

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. AB 1043 (Sub-No. 1)

MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.—DISCONTINUANCE OF
SERVICE AND ABANDONMENT—IN AROOSTOOK AND PENOBSHOT COUNTIES,
ME.

Decided: May 24, 2010

On February 25, 2010, Montreal, Maine & Atlantic Railway, Ltd. (MMA) filed an application under 49 U.S.C. § 10903 for authority to discontinue service over and abandon approximately 233 miles of line in Aroostook and Penobscot Counties, Me.¹ The State of Maine (State), by and through its Department of Transportation, has expressed opposition to the proposed discontinuance of service and abandonment, and the State is in the process of seeking voter approval to issue bonds to provide funds with which to acquire the line to preserve rail service should the Board grant MMA's application. This referendum is scheduled for June 8, 2010.

On April 22, 2010, following a meeting attended that day by MMA, the State, and Board mediation staff, MMA filed a motion requesting that the Board extend the procedural schedule for a period of 3 weeks so that MMA and the State could enter into confidential mediation concerning the future of the line. In a decision served on April 26, 2010, the Board granted this request and made MMA's rebuttal due on May 26. In doing so, the Board noted that it favors the negotiated resolution of disputes.

Mediation between MMA and the State is progressing. The Board believes that a negotiated settlement would be in the best interests of the parties and the public in this case. The

¹ MMA seeks discontinuance and abandonment authority for the following: (1) the Madawaska Subdivision, consisting of approximately 151 miles of line between milepost 109 near Millinocket and milepost 260 near Madawaska in Penobscot and Aroostook Counties; (2) the Presque Isle Subdivision, consisting of approximately 25.3 miles of line between milepost 0.0 near Squa Pan and milepost 25.3 near Presque Isle in Aroostook County; (3) the Fort Fairfield Subdivision, consisting of approximately 10 miles of line between milepost 0.0 near Presque Isle and milepost 10.0 near Easton in Aroostook County; (4) the Limestone Subdivision, consisting of approximately 29.85 miles of line between milepost 0.0 near Presque Isle and milepost 29.85 near Limestone in Aroostook County; and (5) the Houlton Subdivision, consisting of approximately 16.9 miles of line between milepost 0.0 near Oakfield and milepost 16.9 near Houlton in Aroostook County.

Board understands that the parties may not be able to reach a final agreement concerning the sale of the lines without knowing the outcome of the June 8 referendum. Accordingly, MMA and the State are directed to submit a joint status report outlining their progress toward an agreement on the sale by June 17, 2010. If the parties have not reached an agreement or have not made substantial progress toward reaching an agreement by June 17, 2010, the Board will resume its consideration of the merits of this abandonment proceeding and prepare a final Board decision.

Due to the scope of this proposed abandonment and the potential economic impact to the State, it is expected that the Board will hold a hearing to gather testimony and to afford the Board members an opportunity to ask questions before reaching a decision on MMA's application. Due to the time consumed by the mediation process and the need to schedule a hearing, to consider the testimony produced at it, and to produce a written decision, the Board does not anticipate that it would issue a decision on the merits of MMA's application by July 9, 2010.

It is ordered:

1. MMA and the State shall file the joint status report described above by June 17, 2010.
2. This decision is effective on its date of service.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.