

PRINT THIS · CLOSE WINDOW



8/14/09 | 5 comments

Railway hoping to sell tracks

Railway hoping to sell tracks Company seeks deal with state

By **Judy Harrison**
BDN Staff



BANGOR
DAILY
NEWS
PHOTO
BY
MICHAEL
YORK

HERMON, Maine — The Montreal, Maine & Atlantic Railway announced Thursday that it is taking steps to sell or abandon its tracks between Millinocket and Madawaska because they are no longer profitable to maintain.

The company is asking the state to consider buying the tracks and maintaining them. If that were to happen, the Maine Department of Transportation and the railway could work out a deal so the company's trains would use the rail lines without an interruption in service.

Robert Grindrod (left), president of the Montreal, Maine & Atlantic Railway, and board chairman Edward Burkhardt at their corporate offices Thursday in Hermon. **Buy Photo**

The tracks and land are worth about \$17 million, Robert C. Grindrod,

president and chief operating officer, said at a press conference Thursday at the railway's headquarters. Upgrading them would cost an estimated \$6 million, and the annual maintenance expense would total about \$2.5 million, he said.

The legal process for abandoning rail lines takes between eight and 12 months. Operations will continue as the abandonment process goes forward, Grindrod said.

"The reason for this action is purely economic," Edward A. Burkhardt, the railway's board chairman, said Thursday. "For some time, MMA has faced weak lumber, paper and other forest products markets, and the economic downturn has greatly affected traffic on these lines. This portion of MMA's network is heavily loss-making, and as such does not generate sufficient cash flow to provide for necessary capital expenditures to ensure sustainability."

The 241 miles of track are about half of what the Hermon-based firm, formerly the Bangor & Aroostook Railroad, owns in the state, according to Burkhardt.

The lines are used by freight — not passenger — trains, he said. Products transported over the tracks in northern Penobscot and Aroostook counties include pulp wood, wood chips, lumber, heating fuels and cooking oil for McCain Foods Inc. in Easton. Trains travel the line two or three times per week, according to Grindrod.

“One solution would be for the state to acquire this segment of our network and to assume the future capital investment requirements,” Burkhardt said. “This would, of course, require funding, which would have to come from federal stimulus monies or would have to be addressed by the Legislature. MMA considers this the best possible solution as it would result in rail service being maintained at all stations.”

The state owns the tracks between Brunswick and Rockland, according to previously published reports in the Bangor Daily News. Maine Eastern Railroad has the rights to operate freight and passenger trains over the former Maine Central Railroad’s Rockland Branch.

Vermont owns all the tracks in that state, according to Burkhardt.

Both Grindrod and Burkhardt said that they have had conversations with Gov. John Baldacci and officials at MDOT about using federal and state money to buy the tracks.

Baldacci supports passenger and freight railways, the governor’s spokeswoman, Joy Leach, said Thursday. He also supports expanding the use of existing rail lines, she said.

Leach did not specifically say that the state would be financially able to purchase the railway’s tracks within the abandonment timetable of eight to 12 months.

She said the governor would work with railway officials, the state’s congressional delegation and legislators to identify potential funding sources to keep the trains rolling in northern Maine, if possible.

“MMA as a private company cannot continue to sustain the level of financial loss which is currently ongoing with little or no prospect of improvement,” Grindrod said. “The railway has too many miles to maintain and too little revenue to do it with.”

The company welcomes comments and ideas from the public, its employees and its customers, he said.

The railway began operation in January 2003 and owns more than 745 route miles of track, serving customers in Maine, Vermont, Quebec and New Brunswick, according to information on its Web site. It operates approximately 25 trains daily with main line operations conducted daily between Madawaska and Searsport and between Brownville Junction and Montreal.

The firm may be contacted at its Web site, www.mmarail.com, or by mail at 15 Iron Road, Hermon, Maine 04401.

jharrison@bangordailynews.net

990-8207