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INTERSTATE COMMERCE COMMISSION

Finance Docket No. 13412

BOSTON & MAINE RAILROAD ABANDONMENT

Submitted November 27, 1941.

Decided December 4, 1941.

1. Certificate issued permitting abandonment by the Boston & Maine Railroad of the line of railroad between Hollis Depot and Nashua, Hillsborough County, N.H.
2. That part of the application seeking permission to abandon the line between Pepperell and Hollis Depot, Middlesex County, Mass., and Hillsborough County, N. H., denied.

W. A. Cole for applicant.
Frank R. Kenison for State of New Hampshire and protestants.

REPORT OF THE COMMISSION

DIVISION 4, COMMISSIONERS PORTER, MAHAFFIE, AND MILLER

BY DIVISION 4:

No exceptions to the report proposed by the examiner were filed.

The Boston and Maine Railroad on August 11, 1941, applied for permission to abandon the part of a line of railroad extending from Pepperell, Middlesex County, Mass., to a point about 1 mile south-west of its union station at Nashua, Hillsborough County, N. H., approximately 7.7 miles. A protest was filed and a hearing held. The State of New Hampshire by its attorney general, appeared in opposition to the application.

The segment in question, sometimes hereinafter referred to as the line, is part of a line extending from Nashua to Ayer, Mass., at which points the latter connects with other lines of the applicant. The line has no other connections. It was built in 1848 by the Worcester & Nashua Railroad Company and later consolidated with other railroad properties which became part of the applicant's lines in 1911 as the result of a merger.

There has been no passenger service on the line since April 15, 1934. Carload freight service to Hollis Depot, the only station on the line, is rendered as needed by extension of operation of trains from Lowell, Mass., through Ayer and Pepperell. No regular train service has been rendered on the remainder of the line between Hollis Depot and Nashua since 1934, except for a period of about 12 days in 1936 when it was used as a detour for the movement of overhead traffic to and from Nashua on account of flood damage to the main line serving that point.

Hollis Depot is a nonagency station, and there is no community at that point. It is about 3 miles from Pepperell and 3.8 miles from Hollis, which is not on any railroad. The latter is a village of about 1,000 inhabitants, 5.5 miles from Pepperell and 8 miles from the freight house at Nashua. It is accessible from either point over improved highways.

BOSTON & MAINE RAILROAD
 HISTORICAL SOCIETY
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The territory served has a population of approximately 1,443 inhabitants. It has no industries other than farming. The principal traffic consists of inbound shipments of grain and its products, which are delivered at Hollis Depot, where most of it is sold to farmers who truck it direct from the rail siding to the farms. Carload freight moving between that station and points beyond during each of the five years 1936-40 and the first five months of 1941

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amounted to 116, 122, 142, 140, 155, and 78 cars. There were also movements of small volumes of freight listed as less-than-carload items, but accorded carload service. There was no other line traffic except the overhead movement detoured at the time of the flood.

The results of operation of the line for the period mentioned, according to the applicant's exhibits, on the basis of allocations made thereto, are as follows: Revenues \$182, \$357, \$279, \$188, \$260, and \$187; expenses, maintenance of way \$687, \$870, \$839, \$808, \$923, and \$437, operating freight trains \$654 for each full year and \$275 for the first five months of 1941, or total expenses \$1,341, \$1,524, \$1,493, \$1,462, \$1,577, and \$742; and net losses \$1,159, \$1,167, \$1,214, \$1,274, \$1,317, and \$555.

Revenues were prorated to the line on a mileage basis. Maintenance of way expenses, which averaged annually about \$107 a mile during 1936-40, were incurred principally on the section between Hollis and Pepperell, there having been little maintenance on the remainder of the line. The cost of operating freight trains is a prorate of freight-train expenses and includes only wages of engine and train crew, fuel, and maintenance of locomotives. Property taxes will not be affected by the proposed abandonment.

The revenues from traffic on the line for the same period, credited to other parts of the system, were \$3,825, \$5,579, \$6,185, \$5,673, \$6,643, and \$3,603, while the cost of moving the traffic beyond the line which was estimated by applying to such revenues the system freight operating ratios, amounted \$2,492, \$3,531, \$4,257, \$3,302, \$3,882, and \$1,935. Operation of the line resulted in net system earnings of \$174, \$881, \$714, \$1,097, \$1,444, and \$1,113. The operating ratios used ranged from 53.69 percent for the first five months of 1941 to 68.85 percent for 1938. If the cost of moving the traffic on other system lines is computed on a 50-percent basis, ordinarily used in abandonment cases, in lieu of the freight operating ratios, the system earnings would be proportionally higher.

The line is laid for the most part with 85-pound rail and is not subject to heavy curves or steep grades. Its state of maintenance is considered safe and suitable for freight service. The investment cost is estimated at \$218,296, and the estimated net salvage value of recoverable material is \$27,998.

The applicant does not anticipate substantial losses in revenue in the event of abandonment, as it is believed that the principal traffic will continue to move over other system lines, but expects to effect material savings in operating expenses. Moreover, it has been estimated that 31 percent of the difference between the investment cost and the net salvage value of the line, or approximately \$59,000, will be saved in Federal taxes in the year of abandonment.

The application is opposed principally by two grain dealers doing business at the rail siding at Hollis Depot. One of the dealers receives about five carloads of grain every three weeks, and the other is receiving at present four carloads a month. The witnesses were uncertain as to whether the business could be continued at Pepperell station because of local regulations governing the sale of feed moving in interstate commerce. Nashua as a local point of destination is considered too far from the grain customers. Furthermore, Massachusetts requires a registration fee on each brand of feed.

Many of the farmers purchasing grain at the station have trucks

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The application is opposed principally by two grain dealers doing business at the rail siding at Hollis Depot. One of the dealers receives about five carloads of grain every three weeks, and the other is receiving at present four carloads a month. The witnesses were uncertain as to whether the business could be continued at Pepperell station because of local regulations governing the sale of feed moving in interstate commerce. Nashua as a local point of destination is considered too far from the grain customers. Furthermore, Massachusetts requires a registration fee on each brand of feed.

Many of the farmers purchasing grain at the station have trucks registered for so-called agricultural plates, which do not require a registration fee as high as that ordinarily assessed but are limited in operation to a radius of 5 miles from the farm. A large number of the grain purchasers are located more than 5 miles from either Pepperell or Nashua and would be confronted with some increase

in trucking costs in the event of abandonment. In the opinion of one of the protestants' witnesses, the majority of farmers in that section would secure their grain at Nashua.

Operation of the line has resulted in annual system earnings which in the last three years have increased uniformly from \$714 to \$1,444, but the application is based principally on anticipated savings in Federal taxes. Savings of that nature should not be effected by disregarding the public need for the line, and the application, insofar as it relates to the portion between Pepperell and Hollis Depot, 3.04 miles, should be denied. There is, however, no apparent further need for the section between Hollis Depot and Nashua, a distance of 4.64 miles, and its continued operation would impose an undue burden upon the applicant and upon interstate commerce, notwithstanding the line as a whole has been operating at a profit.

We find that the present and future public convenience and necessity (1) permit abandonment by the Boston and Maine Railroad of the line extending from Hollis Depot to Nashua, Hillsborough County, N. H., but (2) are not shown to permit abandonment of the line from Pepperell to Hollis Depot in Middlesex County, Mass., and Hillsborough County, N. H., all as described herein. An appropriate certificate and order will be issued, providing that the certificate shall become effective from and after 15 days from its date and containing suitable provisions for the cancelation of tariffs.

CERTIFICATE AND ORDER

At a Session of the INTERSTATE COMMERCE COMMISSION, Division 4, held at its office in Washington, D. C., on the 4th day of December, A. D. 1941.

Finance Docket No. 13412

BOSTON & MAINE RAILROAD ABANDONMENT

Investigation of the matters and things involved in this proceeding having been made, a hearing having been held, and said division having, on the date hereof, made and filed a report containing its findings of fact and conclusions thereon, which report is hereby referred to and made a part hereof:

It is hereby certified, That the present and future public convenience and necessity permit abandonment by the Boston and Maine Railroad of the line of railroad between Hollis Depot and Nashua in Hillsborough County, N. H., described in the report aforesaid.

It is ordered, That this certificate shall take effect and be in force from and after 15 days from its date. Tariffs applicable to the line in question may be canceled upon notice to this Commission and to the general public by not less than 5 days' filing and posting in the manner prescribed in section 6 of the Interstate Commerce Act.

It is further ordered, That the Boston and Maine Railroad, when filing schedules canceling such tariffs, shall in such schedules refer to this certificate by title, date, and docket number.

It is further ordered, That the Boston and Maine Railroad shall report to this Commission as required by valuation order No. 24, effective May 15, 1928.

And it is further ordered, That the part of the application seeking permission to abandon the line between Pepperell and Hollis

effected by disregarding the public need for the line, and the application, insofar as it relates to the portion between Pepperell and Hollis Depot, 3.04 miles, should be denied. There is, however, no apparent further need for the section between Hollis Depot and Nashua, a distance of 4.64 miles, and its continued operation would impose an undue burden upon the applicant and upon interstate commerce, notwithstanding the line as a whole has been operating at a profit.

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It is further ordered, That the Boston and Maine Railroad shall report to this Commission as required by valuation order No. 24, effective May 15, 1938.

And it is further ordered, That the part of the application seeking permission to abandon the line between Pepperell and Hollis Depot in Middlesex County, Mass., and Hillsborough County, N. H., described in the report aforesaid, be, and it is hereby, denied.

By the Commission, division 4.

(SEAL.)

W. P. BARTEL,

Secretary.