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SERVICE DATE – FEBRUARY 11, 2011

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 35416

ARKANSAS MIDLAND RAILROAD COMPANY, INC.—ALTERNATIVE RAIL
SERVICE—LINE OF CADDO VALLEY RAILROAD COMPANY

Digest: Arkansas Midland Railroad Company's authority to provide emergency rail service on a rail line in Gurdon, Ark., is extended to June 14, 2011.¹

Decided: February 10, 2011

On September 10, 2010, Arkansas Midland Railroad Company, Inc. (AKMD) filed an unopposed petition pursuant to 49 U.S.C. § 11123 and 49 C.F.R. pt. 1146 for an emergency service order allowing it to provide local rail service for an initial period of 30 days on 3 miles of rail line at Gurdon, Ark. (Gurdon Segment), now owned by Caddo Valley Railroad Company (CVR). In a decision served on September 17, 2010, the Board granted AKMD's petition for an initial period of 30 days, and AKMD began service on September 20, 2010. In an unopposed petition filed on October 8, 2010, AKMD sought an extension of its service authority for 120 days. On October 15, 2010, the Board granted AKMD's request.

In a petition filed on February 4, 2011, AKMD seeks a further 120-day extension of its service authority. AKMD explains that CVR has ceased operations, has no serviceable locomotives, and is not in a financial position to obtain a locomotive or to resume service. AKMD further explains that it has discussed potential dispositions of the Gurdon Segment and other assets with CVR, and that AKMD has tendered a proposal to CVR regarding these assets. AKMD states that it is aware that emergency service authority on the Gurdon Segment cannot be extended beyond June 14, 2011, and that it remains committed to seeking an arrangement that would allow transfer of the Gurdon Segment to AKMD by that date. AKMD states that CVR and the one active shipper remaining on the line support the extension. AKMD also states that the connecting carrier, Union Pacific Railroad Company, has been informed of the requested extension. No opposition to the requested extension has been filed.

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

DISCUSSION AND CONCLUSIONS

Alternative rail service orders may not exceed 30 days initially under § 11123(a), but may be extended for an additional 240 days, if the Board finds that a transportation emergency continues to exist. See 49 U.S.C. § 11123(c)(1). AKMD has requested an extension of the service authorization for an additional 120 days, which all other interested parties appear to support. The record in this case shows that the transportation emergency continues to exist and that the extension of the alternative rail service is appropriate. The record also indicates that the parties are working toward a long-term solution to the situation. This extension should provide the parties the requisite time to finalize a permanent arrangement for future operations on the Gurdon Segment.

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

It is ordered:

1. Petitioner's unopposed petition for extension of the emergency service authority is granted, and AKMD is authorized to provide alternative rail service on the Gurdon Segment for an additional 120 days, until June 14, 2011.

2. This decision is effective on its service date.

By the Board, Chairman Elliott, Vice Chairman Nottingham, and Commissioner Mulvey.