



Victoria F. Sheehan  
Commissioner

**THE STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF TRANSPORTATION**



*William Cass, P.E.*  
*Assistant Commissioner*

April 14, 2016

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ENTERED  
Office of Proceedings  
April 25, 2016  
Part of  
Public Record

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20024

Re: **New England Central Railroad, Inc. – Trackage Rights Terms and Conditions, Pan Am Southern LLC STB Docket No. FD 35842**

Dear Ms. Brown:

On behalf of the State of New Hampshire, I write to address the issue of fair rates for New Hampshire shippers who rely on the freight services provided by Pan Am Southern LLC (PAS), using trackage rights over the New England Central Railroad, Inc. (NECR).

Pan Am Southern LLC operates on the Connecticut River Line between East Northfield, MA and White River Jct., VT via trackage rights over NECR. Those trackage rights were granted to a predecessor of PAS as part of an eminent domain taking of the rail line by Amtrak. The trackage rights order by the then Interstate Commerce Committee (ICC) allows PAS to compete with NECR to serve certain customers on the line, including a propane distribution facility located in Claremont, NH. This was a unique provision in that it allowed customers access to rail service from two rail carriers on the same line. In 2013, PAS was able to successfully compete for the ability to serve the Claremont, NH propane facility by offering service and pricing incentives.

NECR is now seeking to have the STB impose new terms and conditions for the use of the trackage rights by NECR. As part of NECR's proposal, the trackage rights fee would be increased from approximately 45 cents per car mile to approximately six dollars per car mile. A significant part of NECR's justification of the proposed increase is that the value of the line is substantial. NECR is relying on a \$60 million public investment to support that line valuation.

Should NECR prevail in its effort to substantially increase the trackage rights fees, PAS could not effectively compete for customers on the line. That would deprive those customers of the Ms.

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competitive option imposed by the ICC in the Amtrak taking case. The lack of competition would likely lead to increased transportation costs and less efficient service to customers on the line.

As the STB reviews this case, we urge the Board to consider the consequences to our shippers if these new terms and conditions were to be approved. We thank you for your consideration.

Sincerely,



Victoria F. Sheehan,  
Commissioner

cc: Christopher Waszczuk  
Patrick Herlihy  
Shelley Winters

BEFORE THE  
SURFACE TRANSPORTATION BOARD  
STB DOCKET NO. FD 35842

NEW ENGLAND CENTRAL RAILROAD INC. –  
TRACKAGE RIGHTS ORDER –  
PAN AM SOUTHERN LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing letter to the Board on behalf of the State of New Hampshire was served on this date by the method indicated below:

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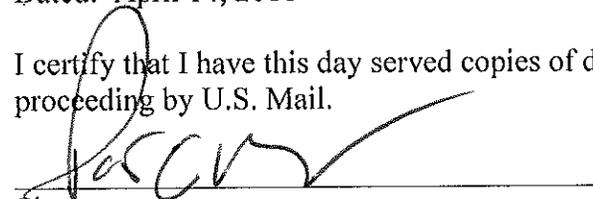
Brian R. Searles  
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Dated: April 14, 2016

I certify that I have this day served copies of document upon all parties of record in this proceeding by U.S. Mail.

Signature

Date



4/14/16