

FOR RELEASE
01/21/1997 (Tuesday)
No. 97-03

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**SURFACE TRANSPORTATION BOARD DENIES BOSTON & MAINE/SPRINGFIELD
TERMINAL ABANDONMENT EXEMPTION PROPOSAL STATES POLICY ON DENYING
FUTURE EXEMPTION PROPOSALS BACKED BY INSUFFICIENT EVIDENCE**

FOR RELEASE: Contact: Dennis Watson Tuesday, January 21, 1997

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SURFACE TRANSPORTATION BOARD DENIES
BOSTON & MAINE/SPRINGFIELD TERMINAL
ABANDONMENT EXEMPTION PROPOSAL
STATES POLICY ON DENYING FUTURE EXEMPTION PROPOSALS
BACKED BY INSUFFICIENT EVIDENCE

The Surface Transportation Board (Board) announced that it has denied the jointly filed petitions of the Boston and Maine Corporation (B&M) and the Springfield Terminal Railway Company (ST) requesting exemption from Board regulation for an abandonment and discontinuance of service. The Board based its denial on findings that shipper concerns warrant a more thorough review, and that use of the exemption process is not appropriate in the circumstances at issue.

In this case, involving a portion of a rail line known as the "Canal Branch" in Hartford and New Haven Counties in Connecticut, certain shippers contested the abandonment. The record showed that their traffic was the primary source of the line's revenues, and that the revenue from that traffic appeared

to be potentially substantial compared to the costs incurred in providing service over the line. Furthermore, the record showed that two of the shippers possibly have no transportation alternatives available to them at the present time. Based on the facts presented in the public record, the Board was unable to find that the transaction had met the statutory criteria that would permit an exemption from regulation in this matter.

In abandonment proceedings, such as this case, where the facts in the public record do not allow for the granting of an exemption, the Board often in the past has allowed interested parties to file additional comments to resolve whether the requested exemption is justified. However, in accordance with the ICC Termination Act of 1995, the Board will be required to decide an abandonment exemption petition within 110 days, and to allow for offers of financial assistance (financial offers, or subsidies, to a railroad to preserve service after Board approval of a line abandonment or discontinuance proposal) to be submitted within 120 days, of the filing of an exemption petition. Thus, the Board expects that, in many cases, there will not be sufficient time for it to provide parties an opportunity to supply further evidence and still meet statutory time limitations. Consequently, in abandonment exemption proceedings where there is inadequate evidence on record on which to grant a petition for exemption, the petition will be denied. In such instances, a petitioner may refile an exemption petition if the petitioner is able to rectify problems noted by the Board in its denial. Alternatively, the petitioner may file a formal abandonment application in the first instance.

In this regard, the Board recently adopted final rules in the case entitled Abandonment and Discontinuance of Rail Lines and Rail Transportation Under 49 U.S.C. 10903, STB Ex Parte No. 537, that reform, update, and streamline its abandonment and discontinuance rules at part 1152 of the Code of Federal Regulations. These rules, which become effective on January 23, 1997, provide for less burdensome filing requirements and a 4-month period from the date of filing for the Board to decide an abandonment or discontinuance application.

The Board denied B&M and ST's petitions in the cases entitled Boston and Maine Corporation--Abandonment Exemption--In Hartford and New Haven Counties, CT, STB Docket No. AB-32 (Sub-No. 75X), and Springfield Terminal Railway Company--Discontinuance of Service Exemption--in Hartford and New Haven Counties, CT, STB Docket No. AB-355 (Sub-No. 20X), issued to the public on December 31, 1996.

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