

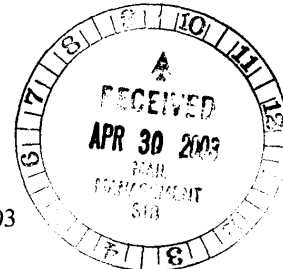


**BOSTON & MAINE CORPORATION
MAINE CENTRAL RAILROAD COMPANY
SPRINGFIELD TERMINAL RAILWAY COMPANY**

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**LAW DEPARTMENT
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April 29, 2003

VIA FEDERAL EXPRESS

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

**ENTERED
Office of Proceedings**

APR 30 2003

**Part of
Public Record**

**Re: Springfield Terminal Railway Company --- Discontinuance of
Service --- Portion of Bemis Branch, Middlesex County, Massachusetts
Docket No. AB 355 (Sub No. 27X)**

Dear Secretary Williams:

I am submitting this letter as a supplement to the Springfield Terminal Railway Company's ("ST") Verified Notice of Exemption to discontinue service over a line of railroad known as the Bemis Branch in Waltham and Watertown, Massachusetts, extending from railroad milepost 8.83 to railroad milepost 10.94, in Middlesex County (the "Line"). The purpose of this correspondence is to provide an understanding as to why ST, an affiliate of the Boston and Maine Corporation ("B&M"), did not seek a discontinuance of rail operations at the time the B&M filed its abandonment application in 2000. As Corporate Counsel for the Guilford Rail System ("Guilford") since 1998, I have specific knowledge of the B&M's prior abandonment and discontinuance of service over the Line in 2000¹.

In an effort to improve the efficiency of its railroad operations during the mid to late 1980's, the B&M, MEC and PT leased their rail lines and appurtenant properties to ST via the class exemption for intra-family transactions². Included in these leases was the Bemis Branch, which remained under B&M's ownership while being operated by ST for

¹ The Guilford Rail System primarily consists of the B&M, ST, the Maine Central Railroad Company and the Portland Terminal Company.

² See Finance Docket No. 30965; Delaware and Hudson Railway Company - Lease and Trackage Rights Exemption - Springfield Terminal Railway Company (Decided February 17, 1988).

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the period leading up to the consummation of the B&M abandonment and discontinuance in late 2000³.

Due to the nature of the ST leases, which encompass the entire Guilford system, it was assumed that the discontinuance of the B&M's common carrier rights and obligations would similarly discontinue the ST leasehold interest, because ST's rights and obligations flowed from the original lease by the B&M. As a result of this assumption, and a need to conserve limited resources, an application was filed to abandon the B&M interest only and no reference was made to the ST lease that was presumed to have terminated with the consummation of abandonment authority by B&M. However, as I became more aware of the issues underlying Board and Commission-approved leases, particularly during the conveyance of the Mystic Wharf Branch by the B&M and ST in late 2002, it appeared that the safe course of action would be to discontinue ST's leasehold interest in the Line as well.

Should you have any additional questions or comments, please contact the undersigned or Katherine E. Potter, Staff Attorney.

Respectfully submitted,



Robert B. Culliford
Corporate Counsel
Springfield Terminal Railway Co.

³ Boston & Maine Corporation – Abandonment – In Middlesex County, MA; Docket No. AB-32 (Sub No. 89), Decided August 11, 2000.