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SERVICE DATE - LATE RELEASE MARCH 19, 2004

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 34479

ARKANSAS MIDLAND RAILROAD COMPANY, INC.–ALTERNATIVE RAIL SERVICE–
LINE OF DELTA SOUTHERN RAILROAD, INC.

Decided: March 19, 2004

On March 11, 2004, the Board issued a decision in this proceeding in response to a petition filed by Arkansas Midland Railroad Company (AKMD) pursuant to 49 U.S.C. 11123 and 49 CFR part 1146. AKMD sought an emergency service order authorizing it to provide interim rail service on a Union Pacific Railroad Company (UP)-owned line (the Line) from milepost 422.32 in Dermott, AR, to milepost 461.74 at Warren, AR, a distance of about 39.42 miles. AKMD sought the order for an initial period of 30 days and a total period of not more than 270 days. The Line is currently leased to the Delta Southern Railroad, Inc (Delta).

The Board's decision found that "[t]he petition will be granted unless, by March 18, 2004, Delta certifies to the Board and all parties and shippers that it has taken all steps necessary and is fully serving all customers on the Line." Delta had been advised by UP that it considered Delta to be in default under the lease agreement. Under the terms of the lease, Delta had until March 18, 2004, to cure.

In a letter filed March 18, 2004, Delta states that it has settled its dispute with UP. Delta "will be voluntarily terminating its operations over the subject line so that UP can transfer operations to the [AKMD] . . ." Delta states that it is withdrawing its objection to the emergency service order requested by AKMD. Accordingly, AKMD's petition is granted. It may commence operations once it certifies to the Board that the Line has been repaired and can be operated safely.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. AKMD's petition is granted, and it is authorized to perform service on the Line for 30 days under the provisions of 49 CFR 1146. It may commence operations once it certifies to the Board that Line has been repaired and can be operated safely.

2. This decision is effective on its date of service.

By the Board, Chairman Nober.

Vernon A. Williams
Secretary