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May 10, 2006

VIA ELECTRONIC FILING

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20423-0001

Re: **Finance Docket No. 34865**
Arkansas Midland Railroad Company, Inc. -- Petition for
Declaratory Order -- Caddo Valley Railroad Company

Dear Secretary Williams:

On behalf of Arkansas Midland Railroad Company, Inc. ("AKMD"), we are in receipt of the letter request dated May 5, 2006 of Caddo Valley Railroad Company ("CVR") and Bean Lumber Company and Curt Bean Lumber Company (the "Bean Companies") seeking expedited consideration of the above-captioned matter. The Board could respond in a number of ways to the pleadings presently before it, including instituting a declaratory order proceeding, ruling on CVR's and the Bean Companies' motions to dismiss, and/or issuing a substantive decision denying AKMD's petition. Without prejudging what the "next step" should be, AKMD does not object to the Board reaching that step in an expedited fashion.

We are, however, perplexed by the new representations of CVR and the Bean Companies that "repairs [] must be made at this time to the line" and that accordingly an immediate sale is necessary "to preserve rail service to all shippers on the line." Apparently, the current owners of CVR -- the feeder line applicants in Finance Docket No. 32479 -- would shut down rail service on the Norman Branch rather than conduct needed repairs on the line themselves. Particularly given the history of this matter, that is a uniquely odd and unconvincing position for CVR and its owners to take.

We also note that AKMD has been waiting for more than two weeks for Pioneer Railcorp to provide its desired language for the release which AKMD has arranged to obtain from its former bank for the pre-1997 mortgage on the Norman Branch. While considered a useful speaking point by CVR, the mortgage release issue is apparently not the matter of urgency that CVR would claim.

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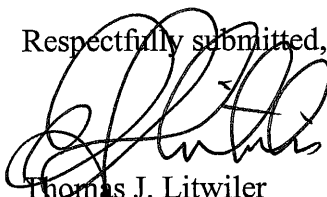
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CVR has known since last fall that AKMD would object to either a stock or an asset sale involving the Norman Branch that did not provide AKMD its statutory first refusal opportunity. AKMD filed its petition for declaratory order within five days of the *Arkansas Democrat Gazette* article which contained the first confirmation of any kind that such a transaction was indeed contemplated. But for that article, it is unclear that AKMD would have received any notice of the proposed sale prior to Pioneer filing a notice of exemption to acquire CVR. While AKMD does not object to the expedited consideration that CVR and the Bean Companies now seek, any timing issues here are of those parties' own making.

Respectfully submitted,



Thomas J. Litwiler

Attorney for Arkansas Midland
Railroad Company, Inc.

TJL:tl

cc: Richard H. Streeter, Esq.
Daniel A. LaKemper, Esq.
Mark J. Andrews, Esq.