentalrail.us>
Cc: John Marino <John.Marino@continentalrail.us>; Dino Trevino <Dino.Trevino@deltasouthernrr.com>
Subject: RE: SEAEDD Update - Priority Uses DSRR

Jon
Thank you for providing the list along with priority sections. Based on the project component spreadsheet that Wyly updated yesterday, might be able to do another mile or so based on your per mile estimate.
Regards

Doree Magiera
HDR Engineering, Inc.
D 504.218.1227 M 504.229.8317

hdrinc.com/follow-us

From: Jon Ryan [mailto:Jon.Ryan@continentalrail.us]
Sent: Tuesday, December 10, 2019 10:25 AM
To: Magiera, Doree <Doree.Magiera@hdrinc.com>
Cc: John Marino <John.Marino@continentalrail.us>; Dino Trevino <Dino.Trevino@deltasouthernrr.com>
Subject: SEAEDD Update - Priority Uses DSRR

Dorree,

Please find the updated uses for the SEAEDD grant money that has been allocated to the DSRR to rehabilite our portion of the corridor. We believe the plan laid out below will accomplish the overall goal for this section of track leading to Madison Parish Port.

Please let me know if this format is what you are seeking as far as detail, etc.

	Priority - Miles				
MP	40% Ties per mile	3,500 Tons Ballast per mile	Tamping	Labor for Ballast / Miscellaneous	Total
500	$120,680.00	108,500	6,000	15,180	$250,360.00
499	$120,680.00	108,500	6,000	15,180	$250,360.00
498	$120,680.00	108,500	6,000	15,180	$250,360.00
497	$120,680.00	108,500	6,000	15,180	$250,360.00
496	$120,680.00	108,500	6,000	15,180	$250,360.00
495	$120,680.00	108,500	6,000	15,180	$250,360.00
494	$120,680.00	108,500	6,000	15,179	$250,359.00
493	$120,680.00	108,500	6,000	15,179	$250,359.00
492	$120,680.00	108,500	6,000	15,179	$250,359.00
491	$120,680.00	108,500	6,000	15,179	$250,359.00
	$ 1,206,800	$1,085,000	$ 60,000	$ 151,796	$ 2,503,596

Jon D. Ryan
CONTINENTAL RAIL
2929 E. Commercial Boulevard, Suite PH-D
Fort Lauderdale, Florida 33308
904-553-7431

Attachment No. 6
March 17, 2020 Hargrove Letter to FRA

SEAEDD
Southeast Arkansas Economic Development District

Post Office Box 6808, 721 S Walnut Pine Bluff, Arkansas 71601 – Phone (870) 536-1971 Fax (870) 536-7718

March 17, 2020

Marc Dixon
South Central Regional Manager
Federal Railroad Administration
Office of Railroad Policy and Development

RE: Southeast Arkansas Economic Development District (SEAEDD) FY19 INFRA Project, Request for Change of Scope and Justification

Dear Mr. Dixon:

Please accept this letter as SEAEDD's request for the Federal Railroad Administration to approve scope changes to the fiscal year (FY) 19 INFRA Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (Project). This letter describes the scope changes and the rationale for those changes.

The Project will improve a multimodal freight corridor, through a mixture of rail rehabilitation, bridge upgrades, and new rail infrastructure improvements, located on a 91.3-mile continuous short line railroad corridor known as the McGehee-Tallulah Railroad Corridor (Corridor). Following the same structure as the grant application, the Project is organized into four segments (A-D) from north to south, and based on the owner (also referred to as "project partner") of the rail line within the segment. The segments are: Segment A - North Louisiana and Arkansas Railroad (NLA); Segment B - SEAEDD; Segment C – Lake Providence Port Commission (LPPC); and Segment D – Delta Southern Railroad (DSR). The subsequent sections contain the respective segment's INFRA and non-federal contribution amounts, scope components.

As you know, SEAEDD submitted its FY19 INFRA application before the March 2019 deadline requesting $25.6 million for the Project. In July 2019 during the FY19 INFRA application review period, the U.S. Department of Transportation's (USDOT) Office of the Secretary (OST) contacted SEAEDD to identify a modified scope for a potential reduced INFRA award. In response, SEAEDD submitted a spreadsheet detailing a modified budget. In September 2019, the USDOT announced FY19 INFRA award selections and selected SEAEDD but for only $10,516,259. Since that time, SEAEDD has made scope and Segment funding allocation changes for the following reasons: (1) increases and decreases in cost share amounts and (2) some unintended consequences. In February 2020, SEAEDD submitted an updated budget spreadsheet to FRA detailing these revisions.

The letter is structured into two sections:

- Section 1: Describes changes to the overall total Project costs from SEAEDD's grant application to February 2020.
- Section 2: Organized by Project Segment, this section summarizes the Project's scope changes from the July 2019 spreadsheet (the version that SEAEDD submitted to OST) and February 2020 spreadsheet.

Section 1

Table 1 shows the changes to the Project's total estimated cost in relation to the INFRA and non-Federal cost share amounts. The modified scope that OST based the FY19 INFRA award selection on primarily focuses on rehabilitating existing infrastructure.

Table 1 also summarizes the overall estimated total Project cost changes from the grant application, the budget in the July 2019 spreadsheet, and the budget in the February 2020 spreadsheet. The Project's estimated total cost decreased from approximately $45 million with the full scope to $21.37 million for the modified scope for which SEAEDD is requesting FRA's approval.

Table 1. Changes to Estimated Total Project Cost, March 2019 – February 2020

Data Source	INFRA Cost Share/ (% share)	Non-Federal Cost Share/(% share)	TOTAL
SEAEDD INFRA Grant Application, March 2019	$25,689,421 (57%)	$19,315,000 (43%)	**$45,004,421**
July 2019 Revised Scope Spreadsheet	$10,516,259 (38%)	$17,210,340 (62%)	**$27,726,599**
February 2020 Revised Scope Spreadsheet	$10,516,259 (49%)	$10,861,267 (51%)	**$21,377,526**

Section 2

This section summarizes the Project's scope changes from the July 2019 budget spreadsheet (the version that SEAEDD submitted to OST) and February 2020 budget spreadsheet. *(NOTE: The budget tables in each section contain a component called 'project development'. This includes activities such as environmental review, engineering design activities, and project and grant administration activities.)*

Segment A (NLA)

NLA made some scope changes and clarifications, as well as funding changes for Segment A. The July 2019 Segment A budget included no non-Federal funds NLA's and the non-federal cost share is $0. In the February 2020 Segment A budget, NLA added a total of $300,000 in non-federal cost share column as the funds were inadvertently removed or omitted. The NLA

$300,000 cost share contributes to costs for rehabilitation to rail track on the main line and existing sidings, and upgrades to bridge to make them sufficient to allow 286K lb. rail cars.

The July 2019 budget included $1,055,561 for the Union Pacific (UP) Interchange because, during that time, LPPC was trying to secure funds from the Louisiana Department of Transportation and Development's (LADOTD) Port Priority Program[1] (PPP) to augment the Segment A budget. All of Segment A is located in Arkansas, however, and LPPC subsequently learned that PPP funds cannot be used on projects outside of Louisiana. As a result, SEAEDD and LPPC agreed to remove the UP Interchange, which is located in Arkansas, from the Project's scope.

Lastly, the July 2019 budget had an error and allocated funds to an 'Industrial Sidings' component, which seemed to indicate that part of the scope included construction of new rail sidings. Those funds, however, are for the rehabilitation of existing sidings at Lake Village and Macon Lake, AR. The changes are shown in Table 2.

Table 2. Segment A (NLA) 24.1 Miles, 26% of Corridor

Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)	$3,365,203	$0	$3,299,316	$70,800
Bridge Upgrades (286,000 lb.) – 2 bridges	$0	$0	$0	$50,000
UP Interchange	$1,055,561	$0	$0	$0
~~Industrial Sidings~~ Rehabilitation of existing sidings at Lake Village and Macon Lake *(this was incorrectly listed as 'Industrial Sidings' in the February 2020 spreadsheet)*	$0	$0	$0	$73,200
Subtotal	$4,420,764	$0	$3,299,316	$294,000
Project Development	$176,831	$0	$131,973	$6,000
Total	**$4,597,594**	**$0**	**$3,431,289**	**$300,000**

[1] Per the LADOTD's website, the PPP requires a cost participation from the ports of 10% based on construction cost of the project.

Segment B (SEAEDD)

For Segment B, SEAEDD made one scope change and one funding change. In the July 2019 Segment B budget, SEAEDD committed $150,000 in Delta Regional Authority (DRA) funding to the INFRA project. DRA awarded the funds to SEAEDD for rail infrastructure improvements, and SEAEDD was planning to use them for the grade crossing upgrades (totaling approx. $144,000). Unfortunately, these funds were set to lapse before the FRA and SEAEDD would execute the grant agreement for the Project, and DRA recaptured the funding. Therefore, in the February 2020 budget, SEAEDD defunded the At Grade Highway Rail Crossing Upgrades component. Furthermore, NLA has completed the grade crossing upgrades and SEAEDD removed that component from the Project scope.

Table 3. Segment B (SEAEDD) 21.8 Miles, 24% of Corridor

Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)	$1,747,427	$0	$1,747,427	$0
Bridge Upgrades (286,000 lb.) – 2 bridges*	$0	$0	$0	$100,000
At Grade Highway Rail Crossing Upgrades	$0	144,230	$0	$0
Subtotal	$1,747,427	$144,230	$1,747,427	$0
Project Development	$69,897	$5,769	$69,897	$0
Total	**$1,817,324**	**$149,999**	**$1,817,324**	**$0**

**= Bridge upgrades will be paid for by NLA*

Segment C (LPPC)

For Segment C, LPPC made no scope changes but did make some funding changes. In the July 2019 budget, LPPC showed a project development costs totaling $323,367 which SEAEDD and LPPC later determined is not sufficient to cover those costs. Therefore, LPPC adjusted the non-federal costs in the February 2020 budget spreadsheet to account for increased forecasted project development costs by adding $1,061,673, and to incorporate the 10% match required under the PPP Program to LPPC's PPP grant. The changes are shown in Table 4.

Table 4. Segment C (LPPC) 16.2 Miles, 18% of Corridor				
Project Component	**July 2019**		**February 2020**	
	INFRA Cost Share	**Non-Federal Cost Share**	**INFRA Cost Share**	**Non-Federal Cost Share**
Rail Infrastructure Rehabilitation (Class II)	$0	$2,564,784	$0	$2,564,784
Miscellaneous (Anchors)	$0	$51,030	$0	$51,030
NLA-DSR Interchange	$0	$2,160,000	$0	$2,589,826
Industrial Leads	$0	$2,422,960	$0	$2,422,960
Port of Lake Providence Lead/Tracks	$0	$885,400	$0	$885,400
Subtotal	$0	$8,084,174	$0	$8,514,000
Project Development	$0	$323,367	$1,166,306	$0
Total	**$0**	**$8,407,541**	**$1,166,306**	**$8,514,000**

Segment D (DSR)

Segment D interfaces directly with the Madison Parish Port Commission (MPPC) via existing track from the DSR mainline; thus, MPPC is a key partner and decisionmaker in this segment. MPPC made several scope and funding changes that are summarized in the bullets below. Most of the scope changes are the result of the reduced FY19 INFRA award – see Table 5.

SEAEDD's FY19 INFRA application stated that MPPC would provide $10.48 million in PPP funds. MPPC, however, hadn't submitted a PPP application as it was waiting to see if SEAEDD would be selected for an INFRA award, and, if so, the amount of the award[2]. For SEAEDD's discussion with OST in July 2019, MPPC reduced its speculative PPP contribution to approx. $8.65 million. After USDOT announced FY19 INFRA award selections, MPPC reduced its budget and scope, in response to the reduced INFRA award, and submitted a PPP application for $2.047 million to LA DOTD in December 2019. In February 2020, LA DOTD notified MPPC that it was selected for a $2.047 million PPP grant, which MPPC will apply to the 'doubling the lead' component, as shown in Table 5. MPPC removed the track to the riverbank and lead extension components due to lack of PPP funds and other private funds.

[2] If SEAEDD received the $25.6 million INFRA award that it requested in its application, MPPC would've tried to obtain the non-federal cost share from multiple sources, including submitting an application to LA DOTD for PPP funds (LA DOTD limits an annual award to $5 million to each entity selected) and going through a process to get state funds from the Louisiana Bond Commission, for example.

Summary of scope and funding changes:

- Changes to the 'track to the riverbank' and 'lead extension back to the main line' components: MPPC removed these components from the Project because MPPC didn't include them in its PPP application. With the reduced INFRA award, MPPC had to prioritize subprojects and identified the 'doubling the lead track' as the top priority. MPPC would like to complete these components in the future and is planning to apply for other funding programs, such as USDA Rural Development, DRA, and/or U.S. Economic Development Administration (EDA).
- Double tracking the lead track component: After MPPC received notification from LADOTD that it was selected for a PPP grant, it reprogrammed the budget for this component. It applied the PPP grant to the non-federal cost share and the amount in the INFRA cost share column is the 10% match for the PPP grant.
- River transload dock component: MPPC removed this component because the prospective transload facility investor backed out, which resulted in less of a need for the dock. Furthermore, business needs have changed. Instead of needing a transload dock, MPPC is working with a container on barge tenant and is currently identifying the necessary infrastructure improvements.
- Project development component: The July 2019 budget spreadsheet showed project development costs totaling $490,544 which SEAEDD, DSR, and MPPC later determined is not sufficient to cover those costs. Therefore, DSR and MPPC increased total cost to $666,076 in February 2020 to account for increased forecasted project development costs and to incorporate the match from the MPPC's PPP grant.

Table 5. Segment D (DSR + Madison Port) 29.2 Miles, 32% Corridor

Project Component	July 2019		February 2020	
	INFRA Cost Share	Non-Federal Cost Share	INFRA Cost Share	Non-Federal Cost Share
Rail Infrastructure Rehabilitation (Class II)*	$3,943,597	$0	$3,207,789	$0
Bridge Upgrades (286,000 lb.)**	$0	$0	$0	$200,000
Track to Riverbank	$0	$1,395,000	$0	$0
Lead Extension Back to the Main Line	$0	$2,295,000	$0	$0
Double Tracking the Lead Track	$0	$2,880,000	$227,474	$2,047,267

River Transload Dock		$0	$1,750,000	$0	$0
Subtotal		$3,943,597	$8,320,000	$3,435,365	$2,247,267
Project Development		$157,744	$332,800	$666,076	$0
Minus Bridge Upgrades**		$0	$0	$0	-$200,00
Total		**$4,101,341**	**$8,652,800**	**$4,101,339**	**$2,047,267**

**= Only 21 miles of work remain as DSR has completed 7 miles of rehab. Work.*
***= DSR has completed the bridge repairs. These costs will not be included in the FRA-SEAEDD grant agreement.*

If you have any questions or need additional information, please contact me at your earliest convenience.

Respectfully,

Patrecia Hargrove
Executive Director

Attachment No. 7
June 1, 2020 FRA Letter Approving Scope of Work

U.S. Department
of Transportation

**Federal Railroad
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

June 1, 2020

Ms. Patrecia Hargrove
Executive Director
Southeast Arkansas Economic Development District, Inc.
721 South Walnut Street
Post Office Box 6806
Pine Bluff, Arkansas 71611

RE: Scope and Budget Modification Request for FY 2019 INFRA Project

Dear Ms. Hargrove:

Thank you for your March 17, 2020, letter to the Federal Railroad Administration (FRA)—in which you outlined the Southeast Arkansas Economic Development District, Inc.'s (SEAEDD) request to modify the scope and budget of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (the Project), selected for award under the Fiscal Year (FY) 2019 Infrastructure for Rebuilding America (INFRA) Program.

FRA has coordinated with the U.S. Department of Transportation's (USDOT) Office of the Secretary (OST), the agency responsible for the INFRA Program, in reviewing SEAEDD's request to modify the Project's scope and budget in response to OST selecting the Project for an award amount that is less than what SEAEDD requested. FRA and OST have determined that SEAEDD's request is sufficient and will therefore advance the Project, as revised. FRA will reach out to you to begin developing the Statement of Work and other documents for the FRA-SEAEDD grant agreement.

Thank you for your cooperation and patience. If you have any questions or concerns, please contact me at (202) 493-0614 or marc.dixon@dot.gov.

Sincerely,

MARC R. DIXON Digitally signed by MARC R. DIXON
Date: 2020.06.01 12:57:44 -04'00'

Marc Dixon
Project Manager – South Central Region

Attachment No. 8
July 30, 2020 Email Forwarding “Consortium Agreement”

From: Patrecia Hargrove <phargrove@southeastarkansas.org>
Sent: Thursday, July 30, 2020 7:05 PM
To: Wyly Gilfoil <Wyly_Gilfoil@msn.com>; Danny Robbins <dan@drrailroad.com>; Daniel Robbins <dan.b.robbins@gmail.com>; Jon Ryan <Jon.Ryan@continentalrail.us>; tmurphy <tmurphy@bayou.com>
Cc: Doree Magiera <Doree.Magiera@hdrinc.com>; Frostestad, Eric <Eric.Frostestad@hdrinc.com>
Subject: INFRA Project Consortium Agreement draft
Importance: High

Good Evening Everyone –

During the life of the INFRA project, SEAEDD as the Grantee and Grant Administrator must oversee the management of the project. Because this project is comprise of 5 consortium members, it is necessary for all members to agree to work together toward the successful completion of this project. The agreement outlines roles & responsibilities for all consortium members involved, as well as funding flow/process, reporting, etc.

Please review the agreement and make any comments and/or revisions. The goal is to have an agreement in place prior to the signing of the grant agreement, which is expected to be completed and submitted to SEAEDD for execution by the end of August.

Contact me if you have any questions. Thanks

Patrecia Hargrove
Southeast Arkansas Economic Development District, Inc.
721 South Walnut Street
Post Office Box 6806
Pine Bluff, Arkansas 71611
870-536-1971 (Office)
870-536-7718 (Fax)
www.southeastarkansas.org

SEAEDD

CONSORTIUM AGREEMENT

This Consortium Agreement (this "Agreement") is entered into this ___ day of _____, 2020, by and among Southeast Arkansas Economic Development District, an Arkansas nonprofit corporation, created by statute ("SEAEDD"), North Louisiana & Arkansas Railroad, Inc., an Arkansas corporation ("NLA"), Lake Providence Port Commission, a political subdivision of the State of Louisiana ("LPPC"), Madison Parish Port Commission, a political subdivision of the State of Louisiana ("MPPC"), and Delta Southern Railroad, Inc., a Louisiana corporation ("DSR") (SEAEDD, NLA, LPPC, MPPC, and DSR may be collectively referred to as the "Parties").

RECITALS

WHEREAS, there is a continuous short line railroad corridor known as the McGehee-Tallulah Rail Corridor, which stretches for approximately 91.3 miles from McGehee, Arkansas to Tallulah, Louisiana;

WHEREAS, the Owners each own a specific portion of the McGehee-Tallulah Rail Corridor;

WHEREAS, NLA owns approximately 24.1 miles of the rail line from McGehee, Arkansas to Lake Village, Arkansas, more precisely stated as from milepost 408.9 to milepost 433.0 (hereafter referred to as "Segment A");

WHEREAS, SEAEDD owns approximately 21.8 miles of the rail line from Lake Village, Arkansas to the Arkansas-Louisiana State Line, more precisely stated as from milepost 433.0 to milepost 454.8 (hereafter referred to as "Segment B");

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WHEREAS, LPPC owns approximately 16.2 miles of the rail line from the Arkansas-Louisiana State Line to Lake Providence, Louisiana, more precisely stated as from milepost 454.8 to milepost 471.0 (hereafter referred to as "Segment C");

WHEREAS, DSR owns approximately 29.2 miles of the rail line from Lake Providence, Louisiana to Tallulah, Louisiana, more precisely stated as from milepost 471.0 to milepost 500.2 (hereafter referred to as "Segment D");

WHEREAS, MPPC owns railspurs that connect from Segment D to points in the Madison Parish Port;

WHEREAS, in 2016 the Parties previously rehabilitated portions of the rail line in order to place the same back into continuous service, which was funded in part by a United States Economic Development Administration grant, under which SEAEDD and LPPC were co-applicants, and other Parties completed their own separate rehabilitation projects;

WHEREAS, to make additional improvements to the McGehee-Tallulah Rail Corridor, the Parties began operating as a "Consortium" in order to collaborate on their efforts to continue improving the rail line, which initially began in 2017 when they entered collaboratively into an agreement with an engineering firm for professional services related to obtaining grant funds to further improve the rail line;

WHEREAS, SEAEDD was awarded a grant by the Federal Railroad Administration ("FRA") to provide funding for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project (the "Project");

WHEREAS, SEAEDD will be the grantee and grant administrator for the FRA grant funds awarded for the Project;

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WHEREAS, the Project is a unique public-private partnership between a state economic development agency, two (2) public ports, and two (2) private short line railroads;

WHEREAS, LPPC, NLA, and MPPC have allocated certain amounts of non-federal money for use in funding the Project; and

WHEREAS, the Project consists of specific work to be done to each of the Parties' respective Segments of the rail line or to property owned by one of the Parties that connects to a Segment of the rail line.

NOW THEREFORE, in consideration of the mutual promises contained herein the Parties agree as follows:

A. Term of Agreement, Termination

1. This Agreement is entered into by the Parties solely for the purpose of collaborating on the Project funded, in part, by the FRA under the grant agreement between SEAEDD and FRA (the "Grant Agreement"). A copy of the Grant Agreement is attached hereto as Exhibit A and is incorporated by reference as though set forth word for word herein.

2. This Agreement shall expire upon completion of the Project and approval of the final close-out by FRA. However, the expiration of this Agreement shall not affect continuing obligations of the Parties under the terms of this Agreement or the Grant Agreement.

3. SEAEDD, as grantee and grant administrator, may upon written notice suspend or terminate this Agreement, in whole or in part, if:

a. FRA suspends or terminates funding availability for the Project;

b. FRA suspends or terminates the Grant Agreement;

c. Any of the Parties fails to fulfill its obligations under the terms of this Agreement;

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d. Any of the Parties fails to make reasonable progress with respect to their portion of the Project, or does anything to inhibit progress of the Project;

e. Any of the Parties fails to make their non-federal funding contribution; or

f. Any of the Parties violates a provision of this Agreement, or the requirements of the Grant Agreement, resulting in a threat to the substantial completion of the Project in the sole discretion of SEAEDD, as grantee and grant administrator.

4. The Parties may enter into a new agreement in the future for other grant applications or funding ventures for future projects. However, this Agreement is specifically limited to the Project funded, in part, by the Grant Agreement.

5. The rights and obligations of the Parties under this Agreement are intended to survive termination or expiration of this Agreement and shall survive any such termination or expiration.

B. Grant Agreement

1. The Parties agree to comply with any and all applicable requirements of the Grant Agreement, insofar as the provisions of the same are related to any of the Parties, including, but not limited to, budgets, scope of work, Project scheduling, monetary contributions, reporting requirements, expenditure of FRA grant funds, providing information as necessary and required by SEAEDD, as grantee and grant administrator, in order to fulfill SEAEDD's obligations under the terms of the Grant Agreement, any and all applicable local, state, and federal laws, rules and regulations, and as further provided herein and therein.

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2. In the event of a conflict between the Grant Agreement and this Agreement, the terms of the Grant Agreement shall govern, except with regard to the requirement of the Parties to provide the non-federal funding for the Project, which shall be governed by this Agreement.

C. Funding, Administration, Audits

1. SEAEDD is the recipient of an FRA grant award in the amount of $10,516,259.00, which will be utilized for improvements throughout all segments of the rail line. Specifically, the FRA grant award will be spent on improvements to each of the segments of the rail line as follows:

a. $3,431,289.00 for use on improvements to Segment A, as follows:

i. $3,299,316.00 for Rail Infrastructure Rehabilitation as set forth in Section D, below; and

ii. $131,973.00 for Project Development;

b. $1,817,325.00 for use on improvements to Segment B, as follows:

i. $1,747,428.00 for Rail Infrastructure Rehabilitation as set forth in Section D, below; and

ii. $69,897.00 for Project Development;

c. $1,166,306.00 for use on improvements to Segment C, as follows:

i. $1,166,306.00 for Project Development; and

d. $4,101,339.00 for use on improvements to Segment D, as follows:

i. $3,207,789.00 for Rail Infrastructure Rehabilitation as set forth in Section D, below;

ii. $227,474.00 for Double Tracking the Lead Track, as set forth in Section D, below; and

iii. $666,076.00 for Project Development.

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2. LPPC, NLA, and MPPC have pledged non-federal funding totaling $10,861,267.00 for use on improvements to their respective Segments of the rail line. Specifically, the non-federal funding pledged by the Parties contributing such funding is as follows:

a. NLA - $300,000.00 for use on improvements to Segment A and Segment B, as follows:

i. $70,800.00 for Rail Infrastructure Rehabilitation, as set forth in Section D, below;

ii. $150,000.00 for Bridge Upgrades, as set forth in Section D, below;

iii. $73,200.00 for Rehabilitation of existing sidings at Lake Village and Macon Lake, as set forth in Section D, below;

iv. $6,000.00 for Project Development;

b. LPPC - $8,514,000.00 for use on improvements to Segment C, as follows:

i. $2,564,784.00 for Rail Infrastructure Rehabilitation, as set forth in Section D, below;

ii. $51,030.00 for Miscellaneous work, including, but not limited to Anchors, as set forth in Section D, below;

iii. $2,589,826.00 for the NLA-DSR Interchange, as set forth in Section D, below;

iv. $2,422,960.00 for Industrial Leads, as set forth in Section D, below;

v. $885,400.00 for Leads and Tracks in the Port of Lake Providence, as set forth in Section D, below; and

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c. MPPC - $2,047,267.00 for use on improvement to Segment D, as follows:

i. $2,047,267.00 for Double Tracking the Lead Track, as set forth in Section D, below.

3. The Parties hereby agree to contribute the non-federal funding pledged and set forth above for use in the Project as set forth in the Grant Agreement.

4. The Parties shall take any and all actions necessary to ensure that the non-federal funding pledged by them is available at or before the time such funds are needed to meet Project expenses.

5. The Parties acknowledge and agree that they have sufficient funds available to assure continued proper operation and maintenance of their respective segments and property funded under the Grant Agreement and will ensure that the same continues to be properly operated and maintained after the termination of this Agreement. In consideration of the use of FRA funds for the improvements to the Parties' respective Segments, the Parties agree that none of them shall permit, or take, any action that would impede the flow of rail traffic from one Segment to another during the term of this Agreement, nor shall any such action be taken following the termination or expiration of this Agreement. The Parties shall continue to cooperate with one another following the termination or expiration of this Agreement to allow the continued flow of rail traffic throughout the entire McGehee-Tallulah Rail Corridor. In the event of any interruption in service along any of the Segments owned by the respective Parties, the Parties agree to timely notify any and all tenants or customers affected by such interruption in service. The Parties shall be responsible for any loss of revenue suffered by any of the Parties as the result of any interference or impediment to the continual flow of rail traffic throughout the McGehee-Tallulah Rail Corridor, excepting such interference as may arise for maintenance to

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ensure the safe operation of the rail line, and as may or may not be governed by prior or subsequent agreements among the Parties providing for the same.

6. SEAEDD will be responsible for the administration of the funds from FRA under the terms of the Grant Agreement.

7. SEAEDD is not responsible for the administration of the non-federal funding component that is part of the Project.

8. The Parties agree as follows with regard to receipt of FRA funds:

a. The Parties shall be reimbursed for expenditures of money on the Project;

b. The Parties shall submit any and all information necessary and required by SEAEDD, as grantee and grant administrator, to request funds from FRA;

c. Upon receipt of funds requested from FRA, SEAEDD, as grantee and grant administrator, shall reimburse the Parties making a request for reimbursement; and

d. Any reimbursement by SEAEDD, as grantee and grant administrator, to any of the Parties is contingent upon approval and release of funds by FRA and the Parties agree they shall not hold SEAEDD liable for the reimbursement of any funds not approved or received from FRA.

9. The Parties acknowledge that reimbursement of expenses for the Project does not constitute final decision by SEAEDD, as grantee and grant administrator, or FRA, regarding the allowability of the cost, nor does payment constitute a waiver of any violation by any of the Parties of any term of this Agreement. Final determinations on allowability will not be made until an audit of the Project has been completed. The Parties shall remain liable for any disallowed costs, refunds or other transactions determined to be recoverable by FRA, and

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SEAEDD, as grantee and grant administrator, shall have the right to recover any disallowed costs or refunds, corrections, or other transactions determined to be recoverable by FRA.

10. The Parties shall comply with all audit requirements of 2 C.F.R. §§ 200.500 – 200.512. Upon request by SEAEDD, as grantee and grant administrator, the Parties shall permit SEAEDD, its authorized representatives, and if requested FRA, the Secretary and the Comptroller General of the United States, or their authorized representatives, to inspect all Project work, materials, payrolls, and other data, information or documentation, and to audit the books, records, and accounts of the Parties and any contractors relating to the Project.

11. The Parties shall take any and all steps necessary or required, including, but not limited to, litigation, to recover any FRA funds if, after consultation with SEAEDD, as grantee and grant administrator, it is determined that any part of FRA funds have been spent fraudulently, wastefully, or in violation of federal laws and regulations, or any of such funds have been misused in any manner throughout the course of the Project.

12. The Parties will cooperate with SEAEDD, as grantee and grant administrator, to ensure FRA funds for the Project are used in a sound, economical, and efficient manner, in accordance with the Grant Agreement, all parts thereof, and any and all applicable laws, regulations, and policies.

13. The Parties acknowledge and agree they are bound by the terms of the Grant Agreement, shall comply with any and all requirements set forth therein, and shall cooperate with SEAEDD in its capacity as grantee and grant administrator in providing any and all information or documentation necessary or required for purposes of reporting with regard to the use of federal or non-federal funds on the Project.

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D. Scope, Schedule, Budget

1. The Parties acknowledge and agree under the terms of the Grant Agreement that the following improvements to each segment of the rail line will be made using the federal and non-federal funds as follows:

a. Segment A, owned by NLA:

i. Rehabilitate 24 miles of track, which includes upgrading existing excepted track to Class 2 track;

ii. Rehabilitate sidings at Lake Village and Macon Lake, Arkansas; and

iii. Repairs to bridges to accommodate 286,000 lb. gross weight railcars.

b. Segment B, owned by SEAEDD:

i. Rehabilitate 22 miles of track, which includes upgrading the existing excepted track to Class 2 track; and

ii. Repairs to bridges to accommodate 286,000 lb. gross weight railcars.

c. Segment C, owned by LPPC:

i. Rehabilitate approximately 16 miles of track, which includes upgrading the existing excepted track to Class 2 track and replacing other track materials, such as track anchors;

ii. Install 6,600 feet of new track for the proposed NLA-DSR interchange;

iii. Install 1,550 feet of new track to the Consolidated Grain and Barge, Co. facility in Lake Providence, Louisiana;

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iv. Rehabilitate approximately 700 feet of track and install 1,700 feet of new track to Shelburn Grain west of U.S. Highway 65;

v. Install 350 feet of lead track to the John Deere facility in Lake Providence, Louisiana;

vi. Install a 1,500 foot extension of the siding track at the Lake Providence Pass; and

vii. Rehabilitate approximately 700 feet of track and install approximately 1,000 feet of new track to the The Andersons, Inc. in Lake Providence, Louisiana.

d. Segment D, owned by DSR, and ancillary track owned by MPPC:

i. Rehabilitate approximately 10 miles of track, which includes upgrading the existing excepted track to Class 2 track; and

ii. Install a new, second track, approximately 12,000 feet, of the lead track to facilitate port-rail connectivity between the DSR mainline and the Madison Parish Port, which will reduce congestion entering and exiting the Port.

2. In the event any contracted work is over the budgeted amount, as set forth in Sections C.1 and C.2 above, the scope of work for that part of the Project shall be rebid, negotiated, or the Parties affected shall be responsible for paying the difference between the budget amount and the actual cost. SEAEDD, as grantee and grant administrator, must request and obtain prior written approval from FRA for any revisions to the approved budget in the Grant Agreement equaling more than 10% of any budgeted item, or cost category involving contingent or miscellaneous costs. SEAEDD, as grantee and grant administrator, shall not be

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liable for any loss suffered by the Parties resulting from any denial by FRA of a request for budget revision.

3. In the event any of the Parties becomes aware that any portion of work on the Project will not be completed within the time periods set forth in the Grant Agreement, the Parties affected shall immediately notify SEAEDD, as grantee and grant administrator, in a sufficient amount of time to allow SEAEDD, as grantee and grant administrator, to request an extension from FRA. If an extension is necessary, SEAEDD, as grantee and grant administrator, must request the same no later than 90 days prior to the end date for the pertinent Project period. As such, each of the Parties must notify SEAEDD, as grantee and grant administrator, in a sufficient amount of time to permit SEAEDD to make the request for an extension before expiration of the applicable deadline. Any extension not granted by FRA as a result of SEAEDD, as grantee and grant administrator, not having all necessary and required information in a sufficient amount of time to make such a request, shall not be the fault of SEAEDD, and the affected Parties shall be liable for any loss resulting therefrom. For purposes of this paragraph, the phrase "sufficient amount of time" shall be no less than 15 business days prior to the beginning of the 90 day period preceding the end date for the pertinent Project period within which SEAEDD, as grantee and grant administrator, must request an extension.

4. All project scheduling and applicable deadlines for completion of work on the Project are set forth in the Grant Agreement and the Parties shall comply with any and all scheduling and Project deadlines as set forth therein.

E. Compliance with Applicable Laws

1. The Parties shall comply with any and all federal laws, rules, regulations, or policies and any guidance that may be issued by FRA or DOT pertaining to safety in general, as well as to the Project, specifically.

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2. The Parties shall cooperate and assist SEAEDD, as grantee and grant administrator, as necessary with SEAEDD's obligation to assist with FRA's requirements of, and support FRA's compliance with, applicable federal laws, regulations, executive orders, and policies relating to any required environmental reviews under the National Environmental Policy Act and historic preservation analyses under the National Historic Preservation Act and their respective regulations. SEAEDD, as grantee and grant administrator, may request documentation from any of the Parties for submission to FRA, as requested by FRA, and the Parties agree to provide such documentation in a timely manner. The Parties shall work to implement measures to ensure that adverse environmental or historic preservation impacts identified by FRA, and communicated to the Parties by SEAEDD, as grantee and grant administrator, are minimized, avoided, or mitigated.

3. The Parties shall comply, where necessary or required, with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §§ 4601, *et. seq.* and the Department of Transportation ("DOT") implementing regulations, 49 C.F.R. Part 24.

4. The Parties shall comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. § 4012a(a), as may be required or necessary.

5. The Parties shall, at all times throughout and in events relating to the Project, comply with any and all civil rights laws and regulations in accordance with applicable federal directives, including, but not limited to, Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended, 42 U.S.C. § 2000d, *et. seq.*, the DOT Title VI regulations at 49 C.F.R. part 21, prohibiting discrimination on the basis of race, color or national origin; the Americans with

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Disabilities Act ("ADA"), as amended, 42 U.S.C. § 12101, *et. seq.*, the DOT ADA regulations at 49 C.F.R. parts 37-38, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), and DOT regulations at 49 C.F.R. part 27, prohibiting discrimination on the basis of disability; the Age Discrimination in Employment Act, as amended (42 U.S.C. §§ 621 – 634), and the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 1601 – 1607), prohibiting discrimination on the basis of age; Title XI of the Education Amendments of 1972, as amended (20 U.S.C. § 1681, *et. seq.*), prohibiting discrimination on the basis of race, color, national origin, or sex in railroad financial assistance programs; any nondiscrimination regulation implemented or relating to the statutes stated herein; any nondiscrimination executive order implemented relating to the statutes stated herein; any DOT order implemented relating to nondiscrimination; and any other applicable federal, state, or local laws, regulations, requirements, policies, and guidance prohibiting discrimination.

6. The Parties acknowledge that SEAEDD, as grantee and grant administrator, FRA, and the Parties by virtue of their receipt of FRA funds from SEAEDD for reimbursement of Project costs, are subject to FOIA. As such, any and all documentation, information, data, or other material submitted to SEAEDD, as grantee and grant administrator, or to FRA by SEAEDD will become records subject to FOIA and are subject to release upon FOIA requests.

7. The Parties acknowledge and agree that their performance will be governed by and in compliance with this Agreement, and applicable provisions of the Grant Agreement, 2 C.F.R. §§ 200 – 200.251, including Appendices I –XI, and DOT's implementing regulations at 2 C.F.R. Part 1201.

8. The Parties acknowledge that federal laws, rules, regulations, policies, and administrative practices in place as of the date of the execution of this Agreement may be

modified from time to time and agree that the most recent such laws, rules, regulations, policies, and administrative practices will govern the terms of this Agreement, except where there is sufficient evidence in this Agreement of a contrary intent. In addition, the Parties acknowledge new federal laws, rules, regulations, policies, and administrative practices may be established subsequent to the execution of this Agreement and agree to comply with any and all applicable rules, regulations, policies, and administrative practices arising after the date of execution of this Agreement. Further, the Parties shall include in any contracts or awards receiving any funds, federal or non-federal, for the Project, specific notice that federal requirements may change and those changes apply to the Project, as required. Any and all limits or standards set forth in this Agreement to be observed throughout the Project are minimum requirements.

9. In the event any provision of this Agreement violates any applicable state, territorial, or local law, or if compliance with any provision of this Agreement would require the Parties to violate any applicable state, territorial, or local law, the affected Parties shall immediately notify SEAEDD, as grantee and grant administrator, in writing to permit SEAEDD to coordinate with FRA or the affected Parties to make appropriate arrangements for proceeding with the Project.

10. The Parties shall comply with any and all applicable federal laws, regulations, executive orders, policies, guidance, and requirements as the same relate to the application, acceptance, and/or use of FRA funds under this Agreement. Such applicable federal laws, regulations, executive orders, policies, guidance, and requirements include, but are not limited to, those referenced in this Agreement.

11. The Parties shall comply with environmental protection requirements described in this Agreement and in the Grant Agreement, and shall ensure that all work conducted on the

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Project complies with all applicable laws, regulations, executive orders, and policies related to environmental protection and historic preservation, including, but not limited to, Section 114 of the Clean Air Act (42 U.S.C. § 7414) and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. § 1318).

12. The Parties shall comply with the applicable provisions of Fixing America's Surface Transportation Act, Section 1105 (23 U.S.C. § 117).

13. The Parties acknowledge that responses to requests under the Freedom of Information Act ("FOIA") with regard to the Project, will be governed by 2 C.F.R. § 200.315(e), and any definitional provisions set forth therein. The Parties agree to comply with such provisions in responding to requests under FOIA and to cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any obligation to respond to such requests.

14. The Parties agree that any contractors or other recipients of FRA funds from the Grant Agreement, directly or indirectly, shall be required by the Parties so contracting to comply with all applicable federal regulations, requirements and guidance governing the same.

15. The Parties must comply with all applicable parts of the Grant Agreement, including applicable provisions of 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and Department of Transportation's ("DOT") implementing regulations at 2 C.F.R. Part 1201 *See* 2 C.F.R. § 200.101. The Parties shall also comply with any and all federal statutory and regulatory requirements, including any limitations on the use of funds. The Parties shall ensure that their contractors and subcontractors will comply with the same requirements as set forth herein by contractually binding them to the same.

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16. The Parties shall immediately notify SEAEDD, as grantee and grant administrator, in writing of any change in any local law, conditions, or any other event that may affect the Parties from fulfilling its obligations under the terms of this Agreement. The Parties shall immediately notify SEAEDD, as grantee and grant administrator, of any decision relating to the conduct of litigation of any of the Parties that may have any effect on SEAEDD's interests in the Project, on the administration of the FRA funds, or the enforcement of any applicable laws or regulations. Before SEAEDD, as grantee and grant administrator, or FRA can be named as a party in litigation for any reason whatsoever, the affected Party shall notify SEAEDD in writing and allow SEAEDD to notify FRA in writing.

F. Property, Equipment, Supplies, Publications and Acknowledgment of FRA Support

1. The Parties acknowledge and agree any property or equipment funded by the FRA under the Grant Agreement shall be used for the originally authorized purpose and the Parties will take any and all actions necessary to ensure their tenants, or anyone else having any right in the same, will continue to use the same for the originally authorized purpose.

2. The Parties, for any property or equipment acquired or improved with FRA funds, shall comply with applicable property management standards imposed by federal regulations, including but not limited to 2 C.F.R. §§ 200.310 – 200.316, and equipment use, management, and disposal standards imposed by federal regulations, including, but not limited to 2 C.F.R. § 1201.313, including amendments thereto and any other applicable guidelines or regulations.

3. The Parties shall maintain any property or equipment that is part of the Project and acquired or improved with FRA funds in good operating order and in accordance with any and all applicable guidelines, directives, or regulations that may be issued by FRA.

4. The Parties acknowledge that FRA may require the transfer of title to, or otherwise direct the disposition of, any property, equipment, or supplies acquired or improved

for the Project with FRA funds, as required under 2 C.F.R. §§ 200.311 – 200.316, and agree that they will cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any such obligation required by FRA.

5. In the event any property, equipment, or supplies acquired or improved for the Project with FRA funds are not used for the duration of their useful life, which shall be determined by FRA, the Parties shall immediately notify SEAEDD, as grantee and grant administrator, whether such use ceases by reason of planned withdrawal, misuse, or casualty loss and the Parties acknowledge and agree that disposition of any such withdrawn property, equipment, or supplies shall be in accordance with 2 C.F.R. §§ 200.311 – 200.316.

6. Without first obtaining express written consent from SEAEDD, as grantee and grant administrator, the Parties agree not to:

a. Execute any transfer of title, lease, lien, pledge, mortgage, encumbrance, contract, grant anticipation note, alienation, or other obligation that would in any way dispose of or encumber the Parties' title or other interest in property or equipment acquired or improved for the Project with FRA funds; or

b. Obligate itself, in any manner, to any third party with respect to Project property or equipment. Further, the Parties shall take no action that would adversely impact any interest FRA may have or impair the Parties' continuing control over the use of the property or equipment acquired or improved for the Project with FRA funds.

7. Any intangible property, as defined in 2 C.F.R. § 200.59, that is acquired by any of the Parties in the performance of this Agreement shall vest in the Party upon acquisition by the same. However, any of the Parties acquiring any such interest must use it for the originally

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authorized purpose and may not encumber the interest without prior written approval by SEAEDD, as grantee and grant administrator. Any disposition of such interest acquired by any of the Parties, once it is no longer needed for its originally authorized purpose, shall be in compliance with 2 C.F.R. § 200.313(e).

8. The Parties may copyright work subject to copyright and developed for, or acquired under, this Agreement. However, the Parties acknowledge that FRA reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so, and the Parties agree they will cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any such request by FRA.

9. The Parties acknowledge that FRA reserves a royalty free, nonexclusive, and irrevocable license to use, and to authorize others to use, for Federal purposes, any patents secured by any of the Parties in the course of the Project and the Parties agree to cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any such request by FRA.

10. The Parties acknowledge, with regard to any research data, as defined in 2 C.F.R. § 200.315(e)(3), acquired as a result of the Project, FRA has the right to obtain, reproduce, publish, or otherwise use the same and to authorize others to receive, reproduce, publish, or otherwise use the same, and the Parties agree to cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any such request by FRA.

11. Any publication or other product developed by any of the Parties as a result of the Project, whether copyrighted or not, must contain an acknowledgement of FRA support and a disclaimer of such support, in the following terms:

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a. "This material is based upon work supported by the Federal Railroad Administration under [*INSERT GRANT/COOPERATIVE AGREEMENT NUMER*], [*INSERT DATE OF AWARD*]."

b. "Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the Federal Railroad Administration and/or U.S. DOT."

12. The Parties agree to send to SEAEDD, as grantee and grant administrator, three copies clearly referencing appropriate identifying information, any article resulting from work on the Project, which is published in a scientific, technical, or professional journal or publication, to allow SEAEDD, as grantee and grant administrator, to comply with its obligations for providing the same to FRA under the terms of the Grant Agreement.

G. Accounting, Reporting, Record Keeping

1. The Parties shall establish accounting systems whereby any FRA funds received can be separately tracked and accounted for and shall maintain accurate records of all FRA funds received.

2. The Parties shall ensure that all checks, payrolls, invoices, contracts, vouchers, orders, and other accounting documents relating in whole or in part to the Project are clearly identifiable as relating to the Grant Agreement, readily accessible, and kept separate from accounting documents not relating to the Project.

3. The Parties shall cooperate and provide any and all documentation and information necessary and required by SEAEDD, as grantee and grant administrator, to fulfill its obligations under the Grant Agreement for providing FRA quarterly progress reports, quarterly financial reports, interim performance reports, and final performance reports, as well as any other reports required by FRA under the Grant Agreement, or otherwise.

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4. The Parties shall maintain and upon request provide to SEAEDD, as grantee and grant administrator, throughout the Project and for a minimum of three years following notification by FRA of grant closeout, complete and accurate data, documents, reports, records, contracts, and supporting materials relating to the Project, and shall otherwise comply with any additional requirements set forth in 2 C.F.R. §§ 200.333 – 200.337. However, in the event of litigation, any claim, or audit being initiated prior to expiration of the period contemplated in this paragraph, any and all such records shall be retained for the later of completion of the action and resolution of the issues or the period contemplated in this paragraph.

5. The Parties shall produce any and all information, data, documentation, or other items requested by SEAEDD, as grantee and grant administrator, in a format that will enable SEAEDD to comply with any requirements imposed by FRA regarding the format in which such information must be provided.

6. The Parties shall obtain and maintain an active System for Award Management ("SAM") registration and Data Universal Numbering System ("DUNS") Number and ensure that all SAM and DUNS information is current throughout the life of the Project. In the event any SAM or DUNS information becomes inactive, expired, or incorrect, the Parties will not be able to complete any Project work funded with FRA funds, including obligating or receiving payment of FRA funds from SEAEDD, as grantee and grant administrator, and SEAEDD may take appropriate action to terminate this Agreement.

7. The Parties shall cooperate in providing SEAEDD, as grantee and grant administrator, with any and all documentation or information necessary or required in order for it to develop the Detailed Project Work Plan, Budget, and Schedule for the Project work, as required under the Grant Agreement, which must be submitted to FRA for review and approval.

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8. The Parties acknowledge and agree that work on the Project cannot commence until the Detailed Work Plan, Budget, and Schedule have been submitted and approved in writing by FRA. Any work completed by any of the Parties prior to such approval will not be reimbursed for costs incurred in contravention of this requirement and the Parties agree not to hold SEAEDD, or its officers, directors, employees, or agents liable for any such disallowed costs.

9. The Parties agree to cooperate with SEAEDD, as grantee and grant administrator, in providing any and all information or documentation necessary and required to allow SEAEDD to fulfill its reporting obligations as set forth in the Grant Agreement, including, but not limited to, periodic reporting, final reporting, and the close-out process for the Project. The close-out process includes, but is not limited to, final checks on contractor work, collecting and reviewing final documentation, making final payments, and submitting a final performance report, and any other required reports, to FRA within ninety days of the Project performance end date. The Parties agree to provide any information or documentation requested by SEAEDD, as grantee and grant administrator, in a sufficient amount of time to allow SEAEDD to meet any applicable reporting deadlines. The final performance report must describe the cumulative activities of the Project, including complete and accurate descriptions of the achievements of the Project relating to the Project's objectives and milestones, overall budget and financial status, benefits obtained from the use of FRA funds, and service outcomes. For purposes of this paragraph, the phrase "sufficient amount of time" shall mean no less than 15 business days prior to the date SEAEDD, as grantee and grant administrator, is required to submit any reports to FRA, or any other time period required of the Parties by SEAEDD, as grantee and grant administrator, set forth in a

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request for information or documentation from the Parties to enable SEAEDD, as grantee and grant administrator, to compile and submit reports to FRA.

10. The Parties acknowledge that FRA has determined that the Project is categorically excluded from detailed environmental review. However, until such time as FRA issues a written notice to proceed, which will be informed by a final National Environmental Policy Act ("NEPA") document, activity on the Project may not commence. The Parties further acknowledge any change in the categorical exclusion determination may result in a change by FRA to the Grant Agreement, which would necessitate a change to this Agreement. The Parties agree they will not hold SEAEDD, its employees, officers, directors, or agents liable for any funds expended by any of the Parties prior to FRA's written notice to proceed, in the event any such costs are disallowed. In the event the Project leads to work outside the scope considered by FRA in making its NEPA determination, which may affect the environment, the Parties becoming aware of such shall immediately notify SEAEDD, as grantee and grant administrator, and shall not allow such work to begin until SEAEDD receives a written notice to proceed from FRA. In situations such as this, FRA may require additional environmental review and the Parties agree to cooperate with SEAEDD, as grantee and grant administrator, in fulfilling any obligations relating to the same.

11. The Parties shall cooperate in providing to SEAEDD, as grantee and grant administrator, any and all documentation necessary and required by FRA in order to comply with NEPA and any other applicable environmental laws. This may include, but is not limited to, Project maps, Project description, and any other requested and relevant background information.

12. The Parties shall keep and maintain satisfactory records regarding the use of any property, equipment, or supplies acquired or improved for the Project with FRA funds and

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submit, upon request by SEAEDD, as grantee and grant administrator, any and all information necessary and required to ensure compliance with FRA requirements for this purpose.

H. Prohibitions

1. The Parties are prohibited from engaging in severe forms of trafficking in persons throughout the duration of the Project; procuring a commercial sex act at any time throughout the duration of the Project; or using forced labor in performance of any of the work for the Project. The Parties acknowledge that FRA may terminate the Grant Agreement, and SEAEDD, as grantee and grant administrator, may terminate this Agreement, if it is determined that any of the Parties has violated the provisions of this paragraph or has an employee that violated the provisions of this paragraph through conduct that is associated with performance of the Grant Agreement or this Agreement, or is imputed to any of the Parties using standards and due process for imputing such conduct of an individual to an organization.

2. The Parties shall notify SEAEDD, as grantee and grant administrator, immediately of any information received from any source alleging a violation of the prohibitions set forth in the preceding paragraph and the Parties acknowledge the right to terminate hereunder is in addition to all other remedies for noncompliance under this Agreement.

3. The Parties shall maintain written codes of conduct governing performance of their respective officers, employees, board members, or agents engaged in any manner whatsoever in the Project for which FRA funds are expended. The code of conduct shall provide that the Parties' officers, employees, board members, or agents may neither solicit or accept gratuities, favors or anything of monetary value from present or potential contractors, person, or entity that may directly or indirectly benefit from FRA funds. However, the codes of conduct may provide for minimum rules whereby an unsolicited gift of non-monetary, nominal intrinsic value, may be accepted. As permitted by state or local laws or regulations, such codes of

conduct shall provide for penalties, sanctions, or other disciplinary measures for violations by the Parties' officers, employees, board members, or agents.

4. The codes of conduct contemplated in the preceding paragraph shall provide that none of the Parties' employees, officers, board members, or agents may participate in the selection, award, or administration of any contract or award supported by FRA funds if any real or apparent conflict of interest would be involved. Such a conflict would arise when an employee, officer, agent, or any member of their respective immediate family, partner, or organization employing, or about to employ, any of those individuals or entities, has a financial or other interest in, or tangible personal benefit from, an entity or person considered for a contract or award involving FRA funds.

5. The codes of conduct contemplated herein shall include procedures for identifying and preventing any real or apparent organizational conflicts of interest, which exist when the nature of the work to be performed under a proposed contract or award, may, without restriction on future activities, result in an unfair competitive advantage to the contractor or award recipient, or would impair their objectivity in performing the work for which the contract or award is granted.

6. The Parties are not required to adopt new written codes of conduct where there is an existing code of conduct in place to cover all of the elements contemplated herein, or where a state statute adequately covers the same.

7. The Parties are encouraged to adopt and enforce workplace policies to reduce accidents caused by distracted drivers, including policies prohibiting text messaging while operating company owned or company leased or rented vehicles, or government owned, government leased or rented vehicles, or privately owned or leased vehicles when performing

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work for the Parties or when on official business for the Parties. This includes, but is not limited to, considering new rules or programs prohibiting text messaging while driving, or reevaluating existing rules and programs, conducting training, education, awareness and other outreach for employees regarding the safety risks associated with text messaging while driving, and encouraging voluntary compliance with such policies when off duty. The Parties are encouraged to include the substance of this paragraph in any contracts for work on the Project utilizing FRA funds. Where any of the Parties is located in a state that has enacted legislation regarding text messaging while driving, that state's laws control, and any such policies adopted may be more restrictive to meet the requirements of this paragraph, but must meet the minimum requirements of any requirements of that state's laws.

8. Where any of the Parties are relying on existing policies, procedures, or statutes to satisfy the requirements of this Section, a copy of the same shall be provided to SEAEDD, as grantee and grant administrator.

I. Accessibility and Participation

1. The Parties shall permit SEAEDD, as grantee and grant administrator, FRA, or either of their respective authorized representatives, to make site visits to monitor and review Project activities, accomplishments, and management control, and to provide any technical assistance that may be required. In the event such a visit is made, the Parties shall provide, or ensure provision is made for, reasonable facilities and assistance for the safety and convenience of SEAEDD, as grantee and grant administrator, FRA, or either of their respective authorized representatives to perform their duties during such visit. In fulfilling the obligations in this paragraph, the Parties agree they are responsible for ensuring any tenants cooperate in permitting such access.

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2. The Parties shall permit SEAEDD, as grantee and grant administrator, to erect at any place where work for the Project is occurring, and maintain the same throughout the duration of the work on the Project, signs identifying the Project and indicating that FRA is participating in the funding of the Project.

3. The Parties agree to cooperate with SEAEDD, as grantee and grant administrator, in its facilitating the coordination of all activities necessary for implementation of the Project.

4. The Parties shall cooperate, and where required, participate with SEAEDD, as grantee and grant administrator, in monitoring and evaluating the progress of the Project through regular meetings throughout the duration of the Project. This includes, but is not limited to, as requested and required by SEAEDD, meeting with FRA for Project kickoff; hiring qualified consultants or contractors to perform required Project work; attending regularly scheduled meetings with FRA, as required and necessary; submitting invoices for SEAEDD review and approval prior to submission of the same to FRA; assisting and cooperating in Project close-out audits to ensure contractual compliance and in the preparation of the close-out report; assisting and cooperating with SEAEDD in submitting to FRA required documentation and other deliverables required under the Grant Agreement for the Project, including periodic requests and invoices; assist and cooperate with SEAEDD in complying with all FRA Project reporting requirements, including, but not limited to, status reports by task breakdown and percent complete, changes and explanations for changes in and updated versions of the Detailed Project Work Plan, Budget, and Schedule, descriptions of unanticipated problems and any resolution since the immediately preceding progress report, and summary of work scheduled for the next progress period; reading and understanding the terms of this Agreement and the Grant

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Agreement; and notifying SEAEDD of changes that require written approval for the modification of this Agreement.

5. The Parties shall ensure that any of their tenants cooperate in providing access to the locations upon which the Project work is to be completed and will not permit any tenant to restrict access required for performance, or otherwise interfere or inhibit the progress of work for the Project or the performance of the Grant Agreement.

J. Amendments and Assignability

1. Modifications or amendments to this Agreement may only be made in writing signed by authorized representatives of all Parties. However, in the event FRA requires modification to the Grant Agreement, as set forth therein, none of the Parties may unreasonably withhold consent to modify or amend this Agreement as may be required by any such modification of the Grant Agreement required by FRA.

2. None of the Parties are authorized to assign their rights under this Agreement without SEAEDD's prior written consent, which may be withheld for any reason.

K. Entire Agreement, Authority, Execution, Severability, Miscellaneous

1. This Agreement constitutes the entire agreement between the Parties. All prior discussions, understandings, or agreements with regard to the Project are superseded by this Agreement.

2. Each of the Parties affirms and acknowledges that it has authority to enter into this Agreement and further affirms and acknowledges that any required resolutions or other similar actions have been duly adopted authorizing it to enter into and be bound by the terms of this Agreement.

3. Each of the Parties agrees that it will not permit, or take, any action that would result in it being deprived of the right and power to perform its obligations under this Agreement

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and each of the Parties hereby agrees that it will act promptly to rectify any outstanding claims or rights of any person or entity not a party to this Agreement that might or could interfere with the performance of the obligations hereunder.

4. This Agreement may be executed in separate counterparts, each of which when so executed will be deemed an original.

5. Should any provision of this Agreement be held invalid, all remaining provisions shall continue in full force and effect to the extent not inconsistent with such holding.

6. The Parties shall not commence any work on the Project requiring FRA funding until authorized to do so by SEAEDD, as grantee and grant administrator.

7. This Agreement has been negotiated and prepared by the Parties and all Parties have had an opportunity to have their own counsel review and participate in drafting the same and each having done so, no provision of this Agreement shall be construed more strictly against one of the Parties.

8. As used in this Agreement, words in the singular include the plural, and words in the plural include the singular, in each case as the context may require.

9. Headings are for convenience only and do not constitute part of this Agreement.

10. The Parties agree that this Agreement shall be governed by the laws of the State of Arkansas and that venue for any cause of action arising out of this Agreement shall be proper in the circuit courts of the State of Arkansas having jurisdiction.

[*SIGNATURES ON FOLLOWING PAGE*]

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IN WITNESS WHEREOF, the Parties now execute this Consortium Agreement as of the date first written above.

SOUTHEAST ARKANSAS ECONOMIC DEVELOPMENT DISTRICT, INC.

By _____

Title _____

NORTH LOUISIANA & ARKANSAS RAILROAD, INC.

By _____

Title _____

LAKE PROVIDENCE PORT COMMISSION

By _____

Title _____

MADISON PARISH PORT COMMISSION

By _____

Title _____

DELTA SOUTHERN RAILROAD, INC.

By _____

Title _____

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Attachment No. 9
August 18, 2020 Email from Hargrove to Marino

RE: INFRA Grant Award

John Marino <John.Marino@continentalrail.us>
Fri 8/21/2020 11:24 AM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>

Mrs. Patrecia Hargrove,

The Delta Southern will commit to completing the grant work outlined in our original estimates as detailed below.

The following is the construction estimate that we proposed:

	Priority - Miles				
MP	40% Ties per mile	3,500 Tons Ballast per mile	Tamping	Labor for Ballast / Miscellaneous	Total
500	$120,680.00	108,500	6,000	15,180	$250,360.00
499	$120,680.00	108,500	6,000	15,180	$250,360.00
498	$120,680.00	108,500	6,000	15,180	$250,360.00
497	$120,680.00	108,500	6,000	15,180	$250,360.00
496	$120,680.00	108,500	6,000	15,180	$250,360.00
495	$120,680.00	108,500	6,000	15,180	$250,360.00
494	$120,680.00	108,500	6,000	15,179	$250,359.00
493	$120,680.00	108,500	6,000	15,179	$250,359.00
492	$120,680.00	108,500	6,000	15,179	$250,359.00
491	$120,680.00	108,500	6,000	15,179	$250,359.00
	$ 1,206,800	$1,085,000	$ 60,000	$ 151,796	$ 2,503,596

Thank you for your email and we look forward to working with you to complete this work.

John H.Marino,Jr.
CONTINENTAL RAIL
2929 E. Commercial Boulevard, Suite PH-D
Fort Lauderdale, Florida 33308

Email: John.Marino@ContinentalRail.us
Office Phone. 855.946.7245
Mobile 703.629.6236

Web: www.continentalrail.us

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From: Patrecia Hargrove <phargrove@southeastarkansas.org>
Sent: Tuesday, August 18, 2020 12:43 PM
To: John Marino <John.Marino@continentalrail.us>
Cc: Wyly Gilfoil <Wyly_Gilfoil@msn.com>; tmurphy <tmurphy@bayou.com>
Subject: INFRA Grant Award
Importance: High

Mr. Jon Marino,

I need to have an answer in writing by 12 noon CDT on Friday, August 21, 2020 describing Delta Southern Railroad's intentions as far as the Consortium Agreement and the Grant Agreement to repair the track between Talla Bena, Louisiana and Lake Providence, Louisiana to a minimum of FRA Class I standards and provide service as described in the narrative of the INFRA application and INFRA award.

I look forward to your written response.

Patrecia Hargrove
Executive Director
Southeast Arkansas Economic Development District, Inc.
721 South Walnut Street
Post Office Box 6806
Pine Bluff, Arkansas 71611
870-536-1971 (Office)
870-536-7718 (Fax)
www.southeastarkansas.org



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Attachment No. 10
MD Power Presentation


MDGS

MDGS IS AN APOSTILLE SEAL COMPANY

UNITED STATES APOSTILLE SEAL



18042620-12

United States of America

DEPARTMENT OF STATE

To all to whom these presents shall come, Greetings:

I Certify That the document hereunto annexed is under the Seal of the State(s) of Florida, and that such Seal(s) is/are entitled to full faith and credit.*

**For the contents of the annexed document, the Department assumes no responsibility*
This certificate is not valid if it is removed or altered in any way whatsoever

In testimony whereof, I, Michael R. Pompeo, Secretary of State , have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Assistant Authentication Officer, of the said Department, at the city of Washington, in the District of Columbia, this fifteenth day of June, 2018.

Secretary of State

By_____
Assistant Authentication Officer,
Department of State

Issued pursuant to CHXIV, State of Sept. 15, 1789, 1 Stat. 68-69; 22 USC 2657; 22USC 2651a; 5 USC 301; 28 USC 1733 et. seq.; 8 USC 1443(f); RULE 44 Federal Rules of Civil Procedure.

CHINESE EQUIVALENT



（2018）美领认字第 0016409 号

兹证明前面文书上美国国务院的印章和助理认证官CHANA TURNER的签字均属实。

该文书内容由出文机构负责。

中华人民共和国
驻美国大使馆领事部
一等秘书兼领事

2018年06月20日

A5546862

CHINA AUTHENTICATION

RST

MDGS



April 2017

Fully functional 440 TPD Renewable Energy plant



How are we Renewable Energy

Federal Renewable Energy Requirements-

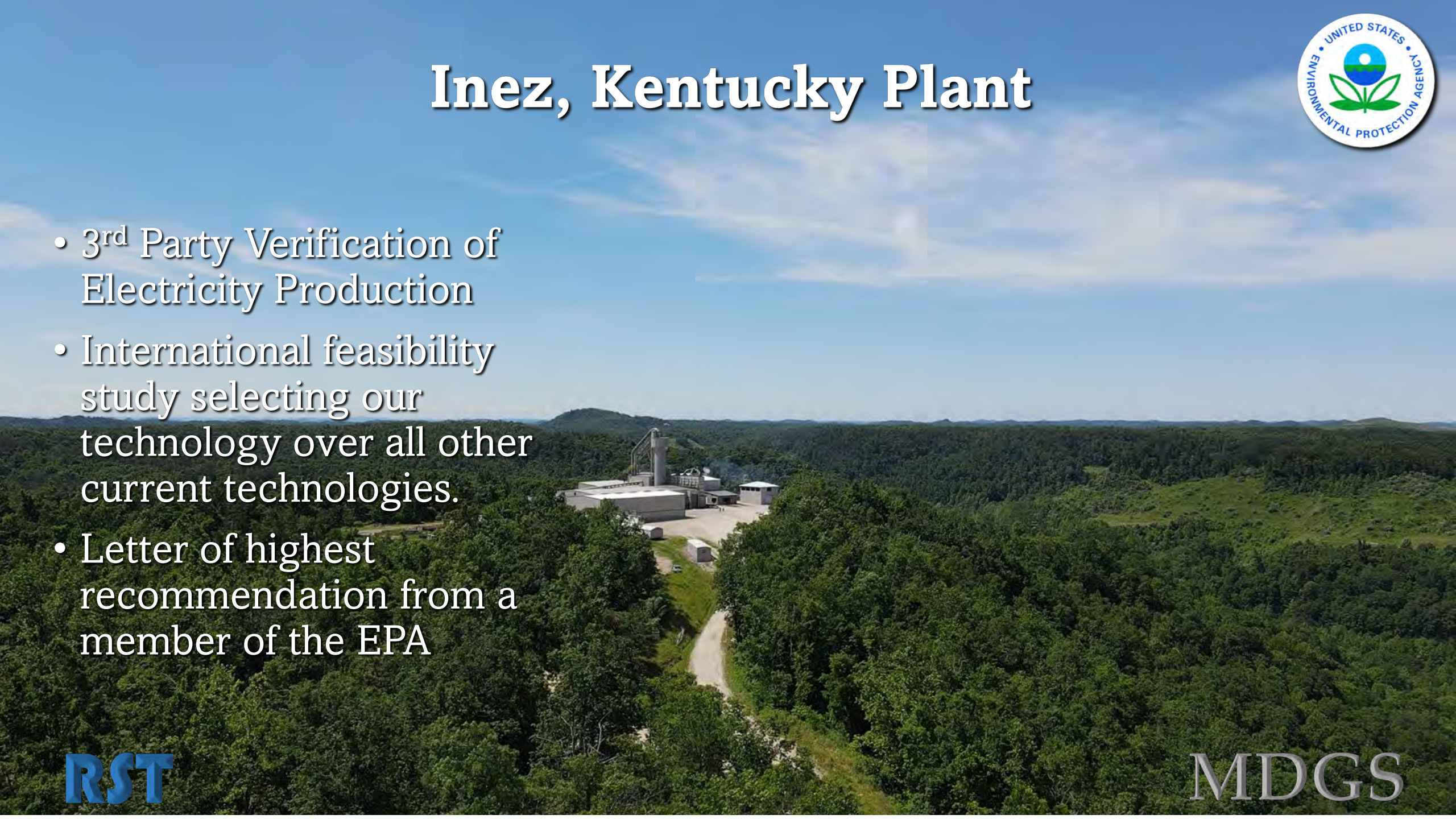
As defined in 42 U.S.C. § 15852(b), renewable electricity is electric energy generated from solar, wind, biomass, landfill gas, ocean (including tidal, wave, current, and thermal), geothermal, municipal solid waste, or new hydroelectric generation capacity achieved from increased efficiency or additions of new capacity at an existing hydroelectric project. Per the Implementing Instructions for Executive Order 13834, for hydroelectric, "new" means placed in service after Jan. 1, 1999, consistent with the definition of new hydroelectric generation capacity in section 2852 of the National Defense Authorization Act for Fiscal Year 2007 as amended by section 2842 of the National Defense Authorization Act for Fiscal Year 2010 (10 U.S.C. § 2911(e)).

- Department of Energy

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Inez, Kentucky Plant

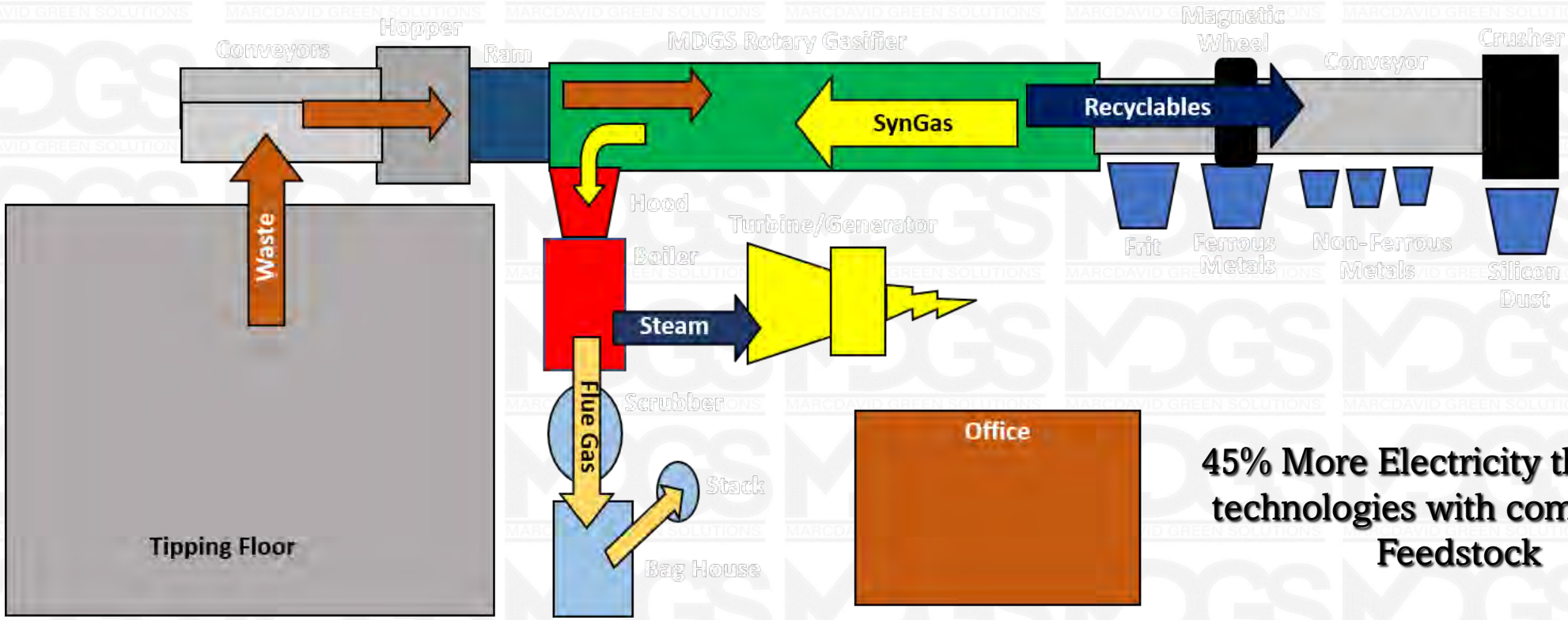
- 3rd Party Verification of Electricity Production
- International feasibility study selecting our technology over all other current technologies.
- Letter of highest recommendation from a member of the EPA



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Low Heat Rotary Gasification Layout



45% More Electricity than other technologies with comparable Feedstock

Operates 24/7 with 24 -30 employees

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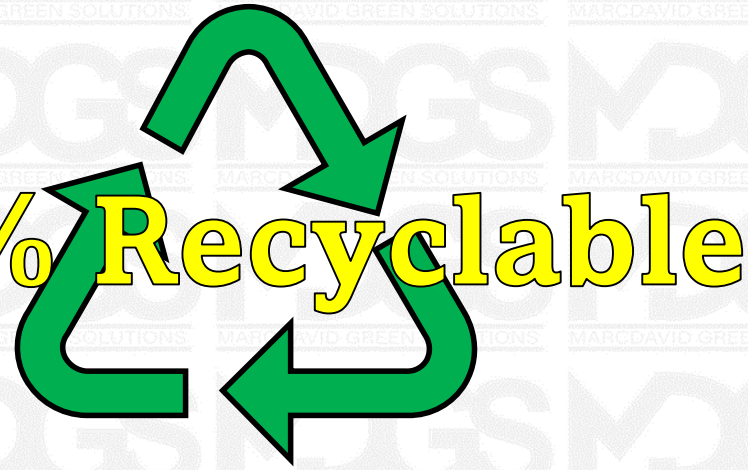
Scales

MDGS

Path 1—Waste Stream

PATENTED/PROPRIETARY ROTARY GASIFIER

Scale House to 100% Recyclables



No Need for Landfill

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SCALES—INDUSTRY STANDARD

- MSW/Fuel in
- 100% recyclables out



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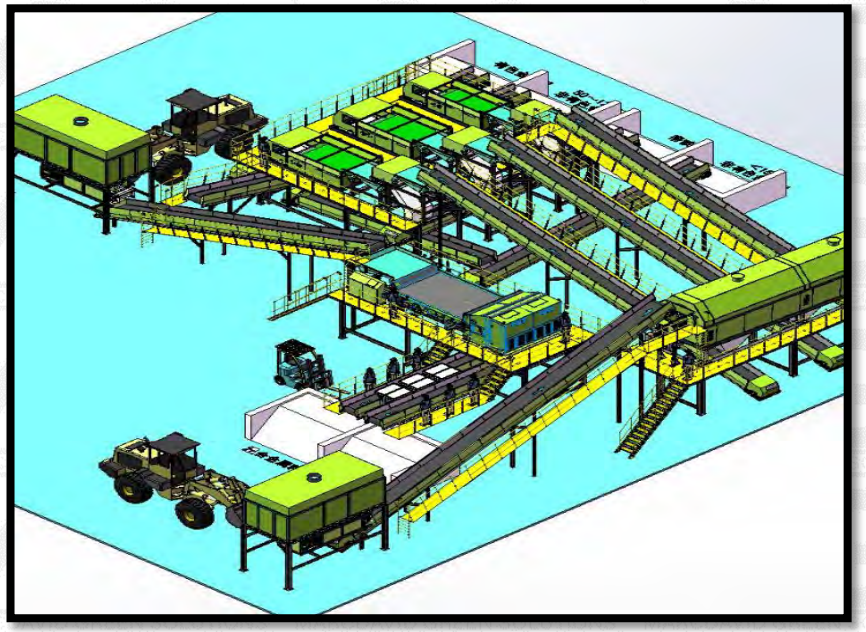
NO PRE- PROCESSING OF MSW!!!!



No Pre- sorting

No Pre- shredding

No Pre- treatment



Drastically Reducing need for Electricity (Parasitic Load), Land, Resources

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TIPPING FLOOR BASICS





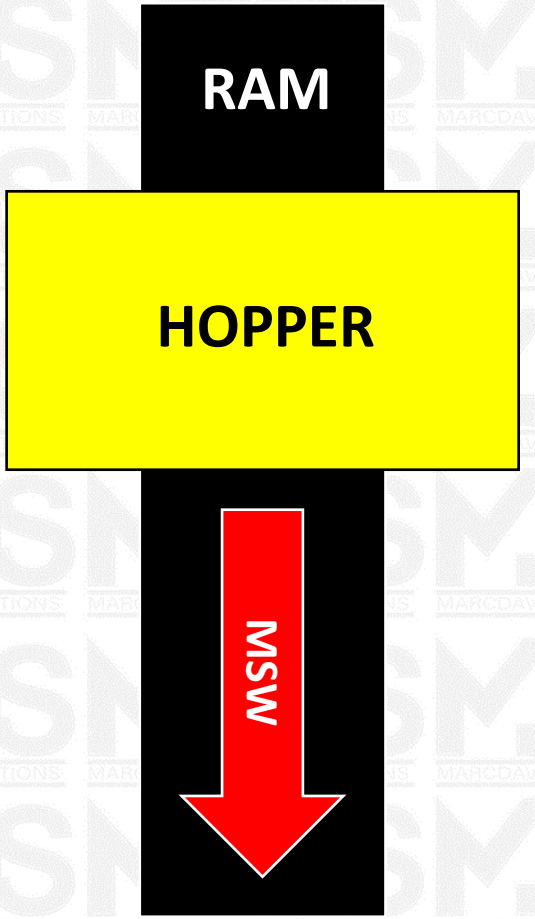


- Each Tipping Floor is Unique
- Large enough to mix and fluff MSW
- Completely enclosed with ID (Induced Draft) fans
- Sloped floor

MDGS

HOPPER/RAM

- Hopper (Giant Funnel) loads the high-powered Ram
- If it fits in Chute it can fit in Gasifier
- Design creates Oxygen Deprived environment— (1% O_2)
- It continually feeds gasifier through hinged gate



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HOPPER AND RAM



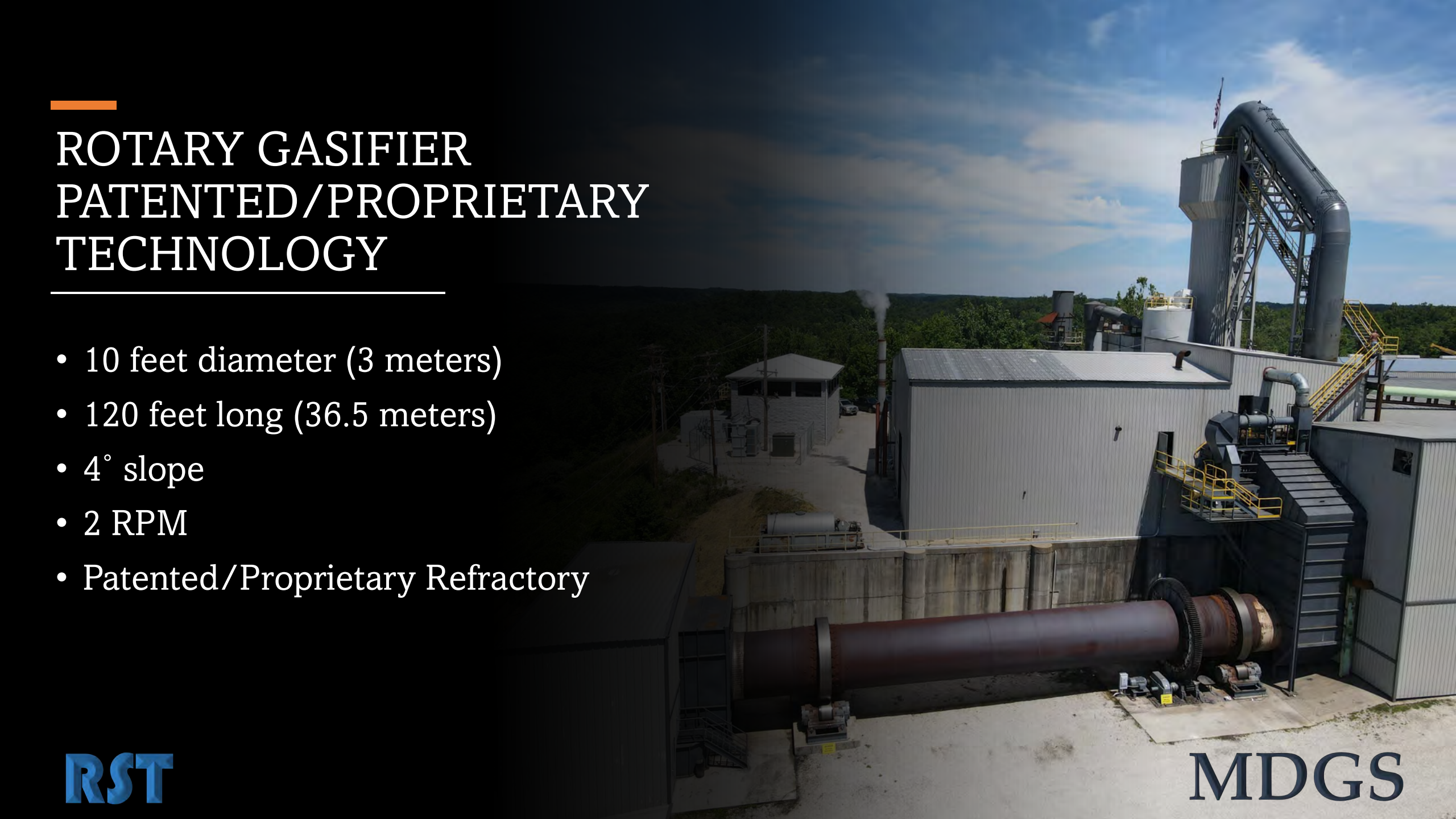


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ROTARY GASIFIER PATENTED/PROPRIETARY TECHNOLOGY

- 10 feet diameter (3 meters)
- 120 feet long (36.5 meters)
- 4˚ slope
- 2 RPM
- Patented/Proprietary Refractory

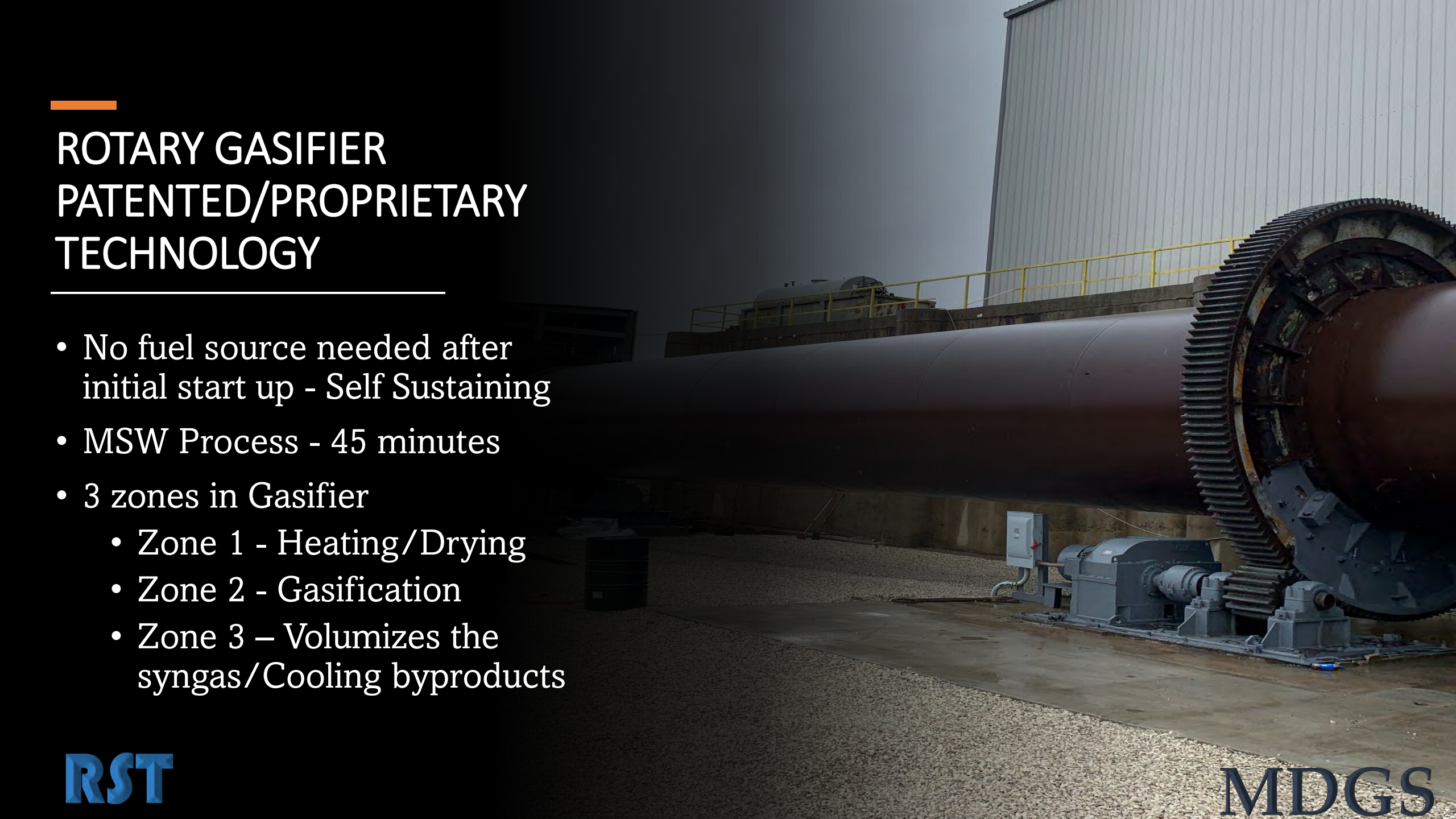


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ROTARY GASIFIER PATENTED/PROPRIETARY TECHNOLOGY

- No fuel source needed after initial start up - Self Sustaining
- MSW Process - 45 minutes
- 3 zones in Gasifier
  - Zone 1 - Heating/Drying
  - Zone 2 - Gasification
  - Zone 3 – Volumizes the syngas/Cooling byproducts



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ROTARY GASIFIER PATENTED/PROPRIETARY TECHNOLOGY

- MSW enters gasifier through the spiral flights
- Approximately 400˚F (204˚C)
- MSW is heated and dried
- Prepares MSW for Gasification



ROTARY GASIFIER PATENTED/PROPRIETARY TECHNOLOGY

- All Organics are reduced to Syngas and give up all paper, plastics, etc.
- Syngas Composition - Nitrogen, Hydrogen, Oxygen, Methane, Carbon Monoxide
- 850˚F (454˚C) Gasifies Organics & Leaves Inorganics Whole



ROTARY GASIFIER PATENTED/PROPRIETARY TECHNOLOGY

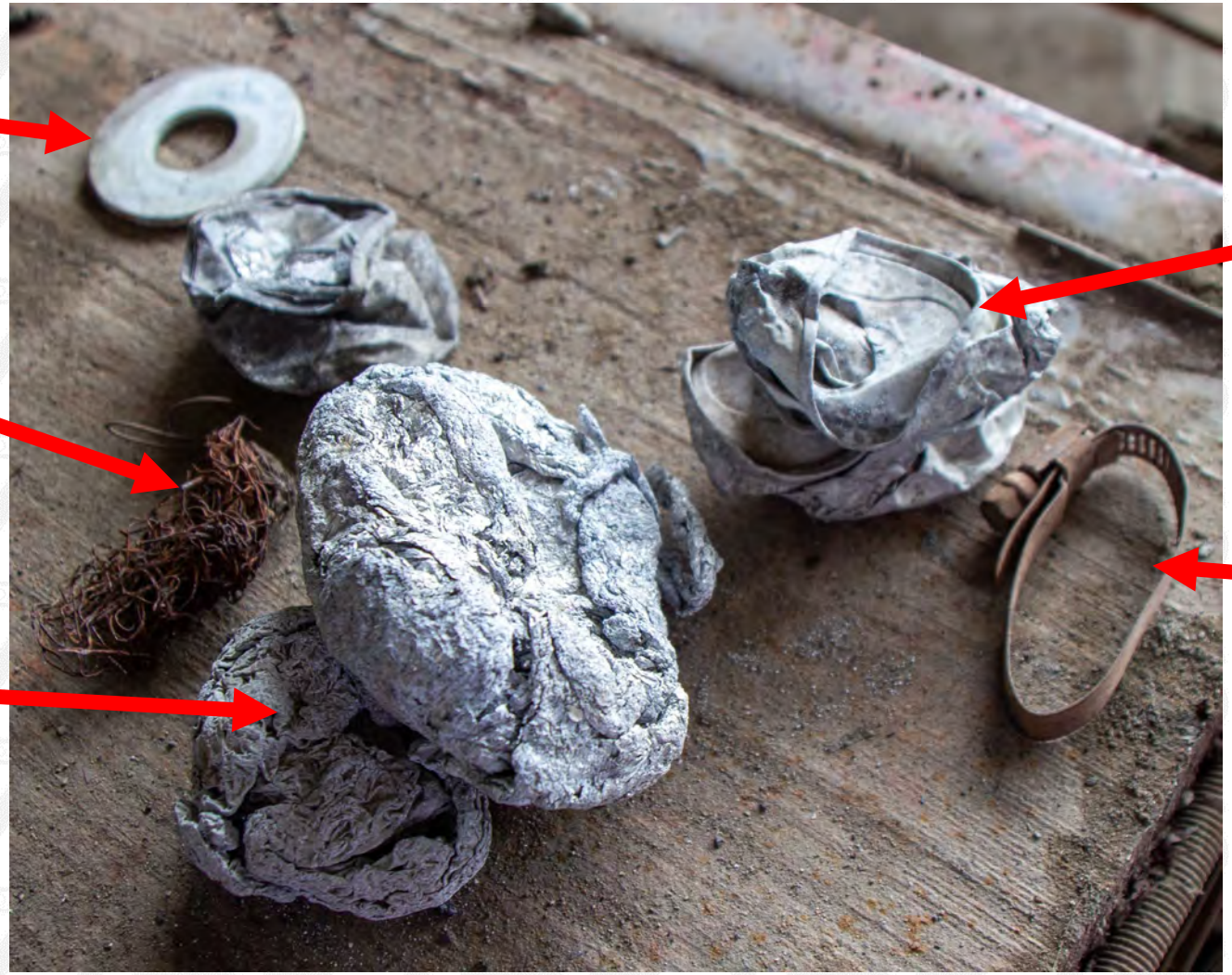
- Fresh air introduced
- Assists syngas in reverse flow
- Cools byproducts for exit from the gasifier



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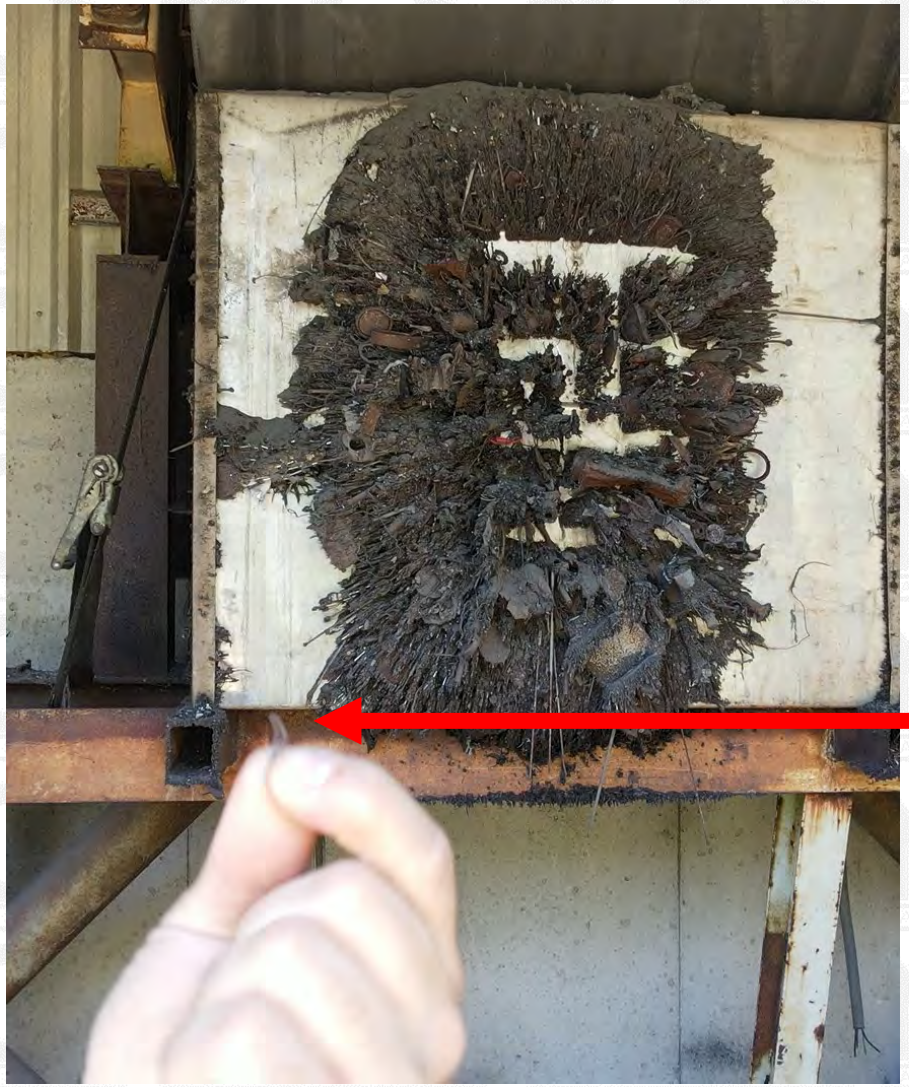
EXPELLED RECYCLABLES



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EXPELLED RECYCLABLES



High Power Magnet recovers all fine metals for recycle and re-use.

Recycles all the way down to a staple as shown in the picture

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Path 2—Emissions

PATENTED/PROPRIETARY ROTARY GASIFIER

Gasifier to Stack



Clean Cool Exhaust

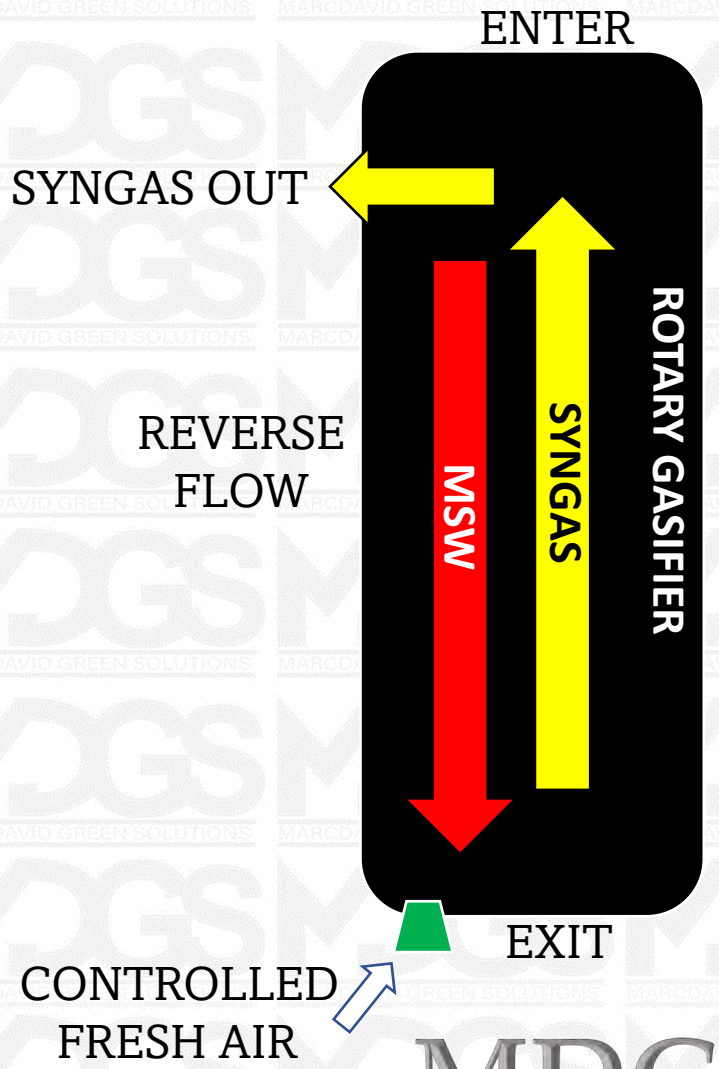
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ROTARY GASIFIER

PATENTED/PROPRIETARY TECHNOLOGY

- System is Reverse Flow - As MSW works down the Gasifier, Syngas works back up to front
- Controlled amount of Fresh Air:
  - Diverts flow to beginning of Gasifier
  - Increases Syngas Volume
  - Increases Syngas temperature **(1800˚F) (982˚C)**
- Syngas helps heat MSW - Then is extracted through the Hood



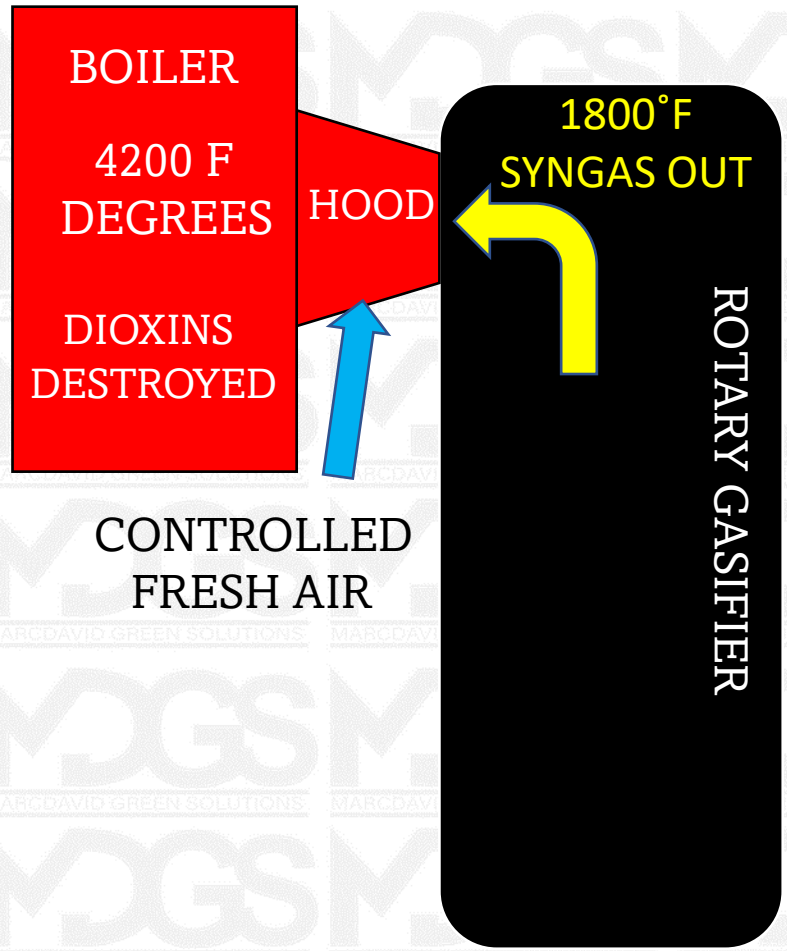
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BURNER/BOILER

PATENTED/PROPRIETARY TECHNOLOGY

- Syngas is ignited as it enters Boiler (the only Flame in the entire process)
- Patented technology allows combusted Syngas to reach **4200˚F (2315˚C)**
- High temp destroys Syngas and **95%** of toxins including Dioxins



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SCRUBBER

- Remaining Flue Gas moves to Mist Scrubber
- Flue Gas is sprayed with Activated Carbon and Lime Slurry to remove Acidic Gasses and Heavy Metals (Sulfur Dioxide SO_x)
- Slurry also cools Flue Gas for transport to Bag House
- Rapid cooling Below 300˚F (148˚C) prevents Dioxin reformation (392-842˚F (200-452˚C))



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BAG HOUSE

- Bag House filters small particulates remaining in Flue Gas
- Intermittent shaking allows Fly Ash to drop from Filters
- (2%) Fly Ash is deposited in Bin for recycle—Mixed with Frit for Asphalt



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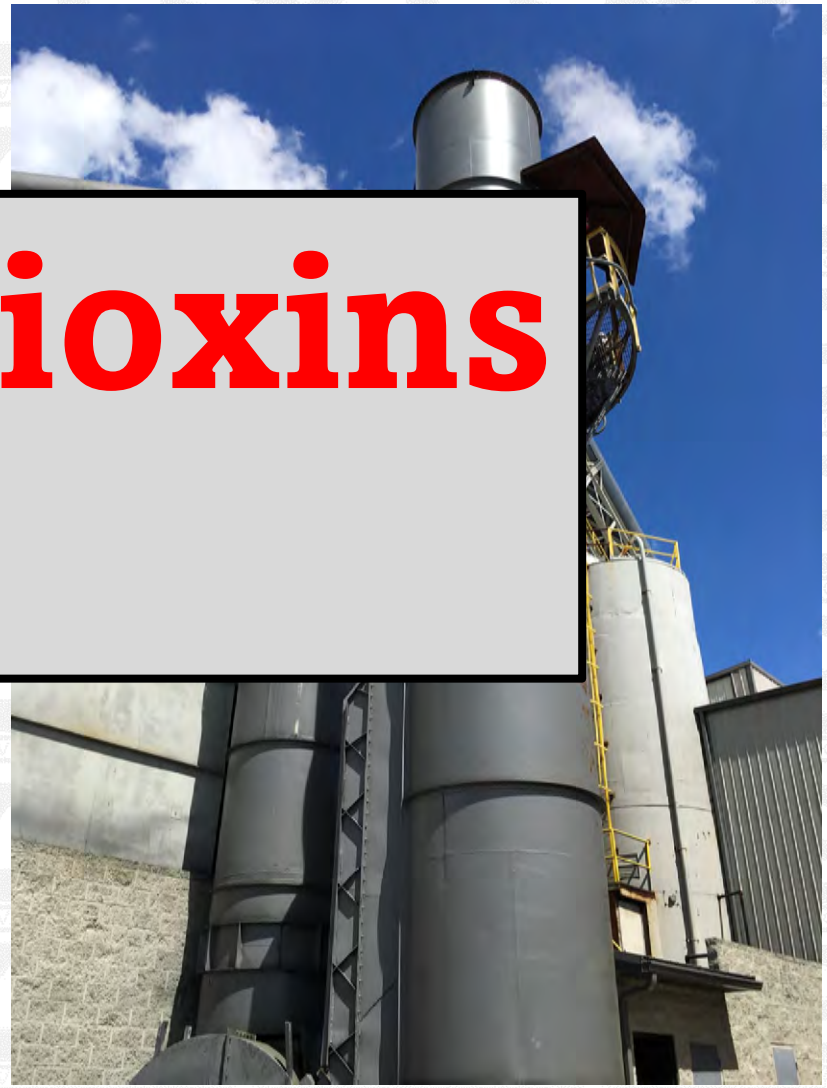
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STACK

47 FEET Tall
(14.3 Meters)

- Exhaust travels from Bag House to Stack
- Stack
  Exha
- Conti
  Syste
  exhaust meets all EPA standards
  - Every 3 seconds - digital update
  - Every 7 minutes - paper read out

3.2ng/DSCM Dioxins @ 7% O^2



WELL BELOW EPA STANDARDS

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Path 3—Electricity

PATENTED/PROPRIETARY ROTARY GASIFIER

Gasifier to Turbine/Generator



776 kwh/t

Base Load Electricity

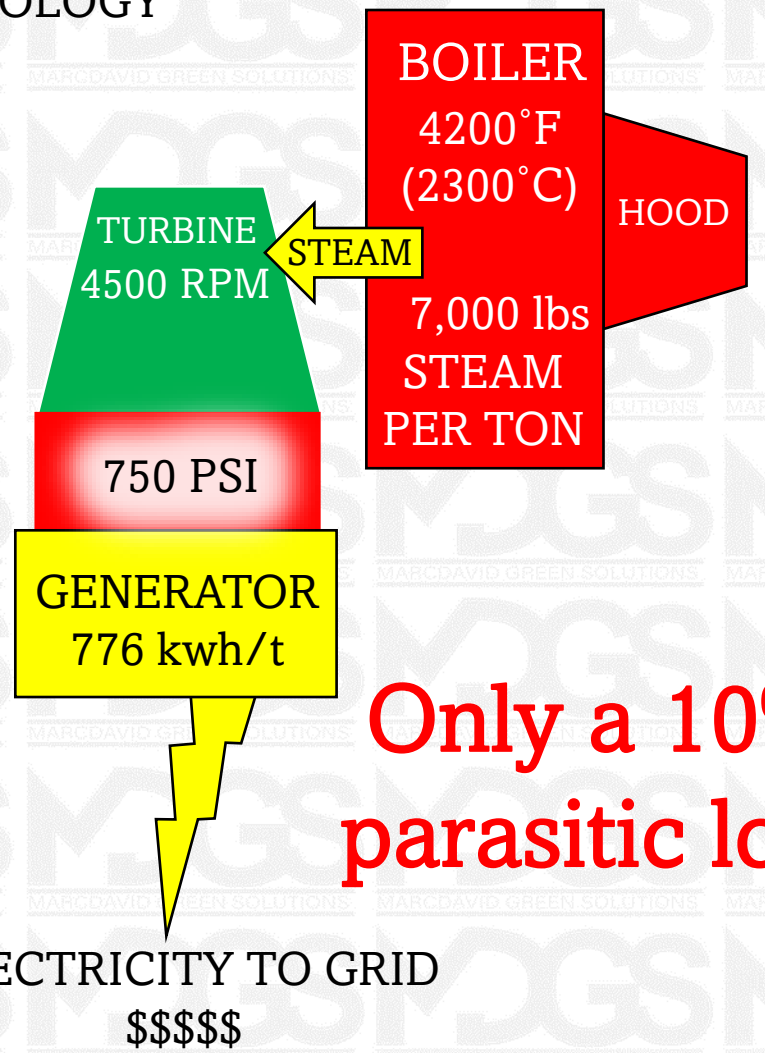
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STEAM PRODUCTION

PATENTED/PROPRIETARY TECHNOLOGY

- Boiler creates 7,000 Lbs. (3175 K/g) of steam per ton of MSW
- Steam reaches 750˚F (398˚C) at 750 psi—Powers Turbine—Powers Generator
- Electricity is sold to Grid



Only a 10% parasitic load

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TURBINE/GENERATOR



SWITCH GEAR



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Arkansas Waste Numbers

- Arkansas has a waste generation per capita of .98 tons per year (5.36 lbs. per day)
- 2017 - 3,337,393 tons annually of waste was landfilled in Arkansas.
- 45.5% was recycled, but only #1 and #2 plastics can be recycled.

Why not #3-#7?

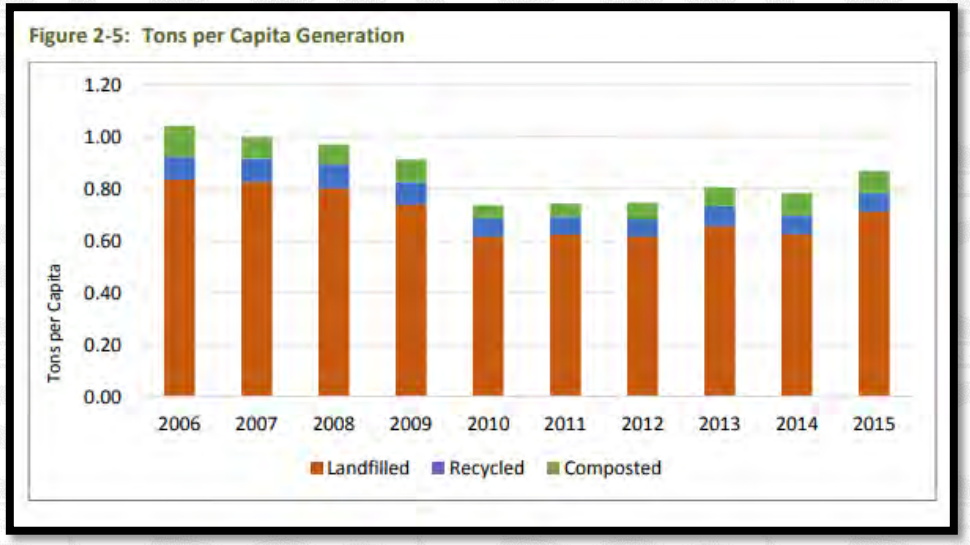
#3 - #7 plastics cannot be recycled at this time due to a lack of recycling markets. When recycling markets that can account for the recycling of these plastics are found, the program will be reinstated.

- While overall the amount of recycled plastics is relatively small—three million tons for a 8.7 percent recycling rate in 2018—the recycling of some specific types of plastic containers is more significant.

Table 2-1: Recovered Materials Marketed (tons)

Year	Glass	Alum. Cans	Mixed Paper	News	Card-board (OCC)	Chip-board	Steel Cans	Plastic Bottles	Scrap Metal	Concrete	E-Waste	Total
2015	1,315	75	951	633	2,507	with OCC	108	292	124	43	26	6,074
2014	1,297	59	962	722	2,134	69	112	324	75	136	3	5,893
2013	1,357	57	952	754	1,925	206	110	252	68			5,681
2012	1,058	65	932	767	1,160	791	87	267	62			5,189
2011	1,010	73	848	892	1,175	827	110	252	114			5,301
2010	997	70	899	915	1,135	743	112	232	112			5,215
2009	1,144	63	867	1,096	1,113	727	112	266	126			5,514
2008	967	62	880	1,548	1,284	670	92	247	133			5,883
2007	897	48	773	1,749	1,153	718	102	247				5,687
2006	897	74	824	1,580	1,133	799	103	241				5,651
Avg.	1,094	65	889	1,066	1,472	555	105	262	102	89	14	5,609

Source

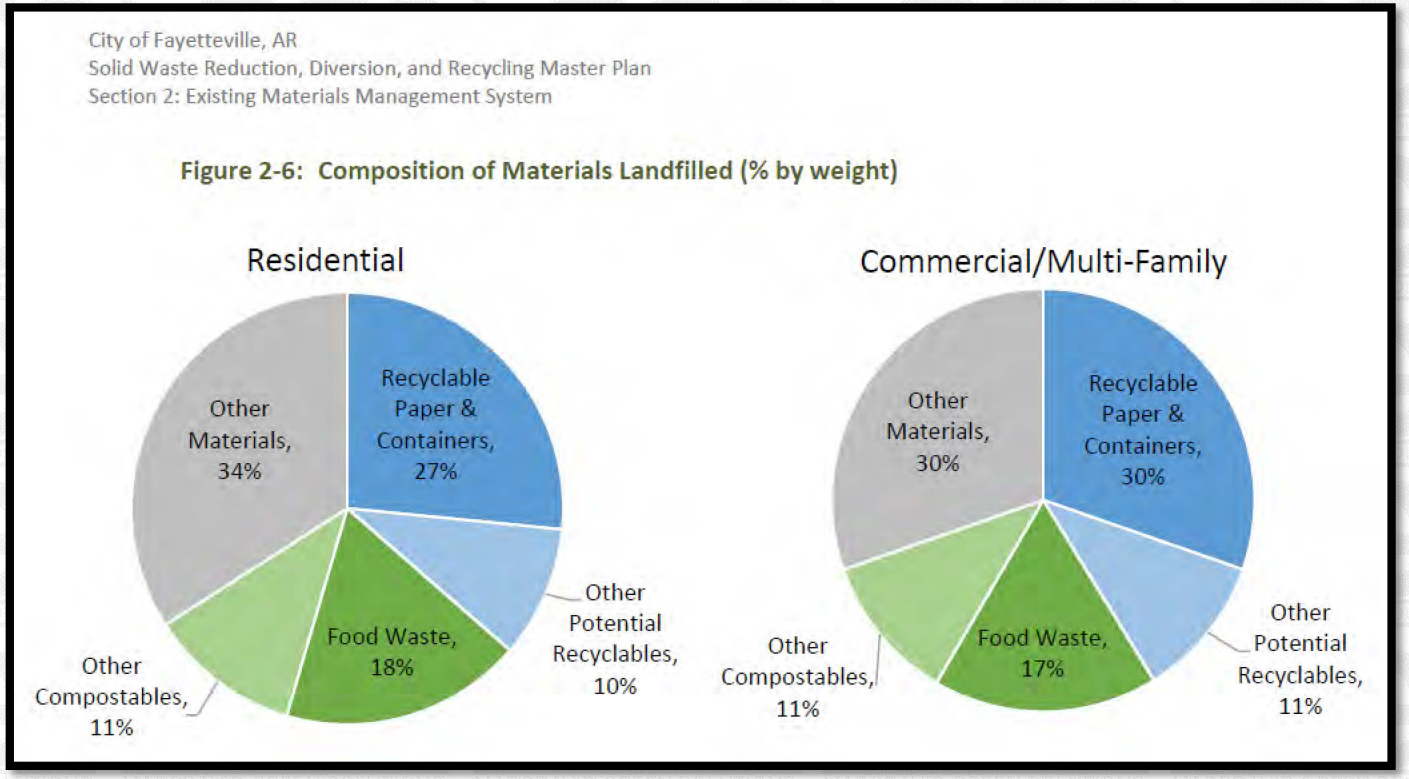


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What can we do in Arkansas

- With a great BTU value in the MSW in Arkansas and tons of waste wood and agricultural waste for feedstock.
- RST gasification plant can provide 500 tons a day of treatment with low operational costs and high profits from electricity and tipping fees.
- 100% recycling of inorganics all the way down to a staple and recyclable byproducts.



Questions?

Jordan Boswell

Marc David Green Solutions

j.boswell@mdgsinc.com

813-763-8077

EXHIBIT J

Verified Statement of Daniel Robbins

Before the
SURFACE TRANSPORTATION BOARD

STB Docket FD No. 36447

Lake Providence Port Commission—Feeder Line Application--LINE OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

VERIFIED STATEMENT OF DANIEL B. ROBBINS

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1. My name is Daniel B. Robbins. I am the President, and head of Marketing of the North Louisiana & Arkansas Railroad ("NLA"). My address is 4416 S. Arkansas Ave., Russellville, AR 72802. I have personal knowledge of the facts stated herein and am duly authorized to present the Verified Statement on behalf of NLA. By way of personal background, I have been engaged in the railroad industry for 31 years and have 30 years of experience as a railroad engineer. During my career, I have worked as a conductor for the Union Pacific Railroad Company ("UP") and in various positions, including engineer for the several short line railroads that are owned by Arkansas Short Line Railroad, Inc. ("ASL"), which is NLA's parent corporation. In addition, I am a designated supervisor of locomotive engineers and a qualified track inspector.

2. NLA is one of the two (2) private short line railroads that partnered with the Southeast Arkansas Economic Development District ("SEAEDD") and the Lake Providence Port Commission ("LPPC") and the Madison Parish Port Commission (MPPC) in the public-private partnership ("PPP") that is known as

the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project. Delta Southern Railroad, Inc. ("DSRR") is the other short line railroad. In 2019, the PPP successfully obtained a FY 19-20 INFRA Grant from the U.S. Department of Transportation. The Grant funds are intended to be used to re-develop the entire McGehee-Tallulah Railroad Corridor ("the Corridor"), including the trackage between MP 408.9 and the point of interchange with the Kansas City Southern Railroad Company ("KCS").

3. NLA currently owns, or by lease, operates sections of the Corridor between MP 408.9 and MP 471.0. If LPPC is authorized to acquire the track between MP 471 and the point of interchange with the KCS in Tallulah, Louisiana, NLA will enter into an extended lease with LPPC and, following the Board's authorization, will operate over the entire Line, which has long been known as the Lake Providence Branch Line. NLA Railroad will operate the line from a point located in the middle of the line to be determined and provide tri weekly service to all stations on the line. This service will commence on the rehabilitation of Segment D, i.e., the DSRR line from Lake Providence, LA to the interchange location with KCS in Tallulah, LA. Until that time, NLA will provide tri weekly service from McGehee, AR to Lake Providence, LA and on demand service from Lake Providence, LA to Tallulah, LA.

4. The receipt of the Grant funds has enabled the owners to rehabilitate the track between McGehee and Lake Providence. Although work on the track continues, it is now possible to safely operate over it. By way of

background, in 2011, NLA began operating on the segment of the Corridor that LPPC and ASL had acquired from DSRR through an offer of financial assistance. The track was in a deplorable condition. As DSRR had admitted in its Petition for Exemption,[1] because of defective cross ties, and track alignment being out of compliance with FRA Class 1 standards at numerous locations, it had to embargo rail operations due to track conditions. DSRR also claimed that "operation of the Rail Line is unprofitable … [and] there is no reasonable prospect for profitable operations".[2] By that time, the shippers that had previously relied on rail service had disappeared and had, out of necessity, turned to trucks to move their traffic to UP in McGehee and KCS in Tallulah. Shippers located in the Madison Parish Port had no option but to use DSRR's services if they were to continue shipping by rail.

5. To rehabilitate the tracks, NLA and its parent company invested over $2.0 million of corporate funds. In addition, NLA, working with SEAEDD and LPPC, obtained funding for a portion of the needed repairs from the Arkansas Economic Developmental Commission GIF Funds. The Economic Development Department of the U.S. Department of Commerce also granted

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[1] STB Docket No. AB-384 (Sub-No. 3X), *Delta Southern Railroad, Inc. – Abandonment Exemption – In Desha and Chicot Counties, Ark,* filed December 6, 2010, at p. 4 ("Petition"). *See* Exhibit D, V.S. Gilfoil at Attachment 6.

[2] Petition at p. 3. DSRR's actions mirror Wainwright's earlier comments in FD 34479, *Arkansas Midland Railroad Company-Emergency Service Order-Line of Delta Southern Railroad, Inc.*, dated February 27, 2004, that blamed DSRR's inability to provide service and maintain and upgrade the Warren Line at the appropriate level for reliable service on the inadequacy of per car revenues. As he also acknowledged, this led to an excessive number of derailments. *See* Item 4 in Attachment 1 hereto.

SEAEDD and LPPC $3.5 million to upgrade the track between Lake Village, Arkansas (MP 433.0) and Lake Providence, Louisiana (MP 471.0). NLA also sought Railroad Rehabilitation & Improvement Financing ("RRIF") funding to rehabilitate portions of the line from McGehee Arkansas to the Arkansas/Louisiana State line. The RRIF loan was denied. Despite those efforts, there was much that remained to be done when the decision was made to establish the PPP and apply for a Grant from the United States Department of Transportation ("DOT"), which administers the Infrastructure for Rebuilding America ("INFRA") Grants. As the photographs in the INFRA Grant Application demonstrate, in January and February 2019, NLA suffered major derailments due to track conditions that were exacerbated by DSRR's previous owner and continue to impact safety and reliable rail service.[3]

6. In the Spring of 2015, I met with William Wainwright, who previously owned DSRR. I was aware at the time of an unmistakable decline in DSRR's operations and facilities and was interested in acquiring DSRR's tracks to be able to restore single-line service between McGehee and Tallulah that would link all shippers that are located on the corridor to UP and KCS. During our conversation, he told me that he had recently received an offer of $3.5

[3] *See* Feeder Line Application, Exhibit B, FY 19-20 INFRA Grant Application, Appendix A at A6 – A10. Prior to the filing with DOT, NLA sought an emergency loan guarantee from the Small Business Administration following these incidents, SBA declined that request. NLA's inability to fully address the underlying track conditions has impacted multiple customers as NLA has had to embargo the use of the type of gondolas, which average 17 feet in height, that are normally used to transport cotton seeds and similar items.

million but would sell to me if I could match that offer within thirty days. Before I could arrange my financing, Mr. Wainwright consummated the sale. Even though I was disappointed, I was later delighted to learn that J.D. Ventrcek was involved in the sale and would manage DSRR's operations. I first met Mr. Ventrcek when he was President and Chief Operating Officer of Weyerhaeuser's Arkansas and Oklahoma railroad operations. He later became Senior Vice President Corporate Development with Patriot Rail. In addition, he served as President of the Arkansas Short Line Association and the Chairman of the Rail Advisory Committee for the State of Louisiana.

7. On August 12, 2015, I was invited to meet with DSRR's officers to discuss future joint efforts to expand and coordinate our rail operations. Mr. Ventreck and I were joined in the meeting by John Marino. They told me that John Marino and his father had recently set up Continental Rail, LLC ("Continental Rail"). They also implied that Continental Rail's acquisition of DSRR's operations had been financed by a California-based private equity firm.[4] They assured me that they were fully committed to the task of rebuilding DSRR and were going to improve DSRR's facilities and operations.

[4] I did not learn that Continental Rail was not DSRR's owner until July 15, 2016. That was the date that Golden Gate reached out to me to acquire all four (4) short line railroads that are owned by ASL. During those negotiations, I learned that Golden Gate had insisted that Mr. Marino was not to reveal Golden Gate's involvement in West Bank Intermediate Holdings, LLC, which had been formed by Golden Gate to acquire DSRR's stock. After several sessions of negotiations with Golden Gate, its offer was declined.

Furthermore, they intended to expand the business by reestablishing DSRR's links to UP at McGehee.[5]

8. This was great news for NLA, which could look forward to substantially increased operations and revenues to be earned from interchange operations with DSRR. I assumed that Mr. Ventrcek would quickly act to reduce DSRR's inventory of stored cars to enable DSRR to reach NLA and satisfy its rail common-carrier obligations that were not served by the storage of railcars on DSRR's mainline, especially when car storage interfered with interchange operations. As a veteran short line operator, Mr. Ventrcek knew that if DSRR were to provide any interchange operations, it would first be necessary for DSRR to clear the entire corridor between MP 471 and MP 491 on every trip before dispatching its locomotive to MP 472.25 to pick up any cars that had been placed in interchange by NLA. As I can attest, the constant need to move several hundred stored railcars every time a single car was placed in interchange would raise logistical nightmares when DSRR does not have any tracks of its own where it can momentarily place the cars that will have to be pushed back into storage after interchanged cars have moved past the line of stored cars.[6]

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[5] As the record reflects, the Lake Providence Branch Line was owned by Missouri Pacific Railroad Company ("MP") until 1989. At that time, UP, which controlled MP, was in the process of selling numerous branch lines that were owned by MP to short line operators in the State of Arkansas.

[6] It is my understanding that Terry Murphy, the Executive Director of the Madison Parish Port, has detailed the adverse impact on the Port and its

9. To illustrate the severity of the situation, on April 23, 2021, I counted at least 471 cars that DSRR had in storage on the mainline between MP 491.0 and 480.6. Assuming an average car length of 60 feet, the stored cars would create a train that is 28,260 feet (over 5.3 miles) long. That in itself raises questions as to where the cars would be temporarily stored while DSRR's locomotive travels to MP 472.5, where it would pick up cars that NLA would have placed in interchange. If the interchanged cars are to be interchanged with KCS, a further question is raised as to how DSRR expects to pass the stored cars that are temporarily stored on the mainline. Plainly, the storage of railcars on DSRR's mainline is not compatible with efficient interchange operations, which is why Wainwright disabled the track north of MP 471.0.

10. During the meeting, Mr. Ventrcek asked if I would do joint marketing initiatives with Craig Huff, who had worked with him at Patriot Rail. I quickly agreed to do so. Craig Huff and I immediately started looking for new business, which included joint marketing efforts that took us to Overland Park, Kansas, Kansas City, Missouri, Vicksburg, Mississippi, and other places. In fact, when Mr. Huff was asked by Mr. Marino to prepare estimates of shippers and revenues that he and I had identified for inclusion in DSRR's 2016 Budget, Mr. Huff, who was not familiar with NLA's contacts, called me to prepare an estimate of potential revenues that would be earned during the first six (6) months of operations that would follow the reopening of the entire Lake

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tenants that is caused by DSRR's switching activities that regularly block road crossings leading to the Port and the Port's private tracks.

Providence Branch Line. As I recall, the estimated revenues exceeded $600,000. It is my understanding that the estimate was used in DSRR's 2016 budget. A list of customers that indicated they would ship by rail once the tracks were restored is attached hereto as Attachment 4.

11. Consistent with the comments that were made in our June 2015 meeting, the needed repairs were begun. Initial repairs were concentrated on DSRR's bridges, and the track located between the Madison Parish Port (where they had relocated DSRR's headquarters) and the interchange with KCS. For a while, DSRR reduced the miles of stored cars that Wainwright had welcomed. Everything began to change when Mr. Ventrcek left Continental Rail.

12. Before he left, DSRR and NLA began interchange operations for Complex Chemical, which was and still is the largest rail shipper on DSRR's system. While some of Complex Chemical's cars were moved without incident, problems developed that are solely attributed to UP's EDI computer system's failure to recognize that Arkansas Midland Railroad ("AKMD") and NLA needed notification of car movements for DSRR interchange in Lake Providence, Louisiana. That caused UP to fail to alert AKMD and NLA when Complex Chemical's cars arrived in McGehee. That caused cars to be lost in AKMD's yard in McGehee and severely impacted NLA's ability to timely deliver cars to Complex Chemical. I will admit that this generated a series of irate emails from Complex Chemical and Jerry Melton, who is its CEO. Although those problems were finally resolved in early 2017, DSRR, without prior notice, abruptly closed

interchange on August 24, 2017. As I explained in an email that I sent to Gene Higginbotham at SEAEDD:[7]

> The NLA interchanged cars on 8/23/17 to the DSRR at Lake Providence. We received word today from Inteletrans that the DSRR said the interchange was closed. After a call to DSRR (Craig Huff and Matt Prince) they confirmed the interchange was closed based upon track issues on the DSRR side. They are suppose[d] to be taking the steps to embargo the interchange. We notified DSRR on Tuesday we had cars for them but they made no mention of a closed interchange. The cars in question will have to be rerouted to DSRR via UP at someone's expense. We are awaiting the rebilling now. The 8 cars in question came in while the State of Louisiana had the NLA removed at Lake Providence for the flood mitigation project. Of the 8 cars in question 3 are Complex chemical cars that arrived on NLA on 4/20, 4/27 and 5/12. The other cars are assigned to Top Rail Solutions as storage cars.

I ended up having to take the Complex Chemical cars back to McGehee to interchange them with UP, which then took them to Monroe and interchanged them with KCS which, in turn, interchanged them with DSRR. After I reached an agreement with Mr. Huff, he drove to the point of interchange and hitched a ride on NLA's locomotive which slowly pushed the Top Rail Solutions' cars to a point on DSRR's track for storage. Most importantly, the fact that Complex Chemical was able to use the track to reach NLA as late as August 2017 belies DSRR's repeated arguments that it was not aware of any prospective customer that sought to make use of its "long-out-of service" Line. Because Complex Chemical was, and still is, DSRR's largest

[7] In August of 2017, NLA was working with SEAEDD and sharing information for use in the initial INFRA Application.

customer, how was it possible for Jon Ryan, DSRR's current CEO, to overlook it?

13. In Mr. Melton's Verified Statement, which is filed herewith as Exhibit L, he has provided the Board with estimates that reflect Complex Chemical's need to reach UP directly and avoid having to interchange with KCS and UP to be able to reach customers that are captive UP customers. In addition, he has faulted DSRR's refusal to maintain its rail that has imposed a penalty on Complex Chemical.

14. In addition, Mr. Melton has confirmed Mr. Murphy's testimony, as well as mine, that DSRR's storage activities create problems at the crossing as the entrance of the Port is blocked excessively when DSRR is switching storage cars. Given the above, Complex Chemical supports LPPC's acquisition and restoration of the entire Lake Providence Branch.[8] Based on the adverse impact of DSRR's multi-year refusal to restore the track between MP 491.0 and MP 471.0, Complex Chemical views "DSRR's owner's self-imposed refusal to bear the cost of maintaining its own line as a restraint on trade and contrary to the public convenience and necessity and the public interest."[9]

15. Apart from the interchange movement, in September 2022, of the specialized Schnable car, no interchange occurred even though Mr. Huff and I unquestionably discovered a current need for service over the entire Lake

[8] It is noted that Complex Chemical, recognizing the need to preserve rail service, protested MP's abandonment of the Line in 1988.
[9] Exhibit L, V.S. Melton at p. 3, ¶6.

Providence Branch Line. This, of course, is proved by DSRR's very recent steps to improve the track so that it could showcase its new-found ability to move the Schnable car over the tracks that it finally worked on this past summer. NLA, pursuant to the Trackage Rights Agreement that NLA assumed from LPPC, NLA is permitted to inspect the interchange track between MP 471.0 and MP 472.25. In Section 4 of that Agreement, entitled "Maintenance" DSRR agreed that it shall "at its sole cost and expense, commence all work necessary to rehabilitate the Joint Trackage into FRA Class 1 track conditions. Thereafter, DSRR shall maintain the Joint Trackage in FRA Class 1 track condition for the term of this TRA, subject to the provisions of Section 3 above concerning allocation of such costs." The term "Joint Trackage," was defined in the TRA as "DSRR's tracks entitled between Milepost Nos. 471 and 472.25." Because Mr. Wainwright never bothered to rehabilitate that little segment to FRA Class 1 status, the provisions of Section 3 have never been applied.[10]

16. On March 22, 2022, the day before I announced that the Line between McGehee and MP 471.0 was reopened for full service, I informed Jerry Melton, the CEO of Complex Chemical, that I had one of his cars and would place it in interchange with DSRR. In response, Mr. Melton told me that he had "no confidence that DSR can get to and from Lake Providence over their bad track no matter what they were saying." I have been authorized by Mr. Melton to state that he told me not to place the car in interchange at MP 471, but to

[10] *See* Attachment 2 hereto, Relevant provisions of the Trackage Rights Agreement.

take it back to McGehee from Lake Providence. I thanked Mr. Melton and told him we would await billing instructions for his car to send it back to UP in McGehee, where it would be forwarded to Monroe, and then moved over KCS, then DSRR to his facility.

17. After my conversation with Mr. Melton, I instructed NLA's track inspector, who is duly qualified consistent with FRA regulations, to inspect the Joint Trackage track between MP 471.0 and 472.25. On March 29, 2022, NLA's track inspector spent most of the day inspecting the track.[11] As he discovered, DSRR has recently taken some steps to address the tracks condition, however, he still identified 45 defects between MP 471.0 and 472.2 that include tie defects, gauge defects, cross level defects, broken rail defects, joint bar defects and even a vegetation defect involving a tree down across the track. Given his findings, I must question whether all such defects could be cured in a couple of weeks. If the Joint Tracks had been classified as FRA Class 1, DSRR would potentially face several thousand dollars of fines following an FRA Track Inspector's visit. In fact, the potential of incurring huge fines is preventing NLA from upgrading its track to FRA Class 2 status until all work is completed. Until that is done, all operations will move at the highest speed possible. To the best of my knowledge, the DSRR track, also somewhat improved, will require further rehabilitation after it is acquired by LPPC.

[11] *See* Attachment 3, Track Inspection Report.

18. I, and NLA's other locomotive engineers, have now operated for more than eleven (11) years over the track that is located between MP 408.9 in McGehee and MP 472.25, including time before they were rebuilt with the INFRA Grant funds, there is no excuse for DSRR's prior refusal to take "baby steps" to address the track issues. Because I am aware that Mr. Ventrcek was trying to take those steps from the moment that he was placed in charge of new business development over the track, the failure to continue to take those steps must be attributed to DSRR's San Francisco-based owners who have no apparent railroad experience. Instead of focusing on the needs of shippers and their railroad's common carrier obligations, it is obvious that DSRR's owners did not want rail storage revenues to be diminished. Nor did they want to attract new interchange business that would require them to invest in upgrading their railroad's tracks. As I first learned from Craig Huff in 2021, after Mr. Ventrcek resigned, he was instructed by John Marino and Jon Ryan to stop working with me to develop new business that would require interchange with NLA and to focus on revenues earned from railcar storage.

19. Having spent several millions of dollars to repair the track between 2011 and 2017 when the first INFRA Grant was filed, I do not question DSRR's claim that it would require several million dollars to rehabilitate its track to FRA Class 2 status. However, if DSRR had continued Mr. Ventrcek's efforts to take a series of small steps to make the track passable, similar to the efforts that NLA, SEAEDD and LPPC took, the cost to DSRR's owners of bringing the track to FRA Class 2 status in one giant step would have been far less than the

$11,448,000 that DSRR originally sought for Rail Infrastructure Rehabilitation to FRA Class 2 status.[12] Based on my long experience in the rail industry, if the track that NLA acquired is used as the basis of comparison, it is readily apparent to me that DSRR's track between MP 471.0 and MP 491.0 continued to deteriorate further after West Branch acquired DSRR in June 2015. As a result, it does not surprise me that if DSRR only spent $2,300,00 between 2015 and November 2017 to upgrade the entire track between MP 471.0 and the KCS interchange that it might require more than double the amount that NLA needed to rehabilitate the 24.1 miles of track between MP 408.9 and MP 433.0.

20. In the attempt to scale down the project to meet DOT's offer, Jon Ryan, in December 2019, proposed spending $2,503,596 to rehabilitate the ten (10) miles of track between MP 500 and MP 491 that he referred to as DSRR's "Priority Miles." In her letter, dated March 17, 2020, that requested FRA's approval of scope changes, Patrecia Hargrove requested an allocation of $3,207,789 to rehabilitate the 20-mile segment to FRA Class 2 status. That proposal, which was accepted by DOT and FRA, would leave only $704,193 to be spent on the segment between MP 471.0 and MP 491.0 if $2,503,596 were to be spent to rehabilitate Ryan's "Priority Miles." Using DSRR's cost estimate, DSRR (or its successor) would need an additional $8,200,211 to cover the cost

[12] *See* Feeder Line Application, Exhibit B, INFRA Application at Table 4: Future Eligible Costs by Segment.

of bringing the segment of track between MP 471.0 and MP 491.0 to FRA Class 2 status.

21. By way of comparison, the section of track that NLA acquired from DSRR is 24.1 miles in length as compared with DSRR's section, which is 27.6 mi1es in length. The highest bid to reconstruct NLA's track was $5,308,297, while the lowest bid was $4,163,507. DSRR's estimate, which covers 27.6 miles of track, is more than double the bids that NLA received for similar mileage. Either DSRR is exaggerating the costs required to rehabilitate its track or DSRR has done very little to repair its share of the Lake Providence Branch other than rehabilitate Mr. Ryan's 10 priority miles.

22. Because Matt Prince, Continental Rail's Director of Operations, in an email dated September 21, 2017, told me that "We bowed out of the grant application for the time being as we simply cannot afford to spend the cash right now," I was aware that DSRR was struggling. However, having worked with Craig Huff to develop new business that reflected several hundred thousand dollars of potential income in the first six (6) months after the track between MP 471.0 and MP 491.0 was repaired, I could not understand why none of our joint efforts had produced any new revenues. Nor could I understand the reasons for Mr. Huff's seeming indifference to look for other business development opportunities prior to his resignation from DSRR. In any event, no one at DSRR reached out to me to renew such activities after Mr. Huff resigned as DSRR's General Manager.

23. It was months after LPPC filed its original Feeder Line Application (November 12, 2020) that I finally learned what had happened. In March of 2021, I received a call from Mr. Huff who told me that he had been reading the pleadings in the proceeding and was troubled by comments in some of DSRR' pleadings. He suggested that we should try to contact Donald Bush who had been the manager of a small company named Bayou Bioenergy ("Bayou") He also provided Mr. Bush's cell phone number.

24. Mr. Huff's call caused me to recall that in December 2016, I had been contacted by Mr. Bush who advised me that Bayou had recently opened a facility in Lake Providence and was currently moving all of its product by truck. However, he was attempting to expand Bayou's business to include shipments by rail of glycerin product and wet methanol to some new customers. He also wanted to know whether his company could use a NLA spur line located in Lake Providence for purposes of transloading product from Bayou's facility that was located within a mile of the spur. We had several conversations about potential movements and the need to work jointly with DSRR to move product over the KCS, which offered lower rates to certain locations than UP, which could be reached directly from Lake Providence.

25. I explained that to reach KCS, NLA would spot tank cars on the spur at MP 469.0 for loading and then move them to the point of interchange that had been established with DSRR between MP 472.2 and 472.5 just to the south of Lake Providence, a distance of only 3.5 miles. DSRR would then move

the loaded tank cars directly to KCS at Tallulah. At that time, we were interchanging freight with one another at the above-mentioned location.

26. Mr. Bush and I then contacted Mr. Huff who, at the time, was DSRR's General Manager. During our conversations, Huff expressed a willingness to work with NLA and Bayou to handle the shipments consistent with the reestablished interchange between DSRR and NLA. After the initial conversations with Mr. Bush, I did not hear further from Bayou and assumed, based on occasional sightings of trucks entering and leaving Bayou's facility in Lake Providence, that it had not yet reached the point where rail service was needed.

27. As Mr. Huff explained in our conversation in March 2021, after we spoke about the Bayou project in 2016, he had been directed to refuse interchange with NLA and to tell Bayou that it would only work if it trucked its product to the Madison Parish Port. Thereafter, without speaking further with me, he had refused to interchange with NLA in Lake Providence and forced Bayou to truck its product to DSRR's transload facility at Madison Parish Port for placement in tank cars.[13]

28. A bit later in 2021, Mr. Huff further explained that after Mr. Ventrcek resigned from Continental Rail in late 2016, he had been informed by John Marino and Jon Ryan that because new business did not fit DSRR's

[13] Mr. Bush's Verified Statement that confirms the foregoing is attached as Exhibit K.

strategic objectives, he was to stop working with me to develop new business and inform shippers that due to conditions beyond his control, it would not be possible to move traffic that involved an interchange with NLA.

29. The bottom line is that there are multiple customers on the NLA track that for several years could not receive any rail service over two thirds of the Lake Providence Branch Line because of Wainwright's attempts to abandon various segments of the Line. After the sale to West Branch, DSRR's repeated refusal to upgrade its track so that it could accept interchange at Lake Providence also interfered with shippers' efforts to receive adequate rail service. Such shippers include PotlatchDeltic, Clearwater Paper, as well as Livingston Pecan and Metal, Inc. Although they have repeatedly expressed an interest in gaining access to KCS, this has proved to be impossible due to DSRR's refusal to open its track between MP 471 and MP 491. As a result, these companies, and several other shippers in the area are still "waiting to see what happens" while continuing, in some instances to ship via truck at a greater expense to themselves, and to the detriment of the local community.

30. Since 2017, there have been several instances when DSRR, under its new ownership, declined to interchange traffic with NLA at MP 471. In addition to the incident that was previously discussed which involved Complex Chemical's cars, in 2019, Epstein Gin and Transload Co. tried to ship cottonseed out on NLA to be interchanged with KCS. DSRR refused to accept the cottonseed. In 2020, Complex Chemical had both loaded and empty cars on

the UP interchange in McGehee Arkansas bound for Madison Parish, Louisiana. Because DSRR advised UP and NLA that it would not come to Lake Providence to retrieve the cars, the cars had to be re-routed to the UP at McGehee, and then to the KCS at either Shreveport or Monroe, Louisiana and then to DSRR for delivery to the customer. This resulted in increased costs and delay to all parties.

31. The foregoing actions not only harmed the shippers, but they also harmed and interfered with the joint efforts of LPPC, SEAEDD, MPPC and NLA to improve rail operations and thereby benefit the rural region and help catalyze greater opportunities for economic development. That, of course, was recognized by the DOT when it provided financial assistance to the unique public-private partnership. In addition, the foregoing actions, which are contrary to the public convenience and necessity, have financially harmed NLA and adversely impacted its ongoing efforts to rehabilitate the entire Lake Providence Branch Line that DSRR's owners allowed to deteriorate and refused to rehabilitate so that they could collect the "easy money" earned from car storage and switching fees. As they recognized, storage of several hundred cars at a time, did not require them to upgrade the track between MP 471.0 and 491.0.

32. The prior owners, Wainwright and Golden Gate Financial and the holding company, West Branch Intermediate Holdings, LLC, that Golden Gate established in 2015 to acquire the DSRR stock, must be held accountable for

the condition of the track and the failure to take action to repair and provide their common carrier obligations. Because Wainwright is deceased, he cannot be held accountable. The same is not true of the current owners. After terminating Continental Rail in January 2021, they caused DSRR, which had previously recognized the need to rehabilitate the *entire* Line to reverse course and announce that it has "concluded that the desired track renovations as to the long-dormant Line are unjustified and unwarranted."

33. Because DSRR did not provide any evidence to explain what it meant for "long-dormant," I was asked to respond to that claim. As I explained at length in my Supplemental Response to Delta Southern Railroad Inc.'s First Set of Interrogatories Nos. 1 through 6:

> In 2019, Richard Livingston, of Livingston Pecan & Metal Inc., which is located in Lake Village, Arkansas, requested me to run rates via KCS to Columbus, MS and Jackson, MS for scrap metal. I provided the rates but could not pursue the traffic because of the inactive interchange with DSR.
>
> Epstein Gin and Transloading Company have had customers ask for rates over KCS to BNSF destinations. In May 2017, Morgan Wells with US Commodities (now "Ag Motion") requested rates. Rates were supplied but again we did not pursue the business because of the inactive interchange with DSR. In 2019, Paul Scruggs with Lansing Trade Group, LLC attempted to send its 2019 crop south over DSR but Dino Trevino, a DSR employee, said in a phone call that DSR could not take the cars. The same information was also given to Epstein and Paul with Lansing Trade Group (now the Anderson group).
>
> Lansing also expressed interest to both myself and Craig Huff, who was employed by DSR, when we were at the offices of Lansing in Overland Park, Kansas in 2016 about moving corn from the Lake Providence facility over KCS to southern Mississippi feeder markets. This meeting led to the inclusion of

funds in the INFRA Grant to partially cover the cost of rehabilitation of 700 feet of track and the planned installation of 1,000 feet of new track to the Lansing Grain facility in Lake Providence. *See* Statement of Work Segment C (MP 454.8 to MP 471.0) at p. 7.

Complex Chemical shipped until March 2017 cars in and out on NLA from DSRR. Some of these shipments are still going on but would be more cost effective if routed over DSR to NLA instead of UP, KCS and DSR for pricing and transit time concerns.

Additionally, in 2019 Complex had cars arrive in McGehee bound for Madison Parish Port. Lauren Sullivan with UP asked NLA to take the cars to Lake Providence and we agreed to do so. However, she had to call the move off and reroute the cars after DSR informed her they were unwilling or unable to come and receive the traffic in Lake Providence.

Rail Vehicle Services (RVS) is a railcar shop that is in the process of locating in the Madison Parish Port. During personal meetings with DSR and a joint telephonic meeting with DSR and NLA in August 2017, RVS management informed me and Matt Prince, DSR's former Director of Operations, that RVS will have an absolute need for both a UP and a KCS connection.

In 2020, Neil Martin with Terral River Services inquired about resuming shipments of cottonseed from the Madison Parish port to UP for PNW destinations when the grant is complete and the track in good condition. Additionally, they have looked at inbound aggregate originating on UP points that would move to the port of Madison Parish.

In March 2019, Chris Whallon with PotlatchDeltic expressed a desire to use the Corridor for loading lumber at Epstein for shipment to KCS when the corridor is open. These moves would be primarily to markets located in Mexico.

Clearwater Paper, which has a major facility in Cyprus Bend, Arkansas, expressed an interest in making paper movements to certain KCS destination and has had a joint meeting with KCS, AKMD, NLA and DSR representatives regarding such movements.

Almost all of this information is in the INFRA grant application which DSR is privy to or was in emails between NLA and DSR employees Craig Huff, Matt Prince, and J D Ventrcek.

> During the course of preparing the INFRA Grant Application, I prepared information for HDR regarding NLA's anticipated movements following completion of the reconstruction of the entire line. At that time, I anticipated that NLA would move approximately 1000 cars over UP and 1000 cars of local traffic on NLA. These figures were joined with figures submitted by DSR to produce Table 4, which HDR included in in Table 4 of Appendix C, at p. 18, Section 5.3, Table 4: Demand Projections, Build case. Because DSR projected that it would move approximately 1200 railcars in 2024 following rehabilitation over KCS, this allowed me to realize that approximately 3048 railcars would likely move in interchange between DSR and NLA over the segment. Given DSR's active participation in preparing the projections, its employees were aware of these projections as far back as 2019.

34. Because DSRR could not contest any of the above, DSRR moved to strike my evidence. In the Board's Decision, dated June 1, 2021, the Board denied DSRR's motion to strike. Furthermore, I will note that DSRR has never produced a single sworn statement from anyone that has rebutted or disproved any of the foregoing remarks. Although Jon Ryan presented a Verified Statement earlier this year, it is noted that Mr. Ryan, who was based in Florida, was never, to best of my knowledge, extensively involved with shippers and prospective shippers while the INFRA Grant Applications were being prepared. In fact, as is discussed elsewhere in this Application, he freely admitted in an email, dated December 4, 2019, addressed to Doree Magiera, HDR's person who put together the statistics that appear in the INFRA Grant Application, that he was not privy to what was discussed during the past two years.

35. In closing, I respectfully note that everything that I have testified about in this Verified Statement that relates to actual and potential movements

of freight in interchange traffic between NLA and DSRR, can be and is corroborated by Craig Huff, who was DSRR's General Manager in Tallulah between 2015 and 2018, when he resigned.[14]

36. Consistent with the requirements of 49 CFR § 1151.3(a)(8), a copy of NLA's current liability insurance is attached hereto as Attachment 5.

I, Daniel B. Robbins, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 28th day of December 2022.

Daniel B. Robbins

[14] *See* Exhibit H.

Attachment 1

Page 2 from

Affidavit of William P. Wainright in

Docket No. 34479 dated February 27, 2004

1. **DSR has "functionally" ceased operations on the Warren Line:**

DSR response: Although I am not sure what AKMD means by the term "functionally," DSR has not ceased operations. Rather UP's Warren Wilson has advised DSR to suspend operations until it obtains derailment and bill of lading insurance. UP's letter to the STB dated February 20, 2004, submitted with AKMD's Petition as Exhibit 3 states that "to our knowledge there has been no service on the Warren Branch for approximately two weeks." I am attaching an email from Potlatch's Ben Garner which states that we were going to move some rail cars but suspended loading upon learning that DSR did not have derail insurance and which states Potlatch's plans to shift transportation to truck for three weeks. As discussed below, DSR is in the process of repairing defective track and obtaining derailment and bill of lading insurance. It has locomotives and personnel in place and is ready to resume service as soon as the customers are ready to return to using rail.

2. **No shipper on the line has received service for at least two weeks.**

DSR response: As recently as February 9, 2004, Fulghum attempted to use DSR's service. It stopped loading on February 9 at Potlatch's direction because Potlatch had been informed by Joel Blalock of UP that DSR lacked derailment insurance. Moreover, on-line shippers have made other arrangements for moving traffic (by truck for transloading to UP). DSR is prepared to resume railroad operations as soon as customers are ready to tender freight.

3. **Potlatch and Fulghum have been forced to divert their significant volumes of rail traffic to motor carriers.**

DSR response: As per instructions from Potlatch's Ben Garner and Rick Warner, Potlatch has elected to divert its traffic to truck for three weeks. Potlatch has also directed Fulghum (which operates a woodchip mill under contract to Potlatch) to move its product by truck to the UP. As discussed above, DSR is prepared to resume rail service when shippers are ready to ship by rail.

4. **DSR is apparently facing significant financial difficulties.**

DSR response: DSR is a profitable company. Unfortunately, as discussed below, the per car revenues derived from operating the Warren Branch have not been adequate to permit DSR to provide service and maintain the Line at the appropriate level of maintenance for reliable service, let alone upgrade the Line to permit it to handle 286,000 freight cars or earn DSR's cost of capital. DSR's loss of derailment and bill of lading insurance was due to an excessive number of derailments (9 between March 2, 2003 and January 28, 2004) rather than financial problems. See, the Affidavit of Louis Schillinger submitted with the Reply.

Attachment 2

Trackage Rights Agreement

TRACKAGE RIGHTS AGREEMENT

THIS TRACKAGE RIGHTS AGREEMENT (TRA) is made and entered into as of this 26TH day of , May, 2011, between DELTA SOUTHERN RAILROAD, INC. (DSR) and LAKE PROVIDENCE PORT COMMISSION (the Port).

WITNESSETH:

WHEREAS, DSR has agreed to sell to the Port DSR's rail lines between Milepost No. 471.0, at or near a certain highway barn in East Carroll Parish, Louisiana, and Milepost No. 454.8 at the Louisiana-Arkansas State Line, and between Milepost No. 433.0 at or near Lake Village, Arkansas, and Milepost No. 408.9 at or near McGehee, Arkansas, a total distance of approximately 40.3 miles ("the purchased rail line"); and

WHEREAS, a sidetrack and a lead track that are used to provide rail service to warehouses and a dock owned by the Port ("the sidetrack and lead track"), extend from DSR's rail line between Milepost Nos. 471 and 472.25, a short distance south of the purchased rail line; and

WHEREAS, the Port desires to operate over DSR's tracks between Milepost Nos. 471 and 472.25 ("the Joint Trackage"), for the purposes of accessing, switching and servicing the Port's sidetrack and lead track; and

WHEREAS, DSR is agreeable to permit the Port to operate over the Joint Trackage, but only in accordance with the terms and conditions of this TRA, including a condition that DSR be permitted to continue to operate over the sidetrack and lead track to place loaded cars and to pick up empty cars at the Port's warehouses.

NOW, THEREFORE, DSR and the Port agree as follows:

SECTION 1 - GRANT OF TRACKAGE RIGHTS

1.1 Subject to all terms and conditions of this TRA and subject to the Port obtaining any necessary regulatory authority or exemption, DSR hereby grants to the Port the non-exclusive right to operate over the Joint Trackage on an overhead rather than local basis, for the purpose of accessing the sidetrack and lead track to or from the purchased rail lines, and for no other purpose whatsoever.

1.2 The Joint Trackage is shaded in yellow, and the sidetrack and lead track are shaded in blue, on a drawing that is attached to this TRA as Appendix 1.

1.3 Under no circumstances may the Port permit any third party to use any or all of the Joint Trackage without DSR's permission, except as set forth in Section 18.

1.4 DSR shall continue to have the right to use the sidetrack and/or the lead track to place loaded cars and to pick up empty cars at the Port's warehouses.

SECTION 2 - TERM

2.1 This TRA shall become effective on the date when it has been signed by both parties and shall continue in effect for a term of 20 years from that date, provided, however, that DSR may elect to terminate this TRA if the Port has breached a material provision of this TRA and has failed to cure such breach within 60 days of receipt of a written request by DSR to cure such breach. So long as the Port is not in default, the Port may renew this TRA for an additional term of 20 years by giving written notice to DSR at least 90 days prior to the expiration of the initial term.

2.2 Upon termination of this TRA by means of expiration or as a result of an uncured breach, the Port agrees to discontinue operations over the Joint Trackage and to seek any necessary regulatory authority or exemption for such discontinuance.

SECTION 3 - COMPENSATION

3.1 In lieu of a trackage rights fee, the Port hereby agrees to pay to DSR a proportionate share of the actual, reasonable, verifiable costs incurred by DSR to maintain FRA Class I track standards on the Joint Trackage. DSR and the Port hereby agree that their respective proportionate share of maintenance costs will be based on relative usage of the Joint Trackage in each calendar year provided, however, the annual amount of maintenance shall be pro rated for the first and last year of this TRA. As an illustration, if in a calendar year the Port were to have transported 90 percent of the loaded and empty cars that were transported over the Joint Trackage, the Port would pay 90 percent of the actual maintenance costs incurred by DSR during such calendar year. DSR shall provide the Port a detailed schedule of the costs incurred, including the dates, descriptions of the work done, costs incurred and applicable back-up invoices by no later than each January 20 during the term of this TRA. The Port shall be entitled to audit the records of DSR related to the maintenance of the Joint Trackage within one year after the date that the schedule is provided to the Port.

3.2 By not later than each January 20 during the term of this TRA, DSR and Port shall each certify to the other the number of loaded and empty cars moved by each during the calendar year then ending. The Port shall make its payment of the proportionate share of maintenance cost to DSR on or before January 31st. . DSR and the Port shall each be entitled to audit the records of the other within one year after the date of their respective certifications; any necessary payments or refunds after the audit shall be paid by the responsible party within 20 days after the results are provided .

3.3 Reserved.

3.4 Notwithstanding the foregoing, until DSR rehabilitates the Joint Trackage into Class 1 track condition as provided in Section 4.1 below, no compensation shall be due for use of the Joint Trackage by the Port.

SECTION 4 – MAINTENANCE

4.1 The Port shall provide DSR with a notice of its intent to use the Joint Trackage not later than ninety (90) prior to its intended date of use (the "Notice of Intent to Use Joint Trackage"). Upon receipt thereof, DSR shall then, at its sole cost and expense, commence all work necessary to rehabilitate the Joint Trackage into FRA Class 1 track condition. Thereafter, DSR shall maintain the Joint Trackage in FRA Class 1 track condition for the term of this TRA, subject to the provisions of Section 3 above concerning allocation of such costs.

4.2 DSR shall maintain, repair and renew the Joint Trackage with its own supervision, labor and materials. DSR shall take reasonable steps to ensure that any interruptions will be kept to a minimum and shall use reasonable efforts to avoid such interruptions.

4.3 If DSR does not rehabilitate or thereafter maintain the Joint Trackage in FRA Class 1 track condition, then Port may, at its option but without any obligation to do so, after giving DSR 30 days advance notice, perform work on the Joint Trackage to bring the Joint Trackage into FRA Class 1 track condition. Any costs incurred by Port in doing so may be deducted from future trackage rights payments.

SECTION 5 - TRAIN DISPATCHING

5.1 DSR shall have the right to dispatch trains over the Joint Trackage in a manner that ensures safe operations. If DSR does not have dispatchers available at the time that the Port wishes to operate over the Joint Trackage, then the Port may do so as permitted under the General Code of Operating Rules.

5.2 All rules, regulations, and orders for dispatching trains over the Joint Trackage shall be reasonable, fair, and just between DSR and the Port, and shall not unjustly discriminate against either of them.

5.3 With respect to the operation of trains, locomotives, and cars on and over the Joint Trackage, each party shall comply with all applicable laws, rules, regulations, and orders promulgated by any governmental body or agency having jurisdiction.

SECTION 6 - LIABILITY AND INDEMNIFICATION

6.1 General.

(a) The provision of this Section 6 shall apply only as between the parties hereto and their affiliated persons and entities, and are solely for their benefit. Nothing herein is intended to be for the benefit of any person or entity other than such parties. It is the explicit intention of the parties hereto that no person or entity other than such parties is or shall be entitled to bring any action to enforce any provision hereof against any of the parties hereto, and the assumptions, indemnities, covenants, undertakings and agreements set forth herein shall be solely for the benefit of, and shall be enforceable only by, such parties hereto.

Attachment 3

Track Inspection Report

Page:1'4
To:14799682634
18443612494
MAR-30-2022 13:15 From:

NORTH LOUISIANA & ARKANSAS RAILROAD
TRACK INSPECTION REPORT

DATE OF INSPECTION 3/29/22

TRACK INSPECTED: MAIN LINE FROM MP 471.0 TO MP 472.25

OTHER THAN MAIN LINE _____

SWITCHES INSPECTED Pert Lead Switch

DEVIATIONS FROM REQUIREMENTS

LOCATION	DESCRIPTION	REMEDIAL ACTION TAKEN
	See Attached	

SIGNED Mark Bell

TITLE Track Inspector

MP 471.0

Joint Tie Defect- No effective tie within 24 in. 109B3

Gauge Defect- Gauge less than 56 in. 55 1/2 in. 0053B2

Gauge Defect- Gauge less than 56 in. 55 3/4 in. 0053B2

Cross level Defect- Greater than allowable 3 in. 3 1/4 in. 0063A3

Cross level Defect- Greater than allowable 3 in. 3 1/4 in. 0063A3

Joint Bar Defect- Insufficient number of bolts. Only one bolt present. 0121D2

Joint Tie Defect- No effective tie within 24 in. 109B3

Joint Bar Defect- Insufficient number of bolts. 0121D2

Joint Bar Defect- Insufficient number of bolts. 0121D2

MP 471.1

Gauge Defect- Gauge less than 56 in. 55 5/6 in. 0053B2

Gauge Defect- Gauge less than 56 in. 55 1/2 in. 0053B2

Joint Tie Defect- No effective tie within 24 in. 109B3

Joint Tie Defect- No effective tie within 24 in. 109B3

Joint Bar Defect- Center Cracked joint bar. 0121C1

Broken Rail Defect- Broken rail, ordinary break. Inside of Joint Bar 0113D12

Gauge Defect- Gauge less than 56 in. 55 1/2 in. 0053B3

MP 471.2

Gauge Defect- Gauge less than 56 in. 55 3/4 in. 0053B3

MP 471.3

Gauge Defect- Gauge less than 56 in. 55 5/8 in. 0053B3

Gauge Defect- Gauge less than 56 in. 55 1/2 in. 0053B3

Gauge Defect- Gauge less than 56 in. 55 3/8 in. 0053B3

Broken Rail Defect- Broken Rail, ordinary break. Inside of Joint Bar 0113D12

MP 471.3

Joint Bar Defect- Insufficient number of bolts. 0121D2

MP 471.4

Gauge Defect- Gauge less than 56 in. 55 7/8 in. 0053B3

Gauge Defect- Gauge less than 56 in. 55 3/4 in. 0053B3

Gauge Defect- Gauge less than 56 in. 55 5/8 in. 0053B3

Broken Rail Defect- Broken Rail, ordinary break. Inside Joint Bar. 0113D12

Cross level Defect- Cross level greater than 3 in. 3 1/4 in. 0063A3

Gauge Defect- Gauge less than 56 in. 55 1/2 in. 0053B3

MP 471.5

Cross level Defect- Cross level greater than 3 in. 3 1/8 in. 0063A3

Gauge Defect- Gauge less than 56 in. 55 3/4 in. 0053B3

Gauge Defect- Gauge less than 56 in. 55 5/8 in. 0053B3

MP 476.7

Cross level Defect- Cross level greater than 3 in. 3 1/8 in. 0063A3

Gauge Defect- Gauge less than 56 in. 55 11/16 in. 0053B3

Cross level Defect- Cross level greater than 3 in. 4 1/4 in. 0063A3

Broken Rail Defect- Broken Rail, ordinary break. Inside Joint Bar. 0113D12

Broken Rail Defect- Broken Rail, ordinary break. Inside Joint Bar. 0113D12

MP 471.9

Broken Rail Defect- Broken Rail, ordinary break. Inside Joint Bar. 0113D12

Joint Bar Defect- Insufficient number of bolts. 0121D2

MP 472.0

Gauge Defect- Gauge less than 56 in. 55 7/8 in. 0053B3

MP 472.1

Broken Rail Defect- Broken Rail, ordinary break. Inside Joint Bar. 0113D12

Joint Bar Defect- Center Cracked joint bar. 0121C1

Joint Bar Defect- Insufficient number of bolts. 0121D2

Joint Bar Defect- Insufficient number of bolts. 0121D2

MP 472.2

Vegetation Defect- Tree down across the tracks. 0037C1

Gauge Defect- Gauge less than 56 in. 55 7/8 in. 0053B3

Attachment 4

Client List

1.	Stepan Company formerly Myriant Chemical	Lake Providence, LA
2.	Clearwater Paper Corp	McGehee, AR
3.	Livingston Pecan and Metal	Lake Village, AR
4.	Epstein Gin & Transloading Company	Lake Village, AR
5.	Hollybrook Gins & Warehouse	Hollybrook, LA
6.	Riceland Foods	McGehee, AR
7.	Sullivan Log Yard	Sondheimer, LA
8.	Anderson Trade Group	Lake Providence, LA
9.	Hensley Farms (Former Big River Grain)	Eudora, AR
10.	Greenfield (Former Big River Grain)	Lake Providence, LA
11.	Rail Vehicle Services	Talla Bena, LA
12.	Helena Chemical	Lake Providence & Talla Bena, LA
13.	Nutrien (Former CPS)	Lake Providence, LA
14.	Terral River Services	Lake Providence & Talla Bena, LA
15.	MD Power	Lake Village, AR
16.	Simplot (Former Lake Village Seed and Tire)	Lake Village, AR
17.	Gavilon (Former CHS)	Lake Providence, LA
18.	APEX	Lake Providence, LA
19.	Scott Petroleum	Lake Village, AR
20.	Complex Chemical	Talla Bena, LA
21.	John Deere	Lake Providence, LA

Attachment 5

Certificate of Insurance

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/11/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	**CONTACT NAME:** Rhonda Smith
Brown & Brown of Arkansas, Inc. 706 W. Main Russellville AR 72801	**PHONE (A/C, No, Ext):** (479) 968-3333 **FAX (A/C, No):** (479) 968-4439 **E-MAIL ADDRESS:** Rhonda.Smith@bbrown.com
INSURED Arkansas Short Line Railroads, Inc. 4416 South Arkansas Ave Russellville AR 72801	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** Westchester Surplus Lines Insurance Company — 10172 **INSURER B :** Auto-Owners Insurance Company — 18988 **INSURER C :** Starr Surplus Lines Insurance Company — 13604 **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 22/23 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [ ] OCCUR [X] Comprehensive [X] Railroad Liability GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:			G71758333004	11/10/2022	11/10/2023	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Retention	$ 10,000,000 $ $ $ Excluded $ 20,000,000 $ 10,000,000 $
B	AUTOMOBILE LIABILITY [X] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY			4671056100	03/01/2022	03/01/2023	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $ $
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N [ ] If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					[ ] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
C	Equipment Floater			ITA11198721	12/10/2021	12/10/2022	Rented/Leased Deductible $5,000	$200,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

(Comprehensive Railroad Liability Policy), FELA provides Employer's Liability Coverage as prescribed under the Federal Employers Liability Act as the sole remedy for railroad employee injuries.

CERTIFICATE HOLDER

INFORMATION PURPOSES ONLY INFORMATION PURPOSES ONLY
INFORMATION PURPOSES ONLY
INFORMATION PURPOSES ONLY
INFORMATION PURPOSE

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Rhonda Smith

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Additional Named Insureds

Other Named Insureds

Camden & Southern Railroad, Inc.	Corporation, Additional Named Insured
Dardanelle and Russellville Railroad, Inc.	Corporation, Additional Named Insured
North Louisiana & Arkansas Railroad, Inc.	Corporation, Additional Named Insured
Ouachita Railroad, Inc.	Corporation, Additional Named Insured

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EXHIBIT K

Verified Statement of Donald Bush

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36447
LAKE PROVIDENCE PORT COMMISSION
--FEEDER LINE APPLICATION—
LINE OF DELTA SOUTHERN RAILROAD LOCATED IN
EAST CARROLL AND MADISON PARISHES, LA.

STATEMENT OF SUPPORT OF DONALD BUSH

---

1. My name is Donald Bush. My address is 2115 North FM 2148, Texarkana, TX. My statements are based on facts of which I have personal knowledge and are true to the best of my knowledge. I am currently employed by Naw Customs LLC. Between November 2016 and December 2019, I managed and operated Bayou Bioenergy LLC, (Bayou), which was then located in Lake Providence, Louisiana.

2. Bayou opened its Lake Providence facility in 2016. I was the initial employee and had 4-6 contractors that I utilized actively. One lived in Monroe and the other 5 lived in Lake Providence. Bayou produced glycerin product and wet methanol, which is classified as a hazardous commodity. During Bayou's first year of operations, we were moving around 2 million gallons of product. When we were forced to shut down in December 2019, we had the potential to move an additional 2 million gallons per year with another customer. Had we been able to obtain

adequate rail service from Delta Southern Railroad, we could have potentially acquired additional customers to move an addition 5 to 10 million gallons per year. The possible potential for the facility would have been capped at around 20 million gallons per year without an investment in more tank storage capacity.

3. At the beginning, we were shipping by truck. However, we found some customers that could accept all of our 80% glycerin product by rail. Because we could have also shipped our hazardous byproduct (Wet Methanol) by rail, we did our research and found that Kansas City Southern (KCS) offered rates that were several hundred dollars less than its competitors. I believed that the rates offered by KCS would help us to get our logistics costs down, which would make us much more competitive.

4. I also found an existing rail spur within 1 mile of our facility that could be used for loading purposes. The spur is located at 1010 Hwy 134, in Lake Providence, LA. The spur is located on the mainline of the North Louisiana & Arkansas Railroad (NL&A). In late December 2016, I had several conversations with Danny Robbins, NL&A's Vice President, who explained that while his railroad would be pleased to handle our movements, it would be necessary to interchange with Delta Southern Railroad at a point just to the south of Lake Providence. Delta Southern would then move the loaded tank car to Tallulah, Louisiana where it would interchange the tank car with KCS.

5. Robbins and I then contacted Craig Huff who, at the time, was Delta Southern's General Manager. Although Mr. Huff initially expressed a willingness to work with Bayou, he later advised me that Delta Southern would not come to Lake Providence to interchange with NL&A. If we wanted to ship via rail, it would be necessary for us to truck our products to Delta Southern's transload facility at Tallulah.

6. Because Delta Southern would not come to the point of interchange with NLA, we had to truck the product 26 miles one way to the transloading location near Delta Southern's office in the Madison Parish Port. This created a one to two-day job for a truck and driver to transport and pump off enough product to fill the tank car. This compares with only a few hours if we were to truck the product one mile to the spur for transloading. The extra costs ultimately adversely impacted the fate of our business. Because our direct competitor had rail access within 1 mile of its facility, it had an increased profit margin with which we could not compete. We were forced to close in December of 2019.

7. Because of the added costs, the transload operation offered by Delta Southern was inadequate. If we had been given the efficient and economic rail service we needed, this would have given us a viable competitive position in our industry. We then would have been able to hire and train qualified individuals to be employees or make a reasonable offer to the contractors to possibly incentivize

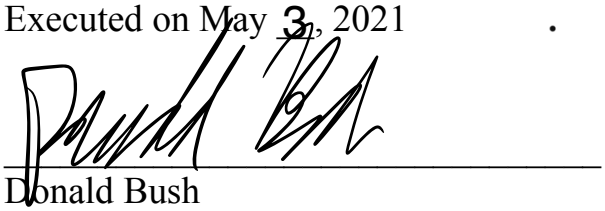
them to become an employee. In addition, we could have expanded our facility. In the end, we just could not justify expanding the facility.

8. I urge the Surface Transportation Board to grant Lake Providence Port Commission's application to acquire the segment of track that will allow direct rail service to be provided over the existing line to Tallulah. Adequate rail service is required in this area in the near future to prevent other businesses from closing and to help create more jobs in this area. The fact that Delta Southern, which owns the portion of the line between Lake Providence and Tallulah that LPPC seeks to acquire, is only using it for storing railcars is truly a shame as it is killing the incentive of multiple businesses who require adequate rail service to locate in the area.

VERIFICATION

I, Donald Bush, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to submit this Statement of Support.

Executed on May 3, 2021



Donald Bush

EXHIBIT L

Verified Statement of Jerry Melton

Before the
SURFACE TRANSPORTATION BOARD

STB Docket FD No. 36447

LAKE PROVIDENCE PORT COMMISSION—FEEDER LINE APPLICATION--LINE OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

VERIFIED STATEMENT OF JERRY J. MELTON

---

1. My name is Jerry J. Melton. I am the President of Complex Chemical Co. (Complex Chemical), whose facilities are located within the Madison Parish Port in Tallulah, Louisiana. My address is P.O. Box 1352, Tallulah, Louisiana (318) 574-0382. I have personal knowledge of the facts stated herein and am duly authorized to present this Verified Statement on behalf of Complex Chemical.

2. Complex Chemical produces brake fluid, antifreeze/coolants, Lubrications, oil additives, materials used in paving, mining & drilling, and various glycols via distillation of glycol residues for multiple markets. It is heavily dependent upon rail service for 50% of its gross revenues. In 2021, due to Covid-19, Complex only received or shipped 850 jumbo railcars of material. Immediately thereafter, there was a surge of demand as customers had literally run out of product. However, because they needed immediate service, Complex Chemical was forced to switch to trucking to keep up with demand. It is anticipated that the recently completed expansion of a glycol distillation project

and the installation of an additional reactor to expand capacity for manufacturing materials for the mining and drilling markets will increase our need for adequate rail service and surpass the 1,100 jumbo carloads that we received or shipped from 4/30/2019 to 5/1/2020. To illustrate the financial benefits that the various railroads have received from Complex Chemical over the years, I ask the Board to consider the fact that in 1987, we received only 3,270 tons of product consisting of intermediate feedstocks and base oils for further processing and shipped 2,660 tons of brake fluids and lube oil additives for crankcase lubrications. Because the line between McGehee and Tallulah was saved from abandonment in 1988, Complex Chemical has been able to prosper and contribute to the railroads' and the region's economy.

3. For many years, Complex Chemical was able to route traffic over either the Delta Southern Railroad, Inc. ("DSRR")/the Kansas City Southern Railway Company ("KCS") or DSRR/the North Louisiana & Arkansas Railroad ("NLS")/and the Union Pacific Railroad Company ("UP"). However, DSRR's extended refusal to maintain its line between MP 471.0 and 491.0 has deprived Complex Chemical of its ability to reach NLA and UP directly. Because of that loss, Complex Chemical has been forced to utilize the much longer DSRR/KCS/UP routing at a much higher rate than the rate paid for its DSRR/NLA/UP routing.

4. Complex Chemical currently supplies roughly 30% of all the DOT 3 and DOT 4 brake fluid sold in the United States. It also manufactures three (3) products that are used in roughly 40% of all the heavy-duty diesel crank case

oil sold in North America. The expansion and capacity increase will allow Complex Chemical to be the second largest producer of glycols from residues in the United States.

5. This is significant in that Complex Chemical has 15 outbound destinations scattered throughout the United States, Canada and Mexico. In addition, it has inbound material from points in Texas, Louisiana, and Canada. Seven (7) of its outbound customers are captive UP customers, while four (4) are captive KCS customers. In terms of incoming materials, five (5) origins are captive UP customers. As a result, the relationship between Complex Chemical and UP is significant.

6. As I previously stated in my sworn letter filed in this proceeding in April 2021, having to pay the higher rates that are charged for the current routing that has been created by DSRR's refusal to maintain its rail line imposes a penalty on Complex Chemical. As a result, I view DSRR's owner's self-imposed refusal to bear the cost of maintaining its own line as a restraint on trade and contrary to the public convenience and necessity and the public interest. That restraint also causes its service to be inadequate from an economic standpoint. While it may be financially rewarding for DSRR to exact higher rates while collecting rental payments for storing railcars on its mainline, that action is, in my mind, a violation of its statutory rail common carrier obligation. Furthermore, I request the Board to note that DSRR's storage activities are troublesome due to the fact that the crossing at the

entrance of the Port is blocked excessively when DSRR is switching rental storage cars.

7. I firmly believe that LPPC's ownership of the entire Lake Providence Branch Line promises to restore competitive direct routings to Complex Chemical. In addition, because Complex Chemical has been the largest of DSRR's customers and the major shipper on the direct line to UP at McGehee, Arkansas, I also believe that LPPC's ownership will directly contribute to the local region's economic prosperity as has Complex Chemical. The same would not be true of a railroad that has no existing ties to northeast Louisiana and southeast Arkansas which would skim needed revenues from LPPC and NLA. Because DSRR's owners are intent upon selling its shares to a different railroad, I fail to see how they would be impacted by the sale to LPPC.

I, Jerry J. Melton, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 11th day of November 2022.



Jerry J. Melton

EXHIBIT M

Verified Statement of
Thomas D. Crowley and Christena Nielsen

BEFORE THE
SURFACE TRANSPORTATION BOARD

	)	
	)	
	)	**Lake Providence Port Commission**
	)	**– Feeder Line Application –**
Docket No. FD 36447	)	**Line of Delta Southern Railroad Located**
	)	**In East Carroll and Madison**
	)	**Parishes, LA**
	)	

Verified Statement

of

Thomas D. Crowley
President

And

Christena Nielsen
Senior Consultant

L. E. Peabody & Associates, Inc.
ECONOMIC CONSULTANTS

On Behalf Of

Lake Providence Port Commission

Date: January 3, 2023

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LIST OF EXHIBITS

Exhibit No.	Exhibit Title
(1)	(2)
1	Thomas D. Crowley Qualifications
2	Christena Nielsen Qualifications
3	Schematic of the DSRR Portion of the Lake Providence Branch Line
4	Summary of LPPC Shipper Survey Responses
5	DSRR Going Concern Value ("GCV") Calculations – 2022 to 2031
6	Summary of Field Review of the Delta Southern Railroad Between Tallulah, LA (MP 498.44) and Lake Providence, LA (MP 471.0)
7	DSRR Net Liquidation Value ("NLV") Calculations – 4Q22
8	RMI Valuation, LLC Report "Net Liquidation Valuation of The Delta Southern Railroad Company's Line Between Milepost 471 and Milepost 498.44 in East Carroll and Madison Parishes, Louisiana" dated January 3, 2023

I. INTRODUCTION

We are Thomas D. Crowley and Christena Nielsen, President and a Senior Consultant, respectively, of L. E. Peabody & Associates, Inc. L. E. Peabody & Associates, Inc. is an economic consulting firm that specializes in addressing economic, transportation, marketing, financial, accounting, operating and fuel supply matters. We spent most of our consulting careers of over 50 years and over 25 years, respectively, evaluating railroad operations, capacity, costs and profitability and pricing issues for shippers, producers, railroads and government agencies. A summary of Mr. Crowley's credentials is included as Exhibit No. 1 and a summary of Ms. Nielsen's credentials is included as Exhibit No. 2 to this Verified Statement ("VS").

We were asked by Counsel to develop the constitutional minimum value ("CMV") of the Delta Southern Railroad, Inc. ("DSRR") portion of the Lake Providence Branch Line from Lake Providence, LA at milepost ("MP") 471.0 to the interchange with the Kansas City Southern Railway Company ("KCS") at Tallulah, LA (approximately MP 498.44).[1] In June 2015, West Branch Intermediate Holdings, LLC ("West Branch") acquired DSRR's stock for $3.5 million. West Branch is affiliated with Golden Gate Capital, a "multi-billion-dollar private equity firm."[2] On December 20, 2022, in Docket No. FD 36642, *Patriot Rail Company LLC, SteelRiver Transport Ventures LLC; Global Diversified Infrastructure Fund (North America) LP; First State Infrastructure Managers (International) Limited; And Mitsubishi UFJ Financial Group, Inc. – Control Exemption – Delta Southern Railroad, Inc.,* the Surface Transportation Board ("STB") lifted an abeyance order and allowed Patriot Rail Company LLC ("Patriot Rail") to proceed to

[1] This milepost is shown in the publicly available Missouri Pacific Railroad Company ("MP") track charts as the interchange location. In the event the current interchange location with the KCS is at a different milepost location we will update our analyses.

[2] STB FD 36447, March 4, 2022 Motion to File a Supplemental Application by the Lake Providence Port Commission ("LPPC").

acquire control of DSRR. According to the STB, because the "transaction is a stock purchase rather than an asset acquisition" it would have no effect on DSRR's corporate entity status.[3] Our calculation of the CMV of DSRR is not impacted by who owns the shares of DSRR.

DSRR operates on two (2) separate and distinct rail lines in Louisiana. One line runs from Monroe, LA to Sterlington, LA (the "Monroe Branch") and the other runs from Lake Providence, LA (MP 471.0) to Tallulah, LA (MP 498.44) (the "DSRR Portion of the Lake Providence Branch Line"). This VS concerns only the DSRR Portion of the Lake Providence Branch. A schematic of the DSRR portion of the Lake Providence Branch Line is included as Exhibit No. 3.

Currently, DSRR operates over approximately eight (8) miles on the southern end of the DSRR Portion of the Lake Providence Branch Line that connects the Madison Parish Port ("MPP") with KCS at Tallulah, LA (MP 490.91 to MP 498.44). The segment between MP 471.0 and MP 490.91 is used primarily to store railcars and has only been used to move one trainload of traffic since 2016.

The CMV for a Feeder Line Application requires developing the Going Concern Value ("GCV") and the Net Liquidation Value ("NLV") of the DSRR Portion of the Lake Providence Branch Line. The greater of these two (2) calculations is the CMV. Note that the "relevant GCV here is what the line is worth to [DSRR] as a going concern, not its projected value to the acquiring company [LPPC]."[4]

The remainder of this VS summarizes our calculation of the CMV for the DSRR Portion of the Lake Providence Branch Line. We developed the GCV using current DSRR tariff rates and

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[3] *See*, Docket No. FD 36642, *Patriot Rail Company LLC, SteelRiver Transport Ventures LLC; Global Diversified Infrastructure Fund (North America) LP; First State Infrastructure Managers (International) Limited; And Mitsubishi UFJ Financial Group, Inc. – Control Exemption – Delta Southern Railroad, Inc.,* served December 20, 2022 at p. 3.

[4] *See*, STB Finance Docket No. 32479, *Caddo Antoine and Little Missouri Railroad Company – Feeder Line Acquisition – Arkansas Midland Railroad Company Line between Gurdon and Birds Mill, AR,* decided August 10, 1999, 4 STB 326, at 340.

input from shippers to develop annual revenues and estimated operating expenses based on publicly available short line financial statements and publicly available information on DSRR costs. In addition, we developed the NLV of the DSRR Portion of the Lake Providence Branch Line based on a field inspection of the issue assets from observations we made from public rights-of-way adjacent to the rail line. We also reviewed the issue rail assets via Google Earth Pro.

Our findings are discussed in the remainder of this VS and supporting Exhibits under the following topical headings:

II. Constitutional Minimum Value
III. Going Concern Value
IV. Net Liquidation Value

II. CONSTITUTIONAL MINIMUM VALUE

The Feeder Line procedures require the STB to determine the CMV of the issue line. The constitutional minimum is defined as "not less than the net liquidation value of such line or the going concern value of such line, whichever is greater."[5] In this instance, the Going Concern Value of the DSRR Portion of the Lake Providence Branch Line of $778,451 is greater than the Net Liquidation Value of $168,470.

Our calculations of each of these values are discussed below.

[5] 49 U.S.C. 10907 (b)(2).

III. GOING CONCERN VALUE

The GCV is defined as "the value of a business enterprise that is expected to continue to operate into the future."[6] In this proceeding, the DSRR Portion of the Lake Providence Branch Line is the business enterprise that is being evaluated. As DSRR is currently in operation, it is a going concern and we estimated traffic, revenues, operating expenses and cash flows that DSRR incurs on the DSRR Portion of the Lake Providence Branch Line.[7]

The GCV is based on our estimate of revenues, earnings and cash flows and is developed based on existing and forecasted rail traffic and the resulting discounted cash flows ("DCF").

A. ESTIMATED DSRR TRAFFIC, REVENUES AND COSTS

This section of our VS discusses how we developed DSRR's traffic, revenue, operating expenses, capital costs, depreciation and amortization costs and income taxes.

1. Traffic and Revenues

DSRR currently operates over approximately eight (8) miles of track from the MPP at MP 490.91 to the interchange with KCS at Tallulah, LA. For development of the GCV, we reviewed the data provided by current shippers using this portion of the DSRR and Freight Tariff DSRR 8000 that identifies the applicable charges for traffic moving on the DSRR.

a. Traffic Estimates

In order to develop the DSRR traffic forecast, we relied upon shipper survey responses[8] to estimate the number of railcars per year that DSRR currently handles. The shipper surveys indicated that DSRR currently handles 1,445 cars per year. This traffic is predominately made up of chemicals, additives and cottonseed.

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6 *See*, "*What is Going Concern Value"* http://www.appraisalcolorado.com/value-vault/going-concern-value/.

7 The STB did not allow LPPC to serve DSRR (or West Branch) with discovery. Therefore, the values we developed are estimates based on the data and documents cited above.

8 *See*, Exhibit No. 4.

b. Traffic Revenues

Traffic revenues are based on the rates shown in Freight Tariff DSRR 8000. Section 6 – Local Rates identifies a rate of $1,000 per car at 2022 levels for traffic moving "BETWEEN DSRR Stations." We assumed that all traffic moving to and from the MPP would incur this $1,000 fee. Freight Tariff DSRR 8000 describes various other rates for various activities but without access to specific traffic requirements we relied on the $1,000 rate per car.

This rate is then applied to the 1,445 cars discussed above for annual estimated revenue of $1,445,000 at 2022 wage and price levels. The carloads were assumed to grow at 1.8 percent each year based on the 10-year growth in the real gross domestic product ("GDP"). The 2022 revenues were adjusted by the forecasted annual change in the Energy Information Administration's ("EIA") forecast of the Rail Cost Adjustment Factor ("RCAF") to estimate the DSRR's revenues for the years 2023 through 2031.[9]

2. Operating Expenses

To estimate DSRR's operating costs, we relied upon our experience with actual short line operations, other publicly available short line financial information and publicly available DSRR cost information to estimate the railroad's current operating expenses. Operating expenses include amounts for crew wages, materials and supplies, locomotive fuel and maintenance, roadway maintenance, ad valorem taxes, insurance and general and administrative expenses.

We developed the operating expenses for the DSRR Portion of the Lake Providence Branch Line using other publicly available short line financial data and publicly available DSRR cost

[9] *See,* Exhibit No.5, page 2, Line 9. Public reports indicate that the DSRR generated revenues in prior years from the storage of a significant number of private cars on its line segment between MP 471.0 to MP 491.0. We confirmed that DSRR still stores cars on this segment during our field study. Since this is a GCV evaluation, storing cars on the mainline should not qualify as operating income. We did not include storage revenues in our DSRR revenue forecast.

information. We indexed these costs to 2022 levels using the Association of American Railroads' ("AAR") index specific to each expense category.[10]

Table 1 below summarizes the estimated 2022 DSRR operating costs that we utilized in developing the GCV of the DSRR Portion of the Lake Providence Branch Line.

Table 1
2022 Estimated DSRR Operating Expense

Expense Category	2022 Value
(1)	(2)
1. Crew Wages	$350,530
2. Operating Maintenance of Way ("MOW")	$199,255
3. Operating Excluding MOW	$374,738
4. General & Administrative	$95,440
5. Ad Valorem Taxes	$50,569
6. Insurance	$39,613
7. Total 2022 Operating Expense	$1,110,233

Source: Exhibit No. 5, page 2.

DSRR's operating expenses are calculated in Exhibit No. 5 at 2022 wage and price levels and are then indexed to future year values using the EIA's forecast of the RCAF.

3. Capital Costs

Capital expenditures are those required to keep the DSRR operating safely. DSRR should be maintaining the entire DSRR Portion of the Lake Providence Branch Line from MP 471.0 to MP 498.44 and those are the costs that we developed. The annual maintenance of way spending that is included in our GCV is based on average short line capital costs per mile of $9,876.[11]

4. Depreciation and Amortization Costs

Depreciation and amortization costs were calculated using the Modified Accelerated Cost Recovery System ("MACRS") as allowed under existing tax laws. Capital assets installed are

[10] Exhibit No. 5, pages 6-7.
[11] Babcock, Michael W., "Profile of Short Line Railroads in High Grain Production States," January 2018. Kansas State University. This value was indexed to 2022 levels using the AAR QMPW index.

assumed to be placed in service mid-year and were placed in a seven-year asset class based upon their expected life and current tax laws.

In addition, the Tax Cuts and Jobs Act of 2017 ("TCJA") provided bonus depreciation on capital investments with MACRS recovery periods of 20 years or less that were placed in service after September 27, 2017. The TCJA allows for 100 percent depreciation for assets placed into service prior to December 31, 2022. Beginning January 1, 2023, the bonus depreciation declines by 20 percent per year until the bonus depreciation is phased out on December 31, 2026.

Exhibit No. 5, page 3 details our estimated depreciation and amortization costs and forecasted changes based on expected capital expenditures.

5. <u>Income Taxes</u>

Income taxes were calculated on total earnings after deductions for depreciation and amortization costs as allowed under existing tax laws. Because the discount rate that we are utilizing takes into consideration the tax shielding effects of debt, interest payments are not included in the model in order to avoid a double-count. Income taxes are assumed to equal the 21 percent federal corporate tax rate and the Louisiana State corporate tax rate of 7.5 percent. This produces a combined marginal tax rate of 26.925 percent.[12] In addition, because the DSRR is a Class III common carrier, it is eligible to receive a federal tax credit for qualified MOW expenses.[13] Exhibit No. 5, page 4 lists projected tax transactions for the 10-year forecast.

[12] 7.5 percent + [21.0 percent x (1 – 7.5 percent)] = 26.925 marginal tax rate.

[13] The Short Line Railroad Tax Credit (i.e., the 45G Tax Credit) is a federal income tax credit for qualified track maintenance owned by short line and regional railroads. A short line or regional railroad can receive a tax credit of 50 cents for every dollar of track maintenance expenses with a cap of $3,500 per mile of track through 2022. Beginning in 2023, the tax credit declines to 40 cents for every dollar of track maintenance expenses, but the $3,500 per mile cap remains unchanged.

B. PRESENT VALUE OF FUTURE CASH FLOWS

An entity derives value by deploying its assets (both tangible and intangible) in such a way as to generate cash receipts greater than its cash disbursements. These cash receipts and disbursements, or net cash flows, represent the returns company owners expect in the deployment of their assets over time. Because a dollar today is worth more than a dollar tomorrow due to the ability to invest today's dollar and earn interest, it is necessary to discount a company's expected net cash flows to determine their current or present value today. The sum of these discounted cash streams determines a company's value.

In estimating the value of DSRR, we developed a 10-year DCF model that estimates the railroad's expected future net cash flows and discounts these cash flows at a rate appropriate to the business risk of DSRR.[14] The DCF model takes into consideration expected changes in DSRR's traffic flows, transportation prices, operating expenses, capital expenditures and income taxes to estimate expected net cash flows. The net result is an estimated GCV for DSRR of $778,451. The DSRR GCV is developed in Exhibit No. 5, page 1, Line 11.d.

The preparation of the DCF model and its resultant estimated value is discussed below.

1. Net Changes in Cash Flow

To account for changes in net cash flow caused by the inclusion of non-cash expenses, capital expenditures and variances in cash receipts and disbursements, we made the following changes to DSRR's net income to estimate overall net changes in cash flows. First, depreciation

[14] A 10-year forecast period is commonly used in the valuation industry to develop the GCV of assets or a company. A 10-year period will usually allow for the capturing the impact of a full business-cycle which usually run from seven (7) to 10 years. Financial analysts have also found that forecasting beyond 10 years becomes extremely speculative, so will limit their forecast periods to 10 years, or less. The 10-year forecast period is also consistent with STB practices in maximum reasonable rate cases determined under the Stand-Alone Cost methodology which limit DCF models to 10-years. *See*, STB Ex Parte No. 657 (Sub No. 1), *Major Issues In Rail Rate Cases*, served October 30, 2006 at p. 64.

and amortization were added back to offset the fact that these non-cash expenses are deducted from revenue in determining income taxes. Second, capital expenditures were deducted from the available cash flow since their cash flow impacts are not totally reflected in the income statement.

2. Terminal Value

When determining the CMV of a business using a present value of future cash flows approach, the analyst must either forecast the cash flows into infinity or select a period of time to end the forecast period and add to the cash flows for the forecast period a "Terminal Value" that represents the value of the company at the end of the forecast period. The literature supports determining the terminal value using either a perpetual cash flow calculation or determining the market value of the entity at the end of the forecast period.[15]

DSRR is a company that is expected to transport a limited number of products with a limited finite life. As such, net cash flow streams originating from DSRR operations cannot be expected to last into perpetuity but can be expected to end at some currently unknown future date.

Because DSRR's cash flows are expected to end sometime in the future, we used the estimated NLV, adjusted for changes in expected prices, as a terminal value for the DCF analysis. The terminal value is shown in Exhibit No. 5, page 5 and developed in Exhibit No. 7, page 1.

3. DSRR's Estimated Discount Rate

Estimating the discount rate applicable to DSRR requires estimating both the market rates of return on the railroad's debt and equity and the overall worth, or market capitalization, of the railroad. However, because DSRR's debt and equity are not publicly traded, we are required to look elsewhere for surrogates for these values.

[15] *Handbook of Mergers, Acquisitions and Buyouts*, edited by Steven J. Lee and Robert D. Colman, Prentice-Hall, Inc. Englewood Cliff, New Jersey, 1981, pages 154-156.

Although short line railroads have different financial structures than the larger Class I railroads and face different market risks, we elected to use the STB's 2021 cost of capital of 10.37 percent for this analysis (latest available).

IV. NET LIQUIDATION VALUE

Our calculation of the NLV includes an evaluation of the DSRR Portion of the Lake Providence Branch Line rail properties owned by the DSRR. Specifically, the DSRR owned rail properties on the DSRR Portion of the Lake Providence Branch Line include the rail line between Lake Providence, LA (MP 471.0) and the connection with KCS in Tallulah, LA ((MP 498.44) (27.44 mainline miles plus 0.20 siding miles).

The NLV of rail property is defined in the Code of Federal Regulations at 49 C.F.R. §1152.34 as follows:

> The value for the highest and best use, for non-rail purposes, of the rail properties. This value shall be determined by computing the current appraised market value of such properties for other than rail purposes, less all costs of dismantling and disposition of improvements necessary to make the remaining properties available for their highest and best use.

There are three (3) components included in our determination of the NLV of the DSRR Portion of the Lake Providence Branch Line: (1) gross track asset salvage value; (2) liquidation costs; and (3) land value. Table 2 below sets forth the 4Q22 values that we used for these components.

Table 2
NLV of The DSRR -- 4Q22

Item	Value
(1)	(2)
1. Total Gross Salvage Value	$969,566
2. Liquidation Costs	$898,996
3. Net Salvage Value 1/	$70,570
4. Land	$97,900
5. Net Liquidation Value 2/	$168,470

Source: Exhibit No. 7.
1/ Line 1 – Line 2.
2./ Line 3 + Line 4.

We estimated the NLV of the DSRR Portion of the Lake Providence Branch Line to equal $168,470. Each of the component parts of the estimated NLV is discussed below under the following topical headings:

A. Gross Salvage Value of DSRR Track Assets
B. Liquidation Costs
C. Land Value

A. GROSS SALVAGE VALUE OF DSRR TRACK ASSETS

The gross salvage value ("GSV") represents the salvage value of the rail assets in place. To determine the quantity of the component parts of the track of the DSRR and the condition of these component parts, we performed a field inspection using public roadways and crossings and reviewed the issue rail line using Google Earth Pro. Using this information, we estimated the quantities and condition of the DSRR rail assets including rail, rail anchors, tie plates, track spikes, ties, joint bars and turnouts.

Table 3 below summarizes the estimated GSV of the DSRR track components.

Table 3
Estimated Gross Salvage Value of DSRR Track Components -- 4Q22

Track Component	GSV
(1)	(2)
1. Rail	$634,451
2. Other Track Material	$324,579
3. Turnouts	$10,536
4. Ties 1/	$0
5. Gross Salvage Value 2/	$969,566

Source: Exhibit No. 7.
1/ Our calculation of the gross salvage value of ties resulted in a negative $2.04 million. STB proceedings require using zero instead of any negative values.
2/ Sum of Lines 1 through 4.

The following is a description of the major property accounts included in Table 3 above and the development of their salvage value.

1. Rail

Based on the December 22, 2020 Net Liquidation Valuation developed in the Feeder Line Application in this proceeding, the DSRR rail line "is predominantly 85-pound rail with full toe angle bars and single shoulder tie plates."[16] Rail weight is defined as the weight of a three-foot section of rail. For example, a three-foot section which weighs 115 pounds is referred to as 115 lb. rail. Rail typically is installed in 39-foot sections, which are jointed together, or in one-quarter mile sections, which are welded together in the field. The 39-foot sections of rail are referred to as "jointed" rail and the one-quarter mile sections of rail are referred to as "continuous welded rail" ("CWR").

On November 3, 2022 Daniel L. Fapp, a Senior Vice President of L. E. Peabody & Associates, Inc. performed a field inspection of the issue rail line to confirm the condition of the rail line evaluated by Mr. Kovalchick. Mr. Fapp evaluated the rail segment between MP 491.0 and the KCS interchange at MP 498.44. That portion of the rail line is in slightly better condition than the rail line between MP 471.0 and MP 491.0.[17]

Publicly available DSRR track charts show the DSRR Portion of the Lake Providence Branch Line's main rail consists primarily of 85-pound jointed rail.[18] Field observations confirmed the accuracy of the DSRR track charts, with virtually all field observations confirming 85-pound jointed rail.

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[16] Nathan Kovalchick Verified Statement and Net Salvage Value Report, paragraph 5 included in FD 36447, *Lake Providence Port Commission—Feeder Line Application—Line of Delta Southern Railroad Located in East Carroll and Madison Parishes, Louisiana*, filed December 22, 2020 ("Kovalchick VS").

[17] Exhibit No. 6 is a full report from Mr. Fapp's field inspection.

[18] The track charts were originally produced by the Missouri Pacific Railroad, the original owner of the Rail Line.

To determine the GSV of a rail line, the rail is classified into rail that can be reused in other railroad applications and rail that cannot be reused. Rail that can be reused is termed "relay" or "fit" rail. Relay rail is salvaged rail that is in good condition and provides companies with the opportunity to "re-lay" the rail. Reroll rail does not have the ability to be re-laid but is able to be rerolled. Rerolled rail is converted into new products without having to re-melt the steel. Reroll rail typically has a slightly higher value than scrap. Rail that cannot be reused is sold as scrap steel.

Our inspection of the line confirmed Mr. Kovalchick's findings for the segment from MP 471.0 to MP 491.0 detailed in his Verified Statement indicating that "the condition of the track is average, and the condition of the crossties is poor."[19] The overall quality of the observed track was fair, and the majority of the track would be considered reroll quality. Some wear along the rail line was observed with some instances of pitting, shelling and spalling. These instances were minimal and occurred mostly on the segment north of the Madison Parish Port rail spur, where the rail line is currently only used for storing rail cars. Based upon these field observations, 20 percent of the rail observed is relay quality, 70 percent reroll quality and 10 percent is scrap.[20]

The percentages of relay/reroll/scrap rail discussed above were applied to the 27.64 miles that make up the DSRR Portion of the Lake Providence Branch, resulting in an estimated 5.49 miles of relay rail, 19.21 miles of reroll rail and 2.94 miles of scrap rail. This distribution results in 821.00 relay tons, 2,873.52 reroll tons and 440.42 scrap tons for a total of 4,134.94 tons. We assumed that 97.0 percent of the rail would be recovered.[21] This factor was applied to the tons listed above and results in a total of 4,010.89 tons that would be recovered.

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[19] Kovalchick VS at paragraph 5.

[20] *See*, Exhibit No. 6 for details.

[21] Assumed reusable rail based on STB Docket No. FD 36005 filed March 18, 2016, *KCVN/CPRR Feeder Line Application for Towner Line, Volume I*.

The price of relay rail is expressed in terms of dollars per net ton and varies depending on the weight and type of rail.

On November 8, 2022, we received quotes from Harmer Steel ranging from $179.20 per ton for relay rail to $160.00 per ton for reroll tons and $107.14 per ton for scrap tons. These price quotes are based on the current market for rail and are subject to change as the market changes.

Table 4 sets forth the classification of the weight and type of rail and estimated salvage value in the DSRR mainline and siding tracks.

Table 4
Rail GSV -- 4Q22

Rail Type	Reusable Tons	Value per Ton	GSV 1/
(1)	(2)	(3)	(4)
1. Relay	796.37	$179.20	$142,710
2. Reroll	2,787.31	$160.00	$445,970
3. Scrap	427.21	$107.14	$45,771
4. Total Rail GSV 2/	xxx	xxx	$634,451

Source: Exhibit No. 7.
1/ Column (2) x Column (3).
2/ Sum of Lines 1 through 3.

Table 4 above summarizes the estimated gross salvage value for rail, by rail type, for the issue DSRR mainline and siding tracks.

2. Crossties

Crossties on the DSRR mainline are spaced at intervals of 19.5 inches, or 3,249 ties per mile of rail,[22] which results in 89,809 total ties on the DSRR.[23] Ties are classified as reusable for railroad purposes (relay), reusable for landscape purposes (landscape), or as scrap in the development of the NLV. As much of the DSRR has been inactive since 2016, we assumed that

[22] (5,280 feet per mile x 12 inches per foot) ÷ 19.5 inches between ties = 3,249 ties per mile.
[23] 3,249 ties per mile x 27.64 miles = 89,809 ties.

only one percent of the ties are reusable for relay, the percentage of ties reusable for landscape and qualified for landscape #1 class and landscape #2 class[24] are each assumed to equal 10 percent and the percentage of scrap is assumed to equal 79 percent.

There is currently no market for used ties. Based on a quote from Harmer Steel, ties that are useable for landscape purposes were valued at -$15.00 each. Scrap ties are assigned a negative value of $25.00 each. Based on these quotes, we determined that GSV for crossties on the DSRR Portion of the Lake Providence Branch is zero.[25]

3. Other Track Material

Other track material ("OTM") consists of the material required to hold the rail in place along the tracks and includes such things as tie plates, joint bars, rail anchors, track spikes and bolts and washers. OTM is typically labeled as relay or scrap. Eighty percent of the DSRR OTM is assumed to be reusable and 20 percent is assumed to be scrap.

Table 5 below summarizes the GSV for OTM on the DSRR.

[24] Landscape #1 ties are those which are salvaged with at least three (3) solid sides and no more than half an inch width in any splitting at the ends of the tie. Landscape #2 ties are those which have at least two (2) out of four (4) good sides and can have more than a 2-inch split on the ends.

[25] *See*, Exhibit No. 7.

Table 5
Estimated DSRR Other Track Material GSV -- 4Q22

Item	Amount	Value per Unit	GSV 1/
(1)	(2)	(3)	(4)
1. Relay Tie Plates	34,594	$2.90	$100,323
2. Scrap Tie Plate Tons	1,436	$107.14	$153,857
3. Relay Joint Bars	1,441	$15.00	$21,615
4. Scrap Joint Bar Tons	267	$107.14	$28,607
5. Relay Rail Anchors	11,890	$0.12	$1,427
6. Scrap Rail Anchor Tons	72	$107.14	$7,714
7. Scrap Spike Tons	78	$107.14	$8,357
8. Scrap Bolt & Washer Tons	25	$107.14	$2,679
9. OTM Gross Salvage Value 2/		xxx	$324,579

Source: Exhibit No. 7.
1/ Column (2) x Column (3).
2/ Sum of Lines 1 through 8.

Exhibit No. 7 shows our development of the estimated DSRR OTM gross salvage value calculations.

4. Turnouts

Based on our field inspection of the DSRR, the DSRR has one 115 lb. relay turnout, two (2) 90 lb. relay turnouts and five (5) scrap turnouts of various rail weights. The unit cost for the 115 lb. per turnout is $4,000 and the 90 lb. turnouts are valued at $3,000 each based on the quote provided by Harmer Steel. The five (5) scrap turnouts are valued based on their estimated tons.

Table 6 below summarizes the estimated liquidation value for turnouts on the DSRR.

Table 6
Estimated DSRR Turnout GSV -- 4Q22

	Salvage Type	Quantity	Value per Unit	GSV 1/
	(1)	(2)	(3)	(4)
1.	Relay 115 lb. Turnout	1	$4,000	$4,000
2.	Relay 95 lb. Turnouts	2	$3,000	$6,000
3.	Scrap – Reusable Tons 2/	1	$536	$536
4.	Turnout Liquidation Value 3/	xxx	xxx	$10,536

Source: Exhibit No. 6.
1/ Column (2) x Column (3).
2/ Assumed that the five (5) scrap turnouts weigh approximately one ton.
3/ Sum of Lines 1 through 3.

Exhibit No. 6 shows our calculations of the estimated gross salvage value of DSRR turnouts.

B. LIQUIDATION COSTS

To develop the NLV, the gross salvage values described above need to be reduced by recovery costs, marketing and disposition costs and transportation costs to bring the product to market. We discuss each of these items below.

1. Removal and Restoration (Recovery) Cost

The salvage values set forth above are all gross salvage values, i.e., they do not include the cost of recovery or removal of the assets from their current location.[26] We developed the relay rail removal costs, the scrap rail and scrap OTM removal costs, the relay turnout removal costs, the scrap turnout removal costs and the costs to restore public and private highway crossings to calculate the total estimated recovery costs for the DSRR.

In order to determine these costs, we relied upon the unit costs used in the KCVN/CPRR Feeder Line Application indexed to 4Q22 using the RS Means Historical Construction Cost

[26] Except for scrap ties which are discussed above and are net of recovery costs.

Index.[27] These unit costs were used by both KCVN and V&S. We relied upon our field study and images from Google Earth Pro to determine the number of public and private crossings that must be restored.

Table 7 below details the amounts we subtracted from our estimated gross liquidation values to account for removal and recovery costs.

Table 7
Estimated DSRR Removal & Restoration (Recovery) Costs -- 4Q22

	Item	Quantity	Units	Cost per Unit	Total Cost 1/
	(1)	(2)	(3)	(4)	(5)
1.	Fit Rail	5.49	Miles	$23,061	$126,604
2.	Scrap Rail and OTM	22.15	Miles	$17,296	$383,132
3.	Fit Turnouts	3	Turnout	$1,153	$3,459
4.	Scrap Turnouts	5	Turnout	$721	$3,603
5.	Public Highway Crossings	25	Crossing	$2,883	$72,065
6.	Private Highway Crossings	29	Crossing	$432	$12,539
7.	Total Recovery Costs 2/	xxx	xxx	xxx	$601,402

Source: Exhibit No. 7, page 12.
1/ Column (2) x Column (4).
2/ Sum of Lines 1 through 6.

Exhibit No. 7 details our development of the removal and restoration costs for the DSRR.

2. Marketing and Disposition Costs

In addition to removal and restoration costs, it is also necessary to include the costs to market the assets and to administer the disposal process. Based on our experience, we assumed that relay marketing and disposition costs are equal to 15 percent of the relay gross liquidation value and scrap marketing and disposition costs are equal to five (5) percent of the reroll and scrap gross liquidation value. The total estimated marketing and disposition costs equal $76,086.

[27] See, STB Docket No. FD 36005, *KCVN, LLC and Colorado Pacific Railroad, LLC-Feeder Line Application-Line of V and S Railway, LLC*, Volume I, Page 4 of Appendix GWF-7, filed on March 18, 2016.

Exhibit No. 7, page 1 summarizes the development of the marketing and disposition costs included in this analysis.

3. Transportation Costs

Transportation costs for transporting the assets to market must also be considered. We reviewed current rail tariffs for the movement of relay, scrap and reroll steel products from the DSRR[28] to several salvage and scrap centers in the southeastern U.S. The average of current tariff charges per rail car is $3,516. We used this average to calculate the total estimated transportation costs of $221,508.

Exhibit No. 7 identifies the number of railcars required to transport relay, reroll and scrap tons from DSRR to salvage and scrap centers across the southeast.

4. Summary Before Land and Equipment

The NLV of the DSRR equals the gross salvage value ($969,566) less removal and restoration costs ($601,402), marketing and disposition costs ($76,086) and transportation costs ($221,508). Subtracting these costs from the gross salvage value produces an NLV for the DSRR track assets equal to $70,570.

C. LAND VALUE

The mainline and siding tracks considered in this analysis extend from Lake Providence, LA (MP 471.0) to Tallulah, LA (the KCS interchange point). The land valuation analysis of this issue land was performed by RMI Valuation LLC and their report is included as Exhibit No. 8 to our VS. RMI Valuation separated the DSRR land into land that is classified as fee simple (non-reversionary) and land that is classified as servitude (reversionary). Specifically, the non-reversionary land accounted for 38.03 acres or 11 percent of the issue land, while the reversionary

[28] Assumes Tallulah, LA is the point of origin.

land accounted for 318.27 acres or 89 percent of the issue land. Based on this separation, RMI Valuation concluded that the net liquidation value of the issue land equals $97,900 as of November 16, 2022.

In total, the NLV of the DSRR Portion of the Lake Providence Branch Line, including track assets and land, is estimated to equal $168,470.

VERIFICATIONS

I, Thomas D. Crowley, verify under penalty of perjury that I have read this Verified Statement on behalf of LPPC, that I know the contents thereof, and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.

Thomas D. Crowley

Executed on 1/3/23

* * *

I, Christena Nielsen, verify under penalty of perjury that I have read this Verified Statement on behalf of LPPC, that I know the contents thereof, and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.

Christena Nielsen

Executed on 1/3/23

LIST OF EXHIBITS

Exhibit No.	Exhibit Title
(1)	(2)
1	Thomas D. Crowley Qualifications
2	Christena Nielsen Qualifications
3	Schematic of the DSRR Portion of the Lake Providence Branch Line
4	Summary of LPPC Shipper Survey Responses
5	DSRR Going Concern Value ("GCV") Calculations – 2022 to 2031
6	Summary of Field Review of the Delta Southern Railroad Between Tallulah, LA (MP 498.44) and Lake Providence, LA (MP 471.0)
7	DSRR Net Liquidation Value ("NLV") Calculations – 4Q22
8	RMI Valuation, LLC Report "Net Liquidation Valuation of The Delta Southern Railroad Company's Line Between Milepost 471 and Milepost 498.44 in East Carroll and Madison Parishes, Louisiana" dated January 3, 2023

THOMAS D. CROWLEY
STATEMENT OF QUALIFICATIONS

My name is Thomas D. Crowley. I am an economist and President of the economic consulting firm of L. E. Peabody & Associates, Inc. The firm's offices are located at 1501 Duke Street, Suite 200, Alexandria, Virginia 22314, 760 E. Pusch View Lane, Suite 150, Tucson, Arizona 85737, and 7 Horicon Avenue, Glens Falls, New York 12801.

I am a graduate of the University of Maine from which I obtained a Bachelor of Science degree in Economics. I have also taken graduate courses in transportation at George Washington University in Washington, D.C. I spent three years in the United States Army and since February 1971 have been employed by L. E. Peabody & Associates, Inc.

I am a member of the American Economic Association, the Transportation Research Forum, and a Life Member of the American Railway Engineering and Maintenance-of-Way Association.

The firm of L. E. Peabody & Associates, Inc. specializes in analyzing matters related to the rail transportation of all commodities. As a result of my extensive economic consulting practice since 1971 and my participation in maximum-rate, rail merger, service disputes and rule-making proceedings before various government and private governing bodies, I have become thoroughly familiar with the rail carriers and the traffic they move over the major rail routes in the United States. This familiarity extends to subjects of railroad service, costs and profitability, cost of capital, railroad capacity, railroad traffic prioritization and the structure and operation of the various contracts and tariffs that historically have governed the movement of traffic by rail.

As an economic consultant, I have organized and directed economic studies and prepared reports for railroads, freight forwarders and other carriers, for shippers, for associations and for

THOMAS D. CROWLEY
STATEMENT OF QUALIFICATIONS

state governments and other public bodies dealing with transportation and related economic problems. Examples of studies I have participated in include organizing and directing traffic, operational and cost analyses in connection with single car and multiple car movements, unit train operations for coal, grain, oil and other commodities, freight forwarder facilities, TOFC/COFC rail facilities, divisions of through rail rates, operating commuter passenger service, and other studies dealing with markets and the transportation by different modes of various commodities from both eastern and western origins to various destinations in the United States. The nature of these studies enabled me to become familiar with the operating practices and accounting procedures utilized by railroads in the normal course of business.

Additionally, I have inspected and studied both railroad terminal and line-haul facilities used in handling various commodities. These operational reviews and studies were used as a basis for the determination of the traffic and operating characteristics for specific movements of numerous commodities handled by rail.

I have frequently been called upon to develop and coordinate economic and operational studies relative to the rail transportation of various commodities. My responsibilities in these undertakings included the analyses of rail routes, rail operations and an assessment of the relative efficiency and costs of railroad operations over those routes. I have also analyzed and made recommendations regarding the acquisition of railcars according to the specific needs of various shippers. The results of these analyses have been employed in order to assist shippers in the development and negotiation of rail transportation contracts which optimize operational efficiency and cost effectiveness.

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I have developed property and business valuations of privately held freight and passenger railroads for use in regulatory, litigation and commercial settings. These valuation assignments required me to develop company and/or industry specific costs of debt, preferred equity and common equity, as well as target and actual capital structures. I am also well acquainted with and have used the commonly accepted models for determining a company's cost of common equity, including the Discounted Cash Flow Model ("DCF"), Capital Asset Pricing Model ("CAPM"), and the Farma-French Three Factor Model.

Moreover, I have developed numerous variable cost calculations utilizing the various formulas employed by the Interstate Commerce Commission ("ICC") and the Surface Transportation Board ("STB") for the development of variable costs for common carriers, with particular emphasis on the basis and use of the Uniform Railroad Costing System ("URCS") and its predecessor, Rail Form A. I have utilized URCS/Rail form A costing principles since the beginning of my career with L. E. Peabody & Associates Inc. in 1971.

I have frequently presented both oral and written testimony before the ICC, STB, Federal Railroad Administration, Federal Energy Regulatory Commission, Railroad Accounting Principles Board, Postal Rate Commission and numerous state regulatory commissions, federal courts and state courts. This testimony was generally related to the development of variable cost of service calculations, rail traffic and operating patterns, fuel supply economics, contract interpretations, economic principles concerning the maximum level of rates, implementation of maximum rate principles, and calculation of reparations or damages, including interest. I presented testimony before the Congress of the United States, Committee on Transportation and Infrastructure on the status of rail competition in the western United States. I have also

THOMAS D. CROWLEY
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presented expert testimony in a number of court and arbitration proceedings concerning the level of rates, rate adjustment procedures, service, capacity, costing, rail operating procedures and other economic components of specific contracts.

Since the implementation of the *Staggers Rail Act of 1980,* which clarified that rail carriers could enter into transportation contracts with shippers, I have been actively involved in negotiating transportation contracts on behalf of shippers. Specifically, I have advised shippers concerning transportation rates based on market conditions and carrier competition, movement specific service commitments, specific cost-based rate adjustment provisions, contract reopeners that recognize changes in productivity and cost-based ancillary charges.

I have developed different economic analyses regarding rail transportation matters for over sixty (60) electric utility companies located in all parts of the United States, and for major associations, including American Chemistry Council, American Paper Institute, American Petroleum Institute, Chemical Manufacturers Association, the Chlorine Institute, Coal Exporters Association, Edison Electric Institute, the Fertilizer Institute, Mail Order Association of America, National Coal Association, National Grain and Feed Association, National Industrial Transportation League, North America Freight Car Association and Western Coal Traffic League. In addition, I have assisted numerous government agencies, major industries and major railroad companies in solving various transportation-related problems.

In the two Western rail mergers that resulted in the creation of the present BNSF Railway Company and Union Pacific Railroad Company and in the acquisition of Conrail by Norfolk Southern Railway Company and CSX Transportation, Inc., I reviewed the railroads' applications including their supporting traffic, cost and operating data and provided detailed evidence

THOMAS D. CROWLEY
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supporting requests for conditions designed to maintain the competitive rail environment that existed before the proposed mergers and acquisition. In these proceedings, I represented shipper interests, including plastic, chemical, coal, paper and steel shippers.

I have participated in various proceedings involved with the division of through rail rates. For example, I participated in ICC Docket No. 35585, *Akron, Canton & Youngstown Railroad Company, et al. v. Aberdeen and Rockfish Railroad Company, et al*. which was a complaint filed by the northern and mid-western rail lines to change the primary north-south divisions. I was personally involved in all traffic, operating and cost aspects of this proceeding on behalf of the northern and mid-western rail lines. I was the lead witness on behalf of the Long Island Rail Road in ICC Docket No. 36874, *Notice of Intent to File Division Complaint by the Long Island Rail Road Company*.

CHRISTENA NIELSEN
STATEMENT OF QUALIFICATIONS

My name is Christena Nielsen. I am a Senior Consultant in the economic consulting firm of L. E. Peabody & Associates, Inc. The firm's offices are located at 1501 Duke Street, Suite 200, Alexandria, Virginia 22314, 760 E. Pusch View Lane, Suite 150, Tucson, Arizona 85737, and 7 Horicon Avenue, Glens Falls, New York 12801.

I am a graduate of the University of Southern California from which I obtained a Bachelor of Arts degree in English. I have also taken graduate courses in transportation economics and accounting at George Washington University in Washington, D.C. and attended Leadership in a Democratic Society at the Federal Executive Institute in 2005.

I have been employed by L. E. Peabody & Associates, Inc. since 2011 and from 1989 to 1997. From 1997 to 2002, I was a consultant at two (2) other economic consulting firms (Snavely King Majoros O'Connor & Lee, Inc. and Parrish, Blessing & Associates, Inc.). From 2002 to 2005, I was a Project Manager at the Department of Transportation, Office of Assistant Inspector General for Competition and Economic Analysis ("DOT"). From 2005 to 2007, I was the Chief, Program Development Division with the Federal Railroad Administration ("FRA"). From 2007 to 2011, I was the Deputy Director of the American Association of Naturopathic Physicians ("AANP").

L. E. Peabody & Associates, Inc. specializes in analyzing matters related to the rail transportation of all commodities. As a result of my extensive consulting experience since 1989 and my participation in and support of maximum-rate, rail merger, service dispute, reasonable practices, and rule-making proceedings before various government bodies, I have become thoroughly familiar with the major freight and passenger rail carriers in the United States. This familiarity extends to subjects of railroad costs and revenues, service, maintenance, operations,

CHRISTENA NIELSEN
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capacity, traffic prioritization, and contract and tariff terms that govern the movement of commodities by rail.

As a consultant I have developed and directed economic and operations studies for freight and passenger rail carriers, shippers and federal and state agencies. Examples of the studies that I have participated in include financial assessments of intercity passenger rail programs, operational and cost analyses, assessment and valuation of potential short line properties, evaluation of equipment utilization, competitive market analyses and evaluation of going concern value.

I have presented testimony before the Surface Transportation Board ("STB") regarding interest applicable to lost profits and trackage rights payments. I have also developed various aspects of stand-alone cost ("SAC") evidence in several STB proceedings dealing with the calculation of maximum reasonable rail transportation rates for rail shippers and to aid in contract negotiations. I have also organized and reviewed site location options and conducted negotiations for a new production facility requiring inbound and outbound rail services. I have also participated in the development and implementation of negotiation strategies to assist rail shippers in achieving rate and service improvements working in partnership with transportation companies.

While at Snavely King Majoros O'Connor & Lee, Inc. and Parrish, Blessing & Associates, Inc., I specialized in economic analysis and evaluation of transportation sourcing alternatives including a presentation to the Virginia Department of Rail and Public Transportation concerning potential intermodal alternatives to deal with increasing container traffic on Virginia's highways.

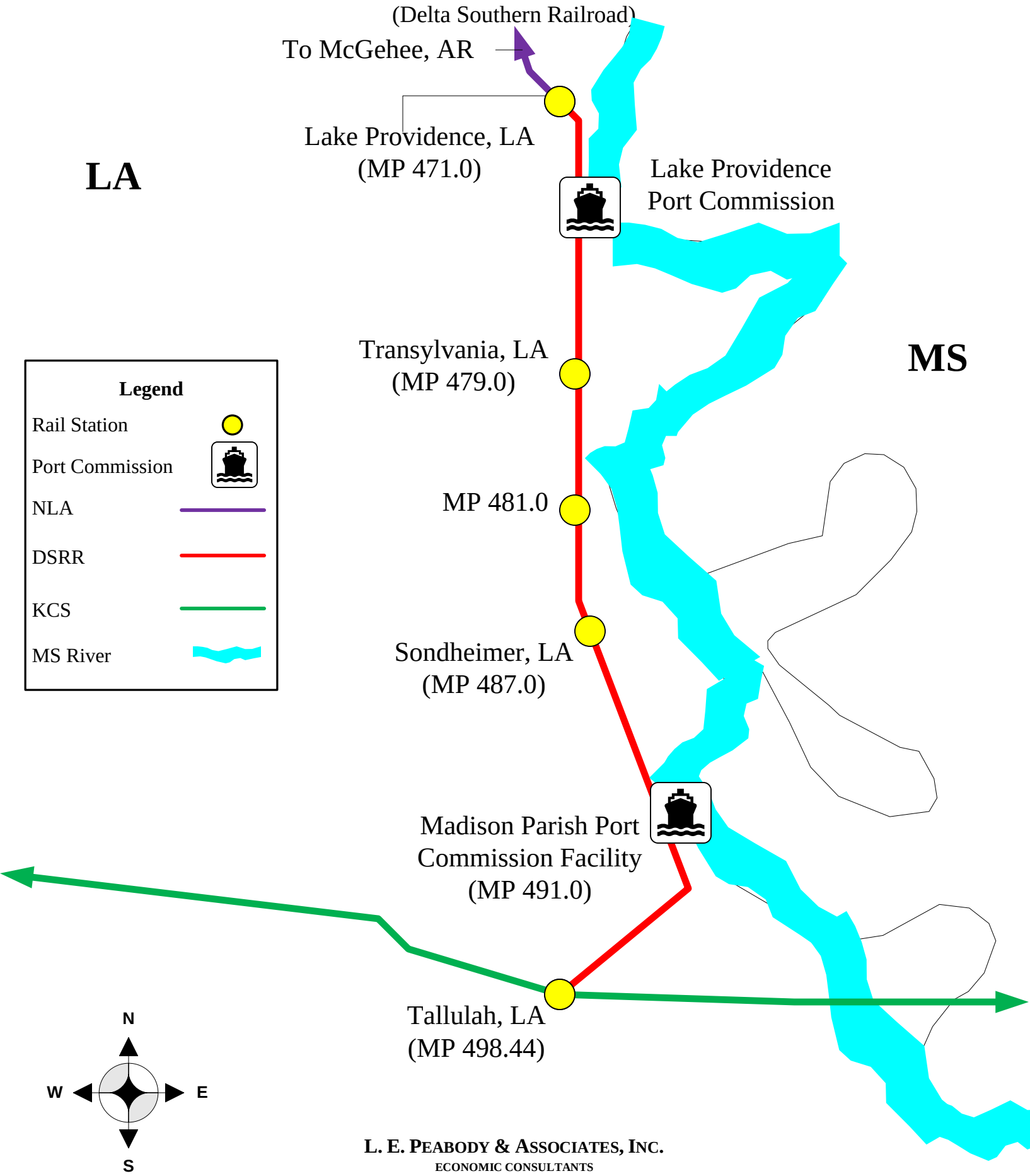
CHRISTENA NIELSEN
STATEMENT OF QUALIFICATIONS

While at DOT, I analyzed and evaluated the effectiveness of intercity passenger rail programs and produced a report to Congress incorporating these analyses and recommendations for reporting changes to improve future results. (*Assessment Report on Amtrak's 2003 and 2004 Financial Performance and Requirements, November 2004*).

While at FRA, I directed the development of a new process, required by the FY 2006 Appropriations Act, to identify the capital and maintenance expenditures by Amtrak on the Washington-New York City-Boston Northeast Corridor. The analysis required input and cooperation from Amtrak and eight commuter railroads with significantly different accounting systems and differing fiscal years.

While at AANP, I managed the staff, created monthly financial reports to assist with tracking revenues and expenditures and for informing the Board of Directors.

Schematic of the DSRR Portion of the Lake Providence Branch Line



L. E. PEABODY & ASSOCIATES, INC.
ECONOMIC CONSULTANTS

Summary of LPPC Shipper Survey Responses

Survey Questions	Survey Response
1. **Date**	10/17/2022
2. **Shipper Name**	**Terral River Service, Inc.**
3. **Contact Person**	Neil Martin
4. **Contact Phone**	318-559-1500
Contact Email	nmartin@terralriverservice.com
5. **Shipper Location (Physical Address)**	466 Port Road, Tallulah, LA 71282
6. **If rail service were available at this location, would you be interested in using the rail service?**	Yes
7. **Commodities Transported (STCC)**	Cottonseed
8. **Are any of the commodities transported hazardous materials?**	No
If yes, what are the materials?	
9. **Number of loaded inbound cars: Commodity /Volume (Annual)**	
10. **Number of loaded outbound cars: Commodity/Volume (Annual)**	Cottonseed/100
11. **Have you used rail to transport products in the past?**	Yes
If yes, when was the last time you used rail service?	Currently loading in Riverton
12. **Do you have a peak season?**	Yes
If yes, when does peak season begin and end?	August - March
13. **Do you have an inactive season?**	No
If yes, when does the inactive season begin and end?	
Any comments about seasonality?	
14. **Any reasons to expect rail volumes to change in the future?**	
If yes, by how much?	
15. **How often would you require service by the railroad?**	Weekly
16. **Would the Shipper ship/receive trainload, multiple car, or single car traffic?**	Multiple
17. **Would the Shipper ship in private or railroad owned businesses?**	Private
18. **Would the Shipper reload cars at this location?**	No
If yes, explain procedure and identify frequency.	
19. **Opening Time**	7:00:00 AM
20. **Closing Time**	4:00:00 PM
21. **Days of the Week**	7
22. **Are there any rail service window restrictions? If yes, please describe.**	No
23. **Notes:**	

Summary of LPPC Shipper Survey Responses

Survey Questions	Survey Response
1. **Date**	10/19/2022
2. **Shipper Name**	**Complex Chemical Co., Inc**
3. **Contact Person**	Jerry Melton
4. **Contact Phone**	318-474-7340
Contact Email	jmelton@complexchemical.com
5. **Shipper Location (Physical Address)**	177 Complex Chemical Road Tallulah, LA 71282
6. **If rail service were available at this location, would you be interested in using the rail service?**	Yes
7. **Commodities Transported (STCC)**	Lube additives, base oil, brake fluid, glycol ethers, ethylene glycol
8. **Are any of the commodities transported hazardous materials?**	Yes
If yes, what are the materials?	Ethylene Glycol
9. **Number of loaded inbound cars: Commodity /Volume (Annual)**	Base oil/600, crude glycols/100, glycol ethers/50
10. **Number of loaded outbound cars: Commodity/Volume (Annual)**	Lube oil additives/300, brake fluid/120, glycols/25
11. **Have you used rail to transport products in the past?**	Yes
If yes, when was the last time you used rail service?	10/19/2022
12. **Do you have a peak season?**	Yes
If yes, when does peak season begin and end?	
13. **Do you have an inactive season?**	No
If yes, when does the inactive season begin and end?	
Any comments about seasonality?	Pretty steady year round
14. **Any reasons to expect rail volumes to change in the future?**	Yes, expansion- Grow 10% over next 3-5 years
If yes, by how much?	10%
15. **How often would you require service by the railroad?**	Two switches per week
16. **Would the Shipper ship/receive trainload, multiple car, or single car traffic?**	Multiple cars almost always
17. **Would the Shipper ship in private or railroad owned businesses?**	Customer supplied cars and lease cars
18. **Would the Shipper reload cars at this location?**	Yes
If yes, explain procedure and identify frequency.	Standard procedure per industry to and from tanks, Multiple cars unloaded and loaded weekly-
19. **Opening Time**	7:00:00 AM
20. **Closing Time**	7:00:00 AM
21. **Days of the Week**	We operate 24/7
22. **Are there any rail service window restrictions? If yes, please describe.**	None
23. **Notes:**	Uses only Jumbo Rail Cars

Summary of LPPC Shipper Survey Responses

Survey Questions	Survey Response
1. **Date**	11/3/2022
2. **Shipper Name**	**Epstein Transloading**
3. **Contact Person**	Brad Whittle
4. **Contact Phone**	870-265-6245
Contact Email	bradwhittle@msn.com
5. **Shipper Location (Physical Address)**	537 Reynolds St, Lake Village, AR 71653
6. **If rail service were available at this location, would you be interested in using the rail service?**	Yes
7. **Commodities Transported (STCC)**	Cottonseed
8. **Are any of the commodities transported hazardous materials?**	No
If yes, what are the materials?	
9. **Number of loaded inbound cars: Commodity /Volume (Annual)**	0
10. **Number of loaded outbound cars: Commodity/Volume (Annual)**	Cottonseed / 150
11. **Have you used rail to transport products in the past?**	Yes
If yes, when was the last time you used rail service?	Current
12. **Do you have a peak season?**	No
If yes, when does peak season begin and end?	
13. **Do you have an inactive season?**	No
If yes, when does the inactive season begin and end?	
Any comments about seasonality?	
14. **Any reasons to expect rail volumes to change in the future?**	Depending on demand
If yes, by how much?	
15. **How often would you require service by the railroad?**	Bi-weekly
16. **Would the Shipper ship/receive trainload, multiple car, or single car traffic?**	Multiple
17. **Would the Shipper ship in private or railroad owned businesses?**	Both
18. **Would the Shipper reload cars at this location?**	No
If yes, explain procedure and identify frequency.	
19. **Opening Time**	7:00 AM
20. **Closing Time**	5:00 PM
21. **Days of the Week**	Mon - Fri
22. **Are there any rail service window restrictions? If yes, please describe.**	
23. **Notes:**	

Summary of Income Statement And Cash Flow For DSRR - 2022 to 2031

Item	Source	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Cumulative
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
I. INCOME STATEMENT												
1. Aggregate Revenues	1/	$1,445,000	$1,486,942	$1,569,329	$1,632,935	$1,688,459	$1,747,818	$1,811,880	$1,877,836	$1,943,643	$2,016,954	xxx
2. Operating Expenses												
a. Crew Costs	2/	$350,530	$354,328	$367,466	$375,585	$381,596	$388,006	$395,219	$402,345	$409,192	$417,110	xxx
b. Operating Expenses	3/	$573,993	$580,213	$601,726	$615,021	$624,863	$635,361	$647,172	$658,841	$670,052	$683,019	xxx
c. General & Administrative	4/	$95,440	$96,474	$100,051	$102,262	$103,898	$105,644	$107,608	$109,548	$111,412	$113,568	xxx
d. Ad Valorem Taxes	5/	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659	xxx
e. Insurance	6/	$39,613	$40,022	$41,436	$42,310	$42,958	$43,648	$44,424	$45,192	$45,929	$46,781	
f. Total Operating Expenses	Sum L.2a. to L.2e.	$1,110,233	$1,121,696	$1,161,337	$1,185,837	$1,203,973	$1,223,317	$1,245,082	$1,266,584	$1,287,243	$1,311,136	xxx
3. Earnings Before Taxes, Depreciation and Amortization	L.1 - L.2f.	$334,767	$365,246	$407,992	$447,097	$484,486	$524,501	$566,798	$611,252	$656,400	$705,817	xxx
4. Depreciation and Amortization	7/	$0	$331,567	$292,321	$260,687	$236,815	$219,444	$285,146	$338,625	$381,996	$415,726	xxx
5. Earnings Before Taxes	L.3 - L.4	$334,767	$33,679	$115,671	$186,411	$247,671	$305,057	$281,652	$272,627	$274,404	$290,092	xxx
6. Income Taxes Net of Operating Losses	8/	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	xxx
7. Net Earnings	L.5 - L.6	$334,767	$33,679	$115,671	$186,411	$247,671	$305,057	$281,652	$272,627	$274,404	$290,092	xxx
II. CASH FLOW												
8. Capital Outlays (-)	9/	$0	$400,162	$414,999	$424,169	$430,957	$438,197	$446,343	$454,391	$462,123	$471,065	xxx
9. Depreciation and Amortization (+)	L.4	$0	$331,567	$292,321	$260,687	$236,815	$219,444	$285,146	$338,625	$381,996	$415,726	xxx
10. Free Cash Flow	L.7 - L.8 + L.9	$334,767	($34,917)	($7,007)	$22,929	$53,529	$86,305	$120,455	$156,861	$194,278	$234,752	xxx
III. NET PRESENT VALUE OF CASH FLOW												
11. Net Present Value at 10.37% Discount Rate												
a. Discount Rate	STB 2021 Cost of Capital	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	10.37%
b. 2022 through 2031	L.10 ÷ 1.104 ^ (Year - Mid-2022))	$318,652	($30,113)	($5,475)	$16,233	$34,337	$50,159	$63,430	$74,840	$83,982	$91,944	xxx
c. Terminal Value	10/ ÷ 1.104 ^ 9.5 years	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	$80,462	xxx
d. Cumulative Value	Sum L.11b. to L.11c.	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	**$778,451**

1/ Exhibit No.5, page 2, Line 9.
2/ Exhibit No.5, page 2, Line 10.
3/ Exhibit No.5, page 2, Line 11 + Line 12.
4/ Exhibit No.5, page 2, Line 13.
5/ Exhibit No.5, page 2, Line 14.
6/ Exhibit No.5, page 2, Line 15.
7/ Exhibit No. 5, page 3, Line 16.
8/ Exhibit No. 5, page 4, Line 9.
9/ Exhibit No. 5, page 3, Line 3.
10/ Exhibit No. 5, page 5, Line 3. Column (4).

DSRR Forecasted Revenues and Operating Expense

Item	Source	Unit Price	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1. Carloads per Year	1/		1,445	1,471	1,497	1,524	1,551	1,579	1,607	1,636	1,665	1,695
2. Tons Per Car	1/		90	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
3. Annual Tons	L.1 x L.2		130,050	132,390	134,730	137,160	139,590	142,110	144,630	147,240	149,850	152,550
4. Operating Miles	2/		27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4
5. Ownership Miles	2/		27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4
6. Cars Per Train	3/		30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
7. Locomotives Owned	4/		0	0	0	0	0	0	0	0	0	0
8. Crew Personnel Requirement	4/		4	4	4	4	4	4	4	4	4	4
9. Revenue	DSRR Tariff 8000	$1,000 5/	$1,445,000	$1,486,942	$1,569,329	$1,632,935	$1,688,459	$1,747,818	$1,811,880	$1,877,836	$1,943,643	$2,016,954
10. Crew Costs	L.8 x L.10 Col (3) x RCAF	$87,632 6/	$350,530	$354,328	$367,466	$375,585	$381,596	$388,006	$395,219	$402,345	$409,192	$417,110
11. Operating Expenses Excl. MOW	L.4 x L.11 Col (3) x RCAF	$13,657 7/	$374,738	$378,799	$392,844	$401,524	$407,949	$414,803	$422,514	$430,132	$437,452	$445,917
12. Operating MOW	L.5 x L.12 Col (3) x RCAF	$7,261	$199,255	$201,414	$208,882	$213,497	$216,914	$220,558	$224,658	$228,709	$232,600	$237,102
13. General & Administrative	(Sum L.10 to L. 11) x L.13 Col (3)	13.2% 8/	$95,440	$96,474	$100,051	$102,262	$103,898	$105,644	$107,608	$109,548	$111,412	$113,568
14. Ad Valorem Taxes	9/	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659	$50,659
15. Insurance	Sum of L.10 to L.14 x L.15 Col (3)	3.70% 10/	$39,613	$40,022	$41,436	$42,310	$42,958	$43,648	$44,424	$45,192	$45,929	$46,781
16. Total Expense	Sum of L.10 to L.15		$1,110,233	$1,121,696	$1,161,337	$1,185,837	$1,203,973	$1,223,317	$1,245,082	$1,266,584	$1,287,243	$1,311,136

1/ LPPC Shipper Survey Responses. Tons per car based on average by STCC. Carloads are assumed to grow at 1.8 percent per year which is equal to the 10-year forecasted growth in real GDP.
2/ DSRR MP 471.0 to MP 498.44 = 27.44 miles.
3/ STB URCS Phase III - Multiple Car Trains.
4/ Assumed.
5/ DSRR Tariff 8000 Rate per Car "between DSRR locations." Increased by change in the Energy Information Administration ("EIA") RCAF forecast for 2023 through 2031.
6/ Exhibit No. 5, page 6, Line 6, Column (4).
7/ Exhibit No. 5, page 6, Line 12, Column (4).
8/ Exhibit No. 5, page 7, Line 21, Column (4).
9/ Based on 2019 assessed value of $429,000 and a 15 percent ad valorem rate.
10/ Based on insurance expense as a percentage of total expense for the Madison Railroad. The Madison Railroad is a short line railroad in southern Indiana and is a reasonable surrogate for the DSRR with 36.7 miles of track and approximately 1,000 carloads per year.

DSRR Capital Investments and Tax Depreciation

Item	Life (Years)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
A. Capital												
1. Maintenance of Way Program Spending 1/	7	$0	$400,162	$414,999	$424,169	$430,957	$438,197	$446,343	$454,391	$462,123	$471,065	$3,942,405
2. Equipment Overhaul 2/	7	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3. Total Capital		**$0**	**$400,162**	**$414,999**	**$424,169**	**$430,957**	**$438,197**	**$446,343**	**$454,391**	**$462,123**	**$471,065**	**$3,942,405**
B. Initial Tax Depreciation 3/												
4. 7-Year Capital	7	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5. 20-Year Capital	20	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C. 2022 Additions 3/												
6. 7-Year Capital	7	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D. 2023 Additions 3/												
7. 7-Year Capital	7		$331,567	$19,600	$13,998	$9,996	$7,147	$7,139	$7,147	$3,569		$400,162
E. 2024 Additions 3/												
8. 7-Year Capital	7			$272,721	$40,653	$29,033	$20,733	$14,824	$14,807	$14,824	$7,404	$414,999
F. 2025 Additions 3/												
9. 7-Year Capital	7				$206,036	$62,327	$44,512	$31,787	$22,727	$22,702	$22,727	$412,818
G. 2026 Additions 3/												
10. 7-Year Capital	7					$135,458	$84,433	$60,299	$43,061	$30,788	$30,753	$384,793
H. 2027 Additions 3/												
11. 7-Year Capital	7						$62,618	$107,314	$76,641	$54,731	$39,131	$340,435
I. 2028 Additions 3/												
12. 7-Year Capital	7							$63,782	$109,309	$78,065	$55,748	$306,905
J. 2029 Additions 3/												
13. 7-Year Capital	7								$64,932	$111,280	$79,473	$255,686
K. 2030 Additions 3/												
14. 7-Year Capital	7									$66,037	$113,174	$179,211
L. 2031 Additions 3/												
15. 7-Year Capital	7										$67,315	$67,315
M. Total												
16. **Total Annual Depreciation and Amortization**		**$0**	**$331,567**	**$292,321**	**$260,687**	**$236,815**	**$219,444**	**$285,146**	**$338,625**	**$381,996**	**$415,726**	**$2,762,324**

1/ Estimated MOW expense per mile (Exhibit No. 5, page 7, Line 22) x Owned miles (Exhibit No. 5, page 2, Line 5) adjusted annually by the change in the EIA RCAF forcast.
2/ Although we observed two (2) locomotives on the DSRR track during our field study, our understanding is that the DSRR leases these locomotives and the lease expense is included in the operating costs.
3/ The Tax Cuts and Jobs Act of 2017 provides for 100 percent bonus depreciation of assets through 2022. After 2022, bonus depreciation declines in 20 percent increments until expiring at year end 2026. Any property remaining after application of bonus depreciation is assumed to be placed in service mid-year using the depreciation 2017 Publication 946 Depreciation Table A-1 schedule.

DSRR Income Tax Calculations

Item	Source	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1. **Earnings (Loss) Before Taxes**	Exhibit No. 5, page 1, Line 5	$334,767	$33,679	$115,671	$186,411	$247,671	$305,057	$281,652	$272,627	$274,404	$290,092
2. **Net Operating Loss Generated**	If L.1 is less than zero, then L.1, otherwise zero	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3. **Net Operating Loss Plus Carryforward**	If L.2 is greater than zero, then L.2, otherwise or prior year L.5 + L.2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4. **Carryforward Utilized**	If L.3 is greater than zero, then zero. If L.1 is less than zero, then zero. If L.1 + L.3 is less than or equal to zero, then L.1 x 80% per tax law in effect Jan. 1, 2022 If L.1 + L.3 is greater than zero, then lesser of L.1 x 80% per tax law in effect Jan. 1, 2022 or negative L.3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5. **Carryforward Remaining**	L.3 + L.4	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6. **Taxable Income**	If L.1 is greater than zero, then L.1 - L.4, otherwise zero	$334,767	$33,679	$115,671	$186,411	$247,671	$305,057	$281,652	$272,627	$274,404	$290,092
7. **Income Taxes Before Credits**	L. 6 x Income Tax Rate of 26.93% 1/	$90,136	$9,068	$31,144	$50,191	$66,685	$82,137	$75,835	$73,405	$73,883	$78,107
8. **Maintenance Tax Credit**	Exhibit No. 5, page 2, L.5 x $3,500 2/	$96,040	$96,040	$96,040	$96,040	$96,040	$96,040	$96,040	$96,040	$96,040	$96,040
9. **Total Income Taxes**	L.7 - L.8. If L.7 - L.8 is less than zero, then zero	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

1/ Federal Corporate Income Tax Rate 21.00%
State Corporate Income Tax Rate 7.50%
Total Corporate Income Tax Rate 26.93%

2/ The regional and short line railroad investment tax credit (known as 45G for its provision in the Internal Revenue Code), provides for a $3,500 per track tax credit to short line and regional railroads for qualified maintenance expenditures. The tax credit was permanently extended in the Consolidated Appropriations Act of 2021.

DSRR Terminal Net Liquidation Value

Category	2022	Index	2031
(1)	(2)	(3)	(4)
1. Total Net Salvage Value of Track Assets	$70,570 1/	1.190 2/	$83,974
2. Land Valuation	$97,900 3/	1.241 4/	$121,460
3. Total Net Liquidation Value 5/	$168,470	xxx	$205,434

1/ Exhibit No. 7, page 1, Line 21, Col (3).

2/ Adjusted by the change in the Energy Information Administration ("EIA") forecast of the RCAF between 2022 and 2031.

3/ Exhibit No. 7, page 1, Line 22, Col (3).

4/ Assumed 2.41% annual growth rate based on actual USDA growth rate for Louisiana agriculture land, including buildings between 1980 and 2022.

5/ Line 1 + Line 2 .

Unit Costs Used to Develop DSRR Operating Expense

Item	Source	Item	Value
(1)	(2)	(3)	(4)
A. Crew Wages			
1. Average Salary for Trackman/Trainman - Madison Railroad (Indiana)	1/	2019	$55,800
2. Average Burden as Percent of Salary - Madison Railroad (Indiana)	1/	2019	47%
3. Labor Expenses Per Employee - Madison Railroad (Indiana)	L.1 x (1 + L.2)		$82,026
4. AAR Wage Rates & Supplemental Index - 2019 - East	2/	2019	598.4
5. AAR Wage Rates & Supplemental Index - 3Q 2022 - East	2/	3Q2022	639.3
6. Estimated Wage Rate per Employee in the East - 3Q2022	L.3 x (L.5 ÷ L.4)	3Q2022	$87,632
B. Other Operating Expenses			
7. Total Materials and Supplies Expenses - Madison Railroad (Indiana)	1/	2019	$474,181
8. Miles - Maidson Railroad (Indiana)	1/	2019	36.70
9. Materials & Supplies Expenses Per Mile - Madison Railroad (Indiana)	L.7 ÷ L.8	2019	$12,920
10. AAR Materials & Supplies Index - 2019 - East	2/	2019	379.1
11. AAR Materials & Supplies Index - 3Q 2022 - East	2/	3Q2022	400.7
12. Estimated Materials & Supplies Expenses in the East - 3Q2022	L.9 x (L.11 ÷ L.10)	3Q2022	$13,657
C. Operating Maintenance of Way			
13. Total Maintenance of way Expenses - Port of Pend Oreille (Washington)	3/	2019	$219,932
14. Miles - Port of Pend Oreille (Washington)	3/	2019	41
15. Maintenance Expenses Per Mile - Port of Pend Oreille (Washington)	L.13 ÷ L.14	2019	$5,364
16. AAR Materials prices, wage rates and supplements combined (incl. fuel) - QMPW Index - 2019 - West	2/	2019	604.2
17. AAR Materials prices, wage rates and supplements combined (incl. fuel) - QMPW Index - 3Q 2022 - West	2/	3Q2022	817.9
18. Estimated Operating MOW Expense per Mile - 3Q2022	L.15 x (L.17 ÷ L.16)	3Q2022	$7,261

(Footnotes on Next Page)

Unit Costs Used to Develop DSRR Operating Expense

Item	Source	Item	Value
(1)	(2)	(3)	(4)
D. Capital Maintenance of Way			
19. Average short-line capital maintenance of way cost per mile	4/	2017	$9,876
20. AAR Materials prices, wage rates and supplements combined (incl. fuel) - QMPW Index - 2017 - West	2/	2017	559.9
21. AAR Materials prices, wage rates and supplements combined (incl. fuel) - QMPW Index - 3Q 2022 - West	2/	3Q2022	817.9
22. Estimated Capital MOW Expense per Mile - 3Q2022	L.19 x (L.21 ÷ L.20)		$14,427
D. General and Administrative			
19. General & Administration 2019- Columbia Terminal Railroad (Missouri)	5/	2019	$55,496
20. Total Cash Operating 2019- Columbia Terminal Railroad (Missouri)	5/	2019	$421,726
21. General & Administrative Expense as a Percent of Total	L.19 ÷ L.20	2022	13.2%
F. Income Tax			
22. State of Louisiana Income Tax Rate		2022	7.5%
23. Corporate Income Tax Rate		2022	21.0%
24. Estimated Marginal Tax Rate for DSRR	L.22 + [L.23 x (1.0 - L.22)]	2022	26.9%

1/ Calculated from Madison Railroad (Indiana) financial statements for the year ended December 31, 2019. The Madison Railroad is a short line railroad in southern Indiana and is a reasonable surrogate for the DSRR with 36.7 miles of track and approximately 1,000 carloads per year. We did not use the Madison Railroad for Maintenance of Way or General and Administrative costs.

2/ Association of American Railroad "AAR Railroad Cost Indexes" from September 2022.

3/ Calculated from Port of Pend Oreille financial statements audit report as of and for the year ended December 31, 2019. The Port of Pend Oreille is similar in size to the DSRR and report maintenance of way separately from maintenance of equipment. The Madison Railroad does not report maintenance of way separate from maintenance of equipment.

4/ Babcock, Michael W. Profile of Short Line Railroads in High Grain Production States. January 2018. Kansas State University.

5/ Calculated from Columbia Terminal Railroad (Missouri) for the year ended December 31,2019. The Columbia Terminal Railroad is also similar in size to the DSRR and reports general and administrative expense without any inter-agency transfers that both the Madison Railroad and the Port of Pend Orielle include.

Exhibit No. 6

SUMMARY OF FIELD REVIEW OF THE DELTA SOUTHERN RAILROAD BETWEEN TALLULAH, LA (MP 498.44) AND LAKE PROVIDENCE, LA (MP 471.0)

Performed on Behalf of

The Lake Providence Port Commission

by

L. E. PEABODY & ASSOCIATES, INC.
ECONOMIC CONSULTANTS

November 4, 2022

Exhibit No. 6

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LIST OF ATTACHMENTS

Attachment No.	Attachment Description
(1)	(2)
1	Field Trip Track Review Forms
2	Field Study Photo Log

I. INTRODUCTION

This report summarizes the findings of a field study of the Delta Southern Railway, Inc.'s ("DSRR") Tallulah Subdivision between Tallulah (MP 498.44) and Lake Providence, LA (MP 471.0) ("Rail Line") conducted on November 3, 2022.[1]

The field study was conducted from publicly available access points adjacent to the Rail Line, including, but not limited to, at-grade railroad highway crossings, public lands adjacent to the rail line and publicly accessible private property, e.g., commercial parking lots adjacent to the rail line. Not all sections of the Rail Line were observable from publicly available access points but reasonable conclusions about the condition of the Rail Line were made during the field study. Attachment No. 1 to this Report contains a copy of the track review forms developed from observations made along the Rail Line. Attachment No. 2 to this Report is a field study photo log identifying the photographs taken during the field study.[2]

The remainder of this Report and the accompanying attachments summarize the results of our field study under the following topical headings:

II. Summary of Field Observations
III. Track Materials
IV. Other Observations

[1] This field study was conducted by Daniel L. Fapp, a Senior Vice President of L. E. Peabody & Associates, Inc.
[2] Each of the photographs identified in Attachment No. 2 are included in the electronic workpapers supporting this Report.

II. SUMMARY OF FIELD OBSERVATIONS

Based on the field study of the Rail Line and review of publicly available documents and information, our specific findings include:

1. The rail, ties and other track materials ("OTM") that constitute the majority of the Rail Line assets are in fair to poor condition. A majority of the observed rail along the Rail Line is of relay quality. Additionally, some of the observed rail contained clear head defects. The rail ties observed were in poor condition, especially between Lake Providence and the Madison Parish Port rail spur. A small number of recently installed rail ties that are of relay quality were observed from the Madison Parish Port rail spur to Tallulah. The vast majority on this line segment contained rail ties in poor condition. The other track material ("OTM") was in place and secured to the rail and rail ties.

2. The ballast along the Rail Line is in place only primarily along the Tallulah to Madison Parish Port rail spur segment of the Rail Line, although fouling was observed along much on this portion of the line. Between the Madison Parish Port rail spur and Lake Providence, a clear lack of ballast was observed, and what ballast was present was extremely fouled.

3. At-grade highway rail crossings are suitable across all major highway crossings. At most smaller crossings, the crossings consisted of primarily dirt or gravel. Protective signs, signals or gates were observed at nearly all of the crossings.

4. The bridges observed appeared to be in good condition. The track infrastructure on the bridges appears to be intact.

5. DSRR is currently using track north of the Madison Parish Port rail spur to store railcars. During this field study, approximately 211 railcars were stored on the Rail Line. In addition, a DSRR train consisting of two (2) GP38-2 locomotives and eight (8) tank cars tied-up south of the Madison Parish Port rail spur was observed.

III. TRACK MATERIALS

The majority of the field study consisted of examining the condition of the rail, ties, OTM and ballast along the Rail Line. The majority of the assets along the Rail Line consist of these materials and were observable from publicly accessible areas. The Rail Line's rail, ties and OTM were in fair to poor condition as described below.

A. RAIL

Publicly available DSRR track charts show the Rail Line's main rail consists primarily of 85-pound jointed rail.[3] Field observations confirmed the accuracy of the DSRR track charts, with virtually all field observations confirming 85-pound jointed rail.

85-Pound Rail



LPPC Field Study Photo #15



LPPC Field Study Photo #30

LPPC Field Study Photo Nos. 15 and 30 above show rail markings from two (2) different sections of the Rail Line confirming that the size of the rail is 85 pounds.

[3] The track charts were originally produced by the Missouri Pacific Railroad, the original owner of the Rail Line.

The overall quality of the observed track was fair, and the vast majority of the track would be considered reroll quality.[4] Some wear along the Rail Line was observed with some instances of pitting, shelling and spalling. These instances were minimal and occurred mostly on the segment north of the Madison Parish Port rail spur, where the Rail Line is currently only used for storing rail cars. Based upon these field observations, 20 percent of the rail observed is relay quality, 70 percent reroll quality and 10 percent is scrap.

B. TIES

The ties observed along the Rail Line were wood in almost all instances. An occasional concrete or steel tie was observed at a few locations. The ties along the Railroad Line and were primarily 7" x 9" x 8.5,' while some 7" x 8" x 8.5' and 7" x 9" x 8' ties were observed.

The ties on the portion of the Rail Line south of the Madison Parish Port rail spur were in better condition than the ties on the northern portion of the Rail Line, with what appeared to be some new or high-quality relay ties installed. Based on these field observations, the ties were in generally poor condition throughout the Rail Line with an estimated one percent being of relay quality, 10 percent being Landscape No. 1 quality, 10 percent being Landscape No. 2 quality and the remaining 79 percent not salvageable.

C. OTM

OTM on the Rail Line consists primarily of tie plates, tie spikes, joint bars, and rail anchors that are used as a means of fixing rails to railroad ties and to other rails.

The majority of the tie plates observed were 8-inch single shoulder plates. Some double-shoulder plates were observed as depicted in LPPC Field Study Photo No. 2 below.

[4] Used rail is generally placed into three (3) grades. Rail judged as "relay" quality can be placed back into service by railroads as track components. Rail judged as "reroll" quality can be heated and rerolled into other steel products, while rail judged as "scrap" cannot be reused again without further processing and is sold into the metal market as scrap material.

Double-Shoulder Plates



LPPC Field Study Photo #2

Based on these field observations, 95 percent of the tie plates along the line are single-shoulder plates and five (5) percent double-shoulder plates. The majority of the tie plates had two (2) rail spikes per plate and three (3) or four (4) spikes per plate at at-grade highway crossings.

Rail anchors were used on some portions of the Rail Line with drive-on anchors used exclusively in the line observed.[5]

[5] Rail anchors are applied to the rail base directly and provide a large bearing surface against rail base and rail tie, preventing wear and cutting, and eventually prolonging the working life of the rail ties. Anchors can be classified into two types, drive-on rail anchors and spring type rail anchor.

Drive-on Anchors



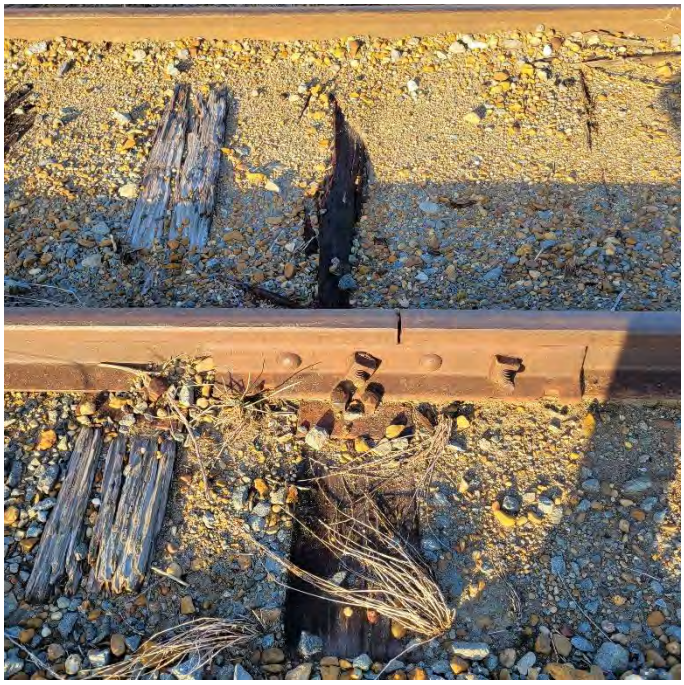
LPPC Field Study Photo #6

LPPC Field Study Photo No. 6 above, shows drive-on anchors used on the Rail Line.

Joint bars were observed primarily with four (4) bolts but some were observed with six (6) bolts near crossings and turnouts.[6] Virtually all joint bars were toed as shown below in LPPC Field Study Photo Nos. 14, 35 and 51.

[6] Joint bars are short pieces of steel used to join track sections to other sections or track structures. A joint bar is placed on each side of the track sections being joined. Holes are then drilled into each end of the joint bar and also through both track sections. Bolts with locking washers are then fastened through the holes to join the sections.

Toed Joint bars



LPPC Field Study Photo #14



LPPC Field Study Photo #35



LPPC Field Study Photo #51

In most situations the OTM was intact and tightly secured along the line segment between the Madison Parish Port rail spur and Tallulah. On the line segment north of the Madison Parish

Port rail spur, loose spikes and tie plates were observed but no missing bolts in joint bars or any missing nuts or bolts were observed.

D. BALLAST

The ballast along the Rail Line appeared to consist primarily of granite. There were some sections of the Rail Line between the Madison Parish Port rail spur and Tallulah that contained sufficient depths of ballast with little fouling or vegetation growth.[7] The rest of the Rail Line showed moderate to severe ballast fouling or the complete erosion of ballast from some stretches of the line as shown in LPPC Field Study Photo Nos. 9, 10, and 14.

Ballast Fouling and Erosion



LPPC Field Study Photo #9



LPPC Field Study Photo #10

[7] "Fouling" occurs when smaller particles invade or clog the ballast.



LPPC Field Study Photo #14

The amount of fouling in the ballast allowed for vegetation growth in portions of the track bed. Vegetation growth occurred more often on the section of the Rail Line north of the Madison Parish Port rail spur, however, vegetation growing in the ballast was observed across the entire Rail Line.

E. AT-GRADE HIGHWAY CROSSINGS

The Rail Line is crossed by numerous public and private at-grade roadway crossings. The majority of the crossings were protected by either crossbucks, stop signs, signals or gates. A few unprotected crossings along the Rail Line were observed. At-grade crossings within the towns of Lake Providence and Tallulah along the Rail Line were primarily protected by flashing lights or crossing gates.

F. BRIDGES AND CULVERTS

Publicly available track charts show nine (9) bridges along the Rail Line, of which eight (8) were visible or partially visible from public rights of way. All of the bridges are timber pile

trestles with open decks. The bridges that are visible from public rights of way appear to be in satisfactory to good condition with minimal scoring around the piles and bases, and no apparent sags in the track structures. The LPPC Field Study Photos below show the bridge at MP 493.58 and the bridge at MP 495.29.

Bridge at MP 493.58



LPPC Field Study Photo #46



LPPC Field Study Photo #48

Bridge at MP 495.29



LPPC Field Study Photo #56



LPPC Field Study Photo #57

Several concrete and steel pipe culverts were observed along the Rail Line. All culverts appeared to be in good condition and free of debris.

IV. OTHER OBSERVATIONS

During the field study, other DSRR activities along the rail line were observed as discussed below.

A. STORED RAILCARS

On the Rail Line north of the Madison Parish Port rail spur, various types of railcars are stored. The stored railcars were estimated to utilize 2.6 miles of the Rail Line. Assuming an average railcar length of 65 feet, this would place the number of railcars stored on the Rail Line at approximately 211 railcars.[8]

Most railcars observed in storage were tank cars and closed top hopper railcars. The railroad reporting marks on the railcars included "CTCX," which are registered to CIT Group, "GATX," which are registered to GATX Capital and "UTLX," which are registered to Union Tank Car.

B. TIED-UP DSRR TRAIN

A DSRR train was tied-up at approximately MP 495, which is south of the Madison Parish Port rail spur. The train consisted of two (2) GP-38-2 locomotives marked FURX 5522 and FURX 5523, and eight (8) tank cars as shown below in LPPC Field Study Photo Nos. 52 and 53.

[8] (2.6 miles x 5,280 feet/mile) ÷ 65 feet per railcar ≈ 211 railcars.

Two (2) GP-38 Locomotives



LPPC Field Study Photo #52



LPPC Field Study Photo #53

The "FURX" prefix is registered to Wells Fargo Rail, which changed its name from First Union Rail Corporation in 2016. Wells Fargo Rail is the largest rail equipment operating lessor in North America with more than 175,000 railcars and 1,800 locomotives.[9]

The train was tied-up when first observed at 07:15 and was still tied-up at 11:45 and 13:15 hours. The locomotives did not appear to be operating when observed and no DSRR crew were observed.

[9] *See*, https://www.wellsfargo.com/com/financing/equipment-financing/rail/.

Exhibit No. 6

LIST OF ATTACHMENTS

Attachment No.	Attachment Description
(1)	(2)
1	Field Trip Track Review Forms
2	Field Study Photo Log

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 1
3. Location: MP 498.32
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85 pound
   - c. Comments: fair condition
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: wood
   - b. Size (H X W X L): 8 x 8 x 96
   - c. Spacing (inches): 10
   - d. Comments: 1 in every 10 appears updated
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2 in most cases, some 3
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type: drive on
    - b. Application: mainly around crossings
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments:

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 2
3. Location: MP 497.92
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85 pound
   - c. Comments: fair condition
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: wood
   - b. Size (H X W X L): 8 x 8 x 96
   - c. Spacing (inches): 10
   - d. Comments: 1 in every 10 appears updated
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2 in most cases, some 3
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type: drive on
    - b. Application: mainly around crossings
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track: unable to confirm
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Concrete crossing, well maintained.

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 3
3. Location: MP 62 (LA Line)
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85 pound
   - c. Comments: fair condition
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: wood
   - b. Size (H X W X L): 8 x 8 x 96
   - c. Spacing (inches): 14
   - d. Comments: fair to poor
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Heavily fouled ballast, heavy vegetation to the north

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 4
3. Location: MP 472.92
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85 pound
   - c. Comments: fair condition
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: wood
   - b. Size (H X W X L): 8 x 8 x 104
   - c. Spacing (inches): 18
   - d. Comments: fair to poor
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Fouled ballast

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 5
3. Location: MP 474 (estimated)
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85 pound
   - c. Comments: Fair to poor. Pitting observed
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: wood
   - b. Size (H X W X L): 8 x 8 x 104
   - c. Spacing (inches): 14
   - d. Comments: Fair to very poor. Some broken
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Heavily fouled ballast, sings of water pooling in the track bed

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 6
3. Location: MP 477.92
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85 pound
   - c. Comments: Fair
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: wood
   - b. Size (H X W X L): 8 x 8 x 96
   - c. Spacing (inches): 10
   - d. Comments: Poor
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Fouled ballast, some vegetation on tracks.

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 7
3. Location: MP 481.21
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85 pound
   - c. Comments: Fair
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: wood
   - b. Size (H X W X L): 8 x 8 x 96
   - c. Spacing (inches): 14 with some large gaps
   - d. Comments: Poor with significant breaks
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Fouled ballast, some vegetation on tracks.

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 8
3. Location: MP 484.02
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85 pound
   - c. Comments: Fair
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: wood
   - b. Size (H X W X L): 8 x 8 x 108
   - c. Spacing (inches): 13
   - d. Comments: Fair to poor
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: washed out
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Many spikes not holding rail, sings of wash outs along slope

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 9
3. Location: MP 485.82
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85 pound
   - c. Comments: Fair
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: wood
   - b. Size (H X W X L): 8 x 8 x 108
   - c. Spacing (inches): 13
   - d. Comments: Mostly fair
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Some ties appear to be recently replaced. Also some concrete ties used.

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 10
3. Location: MP 488.41
4. No. of tracks
   a. Main track: 1
   b. Siding:
   c. Centerline spacing (feet)
      (1) Main tracks:
      (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   a. CWR or jointed: Jointed
   b. Weight: 85 pound
   c. Comments: Fair to poor. Some scaling seen
7. Rail - siding
   a. CWR or jointed:
   b. Weight:
   c. Comments:
8. Cross ties - main track
   a. Type: wood
   b. Size (H X W X L): 8 x 8 x 106
   c. Spacing (inches): 13
   d. Comments: Mostly fair
9. Cross ties - siding
   a. Type:
   b. Size (H X W X L):
   c. Spacing (inches):
   d. Comments:
10. Tie plates
    a. Size - main track: 8 inch
    b. Size - siding:
    c. No. of spikes/plate - main: 2
    d. No. of spikes/plate - siding: \
11. Rail Anchors
    a. Type:
    b. Application:
12. Ballast
    a. Type: granite
    b. Depth:
13. Turnouts
    a. Size - main track:
    b. Size - siding:
14. Grading data
    a. Cut / fill / level:
    b. Roadbed width (feet):
    c. Side slope:
    d. Side ditch depth:
    e. Side ditch width:
15. Fencing
    a. None/one/both sides:
    b. Type:
16. Bridges
    a. Number:
    b. Type:
    c. No. of piers:
    d. No. of spans:
17. Culverts
    a. Type:
    b. Size (diameter):
18. Tunnels
    a. Type:
19. Signal System
    a. Description:
20. Additional Comments: Fouled ballast with signs of washout. Railcars stored on both sides of crossing

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 11
3. Location: MP 489.95
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85 pound
   - c. Comments: Fair to poor. Pitting and side wear
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: wood
   - b. Size (H X W X L): 8 x 8 x 106
   - c. Spacing (inches): 14
   - d. Comments: Mostly fair
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Fouled ballast with signs of washout. Railcars stored on both sides of crossing. Vegetation in track

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 12
3. Location: MP 493. 58
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85
   - c. Comments:
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: Wood
   - b. Size (H X W X L): 8 x 8 x 106
   - c. Spacing (inches): 14
   - d. Comments: fair
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number: 1
    - b. Type: Timber
    - c. No. of piers: 7
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Less fouling of ballast, used ties in the right of way

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 13
3. Location: MP 496.82
4. No. of tracks
   a. Main track: 1
   b. Siding:
   c. Centerline spacing (feet)
      (1) Main tracks:
      (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   a. CWR or jointed: Jointed
   b. Weight: 85
   c. Comments: Fair, some side wear
7. Rail - siding
   a. CWR or jointed:
   b. Weight:
   c. Comments:
8. Cross ties - main track
   a. Type: Wood
   b. Size (H X W X L): 8 x 8 x 106
   c. Spacing (inches): 14
   d. Comments: Fair to good with some new
9. Cross ties - siding
   a. Type:
   b. Size (H X W X L):
   c. Spacing (inches):
   d. Comments:
10. Tie plates
    a. Size - main track: 8 inch
    b. Size - siding:
    c. No. of spikes/plate - main: 2
    d. No. of spikes/plate - siding: \
11. Rail Anchors
    a. Type:
    b. Application:
12. Ballast
    a. Type: granite
    b. Depth:
13. Turnouts
    a. Size - main track:
    b. Size - siding:
14. Grading data
    a. Cut / fill / level:
    b. Roadbed width (feet):
    c. Side slope:
    d. Side ditch depth:
    e. Side ditch width:
15. Fencing
    a. None/one/both sides:
    b. Type:
16. Bridges
    a. Number:
    b. Type:
    c. No. of piers:
    d. No. of spans:
17. Culverts
    a. Type:
    b. Size (diameter):
18. Tunnels
    a. Type:
19. Signal System
    a. Description:
20. Additional Comments: Crossing with gates

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 14
3. Location: MP 495.29
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85
   - c. Comments: Fair, some side wear
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: Wood
   - b. Size (H X W X L): 8 x 8 x 106
   - c. Spacing (inches): 14
   - d. Comments: Fair to good with some new
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2, on some cases 3
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number: 1
    - b. Type: Timber
    - c. No. of piers: 2
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments:

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 15
3. Location: MP 491.9
4. No. of tracks
   - a. Main track: 1
   - b. Siding:
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding:
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85
   - c. Comments:
7. Rail - siding
   - a. CWR or jointed:
   - b. Weight:
   - c. Comments:
8. Cross ties - main track
   - a. Type: Wood
   - b. Size (H X W X L): 8 x 8 x 106
   - c. Spacing (inches): 14
   - d. Comments: Fair to poor
9. Cross ties - siding
   - a. Type:
   - b. Size (H X W X L):
   - c. Spacing (inches):
   - d. Comments:
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding:
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: \
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments:

FIELD TRIP TRACK REVIEW FORM

1. Date: November 3, 2022
2. Stop No.: 16
3. Location: MP 478.62
4. No. of tracks
   - a. Main track: 1
   - b. Siding: 1
   - c. Centerline spacing (feet)
     - (1) Main tracks:
     - (2) Main track to siding: 108
5. Tangent or curve: Tangent
6. Rail - main track
   - a. CWR or jointed: Jointed
   - b. Weight: 85
   - c. Comments:
7. Rail - siding
   - a. CWR or jointed: Jointed
   - b. Weight: 85
   - c. Comments:
8. Cross ties - main track
   - a. Type: Wood
   - b. Size (H X W X L): 8 x 8 x 106
   - c. Spacing (inches): 14
   - d. Comments: Fair
9. Cross ties - siding
   - a. Type: Wood
   - b. Size (H X W X L): 8 x 8 x 106
   - c. Spacing (inches): 14
   - d. Comments: Very poor
10. Tie plates
    - a. Size - main track: 8 inch
    - b. Size - siding: 8 inch
    - c. No. of spikes/plate - main: 2
    - d. No. of spikes/plate - siding: 2
11. Rail Anchors
    - a. Type:
    - b. Application:
12. Ballast
    - a. Type: granite
    - b. Depth:
13. Turnouts
    - a. Size - main track:
    - b. Size - siding:
14. Grading data
    - a. Cut / fill / level:
    - b. Roadbed width (feet):
    - c. Side slope:
    - d. Side ditch depth:
    - e. Side ditch width:
15. Fencing
    - a. None/one/both sides:
    - b. Type:
16. Bridges
    - a. Number:
    - b. Type:
    - c. No. of piers:
    - d. No. of spans:
17. Culverts
    - a. Type:
    - b. Size (diameter):
18. Tunnels
    - a. Type:
19. Signal System
    - a. Description:
20. Additional Comments: Heavy vegetation on siding. Mainline has very little ballast

FIELD STUDY PHOTO LOG

Picture Number	Date	Time/ Basis 1/	Location or Stop #	Direction Facing	Description
1	11/3/2022	5:07	Stop No. 1 - MP 498.32	South	Line heading towards KCS interchange
2	11/3/2022	5:08	Stop No. 1 - MP 498.32	West	Showing new ties and spike pattern
3	11/3/2022	5:20	Stop No. 2 - MP 497.92	North	Mainline track
4	11/3/2022	5:20	Stop No. 2 - MP 497.92	South	Mainline track and switch to unused siding
5	11/3/2022	5:20	Stop No. 2 - MP 497.92	N/A	Crossing identification sign
6	11/3/2022	5:20	Stop No. 2 - MP 497.92	N/A	Tie plate showing common spike pattern
7	11/3/2022	6:19	Stop No. 3	N/A	Signal shed
8	11/3/2022	6:19	Stop No. 3	North	Mainline track
9	11/3/2022	6:19	Stop No. 3	South	Mainline track
10	11/3/2022	6:19	Stop No. 3	N/A	Fouled ballast and poor ties
11	11/3/2022	8:30	Stop No. 4 - MP 472.92	N/A	Crossing identification sign
12	11/3/2022	8:30	Stop No. 4 - MP 472.92	North	Mainline
13	11/3/2022	8:30	Stop No. 4 - MP 472.92	South	Mainline
14	11/3/2022	8:30	Stop No. 4 - MP 472.92	N/A	Joint bar showing manufacture date
15	11/3/2022	8:30	Stop No. 4 - MP 472.92	N/A	Rail showing date and weight
16	11/3/2022	8:43	Stop No. 5	North	Mainline
17	11/3/2022	8:43	Stop No. 5	South	Mainline
18	11/3/2022	8:52	Stop No. 6 - MP 477.92	N/A	Crossing identification sign
19	11/3/2022	8:52	Stop No. 6 - MP 477.92	North	Mainline

1/ Central Day Light Savings Time

FIELD STUDY PHOTO LOG

Picture Number	Date	Time/ Basis 1/	Location or Stop #	Direction Facing	Description
20	11/3/2022	9:03	Stop No. 7 - MP 481.21	N/A	Crossing identification sign
21	11/3/2022	9:03	Stop No. 7 - MP 481.21	N/A	Tie spacing
22	11/3/2022	9:03	Stop No. 7 - MP 481.21	South	Mainline
23	11/3/2022	9:03	Stop No. 7 - MP 481.21	North	Mainline
24	11/3/2022	9:20	Stop No. 8 - MP 484.02	N/A	Crossing identification sign
25	11/3/2022	9:20	Stop No. 8 - MP 484.02	North	Mainline
26	11/3/2022	9:20	Stop No. 8 - MP 484.02	South	Mainline
27	11/3/2022	9:32	Stop No. 9 - MP 485.82	N/A	Crossing identification sign
28	11/3/2022	9:32	Stop No. 9 - MP 485.82	North	Mainline
29	11/3/2022	9:32	Stop No. 9 - MP 485.82	South	Mainline
30	11/3/2022	9:32	Stop No. 9 - MP 485.82	N/A	Weight of Rail
31	11/3/2022	9:32	Stop No. 9 - MP 485.82	N/A	Year manufactured
32	11/3/2022	9:45	Stop No. 10 - MP 488.41	N/A	Crossing identification sign
33	11/3/2022	9:45	Stop No. 10 - MP 488.41	North	Mainline and stored tank car
34	11/3/2022	9:45	Stop No. 10 - MP 488.41	South	Mainline and stored tank car
35	11/3/2022	9:45	Stop No. 10 - MP 488.41	N/A	Joint rail showing manufactured year
36	11/3/2022	10:02	Stop No. 11 - MP 489.95	N/A	Crossing identification sign
37	11/3/2022	10:02	Stop No. 11 - MP 489.95	North	Mainline and stored tank car
38	11/3/2022	10:02	Stop No. 11 - MP 489.95	South	Mainline

1/ Central Day Light Savings Time

FIELD STUDY PHOTO LOG

Picture Number	Date	Time/ Basis 1/	Location or Stop #	Direction Facing	Description
39	11/3/2022	10:13	MP 2.1 (Madison Parish Port rail spur)	N/A	Crossing identification sign
40	11/3/2022	10:13	MP 2.1 (Madison Parish Port rail spur)	North	Siding and derailer
41	11/3/2022	10:13	MP 2.1 (Madison Parish Port rail spur)	South	Siding and derailer
42	11/3/2022	10:18	MP 0.7 (Madison Parish Port rail spur)	N/A	Crossing identification sign
43	11/3/2022	10:18	MP 0.7 (Madison Parish Port rail spur)	East	Spur line
44	11/3/2022	10:18	MP 0.7 (Madison Parish Port rail spur)	West	Spur line
45	11/3/2022	10:31	Stop No. 12 - MP 493.58	N/A	Crossing identification sign
46	11/3/2022	10:31	Stop No. 12 - MP 493.58	South	Timber bridge south of crossing
47	11/3/2022	10:31	Stop No. 12 - MP 493.58	North	Mainline and removed ties on right of way
48	11/3/2022	10:31	Stop No. 12 - MP 493.58	South	Mainline and bridge
49	11/3/2022	11:33	Stop No. 13 - MP 496.82	South	Signal shed and mainline
50	11/3/2022	11:33	Stop No. 13 - MP 496.82	North	Mainline, crossing and signals
51	11/3/2022	11:33	Stop No. 13 - MP 496.82	N/A	Joint bar with circuit wire
52	11/3/2022	11:43	N/A	N/A	DSRR Locomotive tied up south of Madison Parish Port rail spur
53	11/3/2022	11:43	N/A	N/A	DSRR Locomotive tied up south of Madison Parish Port rail spur
54	11/3/2022	11:49	Stop No. 14 - MP 495.29	N/A	Crossing identification sign
55	11/3/2022	11:49	Stop No. 14 - MP 495.29	North	Mainline
56	11/3/2022	11:49	Stop No. 14 - MP 495.29	South	Mainline, bridge and stored railcars
57	11/3/2022	11:49	Stop No. 14 - MP 495.29	South	Timber bridge south of crossing

1/ Central Day Light Savings Time

FIELD STUDY PHOTO LOG

Picture Number	Date	Time/ Basis 1/	Location or Stop #	Direction Facing	Description
58	11/3/2022	12:02	Stop No. 15 - MP 491.9	N/A	Crossing identification sign
59	11/3/2022	12:02	Stop No. 15 - MP 491.9	North	Mainline
60	11/3/2022	12:02	Stop No. 15 - MP 491.9	South	Mainline
61	11/3/2022	12:02	Stop No. 15 - MP 491.9	N/A	Joint bar showing manufacturing year
62	11/3/2022	12:30	Stop No. 16 - MP 478.62	N/A	Crossing identification sign
63	11/3/2022	12:30	Stop No. 16 - MP 478.62	North	Mainline
64	11/3/2022	12:30	Stop No. 16 - MP 478.62	South	Mainline
65	11/3/2022	12:30	Stop No. 16 - MP 478.62	South	Siding
66	11/3/2022	12:30	Stop No. 16 - MP 478.62	North	Siding and replaced ties stored on right of way

1/ Central Day Light Savings Time

DSRR Net Liquidation Value ("NLV") Summary -- 4Q22

Item	Source	Amount
(1)	(2)	(3)
1. Relay Rail Gross Salvage Value ("GSV")	Exhibit No. 7, page 3, Column (4), L.25	$142,710
2. Relay Other Track Material ("OTM") GSV	Exhibit No. 7, page 8, Column (3), L.68	$123,365
3. Relay Turnouts GSV	Exhibit No. 7, page 11, Column (4), L.3	$10,000
4. Total Relay GSV	L.1 + L.2 + L.3	$276,075
5. Reroll and Scrap Rail GSV	Exhibit No. 7, page 3, Column (4), L.32	$491,741
6. Scrap OTM GSV	Exhibit No. 7, page 8, Column (3), L.69	$201,214
7. Scrap Turnouts GSV	Exhibit No. 7, page 11, Column (4), L.4	$536
8. Total Reroll and Scrap GSV	L.5 + L.6 + L.7	$693,491
9. Total Rail GSV	L.1 + L.5	$634,451
10. Total OTM GSV	L.2 + L.6	$324,579
11. Total Turnouts GSV	L.3 + L.7	$10,536
12. Total Relay, Reroll and Scrap GSV	L.9 + L.10 + L.11	$969,566
13. Ties Net Salvage Value	Exhibit No. 7, page 4, Column (3), L.30	$0
14. Total Gross Salvage Value	**L.12 + L.13**	**$969,566**
15. Rail/Turnout Removal and Restoration Costs	Exhibit No. 7, page 12, Column (3), L.33	$601,402
16. Relay Marketing and Disposition Costs	L.4 x 15% 1/	$41,411
17. Scrap Marketing and Disposition Costs	L.8 x 5% 1/	$34,675
18. Total Marketing and Disposition Costs	L.16 + L.17	$76,086
19. Transportation Costs	Exhibit No. 7, page 13, Column (3), L.12	$221,508
20. Total Liquidation Cost	**L.15 + L.18 + L.19**	**$898,996**
21. Total Net Salvage Value ("NSV") of Track Assets	**L.14 - L.20**	**$70,570**
22. Total Value of Land 2/	Exhibit No. 7, page 14, Column (4), L.3	**$97,900**
23. Total Net Liquidation Value	**L.21 + L.22**	**$168,470**

1/ STB Docket No. FD 36005 filed March 18, 2016, *KCVN/CPRR Feeder Line Application for Towner Line, Volume I.*
2/ This value will be upated when land valuation data is received.

DSRR Line Segments

Segment	Main Miles 1/	Siding Miles 1/	Total Miles 2/
(1)	(2)	(3)	(4)
1. Lake Providence to Madison Parish Port Spur	19.91	0.20	20.11
2. Madison Parish Port Spur to Tallulah	7.53	0.00	7.53
3. Total Track Miles 3/	27.44	0.20	27.64
Relay Miles			
4. Lake Providence to Madison Parish Port Spur	3.98	0.00	3.98
5. Madison Parish Port Spur to Tallulah	1.51	0.00	1.51
6. Total Relay Miles 4/	5.49	0.00	5.49
Reroll Miles			
7. Lake Providence to Madison Parish Port Spur	13.94	0.00	13.94
8. Madison Parish Port Spur to Tallulah	5.27	0.00	5.27
9. Total Reroll Miles 5/	19.21	0.00	19.21
Scrap Miles			
10. Lake Providence to Madison Parish Port Spur	1.99	0.20	2.19
11. Madison Parish Port Spur to Tallulah	0.75	0.00	0.75
12. Total Scrap Miles 6/	2.74	0.20	2.94

1/ Based on track charts and field observations.
2/ Column (2) + Column (3).
3/ Sum of Segment Miles.
4/ Sum of Relay Miles.
5/ Sum of Reroll Miles.
6/ Sum of Scrap Miles.

DSRR Rail Assets Gross Salvage Value ("GSV") -- 4Q22

Item	Source	85 Jointed 1911
(1)	(2)	(3)
1. Total Main Track Miles	Exhbit No. 7, page 2, L.3 Column (2)	27.44
2. Total Sidings Miles	Exhbit No. 7, page 2, L.3 Column (3)	0.20
3. Total Rail Miles	**L.1 + L.2**	**27.64**
4. Relay Fit Miles	Exhbit No. 7, page 2, L.6 Column (4)	5.49
5. Reroll Miles	Exhbit No. 7, page 2, L.9 Column (4)	19.21
6. Scrap Miles	Exhbit No. 7, page 2, L.12 Column (4)	2.94
7. Total Reroll and Scrap Miles	**L.5 + L.6**	**22.15**
8. Total Rail Miles	L.4 + L.7	27.64
9. Pounds per Yard	1/	85.00
10. Rails Per Yard	2/	2.00
11. Yards Per Mile	5,280 feet ÷ 3 feet	1,760
12. Pounds per Mile	L.9 x L.10 x L.11	299,200
13. Tons Per Mile	L.12 ÷ 2,000 lbs.	149.60
14. Relay Fit Tons	L.4 x L.13	821.00
15. Percent of Total Tons	L.14 ÷ L.20	19.86%
16. Reroll Tons	L.5 x L.13	2,873.52
17. Scrap Tons	L.6 x L.13	440.42
18. Total Reroll and Scrap Tons	**L.16 + L.17**	**3,313.94**
19. Percent of Total Tons	L.18 ÷ L.20	80.14%
20. Total Tons By Rail Type	L.14 + L.18	4,134.94
21. Percent of Total Tons	L.15 + L.19	100.00%
22. Reusable Percentage	3/	97.00%
23. Relay Fit Reusable Tons	L.14 x L.22	796.37
24. Relay Fit Unit Price Per Ton	4/	$179.20
25. Relay Fit GSV	**L.23 x L.24**	**$142,710**
26. Reroll Reusable Tons	L.16 x L.22	2,787.31
27. Reroll Price Per Ton	4/	$160.00
28. Reroll GSV	**L.26 x L.27**	**$445,970**
29. Scrap Reusable Tons	L.17 x L.22	427.21
30. Scrap Price Per Ton	4/	$107.14
31. Scrap GSV	**L.29 x L.30**	**$45,771**
32. Total Reroll and Scrap GSV	**L.28 + L.31**	**$491,741**
33. Total Reusable Tons	L.23 + L.26 + L.29	4,010.89
34. Total Rail GSV	**L.25 + L.32**	**$634,451**

1/ Rail is identified by its weight per yard of length. Thus 85# rail weighs 85 pounds per yard, etc.
2/ Each segment of track has two (2) rails.
3/ Assumed reusable rail based on STB Docket No. FD 36005 filed March 18, 2016, *KCVN/CPRR Feeder Line Application for Towner Line, Volume I.*
4/ *See,* "Harmer Steel RE Wholesale Track Materials Quote.msg" and "Harmer

DSRR Net Salvage Value ("NSV") For Ties -- 4Q22

Item	Source	Amount
(1)	(2)	(3)
1. Total Miles	Exhibit No. 7, page 2, L. 3, Column (4)	27.64
2. Ties Per Mile	1/	3,249
3. Total Ties	L.1 x L.2	89,809
4. Relay Ties Per Mile	L.6 ÷ L.1	32
5. Relay Percentage	2/	1.00%
6. Total Relay Ties	L.3 x L.5	898
7. Unit Price Per Relay Tie	3/	-$2.00
8. Total Relay Ties Gross Salvage Value ("GSV")	L.6 x L.7	-$1,796
9. Landscape #1 Ties Per Mile	L.11 ÷ L.1	325
10. Landscape #1 Ties Percentage	2/	10.00%
11. Total Landscape #1 Ties	L.3 x L.10	8,981
12. Unit Price Per Landscape #1 Tie	3/	-$15.00
13. Total Landscape #1 Ties GSV	L.11 x L.12	-$134,715
14. Landscape #2 Ties Per Mile	L.16 ÷ L.1	325
15. Landscape #2 Ties Percentage	2/	10.00%
16. Total Landscape #2 Ties	L.3 x L.15	8,981
17. Unit Price Per Landscape #2 Tie	3/	-$15.00
18. Total Landscape #2 GSV	L.16 x L.17	-$134,715
19. Scrap Ties Per Mile	L.21 ÷ L.1	2,567
20. Scrap Percentage	2/	79.00%
21. Total Scrap Ties	L.3 x L.20	70,949
22. Unit Price Per Scrap Tie	3/	-$25.00
23. Total Scrap Ties GSV	L.21 x L.22	-$1,773,725
24. **Total Ties GSV**	**L.8 + L.13 + L.18 + L.23**	**-$2,044,951**
25. Estimated Tie Removal Cost Per Tie	4/	$2.00
26. RS Means Index	5/	1.44130
27. 1Q20 Cost Per Tie	L.25 x L.26	$2.88
28. Estimated Tie Removal Cost	L.3 x L.27	$258,883
29. **Total Ties NSV**	**L.24 - L.28**	**-$2,303,834**
30. **STB NSV For Ties 6/**	**L.29 or Zero**	**$0**

1/ Crossties are typically laid every 19.5 inches, which equates to approximately 3,249 crossties per mile [(5,280 ft/mile x 12 in/ft) ÷ 19.5 in].

2/ Based on our field review, we estimate that 1.0% of the ties would be classified as relay, 10.0% would be classified as landscape #1, 10.0% would be classified as landscape #2, and 79.0% would be classified as scrap.

3/ Average of quotes from Harmer Steel received November 2022.

4/ STB Docket No. FD 36005 filed March 18, 2016, *KCVN/CPRR Feeder Line Application for Towner Line, Volume I* . KCVN/CPRR assumed that tie removal would be equal to $2.00 per tie.

5/ RS Means Historical Construction Cost Index from 3Q2016 to 4Q2022.

6/ Based on STB proceedings, should the NLV for ties be less than zero we assumed that the railroad would not go through the process of removing and disposing of the ties and the NLV is assumed to be zero.

DSRR Tie Allocation Calculations

Item	Source	Allocation Percent
(1)	(2)	(3)
1. Relay	1/	1.0%
2. Landscape 1	1/	10.0%
3. Landscape 2	1/	10.0%
4. Scrap	1/	79.0%
5. Total	Sum of L.1 through L.4.	100.0%

1/ Tie allocation percentage based on condition of the rail line identified during the field review undertaken by L. E. Peabody & Associates, Inc.

DSRR Gross Salvage Value ("GSV")
For Other Track Materials ("OTM") -- 4Q22

Item	Source	Amount
(1)	(2)	(3)
A. Tie Plates		
1. Relay Tie Plates Miles	Exhibit No. 7, page 2, L.6, Column (4)	5.49
2. Relay Tie Plates Per Mile	1/	6,498
3. Total Relay Tie Plates	L.1 x L.2	35,664
4. Reusable Percentage	2/	97%
5. Total Reusable Relay Tie Plates	L.3 x L.4	34,594
6. Unit Price Per Relay Tie Plate	3/	$2.90
7. Total Relay Tie Plates GSV	**L.5 x L.6**	**$100,323**
8. Scrap Tie Plates Miles	Exhibit No. 7, page 3, L.7, Column (3)	22.15
9. Scrap Tie Tons Per Mile	4/	68.23
10. Total Scrap Tie Plates Tons	L.8 x L.9	1,512
11. Reusable Percentage	2/	95%
12. Total Reusable Scrap Tie Plates Tons	L.10 x L.11	1,436
13. Unit Price Per Scrap Ton	5/	$107.14
14. Total Scrap Tie Plates GSV	**L.12 x L.13**	**$153,857**
15. Total Tie Plates GSV	**L.7 + L.14**	**$254,180**
B. Joint Bars		
16. Relay Joint Bars Miles	Exhibit No. 7, page 2, L. 6, Column (4)	5.49
17. Relay Joint Bars Per Mile	6/	270.8
18. Total Relay Joint Bars	L.16 x L.17	1,486
19. Reusable Percentage	2/	97%
20. Total Reusable Relay Joint Bars	L.18 x L.19	1,441
21. Unit Price Per Relay Joint Bar	3/	$15.00
22. Total Relay Joint Bars GSV	**L.20 x L.21**	**$21,615**
23. Scrap Joint Bars Miles	Exhibit No. 7, page 3, L.7, Column (3)	22.15
24. Scrap Joint Bars Tons Per Mile	Exhibit No. 7, page 9, L.16, Column (4)	12.70
25. Total Scrap Joint Bars Tons	L.23 x L.24	281
26. Reusable Percentage	2/	95%
27. Total Reusable Scrap Joint Bars Tons	L.25 x L.26	267
28. Unit Price Per Scrap Ton	5/	$107.14
29. Total Scrap Joint Bars GSV	**L.27 x L.28**	**$28,607**
30. Total Joint Bars GSV	**L.22 + L.29**	**$50,222**

(Footnotes on Page 8)

DSRR Gross Salvage Value ("GSV")
For Other Track Materials ("OTM") -- 4Q22

Item	Source	Amount
(1)	(2)	(3)
C. Relay Anchors		
31. Relay Rail Anchors Welded Miles	There is no CWR on the DSRR	0.00
32. Relay Rail Anchors Welded Per Mile	There is no CWR on the DSRR	0
33. Total Relay Rail Anchors Welded	L.31 x L.32	0
34. Reusable Percentage	2/	80%
35. Total Reusable Relay Rail Anchors Welded	L.33 x L.34	0
36. Unit Price Per Relay Anchor	3/	$0.12
37. Total Relay Rail Anchors Welded GSV	**L.35 x L.36**	**$0**
38. Relay Rail Anchors Jointed Miles	Exhibit No. 7, page 2, L. 6, Column (4)	5.49
39. Relay Rail Anchors Jointed Per Mile	7/	2,708
40. Total Relay Rail Anchors Jointed	L.38 x L.39	14,862
41. Reusable Percentage	2/	80%
42. Total Reusable Relay Rail Anchors Jointed	L.40 x L.41	11,890
43. Unit Price Per Relay Anchor	3/	$0.12
44. Total Relay Rail Anchors Jointed GSV	**L.42 x L.43**	**$1,427**
45. Total Relay Rail Anchors GSV	**L.37 + L.44**	**$1,427**
46. Scrap Rail Anchor Miles	Exhibit No. 7, page 3, L.7, Column (3)	22.15
47. Scrap Tons of Anchors Per Mile	8/	4.06
48. Total Scrap Rail Anchors Tons	L.46 x L.47	90
49. Reusable Percentage	2/	80%
50. Total Reusable Rail Anchor Tons	L.48 x L.49	72
51. Unit Price Per Scrap Ton	5/	$107.14
52. Total Scrap Rail Anchors Welded GSV	**L.50 x L.51**	**$7,714**
53. Total Rail Anchors GSV	**L.45 + L.52**	**$9,141**
D. Spikes		
54. Scrap Spike Miles	Exhibit No. 7, page, 3, L.7, Column (3)	22.15
55. Scrap Spike Tons Per Mile	9/	4.36
56. Total Scrap Spike Tons	L.54 x L.55	97
57. Reusable Percentage	2/	80%
58. Total Reusable Scrap Spikes Tons	L.56 x L.57	78
59. Unit Price Per Scrap Ton	5/	$107.14
60. Total Scrap Spikes GSV	**L.58 x L.59**	**$8,357**

(Footnotes on Page 8)

DSRR Gross Salvage Value ("GSV")
For Other Track Materials ("OTM") -- 4Q22

Item	Source	Amount
(1)	(2)	(3)
E. Bolts & Washers		
61. Scrap Bolts & Washers Miles	Exhibit No. 7, page, 3, L.7, Column (3)	22.15
62. Scrap Bolts & Washers Tons Per Mile	10/	1.38
63. Total Scrap Bolt & Washers Tons	L.61 x L.62	31
64. Reusable Percentage	2/	80%
65. Total Reusable Scrap Bolts & Washers Tons	L.63 x L.64	25
66. Unit Price Per Scrap Ton	5/	$107.14
67. Total Scrap Bolts & Washers GSV	**L.65 x L.66**	**$2,679**
F. Total		
68. Total Relay OTM GSV	L.7 + L.22 + L.45	$123,365
69. Total Scrap OTM GSV	L.14 + L.29 + L.52 + L.60 + L.67	$201,214
70. Total OTM GSV	**L.68 + L.69**	**$324,579**

Footnotes

1/ There are two (2) tie plates per crosstie. According to the Railway Tie Association, crossties are typically laid every 19.5 inches. (5,280 ft. per mile x 12 in. per ft.) ÷ 19.5 in. between ties equals 3,249 crossties per mile and two (2) crosstie plates per crosstie equals 6,498 tie plates per mile.

2/ STB Docket No. FD 36005 filed March 18, 2016, *KCVN/CPRR Feeder Line Application for Towner Line, Volume I.*

3/ *See*, "Harmer Steel RE Wholesale Track Materials Quote.msg" and "Harmer Steel Track Material Unit Price Quote completed November 9 2022.xlsx."

4/ Calculated based on a weighted average tie plate weight of 21.0 lbs. per tie plate and 6,498 tie plates per mile. [6,498 tie plates per mile x 21.0 lbs. per tie plate] ÷ 2000.0 lbs. per ton equals 68.23 tons per mile.

5/ Quote from Harmer Steel received November 2022 was equal to $120.00 per gross ton. Converted to price per net ton results in a scrap price of $107.14 per net ton ($182.25 x [2,000 lbs. per net ton ÷ 2,240 lbs. per gross ton]).

6/ One joint bar is necessary for each side of rail per joint, joints are necessary to connect the rail section every 39 feet. [5,280 ft. per mile ÷ 39.0 ft. per rail section] x 2.0 rails per section equals 270.8.

7/ Calculated based on the assumption that DSRR uses 10 anchors per 39 foot section of rail.

8/ Calculated based on anchor weight of 1.88 lbs. per anchor and an assumed 16 anchors per 39 foot section of rail.

9/ Calculated based on a spike keg for 5/8 x 6 inch spikes with a keg weight of 200 lbs. and an assumed 43.64 spike kegs per mile of rail.

10/ Calculated based on a bolt keg for 1 x 5 1/4 inch bolts with a keg weight of 200 lbs. and an assumed 13.8 bolt kegs per mile of rail.

DSRR Other Track Material Calculations

Item	Source	85 Jointed 1911
(1)	(2)	(3)
1. Feet Per Mile	Given	5,280
2. Inches Per Feet	Given	12
3. Feet Per Rail Section	Given	39
4. Rails Per Section	Given	2
5. Pounds Per Ton	Given	2,000
A. Tie Plates		
6. Inches Between Ties (Spacing)	1/	19.5
7. Miles of Rail	Exhibit No. 7, page 2, Column (4), L.3	27.64
8. Pounds Per Tie Plate	2/	21
9. Ties Per Mile	(L.1 x L.2) ÷ L.6	3,249
10. Tie Plates Per Mile	L.9 x L.4	6,498
11. Tie Plate Tons Per Mile	(L.10 x L.8) ÷ L.5	68.23
B. Joint Bars		
12. Joint Bars Per Mile	3/	270.77
13. Joint Bar Pounds Per Pair	4/	93.84
14. Scrap Joint Bars Tons Per Mile	(L.12 x L.13) ÷ L.5	12.70
15. Miles of Scrap Rail	Exhibit No. 7, page 3, Column (3), L.7	22.15
16. Weighted Average Scrap Joint Bar Tons Per Mile	5/	xxx
C. Rail Anchors		
17. Anchors Per Relay Welded Section	There is no CWR on the DSRR	0
18. Anchors Per Relay Jointed Section	2/	10
19. Anchors Per Scrap Section	2/	16
20. Weight Per Anchor	6/	1.875
21. Anchors Per Mile - Relay Welded Rail	[(L.1 ÷ L.3) x L.4] x L.17	0
22. Anchors Per Mile - Relay Jointed Rail	[(L.1 ÷ L.3) x L.4] x L.18	2,708
23. Anchors Per Mile - Scrap Rail	[(L.1 ÷ L.3) x L.4] x L.19	4,332
24. Anchor Scrap Tons Per Mile	(L.23 x L.20) ÷ L.5	4.06

(Footnotes on Next Page)

DSRR Other Track Material Calculations

Item	Source	85 Jointed 1911
(1)	(2)	(3)
D. Rail Spikes		
25. Spike Keg Weight	7/	200
26. Kegs Needed Per Mile	8/	43.64
27. Spike Tons Per Mile	(L.25 x L.26) ÷ L.5	4.36
E. Bolts and Washers		
28. Bolts Keg Weight	9/	200
29. Kegs Needed Per Mile	10/	13.80
30. Bolts Tons Per Mile	(L.28 x L.29) ÷ L.5	1.38

1/ According to the Railway Tie Association crossties are typically laid every 19.5 inches.
2/ STB Docket No. FD 36005 filed March 18, 2016, *KCVN/CPRR Feeder Line Application for Towner Line, Volume I* .
3/ One joint bar is necessary for each side of rail per joint, joints are necessary to connect the rail section every 39 feet. [(Line 1 ÷ Line 3) x Line 4].
4/ Wabtec Corporation identifies 36 inch joint bars for 85 lb. rail as 93.84 lbs. per pair.
5/ Weighted Avg. of L.14 weighted on L.15.
6/ According to Progress Rail, 5.5" is the standard rail anchor size for rail sections 110, 112, 115, and 119 and 6.0" is the standard rail anchor size for rail sections 131, 132, 133, 136, 140, and 141. Progress Rail lists the 5.5" standard weight as 1.79 lbs. and the heavy duty weight as 1.96 lbs. and the 6.0" standard weight as 1.88 lbs. and the heavy duty weight as 2.10 lbs. It has been assumed that any track less than 131 lbs. would use 5.5" anchors and track equal to or larger than 131 lbs. would use 6.0" anchors. For 5.5" anchors the average of Progress Rail's standard and heavey duty weights was used (1.79 lbs. + 1.96 lbs. ÷ 2 = 1.875 lbs.). For 6.0" anchors the average of Progress Rail's standard and heavy duty weights was used (1.88 lbs. + 2.10 lbs. ÷ 2 = 1.99 lbs.).
7/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Spikes sections that notes that a 200. Lb Keg of spikes for 5/8 x 6 inch spikes contains 242 spikes.
8/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Spikes sections that notes that for 5/8 x 6 inch spike 43.64 kegs would be needed per mile.
9/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Bolts sections that notes that a 200. Lb Keg of bolts for 1 x 5 1/4 inch spikes contains 109 spikes.
10/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Bolts sections that notes that for 1 x 5 1/4 inch bolts 13.8 kegs would be needed per mile.

DSRR Turnout Gross Salvage Value ("GSV") -- 4Q22

Description	Quantity 1/	Unit Price	Total
(1)	(2)	(3)	(4)
A. Relay Turnouts			
1. 115 lb.	1	$4,000 2/	$4,000 3/
2. 90 lb.	2	$3,000 2/	$6,000 3/
3. Total Relay	3		$10,000
B. Scrap Turnouts			
4. Various	5	$107.14 4/	$536 3/
5. Total GSV 5/	**8**		**$10,536**

1/ Field reivew and Google Earth Pro.

2/ Quotes from Harmer Steel received November 2022.

3/ Column (2) x Column (3).

4/ Harmer Steel received November 2022 was equal to $120 per gross ton. Converted to price per net ton results in a scrap price of $107.14 per net ton ($107.14 x [2,000 lbs. per net ton ÷ 2,240 lbs. per gross ton]).

5/ Line 3 + Line 4.

DSRR Removal and Restoration Costs -- 4Q22

Item	Source	Amount
(1)	(2)	(3)
1. Fit Rail and OTM Miles	Exhibit No. 7, page 3, Column (3), L.4	5.49
2. Fit Rail and OTM Removal Cost Per Mile	1/	$16,000
3. RS Means Index	2/	1.44130
4. 4Q22 Cost Per Mile	L.2 x L.3	$23,061
5. Fit Rail and OTM Removal Costs	L.1 x L.4	$126,604
6. Scrap Rail and OTM Miles	Exhibit No. 2, page 3, Column (3), L.7	22.15
7. Scrap Rail and OTM Removal Cost Per Mile	1/	$12,000
8. RS Means Index	2/	1.44130
9. 4Q22 Cost Per Mile	L.7 x L.8	$17,296
10. Scrap Rail and OTM Removal Costs	L.6 x L.9	$383,132
11. Fit Turnouts	Exhibit No. 7, page 11, Column (2), L.3	3
12. Fit Turnout Removal Costs Per Turnout	1/	$800
13. RS Means Index	2/	1.44130
14. 4Q22 Cost Per Mile	L.12 x L.13	$1,153
15. Fit Turnout Removal Costs	L.11 x L.14	$3,459
16. Scrap Turnouts	Exhibit No. 7, page 11, Column (2), L.4	5
17. Scrap Turnout Removal Costs Per Turnout	1/	$500
18. RS Means Index	2/	1.44130
19. 4Q22 Cost Per Mile	L.17 x L.18	$721
20. Scrap Turnout Removal Costs	L.16 x L.19	$3,603
21. Total Track Removal Costs	**L.5 + L. 10 + L.15 + L.20**	**$516,798**
22. Public Highway Crossings	Exhibit No. 7, page 17, Column (3), L.55	25
23. Public Highway Restoration Costs Per Crossing	1/	$2,000
24. RS Means Index	2/	1.44130
25. 4Q22 Cost Per Mile	L.23 x L.24	$2,883
26. Total Public Highway Crossings Costs	L.22 x L.25	$72,065
27. Private Highway Crossings	Exhibit No. 7, page 17, Column (3), L.56	29
28. Private Highway Restoration Cost per Crossing	1/	$300
29. RS Means Index	2/	1.44130
30. 4Q22 Cost Per Mile	L.28 x L.29	$432
31. Total Private Highway Crossings Costs	L.27 x L.30	$12,539
32. Total Crossing Restoration	**L.26 + L.31**	**$84,604**
33. Total Removal and Restoration Costs	**L.21 + L.32**	**$601,402**

1/ STB Docket No. FD 36005 filed August 30, 2016, Comments of V&S Railway, LLC to KCVN/CPRR Feeder Line Application for Towner Line.

2/ RS Means Historical Construction Cost Index from 3Q2016 to 4Q2022.

DSRR Asset Transportation Costs -- 4Q22

Item	Tons	Number of Railcars 1/
(1)	(2)	(3)
1. Relay Rail	796	8
2. Reroll Rail	2,787	28
3. Scrap Rail	427	5
4. Scrap Tie Plates	1,436	15
5. Scrap Joint Bars	267	3
6. Scrap Anchors	72	1
7. Scrap Spikes	78	1
8. Scrap Bolt and Washers	25	1
9. Scrap Turnouts	5	1
10. Total	5,894	63
11. Cost Per Railcar 2/	xxx	$3,516
12. Transportation Costs 3/	xxx	$221,508

1/ Column (2) ÷ 100 tons per railcar.
2/ Average costs per railcar to salvage and scrap centers in the Southeastern U.S.
3/ Column (3), Line 10 x Line 11.

DSRR Estimated Value of Land -- 4Q22

Land Holding Type	Acres 1/	Average Price per Acre 2/	Total Land Value 3/
(1)	(2)	(3)	(4)
1. Fee Simple	38.030	$2,574	$97,900
2. Servitude	318.273	$0	$0
3. Total 4/	**356.303**	**xxx**	**$97,900**

1/ RMI Valuation, Inc. Report Figure 2.
2/ RMI Valuation, Inc. Report Figure 9. Land value net of brokers commissions and closing costs.
3/ Column (2) x Column (3).
4/ Sum of Line 1 and Line 2.

4Q22 Relay and Scrap Rail Wholesale Prices

Item	Unit	Wholesale Price 1/
(1)	(2)	(3)
A. Steel (Rail) (per unit)		
1. Rail 85 pound per yard, Arema Fit #1	Net Ton	$200.00
2. Rail Reroll	Gross Ton	$179.20
3. Rail Reroll 2/	Net Ton	$160.00
4. Rail Scrap	Gross Ton	$120.00
5. Rail Scrap 3/	Net Ton	$107.14
B. Steel (OTM) (per unit)		
1. Scrap OTM (Gross Ton)	Gross Ton	$120.00
2. Scrap OTM (Net Ton) 2/	Net Ton	$107.14
3. Tie Plates, D/S, 8" x 13" 6"	Each	$2.90
4. Joint Bars, 90 pound per yard, Fit six hole	Pair	$21.00
5. Joint Bars, 85 pound per yard, Fit six hole	Pair	$15.00
6. Anchors, Fit 6"	Each	$0.12
C. Timber (Ties) (per unit)		
1. Relay 7x9x9' hardwood	Each	($2.00)
2. Landscape 7x9x9'	Each	($15.00)
3. Scrap 7x9x9'	Each	($25.00)
D. Turnouts (per unit)		
1. Weight 115 #9 AREMA relay	Each	$4,000
2. Weight 90 #9 AREMA relay	Each	$3,000

1/ *See,* "Harmer Steel RE Wholesale Track Materials Quote.msg" and "Harmer Steel Track Material Unit Price Quote completed November 9 2022.xlsx."
2/ Rail Reroll Gross Tons have been converted to Net Tons.
3/ Rail Scrap Gross Tons have been converted to Net Tons.

DSRR Crossing Calculations

Crossing # 1/ (1)	DSRR Mile Post 2/ (2)	Public / Private 3/ (3)	Bell (B) / Flasher (F) / Gates (G) 4/ (4)
1. 425398V	471.32	Private	
2. 425399C	471.52	Public	
3. 441262Y	472.10	Private	
4. 425400U	472.62	Private	
5. 425401B	472.92	Public	
6. 425402H	473.43	Private	
7. 425404W	474.31	Private	
8. 425405D	474.63	Public	
9. 924862M	475.40	Private	
10. 425408Y	475.72	Private	
11. 425409F	476.15	Public	
12. 425462S	476.85	Public	
13. 425463Y	476.98	Private	
14. 438859P	477.00	Private	
15. 425464F	477.13	Public	
16. 425465M	477.50	Private	
17. 425466U	477.92	Public	
18. 924864B	478.05	Private	
19. 425467B	478.12	Public	
20. 425468H	478.62	Public	
21. 425469P	479.43	Public	
22. 425470J	480.15	Public	
23. 425471R	480.72	Private	
24. 425472X	480.82	Private	
25. 425473E	481.21	Public	
26. 425474L	481.72	Private	
27. 425475T	482.13	Public	
28. 425476A	482.42	Private	
29. 924865H	482.90	Private	
30. 425478N	482.95	Private	
31. 425479V	483.15	Private	
32. 425481W	484.02	Public	
33. 425482D	484.63	Private	
34. 425483K	485.13	Private	
35. 425484S	485.82	Public	

(Footnotes on Next Page)

DSRR Crossing Calculations

Crossing # 1/ (1)	DSRR Mile Post 2/ (2)	Public / Private 3/ (3)	Bell (B) / Flasher (F) / Gates (G) 4/ (4)
36. 425485Y	487.12	Public	
37. 425487M	487.63	Private	
38. 425489B	487.92	Private	
39. 425490V	488.41	Public	
40. 425491C	488.82	Private	
41. 425492J	489.43	Private	
42. 425493R	489.95	Public	
43. 425494X	491.00	Private	
44. 425497T	491.55	Public	
45. 425501F	491.90	Private	
46. 425502M	492.62	Private	
47. 425504B	493.58	Public	
48. 425505H	493.92	Public	
49. 425506P	494.84	Private	
50. 425507W	495.29	Public	
51. 425508D	495.63	Private	
52. 425509K	496.82	Public	Y
53. 425510E	497.92	Public	Y
54. 425511L	498.32	Public	Y
55. Total Public Crossings		**25**	**3**
56. Total Private Crossings		**29**	**0**
57. Total Crossings		**54**	**3**

1/ Federal Railroad Administration Crossing Identification Number.
2/ DSRR milepost as reported by the Federal Railroad Administration.
3/ Developed using the Federal Railroad Administration Crossing Inventory database.
4/ Based on field inspection. "Y" indicates that the crossing has a Bell/Flasher/Gate.

DSRR Turnout Calculations

Turnout 1/	Active/ Inactive 2/	Comments 3/	Classification 4/ Relay	Scrap	Total
(1)	(2)	(3)	(4)	(5)	(6)
1. MP 498.2	Inactive	Levee Street		1	1
2. MP 491.0	Active	South Madison Parish Port Spur	1		1
3. MP 490.8	Active	North Madison Parish Port Spur	1		1
4. MP 487.8	Inactive	Sondheimer		1	1
5. MP 478.5	Inactive	Transylvania		1	1
6. MP 474.5	Inactive	Hollybrook		1	1
7. MP 474.2	Inactive	Hollybrook		1	1
8. MP 471.8	Active	Lake Providence Port Lead	1		1
9. Total Relay Turnouts (Sum of Lines 1 through 8, Column (4))			**3**	**0**	**3**
10. Total Scrap Turnouts (Sum of Lines 1 through 8, Column (5))			**0**	**5**	**5**
11. Total Turnouts (Sum of Lines 9 and 10)			**3**	**5**	**8**

1/ Approximate milepost based upon track charts and field inspection.
2/ Based upon field inspection.
3/ Approximate station name based upon track charts and field inspection.
4/ Active turnout outs are assumed to be relay quality while inactive are assumed to be scrap.

EXHIBIT NO. 8

RMI Valuation, LLC

NET LIQUIDATION VALUATION OF

THE DELTA SOUTHERN RAILROAD COMPANY'S LINE
BETWEEN MILEPOST 471 AND MILEPOST 498.44
IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

JANUARY 3, 2023

RMI VALUATION

CAMERON R. REX, MAI, GISP
CHARLES W. (SANDY) REX III, MAI
CHARLES W. REX IV, MAI, AI-GRS

NET LIQUIDATION VALUATION OF

THE DELTA SOUTHERN RAILROAD COMPANY'S LINE
BETWEEN MILEPOST 471 AND MILEPOST 498.44
IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

PREPARED FOR

W. WYLY GILFOIL
EXECUTIVE DIRECTOR
LAKE PROVIDENCE PORT COMMISSION
409 PORT ROAD
LAKE PROVIDENCE, LOUISIANA 71254

DATE OF VALUE: *NOVEMBER 16, 2022*
DATE OF REPORT: *JANUARY 3, 2023*

PREPARED BY

RMI VALUATION, LLC

643 LANDWEHR ROAD
NORTHBROOK, ILLINOIS 60062

O 847.920.9033
F 847.316.9525

INFO@RMIVALUATION.COM
WWW.RMIVALUATION.COM

RMI VALUATION

CAMERON R. REX, MAI, GISP
CHARLES W. (SANDY) REX III, MAI
CHARLES W. REX IV, MAI, AI-GRS

January 3, 2023

W. Wyly Gilfoil
Executive Director
Lake Providence Port Commission
409 Port Road
Lake Providence, Louisiana 71254

Re: Net liquidation valuation of the Delta Southern Railroad Company's Line, Milepost 471 to 498.44, in East Carroll and Madison Parishes, Louisiana

Dear Mr. Gilfoil:

At your request, we have prepared an estimate of the net liquidation value (NLV) of the rail line referenced above. The documentation of this valuation is communicated in the following 89-page appraisal report. The date of valuation is November 16, 2022.

This appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice* (USPAP). As such, it presents a summary of the data, reasoning, and analysis that were used in the appraisal process to develop our opinion of value.

The *Scope of Work* section of this report describes the processes used in our valuation.

The purpose of this appraisal is to provide an estimate of the net liquidation value as of the date of valuation of the land within the subject property. The intended use of the appraisal is for support of the *Constitutional Minimum Value*, based on the Net Liquidation Value of the subject property for the Feeder Line Application under STB Docket No. FD 36447 before the Surface Transportation Board. The intended users of this report consist of the Lake Providence Port Commission personnel, their legal counsel, as well as the Surface Transportation Board.

This valuation does *not* include the net salvage value of the track improvements that are located within the boundaries of the subject property.

643 LANDWEHR ROAD
NORTHBROOK, ILLINOIS 60062

O 847.920.9033
F 847.316.9525

INFO@RMIVALUATION.COM
WWW.RMIVALUATION.COM

Based on the conditions, contingencies, extraordinary assumptions, and hypothetical conditions discussed in this report and subject to the signed certification, it is my opinion and conclusion that the estimated net liquidation value of the *land only* of the subject property, as of November 16, 2022, is

$97,900

Respectfully,
RMI Valuation, LLC



Charles W. (Sandy) Rex III, MAI
Louisiana Temporary Certified Non-Resident Real Estate Appraiser
No. 912125899

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SUMMARY OF IMPORTANT CONCLUSIONS

LOCATION

The subject property begins approximately 485 feet south of where the subject corridor intersects the south side of US Highway 65; at MP 471.0 (Station 14395+35), its northern extent, just south of Lake Providence, East Carroll Parish, LA. The subject property ends at the north side of the Kansas City Southern Railway (formerly V.S. & P. RR) corridor; at MP 498.44 (Station 15844+04.75), its southern extent, in Tallulah, Madison Parish, LA. The subject property is shown on the *Subject Overview Map* on page 4 and on the *Subject Detail Maps* beginning on page 40 in the *Addendum*.

OWNER

Delta Southern Railroad, Inc.
469 Port Road
Madison Parish Port
Tallulah, LA 71282

FILER

Lake Providence Port Commission
409 Port Road
Lake Providence, LA 71254

DATE OF VALUATION

November 16, 2022

PROPERTY RIGHTS APPRAISED

The net liquidation value is estimated only for the land owned in fee simple. The net salvage value of the track improvements is *not included* in the final estimate of the net liquidation value.

LAND SIZE

Classification		Acres
Total Fee Simple		**38.030**
Fee simple	31.150	
Fee simple (depot/sidetrack)	6.198	
Fee simple (road rights-of-way)	0.682	
Total Servitude		**318.273**
Servitude	305.750	
Servitude (depot/sidetrack)	12.523	
Total		**356.303**

CORRIDOR LENGTH

27.44± miles

HIGHEST AND BEST USE

By regulation, the highest and best use is for disassemblage of the corridor for non-rail purposes.

TOTAL RETAIL FEE VALUE (LAND)

$137,921

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NET LIQUIDATION VALUE (LAND)	**$97,914**
ROUNDED TO	**$97,900**

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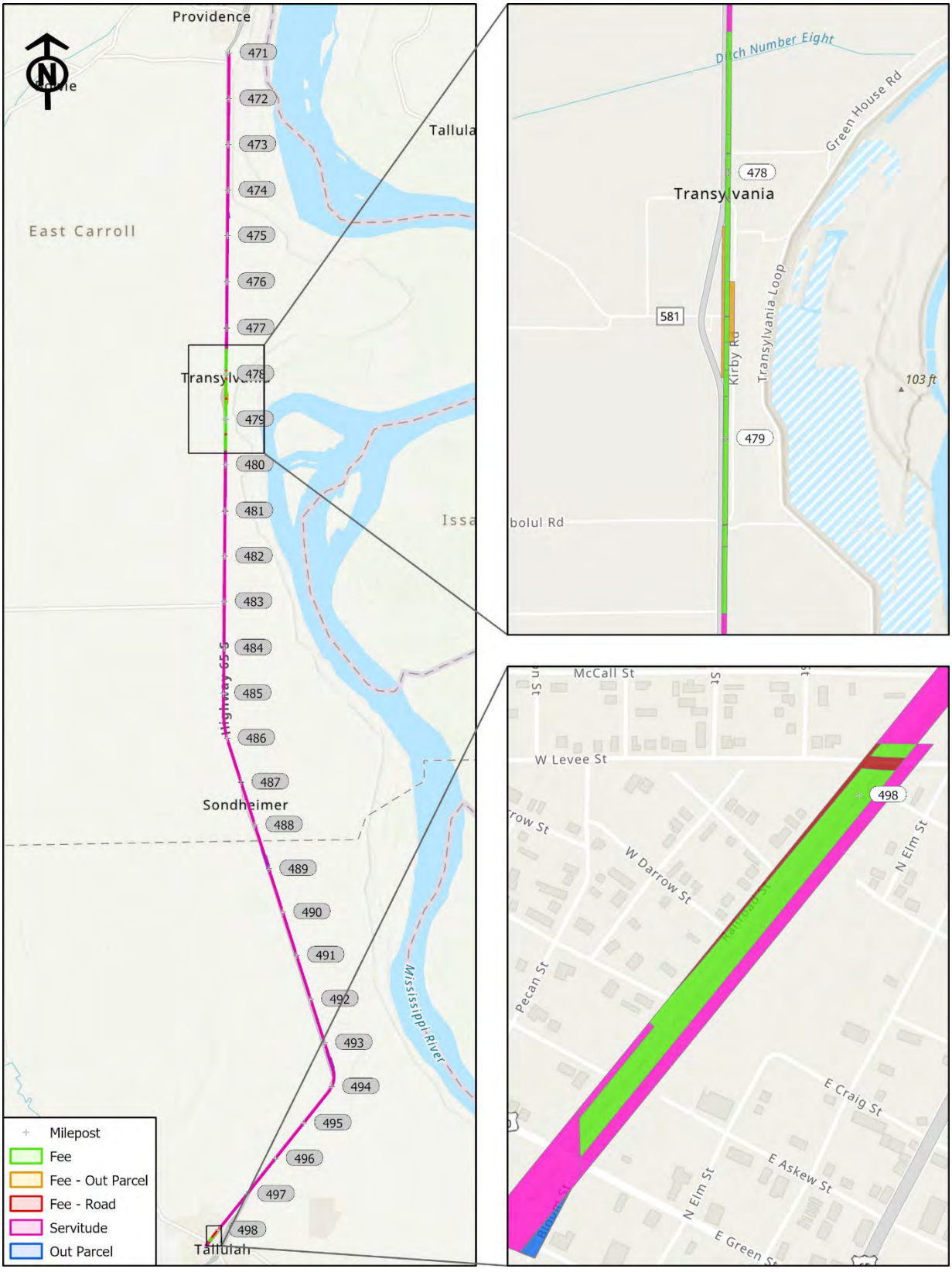
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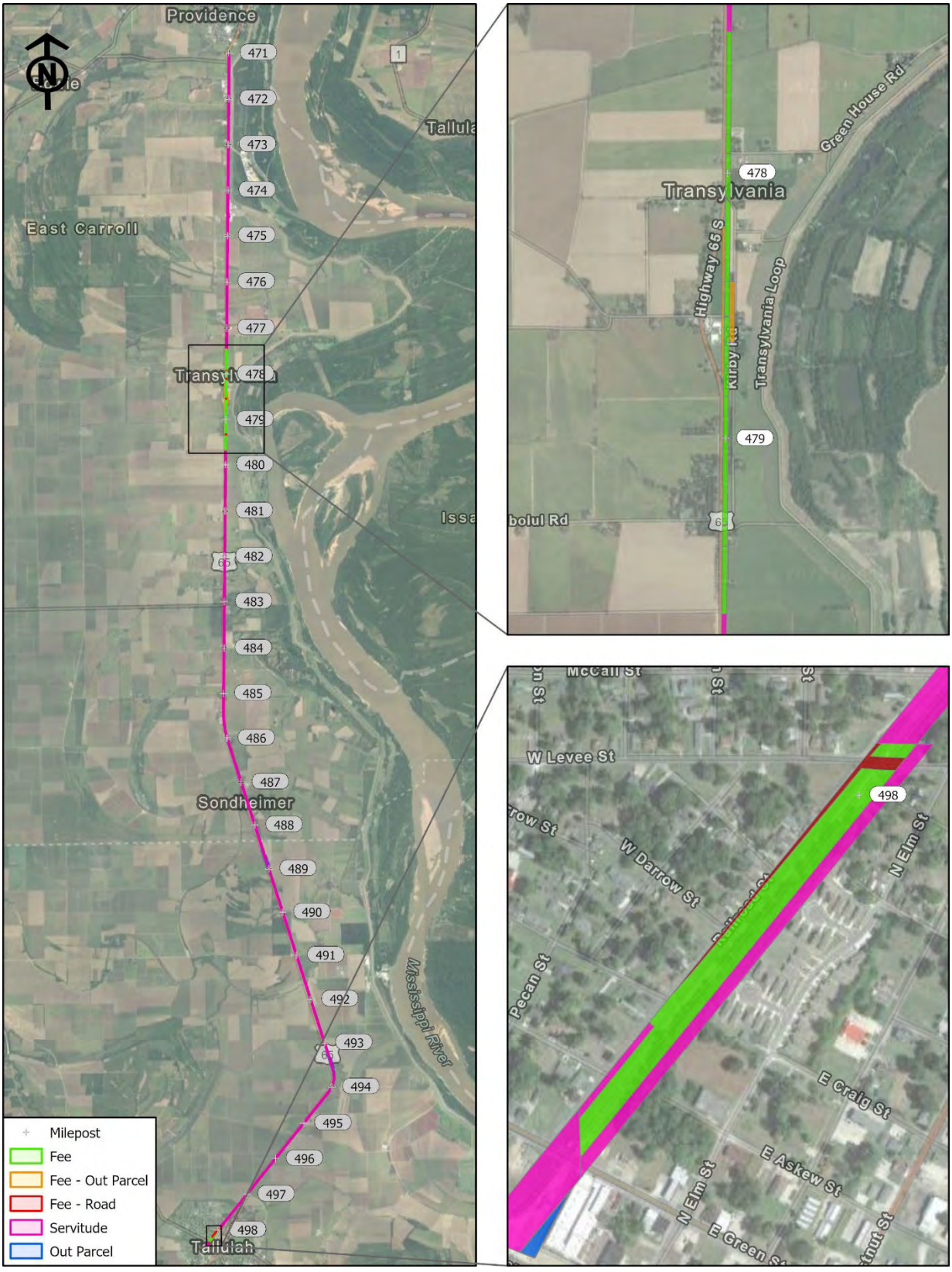
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SUBJECT OVERVIEW MAP



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SUBJECT OVERVIEW AERIAL MAP



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SUBJECT PROPERTY PHOTOGRAPHS



Photo 1. Looking north from MP 471.2 towards the northern extent. 11/15/2022.



Photo 2. Looking south from MP 471.2. 11/15/2022.

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Photo 3. Looking south from MP 474.28. 11/15/2022.



Photo 4. Looking south from Green House Road (MP 477.93) This is part of the fee-owned property in East Carroll Parish. 11/15/2022.



Photo 5. Looking north from Hwy 581 (MP 478.54). This is part of the fee-owned property in East Carroll Parish. 11/15/2022.



Photo 6. Looking south from Hwy 581 (MP 478.54). This is part of the fee-owned property in East Carroll Parish. 11/15/2022.



Photo 7. Looking north from Kirby Rd. (MP 479.32). This is part of the fee-owned property in East Carroll Parish. 11/15/2022.



Photo 8. Looking south from Henderson Loop Rd. (MP 485.9). Track is currently used for car storage. 11/15/2022.



Photo 9. Looking north from MP 491.55, just south of the Madison Parish Port Wye. 11/16/2022.



Photo 10. Looking northeast from US Hwy 65 (MP 497) at north side of Tallulah. 11/16/2022.

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Photo 11. Looking southwest from US Hwy 65 (MP 497) towards the north side of Tallulah. 11/16/2022.



Photo 12. Looking southwest from W Levee St. (MP 497.98). This is part of the fee-owned property in Madison Parish. 11/16/2022.



Photo 13. Looking northeast from Green St. in Tallulah (MP 498.34). This is part of the fee-owned property in Madison Parish. 11/16/2022.



Photo 14. Looking southwest from Green St. in Tallulah (MP 498.34) towards the southern extent. 11/16/2022.

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INTRODUCTION

CERTIFICATION

The undersigned certifies that, to the best of my knowledge and belief, except as otherwise noted in this appraisal report,

1. The statements of fact contained in this appraisal report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have previously appraised a portion of the subject property from Milepost 471 to Milepost 491 as of November 30, 2020, with report dated December 22, 2020, as part of the original Feeder Line Application by the Lake Providence Port Authority.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction of value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the requirements of the Louisiana Real Estate Appraisers Board for state-certified appraisers.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute related to review by its duly authorized representatives.
11. As of the date of this report, Charles W. Rex III, MAI, Cameron R. Rex, MAI, R/W-AC and Charles W. Rex IV, MAI, AI-GRS have completed the continuing education program for Designated Members of the Appraisal Institute.
12. Charles W. Rex IV, MAI, AI-GRS made a personal inspection of the property that is the subject of this report on November 30, 2020, and November 15 and 16, 2022. Charles W. Rex III, MAI and Cameron R. Rex, MAI, R/W-AC inspected the subject property and comparable sales using high-quality digital imagery. Charles W. Rex IV, MAI, AI-GRS made a personal inspection of the comparable ATF land sales on December 3, 2020, and November 16, 2022.
13. Cameron R. Rex, MAI, R/W-AC and Charles W. Rex IV, MAI, AI-GRS assisted in the collection and analyses of data used in this appraisal. They also assisted with the writing of the report.

14. Based upon the conditions, contingencies, extraordinary assumptions, and hypothetical conditions, presented in this report, the estimate of the net liquidation value (land only) for the subject property, as of November 16, 2022, is **$97,900**.



Charles W. (Sandy) Rex III, MAI
Louisiana Temporary Certified Non-Resident Real Estate Appraiser
No. 912125899

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GENERAL UNDERLYING ASSUMPTIONS

This appraisal has been developed based on the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any and all liens or encumbrances unless otherwise stated.
3. The information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.
4. All engineering material is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
5. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining engineering studies that may be required to discover them.
6. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations unless noncompliance is stated, defined, and considered in the appraisal report.
7. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions, unless a nonconformity has been identified, described, and considered in the appraisal report.
8. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
9. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

LIMITING CONDITIONS

This appraisal report has been made with the following limiting conditions:

1. Possession of this report, or a copy of it, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser and in any event only with proper written qualification and only in its entirety.
2. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
3. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the appraiser's firm) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
4. The property was not appraised subject to long-term leases on land or improvements that affect the value of the land.
5. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals,

which may or may not be present on the property, or other environmental conditions, was not called to the attention of nor did the appraiser become aware of such during his inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances or environmental conditions may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value.

EXTRAORDINARY ASSUMPTIONS

This appraisal is made based on the following extraordinary assumptions. Any changes in these assumptions may affect the assignment results and the estimate of the net liquidation value.

1. We have relied on information concerning the quality of title held by the Delta Southern Railroad, Inc., provided by Brister Law Firm and J.W. Porter and Associates, LLC. We have reviewed this information as well as all deeds referenced in their analysis. For the subject parcels from Milepost 491 to Milepost 498.44 we have applied their analysis in the determination of title. Our valuation is based on this title classification.
2. According to the regulations of the Surface Transportation Board, values for only fee parcels are estimated.
3. In determining property boundaries and parcel boundaries, railroad valuation maps are assumed to be accurate. No survey was provided.
4. The area of the subject property and the area of subject parcels, sub-parcels, and segments were calculated using digitized property boundaries based upon georeferenced railroad valuation maps in ArcGIS Pro software. While these areas are best estimates, they are not as accurate as areas calculated by survey.

HYPOTHETICAL CONDITIONS

This appraisal is made based on the following hypothetical condition. Any changes in this hypothetical condition may affect the assignment results and the estimate of the net liquidation value.

1. The subject property is valued in accordance with the regulations of the Surface Transportation Board. Per the regulations, the *Constitutional Minimum Value* is based on the net liquidation value of the corridor. The net liquidation value *does not* represent the market value of the subject corridor, and is a hypothetical value, which assumes that the subject corridor is to be disassembled and sold for non-rail/non-corridor purposes.

IMPORTANT DEFINITIONS

Across-the-fence (ATF) value. In the valuation of real estate corridors, the value concluded based on a comparison with adjacent lands before the consideration of any other adjustment factors.[1] The ATF value accounts for location and market conditions. Accordingly, this is an intermediate value without (or prior to) the consideration of the corridor factor. This method typically includes detailed divisions of the corridor for each change in land use. The valuation is based on analysis of comparable sales for each of the varying land uses along the corridor.

Net liquidation value (NLV). The net liquidation value for the highest and best use for non-rail purposes of the rail properties on the line…. The value shall be determined by computing the current appraised market value of the corridor property for other than rail transportation purposes, less all costs of dismantling of improvements necessary to make the remaining properties available for their highest and best use and complying with applicable zoning, land use, and environmental regulations.[2]

DATE OF VALUATION

The effective date of this valuation is November 16, 2022.

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose and intended use of this appraisal is to provide an estimate of the net liquidation value of the subject property for the Feeder Line Application to be filed by the Lake Providence Port Commission (STB Finance Docket No. 36447), for the consideration by the Surface Transportation Board. The intended users of this report are Lake Providence Port Commission personnel and their legal counsel, as well as the Surface Transportation Board.

SCOPE OF THE APPRAISAL

In the context of this report, *scope* describes the extent of the process of collecting, analyzing, confirming, and reporting data, necessary to develop a complete valuation and estimate of the net liquidation value.

Digital railroad valuation maps, provided by the Lake Providence Port Commission were georeferenced, and the subject property boundaries were digitized. The digitized property boundaries were split by acquisition parcel as indicated on the railroad valuation maps. The title information provided by the Brister Law Firm and J.W. Porter & Associates, LLC was added to the acquisition parcels so we could determine which parcels were determined to be owned by the Delta Southern Railroad in fee simple.[3]

Prior to our onsite inspection, we inspected the entire length of the subject corridor using high-quality digital imagery and StreetView imagery to determine across-the-fence (ATF) land uses. The corridor was

[1] *The Dictionary of Real Estate Appraisal*, 7th edition, Appraisal Institute, Chicago, IL 2022.
[2] 49 C.F.R. §1152.34(c)(1)(iii).
[3] For the subject parcels from Milepost 491 to Milepost 498.44 we have applied the analysis by Brister Law Firm and J.W. Porter & Associates, LLC in the determination of title.

divided into valuation segments based on this analysis. Each time the ATF land use changed on one side of the corridor or the other, a new valuation segment was created.

Charles W. Rex IV, MAI, AI-GRS inspected the subject property, and the across-the-fence land uses from public rights-of-way on November 30, 2020, and November 15 and 16, 2022. The ATF land uses determined prior to inspection were verified based on visual observation during the inspection and taking into consideration the uses of the neighboring and/or surrounding properties. The subject property was inspected by Charles W. Rex III, MAI and Cameron R. Rex, MAI, R/W-AC using high-quality digital imagery.

To provide current ownership details of the ATF properties, we obtained digital parcel data for East Carroll and Madison Parishes from Real Estate Portal USA, LLC. In addition to basic current ownership and parcel identification data contained within the digital parcel data, some property sales data was also contained within the data. This data, along with data in the East Carroll and Madison Parishes Assessor's offices and Clerk of Court's offices, data from multiple listing services (such as CoStar), as well as sales data provided by local appraisers and real estate agents, a comprehensive comparable ATF land sales search was performed. The identified comparable sales were plotted in our GIS and were inspected by Charles W. Rex IV, MAI, AI-GRS on December 3, 2020, and November 16, 2022. Charles W. Rex III, MAI and Cameron R. Rex, MAI, R/W-AC inspected the comparable sales using high-quality digital imagery. We obtained and reviewed the deeds for each sale as part of our analysis.

Using this information enabled us to identify and obtain land sales comparable to the ATF property parcels and ATF land uses. Sales were identified by date, land use, size, and location criteria.

The data obtained for each sale was inputted into our enterprise GIS. For the comparable ATF sales analysis, the data was imported from our enterprise GIS to dynamic Excel spreadsheets and then analyzed. Non-parametric graphical analysis was used to derive market-supported adjustments to account for variances in price. The sales were compared to the ATF land uses and ATF unit values were estimated and applied to the appropriate segments. We used this process for all fee-owned parcels along the subject corridor.

Additionally, each fee-owned subject parcel within each valuation segment was viewed and analyzed to ascertain whether the sales for that parcel should be further adjusted to account for variances in shape, location, access, or topography.

The net liquidation value was then estimated based on the expected time it would take to disassemble and sell the fee simple parcels, taking into consideration holding cost, cost of sales, and risk, or yield rate, required by an investor to undertake the selling of the disassembled parcels.

This appraisal does *not* include the net salvage value of any improvements.

This appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the *Uniform Standard of Professional Appraisal Practice* (USPAP), as such, it presents a summary of the data, reasoning, and analysis that were used in the appraisal process to develop our opinion of the net liquidation value.

PROPERTY IDENTIFICATION/DESCRIPTIVE DATA

OWNERSHIP

Delta Southern Railroad, Inc.
469 Port Road
Madison Parish Port
Tallulah, LA 71282

PROPERTY RIGHTS APPRAISED

According to the rules and regulations of the Surface Transportation Board, only the fee parcels are to be valued in an estimate of the net liquidation value. Figure 1 below, shows the title for each parcel identified on the railroad valuation maps, as determined by Brister Law Firm and J.W. Porter and Associates, LLC[4]; and reviewed by RMI Valuation, LLC.

Figure 1. Title by Deed & Railroad Valuation Map/Parcel

Book/Page	Grantor	Parish	Val Map/Page 1	Val Map/Page 2	Val Map/Page 3	Val Map/Page 4	Title
V-178	Phillip McGuire	East Carroll	V3B/LA5-1 (p/o)				Servitude
V-179	T. S. Deloney	East Carroll	V3B/LA5-2				Servitude
V-180	J. G. Wyly	East Carroll	V3B/LA5-3	V3B/LA5-6			Servitude
V-181	H. C. McGuire	East Carroll	V3B/LA5-4				Servitude
V-181	H. L. Deeson	East Carroll	V3B/LA5-5				Servitude
Y-370	J. Haggart & W. MacMaster	East Carroll	V3B/LA5-7	V3B/LA5-9	V3B/LA6-4	V3B/LA6-5	Servitude
V-189	J. M. & A. S. Frankenbush	East Carroll	V3B/LA5-8				Servitude
V-183	J. G. Pittman	East Carroll	V3B/LA5-10	V3B/LA6-1	V3B/LA6-2		Servitude
V-184	W. R. Powell	East Carroll	V3B/LA6-3				Servitude
V-184	H & C Newman, Ltd	East Carroll	V3B/LA6-6 (1/2 int)	V3B/LA7-2			Servitude (p. int)
V-213	F. T. Constant	East Carroll	V3B/LA6-6 (1/2 int)				Servitude (p. int)
X-135	Harry H. Graham	East Carroll	V3B/LA6-7	V3B/LA7-1			Fee simple
V-186	J. A. Buckner & Mrs H. G. Buckner	East Carroll	V3B/LA7-3				Servitude
	Unknown	East Carroll	V3B/LA7-4	V3B/LA8-1			Servitude
V-228	James Surget	East Carroll	V3B/LA8-2b (3/14 int)				Servitude
V-194	Mrs. Naunie B. Rhodes	East Carroll	V3B/LA8-2b (11/14 int)				Servitude (p. int)
V-187	Robert Nicholson	East Carroll	V3B/LA8-6	V3B/LA9-1			Servitude (p. int)
V-217	J. Stein	East Carroll	V3B/LA9-2	V3B/LA9-4			Servitude
V-216	Mrs E. B. Buckner	East Carroll	V3B/LA9-6				Servitude
V-188	C. B. Buckner	East Carroll	V3B/LA9-7				Servitude
N-118	Elliot Shirk	Madison	V3B/LA9-8				Servitude
N-115	J. Mary Ella Woolsay	Madison	V3B/LA9-11				Servitude
N-215	E. Currie	Madison	V3B/LA9-12	V3B/LA10-1			Servitude
N-215	W.A. Ward & W.M. Scott	Madison	V3B/LA10-4	V3B/LA-10-5	V3B/LA11-2	V3B/LA11-3	Servitude
N-120	W.A. Ward	Madison	V3B/LA10-5				Servitude
	Unknown	Madison	V3B/LA10-6	V3B/LA10-7			Servitude
N-121	W.M. Scott	Madison	V3B/LA11-2				Servitude
N-159	Ashly Co, Ltd	Madison	V3B/LA11-1	V3B/LA11-2			Servitude
N-205	J.M. Johnson	Madison	V3B/LA11-10	V3B/LA11-5	V3B/LA11-3		Servitude
N-209	J.B. Askew	Madison	V3B/LA11-6				Fee simple
N-217	Lelia A. Coltharp, etal	Madison	V3B/LA10-2	V3B/LA10-3			Servitude
N-218	Ashly Co, Ltd	Madison	V3B/LA11-2	V3B/LA11-3			Servitude
N-239	Frank P. Stubb	Madison	V3B/LA11-4				Servitude
N-322	George Spencer, etal	Madison	V3B/LA11-7	V3B/LA11-9			Servitude
	Unknown	Madison	V3B/LA11-11				Servitude

[4] For the subject parcels from Milepost 491 to Milepost 498.44 we have applied the analysis by Brister Law Firm and J.W. Porter & Associates, LLC in the determination of title.

LEGAL DESCRIPTION

No legal description was provided; however, the corridor extends from Milepost 471.0 (Station 14395+35) to Milepost 498.44 (Station 15844+04.75) and is shown on the Railroad Valuation Maps identified as follows:

- V.3-B-LA/5
- V.3-B-LA/6
- V.3-B-LA/7
- V.3-B-LA/8
- V.3-B-LA/9
- V.3-B-LA/10
- V.3-B-LA/11

TITLE AND FIVE-YEAR TITLE HISTORY

According to information concerning the quality of title held by the Delta Southern Railroad, Inc., provided by Brister Law Firm and J.W. Porter and Associates, LLC, and further applied to the portion of the subject corridor from Milepost 491.0 to 498.44 by RMI Valuation, LLC, two (2) of the deeds for the subject property were classified as Fee Simple. The remaining deeds were classified as Servitudes (less-than-fee). Based upon this classification, approximately 38.030± acres of the subject property are classified as Fee Simple and 318.273± acres are classified as Servitude (less-than-fee). Of the portion of the subject property classified as fee simple, 0.682± acres are within public road rights-of-way and 6.198± acres are sidetrack and depot parcels which no longer have depots or sidetracks, in which we have been instructed to exclude from the valuation.

The Delta Southern Railroad, Inc., was acquired by West Branch Intermediate Holdings, LLC and Continental Rail, LLC in 2015. This was an acquisition of stock of the DSR from its former owners in a transaction that was reportedly outside of the STB's jurisdiction.

On September 23, 2022, Patriot Rail Company, LLC filed a Verified Notice of Exemption (STB Finance Docket No. 36642) for an authorization to acquire control of Delta Southern Railroad, Inc.[5] In the transaction, dated September 9, 2022, Patriot would acquire from West Branch Intermediate Holdings, LLC a controlling interest in DSRR. The proposed transaction involves purchase of all DSRR's issued and outstanding stock. Details of the transaction have been redacted from the Verified Notice of Exemption filed with the STB. In a decision served on October 14, 2022 the proceeding concerning the Notice of Exemption was placed in abeyance until further order of the Board, at which time Patriot Rail, DSRR, and LPPC were directed to meet and confer on issues pertaining to the Notice of Exemption and the Feeder Line Acquisition.[6] On November 8, 2022 the parties jointly filed a status report indicating that they were unable to reach a mutual resolution to the issues. On December 16, 2022, the Board lifted the abeyance

[5] Patriot Rail Company LLC, SteelRiver Transport Ventures LLC; Global Diversified Infrastructure Fund (North America) LP; First State Infrastructure Managers (International) Limited; and Mitsubishi UFJ Financial Group, Inc. – Control Exemption – Delta Southern Railroad, Inc., Verified Notice of Exemption dated September 23, 2022, STB Finance Docket No. 36642, Document No. 305382.

[6] Patriot Rail Company LLC, SteelRiver Transport Ventures LLC; Global Diversified Infrastructure Fund (North America) LP; First State Infrastructure Managers (International) Limited; and Mitsubishi UFJ Financial Group, Inc. – Control Exemption – Delta Southern Railroad, Inc., Decision dated December 20, 2022, STB Finance Docket No. 36642, Document No. 51510.

and on December 23, 2022, the Board granted Patriot's exemption, allowing the transaction to be consummated on or after January 6, 2023, the effective date of the exemption.[7]

No other known substantive change in title has occurred within the past five years.

LOCATION AND ACCESS

In general, the subject corridor extends between Lake Providence, LA southerly for 27.44± miles to Tallulah, LA. It is located in East Carroll and Madison Parishes in the State of Louisiana.

The contiguous corridor begins approximately 485 feet south of where the subject corridor intersects the south side of US Highway 65; at MP 471.0 (Station 14395+35), its northern extent, just south of Lake Providence, East Carroll Parish, LA. The corridor extends in a southerly direction parallel and directly adjacent to US Highway 65 through Hollybrook, Transylvania, Grimes, and Alsatia to MP 485.5. At MP 485.5 the corridor continues in a southeasterly direction parallel and directly adjacent to US Highway 65 through Roosevelt and Sondheimer to MP 488.61 where the subject corridor crosses into Madison Parish, LA. The corridor continues in a southeasterly direction through Enoka and Omega to the wye serving the Madison Parish Port, being adjacent to the intersection of E. Bear Lake Road and US Highway 65, at MP 491.0. The corridor continues in a southeasterly direction parallel and directly adjacent to US Highway 65 through Talla Bena and Manford, before turning southwesterly in Ashly at MP 494 where it continues to run adjacent to US Highway 65 until it crosses US Highway 65 at approximately MP 497.0. The corridor continues in the same southwesterly direction through the City of Tallulah to its southern extent at MP 498.44 at the Kansas City Southern corridor.

The subject property is accessible from US Highway 65, which runs parallel and directly adjacent to the subject corridor for the majority of its extent. Additionally, it is accessible from approximately 57 public and private road crossings along the line.

The subject property is shown on the *Subject Overview Map* on page 4 and on the *Subject Detail Maps* beginning on page 40 in the *Addendum*.

[7] Patriot Rail Company LLC, SteelRiver Transport Ventures LLC; Global Diversified Infrastructure Fund (North America) LP; First State Infrastructure Managers (International) Limited; and Mitsubishi UFJ Financial Group, Inc. – Control Exemption – Delta Southern Railroad, Inc., Decision dated December 23, 2022, STB Finance Docket No. 36642, Document No. 51517.

SIZE AND SHAPE

The subject property is a contiguous corridor that is 27.44±-miles in length. The corridor is 100 feet in width, with several locations designated for depots and sidetracks with a wider width.

Based on RMI Valuation's georeferencing of the railroad valuation maps and digitization of the railroad property boundaries in ArcGIS Pro, the subject property contains a total of 356.303 acres. A breakdown of the total acreage is shown in Figure 2. We have been instructed not to include the depot and sidetrack parcels in the valuation.

Classification		Acres
Total Fee Simple		**38.030**
Fee simple	31.150	
Fee simple (depot/sidetrack)	6.198	
Fee simple (road rights-of-way)	0.682	
Total Servitude		**318.273**
Servitude	305.750	
Servitude (depot/sidetrack)	12.523	
Total		**356.303**

Figure 2. Subject Property Area Allocation

Of the total acreage, approximately 218.943 acres is located in East Carroll Parish and 137.360 acres is located in Madison Parish. Of the property identified as being owned in Fee Simple by Delta Southern Railroad, 26.283 acres is located in East Carroll Parish and 4.868 acres is located in Madison Parish.

TOPOGRAPHY

The subject corridor traverses mostly level topography through East Carroll and Madison Parishes, Louisiana. The elevation at the northern extent of the subject property near Lake Providence is approximately 99 feet MSL. The elevation at the southern extent of the subject property in Tallulah is approximately 88 feet MSL, for a total elevation change of 11 feet or 0.40 feet per mile.

MARKET AREA

The subject property is located in East Carroll and Madison Parishes in the Mississippi Delta in northeastern Louisiana. The area is rural in character, comprised mostly of agricultural tracts of land with primary crops of soybeans, corn and cotton.

Based on the 2017 USDA Census of Agriculture, East Carroll Parish has approximately 221,354 acres of land in farms or 82% of all land in the Parish, of which 87% is for cropland. East Carroll Parish ranks 3rd in market value of agricultural crop products sold in the State of Louisiana, and 7th for all agricultural products. Madison Parish has approximately 245,296 acres of land in farms or 61% of all land in the Parish, of which 78% is for cropland. Madison Parish ranks 5th in market value of agricultural crop products sold in the State, and 9th for all agricultural products.

The 2020 population of East Carroll Parish was 7,459, with a population density of 17.7 per square mile. The population estimate shows a percent change in population of -3.8% since 2010. The 2021 Small Area Income and Poverty Estimate indicated that approximately 39.9% of the population of East Carroll Parish is below the poverty level.

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The 2020 population of Madison Parish was 10,017, with a population density of 16.0 per square mile. The population estimate shows a change in population of -2.2% since 2010. The 2021 Small Area Income and Poverty Estimate indicates that approximately 35.3% of the population of Madison Parish is below the poverty level.

As can be surmised based upon the USDA and US Census Bureau data, the economies of East Carroll and Madison Parishes are primarily agriculturally based, with relatively low populations.

SUBJECT PROPERTY DESCRIPTION

The subject property is known as part of the Lake Providence Line (McGehee-Tallulah Railroad Corridor, from MP 471.0 to MP 498.44, from just south of Lake Providence, Louisiana to Tallulah, Louisiana. The subject property is owned by the Delta Southern Railroad, Inc. It is part of a 91.3-mile corridor, which parallels the Mississippi River from McGehee, Arkansas (MP 408.9) to Tallulah, Louisiana (MP 498.44). The 91.3-mile line includes several owners, including: Lake Providence Port Commission (LPPC), Delta Southern Railroad, Inc. (DSR), the Southeast Arkansas Economic Development District (SEAEDD), and the North Louisiana & Arkansas Railroad (NLA).

The portion of the subject property from MP 471.0 to 491.0 has reportedly not been used for common-carrier rail service for at least five years. The DSR uses a portion of MP 471.0 to 491.0 for car storage, as of the date of this appraisal. The Lake Providence Port Commission has overhead trackage rights on the northern 1.25 miles of the subject corridor from MP 471.0 to MP 472.25, where the line connects with a private sidetrack and lead track owned by the LPPC that allows rail service to the warehouses and docks at the Lake Providence Port, with traffic travelling north to Arkansas.

The portion of the subject property from MP 491.0 to 498.44 is actively used by DSR to serve the Madison Parish Port with interchange in Tallulah with Kansas City Southern (KCS). Based on information provided by L.E. Peabody & Associates, Inc., shipper surveys indicate that DSRR is currently moving approximately 1,445 carloads per year from the Madison Parish Port to/from the KCS Interchange.

With few exceptions, the adjacent properties are located on the east side of the subject property, as US Highway 65 runs parallel and directly adjacent to most of the subject corridor. While few commercial uses are located on the west side of US Highway 65, the eastern side of the subject corridor is primarily agricultural with some industrial and sparse rural residential uses. The subject corridor crosses over to the west side of US Highway 65 at approximately MP 497 and enters the City of Tallulah. Within Tallulah the land uses along the subject corridor include commercial, industrial, mobile home park, single-family residential, and multifamily residential.

Across-the-fence land uses along the corridor consist of:

- Agricultural
- Rural Residential
- Industrial
- Residential Development

SUBJECT PROPERTY IMPROVEMENTS

The subject property includes existing track improvements, including rail, crossties, and ballast. The net salvage value of the track improvements is *not* included in this net liquidation value.

REAL ESTATE ASSESSMENTS AND TAXES

The subject property is centrally assessed and taxed by the State of Louisiana since it is part of an operating railroad.

CURRENT USE

The current use of the subject property from Milepost 471.0 to 491.0 is as an inactive freight railroad corridor. As previously mentioned, the majority of this section has not been used for common-carrier rail service for at least five years. The southern portion of this section has been used for third-party car storage, and the northern 1.25 miles has been used by the Lake Providence Port Commission as a connection with private side tack and the port lead track, with the connection lines to the north extending to Arkansas.

The current use of the subject property from Milepost 491.0 to 498.44 is as an active freight railroad corridor, providing service between the Madison Parish Port and the interchange with the KCS in Tallulah. Based on information provided to us, it is estimated that the DSRR are moving approximately 1,445 carloads each year from the Madison Parish Port to/from the KCS interchange in Tallulah.

ZONING AND GOVERNMENT RESTRICTIONS

The subject property as an operating freight corridor is not subject to local zoning. While typically, the subject properties would be subject to zoning upon an STB abandonment, in which case it is assumed that the effective zoning would be consistent with the zoning of the ATF properties, no zoning regulations were identified in East Carroll or Madison Parishes.

Given the lack of identified zoning regulations, we have based our delineation of use of the hypothetically disassembled parcels based upon the existing land uses of the ATF properties. These include agricultural, residential, and industrial uses.

HIGHEST AND BEST USE

By definition, the highest and best use of the subject property for a Net Liquidation Value estimate is for the disassemblage of the corridor and sale to its adjacent landowners and others for non-rail purposes. Accordingly, this valuation assumes that the subject property is hypothetically sold to a single purchaser for such a purpose.

VALUATION METHODOLOGY

In a net liquidation valuation, the present value of disassembling the subject corridor and selling the fee simple parcels to adjoining property owners and other parties is estimated by valuing all fee-owned parcels based on their highest and best use.

The Surface Transportation Board describes net liquidation value (NLV) as:

> The net liquidation value for the highest and best use for non-rail purposes of the rail properties on the line…. This value shall be determined by computing the current appraised market value of such properties for other than rail transportation purposes, less all costs of dismantling and disposition of improvements necessary to make the remaining properties available for their highest and best use and complying with applicable zoning, land use, and environmental regulations.[8]

This is an estimate of value that assumes that the rail line would not be used for corridor use but would be disassembled. Accordingly, the valuation assumes that the entire fee simple ownership of the line would be sold to a single entity who would then undertake selling off pieces (or parcels) to other parties. The valuation question is what would one pay for the opportunity to undertake this enterprise?

Several steps are key to estimating such a value:

1. The retail prices that could be obtained from selling the individual parcels.
2. The expected holding period for selling off the retail parcels.
3. Expected price changes in the retail values during the holding period.
4. The expected percent of the parcels that could be sold within the holding period.
5. The rate of sale of the retail parcels (absorption rate).
6. The cost of sales including marketing cost, brokerage commissions, and closing costs.
7. Other costs incurred during the holding period, such as ad valorem taxes.
8. The yield rate required to attract purchasers to undertake the disassemblage and sale of the individual parcels. Such a market-extracted rate needs to provide for an adequate profit, given the risk of the venture.
9. Discounting the net proceeds over the holding period at the yield rate provides for an estimate of present value or net liquidation value of the land within the rail line for non-corridor uses.

This methodology is similar to the subdivision development analysis technique used to value proposed or existing subdivisions and has been accepted by the Surface Transportation Board in prior decisions.[9]

[8] 49 C.F.R. §1152.34 (c)(1)(iii).

[9] The process described above is the proper application of the NLV technique for estimating value. It conforms to the STB requirements and expectations as experienced in CSX Transportation, Inc. – Abandonment Exemption – In LaPorte, Porter and Starke Counties, In., Decision dated April 30, 2004, STB Docket No. AB-55 (Sub-No. 643X, Document No. 346618), and Oregon International Port of Coos Bay – Feeder Line Application – Coos Bay Line of the Central Oregon & Pacific Railroad, Inc., Decision dated October 31, 2008 and November 20, 2008, STB Finance Docket No. 35160, Document Nos. 39410 and 39519.

ACROSS-THE-FENCE (ATF) VALUE

The estimated retail price of the individual parcels is obtained by estimating their ATF value. The ATF value is based on the highest and best use of the properties adjacent to the subject property. As stated by the STB, *the highest and best non-rail use is to sell parcels to adjoining landowners* or other interested parties.[10]

Typically, the highest price would be obtained from adjoining landowners for one or more of the following reasons:

- It would add to the land they own.
- It provides additional access to portions of their property.
- It could enhance the utility of their property.
- It could allow control of additional property that was former corridor land.
- It could ensure frontage access, as in the case when the corridor is between a road and the ATF property.
- At times, two or more adjacent owners may compete to obtain the same former corridor property.
- It may unite an ATF property that was formerly bisected by the corridor.
- It may allow for added security from trespassers and adverse uses of the ATF property.
- It may provide a legal and physical buffer.
- It may allow for control for additional fire protection.
- The acquisition of the former corridor property may be for aesthetic reasons.
- In some cases, it may offer an additional developable or buildable site.

In these cases, the adjoining property owners are typically willing to pay a value based on the unit value of the property they own.

In some cases, the ATF value is adjusted downward because the subject parcel may be isolated as when a narrow strip is located between two roads. In this case, the parcel may have little or no utility. In other cases, the subject parcel may be a small irregular-shaped parcel that would add little or no utility to the adjoining property owners or others. Other cases requiring adjustment occur when the corridor is significantly separated from the surrounding grade, reducing the utility of the parcel.

Portions of the corridor that are located along roads may be of adequate size to be a useable site and thus have a wider appeal than to just the adjacent owners. In these cases, the value of the subject parcel is based on its ATF value or its value at its highest and best.

Accordingly, each parcel is evaluated as to the likelihood of being sold for the ATF value.

In all these cases, the best estimate of the retail value of the subject is based on the market value of the adjacent property (or ATF properties) converted to price per acre or square foot. Accordingly, the use of comparable sales requires adjustments to be made to the sales to adjust to the ATF properties – which is a well-accepted and proper valuation technique.

[10] Chicago and North Western Transportation Company – Abandonment Between Ringwood, IL and Geneva, WI, supra, 363 I.C.C. at 958.

In selling off the retail parcels, the purchaser of the fee simple parcels within the former corridor would attempt to obtain the highest reasonable value based on the adjacent properties.

The highest and best use of the retail subject parcels necessitates estimating a value that would conform to the likely reason for purchase and for the use that would result in the highest value. Accordingly, such uses are to sell the parcels to adjoining landowners or other parties. These arguments conform to the market and to recent STB cases where the Board has been presented with proper appraisals.

The following considerations are necessary to convert the individual retail prices (ATF values) to the present value of the venture or net liquidation value.

HOLDING OR ABSORPTION PERIOD

The holding period is the estimated time that it would take the single purchaser to disassemble and sell off the individual parcels. The economic condition of the real estate market, the number of parcels to sell, etc. all have an impact on this estimate. The holding period becomes the time period over which the net proceeds are discounted.

EXPECTED RETAIL PRICE CHANGES

Market-anticipated price changes are accounted for during the holding period. Estimates of these changes are based on the condition of the real estate market, its recent history, and market-based expectations for the future.

PERCENTAGE OF PARCELS THAT CAN BE SOLD WITHIN THE HOLDING PERIOD

Given the number and usual variety of parcels that comprise the disassemblage of a rail corridor, it is not always reasonable to expect that all could be sold within the holding period. Accordingly, an estimate is made of the percentage of the parcels that would be sold during this period. In some cases, this is based on ATF land uses. Effectively this is a reduction in the gross retail value.

RATE OF SALES OR ABSORPTION RATE

The next step is to estimate the rate of selling the retail parcels during the holding period. This step naturally ties in with the estimate of the holding period. Typically, it is expected that the sales will occur at the same rate each year, but in some cases economic conditions or particular parcels dictate a variance in the rate of sales.

COST OF SALES

To market the disassembled parcels requires the payment of marketing costs, brokerage commission, and closing costs. These costs are deducted from the gross retail sales as they occur.

HOLDING COSTS

Other costs that are expected to occur during the holding period are accounted for. These costs typically include ad valorem taxes, as well as other periodic costs that may be required and expected expenditures during the holding period.

The above are all used to obtain the net sales, or proceeds, on an annual basis.

YIELD RATE (DISCOUNT RATE)

The yield rate is the rate of return necessary to attract a purchaser to undertake the enterprise, given the effort and risk. Using this rate to discount the net proceeds over the holding period to present value provides an indication as to the price a potential purchaser would be willing to pay for the entire fee simple ownership of the subject property for the opportunity to disassemble and sell off individual parcels. The rate is market-extracted, based on yield rates for comparable or similar developments or scenarios.

The resulting *net present value* is the estimate of the *net liquidation value of the land*, assuming a highest and best use of the corridor for non-rail or non-corridor uses.

ACROSS-THE-FENCE VALUATION

As previously discussed, the first step in estimating the net liquidation value is to estimate the price at which each fee simple parcel will sell. This retail price is initially based on the value of the properties that are across-the-fence. To accomplish this, the corridor is divided into valuation segments. Each time the land use changes on one side of the corridor or the other, a new valuation segment is identified. ATF land uses are based on data within our GIS, which includes high-quality digital imagery, USGS topographical maps, other land use data, and physical inspection. Only the fee-owned parcels are divided into segments by land use. The servitude (less-than-fee) parcels are divided by their original acquisition parcel only. The entire subject property is divided into 74 segments.

The segments are classified as fee or servitude (less-than-fee) and identified in our GIS using the georeferenced railroad valuation maps and digitized property boundaries. The segment areas were calculated in ArcGIS Pro.

The *Subject Detail Maps* beginning on page 40 in the *Addendum* show the number for each segment. ATF comparable sales were obtained in each of the two parishes for the ATF land uses. In general, these land uses consist of the following classifications:

- Agricultural
- Industrial
- Rural Residential
- Residential Development

In cases where an ATF land use is either a road, highway, river or railroad, the ATF value on the opposite side of the corridor is used for the segment. In situations where a road, etc., is on both sides of the corridor, the ATF land use is based upon the highest and best use of the subject parcel itself, considering

potential use for the parcel. Additional subject valuation segments were added for public road rights-of-way and were given no value.

ATF unit values have been estimated for each land use category. Each comparable sale was inspected using high-quality digital imagery and StreetView imagery, when available, as well as on-the-ground inspection. The sales were analyzed and verified by deed.

Each valuation segment is further divided into parcels consistent with the adjoining ownership. These parcels are evaluated as to the likelihood of being sold for their ATF value. Additional segmentation was made to preserve the delineation of the original conveyance parcels indicated on the railroad valuation maps, and additional segments were added to account for public road crossings. Servitude (less-than-fee) parcels were not segmented by land use, since they are not valued in a net liquidation value.

The price per acre unit of comparison is used for the various land use categories.

EXPLANATION OF THE VALUATION PROCESS FOR ATF UNIT VALUES

For each ATF land use, sales comparable to the ATF land uses are selected. These sales are then analyzed using both quantitative and qualitative analysis.

Quantitative adjustments are specific adjustments in the form of dollars or percentages that are applied to unit values, which are extracted by comparing sales to each other or to other market information. For example, consider a property that sold two years ago for $1,000 per acre and a recent, similar sale that sold for $1,200 per acre. The difference between these two prices can help estimate an adjustment for time, or market conditions: in this example $100 per acre per year or 10% per year.

Adjusting for advantageous financing is an example of using other market information for a quantitative adjustment. In this example, the present value of the actual principal and interest payments, which were part of the negotiations between buyer and seller, is calculated at market rates to estimate an adjustment for financing, also known as a cash equivalency adjustment.

The first step in quantitative analysis is to identify elements that may explain variances in sale price per acre. This analysis consists of plotting the various elements of comparison against sale price per acre. The elements of comparison considered include market conditions and size, as well as elements specific to a given land use, such as soil productivity for the agricultural land uses.

The elements of comparison are plotted against sale price per acre. The graphical analysis is used to identify those elements of comparison that exhibit the highest correlation to price, being those that show the highest r-squared, and thus explaining the most variance in sale price.

The curvilinear or linear line closest to all data points (line with the highest r-squared) is selected, and the line's equation is used to estimate the adjustment for the element of comparison. The adjustment is estimated by calculating the difference between a sale's predicted value on the line and the subject's ATF parcels predicted value on the line, divided by the sale's predicted value, resulting in the percentage of adjustment for the element of comparison.

After the first adjustment, the remaining elements of comparison are again plotted against sale price per acre, except this time the adjusted sale price per acre is used after the first adjustment is made. The number of quantitative adjustments is based on what the sales data indicates, as well as the number of supportable adjustments that can be used based on the number of comparable sales.

Qualitative analysis is the process of reconciliation to a value estimate by comparing the sales to the subject's across-the-fence parcels for those elements that are not explicitly supported by quantitative analysis of the market. This process is usually best accomplished by ranking the sales from lowest to highest adjusted unit values. Starting with the lower unit values, the sales are compared to the subject property for differences other than those that have been quantitatively analyzed.

During the comparative process, the subject's ATF properties are ranked within the sales, thus narrowing the range between comparable sales least inferior and least superior. By final comparison of the two most similar sales to the subject's ATF properties, an estimate of the market unit value is made. In addition, summary statistics, such as arithmetic mean and median, are used to support the qualitative analysis.

If the quantitative analysis indicates an adjustment for size, the average size of the ATF parcels is calculated for each segment. Where the ATF sizes differ considerably between neighboring ATF parcels, the designated segments are divided further to account for segments with different size characteristics. After the quantitative adjustments, the sales are qualitatively analyzed giving weight to any sales that are more comparable as well as considering the adjusted arithmetic mean and median. From this process a conclusion is made for each land use.

This quantitative and qualitative analysis is described for each land use in the following ATF valuation sections. A summary of the unit value conclusions for each land use, showing the adjusted summary statistics and unit value conclusions, is shown in Figure 6, on page 34. These unit values are applied to the appropriate valuation segments in Figure 7, on page 35.

AGRICULTURAL ATF VALUATION

Figure 3 shows the comparable sales used to estimate the agricultural ATF unit values along the subject property.

Figure 3: East Carroll & Madison Par. - Agricultural Comparable Sales Comparable Sales

Sale #	Sale Date	Grantor	Grantee	Primary APN	County	Adjusted Sale Price	Size (acre)	Price per acre
175-156	5/3/2017	Hollybrook Land Company, LLC	Purple Alpha II, LLC	0200044011	East Carroll	$ 18,930,800	4,467.32	$ 4,238
346-326	6/1/2017	REA-CON Land, LLC	Don E. Bridges, et.al.	300039100	Madison	$ 2,225,000	520.00	$ 4,279
175-603	9/15/2017	Willie A. & Alice F. S. Aarons	Purple Alpha II, LLC	0200085350	East Carroll	$ 150,000	40.00	$ 3,750
175-606	9/15/2017	Howard Holdings, LP	Robert B. & Kathy T. Holt	0300070600	East Carroll	$ 2,285,700	401.59	$ 5,692
175-779	12/1/2017	Mar-Kei Plantation, Inc.	The John A. Mayer Real Estate Company, LP	0700007400	East Carroll	$ 855,910	160.00	$ 5,349
175-848	12/28/2017	Wise Farms, LLC, et.al.	Delta Tilth, LLC	0600034600	East Carroll	$ 3,405,000	786.56	$ 4,329
176-21	1/11/2018	Gay H. Horton	Kandy Farms of East Carroll, LLC	0600012000	East Carroll	$ 180,000	40.00	$ 4,500
348-315	1/19/2018	Cecil P. & Deborah G. Machen	Michael Thompson, et.al.	300062400	Madison	$ 1,350,000	317.76	$ 4,248
348-323	1/19/2018	Don E. & Tracy A. Bridges	Michael Thompson, et.al.	300039100	Madison	$ 2,600,000	520.00	$ 5,000
176-74	1/22/2018	Stephen V. Guenard & Flournoy G. Gull	Tomlinson Land Company, LLC	0300057600	East Carroll	$ 270,690	64.45	$ 4,200
176-52	1/26/2018	Joseph V. & Evelyn M. Ross	Edward W. & Danielle B. Patrick III	0600027200	East Carroll	$ 340,000	77.00	$ 4,416
177-490	2/12/2019	Martha W. Murphy, et.al.	Clearfield Farm, LLC	0700015002	East Carroll	$ 55,926,127	10,887.69	$ 5,137
351-981	5/15/2019	PAK Plantation Properties, LLC	RHA Farms, LLC	400096633	Madison	$ 4,862,310	1,112.67	$ 4,370
353-213	9/13/2019	Billy R. Hodge, et.al.	Knosby Family Trust, et.al.	300034771	Madison	$ 4,147,097	900.00	$ 4,608
143-401	6/28/2021	CLEE, LLC	Bret D. & Lisa K. B. Burns	300026890	Madison	$ 400,000	111.00	$ 3,604
143-531	7/29/2021	Linda C. Sanders	Larry & Teresa Ezell	400030900	Madison	$ 340,000	93.79	$ 3,625
144-158	12/30/2021	John H. & Patricia A. A. Watts	Jesse L. & Caryn Oliver	400329110	Madison	$ 224,000	53.00	$ 4,226
144-250	1/28/2022	RHA Farms, LLC	Brushy Development Corp.	400089749	Madison	$ 1,500,000	261.18	$ 5,743
144-422	3/2/2022	A. C. Ray Farms, Inc.	Dabeel, LLC	400050900	Madison	$ 126,000	28.00	$ 4,500
Subject	3/2/2022							
						Arithmetic mean		$ 4,516
						Standard deviation		$ 618
						Coefficient of variance		13.69%
						Minimum		$ 3,604
						Maximum		$ 5,743
						Median		$ 4,370

Nineteen comparable sales were found within East Carroll and Madison Parishes that are considered comparable to the subject property's ATF agricultural uses. Their dates of sale range from May 2017 to March 2022. Their sizes range from 28 to 10,888 acres. A map of these sales is on page 57 of the *Addendum*.

These nineteen sales have an unadjusted arithmetic mean of $4,516 per acre and a median of $4,370 per acre, with a coefficient of variance of 13.69%. Their unit prices range from $3,604 to $5,743 per acre.

The elements of comparison considered for the agricultural sales are market conditions, size, and soil productivity.

In the analysis of the agricultural sales, no quantitative adjustments were indicated by the data. We also analyzed the sales by Parish. The indicated unadjusted arithmetic mean of the East Carroll agricultural sales was $4,623 per acre with a median of $4,416 per acre and a coefficient of variance of 13.6%. While the East Carroll Parish agricultural sales did indicate a quantitative adjustment for soil productivity, the resulting overall value would vary little from the value estimated using the combined East Carroll and Madison agricultural sales. The indicated unadjusted arithmetic mean of the Madison Parish agricultural sales was $4,420 per acre with a median of $4,324 per acre and a coefficient of variance of 14.1%. No quantitative adjustments were indicated by the Madison Parish sales when considered separately.

Therefore, no quantitative adjustments are applied to the combined East Carroll and Madison Parish agricultural sales.

As shown in Figure 3, the agricultural comparable sales show an arithmetic mean of $4,516 per acre and a median of $4,370 per acre. It is our opinion that the best indication of value is based on the arithmetic mean of the combined East Carroll and Madison Parish agricultural sales. Therefore, the estimate of the agricultural unit value for the subject property is **$4,550 per acre**.

INDUSTRIAL ATF VALUATION

A search for industrial sales in East Carroll and Madison Parishes did not result in any recent comparable industrial sales. Information from several real estate participants in East Carroll and Madison Parishes revealed that there have not been any industrial land sales, not along the river, for over 15 years. The general consensus was that industrial land values would likely be equivalent to the agricultural land values, if not at the upper end of the range. Therefore, we estimate that the industrial land value would be at the upper end of the agricultural land value range as shown in Figure 3, or **$5,700 per acre**.

RURAL RESIDENTIAL ATF VALUATION

Figure 4 shows the comparable sales used to estimate the rural residential ATF unit values along the subject property.

Figure 4: East Carroll & Madison Par. - Rural Residential Comparable Sales Comparable Sales

Sale #	Sale Date	Grantor	Grantee	Primary APN	County	Adjusted Sale Price	Size (acre)	Price per acre	Market Cond Adjustment	Adjusted $/acre
143-426	7/6/2021	Peggy S. Thorne	Caleb N. Wilkins	400082835	Madison	$ 46,000	11.79	$ 3,901	-35.14%	$ 2,530
144-171	1/10/2022	Geraldline Y. La Rose Living Trust	T & B Busby Farms, LLC	400076700	Madison	$ 59,774	14.58	$ 4,100	-27.04%	$ 2,991
95083	5/4/2022	Johnny Scott	Adrain Nelson	0100013850	East Carroll	$ 177,000	58.94	$ 3,003	-16.36%	$ 2,512
95113	5/19/2022	Johnny & Gertrude L. N. Scott	Ted E. & Alyssa B. Oliver	0100037000	East Carroll	$ 30,000	13.19	$ 2,274	-14.43%	$ 1,946
95195	6/30/2022	Johnny & Gertrude L. N. Scott	Ted E. & Alyssa B. Oliver	0100037000	East Carroll	$ 25,000	7.65	$ 3,267	-8.08%	$ 3,003
95237	7/18/2022	Ted E. & Alyssa B. Oliver	Joseph M. & Patti O. Hopkins, Sr.	0100037000	East Carroll	$ 30,000	13.19	$ 2,274	-4.87%	$ 2,164
145-18	8/11/2022	Clara L. Cooper	T & B Busby Farms, LLC	400028150	Madison	$ 45,000	14.58	$ 3,087	0.00%	$ 3,087
Subject	8/11/2022						5.60			
								$ 3,129		$ 2,605
								$ 711		$ 444
								22.73%		17.04%
								$ 2,274		$ 1,946
								$ 4,100		$ 3,087
								$ 3,087		$ 2,530

Seven comparable sales were found within East Carroll and Madison Parishes that are considered comparable to the subject property's ATF rural residential uses. Their dates of sale range from July 2021 to July 2022. Their sizes range from 7.65 to 58.94 acres. A map of these sales is on page 58 of the *Addendum*.

These seven sales have an unadjusted arithmetic mean of $3,129 per acre and a median of $3,087 per acre, with a coefficient of variance of 22.73%. Their unit prices range from $2,274 to $4,100 per acre.

The elements of comparison considered for the rural residential sales are market conditions and size. The quantitative analysis of the rural residential comparable sales indicated that market conditions exhibited the highest correlation to price, showing that

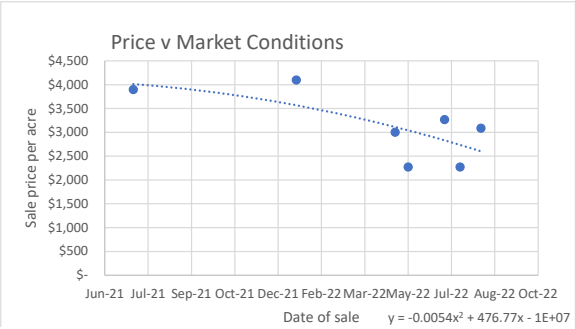


Figure 5.

approximately 49% of the variance in sale price is explained by market conditions, as shown in Figure 5. The sales are adjusted to the date of sale of the most recent sale, August 11, 2022. Given the few number of sales, no further quantitative adjustments can be derived.

As shown in Figure 4, the rural residential comparable sales after the adjustment for market conditions, show an adjusted arithmetic mean of $2,605 and a median of $2,530, with a coefficient of variance of 17.0%. Their adjusted unit prices range from $1,946 to $2,530 per acre. The unadjusted arithmetic mean of the five most recent sales is $2,781 per acre. Given the downward trend in this market this is the best indication of the market value. Therefore, giving weight to the five most recent comparable sales, we estimate that the rural residential unit value for the subject property is **$2,800 per acre**.

RESIDENTIAL DEVELOPMENT ATF VALUATION

Based on our review of the fee-owned property in the City of Tallulah, we believe the highest and best use is for residential development. Our analysis of single-family residential sales within Tallulah, indicated a unit value of $18,100 per acre for 0.23-acre single-family residential lots. When considering development and platting costs, we believe the best estimate for residential development land is equivalent to the value of agricultural land. Therefore, the estimate of the residential development unit value for the subject property is **$4,550 per acre**.

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ACROSS-THE-FENCE VALUATION SUMMARY

Figure 6 shows the ATF unit value summary used in the ATF valuation for each valuation segment. The first column – *Unit Value ID* – is used in the ATF valuation summary, shown in Figure 7 on the next page.

Figure 6. Unit Value Summary

Unit Value ID	Land Use	Average Unit Value (/acre)	Median Unit Value (/acre)	Unit Value Conclusion (/acre)
0	Road			
1	Agricultural	$ 4,516	$ 4,370	$ 4,550
2	Industrial	$ 4,516	$ 4,370	$ 5,700
3	Rural Residential	$ 2,605	$ 2,530	$ 2,800
4	Residential Development	$ 4,516	$ 4,370	$ 4,550

Figure 7, on the next page, shows the valuation by segment. These segments are shown on the *Subject Detail Maps*, which begin on page 40. The *Land Use* columns reference the land use on each side of the segment. The unit values shown are from Figure 6.

The average ATF unit value is applied to the segment area. In cases where one ATF land use is a road, the ATF value on the opposite side of the corridor is used for the segment.

The ATF value for the fee simple parcels is the *Size (acres)* times the *Average Unit Value*. This product is shown in the *ATF Value* column. No value is given to those portions of the fee simple area within public road rights-of-way.

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Figure 7. Subject ATF Valuation

	Valuation		Deed					Landuse		Size		Unit Value ID		Unit Value (/acre)		Average	ATF
Segment	Map	Parcel	Book	Page	Grantor	County	Title	West	East	(acres)	(sqft)	West	East	West	East	Unit Value	Value
1	V3B/LA5	1	V	178	McGuire	East Carroll	Servitude			0.884	38,493	0	0	$ -	$ -	$ -	$ -
2	V3B/LA5	2	V	179	Deloney	East Carroll	Servitude			4.327	188,477	0	0	$ -	$ -	$ -	$ -
3	V3B/LA5	3	V	180	Wyly	East Carroll	Servitude			4.316	188,020	0	0	$ -	$ -	$ -	$ -
4	V3B/LA5	4	V	181	McGuire	East Carroll	Servitude			2.660	115,872	0	0	$ -	$ -	$ -	$ -
5	V3B/LA5	5	V	181	Deeson	East Carroll	Servitude			4.842	210,913	0	0	$ -	$ -	$ -	$ -
6	V3B/LA5	6	V	180	Wyly	East Carroll	Servitude			4.950	215,606	0	0	$ -	$ -	$ -	$ -
7	V3B/LA5	7	Y	370	Haggart	East Carroll	Servitude			4.536	197,591	0	0	$ -	$ -	$ -	$ -
8	V3B/LA5	8	V	189	Frankenbush	East Carroll	Servitude			6.987	304,354	0	0	$ -	$ -	$ -	$ -
9	V3B/LA5	9	Y	370	Haggart	East Carroll	Servitude			8.783	382,595	0	0	$ -	$ -	$ -	$ -
10	V3B/LA5	10	V	183	Pittman	East Carroll	Servitude			3.670	159,849	0	0	$ -	$ -	$ -	$ -
11	V3B/LA5	10			Unknown	East Carroll	Out Parcel			1.284	55,918	0	0	$ -	$ -	$ -	$ -
12	V3B/LA6	1	V	183	Pittman	East Carroll	Servitude			2.945	128,263	0	0	$ -	$ -	$ -	$ -
13	V3B/LA6	2	V	183	Pittman	East Carroll	Servitude			0.581	25,324	0	0	$ -	$ -	$ -	$ -
14	V3B/LA6	3	V	184	Powell	East Carroll	Servitude			1.949	84,908	0	0	$ -	$ -	$ -	$ -
15	V3B/LA6	4	Y	370	Haggart	East Carroll	Servitude			4.119	179,404	0	0	$ -	$ -	$ -	$ -
16	V3B/LA6	5	Y	370	Haggart	East Carroll	Servitude			5.885	256,339	0	0	$ -	$ -	$ -	$ -
17	V3B/LA6	6	V	184	Newman/Constant	East Carroll	Servitude			17.320	754,444	0	0	$ -	$ -	$ -	$ -
18	V3B/LA6	7	X	135	Graham	East Carroll	Fee	Road	Agricultural	4.667	203,286	0	1	$ 4,550	$ 4,550	$ 4,550	$ 21,234
19	V3B/LA6	7	X	135	Graham	East Carroll	Fee	Road	Rural Residential	0.862	37,567	0	3	$ 2,800	$ 2,800	$ 2,800	$ 2,415
20	V3B/LA6	7	X	135	Graham	East Carroll	Fee - Road			0.035	1,504	0	0	$ -	$ -	$ -	$ -
21	V3B/LA6	7	X	135	Graham	East Carroll	Fee	Road	Rural Residential	0.692	30,122	0	3	$ 2,800	$ 2,800	$ 2,800	$ 1,936
22	V3B/LA6	7	X	135	Graham	East Carroll	Fee	Road	Rural Residential	1.228	53,493	0	3	$ 2,800	$ 2,800	$ 2,800	$ 3,438
23	V3B/LA6	7	X	135	Graham	East Carroll	Fee	Road	Agricultural	0.131	5,693	0	1	$ 4,550	$ 4,550	$ 4,550	$ 595
24	V3B/LA6	7	X	135	Graham	East Carroll	Fee - Road			0.069	3,012	0	0	$ -	$ -	$ -	$ -
25	V3B/LA6	7	X	135	Graham	East Carroll	Fee	Agricultural	Agricultural	3.683	160,425	1	1	$ 4,550	$ 4,550	$ 4,550	$ 16,757
26	V3B/LA6	7	X	135	Graham	East Carroll	Fee - Out Parcel			3.443	149,999	0	0	$ -	$ -	$ -	$ -
27	V3B/LA6	7	X	135	Graham	East Carroll	Fee	Agricultural	Road	1.567	68,240	1	0	$ 4,550	$ 4,550	$ 4,550	$ 7,128
28	V3B/LA6	7	X	135	Graham	East Carroll	Fee - Out Parcel			2.755	119,999	0	0	$ -	$ -	$ -	$ -
29	V3B/LA6	7	X	135	Graham	East Carroll	Fee - Road			0.039	1,696	0	0	$ -	$ -	$ -	$ -
30	V3B/LA6	7	X	135	Graham	East Carroll	Fee	Industrial	Road	1.149	50,063	2	0	$ 5,700	$ 5,700	$ 5,700	$ 6,551
31	V3B/LA6	7	X	135	Graham	East Carroll	Fee	Industrial	Agricultural	1.280	55,765	2	1	$ 5,700	$ 4,550	$ 5,125	$ 6,561
32	V3B/LA7	1	X	135	Graham	East Carroll	Fee	Industrial	Agricultural	1.186	51,653	2	1	$ 5,700	$ 4,550	$ 5,125	$ 6,077
33	V3B/LA7	1	X	135	Graham	East Carroll	Fee	Road	Agricultural	5.830	253,950	0	1	$ 4,550	$ 4,550	$ 4,550	$ 26,526
34	V3B/LA7	1	X	135	Graham	East Carroll	Fee - Road			0.048	2,083	0	0	$ -	$ -	$ -	$ -
35	V3B/LA7	1	X	135	Graham	East Carroll	Fee	Road	Rural Residential	0.963	41,947	0	3	$ 2,800	$ 2,800	$ 2,800	$ 2,696
36	V3B/LA7	1	X	135	Graham	East Carroll	Fee	Road	Agricultural	3.046	132,672	0	1	$ 4,550	$ 4,550	$ 4,550	$ 13,858
37	V3B/LA7	2	V	184	Newman	East Carroll	Servitude			14.740	642,079	0	0	$ -	$ -	$ -	$ -
38	V3B/LA7	3	V	186	Buckner	East Carroll	Servitude			4.354	189,676	0	0	$ -	$ -	$ -	$ -
39	V3B/LA7	4			Unknown	East Carroll	Servitude			18.593	809,892	0	0	$ -	$ -	$ -	$ -
40	V3B/LA8	1			Unknown	East Carroll	Servitude			4.285	186,635	0	0	$ -	$ -	$ -	$ -
41	V3B/LA8	2	V	228	Surget/Rhodes	East Carroll	Servitude			23.744	1,034,309	0	0	$ -	$ -	$ -	$ -
42	V3B/LA8	4	V	228	Surget/Rhodes	East Carroll	Servitude			0.490	21,329	0	0	$ -	$ -	$ -	$ -
43	V3B/LA8	5	V	187	Nicholson	East Carroll	Servitude			3.054	133,040	0	0	$ -	$ -	$ -	$ -
44	V3B/LA8	6	V	187	Nicholson	East Carroll	Servitude			16.934	737,666	0	0	$ -	$ -	$ -	$ -
45	V3B/LA9	1	V	187	Nicholson	East Carroll	Servitude			5.417	235,950	0	0	$ -	$ -	$ -	$ -
46	V3B/LA9	2	V	217	Stein	East Carroll	Servitude			1.227	53,446	0	0	$ -	$ -	$ -	$ -
47	V3B/LA9	4	V	217	Stein	East Carroll	Servitude			0.528	23,002	0	0	$ -	$ -	$ -	$ -
48	V3B/LA9	6	V	216	Mrs. E. B. Buckner	East Carroll	Servitude			6.440	280,537	0	0	$ -	$ -	$ -	$ -
49	V3B/LA9	7	V	188	Buckner	East Carroll	Servitude			6.429	280,059	0	0	$ -	$ -	$ -	$ -
50	V3B/LA9	8	N	118	Shirk	Madison	Servitude			9.136	397,983	0	0	$ -	$ -	$ -	$ -
51	V3B/LA9	9			Unknown	Madison	Out Parcel			3.444	149,999	0	0	$ -	$ -	$ -	$ -
52	V3B/LA9	10			Unknown	Madison	Out Parcel			2.066	89,999	0	0	$ -	$ -	$ -	$ -
53	V3B/LA9	11	N	115	Woolsay	Madison	Servitude			16.294	709,770	0	0	$ -	$ -	$ -	$ -
54	V3B/LA9	12	N	215	Currie	Madison	Servitude			3.031	132,019	0	0	$ -	$ -	$ -	$ -
55	V3B/LA10	1	N	215	Currie	Madison	Servitude			3.283	142,998	0	0	$ -	$ -	$ -	$ -
56	V3B/LA10	2	N	217	Coltharp	Madison	Servitude			6.225	271,180	0	0	$ -	$ -	$ -	$ -
57	V3B/LA10	3	N	217	Coltharp	Madison	Servitude			12.378	539,179	0	0	$ -	$ -	$ -	$ -
58	V3B/LA10	4	N	215	Ward/Scott	Madison	Servitude			1.975	86,032	0	0	$ -	$ -	$ -	$ -
59	V3B/LA10	5	N	215	Ward/Scott	Madison	Servitude			24.661	1,074,250	0	0	$ -	$ -	$ -	$ -
60	V3B/LA10	7			Unknown	Madison	Out Parcel			3.450	150,291	0	0	$ -	$ -	$ -	$ -
61	V3B/LA10	6			Unknown	Madison	Out Parcel			2.067	90,023	0	0	$ -	$ -	$ -	$ -
62	V3B/LA11	1	N	159	Ashly Co Ltd	Madison	Servitude			22.976	1,000,825	0	0	$ -	$ -	$ -	$ -
63	V3B/LA11	2	N	215	Ward/Scott	Madison	Servitude			7.862	342,485	0	0	$ -	$ -	$ -	$ -
64	V3B/LA11	3	N	215	Ward/Scott	Madison	Servitude			2.706	117,893	0	0	$ -	$ -	$ -	$ -
65	V3B/LA11	4	N	239	Stubb	Madison	Servitude			2.460	107,163	0	0	$ -	$ -	$ -	$ -
66	V3B/LA11	5	N	205	Johnson	Madison	Servitude			2.951	128,553	0	0	$ -	$ -	$ -	$ -
67	V3B/LA11	6	N	209	Askew	Madison	Fee	Road	Residential Dev	0.172	7,492	0	4	$ 4,550	$ 4,550	$ 4,550	$ 783
68	V3B/LA11	6	N	209	Askew	Madison	Fee - Road			0.491	21,369	0	0	$ -	$ -	$ -	$ -
69	V3B/LA11	7	N	322	Spencer	Madison	Servitude			2.443	106,415	0	0	$ -	$ -	$ -	$ -
70	V3B/LA11	6	N	209	Askew	Madison	Fee	Road	Residential Dev	4.696	204,545	0	4	$ 4,550	$ 4,550	$ 4,550	$ 21,365
71	V3B/LA11	9	N	322	Spencer	Madison	Servitude			0.257	11,187	0	0	$ -	$ -	$ -	$ -
72	V3B/LA11	6	N	209	Askew	Madison	Fee - Road			0.001	27	0	0	$ -	$ -	$ -	$ -
73	V3B/LA11	10	N	205	Johnson	Madison	Servitude			2.123	92,460	0	0	$ -	$ -	$ -	$ -
74	V3B/LA11	11			Unknown	Madison	Out Parcel			0.213	9,263	0	0	$ -	$ -	$ -	$ -
Total										**356.303**	**15,520,559**						**$ 137,921**

NET LIQUIDATION VALUATION

The total ATF value, as shown in Figure 7, is $137,921 – which is also referred to in this report as the *total retail value* since it is the total gross proceeds that would be expected if all the fee simple parcels were disassembled and sold.

Review and analysis of the parcel GIS data and plat maps reveal approximately sixteen (16) ATF parcels and ten (10) unique owners located along either side of the fee-owned corridor for the portion of the fee-owned property in East Carroll Parish. For the fee-owned property in Madison Parish, there are approximately thirteen (13) ATF parcels and unique owners, however our analysis found that the most likely use would be for a single residential development site.

In a net liquidation valuation scenario, a prospective purchaser of the corridor would not reasonably expect to sell all of the parcels within the anticipated sellout period. However, by reviewing the location of the individual parcels and prospective buyers, we have estimated that 100% of the parcels would sell in the expected sellout period, given the few numbers of unique owners, the location of the subject property with frontage on US Highway 65, the fact that the fee-owned subject parcels in some instances bisect ATF ownership, and use of the fee-owned site in Tallulah for residential development.

Based on typical real estate commissions and discussions with local brokers, the typical commission rates range from 5% to 6%. Therefore, we estimate the commission at 5%. It assumes that a listing agreement would be negotiated with one real estate company, thereby obtaining a slight discount. Additionally, the purchaser of the entire corridor would likely handle most contact and negotiating with the adjoining property owners. In those cases, the real estate commission may be avoided. Closing costs are estimated to be an additional 3%. The total cost of sales is, therefore, 8%.

Given the length of the corridor and number of fee-owned parcels, the sellout period anticipated by a typical buyer of the entire corridor is estimated at two (2) years. Typically, the expectation is that sales volume would be equally distributed over the sellout period.

Since selling the disassembled corridor parcels is similar to residential subdivision development, risk takes on much of the same characteristics. Currently and historically, residential development yield rates range from 18% to 22% for land development.[11]

We also obtained the latest RealtyRates.com developer survey for the fourth quarter of 2022; however, this survey must be used with caution since its national rates are heavily weighted by West Coast results, which have a tendency to skew the rates. We used the Southeast rates as shown in Figure 8.

[11] This rate is for development of raw lots and selling the lots to individuals and builders. The yield rates for those that sell the house and lot package are higher because of added risk and capital expenditures.

RealtyRates.com DEVELOPER SURVEY - 4th Quarter 2022* Southeast - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	13.66%	30.66%	20.55%	13.11%	29.44%	19.73%
-100 Units	13.66%	26.43%	19.64%	13.11%	25.38%	18.86%
100-500 Units	14.00%	29.08%	20.68%	13.44%	27.91%	19.85%
500+ Units	14.34%	30.40%	21.03%	13.77%	29.18%	20.19%
Mixed Use	14.68%	30.66%	20.86%	14.09%	29.44%	20.02%
Manufactured Housing	13.94%	33.40%	21.95%	13.39%	32.06%	21.07%
-100 Units	13.94%	29.04%	21.06%	13.39%	27.88%	20.22%
100-500 Units	14.29%	31.95%	22.19%	13.72%	30.67%	21.31%
500+ Units	14.64%	33.40%	22.58%	14.06%	32.06%	21.68%
Business Parks	13.91%	30.99%	20.84%	13.35%	29.75%	20.01%
-100 Acres	13.91%	26.95%	20.02%	13.35%	25.87%	19.22%
100-500 Acres	14.25%	29.64%	21.07%	13.68%	28.46%	20.23%
500+ Acres	14.60%	30.99%	21.43%	14.02%	29.75%	20.57%
Industrial Parks	13.99%	26.77%	18.98%	13.43%	25.70%	18.22%
-100 Acres	13.99%	23.28%	18.26%	13.43%	22.35%	17.53%
100-500 Acres	14.34%	25.61%	19.18%	13.77%	24.59%	18.41%
500+ Acres	14.69%	26.77%	19.49%	14.10%	25.70%	18.71%

*3rd Quarter 2022 Data

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Figure 8. RealtyRates.com - Developer Survey - Q4 2022.

This survey is published by Robert Watts of RealtyRates.com. We questioned Mr. Watts as to the composition of the properties in the survey. He acknowledged that an unknown number of the projects include both the land and building improvements, resulting in the rates being somewhat higher than if for land development alone. Accordingly, one would have to assume that the average rates would be higher than the current rates for land only.

Additionally, rates shown in Figure 8 and the range discussed previously are reflective of developments that require entitlement work, but where government approvals are reasonably expected. In disassembling the corridor, extensive government approvals are not typically required.; therefore, the best estimate for the subject property is a risk rate toward the lower end of the range, or 18%. At this point, the yield is such that a potential purchaser of the subject property could be found.

Since the subject property is not currently assessed for non-railroad use, the yield rate is loaded for the weighted-average, effective tax rate over the two parishes. This tax rate is calculated against 10% of the market value of the real estate. The effective weighted average ad valorem tax rate is 1.1682% of market land value. The total loaded discount rate is therefore, 19.17%.

Based on our analysis of the market, it is our opinion that the typical purchaser would not expect land values to increase during the two-year holding period.

Figure 9, on the next page shows the discounted cash flow that provides our estimate of the net liquidation value of the land as of November 16, 2022.

Figure 9. Discounted Cash Flow and Net Liquidation Valuation (2-Year Sellout)

Year		1	2	Total
Percentage to be sold per year				
East Carroll Parish		50%	50%	100%
Madison Parish		50%	50%	100%
Gross Potential Sales				
East Carroll Parish		$ 57,886	$ 57,886	$ 115,772
Madison Parish		$ 11,074	$ 11,074	$ 22,148
Total Potential Sales		$ 68,960	$ 68,960	$ 137,921
Percentage Sold Overall		100.0%	100.0%	
Total Sales		$ 68,960	$ 68,960	$ 137,921
Gross Income Estimate				
Sales Revenue		$ 68,960	$ 68,960	
Total Income		$ 68,960	$ 68,960	$ 137,921
Expense Estimates				
Broker Commisions	5.00% of sales	$ 3,448	$ 3,448	
Closing Costs	3.00% of sales	$ 2,069	$ 2,069	
Total Sales Costs		$ 5,517	$ 5,517	$ 11,034
Net Proceeds		$ 63,443	$ 63,443	$ 126,887
Discount Rate	19.17% Annually	0.839150	0.704173	
Discounted Cash Flows		$ 53,239	$ 44,675	$ 97,914
		Net Present Value		$ 97,914
		Net Liquidation Value (land)		$ 97,914
		Rounded		**$ 97,900**

FINAL ESTIMATE OF VALUE

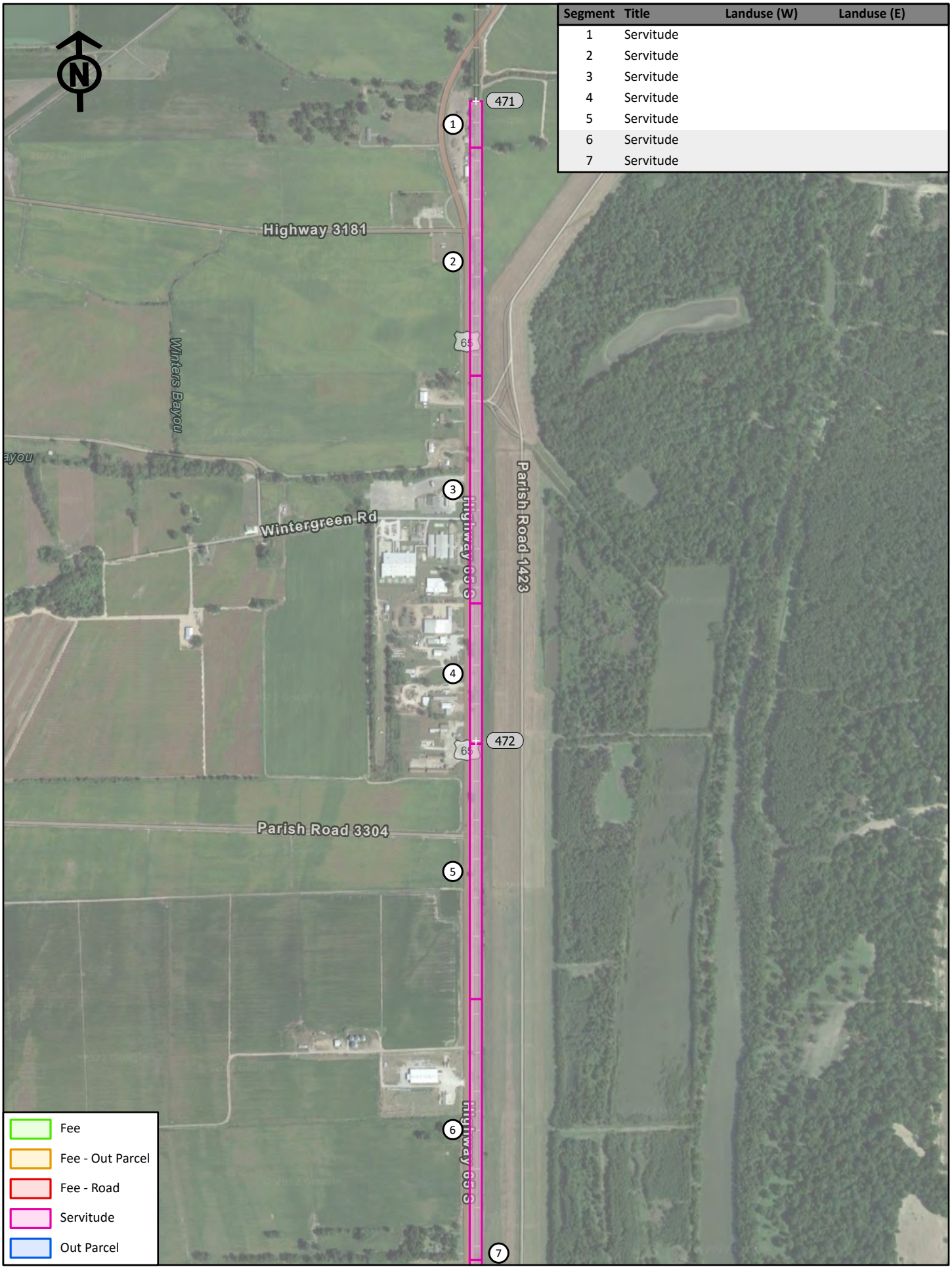
As shown in Figure 9, the *Net Liquidation Value (Land)*, is shown as the *Net Present Value*, which is $97,914. Therefore, our estimate of the net liquidation value (land only), subject to the conditions, contingencies, extraordinary assumptions, and hypothetical conditions in this report, as of November 16, 2022, is

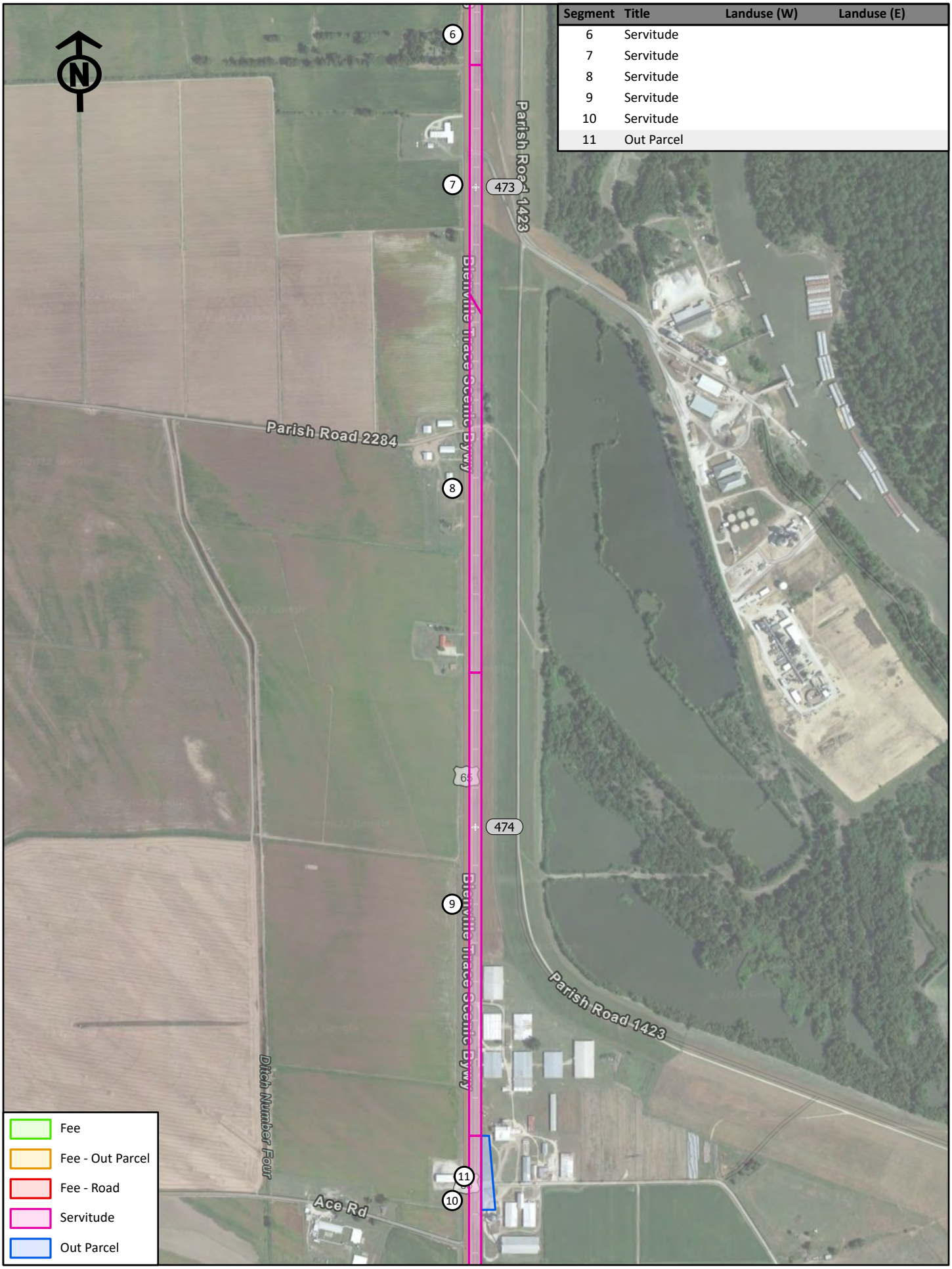
$97,900

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ADDENDUM

SUBJECT DETAIL MAPS


Segment | Title | Landuse (W) | Landuse (E)
1 Servitude
2 Servitude
3 Servitude
4 Servitude
5 Servitude
6 Servitude
7 Servitude
471
472
Highway 3181
Winters Bayou
Wintergreen Rd
Parish Road 1423
Parish Road 3304
Highway 65 S
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel

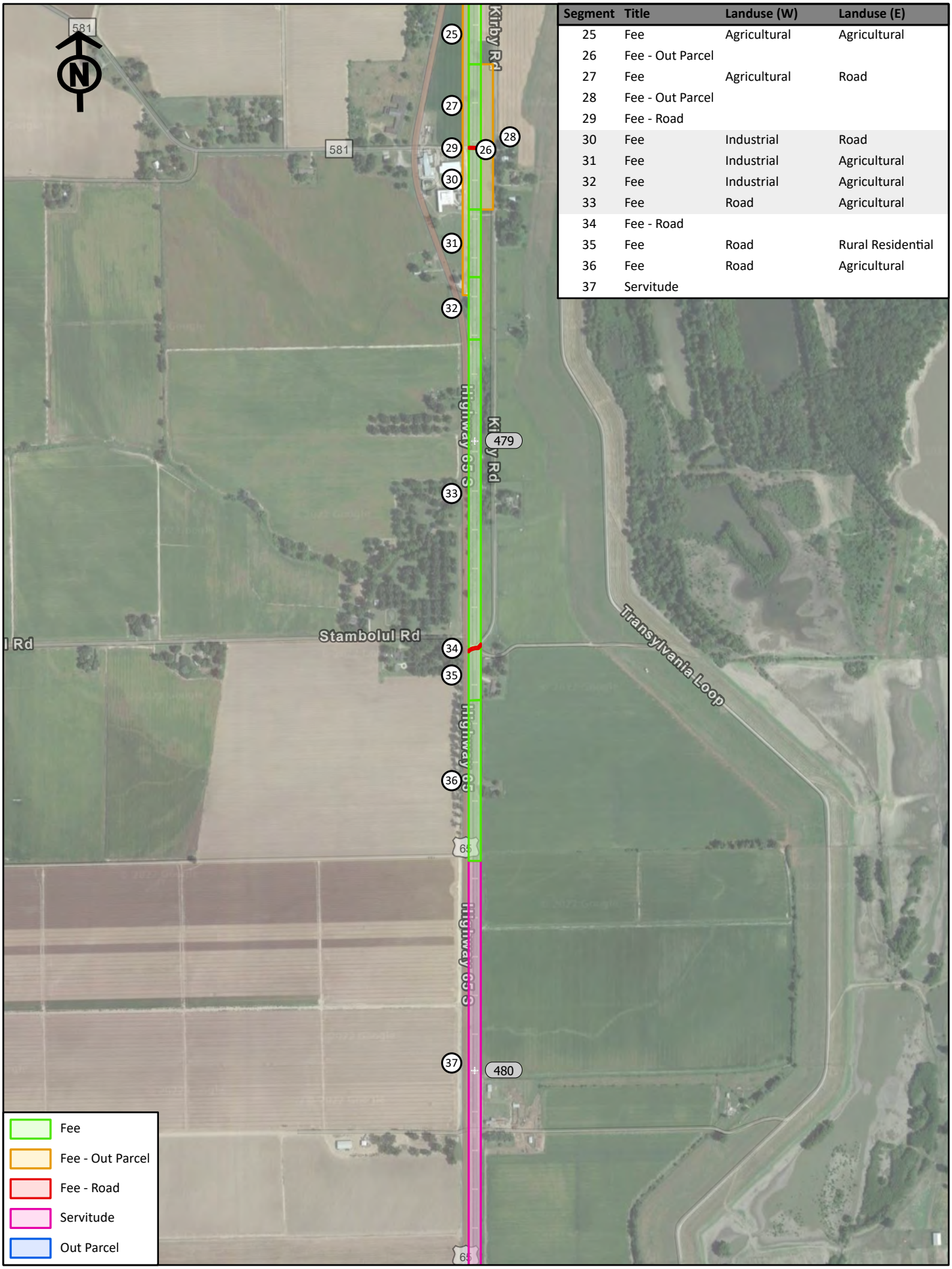


Segment	Title	Landuse (W)	Landuse (E)
6	Servitude		
7	Servitude		
8	Servitude		
9	Servitude		
10	Servitude		
11	Out Parcel		


Segment | Title | Landuse (W) | Landuse (E)
10 Servitude
11 Out Parcel
12 Servitude
13 Servitude
14 Servitude
15 Servitude
16 Servitude
17 Servitude
Hollybrook
475
476
Surles Rd
Otter Bayou
Homestead Loop Rd
Otter Bayou
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel

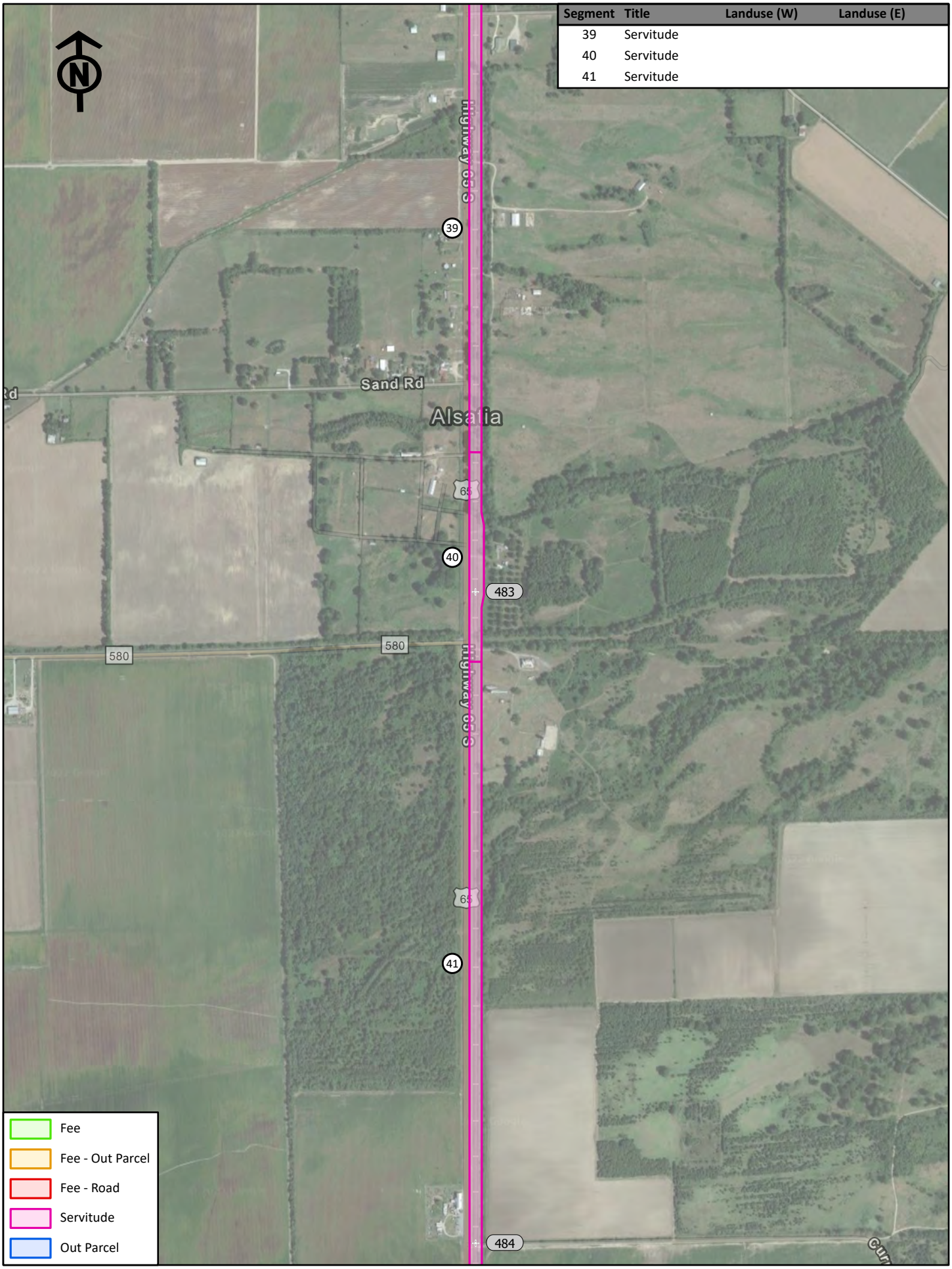


Segment	Title	Landuse (W)	Landuse (E)
17	Servitude		
18	Fee	Road	Agricultural
19	Fee	Road	Rural Residential
20	Fee - Road		
21	Fee	Road	Rural Residential
22	Fee	Road	Rural Residential
23	Fee	Road	Agricultural
24	Fee - Road		
25	Fee	Agricultural	Agricultural
26	Fee - Out Parcel		
27	Fee	Agricultural	Road
28	Fee - Out Parcel		

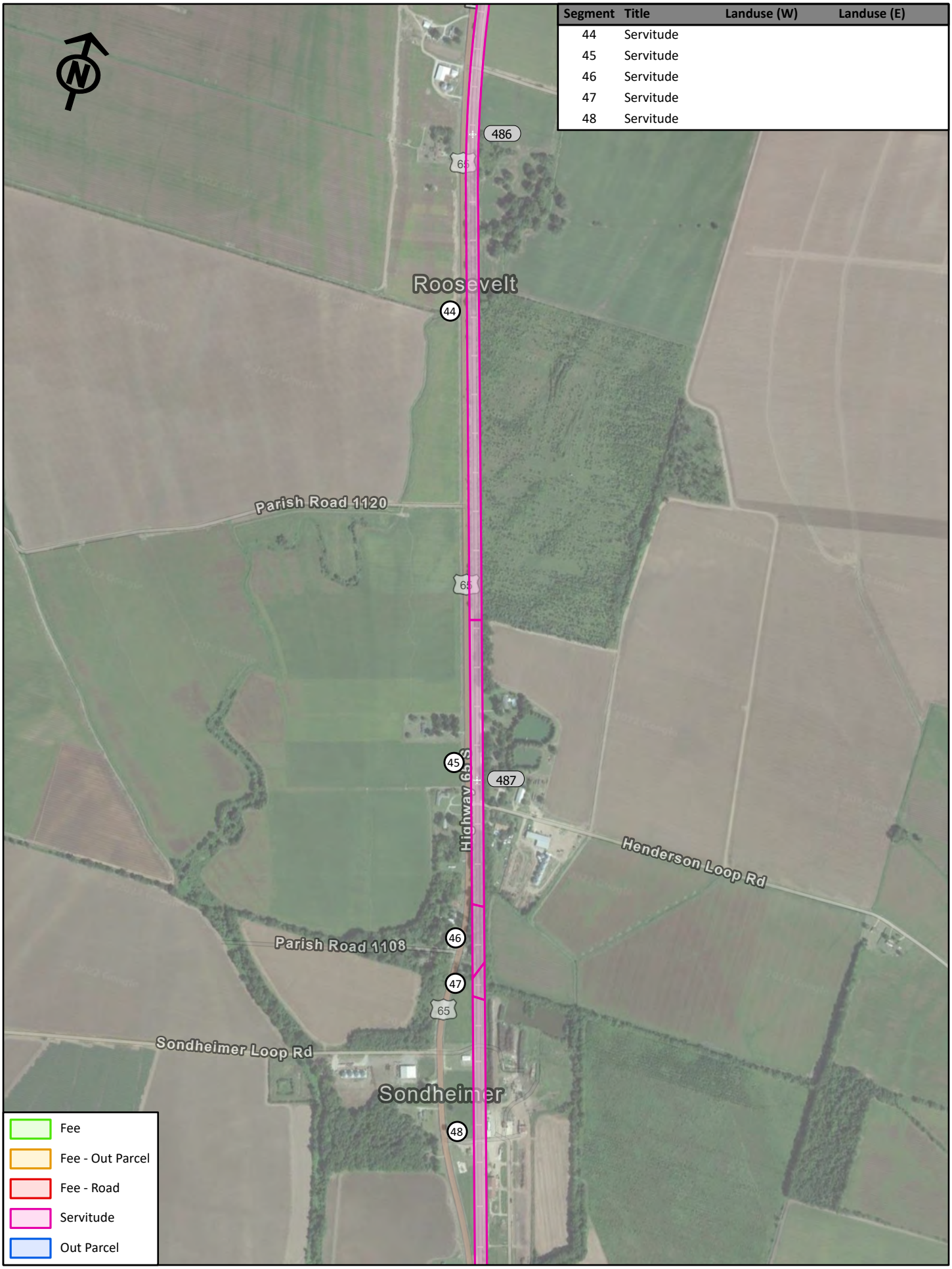


Segment	Title	Landuse (W)	Landuse (E)
25	Fee	Agricultural	Agricultural
26	Fee - Out Parcel		
27	Fee	Agricultural	Road
28	Fee - Out Parcel		
29	Fee - Road		
30	Fee	Industrial	Road
31	Fee	Industrial	Agricultural
32	Fee	Industrial	Agricultural
33	Fee	Road	Agricultural
34	Fee - Road		
35	Fee	Road	Rural Residential
36	Fee	Road	Agricultural
37	Servitude		


Segment Title Landuse (W) Landuse (E)
37 Servitude
38 Servitude
39 Servitude
N
65
37
Grimes
65
481
38
Pecan Rd
Bunge Rd
Transylvania Loop
Highway 6 S
Fletcher Loop
39
482
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel


Segment Title Landuse (W) Landuse (E)
39 Servitude
40 Servitude
41 Servitude
Highway 63 S
Sand Rd
Alsatia
39
40
41
483
484
580
580
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel


Segment Title Landuse (W) Landuse (E)
41 Servitude
42 Servitude
43 Servitude
44 Servitude
484
485
65
Highway 65 S
Little Tensas Bayou
Little Tensas Bayou
Little Tensas Bayou
Henderson Loop Rd
41
42
43
44
31
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel


Segment Title Landuse (W) Landuse (E)
44 Servitude
45 Servitude
46 Servitude
47 Servitude
48 Servitude
N
486
65
Roosevelt
44
Parish Road 1120
65
45
487
Highway 65 S
Henderson Loop Rd
Parish Road 1108
46
47
65
Sondheimer Loop Rd
Sondheimer
48
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel


Segment | Title | Landuse (W) | Landuse (E)
48 Servitude
49 Servitude
50 Servitude
51 Out Parcel
52 Out Parcel
53 Servitude
48
488
49
50
51
52
489
53
Highway 65 S
US 65 N
US-65 N
Little Tensas Bayou
Wildcat Bayou
Parish Line Rd
Vining Rd
Enoka
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel


Segment | Title | Landuse (W) | Landuse (E)
53 Servitude
54 Servitude
55 Servitude
56 Servitude
N
490
491
53
54
55
56
Omega
Omega Rd
E Bear Lake Rd
CO-53 N
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel


Segment | Title | Landuse (W) | Landuse (E)
56 Servitude
57 Servitude
58 Servitude
59 Servitude
60 Out Parcel
61 Out Parcel
Talla Bena Bayou
Talla Bena
Willow Bayou Rd
492
Mansford
493
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel


Segment | Title | Landuse (W) | Landuse (E)
59 Servitude
60 Out Parcel
61 Out Parcel
62 Servitude
N
61
60
N US-65
Ashley
494
59
N US-65
495
62
Ashley Plantation Rd
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel

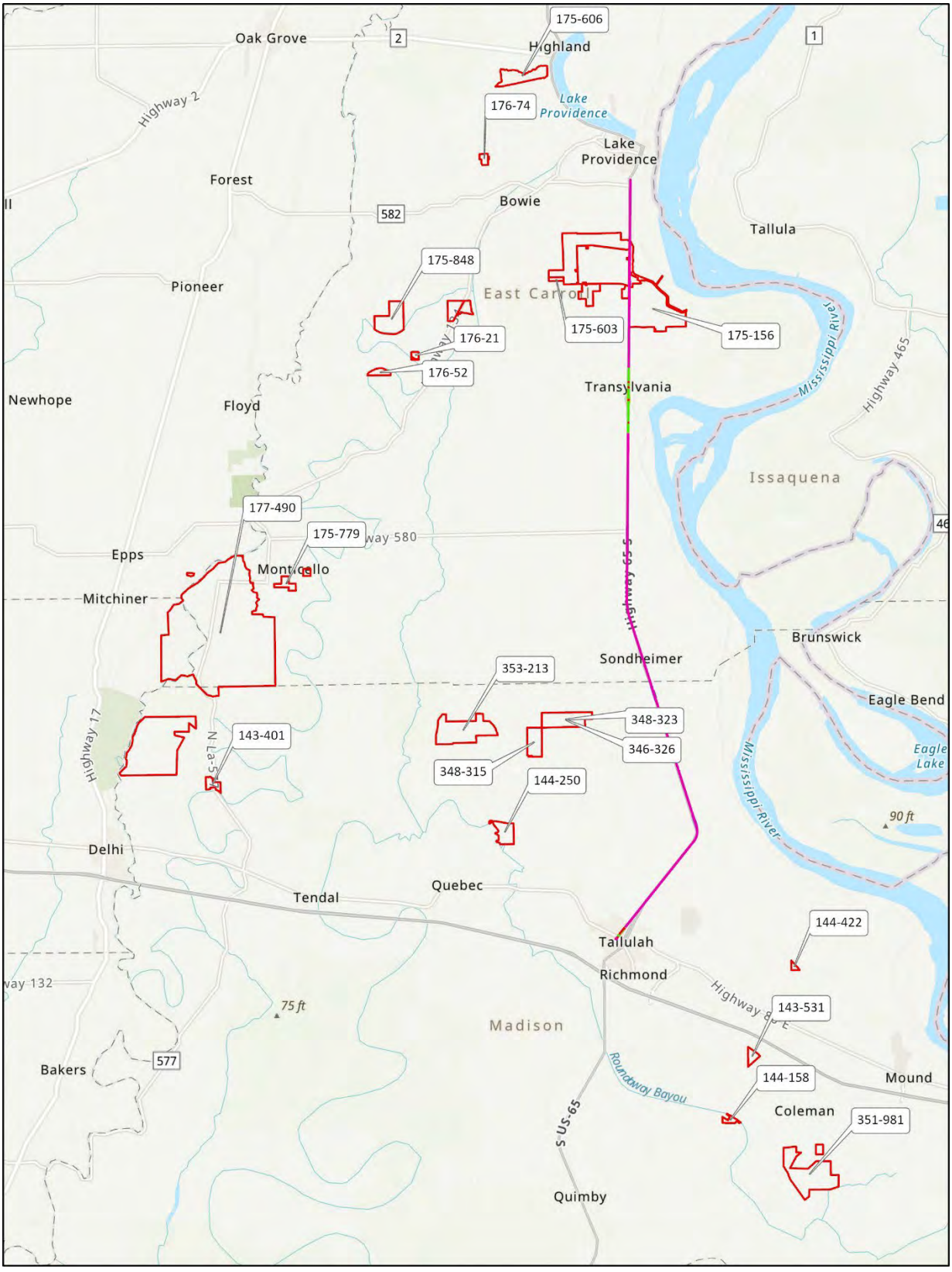

Segment Title Landuse (W) Landuse (E)
62 Servitude
63 Servitude
N 0.5-63
62
496
63
497
Bailey St
Fee
Fee - Out Parcel
Fee - Road
Servitude
Out Parcel



Segment	Title	Landuse (W)	Landuse (E)
63	Servitude		
64	Servitude		
65	Servitude		
66	Servitude		
67	Fee	Road	Residential Dev
68	Fee - Road		
69	Servitude		
70	Fee	Road	Residential Dev
71	Servitude		
72	Fee - Road		
73	Servitude		
74	Out Parcel		

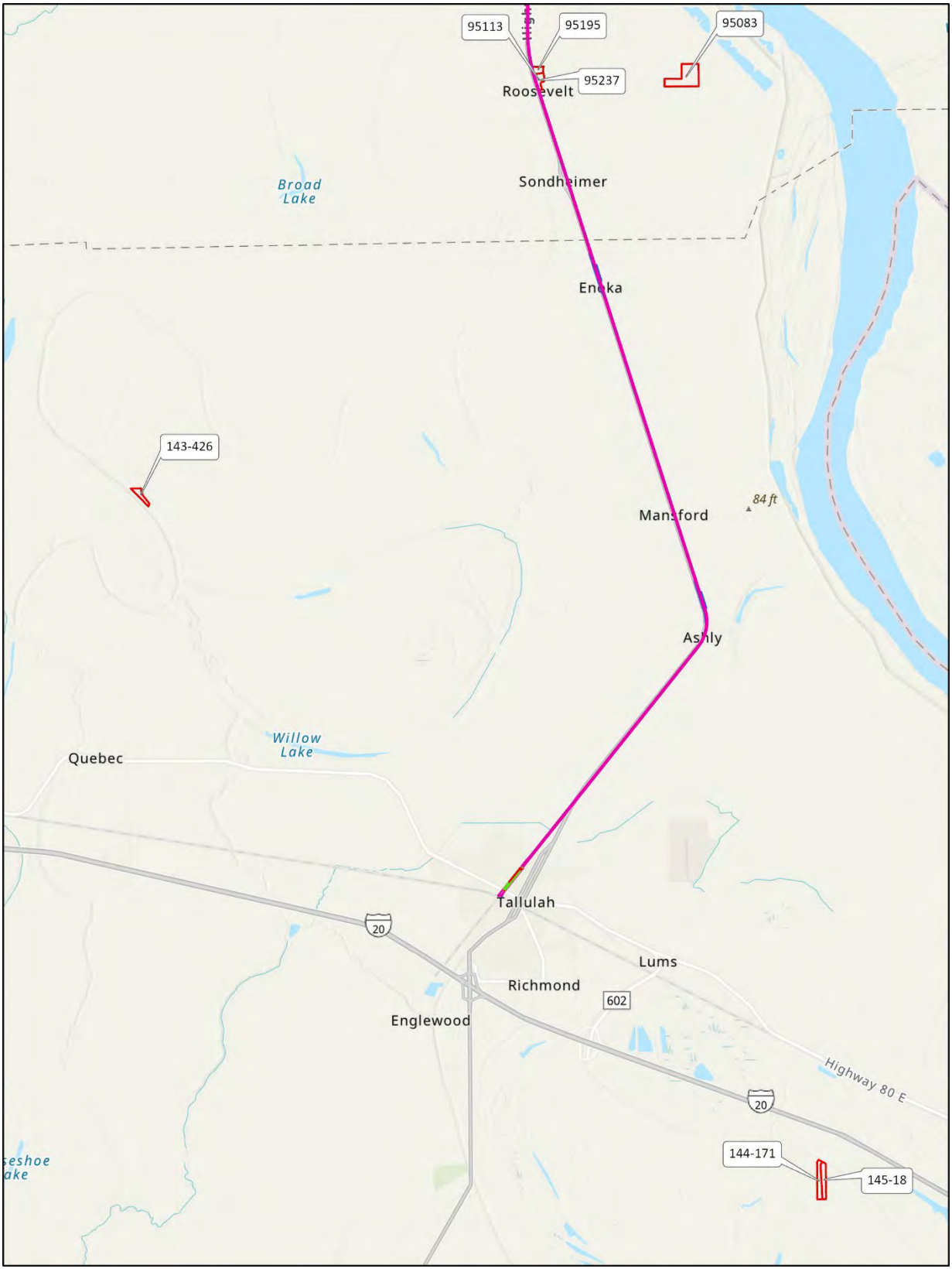
COMPARABLE SALES MAP

Agricultural Comparable Sales Map



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Rural Residential Comparable Sales Map



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TITLE AFFIDAVITS

Kenneth A. Brister Title Affidavit

BRISTER LAW FIRM

(A Professional Law Corporation)

KENNETH A. "ANDY" BRISTER

Admitted in: Louisiana - District of Columbia – Mississippi – Arkansas

318 Morgan Street ♦ P. O. Box 266 ♦ Lake Providence, Louisiana 71254

Phone (318) 559-5800 ♦ Fax (318) 559-5680

AFFIDAVIT

BEFORE ME, the undersigned Notary Public, personally appeared **KENNETH A. BRISTER**, who being duly sworn, deposed and said that he is the attorney for The Lake Providence Port Commission who states as follows:

1) I am an attorney licensed in the State of Louisiana since October 6, 1989. I am also licensed to practice law in Arkansas, Mississippi and the District of Columbia. My practice has been general in nature routinely handling matters involving real estate and litigation in the State of Louisiana for the last 31 years.

2) I have been asked to give an opinion as to the interest held by Delta Southern Railroad in its rights-of-way between Mileposts 471 to 491 in East Carroll & Madison Parish, La.

3) The following is a list of references to the documents examined:

EAST CARROLL:

McGuire	Book V Page 178
Deloney	Book V Page 179
Wyly	Book V Page 180
McGuire	Book V Page 181
Deeson	Book V Page 181
Bell	Book V Page 182
Pitman	Book V Page 183
Powell	Book V Page 184
H&C Newman, Ltd.	Book V Page 184
Buckner	Book V Page 186
Nicholson	Book V Page 187
Buckner	Book V Page 188
Frankenbush	Book V Page 189
Embree	Book V Page 194
Rhodes	Book V Page 194
F.T. Constant	Book V Page 213
Buckner	Book V Page 216
Stein	Book V Page 217
Surget	Book V Page 228

Graham	Book X Page 135
Haggart	Book Y Page 370

MADISON PARISH:

Woolsay	Book N Page 115
Shirk	Book N Page 118
Currie	Book N Page 215

4) Louisiana case law in *Porter v. Acadia-Vermillion Irr. Co., Inc.*, 479 So.2d 1003(La. App. 1985) provides a 7-prong test to be used when determining whether a document conveyed fee title to the land or just a right-of-way (easement) over and across land.

   1) The consideration recited in the deed;
   2) Whether a specific measurement was given to the "right of way";
   3) Whether the party claiming the fee title had an actual need for such title;
   4) To whom the property was assessed and who paid the taxes on the property;
   5) Whether the grant was made for a specific purpose;
   6) Whether the grant made "in perpetuity" or "forever"; and,
   7) How the parties to the conveyance, or their heirs and assigns, have treated the property.

5) Except for the 1907 deed from H. H. Graham, which conveyed 32.74 acres of real property, all of the other instruments recorded in Madison Parish and East Carroll Parish between milepost 491.0 to 471.0 were in the form of easements and rights-of-way or were grants for railroad purposes only. The Supreme Court of Louisiana, dating back to early in the 20th Century, has consistently recognized that "[t]he conveyance of land to a railroad for a right of way or for railway purposes is the grant of a servitude." *Noel Estate v. Kansas City Southern Gulf Ry. Co.*, 187 Ka, 717, 723, 175 So... 468 (La. 1937) *citing Knox v. La. Ry. Nav. Co.*, 157 La. 602, 102 So. 685 (1925). Upon abandonment of easements and right-of-way in Louisiana, the use and control of the real property will revert to the prior owners.

6) The Supreme Court in Noel also recognized that consideration in the amount of $1 for a Right of Way that encompasses multiple acres is inconsistent with a sale in fee simple. *Noel Estate v. Kansas City Southern Gulf Ry. Co.*, 175 So. 468 (La. 1937) ("the consideration of the conveyance was $1 cash, and the smallness or inadequacy of the consideration is wholly inconsistent with any idea or intention on the part of the parties that there was a sale of fee-simple title to the 9.68 acres of land.").

7) A mere servitude, rather than conveyance of a fee simple interest, is involved is also demonstrated by references to the conveyance of a railroad right of way. *Texas Pac. Ry. Co. v. Ellerbe*, 6 So. 2d 556 (La. 1942) ("The deed plainly discloses on its face that Leonard conveyed to the railroad company a right of way 100 feet wide over the property owned by him. The jurisprudence is well settled that the conveyance of a right of way is to be regarded as a mere servitude and not as a transfer of a fee-simple title of the land unless the deed itself evidences that the parties intended otherwise.")

KENNETH A. "ANDY" BRISTER

SWORN TO AND SUBSCRIBED at my office in Lake Providence, Louisiana on this 21st day of December 2020.

NOTARY PUBLIC (SEAL)

Printed Name/Number of Notary

Debra Hopkins
Notary Public, ID# 33041
East Carroll Parish, Louisiana
Commission Expires at Death

J.W. Porter and Associates, LLC Title Affidavit

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STATE OF LOUISIANA

PARISH OF CADDO

AFFIDAVIT

BEFORE ME, the undersigned Notary for the state and parish aforementioned, came and appeared Mrs. Linda Shaw Porter as manager and owner of J.W. Porter and Associates, L.L.C., who, after being duly sworn, did depose and state:

1.

I am the manager and principal owner of J.W. Porter and Associates, LLC, whose physical address is 3109 Alexander Avenue, Shreveport, LA 71104, a company engaged in the acquisition, leasing and purchasing of lands, rights-of-way, and oil and gas properties in the states of Arkansas, Louisiana, Texas, Oklahoma, and Mississippi.

2.

I have had direct responsibility for the acquisition, purchasing and leasing of property including easements and rights-of-ways for over forty-six (46) years. In my forty-six (46) years of experience and in my current position as manager of J.W. Porter and Associates, L.L.C., I have extensively reviewed titles to real property, including deeds, easements, rights-of-ways, donations and other instruments and encumbrances. In acquiring properties, leases, easements, and rights-of-way, I have also worked directly for railroads; state, city and municipal government; the Louisiana Department of Transportation and Development; various oil and pipeline companies and public utilities constructing electric, telecommunication, or oil and gas pipelines. In these various transactions, I have had the responsibility not only to review various instruments, including easements and rights-of-ways, but to draft, negotiate and revise as necessary the terms and provisions of various deeds, easements, and rights-of-way.

3.

I have specifically reviewed the instruments recorded in East Carroll Parish and Madison Parish, Louisiana, from Madison Parish Port (milepost 491.0) to Lake Providence Port (milepost 471.0) covering

and affecting that property currently occupied by the Delta Southern Railroad. Based upon my review of these instruments, the said grants to the Delta Southern Railroad, or their predecessors, (except for 32.74 acres), were in the form of easements and rights-of-way or were grants for railroad purposes only. In order to provide specific examples, the instrument V-180 filed of record in East Carroll Parish, Louisiana is a right-of-way granting approximately 9.21 acres with mode of use limitations and the instrument N-118 filed of record in Madison Parish, Louisiana is a right-of-way granting approximately 13.00 acres with mode of use limitations. These and the other pertinent instruments are listed as *Exhibit A* attached hereto and made a part hereof and upon abandonment of easements and right-of-way in Louisiana, the use and control will revert to the previous owners. The only property on the Delta Southern Railroad list that is not a right-of-way or subject to reversions, is set forth in the deed recorded at X-135 granting a 32.74 acre tract, and as attached as *Exhibit B* an index of the respective fee simple grants in the State of Louisiana referred to herein. Both Exhibits were prepared from the Indices of the real property records in the East Carroll Parish and Madison Parish Courthouses.

SWORN TO before me, Notary Public for the state and parish forementioned, on this the ____ day of December 2020.

WITNESSES:

_____

_____
Print Name

_____

_____
Print Name

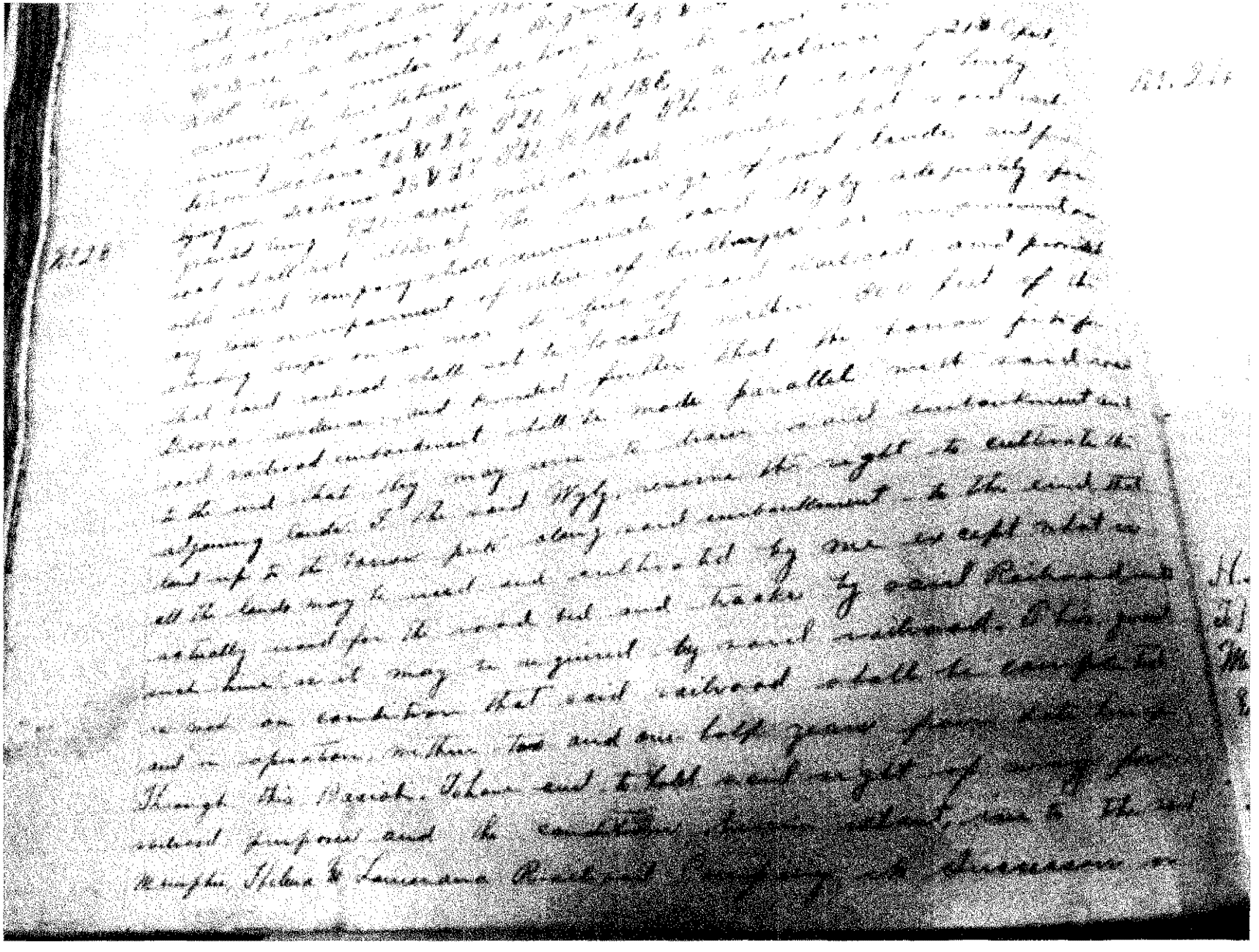
AFFIANT:

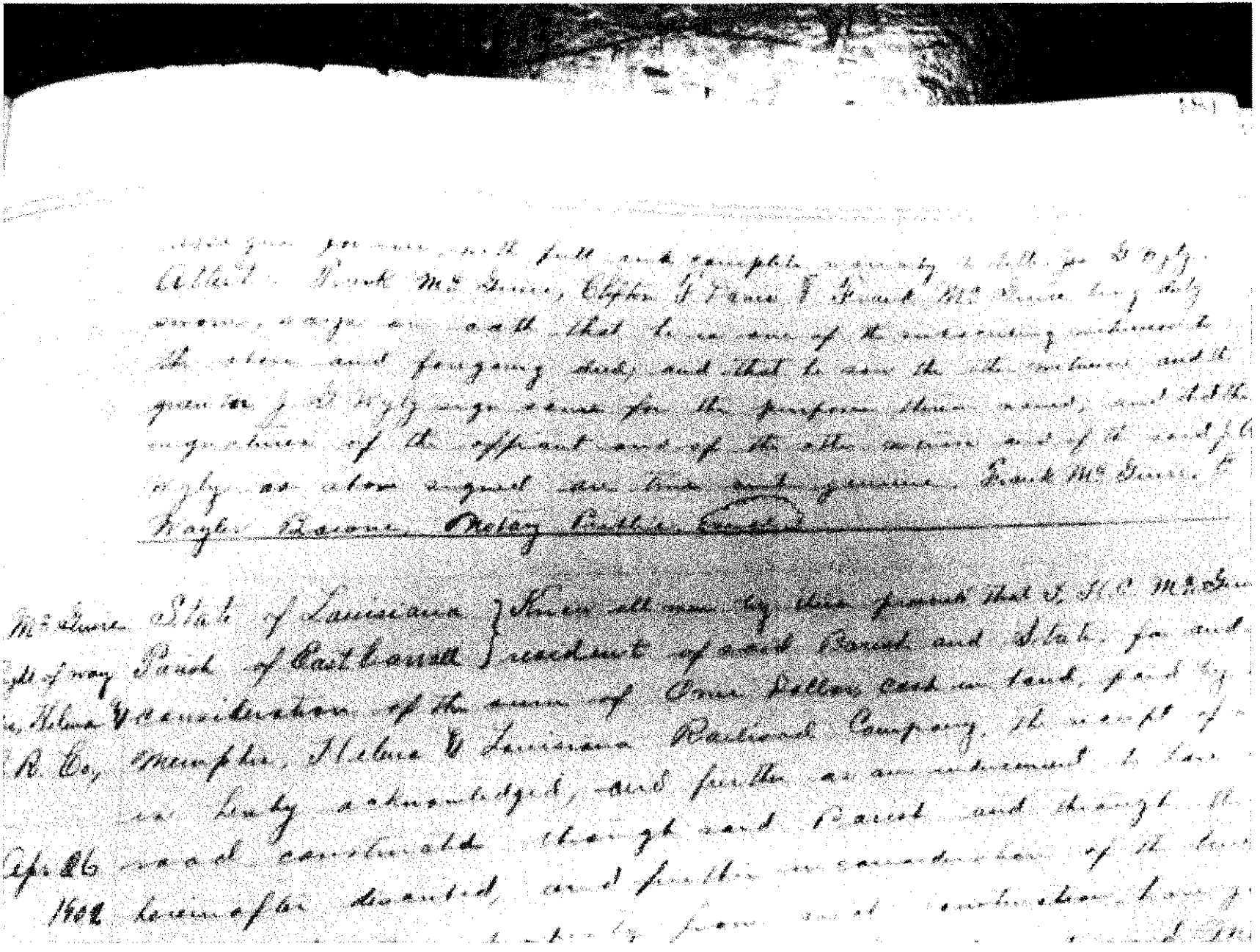
_____
By: Linda Shaw Porter
Manager & Principal of
J.W. Porter & Associates, L.L.C.

_____
Notary Public
Donna Ann Mason
Notary ID No. 39644
Term of Commission is Life
Bossier Parish, LA

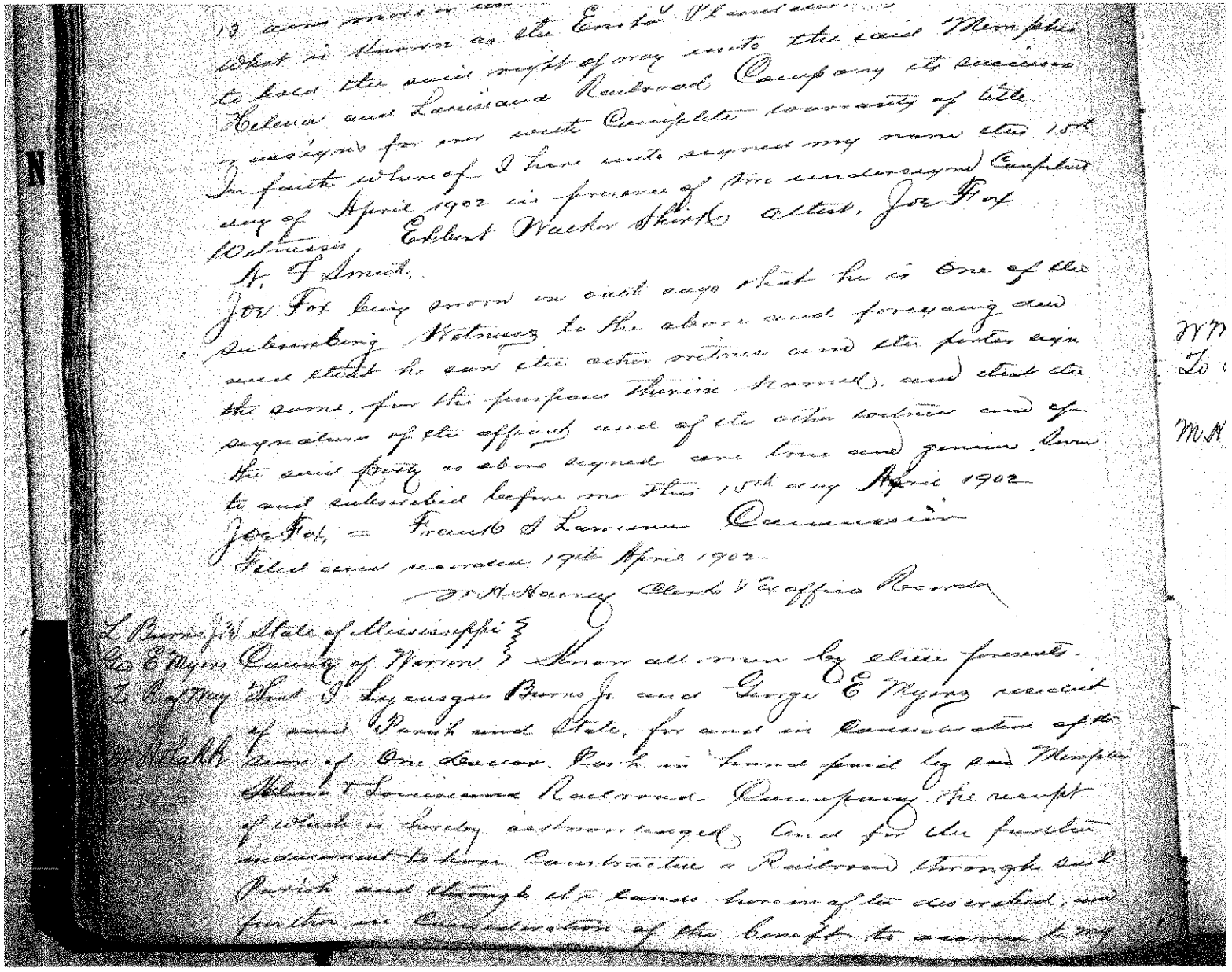
EXHIBIT A

Date of Filing	Book	Page	Grantor	Instrument	Sections	Township	Range	Acres	Parish
1/11/1902	V	178	Phillip McGuire	Right of Way	17, 18, 19, 20	T21N	R13E	-	East Carroll
1/7/1902	V	179	T. S. Deloney	Right of Way	20, 21	T21N	R13E	4.21	East Carroll
-	V	180	J. G. Wyly	Right of Way	22, 23	T21N	R13E	9.21	East Carroll
1/6/1902	V	181	H. C. McGuire	Right of Way	23, 24	T21N	R13E	2.64	East Carroll
1/6/1902	V	181	H. L. Deeson	Right of Way	24, 25	T21N	R13E	4.88	East Carroll
1/3/1902	V	183	J. G. Pittman	Right of Way	24	T20N	R13E	7.02	East Carroll
1/10/1902	V	184	W. R. Powell	Right of Way	71	T20N	R13E	6.00	East Carroll
1/31/1902	V	184	H & C Newman, Ltd	Right of Way	72, 75	T20N	R13E	32.24	East Carroll
1/2/1902	V	186	J. A. Buckner & Mrs H. G. Buckner	Right of Way	11, 12, 45	T19N	R13E	6.00	East Carroll
1/7/1902	V	187	Robert Nicholson	Right of Way	44, 45	T19N, T18N	R13E	25.40	East Carroll
2/6/1902	V	188	C. B. Buckner	Right of Way	53	T18N	R13E	6.47	East Carroll
4/9/1902	V	189	J. M. & A. S. Frankenbush	Right of Way	63	T20N	R13E	7.00	East Carroll
5/8/1902	V	194	Mrs. Naunie B. Rhodes	Judgement	-	-	-	-	East Carroll
4/15/1902	V	213	F. T. Constant	Right of Way	72, 75	T20N	R13E	17.34	East Carroll
2/21/1902	V	216	Mrs E. B. Buckner	Right of Way	53	T18N	R13E	6.48	East Carroll
5/3/1902	V	217	J. Stein	Right of Way	45	T18N	R13E	1.75	East Carroll
4/14/1902	V	228	James Surget	Right of Way	54	T19N	R13E	-	East Carroll
2/13/1902	Y	370	James Haggart & William MacMaster	Right of Way	28, 1	T21N, T20N	R13E	25.34	East Carroll
3/21/1902	N	115	J. Mary Ella Woolsay	Right of Way	55, 58	T18N	R13E	15.00	Madison
4/15/1902	N	118	Elliot Shirk	Right of Way	54	T18N	R13E	13.00	Madison
1/20/1902	N	215	E. Currie	Right of Way	61	T18N	R13E	12.30	Madison





E.W. Hinds State of Mississippi } Know all men by these presents that
To R of Ray County of Warren } I Elbert W Hinds a resident of the
M. H. & R.R. State of Indiana, for and in consideration of the sum of
One Dollar Paid in hand paid by the Memphis Helena &
Louisiana Railroad Company, the receipt of which is hereby
acknowledged, and further as an inducement to have con-
-structed, a Railroad through said Parish and through
the lands hereinafter described, and further in consideration
of the benefit to accrue to my property for such construction
have granted bargained sold Conveyed and confirmed unto
said Memphis Helena & Louisiana Railroad Company
in fee simple a strip of land One Hundred (100) feet
wide over and across the following property in Madison
Parish Louisiana for railroad right of way to wit, Beginning
where the center line of said Railroad crosses the North
Boundary line of Section Fifty four (54). Township 18.
North Range 13 East running north said Railroad line
to where same crosses the South Boundary line of said
Section 54 Township 18 North Range 13 East Containing
13 acres more or less said right of way being strip
what is known as the Eureka Plantation. To have and
to hold the said right of way unto the said Memphis
Helena and Louisiana Railroad Company its successors
& assigns for ever with Complete warranty of title
In faith whereof I have unto signed my name this 15th
day of April 1882



13 acres more or less
situate in Shannon as the Estate of Plaintiff
to have the said right of way unto the said Memphis
Helena and Louisiana Railroad Company its successors
& assigns for ever with Complete warranty of title
In faith whereof I have unto set my name this 15th
day of April 1902 in presence of the undersigned Complainant
Witness, Ebbert Warder Shanks attest, Jos Fox
N. F. Smith.
Jos Fox being sworn on oath says that he is one of the
petitioners, Witness to the above and foregoing deed
and that he saw the actual grantor and the grantee sign
the same, for the purpose therein named, and that the
signature of the affiant and of the other witness and of
the said party as above signed are true and genuine. Sworn
to and subscribed before me this 15th day April 1902
Jos Fox, = Francis J Lamour Commissioner
Filed and recorded 17th April 1902.
J. H. Kenny Clerk & Ex officio Recorder

L Burns Jr. } State of Mississippi }
Geo E Myers } County of Warren } Know all men by these presents.
To R. } That I Lycurgus Burns Jr. and George E Myers received
of said Parish and State, for and in consideration of the
sum of One Dollar. Cash in hand paid by the Memphis
Helena & Louisiana Railroad Company the receipt
of which is hereby acknowledged, and for the further
inducement to him, Corporation a Railroad through said
Parish and through the lands herein after described, and
further in consideration of the benefit to accrue to my

EXHIBIT B

Date of Filing	Book	Page	Grantor	Instrument	Sections	Township	Range	Acres	Parish
11/14/1902	X	135	Harry H. Graham	Deed	75, 59, 60, 61 ,62, 1 ,2 ,3	T20N, T19N	R13E	32.74	East Carroll

witness,and of the said party as above signed, are true and genuine.Sworn and subscribed before me this 1st day of May 1906.. G.W.L.Brown. E.Wayles Browne,Notary Public.(SEAL).

H.H.Graham. to M.H.& La.R.R.Co. Filed and Recorded, Dec.7th.1907.

- - - State of Louisiana, Parish of East Carroll.- - - - - - -

Know all men by these presents,that I,Harry H. Graham,a resident of said Parish and State,for and in consideration of the sum of One Dollar cash in hand paid,by the Memphis,Helena & Louisiana Railroad Company,receipt of which is hereby acknowledged,and in further consideration of the benefits and advantages to result to my property from the location and construction of the railroad thereon and through the Parish of East Carroll,and the lands hereinafter desciibed,which advantages and benefits are estimated to be worth to me and to my said property at least the value of the property herein conveyed,and being a full equivalent and compensation for the lands herein conveyed,have bargained,granted,conveyed,sold and delivered,and do hereby and by these presents bargain,grant,convey,sell and deliver to the Memphis Helena & Louisiana Railroad Company the following described parcels or strips of land in fee simple for railroad right-of-way,station grounds and side tracks,to-wit : - - - - - - 1st- A strip of land one hundred feet wide for railroad right-of-way over and across the following property situated in said Parish and State,to-wit : said right-of-way being a strip of land lying fifty feet on each side of the center of the main line road of said Memphis,Helena & Louisiana Railroad Company,as now located and constructed,beginning where

the the said line of railroad crosses the boundary line between the "Sauve Terre Plantation" and my "Transylvania" plantation,being fractional section 75 of Township 20 North,Range 13 East,and running in uniform width with and along said line of rail road to the South line of my "Stamboul plantation",said souther boundary being the line between sections 3 and 4 of Township 19 North,Range 13 East,or the North boundary of "Milton plantation"; said strip of land so granted being in width one hundred feet and running from North to south across my "Transylvania " and "Stamboul" plantations,a total distance of eleven thousand,five hundred and forty feet,more or less, and containing 26.54 acres,more or less. 2nd- Also the following described ground on said plantations for side tracks and depot,to-wit : Beginning at a point where the center line of the main track of the said Memphis,Helena & Louisiana Railroad crosses the line between sections 60 and 61,in Township 20 North,Range 13 East,thence in a northerly direction along the center line of the main track of said railroad Four hundred and fifty seven and four tenths feet,thence in an Easterly direction,at right angles to the main track,fifty feet to a point of beginning for this survey, thence in Northerly direction parallel to and fifty feet East of the center line of said main track twelve hundred feet,thence in an Easterly direction at right angles to said main track,one hundred feet,thence in a Southerly direction parallel to and one hundred and fifty feet East of the center line of said main track twelve hundred feet,thence in a Westerly direction one hund-

ing. 3rd- Also a piece of

of said ...

angles to said main track,one hund...

to and one hundred and fifty feet East of the center line ...

hundred feet,thence in a Westerly direction one hundred feet to the point of begin-

ing. 3rd- Also a piece of ground described as follows; beginning at a point where

the center line of the main track of the said Memphis,Helena & Louisiana Railroad

crosses the line between sections 60 and 61 in Township 20 NoRth,Range 13 East,thene

in a Southerly direction along the center of said main track two hundred and Forty-

two and six tenths feet,thence in a Westerly direction at right angles to said main

track fifty feet to the point of beginning of this survey, thence in a Northerly

direction parallel to and fifty feet West of the center line of said main track

three thousand Feet,thence in a Westerly direction at right angles to said main trak

fifty feet, thence in a southerly direction parallel to and one hundred feet west

of the center line of said main track three thousand feet,thence in an Easterly di-

rection fifty feet to the point og beginning; being a part of lot 6 in Sections 75,

and of Sections 59- 60 and 61 in said Township and Range,the last two tracts contain

ing about Six and 20/100 acres,as per plat hereto attached on which the above descri

ed land for depot and side tracks is colored in Green. This conveyance is made upon

the following other conditions and stipulations,which are accepted and agreed to by

said grantee, to-wit:- 1st- The said line of railroad shall be so constructed and

maintained as not to obstruct the natural drainage of the land. 2nd- The said Memphi

Helena & Louisiana Railroad Company,grantee, shall cause to be constructed and main

tained over its track on said property herein conveyed,road crossings,five in number

at points on said line of road which are now agreed upon and located by said grantor

and the engineer of said grantee. No change of said road crossings shall be made

hereafter,except upon the consent in writing of said grantor and said grantee,or for

good and sufficient legal causes. 3rd- In event said grantee hereafter shall fence off said right-of-way from the uplands of said plantations, it shall construct and maintain cattle guards at such road crossings, instead of gates thereat. 4th - That said grantee will locate construct and maintain a station or depot on said property until authority to remove or change the same shall have been given by the Railroad Commission of Louisiana, or other lawful authority. To have and to hold the said herein described property on the terms and conditions herein set forth unto the said Memphis, Helena & Louisiana Railroad Company, and its successors or successors and assigns forever, with full and complete warranty of title. In Faith Whereof, I have hereunto signed my name in the presence of the undersigned attesting two witnesses on this the 12, day of November A.D.1902. Harry H.Graham. Attest: W.E. Long- Clifton F.Davis.- -

State of Louisiana, Parish of East Carroll.- - - W.E.Long being sworn, says on oath, that he is one of the subscribing witnesses to the above and foregoing deed, and that he saw the other witness and the said H.H.Graham sign the same on the date therein expressed and for the objects and purposes therein set forth, and that the signatures of affiant, and of the other witness, and of said grantors thereto are true and genuine.- W.E.Long.------------- Sworn to and Subscribed before me, this 14th day of November A.D.1902. E.Wayles Browne, Notary Public. (SEAL).

- - - - -

QUALIFICATIONS

Charles W. (Sandy) Rex III, MAI

BUSINESS ADDRESS

RMI Valuation, LLC
38 Foxglove Road
Hendersonville, North Carolina 28739
Telephone: 847-920-9033
Mobile: 847-507-7212
e-mail: cwrexiii@rmimidwest.com

PROFESSIONAL ORGANIZATIONS

Member of the Appraisal Institute; MAI designation, Certificate No. 6853

EXPERIENCE

Appraiser with RMI Valuation, LLC, 2019-present

Partner & co-owner of RMI Midwest, 1992-2018

Education consultant, Appraisal Institute, 1992-1993

President of Rex-McGill, Inc., 1987-1992

President of Pinel, Rex & Carpenter, Inc., 1986 to 1987

Appraiser with "Rex-McGill," beginning in 1971

Specializing in the valuation and analysis of corridors and other railroad properties, as well as conservation easements and development lands.

Primary assignments also include the valuation of large land tracts (including development land, agricultural properties, timberlands, multi-use developments, and environmentally sensitive lands) and partial interests.

Valuing partnership interests, conservation easements, lease fee interests, leasehold interests, air rights, transferable development rights, joint ventures, as well as fee simple rights.

Clients include government agencies (federal and state), corporations, pension funds, investment bankers, financial institutions, insurance companies, nonprofit conservancy groups, attorneys, and individuals.

Qualified as an expert witness in the Federal District Courts in Florida and Illinois; US Court of Claims; US Bankruptcy Court; Florida and Illinois Circuit Courts.

Approved appraiser for the Florida Department of Environmental Protection.

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CERTIFICATIONS	California Certified General Real Estate Appraiser, No. 3003323
	Florida Certified General Appraiser, No. 0000143
	Georgia Certified General Real Property Appraiser, No. 285622
	Illinois Certified General Real Estate Appraiser, No. 553-000785
	Massachusetts Certified General Real Estate Appraiser, No. 5601-257042
	New Jersey Certified General Appraiser, No. 42RG00194200
	New York Certified Real Estate General Appraiser, No. 46000039279
	North Carolina Certified General Real Estate Appraiser, No. A8372
	Pennsylvania Certified General Appraiser, No. GA004607
EDUCATION	Virginia Military Institute, Bachelor of Arts in Economics, 1972
	Completed and passed all courses for the MAI designation under the direction of the former American Institute of Real Estate Appraisers (now the Appraisal Institute).
	Certified under the Appraisal Institute's voluntary program of continuing education for its designated members. MAIs who meet the minimum standards of this program are awarded periodic educational certification.
PROFESSIONAL TEACHING	Approved Appraisal Institute instructor for the following: *Valuation of Conservation Easements* course; *Case Studies in Highest and Best Use*, *Partial Interest Valuation — Divided*, *Partial Interest Valuation — Undivided* seminars.
	Appraiser continuing education instructor for the Ohio Association of REALTORS® (1995) and for the Wisconsin Association of REALTORS® (2000): Market Analysis and Highest and Best Use; Transitional Properties.
	Instructor for Reporting the Results of Forestland Appraisals course, Duke University School of the Environment, 1993; co-instructor for Valuation of Timberlands seminar, Duke University School of the Environment, 1987; panel member at the Fourth Timberland Marketplace Conference, Duke University, 1985.
EDUCATIONAL PROGRAM DEVELOPMENT	Course co-developer of the Appraisal Institute's Conservation Easement Professional Development Program.

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Developer of Appraisal Institute seminars: *Partial Interest Valuation — Divided*, *Partial Interest Valuation — Undivided* (1999); *Highest and Best Applications* (1995); *Subdivision Analysis* (1993).

Developer of the Appraisal Institute's Report Writing and Valuation Analysis course (1986) and of AIREA's Real Estate Appraisal Applications state-certification module (1989).

Co-developer of the Appraisal Institute's *Timberland Valuation* seminar (1988).

PRESENTATIONS

Panel speaker, "The Rails to Trails Program and the CSX High Line Project" at the American Railway Development Association annual meeting; San Francisco, 2013.

Conservation easement valuation presentation at International Right-of- Way Association Annual International Education Conference; Austin, Texas, 2008.

Corridor valuation presentation at American Railway Development Association annual meeting; Sante Fe, 2008.

Conservation easement valuation presentations at Land Trust Alliance conferences; Nashville, 2006; Madison, Wisconsin, 2005.

"Corridors and Rights-of-Way: Valuation & Policy," sponsored by The Centre for Advanced Property Economics and International Right of Way Association, 2002; "Linear Rights of Way: Federal Agency Rent Schedules Reforged," sponsored by the Appraisal Institute for the US Bureau of Land Management and US Forest Service, 2001.

Southwest Florida Land Trust's conservation easement seminar, 1997; Coastal Georgia Land Trust, Inc.'s conservation easement seminar, 1994; Red Hills Conservation Association's Conservation Easements and Estate Planning program, 1993.

PROFESSIONAL SERVICE

Member, *Appraisal Journal* Review Panel, 2006 – 2008.

Member, Region III Nominating Committee, Appraisal Institute, 2001.

Chair, Education Committee; Chicago Chapter of the Appraisal Institute, 1997-2000.

Member, General Appraiser Board Education Committee and Body of Knowledge Committee; Appraisal Institute, 1994.

Vice President and President-elect, 1991, Greater Florida Chapter of the Appraisal Institute; Chair, Education Committee, AIREA Florida Chapter 2, 1988-91.

Coordinator, Level II Curriculum Development, 1990-1991; Member, Division of Curriculum, Appraisal Institute, 1985-1991; Chair, Development Subcommittee, Appraisal Institute, 1989-1991; Appraisal Institute.

RECOGNITIONS

Chicago Chapter of the Appraisal Institute's Distinguished Service Award, 1999.

Appraisal Institute's George L. Schmutz Award in recognition of contributions to the advancement of appraisal knowledge, 1991.

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Cameron R. Rex, MAI, R/W-AC, GISP

BUSINESS ADDRESS

RMI Valuation, LLC
643 Landwehr Road
Northbrook, Illinois 60062
Telephone: 847-920-9033
Mobile: 847-347-4567
E-mail: camrex@rmivaluation.com

PROFESSIONAL ORGANIZATIONS

Designated Member of the Appraisal Institute
Member of the International Right-of-Way Association
Member of the Urban and Regional Information Systems Association
Member of the American Railway Development Association
Member of the Illinois GIS Association

EXPERIENCE

Owner - Appraiser/GIS; RMI Valuation, LLC, 2019-present

Appraiser/GIS Analyst; RMI Midwest, 2001–2018

GIS Technician, Facilities Management; Northeastern Illinois University, 2004–2005

GIS Project Manager/Technical Assistant; Department of Geography & Environmental Studies, Northeastern Illinois University, 2004

Provides appraisal and GIS support in real estate valuation assignments, which includes:

- Research and analysis of comparable sales
- Creation of complex valuation spreadsheets
- Problem solving of multi-faceted valuation issues
- Project-specific implementation of Geographic Information Systems for use in valuation
- Inventory and valuation of railroad improvements
- Use of GPS devices and digital planimeters; familiarity with Metes & Bounds and Public Land Survey System legal descriptions
- Interpretation of aerial and satellite imagery

Specializing in the implementation, operation, and maintenance of Geographic Information Systems, providing GIS database and application development assistance and coordinating/performing computer software service, support, and installation; use of ESRI's ArcGIS Desktop and Enterprise software.

CERTIFICATIONS

Illinois Certified General Real Estate Appraiser, No. 553-002328

Certified Geographic Information Systems Professional (GISP), No. 55541

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Right of Way Appraisal Certification (R/W-AC) – International Right-of-Way Association

PROFESSIONAL TRAINING

Attended courses offered by the University of Wisconsin – Madison, College of Engineering:

- *Introduction to Railroad Engineering*, October 2009
- *Design and Construction of Rail Freight Terminals, Yards and Intermodal Facilities*, November 2009

Completed the following courses under the direction of the Appraisal Institute:

- *Business Practices and Ethics*
- *National Uniform Standards of Professional Appraisal Practice*
- *Basic Appraisal Procedures*
- *Basic Income Capitalization*
- *Non-Residential Report Writing*
- *General Applications*
- *Residential Sales Comparison and Income Approaches*
- *General Appraiser Market Analysis and Highest & Best Use*
- *Real Estate Finance, Statistics and Valuation Modeling*
- *General Appraiser Sales Comparison Approach*
- *General Appraiser Report Writing and Case Studies*
- *General Appraiser Site Valuation & Cost Approach*
- *General Appraiser Income Approach*
- *Advanced Income Capitalization*
- *Advanced Concepts & Case Studies*
- *General Demonstration Report - Capstone Program*
- *Uniform Appraisal Standards for Federal Land Acquisitions*

Completed the following courses under the direction of the International Right of Way Association:

- *Standards of Practice for the Right of Way Professional*
- *Problems in the Valuation of Partial Acquisitions*

EDUCATION

Northeastern Illinois University, Chicago, Bachelor of Arts in Geography, 2004

PRESENTATIONS

"Mobile Solutions within Rail" at the American Railway Development Association Virtual Annual Meeting: 2020.

"Mobile Data Collection for Railroad Industry Professionals" at the American Railway Development Association Annual Meeting: Calgary, 2014.

"How to Value Corridors: Understanding Improper and Proper Corridor Valuation Methodologies" at the Norfolk Southern Real Estate, Facilities & Corporate Sustainability Department Meeting: Brosnan Forest, 2015.

PUBLICATIONS	"Taking GIS into the Field: Smartphones and Tablets", American Railway Development Association Newsletter, December 2013.
	"Comments on 'Appraising Railroad Corridors for Recreational Trail Use'", *The Appraisal Journal*, Winter 2015.
	"Comments on 'Is Across the Fence Methodology Consistent with Professional Standards?'", *The Appraisal Journal*, Spring 2015.
PROFESSIONAL SERVICE	Vice President, Chicago Chapter of the Appraisal Institute, 2022; Treasurer, 2021; Secretary, 2020; Director 2019
	Treasurer, American Railway Development Association, 2022-23; Secretary, 2021-22
	Chair, Technology Section, American Railway Development Association, 2017-18, 2014-15, Vice-Chair 2013-14, 2016-17
	Alternate Region Representative, Chicago Chapter of the Appraisal Institute, 2022; Region Representative, 2017-2018, Alternate Region Representative, 2016
RECOGNITIONS	Chicago Chapter of the Appraisal Institute's Distinguished Service Award, 2021.
	Appraisal Institute's Volunteer of Distinction, 4th Quarter 2020.
	Illinois GIS Association, Outstanding Achievements in the GIS Field of Study, 2004
	Illinois Geographic Society, Outstanding Senior in Geography Award, 2004

Charles W. Rex IV, MAI, AI-GRS

BUSINESS ADDRESS	RMI Valuation, LLC 2612 Fieldbrooke Way Edgewater, Florida 32141 Telephone: 847-906-1798 Mobile: 304-305-0401 e-mail: cwrexiv@rmivaluation.com
PROFESSIONAL ORGANIZATIONS	MAI Designation, Appraisal Institute AI-GRS Designation, Appraisal Institute
PROFESSIONAL REGISTRIES	Litigation Professional Development Program, Appraisal Institute Valuation of Conservation Easements, Appraisal Institute
EXPERIENCE	Appraiser/Remote Pilot, RMI Valuation, LLC, 2019-present Principal Appraiser/Sole Proprietor, CRI Valuation, 2017-2019 Review Appraiser/Remote Pilot, Land Buy Back Program, Appraisal and Valuation Services Office, U.S. Department of the Interior, 2014-2019 Principal Appraiser/Co-Owner, CRI Valuation, LLC, 2014-2017 Appraiser, Bonneville Power Administration, U.S. Department of Energy, 2010-2014 Principal Appraiser/Sole Proprietor, RMI East, 2009-2010 Associate Appraiser/Valuation Associate, RMI Midwest, 2005-2009 Specialize in the appraisal valuation, appraisal review and consultation for various real property concerns including corridors (electrical transmission, railroad, and other longitudinal occupancies), conservation easements, fractional and partial interests, large acreage land tracts, rural properties, and timberlands on a nationwide basis. Focus on the use of geographic information systems, data analytics, mass appraisal modeling and UAS aerial data collection, photogrammetry, and inspections.
CERTIFICATIONS	State of Florida, Certified General Appraiser, License No. RZ4318 (Expires 11/30/2024) State of Oregon, Certified General Appraiser, License No. C001092 (Expires 04/30/2024)

Commonwealth of Virginia, Certified General Real Estate Appraiser, License No. 4001-013863 (Expires 01/31/2025)

State of Washington, Certified General Real Estate Appraiser, License No. 1102434 (Expires 04/01/2024)

EDUCATION

Information Resources Management College, National Defense University, *Information Assurance Certificate Program (NSTISSI No. 4011),* 2003

Information Resources Management College, National Defense University, *Chief Information Officer Certificate Program,* 2003

University of Phoenix, *Master of Business Administration,* 2000

Virginia Military Institute, *Bachelor of Arts in Biology/Minor in English,* 1995

PROFESSIONAL EDUCATION

Completed the following courses under the direction of the Appraisal Institute:

- *Basic Appraisal Principles*
- *Basic Appraisal Procedures*
- *15-Hour National USPAP Course*
- *Business Practices and Ethics*
- *Real Estate Finance, Statistics, and Valuation Modeling*
- *General Market Analysis and Highest & Best Use*
- *General Appraiser Income Approach – Part I*
- *General Appraiser Site Valuation & Cost Approach*
- *General Appraiser Income Approach – Part II*
- *Advanced Income Capitalization*
- *General Appraiser Sales Comparison Approach*
- *Advanced Sales Comparison and Cost Approaches*
- *Advanced Applications*
- *General Appraiser Report Writing and Case Studies*
- *Report Writing and Valuation Analysis*
- *Conservation Easements Seminar*
- *General Demonstration Appraisal Report Writing Seminar*
- *7-Hour National USPAP Update Course: 2010-2011*
- *Valuation of Conservation Easements Certificate Program*
- *Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications – 2000*
- *Water Rights Seminar*
- *Corridor Valuation Seminar*
- *Appraising the Appraisal: Appraisal Review – General Seminar*
- *General Demonstration Report – Capstone Program*
- *Litigation Appraising: Specialized Topics and Applications*
- *The Appraiser as an Expert Witness: Preparation & Testimony*
- *7-Hour National USPAP Update Course: 2014-2015*
- *Condemnation Appraising: Principles & Applications*

- *Candidate for Designation Advisor Orientation Seminar*
- *Wind Turbine Effects on Value*
- *Review Theory – General*
- *7-Hour National USPAP Update Course: 2016-2017*
- *Instructor Qualification Conference: 2016*
- *Yellow Book Changes: Overview for Appraisers*
- *Advanced Land Valuation: Sound Solutions to Perplexing Problems*
- *Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications – 2016*
- *7-Hour National USPAP Update Course: 2018-2019*
- *7-Hour National USPAP Update Course: 2020-2021*
- *Quantitative Analysis*
- *Rapid Response: Market Analysis in Volatile Markets*
- *7-Hour National USPAP Update Course: 2022-2023*

Completed and passed the following professional courses and seminars under the direction of the American Society of Farm Managers and Rural Appraisers (ASFMRA):

- *7-Hour National USPAP Update Course: 2012-2013*
- *Integrated Approaches to Value*

Completed the following real estate appraisal seminars and courses:

- *Comprehensive Appraisal Workshop,* Ted Whitmore Seminars
- *A Comprehensive Review of Appraisal Concepts,* John H. Urubek Appraisal
- *Supervisor-Trainee Course for Oregon,* McKissock
- *Supervisor-Trainee Course for Washington,* McKissock
- *Introduction & Fundamentals of Modeling with SPSS,* Thimgan & Associates
- *Intermediate Residential Modeling with SPSS,* Thimgan & Associates

Certified under the Appraisal Institute's voluntary program of continuing education for its designated members. MAIs who meet the minimum standards of this program are awarded periodic educational certification.

EDUCATIONAL EXPERIENCE

Appraisal Institute approved instructor

AWARDS

2007 Crommelin Scholarship Award, Chicago Chapter of the Appraisal Institute

AVIATION RATINGS

Federal Aviation Administration, Private Pilot License, Certificate No. 4439678, (Issued 6/3/2022)

Federal Aviation Administration, Remote Pilot Rating, Certificate No. 4164102 (Recurrency Expires 07/31/2024)

AVIATION TRAINING

Completed and passed the following aviation courses under the direction of the Interagency Aviation Training (IAT) Program or Federal Aviation Administration (FAA) WINGs program:

- *A-116: General Awareness Security Training*
- *A-200: Mishap Review*
- *A-100: Basic Aviation Safety*
- *A-110: Aviation Transportation of Hazardous Materials*
- *A-103: FAA NOTAM System*
- *A-203: Basic Airspace*
- *M-3: DOI Aviation Management Training for Supervisors*
- *A-450: Small Unmanned Aircraft System (sUAS) Basic Remote Pilot Course*
- *A-454: Small Unmanned Aircraft System (sUAS) Add-on Course*
- *A-452R: Small Unmanned Aircraft System (sUAS) Remote Pilot Refresher*
- *Agisoft Metashape Photogrammetry Course*
- *WP01101885: Understanding Airspace*
- *WP01101970: Intro to Weather Briefings*
- *CRS-PVT: Complete Learn to Fly Course (Private Path)*
- *NM09102586: Safety Issues near the Deschutes VOR*
- *GL05104026: ForeFlight Advanced Tips and New Features Update*
- *WP01106255: ForeFlight VFR Flight Planning 101*
- *WP01106256: ForeFlight VFR Flight Planning 201*
- *WP01107695: Setting Up Your Airplane in ForeFlight*
- *ALC-784: NAFI – Pilot Training from a Mechanic*
- *CRS-G1K: Garmin G1000 Checkout Course*
- *ALC-515: Part 107 Small UAS Recurrent – Part 61 Pilots*

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EXHIBIT N

Verified Statements from Various Supporting Potential Shippers

Sondheimer

E. SONDHEIMER CO.

BAND SAWN SOUTHERN CYPRESS AND HARDWOOD

LUMBER

P. O. BOX 68

SONDHEIMER, LOUISIANA 71276

February 23, 1988

Secretary
Interstate Commerce Commission
Washington, DC 20423

RE: Docket No. AB-3 (Sub No. 72) -- Missouri Pacific Railroad Company abandonment in East Carroll, Madison, Tensas and Concordia Parishes; Gassoway (near Lake Providence) to Vidalia, Louisiana.

Dear Mr. Secretary:

We wish to strongly protest the abandonment of the Missouri Pacific Railroad between Gassoway and Vidalia, Louisiana.

We are a hardwood sawmill and are very dependant on rail shipments of our hardwood lumber production for our domestic markets, as well as shipments to Mexico.

We appreciate your kind consideration, and hopefully, this railway service will remain intact.

Sincerely,

Jerry Ostadal, President

JO/co

cc: Joseph D. Anthofer, General Attorney

ENTERED
Office of the Secretary
FEB 29 1988
Part of Public Record

FEB 29 1988
MAIL MANAGEMENT U.O.

Livingston Pecan and Metal

Before the
SURFACE TRANSPORTATION BOARD

STB Docket FD No. 36447

LAKE PROVIDENCE PORT COMMISSION—FEEDER LINE APPLICATION—LINE OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

VERIFIED STATEMENT OF BLAKE LIVINGSTON

1. My name is Blake Livingston, My address is 219 Commerce Street, Lake Village, Arkansas. I am the Vice-President of Livingston Pecan & Metal, Inc. ("Livingston Metal"). I have personal knowledge of the facts stated herein and am duly authorized to present this Verified Statement on behalf of Sondheimer.

2. For years, Livingston Metal has been financially harmed by the owners of the Lake Providence Line. In 1988, Livingston filed a protest against the Missouri Pacific Railroad's ("Mo-Pac") petition to abandon the Line. When the Interstate Commerce Commission granted Mo-Pac's petition, the line between McGehee, Arkansas and Tallulah, Louisiana was preserved. Although the Line was temporarily saved from abandonment, that did not save the Line, which, while it was owned by William Wainwright, was allowed to disintegrate once again.

3. It was only after the Southeast Arkansas Economic Development District ("SEAEDD"), North Louisiana & Arkansas Railroad ("NLA") and the

Lake Providence Port Commission ("LPPC") acquired the segment of the Lake Providence Line between milepost 408.9 and 471.0 that the first steps were taken to restore the tracks that William Wainwright nearly destroyed before he sold his shares to a third party in mid-June of 2015.

4. It was hoped that the later sale of the DSRR to yet another owner would have allowed the renewal of rail service for Livingston for all shipments moving to Columbus, Mississippi and to Jackson, Mississippi via KCS at Tallulah. After requesting rates from NLA and DSRR in 2019, it momentarily appeared that we would be able to plan for such movements. After Daniel Robbins prepared rates, we were advised that NLA could not follow through because DSRR would not upgrade the track to a point where it would be able to reopen interchange with NLA. In short, the latest sale did not result in any apparent improvement of the track between milepost 471.0 and 491.0 until late August of this year when DSRR finally decided to take some positive steps to repair that stretch of track.

5. As the Board is aware, a public announcement was made in 2019 that the United States Department of Transportation ("DOT") had granted the owners of the Lake Providence Branch a bit over $10 million to rebuild the track. As I have learned, DSRR, after pushing for the grant money, suddenly refused to commit its share of the funds to upgrade the most crucial segment of the track that had to be rebuilt so that our traffic could be returned to rail service for movements that would be destined to points that are service by KCS. By way of comparison, during the spring and summer of 2022, I have

watched as NLA has rebuilt the track between McGehee and the Arkansas/Louisiana border. While this will open up movements of feed that would move over UP, without being able to acquire the track to Tallulah, NLA is unable to accommodate Livingston's repeated efforts to haul scrap to KSC over the Lake Providence Line. Although DSRR may suggest that a routing via NLA to McGehee and then UP to Monroe where it would be interchanged with KCS is available, that suggestion makes no sense due to the extra freight charges. The direct route from Lake Village to KCS at Tallulah via NLA is the only feasible routing that will allow Livingston to divert its scrap movements from trucking to rail.

6. Even if the track is upgraded at this point, it would still require an interchange movement with DSRR until this matter is concluded. As Livingston Metal knows from past experience, extra charges are involved with multiple interchanges. In addition, such movements are less efficient from an operational point of view. In addition, even if Livingston is able to obtain rates involving NLA, DSRR and KCS, it still faces the fact that the establishment of reliable service is improbable because DSRR's track is constantly clogged with stored railcars.

7. I have learned that DSRR's owners have been trying to sell its stock for several years. If the Board does not force the sale of the track to LPPC, it is questionable whether anything will change for the better. For this reason, Livingston supports LPPC's Feeder Line Application. Because the sale to LPPC will promote economic development in the regions, which I understand was one

of DOT's primary objectives in it awarded of the INFRA Grant, Livingston urges the Board to force the sale of the segment of the Lake Providence Line to LPPC. Having wasted more than 7 years to take action to rebuild the track to the point where rail service could be safely provided, DSRR's owners, who have no ties to this region and have no interest in promoting small businesses such as Livingston Metal, have harmed the public convenience and necessity. There is no reason to reward them for their refusal to work with the multiple shippers on the Lake Providence Line that unfortunately are not located inside of the Madison Parish Port.

8. The Lake Providence Branch Line was originally built to bring rail service to every shipper located between McGehee and Tallulah. If the concerns of shippers that are physically located to the north of milepost 471.0 are ignored, the public interest and the public convenience and necessity will be harmed. By authorizing LPPC to acquire the remainder of the original Lake Providence Branch Line, the Board will serve the public convenience and necessity by undoing the extreme damage that William Wainwright's neglect has visited on shippers that are located along the entire Line.

VERIFICATION

I, Blake Livingston, declare under penalty of perjury that the foregoing is based on my personal knowledge and is true and correct.

Executed on December 20, 2022.

Blake Livingston

Hollybrook

Before the
SURFACE TRANSPORTATION BOARD

STB Docket FD No. 36447

Lake Providence Port Commission—Feeder Line Application--LINE OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

VERIFIED STATEMENT OF ROBERT N. AMACKER JR.

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1. My name is Robert N. Amacker Jr.. I am the President of Hollybrook Warehouse, Inc. ("Hollybrook"). My address is 10971, Hwy 65 South, Lake Providence, Louisiana 71254. I have personal knowledge of the facts stated herein and am duly authorized to present this Verified State on behalf of Hollybrook.

2. In addition to being employed by Hollybrook, I also serve as the Mayor of Lake Providence. As a result, I am acquainted with the adverse impact that the lack of adequate rail service has had on the entire region over the past 25 years. I have attached a copy of a letter that Hollybrook Warehouse, Inc. filed with the Interstate Commerce Commission ("ICC") in 1988 to protest the Missouri Pacific Railroad's ("MP") proposed abandonment of the entire Lake Providence Branch Line from milepost 408.9 in McGehee, Arkansas to milepost 651.6 at Vidalia. As described in that letter, our customers directed Hollybrook Warehouse not to use MP's service because of the deteriorating and undependable service. As was also detailed, MP's rail service could not be relied

upon when movements were time sensitive. Despite the protests of various shippers, the ICC authorized MP to abandon the entire Line. In response to the ICC's decision, the Lake Providence Port Commission ("LPPC") filed an offer of financial assistance to preserve the Line between McGehee and Tallulah, Louisiana. Because LPPC subsequently agreed to permit Delta Southern Railroad Company ("DSRC") to acquire the Line, LPPC did not acquire ownership of the Line at that time.

3. Before turning to Delta Southern Railroad, Inc. ("DSRR"), I will first explain some corporate changes that have occurred since 1988. Hollybrook Warehouse was started in 1971 by Jack Hamilton and my father. Jack Hamilton was president of the warehouse from its beginning until his death in 2001. When he died, I became president and am still president to this day. When we sold Hollybrook Gin in 2006, the name was changed from Hollybrook Gin, Inc. to Hollybrook Enterprises, LLC. Hollybrook Enterprises owns a cotton gin, a grain facility, and 25% of the stock of Hollybrook Warehouse, Inc. Three other gins each own a 25% interest in the warehouse.

4. In 1999, DSRC sold the Line to William Wainwright, who had managed DSRC's operations as its President for the previous ten years. To acquire the Line, Mr. Wainwright and his wife incorporated a new railroad that was named Delta Southern Railroad, Inc. ("DSRR"). However, instead of providing adequate rail service, Wainwright allowed the Line to deteriorate to the point that it could not be safely operated. In 2004, he started seeking authority to abandon various segments of the line north of Lake Providence.

This prevented Hollybrook from using rail service to ship railcars directly to the Union Pacific Railroad Company ("UP") in McGehee. Furthermore, DSRR began to store several hundred railcars on the track to the south of Hollybrook's facilities, which are located at milepost 474.0 and 475.0. Because DSRR could not efficiently operate to the north due to the deteriorated track north of milepost 471.0, all rail traffic ground to a halt.

5. I am aware that in 2015, Wainwright sold the stock of DSRR to an entity that is based in San Francisco. That sale did not improve rail service for Hollybrook. Even though Craig Huff, DSRR's General Manager, and Danny Robbins approached Hollybrook in late 2015 or early 2016 with the promise that things would improve under the new owners, nothing changed. Since their visit, I have not had any further contact with DSRR. Nor was I ever made aware of any work being done on the track, which had previously been used to move railcars to the two spur tracks that were used to receive and ship cotton, cotton seed, and grains. I must note that DSRR, or some other entity that it hired, has recently engaged in some maintenance activities on its track. I must presume that those activities are intended to support DSRR's opposition to the Feeder Line Application that LPPC has filed to acquire the track.

6. I am aware that the United State Department of Transportation ("DOT"), in 2019, awarded the owners of the entire line over $10.5 million to be used to restore adequate rail service. I have also learned that DSRR's owners refused to commit to use any of those funds to restore the section of the Line that would be used to provide service to Hollybrook. Because I fully agree with

DOT's conclusion that the rebuilding of the entire Line between McGehee and Tallulah and the restoration of reliable rail service will help catalyze greater opportunities for economic development in the region, Hollybrook fully supports LPPC's Feeder Line Application. If the Line is fully upgraded and future rail service is reliable, Hollybrook and other entities in and around Lake Providence will reduce their forced reliance on trucking and once again make full use of rail service. The return to rail service will not only reduce the cost of transportation but will reduce the wear and tear on the highways in the region and the air pollution associated with trucking.

VERIFICATION

I, Robert N. Amacker, Jr. declare under penalty of perjury that the foregoing is based on my personal knowledge and is true and correct.

Executed on December 31, 2022.

Robert N. Amacker Jr.

Terral RiverService, Inc.

Before the
SURFACE TRANSPORTATION BOARD

STB Docket FD No. 36447

LAKE PROVIDENCE PORT COMMISSION—FEEDER LINE APPLICATION--LINE OF DELTA SOUTHERN RAILROAD LOCATED IN EAST CARROLL AND MADISON PARISHES, LOUISIANA

VERIFIED STATEMENT OF NEIL MARTIN

---

1. My name is Neil Martin. I am the Vice President of Terral RiverService, Inc. Our address is 10100 Hwy. 65 South, Lake Providence, LA 71254. My telephone number is 318-559-1500. I have personal knowledge of the facts stated herein and am duly authorized to present this Verified Statement on behalf of Terral RiverService, Inc. ("Terral").

2. As its name reflects, Terral River Service, Inc. is a river transportation service company specializing in the bulk storage and handling of dry and liquid materials along the Mississippi River system, including the inland waterways of Louisiana and southern Arkansas. Services offered include terminal dock operations, custom barge operations, bulk storage, and bulk material handling. Given our activities, we are heavily involved with the efforts of the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project ("Project"). That project was intended to modernize and improve rail infrastructure along the very important freight corridor that provides shippers the potential ability to reach both the Union

Pacific Railroad Company ("UP") at McGehee and the Kansas City Southern Railroad ("KCS") at Tallulah.

3. Because we strongly believe that the Project will have a significant impact to the region's economic development and will expand the effectiveness and cost savings to the regional shippers, Terral supported the INFRA Grant Application that was filed in 2019 that resulted in a significant grant. It is my understanding that Terral's letter of support is included in the INFRA Grant Application that was approved by DOT. Our support stemmed from the strong support that was offered by the two short line railroads that were operating over the rail corridor between McGehee and Tallulah which, until 1988, was operated by the Missouri Pacific Railroad as part of its Lake Providence Branch Line. Although the Interstate Commerce Commission approved the abandonment of the Line, over the objection of many shippers who were located along the Line, the Line was never physically abandoned until later when William Wainwright, after acquiring the Line, allowed it to deteriorate. Fortunately, the Lake Providence Port Authority ("LPPC"), the Southeast Arkansas Economic Development District ("SEAEDD") and the North Louisiana & Arkansas Railroad ("NLA") jointly acquired the track between McGehee and the entrance to the Lake Providence Port from Wainwright. Had they not acquired it, the region would have suffered a devastating economic impact.

4. Because Wainwright continued to hold ownership of the last 28+ miles of the Lake Providence Branch, that segment continued to deteriorate. The deterioration in service adversely impacted Terral's operations at both the

Lake Providence Port and the Madison Parish Port. As a result, news of Continental Rail's acquisition of the last segment of the Lake Providence Branch Line was well received. According to the public statements from Continental Rail's new management team, they intended to rebuild the Line and eliminate storage of railcars on DSRR's mainline that continuously adversely impacted Terral's operations at the Madison Parish Port. For a while, the new team took steps to rebuild the track that extends between the Madison Parish Port and the intersection with KCS. However, little was done to restore the track that is located between the two ports. When DSRR joined with the other owners of the Lake Providence Branch Line in applying for the INFRA Grant Application, it appeared that the entire Line would be rebuilt. When the United States Department of Transportation ("DOT") announced the Grant in 2019 that required funds to be used to rehabilitate the twenty miles of track between the Ports, it seemed certain that the primary goals that prompted DOT to fund the rehabilitation of the entire corridor would be achieved.

5. As I belatedly learned, DSRR is actually owned by a private equity firm that did not support the efforts that were made by Continental Rail and by every other party that worked with the Applicants to obtain the INFRA Grant. Furthermore, I am aware that DSRR's new management team has stated on the record that it has concluded that there is no reason to rehabilitate the track. Given that attitude, Terral fully supports the sale of the DSRR's assets to LPPC. That sale will be consistent with the public convenience and necessity

and the public interest. Furthermore, that result will satisfy the goals that DOT has sought to promote.

6. I have advised NLA that Terral has interest in shipping cottonseed from the Madison Parish Port to UP when the track is in good enough condition to move the 100 ton gondola railcars that are used to transport cottonseed. Terral will not take a chance on risking an expensive derailment until it can be proven that the track that is located between mileposts 471.0 and 491.0 can handle such cars. Moreover, as I have previously advised NLA, Terral will also consider moving inbound aggregate that originates on UP points that would move to the Madison Parish Port. Because the additional costs associated with movements from McGehee to Monroe and then to KCS and DSRR are much higher than direct rail service between McGehee and Madison Parish Port, Terral will not consider that alternative.

7. I urge the Board to find that the forced sale of the track to LPPC is consistent with the public convenience and necessity as it will eliminate unnecessary and expensive multiple interchanges over a short line of railroad. Moreover, local ownership will help to guarantee the economic development of the region. The many environmental and financial benefits that will follow the shift back to rail from trucks that have been recognized by DOT should not be ignored.

VERIFICATION

I, Neil Martin, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 14th day of December, 2022.

Neil D. Martin
V.P. of Services

EXHIBIT O

September 16, 2022, DSRR Transload Press Release

Delta Southern Railroad Expands Reach with New Transload Terminal

Delta Southern Railroad Expands Reach with New Transload Terminal



TALLULAH, LOUSIANA, September 16, 2022 – Delta Southern Railroad, Inc., a privately held short line railroad company in Northern Louisiana, announced today the opening of a rail transload terminal on its Tallulah/Lake Providence branch in Sondheimer, LA slated for Fall 2022. Precision Terminal Logistics, a well-known national transload operator with experience handling a wide range of bulk and dimensional products, will operate the site, which will afford customers on-site truck scales and convenient access to both I-20 and the national rail network.

"We are extremely excited to have Precision operating on our railroad. I have known their team for many years, and have tremendous respect for their commitment to safety, environmental stewardship, and customer service," said Frank Prentiss, VP of Sales and Marketing for Delta Southern.

A third-party terminal operator of more than 23 terminals from the northeast to the southern states and growing, Precision Terminal Logistics provides customized terminal services including material handling, inventory control, storage, processing, and loading. Their experience ranges from food grade to hazmat bulk and includes agriculture, chemical, energy, industrial minerals, and aggregate products, all of which are ideally suited for Delta Southern's customers in the region.

"Precision is excited to partner with Delta Southern Railroad. The collaboration between all the partners bolsters logistics options for the local community and companies in the area. The potential increase to transportation efficiencies spans across all modes of transportation making this an attractive opportunity," said Ray Nixon, President of Precision Terminal of Logistics.

Strategically increasing multi-modal transport infrastructure opportunities in the region not only aids trade expansion it is also attractive to industries looking to develop in the region making it a win-win for all parties, according to Nixon.

"It is my pleasure to help bring business back to the once booming town of Sondheimer, Louisiana," said local landowner and businessman Chip Sullivan of BLP Trucking. "I look forward to working alongside Delta Southern Railroad and Precision Terminal Logistics. I am confident this partnership will be beneficial to our local and regional economy."

Like Sullivan, Delta Southern Railroad is keen to invest in the communities their customers and employees call home. According to the company's website, it is through exploration of prospects like this that they strive to not only expand business but change the way their customers move business.

"The addition of this location will offer customers a strategic point of import and export of products into the global market with direct connection to Kansas City Southern on the Meridian Speedway and other rail connections," said Jon Ryan, CEO of Delta Southern.

"Additionally, the proposed merger of KCS and Canadian Pacific will allow customers single-system access to Canada and Mexico once it leaves our line. Delta Southern aims to bring global reach to our communities and industries of Northern Louisiana, and now our customers will have the opportunity for more efficient rail service to international ports, whether it be Lazaro Cardenas in Mexico or the Port of Vancouver in Canada," Ryan added.

In addition to a broader reach of service for customers, Delta Southern anticipates the new transload site will present employment opportunities in the local communities, Tallulah, and Lake Providence, as well as provide an economic boost to the region.

Contact Details:
Frank Prentiss
VP Sales & Marketing
Phone: (318) 600-4489
Sales@deltasouthern.net

About Delta Southern Railroad, Inc.
Established in 2009, Delta Southern Railroad, Inc. is a short line railroad comprised of two lines, located approximately 60 miles apart in Monroe and Tallulah, Louisiana and serving two port facilities located on the mighty Mississippi River: Lake Providence Port and Madison Parish Port. Delta Southern transports grain, aggregate materials, agricultural products, cotton, coal, chemicals, fertilizer, forest products, sand clay and soda ash. Delta Southern is proud to work closely with well-respected railroad and interchange partners: Kansas City Southern (KCS) and Union Pacific Railroad (UP).

With connections at all levels of government in Louisiana, all the way to the local parish representatives in Northeast Louisiana, DSRR fosters strategic alliances with integrators and service providers to expand new economic opportunities within the region and for the communities it serves and calls home.

DSRR: www.deltasouthern.net

About Precision Terminal Logistics Services
Precision Terminal Logistics, headquartered in the Pittsburgh, PA area, operates 23 terminals in 15 states, providing an array of material handling services including transloading, secure bulk commodity storage and material handling facility design. The company was formed in September 2019 by Anacostia Rail Holdings Company and Brown Brothers Harriman Capital Partners Opportunities Fund, L.P.

PTL: www.precisiontl.com

About Kansas City Southern
Headquartered in Kansas City, Mo., KCS is a transportation holding company that has railroad investments in the U.S., Mexico, and Panama. Its primary U.S. holding is The Kansas City Southern Railway Company, serving the central and south-central U.S. Its international holdings include Kansas City Southern de Mexico, S.A. de C.V., serving northeastern and central Mexico and the port cities of Lázaro Cárdenas, Tampico and Veracruz, and a 50 percent interest in Panama Canal Railway Company, providing ocean-to-ocean freight and passenger service along the Panama Canal. KCS' North American rail holdings and strategic alliances with other North American rail partners are primary components of a unique railway system, linking the commercial and industrial centers of the U.S., Mexico, and Canada.

KCS: www.kcsouthern.com

Safe Harbor Statement: *This press release may contain forward-looking statements that involve risks, uncertainties, and assumptions. All statements other than statements of historical fact regarding Delta Southern, any of its affiliates, and/or collaborative partnerships could be deemed forward-looking statements, including any projections of revenues, gross margins, earnings, or other financial items; statements regarding strategies or plans for future operations; statements concerning new features, enhancements, or upgrades to our existing rail operations or plans for future operations; statements relating to the expected performance or benefits of our rail offerings; statements about current or future economic conditions; statements regarding regional or community impact and any other statements of expectation or belief. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict and many of which are outside of our control. Actual outcomes and financial conditions may differ materially from those indicated in these forward-looking statements; therefore, readers are cautioned not to place undue reliance on these forward-looking statements.*

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