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THOMAS F. MCFARLAND

May 29, 2007

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

This refers to the letter to you dated May 17, 2007 from Robert M. Carter, Esq., Attorney for the City of New Albany, Mississippi (the City), requesting a trail use condition for a 1 36-mile segment of the above rail line between Milepost Nos 325.56 and 324.2 within the city of New Albany.

Applicants have not consummated abandonment and discontinuance of rail service over that 1 36-mile segment of rail line. Applicant Mississippi Tennessee Holdings, LLC (MTH) is willing to negotiate with the City for railbanking and interim recreational trail use of that segment, but only until August 1, 2007.

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Applicants

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cc Robert M. Carter, Esq.
Messrs. Randy Cundiff & Barry McClure, *by e-mail*