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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 36641

ENTERED
Office of Proceedings
October 6, 2022
Part of
Public Record

**EASTERN MAINE RAILWAY COMPANY
– ACQUISITION AND OPERATION EXEMPTION –
CENTRAL MAINE & QUEBEC RAILWAY US INC.,
d/b/a CANADIAN PACIFIC**

VERIFIED NOTICE OF EXEMPTION

Karyn A. Booth
David E. Benz
Thompson Hine LLP
Suite 700
1919 M Street, N.W.
Washington, DC 20036
202.331.8800
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Attorneys for Eastern Maine Railway Company

October 6, 2022

**FILED
October 6, 2022
SURFACE
TRANSPORTATION BOARD**

**FEE RECEIVED
October 6, 2022
SURFACE
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STB FINANCE DOCKET NO. 36641

**EASTERN MAINE RAILWAY COMPANY
– ACQUISITION AND OPERATION EXEMPTION –
CENTRAL MAINE & QUEBEC RAILWAY US INC.,
d/b/a CANADIAN PACIFIC**

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 between Milepost 109 (Grindstone, Penobscot County, Maine) and Mile 72.43 (near Brownville in Piscataquis County, Maine) as well as branch lines in Millinocket, East Millinocket, and Medway, all as further described herein (collectively, the “Line”), from the current owner, the Central Maine & Quebec Railway US Inc. d/b/a Canadian Pacific (“CMQR”).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 CMQR is ultimately a subsidiary of Canadian Pacific Railway. See Soo Line Corporation – Control – Central Maine & Quebec Railway US Inc., STB Docket No. 36368 (served May 4, 2020).

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 E2L 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 700
1919 M St. NW
Washington, DC 20036
202.331.8800 (phone)
202.331.8330 (facsimile)

49 CFR § 1150.43(c)

EMR and CMQR have reached material agreement on the terms (“Agreement”) by which EMR will acquire the Line from CMQR and subsequently engage in operations. The Agreement was executed on September 1, 2022.

49 CFR § 1150.43(d)

The operator of the Line will be EMR.

49 CFR § 1150.43(e)

EMR proposes to acquire all of CMQR’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. CMQR’s address is:

Central Maine & Quebec Railway US Inc.
700 Main Street, Suite 3
Bangor, ME 04401

The proposed time schedule for consummation is as follows: EMR and CMQR signed the Agreement on September 1, 2022. Consummation of the transaction is expected to occur on or about November 8, 2022. EMR operations on the Line will commence immediately after consummation.

A description of the Line is as follows:

- the main line, from Milepost 109 (Grindstone, Penobscot County, Maine) to Mile 72.43 (near Brownville, Piscataquis County, Maine)
- the East Millinocket branch line, extending from the main line just east of Millinocket (Milepost 0.0) through East Millinocket and into Medway (all in Penobscot County), ending at Milepost 7.72
- the Millinocket branch line, extending from the main line in Millinocket to the southeast (Milepost 104.65 southward 1.2 miles to end of track) (all in Penobscot County)
- all other associated yard, spur, siding, and other track along the main line between Milepost 109 and Mile 72.43

The Line extends from the rail line owned by the State of Maine near Grindstone, ME to connection to the CMQR rail line near Brownville, ME. The total main line route miles being acquired are approximately 36.57, plus approximately nine route miles of branch lines in Millinocket, East Millinocket, and Medway as described above.

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. 35519 (served June 3, 2011).² 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.³

As part of this transaction, CMQR is granting incidental trackage rights to EMR between Mile 72.43 (of CMQR's Millinocket Subdivision near Brownville) and the connection of CMQR's track with an EMR rail line in the vicinity of Brownville Junction (MP 75.07 of CMQR's Bangor Subdivision), a distance of approximately three miles, including CMQR's Brownville Junction yard, as well as use of the CMQR main line to the west for one mile (to MP 1.0 of CMQR's Moosehead Subdivision). These trackage rights will be overhead only, and they are designed to increase the efficiency of rail operations in the area. These trackage rights will facilitate operations of EMR between its pre-existing Mattawamkeag Subdivision and the Line that EMR is acquiring from CMQR. The trackage rights will also greatly simplify interchange between EMR's new service on the Line and CMQR's service on track it is retaining; such interchange will be much easier at the Brownville Junction yard rather than the Mile 72.43 location near Brownville, which has no yard track. Consequently, the overhead trackage rights granted by CMQR are "incidental" as described in 49 CFR § 1150.41(d), and are properly included in this proceeding.⁴

² CMQR purchased the Line and various other rail lines from Montreal, Maine & Atlantic Railway, Ltd. in 2014. Central Maine & Quebec Railway US Inc. – Acquisition and Operation Exemption – Montreal, Maine & Atlantic Railway, Ltd., STB Docket No. 35805 (served Feb. 28, 2014).

³ MNRC's overhead trackage rights, as authorized in Finance Docket No. 35519, extend beyond the Line on track that will be retained by CMQR. Again, these overhead trackage rights of MNRC will remain unchanged by the acquisition described herein.

⁴ See, e.g., Alabama & Gulf Coast Railway, LLC – Acquisition and Operation Exemption – The Burlington Northern and Santa Fe Railway Company, STB Docket No. 33438, slip op. at 2-3 (served Sept. 11, 1998).

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 September 6, 2022 in STB Docket No. 36641 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)(1). The proposed

transaction involves replacing CMQR 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,

/s/ David E. Benz
Karyn A. Booth
David E. Benz
Thompson Hine LLP
1919 M Street, N.W., Suite 700
Washington, DC 20036
202.331.8800
202.331.8330 (fax)

Attorneys for Eastern Maine Railway Company

October 6, 2022

EXHIBIT 1

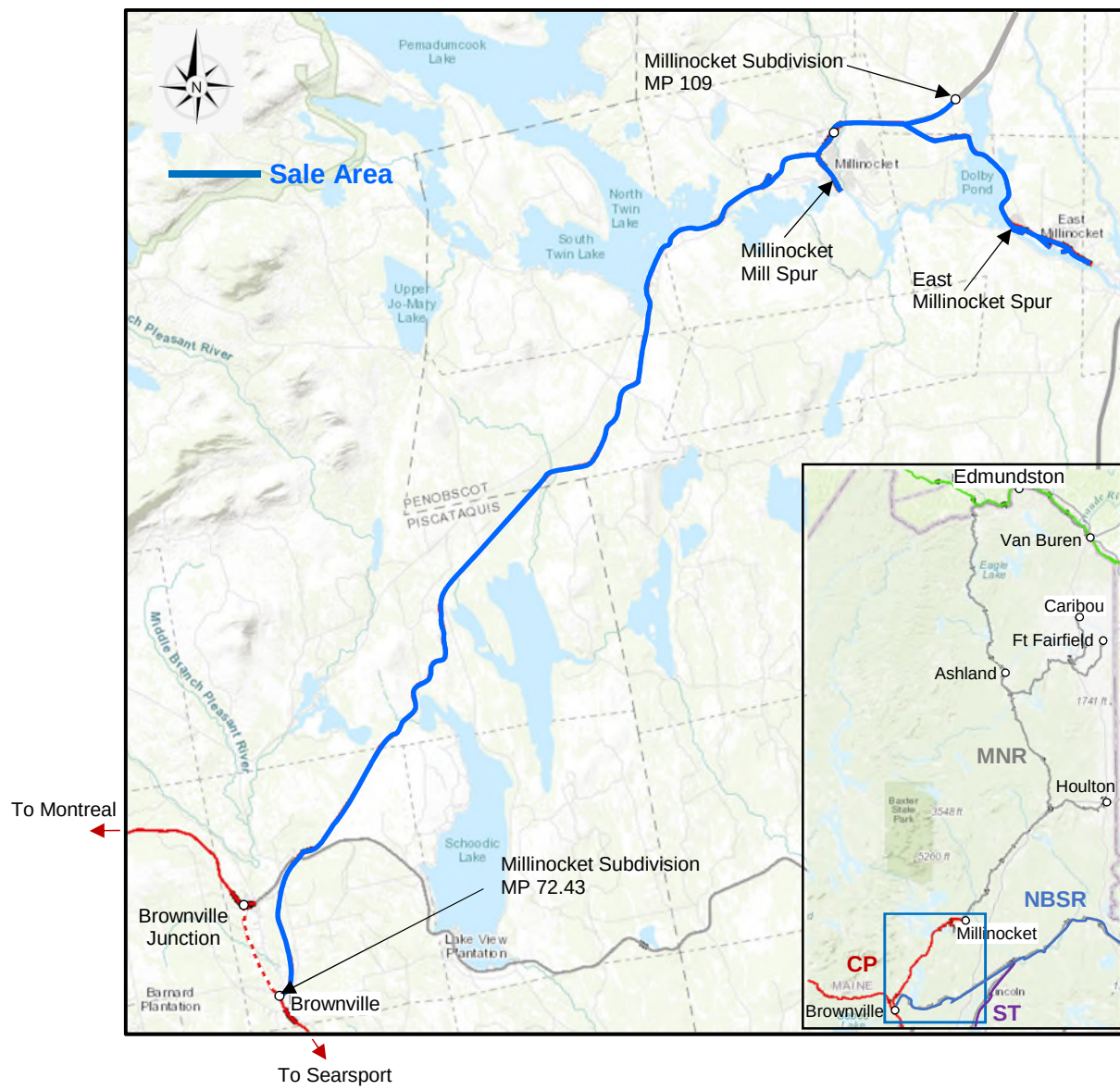


EXHIBIT 2

CERTIFICATION

I, Andrew Fisher, 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.



Andrew Fisher
Group Vice President, Transportation and Logistics
Eastern Maine Railway Company

Executed on October 3, 2022

LEGAL DEPT
LEA

EXHIBIT 3

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 36641

**EASTERN MAINE RAILWAY COMPANY
– ACQUISITION AND OPERATION EXEMPTION –
CENTRAL MAINE & QUEBEC RAILWAY US INC.,
d/b/a CANADIAN PACIFIC**

The Eastern Maine Railway Company (“EMR”), a Class III carrier, has filed a Notice of Exemption to (1) acquire and operate the rail line of Central Maine & Quebec Railway US Inc., d/b/a Canadian Pacific (“CMQR”) between the rail line owned by the State of Maine near Grindstone, ME (Milepost 109 in Penobscot County, Maine) to connection to the CMQR rail line near Brownville, ME (Mile 72.43 in Piscataquis County, Maine), including the East Millinocket branch line (Milepost 0.0 to Milepost 7.72), the Millinocket branch line (Milepost 104.65 southward 1.2 miles to end of track), and all other associated yard, spur, siding, and other track along the main line between Milepost 109 and Mile 72.43; and (2) acquire incidental trackage rights on CMQR between Mile 72.43 (of CMQR’s Millinocket Subdivision near Brownville) and the connection of CMQR’s track with an EMR rail line in the vicinity of Brownville Junction (Milepost 75.07 of CMQR’s Bangor Subdivision), a distance of approximately three miles, including CMQR’s Brownville Junction yard, as well as use of the CMQR main line to the west for one mile (to Milepost 1.0 of CMQR’s Moosehead Subdivision). Comments must be filed with the Board and served on EMR’s representatives, Karyn A. Booth and David E. Benz, Thompson Hine LLP, 1919 M St. NW, Suite 700, Washington, DC 20036; (202) 331-8800.

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

Via Electronic Filing

305234

September 6, 2022

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

ENTERED
Office of Proceedings
September 6, 2022
Part of
Public Record

**Re: STB Finance Docket No. 36641, Eastern Maine Railway Company –
Acquisition and Operation Exemption – Central Maine & Quebec Railway
US Inc., d/b/a Canadian Pacific**

Dear Ms. Brown:

Eastern Maine Railway Company (“EMR”) hereby certifies that on this day, September 6, 2022, copies of the attached labor notice (“Notice”) were posted by Central Maine & Quebec Railway US Inc., d/b/a Canadian Pacific (“CMQR”) at the workplace of the employees on the CMQR 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 unions listed below.

SMART Transportation Division	ATDA
(SMART-TD)	4129 West 150th Street
24950 Country Club Blvd., Suite 340	Cleveland, OH 44135
North Olmsted, OH 44070-5333	

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

Respectfully,

/s/ David E. Benz
David E. Benz

Enclosures

cc: counsel for CMQR

David.Benz@ThompsonHine.com Phone 202.263.4116 Fax 202.331.8330

September 6, 2022

**NOTICE TO EMPLOYEES
OF THE CENTRAL MAINE & QUEBEC RAILWAY US INC.,
d/b/a CANADIAN PACIFIC**

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 Central Maine & Quebec Railway US Inc., d/b/a Canadian Pacific (“CMQR”). The rail line (the “Line”) to be acquired extends from the rail line owned by the State of Maine near Grindstone, ME (Penobscot County, Milepost 109) to connection to the CMQR rail line near Brownville, ME (Piscataquis County, Mile 72.43). The Line includes the East Millinocket branch line (Milepost 0.0 to Milepost 7.72), the Millinocket branch line (Milepost 104.65 southward 1.2 miles to end of track), and all other associated yard, spur, siding, and other track along the main line between Milepost 109 and Mile 72.43. The Line is currently owned and operated by CMQR. EMR will also acquire incidental trackage rights on CMQR between Mile 72.43 (near Brownville) and the connection of CMQR’s track with an EMR rail line in the vicinity of Brownville Junction (Milepost 75.07 of CMQR’s Bangor Subdivision), a distance of approximately three miles, including CMQR’s Brownville Junction yard, as well as use of the CMQR main line to the west for one mile (to Milepost 1.0 of CMQR’s Moosehead Subdivision).

EMR plans to consummate the acquisition on or after November 8, 2022. EMR does not anticipate that any new EMR jobs will be available as a result of this acquisition.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 36641

**Eastern Maine Railway Company
– Acquisition and Operation Exemption –
Central Maine & Quebec Railway US Inc.,
d/b/a Canadian Pacific**

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. 36641 was posted on September 6, 2022 at the normal workplace of the employees of the Central Maine & Quebec Railway US Inc., d/b/a Canadian Pacific 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) SMART Transportation Division (SMART-TD), 24950 Country Club Blvd., Suite 340, North Olmsted, OH 44070-5333, and (2) ATDA, 4129 West 150th Street, Cleveland, OH 44135, on September 6, 2022.

Signature: _____



Printed name: Andrew Fisher

Title: Vice President, Eastern Maine Railway Company