



MARYLAND & DELAWARE RAILROAD

106 RAILROAD AVENUE
PHONE: (410) 754-5735

FEDERALSBURG, MD. 21632-1499
FAX: (410) 754-9528

August 3, 2005



Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20423-0001

RE: Finance Docket No. 32609
The Maryland and Delaware Railroad Company
Termination of Modified Certificate and Notice
of Interim Trail Use

Dear Secretary Williams:

Pursuant to 49 C.F.R. § 1150.24, The Maryland and Delaware Railroad Company ("Railroad") hereby provides notice that it terminated service provided under a modified certificate of public convenience and necessity over the rail line segment between Clayton, Delaware and Easton, Maryland, MP 0.0 to MP 45.3, and a portion of Denton track between Queen Anne and Denton, Maryland, MP 0.0 to MP 8.8, U.S.R.A. Line Nos. 169/150 (collectively "Clayton-Easton Rail Line") owned by the State of Maryland.

Railroad was authorized to provide service on the Clayton-Easton Rail Line pursuant to a Modified Rail Certificate issued on March 30, 1978. Railroad has provided no local rail service on the Clayton-Easton Rail Line during the past five (5) years. There were no overhead movements on the Clayton-Easton Rail Line at such time.

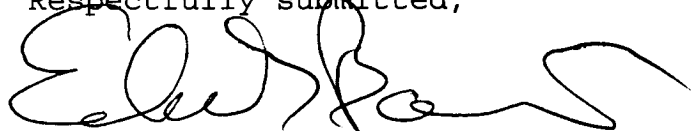
Railroad joins in the concurrently-filed request of the Maryland Department of Transportation ("MDOT") for issuance of a Notice of Interim Trail Use ("NITU") under 49 C.F.R. § 1152.29 for the Clayton-Easton Rail Line, and is willing to negotiate a trails use/rail banking agreement with MDOT. The Board and its predecessor have previously held that an NITU may be issued in a proceeding where notice is filed under 49 C.F.R. § 1150.24 to terminate operations under a modified certificate. See

e.g., Sammamish Transportation Company -- Notice of Interim Trail Use and Termination of Modified Certificate, Finance Docket No. 33398 (Sub-No. 1) (STB served February 26, 1998); Wisconsin and Calumet Railroad Company, Inc.-Notice of Interim Trail Use and Termination of Modified Certificate. Finance Docket No. 30724 (Sub-No. 1) (ICC served August 8, 1989).

I certify that, in accordance with 49 C.F.R. § 1150.24(a), a copy of this notice has been served by first class mail, postage prepaid, upon the State of Maryland, at the address provided below.

Please feel free to contact me should any questions arise regarding this matter. Thank you for your assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'E. Banks, Jr.', with a long horizontal flourish extending to the right.

Edward G. Banks, Jr.
Chairman of the Board

cc: David L. Ganovski
Director, The Office of Freight Logistics
Maryland Department of Transportation
7201 Corporate Center Drive
P O Box 548
Hanover, Maryland 21076

Alex Menendez, Esq.
McLeod Watkinson & Miller
One Massachusetts Avenue, N.W.
Suite 800
Washington, D.C. 20001

EGB/mmc

F:\EGB\MDRR\WILLIAMS VERNON A LTR 001 July 13.doc