

Railroad's Future In N.H. May Be Decided In Sept.

By TOM FERRITER
Monitor State News Service

State officials are "looking to September now rather than July" for confirmation of an agreement with the Boston & Maine Railroad that will set the course for future rail service to New Hampshire.

According to Daniel B. Hoik, head of the economic development division of the state Department of Resources and

Economic Development, a "staff-level agreement, subject to a lot of change," has been worked out after the most recent round of negotiations between state and railroad representatives.

Changes, if any, in the final agreement, will depend on Gov. Thomson and the trustees of the bankrupt railroad.

A final plan for the railroad's future operations in New Hampshire will also depend on the adoption of a capital budget, which Thomson vetoed at the end of this year's legislative session.

The vetoed capital budget contained a \$1 million appropriation for purchase of abandoned railroad rights-of-way.

If the rail purchase item remains in a new capital budget to be considered by the Legislature later this year, Hoik said, it will mean a "net cost to the state of zero."

The tentative agreement with the B & M, Hoik said, involves a settlement of about \$880,000 in back taxes owed by the railroad to the state and to towns and cities and the assumption that federal funds from the Bureau of Outdoor Recreation (BOR) could finance up to half the pur-

chase price of some abandoned lines.

according to Hoik, is to enable the B & M to dispose of unprofitable lines in the state and to guarantee improved service on the lines it will retain.

The agreement outlined by Hoik bears little resemblance to recommendations given the state a year ago by transportation consultant Herbert E. Bixler, who said the state's rail users could be better served by a system of independent short-line railroads than by the B & M.

Bixler recommended that the state buy up B & M lines and lease them to short-line operators at fees that would repay the purchase prices.

Hoik said he could see no short-line railroads operating on state-owned rights-of-way in the near future.

"Bixler took the view that we should get the B & M out of the state," Hoik said. "We've taken the view that we should clasp them to our bosoms."

"Consolidation of rail lines seems to be a slightly better idea than a fragmented system of short lines."

Although Hoik and spokesmen for Thomson had predicted earlier in the year that a final settlement of the B & M issue would be realized by the end of the legislative session, Hoik said "I think the delay will serve us very well."

One benefit of the delay, he said, could be a resolution of future rail service to Lincoln, where the biggest rail shipper, the former Franconia Paper Co. mill, would need a viable railroad if it is to reopen.

Hoik said he hopes the delay resulting from the protracted negotiations and the veto of the capital budget will enable the state to "buy time" to determine whether the paper mill will be reopened.

"If we can get a new business in there, I don't think we'll have any trouble convincing the B & M that they should provide service to Lincoln," Hoik said.

If not, the abandoned rail line from Meredith to Lincoln could become a state-owned snowmobile and hiking trail.

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