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February 6, 2004

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VIA HAND DELIVERY

Ms. Rini Ghosh
Surface Transportation Board
Case Control Unit
1925 K Street, N.W.
Washington D.C. 20423

Re: Lamoille Valley Railroad Company – Abandonment and Discontinuance of Trackage Rights Exemption – In Caledonia, Washington, Orleans, Lamoille and Franklin Counties, VT, STB Docket No. AB-444 (Sub-No. 1X)

Dear Ms. Ghosh:

Enclosed for filing in the above-captioned proceeding are an original and two copies of Lamoille Valley Railroad Company's **Request for Modification of Recommended Environmental Conditions.**

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Tracie D. Spear'.

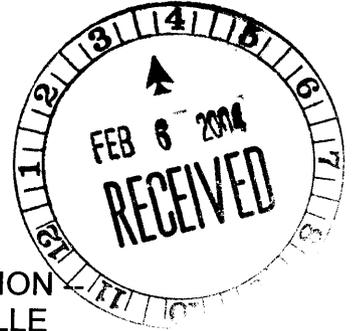
Tracie D. Spear

Enclosures

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-444 (SUB-NO. 1X)

LAMOILLE VALLEY RAILROAD COMPANY
-- ABANDONMENT AND DISCONTINUANCE EXEMPTION
IN CALEDONIA, WASHINGTON, ORLEANS, LAMOILLE
AND FRANKLIN COUNTIES, VERMONT



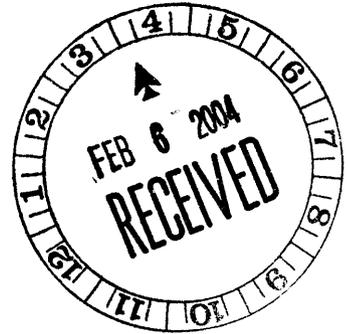
REQUEST FOR MODIFICATION
OF RECOMMENDED ENVIRONMENTAL CONDITIONS

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**ATTORNEYS FOR LAMOILLE VALLEY
RAILROAD COMPANY**

Dated: February 6, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD



DOCKET NO. AB-444 (SUB-NO. 1X)

LAMOILLE VALLEY RAILROAD COMPANY
-- ABANDONMENT AND DISCONTINUANCE EXEMPTION --
IN CALEDONIA, WASHINGTON, ORLEANS, LAMOILLE
AND FRANKLIN COUNTIES, VT

REQUEST FOR MODIFICATION
OF RECOMMENDED ENVIRONMENTAL CONDITIONS

I. INTRODUCTION

Lamoille Valley Railroad Company ("LVRC") hereby requests modification, to the extent described below, of the conditions recommended by the Surface Transportation Board ("Board") Section of Environmental Analysis ("SEA") in the Environmental Assessment ("EA") served on January 23, 2004 in the above-referenced proceeding.

II. BACKGROUND

In this proceeding, LVRC filed a Verified Notice of Exemption ("Notice") pursuant to 49 C.F.R. § 1152.50 in connection with the abandonment of approximately 96.78 route miles of rail line in Caledonia, Washington, Orleans, Lamoille and Franklin Counties, Vermont.¹ The rail lines to be abandoned are: (1) a certain railroad right-of-way located between approximately milepost 0.057 (SJLC valuation station 3+00) in St.

¹ LVRC filed the Notice on December 29, 2003.

Johnsbury, VT and approximately milepost 95.324 (SJLC valuation station 5033+10) in Swanton, Vermont, a distance of approximately 95.26 miles; and (2) the Hardwick and Woodbury (“H&W”) Connecting Track between approximately H&W valuation station 0+00 (Granite Junction) and approximately H&W valuation station 80+48 (Buffalo Road), a distance of approximately 1.52 miles, in Hardwick, Vermont (collectively, the “Subject Line”).²

As stated above, the SEA served an EA in this proceeding on January 23, 2004. The SEA recommended that the following environmental conditions be imposed on any Board decision granting LVRC authority to abandon the Subject Line:

1. Lamoille Valley Railroad Company shall consult with the National Geodetic Survey and provide the National Geodetic Survey with 90 days notice prior to disturbing or destroying any geodetic station markers.
2. Because the former engine house and repair shop in Morrisville has been listed in the Vermont Active Hazardous Sites List by the Department of Environmental Conservation, Vermont Agency of Natural Resources, Waste Management Division (WMD), we recommend that prior to beginning salvage activities, Lamoille Valley Railroad Company shall consult with WMD (contact Lynda Provencher, Waste Management Division, 103 South Main Street, West Building, Waterbury, Vermont 05676-0404 (802-241-3888)) regarding the Morrisville site and to identify any safety precautions that should be taken during salvage activities.
3. Because the Vermont Division for Historic Preservation has not completed its review of the proposed abandonment, we recommend that Lamoille Valley Railroad Company retain its interest in and take no steps to alter the historic integrity of the line and all sites and structures on the line until the completion of the section 106 process of the National Historic Preservation Act, 16 U.S.C. 470f.

² LVRC also seeks to discontinue trackage rights over the former Central Vermont Railway, Inc. line between approximately milepost 9.9 at the north abutment of the Missisquoi River Bridge at Sheldon Junction and approximately milepost 27.4 at Richford (the “Richford Subdivision”). The Board has determined that LVRC’s discontinuance of trackage rights on the Richford Subdivision will not be subject to environmental review; therefore, the EA only pertains to LVRC’s proposed abandonment of the Subject Line.

As indicated in the Notice, LVRC holds a leasehold interest in the Subject Line, pursuant to a Lease Agreement by and between LVRC and the State of Vermont (“Vermont”) dated December 31, 1977 (the “Lease Agreement”). The Subject Line, including rails, crossties and other track materials and structures, is owned by Vermont by and through the State of Vermont Agency of Transportation (“VTrans”). Both Vermont and LVRC desire to terminate the Lease Agreement and end their landlord/tenant relationship as soon as possible. VTrans is planning to enter into a railbanking and trail use agreement with LVRC on the Subject Line and already has filed a Notice of Interim Trail Use (“NITU”) with the Board.³

III. REQUEST FOR MODIFICATION

Taken literally, the EA requires LVRC to retain its leasehold interest in the Subject Line until satisfaction of each recommended condition. This might result in an indefinite prolongation of the landlord/tenant relationship between Vermont and LVRC. LVRC and VTrans intend to terminate their landlord/tenant relationship upon receipt of abandonment authority. Therefore, LVRC hereby requests that the Board modify the proposed conditions in the EA as follows:

1. Lamoille Valley Railroad Company shall **condition relinquishment of its leasehold interest in the line on the State of Vermont’s agreement to consult with the National Geodetic Survey and provide the National Geodetic Survey with 90 days notice prior to disturbing or destroying any geodetic station markers.**
2. Because the former engine house and repair shop in Morrisville has been listed in the Vermont Active Hazardous Sites List by the Department of Environmental Conservation, Vermont Agency of Natural Resources, Waste Management Division (WMD), we recommend that ~~prior to beginning salvage activities,~~ the Lamoille Valley Railroad Company shall **condition relinquishment of its leasehold interest in the line on the State of**

³ VTrans filed its NITU request on January 26, 2004.

Vermont's agreement to consult with WMD (contact Lynda Provencher, Waste Management Division, 103 South Main Street, West Building, Waterbury, Vermont 05676-0404 (802-241-3888)) **regarding prior to beginning salvage activities in the vicinity of** the Morrisville site and to identify any safety precautions that should be taken during salvage activities.

3. Because the Vermont Division for Historic Preservation has not completed its review of the proposed abandonment, we recommend that Lamoille Valley Railroad Company ~~retain its interest in and~~ **shall condition relinquishment of its leasehold interest in the line on the State of Vermont's agreement to** take no steps to alter the historic integrity of the line and all sites and structures on the line until the completion of the section 106 process of the National Historic Preservation Act, 16 U.S.C. 470f.

The conditions as modified would permit LVRC and Vermont to terminate the Lease Agreement and end their landlord/tenant relationship upon receipt of abandonment authority. Vermont, as the owner of the Subject Line, would become solely responsible for satisfaction of the conditions recommended by the SEA. This would more aptly reflect the intended use and disposition of the Subject Line.

IV. CONCLUSION

LVRC respectfully requests that the Board modify the conditions in the EA as described herein.

Respectfully submitted,

By: 

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