



JOHN ELIAS BALDACCI  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF TRANSPORTATION  
16 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0016

DAVID A. COLE  
COMMISSIONER

August 8, 2008

Anne K. Quinlan, Esq.  
Acting Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20024

Re: Comments of the State of Maine  
Finance Docket No. 35147  
Norfolk Southern Railway Company, Pan Am Railways, Inc., et al. – Joint  
Control and Operating/Pooling Agreements – Pan Am Southern LLC

Dear Secretary Quinlan:

Enclosed please find the Comments of the State of Maine regarding the above-noted matter.

Thank you for your assistance.

Sincerely yours,

Toni L. Kemmerle  
Chief Counsel  
Maine Department of Transportation  
16 State House Station  
Augusta, Maine 04333-0016

TLK/jas  
Enclosure



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THE MAINE DEPARTMENT OF TRANSPORTATION IS AN AFFIRMATIVE ACTION - EQUAL OPPORTUNITY EMPLOYER

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**FINANCE DOCKET NO. 35147**

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**NORFOLK SOUTHERN RAILWAY COMPANY, PAN AM RAILWAYS, INC.,  
ET AL. – JOINT CONTROL AND OPERATING/POOLING AGREEMENTS-  
PAN AM SOUTHERN LLC.**

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**COMMENTS OF  
THE STATE OF MAINE**

In accordance with the Board's decision served June 26, 2008, in this proceeding, the State of Maine hereby submits its Comments concerning the above-referenced transaction.

While most of the effects of this transaction will occur beyond the borders of the State of Maine, the State does have substantial interest in the favorable outcome of the joint venture. Pan Am Railways (PAR), through its Springfield Terminal Railway Company (ST), Boston and Maine Corporation (BM), and Maine Central Railroad Company (MEC), owns and operates approximately 380 miles of railroad in Maine and serves some of the State's largest rail shippers. In addition, PAR connects and interchanges with all of the State's other freight rail operators and connects with many State-owned rail lines. The proposed transaction between Norfolk Southern Railway Company (NS) and PAR promises to improve rail infrastructure and operations in the proposed Patriot Corridor between Ayer, Massachusetts and Mechanicville, New York, a corridor which is a major shipping route for many Maine rail shippers. Improvements on

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— this corridor should enable Maine carriers to compete with other modes of transportation more effectively by offering more predictable and compressed delivery schedules to their customers.

Additionally, PAR has indicated to the State that the State will benefit from this transaction because it will enable PAR to better focus on its infrastructure and operations in Maine and to better serve Maine shippers. More specifically, PAR has assured the State that this transaction will enable PAR to accomplish the following:

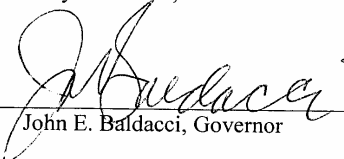
- invest in much-needed track upgrades that will improve track conditions on its freight main line and branch lines within the State resulting in better track speeds and in added capacity that will allow the lines to accommodate 286,000 lb. cars;
- provide additional locomotives and cars to be used in the State to provide more reliable service to Maine shippers, connecting railroads, and connecting State-owned rail lines;
- reduce shipping times for Maine customers, including intermodal shipments between Maine and Ayer, Massachusetts /Mechanicville, New York; and
- re-open PAR's Waterville, Maine intermodal facility if business demand is sufficient.

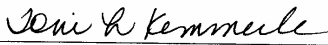
Based on these representations, the State of Maine supports this transaction and believes that, as proposed, it will result in improved rail service for the State of Maine and the region.

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In the event that conditions of this transaction change and could adversely affect the interest of the State of Maine, the State reserves the right to submit further comments at an appropriate time.

Respectfully submitted,

  
John E. Baldacci, Governor

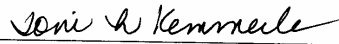
  
Toni L. Kemmerle, Chief Counsel  
Maine Department of Transportation

Dated: August 7, 2008

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CERTIFICATE OF SERVICE

I, Toni L. Kemmerle, Chief Counsel of the State of Maine, Department of Transportation hereby certify that a copy of the COMMENTS OF THE STATE OF MAINE has been served this 8th day of August, 2008, by first class mail, postage pre-paid, on all parties of record in this proceeding as indicated on the attached Service List.



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