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SERVICE DATE - LATE RELEASE OCTOBER 22, 1998

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. AB-32 (Sub-No. 83)

BOSTON AND MAINE CORPORATION--ABANDONMENT--IN HARTFORD AND NEW
HAVEN COUNTIES, CT

STB Docket No. AB-355 (Sub-No. 23)

SPRINGFIELD TERMINAL RAILWAY COMPANY--DISCONTINUANCE OF SERVICE--IN
HARTFORD AND NEW HAVEN COUNTIES, CT

Decided: October 22, 1998

By decision and certificate of interim trail use or abandonment served on April 22, 1998, the Board found that the public convenience and necessity permit Boston and Maine Corporation (B&M) to abandon and Springfield Terminal Railway Company (ST) (collectively, B&M/ST) to discontinue service over a 9.5-mile line of railroad, known as the Canal Branch, extending from milepost 14.50 in Cheshire to milepost 24.00 in Southington, in Hartford and New Haven Counties, CT (the line). Before the decision authorizing abandonment and discontinuance became effective, Dalton Enterprises, Inc. (Dalton), timely filed an offer of financial assistance (OFA) under 49 U.S.C. 10904 and 49 CFR 1152.27(c) to purchase the line.

By decision served on May 5, 1998, Dalton was found to be financially responsible and the effective date of the decision authorizing abandonment and discontinuance was postponed to permit the financial assistance process to proceed. Subsequently, as no agreement was reached, Dalton filed a request that the Board establish the conditions and amount of compensation for the sale of the line. By decision served on July 1, 1998, the Board set the purchase price and established terms for transfer of the line.

On July 10, 1998, Dalton accepted the Board's terms and conditions to purchase the line. By decision served on July 20, 1998, Dalton was authorized to acquire the line and the application was dismissed effective on the date the sale is consummated. By decision served September 14, 1998, Dalton's corporate affiliate, Canal Line Railroad Company (CLRC), was substituted as the entity authorized to purchase the line.

In a joint request filed on October 16, 1998, B&M/ST and Dalton¹ state that the OFA conveyance by B&M to Dalton has not been consummated and they request "reinstatement" of the Board's April 22 decision authorizing abandonment and discontinuance. They state that, prior to their September 28, 1998 closing date for acquisition of the line, the State of Connecticut

¹ Presumably Dalton is speaking for CLRC as its affiliate.

Department of Environmental Protection (CTDEP) and the Town of Cheshire (Cheshire) proposed that the parties forgo consummation of the OFA transaction in favor of an alternative acquisition of the line by CTDEP and Cheshire pursuant to the public use condition imposed in the April 22 decision. B&M/ST and Dalton state that they are amenable to the arrangement and have entered into a letter of understanding with CTDEP and Cheshire with a view towards consummating the transaction.² They request reinstatement of the April 22 decision on or before October 22, 1998.

The July 20 decision provided that the application would be dismissed effective on the date the sale was consummated. Because the parties have not consummated the sale, the application has not been dismissed and the April 22 decision authorizing abandonment and discontinuance still stands. The effective date of the April 22 decision, which was to be May 22, 1998, was postponed by the May 5 decision to allow the OFA process to proceed. Because the OFA process has now terminated, the April 22 decision is effective immediately.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The OFA process has terminated and, because B&M and Dalton have agreed not to consummate the sale of the line authorized in the July 20 decision, the decision served on April 22, 1998, authorizing B&M to abandon the line and ST to discontinue service, is effective immediately.
2. This decision is effective on the service date.

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

Vernon A. Williams
Secretary

² The parties indicate that the agreement B&M/ST made with J.J. Ryan Corporation - Rex Forge Division, concerning the acquisition of a driveway easement, will be honored.