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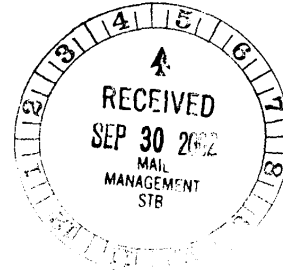
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September 30, 2002

VIA HAND DELIVERY

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



Re: **Finance Docket No. AB-124 (Sub-No. 2)**

**Waterloo Railway Company -- Adverse Discontinuance -- Lines
Of Bangor and Aroostook Railroad Company, and Van Buren
Bridge Company in Aroostook County, Maine**

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of **Petition for Waiver of Trustee of Bangor & Aroostook Railroad Company** dated September 30, 2002. A check in the amount of \$1300.00 representing the appropriate fee for the Petition, is enclosed. Trustee represents the estate of a bankrupt railroad and therefore by this letter we are requesting a waiver and refund of the enclosed filing fees. In addition, please note that we are requesting expedited consideration for the Petition for the reasons set forth therein.

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

Respectfully submitted,

Tracie D. Spear

Attorney for Trustee of Bangor & Aroostook
Railroad Company

FILED

SEP 30 2002

Enclosures **SURFACE
TRANSPORTATION BOARD**

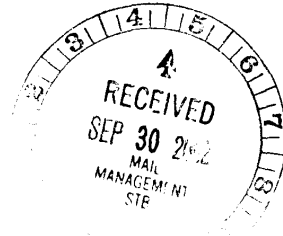
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TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

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DOCKET NO. AB-124 (Sub-No. 2)

WATERLOO RAILWAY COMPANY
--ADVERSE DISCONTINUANCE--
LINES OF BANGOR AND AROOSTOOK RAILROAD COMPANY AND
VAN BUREN BRIDGE COMPANY
IN AROOSTOOK COUNTY, MAINE

EXPEDITED CONSIDERATION REQUESTED

**PETITION FOR WAIVER OF
TRUSTEE OF BANGOR & AROOSTOOK RAILROAD COMPANY**

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**ATTORNEYS FOR TRUSTEE OF BANGOR &
AROOSTOOK RAILROAD COMPANY**

Dated: September 30, 2002

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-124 (Sub-No. 2)

WATERLOO RAILWAY COMPANY
--ADVERSE DISCONTINUANCE--
LINES OF BANGOR AND AROOSTOOK RAILROAD COMPANY AND
VAN BUREN BRIDGE COMPANY
IN AROOSTOOK COUNTY, MAINE

EXPEDITED CONSIDERATION REQUESTED

**PETITION FOR WAIVER OF
TRUSTEE OF BANGOR & AROOSTOOK RAILROAD COMPANY**

A. INTRODUCTION

Pursuant to 49 C.F.R § 1152.24(e)(5), James E. Howard, Esq., Trustee of the Bangor and Aroostook Railroad Company, Debtor (the "Trustee")¹ seeks waiver of certain requirements of the Surface Transportation Board's ("STB" or "Board") abandonment regulations for an adverse discontinuance application that Trustee intends to file in this proceeding pertaining to a freight easement held by Waterloo Railway Company ("WRC"). The Trustee also seeks certain minor related exemptions, as described below. These requirements are inapplicable or irrelevant in an adverse discontinuance context, and the Board has consistently granted waivers from such provisions in adverse abandonment and discontinuance cases.

¹ Although the Trustee is acting in his capacity as Trustee of Bangor and Aroostook Railroad Company ("BAR") and Van Buren Bridge Company ("VBBC"), for convenience we will refer to him as the Trustee of the BAR.

Currently, BAR provides rail freight service to the Fraser Paper ("Fraser") plant at Madawaska, Maine pursuant to a haulage arrangement with Canadian National Railway Company ("CN"). BAR moves cars between Fraser's Madawaska plant and an interchange with CN at St. Leonard, New Brunswick. CN provides long haul service beyond the interchange. BAR owns a portion of the track used to provide this service – between approximately MP 0.0 at Madawaska, Maine and approximately MP 22.72 at Van Buren (Canadian Junction), Maine. BAR's wholly-owned subsidiary, VBBC owns the track between approximately MP 0.0 at Van Buren, Maine and approximately MP 0.31 at the United States-Canadian Border (the referenced BAR-owned and VBBC-owned lines are collectively referred to as the "Subject Line").

WRC, a subsidiary of CN, acquired a non-exclusive freight operating easement over the Subject Line pursuant to a Notice of Exemption served March 21, 2001.

Waterloo Railway Company – Acquisition Exemption – Bangor and Aroostook Railroad Company and Van Buren Bridge Company (STB served March 21, 2001). WRC's easement is co-extensive and inextricably linked to the CN trackage rights over the Subject Line.²

B. WAIVER AND EXEMPTION REQUESTS

As the Board and its predecessor have consistently found, much of the information that the Board's regulations otherwise require in an abandonment or discontinuance application is largely inapplicable or irrelevant to the issues in an

² CN acquired trackage rights over the Subject Line pursuant to a Notice of Exemption served March 21, 2001. Canadian National Railway Company – Trackage Rights Exemption – Bangor and Aroostook Railroad Company and Van Buren Bridge Company, Finance Docket No. 34015 (STB served March 21, 2001).

adverse abandonment or discontinuance proceeding. Waiver of these portions of the Board's abandonment regulations is routine in adverse abandonment or discontinuance cases. Chelsea Property Owners – Abandonment -- Portion of Consolidated Rail Corporation's West 30th Street Secondary Track in New York, NY, Docket No. AB-167 (Sub-No. 1094) (ICC served July 19, 1989); Grand Trunk Western Railroad Incorporated -- Adverse Discontinuance of Trackage Rights Application -- A Line of Norfolk and Western Railway Company in Cincinnati, Hamilton County, OH, Docket No. AB-31 (Sub-No. 30) (STB served Feb. 12, 1998) ("Grand Trunk Western Railroad Incorporated"); and City of Rochelle, Illinois -- Adverse Discontinuance-Rochelle Railroad Company, STB Docket No. AB-549 (STB served June 5, 1998).

The Trustee requests waiver of the following informational requirements of 49 C.F.R. § 1152, Subpart C:

SECTION	REQUIREMENT
1152.20(a)(3)	Posting requirements ³
1152.22(a)(5), 1152.10 – 1152.14	System diagram map ⁴
1152.22(d)	Revenue and cost data

On August 9, 2002, in Docket No. AB-279 (Sub-No. 3), the Trustee filed a Petition for Waiver in connection with, inter alia, the Trustee's forthcoming application

³ To the extent deemed necessary for the forthcoming adverse discontinuance application, Trustee also requests an exemption, pursuant to 49 U.S.C. § 10502, from the posting requirements of 49 U.S.C. § 10903(a)(3)(B).

⁴ To the extent deemed necessary for the forthcoming adverse discontinuance application, Trustee also requests exemption, pursuant to 49 U.S.C. § 10502, from the SDM requirements of 49 U.S.C. § 10903(c)(2).

for adverse discontinuance of trackage rights held by CN.⁵ On September 25, 2002, the STB issued a decision granting the Trustee's Petition for Waiver with respect to the abandonment regulations for which the Trustee now seeks waiver and exemption in this docket. CN Waiver Decision at 1, 4-7. Since the WRC easement is co-extensive and inextricably linked to the CN trackage rights, waiver in this docket of the requirements waived in the CN trackage rights docket is particularly appropriate.

The posting requirements (49 C.F.R. § 1152.20(a)(3)) and the corresponding requirements of § 1152.20(b)(2)) should be waived. The STB already has granted waiver/exemption of these requirements for the Trustee's application for adverse discontinuance of the CN trackage rights because BAR employees would not be adversely affected by discontinuance of the CN trackage rights and CN has not instituted service on the Subject Line and thus has no employees on the line to read the posted notices. CN Waiver Decision at 4. Waterloo also has no employees (or operations) on the Subject Line.

Waiver of the system diagram map requirements, 49 C.F.R. § 1152, Subpart B, is appropriate. The STB granted waiver/exemption of these requirements for the Trustee's application for adverse discontinuance of the CN trackage rights, CN Waiver Decision at 4, and this waiver is routine in adverse cases.

⁵ The Petition for Waiver in Docket No. AB-279 (Sub-No. 3) also covered the discontinuance of the WRC easement. In a decision served September 25, 2002, the STB said it would require the Trustee to file a separate application to terminate WRC's easement, following the procedures required for an application (including seeking waivers and exemptions, if needed). Canadian National Railway Company – Adverse Discontinuance – Lines of Bangor and Aroostook Railroad Company and Van Buren Bridge Company and Aroostook County, ME, Docket No. AB-279 (Sub-No. 3) (STB served September 25, 2002) (the "CN Waiver Decision"). The Trustee is seeking reconsideration of this aspect of the CN Waiver Decision and, in the alternative, filing this Petition for Waiver in this docket.

The Trustee's request for waiver of the revenue and cost data requirements of § 1152.22(d) should be granted. In the CN Waiver Decision, the STB noted that the requirement to submit revenue and cost information is "intended to apply to carriers seeking to discontinue their own operations on the grounds that those operations are a burden on interstate commerce...." Id. at 6. The STB noted that the Trustee is not arguing that CN should be forced to discontinue its trackage rights on the ground that their exercise will be unprofitable to CN. Id. Likewise, the Trustee is not arguing that WRC should be forced to discontinue its easement because it will be unprofitable to WRC.

The Trustee also seeks exemption from the offer of financial assistance requirements of 49 U.S.C. § 10904 and waiver of the related regulations, 49 C.F.R. § 1152.27. The Trustee's request for exemption from the offer of financial assistance requirements and waiver of corresponding regulations in connection with the forthcoming adverse discontinuance of the CN trackage rights was granted by the STB. CN Waiver Decision at 5. The same rationale applies to the instant proceeding - if the STB finds that the public convenience and necessity do not require continuation of the WRC easement, it would be inconsistent to allow another carrier to preserve rights granted under the easement, over the objection of the Trustee.

C. REQUEST FOR EXPEDITED CONSIDERATION

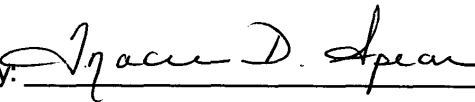
The Board's regulations and decisions indicate a preference that waivers be requested and obtained before an adverse application is filed. 49 C.F.R. § 1152.24(e)(5); Grand Trunk Western Railroad Incorporated at 2. The Trustee

respectfully requests expedited consideration of this Waiver Petition and a Board decision issued and effective as soon as practicable.

* * * * *

WHEREFORE, James E. Howard, Esq., Trustee of the Bangor and Aroostook Railroad Company, respectfully requests that the Board grant the requested waivers and exemptions set forth herein.

Respectfully submitted,

By: 

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**ATTORNEYS FOR TRUSTEE OF BANGOR &
AROOSTOOK RAILROAD COMPANY**

Dated: September 30, 2002

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of September, 2002, a copy of the foregoing
Petition for Waiver of Trustee of Bangor & Aroostook Railroad Company was
served by first class mail, postage prepaid, upon:

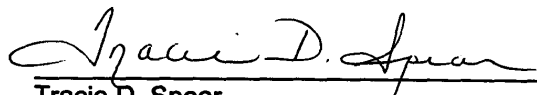
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