

MISSISSIPPI CENTRAL RAILROAD CO.
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November 18, 2009

The Hon. Anne K. Quinlan, Acting Secretary
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423

226017

RE: Offer of Financial Assistance – Union Pacific Railroad Company –
Docket No. AB-33 (Sub-No. 261)

Dear Secretary Quinlan:

I regret to advise the Board that Mississippi Central Railroad Co. ("MSCI") is respectfully withdrawing its Offer of Financial Assistance ("OFA") in relation to the above-reference Line.

The portion of the Line that MSCI proposed to purchase did not include a connection with the abandoning carrier, Union Pacific Railroad ("UP"), and, while it crossed the BNSF Railway at grade, the only connecting track to the BNSF is currently owned by the Board of Municipal Utilities of Sikeston, Missouri ("BMU"). MSCI had several discussions with City officials prior to, and after, filing the OFA, and believed that the City would grant our request to allow MSCI and BNSF to transit the BMU trackage to effect interchange. Recently, MSCI met with City officials to finalize an agreement for such an arrangement, and shortly thereafter submitted a revised agreement, meeting the only concern that the City then expressed. Several days later, after several unreturned phone calls and e-mails, MSCI received a short fax stating that the City Council had decided against allowing use of the BMU track, with no explanation as to why. MSCI's President then contacted the Mayor, and was told that the City's STB regulatory counsel advised that such an agreement would place the track under STB jurisdiction, something BMU did not want to happen. MSCI believes this interpretation is incorrect and attempted to discuss it with the City's counsel, who told MSCI's counsel that he was not authorized to discuss the matter. At that point it became apparent that the City of Sikeston had no interest in preserving rail service for its local businesses and future economic growth. MSCI was, therefore, forced to make the difficult decision that its resources would not be wisely invested in a line in Sikeston.

MSCI appreciates the Board's work on this proceeding, and, particularly its allowing MSCI to make an attempt to preserve rail service for the shippers on this Line. MSCI was ready, willing and able to complete this purchase, had the City not reversed its position a short time before we were scheduled to close.

Union Pacific Railroad Company has been advised of this decision.

Respectfully submitted,



Daniel A. LaKemper,
Assistant to the President.

cc: All Parties.