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February 16, 2012

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Via Hand Delivery

**SURFACE
TRANSPORTATION BOARD**

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

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Office of Proceedings

FEB 16 2012

Part of
Public Record

231858

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TRANSPORTATION BOARD

RE: **Finance Docket No. 35588, Eastern Maine Railway Company – Acquisition and Operation Exemption – Montreal, Maine & Atlantic Railway, Ltd.**

Finance Docket No. 35598, Eastern Maine Railway Company – Assignment of Trackage Rights Exemption – Montreal, Maine & Atlantic Railway, Ltd. and Maine Northern Railway Company

Dear Ms. Brown:

Enclosed for filing please find an original and ten (10) copies of each of the following two documents:

1. the Verified Notice of Exemption of Eastern Maine Railway Company (“EMR”) pursuant to 49 CFR § 1150.41 in Finance Docket No. 35588, Eastern Maine Railway Company – Acquisition and Operation Exemption – Montreal, Maine & Atlantic Railway, Ltd.
2. the Verified Notice of Exemption of EMR pursuant to 49 CFR § 1180.2(d)(7) in Finance Docket No. 35598, Eastern Maine Railway Company – Assignment of Trackage Rights Exemption – Montreal, Maine & Atlantic Railway, Ltd. and Maine Northern Railway Company

Three compact disks (“CDs”) are enclosed. These CDs contain the filing in both MS Word and PDF format. We are also enclosing 20 additional unbound copies of the map attached as Exhibit 1 to the Verified Notice of Exemption in Finance Docket No. 35598.

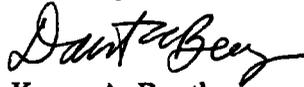
Filing fees are: \$1,800 for Finance Docket No. 35588 and \$1,100 for Finance Docket No. 35598. We have enclosed two checks to cover these fees.

I have enclosed one additional copy of each filing for stamp and return. Kindly date-stamp the additional copies for return to this office by messenger.

February 16, 2012
Page 2

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Karyn A. Booth

David E. Benz

Counsel for Eastern Maine Railway Company

Enclosures

cc: James E. Howard, MMA counsel (via e-mail)

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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35588

231858

**EASTERN MAINE RAILWAY COMPANY
- ACQUISITION AND OPERATION EXEMPTION -
MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.**

VERIFIED NOTICE OF EXEMPTION

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Karyn A. Booth
David E. Benz
Thompson Hine LLP
Suite 800
1920 N Street, N.W.
Washington, DC 20036
202.263.4108
202.331.8330 (fax)

Attorneys for Eastern Maine Railway Company

February 16, 2012

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35588

**EASTERN MAINE RAILWAY COMPANY
– ACQUISITION AND OPERATION EXEMPTION –
MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.**

VERIFIED NOTICE OF EXEMPTION

The Eastern Maine Railway Company (“EMR”), a Class III common carrier, hereby submits this Verified Notice of Exemption pursuant to 49 CFR § 1150.41 for the acquisition and operation of a rail line (“Line”) between the rail line owned by the State of Maine near Madawaska, ME to the Canadian National Railway (“CN”) rail line near St. Leonard, NB at Milepost 194.1 of CN’s Nappadoggin Subdivision. The Line is posted by its current owner, the Maine, Montreal & Atlantic Railway, Ltd. (“MMA”), as Milepost 260 to Milepost 264.13 of the Madawaska Subdivision and Milepost 0.0 to Milepost 23.69 of the Van Buren Subdivision (the “Line”), and also includes the Van Buren bridge and 0.93 miles of track connecting to the CN line near St. Leonard, NB.¹ Based on projected revenues for the Line, EMR expects to remain a Class III carrier after consummation of the acquisition described herein.

In accordance with the requirements of 49 CFR § 1150.43, EMR submits the following information:

¹ The rail line to be acquired by EMR includes the Van Buren Bridge (“Bridge”) and extends across the Bridge to the connection with CN near St. Leonard, NB, but EMR recognizes that the rail line acquisition in STB Docket No. 35588 is only subject to Board jurisdiction for those parts of the Bridge and Line in the United States.

I. Information Required by 49 CFR § 1150.43

49 CFR § 1150.43(a)

The Class III applicant is

Eastern Maine Railway Company
300 Union Street, 12th floor
P.O. Box 5777
Saint John, New Brunswick
Canada E2I 4M3
506.632.7777 (phone)

49 CFR § 1150.43(b)

Correspondence related to this proceeding should be addressed to:

Karyn A. Booth
David E. Benz
Thompson Hine LLP
Suite 800
1920 N St. NW
Washington, DC 20036
202.331.4108 (phone)
202.331.8330 (facsimile)

49 CFR § 1150.43(c)

EMR and MMA have reached material agreement on the terms (“Agreement”) by which EMR will acquire the Line from MMA and subsequently engage in operations. The Agreement is expected to be executed on or before March 19, 2012.

49 CFR § 1150.43(d)

The operator of the Line will be EMR.

49 CFR § 1150.43(e)

EMR proposes to acquire all of MMA’s right, title, and interest in the Line, including the right-of-way, track, and structures. EMR will operate, maintain, and perform all common carrier rail service on the Line. MMA’s address is:

Montreal, Maine & Atlantic Railway, Ltd.
15 Iron Road
Hermon, ME 04401

The proposed time schedule for consummation is as follows: EMR and MMA plan to sign the Agreement on or before March 19, 2012. Consummation of the transaction is expected to occur on or about March 19, 2012. EMR operations on the Line will commence immediately after consummation.

The mileposts for the Line are:

- Milepost 260 to Milepost 264.13 of the Madawaska Subdivision
- Milepost 0.0 to Milepost 23.69 of the Van Buren Subdivision
- Additionally, 0.93 miles of rail line and the Van Buren Bridge for connection to CN near St. Leonard, NB

The Line extends from the rail line owned by the State of Maine near Madawaska, ME to connection to the CN rail line near St. Leonard, NB at Milepost 194.1 of CN's Nappadoggin Subdivision. EMR recognizes that Board jurisdiction only covers the acquisition to the U.S.-Canada border. The total route miles being acquired are approximately 28.75.

The Maine Northern Railway Company ("MNRC") currently has overhead trackage rights over the Line. Maine Northern Railway Company – Trackage Rights Exemption – Montreal, Maine & Atlantic Railway, Ltd., STB Docket No. 35518 (served June 3, 2011). EMR is acquiring the Line subject to these overhead trackage rights. Thus, MNRC's overhead trackage rights will remain unchanged by EMR's acquisition of the Line.

CN currently has limited trackage rights over a portion of the Line, and CN's indirect subsidiary Waterloo Railway Company has a limited easement over a portion of the Line.

Canadian National Railway Company – Trackage Rights Exemption – Bangor and Aroostook

Railroad Company and Van Buren Bridge Company, STB Docket No. 34014 (served March 21, 2001); and Waterloo Railway Company – Acquisition Exemption – Bangor and Aroostook Railroad Company and Van Buren Bridge Company, STB Docket No. 34015 (served March 21, 2001). EMR is acquiring the Line subject to these limited rights.

As part of this transaction, EMR is acquiring, via assignment, overhead trackage rights from MMA. EMR is separately filing on this day a Notice of Exemption under 49 CFR § 1180.2(d)(7) regarding the assignment of these overhead trackage rights in STB Docket No. 35598, Eastern Maine Railway Company – Assignment of Trackage Rights Exemption – Montreal, Maine & Atlantic Railway, Ltd. and Maine Northern Railway Company. These overhead trackage rights are over a rail line owned by the State of Maine and extending from Milepost 260 near Madawaska, ME to Milepost 109 near Millinocket, ME. Montreal, Maine & Atlantic Railway, Ltd. – Trackage Rights Exemption – Maine Northern Railway Company, STB Docket No. 35505 (served May 27, 2011). The State of Maine rail line is currently leased and operated by MNRC, a transaction approved by the Board in Maine Northern Railway Company – Modified Rail Certificate – In Aroostook and Penobscot Counties, ME, STB Docket No. 35521 (served June 15, 2011). EMR and MNRC are corporate affiliates and currently have the ability to interchange traffic at Brownville Junction, ME. The corporate affiliate relationship was previously approved by the Board. The New Brunswick Railway Company – Continuance in Control Exemption – Maine Northern Railway Company, STB Docket No. 35520 (served June 3, 2011 and Sept. 26, 2011). After the acquisition of the Line in this docket and assignment of trackage rights from MMA in STB Docket No. 35598, EMR will also be able to interchange with MNRC at Milepost 260 near Madawaska, ME and Milepost 109 near Millinocket, ME.

49 CFR § 1150.43(f)

A map of the Line, showing the area to be served, including origins, termini, stations, cities, counties, and states is attached as Exhibit 1.

49 CFR § 1150.43(g)

The projected revenues of EMR, after consummation of the proposed transaction, will not result in creation of a Class II or Class I rail carrier. A certificate is attached as Exhibit 2.

49 CFR § 1150.43(h)

This section is inapplicable because the proposed transaction does not impose an interchange commitment.

II. Caption Summary

49 CFR § 1150.44

A caption summary in the requisite format is attached as Exhibit 3.

III. Labor Notice and Labor Issues

49 CFR § 1150.42(e)

Because the projected annual revenues of EMR after the proposed transaction will exceed \$5 million, EMR has effected posting of a labor notice as required by 49 CFR § 1150.42(e). A certificate of compliance was filed with the Board on January 17, 2012 in STB Docket No. 35588 and is attached as Exhibit 4.

Labor protective conditions are not applicable to this transaction because EMR is a Class III carrier. 49 USC § 10902(d).

IV. Environmental and Historic Preservation Information

No environmental documentation is required because the proposed transaction will not result in significant changes in carrier operations. See 49 CFR § 1105.6(c)(2). The proposed

transaction involves replacing MMA operations with EMR operations; no significant change in operations is anticipated.

No historic report is required because the proposed transaction merely involves an acquisition for continued rail operations, and further Board approval is required for discontinuance or abandonment of rail service. See 49 CFR § 1105.8(b)(1). EMR has no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older.

Respectfully submitted,



Karyn A. Booth
David E. Benz
Thompson Hine LLP
1920 N Street, N.W., Suite 800
Washington, DC 20036
202.331.4108
202.331.8330 (fax)

Attorneys for Eastern Maine Railway Company

February 16, 2012

VERIFICATION

I, Wayne Power, verify under penalty of perjury that the foregoing Notice of Exemption for acquisition and operation in STB Docket No. 35588 is true and correct to the best of my knowledge. Further, I certify that I am qualified and authorized to file this statement.



Wayne Power
Vice President
Eastern Maine Railway Company

Executed on February 14th, 2012

Exhibit 1

(map)

Van Buren Subdivision



NEW BRUNSWICK

Legend

-  Eastern Maine Railway
-  EMR trackage rights on MNRRC
-  CN Rail
-  US - Canada Border
-  Saint John River

MP 0.0

MP 264.13

MP 260.00

MP 23.69

Madawaska

Fort Kent

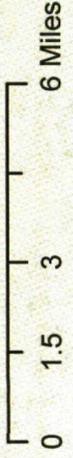
MAINE

St. Leonard

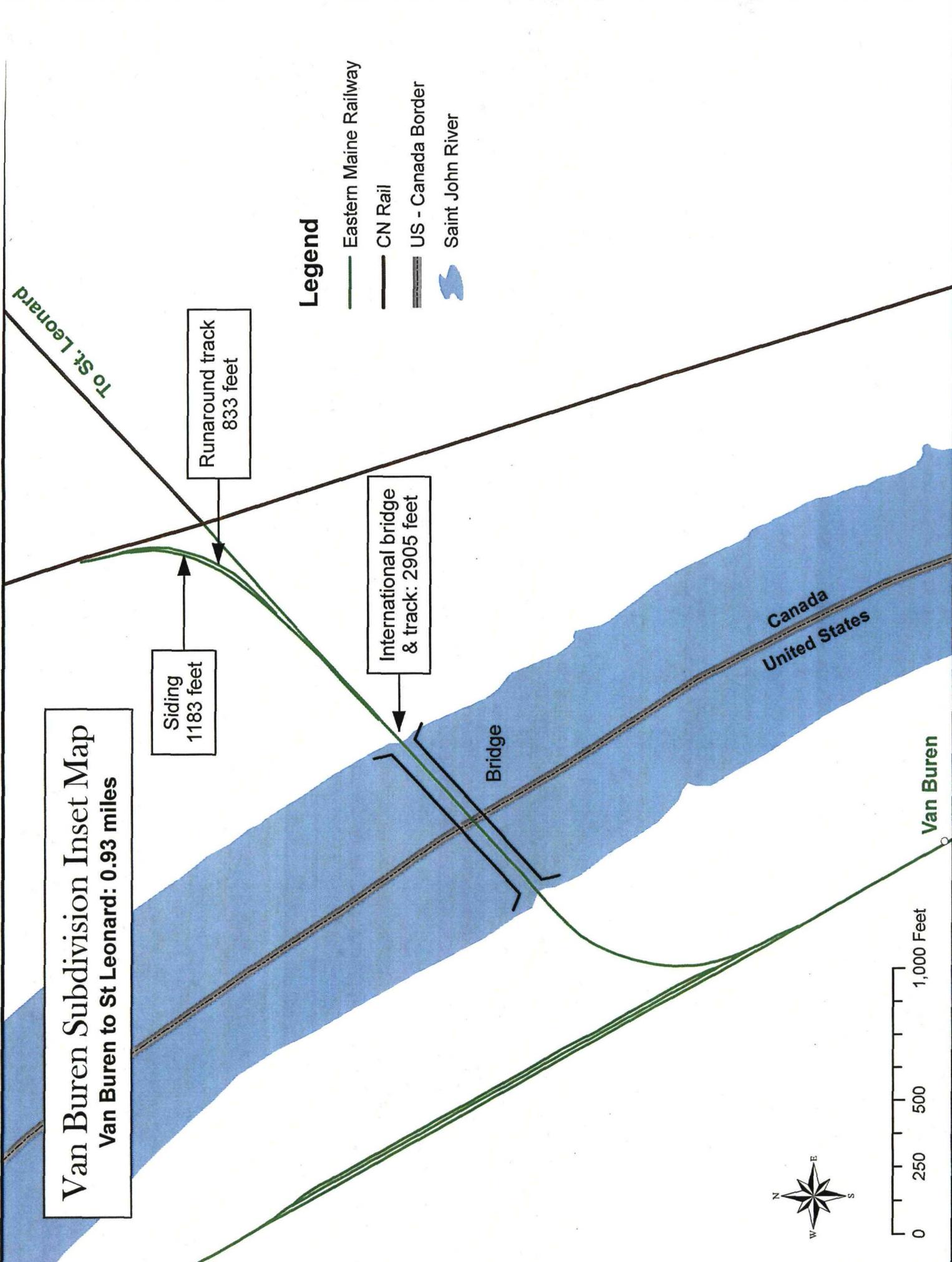
Inset Map Area

Van Buren

Van Buren to St. Leonard
Sidings: 0.93 miles



Van Buren Subdivision Inset Map
Van Buren to St Leonard: 0.93 miles



Siding
1183 feet

Runaround track
833 feet

International bridge
& track: 2905 feet

Bridge

Canada
United States

Van Buren

Legend

- Eastern Maine Railway
- CN Rail
- US - Canada Border
- Saint John River

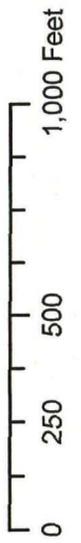


Exhibit 2

(Class III status)

CERTIFICATION

I, Wayne Power, certify under penalty of perjury that the annual revenues of the Eastern Maine Railway Company as a result of this Notice of Exemption transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under 49 CFR § 1150.45. I certify that I am qualified and authorized to file this Certification on behalf of Eastern Maine Railway Company.

A handwritten signature in black ink, appearing to read 'Wayne Power', is written over a solid horizontal line.

Wayne Power
Vice President
Eastern Maine Railway Company

Executed on February ~~11~~¹⁴, 2012

Exhibit 3

(caption summary)

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 35588

EASTERN MAINE RAILWAY COMPANY – ACQUISITION AND OPERATION EXEMPTION – MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.

The Eastern Maine Railway Company (“EMR”), a Class III carrier, has filed a Notice of Exemption to acquire and operate Maine, Montreal & Atlantic Railway, Ltd.’s rail line (“Line”) that extends from the rail line owned by the State of Maine near Madawaska, ME to the Canadian National Railway (“CN”) rail line near St. Leonard, NB at Milepost 194.1 of CN’s Nappadoggin Subdivision. The Line is posted as Milepost 260 to Milepost 264.13 of the Madawaska Subdivision and Milepost 0.0 to Milepost 23.69 of the Van Buren Subdivision, and also includes the Van Buren bridge and 0.93 miles of track connecting to the CN line near St. Leonard, NB. The Line covers a distance of approximately 28.75 miles. Comments must be filed with the Board and served on EMR’s representatives, Karyn A. Booth and David E. Benz, Thompson Hine LLP, 1920 N St. NW, Suite 800, Washington, DC 20036; (202) 331-8800.

This transaction is related to the assignment of trackage rights by the Montreal, Maine & Atlantic Railway, Ltd. to EMR in STB Docket No. 35598, Eastern Maine Railway Company – Assignment of Trackage Rights Exemption – Montreal, Maine & Atlantic Railway, Ltd. and Maine Northern Railway Company.

The notice is filed under 49 C.F.R. § 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

Exhibit 4

(Labor notice posting certification)

Via Electronic Filing

January 17, 2012

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

**Re: STB Finance Docket No. 35588, Eastern Maine Railway Company –
Acquisition and Operation Exemption – Montreal, Maine & Atlantic
Railway, Ltd.**

Dear Ms. Brown:

Eastern Maine Railway Company (“EMR”) hereby certifies that that on January 13, 2012 copies of the attached labor notice (“Notice”) were posted by Montreal, Maine & Atlantic Railway, Ltd. (“MMA”) at the workplace of the employees on the MMA rail line described in the Notice. This certification is provided pursuant to 49 CFR § 1150.42(e). EMR further certifies that it is serving, via overnight delivery, a copy of this letter and the Notice on the national offices of the labor union listed below.

Kevin Moore
BLET – General Chairman
15 Culver Street #67
Plaistow, NH 03865

Brotherhood of Locomotive Engineers
Mezzanine
1370 Ontario Street
Cleveland, OH 44113

Please do not hesitate to contact the undersigned with any questions.

Respectfully,


David E. Benz

Enclosures

cc: MMA counsel James Howard (via e-mail)

David.Benz@ThompsonHine.com Phone 202.263.4116 Fax 202.331.8330

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35588

**Eastern Maine Railway Company
- Acquisition and Operation Exemption -
Montreal, Maine & Atlantic Railway, Ltd.**

CERTIFICATION OF POSTING

The undersigned certifies that, in connection with the labor notice requirements of 49 C.F.R. § 1150.42(e), the attached notice in STB Finance Docket No. 35588 was posted on January 13, 2012 at the normal workplace of the employees of the Maine, Montreal & Atlantic Railway rail line that is the subject of the Acquisition and Operation Exemption in this docket. The notice was also sent via overnight express to (1) Kevin Moore, BLET General Chairman, 15 Culver Street #67, Plaistow, NH 03865, and (2) the BLET office, 1370 Ontario Street, Mezzanine, Cleveland, OH 44113, on January 17, 2012.

Signature: 

Printed name: **Wayne Power**

Title: **Vice President**

January 13, 2012

**NOTICE TO EMPLOYEES
OF THE MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.**

Pursuant to Surface Transportation Board regulations at 49 C.F.R. § 1150.42(e), the Eastern Maine Railway Company ("EMR") hereby provides notice that EMR intends to file a Notice of Exemption to acquire a rail line from the Montreal, Maine & Atlantic Railway, Ltd. ("MMA"). The rail line (the "Line") to be acquired extends from the rail line owned by the State of Maine near Madawaska, ME to the Canadian National Railway ("CN") rail line near St. Leonard, NB at Milepost 194.1 of CN's Nappadoggin Subdivision. The Line is posted by MMA as Milepost 260 to Milepost 264.13 of the Madawaska Subdivision and Milepost V 0.0 to Milepost V 23.69 of the Van Buren Subdivision, and it also continues across the Van Buren bridge on 0.93 miles of track to connection with CN. The Line is currently owned and operated by MMA and MMA Canada.

EMR plans to consummate the acquisition on or after March 13, 2012. EMR does not anticipate that any new jobs are expected to be available as a result of this acquisition.