

Montreal, Maine & Atlantic files abandonment notice

Friday, February 05, 2010

Montreal, Maine &

Atlantic Railway said that it has filed a "Notice of Intent" with the Surface Transportation Board to abandon certain of its lines. This notice is required by the STB as a preliminary step in the abandonment process. MMA continues to provide regular rail service and is continuing to work with Maine DOT in order to find a solution that would permit continued rail operations on these lines.

MMA seeks to discontinue

service and remove 233 miles of track in Aroostook and Penobscot counties in the state of Maine. The possibility of an abandonment was originally announced in August 2009. Affected lines include track serving Houlton, Presque Isle, Caribou and Fort Kent. MMA lines between Millinocket and Montreal, Brownville and Searsport, and Madawaska to Van Buren are not included in this application. MMA anticipates that the actual Application will be filed in late February and that the proceedings at the STB will take approximately three months to complete.

MMA said it has suffered

substantial operating losses on these lines in the last three years due to low shipping volume and high operating costs.

MMA continues to meet with

representatives of Maine in an effort to find an alternate solution that will preserve rail service in the area. Robert C. Grindrod, president of MMA, said, "We have been working closely with Maine DOT since the possibility of abandonment was first discussed. We are seeking an alternative solution and consider abandonment the last resort in a process that offers several options short of abandonment.

"We will continue to seek solutions,"

Grindrod said, "but we must stop the cash drain that has already and continues to undermine the financial health of the entire company. However, I want to assure our shippers that service will continue during this process, and we are hopeful that an acceptable solution can be found."

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Atlantic Railway began operations in 2003 and currently operates 754 route miles of track in Maine, New Brunswick, Quebec and Vermont.