



## **MAINE WOODS COMPANY LLC**

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August 31, 2009

Mr. David Cole, Commissioner  
Maine Department of Transportation  
16 State House Station  
Augusta, ME 04333

Dear Mr. Cole:

The Madawaska subdivision of the Montreal, Maine & Atlantic Railroad is a critical 233-mile rail corridor that connects Northern Maine to the rest of the regional and national transportation network. Although current rail traffic volumes from Maine Woods Company are very small, the potential could be greater if rail service was reliable and competitive for our customer base. Consequently, we have relied heavily on truck traffic to service our customers even though we have an available rail spur located in our mill yard.

Truck traffic limits our ability to range distant customers unless we load containers. To load containers, we have to send our lumber through the Canadian National (CN) to insure timely arrival to the loading dock for final destination in Europe or Asia. Ranging markets in the US would be another opportunity for us via containers, but we can't get there from here unless we truck lumber 150 miles to an inter-modal facility. Building our business on rail potentially could involve 20% of total sales annually (\$4.2MM). Today, rail represents less than 1 % of total sales. Competitor mills in Quebec, New Brunswick and lower New England are taking more advantage of rail due to the changing hardwood lumber market. Maine Woods Company needs to do the same to survive.

From our perspective, the lack of reliable and competitive service from Northern Maine through other carriers to the rest of the nation has contributed greatly to the reduced traffic on MMA. Many industrial users of rail in Northern Maine have gone to other transportation means to satisfy their markets. Very little has been done for the last 25 years to improve rail service and competitiveness for Northern Maine, in fact, it has gotten worse. Although Maine Woods Company strongly supports the proposed Transportation Investment Generating Economy Recovery Discretionary Grant application, we wonder if the grant once approved will really do anything to fix our non-competitive situation. Finding ourselves in the same situation 5 years from now is unacceptable. Therefore, our support is conditioned on improving the reliability and competitiveness of rail service for our region. Perhaps this Tiger Grant can highlight the need for structural change and start leveling the playing field for our 65 laid off employees. Favorable consideration to this application and non-competitive regional situation is pivotal to the regions future viability and ours.

Sincerely,

Don Tardie  
Managing Director

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