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SERVICE DATE - DECEMBER 22, 2000

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33967]

Safe Handling Rail, Inc.—Modified Rail Certificate

On December 1, 2000, Safe Handling Rail, Inc. (SHR), a noncarrier, 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 the State of Maine Department of Transportation's (MDOT) portion of a rail line known as the Rockland Branch extending for approximately 51.76 miles between milepost 33.79, in Brunswick, ME, and milepost 85.55, in Rockland, ME (Rockland Branch). In addition, SHR will operate MDOT's approximately 33.60 miles of rail line known as the Lower Road extending between milepost 29.40, at Rock Junction, in Brunswick, and milepost 63.00 in Augusta, ME (Lower Road).

The Rockland Branch was owned by Maine Central Railroad Company (MEC) and approved for abandonment in Maine Central Railroad Company—Abandonment—in Cumberland, Sagadahoc, Lincoln and Knox Counties, ME, Docket No. AB-83 (Sub-No. 8) (ICC served Oct. 10, 1985). The Rockland Branch, as described above, was subsequently acquired by MDOT and has been operated by Maine Coast Railroad Corporation (MECO) pursuant to a modified rail certificate issued in Maine Coast Railroad Corporation Modified Rail Certificate, Finance Docket No. 31727 (ICC served

Oct. 5, 1990). The Lower Road was owned by MEC and operated by Springfield Terminal Railway Company and approved for abandonment and discontinuance of service in Maine Central Railroad Company and Springfield Terminal Railway—Abandonment and Discontinuance—in Cumberland, Sagadahoc and Kennebec Counties, ME, Docket No. AB-83 (Sub-No. 9) (ICC served Jan. 8, 1990). The Lower Road was subsequently acquired by MDOT and has been operated by MECO pursuant to a modified rail certificate issued in Maine Coast Railroad Corporation Modified Rail Certificate, Finance Docket No. 32271 (ICC served Apr. 22, 1993). On October 6, 2000, MECO filed with the Board, pursuant to 49 CFR 1150.24, its notice of intent to terminate service on the Rockland Branch and the Lower Road 60 days from the date of its notice.¹

Pursuant to a lease and operating agreement between MDOT and SHR (agreement), SHR will provide freight service over the Rockland Branch and the Lower Road beginning on or soon after December 6, 2000 and terminating on June 1, 2001.

The rail segments qualify 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 agreement provides that SHR shall not suffer any financial loss and that MDOT will reimburse SHR the difference between SHR's costs

¹ In a related proceeding, the Board exempted SHR's acquisition of MECO's operating rights and incidental overhead trackage rights between milepost 27.5 and milepost 33.79 in Brunswick. See Safe Handling Rail, Inc.—Operation Exemption—Maine Coast Railroad Corporation, Maine Central Railroad Company, Springfield Terminal Railway Company, and State of Maine Department of Transportation, STB Finance Docket No. 33968 (STB served Dec. 15, 2000).

and revenues through the term of the agreement. The agreement further provides that, should SHR's revenues exceed its costs, then no payments will be made by MDOT to SHR or by SHR to MDOT. SHR represents that it has obtained liability insurance coverage and that 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 the American Short Line and Regional Railroad Association: American Short Line and Regional Railroad Association, 1120 G Street, N.W., Suite 520, Washington, DC 20005.

Decided: December 15, 2000.

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

Vernon A. Williams

Secretary