

ATLANTIC NORTHEAST RAILS & PORTS

Helping to move rail and port traffic through New England, the Maritimes, & eastern Québec.
A weekly trade newsletter.

operating railroads + ports, intermodal facilities, and government environment

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***Article unchanged from e-bulletin.**

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RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

EDITORIAL

Time for states to directly favor rail.

FROM THE PUBLISHER

Seasons' Greetings!

Starting off with Hanukkah, then the Solstice (most important for me), Christmas, Kwanzaa, and New Year's, plus a few birthdays, December gives us quite a merry month.

I wish we had ice for skating. But that may not happen again in my lifetime, before January anyway.

- Chop Hardenbergh Next formal issue 5 January.

Common abbreviations: **BCLR** - Bay Colony RR, **BML** - Belfast & Moosehead Lake RR, **CBNS** - Cape Breton and Central Nova Scotia Ry, **CCCR** - Cape Cod Central RR, **CCRR** - Claremont Concord RR, **CFQ** - *chemins de fer Québec* System, **CMAQ** - congestion-mitigation or air quality (money from the US federal government for these purposes), **CN** - Canadian National Ry, **ConnDOT** - Connecticut Department of Transportation, **CPR** - Canadian Pacific Ry, **CSO** - Connecticut Southern RR, **CSRX** - Conway Scenic RR, **EOT** - Mass. Exec. Office of Transportation, **GWI** - Genesee & Wyoming Inc, **FHWA** - Federal Highway Admin., **FRA** - Federal Rail Admin., **FRTC** - Fore River Transportation Co., **FTA** - Federal Transit Admin., **Guilford (GRS)** - Guilford Rail System, formerly name for Pan Am Railway, see ST, **HRRC** - Housatonic RR, **MERR** - Maine Eastern RR, **MBCR** - Mass. Bay Commuter RR, **MBRX** - Milford-Bennington RR, **MBTA** - Mass. Bay Transportation Authority, **MCER** - Mass. Central RR, **MDOT** - Maine Department of Transportation, **MERR** - Maine Eastern RR, **MMA** - Montréal, Maine and Atlantic Ry, **MPO** - Metropolitan Planning Organization, **MTQ** - Québec Ministry of Transport, **NAUG** - Naugatuck RR, **NBDOT** - New Brunswick Department of Transportation, **NBSR** - New Brunswick Southern Ry, **NECR** - New England Central RR, **NEGS** - New England Southern RR, **NHCR** - New Hampshire Central RR, **NHDOT** - NH Department of Transportation, **NHN** - New Hampshire Northcoast RR, **NNEPRA** - Northern New England Passenger Rail Authority, **NSDOT** - Nova Scotia Department of Transportation, **Pan Am** - new name for GRS, **PVRR** - Pioneer Valley RR, **PW** - Providence & Worcester RR, **QCR** - Quebec Central Ry, **RIDOT** - Rhode Island Department of Transportation, **Seaview** - Seaview Transportation Company, **SLQ** - St. Lawrence & Atlantic Ry (Québec), **SLR** - St. Lawrence & Atlantic RR, **ST** - Springfield Terminal Ry (leases three parts of Pan Am Systems (Maine Central RR, Portland Terminal RR, Boston & Maine), **TIRR** - Turner's Island LLC, **TEU** - twenty-foot equivalent unit (measure of container traffic, equal to a 20x8x8 foot box), **VAOT** - Vermont Agency of Transportation, **VRS** - Vermont Rail System (Green Mt. RR Company **GMRC** + Vermont Ry **VTR** + Clarendon&Pittsford RR **CLP** + Washington County RR **WACR**), **WHRC** - Windsor and Hantsport Ry.

REGIONAL ISSUES

NECR/PW CLEARANCE ROUTE

11 December, Bellows Falls. *A NEW DATE FOR BELLOWS FALLS TUNNEL COMPLETION*: early 2007. {*Progressive Railroading* daily news}

Potential traffic

The draft *Vermont State Rail & Policy Plan* [see 06#10B] substantiated the use of the tunnel for intermodal, stating (page 44):

The Providence & Worcester Railroad Company (PW) has presented a plan to transport automobiles arriving as maritime cargo from Quonset Point/Davisville Port and Commerce Park in North Kingstown, Rhode Island, via NECR through Bellows Falls thence to Rutland on GMRC, and over CLP to Canadian Pacific Railway (CP) at Whitehall, New York. At the same time, there is a transportation market in moving automobiles southward for retrofitting. [This refers to new autos going to Davisville and elsewhere for final fitting out; NORAD in Davisville already does this. *Editor*] This initiative is a collaborative undertaking involving VTrans, Vermont Rail Systems (GMRC and CLP), NECR and PW....

An enclosed auto rack was tested in the Bellows Falls tunnel in spring 2004; the auto rack was able to clear the tunnel at a controlled slow speed, absent the typical dynamic rocking motion. Minor modifications in the tunnel and its approaches would allow an auto rack to clear the tunnel at a track speed of 10 mph....

[Clearance to 20'8" for full doublestack] would require major work [but see 06#09A]. Even with this improvement, other clearance restrictions in the Northeast, outside Vermont, would make Phase II difficult to attain. {text of Rail Plan}

18 December, Monson MA. *THE RAILROAD IS UNDERCUTTING THE SHORT TUNNEL HERE*, about 100 feet, under Route 32, to gain a clearance of 19'6", said General Manager Charles Hunter. After that, NECR will have two small ones to deal with in January 2007, as well as the Bellows Falls tunnel. {e-mail to ANR&P }

CONNECTICUT

ST: POSSIBLE STEEL CUSTOMER

21 November, Bristol. *THE BRISTOL BUSINESS CENTER MAY ACQUIRE A NEW TENANT*. Bill Thompson, manager of the privately-owned 1.2-millionSF former General Motors parts plant on Chippens Hill, said a metal-stamping company may lease 400,000SF and bring 250 jobs. The Center must improve the space, including constructing offices and rail access directly into the building. The work, Thompson guessed, will cost about \$10 million, maybe less; the tenant would occupy the space in autumn 2007.

Frank Johnson, director of the Manufacturing Alliance of Connecticut, said the incoming manufacturer may want to tap into Bristol's experienced work force. He said specialized metal-stamping manufacturers are doing well, but that most traditional metal stamping has been moved offshore.

Use of rail

The company will definitely use rail inbound for the steel, said Thompson; that was one of its requirements in finding a location. The Center receives service once or twice a week, serving Firestone Building Products [see *Directory* #627].

But ST could provide better service: "They come when they feel like it," remarked Thompson.

[ST was delivering flakeboard from New Brunswick on this spur, but the market disappeared. See 06#10A.]

Existing tenants

The building sits on 26 acres. Firestone uses 400,000SF for roofing materials production, bringing in chemicals from Louisiana by rail once or twice a week. In November, Arett Sales Corporation, already a tenant in the building, agreed to add another 114,000 square feet of space to total 340,000SF and extend its current lease by seven years.

More on the facility

Shep Wainwright, a principal of New York-based Savanna Partners, said his development group had owned the Chippens Hill property in partnership with Praedium Group until the partners sold the property to Bristol Industrial Partners, which Wainwright said is made up of Savanna Partners and Hudson Realty Capital.

Wainwright said the deal with the out-of-state manufacturer may be made public soon. “We’re shooting for the first week of December.” {ANR&P discussion 21.Nov.06; Jackie Majerus in *Bristol Press* 21.Nov.06}

MAINE

MERR: FUTURE TRAFFIC

7 December, Augusta. **A REVIEW OF 2006 AND PLANS FOR NEXT YEAR WERE PRESENTED BY MERR SALES MANAGER GORDON PAGE** at the annual MDOT transportation conference. Page noted passenger excursion traffic on the 58-mile line between Brunswick and Rockland rose 20% to 750,000 passenger miles; revenues climbed 16% to \$500,000. He predicted a further expansion of service next year including trips along the Lower Road between Brunswick and Gardiner and/or Augusta, promoting bus tour connections and eventual connection with Amtrak service in Brunswick.

Freight

The cement shuttle between Thomaston and Rockland jumped 20% in 2006. The railroad is looking for new customers by developing transload for other customers and off-line delivery. Among potential future customers are FMC (Rockland); Penobscot McCrum (Belfast); Downeast Energy; and Munce Oil Distribution. {ANR&P coverage by Fred Hirsch}

Oil distribution facility. Munce Oil Distribution of Gorham, NH, is considering an oil terminal in Rockland. However, Rob Munce of the company denied any definite plans to expand: “The market changes too quickly to plan more than two or three years out.”

He does not even use rail at his Gorham facility; he cannot generate the volume needed to make rail cost-efficient. {ANR&P discussion 18.Oct.06}

MERR

18 December, Bath. **PLACING A COAL GASIFICATION PLANT AT THE FORMER MAINE YANKEE SITE WOULD ACCOMPLISH SEVERAL GOALS**, said Mark Bigge, a local entrepreneur. Over the past several months, he has been assembling investors, plans, and government backing for a 600MW plant on a 350-380 acre site, costing around \$1 billion. He believes that he can produce power for about 2/3rds the cost of other plants. Bigge plans to buy the site from the current owners, Points East.

The idea: environmentally friendly

Unlike a standard power plant, which burns coal to produce steam to drive electricity-generating turbines, a gasification plant converts the coal to gas, which the plant then burns to produce steam. Unlike the pollutants associated with coal burning, burning gas produces only carbon dioxide and water, but because of its role in global warming, the CO₂ is problematic.

Bigge noted that Europe is already implementing CO₂ sequestration: pumping the CO₂ underground rather than releasing it to the atmosphere. The Wiscasset plant could be the first in the United States to do so.

Replacing oil for home heat

Bigge anticipates a continued gradual rise in the price of oil, to the point where heating with electricity will become less expensive. At that point, even without CO₂ sequestration, the Wiscasset facility should produce less pollution as one major plant than the thousands of oil-fired home furnaces, providing another environmental asset.

Rail-supplied coal

“I have lined up enough coal for 100 carloads a day,” said Bigge, using offshore and domestic sources. He anticipates the coal landing in Portland, and moving in railcars via ST and MERR to Wiscasset.

Daily 100+car trains would replace the weekly 5-10 car trains, requiring ST to upgrade the track between Portland and the MERR-ST interchange point. The more frequent interchange would improve the chances for good service to other customers on the line [see 06#11B], and the better track, paid for with private dollars, would decrease the cost for the eventual extension of Amtrak to Brunswick.

What about the NIMBYs?

Residential resistance stopped Dragon's plan for a cement pier at the former Mason Station site in Wiscasset. Unlike Mason Station—which drivers crossing the Sheepscot River on Route One can see—Maine Yankee, the site of the former nuclear power station [see 05#09A], is not easily visible.

Even from the Points East residential development, which is making use of some of the Maine Yankee land, one cannot see the site, said Bigge.

He believes that Wiscasset residents will welcome the industry, as it will pay property taxes. [Having failed to plan for the demise of Maine Yankee—*editor*] Wiscasset residents have lost their place as a town with very low rates and become one with a very high tax rate.

Previous meetings and next step

Investors in the project came in September 2006 and met with DECD Commissioner Jack Cashman and other state officials. The investors and Bigge then drove to Wiscasset, and met with Point East representatives, former Wiscasset Town Manager Larry Cilley, MERR's Gordon Fuller and Bill Phillips, ST's David Fink, and others.

Next: Two of his investors will come in February to further plans to seek additional investors. Proponents would also like a commitment from the governor's office, and additional power purchase agreements.

More about Bigge

The entrepreneur is expending much of his energy in his company Bigge Defense [see his website], which is promoting a perimeter surveillance system for army trucks, an IED (improvised explosive device) blast barrier, and other products.

He was formerly associated with Maine Monolite, a company which planned to produce an ultra-high-strength sheet, but which has failed to do so yet. Bigge has parted ways with that effort, and is concentrating on the gasification plant and on his own defense products, working out of Bath.

The defense company will move to Millinocket as of 15 January. {ANR&P discussion 18.Dec.2006}

LNG APPLICATION IN PERRY

While neither the cement transload in Wiscasset nor an LNG facility in Harpswell [see 04#03A] won the approval of residents, Bigge believes the gasification plant can. LNG is more acceptable in the poorer, less populous area of Maine, though even there it has vocal opposition.

Quoddy Bay LNG [see 04#08A] has become the first company to file a formal application with federal regulators to operate a liquefied natural gas terminal in Maine. Quoddy Bay, which wants to build its facility at the Passamaquoddy Tribe's Pleasant Point Reservation in Washington County, submitted boxes of applications, reports and supporting documents to the Federal Energy Regulatory Commission on 15 December. FERC is expected to make a final decision on the case in 10 to 18 months, according to FERC spokeswoman Tamara Young-Allen. {boston.com}

MMA: KATAHDIN PAPER

15 December, Millinocket. **FRASER PAPER IS MOVING PULP FROM EDMUNDSTON TO MILLINOCKET**, said Katahdin Paper spokesperson Glenn Saucier. Following the demise of Fraser's Port Cartier mill [see 06#09B], Katahdin now has three sources for pulp:

- The Edmundston pulp mill, which supplies the Madawaska paper mill [our *Directory* #750], is sending 30 tons of wetlap pulp [40-50% pulp by weight, as Edmundston does not have a drying capability—*editor*] per day by rail to Millinocket [see below].
- The East Millinocket pulp mill, producing at a higher rate, supplies 350-400 tons per day by pipeline to Millinocket.
- Katahdin obtains 80-100 tons per day of dry kraft pulp [90% pulp—*editor*] by rail from market sources. {ANR&P discussion}

MMA: ALBERT FARMS

11 February, Madawaska. **FRASER HAS SUCCEEDED THE FIBER RESOURCE GROUP AS THE MAIN RAIL CUSTOMER** for the Albert Farms transload facility here [our *Directory* 751—see 06#06A].

Departure of Fiber Resource Group

Ken Gagnon, who manages Albert Farms for owner Jeffrey Albert, said TFRG decided to do ‘everything at their Van Buren location [our *Directory* #748]. This was a mutual decision on both parties as there were too many logistical problems and the money just wasn't there for either one of us. It was not due to the rail problems of the past.’

Arrival of Fraser Paper

Fraser trucks wetlap pulp from its pulp facility [see above] to Albert Farms, which transloads it into rail cars at the rate of ten cars a week.

Price leap for siding

Gagnon wrote: ‘Our lease went from \$167 per year to \$1200 per year and we negotiated MMA down to \$900 per year. It was something we never worried about in the past because the lease was so low but now it seems that they can and will bring up the price at will.’

Additional customers

‘We have the capacity for additional rail customers but I'm not sure if we can get the rail switches required,’ wrote Gagnon. ‘The MMA is giving us one switch per day. We currently only have one door so they can only spot one car at a time. They bring us two railcars and we load one and move the other one into place ourselves with a backhoe. We are currently pricing to have an additional door put in this winter’ and move the track closer to the building so that snow does not fall between the door and railcar as it did last winter. Albert Farms continues with non-rail customers such as Fraser, Evergreen and TFRG. {e-mail to ANR&P 11.Dec.06}

MMA: NO CHIPS FROM PORTAGE

20 December, Bangor. **SEVEN ISLANDS BOUGHT THE GEORGIA-PACIFIC CHIP MILL** in July, after G-P shut down its Great Works mill [see 06#09A]. John Cashwell, president of Seven Islands, said the Portage mill [our *Directory* #756] is producing chips, which are moving by truck to AV Nackawic in New Brunswick [see 06#03A] because Nackawic does not have rail. Before the mill closed, the chips had moved by MMA rail to South Lagrange, and then were drayed to Old Town.

Maine Woods and rail

Seven Islands had owned the land on which Carrier built the chip mill for James River, which became Fort James, which was bought by Georgia-Pacific. G-P bought the chip mill from Carrier in August 2005 [see 05#08B]. It also owns the land under Maine Woods [our *Directory* #756-1] (and is a part owner of the facility) which uses, said Cashwell, “very little rail.”

Better rail needed

Cashwell said Seven Islands would like to rail chips to Domtar in Baileyville [our *Directory* #850] but because the rate must be divided among three railroads, “truck is cheaper.”

“If we could solve that problem [of rail rates] with more than one rail owner, all the railroads would benefit and grow.” Because of the “punitive rail prices”, they will “each die selectively rather rise collectively.” {ANR&P discussion}

ST: COUSINEAU

18 December, North Anson. **COUSINEAU LUMBER HAS NOT YET RAILED OUT PRODUCT**, said owner Randy Cousineau, putting into question the need to have rehabilitated the track between Madison and North Anson. The rail work was complete this summer [see 06#6A], as part of MDOT's Industrial Rail Access Program under which MDOT paid \$590,000, the Town of Anson \$50,000 in kind, and the balance ST in kind [see 04#12B].

Unfortunately, said Jim Batey, executive director and developer for the Somerset Economic Development Corporation, by the time the track was ready, “market conditions had changed.” Cousineau said he is still shipping lumber to California, but in lots too small to make sense for rail. “We have the rates” from ST for rail shipping, but moving lumber in one-carload lots does not make economic sense; five or six carloads at a time would make sense.

Now Cousineau trucks the lumber to CSXI's Allston intermodal terminal for railing to California.

Sawmill stopped operation

The lumber mill in North Anson stopped sawing six to eight weeks ago, said Batey. Cousineau said he still has two million dollars of inventory, and hopes to start sawing again. Batey said: “[W]e are still working with them on potential future work” and other alternatives for the mill. {ANR&P discussions 19.Dec.06}

SLR/PORTLAND: BIOFUEL

20 December. **SPRAGUE WILL SOON OPEN A BIODIESEL FUEL RACK** in South Portland, said Jim Therriault, vice-president of marketing and materials handling.

The facility

Sprague will use two of its tanks (one holding 40,000 gallons) on the South Portland waterfront to store B-100 (100% biodiesel). The rack will blend the B-100 with either diesel or heating fuel from other tanks in the facility, enabling Sprague to deliver whatever mixture the customer wants.

Source of biodiesel

Although Sprague has ST service [our *Directory* #20] and a direct rail spur to its facility, it has chosen to dray the biodiesel from Safe Handling in Auburn. Therriault explained that to maintain quality, “we need to steam it” and the South Portland facility does not have that capability. The two tanks in South Portland do have heaters.

SLR delivers the B-100 in tank cars which are loaded with soy biodiesel in the Midwest.

Other Sprague facilities

Therriault explained that South Portland would become the third Sprague biodiesel facility. It has already created one in Albany, and one in Oceanside, NY. In 2007, Sprague will look at southeastern Massachusetts, probably its Quincy terminal, for a fourth facility to serve that area.

Providence? Although Sprague has a terminal there, Therriault considered it a project “for future consideration.” {ANR&P discussion 20.Dec.06}

Frontier Energy already in Portland

Biofuel currently is available in Portland Harbor from Frontier Energy Corporation, a leading wholesaler and distributor of the alternative product. The company maintains a 12,000-gallon biofuel depot not far from the Sprague terminal. Brad Taylor, Frontier's president, said he welcomed Sprague's efforts to promote biodiesel. “It means there's more demand out there,” he said. “I think there's room in the market.” {Tux Turkel in *Portland Press Herald* 31.Oct.06}

PORTLAND: P&O PORTS

12 December. **THE P&O PORTS OPERATION WILL BECOME PART OF AIG GLOBAL INVESTMENT.** P&O Ports North America's operations principally comprise marine terminal concessions in the ports of New York / New Jersey, Philadelphia, Baltimore, Miami, Tampa and New Orleans, coupled with stevedoring operations in sixteen locations along the East and Gulf Coasts and a passenger terminal in New York City.

AIG Global Investment Group managing director Christopher Lee said that the Group has identified the marine terminals sector as a key element in its infrastructure investment strategy, and believes that P&O Ports North America is one of the leading operators in this sector in the US. {www.eyefortransport}

In Portland, P&O offers stevedoring at the International Marine Terminal. {editor}

Traffic moving well

Jack Humeniuk, who manages the P&O operation, said the New York/Boston barge for 16 December will have 166 containers, and two weeks ago had 191 containers [see 06#10B *Regional*]. Officials are still working on reviving the feeder ship from Halifax. {ANR&P discussion 15.Dec.06}

MASSACHUSETTS

CSXT/MBCR: LAKEVILLE TO NB?

17 December, Lakeville. **OFFICIALS FROM BOTH LAKEVILLE AND MIDDLEBORO WOULD STUDY A NEW BEDFORD COMMUTER LINE** connecting to the Lakeville/ Middleboro line. New Bedford Mayor Scott W. Lang earlier broached the idea of connecting a SouthCoast commuter rail to that line “while waiting for the Stoughton line.”

Wayne Perkins, chairman of the Middleboro selectmen, said he likes the mayor's idea. “I would welcome the opportunity to speak with Mayor Lang and see what his thoughts are on it. I think that idea has merit and I think it should be looked at. There are an awful lot of New Bedford folks up here using the line now.” Nancy Yeatts, who will take over as chairwoman of the Lakeville Select Board in 2007, agreed. “I'd be open to that.” {Lauren Daley in *New Bedford Standard Times* 18.Dec.06}

ST MASSACHUSETTS: AYER II

5 December, Ayer. **MORE DETAIL ABOUT AYER'S REACTION TO ST CONSTRUCTION HERE** [see 06#11B]. The chair of the Board of Selectmen, Frank Maxant, said the consent decree signed in court by Ayer officials in 2003 did require ST (then called Guilford) to consult with the town when it started construction. “Even those minimal things that gave us some protection, Guilford seems to be ignoring. It fits with the arrogance we've [seen] from them before.”

He said the town is initiating court proceedings against ST. Meanwhile, he and others will keep a close eye on activity on Willow Road. It may be the only way to obtain any information on the railroad's plans. “We're sort of in the dark,” Department of Public Works Superintendent Michael Madigan said. {Tom Spoth in *Lowell Sun* 17.Dec.2006}

Interesting note

ST has moved the switching job BO-1 out of Boston to Lawrence. Effective 19 December, the job will move to Ayer. Reportedly, BO-1 will handle the Fitchburg route, Veryfine [Littleton, our *Directory* #209] and Newly Weds Foods [Watertown, #210].

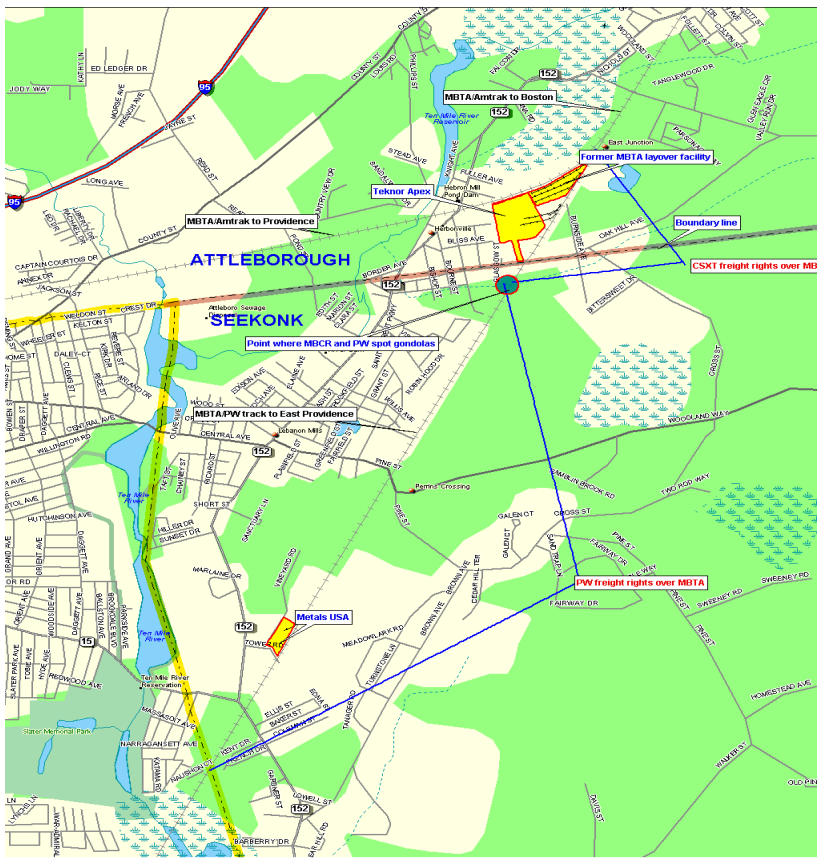
LOSA (Lowell-Salem) will now do most of the remaining work in the Boston Commuter Zone, and LA-1 (the Lawrence switcher) will make occasional trips to Eastman [Peabody, #201]. {e-mail to ANR&P from source close to ST; railroad.net site}

PW/MBCR

14 December, Seekonk. **PW EXCHANGED TRAFFIC WITH MBCR, THE FIRST TIME IT HAS USED THE EAST JUNCTION CONNECTION.** Mary Tanona, PW general counsel, wrote: ‘It was not technically an interchange because MBCR is not a freight railroad. P&W couldn't exercise its right until CSX discontinued its trackage rights there.’ {e-mail to ANR&P}

Exchanged traffic

MBCR took five loaded gondolas of old cement ties to Seekonk, leaving them east of the Oak Hill Avenue crossing. The train lifted five empty gondolas for more ties, which were manufactured by San-Vel in Ayer [see 06#11B *Massachusetts*] for the Northeast Corridor but found to have flaws. PW delivered them to the Branford Steam Railway



in Branford, Connecticut on 15 December. {PW e-list}

The trackage rights

MBTA owns the track from East Junction to the state line [see map]. In 2000 [see 00#22] CSXT gave up its freight rights over most of the East Junction Industrial Track in Massachusetts, except 0.6 miles to serve Teknor Apex [our *Directory* #274]. PW took over the freight rights to the other 2.5 miles, and serves Metals USA [our *Directory* #477] in Seekonk.

NEW HAMPSHIRE

NH COMMUTER

14 December, Nashua. *AN UPDATE ON THE LOWELL-MANCHESTER SERVICE PROJECT* came from Stephen Williams, director of the Nashua Regional Planning Commission (NRPC) and Kathy Hersh, Nashua's community development director.

Beginning of operation

Williams said he is often asked when work on the rail will begin. The answer is simple: "Once everyone comes together and agrees on the plan, then it is possible for the train to be up and running within 18 to 24 months.... This is a simple project from a technical standpoint that involves laying down some new track and building a few stations."

As for the report from the task force the governor set up [see 06#11A], Williams expects to complete a proposal for Lynch's review in the next month. From there, it will be sent to the Federal Transit Authority for review. The project is projected to cost approximately \$103 million, and Williams expects 80% of that to come from federal funding.

Single or double track

Hersh is working with Williams on the commuter rail project and in November updated members of the city's Planning and Economic Development Committee. The original plan of a double track from Lowell to Nashua would not be possible at first. "What is being discussed, which would not preclude double tracking in the future, is improving the single track from Lowell all the way to Manchester. We would have to be flexible in the beginning and could only offer four round trips a day to Boston.," Hersh said.

Subsidized bus service to start

Beginning 1 February, Nashua-area residents can take a non-stop bus to Boston. Concord Trailways will offer nonstop bus service to South Station, with continuing service to Logan Airport. The preliminary schedule offers nine round trips a day, with the first bus leaving Nashua at 5:50 a.m. and the last leaving Boston at 8:45 p.m., according to Kit Morgan, administrator at NHDOT Bureau of Rail and Transit.

A one-way trip is expected to take one hour and 10 minutes and cost (with subsidy) \$4 to \$5, or \$9 for a round trip. Once the train is running, the goal is to coordinate schedules with the bus service and sell tickets at shared sites. {Meg Villeneuve in *Boston Globe* 14.Dec.06} Morgan said that Concord Trailways had approached NHDOT about a subsidized project. The state's CMAQ committee had agreed to fund the subsidy. {ANR&P discussion 15.Dec.06}

ST NEW HAMPSHIRE: CLEANUP

6 December, Exeter. *ST BEGAN CLEANING UP DEBRIS IN THE LITTLE RIVER*, [see 06#10B] following a site tour by Mike Davies of ST, Eben Lewis of the New Hampshire Department of Environmental Services and resident Brian Griset, an environmental consultant. Davies asked Greta Cuyler, the *Foster's* reporter to leave the walk because it was taking place on private property belonging to the railroad. {Cuyler in *Foster's Daily Democrat* 8.Dec.06}

Griset said later that as a result of October news articles, ST started removing some of the ties on 6-7 November, by pulling them to the side of the bank. Heavy rains prohibited removal until the day of the site walk. At the beginning of the site walk, Davies contended that debris came from other locations and had nothing to do with ST. But Griset

went along the right of way for 1000 feet and pointed out ties thrown into wetlands and then covered over, and Davies admitted the material came from ST.

Lewis indicated he would issue a letter for compliance to ST. When ST notifies the state that the cleanup is complete, the state will check. {ANR&P discussion 15.Dec.06}

RHODE ISLAND

SEAVIEW: OCEAN STATE JOBBERS

12 December, Davisville. ***OCEAN STATE JOBBERS DECIDED AGAINST BUILDING A RAIL SPUR TO ITS EXPANSION***, ‘even though their final expansion, sometime in the future, will put their property right up against an existing track,’ wrote Bruce Hamilton, Seaview Transportation chief.

‘I have had many talks with them, which they initiated, over the past several years about rail service.’ Unfortunately, he noted, ‘most of their products arrive in containers, from overseas. OSJ buys very few products that could be moved by rail in box cars. If the shipper doesn’t have rail access the move wouldn’t be economical, even though I gave them some pretty good rates for handling the products on this end.

‘The biggest problem is that it seems to be cheaper to rail products into a CSX-served warehouse in Mansfield or Worcester and dray it the rest of the way than to use rail all the way to Davisville.’

The expansion

Ocean State Job Lot is completing a 230,000SF expansion of its corporate office and distribution center at the Quonset Business Park. This expansion is part of a growth plan for the company at Quonset which, when completed, will total 1.2 millionSF. The distribution center fuels the company’s capacity to supply its 81 stores throughout the Northeast. Ocean State Job Lot employs 500 people at the Quonset facility and anticipates that number will grow. The company specializes in name-brand items in such categories as apparel, housewares and decor, pet supplies, electronic equipment, lawn and garden tools, stationery, specialty foods and sporting goods. {Quonset Development Corporation newsletter}

VERMONT

NECR: BIODIESEL CUSTOMER?

4 December, White River Junction. ***NECR MAY HAVE A BIODIESEL TERMINAL HERE*** for transloading. Jack Dail, marketing director, said he could not disclose the company, which is still ‘in their marketing and planning stages. ...with this project at this time. I would guess it has a 50-50 chance of happening!’ {e-mail to ANR&P}

WACR: WORTH THE SUBSIDY?

15 December. ***SOME ARE STILL UNHAPPY WITH THE SUBSIDY PAID TO WACR TO OPERATE BETWEEN NEWPORT AND WHITE RIVER JUNCTION.***

History,

Prior to 1994, CPR owned and operated the line from Farnham Quebec to Wells River; ST sister company Boston and Maine Corporation owned and operated the line from White River Junction to Wells River. In 1994, CPR sold its lines or leased its lines east of Montreal to Iron Road Railways, which created the Northern Vermont to operate between Farnham and Wells River.

ST in 1995 discontinued operation over all but two miles of the line between White River Junction and Wells River, and sold it to VAOT in 1999. In May 2000, VAOT chose IRR to operate the line from Wells River south, giving IRR the whole distance from Farnham to White River Junction.

In 2003, IRR successor MMA declined to buy or operate south of Newport, so VAOT bought the line north of Wells River to Newport. It awarded operation of the line between White River Junction and Newport to WACR in that same year. {editor}

Subsidy and need for track improvement

David Wulfson, VRS president, explained that “in the beginning the line needed a lot of work....North of Wells River the majority of the track was Class II, with a little Class I.” The line had seen little traffic for some years. VAOT agreed to pay a yearly operating subsidy, and to invest money in the track to increase speed so that the WACR could operate more efficiently.

VTrans did spend the capital allocation, but the line “had two bridges fail south of Newport, a washout in Wilder, and the St.Johnsbury bank slide,” reported Wulfson. “Much of the money allocated to honor our deal went to emergency repair. We did spend some money on the track. This year we installed 10,000 ties,” and crews will more next year, plus ballasting and surfacing.

However, “because we are running decent-sized trains [see 06#06A 15 cars a day], the line is showing wear and tear.” Now the majority of track is Class I with a little Class II.

Amount of subsidy

WACR received \$900,000 from 2003-2005 in operating subsidies from the state since it succeeded Iron Road Railway as operator. In 2006, it received \$150,000, per the VAOT-WACR agreement, the last tranche according to the agreement. However, said VAOT spokesperson Zicconi, “That's not a definite absolute.” The Vermont legislature makes the final decision on grants for the company.

The agreement requires yearly payments of 3% on gross revenue over \$1 million. But WACR has not turned a profit so it has never paid a lease fee.

In addition, Vermont has expended \$1.5 million in upgrades to the state-owned track.

In 2005, WACR would suffer a half-million dollar loss, Wulfson told the November 2005 Vermont Rail Council.

Traffic up, more money requested

“It needs money,” said Wulfson, VRS president. If the track speed improved to Class II or better, “we could operate the railroad more efficiently. Traffic has grown, but so has the need for repairs. {ANR&P discussion 20.Dec.06}

At the November 2005 Rail Council, Wulfson said the operating agreement with the state requires WACR to maintain the railroad to minimum standards for FRA Class 1 track. The Connecticut River line is a good link to New England,

INTERMODAL FACILITY IN THE KINGDOM: FIRST TRAFFIC

On about 1 December, said Wulfson, WACR moved four containers on chassis as a test move on the St.Johnsbury circus ramp [see photo 05#10A]. “It worked beautifully, and we are open for business.” The WACR has “customers in queue” ready to go if the test move works out. {ANR&P discussion 20.Dec.2006}

But on 18 December, Jeff Moore, the owner of Quest Transportation [see article], explained his remark about the “business model.” He has a good working relationship with the railroad. In 2005, he used it to bring in two boxcars of wine for a distributor [see 05#04A], but that business did not continue; he is not sure of the reason. The logistics company from which he got the traffic told him that no more such business existed. Lacking other business, Moore has closed his warehouse in St.Johnsbury, and is not using his spur.

As a transportation intermediary, Moore has arranged for VRS to rail paper to a warehouse in Riverside. From there, it is drayed to mill in southern New Hampshire.

He did speak out about the intermodal facility He has made more than one call to the railroad about service, and even though the ramp exists WACR cannot offer service quickly. He believed that WACR was requiring the use of 45-foot Vermont Railway TOFC trailers. “VRS says the facility is ready, but I don’t see that.” {ANR&P discussion}

continued Mr. Wulfson, and freight traffic on the line is increasing, but a decision on where to best spend money on the line is needed. State Representative Audette asked what the minimum investment might be to make the line a viable Class 3 rail line. Dave Wulfson estimated about \$2 million per year for the next three to five years to make the line safe and reliable.

The estimated amount does not account for any structural failures along the line. {text of Rail Council minutes}

In October 2006, Jerry Hebda, VRS vice-president, said traffic either originating or terminating on line in September was “double what it was a year ago. Overhead business is up by one-third.” He credited Roger Desrosier in marketing, a “tight relationship with MMA,” and also NECR. {ANR&P discussion 23.Oct.06}

That month Wulfson said “We’re growing the business to the point we really feel eventually we’ll be self-sufficient. At the rate of our growth right now, we’ll be there in five years.” {Taylor Reed in *Caledonian Record* 27.Oct.06}

Support from shippers

Calkins Rock, Lyndonville [our *Directory* #1016]. Chris Martel, general manager of Calkins Rock Products in Lyndonville said: “The Washington County Railroad is a huge asset to our business and the potential for hiring new employees as growth continues is a given. These are good-paying jobs with excellent benefits....

“It is a very exciting venture for Calkins Rock Product and we are proud to be a part of the future of Washington County Railroad,” he said. “Instead of waiting for large state projects to come to the Northeast Kingdom, we now have the ability to supply rock products from the Canadian border to New York City.”

Martel is currently working to gain several contracts from corporations throughout New England, made possible by the railroad. The contracts, if secured, will mean jobs for area residents, he said.

Morrison’s Custom Feeds, Barnet [#1022] “The agriculture economy is not going to survive in Vermont unless we have a strong railroad,” said Les Morrison, owner. “We would be out of business here if we didn’t have the railroad.”

Without rail service, Morrison would have to relocate his feed plant to White River. Morrison said 30,000 tons of feed come to Caledonia County via rail each year. He sees between 200 and 250 cars annually.

Caledonia Kiln, St.Johnsbury [#1015]. Jeremy Jacquet, general manager, said: “We’ve increased our business by 10 percent. We’ve been really happy with the railroad and what they’re doing. It’s excellent.”

Nostalgia only?

Others don’t see a future for rail in the area.

Quest Transportation, St. Johnsbury [#1018] Now, said Jeff Moore, owner, Vermont invests in rail because: “It’s nostalgia. It’s a sense of historic preservation.”

At his business, Moore markets transportation services such as trains, planes and trucks. A market for trains simply doesn’t exist in the Northeast Kingdom [for those ‘from away’, the term refers roughly to the northeast corner of Vermont--*editor*] anymore. “Unless Vermont Rail System makes some changes to their business platform, I don’t see anything occurring on this line other than bridge traffic. You’ve got to have some new industry in the area that’s commodity-friendly for the rail.” [Ironically, Quest once did use rail. See box.]

City of St.Johnsbury. Joel Schwartz, director of economic development, doesn’t see new industry suitable for rail travel moving to the area, such as an aluminum smelter, a coal-fired generating facility, petroleum refinery, or steel mill. “Vermont’s permitting and regulatory processes are not at all friendly toward the types of businesses that would benefit most from rail access.

“At this point, I certainly hope that other businesses from this area are coming on-line given the enthusiasm shown by the railroad and the expense incurred by the state.”

The WACR has put Vermont in a predicament, Schwartz said. If the company doesn’t get a stipend, it could halt operations, and the state would have a wasted investment. “It’s an endless cycle: the more capital and operating funds that

are invested by the state, the easier it is for the private operator to demand a payment by suggesting that it can no longer afford to operate....I have no reason to believe that this time-tested business strategy is going to change any time soon.”

Schwartz questions whether the WACR rail yard [owned by the state and leased to WACR along with the rest of the line] should remain in St.Johnsbury, at Bay Street. Based on information in the 2006 St. Johnsbury Town Plan, Schwartz said a major commercial development in the Bay Street area, which would use the state-owned rail yard, could generate 200 to 400 jobs and over \$12 million in payroll, over \$200,000 in property taxes, over \$1.2 million in sales taxes and \$250,000 in income taxes. “I think this type of development, if it could be realized, that generates taxable revenue, makes more sense.”

Schwartz doesn't entirely oppose rail. “Certainly this corridor should remain available for rail transport for a railroad that can actually afford to maintain and operate it,”

The future

Besides the three customers listed above, WACR has eight other customers per our *Directory*: Gorman Brothers salt depots #1010, #1014, #1021; Ultramar fuel #1011; Northeast Agriculture #1013; Couture's Trucking grain #1012; Hancock Lumber transload #1020; Twin State Fertilizer #1023; Barrett Trucking salt depot #1024; All States Asphalt #1025.

The railroad's ConnRiver division has doubled business for two years running and is on track to do it again. Sales people are talking with additional potential customers, such as Ethan Allen furniture in Orleans and a power plant in Ryegate, Wulfson said. “A number of them are in the infancy stages of conversation. There's a lot of stuff going on.” {Taylor Reed in *Caledonian Record* 16.Dec.2006}

VERMONT COMES OUT AHEAD SUPPORTING RAIL

The subsidy

VAOT paid WACR \$150,000 in 2006 [see above] to continue to operate. The calculation below shows that the railroad saves the state more than that in highway maintenance costs alone.

The calculation

The state of Vermont subsidizes freight operations on the line from Newport to White River Junction, a distance of 110 track and 100 highway miles. Let's assume that WACR in one train moves 10 cars a day each way; and that each car, carrying 100 tons, would replace five trucks each carrying 20 tons. Each day, then, rail moves 1000 tons 110 miles, or 110,000 ton-miles. Each day fifty trucks would move the same 1000 tons 100 miles, for 100,000 ton-miles.

Politically acceptable costs

Assuming that the executive branch and the legislature will accept only directly measurable, out-of-pocket costs, we use only these factors:

- Highway maintenance
- Excess user costs
- Air pollution (state health costs)
- Accidents

The last column of the table shows that each day of operation, Vermont saves \$4,884.

A comparison of the grant versus the external cost

Each day of the move, Vermont saves a total of \$4,884 in total. Assume that the tonnage is moved 250 days per year. That saves \$1,221,000, or well over the cost of the grant.

A comparison based on pavement maintenance alone

Each day of the move, Vermont saves \$1,350 in pavement maintenance, leaving aside the congestion (probably none in Vermont), air pollution (again, little), noise (who cares?), and accident costs. The maintenance alone amounts to \$317, 250,

or well more than the \$150,000 in appropriation for the subsidy. {editor}

EXTERNAL COSTS, TRUCK VERSUS RAIL**					
Factor*	\$/ton-mile rail	\$/ton-mile truck	total cost/day RAIL	total cost/day TRUCK	acceptable savings
Pavement	0	.01350	0	1350	1350
Excess User Costs	0	.00778	0	778	778
Congestion	0	.01031	0	1031	n/a
Air pollution	.00094	.01283	103.4	1283	n/a
Noise	.00209	.00835	229.9	835	n/a
Accidents	.00084	.02848	92.4	2848	2756
Other Externality	.00200	.02616	220	2616	n/a
Total external cost			645.7	10741	4884

**Assuming that WACR in one train moves 10 cars a day each way; and that each car, carrying 100 tons, would replace five trucks each carrying 20 tons. Each day, then, rail moves 1000 tons 110 miles, or 110,000 ton-miles. Each day fifty trucks would move the same 1000 tons 100 miles, for 100,000 ton-miles.

*The factors are described in a paper written by Brian Ketcham, PE. User costs refers to additional damage to vehicles, etc, from reduced pavement quality. Other costs include oil spills, greenhouse effects, land not otherwise productive, disposal of automobiles, defense costs, etc.

Brian Ketcham is a professional engineer licensed by the State of New York who as a New York City environmental official initiated comprehensive traffic management and vehicle emissions controls. He has more than 25 years experience in preparing and analyzing environmental and traffic impact assessments, primarily for State agencies, and developing innovative transportation strategies. He can be reached at 845-586-1506 or 718-330-0550 x122 or at csk@communityconsulting.org. See www.communityconsulting.org.

The data were derived by the author using a 1997 FHWA *Cost Allocation Study* and a paper from the Victoria Transport Policy Institute, www.vtpi.org/tea. {*A Comparison of the Full Costs and Impact of Moving Freight by Truck as Compared to Freight Currently Moved by New York and Atlantic Railway and Coastal Distribution via Rail*, prepared for Coastal Distribution 24 July 2006}

QUEBEC/MARITIMES

CN: MARITIMES

19 December, Moncton **CN ADDED A TRAIN BETWEEN MONCTON AND JOFFRE LAST WEDNESDAY/THURSDAY/FRIDAY DUE TO INCREASED TRAFFIC FLOWS**, wrote spokesperson Mark Hallman. “Our plan is to review loadings each week to see if the extra train is required on the heavy days during the first three months of 2007. Winter weather may be a factor.”

Distributed power

CN 'is moving toward [the] introduction, where appropriate, in the Atlantic Zone' of distributed power, meaning inserting locomotives in the trains other than at the head end. {*e-mail* to ANR&P}

CN INTERMODAL CARS

14 December, Halifax. **CN IS CONSIDERING SELLING SOME HISTORICAL INTERMODAL CARS.** Its website has this notice:

CN currently has up to 75 Intermodal slackless-drawbar-connected five-paks, CN 640400 - 640479, that it is considering for sale. These high-capacity five-paks were built in 1992 by Hawker Siddeley at Trenton and are equipped with 70 ton National Swing Motion trucks. Each platform weighs approximately 53,000 with a load capacity of up to 167,000 lbs.

These five paks are currently in service and upon request an inspection can be arranged at or near one of CN's Intermodal Terminals. If you have interest or questions, please call Gary MacKay at 514-399-4806 or Michelle Pelletier at 514-399-4523. Quotes or questions can also be sent by email to gary.mackay@cn.ca. {CN website 'About CN'}

The history

In 1991, Nova Scotia's Ministry of Trade, now the Office of Economic Development (OED), through an Order in Council on approved an agreement whereby the Province paid for the construction of 80 of the five-paks by then-Hawker Siddeley, now TrentonWorks, in Trenton. The cost came to about \$11 million.

In return, CN promised to continue doublestack service to Halifax for the period of the agreement, which was effect from 1 June 1991 to 31 May 2001. Tom Peck, OED spokesperson, said the Province believes the agreement was well worth it. Not only did the order give work to a local manufacturer, but the Halifax has had doublestack service ever since. {ANR&P discussion}

To keep its bargain (but not as part of the agreement), CN improved the clearance between Montreal and Halifax to the height required for doublestack. {ANR&P discussion with NSDOT's Steve Newson}

Text of Order in Council

The Governor in Council on the report and recommendation of the Minister of Industry, Trade, and Technology dated the 22nd day of August, AD 1991, pursuant to Chapter 1 of the Statutes of Nova Scotia 1991, The Appropriations Act 1991, and all other authority vested in him, is pleased to

(a) authorize the Minister of Industry, Trade, and Technology to enter into an agreement with Canadian National Railway Company to assist Canadian National Railway Company in obtaining double-stack rail cars for the purpose of improving the service to and from the Port of Halifax, on terms and conditions acceptable to the Minister, and on the condition that the rail cars are built in Nova Scotia; and

(b) charge required funding to the Department of Industry, Trade, and Technology, General Administration Special Assistance Program. {# 91-1018}

MMA: MOVIE LOCATION

summer, Quebec. **THE RAILROAD EARNED \$100,000 PROVIDING A SET AND A TRAIN FOR TWO MOVIE MAKERS THIS SUMMER.** In Glen Sutton and Brookport, filming reproduced Kentucky and Louisiana for the Bob Dylan biography 'I'm not there'. MMA is also working with another production crew in Canada. {MM&A Main Line cited by *The* 470 12.06}

MMA/NBSR: REVIVE THE ATLANTIC!

12 December, Montreal. **A CITIZEN GROUP HAS FORMED TO CREATE SELF-SUSTAINING PASSENGER RAIL BETWEEN MONTREAL AND SAINT JOHN.** The 'Atlantic Passenger Railway Project' has just put its website on-line, which states: 'Since 1994, when VIA's *Atlantic* train was ended, the people of southeastern Quebec and southern New Brunswick have been without passenger rail service. The Atlantic used to run between Montreal and Moncton by way of

Sherbrooke, QC and Saint John, NB. Our goal is to restore passenger rail service along this corridor...This project is like other movements that sought to restore the Atlantic, but it differs in one key way: we will not focus our efforts on raising complaints or creating petitions to try to convince VIA or the federal government to restore the old service. The project will instead focus on determining the best means of creating a self-sustaining, non-government owned passenger train service.'

Geoff Hamilton, project secretary, wrote: ' We've been underway for a few months now but have just put up the web page and gone public recently.' The project welcomes volunteers, especially those with industry experience. For more information click on www.aprail.com.

HALIFAX: FEEDER TO NF

December. **OCEANEX WITHDREW THE CICERO FROM FEEDER SERVICE TO ST.JOHN'S**. The ship had begun service in 2006 in part to replace the *Sanderling* during its extensive drydock. According to the Oceanex 3Q06 report: 'The Company has determined that one vessel is sufficient to service Halifax. Therefore, the Company is currently reviewing alternatives for the *Cicero* including disposition of the vessel.'

After completion of the *Sanderling* dry dock in November, the *Cicero* will be withdrawn from the Halifax service. An asset impairment loss of \$1.1 million was recorded in the quarter based on management's best estimate of the fair value of the vessel.

"During the past sixteen months, the *Cicero* has played an important role in maintaining the schedule integrity of the Montreal and Halifax services especially during the extensive *Sanderling* repairs and *Cabot* dry dock," said Mr. Henrico, president and CEO of Oceanex. "The *Cicero* will continue in this role until the end of November to cover the dry dock of the *Sanderling*. Following the retirement of the *Cicero*, we expect to benefit from improved cost efficiencies of operating with only three vessels without a material adverse impact on volume." {text of quarterly report of Oceanex Income Fund}

Feeder cargo

The *Cicero* and the *Sanderling* called at Halterm (international containers, trailers, and some local traffic) and at the Autoport (cars). The *Cicero* carried cargo to St.John's; the *Sanderling* St.John's and Cornerbrook.

For the first nine months of 2006, vehicle shipments over Halifax increased 7.1% to 16,132 units.

January 2007 sailings

The company website stated that the *Sanderling* will serve St.John's and Corner Brook weekly from Halifax in January, while the *Avalon* and the *Cabot* will each sail every other week between Montreal and St.John's. {website}

NEW FERRY FOR THE MARITIMES?

13 December. **A CONSULTANT SUGGESTED A FREIGHT FERRY BETWEEN NOVA SCOTIA AND NEW ENGLAND**, and a high-speed passenger ferry between Saint John and Digby. The boat plying the latter route, the *Princess of Acadia*, will no longer meet safety requirements in 2012 and must be replaced. With a 31 October deadline looming by operator Bay Ferries to end Saint John-Digby service, the federal government agreed with Nova Scotia and New Brunswick to an \$8-million subsidy to keep the ferry afloat for two years.

Communities on both sides of the Bay of Fundy have been lobbying hard to save the ferry service. In fact, losing the route would have a \$20-million annual impact, the report said; commercial vehicles would incur extra costs to transport their fish and forestry products by road around the Bay of Fundy, an amount pegged at \$12 million a year. {CBC News 13.Dec.06}

[CBC News obtained the report through the Access to Information procedure, but did not state the agency which solicited the report, the consultant who did the report, or the date of the report. *Editor*]

EDITORIAL

STATES SHOULD FAVOR RAIL

As described in *Vermont*, WACR received \$150,000 as an operating subsidy in 2005. The continued subsidy has led some, including the *Caledonia Record* in a 20 December editorial, to call for an end to the rail operation in the Northeast Kingdom. This would be extremely shortsighted: over the long haul, as oil disappears, railroads will experience a renaissance.

Even in the short haul, as the article in *Vermont* shows, the state receives much more than that in benefits alone. The savings by taking trucks off the road, whether they travel to local freight facilities or through between Canada and Massachusetts, are much more, measuring just highway maintenance.

If analysts include other savings to Vermont, such as lower air pollution, less damage to other highway vehicles, and fewer accident-related costs, the \$150,000 subsidy saves the state over a million dollars.

Other states should take notice, and support their railroads, much more than they support the highway and the air mode of freight transportation.

ATLANTIC NORTHEAST RAILS & PORTS

162 Main Street

Vox (207) 846-3549

Chalmers (Chop) Hardenbergh, publisher and editor

C_Hardenbergh@juno.com

Yarmouth, Maine 04096

Fax (contact me for #)

www.atlanticnortheast.com

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