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ENTERED
Office of Chief Counsel
August 25, 2026
Part of
Public Record

August 25, 2026

VIA E-FILING

Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Re: FD 36447, *Lake Providence Port Commission – Feeder Line Application – Line of Delta Southern Railroad, Inc. Located in East Carroll and Madison Parishes, Louisiana; Status Report*

Dear Chief of Case Administration:

Pursuant to 49 C.F.R. § 1114.28, respondent, Delta Southern Railroad Inc. ("DSRR"), submits transcripts of the following depositions, complete with exhibits and Errata sheets:

- June 29, 2026 deposition of Patrecia Hargrove; and
- June 30, 2026 deposition of W. Bryant Killan.

Please contact our office if you have any issues accessing the documents.

Sincerely,

/s/ William L. Spotswood

William L. Spotswood
Counsel of Record for Delta Southern Railroad, Inc.

cc: Parties of Record
Administrative Law Judge Soulikias

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, LOUISIANA

ORAL DEPOSITION

OF

PATRECIA HARGROVE

TAKEN JUNE 29, 2026, AT 9:10 A.M.

Arkansas Diamond Court Reporting

21043 Natalie Lane
Little Rock, Arkansas 72206

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A P P E A R A N C E S

ON BEHALF OF THE SOUTHEAST ARKANSAS
ECONOMIC DEVELOPMENT DISTRICT, INC.:

MR. JACOB BRISTER
BRISTER LAW FIRM
318 MORGRAN STREET
LAKE PROVIDENCE, LOUISIANA 71254

ON BEHALF OF THE SOUTHEAST ARKANSAS
ECONOMIC DEVELOPMENT DISTRICT, INC.
AND LAKE PROVIDENCE PORT COMMISSION:

MR. RICHARD STREETER (VIA TELEPHONE)
LAW OFFICE OF RICHARD H. STREETER
5255 PARTRIDGE LANE, N.W.
WASHINGTON, D.C. 20016

ON BEHALF OF DELTA SOUTHERN RAILROAD, INC.:

MR. JOHN M. SCHEIB
GENTRY LOCKE ATTORNEYS
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I N D E X

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C A P T I O N

ANSWERS AND ORAL DEPOSITION OF **PATRECIA HARGROVE**, a witness produced at the request of Delta Southern Railroad, Inc., taken in the above-styled and numbered cause on the 29th day of June, 2026, at 9:10 a.m., at the Pine Bluff Library, 600 South Main Street, Pine Bluff, Arkansas, pursuant to the Arkansas Rules of Civil Procedure.

P R O C E E D I N G S

THEREUPON,

PATRECIA HARGROVE,

THE WITNESS HEREINBEFORE NAMED, having been first duly cautioned and sworn by me to testify to the truth, the whole truth, and nothing but the truth, testified on her oath as follows, to-wit:

EXAMINATION

BY MR. SCHEIB:

Q Good morning.

A Good morning.

Q My name's John Scheib. I'm with the law firm of Gentry Locke Attorneys. And in this case, I represent Delta Southern Railroad, Inc. And for the record, let's go ahead and get your counsel's name, who's in the room.

MR. BRISTER: Jacob Brister, Brister Law Firm.

MR. SCHEIB: And you are representing?

MR. BRISTER: S-E-A-E-D-D.

Q (Mr. Scheib continuing) Perfect. And let's get, if you wouldn't mind, ma'am, your --

A Okay.

Q -- name.

A Patrecia Hargrove, with Southeast Economic Development District.

MR. SCHEIB: Great. And Mr. Streeter, since you're by phone, do you want to announce yourself?

MR. STREETER: Yes. Richard Streeter, and I'm representing the Lake Providence Port Commission.

MR. SCHEIB: Are you also representing Southeast Arkansas Economic Development District, Mr. Streeter?

MR. STREETER: Yes, I am as well.

MR. SCHEIB: Thank you.

Q (Mr. Scheib continuing) Great. So we've got your full name for the record. What's your address?

A Address of Southeast Arkansas Economic Development District is 315 East 8th Street, Pine Bluff, Arkansas.

Q Okay. Have you ever been deposed before?

A Yes, I have.

Q In what context were you deposed before?

A It had to do with an employee issue.

Q Okay. So I'm going to just take a minute on the deposition process to make sure we're kind of on the same page as we get started. In this deposition, I'm going to be asking you questions that you answer under oath. Do you understand that you're under oath?

A Yes, I do.

Q And there are a few differences between a deposition and a typical conversation. The first is that we have a court reporter with us who's going to try to record everything we

say, which means we have to avoid talking over each other. And we have to try to be -- do the best we can to make sure the other person has stopped talking before we start. Do you kind of understand that she's transcribing this?

A Yes, I do.

Q Okay, perfect. And since it's an oral transcription, she doesn't get head nods, or uh-huhs, or huh-uhs, so we have to use words and complete sentences. Do you understand that as well?

A Yes, I do.

Q Perfect. There's nothing wrong with you asking me to repeat a question. If you do not ask me to repeat a question and you answer it, I'm going to assume that you understood the question. Can we agree on that as well?

A Yes, we can.

Q Okay. If you need clarification of any question I asked, you should feel free to ask me to clarify the question. It probably means I made a mistake; okay?

A I understand.

Q Great. Sometimes when I ask a question, you'll have a partial answer but maybe not an absolutely certain or complete knowledge of a situation or answer. For example, if I asked you right now, What's the temperature outside, you may not know the exact degree, but you might know it's hot and humid. So you need to answer, to the best of your ability, each question.

Do you understand that?
A I do.
Q And I'm entitled to complete answers, to the best of your ability. And so if I ask you what you had for breakfast this morning, and you had coffee, and orange juice, and eggs, and pancakes --
A Uh-huh.
Q -- an answer of, I had pancakes, is an incomplete answer. Do you understand?
A Understand.
Q Okay. We've got this, but just so that we get it in this part of the transcript, who's your employer?
A My employer is Southeast Arkansas Economic Development District.
Q And what's your title there?
A Executive director.
Q How long have you been the executive director?
A I became executive director in April of 2019.
Q So you've been at it for about seven years?
A Yes. I was interim director in August of 2018.
Q Oh, okay. And other than director and interim director, have you had other jobs with SEAEDD?
A Yes.
Q What other roles have you had?
A I was the director of projects, and that's the Grants

Department --
Q Grants --
A -- at SEAEDD.
Q -- Department?
A Yes.
Q And when did you start in that role?
A Oh, I probably sat in that position for maybe eight years or so.
Q Oh, okay.
A Yes.
Q So we're going back toward, like, 2010 or somewhere in that --
A Yes.
Q -- in that range?
A Yes.
Q Okay. Can you explain why you're here today?
A I'm here because I received a document stating that I need to be present.
Q Did you review any documents to prepare for today's deposition?
A I reviewed my verified statement.
Q Anything else?
A I looked over some of the documents that were submitted previously to counsel to refresh my memory. Because this has been going on for a while.

Q And do you know if the documents that you reviewed today were produced to Delta Southern Railroad in this litigation?
A I think so, yes.
Q Do you remember, were any of the documents that you reviewed attorney-client privileged documents?
A Yes.
Q And so those documents would not have been produced to Delta Southern Railroad, because they're attorney-client privilege?

MR. STREETER: I'm going to object to that because she's not an attorney and really has no basis for answering it.

Q What documents did you review this morning?
A I reviewed my verified statement and a timeline.
Q Did you prepare that timeline?
A Yes.
Q Was that timeline produced to Delta Southern Railroad?
A I think so. But I made changes to it.
Q And you made those changes?
A Yes.
Q I don't believe we've seen a timeline, but we'll come back to that. Excluding SEAEDD's lawyer, did you talk to anyone in preparation for today's deposition?
A In preparation, no. But I did talk to somebody about a location.

Q What do you mean by you "talked to somebody about a location"? The location of this library?
A No, not the location of this library. The location of where we could have -- host the deposition.
Q Got it. It's going to sound like a crazy question. Are you under the influence of any medication today?
A No.
Q Is there any reason your testimony would be impaired today?
A No.
Q Is there any reason you can't give complete and truthful testimony today?
A No.
Q Are you aware of a feeder line application filed at the Surface Transportation Board?
A Yes.
Q What do you know about it?
A I know that Lake Providence Port submitted a feeder line application to the Surface Transportation Board.
Q And what is a feeder line application, if you know?
A I don't know, I'm sorry.
Q It's all right. And I believe you said the applicant in the feeder line proceeding is the Lake Providence Port Commission?
A Yes.

Q Did you file a verified statement in that feeder line --
A I did.
Q -- case?
A I'm sorry. Yes, sir.
Q Why did you file a verified statement in that case?
A Because we -- we are involved with Lake Providence Port in a INFRA project through USDOT.
Q And what was the point of your verified statement?
A To, to the best of my knowledge, explain my role in the INFRA Project application.
Q Why is your role in the INFRA application relevant to the feeder line case?
A Because the INFRA Project, Southeast Arkansas Economic Development District is the grantee.
Q And how's the INFRA Grant relevant to the feeder line case?
A I think it was a trigger to maybe how all this started.
Q And when you say "all this started," it was a trigger for what?
A The partnership consortium included Lake Providence Port, SEAEDD, NL&A, and, at the beginning, Delta Southern, and it also included Madison Parish Port. We went in together, well, initiative-wise, to make improvements to the rail line that traversed from McGehee, Arkansas, to Tallulah, Louisiana.
Q Okay, great. Do you know what rail line is the subject of

the proceeding at the Surface Transportation Board?
A The rail line, from my understanding, that's subject right now is the one that -- that is from Lake Providence Port to Madison Parish Port.
Q Do you know if the rail line from Madison Parish Port to Tallulah is also included in the application?
A I have seen reference of that in documentation.
Q Okay. Today, when I use the term "rail line at issue" or "rail line in this case," I'm going to be talking about the rail line between Milepost 471.0 at Lake Providence, Louisiana, and Milepost 498.44 in Tallulah, Louisiana. Do you understand that definition?
A Yes.
Q And so I know sometimes people talk about a Lake Providence branch or they use some other term to refer to McGehee, Arkansas, to Tallulah -- okay.
A Yes.
Q Okay. Do you understand that no rail line in Arkansas is part of this feeder line application?
A Yes, I do.
Q Okay. Have you attended meetings in which the feeder line application case was discussed?
A Yes.
Q And I don't want to know about meetings with your --
A Uh-huh.

Q -- counsel; okay? So excluding meetings with your counsel, what meetings have you attended where the feeder line application was discussed?
A Now that you say that, the answer will probably be no.
Q Okay. It was never discussed at SEAEDD's board meeting?
A No, sir.
Q Did you ever meet with representatives of the Lake Providence Parish Port to discuss the feeder line application?
A Outside of counsel?
Q Correct.
A I do not recall having a meeting like that.
Q Did you ever meet with North Louisiana & Arkansas Railroad representatives to discuss the feeder line application?
A Outside of counsel, no, I don't remember that.
Q Do you meet with representatives of the Lake Providence Port Commission periodically?
A Yes, we do.
Q What do you discuss when you're with them?
A Attaining grant funding to continue making renovations on their rail line or the rail line in Arkansas.
Q Okay. Do you meet with North Louisiana & Arkansas Railroad periodically, or --
A Yes.
Q And when you meet with them outside the presence of counsel, what do you discuss with them?

A We discuss about funding for their rail line, and how to make renovations to it, how to secure grant funds.
Q Do you remember meetings -- specific meetings with the Lake Providence Port Commission where you discussed grant funding?
A Yes.
Q When was the meeting that you're thinking of?
A You said Lake Providence Port Commission?
Q Yes, ma'am.
A Actually, almost every time we meet, we talk about additional funding, what's available, and how to secure it.
Q Yeah, maybe let me ask it a different way.
A Yeah.
Q How frequently do you meet with Lake Providence Port Commission?
A Recently -- would a phone conversation also count? Okay.
Q Yes.
A Phone conversations, maybe now, once a month.
Q Uh-huh.
A Periodically, not as much. Prior to that, maybe once or twice a month face-to-face.
Q Okay. How often do you meet with -- meet, phone call, etc. with North Louisiana & Arkansas Railroad?
A More frequently than that.
Q Did you say more frequently?

A Yes. It would be -- I'm sorry. We would talk maybe once a week.
Q And what would you talk about with the North Louisiana & Arkansas Railroad about once a week?
A In relationship to the railroad, funding, applying for more funding, and if we apply, what that would entail.
Q Did North Louisiana & Arkansas Railroad need funding over the last three years?
A Need funding? Yes, grant funding.
Q When you had those conversations, what purposes -- for what purposes were you -- strike that.
Let me -- that was a horrible question. So when you met with them over the last three years, frequently about funding, what was the purpose of the funding that you were going to seek?
A There were different ones. One had to do with maybe a business on our rail line that wanted a rail spur. Actually, we had two of those. Or maybe there was a sun kink in the rail line, needed to be fixed. Just renovation-type things.
Q Was there ever a need to seek operating funding?
A No, sir. We never had any conversations about that.
Q So the two instances that you mentioned where businesses wanted to open a rail spur, who were the customers in each case?
A One was Hensley Grain. I don't know if that was the

proper name, but Hensley Grain near Eudora, Arkansas. And the other one was Epstein Gin in Lake Village, Arkansas.

Q Uh-huh. And were either of those rail spurs constructed?

A One has been completed, Epstein Gin. And Hensley Grain, actually, we're in process of doing -- getting that taken care of now.

Q Just for my knowledge, what's a sun kink?

A To be totally honest with you, I'm not sure myself. But that's the language they use. So I'm going to take their word for it.

Q Okay. Sounds like a railroad term to me.

A It is a railroad term.

Q Okay. Can you think of any other topics that you discussed with the Lake Providence Port Commission related to the rail line from Lake Providence to Tallulah?

A I did not have discussions with them concerning that. The discussions I had was concerning their property.

Q Okay. Delta Southern Railroad served discovery requests on the Southeast Arkansas Economic Development District. Have you seen those?

A Yes.

Q Okay. And so when I say "discovery requests," I mean Interrogatories and Requests for Documents. Is your answer still yes?

A Yes.

Q Did you review each set of Interrogatories and Document Requests yourself?
A I remember reviewing a lot of it.
Q Okay. Were you asked to read each interrogatory response before it was provided to Delta Southern Railroad?
A I was asked to review.
Q Okay. Were you asked to search for documents that were responsive to the document requests served by Delta Southern Railroad on SEAEDD?
A Yes.
Q Who was in charge of responding to the search -- or who was responsible for conducting the searches for responsive documents at SEAEDD? Did you do it yourself, or did you delegate that task?
A It was a joint effort. It was combined.
Q And who was involved in the effort?
A I looked through documents, and I had a staff member to look through documents as well.
Q Who's the staff member?
A Shane Knight.
Q Uh-huh.
A And he worked for the district for a while. And I had another staffer, Macy Brown.
Q Okay. And what did you instruct them to look for?
A Shane Knight was looking through his emails for any

communication. He was also looking through his documentation for performance reports and financials. And Macy Brown was looking through her documentation for financials.

Q Okay. I probably should have asked this. What role did Mr. Knight play at SEAEDD?

A He was the deputy director at SEAEDD, and he assisted me with the rail project.

Q Okay. Is he still the deputy director?

A No, he's not. He's no longer working for the district.

Q When did he leave the --

A I'm sorry. I'm sorry. He's no longer working as the deputy director. He went to another position. He dropped down to part-time, like a special projects person.

Q Got it. Thank you.

A Okay.

Q Thank you. And Ms. Brown, what is her role at SEAEDD?

A She's director of finance.

Q Okay. Were they instructed to look for hard-copy documents as well?

A Yes, sir.

Q Was a litigation hold issued at SEAEDD? Do you know what a litigation hold is?

A No, I'm sorry. What is it?

Q Were folks instructed not to delete emails or destroy hard-copy documents going forward from the date the discovery

was served on SEAEDD?
A They were not instructed to do that. But that's part of policy.
Q How do you store emails at SEAEDD?
A We have a server.
Q Is it a dedicated server to SEAEDD?
A Yes.
Q It's not on the cloud?
A No. We recently changed over, and that's real techy head over me, so --
Q So who searched the emails on the server?
A I searched through all of my emails. I don't know who searched the emails on the server.
Q Okay. Are you aware of any relevant documents that were not produced?
A I'm not aware.
Q Are you aware of any relevant documents that were withheld on the grounds of privilege?
A I don't think so.
Q Are you aware of any areas of SEAEDD, whether electronic or physical spaces, that should have been searched but were not?
A No, I'm not aware.
Q So what documents do you know were produced to Delta Southern?

A The documents that I know of that was collected were emails exchange between SEAEDD and FRA, information about meetings that were held concerning with -- when I say consortium groups, SEAEDD, NL&A, Lake Providence Port, all of us, when we have our meetings. So those meeting documents, any email correspondence concerning INFRA, the application, the INFRA Application, progresses of the rehab, our requests for payments to FRA for the INFRA projects, our performance -- quarterly performance reports for the INFRA Project.

Q Do you know if documents related to calculations in the INFRA Grant Application were produced to Delta Southern Railroad? For example, calculation of benefits of the project?

A I don't know of any. And may I ask, from SEAEDD?

Q Yes.

A No, we don't have any.

Q You don't have any documents related to the calculations of the benefits of the INFRA Grant applied for at the Federal Railroad Administration?

A The benefits? Not that I know of.

Q Does anyone use personal email at SEAEDD for SEAEDD business that you know of?

A No, not that I know of.

Q Do you use personal email for SEAEDD business?

A No, no.

Q How did you search email? Was it by key terms, or what

was the process to search email?
A I use key terms, I use names, I use dates.
Q Do you store information related to the INFRA Grant in a particular folder on your computer or in your email box?
A Some. Because it gets so full, some I do and some I don't.
Q Did you search those folders for responsive material?
A Yes, I did.
Q Do you know whether your colleagues, Mr. Knight or Ms. Brown, store information in specific folders related to the INFRA Grant?
A Mr. Knight, I think he does. Ms. Brown, I don't think so.
Q And do you think Mr. Knight searched that folder where he stores information related to the INFRA Grant for responsive materials?
A I believe he did.
Q How far back in time did you, Mr. Knight, and Ms. Brown search for responsive documents?
A Ms. Brown, would -- her search would probably go back to the first request for payment that she would have stored, Mr. Knight went as far back as his emails were available, and I went as far back as prior to the application process.
Q Does SEAEDD have a document destruction policy?
A We do.
Q And what's the time period on your document destruction

policy?
A There are different levels, but my documentation process is more than ten years.
Q And is that a written policy?
A The written policy is -- I cannot remember off the top of my head, but I think financials are in perpetuity. And for some documents go to ten years, and some documentation is three years. But depending on the type of documentation, for me, is probably in perpetuity. Until my file can't hold it.
Q I understand. I understand. There's the policy, and then there's how we live; right?
A Yes.
Q I gotcha. You mentioned that you and your team also searched for responsive physical documents. Was it the same three people involved in the search for physical documents?
A Yes, sir.
Q Okay. And when I say "physical documents," I mean pieces of paper.
A Yes, sir.
Q Okay. What physical locations were searched?
A We -- for Mr. Knight --
Q Uh-huh.
A -- he created a huge binder, so the financial documents and reportings, he'd print those off and put them in a physical binder. Which is utilized just in case he's not present and

someone needs the information, they can go on the shelf and get it. I have both physical documents and electronic documents. And those physical documents are in my office or in a file cabinet.

Q Let's start with Mr. Knight's huge binder. Do you know if that was copied and provided to -- do you know if it was copied and reviewed for responsiveness to the document requests served by Delta Southern Railroad on SEAEDD?

A Yes. Information in the binder that was requested was the financial documents and the -- what do they call it? I want to say the acronym, PPR. Performance reports, quarterly performance reports.

Q And those quarterly performance reports would go to the Federal Railroad Administration?

A Yes. As well as the financials.

Q And can you just define huge binder for me? Is it one inch, two inch, three inch?

A Let me think, what is that? It's about three.

Q Yeah.

A Three inch, yeah.

Q I'm not sure we have two inches total from SEAEDD. Okay, your physical documents, what were they? What do they amount to?

A My physical documents would be applications.

Q Applications, meaning for the INFRA Grant?

A Applications for the INFRA Grant.
Q Would there be --
A And --
Q Would there be drafts of the application for the INFRA Grant?
A There would be drafts in there as well.
Q I don't think we've seen any drafts. Okay, anything else?
A Copies of the financials.
Q Uh-huh.
A More than likely the same information that Mr. Knight would have.
Q Okay. Okay. I think we -- let's -- do you recall reviewing the discovery responses that were submitted on SEAEDD's behalf?
A I remember reviewing documents and the responses.
Q Okay. So just so I'm more clear, Delta Southern --

MR. STREETER: John --

Q -- Railroad --

MR. STREETER: John, John, excuse me. I could not hear that response.

MR. SCHEIB: We'll go off the record for just a second.

(WHEREUPON, after an off-the-record discussion, the proceedings were resumed as follows, to-wit:)

Q (Mr. Scheib continuing) Okay, so I think I was just

trying to clarify --
A Uh-huh.
Q -- my question. So Delta Southern provided multiple sets of discovery requests to SEAEDD, and SEAEDD provided responses and objections, and you reviewed each of those responses and objections; is that correct?
A I remember reviewing the responses.
Q Okay. Do you have any reason to believe that those responses are incomplete?
A No. Based on the instructions, I do not believe any of those responses were incomplete.
Q Do you have any reason to believe that those responses are inaccurate?
A No, I do not believe so.
Q Are you aware of any information or documents that were gathered but not ultimately included in the responses?
A I don't think so.
Q And would it be true that SEAEDD did not find or identify any other responsive documents besides those that have already been produced --
A Could you --
Q -- or at least provided to counsel? Is it true that SEAEDD did not find or identify any other documents besides those already provided to counsel?
A Based on the requirements, yeah.

Q Have you been asked to update your search for documents in the last year?
A Yes, I have.
Q When were you asked to update your search for documents?
A I think within the past few months.
Q And did you search for documents that were potentially responsive to all sets of discovery requests that had been served on SEAEDD?
A I think so.
Q Did you bring any documents with you today?
A I do have documents with me today.

MR. SCHEIB: We'd like copies of the documents that she brought with her today.

MR. BRISTER: Okay. I'll look through them.

MR. SCHEIB: If you could get them for us at the break.

Q (Mr. Scheib continuing) Are there documents or categories of documents that SEAEDD did not produce?
A Based on the instructions, I don't think so.
Q All right. So we'll mark that Exhibit 1, and if you would look at Page 13 and the response to RFP No. 4. Just let me know when you're ready.

(WHEREUPON, Exhibit 1 was marked for identification and is attached hereto.)

MR. STREETER: John, while she is looking at

whatever document you're referring to, which -- RFP No. 4. From which -- what's the date of that?

MR. SCHEIB: I'd like to tell you, Richard, but it's undated. It's the Response to Document -- Discovery propounded on January 3rd, 2024. It's entitled "SEAEDD Response to Second Set of Discovery Requests Propounded by Delta Southern Railroad, Inc."

MR. STREETER: Okay, thank you. That's what I was asking. Okay.

A (Witness continuing) Okay.

Q Okay. So the question I have is on Page 13, in response to No. 4. It says in the middle there, "Notwithstanding the" -- actually it's toward the top. Let me rephrase that. It's toward the top.

It says, "Notwithstanding the foregoing, assuming that DSRR is seeking documents and communications with LPPC concerning the line, meaning the track between Milepost 471.0 and 498.44, SEAEDD objects to RFP No. 4 on the grounds that it seeks duplicative information that is set forth in detail in LPPC's Feeder Line Application, and that was provided by DSRR in the course of supplying information that was utilized in the INFRA Grant Application to convince the U.S. Department of Transportation to award the INFRA Grant."

The question I have is, what documents is SEAEDD referring to that it did not provide because it believed DSRR may have

already had those documents? Since more than a minute has passed since I asked the question, do you need it repeated?
A No, I don't. But -- I don't know.
Q Is this an accurate statement, that information that was duplicative was withheld from Delta Southern Railroad?
A Information was withheld from Delta Southern Railroad is the question?
Q The question is, was information withheld from Delta Southern Railroad on the grounds that it was allegedly "duplicative information"?
A I don't remember this.
Q Is this an accurate statement?

MR. STREETER: Yes.

MR. SCHEIB: Not sure who you're talking to, Richard, but you'll refrain from making any comments while she's contemplating her answer.

MR. STREETER: I'm not talking to anybody. I'm just sitting in my office.

MR. BRISTER: Do you want to go off the record for a second?

MR. SCHEIB: Yeah, let's go off the record for a second.

(WHEREUPON, after a break was taken, the proceedings were resumed as follows, to-wit:)

Q (Mr. Scheib continuing) All right, we'll go back on the

record, and the question's still pending.
A I don't know where that information would be.
Q Is it an accurate statement that SEAEDD believed there was duplicative information that it did not need to produce?
MR. STREETER: Yes.
MR. SCHEIB: Richard, we can hear you talking. Please refrain from making comments, or go on mute.
A The thing is, I think we provided all the information that was requested, that I know of.
Q So notwithstanding the objection that there might be duplicative information, you believe SEAEDD produced that duplicative information anyway?
A I think so.
Q So you don't know of any information that might have begun in Delta Southern's files or that Delta Southern might have otherwise known about that you just said, They already have this?
A I don't remember.
Q Don't remember, okay. Let's look at RFP No. 5, which is on the same -- or begins on the same page, 13. It says that notwithstanding -- it says, "Notwithstanding the foregoing, SEAEDD states that communications concerning DSRR's refusal to provide service over the line are discussed in the verified statement of Patrecia Hargrove that have been filed in LPPC's Feeder Line Application." Are there documents, emails, or

other -- other hard-copy materials that reflect communications about DSRR's refusal to provide service over the line that you or SEAEDD is aware of? Do you need the question repeated?

A No, I don't. May I ask a question?

Q Sure.

A Or can I see my verified statement?

Q No.

A I can't?

Q No. We'll get to that later.

A Okay.

Q I'm just asking, are there communications concerning DSR's refusal to provide service that are not in your verified statement, or is this an accurate statement in response to RFP No. 5?

A I think it's an accurate statement if it's -- yeah.

Q That's fine. I just need to know, is it accurate?

A I think so.

Q Okay. If you flip back to Page 4, which has Interrogatory No. 33, the response of SEAEDD is, at the end, dot, dot, dot, "SEAEDD does not have any specific information that will enable it to respond and describe in detail the basis for any contention that any shipper is inadequately served by DSRR." Do you see that on Page 4?

A I'm sorry, could you repeat that? Where are you looking?

Q Sure. I'm looking at where it begins right here,

"SEAEDD."
A Oh, okay. I'm sorry.
Q "SEAEDD does not have specific information that would enable it to respond and describe in detail the basis for any contention that any shipper is inadequately served by DSRR." Do you see that?
A Yes, I do.
Q Okay, all right.
A Okay.
Q Now, the question about that sentence is, does SEAEDD have any information that would enable it to respond and describe the basis for any contention that any shipper is inadequately served by DSRR? I'm trying to understand why the word "specific" is there. Do you have any information at all?
A I do not.
Q Okay. And then it --
A I don't think --
Q -- says --
A -- so.
Q -- that would allow you to describe in detail, and I'm trying to understand why the word "in detail" is there. Do you have any information at all that would allow SEAEDD to take a position on whether any shipper has been inadequately served by DSRR?
A I don't have any information.

Q Okay. We may come back to that document.
A Okay.
Q So don't let it go too far. And she'll keep the copies that have the numbers on there, so at the end she gets all those for the record.
A Okay.
Q She being the court reporter.
A I'm going to put this right here.
Q Okay, do you recognize this document? And for Richard's purposes, the document that I've handed her is Responses and Objections to Delta Southern Railroad's First Set of Interrogatories Filed by Lake Providence Port Commission, Southeast Arkansas Economic Development District, and North Louisiana & Arkansas Railroad.

(WHEREUPON, Exhibit 2 was marked for identification and is attached hereto.)

MR. STREETER: What's the date of that?

MR. SCHEIB: It's undated, Richard. It says it's in response to discovery served by Delta Southern on February 5th, 2021.

MR. STREETER: Thank you.

Q (Mr. Scheib continuing) Do you recognize this document?
A It looks familiar.
Q Did you review this document before it was sent to Delta Southern Railroad?

A I don't remember. Because I've seen so many.
Q Do you remember being asked if the responses in this document are correct?
A I think this document was submitted to me. Pretty sure it was.
Q If -- okay. Then to your knowledge, are the responses on behalf of SEAEDD correct?
A I believe so.
Q All right. Let's turn to Page 9, which is Interrogatory No. 10. And I'm just going to be very transparent with you about why I'm asking these questions.
A Uh-huh.
Q The responses were filed on behalf of three parties, but sometimes the answers break out and say, LPPC says X, or, SEAEDD says X, and sometimes it doesn't clarify who's answering. So I'm trying to understand which part of this is SEAEDD's answer; okay?

So Interrogatory No. 10 says, Identify communications between a respondent and/or Madison Parish Port on the one hand and any entity currently or formally using the segment for rail car storage, etc.

The response just says, Wyly Gilfoil, LPP's executive director, had a conversation, so forth and so on. What I want to know is, do you have personal knowledge of the conversation that's referenced in the response to Interrogatory No. 10?

A Do I have knowledge of the conversation?
Q Yes.
A I -- the items ring familiar, but I don't remember this specific conversation.
Q Okay. The answer says it was a phone call, because it says "during that call." So it looks like it's a phone call between Wyly Gilfoil and Matt Prince.
A Okay.
Q Were you on that phone call?
A That doesn't sound familiar --
Q Yeah.
A -- no.
Q So you certified an answer that you don't have personal knowledge of; is that what I'm understanding?
A Yeah. As of right now, I can't remember having personal knowledge of that.
Q Okay. Let's look at -- let's look at the response on Page 14 to Interrogatory No. 16. Again, the response doesn't say who it's on behalf of, so it must be on behalf of all three parties. The response to the question, which was asking about communications between the respondent on the one hand and USDOT on the other hand, regarding the need to spend any portion of the grant proceeds on the segment.
The answer, if you look at the bottom, the last paragraph, says, "The information sought regarding the need to spend any

portion of the grant proceeds on the segment is not relevant to the issues involved in this proceeding." Do you see that?

A Yes, sir.

Q Is it SEAEDD's position that the grant is not relevant to the issues in the Surface Transportation Board proceeding?

A Could you ask that question one more time?

Q Sure. Is it SEAEDD's position that the INFRA Grant is not relevant to the feeder line proceeding at the Surface Transportation Board that alleges DSRR's refusal to make necessary efforts to provide adequate service to shippers?

I mean, I'm just asking if this is accurate. It says SEAEDD's position is it is not relevant. Those are the words on the page, it is not relevant. I'm just asking you to confirm that that is a correct answer.

A Yes.

Q Okay. Thank you. I'm also confused by the answer on Page 21. So if you'll flip to that page, I'm looking specifically at Interrogatory No. 27. The interrogatory asks to identify all versions of the consortium agreement, and the answer is that DSRR was provided with a true copy of the initial draft of the consortium agreement, and then it says copies of a draft consortium agreement dated October 28th and a final consortium agreement dated November 20th, 2020. I'm wondering who the parties are to the final consortium agreement.

A The final consortium agreement was SEAEDD, Madison Parish

Port, Lake Providence Port, and NL&A.
Q And was it executed by those parties?
A Yes.
Q Okay, we'll -- we'll come back to that. Because I believe the November 20th version that we have says draft on it. And so I'm wondering if there is a final executed copy of the consortium agreement.
A Is that a question?
Q I'm sorry. Is there a -- is there -- yes. Very fair. Very fair. Is there an executed copy of the final consortium agreement?
A Yes, sir.
Q Okay. Great. Let's set that aside. We'll come back to that in a little bit. Let's talk, generally, about the rail line from McGehee to Lake Providence; okay?
A Yes, sir.
Q How did Southeast Arkansas Economic Development District get involved with the rail line from McGehee to Lake Providence?
A That was prior to me being executive director or even director of the grants department. That was something that took place with previous director of the SEAEDD, the district, Glenn Bell, when they purchased their portion. Each one purchased their portion of that rail.
Q Right. And I understand -- I think I understand --

A Uh-huh.
Q -- that there are three owners of the track between McGehee and Lake Providence; is that correct?
A Correct.
Q Okay. And who are the three owners?
A North Louisiana & Arkansas Railroad owns the portion from McGehee to Lake Village, SEAEDD owns the portion from Lake Village to the Arkansas-Louisiana state line, and Lake Providence Port owns the portion from Arkansas-Louisiana state line to Lake Providence Port.
Q Okay, that's very helpful. Thank you. So it sounds like this has gone back even prior to, like, 2010, when you were the grants -- when you became the grants director. So it's a long history and I understand that. Maybe just starting with when you were the grants director, do you know what the condition of that rail line was from McGehee to Lake Providence Port Commission? Or Lake Providence Port?
A Lake Providence Port. Yes. It was -- I don't even want to use the wrong word, if they were using the word "acceptable," but it was in very bad condition.
Q Are you familiar with Federal Railroad Administration track classifications?
A I'm familiar. But I don't use them, because I don't want to mess it up.
Q Yeah. Do you have any sort of certifications in track

inspection?
A No, sir, I don't.
Q Yeah. Any expertise in track condition?
A No, I do not.
Q Yeah, yeah. Do you know what the -- and again, if you know, you know, and if you don't, you don't. Do you know what the Federal Railroad Administration classifies that track between McGehee and Lake Providence as today?
A No, I don't.
Q Do you know what they classified it as in the year 2000?
A I do not.
Q Okay.
A I don't.
Q I'm just wondering, because you --
A Yeah.
Q -- said you had conversations with North --
A Uh-huh.
Q -- Louisiana & Arkansas Railroad, and I thought it might come up from --
A Uh-huh.
Q -- time to time.
A No.
Q So I just wanted to ask.
A Uh-huh.
Q Okay. What are the funding sources that have provided

money to work on the rail line from McGehee to Lake Providence Port?

A U.S. Department of Commerce, Delta Southern -- Delta Regional Authority, State of Arkansas. I don't know where the port priority funds come from, but I'm assuming it's the State of Louisiana.

Q Okay. Would the INFRA Grant be part of this also?

A Is that to date? To date; right? Yes. U.S. Department of Transportation, FRA.

Q Anything else you can think of?

A And the individual owners put funds in it, so SEAEDD, NL&A.

Q Okay. How much money was obtained from the Department of Commerce?

A Okay, let me think. I'm just going to spew off the different grants because I'm just -- off my head. There was a grant for 2 million, there was a grant for 1.2, I think. There was another one, maybe 500,000. I think that was 500,000. That was commerce.

Q All three of those were commerce? The 2 million, the 1.2 million, and the 500,000?

A Yes.

Q Okay. How much from the Delta Regional Authority?

A Delta Regional Authority, 2 million; I think one for 728,000.

Q Also -- that 728,000 was also from the Delta Regional Authority; is that correct?
A Yes, correct.
Q Any other money from the Delta Regional Authority?
A Yes. And I'm trying to remember what the amounts were.
THE WITNESS: I wrote that down. Can I use my --
MR. BRISTER: Your notes?
THE WITNESS: Yeah.
MR. BRISTER: Yeah. I mean, as long as it's a personal note. I mean, do you have any --
THE WITNESS: Yeah.
MR. BRISTER: -- objection to that?
MR. SCHEIB: I don't have any --
THE WITNESS: You can -- yeah.
MR. SCHEIB: I don't have any objection as long as I get a copy of it.
THE WITNESS: Sure, sure. Because I --
MR. BRISTER: Yeah.
A (Witness continuing) Do you want --
Q Yeah. If you've got it, it's not a memory test. I'm just trying to understand how much --
A Yeah.
Q -- money was spent.
A I have it. You can have a copy of it, but it breaks down.

That was 500,000, and --
Q Okay. So --
A Uh-huh.
Q -- maybe just for the record, I'm going to -- you've provided me a document that has a header that says, "SEAEDD/Lake Providence Port Railroad. Cash, grants, labor, and materials. June 2026." Do you agree that's what the document says?
A That is correct. And I can't remember why I wrote the DRA down.
Q I won't --
A Okay.
Q That doesn't bother me. It's probably Delta Regional Authority.
A It is.
Q Okay. And it shows Project Funding as a column with one, two, three, four, five, six, seven, eight, nine entries, the last of which is in NLA; is that correct?
A That is correct.
Q And the second column shows Total. There's no dollar sign there. Can I read that correctly that those are dollars?
A Yes, sir.
Q Okay. And so the first entry is FRA INFRA, and it has a total of $10,516,259. What are those dollars?
A That is the award amount.

Q Okay. And in each entry, is that the award amount?
A I want to make reference to this one, and I should have put a star here.
Q This one being NLA?
A NLA.
Q And this one?
A And Port -- this one.
Q Which is Lake Louisiana --
A Lake Providence --
Q Louisiana Port.
A -- Louisiana Port. Those two, this is in progress of work. That is information that was -- that I received but probably not complete. So I don't know what those total amounts are.
Q Okay.
A But that's the information I had at the time --
Q Got it.
A -- based on what they told me. Okay.
Q Got it.
A All right.
Q Okay. And so just to complete the document, the Total Funding line shows $37,268,343. Is that the amount that's been awarded to date to work on the rail line from McGehee, Arkansas, to Lake Providence Port?
A Based on the information I was given.

Q Okay. And do you know how many miles of railroad it is from McGehee to Lake Providence Port?
A It's 24 in NL&A, 21 SEAEDD, 16 Lake Providence Port.
Q And what does that total?
A What is that? Seventy? Is that 70 miles?
Q So if that's 70 miles, do you agree that a rough estimate of the dollars spent per mile would be to divide $37,268,343 by 70 miles? That would get me the average dollars spent per mile; is that correct?
A That amount also includes work that was done on specific spurs, as well as work inside the port, Lake Providence Port, as well.
Q Okay. How many additional miles is it for a rail spur -- for the rail spurs and inside Lake Providence Port?
A I couldn't -- I don't know.
Q Okay. Are there any other additional miles that I would need to make that calculation?
A I don't know. I don't think so.
Q So the total miles that I -- is it correct that the total miles I would need to do a per-mile calculation would be the 70 miles from McGehee to Lake Providence Port, plus the Epstein Grain Siding, plus the miles inside the Lake Providence port, plus the Hensley Grain Siding?
A All of that will be included.
Q Is there anything else that should be included?

A Not that I know of. If there's anything else, I think that would be more for Lake Providence Port, or --
Q I'll talk to them tomorrow. Okay. Do you recall what Delta Southern Railroad estimated the cost per mile to be for work on Segment D of the INFRA Grant, which would have been the segment from Lake Providence Port to Tallulah?
A No, I do not.
Q Was all the money that we referenced in the paper you handed me entitled "SEAEDD/Lake Providence Port Railroad, Cash, Grants, Labor, and Materials" dollars provided by taxpayers?
A All of it?
Q Except -- excepting the North Louisiana & Arkansas money. Is the rest of it taxpayer money?
A I don't know about Lake Providence Port.
Q Let me make it easier for the record.
A Uh-huh.
Q Is FRA INFRA Grant money taxpayer money?
A Yes.
Q Is Economic Development Administration money taxpayer money?
A Yes.
Q Is money from the State of Arkansas taxpayer money?
A Yes, sir.
Q Is SEAEDD money taxpayer money?
A SEAEDD? Some of it.

Q Where does SEAEDD get money other than from taxpayers?
A Fees for service.
Q You said you did not know about Lake Providence Louisiana Port; is that correct?
A Correct.
Q Okay. The State of Louisiana, is that taxpayer money?
A Yes.
Q The Delta Regional Authority Louisiana, is that taxpayer money?
A Yes.
Q The Delta Regional Authority Arkansas, is that taxpayer money?
A Yes.
Q All right. I think we have marked Document No. 3, which is the verified statement of Patrecia Hargrove that was submitted as part of the amended application in the feeder line case in this proceeding. Do you recognize this document?
(WHEREUPON, Exhibit 3 was marked for identification and is attached hereto.)
A Yes, sir.
Q Okay. And in Paragraph 1 on Page 1, you say, "I have personal knowledge of the facts stated herein." You see that?
A Yes, sir.
Q Is that correct?
A Yes, sir.

Q Okay. Again, I'm just trying to make sure I understand the terminology because it gets mixed sometimes. So at the very last sentence on Page 1, it says, Lake Providence Branch Line, and then it says ("the Line.") And then it says, Between Milepost 408.9 at McGehee, Arkansas, and the interchange with Kansas City Southern Rail Company in Tallulah, Louisiana. Do you see that sentence?

A Yes.

Q Okay. And so in your statement, when you use the words "the Line," and you capitalize the word "Line," you are referring to the line from McGehee to Tallulah, notwithstanding the fact that none of the line in Arkansas is part of this case. Am I reading that correct? Is that what this is supposed to indicate to the reader?

A Yes, sir.

Q Okay. So Paragraph 3 talks about the Line, capitalized. So that would be talking about parts of a rail line that are not part of this case at all; is that right? I mean, you use the word "the Line" --

A The line.

Q -- capitalized; right?

A The line.

Q So that refers to McGehee to Tallulah. Okay. I'm just --

A Uh-huh.

Q -- making sure I'm understanding --

A Yes.
Q -- reading your statement correctly. All right. So Paragraphs 4, at the very end, you use the word "the Line," capitalized. Again, you're not talking about the line in this case, you're talking about something from McGehee to Tallulah; is that right?
A Correct.
Q Okay. And so it may be about the segment in Arkansas -- or includes discussions about the segment in Arkansas because you used your defined term "the Line"; correct?
A Yes, sir.
Q Okay. So Paragraph 5 also uses the Line, capitalized. So again, same answer, that it is not specific to the rail line in this case, it includes rail lines in Arkansas; is that right?
A Correct.
Q Okay. Okay. In Paragraph 6, it starts with, "Recognizing the need to restore the tracks, I was asked to work with Wyly Gilfoil." So I'm just asking for clarification because it was passive voice. Who asked you to work with Wyly Gilfoil?
A Previous executive director.
Q Okay. And it goes on to say that, "Our efforts secured $6,349,537 of grant funds between 2012 and 2019." Are those $6 million included in the chart that you provided us of grant money?
A I think so. I think so, yes.

Q Okay.
A Yes.
Q Okay. All right, at the bottom of that, there's a sentence that begins one line up that says, "In addition, NLA was able to obtain financial assistance from its holding company and grant funds of $4 million." How do you know that NLA obtained financial assistance from its holding company?
A How do I know that? I don't recall how I know that.
Q You don't recall how you know that? At the beginning of your verified statement, you said that you have personal knowledge of everything in this statement. So how did you know that NLA obtained financial assistance from its holding company?
A Someone would have to tell me that.
Q Someone had to tell you that? Who told you that?
A For me to know that, that would had to come from NL&A.
Q Okay. Look at Paragraph 7, and this is the -- this is where lawyers get nervous, because words change.
A Uh-huh.
Q Okay, so you no longer use the Line, capitalized line, now you use the word "tracks." And so in Paragraph 7, it says, "News was released that the Wainwrights had sold the tracks to Continental Rail." Is -- do you mean the line from McGehee to Tallulah?
A I'm sorry, where are you?

Q The very first few words of Paragraph 7. "In mid-summer of 2015, news was released that the Wainwrights had sold the tracks to Continental Rail." And I'm wondering why you use the word "the tracks" instead of continuing to use the word "the line." Are you trying to indicate something different?
A That will have to be different.
Q I don't know. You tell me. If you don't know why, as you're sitting here, that's fine.
A Yeah.
Q Just tell me you --
A I don't --
Q -- don't know.
A Yeah, I don't know.
Q Okay. In Paragraph 8, this is just a passive voice thing again. It says, I was -- at the very -- next-to-last sentence says, "I was told that the meeting largely focused on the need to rebuild the entire line between Madison Parish Port and Lake Providence Parish Port." Who told you that? Would that be Mr. Bell?
A Mr. Bell.
Q Okay. And then if you turn the page to Page 5, still in Paragraph 8, you use the term, capitalized, "Lake Providence Branch." What is the Lake Providence Branch that you're referring to? Is that the line from McGehee to Tallulah, or is that the line from Lake Providence to Tallulah?

A I don't know.
Q Okay. And then at the bottom of -- the very last few words of that Paragraph 8, you use another term, the McGehee-Tallulah Railroad Corridor, "the Corridor." Is that different than the Line, as used earlier in your verified statement?
A Seems like the same.
Q Did you write this statement?
A I had assistance.
Q Who assisted you? You didn't write this statement yourself, did you?
MR. BRISTER: Object to the form.
Q Did you write this statement yourself?
A I had assistance.
Q Who assisted you?
A My attorney.
Q You didn't write this yourself, did you?
MR. BRISTER: Object to the form.
Q Did you write this yourself?
A I did not write this myself.
Q So do you have personal knowledge of everything in this statement?
A I have knowledge of the information -- some of the information in this statement.
Q Did you say some of the information in this statement?

I'm just trying -- I didn't hear you.
A I have knowledge of the information in this statement.
Q All of it?
MR. STREETER: Yes.
Q All of it? You're under oath. All of it?
A Some of it.
Q But not all of it; correct?
A I had a lot of assistance writing this information.
Q Yeah. So how do I know which parts of this statement you actually know and which parts somebody else wrote for you?
MR. BRISTER: Object to the form.
Q You may answer. Can an objective reader know which parts you have personal knowledge of and which you don't?
MR. STREETER: Objection. There's no way she would know the answer to that.
Q You may answer.
A I do have knowledge of a lot of the information in here, and I had assistance in putting this documentation together.
Q So if the staff who's going to read this and the members of the Surface Transportation Board who are going to decide this case read this statement, how do they know which parts you have personal knowledge of? They can't tell; right?
MR. BRISTER: Object to the form.
Q I mean, she -- well, please answer my question.
A Correct.

Q Okay. Can you name the customers on the line from Lake Providence Port to Tallulah, Louisiana, that Southeast Arkansas Economic Development District has testified, under oath, may not be receiving adequate service?
A I cannot.
Q Can you name any customers who seek to ship between Lake Providence Port and Tallulah, Louisiana, that have not received adequate service from Delta Southern Railroad?
A I cannot.
Q Okay. Look at Paragraph 29 of your verified statement. That was the only place I could find you mention any customer. And you mentioned two. One is MD Power, and the other is ATM Gloves, right in the middle of Paragraph 29. So my first question is, who is MD Power? Or what is MD Power?
A MD Power is a, what do they call it, a factory that would take tires -- or was it trash? And through this technology of heating the material, the residual can be used for the hardening of concrete. They can use that and sell it off as well as turning the steam into energy.
Q Okay. And where are they located?
A I think Kansas.
Q Okay. The verified statement that you signed was --
A I think it's Kansas.
Q -- executed on the 9th day of December 2022. So we're about three years later. Where is this MD Power plant that was

recently attracted between Lake Providence and McGehee?
A It did not come to fruition.
Q Okay. What is ATM Gloves?
A It is a glove manufacturing company that was going to partner with MD Power to buy their energy to do their -- operate their company.
Q Were they going to be located in the same place as MD Power between Lake Providence and McGehee?
A Yes, they would have been in the same location.
Q And did that come to fruition?
A No, it did not.
Q So neither of these two materialized into real projects?
A Correct.
Q Why didn't they materialize?
A MD Power, evidently, was having some regulatory issues with the State.
Q So neither one had anything to -- the failure of either one to materialize had nothing to do with rail service?
A Correct.
MR. SCHEIB: We've been going about an hour and 40 minutes. Do you want to take a break?
MR. BRISTER: Yeah, that's fine.
(WHEREUPON, after a break was taken, the proceedings were resumed as follows, to-wit:)
Q (Mr. Scheib continuing) All right. Can you tell me --

well, actually, let me ask this: What is the origin story of the INFRA Grant?

A The INFRA Grant, like our other grants that we apply for, was an attempt to do a major renovation of the rail from McGehee to Tallulah.

Q Do you know who had the original idea?

A The first time I heard of a -- and it wasn't called INFRA, it was called Tiger --

Q Uh-huh.

A -- was from Glenn Bell, previous executive director.

Q Okay. Do you remember the scope of the application?

A The original?

Q The -- as filed. Well, let me ask this: What do you mean by "original"?

A We submitted an INFRA -- I'm sorry. I have a cheat sheet, and you're more than welcome to get a copy of --

Q Yeah.

A -- this.

Q I want a copy of that.

A Back in 2017, and the goal was to renovate the line from McGehee to Tallulah. That was the original request, and the total amount requested was 29 million.

Q It was 29 million, okay. And was that grant application accepted?

A Awarded?

Q Awarded.
A Sorry. Awarded? No, that one was not awarded.
Q Okay. That one was declined by the Federal Railroad Administration?
A Correct. It was -- it just was not awarded.
Q Not awarded, okay.
A Yes.
Q I don't know grant terminology, so --
A Yes.
Q -- feel free to correct me. Okay, it was not awarded. I'm going to give you this exhibit, which is the --

MR. SCHEIB: Richard, it's Exhibit B to the amended application, the 2019-2020 INFRA Grant Application.

(WHEREUPON, Exhibit 4 was marked for identification and is attached hereto.)

MR. BRISTER: And this is Exhibit 4?

MR. SCHEIB: And we've marked it as Exhibit 4. Thank you, Mr. Brister.

Q (Mr. Scheib continuing) Okay, let's -- I know you're very familiar with this grant. It's quite a package. How long did it take you to prepare this? Or SEAEDD to prepare this? How long did it take SEAEDD to prepare this?
A We hired a grant writer.
Q Oh, okay. Who did you hire?

A HDR Engineering.
Q And did HDR Engineering submit this grant application, or did SEAEDD submit this grant application to the Federal Railroad Administration?
A SEAEDD submitted the grant application.
Q Okay. So is it -- is a grant application like this signed by someone from SEAEDD?
A It is automatically signed through our grants.gov portal when submitted.
Q And what does that signature represent?
A The authorized signature of the proposal and the authorized signatory official who, if funded, would sign off on the agreement.
Q And does the signature represent that everything in the grant application is true and correct?
A Correct.
Q And does the signature also represent that all applicable federal laws have been complied with?
A In the application, they understand it is a proposal. This is the proposed request from the funder.
Q Okay. And can the proposal be changed after it's submitted?
A The proposal can be changed after it's submitted based on the funder's ability or their will.
Q Okay. Can it be changed because the awarded amount is

less than the requested amount?
A Correct.
Q And when does the scope of the project become final?
A The scope of the project, based on the grant agreement -- the scope of the project, as amended, if necessary, is the one that is included in the grant agreement when it's signed. However, a project can be amended and modified if request is made to the funder and justified and the funder agrees.
Q Okay. And that's some funky term called, like, a GAFR or something? G-A-F-R or something? Is that what is referred to as the amendment process?
A The GARF.
Q GARF. G-A-R --
A Oh, I had to think about that.
Q GARF. Okay.
A Yes.
Q GARF.
A The GARF.
Q I saw that in the documents. I don't -- I'm not a grants person.
A Uh-huh.
Q I just -- when I saw GARF, that was like a term that's like -- I thought it was off the show *Alf* or something.
A Yeah, they all have different names.
Q Okay. On the first substantive page of the application,

it looks like this is a bit of a summary, maybe. Am I reading that correctly?

A That's correct.

Q Okay. So help me understand the Project Costs, as shown here. What am I -- what are we looking at under Project Costs?

A Project Costs, the first line is the actual amount we're requesting from INFRA through USDOT FRA, which is the -- in the application, we are requesting, from INFRA, 25,689,421.

Q Okay. And then if we go down, there's another line that has a dollar figure. It says, "Estimated Non-Federal Funding." What is non-federal funding?

A These are funds that are being committed to the project that are not -- not have a federal designation, state funding or local.

Q And can it also, in addition to state and local funding, include private money from a private enterprise?

A Correct.

Q Okay. Future Eligible Project Costs is the next line. It appears to be the sum of the INFRA request amount and the non-federal funding. Am I reading that correctly? That's just the two of them combined?

A Correct. That's what it looks like, yes.

Q Okay. And is the proper way to read this grant that the applicant believes that $45 million is necessary to complete the project, as scoped in the application?

A Correct.
Q All right. The next line is Previously Incurred Project Costs, which is $14.4 million. What does it mean, "Previously Incurred Project Costs"?
A Sometimes in projects, you will have done work already on the proposed project, so you can use those costs to show, if they allow you to.
Q So are those funds that get deducted from the non-federal funding, or is that just funds previously spent?
A Funds previously spent.
Q Okay. And so that gets us to the next line, which reads, "Total Project Cost of $59.4 million." And that appears to be the sum of the Future Eligible Project Costs plus the Previously Incurred Project Cost; is that correct?
A Correct.
Q And so is this representing that it's estimated to take $59.4 million to do the work on the rail line from McGehee to Tallulah, as scoped by the applicant?
A This is saying to get the project to the end of what the scope is, that's the amount it would take to do -- to do that.
Q Okay. Yeah, okay, got it. Okay. Let's -- if you'll turn to page -- what's Page 13 of the grant application. It's in the bottom right-hand corner. There's a Table 3 --
A Right.
Q -- at the bottom of that page. And again, I'm just trying

to make sure I understand the application. This table is entitled "Previously Incurred Project Costs," and that appears to be a breakdown of what we saw on the first page of the $14.4 million that was spent; is that right?

A Yes.

Q Okay. And so, as of the date of this application, $14.4 million had been spent on the rail line in the ways shown in Table 3?

A Correct.

Q Okay, got it. Now, if you turn the page to 14, there's Table 4, and Table 4 rolls over onto Page 15. And Table 4 shows four segments: a Segment A that's NLA, a Segment B that is SEAEDD, a Segment C that is LPPC, and a Segment D that is Delta Southern Railroad. So focusing just on the NLA table for Segment A for a moment, and again, I'm just trying to learn how to read the grant.

MR. STREETER: John, may I interrupt, please? It also includes Madison Parish Port, Segment D. It's not just Delta Southern.

MR. SCHEIB: Fine. It reads, "Segment D, DSR including Madison Parish Port."

MR. STREETER: Thank you.

Q (Mr. Scheib continuing) Segment A, which is NLA including Yellow Bend Port, it has two columns. The first column is Component. What does the Component column show?

A The Component column gives a word detail of each of the items that correlates with a cost estimate.
Q Okay. And just so that I -- let's just take one as an example. The first one in the Segment A part of the table is Rail Infrastructure Rehabilitation Class 2. Do you know what Class 2 is?
A Yes, I've heard it.
Q Okay.
A Yes.
Q What is that?
A That is a FRA standard.
Q Okay. So Rail Infrastructure Rehabilitation Class 2, and the estimate in the grant application submitted to the Federal Railroad Administration is $5,543,167. Is that how I'm supposed to read the table?
A Correct.
Q Okay. What's the Project Development 4 Percent at the bottom? Is that just a contingency factor?
A No. The project development -- let me look at the total. That Project Development, I believe, is a combination of engineering and project administration.
Q Okay. How much money did the grant application say was needed for Segment A in total?
A Segment A, according to the chart, 12,127,755.
Q Okay. And how much total was needed for Segment B, which

is the SEAEDD segment?
A $2,870,405.
Q And how much was estimated for Segment C, which was the Lake Providence Port Commission including Lake Providence Port segment?
A Segment C, 8,407,541.
Q And how much was estimated for Segment D, the DSR including Madison Parish Port segment?
A 21,598,720.
Q Okay. And the combination of those four -- am I correct that the combination of those four is what's shown there as the Total Future Eligible Cost of Segment A to D of $45,004,421?
A Yes, sir.
Q Okay. What is the match requirement for an INFRA Grant?
A For a rural area, I don't think there was a match requirement. Because you're rural. I have some applications that go in with zero, but you're more competitive with one.
Q Did SEAEDD propose a non-federal match for this project?
A We did have a non-federal match included in the application.
Q And is that -- that's what's referred to as the Estimated Non-Federal Funding?
A Correct.
Q On Table 5 on Page 15, let's look at that. What is Table 5 showing?

A Table 5 is showing the public and private funding match source amounts.
Q What was Delta Southern's share of the public/private funding match, as shown in Table 5?
A According to Table 5, Delta Southern is not showing a public/private match.
Q So Delta Southern had not committed any public/private match; is that correct?
A According to Table 5, no.
Q And Table 5 was submitted over your signature; correct?
A Correct.
Q Let's turn to Page 19, which is Table 8. This shows the benefit estimates by benefit category. Can you tell me how to read Table 8?
A Based on the information in the application, Table 8 is a summary of the cost-benefit analysis that was performed by the grant writer and their economists.
Q And just to be clear, Table 8 is only the benefits; correct? In other words --
A Correct.
Q -- you said cost benefit, but this is only the benefit portion, if I'm reading it correctly?
A The cost-benefit analysis --
Q Okay.
A -- correct.

Q And Table 8 is benefits only, not the cost; is that right?

MR. STREETER: Yes.

A Benefits category.

Q So it's the benefits only; right?

A Correct.

Q Okay. The first benefit is the Shipper Cost Savings from Truck-to-Rail Diversion. What does that mean?

A I don't know. I didn't create the table.

Q Okay. How was the shipper cost savings from truck-to-rail diversion calculated?

A This was created by the economists of the grant writer.

Q So it was prepared by HDR Engineering on behalf of SEAEDD?

A Correct.

Q And you signed the application?

A Correct.

Q But you don't know how the benefits were calculated?

A Correct.

Q Did you talk to rail customers?

A I did not.

Q How do you know that there would be any benefits from the rail line if you didn't talk to customers?

A I don't talk to customers on -- concerning this. I did not create the table.

Q You signed your name to the federal government that what's in here is true and correct, and you can't tell me how the

diversion analysis was done?
A We paid a company to do the economics on the cost-benefit analysis. I'm not an economist. I can't --
Q Does SEAEDD --
A -- do that.
Q -- have documents that show how the calculation was done?
A I do not.
Q Does SEAEDD have documents that show that the consulting firm talked to any customers?
A I don't recall.
Q Is this a "build-it-and-they-might-come project"? You haven't talked to any customers. You can't tell me who the engineering firm talked to. You can't show me any customers that want to ship by rail. Is this a *Field of Dreams* "build-it-and-they-might-come project"?
MR. BRISTER: Object to the form of that.
A No, sir.
Q So who are the customers that are going to use this rail line and generate $62 million in diversion benefits? Name one.
A I don't talk to the customers, so --
Q So you don't know?
A Our portion in this project is as the grants administrator and the one that apply for the funds. We only do one portion of the entire project. And then our partnership handle other portions of the project.

Q Who submitted the application?
A Southeast Economic Development District.
Q And Southeast Economic Development District has to stand by everything in that application; correct?
A Correct.
Q But Southeast Economic Development -- Southeast Arkansas Economic Development District can't tell us anything about these customers who are going to save from truck-to-rail diversions?
A But our partners can.
Q Who, specifically?
A NL&A talked to shippers.
Q So NL&A has the information on which shippers would use this rail line?
A And Lake Providence Port talked to people about shipping, but SEAEDD does not.
Q How do you know Lake Providence Port Commission talked to people about shipping?
A They have customers at the port.
Q Do you know that they talked to anybody about shipping on this rail line?
A I assume they talked to their customers. Because they have customers in the port.
Q You assume. Do you know?
A I assume that they talked to their customers. Because

they have customers in their port.
Q Do you know if they talked to customers to get the -- this calculation of the estimated savings from truck-to-rail diversion?
A I assume that they did.
Q Do you know?
A No, I don't.
Q On -- let's look at Page 21. Criterion No. 2 is Leveraging of Federal Funding. The first discussion is of the Louisiana Port Construction and Development Program, and the first sentence says, "Two Louisiana ports are eligible recipients of the Louisiana Department of Transportation and Development's Port Construction and Development Priority Program." Which two ports?
A Lake Providence Port and Madison Parish Port.
Q Okay. And it's really hard to see. It's, like, the italicized piece at the bottom there that says, "Madison Parish Port and the 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." Can you make that out?
A Yes, I can.
Q Okay. I apologize that that's just the way the copy came out. As the grant administrator, do you have to report the non-federal matching funds on an ongoing basis as they are spent?

A I'm sorry, report them to --
Q The Federal Railroad -- do you have to report to the Federal Railroad Administration the non-federal matching funds, either as you -- as they are obtained or as they are spent?
A We do report. We keep track of it, and we can reconcile what they have spent.
Q Okay. Do you know, then, because you do that reporting, whether the Madison Parish Port obtained one of these Port Construction and Development Priority Program grants?
A Yes, they did.
Q Do you know when they obtained that grant?
A I don't remember.
Q Has that grant money been spent on the rail line from Lake Providence to Tallulah?
A It has not.
Q Has it been spent on the rail line from McGehee to Lake Providence?
A It has not.
Q Okay. Did the Port of Lake Providence obtain a Port Construction and Development Priority Program Grant?
A Yes.
Q Has that money been spent on the rail line from McGehee to Lake Providence Port?
A Some of that money has been spent.
Q Do you know how much money they were awarded in the Port

Construction and Development Priority Program Grant?
A I can't remember their portion.
Q That's fine. I'll talk to them --
A Okay.
Q -- tomorrow about it. Let's look at Exhibit A to the amended application in the feeder line case that was provided as Exhibit A. My understanding is this is the USDOT Grant Agreement dated August 2019. Take a minute to look at it, and let me know when you're ready. You ready?
(WHEREUPON, Exhibit 5 was marked for identification and is attached hereto.)
A Yes.
Q Oh, okay. Great, great, great. I'm going to assume that you're pretty familiar with this since you have to administer the grant; is that a fair assumption?
A That is fair.
Q Yeah. I'll bet you've lived with this for, well, almost six years; right?
A Yeah, it's kind of --
Q Yeah.
A -- standard, yeah.
Q Yeah. It's a pretty detailed document. And I've just got some questions to help me sort of get my bearing. The first is -- this is the way it was attached to the amended application. And I don't think I see a signature page. Is

there a signature page that's supposed to be with this document?

A No, not this particular document.

Q Okay. So was this document ever executed between the Federal Railroad Administration and SEAEDD?

A This document right here that you presented is just the terms and conditions of the grant agreement. This is not the document that is executed.

Q Okay. So there's a separate document that is the grant agreement itself?

A Correct.

Q What would that document look like?

A It would look like a cover page with the dollar amounts of the exact amount granted, with the total amount of the match, total amount of the project, with signature pages that will be signed by the grantee and then someone from the FRA, USDOT.

Q Okay. And is it correct that all these would be attachments to that cover page or cover pages?

A Correct.

Q Okay. Is that cover page one page, or two pages, or three pages?

A Can't remember if it's multiple pages. But the signature is on it.

Q Okay. I don't think that that was submitted, ironically, that the actual agreement was submitted. Okay. You were

helping me understand the process earlier. The grant application goes from SEAEDD to the Federal Railroad Administration, and that's what we looked at a minute ago; is that right?

A Correct.

Q Okay. And that was Exhibit --

A 4.

Q -- 4. Okay. How did SEAEDD get notified that the Federal Railroad Administration was interested in working together on an actual grant?

A We received a, I think it was a phone call, and we also received an email.

Q Do you remember who the email was from?

A Yes. It was from FRA. His last name starts with a B, I'm sorry.

Q Would it have been a Paul Baumer?

A There you go, Paul Baumer.

Q What did Mr. Baumer say?

A Basically, they wanted to fund the project, but they didn't have the entire request of the 25-million figure that we asked for.

Q When -- what would have been the about -- strike that. When would that have occurred?

A July of 2019.

Q July of 2019?

A Ish.
Q All right. I've handed you Exhibit 6, which has got a cover page: Attachment No. 2, July 10th, 2019, from Paul Baumer, B-A-U-M-E-R, email to Hargrove to commit to reduced grant funding. If you look at the second page of that document, that's where the actual email begins. And in the middle of the page, there's an email that begins with, "Good afternoon, Paul." Who's the author of that email?
(WHEREUPON, Exhibit 6 was marked for identification and is attached hereto.)
A That was me. And it was also reviewed by the members.
Q Okay. The email is just from you; right?
A But the email is from me.
Q And is that because you're the grant administrator?
A Correct.
Q Uh-huh. What was the amount of money that FRA actually offered to SEAEDD as the grant administrator?
A As the grant administrator? In the grant, I think it was 180,000 total as the grant administrator.
Q I'm sorry. Not -- let me try that again. What's the total amount that FRA offered in response to the INFRA Grant Application submitted by SEAEDD?
A The award amount?
Q The award amount.
A Okay. I'm sorry. Okay.

Q Again, you're helping me with grant --
A Yeah.
Q -- terms. What was the award amount offered by the FRA to SEAEDD?
A $10,516,259.
Q And how big a reduction is that from the amount originally requested?
A 15 million.
Q And the first sentence is -- you say, is on behalf of SEAEDD and its partners, who would accept that reduced amount. The next sentence says, "The priority for SEAEDD is to rehabilitate the entire rail corridor, which is estimated at $18.6 million." Was it the priority of all the partners to rehabilitate the entire corridor, given that substantially reduced amount of money?
A It is the priority of the entire -- the group to do that.
Q Was it Delta Southern's priority?
A They were part of this as well. And they agreed to the language.
Q Let's look back at the grant application, because I'm confused. The grant application, which is Exhibit 4, says that the total project cost would be $59.4 million.
A I'm sorry?
Q Yes.
A Say that again.

Q Exhibit 4, which is the grant application --
A Uh-huh.
Q -- on the very first page, Total Project Cost is $59 million. You see that?
A Uh-huh.
Q And that is --
A Yes, sir.
Q That's to restore the entire corridor; right?
A Total project costs with the previously incurred cost.
Q Right. $59 million. If we want to look at it differently, the Future Eligible Project Cost, which is the sum of the INFRA Request plus the Non-Federal Funding, is $45 million; correct?
A Correct.
Q How did you come up with an estimated cost to do all that work for only $18.6 million?
A I cannot remember the specifics. But at the time, with the assistance of the engineer and the understanding of the reduction, that is the amount that was -- they calculated, the total calculated. And I can't remember how that came to be, but that was an agreed-upon amount.
Q So the group was going to do the exact same work that they had only months before estimated was going cost $45 million for $18 million?
A No, sir. There were different components that had to come

out.
Q There were --
A I know that.
Q -- components that had to come out? What had to come out?
A I don't remember what those were. I don't remember.
Q So could the entire rail corridor be restored to Class 2 status on only $18 million?
A The 18.6-million figure was calculated. I cannot remember how that was calculated, but I do know that there were many components in the project that had to be -- that had to come out of the project. There had to be major reductions in the project to get down to that amount. And I don't remember what those things were.
Q Were some of those reductions going to be on Segment D, which was the Delta Southern Railroad segment?
A I believe so.
Q So the scope that people originally talked about had to change?
A Correct.
Q Did Delta Southern engage in a conversation about how that needed to change?
A Yes.
Q Was their proposal accepted?
A The change in that? Explain what you mean, when was their proposal.

Q Sure. You said that there had to be changes, including to the Delta Southern Railroad Segment D, if I understood you correctly. Did I hear you correctly?
A Correct.
Q Yes. I'm asking, did Delta Southern Railroad propose changes in light of the fact that there was a substantially reduced amount of INFRA Grant awarded?
A At the time of this email, all partners were in agreement with the proposal and that amount.
Q And what was proposed to change on the Delta Southern Segment D?
A I cannot remember the specifics.
Q Is it -- if you look at Exhibit 4 again, Page 15, which is Table 4, just look at the Segment D part. The estimated cost for Segment D for Delta Southern was $20,768,000. Was the total amount awarded in the INFRA Grant more or less than just Segment D?
A It was less than just Segment D.
Q And look at Segment A. Was the total amount awarded in the INFRA Grant more or less than just Segment A?
A It was less than just Segment A.
Q Which projects in Segment A were put on the cutting room floor because of the substantially reduced INFRA Grant award?
A Off the top of my head, the first things that were pulled out was the Right-Of-Way Acquisition and the Yellow Bend Port

Environmental.

Q All right. So that gets you $335,000. What else was cut?

A And like I said, that's off the top of my head. I can't remember all the specifics.

Q Do you recall anything that was cut from Segment B?

A Yes. The Eudora Siding and the Big River Loading.

Q Uh-huh. Do you recall anything from Segment C that got put on the cutting room floor because of the substantially reduced INFRA Grant award?

A I cannot.

Q Can you remember anything specifically from Segment D that hit the cutting room floor because of the substantially reduced INFRA Grant award?

A I cannot.

Q If you add up -- let me ask this. In both segments -- or in all of Segments A, B, C, and D, the first entry is Rail Infrastructure Rehabilitation to Class 2 Status; is that correct?

A Correct.

Q If you add up the costs for just those four elements, do you have a sense of what that is?

A It's more than 20 million.

Q More than 20 million. Was the grant awarded more or less than that?

A The grant award was less than that.

Q All right. I've just handed you Document 7. And does it look like to you that there was an attachment to this email?

(WHEREUPON, Exhibit 7 was marked for identification and is attached hereto.)

A Yes, sir.

Q What would that attachment have been?

A The Consortium Agreement Final --

Q Final.

A -- Draft.

Q Uh-huh. Is Delta Southern Railroad copied on that email?

A I don't see their name on here.

MR. STREETER: John, what document are you referring to now?

MR. SCHEIB: Sorry, Richard. There's no Bates number on it.

MR. STREETER: Well, what is it?

MR. SCHEIB: It's an email from Ms. Hargrove to a whole bunch of people that has an attachment of a Consortium Agreement Final Draft, redline, 11/12/20.

MR. STREETER: Oh, okay. All right.

Q (Mr. Scheib continuing) So this is Document No. 8, and it is a July 30th, 2020, email forwarding a consortium agreement. Does the consortium agreement look familiar to you?

(WHEREUPON, Exhibit 8 was marked for identification and is attached hereto.)

A Yes, sir.
Q Uh-huh. At this time, on July 30th, Delta Southern Railroad is listed in the first paragraph of the Consortium Agreement as a member of the consortium. Do you see that and agree?
A Yes, sir.
Q Did Delta Southern ultimately sign a consortium agreement?
A No, sir.
Q Did Delta Southern ever sign any agreement with SEAEDD related to the INFRA Grant?
A No, sir.
Q Are you aware that Section 22905 of Title 49 requires a party making a grant application that involves a railroad to have a written agreement with the railroad?
A And this is why we did this consortium agreement.
Q And did Delta Southern ever sign a consortium agreement?
A No, they did not.
Q Did they ever sign any agreement at all with Southeast Arkansas Economic Development District?
A No, they did not.
Q So were they obligated to do anything with Southeast Arkansas Economic Development District?
A No, they were not.
Q Okay. I want to go back to the grant agreement, which was Document No. 5. Okay. After you got the email from Mr.

Baumer advising that the grant award that would be offered would be substantially less than the amount requested in the INFRA Grant, was there any conversation between SEAEDD and the U.S. Department of Transportation about the terms of the grant agreement?

A Yes, sir.

Q What were those conversations about?

A Those conversations, at that time, was about us changing the scope of the work to fit in with the grant agreement since it was a reduction in the funding that was requested.

Q Did SEAEDD represent to the Federal Railroad Administration that it could rehab the entire line from McGehee to Tallulah on the reduced amount of money that was awarded?

A Yes. We could do it, to the best of our ability.

Q Now, again, let's go back to Document No. 4. The grant application --

A Uh-huh.

Q -- says just for doing the upgrades to Class 2 track for Segments A, B, C, and D would cost more money than was provided in the grant award. So did SEAEDD represent to the Federal Railroad Administration that it could improve the rail line to Class 2 status on the reduced amount that was awarded?

A We would, with the change in scope, make those changes to the project, and this is what we could do.

Q Where is the change of scope shown in the grant agreement?

A It was part of the -- it was part of the -- it's not in this agreement, in this attachment. But it was a part of the grant document.

Q So if you'll turn toward the back of the document, there's an Attachment 4. It's three pages from the back of Document No. 8, which is the USDOT Grant Agreement, August 2019.

A I'm sorry, what's that page again?

Q It's three pages from the back. The -- each attachment seems to have some wonky numbering, so --

A Yes.

Q Attachment 4? Yeah, yeah, okay. So the total estimated cost of the project is listed at $21 million. What changed since your email exchange with Mr. Baumer that estimated that the total cost of the project was $18 million?

A When this email was submitted to Mr. Baumer, it was a day or two after we found out about the reduced amount. So this was done quickly. They put together the grant agreement document. This was after months of calculations and back and forth between the consortium group and FRA to come up with the specifics of what the project was going to be at the reduced amount.

Q And on the very -- the page -- it's Page 13, so it may be two behind the one you're looking at. I just want to understand how to read this table. Is the Federal Contribution line the amount of the anticipated INFRA Grant award of

$10,516,259?
A Correct.
Q And is the non-federal contribution of $10,861,267 the amount of state, local, and private funds that were committed to the project by SEAEDD?
A And its partners, correct.
Q Well, I know you want to say they're partners, but SEAEDD's the one who signed the document and represented things to the FRA; right?
A Correct.
Q Okay. So is this SEAEDD's representation of what the state, local, and private funds will be as a match to the federal funds?
A Correct.
Q All right. Look at Page 5 of the -- well, it's the page marked Page 5 of the Exhibit No. 8. Look at, well, Section 4, which is headed "Grantee Responsibility and Authority." Do you see that?
A Yes, sir.
Q What's the first sentence say?
A "The grantee affirms that it has -- 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."
Q Did SEAEDD have legal authority to do anything with

respect to the rail line from Lake Providence to Tallulah that's owned by Delta Southern Railroad?
A From Lake Providence?
Q From Lake Providence to Tallulah, the rail line owned by Delta Southern Railroad. Did SEAEDD have any legal authority whatsoever to make any representations about that rail line?
A In this grant agreement, when it was signed, Delta Southern was not a part of that project.
Q So did SEAEDD have any legal authority to make any representations about Delta Southern?
A No.
Q If you look at the Page No. 9 of that exhibit, and I'm looking at Section 12, which is entitled the "Right of FRA to Terminate." What does No. 3 say?
A "Grantee fails to provide a non-federal contribution."
Q Do you know how much of the non-federal contribution, which we just said was shown on the last page of the exhibit to be $10,861,267, has been provided so far by SEAEDD or its partners?
A How much of the total non-federal contribution had been provided? I don't know that number off the top of my head.
Q Do you have a sense of what the range might be?
A It's more than 10 million.
Q The partners have provided more than 10 million in non-federal funds?

A Yes, sir.
Q On Page 15, it's the carryover of Section 21 about payments. And I'm looking specifically at ii. What does that say?
A "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."
Q I don't do grants for a living. You administer grants. What does that mean?
A "Cannot request more or obtain any federal contribution that is more than the amount justified and has been provided." So we can't go over the amount that has been provided. Like, we can't request more federal funds than is available. And same thing with justifying the non-federal contribution that has been provided. It was available, yes.
Q In administering a grant like this, is it that the federal funds are supposed to be matched with non-federal funds simultaneously, or can you spend all the federal funds and later spend matching money?
A It depends on the funder. Depending on where you are in the project and with funder approval, you can -- I've seen it where you can utilize the federal money and then come back and use the non-federal money, or you can get all the non-federal money first and come back and adjust with the federal. As long as at the end of the project you haven't went over on your

federal allocation, and you have at least set your -- hit your minimum on the non-federal contribution.

Q And do you know how it works on the INFRA Grant?

A For our INFRA Grant, they have worked with us where we were utilizing the federal funds at the beginning, and we came in on the back end and started using the non-federal funds.

Q Okay. And the Federal Railroad Administration approved that way of spending the money?

A Correct.

Q If you'll flip to Attachment 2, and I don't have a better way than to say maybe two-thirds of the way back. It's --

A There's not a number at the bottom?

Q Well, there's not -- but not on Page 1 --

A Right.

Q -- of Attachment 2, but Page 2 of Attachment 2 says No. 2. All right. What is a statement of work in a grant agreement?

A Statement of work basically gives the detail of the project that you are proposing to do.

Q Okay. What does this statement of work say the SEAEDD, as applicant, and FRA, as grantee -- let me rephrase that. What does it say SEAEDD as awardee and FRA as the grantor agree is the scope of work?

A This Attachment 2 just give the basic narrative of their requirements for the Attachment 2. Our Attachment 2 looked a -- hold on. Let me see if it's in here. Oh, it's in here,

in the deliverables of the project.

Q Well, let's start this way.

A Uh-huh.

Q Maybe we can narrow it down a little bit. In Section 2, which is entitled "Background," it has an initial sentence. And maybe if you could read that sentence into the record, that would get us started. So could you read that, please?

A Section 2, background --

Q Starts with "this agreement." Yep.

A Oh, first sentence.

Q Yeah.

A Okay. "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 the $10,861,267 in matching funds, will fund the partial redevelopment of a multi-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 task below, the project, which is located along a 91.3 mile continuous short rail -- 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."
Q So my question is, why is the word "partial" in there? It says it will fund the partial --
A It will fund --
Q -- redevelopment.
A -- the partial --
Q Does that mean it was going to fund the entire project?
A I don't want to assume, but I don't know.
Q Yeah. I guess I'm wondering if, in part, it's because the original estimate for just doing the Class 2 upgrades for Segments A, B, C, and D was larger than the INFRA Grant if it had to say partial, because you couldn't upgrade the entire corridor to Class 2 standards on that amount of money. Would that be right?
A I could agree with that.
Q On the next page, under Objective, Section 3, Objective, the first part says, "The objective of the project is to upgrade the corridor and its connecting branch lines to two ports to improve rail operations, etc." I notice it doesn't say to upgrade the entire corridor, does it?
A Correct.
Q Would you look back at your verified statement, which we marked earlier as Exhibit 3. And if you would, turn to Page 8 and look at Paragraph 12. Now, we already established that you didn't write this verified statement. So look at page -- the

third sentence of Paragraph 12, and it says, "The primary goal, which was shared by all, involved the rehabilitation of the entire rail corridor." And you put the word "entire" in italics. Why did you represent to the Surface Transportation Board that it was to rehabilitate the entire rail corridor when the grant agreement says otherwise?

A I don't know. But I know it was a goal. It was something we wanted to achieve.

Q But was it something --

A It was a goal.

Q Was it something that you could achieve after receiving the award that was substantially less than the amount applied for in the INFRA Grant Application?

A Could you say that again? I'm sorry.

Q Was it something that could be achieved on the lower amount awarded compared to the amount requested in the INFRA Grant Application?

A It was something we did want to achieve at that amount.

Q Now, we just looked at the amounts in Segment A, B, C, and D in the grant application to restore the corridor to Class 2, and it's larger than the amount awarded in the INFRA Grant. So how could you represent to the Surface Transportation Board that the goal was to restore the entire corridor under the INFRA Grant? Is it a true statement?

MR. STREETER: Yes.

MR. SCHEIB: Richard, stop talking. She can do the math.

A It was our goal to rehabilitate that line.

Q Did that goal have to --

A The amount --

Q -- change on the reduced amount of funding?

A The goal to rehabilitate the line or the amount of the funding it would take to rehabilitate the line?

Q Your verified statement is almost exclusively about this INFRA Grant. So I'm asking you, when you told the Surface Transportation Board that we are going to rehabilitate the entire rail corridor on that substantially reduced amount of money that is less than just the line items to restore Segments A, B, C, and D to Class 2 status, is that a true statement?

A For the entire corridor?

Q I mean, you put the word "entire" --

A Yeah.

Q -- in italics. It's not true, is it?

MR. BRISTER: Object to the --

A It was a --

MR. BRISTER: -- form.

A -- goal.

MR. BRISTER: Go ahead. You can answer.

A It was a goal to rehabilitate the entire corridor. The amount --

Q All right. Let's look at Paragraph 13, the very last sentence of Paragraph 13, which gets more specific, not about the goal, but about the dollar amount.
A Okay.
Q It says, "On July 18th, 2019, SEAEDD received an email notice that USDOT 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*." On the amount awarded, was it possible to rehabilitate the entire corridor?
A To be used toward the rehabilitation of the entire corridor.
Q But you couldn't do it under the INFRA Grant, could you?
A Not the entire corridor. But can use towards the rehabilitation of the entire corridor.
Q So after you got the reduced amount, did DSRR come back with a proposal to modify what needed to be done on Segment D?
A They did bring an amount, and I cannot remember what that was, but their amount -- no, I think it was $7 million. I think the amount was 7 million. I can't remember.
Q Uh-huh.
A But something was presented.
Q It was. And did the consortium accept their proposal, their idea?
A The group did not. Because it was only for a small

section of their total.
Q Uh-huh. Why doesn't it make sense to only do a segment when you don't have all the money to do the entire corridor? Don't you, by definition, have to do only a segment?
A When we received the notice for the reduced amount, based on how much funds we had available, the goal was to open up the line in its entirety, to the best of our ability, while seeking other funding. But the amount -- the proposal that Delta Southern submitted was for a portion of the line and not -- that will not allow for the opening up of their entire section.
Q If you look at Page 11 of your verified statement, you talk about someone named Ms. M-A-G-I-E-R-A, Magiera. Who's Ms. Magiera?
A She works for HDR. I'm sorry, what page are you on?
Q Page 11.
A Yes, yes.
Q About the last paragraph of that page looks to be some sort of comments from Ms. Magiera. Do you remember what these comments are that you're referring to in your verified statement?
A I may vaguely remember this.
MR. SCHEIB: And I'm sorry, Court Reporter, it's been a little while. Can you remind me what my question was?
THE WITNESS: Yeah.

(court reporter read back previous question)
Q (Mr. Scheib continuing) Okay, the question was, do you recall what Ms. Magiera is discussing in this paragraph that's in your verified statement?
A Yes, I do remember some of this.
Q Okay. Did you write this part of your verified statement?
A This part? No. This looked like it was taken from something, an insert.
Q Okay. So there was a -- there's a document somewhere that has this in it, maybe?
A Yeah, this is -- responds to --
Q Maybe on --
A This was --
Q -- page 10 --
A -- Ms. --
Q -- the email that's referenced on Page 10 from December 4th, 2019?
A Yes.
Q Okay.
A This looks like an insert.
Q Okay. What is -- what does Ms. Magiera mean when she says 2.5 million for rail infrastructure and rehab in Segment D was the amount of the INFRA Grant award?
A It looks like, based on the reduced amount -- no, I don't remember.

Q Okay.
A 2.5.
Q Let's do this. If you would, for the record, would you read the first sentence of Ms. -- after her name, after Ms. Magiera's name? What does that sentence say? And just read it out loud --
A Yeah.
Q -- for the record.
A "The current INFRA Build Grant" --
Q We're reading in a different place. I'm looking at where Ms. --
A I'm sorry.
Q -- Magiera speaks at the bottom of the page, and it says, "The awarded INFRA Grant."
A Oh, okay. I'm like, yours looking different. Okay. "The awarded INFRA Grant has provided 2.5 million for railroad infrastructure rehabilitation in Segment D."
Q All right. Now, her second sentence, what does that say?
A "We are looking for the DSRR's priority or task breakdown for rehabbing the existing main line track between Madison Port and Lake Providence Port to 25 miles per hour Class 2 track."
Q Okay. So am I correct in reading this, that $2.5 million of the INFRA Grant was allocated to Segment D for purposes of improving the track to Class 2 track? Is that how you interpret her statement?

A That is how I interpret her statement.
Q Okay. Do you remember in the INFRA Grant what SEAEDD told the Federal Railroad Administration was the required amount to rehab Segment D to Class 2 track standards?
A Yes.
Q What was it?
A I'll have to find it again.
Q That's okay.
A It was -- it was more than 2.5. Yes. Eleven million -- more than $11 million.
Q More than $11 million?
A Yes.
Q How were they expected to upgrade the entire Segment D to Class 2 standards for 7 or 8 million dollars less than what you told SEAEDD was -- than what SEAEDD told the Federal Railroad Administration was needed to improve it to Class 2 standards?
A I don't know.
Q If you look at the next page, on Page 12, Mr. Ryan's response is, "The $2.5 million is a good start but is nowhere need (sic) the amount required to achieve the ultimate goal." Do you read that as Mr. Ryan saying we can't do $11.4 million of worth of work with $2.5 million?
A They're saying it's a good start, and they would need more money.
Q Do you know how many miles it is from Lake Providence to

Tallulah by rail?
A I have that section at, like, 29 miles.
Q Okay. Look at Page 13 of your verified statement. I think you say it's 20 miles to -- I'm sorry, 20 miles to Madison, so another nine. Yeah, 29 miles sounds about right. If all the $2.5 million were spent on 29 miles, how much is that for a mile? I can help you. $2.5 million divided by 29 miles is $86,206 a mile. What does the table in your verified statement show is necessary per mile to get to Class 2 status?
A The table? I'm sorry.
Q The table on Page 13.
A Oh. This is 2.5?
Q It's per mile, $250,360, isn't it, in the far right column?
A Per mile.
Q Yeah. So what does it take to get a track to Federal Railroad Administration Class 2 standards? I think you said earlier you don't know; correct?
A Correct.
Q Yeah. So do you know if $86,000 a mile is enough to get the track to Class 2 status?
A Per mile?
Q Per mile.
A Based on this table.
Q Based on this table, what?

A It's not enough to get to that per mile.
Q So if you wanted any of it to get to Class 2 status, wouldn't you have to allocate money to a specific section?
A More money?
Q Wouldn't you have to allocate more money to a specific section if you wanted to get to Class 2 status?
A Correct.
Q And wouldn't that mean there wouldn't be money available for other segments if you reallocated money?
A Correct.
Q Was the scope of the project final before the grant agreement was signed, or did this grant agreement lock in the scope of the project?
A The scope of the project was approved prior to the signing of the grant agreement.
Q But the grant agreement has the scope of work in it; correct?
A Correct.
Q So that scope of work was subject to negotiation with the Federal Railroad Administration up until that grant agreement was signed; correct?
A Correct.
Q And SEAEDD had the ability to not sign that agreement if it didn't agree to the scope of work; correct?
A Correct.

Q SEAEDD always has the ability to decline the award?
A Yes, we did.
Q But you didn't?
A Correct.
Q You accepted the award?
A Yes, we did.
Q Do you know if the rail line from Lake Providence to Tallulah has ever been embargoed?
A No, I don't.
Q Do you know if in the last five years the line from Lake Providence to Tallulah has ever been out of service?
A I don't know.
Q Do you know how much freight has moved over the line from Lake Providence to Tallulah in any year in the last five years?
A I don't think, no.
Q Do you know if any freight has moved from Lake Providence to Madison Parish Port in the last five years?
A No, I don't.
Q Do you know if any freight has moved from Madison Parish Port to Tallulah in the last five years?
A No, sir, I don't think so.
Q Do you have any basis for any assertion that any customer has received inadequate service from Delta Southern Railroad?
A I don't think so.
Q I couldn't hear you.

A I don't think so.
Q So is that a --
A I don't know.
Q -- no?
A Correct. I don't think so.
MR. SCHEIB: 12:45. Do you want to take a lunch break?
MR. BRISTER: Yeah, that's fine with me.
(WHEREUPON, after a break was taken, the proceedings were resumed as follows, to-wit:)
Q (Mr. Scheib continuing) Okay, we're back from lunch.
A Yes.
Q Yes, okay. We'll dive back in. I'm going to start just to try to do a little cleanup from our conversation this morning. I'm looking at the document that we have as Exhibit No. 1, okay, and I'm looking at Page 16, which is Request for Production No. 11.

Okay, each of the entities listed in RFP No. 11 were presented to Delta Southern Railroad by Lake Providence Port Commission in response to Interrogatory No. 35 as rail customers who were receiving inadequate rail service. And I just want to run through them real quickly because I think you said this morning you've had no conversations with any customers about Delta Southern Rail service. Have you had any conversations, exchanges of emails with Complex Chemical about

Delta Southern Railroad's service?
A I do not.
Q Have you had any conversation or exchange of emails or documents with Terral River Services about Delta Southern Railroad's --
A I do not.
Q -- service?
A No, I don't think so.
Q Have you had any --
A I'm sorry.
Q Have you had any conversation, communication, or exchange of emails with Helena/South Delta Fertilizer about Delta Southern Railroad's service?
A I do not think so.
Q Have you had any email, communication, exchange of documents with Railcar Co. about Delta Southern Railroad's service?
A No, sir. I don't think so.
Q All right. Maybe I can make this faster. Have you had any email, conversation, communication with Stepan Company, Clearwater Paper Corporation, Livingston Pecan and Metal about Delta Southern Railroad's service?
A Do not think so, no.
Q Have you had any email, communication, exchange of documents with Epstein Gin & Transloading Company about Delta

Southern Railroad's service?
A Do not think so.
Q Do not think so, or no?
A Do not think so.
Q Have you had any email, exchange of communications, exchange of documents with Hollybrook Gin & Warehouse, Riceland Foods, Sullivan Log Yard, Anderson Trade Group about Delta Southern Railroad's service?
A No, I don't think so.
Q Have you had any email, conversation, document exchanges with Hensley Farms, Rail Vehicle Services, Helena Chemical, Nutrien, or MD Power about Delta Southern Railroad's service?
A No, sir, do not think so.
Q Have you had any email, communication, or exchange of documents related to Slipknot, f/k/a Lake Village Seed, Gavilon, f/k/a CHS, APEX, A-P-E-X, Scott Petroleum, Bayou Energy LLC, or John Deere about Delta Southern Railroad -- Railroad's service?
A No sir, do not think so.
Q Have you had any communication with any other shipper, including Phillips 66 or folks like that, about railroad service from Delta Southern Railroad?
A No, sir, I don't think so, no.
Q No one -- you've had no conversation with any rail shipper about Delta Southern Railroad's service?

A No, sir, I don't think so.
Q Okay. We're handing you a document, Exhibit 9. Take a minute to flip through it, and let me know when you're ready.
(WHEREUPON, Exhibit 9 was marked for identification and is attached hereto.)
MR. STREETER: John, what will this one be?
MR. SCHEIB: This is a letter from Paulo, P-A-U-L-O, Couto, C-O-U-T-O, regarding the South Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project. And it is on SEAEDD letterhead. It is to Mr. C-O-U-T-O.
Q (Mr. Scheib continuing) Do you recognize this letter?
A I do. I'm just going to review for a second.
Q Yep, sure.
MR. SCHEIB: And if you would, it looks like there are two pages at the end that are not part of the document that just got attached. I don't know if they're -- yeah. They don't have --
A Okay, sir.
Q Okay. Let me just grab the back two pages that are -- okay. Do you recognize this letter?
A Yes, it does look familiar.
Q Okay. This is an unsigned version. Do you know if a signed version was actually sent?
A I don't remember if a signed version was sent.

Q Okay.
A Yeah. I don't recall whether or not a signed version was sent.
Q Uh-huh.
A Okay.
Q Do you know what this letter -- what is the intent of this letter?
A This letter is a request for scope of work summary change. Change of scope request.
Q Okay. In the -- I'm just trying to understand some acronyms, so --
A Uh-huh.
Q -- under Main Track Rehabilitation, which is in bold, there's something that says, "Grant Agreement," and then in parentheses, it's NGA. Is NGA just short for the grant agreement?
A Yes.
Q Okay. If we just maybe pick a couple of these to figure out how we're supposed to read this document. The Shelburn Grain Track on Page 2, which is document SEAEDD 001400, for the Shelburn Grain Track, the original grant agreement had it as rehabilitating 700 feet of track and installing 1,000 feet of new track. Is that the right way to read that sentence?
A That's correct.
Q Okay. And then the next thing under Shelburn Grain Track

is Adjusted Scope, which says, "Install approximately 2,200 TF of new track." Is TF track feet?

A Correct.

Q And so is the proper way to look at this that the adjusted scope is to do more work than was originally in the grant agreement?

A It appears so, for this particular --

Q Right. I'm just --

A Yeah. For --

Q How --

A -- that one, yeah.

Q -- to read it, yeah, uh-huh. All right. And the Interchange Tracks, which is at the top of that page, again, just to see if we're reading the document correctly, is it correct that when it says, NGA: Install approximately 6,600 feet of new track, and the adjusted scope is no work, that the 6,600 feet for an interchange track was removed from the project pursuant to this request for an amendment?

A Right. No work would take place in that particular item.

Q Okay. I got it. Okay, if you turn to page SEAEDD 001402, there's a note at the bottom titled "Note from Detailed Work Plan." The second sentence reads, "However, due to DSR's change in focus with project work under its purview that did not align with the scope of the project, it is not party in the consortium agreement." So by the time of this letter, had you

all finalized a consortium agreement?
A Yes.
MR. SCHEIB: Okay. I just want to note for the record, we don't seem to have the final consortium agreement. And so, Richard, offline -- or Mr. Streeter, offline, we need a copy of that signed consortium agreement.
Q Okay, the next part is in brackets. Can you read the first sentence of that?
A "DSR wants to improve the last seven miles of the main line track, but the consortium priority is to fix the track that is in the worst condition."
Q So is that to convey to the FRA that DSR made a proposal for how to use the $2.5 million, but the other members of the consortium just didn't agree?
A Will -- state your question again, I'm sorry.
Q Uh-huh. Is that sentence there to convey to the Federal Railroad Administration that Delta Southern Railroad made a proposal for what to do with the $2.5 million that was going to be allocated for Segment D, but that the consortium just had a different view as to how to spend that money?
A That is to say that this section of track that was still in the scope of work was and under the ownership of DSR. That is to say that DSR is no longer part of the consortium agreement due to conflicts in the priority of fixing that track

that they felt like was in the worst condition.
Q Yeah.
A So just to explain to FRA that section, their issue with DSR not being part of the consortium.
Q Yeah. DSR just had a different view on how to spend the $2.5 million; right? Is that correct?
A DSR was not a part of the consortium agreement.
Q Right. Because they had a different view on how to spend the money; correct?
A Correct.
Q If you -- let's turn to Page 1403, which is the next page. The section that's about Segment C, Scope of Work Priorities, says that the project has base objectives to fulfill, and then it goes on to say the top priority of the project is to rehabilitate the main line track to FRA Class 2 standards. Below that is a -- we'll call it a table, called Segment C Scope of Work Priority List. How did you develop that Scope of Work Priority List?
A This Scope of Priority List was developed through conversations with the members of the consortium and the project engineer and calculations of need and funding availability.
Q Okay. The last item there is a John Deere Track for $262,000. Do you see that?
A Yes, sir.

Q What's the John Deere Track?
A I couldn't tell you.
Q Has it been built?
A I don't think so.
Q Why not?
A I don't know.
Q Do you know --
A I really don't. I don't know.
Q Do you know, out of Items 2 through 7 on that list, if any of them have been built?
A I don't know which ones. I don't know.
Q Okay. So the -- if I understand it right, the representation here to the FRA is these are the priorities for Segment C; am I understanding that right?
A Yes.
Q And we don't know whether any of 2 through 8 have been completed?
A I'm not saying that they haven't. I just couldn't --
Q Just don't know?
A I just couldn't tell you which ones they are and which ones they're not.
Q Uh-huh. Do you know today what the FRA class standard is for North Louisiana & Arkansas's track from McGehee to Lake Village, Arkansas, is?
A No, I don't.

Q Do you know how much money's been spent on that segment of the line from McGehee, Arkansas, to Lake Village, Arkansas?
A To Lake Village? To date?
Q To date, yeah.
A I know it's more than 6 million.
Q How much of the INFRA Grant has been drawn from the federal government by SEAEDD?
A More than 8 million.
Q More than 8 million. And earlier, we talked about other grants that SEAEDD and/or consortium members have obtained. And so out of all of that money, your best guess is somewhere north of $6 million is what's been spent on the segment from McGehee to Lake Village, Arkansas?
A Off the top of my head, it's more than 6 million.
Q Would it surprise you to find out that after spending all that money, it hasn't even reached Class 1 track status, which is less than Class 2 track status?
A Would it surprise me? That segments? Segments, no. Overall, yeah. But segments, no.
Q And Mr. Robbins has testified that it is still excepted track. It's not even Class 1 track after all that money. What does that tell you about the accuracy of the estimates of the INFRA Grant?
A The accuracy of the estimates of the total INFRA Grant?
Q The accuracy of the estimates of what it was going to cost

to get to Class 2 track status.
A The INFRA Grant request was more than 25 million. It was reduced down to 10.5. And we, as a consortium, agreed to accept the funds and do what we could with what we had while getting other funds to do what we could.
Q So does it make you think that the $45 million estimate was closer to accurate or not accurate?
A I think, due to conditions outside of our control, whatever the amount was going to be was always going to be more.
Q This is a Document --
A 10.
Q This is Document 10. And for Mr. Streeter's sake, it's a February 24th, 2020 -- or it's dated February 24th, 2020, addressed to Marc, M-A-R-C, Dixon, D-I-X-O-N, of the Federal Railroad Administration. Take your time looking at it. Let me know when you're ready.

(WHEREUPON, Exhibit 10 was marked for identification and is attached hereto.)

A Okay.
Q Okay. Do you recognize this letter?
A Yes.
Q Did you send this letter to the Federal Railroad Administration?
A It looks familiar. But it's not on the letterhead.

Q Right. That's the crux of my question.
A Yeah.
Q I don't know if it was a final letter, or if this was sent, or -- that's what I'm trying to get you to help me figure out.
A The final one that was sent was on letterhead and had my signature on it.
Q Okay. Just before we go there, if you'll flip to the third page of this document, there's a part that was in bold. Do you see that?
A Yes.
Q And go ahead and read that bold part into the record so we can have a conversation about it.
A "The bridge upgrades are -- were completed by Delta Southern prior to INFRA Grant and should be removed. If Delta Southern completed the bridge upgrades, why do we still have 200,000 in that line item?"
Q Do you remember conversations about Delta Southern completing bridge upgrades?
A I remember something about bridges.
Q And is this to reflect that Delta Southern had gone ahead and invested 200,000 of its own money to do bridge upgrades that otherwise would have been part of the INFRA Grant --
A That was --
Q -- Project?

A I think that was a question.
Q Do you know the answer to that question?
A I do not.
Q Do you know who would have embedded this question in this draft?
A With this question in here, this draft would have went to the partners for their comments. So that question would have been in there for comment.
Q Do you know who would have put that in the draft letter? I'm working from the assumption --
A Yeah.
Q -- that this is your draft; right? So somebody put that in the draft letter, and I'm trying to figure out who.
A This question probably was brought up by either the engineer or one of the members.
Q So did you type it into this draft, or did they?
A They probably typed it into this document, yeah, this draft. And I did a cut-and-paste once it was reviewed.
Q Okay. If you look -- the next page is a table. And if you look at the second entry under Component, it's referenced with No. 2 below that, says, "Bridge upgrades." And it says, "The bridge upgrades were completed prior to grant by Delta Southern and should be removed." Do you know who put together this table and that note?
A It was either the engineer with assistance from the

members, the partners.
Q Okay. If you'll turn to the next-to-last page. It's another table. And actually, turn two pages before that. It's got Page No. 1 at the bottom. It's an email. Yeah. Do you recognize this email?
A Yes.
Q Okay. And what is this email?
A This email is to Marc Dixon, of FRA --
Q And --
A -- with an attached spreadsheet with updated scope information.
Q And who sent the email?
A I did.
Q All right. And it attaches a spreadsheet. So let's turn to that spreadsheet, which is two pages later. And let's look at Segment D for the moment and Bridge Upgrades. Do you see Bridge Upgrades under Segment D?
A Yes.
Q And if we look over a couple of columns, there's a column entitled "INFRA," the next-to-last column.
A Yes.
Q What does it say there for Bridge Upgrades?
A "See Note 3."
Q All right. If you turn to the next page, is that Note 3?
A Yes, it is.

Q What does Note 3 say?
A "DSR has completed bridge upgrade Section D using its own funds. It also has rehab from Madison Port to Tallulah."
Q Does that refresh your recollection as to whether Delta Southern Railroad had invested its own money in bridge upgrades?
A Yes.
Q And so do you now agree that Delta Southern Railroad had been investing its own money on its line?
A Yes. But I don't have that figure.
Q You --
A The total figure, okay, is this 200, but I don't have -- I don't have that figure, where it's reflected in here.
Q Okay, gotcha.
A Okay.
Q But based on the spreadsheet that you provided and the note, you represented to the FRA that at least $200,000 had been spent by Delta Southern Railroad to upgrade its bridges on its line?
A Based on this and the note, that's what it says.
Q The answer was, based on this document and the note, what?
A Based on this document and the note, it states that Delta Southern had invested $200,000 into the bridge rehab, their own funds.
Q Yes.

A Okay.
Q So you agree they had?
A According to this, yes.
Q This is your representation to the FRA?
A Yes. This is documentation submitted to them based on the information received.
Q Do you have any reason to believe you gave them incorrect information?
A No.
Q Let's look back at the table two pages back. That is the Project Cost table by Component. So by the date of this letter, SEAEDD had entered into a grant agreement with the FRA; is that correct?
A What was the date of the grant agreement that is the exhibit?
Q I was going to say Exhibit 8 is dated August -- or says on the exhibit it's August 2019, USDOT Grant Agreement. But I think we established the cover page was not submitted, so I'm just trying to get my timeline right.
A Right, and I'm trying to think of what that date was on that grant agreement.
Q I tell you what, it doesn't matter.
A I can't remember.
Q That's all right. We're handing you Document No. -- oh, sorry, Document No. 11. Take a quick minute to look at it, and

just let me know when you're ready. Okay?

(WHEREUPON, Exhibit 11 was marked for identification and is attached hereto.)

A Yes.

Q This is a signed version. Do we -- is this the final version of what Document 10 was a first draft?

A I don't know if that was the first draft. But a draft.

Q Okay. It was a -- it was a prior draft, but the resulting final letter that went to the FRA is the one that we've marked as Exhibit 11; is that correct?

A It was a version submitted to FRA. Was it the final? I'm not sure.

Q What's the distinction between what was signed and submitted to the FRA versus something else that might be a final version?

A There were a lot of back and forth with our change of scope with FRA, and we would, as a group, put the information together and send forward to FRA.

Q Uh-huh.

A And once we were in agreement, that document ended up being the signed final.

Q So just so I understand, was this an amendment to the already signed grant agreement, or is this trying to negotiate the scope of the grant agreement?

A If I could remember the date of the grant agreement, I can

answer that question.
Q Yeah. The opening sentence of this letter is, "Please accept this letter as SEAEDD's request for the Federal Railroad Administration to approve scope changes to the fiscal year '19 INFRA Southeast Arkansas and Northeast Louisiana Multimodal Freight Quarter Improvement Project." Does that help refresh your recollection as to whether this is amending an already signed grant agreement or is still negotiating the scope of the grant agreement?
A We did negotiations in the scope of work for the grant agreement multiple times, so I don't know. I would even send one, and they would say, Oh, okay, what about this? Have you considered these things? And we would go back to the table and make some changes, so --
Q So how many back and forths do you think it took to get to the final scope of the project?
A Oh, it took a few months.
Q And when would you say the Federal Railroad Administration agreed with SEAEDD on what the scope of the INFRA Grant was going to be?
A Let me pull up my timeline.
THE WITNESS: I didn't make y'all a copy of this.
MR. BRISTER: It's okay. We can make one after.
THE WITNESS: Okay.

A (Witness continuing) FRA began drafting the INFRA Grant agreement in June 2nd of 2020.
Q Okay, that's helpful. So it sounds like this is negotiating the scope of the grant agreement that's finally executed in June of 2020?
A Right.
Q Okay. And there were lots of back and forth. So is the grant agreement when the Federal Railroad Administration -- let me rephrase that. Is the date on which the grant agreement is signed the date on which the Federal Railroad Administration signs off on the scope of the project?
A Yes.
Q So the scope of the project is getting negotiated all up through when FRA reached out to you to say it was going to be a substantially reduced amount up until June of 2020?
A Yeah, probably a month or so before that, but yes.
Q Okay. And the scope can change in any number of ways. It looks like things are being added and things are being removed; is that correct?
A That's correct.
Q And they're being added and removed on Segment A; is that right?
A On Segment A? On the whole project, there are probably changes in --
Q Yeah.

A -- different components.
Q So changes on Segment A would be part of that?
A Yes.
Q And changes on Segment B would be part of that?
A Yes, sir.
Q And changes on Segment C would be part of that?
A Yes, sir.
Q Is there anything that makes Segment D different that the parties couldn't agree to changes of scope before they entered into the grant agreement in June of 2020?
A I'm sorry, what are you -- anything different that make -- anything that makes Segment D different?
Q Yes.
A No. Their scope can be changed as well.
Q Okay. Last question on this document. Page 7, the next-to-last bullet point. Just let me know when you get there.
A Page 7, got it.
Q Okay, the next-to-last bullet point before Table 5 is where I'm looking. Do you see that?
A Yes.
Q This is your signed letter to the Federal Railroad Administration. Does this refresh your recollection as to whether Delta Southern Railroad had completed infrastructure investments on its own?
A According to this, "SEAEDD's application included upgrades

to four bridges. Before July 2019, DSR completed the bridge upgrades and removed them from the scope."

Q Since you signed this letter, is there any reason to believe that statement's inaccurate?

A No.

Q We're handing you Document 12, so it's Exhibit 12. And I think this is just kind of easy. This is an email from Eric Frostestad, F-R-O-S-T-E-S-T-A-D. And it looks like he's from HDR. Do you know Mr. Eric?

(WHEREUPON, Exhibit 12 was marked for identification and is attached hereto.)

A Yes, I do.

Q Okay. And you are a recipient of this email. In fact, you're the first recipient. Do you see that?

A Yes. One of many.

Q And one of many, yes. For example, Shane Knight, your colleague, is also listed there. Do you see him?

A Yes.

Q Okay. The email's really simple. It says, Attached are notes from today's call. Do you know if there was an attachment?

A Yes.

Q Are these INFRA meetings something that's regularly scheduled?

A Some are and some are not.

Q Are minutes or notes kept of all those meetings?
A Yes. I either keep them as a printed copy or keep them on the email.
Q Okay. Do you know what notes might have been added to this regarding bridge rehab construction?
A What notes?
Q Yeah. And maybe we're -- are we looking at the right No. 12? Yeah, I'm sorry. Number 12. Number 12 says, "I have added bridge rehab construction status information to the attached notes." Do you see that?
A Yes.
Q Okay. I'm just asking, what would the bridge rehab construction notes have been that you saw?
A Oh, I don't know. He would -- if we've had a meeting, he would take notes during the meeting and send us a copy of said notes, meeting notes.
Q Is there any reason SEAEDD would not have produced those meeting notes to Delta Southern Railroad?
A No.
Q Did SEAEDD produce those meeting notes?
A We should have. I assume we did.

MR. SCHEIB: All right. Mr. Streeter, maybe we can take that up offline, and you can help me find those notes that would have been attached to this email? I don't --

MR. STREETER: I have -- I have no idea what the email is or what date was on it or anything, so I'll try to help as best I can, but --

MR. SCHEIB: Okay. I'll help you. It's document SEAEDD 000599.

MR. STREETER: All right.

A (Witness continuing) Thank you.

Q All right. We've provided you Exhibit 13. Take a minute to look it over, and just let me know when you're ready.

(WHEREUPON, Exhibit 13 was marked for identification and is attached hereto.)

A Okay.

Q What do -- what does this email from Mr. Dixon to you convey?

A That they are still making changes to the grant agreement.

Q Okay. And if you turn over a couple of -- maybe two pages, there's an email that starts in the middle of the page that says, From Marc Dixon to Ms. Hargrove. You see that one?

A Yes.

Q Okay. And we had this exchange earlier in the day, but this is where I saw the term "GARF," G-A-R-F.

A Yes.

Q It looks like Mr. Dixon is responding to a question you had about future amendments to the scope of work or to the agreement. Is -- am I reading that correctly?

A Yes.
Q Okay. And is his response explaining to you that Section 6 provides for the amendments and GARF is just their shorthand for an amendment to the grant?
A Correct.
Q Has SEAEDD and FRA entered into any amendments to the grant agreement since it was executed in June of 2020?
A Yes.
Q How many amendments have been entered?
A I don't know how many.
Q Is it more than one? Is it more than one?
A I think so. Maybe two. Not sure.
Q What would precipitate the need to enter into an amendment?
A If there is a change in scope.
Q And so even after all that negotiation that led to the grant agreement, there have been changes to the scope after the grant agreement was signed by both parties?
A Correct.
Q Do you remember what any of those changes in scope were?
A I do not. But it has to do with construction.
Q Would it -- do you recall if any of them have to do with the amount of work that can be done with the money available because of cost overruns?
A Not so much cost overruns, but -- I guess you can call it

cost overruns. But when the bids come in on a contract.
Q Okay. So does that mean if the bids come in on a contract for work that was going to be performed in the scope of work for the INFRA Grant but it's more than folks estimated, that could cause a change in scope to be submitted to the Federal Railroad Administration?
A That could trigger the need to discuss a change in scope.
Q How are changes of scope documented?
A Changes in scope to the FRA?
Q How are changes in scope to the already signed grant agreement documented and entered into as an amendment to the grant agreement?
A It's a GARF. We have to prepare and submit a GARF to FRA, and then they respond.
Q Is the GARF a letter, or is it, like, entered into a computer system?
A It's in a computer system.
Q Okay. So SEAEDD would not draft a letter to FRA that says, Hey, we had these cost estimates come in high, or, We need to change the scope of work? You wouldn't do it through a letter like that is what -- if I understand that correctly?
A We can do it that way to talk to them or explain to them, verbally, what the issue is and possibly the need for a change of scope prior to filling out all of the documentation on GARF, you know.

Q Okay. And then the GARF -- am I right that the GARF is what you would just enter into the FRA's computer system? There's like a template or something that you fill in on a computer?

A Yes. I think that's -- I think that's where it's located in the grant solutions something system.

Q Okay. We're done with that one. Do you recognize the document that we have just given you as Exhibit 14?

(WHEREUPON, Exhibit 14 was marked for identification and is attached hereto.)

A Yes.

Q What is it?

A Quarterly Progress Report.

Q And it's probably self-explanatory, but would it happen to be filed quarterly?

A Yes.

Q Who files it?

A The district files it. The engineer assists in preparing it.

Q Okay. And if you look at Item No. 7, it says, "Completed By," and it has your name there.

A Yes.

Q Are you the one responsible for submitting the quarterly progress reports?

A I am the ones responsible. I designate that to a staff

member.
Q Okay. And Item 11 is a check box that's a certification that says, "By checking this box, I certify that I have reviewed this report and that, to the best of my knowledge, the report is complete, accurate, and meets the terms and conditions of the award." Is that you making that certification?
A Yes.
Q Okay. And Item No. 12 says the status is on track. It also goes on to say, "The consortium executed a change order with the current track construction contractor to purchase and install another track mile of rail in Segment B." Do you remember that occurring?
A Yes, that looks familiar.
Q And the next sentence says it's due to the amount of rails that need to be replaced due to broken and short rail segments to achieve Class 2 track. Does that convey that the amount of rail that needed to be replaced due to broken and short rails was more than was estimated in the original grant application? Not application, in the original grant agreement?
A In the construction contract.
Q And what was the amount bid out based on? So when you sought a bid for the original construction contract, was that based on the scope of work in the grant agreement?
A That was based on the scope of work.

Q And so the fact that there were more rails that needed to be replaced indicates that there was more work to be done than was reflected in the grant agreement; is that correct?
A The amount that the contractor bids on the project, we can't control that. So it's based on what they're saying how much it costs.
Q And is that different from what was estimated to be the cost in the grant agreement?
A Yeah. Because that's an estimate.
Q And so if Segment B were estimated in the grant agreement to be $100, which I know it's not, but just for our purposes, instead of pulling out all the documents, if it was estimated to be $100, this says it's actually costing us more than $100; is that right?
A Yes.
Q How does that affect the ability to spread the actual dollar amount across the entire rail line if you have to spend more money on Segment B than you estimated?
A The total dollar amount of what was awarded.
Q If you have to spend more on Segment B, doesn't that mean you have to spend less somewhere else?
A Unless you can come up with other funds to supplement.
Q Did you come up with other funds to supplement?
A We're always coming up with other funds to supplement.
Q So since the grant agreement, what other funds has SEAEDD

or its consortium partners come up with to supplement the INFRA Grant?
A Delta Regional Authority funds.
Q Okay. Item 14 on that document, it says that the consortium is shifting budget costs from Segment D to Segments A, B, and C. Do you see that?
A Yes.
Q Why was it necessary for the consortium to shift money from Segment D to Segments A, B, and C?
A Because at the time of this, which is the second quarter of 2023, the -- there have been other funds applied for in Segment D, which could shift those funds to help out in Segment A, B, and C.
Q So does that imply that Segments A, B, and C didn't have enough funding from the beginning?
A No. That implies that over the period of time, that an application that was submitted back in 2019 is -- dollar-wise, the estimates would be different in 2023. So like anything, inflation.
Q So the actual costs were going to be more expensive than what was estimated because of inflation; is that right?
A Normally that's how projects work.
Q And so the estimated cost that was agreed to in the grant agreement ends up being less than is needed because of inflation over the intervening years; is that right?

A Yes. That happens a lot in grants.
Q Uh-huh. And so if the budget amounts were shifted from Segment D to Segment A, B, and C, and that still wasn't enough to get Segment A today to Class 1 status, what does that imply about the dollar amounts that were available, in general, to do the project from McGehee, Arkansas, to Tallulah?
A The dollar amounts that were available at the time, even when it was signed, all the members knew what was being awarded and still agreed to move forward.
Q So notwithstanding the representations made to the Federal Railroad Administration, are you telling me that the consortium knew that with the money available there was no way to get the line from McGehee to Tallulah to Class 2 track?
A That's not what I'm saying. What I'm saying is the dollar amount that was offered, the 10.5, we knew that was 15 million more than what we had asked for.
Q It was 15 million less than --
A I mean, sorry.
Q -- what you asked for.
A Less. I'm sorry. Less than what we had asked for. But the consortium decided to move forward, make the changes we need to to the scope of work, to do as much as we can to get it up to the level where we had promised it to be, with the understanding that we will continue to seek out funding to keep moving forward.

Q So again, the statements to the FRA that this was going to be enough money to get to Class 2 were not correct?
A That money with additional funds.
Q Do you have the grant agreement in front of you? Let's look at document -- Exhibit No. 8.
MR. BRISTER: Certain page?
MR. SCHEIB: Yeah, it's, again, one of those wonky -- wonkily --
MR. BRISTER: All right.
MR. SCHEIB: -- numbered documents. It's one of the Page 6's toward the back of the document. I think it may be the last Page 6.
MR. BRISTER: Gotcha. You said Exhibit 8?
MR. SCHEIB: Is that the grant agreement? Oh, I'm sorry, the grant agreement.
MR. BRISTER: Oh.
MR. SCHEIB: I may have misnumbered it. It was Exhibit A to the amended application.
MR. BRISTER: I have Exhibit 5.
MR. SCHEIB: Exhibit 5, I'm sorry. I mislabeled my copy. Apologies.
Q (Mr. Scheib contiuing) Okay. This is part of the statement of work to the grant agreement. It's just a couple -- that's just the first page of this 6 page --
A Okay.

Q -- where we are on Page 6. Do you agree that that's part of the statement of work that we're looking at?
A This page? Yes.
Q Yes. Great. So Task 4 says, "The grantee will complete the construction activities as described in the detailed project work plan in sub-tasks 4a." Do you see the bullet point for Segment A?
A Yes.
Q What's the first sub-bullet below that say?
A "Rehabilitate approximately 24 miles of track, which include upgrading the existing accepted track to Class 2 track by replacing rail, ties, ballast, and other track material."
Q Great. Under Segment B, there's one bullet point there. What does that one say?
A "Rehabilitate approximately 22 miles of track, which include upgrading the existing acceptable track to Class 2 track by replacing rail, ties, ballast, and OTM as needed."
Q Yeah. And under Segment C, there's the first sub-bullet. What does that one say?
A "Rehabilitate approximately 16 miles of track, which include upgrading the existing accepted track to Class 2 track by replacing rail, ties, ballast, and OTM as needed."
Q Yeah. So in all three of those, SEAEDD used the exact same words with the Federal Railroad Administration, which is that they were going to upgrade the existing accepted track to

Class 2 track; do you agree?
A Yes, that's what it stated.
Q Does it say, If we can afford to, if we feel like it, unless we change our minds?
A No, it doesn't say that. But this -- the scope of work, the proposed scope of work, what we had --
Q This --
A -- what we submitted, yes.
Q Yeah. This is not the proposed scope of work, this is the scope of work in the grant agreement; right?
A Correct.
Q And the representation is, we're going to get all this track from accepted track to Class 2 track, period; correct?
A That is correct.
Q And so when the money had to be shifted from Segment D to Segments A, B, and C, and we know that Segment A still is in excepted track status, was there ever enough money to fulfill the obligation that is made in the statement of work to get the track from accepted track to Class 2 track?
A At the time when we filled this out, we felt like that was enough money to get us to do the scope of work that was included in the agreement.
Q And it proved not to be --
A The signed agreement.
Q -- right?

A That's not uncommon in a grant.
Q I guess what I'm getting at is, LPPC and up has made a big deal about this grant agreement. They spent about 50 pages in the amended application talking about this grant agreement and how bad a person Delta Southern Railroad is. The money was never there to begin with; correct?
A I can't say that the money was -- the 10.5 million plus the additional funds was not going to be enough to do everything that we wanted to do.
Q Let's go back to our very first conversation this morning when I asked you --
A At the --
Q -- about how much money has been spent on this project so far. And what did you tell me?
A The -- yes.
Q $37.2 million.
A Uh-huh.
Q And we still haven't moved from excepted track to Class 1 track from McGehee to Lake Village, Arkansas; right?
A I don't know what the class is.
Q I will tell you that Danny Robbins has testified it is still excepted track.
A Okay.
Q Assuming that is true, it is $37.2 million that's been spent, and the line from McGehee to Lake Providence isn't even

all the way Class 2 track. So was there ever enough money to do this project?

A At the time that we did the grant agreement, we thought we had enough to do what we were proposing to do.

Q Now, the original grant application said you needed $45 million to do what you were proposing to do; correct?

A The grant agreement was what was adjusted, based on the reduction, up to the 10.5.

Q And in those adjustments, SEAEDD still represented to FRA that it was going to get that entire line to Class 2 track with $10 million?

A With 10 million plus the matching dollars.

Q And what was the matching dollars?

A An additional 10.

Q So SEAEDD represented that it was going to get the track from accepted track to Class 2 track from McGehee to Tallulah on $20 million?

A Based on the scope of work that we had put in the grant agreement.

Q Would you say SEAEDD has been successful?

A With?

Q Getting the track to Class 2 status from McGehee to Lake Providence?

A I think SEAEDD has been successful with its consortium members at getting the track to a place where it is open to --

where it's open.
Q Do you know how much freight is transported on the line from Lake Providence to McGehee last year?
A I do not.
Q Do you know how many customers used the track from Lake Providence to McGehee last year?
A I do not.
Q If you were a taxpayer, how would you judge whether the investment was successful?
A If I was a taxpayer?
Q As a taxpayer, how would you judge whether the investment was successful?
A For our rural area, where there was nothing moving along those tracks, I have talked to the residents in that area, and they think the project is successful just knowing that there's a train track -- there's train or product being moved over that track, even though it's not probably every day or something. But they see the improvements being made. And for them, it's successful.
Q As an official that engages in cost-benefit analysis, how would you judge the success of the project?
A For that area, the success of that project is it has sparked a lot of interest from other businesses waiting for it to get to a level where they are showing interest and want to move to the location. Or the companies who are requesting for

a spur to be installed so that they can utilize the track.
Q You'll recall that when we looked at the INFRA Grant Application earlier this morning, the estimate was somewhere between $62 million in savings from truck-to-rail diversions to $122 million in savings from truck-to-rail diversions. Have you gone back and done any study about what has actually happened with the investments from the INFRA Grant in terms of truck-to-rail diversions?
A No, I haven't.
Q So you have no way of knowing the cost-benefit analysis of this project?
A No, not at this time.
Q Okay. Exhibit 15. Do you recognize this document?
(WHEREUPON, Exhibit 15 was marked for identification and is attached hereto.)
A Yes.
Q What is this document?
A This is the Federal Financial Report.
Q What is a federal financial report?
A This is our quarterly report that we submit to FRA.
Q All right. Maybe just a couple of questions to make sure we understand the document before we dive in. On line 4B, there's an EIN number. Is that the EIN number for the Southeast Arkansas Economic Development District?
A That's correct.

Q And do you file this report personally?
A I have a staff member that files this report.
Q Okay. But on Line 42, it has your name. In Line 45, it requires a signature of an authorized certifying official. Are you the official who certifies this document?
A Yes.
Q Okay. All right. On Line 20, it says, "Total Federal Funds Authorized." Is the dollar amount there the total INFRA Grant authorized? It looks like it to me. It's not a --
A Yes.
Q -- trick question. I'm just --
A Yeah.
Q -- trying to learn how to read the spreadsheet.
A I'm -- I think I need to do this.
Q I'm with you.
A Yeah. Okay. Now, saying on Line 15?
Q On Line 20.
A Line 20. Line 20, Total Federal Funds Authorized. That's the INFRA total amount.
Q Okay. And if we --
A Award.
Q If we go down a line, 21, Federal Share of Expenditures, is that the amount of the INFRA Grant that has been paid to SEAEDD as of the date of the report?
A Expended, yes.

Q And Line 24, Unobligated Balance of Federal Funds, is that just the difference between the INFRA amount and the total that has been expended to date?
A Correct.
Q So that's the amount that's left in the INFRA Grant to be drawn upon?
A Correct.
Q Okay. And then if we look at Line 26, Total Recipient Share Required, is that what we talked about earlier as the non-federal share that's the state, local, and private money?
A Correct.
Q And if we look at Line 27, is that $84,000 the amount of the non-federal share that's been expended as of the date of this report?
A That's what it's showing, yes.
Q Okay. And the date of this report is March 31, 2023. Do you see that on Line 11?
A Yes.
Q Okay. So as of March 31, 2023, is it correct that $6.5 million of federal funds have been expended compared to $84,000 of non-federal funds?
A That is what is showing on this report.
Q Okay, good. All right. I've just handed you Exhibit 16. And you recognize this -- excuse me, this document?
(WHEREUPON, Exhibit 16 was marked for

identification and is attached hereto.)

A Yes.

Q The date covered by this document in Item 8 appears to run through October 27th of 2025. Is that the correct way to read that?

A Correct.

Q And on the second page of this document, which is SEAEDD 002527, that is Shane Knight's signature for Director Hargrove. Is that what the handwriting seems to say?

A Correct.

Q Okay. Are you the person who certifies this report?

A He does it on my behalf.

Q Okay. But at the end of the day, where does the buck stop?

A With me.

Q Okay. Again, just trying to learn how to read this. And we may need to --

A Okay.

Q We may need to do the --

A Yes.

Q -- piece of paper trick again to follow the lines.

A Yeah.

Q As of the date of this report, if we look at Line F, under Section 11, Line F, the Non-Federal Share Amount?

A Yes.

Q I'm sorry, let's start on E. I think we need E first.
A E.
Q E is the Total, and it looks to be the total of the federal and the non-federal amount spent to date, and that shows $16 million; does that look right?
A Yes, that's what this says.
Q Okay. So then if we look at F, out of the total that's been spent, is this showing us that the non-federal share is $5,916,717.04?
A Yes, that's what it's saying.
Q Okay. And Line G is the federal share. Is that showing that, as of the date October 27th, 2025, $10,090,970 had been spent of the $10,861,000 in the INFRA Grant?
A Correct. Yeah, yeah, yeah.
Q Okay. And so I think we may have established this earlier, but the non-federal share is lagging behind by, I don't know, $4 million. Is that something that gets caught up at the end so that once all the federal INFRA Grant money is spent, the SEAEDD would continue to spend non-federal funds before the INFRA Grant gets closed out?
A On this particular document and the other, and I've talked to FRA about this, we are going to reconcile the totals because there are some documents that -- invoicing that we may not have. So we will reconcile at the end.
Q Okay. Can you look at the page that's SEAEDD 2530? I

think it should be part of this package. 2530 in the bottom right-hand corner.

A 2530.

Q Yeah. And the -- can you tell me the period covered by this Request for Advance or Reimbursement document?

A This period is 2/3/2025 through 3/18/2025.

Q Okay. It runs through March of 2025. Look at Line F, and I just ask you to compare Line F on SEAEDD 002530 to F on SEAEDD 002526. These are filed seven months apart, and there's a substantial increase in the non-federal share over those months. And I'm wondering what money did SEAEDD and the consortium get in that time period to make a $5.7 million jump in the non-federal share?

A I would have to go back and look at what is in the FRA portal to see what the -- where the jump is. FRA would not have approved it if we did not have the justification behind it with invoicing and information.

Q Yeah.

A Right. Because if it's not correct, they would kick it back and not approve it. So not having the invoicing behind it, I don't -- I can't tell you.

Q Are you conveying to me that the invoicing would show how the dollars were spent if we had the invoicing to back up this report?

A Right. And the information in the system, and FRA

approves all this, so that's -- if it's not correct, they wouldn't approve it.

Q Got it. And the other question I want to ask about that $5 million is, do you know what source of revenue came in that allowed the expenditure of $5 million in non-federal funds between March 2025 and October 2025?

A Of non-federal funds?

Q Uh-huh.

A What source would come in? It would be invoicing.

Q I understand that's how it gets spent.

A Uh-huh.

Q What I'm asking is, what's the source of the dollars? Did somebody get a grant? Did NLA pony up a bunch of money? Like, where did the $5 million to pay those invoices come from?

A Okay. At the beginning of the grant -- of the project, the INFRA Project, we spent more money -- the federal money first. Then when we got to Segment C, majority of their project was spent on using their port priority money, their match money.

Q So LPPC --

A This segment.

Q -- would be using port priority --

A Priority.

Q -- match money?

A And their match money for that segment.

Q That's what I was trying to understand.
A Yeah, I had to think about it --
Q Yeah, that's what I'm --
A -- a minute.
Q -- trying to understand.
A I had to think about it.
Q Just where'd the money come from.
A Yeah.
Q That's the simple version --
A That was --
Q -- of the question.
A Yeah, that's where I had to think about that.
Q Okay, okay. So port priority. You've got to like the fact that this stack's getting smaller; right?
A Oh, my goodness, yes.
Q All right. This exhibit that we've just marked is Exhibit 17.

(WHEREUPON, Exhibit 17 was marked for identification and is attached hereto.)

A Okay.
Q Take a second to look at it, and then I'll ask you a couple of questions to help me understand it.
A Okay.

MR. STREETER: John, while she's looking, what's this one about? Are there dates you want to --

MR. SCHEIB: Yeah, sure. It's SEAEDD 002584 through 2593, Richard.

MR. STREETER: What were the first four numbers?

MR. SCHEIB: 2584.

MR. STREETER: Okay, thank you.

MR. SCHEIB: You're welcome.

A (Witness continuing) Okay.

Q All set?

A I --

Q Okay.

A -- think so.

Q My first question is, is this all one document, or is it two documents that breaks at Page 2589?

A This is a quarterly progress report.

Q When you say "this" --

A I'm sorry.

Q -- tell me which document you're pointing to, please.

A This document here.

Q That's 2589. Okay, that's a quarterly progress report.

A This is a quarterly progress report.

Q Uh-huh.

A And this --

Q This being Document 2584.

A Okay.

Q Okay.

A SF-725 is a semi-annual financial.
Q Okay. And so those would be two separate documents?
A They're two separate documents.
Q All right.
A But it looks like they're submitted at the same time because of the end date.
Q Okay. Because of the end date? Is that what you said?
A Yes. This one -- this quarterly progress report is for the third quarter, which ends in September '25. And this is due the third -- September '25.
Q Okay. Thank you.
A Okay.
Q I'm with you now. I'm with you now.
A All right.
Q All right. Let's start with the 2584, which is the document that's the Federal Financial Report.
A Yes.
Q And if you turn to the second page of that document, again, I'm just unfamiliar with it, so I'm trying to understand what I'm reading. Under the Federal Cash, what would Cash Receipts mean?
A Amount of funds received. INFRA.
Q Funds received by SEAEDD is what that means?
A Correct.
Q Okay. How about Cash Disbursements?

A The federal cash we actually wrote checks on.
Q Okay. So that's the cash that SEAEDD wrote checks and paid --
A Paid --
Q -- contractors or whoever. Okay. The next line down, Total Federal Funds Authorized, is that the total amount of the INFRA Grant again?
A Yes, sir.
Q Okay. On the next page, 2586 at the bottom right, under Recipient Share, the Total Recipient Share Required, that's the non-federal match; is that correct?
A Correct.
Q Okay. And the Recipient Share of Expenditures, what does that mean?
A How much of that non-federal has been expended.
Q Okay. And K is probably self-explanatory then, but what does K mean?
A The balance.
Q Okay. So the Remaining Recipient Share to be Provided is the balance of what the consortium is required to provide in non-federal funds?
A Correct.
Q All right. Looking at the document that's 2589, which is a quarterly progress report through the third quarter of 2025, on Item 12, it says the status is on track. And then what's

the first sentence of the explanation?
A "The track rehab for Segment A and B track construction is complete."
Q Does that mean that the track in Segment A has reached Class 2 standards, as provided in the scope of work that's part of the grant agreement?
A That means the track rehab construction contract has been completed.
Q What was the scope of work given to the contractor for Segment A?
A The track rehab work on that segment under the contract has been completed.
Q Yeah. And what were they assigned to do in the track rehab? What --
A They have their own list of scope of work. I can't tell you what that is right now, but yes.
Q Was the scope of work for track rehab intended to get Section A to Class 2 standards?
A It is whatever that work was assigned under that contract.
Q Who is the countersignatory to the contract with the contractor for track rehab?
A The authorized signatory? That would be me.
Q Okay. So the contract you signed with the track rehab contractor, did it require them to get the track to a Class 2 FRA standard level?

A I can't remember if it said Class 2 FRA standard. I just know it was the completion of the work under the contract.
Q And you don't know what that contract required them to do?
A I do if I had it in front of me.
Q I would, too.
A Yeah.
Q But I don't have it. How many contracts have you let as part of the INFRA Grant implementation?
A The INFRA Grant or the entire project?
Q Well, let's start with the INFRA Grant.
A The INFRA Grant. I have one, Queen City. That I have. Lake Providence has their own contract.
Q Is the Lake Providence work paid for with INFRA Grant funds?
A Lake Providence part is paid for through port priority matching dollars, but the engineering on that project is paid for through INFRA.
Q On the -- who is Queen City?
A The contractor that was for Segment A and B.
Q And in that contract -- did you review the contract with Queen City?
A The engineer assisted with the scope of work with the project, and I reviewed it. The scope of work is way over my head.
Q Did you sign the contract on behalf of Queen City?

A I signed --
Q I'm sorry, let me rephrase that. Did you sign the Queen City contract on behalf of SEAEDD?
A Yes.
Q Were there penalties for performance in the contract between Queen City and SEAEDD?
A There are liquid -- or liquidated damages in that contract.
Q What would trigger the liquidated damages in that contract?
A Not meeting the contractual agreement as far as the timeline and the performance of the work.
Q Was there a performance standard in the contract between Queen City and SEAEDD?
A I believe so.
Q What was Queen City required to do in the contract between Queen City and SEAEDD?
A Rehab work on Segment A and B.
Q Just whatever they felt like?
A No. There were specific scope of work.
Q Would that scope of work get the line to Class 2 standards?
A I can't remember if it stated Class 2 standard in there.
Q Well, isn't that the reason they were hired was to fulfill the scope of work in the INFRA Grant Agreement that required

the work to be done to upgrade the line from accepted track to Class 2 status?
A They were to make the rehabilitation improvements to both of those sections of track.
Q Have they completed performance of the work under the contract between Queen City and SEAEDD?
A We have agreed that they have completed the performance of the work on the contract.
Q What does that mean?
A We weren't very happy with them.
Q Why were you not -- why was SEAEDD not happy with Queen City?
A It took them way too long to do the work.
Q Were there any concerns with the quality of work?
A There were concerns with the quality and the length of time that they took to do the work.
Q Because of the length of time and the quality of work that Queen City did, did it result in additional costs to SEAEDD?
A Yes, it did.
Q Were those costs contemplated in the INFRA Grant Application or the INFRA Grant Contract?
A In the INFRA Grant Application? We didn't know who the contractor was going to be when we submitted the INFRA Grant Application.
Q Was there a contingency built into the INFRA Grant

proposal in case of events like poor performance by a contractor?

A There is a -- there -- I think there was a contingency included in the project. In the application.

Q Was there a contingency contemplated in the grant agreement?

A I can't remember that.

Q Do you have a copy of the contract between SEAEDD and Queen City at SEAEDD's offices?

A We do.

Q Let's look at Line 13. Actually, before we leave Line 12, let's go back to Line 12. The next part after the track rehab is about the bridge contractor, and it says, "The bridge contractor completed bridge work in Q1 2024." Does that mean all the bridge infrastructure from McGehee to Lake Providence has been completed and is at a level that would allow Class 2 FRA operations over those bridges?

A This bridge contract -- I don't know which bridge work this is referring to off the top of my head.

Q Were there multiple contracts let for bridge work?

A The one I'm thinking of right now, top of my head, is one that was last year. This is '26. This is '25.

Q So there was --

A This is '25. Oh, this --

Q Okay.

A -- is '25.
Q Uh-huh.
A But this one was for, I think, one particular bridge. I had to think about that. The one I'm thinking of is for one particular bridge.
Q Is there bridge work going on currently?
A Not that I know of. The bridge work I'm thinking of was completed in '25.
Q Okay. So there was bridge work done after Q1 2024?
A Yes. There was one particular bridge that was worked on in '25.
Q So is it an accurate statement here that the bridge contractor completed bridge work in Q1 2024 if work was going on in 2025?
A I think this is in reference to maybe another -- I can't remember what that one was from.
Q Well, it's not one. I mean, it's a declarative sentence. "The bridge contractor completed bridge work in Q1 2024." Is that just an inaccurate statement if work was going on in 2025?
A The work that was going on in 2025 was under a DRA application project. I don't remember.
Q All right. Let's look at Line 13. This is a little bit more robust statement of what's going on with the shifting of budget money from Segment D to Segments A, B, and C. Can you look at the second sentence and read that for us?

A "Due to the cost of Segment A and B rail rehabilitation being over budget, the cost of the additional mile of rail, brush and tree cutting, and anticipated higher cost of Segment C track rehabilitation, the consortium is shifting budget costs from Segment D to Segments A, B, and C."
Q Yeah. So even if DSRR had stayed part of the consortium, given these cost overruns, you would have still had to shift INFRA funds from Segment D to Segments A, B, and C; correct?
A Due to the funds that's available, there would still had to be some shifts in costs. Because of costs.
Q Let's look at Line 17 on page SEAEDD 002590. And remember that this is the third quarter of 2025 report. This references a GARF for budget and scope adjustment. Was a GARF submitted?
A At this point, it was being prepared. Or you're saying --
Q And I'm asking --
A -- was it --
Q -- was it ever -- was it ever filed?
A Yes, I think so.
Q Do you know if we've been provided a copy of that GARF?
A I think so. But I can --
Q Do you know when the GARF was filed?
A I do not. GARF was being prepared at the time. When was this? Third quarter of '25. This is the -- oh, I thought I answered it. I'm sorry. I don't know. At this time, it was being prepared. I don't know when it was actually submitted.

Q Do you know that one was submitted after the third quarter of 2025?
A If it was being prepared, I believe it was submitted. When that was, I don't know. I'll have to find out.
Q Could you look at page SEAEDD 002591, and I'm looking specifically at Line 19G.
A Yes.
Q Does SEAEDD have any rights to the track from Lake Providence to Tallulah?
A SEAEDD, no.
Q Do you know if Lake Providence Port Commission has any rights to the track from Lake Providence to Tallulah?
A Oh, I don't think so.
Q Who owns the track from Lake Providence to Tallulah?
A I think that ownership is Delta Southern Railroad and Madison Parish Port.
Q Yeah. So I'm wondering how SEAEDD can represent that Section D's completion date is going to be June 30th of 2026.
A Making reference to Segment D also includes Madison Parish Port.
Q What's today's date?
A What? This is June 2026.
Q Today is June 29th, 2026. Was there any chance in the third quarter of 2025 that anybody other than Delta Southern was going to have ownership rights to the line from Lake

Providence to Tallulah as of June 30th, 2026, much less would complete construction work on that segment by June 30th, 2026?

A Segment D, in this respect, also includes Madison Parish Port, and Madison Parish Port has also been on some of our phone calls with FRA.

Q What's the scope of work for Section D in the grant agreement?

A The grant agreement scope of work, at that time, had changed by the time we got to this point right here.

Q Where did it change? Was there a GARF?

A I'm pretty sure there was a GARF between the time the grant agreement was signed and now.

Q The scope of work in Exhibit 5 for Segment D, as you read to me earlier -- or not -- you didn't read this one, I'm sorry, says, "Rehabilitate approximately 20 miles of track within this segment, which includes upgrading the existing track to Class 2 track by replacing rail, ties, ballast, and OTM as needed."

And it says, "Install new second track of the lead track to facilitate port rail connectivity and ease congestion between DSR main line and the Madison Parish Port." Are you now telling me that there was an amendment to the grant agreement that deleted rehabilitating 20 miles of track as part of the project?

A What I'm saying is right here, where we're stating Segment D completion date of 6/30/2026, we're not talking about DSR,

Delta Southern. Madison Parish Port was also a part of that.
Q I got that. I got that. The representation to the FRA here is Segment D completion date. Not part of Segment D, not some of what we told you we would do in Segment D. It is that Segment D would be complete in June -- as of June 30th, 2026; correct?
A That's what this is stating.
Q And if I'm the FRA, do I read that as Segment D, parts of and some of, but not all of? Or am I supposed to read that to mean Section D completion date is 6/30/2026?
A At the date that this was submitted, that was the anticipated completion date for that portion, which was included in Segment D.
Q And included in Segment D was the rehabilitation of approximately 20 miles of track; correct?
A There -- you're looking at the grant agreement, the information in the grant agreement. There had to be a change in that. There must be a GARF somewhere.
Q Where? No GARF has been provided to us. You're telling me today that there is a GARF somewhere that removes, from the INFRA Grant agreement with the Federal Railroad Administration, all of the rehabilitation work on the 20 miles of track that led to this whole case at the STB in the first place?
MR. BRISTER: Object to the form. If that is a question. Not really sure.

Q Are you telling me?
A What I'm saying is this Segment D, based on my knowledge, thinking is in reference to Madison Parish Port.
Q So is there a GARF that eliminates the rehabilitation of approximately 20 miles of track on Segment D as part of the INFRA Grant Project?
A I don't know where that change is right now. I don't have the document in front of me.
Q Was there a change? Was it -- I mean, you've told me there's a GARF. I just want to know, did the GARF take out the 20 miles of track between Lake Providence and Madison Parish Port?
A I believe so.
Q So it's not even part of the INFRA Grant anymore?
A Delta Southern is not a part of the consortium.
Q I agree. I'm asking if the documents were amended to reflect the fact that the scope of work was changed to eliminate these words in the scope of work that say, Segment D, rehabilitate approximately 20 miles of track within this segment. Was that element of the scope of work deleted?
A If that element was deleted, there is a GARF.
Q Is there a GARF?
A I have to find -- there has to be a GARF. If that segment was deleted, there has to be a GARF.
Q I get that if there was --

MR. STREETER: John --

Q -- I'm asking --

MR. STREETER: -- that's been asked and answered about three different times now. Move on.

MR. SCHEIB: Your objection is noted. My question hasn't been answered.

Q Is there a GARF?

A If that's been changed, there has to be a GARF.

Q I understand that if it's been changed, there has to be a GARF. I'm asking, was it changed?

A I will have to find it. If there is a GARF, and I'm pretty sure there is one, I will have to find it. But if there is a change, there is a GARF.

MR. SCHEIB: All right. I want the GARF.

MR. BRISTER: I'll see what we can find.

Q If there is no GARF, is the statement, Segment D completion date June 30, 2026, accurate?

A To date, then that is not. Because this is June 29th, 2026. But this was done in 2025. Third quarter 2025.

Q Have there been any quarterly reports filed after this quarterly report?

A Yes, yes. Yes, sir. Fourth quarter '25.

Q Will you be updating your document production to provide us those two quarterly reports?

A Yes.

Q All right. Why don't we take a -- actually, before we take a break, let's do a little cleanup from this morning. If we could, during the lunch break, we had copies made of a couple of the documents that Ms. Hargrove brought with her today. The first we've been referring to as the SEAEDD Lake Providence Port Railroad Cash, Grants, Labor, and Materials Chart. For the record, let's go ahead and mark that as Exhibit 18. And just to be clear, let's mark as Exhibit 19 the deposition notice for today. And then Ms. Hargrove provided us a Project Status Meeting Agenda dated October 25th, 2025. Let's mark that as Exhibit --

A 20.

Q -- 20. I've got one question on Exhibit 20 maybe before we break. And I'll hand this document back to you so you can see it, since we only have one copy here in the room. At the end, there's a statement that says, as of, again, October 28th, 2025, "After the final walkthrough, Danny Robbins will send the FRA a letter for Class 1 condition." Who's Danny Robbins?

(WHEREUPON, Exhibits 18-20 were marked for identification and are attached hereto.)

A Danny Robbins is NL&A.

Q And is NLA the operator under contract with SEAEDD to operate the SEAEDD-owned sections of rail?

A Yes.

Q And does Danny Robbins and NLA operate from McGehee,

Arkansas, to Lake Providence Port regardless of who owns the track?

A Yes.

Q All right. So they're the rail service provider to any customer moving from McGehee, Arkansas, to Lake Providence Port or points in between; is that correct?

A Correct.

Q Okay. Do you know what he's -- what is referenced in these minutes when he says he will send the FRA a letter for Class 1 condition?

A What was occurring during that time for him to do said --

Q I'm just asking what this entry means. I don't know what it means.

A I'm assuming, during the meeting, he stated they had a walk through, and he's going to send a letter to FRA requesting for Class 1 condition.

Q Is Class 1 better or worse than Class 2 status; do you know?

A I'm assuming Class 2 is better than Class 1.

Q And so as of October 28, 2025, the best Mr. Robbins could do would be to send a letter requesting Class 1 status?

A But the thing that's missing in the statement is what section of the rail he's making reference to.

Q Do you have any idea what section of the rail he's referencing?

A No, I don't.
Q But it would be some segment of rail between McGehee and Lake Providence?
A I can assume so.
MR. SCHEIB: All right. I'm going to take a quick break, and I'll make sure I've got everything covered, and --
MR. BRISTER: Yeah.
MR. SCHEIB: -- we'll wrap up.
(WHEREUPON, after a break was taken, the proceedings were resumed as follows, to-wit:)
Q (Mr. Scheib continuing) All right. During the break, Ms. Hargrove, you made a copy of the document that you have with you today that's a timeline, and just for the record, we'll go ahead and mark that as Exhibit No. 21. I don't have any questions about that exhibit.
(WHEREUPON, Exhibit 21 was marked for identification and is attached hereto.)
A Okay.
MR. SCHEIB: Just before I close out, for the record, we do not believe we have a signed final version of the consortium agreement, we do not believe we have the attachment of meeting notes that was part of Exhibit 12, we do not believe we have a copy of the Queen City contract and request one, and

we do not believe that we have seen any GARFs to the grant agreement, and we would request copies of all GARFS entered into between SEAEDD and FRA. And with that, I am done.

MR. BRISTER: I don't have any questions.

MR. SCHEIB: All right. Mr. Streeter, we're going to close out, then.

MR. STREETER: Okay.

(WHEREUPON, the proceedings were concluded in the matter at 4:07 p.m. on June 29, 2026.)

(WITNESS EXCUSED)

C E R T I F I C A T E

STATE OF ARKANSAS)
)ss
COUNTY OF SALINE)

I, Jalessa Ward, Certified Court Reporter #910 and Notary Public, do hereby certify that the facts stated by me in the caption on the foregoing proceedings are true; and that the foregoing proceedings were reported verbatim through the use of the voice-writing method and thereafter transcribed by me or under my direct supervision to the best of my ability, taken at the time and place set out on the caption hereto.

I FURTHER CERTIFY that I am not a relative or employee of any attorney or employed by the parties hereto, nor financially interested or otherwise, in the outcome of this action, and that I have no contract with the parties, attorneys, or persons with an interest in the action that affects or has a substantial tendency to affect impartiality, that requires me to relinquish control of an original deposition transcript or copies of the transcript before it is certified and delivered to the custodial attorney, or that requires me to provide any service not made available to all parties to the action.

C E R T I F I C A T E

(Continued)

I FURTHER CERTIFY that I am not knowingly identified on a preferred provider list, whether written or oral, for any litigant, insurance company, or third-party administrator involved in this matter. This transcript is prepared at request of Counsel for Delta Southern Railroad, Inc.; and all fees are billed directly to Counsel for Delta Southern Railroad, Inc. in compliance with Arkansas Board of Court Reporter Examiners Regulations Section 19.

WITNESS MY HAND AND SEAL this 24th day of July, 2026.

Jalessa Ward, CCR

Certified Court Reporter #910

My Commission Expires: 7/09/2034





SIGNATURE PAGE

I, Patrecia Hargrove, do hereby certify that I have read the foregoing 164 pages of typewritten transcript of my testimony, after necessary translation, given under oath on the 29th day of June, 2026, and that the said transcript and corrections, if any, that appear on the attached errata sheet(s), are true and correct to the best of my memory and belief. Further, that I have signed my name to this signature page and authorize that the same be attached to the original transcript.

7/24/2026
DATE

Patrecia Hargrove
WITNESS

****

STATE OF Arkansas)
COUNTY OF Jefferson)

SUBSCRIBED AND SWORN to before me, a Notary Public in and for the aforesaid county and state on this the 24th day of July, 2026.

Chaketa L Alexander
NOTARY PUBLIC

MY COMMISSION EXPIRES:
07/02/2030

CHAKETA L ALEXANDER
JEFFERSON COUNTY
NOTARY PUBLIC – ARKANSAS
My Commission Expires July 2, 2030
Commission No. 12711277

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SEAEDD Response to Second Set of Discovery Requests

Propounded by Delta Southern Railroad, Inc.

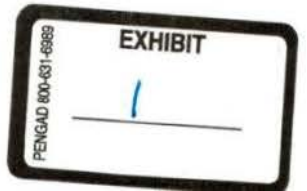
Pursuant to 49 CFR Part 1114 and other applicable rules and authority, Southeast Arkansas Economic Development District ("SEAEDD"), by counsel, responds as follows to Delta Southern Railroad, Inc.'s ("DSRR") Documents propounded on January 3, 2024.

GENERAL OBJECTIONS

1. SEAEDD objects to each and every Interrogatory and Request of Production of Documents ("RFP") to the extent they seek to impose obligations on SEAEDD greater than or inconsistent with those imposed under 49 CFR Part 1114 Subpart B. SEAEDD further objects to any and all definitions and or instructions to the extent they either expand upon or conflict with 49 CFR Part 1114 Subpart B.

2. SEAEDD objects to each and every Interrogatory and RFP to the extent they seek materials protected by the attorney-client privilege, the attorney-work product doctrine, the First Amendment privilege to petition the government for redress of grievances, or any other applicable privilege, protection or exception from discovery or disclosure. In the event that any such privileged, protected, or exempt information is inadvertently produced or provided, such disclosure or production is not intended as, and should not be construed as, a waiver of any applicable privilege, protection or exemption.

3. SEAEDD objects to each and every interrogatory and RFP to the extent they seek information or data that is not relevant to the subject matter



of this proceeding and are not likely to lead to the discovery of admissible evidence.

4. SEAEDD objects to each and every Interrogatory to the extent they ask for inappropriate legal conclusions, including conclusions as to the legal significance of underlying facts.

5. SEAEDD objects to each and every Interrogatory and RFP to the extent that they are: (a) overly broad; (b) vague or ambiguous; (c) fail to describe with reasonable particularity the information sought; (d) seeks information that is not within the possession, custody, or control of SEAEDD; or (e) would impose an undue burden that outweighs any relevance or probative value the information sought may have in this proceeding.

6. SEAEDD objects to each and every Interrogatory and RFP to the extent they are duplicative.

7. SEAEDD objects to each and every Interrogatory and RFP to the extent it requests information or material that is: (a) already in the possession of DSRR; (b) publicly available or otherwise readily available or accessible to DSRR from other sources; or (c) as accessible or available to DSRR as it is to SEAEDD and producing responsive information would impose substantially the same or greater burden on SEAEDD as it would impose on DSRR.

8. SEAEDD objects to each and every Interrogatory and RFP to the extent that they request information or material that relates to: (a) the use of funds from any government grant that has recognized the public interest in

providing funds to be used to construct or rehabilitate rail infrastructure; or (b) the use of such funds to fulfill the objectives of the grant.

9. SEAEDD objects to each and every Interrogatory and RFP to the extent that they are not relevant to the issue of valuation, which is the only subject as to which the Surface Transportation Board ("STB") ordered further discovery in its Decision served herein on November 20, 2023, slip op. at 16; see also, Decision served herein on December 11, 2023, at 1, citing Decision herein, served November 20, 2023, at 16.

10. These general objections are incorporated by reference into the following responses.

SPECIFIC RESPONSES AND OBJECTIONS TO INTERROGATORIES

INTERROGATORY NO. 32

Please Identify each District member or employee who has communicated with LPPC, or any of its commissioners or employees, regarding LPPC's feeder line application filed at the Surface Transportation Board in FD 36447, grants for funding for rail infrastructure, or rail service over the Line.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing stated objection, SEAEDD states that Patrecia Hargrove, SEAEDD's Executive Director, and Shane Knight, SEAEDD's Deputy Director, have communicated from time to time with Wyly Gilfoil regarding LPPC's Feeder Line Application filed at the STB.

INTERROGATORY NO. 33

Please Identify each shipper that ships or could ship on the Line; for each shipper please state and describe in detail the basis for any contention that the shipper, specifically, is inadequately served by DSRR, including any denial of requested service by DSRR.

Response: SEAEDD states that while it is aware of various problems involving the need to rehabilitate the entire Lake Providence Branch Line, which includes the segment owned by DSRR, in order to ensure adequate freight rail service for all shippers who would ship over that Line, SEAEDD does not have specific information that would enable it to respond and describe in detail the basis for any contention that any shipper is inadequately served by DSRR.

INTERROGATORY NO. 34

Please describe in detail all actions SEAEDD has taken to study, measure, analyze, assess, or evaluate the adequacy of DSRR's service to shippers over the Line, Including the results of any such study, measurement, analysis, assessment, or evaluation.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD responds that it worked closely with the Lake Providence Port Commission ("LPPC"), the Madison Parish Port Commission ("MPPC"), North Louisiana & Arkansas Railroad ("NLA") and DSRR for several years to prepare

multiple INFRA Grant Applications to obtain funding from the U.S. Department of Transportation to address the dilapidated condition of the entire Lake Providence Branch Line between McGehee, Arkansas and Tallulah, Louisiana. This necessarily required SEAEDD to assess DSRR's professed lack of financial resources to provide adequate freight service over its segment of the Lake Providence Branch Line.

INTERROGATORY NO. 35

Please Identify all shippers with which SEAEDD has communicated concerning either (i)LPPC's feeder line application, (ii) DSRR, (iii) DSRR's service over the Line, or (iv) the shipper's rail transport needs. Describe in detail and Identify the communications with each shipper identified.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD responds that it is not a rail carrier and that communications with shippers concerning the above-described topics would be addressed to NLA, which operates rail service over the track that SEAEDD acquired in order to save it from abandonment after DSRR's owners allowed the track to deteriorate to the point that rail operations could not be safely performed.

INTERROGATORY NO. 36

Please provide the dates, locations, and Identify the attendees for all meetings SEAEDD has had with each shipper identified in response to Interrogatory No. 32.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD responds that no meetings have been held with any shippers regarding the Feeder Line Application filed by LPPC and matters related thereto.

INTERROGATORY NO. 37

Please list all employees whose email and hard copy files have been searched in order to respond to these interrogatories and requests for documents.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, Patrecia Hargrove and Shane Knight have reviewed their emails and hard copy files to respond to these interrogatories and requests for documents.

INTERROGATORY NO. 38

Please Identify each employee of SEAEDD who has participated in discussions about any governmental grants, including but not limited to INFRA grants, for expenditure on LPPC's current rail lines that are operated by SEAEDD.

Response: SEAEDD objects to this Interrogatory on the grounds that grant funds for expenditure on LPPC's current lines are not relevant to the issue of valuation of the Lake Providence Branch Line between MP 471.0 and MP 498.44, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD states that no

employee of SEAEDD participated in any discussions about any government grants for expenditure on LPPC's current rail lines that are operated by SEAEDD. Although SEAEDD acquired a segment of the Lake Providence Branch Line between MP 433.0 at Lake Village, Arkansas, and MP 454.8 at the Louisiana/Arkansas Border outside of the STB's OFA procedures after this segment was abandoned by DSRR, SEAEDD does not operate over *any* line of railroad.

INTERROGATORY NO. 39

Please Identify each employee of SEAEDD who has participated in discussions about an [sic] any governmental grants, including but not limited to INFRA grants, for rail infrastructure or about rail service on the Line.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation of the Lake Providence Branch Line between MP 471.0 and MP 498.44, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD responds that SEAEDD was established in 1967 by the local governments in Southeast Arkansas in response to their common interests and concerns and the need for a joint approach to resolve area-wide problems. SEAEDD is a non-profit, local unit of government organization that renders technical, economic development, and planning assistance for the ten-county region it serves in Southeast Arkansas. The region includes Chicot and Desha Counties through which NLA operates. Grants have been received from the following governmental agencies: EDA - US Department of

Commerce/Economic Development Administration; DRA - Delta Regional Authority; DRA/RCAP - Delta Regional Authority Rural Community Advancement Program; CDBG-ED - Arkansas Economic Development Commission Community Development Block Grant Economic Development funding (these funds are through the State from US Department of Housing and Urban Development); AEDC - Arkansas Economic Development Commission; FEMA/ADEM - Federal Emergency Management Administration/ Arkansas Department of Emergency Management; CDBG/GA - Community Development Block Grant/General Assistance funding through the Arkansas Economic Development Commission; CDBG/GAIP - Community Development Block Grant/General Assistance Innovative Project funding through the Arkansas Economic Development Commission; CDBG/RS - Community Development Block Grant/ Rural Services funding through the Arkansas Economic Development Commission; CDBG/ANRC - Community Development Block Grant/Arkansas Natural Resources Commission; CDBG/D - Community Development Block Grant Disaster funding; CDBG/GIF - Community Development Block Grant General Improvement Funds; CDBG/COVID - Community Development Block Grant COVID funding; Parks - Arkansas Outdoor Recreation Grant Program. In further response, Patrecia Hargrove and Shane Knight have participated in some of those conversations involving grants for rail infrastructure or rail service on the Lake Providence Branch. With the exception of the DOT INFRA Grant Applications, which DSRR initiated at a meeting held in its headquarters in Tallulah on September 26, 2016, and

thereafter actively participated throughout the grant process, the foregoing grants have not involved the segment of the Lake Providence Branch Line that is now owned by DSRR.

INTERROGATORY NO. 40

For each governmental grant listed in response to Interrogatories No. 38 and 39, please list the dates on which each grant request joined by SEAEDD was signed, to which governmental entity it was submitted, and each co-signatory.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. SEAEDD further objects to this Interrogatory on the grounds that it is overly broad and unduly burdensome in that it seeks information related to grants that are not relevant to this proceeding. Notwithstanding the foregoing, SEAEDD states that Patrecia Hargrave signed the Grant Agreement for the Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project on January 15, 2021, in her capacity as the Authorized Representative of the SEAEDD, which is the Grantee.

INTERROGATORY NO. 41

Please list all customers on the Line that have expressed an interest to SEAEDD in routing traffic over the Line, and for each such customer, identify its name, location, commodities it handles, any information on its rail shipping history (including commodities shipped, origin or destination for rail

shipments, and date or year of shipment), and the date of any such expressions of interest.

Response: SEAEDD responds that it is not a rail carrier and, therefore, it has no rail customers that would have expressed an interest in routing traffic over the Line.

INTERROGATORY NO. 42

For each customer identified in response to Interrogatory No. 41, please Identify all communications with such customer by respondents.

Response: *See* Response to Interrogatory No. 41.

INTERROGATORY NO. 43

Please identify the dates on which any Documents that may be responsive to any of these Interrogatories or RFPs were destroyed, deleted, or purged and the name of the person who destroyed, deleted, or purged such materials.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, the undersigned has no knowledge that any documents have been destroyed or purged that are responsive to any of DSRR's Interrogatories or RFPs.

INTERROGATORY NO. 44

Please describe where, how often, the software used to backup work emails and other electronic documents.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which

the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD does not backup emails or electronic documents.

INTERROGATORY NO. 45

Please list each member or employee whose records were searched to respond to DSRR's discovery requests and the date on which they were searched.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, Patrecia Hargrove, Shane Knight and Amber Thrower, Hargrove's Executive Assistant reviewed records in response to DSRR's discovery requests.

REQUESTS FOR PRODUCTION OF DOCUMENTS ("RFPs")

RFP NO. 1

Please produce all Documents and communications with shippers concerning either (i) LPPC's feeder line application, (ii) DSRR's service over the Line, (iii) DSRR, or (iv) the shipper's rail transport needs.

Response: SEAEDD has no Documents that would reflect communications with any shipper concerning the items set forth in (i) through (iv).

RFP NO. 2

Please produce all communications and Documents with LPPC concerning (i) LPPC's feeder line application, (ii) DSRR, (iii) operations over the Line, or (iii) NLA's potential operation of the Line.

Response: SEAEDD objects to RFP No. 2 on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. SEAEDD further objects to this Interrogatory on the grounds that it is overly broad and unduly burdensome. Moreover, it is redundant and unnecessary because communications with LPPC and DSRR regarding LPPC's Feeder Line Applications and DSRR's refusals to rehabilitate the crucial 20-mile segment of the Lake Providence Branch Line are set out in detail in the Verified Statements of Patrecia Hargrove. SEAEDD has had no conversations with LPPC concerning NLA's potential operations over the Line, which, to clarify SEAEDD's responses, would cover NLA's future operations between milepost 471.0 and 498.44.

RFP NO. 3

Please produce all agreements with LPPC related to LPPC's feeder line application.

Response: SEAEDD objects to RFP No. 3 on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, no formal agreements exist between SEAEDD and LPPC related to LPPC's Feeder Line Application other than the Consortium Agreement that was previously provided to DSRR.

RFP NO. 4

Please produce all Documents and communications with or concerning LPPC and the Line.

Response: SEAEDD objects to RFP No. 4 on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, assuming that DSRR is seeking documents and communications with LPPC concerning the Line, meaning the track between Mileposts 471.0 and 498.44, SEAEDD objects to RFP No. 4 on the grounds that it seeks duplicative information that is set forth in detail in LPPC's Feeder Line Applications and that was provided by DSRR in the course of supplying information that was utilized in the INFRA Grant Applications to convince the U.S. Department of Transportation to award the INFRA Grant. SEAEDD further objects on the grounds that RFP No. 4 is overly broad and unduly burdensome and is not proportional to the needs of the case

RFP NO. 5

Please produce all Documents and communications concerning any refusal by DSRR to provide service over the Line.

Response: SEAEDD objects to RFP No. 5 on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD states that communications concerning DSRR's refusal to provide service over

the Line are discussed in the Verified Statements of Patrecia Hargrove that have been filed in LPPC's Feeder Line Applications.

RFP NO. 6

Please produce all Documents and communications with any customer regarding NLA's service to that customer.

Response: SEAEDD has no customers that have communicated to it about NLA's service.

RFP NO. 7

Please produce all Documents and communications concerning any study, report, analysis, assessment, or evaluation of potential traffic on the Line.

Response: All Documents and communications that SEAEDD may possess concerning any study, report, analysis, assessment, or evaluation of potential traffic on the Line may be found in the INFRA Grant Applications to which DSRR was a party.

RFP NO. 8

Please produce all Documents and communications with any person regarding submission of, contents of, supporting material for, or attachments to any verified statement signed by any employee of SEAEDD in support of LPPC's feeder line application or any filings made by LPPC in STB Finance Docket No. 36447.

Response: Patricia Hargrove is the only person who submitted a verified statement in support of LPPC's Feeder Line Application in STB Finance Docket No. 36447 on behalf of SEAEDD. All communications regarding submission of,

contents of, supporting material for, or attachments to any verified statement signed by Ms. Hargrove were with counsel and are subject to the attorney-client privilege and attorney work-product doctrine. Because all supporting material contained in Ms. Hargrove's verified statement has been attributed to the source thereof, this RFP is redundant and unnecessary.

RFP NO. 9

Please produce all Documents related to any and all INFRA grants (including but not limited to Exhibit A submitted by LPPC on January 4, 2023 in STB Finance Docket No. 36447), including documents regarding grant or denial of the grant, receipt of funds, projected or actual expenditure of funds, or work schedules.

Response: SEAEDD objects to RFP No. 9 on the grounds that the request for such communications and Documents is not relevant to the issue of valuation of the Lake Providence Branch Line between MP 471.0 and MP 498.44, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD objects to RFP No. 9 on the grounds that it requests information or material that relates to: (a) the use of funds from any government grant that has recognized the public interest in providing funds to be used to construct or rehabilitate rail infrastructure; or (b) the use of such funds to fulfill the objectives of the grant. SEAEDD further states that the INFRA Grant, which was approved in 2019, is not the subject of review by the STB and that information, including communications and documents related to the INFRA Grants which were

submitted by SEAEDD on behalf of NLA, LPPC, MPPC, SEAEDD, and DSRR to the U.S. Department of Transportation, is not relevant to this proceeding and would not likely lead to the production of admissible evidence.

RFP NO. 10

Please produce all Documents and communications related to any governmental grants applied for (whether granted or denied) involving the LPPC lines currently operated by NLA or the Line, including for each documents [sic] regarding the award or denial of the grant, receipt of funds, projected or actual expenditure of funds, or work schedules.

Response: SEAEDD objects to RFP No. 10 on the grounds that the request for such communications and Documents is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD further states that it is not aware of any government grants other than the INFRA Grant that have been applied for since January 1, 2017 that involve the LPPC lines currently operated by NLA or the Line.

RFP NO. 11

Produce all Documents and communications involving LPPC, NLA, SEAEDD, or MPPC and any of the following rail customers or potential rail customers that discuss or relate to rail service provided by either DSR or NLA from 2017 to present:

a. Complex Chemical Co.
b. Terral River Services
c. Helena/South Delta Fertilizer
d. Railcar Co.

e. Stepan Company
f. Clearwater Paper Corp.
g. Livingston Pecan and Metal
h. Epstein Gin & Transloading Co.
i. Hollybrook Gin & Warehouse
j. Riceland Foods
k. Sullivan Log Yard
l. Anderson Trade Group
m. Hensley Farms (f/ka/ Big River Grain)
n. Rail Vehicle Services
o. Helena Chemical
p. Nutrien (f/k/a CPS)
q. MD Power
r. Slipknot (f/k/a Lake Village Seed)
s. Gavilon (f/k/a CHS)
t. APEX
u. Scott Petroleum
v. Bayou Energy, LLC
w. John Deere

Response: SEAEDD objects to RFP No. 11 on the grounds that the request for such communications and Documents is not relevant to the issue of valuation of the Lake Providence Branch Line between MP 471.0 and MP 498.44, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD has had no communications with any of the foregoing entities that relate to rail service provided by either DSRR or NLA from 2017 to the present date. In addition, SEAEDD does not have any documents from any of the foregoing entities that relate to rail service provided by either DSRR or NLA from 2017 to the present date.

RFP NO. 12

Please produce all Documents and communications related to rail service by NLA or DSRR in SEAEDD's territory or responsibility.

Response: SEAEDD objects to RFP No. 12 on the grounds that the request for such communications and Documents is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD states that DSRR has provided no rail service whatsoever in SEAEDD's territory or responsibility since 2004. SEAEDD further responds that, although it has no specific documents, it is aware that NLA has restored rail service to all shippers that are located in SEAEDD's territory and that were left without any rail service following DSRR's abandonment of all of its lines in Arkansas after allowing the track to deteriorate.

RFP NO. 13

Please produce all minutes of SEAEDD meetings at which the Line, LPPC's feeder application, or rail service was discussed or voted upon.

Response: SEAEDD objects to this Interrogatory on the grounds that it is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. SEAEDD further responds, based on a review of all Board meeting minutes since 2020, that there are no minutes that reference a discussion or a Board vote on LPPC's Expanded Feeder Line Application or rail service.

RFP NO. 14

For all meetings responsive to RFP No. 14, please produce all public notices of SEAEDD meetings.

Response: There have been no public notices of SEAEDD meetings that mentioned LPPC's Feeder Line Application.

RFP NO. 15

Please produce all Documents related to or communications with Northeast Louisiana Railroad Development District regarding any rail property owned by DSRR, including the Line.

Response: SEAEDD objects to RFP No. 15 on the grounds that the request for such communications and Documents is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD has no Documents related to or communications with Northeast Louisiana Railroad Development District.

RFP NO. 16

Produce all communications and all Documents with elected officials (including member or committee-staff) of the United States House of Representatives, United States Senate, Louisiana House of Representatives, Louisiana Senate, or the Governor of Louisiana concerning LPPC's feeder line application.

Response: SEAEDD objects to RFP No. 16 on the grounds that the request for such communications and Documents is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further

discovery at this time. Notwithstanding the foregoing, SEAEDD further states that its communications with any of the listed governmental entities, if any, are of no substantive relevance to the issues in this case and are subject to its General Objection No. 2. Furthermore, this request is unduly burdensome because all relevant governmental elected officials in both Louisiana and Arkansas have supported the rehabilitation of the entire Lake Providence Branch Line for many years that predate the filing of LPPC's initial Feeder Line Application on November 12, 2020. Furthermore, the STB's website does not reflect any attempt by any of the elected officials to pressure the STB to take any result on the merits. Instead, Congressional communications have been limited to repeated requests that the STB establish a new procedural schedule consistent with the requirement that the sufficiency of Feeder Line Applications be decided within 30 days of filing and with the National Rail Transportation Policy that requires the STB "to provide for the expeditious handling and resolution of all proceedings required or permitted to be brought under this part." 49 U.S.C. § 10101(15).

RFP NO. 17

Produce all communications and all Documents with elected officials (including member or committee-staff) of the United States House of Representatives, United States Senate, Louisiana House of Representatives, Louisiana Senate, or Governor of Louisiana concerning DSRR's service over the Line.

Response: SEAEDD objects to RFP No. 17 on the grounds that the request for such communications and Documents is not relevant to the issue of

valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD further states that it has had no communications with elected officials (including member or committee-staff) of the United States House of Representatives, United States Senate, Louisiana House of Representatives, Louisiana Senate, or Governor of Louisiana concerning DSRR's service over the Line.

RFP NO. 18

Produce all communications and all Documents with elected officials (including member or committee-staff) of the United States House of Representatives, United States Senate, Louisiana House of Representatives, Louisiana Senate, or Governor of Louisiana concerning LPPC's ability to purchase the Line.

Response: SEAEDD objects to RFP No. 18 on the grounds that the request for such communications and Documents is not relevant to the issue of valuation, which is the only subject as to which the STB ordered further discovery at this time. Notwithstanding the foregoing, SEAEDD further states that it has had no communications with elected officials (including member or committee-staff) of the United States House of Representatives, United States Senate, Louisiana House of Representatives, Louisiana Senate, or Governor of Louisiana concerning LPPC's ability to purchase the Line.

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.

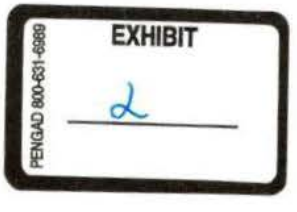
RESPONSES AND OBJECTIONS TO DELTA SOUTHERN RAILROAD'S FIRST SET OF INTERROGATORIES FILED BY LAKE PROVIDENCE PORT COMMISSION, SOUTHEAST ARKANSAS ECONOMIC DEVELOPMENT DISTRICT AND NORTH LOUISIANA & ARKANSAS RAILROAD

As stated at 49 C.F.R. 1114.26, "any party may serve upon any other party written interrogatories to the answered by the party served."

Pursuant to 49 C.F.R. §§ 1114.26 and 1114.30, Lake Providence Port Commission (LPPC) and Southeast Arkansas Economic Development District (SEAEDD) (hereinafter Respondents), which are parties to the instant Feeder Line Application proceeding, hereby respond and state their objections to the First Set of Interrogatories served by Delta Southern Railroad (DSR) on February 5, 2021.

GENERAL OBJECTIONS

The following general objections are made with respect to DSR's First Set of Interrogatories.



1. Respondents object to DSR's Requests to the extent they seek disclosure of documents that are protected by the attorney-client privilege, work product doctrine, and/or any other appropriate privilege or doctrine. Any production of privileged or otherwise protected documents is inadvertent and shall not constitute a waiver of any claim of privilege or other protection.

2. Respondents object to DSR's Requests on grounds that they are overly broad and unduly burdensome. Respondents note that "[u]nless otherwise specified, these Interrogatories cover the time period January 1, 2015 to present." Since September 26, 2016, DSR and its Manager, Continental Rail LLC (Continental), have been actively involved in the joint effort to obtain INFRA Grant funding to reopen *the entire Corridor*, which includes the 20-mile Segment that is the subject of the Feeder Application. On that date, DSR hosted the multiple partners at its office located at Tallulah, Louisiana. As a result of DSR's and Continental's active involvement in the project, the information that DSR seeks to "discover" is already known to DSR and Continental.[1]

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[1] Respondents have been advised that effective January 5, 2021 "Continental Rail and John Marino are no longer the manager of the Delta Southern Railroad" and that Jon Ryan was subsequently "hired as the CEO of the Delta Southern Railroad" to replace John Marino, who was Continental's CEO throughout the process. Because Ryan actively played a significant role in the past few years with respect to the project, his replacement of Marino does not impact the foregoing factors.

3. Because DSR has owned the Segment since late December 2015, DSR is fully informed regarding all rail traffic that has previously moved over the segment since it acquired the segment from the prior owner pursuant a transaction outside of the Board's jurisdiction in 2015.

4. Respondents object to DSR's Requests to the extent that information that is sought "about the nature, kind, quantity, destination, consignee, or routing of property tendered to North Louisiana & Arkansas Railroad. Such information is of a most confidential nature, commercially sensitive, or proprietary, including sensitive nonpublic information relating to third parties that, if produced, could result in the violation of any contractual obligation to third parties or could violate 49 U.S.C. § 11904.

5. DSR's Requests are excessive and repetitive and seek information that is outside the scope of this proceeding and is not relevant to the issues involved in this proceeding which involve DSR's refusal to make necessary efforts to provide adequate service to shippers who transport traffic over the Segment.

6. Respondents object to DSR's Requests to the extent that they seek production of or information regarding "all Communications," (which are defined to mean the transmittal or exchange of information of *any* kind dating back to January 1, 2015), "all movements of rail freight cars," "all projections or assumption of revenue," "all efforts," and

"without limitation" relating to matters described in particular requests on grounds that those requests are overly broad and unduly burdensome in light of the nature of this proceeding. Such requests are not conceivably relevant in this proceeding and are unreasonable given DSR's decision to decline to commit to the rehabilitation of the Segment. Respondents will conduct a search for responsive information as indicated in their responses to specific requests that is commensurate with the nature and expedited schedule of this proceeding.

7. Respondents object to DSR's Requests to the extent that they seek production of or information regarding all Communications between the Project Partners, namely SEAEDD, LPPC, MPPC, DSR and NLA, that were simultaneously exchanged between all Project Partners, including Continental and DSR, and, therefore, are in DSR's possession.

8. Respondents object to DSR's Requests that seek information from entities that are not parties to the proceeding, including North Louisiana & Arkansas Railroad (NLA) and the Madison Parish Port (MPP).

OBJECTIONS TO DEFINITIONS AND INSTRUCTIONS

Respondents object to the "Instructions" and "Definitions" sections (hereinafter collectively referred to as "the Improper Burdens") included in DSR'S First Set of Interrogatories ("DSR's Discovery Requests") as overly broad, unduly burdensome, vague, ambiguous, and beyond the scope of discovery as defined in 49 C.F.R. §1114.21(a). The Improper

Burdens create obligations that are beyond those required by both the spirit and the letter of the Rules governing discovery and burden Respondents with excessive, unnecessary, and unreasonable time and expense in responding to DSR's Discovery Requests.

Respondents incorporate the General Objections, Objections to Definitions, and Objections to Instructions into each Response below as if full set forth therein.

RESPONSES AND OBJECTIONS TO REQUESTS FOR PRODUCTION

INTERROGATORY NO. 1:

Identify all On-Line Customers, and for each such On-Line Customer, Identify its name, its location (by milepost and/or street address), a general description of the commodities it handles, and any information regarding its rail shipping history (including but not limited to commodities shipped, origin or destination for rail shipments, and date or year of shipment).

Respondents' Response: Respondents have no "On-Line Customers."

INTERROGATORY NO. 2:

For each On-Line Customer identified in response to Interrogatory No. 1, Identify all Communications with such On-Line Customer by one or more of the Respondents or MPP.

Respondents' Response: Respondents have no "On-Line Customers."

INTERROGATORY NO. 3:

For each On-Line Customer identified in response to Interrogatory No. 1, Identify any commitment or estimate (on a weekly, monthly, or annual basis) made by or on behalf of such On-Line Customer of rail shipments to be made to or from its facility over the Segment at any point in the future.

Respondents' Response: Respondents have no "On-Line Customers."

INTERROGATORY NO. 4:

Identify all Non-On-Line Customers that have expressed an interest in routing traffic over the Segment, and for each such Non-On-Line Customer, Identify its name, its location (by milepost and/or street address), a general description of the commodities it handles, and any information regarding its rail shipping history (including but not limited to commodities shipped, origin or destination for rail shipments, and date or year of shipment).

Respondents' Response: Respondents have no "Non-On-Line Customers."

INTERROGATORY NO. 5:

For each Non-On-Line Customer identified in response to Interrogatory No. 4, Identify all Communications with such Non-On-Line Customer by one or more of the Respondents or MPP.

Respondents' Response: Respondents have no "Non-On-Line Customers."

INTERROGATORY NO. 6:

For each Non-On-Line Customer identified in response to Interrogatory No. 4, Identify any commitment or estimate (on a weekly, monthly, or annual basis) made by or on behalf of such Non-On-Line Customer of rail shipments to be made to or from its facility over the Segment at any point in the future.

Respondents' Response: Respondents have no "Non-On-Line Customers."

INTERROGATORY NO. 7:

Identify all agreements, understandings or customs between NLA and DSR regarding the interchange of freight traffic between them.

Respondents' Response: Respondents respectfully submit that DSR is fully informed with respect to any agreements, understandings or customs between NLA and DSR regarding the interchange of freight traffic between them. In further response, Respondents state that they

are not privy to any written agreements between DSR and NLA regarding the interchange of freight traffic between them.

INTERROGATORY NO. 8:

Identify all agreements, understandings or customs between NLA and DSR regarding the pricing of freight traffic to be interchanged between them.

Respondents' Response: Respondents respectfully submit that DSR is fully informed with respect to any agreements, understandings, or customs between NLA and DSR regarding the pricing of freight traffic to be interchanged between them. Respondents state that they are not privy to any such agreements, understandings, or customs between DSR and NLA.

INTERROGATORY NO. 9:

For each Non-On-Line Customer served directly by NLA with which one or more Respondents or MPP has had Communications regarding the movement of freight traffic by rail over the Segment, Identify the off-line origin or destination to which such freight movement moved or was intended to move. For each such origin or destination, Identify the shortest rail routing such traffic could access to reach the origin or destination if it did not move over the Segment, the mileage difference between effecting such a movement over the Segment as compared to not moving over the Segment, and the carloads of such rail movements to or

from such origins or destinations made annually for the Non-On-Line Customer by NLA.

Respondents' Response: Respondents have no such information.

INTERROGATORY NO. 10:

Identify all Communications between one or more Respondents and/or MPP, on the one hand, and any entity currently or formerly using the Segment for rail freight car storage on the other, regarding any aspect of that entity's relationship with DSR, including but not limited to charges for car storage, the term of its car storage agreements(s) with DSR, and alternatives to storing cars on DSR.

Respondents' Response: Respondents have no knowledge, information, or awareness of any such Communications regarding charges for car storage, or the terms of any of DSR's car storage agreement(s).

Wyly Gilfoil, LPPC's Executive Director, had a conversation with Matt Prince, DSR's former Director of Operations, during which he objected strenuously to the car storage on the MP 471-MP 491 section. He does not remember the date of the conversation other than it was shortly after DSR started storing cars on that section. During that call, they also discussed the fact that DSR had not paid its part of the cost of preparing the 2017 INFRA Grant Application while NLA and everybody else paid and that DSR had added insult to injury by storing cars on the line.

INTERROGATORY NO. 11:

Identify (including origin, destination, date(s) and commodity) all movements of rail freight cars (loaded or empty) over the LPPC Segment.

Respondents' Response: Respondents object to this Request on the grounds that it is unduly burdensome and not relevant to the instant proceeding. Respondents further state that they have no knowledge, information, or records regarding that requested information.

INTERROGATORY NO. 12:

Identify all existing or expired embargoes, OPSL Notes, Documents, or other Communications Relating to NLA's ability or willingness to move rail traffic over the LPPC Segment.

Respondents' Response: Respondents are not aware of any existing or expired embargoes, OPSL Notes, Documents, or other Communications relating to NLA's ability or willingness to move rail traffic over the LPPC Segment, which is defined as "that portion of the Corridor between milepost 454.8 and 471.0."

INTERROGATORY NO. 13:

Identify by milepost all segments of rail that have been removed (whether by NLA, LPPC, or otherwise) from the LPPC Segment and not immediately replaced. For each such segment of rail, Identify the approximately time period between when the rail was removed and when it was replaced,

why the segment of rail was removed, by whom it was removed, and by whom it was replaced.

Respondents Response: On March 7, 2016, about 30 feet of track at milepost 469.65 were removed. This was done by the East Carroll Parish Police Jury through the LA Statewide Flood Control Program. They were removed and replaced by Pointer Smith under the Railroad Rehabilitation Phase I Project. The temporary removal of the tracks was needed so that concrete box culverts could be installed beneath the track. The work was supposed to have happened prior to the time that LPPC reopened the Line that it had acquired from Delta Southern Railroad, Inc. The day after NLA, which had not been given advance notice, discovered that the rails had been removed while in the process of delivering cars to the Port, the rails were replaced so that NLA could deliver cars to the LPPC port. After delivering the in-bound cars, NLA transported cars that it had received from DSR at the point of interchange over the reinstalled track and moved them without incident in a northly direction over the LPPC Segment. The track was permanently replaced following the completion of the culverts. The cost of this essential project totaled $1,944,844.95. Related documents are being provided herewith.

INTERROGATORY NO. 14:

Identify by milepost all segments of the LPPC Segment that have deemed by any Respondent or FRA as "out of service" pursuant to 49 C.F.R. § 213 et seq., and for each such segment, identify the time period in which the segment was deemed out of service.

Respondents' Response: Respondents have no information regarding any "out-of-service" order issued pursuant to 49 C.F.R. § 213 *et seq.* or otherwise that applied to the LPPC Segment.

INTERROGATORY NO. 15:

Identify all Communications that any Respondent or MPP has had with each of the entities described below Relating to any aspect of the Application.

a. On-Line Customers.

Respondents' Response: SEAEDD has had no Communications with On-Line Customers relating to the Application.

Wyly Gilfoil has had conversations from time to time with On-Line Customers relating to the Feeder Line Application but has no notes or other means of establishing the dates of such conversations or the subject matter discussed.

b. Non-On-Line Customers.

Respondents' Response: Respondents have had no Communications with Non-On-Line Customers relating to the Application.

c. the State of Louisiana Department of Transportation and Development.

Respondents' Response: SEAEDD has had no Communications with the State of Louisiana Department of Transportation and Development. On August 24, 2020, Wyly Gilfoil, LPPC's Executive Director, spoke with Dean Goodell, Freight & Passenger Rail Director, LADOTD, and asked him for recommendations of rail appraisers. On February 23, 2017, Mr. Gilfoil requested information from Mr. Goodell regarding whether DOTD had tendered a RFQ/RFP related to the LA State Rail Plan.

d. the USDOT.

Respondents' Response: SEAEDD's Executive Director, Patrecia G. Hargrove, who is the Authorized Representative of the Grantee, repeatedly communicated with FRA regarding the INFRA Grant. Copies of all written communications with the USDOT relating to the Feeder Application are being provided herewith.

Wyly Gilfoil, LPPC's Executive Director, likewise communicated with FRA on various occasions regarding the revised project scope of work.

e. East Carroll Parish, Louisiana

Respondents' Response: None

f. Madison Parish, Louisiana.

Respondents' Response: None

INTERROGATORY NO. 16:

Identify all Communications between any Respondent or MPP, on the one hand, and USDOT on the other, regarding the need to spend any portion of the Grant proceeds on the Segment.

Respondents' Response: *See Exhibit* 1 of the Feeder application, namely the FY 19-20 INFRA Grant Application. That Application clearly states that the purpose of the application was to obtain funds to be used to re-build the entire corridor between McGehee and Tallulah. A copy of the executed INFRA Grant Agreement was provided to Tom Healey on February 17, 2021.

The information sought "regarding the need to spend any portion of the Grant proceeds on the Segment" is not relevant to the issues involved in this proceeding which involve DSR's refusal to make necessary efforts to provide adequate service to shippers who transport traffic over the Segment. That precise issue was determined by USDOT/FRA and has nothing to do with the issues involved in this proceeding which concerns.

To facilitate the expedited handling of this matter, Respondents are tendering various documents in response to this Interrogatory that appear to relate to the Feeder Application.

INTERROGATORY NO. 17:

Identify all Communications between any Respondent or MPP, on the one hand, and USDOT on the other, regarding the need to spend any portion of the Grant proceeds to assure that the Corridor provides a contiguous route for the through movement of rail freight.

Respondents' Response: *See* Exhibit 1 of the Feeder application, namely the FY 19-20 INFRA Grant Application. That Application clearly states that the purpose of the application was to obtain funds to be used to re-build the entire corridor between McGehee and Tallulah. *See also,* Grant Agreement, executed January 15, 2021, Ex. Attachment 2, STATEMENT OF WORK, Task 4: Construction, at pp 6-7.

The information sought "regarding the need to spend any portion of the Grant proceeds to assure that the Corridor provides a contiguous route for the through movement of rail freight" is not relevant to the issues involved in this proceeding which involve DSR's refusal to make necessary efforts to provide adequate service to shippers who transport traffic over the Segment.

To facilitate the expedited handling of this matter, Respondents are tendering various documents in response to this Interrogatory that relate to the Feeder Application.

In further response to Interrogatory No. 17, Respondents note that while DSR may not be financially obligated to use INFRA Grant funds to rehabilitate the Segment, SEAEDD, per the INFRA Grant Agreement STATEMENT OF WORK, executed January 15, 2021, is obligated to restore the entire Corridor and distribute INFRA Grant funds only for the construction activities described in the Detailed Project Work Plan and in Subtasks 4a and 4b, within the Corridor in accordance with the terms of the Grant requirements.

INTERROGATORY NO. 18:

Identify (i) all time deadlines currently imposed on any Respondent for Expenditure of the Grant, and (ii) any other timelines currently in effect under the Grant.

Respondents' Response: The time frames established by USDOT that govern the entire process are set forth in the Statement of Work that was Electronically Signed on January 15, 2021. A copy of this document was produced on February 17, 2021.

INTERROGATORY NO. 19:

Identify all Communications between DSR, on the one hand, and a Respondent or MPP on the other, that any Respondent believes was a commitment by DSR to expend any portion of the Grant on the Segment.

Respondents' Response: Prior to August 21, 2020, DSR never stated that, if INFRA Grant Funds were allocated for rehabilitation of the Segment, it would not commit to allowing the Segment to be rehabilitated with such funds in accordance with the terms of Grant Agreement set by FRA. Given the unquestioned intent to rehabilitate the entire Corridor that was expressed by DSR officials as early as the first meeting at DSR's office in Tallulah on September 26, 2016, and its letter of support sent to Elaine Chao, Secretary, U.S. Department of Transportation, dated October 17, 2017, Respondents had no reason to question DSR's unequivocal support for the Project's goal to rehabilitate the entire Corridor.

INTERROGATORY NO. 20:

Identify all Communications or Documents wherein DSR stated that it is or was "incapable" of funding the rehabilitation of the Segment, as alleged on p. 4 of the Application.

Respondents' Response: Respondents note that in September 2017, Matt Prince, Continental Rail's Director of Operations, announced that "[w]e bowed out of the grant application for the time being as we

simply cannot afford to spend the cash right now." From the outset, DSR made it clear during various meetings that it was unwilling and unable to expend the funds that it recognized would be necessary to rehabilitate the infrastructure and had to rely on State and Federal funds. Indeed, DSR "bowed out" because it was not able to cover its share of the payment owed to HDR. Nevertheless, on October 17, 2017, Matt Prince forwarded a letter of support to Elaine Chao, Secretary, U.S. Department of Transportation. That letter is reproduced as Exhibit 4 to the Feeder Application.

Thereafter, in November and December 2019, as part of the joint effort to trim down the scope of work, Jon Ryan submitted a budgetary spreadsheet proposal that focused on DSR's financial ability to upgrade its tracks between MP 496 and MP 500. He did not indicate any financial ability to rehabilitate DSR's tracks between MP 471 and 491, which had been discussed over the past two years and presented to FRA as a critical component of the INFRA Grant Applications.

INTERROGATORY NO. 21:

Identify the formal operating plan, as referenced on p. 5 of the Application.

Respondents' Response: A true copy of the unredacted formal operating plan was filed by LPPC with the Board on December 28, 2020. A redacted Public Version had been earlier filed on December 22, 2020.

INTERROGATORY NO. 22:

Identify all projections or assumptions of loaded railcars to be moved by NLA over the Segment (on a weekly, monthly, or annual basis) if the Application is granted.

Respondents' Response: Respondents are not aware of any projections regarding the number of loaded railcars to be moved over the Segment.

INTERROGATORY NO. 23:

Identify all projections or assumptions of revenue to be earned by NLA for the movement of rail traffic over the Segment (on a weekly, monthly, or annual basis) if the Application is granted.

Respondents' Response: Respondents have no information regarding projections made by NLA regarding the revenue to be earned for the movment of rail traffic over the Segment.

INTERROGATORY NO. 24:

Identify all Communications between Respondents or MPP, on the one hand, and "HDR" on the other, regarding the Grant, the Corridor, the Segment, or the Application, as identified on p. 9 of the Application.

Respondents' Response: Respondents object to this Request on the grounds that it is unduly burdensome. HDR worked with all members of the Public Private Partnership (PPP) since September 26,

2016 in preparing both the FY 17-18 Grant Application, which was denied, and the FY 19-20 Grant Application. Moreover, DSR actively participated in the joint effort to trim down the scope of work following receipt of the email from Paul Baumer with US DOT about offering an INFRA Grant award to SEAEDD at the reduced amount of $10,516,259. As a result, DSR was unquestionably aware of the intended rail rehabilitation scope of work that was repeatedly discussed by all members of the PPP for over two years and presented to the FRA as part of the grant applications. Simply stated Communications with HDR related to that effort are not relevant to the Feeder Application proceeding.

Respondents have reviewed communications with HDR that relate to events following USDOT's announcement July 10, 2019 that it would consider a grant to SEAEDD at the reduced amount of $10,516,259 and are providing copies of Communications with HDR that relate to the effort to modify the initial Grant request with the joint agreement of all parties, including DSR to accept the reduced amount offered by USDOT/FRA.

INTERROGATORY NO. 25:

Identify all Communications or Documents Relating to the efforts of any of the Respondents to purchase the Segment from DSR through negotiation.

Respondents' Response: On August 20, 2020, Wyly Gilfoil spoke with John Marino, the former CEO of Continental (which was at the time the Manager of DSR). His Deputy Director, Bryant Killen, participated in the call. A copy of his notes, which accurately describes the key points of that conversation, is being produced herewith.

INTERROGATORY NO. 26:

Explain all reasons why DSR was not permitted to participate in the meeting in Washington, D.C. with USDOT regarding the Grant on in Spring, 2020.

Respondents' Response: Respondents have no knowledge of any meeting in Washington, D.C. with USDOT regarding the Grant in Spring, 2020.

INTERROGATORY NO. 27:

Identify all versions of the "Consortium Agreement," as referenced on p. 11 of the Application.

Respondents' Response: DSR was provided with a true copy of the initial draft version of the Consortium Agreement on July 30, 2020. Copies of the draft Consortium Agreement dated October 28, 2020 and the final Consortium Agreement dated November 20, 2020 are being produced.

INTERROGATORY NO. 28:

Identify the "letter from FRA approving of the requested changes to the scope of work," as referenced on p. 11 of the Application.

Respondents' Response: A true copy of the letter from Marc R. Dixon, Project Manager- South Central Region, Federal Railroad Administration to Ms. Patrecia Hargrove, Executive Director, SEAEDD, dated June 1, 2020 is being produced.

INTERROGATORY NO. 29:

Identify all efforts, undertaken by any person or entity, to effect "reallocation of the $3.2 million plus Engineering," as referenced on p. 16 of the Application, including, but not limited to, Communications with USDOT regarding that subject, or Documents reflecting that subject.

Respondents' Response: No one, other than DSR, has made any attempt to affect the "reallocation of the $3.2 million plus Engineering." FRA announced that a Grant in the amount of $10,516,259.00 had been awarded to SEAEDD on July 18, 2019, which required a reassessment of the various projects that would be funded with INFRA Grant funds. SEAEDD's distribution of Grant funds must comply with the requirements imposed by USDOT/FRA in the Grant Agreement that was executed on January 1, 2021 and previously provided to counsel for DSR on February 17, 2021. STATEMENT OF WORK, **Task 4: Construction** reads as herein relevant that:

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

FRA has *never* agreed to the use of INFRA Grant funds to upgrade any of the track located between MP 491 and MP 500.2. As a result, DSR, by refusing to commit to the use of Grant funds for the purposes set forth above, is the only person or entity that has attempted to undo the terms imposed by FRA.

INTERROGATORY NO. 30:

Identify the "time restraints on SEAEDD" imposed by the Grant, as referenced on p. 4 of LPPC's and SEAEDD's "Petition Seeking Expedited Consideration."

Respondents' Response: *See* Grant Agreement, Attachment 3, DELIVERABLES AND APPROVED PROJECT SCHEDULE, Approved Project Schedule, which was provided to DSR's attorney on February 17, 2021.

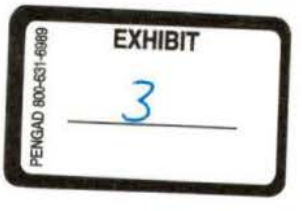
INTERROGATORY NO. 31:

Identify each Person providing Documents, information and/or other assistance in responding to these Interrogatories, and for each such Person, Identify the Interrogatory(ies) to which such Person provided Documents, information and/or assistance.

Respondents' Response: The following Persons, with the assistance of counsel, are providing documents and other information in response to the Interrogatories: Wyly Gilfoil, Executive Director, LPPC; Patrecia Hargrove, Executive Director, SEAEDD. The Responses indicate the Sources of the Responses.

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

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[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 $7,361,250 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 near (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 1 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

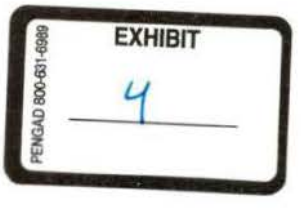
I, Patrecia G. Hargrove, declare under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed this 9 day of December 2022.

Patrecia G. Hargrove

[14] *See* Attachment No. 10 hereto.

EXHIBIT B

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



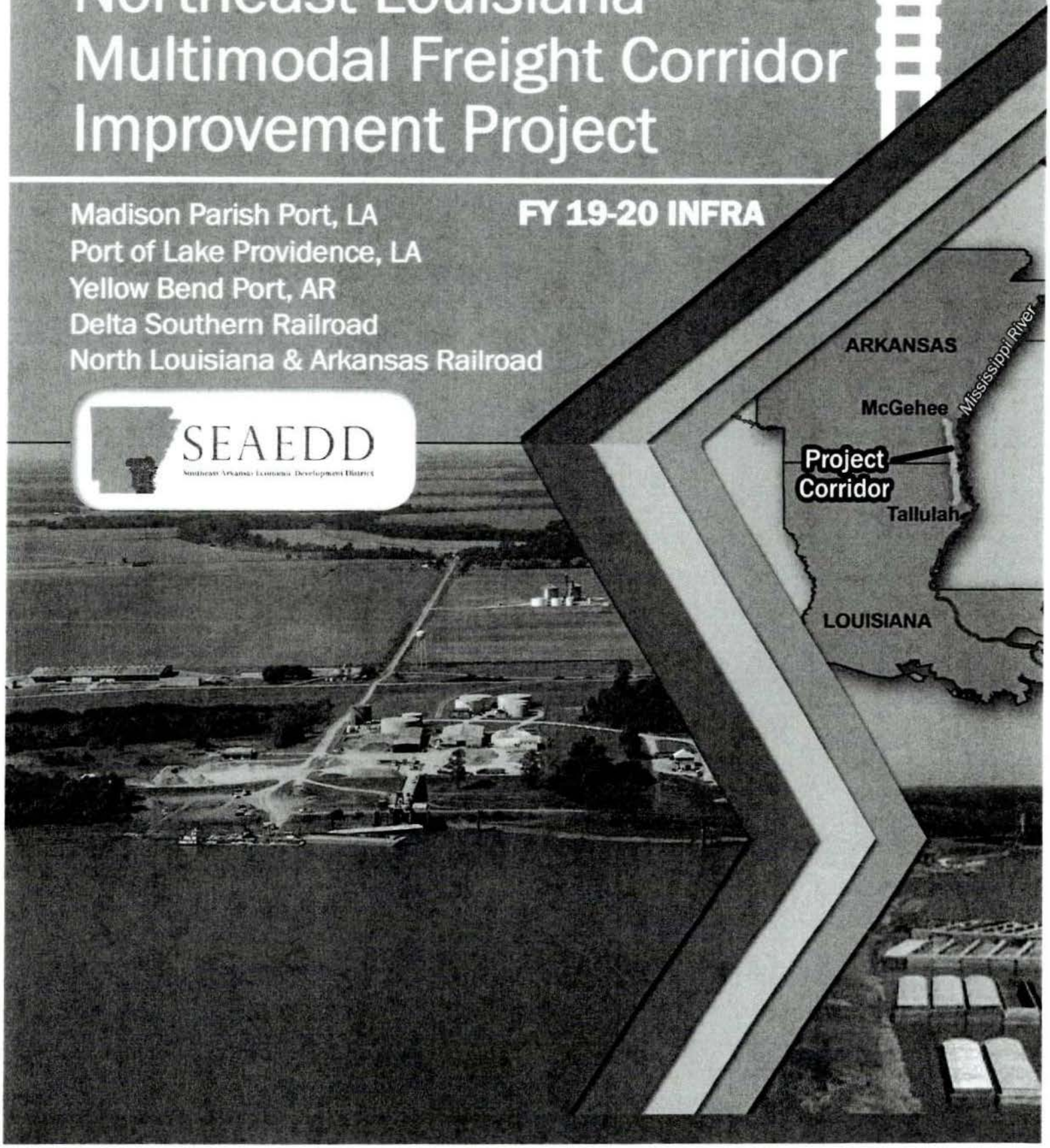
Southeast Arkansas Economic Development District

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 Louisiana 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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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

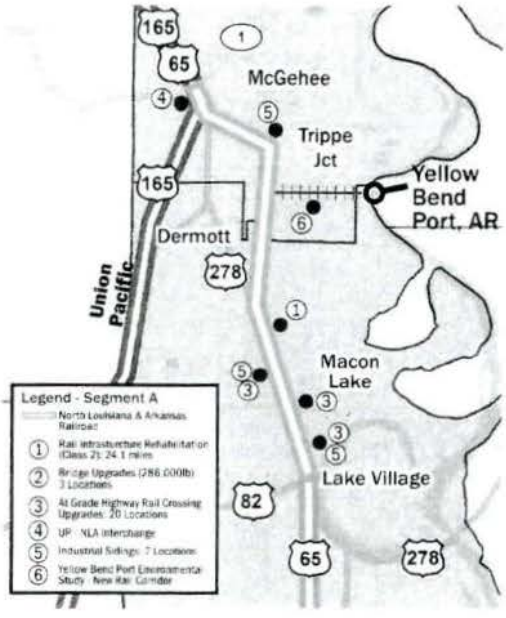
The rail line is also connected to local short line Arkansas Midland Railroad in McGehee, AR. The NLA and DSR connect with each other at Lake Providence, LA.

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

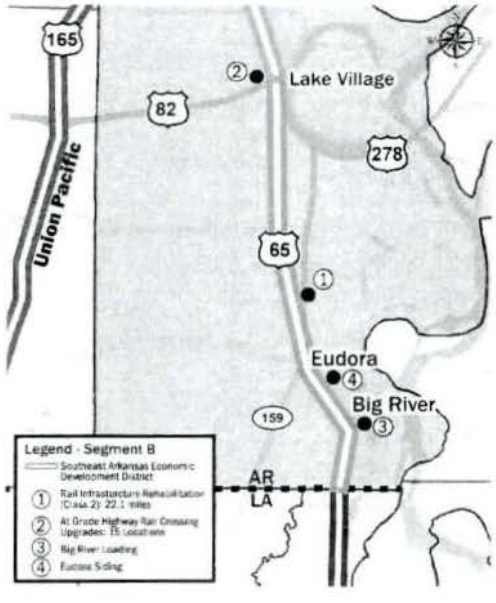
NLA Rail Rehabilitation – Segment A (**Figure 3**) extends from McGehee, AR (MP 408.9) to Lake Village, AR (MP 433.0). Rail rehabilitation in Segment A includes 24.1 miles of rail infrastructure rehabilitation to FRA Class 2 Track allowing for train operations up to 25 mph, three bridge upgrades (to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

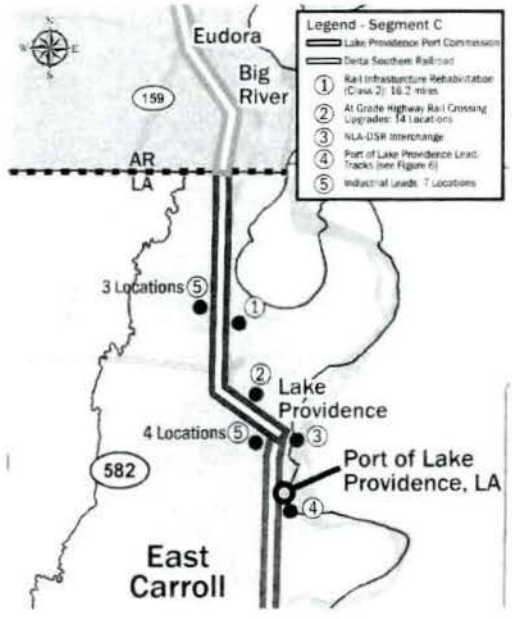


Figure 6: Lake Providence Port Track Extension



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

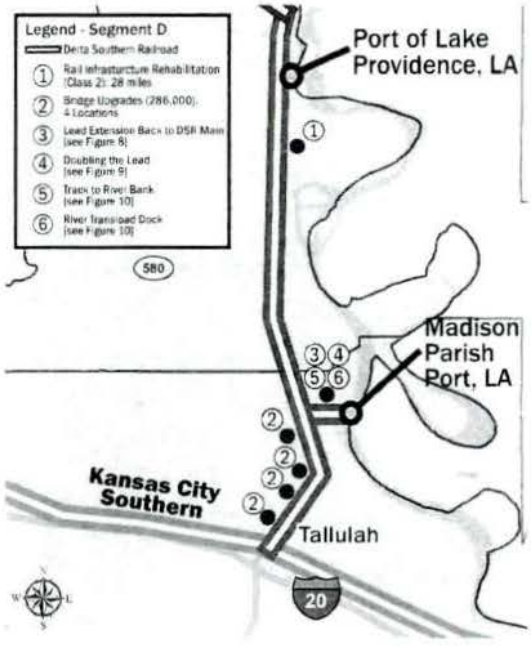
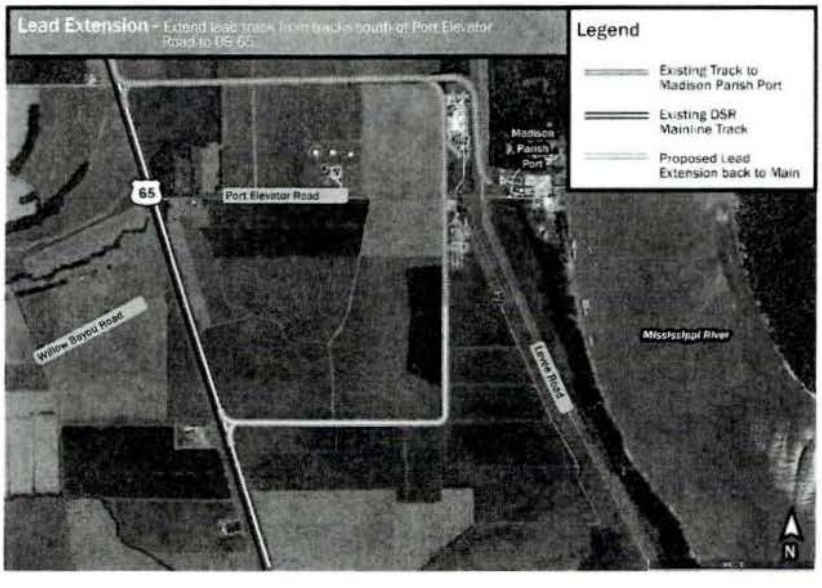


Figure 8: Madison Parish Port Lead Extension



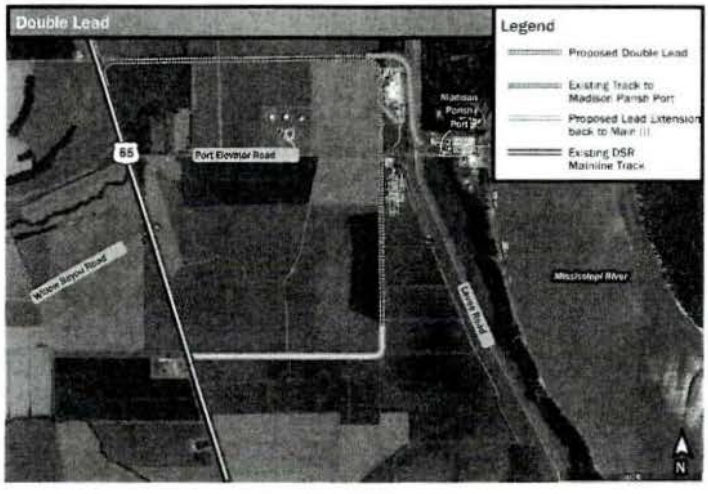


Figure 9: Madison Parish Port Double Lead

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**).

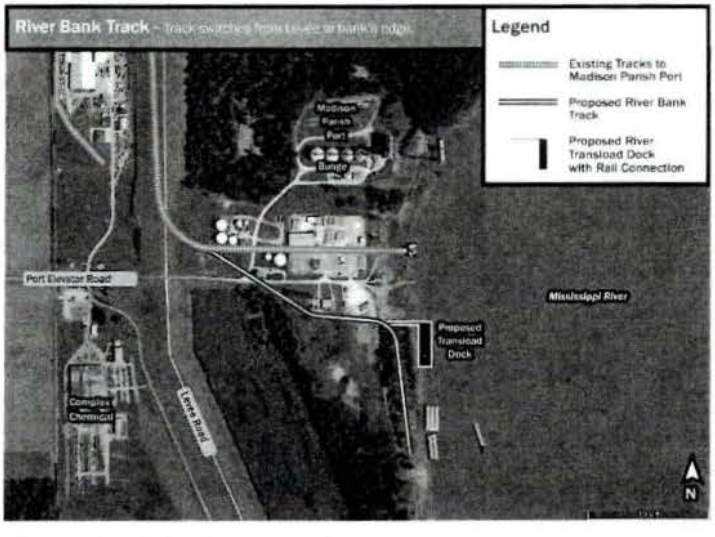


Figure 10: Madison Parish Port River Bank Track and Transload Dock

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).

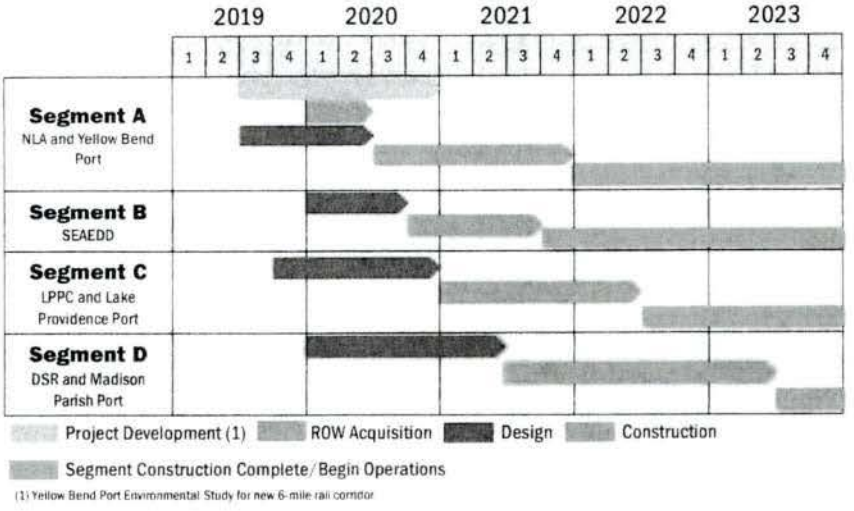
Project Schedule

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	Likelihood	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

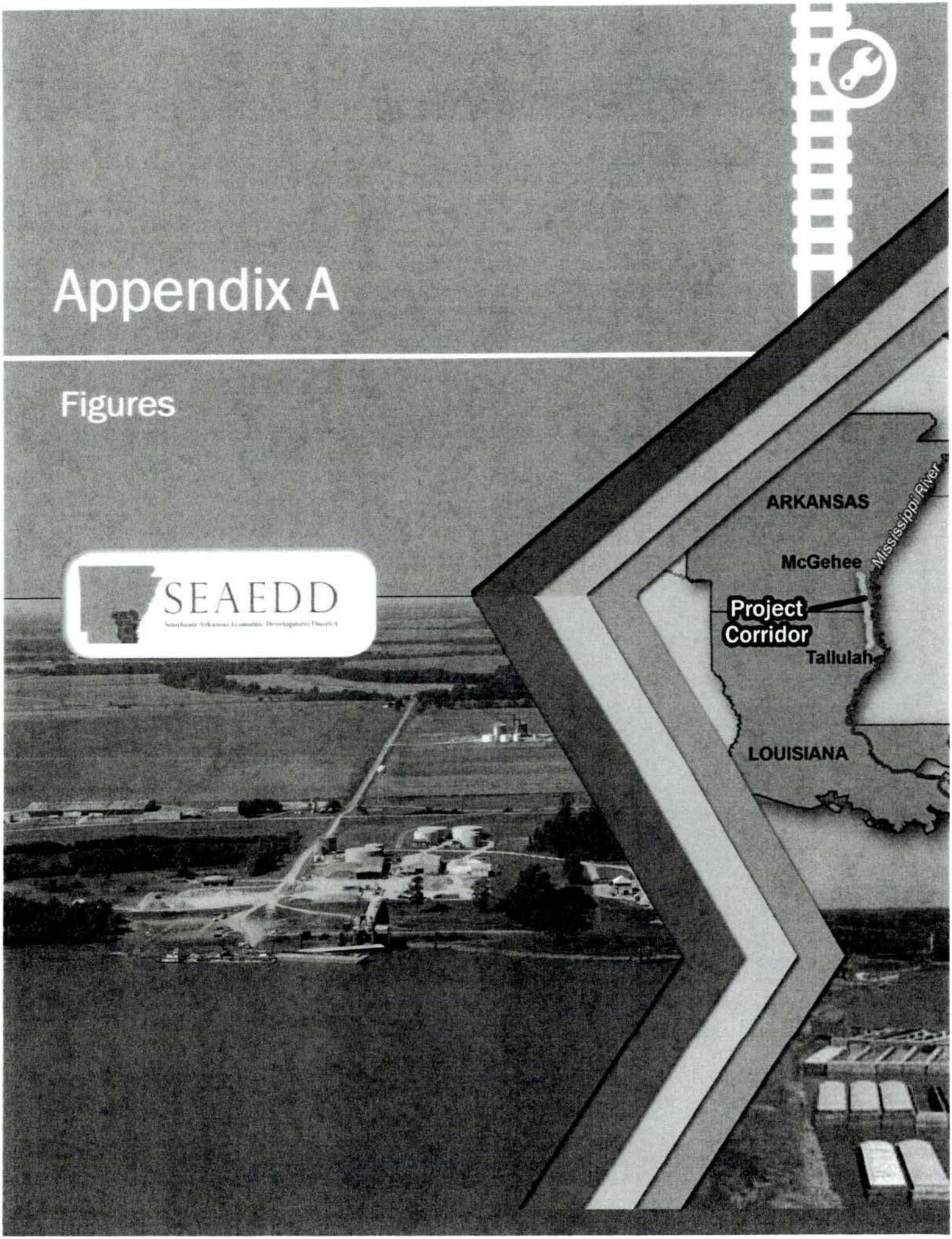
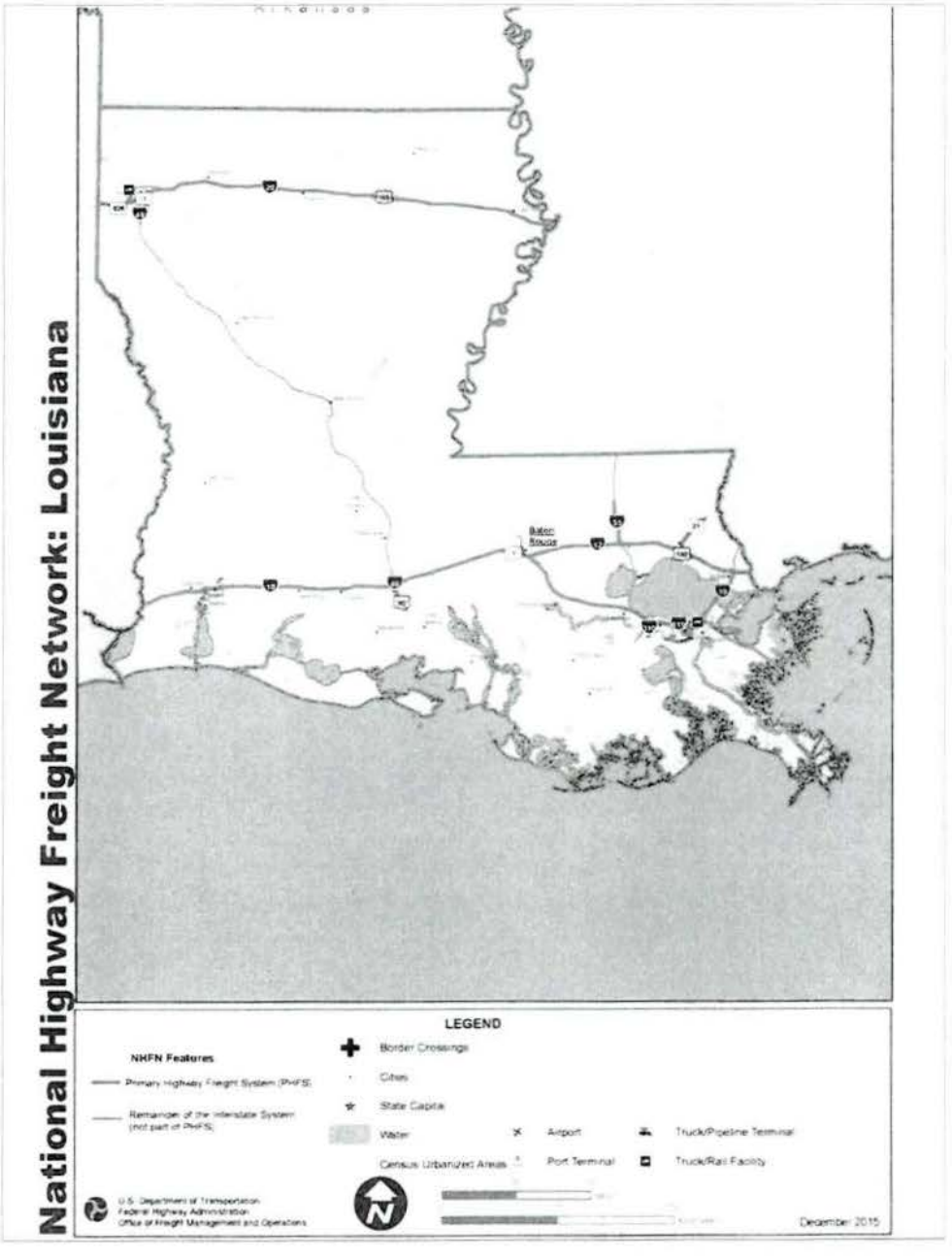
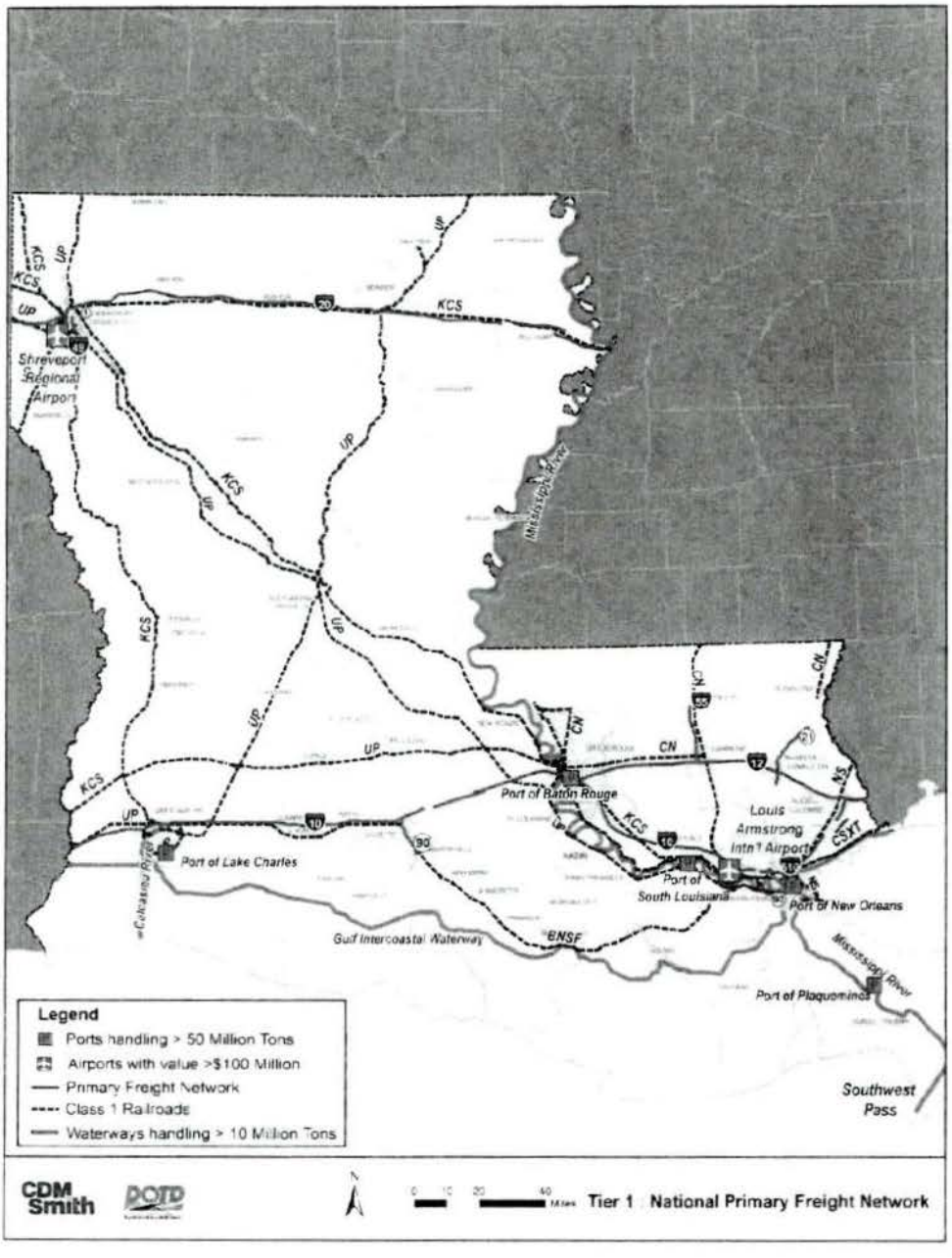


Figure A-1: Interstate 20 through Louisiana:
Part of the National Highway Freight Network within the Project Corridor



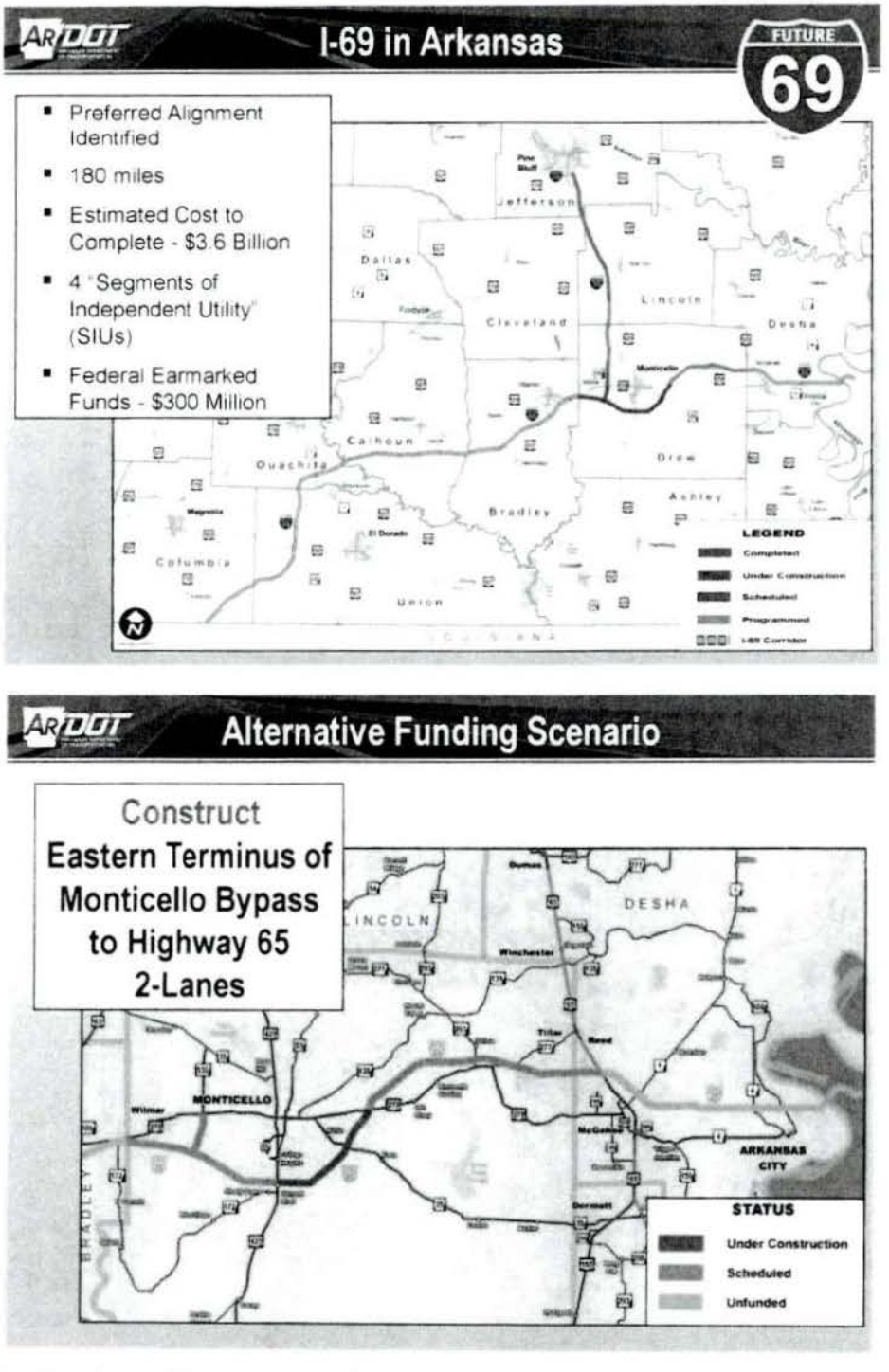
Source: Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017

Figure A-2: KCS Railroad through Louisiana:
Part of the Tier 1 National Primary Freight Network within the Project Corridor



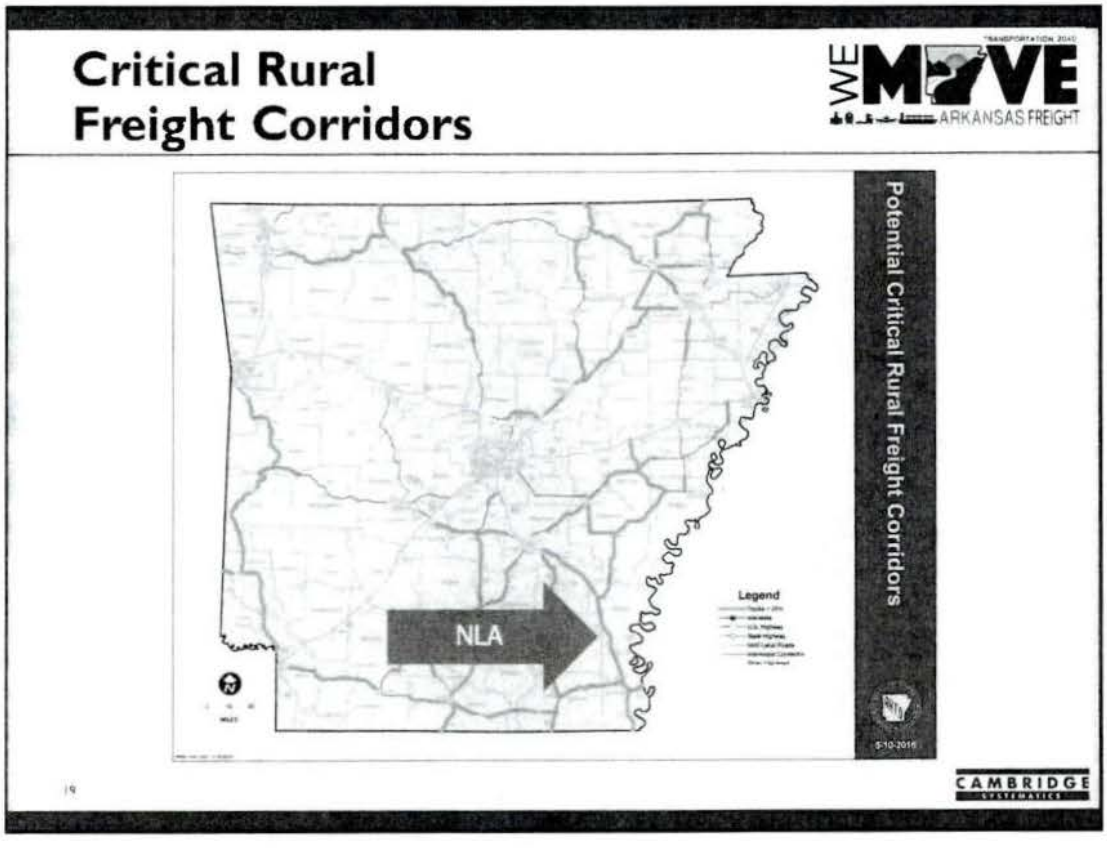
Source: Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017

Figure A-3: Interstate 69 near Project Location



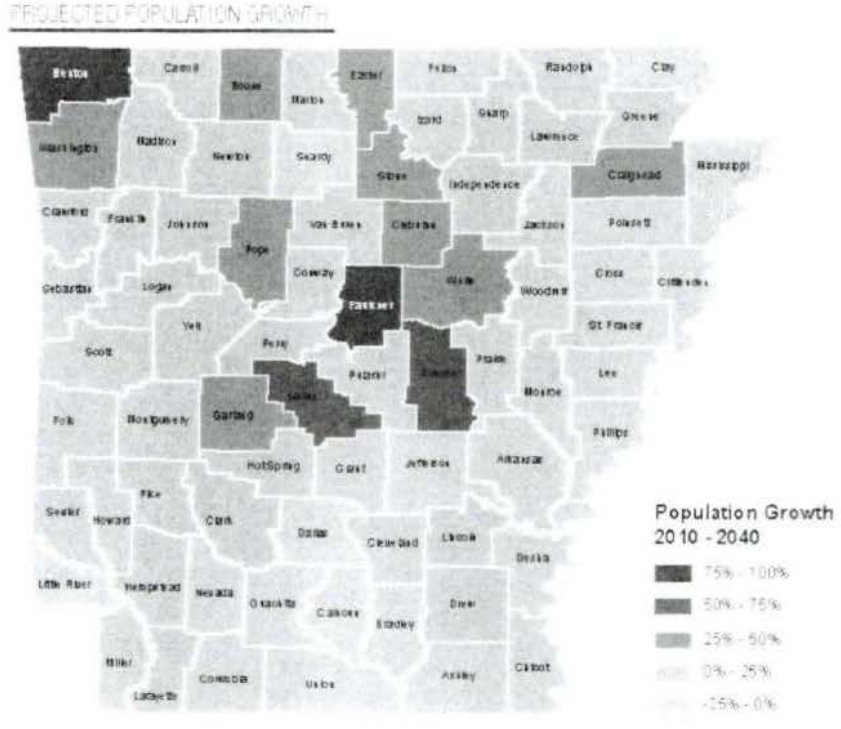
Source: Arkansas Department of Transportation, Highway Commission Review & Advisory Subcommittee presentation by Scott E. Bennett, P.E., Director http://www.arkansashighways.com/PowerPoints/2018_HCRAS%20020920218.pdf

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

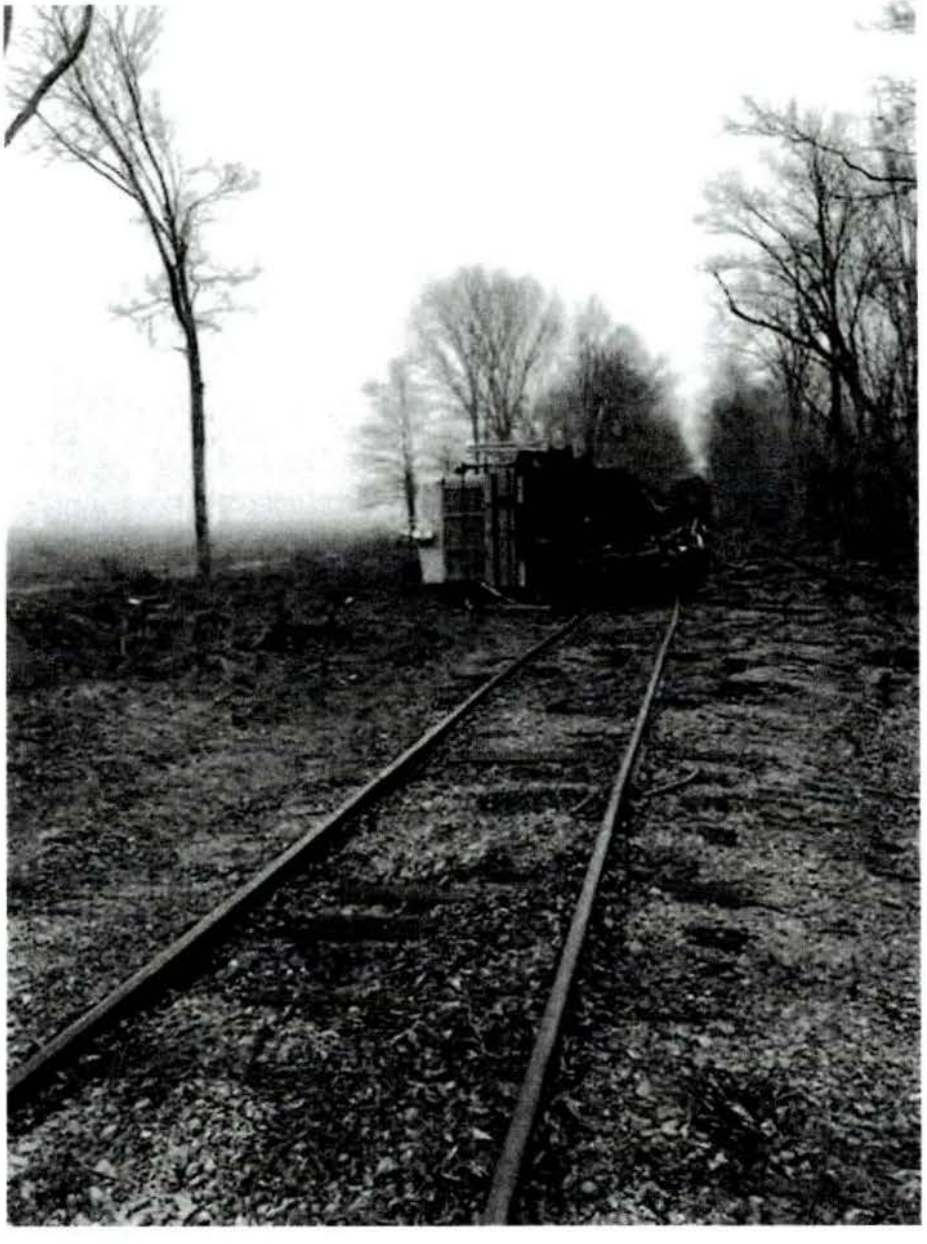


Photo courtesy of SEAEDD and NLA.

Figure A-10: NLA Rollover Derailment February 4, 2019: 4 Miles North of Lake Village

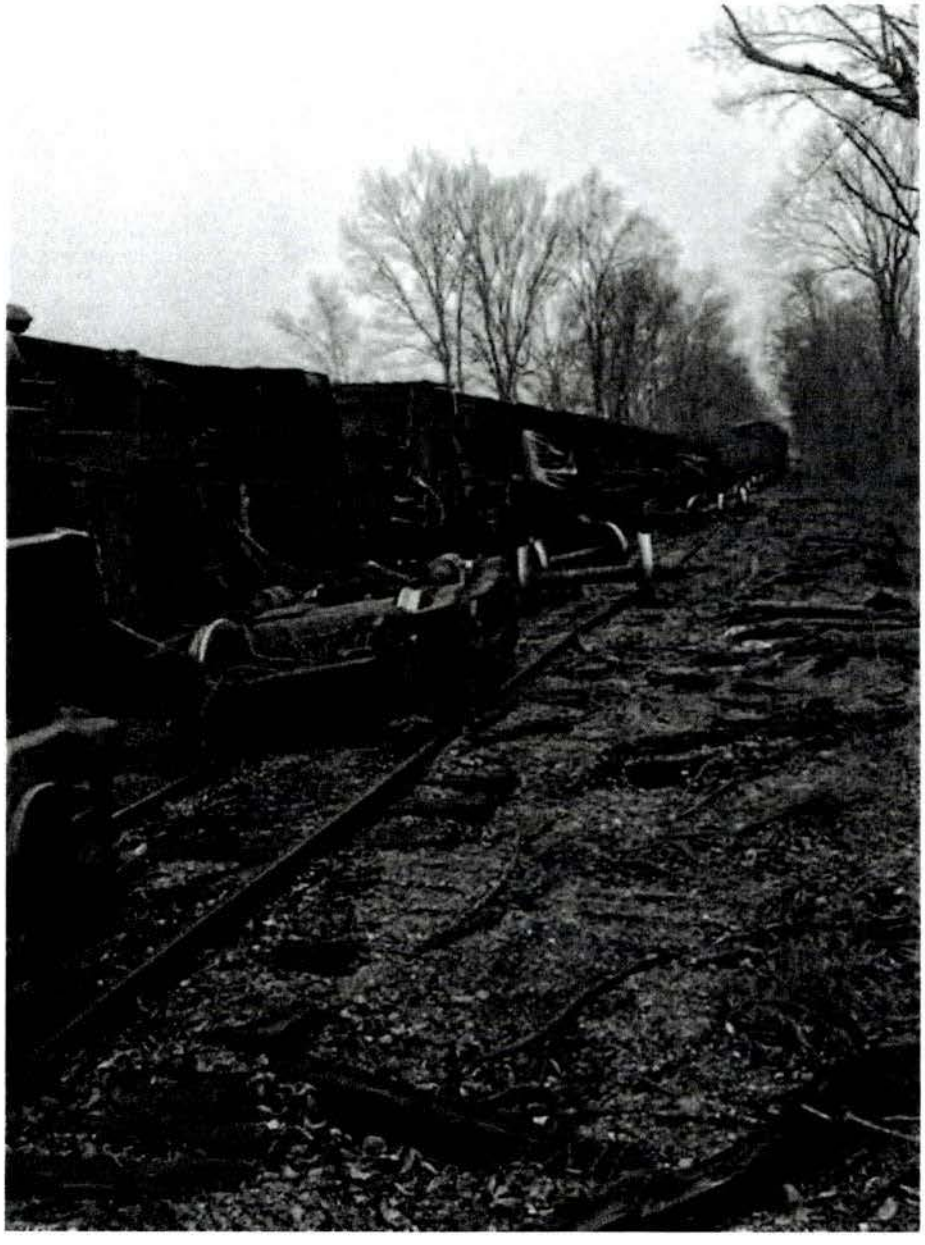
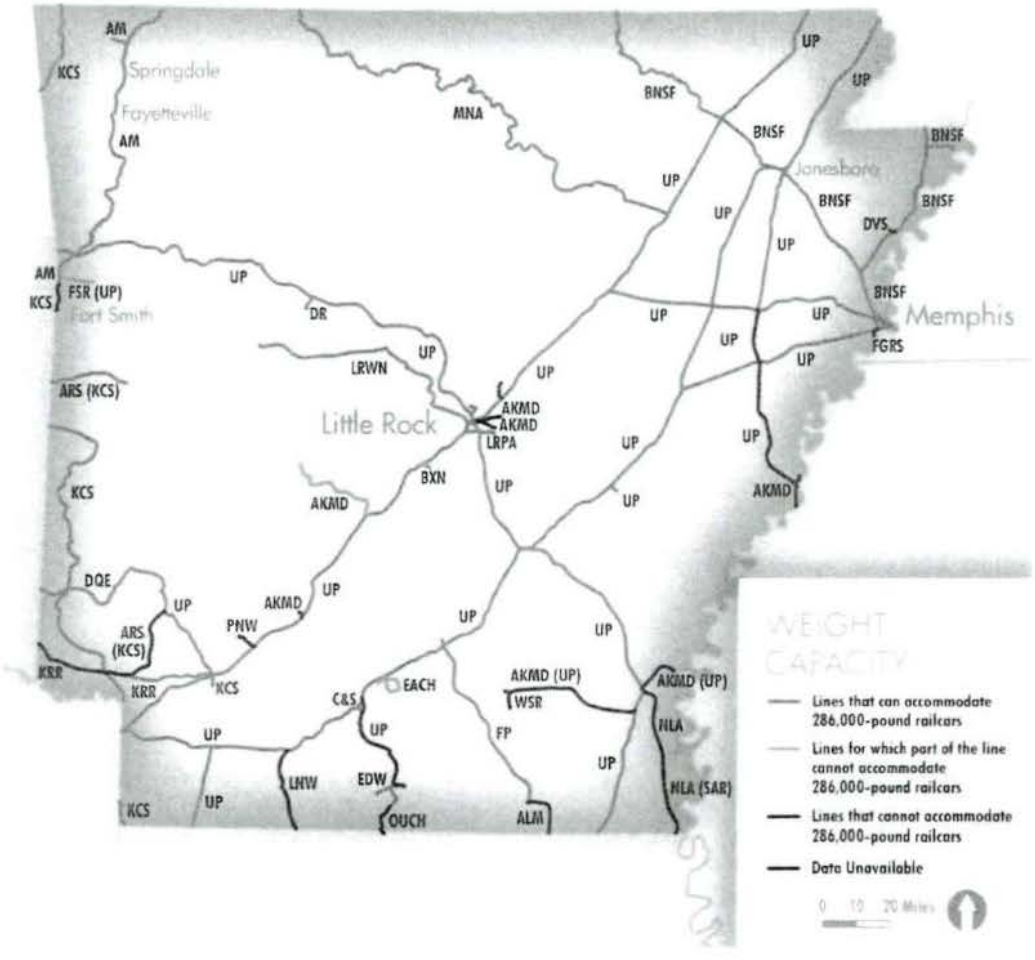


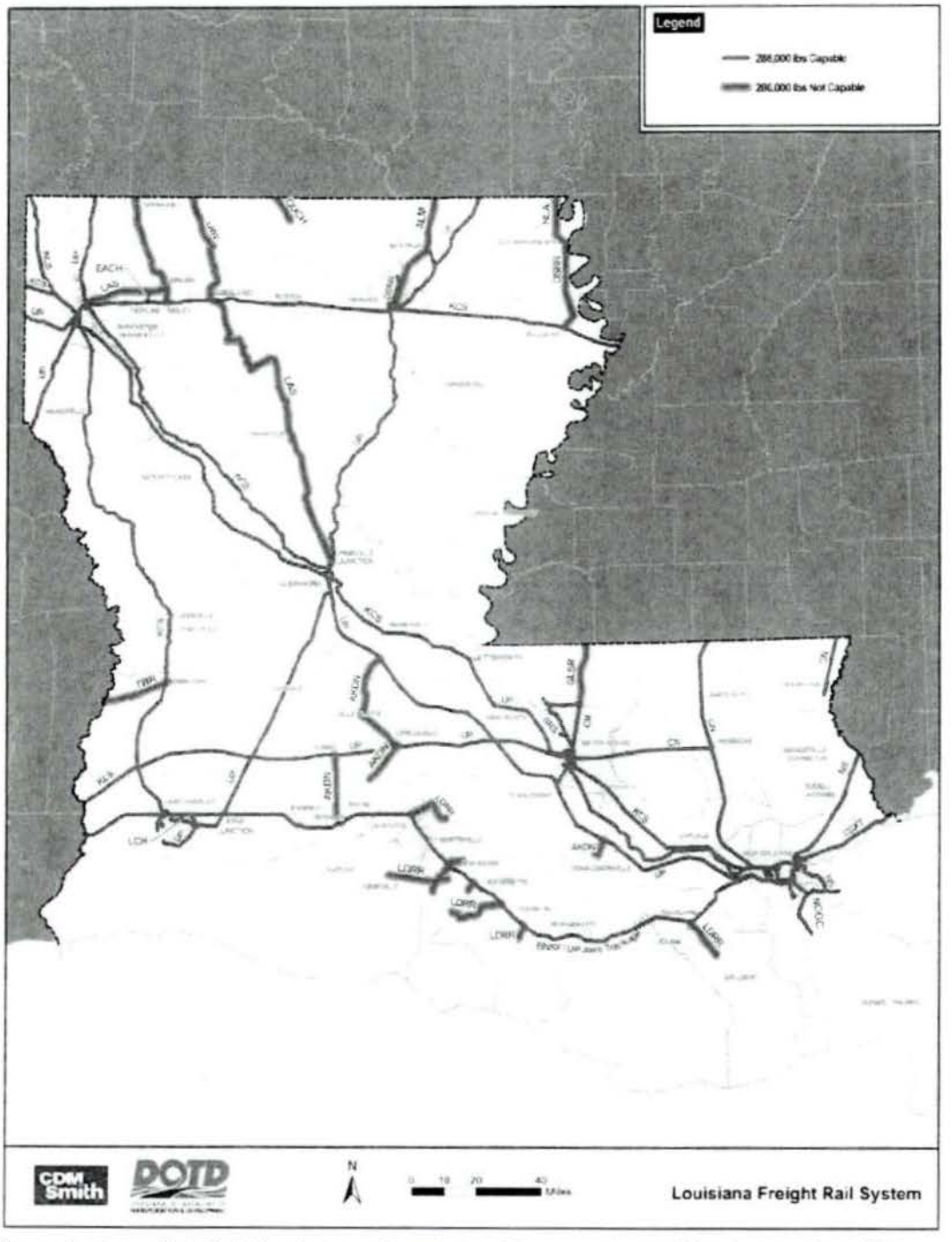
Photo courtesy of SEAEDD and NLA.

Figure A-11: NLA Track Weight Restriction within Arkansas



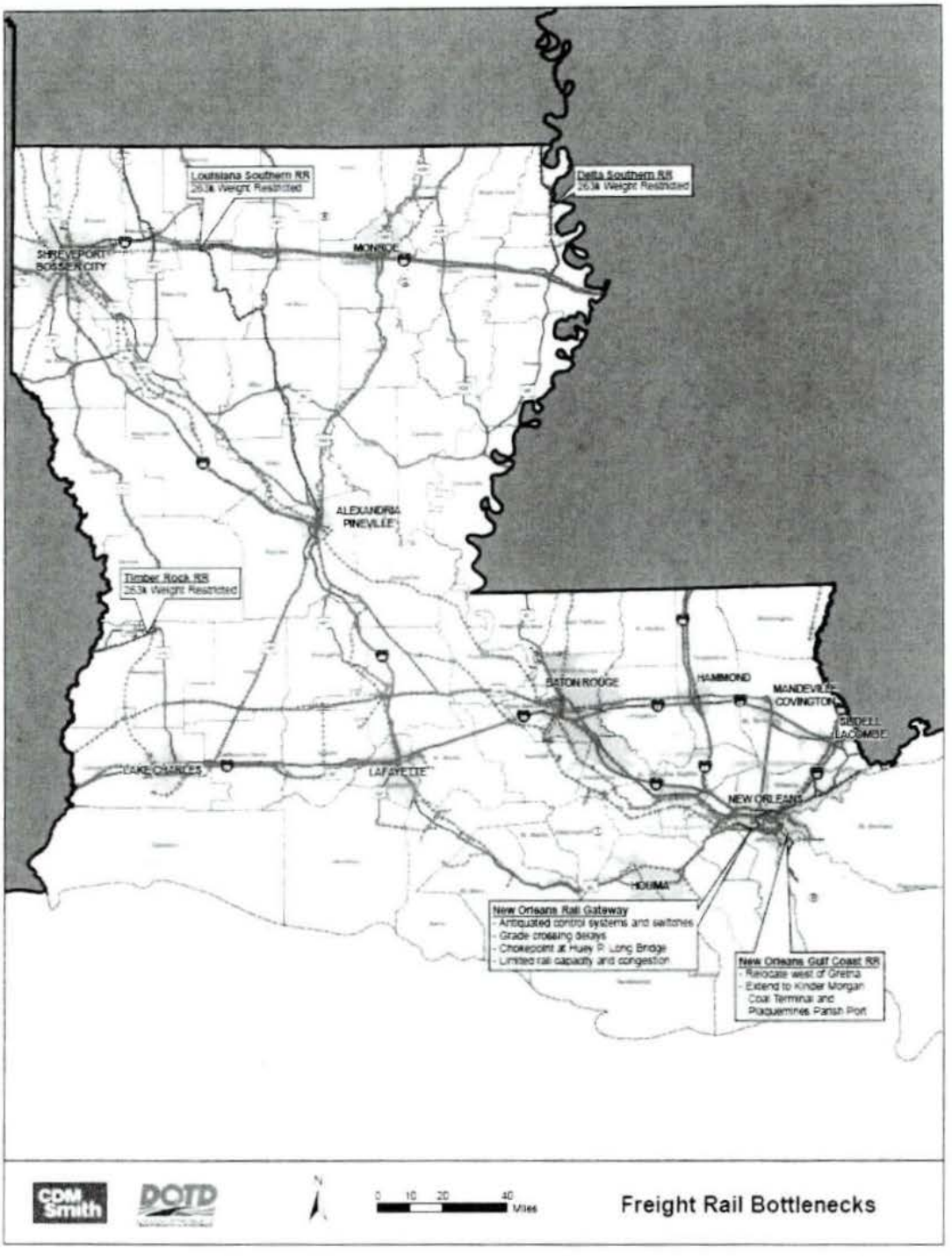
Source: Arkansas State Rail Plan - 2015, Arkansas State Highway and Transportation Department, August 2016
https://www.arkansashighways.com/Trans_Plan_Policy/state_rail/AR_StateRailPlan_Final_with_Summary.pdf

Figure A-12: DSR Track Weight Restriction within Louisiana



Source: Louisiana State Rail Plan, Louisiana Department of Transportation and Development, June 2015
http://www.dotd.la.gov/inside_laDOTD/Divisions/Multimodal/Marine_Rail_Misc%20Documents/2015%20Louisiana%20Rail%20Plan.pdf

Figure A-13: DSR Freight Rail Bottlenecks



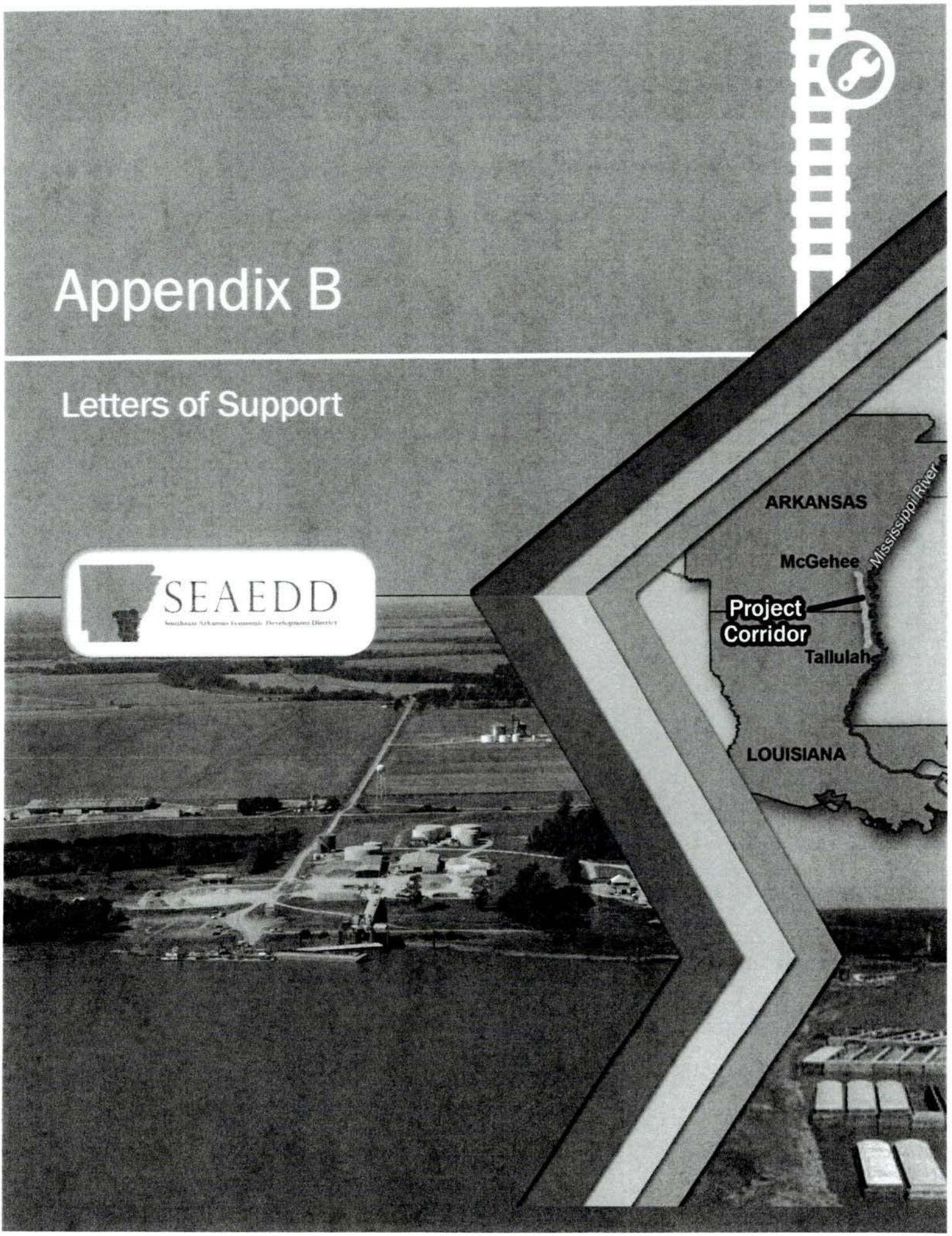
Source: Louisiana Freight Mobility Plan, Louisiana Department of Transportation and Development, December 2017

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



Appendix B – Letters of Support

Table of Contents

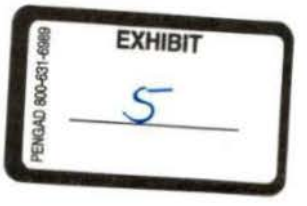
Name/Title	Affiliation	Grant Year	Page Number(s)
Arkansas Letters of Support			
John Boozman, U.S. Senator	Congress of the United States	2017	B-1
Tom Cotton, U.S. Senator	Congress of the United States	2017	B-1
Rick Crawford, U.S. Representative	Congress of the United States	2017 & 2019	B-1/B-2/B-3
Bruce 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

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.

[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.

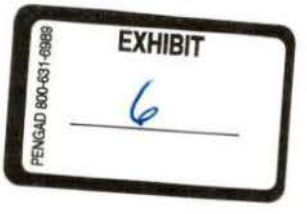
Project Budget by Source

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.

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

Updated Consortium Agreement

Patrecia Hargrove <phargrove@southeastarkansas.org>
Fri 11/20/2020 10:10 AM

To: Frostestad, Eric <Eric.Frostestad@hdrinc.com>; Wyly Gilfoil <wyly_gilfoil@msn.com>; 'Tim Robbins' <tim@drrailroad.com>; Keller, Kevin <kevin.keller@hdrinc.com>; Magiera, Doree <doree.magiera@hdrinc.com>; tmurphy <tmurphy@bayou.com>

1 attachments (49 KB)
CONSORTIUM AGREEMENT FINAL DRAFT.redline.11.12.20.docx[73].docx;

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

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Updated Consortium Agreement

Patrecia Hargrove <phargrove@southeastarkansas.org>

Fri 11/20/2020 10:10 AM

To: Frostestad, Eric <Eric.Frostestad@hdrinc.com>; Wyly Gilfoil <wyly_gilfoil@msn.com>; 'Tim Robbins' <tim@drrailroad.com>; Keller, Kevin <kevin.keller@hdrinc.com>; Magiera, Doree <doree.magiera@hdrinc.com>; tmurphy <tmurphy@bayou.com>

1 attachments (49 KB)

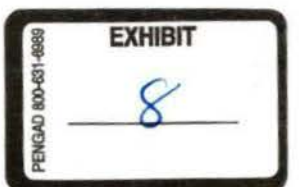
CONSORTIUM AGREEMENT FINAL DRAFT.redline.11.12.20.docx[73].docx;

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SEAEDD

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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");

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;

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;

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.

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.

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

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

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

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.

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;

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

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.

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

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

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.

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

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:

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.

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.

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

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

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

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.

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

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

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]

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 _____

SEAEDD

Southeast Arkansas Economic Development District

Paulo Couto, PMP
Project Manager, Regional Outreach and Project Delivery Division ((RRD-50)
Office of Railroad Development
Federal Railroad Administration

Re: Agreement Number 69A36521402520INFAR
Southeast Arkansas and Northeast Louisiana Multimodal Freight Corridor Improvement Project

Mr. Couto,

The Southeast Arkansas Economic Development District (SEAEDD) and the project Consortium is making a request to approve a scope change to Segment C after conducting additional assessments after initial Preliminary Engineering (PE), National Environmental Policy Act (NEPA), and overall project scope. Early in the project design development a couple of project adjustments were identified. The new Shelburn Grain track would be constructed at the location of a newly constructed grain storage facility. It was determined that the Lake Providence Port tracks were to be rehabilitated to FRA Class 2 Standards. The Delta Southern Railroad (DSR) did not become part of the Consortium and therefore the new North Louisiana & Arkansas Railroad (NLA)-DSR Interchange Track was removed from the scope. It was determined to reallocate the budget for the Interchange Tracks to new support tracks within the Lake Providence Port to support a new tenant Stepan Chemical. The NEPA work for the Categorical Exclusion Worksheet (CE) reflected these adjustments to the Scope of Work.

The following is a Scope of Work Summary for Segment C (MoPac Mile Post (MP) 454.8 to MP 471.0, NLA MP 45.9 to 62.1) from the Grant Agreement (NGA) (1/2021) to the current Adjusted Scope (10/2023) and CE Worksheet.

Main Track Rehabilitation

Grant Agreement (NGA) - Rehabilitate approximately 16 miles of track which includes upgrading the existing Excepted track to Class 2 track structure by replacing rail, ties, ballast, and OTM as needed.

Current Scope – Rehabilitate 16.2 miles of track from AR/LA State Line (MP 45.9) to Lake Providence (MP 62.1). Includes upgrading existing excepted track to Class 2 track structure by replacing broken/short sections of rail, ties, ballast, and other track material (OTM). 1 mile of rail will be relayed with relay rail. H&W Warehouse – reconstruct approximately 150 track feet (TF) including relay rail, tie replacement, and a turnout. Compress Siding – tie replacement. Shelburn Siding – tie replacement.

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721 S. WALNUT STREET PINE BLUFF, AR 71601 P.O. BOX 6806 PINE BLUFF, AR 71611 TELEPHONE: 870-536-1971 FAX: 870-536-7718

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Rehabilitate six turnouts in the main line track. Anchoring ties that are replaced. Replace missing tie plates on ties that are to be replaced.

Interchange Tracks

NGA - Install approximately 6,600 ft. of new track for the proposed NLA-DSR interchange.

Adjusted Scope – No work

Justification - See notes below from the Detailed Work Plan. Delta Southern is not part of the Consortium. The Port has submitted an offer to purchase the Segment D track and a Surface Transportation Board (STB) filing for approval. If successful, the interchange track would not be necessary. Therefore, the interchange track is not included in the current Segment C design.

Consolidated Grain & Barge Track

NGA - Install approximately 1,550 ft. of new track to the Consolidated Grain and Barge Co. facility in Lake Providence Port.

Adjusted Scope – Install approximately 1,900-TF of new track to include relay rail, ties, turnouts, and OTM to the existing Consolidated Grain and Barge Co. track in Lake Providence Port.

Justification - The actual track length is reflective of the topographic survey and adjacent new support tracks to be constructed.

Shelburn Grain Track

NGA - Rehabilitate approximately 700 ft. of track and install approximately 1,000 ft. of new track to Shelburn Grain west of U.S. 65.

Adjusted Scope – Install approximately 2,200-TF of new track to include relay rail, ties, turnouts, and OTM at Shelburn Grain Track at NLA MP 47.1 to 47.5 (MoPac MP 456.0 to 456.4).

Justification - After the Detailed Work Plan was submitted and approved, it was decided to not rehabilitate and extend the existing Shelburn Grain Track. The Grain Track location was moved to MP 47.1 to a location of a recently constructed grain storage facility. There are currently no grain load/unload facilities at the existing Shelburn Grain Track.



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John Deere Track

NGA - Install approximately 350 ft. of lead track to the John Deere facility in Lake Providence Port.

Adjusted Scope – Install approximately 500-TF of new track to include relay rail, ties, turnout, and OTM for the John Deere Track at NLA MP 59.6 (MoPac MP 468.5).

Justification - The John Deere Track working length has not changed, but it was determined to install a RH turnout at the south end of the track instead of a LH turnout at the north end of the track. This was due to a drainage channel along the north edge of the John Deere property.

Lake Providence Passing Track

NGA - Install approximately 1,500 ft. extension of the siding track at the Lake Providence Pass.

Adjusted Scope – Install approximately 3,400-TF of new track to include relay rail, ties, turnout, and OTM for the Lake Providence Passing Track at NLA MP 60.6 to 61.4 (MoPac MP 469.5 to 470.3). Approximately 700-TF of existing passing track will be rehabilitated. The existing south turnout will be rehabilitated as part of the main track rehabilitation.

Justification - Rehabilitating approximately 700-TF of existing pass track. We received documentation from the State that the existing reinforced concrete box culvert (RCB) was constructed for railroad loading. This allows the pass track to be extended further than the original 1,500-TF. The total track constructed will depend on the bid unit prices compared to the project budget.

Anderson Grain Track

NGA - Rehabilitate approximately 700 ft. of track and install approximately 1,000 ft. of new track to the Lansing Grain in Lake Providence Port.

Adjusted Scope – Install approximately 2,100-TF of new track including relay rail, ties, turnout, and OTM for the Anderson Grain Track at NLA MP 61.3 to 61.7 (MoPac MP 470.2 to 470.6). The existing north turnout will be rehabilitated as part of the main track rehabilitation.

Justification - Anderson Grain has purchased the Lansing Grain facility in Lake Providence. This facility is in Lake Providence, not in the Port. It was determined to remove the 700-TF of existing track and start the track construction from the existing turnout. Adjustments to the actual track length is reflective of the topographic survey.

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Lake Providence Port Track Rehabilitation

NGA – No Work

Adjusted Scope – Rehabilitate approximately 2.1 miles of track within Lake Providence Port. Includes upgrading existing track to Class 2 track structure by replacing broken/short sections of rail, ties, ballast, and OTM. Rehabilitate seven turnouts. Epic Scale & Warehouse tracks – reconstruct track and rebuild turnout. Anchoring ties that are replaced. Replace missing tie plates on ties that are to be replaced. Concrete panels and asphalt surfacing for at-grade crossings.

Justification - Following Preliminary Engineering site review it was determined that the Lake Providence Port tracks needed to be rehabilitated to FRA Class 2 standards.

Stepan Chemical Tracks

NGA – No Work

Adjusted Scope – Install approximately 4,400-TF of new track including relay rail, ties, turnouts, and OTM parallel to the new Consolidated Grain and Barge Co. track in Lake Providence Port.

Justification - The Port has a new tenant, Stepan Chemical, that has requested rail service. The budget originally allocated to the interchange track will be utilized to provide track for the Stepan Chemical facility located near the Consolidated Grain & Barge tracks.

Project Rail Material:

The track construction material specifications will allow for 112/115# rail or 136RE relay rail for the projects. The actual relay rail size will be dependent on availability and costs. Both of these rail sizes are acceptable for FRA Class 2 track standards.

Note from Detailed Work Plan:

NOTE: The Delta Southern Railroad (DSR) was an original partner for the Project. However, due to DSR's change in focus with project work under its purview that did not align with the scope of the Project, it is not a party in the Consortium Agreement. *[DSR wants to improve the last seven miles of the main line track but the Consortium's priority is to fix the track that is in the worst condition. The last seven miles has been repaired and has been in operation. DSR has been using part of the 20-mile segment of track that's slated for track rehab under this Project for track storage - the track has not been embargoed. DSR's primary customers, Complex Chemical ships south to connect to KCS, but they have access to UP on the*

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*north end of the Corridor (40% of Complex Chemical's business goes to UP but indirectly via to KCS then switching to UP.)*LPPC has submitted an offer and a Surface Transportation Board (STB) filing to purchase 20 miles of main line track from MP 471.0 to 491.0 (entrance to Madison Parish Port). The Consortium is waiting for the STB's decision to determine how to proceed with Segment D.

- If the STB rules in favor of LPPC, Segment D track rehab work would proceed. For the proposed new track installation for the proposed NLA-DSR interchange in Segment C, SEAEDD would submit a scope modification request to FRA to de-scope it as it would no longer be needed. SEAEDD would plan to reallocate funds to other Project elements.
- If the STB rules in favor of DSR, the Consortium hopes DSR recognizes the benefits of accepting the funding from the grant to complete the track rehab work. But, it'll have to wait for DSR's decision.

Segment C Scope of Work Priorities

The project has base objectives to fulfill. Below is a list of the project scope of work segments listed in priority. The top priority of the project is to rehabilitate the Main Line Track to FRA Class 2 Standards. After rehabilitating the Main Line Track, the Lake Providence Port tracks will be rehabilitated, extended at Consolidated Grain & Barge, and new tracks at Stepan Chemical will be constructed. Projects listed 5 thru 8 (which are all part of the original NGA) will be constructed on good faith effort to do so utilizing deductive methods, value engineering, negotiating prices, and/or seeking additional funds. The Grant Agreement Non-Federal Contribution total is $10,861,000. The remaining Grant Agreement Federal balance is $1,654,685 (minus other drawdowns that have not been submitted).

Segment C Scope of Work Priority List:

1. Main Track Rehabilitation	$3,733,000
2. Lake Providence Port Track Rehabilitation	$1,201,000
3. Consolidated Grain & Barge Track	$843,000
4. Stepan Chemical Tracks	$1,856,000
5. Anderson Grain Track	$948,000
6. Lake Providence Passing Track	$1,456,000
7. Shelburn Grain Track	$1,002,000
8. John Deere Track	$262,000
Total Segment C	**$11,301,000**



SEAEDD

Southeast Arkansas Economic Development District

We appreciate your consideration for approving this scope change to Segment C of the project. Please contact us if you have any questions or need additional information.

Sincerely,

Patrecia Hargrove
Executive Director
Southeast Arkansas Economic Development District, Inc.

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EQUAL OPPORTUNITY EMPLOYER

February 24, 2020

Marc Dixon
South Central Regional Manager
Federal Railroad Administration
Office of Railroad Policy and Development

RE: SEAEDD FY19 INFRA
Change of Scope Justification

Dear Mr. Dixon:

Please accept this letter as explanation for SEAEDD's justification for scope change for it FY19 INFRA. This letter will describe the scope changes and the rationale for those changes.

There are two main reasons for the changes in the project scope since July 2019: (1) increases and decreases in cost share amounts and (2) increases in project development cost. The information below shows the project scope by segment as presented in the July 2019 and February 2020 spreadsheets that were submitted to FRA and is followed by a narrative that gives a detailed explanation for the changes.

Segment A (NLA) 24.1 M, 26%

Component	July 2019		February 2020	
	INFRA	Cost Share	INFRA	Cost Share
Rail Infrastructure Rehabilitation (Class II)	3,365,203		3,299,316	70,800
Bridge Upgrades (286,000 lb.)				150,000
UP Interchange	1,055,561			
Industrial Sidings				73,200
Subtotal	4,420,764			294,000
Project Development (4%)	176,831		131,973	6,000
Total	4,597,594		3,431,289	300,000

In the July 2019 Segment A spreadsheet, North Louisiana and Arkansas Railroad didn't include a cost share. In the February 2020 Segment A spreadsheet, NLA included a total of $300,000 in the cost share column towards the INFRA project. The $300,000 was not available in July 2019. (Why did we take out the UP interchange)

Segment B (SEAEDD) 21.8 M 24%

Component	July 2019		February 2020	
	INFRA	Cost Share	INFRA	Cost Share



Rail Infrastructure Rehabilitation (Class II)		1,747,427		1,747,427	
At Grade Highway Rail Crossing Upgrades			144,230		
Subtotal		1,747,427	144,230	1,747,427	
Project Development (4%)		69,897	5,769	69,897	
Total		1,817,324	149,999	1,817,324	

In the July 2019 Segment B cost share column, SEAEDD committed $149,999 in Delta Regional Authority funding towards the INFRA project. DRA awarded SEAEDD $150.000 in funding to be used toward for rail infrastructure improvements. Unfortunately, these funds were not utilized in a timely manner and the DRA recaptured the funding. Therefore, in the February 2020 Segment B cost share column, the SEAEDD commitment was removed.

Segment C (LPPC) 16.2 M 18%

Component		July 2019			February 2020	
		INFRA	Cost Share		INFRA	Cost Share
Rail Infrastructure Rehabilitation (Class II)			2,564,784			2,564,784
Miscellaneous (Anchors)			51,030			51,030
NLA-DSRR Interchange			2,160,000			2,589,826
Industrial Leads			2,422,960			2,422,960
Port of Lake Providence Lead/Tracks			885,400			885,400
Subtotal			8,084,174			8,514,000
Project Development (4%)			323,367		104,633	
Project Development (18%)					1,061,673	
Total			8,407,541		1,633,306	8,514,000

In the July 2019 Segment C spreadsheet, Lake Providence Port Commission showed a project development cost of 4%. The 4% project development fee was not adequate. Therefore, the adjustment accounts for environmental, engineering, project administration and to incorporate the match required for the Port Priority Program. Therefore, in the February 2020 Segment C spreadsheet, the project development fees were increased to justify the required scope of work.

Segment D (DSR + Madison Port) 29.2 M 32%

Component		July 2019			February 2020	
		INFRA	Cost Share		INFRA	Cost Share
Rail Infrastructure Rehabilitation (Class II)		3,943,597			3,207,789	
Bridge Upgrades (286,000 lb.)						200,000

Track to Riverbank			1,395,000		
Lead Extension Back to the Main			2,295,000		
Doubling the Lead			2,880,000	227,474	2,047,267
River Transload Dock			1,750,000		
Subtotal		3,943,597	8,320,000	3,435,365	2,247,267
Project Development (4%)		157,744	332,800	256,623	
Project Development (18%)				409,453	
Total		4,101,341	8,652,800	4,101,339	2,247,267

The Rail Rehab amount from the July 2019 Segment D spreadsheet was showed a project development cost of 4%. The 4% project development fee was not adequate. Therefore, the adjustment accounts for environmental, engineering, project administration and to incorporate the match required for the Port Priority Program. Therefore, in the February 2020 Segment D spreadsheet, the project development fees were increased to justify the required scope of work.

The bridge upgrades were completed by Delta Southern prior to INFRA grant and should be removed. (If Delta Southern completed the bridge upgrades, why do we still have $200,000 in that line item)

The track to the Riverbank was removed in order to allow the PPP application to meet the rate of return required by the PPP. To complete this item, Madison Port will apply for other funding programs such as USDA Rural Development, DRA and/or Economic Development Administration. These funds will be used as match with future PPP funding, which will reduce the rate of return and make the Project more eligible.

The Lead Extension back to the Main was removed in order to allow the PPP application to meet the rate of return required by the PPP. To complete this item, Madison Port will apply for other funding programs such as USDA Rural Development, DRA and/or EDA. These funds will be used as match with future PPP funding, which will reduce the rate of return and make the Project more eligible.

The Doubling the Lead item was reduced in order to match the PPP application.

The River Transload Dock item was removed due to the failure to gain a commitment from prospect.

The major variance since July 2019 was the PPP application being substantially reduced from $8.3 M to $2.0 M. The PPP requires a minimum return on the state's investment of 2.375 per cent. This translates to rental terms of around 8.5 per cent to meet the minimum criteria. Madison Port was unable to get firm commitments in time for the PPP application on those items that were removed. Madison intends to apply again to complete these items but with a greater mix of funds to be provided by entities that use job criteria more than revenue criteria, for example DRA, EDA and USDA Rural Development Grant.

Segment D (DSR + Madison Port) 29.2 M 32%

Component	Cost Estimate	Rehab + Bridges	Jul-19 INFRA	Jul-19 LA DOTD PPP	Dec-19 INFRA	Dec-19 LA DOTD PPP/DSR
Rail Infrastructure Rehabilitation (Class II)	$ 7,561,250	$ 7,561,250	$ 3,943,597		$ 3,207,789	
Bridge Upgrades (286,000 lb)	$ 200,000	$ 200,000				$ 200,000
Track to river bank	$ 1,395,000			$ 1,395,000		$ -
Lead Extension back to the Main	$ 2,295,000			$ 2,295,000		$ -
Doubling the Lead	$ 2,880,000			$ 2,880,000	$ 227,474	$ 2,047,267
River Transload Dock	$ 1,750,000			$ 1,750,000		$ -
Subtotal	$ 16,081,250	$ 7,761,250	$ 3,943,597	$ 8,320,000	$ 3,435,263	$ 2,247,267
Project Development (4%)	$ 643,250	$ 310,450	$ 157,744	$ 332,800	$ 256,623	$ -
Total	**$ 16,724,500**	**$ 8,071,700**	**$ 4,101,341**	**$ 8,652,800**	$ 409,453	
					$ 4,101,340	**$ 2,247,267**

1. Rail Rehab - The amount from Jul was adjusted to account for engineering and to incorporate the 10 per cent match required for the Port Priority Program (PPP) for item 4 Doubling the Lead.
2. Bridge Upgrades - The bridge upgrades were completed prior to grant by Delta Southern and should be removed.
3. Track to the River Bank - This item was removed in order to allow the PPP application to meet the rate of return required by the PPP. The item will be reapplied for using other funding programs such as USDA Rural Development, DRA, EDA as matches with PPP (which will reduce the rate of return and make the Project more eligible.
4. Lead Extension back to the Main - Ditto item 3.
5. Doubling the Lead - The item was reduced in order to match the PPP application.
6. River Transload Dock - This item was removed due to the failure to gain a commitment from prospect.

The major variance from Jul to Dec was the PPP application being substantially reduced from $8.3 M to $2.0 M. The PPP requires a minimum return on the state's investment of 2.375 per cent. This translates to rental terms of around 8.5 per cent to meet the minimum criteria. Madison Port was unable to get firm commitments in time for the PPP application on those items that were removed. Madison intends to apply again to complete these items but with a greater mix of funds to be provided by entities that use job criteria more than revenue criteria, for example DRA, EDA and USDA RBG.

2020-21 Recommended Construction Program
Port Construction and Development Priority Program

Continuing Projects - Partially Funded and Awaiting Funding

Rank	Port	Parish	Project Name	Benefits (Local)	Benefits (State)	Total Project Cost	Estimated Construction Cost	State Share	Previous Amount Funded	Balance of Louisiana's Funding Share	Jobs Created	Jobs Retained	Total Jobs Created/ Retained
1	Greater Lafourche Port Commission	Lafourche	Northern Expansion Phase II, Slip C, Phase III	$35,857,529	$49,524,346	$15,080,659	$13,908,018	$12,517,216	$11,087,519	$1,429,697	30	0	30
2	Terrebonne Port Commission	Terrebonne	Munson Slip North West Site Expansion & Improvements	$68,494,031	$95,130,599	$91,696,000	$24,696,000	$15,000,000	$13,446,249	$1,553,751	250	0	250
3	Terrebonne Port Commission	Terrebonne	Industrial Boulevard North (Rev)	$168,550,954	$234,098,547	$20,449,810	$18,427,435	$15,000,000	$5,000,000	$10,000,000	385	100	485
4	Port of South Louisiana	St. John	Globalplex Dock Equipment Improvements (Rev)	$12,653,162	$17,573,836	$13,104,000	$12,012,000	$10,810,800	$5,505,455	$5,305,345	15	0	15
5	Vidalia Port Commission	Concordia	Port Expansion	$23,259,555	$32,304,937	$16,311,150	$13,911,150	$12,520,035	$11,458,851	$1,061,184	64	0	64
6	Port of Iberia	Iberia	East & West Yard Expansion and Site Improvements	$242,022,601	$336,142,502	$21,221,532	$20,919,032	$15,000,000	$6,641,589	$8,358,411	640	0	640
7	Lake Charles Harbor & Terminal District	Calcasieu	Rehabilitation of Berth 2	$119,712,900	$166,267,916	$17,100,000	$15,525,000	$8,700,000	$5,000,000	$3,700,000	93	35	128
8	Port of New Orleans	Orleans	Nashville Avenue Terminal Paving Improvements	$170,465,583	$236,757,754	$24,434,803	$21,247,655	$15,000,000	$20,258	$14,979,742	123	0	123
9	Caddo-Bossier Parishes Port Commission	Caddo	Heavy Load Multimodal Warehouse Expansion	$20,318,342	$28,219,920	$6,250,000	$5,748,135	$5,173,321	$3,937,119	$1,236,202	38	0	38
10	Greater Lafourche Port Commission	Lafourche	Northern Expansion Phase III, Slip C - Bulkheading and Dredging	$40,837,686	$56,719,008	$22,256,039	$20,598,094	$13,570,303	$0	$13,570,303	30	0	30
11	Port of Lake Providence	East Carroll	Multimodal Freight Corridor Improvements - Rail and Slip Dredging	$36,376,389	$50,522,762	$15,160,000	$12,760,000	$11,484,000	$0	$11,484,000	15	15	30
12	Port of Iberia	Iberia	Millennium Expansion, Phase III - Site Excavation and Dredging	$5,532,394	$7,683,880	$3,174,941	$2,739,941	$2,465,947	$0	$2,465,947	3	0	3
13	Greater Krotz Springs Port Commission	St. Landry	Site Stabilization	$6,065,427	$8,424,204	$6,923,000	$6,294,000	$5,130,000	$0	$5,130,000	0	10	10
14	St. Bernard Port, Harbor, & Terminal District	St. Bernard	Arabi Terminal, Chalmette Slip Dock 2, Section D	$48,005,681	$66,674,557	$4,964,100	$4,700,000	$4,230,000	$0	$4,230,000	21	0	21
15	Port of Morgan City	St. Mary	Rail and Dock Rehabilitation	$34,686,359	$48,175,498	$5,915,000	$5,291,800	$4,762,620	$0	$4,762,620	49	36	85
16	Lake Charles Harbor & Terminal District	Calcasieu	New Warehouse at City Docks	$26,773,339	$37,185,193	$10,926,290	$9,635,176	$6,000,000	$0	$6,000,000	0	35	35
17	Port of Greater Baton Rouge	West Baton Rouge	Northern Petroleum Terminal Expansion, Phase I	$30,698,696	$42,637,078	$16,000,000	$15,125,000	$13,612,500	$0	$13,612,500	39	0	39
18	Caddo-Bossier Parishes Port Commission	Caddo	Heavy Load Multimodal Warehouse Project	$8,489,416	$11,790,856	$15,815,000	$13,755,000	$5,250,000	$0	$5,250,000	5	0	5
	Continuing Projects Total			**$1,098,600,043**	**$1,525,833,393**	**$326,782,324**	**$237,293,436**	**$176,226,742**	**$62,097,040**	**$114,129,702**	**1800**	**231**	**2031**

New Projects Through December 2, 2019

Rank	Port	Parish	Project Name	Benefits (Local)	Benefits (State)	Total Project Cost	Estimated Construction Cost	State Share	Previous Amount Funded	Balance of Louisiana's Funding Share	Jobs Created	Jobs Retained	Total Jobs Created/ Retained
1	Port of Morgan City	St. Mary	Youngswood Yard Rehabilitation	$68,304,176.64	$94,866,912	$700,000	$600,200	$540,180	$0	$540,180	44	83	127
2	Twin Parish Port	Iberia & Vermilion	Port of Delcambre Industrial Fabrication Facility	$390,145,044.24	$541,868,117	$3,600,000	$3,200,000	$2,880,000	$0	$2,880,000	355	100	455
3	Madison Parish Port	Madison	On-site Port Rail Improvements	$74,970,393.12	$104,125,548	$2,506,741	$2,274,741	$2,047,267	$0	$2,047,267	120	0	120
4	West Calcasieu Port	Calcasieu	Dock and Dredging Infrastructure	$13,699,838.16	$19,027,553	$7,200,000	$6,326,000	$1,913,400	$0	$1,913,400	9	11	20
5	St. Bernard Port, Harbor, & Terminal District	St. Bernard	Melvin Perez Parkway Transit Shed & Truck Staging Area	$24,684,070.32	$34,283,431	$15,528,000	$15,000,000	$10,770,000	$0	$10,770,000	30	0	30
6	Tensas Parish Port Commission	Tensas	High Speed Bulk Loading Facility	$12,207,378.24	$16,954,692	$10,350,252	$8,771,400	$7,894,260	$0	$7,894,260	12	0	12
	New Projects Total			**$414,829,115**	**$811,126,251**	**$39,884,993**	**$36,172,341**	**$26,045,107**	**$0**	**$26,045,107**	**570**	**194**	**764**
24	**Recommended Program Total**			**$1,682,610,944**	**$2,336,959,644**	**$366,667,317**	**$273,465,777**	**$202,271,849**	**$62,097,040**	**$140,174,809**	**2,370**	**425**	**2,795**

✓ Yes, I'll attend ⌄ Reply all ⌄ Busy ⌄ Categorize ⌄ Delete ...

Request for scope change justification letter | SEAEDD FY19 INFRA

Fri 2/21/2020 9:30 AM - 10:00 AM

dial in 866-583-7984, conference code 9025 213#

Calendar

Remind me: Never ⌄

Organizer

MD Magiera, Doree

Yes: 1

PH Patrecia Hargrove
Required

Didn't respond: 9

WG Wyly Gilfoil
Required

TM Terry Murphy (tmurphy@...
Required

FE Frostestad, Eric
Required

AK Alan Krouse
Required

DR Danny Robbins
Required

TR Tim Robbins (tim@drrailr...
Required

JM John Marino
Required

JR Jon Ryan
Required

KK Keller, Kevin
Optional

From: Wyly Gilfoil [mailto:wyly_gilfoil@msn.com]
Sent: Wednesday, February 19, 2020 2:11 PM
To: Magiera, Doree <Doree.Magiera@hdrinc.com>; Patrecia Hargrove (phargrove@southeastarkansas.org) <phargrove@southeastarkansas.org>; Terry Murphy (tmurphy@bayou.com) <tmurphy@bayou.com>; Frostestad, Eric <Eric.Frostestad@hdrinc.com>; Alan Krouse <AKrouse@bucharthorn.com>; Danny Robbins <dan@drrailroad.com>; Tim Robbins (tim@drrailroad.com) <tim@drrailroad.com>; John Marino <John.Marino@continentalrail.us>; Jon Ryan <Jon.Ryan@continentalrail.us>
Cc: Keller, Kevin <Kevin.Keller@hdrinc.com>
Subject: Re: Request for scope change justification letter | SEAEDD FY19 INFRA

Friday am is the best for me.

Wyly

<< RTF: Rich object >>
From: Magiera, Doree <Doree.Magiera@hdrinc.com>
Sent: Wednesday, February 19, 2020 12:49 PM
To: Patrecia Hargrove (phargrove@southeastarkansas.org) <phargrove@southeastarkansas.org>; Wyly Gilfoil <wyly_gilfoil@msn.com>; Terry Murphy (tmurphy@bayou.com) <tmurphy@bayou.com>; Frostestad, Eric <Eric.Frostestad@hdrinc.com>; Alan Krouse <AKrouse@bucharthorn.com>; Danny Robbins <dan@drrailroad.com>; Tim Robbins (tim@drrailroad.com)

✓ Yes, I'll attend ⌄ | Reply all ⌄ | Busy ⌄ | Categorize ⌄ | Delete ···

Request for scope change justification letter | SEAEDD FY19 INFRA

JR Jon Ryan
Required

KK Keller, Kevin
Optional

Friday am is the best for me.

Wyly

<< RTF: Rich object >>
From: Magiera, Doree <Doree.Magiera@hdrinc.com>
Sent: Wednesday, February 19, 2020 12:49 PM
To: Patrecia Hargrove (phargrove@southeastarkansas.org) <phargrove@southeastarkansas.org>; Wyly Gilfoil <wyly_gilfoil@msn.com>; Terry Murphy (tmurphy@bayou.com) <tmurphy@bayou.com>; Frostestad, Eric <Eric.Frostestad@hdrinc.com>; Alan Krouse <AKrouse@bucharthorn.com>; Danny Robbins <dan@drrailroad.com>; Tim Robbins (tim@drrailroad.com) <tim@drrailroad.com>; John Marino <John.Marino@continentalrail.us>; Jon Ryan <Jon.Ryan@continentalrail.us>
Cc: Keller, Kevin <Kevin.Keller@hdrinc.com>
Subject: FW: Request for scope change justification letter | SEAEDD FY19 INFRA

All
I spoke with Patrecia this morning and she indicated that Marc Dixon would be sending out a request for a conference call on

Monday with all parties. Patrecia would like to have a call before Monday, either this afternoon, Friday morning or early Monday morning. Sorry for the late notice.
What is your availability?

Doree Magiera
HDR Engineering, Inc.
D 504.218.1227 **M** 504.229.8317

hdrinc.com/follow-us

From: Patrecia Hargrove [mailto:phargrove@southeastarkansas.org]
Sent: Wednesday, February 19, 2020 9:53 AM
To: Magiera, Doree <Doree.Magiera@hdrinc.com>
Subject: FW: Request for scope change justification letter | SEAEDD FY19 INFRA

Patrecia Hargrove
SEAEDD
870-536-1971

✓ Yes, I'll attend ⌄ Reply all ⌄ Busy ⌄ Categorize ⌄ Delete ···

Request for scope change justification letter | SEAEDD FY19 INFRA

Monday, either this afternoon, Friday morning or early Monday morning. Sorry for the late notice.
What is your availability?

Doree Magiera
HDR Engineering, Inc.
D 504 218 1227 M 504 229 8317

hdrinc.com/follow-us

From: Patrecia Hargrove [mailto:phargrove@southeastarkansas.org]
Sent: Wednesday, February 19, 2020 9:53 AM
To: Magiera, Doree <Doree.Magiera@hdrinc.com>
Subject: FW: Request for scope change justification letter | SEAEDD FY19 INFRA

Patrecia Hargrove
SEAEDD
870-536-1971

From: "Dixon, Marc (FRA)" <marc.dixon@dot.gov>
Date: Tuesday, February 18, 2020 at 4:25 PM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>
Cc: "Winkle, John (FRA)" <john.winkle@dot.gov>
Subject: Request for scope change justification letter | SEAEDD FY19 INFRA

Patrecia –

As I mentioned during our conversation from a bit ago, I talked to the Office of the Secretary's (OST) INFRA POC earlier today about your team's proposed scope changes and if there would be any impact to SEAEDD's INFRA award. OST didn't directly answer that question and advised that SEAEDD send a scope change justification letter to FRA. FRA will take the letter and circle back to OST to discuss options. In general, OST/DOT expects that the full scope of a grant application will be delivered, but there's some flexibility to accommodate project changes.

Here are some guidelines for the letter:

- Describe the scope changes (from the grant application, not just the July 2019 spreadsheet) and the rationale for the changes
    - NOTE: you can briefly describe the discussions that SEAEDD had w/ OST in July 2019, how they came about, the outcome, etc.
    - Describe the elements that are being removed from

RE: Request for availability: Conf. call w/ FRA to discuss Segments A and D scope changes | SEAEDD FY19 INFRA Project

Dixon, Marc (FRA) <marc.dixon@dot.gov>

Fri 2/21/2020 9:44 AM

To: Patrecia Hargrove <phargrove@southeastarkansas.org>; dan@drrailroad.com <dan@drrailroad.com>; tmurphy bayou.com <tmurphy@bayou.com>; Wyly Gilfoil <Wyly_Gilfoil@msn.com>
Cc: Winkle, John (FRA) <john.winkle@dot.gov>; Frostestad, Eric <Eric.Frostestad@hdrinc.com>; doree.magiera hdrinc.com <doree.magiera@hdrinc.com>

All –

Per your feedback (email & phone), I'll send a meeting/calendar invitation for Wed., Feb. 26, 10am– 11am CT/ 11am– 12noon ET.

Thanks,

Marc Dixon
South Central Regional Manager
Federal Railroad Administration
Office of Railroad Policy and Development
Work phone: 202-493-0614
Cell phone: 202-380-6981

From: Patrecia Hargrove [mailto:phargrove@southeastarkansas.org]
Sent: Thursday, February 20, 2020 7:29 AM
To: Dixon, Marc (FRA) <marc.dixon@dot.gov>; dan@drrailroad.com; tmurphy bayou.com <tmurphy@bayou.com>; Wyly Gilfoil <Wyly_Gilfoil@msn.com>
Cc: Winkle, John (FRA) <john.winkle@dot.gov>; Frostestad, Eric <Eric.Frostestad@hdrinc.com>; doree.magiera hdrinc.com <doree.magiera@hdrinc.com>
Subject: Re: Request for availability: Conf. call w/ FRA to discuss Segments A and D scope changes | SEAEDD FY19 INFRA Project

Marc-
The best option for me is E.

Patrecia Hargrove

Get Outlook for iOS

From: Dixon, Marc (FRA) <marc.dixon@dot.gov>
Sent: Wednesday, February 19, 2020 7:42:12 PM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>; dan@drrailroad.com <dan@drrailroad.com>; tmurphy bayou.com <tmurphy@bayou.com>; Wyly Gilfoil <Wyly_Gilfoil@msn.com>
Cc: Winkle, John (FRA) <john.winkle@dot.gov>; Frostestad, Eric <Eric.Frostestad@hdrinc.com>; doree.magiera hdrinc.com <doree.magiera@hdrinc.com>
Subject: Request for availability: Conf. call w/ FRA to discuss Segments A and D scope changes | SEAEDD FY19 INFRA Project

Hello, Patrecia, Dan Robins, and Terry Murphy/ Wyly Gilfoil --

I'd like to setup a conference call with you on **Mon., Feb. 24 or Wed., Feb. 26**, if possible, to discuss scope changes in your respective segments of the SEAEDD's FY19 INFRA project. Please let me know your availability and preference for the following options:

A. Mon., Feb. 24, 9am – 10am CT/ 10am – 11am ET
B. Mon., Feb. 24, 11am – 12noon CT/ 12noon – 1pmET
C. Mon., Feb. 24, 12noon – 1pm CT/ 1pm – 2pm ET
D. Mon., Feb. 24, 1pm – 2pm CT/ 2pm– 3pm ET
E. Wed., Feb. 26, 10am– 11am CT/ 11am– 12noon ET
F. Wed., Feb. 26, 1pm – 2pm CT/ 2pm– 3pm ET

As background, due to some recent, proposed scope changes (i.e., de-scoping) to **Segment D**, I've been in communication with the USDOT's Office of the Secretary (OST), which manages the INFRA program, to verify if the reduction of scope would trigger a reduction of SEAEDD's $10.516 million award. OST's INFRA rep. said scope change proposals need to be explained in a written request with clear justification from the applicant/SEAEDD. Then, OST, in coordination with FRA, will evaluate the request and will provide options for moving forward. In general, OST/DOT expects that the full scope of a grant application, or modified scope that was approved for award selection, will be delivered, **but** there's some flexibility to accommodate project changes, depending on the reason(s). It's *possible* that OST determines that some removed scope elements (post July 2019) should be added back into the project.

While reviewing the reduced scope spreadsheet that SEAEDD submitted to OST during the INFRA application review period (in July 2019) and comparing that with the spreadsheet attached to Patrecia's 12/13/2019 email (copy of email w/ spreadsheet is attached) to me, we noticed there have also been scope changes to **Segment A** *(there were changes in Segment B but Patreicia informed me they are due to time limits w/ the DRA funding)*. Patrecia is drafting a letter to FRA and I'll be helping her with it to ensure it contains the necessary details. For Segments A, B, and D, the scope changes from the SEAEDD's grant application (submitted March 2019) to July 2019 aren't in question as much since SEAEDD discussed those with OST in July 2019; but, SEAEDD's request letter to FRA should briefly explain the changes (i.e., why those particular scope elements were removed) in order to explain the whole story/allow any OST/FRA reader to 'connect the dots'. **Wyly**: I know that you and I have talked about the Segment D changes but I have a few follow-up questions for you and/or Terry.

- NOTE: I have no questions on Segment C as it appears to be intact from what's listed in the grant application.

So, to help me understand the changes, which will aid in drafting the letter and help me understand things better since I'm coordinating with OST, I'd like to setup a conference call. Essentially, I need to understand if the changes are more of the "it's easier to take it out" /"it's a nice to have element"-type or the result of an unintentional consequence (e.g., transload investor pulling out of river transload dock component in Segment D).

Thanks,

Marc Dixon
South Central Regional Manager
Federal Railroad Administration
Office of Railroad Policy and Development
Work phone: 202-493-0614
Cell phone: 202-380-6981

From: Patrecia Hargrove <phargrove@southeastarkansas.org>
Sent: Friday, February 7, 2020 9:16 AM
To: Dixon, Marc (FRA) <marc.dixon@dot.gov>; Wyly Gilfoil <Wyly_Gilfoil@msn.com>; Mast, Travis (Volpe) <Travis.Mast@dot.gov>; tmurphy <tmurphy@bayou.com>
Cc: Doree Magiera <Doree.Magiera@hdrinc.com>; Frostestad, Eric <Eric.Frostestad@hdrinc.com>
Subject: Follow-up on Segment D Scope / SEAEDD FY19 INFRA Project

Good Morning Marc –
Please see the attached spreadsheet with the updated scope of work for Segment D. The scope of work that you had questions about in your previous email has been remove from Segment D and will not be a part of this project.

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

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I have also attached this year's recommend PPP Projects.

Call if you have any questions.

ww

SEADD Project Cost (by Component)

91.3 Miles

INFRA Grant Reduction

Revised 02-06-2020

Segment A (NLA) 24.1 M, 26%

Component	Cost Estimate	Rehab + Bridges	INFRA	
Rail Infrastructure Rehabilitation (Class II)	$ 5,543,167	$ 5,543,167	$ 3,299,316	$ 70,800
Bridge Upgrades (286,000 lb)	$ 150,000	$ 150,000		$ 150,000
	$ 255,000			
	$ 75,916			
	$ 1,815,000			$ -
Industrial Sidings	$ 3,487,220			$ 73,200
Subtotal (1)	$ 11,326,303	$ 5,693,167	$ 3,299,316	$ 294,000
	$ 35,000			
	$ 300,000			
Subtotal (2)	$ 11,661,303			
Project Development (4%)	$ 466,452	$ 227,727	$ 131,973	$ 6,000
Project Development (18%)			$ -	
Total	**$ 12,127,755**	**$ 5,920,894**	**$ 3,431,289**	**$ 300,000**

Segment B (SEAEDD) 21.8 M 24%

Component	Cost Estimate	Rehab + Bridges	INFRA	DRA
Rail Infrastructure Rehabilitation (Class II)	$ 1,891,657	$ 1,891,657	$ 1,747,427	
	$ 180,000			$ -
	$ 34,808			
	$ 582,000			
	$ 71,540			
Subtotal	$ 2,760,005	$ 1,891,657	$ 1,747,427	$ -
Project Development (4%)	$ 110,400	$ 75,666	$ 69,897	$ -
Total	**$ 2,870,405**	**$ 1,967,323**	**$ 1,817,324**	**$ -**

Segment C (LPPC) 16.2 M 18%

Component	Cost Estimate	Rehab + Bridges	INFRA	LA DOTD PPP
Rail Infrastructure Rehabilitation (Class II)	$ 2,564,784			$ 2,564,784
Miscellaneous (Anchors)	$ 51,030			$ 51,030
NLA-DSRR Interchange	$ 2,160,000			$ 2,589,826
Industrial Leads	$ 2,422,960			$ 2,422,960
Port of Lake Providence Lead/Tracks	$ 885,400			$ 885,400
Subtotal	$ 8,084,174	$ -	$ -	$ 8,514,000
Project Development (4%)	$ 323,367	$ -	$ 104,633	
Project Development (18%)			$ 1,061,673	
Total	**$ 8,407,541**	**$ -**	**$ 1,166,306**	**$ 8,514,000**

Segment D (DSR + Madison Port) 29.2 M 32%

Component	Cost Estimate	Rehab + Bridges	INFRA	LA DOTD PPP
Rail Infrastructure Rehabilitation (Class II)	$ 7,561,250	$ 7,561,250	$ 3,331,165	
Bridge Upgrades (286,000 lb)	$ 200,000	$ 200,000	See Note 3	$ 200,000
	$ 1,395,000			$ -
	$ 2,295,000			$ -
Doubling the Lead	$ 2,880,000		$ 227,474	$ 2,047,267
	$ 1,750,000			$ -
Subtotal	$ 16,081,250	$ 7,761,250	$ 3,558,639	$ 2,247,267
Project Development (4%)	$ 643,250	$ 310,450	$ 133,247	$ -
Project Development (18%)			$ 409,453	
Total	**$ 16,724,500**	**$ 8,071,700**	**$ 4,101,339**	**$ 2,247,267**

		Total Seg A-D Rehab Only		Total Seg A-D
Total Project Cost Segments A-D	**$ 40,130,201**	$ 15,959,917	**$ 10,516,259**	$ 11,061,267
		(Cost Verification)	$ 10,516,258	

Total Project Cost Segments A-D INFRA & Others (DRA & DOTD) **$ 21,577,526**

* Note 3: DSR has completed Bridge upgrade Sec D using its own funds; it also has rehabbed from the Madison Port to Tallulah.

From: Patrecia Hargrove <phargrove@southeastarkansas.org>
Sent: Wednesday, March 18, 2020 8:44 AM
To: Wyly Gilfoil <Wyly_Gilfoil@msn.com>; tmurphy <tmurphy@bayou.com>; Danny Robbins <dan@drrailroad.com>; Daniel Robbins <dan.b.robbins@gmail.com>; Jon Ryan <Jon.Ryan@continentalrail.us>; John Marino <John.Marino@continentalrail.us>; Doree Magiera <Doree.Magiera@hdrinc.com>; Frostestad, Eric <Eric.Frostestad@hdrinc.com>; Alan Krouse <AKrouse@bucharthorn.com>
Subject: INFRA Change of Scope Letter

Good Morning Everyone –
Please find attached the signed change of scope letter that was submitted to Marc. Thanks for your input.

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

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PENGAD 800-631-6989
EXHIBIT
11

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) FY2019 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 (FRA) 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, including rail access and capacity at certain ports, 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 for the reduced INFRA award amount of $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 including, but not limited to, the sources of some of the

non-federal contributions had looming expenditure deadline or project location restrictions. In February 2020, SEAEDD submitted an updated budget spreadsheet to FRA detailing these revisions.

The modified scope described in this letter still includes rail rehabilitation, bridge upgrades, and improved rail access and capacity at certain ports, except fewer port-related rail improvements would be completed. Furthermore, the following Project benefits to rural communities would still be realized with the modified scope:

- Enhanced railroad transportation operating capacity, efficiency, and safety
- Improved rail access and capacity at the Port of Lake Providence and the Madison Parish Port
- Enhanced economic development through additional rail business opportunity throughout the Corridor. As mentioned in the grant application, existing tenants and port representatives have indicated that the multimodal infrastructure upgrades would attract new business, and this can still happen with the modified scope.

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 and the non-federal cost share is $0. In the February 2020 Segment A budget, NLA added a total of $225,000 in non-federal cost share column as the funds were inadvertently removed or omitted. The NLA $225,000 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.

With regard to the changes to the bridge upgrades component, the application included upgrades to three bridges, but the July 2019 budget included $0 for bridge upgrades and the application mentioned that three bridges will be upgraded. However, as part of the February 2020 budget, NLA will only upgrade two bridges in Segment A. NLA will contribute funds for components in Segments A and B and the costs for this component were combined in SEAEDD's grant application. In other words, one of the three bridges was for Segment B.

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**

[1] Per the LADOTD's website, the PPP requires a cost participation from the ports of 10% based on construction cost of the project.

		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	$75,000
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	$219,000
Project Development		$176,831	$0		$131,973	$6,000
Total		**$4,597,594**	**$0**		**$3,431,289**	**$225,000**

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) grant funding to the INFRA project. In 2017, DRA awarded the grant, which was intended for a "shovel-ready project", to SEAEDD for a different project that didn't pan out; but, in 2018, DRA allowed SEAEDD to request reassigning the grant to the rail infrastructure improvements, which included the grade crossing upgrades in Segment B. As of June 2019, SEAEDD still had the DRA grant but, unfortunately, DRA rescinded the grant funds sometime between July 2019 and September 2019 (DRA had new leadership and SEAEDD has come to the (unconfirmed) conclusion that DRA may have decided the rail infrastructure improvements project wasn't "shovel ready" – DRA didn't send any formal correspondence). 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.

The July 2019 budget included $0 for bridge upgrades but SEAEDD added $75,000 in the February 2020 budget to account for NLA's contribution for the upgrade of two bridges. As previously explained in the Segment A section, SEAEDD's grant application mentioned upgrading three bridges in Segment A, and, although not explicitly stated, one of those was in Segment B.

In the February 2020 budget, SEAEDD and NLA reallocated the bridge upgrade components to their respective segments (i.e., reassigned one from Segment A) and added one new bridge to the 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	$75,000	
At Grade Highway Rail Crossing Upgrades	$0	144,230	$0	$0	
Subtotal	$1,747,427	$144,230	$1,747,427	$75,000	
Project Development	$69,897	$5,769	$69,897	$0	
Total	**$1,817,324**	**$149,999**	**$1,817,324**	**$75,000**	
**= 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 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.

The following is a summary of scope and funding changes:

- Changes to the 'track to the riverbank' and 'lead extension back to the main line' components: MPPC deemed these components more appropriate for the next phase of improvements and removed them 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 because of an expected increase in rail traffic in the near future from a new tenant (that is also expected to be the port's second largest tenant in terms of rail traffic); doubling the lead track will help reduce congestion entering and leaving the port. 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). (As an

[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.

aside, Complex Chemical is the port's largest tenant in terms of rail traffic and is currently building a gas pipeline that will trigger the need for the 'track to the riverbank' and 'lead extension back to the main line' components in the future.)

- 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.
- Bridge upgrades: SEAEDD's application included upgrading four bridges. Before July 2019, DSR completed the bridge upgrades and removed them from the scope.
- 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, in the February 2020 budget, DSR and MPPC increased total cost to $666,076 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

From: Patrecia Hargrove <phargrove@southeastarkansas.org>
Sent: Saturday, April 20, 2024 6:42 AM
To: Richard H. Streeter
Subject: Fw: SEAEDD INFRA Grant Update Call 11-14-23 Notes
Attachments: 2023-11-14_FRA - SEAEDD Meeting Notes.docx

From: Frostestad, Eric <Eric.Frostestad@hdrinc.com>
Sent: Thursday, November 16, 2023 3:24 PM
To: Hunter, Mark (Volpe) <Mark.Hunter@dot.gov>; Patrecia Hargrove <phargrove@southeastarkansas.org>; Shane Knight <sknight@southeastarkansas.org>; Wyly Gilfoil <Wyly_Gilfoil@msn.com>; dan@drrailroad.com <dan@drrailroad.com>; Couto, Paulo (FRA) <paulo.couto@dot.gov>; Blatnica, Rebecca (FRA) <Rebecca.Blatnica@dot.gov>; Cotrange, Ashley (FRA) <ashley.cotrange@dot.gov>; tmurphy bayou.com <tmurphy@bayou.com>; Kimmeka Epps <MADISONPORT@bayou.com>; jeffutu@aol.com <jeffutu@aol.com>; Curtis, Erik (Volpe) <Erik.Curtis@dot.gov>; Raistrick, Patrick (Volpe) <Patrick.Raistrick@dot.gov>
Subject: RE: SEAEDD INFRA Grant Update Call 11-14-23 Notes

All,

I have added bridge rehab construction status information to the attached notes.

Thanks,

Eric J. Frostestad, PE
D 816.412.1401 M 913.915.2559

hdrinc.com/follow-us

From: Hunter, Mark (Volpe) <Mark.Hunter@dot.gov>
Sent: Tuesday, November 14, 2023 12:18 PM
To: Frostestad, Eric <Eric.Frostestad@hdrinc.com>; Patrecia Hargrove <phargrove@southeastarkansas.org>; sknight@southeastarkansas.org; Wyly Gilfoil <Wyly_Gilfoil@msn.com>; dan@drrailroad.com; Couto, Paulo (FRA) <paulo.couto@dot.gov>; Blatnica, Rebecca (FRA) <Rebecca.Blatnica@dot.gov>; Cotrange, Ashley (FRA) <ashley.cotrange@dot.gov>; tmurphy bayou.com <tmurphy@bayou.com>; Kimmeka Epps <MADISONPORT@bayou.com>; jeffutu@aol.com; Curtis, Erik (Volpe) <Erik.Curtis@dot.gov>; Raistrick, Patrick (Volpe) <Patrick.Raistrick@dot.gov>
Subject: SEAEDD INFRA Grant Update Call 11-14-23 Notes

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello all,

Attached are the notes from today's meeting.

Regards,



Mark Hunter
Mechanical Engineer | Structures and Dynamics Division, V-333
Volpe, The National Transportation Systems Center | U.S. Department of Transportation
55 Broadway, Cambridge MA 02142 | Web: www.volpe.dot.gov
Office: 617-494-3638 Cell: 857-998-1240 | Email: Mark.Hunter@dot.gov
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RE: SEAEDD INFRA Award

Dixon, Marc (FRA) <marc.dixon@dot.gov>
Wed 10/28/2020 3:38 PM

To: Patrecia Hargrove <phargrove@southeastarkansas.org>
Cc: Winkle, John (FRA) <john.winkle@dot.gov>

Patrecia -

Per my communications with the Federal Highway Admin. today, we should be able to start the funds transfer process next Tuesday or Wednesday.

Thanks,

Marc Dixon
Project Manager – South Central Region
Federal Railroad Administration
Office of Railroad Policy and Development
Work phone: 202-493-0614
Cell phone: 202-380-6981

From: Patrecia Hargrove [mailto:phargrove@southeastarkansas.org]
Sent: Tuesday, October 27, 2020 10:11 AM
To: Dixon, Marc (FRA) <marc.dixon@dot.gov>
Subject: Re: SEAEDD INFRA Award

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Thanks

Patrecia Hargrove
SEAEDD
870-536-1971

From: "Dixon, Marc (FRA)" <marc.dixon@dot.gov>
Date: Tuesday, October 27, 2020 at 9:09 AM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>
Subject: RE: SEAEDD INFRA Award

Good morning-

There have been no changes from the version that I sent on Sept. 8 – copy of email is attached.

Thanks,
Marc

From: Patrecia Hargrove [mailto:phargrove@southeastarkansas.org]
Sent: Tuesday, October 27, 2020 9:37 AM
To: Dixon, Marc (FRA) <marc.dixon@dot.gov>
Subject: Re: SEAEDD INFRA Award



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Good Morning Marc –
Can you send me the most recent version of Attachment 1. Thanks

Patrecia Hargrove
SEAEDD
870-536-1971

From: "Dixon, Marc (FRA)" <marc.dixon@dot.gov>
Date: Monday, October 26, 2020 at 1:59 PM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>
Cc: "Winkle, John (FRA)" <john.winkle@dot.gov>
Subject: RE: SEAEDD INFRA Award

Patrecia -

See attached. NOTE: The period of performance start and end dates will only be on the cover sheet, which is generated during the execution process in Grant Solutions. Per our conversation last week, the current proposed period of perf. term will be Nov. 1, 2020 – July 31, 2025, assuming FHWA is able to transfer the funds within the week. If we haven't started the agreement execution process by mid-November, we'll push the dates out one month.

Thanks,

Marc Dixon
Project Manager – South Central Region
Federal Railroad Administration
Office of Railroad Policy and Development
Work phone: 202-493-0614
Cell phone: 202-380-6981

From: Patrecia Hargrove [mailto:phargrove@southeastarkansas.org]
Sent: Monday, October 26, 2020 12:13 PM
To: Dixon, Marc (FRA) <marc.dixon@dot.gov>
Cc: Winkle, John (FRA) <john.winkle@dot.gov>
Subject: Re: SEAEDD INFRA Award

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Marc –
Can you send me the final grant agreement draft. Thanks

Patrecia Hargrove
SEAEDD
870-536-1971

From: "Dixon, Marc (FRA)" <marc.dixon@dot.gov>
Date: Monday, October 5, 2020 at 3:06 PM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>
Cc: "Winkle, John (FRA)" <john.winkle@dot.gov>
Subject: RE: SEAEDD INFRA Award

Patrecia-

Does SEAEDD have any more questions? Is SEAEDD okay with the proposed footnote that we added to Attach. 2 – SOW?

Thanks,

Marc Dixon
Project Manager – South Central Region
Federal Railroad Administration
Office of Railroad Policy and Development
Work phone: 202-493-0614
Cell phone: 202-380-6981

From: Patrecia Hargrove [mailto:phargrove@southeastarkansas.org]
Sent: Tuesday, September 29, 2020 11:49 AM
To: Dixon, Marc (FRA) <marc.dixon@dot.gov>
Subject: Re: SEAEDD INFRA Award

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Thanks

Patrecia Hargrove
SEAEDD
870-536-1971

From: "Dixon, Marc (FRA)" <marc.dixon@dot.gov>
Date: Monday, September 28, 2020 at 3:23 PM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>
Cc: "Winkle, John (FRA)" <john.winkle@dot.gov>
Subject: RE: SEAEDD INFRA Award

Patrecia-

See Attach. 1, Part II, *Section 6 -Grant Amendment* – excerpt below – for information about grant amendments, including scope changes. GARF is not explicitly named as it's just the name (or acronym) of a form/tool that FRA currently uses.

- ***Excerpt of Section 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.*

Regarding a citation for the de-obligation of unspent federal funds, it's implied in Attach. 1, *Section 21 - Reimbursement Payment by FRA* – excerpt below. FRA will reimburse grantees for eligible and actual expenses incurred and paid by a grantee. The SOW of the grant agreement defines the Project's eligible/allowable activities. Thus, if a grantee is not able to complete the activities in the SOW and/or a grantee submits a SOW modification request that FRA rejects, then a grantee should not seek reimbursement for costs not incurred. Moreover, FRA would not send a grantee a check for any unspent federal funds (i.e., a grantee doesn't get to profit off of an INFRA grant). So, one of the final closeout tasks includes FRA de-obligating any unexpended funds to bring the grant's balance to $0.00.

- **Excerpt from Section 21. 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.

I hope this helps.

Marc Dixon
Project Manager – South Central Region
Federal Railroad Administration
Office of Railroad Policy and Development
Work phone: 202-493-0614
Cell phone: 202-380-6981

From: Patrecia Hargrove [mailto:phargrove@southeastarkansas.org]
Sent: Friday, September 25, 2020 2:15 PM
To: Dixon, Marc (FRA) <marc.dixon@dot.gov>
Cc: Winkle, John (FRA) <john.winkle@dot.gov>
Subject: Re: SEAEDD INFRA Award

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Hi Marc –
Can you tell me where in the grant agreement is there a provision for the scope change (GARF) discussed in item 2 of your email and
where in the grant agreement is the provision for a de-obligation of funds not used as discussed in item 3 of your email
I couldn't find these items.
Thanks

Patrecia Hargrove
Southeastarkansas.org
870-536-1971

From: "Dixon, Marc (FRA)" <marc.dixon@dot.gov>
Date: Tuesday, September 22, 2020 at 2:25 PM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>
Cc: "Winkle, John (FRA)" <john.winkle@dot.gov>
Subject: RE: SEAEDD INFRA Award

From: Patrecia Hargrove [mailto:phargrove@southeastarkansas.org]
Sent: Monday, September 21, 2020 10:03 AM
To: Dixon, Marc (FRA) <marc.dixon@dot.gov>
Subject: Re: SEAEDD INFRA Award

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Hi Marc –
I am available all day. Call me at 870-395-0844. Thanks

Patrecia Hargrove
Southeastarkansas.org
870-536-1971

From: "Dixon, Marc (FRA)" <marc.dixon@dot.gov>
Date: Monday, September 21, 2020 at 8:54 AM
To: Patrecia Hargrove <phargrove@southeastarkansas.org>
Subject: RE: SEAEDD INFRA Award

Hi Patrecia –

What's your availability today? I have a meeting at 10am CT and a brief meeting this afternoon but am fairly availability otherwise.

Thanks,

Marc Dixon
Project Manager – South Central Region
Federal Railroad Administration
Office of Railroad Policy and Development
Work phone: 202-493-0614
Cell phone: 202-380-6981

From: Patrecia Hargrove [mailto:phargrove@southeastarkansas.org]
Sent: Friday, September 18, 2020 3:33 PM
To: Dixon, Marc (FRA) <marc.dixon@dot.gov>
Subject: SEAEDD INFRA Award

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HI Marc –
After speaking with you last week concerning the issue that we are having with Delta Southern in Segment D of the scope of work for this project, the District's attorney thought it would be wise to put some language in the grant agreement to safeguard SEAEDD and FRA during this transition of property ownership between DSR & LPPC. Below is an example of some language that could be incorporated in the grant agreement and consortium agreement for this project. Please call me so we can discuss.

- In Attachment 2, Section V Description of Work, add a paragraph that states:
  - FRA acknowledges that the mainline of the rail located in Segment D is currently owned by DSR and LPPC is in the process of acquiring the same. No improvements will be made and no FRA

Patrecia –

I'm following up on your Sept. 18 email below and our conversation from yesterday. While FRA appreciates SEAEDD's effort to draft proposed language for the grant agreement to address SEAEDD's concerns, FRA does not plan to use the language for the reasons outlined in the enumerated list below.

1. There's no need to include an expenditure restriction clause regarding the action of a non-Grantee entity because FRA's legal relationship is with SEAEDD not LPPC. I'm referring to this sentence: "*No improvements will be made and no FRA funds will be spent on the mainline of the rail located in Segment D unless LPPC acquires ownership of the same.*" So, it's up to SEAEDD to do whatever is necessary (e.g., work with project partners or other entities to acquire ROW, etc.) to get the Project done. Plus, FRA is not dictating when Segment D work should start or finish. Thus, SEAEDD can wait to start Segment D work when it's ready to do so.

2. Including language that adds vague, unknown scope to the grant agreement is not the proper way to handle a scope change. I'm referring to the following sentence: "*In the event LPPC is unable to acquire ownership of the same, that portion of the Project will no longer be part of the Grant Agreement and the failure of any work to be performed to the portion of Segment D currently owned by DSR will not result in a default under the terms of the Grant Agreement and the funds allocated to that portion of the Project may be used on other improvements of the Project.*"

   Given the situation with Segment D, there's still a lot that needs to play out which will take some time. So, let's proceed with executing the grant agreement. Then, as project activities advance and SEAEDD determines it's not able to start construction activities in Segment D due to issues with one of the ROW owners, then SEAEDD can complete FRA's Grant Adjustment Request Form (GARF) for a scope change request. Following the same process as you experienced this past spring with SEAEDD's scope and budget modification request, FRA will coordinate with OST to review the request to make a determination.

3. Regarding the "*failure to make the improvements contemplated will not result in a default under the terms of the Grant Agreement*" language, it's not needed as SEAEDD and FRA would proceed with grant closeout after all work in Segments A, B, and C is done and all options regarding Segment D have been exhausted. FRA would de-obligate any unexpended federal funds.

At this time, FRA's is proposing to only change one part of the draft grant agreement to account for the Segment D situation: in Attach. 2 – SOW, Section II – Background, FRA is adding a footnote next to the first reference of Delta Southern Railroad (DSR). The footnote mentions that, as of the date of the Agreement (i.e., the execution date which is expected to be in late Oct./early Nov. 2020), DSR is negotiating the sale of its portion of the mainline that's to be improved under the Agreement. Since things are still in flux and there's still time for many (unknown/unexpected) changes, we don't want to remove all references to DSR. SEAEDD can use the Detailed Project Work Plan (a Task 1 deliverable) to describe the status of the Project partners. **For your review, attached is a copy of the revised draft Attach. 2 – 4 file. The footnote is on pp. 2 and is in track changes.**

Let me know if you have any questions.

Thanks,

Marc Dixon
Project Manager – South Central Region
Federal Railroad Administration
Office of Railroad Policy and Development
Work phone: 202-493-0614
Cell phone: 202-380-6981

funds will be spent on the mainline of the rail located in Segment D unless LPPC acquires ownership of the same. In the event LPPC is unable to acquire ownership of the same, that portion of the Project will no longer be part of the Grant Agreement and the failure of any work to be performed to the portion of Segment D currently owned by DSR will not result in a default under the terms of the Grant Agreement and the funds allocated to that portion of the Project may be used on other improvements of the Project.

- In Attachment 2, Section V Subtask 4a: Track Construction:
  - Segment D, add a paragraph that states:
    - The rehabilitation of approximately 20 miles of track, which includes upgrading the existing Excepted track to Class 2 track, is contingent upon LPPC acquiring ownership of the mainline of the rail located in Segment D. In the event LPPC is unable to acquire ownership of the mainline of the rail located in Segment D, no improvements will be made to that section of the rail line and the failure to make the improvements contemplated will not result in a default under the terms of the Grant Agreement. Should LPPC not acquire ownership of the mainline of the rail located in Segment D, the FRA funds allocated for that portion of the Project may be spent on other improvements of the Project.

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



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Expires 01/31/2024

OMB Control No. 2130-0637

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FRA GRANT/COOPERATIVE AGREEMENT
Quarterly Progress Report

A. Submission Information

1. Report Submission Date (mm/dd/yy): 5/8/23 2. Report Quarter: Q2 3. FFY: 2023

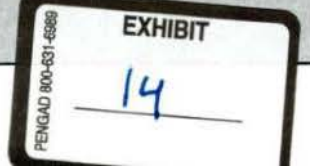
4. Agreement Number	5. Project Title		6. Project Type
69A36521402520INFRA	Southeast Arkansas and Northeast Louisiana Multimodal Freight C		PE/NEPA/FD/Construction
7. Completed By (Name)	8. Title	9. Email	10. Phone
Patrecia Hargrove	Executive Director	phargrove@southeastarkansas.org	870-536-1971

☑ 11. *Certification*: By checking this box, I certify that I have reviewed this report and that, to the best of my knowledge, the report is complete, accurate, and meets the terms and conditions of the award.

B. Overall Project Status

	a. Status	b. Explanation
12. Scope	On-Track	Currently planning on completing the scope as described in the Detailed Work Plan. The Consortium executed a change order with the current track construction contractor to purchase and install another track mile of rail in Segment B. This is due to the amount of rails that need to be replaced due to broken and short rail segments to achieve Class 2 track.
13. Schedule	On-Track	The Track Rehab for Segments A&B is extending longer due to the ballast delivery by railcar from the Union Pacific Railroad. The additional rail relay was completed within the ballast and surfacing activities. The track construction contractor is completing the punch list items. The bridge contractor received notice to proceed in Q2, 2023. The overall project schedule remains the same.
14. Budget	On-Track	The purchase and relaying of the additional track mile of rail increased the Contractor's contract. Due to the cost of the Segment A & B rail rehabilitation being over budget, the cost of the additional mile of rail, brush and tree cutting, and anticipated higher cost of Segment C track rehabilitation; the Consortium is shifting budget costs from Segment D to Segments A, B, and C. The Consortium is identifying possible funding sources and has applied for grants to fund Segment D.

15. Significant Activities this Quarter	16. Significant Activities Planned for Next Quarter
- Track Rehab Segment A & B Construction working on punch list items. - Brush and Tree Clearing in Segments A B & C continuing. - Bridge Rehab in Segments A & B executed contract and NTP. - Re-submitted the Categorical Exclusion (CE) Worksheet for new track construction in Segment C & D. - Working on Phase 2 Engineering Design for the preliminary engineering of the Segment C New Track Construction locations.	- Receive FRA approval on the Categorical Exclusion (CE) Worksheet for new track construction work in Segment C & D. - Complete Track Rehab Segment A & B punch list items and perform site inspection. - Brush and Tree Clearing completed. - Bridge Rehabilitation receive materials and start work. - Finalize Phase 2 Engineering Design and receive review comments from LA DOTD and FRA. - Prepare Segment C new track construction Bid Package and conduct the bid process.



17. Amendment Request?	17 a. Status	17 b. Explanation
No	N/A	

C. Financial Status

Budget Status

18. Budget Changes?	18 a. Status	18 b. Explanation
Yes	Anticipated	See Item 14 for explanation. The Consortium is identifying funding sources for increasing the grant match to cover budget overruns.

Expenditures and Reimbursement Status

Funding Source	Actual Expenditures this Quarter
19. FRA Grant:	$ 446,117.80
20. Grantee Match:	$ 50,422.19
21. Other Federal Funds:	$ 0.00
22. Total:	$ 496,539.99

23. Accomplishments Related to Expenditures in this Quarter	24. Accomplishments Related to Expenditures in other Quarters (if applicable)
The expenditures in the 2nd quarter of 2023 is related to the contractor HDR Engineering's work towards completing the project's phase 2 engineering design and track rehabilitation construction services and Queen City Railroad Construction's work on the Segment A&B track rehabilitation.	N/A

Reimbursement Forecast

25. Planned Reimbursement Requests to FRA		26. Unliquidated Obligations	
25 a. Next Quarter	25 b. Next Four Quarters (Cumulative)	26 a. Any reported on this quarter's SF-425?	26 b. Explanation
750,000.00	4,412,691.93	No	

D. Major Milestones

If your project contains one or more of the following components, please report on all that apply:

		Completion Date mm/dd/yy			
27. Milestone Name	**28. Status**	**29. Planned**	**30. Actual**	**31. Change to Status?**	**32. Status Notes**
All Projects					
27 a. Award of Sub-Contract(s)	On-Track	2/25/21	2/25/21	N/A	HDR for Environmental Review. Other contracts for Engineering and Construction to follow.
27 b. Project Work Begun	On-Track	2/25/21	2/25/21	N/A	
27 c. Project Substantially Complete	On-Track	4/30/24		N/A	
Projects with a Construction Component					
27 d. Construction Notice to Proceed Issued	On-Track	9/1/21	9/1/21	Yes	Contract awarded to Queen City Railroad Construction for the Segment A & B Track Rehabilitation.
27 e. ROW Acquisition Complete	N/A			N/A	
27 f. Construction Ground-Breaking	N/A			N/A	
27 g. Construction Substantially Complete	On-Track	4/30/24		Yes	
27 h. Environmental Mitigation Substantially Complete	N/A			N/A	
27 i. Ribbon-Cutting Ceremony	N/A			N/A	
27 j. Commencement of Service	N/A			N/A	
Projects with a Rolling Stock Component					
27 k. Test Vehicle Complete	N/A			N/A	
27 l. First Rolling Stock Delivery	N/A			N/A	

E. Statement of Work Task Status

33. Task #	34. Task Name	35. Status	36. Task Started?	Completion Date (mm/dd/yy) 37. Planned	38. Actual	39. Percent Complete (%)	40. Change to Status?
1	Project Administration	On-Track	Yes	9/30/25		10%	No
2	Environmental Review	On-Track	Yes	8/31/21		95%	N/A
3	Engineering	On-Track	Yes	4/30/22		70%	No
4A	Track Construction	On-Track	Yes	4/30/24		25%	No
4B	Railroad Bridge Construction	On-Track	No	4/30/24		0%	N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		On-Track	N/A				N/A
	Contingency (optional)						

SEAEDD_002304

E. Statement of Work Task Status (Continued)

41. Status Notes

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted			2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)						Page	of	
US Department of Transportation / Federal Railroad Administration			69A36521402520INFRA						1	1 pages	
3. Recipient Organization (Name and complete address including Zip code)											
Southeast Arkansas Economic Development District, Inc., Post Office Box 6806, 721 South Walnut Street, Pine Bluff, Arkansas 71611											
4a. DUNS Number		4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)			6. Report Type		7. Basis of Accounting			
10328060		710397601	69A36521402520INFRA			☑ Quarterly ☐ Semi-Annual ☐ Annual ☐ Final		☐ Cash ☑ Accrual			
8. Project/Grant Period (Month, Day, Year)					9. Reporting Period End Date (Month, Day, Year)						
From:	1/1/2023	To:	3/31/2023		3/31/2023						
10. **Transactions**								Cumulative			
(Use lines a-c for single or multiple grant reporting)											
Federal Cash (To report multiple grants, also use FFR Attachment):											
a. Cash Receipts								6,507,833.64			
b. Cash Disbursements								6,507,833.64			
c. Cash on Hand (line a minus b)								-			
(Use lines d-o for single grant reporting)											
Federal Expenditures and Unobligated Balance:											
d. Total Federal funds authorized								10,516,259.00			
e. Federal share of expenditures								6,507,833.64			
f. Federal share of unliquidated obligations								-			
g. Total Federal share (sum of lines e and f)								6,507,833.64			
h. Unobligated balance of Federal funds (line d minus g)								4,008,425.36			
Recipient Share:											
i. Total recipient share required								10,861,267.00			
j. Recipient share of expenditures								84,669.70			
k. Remaining recipient share to be provided (line i minus j)								10,776,597.30			
Program Income:											
l. Total Federal program income earned								-			
m. Program income expended in accordance with the deduction alternative								-			
n. Program income expended in accordance with the addition alternative								-			
o. Unexpended program income (line l minus line m or line n)								-			
11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged		f. Federal Share			
				g. Totals	0	0		0			
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation											
13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)											
a. Typed or Printed Name and Title of Authorized Certifying Official						c. Telephone (Area code, number, and extension)					
Patrecia Hargrove, SEAEDD Executive Director						870-536-1971					
						d. Email Address					
						phargrove@southeastarkansas.org					
b. Signature of Authorized Certifying Official						e. Date Report Submitted (Month, Day, Year)					
						0.00					
						14. Agency use only:					

EXHIBIT 15

PENGAD 800-631-6989

	A	B	C	D	E	F	G	H	I	J	K	L
48												
49							Standard Form 425 - Revised 6/28/2010 OMB Approval Number: 0348-0061 Expiration Date: 10/31/2011					
50	**Paperwork Burden Statement** According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.											

REQUEST FOR ADVANCE OR REIMBURSEMENT

(See instructions on back)

OMB APPROVAL NO. 0348-0004

PAGE 1 OF 2 PAGES

1. TYPE OF PAYMENT REQUESTED
a. "X" one or both boxes: ☐ ADVANCE ☑ REIMBURSEMENT
b. "X" the applicable box: ☐ FINAL ☑ PARTIAL

2. BASIS OF REQUEST: ☐ CASH ☑ ACCRUAL

3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED: S Dept of Transportation / Federal Railroad Administratic

4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY: 69A36521402520INFRA

5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST: 29

6. EMPLOYER IDENTIFICATION NUMBER: 71-0397601

7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER: 69A36521402520INFRA

8. PERIOD COVERED BY THIS REQUEST
FROM (month, day, year): 5/22/2025
TO (month, day, year): 10/27/2025

9. RECIPIENT ORGANIZATION
Name: Southeast Arkansas Economic Development Distri
Number and Street: 721 South Walnut Street, PO Box 6806
City, State and ZIP Code: Pine Bluff, Arkansas 71601

10. PAYEE (Where check is to be sent if different than item 9)
Name: SAME
Number and Street:
City, State and ZIP Code:

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES ►	(a) INFRA Project	(b)	(c)	TOTAL
a. Total program outlays to date (As of date)	$ 16,007,687.51	$ 0.00	$ 0.00	$ 16,007,687.51
b. Less: Cumulative program income	0.00	0.00	0.00	0.00
c. Net program outlays (Line a minus line b)	16,007,687.51	0.00	0.00	16,007,687.51
d. Estimated net cash outlays for advance period	0.00	0.00	0.00	0.00
e. Total (Sum of lines c & d)	16,007,687.51	0.00	0.00	16,007,687.51
f. Non-Federal share of amount on line e	5,916,717.04	0.00	0.00	5,916,717.04
g. Federal share of amount on line e	10,090,970.47	0.00	0.00	10,090,970.47
h. Federal payments previously requested	9,854,067.30	0.00	0.00	9,854,067.30
i. Federal share now requested (Line g minus line h)	236,903.17	0.00	0.00	236,903.17
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances — 1st month	0.00	0.00	0.00	0.00
2nd month	0.00	0.00	0.00	0.00
3rd month	0.00	0.00	0.00	0.00

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance	$ 0.00
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period	0.00
c. Amount requested (Line a minus line b)	$ 0.00

AUTHORIZED FOR LOCAL REPRODUCTION

(Continued on Reverse)

STANDARD FORM 270 (Rev. 7-97)
Prescribed by OMB Circulars A-102 and A-110

EXHIBIT 16
PENGAD 800-631-6989

SEAEDD_002526

13. CERTIFICATION		
I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL Joanne Knight for Director Hargrove TYPED OR PRINTED NAME AND TITLE Patrecia Hargrove Executive Director	DATE REQUEST SUBMITTED October 27, 2025 TELEPHONE (AREA CODE, NUMBER EXTENSION) 870-536-1971

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

INSTRUCTIONS

Please type or print legibly. Items 1, 3, 5, 9, 10, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

Item	Entry
2	Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.
4	Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A, then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.
6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.
8	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.
Note:	The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.
11	The purpose of the vertical columns (a), (b), and (c) is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
11a	Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
11b	Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
11d	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
13	Complete the certification before submitting this request.

STANDARD FORM 270 (Rev. 7-97) Back

SEAEDD_002527

REQUEST FOR ADVANCE OR REIMBURSEMENT

(See instructions on back)

OMB APPROVAL NO. 0348-0004

PAGE 1 OF 2 PAGES

1. TYPE OF PAYMENT REQUESTED
a. "X" one or both boxes: ☐ ADVANCE ☑ REIMBURSEMENT
b. "X" the applicable box: ☐ FINAL ☑ PARTIAL

2. BASIS OF REQUEST: ☐ CASH ☑ ACCRUAL

3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED: S Dept of Transportation / Federal Railroad Administratic

4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY: 69A36521402520INFRA

5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST: 28

6. EMPLOYER IDENTIFICATION NUMBER: 71-0397601

7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER: 69A36521402520INFRA

8. PERIOD COVERED BY THIS REQUEST
FROM (month, day, year): 3/18/2025
TO (month, day, year): 5/22/2025

9. RECIPIENT ORGANIZATION
Name: Southeast Arkansas Economic Development Distri
Number and Street: 721 South Walnut Street, PO Box 6806
City, State and ZIP Code: Pine Bluff, Arkansas 71601

10. PAYEE *(Where check is to be sent if different than item 9)*
Name: SAME
Number and Street:
City, State and ZIP Code:

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES ►		(a) INFRA Project	(b)	(c)	TOTAL
a. Total program outlays to date *(As of date)*		$ 13,940,607.42	$ 0.00	$ 0.00	$ 13,940,607.42
b. Less: Cumulative program income		0.00	0.00	0.00	0.00
c. Net program outlays *(Line a minus line b)*		13,940,607.42	0.00	0.00	13,940,607.42
d. Estimated net cash outlays for advance period		0.00	0.00	0.00	0.00
e. Total *(Sum of lines c & d)*		13,940,607.42	0.00	0.00	13,940,607.42
f. Non-Federal share of amount on line e		4,086,540.12	0.00	0.00	4,086,540.12
g. Federal share of amount on line e		9,854,067.30	0.00	0.00	9,854,067.30
h. Federal payments previously requested		9,775,261.23	0.00	0.00	9,775,261.23
i. Federal share now requested *(Line g minus line h)*		78,806.07	0.00	0.00	78,806.07
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month	0.00	0.00	0.00	0.00
	2nd month	0.00	0.00	0.00	0.00
	3rd month	0.00	0.00	0.00	0.00

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance	$ 0.00
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period	0.00
c. Amount requested *(Line a minus line b)*	$ 0.00

AUTHORIZED FOR LOCAL REPRODUCTION

(Continued on Reverse)

STANDARD FORM 270 (Rev. 7-97)
Prescribed by OMB Circulars A-102 and A-110

13.	CERTIFICATION	
I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL Shane Knight for Director Hargrove TYPED OR PRINTED NAME AND TITLE Patrecia Hargrove Executive Director	DATE REQUEST SUBMITTED May 27, 2025 TELEPHONE (AREA CODE, NUMBER, EXTENSION) 870-536-1971

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

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INSTRUCTIONS

Please type or print legibly. Items 1, 3, 5, 9, 10, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

Item	*Entry*
2	Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.
4	Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.
6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.
8	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.
Note:	The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.
11	The purpose of the vertical columns (a), (b), and (c) is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
11a	Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
11b	Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
11d	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
13	Complete the certification before submitting this request.

REQUEST FOR ADVANCE OR REIMBURSEMENT

(See instructions on back)

OMB APPROVAL NO. 0348-0004			PAGE 1 OF 2 PAGES
1. TYPE OF PAYMENT REQUESTED	a. "X" one or both boxes: ☐ ADVANCE ☑ REIMBURSEMENT	b. "X" the applicable box: ☐ FINAL ☑ PARTIAL	2. BASIS OF REQUEST: ☐ CASH ☑ ACCRUAL
3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED: S Dept of Transportation / Federal Railroad Administratic	4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY: 69A36521402520INFRA		5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST: 27
6. EMPLOYER IDENTIFICATION NUMBER: 71-0397601	7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER: 69A36521402520INFRA	8. PERIOD COVERED BY THIS REQUEST: FROM (month, day, year): 2/3/2025	TO (month, day, year): 3/18/2025

9. RECIPIENT ORGANIZATION	10. PAYEE (Where check is to be sent if different than item 9)
Name: Southeast Arkansas Economic Development Distri	Name: SAME
Number and Street: 721 South Walnut Street, PO Box 6806	Number and Street:
City, State and ZIP Code: Pine Bluff, Arkansas 71601	City, State and ZIP Code:

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES		(a) INFRA Project	(b)	(c)	TOTAL
a. Total program outlays to date (As of date)		$ 10,025,627.85	$ 0.00	$ 0.00	$ 10,025,627.85
b. Less: Cumulative program income		0.00	0.00	0.00	0.00
c. Net program outlays (Line a minus line b)		10,025,627.85	0.00	0.00	10,025,627.85
d. Estimated net cash outlays for advance period		0.00	0.00	0.00	0.00
e. Total (Sum of lines c & d)		10,025,627.85	0.00	0.00	10,025,627.85
f. Non-Federal share of amount on line e		250,411.62	0.00	0.00	250,411.62
g. Federal share of amount on line e		9,775,261.23	0.00	0.00	9,775,261.23
h. Federal payments previously requested		9,716,031.65	0.00	0.00	9,716,031.65
i. Federal share now requested (Line g minus line h)		59,229.58	0.00	0.00	59,229.58
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month	0.00	0.00	0.00	0.00
	2nd month	0.00	0.00	0.00	0.00
	3rd month	0.00	0.00	0.00	0.00

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance	$ 0.00
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period	0.00
c. Amount requested (Line a minus line b)	$ 0.00

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(Continued on Reverse)

STANDARD FORM 270 (Rev. 7-97)
Prescribed by OMB Circulars A-102 and A-110

13. CERTIFICATION		
I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL Shane Knight per Director Hargrove	DATE REQUEST SUBMITTED March 19, 2025
	TYPED OR PRINTED NAME AND TITLE Patrecia Hargrove Executive Director	TELEPHONE (AREA CODE, NUMBER, EXTENSION) 870-536-1971

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

INSTRUCTIONS

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Item	*Entry*
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6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.
8	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.
Note:	The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.
11	The purpose of the vertical columns (a), (b), and (c) is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
11a	Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
11b	Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
11d	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
13	Complete the certification before submitting this request.

STANDARD FORM 270 (Rev. 7-97) Back

REQUEST FOR ADVANCE OR REIMBURSEMENT

(See instructions on back)

OMB APPROVAL NO. 0348-0004			PAGE 1 OF 2 PAGES
1. TYPE OF PAYMENT REQUESTED	a. "X" one or both boxes: ☐ ADVANCE ☑ REIMBURSEMENT	b. "X" the applicable box: ☐ FINAL ☑ PARTIAL	2. BASIS OF REQUEST: ☐ CASH ☑ ACCRUAL
3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED: S Dept of Transportation / Federal Railroad Administratic		4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY: 69A36521402520INFRA	5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST: 26
6. EMPLOYER IDENTIFICATION NUMBER: 71-0397601	7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER: 69A36521402520INFRA	8. PERIOD COVERED BY THIS REQUEST: FROM (month, day, year) 12/6/2024	TO (month, day, year) 2/3/2025
9. RECIPIENT ORGANIZATION: *Name:* Southeast Arkansas Economic Development Distri; *Number and Street:* 721 South Walnut Street, PO Box 6806; *City, State and ZIP Code:* Pine Bluff, Arkansas 71601		10. PAYEE *(Where check is to be sent if different than item 9)*: *Name:* SAME; *Number and Street:*; *City, State and ZIP Code:*	

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES ➡		(a) INFRA Project	(b)	(c)	TOTAL
a. Total program outlays to date *(As of date)*		$ 9,966,488.27	$ 0.00	$ 0.00	$ 9,966,488.27
b. *Less:* Cumulative program income		0.00	0.00	0.00	0.00
c. Net program outlays *(Line a minus line b)*		9,966,488.27	0.00	0.00	9,966,488.27
d. Estimated net cash outlays for advance period		0.00	0.00	0.00	0.00
e. Total *(Sum of lines c & d)*		9,966,488.27	0.00	0.00	9,966,488.27
f. Non-Federal share of amount on line e		250,411.62	0.00	0.00	250,411.62
g. Federal share of amount on line e		9,716,076.65	0.00	0.00	9,716,076.65
h. Federal payments previously requested		9,664,781.88	0.00	0.00	9,664,781.88
i. Federal share now requested *(Line g minus line h)*		51,294.77	0.00	0.00	51,294.77
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month	0.00	0.00	0.00	0.00
	2nd month	0.00	0.00	0.00	0.00
	3rd month	0.00	0.00	0.00	0.00

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance	$ 0.00
b. *Less:* Estimated balance of Federal cash on hand as of beginning of advance period	0.00
c. Amount requested *(Line a minus line b)*	$ 0.00

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(Continued on Reverse)

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Prescribed by OMB Circulars A-102 and A-110

13.	CERTIFICATION	
I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL Shane Knight for Director Patrecia Hargrove TYPED OR PRINTED NAME AND TITLE Patrecia Hargrove Executive Director	DATE REQUEST SUBMITTED February 3, 2025 TELEPHONE (AREA CODE, NUMBER, EXTENSION) 870-536-1971

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Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

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Item	*Entry*
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6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.
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STANDARD FORM 270 (Rev. 7-97) Back

REQUEST FOR ADVANCE OR REIMBURSEMENT

(See instructions on back)

OMB APPROVAL NO. 0348-0004

PAGE 1 OF 2 PAGES

1. TYPE OF PAYMENT REQUESTED
a. "X" one or both boxes: ☐ ADVANCE ☑ REIMBURSEMENT
b. "X" the applicable box: ☐ FINAL ☑ PARTIAL

2. BASIS OF REQUEST: ☐ CASH ☑ ACCRUAL

3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED: S Dept of Transportation / Federal Railroad Administratic

4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY: 69A36521402520INFRA

5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST: 25

6. EMPLOYER IDENTIFICATION NUMBER: 71-0397601

7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER: 69A36521402520INFRA

8. PERIOD COVERED BY THIS REQUEST
FROM (month, day, year): 9/26/2024
TO (month, day, year): 12/11/2024

9. RECIPIENT ORGANIZATION
Name: Southeast Arkansas Economic Development Distri
Number and Street: 721 South Walnut Street, PO Box 6806
City, State and ZIP Code: Pine Bluff, Arkansas 71601

10. PAYEE *(Where check is to be sent if different than item 9)*
Name: SAME
Number and Street:
City, State and ZIP Code:

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES ►		(a) INFRA Project	(b)	(c)	TOTAL
a. Total program outlays to date *(As of date)*		$ 9,915,193.50	$ 0.00	$ 0.00	$ 9,915,193.50
b. *Less:* Cumulative program income		0.00	0.00	0.00	0.00
c. Net program outlays *(Line a minus line b)*		9,915,193.50	0.00	0.00	9,915,193.50
d. Estimated net cash outlays for advance period		0.00	0.00	0.00	0.00
e. Total *(Sum of lines c & d)*		9,915,193.50	0.00	0.00	9,915,193.50
f. Non-Federal share of amount on line e		250,411.62	0.00	0.00	250,411.62
g. Federal share of amount on line e		9,664,781.88	0.00	0.00	9,664,781.88
h. Federal payments previously requested		9,623,292.21	0.00	0.00	9,623,292.21
i. Federal share now requested *(Line g minus line h)*		41,489.67	0.00	0.00	41,489.67
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month	0.00	0.00	0.00	0.00
	2nd month	0.00	0.00	0.00	0.00
	3rd month	0.00	0.00	0.00	0.00

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance	$ 0.00
b. *Less:* Estimated balance of Federal cash on hand as of beginning of advance period	0.00
c. Amount requested *(Line a minus line b)*	$ 0.00

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(Continued on Reverse)

STANDARD FORM 270 (Rev. 7-97)
Prescribed by OMB Circulars A-102 and A-110

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13.	CERTIFICATION	
I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL Gloria Knight for Patricia Hargrove TYPED OR PRINTED NAME AND TITLE Patricia Hargrove Executive Director	DATE REQUEST SUBMITTED 12/11/2024 TELEPHONE (AREA CODE, NUMBER, EXTENSION) 870-536-1971

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SEAEDD_002535

OMB Number: 4040-0014 Expiration Date: 02/28/2022 Estimated Time: 1 Hour

SF-425

Federal Financial Report

Grant Number	Grant Issuing Organization	Report Type	Reporting Period
FR-INF-0009	Federal Railroad Administration	Final	July 01, 2025 - September 30, 2025

Review your report details...

Your organization information is displayed here. Please verify the pre-filled information. Enter additional information in the appropriate fields as required

1. Grant Issuing Organization	Federal Railroad Administration
2. Grant Number	FR-INF-0009
3. Organization Name	SOUTHEAST ARKANSAS ECON...
Organization Address	721 South Walnut Street, Pine ...
4a. UEI	KN57SUELLUV6



SEAEDD_002584

4b. EIN Number	710397601	
5. Account Number		
6. Report Type	Final	
7. Basis of Accounting	○ Cash ○ Accrual	
8. Project/Grant Period	01/01/2021 – 09/30/2025	
9. Reporting End Date	09/30/2025	

Report on your transactions...

Enter cumulative amounts from date of the inception of the award through the end date of the reporting period specified in line 9. Use Lines 10a through 10c, Lines 10d through 10o, or Lines 10a through 10o, as specified by the Federal agency.

10. Transactions

Use lines a-c for single or multiple grant reporting.

Federal Cash

a. Cash Receipts	$	9,854,067.30
b. Cash Disbursements	$	9,854,067.30
c. Cash on Hand (a-b)	$	0.00

Federal Expenditures and Unobligated Balance

Use lines d-o below for single grant reporting.

d. Total Federal funds authorized	$	10,516,259.00
e. Federal share of expenditures	$	9,854,067.30
f. Federal share of unliquidated obligations	$	0.00
g. Total Federal Share (sum of lines e and f)	$	9,854,067.30

h. Unobligated balance of Federal Funds (d-g) ⓘ	$ 662,191.70	🔒

Recipient Share

i. Total Recipient Share Required ⓘ	$ 10,861,267.00	
j. Recipient Share of Expenditures ⓘ	$ 5,916,717.04	
k. Remaining Recipient Share to be Provided (i-j) ⓘ	$ 4,944,549.96	🔒

Program Income

l. Total Federal Program Income Earned ⓘ	$ 0.00	
m. Program Income expended in accordance with the deduction alternative ⓘ	$ 0.00	
n. Program Income expended in accordance with the addition alternative ⓘ	$ 0.00	
o. Unexpended program income (line l minus line m and line n) ⓘ	$ 0.00	🔒

11. Indirect Expense

Add Expense

g. Totals

Report any indirect expenses...

complete this information only if required by the awarding agency. Enter cumulative amounts from date of the inception of the award through the end date of

the reporting period specified in line 9.

$0.00	$0.00	$0.00
Base	Amount charged	Federal share

Add any remarks or attachments...

Enter any explanations or additional information required by the federal sponsoring agency including excess cash as stated in line 10c.

12. Add Remarks

Add any explanations deemed necessary or information required by the Federal sponsoring agency in compliance with governing legislation.

Start typing... 2000

Add attachments (optional)

Supported file formats include xls, doc, pdf, jpg/jpeg, png and ppt. A maximum of 5 files may be uploaded, and total combined file size cannot exceed 5GB. All files will be scanned for viruses.

Attention: Do not upload any files containing personally identifiable information, such as name and social security number or any other information that could be used to distinguish a person's identity.

Copy of INFRA-0... + Add Description

Signed October ... + Add Description

Choose Files to Upload

or drag and drop them here

Finish and submit.

13. Certification

☐ By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me

SEAEDD_002587

Review and verify that all the information entered is accurate. Certify and sign to submit the report.

to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)

Shane Knight
Deputy Director, SOUTHEAST ARKANSAS ECONOMIC DEVELOPMENT DISTRICT INCSoutheast Arkansas Economic Development District Inc

sknight@southeastarkansas.org
870-536-1971

Enter full name.....

Typing your name acts as your electronic signature for the document.

Submit Report

Check for Errors

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FRA GRANT/COOPERATIVE AGREEMENT
Quarterly Progress Report

A. Submission Information

1. Report Submission Date (mm/dd/yy): 10/31/25 2. Report Quarter: Q3 3. FFY: 2025

4. Agreement Number	5. Project Title		6. Project Type
69A36521402520INFRA	Southeast Arkansas and Northeast Louisiana Multimodal Freight C		PE/NEPA/FD/Construction
7. Completed By (Name)	8. Title	9. Email	10. Phone
Patrecia Hargrove	Executive Director	phargrove@southeastarkansas.org	870-536-1971

☑ ***Certification***: By checking this box, I certify the following:

1. The Recipient is complying with 2 C.F.R. § 200.303 (Internal Controls) and 2 C.F.R. part 200, Subpart F (Audit Requirements);
2. The report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812); and
3. The Recipient is complying with any environmental commitments, including measures to mitigate and minimize adverse effects, best management practices, and any obligations under Section 106 of the National Historic Preservation Act.

B. Overall Project Status

	a. Status	b. Explanation
11. Scope	On-Track	A change order to update the Detailed Work Plan scope was approved in Q2. A couple of scope items were updated in Segment C. The Consortium executed a change order with the track construction contractor to purchase and install another track mile of rail in Segment B. This is due to the amount of rails that need to be replaced due to broken and short rail segments to achieve Class 2 track. The change orders are not a change to the FRA Scope of Work, but to individual construction items.
12. Schedule	On-Track	The Track Rehab for Segments A&B track construction is complete. The bridge contractor completed bridge work in Q1, 2024. The Track Construction and Track Rehab for Segment C began in Q4, 2024 and is scheduled to be completed in Q1, 2026. The overall project schedule remains the same.
13. Budget	On-Track	The purchase and relaying of the additional track mile of rail increased the Contractor's contract. Due to the cost of the Segment A & B rail rehabilitation being over budget, the cost of the additional mile of rail, brush and tree cutting, and anticipated higher cost of Segment C track rehabilitation; the Consortium is shifting budget costs from Segment D to Segments A, B, and C. The Consortium is identifying possible funding sources and has applied for grants to fund Segment C and D. The Consortium received a DRA Grant to fund a portion of Segment C. Madison Parish Port has applied for a DRA Grant.

14. Significant Activities this Quarter	15. Significant Activities Planned for Next Quarter
- Contractor continued working on Segment C New Track and Rehab Construction. Contractor is working on QC activities for the main line track rehab construction. The Contractor began grading for the Segment C New Track construction areas.	- Contractor will continue Segment C New Track and Rehab construction and is scheduled to complete this work by the end of the quarter (December 31, 2025). Work items include surfacing and new track construction areas.

16. Amendment Request?	16 a. Status	16 b. Explanation
No	N/A	

C. Financial Status

Budget Status

17. Budget Changes?	17a. Status	17 b. Explanation
Yes	Anticipated	See Item 13 for explanation. The Consortium is identifying funding sources for increasing the grant match to cover budget overruns. The Consortium has received a DRA grant for a portion of the budget overruns. A GARF for the budget and scope adjustment is being prepared.

Reimbursement Forecast

18. Planned Reimbursement Requests to FRA	
18 a. Next Quarter	18 b. Next Four Quarters (Cumulative)
240,000.00	422,191.70

D. Major Milestones

If your project contains one or more of the following components, please report on all that apply:

		Completion Date mm/dd/yy			
19. Milestone Name	**20. Status**	**21. Planned**	**22. Actual**	**23. Change to Status?**	**24. Status Notes**
All Projects					
19 a. Award of Sub-Contract(s)/Sub-Award(s)	On-Track	2/25/21	2/25/21	N/A	HDR for Environmental Review. HDR Engineering and Construction Management contract 8/12/2021.
19 b. Project Work Begun	On-Track	2/25/21	2/25/21	N/A	Environmental Review 2/25/2021 Engineering 8/12/2021 Construction Management 8/26/2021
19 c. Project Substantially Complete	Off-Track	4/30/24		Yes	Anticipated Segment C completion date is 12/31/2025. the anticipated Segment D completion date is 6/30/2026.
Projects with a Construction Component					
19 d. Construction Notice to Proceed Issued	On-Track	9/1/21	9/1/21	Yes	Segment A & B Track Rehabilitation 9/1/2021. Segment C Track Rehabilitation 6/5/2024.
19 e. ROW Acquisition Complete	N/A			N/A	
19 f. Construction Ground-Breaking	N/A			N/A	
19 g. Construction Substantially Complete	Off-Track	4/30/24		Yes	Segment A&B Completion Date 4/20/23 Segment C Completion Date12/31/2025 Segment D Completion Date 6/30/2026
19 h. Environmental Mitigation Substantially Complete	N/A			N/A	
19 i. Ribbon-Cutting Ceremony	N/A			N/A	
19 j. Commencement of Service	N/A			N/A	
Projects with a Rolling Stock Component					
19 k. Test Vehicle Complete	N/A			N/A	
19 l. First Rolling Stock Delivery	N/A			N/A	

SEAEDD_002591

E. Statement of Work Task Status

25. Task #	26. Task Name	27. Status	28. Task Started?	Completion Date (mm/dd/yy) 29. Planned	30. Actual	31. Percent Complete (%)	32. Change to Status?
1	Project Administration	On-Track	Yes	6/30/26		70	Yes
2	Environmental Review	On-Track	Yes	8/31/21		95	N/A
3	Engineering	On-Track	Yes	4/30/22		75	No
4A	Track Construction	On-Track	Yes	4/30/24		55	Yes
4B	Railroad Bridge Construction	On-Track	Yes	4/30/24		95	No
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
		N/A	N/A				N/A
	Contingency (optional)						

SEAEDD_002592

E. Statement of Work Task Status (Continued)

33. Status Notes
Task 4A - Segment A & B bridge rehab has punch list items to complete. It is anticipated the bridge rehab will be complete by the end of August 2025. The Segment C track construction anticipated completion date is 12/31/2025. The Segment C track contractor is approximately 95% complete with the track rehabilitation and is approximately at 10% with the new track construction. Segment D engineering is at 30% complete. The anticipated Segment D track construction anticipated to start January 2026 with a 6/30/2026 completion date.

SEAEDD / LAKE PROVIDENCE PORT RAILROAD
(Cash, Grants, Labor & Materials)
June 2026

Project Funding:	**Total**
FRA INFRA	10,516,259
Economic Development Administration*	3,700,000
State of Arkansas*	1,588,000
SEAEDD*	748,000
Lake Providence Louisiana Port	1,650,752
State of Louisiana*	11,591,318
Delta Regional Authority (Louisiana)*	997,924
Delta Regional Authority (Arkansas)*	2,276,090
NLA	4,200,000
Total Funding	**37,268,343**

2012 EDA #1 - $2 million
2015 EDA #2 - $1.2 million
2016 EDA #3 - $500,000

DRA

2012 AEDC - $500,000
2013 AEDC - $1 million
2014 AEDC - $88,000

SEAEDD RR Purchase $705,000
Cash $ 43,000

LPPC Match - $10,091,318
LA Match - $1.5 million

2024 DRA LA LPPC - $787,924
2017 DRA LA LPPC - $210,000

2020 DRA AR Epstein - $276,090
2024 DRA AR Hensley - $2 million



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, LOUISIANA.

SUBPOENA TO TESTIY IN A DEPOSITION TO PATRECIA HARGROVE, ON BEHALF OF SOUTHEAST ARKANSAS ECONOMIC DEVELOPMENT DISTRICT, INC.

To: Patrecia Hargrove, Executive Director
Southeast Arkansas Economic Development District, Inc.
315 East 8th Avenue
Pine Bluff, AR 71601

Pursuant to the rules of the Surface Transportation Board governing discovery, 49 C.F.R § 1114, *et seq*., and by Order of the Board:

YOU ARE HEREBY COMMANDED to appear at the **Pine Bluff Main Library Board Room, 600 S. Main Street, Pine Bluff, Arkansas 71601 at 9:00 a.m. on June 29, 2026**, to provide testimony by oral deposition at the request of Delta Southern Railroad, Inc., in the above-caption proceeding. Your testimony will be recorded stenographically, by an officer authorized to administer oaths, and may be used as evidence in this proceeding. The deposition is anticipated to be completed within one (1) day, but may be continued from time to time until completed. Specific topics for which you will be expected to provide testimony are included in Attachment A to this subpoena.

DATED: June 22, 2026

Clerk of STB Seal



ATTACHMENT A TO SUBPOENA FOR DEPOSITION TESTIMONY

Delta Southern Railroad, Inc. ("DSRR") seeks to depose you in order to obtain relevant evidence to the Lake Providence Port Commission's ("LPPC") Amended Feeder Line Application to acquire the line of DSRR located in East Carroll and Madison Parishes, Louisiana, STB Docket No. FD 36447 (the "proceeding"). Specifically, DSRR seeks testimony regarding the following topics:

1. Current and anticipated demand for rail service on the portion of rail line from milepost ("MP") 471.0 to MP 498.44 of the DSRR line that runs from Lake Providence, Louisiana (MP 471.0) to the point of interchange with the Kansas City Southern Railway Company ("KCS") at Tallulah, Louisiana (the "Line").

2. The 2019-2020 INFRA Grant awarded in connection with the Line.

3. Administration of the INFRA Grant, including, but not limited to, Grant expenditures, work performed to the Line in connection with the Grant, and communications with third-parties relating to allocation of Grant funds.

4. All grants SEAEDD has applied for, received, or been denied relating to the Line from 2019 to present.

5. Communications with LPPC concerning the Line, the INFRA Grant, and/or DSRR.

6. Communications with any government agency, employee or official concerning the Line, the INFRA Grant, and/or DSRR.

7. Communications with Madison Parish Port Commission regarding the Line, the INFRA Grant, and/or DSRR.

8. Communications with DSRR concerning the Line, the INFRA Grant, and/or rail service.

9. Rail service provided by DSRR.

10. Interchange of freight between DSRR and other railroads.

11. Rail service provided by North Louisiana and Arkansas Railroad, Inc. ("NLA").

12. Communications with NLA regarding past, present, or anticipated future operation on the Line.

13. Communications with NLA regarding DSRR, the Line, and/or the INFRA Grant.

14. All contracts or agreements SEAEDD has entered into related to the Line.

15. SEAEDD's responses to discovery requests propounded in this proceeding.

Respectfully Submitted,

/s/ John M. Scheib

John M. Scheib
Noah P. Sullivan
William L. Spotswood
Gentry Locke Attorneys
101 W. Main Street, Suite 750
Norfolk, VA 23510
757-916-3511

Attorneys for:
Delta Southern Railroad, Inc.

June 22, 2026

Lake Providence Port Commission
Southeast Arkansas Economic Development District (SEAEDD)
Southeast Arkansas & Northeast Louisiana Multimodal Freight Corridor Improvement Project – Track Rehab Segment C

Project Status Meeting Agenda
October 28, 2025

1. Introductions

   - Owners – Lake Providence Port & Southeast Arkansas Economic Development District (SEAEDD)
   - Railroad Operator – North Louisiana & Arkansas Railroad (NLA)
   - Engineer - HDR
   - Contractor – B&P Enterprise
   - Grantor – Federal Railroad Administration (FRA) / LA DOTD
   - Local Officials and Jurisdictions

2. Safety
   - Safety Moment – **First Aid/CPR**
   - Contractor is conducting Job Safety Meetings in the morning and a Safety Debriefing meeting in the evening.
   - Safety Related Discussion Items
     Stay hydrated and take breaks.

3. Construction Schedule and Status Update
   - Construction Update
     - Typical work schedule – 12 days on and 2 days off cycle.
     - The Port tracks, main track switches and sidings need to be QC'd.
     - B&P has 2 crews onsite. One crew is working on constructing new track panels for the Lake Providence Pass Track and Anderson Grain Tracks. The other crew is working on the siding turnouts.
     - Compress, H&W, and Shelburn sidings are being worked on. Sidings are complete except for the switches. Matt will get with Tyler to determine what is needed for the switches. Danny will walk through when they are done.
     - B&P will start jacking and raising the Port track to receive additional ballast when the tamper and regulator are back onsite.
     - Ballast/surfacing gang will ballast/surface the Port tracks. The regulator back at the end to clean up and finish the track.

   - Material Delivery
     - The parts needed for the main line turnouts.
     - Waiting on switch material for the new turnouts.

   New Track Construction
   - Contractor is responsible for QC and providing testing documentation.
   - Port will contact the adjacent property owner near the proposed pass track who has been encroaching. Port will also contact Anderson, Viserion, and Stephan.

PENGAD 800-631-6989
EXHIBIT
20

- B&P will coordinate with LA DOTD for 883-1 Pass Track at- grade crossing.
- B&P to contact MidSouth Signal for moving the at-grade crossing signal for the 883-1 crossing. – Midsouth will be out to the project this week.
- The earthwork construction progress.
- The Stepan tracks are to be shortened 250-ft from the original design. However, they are to be stopped short of the rock stockpiles if they need to be shortened more than 250-ft.

Project Schedule Milestones.

- Calendar Days (270 calendar days) Notice to Proceed July 3rd, Completion Date March 31, 2025 – September 30, 2025 Change Order 2 – **December 31, 2025 Change Order 3.**
- Track Rehab - Tie Replacement on Mainline is **completed**. The Port tracks and Sidings is **completed**.
- Rail Relay – **Completed**
- Broken rail & joint bar replacement – **August 2025 - Completed**
- Ballast & Surfacing – January to **August 2025 - Completed**
- LA 883-1 Grade Crossing straightening – **Completed**
- QC – **August 2025**
- Contractor start New Track Construction **June 23, 2025 – Change Order 2.**
- Project completion – March 31, 2025 – Change Order 2 completion date September 30, 2025. **Change Order 3 completion date December 31, 2025.**

4. Submittals to be Provided by B&P
   - Subcontractor Agreements (RTS – tamping)
   - Emergency Preparedness / Safety Action Plan
   - Submittals for SWPPP, erosion control materials, subballast, seeding, and culvert still need to be submitted for review and approval.

5. Change Orders
   - **Potential items: Deduction for additional shortening of the Stepan and CGB/Viserion tracks; bumper posts to protect the Port turnouts.**

6. Project Reporting
   - Daily/Weekly Project Reports – Donnie is submitting daily reports & daily counts. Jordan Chandler is sending the reports on a weekly basis.
   - Monthly Invoicing schedule – B&P sending monthly invoices to Eric Frostestad, HDR, for review and forwarding to Donnie, Alan, and Bryant for review; then Bryant will send to LA DOTD. 5% retainage.
   - Quarterly Report
     - Submittal to be sent to FRA October 31, 2025

7. Issues Update/Progress
   - None

8. Other items/comments/action items

   Madison Parish Port – 30% design accepted by FRA. Final Design holding until DRA grant award or other funding.

Asplundh was contacted again to clear out ditches which has cut trees and debris. Estimated cost will be obtained from the landowner, Asplundh, and Hensley.

B&P needs to take care of the Grady Brown trailer damage. Matt Johnston will meet with Dennis Etner and Matt Lagrone.

The dock track has been covered up with rock above the top of rail as well as a couple of crossings.

Bumper posts to protect a couple of the switch stands and handles in the Port will be added. Two bumper posts at two switch stands will be added to a change order for 4 total bumper posts. HDR sent B&P with bumper post information. 6-in pipe from EPIC filled with concrete, painted yellow. Matt Johnston is working on a quote for the bumper posts.

After the final walk through, Danny Robbins will send the FRA a letter for Class 1 condition.

9. Next Meetings

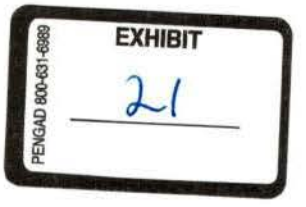
Tuesday November 11, 10:00 am	Project Status Call
Tuesday November 25 or December 2, 10:00 am	Project Status Meeting, Lake Providence Port

NL & A (24.1 miles) McGehee - Lake Village 408.9 - 433.0
SEAEDD (21.8 miles) Lake Village - AR/LA State Line 433.0 - 454.8
LPPC (16.2 miles) AR/LA Line - LPPC 454.8 - 471.0
C (29.2 miles) LPPC - Tallulah 471.0 - 500.2



Timeline of events

Date	Description
April 2017	Advertised RFP for professional consulting services to secure federal awards for the rail port infrastructure improvement project
June 2017	Issued notice of award to HDR for consulting services
November 2, 2017	17-18 INFRA application was submitted 29,541,000 / 49,236,051
June 8, 2018	Receive email notice that 17-18 INFRA application wasn't funded
January 2019	Began process of HDR preparing to apply for 2019 INFRA
March 2, 2019	2019 INFRA application was submitted 25,689,421 / 59,438,029
June 27, 2019	Began process of HDR preparing to apply for 2019 BUILD Grant funding
July 10, 2019	Received email from Paul Baumer with US DOT about receiving a reduced INFRA award ow $10,516,259
July 11, 2019	All stakeholders and HDR held a phone conversation to discuss how to respond to the reduced award offer
July 11, 2019	Submitted email response to US DOT accepting the reduce award amount
July 13, 2019	2019 BUILD Grant application submitted 20,515,201 / 40,130,201
July 15, 2019	Patrecia & Wyly had a conference call with US DOT concerning the need to reduce the project scope of work because of the reduced award amount
July 15, 2019	All stakeholders and HDR begin reviewing and revising the project's scope of work to line up with the reduced award amount. The scope of work had to be submitted to US DOT for approval
July 18, 2019	Received email notice that 2019 INFRA grant application was funded
September 25, 2019	Received email notice the Marc Dixon of FRA would be our INFRA award contact
September 2019	Advertised Engineering RFQ for INFRA Award
October 16, 2019	Issued notice of award to HDR for INFRA engineering services
October 23, 2019	INFRA grant next step conference call with FRA, HDR and all stakeholders
November 1, 2019	Submit revised project scope of work to FRA
March 5, 2020	FRA approved revised scope of work for INFRA project
June 2, 2020	FRA began drafting the INFRA grant agreement documents for review
June 9, 2020	Patrecia began working with attorney to draft consortium agreement with stakeholder that need to be executed prior to SEAEDD signing the grant agreement
July 30, 2020	Patrecia emailed draft consortium agreement to stakeholders for comments and review



August 14, 2020	DSR emailed consortium agreement with comment reducing the 20 miles of track in segment D to 10 miles (the consortium agreement mirrors the grant agreement by listing the FRA approved scope of work and the approved scope of work includes 20 miles of track is segment D)
August 14, 2020	Forwarded comment from DSR to attorney for update
August 14, 2020	Forwarded comment from DSR to Wyly to verify reduction amount
August 17, 2020	Received email from Wyly stating that he spoke to John Marino who said that he refused to rehab the 20 miles from Talla Bena to LP Port
August 18, 2020	Patrecia emailed John Marino requesting DSR's written intentions to repair the track from Talla Bena to Lake Providence Louisiana and providing services as describe in the narrative of the INFRA application and award
August 2020	Patrecia spoke to John Marino and explained per the email that I need DSR's intention in writing as it relates to the INFRA project.
August 21, 2020	John Marino emailed Patrecia that DSR is committed to completing the work outlined in the original estimates MP 500 – MP 491

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, LOUISIANA

* *

DEPOSITION OF

W. BRYANT KILLAN

JUNE 30, 2026

* *

Taken At:

East Carroll Parish Library
Conference Rooom
109 Sparrow Street
Lake Providence, Louisiana 71254

* *

Reported By:

PEPPER ROBERTSON
CERTIFIED COURT REPORTER
CERTIFICATE NO. 201002
PARISH OF OUACHITA
STATE OF LOUISIANA

APPEARANCES:

FOR DELTA SOUTHERN RAILROAD, INC.:

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P.O. Box 780
Richmond, Virginia 23218
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Mr. John M. Scheib

FOR LAKE PROVIDENCE PORT COMMISSION:

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Saint Joseph, Louisiana 71366
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Mr. James E. Paxton

FOR LAKE PROVIDENCE PORT COMMISSION, SOUTHEAST ARKANSAS ECONOMIC DIVISION, NLA AND ARKANSAS RAILROAD:

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FOR DELTA SOUTHERN RAILROAD, INC.:

LEAKE ANDERSON
1100 Poydras Street, Suite 1700
New Orleans, Louisiana 70163-1701
appearing herein by and through
Leila A. D'Aquin

ALSO PRESENT: Brad Gordon

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21 - Annual Gross Cargo Handling Revenue Over Project Time frame. 130

22 - Net Revenue Estimate. 131

STIPULATIONS

It is stipulated and agreed among counsel that this deposition of W. Bryant Killan is taken pursuant to Notice by counsel for Delta Southern Railroad, and may be used for all purposes permitted by the Louisiana Code of Civil Procedure. All objections, except as to the form of the question and the responsiveness of the answer, are reserved until such time as the deposition is offered and introduced into evidence.

* *

The witness, W. Bryant Killan, was advised of his right to read and sign this deposition, and he elected to waive that right.

W. Bryant Killan, being first duly sworn, testified as follows:

MR. SCHEIB: Good morning, Mr. Killan. My name is John Scheib. I'm with Gentry Locke Attorneys and I represent Delta Southern Railroad, Inc. And just so we can get on the record who is in the room with us today I'm going to ask each person to introduce themselves and we'll start with the person to my right.

MR. GORDON: Brad Gordon, Chief Legal Officer for Patriot Rail.

MR. D'AQUIN: Leila D'Aquin with Leake Anderson representing Delta Southern.

MR. PAXTON: Jim Paxton for Bishop, Crigler & Soberly and I'm representing the Port Commission.

WITNESS: Bryant Killen with the Port Commission.

MR. SCHEIB: What is your mailing address, Mr. Killan?

WITNESS: My personal physical mailing address?

MR. SCHEIB: Yes, please.

WITNESS: 5975 Highway 568, Ferriday,

Louisiana 71334.

MR. SCHEIB: Have you ever been deposed before?

WITNESS: No, sir.

MR. SCHEIB: All right. Let's take a minute then and then just kind of demystify the process for a second. In your deposition I'm going to ask you some questions, you're going to answer them. The court reporter has already sworn you in so do you understand that your answers are under oath?

WITNESS: Yes, sir.

MR. SCHEIB: And there are a few differences between a deposition and a typical conversation. The biggest one is that we have our court reporter with us and she's trying to transcribe what we say. So we have to avoid talking over one another and we have to wait for each other to finish before we jump in. Do you understand that process?

WITNESS: Yes.

MR. SCHEIB: This is an oral transcript which means she can't record head nods or bobs or whatever. So we need to have oral exchanges with answers. Do you understand that as well?

WITNESS: Yes, sir.
MR. SCHEIB: There's nothing wrong with you asking me to repeat a question. If you don't understand something I would rather you ask me to repeat the question. If you answer the question we're going to assume that you understood the question.
WITNESS: Yes.
MR. SCHEIB: Do you understand that?
WITNESS: Yes, sir.
MR. SCHEIB: If you need clarification of any question feel free to ask for clarification. Do you understand you can do that?
WITNESS: Yes, sir.
MR. SCHEIB: Sometimes I may ask a question where you'll have partial knowledge but not absolute or certain knowledge. For example, if I asked you right now how hot it is outside you may not be able to tell me the exact degree but you could tell me directionally that it's pretty hot and humid. And so I'm entitled to the best answer you can give in the moment. Do you understand that?
WITNESS: Yes, sir.
MR. SCHEIB: I'm also entitled to complete

answers. So that means if I ask you what did you have for breakfast this morning and you had orange juice, coffee, eggs and pancakes, you can't just tell me pancakes. Do you understand that?

WITNESS: Yes, sir.

DIRECT EXAMINATION BY MR. SCHEIB:

Q Who is your employer?

A My employer is Lake Providence Port Commission.

Q And what's your title there?

A Executive Director.

Q When did you become the Executive Director?

A It would've been February 1st of 2025.

Q What did you do prior to February 1st, 2025?

A I was the Deputy Director for the Port.

Q When did you become the Deputy Directory for the Port?

A February of 2020.

Q What did you do before February of 2020?

A I was in-- I was a farmer. Agriculture. Yeah.

Q Would that be self-employed?

A Self-employed.

Q What are you responsibilities as the Executive Director of the Lake Providence Port Commission?

A It would be to make recommendations to my board.

As far as certain projects go, you know, we're heavy on infrastructure projects, so we look to alleviate bottlenecks within the port.

Q Anything else?

A Just as far as to benefit the public and the region, anything that we can do to, you know--we're working on certain things, increase capacity so farmers don't have to wait in line so long so they can get back to the fields during harvest. Things-- Things of that nature.

Q How many employees does the Lake Providence Port Commission have?

A Two.

Q Who's the other employee?

A His name is Winn Mettles and he-- W-I-N-N, Mettles, M-E-T-T-L-E-S. He's the Deputy Director.

Q What are his responsibilities compared to your responsibilities?

A His responsibilities, we manage three different ports and we can get spaced out at times as far as projects go. We have a lot of different projects in Lake Providence as well as Tensas and Vidalia. He is from a construction background so he knows that industry and you know deals with our contractors and engineers more so than I do.

Q Who does the marketing for the Port?

A The marketing?

Q Yeah.

A Oh, that would be more me than--than him.

Q So that would be another element of your job responsibilities is to market the Port?

A Yes, sir.

Q And I just use "market" generically, but what does market the Port mean to you?

A Market the Port means to me bringing in new business, new tenants. For our ports we're mostly agg niche so, you know, create new opportunities to--to help our farmers make more money as far as create competition within the ports specifically is better for the region.

Q What do you mean by "create competition in the"--was it in the ports or among the ports? What did you say?

A Really it--it is--it's both. In the ports and among the ports. When you have-- Say you have one grain merchandiser, X in Lake Providence and Y in St. Joseph and Z in Vidalia, they're competing for the same--the same tonnage, same grain. So when they compete the public gets the benefit as far as what they call the basis on a bushel of grain. So it'll increase the basis, more competition, and the--the beneficiary would be the farmer.

Q Do you personally work or serve as a contractor for any entities other than the Lake Providence Port Commission?

A For a contractor?

Q Are you employed by or--

A No. No.

Q --do you have a contracting agreement with anybody else?

A No, sir.

Q Does Lake Providence Port Commission have an agreement with any other entities to provide services to them?

A Yes. Like I was saying, the--the Tensas Port, Vidalia Port and the Northeast Louisiana Multimodal District. All through cooperative endeavor agreements.

Q Let's just pick. Does each of Tensas, Vidalia and the Northeast Louisiana Multimodal District have a separate agreement with the Lake Providence Port Commission?

A Yes, sir.

Q What are the terms of the agreement with the Tensas Port?

A We did that corporate endeavor in the fall of 2020. It was a certain number per year until that port was operational, and we're still in--we actually just had a pre-construction bid meeting yesterday. We opened bids on Phase I on that port at the end of July. So there was-- To answer to your question there was--there was an agreement for--and I'll--I--I'm--I'm not certain on that dollar amount but it's a backlog pretty much a tab until that port's

operational and then it will slowly pay the tab back.

Q So Lake Providence Port Commission is fronting money, or prepaying money to the Port of Tensas in the hopes that it's repaid after the project comes to fruition? Is that what I'm understanding?

A I wouldn't say money. It is leasing an asset from the Port--asset would be myself--just to manage and direct, you know, the construction and the development of the Tensas Port.

Q What does the Ten saw Port pay per year to the Lake Providence Port Commission--

A Again, I--I--because it's--it's a running tab and we don't bill them until it's operational and it's not operational, I can't--I cannot remember.

Q So no invoices have passed back and forth--

A No, sir.

Q --at this point? Did the Lake Providence Port Commission Board have to approve the agreement with the Tensas Port?

A Yes, sir.

Q What's the agreement between the Lake Providence Port Commission and the Vidalia Port look like? What are its terms?

A It is-- I know that because we just touched that one. It's eighty-five thousand ($85,000) a year and it's the

same developing assets, managing day-to-day activity for that port.

Q And was the agreement between the Lake Providence Port Commission and the Vidalia Port approved by the Lake Providence Port Commission Board?

A Yes, sir.

Q And what are the terms of the agreement between the Lake Providence Port Commission and the Northeast Louisiana Multimodal District?

A That one's like the Ten saw one because we have--it's a consortium of the District as well as the three ports are working on a--a project to reconstruct the old line going from Tallulah down to the Tensas Port and then to the Vidalia Port. And I say it's the same as the Tensas CEA because it's a--it's a rolling tab once it's operational, and once that--that is built out then it will--it will slowly pay back. But there's no, as far as monetary, I mean it's--it's the same. It's lending me and my--and--and--you know, I'm an employee of the Lake Providence Port Commission so--

Q And did the Lake Providence Port Commission Board approve the agreement between Lake Providence Port and the Northeast Louisiana Multimodal District?

A Yes, sir.

Q What was the discussion at the Board with respect to introducing Tensas and Vidalia, which you noted create

competitions among the ports?

A I think my-- You're specifically talking about my Lake Providence Port Board. Correct?

Q Yes.

A Because I have four boards--

Q We'll get to--

A --thirty bosses.

Q We'll get to that. Yes.

A Yes. My Lake Providence Port Board is very open-minded as far as they--they--they understand, and may bring competition in, but with competition brings opportunity and, you know, if--if we build something and something happens in Tensas there could potentially be a benefit for East Carroll and the citizens in East Carroll. I guess that answers your question but to--to expand on that, I'm not from East Carroll. I'm from-- I'm from Ferriday. I live in Ferriday. So it is--I'm a hundred miles from my house. So, you know, we're not scared to drive in the Delta as far as for good employment goes so-- So-- And as far as, you know, we have--there are always issues on the river, and having another competent outlet would be a way for our farmers to get their livelihood to market.

Q What kind of issues are there on the river? I'm not from here so if you could just educate me a little bit.

A Well, it could be--it could be low water or high

water or it could be [inaudible]. You know, we deal with forty-foot fluctuations on the river here where down south Louisiana they don't deal with five, ten. So when it rises and goes down it silts in and we heavily rely on the Corps of Engineers to dredge us. You know, their contracts are usually approved middle of the--beginning of the summer and they come in--I think they're--they're dredging right now, but it's always right up against harvest. It's always barely getting by.

Q And you mentioned that the region's largely agricultural. Is that the bulk of any freight that moves in and out of the region? Is agricultural freight the bulk of freight that moves in and out of this region?

A Yes.

Q And what would you consider to be within the scope of being the agricultural products that ship in and out of the region?

A I would say the scope being the agricultural products would be anything that's raised and harvested on--on land, you know. So you could go from, you know, oil seeds to corn to--we do--we move some rice. I didn't much my load this time of year--or--or nowadays, but everything's kind of shifted to--to the grains over the past twenty--twenty-something years.

Q I drove around the area a little bit yesterday. Is

soy beans a product here? It looked like maybe soy bean fields to some extent--

A Uh-huh (yes).

Q --also?

A Uh-huh (yes). Well, it all--it follows the commodity market. You know, that's a--you never know--you can't really plan on what the--the farmer's going to plant year to year because they're going to plant what they can make the most money on. So it really follows the commodity market to a T.

Q Have you ever testified under oath before?

A No, sir.

Q Have you ever testified in a context where you were not under oath?

A No, sir.

Q Legislative hearings?

A Well, I guess I did.

MR. PAXTON: He knows that.

WITNESS: Yeah. Yeah.

Q Can you tell me why you're here today?

A Because I was subpoenaed.

MR. SCHEIB: Why don't we just mark that as "Document No. 1", if you don't mind.

Q Just so we have it in the record I'm going to put before you "Document No. 1". Have you seen that

"Exhibit No. 1" before?

A Yes, sir. Now, what I--what I was sent did not have a Page 2 but it had a 1 and a 3.

Q And Mr. Streeter reached out and we provided him a--

A Okay.

Q --copy where Page 2 was provided. I think it was just a double-sided--

A It was a double-sided paper.

Q --and it was scanned--

A I got you.

Q --one-sided so I apologize for that. But that looks like the Deposition Notice that you received and that you just referenced?

A Yes, sir.

Q Is that correct? Okay. Do you know, at the top of that Deposition Notice there's some information about the legal case that's pending? Does that information look familiar to you?

A This-- The Feeder Line application?

Q And where is this case being litigated?

A At the Service Transportation Board.

Q And did you know that before you came in here today?

A Yes, sir.

Q Did you review any documents to prepare for today?
A I read over Wyle's transcript.
Q Are you referring to the deposition transcript of--
A Yes, sir.
Q --Wyle Gilfoil?
A Yes, sir.
Q Did you review any other documents?
A No, sir.
Q Did you review the Amended Complaint filed in the Surface Transportation Board Feeder Line case?
A No, sir.
Q Did you review a verified statement submitted by Mr. Wyle Gilfoil on behalf of the Lake Providence Port Commission as part of the Amended Complaint in the Surface Transportation Board Feeder Line case?
A No, sir.
Q Excluding your personal lawyer, did you talk to anyone in preparation for this deposition today?
A I told my parents where I was going to be because they are babysitting my children today.
Q Thank God for parents.
A Yes. And they live close so that's--that's another blessing.
Q Did you talk to Mr. Gilfoil before the deposition today?

A No, sir.

Q Did you talk to Danny Robbins of North Louisiana Arkansas Railroad before the deposition today?

A No, sir.

Q Did you talk to Patricia Hargrove of the Southeast Arkansas Economic Development District before today?

MR. PAXTON: I'd go with the acronym but that's--

A No, sir.

Q This is going to sound a little weird. Are you under the influence of any medication today?

A No, sir.

Q Is there any reason your testimony today would be impaired?

A No, sir.

Q Is there any reason you cannot give complete and truthful testimony today?

A No, sir.

Q On whose behalf are you testifying today?

A On the Lake Providence Port Commission's.

Q Are you authorized today to testify on behalf of the State of Louisiana?

A I guess I don't understand that question being that the Port Commission is a political subdivision of the State of Louisiana. But are you talking about the division of

administration or the governor's office or--or what?

Q Any other entity other than the Lake Providence Port Commission.

A Other-- No. Just the Lake Providence Port Commission.

Q Are you authorized today to testify on behalf of the Northeast Louisiana Multimodal District?

A Yes.

Q Is that the same entity that's sometimes called the Northeast Louisiana Railroad Development District?

A Yes, sir. So we passed--or--or we-- The-- The District passed resolution--I think it was in December of '23 to do business as Northeast Louisiana Multimodal District. That board thought it would be a better suited name, not to pigeon-hole our self in funding opportunities. Just limiting to railroad stuff.

Q So would your answer be the same that you're authorized to testify on behalf of the Northeast Louisiana Railroad Development District?

A Yes, sir, as they are one in the same.

Q Do you have a preference in which term I use?

A Whichever one is shorter.

Q Amen. Are you authorized to testify today on behalf of the Tensas Port?

A Yes, sir.

Q Are you authorized today to testify on behalf of the Vidalia Port?

A Yes, sir.

Q When did you personally begin to work on the effort to restore the railline from McGehee, Arkansas to Tallulah, Louisiana that involves an Infra Grant, other Grants and this STB proceeding?

A So I was hired in February of 2020 and I believe that INFRA Grant, that award was already given then. I was mainly charged in--in--as--when I was the Deputy Director of getting Vidalia Port online. We were three years behind schedule on that port due to high water. Wyle did most of the INFRA stuff. As far as-- And-- And really all that was-- Patricia was the administrator or is the administrator of that.

Q You mean Ms. Hargrove?

A Ms. Hargrove.

Q Patricia Hargrove?

A Uh-huh (yes).

Q Okay. Thank you. Please continue.

A So I had limited knowledge going in but as 2020 went on, you know, my feet on the ground, new job, learning more, so it was one of those I live closer to the Vidalia Port so again I was charged with getting that project back on schedule, getting it operational versus Wyle's up here every

day.

Q That had to have changed at some point.

A Yes, sir.

Q At what point would you say that changed and you became more involved with the railline from McGehee, Arkansas to Tallulah, Louisiana?

A And I cannot remember certain years but, you know, the way it was bid out, the rehab of that was--I believe it was Section A and B first. I know it was. And we met once a month, once every several months in--maybe it was the Mayor's office in little--in Lake Village. That consortium would huddle up with the engineer, HDR, and go over, you know, the things that have happened up until this point. Just typical construction update meetings.

Q You used a couple of terms in your answer. I just want to make sure we clarify them, which is fine and it's helpful. The project that runs from McGehee, Arkansas to Tallulah, Louisiana was divided into I think they were called segments. Do you know what Segment A is?

A Yes, sir.

Q Okay. What is Segment A?

A Segment A was McGehee to somewhere around Lake Village.

Q And do you recall what Segment B is?

A The next segment down would be Lake Village to the

state line--to the Arkansas/Louisiana state line.

Q And do you know who owns the rail for Segment B?

A That would be SEAEDD. Southeast Arkansas Economic Development District.

Q And for the future, SEAEDD is capitalized, SEAEDD, in case we make that choice again. Do you recall what Segment C is?

A Segment C is owned by the Lake Providence Port Commission.

Q And does it run from about the Arkansas/Louisiana state line to the Lake Providence Port?

A It runs from the state line and I believe it ends right there around the highway barn, right south of Lake Providence. So it does not go all the way to the Port.

Q Got you. Okay. And then do you know what Segment D is?

A Segment D would be from that highway barn--and I do not know the endpoint of--of what Segment D was in that INFRA Grant, but I know it would start at the highway barn and I don't know if it would go all the way to the Madison Port or if it went all the way to Tallulah.

Q Do you know who owns Segment D?

A Delta Southern.

Q Do you know the exact mile post of the railline that is the subject of the Feeder Line application before the

Surface Transportation Board?

A The exact line would be-- No. I don't know the exact. I know it's 471 something to 498 something--point som- --you know.

Q Pretty good. Pretty good. On the first page of the Amended Application it says "Mile post 471.0 to Mile post 498.44". Does that sound pretty close to what your memory is?

A Yes, sir.

Q So when we talk about the line at issue in the Surface Transportation Board case, we're talking only about the line from Mile Post 471.0 to Mile Post 498.44. Do you understand that?

A Yes, sir. And Amended Application, that's the scope--

Q Right.

A Yes.

Q So as we're talking today if we talk about any other railline we need to be very specific--

A Specific.

Q --about what we're talking about. Okay?

A Yes, sir.

Q Great. What litigation involving the Lake Providence Port Commission did you discuss during your testimony before the Louisiana Legislature?

A Repeat that again.

Q Yeah. As I recall during your testimony before the Louisiana Legislature you discussed some litigation that Lake Providence Port Commission was involved in.

A Uh-huh (yes).

Q And I'm just asking you to help refresh my memory as to what litigation you were discussing.

A We-- We had--so last year--last spring I believe we were involved multiple state litigation cases as well as the overall STB case. I cannot remember, as far as being specific, what cases that we discussed. I-- I believe at that time really the only thing that was pending was the STB case. I don't think there were any open state cases.

Q Okay. That was a bad question. Let me try to ask it more generically and see if we can do better. Since the year 2000, what litigation involving Lake Providence Port Commission are you aware of?

A Well, I was fifteen in 2000, so I do--

Q You know, that's a typo in my notes. Let's try 2020.

A Yeah.

Q Good answer. Let's try that again.

A Since 2020.

Q What litigation generally has Lake --

A Oh, gosh.

Q --Providence Port Commission been involved in since 2020?

A I really defaulted to my counsel on how many cases that were thrown our way. I could not accurately give you a number of cases that we were involved with or involved in.

Q Does Lake Providence Port Commission hire attorneys to handle its litigation?

A Yes, sir.

Q Do those attorneys bill the Lake Providence Port Commission?

A Yes, sir.

Q Who signs and approves those bills?

A So every month the--when the Port Commission meets we have a section in our agenda, monthly bills, and the Port approves them and then checks are cut and it's a double-signature check.

Q Do you review those bills from the attorneys before you present them to the Board?

A Uh-huh (yes).

Q So which law firms do you recall paying from 2020 to the present?

A Bishop, Paxton, Crigler, Moberly. Richard Streeter. Does Van Ness, Feldman? Yes, they would be considered. There was one in-- Oh, Andy Brister's done some stuff for the Port. There was a guy in Shreveport that

helped with some stuff in 2021. Maybe his name was Willis or Killam or-- Sam Bacot with the now dissolved McGlinchey Stafford. That might be it.

Q Do you remember any specific litigations that you paid Bishop, Paxton--well, Mr. Paxton's here so I'll stop there because I don't remember the rest of the names in the firm--so the Bishop Paxton firm, do you recall what matters you paid them for working on since 2020?

A Up until this litigation stuff we did a lot of leases, a lot of renewal on leases. That was specifically it.

Q Did you pay them to work on a lawsuit filed by Delta Southern Railroad that challenged the scope of Lake Providence Port Commission's authority to engage in transactions outside of East Carroll Parish?

A Yes.

Q Do you recall in what court that litigation was taking place?

A No, sir.

Q Having sparked your memory with one litigation, do you remember any other pieces of litigation that you paid the Bishop Paxton firm to handle?

A I wanted to-- To be-- To be specific, no. I know there were multiple though.

Q Do you recall on what matter the Lake Providence

Port Commission was paying Mr. Streeter?

A Specifically for the Feeder Line application.

Q So that would be the litigation before the Surface Transportation Board that's the subject of this deposition?

A Yes, sir.

Q Do you know when the Lake Providence Port Commission started paying Mr. Streeter?

A I'm going to guess in 2020 because the--the--the initial Feeder Line application was filed I believe November of 2020.

Q And I apologize for going backwards. Do you recall about when the Lake Providence Port Commission began paying the Bishop Paxton firm to work on the litigation related to Lake Providence Port Commission's authority?

A I don't know an exact date. It's whenever the--the state litigation started up against--between the Port Commission and Delta Southern.

Q Do you recall for what matters the Lake Providence Port Commission is paying the Van Ness Feldman firm since 2020?

A On what matters?

Q What litigations?

A Just specifically litigations--

Q Uh-huh (yes).

A --or all matters?

Q Specifically litigation.

A Service Transportation in the Feeder Line application.

Q For what other matters, besides litigation, is Lake Providence Port Commission paying the Van Ness Feldman firm?

A Typical lobbying reasons. You know, we are--we do a lot of infrastruction projects. We can't do projects to their full potential without some buy-in from federal financial sources, and so they handle more on the federal side.

Q Is there a particular person you work with at the Van Ness Feldman firm on lobbying?

A Yes, sir.

Q Who is that?

A Tanner Johnson.

Q Do you recall whether Lake Providence Port Commission since 2020 has paid Mr. Andy Brister to represent it in any litigation?

A Not that I can recall.

Q What type of work would Mr. Brister do for the Lake Providence Port Commission?

A I think he did a couple of closings for us, maybe a donation of a property. I think that was--

Q So more real estate type work?

A Uh-huh (yes). Notary work. Just quickly run

something up to--you know.

Q Yeah.

A That type of stuff.

Q Got you. Do you recall whether the Lake Providence Port Commission has paid either Mr. Gillis or Gilam--I don't think you could remember the exact name--for any work on litigation?

A We have not.

Q Do you know whether the Lake Providence Port Commission has paid Mr. Sam Bacot, B-A-C-O--

A B-A-C-O-T.

Q B-A-C-O-T. Has Lake Providence Port Commission paid Mr. Bacot to represent it in any litigation?

A No, sir. He was more real estate, leases. He took over--I believe for a while his career-- It started out as the port attorney being Jim Crigler, and then when Mr. Jim retired he swapped everything over to Mr. Bacot, and then the port used Mr. Bacot until I think he passed away and then we swapped everything, as far as all of that stuff, over to Bishop, Paxton, Crigler & Moberly.

Q In your capacity as a representative of the Vidalia Port, has the Vidalia Port been engaged in any litigation since 2020?

A No, sir.

Q In your capacity as a representative of the Tensas

Port, has the Tensas Port been involved in any litigation since 2020?

A No, sir.

Q In your capacity as representative of the Northeast Louisiana Multimodal District, has the Northeast Louisiana Multimodal District, whether under that name or under the name Northeast Louisiana Railroad District, been involved in any litigation?

A Yes, sir.

Q What litigation was it involved in?

A An expropriation suit. And then we-- Yeah. I think that--that might be it.

Q Where was the expropriation suit litigation, if you know?

A Well, the expropria- --the property is in Madison Parish.

Q Can you describe the property that was the subject of the expropriation litigation?

A It was either one point seven (1.7) or two point seven (2.7) miles south of a CPKCS.

Q And who owns the two point seven (2.7) miles south of the CPKC Interchange at Tallulah?

A It was ei- -- It's either Delta Southern or its parent company. I believe it was Delta Southern.

Q Can you tell me who the applicant is in the Feeder

Line case before the Surface Transportation Board?

A It would be the Lake Providence Port Commission.

Q Are there any other co-applicants to your knowledge?

A A party to the--the application?

Q No, an actual applicant.

A No. Not that I'm aware.

Q Is any other entity in the State of Louisiana a co-applicant with the Lake Providence Port Commission?

A I don't know. I know as far as co-applicant that would be no, but being a party to, that's completely different. So as being a party to I know SEAEDD, and located it in Louisiana, I do not know--I know NLA is a party to and I do not know where their headquarters are.

Q But as far as the applicants are concerned, is there any other co-applicant with the Lake Providence Port Commission?

A No, sir.

Q Have you attended any meetings where the railline from McGehee, Arkansas to Tallulah, Louisiana was discussed?

A Any meetings?

Q Uh-huh (yes).

A Yes. In our INFRA updates--excuse me--specifically-- Yes. When we would have them in Lake Village talking about that line, that corridor that's specifically

between McGehee and--well, that project I should say. But we would go through it more in sections versus talking about the entire corridor.

Q How often does that group meet to discuss the INFRA Grant?

A I want to say once a month, and we've really turned it to more Zoom/Teams meetings than--than in person.

Q You've mentioned that the meetings at some point were occurring in the Mayor of Lake Village's office?

A I think that was the Mayor's office.

Q Yeah. Whose--

A I think it's more of a munici- --well, it's a municipal building I'm pretty sure.

Q Who's the Mayor of Lake Village?

A No idea. I want to-- Yeah. I have no idea.

Q Who would attend these meetings for updates on the INFRA Grant?

A So you would have-- Specifically in Lake Village or on the Teams meetings now or--

Q Just give me a sense of who's represented at theses meetings.

A SEAEDD in LA, Lake Providence Port, and multiple engineers--multiple engineering firms and that would--that would be it.

Q Is the Ma- --

A No. Madison Port does--they have not--they have not been on in a while but they used to log on the Teams meetings. They never came to Lake Village to those meetings, but both Terry--Mr. Terry and as well as Kim used to log on those--those Teams meetings, but I want to--it's probably been--well, Mr. Terry's passed but Kim probably hadn't in a year.

Q During those meetings has there been discussion about the railline at issue in this case from Lake Providence down to Tallulah?

A Not in those--those updates. They're more construction-based. But in FRA meetings they ask what about this and the update is it's with the STB and that's the update.

Q In your capacity as an employee of the Lake Providence Port Commission, have you reviewed the INFRA Grant agreement between SEAEDD and the Federal Railroad Administration?

A No, sir. Never seen it.

Q Have you participated in any discussions about potentially amending the Grant agreement between SEAEDD and the Federal Railroad Administration?

A No, sir.

Q Do you know if the Grant agreement between SEAEDD and the Federal Railroad Administration has ever been

amended?

A I don't. Being that was awarded and one before my employment, that was more of a Wyle would know and not--not myself.

Q You became the Executive Director of the Lake Providence Port in February of 2025. That's about sixteen, seventeen months ago. Is that about right?

A Yes, sir.

Q Has the consortium discussed any--and by consortium I mean this group of Lake Providence Port, SEAEDD--

A The consortium of--

Q --Northeast Louisiana and Arkansas, has that group discussed a potential amendment of the Grant agreement between SEAEDD and the Federal Railroad Administration since you've been the Executive Director of Lake Providence Port Commission?

A No, sir. Not that I can recall.

Q If there was going to be an amendment to that agreement, would you expect that the group would discuss it with you?

A Sure.

Q In the words of Monty Python, "and now for something totally different." Have you participated personally in responding to any discovery requests served by Delta Southern Railroad on the Lake Providence Port

Commission?

A Yes, sir.

Q Tell me what you were asked to do and what you did.

A I want to say the latest was Mr. Streeter was requesting at y'all's request would have been some State Law and Commission application information. I know that's the most recent. I'm trying to think back. I believe that might be it.

Q Since you became the Executive Director of the Lake Providence Port Commission in February of 2025, have you ever been asked to see if there were any documents that needed to be produced under previously served discovery requests?

A Not that I can recall. No, sir.

Q In other words have you ever been asked to update the document productions or interrogatory responses that the Lake Providence Port Commission has provided to Delta Southern in this case?

A Let me think. I think y'all-- I think Delta Southern requested maybe our minutes at some point. I can't remember when that-- That has been since I have been the Executive Director though.

Q Does Lake Providence Port Commission maintain its own website?

A Yes, but very poorly.

Q What's the address?

A I don't even know.

Q Is it an official State of Louisiana website that you're thinking of?

A No, sir. This would be-- No, sir. It is not an official State of Louisiana website.

Q Is this more of a website that the Lake Providence Port Commission has that is like a marketing tool?

A Yes, sir.

Q Does the Lake Providence Port Commission also provide information that gets posted on an official State of Louisiana website?

A Repeat the question, please.

Q Sure. Does the Lake Providence Port Commission provide information that gets posted on an official State of Louisiana website?

A I don't know that. Potentially LADOTD maybe if-- Specifically when we have an event like we had earlier this year, a big ice storm, the Director of Multimodal Commerce would call and say--and ask an update. What's the port doing? What's-- What's it--you know, is it operational? Do you have power? And I d- --I do not know if those updates were posted on an official DOTD website or not.

Q All right. Give me just a second here to get the right document.

MR. SCHEIB: All right. I'm handing you

"Exhibit 2" which is a document entitled "Expanded Response to RFP No. 1." And is Responses Provided by Lake Providence Port Commission to Delta Southern Railroad in Response to Discovery Requests.

Q And you're welcome to flip through it but I'm going to specifically call your attention to a page that at the top has in bold "Expanded Responses to RFP's 9, 11, 13 and 16."

(WITNESS PERUSES DOCUMENT.)

A Yes, sir.

Q Okay. Can you read the paragraph that begins with "With respect to RFP No. 11"?

A Out loud or just read?

Q Yeah. If you could-- Well, you can read it to yourself first--

A Uh-huh (Yes).

Q --but then I'm going to ask you to read it into the record so we can discuss it.

A Sure.

(WITNESS PERUSES DOCUMENT.)

Q Okay. Would you please read into the record the paragraph that begins with "With respect to RFP No. 11"?

A "LPPC disagrees that the budget information available from the Louisiana Department of Administration appears to be summary and does not appear to be

comprehensive. LPPC further states that past budgets are irrelevant tending future budgets that would be prepared that would address the price to be paid to acquire the line. Therefore LPPC deems DSRR's request to be implacable and inappropriate in the Feeder Line case."

Q Does the reference to the Louisiana Department of Administration refresh your memory as to any website that would have information about the Lake Providence Port Commission?

A No, sir. I don't know of any information that would be on the Department of Administration's website that would be unless the Board and Commissions falls under the DOA, and it might.

Q If that were true, what memory did that just jog?

A So under Boards and Commissions we update--I don't think they ask for agendas but we do notices, minutes, we update our commissioners if they change in and out, and I think--I think there is a budget tab on the--

Q Okay. Have you reviewed that website that you're referring to recently?

A No, sir. Typically what we bi-annually will upload notices and minutes, and then with that upload any other data that they request from us.

Q As of last night there are no notices posted on that website for any meetings more recent than December 17th,

2025. Have there been meetings since December 17th, 2025 of the Lake Providence Port Commission?

A Yes, sir.

Q Have the notices of the meetings that have occurred since December 17th, 2025 been produced to Delta Southern Railroad?

A I'm not aware.

Q Is there a way for Lake Providence Port Commission's counsel to have obtained meeting notices for meetings that occurred after December 17th, 2025 from anyone other than you?

A As far as the notices?

Q Uh-huh (Yes.)

A Through the local publication. I can't remember what it's called. Is it the--

MR. PAXTON: Banner Democrat.

A --Banner Democrat?

Q Do you know if your counsel provided updated notices since December 17th, 2025 to Delta Southern Railroad?

A Unaware.

Q Does Lake Providence Port Commission keep those notices in a file at its offices, whether a hard copy file or an electronic file?

A It's-- It's in the Dropbox account or a digital file.

Q As of last night there are no minutes for any meeting more recent than November 15th, 2025. Have there been meetings of Lake Providence Port Commission since November 15th--

A Yes--

Q --2025?

A Yes, sir.

Q Have you been asked by counsel to provide meeting minutes since November 15th, 2025 so that they could be produced to Delta Southern Railroad?

A Not that I can recall. I believe that was--must have been last year when Richard was asking me for the minutes and I told him we do it bi-annually and there--this is the time July and then at the end of the year is when we upload those to the website.

Q Do you understand that Delta Southern Railroad is entitled to Lake Providence Port Commission documents whether they are uploaded to a website or not?

A As far as needing notices and agendas and minutes?

Q Yes.

A Yes.

Q Then why haven't these been produced to Delta Southern Railroad?

A Have they been asked for?

Q They have been originally and the Lake Providence

Port Commission has an ongoing obligation to supplement its production.

A We can get those to you. That's not a problem.

Q Okay. That would be great. I assume it's easy enough to get them to us by like the end of the week?

A Sure. Well, listen. We need to ask counsel about that because I'm not involved in any of the document production but we'll get them to you. But I can't tell you we can do it by the end of the week now.

Q Can you commit to a time line?

A Well, no because I really don't know what you're really asking me for. But we'll get them to you within a short period of time. Let's say that.

Q All right. Are you aware of any Grants other than the INFRA Grant that any member of the consortium has applied for since 2020?

A The consortium being the INFRA consortium?

Q Yeah. Maybe let's just break it down. Are you aware of any Grants that SEAEDD has applied for for the railline from McGehee to Tallulah since 2020 other than the INFRA Grant?

A Applied for for themselves for that specific entity? Or applied for for other entities?

Q Yes.

A All--

Q Let's go with both.

A Well, I know she applied--I know Ms. Hargrove applied for one for us, a DRA, that's Delta Regional Authority Grant, which we were successful in receiving. I want to say it was close to eight hundred thousand ($800,000) on--on that--on that award.

Q She applied on our behalf for another--maybe it was EDA or DRA for a drainage pro- --project. Not specifically dealing with the railroad but north of town in what we call Milican. I know she--Ms. Hargrove submitted a DRA application for the Madison Port maybe this year or last year so they could match some money. And I know they weren't successful on that but they were su- --they--they--"they" being the Madison Port put in two applications--competing applications, and I believe they were awarded maybe it was a road expansion I think. The DRA sends out those emails of awards, but I know they did not get the one that Ms. Hargrove put in for for the whatever they were doing, the matching--matching airport priority money for some rail-related stuff inside the Madison Port.

Q Uh-huh (yes). Uh-huh (yes).

A I'm not-- I don't know the specifics on that project though.

Q Any other Grants that you're aware of that SEAEDD has applied for?

A I can't remember if she applied or if Eric Mayo. One of the two. I think it was Patricia applied for EDA for a third lane expansion for the Lake Providence Port in which we were successful on for I think it was three hundred and eighty thousand ($380,000). And then very recently, maybe last week, CRISI application--almost let that one slip--it was maybe--I think the deadline was the 25th of 26th. She applied for the CRISI application specifically for--for Louisiana ports and that--that consortium has expanded to the Multimodal District as well as the Tensas Port, the Vidalia Port, and for--for my entities the project is to reconstruct that line going south. And I think that might be all of the ones that she has applied for. Amenities that I know or are related to.

Q And when you say she applied for a CRISI Grant, for the line going south, the line going south starts somewhere south of Tallulah? Is that correct?

A Yes, sir.

Q And where would it start south of Tallulah?

A At the CPKCS line going--going south.

Q Did the group apply for any CRISI Grants before this round of CRISI Grants?

A Yes. It was 20- --I think 2025 was zeroed out. I think it was 2024 was the last CRISI Grant application that the group applied for.

Q How much did you request in that CRISI Grant if you recall?

A I can't recall. It was north of a hundred million ($100,000,000) though.

Q And what did the group want to use the hundred million dollars ($100,000,000) to do?

A For the 2024 or the 2026 application?

Q For the 2024 application.

A For our side it--it was to reconstruct the line.

Q Which line?

A The line--I guess the--what they used to call the--the Old Missouri Pacific Vidalia Branch, which would start on the north end of Tallulah and go down to Vidalia. I think specifically the construction side of it was to get to the Tensas Port. I want to say we put in right-of-way acquisition down to the Vidalia Port. We also put in nepacos which was a mistake because later we figured out in a debrief they only want one life cycle in a Grant application. So that is one thing we've changed from 2024 to what was submitted last week.

Q And is the most recent CRISI Grant submitted last week for basically the same project Tallulah to Vidalia Railline restoration and construction?

A For the Louisiana portion, yes, and then the Arkansas portion would be to build out to Yellow Bend port.

I don't-- Don't ask me what mile post that would be from going vertical to horizontal. I want to say the conversation was somewhere aroun [inaudible]. And then there was some work inside maybe an industrial park in Lake Village maybe, but I'm--I can't really recall as far as the specifics on that.

Q I am less familiar with the line from "south of Tallulah toward Tensas and Vidalia".

A Uh-huh (yes).

Q Is there an existing rail bed there all the way?

A Not all the way.

Q In order to complete that project would there have to be land acquisitions?

A Yes, sir.

Q Have you all investigated who owns the land?

A We have through from--from Tallulah to New Elton.

Q Is that the segment where you would have to purchase property?

A We would have to purchase property on the entire segment.

Q But you've only investigated who owns the property on a limited segment? Is that your answer?

A About-- Yes, sir. Limited segment. I would call it a little under half way of the whole--of the whole segment--line. I think I--I want to say it would be

seventy-five miles from Tallulah all the way to the Vidalia Port.

Q And who did you learn owns the land that would be required to be purchased in order to build the railline from Vidalia to Tallulah?

A It's a lot of different land owners.

Q Can you name any of them?

A Delta Southern would be the first one going south.

Q And that would be the two point seven (2.7) miles that they own south of the interchange with CPKCS that we discussed earlier?

A Yes, sir.

Q Have you discovered any other land owners south of the two point seven (2.7) miles all the way to Vidalia?

A Yes. And don't ask me to name them all because they're-- Just go in from the section Delta Southern owns all the way to Newellton. There are likely thirty or forty different land owners.

Q Are you one of them?

A I'm not.

Q Are any of your family members owners of land that would need to be acquired for this project.

A Family member-- Define family member.

Q Mom, Dad, grandma, grandpa, sister, brother, child, aunt, uncle.

A No.

Q Then why did you need me to define family member?

A Because my--I'm going through a divorce and one of my soon-to-be ex-wife has property through there.

Q She personally has property?

A No.

Q Her family has property.

A Her family does. Yeah.

Q And who of her relations has property through there.

A Her father.

MR. SCHEIB: Let me mark another document for you.

(OFF RECORD COMMENTS.)

MR. SCHEIB: We're marking "Exhibit 3". It's another set of responses to discovery. This one was filed on behalf of three parties jointly, which makes the document a little complicated but we'll do our best to simply it. I'm not going to ask you about the entire document but I am going to ask in particular about Page 21, and luckily this document has page numbers.

(OFF RECORD COMMENTS.)

Q So on Page 21, I'm looking in particular at the

respondent's response at the bottom, which is a response to Interrogatory No. 27. And it references a consortium agreement. I've come to learn that this consortium agreement was perhaps entered into by the parties to the INFRA Grant which would be SEAEDD, Lake Providence Port Commission, North Louisiana, Arkansas, maybe somebody else but not Delta Southern. Have you ever seen a copy of the consortium agreement dated November 20th, 20209?

A No, sir. Not that--that I'm aware.

Q Do you know if a final consortium agreement was ever signed?

A I'm not aware.

Q You mentioned earlier that there was litigation between the Lake Providence Port Commission and Delta Southern Railroad related to an expropriation of property. Do your recall that?

A Are you talking about the Multimodal District or--

Q I apologize. You are correct. You referenced litigation between the Northeast Louisiana Development District and Delta Southern related to an expropriation of approximately two point seven (2.7) miles south of Tallulah CPKC Interchange.

A Yes, sir.

Q Do I have it right now?

A Yes, sir.

Q Okay. Do you know what the outcome of that litigation was?

A I believe that it--it went to State Court, maybe kicked to Federal Court and then ultimately to the STB. I believe our argument that--was that it was not under STB rule and I believe that the STB ruled that it was in fact under their jurisdiction or authority.

Q Who owns that property today?

A Delta Southern or an affiliate parent company. I don't know exactly who has the deed.

Q In Federal Court did the Northeast Louisiana Railroad Development District win or lose?

A In Federal Court? I'm unaware. I-- That was more of a-- I let Bishop, Paxton, Crigler & Moberly handle all of that.

Q Let me ask it differently. Did the Northeast Louisiana Railroad District expropriate the property?

A No, sir.

Q Are you aware of any lease of the two point seven (2.7) miles south of Tallulah interchange entered into between the Northeast Louisiana Railroad Development District and the Lake Providence Port Commission?

A A lease of that property? Lease of the property, I'm not aware but maybe. I'm-- Was it-- Did we do something pending a favorable outcome? I can't recall and

I--I hate to speculate.

Q That's all right.

A You got--

MR. SCHEIB: I'm going to hand you "Exhibit 4".

A Okay.

Q We can talk about "Exhibit 4". Take a second to look at it and after we talk about this exhibit it might be a good time to take a break.

(WITNESS PERUSES DOCUMENT.)

A Madison is misspelled.

MR. PAXTON: Johnny did that, not me.

MR. SCHEIB: I just handed you the document. I didn't type it.

MR. PAXTON: John, you don't have another copy of that?

MR. SCHEIB: I do. I'm so sorry. I meant to hand it to you.

Q Okay?

A Uh-huh (yes).

Q Just for ease, I'm going to use the numbers that you see at the bottom right of each page as the page numbers.

A Yes, sir.

Q Okay. So if you'll turn to the page--that's LPPC00142. Is that your signature on that page as a witness?

A Yes, sir.

Q And who is Steven Weeks who signed on behalf of the Northeast Louisiana Railroad Development District?

A He's the chairman of that entity.

Q And if we turn the page to LPPC 000143, is that your signature as a witness?

A Yes, sir.

Q And who is James A.--

A Thom.

Q --Thom, IV who signed on behalf of the Lake Providence Port Commission?

MR. PAXTON: That's T-H-O-M.

A He's the president of the Lake Providence Port Commission.

Q Does the Lake Providence Port Commission have delegations of authority that allow you to sign contracts on its behalf?

A Repeat that, please.

Q Does the Lake Providence Port Commission have delegations of authority that allow you as Executive Director to sign contracts on its behalf?

A Yes.

Q Does the Northeast Louisiana Railroad District have delegations of authority that allow you as Executive Director to sign contracts on its behalf?

A Yes. And to expand on that, typically we will do a--a motion. And in any lease-- Or it'll be a resolution or a motion passed and then it will be a--to adopt or resolution pass to allow so-and-so, whoever be it the president or myself, to sign and--and we do that because just for instance, Lake Providence Port Commission meets twelve times a year. Some of these guys, just like Jim Thom is the--the current president, I believe he's in North Carolina right now. And so we still have to maintain typical, you know, business like fashions, even though he's out of town, so we'll--we'll do something like that if they are unavailable.

Q In this case, why didn't you sign on behalf of the Lake Providence Port Commission?

A Probably because they were available as far as the chairman and president.

Q If they were not available could you have signed this lease on behalf of the Lake Providence Port Commission?

A If in the resolution it would have said allows Bryant Killen, Executive Director, to execute.

Q Okay. So your process is that a lease like this has to go before the full--

A The board.

Q --board?

A Uh-huh (yes).

Q Okay. And the full board would vote to enter into

the lease and to designate a specific person to sign the lease?

A Not always designate a specific person. Typically that just--and I want to say Wyle did it as well--I like to do it when the chairman is unavailable. If the chairman is available then I don't put specifically James Thom or Randy Maxwell in Vidalia. But if it's myself signing just because when the chairman does come back they can see that that board checked that box and my name is on it, they voted on it, and we're--we're good. Full transparency on that.

Q Just to short circuit things, does the Northeast Louisiana Railroad District follow basically the same process or do they have a different process for approving entering into an agreement like a lease?

A Typically the same process.

Q You've had a chance to review this document. What is it?

A So we did this in--that would be pending a favorable expropriation outcome, which did not happen.

Q Can you point me to the language that says it's pending a favorable outcome?

(WITNESS PERUSES DOCUMENT.)

A I do not see that language in--

Q Let's look at Paragraph No. 1. In fact, what does the first part of that sentence say up to the comma?

A "Lessor has leased and let and due now by this act lease and let."

Q Is the Northeast Louisiana Railroad Development District or the Lake Providence Port Commission in the habit of leasing a property that they have no rights to?

A No, sir.

Q Why did you enter into a lease on property that neither party had any right to?

A I think it was understood between the two entities that this was only--this lease would only be active if the Multimodal District was able to expropriate the property.

Q Let's look at Paragraph 2. Can you read the second sentence of Paragraph 2 for me into the record?

A "Lake Providence Port Commission is to receive one hundred percent of revenue until all prepaid rent money advanced to the Northeast Louisiana Railroad Development District has been recouped."

Q What prepaid rent money had been advanced to the Northeast Louisiana Railroad Development District by the Lake Providence Port Commission?

A Well, going back to the cooperative endeavor agreement, between the two entities as far as management, and then it had the--the--the Lake Providence Port Commission has giving--has given funds for the--for the expropriation as well as for audit-type stuff and legal fees.

Q How much cash has the Lake Providence Port Commission advanced to the Northeast Louisiana Railroad Development District for the purposes you just stated?

A Roughly I want to s- -- Well, as I do not--I can't remember what the "running tab" is for the cooperative endeavor year to year. I can't speak to what that amount is but I want to say we hold on our books prepaid rent. I want to say it's over or around four hundred and forty-three thousand ($443,000).

Q Is that held as an accounts receivable?

A It's-- It's held and it's tabbed in our finances as prepaid rent.

Q So this agreement provides for the repayment of money to the Lake Providence Port as part of the deal. Correct?

A As a part of the total line reconstruction, and when I say "line" I want to be specific. From Tallulah to Vidalia stopping in [inaudible].

Q So there's no language in this agreement that makes it contingent that you can identify. Is that correct?

A That'd be correct.

Q And Paragraph 1 says "the lessor has leased and let the property". Correct?

A Yes.

Q And Paragraph 2 provides for the way payment is to

occur and part of it is for the Lake Providence Port Commission to be reimbursed approximately four hundred and forty-three thousand dollars ($443,000). Is that correct?

A Yes, sir.

Q And you were doing this with property that neither of these entities have any right to?

MR. PAXTON: Well, subject to this proceeding, but yes.

MR. SCHEIB: This proceeding doesn't involve this two point seven (2.7) mile line.

MR. PAXTON: Yeah.

MR. SCHEIB: We established that at the beginning.

MR. PAXTON: Yeah. This proceeding.

MR. SCHEIB: I'm talking about this surface-- Yes. And I'm not going to argue with you here.

MR. PAXTON: Okay.

MR. SCHEIB: We established earlier the Surface Transportation Board proceeding by its first sentence of the amended complaint ends at mile post 4--at 98.44.

MR. PAXTON: Is that your understanding that this doesn't include the property--

MR. SCHEIB: I will ask the witness questions.

MR. PAXTON: Okay. Do you understand what he's asking you?

WITNESS: Yes.

A I always thought that it was included in the Feeder Line application. That the two point seven (2.7), or whatever that's south of the KCS was included.

MR. PAXTON: Okay. That's a--

Q Okay. I appreciate you sharing that with us. I will represent to you that that is not what the complaint says.

A Okay.

Q It defines very specific mile posts and these two point seven (2.7) miles are not in it.

MR. PAXTON: Okay. That's a statement, not a question.

MR. SCHEIB: That is a statement.

MR. PAXTON: Okay.

Q Given that statement and assuming that's true, do you have any rights to lease this property?

MR. PAXTON: Don't assume what he says is true.

Q Let me ask it differently. Do you see on Page 00143 and 00142 that it's dated the 21st of December, 2023?

A I do.

Q Did Northeast Louisiana Railroad Development

District or the Lake Providence Port Commission have any rights to this property when it leased the property on December 21st, 2023?

A I want to say the Multimodal District had filed an expropriation suit in November of 2023.

Q Did it have any rights to this property by filing an expropriation suit? Or did Delta Southern Railroad remain the owner?

MR. PAXTON: If you know the answer to the question.

A I don't know the answer to the question.

Q Who's the owner of the property today?

A Delta Southern Railroad.

MR. SCHEIB: All right. Why don't we take a break.

(OFF THE RECORD.)

MR. SCHEIB: We're back on the record after a short break and joining us by cell phone is Richard H. Streeter of the Law Offices of Richard H. Streeter in Washington, D.C. Who do you represent this morning?

MR. STREETER: I represent LPPC or Lake Providence Port Commission as well as the Southeast Arkansas Economic Development District and also the North Louisiana and

Arkansas Railroad.

MR. SCHEIB: And Mr. Paxton, are you the one defending the deposition today?

MR. PAXTON: For the Port, yes I am.

MR. SCHEIB: All right. Thank you very much. Just a couple of follow-up questions before we leave "Exhibit 4".

DIRECT EXAMINATION BY MR. SCHEIB (continuing):

Q Why would it be necessary to file the expropriation suit if that piece of track was part of the STB proceeding?

A That's a good question and I--I believe I just probably deferred to two lawyers or two officers that weren't in the best communication potentially.

Q How much money was deposited in the registry of the court when the expropriation action was filed?

A I think it was around two seven--two hundred and seventy thousand ($270,000), maybe two seventy-five ($275,000) or so. It's-- It's around that range.

Q And do you know if that money is still in the registry of the court?

A It is.

Q Who paid that money into the registry of the court? Was it Lake Providence Port Commission or Northeast Louisiana Railroad District?

A The Railroad District.

Q And where did the Railroad District get two hundred and seventy thousand dollars ($270,000)?

A Lake Providence Port Commission.

Q Was it a loan from the Lake Providence Port Commission or was it a gift?

A It was--

MR. PAXTON: Well, wait a minute now. Haven't we already asked that? It was prepaid rent he told you.

Q Is that what it was? Is that the prepaid rent?

A Yes.

Q Okay. We discussed earlier that LPPC is the only applicant in the STB Feeder Line case. Will LPPC then be the one who pays the acquisition cost for the railline if the Feeder Line application is successful?

A We're talking on the Feeder Line case. Correct?

Q Yes.

A Yes. LPPC will.

Q And will LPPC be the one who would pay for any upgrades to the railline at issue in the STB Feeder Line case if it were successful in that case?

A Upgrades to make it accessible or are we talking maintenance or--

Q Whatever's necessary from a maintenance, rehab, whatever you call it.

A So the initial rehab would be LPPC and then further than that no maintenance.

Q Who would pay for the maintenance going forward if LPPC were successful in the Feeder Line application?

A The operator would be.

Q Who is the proposed operator?

A I believe we did a-- I believe it was required of us to put in a lease or a to-be lease if the Feeder Line application was favorable for Lake Providence Port with NLA.

Q So are you saying that NLA is the proposed operator of the railline from roughly Lake Providence to Tallulah that's the subject of the STB Feeder Line case?

A Yes.

Q And would Lake Providence Port Commission be the party responsible for paying all or part of the operating costs of the line at issue in the STB Feeder Line case if successful in that case?

A None of the operating costs.

Q And who would pay the operating costs if LPPC were successful in the Feeder Line case?

A The operator.

Q And the operator is NLA. Is that correct?

A Yes.

Q Does LPPC have audited 2025 financial statements?

A No. We-- Our audit is--we're at the end of our

audit currently.

Q When do you anticipate that audit being complete?

A I'm unaware. We'll have to get with the CPA on that.

Q Has LPPC provided year-end 2025 financial statements to its board on audited statements?

A Repeat the question please.

Q Sure. Has LPPC provided unaudited year-end 2025 financial statements to its board?

A Yes. In our board packet we have financials that the board does every month.

Q Have you seen the discovery requests from Delta Southern Railroad that requests all financial statements from Lake Providence Port Commission?

A No, sir.

Q Have you been asked to update any prior productions of financial statements?

A An update? No, sir.

Q We talked about the website earlier that houses LPPC documents.

(OFF RECORD COMMENTS.)

Q We talked earlier about the website that houses LPPC documents like minutes and notices and financial statements. Do you recall that?

A Yes, sir.

Q Is the information on that website true and correct and accurate as of today?

A As of today? No. As I said earlier we update those bi-annually, so we're due to do that--up- --make one update in July and another at the end of the year.

Q For periods of time prior to January of 2025, is all the information on that website true and accurate and complete?

A To my knowledge.

Q Do you know if the financial information provided for the year 2023 is accurate, correct and true?

A To my knowledge.

Q Do you know if the financial information for the year 2020 is true, accurate and correct?

A To my knowledge.

Q Can Delta Southern Railroad rely on the financial information that's on that website as being true, accurate and correct?

A To my knowledge.

(OFF RECORD COMMENTS.)

MR. SCHEIB: Okay. I'm handing you "Exhibit 5". Take a second to look at it and let me know when you're ready to discuss it.

(OFF RECORD COMMENTS.)

MR. SCHEIB: All right. Let's try that again.

Here's "Exhibit 5" your copy. And if you would take a second to look at it and then we can discuss it.

MR. STREETER: John, can you tell me what "Exhibit 5" is please?

MR. SCHEIB: We'll get to that in just a second, Richard. Let me let him have the chance to look at it.

MR. STREETER: Okay.

MR. SCHEIB: It's the Lake Providence Port Commission financial statements for the year ending December 31, 2023.

WITNESS: 2024.

MR. SCHEIB: 2024. I'm sorry.

(WITNESS PERUSES DOCUMENT.)

Q And I just need a little help making sure I understand how to read it. So if you could turn to the page that's marked Page 6.

(OFF RECORD COMMENTS.)

MR. PAXTON: All right. Page 6, right?

MR. SCHEIB: Uh-huh (yes).

Q What is the page that we're looking at, Page 6?

A Statement [inaudible].

Q Would this be commonly called like a balance sheet?

A Sure.

Q Okay. The first line under "current assets" is "cash and cash equivalents". And at the end of the year December 31, 2024 it shows eight hundred and fifty-six thousand six hundred and ninety-three dollars ($856,693). Is that case held in an account? Is that like real cash?

A As far as the Port cash goes it is held in--in a--in our bank account. Yes.

Q And is that to reflect that as of December 31, 2024 Lake Providence Port Commission had eight hundred and fifty-six thousand six hundred and ninety-three dollars ($856,693) in cash in a bank account?

A This document says it does.

Q And--

A Or did I should say.

Q Uh-huh (yes). Right. And then we talked about prepaid rent earlier. As of December 31, 2024 there was prepaid rent of four hundred and thirty-two thousand nine hundred and eighty-three dollars (432,983). Is all of that prepaid rent from the Northeast Louisiana Railroad District, or are there other entities involved in that prepaid cash item also?

A I think there's a two hundred and fifty dollar ($250) deposit for an Entergy meter or something, but other than that yes.

Q If we go down to "liabilities", I am a little bit

curious on the "taxable revenue bond long-term liability". What is that?

A That was done before I got here so I think that was for a project that--infrastructure project that Wyle did.

Q Did the Lake Providence Port Commission issue bonds for that project?

A Again, that was before my time.

Q Do you know what the taxable revenue bond line item was on the unaudited December 31, 2025 financials that you showed to the Lake Providence Port Commission Board?

A No, sir. I cannot remember that.

Q All right. If you'll turn to Page 7. What is this statement?

A [Inaudible.]

Q Okay. I noticed first state grant income as of December 31, 2024 of one million five hundred and nine thousand three hundred and sixty-six dollars ($1,509,366). What grant income is that?

A If it would've been-- I'm-- Specifically I don't know.

Q Do you recall whether the Lake Providence Port Commission received a grant from the State of Louisiana in calendar year 2024?

A I cannot remember.

Q Do you see the year-end 2023 shows zero state grant

income?

A I do.

Q Would that imply to you that the Lake Providence Port Commission received some sort of grant in 2024?

A Not specifically. Sometimes we are awarded a grant and it takes years for it to be appropriated.

Q So--

A So you wou- --it wouldn't be awarded in '24. It potentially could've been awarded in 2020 or 2017. I don't know. It depends.

Q Would it be right to infer that the money was appropriated in calendar year 2024 for some grant that Lake Providence Port Commission had been awarded?

A Looks to be that way.

Q Under "operating expenses" professional services seem to jump pretty substantially from 2023 to 2024. What's included in professional services?

A Lawyers, consultants, engineers-- That pretty much covers it.

Q To your knowledge was Lake Providence Port Commission paying consultants during 2024?

A Would you consider an [inaudible] a consultant or a law firm?

Q For lobbying purposes let's call them a consultant.

A Then yes.

Q Okay. Do you have a sense of how much of the professional services is attorney's fees versus consultants or engineers?

A As far as that million dollars ($1,000,000)--million nine thousand ($1,009,000) that was in 2024, I do not.

Q If you look down at the "operating income" line, how is that calculated?

A As far as revenues minus expenses equal your revenue--or your operating income.

Q And what was the operating income of Lake Providence Port Commission as of December 31, 2024 for the year 2024?

A Two million sixty-six thousand four hundred forty-six dollars ($2,066,446).

Q I'm sorry. I may have misasked my question. On the operating income line, what was the operating income for Lake Providence Port Commission for 2024?

A Negative three hundred and thirty-one thousand forty-one dollars ($-331,041).

Q And what was the operating income for Lake Providence Port Commission for the calendar year 2023?

A Negative one million five hundred five thousand fifty-nine dollars ($-1,505,059).

Q So is it a correct interpretation that in 2024 and

2023 the Lake Providence Port Commission had an operating income loss?

A Yes.

Q Looking at non-operating revenues, expenses, do you see that broad category just below "operating income"?

A Yes, sir.

Q Okay. What is included in interest income in Lake Providence Port Commission's statement of activities?

A Interest income would be as far as any loans that were--as far as expenses this would be non-operating revenue, so interest income would be the interest off of whatever's in the bank account.

Q That's a pretty big number for cash of eight hundred thousand dollars ($800,000).

A Unless I'm misinterpreting how the CPA has it organized on this document which I--I'm--I'm unaware.

Q Do you know what's in the "interest expense" line?

A I would assume, speculate that this is the expense of the bonds--taxable revenue bonds that were on this previous statement of net position. But again I'll have to defer to the CPA on that.

Q Do you know what's included in the other non-operating income line of Lake Providence Port Commission's statement of activities?

A I do not know how they categorize that. No, sir.

Q Do you know what is in the other non-operating expense line of the Lake Providence Port Commission's statement of activities?

A No, sir.

Q Turn to Page 9 please. Under "liabilities" there's a couple of categories that are inset. One is called "current portion of long-term debt" and there's a line "taxable revenue bonds". Does that give you any recollection of what bonds might be referenced in the LPPC statement of net position?

A Repeat the question please.

Q Yeah. Just looking at the line item "current portion of long-term debt" right below that it says "taxable revenue bonds".

A Uh-huh (yes). Uh-huh (yes).

Q And I'm asking if seeing those words "taxable revenue bonds" might refresh your recollection as to the bonds that we were talking about on the net position statement?

A Again, I--I--that was before--before my time.

Q Do you know what taxable revenue bonds are?

A Yes, sir.

Q What are they?

A So you would--it would be based off of revenue generated as far as you get either a loan or a line of

credit. And everything that we do would be subject to Bond Commission approval.

Q Is it usually a specific revenue source that is used in a revenue bond or--

A I haven't done many so I--I--I'm ignorant to--to that.

Q Yeah.

A Done with this one?

Q Just set it to the side because we'll come back to it in just a second.

MR. SCHEIB: Okay. I'm going to hand you "Exhibit 6" which is the Lake Providence Port Commission financial statements for the year ending December 31, 2023. When you're ready we'll turn to Page 7. Take your time.

(WITNESS PERUSES DOCUMENT.)

Q Are you ready?

A Uh-huh (yes).

Q Okay. I'm just going to focus on the "operating income" line. And from the statement we just looked at we saw the 2023 loss of one point five million dollars ($1,500,000). What was the loss for 2022 as reflected on this document?

A One million fifty-six thousand five hundred and fifty-six dollars ($1,056,556).

Q All right. Why don't we turn to Page 28 of this document. By the year 2023 had the Lake Providence Port Commission filed the amended application at the Service Transportation Board?

A Say that again.

Q Let me rephrase. By 2023 had the Lake Providence Port Commission filed a Feeder Line application at the Service Transportation Board?

A A Feeder Line application, yes.

Q And earlier you described that case as litigation. Can you read Note 9 into the record?

A "Lake Providence Port Commission is not involved in any litigation at December 31st, 2023 nor is it aware of any unasserted claims."

Q Was that a true and correct statement as of December 31, 2023?

A My definition and a CPA's definition could be different as far as what's considered litigation. So I'll defer to both attorneys and the CPA to flush that definition out.

Q For audited financial statements, does the Executive Director of the Lake Providence Port Commission have to sign off on them?

A No.

Q Are audited financial statements of the Lake

Providence Port Commission presented to the Board of the Lake Providence Port Commission?

A Yes, sir.

Q Does the Board of the Lake Providence Port Commission vote to approve audited financial statements?

A I don't believe so. I mean, it's--I can't remember. But when you're audited whether--I mean, I--I can't remember.

Q Do you know if the Board of the Lake Providence Port Commission votes to accept the financial audited statements?

A Can't remember.

Q So is it your testimony that the Lake Providence Port Commission just hands stuff over to a CPA and accepts whatever comes back from the CPA?

A "Accepts what comes back", explain "accepts what comes back".

Q Did they just accept the statement that the Lake Providence Port Commission is not involved in any litigation at December 31, 2023 despite the fact that you've testified that the Lake Providence Port Commission was in fact involved in litigation as of that date?

A I don't believe we ever passed any resolution or anything to accept an audit to my knowledge.

Q So whether prepared by the accountant or someone

else, is this a correct statement?

MR. PAXTON: Well, I think you've asked and answered when he said "my definition of litigation" which he said it was "may be different from the CPA" so it's hard for him to say it's a correct statement.

Q Is there any review of the CPA's work by either the Executive Director of the Lake Providence Port Commission or the Board thereof?

A Say that again.

Q Is there any review of the CPA's work by the Executive Director of the Lake Providence Port Commission or the Lake Providence Port Commission's Board?

A Typically when the auditor is done he sends us a final copy. In any audit you don't get to review it and make revisions.

Q Is the CPA from the Lake Providence Port Commission David Hartt, H-A-R-T-T?

A Yes, sir.

Q Are the audited financial statements of the Lake Providence Port Commission submitted to any entity of the State of Louisiana?

A I cannot remember.

Q Do you know if the audited financial statements of the Lake Providence Port Commission are made public in any

way?

A Excuse me. They are sent to Louisiana Legislative Auditor.

Q And just before we leave it, if you'll look at "Exhibit 5" Page 28. Can you read Note 9 into the record?

A "Lake Providence Port Commission is not involved in any litigation at December 31st, 2024 nor is it aware of any unasserted claims."

Q Notwithstanding what the accountant would say, was the Lake Providence Port Commission involved in any litigation as of that date?

A From my definition of litigation, yes.

Q Which litigations was it involved in at that time?

A I know the Surface--the Feeder Line application.

Q Has the Lake Providence Port Commission been asked by any entity to report how much money it has spent on the Feeder Line application?

A Specifically? No, sir.

Q Has the Louisiana Legislature or any member thereof asked the Lake Providence Port Commission how much money has been spent on the Feeder Line application?

A No, sir.

Q Has any member of the Louisiana State Government asked the Lake Providence Port Commission how much money has been spent on the Feeder Line litigation?

A No, sir.

Q You mentioned that the Lake Providence Port Commission Board received unaudited financials for 2025. Do you know if those unaudited financial statements showed Lake Providence Port Commission having a net income that was positive or a loss for the year 2025?

A I do not recall.

(OFF RECORD COMMENTS.)

MR. SCHEIB: I will give you "Exhibit 7" which is a filing that Mr. Richard Streeter made at the Surface Transportation Board on November 30th, 2023. Take a minute to look it over and just let me know when you're ready.

(WITNESS PERUSES DOCUMENT.)

A I'm ready.

Q Okay. We're looking at "Exhibit 7". If you turn to the second page, what is this document?

A The page labeled second or--

Q Yeah. Unfortunately-- Good point. The first page after the cover letter.

A "Certificate of Service and Compliance."

Q Okay. Let's turn to the next page. Let's turn some more. Sorry. I forgot there were multiple attachments. Let's turn to the page that's after the verification page. Looks like this and it starts with "Second Amended Railway

Lease Agreement".

A Okay. Okay.

Q You see that page?

A Yes, sir.

Q Do you know what this document is?

A Before looking at it, no. I have assumptions but no.

Q What do you think it is?

A I think it was--it is the agreement that we spoke of earlier where if the--the Port Commission is successful in the Feeder Line application that it has an operator in--in LA.

Q And would this agreement set the terms of the relationship between the Lake Providence Port Commission and the North Louisiana and Arkansas Railroad should Lake Providence Port Commission be successful in the Feeder Line case?

A I don't want to assume. (Witness peruses document.) Repeat the question quickly.

Q Does this agreement set the terms between the Lake Providence Port Commission and the North Louisiana and Arkansas Railroad for North Louisiana and Arkansas Railroad's operation of the line if LPPC is successful in the Feeder Line application?

A Yes, sir. I see Section 3 "rent percentage of

revenue as lease payment".

Q And if you would look at Page 1 that's actually marked Page 1. Just look at "Recital D" and see if that refreshes your recollection at all.

A Recollection of?

Q Well, what this agreement covers. I'm not trying to trick you. I think you're right. I think this says in the event we get the line, so I'm just trying to make sure this is what you're thinking of.

A Sure. Yes.

Q Okay. And why don't you just read it in the record so that we have what Recital D says.

A "[Inaudible] anticipates the acquisition of additional twenty-seven point four-four (27.44) miles between mile post 471.0 to mile post 498.44 from DSR and STB docket number 36447."

Q And that Recital does not include the two point seven (2.7) miles south of the CPKC Interchange. Correct?

A I'm unaware of those mile post numbers. I assume that it was included.

Q And if the two point seven (2.7) miles south of the 4.98.44 mile post you would agree that it is not included in this statement in Recital D. Is that correct?

A If in fact that 4.98.44 is north of the KCS then I would agree that the two point seven (2.7) is not.

Q Let's turn to Page 3. And you referenced Section 3 earlier. And I'm just going to ask you a couple questions to help me understand what the terms are of the relationship between the Lake Providence Port Commission and NLA. Take a second to look at it. And then my first question is lessee, which is NLA, is going to pay to the lessor, which is LPPC, sum amounts. And what do you understand the payments to be?

A I understand the payments to be ten percent (10%) of freight. If it's origin or destination on the leased premises--

Q Right. And--

A --and five percent (5%) if it just goes through the line of the freight revenue.

Q Perfect. And it uses the term "freight revenue", right? Look at D where "freight revenue" is defined. And how is "freight revenue" defined in this agreement?

A "Payment received by NLA for transportation of storage of railcars but it excludes switching and weighing charges to merge and energy surcharge payments."

Q There's maybe some rail terms here that you can help me with. What is "storage of railcars"?

A As far as the definition of rail terms, I default that a rail attorney and an operator.

Q For purposes of our conversation do we agree that this provision provides that storage of railcars is included

in freight revenue in the definition of freight revenue?

A Yes.

Q And do we also agree that LPPC will get ten percent (10%) of the freight revenue as provided in Section 3.1.a?

A If it's originated or terminated on a leased premises, yes.

Q Do you know if there had been any subsequent amendments to this agreement between Lake Providence Port Commission and North Louisiana and Arkansas?

A No, sir.

MR. PAXTON: You don't know or there haven't been?

WITNESS: I do not know.

Q I understand.

A This was-- This lease was before--not before my employment but while I was still the deputy director so--

Q Given that this agreement sets the terms between the North Louisiana and Arkansas and the Lake Providence Port Commission, in the event LPPC is successful in the Feeder Line case, if there were any subsequent amendments would they have been filed with the Surface Transportation Board?

A That's a question for the attorney.

Q Going back to Section 3, is LPPC to be compensated in any way for the storage of railcars not originating or terminated on the leased premises?

A As far as--as I interpret this lease, this specific lease, no.

Q And if the Lake Providence Port Commission were successful in the Feeder Line case would you be responsible for implementing this lease agreement in your role as the Executive Director of the Lake Providence Port Commission?

A I'm unaware. I'll-- I'd have to refer to attorneys on that.

Q Well, I'm just asking who day-to-day is going to check to see if you're getting paid the right amount. Is that you or--

A That would--

Q --is that your attorney?

A --be me. On any-- On any payment type schedule, yes.

Q So are you the one responsible for implementing this agreement in the event that Lake Providence Port Commission is successful in the Feeder Line case?

A If this agreement is binding, if--and--and that's where I'm not a lawyer. I don't know that. So if it is then I would be responsible for making sure that those terms were kept.

Q Just to button this up, if you'll turn to Page 12, who executed the lease agreement on behalf of the Lake Providence Port Commission?

A Looks to be Mr. Jim Thom.

Q And who executed the lease agreement on behalf of the North Louisiana and Arkansas Railroad?

A Daniel Robbins.

Q And if you'll turn to the next page, Page 13, have you ever seen a page like that before?

A A notary? That page?

Q Yeah.

A I've seen a page like this.

Q Okay. And in this case am I reading it correctly that they are notarizing that they witnessed Danny Robbins sign this agreement? And I see Danny Robbins' name in the third line up here (indicating).

A Yes. It looks like Melissa Cartwright notarized it. Danny Robbins did sign it.

Q And if you'll look at Page 14, does that look to you like the notary page for the signature of Mr. Thom?

A Yes, sir.

Q So as you sit here today do you have any reason to believe this is not a binding contract?

A Again I'm not an attorney. I don't know-- It's not a contract being--currently being that we do not own the property. So I don't know the ins and outs of how the STB operates or handles that as far as pending an outcome. So I'll--I'll leave that--I'll defer to our attorneys for that.

Q You mentioned earlier that at least some members of the consortium applied for a CRISI Grant in I think you said 2024 but you may have said 2023. Do you remember which year it was?

A I believe '23.

Q Okay.

A No, excuse me. I believe '24. We may have applied for one in '23 as well. I-- I can't recollect.

Q But we're in the right time frame--

A Sure.

Q --for purposes of our conversation? Okay. Was that CRISI Grant--I don't know the proper grant terms-- declined? Not funded?

A Not successful.

Q Not successful. Okay. Were there any follow-up conversations between the consortium and the federal government to your knowledge about what made it an unsuccessful application?

A Yes. We had a debrief.

Q And what did the federal government say were the weaknesses in the application in the debrief?

A Multiple life cycles.

Q Were there any other concerns expressed by the federal government representatives?

A Not that I recall.

Q Has LPPC applied for any other grants that were not awarded?

A Yes.

Q What grants do you recall that LPPC applied for related to rail infrastructure that were not awarded?

A No. They would-- Not that I recall. There would be no other rail-specific grants that we--no other than the CRISI that we would have applied for that weren't successful.

Q Does LPPC have any plans to file a loan or with other people for any grants in 2026 other than the CRISI Grant that you mentioned earlier?

A A loan? File for a loan? Define that or explain that.

MR. PAXTON: A loan or a grant he said.

Q Let me restate the question just to avoid confusion. Does LPPC plan to file in its own name for any grants in 2026 and solely in its name?

A Solely in its name? For rail-specific or every- -- or any project?

Q For rail projects.

A No, sir.

Q Does LPPC plan to file with any group of entities for any grants in 2026 for rail infrastructure projects other than the CRISI Grant you mentioned earlier?

A Other than the CRISI Grant, no, sir. We did apply

in a joint application where LPPC took the lead, a build grant, earlier this year for the NEPA piecing out the life cycles.

Q What type of grant was that?

A BUILD.

Q It was a BUILD grant. To whom was the grant application submitted?

A DOT. Federal DOT.

Q Federal DOT. Do you know what the grant program was called?

A BUILD.

Q It was just called BUILD?

A BUILD.

Q And BUILD is an acronym, B-U-I-L-D?

A (Affirmative nod.)

Q Got you. When you were Executive Director were you involved in grant requests or grant applications on behalf of the Lake Providence Port Commission?

A When I was the deputy director or--

Q When you were the deputy director.

A Yes.

Q Were you--

A To a certain extent, yes.

Q Were you involved in an application to the Louisiana Port Construction and Development Priority Program

in 2024?

A For Lake Providence or Vidalia or Tensas?

Q Lake Providence.

A 2024, yes. Or was that '23? '23 or '24.

Q Do you remember what the purpose of the grant application was?

A The last [inaudible] application that the Lake Providence Port Commission put in was for the acquisition and rehabilitation of said segment that's--we're talking about for the Feeder Line application.

Q Were you in part responsible for preparing the application to the Louisiana Port Construction and Development Prep Priority Program?

A I communicated with--let's see. Wyle and I worked that out. I did most of the tables. Wyle wasn't good at Excel. I can't remember as far as how in detail I--I was involved in that. I may have been more involved or less involved. I-- We've done so many of those in the last five years.

Q Did I hear you correctly that you were the Excel guy because--

A Unfortunately, yes.

Q Was Wyle very good at Excel? You're under oath.

A He could've been better.

Q Okay. That's funny.

(OFF RECORD COMMENTS.)

MR. SCHEIB: I'm going to hand you a document that we've marked "Exhibit 8", and "Exhibit 8" is an application to the Louisiana Port Construction and Development Priority Program 2025-2026. Take a moment to look it over and then let me know when you're ready and we can start talking about it.

(WITNESS PERUSES DOCUMENT.)

A Okay.

Q Okay. Whose names are at the bottom of the page listed as preparers?

A Wyle Gilfoil, Port Director. Bryant Killen, Deputy Director.

Q All right. If we turn to Page LPPC00999.

A All right.

Q The first sentence says "the goals of this project are to acquire twenty-eight miles of railroad and provide for its rehabilitation." Do you recall where the twenty-eight miles of railroad are located?

A It would be from the highway bar south of Lake Providence--or specifically we can use mile post numbers now that I know them precisely--down to Tallulah.

Q And are we talking about the track that is currently owned by the Delta Southern Railroad?

A Yes, sir.

Q And to whom is an application to the Louisiana Port Construction and Development Priority Program submitted? Is there a particular government agency in Louisiana that administers the grant?

A LADOTD specifically the office of Multimodal Commerce.

Q And so at the time this grant application was submitted, did Lake Providence Port Commission have any legal right to the railline currently owned by Delta Southern Railroad?

A Any legal right? No, sir.

Q Lets look at Page LPPC00106. Can you tell me what is represented in "Exhibit 6"?

A "Annual Gross Cargo Handling Revenue."

Q Is this a projection of what the Lake Providence Port Commission expected the rail traffic to be on the railline if it were successful in acquiring the line?

A Looks to be.

Q And if we look down the commodities line, that's the first column of "Exhibit 6". Are you with me on where I'm looking?

A Uh-huh (yes).

Q The first one is aggregates. How did you determine the tonnage in aggregates that would likely be shipped if

Lake Providence Port Commission were successful in the Feeder Line case?

A I do not recall.

Q Is your answer going to be the same for chemicals, cotton seed, grain, equipment, fertilizer and other?

A Yes, sir.

Q Is your answer the same for storage?

A Yes, sir.

Q You have no recollection how the volumes were calculated?

A No, sir.

Q Can you tell me what customers you anticipated would ship aggregates on the Lake Providence Port Commission in developing this "Exhibit 6"?

A I would-- I would say Terral River Service.

Q Are you guessing or was that what you were--

A I'm guessing.

Q --putting in at the time of this--

A I'm guessing.

Q Do you know any customers that were in your mind specifically when Lake Providence Port Commission developed this "Exhibit 6"?

A I don't recall.

Q Did Lake Providence Port Commission, to your knowledge, talk to any customers before preparing "Exhibit 6"

about the volumes they might ship on the railline?

A I do not recall.

MR. SCHEIB: You can set that aside for a minute. Handing you a document that we've marked "Exhibit 9". It does not have page numbers. It simply says at the top "Interrogatory No. 34" and it has a response. Do you see that?

A Yes, sir.

Q Based on the response which says "LPPC objects", do you agree that this is a response by Lake Providence Port Commission to Interrogatory No. 34?

A Looks to be.

Q I don't really care about No. 34. If you'll turn a couple pages to No. 35. Interrogatory No. 35 asked Lake Providence Port Commission to identify all shippers with which Lake Providence Port Commission has communicated concerning either one, Lake Providence Port Commission's Feeder Line application; two, Delta Southern Railroad; three, Delta Southern Railroad's service over the Line--meaning the line subject to the Feeder Line application--or four, the shipper's real transport needs." Do you see that sentence?

A Yes, sir.

Q What would you expect Lake Providence Port Commission to have to provide in response to that

interrogatory?

A Shippers that the Port has communicated with concerning the Feeder Line Application.

Q If you look at the sentence that begins at the very bottom of Page 1, it says "Such shippers that have been identified in LPP's application include" and then it goes on to list a bunch of folks. Do you see that sentence?

A I'm looking for "such". Let's see.

MR. PAXTON: At the bottom.

A Okay. Sure. Sure. Sure.

Q Bottom and then roles over to Page 2. Do you see that sentence?

A Sure.

Q Since you have been Deputy Port Director or Executive Director, have you had any conversations with the Stepan Company?

A Regarding this Feeder Line Application or in general?

Q Regarding Delta Southern's Rail Service.

A I have not.

Q Have you had any conversations since you were Deputy Director or Director with Clearwater Paper Corporation about Delta Southern Railroad Service?

A I have not.

Q During the time that you were Deputy Director or

Executive Director of the Lake Providence Port Commission, have you had conversation with Livingston Pecan & Metal about Delta Southern Railroad Service?

A I have not.

Q In the time that you have been Deputy Director or Executive Director of the Lake Providence Port Commission, have you had any conversations with Epstein Gin and Transloading Company about Delta Southern Railroad Service?

A Potentially but I do not recall.

Q Just to expedite things, out of the list of customers that are there, are there any with whom you have had a conversation since being Deputy Director or Executive Director of the Lake Providence Port Commission about Delta Southern Railroad Service?

A Complex Chemical.

Q What were your conversations with Complex Chemical about?

A Regarding their desire to go north.

Q When did you have those conversations?

A In person with Mr. Jerry Milton maybe once this year and once in 2025.

Q Do you remember when this year you had a conversation with Mr. Milton?

A I don't.

Q How much of your time do you spend working on Lake

Providence Port Commission matters versus the other entities, the Tensas Port, the Vidalia Port and the Northeast Louisiana Railroad Development District?

A It's hard to put-- Are you looking for a percentage of time--

Q Sure.

A --or days a week--

Q Yeah. Sure. Percentage of time.

A I'm unable to give a hard because everything is project based.

Q So would you be able to put a rough percentage on how much time you spend for any of the other entities?

A No, sir.

Q Is it twenty-five percent each?

A I wouldn't say that. Like I said, I think it's project based and when we have a--a project that is ongoing or needing closing out at one of the ports, it may demand more of my time than one that doesn't have one.

Q And I don't know how a port works. So as an Executive Director, how frequently do you interact with the tenants of the Lake Providence Port?

A I interact with them either if there's a problem or when it's time to pay--when it's time for them to pay the Port.

Q And in your capacity through the agreement, how

often do you interact with tenants at the Vidalia Port if there are any tenants?

A The same.

Q Who are the tenants at the Vidalia Port currently?

A Current tenants, well we have a terminal usage agreement with a grain merchandiser there as well as our terminal operator is Terral River Service. We have options executed on a project that is ongoing but as far as a hard lease I guess the terminal usage agreement with the grain merchant would be the only one.

Q How often do you communicate with the tenants at the Tensas Port if there are any tenants?

A There aren't any right now.

Q Okay. Who are the tenants of the Lake Providence Port today?

A List them?

Q To the best of your recollection. Yeah.

A NLA would be considered an operator tenant, Terral River Service the same, an operator tenant; Superior Group of Companies, MicroSource, Viserion, Epic Piping, Apex, Nutrien, Mid-America River and Rail, and then a company I think Kiewit Power and then General Dialogical. They purchase the assets from Seedman. And-- And I'm not counting-- Are you-- Are you counting tenants being the other entities that we manage, or are you talking about tenants--

Q Let's just start--

A --of leasing hard infrastructures?

Q Let's just start with that list because that's what I was trying to understand. I think you were helping me understand what the Port complex sort of looks like. Of those entities that you named, do you know whether any of them have shipped by rail in 2026?

A I believe Apex has, cottonseed. I'm unaware if any of the liquid fertilizer, dry fertilizer people have. I-- The only one that I'm aware of would be Apex.

Q Do you know in 2025 if any of those tenants shipped by rail?

A I would say Apex. That's really the only one that I'm sure because their warehouses are right by our office and the train goes right by--behind the office so.

Q If I went back 2024, 2023, 2022, would the answer be the same that Apex was the only entity shipping rail from the Lake Providence Port?

A I think--

Q You can ignore. There's your lawyer.

A I think to my recollection, yes.

Q Okay. What railroad serves the Lake Providence Port?

A NLA.

Q Do you recall any instance where NLA's service to

Apex was so bad that Apex called a meeting among the Port, NLA and other entities to figure out what was going on?

A I think, yes. And I think the crux of that meeting was they entered into a lease with the Port with the promise that our rehabilitation project would be completed at a certain date. That project was delayed due to the Feds shut us down because it was the mating season of a fruit bat, and they were upset that the rehab was not complete by the time that we told them it was going to be complete.

(OFF RECORD COMMENTS.)

Q Let's go back to that "Exhibit 8" that you have in front of you and if you'll turn back to Page 00107. What is "Exhibit 7" trying to convey to the reader?

MR. PAXTON: Page 7?

MR. SCHEIB: Page 1007.

MR. PAXTON: Okay.

Q What is "Exhibit 7" trying to convey to the reader?

A Total thirty-year growth revenue, as--as far as "Exhibit 7".

Q Help me read it correctly. Am I correct that in each year it's estimated that the rail revenue available to the Lake Providence Port Commission would be one million four hundred and thirty-eight thousand six hundred and fifty dollars ($1,438,650)?

A Yes, sir.

Q And then just flip to Page 1010 where we see "Exhibit 8". And again I'm just trying to learn how to read it. The Annual Gross Revenue column, that's that same one million four hundred and thirty-eight thousand six hundred and fifty dollars ($1,438,650), so is that just a carry-over from the prior table to this table to show the revenue side? Is that correct?

A Looks to be, yes.

Q And then what's Column 3 that's headed "Less Maintenance Expense"?

A Column 3 says "Net Revenue". Oh, "Less Maintenance Expense"?

Q Yes, sir.

A Okay.

Q What is that column?

A Maintenance expense.

Q And then how is net revenue calculated in the Net Revenue column?

A It looks to be where "Annual Gross Revenue" is--we subtract a maintenance expense to get the net revenue, and then it does have at the bottom where "Maintenance by railroad company".

Q Okay. Do you know if this grant application was successful?

A It was-- It was, yes.

Q How much money was awarded pursuant to this grant application?

A It was approved for fifteen million ($15,000,000).

Q Has that money been received by the Lake Providence Port Commission at this point?

A No, sir.

Q What's the process to go from being approved to actually getting the money under this Grant program?

A Once you're approved you're--you're basically in the back of the line on the water fountain, and it--the program is funded at the governor's discretion. I believe right now it's thirty-nine point six million ($39,600,000) a year that the governor's given to this program, and last I heard there was a two hundred plus million dollar ($200,000,000) back log.

Q Okay.

A We done with this one?

Q Set it aside. We may come back to it. Appreciate it. Did the Lake Providence Port Commission apply in 2024 to the Louisiana Bond Commission for authority to issue revenue bonds?

A '24 or '25. I want to say '24 and then we closed in '25. Sounds correct.

Q Were you part of the process to compile the application that went to the Louisiana State Bond Commission?

A Yes, sir.

Q Were you principally responsible for the bond application?

A Principally, no.

Q Who was responsible at the Lake Providence Port Commission for reviewing and approving the application submitted to the Louisiana State Bond Commission?

A Well, ultimately it would've been the Executive Director at the time.

Q And at that time that would've still been Mr. Gilfoil?

A Uh-huh (yes).

Q Were you involved as the Deputy Director in preparing--

A I'm sure I was.

Q --the bond application?

A Yes.

Q Are revenue bonds funded from the State of Louisiana's general fund?

A No. Not that I'm aware of. No.

Q Are revenue bonds funded by any State of Louisiana governmental entity?

A I don't know how they do capital outlay money. I know they sell bonds when they issue capital outlay money. I don't know if those are revenue bonds or what, but as far

as--as our purposes go, and with this application, no, not--not by the State.

Q I'm going to mark a series of documents that were provided to us, and I'm just trying to figure out what made up the bond application because they were provided as separate documents.

A Uh-huh (yes).

MR. SCHEIB: So we'll start to mark some exhibits and if you could just help me understand that that would be great. So the first one we'll mark--we're up to "Exhibit 10". If you'll take a look at that.

(WITNESS PERUSES DOCUMENT.)

Q Does "Exhibit 10" look familiar to you?

A It doesn't look familiar but I've only gone through these seven years so.

Q Three of these being bond applications--

A Uh-huh (yes).

Q --to the Louisiana State Bond Commission? In item No. 1, who's listed as the contact?

A I am.

Q And is that your proper email address?

A It is. It is not my phone number though.

Q That was my next question. Good anticipation.

A That is Wyle Gilfoil's phone number.

Q Okay. Someone at the Lake Providence Port Commission would've been reachable at that phone number then?

A Yes.

Q Okay. Turn to the third page of the document. Item No. 3 is "Outstanding debt". Do you see that on this page?

A Uh-huh (yes).

Q And there's a table there that lists of debt instrument and a principal outstanding and the specific fund payable from. Do you know what that is?

A I don't see the debt instrument. Oh, okay. Okay. I got you. I got you. I do not and I believe this was--we talked about this earlier--was holding on our balance sheet and I do not remember that if it was even during my time as Deputy Director.

Q Do you know what it means that the general fund is the specific fund from which its payable?

A That would be revenue.

Q Looking at this document, do you know whether this is the complete bond application or would additional information have been submitted as well?

A I'm unaware if this is the complete application or--or not.

MR. SCHEIB: "Exhibit 11".

A Are we done with "10"?

MR. SCHEIB: Yes. Take a minute to look at "Exhibit 11" and then we can talk about it.

MR. SCHEIB: For Mr. Streeter's purposes it's headed "Louisiana State Bond Commission Approval Parameters Bonds/Loans."

(WITNESS PERUSES DOCUMENT.)

A Okay.

Q Do you know if this is part of the bond application?

A I'm not certain that it is but-- I'd speculate but it does have Louisiana State Bond Commission on the letterhead.

Q Yeah. Okay. And the parameters purposes box, which is the second box on the page, do you see where that is?

A Yes, sir.

Q Okay. What is it that the Lake Providence Port Commission is seeking authority to do?

A Seeking authority to borrow not exceeding ten million dollars ($10,000,000) in revenue bonds.

Q Did the--

A Seeking approval I should say, not authority.

Q Did the Lake Providence Port Commission identify a potential issuer of the bonds before applying for the bonds?

A Yes.

Q Who was the potential issuer?

A Delta Bank.

Q What does it mean that Delta Bank would be the issuer?

A That they would loan the Port the money.

Q Would Delta Bank then go out and sell bonds to the general public, or would Delta Bank hold all bonds to themselves?

A I'm unaware.

(OFF RECORD COMMENTS.)

MR. SCHEIB: I'm handing you "Exhibit 12".

Q I've handed you a document that is marked "Lake Providence Statement of Revenues and Expenses for December 31, 2023". Do you see that?

A Yes, sir.

Q Do you know if this was submitted as part of the bond application?

A I'm unaware.

MR. SCHEIB: All right. I'm handing you "Exhibit 13" which is the Lake Providence Port Commission's Statement of Assets, Liabilities and Fund Equity as of December 31, 2023. It's marked "Exhibit 13" and it's document LPPC 001046.

Q Do you know if that was submitted as part of the

bond application?

A I am unaware.

Q Look back at "Exhibit 12". "Exhibit 12" is LPPC 001105.

A Uh-huh (yes).

Q What was the net income year-to-date for the Lake Providence Port Commission?

A That income would be a negative two hundred and sixty-seven thousand thirty-one dollars and seventy-seven cents ($-267,031.77). Done with "13"?

Q Yes.

MR. SCHEIB: Handing you "Exhibit 14" which begins with LPPC 001131.

Q And I'm going to skip to Page 001133. The first two pages just look like it was a request in 2026 to find the document and the document was forwarded around. It looks like the first email that's the real document starts on 001133. Do you see the email that's from Jean Kaufmann, K-A-U-F-M-A-N-N, to the address SBC application?

A I do.

Q Who is Brennan Black?

A Brennan is the bond attorney with Foley Judell.

Q Was Mr. Black and Foley Judell, J-U-D-E-L-L, retained by the Lake Providence Port Commission to file a bond application?

A Yes, sir.

Q Do you know what is being conveyed in this email by Jean Kaufmann?

A That she has electronically requested to be placed on the agenda for April 18 for the Bond Commission, requesting a waiver for submission of the adopted preliminary resolution, and verification that a check to the Bond Commission would arrive via FedEx.

Q Okay. And if you look at Page 001135 through Page 1139, is this the attached SBC application referenced in that email that we just discussed?

(WITNESS PERUSES DOCUMENT.)

A I'm not sure all the documents that were sent to the Bond Commission as far as a full application or less documents. So I--I--I don't know if this is all of it or if it's, you know--

Q Okay. If you look at LPPC 001135--

A Uh-huh (yes).

Q --it's on State Bond Commission letterhead, isn't it?

A Yes, sir.

Q And if we go down and look at "Calculation of Coverage Ratio", do you see the line "Rail Revenues"?

A Yes, sir.

Q What's the dollar amount of estimated rail

revenues?

A One million four hundred thirty-eight thousand six hundred and fifty dollars ($1,438,650).

Q Is that the same amount that we saw in the Port Priority Grant?

A Yes, sir.

Q Were the rail revenues calculated in the same way for the Bond Application as they were in the Port Grant given that they're the same number?

A I cannot recall but it-- I can't recall.

Q Turn to Page LPPC 001137. Do you recognize this spreadsheet?

A I do not.

Q Do you have any idea who created this spreadsheet?

A More than likely I did.

Q Where is Newellton, Louisiana?

A It's about thirty miles south of Tallulah.

Q And what was the basis for the estimate that there would be one hundred and seven thousand tons of aggregate shipped from Madison Port to Newellton, Louisiana?

A I do not recall.

Q What was the basis for saying that two hundred and fifty thousand tons of corn would be shipped from Newellton to Mexico?

A There is a-- There is a corn pod in Newellton, so

I would assume that's the basis.

Q To ship from Newellton, Louisiana to Mexico, would Delta Southern's line from Lake Providence to Tallulah be involved in that route?

A I believe the two point seven (2.7) miles that they currently own would be involved in that route south of the CPKCS.

Q What was the basis to say that twenty thousand tons of cotton seed would be handled from Newellton, Louisiana to the Pacific Northwest?

A The two cotton gins both in Newellton.

Q Did you--

A Address in Newellton.

Q Did you talk to the two owners of the cotton gin to make this estimate?

A I cannot remember if I did. As far as the--both of them are co-ops. As far as there isn't a main owner.

Q For the corn shipment, did you talk to the potential shipper of corn to come up with that estimate of two hundred and fifty thousand tons?

A I cannot recall.

Q For the shipment of one thousand tons of equipment from Waterloo, Iowa to Newellton, Louisiana, did you talk to any customers to come up with that estimate?

A Not that I can recall.

Q What was the basis for that estimate?

A If I had to guess I would say that's a John Deere dealership in Newellton and Waterloo, Iowa is where they manufacture John Deere tractors.

Q Did you talk to the John Deere entity in Newellton, Louisiana about shipments of equipment?

A I cannot recall.

Q For the line item that's thirty-seven tons of fertilizer, what was the basis for the estimate of that tonnage from Madison Port to Newellton, Louisiana?

A I think it was--I thought--I think it was liquid fertilizer?

Q And how did you come up with thirty-seven thousand tons?

A I do not recall.

Q Did you talk to any customers about the potential to move thirty-seven thousand tons of fertilizer from Madison Port to Newellton, Louisiana?

A I talked to multiple a week about owning liquid fertilizer in Tensas and that's where--Tensas Parish is where Newellton is so I--I don't recall for this specific document.

Q Look at Page LPPC 001138. Do you know if this was submitted as part of the Bond application?

A I do not know for sure.

Q Does it look familiar?

A It looks like the "Exhibit 6" that's in the Port Priority application that we went over previously.

Q And if you look at LPPC 001139, do you know if that was submitted as part of the Bond application?

A I do not know.

Q Does it look familiar?

A Yes.

Q And is it the same table that was an exhibit in the Port Priority Grant--

A Yes.

Q --that shows the rail revenue by year?

A Yes, sir.

Q Turning to LPPC 001140, do you know if that was submitted as part of the Bond application?

A I do not know if it was part of the Bond application but it does look familiar.

Q And is it the same net revenue estimate that was provided as part of the Port Priority Program Grant application?

A Yes, sir. Done with this?

Q For now, yeah.

MR. SCHEIB: I'm going to hand you "Exhibit 15". And take your time to look at it. Again, the first page just looks like where it was forwarded around in response to the

request for the document; and the substance starts on Page LPPC 001124.

(WITNESS PERUSES DOCUMENT.)

Q Okay. On Page 001124, who sent the email at the top of the page?

A Brennan Black.

Q And to whom did he send it?

A He's addressing Wyle but I am CC'd on the email.

Q You're actually in the To: line. Correct?

A Wyle first and me second. So I don't know, yes.

Q Yes.

A The To: line.

Q What is Mr. Black telling you and Mr. Gilfoil in this email?

A He will forward something to the State Bond Commission and will let you know if they have any follow-up questions.

Q Do you remember what he would have been forwarding to the State Bond Commission?

A I would only be speculating.

Q All right. Lets look at Page 1126 to Page 1128. Does this refresh your recollection as to what he was sending to the Bond Commission?

A It looks like questions that the Bond Commission had regarding the application.

Q Right. And what was--

A The Bond Commission sent this email on a Friday and then the one he sent to us was the following Wednesday.

Q No. 5 at the bottom of Page 1126, that's one of the request made and what is the concern expressed by the Bond Commission in No. 5? (Witness peruses document.) I mean you can just read the question. What's the question on No. 5?

A Well, I'm--I'm trying to figure out what the concern would be. "Based on the security of excess revenue there's a coverage calculation that shows how the debt will be paid since my preliminary review does not show excess? Attached is my financial breakdown for your reference."

Q Does that question refresh your recollection as to whether "Exhibit 12", which was the Lake Providence Port Commission statement of revenue and expense, was provided as part of the Bond application?

A It does not-- I don't recollect this, but I--I guess I'm assuming that that's what they are talking about.

Q Do you think the fact that their preliminary review does not show an excess is because the net income for Lake Providence Port Commission for 2023 is a negative two hundred and sixty-seven thousand dollars ($-267,000)?

A I do not see where that specifically in the notes or calculations or tables.

Q Look at the first sentence of the draft response.

What does it say? At the top of Page 1127?

A "It appears you are looking only at operating income."

Q Does that help you answer the question as to whether a negative two hundred and sixty-seven thousand dollars ($-267,000) would be reviewed as not excess revenue?

A I'm still trying to figure out if--if the lightly-colored and lightly-inked portion would be where we addressed the questions. I'm guessing but I don't want to.

Q Okay. You don't know whose added the--

A No. Context behind that. No.

Q So what I understand you to be conveying is that you do not know, the lighter-color ink, who typed or wrote that. Is that correct?

A Yes, sir.

Q Okay. Understanding that you may not know who wrote it, if you look at the third paragraph on 001127, we see that annual revenue number of one million four hundred and thirty-eight thousand six hundred and fifty ($1,438,650) again. Do you see that?

A Uh-huh (yes).

Q And it looks like the writer is trying to say that that's going to be the additional revenue that can service the debt. Is that how you read the statement there?

A As I read it it just says "Exhibit 6 & 7" attached

were a part of the priority application.

Q Does that convey to you that those exhibits were provided to the Bond Commission?

A Yes.

(OFF RECORD COMMENTS.)

WITNESS: Still hold these or--

MR. SCHEIB: Yeah. Yes, please. Not sure but we may need them again so just hold on to those documents. What I've handed you we've just marked as "Exhibit 16". Take a minute to review it. It's Document LPPC 001141 through LPPC 001145.

(WITNESS PERUSES DOCUMENTS.)

MR. SCHEIB: Just let me know when you're ready.

WITNESS: Uh-huh (yes).

Q If we look at the email in the middle of the page, which is dated Tuesday, March 26, 2024--

A Uh-huh (yes).

Q --who sent that email?

A I did.

Q And to whom did you send it?

A Brennan Black.

Q The second sentence says "attaching tables of revenue projections in which we included in our portfolio

priority application." Do you see that sentence?

A Yes.

Q Does this refresh your recollection as to whether those spreadsheets that we looked at moments ago were submitted as part of the Bond application?

A It does not refresh my recollection but it looks like I attached them and sent them in an email.

Q Okay. So do you think that those spreadsheets made their way to the Bond Commission?

A Reading this, yes.

Q Okay. Do you see the next sentence--actually that's okay. The tables we've covered. So if you look at the next page, 1142, at the top is an email from Mr. Black to you. What do you understand him to be asking you to do?

A Help in Number 5 and 6 below.

Q Okay. Look below and there's an email from the Bond Commission to Mr. Black. Do you see that starting on Page 1142?

A I do.

Q And that rolls over to Page 1143. Do you see Item No. 5?

A Yes.

Q What is the Bond Commission saying in 5A?

A "Looking at the latest audit from 2022 they are unable to find funds available for debt service. After

adding back interest expense and depreciation to net income I still show a deficit of thirty-five thousand four hundred and three ($35,403) available for debt service in 2022."

Q And what did the Bond Commission in 5B find the deficit of Lake Providence Port Commission to be in 2023?

A Two hundred and six- -- Negative two hundred and sixty-seven thousand thirty-two dollars ($-267,032).

Q And what did the Bond Commission find the net income loss of the Lake Providence Port Commission to be in 2024?

A Negative eighty-one thousand sixty-three dollars ($-81,063).

Q Do you know if the Bond Commission would approve bonds for an entity that would have an income loss?

A I do not know.

Q Do you know why the Bond Commission would ask these questions of Lake Providence Port Commission?

A I do not know.

Q Do you know how the Lake Providence Port Commission responded to these inquiries from the Bond Commission?

A I don't recollect.

Q If you look at Page 1141, what did you provide?

A 1141. "Detailed expense amounts which has been dedicated for the fight/litigation for the railline. There was consulting fees and appraisals."

Q In the sentence before that you say you're attaching tables of revenue projections in which we include in our portfolio priority application".

A It does.

Q So when you were asked to provide information to help respond to No. 5, you provided those tables?

A Looks like I did.

Q Okay.

WITNESS: Are we getting close to a restroom break?

MR. SCHEIB: Good question. Why don't we go off the record.

(OFF THE RECORD.)

DIRECT EXAMINATION BY MR. SCHEIB (continuing):

Q Who are the current members of the Northeast Louisiana Multimodal District?

A More specific, the commissioners or what?

Q Who are the member organizations that comprise the Northeast Louisiana Multimodal District?

A The East Carroll, Madison, Tensas and Concordia Parishes.

Q And is Lake Providence Port one of those members?

A It's inside the parish. It's inside the East Carroll Parish. You don't-- It isn't a-- It isn't a member of, you know, per se.

Q Okay. So I'm just trying to make sure I understood it. So is it a composition of four parishes--

A Yes.

Q --that have come together to create it? And do those parishes contribute financial resources to the Northeast Louisiana Multimodal District?

A No, sir.

Q Does the Madison Parish Port contribute financially to the Northeast Louisiana Multimodal District?

A No, sir.

Q Have they ever in the past contributed?

A No, sir.

Q If you look back at Document No. "Exhibit 3".

A "3"?

Q Yeah. "Exhibit 3". It's the lease agreement.

MR. PAXTON: That's not "3" according to this.

MR. SCHEIB: What number did you have on that? Maybe I've made a second mistake numbering mine.

MR. PAXTON: He's looking for that lease.

MR. SCHEIB: Could be "No. 4." "No. 4." Excuse me.

Q Let's look at "Exhibit No. 4". My apologies. If Northeast Louisiana Railroad Development District never obtained title to property currently owned by Delta Southern

Railroad that's the subject of this lease, how will the Lake Providence Port Commission be repaid the rent money that it advanced to the Northeast Louisiana Railroad Development District?

A Well, just this lease doesn't pertain to all of that money. This was for-- The overall project is to get down to the Tensas and the Vidalia Ports. So I guess, you know, until that--that project is finished it would be--it would still be owed so.

Q Does the Lake Providence Port Commission have any other ways to recoup money loaned to the Northeast Louisiana Railroad District other than through this lease?

A We have not discussed any mechanisms.

Q As I recall you testified that about four hundred and forty-three thousand dollars ($443,000) was advanced as pre-paid rent by Lake Providence Port Commission to the Northeast Louisiana Railroad Development District. Do you recall that number?

A Yes, sir.

Q Do you recall the amount of money that you testified was held by the court in the expropriation matter?

A I think it's--it's north of two seventy ($270,000). There was a court filing fee. For some reason I want to say two seventy-one ($271,000) but it's close to there.

Q Okay. For our purposes let's assume it's two

seventy-one for this conversation. Is the two hundred and seventy-one thousand dollars ($271,000) in addition to the four hundred and forty-three ($443,000) or is it included in the four hundred and forty-three ($443,000)?

A It's included.

Q What was the money that is the difference between four forty-three thousand ($443,000) and two hundred and seventy-one thousand ($271,000) used for by the Northeast Louisiana Railroad Development District?

A Mostly professional services as well as I think we did their portion of a master plan as well as we did some title work going--like I said going down to Newellton.

(OFF THE RECORD.)

DIRECT EXAMINATION BY MR. SCHEIB (continuing):

Q I want to turn back to where we were in our conversation before the lunch break. We were going back and forth through some documents related to the bond application that was filed by the Lake Providence Port Commission. What is your understanding of the bond process that occurs after getting approval from the State Bond Commission?

A It's the bank, whatever financial institution, that has given you an offering, you take it to a closing.

Q Are bonds sold? Is that what that means?

A I-- The bank holds the bonds, so I don't--they could--I don't want to guess at what they do with them.

Q Has a notice been issued for the sale of the bonds that were approved by the State Bond Commission?

A I do not know.

Q Has Lake Providence Port Commission received the funds that were approved through the State Bond Commission application?

A It was a line of credit and so it's a--as far as it didn't--it doesn't--have not hit an account, we pull it off of that line of credit to pay for bond counsel, bond commission fees, bank origination fees, things like that.

Q Has Lake Providence Port Commission reported any changes, errors or corrections to the Bond application since the bonds were approved?

A Not to my knowledge.

Q I'm going to turn to what I think was "Exhibit 8" which is the Louisiana Port Construction and Development Priority Program Application. And it starts with Document No. LPPC 000995.

A Uh-huh (yes).

Q And if you would in particular turn to LPPC 001006.

A 006?

Q 1006. Yes, sir. It has "Exhibit 6" on that page.

A Uh-huh (yes).

Q The column that is Total Cost, what does that column represent?

A That would be the total cost to the shipper is what it looks like.

Q So stated differently that would be the total revenue collected by NLA from operations on the line pursuant to the contract between NLA and Lake Providence Port Commission that we looked at earlier?

A Yes, sir.

Q Okay. What percent of the total revenue is anticipated to be generated from storage?

A Call it sixty-six percent (66%) is what it looks-- kind of looks like as far as close.

Q Yeah. I think it's a little less than that to be fair.

A Sixty percent (60%) or some- --

Q But yeah. What do you see as the total revenue generated from storage on this table?

A Port revenue?

Q No, the total revenue.

A Total cost? Is that what-- Total cost--

Q It's the Total Cost column but I think you just testified that that means revenue to--

A Okay.

Q --North Louisiana and Arkansas.

A Okay. It'd be million ninety-five thousand ($1,095,000).

Q Okay. I was just making sure that we were reading the same column, so that's helpful. The column had it port revenue at ten percent (10%). Why is it ten percent (10%)?

A The port revenue it--that was the--the lease that was shown earlier, wasn't it? The origin and destination was ten (10%), any throughput was five percent (5%) if I remember correctly.

Q Look at the Storage line. What is ten percent of one million ninety-five thousand dollars($1,095,000)?

A It'd be a hundred and nine thousand ($109,000).

Q What does it show as the port revenue at ten percent (10%) of the storage revenue?

A One million ninety-five thousand ($1,095,000).

Q What should that show?

A If it is ten percent (10%) of stored cars it should show a hundred and nine thousand five hundred ($109,500). Or storage, yeah.

Q Do you know how that would change the total revenue available under the port revenue at ten percent (10%) column?

A It would decrease it.

Q What would happen to "Exhibit 7" on Page 1007 if the correct dollar amount for storage were included in "Exhibit 6" under Port Revenue at ten percent (10%) for storage cars?

A It would decrease it.

Q And if you look at "Exhibit 8" on Page 001010, how would Net Revenue change if Port Revenue at ten percent (10%) was the correct number for stored railcars?

A It would decrease it.

Q Let's look at "Exhibit 14" which is the email exchange related to the Bond application. Do you see at the top that there are four attachments to this email?

A I do.

Q Are those four attachments the documents shown at LPPC 001138, 39 and 40?

(WITNESS PERUSES DOCUMENTS.)

A I'm looking for--I don't know the PDF-- I guess that's the PDF.

Q I think the--

A I see-- I do see "Exhibit 6, 7, 8" but SBC analysis I don't know as far as--

Q Just so that we are clear, 001135 and so forth appears to me to be the PDF and is entitled Analysis Summary.

A Yep.

Q Is it your understanding that that's the PDF that's attached to the email--

A That would be my assumption, yes.

Q Okay. So let's look at Page 001138. These were the Excel spreadsheets that were provided to the State Bond Commission. Is the same error apparent on the Storage line

for the column Port Revenue at ten percent (10%)?

A If storage is at ten percent (10%) then it would be but it is separated from all the other commodities. I don't know if that was a-- I don't know.

Q What should the number be for Storage at Port Revenue at ten percent (10%) pursuant to the contract between NLA and Lake Providence Port Commission?

A If it is at ten percent (10%) it should be a hundred and nine thousand five hundred ($109,500).

Q And what's the difference between a million ninety-five thousand ($1095,000) and a hundred nine thousand five hundred ($109,500)?

A What's the difference between what? A million--

Q Well, I don't really want to make this about math, but would you agree with me that it's roughly an eight hundred and fifty thousand dollar ($850,000) difference?

A Sure.

Q And the total revenue available from the operations of the railline as estimated here would decline from about one point four million dollars ($1,400,000) to something roughly eight hundred and fifty thousand dollars ($850,000) less than that. Correct?

A If that is the case then that math would be correct.

Q And if we look at Page LPPC 001139, which uses the

total revenue from 001138, that number also would decrease. Correct?

A Sure.

Q In fact all the numbers on that page would decrease?

A All thirty of them.

Q And the total thirty-year gross revenue would decrease as well. Correct?

A Yes, sir.

Q On Page 001140 would the net revenue for each year similarly decrease?

A Yes.

Q And would the thirty-year net revenue similarly decrease?

A Yes.

Q If Page 001138 contained an error of about eight hundred and fifty thousand dollars ($850,000) out of one point four million dollars, would you consider that to be a significant error?

A If it is an error, yes, I would consider that to be significant.

Q Would you consider it to be material and financial terms?

A Define material and financial terms?

Q Would somebody who's making a decision based on

this information make a different decision?

MR. PAXTON: That calls for speculation that he can't answer.

Q If you were funding a project that had this kind of error in it, would you consider it to be a material error?

A I would have to look at the big picture of it to see if it was a material error or not.

MR. SCHEIB: Let's mark all three of these.

COURT REPORTER: "17, 18, 19"?

MR. SCHEIB: Yes, please.

Q I'm going to provide you "Documents 17, 18 and 19". These are print outs of the Excel spreadsheets that were attached to the email that we just looked at.

A Uh-huh (yes).

Q Take a look at them. Do you believe that these accurately reflect what is shown in the document that we just looked at?

A In "Exhibit 14"?

Q Yes. I'm just trying to confirm that they are the attachments and that they're the same documents that were attached.

MR. PAXTON: They are.

A Yes.

Q Okay. All right.

MR. SCHEIB: I've just handed you a document

that's "Document 20", and I want you to compare "Document 20" to "Document 17".

(OFF RECORD COMMENTS.)

Q And we're going to compare "Exhibit 20" to "Exhibit 17". And specifically I want you to look at the Port Revenue ten percent storage line. Does that line show the one hundred and nine thousand five hundred dollars ($109,500) that would be the corrected amount?

A It shows the one hundred nine thousand five hundred ($109,500), yes.

Q And what is the total revenue available with that correction?

A On this sheet it is four hundred fifty-three thousand hundred and fifty dollars ($453,150).

Q If you were funding a project and the original estimate that was handed to you by someone was one point four million dollars ($1,400,000) in revenue but the actual revenue was four hundred and fifty-three thousand dollars ($453,000) would you consider that to be material in your decision making?

A I'm not a banker so I don't really know their metrics of financing so.

Q If Lake Providence Port Commission were asked by the Northeast Louisiana Railroad District to fund a project and it had these revenue estimates of one point four million

dollars ($1,400,000) when the real revenue was four hundred and fifty-three thousand dollars ($453,000) would the Lake Providence Port Commission fund it?

A That's not my decision. It's the board's decision so I can't answer that directly.

Q Would you recommend to the board that they approve it as Executive Director?

A That depe- -- I can't answer that--

Q Okay.

A --without, you know-- Can't answer that. Don't know.

Q That is "21" I believe. Okay. I'm--

A It's that yours?

Q What's that?

A Is that yours?

Q Oh, yeah. Thanks.

MR. SCHEIB: I'm going to hand you "Exhibit 21" and I want you to compare "Exhibit 21" to "Exhibit 18".

Q Does "Exhibit 21" reflect the reduced revenue that should be in "Exhibit 7" if the error were corrected?

A I'd have to get my calculator out to make sure that's accurate, but--

Q Well, you can refer back to the exhibit we just showed that calculated the total revenue for each year and

see if it looks the same.

A I don't know what thirty times four fifty-three is.

Q Okay. Are the rest of the entries correct for years one through thirty?

A Sure.

MR. SCHEIB: I'm going to hand you "Exhibit 22" which is a version of "Exhibit 8", and the change here is in column Annual Gross Revenue.

Q Does that reflect the number that we saw on the corrected version for total revenue at ten percent (10%) of the Port?

A Yes.

Q And does the net revenue look correct given that reduced amount of annual revenue?

A Yes.

Q Now, comparing those two documents, and I understand you might say that you don't know whether five million ($5,000,000) is correct because you don't have a calculator, for purposes of our conversation let's assume the five million ($5,000,000) is correct. If you were presented with a project over thirty years that showed a net revenue of thirty-four point eight million dollars ($34,800,000), but it actually had a gross revenue of only five point two million dollars ($5,200,000), how would that change your analysis?

A The analysis would be more, you know, that--that is

a net cash revenue. It doesn't enhance any other operations within the Port where we could potentially capture that revenue elsewhere.

Q If you were doing a cost benefit analysis and the cost didn't change, how would this affect your analysis?

A And the cost didn't change as far as the revenue didn't change or the--

Q Yeah. So let's say you had to fund debt. Would this affect the way you looked at debt?

A On a specific just--just for cash-by-cash? Yes.

Q Would it adversely affect the way you viewed it or positively affect the way that you viewed it?

A Adversely.

Q Have you spoken about the adequacy of Delta Southern's Rail Service to Bunge North America?

A I'm not-- Bunge North America is not in the region anymore.

Q And as either Deputy Director or Executive Director, have you talked to Cargill, Inc. about Delta Southern Rail Service?

A Never talked to anyone at Cargill.

Q As Deputy Director or Executive Director have you ever talked to anyone at CHS about Delta Southern Rail Service?

A No, sir.

Q As Deputy Director or Executive Director have you ever talked to anyone at Formosa Plastics or Helena Chemical about Delta Southern Rail Service?

A No, sir.

Q In your time as Executive Director or Deputy Director of the Lake Providence Port Commission have you talked to anyone at Huntsman, Petrochemical, Motiva Enterprises or Phillips 66 about Delta Southern Rail Service?

A No, sir.

Q Have you in your time as Executive Director or Deputy Executive Director of the Lake Providence Port Commission ever talked to anyone at a company called M-I S-W-A-C-O, MI SWACO?

A No, sir. Never heard of it.

Q Have you in your time as Deputy Director or Executive Director of the Lake Providence Port Commission ever spoken with Proctor & Gamble about Delta Southern Rail Service?

A No, sir.

Q Have you in your time as Deputy Director or Executive Director of the Lake Providence Port Commission ever talked to anyone at Railcar Co Corp about Delta Southern Rail Service?

A No, sir.

Q Have you in your time as Executive Director or

Deputy Director of the Lake Providence Port Commission ever talked to anyone at SNF Holding Company about Delta Southern Rail Service?

A Not that I'm aware. I don't know what company that would be.

Q In your time as Deputy Director or Executive Director of the Lake Providence Port Commission have you ever spoken with anyone at Top Rail Solutions about Delta Southern Rail Service?

A Not that I'm aware.

Q In your time as Deputy Director or Executive Director of the Lake Providence Port Commission have you ever spoken with anyone at Terral River Service about Delta Southern Rail Service?

A Not that I'm aware.

Q For all those companies I just named are you aware of anyone at the Lake Providence Port Commission who has spoken to any of those rail customers about Delta Southern Rail Service?

A I can't speak for Wyle. I haven't and I can't speak for Winn Mettles but I doubt he has.

Q Do you know who a Ms. Brandy Christian is?

A I do.

Q Who is Ms. Brandy Christian?

A I believe she is the CEO of Patriot Rail.

Q Have you ever met her?
A I have.
Q Where did you meet her?
A Golly. Probably at a Port--Louisiana Port Association meeting years ago.
Q Would that have been before she was the CEO of Patriot Rail?
A Yes.
Q Have you met with her since she became the CEO of Patriot Rail?
A I have.
Q Where was that meeting?
A Jacksonville.
Q Was it in Patriot Rail's offices?
A Yes, sir.
Q What did you discuss with Ms. Christian?
A I discussed a potential resolution as far as the Port purchasing the--the--Delta Southern's assets, specifically this line that's in the Feeder Line application.
Q Did Ms. Christian offer to work with the Lake Providence Port Commission jointly on a grant application for funding to be used on the line that's the subject of this Feeder Line application?
A I want to say one of her team members kept wanting us to put up money for an application that would go into a

Delta Southern asset, and I--I told Jim that we cannot do that as of we can't put public funds into a, you know, something that's privately owned. And I don't believe she was in the room during that conversation if I remember correctly she was moving that day, transitioning from New Orleans to Jacksonville and she had to meet a U-Haul outside or something. So I don't know if she was in the room or not.

Q And just to be clear, did you all have any further discussions about working together on grant applications related to the line from Lake Providence to Tallulah?

A Not that I can recall.

Q Has the Lake Providence Port Commission put up any non-federal matching money for the Infra Grant?

A It did.

Q What money did Lake Providence Port Commission put up as non-federal matching money for the Infra Grant?

A Port Priority money for DOTD.

Q And how was that money spent?

A On the Section C of the rail rehab.

Q Were any of those funds used on Segment A or Segment B?

A No, sir.

Q Is it Lake Providence Port Commission's position that it can only participate in projects financially where it owns the underlying property?

A I believe by statute we cannot--we cannot participate if it is owned by a private entity.

Q Is the Northeast Louisiana Railroad District a private entity?

A No, sir. It's a political subdivision in the State of Louisiana.

Q Has the Lake Providence Port Commission used any funds to attract tenants to the Lake Providence Port?

A The only way we would do that would be through hard infrastructure investments.

Q And would those hard infrastructure investments be on Lake Providence Port Commission's property or on the tenant's property?

A It would be on Lake Providence Port Commission's property.

MR. SCHEIB: Why don't we take five and--

MR. PAXTON: Sure.

MR. SCHEIB: --we'll go off the record.

(OFF THE RECORD.)

MR. SCHEIB: All right. Thanks for the quick break. We have nothing further.

MR. PAXTON: I think we're good.

MR. SCHEIB: All right.

MR. PAXTON: I don't have any questions for Bryant.

MR. SCHEIB: Great. We'll go off the record.

DEPOSITION CONCLUDED.

STATE OF LOUISIANA

PARISH OF OUACHITA

I, PEPPER ROBERTSON, Certified Court Reporter in and for the State of Louisiana, as the officer before whom this testimony was taken, do hereby certify that W. Bryant Killan, after having been duly sworn by me upon authority of R.S. 37:2554, did testify as set forth in the foregoing deposition, pages 1 through 138, at East Carroll Parish Library, Conference Room, 109 Sparrow Street, Lake Providence, Louisiana 71254, on the 30th day of July, 2026, commencing at 8:24 a.m. and concluding at 1:40 p.m.; that this testimony was reported by me in the stenomask reporting method, was prepared and transcribed under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding; that the transcript has been prepared in compliance with the transcript format guidelines required by statute or by rules of the board, that I have acted in compliance with the prohibition on contractual relationships as defined by Louisiana Code of Civil Procedure Article 1434, and in rules and advisory opinions of the board; that I am not related to counsel or to the parties herein nor am I otherwise interested in the outcome of this matter.

This certification is valid only for a transcript accompanied by my original signature and original seal on this page.

Monroe, Louisiana, this 25th day of July, 2026.

_____

PEPPER ROBERTSON, CCR

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, LOUISIANA.

SUBPOENA TO TESTIY IN A DEPOSITION TO W. BRYANT KILLEN, ON BEHALF OF LAKE PROVIDENCE PORT COMMISSION

To: W. Bryant Killen, Port Director
Lake Providence Port Commission
409 Port Road
Lake Providence, Louisiana 71254

Pursuant to the rules of the Surface Transportation Board governing discovery, 49 C.F.R § 1114, *et seq*., and by Order of the Board:

YOU ARE HEREBY COMMANDED to appear at the **East Carroll Parrish Library Conference Room, 109 Sparrow Street, Lake Providence, Louisiana 71254 at 8:30 a.m. on June 30, 2026,** to provide testimony by oral deposition at the request of Delta Southern Railroad, Inc., in the above-caption proceeding. Your testimony will be recorded stenographically, by an officer authorized to administer oaths, and may be used as evidence in this proceeding. The deposition is anticipated to be completed within one (1) day, but may be continued from time to time until completed. Specific topics for which you will be expected to provide testimony are included in Attachment A to this subpoena.

DATED: June 22, 2026

Clerk of STB Seal



10. Communications with any government agency or official concerning the Line, the INFRA Grant, and/or DSRR.

11. Communications with Madison Parish Port Commission regarding the Line, the INFRA Grant, and/or DSRR.

12. Rail service provided by North Louisiana and Arkansas Railroad, Inc. ("NLA").

13. Communications with NLA regarding past, present, or anticipated future operation on the Line.

14. All contracts or agreements LPPC has entered into related to the Line.

15. Rail service provided by DSRR.

16. Interchange of freight between DSRR and other railroads.

17. Communications with DSRR regarding the INFRA Grant, the Line, and/or rail service.

18. LPPC's relationship to the Northeast Louisiana Multimodal District or the Northeast Louisiana Railroad Development District.

19. LPPC's responses to discovery requests propounded in this proceeding.

Respectfully Submitted,

/s/ John M. Scheib

John M. Scheib
Noah P. Sullivan
William L. Spotswood
Gentry Locke Attorneys
101 W. Main Street, Suite 750
Norfolk, VA 23510
757-916-3511

Attorneys for:
Delta Southern Railroad, Inc.

June 22, 2026

Expanded Response to RFP NO. 1

RFP NO. 1: Please Produce all communications with shippers concerning either (i) LPPC's feeder line application, (ii) DSRR's service over the Line, (iii) DSRR, or (iv) the shipper's rail transportation needs.

Response: For all the above-stated reasons set forth in the responses to Interrogatories Nos. 34 and 35, the request for production of *all communications* concerning either (i) LPPC's feeder line application, (ii) DSRR's service over the Line, (iii) DSRR, or (iv) the shipper's rail transport needs is overly broad and unduly burdensome as its seeks voluminous information that spans over 20 years that is not relevant to this proceeding, as well as extensive communications with shippers that were made during the preparation of the two (2) INFRA applications that were filed in 2017 and 2019 that were intended to provide revenues for DSRR to use to rehabilitate its rail infrastructure and upgrade its bridges that DSRR estimated would cost $12,448,000.

Expanded Response:

Due to its efforts to preserve the entire Lake Providence Branch Line between McGehee, Arkansas and Tallulah, LA, LPPC has been aware of the inadequate nature of DSRR's operations over the Lake Providence Branch Line that ultimately prompted it, along with SEAEDD and NLA, to acquire ownership of all the Line north of milepost 471.0. Following Continental Rail's purported acquisition of the portion of the Lake Providence Branch Line between milepost 471.0 and the point of interchange with KCS in June of 2015, LPPC considered DSRR to be a partner and readily agreed to work with



DSRR to rebuild the entire Lake Providence Branch Line. LPPC's efforts to work with DSRR are reflected in the two INFRA Grant Applications. LPPC confirms that it has no written documents, correspondence or emails with any shippers regarding DSRR, DSRR's service over the segment of the Lake Providence Branch Line that is at issue herein that predate LPPC's decision in September of 2020 to file a Feeder Line Application. That decision was based on LPPC's realization in August of 2020 that DSRR would not commit to the use of any INFRA Grant Funds to restore interchange rail service over the 20 miles of track to the south of milepost 471.0 and would only use any INFRA funds to restore the track between milepost 491.0 and the point of interchange with KCS.

Because Mr. Gilfoil was aware that Jerry Melton, the President of Complex Chemical, had supported the INFRA Grant Application, and after interchange was reopened by NLA in 2016, had repeatedly complained about the condition of the tracks between mileposts 471.0 and 491.0, which deprived Mr. Melton from receiving adequate rail service, Mr. Melton was asked to file a statement of support. Mr. Melton's original statement of support was included in LPPC's first Feeder Line application filed November 12, 2020.

On October 7, 2020, LPPC's counsel conferred with Sam Angel, who is the owner of Epstein Gin Co. and Epstein Transloading.

On March 4, 2021, a copy of DSRR's *Motion to Dismiss Proceeding and Request to Hold Proceeding in Abeyance* was forwarded to Mr. Melton. LPPC's counsel and Mr. Melton had follow-up conversations regarding the motion and

a potential response. On March 5, 2021, counsel filed Mr. Melton's *Support of LPPC's Reply to Delta Southern Railroad, Inc.'s Motion to Dismiss Proceeding and Request to Hold Proceeding in Abeyance*. To ensure full compliance with the Board's regulations, Mr. Melton was retroactively requested to attest his statement on April 7, 2021, which attestation was entered of record on April 8, 2021, without objection from DSRR.

On October 13, 2022, and November 1, 2022, Mr. Gilfoil forwarded emails requesting information to be used to prepare the initial valuation of the line to various shippers. Copies of the survey and emails forwarded by Mr. Gilfoil are being produced herewith.

Copies of all verified statements that have been received from past, current, and potential shippers that involved communications with LPPC's counsel have been published in the Feeder Line application filed January 4, 2023.

Communications that were exchanged between counsel and shippers involving the preparation of verified statements are being withheld on the grounds that they are protected by the work product doctrine in anticipation of litigation. *See* Privilege Log.

RFP NO. 2

Please produce all studies, evaluations, analyses, assessments, or measurements of the adequacy of service by DSRR to shippers over the Line.

Response: LPPC objects to RFP 2 on the grounds that it is (a) overly broad; (b) vague and/or ambiguous; (c) fails to describe with reasonable particularity the information sought; (d) seeks information that is not within the possession, custody, or control of LPPC; or (e) would impose an undue burden that outweighs any relevance or probative value the information sought may have in this proceeding. LPPC further objects to RFP 2 on the grounds that it seeks information that is in DSRR's possession along with all communications that were previously provided in response to DSRR's First Set of Interrogatories and First Set of Requests to Produce. Without waiving the foregoing objection, the information that is sought in RFP 2 is set out in detail in LPPC's expanded Feeder Line Application filed January 4, 2023, and would be burdensome to reproduce a second time in response to RFP 2.

Expanded Response: As explained in the responses to Interrogatory 34, which are incorporated herein by reference, there was no need for LPPC to engage in an "academic" type of "study" to determine that DSRR, following the reopening of interchange in 2016 with LPPC, was unable and unwilling to rehabilitate the crucial 20-mile segment between mileposts 471.0 and 491.0 so that DSRR could provide interchange service to shippers over that segment that wished to receive it. Nor are there any responsive documents.

RFP NO. 6

Please produce all Documents or communications concerning any refusal by DSRR to provide service over the Line.

Response: LPPC objects to RFP 6 to the extent that to the extent it seeks materials protected by the attorney-client privilege, the attorney-work product doctrine, or any other applicable privilege, protection or exception from discovery or disclosure. Without waiving the foregoing objections, LPPC states that the Feeder Line Applications reflect and contain various documents and communications of which LPPC is currently aware regarding DSRR's refusals to provide service.

Expanded Response: A privilege log is attached. Also see the Verified Statements of Daniel Robbins and Craig Huff that were published in the expanded Feeder Line Application filed January 4, 2023.

Expanded Responses to RFPs 9, 11, 13, 16: As a general response to DSRR's comment that "LPPC's objection to certain RFPs based on the STB presuming government entities are financially responsible is meritless," LPPC states that the situation in this matter cannot be compared with that in *Ind. Sw. Ry.—Aban. Exemption—in Posey & Vanderburgh Ctys., Ind.*, STB AB 1065X, slip op. at 5 (served Apr. 8, 2011). LPPC, as a governmental entity, is entitled to the presumption that it is financially responsible. As the Board, in its Decision, served December 11, 2020, explicitly stated that "[a]s a governmental entity, LPPC is presumed to be a financially responsible person." Slip op. at 2, n.5. LPPC further states that the Line will be acquired by the State of Louisiana.

With respect to **RFP NO. 11**, LPPC disagrees that the budget information available from the Louisiana Department of Administration appears to be summary and does not appear to be comprehensive. LPPC further states that past budgets are irrelevant to any future budget that would be prepared that would address the price to be paid to acquire the Line. Therefore, LPPC deems DSRR's request to be inapplicable and inappropriate in a feeder line case.

With respect to **RFP NO. 13,** it is confirmed that the audit reports are the only responsive materials that exist. The financial statements for 2022 are currently being audited and will be provided when available.

With respect to **RFP NO. 14,** it is confirmed that there are no other responsive documents.

With respect to **RFP NO. 15,** minutes that have not been posted on the website of the Louisiana Department of Administration are produced herewith. Later minutes will be produced following their approval by the Commission.

With respect to **RFPs NO. 17 and NO. 19,** LPPC does not claim any ability to operate the Line. With respect to the ability to acquire the Line, LPPC has received multiple valuations involving the net liquidation value for the 20-mile segment and the entire Line that LPPC is seeking to acquire. As LPPC's amended Final Feeder Application reflects, based on the preliminary estimate of the going concern value, the constitutional minimum value ("CMV") is $778,451. Because LPPC has not had an opportunity to examine any verified information that definitively identifies the minimum constitutional value, no formal reports, studies, analyses, assessments, or evaluations have been made regarding LPPC's financial ability to acquire the Line.

REGULAR MEETING OF THE LAKE PROVIDENCE PORT COMMISSION

HELD ON NOVEMBER 16, 2022

The Lake Providence Port Commission met in regular session on Wednesday, 17 November 2022 at 8:00 a.m. in the Port Commission office at the Lake Providence Port.

Officers Jim Thom, President, and Francis Lensing, Secretary-Treasurer were present. Jerry King, Vice President was absent. Commissioners Mark Buntyn, and Roger Clement were present. Commissioner Karvan Powell was present via phone. Wyly Gilfoil, port director, Bryant Killen, deputy director, and Dino Trevino were also present.

The minutes from the meeting held in October 2022 were accepted on a motion by Mr. Lensing and second by Mr. Buntyn.

On a motion by Mr. Buntyn and second by Mr. Clement, the Commission approved the financial reports for the period ending October 2022.

The bills for November 2022 were approved as presented on a motion by Mr. Lensing and seconded by Mr. Clement.

Mr. Gilfoil presented project reports on construction in progress and in design. DOTD sent a Notice of Award with Funding 22 Jun 2022 in the amount of $ $2,021,386 for the Port Construction & Development Priority Program (PCDPP) application for the Multimodal Freight Corridor Improvements bringing the total amount to $11,484,000 (the full state share). HDR and Buchart Horn submitted an INFRA application for Railroad Rehabilitation 1 Mar 2019. US DOT awarded 10.5 million in Federal appropriations 20 July 2019. HDR was selected as the engineering firm for the INFRA project. Bids for the Arkansas portion of the railroad rehabilitation were opened 29 July with Queen City Railroad Construction having the lowest bid at $6,270,029.00. A Preconstruction Meeting was held 26 August in Lake Village where the contracts were signed. As a result of the bid going over the estimated cost by $1,223,286, a portion of funding in Segment D was moved to cover those higher costs. The EDA grant application to account for the funding moved from Section D and other rail work to be done due to the original reduction in the INFRA grant was denied. We submitted a PIDP application 16 May which we were unsuccessful with, but have an exit interview scheduled to learn how to strengthen the application going forward. The Rail Line is now open between McGehee and Lake Providence. A Feeder Line Application was filed with the Surface Transportation Board 10 Nov 2020 to acquire the 20 miles of track from MP 471 to MP 491. STB directed the parties to mediation which was unsuccessful. The Commission approved the project report on a motion by Mr. Clement and seconded by Mr. Buntyn.

In other business, Mr. Gilfoil presented updates on the electrical substation as well as the continued DSR Rail Issue. The Commission authorized Executive Director Gilfoil to submit an application to the Louisiana Port Construction & Development Priority Program a motion by Mr. Lensing and second by Mr. Buntyn.

On a motion by Mr. Clement and a second by Mr. Lensing, executive session was added as an agenda item. The commission went into executive session on a motion by Mr. Lensing and second by Mr. Clement. The commission came out of executive session on a motion by Mr. Buntyn and a second by Mr. Lensing. Other Business was approved with a motion by Mr. Clement and a second by Mr. Lensing.

The Commission adjourned at 8:38 a.m. on a motion by Mr. Clement and seconded by Mr. Lensing.

James A. Thom, IV
President

Attest:

Francis X. Lensing
Secretary

REGULAR MEETING OF THE LAKE PROVIDENCE PORT COMMISSION
HELD ON DECEMBER 21, 2022

The Lake Providence Port Commission met in regular session on Wednesday, 21 December 2022 at 8:00 a.m. in the Port Commission office at the Lake Providence Port.

Officers Jerry King, Vice President, and Francis Lensing, Secretary-Treasurer were present. Jim Thom, President was absent. Commissioner Mark Buntyn was present. Commissioners Karvan Powell & Roger Clement was present via phone. Bryant Killen, deputy director, was also present.

The minutes from the meeting held in November 2022 were accepted on a motion by Mr. Buntyn and second by Mr. Lensing.

On a motion by Mr. Buntyn and second by Mr. Lensing, the Commission approved the financial reports for the period ending November 2022.

The bills for December 2022 were approved as presented on a motion by Mr. Lensing and seconded by Mr. Powell.

Mr. Killen presented project reports on construction in progress and in design. DOTD sent a Notice of Award with Funding 22 Jun 2022 in the amount of $ $2,021,386 for the Port Construction & Development Priority Program (PCDPP) application for the Multimodal Freight Corridor Improvements bringing the total amount to $11,484,000 (the full state share). HDR and Buchart Horn submitted an INFRA application for Railroad Rehabilitation 1 Mar 2019. US DOT awarded 10.5 million in Federal appropriations 20 July 2019. HDR was selected as the engineering firm for the INFRA project. Bids for the Arkansas portion of the railroad rehabilitation were opened 29 July with Queen City Railroad Construction having the lowest bid at $6,270,029.00. A Preconstruction Meeting was held 26 August in Lake Village where the contracts were signed. As a result of the bid going over the estimated cost by $1,223,286, a portion of funding in Segment D was moved to cover those higher costs. The EDA grant application to account for the funding moved from Section D and other rail work to be done due to the original reduction in the INFRA grant was denied. We submitted a PIDP application 16 May which we were unsuccessful with, but have an exit interview scheduled to learn how to strengthen the application going forward. The Rail Line is now open between McGehee and Lake Providence. A Feeder Line Application was filed with the Surface Transportation Board 10 Nov 2020 to acquire the 20 miles of track from MP 471 to MP 491. STB directed the parties to mediation which was unsuccessful. The Commission approved the project report on a motion by Mr. Powell and seconded by Mr. Lensing.

In other business, Mr. Killen presented updates on the electrical substation as well as the continued DSR Rail Issue. The Commission adopted the proposed General Fund Budget for 2023 on a motion by Mr. Lensing and second by Mr. Buntyn. Other Business was approved with a motion by Mr. Powell and a second by Mr. Buntyn.

The Commission adjourned at 8:21 a.m. on a motion by Mr. Lensing and seconded by Mr. King.

_____
James A. Thom, IV
President

Attest:

_____
Francis X. Lensing
Secretary

REGULAR MEETING OF THE LAKE PROVIDENCE PORT COMMISSION HELD ON JANUARY 18, 2023

The Lake Providence Port Commission met in regular session on Wednesday, 18 January 2023 at 8:00 a.m. in the Port Commission office at the Lake Providence Port.

Officers Jerry King, Vice President, and Francis Lensing, Secretary-Treasurer were present. Jim Thom, President was absent. Commissioner Mark Buntyn, Karvan Powell, & Roger Clement was present. Bryant Killen, deputy director, was also present.

The minutes from the meeting held in December 2022 were accepted on a motion by Mr. Clement and second by Mr. Powell.

On a motion by Mr. Powell and second by Mr. Buntyn, the Commission approved the financial reports for the period ending December 2022.

The bills for December 2022 were approved as presented on a motion by Mr. Lensing and seconded by Mr. Clement.

Mr. Killen presented project reports on construction in progress and in design. DOTD sent a Notice of Award with Funding 22 Jun 2022 in the amount of $ $2,021,386 for the Port Construction & Development Priority Program (PCDPP) application for the Multimodal Freight Corridor Improvements bringing the total amount to $11,484,000 (the full state share). HDR and Buchart Horn submitted an INFRA application for Railroad Rehabilitation 1 Mar 2019. US DOT awarded 10.5 million in Federal appropriations 20 July 2019. HDR was selected as the engineering firm for the INFRA project. Bids for the Arkansas portion of the railroad rehabilitation were opened 29 July with Queen City Railroad Construction having the lowest bid at $6,270,029.00. A Preconstruction Meeting was held 26 August in Lake Village where the contracts were signed. As a result of the bid going over the estimated cost by $1,223,286, a portion of funding in Segment D was moved to cover those higher costs. The EDA grant application to account for the funding moved from Section D and other rail work to be done due to the original reduction in the INFRA grant was denied. We submitted a PIDP application 16 May which we were unsuccessful with, but have an exit interview scheduled to learn how to strengthen the application going forward. The Rail Line is now open between McGehee and Lake Providence. A Feeder Line Application was filed with the Surface Transportation Board 10 Nov 2020 to acquire the 20 miles of track from MP 471 to MP 491. STB directed the parties to mediation which was unsuccessful. A Declaration of Emergency was passed on a motion by Mr. Lensing and a second by Mr. Powell regarding the dock repair. The Commission approved the project report on a motion by Mr. Powell and seconded by Mr. Buntyn.

In other business, Mr. Killen presented updates on the electrical substation as well as the continued DSR Rail Issue. The Commission passed a resolution to engage SEAEDD to submit a RAISE grant application on a motion by Mr. Lensing and second by Mr. Clement. A separate resolution was passed to engage SEAEDD to submit a MARAD Port Infrastructure Development Program (PIDP) grant application with a motion by Mr. Powell and a second by Mr. Buntyn. Other Business was approved with a motion by Mr. Lensing and a second by Mr. Buntyn.

The Commission adjourned at 8:55 a.m. on a motion by Mr. Lensing and seconded by Mr. Clement.

James A. Thom, IV
President

Attest:

Francis X. Lensing
Secretary

REGULAR MEETING OF THE LAKE PROVIDENCE PORT COMMISSION HELD ON FEBRUARY 15, 2023

The Lake Providence Port Commission met in regular session on Wednesday, 15 February 2023 at 8:00 a.m. in the Port Commission office at the Lake Providence Port.

Officers Jim Thom, President, Jerry King, Vice President, and Francis Lensing, Secretary-Treasurer were present. Commissioner Mark Buntyn, Karvan Powell, & Roger Clement were present. Commissioner Karvan Powell was absent. Wyly Gilfoil, executive director, Bryant Killen, deputy director, Dan Forsse (TRS), Mark Carter (Conexon) and Jason Archie (Conexon) were also present.

The minutes from the meeting held in January 2023 were accepted on a motion by Mr. Buntyn and second by Mr. Lensing.

No financial reports for the period ending in February 2023 were available for the meeting.

The bills for February 2023 were approved as presented on a motion by Mr. King and seconded by Mr. Clement.

With a motion by Mr. Thom and a second by Mr. Lensing the gentlemen with Conexon were added to the agenda. Mr. Archie gave a brief update of the scope of work. Mr. Gilfoil commented that crossing the rail would be subject to STB regulations, and the port engineer would review with the fiber company reimbursing the cost. Mr. Archer agreed to the terms.

Mr. Gilfoil presented project reports on construction in progress and in design. DOTD sent a Notice of Award with Funding 22 Jun 2022 in the amount of $ $2,021,386 for the Port Construction & Development Priority Program (PCDPP) application for the Multimodal Freight Corridor Improvements bringing the total amount to $11,484,000 (the full state share). HDR and Buchart Horn submitted an INFRA application for Railroad Rehabilitation 1 Mar 2019. US DOT awarded 10.5 million in Federal appropriations 20 July 2019. HDR was selected as the engineering firm for the INFRA project. Bids for the Arkansas portion of the railroad rehabilitation were opened 29 July with Queen City Railroad Construction having the lowest bid at $6,270,029.00. A Preconstruction Meeting was held 26 August in Lake Village where the contracts were signed. As a result of the bid going over the estimated cost by $1,223,286, a portion of funding in Segment D was moved to cover those higher costs. The EDA grant application to account for the funding moved from Section D and other rail work to be done due to the original reduction in the INFRA grant was denied. The Rail Line is now open between McGehee and Lake Providence. A Feeder Line Application was filed with the Surface Transportation Board 10 Nov 2020 to acquire the 20 miles of track from MP 471 to MP 491. STB directed the parties to mediation which was unsuccessful. A second feeder line application was filed with the STB in January 2023 seeking to acquire the entire line from LPPC down to the KCS in Tallulah. The Commission approved the project report on a motion by Mr. Lensing and seconded by Mr. Clement.

In other business, Mr. Gilfoil & Mr. Killen presented updates on the electrical substation as well as the continued DSR Rail Issue. Other Business was approved with a motion by Mr. King and a second by Mr. Lensing.

The Commission adjourned at 8:23 a.m. on a motion by Mr. Lensing and seconded by Mr. Clement.

James A. Thom, IV
President

Attest:

Francis X. Lensing
Secretary

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

PRIVILEGE LOG OF COUNSEL FOR LAKE PROVIDENCE PORT COMMISSION

DESCRIPTION OF DOCUMENTS	PRIVILEGE ASSERTED
1. Communications with Jerry R. Melton (Complex Chemical) re preparation of a verified statement.	Attorney work product/anticipation of litigation
2. Communications with Sam E. Angel (Epstein Gin Co. and Epstein Transloading) re preparation of a verified statement.	Attorney work product/anticipation of litigation
3. Communications with Blake Livingston (Livingston Pecan & Metal, Inc.) re preparation of a verified statement	Attorney work product/anticipation of litigation
4. Communications with Neil Martin (Terral RiverService, Inc.) re preparation of a verified statement.	Attorney work product/anticipation of litigation
5. Communications with Robert Amacker (Hollybrook Warehouse, Inc.) re preparation of a verified statement.	Attorney work product/anticipation of litigation
6. Communications with Chip and Blake Sullivan (E. Sondheimer Co.) re preparation of a verified statement.	Attorney work product/anticipation of litigation
7. Communications with Dan Militaru (RailCarCo) re preparation of a verified statement.	Attorney work product/anticipation of litigation
8. Communications with Donald Bush and (Bayou Bioenergy LLC) preparation of a verified statement.	Attorney work product/anticipation of litigation
9. Communications with Amy May Hopper (Andersons Trade Group) re preparation of a verified statement.	Attorney work product/anticipation of litigation

AFFIDAVIT

STATE OF LOUISIANA)
) ss:
PARISH OF EAST CARROLL)

Wyly Gilfoil, being duly sworn, states that he is the Executive Director of the Lake Providence Port Commission, and that the facts asserted in LPPC's Expanded Responses and Objections to Delta Southern Railroad's Second Set of Interrogatories and Second Set of Requests for Production are known to him to be true and that the same are true as stated.

FURTHER SAYETH THE AFFIANT NOT.

Wyly Gilfoil

Subscribed and sworn to before me this 12th day of April, 2023.
Notary Public of Louisiana, East Carroll
My Commission expires 8/29/23

Debra P. Fortenberry

DEBRA P. FORTENBERRY
Notary Public
State of Louisiana
East Carroll Parish
Notary ID # 19782
My Commission is for Life

AFFIDAVIT

WASHINGTON, DISTRICT)
OF COLUMBIA) ss:

Richard H. Streeter, being duly sworn, states that he is the Attorney of Record for the Lake Providence Port Commission, and that the facts asserted in LPPC's Expanded Responses and Objections to Delta Southern Railroad's Second Set of Interrogatories and Second Set of Requests for Production are known to him to be true and that the same are true as stated.

FURTHER SAYETH THE AFFIANT NOT.

Richard H. Streeter

Subscribed and sworn to before me.
This 12th day of April, 2023.

Notary Public, District of Columbia
My Commission expires 02-29-2024

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.

RESPONSES AND OBJECTIONS TO DELTA SOUTHERN RAILROAD'S FIRST SET OF INTERROGATORIES FILED BY LAKE PROVIDENCE PORT COMMISSION, SOUTHEAST ARKANSAS ECONOMIC DEVELOPMENT DISTRICT AND NORTH LOUISIANA & ARKANSAS RAILROAD

As stated at 49 C.F.R. 1114.26, "any party may serve upon any other party written interrogatories to the answered by the party served." Pursuant to 49 C.F.R. §§ 1114.26 and 1114.30, Lake Providence Port Commission (LPPC) and Southeast Arkansas Economic Development District (SEAEDD) (hereinafter Respondents), which are parties to the instant Feeder Line Application proceeding, hereby respond and state their objections to the First Set of Interrogatories served by Delta Southern Railroad (DSR) on February 5, 2021.

GENERAL OBJECTIONS

The following general objections are made with respect to DSR's First Set of Interrogatories.



1. Respondents object to DSR's Requests to the extent they seek disclosure of documents that are protected by the attorney-client privilege, work product doctrine, and/or any other appropriate privilege or doctrine. Any production of privileged or otherwise protected documents is inadvertent and shall not constitute a waiver of any claim of privilege or other protection.

2. Respondents object to DSR's Requests on grounds that they are overly broad and unduly burdensome. Respondents note that "[u]nless otherwise specified, these Interrogatories cover the time period January 1, 2015 to present." Since September 26, 2016, DSR and its Manager, Continental Rail LLC (Continental), have been actively involved in the joint effort to obtain INFRA Grant funding to reopen *the entire Corridor*, which includes the 20-mile Segment that is the subject of the Feeder Application. On that date, DSR hosted the multiple partners at its office located at Tallulah, Louisiana. As a result of DSR's and Continental's active involvement in the project, the information that DSR seeks to "discover" is already known to DSR and Continental.[1]

[1] Respondents have been advised that effective January 5, 2021 "Continental Rail and John Marino are no longer the manager of the Delta Southern Railroad" and that Jon Ryan was subsequently "hired as the CEO of the Delta Southern Railroad" to replace John Marino, who was Continental's CEO throughout the process. Because Ryan actively played a significant role in the past few years with respect to the project, his replacement of Marino does not impact the foregoing factors.

3. Because DSR has owned the Segment since late December 2015, DSR is fully informed regarding all rail traffic that has previously moved over the segment since it acquired the segment from the prior owner pursuant a transaction outside of the Board's jurisdiction in 2015.

4. Respondents object to DSR's Requests to the extent that information that is sought "about the nature, kind, quantity, destination, consignee, or routing of property tendered to North Louisiana & Arkansas Railroad. Such information is of a most confidential nature, commercially sensitive, or proprietary, including sensitive nonpublic information relating to third parties that, if produced, could result in the violation of any contractual obligation to third parties or could violate 49 U.S.C. § 11904.

5. DSR's Requests are excessive and repetitive and seek information that is outside the scope of this proceeding and is not relevant to the issues involved in this proceeding which involve DSR's refusal to make necessary efforts to provide adequate service to shippers who transport traffic over the Segment.

6. Respondents object to DSR's Requests to the extent that they seek production of or information regarding "all Communications," (which are defined to mean the transmittal or exchange of information of *any* kind dating back to January 1, 2015), "all movements of rail freight cars," "all projections or assumption of revenue," "all efforts," and

"without limitation" relating to matters described in particular requests on grounds that those requests are overly broad and unduly burdensome in light of the nature of this proceeding. Such requests are not conceivably relevant in this proceeding and are unreasonable given DSR's decision to decline to commit to the rehabilitation of the Segment. Respondents will conduct a search for responsive information as indicated in their responses to specific requests that is commensurate with the nature and expedited schedule of this proceeding.

7. Respondents object to DSR's Requests to the extent that they seek production of or information regarding all Communications between the Project Partners, namely SEAEDD, LPPC, MPPC, DSR and NLA, that were simultaneously exchanged between all Project Partners, including Continental and DSR, and, therefore, are in DSR's possession.

8. Respondents object to DSR's Requests that seek information from entities that are not parties to the proceeding, including North Louisiana & Arkansas Railroad (NLA) and the Madison Parish Port (MPP).

OBJECTIONS TO DEFINITIONS AND INSTRUCTIONS

Respondents object to the "Instructions" and "Definitions" sections (hereinafter collectively referred to as "the Improper Burdens") included in DSR'S First Set of Interrogatories ("DSR's Discovery Requests") as overly broad, unduly burdensome, vague, ambiguous, and beyond the scope of discovery as defined in 49 C.F.R. §1114.21(a). The Improper

Burdens create obligations that are beyond those required by both the spirit and the letter of the Rules governing discovery and burden Respondents with excessive, unnecessary, and unreasonable time and expense in responding to DSR's Discovery Requests.

Respondents incorporate the General Objections, Objections to Definitions, and Objections to Instructions into each Response below as if full set forth therein.

RESPONSES AND OBJECTIONS TO REQUESTS FOR PRODUCTION

INTERROGATORY NO. 1:

Identify all On-Line Customers, and for each such On-Line Customer, Identify its name, its location (by milepost and/or street address), a general description of the commodities it handles, and any information regarding its rail shipping history (including but not limited to commodities shipped, origin or destination for rail shipments, and date or year of shipment).

Respondents' Response: Respondents have no "On-Line Customers."

INTERROGATORY NO. 2:

For each On-Line Customer identified in response to Interrogatory No. 1, Identify all Communications with such On-Line Customer by one or more of the Respondents or MPP.

Respondents' Response: Respondents have no "On-Line Customers."

INTERROGATORY NO. 3:

For each On-Line Customer identified in response to Interrogatory No. 1, Identify any commitment or estimate (on a weekly, monthly, or annual basis) made by or on behalf of such On-Line Customer of rail shipments to be made to or from its facility over the Segment at any point in the future.

Respondents' Response: Respondents have no "On-Line Customers."

INTERROGATORY NO. 4:

Identify all Non-On-Line Customers that have expressed an interest in routing traffic over the Segment, and for each such Non-On-Line Customer, Identify its name, its location (by milepost and/or street address), a general description of the commodities it handles, and any information regarding its rail shipping history (including but not limited to commodities shipped, origin or destination for rail shipments, and date or year of shipment).

Respondents' Response: Respondents have no "Non-On-Line Customers."

INTERROGATORY NO. 5:

For each Non-On-Line Customer identified in response to Interrogatory No. 4, Identify all Communications with such Non-On-Line Customer by one or more of the Respondents or MPP.

Respondents' Response: Respondents have no "Non-On-Line Customers."

INTERROGATORY NO. 6:

For each Non-On-Line Customer identified in response to Interrogatory No. 4, Identify any commitment or estimate (on a weekly, monthly, or annual basis) made by or on behalf of such Non-On-Line Customer of rail shipments to be made to or from its facility over the Segment at any point in the future.

Respondents' Response: Respondents have no "Non-On-Line Customers."

INTERROGATORY NO. 7:

Identify all agreements, understandings or customs between NLA and DSR regarding the interchange of freight traffic between them.

Respondents' Response: Respondents respectfully submit that DSR is fully informed with respect to any agreements, understandings or customs between NLA and DSR regarding the interchange of freight traffic between them. In further response, Respondents state that they

are not privy to any written agreements between DSR and NLA regarding the interchange of freight traffic between them.

INTERROGATORY NO. 8:

Identify all agreements, understandings or customs between NLA and DSR regarding the pricing of freight traffic to be interchanged between them.

Respondents' Response: Respondents respectfully submit that DSR is fully informed with respect to any agreements, understandings, or customs between NLA and DSR regarding the pricing of freight traffic to be interchanged between them. Respondents state that they are not privy to any such agreements, understandings, or customs between DSR and NLA.

INTERROGATORY NO. 9:

For each Non-On-Line Customer served directly by NLA with which one or more Respondents or MPP has had Communications regarding the movement of freight traffic by rail over the Segment, Identify the off-line origin or destination to which such freight movement moved or was intended to move. For each such origin or destination, Identify the shortest rail routing such traffic could access to reach the origin or destination if it did not move over the Segment, the mileage difference between effecting such a movement over the Segment as compared to not moving over the Segment, and the carloads of such rail movements to or

from such origins or destinations made annually for the Non-On-Line Customer by NLA.

Respondents' Response: Respondents have no such information.

INTERROGATORY NO. 10:

Identify all Communications between one or more Respondents and/or MPP, on the one hand, and any entity currently or formerly using the Segment for rail freight car storage on the other, regarding any aspect of that entity's relationship with DSR, including but not limited to charges for car storage, the term of its car storage agreements(s) with DSR, and alternatives to storing cars on DSR.

Respondents' Response: Respondents have no knowledge, information, or awareness of any such Communications regarding charges for car storage, or the terms of any of DSR's car storage agreement(s).

Wyly Gilfoil, LPPC's Executive Director, had a conversation with Matt Prince, DSR's former Director of Operations, during which he objected strenuously to the car storage on the MP 471-MP 491 section. He does not remember the date of the conversation other than it was shortly after DSR started storing cars on that section. During that call, they also discussed the fact that DSR had not paid its part of the cost of preparing the 2017 INFRA Grant Application while NLA and everybody else paid and that DSR had added insult to injury by storing cars on the line.

INTERROGATORY NO. 11:

Identify (including origin, destination, date(s) and commodity) all movements of rail freight cars (loaded or empty) over the LPPC Segment.

Respondents' Response: Respondents object to this Request on the grounds that it is unduly burdensome and not relevant to the instant proceeding. Respondents further state that they have no knowledge, information, or records regarding that requested information.

INTERROGATORY NO. 12:

Identify all existing or expired embargoes, OPSL Notes, Documents, or other Communications Relating to NLA's ability or willingness to move rail traffic over the LPPC Segment.

Respondents' Response: Respondents are not aware of any existing or expired embargoes, OPSL Notes, Documents, or other Communications relating to NLA's ability or willingness to move rail traffic over the LPPC Segment, which is defined as "that portion of the Corridor between milepost 454.8 and 471.0."

INTERROGATORY NO. 13:

Identify by milepost all segments of rail that have been removed (whether by NLA, LPPC, or otherwise) from the LPPC Segment and not immediately replaced. For each such segment of rail, Identify the approximately time period between when the rail was removed and when it was replaced,

why the segment of rail was removed, by whom it was removed, and by whom it was replaced.

Respondents Response: On March 7, 2016, about 30 feet of track at milepost 469.65 were removed. This was done by the East Carroll Parish Police Jury through the LA Statewide Flood Control Program. They were removed and replaced by Pointer Smith under the Railroad Rehabilitation Phase I Project. The temporary removal of the tracks was needed so that concrete box culverts could be installed beneath the track. The work was supposed to have happened prior to the time that LPPC reopened the Line that it had acquired from Delta Southern Railroad, Inc. The day after NLA, which had not been given advance notice, discovered that the rails had been removed while in the process of delivering cars to the Port, the rails were replaced so that NLA could deliver cars to the LPPC port. After delivering the in-bound cars, NLA transported cars that it had received from DSR at the point of interchange over the reinstalled track and moved them without incident in a northly direction over the LPPC Segment. The track was permanently replaced following the completion of the culverts. The cost of this essential project totaled $1,944,844.95. Related documents are being provided herewith.

INTERROGATORY NO. 14:

Identify by milepost all segments of the LPPC Segment that have deemed by any Respondent or FRA as "out of service" pursuant to 49 C.F.R. § 213 et seq., and for each such segment, identify the time period in which the segment was deemed out of service.

Respondents' Response: Respondents have no information regarding any "out-of-service" order issued pursuant to 49 C.F.R. § 213 *et seq.* or otherwise that applied to the LPPC Segment.

INTERROGATORY NO. 15:

Identify all Communications that any Respondent or MPP has had with each of the entities described below Relating to any aspect of the Application.

a. On-Line Customers.

Respondents' Response: SEAEDD has had no Communications with On-Line Customers relating to the Application.

Wyly Gilfoil has had conversations from time to time with On-Line Customers relating to the Feeder Line Application but has no notes or other means of establishing the dates of such conversations or the subject matter discussed.

b. Non-On-Line Customers.

Respondents' Response: Respondents have had no Communications with Non-On-Line Customers relating to the Application.

c. the State of Louisiana Department of Transportation and Development.

Respondents' Response: SEAEDD has had no Communications with the State of Louisiana Department of Transportation and Development. On August 24, 2020, Wyly Gilfoil, LPPC's Executive Director, spoke with Dean Goodell, Freight & Passenger Rail Director, LADOTD, and asked him for recommendations of rail appraisers. On February 23, 2017, Mr. Gilfoil requested information from Mr. Goodell regarding whether DOTD had tendered a RFQ/RFP related to the LA State Rail Plan.

d. the USDOT.

Respondents' Response: SEAEDD's Executive Director, Patrecia G. Hargrove, who is the Authorized Representative of the Grantee, repeatedly communicated with FRA regarding the INFRA Grant. Copies of all written communications with the USDOT relating to the Feeder Application are being provided herewith.

Wyly Gilfoil, LPPC's Executive Director, likewise communicated with FRA on various occasions regarding the revised project scope of work.

e. East Carroll Parish, Louisiana

Respondents' Response: None

f. Madison Parish, Louisiana.

Respondents' Response: None

INTERROGATORY NO. 16:

Identify all Communications between any Respondent or MPP, on the one hand, and USDOT on the other, regarding the need to spend any portion of the Grant proceeds on the Segment.

Respondents' Response: *See Exhibit* 1 of the Feeder application, namely the FY 19-20 INFRA Grant Application. That Application clearly states that the purpose of the application was to obtain funds to be used to re-build the entire corridor between McGehee and Tallulah. A copy of the executed INFRA Grant Agreement was provided to Tom Healey on February 17, 2021.

The information sought "regarding the need to spend any portion of the Grant proceeds on the Segment" is not relevant to the issues involved in this proceeding which involve DSR's refusal to make necessary efforts to provide adequate service to shippers who transport traffic over the Segment. That precise issue was determined by USDOT/FRA and has nothing to do with the issues involved in this proceeding which concerns.

To facilitate the expedited handling of this matter, Respondents are tendering various documents in response to this Interrogatory that appear to relate to the Feeder Application.

INTERROGATORY NO. 17:

Identify all Communications between any Respondent or MPP, on the one hand, and USDOT on the other, regarding the need to spend any portion of the Grant proceeds to assure that the Corridor provides a contiguous route for the through movement of rail freight.

Respondents' Response: *See* Exhibit 1 of the Feeder application, namely the FY 19-20 INFRA Grant Application. That Application clearly states that the purpose of the application was to obtain funds to be used to re-build the entire corridor between McGehee and Tallulah. *See also,* Grant Agreement, executed January 15, 2021, Ex. Attachment 2, STATEMENT OF WORK, Task 4: Construction, at pp 6-7.

The information sought "regarding the need to spend any portion of the Grant proceeds to assure that the Corridor provides a contiguous route for the through movement of rail freight" is not relevant to the issues involved in this proceeding which involve DSR's refusal to make necessary efforts to provide adequate service to shippers who transport traffic over the Segment.

To facilitate the expedited handling of this matter, Respondents are tendering various documents in response to this Interrogatory that relate to the Feeder Application.

In further response to Interrogatory No. 17, Respondents note that while DSR may not be financially obligated to use INFRA Grant funds to rehabilitate the Segment, SEAEDD, per the INFRA Grant Agreement STATEMENT OF WORK, executed January 15, 2021, is obligated to restore the entire Corridor and distribute INFRA Grant funds only for the construction activities described in the Detailed Project Work Plan and in Subtasks 4a and 4b, within the Corridor in accordance with the terms of the Grant requirements.

INTERROGATORY NO. 18:

Identify (i) all time deadlines currently imposed on any Respondent for Expenditure of the Grant, and (ii) any other timelines currently in effect under the Grant.

Respondents' Response: The time frames established by USDOT that govern the entire process are set forth in the Statement of Work that was Electronically Signed on January 15, 2021. A copy of this document was produced on February 17, 2021.

INTERROGATORY NO. 19:

Identify all Communications between DSR, on the one hand, and a Respondent or MPP on the other, that any Respondent believes was a commitment by DSR to expend any portion of the Grant on the Segment.

Respondents' Response: Prior to August 21, 2020, DSR never stated that, if INFRA Grant Funds were allocated for rehabilitation of the Segment, it would not commit to allowing the Segment to be rehabilitated with such funds in accordance with the terms of Grant Agreement set by FRA. Given the unquestioned intent to rehabilitate the entire Corridor that was expressed by DSR officials as early as the first meeting at DSR's office in Tallulah on September 26, 2016, and its letter of support sent to Elaine Chao, Secretary, U.S. Department of Transportation, dated October 17, 2017, Respondents had no reason to question DSR's unequivocal support for the Project's goal to rehabilitate the entire Corridor.

INTERROGATORY NO. 20:

Identify all Communications or Documents wherein DSR stated that it is or was "incapable" of funding the rehabilitation of the Segment, as alleged on p. 4 of the Application.

Respondents' Response: Respondents note that in September 2017, Matt Prince, Continental Rail's Director of Operations, announced that "[w]e bowed out of the grant application for the time being as we

simply cannot afford to spend the cash right now." From the outset, DSR made it clear during various meetings that it was unwilling and unable to expend the funds that it recognized would be necessary to rehabilitate the infrastructure and had to rely on State and Federal funds. Indeed, DSR "bowed out" because it was not able to cover its share of the payment owed to HDR. Nevertheless, on October 17, 2017, Matt Prince forwarded a letter of support to Elaine Chao, Secretary, U.S. Department of Transportation. That letter is reproduced as Exhibit 4 to the Feeder Application.

Thereafter, in November and December 2019, as part of the joint effort to trim down the scope of work, Jon Ryan submitted a budgetary spreadsheet proposal that focused on DSR's financial ability to upgrade its tracks between MP 496 and MP 500. He did not indicate any financial ability to rehabilitate DSR's tracks between MP 471 and 491, which had been discussed over the past two years and presented to FRA as a critical component of the INFRA Grant Applications.

INTERROGATORY NO. 21:

Identify the formal operating plan, as referenced on p. 5 of the Application.

Respondents' Response: A true copy of the unredacted formal operating plan was filed by LPPC with the Board on December 28, 2020. A redacted Public Version had been earlier filed on December 22, 2020.

INTERROGATORY NO. 22:

Identify all projections or assumptions of loaded railcars to be moved by NLA over the Segment (on a weekly, monthly, or annual basis) if the Application is granted.

Respondents' Response: Respondents are not aware of any projections regarding the number of loaded railcars to be moved over the Segment.

INTERROGATORY NO. 23:

Identify all projections or assumptions of revenue to be earned by NLA for the movement of rail traffic over the Segment (on a weekly, monthly, or annual basis) if the Application is granted.

Respondents' Response: Respondents have no information regarding projections made by NLA regarding the revenue to be earned for the movment of rail traffic over the Segment.

INTERROGATORY NO. 24:

Identify all Communications between Respondents or MPP, on the one hand, and "HDR" on the other, regarding the Grant, the Corridor, the Segment, or the Application, as identified on p. 9 of the Application.

Respondents' Response: Respondents object to this Request on the grounds that it is unduly burdensome. HDR worked with all members of the Public Private Partnership (PPP) since September 26,

2016 in preparing both the FY 17-18 Grant Application, which was denied, and the FY 19-20 Grant Application. Moreover, DSR actively participated in the joint effort to trim down the scope of work following receipt of the email from Paul Baumer with US DOT about offering an INFRA Grant award to SEAEDD at the reduced amount of $10,516,259. As a result, DSR was unquestionably aware of the intended rail rehabilitation scope of work that was repeatedly discussed by all members of the PPP for over two years and presented to the FRA as part of the grant applications. Simply stated Communications with HDR related to that effort are not relevant to the Feeder Application proceeding.

Respondents have reviewed communications with HDR that relate to events following USDOT's announcement July 10, 2019 that it would consider a grant to SEAEDD at the reduced amount of $10,516,259 and are providing copies of Communications with HDR that relate to the effort to modify the initial Grant request with the joint agreement of all parties, including DSR to accept the reduced amount offered by USDOT/FRA.

INTERROGATORY NO. 25:

Identify all Communications or Documents Relating to the efforts of any of the Respondents to purchase the Segment from DSR through negotiation.

Respondents' Response: On August 20, 2020, Wyly Gilfoil spoke with John Marino, the former CEO of Continental (which was at the time the Manager of DSR). His Deputy Director, Bryant Killen, participated in the call. A copy of his notes, which accurately describes the key points of that conversation, is being produced herewith.

INTERROGATORY NO. 26:

Explain all reasons why DSR was not permitted to participate in the meeting in Washington, D.C. with USDOT regarding the Grant on in Spring, 2020.

Respondents' Response: Respondents have no knowledge of any meeting in Washington, D.C. with USDOT regarding the Grant in Spring, 2020.

INTERROGATORY NO. 27:

Identify all versions of the "Consortium Agreement," as referenced on p. 11 of the Application.

Respondents' Response: DSR was provided with a true copy of the initial draft version of the Consortium Agreement on July 30, 2020. Copies of the draft Consortium Agreement dated October 28, 2020 and the final Consortium Agreement dated November 20, 2020 are being produced.

INTERROGATORY NO. 28:

Identify the "letter from FRA approving of the requested changes to the scope of work," as referenced on p. 11 of the Application.

Respondents' Response: A true copy of the letter from Marc R. Dixon, Project Manager- South Central Region, Federal Railroad Administration to Ms. Patrecia Hargrove, Executive Director, SEAEDD, dated June 1, 2020 is being produced.

INTERROGATORY NO. 29:

Identify all efforts, undertaken by any person or entity, to effect "reallocation of the $3.2 million plus Engineering," as referenced on p. 16 of the Application, including, but not limited to, Communications with USDOT regarding that subject, or Documents reflecting that subject.

Respondents' Response: No one, other than DSR, has made any attempt to affect the "reallocation of the $3.2 million plus Engineering." FRA announced that a Grant in the amount of $10,516,259.00 had been awarded to SEAEDD on July 18, 2019, which required a reassessment of the various projects that would be funded with INFRA Grant funds. SEAEDD's distribution of Grant funds must comply with the requirements imposed by USDOT/FRA in the Grant Agreement that was executed on January 1, 2021 and previously provided to counsel for DSR on February 17, 2021. STATEMENT OF WORK, **Task 4: Construction** reads as herein relevant that:

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

FRA has *never* agreed to the use of INFRA Grant funds to upgrade any of the track located between MP 491 and MP 500.2. As a result, DSR, by refusing to commit to the use of Grant funds for the purposes set forth above, is the only person or entity that has attempted to undo the terms imposed by FRA.

INTERROGATORY NO. 30:

Identify the "time restraints on SEAEDD" imposed by the Grant, as referenced on p. 4 of LPPC's and SEAEDD's "Petition Seeking Expedited Consideration."

Respondents' Response: *See* Grant Agreement, Attachment 3, DELIVERABLES AND APPROVED PROJECT SCHEDULE, Approved Project Schedule, which was provided to DSR's attorney on February 17, 2021.

INTERROGATORY NO. 31:

Identify each Person providing Documents, information and/or other assistance in responding to these Interrogatories, and for each such Person, Identify the Interrogatory(ies) to which such Person provided Documents, information and/or assistance.

Respondents' Response: The following Persons, with the assistance of counsel, are providing documents and other information in response to the Interrogatories: Wyly Gilfoil, Executive Director, LPPC; Patrecia Hargrove, Executive Director, SEAEDD. The Responses indicate the Sources of the Responses.

NORTHEAST LOUISIANA RAILROAD
DEVELOPMENT DISTRICT

TO: LEASE

LAKE PROVIDENCE PORT COMMISSION

****

STATE OF LOUISIANA
PARISH OF MAIDSON

BE IT KNOWN AND REMEMBERED that on the days and dates hereinafter written, before me, the undersigned authority, Notary Public in and for the said Parish and State, duly commissioned and qualified in accordance with law, and in the presence of the undersigned competent witnesses, there personally came and appeared:

NORTHEAST LOUISIANA RAILROAD DEVELOPMENT DISTRICT
hereinafter referred to as LESSOR,
and
LAKE PROVIDENCE PORT COMMISSION
hereinafter designated as LESSEE,

1.

That LESSOR has leased and let and do now by this act lease and let, for any commercial purpose, for the price and consideration, and upon the terms and conditions hereinafter set forth, unto and in favor of said LESSEE, the following described property situated in the Parish of Madison, State of Louisiana, to-wit:

A fifty (50) foot wide right-of-way over 2.7 miles of unusable railroad from milepost 498.44 to milepost 501.15, in Madison Parish, Louisiana.

2.

The price and consideration for which this lease is made is one-fifth (1/5) of all revenue generated on said property. The Lake Providence Port Commission is to receive one hundred percent (100%) of revenue until all pre-paid rent money advanced to the Northeast Louisiana Railroad Development District has been recouped.

3.

LESSEE agrees to keep any ditches, and drainage canals adequately mowed for control of weeds and grasses. LESSEE further agrees to maintain present roads and existing drainages.

4.

This lease herein made shall not interfere with any exploration for and/or development of said property for oil, gas and mineral purposes, LESSOR and their mineral lessee reserving the right to enter upon and make use of said property for said purposes and/or for any other purposes LESSOR deem necessary.



5.

LESSEE shall occupy the leased premises at its own risk and shall indemnify LESSOR against any expense, loss, cost, damage, claim, action, or liability paid, suffered or incurred as a result of any breach of lease by LESSEE or its agents, servants, employees, customers, visitors, or licensees or any covenant or condition of this lease, including, without limitation, the provisions hereof relating to the rights of drainage from the leased premises over adjoining or adjacent property or as a result of LESSEE'S use or occupancy of the leased premises or the carelessness, neglect or improper conduct of LESSEE'S agents, servants, employees, customers, visitors, or licensees. The LESSEE'S liability under the lease extends to the acts of omission of themselves or of any agent, servant, employee, customer, visitor, or licensee.

6.

LESSEE shall not have the right to sub-lease or assign the lease herein made to any other party without first obtaining the written consent of LESSOR.

7.

All property and operations of every kind that may be on the premises during the continuance of this lease shall be at the sole risk of the LESSEE, and LESSOR shall not be liable to LESSEE or any other person for any injury, loss or damage to property or to any person on the premises, LESSEE hereby assuming all such liability and agreeing to hold LESSOR harmless in the premises.

8.

The lease herein made is subordinate to any oil and gas lease or leases now affecting said property and should LESSEE suffer any loss by the operation of any individual, concern or corporation in its or their development of the leased premises for oil, gas or other minerals and/or the conducting of seismographic testing or any other testings relative thereto, whether the methods employed be similar or dissimilar, LESSEE shall immediately notify LESSOR of such damage and loss. LESSEE shall have the right of full recourse for such damage against such individual, concern or corporation, but LESSOR shall not be liable to LESSEE for such damages.

9

LESSOR, his agents and assigns, shall have the right, at all times, to go upon said property to inspect the same or to do or perform any other work that does not interfere with the operations conducted by LESSEE on said property.

10.

The lease herein made supersedes and cancels any prior lease affecting the leased premises.

11.

All rights and obligations of the lease herein made shall extend to the heirs of said LESSOR and LESSEE.

AND IN EVIDENCE WHEREOF, the parties have signed this lease in the presence of two competent witnesses, who sign as such with me, Notary, on this 21st day of DECEMBER, 2023, after due reading of the whole hereof.

WITNESS SIGNATURES:

Bryant Kollen
witness printed name

William W. Gilfoil
witness printed name

LESSOR:
Northeast Louisiana Railroad Development District

By: Steve Weeks, Chairman

Notary Public

Notary Printed Name ID#

JOHN D. CRIGLER, JR
LA BAR NO. 31118
COMM. EXP. AT DEATH

AND IN EVIDENCE WHEREOF, the parties have signed this lease in the presence of two competent witnesses, who sign as such with me, Notary, on this 21st day of December, 2023, after due reading of the whole hereof.

WITNESS SIGNATURES:

Bryant Killen
witness printed name

William W Gilfoil
witness printed name

LESSOR:
Lake Providence Port Commission

By:

Notary Public

Notary Printed Name ID#

JOHN D. CRIGLER, JR
LA BAR NO. 31118
COMM. EXP. AT DEATH



LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

Financial Statements
For the Year Ended December 31, 2024

David M. Hartt, (A Professional Accounting Corporation)
Certified Public Accountant
West Monroe, Louisiana

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

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DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lake Providence Port Commission
Lake Providence, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Lake Providence Port Commission, a component unit of the East Carroll Parish Police Jury, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Port Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Lake Providence Port Commission, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lake Providence Port Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake Providence Port Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Commissioners
Lake Providence Port Commission
Lake Providence, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exits. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of Lake Providence Port Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake Providence Port Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To the Board of Commissioners
Lake Providence Port Commission
Lake Providence, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Employer Contributions to Pension Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake Providence Port Commission's basic financial statements. The schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer is the responsibility of management and was derived directly from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2025 on our consideration of the Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Port Commission's internal control over financial reporting and compliance.

David M. Hood, CPA (APAC)

West Monroe, Louisiana
April 16, 2025

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

As management of the Lake Providence Port Commission, we offer readers of the Lake Providence Port Commission's financial statements this narrative overview and analysis of the financial activities of the Lake Providence Port Commission for the fiscal year ended December 31, 2024. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Port Commission's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Port Commission's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in his independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-Wide financial statements. The *government-wide financial statements* are designed to provide readers with a road overview of the Lake Providence Port Commission's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Lake Providence Port Commission's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Lake Providence Port Commission is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Lake Providence Port Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary funds. The Port Commission maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities. The Enterprise Fund financial statements present information on the Port Commission's general operations.

The Lake Providence Port Commission adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Lake Providence Port Commission's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Lake Providence Port Commission exceeded liabilities by $24,222,288. The largest portion of the Lake Providence Port Commission's net position reflects its investment in capital assets (e.g. equipment). These assets are not available for future spending. The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Lake Providence Port Commission to acquire capital assets from sources other than internally generated funds (i.e. debt), and 2) required depreciation on assets.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

STATEMENT OF NET POSITION

	December 31, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 857,693	$ 1,854,527
Receivables	10,569,325	9,830,625
Prepaid Rent	432,983	333,033
Other Assets	310	400
Total Current Assets	11,860,311	12,018,585
Restricted Assets:		
Cash and Cash Equivalents	721,031	710,097
Capital Assets (Net of Accumulated Depreciation)	26,436,590	25,659,101
TOTAL ASSETS	39,017,932	38,387,783
DEFERRED OUTFLOWS OF RESOURCES		
Pension and Lease Related	34,877	8,899
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 39,052,809	$ 38,396,682
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 27,659	$ 97,964
Payroll Payable	19,789	19,558
Payroll Taxes Payable	4,673	4,687
Accrued Interest Payable	-	-
Net Pension Liability	554,807	716,141
Current Portion of Long-Term Debt	87,000	84,000
Total Liabilities	693,928	922,350
Long-Term Liabilities		
Taxable Revenue Bonds	3,921,705	4,007,000
Certificates of Indebtedness	-	-
TOTAL LIABILITIES	4,615,633	4,929,350
DEFERRED INFLOWS OF RESOURCES		
Pension and Lease Related	10,214,888	9,473,980
NET POSITION		
Invested in Capital Assets, net of related debt	22,427,885	21,568,101
Reserved	721,031	710,097
Unrestricted	1,073,372	1,715,154
Total Net Position	24,222,288	23,993,352
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 39,052,809	$ 38,396,682

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

STATEMENT OF ACTIVITIES

	December 31, 2024	December 31, 2023
OPERATING REVENUES		
Use of Money and Property - Leases	$ 557,080	$ 578,005
State Grant Income	1,509,366	-
Total Operating Revenue	2,066,446	578,005
OPERATING EXPENSES		
Salaries & Fringe Benefits	374,496	403,706
Professional Services	1,009,051	442,828
Advertising	2,114	1,162
Utilities	12,945	18,625
Telephone	2,046	2,131
Insurance	4,026	4,407
Materials & Supplies	3,007	4,725
Travel	32,785	20,060
Dues & Subscriptions	10,839	6,517
Repairs & Maintenance	70,510	305,803
Depreciation	870,464	870,464
Other Operating Expenses	5,204	2,636
Total Operating Expenses	2,397,487	2,083,064
OPERATING INCOME	(331,041)	(1,505,059)
NON-OPERATING REVENUES (EXPENSES)		
Ad Valorem Taxes	194,269	197,702
State Revenue Sharing	2,853	3,248
Interest Income	469,277	451,097
Interest Expense	(153,542)	(154,931)
Other Non-Operating Income	53,563	1,872
Other Non-Operating Expenses	(6,443)	(90,551)
Total General Revenues	559,977	408,437
CHANGE IN NET POSITION	228,936	(1,096,622)
NET POSITION - BEGINNING OF THE YEAR	23,993,352	25,089,974
NET POSITION - END OF THE YEAR	$ 24,222,288	$ 23,993,352

Capital Asset and Debt Administration

Capital assets. The Lake Providence Port Commission's investment in capital assets for its governmental activities as of December 31, 2024, amounts to $26,436,590 (net of accumulated depreciation). This investment includes furniture and equipment. There were no additions or deletions in capital assets for the year.

Long-term debt. During 2021, the Port Commission issued Taxable Revenue and Revenue Refunding Bonds Series 2021 in the total amount of $4,250,000. The first principle payments was made in March 2022. The liability related to the outstanding principle at year end was $4,008,705.

At the end of the fiscal year, Lake Providence Port Commission had a net pension liability of $554,807.

Requests for Information

This financial report is designed to provide a general overview of the Lake Providence Port Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Lake Providence Port Commission, 409 Port Road, Lake Providence, LA 71254.

BASIC FINANCIAL STATEMENTS

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF NET POSITION
DECEMBER 31, 2024

Assets	
Current Assets:	
Cash	$ 857,693
Receivables	10,569,325
Prepaid Rent	432,983
Other Assets	310
Total Current Assets	11,860,311
Restricted Assets:	
Cash and Cash Equivalents	721,031
Capital Assets:	
Depreciable	26,436,590
Total Assets	39,017,932
Deferred Outflows of Resources	
Resources Related to Pensions	46,552
Resources Related to Leases	8,899
Total Deferred Outflows of Resources	55,451
Liabilities	
Current Liabilities:	
Accounts Payable	27,659
Payroll Payable	19,789
Payroll Taxes Payable	4,673
Accrued Interest Payable	-
Net Pension Liability	554,807
	606,928
Current Portion of Long-Term Debt:	
Taxable Revenue Bonds	87,000
Total Current Liabilities	693,928
Long-Term Liabilities:	
Taxable Revenue Bonds	3,921,705
Total Liabilities	4,615,633
Deferred Inflows of Resources	
Resources Related to Pensions	151,760
Resources Related to Leases	10,056,884
Total Deferred Inflows of Resources	10,208,644
Net Position	
Net Investment in Capital Assets	22,427,885
Net Position - Restricted	721,031
Net Position - Unrestricted	1,100,190
Total Net Position	$ 24,249,106

The accompanying notes are an integral part of this financial statement.

Statement B

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

Operating Revenues		
State Grant Income	$	1,509,366
Use of Money and Property		557,080
Total Operating Revenues		2,066,446
Operating Expenses		
Salaries and Fringe Benefits		374,496
Professional Services		1,009,051
Advertising		2,114
Utilities		12,945
Telephone		2,046
Insurance		4,026
Materials and Supplies		3,007
Travel		32,785
Dues and Subscriptions		10,839
Repairs and Maintenance		70,510
Depreciation		870,464
Other Operating Expenses		5,204
Total Operating Expenses		2,397,487
Operating Income (Loss)		(331,041)
Non-Operating Revenues (Expenses)		
Ad Valorem Taxes		194,269
State Revenue Sharing		2,853
Interest Income		469,277
Interest Expense		(153,542)
Other Non-Operating Income		80,381
Other Non-Operating Expenses		(6,443)
Total Non-Operating Revenues (Expenses)		586,795
Net Income (Loss)		255,754
Net Position at Beginning of the Year		23,993,352
Net Position at End of the Year	$	24,249,106

The accompanying notes are an integral part of this financial statement.

Statement C

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$	2,873,535
Cash Paid to Suppliers		(1,652,576)
Cash Paid to Employees		(374,496)
Interest Paid		(153,542)
Net Cash Provided by Operating Activities		692,921
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Revenue Bonds Refunded		-
Taxable Revenue and Revenue Refunding Bonds Issued		-
Net Cash Used for Capital Financing Activities		-
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Land and Construction in Progress		(1,647,953)
Principle Paid on Long-Term Debt		(82,295)
Interest on Deposits		51,427
Net Cash Provided by Investing Activities		(1,678,821)
NET DECREASE IN CASH		(985,900)
CASH AT BEGINNING OF YEAR		2,564,624
CASH AT END OF YEAR	$	1,578,724
RECONCILIATION OF CASH AND RESTRICTED CASH REPORTED WITHIN THE BALANCE SHEET THAT SUM TO THE TOTAL OF THE SAME SUCH AMOUNTS IN THE STATEMENTS OF CASH FLOWS:		
Cash and Cash Equivalents	$	857,693
Restricted Cash - Debt Service Reserve		721,031
Total Cash and Restricted Cash	$	1,578,724

The accompanying notes are an integral part of this financial statement.

Statement C

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$	255,754
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation		870,464
GASB 68 Pension Revenue (Expense)		(80,381)
Non Pension Deducts		6,443
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables		(124,741)
(Increase) Decrease in Prepaid Rent		(99,950)
(Increase) Decrease in Other Assets		90
Increase (Decrease) in Accounts Payable		(70,305)
Increase (Decrease) in Payroll Payable		231
Increase (Decrease) in Payroll Taxes Payable		(14)
Increase (Decrease) in Accrued Interest		(64,670)
Total Adjustments		437,167
Net Cash Provided by Operating Activities	$	692,921

The accompanying notes are an integral part of this financial statement.

INTRODUCTION

The Lake Providence Port Commission (Port Commission) was created by Act 450 of the 1958 Session of the Louisiana Legislature as the governing authority of the Lake Providence Parish Port, Harbor, and Terminal District. The board of commissioners consist of seven members who serve four-year staggered terms; four appointed by the East Carroll Parish Police Jury, two by the Town of Lake Providence, and one selected by the six appointed members. Commissioners serve without compensation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Lake Providence Port Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the East Carrol Parish Police Jury is the financial reporting entity for East Carroll Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the East Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and

    a. The ability of the police jury to impose its will on that organization and/or

    b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury exists.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY (CONTINUED)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the Port Commission's governing body, the Port Commission was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Port Commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. BASIC FINANCIAL STATEMENTS – GOVERNMENT WIDE STATEMENTS

The Port Commission is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user charges.

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Port Commission.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The Port Commission first uses restricted resources to finance qualifying activities.

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB No.33, *Accounting and Financial Reporting for Nonexchange Transactions.*

Program Revenues – Program revenues included in the Statement of Activities are derived directly from parties outside the Port Commission's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the Port Commission's general revenues.

Expenses – The Port Commission reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Port Commission are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrated legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the Port Commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures. General operating expenses are paid from this fund.

E. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The Port Commission considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. Under state law, the Port Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Port Commission's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The Port Commission maintains a threshold level of $500 or more for capitalizing capital assets.

Description	Estimated Lives
Buildings and building improvements	20-40 years
Furniture and fixtures	5-10 years
Vehicles	5-15 years
Equipment	5-20 years

I. ANNUAL AND SICK LEAVE

The Director of the Port Commission earns from 14 to 24 days of vacation and sick leave each year, depending on length of service.

J. RISK MANAGEMENT

The Port Commission is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle such risk of loss, the Port Commission maintains a commercial insurance policy covering property, general liability, employee fidelity and worker's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2024.

K. PENSION PLANS

The Port Commission is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

L. CONTRIBUTED CAPITAL

Grants received by the Port Commission that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

N. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of* resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Port Commission has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Port Commission has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

For purposes measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximate fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The Port Commission's policy does not address interest rate risk.

Credit Risk: The Port Commission's investments are in Certificates of Deposits which do not have credit ratings; however, the Port Commission's policy does not address credit rate risk.

Custodial Credit Risk: At year-end the Port Commission's carrying amount of deposits was $1,578,724 and the bank balance was $1,583,904, which includes $22,628 in certificate of deposits classified as investments.

Of the bank balance, $500,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Port Commission's name in the amount of $3,081,791. The Port Commission's policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Port Commission that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 – ACCOUNTS RECEIVABLE

The General Fund receivables of $10,569,325 at December 31, 2024, are as follows:

Taxes – Ad Valorem	$ 181,423
Leases	10,140,220
Accrued Lease Interest	245,780
State Revenue Sharing	1,902
Total	$10,569,325

NOTE 4 – LEVIED TAXES

The ad valorem tax millage levied by the Port Commission was 3.26 mills for the year ended December 31, 2024. The authorized millage for the year ended December 31, 2024 was 2.980 mills. The difference between authorized and levied millages is the result of reassessments of taxable property withing the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2024 assessed valuation (amounts expressed in thousands):

	2024 Assessed Value Valuation	Percent of Total
Columbia Gulf Transmission Co.	$ 13,993	20.13%
Trunkline Gas Company	4,709	6.77%
Tennessee Gas Pipeline Company	3,151	4.53%
Progressive Tractor Holdings	1,302	1.87%
Southern Natural Gas Company	1,861	2.68%
Nutrien AF Solutions, Inc.	1,709	2.46%
Terral Riverservice, Inc.	2,257	3.25%
Delta Bank	1,472	2.12%
Lansing Louisiana, LLC	1,200	1.73%
Entergy Louisiana, Inc.	1,481	2.13%
Total	$ 33,135	47.67%

NOTE 5 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2024 is as follows:

	Balance at December 31, 2023	Additions	Deletions	Balance at December 31, 2024
Land	$ 1,003,498	$ 10,017	$ -	$ 1,013,515
Construction in Progress	-	1,637,936	-	1,637,936
Buildings	2,930,797	-	-	2,930,797
Improvements	33,813,086	-	-	33,813,086
Heavy Equipment	1,161,622	-	-	1,161,622
Office Equipment	39,283	-	(5,888)	33,395
Total	38,948,286	1,647,953	(5,888)	40,590,351
Less Accumulated Depreciation	(13,289,185)	(870,464)	5,888	(14,153,761)
Net Capital Assets	$25,659,101	$ 777,489	$ -	$26,436,590

Depreciation expense was $870,464 in 2024.

NOTE 6 – PENSION PLAN

Retirement Systems

Louisiana State Employees' Retirement System (LASERS)

Pensions

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Employees of Lake Providence Port Commission are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, employees, and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The LASERS rank-and-file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members.

Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service.

Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

2. Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

3. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

4. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member hired before January 1, 2011, who was in state service at the time of death, must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit, regardless of when earned, in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and in active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.
A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the members final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18.

No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

5. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.
Contributions
The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2024 are as follows:

Plan	Plan Status	2024 Employer Rate
Regular Employees hired before 7/01/06	Closed	40.40%
Regular Employees hired on or after 7/01/06	Closed	40.40%
Regular Employees hired on or after 1/01/11	Closed	40.40%
Regular Employees hired on or after 7/1/15	Open	40.40%

The Lake Providence Port Commission's contractually required composite contribution rate for the year ended December 31, 2024 was 40.40% of annual payroll (January-June) and 41.30% of annual payroll (July-December), actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Commission were $99,095 for the year ended December 31, 2024.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Employer reported a liability of $554,807 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Commission's proportion of the Net Pension Liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Agency's proportion was 0.010202%, which was a decrease of 0.000497% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Lake Providence Port Commission recognized pension expense of $56,997 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contribution, which was ($108,984). Total pension expense for the Lake Providence Port Commission for the year ended December 31, 2024 was ($51,987).

At December 31, 2024, the Lake Providence Port Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	2,454
Changes in assumption	3,878	-
Net difference between projected and actual earnings on pension plan investments	-	66,149
Changes in employer's portion of beginning net pension liability	-	-
Differences between employer contributions and proportionate share of employer contributions	-	83,156
Subsequent measurement contributions	42,674	-
Total	46,552	151,760

The $42,674 reported as deferred outflows of resources related to pensions resulting from the Lake Providence Port Commission contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2025	(100,550)
2026	(5,294)
2027	(25,495)
2028	(16,542)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability are as follows:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25% per annum, net of investment expenses*
Inflation Rate	2.40% per annum.
Mortality	**Non-disabled members** - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.

	Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2019-2023) experience study of the System's members.
Salary increases	Salary increases were projected based on a 2019-2023 experience study of the System's members. The salary increase ranges for specific types of members are: **Member Type** — **Lower Range** — **Upper Range** Regular — 3.3% — 14.0%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.15% for 2024. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	0.76%
Domestic Equity	4.29%
International Equity	5.22%
Domestic Fixed Income	2.04%
International Fixed Income	5.24%
Alternative Investments	8.19%
Totals	5.61%

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the Lake Providence Port Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Lake Providence Port Commission's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage-point lower, or one percentage-point higher than the current rate.

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
2024 Employer Net Pension Liability	$766,174	$554,807	$375,194

Payables to the Pension Plan

These financial statements include a payable to the pension plan of $8,689, which is the legally required contribution due at December 31, 2024. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

The Louisiana State Employees' Retirement System has issued stand-alone audit reports on their financial statements for the years ended June 30, 2024. Access to the reports can be found on the Louisiana Legislative Auditor's website, www.11a.la.gov and the System's website, www.lasersonline.org.

NOTE 7 – LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31,2024:

	Net Pension Liability	Revenue Bonds	Total
Long-term debt payable at January 1, 2024	$ 716,141	$4,091,000	$ 4,807,141
Additions	-	-	-
Reductions	(161,334)	(82,295)	(243,629)
Long-term debt payable at December 31, 2024	$ 554,807	$4,008,705	$ 4,563,512

Long-term debt payable at December 31, 2024 is comprised of the following individual issues:

$2,015,000 – Taxable Revenue and Revenue Refunding Bonds (Refunding) issued March 25, 2021, are due in annual installments from $38,000 to $110,000 Through March 1, 2051 with interest at 3.75% due semi-annually. $1,899,000

$2,235,000 – Taxable Revenue and Revenue Refunding Bonds (New Money) issued March 25, 2021, are due in annual installments from $40,000 to $122,000 Through March 1, 2051 with interest at 3.75% due semi-annually. $2,109,705

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The following bonds were refunded when the Taxable Revenue and Revenue Refunding Bonds were issued:

$1,100,000 – Taxable Revenue Bonds issued April 29, 2014, are due in annual installments from $85,000 to $140,000 through December 1, 2024, with interest at 5.75 per cent per annum.	$ -
$2,500,000 – Certificates of indebtedness issued September 15, 2011, are due in annual installments from $160,000 to $265,000 through September 1, 2025, with interest at 4.59 per cent per annum.	-
$500,000 – Certificates of indebtedness issued September 15, 2011, are due in annual installments from $30,000 to $55,000 through September 1, 2025, with interest at 5.80 per cent per annum.	-
TOTAL	$ 4,008,705

The annual requirements to amortize all outstanding debt at December 31, 2024, including interest of $2,740,451 is as follows:

Year	Refunding Bonds Series 2021	New Money Bonds Series 2021	Interest
2025	$ 41,000	$ 46,000	$ 148,632
2026	43,000	48,000	145,295
2027	45,000	49,000	141,826
2028	46,000	52,000	138,226
2029	48,000	54,000	134,475
2030-2034	270,000	299,000	611,036
2035-2039	325,000	361,000	493,763
2040-2044	392,000	435,000	352,331
2045-2049	473,000	525,000	181,688
2050-2051	216,000	240,705	53,681
Total	$1,899,000	$2,109,705	$2,400,953

NOTE 8 – PORT LEASE RENTALS (AS LESSOR)

The Commission's lessor lease activity consists primarily of leasing infrastructure and dockspace to maritime enterprises, and other uses. The terms of these leases are for periods ranging from 5 to 40 years at various payment frequencies and amounts. In accordance with GASB Statement No. 87, *Leases*, a receivable has been recorded for the present value of lease payments to be received over the lease term for each agreement. As of December 31, 2024, the combined value of the lease receivables was $10,140,220. In determining the present value, a discount rate of 3.5% was generally applied to reflect a reasonable rate of return of the lease investments to the Commission. Also, deferred inflows associated with these lease payments have been recorded that will be recognized as revenue over the lease terms. The balance of the deferred inflows at December 31, 2024 is $10,056,884.

Inflows recognized during the year ended December 31, 2024 consisted of amortization of deferred inflow of $397,843 and interest income of $605,583. Additionally, approximately $310,871 of rental income was recognized on those leases which were not included in the lease receivable, either because of the variable nature of the payments or the short-term features of the contract.

The future lease collections including principal and interest as of December 31, 2024, are as follows:

Year	Principal	Interest	Total
2025	189,707	350,457	540,164
2026	152,514	487,525	640,039
2027	252,546	430,493	683,039
2028	275,691	407,348	683,039
2029	311,782	371,257	683,039
2030-2034	1,899,009	1,571,186	3,470,195
2035-2039	1,846,169	1,227,026	3,073,195
2040-2044	1,880,257	933,438	2,813,695
2045-2049	1,939,471	447,390	2,386,861
2050-2054	874,366	151,851	1,026,217
2055-2059	388,341	61,659	450,000
2060-2061	130,367	4,632	135,000
Total	$ 10,140,221	$ 6,444,262	$ 16,584,483

NOTE 9 – LITIGATION AND CLAIMS

The Lake Providence Port Commission is not involved in any litigation at December 31, 2024, nor is it aware of any unasserted claims.

NOTE 10 – PREPAID RENT

The Northeast Louisiana Multimodal District (fka NELA Railroad District) was created in 2022 by ordinances passed by the Police Juries of East Carroll, Madison, Tensas and Concordia Parishes. LA Revised Statute 33:140.71 – 79 was created by Act No. 435 in the Regular Session of 2004 of the Louisiana Legislature. The railroad district, if created, is hereby constituted and is declared to be a body politic and political subdivision of the state of Louisiana. The governing authorities of two or more parishes by ordinance may create a railroad development district. The district's primary object and purpose is to promote and encourage development of rail service in the area of the parishes to stimulate the economy through renewed commerce, industry, and for the utilization of and development of natural and human resources of the area by providing job opportunities. Lake Providence Port Commission paid $432,983 of that District's expenses during 2024 which will be treated as rent expense when the District is fully operational.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 16, 2025 and except as noted below, no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

Schedule I

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2024

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liabiltiy (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.005120%	$ 320,336	$ 102,842	311%	65.00%
2015	0.829000%	$ 563,981	$ 111,300	507%	62.70%
2016	0.009270%	$ 728,010	$ 230,615	316%	57.70%
2017	0.009350%	$ 658,060	$ 174,300	378%	62.50%
2018	0.009010%	$ 614,271	$ 174,300	352%	64.30%
2019	0.008760%	$ 634,872	$ 158,550	400%	62.90%
2020	0.010120%	$ 837,240	$ 198,494	422%	58.00%
2021	0.010050%	$ 552,929	$ 222,747	248%	72.80%
2022	0.011280%	$ 853,041	$ 236,372	361%	63.70%
2023	0.010700%	$ 716,141	$ 120,015	597%	68.40%
2024	0.010200%	$ 554,807	$ 244,005	227%	74.60%

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule II

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2014	$ 32,232	$ 32,232	$ -	$ 94,384	16.90%
2015	$ 69,760	$ 69,760	$ -	$ 190,657	36.60%
2016	$ 63,620	$ 63,620	$ -	$ 174,300	36.50%
2017	$ 64,230	$ 64,230	$ -	$ 174,300	36.90%
2018	$ 66,060	$ 66,060	$ -	$ 174,300	37.90%
2019	$ 62,090	$ 62,090	$ -	$ 158,550	39.20%
2020	$ 80,150	$ 80,150	$ -	$ 198,494	40.40%
2021	$ 88,622	$ 88,622	$ -	$ 222,747	39.80%
2022	$ 95,803	$ 95,803	$ -	$ 239,805	40.00%
2023	$ 99,095	$ 99,095	$ -	$ 242,579	40.90%
2024	93,307	93,307	$ -	$ 245,437	38.00%

Amounts presented were determined as of the end of the fiscal year.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this financial statement.

SUPPLEMENTARY INFORMATION

Schedule III

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency Head: William Gilfoil

Purpose	Amount
Salary	$ 147,330
Benefits – Insurance	22,218
Benefits – Retirement	56,015
Travel	4,438
Cellphone	1,857

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Lake Providence Port Commission
Lake Providence, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Lake Providence Port Commission (Port Commission), a component unit of East Carroll Parish Police Jury, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Port Commission's basic financial statements, and have issued our report thereon dated April 16, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port Commission' s internal control. Accordingly, we do not express an opinion on the effectiveness of the Port Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

David M. Nault, CPA (APAC)

West Monroe, Louisiana
April 16, 2025

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Lake Providence Port Commission
Lake Providence, Louisiana

We have audited the financial statements of Lake Providence Port Commission, a component unit of the East Carroll Parish Police Jury as of and for the year ended December 31, 2024, and have issued our report thereon dated April 16, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2024, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weakness ___ yes _X_ no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes _X_ no

Compliance
Compliance Material to Financial Statements ___ yes _X_ no

B. Federal Awards – N/A

Material Weakness Identified ___yes ___no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___no

Type of Opinion on Compliance For Major Programs (No Major Programs)
Unqualified _____ Qualified _____
Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with the Uniform Guidance, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

Section I - Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Lake Providence Port Commission and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Lake Providence Port Commission (the Entity) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. The Entity's management is responsible for those C/C areas identified in the SAUPs.

Lake Providence Port Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report.

We were engaged by the Lake Providence Port Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Lake Providence Port Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
April 16, 2025

P.O. BOX 1332 WEST MONROE, LA 71294 – (318)512-6367 David@dmhartt.com
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND SOCIETY OF LOUISIANA CPAS

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions noted in the above procedures.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions were noted in the above procedures.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were noted in the above procedures.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

i. Employees responsible for cash collections do not share cash drawers/registers;

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted in the above procedures.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

   i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

   ii. At least two employees are involved in processing and approving payments to vendors;

   iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

   iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

   v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

   [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

   i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

   ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exceptions noted in the above procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

   i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

   ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)

D. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe

whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

The Port has no credit, debit or fuel cards.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted in the above procedures.

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in the above procedures.

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the

pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted in the above procedures.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

   i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

   ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

None of the Board of Directors received the required ethics training.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This section is not applicable to this entity.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted in the above procedures.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":**

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management,

and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedures and discussed the results with management. The required cybersecurity training was not obtained.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

   i. Number and percentage of public servants in the agency who have completed the training requirements;

   ii. Number of sexual harassment complaints received by the agency;

   iii. Number of complaints which resulted in a finding that sexual harassment occurred;

   iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

   v. Amount of time it took to resolve each complaint.

None of the Board of Directors received the required sexual harassment training.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

Financial Statements
For the Year Ended December 31, 2023



David M. Hartt, (A Professional Accounting Corporation)
Certified Public Accountant
West Monroe, Louisiana

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

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DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lake Providence Port Commission
Lake Providence, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Lake Providence Port Commission, a component unit of the East Carroll Parish Police Jury, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Port Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Lake Providence Port Commission, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lake Providence Port Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake Providence Port Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Commissioners
Lake Providence Port Commission
Lake Providence, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exits. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of Lake Providence Port Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake Providence Port Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To the Board of Commissioners
Lake Providence Port Commission
Lake Providence, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Employer Contributions to Pension Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake Providence Port Commission's basic financial statements. The schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer is the responsibility of management and was derived directly from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2024 on our consideration of the Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Port Commission's internal control over financial reporting and compliance.

Darnell M. Hardt, CPA (APAC)

West Monroe, Louisiana
June 10, 2024

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

As management of the Lake Providence Port Commission, we offer readers of the Lake Providence Port Commission's financial statements this narrative overview and analysis of the financial activities of the Lake Providence Port Commission for the fiscal year ended December 31, 2023. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Port Commission's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Port Commission's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in his independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-Wide financial statements. The *government-wide financial statements* are designed to provide readers with a road overview of the Lake Providence Port Commission's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Lake Providence Port Commission's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Lake Providence Port Commission is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Lake Providence Port Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary funds. The Port Commission maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities. The Enterprise Fund financial statements present information on the Port Commission's general operations.

The Lake Providence Port Commission adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Lake Providence Port Commission's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Lake Providence Port Commission exceeded liabilities by $23,993,352. The largest portion of the Lake Providence Port Commission's net position reflects its investment in capital assets (e.g. equipment). These assets are not available for future spending. The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Lake Providence Port Commission to acquire capital assets from sources other than internally generated funds (i.e. debt), and 2) required depreciation on assets.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

STATEMENT OF NET POSITION

	December 31, 2023	December 31, 2022
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,854,527	$ 2,644,975
Receivables	9,830,625	11,970,125
Prepaid Rent	333,033	-
Other Assets	400	250
Total Current Assets	12,018,585	14,615,350
Restricted Assets:		
Cash and Cash Equivalents	710,097	699,027
Capital Assets (Net of Accumulated Depreciation)	25,659,101	26,529,565
TOTAL ASSETS	38,387,783	41,843,942
DEFERRED OUTFLOWS OF RESOURCES		
Pension and Lease Related	8,899	207,219
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 38,396,682	$ 42,051,161
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 97,964	$ 216,290
Payroll Payable	19,558	19,333
Payroll Taxes Payable	4,687	4,713
Accrued Interest Payable	-	-
Net Pension Liability	716,141	853,041
Current Portion of Long-Term Debt	84,000	81,000
Total Liabilities	922,350	1,174,377
Long-Term Liabilities		
Taxable Revenue Bonds	4,007,000	4,091,000
Certificates of Indebtedness	-	-
TOTAL LIABILITIES	4,929,350	5,265,377
DEFERRED INFLOWS OF RESOURCES		
Pension and Lease Related	9,473,980	11,695,810
NET POSITION		
Invested in Capital Assets, net of related debt	21,568,101	22,357,565
Reserved	710,097	699,027
Unrestricted	1,715,154	2,033,382
Total Net Position	23,993,352	25,089,974
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 38,396,682	$ 42,051,161

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

STATEMENT OF ACTIVITIES

	December 31, 2023	December 31, 2022
OPERATING REVENUES		
Use of Money and Property - Leases	$ 578,005	$ 716,742
OPERATING EXPENSES		
Salaries & Fringe Benefits	403,706	396,721
Professional Services	442,828	418,312
Advertising	1,162	1,188
Utilities	18,625	9,821
Telephone	2,131	1,822
Insurance	4,407	3,482
Materials & Supplies	4,725	1,923
Travel	20,060	26,289
Dues & Subscriptions	6,517	14,618
Repairs & Maintenance	305,803	32,501
Depreciation	870,464	863,239
Other Operating Expenses	2,636	3,382
Total Operating Expenses	2,083,064	1,773,298
OPERATING INCOME	(1,505,059)	(1,056,556)
NON-OPERATING REVENUES (EXPENSES)		
Ad Valorem Taxes	197,702	165,612
State Revenue Sharing	3,248	3,255
Interest Income	451,097	414,401
Interest Expense	(154,931)	(157,914)
Other Non-Operating Income	1,872	15,556
Other Non-Operating Expenses	(90,551)	(18,820)
Total General Revenues	408,437	422,090
CHANGE IN NET POSITION	(1,096,622)	(634,466)
NET POSITION - BEGINNING OF THE YEAR	25,089,974	25,724,440
NET POSITION - END OF THE YEAR	$ 23,993,352	$ 25,089,974

Capital Asset and Debt Administration

Capital assets. The Lake Providence Port Commission's investment in capital assets for its governmental activities as of December 31, 2023, amounts to $25,659,101 (net of accumulated depreciation). This investment includes furniture and equipment. There were no additions or deletions in capital assets for the year.

Long-term debt. During 2021, the Port Commission issued Taxable Revenue and Revenue Refunding Bonds Series 2021 in the total amount of $4,250,000. The first principle payments was made in March 2022. The liability related to the outstanding principle at year end was $4,091,000.

At the end of the fiscal year, Lake Providence Port Commission had a net pension liability of $716,141.

Requests for Information

This financial report is designed to provide a general overview of the Lake Providence Port Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Lake Providence Port Commission, 409 Port Road, Lake Providence, LA 71254.

BASIC FINANCIAL STATEMENTS

Statement A

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF NET POSITION
DECEMBER 31, 2023

Assets	
Current Assets:	
Cash	$ 1,854,527
Receivables	9,830,625
Prepaid Rent	333,033
Other Assets	400
Total Current Assets	12,018,585
Restricted Assets:	
Cash and Cash Equivalents	710,097
Capital Assets:	
Depreciable	25,659,101
Total Assets	38,387,783
Deferred Outflows of Resources	
Resources Related to Pensions	69,737
Resources Related to Leases	8,899
Total Deferred Outflows of Resources	78,636
Liabilities	
Current Liabilities:	
Accounts Payable	97,964
Payroll Payable	19,558
Payroll Taxes Payable	4,687
Accrued Interest Payable	-
Net Pension Liability	716,141
	838,350
Current Portion of Long-Term Debt:	
Taxable Revenue Bonds	84,000
Total Current Liabilities	922,350
Long-Term Liabilities:	
Taxable Revenue Bonds	4,007,000
Total Liabilities	4,929,350
Deferred Inflows of Resources	
Resources Related to Pensions	92,417
Resources Related to Leases	9,451,300
Total Deferred Inflows of Resources	9,543,717
Net Position	
Net Investment in Capital Assets	21,568,101
Net Position - Restricted	710,097
Net Position - Unrestricted	1,715,154
Total Net Position	$ 23,993,352

The accompanying notes are an integral part of this financial statement.

Statement B

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Operating Revenues		
Use of Money and Property	$	578,005
Operating Expenses		
Salaries and Fringe Benefits		403,706
Professional Services		442,828
Advertising		1,162
Utilities		18,625
Telephone		2,131
Insurance		4,407
Materials and Supplies		4,725
Travel		20,060
Dues and Subscriptions		6,517
Repairs and Maintenance		305,803
Depreciation		870,464
Other Operating Expenses		2,636
Total Operating Expenses		2,083,064
Operating Income (Loss)		(1,505,059)
Non-Operating Revenues (Expenses)		
Ad Valorem Taxes		197,702
State Revenue Sharing		3,248
Interest Income		451,097
Interest Expense		(154,931)
Other Non-Operating Income		1,872
Other Non-Operating Expenses		(90,551)
Total Non-Operating Revenues (Expenses)		408,437
Net Income (Loss)		(1,096,622)
Net Position at Beginning of the Year		25,089,974
Net Position at End of the Year	$	23,993,352

The accompanying notes are an integral part of this financial statement.

Statement C

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$	1,177,660
Cash Paid to Suppliers		(1,421,696)
Cash Paid to Employees		(375,851)
Interest Paid		(154,931)
Net Cash Provided by Operating Activities		(774,818)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Revenue Bonds Refunded		-
Taxable Revenue and Revenue Refunding Bonds Issued		-
Net Cash Used for Capital Financing Activities		-
CASH FLOWS FROM INVESTING ACTIVITIES		
Principle Paid on Long-Term Debt		(81,000)
Interest on Deposits		76,440
Net Cash Provided by Investing Activities		(4,560)
NET DECREASE IN CASH		(779,378)
CASH AT BEGINNING OF YEAR		3,344,002
CASH AT END OF YEAR	$	2,564,624
RECONCILIATION OF CASH AND RESTRICTED CASH REPORTED WITHIN THE BALANCE SHEET THAT SUM TO THE TOTAL OF THE SAME SUCH AMOUNTS IN THE STATEMENTS OF CASH FLOWS:		
Cash and Cash Equivalents	$	1,854,527
Restricted Cash - Debt Service Reserve		710,097
Total Cash and Restricted Cash	$	2,564,624

The accompanying notes are an integral part of this financial statement.

Statement C

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$	(1,096,622)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation		870,464
GASB 68 Pension Expense		(84,100)
Non Pension Deducts		6,451
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables		(19,701)
(Increase) Decrease in Prepaid Rent		(333,033)
(Increase) Decrease in Other Assets		(150)
Increase (Decrease) in Accounts Payable		(118,326)
Increase (Decrease) in Payroll Payable		225
Increase (Decrease) in Payroll Taxes Payable		(26)
Increase (Decrease) in Accrued Interest		-
Total Adjustments		321,804
Net Cash Provided by Operating Activities	$	(774,818)

The accompanying notes are an integral part of this financial statement.

INTRODUCTION

The Lake Providence Port Commission (Port Commission) was created by Act 450 of the 1958 Session of the Louisiana Legislature as the governing authority of the Lake Providence Parish Port, Harbor, and Terminal District. The board of commissioners consist of seven members who serve four-year staggered terms; four appointed by the East Carroll Parish Police Jury, two by the Town of Lake Providence, and one selected by the six appointed members. Commissioners serve without compensation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Lake Providence Port Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the East Carrol Parish Police Jury is the financial reporting entity for East Carroll Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the East Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and

    a. The ability of the police jury to impose its will on that organization and/or

    b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury exists.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY (CONTINUED)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the Port Commission's governing body, the Port Commission was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Port Commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. BASIC FINANCIAL STATEMENTS – GOVERNMENT WIDE STATEMENTS

The Port Commission is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user charges.

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Port Commission.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The Port Commission first uses restricted resources to finance qualifying activities.

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB No.33, *Accounting and Financial Reporting for Nonexchange Transactions.*

Program Revenues – Program revenues included in the Statement of Activities are derived directly from parties outside the Port Commission's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the Port Commission's general revenues.

Expenses – The Port Commission reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Port Commission are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrated legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the Port Commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures. General operating expenses are paid from this fund.

E. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The Port Commission considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. Under state law, the Port Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Port Commission's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The Port Commission maintains a threshold level of $500 or more for capitalizing capital assets.

Description	Estimated Lives
Buildings and building improvements	20-40 years
Furniture and fixtures	5-10 years
Vehicles	5-15 years
Equipment	5-20 years

I. ANNUAL AND SICK LEAVE

The Director of the Port Commission earns from 14 to 24 days of vacation and sick leave each year, depending on length of service.

J. RISK MANAGEMENT

The Port Commission is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle such risk of loss, the Port Commission maintains a commercial insurance policy covering property, general liability, employee fidelity and worker's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2023.

K. PENSION PLANS

The Port Commission is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

L. CONTRIBUTED CAPITAL

Grants received by the Port Commission that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

N. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of* resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Port Commission has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Port Commission has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

For purposes measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximate fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The Port Commission's policy does not address interest rate risk.

Credit Risk: The Port Commission's investments are in Certificates of Deposits which do not have credit ratings; however, the Port Commission's policy does not address credit rate risk.

Custodial Credit Risk: At year-end the Port Commission's carrying amount of deposits was $2,564,624 and the bank balance was $2,548,689, which includes $22,628 in certificate of deposits classified as investments.

Of the bank balance, $500,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Port Commission's name in the amount of $3,366,681. The Port Commission's policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Port Commission that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 – ACCOUNTS RECEIVABLE

The General Fund receivables of $9,830,623 at December 31, 2023, are as follows:

Taxes – Ad Valorem	$ 153,940
Leases	9,526,259
Accrued Lease Interest	147,178
State Revenue Sharing	3,246
Total	$ 9,830,623

NOTE 4 – LEVIED TAXES

The ad valorem tax millage levied by the Port Commission was 3.26 mills for the year ended December 31, 2023. The authorized millage for the year ended December 31, 2023 was 3.26 mills. The difference between authorized and levied millages is the result of reassessments of taxable property withing the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2023 assessed valuation (amounts expressed in thousands):

	2023 Assessed Value Valuation	Percent of Total
Columbia Gulf Transmission Co.	$ 13,895	21.72%
Trunkline Gas Company	4,754	7.43%
Tennessee Gas Pipeline Company	3,157	4.93%
Progressive Tractor Holdings	1,069	1.67%
Southern Natural Gas Company	1,864	2.91%
Nutrien AF Solutions, Inc.	1,983	3.10%
Terral Riverservice, Inc.	1,728	2.70%
Delta Bank	1,162	1.23%
Lansing Louisiana, LLC	1,216	1.90%
Entergy Louisiana, Inc.	1,651	2.58%
Total	$ 32,479	50.17%

NOTE 5 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2023 is as follows:

	Balance at December 31, 2022	Additions	Deletions	Balance at December 31, 2023
Land	$ 1,003,498	$ -	$ -	$ 1,003,498
Construction in Progress	-	-	-	-
Buildings	2,930,797	-	-	2,930,797
Improvements	33,813,086	-	-	33,813,086
Heavy Equipment	1,161,622	-	-	1,161,622
Office Equipment	33,395	5,888	-	39,283
Total	38,942,398	5,888	-	38,948,286
Less Accumulated Depreciation	(12,418,721)	(870,464)	-	(13,289,185)
Net Capital Assets	$26,523,677	$(864,576)	$ -	$25,659,101

Depreciation expense was $870,464 in 2023.

NOTE 6 – PENSION PLAN

Retirement Systems

Louisiana State Employees' Retirement System (LASERS)

Pensions

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Employees of Lake Providence Port Commission are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, employees, and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The LASERS rank-and-file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members.

Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service.

Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

2. Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

3. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

4. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member hired before January 1, 2011, who was in state service at the time of death, must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit, regardless of when earned, in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and in active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.
A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the members final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

5. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.
Contributions
The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2023 are as follows:

Plan	Plan Status	2023 Employer Rate
Regular Employees hired before 7/01/06	Closed	40.40%
Regular Employees hired on or after 7/01/06	Closed	40.40%
Regular Employees hired on or after 1/01/11	Closed	40.40%
Regular Employees hired on or after 7/1/15	Open	40.40%

The Lake Providence Port Commission's contractually required composite contribution rate for the year ended December 31, 2023 was 40.40% of annual payroll (January-June) and 41.30% of annual payroll (July-December), actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Commission were $99,095 for the year ended December 31, 2023.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Employer reported a liability of $716,141 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Commission's proportion of the Net Pension Liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Agency's proportion was 0.01070%, which was a decrease of 0.000585% from its proportion measured as of June 30, 2022.
For the year ended December 31, 2023, the Lake Providence Port Commission recognized pension expense of $107,813 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contribution, which was ($63,174). Total pension expense for the Lake Providence Port Commission for the year ended December 31, 2023 was $44,639.

At December 31, 2023, the Lake Providence Port Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	15,502	-
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	4,094	-
Changes in employer's portion of beginning net pension liability	-	-
Differences between employer contributions and proportionate share of employer contributions	-	92,416
Subsequent measurement contributions	50,141	-
Total	69,737	92,416

The $50,141 reported as deferred outflows of resources related to pensions resulting from the Lake Providence Port Commission contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2024	(15,440)
2025	(60,877)
2026	12,887
2027	(9,388)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability are as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25% per annum, net of investment expenses*
Inflation Rate	2.3% per annum.
Mortality	**Non-disabled members** - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. **Disabled members** - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.
Salary increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are: **Member Type** — **Lower Range** — **Upper Range** Regular — 3.0% — 12.8%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.19% for 2023. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	0.80%
Domestic Equity	4.45%
International Equity	5.44%
Domestic Fixed Income	2.04%
International Fixed Income	5.33%
Alternative Investments	8.19%
Totals	5.75%

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the Lake Providence Port Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Lake Providence Port Commission's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage-point lower, or one percentage-point higher than the current rate.

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
2023 Employer Net Pension Liability	$937,727	$716,141	$528,410

Payables to the Pension Plan

These financial statements include a payable to the pension plan of $9,914, which is the legally required contribution due at December 31, 2023. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

The Louisiana State Employees' Retirement System has issued stand-alone audit reports on their financial statements for the years ended June 30, 2023. Access to the reports can be found on the Louisiana Legislative Auditor's website, www.l1a.la.gov and the System's website, www.lasersonline.org.

NOTE 7 – LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31,2023:

	Net Pension Liability	Revenue Bonds	Total
Long-term debt payable at January 1, 2023	$ 853,041	$4,172,000	$ 5,025,041
Additions	-	-	-
Reductions	(136,900)	(81,000)	(217,900)
Long-term debt payable at December 31, 2023	$ 716,141	$4,091,000	$ 4,807,141

Long-term debt payable at December 31, 2023 is comprised of the following individual issues:

$2,015,000 – Taxable Revenue and Revenue Refunding Bonds (Refunding) issued March 25, 2021, are due in annual installments from $38,000 to $110,000 Through March 1, 2051 with interest at 3.75% due semi-annually. $1,939,000

$2,235,000 – Taxable Revenue and Revenue Refunding Bonds (New Money) issued March 25, 2021, are due in annual installments from $40,000 to $122,000 Through March 1, 2051 with interest at 3.75% due semi-annually. $2,152,000

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The following bonds were refunded when the Taxable Revenue and Revenue Refunding Bonds were issued:

$1,100,000 – Taxable Revenue Bonds issued April 29, 2014, are due in annual installments from $85,000 to $140,000 through December 1, 2024, with interest at 5.75 per cent per annum.	$ -
$2,500,000 – Certificates of indebtedness issued September 15, 2011, are due in annual installments from $160,000 to $265,000 through September 1, 2025, with interest at 4.59 per cent per annum.	-
$500,000 – Certificates of indebtedness issued September 15, 2011, are due in annual installments from $30,000 to $55,000 through September 1, 2025, with interest at 5.80 per cent per annum.	-
TOTAL	$ 4,091,000

The annual requirements to amortize all outstanding debt at December 31, 2023, including interest of $2,740,451 is as follows:

Year	Refunding Bonds Series 2021	New Money Bonds Series 2021	Interest
2024	$ 40,000	$ 44,000	$ 154,837
2025	41,000	46,000	148,632
2026	43,000	48,000	145,295
2027	45,000	49,000	141,826
2028	46,000	52,000	138,226
2029-2051	1,724,000	1,913,000	1,787,641
Total	$1,939,000	$2,152,000	$2,516,457

NOTE 8 – PORT LEASE RENTALS (AS LESSOR)

The Commission's lessor lease activity consists primarily of leasing infrastructure and dockspace to maritime enterprises, and other uses. The terms of these leases are for periods ranging from 5 to 40 years at various payment frequencies and amounts. In accordance with GASB Statement No. 87, *Leases*, a receivable has been recorded for the present value of lease payments to be received over the lease term for each agreement. As of December 31, 2023, the combined value of the lease receivables was $9,526,259. In determining the present value, a discount rate of 3.5% was generally applied to reflect a reasonable rate of return of the lease investments to the Commission. Also, deferred inflows associated with these lease payments have been recorded that will be recognized as revenue over the lease terms. The balance of the deferred inflows at December 31, 2026 is $9,451,300.

The future lease collections including principal and interest as of December 31, 2023, are as follows:

Year	Principal	Interest	Total
2024	389,466	319,249	708,715
2025	186,307	311,358	497,665
2026	125,553	439,486	565,039
2027	211,496	396,542	608,038
2028	233,274	374,765	608,039
2029-2033	1,543,701	1,529,494	3,073,195
2034-2038	1,648,867	1,161,328	2,810,195
2039-2043	1,504,084	1,010,111	2,514,195
2044-2048	1,885,445	514,750	2,400,195
2049-2053	1,209,498	193,424	1,402,922
2054-2058	375,002	74,998	450,000
2059-2061	213,567	11,433	225,000
Total	$ 9,526,260	$ 6,336,938	$ 15,863,198

NOTE 9 – LITIGATION AND CLAIMS

The Lake Providence Port Commission is not involved in any litigation at December 31, 2023, nor is it aware of any unasserted claims.

NOTE 10 – PREPAID RENT

The Northeast Louisiana Multimodal District (fka NELA Railroad District) was created in 2022 by ordinances passed by the Police Juries of East Carroll, Madison, Tensas and Concordia Parishes. LA Revised Statute 33:140.71 – 79 was created by Act No. 435 in the Regular Session of 2004 of the Louisiana Legislature. The railroad district, if created, is hereby constituted and is declared to be a body politic and political subdivision of the state of Louisiana. The governing authorities of two or more parishes by ordinance may create a railroad development district. The district's primary object and purpose is to promote and encourage development of rail service in the area of the parishes to stimulate the economy through renewed commerce, industry, and for the utilization of and development of natural and human resources of the area by providing job opportunities. Lake Providence Port Commission paid $333,033 of that District's expenses during 2023 which will be treated as rent expense when the District is fully operational.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 10, 2024 and except as noted below, no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

Schedule I

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liabiltiy (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.005120%	$ 320,336	$102,842	311%	65.00%
2015	0.829000%	$ 563,981	$111,300	507%	62.70%
2016	0.009270%	$ 728,010	$230,615	316%	57.70%
2017	0.009350%	$ 658,060	$174,300	378%	62.50%
2018	0.009010%	$ 614,271	$174,300	352%	64.30%
2019	0.008760%	$ 634,872	$158,550	400%	62.90%
2020	0.010120%	$ 837,240	$198,494	422%	58.00%
2021	0.010050%	$ 552,929	$222,747	248%	72.80%
2022	0.011280%	$ 853,041	$236,372	361%	63.70%
2023	0.010700%	$ 716,141	$120,015	597%	68.40%

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule II

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2014	$ 32,232	$ 32,232	$ -	$ 94,384	16.90%
2015	$ 69,760	$ 69,760	$ -	$ 190,657	36.60%
2016	$ 63,620	$ 63,620	$ -	$ 174,300	36.50%
2017	$ 64,230	$ 64,230	$ -	$ 174,300	36.90%
2018	$ 66,060	$ 66,060	$ -	$ 174,300	37.90%
2019	$ 62,090	$ 62,090	$ -	$ 158,550	39.20%
2020	$ 80,150	$ 80,150	$ -	$ 198,494	40.40%
2021	$ 88,622	$ 88,622	$ -	$ 222,747	39.80%
2022	$ 95,803	$ 95,803	$ -	$ 239,805	40.00%
2023	$ 99,095	$ 99,095	$ -	$ 242,579	40.90%

Amounts presented were determined as of the end of the fiscal year.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this financial statement.

SUPPLEMENTARY INFORMATION

Schedule III

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2023

Agency Head: William Gilfoil

Purpose	Amount
Salary	$ 147,330
Benefits – Insurance	22,181
Benefits – Retirement	60,184
Travel	4,508
Cellphone	1,857

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Lake Providence Port Commission
Lake Providence, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Lake Providence Port Commission (Port Commission), a component unit of East Carroll Parish Police Jury, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Port Commission's basic financial statements, and have issued our report thereon dated June 10, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port Commission' s internal control. Accordingly, we do not express an opinion on the effectiveness of the Port Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
June 10, 2024

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Lake Providence Port Commission
Lake Providence, Louisiana

We have audited the financial statements of Lake Providence Port Commission, a component unit of the East Carroll Parish Police Jury as of and for the year ended December 31, 2023, and have issued our report thereon dated June 10, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2023, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weakness ___ yes _X_ no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes _X_ no

Compliance
Compliance Material to Financial Statements ___ yes _X_ no

B. Federal Awards – N/A

Material Weakness Identified ___yes ___no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___no

Type of Opinion on Compliance For Major Programs (No Major Programs)
Unqualified _____ Qualified _____
Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with the Uniform Guidance, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I - Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Lake Providence Port Commission and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Lake Providence Port Commission (the Entity) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Lake Providence Port Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report.

We were engaged by the Lake Providence Port Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Lake Providence Port Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
June 10, 2024

P.O. BOX 1332 WEST MONROE, LA 71294 – (318)512-6367 David@dmhartt.com
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND SOCIETY OF LOUISIANA CPAS

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

xii. ***Prevention of Sexual Harassment,*** including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exceptions

No exceptions noted.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions noted in the above procedures.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions noted in the above procedures.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank

reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception
No exceptions noted.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

i. Employees responsible for cash collections do not share cash drawers/registers;

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

v. Trace the actual deposit per the bank statement to the general ledger.

Exceptions

No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

ii. At least two employees are involved in processing and approving payments to vendors;

iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Exceptions

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

   i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

   ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

The Port has no credit, debit or fuel cards.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete.

Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

None of the Board of Directors received the required ethics training.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions noted.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's

information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management. The employee with access to the information technology assets did not receive the mandatory cybersecurity training during the year.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

v. Amount of time it took to resolve each complaint.

Exceptions

None of the Board of Directors received the required sexual harassment training.

307561

RICHARD H. STREETER
ATTORNEY AT LAW
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ENTERED
Office of Proceedings
November 30, 2023
Part of
Public Record
November 30, 2023

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

Re: STB FD 36447, *Lake Providence Port Commission—Feeder Line Application-Line of Delta Southern R.R. Located in East Carroll And Madison Parishes, LA.*

Dear Ms. Brown:

In order to comply with the requirements imposed by the Board in its Decision served November 20, 2023, the following documents have been duly filed with the Board and served on all the required parties in compliance with 49 C.F.R. § 1151.2(a) and § 1151.3(a)(16), including ALJ McCarthy.

(1) Certificate of Service of Richard H. Streeter in compliance with 49 C.F.R. 1151.2(a) and 1151.3(a)(16). Note that this relates to the filing and service of LPPC's Amended Feeder Line Application on January 4, 2023.

(2) Verified Statement of Wyly Gilfoil which verifies all statements of fact that were identified by the Board in its Decision, served November 20, 2023, that were not formally verified in LPPC's Amended Feeder Line Application.

(3) Second Amended Railway Lease Agreement By and Between LPPC and NLA.

(4) Certificate of Service of Service by Richard H. Streeter in Compliance with the Decision of the Surface Transportation Board, served November 20, 2023, that requires LPPC, to the extent that it has not already done so, to serve copies of all LPPC filings in this docket that post-date the amended application on all entities specified under 49 C.F.R. 1152.1(a). As noted in item (1), the other filings listed on page 13 of the Board's Decision have already been served. As indicated on the Board's website, LPPC has filed a total of eight documents after filing the amended feeder line application.

Yours truly,

/s/ Richard H. Streeter



Certificate of Service in compliance with 49 C.F.R. § 1151.2(a) and1151.3(a)(16).

I, Richard H. Streeter, do hereby certify that, on January 4, 2023, consistent with the provisions of 49 C.F.R. § 1151.2(a), true copies of the Amended Feeder Line Application of the Lake Providence Port Commission in FD 36447, *Lake Providence Port Commission-Feeder Line Application-Line of Delta Southern Railroad Located in East Carroll and Madison Parishes, LA* were served by first-class mail, postage prepaid, on all applicable entities:

(1) The owning railroad:

Delta Southern Railroad, Inc.
c/o Thomas Healey
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208

(2) All rail patrons who originated and/or received traffic on the line during The 12-month period preceding the month in which the amended application was filed:

Jose Hernandez - Helena Agri Services
c/o Kimmeka Epps - Secretary/Treasurer
Madison Parish Port Commission
P.O. Box 591
1603 Felicia Dr.
Tallulah, LA 71284-0591

Dan Militaru
Rail Vehicle Services
389 Port Rd
Tallulah, LA 71282

Jerry J. Melton
177 Complex Chemical Road
Complex Chemical Co.
Tallulah, LA 71282

Neil Martin
Terral River Service, Inc.
466 Port Road
Tallulah, La 71282

(3) The designated State agency in the State where the property is located:

Louisiana Department of Transportation and Development
1201 Capitol Access Road
Baton Rouge, Louisiana 70802

(4) County governments where the line is located:

East Carroll Parish
400 First St.
Lake Providence, LA 71254

Madison Parish
100 North Cedar St.
Tallulah, LA

(5) The National Railroad Passenger Corporation (Amtrak)

Not applicable because Amtrak does not operate on the line.

(6) And the national offices of rail unions with employees on the line.

Not applicable as there are no union employees on the line.

I, Richard H. Streeter, do further certify, pursuant to the requirements of 49 C.F.R. § 151.3(a)(16) that said service met all of the service requirements of 49 C.F.R. § 1151.2(a),

Richard H. Streeter

/s/ Richard H. Streeter

Richard H. Streeter
Counsel to the Lake Providence
Port Commission

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. I have personal knowledge of the facts stated herein and am duly authorized to present this Verified Statement on behalf of LPPC in response to the Decision of the Board in the above-referenced proceeding served November 20, 2023.

2. I have reviewed all statements of fact in LPPC's Amended Feeder Application, filed January 4, 2023, that were identified by the Board at note 24 of its Decision as having not been specifically substantiated by a previously filed verified statement filed with LPPC's Amended Feeder Application. I hereby verify all statements in LPPC's Amended Feeder Application that respond to the requirements set forth in 49 C.F.R. § 1151.3(a). In addition, I am submitting a true copy of the Second Amended Lease that LPPC has entered into with North Louisiana & Arkansas Railroad, Inc. ("NLA") that includes the additional mileage that LPPC seeks to acquire in this proceeding.

3. In particular, I hereby verify the responses in the Amended Feeder Application that are responsive to the following provisions that have been noted at page 12, note 24 of the Board's decision:

A. 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)(1)(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 three (3) years after acquisition of the line.

B. 1151.3(a)(5): LPPC offers to buy the line at its constitutional minimum value as determined by the Board. The CMV in this case equals the GCV of $778,451.

C. 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.

D. 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.

E. 1151.3(a)(15): NLA, as LPPC's operator, will offer to hire all of DSRR's current operating employees who may be displaced by the sale.

Verification Page

I, Wyly Gilfoil, declare under penalty of perjury that the foregoing statements submitted in the Amended Feeder Line Application filed by the Lake Providence Port Commission on January 4, 2023, are true and correct to the best of my knowledge and belief. I further certify that in my capacity as Port Director of the Lake Providence Port, I am qualified to sponsor this testimony. Executed this 28th day of November 2023.

Wyly Gilfoil

Louisiana Situs

Second Amended
Railway Lease Agreement

By and Between

Lake Providence Port Commission
And
North Louisiana & Arkansas Railroad, Inc.

LEASE AGREEMENT

This Lease agreement ("Lease") made on January 4, 2023, between Lake Providence Port Commission, a political subdivision of the State of Louisiana, with its principal office located at 409 Port Road, Lake Providence, Louisiana 71254, ("LPPC or "Lessor") and North Louisiana & Arkansas Railroad, Inc., a corporation organized and existing under the laws of Arkansas, with its principal office located at 4416 South Arkansas Ave., Russellville, Arkansas 72802, ("NLA" or "Lessee").

RECITALS

A. Lessor owns a 36.2 mile line of railroad between milepost 454.8 at or near the Louisiana/Arkansas border, to milepost 491.0 at or near East Carroll Parish, and Madison Parish Louisiana (full property to be leased, including that as listed in paragraph 1.2, below, shall be referred to as "Railway").

B. Lessor acquired the 8.0-mile portion of the Railway between milepost 463.0 near Shelburn, and milepost 471.0 at or near East Carroll Parish, Louisiana, from Delta Southern Railroad, Inc. ("DSR") pursuant to an offer of financial assistance approved by the Surface Transportation Board ("STB") in STB Docket No. AB 384 (Sub-No. 2X).

C. Lessor acquired the abandoned 8.2-mile portion of the Railway between milepost 463.0 near Shelburn, and milepost 454.8 at or near the Louisiana / Arkansas border from DSR.

D. Lessor anticipates the acquisition of an additional 27.44 miles between milepost 471.0 to milepost 498.44 from DSR in STB Docket No. 36447.

E. Lessor does not operate as a carrier on the Railway.

F. Lessee desires to lease the Railway from Lessor for operation of a railroad, and to provide common carrier service.

G. Lessor desires to lease the Railway, to the Lessee.

H. It is understood and acknowledged that portions of the Railway are currently inoperable and must be rehabilitated before railroad common carrier service can be provided.

I. Upon the Effective Date as described in paragraph 2.1, below, this Agreement shall replace any other Agreement between the Parties.

NOW THEREFORE, In consideration of the matters described above, and of the mutual benefits and obligations set forth in this Lease, the parties agree as follows:

SECTION ONE. Description of Leased Premises

1.1 All of the above paragraphs are incorporated into this Lease as if fully re-written.

1.2 Lessor leases to Lessee, its successors and assigns, the Railway as described in Exhibit "A", together with all rights of way, station and terminal facilities, easements, crossings, switches, tracks, bridges, structures, fixtures or personal property that are appurtenant to the premises in which Lessor may have a present interest.

1.3 Lessee accepts the Railway in its current condition "AS IS, WHERE IS" with all faults, and without any representation or warranty of Lessor as to the condition or quality of the Railway, or its fitness for use for rail operations.

1.4 Lessor shall, during the initial term of this Lease, at Lessor's sole cost and expense, rehabilitate the Railway to FRA Class 1 condition, subject to the availability of public funding and appropriations. Lessor may elect, subject to the availability of public funding and appropriations, to make additional improvements to the Railway to bring the Railway to FRA Class 2 condition. The Lessee shall maintain the Railway to whatever class standards have been achieved by Lessor. If Lessor fails to rehabilitate the Railway to FRA Class 1 standards, then Lessee may, at its option but without any obligation to do so, after giving Lessor 30 days advance notice, rebuild and rehabilitate the Railway. Such costs for rebuilding and rehabilitating the Railway shall be deemed "Capitalized Maintenance Costs." All such Capitalized Maintenance costs incurred by Lessee shall be deducted on a monthly basis from sums that are due Lessor pursuant to the provisions of Section Three below. Should Lessor terminate the Lease prior to full recovery of such costs, Lessor shall pay the balance due Lessee within thirty (30) days of termination. Should Lessee terminate the Lease prior to full recovery of such costs, Lessee shall forfeit its right to repayment of any balance then due.

1.5 Lessor shall have the right to inspect the Railway, together with Lessee, to determine whether the Railway has been maintained in

accordance with the Lease. Should the parties disagree as to whether the Railway has been maintained in accordance with the Lease, the dispute shall be resolved by a Federal Railroad Administration track inspector. If the track inspector determines that the Railway has not been maintained in accordance with the Lease, Lessee shall be given sixty (60) days to cure defects.

SECTION TWO. Term and Termination

2.1 The initial term of this Lease shall be for a ten (10) year period, beginning on the Effective Date of the Surface Transportation Board's ("STB") decision authorizing Lessee to lease and operate the Railway ("Commencement Date"), and ending ten (10) years later.

2.2 The term of this Lease and the Termination Date shall be automatically extended for up to three additional ten (10) year periods under the same terms and conditions as contained herein unless terminated as set forth in Section 2.3.

2.3 Either party may terminate this Lease at the end of a term by providing written notice thereof to the other party at least three hundred and sixty five (365) days prior to the end of the then current Term.

2.4 All accrued obligations, including all indemnification obligations in this Lease, shall survive the termination of the Lease.

SECTION THREE. Rent-Percentage of Revenue as Lease Payment

3.1 Lessee shall pay to Lessor during the Term of this Agreement the sum of the following amounts:

a. 10 percent (10%) of the freight revenue for traffic originated or terminated on the Leased Premises.

b. 5% of freight revenue for bridged traffic crossing the line.

c. For purpose of this Lease, traffic between Madison Parish and Union Pacific shall be considered originating and terminating traffic.

d. "Freight revenue" is defined herein to mean payment received by NLA for the transportation and storage of railcars, but excludes switching and weighing charges, demurrage and energy surcharge payments.

3.2 Payment of rent shall be due monthly on the last Thursday of every month for the prior month's revenue car movements. Lessee shall file with Lessor a monthly inventory of prior month's revenue car movement with Lessee's monthly rental payment. Rent shall be considered delinquent if not paid within thirty (30) days of the date payment is due to Lessor. If Lessee fails to pay any installment of rent and such payment shall become delinquent, simple interest at the rate of ten percent (10%) per year shall be added to any such overdue installment from the due date to the date of payment.

3.3 Lessor shall be permitted to audit the books and records of Lessee on reasonable notice during regular business hours.

SECTION FOUR. Lessee's Rights and Duties

4.1 Subject to Lessor's Reserved Rights as set forth in SECTION TWELVE below, Lessee shall have management and control of the operation and maintenance of the Railway. Lessee shall have the right to use the Railway as frequently and in any manner that Lessee shall deem proper, provided that Lessee shall operate freight rail service in such a manner to meet its common carrier obligations. Lessee shall operate all rail freight service with its own employees and with its own or leased locomotives and other equipment, Lessee may erect, construct or install any structures, guards or devices at Lessee's expense, to facilitate the operation or safety of Lessee's equipment on the Railway. Improvements made by Lessee to the right-of-way, track and related permanent structures as part of any rehabilitation project or through normal maintenance, whether treated as capital expenditures or operating expenses under STB accounting rules, shall become the property of Lessor following payment of any amount due Lessee pursuant to Section 1.4 above. Disposition of other structures upon termination shall be as set forth in SECTION ELEVEN below.

4.2 Lessee shall keep all rails, facilities and equipment leased to Lessee by Lessor and all equipment installed by Lessee in a clean and operational condition and shall be responsible for the maintenance and repair of all such rails, facilities and equipment Tracks and rail facilities shall be maintained in the FRA condition as set forth in SECTION ONE above. Lessee shall promptly give the FRA notice under 49 CFR 213 and 49 CFR 237, that Lessee will be responsible for the maintenance of the track and bridges which are part of the Railway.

4.3 Subject to the provisions in Sections 1.5 above and 4.5 below, if Lessee

fails to maintain and repair the tracks and rail facilities as set forth in Section 4.2, then Lessor may terminate this Lease, or Lessor may, in its sole discretion, arrange for a qualified contractor to perform such maintenance and repair under the supervision of Lessee. In such event, Lessee shall reimburse Lessor for any expenses incurred by Lessor in maintenance and repair of the Railway within thirty (30) days.

4.4 In conjunction with its maintenance and repair activities, Lessee hereby acquires the right, subject to Lessor's concurrence, to remove, replace or relay elements of the track or structure in the interest of cost and/or operating efficiency, provided that a continuous and useful transportation facility is maintained. Proceeds from any salvaged material shall be paid to Lessor together with the next monthly rental payment paid under Section 3.2, or such later date as the Lessor may agree to in writing, if such proceeds are not used by Lessee for purchase of material in support of maintenance or repair of the Railway.

4.5 The parties shall, at least once annually, jointly inspect the Railway to determine whether it has been maintained in accordance with this Agreement. Resolution of any disagreement shall be made in accordance with Section 1.5 above.

4.6 Lessee in its use of the Railway and its operations will comply with all Federal laws and regulations applicable to it and to the Railway, including without limitation regulations promulgated by the FRA, and with State and local law and ordinances that are not preempted by Federal law.

4.7 Lessee will, within thirty (30) days of the execution of this Lease, file with the STB for authority to lease and operate the Railway. Lessee shall not be required to conduct for-hire railroad common carrier operations until Lessee determines that it is reasonably safe to operate over the Railway.

SECTION FIVE. Quiet Enjoyment

Lessor shall not interfere with Lessee's quiet enjoyment of the Railway, nor shall Lessor interfere with Lessee's business operations so long as Lessee is in compliance with the terms of this Lease.

SECTION SIX. Taxes

6.1 Lessee shall pay on or before the last day on which payment may be made without penalty or interest, all personal property taxes, assessments

(including special assessments) or other governmental charges that shall or may during the Lease term be imposed on, or arise in connection with the ownership or use of the Railway or any part thereof, the revenues earned by Lessee in connection with its use of the Railway, or any motive power, rolling stock or other equipment or personal property of Lessee.

6.2 Lessor shall be responsible for taxes on all Railway real property and any structures affixed thereto. For the purposes of this Lease, the tracks and other track materials and rail facilities shall be considered as "affixed" to the real property.

SECTION SEVEN. Utilities

Lessee shall arrange for and bear the cost of all utility services furnished to the Railway during the term of the Lease.

SECTION EIGHT Insurance

8.1 Lessee shall insure and keep insured the property of Lessor covered by this Lease, with Railroad Liability insurance in the amount of ten million dollars ($10,000,000) for any single accident or occurrence, or in the aggregate. All insurance shall be carried with good, solvent and reputable companies authorized to do business in the State of Louisiana.

8.2 LPPC shall be named as additional insured on all such policies. Such insurance shall include contractual liability insurance covering Lessee's liability under the Lease, including under SECTION NINE. Certificate(s) of insurance shall be delivered to Lessor as proof of compliance with this Section. The certificate(s) shall provide that the insurance will not be terminated, cancelled or materially modified without 30 days' written notice to Lessor.

8.3 Lessee agrees, and shall require all persons entering upon or performing work on the Railway ("contractors") under any agreement with Lessee to agree to hold harmless and indemnify Lessor, its officers, agents, servants and employees from and against any liability, loss, claim or expense for bodily injury or death to any persons or damage to any property (including property of or under the control of Lessor) arising out of any act of omission of such contractor on or in connection with the Railway, irrespective of the fault, failure or negligence (other than sole negligence) of Lessor. Lessee shall also require any such person to secure and maintain in effect at all times during the performance of such work on the Railway a contractual liability insurance policy insuring such person against liability under this Section 8.2. Lessee shall provide to Lessor a copy of all such policies or certificates of such insurance upon request.

8.3 If Lessee fails to maintain and provide the required insurance as set forth herein, the Lessor may terminate this Lease.

SECTION NINE. Indemnity

9.1 Lessee shall indemnify, defend and hold harmless LPPC, its officers, agents, servants and employees against all liability, loss, claim or expense for personal injury or property damage (including to the Railway), including without limitation any environmental harm or damage, arising from any act or omission of Lessee in its performance of its rights, responsibilities and duties under the Lease, including without the limitation the operation of a railroad on, and all other uses of the Railway, irrespective of the fault, failure or negligence (other than the sole gross negligence) of LPPC.

9.2 Lessor shall indemnify, defend and hold harmless Lessee, its officers, agents, servants and employees against all liability, loss, claim or expense for personal injury or property damage (including to the Railway), including without limitation any environmental harm or damage, arising from the sole gross negligence of Lessor.

SECTION TEN. Default

If Lessee shall file for bankruptcy or be placed in bankruptcy by its creditors, shall fail to pay the rent required by this Lease when due, or shall fail to perform the conditions of this Lease and that failure shall continue for a period of ninety (90) days after written notification by Lessor, then Lessor may either bring a legal action for damages, or provide Lessee with written notice of termination of the Lease.

SECTION ELEVEN. Return of Property on Termination

11.1 If this Lease is terminated (either by default, mutual agreement or upon expiration of the Term), Lessee shall return the Railway to Lessor in the same condition as required under the Lease at the time of termination, normal wear and tear excepted. Lessee may remove any structures or equipment (other than the items described below that are integral to the Railway) that Lessee placed on the Railway, at Lessee's expense, providing Lessee returns the Railway to Lessor undamaged and in proper operating condition, including all tracks, ties, other track materials, signals and any other materials required for the Railway to be operable. If Lessee does not remove any structure or equipment placed on the Railway by Lessee, Lessor shall have the option to either treat the property as being part of the Railway and belonging to Lessor, or to remove the property at Lessee's expense.

11.2 In the event of any termination of this Agreement, at its sole cost and expense, Lessee will promptly seek any necessary authority to discontinue rail service from the Surface Transportation Board or any successor in interest to the Board. If Lessee fails to do so, Lessor may seek such authority on behalf of Lessee, and Lessee shall reimburse Lessor for all reasonable costs (including filing fees and attorneys' fees) incurred by Lessor. If the Lease is terminated in full compliance with the provisions set forth herein, Lessee shall not oppose the efforts of any rail carrier designated by Lessor to operate the Railway to obtain authority from the STB or its successor to provide service over the Railway.

11.3 All accrued obligations shall survive the termination of this Agreement. Further, the indemnifications set forth in Section Nine shall survive termination of this Agreement.

SECTION TWELVE. Lessor's Retained Rights

12.1 Except for agreements relating to the handling of freight traffic, all revenues arising from existing easements, licenses or agreements for use of the Railway, including but not limited to rents, license fees, and other revenues paid by utilities or other parties occupying a portion of the Railway with poles and wires, and rental and fees for sign boards, platform locations, driveways, storage facilities, pipe line crossings, water rights, land rents, building rents, and water tank rents, shall be property of Lessor. Lessor shall have the obligation to enforce and administer such agreements, and to collect any and all amounts as they become due.

12.2 Subject to Lessee's veto for cause stated, Lessor reserves the exclusive right to create new agreements for crossings or occupancies, under or otherwise on the Railway, whether by license, permit, easement or lease; provided however, no such agreements shall be entered into by Lessor if it is reasonably determined by the parties that such use would materially interfere with Lessee's ability to perform rail service. Lessee may veto any proposed agreement only if the crossing or occupancy does not meet Lessee's engineering standards. Any agreement involving occupancy of the Railway shall be substantially on terms and in a form substantially similar to existing agreements, including protection of Lessee as the rail operator. No cost or expense, including any maintenance or rehabilitation expense of the occupancies, shall be allocated to or borne by Lessee as a result of any such occupancy. All income from such new agreements shall be the property of Lessor.

12.3 Lessor agrees to require the occupier or transferee under any new agreement to indemnify and hold harmless, Lessee, from and against any and all loss of life or injury to any persons and any loss of or damage to the property of any person arising out of the use of the Railway, unless such loss of life or injury to persons or loss of damage to property is caused by the negligence or misconduct of Lessee.

12.4 Lessor reserves the right to amend this Agreement at any time, in its sole discretion, to exclude from the Railway any real property for the purpose of conveying such property to a third party, provided that the conveyance of such property will not materially interfere with Lessee's continuing freight rail service. Lessor shall notify Lessee in writing of any intent to convey property to a third party. Should Lessee determine that any conveyance will materially interfere with Lessee's continuing freight rail service, it shall notify Lessor of its determination in writing within 10 business days of receipt of Lessor's notification. Should the parties be unable to resolve any issue regarding material interference, the parties, individually or jointly, may seek a declaratory judgment from a court with the requisite jurisdiction to resolve the issue.

SECTION THIRTEEN. Notices

All notices, demands or other writings in this Lease provided to be given or made or sent, or that may be given or made or sent, by either party to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

If to Lessee:
Daniel B. Robbins
4416 South Arkansas Ave.
Russellville, AR 72802

If to Lessor:
Wyly Gilfoil
Lake Providence Port
Commission 409 Port Road
Lake Providence, Louisiana
71254

Either party may change its address by giving notice to the other party as provided herein.

SECTION FOURTEEN. Governing Law -Jurisdiction

This Lease shall be governed by, construed and enforced in accordance with the laws of Louisiana, and jurisdiction over any matter related to this Lease shall be in East Carroll Parish, Louisiana.

SECTION FIFTEEN. Time is of the Essence

Time is of the essence of this Lease agreement.

SECTION SIXTEEN. Confidentiality

16.1 This Agreement is strictly confidential between the parties. No party shall disclose the terms and conditions of this Agreement other than as required by law or legal requirements, or as otherwise agreed in writing between the parties. The party making disclosure will notify the other parties in advance of such disclosure.

16.2 If requested by either party, and as permitted by law, a memorandum of lease may be recorded in the public records of East Carroll Parrish.

SECTION SEVENTEEN. Assignment and Subleasing

Lessee may not assign this Agreement or any interest therein, or sublease the Railway, or any right or privilege pertinent thereto, without the prior written consent of the Lessor, which consent may be withheld by Lessor for cause. Any attempted assignment or sublease without the prior written consent of the Lessor shall be null and void.

SECTION EIGHTEEN. Force Majure

Lessee shall have no obligation to operate over any portion of the Leased Premises as to which it is prevented from operating by Acts of God, including pandemic, public authority, strikes, riots, labor disputes, or any cause beyond its control; provided, however, Lessee shall use its best efforts to take whatever action is necessary or appropriate to be able to resume its operations. In the event of damage or destruction caused by an Act of God, Lessee shall commence repairs within ten (10) days of the occurrence causing same and shall pursue such repairs with reasonable diligence.

SECTION NINETEEN. Entire Agreement

This Lease constitutes the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding on either party except to the extent incorporated in this Lease.

SECTION TWENTY. Modification of Agreement

Any modification of this Lease or additional obligation assumed by either party in connection with this agreement shall be binding only if reduced to writing and signed by each party or an authorized representative of each party.

(INTENTIONALLY LEFT BLANK)

The parties have executed this Lease before witnesses on the day and year first written above.

Lessor:

Lake Providence Port Commission

By: James A. Thom IV

JAMES A THOM IV

Its President

Witnesses:

William W. Dillard

Lessee:

North Louisiana & Arkansas Railroad, Inc.

By:

Daniel B. Robbins

Its Vice President

Witnesses

Acknowledgement

State of Arkansas)
) *SS*
County of Pope)

On this 4th day of January, 2023, before me, Melissa Courtwright, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Daniel B Robbins, being the person authorized by said corporation to execute such instrument, stating their respective capacities in that behalf, and to me personally well known, who stated that he was the Vice President the North Louisiana and Arkansas Railroad, Inc., and was duly authorized in his capacity to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 4th day of January 2023.

Melissa D Courtwright
Notary Signature

Melissa Courtwright
Printed Name

MELISSA D. COURTWRIGHT
POPE COUNTY
NOTARY PUBLIC - ARKANSAS
My Commission Expires February 27, 2024
Commission No. 12396320

02/27/2024
My Commission expires

Acknowledgement

State of Louisiana)
) *SS*
Parish of East Carroll)

On this 4th day of January, 2023, before me, a Notary Public, duly commissioned, qualified and acting, within and for said Parish and State, appeared in person the within named James A. Thorn IV being the person authorized by said corporation to execute such instrument, stating their respective capacities in that behalf, and to me personally well known, who stated that he was the President of the Lake Providence Port Commission, and was duly authorized in his capacity to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 4th day of January 2023.

Debra Hopkins
Notary Signature

Debra Hopkins
Notary Public, ID# 33041
East Carroll Parish, Louisiana
Printed Name Commission Expires at Death

At Death
My Commission expires

EXHIBIT A

LEASED PROPERTY

All rights, title and interest which the Lake Providence Port Commission (hereinafter, the "Port") has or may have in and to all immovable property associated with Port's rail line extending from Milepost 454.8 (Arkansas/Louisiana State Line) to Milepost 498.44 (at Tallulah LA) all as situated in East Carroll and Madison Parish, Louisiana, including but not being limited to, the property described on Schedule "A" attached hereto and further including all rail, ties, ballast, switches, signals, track fixtures and other track material, crossings, crossing protection devices, trestles, bridges, culverts, tunnels, buildings, structures, improvements and appurtenances of every kind and description attached to said rail line, including all of the Port's immovable property thereunder, together with all rights of way, easements, servitudes and rights of ingress

THIS INSTRUMENT PREPARED BY AND
AFTER RECORDING TO BE RETURNED TO:

W. CHRISTOPHER BARRIER
MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.
425 WEST CAPITOL AVENUE, SUITE 1800
LITTLE ROCK, AR 72201-3525
(501) 688-8000

QUITCLAIM DEED

KNOW ALL PERSONS BY THESE PRESENTS:

THAT, **DELTA SOUTHERN RAILROAD, INC.**, a Louisiana corporation, Grantor, in consideration of the sum of Ten Dollars ($10.00), and other good and valuable consideration, to it duly paid, the receipt whereof is hereby acknowledged, does hereby remise, release, bargain, sell, convey, and forever quitclaim unto **SOUTHEAST ARKANSAS ECONOMIC DEVELOPMENT DISTRICT, INC.**, an Arkansas nonprofit corporation, Grantee, whose address is 8th & Walnut Streets, P.O. Box 6806, Pine Bluff, Arkansas 71611 and unto its successors and assigns forever, all of Grantor's right, title, interest, estate, claim and demand, both at law and in equity by easement or in fee, of, in, and to the real estate associated with or underlying that portion of Grantor's Lake Providence Branch from Milepost 433.0 near Lake Village, Arkansas, to Milepost 454.8 at the State Line between Arkansas and Louisiana, as situated in Chicot County in the State of Arkansas, as more particularly described in writing in and as shown by all the highlighting (regardless of color) on the maps included in **Exhibit A**, hereto attached and hereby made a part hereof, including but not limited to all easements, rights-of-way, rail, spurs, ties, ballast, other track material, switches and signals located thereon and any personal property affixed to the land and located thereon.

This quitclaim is made on an "as is, where is" basis without any warranties or representations of any kind or nature whatsoever, express or implied, concerning the condition of said real estate and/or any improvements or other constructions that may be situated thereon, including, but not limited to, all rail, ties, ballast, other track material, switches, signals and other personal property located thereon, and Grantee hereby specifically waives all laws of redhibition and any implied warranties provided for by Arkansas law, including any and all warranties against vices or defects or warranties regarding fitness for any particular use or purpose whatsoever.

There is, however, expressly reserved and excepted from this quitclaim all coal, oil, gas, casinghead gas and the minerals and mineral rights of whatever nature or description, kind or character, like or unlike, known or unknown, and whether occurring in solid, liquid, vaporous or other and different forms in, on or under the land quitclaimed hereunder; provided, however, that no operation of investigating, exploring, prospecting or mining for or storing or transporting said minerals or any of them, shall be conducted or placed upon said premises.

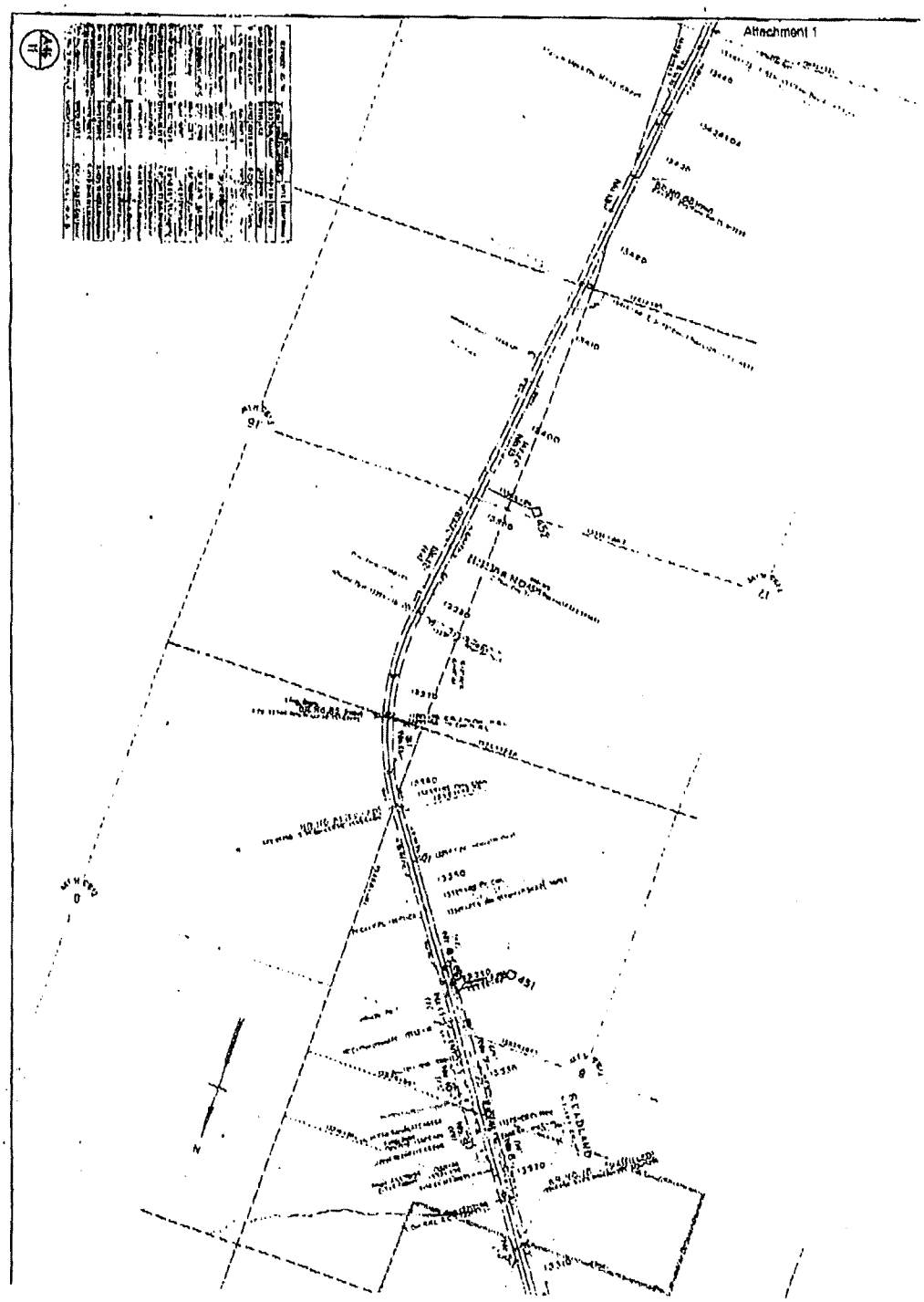
This deed is made subject to the condition that all taxes and all assessments levied upon or assessed against the premises described and highlighted in **Exhibit A** for any period of time prior to and including the date of this deed shall be payable by the Grantor; all taxes and all assessments levied upon or assessed against the premises described and highlighted in **Exhibit A** for any period of time after the date of this deed shall be payable by the Grantee; and the Grantee assumes and agrees to pay, or to

EXHIBIT "A"

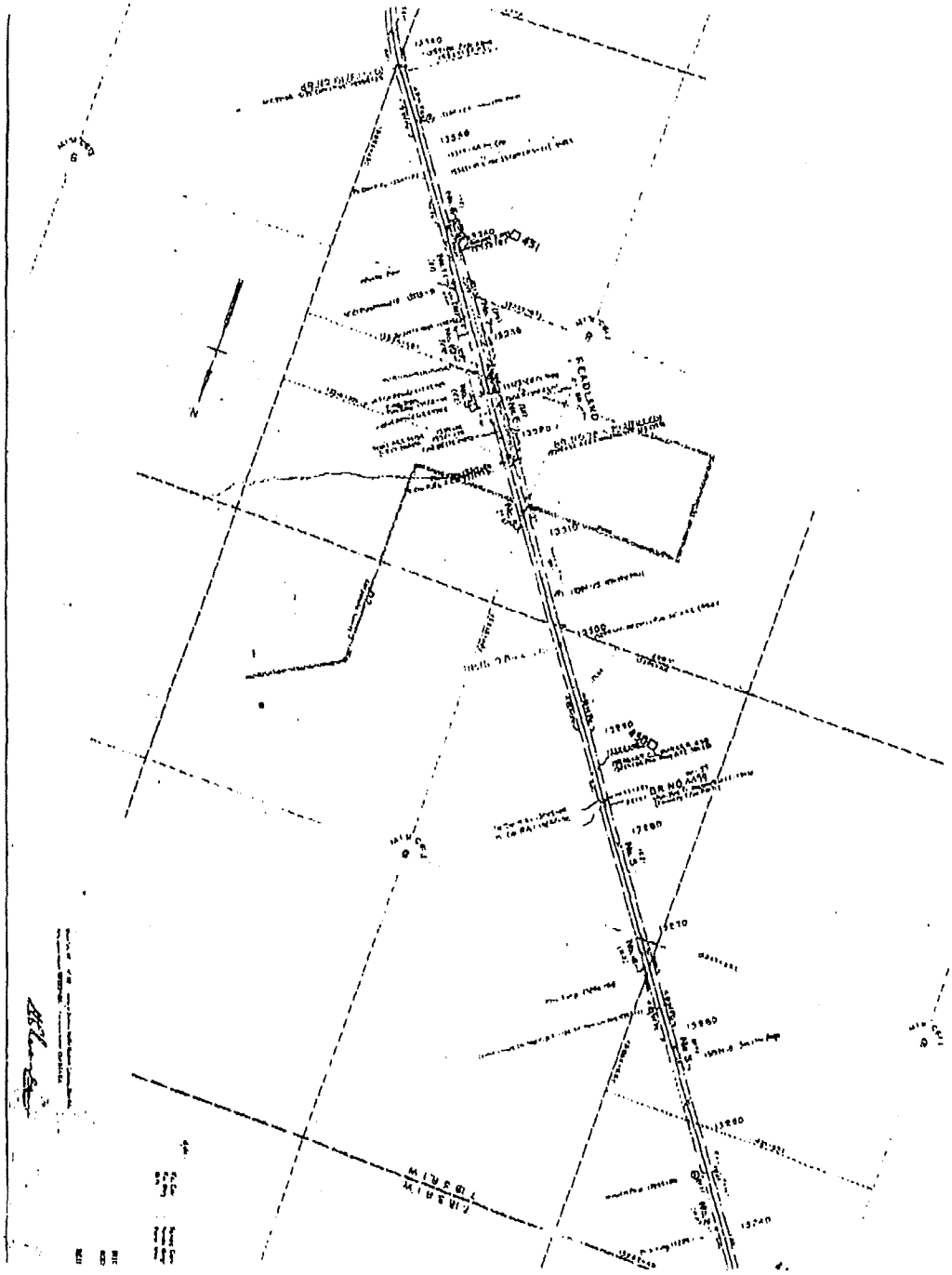
All rights, title and interest of Grantor in all lands located between Milepost 433.0 near Lake Village, Arkansas, to Milepost 454.8 at the State line between Arkansas and Louisiana being located in the following described subdivisions all as shown on the maps of Grantor's right-of-way attached hereto:

Subdivision	Section	Township	Range	Meridian
SE1/4	15	16S	2W	5th Principal
E1/2	22	16S	2W	5th Principal
E1/2	27	16S	2W	5th Principal
SW1/4SW1/4	26	16S	2W	5th Principal
E1/2	34	16S	2W	5th Principal
W1/2	35	16S	2W	6th Principal
E1/2	3	17S	2W	5th Principal
E1/2	10	17S	2W	5th Principal
E1/2	15	17S	2W	5th Principal
SW1/4SW1/4	14	17S	2W	5th Principal
E1/2NE1/4 & NE1/4SE1/4	22	17S	2W	5th Principal
W1/2	23	17S	2W	5th Principal
W1/2	26	17S	2W	5th Principal
E1/2W1/2 & W1/2SE1/4	35	17S	2W	5th Principal
E1/2	2	18S	2W	5th Principal
E1/2NE1/4 & NE1/4SE1/4	11	18S	2W	5th Principal
W1/2SW1/4	12	18S	2W	5th Principal
W1/2	13	18S	2W	5th Principal
E1/2 & SW1/4SE1/4	24	18S	2W	5th Principal
E1/2	25	18S	2W	5th Principal
NE1/4NE1/4	36	18S	2W	5th Principal
W1/2 & SW1/4SE1/4	31	18S	1W	5th Principal
NE1/4	6	19S	1W	5th Principal
SW/4NW/4 & SW/4	5	19S	1W	5th Principal

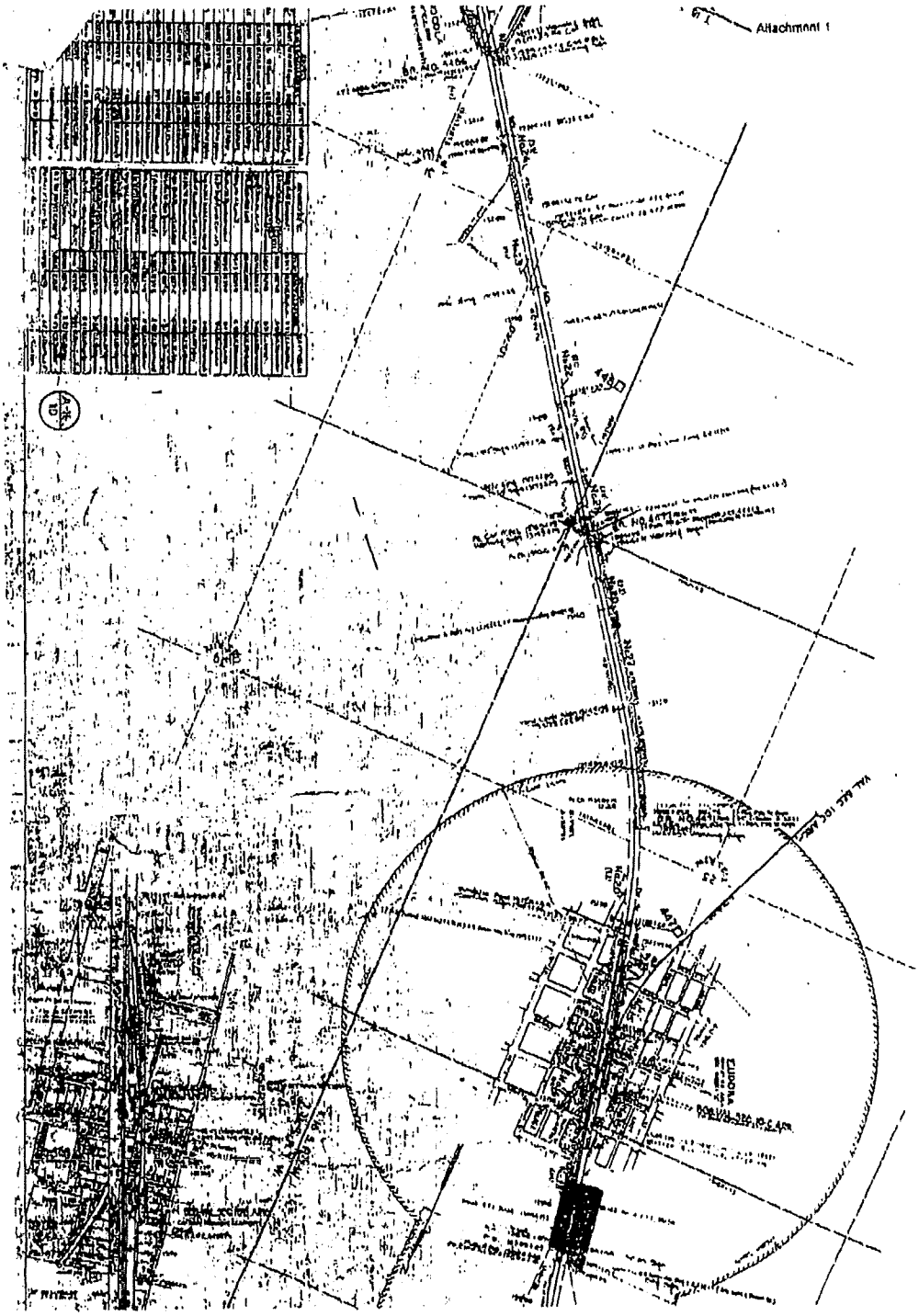
NE1/4NW1/4 & E1/2	8	19S	1W	5th Principal
SW1/4SW1/4	9	19S	1W	5th Principal
W1/2	16	19S	1W	5th Principal
NW1/4NW1/4	21	19S	1W	5th Principal
E1/2	20	19S	1W	5th Principal
E1/2	29	19S	1W	5th Principal
E1/2	32	19S	1W	5th Principal


Attachment 1

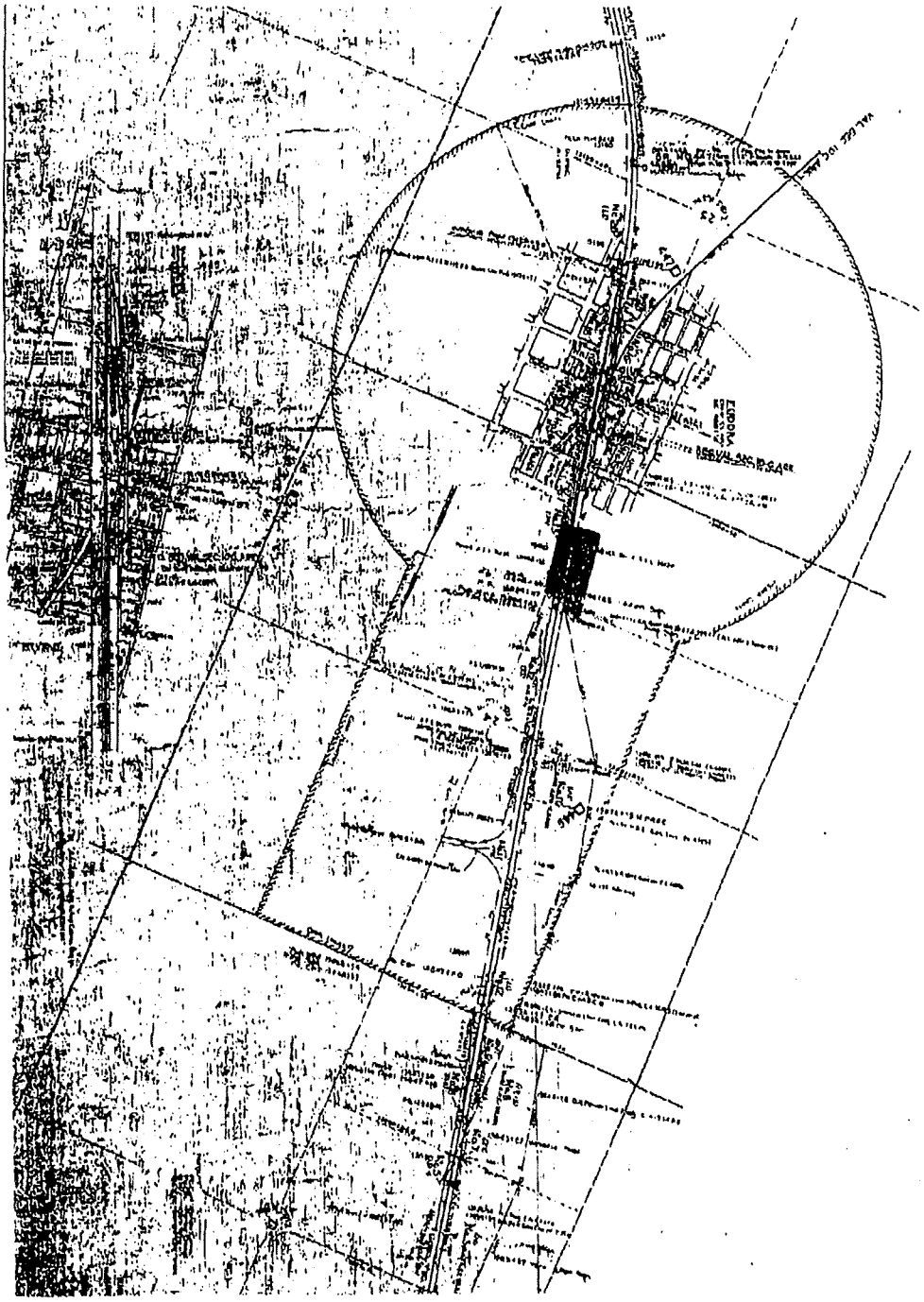
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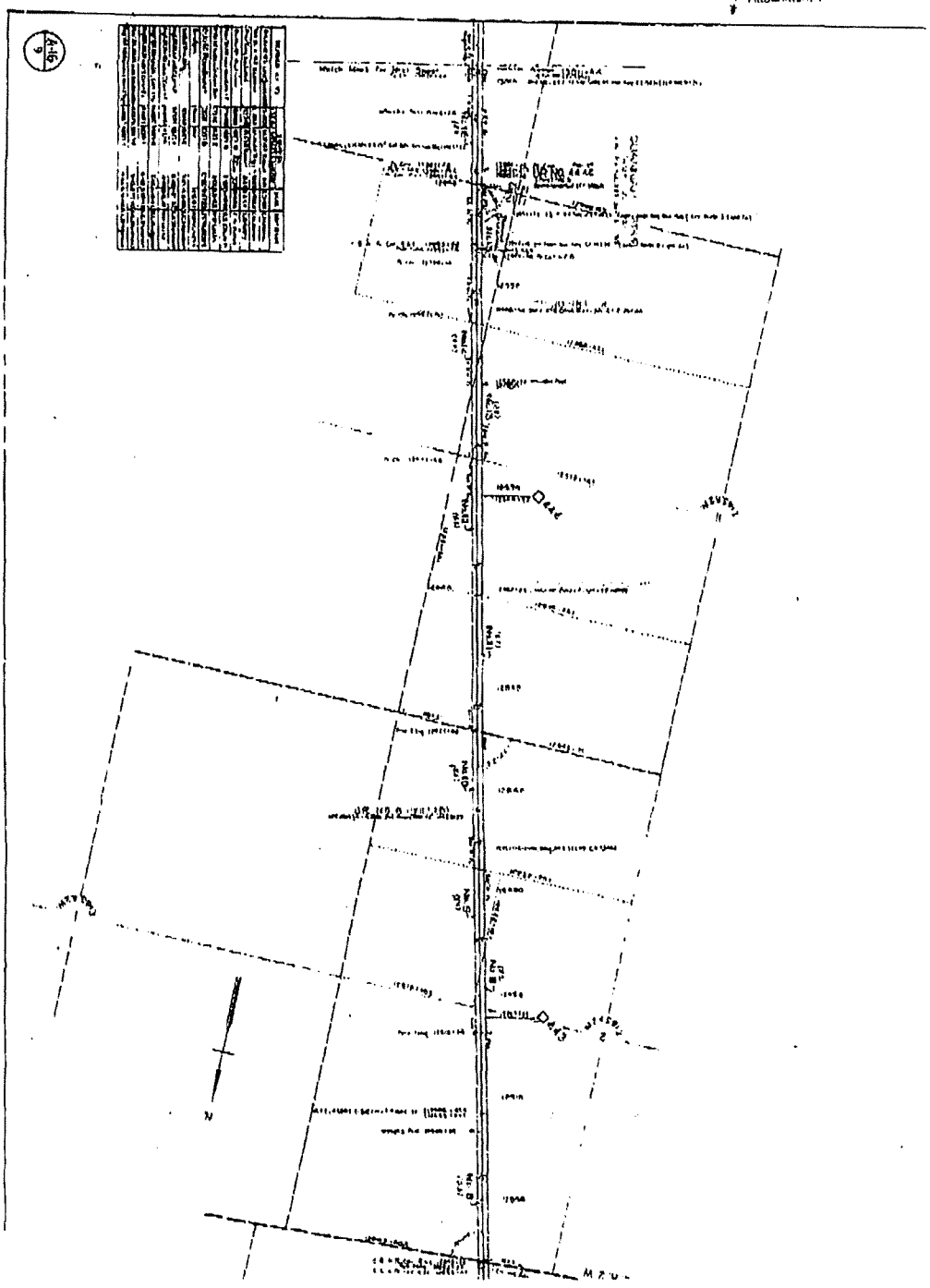
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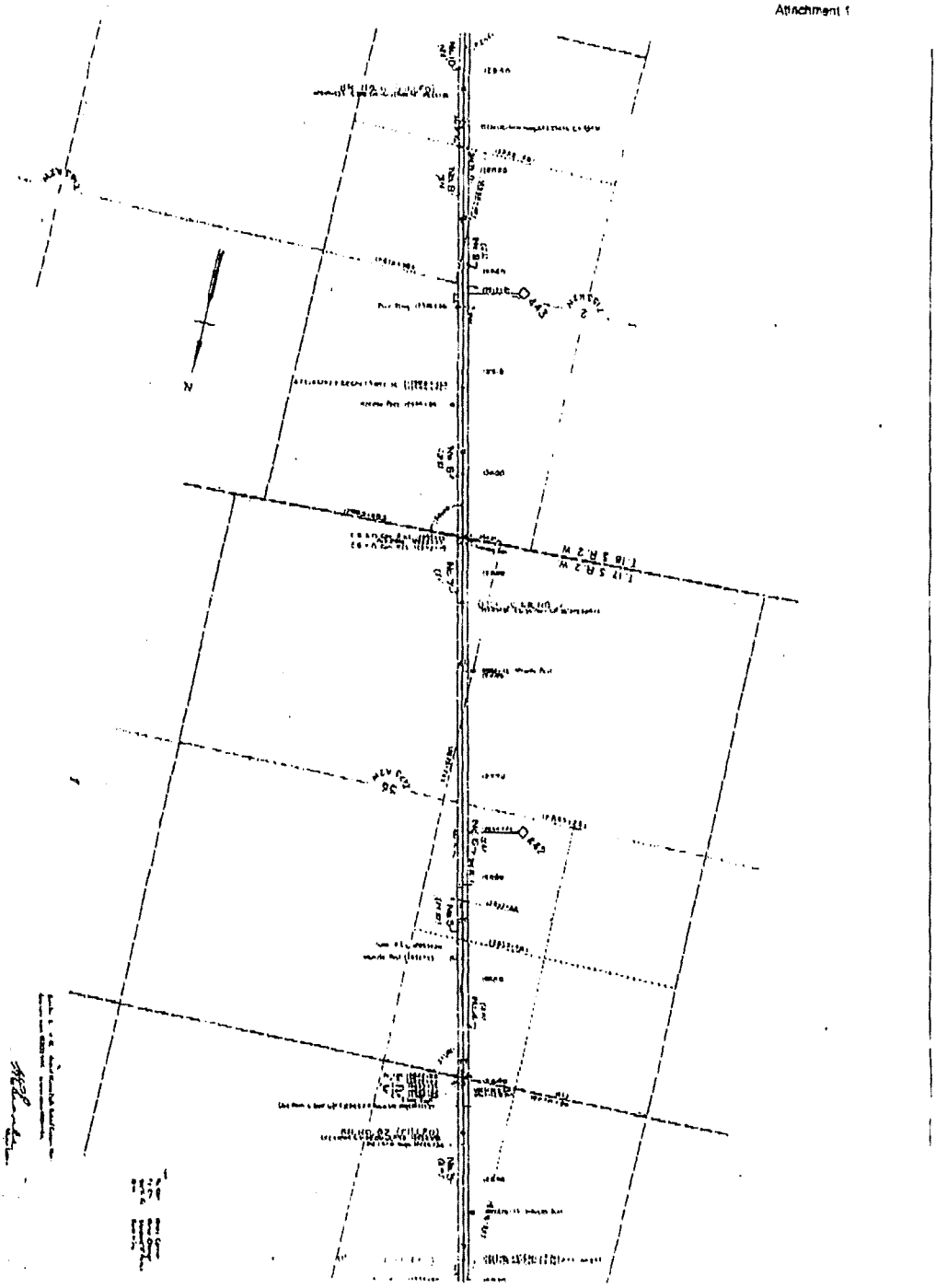
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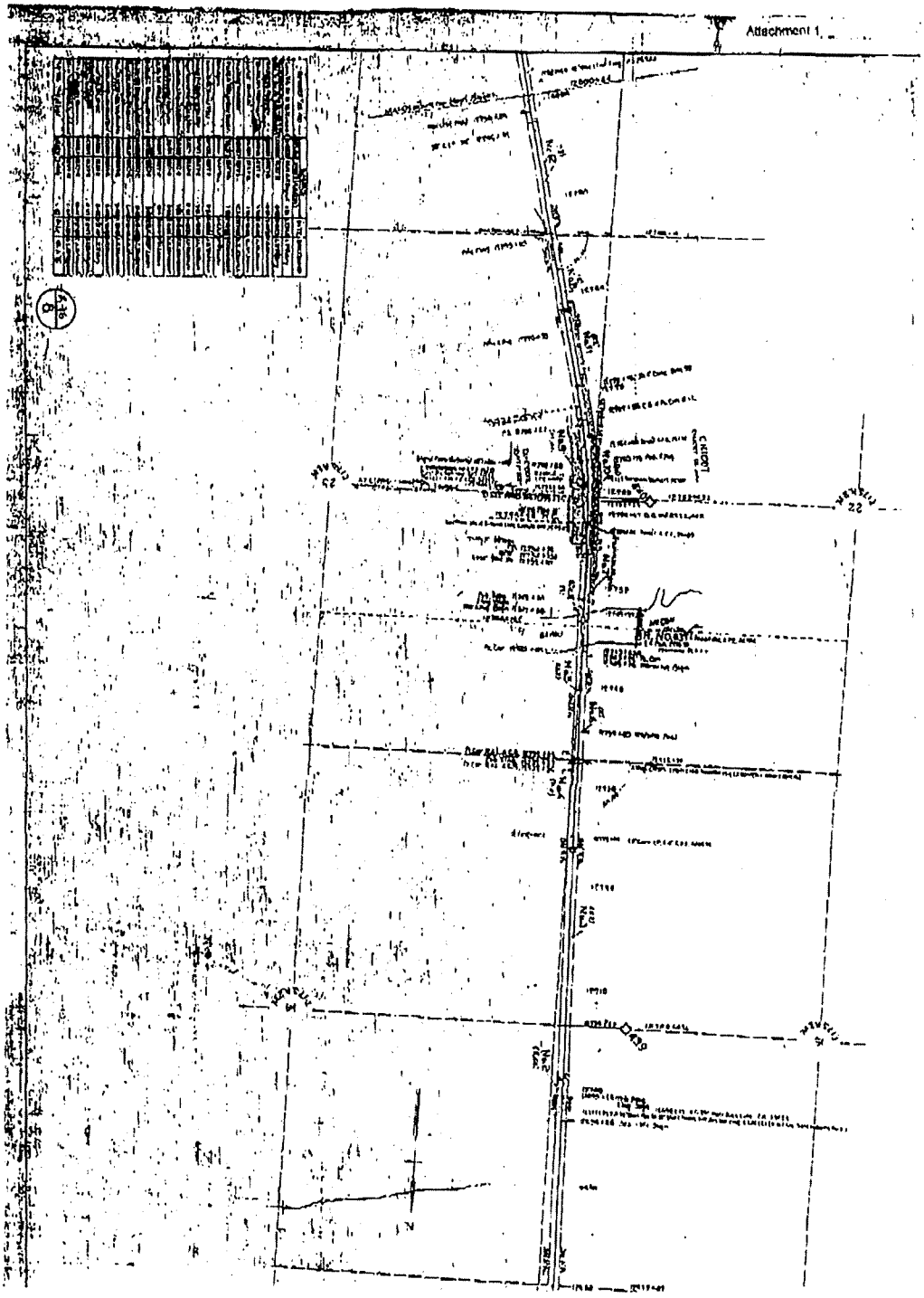


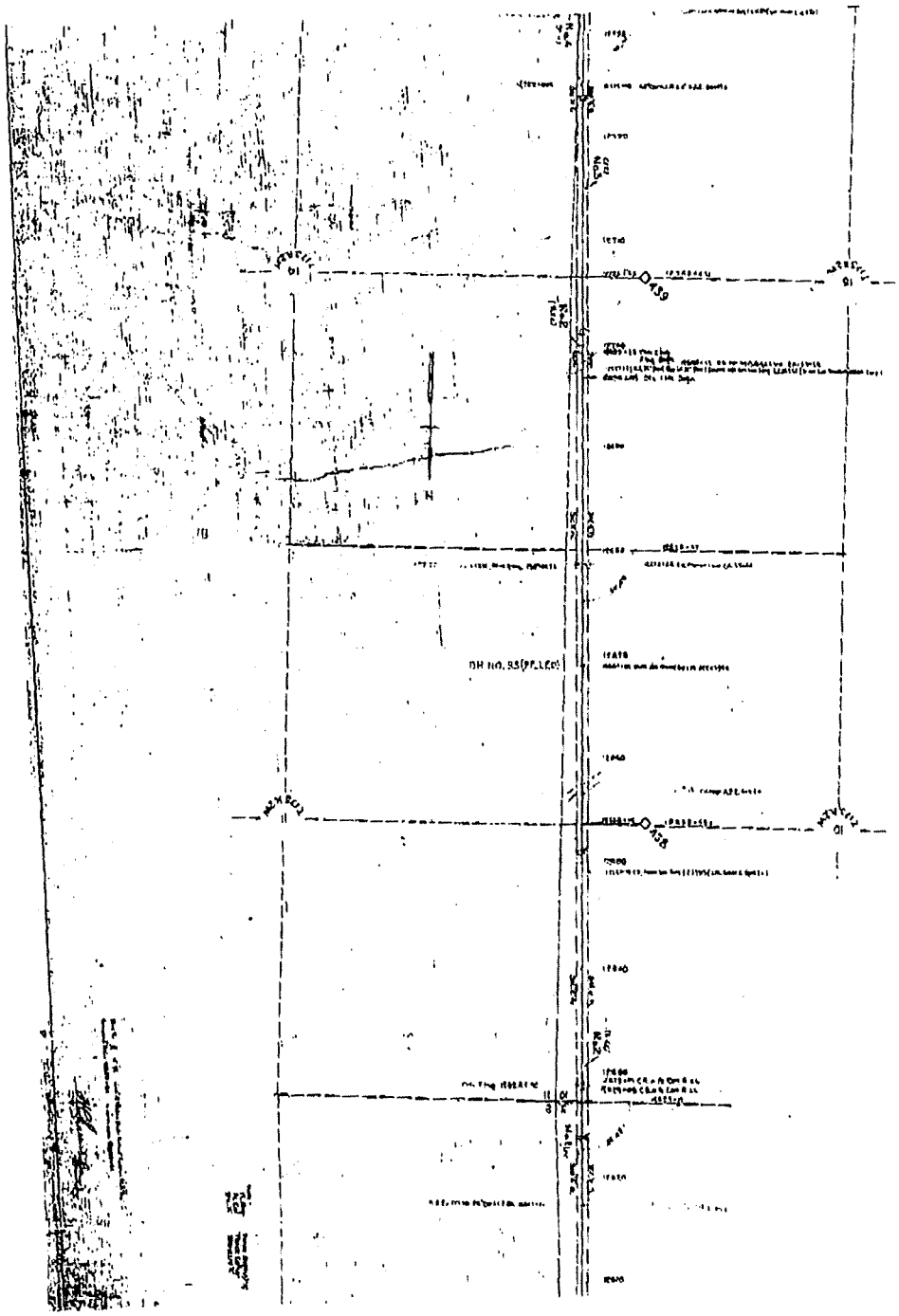
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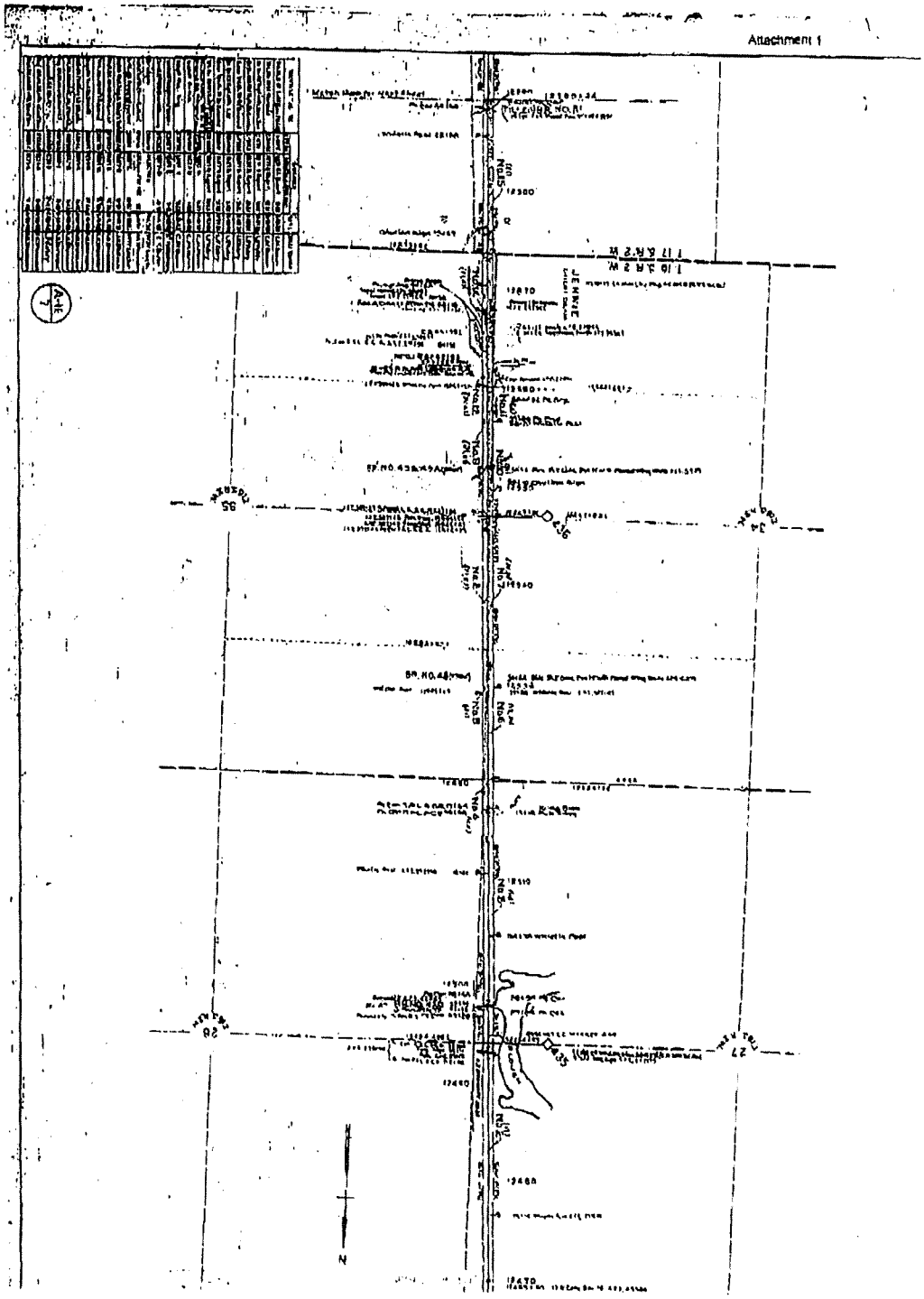
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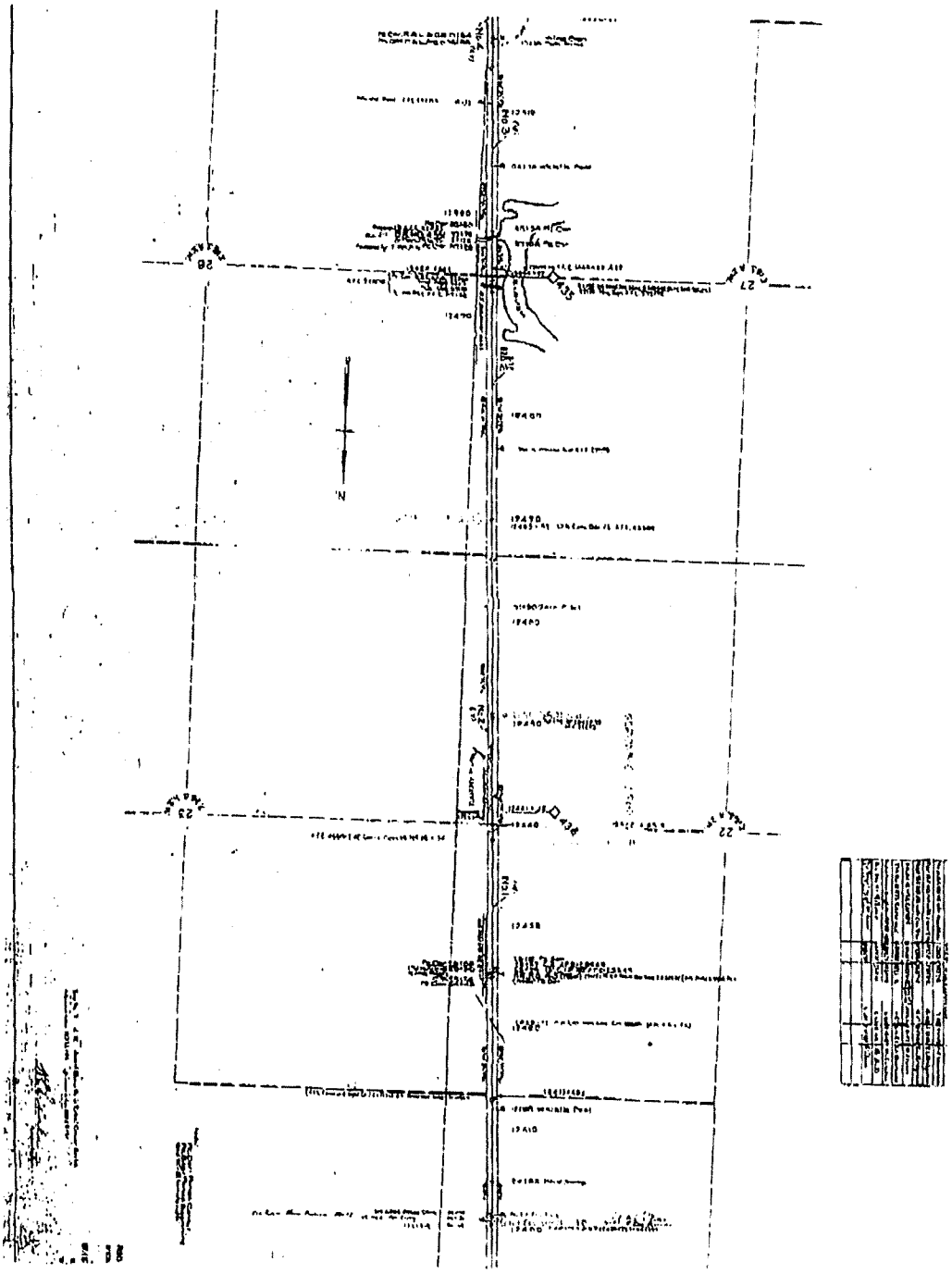

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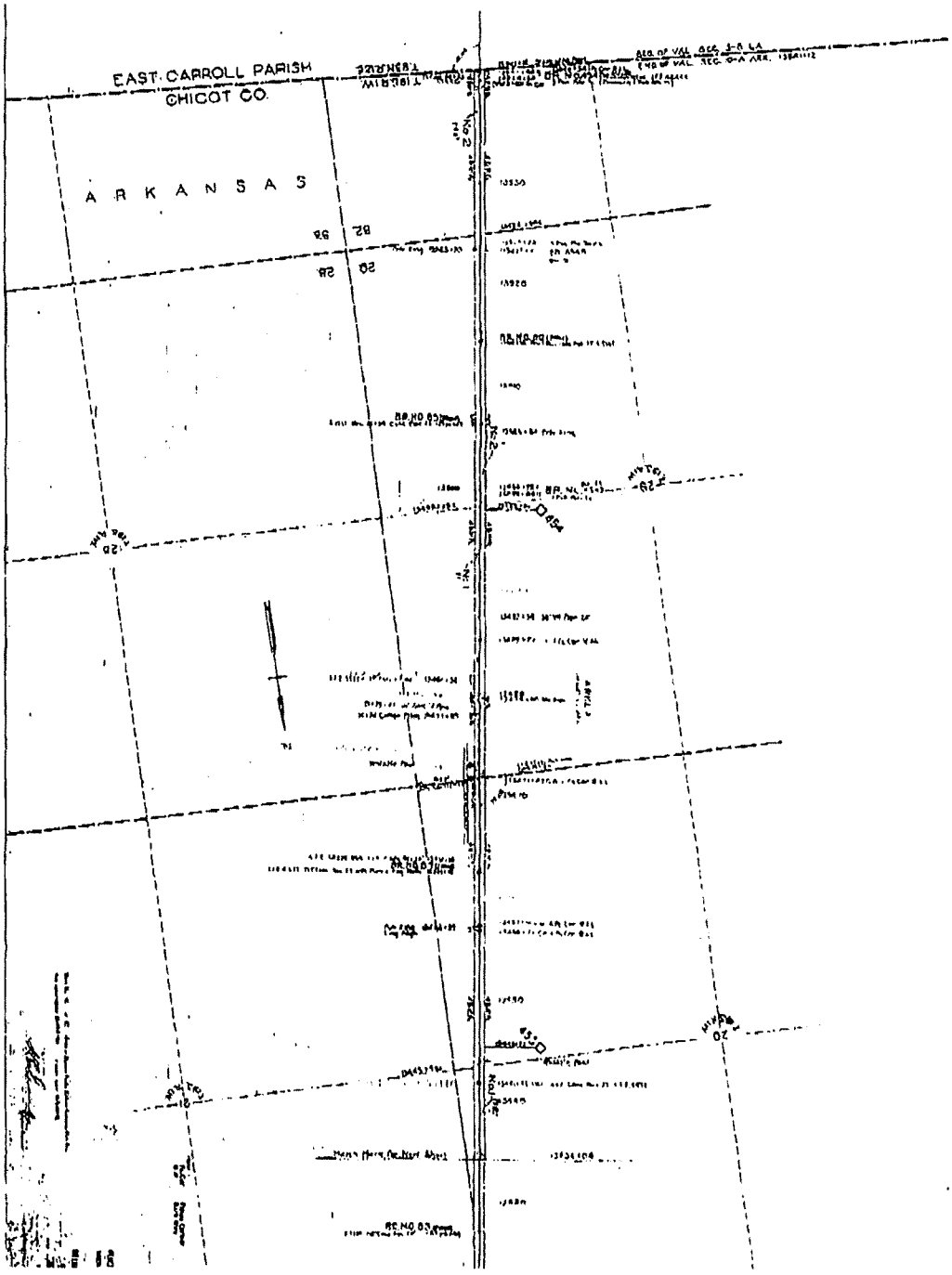
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Attachment 1



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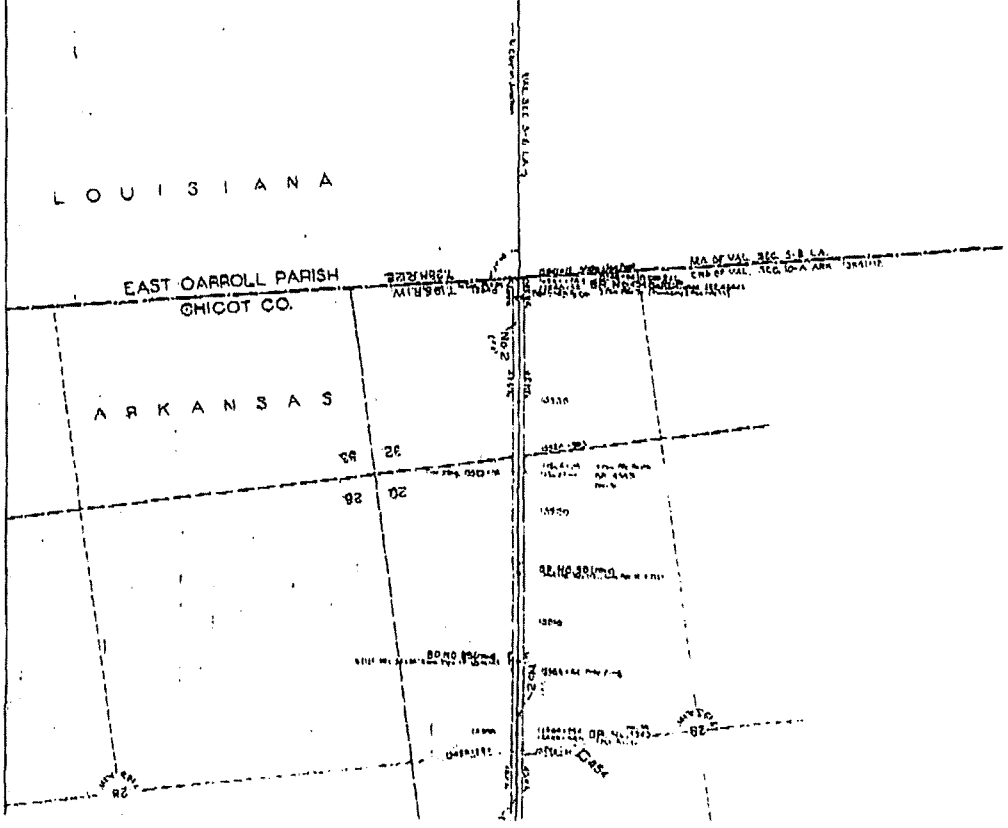


I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED ON THIS 24th DAY OF Aug 20 22 AT 2:55 P.M. AND RECORDED ON THE 24th DAY OF Aug 20 22 IN RECORD BOOK E-24 PAGE 127

FLOY BOSTICK, CIRCUIT CLERK
CHICOT COUNTY, ARKANSAS

BY [signature] D.C.

Stephens Bridewell + Bridewell



Certificate of Service in Compliance with the Decision of the Surface Transportation Board served November 20, 2023.

I, Richard H. Streeter, do hereby certify that, on November 29, 2023, true copies of the following documents were served by first-class mail, postage prepaid, or by email, on all applicable entities: (1) Verified Statement of Wyly Gilfoil that verifies the responses in the Amended Feeder Line Application of the Lake Providence Port Commission, filed January 4, 2023, in FD 36447, *Lake Providence Port Commission-Feeder Line Application-Line of Delta Southern Railroad Located in East Carroll and Madison Parishes, LA;* (2) a true copy of the *Second Amended Railway Lease Agreement By and Between, LPPC and NL&A*; and (3) a Certificate of Service of Richard H. Streeter, reflecting full compliance of service on January 4, 2023, with 49 C.F.R. § 1151.2(a) and 1151.3(a)(16):

(1) The owning railroad:

Delta Southern Railroad, Inc.
c/o John M. Scheib at
Scheib@gentrylocke.com

(2) All rail patrons who originated and/or received traffic on the line during The 12-month period preceding the month in which the amended application was filed:

Jose Hernandez
Helena Chemical/South Delta Fertilizer
hernandez@helenaagri.com

Dan Militaru
Rail Vehicle Services
dan.militaru@railcarco.com

Jerry J. Melton
Complex Chemical Co.
jmelton@complexchemical.com

Neil Martin
Terral River Service, Inc.
nmartin@terralriverservice.com

(3) The designated State agency in the State where the property is located:

Louisiana Department of Transportation and Development
andrew.barry@la.gov
sanettria.pleasant2@la.gov

(4) County governments where the line is located:

East Carroll Parish Police Jury
Kendall Thompson, President
ecpj400@att.net

Madison Parish Police Jury
Jane Samders, President
msmith_mppj@bellsouth.net

Richard H. Streeter

/s/ Richard H. Streeter

Counsel to the Lake Providence
Port Commission

East Carroll & Madison Parishes
Lake Providence Port Commission
Acquisition & Rehabilitation of Railroad-Lake Providence-Tallulah
(Lake Providence Branch of the Old Missouri Pacific Rail Line)

APPLICATION TO THE LOUISIANA PORT CONSTRUCTION AND DEVELOPMENT PRIORITY PROGRAM 2025-2026

Lake Providence Port Commission
409 Port Road
Lake Providence, Louisiana 71254
Telephone: 318.282.0620
Telephone: 225.315.4234

Contact: Wyly Gilfoil, Executive Director

LEGISLATIVE DELEGATION
Senator Katrina Jackson, District 34
Representative C. Travis Johnson, District 21
Representative Francis Thompson, District 19

PORT COMMISSIONERS
Jim Thom, President
Jerry King, Vice President
Francis Lensing, Secretary-Treasurer
Karvan Powell
Roger Clement
Mark Buntyn

Preparer: Wyly Gilfoil, Port Director
Bryant Killen, Deputy Director
Ph. 318.282.0620

March 1, 2024



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I. PORT'S MASTER PLAN

J. COMMENTING AGENCIES

K. OTHER—Letters of Support

Lake Providence Port Commission
Acquisition & Rehabilitation of Railroad-Lake Providence-Tallulah
(Lake Providence Branch of the Old Missouri Pacific Rail Line)
PCDPP APPLICATION, FY 2025-26

I. DESCRIPTION OF THE PROPOSED PROJECT

I. A. Nature and Goals

The Goals of this Project are to acquire 28 miles of railroad and provide for its rehabilitation. It will connect Lake Providence Port to Madison Parish Port and provide connections to two mainline railroads (UP and KCS). The Project will provide a gateway to economic growth and development in the region, improve resiliency, safety, reliability and improve the environment through reduced truck traffic.

The connection will enhance transportation efficiency and reduce logistical costs for businesses operating in and around the Lake Providence Port, Madison Port and Northeast Louisiana (NELA). This connectivity will facilitate the transportation of goods and materials, ultimately boosting trade and commerce in the area. An improved transportation infrastructure will attract new businesses, leading to job creation and economic prosperity for the regional community.

Regional competitiveness will be enhanced by providing access to a broader market through the mainline railroad network. This will enable businesses in Lake Providence and the NELA to reach a wider customer base, increase their market share, and strengthen their position in the industry. The increased connectivity will attract investments and foster economic growth, making Lake Providence Port and NELA a more attractive destination for businesses and investors.

A railroad connecting multiple ports is crucial for efficient transportation and trade. The railroad serves as a vital link between the ports, facilitating the seamless movement of goods and products. It enhances connectivity, reduces transportation costs, and increases the speed of deliveries. This infrastructure plays a significant role in boosting economic growth by enabling businesses to expand their markets and reach a wider customer base. Additionally, a well-connected railroad system between ports promotes more efficient trade, fosters economic development, and strengthens regional competitiveness. Overall, the presence of a railroad connecting multiple ports is essential for enhancing logistical operations, promoting trade efficiency, and driving economic prosperity.

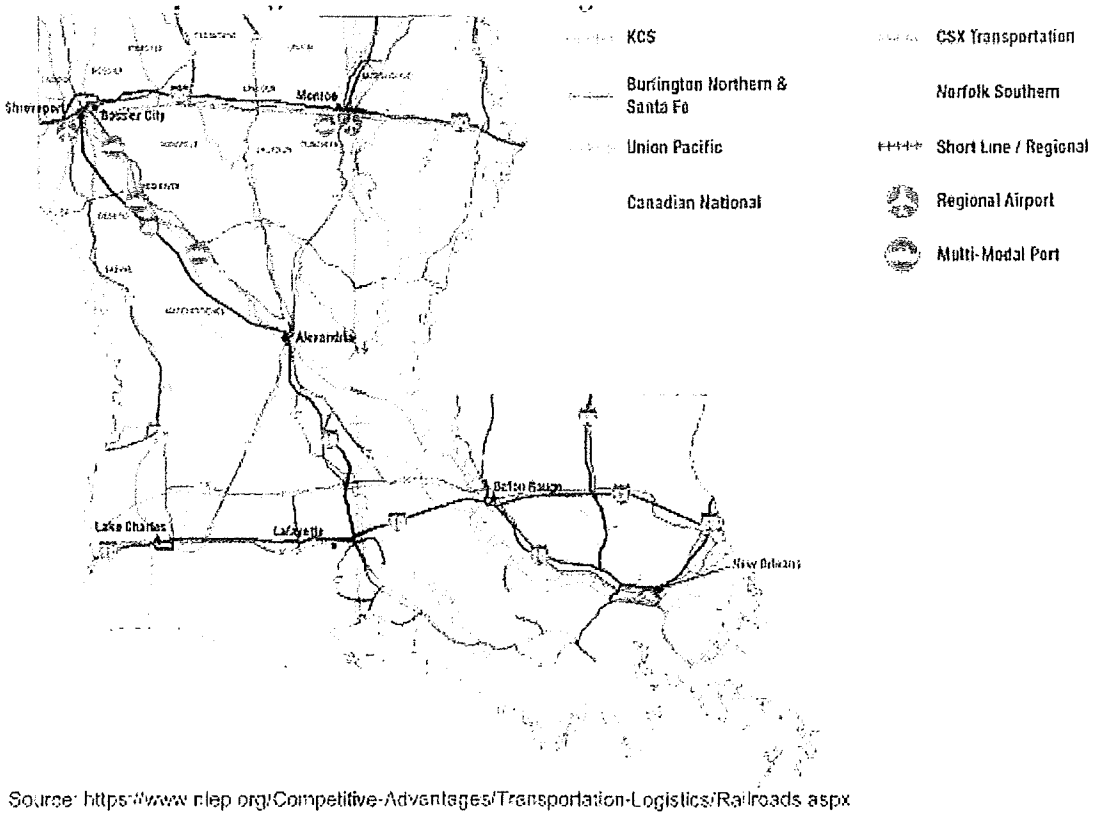
During years of low water levels on the Mississippi River, the use of a railroad to transport goods becomes essential as barge traffic may be shut down. Railroads offer a reliable alternative mode of transportation when water levels in the river are too low for barges to navigate effectively. This ensures that the flow of goods and products is not disrupted, maintaining supply chains and meeting market demands. The flexibility and efficiency of rail

transport play a critical role in mitigating the impact of adverse weather conditions on river transportation. By utilizing railroads during periods of low water levels, businesses can continue to move their goods efficiently and minimize disruptions to their operations. This highlights the importance of having multiple transportation options, such as railroads, to adapt to challenging environmental conditions and ensure the continuous flow of commerce.

The acquisition and rehabilitation of the 28 miles of railroad connecting Lake Providence Port to an additional mainline railroad is a strategic investment that will bring about significant benefits to the public. It will stimulate economic growth, create job opportunities, enhance regional competitiveness, and promote sustainable transportation practices. This project is essential for realizing the full potential of the Lake Providence Port Commission and driving progress in the region.

The trackage specific to this PCDPP application begins at Lake Providence and follows US Hwy. 65 southward to the KCS interchange in Tallulah, approximately 28 miles. The proposed alignment is graphically depicted in Attachment E.

Exhibit 1: Operating Louisiana Rail Trackage



Source: https://www.nlep.org/Competitive-Advantages/Transportation-Logistics/Railroads.aspx

Most of the current trackage consists of lightweight 85-pound/yard construction materials and base design. This condition and other constraints from this outdated rail system, which includes bridges and numerous roadway crossings, prohibits the use of freight cars with the maximum allowable gross weight of 286,000 pounds which is the current rail standard across America.

While the proposed track upgrade is intended for everyday use, it will also serve to benefit waterborne commerce during times of low water conditions on the Mississippi River such as this record setting years (2022 & 2023). As a result, crops harvested this summer and fall had to be trucked to by-pass river blockages between Lake Providence and Vidalia. Although the low water conditions do not occur every year, when the conditions do arise, rail service could be used to maintain cargo movement. News accounts suggest that low water levels that hinder barge flow occur on average every ten years except this year they occurred back-to-back.

I. B. Funds Requested

Information presented in Exhibit 2 on the following page shows the amount of funds requested of the Port Construction and Development Priority Program for the proposed improvements at and on behalf of the Lake Providence Port Commission. Total construction and related costs inclusive of engineering design fees are $16,666,667. Of this amount, $15,000,000 is requested of the Louisiana Port Construction and Development Priority Program. The Lake Providence Port Commission will be responsible for $1,666,667 calculated as 10% of eligible construction costs plus non-construction related costs including advertising, administration, geotechnical investigations, engineering, inspections, etc., which are also estimated to yield $1,666,667. In total, the LPPC non-state share will be $3,333.333.

EXHIBIT 2--PROJECT COSTS and FUNDS REQUESTED
LAKE PROVIDENCE PORT COMMISSION
Acquisition & Rehabilitation of Railroad-Lake Providence Branch of the Old Missouri Pacific Rail Line, Lake Providence, LA to Tallulah, LA
PCDPP 2025-26

Item No.	Description	Cost	Project Cost & Cost by Entity	
1	Rail Acquisition	$ 5,000,000		
2	Track rehabilitation	$ 9,151,515		
3	Roadway Crossings	$ 1,000,000		
				-
	TOTAL CONSTRUCTION	$ 15,151,515		
	Contingencies 10% & Related Costs	$ 1,515,152		
	Total Construction Costs	$ 16,666,667	(a)	
	90% of Construction Cost (DOTD Share & Basis for IRR		(b)	$ 15,000,000
	10% of Construction Cost (Port Share/Non-state)		(C)	$ 1,666,667
	Engineering & Related Services		(d)	$ 1,666,667
	TOTAL PROJECT COSTS	(b+c+d)	$ 18,333,333	
	(DOTD & Port Commission)			
	(Cost Verfication)		$ 18,333,333	
	Port's Share (non-state) of PCDPP		(0.1a) + d	$ 3,333,333
	(10% of Eligible Construction+Engineering & Related Cost			

I. C. Alternatives

The no action alternative will lead to the continued decline in efficiency of agriculture and related shipments along the Mississippi River corridor by rail in Northeast Louisiana. The continued use of trucking will only result in a decline of highway infrastructure as well as increase safety concerns in the region. Since overweight permits are granted during harvest - the hottest time of the year, the use of rail can lead to less wear and tear on the highways, resulting in a reduction of road maintenance. Rail transportation has a proven safety record compared to trucking. Trains are less prone to accidents and have a lower fatality rate per billion-ton miles.

I. D. Adequacy of Components

The functional ports' rail network including McGehee, Lake Providence, and Tallulah is serviced by the Delta Southern Railroad and the North Louisiana and Arkansas Rail Company. This line is linked to the Union Pacific Railroad at McGehee, Arkansas, and the Kansas City Southern Railroad at Tallulah, LA. Kansas City Southern Railroad and Union Pacific Railroad extend service throughout the country, Mexico, and Canada on a Class 4 track

(60 mph for freight and 80 mph for passenger service). Delta Southern Railroad servicing the Lake Providence Port begins in Tallulah and continues north to Lake Providence. The North Louisiana & Arkansas Railroad operates over 62 miles from McGehee, AR to Lake Providence. As growth in the production of grain continues, additional cargo will be generated along these lines, particularly if the proposed rail service upgrades are implemented.

Port infrastructure, i.e., utilities, roads, rail sidings, and the dock facilities, are in place and fully operational with decades of long-term useful life expectancy at these ports. North-south highway connectivity is provided via US 65 while Interstate 20 passes through Tallulah east to west. Highway access south from Tallulah is provided by US 65 and is aligned north to south to near the Tensas Parish Port at St. Joseph, La. US Hwy. 65 continues to Clayton, where it intersects with US 84/425 traversing east-west and US 61 southbound to Baton Rouge. These ports connect all the continental U. S., Canada, and Mexico by rail and internationally by water. These ports are all adjacent to the Mississippi River giving them multimodal accessibility with highway, rail, and water.

By improving rail service in the Lake Providence, La. – Tallulah, La area near the Lake Providence Port and the Madison Parish Port, cargo movements by rail can re-emerge thereby encouraging major cost savings in the reduction of thousands of miles of truck hauling which is the standard operating procedure today. As noted previously, with the persistent threat of low water on the Mississippi River at harvest, the feasibility of acquiring and rehabilitating the line is at the pinnacle of public interest in northeast Louisiana.

II. DEMONSTRATION OF IMMEDIATE NEED FOR THE PROJECT

II. A. Cargo History

A multi-year cargo history for the Port of Lake Providence is presented below in Exhibit 3 which notes both stability and growth at the port. Port land area, facilities, & operations have expanded consistently over the past three decades. In the cargo history table, USACE totals reflect Lake Providence harbor tonnage as well as cargo carried along the Mississippi River within the Lake Providence "river reach" as defined by the Corp of Engineers.

Commodity	2016	2017	2018	2019	2020
All Commodities	944,097	1,086,104	1,147,254	1,096,782	1,120,845
Nitrogenous Fert.	105,549	75,699	128,392	136,912	84,994
Phosphatic Fert.	4,565	9,476	7,827	3,168	11,620
Potassic Fert.	20,085	21,562	13,328	12,418	23,240
Fert. & Mixes NEC	14,755	4,584	4,528	8,430	6,555
Building Stone	-	-	-	-	6,127
Limestone	13,777	9,167	27,451	50,470	45,083
Sand & Gravel	56,135	74,105	75,005	85,080	121,834
Waterway Improv. Mat	53,225	41,120	5,880	34,754	98,329
Lime	16,397	32,550	-	-	-
Aluminum	-	-	-	1,591	-
Wheat	-	-	7,617	2,318	1,550
Corn	215,796	232,490	396,498	245,798	174,231
Rice	21,002	20,210	19,900	22,409	34,959
Oats	-	1,605	-	-	-
Soybeans	413,713	552,914	451,891	481,673	498,395
Oilseeds NEC	1,298	7,422	8,937	11,761	9,928
Animal Feed, Prep.	7,800	3,200	-	-	4,000

Source: US Army Corps of Engineers, Waterborne Commerce Statistics Center

II. B. Market Analysis

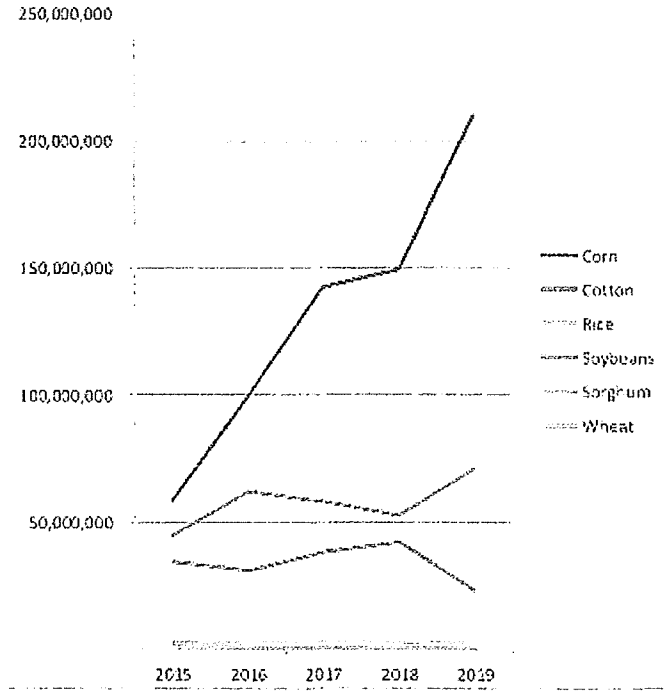
II. B. 1. Extrapolation from Past Trends

Data presented in Exhibit 4, Commodity Production in the Port's Hinterland, was abstracted from LSU Ag Center data relative to agricultural production in northeast Louisiana over the past few years. While abstracted to basic crops, the long-term acreage trend in agricultural production in the port's hinterland is relatively consistent. This trend is especially noteworthy for major crops handled in East Carroll & Madison Parishes with particular emphasis on grains such as corn, soybeans, sorghum, and wheat. As summarized in the data chart (Exhibit 5), while individual crop harvests show annual fluctuations, the totals for the industry are generally consistent.

Exhibits 4--Commodity Production in Port's Hinterland (bushels)
(Catahoula, Concordia, East Carroll, Franklin, Madison, Richland, Tensas, and West Carroll Parishes)
Source: LSU Ag Center Annual reports by parish, 2015 -2019

Crop	1996	2016	2017	2018	2019	2020
Corn	36,817,660	61,923,110	58,058,560	52,386,689	70,802,689	60,422,206
Cottonseed	361,563	80,094	114,007	119,611	168,031	98,514
Rice	2,417,474	2,872,672	2,606,053	2,798,402	2,269,575	3,283,184
Soybeans	12,396,956	30,881,920	38,300,046	42,132,719	23,473,171	32,828,403

Exhibit 5—Commodity Summary Chart in Bushels



Agricultural commodities (generally dry bulk cargo such as grain and cottonseed) and liquid cargo (fertilizer and other ag chemicals) listed in Exhibit 3 reflect recent historical cargo handling throughout much of northeast Louisiana. With the addition of rail service to the area, significant cost savings will be gained with an inbound and outbound rail option when compared to trucking. Cargo is projected to continue expanding overall as crop production in yield per acre increases. As per acre yields increase and more tonnage is generated, total agricultural acreage in the port's hinterland is also anticipated to increase as has occurred historically.

II. B. 2 Diverted Cargo

The acquisition and rehabilitation of the Lake Providence Branch of the old Missouri Pacific Railroad which has not seen traffic since 2014, will lead to diversion of cargo hauling from truck to rail. Corn shipments are already occurring from Lake Providence by truck to Delhi where it is placed on unit trains to Mexico. With rail rehabilitation, corn will be loaded at Lake Providence and shipped to Tallulah to be combined with loads from the Madison Port to make a unit train for delivery to Mexico. Other cargo movements between the Lake Providence - Tallulah area include aggregates southbound from north of Louisiana, corn north to Tallulah then west on to Mexico, farm equipment from Waterloo, Iowa, fertilizer in a short rail run south from Tallulah, and cottonseed and soybeans from the Madison Port area up to the Port of Lake Providence. These movements are magnified during low water events, providing an outlet for farmers to get their crops to market as well as adequate storage. All these movements are currently by truck.

Studies indicate that elevators with shuttle service "can reduce costs, increase speed, and increase rail capacity." (Hyland, Mahmasssani, & Mjahed. 2016 "Analytical Models of Rail Transportation Service in the Grain Supply Chain...Transportation Research Part E 93:294-315). "Shippers using shuttle service saved an average of 24 percent per year in total transportation costs during the study period (2006-2013)" (Ndembe, Bitzan. 2018. Grain Freight elevator consolidation, transportation demand. Research in Transportation Economics, Journal of the Transportation Research Forum 71:54-60).

Shipping freight via rail limits greenhouse gas emissions and increases fuel efficiency thereby reducing the transportation carbon footprint. The difference between moving cargo via rail or truck (25 tons) is that rail freight (143 tons) is typically three to four times more affordable and fuel efficient (www.freightcourse.com/rail-vs-truck). In fact, one unit train can replace several hundred trucks.

II. B. 3. Generated Cargo

No new generated cargo is anticipated currently.

II. B. 4. Origins and Destinations

Based upon input from the port director, port commissioners, and proposed clientele, and the referenced grant application, origins and destinations of the projected cargo are included in

section II.B.2 above. Trip distance is included in tables provided for use in calculating cargo handling revenue and transportation cost savings.

II. B. 5. Cargo Handling Revenue

The basic revenue stream anticipated by the port commission is a function of rail trackage usage revenue generated by every rail car using the proposed reconstructed track as well as the storage revenue of port tenants staging cars for use. In estimating gross revenue, cargo tonnage, rail rates/ton-mile, trip miles, and the port's share of revenue are incorporated. Tonnage and rate are provided by port staff, shipper surveys, area farming interests, and rail providers. This information is summarized on an annual basis in Exhibit 6 below and over the 30-year project term in Exhibit 7.

Exhibit 6 - Annual Gross Cargo Handling Revenue

Commodity	Tonnage	Rate/Ton -mile	Miles	Total Cost	Port Revenue @ 10%
Aggregates	78,000	$ 0.079	30	$ 184,860.00	$ 18,486
Chemicals	70,000	$ 0.079	300	$ 1,659,000.00	$ 165,900
Cottonseed	20,000	$ 0.079	70	$ 110,600.00	$ 11,060
Grain	170,000	$ 0.079	25	$ 335,750.00	$ 33,575
Equipment	1,000	$ 0.079	880	$ 69,520.00	$ 6,952
Fertilizer	37,000	$ 0.079	40	$ 116,920.00	$ 11,692
Other	135,000	$ 0.079	90	$ 959,850.00	$ 95,985
	# Cars	Rate/Day	Days		
Storage	500	$ 6.000	365	$ 1,095,000.00	$ 1,095,000
TOTAL	**511,500**				**$ 1,438,650**

Exhibit 7 -ANNUAL GROSS CARGO HANDLING REVENUE OVER PROJECT TIMEFRAME	
Project Year	Rail Revenue
1	$ 1,438,650
2	$ 1,438,650
3	$ 1,438,650
4	$ 1,438,650
5	$ 1,438,650
6	$ 1,438,650
7	$ 1,438,650
8	$ 1,438,650
9	$ 1,438,650
10	$ 1,438,650
11	$ 1,438,650
12	$ 1,438,650
13	$ 1,438,650
14	$ 1,438,650
15	$ 1,438,650
16	$ 1,438,650
17	$ 1,438,650
18	$ 1,438,650
19	$ 1,438,650
20	$ 1,438,650
21	$ 1,438,650
22	$ 1,438,650
23	$ 1,438,650
24	$ 1,438,650
25	$ 1,438,650
26	$ 1,438,650
27	$ 1,438,650
28	$ 1,438,650
29	$ 1,438,650
30	$ 1,438,650
Total 30-yr Gross Revenue	$ 43,159,500

II. C. Industrial Development

No new industrial development is anticipated.

II. D. Prospective Industrial Tenants

As noted above in II.C., no new prospective tenants are in negotiations with port staff currently.

II. E. Letter of Commitment

Letters of commitment are not applicable to this application, and letters of support from area legislators are included as Attachment K.

II. F. Other Factors

NA

III. PRELIMINARY DESIGN, PLANS, AND COST ESTIMATES

III. A. Design Criteria

Design criteria for the rail upgrade will be provided by the port's consultant engineer. Design criteria of the renovated and upgraded track will be developed to a Class 2 track to accommodate 286,000 pounds per car. Details related to specific design criteria are preliminary but can and will be submitted as soon as practical.

III. B. Design Calculations

Because of the cost burden required in carrying design costs for three or more years in accordance with PCDPP and legislative approval and funding procedures, only rough order of magnitude design calculations were prepared. More detailed design calculations will be provided upon notice of funding approval and as an actual grant award nears.

III. C. Preliminary Construction Plans

Layout of Existing and Proposed Facilities and Preliminary Construction Plans can be found in Attachments E and F respectively.

III. D. Cost Estimates

A cost estimate is provided in Exhibit 2 on page 3.

III. E. Project Schedule

Beginning with the submittal of this grant application, the tentative schedule for the project is noted as follows:

March 2024 .....Submittal of PCDPP grant application.
April 2025 .....Approval of application by PCDPP; joint legislative committee approval.
October 2026 .....Engineering plans completed and approved.
January 2027 .....Advertise for Bids, Bids Accepted.
April 2027 .....Contractor selected, contract executed, construction begins.
June 2029 .....Construction complete
October 2029 .....Facility at full production

The port commission is aware of the ongoing delay in the allocation of approved PCDPP grants. The above dates are considered "movable" to accommodate grant award and respective funding appropriations.

IV. DETERMINATION OF BENEFITS TO THE STATE

IV. A. Revenues and Expenses

Summarized in Exhibit 8 on the following page is the projected net revenue estimate that the project will generate for the Port of Lake Providence. A maintenance deduction of half 1/30th of the total project cost is subtracted from that gross revenue over the anticipated 30-year life of the project. A 50% reduction in this expense deduction is utilized as allowed in the PCDPP guidelines as the railroad company has responsibility for all rail maintenance on the proposed segment upgrade.

As noted in Section II.B.5, because of the nature of the project, a 30-year useful life and respective revenue stream is presented. Examples of anticipated financial benefits to the state include rail use/lease revenue as through put and as pass through, creation of jobs, and transportation cost savings. Non-financial benefits include the ability to market confidently, enhanced sustainability, reduced truck emissions, reduced roadway wear and tear, and neutralizing the effect of low water halting barge traffic once every seven to ten years.

EXHIBIT 8 - NET REVENUE ESTIMATE			
Project Year	Annual Gross Revenue (from Exhibit 6)	Less Maintenance Expense *	Net Revenue
1	$ 1,438,650	$ 277,778	$ 1,160,872
2	$ 1,438,650	$ 277,778	$ 1,160,872
3	$ 1,438,650	$ 277,778	$ 1,160,872
4	$ 1,438,650	$ 277,778	$ 1,160,872
5	$ 1,438,650	$ 277,778	$ 1,160,872
6	$ 1,438,650	$ 277,778	$ 1,160,872
7	$ 1,438,650	$ 277,778	$ 1,160,872
8	$ 1,438,650	$ 277,778	$ 1,160,872
9	$ 1,438,650	$ 277,778	$ 1,160,872
10	$ 1,438,650	$ 277,778	$ 1,160,872
11	$ 1,438,650	$ 277,778	$ 1,160,872
12	$ 1,438,650	$ 277,778	$ 1,160,872
13	$ 1,438,650	$ 277,778	$ 1,160,872
14	$ 1,438,650	$ 277,778	$ 1,160,872
15	$ 1,438,650	$ 277,778	$ 1,160,872
16	$ 1,438,650	$ 277,778	$ 1,160,872
17	$ 1,438,650	$ 277,778	$ 1,160,872
18	$ 1,438,650	$ 277,778	$ 1,160,872
19	$ 1,438,650	$ 277,778	$ 1,160,872
20	$ 1,438,650	$ 277,778	$ 1,160,872
21	$ 1,438,650	$ 277,778	$ 1,160,872
22	$ 1,438,650	$ 277,778	$ 1,160,872
23	$ 1,438,650	$ 277,778	$ 1,160,872
24	$ 1,438,650	$ 277,778	$ 1,160,872
25	$ 1,438,650	$ 277,778	$ 1,160,872
26	$ 1,438,650	$ 277,778	$ 1,160,872
27	$ 1,438,650	$ 277,778	$ 1,160,872
28	$ 1,438,650	$ 277,778	$ 1,160,872
29	$ 1,438,650	$ 277,778	$ 1,160,872
30	$ 1,438,650	$ 277,778	$ 1,160,872
30-yr Net Revenue	$ 43,159,500	$ 8,333,340	$ 34,826,160

*$16,666,667 project cost/2 (maintenance by RR company)/30 = $277,778

IV. B. Number of Jobs

Port employment is anticipated to increase 5% with the implementation of the proposed multi-modal improvements. Five new jobs will be generated by the rail project and five jobs will be retained because of the rail rehabilitation. These jobs will be spread among all port tenants. Port employment will increase from 100 to 105. A breakdown by job type and wages in accordance with the PCDPP is presented in Exhibit 9. New jobs and retained jobs are included.

EXHIBIT 9 ESTIMATE OF ADDITIONAL ANNUAL PAYROLL			
PORT OPERATORS			
Position - NEW	Total Employees	Annual Wages	Total Wages
Managerial	1	$ 60,400	$ 60,400
Supervisory/stevedore/skilled	2	$ 46,300	$ 92,600
Factory Workers	2	$ 31,500	$ 63,000
Clerical/unskilled	2	$ 18,600	$ 37,200
TOTAL	7		$ 253,200
Position - RETAINED	Total Employees	Annual Wages	Total Wages
Managerial	0	$ 60,400	$ -
Supervisory/stevedore/skilled	0	$ 46,300	$ -
Factory Workers	0	$ 31,500	$ -
Clerical/unskilled	0	$ 18,600	$ -
TOTAL	0		$ -
TOTAL ESTIMATE OF ADD'L ANNUAL PAYROLL			$ 253,200

IV. C. Payroll Benefits

Based upon the above noted employee structure and respective annual wages (Exhibit 9), information presented below in Exhibit 9 offers estimated payroll benefits based upon PCDPP guidelines.

IV. D. Spin-off Benefits of Payroll

Spin-off benefits are also noted in Exhibit 10, Payroll Benefits, and presented in accordance with program guidelines.

EXHIBIT 10. PAYROLL BENEFITS		
Year 1 - 30	Direct Payroll Benefits	Spin-off Payroll Benefits
1	$ 253,200	$ 253,200
2	$ 244,760	$ 244,760
3	$ 236,320	$ 236,320
4	$ 227,880	$ 227,880
5	$ 219,440	$ 219,440
6	$ 211,000	$ 211,000
7	$ 202,560	$ 202,560
8	$ 194,120	$ 194,120
9	$ 185,680	$ 185,680
10	$ 177,240	$ 177,240
11	$ 168,800	$ 168,800
12	$ 160,360	$ 160,360
13	$ 151,920	$ 151,920
14	$ 143,480	$ 143,480
15	$ 135,040	$ 135,040
16	$ 126,600	$ 126,600
17	$ 118,160	$ 118,160
18	$ 109,720	$ 109,720
19	$ 101,280	$ 101,280
20	$ 92,840	$ 92,840
21	$ 84,400	$ 84,400
22	$ 75,960	$ 75,960
23	$ 67,520	$ 67,520
24	$ 59,080	$ 59,080
25	$ 50,640	$ 50,640
26	$ 42,200	$ 42,200
27	$ 33,760	$ 33,760
28	$ 25,320	$ 25,320
29	$ 16,880	$ 16,880
30	$ 8,440	$ 8,440
Total Payroll Benefits	$ 3,924,600	$ 3,924,600
Annual reduction factor calc		
$ 253,200	30	$ 8,440

IV. E. Shipping Costs

Shipping cost and related transportation savings as a project benefit are summarized in the table below (Exhibit 11).

EXHIBIT 11
TRANSPORTATION SAVINGS

Commodity	Tonnage	Rail Rate/ Ton-mile	Miles	Ton-Miles	Total Cost by Rail		Truck Rate/ Ton-Mile	Total Cost by Truck	Transportation Savings
Aggregate	78,000	$ 0.079	30	2,340,000	$ 184,860		$ 0.20	$ 468,000	$ 283,140
Chemicals	70,000	$ 0.079	300	21,000,000	$ 1,659,000		$ 0.20	$ 4,200,000	$ 2,541,000
Cottonseed	20,000	$ 0.079	70	1,400,000	$ 110,600		$ 0.20	$ 280,000	$ 169,400
Grain	170,000	$ 0.079	25	4,250,000	$ 335,750		$ 0.20	$ 850,000	$ 514,250
Equipment	1,000	$ 0.079	860	860,000	$ 67,940		$ 0.20	$ 172,000	$ 104,060
Fertilizer	37,000	$ 0.079	40	1,480,000	$ 116,920		$ 0.20	$ 296,000	$ 179,080
Other	135,000	$ 0.079	90	12,150,000	$ 959,850		$ 0.20	$ 2,430,000	$ 1,470,150
TOTAL	511,000				$ 3,434,920			$ 8,696,000	$ 5,261,080

IV. F. Other Benefits

As noted previously, non-financial benefits include the ability to market confidently, enhanced sustainability, reduced truck emissions, reduced roadway wear and tear, and neutralizing the effect of low water halting barge traffic once every seven to ten years.

IV. G. Benefits-Costs Tabulation

Benefits presented heretofore include port revenue, payroll (direct and spin-off), and transportation savings. All are presented in Exhibit 12 over the proposed 30-year planning period of the project. The source of each data column is provided atop each column.

EXHIBIT 12

BENEFITS-COST TABULATION

	Exhibit 2	Exhibit 7	Exhibit 8	Exhibit 9	Exhibit 10	
Yr	Total Project Cost	Net Revenue	Payroll Benefits	Spin-off Benefits	Transportation Savings	Total Benefits
0	$ (18,333,333)					$ (18,333,333)
1		$ 1,160,872	$ 253,200	$ 253,200	$ 5,261,080	$ 6,928,352
2		$ 1,160,872	$ 244,760	$ 244,760	$ 5,261,080	$ 6,911,472
3		$ 1,160,872	$ 236,320	$ 236,320	$ 5,261,080	$ 6,894,592
4		$ 1,160,872	$ 227,880	$ 227,880	$ 5,261,080	$ 6,877,712
5		$ 1,160,872	$ 219,440	$ 219,440	$ 5,261,080	$ 6,860,832
6		$ 1,160,872	$ 211,000	$ 211,000	$ 5,261,080	$ 6,843,952
7		$ 1,160,872	$ 202,560	$ 202,560	$ 5,261,080	$ 6,827,072
8		$ 1,160,872	$ 194,120	$ 194,120	$ 5,261,080	$ 6,810,192
9		$ 1,160,872	$ 185,680	$ 185,680	$ 5,261,080	$ 6,793,312
10		$ 1,160,872	$ 177,240	$ 177,240	$ 5,261,080	$ 6,776,432
11		$ 1,160,872	$ 168,800	$ 168,800	$ 5,261,080	$ 6,759,552
12		$ 1,160,872	$ 160,360	$ 160,360	$ 5,261,080	$ 6,742,672
13		$ 1,160,872	$ 151,920	$ 151,920	$ 5,261,080	$ 6,725,792
14		$ 1,160,872	$ 143,480	$ 143,480	$ 5,261,080	$ 6,708,912
15		$ 1,160,872	$ 135,040	$ 135,040	$ 5,261,080	$ 6,692,032
16		$ 1,160,872	$ 126,600	$ 126,600	$ 5,261,080	$ 6,675,152
17		$ 1,160,872	$ 118,160	$ 118,160	$ 5,261,080	$ 6,658,272
18		$ 1,160,872	$ 109,720	$ 109,720	$ 5,261,080	$ 6,641,392
19		$ 1,160,872	$ 101,280	$ 101,280	$ 5,261,080	$ 6,624,512
20		$ 1,160,872	$ 92,840	$ 92,840	$ 5,261,080	$ 6,607,632
21		$ 1,160,872	$ 84,400	$ 84,400	$ 5,261,080	$ 6,590,752
22		$ 1,160,872	$ 75,960	$ 75,960	$ 5,261,080	$ 6,573,872
23		$ 1,160,872	$ 67,520	$ 67,520	$ 5,261,080	$ 6,556,992
24		$ 1,160,872	$ 59,080	$ 59,080	$ 5,261,080	$ 6,540,112
25		$ 1,160,872	$ 50,640	$ 50,640	$ 5,261,080	$ 6,523,232
26		$ 1,160,872	$ 42,200	$ 42,200	$ 5,261,080	$ 6,506,352
27		$ 1,160,872	$ 33,760	$ 33,760	$ 5,261,080	$ 6,489,472
28		$ 1,160,872	$ 25,320	$ 25,320	$ 5,261,080	$ 6,472,592
29		$ 1,160,872	$ 16,880	$ 16,880	$ 5,261,080	$ 6,455,712
30		$ 1,160,872	$ 8,440	$ 8,440	$ 5,261,080	$ 6,438,832
	$ (18,333,333)	$ 34,826,160	$ 3,924,600	$ 3,924,600	$ 157,832,400	$ 182,174,427
TOTAL BENEFITS TO STATE						$ 182,174,427

V. DESCRIPTION OF THE PROJECT AREA

The Port of Lake Providence is located along Louisiana's eastern Mississippi River border in the northeastern corner of the state along U. S. Hwy. 65 in East Carroll Parish. Along the Mississippi River, the port harbor entrance is at AHP 483. The port has been expanding its land area, more than quadrupling its size since 1980. Today, the port covers approximately one hundred acres with all expansion since the 1980s as flood-free land.

VI. Impacts of Implementing the Proposed Project

Economic and related benefits are presented in Section IV as summarized in the

benefits table, Exhibit 12.

VII. Master Plan for the Port

The port master plan was prepared in 1984 and remains viable. Issues focused on port expansion and harbor maintenance (primarily focusing on beneficial use of dredge material to create flood free land), additional infrastructure, and rail access to the port and through the hinterland. Track extensions in the port proper have occurred. Nothing contradictory to the proposed rail and harbor improvements is included in the port master plan.

VIII. OTHER INFORMATION

VIII. A. Funding Sources

If approved, the funding sources for the project will be the Louisiana Port Construction and Development Priority Program for 90% of the construction costs and the Lake Providence Port Commission, regional railroads, and local stakeholders for the remaining 10% of construction costs plus engineering and related services as presented in Exhibit 2 Project Costs and Funds Requested.

VIII. B. Local Share

The port commission will be responsible for providing funds for the non-state portion of the project cost. A certified copy of the resolution authorized by the Port District is included as Attachment A.

VIII. C. Multi-Year Projects

Because of the collaborative nature and construction methods required of this project, i.e., for rail segments and multiple participants collaborating and sharing funds, it is likely the project will take multiple years to complete.

VIII. D. Permits

Local, DOTD, and rail industry permits may be required prior to construction. These requirements will be addressed in the design phase of the project.

G. FINANCIAL STATEMENTS

G. Financial Statements: Provide financial statements for the last five years. The financial statements shall show assets, liabilities, profit and loss and include the accountant's letter transmitting the statement to the port authority and notes of explanation.

BASIC FINANCIAL STATEMENTS FROM 2018 THRU 2022 ALONG WITH THE ACCOUNTANT'S RESPECTIVE LETTERS ARE ATTACHED. ADDITIONAL FINANCIAL INFORMATION ARE TO BE PROVIDED UNDER SEPARATE COVER FROM PORT DIRECTOR.)

ATTACHMENTS

A. RESOLUTION

RESOLUTION

A Resolution authorizing the Lake Providence Port Commission to prepare and submit an application to the Louisiana Port Construction and Development Priority Program for assistance in the implementation of a port improvement project; providing for the necessary documentation of the need for the port improvement; and providing for other matters in connection therewith.

WHEREAS, the Lake Providence Port Commission has a need for port improvements; and

WHEREAS, the Lake Providence Port Commission desires to apply for State matching funds pursuant to Chapter 47 of Title 34 of the Louisiana Revised Statutes of 1950, as amended, to implement a project to improve its port operation and the Lake Providence Port Commission is fully aware of its obligations under said Statute; and

WHEREAS, the Lake Providence Port Commission is a political body duly organized and existing under the laws of the State of Louisiana and is eligible to apply for funds under said Statute,

NOW, THEREFORE, BE IT RESOLVED by the Lake Providence Port Commission as follows:

Section 1. That the Lake Providence Port Commission acknowledges that a formal application will be prepared and submitted to the Louisiana Port Construction and Development Priority Program.

Section 2. That at the appropriate time and upon approval of funding assistance and prior to commencement of work on the project the Lake Providence Port Commission agrees to execute a Project Agreement and a Statement of Sponsorship pursuant to the Statute.

Section 3. That William W. Gilfoil, Port Director is hereby designated Authorized Representative for the Lake Providence Port Commission to effect the preparation of an application to the Louisiana Port Construction and Development Priority Program for funding assistance of a port improvement project.

Section 4. That said Authorized Representative's responsibilities shall pertain to technical matters only and shall not include any official act on behalf of the Lake Providence Port Commission.

This 22nd day of February, 2024.

Secretary
Lake Providence Port Commission

Presiding Officer
Lake Providence Port Commission

B. DESIGN CRITERIA

(See Section III.A)

To be submitted by project engineers as projects is processed through application review and funding procedures.

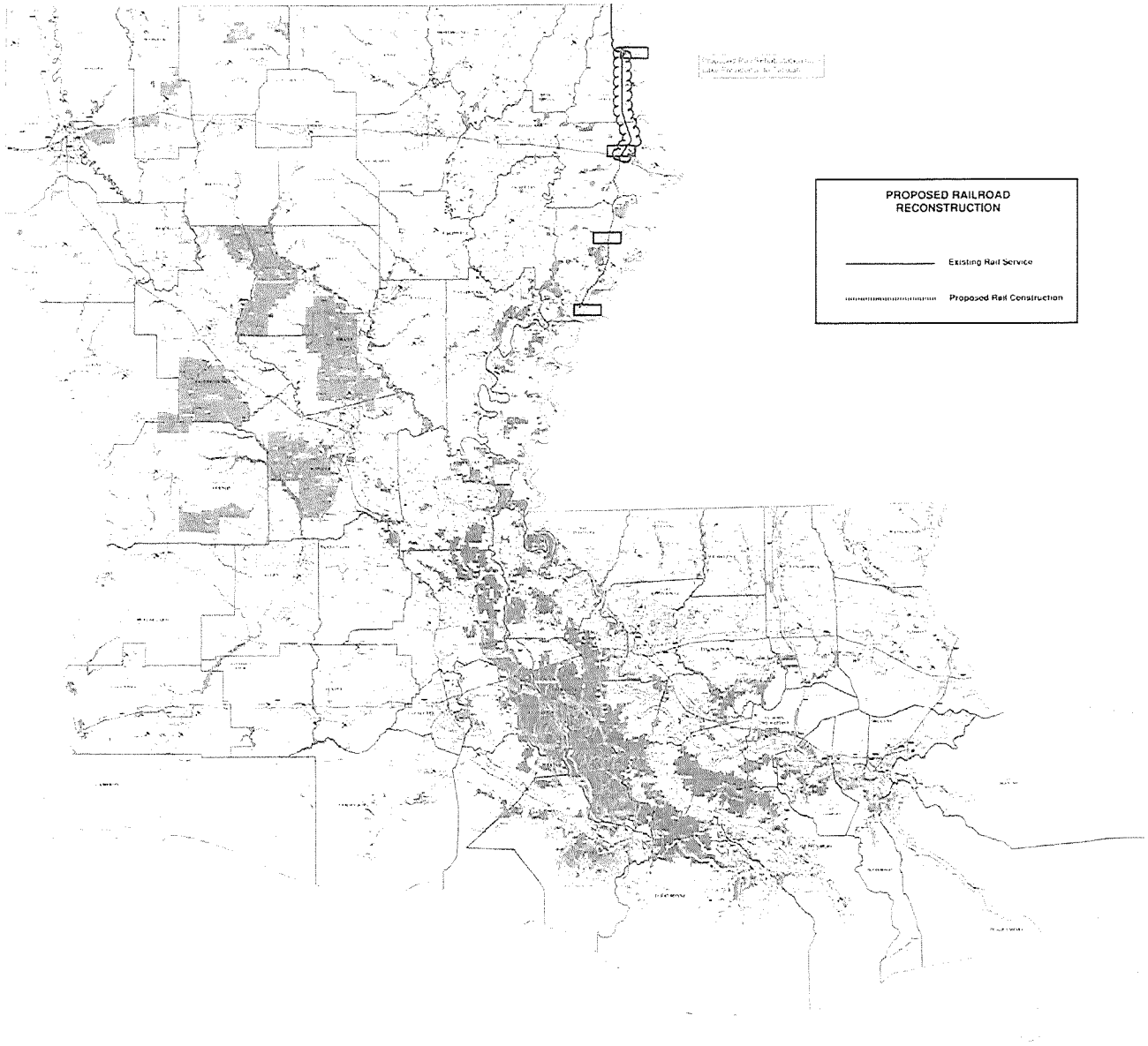
C. DESIGN CALCULATIONS

(See Section III. B)
(To be prepared and submitted in its entirety upon notice of grant approval and funding appropriation.)

D. ENGINEERING REPORT

(To be prepared and submitted in its entirety upon notice of grant approval and funding appropriation.)

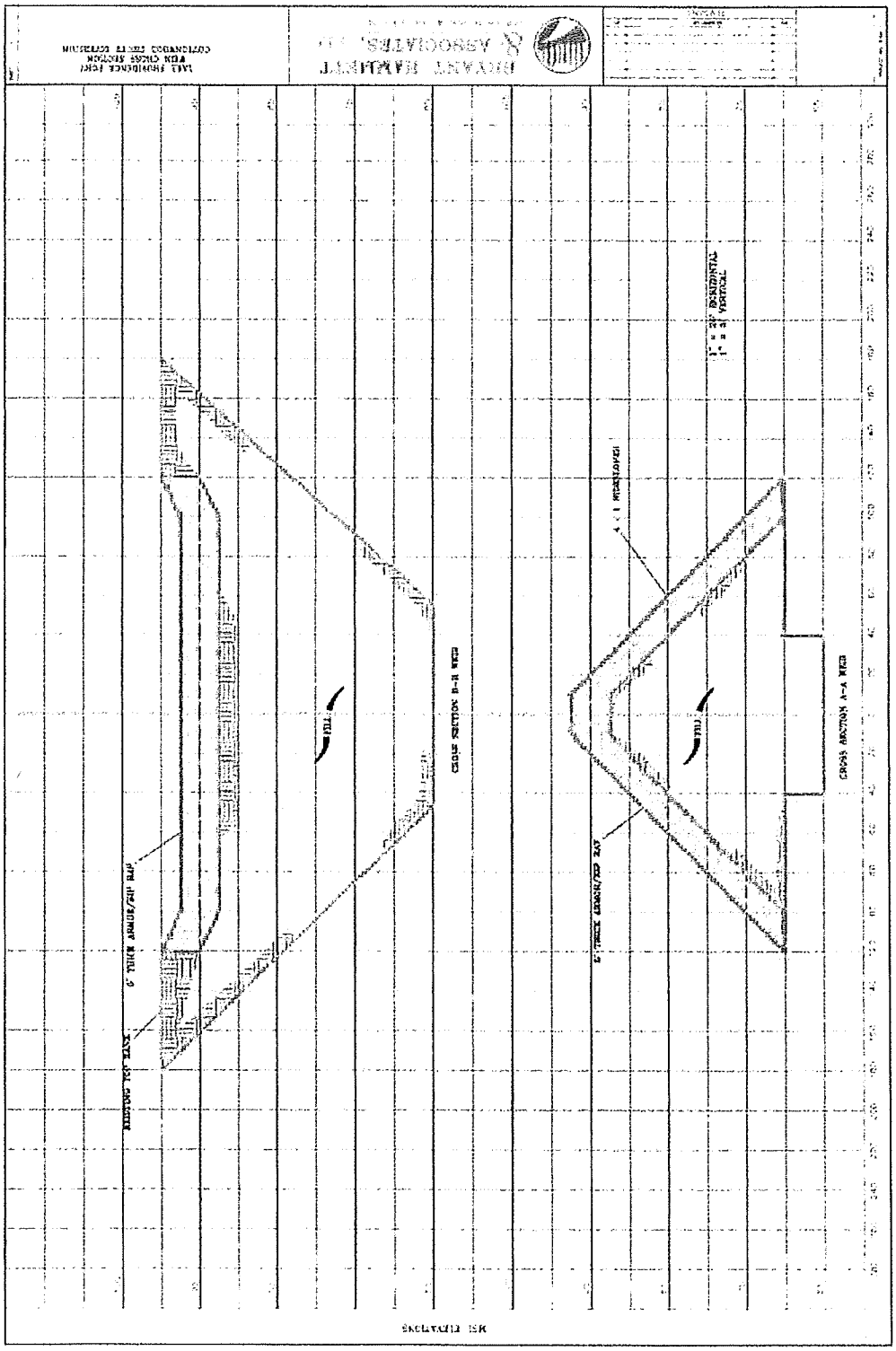
E. LAYOUT OF EXISTING AND PROPOSED FACILITIES


PROPOSED RAILROAD
RECONSTRUCTION
Existing Rail Service
Proposed Rail Construction

LPPC_001024

F. PRELIMINARY CONSTRUCTION PLANS

(Presented as Conceptual Diagrams)



G. FINANCIAL STATEMENTS

G. Financial Statements: Provide financial statements for the last five years. The financial statements shall show assets, liabilities, profit and loss and include the accountant's letter transmitting the statement to the port authority and notes of explanation.

BASIC FINANCIAL STATEMENTS FROM 2018 THRU 2022 ALONG WITH THE ACCOUNTANT'S RESPECTIVE LETTERS ARE ATTACHED. ADDITIONAL FINANCIAL INFORMATION ARE TO BE PROVIDED UNDER SEPARATE COVER FROM PORT DIRECTOR.)

H. CARGO TONNAGE HISTORY

CARGO HISTORY 1990 - 2015 (in tons)
Port of Lake Providence, Louisiana

(NOTE: Port of Lake Providence Cargo History from 2016 through 2019 is shown in Exhibit 3 on page 5.)

	GRAIN SHIPMENTS	DOCK SHIP/REC.	LIQ. FERT SHIPPED	DRY FERT & AGGREGATE SHIPMENTS	COTTON SEED UNLOADS	TOTAL	USACE TONNAGE
YEAR							
1990	54,000	111,000		74,000	24,000	263,000	
1991	93,000	118,000		147,000	32,000	390,000	
1992	111,000	102,000		118,000	111,000	442,000	
1993	71,000	89,000		106,000	73,000	339,000	
1994	100,000	98,000		114,000	62,000	374,000	
1995	66,000	82,000		147,000	117,000	412,000	
1996	157,000	124,000	11,000	157,000	106,000	555,000	
1997	140,000	76,000	9,000	156,000	94,000	475,000	
1998	114,000	85,000	20,000	132,000	86,000	437,000	
1999	135,000	88,000	22,000	82,000	58,000	385,000	
2000	130,000	107,000	23,000	113,000	107,000	480,000	524,000
2001	176,000	121,000	28,000	77,000	84,000	486,000	490,000
2002	317,000	90,000	27,000	75,000	119,000	628,000	489,000
2003	338,000	168,000	51,000	132,000	88,000	777,000	804,000
2004	291,000	160,000	33,000	134,000	44,000	662,000	621,000
2005	213,000	139,000	29,000	138,000	46,000	565,000	521,000
2006	212,000	161,000	59,000	205,000	20,000	657,000	908,000
2007	405,000	203,000	50,000	160,000	21,000	839,000	1,009,000
2008	377,000	238,000	44,000	126,000	-	785,000	856,000
2009	294,000	116,000	19,000	147,000	-	576,000	635,000
2010	426,000	155,000	42,000	185,000	-	808,000	1,349,000
2011	395,000	215,000	46,000	178,000	-	834,000	896,000
2012	354,000	116,000	17,812	173,000		660,812	733,000
2013	678,000	252,000	21,014	203,000		1,154,014	1,595,000
2014	707,000	231,000	28,000	88,000		1,054,000	
2015	704,000	206,000	2,000	13,000		925,000	

Notes:

1. Grain shipments are reported as the amount shipped for the year by water.
2. Dock shipments indicate the amount of goods received or shipped by water.
3. Liquid fertilizer indicates the product shipped (by truck) and does not show the amount received (by water).
4. Dry fertilizer and aggregate indicated the amount shipped (by truck) whereas the inbound is from water.
5. Cottonseed shipments indicate the amount of unloads received by truck (outbound goes by rail mostly).
6. In all cases only one transaction is counted either shipment or receipt.
7. All figures are rounded to the nearest 000 ton.

I. PORT'S MASTER PLAN

Available upon request.

J. COMMENTING AGENCIES

(None at this time.)

K. OTHER

LETTERS OF SUPPORT from Senator Katrina Jackson (34) and Representatives Francis Thompson (19), Neil Riser (20), and C. Travis Thompson (21) are attached.

SENATE
STATE OF LOUISIANA

4106 DeSiard Street
Monroe, LA 71203
Email: jacksonk@legis.la.gov
Phone: (318) 343-2877
Fax: (318) 343-2879
Toll Free: (855) 872-5197

116 Sparrow Street
Lake Providence, LA 71254

KATRINA R. JACKSON
STATE SENATOR ~ DISTRICT 34

COMMITTEES
Education, Vice Chairwoman
Agriculture, Forestry, Aquaculture and Rural Development
Insurance
Finance, Interim Member
Joint Budget, Interim Member

February 22, 2024

Randall D. Withers
Louisiana Department of Transportation & Development
LA Port Construction & Development Priority Program
1201 Capi9tol Access Road
Baton Rouge. LA 70802

RE: Letter of Support for Lake Providence Port Commission's Port Priority Application

Dear Mr. Withers.

I am writing this letter to express my strong support for the Lake Providence Port Commission's Port Priority Application to the Louisiana Department of Transportation and Development. I believe that this application. seeking $15.000.000.00 in funding for the acquisition and rehabilitation of the railroad from Lake Providence to Tallulah. is a vital step in enhancing our region's transportation infrastructure and fostering economic growth.

Lake Providence holds tremendous potential as a key hub for trade and commerce. thanks to its strategic location and abundant natural resources. However. the current state of the railroad connecting the port to Tallulah is in urgent need of investment and repair. The proposed acquisition and rehabilitation project will significantly improve the efficiency. safety. and capacity of freight movement in the area. thereby unlocking numerous economic opportunities and attracting new businesses to our community.

By investing in the acquisition and rehabilitation of the railroad. we can create a more robust and reliable transportation network that will benefit not only Lake Providence but also the entire region. This project will not only stimulate economic growth and create job opportunities but also enhance connectivity and facilitate the movement of goods and services through our port.

I firmly believe that supporting the Lake Providence Port Commission's Port Priority Application is a crucial investment in our community's future. The requested funding will enable us to revitalize our transportation infrastructure, foster economic development, and improve the overall quality of life for our residents. By providing this financial support, the Louisiana Department of Transportation and Development will contribute to the long-term prosperity and success of our region.

I kindly request your favorable consideration of the Lake Providence Port Commission's application for funding. Your support will demonstrate the commitment to fostering economic growth, job creation, and improved connectivity in our community. I am confident that, with your endorsement, we can secure the necessary resources to complete this transformative project.

Thank you for your attention to this matter. Should you require any additional information or have any questions, please do not hesitate to contact me. I sincerely appreciate your consideration and support for the Lake Providence Port Commission's Port Priority Application.

Yours sincerely,

Senator Katrina R. Jackson
District 34

LOUISIANA HOUSE OF REPRESENTATIVES

P.O. Box 68
Delhi, LA 71232
Email: thompsonf@legis.la.gov
Office: 318.878.9408
Fax: 318.878.5650

COMMITTEES:
Agriculture, Forestry, Aquaculture and Rural Development - Vice Chairman
Appropriations
Joint Legislative Committee on the Budget

FRANCIS C. THOMPSON
State Representative ~ District 19

February 7, 2024

Randall D. Withers
Louisiana Department of Transportation & Development
LA Port Construction & Development Priority Program
1201 Capi9tol Access Road
Baton Rouge, LA 70802

RE: Letter of Support for Lake Providence Port Commission's Port Priority Application

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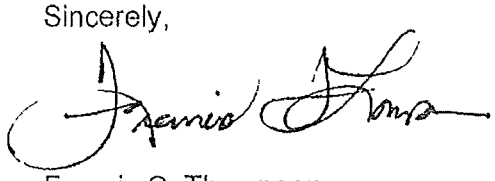
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Thank you for your attention to this matter. Should you require any additional information or have any questions, please do not hesitate to contact me at 318-878-9408 or thompsof@legis.la.gov. I sincerely appreciate your consideration and support for the Lake Providence Port Commission's Port Priority Application.

Sincerely,



Francis C. Thompson
State Representative
District 19

LOUISIANA HOUSE OF REPRESENTATIVES

P.O. Box 117
Columbia, LA 71418
Email: risern@legis.la.gov
Office: 318.649.0977
Fax: 318.649.0979

COMMITTEES:
Labor and Industrial Relations, Vice-Chairman
Ways and Means
Natural Resources and Environment

NEIL RISER
State Representative ~ District 20

February 7, 2024

Randall D. Withers
Louisiana Department of Transportation & Development
LA Port Construction & Development Priority Program
1201 Capi9tol Access Road
Baton Rouge, LA 70802

RE: Letter of Support for Lake Providence Port Commission's Port Priority Application

Dear Mr. Withers,

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Thank you for your attention to this matter. Should you require any additional information or have any questions, please do not hesitate to contact me. I sincerely appreciate your consideration and support for the Lake Providence Port Commission's Port Priority Application.

Sincerely,

Neil Riser
State Representative
District 20

nr:acm
cc: Lake Providence Port Commission

LOUISIANA HOUSE OF REPRESENTATIVES

200 Advocate Row, Suite D
Vidalia, LA 71373
Email: hse021@legis.la.gov
Phone: 225.308.4269
Fax: 225.380.0983

Agriculture, Forestry, Aquaculture, and Rural Development, Health and Welfare, Transportation, Highways, and Public Works, House Select Committee on Homeland Security

C. Travis Johnson
State Representative ~ District 21

February 20, 2024

Randall D. Withers
Louisiana Department of Transportation & Development
LA Port Construction & Development Priority Program
1201 Capi9tol Access Road
Baton Rouge, LA 70802

RE: Letter of Support for Lake Providence Port Commission's Port Priority Application

Dear Mr. Withers:

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Thank you for your attention to this matter. Should you require any additional information or have any questions, please do not hesitate to contact me at hse021@legis.la.gov. I sincerely appreciate your support and favorable consideration of the Lake Providence Port Commission's Port Priority's request for funding.

Warm regards,

C. Travis Johnson, State Representatives/District 21

INTERROGATORY NO. 34.

Please describe in detail all actions LPPC has taken to study, measure, analyze, assess, or evaluate the adequacy of DSRR's service to shippers over the Line, Including the results of any such study, measurement, analysis, assessment, or evaluation.

Response: LPPC objects to Interrogatory 34 on the grounds that it is (a) overly broad; (b) vague and/or ambiguous; (c) fails to describe with reasonable particularity the information sought; (d) seeks information that is not within the possession, custody, or control of LPPC; or (e) would impose an undue burden that outweighs any relevance or probative value the information sought may have in this proceeding. In further response, LPPC states that responsive information regarding the inadequacy of DSRR's service, which spans over 25 years, is thoroughly set forth in the expanded Feeder Line Application, filed with the Board on January 4, 2023. That Application details and reflects LPPC's contemporaneous observations that have spanned over a quarter of a century as well as those of shippers who have been denied direct interchange service over the full length of the Lake Providence Branch Line and those who have been compelled to utilize trucking and alternative rail routings to reach both KCS at Tallulah and UP at McGehee Arkansas that are inefficient and more expensive. In addition, evidence in the INFRA Grant Application that is included in the Feeder Line Application reflects the adverse environmental impact and additional costs that are associated with the use of trucks to



provide transportation to shippers in the area due to DSRR's past and continuing failure to maintain the track between McGehee and Tallulah.

In further response, LPPC objects to Interrogatory 34 to the extent it would require LPPC to disclose the mental and legal conclusions of its counsel as such information is protected from discovery by the attorney-client privilege and attorney work product in anticipation of litigation doctrine.

Without waiving any of the above-stated objections, LPPC states that Wyly Gilfoil has engaged in conversations with shippers for over 25 years regarding the lack of adequate rail service over the entire Lake Providence Branch Line between McGehee, Arkansas and Tallulah, Louisiana caused by DSRR's failure to properly maintain its track, and that he has no notes or other means of establishing the dates of all such conversations or the subject matter discussed.

Expanded Response: In response to DSRR's assertion at page 1 of its March 3, 2023 letter that LPPC, in its response to ROG 34, "does not produce a single document, correspondence, or email" LPPC repeats its objection that Interrogatory 34 is vague and/or ambiguous in that it fails to define what it meant by the word "study." As LPPC's initial response demonstrates, there was no need for LPPC to engage in an "academic" type of "study" to determine that DSRR, following the reopening of interchange in 2016 with LPPC, was unable and unwilling to rehabilitate the crucial 20-mile segment between mileposts 471.0 and 491.0 that would permit DSRR to provide adequate service. That information was provided by NLA after DSRR advised Mr. Robbins that it was

unable to accept interchange traffic due to its deteriorated track. Given that LPPC, beginning in 2016, had "partnered" with DSRR and others to seek funding to rehabilitate the entire rail corridor between McGehee and Tallulah, LPPC did not require any study or analysis of shippers' situations to confirm the inadequacy of DSRR's service for all shippers that were prevented from using the portion of DSRR's track between mileposts 471.0 and 491.0. In further response, LPPC confirms that because it did not engage in the preparation of any study, measurement, analysis, assessment, or evaluation of DSRR's service or non-service, it has no documents, correspondence, or emails that are responsive to Interrogatory 34.

INTERROGATORY NO. 35.

Please Identify all shippers with which LPPC has communicated concerning either (i) LPPC's feeder line application, (ii) DSRR, (iii) DSRR's service over the Line, or (iv) the shipper's rail transport needs. Describe in detail and Identify the communications with each shipper identified.

Response: LPPC objects to Interrogatory 35 on the grounds that it is overly broad and unduly burdensome and beyond the scope of permissible discovery. Indeed, it is incapable of being answered with any precision. Without waiving the foregoing objectives, LPPC answers that it is in the business of assisting shippers and promoting the movement of their freight, whether by rail, barge, or truck on a non-discriminatory basis. As a result, for the past 25+ years, LPPC has been in constant contact with shippers that are looking to move their products to and from the Lake Providence Port.

Based on information that is part of the record that was developed in 2015-2016 by NLA in conjunction with DSRR's former General Manager, LPPC is aware that there are several shippers, in addition to those that have been named in response to Interrogatory 33, who are not physically located on the Line, that have previously forwarded shipments over the Line and have stated their intent and willingness to move their freight over the Line in the future. However, they were denied transportation due to DSRR's policy that caused its employees to focus on storage revenues instead of developing interchange freight transportation service with shippers that were identified by Craig Huff and Daniel Robbins. Such shippers that have been identified in LPPC's

Application include Stepan Company, Clearwater Paper Corp., Livingston Pecan and Metal, Epstein Gin & Transloading Company; Hollybrook Gin & Warehouse, Riceland Foods, Sullivan Log Yard, Anderson Trade Group, Hensley Farms (f/k/a Big River Grain), Rail Vehicle Services, Helena Chemical, Nutrien (f/k/a CPS); Terral River Services, MD Power, Simplot (f/k/a Lake Village Seed), Gavilon (f/k/a CHS); APEX, Scott Petroleum, Complex Chemical, Bayou Bioenergy, LLC and John Deere.

Documents that confirm the intent of many of the foregoing shippers have been previously provided to DSRR and its attorneys in response to DSRR's First Set of Interrogatories and First Set of Requests to Produce. LPPC incorporates its prior responses to this interrogatory by reference thereto. By way of further response, LPPC states that DSRR, after evaluating the extensive documents that were provided, advised the Board that it deemed discovery concluded. Those documents have been available for review by DSRR's counsels since June 2021 and would be burdensome for LPPC to produce duplicative or cumulative information when DSRR's attorneys have already received and reviewed them.

Expanded Response: In response to DSRR's letter, dated March 3, 2023, LPPC further states that to acquaint former shippers and potential shippers with LPPC's intent to file an expanded feeder application and to request information that could be used to prepare some preliminary estimates of potential usage to determine going concern value, a Shipper Survey was forwarded in mid-October to current, former and potential shippers that have

used or sought to use rail service over the Lake Providence Branch Line. Following receipt of the surveys, some of the shippers were personally contacted by LPPC's counsel to determine whether they would be willing to submit verified statements in support of LPPC's application. Counsel for LPPC assisted Sam Angel, Blake Livingston, Robert Amacker and Neil Martin, in the preparation of verified statements based on information they provided regarding their inability to obtain any rail service and/or their reasons for finding DSRR's service to be inadequate. Their Verified Statements were included in LPPC's expanded Feeder Line Application, dated January 4, 2023.

Prior conversations involving known or potential shippers and LPPC's counsel occurred in March of 2021. On March 18, 2021, counsel spoke with Dan Militaru, CEO of Rail Vehicle Services a/k/a RailcarCo., regarding his intent to reach UP at McGehee over the Lake Providence Branch Line.

On August 9, 2022, counsel spoke with Mr. Militaru regarding the condition of the track north of the Madison Parish Port and LPPC's pending feeder application.

On November 18, 2022, counsel forwarded a copy of Complex Chemical's verified statement to Railcar Co. for consideration.

On January 3, 2023, counsel spoke with Mr. Militaru to determine the address to which LPPC Feeder Application should be mailed. Counsel spoke with Jose Hernandez at Helena Agri to obtain mailing address.

On January 4, 2023, a copy of LPPC's expanded feeder line application was served on Complex Chemical, Co., Inc.; Terral River Services; Helena Fertilizer; and Railcar Co.

On March 4 and 5, 2021, counsel spoke with Jerry J. Melton, President, Complex Chemical regarding Mr. Melton's intent to file a statement of support for LPPC's Feeder Line Application.

On April 5, 2021, counsel spoke with Mr. Melton regarding need to verify his statement of support that was filed on March 5, 2021. The verification was filed with Board, without objection, on April 8, 2021.

In late April and May of 2021, counsel spoke with Donald Bush, the former manager of Bayou Bioenergy, LLC, regarding DSRR's refusal to accept interchange traffic with NLA. Mr. Bush's Verified Statement was verified on May 3, 2021, and is included in LPPC's expanded Feeder Line Application.

On December 13, 2022, Mr. Gilfoil spoke with Chip Sullivan, who is the owner and President of E. Sondheimer Co., a former shipper whose facilities are located at MP 487.5 on the Lake Providence Branch Line. Mr. Gilfoil requested Mr. Sullivan speak with LPPC's counsel regarding a possible statement in support of LPPC's application. Later that day, LPPC's counsel left a call on Mr. Sullivan's phone. The following day, Mr. Sullivan returned the call and engaged in multiple conversations with counsel.

On December 16, 2022, LPPC's attorney received a telephone call from Blake Sullivan, Mr. Sullivan's daughter, who informed him that she was a law student and that her father had requested her to discuss a recent agreement

that Mr. Sullivan's trucking company, BLP Trucking, had reached with Precision Terminal Logistics, LLC ("Precision") to use his property as a transloading facility. LPPC's counsel advised Ms. Sullivan to tell her father to speak with his attorneys regarding the verified statement. Later that day, Ms. Sullivan forwarded a copy of DSRR's news release, dated September 16, 2022, regarding Precision's opening of a rail transload terminal on DSRR's Tallulah/Lake Providence branch in Sondheimer. No further conversations were had between the Sullivans and LPPC's attorney.

SBC003
Rev 08-10-2020

LOUISIANA STATE BOND COMMISSION
APPLICATION - BONDS

Instructions: *Complete all required fields, which are indicated by *. If space is inadequate to complete response, use Continuation Sheet (pg 5), enter item number and remainder of response. The PRINT button can be found on page 4. To retain an electronic version of the application form, use "Save As" option under File menu on Internet browser toolbar. Once the form is saved, it can only be modified with Adobe Writer. If problems are encountered using form, call (225) 342-0040.*

1. Issuer * Lake Providence Port Commission

Mailing Address * 409 Port Road
Lake Providence, Louisiana 71254

Contact Name * Bryant Killen Phone Number * 318-282-0620

Email Address * bryantkillen@gmail.com

2. Beneficiary * *(If different than Issuer)*

Mailing Address *

Principal Name * Title *

Contact Name * Phone Number *

Email Address *

Beneficiary Type * ◉ Government Unit OR Local Political Subdivision Proceed to Item 3
○ Private Entity *(i.e. non-profit or for profit)* Proceed to Item 4

3. Municipal / Parish Governing Authority *
(If different than Issuer & Beneficiary)

4. Business Type * ○ Corporation Type * ○ C ○ S ○ LLC Date of Incorporation *
Corporate Registry * ○ Foreign ○ Domestic If Domestic, State Incorporated
○ LLP
○ Non-Profit
○ Partnership
○ Other *(specify)*

Registered with Secretary of State to do business in Louisiana ○ Yes ○ No

5. Bond Counsel * Brennan K. Black

Firm * Foley & Judell, L.L.P. Phone Number * 504-568-1249

6. Requested SBC Meeting Date * 4/18/24 ○ Preliminary Approval ◉ Final Approval

7. Indicate if this application involves a local services agreement AND / OR prior SBC approval for same purpos… ○ Yes ◉ No

If **Yes**, specify ☐ Local Services Agreement ☐ Prior Approval

SBC Tracking # * Approval Date *

8. Number of Bond Instruments Involved *(i.e. Revenue, Refunding, Special Assessment, BANs)* 2

Submitted by: * Jean Kaufmann Date Submitted …



LOUISIANA STATE BOND COMMISSION
APPLICATION - BONDS

9. Bond Instrument No. 1 ***Note:*** *If multiple bond instruments involved, complete Multiple Bond Instruments Form (SBC013) to provide specifics for each.*

Type * ◉ Revenue ○ Refunding ○ Special Assessment ○ Notes

Issuance * ○ Single Series ○ Multiple Series ◉ To Be Determined

Tax Status * ☒ Taxable ☒ Tax-Exempt

Purposes for which Proceeds will be Utilized *

For the purpose of ((i) acquiring, constructing, repairing, rehabilitating or extending rail lines owned or to be owned by the Issuer, and (ii) paying the costs of issuance of the Bonds

Citation(s) * Section 1430 of Title 39 of the La R. S. of 1950, as amended

Requested Parameters

Issuance Amount * (Not exceeding) $10,000,000.00 Maturity * (Not exceeding) 25 years

Interest Rate * (Not exceeding) 6.750 % ☒ Fixed ☐ Variable % ☐ Fixed ☐ Variable

Security for Bonds *

The Bonds will be payable in principal and interest solely from the Issuer's excess annual revenues above statutory, necessary and usual charges.

If millage / sales tax Estimated Revenue

Authority to levy ☐ Citation(s) ☐ Election Election Date * End Date *

Classification * ☐ Net State Tax Supported Debt ☐ Tax Increment Financing ☐ Tax-Exempt Private Activity Bonds ☐ Build America Bonds ☐ Other *(Specify Type i.e., DEQ/DHH Program, QSCB, Recovery Zone, etc.)*

Selection Method: * ○ Competitive ◉ Private Placement ○ Negotiated ○ TBD

Purchaser(s): * Delta Bank

10. Other Government Funds/Incentives/Grants AND/OR Private Equity Funds to be Utilized * ○ Yes ◉ No If **Yes**, identify

Source	Amount	Source	Amount

11. Project Street Address(es) * various Parish(es) * East Carroll

12. Project Dates *

Expected Closing on Financing 4/25/24 Expected Bond Delivery 4/25/24 Completion of Plans & Specs TBD

Commencement of Construction TBD Completion of Construction TBD To be Placed in Service TBD

13. Job / Salary Related Information (Required only for Private Entity Applications)

Number of temporary jobs to be created during construction Expected construction payroll

Number of new permanent jobs to be created Average salary for new jobs

Number of existing jobs to be retained Average salary for retained jobs

Complete applicable section on Page 3 if: Issuer / Beneficiary is a Government Unit / Local Political Subdivision OR Housing Project

LOUISIANA STATE BOND COMMISSION
APPLICATION - BONDS

Government Unit OR Local Political Subdivision

1. Proceeds utilized for purchase of Immovable property with a value ≥ $3,000 *(pursuant to R.S. 33:4712.10)* * (•) No ( ) Yes ( ) TBD

   If **Yes**, Purchase Price [ ] Appraised Value [ ]

2. Financial Status *

   End Date of Prior Fiscal Year * [12/31/23]

   Audit for Prior Fiscal Year completed *

   ( ) Yes and available on Legislative Auditor's website

   ( ) Yes but not available on Legislative Auditor's website ⊕

   (•) No ⊕

   ⊕ Must submit copy of Audited / Unaudited Financial Statements (covering all funds) for prior fiscal year.

   More than 3 months since end date of previous fiscal year. * (•) No ( ) Yes If **Yes**, submit

   (1) Interim Income Statement for current fiscal year (through most recently closed month) from General Fund and specific Fund(s) providing revenues to pay proposed debt service.

   (2) Interim Balance Sheet for current fiscal year (through most recently closed month) from General Fund and specific Fund(s) providing revenues to pay proposed debt service.

3. Outstanding Debt Secured and/or Payable from Same Source of Revenues as Proposed Debt. * (•) Yes ( ) No

   If **Yes**, identify *(Except: Stand alone economic refunding applications)*

Debt Instrument *	Principal Outstanding *	Specific Fund Payable From *	Amount Budgeted *
Tax. Rev. & Rev. Ref. Bonds, Series 2021	$4,007,000.00	General Fund	

4. Proposed Debt will be Secured by Excess Revenues OR Specific Revenue Source(s) (•) Yes ( ) No If **Yes**, identify

Specific Revenue / Sources *	Amount Adopted in Budget *	Amount Available *
Excess Revenues		

Housing Project

Type: ☐ Single-Family Scattered site ( ) Yes ( ) No If **Yes**, identify Number of units [ ] Cost Per Unit [ ]

☐ Multi-Family Provide Number of Buildings [ ]

Units [ ] Cost Per Unit [ ]

Moderate Income Families or Below ( ) Yes ( ) No If **Yes**, submit Defined Tenant Benefit Program documentation

Current Site Vacancy Rate [ ] % Total Square Footage [ ] Cost Per Sq. Foot [ ]

LOUISIANA STATE BOND COMMISSION
APPLICATION - BONDS
Additional Application Requirements

Requirements for All Applications at initial submission

Note: *If 2 step approval process is involved, interest rate, maturity, security and drafts of pertinent documents are NOT required for preliminary approval.*

1. Certified Resolution(s) of District and/or Municipal/Parish Governing Authority must include:
   Issuance amount * Interest rate * Maturity * Purpose Security Legal Citation(s) SBC Swap Policy Language
2. Approval Parameter Form ***(SBC016)***/SBC Resolution must match language of Governing Authority resolution and must include:
   Issuance amount * Interest rate * Maturity * Purpose Security Legal Citation(s) SBC Fee Policy Language

* Parameters must specify: "Not to exceed" OR "Not exceeding"
"To mature on or before", "To mature not before", "To mature no later than"

3. Payment of $100 or $1,500 application fee (as outlined in LAC Title 71), made payable to Louisiana State Bond Commission.
4. Financial Disclosure Form ***(SBC002)***
5. Drafts of pertinent documents *(i.e., Cooperative Endeavor agreements, Local Service Agreements, Trust Indenture, Loan Agreement, etc.)*

Requirements for Specific Purposes - Final Approval

Construction projects	Bonds involving Construction Project Form ***(SBC005)***
Refunding	Debt to be Refunded Form ***(SBC004)***
Swap transactions *(Except: If swap only involves private entity)*	Formal swap policy of Issuer
	ISDA Agreement
	Term sheet (provider, terms, advisor, counter parties, etc.)
TIF projects	Tax Increment Financing Form ***(SBC006)***
NSTSD	Division of Administration Approval

Requirements for Specific Applicants - Final Approval

Government Unit OR Local Political Subdivision

1. Combined Debt Schedules (by series with principal and interest as separate columns) that contains: *(Except: Stand alone economic refunding apps)*
   Outstanding Debt Secured/Payable from Same Revenue Source — Proposed Debt at Maximum Parameters
   Total of Outstanding Debt — Total of Proposed and Outstanding Debt.
2. Adopted Budget for Current Fiscal Year (summary format)
3. Bond Production Report with all items:

	Sources & Uses	Project Fund Distribution	Debt Schedule
	Net Debt Schedule	Cost of Issuance Detail	Summary Statistics
	Proof of Arbitrage Yield	Summary of Assumptions	Pricing Summary
Acquiring Immovable Property (value > $3,000)	Current Appraisal *(pursuant to R.S. 33:4712.10)*		
Secured by Millage / Sales Tax	Copy of Proces Verbal of pledged tax		
Secured by Special Assessment	Assessment Methodology Report		
Utility Project	Engineer's Report		
	Rev & Expend projections after 1st full year in service through debt maturity		
Public Trust *(when State is beneficiary)*	Bid Sheet		

Application Submission

Upon completion of all required fields, select PRINT FORM button to print copies for your records.

Entire application package (application forms, certified resolution(s), financial statements, fee payment, etc.) must be received at SBC office by specified deadline, which can be found at: https://www.treasury.la.gov/state-bond-commission.

Electronic submissions must be sent to SBC-Application@treasury.la.gov. Each specific document type (application form, copy of certified resolution(s), financial statements, etc.) must be included as separate attachments in pdf, Word or Excel format. A scanned copy (pdf format) of the application fee check should be included as one of the attachments.

Note: The only originals that must be physically transmitted after electronic submission, are certified resolution(s) and application fee check, which must be received within 3 business days of electronic submission.

Submission of hard copy documentation must be mailed to:

Sent via US Mail	**Sent via Other Delivery Services**
State Bond Commission	3rd Floor - State Capitol
P.O. Box 44154	900 North 3rd Street
Baton Rouge, LA 70804	Baton Rouge, LA 70802

Upon receipt of each application submission, the documentation will be reviewed by SBC staff. A confirmation email will be sent to acknowledge receipt of the application, identify SBC tracking number, provide assigned analyst and confirm if minimum requirements have been met. If confirmation email is not received within 2 working days after electronic submission, call (225) 342-0040 to verify receipt of electronic submission.

Print Form

LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS

SBC Tracking #

Applicant: * Lake Providence Port Commission

Parameters / Purposes: *

Not exceeding $10,000,000 of Revenue Bonds (the "Bonds"), in one or more series, for the purpose of ((i) acquiring, constructing, repairing, rehabilitating or extending rail lines owned or to be owned by the Issuer, and (ii) paying the costs of issuance of the Bonds. The Bonds shall mature no later than twenty-five (25) years from date of issuance and shall bear interest at a rate or rates not exceeding 6.75% per annum. The Bonds shall be issued in fully registered form and shall have such additional terms and provisions as may be determined by the Governing Authority.

Citation: Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended



Citation(s): * See above.

Security: * The Bonds will be payable in principal and interest solely from the Issuer's excess annual revenues above statutory, necessary and usual charges.

As Set Forth By: * Resolution adopted by the Governing Authority on March 20, 2024.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

Lake Providence Port Commission
Statements of Revenue and Expense
For the One Month and Twelve Months Ending December 31, 2023

	Current Month	Year to Date
Revenues		
Lease Revenue-NLA	$ 0.00	$ 7,828.60
Farm Lease	0.00	7,300.00
Lease Revenue - CPS	0.00	48,000.00
Lease Revenue-City of Vidalia	5,000.00	55,000.00
Lease-Conexon, LLC	2,000.00	10,000.01
Lease-Stepan Company	0.00	508,050.00
Lease Revenue-Superior Uniform	32,250.00	59,125.00
Lease Revenue-Viserion Grain	0.00	22,374.81
Lease Income - Greenfield	1,500.00	96,817.61
Lease Income-APEX	0.00	30,000.00
Lease Income - Gavilon	0.00	7,373.62
Lease Income-MarcoSource	0.00	19,000.00
Earned Interest - Hibernia	962.10	11,078.56
Earned Interest - Delta Bank	4,557.68	62,885.70
Ad Valorem Tax Revenue	28,046.12	43,762.03
State Revenue Sharing Revenue	0.00	2.00
Other Income	0.00	831.44
Total Revenues	74,315.90	989,429.38
Expenses		
Accounting Fees	2,565.76	26,855.35
Advertising	0.00	1,162.00
Dues & Subscriptions	(250.00)	6,517.00
Bank Fee	0.00	505.00
Group Insurance	2,513.24	29,658.88
Retirement Expense	8,356.76	99,094.82
HSA Expense	0.00	775.00
Other Insurance	0.00	4,407.28
Legal Fees	805.50	111,495.50
Postage	0.00	153.90
Professional Fee - Consulting	24,828.75	121,596.24
Professional Fee	320.00	31,912.00
Office Supplies	0.00	4,177.72
Professional Fees - Audit	0.00	25,000.00
Professional Fees - Appraisal	0.00	30,374.45
Professional Fees: Eng	0.00	24,877.25
Professional Fee - Survey	0.00	10,413.50
Conference Held Meeting	0.00	400.00
License and Permit Expense	2,082.00	2,082.00
Repairs & Maintenance	16,774.00	305,803.12
Salaries	20,234.25	223,245.98
Property tax	0.00	(811.04)
Travel	1,015.72	20,828.54
Taxes - Payroll	293.34	3,517.67
Telephone	168.68	1,856.93
Utilities	2,892.29	15,630.81
Interest	0.00	154,931.25
Total Expenses	82,600.29	1,256,461.15
Net Income	$ (8,284.39)	$ (267,031.77)



Lake Providence Port Commission
Statement of Assets, Liabilities & Fund Equity
December 31, 2023

ASSETS

Current Assets			
Unrestricted Cash	$	1,854,526.29	
Restricted Cash		710,097.03	
Receivables		0.00	
Lease Receivables (GASB 87)		11,732,117.39	
Acc Lease Int Rec (GASB 87)		100,523.16	
Deferred Outflows of Resources		184,832.00	
Deferred Lease Income (GASB 87		8,898.61	
Total Current Assets			14,590,994.48
Property and Equipment			
Land		1,003,498.00	
Buildings & Infrastructure		33,813,086.19	
Buildings & Warehouses		2,930,796.75	
Equipment		1,161,622.42	
Furniture & Office Equipment		33,394.53	
Accumulated Depreciation		(12,412,833.00)	
Total Property and Equipment			26,529,564.89
Other Assets			
Meter Deposit		400.00	
Prepaid Rent		333,032.91	
Total Other Assets			333,432.91
Total Assets			$ 41,453,992.28

LIABILITIES AND FUND EQUITY

Current Liabilities			
Payroll Taxes Payable	$	4,687.41	
Deferred Inflows of Resources		(13,488.00)	
Deferred Inflows of Lease Reso		11,695,810.15	
Total Current Liabilities			11,687,009.56
Long-Term Liabilities			
Notes Payable-Delta Bank		4,091,000.00	
Net Pension Liability		853,041.00	
Total Long-Term Liabilities			4,944,041.00
Total Liabilities			16,631,050.56
Fund Equity			
Fund Balance		25,089,973.49	
Net Income		(267,031.77)	
Total Fund Equity			24,822,941.72
Total Liabilities & Fund Equity			$ 41,453,992.28



For Board Purposes Only

From: Brennan Black
Sent: Thursday, April 23, 2026 12:51 PM
To: 'Bryant Killen' <bryantkillen@gmail.com>
Cc: Winn Nettles <winn.nettles@gmail.com>
Subject: RE: FW: SBC Application - Lake Providence Port Commission

Exhibit 8 - Net Revenue Estimate.xlsx | Exhibit 7 - Annual Gross Revenue over T | Exhibit 6 - Annual Gross Cargo Handling | SBC Analysis.pdf

Bryant,

Attached is SBC's analysis summary along with exhibits you sent which supported rail revenue assumptions. I will defer to your attorneys on what information is appropriate to be used.

I will search for any other emails and forward to you.

Thanks,

Brennan K. Black
Foley & Judell, L.L.P.
Tel: (504) 568-1249
Cell: (504) 206-8061
FOLEY & JUDELL, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW
nabl | NATIONAL ASSOCIATION OF BOND LAWYERS MEMBER

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From: Bryant Killen <bryantkillen@gmail.com>
Sent: Wednesday, April 22, 2026 3:00 PM
To: Brennan Black <BBlack@foleyjudell.com>
Cc: Winn Nettles <winn.nettles@gmail.com>
Subject: Re: FW: SBC Application - Lake Providence Port Commission

BB-

EXHIBIT
14

Do you have any correspondence/emails between us that further justifies revenue projections for this application? I cannot find any saved on my computer. Attorneys are requesting.

Thanks,

Bryant Killen, IMPE
Executive Director
225-315-4234

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

Tensas Parish Port, Harbor & Terminal District
212 Hancock Street
St. Joseph, LA 71366

Vidalia Port Commission
112 Front St. Suite B
Vidalia, LA 71373

Northeast Louisiana Multimodal District
212 Hancock Street
St. Joseph, LA 71366e

On Mon, Mar 23, 2026 at 9:53 AM Brennan Black <[redacted]> wrote:
See below and attached. This was the application email to State Bond Commission.

Let me know if you need anything else.

Thanks,

Brennan K. Black
Foley & Judell, L.L.P.
Tel: (504) 568-1249
Cell: (504) 206-8061



FOLEY & JUDELL, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW



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the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

From: Jean Kaufmann <[redacted]>
Sent: Tuesday, March 19, 2024 1:37 PM
To: SBC-Application <[redacted]>
Cc: Brennan Black <[redacted]>
Subject: SBC Application - Lake Providence Port Commission

Good afternoon,

Please find attached the SBC application for Lake Providence Port Commission requesting to be placed on the April 18th agenda. We kindly request a waiver for submission of the adopted preliminary resolution, which is scheduled to be adopted tomorrow, March 20th. The check will arrive via FedEx delivery.

Thanks,
Jean Kaufmann
Legal Assistant/Transaction Coordinator
Foley & Judell, L.L.P.
365 Canal Street, Suite 2600
New Orleans, LA 70130
Tel: (504) 568-1249
Fax: (504) 565-3900

E-mail: [redacted]



FOLEY & JUDELL, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW

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STATE BOND COMMISSION

April 18, 2024

Port, Harbor and/or Terminal Districts - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: L24-115
ENTITY: East Carroll Parish, Lake Providence Port Commission
TYPE OF REQUEST: $10,000,000 Revenue Bonds
ANALYST: Brandon Rinaudo

PARAMETERS:

Not exceeding $10,000,000 Revenue Bonds, not exceeding 6.75%, not exceeding 25 years, acquiring, constructing, repairing, rehabilitating or extending rail lines.

Bond proceeds will be used to acquire and rehabilitate 28-miles of additional railway at the Lake Providence Port. The railway will be leased to and operated and maintained by North Louisiana & Arkansas Railroad, Inc. (NLA). Acquisition of the railway is contingent upon approval from the Surface Transportation Board (STB), an independent federal agency that is charged with the economic regulation of various modes of surface transportation, primarily freight rail. Therefore, the proposed debt will not be issued until such approval is obtained.

NLA is a corporation organized and existing under the laws of Arkansas for which the principal officer is Timothy Robbins, president. NLA operates over 62 miles of line from McGehee, AR to Lake Providence, LA, formerly known as the Delta Southern Railroad.

The proposed debt may be issued as taxable due to private use of the railway.

Maximum Interest Cost	6.75%
Maximum Debt Service	$918,350

Calculation of Coverage Ratio:

Excess Revenues Excluding Debt Service and One-Time Expenses*	$	496,326
Rail Revenues **	$	1,438,650
Revenue Available for Debt Service	$	1,934,976
Maximum Combined New Debt Service	$	1,154,881
Coverage Ratio		1.68

* Excess revenues are based upon unaudited financial statements for FYE December 31, 2023, excluding debt service and one-time expenses for professional fees related to the acquisition of the railway, and a one-time incurred costs of repairs and maintenance of an outdated dock that was completed in FY2023.

** Additional expected revenues under the Lease Agreement with NLA after acquisition and rehabilitation of the additional 28 miles of railway.

As stated above, the Commission does not intend to issue the proposed debt until approval for acquisition of the railway is obtained from STB, which is hoped to occur in FY 2024. The proposed debt will be structured as a draw down debt. The Commission intends to first draw the amount needed for the acquisition and immediately begin to rehabilitate the rail and draw funds as needed to the extent that the Commission can support debt service. As rehabilitation is being completed, additional rail revenues will begin to generate pursuant to the Lease Agreement. Once rehabilitation is complete, under the Lease Agreement, the rail will generate approximately $1.4M per year which is sufficient for payment of the outstanding and proposed maximum annual debt service of $1.2M.

STATE BOND COMMISSION

Coverage calculation presented above is based on proposed debt service schedules reflecting interest only payments beginning in 2025 through 2028, ranging from $412,500 to $675,500, with the first principal payment to occur in 2029. This assumes maximum parameters with a first draw in the amount of $5M to occur in October of 2024 and then monthly draws totaling $2.5M in year 2025 and $2.5M in year 2026.

Outstanding Debt Secured by Same Pledge of Revenues Includes:
Taxable Revenue and Revenue Refunding Bonds, Series 2021

The Commission has applied for DOTD Port Priority funds in the amount of $15M. There is a 10% match requirement, for which the Commission intends to find other sources of funding. If granted, the Commission intends to immediately use these funds to pay off any amount it has drawn on the bonds.

The application as currently submitted meets all legal and compliance requirements normally required for staff review with the exception of the provisions of 33:4712.10, which states "Notwithstanding any other provision of law to the contrary, no political subdivision shall purchase immovable property with a value greater than three thousand dollars unless prior to such purchase the property has been appraised by a qualified appraiser. No such appraisal shall include the value of improvements proposed to be made to the property after purchase by the political subdivision." Consultation with the Attorney General's Office indicates SBC approval could be provided with the provision that the applicant fulfill the requirements of La. R.S. 33:4712.10 prior to actual disbursement of proceeds for the purchase of immovable property and that no disbursement for purchase of immovable property will be in excess of the appraisal valuation.

Selection Method:	Private Placement
Purchaser:	Delta Bank
Terms:	
Interest Rate	Not exceeding 6.75%
Maturity	Not exceeding 25 years
Security:	Excess annual revenues above statutory, necessary and usual charges applicable fiscal years.

In a letter dated March 19, 2024, Delta Bank stated that they are willing to make the loan, subject to credit and document approval and other conditions.

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.

Table 2

Cargo Handling as Throughput on Rail

Commodity	Tons	Origin	Destination	Miles
Port as Origin or Destination				
Aggregates	107,000	Madison Port, LA	Newellton, LA	30
Corn	250,000	Newellton, LA	Mexico	650
Cottonseed	20,000	Newellton, LA	Pacific Northwest	2,500
Equipment	1,000	Waterloo, Iowa	Newellton, LA	850
Fertilizer	37,000	Madison Port, LA	Newellton, LA	30

Exhibit 6 - Annual Gross Cargo Handling Revenue

Commodity	Tonnage	Rate/Ton mile	Miles	Total Cost	Port Revenue @ 10%
Aggregates	78,000	$ 0.079	30	$ 184,860.00	$ 18,486
Chemicals	70,000	$ 0.079	300	$ 1,659,000.00	$ 165,900
Cottonseed	20,000	$ 0.079	70	$ 110,600.00	$ 11,060
Grain	170,000	$ 0.079	25	$ 335,750.00	$ 33,575
Equipment	1,000	$ 0.079	880	$ 69,520.00	$ 6,952
Fertilizer	37,000	$ 0.079	40	$ 116,920.00	$ 11,692
Other	135,000	$ 0.079	90	$ 959,850.00	$ 95,985
	# Cars	**Rate/Day**	**Days**		
Storage	500	$ 6.000	365	$ 1,095,000.00	$ 1,095,000
TOTAL	**511,500**				**$ 1,438,650**

Exhibit 7 -ANNUAL GROSS CARGO HANDLING REVENUE OVER PROJECT TIMEFRAME	
Project Year	Rail Revenue
1	$ 1,438,650
2	$ 1,438,650
3	$ 1,438,650
4	$ 1,438,650
5	$ 1,438,650
6	$ 1,438,650
7	$ 1,438,650
8	$ 1,438,650
9	$ 1,438,650
10	$ 1,438,650
11	$ 1,438,650
12	$ 1,438,650
13	$ 1,438,650
14	$ 1,438,650
15	$ 1,438,650
16	$ 1,438,650
17	$ 1,438,650
18	$ 1,438,650
19	$ 1,438,650
20	$ 1,438,650
21	$ 1,438,650
22	$ 1,438,650
23	$ 1,438,650
24	$ 1,438,650
25	$ 1,438,650
26	$ 1,438,650
27	$ 1,438,650
28	$ 1,438,650
29	$ 1,438,650
30	$ 1,438,650
Total 30-yr Gross Revenue	$ 43,159,500

EXHIBIT 8 - NET REVENUE ESTIMATE			
Project Year	Annual Gross Revenue (from Exhibit 6)	Less Maintenance Expense *	Net Revenue
1	$ 1,438,650	$ 277,778	$ 1,160,872
2	$ 1,438,650	$ 277,778	$ 1,160,872
3	$ 1,438,650	$ 277,778	$ 1,160,872
4	$ 1,438,650	$ 277,778	$ 1,160,872
5	$ 1,438,650	$ 277,778	$ 1,160,872
6	$ 1,438,650	$ 277,778	$ 1,160,872
7	$ 1,438,650	$ 277,778	$ 1,160,872
8	$ 1,438,650	$ 277,778	$ 1,160,872
9	$ 1,438,650	$ 277,778	$ 1,160,872
10	$ 1,438,650	$ 277,778	$ 1,160,872
11	$ 1,438,650	$ 277,778	$ 1,160,872
12	$ 1,438,650	$ 277,778	$ 1,160,872
13	$ 1,438,650	$ 277,778	$ 1,160,872
14	$ 1,438,650	$ 277,778	$ 1,160,872
15	$ 1,438,650	$ 277,778	$ 1,160,872
16	$ 1,438,650	$ 277,778	$ 1,160,872
17	$ 1,438,650	$ 277,778	$ 1,160,872
18	$ 1,438,650	$ 277,778	$ 1,160,872
19	$ 1,438,650	$ 277,778	$ 1,160,872
20	$ 1,438,650	$ 277,778	$ 1,160,872
21	$ 1,438,650	$ 277,778	$ 1,160,872
22	$ 1,438,650	$ 277,778	$ 1,160,872
23	$ 1,438,650	$ 277,778	$ 1,160,872
24	$ 1,438,650	$ 277,778	$ 1,160,872
25	$ 1,438,650	$ 277,778	$ 1,160,872
26	$ 1,438,650	$ 277,778	$ 1,160,872
27	$ 1,438,650	$ 277,778	$ 1,160,872
28	$ 1,438,650	$ 277,778	$ 1,160,872
29	$ 1,438,650	$ 277,778	$ 1,160,872
30	$ 1,438,650	$ 277,778	$ 1,160,872
30-yr Net Revenue	$ 43,159,500	$ 8,333,340	$ 34,826,160

*$16,666,667 project cost/2 (maintenance by RR company)/30 = $277,778

From: Brennan Black <BBlack@foleyjudell.com>
Sent: Tuesday, May 5, 2026 11:23 AM
To: Richard Streeter <rhstreeter@gmail.com>
Cc: Bryant Killen <bryantkillen@gmail.com>
Subject: FW: App # L24-115 SBC Application - Lake Providence Port Commission

Brennan K. Black
Foley & Judell, L.L.P.
Tel: (504) 568-1249
Cell: (504) 206-8061

FOLEY & JUDELL, L.L.P.
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From: Brennan Black
Sent: Thursday, April 23, 2026 1:04 PM
To: Bryant Killen <bryantkillen@gmail.com>
Cc: Winn Nettles <winn.nettles@gmail.com>
Subject: FW: App # L24-115 SBC Application - Lake Providence Port Commission

See below. Regarding revenues, it appears we just forwarded those exhibits to State Bond Commission.

Thanks,

Brennan K. Black
Foley & Judell, L.L.P.
Tel: (504) 568-1249
Cell: (504) 206-8061

FOLEY & JUDELL, L.L.P.
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From: Brennan Black
Sent: Wednesday, March 27, 2024 1:54 PM
To: Wyly Gilfoil <wyly_gilfoil@msn.com>; Bryant Killen <bryantkillen@gmail.com>
Subject: RE: App # L24-115 SBC Application - Lake Providence Port Commission

Thanks, Wyly. I will forward to State Bond Commission and will let you know if they have any follow-up questions.

Best,

Brennan K. Black

Foley & Judell, L.L.P.
Tel: (504) 568-1249

Cell: (504) 206-8061
E-mail: bblack@foleyjudell.com



FOLEY & JUDELL, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW

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From: Wyly Gilfoil <wyly_gilfoil@msn.com>
Sent: Wednesday, March 27, 2024 1:36 PM
To: Brennan Black <BBlack@foleyjudell.com>; Bryant Killen <bryantkillen@gmail.com>
Subject: Re: App # L24-115 SBC Application - Lake Providence Port Commission

Excellent summary! I have no additions or changes.

Thanks,

Wyly

From: Brennan Black <BBlack@foleyjudell.com>
Sent: Wednesday, March 27, 2024 1:01 PM
To: Wyly Gilfoil <wyly_gilfoil@msn.com>; Bryant Killen <bryantkillen@gmail.com>
Subject: FW: App # L24-115 SBC Application - Lake Providence Port Commission

Wyly/Bryant,

See proposed responses below as discussed. Please let me know if you have any suggestions or changes.

Best,

Brennan K. Black

Foley & Judell, L.L.P.
Tel: (504) 568-1249

Cell: (504) 206-8061
E-mail: bblack@foleyjudell.com

FOLEY & JUDELL, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW

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From: SBC-Application <SBC-Application@treasury.la.gov>
Sent: Friday, March 22, 2024 4:11 PM
To: Brennan Black <BBlack@foleyjudell.com>; Jean Kaufmann <JKaufmann@foleyjudell.com>
Subject: RE: App # L24-115 SBC Application - Lake Providence Port Commission

Good afternoon,

Hi Brennan, I tried calling earlier today to discuss this application, as it may be easier to explain over the phone. Feel free to call back anytime. Upon initial review of this application, there are a few items to be addressed below. Our 10-day working deadline for the April SBC meeting is April 3rd, but because we will likely have follow-up questions, please provide a response to the following items by **COB Wednesday, March 27, 2024**.

Please provide the following information/documents:

1. A summary of the project and what bond proceeds will be used for. The project includes the acquisition and rehabilitation of 28 miles of rail. These 28 miles comprise a portion of 36.2 miles of railway (the "Railway") to be leased to North Louisiana & Arkansas Railroad, Inc. (the "Lessee") pursuant to the attached First Amended Railway Lease Agreement (the "Lease Agreement"). Under the Lease Agreement, the Lessee will be responsible for all costs and expenses of maintaining the railway.

2. What is the reason for the debt to be issued as taxable, as was indicated on the application form? Private use of the Railway by virtue of the Lease Agreement

3. Bond production report (referenced on page 4 of the app form), showing the proposed debt at maximum parameters. Attached

4. Combined debt service schedule for the Commission, including outstanding debt and the proposed debt. Attached

5. Based on the security of excess revenue, is there a coverage calculation that shows how the debt will be paid, since my preliminary review does not show excess? Attached is my financial breakdown for your reference.

It appears you are looking only at operating income. All excess revenues of the Commission are pledged to the bonds, including non-operating revenues. This will increase your net income calculations in (a) and (c) below.

The Commission has made application for DOTD Port Priority funds in the amount of $15M. There is a 10% match requirement, which the Commission intends to find federal or other funding for, resulting in 100% financing for the project. The bond issue will provide a source for project funding in the interim. The Commission is optimistic that it will receive Port Priority funds next year and intends to immediately use these funds to pay off any amount it has drawn on the bonds.

It should also be noted that the Lease Agreement referenced above is expected to provide annual revenues of $1,432,650, which is in excess of maximum annual debt service on all bonds of the Commission, including the proposed bonds. See Exhibits 6 and 7 attached which were part of the Port Priority application. As noted above, the Lessee is responsible for all maintenance expenses, so the Commission will not have additional annual expenses associated with the Railway.

In addition to increased revenues, future expenses will be lower. Recent fiscal years include non-recurring expenditures for professional fees related to the acquisition of the Railway. In 2022 these were $418,312 and in 2023 these were $382,624. After the acquisition is complete, the Commission expects professional fees to reduce to approximately $50k/year which is in line with 2019 amounts. It should also be noted that in 2023 the Commission incurred costs of repairs and maintenance of the dock which was built in the mid-1970s. The 2023 cost of repairs and maintenance of $305,203 is atypical and is much higher than prior years. These expenses are non-recurring as these dock repairs are one of the few costs not passed along to tenants, and costs in future years should revert to the $20-30k range.

a. Looking at the latest audit from 2022, I am not able to find funds available for debt service. After adding back interest expense and depreciation to net income, I still show a deficit ($35,403) available for debt service in 2022.

b. The 2023 interim income statement doesn't show depreciation and has a deficit of ($267,032). The statement does not break out operating and nonoperating expenses.

c. The 2024 budget only shows a surplus of $12,775, but a net income loss of ($81,063)

6. The 2024 budget does not have a signature on the signature line. Can you confirm whether or not this was adopted? Signed copy attached

Thank you,

Brandon Rinaudo
State Debt Analyst | State Bond Commission
Office of State Treasurer John Fleming, MD
Phone 225-342-0062
Email brinaudo@treasury.la.gov

From: Jean Kaufmann <JKaufmann@foleyjudell.com>
Sent: Wednesday, March 20, 2024 10:01 AM
To: SBC-Application <SBC-Application@treasury.la.gov>
Cc: Brennan Black <bblack@foleyjudell.com>; Conner Berthelot <cpberthelot@treasury.la.gov>
Subject: RE: App # L24-115 SBC Application - Lake Providence Port Commission

Good morning,

Please find the executed resolution attached that was adopted this morning.

Thanks,

Jean Kaufmann

Legal Assistant/Transaction Coordinator

Foley & Judell, L.L.P.
Tel: (504) 568-1249

FOLEY & JUDELL, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW

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From: SBC-Application <SBC-Application@treasury.la.gov>
Sent: Tuesday, March 19, 2024 3:08 PM
To: Jean Kaufmann <JKaufmann@foleyjudell.com>; SBC-Application <SBC-Application@treasury.la.gov>
Cc: Brennan Black <BBlack@foleyjudell.com>
Subject: App # L24-115 SBC Application - Lake Providence Port Commission

We acknowledge receipt of the application to be placed on the agenda for approval at the **April 18, 2024,** State Bond Commission meeting. The request is complete and has been entered into our tracking system and assigned the SBC number of **L24-115.** All future correspondence and documentation regarding this application must reference that SBC number.

Once the assigned analyst reviews all documentation submitted for the application, they will contact you if additional information is needed.

Conner Berthelot
State Debt Analyst | State Bond Commision
Office of State Treasurer John Fleming, MD
Phone 225-342-6165
Email cpberthelot@treasury.la.gov

From: Jean Kaufmann <JKaufmann@foleyjudell.com>
Sent: Tuesday, March 19, 2024 1:37 PM
To: SBC-Application <SBC-Application@treasury.la.gov>
Cc: Brennan Black <bblack@foleyjudell.com>
Subject: SBC Application - Lake Providence Port Commission

Good afternoon,

Please find attached the SBC application for Lake Providence Port Commission requesting to be placed on the April 18th agenda. We kindly request a waiver for submission of the

adopted preliminary resolution, which is scheduled to be adopted tomorrow, March 20th. The check will arrive via FedEx delivery.

Thanks,

Jean Kaufmann
Legal Assistant/Transaction Coordinator
Foley & Judell, L.L.P.
365 Canal Street, Suite 2600
New Orleans, LA 70130
Tel: (504) 568-1249
Fax: (504) 565-3900

E-mail: jkaufmann@foleyjudell.com



FOLEY & JUDELL, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW

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From: Brennan Black
Sent: Thursday, April 23, 2026 12:56 PM
To: Bryant Killen <bryantkillen@gmail.com>
Cc: Winn Nettles <winn.nettles@gmail.com>
Subject: FW: FW: App # L24-115 SBC Application - Lake Providence Port Commission

Brennan K. Black
FOLEY & JUDELL, L.L.P.
Tel: (504) 568-1249
Cell: (504) 206-8061
FOLEY & JUDELL, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW
nabl | NATIONAL ASSOCIATION OF BOND LAWYERS MEMBER

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From: Bryant Killen <bryantkillen@gmail.com>
Sent: Tuesday, March 26, 2024 8:44 AM
To: Brennan Black <BBlack@foleyjudell.com>
Subject: Re: FW: App # L24-115 SBC Application - Lake Providence Port Commission

Hopefully this will clarify. Attaching tables of revenue projections in which we included in our portfolio priority application. I can get you a detailed expense amount in which has been dedicated to fight for this rail line in litigation as well as consulting fees for appraisals. If purchased, those costs will be extinguished. I'm available for a call at 10 if you want to discuss further. Will rope Wyly in. The budget was adopted,and will get you a signed copy asap.

Thanks,

Bryant Killen, IMPE
Deputy Director

Lake Providence Port Commission

Tensas Parish Port, Harbor & Terminal District

Vidalia Port Commission
112 Front St. Suite B

Northeast Louisiana Multimodal District
212 Hancock Street
St. Joseph, LA 71366



225-315-4234

On Mon, Mar 25, 2024 at 5:22 PM Brennan Black <BBlack@foleyjudell.com> wrote:
Bryant,

Will need your help with #5 and #6 below. I've attached a spreadsheet which hopefully either you or your accountant can complete. Do you have some time to discuss tomorrow morning?

Thanks,

Brennan K. Black
Foley & Judell, L.L.P.
Tel: (504) 568-1249
Cell: (504) 206-8061
E-mail: bblack@foleyjudell.com

FOLEY & JUDELL, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW

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From: SBC-Application <SBC-Application@treasury.la.gov>
Sent: Friday, March 22, 2024 4:11 PM
To: Brennan Black <BBlack@foleyjudell.com>; Jean Kaufmann <JKaufmann@foleyjudell.com>
Subject: RE: App # L24-115 SBC Application - Lake Providence Port Commission

Good afternoon,

Hi Brennan, I tried calling earlier today to discuss this application, as it may be easier to explain over the phone. Feel free to call back anytime. Upon initial review of this application, there are a few items to be addressed below. Our 10-day working deadline for the April SBC meeting is April 3rd, but because we will likely have follow-up questions, please provide a response to the following items by **COB Wednesday, March 27, 2024**.

Please provide the following information/documents:

1. A summary of the project and what bond proceeds will be used for.

2. What is the reason for the debt to be issued as taxable, as was indicated on the application form?

3. Bond production report (referenced on page 4 of the app form), showing the proposed debt at maximum parameters.

4. Combined debt service schedule for the Commission, including outstanding debt and the proposed debt.

5. Based on the security of excess revenue, is there a coverage calculation that shows how the debt will be paid, since my preliminary review does not show excess? Attached is my financial breakdown for your reference.

    a. Looking at the latest audit from 2022, I am not able to find funds available for debt service. After adding back interest expense and depreciation to net income, I still show a deficit ($35,403) available for debt service in 2022.

    b. The 2023 interim income statement doesn't show depreciation and has a deficit of ($267,032). The statement does not break out operating and nonoperating expenses.

    c. The 2024 budget only shows a surplus of $12,775, but a net income loss of ($81,063)

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Thank you,

Brandon Brinaudo
State Debt Analyst | State Bond Commission
Office of State Treasurer John Fleming, MD
Phone: 225-342-0062
Email: brinaudo@treasury.la.gov

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Cc: Brennan Black <bblack@foleyjudell.com>; Conner Berthelot <cpberthelot@treasury.la.gov>
Subject: RE: App # L24-115 SBC Application - Lake Providence Port Commission

Good morning,

Please find the executed resolution attached that was adopted this morning.

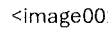
Thanks,
Jean Kaufmann
Legal Assistant/Transaction Coordinator
Foley & Judell, L.L.P.
Tel: (504) 568-1249
<image003.png>

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From: SBC-Application <SBC-Application@treasury.la.gov>
Sent: Tuesday, March 19, 2024 3:08 PM
To: Jean Kaufmann <JKaufmann@foleyjudell.com>; SBC-Application <SBC-Application@treasury.la.gov>
Cc: Brennan Black <BBlack@foleyjudell.com>
Subject: App # L24-115 SBC Application - Lake Providence Port Commission

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Once the assigned analyst reviews all documentation submitted for the application, they will contact you if additional information is needed.



Christopher Berthelot
State Debt Analyst | State Bond Commision
Office of State Treasurer John Fleming, MD
Phone: 225-342-6165
Email: cpberthelot@treasury.la.gov

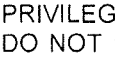
From: Jean Kaufmann <JKaufmann@foleyjudell.com>
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Subject: SBC Application - Lake Providence Port Commission

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Thanks,
Jean Kaufmann

Legal Assistant/Transaction Coordinator
Foley & Judell, L.L.P.
365 Canal Street, Suite 2600
New Orleans, LA 70130
Tel: (504) 568-1249
Fax: (504) 565-3900

E-mail: jkaufmann@foleyjudell.com


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Exhibit 6 - Annual Gross Cargo Handling Revenue

Commodity	Tonnage	Rate/Ton - mile	Miles	Total Cost	Port Revenue @ 10%
Aggregates	78,000	$ 0.079	30	$ 184,860.00	$ 18,486
Chemicals	70,000	$ 0.079	300	$ 1,659,000.00	$ 165,900
Cottonseed	20,000	$ 0.079	70	$ 110,600.00	$ 11,060
Grain	170,000	$ 0.079	25	$ 335,750.00	$ 33,575
Equipment	1,000	$ 0.079	880	$ 69,520.00	$ 6,952
Fertilizer	37,000	$ 0.079	40	$ 116,920.00	$ 11,692
Other	135,000	$ 0.079	90	$ 959,850.00	$ 95,985
	# Cars	**Rate/Day**	**Days**		
Storage	500	$ 6.000	365	$ 1,095,000.00	$ 1,095,000
TOTAL	**511,500**				**$ 1,438,650**



Exhibit 7 -ANNUAL GROSS CARGO HANDLING REVENUE OVER PROJECT TIMEFRAME	
Project Year	Rail Revenue
1	$ 1,438,650
2	$ 1,438,650
3	$ 1,438,650
4	$ 1,438,650
5	$ 1,438,650
6	$ 1,438,650
7	$ 1,438,650
8	$ 1,438,650
9	$ 1,438,650
10	$ 1,438,650
11	$ 1,438,650
12	$ 1,438,650
13	$ 1,438,650
14	$ 1,438,650
15	$ 1,438,650
16	$ 1,438,650
17	$ 1,438,650
18	$ 1,438,650
19	$ 1,438,650
20	$ 1,438,650
21	$ 1,438,650
22	$ 1,438,650
23	$ 1,438,650
24	$ 1,438,650
25	$ 1,438,650
26	$ 1,438,650
27	$ 1,438,650
28	$ 1,438,650
29	$ 1,438,650
30	$ 1,438,650
Total 30-yr Gross Revenue	$ 43,159,500



EXHIBIT 8 - NET REVENUE ESTIMATE			
Project Year	Annual Gross Revenue (from Exhibit 6)	Less Maintenance Expense *	Net Revenue
1	$ 1,438,650	$ 277,778	$ 1,160,872
2	$ 1,438,650	$ 277,778	$ 1,160,872
3	$ 1,438,650	$ 277,778	$ 1,160,872
4	$ 1,438,650	$ 277,778	$ 1,160,872
5	$ 1,438,650	$ 277,778	$ 1,160,872
6	$ 1,438,650	$ 277,778	$ 1,160,872
7	$ 1,438,650	$ 277,778	$ 1,160,872
8	$ 1,438,650	$ 277,778	$ 1,160,872
9	$ 1,438,650	$ 277,778	$ 1,160,872
10	$ 1,438,650	$ 277,778	$ 1,160,872
11	$ 1,438,650	$ 277,778	$ 1,160,872
12	$ 1,438,650	$ 277,778	$ 1,160,872
13	$ 1,438,650	$ 277,778	$ 1,160,872
14	$ 1,438,650	$ 277,778	$ 1,160,872
15	$ 1,438,650	$ 277,778	$ 1,160,872
16	$ 1,438,650	$ 277,778	$ 1,160,872
17	$ 1,438,650	$ 277,778	$ 1,160,872
18	$ 1,438,650	$ 277,778	$ 1,160,872
19	$ 1,438,650	$ 277,778	$ 1,160,872
20	$ 1,438,650	$ 277,778	$ 1,160,872
21	$ 1,438,650	$ 277,778	$ 1,160,872
22	$ 1,438,650	$ 277,778	$ 1,160,872
23	$ 1,438,650	$ 277,778	$ 1,160,872
24	$ 1,438,650	$ 277,778	$ 1,160,872
25	$ 1,438,650	$ 277,778	$ 1,160,872
26	$ 1,438,650	$ 277,778	$ 1,160,872
27	$ 1,438,650	$ 277,778	$ 1,160,872
28	$ 1,438,650	$ 277,778	$ 1,160,872
29	$ 1,438,650	$ 277,778	$ 1,160,872
30	$ 1,438,650	$ 277,778	$ 1,160,872
30-yr Net Revenue	$ 43,159,500	$ 8,333,340	$ 34,826,160

*$16,666,667 project cost/2 (maintenance by RR company)/30 = $277,778



Exhibit 6 - Annual Gross Cargo Handling Revenue

Commodity	Tonnage	Rate/Ton - mile	Miles	Total Cost	Port Revenue @ 10%
Aggregates	78,000	$ 0.079	30	$ 184,860.00	$ 18,486
Chemicals	70,000	$ 0.079	300	$ 1,659,000.00	$ 165,900
Cottonseed	20,000	$ 0.079	70	$ 110,600.00	$ 11,060
Grain	170,000	$ 0.079	25	$ 335,750.00	$ 33,575
Equipment	1,000	$ 0.079	880	$ 69,520.00	$ 6,952
Fertilizer	37,000	$ 0.079	40	$ 116,920.00	$ 11,692
Other	135,000	$ 0.079	90	$ 959,850.00	$ 95,985
	# Cars	**Rate/Day**	**Days**		
Storage	500	$ 6.000	365	$ 1,095,000.00	$ 109,500
TOTAL	**511,500**				**$ 453,150**



Exhibit 7 -ANNUAL GROSS CARGO HANDLING REVENUE OVER PROJECT TIMEFRAME	
Project Year	Rail Revenue
1	$ 453,150
2	$ 453,150
3	$ 453,150
4	$ 453,150
5	$ 453,150
6	$ 453,150
7	$ 453,150
8	$ 453,150
9	$ 453,150
10	$ 453,150
11	$ 453,150
12	$ 453,150
13	$ 453,150
14	$ 453,150
15	$ 453,150
16	$ 453,150
17	$ 453,150
18	$ 453,150
19	$ 453,150
20	$ 453,150
21	$ 453,150
22	$ 453,150
23	$ 453,150
24	$ 453,150
25	$ 453,150
26	$ 453,150
27	$ 453,150
28	$ 453,150
29	$ 453,150
30	$ 453,150
Total 30-yr Gross Revenue	$ 13,594,500



EXHIBIT 8 - NET REVENUE ESTIMATE			
Project Year	Annual Gross Revenue (from Exhibit 6)	Less Maintenance Expense *	Net Revenue
1	$ 453,150	$ 277,778	$ 175,372
2	$ 453,150	$ 277,778	$ 175,372
3	$ 453,150	$ 277,778	$ 175,372
4	$ 453,150	$ 277,778	$ 175,372
5	$ 453,150	$ 277,778	$ 175,372
6	$ 453,150	$ 277,778	$ 175,372
7	$ 453,150	$ 277,778	$ 175,372
8	$ 453,150	$ 277,778	$ 175,372
9	$ 453,150	$ 277,778	$ 175,372
10	$ 453,150	$ 277,778	$ 175,372
11	$ 453,150	$ 277,778	$ 175,372
12	$ 453,150	$ 277,778	$ 175,372
13	$ 453,150	$ 277,778	$ 175,372
14	$ 453,150	$ 277,778	$ 175,372
15	$ 453,150	$ 277,778	$ 175,372
16	$ 453,150	$ 277,778	$ 175,372
17	$ 453,150	$ 277,778	$ 175,372
18	$ 453,150	$ 277,778	$ 175,372
19	$ 453,150	$ 277,778	$ 175,372
20	$ 453,150	$ 277,778	$ 175,372
21	$ 453,150	$ 277,778	$ 175,372
22	$ 453,150	$ 277,778	$ 175,372
23	$ 453,150	$ 277,778	$ 175,372
24	$ 453,150	$ 277,778	$ 175,372
25	$ 453,150	$ 277,778	$ 175,372
26	$ 453,150	$ 277,778	$ 175,372
27	$ 453,150	$ 277,778	$ 175,372
28	$ 453,150	$ 277,778	$ 175,372
29	$ 453,150	$ 277,778	$ 175,372
30	$ 453,150	$ 277,778	$ 175,372
30-yr Net Revenue	$ 13,594,500	$ 8,333,340	$ 5,261,160

*$16,666,667 project cost/2 (maintenance by RR company)/30 = $277,778

