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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD-35842

**ENTERED
Office of Proceedings
September 22, 2014
Part of
Public Record**

**NEW ENGLAND CENTRAL RAILROAD, INC. - TRACKAGE RIGHTS ORDER -
PAN AM SOUTHERN LLC**

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Dated: September 22, 2014

*Attorney for:
Central Maine & Quebec Railway US Inc.*

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Central Maine & Quebec Railway US Inc. (“CMQR”) hereby submits this memorandum regarding the Motion to Show Cause filed by Pan Am Southern LLC (“PAS”) on June 27, 2014 in the above-captioned proceeding. Specifically, CMQR is desirous of ensuring that reasonable business terms and conditions continue as originally outlined in the Trackage Rights Order issued by the Interstate Commerce Commission (the “ICC”) in *Amtrak - Conveyance of Boston and Maine Corporation Interests in Connecticut River Line in Vermont and New Hampshire*, Finance Docket No. 31250, 6 I.C.C.2d 539 (1990) (the “TRO”).

I. FACTUAL BACKGROUND

CMQR currently operates a strategic rail line in Vermont known as the “Newport Subdivision.” This line forms a connection with the Washington County Railroad (“WACR”) in the town of Newport, Vermont. From this point southward, CMQR traffic continues on the WACR through the TRO area between White River Junction and Bellows Falls, Vermont in order for our customer’s freight business to reach the PAS, the rest of the Vermont Rail System (“VRS”) and ultimately, CSX. This is in addition to the valuable rail connection that CMQR also enjoys with the New England Central Railroad (“NECR”).

The importance of this line to the health and vitality of the new CMQR is demonstrated by its capital plan for 2014. As part of an ambitious \$8.5 MM program, CMQR has installed 28,000 crossties across the railroad, and over 46% (approximately 14,000) of them went into the Newport Subdivision alone.

The current dispute between NECR and PAS hampers CMQR’s ability to enjoy the competitive outcome that the ICC preserved in the TRO by disfavoring certain of the railroad connections currently available to CMQR, and thereby limiting the utility of the recent improvements that have been made to the Newport Subdivision at great cost to CMQR.

II. ISSUES AND CONTROVERIES

- A. The Speed Restriction on Foreign Roads
- B. The Waybill Requirement

The two items listed above are acknowledged by CMQR to be the primary points of dispute between NECR and PAS in this proceeding. They have been adequately addressed in

other filings and will not be reiterated herein. Of importance and significance to CMQR, however, is that these two issues be resolved in a manner that does not negatively impact the commercial routing of rail freight traffic to or from any of the options currently available to CMQR under the original TRO.

III. NEGATIVE IMPACT ON CMQR CUSTOMERS

All existing and potential CMQR customers desirous of a competitive routing option to (1) VRS, PAS, and CSX, and (2) VRS, PAS, and Norfolk Southern, are affected by the dispute between NECR and PAS. Some have been impacted more than others. CMQR was surprised to learn that even some business destined for the NECR itself has seen delays when arriving via a WACR routing. These actions are not benefitting anyone, and only serve to collectively weaken the competitive position of the shortline railroads that are valiantly attempting to survive in a drastically changing New England economy.

IV. REQUESTED RELIEF

CMQR hereby requests that the Board issue an order as soon as possible in this proceeding that will resolve and restore the unrestrained and equal competitive access that is being denied to CMQR in this dispute between NECR and PAS and that CMQR and its predecessors have enjoyed since 1990 as a direct result of the original TRO as issued in Finance Docket 31250.

Respectfully submitted,

/s/ *Jeremy R. Fischer*
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VERIFICATION

I, John E. Giles, President and CEO of the Central Maine & Quebec Railway US Inc., verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the forgoing document.

Executed: September 22, 2014

/s/ John E. Giles
John E. Giles

CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing was served on the following by U.S. first class mail, postage prepaid:

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Dated: September 22, 2014

/s/ Jeremy R. Fischer
Jeremy R. Fischer