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FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

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

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

WILLIAM C. SIPPEL
(312) 252-1505
wsippel@fletcher-sippel.com

October 15, 2004

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006



Re: **Finance Docket No. 34479**
Arkansas Midland Railroad Company, Inc. -- Alternative
Rail Service -- Line of Delta Southern Railroad, Inc.

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Petition of Arkansas Midland Railroad Company, Inc. for Final Extension of Emergency Service Authority**, dated October 15, 2004. Petitioner's current authority expires on November 1, 2004.

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.

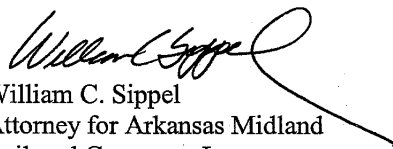
Please feel free to contact me should any questions arise regarding this filing. Thank you for your assistance on this matter.

Respectfully submitted,

ENTERED
Office of Proceedings

OCT 18 2004

Part of
Public Record


William C. Sippel
Attorney for Arkansas Midland
Railroad Company, Inc.

WCS:tjl

Enclosures

cc: Parties on Certificate of Service
Mr. Melvin F. Clemens, Jr., OCE

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34479

ARKANSAS MIDLAND RAILROAD COMPANY, INC.
-- ALTERNATIVE RAIL SERVICE --
LINE OF DELTA SOUTHERN RAILROAD, INC.

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

William C. Sippel
Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

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

Dated: October 15, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34479

ARKANSAS MIDLAND RAILROAD COMPANY, INC.
-- ALTERNATIVE RAIL SERVICE --
LINE OF DELTA SOUTHERN RAILROAD, INC.

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

Arkansas Midland Railroad Company, Inc. ("AKMD") hereby seeks an extension to December 13, 2004 of authority under 49 U.S.C. § 11123(a) and 49 C.F.R. § 1146 to provide emergency alternative rail service on a rail line between Dermott and Warren, Arkansas (the "Warren Line") owned by Union Pacific Railroad Company ("UP") and previously leased to and operated by Delta Southern Railroad, Inc. ("DSRR"). By decision served March 19, 2004, the Board authorized AKMD to provide alternative service on the Warren Line for a period of 30 days. Service commenced April 5, 2004. By decisions served May 4, 2004 and July 30, 2004, the Board extended AKMD's authority until November 1, 2004. AKMD has now entered into an agreement with UP to lease and operate the Warren Branch on a long-term basis. Accordingly, AKMD has concurrently herewith filed a Verified Notice of Exemption in Finance Docket No. 34567 for a change in operators on the Warren Line. AKMD has also certified its compliance with the 60-day notice requirements of 49 C.F.R. § 1150.42(e). Under the Board's regulations, the exemption will become effective on December 13, 2004. A further final extension of emergency authority is necessary to "bridge the gap" and preserve rail service to shippers on the Warren Line until the exemption in Finance Docket No. 34567 becomes effective.

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.

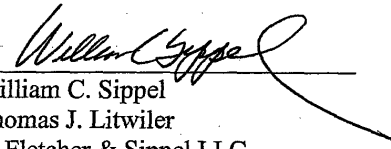
Here, a transportation emergency continues to exist on the Warren Line and a further extension of the alternative service first authorized in the Board's March 19, 2004 decision is needed to assure continuance of important rail service to shippers on the line. As DSRR indicated in a March 18, 2004 letter filing and the Board acknowledged in its March 19th Decision, DSRR voluntarily withdrew from the Warren Line "so that UP can transfer operations to the Arkansas Midland Railroad Company." In the absence of the extension requested herein, rail service on the Warren Line would likely shut down again until the exemption in F.D. 34567 for AKMD to lease and operate the line becomes effective.¹

An extension of AKMD's emergency service authority on the Warren Line to December 13, 2004 is therefore needed to preserve rail service to shippers on the Warren Line during the interim. Such an extension would not exceed the maximum period established by 49 U.S.C. § 11123(c)(1), which continues until December 31, 2004. AKMD believes that UP, DSRR and Warren Line shippers all support or do not oppose this extension request, and has served a copy of this petition on each of those parties.

¹ As before, this request for emergency service authority encompasses AKMD's provision of alternative local rail service on the Warren Line, from milepost 422.32 at Dermott to milepost 461.74 at Warren, as well as AKMD's overhead operations on UP's line between Dermott and McGehee, Arkansas.

WHEREFORE, AKMD respectfully requests that, pursuant to 49 U.S.C. § 11123 and 49 C.F.R. § 1146, the Board extend until December 13, 2004 the emergency authority allowing AKMD to provide alternative rail service to all shippers on the Warren Line and to conduct overhead operations on UP's Dermott-McGehee line.

Respectfully submitted,

By: 

William C. Sippel

Thomas J. Litwiler

Fletcher & Sippel LLC

29 North Wacker Drive

Suite 920

Chicago, Illinois 60606-2832

(312) 252-1500

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

Dated: October 15, 2004

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of October, 2004, a copy of the foregoing
**Petition of Arkansas Midland Railroad Company, Inc. for Final Extension of Emergency
Service Authority** was served by first class mail, postage prepaid, upon:

John D. Heffner, Esq.
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, DC 20036

Thomas F. McFarland, Esq.
Thomas F. McFarland, P.C.
208 South LaSalle Street
Suite 1890
Chicago, IL 60604-1194

Office of Chief Counsel
Federal Railroad Administration
400 Seventh Street, S.W.
Room 5101
Washington, DC 20590

David A. Weisel
Director of Distribution
Potlatch Corporation
805 Mill Road
Lewiston, ID 83501

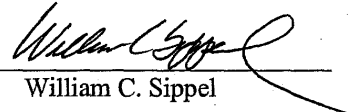
Mr. Keith Williams
Operations Manager
Exopack
1829 Highway 35 South
Monticello, AR 71655

Mr. Thomas V. Maxwell
President & Chief Executive Officer
Maxwell Hardwood Flooring
190 Wilson Mill Road
Monticello, AR 71655

Mr. Kenneth McDougald
Vice President & General Manager
Bradley Lumber Company
822 Fullerton
Warren, AR 71671

Mr. Danny Wood
President
Wood Lumber Company, Inc.
2999 Highway 24 West
Camden, AR 71701

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



William C. Sippel