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October 8, 2010

**VIA ELECTRONIC FILING**

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

ENTERED  
Office of Proceedings

OCT - 8 2010

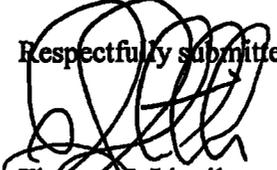
Part of  
Public Record

Re: **Finance Docket No. 35416**  
**Arkansas Midland Railroad Company, Inc. -- Alternative**  
**Rail Service -- Line of Caddo Valley Railroad Company**

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding is the **Petition of Arkansas Midland Railroad Company, Inc. for Extension of Emergency Service Authority**, dated October 8, 2010. Please note that expedited consideration of this Petition is requested.

Please feel free to contact me should any questions arise regarding this filing. Thank you for your assistance on this matter.

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

TJL:tl

Enclosures

cc: Parties on Certificate of Service  
Mr. Matthew T. Wallen, OPAGAC

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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FINANCE DOCKET NO. 35416

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

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**PETITION OF ARKANSAS MIDLAND RAILROAD COMPANY, INC.  
FOR EXTENSION OF EMERGENCY SERVICE AUTHORITY**

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**EXPEDITED CONSIDERATION REQUESTED**

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(312) 252-1500

**ATTORNEYS FOR ARKANSAS MIDLAND  
RAILROAD COMPANY, INC.**

Dated: October 8, 2010

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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FINANCE DOCKET NO. 35416

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

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**PETITION OF ARKANSAS MIDLAND RAILROAD COMPANY, INC.  
FOR EXTENSION OF EMERGENCY SERVICE AUTHORITY**

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**EXPEDITED CONSIDERATION REQUESTED**

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Arkansas Midland Railroad Company, Inc. ("AKMD"), with the support of all involved parties, hereby seeks a 120-day extension of authority under 49 U.S.C. § 11123(a) and 49 C.F.R. § 1146 to provide emergency alternative rail service on three miles of rail line at Gurdon, Arkansas (the "Gurdon Segment") owned by Caddo Valley Railroad Company ("CVR"). By decision served September 17, 2010, the Board authorized AKMD to provide emergency service on the Gurdon Segment for a period of 30 days. Service commenced on September 20, 2010. An extension of AKMD's emergency service authority is necessary to preserve rail service to shippers on the Gurdon Segment while negotiations for a permanent disposition of the line continue.

Under 49 U.S.C. § 11123(c)(1), the Board may extend emergency service authority up to a maximum of 240 days beyond the initial 30-day period if the Board finds that the transportation emergency with respect to such service continues to exist. Under 49 C.F.R. § 1146.1(c), unless otherwise indicated an initial Board order issued under Section 1146.1(a)

establishes a rebuttable presumption that the transportation emergency will continue beyond the 30-day period.

Here, a transportation emergency continues to exist on the Gurdon Segment and extension of the alternative service authorized in the Board's September 17, 2010 decision is needed to assure continuance of important rail service to shippers on the line. CVR has ceased operations. It has no serviceable locomotives, and is not in a financial position to obtain one or to otherwise resume service. In the absence of the extension requested herein, rail service on the Gurdon Segment will terminate upon expiration of the current authority.

AKMD's focus for the past several weeks has logically been on its commencement of rail operations and service on the Gurdon Segment. AKMD and CVR are meeting on October 11<sup>th</sup> to discuss longer-term arrangements for disposition of the Gurdon Segment.<sup>1</sup> While not predicting any particular outcome of such discussions, AKMD believes that a 120-day extension would provide sufficient time for the parties to reach and consummate a potential agreement for transfer of the line.<sup>2</sup> The requested extension will preserve rail service to shippers on the Gurdon Segment during the interim and avoid repeated requests to the Board for further extensions.

AKMD has conferred with CVR, the two active shippers on the Gurdon Segment (Georgia-Pacific LLC and Bean Lumber Company, Inc.) and the connecting line-haul carrier (Union Pacific Railroad Company), and all have advised AKMD that they support this extension

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<sup>1</sup> As indicated in AKMD's initial emergency service order petition, AKMD holds a right of first refusal under 49 U.S.C. § 10907(h) with respect to any disposition or abandonment of the Gurdon Segment and the out-of-service remainder of CVR's so-called Norman Branch. 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).

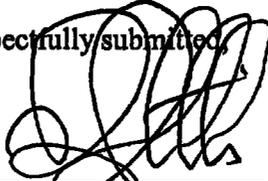
<sup>2</sup> AKMD notes that, should AKMD re-acquire the Gurdon Segment pursuant to its right of first refusal under 49 U.S.C. § 10907(h), no separate Board approval or exemption would be required for the transaction. See Cheney Railroad Company, Inc. -- Feeder Line Acquisition -- CSX Transportation, Inc. Line Between Greens and Ivalee, AL, Finance Docket No. 31012 (ICC served March 11, 1994).

request. A copy of this petition has been served on each of those parties, by overnight delivery where possible.

WHEREFORE, AKMD respectfully requests that, pursuant to 49 U.S.C. § 11123 and 49 C.F.R. § 1146, the Board extend for a period of one hundred twenty (120) days the emergency service order allowing AKMD to provide alternative rail service on the Gurdon Segment.

Respectfully submitted,

By:



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(312) 252-1500

**ATTORNEYS FOR ARKANSAS MIDLAND  
RAILROAD COMPANY, INC.**

Dated: October 8, 2010

**CERTIFICATE OF SERVICE**

I hereby certify that on this 8<sup>th</sup> day of October, 2010, a copy of the foregoing  
**Petition of Arkansas Midland Railroad Company, Inc. for Extension of Emergency Service**

**Authority was served by overnight delivery upon:**

James W. Smith, Esq.  
Smith & Akins  
400 West Capitol Avenue  
Suite 1700  
Little Rock, AR 72201-3438  
Attorney for Caddo Valley Railroad Company

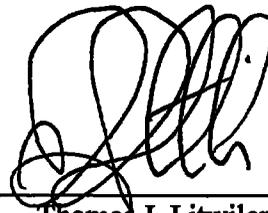
Glen W. Courtwright  
Director, Strategic Operations  
Georgia-Pacific LLC  
133 Peachtree Street N.E.  
Atlanta, GA 30303

Mack H. Shumate, Jr., Esq.  
Senior General Attorney  
Union Pacific Railroad Company  
101 North Wacker Drive, Suite 1920  
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Office of Chief Counsel  
Federal Railroad Administration  
Mail Stop 10, 3<sup>rd</sup> Floor  
1200 New Jersey Avenue, S.E.  
Washington, DC 20590

**and by first-class mail, postage prepaid, upon:**

Grady J. Bean  
Vice President  
Bean Lumber Company, Inc.  
P.O. Box 590  
Glenwood, AR 71943



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Thomas J. Litwiler