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October 7, 2011

## VIA ELECTRONIC FILING

Office of the  
Public Utilities

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Part of  
Public Utilities

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W., Room 1034  
Washington, DC 20423-0001

Re: **Finance Docket No. 32479**  
**Caddo Antoine and Little Missouri Railroad Company --**  
**Feeder Line Acquisition -- Arkansas Midland Railroad**  
**Company Line Between Gurdon and Birds Mill, AR**

231061

Dear Ms. Brown:

Arkansas Midland Railroad Company, Inc. ("AKMD") submits this letter to inform the Board that AKMD has exercised its statutory right of first refusal to reacquire a portion of a rail line previously sold under the feeder line provisions of 49 U.S.C. § 10907.

Pursuant to authority granted in the above-captioned feeder line docket, Caddo Valley Railroad Company ("CVR") on September 1, 2000 acquired AKMD's so-called "Norman Branch" extending approximately 52 miles from Gurdon to Birds Mill, Arkansas. See Caddo Antoine et al. -- Feeder Line Acq. -- Arkansas Midland RR, 4 S.T.B. 326 (1999), 4 S.T.B. 610 (2000), aff'd sub nom. GS Roofing Products Co. v. STB, 262 F.3d 767 (8<sup>th</sup> Cir. 2001). A subsequent Board proceeding confirmed and construed AKMD's statutory right of first refusal with respect to the Norman Branch under 49 U.S.C. § 10907(h). See Arkansas Midland Railroad Company, Inc. -- Petition for Declaratory Order -- Caddo Valley Railroad Company, Finance Docket No. 34865 (STB served May 2, 2007), aff'd sub nom. Caddo Valley R. Co. v. STB, 512 F.3d 1021 (8<sup>th</sup> Cir. 2008).

On September 29, 2011, pursuant to its rights under Section 10907(h), AKMD reacquired the segment of the Norman Branch extending from milepost 426.88 in Gurdon to milepost 429.45 north of Gurdon (the "Southern Segment"). As part of the same transaction, AKMD waived its statutory rights with respect to the remainder of the Norman Branch (the "Northern Segment"). CVR is proceeding with abandonment of the Northern Segment in Docket No. AB-1076X and Docket No. AB-1076 (Sub-No. 1X), both shortly to be filed with the Board.

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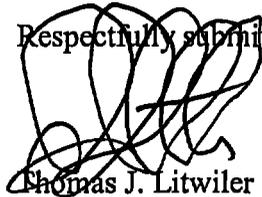
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AKMD previously had obtained local trackage rights on the Southern Segment. Arkansas Midland Railroad Company, Inc. -- Trackage Rights Exemption -- Caddo Valley Railroad Company, Finance Docket No. 35530 (STB served June 14, 2011). Those trackage rights merged into AKMD's ownership of the Southern Segment once AKMD consummated its reacquisition of the line. See Norfolk and Western Railway Company -- Acquisition Exemption -- Consolidated Rail Corporation, Finance Docket No. 32957 (STB served August 15, 1996) at 1, n.3.

AKMD is filing this letter for informational purposes. No separate Board approval or exemption is required for AKMD's reacquisition of the Southern Segment pursuant to its right of first refusal under 49 U.S.C. § 10907(h). Cheney Railroad Company, Inc. -- Feeder Line Acquisition -- CSX Transportation, Inc. Line Between Greens and Ivalee, AL, Finance Docket No. 31012 (ICC served March 11, 1994).

A copy of this letter has been served on counsel for CVR. Please feel free to contact me should any questions arise regarding this matter.

Respectfully submitted,



Thomas J. Litwiler  
Attorney for Arkansas Midland  
Railroad Company, Inc.

TJL:tl

cc: Richard H. Streeter, Esq.