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July 22, 2004

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006

ENTERED
Office of Proceedings

JUL 23 2004

Part of
Public Record

Re: **Finance Docket No. 34479**
Arkansas Midland Railroad Company, Inc. -- Alternative
Rail Service -- Line of Delta Southern Railroad, Inc.

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Petition of Arkansas Midland Railroad Company, Inc. for Extension of Emergency Service Authority**, dated July 22, 2004.

One extra copy of the Petition and this letter also are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

Please feel free to contact me should any questions arise regarding this filing. Thank you for your assistance on this matter.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'William C. Sippel'.

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

WCS:tjl

Enclosures

cc: Parties on Certificate of Service
Mr. Melvin F. Clemens, Jr., OCE

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34479

ARKANSAS MIDLAND RAILROAD COMPANY, INC.
-- ALTERNATIVE RAIL SERVICE --
LINE OF DELTA SOUTHERN RAILROAD, INC.



**PETITION OF ARKANSAS MIDLAND RAILROAD COMPANY, INC.
FOR EXTENSION OF EMERGENCY SERVICE AUTHORITY**

William C. Sippel
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Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR ARKANSAS MIDLAND
RAILROAD COMPANY, INC.**

Dated: July 22, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34479

ARKANSAS MIDLAND RAILROAD COMPANY, INC.
-- ALTERNATIVE RAIL SERVICE --
LINE OF DELTA SOUTHERN RAILROAD, INC.



**PETITION OF ARKANSAS MIDLAND RAILROAD COMPANY, INC.
FOR EXTENSION OF EMERGENCY SERVICE AUTHORITY**

Arkansas Midland Railroad Company, Inc. ("AKMD") hereby seeks an extension to December 31, 2004 of authority under 49 U.S.C. § 11123(a) and 49 C.F.R. § 1146 to provide emergency alternative rail service on a rail line between Dermott and Warren, Arkansas (the "Warren Line") owned by Union Pacific Railroad Company ("UP") and previously leased to and operated by Delta Southern Railroad, Inc. ("DSRR"). By decision served March 19, 2004, the Board authorized AKMD to provide alternative service on the Warren Line for a period of 30 days. Service commenced April 5, 2004. By decision served May 4, 2004, the Board extended AKMD's authority until August 3, 2004. A further extension is necessary to preserve rail service to shippers on the Warren Line while negotiations for a long-term service arrangement continue.

Under 49 U.S.C. § 11123(c)(1), the Board may extend emergency service authority up to a maximum of 240 days beyond the initial 30-day period if the Board finds that the transportation emergency with respect to such service continues to exist. Under 49 C.F.R. § 1146.1(c), unless otherwise indicated an initial Board order issued under Section 1146.1(a) establishes a rebuttable presumption that the transportation emergency will continue beyond the 30-day period.

Here, a transportation emergency continues to exist on the Warren Line and a further extension of the alternative service first authorized in the Board's March 19, 2004 decision is needed to assure continuance of important rail service to shippers on the line. As DSRR indicated in a March 18, 2004 letter filing and the Board acknowledged in its March 19th Decision, DSRR has voluntarily withdrawn from the Warren Line and thus would not be in a position to resume operations as the "incumbent" carrier on the line. Negotiations between UP and AKMD regarding a permanent lease or transfer of the Warren Line to AKMD continue; but no definitive agreement regarding future permanent arrangements has yet been reached. In the absence of the extension requested herein, rail service on the Warren Line would likely shut down again upon expiration of the current authority.¹

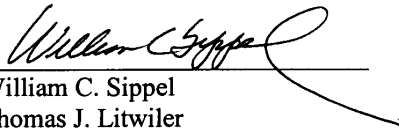
An extension of AKMD's emergency service authority on the Warren Line for the remainder of the time permitted under the statute should provide sufficient time to complete a definitive agreement and obtain and consummate Board authority for that arrangement. An extension to December 31, 2004 will preserve rail service to shippers on the Warren Line during the interim and avoid repeated requests to the Board for further extensions. AKMD believes that UP, DSRR and Warren Line shippers all support or do not oppose this extension request, and has served a copy of this petition on each of those parties by overnight delivery.

WHEREFORE, AKMD respectfully requests that, pursuant to 49 U.S.C. § 11123 and 49 C.F.R. § 1146, the Board extend until December 31, 2004 the emergency service order

¹ As before, this request for emergency service authority encompasses AKMD's provision of alternative local rail service on the Warren Line, from milepost 422.32 at Dermott to milepost 461.74 at Warren, as well as AKMD's overhead operations on UP's line between Dermott and McGehee, Arkansas for interchange purposes.

allowing AKMD to provide alternative rail service to all shippers on the Warren Line and to conduct interchange operations on UP's Dermott-McGehee line.

Respectfully submitted,

By: 
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**ATTORNEYS FOR ARKANSAS MIDLAND
RAILROAD COMPANY, INC.**

Dated: July 22, 2004

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of July, 2004, a copy of the foregoing
Petition of Arkansas Midland Railroad Company, Inc. for Extension of Emergency Service
Authority was served by overnight delivery upon:

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Federal Railroad Administration
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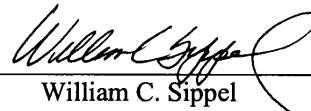
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