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232 334

May 18, 2012

VIA FEDERAL EXPRESS

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

Re: Woodland Rail, LLC--Acquisition and Operation
Exemption--Line of Maine Central Railroad Co.
Finance Docket No. 35628

FEE RECEIVED
MAY 21 2012
SURFACE
TRANSPORTATION BOARD

Dear Ms. Brown:

Enclosed for filing on behalf of Woodland Rail, LLC are the original and 10 copies of the "Verified Notice of Exemption of Woodland Rail, LLC Pursuant to 49 CFR 1150.32. Also enclosed is a check in the amount of \$1,800 representing the filing fee.

If you have any questions or need further information, please contact the undersigned counsel for Woodland Rail. Thank you very much for your attention to these requests.

Very truly yours,


James E. Howard

Enclosures

FILED
MAY 21 2012
SURFACE
TRANSPORTATION BOARD

232334

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35628

WOODLAND RAIL, LLC
--ACQUISITION AND OPERATION EXEMPTION--
LINE OF MAINE CENTRAL RAILROAD CO.

FEE RECEIVED
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TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION
OF WOODLAND RAIL, LLC
PURSUANT TO 49 CFR 1150.32

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SURFACE
TRANSPORTATION BOARD

James E. Howard
1 Thompson Square
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Charlestown, MA 02129
(617) 886-9322

Attorney for Woodland
Rail, LLC

Dated: May 18, 2011

MAY 21 2012

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35628

WOODLAND RAIL, LLC
--ACQUISITION AND OPERATION EXEMPTION--
LINE OF MAINE CENTRAL RAILROAD CO.

**VERIFIED NOTICE OF EXEMPTION
OF WOODLAND RAIL, LLC
PURSUANT TO 49 CFR 1150.32**

Woodland Rail, LLC ("Woodland Rail"), a noncarrier, proposes to purchase and operate a rail line known as the Calais Industrial Track (the "Line") from Maine Central Railroad Co. ("MEC"). The Line, which includes several short spur tracks, runs for approximately 10.6 miles between Baileyville, Maine and St. Stephen, New Brunswick, crossing the St. Croix River, which is the international boundary between the United States and Canada, at 3 different locations. In a related transaction (see Finance Docket No. 35629), Woodland Rail is granting trackage rights to Eastern Maine Railway Co. ("EMR") in order to enable EMR to serve a pulp mill owned and operated by Woodland Pulp, LLC, the only customer on the Line, in Baileyville.

Woodland Rail recognizes that the jurisdiction of the Board extends only to the acquisition of the portions of the Line within the United States. Woodland Rail and EMR are seeking appropriate regulatory authority in Canada for the portions of the Line in Canada.

INFORMATION REQUIRED BY 49 CFR 1150.33

In accordance with the requirements of 49 CFR 1150.33, Woodland Rail submits the following information:

Name and Address of Applicant: 49 CFR 1150.33(a)

The applicant is Woodland Rail, LLC, which is a Delaware limited liability company, and its address is 144 Main Street, Baileyville, Maine 04694. The telephone number is 207-427-4111.

Applicant's Representative: 49 CFR 1150.33(b)

The applicant's representative to whom correspondence regarding this transaction should be sent is James E. Howard, 1 Thompson Square, Suite 201, Charlestown, Massachusetts 02129. The telephone number is 617-886-9322.

Statement Concerning Agreement: 49 CFR 1150.33(c)

Woodland Rail and MEC have entered into two purchase and sale agreements, both of which are dated January 3, 2012, relating to the Line. One agreement covers the portion of the Line located in Canada, totaling approximately 5.08 track miles, and the other agreement covers the portion of the Line located in the United States, totaling approximately 6.75 track miles.

Operator of the Line: 49 CFR 1150.33(d)

The Line is currently owned by MEC and operated by its affiliate, Springfield Terminal Railway Co. Woodland Pulp has for many years been the only rail customer served by the Line.

Summary of Transaction: 49 CFR 1150.33(e)

Woodland Pulp, which is the only rail customer on the Line, receives rail shipments, consisting primarily of sodium chlorate, logs and chips, at its mill in Baileyville. In an effort to improve service and reduce operating and maintenance expenses, Woodland Pulp has created a subsidiary, Woodland Rail, to acquire the Line from MEC. Woodland Rail plans to invest substantial amounts in rehabilitating the Line. In addition, as noted above, Woodland Rail is granting overhead trackage rights to EMR in order to enable EMR to serve Woodland Pulp. While Woodland Rail will have a common carrier obligation with respect to the Line, the Line will be maintained and dispatched by EMR pursuant to a separate agreement between EMR and Woodland Rail, and, as a practical matter, rail service to and from the Woodland Pulp mill will be provided by EMR pursuant to its trackage rights and the connection of the Line with the line of New Brunswick Southern Railway, an affiliate of EMR, at St. Stephen, New Brunswick. In the event that EMR chooses not to exercise its trackage rights or the arrangement by which EMR has agreed to maintain and dispatch the line terminates, Woodland Rail recognizes that it will continue to have a common carrier obligation with respect to the Line.

(1) The name and address of the railroad transferring the line is Maine Central Railroad Co., 1700 Iron Horse Park, North Billerica, Massachusetts 01862.

(2) The parties intend to consummate the proposed transaction promptly after this Verified Notice of Exemption becomes effective.

(3) The end points of the Line are at engineering station 64+17 in Baileyville and engineering station 6978+84 in Calais. As shown in the map attached as Exhibit A, there is a spur track between Woodland Junction, which is engineering station 363+45, and engineering station 393+37 and another spur track at St. Croix Junction, which is engineering station 6817+12.

(4) The total track miles being acquired by Woodland Rail in the transaction are 11.83.

Map: 49 CFR 1150.33(f)

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

Certificate Concerning Revenues: 49 CFR 1150.33(g)

A certificate to the effect that the applicant's projected revenues (1) will not exceed those that would qualify it as a Class III carrier and (2) in fact will be less than \$5 million annually is attached as Exhibit B.

Interchange Commitments: 49 CFR 1150.33(h)

The proposed acquisition and operation of the Line do not involve any provision or agreement that may limit the future interchange with a third-party connecting carrier.

OTHER INFORMATION

As described in the certificate attached as Exhibit B, the annual revenues of Woodland Rail from the Line will not exceed \$5 million, and therefore Woodland Rail is

not obligated to comply with the 60 day advance notice and posting requirements set forth at 49 CFR 1150.32(e).

Labor protective conditions are not applicable to the transaction, because Woodland Rail will be a Class III carrier. 49 U.S.C. 10902(d).

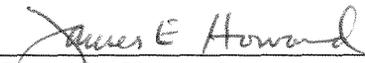
Pursuant to 49 CFR 1105.6(c)(2), no environmental documentation or report is required, because no applicable thresholds set forth in 49 CFR 1105.7(c)(4) or (5) will be exceeded.

The transaction is exempt from historic review pursuant to 49 CFR 1105.8(b)(1), because the transaction contemplates continued rail operations, and Board approval will be required to abandon service. There are no plans to dispose of or to alter property subject to the Board's jurisdiction that is more than 50 years old.

Attached to this Notice of Exemption as Exhibit C is a caption summary as required by 49 CFR 1150.34.

Respectfully submitted,

WOODLAND RAIL, LLC


James E. Howard
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(617) 886-9324 facsimile
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Attorney for Woodland Rail, LLC

Dated: May 18, 2012

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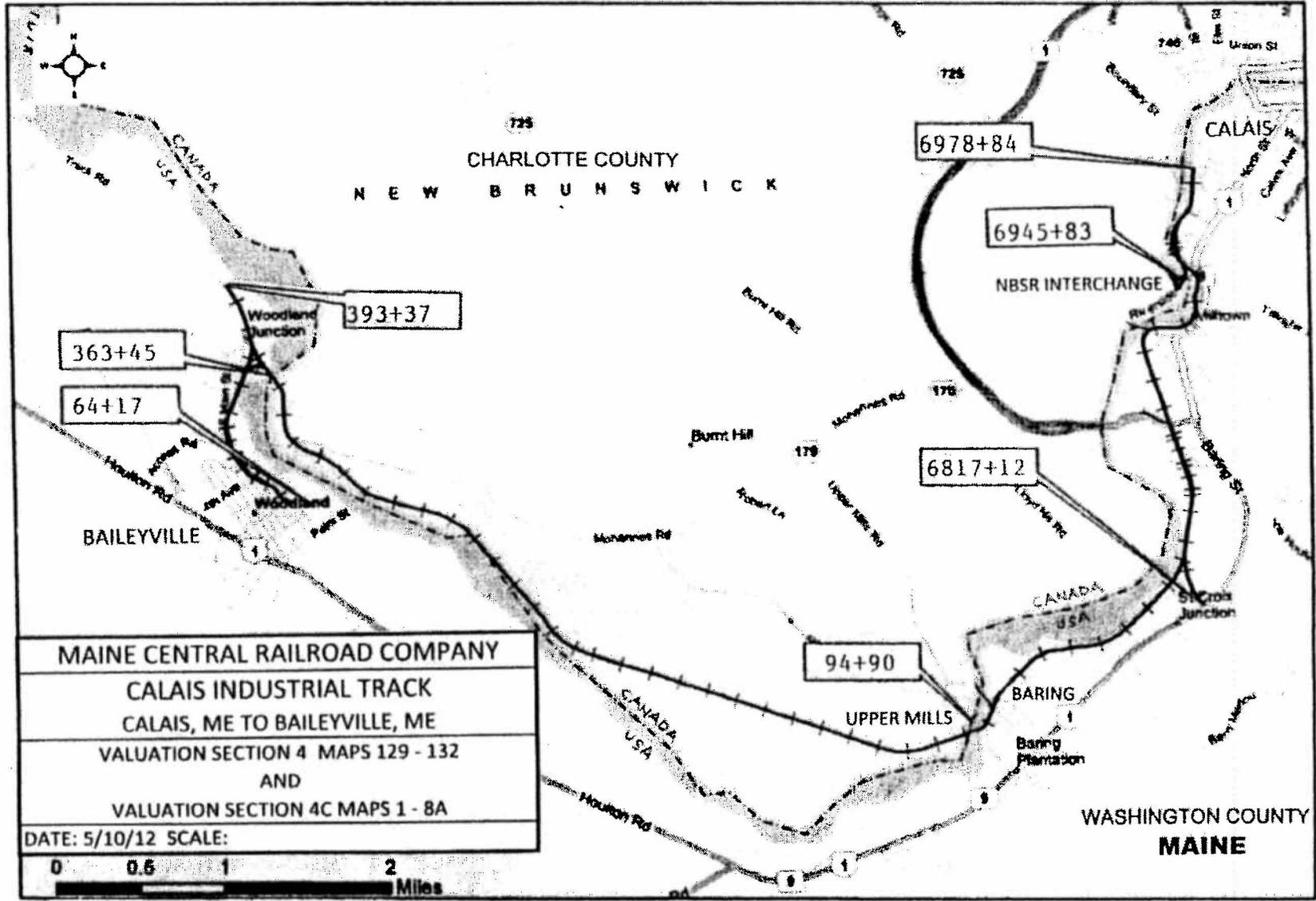
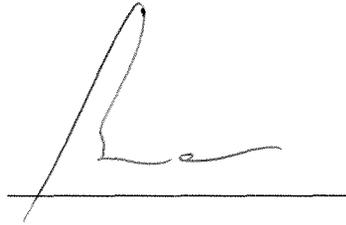


EXHIBIT A

EXHIBIT B

REVENUE CERTIFICATE

I, Berthier Martin, hereby certify that I am a manager of Woodland Rail, LLC ("Woodland Rail") and that the projected annual revenues of Woodland Rail will not as a consequence of the acquisition of the line between Baileyville, Maine and St. Stephen, New Brunswick cause Woodland Rail to become a Class II or Class III carrier and that such projected annual revenues will not exceed \$5 million annually following the acquisition of the line by Woodland Rail.

A handwritten signature in black ink, appearing to read 'Berthier Martin', is written above a solid horizontal line.

May 15, 2012

EXHIBIT C

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 35628

Woodland Rail, LLC--Exemption to Acquire and Operate
Line of Maine Central Railroad Co.

Woodland Rail, LLC ("Woodland Rail"), a non-carrier, has filed a verified notice of exemption to acquire from Maine Central Railroad Co. ("MEC") and to operate a rail line owned by MEC and operated by Springfield Terminal Railway Co. between Baileyville, Maine and St. Stephen, New Brunswick. The line is approximately 11.8 track miles in length, with approximately 6.75 track miles located in Maine and approximately 5.08 track miles located in New Brunswick. The line crosses the St. Croix River, which is the international boundary between Canada and the United States, at 3 different locations.

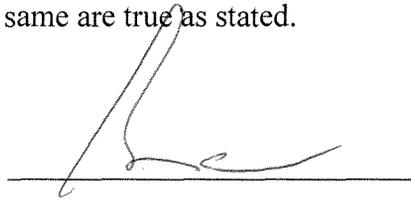
Comments must be filed with the Board and served on the petitioner's representative, James E. Howard, 1 Thompson Square, Suite 201, Charlestown, Massachusetts 02129, telephone 617-886-9322.

The notice is filed under 49 CFR 1150.31. 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 will not automatically stay the transaction.

VERIFICATION

State of Maine)
) ss:
County of Washington)

Berthier Martin, being duly sworn, deposes and says that he is a manager of Woodland Rail, LLC, that he has read the foregoing Verified Notice of Exemption and knows the facts asserted therein and that the same are true as stated.

A handwritten signature in black ink, appearing to read "Berthier Martin", is written over a horizontal line.

Subscribed and sworn to
before me this 15 day
of May, 2012

Candace A Robb
Notary Public

CANDACE A. ROBB
Notary Public, Maine
My Commission Expires September 27, 2018