

outlined in green on a plan by B&M's Vice President - Engineering entitled "Trackage in Belchertown and Palmer, Mass. to be Leased to MassCentral RR", dated 1979, attached hereto and made a part hereof.

To Have and to Hold for a term of one (1) year commencing on such date as the Interstate Commerce Commission (ICC) shall approve and authorize an application of MassCentral to lease the demised premises from B&M and to operate as a carrier thereon, or on such date as temporary authority to operate as a carrier on and within the demised premises during the pendency of such application shall have been granted to MassCentral by the ICC, acting through its Railroad Service Board, whichever first occurs, and, thereafter to continue from year to year unless and until notice of termination is given by either party to the other 120 or more days prior to the effective date of termination stated in any such notice or upon any termination of applicable, regulatory authority in MassCentral to operate as a carrier on and within the demised property or upon the disapproval by the ICC of MassCentral's application for authority to lease the demised property, whichever first occurs.

Notwithstanding any other provision herein contained, this lease shall terminate, without notice by either party to the other being required, on the effective date of any Certificate of Public Convenience and necessity issued by the I.C.C. permitting the abandonment by B&M of the demised

premises under the provisions of 49 USC 10903, or as amended.

The term of the within lease shall not begin unless and until MassCentral shall acknowledge in writing that the tracks within the demised premises are in safe condition for railroad operation.

ARTICLE II

SERVICE

MassCentral agrees to provide rail freight service as a common carrier to customers in Palmer (Bondsville), Massachusetts.

ARTICLE III

MAINTENANCE

MassCentral agrees to maintain the tracks and appurtenances within the demised premises in conformance with all applicable federal and state laws and regulations of federal and state agencies having jurisdiction thereof. MassCentral agrees to indemnify and save B&M harmless from all loss, cost, damage and fines assessed against B&M by any federal or state agency arising out of the failure by MassCentral to maintain the tracks and appurtenances within the demised premises in conformance with any such laws and regulations. MassCentral agrees to conduct such inspections, maintain such records and report such information concerning the maintenance of the tracks and appurtenances within the demised premises as shall or may be required by any federal

or state agency having jurisdiction thereof. MassCentral agrees that it will not alter the tracks and appurtenances within the demised premises without having obtained the prior written consent of B&M's Vice President-Engineering in each instance.

ARTICLE IV

RENT RESERVED

MassCentral agrees to pay rent quarterly to B&M for the properties hereby demised at an annual rate of \$900.00 provided that MassCentral's annual gross railway revenue from Bondsville Station exceeds \$12,500.00 and at an annual rate of \$600.00 if its annual gross railway revenue does not exceed \$12,500.00.

Said quarterly installments shall be paid in arrears within thirty days after the close of each quarter of any annual period and each of them shall be in the amount of \$225.00 if MassCentral's gross railway revenue from Bondsville Station during the preceding quarter equalled or exceeded \$3,125.00 or \$150.00 in the event said revenue during the preceding quarter was less than \$3,125.00. The aggregate of quarterly installments paid by MassCentral shall be adjusted at the end of each annual period to conform such aggregate to the annual rental rate due B&M. Any balance due from either party to the other shall be paid within sixty days after such determination of the annual rental rate.

ARTICLE V

ASSIGNMENT OF SIDETRACK RENTS

B&M agrees to assign to MassCentral during the term of the within lease, its rights to any and all rents due to B&M under licenses for privileges within the demised premises.

ARTICLE VI

TAXES

MassCentral agrees to pay all taxes levied and assessed by state and municipal authority on the properties hereby demised.

ARTICLE VII

INDEMNIFICATION

MassCentral agrees to indemnify and hold B&M harmless from any and all loss, cost and damage or expense on account of injury (including death) and damage to persons or property, including employees and property of B&M, occurring in connection with, or in any way referable to the maintenance of the property hereby demised or the operation of trains in and within the demised premises.

ARTICLE VIII

INSURANCE COVERAGE

Prior to the commencement of the term of the within lease, MassCentral agrees to furnish to B&M, and maintain at all times at its sole expense during the term of the within lease, such policies of insurance, in form and from companies approved by B&M, providing full indemnification to

B&M against any and all claims, loss, cost and damage or expense on account of injury (including death), and damage to persons and property, including employees and property of B&M occurring in connection with, or in any way referable, to the maintenance of the property or the operations of trains within the demised premises with minimum limits of \$500,000 for injury to any one person and \$1,000,000 for any one occurrence.

The policy shall refer to MassCentral's assumptions of liability under the within lease. Said policies shall be Railroad Public Liability policies in the Oregon form with Section 5(a) deleted. B&M, in form: "Robert W. Meserve and Benjamin H. Lacy, Trustees of the property of Boston and Maine Corporation, Debtor" shall be named insureds in any and all such insurance policies, and such policies shall provide that B&M will be notified of cancellation or restrictive amendment at least thirty (30) days prior to the effective date of such cancellation or amendment.

ARTICLE IX

PER DIEM CHARGES

MassCentral agrees to hold B&M harmless from all claims of interline carriers on account of any and all per diem, mileage, or other rental charges accruing against rail cars from and after interchange to MassCentral.

ARTICLE X

NOTICES

Notices to either party to this lease by the other shall be deemed to have been duly given on the date of receipt of such notice, mailed by certified mail. Any such notice shall be addressed, if to B&M, to Sidney B. Culliford, Vice President-Operations, Boston and Maine Corporation, Debtor, Iron Horse Park, North Billerica, MA 01862, and, if to Mass Central, to Peter M. Dearness, Executive Vice-President, Massachusetts Central Railroad Corporation, 13 Railroad Street, Amherst, MA 01002 until notice of a change of address has been given by either party to the other.

ARTICLE XI

SUCCESSORS AND ASSIGNS

The covenants of this agreement shall be binding upon and inure in favor of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Parties hereto have executed this agreement in duplicate on the day and year first above written.

ROBERT W. MESERVE AND BENJAMIN
H. LACY, as Trustees of the
property of Boston and Maine
Corporation, Debtor and not
individually

Witness to signature:

Robert W. Meserve, as Trustee
aforesaid and not individually

Witness to signature:

Benjamin H. Lacy, as Trustee
aforesaid and not individually

Witness to signature:

MASSACHUSETTS CENTRAL RAILROAD
CORPORATION

Peter M. Dearness, Executive
Vice President & General Manager

November 15, 1979

Messrs: H. W. Meserve
B. H. Lacy

During the summer, we submitted a petition to the ICC for abandonment of the Wheelwright Branch. Until the approval is received from the ICC, which could be as far off as next summer, we have a continued obligation to provide service to our customers along this line, including Ware, Massachusetts, and sustaining continued losses.

The attached lease with the Massachusetts Central Railroad, who has been the designated operator for the Ware River Branch for the Commonwealth of Massachusetts, would permit them to perform common carrier functions over about 7 miles of our Wheelwright Branch, thus reducing our losses and permitting us to discontinue the trackage rights and trackage rights costs for operating over a portion of the Central Vermont Railway. With this agreement and our present petition for abandonment, the ICC would issue an indefinite car service order permitting the Massachusetts Central Railroad to perform this work. Massachusetts Central Railroad presently has an agreement with the Boston and Maine to operate about 1 mile of line from the Ware River Branch into Ware, Massachusetts and has been fulfilling that responsibility for several months.

We have agreed in writing with the Massachusetts Central Railroad to furnish 300 second-hand ties for their use in making necessary improvements on this 7-mile piece of track as well as our installing some 14 rails to overcome the bad rail condition. The estimated cost for this work and material will run about \$5,000.

Subsequent to ICC approval of the line, we can then either lease it to the Massachusetts Central Railroad or to the Commonwealth of Massachusetts on a continuing basis or dispose of it through sale.

A. G. Dustin

cc: C. W. Mulcahy
J. J. Hee
S. Weinberg *ASW*

outlined in green on a plan by B&M's Vice President -
Engineering entitled "Trackage in Belchertown and Palmer,
Mass. to be Leased to MassCentral RR", dated
1979, attached hereto and made a part hereof.

To Have and to Hold for a term of one (1) year
commencing on such date as the Interstate Commerce Com-
mission (ICC) shall approve and authorize an application of
MassCentral to lease the demised premises from B&M and to
operate as a carrier thereon, or on such date as temporary
authority to operate as a carrier on and within the demised
premises during the pendency of such application shall have
been granted to MassCentral by the ICC, acting through its
Railroad Service Board, whichever first occurs, and,
thereafter to continue from year to year unless and until
notice of termination is given by either party to the other
120 or more days prior to the effective date of termination
stated in any such notice or upon any termination of
applicable, regulatory authority in MassCentral to operate
as a carrier on and within the demised property or upon the
disapproval by the ICC of MassCentral's application for
authority to lease the demised property, whichever first
occurs.

Notwithstanding any other provision herein contained,
this lease shall terminate, without notice by either party
to the other being required, on the effective date of any
Certificate of Public Convenience and necessity issued by
the I.C.C. permitting the abandonment by B&M of the demised

premises under the provisions of 49 USC 10903, or as amended.

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or state agency having jurisdiction thereof. MassCentral agrees that it will not alter the tracks and appurtenances within the demised premises without having obtained the prior written consent of B&M's Vice President-Engineering in each instance.

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IN WITNESS WHEREOF, the Parties hereto have executed this agreement in duplicate on the day and year first above written.

ROBERT W. MESERVE AND BENJAMIN
H. LACY, as Trustees of the
property of Boston and Maine
Corporation, Debtor and not
individually

Witness to signature:

Robert W. Meserve, as Trustee
aforesaid and not individually

Witness to signature:

Benjamin H. Lacy, as Trustee
aforesaid and not individually

Witness to signature:

MASSACHUSETTS CENTRAL RAILROAD
CORPORATION

Peter M. Dearness, Executive
Vice President & General Manager

MAR 8 1976

MAR 3 3 27 1976
NOTICE

INFORMATION CONCERNING THE IMPLEMENTATION OF SECTION 304(c) AND (d) OF REGIONAL RAIL REORGANIZATION ACT OF 1973 (45 U.S.C. 744), AS AMENDED BY THE RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976, P.L. 94-210, (45 U.S.C. 801), ENACTED ON FEBRUARY 5, 1976

~~CONTINUATION OF RAIL SERVICE UNDER SUPERVISION BY DESIGNATED OPERATOR~~

BACKGROUND

Over the past several months, the Interstate Commerce Commission (Commission), has received many inquiries regarding the authority required, if any, by ConRail, other railroads, or responsible persons (including a government entity) designated to operate rail freight service (Designated Operators), pursuant to section 304(d) of the Regional Rail Reorganization Act of 1973, as amended by the Railroad Revitalization and Regulatory Reform Act of 1976. The staff of the Commission has responded to these inquiries by informing the parties to file an application with a motion to dismiss so that the Commission could formally consider the matter. This procedure was considered unsatisfactory and burdensome. After further study of the situation, including the problem of seeking authority to commence operation or to abandon upon termination of the rail service continuation payment, the Commission has concluded that Designated Operators should not be required to file an application under section 1(18) of the Interstate Commerce Act. As an alternative solution, the Commission has adopted the following procedure.



The Commonwealth of Massachusetts
EXECUTIVE OFFICE OF
TRANSPORTATION AND CONSTRUCTION

PAUL E. MCBRIDE
ASSISTANT SECRETARY

A ~~certificate of Designated Operator~~ will be issued by the Commission to ConRail, other railroads, or responsible persons (including a government entity) designated to operate rail freight service (Designated Operators), pursuant to section 304(d) of the Regional Rail Reorganization Act of 1973, as amended by the Railroad Revitalization and Regulatory Reform Act of 1976, when a Designated Operator files with the Commission a letter which indicates its intent to provide the proposed service. The letter must include the following additional information:

1. THE STATUS OF THE DESIGNATED OPERATOR

- (a) The name and address of the Designated Operator.
- (b) If the Designated Operator is a new corporation or other new business entity and a non-carrier, a copy of the certificate of incorporation from the appropriate state authority in the state in which the Designated Operator is incorporated or, if unincorporated, the facts and official organizational documents relating to the formation of the new, non-carrier business entity.
- (c) The names and addresses of all officers and directors of the new, non-carrier business entity with a statement from each which indicates present affiliation, if any, with a railroad.
- (d) Sufficient information from the Designated Operator to establish its financial responsibility for the proposed undertaking, unless the Designated Operator is a common carrier by railroad.

2. THE RELEVANT DATES

- (a) The effective date of the proposed discontinuance of service by the owning carriers in reorganization.

- (b) The exact dates of the period of operation which have been agreed upon by the Designated Operator, on the one hand, and, on the other, the offeror of the rail service continuation payment and the owner of the line to be operated, in their operating or subsidy agreements.

3. THE NATURE OF THE PROPOSED SERVICE

- (a) A copy of all agreements between the Designated Operator, on the one hand, and, on the other, the offeror of the rail service continuation payment and the owner of the line to be operated.
- (b) Any additional information which is necessary to provide the Commission with a description of:
 - (i) the line over which service is to be provided, e.g. (U.S.R.A. Line No.);
 - (ii) all interline connections including the names of the connecting railroads; and
 - (iii) the nature and extent of all liability insurance coverage, including the name of the insurer and proof of coverage - e.g. binder insurance

4. THE STATUS OF THE OFFEROR

- (a) The name and address of the offeror of the rail service continuation payment
- (b) Sufficient information to establish the financial responsibility of the offeror for the proposed undertaking, unless the offeror is a state or municipal corporation or authority who must then state that it has authority to perform the service or enter into the agreement for subsidy.

Upon receipt of this information, the matter will be docketed by the prefix initials "D-OP." When a certificate is issued it will be entitled a "Certificate of Designated Operator." This certificate will state generally

that the Designated Operator has entered into an agreement to provide service, pursuant to the provisions of section 304 of the Regional Rail Reorganization Act of 1973, as amended by the Railroad Revitalization and Regulatory Reform Act of 1976, over a described line, with the right to commence and terminate service pursuant to the terms of agreement between the parties in accordance with the provisions of section 304, without further authority under the provisions of the Interstate Commerce Act, (Act). Although the Designated Operator will not be required to seek and obtain authority from the Commission pursuant to section 1a and 1(18) of the Act, as amended, for either commencement or termination of operations, the Designated Operator will be subject to all other provisions of the Act, as amended, as a common carrier by railroad.

Any operator, including ConRail, other railroads or responsible persons (including a government entity), which is not a Designated Operator, pursuant to section 304 of the Regional Rail Reorganization Act of 1973, as amended by the Railroad Revitalization and Regulatory Reform Act of 1976, is subject to all provisions of the Interstate Commerce Act. More specifically, a "Certificate of Designated Operator" is designed for a rather limited situation. It will apply only to subsidized operations conducted pursuant to section 304(c) and (d) of the Regional Rail Reorganization Act of 1973, as amended by the Railroad Revitalization and Regulatory Reform Act of 1976.

It will not apply, for example, to purchase situations described in section 304(d) (as amended to 304(l)) of that Act. A "Certificate of Designated Operator" will not authorize entry onto or operation over a light density line subsequent to its purchase.

RATES AND TARIFFS

Regarding rate and tariff issues, the implementation of the Final System Plan with respect to subsidized operations will involve the use of adoption notices as the vehicle to effectuate the shifting of the tariff responsibilities to the operating carrier. Since it now appears that there will be some subsidized operations performed by entities that will, at least initially, be non-carriers, deviation from the tariff filing requirements of Tariff Circular No. 20, 49 CFR 1300, will be necessary in some instances. To facilitate the take over by non-carriers, special permission can be granted, upon application, when warranted. It should be noted that ConRail's request for special permission for authority to file an adoption notice was granted by order of the Commission, Division 2, served March 3, 1976.

PROCEDURE

A "Certificate of Designated Operator" will be issued when all of the necessary information plus three copies thereof are filed with the Secretary of the Commission. The Commission strongly urges all Designated Operators to submit the necessary information as soon as possible. In the lower right corner of the covers of all envelopes which contain such information,

"D-OP Certificate" should be indicated. In the event that all necessary information has been filed and no certificate has been received by the Designated Operator, operations may be commenced pending receipt of the "Certificate" on the date specified in the agreements filed with the Commission.

INFORMAL SEMINAR

An informal seminar, concerning the implementation of section 304(c) and (d) of the Rail Reorganization Act of 1973, as amended by the Railroad Revitalization and Regulatory Reform Act of 1976, will be held on Friday, March 19, 1976, at 10:00 a.m. at the offices of the Commission, Washington, D. C. The location of the seminar will be posted in the lobby of the Commission. It is hoped that such a conference will clarify questions that individuals may have concerning this section of the new Act and its implementation by the Commission.

By the Commission.

Dated March 5, 1976.

ROBERT L. OSWALD
Secretary

November 8, 1979

J. Kenneth Carter, Chief
Utilization and Distribution Branch
Section of Railroads
Bureau of Operations
Interstate Commerce Commission
Washington, D. C. 20423

Re: Application of Massachusetts Central
Railroad Corporation for a Car Service
Order authorizing operation over B&M
Tracks in Belchertown and Palmer, Ma
between M. P. 18.23 and M. P. 24.99, a
distance of 6.76 miles

Dear Mr. Carter:

Robert W. Meserve and Benjamin H. Lacy, Trustees of the property of Boston and Maine Corporation, Debtor (B&M endorse and support the above-captioned application.

Demand for rail freight service on B&M's trackage is solely that of Diamond International's warehouse facility in Palmer (Bondsville). Inbound service to that facility has not been provided via B&M routing since August, 1979 because of damage to a bridge on such routing. Such service has been provided via Conrail routing to its station in Palmer, Thorndike, and by truck for the two (2) miles to the facility from Thorndike. Inbound freight demand since August 1979 has consisted of only two (2) cars. The more substantial outbound freight from this facility has been routed by the customer in the reverse direction by the same combination of truck and Conrail routing.

J. Kenneth Carter, Chief
Interstate Commerce Commission
Page 2.

November 8, 1979

Issuance of the car service order will provide for an entire rail movement to and from Diamond International's facility and avoid the additional expense to the customer of truck loading, unloading and movement in connection with rail movement.

Sincerely,

Sidney Weinberg
150 Causeway Street
Boston, Ma. 02114
(617) 227-6000

Attorney for Robert W.
Meserve and Benjamin
H. Lacy, Trustees of
the Property of Boston
and Maine Corporation,
Debtor.

SW/m

bcc - Deamus

Multiports

Central Junction 15.23

Broadmeete 21.69 } 6.76

Small Lake 24.99

8/7/79
S W
Please take
M

August 3, 1979

Messrs: P. W. Carr
S. B. Culliford
D. J. Hughes
J. J. Nee
M. V. Smith

Attached is a draft copy of a proposed lease between the Boston and Maine and the Massachusetts Central Railroad.

Please review and forward comments by August 17th.

A. G. Dustin
A. G. Dustin



SW
as info
M

Boston, Massachusetts
August 16, 1979

Mr. A. G. Dustin, President
Executive Department
BILLERICA

The draft copy of the proposed lease with Massachusetts Central Railroad accompanying yours of August 3, 1979, has the Law Department's approval as to form.

J. J. Nee

JJN:kef

STAG
SW talk
Please
M

August 24, 1979

Subject: Wheelwright Branch-Lease to Massachusetts Central Railroad

Mr. J. J. Nee:

I have had several discussions with Peter Dearness this past week and feel that the following changes should be prepared for the lease of the Bondsville section of the Wheelwright Branch.

Article III in the lease should be changed to require the demised premises to be maintained in conformity with all applicable state and federal safety regulations. The Boston and Maine should be indemnified against any fines arising out of their failure to comply with applicable regulations. In addition, the lease should provide that the lessor will perform all necessary inspections and maintain all necessary records and reports as required by the state or federal agencies.

In addition, as part of a side letter to the agreement, after the lease is consummated, the Boston and Maine and the Massachusetts Central Railroad should petition the FRA as provided in Section 213b of the Federal Track Safety Standards, requesting that the Massachusetts Central be designated as the party responsible for maintenance of this segment of the line.

213 b
FRA way
designate

David Hughes is conducting an inspection to determine what modest amount of track material and assistance we might have to give them to up-grade the line prior to their acceptance. I would like you to contact Dave to determine that a mutual agreement has been reached between the Massachusetts Central Railroad and the Boston and Maine on the original condition of the line.

The termination date on the line should be established so that on the date of abandonment, the lease could be terminated. However, provisions should be made to allow a month-to-month extension of the lease after the date of termination until such time as the Commonwealth of Massachusetts can make a determination as to whether they want to purchase the line.

I am not sure if Sid Weinberg has received the most recent proposal from the Massachusetts Central Railroad on the lease of the Wheelwright Branch. I am enclosing a copy for your information.



A. G. Dustin

cc: P. W. Carr
S. B. Culliford
D. J. Hughes
M. V. Smith

November 9, 1979

To: A. C. Dustin

In re: MassCentral R. Co. - Lease of tracks
from Canal Junction to Forest Lake,
Wheelwright Branch

Attached is the proposed memo to the Trustees for
your signature and a copy of the proposed lease.

Kindly sign the memo and return it to me. I will
put the matter on the Trustees' agenda.

S. Weinberg

SW/mon
Attachments

Memo to the Trustees

Attached for execution are duplicate copies of a proposed lease to MassCentral Railroad Corporation (MassCentral) of 6.76 miles of track on the Wheelwright Branch.

An Application for the abandonment of the Wheelwright Branch is pending before the I.C.C. MassCentral expects soon to receive authority from the ICC to operate over these tracks. It will operate as the designated operator of the Massachusetts Executive Office of Transportation and Construction which will guarantee it against loss from such operation.

The term of the lease is conditioned on the grant and continuation of authority in MassCentral to operate these B&M tracks.

A. G. Dustin

November 9, 1979

Massachusetts Central Railroad Corp.
13 Railroad Street
Amherst, Massachusetts 01002

Attention: Peter M. Dearness, Executive
Vice President and General Manager

Dear Mr. Dearness:

Enclosed is a copy of the lease of 6.76 miles of track from Canal Junction to Forest Lake which will be submitted for execution by the Trustees.

Very truly yours,

Sidney Weinberg

SW/mcn
Enclosure

November 15, 1979

Messrs: R. W. Meserve
B. H. Lacy

During the summer, we submitted a petition to the ICC for abandonment of the Wheelwright Branch. Until the approval is received from the ICC, which could be as far off as next summer, we have a continued obligation to provide service to our customers along this line, including Ware, Massachusetts, and sustaining continued losses.

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Subsequent to ICC approval of the line, we can then either lease it to the Massachusetts Central Railroad or to the Commonwealth of Massachusetts on a continuing basis or dispose of it through sale.

A. G. Dustin

cc: C. W. Mulcahy
J. J. Nee
S. Weinberg

AMW



The Commonwealth of Massachusetts

Executive Office of Transportation & Construction

One Ashburton Place

Boston, Massachusetts 02108

BARRY M. LOCKE
SECRETARY

November 23, 1979

Mr. Peter M. Dearness
Executive Vice President
Massachusetts Central Railroad
13 Railroad Street
Amherst, MA 01002

Mr. Edward G. Jordan
Chairman & Chief Executive Officer
Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, PA 19104

Gentlemen:

Attached please note a copy of a telegram from the Interstate Commerce Commission granting the Massachusetts Central Railroad Corporation immediate authority to commence operations along the Ware River Secondary Track between Palmer (Milepost 1.6) to South Barre (Milepost 25.0), all within the Commonwealth of Massachusetts.

In conformance with this authorization and in conformance with the Operating Agreement executed between the Executive Office of Transportation and Construction and the Massachusetts Central Railroad Corporation, this Office hereby requests that the Consolidated Rail Corporation cease operation of railroad freight service over said Ware River Secondary Track as of 12 A.M., November 30, 1979 and hereby directs the Massachusetts Central Railroad Corporation to commence operation of railroad freight service over said track as of 12:01 A.M., December 1, 1979.

I wish to take this opportunity to express my appreciation to the Consolidated Rail Corporation for their cooperation and assistance in making the initiation of operations by Massachusetts Central over the Ware River Line a reality.

The Commonwealth of Massachusetts urges the continuation of cooperative efforts by both railroads to make future railroad services

in the Ware River Valley Area responsive to the needs of railroad users and affected municipalities.

Very truly yours,


Harry M. Locke
SECRETARY

BML:PEMcb:es

cc: Alan G. Dustin, Boston & Maine Corporation
Philip C. Larson, Central Vermont Railway, Inc.
Senator Robert D. Wetmore
Edward Claypole, Penn Central Corporation
Sidney Weinberg, Boston and Maine Corporation ✓
Richard Hasselman, Conrail
John Sweeney, Conrail
Gery Williams, Conrail
Ernie C. Cross, Conrail
Robert S. McKernan, Conrail
Madeleine S. Bloom, FRA
JoAnne McGowan, FRA
Edward Hassel, FRA
Edward L. McLaughlin, Esq.
Richard A. Kelly, ICC
Thomas K. Dyer
Ludlow Paper Company
William J. Powers, Conrail
William Leypoldt, Conrail
Joseph Caruso, Conrail

Attachment

western union

Telegram

BBD245 (1717) (1-025 835C3 18) PD 11/14/79 1716

TWX ICC WSH

009 GOVT PAID WASH DC NOV 14 79

FMS BARRY M LOCKE, SECRETARY

MASSACHUSETTS EXECUTIVE OFFICE OF

TRANSPORTATION & CONSTRUCTION

ROOM 1610 --1 ASHBURTON PLACE BSN-

1 ASHBURTON PLACE

BOSTON MA 02100

RECEIVED ESTC

NOV 15 1979

APPLICATION FOR DESIGNATED OPERATOR CERTIFICATE BY MASSACHUSETTS
CENTRAL RAILROAD CORPORATION RECEIVED NOVEMBER 9, 1979, AND
DESIGNATED OPERATIONS MAY START IMMEDIATELY. DESIGNATED OPERATOR
CERTIFICATE WILL FOLLOW.

RICHARD A KELLY

ASST DEPUTY DIRECTOR

SECTION OF FINANCE

INTERSTATE COMMERCE COMMISSION

NNNN

PA-3

NOV 14 1979

November 26, 1979

TELEGRAM

Mr. Gery Williams
Conrail
P.O. Box 23451
Washington, D.C. 20024

Mr. Charles McKenna
Conrail
54 Meadow Street
New Haven, Connecticut 06506

Mr. Peter M. Dearness
Mass Central Railroad
13 Railroad Street
Amherst, MA 01002

Mr. William Powers
Conrail
Six Penn Center Plaza, #1444
Philadelphia, PA 19104

DISREGARD PREVIOUS TELEGRAM SENT NOVEMBER 23 REQUESTING CONRAIL
TO DISCONTINUE OPERATION OF WARE RIVER SECONDARY TRACK AS OF
DECEMBER 3. CONRAIL NOW REQUESTED TO CEASE OPERATIONS MIDNIGHT
DECEMBER 10 AND MASS CENTRAL DIRECTED TO INITIATE OPERATIONS
DECEMBER 11. REGRET INCONVENIENCE TO BOTH PARTIES CAUSED BY
PRIOR TELEGRAM.

BARRY M. LOCKE, SECRETARY
OFFICE OF TRANSPORTATION AND CONSTRUCTION
COMMONWEALTH OF MASSACHUSETTS

CONRAIL

MEMORANDUM

TO Distribution
FROM J. E. Green
General Manager-Stations
450, 30th St. Station
Phone
DATE November 28, 1979
SUBJECT

Attached hereto is NOTICE covering discontinuance of subsidized freight service on the following line in the State of Massachusetts operated by Conrail, effective December 10, 1979.

The Ware River Secondary Track from Palmer (MP 1.6) to South Barre, MA (MP 25.0). Owner: Penn Central Corporation, USRA Line 8.

It is to be noted that the Massachusetts Central Railway will be the designated operator effective December 11, 1979, interchanging with Conrail at Palmer, MA.

Distribution:

R. B. Hasselman
R. N. Cramer - 1538 Six Penn Center
J. L. Sweeney - L'Enfant Plaza, Washington, D.C.
W. C. Wieters - 1744 Six Penn Center
R. W. Orr - 801, 1528 Walnut Street
R. F. Bush - 1640 Six Penn Center
C. E. Mechem - 1138 Six Penn Center
P. W. Mattson - 806 Six Penn Center
J. H. Beer - 1736 Six Penn Center
J. Kasinoff - 321, 30th Street Station
T. E. Hoppin - 1040 Six Penn Center
J. L. Forrester - 440 Six Penn Center
J. T. Caruso - 844 Six Penn Center
M. J. Connor - 1736 Six Penn Center
J. A. Sees - 550 Six Penn Center
A. C. Lawsburg - 715 Food Fair Building
W. J. Powers - 1444 Six Penn Center
T. N. Kellogg - 1800, 1528 Walnut Street
J. A. Kelly
J. P. Cody
C. R. McKenna, GM, Northeastern Region, New Haven, CT
Barry M. Locke, Sec., Executive Office of Transportation
& Construction, One Ashburton Place,
16th Floor, Boston, MA 02108

Notice of Discontinuance of Subsidized Freight Service

Branch shown below, in the State of Massachusetts, is a light density line of railroad which is not a part of the rail system of Consolidated Rail Corporation (Conrail).

<u>BRANCH NAME</u>	<u>O&P</u>	<u>AD-80</u>	<u>STATIONS</u>
Ware River Secondary Track from Plamer, MA (MP 1.6) to So. Barre, MA (MP 25.0)	13043	19239	Thorndike, MA
Owner: Penn Central Corp.	13044	19240	Ware, MA
USRA Line No. 8	13045	19241	Gilbertville, MA
	13046	19242	Old Furnace, MA
	13047	19243	Barre Plains, MA
	13047.05	19251	So. Barre, MA

Conrail is presently providing rail freight service on said line under subsidy contract with the Massachusetts Office of Transportation & Construction. In accordance with Section 1303 of the Operating Agreement between Consolidated Rail Corporation and the Massachusetts Office of Transportation & Construction, the Massachusetts Office of Transportation & Construction has notified Conrail that the subsidy for this line will be terminated on December 10, 1979.

Accordingly, Conrail gives notice that rail service on said Branch will be terminated effective 11:59 P.M. on December 10, 1979.

Massachusetts Central Railway will become the designated operator effective December 11, 1979.

Company Authorized to Operate over Tracks of Chicago, Rock Island and Pacific Railroad Company at Lone Wolf, Oklahoma.

Service Order No. 1417 is vacated effective 11:59 p.m., January 31, 1980.

(49 U.S.C. (10304-10305 and 11121-11126))

This order shall be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and car hire agreement under the terms of that agreement and upon the American Short Line Railroad Association. Notice of this order shall be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission, Railroad Service Board, members Joel E. Burns, Robert S. Turkington and John R. Michael. John R. Michael not participating.

Agatha L. Mergenovich, Secretary.

(FR Doc. 80-3977 Filed 2-6-80; 8:45 am)
BILLING CODE 7035-01-M

49 CFR Part 1033

(Service Order No. 1424)

Massachusetts Central Railroad Corp. Authorized to Operate Over Tracks Formerly Operated by Boston and Maine Corp., Robert W. Meserve and Benjamin H. Lacy, Trustees

Decided: January 30, 1980.

AGENCY: Interstate Commerce Commission.

ACTION: Service Order No. 1424.

SUMMARY: Authorizes the Massachusetts Central Railroad Corporation to operate over tracks formerly operated by the Boston and Maine Corporation between Forest Lake Junction and Bondsville, Massachusetts, in order to restore needed rail service to Bondsville.

EFFECTIVE DATE: 12:01 a.m., February 11, 1980, and continuing in effect until 11:59 p.m., July 31, 1980.

FOR FURTHER INFORMATION CONTACT: J. Kenneth Carter, (202) 275-7840.

The line of the Boston and Maine Corporation, Robert W. Meserve and Benjamin H. Lacy, Trustees (BM), serving Bondsville, Massachusetts, is unserviceable because of deteriorated bridges and track west of Bondsville. There is a connection between the line serving Bondsville and the Ware River Branch, presently being operated by the Massachusetts Central Railroad Corporation (Mass.), at Forest Lake Junction. The Mass has agreed to

operate over this line between Forest Lake Junction (MP 24.9) and Bondsville (MP 21.7) in Massachusetts, a distance of 3.2 miles in order to provide service to the shipper at Bondsville. The BM has consented to this use of its tracks by Mass.

It is the opinion of the Commission that an emergency exists requiring the operation by Mass over tracks formerly operated by BM in the interest of the public; that notice and public procedure are impracticable and contrary to the public interest; and that good cause exists for making this order effective upon less than thirty days' notice.

It is ordered, § 1033.1424
Massachusetts Central Railroad Corporation Authorized to Operate over Tracks Formerly Operated by Boston and Maine Corporation, Robert W. Meserve and Benjamin H. Lacy, Trustees.

(a) The Massachusetts Central Railroad Corporation (Mass) is authorized to operate over tracks of the Boston and Maine Corporation, Robert W. Meserve and Benjamin H. Lacy, Trustees (BM), between Forest Lake Junction (MP 24.9) and Bondsville (MP 21.7), a distance of 3.2 miles.

(b) *Application.* The provisions of this order shall apply to intrastate, interstate and foreign traffic.

(c) Nothing herein shall be considered as a prejudice of the application of Mass seeking authority to operate over these tracks.

(d) *Rate applicable.* Inasmuch as this operation by the Mass over tracks previously operated by the BM is deemed to be due to carrier's disability, the rates applicable to traffic moved over these lines shall be the rates applicable to traffic routed to, from, or via these lines which were formerly in effect on such traffic when routed via BM, until tariffs naming rates and routes specifically applicable via Mass become effective.

(e) In transporting traffic over these lines, Mass and all other common carriers involved shall proceed even though no contracts, agreements, or arrangements now exist between them with reference to the divisions of the rates of transportation applicable to that traffic. Divisions shall be, during the time this order remains in force, those voluntarily agreed upon by and between the carriers; or upon failure of the carriers to so agree, the divisions shall be those hereafter fixed by the Commission in accordance with pertinent authority conferred upon it by the Interstate Commerce Act.

(f) *Effective date.* This order shall become effective at 12:01 a.m., February 11, 1980.

(g) *Expiration date.* The provisions of this order shall expire at 11:59 p.m., July 31, 1980, unless otherwise modified, amended, or vacated by order of this Commission.

(49 U.S.C. (10304-10305 and 11121-11126))

This order shall be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and car hire agreement under the terms of that agreement and upon the American Short Line Railroad Association. Notice of this order shall be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission, Railroad Service Board, members Joel E. Burns, Robert S. Turkington and John R. Michael. John R. Michael not participating.

Agatha L. Mergenovich, Secretary.

(FR Doc. 80-4000 Filed 2-6-80; 8:45 am)
BILLING CODE 7035-01-M

49 CFR Part 1033

(Service Order No. 1377-A)

Norfolk and Portsmouth Belt Line Railroad Co., Authorized to Operate Over Tracks of Norfolk and Western Railway Co.

Decided: January 30, 1980.

AGENCY: Interstate Commerce Commission.

ACTION: Service Order No. 1377-A.

SUMMARY: Service Order No. 1377 authorizes the Norfolk and Portsmouth Belt Line to operate over tracks of the Norfolk and Western Railway Company in order to replace one of its bridges. The work has been completed and there is no further need for this order. Service Order No. 1377-A vacates Service Order No. 1377.

EFFECTIVE DATE: 11:59 p.m., January 31, 1980.

FOR FURTHER INFORMATION CONTACT: J. Kenneth Carter, (202) 275-7840.

Upon further consideration of Service Order No. 1377 (44 FR 26085 and 45397), and good cause appearing therefor:

It is ordered: § 1033.1377 *Norfolk and Portsmouth Belt Line Railroad Company authorized to operate over tracks of Norfolk and Western Railway Company.*

Service Order No. 1377 is vacated effective 11:59 p.m., January 31, 1980.

(49 U.S.C. (10304-10305 and 11121-11126))

A copy of this order shall be served upon the Association of American Railroads, Car Service Division, as agent

December 10, 1979

To: R. W. Meserve, Esquire
B. H. Lacy, Esquire

In Re: MassCentral Railroad - Lease

During the summer a petition was submitted to the I.C.C. to abandon the Wheelwright Branch. Final approval of this abandonment has not been received.

In the meantime, we have agreed to lease the property to MassCentral Railroad. The I.C.C. has not yet issued a "Car Service Order", but will probably do so in the next few days.

In anticipation of the I.C.C. approval and to insure prompt operation by MassCentral, it is necessary to execute the enclosed lease in duplicate. I have reviewed the provisions thereof and they have also been approved by department heads.

I would ask Mr. Meserve to sign and forward this lease (by ~~the same~~ ^{his} messenger) to Mr. Lacy for his signature upon his return on Thursday. Following execution by both Trustees, would you please return it to me.

C. W. Mulcahy, Jr.

CWMjr/mon
Attachment

December 10, 1979

To: R. W. Reserve, Esquire
B. W. Lacy, Esquire

In Re: MassCentral Railroad - Lease

During the summer a petition was submitted to the I.C.C. to abandon the Wheelwright Branch. Final approval of this abandonment has not been received.

In the meantime, we have agreed to lease the property to MassCentral Railroad. The I.C.C. has not yet issued a "Car Service Order", but will probably do so in the next few days.

In anticipation of the I.C.C. approval and to insure prompt operation by MassCentral, it is necessary to execute the enclosed lease in duplicate. I have reviewed the provisions thereof and they have also been approved by department heads.

I would ask Mr. Reserve to sign and forward this lease (by ~~his~~^{his} messenger) to Mr. Lacy for his signature upon his return on Thursday. Following execution by both Trustees, would you please return it to me.

C. W. Mulcahy, Jr.

CFW/jr/non
Attachment

February 7, 1980

Massachusetts Central Railroad Corporation
13 Railroad Street
Amherst, MA 01002

Attention: Peter N. Dearness, Executive
Vice President

Gentlemen:

Enclosed are two (2) duplicate originals of a lease of
R&M facilities, approximately 6.76 miles in length in
Belchertown and Palmer, MA, which have been fully executed
by R&M Trustees.

Would you kindly execute and date them as indicated and
return one fully executed original to J. J. Wae, General
Counsel, together with a certificate of the Clerk of the
Corporation that Mr. Dearness was authorized by the
directors to execute the same at a meeting of the directors.

Prior to the commencement of the term of the lease, an
acknowledgement in writing is required that the tracks
within the demised premises are in safe condition for
railroad operation.

Very truly yours,

Sidney Weinberg

SW/mon
Enclosures

bcc: A. G. Dustin) Dearness advises I.C.C.
D. J. Hughes) car service order issued,
S. B. Culliford) effective February 11, 1980

February 12, 1980

Mr. S. Weinberg:

Attached please find copy of ICC Service Order No. 1424 authorizing the Massachusetts Central R.R. to operate over our tracks between Bondsville and Forest Lake Junction, Mass.


S. B. CULLIFORD

cc: Messrs. Dustin
Hughes
Smith
Furey
Gallagher

ASSOCIATION OF
AMERICAN RAILROADS
OPERATIONS AND MAINTENANCE DEPARTMENT · CAR SERVICE DIVISION
AMERICAN RAILROADS BUILDING · WASHINGTON, D. C. 20036

W. H. VAN SLYKE
Executive Director and Chairman
H. GORDON RANDALL
Vice Chairman

February 4, 1980

Mr. Peter M. Dearness, G.NM
Massachusetts Central RR. Co.
Amherst, MA 01002

[REDACTED] V.P. & G.M.T.
Boston & Maine Corporation
High St.
North Billerica, MA 01862

Gentlemen:

The attached ICC Service Order No. 1424 authorizes the Massachusetts Central RR. Corp. to operate over tracks of the Boston and Maine Corporation between Bondsville and Forest Lake Junction, Mass.

Effective: February 11, 1980.

Expires: July 31, 1980.

Yours very truly,

W. H. Van Slyke

cc: Mr. P. A. Terrels - New Jersey

SERVICE DATE

JAN 30 1980

TITLE 49 - TRANSPORTATION
 CHAPTER X - INTERSTATE COMMERCE COMMISSION
 SUBCHAPTER A - GENERAL RULES AND REGULATIONS

PART 1033 - CAR SERVICE

DECISION

SERVICE ORDER NO. 1424

MASSACHUSETTS CENTRAL RAILROAD CORPORATION AUTHORIZED TO
 OPERATE OVER TRACKS FORMERLY OPERATED BY BOSTON AND MAINE CORPORATION,
 ROBERT W. MESERVE AND BENJAMIN H. LACY, TRUSTEES

Decided January 30, 1980

The line of the Boston and Maine Corporation, Robert W. Meserve and Benjamin H. Lacy, Trustees (BM), serving Bondsville, Massachusetts, is unserviceable because of deteriorated bridges and track west of Bondsville. There is a connection between the line serving Bondsville and the Waze River Branch, presently being operated by the Massachusetts Central Railroad Corporation (Mass), at Forest Lake Junction. The Mass has agreed to operate over this line between Forest Lake Junction (MP 24.9) and Bondsville (MP 21.7) in Massachusetts, a distance of 3.2 miles in order to provide service to the shipper at Bondsville. The BM has consented to this use of its tracks by Mass.

It is the opinion of the Commission that an emergency exists requiring the operation by Mass over tracks formerly operated by BM in the interest of the public; that notice and public procedure are impracticable and contrary to the public interest; and that good cause exists for making this order effective upon less than thirty days' notice.

It is ordered,

§ 1033.1424 MASSACHUSETTS CENTRAL RAILROAD CORPORATION AUTHORIZED TO OPERATE OVER TRACKS FORMERLY OPERATED BY BOSTON AND MAINE CORPORATION, ROBERT W. MESERVE AND BENJAMIN H. LACY, TRUSTEES

(a) The Massachusetts Central Railroad Corporation (Mass) is authorized to operate over tracks of the Boston and Maine Corporation, Robert W. Meserve and Benjamin H. Lacy, Trustees (BM), between Forest Lake Junction (MP 24.9) and Bondsville (MP 21.7); a distance of 3.2 miles.

(b) Application. The provisions of this order shall apply to intrastate, interstate and foreign traffic.

(c) Nothing herein shall be considered as a prejudgment of the application of Mass seeking authority to operate over these tracks.

(d) Rate applicable. Inasmuch as this operation by the Mass over tracks previously operated by the BM is deemed to be due to carrier's disability, the rates applicable to traffic moved over these lines shall be the rates applicable to traffic routed to, from, or via these lines which were formerly in effect on such traffic when routed via BM, until tariffs naming rates and routes specifically applicable via Mass become effective.

(e) In transporting traffic over these lines, Mass and all other common carriers involved shall proceed even though no contracts, agreements, or arrangements now exist between them with reference to the divisions of the rates of transportation applicable to that traffic. Divisions shall be, during the time this order remains in force, those voluntarily agreed upon by and between the carriers; or upon failure of the carriers to so agree, the divisions shall be those hereafter fixed by the Commission in accordance with pertinent authority conferred upon it by the Interstate Commerce Act.

(f) Effective date. This order shall become effective at 12:01 a.m., February 11, 1980.

(g) Expiration date. The provisions of this order shall expire at 11:59 p.m., July 31, 1980, unless otherwise modified, amended, or vacated by order of this Commission.

(49 U.S.C. (10304-10305 and 11121-11126).)

This order shall be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and car hire agreement under the terms of that agreement and upon the American Short Line Railroad Association. Notice of this order shall be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D. C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission, Railroad Service Board, members Joel E. Burns, Robert S. Turkington and John R. Michael. John R. Michael not participating.

Agatha L. Mergenovich
Secretary

(SEAL)

July 1, 1977

Mr. A. G. Dettin

Re: Mass. Central Railroad - Wheelwright Branch
Your Memorandum to File, dated May 31, 1977

I have not heard from Mass. Central regarding their progress or success with the ICC in obtaining a car service order to operate between Northampton - Amherst, Ma. and Bondsville - Forest Lake, Ma. which Mr. Dettin represented he could obtain for service reasons even in the absence of an application for approval of a lease by and between B&M and Mass. Central upon submission of concurrence by all parties, including Council.

For the purposes of preparing a lease, subject to a condition precedent prior to commencement of the term thereof on ICC and Reorganization Court authorization on which an application for temporary authority may be based pending disposition of such application, I will require:

1. A consideration to be charged for such lease.
2. Particulars as to the phases of Mass. Central's operations, and the accrual revenue during each phase, within which B&M's obligation to supply funds and materials to bring the Bondsville to Forest Lake segment up to Class I standards would be figured.
3. Whether there are any customers of B&M on the portion of the CV line on which B&M is licensed to operate required to be served by B&M.

Elissey Weisberg

SW/man

cc: P. W. Carr
P. E. Carroll
S. B. Cullford
W. J. Grubbe
D. J. Hughes
W. A. Kirk
M. V. Smith

Memorandum to the File

A meeting was held on Friday, May 27th in an attempt to rationalize the issues outstanding with regard to operation of the Wheelwright Branch by the Massachusetts Central Railroad and overcome the objections raised by the Commonwealth of Massachusetts. In attendance, in addition to myself, were Peter Metz for the Commonwealth, Peter Dearness and a lawyer for the Massachusetts Central Railroad and Sidney Weinberg for the Boston and Maine.

It is the intention, and has been the efforts of the Massachusetts Central, to obtain from the Interstate Commerce Commission Railroad Service Board a Car Service Order on a temporary basis to permit their operation over the portions of the Wheelwright Branch which are owned by the Boston and Maine. In effect, they would operate between Northampton and Amherst and between Bondsville and Forest Lake. Tri-party arrangements by Agreement must be made between the Massachusetts Central, Penn Central Trustees and the Commonwealth and, in some instances, ConRail, before Massachusetts Central will be able to operate. Steps to carry this out are being taken and it is hoped that ICC permission will be granted for an operation that could continue on August 1, 1977.

In order to overcome the Commonwealth of Massachusetts' objections, I agreed that the Boston and Maine would:

1. Prior to Massachusetts Central assuming operations, Boston and Maine would, at its own expense, restore the line between Bondsville and Forest Lake to an operable condition.

2. That Boston and Maine, from a survey made or yet to be made, will furnish Massachusetts Central with enough material, at Boston and Maine expense, to bring the line up to Class I standards and that this material will be made available for their use on day one of their assuming operations. That we would advance Massachusetts Central with enough funds to cover their labor needs for track improvements to bring the line up to Class I standards with a provision that they will pay back these amounts if their revenues meet a certain pre-determined level.

3. That Massachusetts Central will carry out normalized maintenance entirely at their own expense unless their revenues do not reach a pre-determined threshold which will be a part of the license agreement.

These conditions, of course, will only prevail until we have authority for abandonment.

These concessions were necessary in order to move this project along as rapidly as possible to eliminate the continued operating losses which we are experiencing on this line.

It will be necessary to take steps with the Central Vermont as may be practical so that we will not have to continue paying them trackage rights charges on a continuing basis once the Massachusetts Central takes over the operations.

It is my understanding that we are programming a major rehabilitation under federal funding of one of the crossings on this line. It may be to our advantage to conclude this project as soon as possible so that there will not be any residual labor problems.

A. G. Dustin
May 31, 1977

cc: P. W. Carr
P. E. Carroll
S. B. Culliford
W. J. Grabske
D. J. Hughes
W. A. Kirk
~~J. J. Nee~~
M. V. Smith
S. Weinberg

This Lease made and entered into this 3rd day of March, 1980, by and between ROBERT W. MESERVE and BENJAMIN H. LACY, as Trustees of the property of Boston and Maine Corporation, Debtor (see In the Matter of Boston and Maine Corporation, Debtor, U. S. District Court for the District of Massachusetts, Docket No. 70-250-M), and not individually, parties of the first part, hereinafter referred to jointly in their capacities as Trustees aforesaid as "B&M", and Massachusetts Central Railroad Corporation, a corporation duly organized and existing under the laws of the Commonwealth of Massachusetts as a railroad corporation and having its principal place of business in Massachusetts, hereinafter referred to as MassCentral.

WITNESSETH

Subject to such authorizations and approvals as may be required of B&M under the provisions of the Bankruptcy Act, and of state and federal regulatory authority as conditions precedent to the commencement of the term of the within lease, B&M hereby leases to MassCentral the following described real estate and personal property:

ARTICLE I

THE PROPERTY DEMISED

All of the property of every kind and description, real, personal and mixed, in the Town of Belchertown, Hampshire County, and in the Town of Palmer, Hampden County, Commonwealth of Massachusetts, approximately 6.76 miles in length, as shown

outlined in green on a plan by B&M's Vice President - Engineering entitled "Trackage in Belchertown and Palmer, Mass. to be Leased to MassCentral RR"; dated November 20, 1979, attached hereto and made a part hereof.

To Have and to Hold for a term of one (1) year commencing on such date as the Interstate Commerce Commission (ICC) shall approve and authorize an application of MassCentral to lease the demised premises from B&M and to operate as a carrier thereon, or on such date as temporary authority to operate as a carrier on and within the demised premises during the pendency of such application shall have been granted to MassCentral by the ICC, acting through its Railroad Service Board, whichever first occurs, and, thereafter to continue from year to year unless and until notice of termination is given by either party to the other 120 or more days prior to the effective date of termination stated in any such notice or upon any termination of applicable, regulatory authority in MassCentral to operate as a carrier on and within the demised property or upon the disapproval by the ICC of MassCentral's application for authority to lease the demised property, whichever first occurs.

Notwithstanding any other provision herein contained, this lease shall terminate, without notice by either party to the other being required, on the effective date of any Certificate of Public Convenience and necessity issued by the I.C.C. permitting the abandonment by B&M of the demised

premises under the provisions of 49 USC 10903, or as amended.

The term of the within lease shall not begin unless and until MassCentral shall acknowledge in writing that the tracks within the demised premises are in safe condition for railroad operation.

ARTICLE II

SERVICE

MassCentral agrees to provide rail freight service as a common carrier to customers in Palmer (Bondsville), Massachusetts.

ARTICLE III

MAINTENANCE

MassCentral agrees to maintain the tracks and appurtenances within the demised premises in conformance with all applicable federal and state laws and regulations of federal and state agencies having jurisdiction thereof. MassCentral agrees to indemnify and save B&M harmless from all loss, cost, damage and fines assessed against B&M by any federal or state agency arising out of the failure by MassCentral to maintain the tracks and appurtenances within the demised premises in conformance with any such laws and regulations. MassCentral agrees to conduct such inspections, maintain such records and report such information concerning the maintenance of the tracks and appurtenances within the demised premises as shall or may be required by any federal

or state agency having jurisdiction thereof. MassCentral agrees that it will not alter the tracks and appurtenances within the demised premises without having obtained the prior written consent of B&M's Vice President-Engineering in each instance.

ARTICLE IV

RENT RESERVED

MassCentral agrees to pay rent quarterly to B&M for the properties hereby demised at an annual rate of \$900.00 provided that MassCentral's annual gross railway revenue from Bondsville Station exceeds \$12,500.00 and at an annual rate of \$600.00 if its annual gross railway revenue does not exceed \$12,500.00.

Said quarterly installments shall be paid in arrears within thirty days after the close of each quarter of any annual period and each of them shall be in the amount of \$225.00 if MassCentral's gross railway revenue from Bondsville Station during the preceding quarter equalled or exceeded \$3,125.00 or \$150.00 in the event said revenue during the preceding quarter was less than \$3,125.00. The aggregate of quarterly installments paid by MassCentral shall be adjusted at the end of each annual period to conform such aggregate to the annual rental rate due B&M. Any balance due from either party to the other shall be paid within sixty days after such determination of the annual rental rate.

ARTICLE V

ASSIGNMENT OF SIDETRACK RENTS

B&M agrees to assign to MassCentral during the term of the within lease, its right to any and all rents due to B&M under licenses for sidetrack privileges within the demised premises.

ARTICLE VI

TAXES

MassCentral agrees to pay all taxes levied and assessed by state and municipal authority on the properties hereby demised.

ARTICLE VII

INDEMNIFICATION

MassCentral agrees to indemnify and hold B&M harmless from any and all loss, cost and damage or expense on account of injury (including death) and damage to persons or property, including employees and property of B&M, occurring in connection with, or in any way referable to the maintenance of the property hereby demised or the operation of trains in and within the demised premises.

ARTICLE VIII

INSURANCE COVERAGE

Prior to the commencement of the term of the within lease, MassCentral agrees to furnish to B&M, and maintain at all times at its sole expense during the term of the within lease, such policies of insurance, in form and from companies approved by B&M, providing full indemnification to

B&M against any and all claims, loss, cost and damage or expense on account of injury (including death), and damage to persons and property, including employees and property of B&M occurring in connection with, or in any way referable, to the maintenance of the property or the operations of trains within the demised premises with minimum limits of \$500,000 for injury to any one person and \$1,000,000 for any one occurrence.

The policy shall refer to MassCentral's assumptions of liability under the within lease. Said policies shall be Railroad Public Liability policies in the Oregon form with Section 5(a) deleted. B&M, in form: "Robert W. Meserve and Benjamin H. Lacy, Trustees of the property of Boston and Maine Corporation, Debtor" shall be named insureds in any and all such insurance policies, and such policies shall provide that B&M will be notified of cancellation or restrictive amendment at least thirty (30) days prior to the effective date of such cancellation or amendment.

ARTICLE IX

PER DIEM CHARGES

MassCentral agrees to hold B&M harmless from all claims of interline carriers on account of any and all per diem, mileage, or other rental charges accruing against rail cars from and after interchange to MassCentral.

ARTICLE X

NOTICES

Notices to either party to this lease by the other shall be deemed to have been duly given on the date of receipt of such notice, mailed by certified mail. Any such notice shall be addressed, if to B&M, to Sidney B. Culliford, Vice President-Operations, Boston and Maine Corporation, Debtor, Iron Horse Park, North Billerica, MA 01862, and, if to Mass Central, to Peter M. Dearness, Executive Vice-President, Massachusetts Central Railroad Corporation, 13 Railroad Street, Amherst, MA 01002 until notice of a change of address has been given by either party to the other.

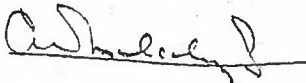
ARTICLE XI

SUCCESSORS AND ASSIGNS

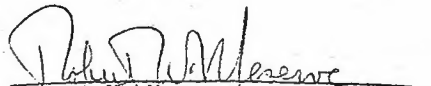
The covenants of this agreement shall be binding upon and inure in favor of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Parties hereto have executed this agreement in duplicate on the day and year first above written.

Witness to signature:



ROBERT W. MESERVE AND BENJAMIN H. LACY, as Trustees of the property of Boston and Maine Corporation, Debtor and not individually



Robert W. Meserve, as Trustee
aforesaid and not individually

Witness to signature:

Luis H. Baghian

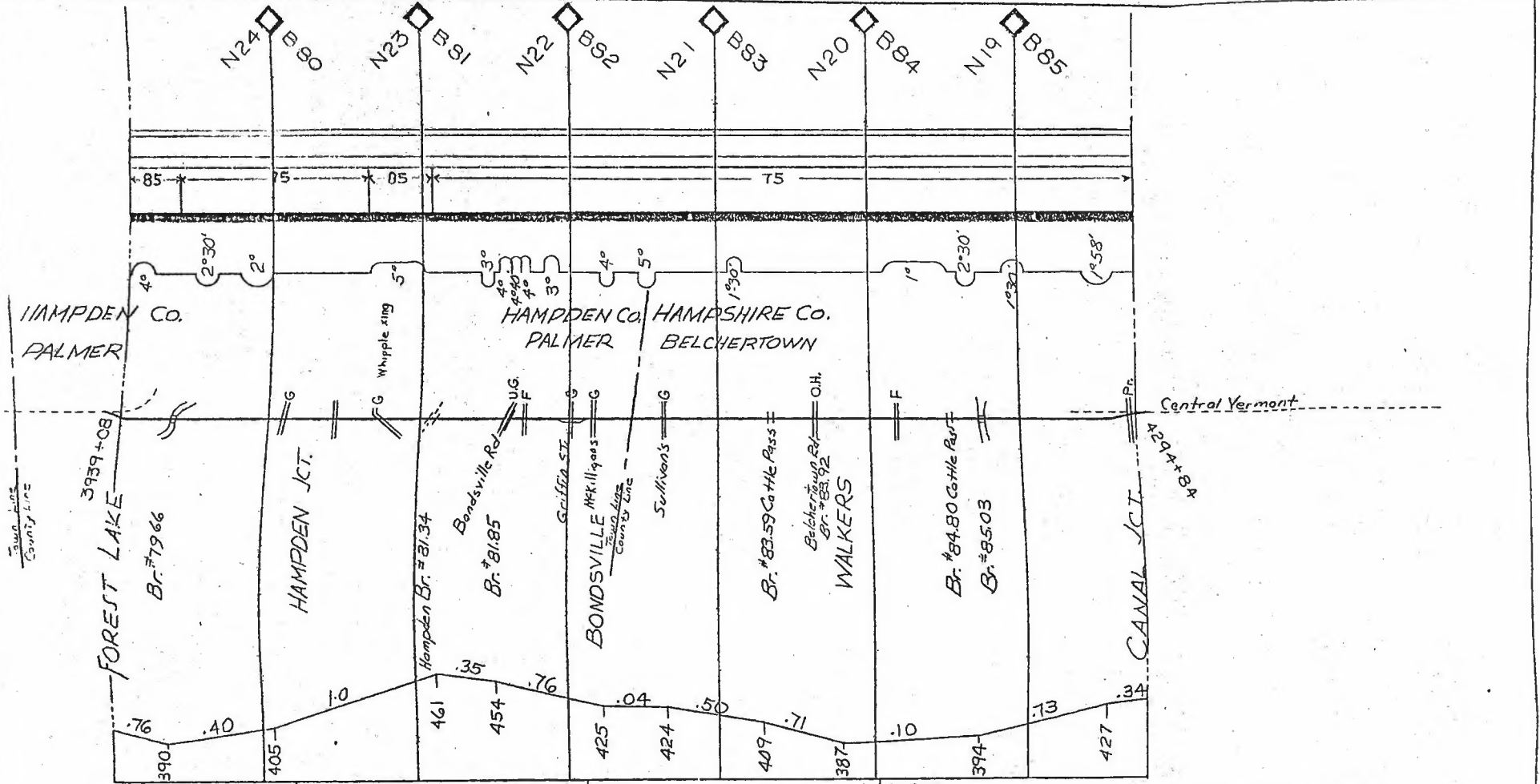
Benjamin H. Lacy
Benjamin H. Lacy, as Trustee
aforesaid and not individually

Witness to signature:

Don P. Coffey

MASSACHUSETTS CENTRAL RAILROAD
CORPORATION

Peter M. Dearness
Peter M. Dearness, Executive
Vice President & General Manager



TRACKAGE IN BELCHERTOWN AND PALMER, MASS. TO BE LEASED TO MASS CENTRAL RR
 11-20-79

CORPORATE RESOLUTION

Peter M. Dearness, Executive Vice President and General Manager is hereby authorized to sign leases of property in the matter of MassCentral's development of Common Carrier operations over portions of track-
age owned and controlled by the Boston and Maine Corporation.

The above action, voted at a regular meeting of the Board of Directors of MassCentral, December 3, 1978, shall remain in force unless countermanded by similar process.

Peter M. Dearness,
Gen. Mgr.

Ann M. Emanuel, Asst. Secretary
Attested to

This authorization still in effect - 3/3/80
Ann M. Emanuel



MASSCENTRAL

March 10, 1980

Mr. Sidney Weinberg
Boston and Maine Corporation
150 Causeway Street
Boston, Massachusetts 02114

Dear Mr. Weinberg:

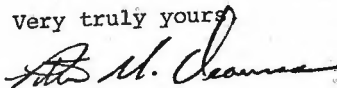
As per the terms of Article I of our lease agreement of March 3, 1980 I am herein notifying you of our acceptance of the trackage covered therein, effective on the date written above.

We have inspected the segment and have found the condition to be safe for the proposed common carrier operations by MassCentral. The Department of Public Utilities inspected this track-age and all discrepancies noted have been either corrected or otherwise provided for in bulletins or timetable instructions.

I have enclosed two documents for your file: a copy of our Car Service Order (No. 1424) and, a copy of the Corporate Resolution permitting my signature to the above-mentioned lease document. You will note that this authorization permits my signature to leases on all segments of the Wheelwright. (I expect that in the next month MassCentral may begin discussion on possible temporary service to the Amherst-Northampton segment, or portions thereof).

Anticipating your concurrence and approval of the above submission, I remain

Very truly yours,



Peter M. Dearness,
President & General Manager

PMD:mfh
Enclosures

March 17, 1980

To: L. R. Mattice

Re: Lease, dated March 3, 1980
Canal Junction (Belchertown)
to Forest Lake (Palmer) MA

Attached for filing, safekeeping and distribution is the above-captioned lease, letter of acceptance and corporate resolution for the above-captioned lease.

S. Weinberg

SW/mon
Attachment



DIAMOND INTERNATIONAL CORPORATION
733 THIRD AVENUE • NEW YORK, N.Y. 10017 • PHONE 212-697-1700

May 21, 1980

Mr. Sidney Weinberg
Attorney for the Reorganization Trustees
Boston & Maine Corporation
150 Causeway Street
Boston, Massachusetts 02114

Dear Mr. Weinberg,

We presume the hearing before the U.S. District Court in the District of Massachusetts on petition for authority to abandon the Wheelwright Branch went in favor of the B&M. Can you please advise when formal abandonment is effected.

Very truly yours,

T.J. O'Neill
Corporate Traffic Department
New York Office

TJO/brs

5/27/80

Dear Mr. O'Neill

This case was heard by the Court
on May 6, 1980. The judge in the case
made a decision at the conclusion of the
hearing. He has rendered an opinion
which is favorable to the
B&M.

Boston, Massachusetts
June 9, 1980

Mr. W. J. Rennie
Vice President
Executive Department
BILLERICA

Re: Lease to Massachusetts Central
Railroad Corporation - Belchertown
to Palmer, Massachusetts

Attached per your request is a copy of the
above-captioned lease dated March 3, 1980, together
with a copy of the Corporate Resolution and Acceptance
of Track Conditions.

Sidney Weinberg

SW:kem

*File: Massachusetts Central
 Canal Job to Forest Lake*

modified, amended, or vacated by order of this Commission.

Effective date: This amendment shall become effective at 11:59 p.m., August 31, 1980.

This action taken under authority of 49 U.S.C. 10394-10395 and 11121-11126. This amendment shall be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and car hire agreement under the terms of that agreement, and upon the American Short Line Railroad Association. Notice of this amendment shall be given to the general public by depositing a copy in the Office of the Secretary of the Commission, at Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission, Railroad Service Board, members Joel E. Burns, Robert S. Tuckington and William F. Sibbald, Jr. Member Joel E. Burns not participating. Agatha L. Mergenovich, Secretary.

[FR Doc. 80-26733 Filed 8-29-80; 8:15 am] BILLING CODE 7035-01-M

49 CFR Part 1033

[S.O. No. 1424, Amend. 2]

Massachusetts Central Railroad Corp., Authorized to Operate Over Tracks Formerly Operated by Boston & Maine Corp., Robert W. Meserve and Benjamin H. Lacy, Trustees

AGENCY: Interstate Commerce Commission.

ACTION: Amendment No. 2 to Service Order No. 1324.

SUMMARY: Service Order No. 1324 authorizes the Massachusetts Central Railroad Corporation to operate over tracks of the Boston and Maine Corporation, Robert W. Meserve and Benjamin H. Lacy, Trustees, between Forest Lake Junction and Bondsville, Massachusetts. This order amends Service Order No. 1324 by extending its expiration date until 11:59 p.m., October 31, 1980. This is done to provide continued interim operations pending negotiations before the D&M Reorganization Court.

EFFECTIVE DATE: 11:59 p.m., August 31, 1980, and continuing in effect until 11:59 p.m., October 31, 1980, unless otherwise modified, amended, or vacated by order of this Commission.

FOR FURTHER INFORMATION CONTACT: Melvin F. Clemens, Jr. (202) 275-7840.

Decided: August 26, 1980.

Upon further consideration of Service Order No. 1324, (45 FR 8394 and 51812), and good cause appearing therefor:

It is ordered, § 1033.1324 Service Order No. 1324 (Massachusetts Central Railroad Corporation authorized to operate over tracks formerly operated by Boston and Maine Corporation, Robert W. Meserve and Benjamin H. Lacy, Trustees) is amended by substituting the following paragraph (g) for paragraph (g) thereof:

(g) **Expiration date.** The provisions of this order shall expire at 11:59 p.m., October 31, 1980, unless otherwise modified, amended, or vacated by order of this Commission.

(f) **Effective date.** This amendment shall become effective at 11:59 p.m., August 31, 1980.

This action taken under authority of 49 U.S.C. 10394-10395 and 11121-11123.

This amendment shall be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and car hire agreement under the terms of that agreement, and upon the American Short Line Railroad Association. Notice of this amendment shall be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission, Railroad Service Board, members Joel E. Burns, Robert S. Tuckington and William F. Sibbald, Jr. Member Joel E. Burns not participating.

Agatha L. Mergenovich, Secretary.

[FR Doc. 80-26734 Filed 8-29-80; 9:50 am] BILLING CODE 7035-01-M

49 CFR Parts 1051, 1194, 1307

[EX Parte No. MC-98']

New Proceedings in Motor Carrier Restructuring Proceedings

AGENCY: Interstate Commerce Commission.

ACTION: Removal of rules.

SUMMARY: This proceeding was started to determine the types of regulatory action which would assist in providing better prices and service alternatives for small shipments. The Commission has decided not to proceed with the rules promulgated in this proceeding. This decision was prompted by the recent

passage of the Motor Carrier Act of 1980, Pub. L. 96-295, which contains increased authority for expanded authorization for the actions contained in the proposed rules.

EFFECTIVE DATE: October 1, 1980.

FOR FURTHER INFORMATION CONTACT: Richard B. Feltner—(202) 275-7575.

SUPPLEMENTARY INFORMATION: This proceeding was started to determine the types of regulatory action which would assist in providing better prices and service alternatives for small shipments. The first decision in this proceeding made a series of findings which encouraged or required a variety of actions. The S.O. No. 2 proceeding was one of those actions.

Petitions for administrative review of the decision in this proceeding were filed and its requirements were stayed on May 31, 1979. Not long after that stay was issued, it became clear that the Congress was going to consider legislation to change the direction of motor carrier regulation. Action on the proposed rules and requirements was withheld pending the outcome of Congress' deliberations. A final decision in MC-98 (Sub-No. 2) was reached earlier this year, 382 I.C.C. 611 (1/80), but it was stayed pending the final decision in the lead proceeding.

On July 1, 1980, the President signed the Motor Carrier Act of 1980, Pub. L. 96-295. The new law makes the rules and requirements adopted in this proceeding either unnecessary or inappropriate.

The letter and spirit of the new law call for a more competitive and efficient motor carrier industry. These goals are to be accomplished primarily through changed entry standards and new pricing freedom. Under these circumstances, it would be inappropriate to promulgate rules for small shipments tariffs and released rates for those shipments. Instead, we intend to rely on the competitive environment fostered by the new Bill to achieve the same results.

In the first decision in this proceeding (43 FR 14670, April 7, 1978) we planned to require the submission of a large quantity of information on the major motor carrier rate increases on a one-time basis. We also decided to amend 49 CFR Part 1194 to require information on carrier actions designed to decrease costs and increase operational efficiency of small shipments traffic. After further consideration, we do not believe the gathering of this information is necessary. The one-time requirement duplicates information which we receive

¹ This proceeding is related to Ex Parte No. MC-98 (Sub-No. 2), Released Rates in Competition with a Small Shipments Tariff.

October 17, 1980

Paul E. McBride, Assistant Secretary
Executive Office of Transportation and
Construction
One Ashburton Place
Boston, Massachusetts 02108

Re: Segments of the Wheelwright Branch;
Ware Yard and Bondsville to Forest Lake

Dear Mr. McBride:

Enclosed herein please find two (2) copies of drafts of proposed Purchase and Sale Agreement for the above-captioned lines of railroad, respectively 1.4 miles and 3.5 miles in length.

Very truly yours,

Sidney Weinberg

SM/non
Enclosures

Copy to C. D. Moore 4/1/83

PURCHASE AND SALE AGREEMENT

ROBERT W. MESERVE and BENJAMIN H. LACY, Trustees of the property of Boston and Maine Corporation, Debtor, [See In the Matter of Boston and Maine Corporation, Debtor, U. S. District Court for the District of Massachusetts No. 70-250-M] (B&M) SELLERS, hereby agree to SELL and the COMMONWEALTH OF MASSACHUSETTS, acting by and through its Secretary of the Office of Transportation and Construction, (Commonwealth), BUYER, hereby agrees to BUY, subject to the approval of such purchase by the Commonwealth of other state authority, all of the right, title and interest of B&M in and to B&M's right of way, including the land, buildings, bridges, tracks and appurtenances thereto in the Town of Palmer, Hampden County, Massachusetts, approximately 3.5 miles in length, running between and including B&M mileposts B82.4 and B79.02 (Bondsville to Forest Lake stations).

Commonwealth agrees to pay therefor the sum of Seventy Thousand Five Hundred Fifty (\$70,550.00) Dollars (Purchase Price).

The parties agree that B&M shall deliver the deed to the right of way, described hereinabove, to the Commonwealth and that the Commonwealth shall pay the full purchase price to B&M at such time on or before February 15, 1981 as the parties shall agree up to and including February 15, 1981 and that, thereupon, in the event the Commonwealth has not then tendered the full purchase price to B&M, this agreement

shall terminate and be of no force and effect as between the parties hereto.

B&M agrees that it will extend the term of the lease, dated March 3, 1980, to the Massachusetts Central Railroad Corporation which includes the right of way hereinabove described until the date of delivery of the deed thereof to the Commonwealth or February 15, 1981 whichever first occurs.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this day of , 1980.

Robert W. Meserve, Trustee of
the property of Boston and
Maine Corporation, Debtor and
not individually

Benjamin H. Lacy, As Trustee
of the property of Boston and
Maine Corporation, Debtor and
not individually

COMMONWEALTH OF MASSACHUSETTS

By James F. O'Leary, Secretary
Office of Transportation
and Construction

Before the
INTERSTATE COMMERCE COMMISSION

Docket No. AB-32
(Sub. No. 6F)

VERIFIED STATEMENT

of

Peter M. Dearness,
President and General Manager,
Massachusetts Central Railroad Corporation

I am Peter M. Dearness. I reside at 283 Gulf Road, Belchertown, Massachusetts and I am president and general manager of the Massachusetts Central Railroad Corporation.

Mass Central Railroad Associates, organized in April 1974 for the purpose of developing a shortline railroad, authored House Bill 6729 before the Massachusetts Legislature. The Massachusetts Central Railroad Corporation was established by special act of the Legislature (Chapter 773, of the Acts of 1975). The new corporation was formalized according to the enabling legislation in February, 1977, permitting development of contract and common carrier rail freight service capabilities.

Since January 1, 1979, MassCentral has provided common carrier service to Ware, Mass., on the Boston and Maine Wheelwright branch, under authority of ICC Service Order No. 1351, and continues to the present under Amendment No. 1 to the same Order. Private "in-plant" and railroad rehabilitation service was provided by MassCentral for the six-month period

preceding January, 1979.

Additional modification or Amendment to Order No. 1351 is currently being sought to permit service to be restored to another segment of the Wheelwright beginning January 1, 1980. The station of Bondsville is located on this line, roughly centered between Forest Lake and Canal Junctions.

On November 15, 1979, the ICC authorized MassCentral to begin operations immediately as a Designated Operator over the contiguous Ware River branch (secondary). MassCentral will begin those operations December 1, 1979 under contract to the Commonwealth of Massachusetts Executive Office of Transportation and Construction (EOTC), in place of Conrail.

MassCentral, in cooperation with the EOTC, continues to monitor the disposition of the Wheelwright abandonment application. In the event abandonment is approved, MassCentral intends to negotiate with the EOTC to become the designated operator over the Wheelwright. The state, in a June, 1979 "Notice to Railroads," indicated their interest in providing for such service "over contiguous segments of the Wheelwright which might be subject to abandonment proceedings."

It is anticipated, that following a three year subsidy operation as Designated Operator over the Wheelwright, MassCentral will seek to lease on a long-term basis, with option to purchase, the branch segment between Northampton and Amherst. At that time an application for permanent authority would be filed with the ICC. It is our understanding that the

remaining segments will be leased and acquired by the Commonwealth, except for some industrial trackage to be acquired by the several industries involved.

In conclusion, it is my opinion it would be in the public interest to approve the Boston and Maine's application for a certificate of public convenience and necessity without delay. With the continued cooperation of the Commission and the EOTC and MassCentral Railroad, in-place alternatives can be implemented.

I request that this verified statement be entered in support of that position.

November 30, 1979


Peter M. Dearness

VERIFICATION

State of Massachusetts
County of Hampshire

ss:

PETER M. DEARNESS, President and General Manager of
the Massachusetts Central Railroad Corporation being duly sworn,
deposes and says that he has read the foregoing statement, knows
the facts asserted therein, and that the same are true as stated.

Peter M. Dearness

Subscribed and sworn to before me this thirtieth day of November,
1979.

Notary Public

Helen Z. Stoty

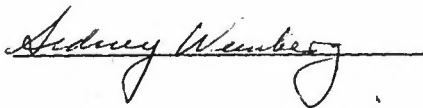
My Commission Expires

October 8, 1982

CERTIFICATE OF SERVICE

I certify that I have this day served the foregoing document upon all parties of record in this proceeding, by mailing a copy thereof properly addressed to each of them by first class mail, postage prepaid on the date of this certificate.

Dated at Boston, Massachusetts, this 30th day of November, 1979.

A handwritten signature in cursive script, which appears to read "Audrey Wember", is written over a solid horizontal line.