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December 19, 2002

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VIA HAND DELIVERY

ENTERED
Office of Proceedings

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

DEC 20 2002

Part of
Public Record

Re: Finance Docket No. 34302, Washington County Railroad Company – Acquisition and Operation Exemption – Certain Assets of Newport and Richford Railroad Company, Northern Vermont Railroad Company Incorporated and Canadian American Railroad Company

Dear Secretary Williams:

On behalf of Washington County Railroad Company, we are enclosing for filing in the above-captioned proceeding an original and ten copies of the **Verified Notice of Exemption of Washington County Railroad Company Pursuant to 49 C.F.R. § 1150.42**. A check in the amount of \$1,300.00, representing the appropriate fee for the Verified Notice of Exemption, is enclosed.

Should any questions arise regarding these filings, please feel free to contact me. Thank you for your assistance in this matter.

FILED

DEC 19 2002

Enclosure **SURFACE TRANSPORTATION BOARD**

Respectfully submitted,

Tracie D. Spear

FEE RECEIVED

DEC 19 2002

SURFACE TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34302

WASHINGTON COUNTY RAILROAD COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
CERTAIN RIGHTS OF NEWPORT AND RICHFORD RAILROAD COMPANY,
NORTHERN VERMONT RAILROAD COMPANY INCORPORATED AND
CANADIAN AMERICAN RAILROAD COMPANY



VERIFIED NOTICE OF EXEMPTION
OF
WASHINGTON COUNTY RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1150.42

David W. Wulfson, President
Washington County Railroad Company
One Railway Lane
Burlington, VT 05401-5290
(802) 658-2550
(802) 658-2553 fax

**WASHINGTON COUNTY RAILROAD
COMPANY**

Dated: December 10, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34302

WASHINGTON COUNTY RAILROAD COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
CERTAIN RIGHTS OF NEWPORT AND RICHFORD RAILROAD COMPANY,
NORTHERN VERMONT RAILROAD COMPANY INCORPORATED AND
CANADIAN AMERICAN RAILROAD COMPANY

**VERIFIED NOTICE OF EXEMPTION
OF
WASHINGTON COUNTY RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1150.42**

Washington County Railroad Company ("WCRC") hereby files this Verified Notice of Exemption ("Notice") under 49 C.F.R. § 1150.41, et seq. to acquire: 1) an exclusive freight railroad operations easement over a line of railroad extending between approximately milepost 63.58 in Newbury (Wells River), Vermont and approximately milepost 2.0 in Newport, Vermont (the "Wells River-Newport Line") and 2) an exclusive freight railroad operations easement over a connected line of railroad between approximately milepost 123 in Hartford (White River Junction), Vermont and approximately milepost 163 in Newbury (Wells River), Vermont (the "White River Junction-Wells River Line") (collectively, the "Subject Line"). The total distance of the Subject Line is approximately 101.58 route miles.

In accordance with the requirements of 49 C.F.R. § 1150.43, WCRC submits the following:

Advance Notice: 49 C.F.R. § 1150.42(e)

The projected annual freight revenues of WCRC will not exceed \$5 million. Accordingly, the requirements of 49 C.F.R. § 1150.42(e) do not apply to this transaction.

Name and Address of Applicant: 49 C.F.R. § 1150.43(b)

WCRC's representative to whom correspondence regarding this transaction should be addressed is as follows:

David W. Wulfson, President
Washington County Railroad Company
One Railway Lane
Burlington, VT 05401-5290

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

James E. Howard, in his separate capacities as Chapter 11 Trustee (the "Trustee") for the Estates of Newport and Richford Railroad Company ("N&R"), Canadian American Railroad Company ("CDAC") and Northern Vermont Railroad Company Incorporated ("NVT") (collectively, "Seller")¹, will convey the Seller's freight easement on the Wells River-Newport Line to WCRC and will assign the CDAC freight easement on the White River Junction-Wells River Line to WCRC. (See Summary of the Transaction, below).

¹ On August 15, 2001, an involuntary Chapter 11 bankruptcy proceeding was filed against Bangor and Aroostook Railroad Company ("BAR"). On May 14, 2002, CDAC, N&R and NVT filed voluntary petitions for relief under Chapter 11. On September 19, 2002, the Surface Transportation Board ("Board") served and published notice that Montreal, Maine & Atlantic Railway LLC ("MM&A"), a non-carrier, filed a notice of exemption under 49 C.F.R. 1150.31 to acquire and operate, among other things, certain rail lines and other assets of CDAC, NVT and N&R in Maine and Vermont not including the Subject Line. See 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, Finance Docket No. 34110 (STB served September 19, 2002).

Operation of the Property: 49 C.F.R. § 1150.43(d)

WCRC will conduct freight rail operations on the Subject Line. (See Summary of the Transaction, below.)

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

The transaction that is the subject of this Notice is WCRC's acquisition of an exclusive freight rail operating easement on the Wells River-Newport Line from the Seller and WCRC's acquisition by assignment of CDAC's exclusive freight rail operating easement on the White River Junction-Wells River Line. WCRC's acquisition is related to a transaction involving the Seller and the State of Vermont acting through its Agency of Transportation ("Vermont") which is the subject of a Verified Notice of Exemption and motion to dismiss in Finance Docket No. 34294.² Pursuant to the Purchase and Sale Agreement entered into by and between Vermont and the Seller (the "Purchase and Sale Agreement"), Vermont will acquire the Seller's right, title and ownership interest in the right-of-way, trackage and other physical assets associated with the railroad line extending between approximately milepost 63.58 in Newbury (Wells River), Vermont and approximately milepost 2.0 in Newport, Vermont (the "Wells River-Newport Line"), a total distance of approximately 61.58 route miles in Orange, Caledonia and Orleans Counties.

In that transaction, Vermont will not acquire the right or obligation to operate freight rail service on the Wells River-Newport Line. The Seller will retain an exclusive freight rail operating easement and, in the transaction that is the subject of this Notice,

² Vermont is filing the motion to dismiss in order to obtain a jurisdictional determination regarding Vermont's prospective status as a common carrier on the Wells River-Newport Line. See State of Maine, Department of Transportation – Acquisition and Operation Exemption – Maine Central Railroad Company, 8 I.C.C. 2d 835 (1991).

the Seller will convey that easement to WCRC. By means of the sale to Vermont and the conveyance of the easement to WCRC, the Seller will transfer all rights and obligations to operate any rail service on the Wells River-Newport Line.³ In addition, the Seller will assign CDAC's exclusive freight rail operating easement on the White River Junction-Wells River Line to WCRC, thereby transferring all of Seller's rights and obligations to operate any rail service on the White River Junction-Wells River Line.⁴ Upon consummation of the transaction covered by this Notice, WCRC will have the exclusive right and obligation to provide common carrier rail service on the line of railroad between White River Junction and Newport.

The names of the railroads conveying the freight easements to WCRC are Newport and Richford Railroad Company, Northern Vermont Railroad Company Incorporated and Canadian American Railroad Company. The address of these railroads is as follows:

15 Iron Road
Hermon, ME 04401

³ NVT currently conducts freight rail operations on the Wells River-Newport Line. See The Northern Vermont Railroad Company Incorporated – Acquisition and Operation Exemption – Lines of Canadian Pacific Limited, Finance Docket No. 32981 (STB served July 25, 1996). CDAC currently has local and overhead trackage rights on the Wells River-Newport Line. See Canadian American Railroad Company – Trackage Rights Exemption – The Northern Vermont Railroad Company Incorporated, Finance Docket No. 33137 (STB served Oct. 15, 1996). The common carrier rights and obligations of NVT, CDAC and N&R on the Wells River-Newport Line will be conveyed to WCRC through the freight easement.

⁴ The Wells River-Newport Line connects with the White River Junction-Wells River Line at Wells River (despite the difference in milepost designations, which are the result of different milepost systems). Vermont already owns the White River Junction-Wells River Line. See State of Vermont – Acquisition Exemption – Certain Assets of Boston and Maine Corporation, Finance Docket No. 33830 (STB served Dec. 20, 1999).

WCRC will not consummate its acquisition of the freight easements on the Subject Line until this Notice becomes effective and until MM&A consummates its acquisition of the assets that are the subject of Finance Docket No. 34110.

Map: 49 C.F.R. § 1150.43(f)

A map showing the Subject Line is attached as Exhibit A to this Notice.

Certificate of Class III Status: 49 C.F.R. § 1150.43(g)

The projected revenues of WCRC as a result of this transaction will not result in the creation of a Class I or Class II rail carrier. A certificate complying with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this Notice.

Environmental/Historic Preservation Data: 49 C.F.R. Part 1105

Under 49 C.F.R. § 1105.6(c)(2), the proposed acquisition of the freight easements by WCRC is exempt from environmental reporting requirements. WCRC's acquisition of the freight easements will not result in significant changes in carrier operations (i.e., changes which exceed the thresholds established in 49 C.F.R. § 1105.7(c)(4) or (5)).

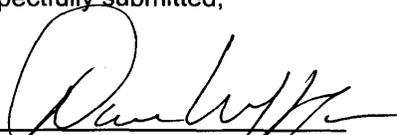
Under 49 C.F.R. § 1150.8(b)(1), the proposed acquisition of the freight easements by WCRC also is exempt from historic preservation reporting requirements. WCRC's acquisition of the freight easements is for the purpose of continued rail operations. Further Board approval is required to abandon any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.44

A caption summary in the appropriate form is attached as Exhibit C to this Notice.

Respectfully submitted,

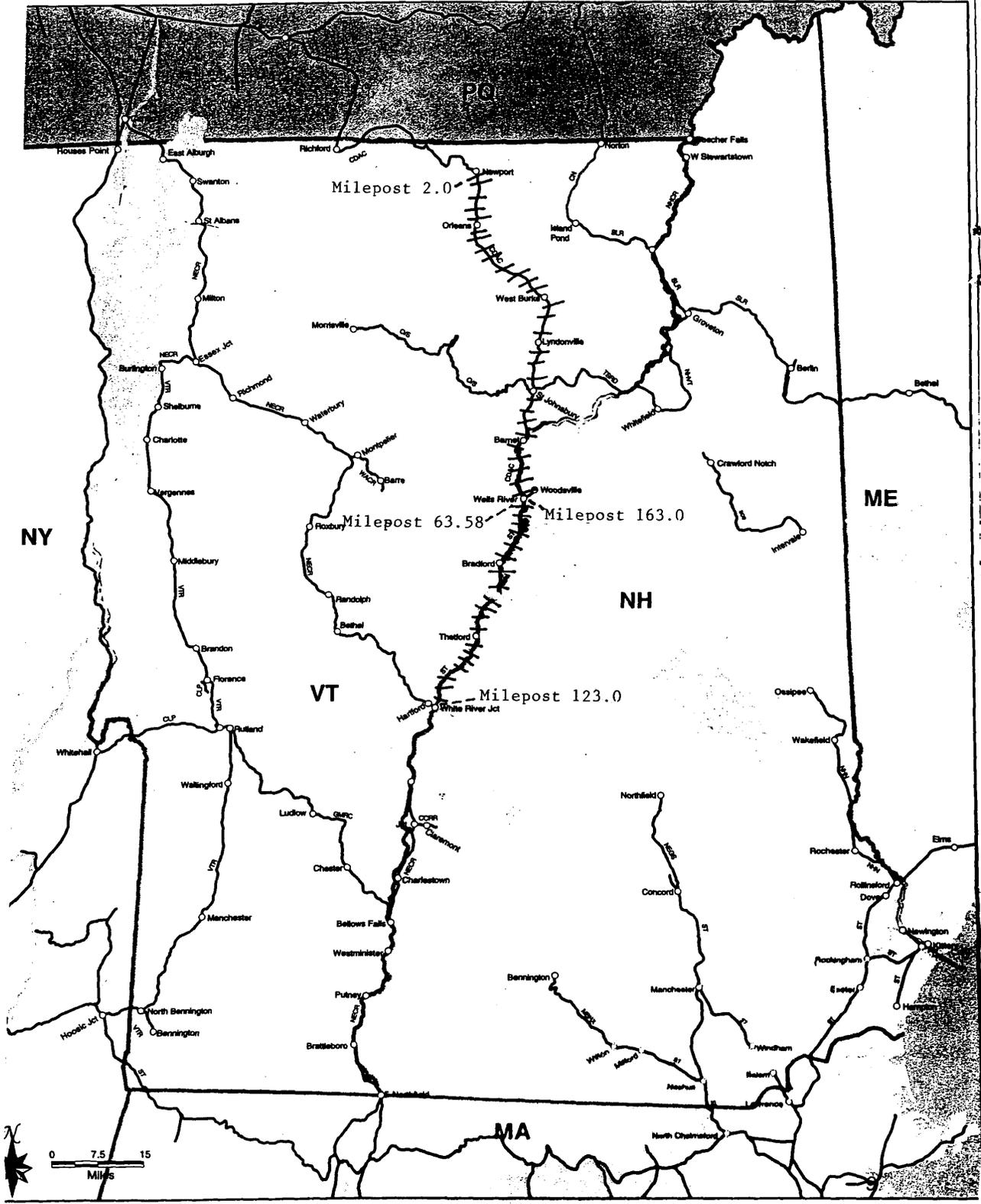
By:



David W. Wulfson, President
Washington County Railroad
One Railway Lane
Burlington, VT 05401-5290
(802) 658-2550

**WASHINGTON COUNTY RAILROAD
COMPANY**

Dated: December 10th, 2002



CERTIFICATION

State of Vermont)
)
County of Washington) SS:

David W. Wulfson, being duly sworn, hereby certifies that the projected revenues of Washington County Railroad Company upon consummation of the proposed transaction would not result in the creation of a Class I or Class II rail carrier under the provisions of 49 C.F.R. § 1201(1-1).



David W. Wulfson

SUBSCRIBED AND SWORN TO
Before me this 10th day
Of December, 2002.



Notary Public

My Commission expires: Feb. 10, 2003.

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 34302

WASHINGTON COUNTY RAILROAD COMPANY
-- ACQUISITION AND OPERATION EXEMPTION --
CERTAIN RIGHTS OF NEWPORT AND RICHFORD RAILROAD COMPANY,
NORTHERN VERMONT RAILROAD COMPANY INCORPORATED AND
CANADIAN AMERICAN RAILROAD COMPANY

Washington County Railroad Company ("WCRC") has filed a notice of exemption under 49 C.F.R. § 1150.41, et seq. to acquire from the Estates of the Newport and Richford Railroad Company, Canadian American Railroad Company and Northern Vermont Railroad Company Incorporated: 1) an exclusive freight railroad operations easement over a line of railroad extending between approximately milepost 63.58 in Newbury (Wells River), Vermont and approximately milepost 2.0 in Newport, Vermont (the "Wells River-Newport Line"); and 2) an exclusive freight railroad operations easement over a connected line of railroad between approximately milepost 123 in Hartford (White River Junction), Vermont and approximately milepost 163 in Newbury (Wells River), Vermont (the "White River Junction-Wells River Line") (collectively, the "Subject Line"). The total distance of the Subject Line is approximately 101.58 route miles.

WCRC will not under any circumstances consummate this acquisition until this notice becomes effective.

Comments must be filed with the Board and served on David W. Wulfson,
President, Washington County Railroad Company, One Railway Lane, Burlington, VT
05401-5290.

This notice is filed under 49 C.F.R. § 1150.41. 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.

Dated: December __, 2002

By the Board

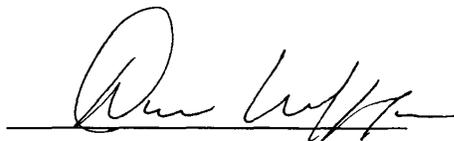
Vernon A. Williams

Secretary

VERIFICATION

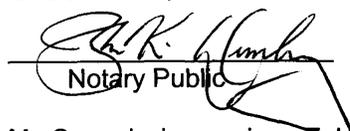
State of Vermont)
)
County of Washington) SS:

David W. Wulfson, being duly sworn, deposes and says that he is the President of Washington County Railroad Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



David W. Wulfson

SUBSCRIBED AND SWORN TO
Before me this 10th day
Of December, 2002



Notary Public

My Commission expires: Feb. 10, 2003