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SERVICE DATE - SEPTEMBER 19, 2002

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34110]

Montreal, Maine & Atlantic Railway LLC–Acquisition and Operation Exemption–Bangor & Aroostook Railroad Company, Canadian American Railroad Company, The Northern Vermont Railroad Company Incorporated, Newport & Richford Railroad Company and Van Buren Bridge Company

Montreal, Maine & Atlantic Railway LLC (MMA), a noncarrier, has filed a notice of exemption under 49 CFR 1150.31 to acquire and operate, certain rail lines and other assets of Bangor & Aroostook Railroad Company (BAR), Canadian American Railroad Company (CDAC), The Northern Vermont Railroad Company Incorporated (NVT), Newport & Richford Railroad Company (N&R), and Van Buren Bridge Company (VBB), (collectively, the BAR system assets), totaling approximately 518.48 miles of rail lines located in Maine and Vermont.¹

MMA will acquire and operate the following rail lines:

¹ On August 15, 2001, an involuntary petition for bankruptcy under Chapter 11 of the Bankruptcy Act was filed against BAR before the United States Bankruptcy Court for the District of Maine (Court). Subsequently, CDAC, NVT, N&R and VBB filed voluntary petitions for bankruptcy under Chapter 11 before the Court.

BAR's (a) Searsport, Millinocket, and Madawaska Subdivisions between milepost 0.0 at Searsport, ME, and milepost 264.1 at Madawaska, ME; (b) Van Buren Subdivision between milepost 0.0 at Madawaska, and milepost 24.74 at Van Buren, ME; (c) Presque Isle Subdivision between milepost 0.0 at Squa Pan, ME, and milepost 25.30 at Presque Isle, ME; (d) Limestone Subdivision between milepost 0.0 at Presque Isle, and milepost 30.36 at Limestone, ME; (e) Fort Fairfield Subdivision between milepost 0.0 at Presque Isle, and milepost 18.64 at Fort Fairfield, ME; (f) Houlton Subdivision between milepost 0.0 at Oakfield, ME, and milepost 18.40 at Houlton, ME; (g) East Millinocket Subdivision between milepost 0.0 at Millinocket, ME, and milepost 7.55 at E. Millinocket, ME; and (h) K.I. Subdivision between milepost 0.0 at Brownville, ME, and milepost 4.0 at Brownville Jct. ME;

CDAC's Moosehead Subdivision between milepost 0.0 at Brownville Jct., and milepost 101.90 at the United States-Canadian border crossing;

NVT and N&R's rail lines: (a) between the United States-Canadian border crossing at milepost 26.25 and milepost 32.63 of the Newport Subdivision near Richford, VT; (b) between milepost 43.32 at the United States-Canadian border crossing and milepost 58.4 at the end of the Newport Subdivision, in Newport, VT; and (c) between milepost 0.0 at Newport, and milepost 2.0 of the Lyndonville Subdivision, near Newport; and

VBB's rail line between the connection with BAR and the International Boundary Line in the center of the Van Buren Bridge at the United States-Canadian border.²

MMA indicates that it intends to consummate the transaction as soon as possible following the Court's approval of its agreement with the Trustee.³ The earliest the transaction could have been consummated was September 3, 2002, the effective date of the exemption (7 days after the exemption was filed).

Because the projected revenues of the rail lines to be operated will exceed \$5 million, MMA certified to the Board on June 12, 2002, that the required notice of its rail line acquisition and operation was posted at the workplace of the employees of affected lines and was served on the national offices of all labor unions with employees on the affected lines. See 49 CFR 1150.35(a), referring to 49 CFR 1150.32(e).⁴

² MMA states that it also intends to acquire lines and assets of CDAC, VBB and the Canadian Trustee for the Quebec Southern Railway Company, Ltd. that are part of the BAR system but are located in Canada and are not subject to Board jurisdiction.

³ MMT indicates that it expected to submit the agreement to the Court for approval on or about August 31, 2002.

⁴ MMT had originally served and posted notice of its intent on November 5, 2001. However, in light of the subsequent bankruptcy of the carriers to be acquired, MMT served and posted a revised notice of intent.

If the notice contains false or misleading information, the exemption is void ab initio.

Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke does not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34110, must be filed with the Surface Transportation Board, 1925 K Street NW, Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Michael L. Rosenthal, Covington & Burling, 1201 Pennsylvania Avenue NW, Washington, DC 20006-2401.⁵

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: September 11, 2002.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary

⁵ The State of Vermont’s Agency of Transportation has entered an appearance, and E.I. Dupont De Nemours and Company (Dupont) has filed a petition for leave to intervene, expressing concerns about MMA’s financial viability. Dupont’s petition to intervene will be granted.