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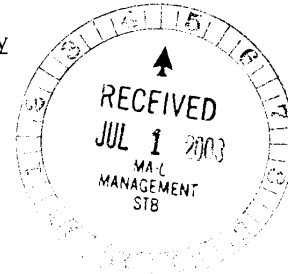
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OF COUNSEL
KAREN R. O'BRIEN

July 1, 2003

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

By Hand Delivery
ENTERED
Office of Proceedings
JUL 1 2003
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Re: Finance Docket No. 34364
Vermont Railway, Inc. -- Petition for Declaratory Order

Dear Secretary Williams:

As counsel for Petitioner, Vermont Railway, Inc. ("VTR"), we are in receipt of a Motion for Extension of Time filed by the Office of the Attorney General of the State of Vermont (the "State"), requesting 45 additional days in which to respond to VTR's Petition. Under the Board's rules, the State had 20 days to respond as of right. If the requested extension is granted, the State would have a total of 65 days in which to respond, or until August 21, 2003. For the reasons advanced below, VTR objects to any extension in excess of 30 days.

The State asserts that it wants time to investigate the Petition, which involves preemption issues, and has "very limited resources." The State also asserts that those resources will be occupied with preparation for a July 2003 trial involving VTR's affiliate that is scheduled to be "heard" by a federal district court during July 2003. That case also involves preemption issues.

VTR believes that the State's extension request is excessive. Based on information from counsel of record for VTR's affiliate in the pending federal court action, we understand that the trial date in the federal court case is August 20, 2003 (although that fact was not known to the State when it made its extension request). A copy of the court's notice of that trial date is attached. The new due date sought by the State is August 21. Clearly, the State's request will create more problems than it will solve under the new trial date. Moreover, were the Board to grant the State's pending request, it is predictable that yet another extension would be sought by the State as August 20 approaches and the State finds itself preparing for trial.

ENTERED
Office of Proceedings

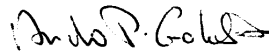
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VTR's Petition explains why it is important that its Petition be processed expeditiously. It should be remembered that the State has been intensively involved in declaratory order proceedings involving preemption issues of the type involved here and is familiar with the governing law. We see no reason why the State's desire for more than two months in which to respond to the Petition should completely outweigh VTR's explained need for prompt processing of its Petition.

Accordingly, as a compromise, VTR will not object to a 30-day extension, to August 6, 2003, for the State to file its reply. We ask the Board, however, not to grant the full 45 days sought by the State, which is almost certainly going to lead to additional extension requests.

Sincerely,



Andrew P. Goldstein
Attorney for Vermont Railway, Inc.

cc: All Parties Served With the Petition

U.S. DISTRICT COURT
DISTRICT OF VERMONT
FILED

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NOTICE OF HEARING

2003 JUL -1 PM 3:10

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF VERMONT

CLERK
BY Amor
DEPUTY CLERK

Green Mountain Railroad Corp.

v.

State of Vermont

1:01-cv181

TAKE NOTICE that the above-entitled case has been scheduled at 10:00 a.m., on Friday, July 18, 2003, at BRATTLEBORO, Vermont, before Honorable J. Garvan Murtha, U.S. District Judge, for I.R. 16.2 Pretrial Conference. Trial by Court will start Wednesday, August 20, 2003, at 10:30 a.m.

Room No. Main Courtroom
Date mailed: July 1, 2003
Originally Scheduled:

RICHARD PAUL WASKO, Clerk

By Anne M. Nealley
Deputy Clerk

TO:

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*Parties are advised that videoconferencing is an available option based on the needs of the parties, availability of the equipment, and at the discretion of the presiding judge. If one wishes to appear via videoconference, please contact chambers at least two days in advance of the hearing date.