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August 9, 2021
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August 9, 2021

VIA E-FILING

Cynthia T. Brown
Chief, Section of Administration
Office of Proceeding
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

Re: STB Docket No. FD 36531
Midcoast Railservice, Inc. -
Change of Operators Exemption – Central Maine & Quebec Railway US, Inc.

Dear Ms. Brown:

Enclosed for filing in the above-referenced docket is a Notice of Exemption of Midcoast Railservice, Inc. The filing fee has been paid via pay.gov.

If there are any questions related to this filing, please contact me.

Respectfully,

CLARK HILL, PLC

s/ Eric M. Hocky

Eric M. Hocky

EMH:e
Enclosure

FILED
August 9, 2021
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
August 9, 2021
SURFACE
TRANSPORTATION BOARD

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36531

MIDCOAST RAILSERVICE, INC.
– CHANGE OF OPERATORS EXEMPTION –
CENTRAL MAINE & QUEBEC RAILWAY US, INC.

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. §1150.31

(includes color images)

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Attorneys for Midcoast Railservice, Inc.

Dated: August 9, 2021

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36531

MIDCOAST RAILSERVICE, INC.
– CHANGE OF OPERATORS EXEMPTION –
CENTRAL MAINE & QUEBEC RAILWAY US, INC.

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. §1150.31

Midcoast Railservice, Inc. (“Midcoast”), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. §1150.31(a)(3) to exempt from regulation under 49 U.S.C. §10901, its assumption of operations of 58.68 miles of rail line (the “Subject Line”) currently operated by Central Maine & Quebec Railway US, Inc. (“CMQ”) pursuant to a Lease and Operating Agreement (the “Lease Agreement”) between the owner of the Subject Line, State of Maine Department of Transportation (“Maine DOT”), and CMQ. The Subject Line consists of (1) the Brunswick Terminal Area between the east side of Church Road, milepost 14.97, and Rock Jct., milepost 16.40; (2) the Rockland Branch between milepost 29.40 in Brunswick, Cumberland County, Maine, and milepost 85.55 in Rockland, Knox County, Maine; and (3) the Atlantic Branch Line between milepost 85.55 and milepost 86.65 in Rockland. The Subject Line runs through Cumberland, Knox, Lincoln, and Sagadahoc Counties, Maine.¹

¹ The mileposts and mileage differ slightly from those shown by CMQ when it took over operations of the Subject Line in 2015. See *Central Maine & Quebec Railway US, Inc. – Lease and Operate Exemption – State of Maine*, STB Docket No. FD 35975 (notice filed November 19, 2015). Midcoast believes the discrepancies relate to CMQ’s use of control points (CPL), rounding and typographical errors. Midcoast will be assuming the operations of all of the lines operated by CMQ pursuant to the Lease Agreement.

This Notice is related to STB Docket No. FD 36532, in which Finger Lakes Railway Corp., (“FGLK”) is filing a notice of exemption pursuant to 49 C.F.R. §1180.2(d)(2) to continue in control of Midcoast once Midcoast commences operations and becomes a common carrier.²

Under 49 C.F.R. §1150.31(a)(3), CMQ is, with the consent of Maine DOT, assigning its rights in the Lease Agreement, and its associated common carrier service rights to operate the Subject Line, to Midcoast, and Midcoast will replace CMQ as the operator of the Subject Line.

Notice

In accordance with 49 C.F.R. §1150.33, Midcoast hereby provides the following information:

- (a) The full name and address of Applicant:

Midcoast Railservice, Inc.
68 Border City Road
Geneva, NY 14456

- (b) Applicant’s Representatives:

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² FGLK is a Class III rail carrier that also controls the Ontario Central Railroad Corp., another Class III carrier.

- (c) An Assignment, Assumption and Consent Agreement (the “Assignment”) has been executed by Midcoast and CMQ, and consented to by Maine DOT. Under the Assignment, CMQ is assigning its rights under the Lease Agreement, and its associated common carrier service rights, to allow Midcoast to assume the operations of the Subject Line.
- (d) Midcoast will be the operator of the Subject Line.
- (e) Brief Summary of the Proposed Transaction: CMQ is assigning its rights under the Lease Agreement with Maine DOT for the operation of the Subject Line to Midcoast. As a result of the proposed transaction, Midcoast will assume the Lease Agreement and become the operator of the Subject Line. Upon commencement of operations, Midcoast will be a Class III carrier.
 - i. The name and address of the company transferring the Subject Line:

Central Maine & Quebec Railway US Inc.
700 Main Street, Suite 3
Bangor, ME 04401
 - ii. The proposed schedule for consummation of the transaction is after September 9, 2021, the effective date of this notice, and after Midcoast and CMQ mutually agree on a transition date.
 - iii. The mileposts of the Subject Line are: (1) the Brunswick Terminal Area between the east side of Church Road, milepost 14.97, and Rock Jct., milepost 16.40; (2) the Rockland Branch between milepost 29.40 in Brunswick, Cumberland County, Maine, and milepost 85.55 in Rockland, Knox County, Maine; and (3) the Atlantic Branch Line between milepost 85.55 and milepost 86.65 in Rockland. The Subject Line runs through

Cumberland, Knox, Lincoln, and Sagadahoc Counties, Maine.

- iv. The total mileage to be acquired and operated is approximately 58.68 miles.
- (f) Attached as Exhibit A to this Notice of Exemption is a map of the Subject Line.
- (g) Midcoast certifies that its projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier.
- (h) Interchange Commitment: Midcoast certifies that the Lease Agreement that it is assuming does not impose or include an interchange commitment.
- (i) Midcoast is providing notice to shippers on the Subject Line by serving them with a copy of this Notice as indicated in the attached certificate of service.

Labor Protection

Pursuant to 49 U.S.C. §10901(c), approval of this transaction may not be subjected to labor protection.

Environmental and Historic Reports

Pursuant to 49 C.F.R. §1105.6(c)(2), no environmental documentation should be required because this proceeding involves only a change of operators on the Subject Line that will not result in significant changes to carrier operations, and as a result the changes will not exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (e)(5). Further Board approval is required for Midcoast to discontinue service, and there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. Accordingly, no environmental or historic documentation is required. See 49 C.F.R. §1105.6(c)(1); 49 C.F.R. §1105.8(b)(1).

Caption Summary

Attached hereto as Exhibit B is the caption summary required by 49 C.F.R. §1150.34.

Conclusion

Accordingly, Midcoast requests that the Board issue a notice allowing Midcoast to assume operations of the Subject Line effective at any time after 30 days from the filing of this Notice of Exemption

Respectfully submitted,

/s/ Eric M. Hocky

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Attorneys for Midcoast Railservice, Inc.

Dated: August 9, 2021

VERIFICATION

I, Michael V. Smith, President of Midcoast Railservices, Inc., verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

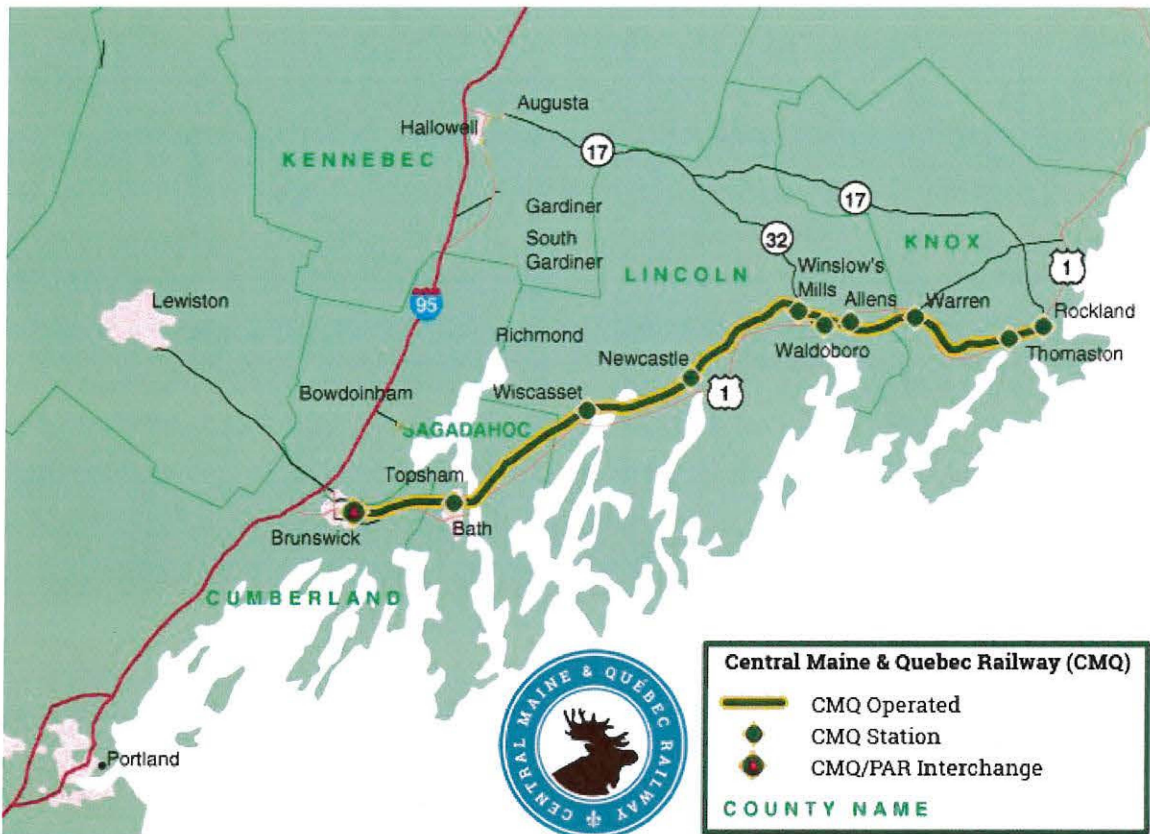
Executed on August 9, 2021.



Michael V. Smith

EXHIBIT A

MAP



Rockland Branch

Station

Brunswick
 Bath
 Wiscasset
 Newcastle
 Winslows Mills
 Waldoboro
 Allens
 Warren
 Thomaston
 Rockland

Central Maine & Quebec Railway

700 Main Street, Suite #3
 Bangor, Maine 04401
 Phone: (207)848-4200

EXHIBIT B

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Docket No. FD 36531

**MIDCOAST RAILSERVICE, INC.
– CHANGE OF OPERATORS EXEMPTION –
CENTRAL MAINE & QUEBEC RAILWAY US, INC.**

VERIFIED NOTICE OF EXEMPTION

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Comments must be filed with the Board and served on Midcoast’s representative:

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The Notice is filed under 49 C.F.R. §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.

Board decisions and notices are available at www.stb.gov.

Decided: _____, 2021.

By the Board, Allison C. Davis, Director, Office of Proceedings

CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing was served by email on the following persons:

Karl Hansen
Stinson LLP
50 South Sixth Street, Suite 2600
Minneapolis, MN 55402
karl.hansen@stinsen.com

Counsel for Central Maine & Quebec Railway US, Inc.

Nathaniel Rosenblatt
Farrell, Rosenblatt & Russell
P.O. Box 738
Bangor, Maine 04402-0738
nmr@frlegal.com

Counsel for Maine Department of Transportation

and the following shippers:

Dragon Products
Attn: Jennifer Small and Michael Greto
107 New County Rd
Thomaston, ME 04861
Jsmall@gchi.com
mgreto@gchi.com

Bath Iron Works Corp.
Attn: Bryan York
700 WASHINGTON ST
Bath, ME 04530
bryan.york@gdbiw.com

Dicaperl Minerals Corp
Attn: Bud Allen and Mike Ingram
94 BUTTERMILK LN
Thomaston, ME 4861
ballen@dicaperl.com
mingram@dicalite.com

/s/ Eric M. Hocky

Eric M. Hocky

Dated: August 9, 2021