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ENTERED
Office of Proceeding

June 1, 2004

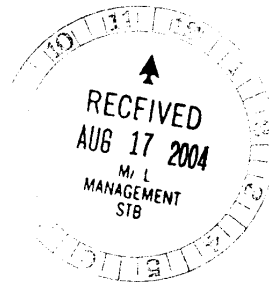
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AUG 17 2004

SUBJECT
TRANSPORTATION BOARD



Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Twin State Railroad Company, Inc. – Abandonment and Discontinuance of Service – In Caledonia and Essex Counties, Vermont – Surface Transportation Board Docket No. AB-862X

Dear Mr. Williams:

Enclosed for filing in the above-referenced proceeding please find an executed original and ten (10) copies of the Verified Notice of Exemption of the Twin State Railroad Company, Inc.

A check in the amount of \$2,800 covering the requisite filing fee is also enclosed.

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

FILED

AUG 17 2004

Enclosures TRANSPORTATION BOARD

Very truly yours,

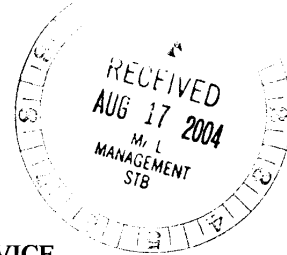
David H. Anderson
Counsel for the Twin State
Railroad Company, Inc.

Before the
SURFACE TRANSPORTATION BOARD
Washington, DC

DOCKET NO. AB-862X

TWIN STATE RAILROAD COMPANY --
ADANDONMENT AND DISCONTINUANCE OF SERVICE
IN CALEDONIA AND ESSEX COUNTIES, VERMONT

VERIFIED NOTICE OF EXEMPTION



David H. Anderson, Esq.
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Counsel for the Twin State
Coast Railroad Company, Inc.

Dated: June 1, 2004

Before the
SURFACE TRANSPORTATION BOARD
Washington, DC

DOCKET NO. AB-862X

TWIN STATE RAILROAD COMPANY --
ABANDONMENT AND DISCONTINUANCE OF SERVICE
IN CALEDONIA AND ESSEX COUNTIES, VERMONT

VERIFIED NOTICE OF EXEMPTION

INTRODUCTION

Twin State Railroad Company, Inc. ("TSRR") hereby files this Verified Notice of Exemption pursuant to 49 C.F.R. 1152.50 in order to abandon and discontinue service over approximately twenty (20) route miles of rail line between railroad milepost 0.057 in St. Johnsbury, Vermont and railroad engineering station 5503 at River Road (Town Road) in Lunenburg (Gilman), Vermont, located in Caledonia and Essex Counties, Vermont (the "Subject Line").

The Subject Line is a portion of the TSRR's rail line that extends between St. Johnsbury, Vermont and Whitefield, New Hampshire (the "TSRR Line").

Related to this matter is a line of railroad owned by the State of Vermont, through its Agency of Transportation, which was previously operated by the Lamoille Valley Railroad Company ("LVRC") and which extended approximately 98 miles between Swanton, Vermont and St. Johnsbury, Vermont (the "LVRC Line"). The TSRR Line and the LVRC Line connected at St. Johnsbury, and thus comprised a continuous corridor from Swanton, Vermont to Whitefield, New Hampshire. Rail traffic on the LVRC Line dried up many years ago. A highest and best use analysis conducted by the State of

Vermont, indicated little or no likelihood of any return of rail traffic to the LVRC Line. Accordingly, and at the direction of the State of Vermont, the LVRC Line was recently abandoned. See, STB Docket No. AB-444 (Sub-No. 1X), *Lamoille Valley Railroad Company -- Abandonment and Discontinuance Exemption -- Caledonia, Washington, Orleans, Lamoille and Franklin Counties, Vermont*.

The LVRC and the TSRR were created to address the anti-competitive effects of the acquisition by Guilford Transportation Industries, Inc. of the Boston and Maine Corporation ("B&M"), the Delaware & Hudson Railway Company, Inc. ("D&H") and the Maine Central Railroad Corporation ("MEC"). To further explain the history of the Subject Line and its recent operations, TSRR would direct the Board to Finance Docket No. 29772, Guilford Transportation Industries, Inc. -- Control -- Boston and Maine Corporation (Decision served May 22, 1984), pursuant to which common control of LVRC and TSRR by the Northern Vermont Company ("NVC") was exempted from approval by the ICC.

TSRR would also direct the Board to Finance Docket No. 31545, Clyde S. and Sandra Forbes and CSF Acquisition, Inc. -- Acquisition of Control -- Northern Vermont Company (Decision served _____, 1989). As indicated in Finance Docket No. 31545, CSF Acquisition, Inc. ("CSF") owns 100% of the capital stock of NVC. NVC, in turn, owns 100% of the capital stock of the LVRC. LVRC operated the LVRC Line pursuant to lease and operating agreements with the State of Vermont from 1989 through the end of 2003. NVC also owns 100% of the capital stock of TSRR, which, since 1984, has operated the TSRR Line pursuant to a long-term lease agreement with MEC.

As indicated in the 1989 Petition for Exemption in that Finance Docket No. 31545, the Guilford merger transactions exacerbated an already anemic traffic and revenue situation for the LVRC and TSRR:

The LVRC is a shortline railroad which has experienced financial difficulties described at length in the record before the Commission in Guilford Transportation Industries, Inc. -- Control -- Boston and Maine Corporation, 366 I.C.C. 292-372 (December 3, 1982) ("Guilford merger case"). Prior to the mid 1970's it was a bridge carrier owned by the Samuel Pinsly family and operated under the name St. Johnsbury & Lamoille County Railroad Company ("SJ&LC"). After SJ&LC experienced financial difficulties, Pinsly sought and received abandonment authority. The State of Vermont acquired the [LVRC Line] post abandonment and leased it to a succession of shortline operators prior to LVRC's establishment in 1978 as a shipper-owned railroad. After a short period of subsidized operation immediately after startup, the LVRC became marginally profitable due to aggressive marketing as a bridge route. The LVRC experienced financial problems again in the early to mid 1980s due to loss of overhead traffic, which LVRC believes was diverted to competing B&M and MEC routes and deregulation of the railroad industry.

Anticipating the adverse affects of Guilford's control of B&M and MEC LVRC traffic and revenue base, the LVRC challenged that transaction before the Commission and in federal court. In settlement of that litigation, MEC in 1984 transferred to the NVC and LVRC a profitable branch between St. Johnsbury, VT and Whitefield, NH. NVC established TSRR as a new railroad corporation for the purpose of operating this [TSRR Line]. The TSRR has been marginally successful.

As required by the 1984 Settlement, MEC entered into a Lease and Operating Agreement with TSRR dated as of March 1, 1984 (the "TSRR Lease"). A copy of the TSRR Lease is attached hereto as Exhibit A. Reflecting the merits of the challenges raised by LVRC in the Guilford merger cases, the TSRR Lease provides for a long-term lease by TSRR of the TSRR Line, with numerous rights of extension. Section VIII of the TSRR Lease provides for an initial term that ran from March 1, 1984 through December

31, 1988, and provides TSRR with the right to renew the term for up to a maximum of additional four (4) ten-year periods. Accordingly, the total term of the TSRR Lease is 44 years and ten (10) months, with approximately 26 years remaining in that term.

The current ten (10) year period of the TSRR Lease commenced on January 1, 1999, and ends on December 31, 2008. Again, the TSRR Lease may be further extended by TSRR for two (2) additional ten (10) year terms, through December 31, 2028.

The TSRR Lease also provides expressly that MEC is exclusively responsible for marketing rail service to and from the Subject Line. Section IV of the TSRR Lease provides that "MEC shall have and retain the *exclusive* right to deal directly with shippers and receivers regarding traffic moving to or from the Line and to solicit such traffic in the best interest of MEC and the [Guilford system]." (Emphasis added.) MEC has failed miserably in that marketing effort.

The 1984 Settlement and the TSRR Lease also recognized the severe financial and operational difficulties that would be faced on the TSRR Line as a direct consequence of the consolidation of the B&M and MEC under Guilford. The TSRR Lease make expressly clear that TSRR has been and remains obligated only to maintain the TSRR Line, including the Subject Line, and operate the TSRR Line only up to levels that are concordant with the changing traffic demands on the TSRR Line. Section 2.02 of the TSRR Lease provides that "TSRR shall operate the Line and shall provide train service which shall be equal in all respects, including frequency, reliability and speed, to the service presently provided on the Line by MEC *or such other manner of service as may be warranted by traffic levels and operating conditions as they may exist from time*

to time." (Emphasis added.) Section 2.06 of the TSRR Lease provides that "TSRR shall, at its own expense, maintain the Line in good condition and repair so that freight train operations can be conducted on the Line *as warranted by traffic levels . . .*" (Emphasis added.) Section 1.03 of the TSRR Lease underscores this maintenance standard by permitting TSRR to retire portions of the TSRR Line, including the Subject Line, "which may no longer be required for the performance of the duties of TSRR under this Agreement, and MEC shall not unreasonably withhold approval of such requests." Under the TSRR Lease, TSRR has the express right to retain the proceeds from any such retirements.

Notwithstanding MEC's failure to market rail traffic on the Subject Line, TSRR has performed its operations on the Subject Line, and maintained the Subject Line, as warranted by changing traffic levels as required by the TSRR Lease. Since CSF assumed ownership of the TSRR, the TSRR Line has had only one actual or prospective customer: the paper mill at Gilman, Vermont. And the mill at Gilman has struggled badly over the years. In 1989, the mill was owned by Georgia Pacific, then sold to Simpson Paper Company in the early 1990s. Traffic levels on the line during this period were only in the vicinity of 800 carloads per year. Simpson Paper closed the mill in October 1999. At some later date, the mill was sold to American Tissue Company (aka, The Paper Mill at Gilman, Inc.). No request for rail service on the TSRR Line has been made by the mill since the October 1999 closure.

As further evidence of MEC's failure to meet its marketing obligations on the TSRR Line (including the Subject Line), TSRR would remind the Board that, in 2002,

MEC sold the eastern portion of the TSRR Line, between the mill at Gilman, Vermont and Whitefield, New Hampshire. See, Finance Docket No. _____, State of New Hampshire, Department of Transportation -- Acquisition and Operation Exemption -- Certain Assets of the Maine Central Railroad Company. Worth noting is that MEC / State of Hampshire transaction included trackage west of the switch into the Mill at Gilman, indicating an obvious and deliberate attempt by MEC and the State of New Hampshire to block rail access to the mill at Gilman from Vermont. MEC has also had substantive and numerous discussion with the State of Vermont about a possible sale of the Subject Line, presumably for snowmobile trail purposes. Those discussions can be confirmed by Vermont Agency of Transportation personnel.

In its operations, maintenance, administration and insurance of the Line, TSRR has made substantial investment in the Subject Line. Furthermore, as provided in Section 1.01 of the TSRR Lease, TSRR made a substantial one-time, up-front lease payment of \$200,000, which was to cover the *entire* 44 year and ten (10) month term. The only opportunity that remains today to recoup that substantial investment by TSRR is through the abandonment and discontinuance of service over the Subject Line, and through the sale of the rail, ties and other track materials on the Subject Line.

In short, the non-viability of freight rail service on the Subject Line has not had, and does not have, anything to do with the TSRR. That non-viability has been and continues to be a function of the misfortunes of the paper mill at Gilman, Vermont. That non-viability is also directly tied to MEC's flagrant and obvious interest in selling the TSRR Line (including the Subject Line) rather than meeting its contractual obligation

under the TSRR Lease to market and generate rail traffic on the Subject Line. For these reasons, TSRR seeks to exercise its contractual rights under the TSRR Lease to abandon and discontinue service over the Subject Line, so as to be able to sell and/or salvage the rail, ties and other track materials on the Subject Line.

COMPLIANCE WITH STB REGULATIONS

In accordance with the regulations of the Surface Transportation Board ("STB" or the "Board"), TSRR hereby submits the following information:

1. Exact Name of Applicant; Common Carrier Status -- 49 C.F.R. 1152.22(a)(1)-(2)

TSRR is a Class III common carrier by railroad subject to the jurisdiction of the Board. For a description of the formation and history of the TSRR, please see Finance Docket No. 29772, Guilford Transportation Industries, Inc. -- Control -- Boston and Maine Corporation (Decision served May 22, 1984), pursuant to which common control of LVRC and TSRR by the Northern Vermont Company ("NVC") was exempted from approval by the ICC. TSRR would also direct the Board to Finance Docket No. 31545, Clyde S. and Sandra Forbes and CSF Acquisition, Inc. -- Acquisition of Control -- Northern Vermont Company (Decision served _____, 1989).

2. Relief Sought -- 49 C.F.R. 1152.22(a)(3)

TSRR seeks authority to abandon and discontinue service over the Subject Line so that it may exercise any contractual rights it may have to sell and/or abandon the rails, ties and other materials on the Subject Line.

3. Map -- 49 C.F.R. 1152(a)(4)

Attached as Exhibit B to this Petition is a map depicting the Line and its relationship to cities, towns, nearby rail lines and highways.

4. Petitioner's Representative -- 49 C.F.R. 1152.22(a)(7)

Any questions concerning this Verified Notice of Exemption should be sent to TSRR's representative at the following address:

David H. Anderson, Esq.
Attorney at Law
288 Littleton Road, Suite 21
Westford, MA 01886
(978) 392-9995

5. Zip Codes of the Line -- 49 C.F.R. 1152.22(a)(8)

The Subject Line traverses United States Postal Service ZIP codes 05819, 05824 and 05906.

6. Qualification for Class Exemption -- 49 C.F.R. 1152.50(b)

TSRR certifies that no local traffic of any kind has moved over the Subject Line for at least two (2) years, and there is no overhead traffic on the Subject Line. In addition, no formal complaint filed by a user of rail service on the Subject Line (or state or local governmental entity acting on behalf of such user) regarding cessation of service over the Subject Line either is pending with the Board or any U.S. District Court or has

been decided in favor of such complainant during the last two (2) years. See, Certification of Clyde S. Forbes, attached hereto as Exhibit C.

7. Proposed Consummation Date – 49 C.F.R. 1152.50(d)(2)

TSRR intends that the abandonment and discontinuance shall be effective fifty (50) days following the filing of this Verified Notice of Exemption.

8. Suitability for Other Public Purposes – 49 C.F.R. 1152.22(e)(4)

TSRR's Environmental and Historic Report in this matter was previously filed with the Board on or about November 7, 2003. A copy of that Report is attached to this Petition as Exhibit D. As indicated in that Report, TSRR believes that the Line may be suitable for conversion to certain public purposes, including recreational uses.

Based on information in TSRR's possession, the Line does not contain federally granted rights-of-way. Any documentation in TSR's possession in this regard will be made available promptly to those requesting it.

9. Notice Requirements – 49 C.F.R. 1152.50(d)(2), 1105.11 and 1105.12

A certificate that the agencies designated in 49 C.F.R. 1152.50(d)(1) were served with written pre-filing notice of this abandonment and discontinuance of service is attached hereto as Exhibit E. A certificate that the previously-filed Environmental and Historic Report was served on the agencies designated in 49 C.F.R. 1105.7(b) is attached to that Report. A copy of that Environmental and Historic Report is attached to this Petition as Exhibit D. A certification in accordance with 49 C.F.R. 1105.12 that TSRR has published notice of the proposed abandonment and discontinuance in a newspaper of general circulation in each county through which the Subject Line passes is attached

hereto as Exhibit F.

10. Labor Protection

TSRR understands that, under 49 U.S.C. 10505(g), the Board may not use its exemption authority to relieve a carrier of its statutory obligation to protect employee interests. Accordingly, TSRR anticipates that the Board will impose the employee protective conditions prescribed in Oregon Short Line R. Co. -- Abandonment -- Goshen, 360 I.C.C. 91 (1979). Nevertheless, TSRR does not anticipate that any employees will be adversely impacted by the abandonment.

11. Environmental and Historic Report -- 49 C.F.R. 1105

Again, the Environmental and Historic Report in this matter was previously filed with the Board on or about November 7, 2003. A copy of that Report is attached to this Verified Notice of Exemption as Exhibit D.

CONCLUSION

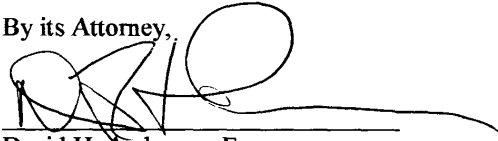
For all the reasons set forth herein, TSRR respectfully provides notice to the Board, pursuant to 49 U.S.C. 10505, regarding the exemption from the prior approval requirements of 49 U.S.C. 10903-10904 with respect to TSRR's abandonment of and discontinuance of service over the Subject Line.

[Signature Page Follows]

Respectfully submitted,

TWIN STATE RAILROAD
COMPANY, INC.

By its Attorney,

A handwritten signature in black ink, appearing to read 'D. Anderson', is written over a horizontal line.

David H. Anderson, Esq.
Law Office of David H. Anderson
288 Littleton Road, Suite 21
Westford, MA 01886
(978) 392-9995

Dated: June 1, 2004

)

Clyde S. Forbes, Jr.

My Commission Expires: 8/28/09

EXHIBIT A

LEASE AGREEMENT BETWEEN
MAINE CENTRAL RAILROAD COMPANY, INC.
AND
TWIN STATE RAILROAD COMPANY, INC.

Please see attached copy.

LEASE AND OPERATING AGREEMENT

THIS LEASE AND OPERATING AGREEMENT ("Agreement") dated as of the 1st day of March, 1984, by and among MAINE CENTRAL RAILROAD COMPANY, a Maine corporation ("MEC"), TWIN STATE RAILROAD CORPORATION, a Vermont corporation ("TSR"), and LAMOILLE VALLEY RAILROAD COMPANY, a Vermont corporation ("LVRC").

WITNESSETH:

WHEREAS, MEC, LVRC, the State of Vermont ("Vermont") and Guilford Transportation Industries, Inc. ("Guilford"), the owner of all of the outstanding common stock of MEC, have executed and delivered a Settlement Agreement dated as of November 1, 1983 (the "Settlement Agreement"), pursuant to which they have agreed to resolve, as of the Effective Date (as defined below), certain disputes arising in connection with the acquisition by Guilford of control of Boston and Maine Corporation ("B&M"); and

WHEREAS, the Settlement Agreement provides that MEC and LVRC will enter into an agreement for the operation of the line of railroad of MEC from Whitefield, New Hampshire to St. Johnsbury, Vermont by LVRC; and

WHEREAS, TSR has been organized as a wholly-owned subsidiary of Northern Vermont Corporation, which is also the owner of all of the outstanding stock of LVRC, to operate the Line (as defined below) as the designee of LVRC;

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants set forth herein and intending to be legally bound, hereby agree as follows:

I. GRANT OF AUTHORITY

1.01 In consideration of the payment, as of the Effective Date, of the sum of \$200,000 by TSR to MEC, MEC hereby leases and grants to TSR the right to use and operate, during the term of this Agreement and subject to the provisions of this Agreement and to the limitations set forth in Sections V and VI below, the line of railroad of MEC between the east MEC yard limit sign at approximately Mile Post P 103, Whitefield, New Hampshire and the west end of the MEC main track at approximately Mile Post 131.15, St. Johnsbury, Vermont, except a parcel of real property consisting of approximately 9.2 acres at South Lunenburg, Vermont, situated northerly of a line approximately 900 feet long lying 50 feet northerly of and parallel to the monumented baseline of MEC between the Connecticut River and Lunenburg State Aid Highway

RESERVED
PARCEL

No. 1. TSR shall have the right to use and operate the line of railroad and all appurtenant facilities, including tracks, bridges, culverts, signals, fences and buildings, which are used in connection with the operation of the line, all of which shall be referred to in this Agreement as the "Line".

1.02 MEC hereby assigns to TSR all leases, sidetrack agreements, licenses, private crossing agreements and other such agreements in connection with or relating to the Line listed in Appendix A attached hereto. TSR shall have the right on its own behalf to enter into such additional leases, sidetrack agreements, licenses, private crossing agreements or other such agreements in connection with or relating to the Line, subject, however, to the prior written consent of the Chief Engineer of MEC, which consent shall not be unreasonably withheld, and to collect and receive for its own account any rents or payments with respect to all such agreements. TSR shall have the right and responsibility to enter into agreements with states, municipalities or administrative agencies relating to highway grade crossings, highway bridges or grade crossing protection on the Line, subject, however, to the prior written consent of the Chief Engineer of MEC, which consent shall not be unreasonably withheld. MEC shall have and retain the exclusive right, and TSR shall be precluded from

claiming or exercising any right, to enter into agreements, so long as any such agreements do not adversely affect the operation of the Line, to convey the fee interest in any real property constituting part of the Line, to grant an easement affecting the Line or to resolve any taking by eminent domain affecting the Line. Upon termination of this Agreement, TSR shall assign or reassign to MEC all leases, sidetrack agreements, licenses, private crossing agreements and other such agreements in connection with or relating to the Line.

1.03 TSR may request MEC to retire any property on, or portion of, the Line which may no longer be required for the performance of the duties of TSR under this Agreement, and MEC shall not unreasonably withhold approval of such requests. TSR may retain for its own account any property recovered or proceeds received incidental to any such retirement, but retirement accounting shall be performed by MEC.

II. COVENANTS OF LVRC

TSR hereby covenants and agrees as follows:

2.01 As of the Effective Date, TSR shall pay to MEC the sum of \$200,000.

2.02 During the term of this Agreement, TSR shall operate the Line and shall provide train service which will be equal in all respects, including frequency, reliability and speed, to the service presently provided on the Line by MEC or such other manner of service as may be warranted by traffic levels and operating conditions as they may exist from time to time. TSR acknowledges that presently MEC provides service upon the demand of customers six days per week. TSR shall provide all locomotives, personnel and any other equipment (except that cars for loading shall be provided as stated in Section IV below) necessary in order to provide such service.

2.03 TSR shall offer to employ one MEC employee presently assigned to maintenance-of-way duties on the Line.

2.04 TSR shall assume and bear all costs related to its operation of the Line.

2.05 TSR shall file any returns or reports required by Vermont or New Hampshire in respect of franchise, corporate or income taxes and shall pay any taxes assessed on the basis of the earnings or income of, or operation of the Line by, TSR. TSR shall pay (i) 37.5% of the Vermont property and franchise tax, 32 Vermont Statutes Annotated, Chapter 211, §§ 8211-8286, as it or a similar tax law based on the value of

property used for railroad operations may be in effect from time to time, assessed in respect of that portion of the Line which is located in Vermont and (ii) 37.5% of the New Hampshire railroad and public utility tax, 1-A New Hampshire Statutes Annotated, Chapter 82, §§ 1-38, as it or a similar tax law based on the value of property used for railroad operations may be in effect from time to time, assessed in respect of that portion of the Line which is located in New Hampshire, whether any such taxes are assessed against TSR or MEC or both. Except for property taxes to be paid by MEC pursuant to Section 3.02 below and except as provided in the preceding sentence, TSR shall pay any other property taxes assessed on the Line.

2.06 TSR shall, at its own expense, maintain the Line in good condition and repair so that freight train operations can be conducted on the Line as warranted by traffic levels in a safe, efficient and economical manner and in compliance with all federal and state laws and regulations. Any property or materials used by TSR to replace or repair any property or materials in the Line shall be of equal or better quality compared to the property or materials so replaced or repaired.

2.07 TSR shall indemnify and save MEC, its parent and its officers, agents and employees harmless from and

against all liabilities, claims, charges, costs and expenses of whatever nature arising from or in connection with the use, operation or maintenance of the Line by TSR.

2.08 TSR shall, at all times during the term of this Agreement, maintain, from insurers approved by MEC, which approval shall not be unreasonably withheld, the following types and amounts of insurance coverage:

(a) insurance against loss or damage to property, including without limitation property of MEC, cargo and rolling stock, and against injury or death to persons, including without limitation employees of MEC, arising or incurred in connection with the operation, use or maintenance of the Line, in minimum amounts of (i) \$1,000,000 for injury or death of any person and \$2,000,000 for injury or death arising out of any occurrence and (ii) \$1,000,000 for any loss of or damage to property and \$2,000,000 for loss or damage arising out of any occurrence, in each case subject to a deductible not in excess of \$25,000; and

(b) insurance against loss or damage by fire and against loss or damage by other risks now or hereafter embraced by the terms "extended coverage" and "vandalism and malicious mischief" to any bridges located on the Line in an amount of \$1,000,000 for any occurrence, subject to a deductible not in excess of \$25,000.

TSR shall maintain the insurance described in subsection 2.08(a) above at its sole expense and shall pay 37.5% of the cost of the insurance described in subsection 2.08(b) above.

III. COVENANTS OF MEC

MEC hereby covenants and agrees as follows:

3.01 MEC shall pay TSR \$300 for each loaded car (but not including any MEC company material cars or MEC non-revenue equipment) handled by TSR on the Line. On January 1, 1985, and on January 1 of each succeeding year this Agreement is in force and effect, the amount paid by MEC to TSR for each loaded car so handled by TSR shall be increased or decreased, as the case may be, by multiplying \$300 by a fraction, the numerator of which shall be the "Labor, Fuel and Materials and Supplies Combined" portion of the Railroad Cost Recovery Index of the Association of American Railroads and the denominator of which

shall be such Index as of January 1, 1984. If the Association of American Railroads ceases publication of such Index, the parties hereto shall utilize such other index, for the purpose of adjusting the payment for each loaded car, that fairly reflects the increased or decreased costs of labor, fuel and materials and supplies incurred in operating railroads in the United States. No payment shall be due from MEC to TSR for the handling by TSR of empty cars which are loaded or made empty on the Line. TSR shall bill MEC after the conclusion of each month. Such bills shall show the car number and the date or dates of handling for each loaded car for which payment is requested. Within 15 business days after the receipt of any such bill, MEC shall make the payment due TSR.

3.02 MEC shall file any returns or reports required by Vermont or New Hampshire in respect of franchise, corporate or income taxes and shall pay any taxes assessed on the basis of the income or earnings of MEC in respect of the Line. MEC shall pay (i) 62.5% of the Vermont property and franchise tax, 32 Vermont Statutes Annotated, Chapter 211, §§8211-8286, as it or a similar tax law based on the value of property used for railroad operations may be in effect from time to time, assessed in respect of that portion of the Line which is located in Vermont and (ii) 62.5% of the New Hampshire railroad

and public utility tax, 1-A New Hampshire States Annotated, Chapter 82, §§1-38, as it or a similar tax law based on the value of property used for railroad operations may be in effect from time to time, assessed in respect of that portion of the Line which is located in New Hampshire, whether any such taxes are assessed against MEC or TSR or both. MEC shall pay property taxes assessed on the parcel of real property described in Section 1.01 above as not being subject to this Agreement.

3.03 MEC shall pay 62.5% of the cost of the insurance described in subsection 2.08(b) above.

IV. OPERATION AND TRAFFIC

4.01 TSR shall handle cars on the Line for the account of MEC. MEC shall have and retain the exclusive right to deal directly with shippers and receivers regarding traffic moving to or from the Line and to solicit such traffic in the best interests of MEC and the railroad system owned by Guilford (hereinafter referred to as the "Guilford system"). MEC shall provide all station agency functions related to the operation of the Line and shall furnish TSR such information as may be necessary for TSR to provide service to customers on the Line. MEC shall provide TSR with instructions concerning delivery

locations for traffic moving to or from the Line, and TSR shall comply with such instructions. TSR shall furnish MEC weekly with copies of each daily "Conductor's Train Report" completed with information relating to cars handled on the Line during each week. MEC shall have the right, at reasonable times, to review and obtain copies of any records of TSR or LVRC relating to traffic handled by TSR on the Line.

4.02 TSR shall first use Guilford system cars supplied to TSR for loading for any shippers located on the Line. To the extent that Guilford system cars are not so available, TSR may provide TSR or LVRC cars for loading. In the event that neither Guilford system cars nor TSR or LVRC cars are available, TSR shall use cars supplied to it by any Guilford system railroad.

4.03 TSR shall operate the Line under its own rules, except that TSR shall incorporate into its operating instructions MEC Time Table Special Instructions as they may be pertinent to operations of the Line, including MEC Time Table No. 2, dated April 11, 1982, pages 2 through 7 under Sections (Rules) 33a, 33b, 93, 98, 110 and 695.

V. DEFAULTS BY LVRC AND REMEDIES OF MEC

5.01 The following events or occurrences shall constitute defaults by TSR under this Agreement:

(a) the failure or inability of TSR to provide service on the Line, except when such failure or inability is caused by an event or occurrence such as an act of God, vandalism, strike, or order of a court or other governmental authority which (i) is not attributable, directly or indirectly, to any act or failure to act by TSR and (ii) cannot be cured by TSR without unreasonable delay or expense;

(b) the failure to maintain the Line in accordance with the standard established in Section 2.06 above;

(c) the failure to pay any of the costs and expenses to be paid by LVRC pursuant to Section 2.04 or Section 2.05 above; or

(d) the failure to comply with or to perform any other covenant or agreement undertaken by TSR pursuant to this Agreement.

5.02 In the event that MEC gives TSR and LVRC written notice of the occurrence of any default under this Agreement and TSR or LVRC, pursuant to Section XII below, does not cure any such default within 30 days after such notice, then MEC may, by further written notice to TSR and LVRC, with a copy to Vermont, terminate the rights and obligations of TSR and LVRC under this Agreement.

5.03 Notwithstanding any other provision of this Agreement, in the event that TSR fails to provide service in the manner required by Section 2.02 above, MEC may, at its option, provide service on the Line itself or through a carrier designated by MEC.

VI. SUBSTITUTION OF OPERATOR

6.01 The rights and obligations of TSR and LVRC under this Agreement shall terminate, but the Agreement shall remain in full force and effect, upon the occurrence of either of the following two events:

(a) provision of notice by MEC to TSR and LVRC of a default, as provided in Section 5.02 above, which TSR or LVRC has failed to cure within 30 days after notice of such default; or

(b) provision of notice by Vermont to MEC and LVRC to the effect that LVRC is in default under its lease with Vermont concerning the operation of the line of railroad between Swanton, Vermont and St. Johnsbury, Vermont or to the effect that LVRC has failed to renew such lease.

In either event, Vermont may, by notice to MEC and to TSR and LVRC, designate a new operator of the Line in place of TSR.

6.02 Subject to the approval of Guilford and the approval of or exemption by any regulatory agency which may have jurisdiction over such matters, any new operator so designated by Vermont shall assume all of the rights and obligations of TSR, except the rights set forth in Section VII below, under this Agreement.

VII. TERMINATION BY TSR

TSR may, at its option, terminate this Agreement (i) for any reason within two years after the Effective Date or (ii) if it handles less than 1,100 carloads on the Line in any calendar year during the period beginning on the second anniversary of the Effective Date and ending on December 31, 1988. If TSR so terminates this Agreement, or if the Agreement

terminates pursuant to the last sentence of Section VIII below, MEC shall pay TSR the sum of \$200,000; provided, however, that MEC shall have no obligation to pay any amount to TSR if the rights and obligations of TSR are terminated pursuant to Section VI above.

VIII. TERM

78
98
8
8
The initial term of this Agreement shall be from the Effective Date through December 31, 1988. At its option, TSR may renew this Agreement for a maximum of four 10-year periods subsequent to December 31, 1988. Notwithstanding any other provision of this Agreement, it shall terminate and be of no further force and effect as of June 30, 1984, unless such date is extended by MEC, in the event that Vermont has not provided assurances satisfactory to MEC by such date to the effect that Vermont has obtained the authority necessary to fulfill the obligations assumed by Vermont with respect to certain public structures and grade crossings in Vermont pursuant to paragraph 5 of the Settlement Agreement.

IX. NOTICES

All notices, requests and demands to or upon the parties hereto shall be deemed to have been given or made when deposited in the United States mails, postage prepaid, addressed as follows:

To:

Twin State Railroad Corporation
Stafford Avenue
Morrisville, Vermont 05661

with a copy to:

Robert A. Gensburg, Esq.
Gensburg & Axelrod
101 Eastern Avenue
P.O. Box 189
St. Johnsbury, Vermont 05819

To:

Lamoille Valley Railroad Company
Stafford Avenue
Morrisville, Vermont 05661

with a copy to:

Robert A. Gensburg, Esq.
Gensburg & Axelrod
101 Eastern Avenue
P. O. Box 189
St. Johnsbury, Vermont 05819

To:

Maine Central Railroad Company
242 St. John Street
Portland, Maine 04102

with copies to:

James E. Howard, Esq.
Kirkpatrick, Lockhart, Johnson & Hutchison
1500 Oliver Building
Pittsburgh, Pennsylvania 15222

and

Guilford Transportation Industries, Inc.
171 Orange Street
New Haven, Connecticut 06510

X. NO WAIVER; CUMULATIVE REMEDIES

No failure to exercise, and no delay in exercising on the part of any party of, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power, or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the parties hereunder are cumulative and not exclusive of any rights or remedies provided by law, and all such rights and remedies may be exercised singly or concurrently.

XI. ASSIGNMENT

This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto. TSR shall not assign this Agreement or any portion hereof except upon the prior, written consent of MEC.

XII. GUARANTY BY LVRC

LVRC hereby (i) guaranties the performance by TSR of its duties, covenants and obligations under this Agreement and (ii) if TSR fails to perform such duties or obligations or to fulfill such covenants or if there is a default by TSR

hereunder, consents to the enforcement by MEC against LVRC of any such duties, covenants and obligations and to the exercise of any rights, powers, remedies or privileges available hereunder or at law.

XIII. EFFECTIVE DATE

This Agreement shall become effective (the "Effective Date") only upon the occurrence of both of the following conditions precedent:

- (a) the litigation by LVRC, Vermont and Eastern Magnesia Talc Company relating to the acquisition of B&M, including the matter relating to LVRC remanded to the Interstate Commerce Commission ("ICC") pursuant to Lamoille Valley Railroad Co. v. ICC, 711 F.2d 295 (D.C. Cir. 1983), shall have been terminated and dismissed with prejudice by the ICC and any courts having jurisdiction over such matters; and
- (b) this Agreement, the Settlement Agreement and any transactions contemplated hereby or thereby shall have received such approvals, if any, as may be required by the ICC, Vermont or New Hampshire or

shall have been exempted from approvals, in each case by orders which have become final.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the day and year first above written.

Attest:

Attest

MAINE CENTRAL RAILROAD COMPANY

By *John F. Smith*

Attest:

Attest

LAMOILLE VALLEY RAILROAD COMPANY

By *Robert A. Gensburg*
Robert A. Gensburg
President

and
By *Edward A. Lewis*
Edward A. Lewis
General Manager

Attest:

Attest

TWIN STATE RAILROAD
CORPORATION

By *Robert A. Gensburg*

AGREEMENTS - WHITEFIELD, N.H. TO ST. JOHNSBURY, VT.

<u>Name</u>	<u>Description</u>	<u>Agreement Date</u>	<u>Annual Rent</u>
<u>Whitefield, N.H.</u>			
Hennessey, Herbert	Land Lease	5/17/65	10.00
Hutchins, Roger W.	" "	12/10/79	45.00
McIntyre, Douglas	" "	5/ 1/60	10.00
Stiles, Robert	" "	5/ 1/70	108.00
Way, Ralph A.	" "	8/ 5/76	25.00
New England Tel & Tel Co.	Wires	12/ 1/46	15.00
New England Tel & Tel Co.	U.G.Cable	12/20/61	38.00
New England Tel & Tel Co.	Aerial Cable	12/10/71	-
Public Service Co. of N.H.	115 KV Line	5/27/68	65.00
Bray, E. C.	Water Pipe	10/20/28	-
Town of Whitefield	Sewer	8/16/95	-
Town of Whitefield	Sewer	7/25/06	-
Town of Whitefield	Sewer	6/16/23	-
Town of Whitefield	Sewer	9/ 5/30	-
Town of Whitefield	Sewer	5/ 6/32	-
Whitefield Mfg. Co.	Water Pipe	6/25/12	-
<u>Dalton/Scotts, N.H.</u>			
White, C. N.	Post Brook	4/28/10	-
New England Tel & Tel Co.	Wires	12/ 1/46	15.00
New England Tel & Tel Co.	Cables	4/18/73	-
New England Tel & Tel Co.	Wires	5/22/74	25.00
New England Tel & Tel Co.	Cables	9/ 1/75	-
New England Tel & Tel Co.	Wires	9/15/75	25.00
Public Service Co. of N.H.	110,000 Volt Line	3/ 8/48	65.00
Public Service Co. of N.H.	33 KV Line	8/25/53	40.00
Public Service Co. of N.H.	115 KV Line	9/25/58	65.00
Public Service Co. of N.H.	7200 Volt Line	12/ 1/75	50.00
Twinstage Gas & Elect. Co.	Wires	10/ 6/23	Decree
Morin, George	Water Pipe	10/23/29	-
Cloutier, Leon	Pipe	9/13/26	-
Brooks, George	Temp.Crossing	9/20/73	-
Dorsey, B. S.	Temp.Crossing	4/ 9/81	95.00
White, R. R.	Temp.Crossing	6/ 9/81	95.00
<u>Lunenburg, VT.</u>			
New England Tel & Tel Co.	Wires	8/11/47	45.00
New England Power Co.	Trans. Line	1/21/55	5.00
Central Vt. Public Service	Wires	7/ 1/63	5.00
Smith, O. R.	Sewer	8/28/23	-

APPENDIX A
PAGE 2

<u>Name</u>	<u>Description</u>	<u>Agreement Date</u>	<u>Annual Rent</u>
<u>Gilman, VT.</u>			
Georgia Pacific Corp.	Yard Tracks	1/16/78	Ind.Owned
Georgia Pacific Corp.	8" Water Pipe	8/ 8/22	-
Georgia Pacific Corp.	8" Sewer	7/ 8/24	-
Georgia Pacific Corp.	Steam & Wtr.Pipes	5/22/36	-
Georgia Pacific Corp.	Wtr.& Sewer Pipes	11/25/47	-
Georgia Pacific Corp.	Hopper & Conveyors	11/25/47	-
Georgia Pacific Corp.	Private Crossings	4/20/78	-
Bernard, P.	Water	10/27/23	-
<u>East Concord, VT.</u>			
Ranney, S. C.	1/2" Water Pipe	7/12/16	-
<u>Miles Pond, VT.</u>			
Caldbeck-Cosgrove Corp.	Water Pipe	9/22/22	-
State of Vermont	" "	10/15/68	10.00
Renfrew, E. R.	Foot Crossing	6/10/71	-
<u>No. Concord, VT.</u>			
Copp, Carroll D.	Land Lease	11/ 1/56	-
Copp, Carroll D.	Water Pipe	11/ 1/56	-
Copp, Carroll D.	2" Water Pipe	10/15/69	10.00
Johnson Lumber Co.	3/4" Water Pipe	12/ 7/37	-
State of Vermont	Conduit	3/10/38	-
Central Vt. Public Service	Guy Wire	5/ 8/47	-
<u>Concord, VT.</u>			
Central Vt. Public Service	Wires	7/ 8/49	5.00
New England Tel & Tel Co.	"	4/ 1/48	15.00
New England Tel & Tel Co.	"	12/10/57	15.00
New England Tel & Tel Co.	Guy Wires	12/10/57	15.00
New England Tel & Tel Co.	Aerial Cable	6/15/57	25.00
Hood, H. P. & Sons	Water Pipe	12/ 9/19	-
Lewis, E. C.	Water Pipe	4/23/17	-
Village of Concord	Sewer	9/28/15	-
<u>East St. Johnsbury, VT.</u>			
Congregational Church	Sewer	10/26/21	-
Croteau, Paul	Water Pipe	9/ 1/53	5.00
Lee, R. J.	Sewer	7/18/14	-

APPENDIX A
PAGE 3

<u>Name</u>	<u>Description</u>	<u>Agreement Date</u>	<u>Annual Rent</u>
<u>St. Johnsbury, VT.</u>			
Dolgin, Steven	Land Lease	7/16/79	25.00
Gravelin, Elmer	" "	7/ 1/61	14.00
Judd, Alfonso R.	" "	8/ 1/81	25.00
Lewisburg Chair Co.	" "	4/ 1/61	5.00
Maple Grove, Inc.	" "	3/31/69	135.00
Murphy, Bernard J.	" "	7/29/66	90.00
Peck Co., The	" "	5/ 1/61	75.00
Sangravco, Lawrence, Inc.	" "	9/20/78	25.00
Vermont Salvage Corp.	" "	7/10/61	15.00
Colt Industries, Inc.	Tracks 16 & 18	9/22/66	Ind.Owned
Maple Grove/Peck Co.	Track 5	12/ 5/69	" "
Rossi, Alan D.	Track 10	2/23/81	" "
True Temper Corp.	613 Ft. Track 8	7/11/49	" "
True Temper Corp.	45 Ft. Track 8	9/ 1/49	" "
Vermont Salvage Corp.	250 Ft. Track 14	7/ 1/55	" "
Vermont Salvage Corp.	450 Ft. Track 14	4/ 5/52	" "
Central Vt. Public Service	Wires	7/ 3/47	5.00
Central Vt. Public Service	"	1/20/49	5.00
Central Vt. Public Service	"	11/14/50	5.00
Central Vt. Public Service	"	10/20/59	5.00
Central Vt. Public Service	7200 Volt Line	9/ 8/66	25.00
Central Vt. Public Service	34.5 KV Line	1/12/67	40.00
New England Tel & Tel Co.	Wires	1/ 3/49	15.00
New England Tel & Tel Co.	Aerial Cable	6/17/81	25.00
New England Tel & Tel Co.	Cables	4/15/82	-
New England Tel & Tel Co.	Guy Wires	6/17/82	25.00
Sangravco, Lawrence, Inc.	120 Volt Line	6/15/76	25.00
St. Johnsbury Comm. Tele.	Wires	3/20/67	25.00
Vermont Elect. Power Co.	115 KV Line	4/10/72	150.00
Carpenter, C. W.	14" Water Pipe	7/ 6/60	-
Colt Industries, Inc.	4" Water Pipe	1/12/66	10.00
Dean, H. C.	Sewer	1/ 2/17	-
Goodrich, R. B.	12" Water Pipe	12/ 5/69	-
Hudson, K. A.	Sewer	5/25/48	-
Maple Grove, Inc.	Pipes	3/31/69	10.00
Murphy, B. J.	6" Sewer	9/16/67	10.00
Passumpsic Tel. Co.	Conduit	9/15/12	-
Passumpsic Tel. Co.	"	7/30/12	-
Potvin, C. P.	Pipes	8/10/82	25.00
Riverside Lumber Co.	Water	12/ 9/15	-
Town of St. Johnsbury	10" C.I. Pipe	5/28/31	-
Town of St. Johnsbury	14" Water Pipe	8/30/34	-
Town of St. Johnsbury	6" Tile Pipe	9/11/34	-
Town of St. Johnsbury	8" Water Pipe	10/15/58	17.00
Town of St. Johnsbury	10" Sewer	5/20/63	10.00
Town of St. Johnsbury	20" Sewer	5/20/63	20.00
Town of St. Johnsbury	3/4" Water Pipe	10/15/66	10.00

APPENDIX A
PAGE 4

<u>Name</u>	<u>Description</u>	<u>Agreement Date</u>	<u>Annual Rent</u>
<u>St. Johnsbury, VT.</u>			
Weidmann Ind.	4" Oil Pipes	2/25/81	25.00
Maple Grove, Inc.	Coal Pit	6/20/69	-
Colt Industries, Inc.	Pedestrian Cross.	6/11/82	55.00
Gilfel of Vt., Inc.	Temp. Crossing	5/11/72	-
Maple Grove, Inc.	" "	11/22/82	80.00
True Temper Corp.	" "	7/ 1/62	100.00

EXHIBIT B
MAP OF RAILROAD LINE TO BE ABANDONED

Please see the map which is attached as Exhibit A to the Environmental and Historic Report (which is attached to this Petition as Exhibit D).

Topographical features and related references can be found by accessing the following topographical map web site.

WWW.TOPOZONE.COM

EXHIBIT C

VERIFICATION

Commonwealth of Massachusetts

)
) **SS:**
)

Clyde S. Forbes, Jr., being duly sworn, hereby deposes and says that he is the

No rail traffic of any kind has moved over the Subject Line for at least two (2) years; there is no overhead traffic on the Subject Line; and no formal complaint filed by a

SUBSCRIBED AND SWORN TO

Notary Public

My Commission Expires: 8/28/09

Clyde S. Forbes, Jr.

EXHIBIT D

ENVIRONMENTAL AND HISTORIC REPORT

Please see attached Report.

Please note that a map of the Line is attached as Exhibit A to this Report.

**TWIN STATE RAILROAD COMPANY
C/O FLORIDA WEST COAST RAILROAD COMPANY
416 MAIN STREET
P.O. BOX 1267
TRENTON, FL 32693
(352) 463-1103**

November 7, 2003

**TO: ALL PARTIES ON THE ATTACHED SERVICE LIST --
PURSUANT TO 49 C.F.R. 1105.7(b)**

**Re: *Twin State Railroad Company — Abandonment and Discontinuance of Service
— In Caledonia and Essex Counties, Vermont — Surface Transportation Board
Docket No. AB-862***

Dear Sir/Madam:

In connection with the preparation of the Environmental and Historic Report in the above referenced matter, by notice dated October 3, 2003, the Twin State Railroad Company solicited commentary from the parties identified on the attached service list.

On or about November 30, 2003, the Twin State Railroad Company expects to file a Notice of Exemption and/or an Adverse Abandonment Application with the United States Surface Transportation Board pursuant to the provisions of 49 CFR 1152.50, Subpart F, seeking authority to abandon and discontinue service over a line of railroad between approximately railroad milepost 0.057 in St. Johnsbury, VT, and railroad engineering station 5503 at River Road (Town Road) in Lunenburg (Gilman), VT. Attached is an Environmental and Historic Report describing the proposed action and any expected environmental impact and/or historic effects, as well as a map of the affected area.

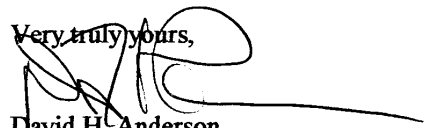
We are providing this report so that you may review the information that will form the basis for the Surface Transportation Board's independent environmental analysis of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the Board's environmental review process, please contact the Section of Energy and Environment (SEE), Room 3219, Surface Transportation Board, Washington, DC 20423, telephone number (202) 927-6211, and refer to the above Docket Number. Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEE (with a copy to our representative) would be appreciated within three (3) weeks.

November 7, 2003

Page 2

Your comments will be considered by the Board in evaluating the environmental and/or historic preservation impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. Our representative in this matter is Attorney David H. Anderson, who may be contacted at 288 Littleton Road, Suite 21, Westford, MA 01886, (978) 392-9995.

Very truly yours,



David H. Anderson
Counsel for the
Twin State Railroad Company

SERVICE LIST
ENVIRONMENTAL AND HISTORIC REPORT (49 CFR 1105.7(b))
Twin State Railroad Company – Abandonment and Discontinuance of Service –
In Caledonia and Essex Counties, Vermont
Docket No. AB-862

FEDERAL AGENCIES CONSULTED:

U.S. Environmental Protection Agency

Mr. Robert W. Varney, Regional Administrator
U.S. Environmental Protection Agency, Region I
One Congress Street, Suite 1100
Boston, MA 02114-2023
(617) 918-1399

U.S. Fish and Wildlife Service

Regional Director
U.S. Fish & Wildlife Service
300 Westgate Center Drive
Hadley, MA 01035-9589
(413) 253-8200

U.S. Army Corps of Engineers

U.S. Army Corps of Engineers
New England District, Regulatory Branch
Vermont Project Office
8 Carmichael Street, Suite 205
Essex Junction, VT 05452
(802) 872-2893

U.S. Fish & Wildlife Service

U.S. Fish & Wildlife Service
70 Commercial Street, Suite 300
Concord, NH 03301-5087
(602) 223-2541

National Park Service

National Park Service
Northeast Region
U.S. Custom House
200 Chestnut Street, Fifth Floor
Philadelphia, PA 19106
(215) 597-7013

U.S. Soil & Conservation Service

USDA Natural Resources Conservation Service
356 Mountain View Drive, Suite 105
Colchester, VT 05446
(802) 951-6759

National Geodetic Survey

National Geodetic Survey
1315 East-West Highway
Silver Spring, MD 20910-3282
(301) 713-3425

STATE AGENCIES CONSULTED:

State Clearinghouse

Office of Policy Research & Coordination
Pavilion Office Building
109 State Street
Montpelier, VT 05609
(802) 828-3333

State Agency of Transportation

Ms. Patricia A. McDonald, Secretary
Vermont Agency of Transportation
National Life Building
Drawer 33
Montpelier, VT 05633-5001
(802) 828-2657

John K. Dunleavy, Esq.
Assistant Attorney General
Transportation Section
National Life Building
Drawer 33
Montpelier, VT 05633-5001
(802) 828-2831

State Environmental Protection Agency

Ms. Elizabeth A. McLain, Secretary
Vermont Agency of Natural Resources
103 South Main Street, Center Building
Waterbury, VT 05671-0301
(802) 241-3600

Mr. Jeffrey Wennberg, Commissioner
Department of Environmental Conservation
103 South Main Street, One South
Waterbury, VT 05671-0401
(802) 241-3808

Mr. Wayne LaRoche, Commissioner
Department of Fish & Wildlife
103 South Main Street, 10 South
Waterbury, VT 05671-0501
(802) 241-3700

Mr. Jonathan Wood, Commissioner
Department of Forests, Parks & Recreation
103 South Main Street, 10 South
Waterbury, VT 05671-0601
(802) 241-3670

State Historic Preservation Office

Vermont Division for Historic Preservation
National Life Building, 6th Floor
Drawer 20
Montpelier, VT 05620-0501
(802) 828-3211

State Coastal Zone Management Agency

Not applicable

REGIONAL PLANNING COMMISSIONS:

Caledonia and Essex Counties

Mr. Steven Patterson, Executive Director
Northeastern Vermont Development Association
P.O. Box 630
St. Johnsbury, VT 05819
(802) 748-5181

OTHER POLITICAL ENTITIES THROUGH WHICH THE LINE RUNS:

Town of St. Johnsbury

Board of Selectmen
Town of St. Johnsbury
1187 Main Street, Suite 2
St. Johnsbury, VT 05819
(802) 748-4331

Town of Concord

Board of Selectmen
Town of Concord
P.O. Box 317
Concord, VT 05824
(802) 695-2220

Town of Lunenburg (Gilman)

Board of Selectmen
P.O. Box 54
Lunenburg, VT 05906
(802) 892-5959

Before the
SURFACE TRANSPORTATION BOARD
Washington, DC

DOCKET NO. AB-862

TWIN STATE RAILROAD COMPANY --
ADANDONMENT AND DISCONTINUANCE OF SERVICE
IN CALEDONIA AND ESSEX COUNTIES, VERMONT

**ENVIRONMENTAL AND HISTORIC REPORT
MADE PURSUANT TO 49 C.F.R. 1105.7 AND 1105.8**

INTRODUCTION

The Twin State Railroad Company ("TSRR"), a Class III common carrier by railroad intends to file a Notice of Exemption and/or an Adverse Abandonment Application with the United States Surface Transportation Board pursuant to the provisions of 49 C.F.R. 1152.50, Subpart F, seeking authority to abandon and discontinue service over a line of railroad between approximately railroad milepost 0.057 in St. Johnsbury, VT, and railroad engineering station 5503 at River Road (Town Road) in Lunenburg (Gilman), VT (the "Line"). A map depicting the Line is attached as Exhibit A to this Report.

Pursuant to the requirements set forth at 49 C.F.R. 1105.7 and 1105.8, LVRC hereby submits its Environmental and Historic Report (the "Report"). In preparing this Report, TSRR consulted with certain federal, state and local agencies, as indicated on the Service List that accompanies this Report. All representations made herein are made to the best of TSRR's knowledge, information and belief, and are based upon information from such correspondence and materials that was otherwise available to TSRR as of the date of this Report.

ENVIRONMENTAL REPORT

1. Proposed Action and Alternatives - Section 1105.7(e)(1)

Describe the proposed action, including commodities transported, the planned disposition, if any, of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable detailed map and drawing clearly delineating the project.

The proposed abandonment will eliminate a Line that has not originated or terminated any traffic for many years. No arrangements to reroute overhead traffic over other lines are necessary, as the Line does not carry overhead traffic. The only alternative to this action would be to not abandon the Line and to pass the costs of retaining the Line on to all other TSRR shippers, resulting in an inefficient use of TSRR's assets. TSRR plans to salvage the rail, ties, OTM and other railroad appurtenances located along the Line, leaving the right of way in a neat, clean, smooth and safe condition for future use by third parties. TSRR believes that the Line may be suitable for conversion to certain public purposes, including recreational uses. A map of the Line is attached as Exhibit A to this Report.

2. Transportation System - Section 1105.7(e)(2)

Describe the effects of the proposed action on regional or local transportation systems or patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

As no traffic currently exists on the Line, the proposed action will have no effect on regional or local transportation systems or patterns, and no diversion of either passenger or freight traffic will result.

3. Lane Use - Section 1105.7(e)(3)

(i) Based on consultation with local and/or regional planning agencies and/or review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

By letter dated October 3, 2003, TSRR addressed the Northeastern Vermont Development Association, seeking information as to their current land use plans. To date, no reply has been received from this agency. By letter dated October 15, 2003 (attached hereto as Exhibit B), the Vermont Agency of Transportation advised TSRR that "the State of Vermont has a long-standing history of acquiring rail corridors threatened with abandonment for continued railroad use, where economically feasible, or for railbanking and interim trail use where railroad operations are not presently viable." For the reasons to be set out in TSRR's contemplated Notice of Exemption and/or Adverse Abandonment Application, TSRR believes that continued rail use of the Line would not be economically viable. This argument is strengthened by the fact that the State of Vermont has advised TSRR that it soon intends to file its own Notice of Exemption in the matter of the abandonment and discontinuance of service over the adjacent Lamoille Valley Railroad Line, between Swanton, VT and St. Johnsbury, VT. (The contemplated docket number for that abandonment matter is AB-444 (Sub-No. 1X). For these reasons,

TSRR concludes that the proposed action is consistent with local and regional land use plans.

(ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.

By letter dated October 3, 2003, TSRR addressed the State Conservationist, USDA Soil Conservation Service in Winooski, Vermont. To date, no response has been received from this agency. Accordingly, TSRR concludes that the proposed action will not impact local soil.

(iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by Section 1105.9

The Line is located inland, and the proposed action will not affect land or water uses within a designated coastal zone.

(iv) If the proposed action is an abandonment, state whether or not the right of way is suitable for alternative public use under 49 U.S.C. 10906 and explain why.

TSRR believes that the Line is suitable for public purposes, including roads, highways and recreation.

4. Energy - Section 1105.7(e)(4)

(i) Describe the effect of the proposed action on transportation of energy resources.

The proposed action will not affect transportation of energy resources.

(ii) Describe the effect of the proposed action on recyclable commodities.

The proposed action will not affect recyclable commodities.

(iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.

The proposed action will result in an increase in energy efficiency, as TSRR will be permitted to better utilize its assets, including energy resources, to serve its remaining railroad line and customers.

(iv) If the proposed action will cause diversions from rail to motor carriage of more than (a) 1,000 rail carloads per year or (b) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

No diversion of traffic from rail to motor carriage will result from the proposed action.

5. Air - Section 1105.7(e)(5)

(i) If the proposed action will result in either (a) an increase in rail traffic of at least 100 percent or an increase of at least eight train miles a day on any segment of rail line affected by the proposal, or (b) an increase in rail yard activity of at least 100 percent, or (c) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions.

The proposed action will not result in such increases in rail or truck traffic.

(ii) If the proposed action affects a class I or nonattainment areas under the Clean Air Act, and will result in either (a) an increase in rail traffic of at least 50 percent or an increase of at least three trains a day on any segment of rail line, or (b) an increase in rail yard activity of at least 20 percent, or (c) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles on an given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan.

The proposed action will not result in such increases in rail or truck activity.

(iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify the materials and quantity, the frequency of service, safety practices, the applicant's safety record on derailments, accidents and spills, contingency plans to deal with accidental spills, and the likelihood of accidental release of ozone depleting materials in the event of a collision or derailment.

The transportation of such materials is not contemplated.

6. Noise - Section 1105.7(e)(6)

If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in

noise levels of three decibels Ldn or more or (ii) an increase to a noise level of 65 decibels Ldn or greater.

None of the thresholds identified in Section 1105.7(e)(5)(i) will be surpassed.

7. Safety - Section 1105.7(e)(7)

(i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).

TSRR believes that public health and safety (including vehicle delay time at railroad grade crossings) will be improved due to the elimination of the Line.

(ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including speed restrictions); the applicant's safety record on derailments, accidents and hazardous spills; contingency plan to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.

Hazardous materials are not expected to be transported.

(iii) If there are any known hazardous waste site or sites where there have been known hazardous materials spills on the right of way, identify the location of those sites and the types of hazardous materials involved.

TSRR is not aware of any such sites on the Line.

8. Biological Resources - Section 1105.7(e)(8)

(i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat and, if so, describe the effects.

By letter dated October 3, 2003, TSRR addressed the U.S. Fish and Wildlife Service office in Concord, NH to determine whether any such species or habitats might be so affected. To date, TSRR has received no reply to that correspondence. For that reason, TSRR believe that the proposed action will not adversely affect any endangered or threatened species or areas designated as critical habitats.

(ii) State whether wildlife sanctuaries or refuges, National or state parks or forests will be affected, and describe any effects.

No wildlife sanctuaries or refuges, National or state parks or forests will be affected by the proposed action.

9. Water - Section 1105.7(e)(9)

(i) Based on consultation with State water officials, state whether the proposed action is consistent with applicable federal, state or local water quality standards. Describe any inconsistencies.

By letters dated October 3, 2003, TSRR addressed the U.S. Environmental Protection Agency, the Vermont Agency of Natural Resources, the Vermont Department of Environmental Conservation, the Vermont Department of Fish & Wildlife and the Vermont Department of Forests, Parks & Recreation. To date, no response has been received from these agencies. Accordingly, TSRR has no reason to believe that the proposed action is inconsistent with applicable federal, state and local water quality standards.

(ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under Section 404 of the Clean Water Act are required for the proposed action and whether any designated wetlands or 100 year flood plains will be affected. Describe the effects.

By letter dated October 3, 2003, TSRR addressed the New England Division of the Army Corps of Engineers in these regards. To date, no response has been received from this agency. For this reason, and based on TSRR's limited plan to remove salvageable materials from the Line without disruption to the right of way or adjacent lands, TSRR does not believe that any permit would be required with respect to the proposed action. Similarly, TSRR does not believe that any designated wetlands or 100 year flood plains will be affected by the proposed action.

(iii) State whether permits under Section 402 of the Clean Water Act are required for the proposed action.

Please see responses above.

10. Proposed Mitigation - Section 1105.7(e)(10)

Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

TSRR has not prepared a plan to mitigate adverse environmental impacts of the proposed abandonment and salvage activities because no adverse environmental impact will result from the proposed action. Again, TSRR has no plans to disrupt the railroad right of way or adjacent lands. In the event that any concerns arise regarding adverse

environmental impacts, TSRR will work with the appropriate federal, state and local authorities in order to mitigate the effects, if any, of the abandonment and salvage activities on the environment.

11. Additional Information for Rail Constructions - Section 1105.7(e)(11)

Not applicable.

HISTORIC REPORT

1. Maps - Section 1105.8(d)(1)

A map depicting the Line is attached as Exhibit A to this Report. No significant bridges or other significant structures are located on the Line.

2. Right of Way - Section 1105.8(d)(2)

The right of way comprising the Line is typically 60 to 100 feet in width. The Line passes primarily through farm lands and small towns, with customary private and public vehicular crossings. The Line possesses no other significant features.

3. Photographs - Section 1105.8(d)(3)

Please see responses above.

4. Description of Structures - Section 1105.8(d)(4)

Please see responses above.

5. History of Operations - Section 1105.8(d)(5)

The Line extends between St. Johnsbury, VT and Gilman, VT. Related to this matter is a line of railroad operated by the Lamoille Valley Railroad Company ("LVRC") which extends approximately 98 miles between Swanton, Vermont and St. Johnsbury, Vermont (the "LVRC Line"). As noted above, the State of Vermont intends to abandon the LVRC Line and convert it to recreational use in the near term. The TSRR Line and the LVRC Line connect at St. Johnsbury, and thus once comprised a continuous corridor.

For convenience in understanding the history of the subject Line and its recent operations, TSRR would direct the reader of this Report to Finance Docket No. 29772, Guilford Transportation Industries, Inc. -- Control -- Boston and Maine Corporation (Decision served May 22, 1984), pursuant to which common control of LVRC and TSRR by the Northern Vermont Company ("NVC") was exempted from approval by the ICC.

TSRR would also refer the reader to Finance Docket No. 31545, Clyde S. and Sandra Forbes and CSF Acquisition, Inc. -- Acquisition of Control -- Northern Vermont Company (Decision served _____, 1989). As indicated in Finance Docket No. 31545, CSF Acquisition, Inc. owns 100% of the capital stock of Northern Vermont Corporation ("NVC"). NVC, in turn, owns 100% of the capital stock of the LVRC and has operated the LVRC Line pursuant to lease and operating agreements with the State of Vermont since 1989. NVC also owns 100% of the capital stock of TSRR, which, since 1984, has operated the TSRR Line pursuant to a long-term lease agreement with MEC. As indicated in the 1989 Petition for Exemption in that Finance Docket:

"The LVRC is a shortline railroad which has experienced financial difficulties described at length in the record before the Commission in Guilford Transportation Industries, Inc. -- Control -- Boston and Maine Corporation, 366 I.C.C. 292-372 (December 3, 1982) ("Guilford merger case"). Prior to the mid 1970's it was a bridge carrier owned by the Samuel Pinsly family and operated under the name St. Johnsbury & Lamoille County Railroad Company ("SJ&LC"). After SJ&LC experienced financial difficulties, Pinsly sought and received abandonment authority. The State of Vermont acquired the [LVRC Line] post abandonment and leased it to a succession of shortline operators prior to LVRC's establishment in 1978 as a shipper-owned railroad. After a short period of subsidized operation immediately after startup, the LVRC became marginally profitable due to aggressive marketing as a bridge route. The LVRC experienced financial problems again in the early to mid 1980s due to loss of overhead traffic, which LVRC believes was diverted to competing B&M and [Maine Central Railroad Co. ("MEC")] routes and deregulation of the railroad industry."

Anticipating the adverse affects of Guilford's control of B&M and MEC on the LVRC's traffic and revenue base, the LVRC challenged that transaction before the Commission and in federal court. In settlement of that litigation, MEC in 1984 transferred to the NVC and LVRC a branch line between St. Johnsbury, VT and Whitefield, NH. Gilman, VT lies roughly in the middle of that line segment. NVC established TSRR as a new railroad corporation for the purpose of operating that line segment.

As required by the 1984 Settlement, MEC entered into a long-term (44 years) Lease and Operating Agreement with TSRR dated as of March 1, 1984 (the "TSRR Lease"). The TSRR Lease permits the TSRR to seek abandonment of portions of the Line that are no longer necessary to support the rail operations on the Line. The TSRR Lease also permits the TSRR to salvage the rail, tie, OTM and other appurtenances on the Line following such an abandonment.

TSRR has performed its operations on the TSRR Line as warranted by changing traffic levels as required by the TSRR Lease. Under the TSRR Lease, MEC is exclusively responsible for marketing rail service to and from the Line. MEC has been unable to do so. Since CSF assumed ownership of the TSRR, the TSRR Line has had only one actual or prospective customer, the paper mill at Gilman, Vermont. And the mill at Gilman has struggled badly over the years. In 1989, the mill was owned by Georgia Pacific, then sold to Simpson Paper Company in the early 1990s. Traffic levels on the line during this period were only in the vicinity of 800 carloads per year. Simpson Paper closed the mill in October 1999. At some later date, the mill was sold to American Tissue Company (aka, The Paper Mill at Gilman, Inc.). No request for rail service on the TSRR Line has been made by the mill since the October 1999 closure. Should the mill reactivate at some point in the future, the TSRR will remain able to provide such service, with rail access over its line between Whitefield, NH and Gilman, VT.

6. Documents - Section 1105.8(d)(6)

Please see responses above.

7. National Register of Historic Places - Section 1105.8(d)(7)

By letter dated October 3, 2003, TSRR solicited comments on the proposed abandonment from the State Historic Preservation Officer ("SHPO") at the Vermont Division for Historic Preservation (Agency of Commerce and Community Development). The SHPO responded by letter dated October 9, 2003 (attached hereto as Exhibit C). That letter indicated that the SHPO was "unable to comment on the above project at this time," and requested certain information. TSRR believe that such request is satisfied by the information set forth in this Report. Accordingly, to TSRR's knowledge, information and belief, the Line does not meet the criteria for listing on the National Register of Historic Places. Abandonment of the Line and salvage of the track materials would not affect archeological evidence, as the Line will be left in good, clean, neat and smooth condition, and any damage done by railroad activities at the site would have been done during the original construction of the Line.

8. Environmental Conditions - Section 1105.8(d)(8)

TSRR knows of no prior subsurface ground disturbances, fills or environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy condition or the presence of toxic wastes) and the surrounding terrain.

Respectfully submitted,

Dated: November 7, 2003

TWIN STATE RAILROAD COMPANY

EXHIBIT A
MAP OF RAILROAD LINE TO BE ABANDONED

Please see attached map.

Topographical features and related references can be found by accessing
the following topographical map web site:

TOPOZONE.COM

MAPQUEST

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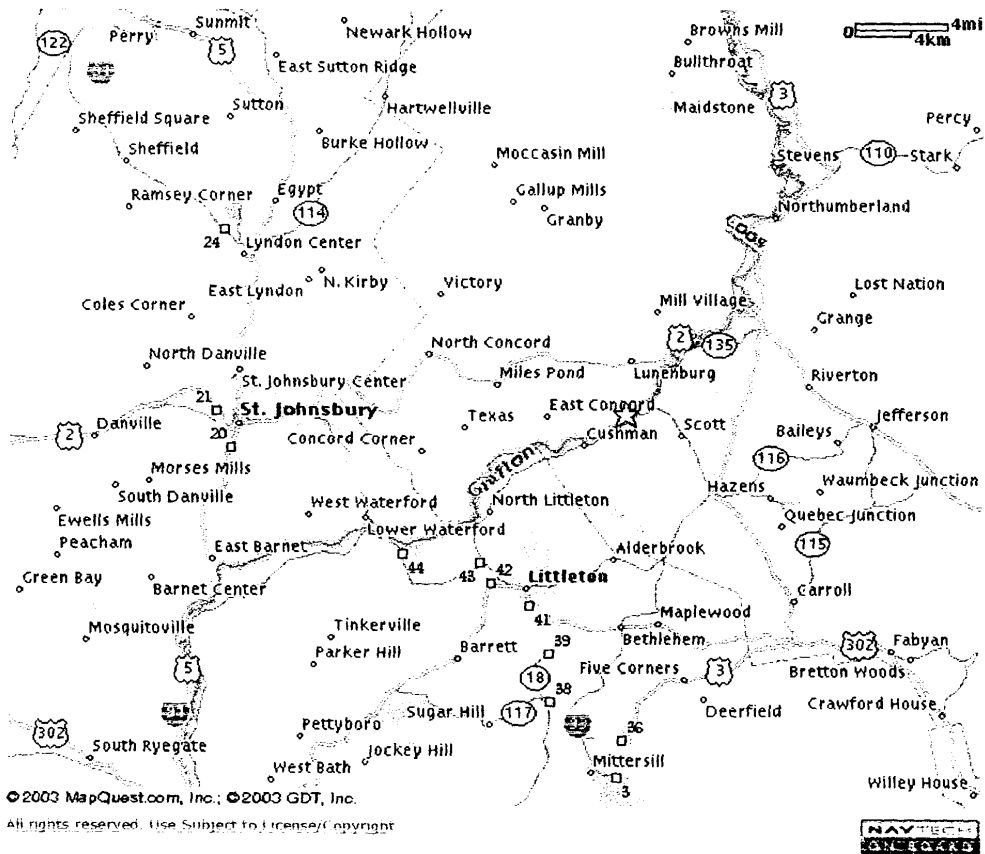
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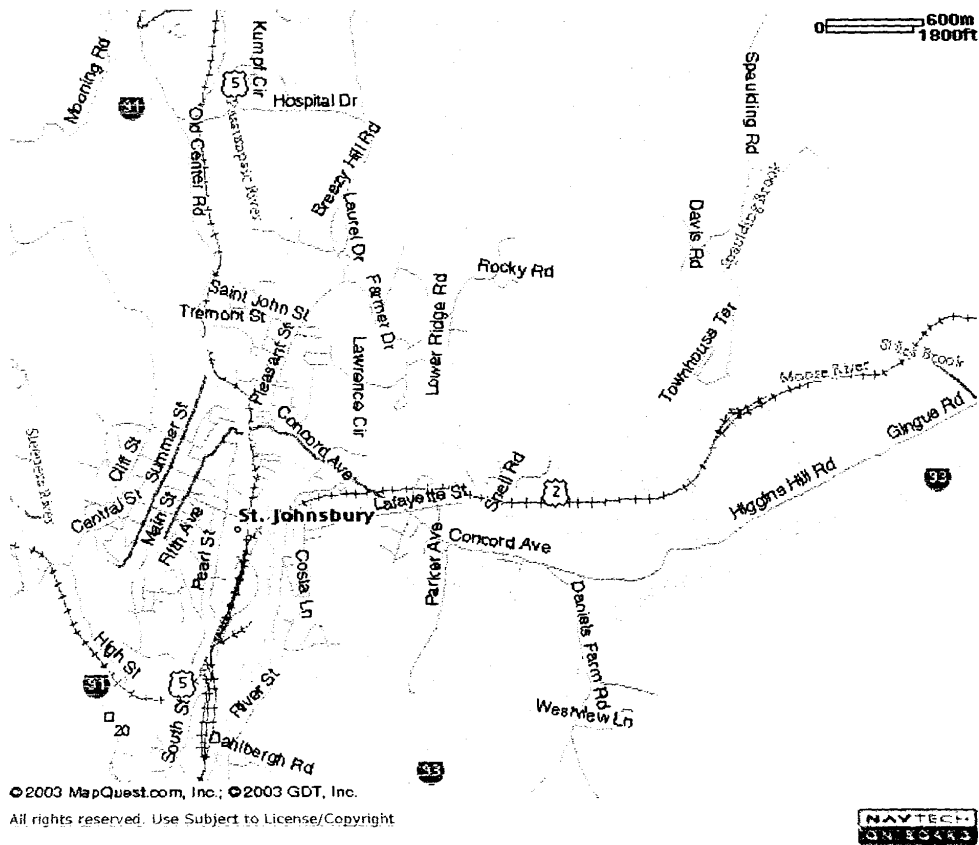
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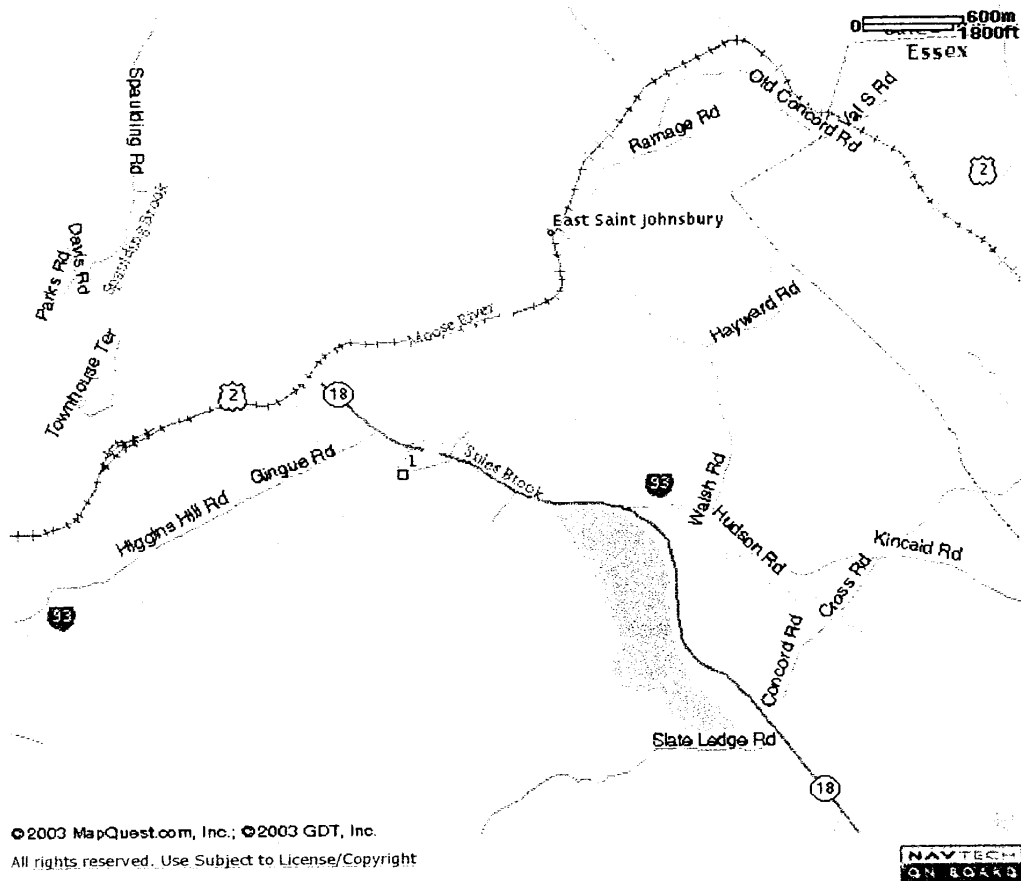
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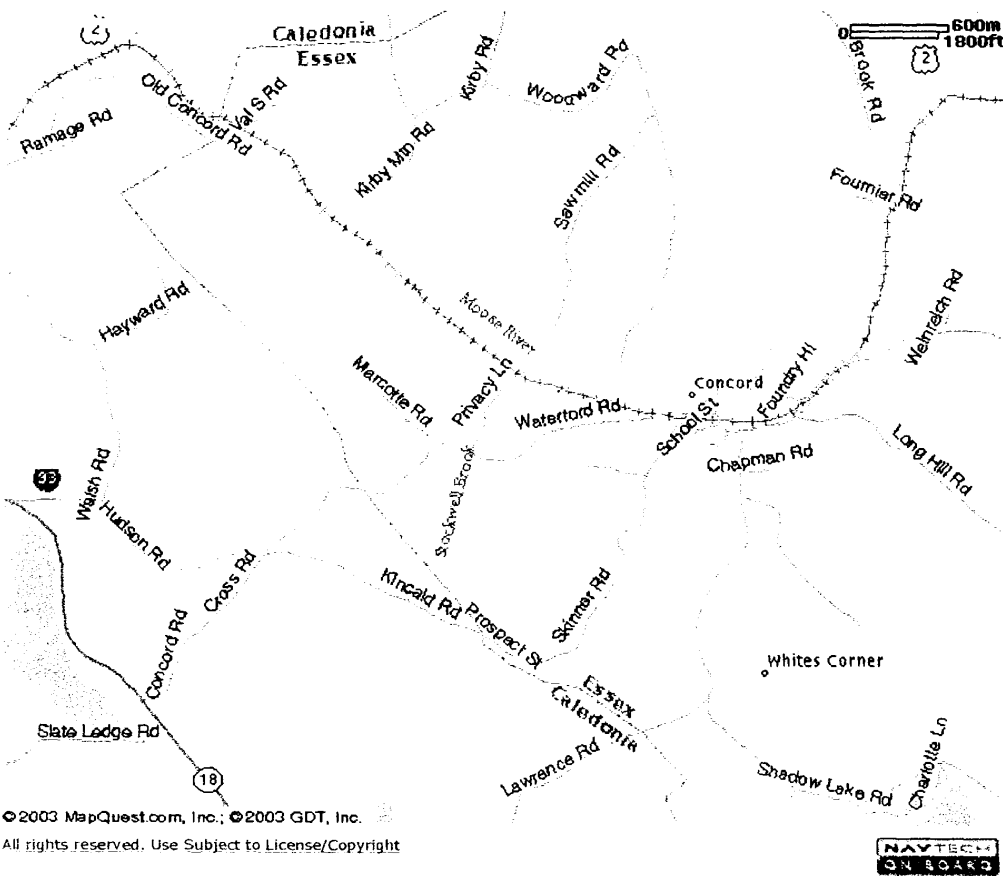
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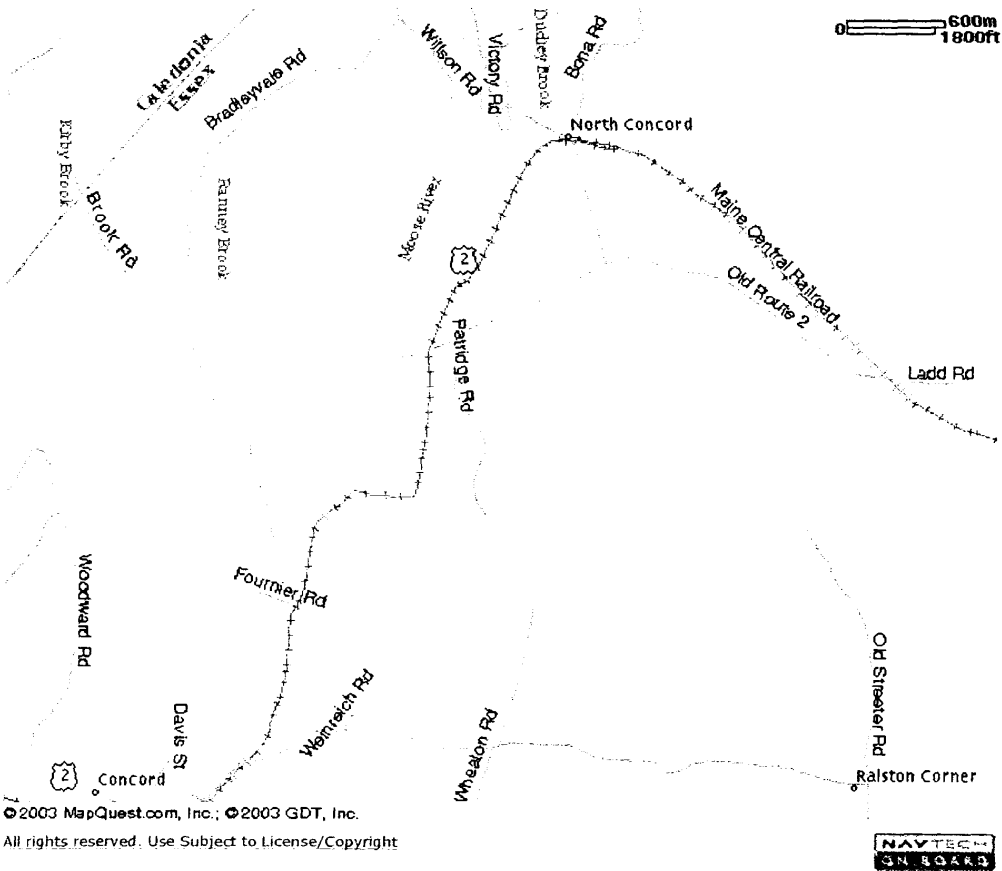
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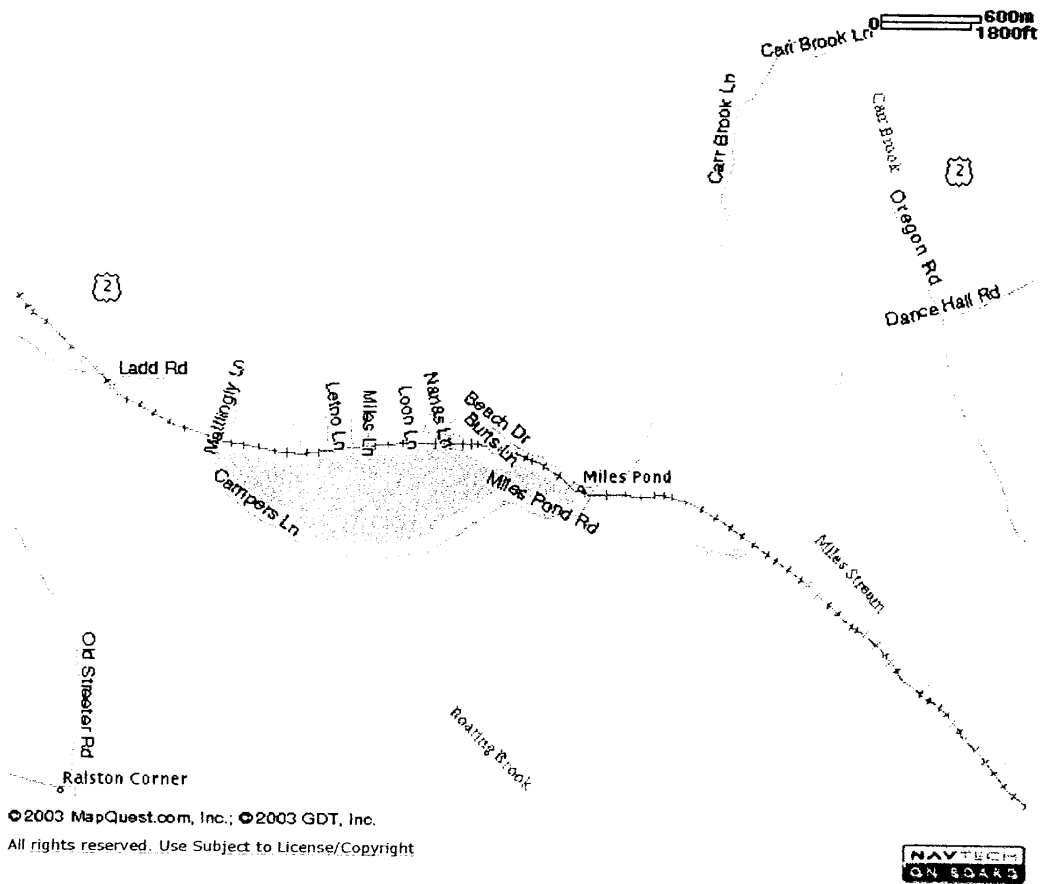
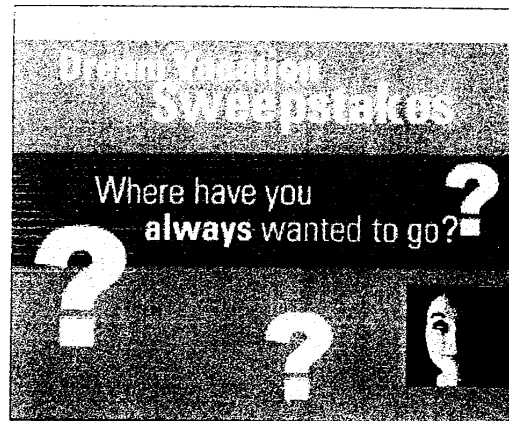
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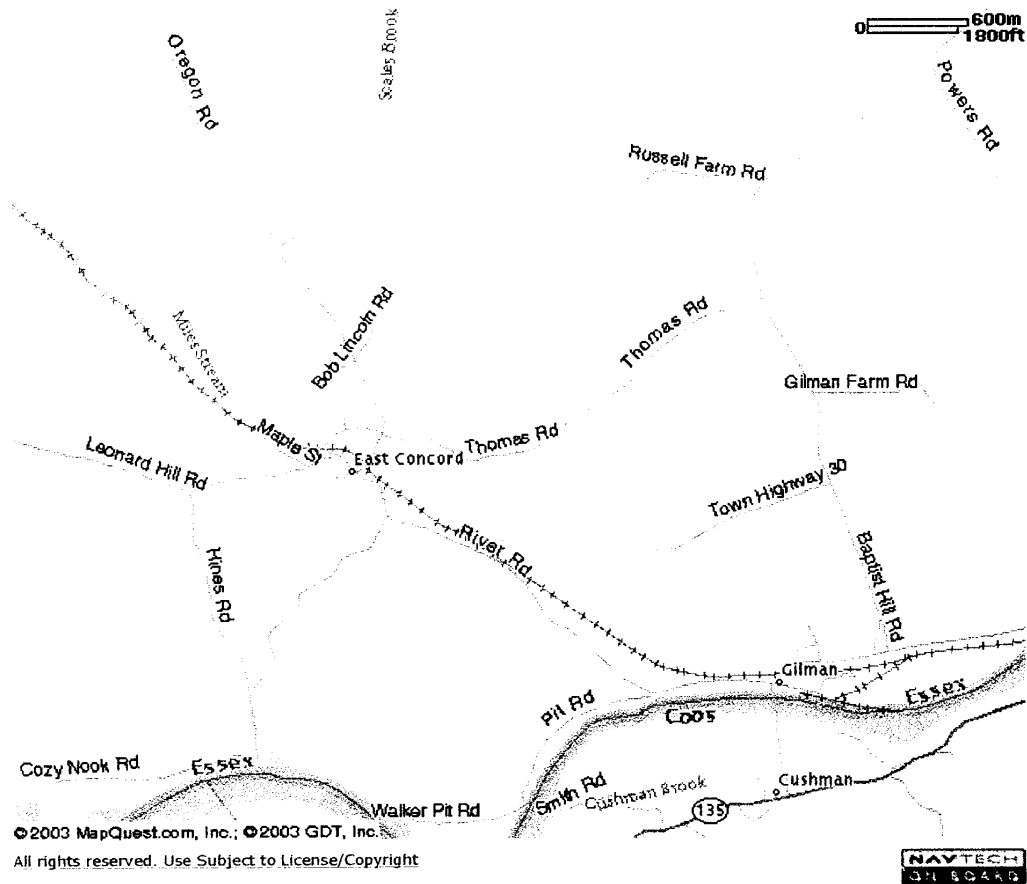
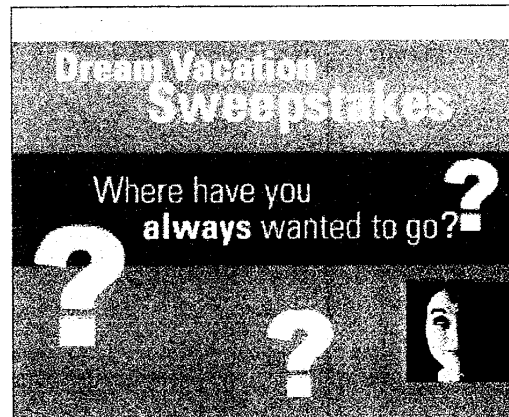
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State of Vermont
Agency of Transportation
National Life Building
Drawer 33
Montpelier, VT
05633-5001

EXHIBIT B
VTTrans *Working to Get You There*

OFFICE OF THE SECRETARY
Patricia McDonald, Secretary
Phone: (802) 828-2657
Fax: (802) 828-3522

October 15, 2003

David H. Anderson, Esq.
288 Littleton Road (Suite 21)
Westford, MA 01886

Re: *Twin State Railroad Company — Abandonment and Discontinuance of Service — In
Caledonia and Essex Counties, Vermont*
Docket No. AB-862

Dear Mr. Anderson:

This is to acknowledge your October 3, 2003 letter advising that your client, the Twin State Railroad Company, intends to seek regulatory approval from the Surface Transportation Board for abandonment and discontinuance of service over the line of railroad between St. Johnsbury and Lunenburg (Gilman), Vermont.

As you know, the State of Vermont has a long-standing history of acquiring rail corridors threatened with abandonment for continued railroad use, where economically feasible, or for railbanking and interim trail use where railroad operations are not presently viable. We look forward to working with your client and other interested parties to cooperatively assess the present situation and develop a strategy that accommodates the various stakeholders.

Sincerely,

Patricia A. McDonald
Secretary of Transportation

cc: Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-001

www.aot.state.vt.us
Telecommunications Relay Service 1-800-253-0191

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EXHIBIT C



STATE OF VERMONT

AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

October 9, 2003

David H. Anderson, Counsel
 Twin State Railroad Company
 C/o Florida West Coast Railroad Company
 416 Main Street
 P.O. Box 1267
 Trenton, Florida 32693

DEPARTMENT
 OF HOUSING &
 COMMUNITY
 AFFAIRS

Divisions for:

- * Community Development
- * Historic Preservation
- * Housing
- * Planning

National Life
 Office Building
 Drawer 20
 Montpelier, VT
 05620-0501

Telephone:
 802-828-3211
 800-622-4553

Fax:
 802-828-2928

Historic
 Preservation
 Fax:
 802-828-3206

**Re: Abandonment and Discontinuance of Service, Twin State Railroad Company
 Line, Caledonia and Essex Counties, Vermont.**

Dear Mr. Anderson:

Thank you for your letter dated October 3, 2003 and received October 7, 2003 concerning the above project.

The Division for Historic Preservation has reviewed this proposed undertaking pursuant to 36 CFR 800.4, regulations established by the Advisory Council on Historic Preservation to implement Section 106 of the National Historic Preservation Act. Project review consists of identifying the project's potential impacts to historic buildings and structures, historic districts, historic landscapes and settings, and to known or potential archeological resources.

The current project involves the abandonment and discontinuance of service of a Twin State Railroad Company line in Caledonia and Essex Counties of Vermont. We are unable to comment on the above project at this time as we will need the following additional information to assist us with our review:

1. The Division for Historic Preservation reviews projects under Section 106 when federal agencies are involved with the undertakings/projects. Which federal agency or agencies are you working with as part this project?
2. Please submit a map of the project area.
3. Are there historic structures or buildings that will also be abandoned as part of this undertaking? If so, please note their location on the map mentioned above and include photographs of each. The photographs should show the structures or buildings from several angles to give a good understanding of the design, architectural features and condition and from a distance to show the surrounding context.

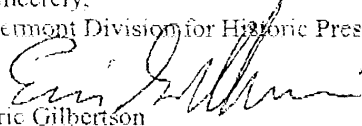
October 9, 2003

Caledonia and Essex Counties, Twin State Railroad Company Abandonment and Discontinuance of Service
Page 2 of 2

We look forward to reviewing the additional information. If you have any questions or comments regarding any of the above, please do not hesitate to contact Judith Williams Ehrlich, Environmental Review Coordinator, at (802) 828-3049.

Sincerely,

Vermont Division for Historic Preservation

A handwritten signature in dark ink, appearing to read "Eric Gilbertson", is written over the printed name.

Eric Gilbertson

Deputy State Historic Preservation Officer

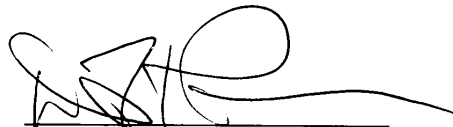
EXHIBIT E

CERTIFICATION OF NOTICES PROVIDED PURSUANT TO
49 C.F.R. 1152.50(d)

I, David H. Anderson, hereby certify that, on October 3, 2003, a written notice containing the information specified in 49 C.F.R. 1152.50(d)(1) was served by United States first class mail, postage-prepaid, on the agencies and offices identified in that section.

A copy of that notice is attached hereto.

Dated: June 1, 2004


David H. Anderson

**TWIN STATE RAILROAD COMPANY
C/O FLORIDA WEST COAST RAILROAD COMPANY
416 MAIN STREET
P.O. BOX 1267
TRENTON, FL 32693
(352) 463-1103**

October 3, 2003

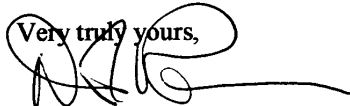
**TO: ALL PARTIES ON THE ATTACHED SERVICE LIST --
PURSUANT TO 49 C.F.R. 1152.50(d)**

**Re: *Twin State Railroad Company – Abandonment and Discontinuance of Service
– In Caledonia and Essex Counties, Vermont – Surface Transportation Board
Docket No. AB-862***

Dear Sir/Madam:

The purpose of this letter is to advise you that, on or about November 15, 2003, the Twin State Railroad Company intends to file a Notice of Exemption and/or an Adverse Abandonment Application with the United States Surface Transportation Board pursuant to the provisions of 49 CFR 1152.50, Subpart F, seeking authority to abandon and discontinue service over a line of railroad between approximately railroad milepost 0.057 in St. Johnsbury, VT, and railroad engineering station 5503 at River Road (Town Road) in Lunenburg (Gilman), VT.

Pursuant to the above referenced regulations, please be advised that, based on information in our possession, the subject railroad line does not contain federally granted rights of way. Any documentation in the railroad's possession will be made available promptly to those requesting it. The railroad's representative in this matter is Attorney David H. Anderson, 288 Littleton Road, Suite 21, Westford, MA 01886, (978) 392-9995.

Very truly yours,


**David H. Anderson
Counsel for the
Twin State Railroad Company**

SERVICE LIST
ENVIRONMENTAL AND HISTORIC REPORT (49 CFR 1152.50(d))
Twin State Railroad Company – Abandonment and Discontinuance of Service –
In Caledonia and Essex Counties, Vermont
Docket No. AB-862

FEDERAL AGENCIES CONSULTED:

U.S. Department of Defense

U.S. Department of Defense
Military Traffic Management Command
Transportation Engineering Agency
5611 Columbia Pike
Falls Church, VA 22041
Attn: Railroads for National Defense Program

National Park Service

National Park Service
North Atlantic Region
15 State Street
Boston, MA 02109

U.S.D.A. Forest Service

U.S.D.A. Forest Service
Auditor's Building
201 14th Street, SW
Washington, DC 20250

STATE AGENCIES CONSULTED:

State Clearinghouse

The State of Vermont has no designated clearinghouse

Office of the Governor

Office of the Governor
109 State Street
Montpelier, VT 05609

State Agency of Transportation

Ms. Patricia A. McDonald, Secretary
Vermont Agency of Transportation
National Life Building
Drawer 33
Montpelier, VT 05633-5001
(802) 828-2657

EXHIBIT F

**CERTIFICATION OF PUBLICATION OF LEGAL NOTICE PURSUANT TO
49 C.F.R. 1105.12**

I, David H. Anderson, hereby certify as follows:

1. I contacted a newspaper of general circulation within the counties through which the Subject Line to be abandoned and discontinued in this proceeding are located, and arranged for the publication of a Notice of Intent to File pursuant to 49 C.F.R. 1105.12.

2. As evidenced by the attached copy of such publication, a copy of the Notice of Intent to File was published in the *Burlington Free Press* newspaper on November 23, 2003.

Dated: June 1, 2004


David H. Anderson

Legal Notices

Before the
Surface Transportation
Board
Washington, D.C.

Docket No. AB-862

TWIN STATE RAILROAD COMPANY ABANDONMENT AND DISCONTINUANCE OF SERVICE IN CALEDONIA AND ESSEX COUNTIES, VERMONT. NOTICE OF INTENT TO FILE

The Twin State Railroad Company gives notice that on or about November 30, 2003, it intends to file with the Surface Transportation Board, Washington, DC 20423, a Notice of Exemption and/or Adverse Abandonment application under 49 CFR 1152.50, Subpart F, seeking authority to abandon and discontinue service over a line of railroad between approximately railroad milepost 0.057 in St. Johnsbury, VT, and railroad engineering station 5503 at River Road (Town Road) in Lunenburg (Gilman), VT. The proceeding will be docketed as either No. AB-862 or No. AB-862X.

The Board's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available 25 days after the filing of the Notice of Exemption. Comments on environmental and energy matters should be filed on later than 15 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to the Section of Environmental Analysis (SEA), Surface Transportation Board, Washington, DC 20423 or by calling that office at 202-927-6211.

Appropriate offers of financial assistance to continue rail service can be filed with the Board. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the Board's Office of the Secretary 1925 K Street, NW, Washington, DC 20423 (See 49 CFR 1104.1 (a) and 1104.3 (a), and one copy must be served on applicant's representative (See 49 CFR 1104.12 (a)). Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Congressional and Public Services at 202-927-7597. Copies of any comments or requests for conditions should be served on the applicant's representative: Attorney David H. Anderson, 288 Littleton Road, Suite 21, Westford, MA 01886, Telephone (978)392-9995.