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SERVICE DATE - FEBRUARY 26, 1999

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33715]

New England Central Railroad, Inc.--Modified Rail Certificate

On February 10, 1999, New England Central Railroad, Inc. (NECR), filed a notice for a modified certificate of public convenience and necessity under 49 CFR 1150, Subpart C, Modified Certificate of Public Convenience and Necessity, to operate a 14-mile rail line owned by the State of Vermont.

The involved rail line was approved for abandonment by Montpelier and Barre Railroad Company in Montpelier and Barre Railroad Company--Entire Line Abandonment--From Graniteville to Montpelier Junction in Washington County, VT, Docket No. AB-202 F (ICC served Mar. 12, 1980), and acquired by the State of Vermont on November 21, 1980. The Washington County Railroad Corporation (WACR) filed a notice for a modified certificate of public convenience and necessity on November 17, 1980, and a modified rail certificate was issued to WACR authorizing it to operate the line as of November 17, 1980.<sup>1</sup>

On February 2, 1999, WACR agreed to assign its lease of the line to NECR. On February 9, 1999, NECR accepted the assignment, and NECR and the State of Vermont agreed to cancel their lease. Also on February 9, 1999, NECR and the State of Vermont entered into an interim letter agreement for the operation of the line. The term of the letter

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<sup>1</sup> See Washington County Railroad Corporation--Operations--From Montpelier Junction to Graniteville, VT, Finance Docket No. 29536F (ICC served Jan. 2, 1981).

agreement, unless modified, is 90 days. During that time, NECR and the State of Vermont intend to negotiate and enter into a lease and operating agreement that will govern future operations of the line by NECR.

The line extends from Montpelier Junction to Graniteville, VT, and connects at Montpelier Junction with NECR's main line extending from East Alburg, VT, to New London, CT. NECR proposes to provide once a week service over the line.

The rail segment qualifies for a modified certificate of public convenience and necessity. See Common Carrier Status of States, State Agencies and Instrumentalities and Political Subdivisions, Finance Docket No. 28990F (ICC served July 16, 1981).

A subsidy is involved. The State of Vermont's Agency of Transportation (VAOT) states that VAOT will waive rental payments on the line for at least the first year of NECR's operation and will pay NECR a subsidy of \$105 per car for each revenue movement over the line through March 1, 2000, up to 200 cars.<sup>2</sup> There are no preconditions for shippers to meet in order to receive rail service.

This notice will be served on the Association of American Railroads (Car Service Division) as agent for all railroads subscribing to the car-service and car-hire agreement: Association of American Railroads, 50 F Street, N.W., Washington, DC 20001; and on

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<sup>2</sup> VAOT states that it is authorized under 5 V.S.A. 3401-3409 to administer State-owned railroad properties and to take necessary action to ensure continuity of service over such properties.

STB Finance Docket No. 33715

the American Short Line Railroad Association: American Short Line Railroad Association,  
1120 G Street, N.W., Suite 520, Washington, DC 20005.

Decided: February 19, 1999.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary