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February 4, 2011

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

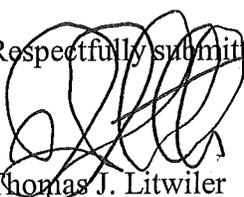
Re: **Finance Docket No. 35416**
Arkansas Midland Railroad Company, Inc. -- Alternative
Rail Service -- Line of Caddo Valley Railroad Company

Dear Ms. Brown:

Attached for filing in the above-captioned proceeding is the **Petition of Arkansas Midland Railroad Company, Inc. for Further Extension of Emergency Service Authority**, dated February 4, 2011. 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

Attachment

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

EXPEDITED CONSIDERATION REQUESTED

William C. Sippel
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(312) 252-1500

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

Dated: February 4, 2011

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35416

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

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

EXPEDITED CONSIDERATION REQUESTED

Arkansas Midland Railroad Company, Inc. ("AKMD") hereby seeks a further 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. By decision served October 15, 2010, the Board extended AKMD's emergency service authority for an additional 120 days, until February 14, 2011. A further extension of that authority is necessary to preserve rail service on the Gurdon Segment while AKMD seeks to complete negotiations with CVR for a permanent disposition of the line.

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 prior decisions is needed to assure continuance of important rail service on the line. CVR ceased operations nearly six months ago. 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 and CVR have discussed potential dispositions of the Gurdon Segment and the out-of-service remainder of CVR's so-called Norman Branch as to which AKMD holds a right of first refusal under 49 U.S.C. § 10907(h),¹ and AKMD has tendered a proposal to CVR regarding those assets.² AKMD is aware that emergency service authority on the Gurdon Segment cannot be extended beyond June 14, 2011, and AKMD remains committed to seeking an arrangement that would allow transfer of the Gurdon Segment to AKMD by that date.³ Extension of the emergency service order for the remainder of the statutory period will preserve rail service on the Gurdon Segment while negotiations continue.

¹ 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).

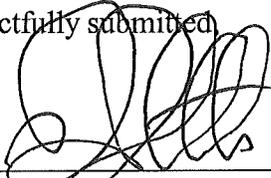
² AKMD also has commenced discussions with a lender which apparently holds a lien on the entirety of the Norman Branch. AKMD's discussions with CVR are complicated by the fact that the lender's lien exceeds the first-refusal purchase price for the line established by Section 10907(h).

³ 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).

AKMD has conferred with CVR and the only remaining active shipper on the Gurdon Segment, Georgia-Pacific LLC,⁴ both of which have advised AKMD that they support this extension request. AKMD also has informed the connecting line-haul carrier (Union Pacific Railroad Company ("UP")) of this extension request, and AKMD believes UP continues to be supportive of AKMD's emergency service operations on the Gurden Segment.

WHEREFORE, AKMD respectfully requests that, pursuant to 49 U.S.C. § 11123 and 49 C.F.R. § 1146, the Board extend for an additional period of one hundred twenty (120) days, until June 14, 2011, the emergency service order allowing AKMD to provide alternative rail service on the Gurdon Segment.

Respectfully submitted,

By: 

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

Dated: February 4, 2011

⁴ Since AKMD's last extension request, the other former shipper on the Gurdon Segment (Bean Lumber Company, Inc.) has ceased operations.

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of February, 2011, a copy of the foregoing
**Petition of Arkansas Midland Railroad Company, Inc. for Further Extension of
Emergency Service Authority** was served by electronic and overnight delivery upon:

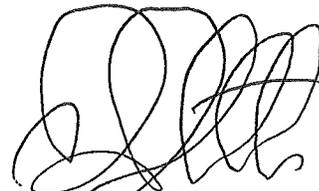
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and by first-class mail, postage prepaid, upon:

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



Thomas J. Litwiler