

FLETCHER & SIPPET LLC
ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832

THOMAS J. LITWILER
(312) 252-1508
tlitwiler@fletcher-sippel.com

ENTERED
Office of Proceedings

SEP 10 2010

Part of
Public Record

September 9, 2010

227770

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

VIA FEDERAL EXPRESS

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024



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 are an original and ten copies of a **Petition for Emergency Service Order**, dated September 9, 2010. A check in the amount of \$250.00, representing the appropriate fee for this filing, is attached. Please note that expedited consideration of this Petition is requested.

One extra copy of the Petition and this letter also are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

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.

ENTERED
Office of Proceedings
SEP 10 2010
Part of
Public Record

TJL:tl

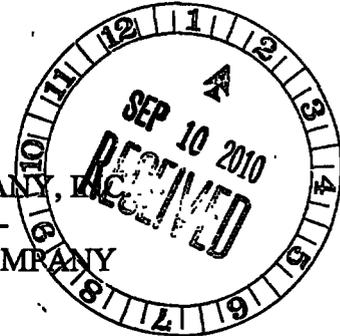
Enclosures

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

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35416

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



PETITION FOR EMERGENCY SERVICE ORDER

EXPEDITED CONSIDERATION REQUESTED

ENTERED
Office of Proceedings
SEP 10 2010
Part of
Public Record

FILED
SEP 10 2010
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED

William C. Sippel SEP 10 2010
Thomas J. Litwiler
Fletcher & Sippel SURFACE
29 North Wacker Drive TRANSPORTATION BOARD
Suite 920
Chicago, Illinois 60606-2875
(312) 252-1500

ATTORNEYS FOR ARKANSAS MIDLAND
RAILROAD COMPANY, INC.

Dated: September 9, 2010

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35416

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



PETITION FOR EMERGENCY SERVICE ORDER

EXPEDITED CONSIDERATION REQUESTED

Pursuant to 49 U.S.C. § 11123 and 49 C.F.R. § 1146, and with the support of the incumbent carrier and current shippers, Arkansas Midland Railroad Company, Inc. ("AKMD") hereby petitions the Board for an emergency service order allowing AKMD to provide local rail service on three miles of rail line at Gurdon, Arkansas (the "Gurdon Segment") owned by Caddo Valley Railroad Company ("CVR"). CVR has experienced significant financial difficulties, has lost the lease on its remaining serviceable locomotive, and anticipates being unable to continue operations beyond next Saturday, September 18, 2010. CVR does not expect to resume rail service on the Gurdon Segment in the foreseeable future, if ever, and has engaged in discussions with AKMD regarding rail service on the segment. AKMD is willing and able to provide emergency service on the Gurdon Segment for an initial period of thirty (30) days, commencing September 20, 2010, and up to 270 days as may be required. CVR and the two active shippers on the Gurdon Segment -- Georgia-Pacific LLC ("Georgia-Pacific") and Bean Lumber Company, Inc. ("Bean Lumber") -- support this petition and the provision of emergency service by AKMD. Union Pacific Railroad Company ("UP"), CVR's sole connecting line-haul carrier, also supports this petition.

The present situation on the Gurdon Segment is a clear rail service emergency requiring immediate action to serve the public. Without an immediate service order from the Board, CVR's cessation of operations will result in substantial harm to affected rail shippers and the surrounding communities. This type of rail service failure is precisely what the Board sought to address when adopting its current service order regulations. See Expedited Relief for Service Inadequacies, 3 S.T.B. 968 (1998) ("Service Inadequacies"). The Board should issue the requested service order at the earliest possible time.

Statements supporting this request for emergency relief from CVR, Georgia-Pacific, Bean Lumber and UP are attached hereto as Exhibits 1, 2, 3 and 4, respectively. To the extent required to provide relief with respect to the exempt traffic handled on the Gurdon Segment, AKMD includes in this petition a request to revoke the class exemption for lumber and wood products at 49 C.F.R. § 1039.11(a) (STCC 24). See Service Inadequacies, 3 S.T.B. at 976.

BACKGROUND

The Gurdon Segment extends from a connection with UP at milepost 426.87 in Gurdon, Arkansas to milepost 430.00 north of Gurdon, a distance of approximately 3.13 miles. The Gurdon Segment is part of a longer rail line, extending approximately 52 miles to Birds Mill, Arkansas and known as the Norman Branch, formerly owned by AKMD and acquired by CVR in 2000 pursuant to the feeder line provisions of 49 U.S.C. § 10907. 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 (8th Cir. 2001).

CVR currently provides service only on the Gurdon Segment of the Norman Branch, and this emergency service order petition relates only to that segment. CVR ceased operations on the Norman Branch north of Antoine, Arkansas in May, 2009, and that trackage is

inoperable. After the truck-to-rail transload site used for Bean Lumber traffic was relocated from Antoine to a location on the Gurdon Segment in June, 2010, CVR ceased operations to Antoine as well. Besides Bean Lumber, no other active shippers were located on the segment of the Norman Branch between the Gurdon Segment and Antoine.

CVR serves two shippers on the Gurdon Segment: Georgia-Pacific, which operates a large mill at Gurdon producing dimensional lumber and plywood, and Bean Lumber, which now transloads lumber from its Amity, Arkansas mill to rail via a siding at approximately milepost 428.4.

CVR has experienced serious financial difficulties in recent years, and as indicated above has previously ceased operations on most of the Norman Branch. Even with that retrenchment, however, CVR has advised Georgia-Pacific, Bean Lumber and AKMD that it does not have sufficient cash resources to continue operation or maintenance of the Gurdon Segment. CVR has a single serviceable locomotive, on a short-term lease due to expire Saturday, September 18, 2010. CVR has indicated that it does not have the cash with which to lease another locomotive beyond that date. See CVR letter attached hereto as Exhibit 1. If not before, CVR operations on the Gurdon Segment will terminate on September 18th.

As Georgia-Pacific explains in its statement attached hereto as Exhibit 2, its Gurdon mill is heavily dependent on CVR rail service and generates more than 500 carloads of outbound rail traffic annually. Operations at the Georgia-Pacific mill would be seriously impacted by the impending loss of rail service, and Georgia-Pacific strongly supports this emergency service order petition. Bean Lumber, which is affiliated with CVR, similarly is a strong supporter of alternative rail service from AKMD. See Bean Lumber letter attached hereto as Exhibit 3.

49 C.F.R. § 1146.1(b)(1)(A)
NEED FOR RELIEF

Under the Interstate Commerce Act, when the Board finds that a:

. . . failure of traffic movement exists which creates an emergency situation of such magnitude as to have substantial adverse effects on shippers, or on rail service in a region of the United States, or that a rail carrier [] cannot transport the traffic offered to it in a manner that properly serves the public, the Board may, to promote commerce and service to the public, for a period not to exceed 30 days . . . require joint or common use of railroad facilities

49 U.S.C. § 11123(a)(2). The regulations that the Board adopted in 1998 to provide expedited relief for service emergencies explicitly contemplated that Section 11123 could and should be used to address situations such as CVR's inability to continue to provide rail service on the Gurdon Segment:

While section 11123 has typically been used to address regional service emergencies, such as the one recently experienced in the West, we believe it can also be used to afford more localized relief to shippers; that section broadly permits Board intervention to remedy service deficiencies having "substantially adverse effects" on shippers, or where a rail carrier "cannot transport the traffic offered to it in a manner that properly serves the public."

Expedited Relief for Service Inadequacies, Ex Parte No. 628 (STB served May 12, 1998) at 5 (footnote omitted). Under the Board's regulations as adopted:

Alternative rail service will be prescribed under 49 U.S.C. 11123(a) if the Board determines that, over an identified period of time, there has been a substantial, measurable deterioration or other demonstrated inadequacy in rail service provided by the incumbent carrier.

49 C.F.R. § 1146.1(a).

In this case, the standard for emergency service relief has clearly been met. CVR's cessation of all rail service over the Gurdon Segment is imminent. The two active shippers on the line will face substantial adverse effects from that loss of rail service. While the Board's regulations

refer to a demonstrated inadequacy in rail service "over an identified period of time," that requirement obviously was not intended to delay relief to shippers who are affected by a carrier's complete and involuntary termination of operations. CVR does not have the financial resources or equipment to continue to provide rail service on the Gurdon Segment. To its credit, CVR has sought out another carrier to provide what CVR no longer can. It is crucial, particularly with respect to Georgia-Pacific's substantial volume of traffic, that service interruptions due to CVR's pending shutdown be avoided or minimized. There is a clear need for emergency service relief under 49 U.S.C. § 11123 and 49 C.F.R. § 1146.

49 C.F.R. § 1146.1(b)(1)(ii)
SUMMARY OF DISCUSSIONS WITH INCUMBENT CARRIER

AKMD and CVR have engaged in discussions over the past several months regarding the fate of the Gurdon Segment and the Norman Branch,¹ and have stepped up those discussions over the past several weeks as CVR's viability has become more tenuous and a potential CVR shutdown became more likely and then inevitable. CVR has agreed to interim service by AKMD over the Gurdon Segment, and the parties have executed an "Agreement for Temporary Operation of Rail Line" to govern AKMD's occupancy of the Gurdon Segment during the period of the requested service order. That agreement includes provisions addressing compensation, maintenance, hiring and liability. AKMD also has discussed the provision of emergency rail service on the Gurdon Segment with Georgia-Pacific and Bean Lumber, as well as with UP as the sole

¹ AKMD holds a right of first refusal under 49 U.S.C. § 10907(h) with respect to any disposition or abandonment of all or any portion of the 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 (8th Cir. 2008).

connecting line-haul carrier. All of those entities support this petition, as shown in the support statements attached hereto as Exhibits 2, 3 and 4, respectively.²

As discussed above and in CVR's statement attached hereto as Exhibit 1, CVR has lost the lease on its last serviceable locomotive, and otherwise faces severe financial and cash flow difficulties that effectively preclude it from continuing maintenance of or operations on the Gurdon Segment. CVR expects its pending cessation of operations to be permanent. No party foresees circumstances that would allow CVR to resume rail service of any kind to shippers on the Gurdon Segment, let alone service that would be "consistent with current transportation needs." 49 C.F.R. § 1146.1(b)(1)(ii).

49 C.F.R. § 1146.1(b)(1)(iii)
AKMD COMMITMENT TO PROVIDE SERVICE

AKMD commits to the Board that it will provide rail service on the Gurdon Segment that will meet the current transportation needs of Georgia-Pacific and Bean Lumber during the period of the requested service order. AKMD is an established class III rail carrier which already conducts operations on seven separate rail lines in the state of Arkansas. AKMD previously and successfully provided emergency service on another rail line in Arkansas in 2004,³ and indeed provided rail service to the Georgia-Pacific mill at Gurdon (then owned by International Paper Company) from 1992 to 2000, prior to the sale of the Norman Branch to CVR under the feeder line statute. With an existing support infrastructure for rail operations in place in Arkansas, and extensive experience in handling lumber traffic, AKMD is well-positioned to assume responsibility for rail service on the Gurdon Segment.

² UP has indicated that AKMD will need to enter into an interchange agreement with UP that has the same terms and conditions as the existing CVR-UP interchange agreement. See UP letter attached as Exhibit 4. AKMD is agreeable to that request.

³ See Arkansas Midland Railroad Company, Inc. -- Alternative Rail Service -- Line of Delta Southern Railroad, Inc., Finance Docket No. 34479 (STB served March 11, 2004 and March 19, 2004).

AKMD has sufficient locomotives in its existing fleet to operate the Gurdon Segment, and can easily position a locomotive at Gurdon. AKMD will provide weekday service as needed on the Gurdon Segment, and is able to provide weekend service upon request as well. Operating crews may be shared as feasible with AKMD's nearby operations on the AKMD Hot Springs Branch or on AKMD's affiliate The Prescott and Northwestern Railroad Company;⁴ to the extent that any additional hires are needed to operate the line, first consideration will be given to existing CVR employees (subject to AKMD's normal and customary hiring criteria). See 49 U.S.C. § 11123(d). AKMD has conducted an inspection of the Gurdon Segment, and is making arrangements for a Federal Railroad Administration ("FRA") inspection of the line prior to AKMD's commencement of operations. The Gurdon Segment is currently FRA excepted track, and AKMD believes only minor repairs, if any, will be required to allow AKMD to safely provide service. AKMD will make any such needed repairs at its own expense, using existing AKMD maintenance-of-way crews. Continuing maintenance on the Gurdon Segment will be performed in the same manner.

All of AKMD's existing operations in Arkansas connect with UP,⁵ and in each case AKMD acts as a "handling" carrier for UP -- AKMD does not appear in the route, and traffic to and from the branch moves in single-line UP routings with pricing and other terms determined by UP and the shipper. This is the same arrangement that UP currently has with CVR on the Gurdon Segment, and thus AKMD is extremely familiar with the nature and requirements of rail service to be provided on that segment. AKMD has an extensive and positive working relationship with UP,

⁴ See Pinsly Railroad Company -- Control Exemption -- The Prescott and Northwestern Railroad Company, Finance Docket No. 35292 (STB served September 25, 2009).

⁵ AKMD is affiliated with and operates the Warren & Saline River Railroad Company, which connects with AKMD's Warren Branch. The Warren Branch, in turn, connects with UP. See Pinsly Railroad Company -- Control Exemption -- Warren & Saline River Railroad Company, Finance Docket No. 35293 (STB served November 3, 2009).

and is working to put into place the inter-carrier arrangements necessary to allow AKMD interchange with UP at Gurdon. AKMD expects that process to be completed quickly. UP supports this petition. See Exhibit 4.

Because CVR is unable to continue operations on the Gurdon Segment, and has previously ceased all other operations on the Norman Branch north of the Gurdon Segment, no coordination of operations between AKMD and CVR will be necessary. AKMD's operations on the Gurdon Segment will have no effect or impact on the operation of AKMD's other rail lines in Arkansas, none of which is contiguous with the Gurdon Segment. As indicated above, AKMD has sufficient locomotive and other resources to seamlessly add local service on the Gurdon Segment to its existing Arkansas operations.

The complete name, address and telephone number of AKMD is:

Arkansas Midland Railroad Company, Inc.
314 Reynolds Road, Building 41
Malvern, AR 72104
(501) 844-4444

49 C.F.R. § 1146.1(b)(1)(iv)
SERVICE OF PETITION

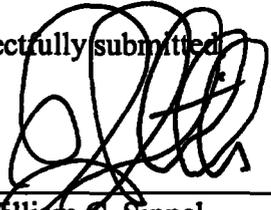
As shown on the attached certificate of service, a copy of this petition has been served by overnight delivery on CVR, Georgia-Pacific, Bean Lumber, UP and the Federal Railroad Administration.

As indicated in its support statement attached hereto as Exhibit 1, CVR supports this petition for an emergency service order and has expressly waived its right under 49 C.F.R. § 1146.1(b)(2) to file a reply. AKMD likewise waives any right to file rebuttal pursuant to 49 C.F.R. § 1146.1(b)(3). The Board thus need not wait the eight (8) business days contemplated by the regulations before taking action on this petition. All parties strongly encourage the Board to

issue the requested emergency service order as soon as possible, and no later than Friday, September 17, 2010, to be effective on Monday, September 20, 2010.

WHEREFORE, AKMD respectfully requests that, pursuant to 49 U.S.C. § 11123 and 49 C.F.R. § 1146, the Board issue an emergency service order allowing AKMD to provide alternative rail service to shippers on the Gurdon Segment for an initial period of 30 days and a total period of not more than 270 days commencing on September 20, 2010.

Respectfully submitted,

By: 

William C. Sippel
Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2875
(312) 252-1500

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

Dated: September 9, 2010



CADDO VALLEY RAILROAD CO., INC.
P.O. BOX 2118 GLENWOOD, ARKANSAS 71943
TELEPHONE (870) 358-4800 FAX (870) 358-2625

September 7, 2010

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

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

Dear Ms. Brown:

I am writing on behalf of Caddo Valley Railroad Company ("CVR") to indicate our concurrence in the request of Arkansas Midland Railroad Company for an emergency service order over a portion of CVR's line.

CVR has been operating approximately three miles of rail line at Gurdon, Arkansas, serving a Georgia Pacific mill and a lumber transloading facility. CVR connects with Union Pacific Railroad Company at Gurdon. CVR has previously been forced to suspend operations on its rail line north of Gurdon. Service north of Antoine, Arkansas was suspended in May of 2009, and remaining service north of the Gurdon segment was suspended in June of 2010. Neither line segment is operational.

CVR is facing seriously adverse financial circumstances and the absence of cash liquidity. The lease on our only remaining operable locomotive expires on Saturday, September 18, 2010, and we are not in a position to extend the lease or make alternative locomotive arrangements. CVR will thus be forced to suspend its remaining operations as of that date. CVR does not anticipate being able to resume operations.

CVR has engaged in discussions with Georgia Pacific and Arkansas Midland regarding emergency service over the three-mile rail segment at Gurdon, to be provided by Arkansas Midland. CVR is agreeable to the provision of alternative rail service by Arkansas Midland pursuant to 49 U.S.C. § 11123 and 49 C.F.R. § 1146 for a period of at least 30 days. CVR and Arkansas Midland have executed an agreement covering Arkansas Midland's operations over the three-mile Gurdon segment, including provisions governing compensation, maintenance, hiring and liability.

CVR waives its right under 49 C.F.R. § 1146.1(b)(2) to file a reply to the petition for emergency service order relief to be filed by Arkansas Midland; and asks that the Board take immediate action on Arkansas Midland's petition.

Respectfully Submitted,

A handwritten signature in black ink that reads "Tim Bean". The signature is written in a cursive, slightly slanted style.

**Tim Bean,
President**

cc: Charles Laggan, Arkansas Midland Railroad

Georgia-Pacific LLC
133 Peachtree Street N.E
Atlanta, Georgia 30303

www.gp.com



September 08, 2010

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

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

Dear Ms. Brown:

My name is Glen Courtwright. I am Director, Strategic Operations for Georgia-Pacific LLC ("GP" or "Georgia-Pacific"). I am responsible for the rail services provided by the railroads to our facilities, rail operations and infrastructure, and Georgia-Pacific's proprietary railcar fleets.

GP is one of the world's leading manufacturers of tissue, pulp, paper, packaging, building products and related chemicals. GP, through a wholly owned subsidiary, operates a large sawmill and plywood plant at Gurdon, Arkansas. These facilities manufacture pine plywood and dimensional lumber and employ over 525 full time employees. The Gurdon complex has a rail siding that connects to the Caddo Valley Railroad ("CVYR") which currently provides service to the mill five days per week. The Gurdon complex ships over 500 railcars of finished products annually throughout North America including key market areas such as the upper Midwest and Southern California. Loss of the ability to ship our products via rail would make this complex unable to compete in many of its markets.

Approximately two weeks ago, CVYR informed us that because it was running out of cash with which to continue rail service, maintain its track and provide locomotives and crews, they might have to cease all rail operations in the near future. CVYR further advised us that their owned locomotives were nonfunctional due to maintenance requirements and that the CVYR does not have the cash to extend the current lease on its sole operable locomotive beyond the September 18, 2010 expiration or lease another locomotive.

Given the imminent loss of rail service to the Gurdon complex, we began discussions with Arkansas Midland Railroad, a local short line railroad, regarding potential provision for emergency rail service to our complex. We understand that the Arkansas Midland Railroad is preparing the necessary paperwork requesting the Surface Transportation Board to issue an emergency service order to provide rail service at Gurdon, Ark. Once the emergency service is established, Georgia-Pacific will work with all parties to establish a long-term rail service solution.

We are grateful for the commitment of Arkansas Midland Railroad to provide critically-needed rail service to the Georgia-Pacific complex and support Arkansas Midland's petition for an emergency service order. The Board's prompt authorization of this service would be greatly appreciated.

Respectfully submitted,



Glen W. Courtwright
Director, Strategic Operations
Georgia-Pacific LLC

cc: Charles Laggan, Arkansas Midland Railroad



**Bean Lumber
Company, Inc.**

September 8, 2010

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

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

Dear Ms. Brown:

Bean Lumber Company, Inc. supports the request of Arkansas Midland Railroad Company for an emergency service order to provide rail service over approximately three miles of rail line of Caddo Valley Railroad (CVR) at Gurdon, Arkansas. Bean Lumber is a major sawmill operator and lumber producer, and is affiliated with CVR. Bean Lumber utilizes a lumber transload site on the CVR at Gurdon, Arkansas to ship its products by rail.

As an affiliated entity, Bean Lumber is well-aware of the financial and operating challenges that CVR is facing. CVR's imminent suspension of operations will leave Bean Lumber without rail service and force Bean Lumber to seek other, less economic forms of transportation for its products. Bean Lumber supports alternative rail service by Arkansas Midland to the Gurdon transload facility, and requests that the Board act as quickly as possible to authorize such service.

Respectfully submitted,

Grady Bean, Vice-President
Bean Lumber Company, Inc.

Cc: Charles Laggan, Arkansas Midland Railroad

Bean Lumber Co., Inc.
P.O. Box 590
Glenwood, AR 71943

General Office 870-356-4165
Sales: All Watts 1-800-232-BEAN
Arkansas Watts 1-800-482-2352



September 8, 2010

Charles Laggan
Arkansas Midland Railroad Company, Inc.

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

Dear Mr. Laggan:

The Union Pacific Railroad Company ("UP") acknowledges the Arkansas Midland Railroad Company, Inc.'s ("AKMD") willingness to provide alternative rail service in Gurdon, Arkansas in lieu of the current operations provided by Caddo Valley Railroad Company ("CVR"). It is understood that AKMD will seek an emergency order from the Surface Transportation Board ("STB") to provide such alternative rail service, if and when needed. As you know, UP currently works as a connecting carrier with AKMD at numerous other locations in Arkansas, and is willing to establish an effective interchange relationship with AKMD at Gurdon, Arkansas as outlined below to maintain uninterrupted service to the customers on the line.

In accordance with our ongoing discussions concerning the current CVR operation, as the sole interchange connection with the CVR line at Gurdon, Arkansas, UP supports AKMD's petition for an emergency service order, if and when needed, provided that if said emergency service order is issued by the STB, AKMD will enter into an Interchange Agreement with UP having the same terms and conditions as the existing Interchange Agreement UP currently has with CVR.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bradley S. Moore".

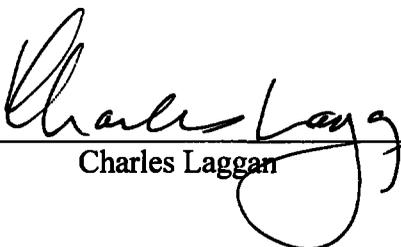
Bradley S. Moore
Union Pacific Railroad
Regional Director South - NID

cc: Charles Laggan, Arkansas Midland Railroad

VERIFICATION

State of Arkansas)
) ss:
County of Hot Spring)

Charles Laggan, being duly sworn, deposes and says that he is Vice President and General Manager of Arkansas Midland Railroad Company, Inc., that he has read the foregoing Petition and knows the facts asserted therein, and that the same are true as stated.



Charles Laggan

SUBSCRIBED AND SWORN TO
before me this 2 day
of September, 2010.



Notary Public

My Commission expires:



CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of September, 2010, a copy of the foregoing

Petition for Emergency Service Order 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

Office of Chief Counsel
Federal Railroad Administration
Mail Stop 10, 3rd Floor
1200 New Jersey Avenue, S.E.
Washington, DC 20590

by hand delivery upon:

Mack H. Shumate, Jr., Esq.
Senior General Attorney
Union Pacific Railroad Company
101 North Wacker Drive, Suite 1920
Chicago, IL 60606

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

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



Thomas J. Litwiler