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VIA FEDERAL EXPRESS

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

ENTERED
Office of Proceedings

JUN 9 - 2005

Part of
Public Record



Re: **STB Finance Docket No. 34714**
Arkansas Midland Railroad Company, Inc. -- Lease
Exemption -- Line of Union Pacific Railroad Company

Dear Secretary Williams:

Arkansas Midland Railroad Company, Inc. ("AKMD") hereby certifies that on June 3, 2005, the attached Notice was posted at the workplace in McGehee, Arkansas of employees of Union Pacific Railroad Company ("UP") who work on the rail line between McGehee and Cypress Bend, Arkansas, including the contiguous Potlatch Spur (collectively the "Cypress Bend Line") that is the subject of this lease exemption proceeding. Per the attached Certificate of Service, a copy of the Notice has been served on the national offices of the labor unions representing UP employees who work on the Cypress Bend Line.

AKMD expects to file with the Board shortly a Verified Notice of Exemption pursuant to 49 C.F.R. § 1150.41 et seq. for AKMD to lease and operate the Cypress Bend Line.

Ten copies of the Notice and this letter are enclosed for filing with the Board. One extra copy of this Notice and this letter are also enclosed. I would request that you date-stamp them to show receipt of this filing and return to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted,

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

WCS/pj
Enclosures

ARKANSAS MIDLAND RAILROAD COMPANY, INC.
314 Reynolds Road, Building 41
Malvern, Arkansas 72104



NOTICE

Pursuant to regulations of the Surface Transportation Board ("STB") at 49 C.F.R. § 1150.42(e), Arkansas Midland Railroad Company, Inc. ("AKMD"), a Class III rail carrier, hereby gives notice to employees of Union Pacific Railroad Company ("UP") that commencing on or about July 25, 2005, AKMD intends to lease and operate UP's Cypress Bend Industrial Lead between Milepost 407.7 at McGehee, Arkansas and Milepost 399.7 at Cypress Bend, Arkansas and the contiguous line of railroad known as the Potlatch Spur from its connection with the Cypress Bend Industrial Lead to the connection with the industrial trackage of Potlatch Corporation's Cypress Bend Mill near Arkansas City, Arkansas, including the yard at the east end of the Potlatch Spur. Except for yard tracks 001 and 002, AKMD will also lease the remainder of McGehee Yard that it does not already lease.

As a result of the transaction, AKMD expects to create 2-4 new Trainman/Engineman positions based at McGehee, Arkansas with a starting rate of pay of \$10.00-12.00 per hour depending on experience. Employees will be provided with medical, dental and disability insurance, railroad retirement, holidays, vacation, a 401(k) plan and other benefits consistent with the benefits currently provided to AKMD employees with similar jobs.

AKMD is an equal opportunity employer. Employees will be selected based upon their experience and suitability for the jobs that may be offered. Successful applicants will be required to pass a pre-employment drug and alcohol screening test, complete a medical questionnaire and take a physical exam.

Applications for employment should be made by sending a letter and resume stating the applicant's experience, providing references for any employment held during the last five years and any rail industry employment held at any time. The applicant must be available to start work at least 30 days before commencement of operations. The letter should be sent by registered mail to:

Gary Brown
Assistant General Manager
Arkansas Midland Railroad Company, Inc.
314 Reynolds Road, Building 41
Malvern, Arkansas 72104
501/844-4444.

CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the attached Notice upon the following by first-class mail, postage prepaid:

Mr. Don M. Hahs
International President
Brotherhood of Locomotive Engineers & Trainmen
1370 Ontario Street
Cleveland, Ohio 44113-1702

Mr. W.D. Pickett, Jr.
President
Brotherhood of Railroad Signalmen
917 Shenandoah Shores Road
Front Royal, Virginia 22630

Mr. Freddie N. Simpson
President
Brotherhood of Maintenance of Way Employees
20300 Civic Center Drive, Suite 320
Southfield, Michigan 48076-4169

Mr. Paul Thompson
President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107

Dated at Chicago, Illinois this 8th day of June, 2005.



William C. Sippel