

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832

THOMAS J. LITWILER
(312) 252-1508
tlitwiler@fletcher-sippel.com



August 28, 2008

223468

VIA FEDERAL EXPRESS

Ms Anne K Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

ENTERED
Office of Proceedings

AUG 29 2008

Part of
Public Record

Re. **Finance Docket No. 35152**
Arkansas Midland Railroad Company, Inc. –
Operation Exemption – In Jacksonville, Arkansas

Dear Secretary Quinlan

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of Arkansas Midland Railroad Company, Inc. Pursuant to 49 C.F.R. § 1150.41**, dated August 28, 2008. A check in the amount of \$1,800.00, representing the appropriate fee for this filing, and a 3.5-inch computer diskette containing the text of the Notice and the *Federal Register* caption summary in MS Word 2003 format are attached.

One extra copy of the Notice 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

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

FEE RECEIVED
AUG 29 2008
SURFACE
TRANSPORTATION BOARD

Respectfully submitted,

Thomas J. Litwiler
Attorney for Arkansas Midland
Railroad Company, Inc.

FILED

AUG 29 2008

**SURFACE
TRANSPORTATION BOARD**

TJL tl

Enclosures

ORIGINAL

223468

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 35152

ARKANSAS MIDLAND RAILROAD COMPANY, INC .
-- OPERATION EXEMPTION --
IN JACKSONVILLE, ARKANSAS

ENTERED
Office of Proceedings

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Public Record

VERIFIED NOTICE OF EXEMPTION
OF
ARKANSAS MIDLAND RAILROAD COMPANY, INC.
PURSUANT TO 49 C.F.R. § 1150.41

FILED

AUG 29 2008

SURFACE
TRANSPORTATION BOARD

FEE RECEIVED

AUG 29 2008

SURFACE
TRANSPORTATION BOARD

William C. Sippel
Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

ATTORNEYS FOR ARKANSAS MILDAND
RAILROAD COMPANY, INC.

Dated: August 28, 2008

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 35152

ARKANSAS MIDLAND RAILROAD COMPANY, INC.
-- OPERATION EXEMPTION --
IN JACKSONVILLE, ARKANSAS

**VERIFIED NOTICE OF EXEMPTION
OF
ARKANAS MIDLAND RAILROAD COMPANY, INC.
PURSUANT TO 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, et seq., Arkansas Midland Railroad Company, Inc ("AKMD"), a Class III rail carrier, hereby files this Verified Notice of Exemption to operate approximately 2.6 miles of rail trackage in Jacksonville, Arkansas (the "Jacksonville Industrial Spur") owned by the City of Jacksonville and currently operated by Union Pacific Railroad Company ("UP") as exempt spur trackage. Based on projected revenues on the Jacksonville Industrial Spur, AKMD expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. § 1150.43, AKMD submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

The full name and address of the rail carrier applicant herein is as follows:

Arkansas Midland Railroad Company, Inc.
Jones Mill Industrial Park
314 Reynolds Road, Building 41
Malvern, AR 72104
(501) 844-4444

Applicant's Representative: 49 C.F.R. § 1150.43(b)

AKMD's representative to whom correspondence regarding this transaction should be sent is as follows:

Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, IL 60606-2832
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

AKMD and the City of Jacksonville have entered into a Lease Agreement providing for AKMD's lease of and provision of rail service on the Jacksonville Industrial Spur.

Operation of the Property: 49 C.F.R. § 1150.43(d)

AKMD will operate and provide rail common carrier service on the Jacksonville Industrial Spur pursuant to AKMD's agreement with the City of Jacksonville. UP's exempt switching operations on the spur will terminate.

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

AKMD is a Class III common carrier by rail which owns or leases and operates approximately 110 route miles of rail line at four locations in the State of Arkansas. See Arkansas Midland Railroad Company, Inc -- Acquisition and Operation Exemption -- Missouri Pacific Railroad Company, Finance Docket No. 31999 (ICC served March 6, 1992); Arkansas Midland Railroad Company -- Lease and Operation Exemption -- Union Pacific Railroad Company, Finance Docket No. 33908 (STB served August 23, 2000); Arkansas Midland Railroad Company, Inc -- Change in Operators Exemption -- Line of Union Pacific Railroad Company, Finance Docket No 34567 (STB served November 17, 2004); Arkansas Midland

Railroad Company, Inc. -- Lease and Operation Exemption -- Union Pacific Railroad Company,
Finance Docket No. 34714 (STB served August 30, 2005).

AKMD is a wholly-owned subsidiary of Pinsky Railroad Company, Inc., a non-carrier holding company which also controls four other Class III rail carriers in Florida and Massachusetts. See Pinsky Railroad Company -- Continuance in Control Exemption -- Arkansas Midland Railroad Company, Inc., Finance Docket No 32001 (ICC served March 6, 1992).

The Jacksonville Industrial Spur extends a distance of approximately 2.6 miles from the wye track connections with UP's Little Rock-Poplar Bluff main line near South James Street in Jacksonville, Arkansas to General Samuels Road near the south side of Little Rock Air Force Base. The Jacksonville Industrial Spur historically was owned by the United States Air Force, and today is owned by the City of Jacksonville. UP currently operates the Jacksonville Industrial Spur as exempt spur trackage.

Pursuant to the agreement between AKMD and the City of Jacksonville, AKMD will lease the Jacksonville Industrial Spur from the City and operate the trackage as a common carrier. Upon AKMD's initiation of service, UP will cease its current exempt switching operations on the trackage See 49 C.F.R. § 10906 (no STB authority needed for discontinuance of exempt spur track operations) The City of Jacksonville will remain the non-common carrier owner of the Jacksonville Industrial Track. Wisconsin Central Ltd. v. STB, 112 F.3d 881 (7th Cir 1997).

The complete name and address of the owner of the Jacksonville Industrial Spur is as follows:

City of Jacksonville, Arkansas
#1 Municipal Drive
P.O. Box 126
Jacksonville, AR 72076

AKMD intends to initiate operations on the Jacksonville Industrial Spur on October 1, 2008.

Map: 49 C.F.R. § 1150.43(f)

A map showing the Jacksonville Industrial Spur and the surrounding area is attached as Exhibit A to this Notice.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this Notice

Interchange Commitments: 49 C.F.R. § 1150.43(h)

The proposed operation of the Jacksonville Industrial Track by AKMD does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier.

Advance Notice: 49 C.F.R. § 1150.42(e)

AKMD posted the 60-day notice of this transaction required by 49 C.F.R. § 1150.42(e) at the workplaces of current UP employees on the Jacksonville Industrial Spur on July 2, 2008, served the notice on the national offices of the labor unions for those employees unions on July 3, 2008, and certified both actions to the Board on July 3, 2008. A copy of the 60-day notice and certification as filed with the Board is attached as Exhibit C to this Notice

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

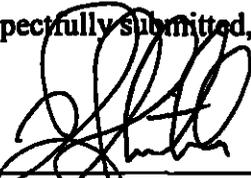
Under 49 C F R § 1105.6(c)(2), AKMD's proposed operation of the Jacksonville Industrial Spur is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105 7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), AKMD's operation of the Jacksonville Industrial Spur also is exempt from historic preservation reporting requirements. The proposed transaction is for the purpose of providing common carrier rail operations. Further Surface Transportation Board approval is required to discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.44

A caption summary in appropriate form is attached as Exhibit D to this Notice.

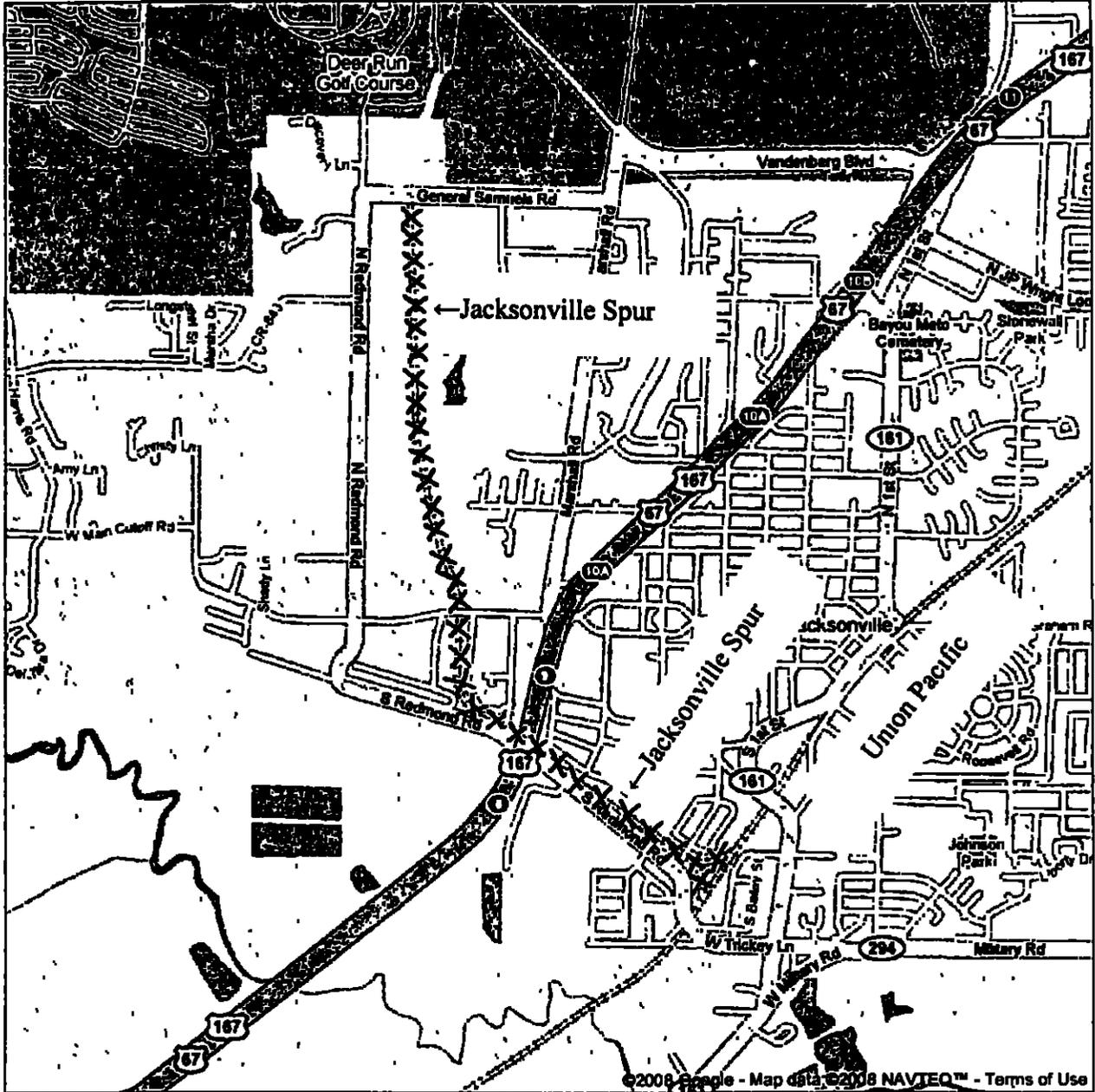
Respectfully submitted,

By. 

William C. Sippel
Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

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

Dated: August 28, 2008



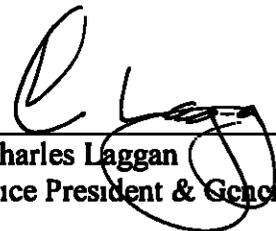
**Jacksonville Industrial Spur
Jacksonville, Arkansas**

**Finance Docket No 35152
Arkansas Midland Railroad Company, Inc.
-- Operation Exemption --
In Jacksonville, Arkansas**

CERTIFICATION

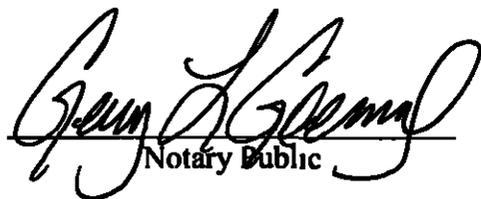
State of Arkansas)
) ss.
County of Hot Spring)

Charles Laggan, being duly sworn, hereby certifies that the projected annual rail revenues of Arkansas Midland Railroad Company, Inc as a result of the transaction proposed herein will not result in the creation of a Class II or Class I rail carrier under the provisions of 49 C.F.R. § 1201 (1-1)



Charles Laggan
Vice President & General Manager

SUBSCRIBED AND SWORN TO
before me this 25 day
of August, 2008.



Notary Public

My Commission expires



FLETCHER & SIPPET LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832

Phone (312) 252-1500
Fax (312) 252-2400
www.fletcher-sippel.com

THOMAS J. LITWILER
(312) 252-1508
tlitwiler@fletcher-sippel.com

July 3, 2008

VIA ELECTRONIC FILING

Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

**Re: Finance Docket No. 35152
Arkansas Midland Railroad Company, Inc. –
Operation Exemption – In Jacksonville, Arkansas**

Dear Secretary Quinlan:

Pursuant to 49 C.F.R. § 1121.4(h), Arkansas Midland Railroad Company, Inc ("AKMD") hereby certifies that on July 2, 2008, the attached Notice was posted at the workplaces of Union Pacific Railroad Company ("UP") employees on the rail trackage at Jacksonville, Arkansas (the "Jacksonville Industrial Spur") that is the subject of the above-captioned exemption proceeding.

AKMD also certifies that on July 3, 2008, the attached Notice was served by first class mail, postage prepaid, on the national offices of the labor unions representing UP employees on the Jacksonville Industrial Spur, at the following addresses:

Mr. Edward W. Rodzwick
National President
Brotherhood of Locomotive Engineers and Trainmen
1370 Ontario Street, Mezzanine
Cleveland, OH 44113

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

FLETCHER & SIPPEL LLC

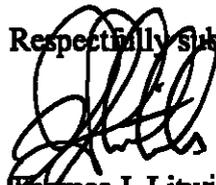
Ms. Anne K. Quinlan
July 3, 2008
Page 2

Mr. Malcolm B. Futhey
International President
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

Mr. W. Dan Pickett
International President
Brotherhood of Railroad Signalmen
917 Shenandoah Shores Road
Front Royal, VA 22630-6418

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

Respectfully submitted,



Thomas J. Litwiler
Attorney for Arkansas Midland
Railroad Company, Inc

TJL:tl

Attachment

**ARKANSAS MIDLAND RAILROAD COMPANY, INC.
314 Reynolds Road, Building 41
Malvern, AR 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 on or about September 8, 2008, AKMD intends to initiate operations on approximately 2.6 miles of rail trackage in Jacksonville, Arkansas owned by the City of Jacksonville and known as the Jacksonville Industrial Spur. The Jacksonville Industrial Spur extends from the wye track connections with UP's Little Rock-Poplar Bluff main line near South James Street to General Samuels Road near the south side of Little Rock Air Force Base. UP currently operates the Jacksonville Industrial Spur as exempt spur trackage, and will cease such operations upon AKMD's initiation of service. AKMD will lease the Jacksonville Industrial Spur from the City of Jacksonville and will operate the line on a regulated, common carrier basis.

A notice of exemption to authorize the proposed transaction will be filed with the Surface Transportation Board on or before August 8, 2008 in Finance Docket No. 35152.

AKMD does not expect to hire any additional employees as a result of its operation of the Jacksonville Industrial Spur. Employees desiring further information regarding the transaction may contact Charles Laggan, AKMD General Manager, at (501) 844-4444.

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35152

ARKANSAS MIDLAND RAILROAD COMPANY, INC.
-- OPERATION EXEMPTION --
IN JACKSONVILLE, ARKANSAS

Arkansas Midland Railroad Company, Inc ("AKMD"), a Class III rail carrier, has filed a Verified Notice of Exemption to operate approximately 2.6 miles of rail trackage in Jacksonville, Arkansas (the "Jacksonville Industrial Spur") extending from the wye track connections with UP's Little Rock-Poplar Bluff main line near South James Street to General Samuels Road near the south side of the Little Rock Air Force Base. The Jacksonville Industrial Spur is owned by the City of Jacksonville and currently operated by Union Pacific Railroad Company as exempt spur trackage.

AKMD expects to consummate its operation of the Jacksonville Industrial Spur on October 1, 2008.

Comments must be filed with the Board and served on:

Thomas J Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

This Notice is filed under 49 C.F.R. § 1150.41. If the Notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under

49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Dated: September __, 2008

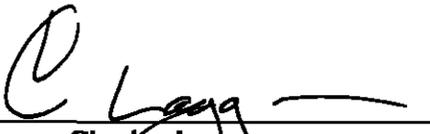
By the Board

**Vernon A. Williams
Secretary**

VERIFICATION

State of Arkansas)
) ss
County of Hot Spring)

Charles Laggan, being duly sworn, deposes and says that he is Vice President and General Manager of Arkansas Midland Railroad Company, Inc , that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated



Charles Laggan

SUBSCRIBED AND SWORN TO
before me this 25 day
of August, 2008.


Notary Public

My Commission expires

