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Leonard M. Singer

June 30, 2005



BY FEDERAL EXPRESS

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20006

Re: *Surface Transportation Board Docket Nos. 29963*

Dear Secretary Williams:

Enclosed for filing with your office are two originals and twenty copies of a Status Report and Motion to Hold Proceedings in Abeyance in both (1) *Petition of Bay Colony Railroad Corporation To Dismiss Notice of Termination of Operating Authority Filed by Massachusetts Bay Transportation Authority*, Finance Docket #29963 and (2) *Petition of Bay Colony Railroad Corporation for Declaratory Order*, Finance Docket #34698.

Thank you for your cooperation in this matter.

Very truly yours,

Leonard M. Singer
Leonard M. Singer

cc: James E. Howard - by facsimile

ENTERED
Office of Proceedings

JUL 01 2005

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket #29963

PETITION OF BAY COLONY RAILROAD
CORPORATION TO DISMISS NOTICE OF TERMINATION OF
OPERATING AUTHORITY FILED BY MASSACHUSETTS BAY
TRANSPORTATION AUTHORITY

Finance Docket #34698

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PETITION OF BAY COLONY RAILROAD
CORPORATION FOR DECLARATORY ORDER

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Attorney for Massachusetts
Bay Transportation Authority

Dated: June 30, 2005

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket #29963

Finance Docket #34698

STATUS REPORT AND MOTION TO HOLD PROCEEDINGS IN ABEYANCE

The Massachusetts Bay Transportation Authority ("MBTA") and the Bay Colony Railroad Corporation ("Bay Colony") submit this Status Report and Motion that, to the extent not already ordered, these related proceedings be held in abeyance so that the parties may continue to explore settlement. On April 13, 2005 the MBTA filed a Notice of Termination of Operating Authority of Bay Colony with respect to the Millis Industrial Track located in Norfolk County, Massachusetts. On May 2, 2005 Bay Colony filed a Petition to Dismiss the MBTA's Notice of Termination (Finance Docket 29963) and concurrently filed a Petition for Declaratory Order (Finance Docket 34698), seeking, *inter alia*, a determination that the MBTA's Notice of Termination was invalid and ineffective to terminate Bay Colony's authority to operate the line.

The MBTA, with the assent of Bay Colony, filed motions to extend the time in which to file a response to both Bay Colony's Petition to Dismiss and its Petition for Declaratory Order. Thereafter, the MBTA, again with the assent of Bay Colony, moved that all proceedings in the Notice of Termination proceeding (Finance Docket 29963) be held in abeyance. The Board allowed the motion for an extension of time and the motion for stay in the Notice of Termination proceeding but has taken no action in the Petition for Declaratory Order proceeding (Finance Docket 34698). In connection with its Order holding the Notice of Termination proceeding in

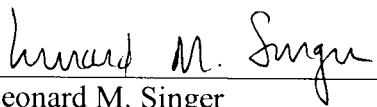
abeyance, the Board directed the parties to report on the status of their negotiations by July 1, 2005.

Since the initiation of these proceedings the MBTA and Bay Colony, as well as other interested parties, have discussed an assignment of easement rights which will end the underlying controversy concerning the right to conduct freight operations over the Millis Industrial Track. They have also circulated drafts of two documents collateral to the conveyance which they expect will be substantially satisfactory to all concerned. Counsel for Bay Colony and the MBTA are scheduled to meet on July 8 to identify and discuss the remaining issues.

In light of the foregoing, the MBTA and Bay Colony request that both of these proceedings be held in abeyance until either the MBTA or Bay Colony gives notice that a negotiated resolution does not appear to be feasible and that it wishes either or both of the proceedings to go forward.

MASSACHUSETTS BAY
TRANSPORTATION AUTHORITY

By its attorney,

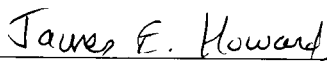


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June 30, 2005

BAY COLONY RAILROAD CORP.

By its attorney,



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