

May 16, 2018

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Office of Proceedings
May 16, 2018
Part of
Public Record

Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

Reference Docket Number AB 1256

To the Members of the Board,

I write this letter to you in opposition of the proposed discontinuance of Milford-Bennington Railroad Company's operating authority over a section of Boston & Maine Corp./Springfield Terminal (collectively Pan Am Railways) Hillsboro Branch between mileposts 11.00 and 16.36 in the towns of Milford and Wilton, New Hampshire.

Track Maintenance

One of Pan Am's complaints in its reasoning for discontinuing Milford-Bennington's authority is the condition of this section of the Hillsboro Branch is due to the lack of payments by Milford-Bennington to support maintenance. A casual observation of the rail line from milepost 0.00 of the Hillsboro Branch to milepost 11.00 reflects similar conditions to that seen between 11.00 and 16.36. Milford-Bennington only utilizes Pan Am's line from approximately milepost 13.5 to milepost 16.36. Pan Am has one customer between milepost 11.00 and milepost 16.36 and utilizes the entire segment to reach a run-around at Wilton near milepost 16.00. Why is maintenance dependent on payments from Milford-Bennington despite Pan Am's usage of this entire section as well to serve its customer?

It is recommended that an FRA track inspection be performed by an independent third party of all the active track of the Hillsboro Branch. This provides for both a comparison of conditions and true understanding of the track issues being discussed in the filing. The operation of the Hillsboro Branch can be divided into the following sections:

1. Milepost 0.00 to Milepost 11.00
 - *Pan Am owned and operated.*

2. Milepost 11.00 to approximately Milepost 13.5
 - *Pan Am owned and operated. Milford-Bennington has operating authority, but does not exercise it.*
3. Approx. Milepost 13.5 to Milepost 16.36
 - *Pan Am owned, operated by both Pan Am and Milford-Bennington.*
4. Milepost 16.36 to approximately Milepost 19.00 (Granite State Concrete quarry)
 - *State of New Hampshire owned, Milford-Bennington operated.*
5. Approx. Milepost 19.00 to Muzzy Hill Road, Greenfield, NH
 - *State of New Hampshire owned, Milford-Bennington operated. Last regularly used for daily service by the Wilton Scenic Railroad in 2005 and used infrequently since then.*
6. Muzzy Hill Road, Greenfield, NH to the Monadnock Paper Mill, Bennington, NH
 - *No regular train service, as far as I am aware, since Pan Am's abandonment of the Hillsboro Branch in 1986.*

Adverse Impact to Milford-Bennington's Customer

Any adverse impact to Granite State Concrete is also an adverse impact to the Town of Wilton. A reduction of service/capacity of the rail corridor for transporting stone would cause an increase in truck trips. This negatively affects the Town of Wilton due to truck traffic needing to pass through downtown Wilton via New Hampshire Route 31 to reach New Hampshire Route 101 to travel between the quarry in Wilton and the processing plant in Milford.

Pan Am advises in its filing that its operation plan is to provide "just as timely and as efficient as the existing service... and, if demand warrants it, Pan Am is committed to providing service up to five days a week." This proposition should not be accepted as-is based on the following points:

- The reality is that Pan Am, being a regional carrier, will have factors within its business outside of the Granite State service that could possibly affect the quality and frequency that exists today with Milford-Bennington. Pan Am's attribution of the relationship between Milford-Bennington and Granite State being "sweetheart deal" is the benefit of being a shortline operator. Shortline operators tend to have very close relationships with their customers, ensuring the customer needs are met both operationally and financially.
- With the possible rail service to the Quinn quarry adjacent to Granite State's quarry, Pan Am identifies in its filing that its Quinn train could pick up loaded Granite State cars and deliver them to the Milford plant. This train would then continue on to Nashua (milepost 0.00). The next day the Quinn train returns to gather the empty Granite State cars and returns to the quarries. In this proposal, there is no frequent shuttle of Granite State's loads, thus a reduction in service from existing levels. This is further reduced if a derailment occurs anywhere before Granite State's processing plant siding, which would put a disabled train between any available Pan Am crew and Granite State. This would then delay train service for Granite State for a few days, increasing truck traffic through downtown Wilton. This scenario is not unjust, as a minor

derailment occurred on/about March 23, 2018 near milepost 10.00 at the Amherst-Milford town line.

- Pan Am's proposal notes that its crew will take loaded cars from Milford-Bennington at milepost 16.36 and transport the loads to Granite State's processing plant siding and wait for Granite State to unload its cars. This unloading is a service provided by Milford-Bennington today. The customer will now need to accommodate for this reduction in service it receives from its servicing railroad.
- Due to current track speeds, only three round-trips are possible with the Milford-Bennington. Add the additional time of transferring the train from Milford-Bennington to Pan Am and vis-versa at Wilton this proposal would make the third round-trip not likely possible. Thus reducing the capacity being transported by rail and requiring the deficit to be recovered by additional truck trips.
- In Pan Am's filing in 2008 for the adverse discontinuance of New England Southern Railroad between Concord, New Hampshire and Manchester, New Hampshire, Pan Am also made a similar proposal regarding frequent service. Since 2010 when the final ruling was made by the STB, New England Southern's former customers have seen on average twice-a-week service by Pan Am.

Wilton Scenic Railroad's Business Relations with Pan Am Railways

My role on the Wilton Scenic Railroad was public relations on board the train, ensuring proper stock and supplies on the train, taking reservations, marketing, and developing special events. During the three years the railroad operated, I worked closely with the owner, the late Stuart Draper. Over that time, I've heard, second-hand, the various issues Mr. Draper had with working with Pan Am Railways. Based on these interactions, I would not trust Pan Am on its follow-through of their proposal.

It began with the arrival of the two former British Columbia Railway self-propelled passenger cars. One of the handrails on the cars had a minor deflection from a hard impact during its service in British Columbia. The cars interchanged through Canada and into New England. Upon arrival into Pan Am's Nashua Yard at milepost 0.00 of the Hillsboro Branch, Pan Am notified Mr. Draper of the bent handrail and it needed to be repaired prior to delivery to Milford-Bennington in Wilton. The arrangements of when to fix the handrail on Pan Am's property delayed the delivery of the cars by at least two weeks. It took less than a week for the cars to make their cross-country trek.

At the same time Mr. Draper was dealing with the issue of the bent handrail, it was noted that the cars were sitting in the Nashua yard in a backward orientation than what was requested for delivery. After addressing the handrail repair, Pan Am Railways then charged Mr. Draper a fee to have the train turned around, despite instructions of how the train needed to be delivered.

The third issue Mr. Draper had when dealing with Pan Am Railways was with insurance requirements per Pan Am to utilize the existing Trackage Rights Agreement for the Wilton Scenic train. At the time, Mr. Draper owned the historic Boston & Maine Railroad freight house and wished to open a formal

station facility for his business. To utilize the station building, it required about 450 feet of travel on Pan Am Railways from the ownership change at milepost 16.36. Upon proposing the idea to Pan Am, they requested Mr. Draper to get liability insurance at a specified dollar amount. Upon acquiring the necessary insurance, Pan Am then doubled the requirement and effectively ceasing the viability of the proposal and the station project.

Conclusion

While the business relationship between Pan Am and Milford-Bennington is downright tumultuous, strictly looking at the needs of the customer, Granite State Concrete, the customer service, level of service, and frequency required fits best with a shortline operator than a regional carrier. This is why I am supportive of the Milford-Bennington Railroad maintaining its operating authority over Pan Am Railways' portion Hillsboro Branch between milepost 11.00 and 16.36.

Continuing with the conclusion that a shortline operator should continue to serve Granite State, one has to wonder if remedying the business relationship requires eliminating the need for a Trackage Rights Agreement and thus a change in ownership of the rail line. For simple interchange operations, the Hillsboro Branch between approximately milepost 10.40 (Lordon's runaround) to milepost 16.36 could be sold or transferred from Pan Am to either Milford-Bennington or the State of New Hampshire. This idea is spurred from the actions taken by the ICC to transfer ownership of the Connecticut River Main Line from Pan Am to Amtrak/Central Vermont Railway in 1992. This would benefit Pan Am with the reduction of maintenance costs, running time and expenses, and property taxes for the six miles to serve its single customer on the west side of Milford.

I certify that I have this day served copies of the document upon the Parties of Record in this proceeding, by E-mail.

Signature /s/Matthew Cosgro

Date May 16, 2018

Respectfully,

Matthew Cosgro

Former Wilton Scenic Railroad employee