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VIA FACSIMILE AND FEDERAL EXPRESS

Cynthia T. Brown
Chief of the Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

Re: Finance Docket No. 35505
Montreal, Maine & Atlantic Railway, Ltd.--Trackage Rights Exemption--Eastern Maine Railway Co.

Finance Docket No. 35520
The New Brunswick Railway Co.--Continuance in Control Exemption--Maine Northern Railway Co.

Dear Ms. Brown:

I represent Montreal, Maine & Atlantic Railway, Ltd. ("MMA"). As explained in more detail below, the purpose of this letter is to advise the Board that (1) MMA agrees that the caption in Finance Docket No. 35505 should be amended by substituting Maine Northern Railway Co. ("MNR") for Eastern Maine Railway Company and (2) MMA does not object to expedited treatment of the Petition for Exemption filed by The New Brunswick Railway Co. ("NBRC") in Finance Docket No. 35520 or of the Notices of Exemption filed by MNR in Finance Docket Nos. 35518 and 35519. At the same time, MMA denies any suggestion or implication that MMA is responsible in any way for the circumstances in which MNR or NBRC finds it necessary to seek expedited treatment. Furthermore, contrary to the suggestion by NBRC, there is little or no likelihood that rail service will be interrupted, because MMA is willing to continue to provide service in order to enable the Board to act.

As of January 14, 2011, MMA sold approximately 233 miles of rail lines in Maine to the State of Maine (the "State") and filed with the Board a copy of the Interim Service Agreement pursuant to which MMA has continued to operate those lines while the State selected a new operator. The Interim Service Agreement requires MMA to cooperate in the transition to operations by the new operator and provides that the

Agreement will terminate if the transition to a new operator has not occurred within 5 months, or as of June 14, 2011.

In order to continue to provide service pursuant to the Interim Service Agreement, the Board issued MMA a modified certificate in a decision served on January 26, 2011 in Finance Docket No. 35463. In order to provide the required 60 day notice prior to ceasing operations under the modified certificate, MMA filed, as of April 14, 2011 and after consultation with the State, a Notice of Intent to discontinue operations under the modified certificate no later than 60 days after such date, or no later than June 14, 2011. The Notice of Intent recited the fact that the State had selected EMR as of April 5, 2011 to be the new operator of the lines. Furthermore, the Notice stated, based on information provided to MMA by the State, that the State and EMR anticipated that EMR might be ready to begin its operations even earlier than June 14, 2011.

In anticipation of a transition from MMA to EMR as of June 14, 2011, MMA filed a Verified Notice of Exemption in Finance Docket No. 35505 on May 11, 2011 in order to ensure that the trackage rights that were to be granted by the new operator to MMA would be effective as of June 14, 2011. Attached to the Verified Notice was an unsigned copy of the trackage rights agreement, which had a blank space rather than the name of the new operator. In the Verified Notice, MMA stated that the lines subject to the trackage rights would be leased to and operated by EMR "or an affiliate". EMR and the potential affiliate were jointly defined for purposes of the Verified Notice simply as "EMR". As of that time, the State had indicated to MMA that an affiliate of EMR might be the actual lessee and operator of the State-owned lines, and therefore the grantor of the trackage rights. In any event, the agreement between the State and MMA provides that the name of the new operator will be inserted in the trackage rights agreement and that the agreement will be executed and delivered by the new operator at the time that the new operator begins its operations.

In a letter from counsel for NBRC and MNR to the Board dated May 20, 2011, filed in Finance Docket No. 35505, it is alleged that MMA stated in its Verified Notice that EMR would begin operations "no later than June 14, 2011." Actually, the Verified Notice states (at page 3) that the consummation of the trackage rights transaction "is anticipated to occur on or promptly after EMR takes possession of and starts operating over the Subject Trackage. MMA, the State and EMR expect that EMR will begin such operations no later than June 14, 2011." The expectations of MMA and the State that EMR or an affiliate would take over operations as of June 14, 2011 were confirmed in a letter dated May 12, 2011 from the State to MMA in which the State advised MMA, in accordance with the Interim Service Agreement, that June 14, 2011 would be the date on which MMA would stop providing service on the lines and on which EMR "or an affiliate thereof" would start providing service.

As demonstrated above, it has been public knowledge since January, 2011 that MMA and the State contemplated the cessation of MMA's operations on the State-owned lines no later than June 14, 2011. It is not correct to imply, as NBRC does (at pages 6, 7 and 12 of its Petition for Exemption), that the cessation of MMA's operation of the State-

owned lines is a recently announced, unilateral decision of MMA. To the contrary, it has been planned for months, and the planning has been shared with EMR, as discussed below.

MMA has fulfilled its obligations to the State to cooperate in good faith in order to end its operations on the State owned lines and to turn those operations over to EMR or an affiliate. MMA has met on several occasions with representatives of EMR to discuss the various issues relating to the transition, and there has been a substantial volume of communications by telephone and e-mail. Notwithstanding a number of requests by MMA to be advised whether EMR would in fact have an affiliate become the operator of the State owned lines and, if so, the identity of the affiliate, the first confirmation provided to MMA that EMR would not be the operator and that MNR would be came in the form of the filings by NBRC and MNR on May 20, 2011. Furthermore, those same filings provided MMA with the first notice that the transition might not occur on June 14, 2011 due to the need for action by the Board.

Neither the State nor EMR/MNR has asked MMA whether it would provide service beyond June 14, 2011 in the event that MNR is not able to begin operations as of that date. If asked, MMA would be willing to continue as necessary in order to allow the Board to consider and act upon the various pleadings filed by NBRC and MNR.

Please contact the undersigned counsel for MMA if you have any questions or need clarification or further information.

Very truly yours,

James E Howard

James E. Howard

cc: Karyn A. Booth
Eric M. Hocky