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August 28, 2007

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**Via Electronic Filing**

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-0001

Re State of Maine -- Acquisition Exemption --  
Certain Assets of St. Lawrence & Atlantic Railroad Company,  
STB Finance Docket No. 35018

Dear Secretary Williams:

The St. Lawrence & Atlantic Railroad Company ("SLR") and the State of Maine, acting by and through its Department of Transportation ("Maine DOT"), jointly submit this letter reiterating their previous requests for prompt consideration of Maine DOT's pending Motion to Dismiss the Notice of Exemption that was filed with the Surface Transportation Board (the "Board") in this proceeding on April 28, 2007. For the reasons set forth below, SLR and Maine DOT respectfully request that the Board issue a decision granting the Motion to Dismiss on or before September 14, 2007.

The parties originally executed a Purchase and Sale Agreement for SLR's sale to Maine DOT of the approximately 11-mile line of railroad between Deering and Yarmouth Junction, Maine (subject to SLR's retention of all common carrier obligations) in December, 2006. The parties were hoping to finalize and close this transaction by the end of June, 2007. The closing is contingent on receiving a decision from the Board granting the Motion to Dismiss, and the amended Purchase and Sale Agreement between the parties provides that closing will occur by June 30, 2007 or within ten (10) days of a Board decision granting the Motion to Dismiss, whichever occurs later.

On June 20<sup>th</sup>, the Board issued a decision requesting additional information about the proposed transaction from SLR and directing SLR to serve a copy of the Board's decision on all shippers on the line. SLR certified that it served the shippers on June 22 and supplied the requested additional information to the Board on July 5. None of the shippers on the line has filed any comments in this proceeding, and the parties continue to await a decision from the Board on the pending Motion to Dismiss. It has been almost five months since Maine DOT filed

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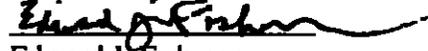
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its request for a jurisdictional determination. For the reasons set forth in the Motion to Dismiss and the additional information submitted by SLR, both Maine DOT and SLR believe that the Board should grant the Motion to Dismiss because Maine DOT will not obtain any common carrier obligations after the closing of the proposed transaction and SLR will continue to have the ability to discharge its common carrier obligations.

At this point, SLR hopes to finalize and close this sale transaction before September 28, 2007 (the end of SLR's third financial quarter). Maine DOT is willing to cooperate in this regard, provided that a favorable Board decision is issued sufficiently in advance of September 28. There are a number of documents that need to be finalized and other steps that need to be taken between the date of issuance of the Board's decision and the closing date. Therefore, the parties respectfully request that the Board issue a favorable decision on the pending motion on or before September 14, 2007 so that the parties will have adequate time to complete preparations for closing and finalize the transaction before the end of the third quarter.

The parties appreciate the fact that the Board has numerous other pending matters and the fact that the Board has an obligation to review the merits of and if necessary request additional information relating to the pending Motion to Dismiss. SLR and Maine DOT believe that the Board has fulfilled its obligations and now has before it a record that enables it to issue a decision. SLR and Maine DOT, therefore, respectfully request that the Board issue, as promptly as practicable, a decision granting the Maine DOT motion so that the parties can take steps to finalize a transaction that has been pending for many months.

Respectfully Submitted,



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cc David M. Konschnik, STB Office of Proceedings  
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