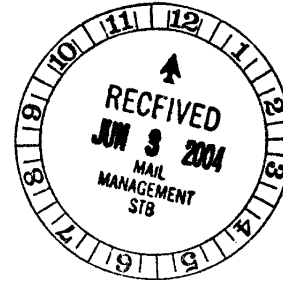


211201



FOUNDED 1844



May 26, 2004

VIA FACSIMILE AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7099 3400 0008 9063 2480

ENTERED
Office of Proceedings

JUN 3 - 2004

Part of
Public Record

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

RE: **STB Docket No. AB-254 (Sub-No. 7X)**
Providence and Worcester Railroad Company ("P&W") – Abandonment
Exemption in Southbridge, Webster and Dudley, Massachusetts,
Thompson, Connecticut ("Southbridge Running Track" or "SRT")

Dear Secretary Williams:

This letter is in response to the May 19, 2004 request by the Commonwealth of Massachusetts Executive Office of Transportation and Construction (the "Commonwealth") for a six month extension to complete negotiations in connection with the NITU issued by the Board in its decision served on December 2, 2003.

As has been previously stated, the Commonwealth and P&W have a long history of negotiations dating back to the early 1990's regarding the purchase of the Southbridge Running Track. P&W granted the Massachusetts Highway Department ("MHD") the right to remove a railroad bridge in downtown Southbridge in 2000 in order to accommodate MHD's construction projects and in reliance on the understanding that the Commonwealth would purchase the line. In fact, this severed P&W's continuous corridor and although we have requested that the bridge be rebuilt, the Commonwealth has not complied with our request. As I am sure you can understand, it is imperative that P&W's ability to sell the SRT does not continue to be impaired if the Commonwealth fails to purchase the property.

Since imposition of the NITU in December 2003, P&W has worked with the Commonwealth to assist in compiling title documentation, maps and unrecorded agreements. In addition to this

PROVIDENCE AND WORCESTER RAILROAD COMPANY
75 HAMMOND STREET, WORCESTER, MA 01610 P.O. BOX 16551, WORCESTER, MA 01601
TELEPHONE (508) 755-4000 FAX (508) 795-0748



Secretary Williams
May 26, 2004
Page 2

time period, the Commonwealth has had 10+ years to assemble information, conduct a title review, and perform whatever due diligence is necessary. P&W can not wait an additional six months for this work to be done while the property remains "on hold" at the Commonwealth's discretion. We have been ready, willing and able to sell the SRT for a number of years and are prepared to abandon the property immediately.

Nonetheless, P&W is amenable to a sixty day extension to complete negotiations and consummate the transaction. We anticipate that good faith efforts will be made to adhere as closely as possible to the spirit of negotiations thus far. If an agreement cannot be reached among the parties at the conclusion of the time period imposed by the STB, P&W will exercise its right to terminate negotiations and seek to implement the abandonment. In that event, P&W will insist that the bridge be immediately restored.

We look forward to working with the Commonwealth in completing this transaction as expeditiously as possible. Please do not hesitate to contact me if you have any questions or need any further information.

Respectfully yours,

Amy Silverstein
Assistant General Counsel

cc: EOTC