

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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In re)	Chapter 11	
)	Case No. 13-10670	
MONTREAL MAINE & ATLANTIC)		
RAILWAY, LTD.)		
)		
)		
Debtor.)		
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LIMITED OBJECTION OF THE UNITED STATES TRUSTEE TO APPLICATION FOR ORDER, PURSUANT TO SECTIONS 327 AND 328 OF THE BANKRUPTCY CODE, AUTHORIZING THE EMPLOYMENT OF COVINGTON & BURLING LLP, AS SPECIAL REGULATORY COUNSEL FOR THE TRUSTEE NUNC PRO TUNC TO AUGUST 21, 2013

The United States Trustee, by and through his undersigned counsel, hereby submits this Limited Objection to the Application for Order, Pursuant to Sections 327 and 328 of the Bankruptcy Code, Authorizing the Employment of Covington & Burling LLP, as Special Regulatory Counsel for the Trustee *Nunc Pro Tunc* to August 21, 2013 (the “Motion”). For his Limited Objection, the United States Trustee states as follows:

1. The United States Trustee does not object to the concept of the Trustee, Robert Keach (the “Trustee”), retaining Covington & Burling LLP (“Covington”), as Special Regulatory Counsel in connection with the above-captioned chapter 11 case of Montreal Maine & Atlantic Railway, Ltd. (the “Debtor”).
2. However, the United States Trustee does object to Covington’s retention under section 328 of the Code, to the extent that retention under this section could be construed to excuse Covington from submitting its fees and expenses incurred in this case for court review in accordance with 11 U.S.C. § 330.

3. Covington and the Trustee have agreed that Covington's fees and costs in this case will be reviewed for reasonableness in accordance with the applicable provisions of the Bankruptcy Code, the Fed. R. Bankr. P., the Local Rules, the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330, and any applicable orders of the Court.

4. The existing Order, however, does not include any reference to such a review of Covington's fees and costs. In order to avoid any ambiguity relating to this issue, the United States Trustee, the Trustee, and Covington submit the agreed-to form of Order attached as **Exhibit A**, which memorializes fully Covington's agreement to submit its invoices in this case to the Court for a reasonableness review in accordance with the applicable provisions of the Bankruptcy Code, the Fed. R. Bankr. P., the Local Rules, the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330, and any applicable orders of the Court.

WHEREFORE, the United States Trustee requests that the Motion be granted, in accordance with the terms of the proposed, consented-to Order attached hereto as **Exhibit A**.

Dated at Portland, Maine this 3rd day of September, 2013.

Respectfully submitted,

William K. Harrington
United States Trustee

By: /s/ Jennifer H. Pincus
Jennifer H. Pincus Esq.
Trial Attorney
United States Department of Justice
Office of United States Trustee
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Portland, ME 04101
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CERTIFICATE OF SERVICE

I, Jennifer H. Pincus, being over the age of eighteen and an employee of the United States Department of Justice, U.S. Trustee Program, hereby certify that on September 3, 2013, I electronically filed the above *Limited Objection of the United States Trustee to Application for Order, Pursuant to Sections 327 and 328 of the Bankruptcy Code, Authorizing the Employment of Development Specialists, Inc., as Financial Advisor for the Trustee Nunc Pro Tunc to August 21, 2013* and this *Certificate of Service*, which were served upon each of the parties set forth on this Service List via U.S. mail, postage prepaid, on September 3, 2013.

All other parties listed on the Notice of Electronic Filing have been served electronically.

Dated at Portland, Maine this 3rd day of September, 2013.

/s/ Jennifer H. Pincus

Service List:

N/A

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670
Chapter 11

**ORDER GRANTING APPLICATION FOR ORDER, PURSUANT TO SECTIONS
327 AND 328 OF THE BANKRUPTCY CODE, AUTHORIZING THE EMPLOYMENT
OF COVINGTON & BURLING LLP, AS SPECIAL REGULATORY
COUNSEL FOR THE TRUSTEE *NUNC PRO TUNC* TO AUGUST 21, 2013**

Upon consideration of Robert J. Keach's (the "Trustee") Application for Order, Pursuant to Sections 327 and 328 of the Bankruptcy Code, Authorizing the Employment of Covington & Burling LLP, as Special Regulatory Counsel for the Trustee *Nunc Pro Tunc* to August 21, 2013 (the "Application"), and upon consideration of the Declaration of Michael St. Patrick Baxter, Esquire in Support of the Application for Order, Pursuant to Sections 327 and 328 of the Bankruptcy Code, Authorizing the Employment of Covington & Burling LLP as Special Regulatory Counsel for the Trustee *Nunc Pro Tunc* to August 21, 2013 (the "Baxter Declaration"), and it satisfactorily appearing that attorney Michael St. Patrick Baxter and the firm of Covington & Burling LLP ("Covington") do not represent or hold any interest adverse to the Debtor or the estate in the regulatory matters upon which Covington is to be engaged, and it satisfactorily appearing that the employment of Covington will be in the best interest of the Debtor's estate, it is hereby **ORDERED**, **ADJUDGED** and **DECREED** as follows:

1. The Application is granted.
2. The Trustee be and hereby is authorized to employ Covington as his attorneys in all matters which require the services of such counsel on the terms set forth in the Application,

and to execute and deliver Covington's engagement letter.

3. Service of the Application, the Baxter Declaration and proposed order was sufficient notice to parties under the circumstances of the Case.¹

4. The legal services rendered or to be rendered by Covington may include the following:

- (a) Providing consulting and legal services necessary to obtain authorizations from the Surface Transportation Board ("STB"), the Federal Railroad Administration ("FRA"), and/or the United States Department of Transportation ("DOT") required in connection with the Case or the Canadian Case;
- (b) Assisting the Trustee in any investigations, proceedings, litigation, negotiations, and transactions before the STB, FRA, and/or DOT;
- (c) Preparing and filing any and all necessary or desirable STB, FRA, and/or DOT pleadings;
- (d) Appearing at any and all necessary or desirable administrative proceedings that may be brought before the STB, FRA, and/or DOT;
- (e) Providing regulatory legal services and advice to the Trustee in connection with the Canadian Case; and
- (f) Providing regulatory legal services and advice to the Trustee in connection with the Case.

5. Covington shall apply to the Court for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Case in accordance with the applicable provisions of the Bankruptcy Code, the Fed. R. Bankr. P., the Local Rules, the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330, and any applicable orders of the Court.

¹ Capitalized terms not specifically defined herein shall have the meaning ascribed to such terms in the Application.

6. In determining the amount of reasonable compensation to be awarded to Covington, the Court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors including those enumerated in 11 U.S.C. § 330.

Dated:

The Honorable Louis H. Kornreich
U. S. Bankruptcy Judge, District of Maine

SEEN AND AGREED TO:

William K. Harrington, United States Trustee

By: /s/ Stephen G. Morrell
Stephen G. Morrell, Assistant U.S. Trustee

Robert J. Keach, Trustee

By: /s/ Michael A. Fagone
Michael A. Fagone
Attorney for the Chapter 11 Trustee, Robert Keach

Dated:

The Honorable Louis H. Kornreich
U. S. Bankruptcy Judge for the District of Maine