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SERVICE DATE – JANUARY 17, 2003

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34294]

State of Vermont–Acquisition Exemption–Certain Assets of Newport and Richford Railroad Company, Northern Vermont Railroad Company Incorporated and Canadian American Railroad Company

The State of Vermont (Vermont) has filed a verified notice of exemption under 49 CFR 1150.41 to acquire from the Estates of Newport and Richford Railroad Company, Northern Vermont Railroad Company Incorporated and Canadian American Railroad Company (collectively, the Sellers),<sup>1</sup> the Sellers' rights, title and ownership interest in the right-of-way, trackage and other physical assets of a 61.58-mile rail line, extending between milepost 63.58 in Newbury (Wells River) and milepost 2.0 in Newport, in Orange, Caledonia and Orleans Counties, VT (the Subject Line).<sup>2</sup> The Sellers will retain the rights and obligations to provide common carrier service on the line. In a separate transaction, the Sellers will convey the

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<sup>1</sup> The Sellers are railroads in the Bangor and Aroostook Railroad Company (BAR) rail system. On August 15, 2001, an involuntary petition for bankruptcy under Chapter 11 of the Bankruptcy Act was filed against BAR before the United States Bankruptcy Court for the District of Maine (Court). On May 14, 2002, the Sellers, filed voluntary petitions for relief under Chapter 11 before the Court.

<sup>2</sup> Vermont simultaneously filed a motion to dismiss this notice of exemption. The motion will be handled in a separate decision.

retained common carrier obligation and right to provide service to the Washington County Railroad Company (WCRC) through an exclusive operating easement.<sup>3</sup>

Consummation of the transaction was expected to occur on December 26, 2002 (7 days after the exemption was filed), but not before Montreal, Maine & Atlantic Railway, Ltd. has consummated its acquisition of certain other rail assets belonging to the BAR rail system in Vermont and Maine<sup>4</sup>.

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.

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<sup>3</sup> WCRC has contemporaneously filed a notice of exemption in Washington County Railroad Company–Acquisition and Operation–Certain Rights of Newport and Richford Railroad Company, Northern Vermont Railroad Company Incorporated and Canadian American Railroad Company, STB Finance Docket No. 34302, to acquire an exclusive operating easement on the Subject Line.

<sup>4</sup> In Montreal, Maine & Atlantic Railway LLC-Acquisition and Operation Exemption–Bangor & Aroostook Railroad Company, Canadian American Railroad Company, the Northern Vermont Railroad Company Incorporated, Newport & Richford Railroad Company and Van Buren Bridge Company, STB Finance Docket No. 34110 (STB served Sept. 19, 2002), Montreal, Maine & Atlantic Railway, LLC (MM&A-LLC) was authorized to acquire and operate, among other things, some 518 miles of BAR’s rail lines and other assets in Maine and Vermont. These assets do not include the Subject Line. In a subsequent decision served on December 18, 2002, the Board granted a motion to substitute Montreal, Maine & Atlantic Railway, Ltd. as the party that may acquire and operate these assets in lieu of MM&A-LLC.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34294, must be filed with the Surface Transportation Board, 1925 K Street, NW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Edward J. Fishman, Kirkpatrick & Lockhart LLP, 1800 Massachusetts Ave., NW, Washington, DC 20036-1221.

Board decisions and notices are available on our website at “[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: January 13, 2003.

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

Vernon A. Williams

Secretary