

INTERSTATE COMMERCE COMMISSION

MAR 8 1983

REPORT

Docket No. AB-32 (Sub-No. 24)

ROBERT W. MESERVE AND BENJAMIN H. LACY, TRUSTEES
OF THE BOSTON AND MAINE CORPORATION, DEBTOR-DISCONTINUANCE
BETWEEN GROTON AND TOWNSEND, MA

Docket No. AB-32 (Sub-No. 25)

ROBERT W. MESERVE AND BENJAMIN H. LACY, TRUSTEES
OF THE BOSTON AND MAINE CORPORATION, DEBTOR-ABANDONMENT
BETWEEN SALEM AND DERRY, NH

Decided: March 3, 1983

The Trustees of the Boston and Maine Corporation, Debtor (B&M) filed these proposals to discontinue operations on a 5.75 mile segment of its Greenville Branch from milepost B 41.10 in Groton to milepost B 46.85 in Townsend, Worcester County, MA^{1/} and to abandon an 8.4 mile segment of its Manchester to Lawrence Branch from milepost SL 7.6 in the Town of Salem to milepost SL 16.0 in the Town of Derry, Rockington County, NH.

These proposals are governed by the Milwaukee Railroad Restructuring Act, 45 U.S.C. 900 et seq. (MRR). In Order Nos. 711 and 712 B&M's Reorganization Court directed us to report on these proposals by March 8, 1983, pursuant to 11 U.S.C. 1170(b). We recommend that the Court authorize discont. inuance and abandonment.

^{1/} The Greenville Branch is owned by the Massachusetts Bay Transportation Authority and operated by B&M under easement.

B&M applications are handled under our procedures in Subpart E of 49 C.F.R. 1152. Under these procedures, B&M is not required to prefile a system diagram map or comply with publishing and posting requirements. B&M certified that it served copies of the applications on appropriate State officials and agencies. B&M is not required to file environmental information, because section 19 of MRR exempts B&M abandonments from the National Environmental Policy Act of 1969.

Under 11 U.S.C. 1170(a), the Court may authorize the discontinuance and abandonment if they are determined to be in the best interest of B&M's estate or essential to the formation of a reorganization plan and are consistent with the public interest.

PUBLIC INTEREST

Discontinuance over the described segment between Groton and Townsend, MA and abandonment of the described segment between Salem and Derry, NH would not unduly or adversely affect the public interest. Between January and October, 1981, B&M operated the segment between Groton and Townsend at a loss of \$17,267. Operations were embargoed on October 31, 1981. The line is maintained below minimum Federal Railroad Administration (FRA) Class I Standards. B&M estimates that the cost to restore the line to meet FRA Class I Standards is \$603,292.

In 1976, B&M handled 495 carloads on the line. In 1981, traffic declined to 186 carloads. The bulk of the traffic was

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generated by two companies in Townsend, MA: Bates Corrugated Box
Company (Bates), a box manufacturer, and Sterlite Corp.
(Sterlite), a plastics manufacturer. Sterlite opened a plant in
another location and diverted much of its rail traffic from the
line. The remaining bulk resin traffic formerly received at
Sterlite's Townsend plant is now handled through a plastics
transfer operation at Fitchway, MA.

Bates now uses trucks for shipments from its Townsend
plant. It receives inbound rail shipments at B&M's transfer
facilities at Nashua, NH, and takes advantage of a delivery
allowance from B&M for hauling shipments to its plant. The
delivery allowance is published in Item 15 of B&M Freight Tariff
IN 9175-E.

Prior to the embargo, B&M also served two feed dealers in
Townsend. Neither dealer received rail shipments at alternate
stations in 1982.

Alternate rail service is available at B&M's public delivery
facilities at Ayer, MA, a distance of approximately 10 highway
miles from the line. Adequate motor carrier service is also
available in the area.

For the past 5 years B&M has not conducted operations on the
segment between Salem and Derry, NH. No traffic has been handled
for customers on the line at other locations. B&M embargoed the
line on November 10, 1980. The line is below FRA Class I
Standards. B&M estimates the cost to restore the line to Class I
Standards at \$305,864.

B&M will continue to serve customers on the remainder of the Manchester to Lawrence Branch.

BENEFITS TO ESTATE

Discontinuance and abandonment of these lines would benefit the B&M estate. B&M would no longer be obligated to incur expenses for rehabilitation and maintenance of these lines. Nor would it be required to continue unprofitable operations. It would also be able to dispose of the rail property and use the proceeds in its reorganization.

LABOR PROTECTION

The Railway Labor Executives' Association and United Transportation Union request that we impose the employee protective conditions prescribed in Oregon Short Line R. Co. Abandonment, 360 I.C.C. 91 (1979), with modifications, in both proceedings. Under the MRR, the Court rather than the Commission is responsible for imposing employee protection conditions should it approve the discontinuance and abandonment. Thus we need not consider this matter further.

RECOMMENDATIONS

1. We recommend that B&M be authorized to discontinue operations between Groton and Townsend, MA and abandon its line between Salem and Derry, NH.

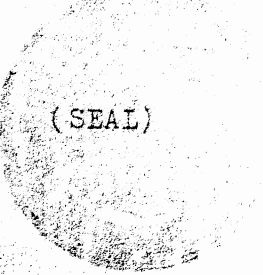
2. If a financially responsible person offers to purchase any portion of the line between Salem and Derry, NH, for continuation of rail service by the date the Court considers the abandonment petition in AB-32 (Sub-No. 25), the Court should

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postpone the effective date of the abandonment for a reasonable time to permit negotiations.

3. The Court should require B&M's Trustees to keep intact the track and facilities of the portion of the line between Salem and Derry, NH, subject to an offer to purchase for continuation of rail service. The Trustees should be authorized to dispose of portions of this line not subject to an offer to purchase for continuation of rail service.

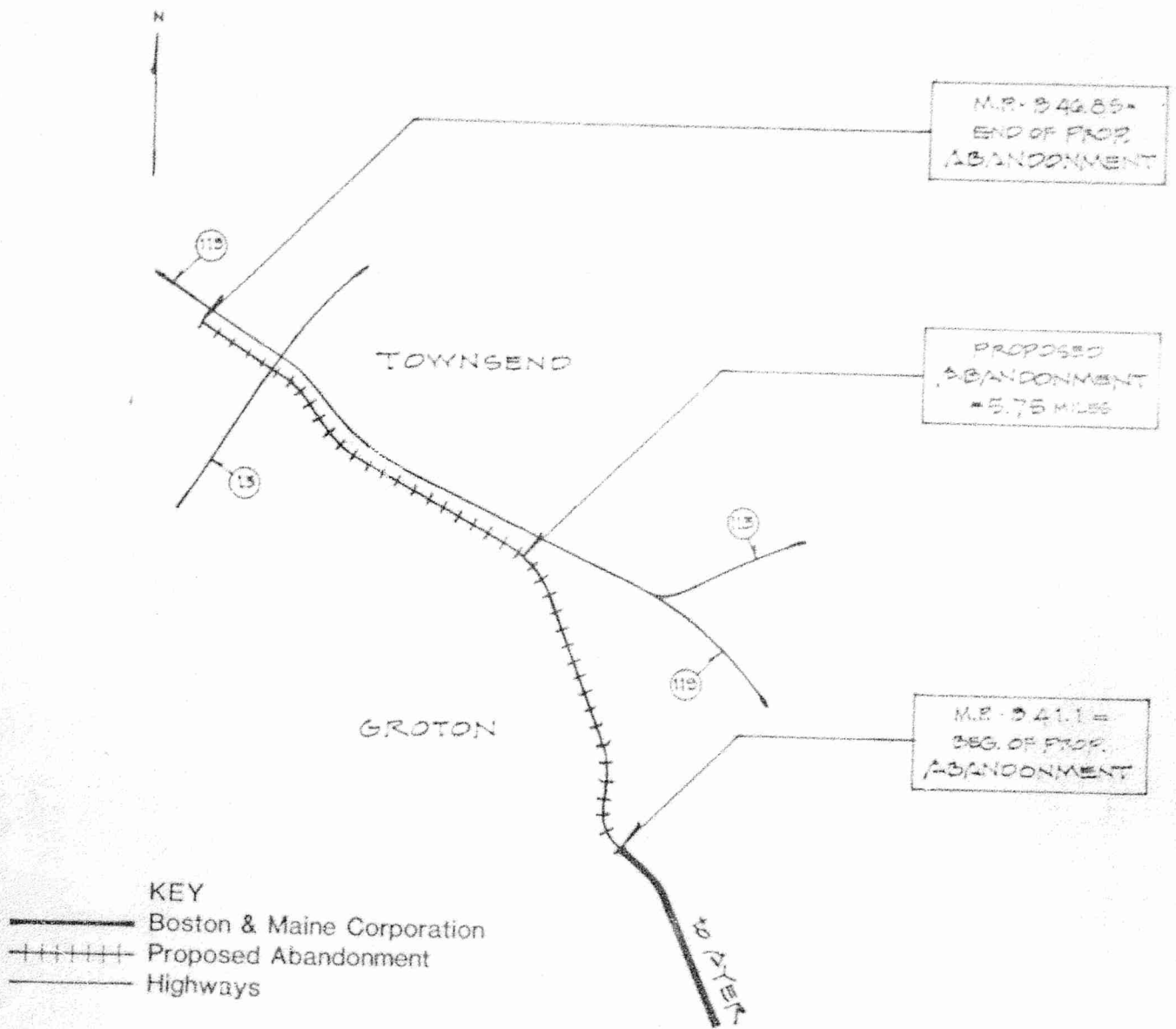
By the Commission, Chairman Taylor, Vice Chairman Sterrett, Commissioners Andre, Simmons, and Gradison. Commissioner Simmons did not participate.



Agatha L. Mergenovich

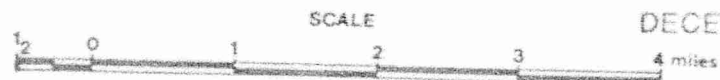
Agatha L. Mergenovich
Secretary

(SEAL)



BOSTON & MAINE CORPORATION
PROPOSED ABANDONMENT OF LINE
BETWEEN
GROTON, MASS. AND TOWNSEND, MASS.
M.P.-B. 41.10 to M.P.-B. 46.85 5.75 MILES

Office of the Vice President - Engineering, No. Billerica, Mass.



DECEMBER 14, 1981