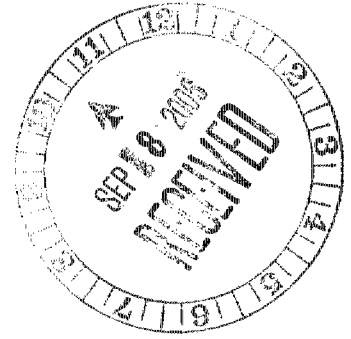


LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LA SALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1112
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com



THOMAS F. MCFARLAND

September 7, 2006

By UPS overnight mail

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

ENTERED
Office of Proceedings

SEP 8 - 2006

Part of
Public Record

2 17512
217513

Re: STB Docket No. AB-868 (Sub-No. 1X), *Mississippi Tennessee Holdings, LLC -- Abandonment Exemption -- in Hardeman County, TN and Tippah and Union Counties, MS*

STB Docket No. AB-869 (Sub-No. 1X), *Mississippi Tennessee Railroad, LLC -- Discontinuance of Service Exemption -- in Hardeman County, TN and Tippah and Union Counties, MS*

Dear Mr. Williams:

Enclosed please find an original and 10 copies of Verified Notice of Exemptions Under 49 C.F.R. § 1152.50, for filing with the Board in the above referenced matter.

Also enclosed is Ironhorse Resources, Inc.'s check #014579 in the amount of \$6,200 for the filing fee.

FILED
SEP - 8 2006
SURFACE
TRANSPORTATION BOARD

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Applicants

TMcf:kl:enc:wp8.0\1170\trstb2

FILE RECEIVED
SEP - 8 2006
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD



MISSISSIPPI TENNESSEE HOLDINGS,)
LLC -- ABANDONMENT EXEMPTION --)
IN HARDEMAN COUNTY, TN AND)
TIPPAH AND UNION COUNTIES, MS)

DOCKET NO. AB-868
(SUB-NO. 1X)

217512

MISSISSIPPI TENNESSEE RAILROAD,)
LLC -- DISCONTINUANCE OF SERVICE)
EXEMPTION -- IN HARDEMAN)
COUNTY, TN AND TIPPAH AND)
UNION COUNTIES, MS)

DOCKET NO. AB-869
(SUB-NO. 1X)

217513

VERIFIED NOTICE OF EXEMPTIONS
UNDER 49 C.F.R. § 1152.50

FEE RECEIVED

SEP - 8 2006

SURFACE
TRANSPORTATION BOARD

MISSISSIPPI TENNESSEE HOLDINGS, LLC
102 Willow Drive
P.O. Box 99
O'Fallon, IL 62269

MISSISSIPPI TENNESSEE RAILROAD, LLC
200 North Railroad Ave.
New Albany, MS 38652

FILED
SEP - 8 2006
SURFACE
TRANSPORTATION BOARD

Applicants

ENTERED
Office of Proceedings

SEP 8 - 2006

Part of
Public Record

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204

Attorney for Applicants

DATE FILED: September 8, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

MISSISSIPPI TENNESSEE HOLDINGS,	)	
LLC -- ABANDONMENT EXEMPTION --	)	DOCKET NO. AB-868
IN HARDEMAN COUNTY, TN AND	)	(SUB-NO. 1X)
TIPPAH AND UNION COUNTIES, MS	)	
	)	
MISSISSIPPI TENNESSEE RAILROAD,	)	
LLC -- DISCONTINUANCE OF SERVICE	)	DOCKET NO. AB-869
EXEMPTION -- IN HARDEMAN	)	(SUB-NO. 1X)
COUNTY, TN AND TIPPAH AND	)	
UNION COUNTIES, MS	)	

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1152.50**

Pursuant to the class exemption for out-of-service rail lines at 49 C.F.R. § 1152.50, MISSISSIPPI TENNESSEE HOLDINGS, LLC (MTH) provides notice of exemption from 49 U.S.C. § 10903(a) for its abandonment, and MISSISSIPPI TENNESSEE RAILROAD, LLC (MTRR) provides notice of exemption from that statute for its discontinuance of rail service over the following rail lines:

(1) between Milepost No. 367.5, which is located approximately 25 feet north of the centerline of Thryson Krump plant entry road in Middleton, Hardeman County, Tennessee, and Milepost No. 348.1, which is located approximately 1,663 feet north of the centerline of Industrial Park Road at the northern end of Ripley, Tippah County, Mississippi, a distance of approximately 19.4 miles;

and

(2) between Milepost No. 325.56, which is located approximately 25 feet north of the BNSF diamond in New Albany, Union County, Mississippi, and Milepost No. 324.2, which is located approximately one-quarter of a mile south of Interstate Highway 78 in Union County, Mississippi, a distance of approximately 1.36 miles. The proposed actions would affect the following U.S. postal zip codes: 38052, 38652 and 38663.

The above rail lines total 20.76 miles in Hardeman County, Tennessee and Tippah and Union Counties, Mississippi. For convenience, those rail lines will be referred to as “the Rail Line”. Maps of the Rail Line are attached to this Notice as Appendices 1-A and 1-B.

THE RAIL LINE QUALIFIES FOR THE CLASS EXEMPTION

The Rail Line qualifies for the class exemption because (1) there has been no originated or terminated traffic on the Rail Line for at least two years; and (2) overhead traffic on the Rail Line can be rerouted. Specifically, overhead traffic now moving to Middleton, TN for interchange with Norfolk Southern Railway Company (NS) or Kansas City Southern Railway Company (KCS) can be rerouted for interchange with BNSF Railway Company at New Albany, MS. (See map attached to this Notice as Appendix 1-B).

INFORMATION REQUIRED BY 49 C.F.R. § 1152.50(d)(2)

Responses to 49 C.F.R. § 1152.50(d)(2):

1. *Proposed consummation date*

The proposed consummation date is 50 days from the September 8, 2006 filing date of this Notice, i.e., October 28, 2006.

2. *Certification required in Section 1152.50(b).*

The required certifications are attached as Appendix 2.

3. *Information required in Section 1152.22(a)(1)-(4), (7), (8), and (e)(4):*
f. General

(1) *Exact name of Applicants:*

Applicants are (1) Mississippi Tennessee Holdings, LLC and

(2) Mississippi Tennessee Railroad, LLC.

(2) *Whether Applicant is a common carrier by railroad subject to 49 U.S.C. Subtitle IV, chapter 105.*

Applicants are common carriers by railroad subject to 49 U.S.C. Subtitle IV, chapter 105.

(3) *Relief sought (abandonment of line or discontinuance of service).*

Abandonment authority is sought by MTH. Discontinuance of service authority is sought by MTRR.

(4) *A detailed map depicting the line proposed for abandonment.*

See Appendices 1-A and 1-B.

(7) *Name, title and address of representative of Applicant to whom correspondence should be sent:*

Thomas F. McFarland
Thomas F. McFarland, P.C.
208 South LaSalle Street
Suite 1890
Chicago, IL 60604-1112
(312) 236-0204

- (8) *List of all United States Postal Zip Codes that the line proposed for abandonment traverses:*

The Rail Line traverses U.S. Postal Service Zip Codes 38052, 38652 and 38663.

- (e) *Rural and community impact.*

- (4) *Statement of whether the properties proposed to be abandoned are appropriate for use for other public purposes, including roads or highways, other forms of mass transportation, conservation, energy production or transmission, or recreation. If the applicant is aware of any restriction on the title to the property, including any reversionary interest, which would affect the transfer of title or the use of the property for other than rail purposes, this shall be disclosed.*

The rights-of-way of the Rail Line are not suitable for public purposes such as highways or utility corridors because of the adequacy of such corridors in the area. However, the rights-of-way may be suitable for railbanking and interim recreational trail use.

4. *Federally granted right of way.*

Based on information in Applicants' possession, the Rail Line does not contain federally-granted rights-of-way. Any documents in Applicants' possession will be made available to those requesting it.

5. *The level of labor protection.*

Applicants understand that, in exempting the proposed abandonment, the Board cannot relieve a carrier of its statutory obligation to protect the interest of affected employees. *See* 49 C.F.R. § 1152.50(c). Accordingly, Applicants anticipate that the Board will impose conditions set forth in *Oregon Short Line R. Co. - Abandonment - Goshen*, 360 I.C.C. 91 (1979), for the benefit of any employee who may be adversely affected by the proposed abandonment.

6. *Certificate of compliance with the notice requirements of Sections 1152.50(d)(1) and 1105.11 and the newspaper publication requirements of Section 1105.12.*

The required certificate is attached to this Notice as Appendix 3.

7. *Environmental and Historic Reports.*

A combined Environmental and Historic Report is attached to this Notice as Appendix 4.

Comments received in response to that Report are attached to this Notice as Appendix 5.

8. *Verification.*

The required verification is attached to this Notice as Appendix 6.

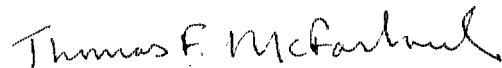
WHEREFORE, the Board should provide Notice of the proposed abandonment and discontinuance of service in the Federal Register as provided by 49 C.F.R. § 1152.50(d)(3).

Respectfully submitted,

MISSISSIPPI TENNESSE HOLDINGS, LLC
102 Willow Drive
P.O. Box 99
O'Fallon, IL 62269

MISSISSIPPI TENNESSEE RAILROAD, LLC
200 North Railroad Ave.
New Albany, MS 38652

Applicants

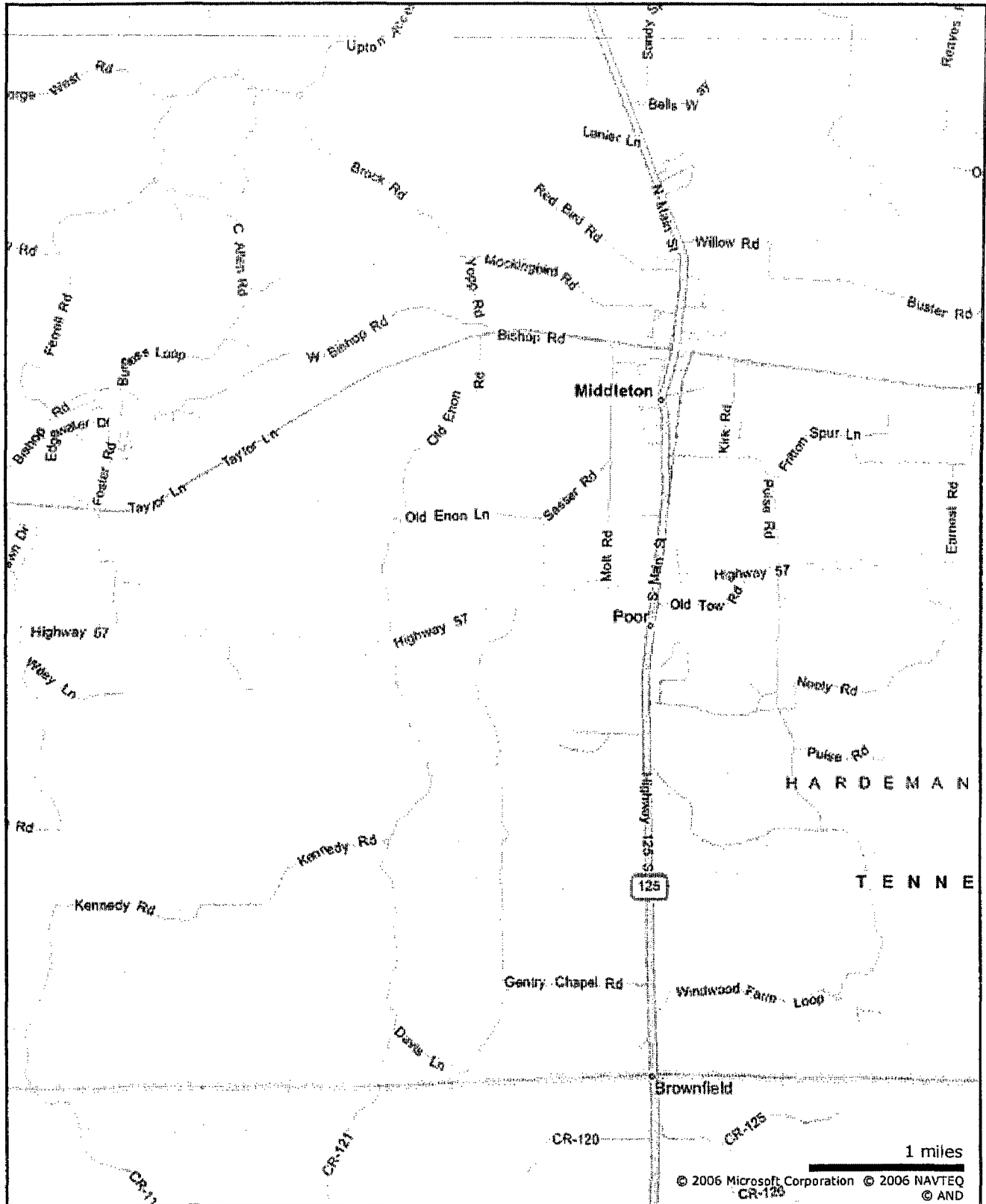


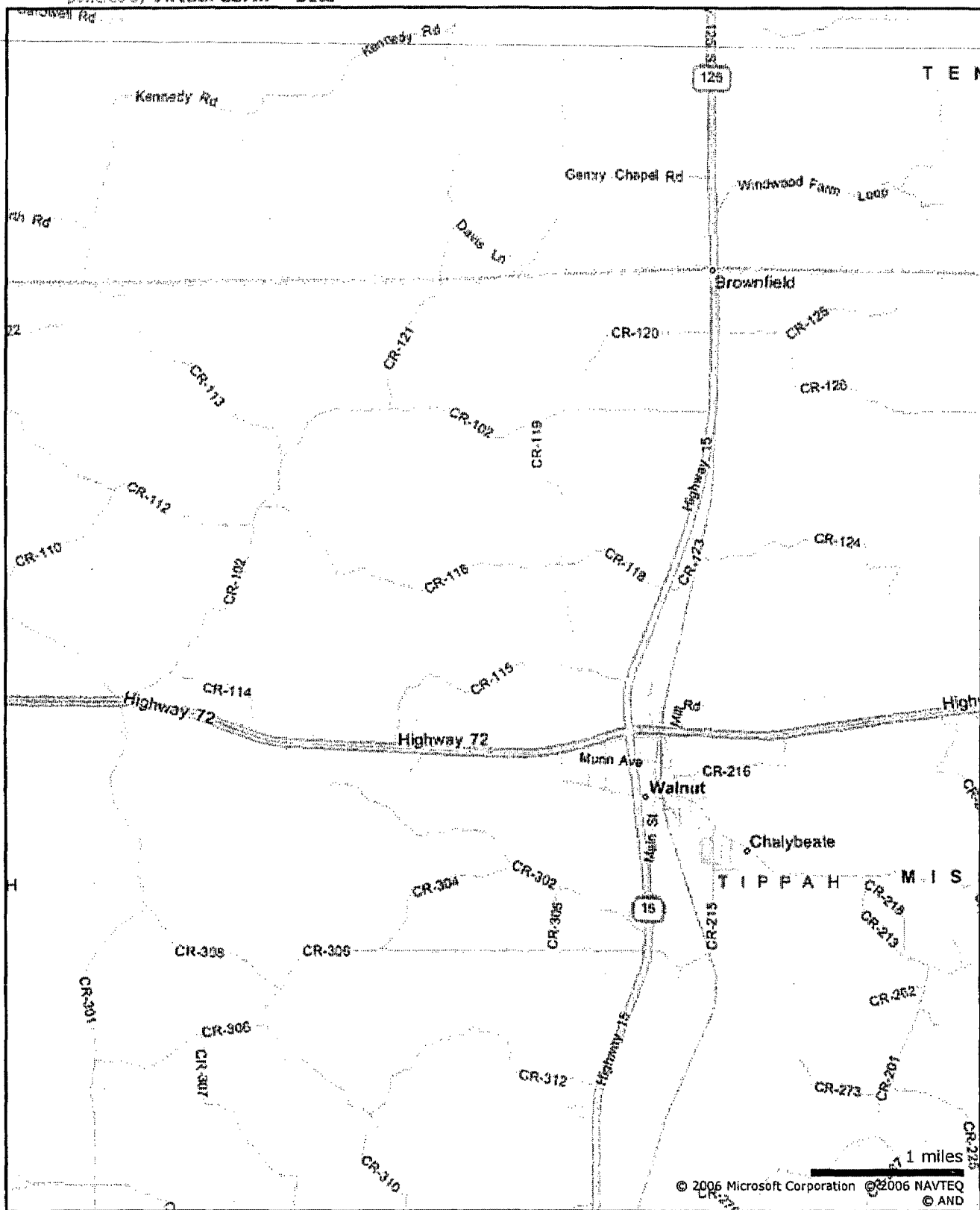
THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204

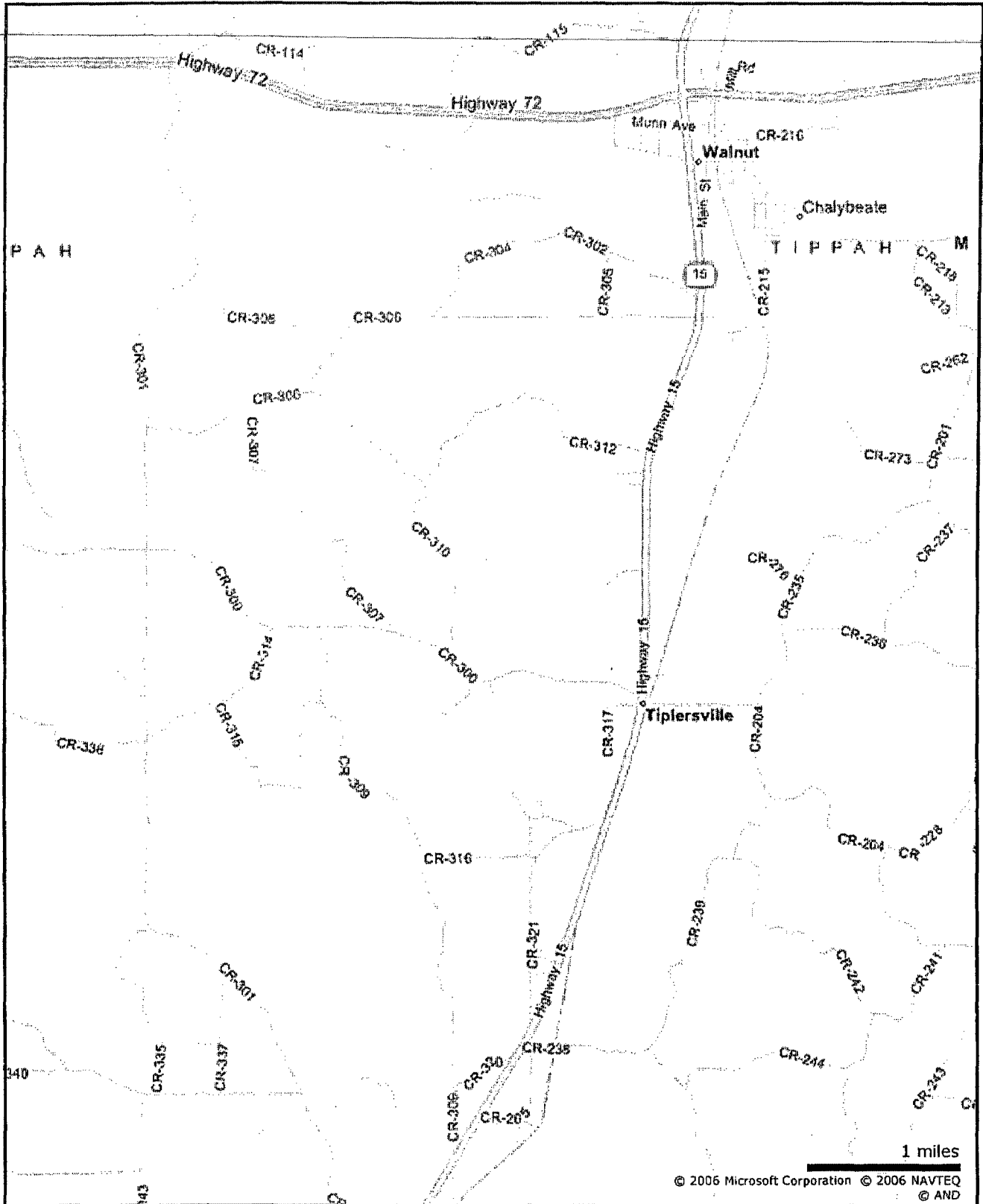
Attorney for Applicants

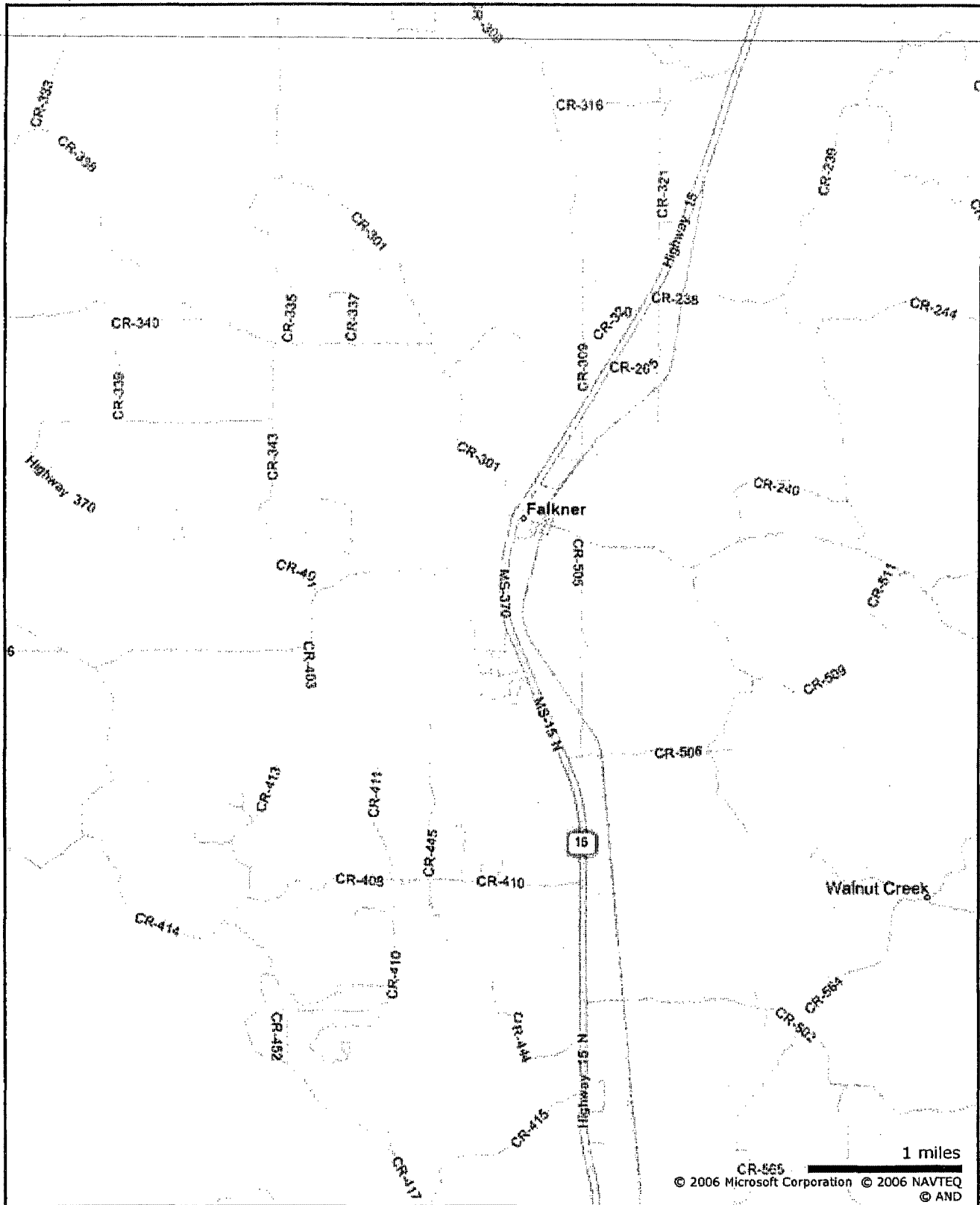
DATE FILED: September 8, 2006

APPENDIX 1-A

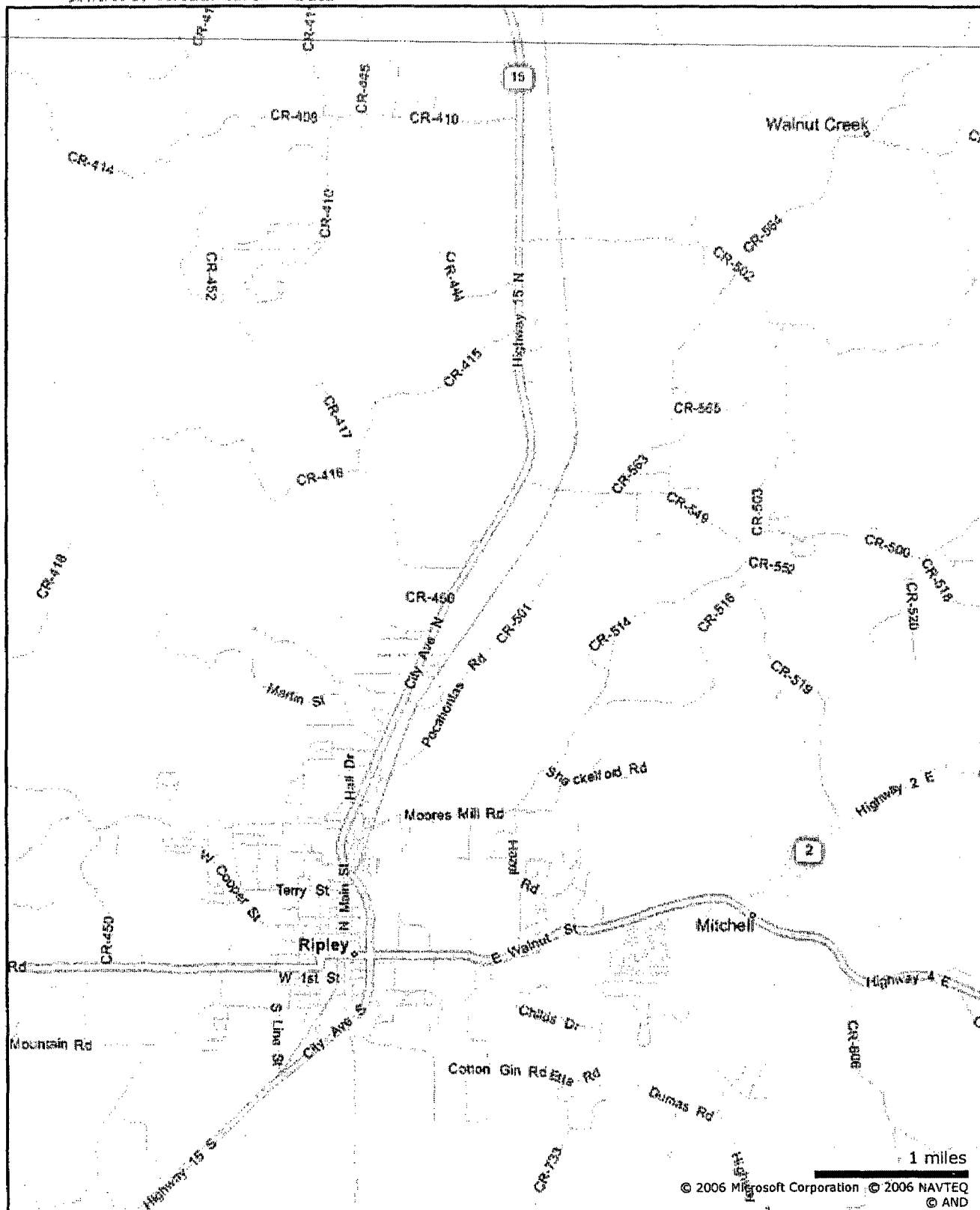




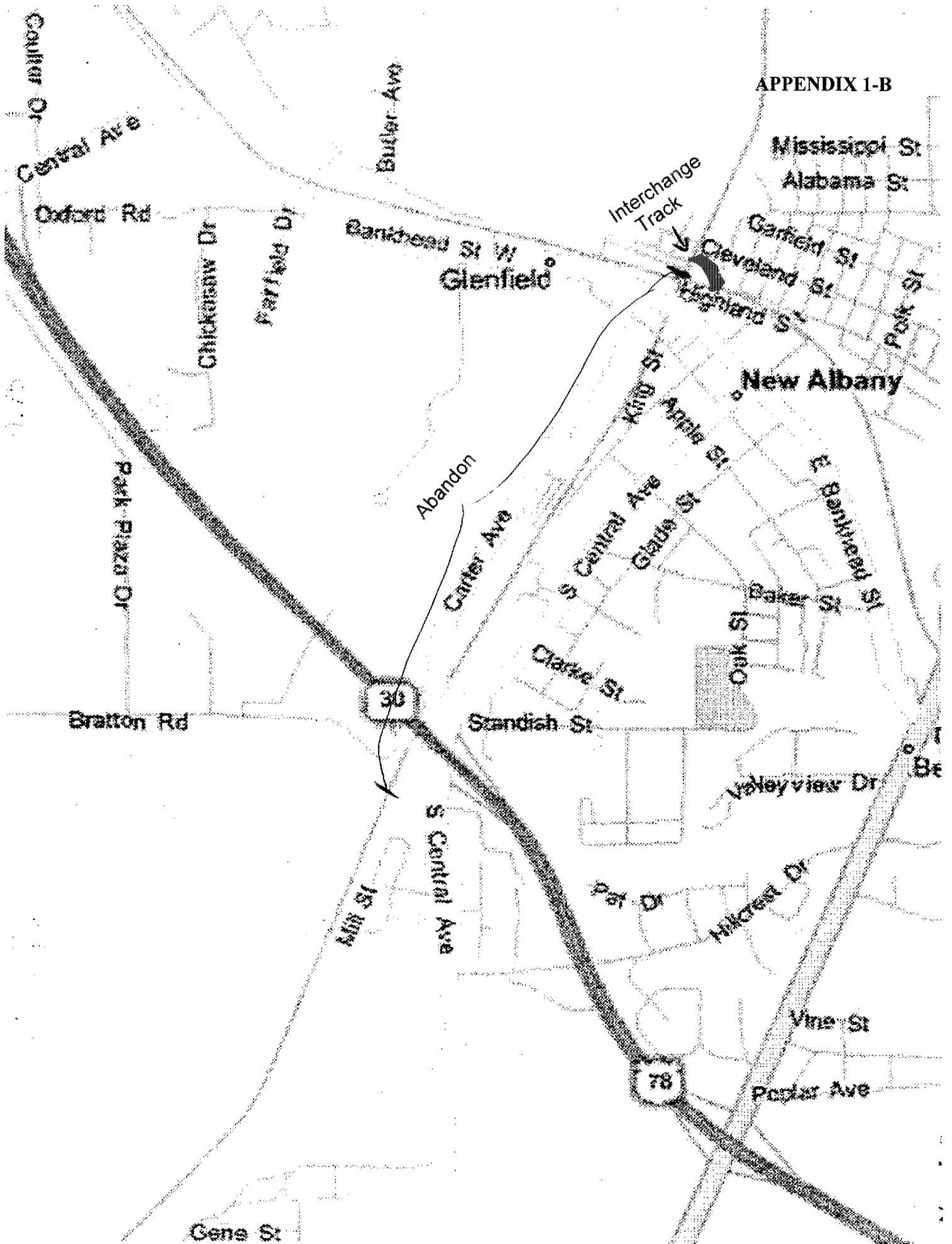




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powered by Virtual Earth Beta



APPENDIX 1-B



Docket No. AB-868 (Sub-No. 1X)

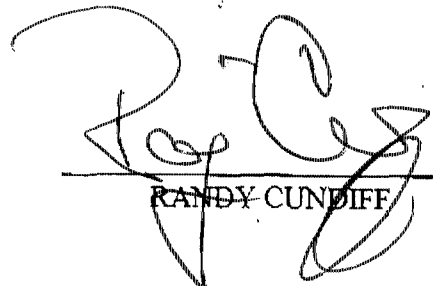
Docket No. AB-869 (Sub-No. 1X)

APPENDIX 2

STATE OF ILLINOIS)
) SS.
COUNTY OF SAINT CLAIR)

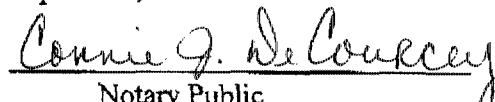
CERTIFICATION PURSUANT TO 49 C.F.R. § 1152.50(b)

The undersigned, Vice President of Mississippi Tennessee Holdings, LLC and Mississippi Tennessee Railroad, LLC, hereby certifies, in regard to a rail line (1) between Milepost No. 367.5, which is located approximately 25 feet north of the centerline of Thryson Krump plant entry road in Middleton, Hardeman County, Tennessee, and Milepost No. 348.1, which is located approximately 1,663 feet north of the centerline of Industrial Park Road at the northern end of Ripley, Tippah County, Mississippi, a distance of approximately 19.4 miles; and (2) between Milepost No. 325.56, which is located approximately 25 feet north of the BNSF diamond in New Albany, Union County, Mississippi, and Milepost No. 324.2, which is located approximately one-quarter of a mile south of Interstate Highway 78 in Union County, Mississippi, a distance of approximately 1.36 miles, that no local traffic has moved over the line for at least two years; that overhead traffic on the line can be rerouted; and that no formal complaint filed by a user of rail service on the line (or a state or local government entity acting on behalf of such user) regarding cessation of service over the line either is pending with the Board or any U.S. District Court or has been decided in favor of the complainant within the two-year period.



RANDY CUNDIFF

SUBSCRIBED and SWORN
to before me this 10th day of
September, 2006.



Notary Public

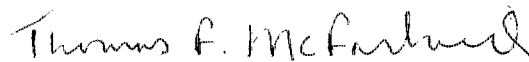


APPENDIX 3

**CERTIFICATION OF COMPLIANCE WITH THE
NEWSPAPER PUBLICATION REQUIREMENTS
OF SECTION 49 C.F.R. § 1105.12**

The undersigned certifies that a notice of the proposed exemption was timely sent to the parties required to be notified under 49 C.F.R. § 1152.50(d)(1) and 49 C.F.R. § 1105.11; and that “Notice of Intent To Abandon Rail Line And Discontinue Rail Service” was published in the form prescribed by the Board for out of service abandonment exemptions. The notice was published one time in the following newspapers of general circulation in Hardeman County, TN and Tippah and Union Counties, MS (copies attached).

<u>Newspaper</u>	<u>Date</u>
Bolivar Bulletin Times	August 30, 2006
Southern Sentinel	August 30, 2006
New Albany Gazette	not yet advised of date



THOMAS F. McFARLAND

The Bulletin Times, Inc.

410 W. Market Street
Bolivar, Tennessee 38008

Established 1865

PHONE: (731) 658-3691

FAX: (731) 658-7222

Email: bulletintimes@bellsouth.net

Cheryl S. McGraw
Publisher

STATE OF TENNESSEE
COUNTY OF HARDEMAN

Cheryl S. McGraw, being sworn, makes oath that she is Publisher of the Bulletin-Times, a weekly newspaper, published at Bolivar, Hardeman County, Tennessee, and that a(n)

Notice of intent to Abandon Rail Line
and discontinue Rail Service

appeared in said newspaper 1 consecutive week(s), to

wit: 8-30-06

and that a true copy of said notice is herewith attached.

This 30th day of August, 20 06.

Cheryl McGraw

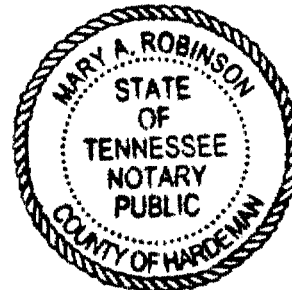
Cheryl S. McGraw, Publisher

Sworn to and subscribed before me:

This 30th day of August, 20 06.

Notary Public Mary A. Robinson

My commission expires 4-21-10

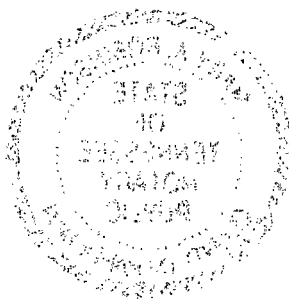


**NOTICE OF INTENT TO ABANDON RAIL LINE
AND DISCONTINUE RAIL SERVICE**

MISSISSIPPI TENNESSEE HOLDINGS, LLC (MTH) and MISSISSIPPI TENNESSEE RAILROAD, LLC (MTRR) give notice that on or about September 8, 2006 they intend to file with the Surface Transportation Board, Washington, DC 20423, Notices for Exemption under 49 C.F.R. § 1152 for (A) abandonment by MTH of: (1) its rail line between Milepost 367.5, which is located approximately 25 feet north of the centerline of Thryson Krump plant entry road in Middleton, Hardeman County, Tennessee, and Milepost 348.1, which is located approximately 1,663 feet north of the centerline of Industrial Park Road at the northern end of Ripley, Tippah County, Mississippi, a distance of approximately 19.4 miles; and (2) between Milepost 325.56, which is located approximately 25 feet north of the BNSF diamond in New Albany, Union County, Mississippi, and Milepost 324.2, which is located approximately one-quarter of a mile south of Interstate highway 78 in Union County, Mississippi, a distance of approximately 1.36 miles and (B) discontinuance of rail service by MTRR. The Rail Line traverses through United States Postal Zip Codes 38052, 38652 and 38663 in Hardeman County, TN and Tippah and Union Counties, MS. The proceedings have been docketed as STB Docket No. AB-868 (Sub-No. 1X) as to the proposed exemption for abandonment by MTH and STB Docket No. AB-869 (Sub-No. 1X) as to the proposed exemption for discontinuance of rail service by MTRR.

The Board's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available 25 days after the filing of the notice for abandonment/exemption. Comments on environmental and energy matters should be filed no later than 15 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to SEA, Surface Transportation Board, Washington, DC 20423 or by calling SEA at 202-565-6211.

Appropriate offers of financial assistance to continue rail service can be filed with the Board. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the Board's Office of the Secretary, 1925 K Street, N.W., Washington, DC 20423 (See 49 C.F.R. 1104.1(a) and 1104.3(a)), and one copy must be served on applicant's representative (See 49 C.F.R. 1104.12(a)). Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Congressional and Public Services at 202-565-1592. Copies of any comments or requests for conditions should be served on the applicant's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112.



**NOTICE OF INTENT
TO ABANDON RAIL
LINE
AND DISCONTINUE
RAIL SERVICE**

MISSISSIPPI TENNESSEE HOLDINGS, LLC (MTH) and MISSISSIPPI TENNESSEE RAILROAD, LLC (MTRR) give notice that on or about September 8, 2006 they intend to file with the Surface Transportation Board, Washington, DC 20423, Notices for Exemption under 49 C.F.R. § 1152 for (A) abandonment by MTH of: (1) its rail line between Milepost 367.5, which is located approximately 25 feet north of the centerline of Thryson Krump plant entry road in Middleton, Hardeman County, Tennessee, and Milepost 348.1, which is located approximately 1,663 feet north of the centerline of Industrial Park Road at the northern end of Ripley, Tippah County, Mississippi, a distance of approximately 19.4 miles; and (2) between Milepost 325.56, which is located approximately 25 feet north of the BNSF diamond in New Albany, Union County, Mississippi, and Milepost 324.2, which is located approximately one quarter of a mile south of Interstate highway 78 in Union County, Mississippi, a distance of approximately 1.36 miles; and (B) discontinuance of rail service by MTRR. The Rail Line traverses through United States Postal Zip Codes 38052, 38652 and 38663 in Hardeman County, TN and Tippah and Union Counties, MS. The proceedings have been docketed as STB Docket No. AB-868 (Sub-No. IX) as to the proposed exemption for abandonment by MTH, and STB Docket No. AB-869 (Sub-No. IX) as to the proposed exemption for discontinuance of rail service by MTRR.

The Board's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available 25 days after the filing of the notice for abandonment exemption. Comments on environmental and energy matters should be filed no later than 15 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to SEA,

Surface Transportation Board, Washington, DC 20423, or by calling SEA at 202-565-6211.

Appropriate offers of financial assistance to continue rail service can be filed with the Board. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues* (such as trails use, public use, and offers of financial assistance) must be filed directly with the Board's Office of the Secretary, 1925 K Street, N.W., Washington, DC 20423 (See 49 C.F.R. 1104.1(a) and 1104.3(a)), and one copy must be served on applicant's representative (See 49 C.F.R. 1104.12(a)). Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Congressional and Public Services at 202-565-1592. Copies of any comments or requests for conditions should be served on the applicant's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112. PUBLISH: August 30, 2006

Proof of Publication

*The State of Mississippi
Tippah County*

Personally appeared before me a Notary Public in and for said County and State, the undersigned

Tim Watson

who, after being duly sworn, deposes and says that he is the General Manager of the SOUTHERN SENTINEL, a newspaper published in the City of Ripley, in said County and State, and that the

LEGAL NOTICE

Abandon Rail Line

a true copy of which is hereto attached, was published for _____ consecutive weeks in said newspaper as follows:

VOLUME

128

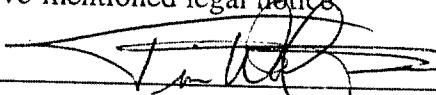
NO.

53

DATE

8-30-06

And further, that said newspaper has been published in Ripley, Tippah County, Mississippi for more than one year next preceding the first insertion of the above-mentioned legal notice.



Tim Watson

Sworn to and subscribed before me this the

30th day of August, 2006

Barbara J. Stevenson

Notary Public, Tippah County, Mississippi

My Commission expires: 02/07/07

Printer's Fee \$ 105.76

Docket No. AB-868 (Sub-No. 1X)
Docket No. AB-869 (Sub-No. 1X)

APPENDIX 4

DRAFT ENVIRONMENTAL & HISTORIC REPORT

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1112
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. MCFARLAND

August 14, 2006

By e-mail

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

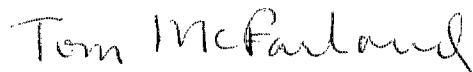
Re: STB Docket No. AB-868 (Sub-No. 1X), *Mississippi Tennessee Holdings, LLC --
Abandonment Exemption -- in Hardeman County, TN and Tippah and Union
Counties, MS*

STB Docket No. AB-869 (Sub-No. 1X), *Mississippi Tennessee Railroad, LLC --
Discontinuance of Service Exemption -- in Hardeman County, TN and Tippah and
Union Counties, MS*

Dear Mr. Williams:

Hereby transmitted is a Draft Environmental and Historic Report in the above
proceedings, which is being sent to appropriate agencies on this date.

Very truly yours,



Thomas F. McFarland

TMcF:kl:enc:wp8.0\1170\ltrstb1

cc: Ms. Victoria Rutson, *by overnight mail*
Mr. Randy Cundiff, *by e-mail*
Mr. Barry McClure, *by e-mail*

BEFORE THE
SURFACE TRANSPORTATION BOARD

MISSISSIPPI TENNESSEE HOLDINGS, LLC -- ABANDONMENT EXEMPTION -- IN HARDEMAN COUNTY, TN AND TIPPAH AND UNION COUNTIES, MS	)	DOCKET NO. AB-868 (SUB-NO. 1X)
	)	
MISSISSIPPI TENNESSEE RAILROAD, LLC -- DISCONTINUANCE OF SERVICE EXEMPTION -- IN HARDEMAN COUNT, TN AND TIPPAH AND UNION COUNTIES, MS	)	DOCKET NO. AB-869 (SUB-NO. 1X)
	)	

DRAFT ENVIRONMENTAL AND HISTORIC REPORT

MISSISSIPPI TENNESSEE HOLDINGS, LLC
102 Willow Drive
P.O. Box 99
O'Fallon, IL 62269

MISSISSIPPI TENNESSEE RAILROAD, LLC
200 North Railroad Ave.
New Albany, MS 38652

Petitioners

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204

Attorney for Petitioners

DATE FILED: August 15, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

MISSISSIPPI TENNESSEE HOLDINGS,	)	
LLC -- ABANDONMENT EXEMPTION --	)	DOCKET NO. AB-868
IN HARDEMAN COUNT, TN AND	)	(SUB-NO. 1X)
TIPPAH AND UNION COUNTIES, MS	)	
	)	
MISSISSIPPI TENNESSEE RAILROAD,	)	
LLC -- DISCONTINUANCE OF SERVICE	)	DOCKET NO. AB-869
EXEMPTION -- IN HARDEMAN	)	(SUB-NO. 1X)
COUNT, TN AND TIPPAH AND UNION	)	
COUNTIES, MS	)	

DRAFT ENVIRONMENTAL AND HISTORIC REPORT

Pursuant to 49 C.F.R. § 1105.7 and § 1105.8, MISSISSIPPI TENNESSEE HOLDINGS, LLC (Holdings) and MISSISSIPPI TENNESSEE RAILROAD, LLC (Railroad) hereby file this Draft Environmental and Historic Report (Report). There is no information in the files of Holdings and Railroad to indicate that the rail line covered by this Report contains federally granted right-of-way. See 49 C.F.R. § 1152.60(d).

I.

DRAFT ENVIRONMENTAL REPORT

Holdings and Railroad hereby submit the following information required by 49 C.F.R.

§ 1105.7(e):

(1) Proposed action and alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

The proposed action is abandonment by Holdings and discontinuance of rail service by Railroad over two segments of rail line totaling 20.76 miles, as identified below (referred to as “the Rail Line”): (1) between Milepost No. 367.5, which is located approximately 25 feet north of the centerline of Thryson Krump plant entry road in Middleton, Hardeman County, Tennessee, and Milepost No. 348.1, which is located approximately 1,663 feet north of the centerline of Industrial Park Road at the northern end of Ripley, Tippah County, Mississippi, a distance of approximately 19.4 miles; and (2) between Milepost No. 325.56, which is located approximately 25 feet north of the BNSF diamond in New Albany, Union County, Mississippi, and Milepost No. 324.2, which is located approximately one-quarter of a mile south of Interstate Highway 78 in Union County, Mississippi, a distance of approximately 1.36 miles. Holdings and Railroad intend to file a Notice of Exemption for that abandonment and discontinuance no earlier than 20 days after issuance of this Report. *See* 49 C.F.R. § 1105.7(b) and 49 C.F.R. § 1152.60.

No rail shipments have originated or terminated on the Rail Line for more than two years. Traffic that moves over the Rail Line for interchange with Norfolk Southern Railway Company or Kansas City Southern Railway Company at Middleton, TN can be rerouted for interchange with BNSF Railway Company at New Albany, MS.

Holdings proposes to dispose of the track materials in the rail line by removal and sale for scrap or reuse. Holdings proposes to dispose of the land in the railroad right-of-way by sale for corridor use or on a piecemeal basis.

If the petition for exemption were to be granted, current rail operations and maintenance practices would cease.

In the opinion of Holdings and Railroad, there is no reasonable alternative to the proposed abandonment and discontinuance because continued ownership and operation of the rail line would be unduly burdensome to Holdings, Railroad and interstate commerce. In the event that the Petition were to be granted, an alternative to abandonment would be an offer of financial assistance under 49 U.S.C. § 10904.

Attached to this Report as Appendix 1 is a map on which the Rail Line here involved has been highlighted in yellow.

(2) Transportation system. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

Holdings and Railroad believe that the proposed abandonment and discontinuance will have a minimal effect on regional and local transportation systems and patterns. No rail traffic originates or terminates on the Rail Line. Traffic that moves overhead on the Rail Line can be rerouted for continued rail transportation.

(3) Land use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

Holdings and Railroad believe that the proposed abandonment and discontinuance will not be inconsistent with local or regional land use plans. There appears to be little possibility that loss of rail service would adversely affect land use in the area. There appears to be little prospect for locating rail-using businesses along the Rail Line.

In accordance with the requirements of this regulation, Holdings and Railroad have consulted by letter with planning agencies for Hardeman, Tippah and Union Counties. A copy of a

letter to those agencies is attached to this Report as Appendix 2. Responses received from those agencies will be furnished to the Board's Section of Environmental Analysis (SEA).

(ii) Based on consultation with the Natural Resources Conservation Service, state the effect of the proposed action on any prime agricultural land.

Holdings and Railroad do not believe that the proposed abandonment and discontinuance will have any effect on prime agricultural land. The rail line is adjacent to agricultural land at some locations, but is not itself agricultural land. Removal of trackage from the rail line should not have any effect on prime agricultural land. In accordance with this regulation, Holdings and Railroad have consulted by letter with the Natural Resource Conservation Service, formerly known as the U.S. Soil Conservation Service (Appendix 2). Any response to that letter will be furnished to SEA.

(iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by Sec. 1105.9.

Not applicable. The rail line is not located in a designated coastal zone.

(iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. 10905 and explain why.

The rail line may be suitable for alternative public use as a recreational trail because of the assembled nature of the right-of-way corridor. It is doubtful that the rail line would be suitable for highway use in light of existing highways in the area.

(4) Energy. (i) Describe the effect of the proposed action on transportation of energy resources.

The proposed action will have no effect on transportation of energy resources.

(ii) Describe the effect of the proposed action on recyclable commodities.

The proposed action will have no effect on recyclable commodities.

(iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.

The proposed action is not likely to result in either an increase or decrease in overall energy efficiency because the Rail Line had not been used to originate or terminate rail shipments for more than two years.

(iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) An average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given. To minimize the production of repetitive data, the information on overall energy efficiency in Sec. 1105.7(e)(4)(iii) need not be supplied if the more detailed information in Sec. 1105.7(e)(4)(iv) is required.

Not applicable.

(5) Air. (i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) An increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. 10901 (or 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply. (ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either: (A) An increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, (B) An increase in rail yard activity of at least 20 percent (measured by carload activity), or (C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. 10901 (or 49 U.S.C. 10505), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

Not applicable.

(6) Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) An incremental increase in noise levels of three decibels Ldn or more; or (ii) An increase to a noise level of 65 decibels Ldn or greater. If so, identify

sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

Not applicable.

(7) Safety. (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).

The proposed exemption will have a beneficial effect on public health and safety.

Discontinuance of rail operations over the Rail Line will result in the closing and elimination of 22 public at-grade road crossings along the line. That will reduce vehicle delay time and the potential for rail-motor vehicle accidents in the area.

(ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials. (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

Not applicable.

(8) Biological resources. (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.

Holdings and Railroad do not believe that it is likely that the proposed action would adversely affect endangered or threatened species or areas designated as critical habitat. In accordance with this regulation, Holdings and Railroad have consulted by letter with the U.S. Fish and Wildlife Service (Appendix 2). Any response to that letter will be furnished to SEA.

(ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

Holdings and Railroad do not believe that the proposed exemption would affect wildlife sanctuaries or refuges, nor National or State parks or forests.

(9) Water. (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies.

Holdings and Railroad believe that the proposed abandonment and discontinuance will be consistent with applicable Federal, State or local water quality standards. In accordance with this regulation, Holdings and Railroad have consulted by letter with Mississippi and Tennessee water quality officials (Appendix 2). Any response to that letter will be furnished to SEA.

(ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.

Holdings and Railroad believe that permits under section 404 of the Clean Water Act are not required for the proposed exemption. Holdings and Railroad do not believe that the proposed action will affect any designated wetlands or 100-year flood plains. In accordance with this regulation, Holdings and Railroad have consulted by letter with the U.S. Army Corps of Engineers (Appendix 2). Any response to that letter will be furnished to SEA.

(iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. 1342) are required for the proposed action. (Applicants should contact the U.S. Environmental Protection Agency or the state environmental protection or equivalent agency if they are unsure whether such permits are required.)

Holdings and Railroad believe that permits under section 402 of the Clean Water Act are not required for the proposed action. In accordance with this regulation, Holdings and Railroad have consulted by letter with the U.S. Environmental Protection Agency (Appendix 2). Any response to that letter will be furnished to SEA.

(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

Not applicable.

II.

HISTORIC REPORT

Holdings and Railroad hereby submit the following information required by 49 C.F.R.

§ 1105.8(d):

(1) A U.S.G.S. topographic map (or an alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action;

An equivalent map is attached to this Report as Appendix 3.

(2) A written description of the right-of-way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristics of the surrounding area;

The right-of-way to be abandoned is generally 100 feet wide and 20.76 miles long. It extends generally through rural rolling wooded and pastured plains.

(3) Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area;

Attached to this Report as Appendix 4 are photographs of bridges on the Rail Line that are 50 years old or older.

(4) The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known;

Attached to this Report as Appendix 5 is a listing of the dates of construction of the bridges that are 50 years old or older.

(5) A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action;

The line proposed to be abandoned was originally a part of the main line of the Gulf, Mobile & Northern Railroad Company. It was acquired by Illinois Central Railroad Company through merger. It was sold to Mississippi & Tennessee Railnet, from whom Holdings acquired the line in May, 2003.

(6) A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic;

No such documents are in Holding's or Railroad's possession.

(7) An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 CFR 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities);

It is the opinion of Holdings and Railroad that the bridges listed in Appendix 5 do not meet the criteria for listing on the National Register of Historical Places, and that there is no likelihood of archeological resources or any other previously unknown historic properties in the project area. In accordance with this regulation, Holdings and Railroad have consulted by letter with the Mississippi Historic Preservation Offices in Mississippi and Tennessee (Appendix 2). Any response to that letter will be furnished to SEA.

(8) A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic wastes), and the surrounding terrain.

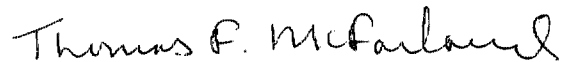
Holdings and Railroad have no knowledge of any prior sub-surface ground disturbance or fill, or environmental conditions that might affect the archeological recovery of resources and the surrounding terrain.

Respectfully submitted,

MISSISSIPPI TENNESSEE HOLDINGS, LLC
102 Willow Drive
P.O. Box 99
O'Fallon, IL 62269

MISSISSIPPI TENNESSEE RAILROAD, LLC
200 North Railroad Ave.
New Albany, MS 38652

Petitioners

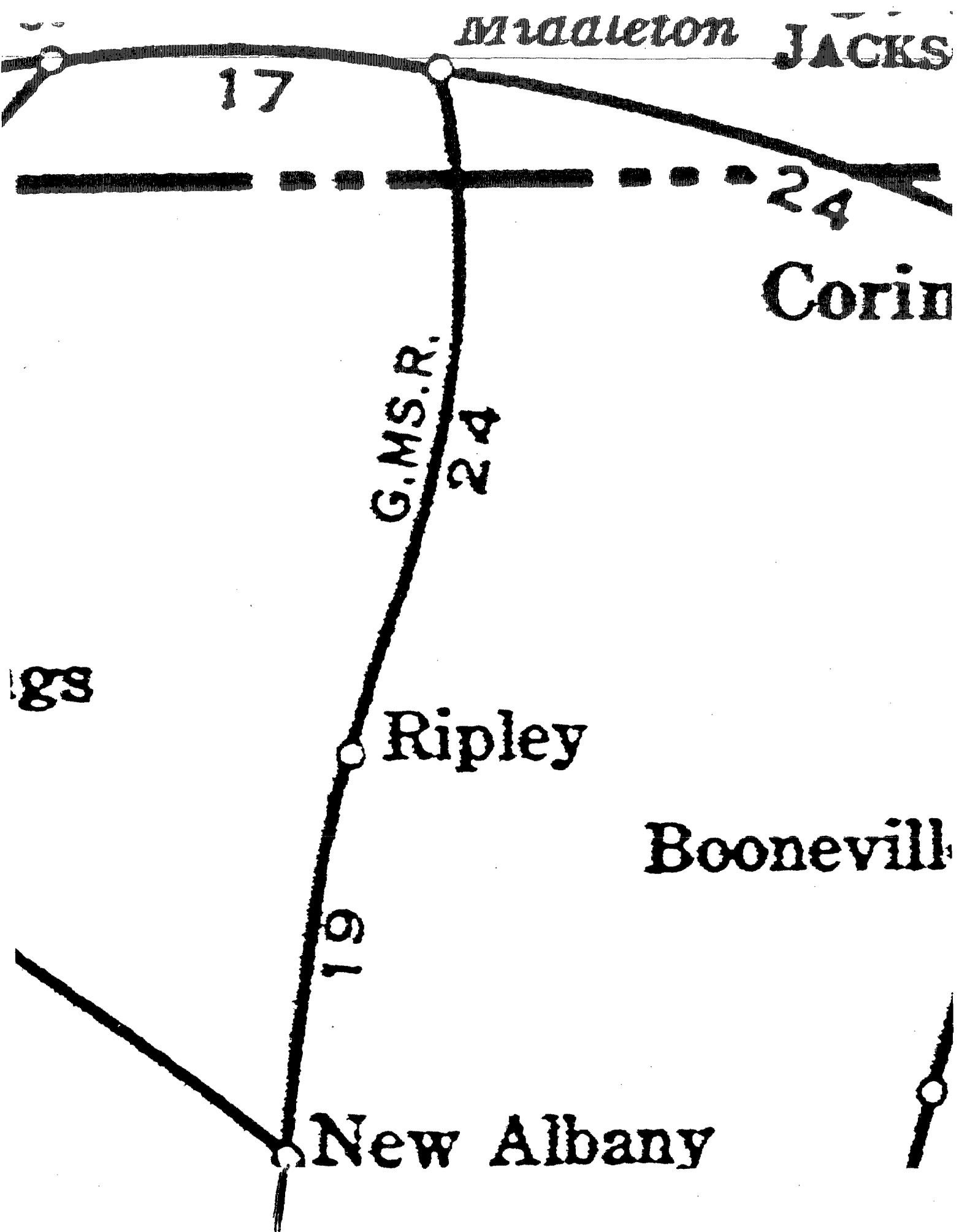


THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204

Attorney for Petitioners

DATE FILED: August 15, 2006

APPENDIX 1



APPENDIX 2

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LASALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1112
TELEPHONE (312) 236-0204
FAX (312) 201-9695
mcfarland@aol.com

THOMAS F. MCFARLAND

July 17, 2006

State Clearinghouse (or alternate):

Clearinghouse Office
Department of Finance and Administration
Office of Policy Development
1301 Woolfolk Bldg., Suite 5
501 North West Street
Jackson, MS 39201

Tennessee State Planning Office
500 Charlotte Avenue
309 John Sevier Bldg.
Nashville, TN 37219

State Historic Preservation Office:

Mississippi Department of Archives & History
P.O. Box 571
Jackson, MS 39205-6850

Tennessee Historical Commission
Clover Bottom Mansion
241 Lebanon Road
Nashville, TX 37243

U.S. Army Corps of Engineers:

U.S. Army Corps of Engineers
Colonel Daniel Krueger, Commander
167 North Main Street, Room B202
Memphis, TN 38103-1894

U.S. Army Corps of Engineers
Colonel Robert Crear, Commander
4155 Clay Street
Vicksburg, MS 39180-3435

U.S. Natural Resource Conservation Service:

USDA Natural Resource Conservation Service
Jackson State Office
Suite 1321, Federal Building
100 West Capitol Street
Jackson, MS 39269

USDA Natural Resource Conservation Service
675 US Courthouse
801 Broadway
Nashville, TN 37203

State Environmental Protection Agency:

Mississippi Department of Environmental Quality
P.O. Box 20305
Jackson, MS 39289

Tennessee Department of Environment
and Conservation
401 Church Street
Nashville, TN 37243

State Department of Transportation:

Mississippi Department of Transportation
401 North West Street
Jackson, MS 39201

Tennessee Department of Transportation
James K. Polk Building
505 Deaderick Street, Suite 700
Nashville, TN 37243-0349

National Geodetic Survey:

National Geodetic Survey
NOAA N/NGS2
1315 East-West Highway
Silver Springs, MD 20910-3282

U.S. Environmental Protection Agency:

U.S. Environmental Protection Agency
Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street
Atlanta, GA 30303-3104

U.S. Fish & Wildlife:

U.S. Fish & Wildlife, Region 4
1875 Century Blvd., Suite 400
Atlanta, GA 30345

National Park Service:

National Park Service
Land Resources Division
1849 C Street, N.W., MS#3540
Washington, DC 20240

July 17, 2006

Page 2

Head of County (Planning):

Tippah County, Mississippi
County Clerk (for County Planner)
P.O. Box 99
Ripley, MS 38663-7374

Union County, Mississippi
County Clerk (for County Planner)
P.O. Box 847
New Albany, MS 38652-0847

Hardeman County, Tennessee
County Clerk (for County Planner)
100 North Main Street
Bolivar, TN 38008

Other Agencies Consulted:

Mississippi Public Service Commission
501 North West Street
Jackson, MS 39201

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Surface Transportation Board Docket Nos. AB-868 (Sub-No. 1X), *Mississippi Tennessee Holdings, LLC -- Abandonment Exemption -- in Hardeman County, TN and Tippah and Union Counties, MS*; and AB-869 (Sub-No. 1X), *Mississippi Tennessee Railroad, LLC -- Discontinuance of Service Exemption -- in Hardeman County, TN and Tippah and Union Counties, MS*

Dear Agency or Government Representative:

In the near future, Mississippi Tennessee Holdings, LLC (MTH) and Mississippi Tennessee Railroad, LLC (MTRR) plan to file with the Surface Transportation Board in Washington, DC, a Notice of Exemption for MTH to abandon, and for MTRR to discontinue rail service over, two segments of rail line totaling 20.76 miles, as set out below:

(1) between Milepost No. 367.5, which is located approximately 25 feet north of the centerline of Thryson Krump plant entry road in Middleton, Hardeman County, Tennessee, and Milepost No. 348.1, which is located approximately 1,663 feet north of the centerline of Industrial Park Road at the northern end of Ripley, Tippah County, Mississippi, a distance of approximately 19.4 miles;

and

(2) between Milepost No. 325.56, which is located approximately 25 feet north of the BNSF diamond in New Albany, Union County, Mississippi, and Milepost No. 324.2, which is located approximately one-quarter of a mile south of Interstate Highway 78 in Union County, Mississippi, a distance of approximately 1.36 miles.

The line segments proposed for abandonment and discontinuance of service are referred to collectively as "the Rail Line." The Rail Line is shaded in yellow on a map that is attached to this letter as Exhibit 1.

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There are no shippers who are located at points along the Rail Line. Shippers who have used the Rail Line to route traffic north to Middleton, Tennessee for interchange to Norfolk Southern Railway Company or Kansas City Southern Railway Company will be able, after the abandonment, to reroute that traffic south to New Albany, Mississippi for interchange to BNSF Railway Company.

Pursuant to STB regulations at 49 C.F.R. § 1105.7, this letter is to request your assistance in identifying potential environmental and historic effects of the proposed abandonment. MTH and MTRR do not anticipate any adverse environmental or historic impacts; however, if you identify any such adverse impacts, please describe any action that could be taken to mitigate such adverse impacts. Please provide a written response to this letter so that it can be included in a Draft Environmental and Historic Report that MTH and MTRR will prepare and file with the STB.

COUNTY PLANNING AGENCIES. Please state whether the proposed abandonment would be consistent with existing land-use plans. Describe any inconsistencies.

U.S. SOIL CONSERVATION SERVICE. Please state the effect of the proposed abandonment on any prime agricultural land.

U.S. FISH AND WILDLIFE SERVICE. Please state (1) whether the proposed abandonment is likely to adversely affect endangered or threatened species or areas designated as a critical habitat and, if so, please describe such effects; and (2) whether wildlife sanctuaries or refuges, National or State parks or forests will be affected and, if so, describe such effects.

STATE WATER QUALITY OFFICIALS. Please state whether the proposed abandonment would be consistent with applicable Federal, State or Local water quality standards. Please describe any inconsistencies.

U.S. ARMY CORPS OF ENGINEERS. Please state (1) whether permits under Section 404 of the Clean Water Act (33 USC 1344) are required for the proposed abandonment, and (2) whether any designated wetlands or 100-year flood plains would be affected by the proposed abandonment. Please describe any such effects.

U.S. AND STATE ENVIRONMENTAL PROTECTION AGENCIES (OR EQUIVALENT AGENCY). Please (1) identify any potential adverse environmental effects of the proposed abandonment on the surrounding area, and (2) identify the location of any known hazardous materials spills on the right-of-way of the Rail Line, and list the types of hazardous materials involved, and (3) state whether permits under Section 402 of the Clean Water Act (33 USC 1342) are required for the proposed abandonment.

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Page 4

STATE HISTORICAL PRESERVATION OFFICE. Please identify any known bridges and/or other structures located on the Rail Line that are 50 years old or older, and which are historically significant. Please state whether the proposed abandonment would have an adverse effect on such bridges and/or structures and, if so, please describe efforts that can be taken during removal of the tracks in the Rail Line to mitigate any such adverse effects.

Please send your reply to me as MTH's and MTRR's attorney to: Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112. You may reach me by telephone at (312) 236-0204 if you have any questions or need further information. MTH and MTRR appreciate your assistance in furnishing a reply to this letter.

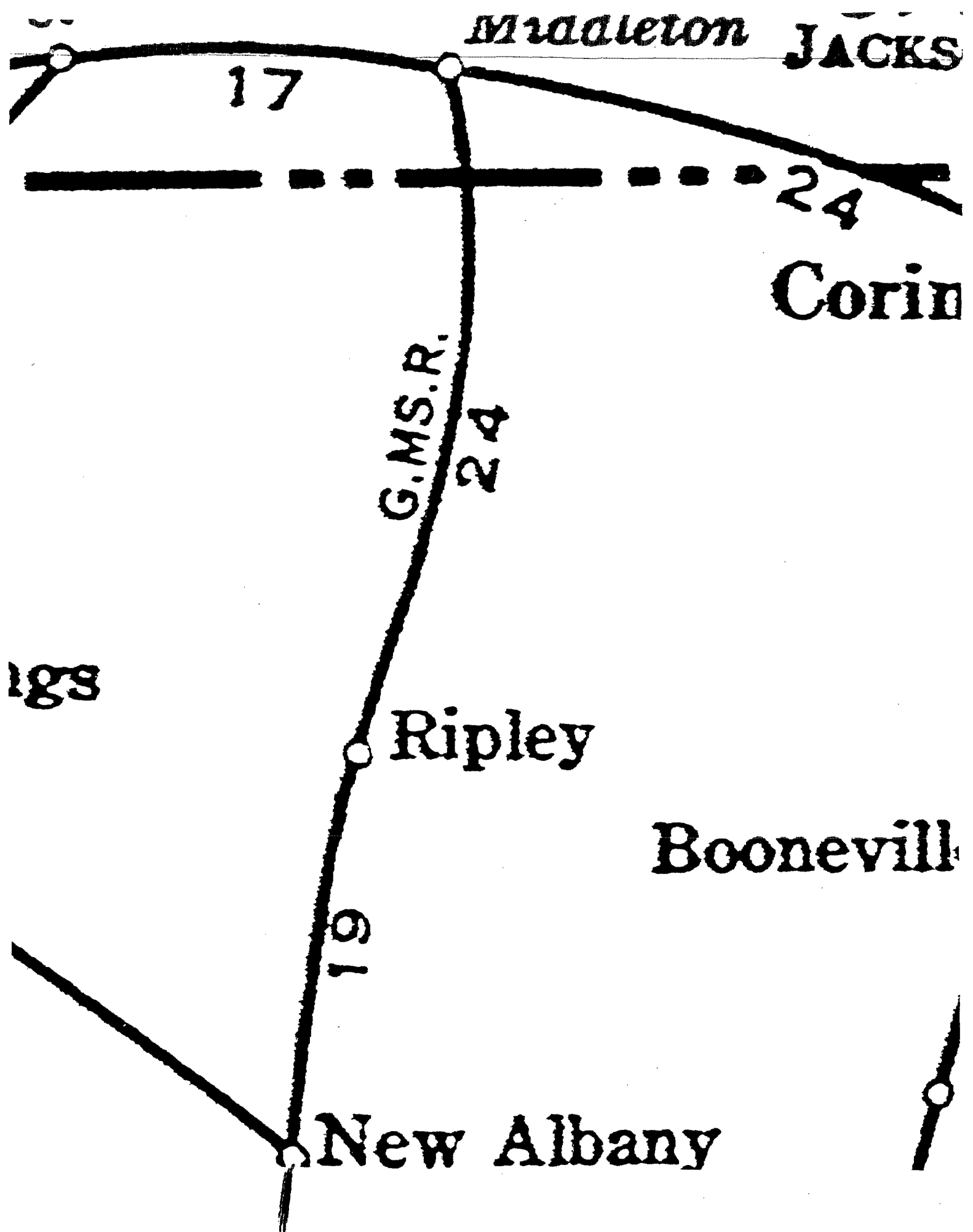
Very truly yours,



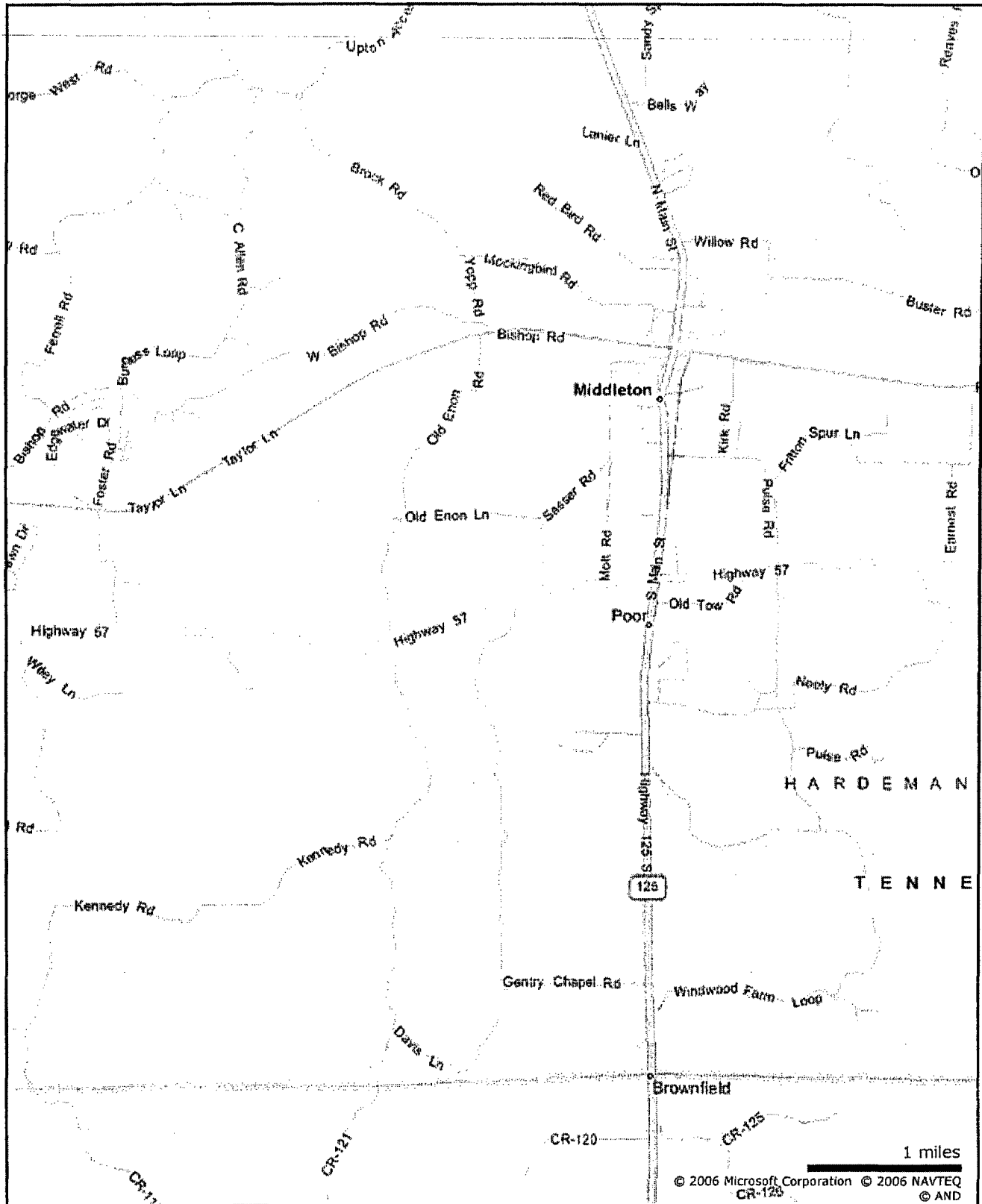
Thomas F. McFarland
*Attorney for Mississippi Tennessee
Holdings, LLC and Mississippi
Tennessee Railroad, LLC*

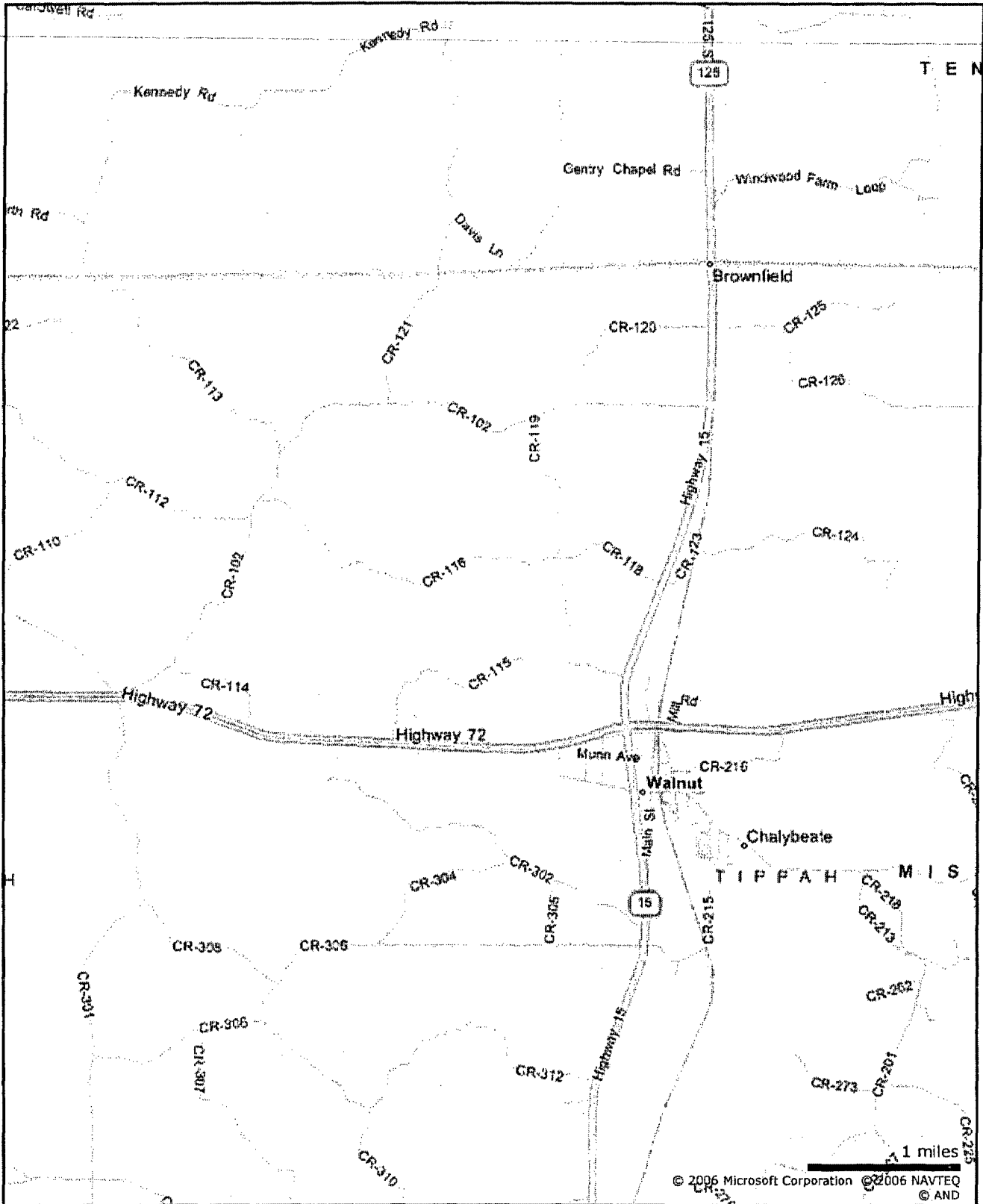
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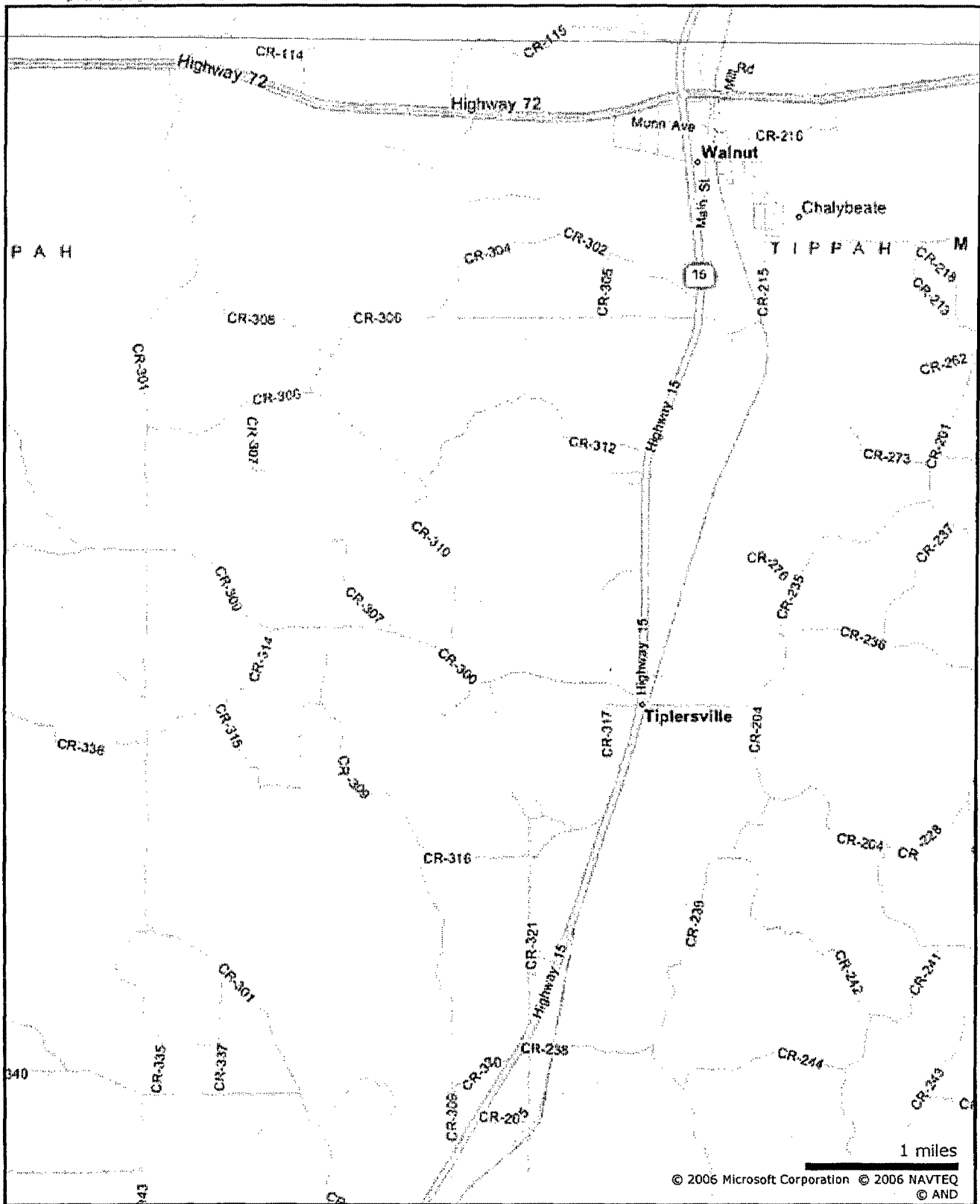
cc: Mr. Randy Cundiff

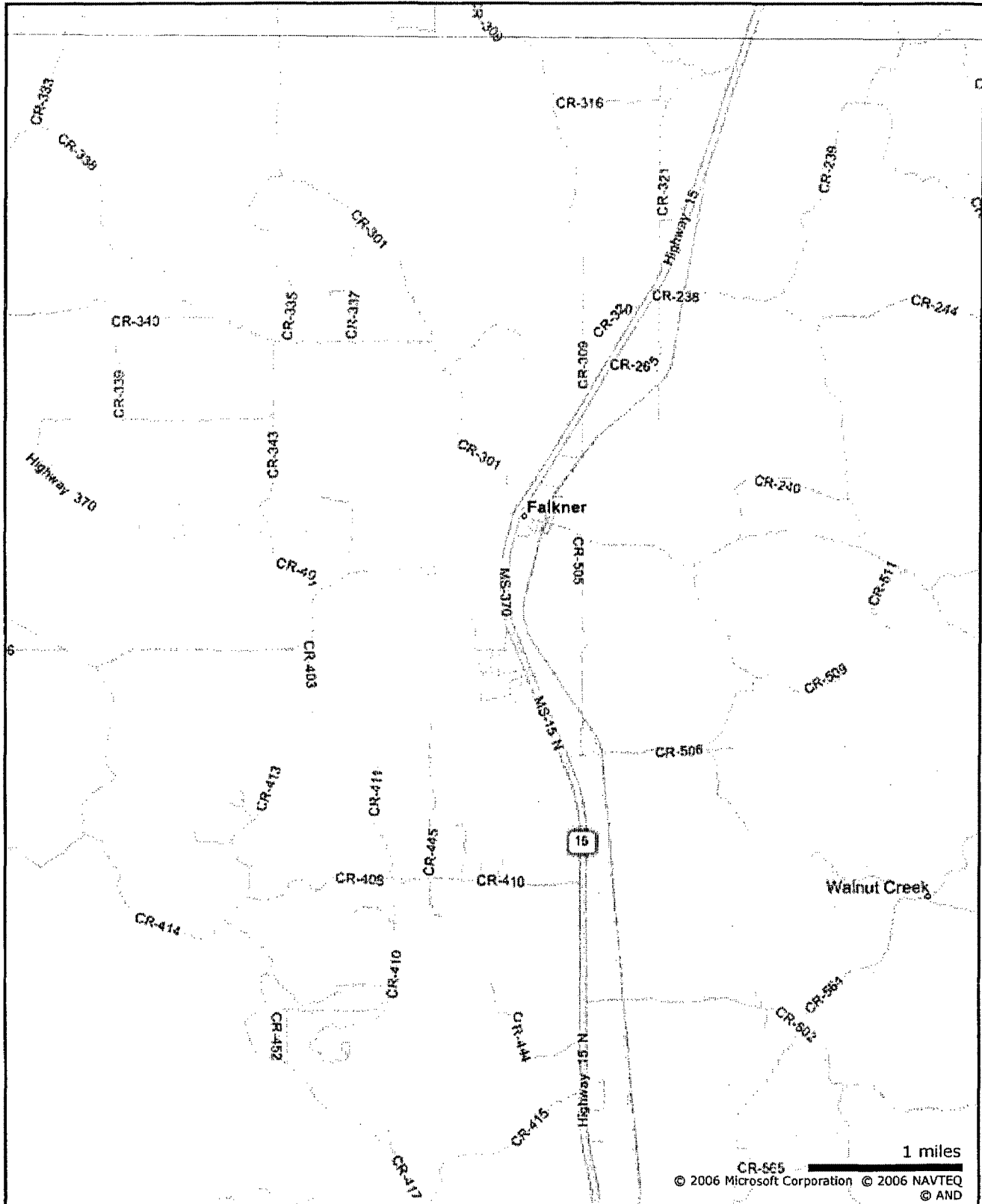


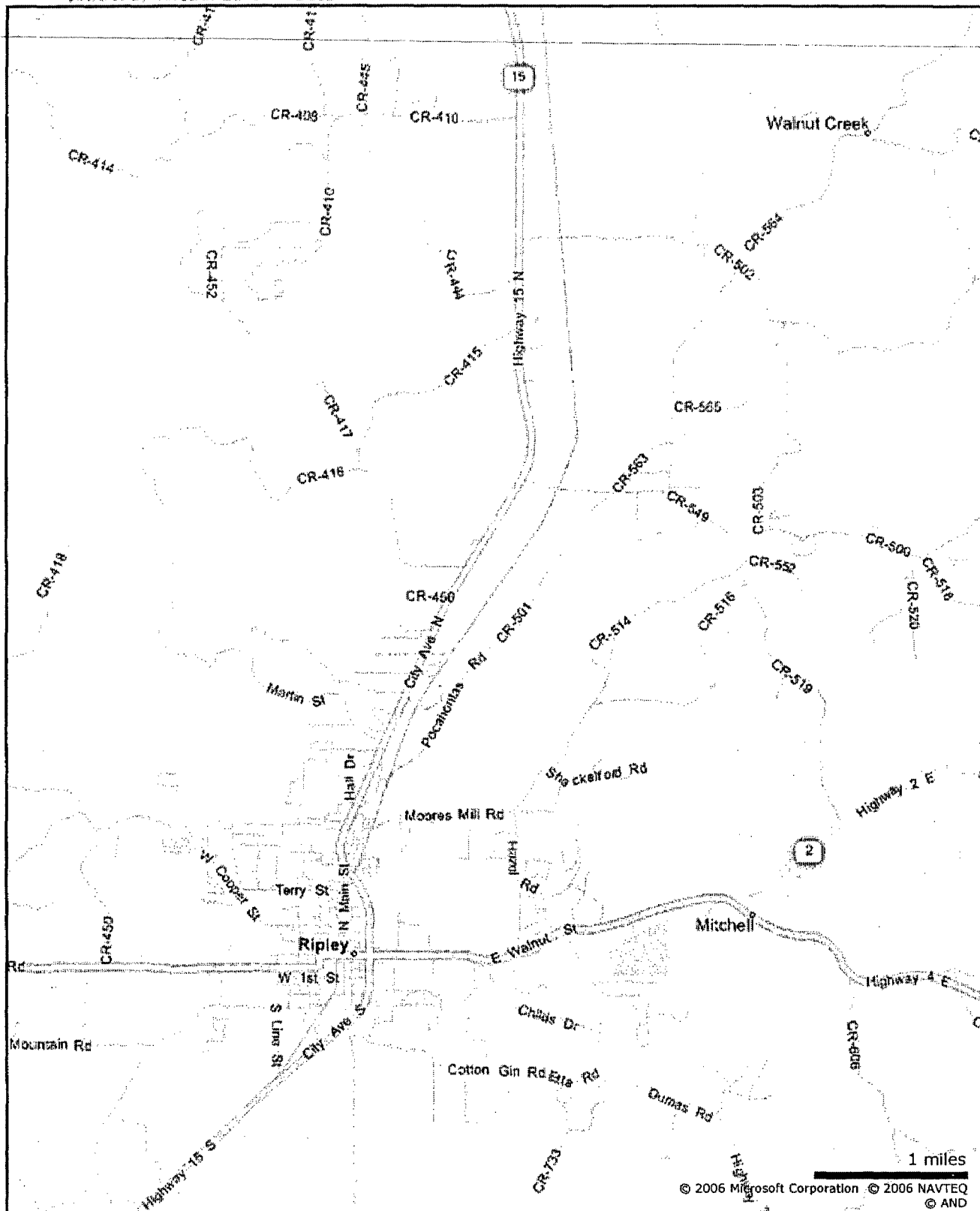
APPENDIX 3











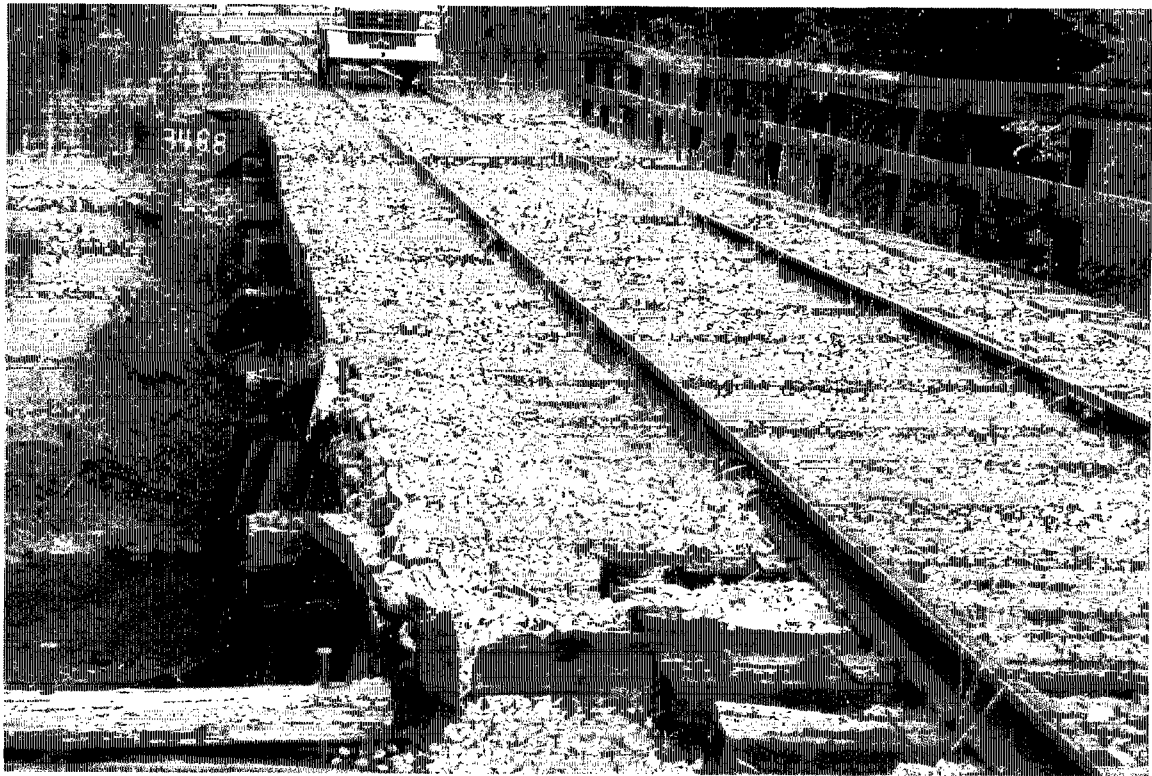
APPENDIX 4



MP 348.5



MP 348.5



MP 348.8



MP 348.8



MP 349.0



MP 349.0



MP 349.8



MP 349.8



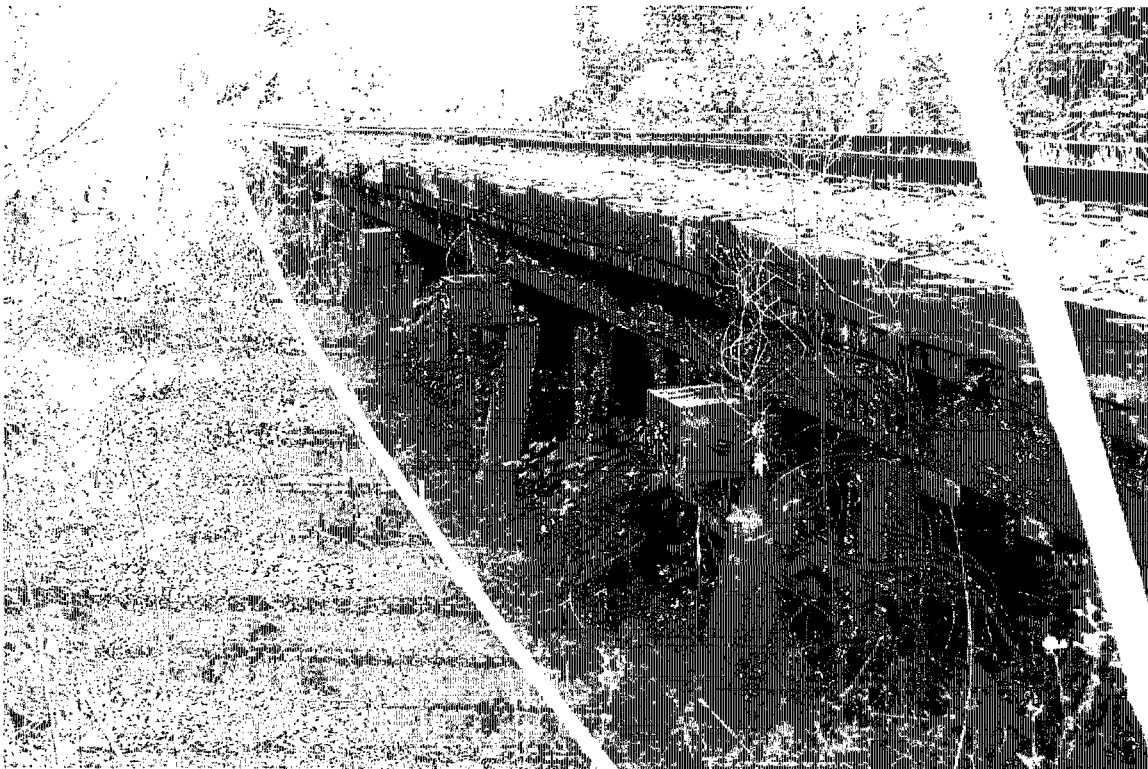
MP 352.6



MP 352.6



MP 352.7



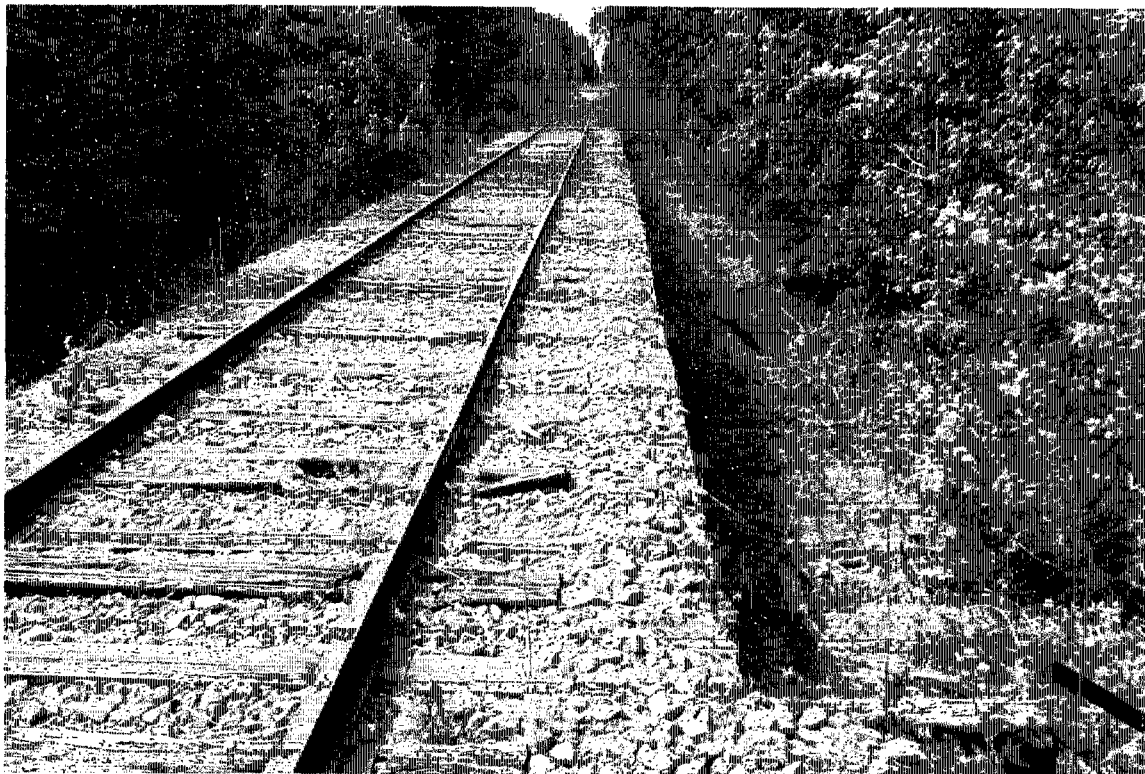
MP 352.7



MP 354.0



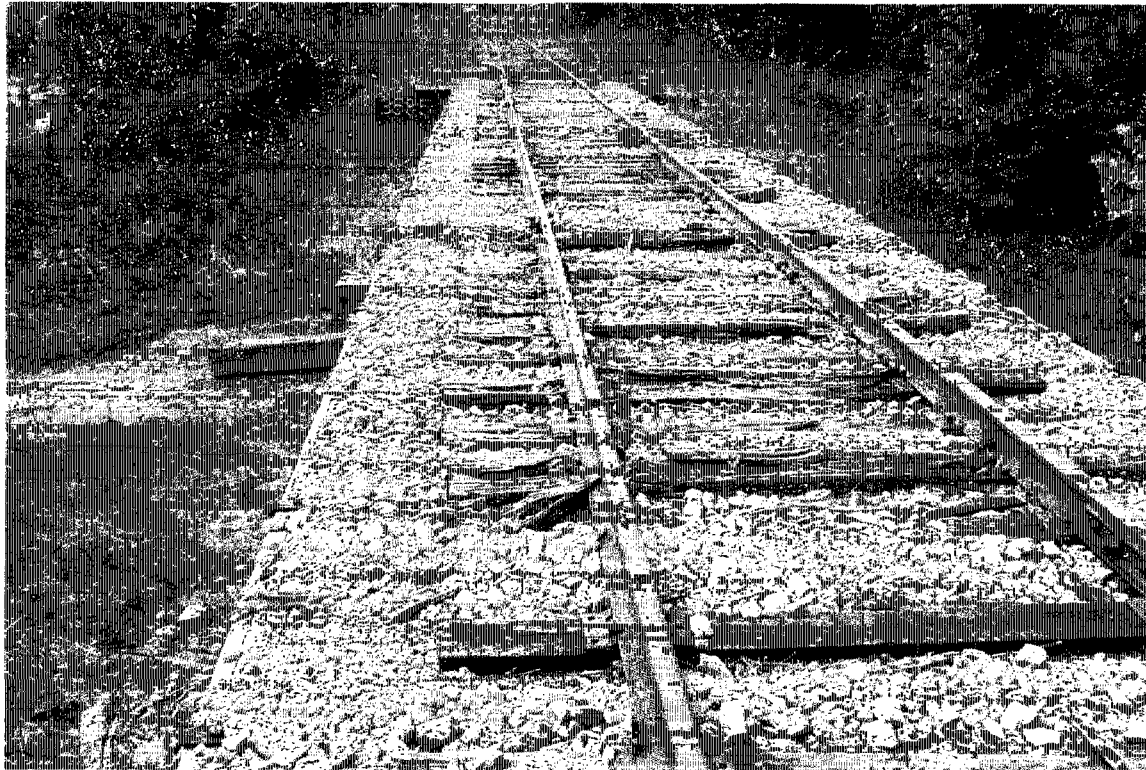
MP 354.0



MP 358.3



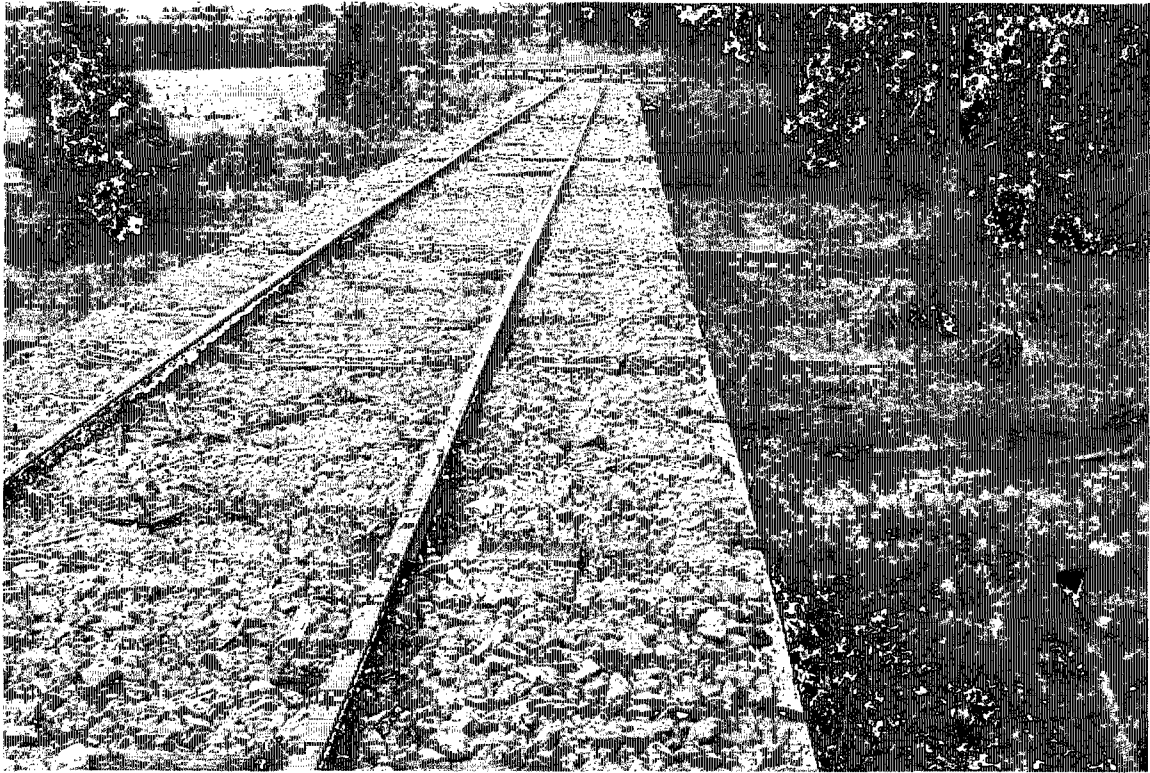
MP 358.3



MP 358.5



MP 358.5



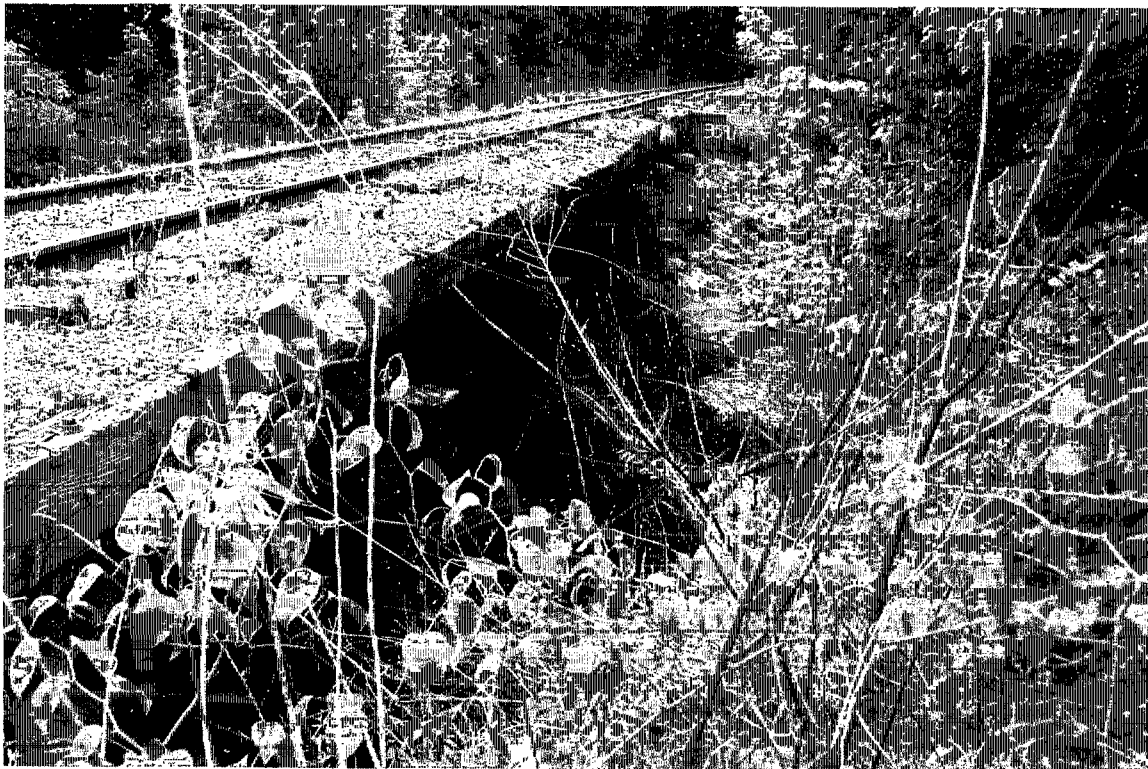
MP 358.6



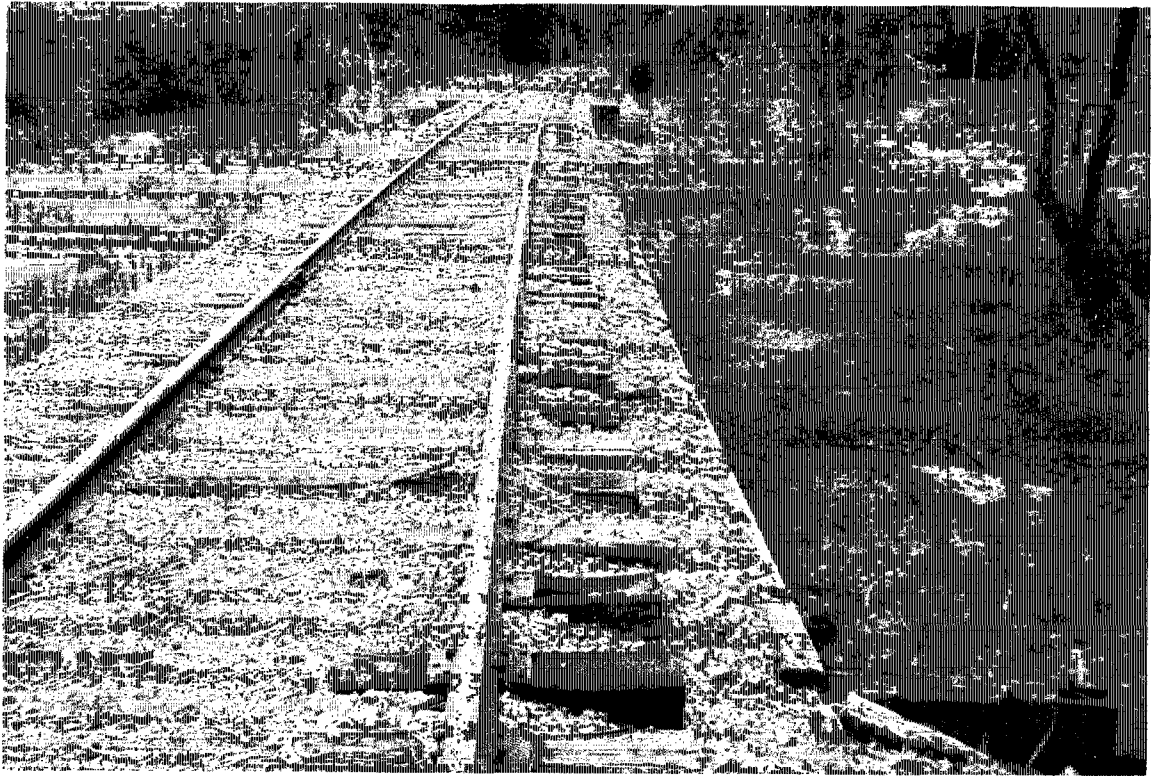
MP 358.6



MP 359.1



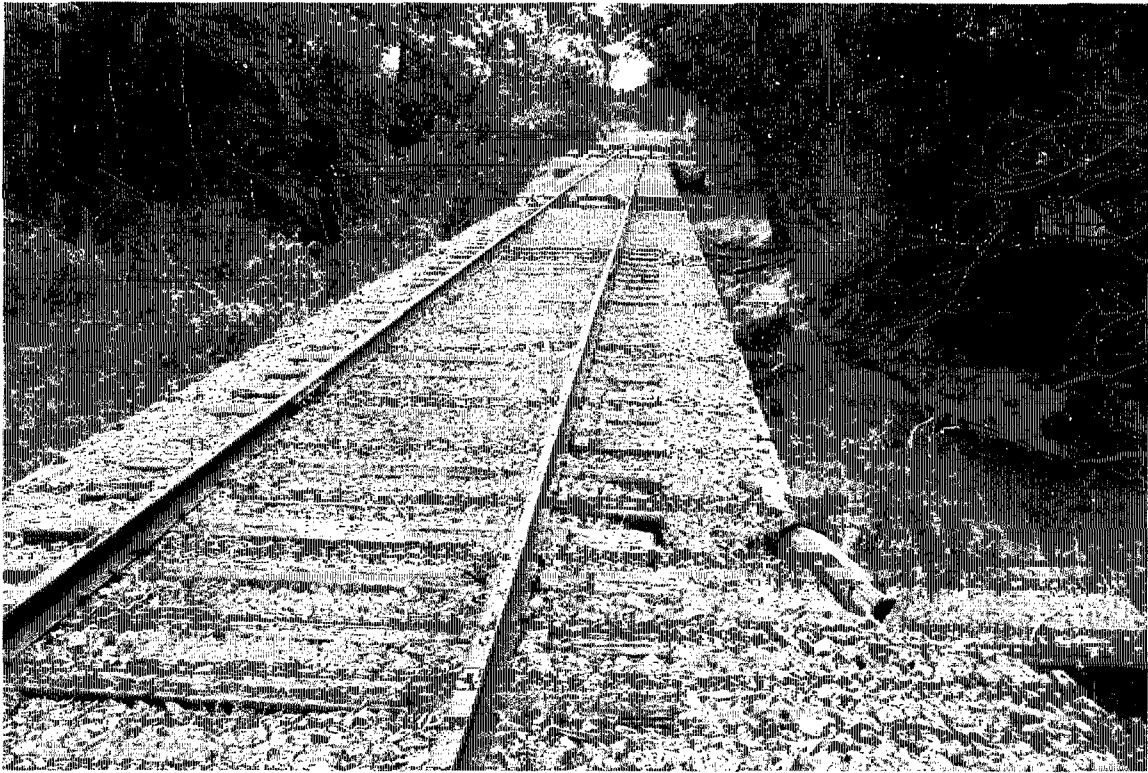
MP 359.1



MP 359.3



MP 359.3



MP 359.5



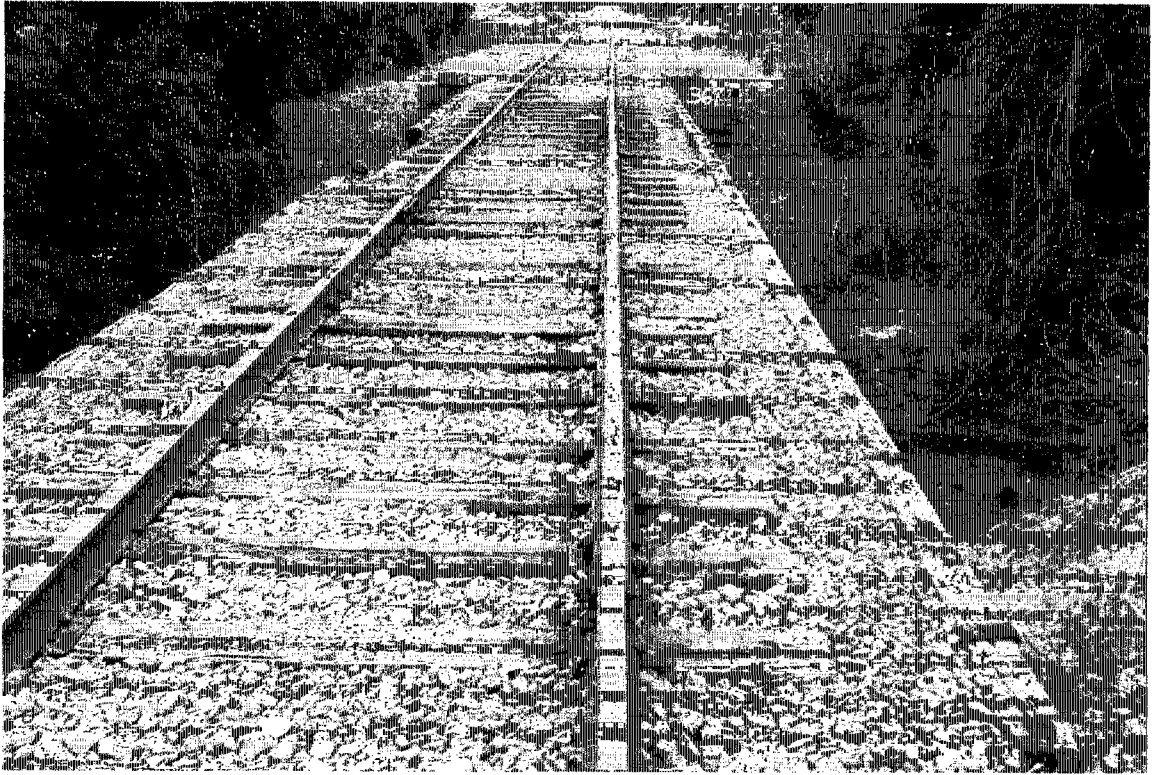
MP 359.5



MP 363.0



MP 363.0



MP 367.1



MP 367.1

APPENDIX 5

Mississippi Tennessee Railroad

Bridge	Date of Construction	
348.5 *	1956	
348.8 *	1953	
349 *	1953	
349.7	1957	
349.8 *	1951	
352.6 *	1953	
352.7 *	1953	
354 *	1949	(repaired 1960)
354.2	1964	
354.7	1962	
355.2	1958	
356.1	1959	
357.4	1960	
358.2	1966	
358.3 *	1954	
358.5 *	1954	
358.6 *	1954	
359.1 *	1956	
359.3 *	1953	
359.5 *	1951	
363 *	1944	(repaired 1960)
364.8	1970	
365.3	1962	
367.1 *	1956	

CERTIFICATE OF SERVICE

I hereby certify that on August 14, 2006, I served the foregoing document, Draft

Environmental And Historic Report, by first-class, U.S. mail, postage prepaid, on the following:

Clearinghouse Office
Department of Finance and Administration
Office of Policy Development
1301 Woolfolk Bldg., Suite 5
501 North West Street
Jackson, MS 39201

Tennessee State Planning Office
500 Charlotte Avenue
309 John Sevier Bldg.
Nashville, TN 37219

Mississippi Department of Archives & History
P.O. Box 571
Jackson, MS 39205-6850

Tennessee Historical Commission
Clover Bottom Mansion
241 Lebanon Road
Nashville, TX 37243

U.S. Army Corps of Engineers
Colonel Daniel Krueger, Commander
167 North Main Street, Room B202
Memphis, TN 38103-1894

U.S. Army Corps of Engineers
Colonel Robert Crear, Commander
4155 Clay Street
Vicksburg, MS 39180-3435

USDA Natural Resource Conservation Service
Jackson State Office
Suite 1321, Federal Building
100 West Capitol Street
Jackson, MS 39269

USDA Natural Resource Conservation Service
675 US Courthouse
801 Broadway
Nashville, TN 37203

Tippah County, Mississippi
County Clerk (for County Planner)
P.O. Box 99
Ripley, MS 38663-7374

Union County, Mississippi
County Clerk (for County Planner)
P.O. Box 847
New Albany, MS 38652-0847

Hardeman County, Tennessee
County Clerk (for County Planner)
100 North Main Street
Bolivar, TN 38008

Mississippi Department of Environmental
Quality
P.O. Box 20305
Jackson, MS 39289

Tennessee Department of Environment
and Conservation
401 Church Street
Nashville, TN 37243

Mississippi Department of Transportation
401 North West Street
Jackson, MS 39201

Tennessee Department of Transportation
James K. Polk Building
505 Deaderick Street, Suite 700
Nashville, TN 37243-0349

National Geodetic Survey
NOAA N/NGS2
1315 East-West Highway
Silver Springs, MD 20910-3282

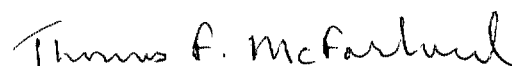
U.S. Environmental Protection Agency
Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street
Atlanta, GA 30303-3104

U.S. Fish & Wildlife, Region 4
1875 Century Blvd., Suite 400
Atlanta, GA 30345

National Park Service
Land Resources Division
1849 C Street, N.W.
Washington, DC 20240

Mississippi Public Service Commission
501 North West Street
Jackson, MS 39201

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505



Thomas F. McFarland

Docket No. AB-868 (Sub-No. 1X)
Docket No. AB-869 (Sub-No. 1X)

APPENDIX 5

COMMENTS RECEIVED IN RESPONSE TO

DRAFT ENVIRONMENTAL & HISTORIC REPORT



RECEIVED

JUL 27 2006

TENNESSEE HISTORICAL COMMISSION
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
2941 LEBANON ROAD
NASHVILLE, TN 37243-0442
(615) 532-1550

July 25, 2006

McFarland, P.C.

Mr. Thomas F. McFarland
Thomas F. McFarland, Inc.
208 S. LaSalle St./1890
Chicago, Illinois, 60604-1112

RE: STB, AB-868 SUB-NO. IX/ABANDONMENT, UNINCORPORATED, HARDEMAN COUNTY

Dear Mr. McFarland:

In response to your request, received on Wednesday, July 19, 2006, we have reviewed the documents you submitted regarding your proposed undertaking. Our review of and comment on your proposed undertaking are among the requirements of Section 106 of the National Historic Preservation Act. This Act requires federal agencies or applicant for federal assistance to consult with the appropriate State Historic Preservation Office before they carry out their proposed undertakings. The Advisory Council on Historic Preservation has codified procedures for carrying out Section 106 review in 36 CFR 800. You may wish to familiarize yourself with these procedures (Federal Register, December 12, 2000, pages 77698-77739) if you are unsure about the Section 106 process. You may also find additional information concerning the Section 106 process and the Tennessee SHPO's documentation requirements at www.state.tn.us/environment/hist/sect106.htm.

Based on available information, we find that the undertaking as currently proposed may affect historic properties eligible for listing in the National Register of Historic Places. We therefore recommend that your agency begin immediate consultation with our office to complete Section 106 review on this undertaking. This office will also need to review a cultural resources survey report for this project before any work commences. Questions and comments may be directed to Joe Garrison (615) 532-1550-103. Your cooperation is appreciated.

Sincerely,

Herbert L. Harper
Executive Director and
Deputy State Historic
Preservation Officer

HLH/jyg



EO 12372
WEEKLY LOG
PGM=N150

STATE OF MISSISSIPPI
STATE CLEARINGHOUSE FOR FEDERAL PROGRAMS

DATE 07/20/06
07/27/06

MS APPLICANT NO.: MS060720-005
IMPACT AREA(S): MULTI-COUNTY

CONTACT: THOMAS MCFARLAND
PHONE: (312) 236-0204

APPLICANT:
MS/TN HOLDINGS LLC & MS/TN RR LLC
C/O THOMAS F. MCFARLAND, P.C.
208 S. LASALLE ST.-STE. 1890
CHICAGO IL 60604-1112

FEDERAL AGENCY:

FUNDING: FEDERAL
LOCAL
TOTAL

APPLICANT
OTHER

STATE
PROGRAM

DESCRIPTION: MISSISSIPPI TENNESSEE HOLDINGS, LLC ABANDONMENT EXEMPTION IN HARDEMAN COUNTY, TN & TIPPAAH & UNION COUNTIES, MS AND MISSISSIPPI TENNESSEE RAILROAD, LLC DISCONTINUANCE OF SERVICE EXEMPTION IN HARDEMAN COUNTY, TN AND TIPPAAH & UNION COUNTIES, MS

CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER

1301 WOOLFOLK BLDG., SUITE E - JACKSON, MS 39201 (601) 359-6762

RECEIVED

- THIS IS AN ACKNOWLEDGEMENT ONLY -

JUL 31 2006

McFarland, P.C.

STATE AGENCIES MUST REVIEW CERTAIN PROPOSALS PRIOR TO RECEIVING MISSISSIPPI INTERGOVERNMENTAL REVIEW PROCESS CLEARANCE. THE MISSISSIPPI DEPARTMENT OF ARCHIVES AND HISTORY REVIEWS ANY PROPOSALS INVOLVING CONSTRUCTION, SUCH AS A HIGHWAY OR AN APARTMENT COMPLEX FOR COMPLIANCE WITH CULTURAL RESOURCES AND HISTORIC PRESERVATION. MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY, OFFICE OF POLLUTION CONTROL, REVIEWS APPLICATIONS IN ACCORDANCE WITH THE FEDERAL WATER POLLUTION CONTROL ACT. THE MISSISSIPPI DEPARTMENT OF MARINE RESOURCES REVIEWS APPLICATIONS FOR CONSISTENCY WITH THE COASTAL PROGRAM.

IF APPLICATIONS ARE FOR PROJECTS OF LOCAL IMPACT, THEY SHOULD BE SENT TO THE APPROPRIATE PLANNING AND DEVELOPMENT DISTRICT AT THE SAME TIME. PLEASE NOTE THAT ONE OF OUR REQUIREMENTS IS THE USE OF STANDARD FORM 424. THE DEPARTMENT OF FINANCE AND ADMINISTRATION PREPARES AND DISTRIBUTES A WEEKLY LOG LISTING PERTINENT INFORMATION CONTAINED ON THIS FORM. OUR ADDRESS IS 1301 WOOLFOLK BLDG., SUITE E - JACKSON, MS 39201 AND OUR PHONE NUMBER IS (601)359-6762.



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Mississippi Field Office
6578 Dogwood View Parkway, Suite A
Jackson, Mississippi 39213

RECEIVED

JUL 31 2006

McFarland, P.C.

July 25, 2006

Mr. Thomas F. McFarland
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112

Dear Mr. McFarland:

The U.S. Fish and Wildlife Service (Service) has reviewed the information in your letter dated July 17, 2006, regarding the proposed Notice of Exemption for Mississippi Tennessee Holdings, LLC to abandon, and for Mississippi Tennessee Railroad, LLC, to discontinue rail service over two segments of rail line totaling 20.76 miles in Tippah and Union Counties, Mississippi. Our comments are submitted in accordance with the Endangered Species Act (87 Stat. 884, as amended; 16 U.S.C. 1531 et seq.).

The two segments proposed for abandonment include 19.4 miles between Middleton, Hardeman County, Tennessee, and Ripley, Tippah County, Mississippi and 1.36 miles near New Albany, Union County, Mississippi.

There are no known federally listed threatened or endangered species, or their habitats, within the project areas. Therefore, the Service anticipates no impacts to any listed species to occur as a result of the proposed action. The Service also anticipates no adverse impacts to wildlife sanctuaries, National wildlife refuges, National parks, or state parks.

If you have any questions, please contact our office, telephone: (601) 321-1139.

Sincerely,

David Felder
Fish and Wildlife Biologist

United States Department of Agriculture



Natural Resources Conservation Service
235 Oil Well Road
Jackson, Tennessee 38305

Date: July 26, 2006

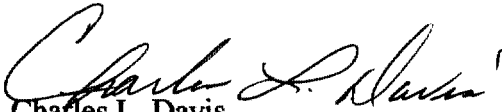
Mr. Thomas F. McFarland
208 South LaSalle Street – Suite 1890
Chicago, Illinois 60604-1112

Re: Surface Transportation Board Docket Nos. AB-868 (Sub-No. 1X)

Mr. McFarland:

In response to your request, the above-mentioned project will have no adverse effects on prime farmland around the area located in Hardeman County, Tennessee.

If you have any additional questions, please contact me at (731) 668-0700.


Charles L. Davis
Resource Soil Scientist



*Natural Resources
Conservation Service*

1170
733 B South Line Street
Ripley, MS 38663
Phone (662) 837-4464 Ext. 3
Fax (662) 837-8336

RECEIVED

July 31, 2006

AUG 08 2006

Thomas F. McFarland
P.O. 208 South LaSalle Street - Suite 1890
Chicago, Illinois 60604-1112

McFarland, P.C.

Re: Surface Transportation Board Docket Nos. AB-868 (Sub-No. 1X)

Dear Sir,

In regard to the request to the Natural Resources Conservation Service in Jackson, MS concerning the abandonment of part of the Railroad in Tippah County, MS.

The abandonment of the Railroad would not have an adverse effect on any Prime Farm Land.

Please contact me if you need further assistance.

Very truly yours,


Paul Lowry
District Conservationist

Attachment: AD-1006

The U. S. Department of Agriculture prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (Voice or TDD).

To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326 W. Whitten Building, 14th and Independence Avenue, SW. Washington, DC 20250-9410 or call (202) 720-5964 (Voice or TDD). USDA is an equal opportunity provider and employer.

U.S. Department of Agriculture

FARMLAND CONVERSION IMPACT RATING

PART I (To be completed by Federal Agency)		Date Of Land Evaluation Request	7-24-06
Name Of Project Tippah Co. Railroad Abandonment		Federal Agency Involved	NRCS
Proposed Land Use		County And State	Tippah Co. MS
PART II (To be completed by NRCS)		Date Request Received By NRCS	

Does the site contain prime, unique, statewide or local important farmland? (If no, the FPPA does not apply -- do not complete additional parts of this form).		Yes ☐	No ☒	Acres Irrigated	Average Farm Size
Major Crop(s) None		Farmable Land In Govt. Jurisdiction Acres: % 100		Amount Of Farmland As Defined in FPPA Acres: %	
Name Of Land Evaluation System Used LESA		Name Of Local Site Assessment System LESA		Date Land Evaluation Returned By NRCS 7-31-06	

PART III (To be completed by Federal Agency)		Alternative Site Rating			
		Site A	Site B	Site C	Site D
A. Total Acres To Be Converted Directly		0			
B. Total Acres To Be Converted Indirectly		0			
C. Total Acres In Site		0.0 0	0.0	0.0	0.0

PART IV (To be completed by NRCS) Land Evaluation Information					
A. Total Acres Prime And Unique Farmland		0			
B. Total Acres Statewide And Local Important Farmland		0			
C. Percentage Of Farmland In County Or Local Govt. Unit To Be Converted		0			
D. Percentage Of Farmland In Govt. Jurisdiction With Same Or Higher Relative Value		0			

PART V (To be completed by NRCS) Land Evaluation Criterion					
Relative Value Of Farmland To Be Converted (Scale of 0 to 100 Points)		0	0	0	0

PART VI (To be completed by Federal Agency)		Maximum Points			
Site Assessment Criteria (These criteria are explained in 7 CFR 658.5(b))					
1. Area In Nonurban Use		0			
2. Perimeter In Nonurban Use		0			
3. Percent Of Site Being Farmed		0			
4. Protection Provided By State And Local Government		0			
5. Distance From Urban Builtup Area		0			
6. Distance To Urban Support Services		0			
7. Size Of Present Farm Unit Compared To Average		0			
8. Creation Of Nonfarmable Farmland		0			
9. Availability Of Farm Support Services		0			
10. On-Farm Investments		0			
11. Effects Of Conversion On Farm Support Services		0			
12. Compatibility With Existing Agricultural Use		0			
TOTAL SITE ASSESSMENT POINTS		160	0 0	0	0

PART VII (To be completed by Federal Agency)					
Relative Value Of Farmland (From Part V)		100	0	0	0
Total Site Assessment (From Part VI above or a local site assessment)		160	0	0	0
TOTAL POINTS (Total of above 2 lines)		260	0	0	0

Site Selected:	Date Of Selection	Was A Local Site Assessment Used?
		Yes ☐ No ☐
Reason For Selection:		

RECEIVED

United States Department of Agriculture

AUG 04 2006



Natural Resources Conservation Service
712 Coulter Drive
New Albany, MS 38652-2807
662 538-0030 ext. 3

McFarland, P.C.

August 1, 2006

Thomas F. McFarland, P.C.
208 South LaSalle Street – Suite 1890
Chicago, Illinois 60604-1112

Mr. McFarland:

The abandonment of the tracks located in New Albany, Union County, Mississippi will have no adverse effect on prime agricultural land.

A handwritten signature in cursive script that reads "Dennis L. Jones".

Dennis L. Jones
District Conservationist
New Albany, Mississippi



STATE OF MISSISSIPPI
DEPARTMENT OF FINANCE AND ADMINISTRATION

RECEIVED

AUG 17 2006

McFarland, P.C.

MEMORANDUM

TO: MS/TN HOLDINGS LLC & MS/TN RR LLC
C/O THOMAS F. MCFARLAND, P.C.
208 S. LASALLE ST.-STE. 1890
CHICAGO IL 60604 1112

DATE: AUG 10 2006

FROM: STATE CLEARINGHOUSE FOR FEDERAL PROGRAMS

SUBJECT: REVIEW COMMENTS - Activity:
MISSISSIPPI TENNESSEE HOLDINGS, LLC ABANDONMENT EXEMPTION IN
HARDEMAN COUNTY, TN & TIPPAAH & UNION COUNTIES, MS AND
MISSISSIPPI TENNESSEE RAILROAD, LLC DISCONTINUANCE OF
SERVICE EXEMPTION IN HARDEMAN COUNTY, TN AND TIPPAAH & UNION
COUNTIES, MS

State Application Identifier Number MS060720-005

Location: MULTI COUNTY

Contact: THOMAS MCFARLAND

The State Clearinghouse, in cooperation with state agencies interested or possibly affected, has completed the review process for the activity described above.

INTERGOVERNMENTAL REVIEW PROCESS COMPLIANCE:

- () We are enclosing the comments received from the state agencies for your consideration and appropriate actions. The remaining agencies involved in the review did not have comments or recommendations to offer at this time. A copy of this letter is to be attached to the application as evidence of compliance with Executive Order 12372 review requirements.
- () Conditional clearance pending Archives and History's approval.
- (✓) None of the state agencies involved in the review had comments or recommendations to offer at this time. This concludes the State Clearinghouse review, and we encourage appropriate action as soon as possible. A copy of this letter is to be attached to the application as evidence of compliance with Executive Order 12372 review requirements.
- () The review of this activity is being extended for a period not to exceed 60 days from the receipt of notification to allow adequate time for review.

COASTAL PROGRAM COMPLIANCE (Coastal area activities only):

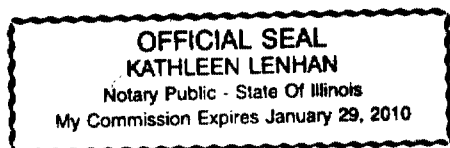
- () The activity has been reviewed and complies with the Mississippi Coastal Program. A consistency certification is to be issued by the Mississippi Department of Marine Resources in accordance with the Coastal Zone Management Act.
- () The activity has been reviewed and does not comply with the Mississippi Coastal Program.

APPENDIX 6

VERIFICATION

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

THOMAS F. McFARLAND, being duly sworn, states that he has read all statements in the foregoing Verified Notice of Exemption under 49 C.F.R. § 1152.50; and that all of such statements are true and correct.



Thomas F. McFarland

THOMAS F. McFARLAND

SUBSCRIBED and SWORN
to before me this 7th day
of September, 2006.

Kathleen Lenhan

Notary Public