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September 5, 2007

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

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

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

Dear Secretary Williams:

The City of Vicksburg, Mississippi writes to state its full support of the above requests submitted by the The Kansas City Southern Railway Company ("KCSR") and Vicksburg Southern Railroad, Inc. ("VSOR").¹ Pursuant to those petitions, KCSR will seek to abandon a 4.25-mile section of track (the "Line") located generally in the southern area of the City of Vicksburg and VSOR will seek to discontinue service over that Line. The City not only fully supports the abandonment of the Line, but it also supports Petitioners' requests to be exempted from the provisions pertaining to offers of financial assistance and public use requests. As explained below, swift Board approval of the proposed rail line abandonment will facilitate the development of lands adjacent to and bisected by the Line, and enable the City to use the Line's right-of-way for recreational purposes consistent with the City's development plans.

For some time, the City of Vicksburg has contemplated the development of riverfront property for commercial purposes, including the development of casinos, which would provide employment to Vicksburg-area residents and bolster the local and state economies. In connection with these objectives, the City has reached agreements with Lakes Entertainment, Inc. ("Lakes"),

¹ KCSR and VSOR will be referred to collectively as "Petitioners."

Incorporated 1825

City Website: <http://www.vicksburg.org>

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under which Lakes will undertake the construction of a large casino and resort complex including supporting facilities to be sited on approximately 240 acres of land in Vicksburg adjacent to the Mississippi River

We understand that there is one existing shipper on the Line who receives less than 60 carloads a year over the Line, transfers the contents of those carloads into trucks, and then trucks the product to the shipper's facility. We understand that any carloads delivered to this shipper can be delivered to another location not far from the existing delivery point, where they can then be transloaded into trucks for delivery to their ultimate destination. The proposed casino project described above would entail the development of land adjacent to and bisected by the Line and the continued presence and operation of the Line as a railroad would frustrate that development plan. In our opinion, the numerous public and economic benefits of the proposed development project far outweigh impacts, if any, on the sole shipper on the Line, especially in light of the very low level of traffic that moves over the Line. As such, we fully support VSOR's efforts to terminate its service over the Line and for KCSR to abandon the track so that the proposed casino project can proceed as quickly as possible.

As indicated above, we have discussed with KCSR the City's interest in obtaining possession of the Line's right-of-way for purposes of a recreational trail. KCSR has expressed support for the idea. In that regard, the City intends at the appropriate time to file a notice of interim trail use ("NITU") to assume trail user responsibility for the right-of-way. Institution of a NITU and implementation of the City's trail use plans would be consistent with the overall casino development discussed above and would add an important recreational amenity.

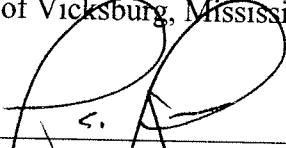
As can easily be seen, it would be wholly inconsistent with the City's development plans to allow continued rail operations, which could occur if the requests are denied or if there is a successful offer of financial assistance for continued rail operations. Likewise, as the City and KCSR intend to pursue the trails use process, there is no need for imposition of a public use condition. Thus, to ensure that the project can move forward as expeditiously as possible, the City supports Petitioners' request for a waiver of the offer of financial assistance and public use provisions that the City understands might otherwise apply to these proceedings.

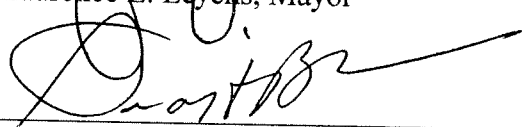
In short, the City fully supports KCSR's and VSOR's respective petitions for exemption to abandon and to discontinue rail service over the Line in order to facilitate the proposed development of lands surrounding the Line's right-of-way and to enable the City to convert the Line to a trail. We also support the requests to waive the application of the offer of financial

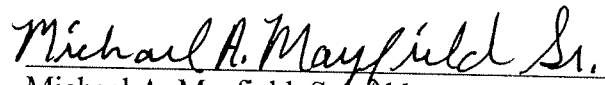
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assistance and public use provisions, and we urge the Board to act favorably and expeditiously in granting the above-captioned petitions.

Sincerely,
The Mayor and Aldermen of the
City of Vicksburg, Mississippi



Laurence E. Levens, Mayor

Sidney H. Beauman, Jr., Alderman

Michael A. Mayfield, Sr., Alderman

Cc: Parties of Record
Warren K. Erdman, Kansas City Southern
Brian P. Banks, Kansas City Southern
David C. Reeves, Kansas City Southern
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