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LEONARD KOPELMAN
DONALD G. PAIGE
ELIZABETH A. LANE
JOYCE FRANK
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DAVID C. JENKINS
MARK R. REICH

EDWARD M. REILLY
DIRECTOR WESTERN OFFICE

WILLIAM HEWIG III
JEANNE S. MCKNIGHT
KATHLEEN M. O'DONNELL

KOPELMAN AND PAIGE, P. C.

ATTORNEYS AT LAW

31 ST. JAMES AVENUE

BOSTON, MASSACHUSETTS 02116-4102

(617) 558-0007
FAX (617) 654-1735

PITTSFIELD OFFICE
(413) 443-6100

NORTHAMPTON OFFICE
(413) 585-8632

WORCESTER OFFICE
(508) 752-0203

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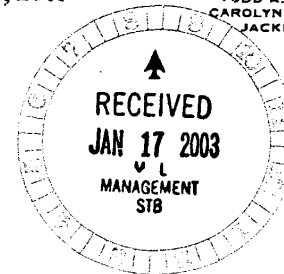
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TODD A. FRAMPTON
CAROLYN M. MURRAY
JACKIE A. COWIN

BY FACSIMILE: 202-565-9004 and
BY FIRST CLASS MAIL

Hon. Vernon A. Williams
Secretary, Surface Transportation Board
Mercury Building, Room 700
1925 K Street, N.W.
Washington D.C. 20423



Re: Finance Docket No. 34281: LB Railco, Inc. - Lease and Operation Exemption -
Providence and Worcester Railway Company

Dear Secretary Williams:

I am counsel to the Town of Millbury ("Town"). I am writing in response to the letter to the Surface Transportation Board ("Board") dated January 14, 2003 from John F. McHugh, Esq., counsel to LB Railco, Inc. In the letter, LB Railco requests a further extension of time until January 31, 2003 to respond to pending motions and submissions, and also seeks a "directive" from the Board that "no submissions served or received by the Board after [January 24, 2003] need be responded to nor will they be considered by the Board."

The Town has no objection to the Board granting the requested further extension of time to LB Railco for its response to the Town's Petition to Revoke Exemption (and for its response to filings by other parties to this proceeding). The Town does, however, object to LB Railco's request for a "directive" that would seemingly preclude any further filings in this matter, without regard to whether such filings would ordinarily be allowed by the Board's rules. The Town respectfully suggests that the Board's rules are sufficient to address the appropriateness of any future filings and the manner in which parties to this proceeding may respond to such filings.

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The cut-off date of January 24, 2003 sought by LB Railco for all submissions concerning its Notice of Exemption would seemingly preclude filings by additional parties. This would be inconsistent with the Board's regulations invoked by LB Railco within its Notice of Exemption, 49 CFR 1150.41 et seq., which do not impose a deadline on the filing of a petition to revoke a Notice of Exemption. Further, if a Notice contains false or misleading information, the Exemption is void ab initio. 49 CFR 1150.42(c). The directive sought by LB Railco, based on its filing of a Notice of Exemption, might prevent the Board from receiving and considering information relating to the validity of the information in LB Railco's filings.

Establishing a cut-off date for submissions concerning this project would also be inconsistent with the very basis for the Board's Decision of November 22, 2002, in which the Board stayed the Notice of Exemption. The Board stated in the Decision that the Notice contained "insufficient information to enable the Board to determine the extent to which environmental review is required." The Board itself may conclude, after receiving LB Railco's forthcoming reply, that further information or clarification is needed, whether from LB Railco or from other parties. The directive sought by LB Railco would potentially tie the Board's hands and preclude it from obtaining all of the information that it needs to determine the status of this project as a rail transportation facility, the validity of LB Railco's assertions of federal preemption, and the need for an environmental assessment and/or an environmental impact statement.

The Board's standard procedures impose sufficient controls on the filing of documents by parties. For example, 49 CFR 1104.13(c) does not permit a reply to a reply. If additional documents that are allowed by the Board's regulations are filed with the Board after LB Railco has filed its reply to the outstanding motions and petitions for action by the Board on the Notice of Exemption, LB Railco will have the period allowed by the Board's regulations to prepare and file an additional reply to such subsequent filings. LB Railco can hardly argue that it is disadvantaged by having further opportunities to advocate on behalf of its project.

LB Railco refers to the "confusion" engendered by recent filings. LB Railco's own filings have been ambiguous in their procedural posture. LB Railco asserts in its January 14th letter that it "never filed a motion to lift the stay." Technically, its prior filing (the "Reply" filed on December 10th) was not styled as a "motion," but the opening sentence of the Reply sought precisely that action from the Board: "LB Railco (the Petitioner) requests that the Board deny the two pending motions and lift the stay imposed on its authorization to operate by the Board's order" (Emphasis added.) Further, the Verification signed by William W. Gay (page 21 of the Reply) states in part: "I have read the motion to lift the Stay and the materials in opposition to the Motions of the Massachusetts Department of Environmental Protection and the Town of Millbury" (Emphasis added.)

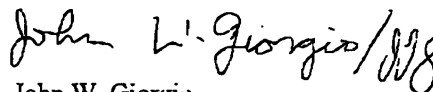
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There have indeed been a number of filings, by a number of parties, challenging LB Railco's Notice of Exemption. That is due to the fact that LB Railco's own filings have been seriously deficient, and that the project would violate federal, state, and municipal laws within the jurisdiction or concern of several public entities (as well as creating a competitive disincentive for recycling, to the detriment of the petitioning solid waste processors). . To LB Railco, the variety of parties participating in this matter may be an annoyance, but for the Board, it should be a signal that the issues raised by this project are significant and that the Board's ultimate decision will have far-reaching impacts.

The Board should not issue the "directive" sought by LB Railco, but should instead continue to seek all documentation and information needed by the Board to make a reasoned and informed decision on the issues raised by the various parties.

Very truly yours,


John W. Giorgio

JWG/JJG/bp

Enc.

cc: Board of Selectmen
180014/MIL/0045

CERTIFICATE OF SERVICE

I hereby certify that I have on this 16th day of January, 2003 served copies of the foregoing upon the following parties of record in this proceeding by facsimile and first-class mail in accordance with the rules of practice of the Surface Transportation Board:

BY FACSIMILE: 212-483-0876

John F. McHugh, Esq.
6 Water Street, Suite 401
New York, NY 10004

BY FACSIMILE: 508-792-7621

Mary Jude Pigsley, Esq.
Senior Regional Counsel
Massachusetts Department of Environmental Protection
627 Main Street
Worcester, MA 01608

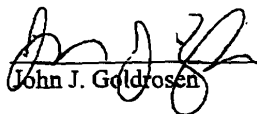
BY FACSIMILE: 401-762-0530

Michael Creasey
Blackstone River Valley National Heritage Corridor Commission
One Depot Square
Woonsocket, RI 02895

BY FACSIMILE: 508-756-7636

Stephen M. Richmond, Esq.
Bowditch & Dewey, LLP
161 Worcester Road
Framingham, MA 01701-9320

Dated: January 16, 2003


John J. Goldrosen

Pittsfield



202-565-9004

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