

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

November 17, 2006

By e-filing

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:

Please refer to the letter to you dated November 6, 2006, from Robert M. Carter, Esq., Attorney for the City of New Albany, Mississippi, in the above proceeding. Mr. Carter's letter requests the Board to impose (1) a public use condition; and (2) a "certificate of notice of interim trail use," as to the rail line "between the cities of New Albany and Houston, Mississippi."

It appears that the City of New Albany's request relates to the 1.36-mile segment of rail line in New Albany, MS that is involved in the above proceeding. The 19.4-mile segment of rail line between Middleton, TN and Ripley, MS that is also involved in the above proceeding is not located between New Albany and Houston, MS, so that segment is not covered by the City of New Albany's request. As a result of a prior abandonment proceeding, Mississippi Tennessee Holdings, LLC is already negotiating with the City of New Albany for interim trail use of the right-of-way between New Albany south from Milepost No. 342.2 to the end of the right-of-way at Houston, MS. Consequently, that right-of-way is not covered by the City of New Albany's request.

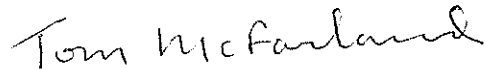
This is to notify the Board and the City of New Albany that Mississippi Tennessee Holdings, LLC is willing to negotiate for 180 days with the City of New Albany for railbanking and interim recreational trail use of the 1.36-mile segment of right-of-way in New Albany, MS that is involved in the above proceeding.

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The City of New Albany's request for a public use condition should be denied as duplicative of its request for a trail use condition. The City's request alleges that the right-of-way is suitable for other public use, "specifically trail use".

Very truly yours,

A handwritten signature in black ink that reads "Tom McFarland". The signature is written in a cursive, slightly slanted style.

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

TMcF:kl:wp8.0\1170\efilestb3

cc: Robert M. Carter, Esq., *by fax to 662-534-5205*
Mr. Barry McClure, *by e-mail to bmcclure@ironhorseresources.com*