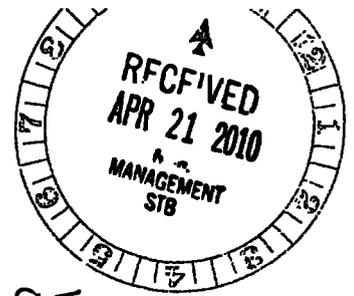




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226857

April 20, 2010

Scott G. Knudson  
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**VIA FEDERAL EXPRESS**

Chief  
Section of Administration  
Surface Transportation Board  
Washington, DC 20423

**Re: Montreal, Maine & Atlantic Railway, Ltd.  
STB Docket No. AB 1043 (SubNo. 1)**

ENTERED  
Office of Proceedings  
APR 21 2010  
Part of  
Public Record

Dear Sir/Madam:

Enclosed for filing in the above-referenced matter please find the original and 10 copies of the following:

1. Protest of Huber Engineered Woods, LLC (Highly Confidential Version)
2. Verified Statement of Alan Weber (Highly Confidential Version);
3. Protest of Huber Engineered Woods, LLC (Public Version);
4. Verified Statement of Alan Weber (Public Version).

Mr. Weber's original signature pages will follow under separate cover.

By copy of this letter all parties are being served with a copy of the public versions of the Protest and Verified Statement. Counsel who have agreed to the Protective Order in this matter may contact us to obtain a copy of the highly confidential versions.

Very truly yours,

Scott G. Knudson

SGK/bcs

Enclosures

cc: All Parties on Attached Service List

Chief  
Section of Administration  
April 20, 2010  
Page 2

**SERVICE LIST**

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Chief  
Section of Administration  
April 20, 2010  
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226857



BEFORE THE  
SURFACE TRANSPORTATION BOARD

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

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MONTREAL, MAINE & ATLANTIC RAILWAY, LTD –  
DISCONTINUANCE OF SERVICE AND ABANDONMENT –  
IN AROOSTOOK AND PENOBSCOT COUNTIES, MAINE

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**VERIFIED STATEMENT OF ALAN WEBER**

**(PUBLIC VERSION)**

ENTERED  
Office of Proceedings

APR 21 2010

Part of  
Public Record

Dated: April 20, 2010

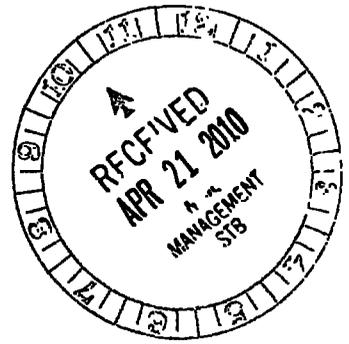
Respectfully submitted,

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ATTORNEYS FOR HUBER ENGINEERED  
WOODS, LLC

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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

---

MONTREAL, MAINE & ATLANTIC RAILWAY, LTD –  
DISCONTINUANCE OF SERVICE AND ABANDONMENT –  
IN AROOSTOOK AND PENOBSCOT COUNTIES, MAINE

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**VERIFIED STATEMENT OF ALAN WEBER**

My name is Alan Weber. I am the Vice President of Supply Chain and Logistics for Huber Engineered Woods, LLC (“Huber”). I provide this Verified Statement in support of Huber’s Protest of the Application of the Montreal, Maine & Atlantic Railway, Ltd. (“MMA”) to abandon rail service on approximately 233 miles of track in northern Maine.

Huber has its headquarters in Charlotte, North Carolina. It is a wholly owned subsidiary of J.M. Huber Corporation, a diversified supplier of engineered materials, natural resources and technology services to wide range of end users. Huber manufactures an improved version of oriented strand board (“OSB”) and other engineered wood products used primarily in the housing industry.

Huber has a manufacturing facility located in Easton, Maine, where it makes these wood products. The Easton plant is focused on producing Huber’s AdvanTech® Flooring and Sheathing, as well as Huber’s Zip System® Wall and Zip System™ Roof Sheathing products. Currently, the plant employs 117 people, with an annual payroll of

over \$5.3 million in wages and benefits projected for 2010. In 2007 Huber invested approximately \$47 million at its Easton plant to upgrade and add equipment to improve plant productivity. The plant also pays over \$600,000 in annual property taxes.

MMA is the only railroad that serves Easton. Huber relies on rail service at Easton to receive two key manufacturing inputs: resin and slack wax, which are used to bind the wood fibers used in making the OSB manufactured at Easton. The resins come from Gulf Coast suppliers, while the wax is shipped from a supplier in Ontario. These inputs all arrive by tank car. Huber also ships a significant quantity of its finished product by rail to distributors located throughout the northeastern states.

I understand that MMA is basing its case for abandonment on a base year and forecast year that reflect that in 2008 and 2009 the nation was in a serious recession. Certainly for the housing industry, which Huber and several other shippers on MMA's lines serve, has seen the largest fall-off in decades. But our country has a growing population, which means as a practical matter the housing industry will recover from its depressed state. Here are recent housing start data and RISI's forecast for housing starts through 2013.

<b>Housing Starts</b>	
<b>Year</b>	<b>Annual Housing Starts</b>
2005	2,155,000
2006	1,838,000
2007	1,398,000
2008	905,000
2009	554,000
2010	720,000
2011	1,040,000
2012	1,490,000
2013	1,730,000

RISI is a third party provider of information to the forest products industry. Huber uses this type of information for its planning purposes.

Our forecast for a revived housing industry will mean that the Easton plant should see an increase in production. We are anticipating adding another shift to the plant workforce, which would add another 30 jobs. Increased plant output would also increase rail usage.

<b>Easton Plant Inbound Shipments (Tank Cars)</b>	
2005	
2006	
2007	
2008	
2009	
2010	
2011	
2012	
2013	

We also anticipate an increase in outbound shipments to serve the housing industry.

<b>Outbound Shipments (Rail Cars)</b>	
2005	
2006	
2007	
2008	
2009	
2010	
2011	
2012	
2013	

The number of car loads received or shipped in 2009 was the lowest ever for this plant. The projected increase reflects a revival of the housing market in general and an increase in rail's relative share of outbound transportation. As our customers see increased demand for our products, the size of an order increases, making rail the better choice for more shipments.

Here is what Huber forecasts for total rail car demand at Easton going forward:

2010	
2011	
2012	
2013	

Based on what we currently pay per car, by 2013 this would result in an increase of revenue to MMA of \$ \_\_\_\_\_ at current rates.

We have examined what it would cost Huber if rail service is discontinued to its Easton plant. Huber's input will continue to originate by tank car, necessitating a transload to trucks. We project transload costs for tank car shipments to be \_\_ cents/lb., with each tank car containing 185,000 pounds of product. For outbound shipments, we

estimate an additional cost of \$\_\_\_\_\_ per car shipped to a Huber transload facility and \$\_\_\_\_\_ per car for shipments to Huber’s customers.

These additional costs are set forth in this table:

<b>Annual Additional Costs to Huber</b>			
	<b>Inbound</b>	<b>Outbound</b>	<b>Total</b>
2010			
2011			
2012			
2013			

Plainly, these added costs are significant and will impact the competitive position of the Easton plant, both internally at Huber (it has similar operations in Virginia) and externally, compared to competitors with direct rail access. But loss of rail service at Easton raises other potential costs. Huber also has under consideration spending \$50-60 million to expand plant capacity. Frankly, the added operating costs from loss of rail service could result in electing not to invest in plant expansion. The impact on a struggling region of Maine is obvious.

I understand MMA has asserted that Maine’s roads will not be impacted, in part because of the extensive private road network in Aroostook County. While Huber’s Easton plant receives all of its incoming logs by truck (over various public or private roads), it receives all resin and wax by rail and a significant and growing part of its output by rail. Without rail service direct to its Easton plant, Huber will have to receive product from transload facilities. Huber estimates a substantial number of trucks coming to Easton. Each tank car will require approximately 4.1 tanker trucks to carry the lading from the transload facility to the Easton plant (185,000 lbs./tanker ÷ 45,000 lbs./tanker

truck). For outbound shipments, it will take three trailers to carry what one rail car can carry. We do not expect to use transload for outbound shipments.

<b>Increased Truck Traffic</b>			
	<b>Inbound</b>	<b>Outbound</b>	<b>Total Increase</b>
2010			
2011			
2012			
2013			

This additional truck traffic will have to travel approximately 40 miles on local and state roads to reach I-95 at Houlton, Maine. This traffic amounts to over \_\_\_\_\_ tons in additional freight by 2013. This increase is on top of the several thousand outbound truckloads Huber already ships.



## CERTIFICATE OF SERVICE

I certify that on this 20th day of April, 2010, I caused a copy of the foregoing to be served by Federal Express upon the following parties:

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Scott G. Knudson