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FR-4915-01-

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36447]

Lake Providence Port Commission—Feeder Line Application—Line Of Delta Southern Railroad Located In East Carroll And Madison Parishes, La.

This proceeding involves efforts by the Lake Providence Port Commission (LPPC), a noncarrier political subdivision of the State of Louisiana, to acquire the portion of the McGehee-Tallulah rail corridor owned by Delta Southern Railroad, Inc. (DSRR), a Class III rail carrier, through a feeder line application under 49 U.S.C. 10907 and 49 CFR part 1151.[1] LPPC owns two other segments of the corridor (one, jointly with North Louisiana & Arkansas Railroad, Inc. (NLA)), and Southeast Arkansas Economic Development District owns a third segment. NLA holds operating authority over these three segments and has been designated by LPPC as the proposed operator of DSRR's segment if the feeder line application is granted. (See, e.g., Am. Appl. 1, 19-20, 56, 58-59, Jan. 4, 2023.)

This decision provides notice of LPPC's amended feeder line application and adopts a procedural schedule for the submission of competing applications, comments and verified responses, and verified replies.

BACKGROUND[2]

LPPC's initial feeder line application, which sought to acquire only part of the Line, was accepted and a procedural schedule established in early 2021. See Lake Providence Port

[1] The McGehee-Tallulah rail corridor extends from milepost 408.9 in McGehee, Ark., where it connects with Union Pacific Railroad Company, south to milepost 498.44 in Tallulah, La., where it connects with Canadian Pacific Kansas City Limited (CPKC). DSRR owns and operates the southernmost segment of the corridor, from milepost 471.0 at Lake Providence, La., south to the connection with CPKC at milepost 498.44 in Tallulah (hereinafter, the Line).

[2] A more detailed description of the procedural history and background of this proceeding is provided in the Board's decision served on September 25, 2025. See Lake Providence Port Comm'n—Feeder Line Appl.—Line of Delta S. R.R. Located in E. Carroll & Madison Pars., La. (Sep. 2025 Decision), FD 36447, slip op. at 2-6 (STB served Sep. 25, 2025).

Comm'n—Feeder Line Appl.—Line of Delta S. R.R. Located in E. Carroll & Madison Pars., La., FD 36447 (STB served Jan. 15, 2021). On August 23, 2022, the Board granted LPPC's request to file an amended application, see Lake Providence Port Comm'n—Feeder Line Appl.—Line of Delta S. R.R. Located in E. Carroll & Madison Pars., La., FD 36447 (STB served Aug. 23, 2022), which LPPC filed on January 4, 2023, seeking to acquire the entire Line. Following an unsuccessful challenge by DSRR to the completeness of the amended application and LPPC's satisfaction of certain technical requirements, see Lake Providence Port Comm'n—Feeder Line Appl.—Line of Delta S. R.R. Located in E. Carroll & Madison Pars., La. (Nov. 2023 Decision), FD 36447, slip op. at 6-13 (STB served Nov. 20, 2023), LPPC's amended application was conditionally accepted, and LPPC was permitted to proceed with valuation discovery under the process specified in the November 2023 Decision. See Lake Providence Port Comm'n—Feeder Line Appl.—Line of Delta S. R.R. Located in E. Carroll & Madison Pars., La. (Dec. 2023 Decision), FD 36447, slip op. at 2 (STB served Dec. 11, 2023). In accordance with that process, LPPC notified the Board that it completed that valuation discovery on May 29, 2024, and submitted supplemental evidence regarding valuation of the Line, based on data provided by DSRR in response to LPPC's discovery requests, in July 2024.

Shortly thereafter, the Board placed this proceeding in abeyance pending resolution of state court litigation relating to LPPC's authority under Louisiana law to pursue the feeder line application. See Lake Providence Port Comm'n—Feeder Line Appl.—Line of Delta S. R.R. Located in E. Carroll & Madison Pars., La. August 2024 Decision), FD 36447 (STB served Aug. 2, 2024). In a decision served September 25, 2025, the Board, among other things, removed the proceeding from abeyance, noting that the question surrounding LPPC's authority had been resolved by the passage of new state legislation, and directed the parties to confer and submit a proposed procedural schedule by October 9, 2025. See Sep. 2025 Decision, FD 36447, slip op. at 6-8.

Thereafter, the parties submitted competing proposals for a procedural schedule, and DSRR filed a motion to strike or compel related to four of LPPC's shipper witnesses, to which LPPC and the shipper witnesses each filed a reply in opposition. In light of these unresolved issues and ongoing disputes, by decision served December 12, 2025, the Board assigned an administrative law judge (ALJ) to handle all remaining discovery matters. See Lake Providence Port Comm'n—Feeder Line Appl.—Line of Delta S. R.R. Located in E. Carroll & Madison Pars., La. (Dec. 2025 Decision), FD 36447, slip op. at 3 (STB served Dec. 12, 2025). Between December 31, 2025, and July 2, 2026, the ALJ issued several decisions addressing discovery disputes.

By decision served May 27, 2026, the Board directed LPPC to file by June 16, 2026, any revisions to its valuation calculations and supporting evidence that LPPC believed were warranted based on the updated information DSRR provided in discovery. See Lake Providence Port Comm'n—Feeder Line Appl.—Line of Delta S. R.R. Located in E. Carroll & Madison (May 2026 Decision), FD 36447, slip op. at 2-3 (STB served May 27, 2026). The May 2026 Decision also set a deadline of July 6, 2026, for the close of discovery and stated that notice of the amended feeder line application would thereafter be published in the Federal Register and a procedural schedule set. Id. at 3. On June 16, 2026, LPPC filed and served various revisions to its valuation calculations and supporting evidence.

On July 2, 2026, the ALJ denied a DSRR motion to compel NLA to respond to certain discovery. See Lake Providence Port Comm'n—Feeder Line Appl.—Line of Delta S. R.R. Located in E. Carroll & Madison Pars., La. (July 2026 Decision), FD 36447 (STB served July 2, 2026). On September 2, 2026, the Board denied DSRR's appeal of two aspects of the ALJ's July 2026 Decision. See Lake Providence Port Comm'n—Feeder Line Appl.—Line of Delta S. R.R. Located in E. Carroll & Madison Pars., La. (Sep. 2026 Decision), FD 36447, slip op. at 3-6 (STB served Sep. 2, 2026). The Board also authorized DSRR to reopen two depositions for the limited purpose of examination pertaining to an unwritten modification agreement between

LPPC and NLA. See id. at 7-8. By letter dated September 30, 2026, DSRR informed the Board that it had conducted the reopened depositions. (See DSRR Letter, Sep. 30, 2026.)[3]

On October 30, 2026, DSRR filed a motion requesting that the Board issue a procedural schedule, along with a proposed schedule for filings. (See DSRR Mot. for Procedural Schedule, Oct. 30, 2026.) LPPC replied to the motion on November 2, 2026. (See LPPC Reply, Nov. 2, 2026.)

DISCUSSION AND CONCLUSIONS

As explained in the December 2023 Decision, the Board's acceptance of the amended application was conditional to permit LPPC to seek discovery of DSRR and to file revised valuation calculations and supporting evidence. Dec. 2023 Decision, FD 36447, slip op. at 2. Discovery has been completed, and LPPC has filed its updated valuation calculations and supporting evidence. Accordingly, notice of LPPC's amended application will be published in the Federal Register.

Procedural Schedule

The September 2025 Decision directed the parties to confer and submit (jointly, if possible) a proposed procedural schedule that took into account a reasonable period of time for DSRR to complete discovery and the general timeline for record-building contemplated by the Board's regulations at 49 CFR 1151.2(c), (e), and (f). Sep. 2025 Decision, FD 36447, slip op. at 8. The parties submitted separate proposals on November 19, 2025.[4] (See DSRR Mot. for Procedural Schedule, Nov. 19, 2025; LPPC Response, Nov. 19, 2025.)

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[3] LPPC also filed a letter on September 30 noting that the reopened depositions had concluded and requesting that the Board "promptly issue a procedural schedule." (LPCC Letter, Sep. 30, 2026.) On October 13, 2026, LPPC informed the Board, among other things, that corrected transcripts for the reopened depositions had been served on DSRR's counsel but stated it is not necessary to delay issuance of the procedural schedule to allow time for DSRR to provide those transcripts to the Board. (LPPC Letter, Oct. 13, 2026.) DSRR filed the corrected transcripts with the Board on October 22, 2026.

[4] Because of a lapse in the Board's appropriation, the initial October 9, 2025 deadline for proposals was extended to November 20, 2025. See Materials Due to Be Submitted During the Fed. Gov't Shutdown, EP 751, slip op. at 1 (STB served Nov. 13, 2025).

DSRR included a new proposed procedural schedule with its October 30, 2026 motion. DSRR proposes 30 days—the time period specified by 49 CFR 1151.2(c)—for the filing of competing applications. (DSRR Mot. for Procedural Schedule 3, Oct. 30, 2026.) DSRR proposes that verified statements and comments addressing both the amended application and any competing applications be due 60 days thereafter—more than the 30 days contemplated in 49 CFR 1151.2(e). (DSRR Mot. for Procedural Schedule 3, Oct. 30, 2026.) DSRR states it "expects its filing to be extensive and robust given the substantial record." (Id.) DSRR also argues the record will show LPPC has failed the public convenience and necessity (PC&N) test[5] so substantially that the Board could benefit from bifurcating the PC&N analysis from consideration of the constitutional minimum value (CMV) of the Line.[6] Finally, DSRR proposes 20 days for the filing of verified replies to responses to the amended application and any competing applications. (DSRR Mot. for Procedural Schedule 3, Oct. 30, 2026.)

In reply, LPPC states that it supports issuance of a procedural schedule and responds to various assertions in DSRR's motion. (See LPPC Reply, Nov. 2, 2026.) LPPC generally does not oppose the schedule DSRR proposes; however, LPPC requests 30 days (rather than 20) to file its verified reply, given the anticipated length of DSRR's response to the amended application. (Id. at 3-4.) LPPC objects to DSRR's suggestion that the Board consider only whether LPPC has satisfied the PC&N test and delay determining the CMV of the Line. (Id. at 2-3.)

DSRR's proposed schedule, modified to permit 30 days for the filing of verified replies, is reasonable and will be adopted. However, to avoid unnecessary delay, DSRR's request to

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[5] Under 49 U.S.C. 10907, a financially responsible party may obtain a Board order requiring the sale of a rail line in two situations, only one of which is applicable here: when the PC&N require or permit the sale. 49 U.S.C. 10907(b)(1).

[6] To be an eligible purchaser under the feeder line program, an applicant must show it is financially responsible. 49 U.S.C. 10907(b)(1)(B). To be considered financially responsible, the purchaser must be able to (1) pay the CMV for the line and (2) cover the expenses of operating on the line for at least the first three years. Id. 10907(a).

bifurcate will be denied. Accordingly, all filings should address the PC&N standard, the CMV of the Line, and financial responsibility.

For the reasons discussed, DSRR's October 30, 2026 motion for issuance of a procedural schedule will be granted in part, and the following procedural schedule will be adopted for this proceeding:

- Competing applications by other parties seeking to acquire all or any portion of the Line are due by December 28, 2026.

- Verified statements and comments addressing the amended application and competing applications must be filed by February 25, 2027.
- Verified replies by applicants and other interested parties must be filed by March 29, 2027.

It is ordered:

1. Notice of LPPC's amended feeder line application will be published in the Federal Register.

2. DSRR's October 30, 2026 motion for issuance of a procedural schedule is granted in part, as explained above.

3. The schedule set forth above will govern this proceeding.

4. This decision is effective on its service date.

Decided: November 24, 2026.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.

Tammy Lowery,

Clearance Clerk.

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