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THOMAS F. McFARLAND

August 16, 2004

By electronic mail

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Docket No. AB-384 (Sub-No. 1X), *Delta Southern Railroad, Inc. -- Abandonment
Exemption -- Portion of the Lake Providence Line*

Dear Mr. Williams:

In a decision served June 17, 2004, the Board held the abandonment proceeding in abeyance until September 15, 2004 pending negotiations for an alternative resolution in regard to the involved rail line. The parties were required to report to the Board regarding the status of negotiations no later than August 16, 2004.

The parties have engaged in good faith negotiations, but there has been no agreement on an alternative to abandonment. Applicant Delta Southern Railroad, Inc. is not willing to hold the proceeding in abeyance beyond September 15, 2004. The Board would be notified if an agreement were to be reached prior to that date.

Very truly yours,

/s/

Thomas F. McFarland
Attorney for Applicant

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cc: Paul Donovan, Esq.
Bill Sippel, Esq.
Mr. Bill Wainright
Mr. Michael Sussman