

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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Issue 07#03B 5 April 2007

*Article unchanged from e-bulletin.

** Article revised from e-bulletin (see blue).

REGIONAL ISSUES

Portland/Boston/Halifax/New York: New feeder service by Eimskip.* Details on cabotage.*

Tri-state: Rail officials from ME, VT, NH meeting.

PW: Annual results, including restatement.*

CONNECTICUT

NECR/PW: Willi use will last only a few weeks.*

MAINE

Maine Legislature: Crossing lights voted down.*

Maine Legislature: Bond issue, no money for Amtrak to Brunswick, or Brunswick interchange.

MDOT detail on the governor's bond bill.*

ST/SLR/MDOT: Danville Junction funding.

ST/SLR/MDOT: Track sales.

Amtrak: Brunswick funds to be revived?

MMA: Bioenergy project may use rail.*

ST: Fore River embargo cancelled 13 March.*

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EOT/BCLR: Major fire at major Cape customer - to affect the selection of the new operator?*

Boston/ST: St.Lawrence receiving by rail.

WWTR/NET: STB to hold oral argument.*

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CSXT: Biodiesel customer may use Allston.*

PVRR: Yankee Candle operating, Greenfield biodiesel customer may use same facility.*

NEW HAMPSHIRE

NHN: Former rail customer closing.*

RHODE ISLAND

PW: Ethanol will not arrive soon in South

Providence: Photo with South Providence locations.*

PW: PTO still seeking a C&D facility?*

PW: Notice of exemption for 1.1 miles of Slate.*

VERMONT

VAOT/VRS: Bill, VRS to buy TSRD line to Gilman.*

VAOT/VRS: Gilman mill needs direct rail.*

MARITIMES/QUÉBEC

CBNS: TrentonWorks to close; rail clearance issues.

Canso: More details on possible container terminal.*

Canso: Would a container terminal thrive?

Halifax: Grain arriving at Halifax elevator by rail.*

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

EDITORIALS

- EOT should hire someone with rail experience.*

- Massachusetts should let highways crumble.*

PEOPLE, POSITIONS, EVENTS

People: Peter Valade Peter Vuillemot, Eric Moffett.

FROM THE PUBLISHER

New blue text

Those who get this formal issue by e-mail will notice some text in blue. The color indicates the text I have added or changed since the e-bulletin article. I hope this helps. Let me know!

- Chop Hardenbergh

Next issue: 17 April.

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 (see ST), **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

NY-HALIFAX FEEDER SERVICE

28 March, Portland. *EIMSKIP WILL BEGIN A COMMON-CARRIER CONTAINER SERVICE CALLING NEW YORK, BOSTON, PORTLAND, AND HALIFAX*. Tom Valleau, former Portland transportation director and now executive director of the North Atlantic Ports Association, said in his recollection, Portland had never had common-carrier service of containers.

The ship and the rotation

Eimskip will use the 712-TEU M/V *Westerkade*; its predecessor the *K-Wind*, formerly the *Ossian* (once chartered by Eimskip) had a 505-TEU capacity [see 04#11A].

Eimskip is planning a weekly route, traveling from Halifax to Boston (depart Monday), then New York (depart Tuesday), then Portland (depart Wednesday) and back to Halifax (depart Sunday) per Sylvester (Sly) Young III, a company vice president. First Portland call: 11 April. The ship will ‘feed’ containers to and from ocean services in Halifax and New York.

However, Andrew Haines, executive vice-president of Eimskip USA, warned later that the schedule and rotation is not yet set; a press release in April will make it more definite.

The Jones Act

The US statutes called the Jones Act bar the *Westerkade* from moving cargo between US ports (cabotage), for example between Boston and New York.

Title 26, Appendix, § 883. Transportation of merchandise between points in United States in other than domestic built or rebuilt and documented vessels.

No merchandise, including merchandise owned by the United States Government, a State (as defined in section 2101 of the 1 title 46), or a subdivision of a State, shall be transported by water, or by land and water, on penalty of forfeiture of the merchandise..., between points in the United States, including Districts, Territories, and possessions thereof embraced within the coastwise laws, either directly or via a foreign port, or for any part of the transportation, in any other vessel than a vessel built in and documented under the laws of the United States and owned by persons who are citizens of the United States.... (emphasis added) {gpo website}

Thus, even if cargo moves Portland-Halifax-New York, it does not avoid the Jones Act’s anti-cabotage provisions. Sly Young agreed later that shippers in Portland could not load boxes there to reach New York: “That would be a violation.” He explained that an ocean carrier, which he declined to name, which called Halifax but not New York was the impetus for the New York call. “They will keep their Canadian presence,” and Eimskip will deliver containers to New York for local delivery. {ANR&P discussion 2.Apr.07}

Terminal usage

Portland. *Westerkade* will use the city’s only container facility, the International Marine Terminal (IMT). At this point, only Hapag-Lloyd and the passenger service Bay Ferries have licenses to operate at IMT.

Hapag-Lloyd has moved containers for 15 years and has paid the terminal’s costs, as well as paying stevedore Ports America [formerly P&O Ports, formerly International Terminals Operator—see 00#13]. Officials were not certain to what extent, if any, Hapag-Lloyd will be working with the operators of the feeder service. “It’s so early in the game,” Monroe said. “All this has to shake out.” Officials at Hapag-Lloyd declined comment.

Boston. Massport Maritime director Mike Leone said on 30 March that he is “very pleased to start the service again from Halifax.” Not only will Eimskip act as a feeder vessel for the Grand Alliance, but it will also be “bringing its own freight in reefers.” Eimskip is considering its own facility in the harbor.

The Monday call works smoothly, as the Conley container terminal has two major calls, Mediterranean Shipping and Cosco later in the week. The New York barge also calls on Monday.

Halifax. Russell Herder, Eimskip agent in Halifax, said the *Westerkade* will call both container terminals there.

Barge service

On 24 July 2006, the *K-Wind* was seized in Halifax because of a financial dispute [see 06#07B], marking the end of the previous Halifax-Portland-Boston feeder service. Stakeholders arranged for the Columbia Coastal Group to service Portland with a barge, just as it was providing barge service between New York and Boston [see 06#10A].

The barge is scheduled to call Portland every two weeks, but it doesn't operate in bad weather, and in recent months the service has been irregular.

Joe Villa, vice president of operations with Columbia, said he first learned about Eimskip's new service 27 March; Columbia Coastal has no plans to stop the barge service. “We are trying to understand what it all means.” {Tom Bell in Portland *Press Herald* 28.Mar.07}

NORTHERN NE MEETINGS

4 April, Augusta. ***RAIL BUREAUCRATS FROM THE THREE NORTHERN STATES HAVE MET ONCE***, 6 February in Concord, and will meet again in May, said Nate Moulton, rail manager for MDOT.

Moulton credited the “track guys” from New Hampshire (John Robinson), Vermont (Jennifer Royer), and Maine (George Jackman) for getting the effort underway, as they had talked among themselves about exchanging information.

The meeting will revolve around particular topics, such as maintenance, crossing funds, audits, contracts, and so forth. Depending on the topic, different officials from different subject areas will attend.

For example, Moulton offered to Vermont the evaluation done a few years ago by Maine of the RDCs (remanufactured Budd cars) which Farmrail was offering to operate the *Vermont*. {ANR&P discussion }

PW: RESTATEMENT

27 March, Worcester. ***PW ISSUED ITS RESULTS FOR 2006 AND THE RESTATEMENTS FOR 2005 AND 2004*** [see 07#02B]. The restatement reflected ‘the recording of a liability for accrued compensated time off and payroll taxes for certain of its union employees reduced by the related deferred income tax benefit. The effect of this restatement was to reduce net income for 2005 and 2004 by \$45,000 (\$0.01 per share) and \$33,000 (\$0.01 per share), respectively.’

‘Net income for 2006 was \$1.0 million compared to \$1.2 million (as restated) in 2005....Operating revenues in 2006 were \$28.4 million, an increase of \$1.7 million (6.4%) from \$26.7 million in 2005. These higher revenues are attributable to increases in the average revenue received per conventional carloading and intermodal container as well as smaller increases in traffic volume.’ {PW press release}

[More details about 2006 in a future issue.]

CONNECTICUT

NECR/PW: THE WILLI

7 March, New London. ***THE TWO RAILROADS WILL INTERCHANGE IN WILLIMANTIC*** for only a few weeks, wrote NECR General Manager Charles Hunter. ‘NECR must take the Winthrop Cove trestle at the south end of the New London yard out of service for some work. The interchange was switched to Willimantic for this period.’ {e-mail to ANR&P from NECR General Manager Charles Hunter 8.Mar.07}

Thus the much-anticipated new Willi lane, which saw its first revenue traffic on 5 March [see 07#02B], will soon lie quiet again, until the traffic which cannot fit through the Taft tunnel (autoracks and containers) becomes a reality. {Editor}

MAINE

MAINE LEGISLATURE

March. ***AN UPDATE ON BILLS.***

Crossing lights

LD 626, which would require lights at all grade crossings, was voted ‘Ought not to Pass’ by the Joint Transportation Committee on 23 March.

Mountain Division

LD 328, requiring NNEPRA and MDOT to do an engineering study of the Mountain Division, was passed unanimously by the same committee. {Legislature website} [See below for funding.]

MAINE LEGISLATURE

2 April, Augusta. ***THE APPROPRIATIONS COMMITTEE PASSED OUT A BOND FOR RAILS AND PORTS***, among other items. Of the \$136 million approved for transportation, highway and bridge totalled \$110 million, while the non-highway portion came in at \$26 million.

The \$26 million will go out in two tranches for a citizen vote: \$1.3 million in June 2007, and \$1.3 million in June 2008. {press release from Maine Better Transportation Association}

Passenger/Freight Rail	Final	Governor’s bill [below]
Downeaster investments	\$6.75M	\$6.75M
Rockland Branch Station	.50M	.75M
Industrial Rail Access	1.60M	1.60M
Mountain Division Rebuild	1.25M	2.50M [see below]
State Rail Capital Improvs	1.42M	1.67M
Montreal Maine & Atlantic	1.00M	1.75M [see below]
<u>Freight Rail Interchange P.</u>	<u>1.00M</u>	<u>1.80M</u>
Total	\$13.52M	\$16.82M

MDOT comments

Rob Elder, head of the Office of Freight Transportation, pronounced himself “extremely pleased we got what we got.” In 2006 the Legislature was unable to pass a bond.

The Brunswick interchange

Nate Moulton, MDOT rail manager, said that because of the reduction in the amount for the bond, his plan to upgrade the Brunswick interchange could not happen within the FRIP. However, he might find some money in the line for Capital Improvements. Per MERR General Manager Jonathan Shute, the interchange track in Brunswick needs work. {ANR&P discussions 4.Apr.07 with Moulton and 27.Mar.07 with Shute}

BALDACCI BOND PROPOSAL

In late March, Governor John Baldacci introduced his proposed bond bill, LD 1796. MDOT said this about the rail and port items in the bill, subsequently revamped by the Appropriations Committee [see above] (amounts passed by the Committee in parentheses):

Freight Rail Interchange P. \$1.8M million (\$1.0M)

Per MDOT's narrative about the bond bill: 'The interchanges between the State's railroads are key areas for improvements to the flow of goods into and out of Maine. MaineDOT's current priority would be to assist in the rehab of Danville Jct. (Auburn) interchange to accommodate a proposed dedicated rail service to Montreal and points west.

'This investment will also benefit traffic flow when future passenger rail service is continued. With this project safety and efficiency would be improved at Danville and at least two days of shipping time would be cut from rail shipments to the Midwest and west coast. Funding would be matched by the Pan Am Rail [ST] and the Saint Lawrence & Atlantic [SLR] for the project.

'Other funds will be used for improvements in Brunswick where the Maine Eastern interchanges with Pan Am to improve the track conditions as traffic grows and the Lewiston Lower Rail Line service comes online.'

State-Owned Track Improvements, \$1.67M (\$1.42M)

'Only 30% of the ties were replaced on the Rockland Branch in the Rehab project in 2001 which left a marginal tie condition. The Branch is in need of at least 200 ties/ mile at this point to keep it at the Federal Rail Administration (FRA) Class 3 standard. An ongoing tie program should be in place on the branch to maintain that FRA standard. Wingwall repair is also needed on the Montsweag Arch in Woolwich within the next two years to keep the bridge stable; this has been estimated at \$500,000+.

'This work was part of the original work program for the rehabilitation but had to be cut from the project. This funding would also allow for Phase II on the Lewiston Lower line upgrading it from Knight-Celotex to the Lisbon industrial park to serve additional customers.'

MMA Commitment, \$1.75 million (\$1.0 million)

'This will help to fulfill the commitment made to the Montreal, Maine and Atlantic RR [MMA] by the State to fund capital improvements to the old B&A system when they purchased it out of bankruptcy in 2002. This system is critical to our natural-resource-based industries serving Maine communities from Madawaska, to Millinocket, to Searsport. Funding to date has helped bring much of the system to modern standards and bring the mainline track to all FRA class II for the first time in more than 20 years. This is helping shippers that use the system by cutting transit times, improving safety, and extending the reach of the Port of Searsport to the West Coast.'

Mt. Division Study/Purchase/Engineering, \$2.5M (\$1.25M)

'The State currently owns the Mountain Division rail line from Gorham to Fryeburg (39 miles) and should be looking to introduce service along this potentially profitable corridor. One current gravel company alone generates 25,000 truck trips per year which have tremendous impacts on roads. There is a great deal of regional interest in

reestablishing freight service as well as future commuter rail and passenger excursion service in this highly congested corridor. This funding would allow for an economic evaluation of the corridor as well as some preliminary engineering on the line. The remaining funds would be used to purchase right-of-way from Pan Am Railways back to Westbrook and potentially all the way to Portland at the Portland Transportation Center as well as a freight connection to the national system.’

Searsport - US Army Corps Study \$280,000 (same)

‘This provides State match for the Army Corps Channel Deepening Reconnaissance Study for the Federal Channel in Searsport. This will make sure the port can handle larger ships in the future. Funds are federally matched at a 50% level.’

Portland International Marine Terminal \$500,000 (same)

‘These funds provide basic engineering and stabilization for the granite block seawall at this important piece of marine infrastructure for the Port of Portland. This is only the first step in rehabilitation of this public marine terminal.’ {MDOT narrative about bond issue}

SLR/ST: DANVILLE JUNCTION

4 April, Augusta. *EXPLANATION OF THE PROGRAM FOR DANVILLE JUNCTION* in the bond bill [see above–note that the MDOT narrative states that ST and SLR will match the state expenditure] was provided by three officials. Ray Goss, SLR general manager, outlined the problems and the solution during the public hearing on the transportation bond the previous week.

Problems. ST and SLR currently interchange 14,000 to 15,000 carloads a year, above capacity for the current trackage. Switching blocks two local roads for about 2.5 hours each day, and up to 25 times a day. The congestion causes increased noise and air pollution from locomotives and idling autos [turn the autos off while waiting, please, *motorists–editor*], and increased rail transit time.

Solution. Eliminate the existing diamond and create a shared mainline using the existing SLR main line. The project will construct 3,000 feet of shared main line, 1600 feet of ladder track, 2100 feet of overflow track, and 800 feet of lead track, plus rehab three yard tracks and eight switches, as well as improve crossing signals.

The two railroads will redo their interchange agreement so that either can use all tracks in the Junction.

Benefits. The project will reduce public wait time to 1 hour 25 minutes total each day, reduce the noise and air pollution, and reduce transit times for trail traffic. {text of talking points}

How the benefits will accrue. Nate Moulton, rail manager at MDOT, said the new junction will permit run-through trains, especially on SLR, at 30 miles per hour. Now, SLR must wait ten minutes at the diamond, after notice to the dispatcher. The run-through will help passenger traffic—once it comes—immensely.

The junction will also have enough space that either ST or SLR can set out blocks of cars. Currently, southbound ST traffic is taken to Rigby, made into a block for SLR, and sent back to the Junction in small blocks of 20, because of space limitations. In the future, ST can make up blocks for SLR and spot them at the Junction.

Rob Elder, head of the Office of Freight Transportation, was enthusiastic about it, because it will make a “significant improvement” in east-west traffic, and it reflects a high degree of cooperation between the two railroads. ST and SLR are working together on a “regular train to serve the pulp and paper industry.”

Cost. The governor had asked for \$1.8 million for the FRIP, but the Legislature cut it to an even \$1 million. Elder said that the department is working on “bringing in other resources.” {ANR&P discussions}

ST/SLR/MDOT: TRACK SALES

4 April, Augusta. *THE DEPARTMENT IS STILL WORKING ON TWO TRACK SALES*, said Moulton. The price for each is set by appraisal, not by bargaining.

SLR: East Deering

MDOT would buy the track between Auburn and East Deering. “We’re just about there,” Moulton believed.

ST: Mountain Division

The bond issue cut the amount available from \$2.5 million to \$1.25 million. The funds were to pay for an engineering study as well as purchase of ST trackage. Per Moulton, the purchase could go ahead, but the \$1.25 million will not come before the voters until June of 2008. {ANR&P discussion}

LEGISLATURE: DOWNEASTER

4 April, Augusta. *FUNDS TO BRING AMTRAK TO BRUNSWICK* were not included in the governor’s bill [see above], nor in the bond package reported out by the Appropriations Committee. State Senator Beth Edmonds, who had introduced LD 1692 for getting the Downeaster to Brunswick [see 07#03A], said in terms of getting money for the new route: ‘I am looking at all the options.’ {e-mail to ANR&P}

MMA: GAS PLANT CUSTOMER?

30 March, Limestone. *THE TOWN APPROVED A 15-YEAR TAX INCREMENT FINANCING PROVISION* for the Loring Bioenergy Project, first announced in 2005 [see 05#11B]. In this iteration, Hayes Gahagan, the spokesperson for the project, said as before that the plant would receive natural gas via the existing pipeline between Searsport and Limestone’s Loring Commerce Centre, and would generate steam and produce electricity for the businesses in the Centre. The existing former fuel pipeline crosses the Maritimes and Northeast gas pipeline in Winterport, and would accept gas at that point.

Rail

Carl Flora, the executive director of the Centre, said on 2 April that Gahagan’s project could also burn biodiesel, and could use rail to bring in that product. If the rail were renovated to Loring, then other smaller businesses, such as a food ingredient manufacturer and the Maine Military Authority, could also use it. The latter refurbishes military vehicles which could arrive by rail, though Flora said in the past that some had been vandalized while enroute on railcars. {ANR&P discussion}

ST: EMBARGO CANCELLED

13 March, Portland. *THE CONGESTION AT FORE RIVER DISTRIBUTION* cleared up: the company cancelled the embargo of rail traffic for the facility [our *Directory* #5—see 07#02B]. {AAR embargoes website}

Mike Cella, who runs the company, wrote: ‘We’re working with Verso to control the number of inbound railcars as the outbounds open up space in the warehouse.’ {e-mail to ANR&P 23.Mar.07}

THE MAINE ADVANTAGE

23 March, Portland. *MAINE OFFERS “WELL-DEVELOPED RAIL, AND PORTS AMONG THE STRONGEST ON THE EAST COAST,”* said Jonathan L. Sangster, senior managing director of CB Richard Ellis

Consulting, which advises companies on relocations. He was expanding on remarks he made on 21 March to a Portland forum on the tax situation in Maine sponsored by Portland law firm Bernstein Shur, and chaired by former Maine Governor Angus King .

At the forum, he said taxes are only one of the challenges that Maine faces. The top concern of most companies is the work force in the area. Maine's work force rates high in quality but low in quantity, making it unlikely the state could land a major manufacturing facility. Also, Maine's overall costs are higher than the national average, but he said the state's higher-education resources, its access to ports and railroads, and the upcoming availability of the Brunswick Naval Air Station to business development are all assets. Still, Maine's best bet might be to nurture the businesses that are already here. “Home-grown and built from within is a wonderful way to grow your economy.”

Speaking two days later, he noted that a combination of rails and ports “strategically position you,” though opportunities have not worked within state to locate anyone. He has visited the state three times in the last eight months, and said he is “more excited about opportunities I see.” He cautioned, though, that the state should not “pretend to be something you’re not, focus on your strengths and assets.” {ANR&P discussion 22.Mar.07; *Portland Press Herald* 22.Mar.07}

MASSACHUSETTS

EOT/BCLR: SEMASS FIRE

31 March, Rochester MA. *A MAJOR FIRE AT THE TRASH-HANDLING SITE MAY CLOSE IT FOR SIX MONTHS*, per news reports. It was started when a propane tank went through the shredder. {Boston-area television} Bernie Reagan, BCLR’s senior vice-president for marketing, on 2 April was working on a way to move the trash “to somewhere else by rail” rather than have to use trucks. “We are a railroad, not a trucking company.”

Effect on railroad

As stated in EOT’s Request for Proposals for an operator on the lines in southeast Massachusetts, BCLR in CY2006 had 3,627 carloads on the Cape line [see 07#03A], most of those hauling trash between Cape stations and Rochester for SEMASS, the private incinerator/power generator [our *Directory* #299].

Per Ed Coletta, spokesperson for the Department of Environmental Protection, the Rochester trash may be hauled to: Haverhill, where Covanta Energy Corporation, the owner of the Rochester facility, owns another incinerator; the landfill shared by Carver, Marion and Wareham; or the Bourne landfill.

Stephen Diaz, vice president and regional business manager of Covanta, said on 2 April the company will continue to handle trash at one of its other facilities in Massachusetts and Connecticut. “The heart and the soul of the plant is still intact,” Rochester Fire Chief Scott Ashworth said. “They’re hoping to be up and running within a month at 50 to 60% capacity.”

Effect on selection schedule

EOT, per its schedule [see 07#03A], was make the selection of the operator 2-6 April. However, Reagan said the BCLR interview will occur on 3 April (unless the fire affects the selection process), so the schedule has changed. {ANR&P discussion; Maria Papadopolous in Brockton *Enterprise* 2.Apr.07; Alicia Elwell in Brockton *Patriot Ledger* 3.Apr.07}

However, EOT spokesperson Erik Abell said on 3 April: ‘Yes, we are still on schedule. We're looking into what, if any, effect the fire will have on operations. An operator has not been selected yet.’ {e-mail to ANR&P}

ST: CEMENT PLANT USING RAIL

March. **ST.LAWRENCE CEMENT IS ONCE AGAIN GETTING RAIL SERVICE** at its Everett facility on Boston Harbor. [Everett formerly received by rail through at least 2001, and then stopped. In 2003, it was receiving by barge from the Catskill plant. See 03#02B.]

On 4 April, a company official said Everett was using rail to supplement the normal vessel service. [More in a future issue.] {ANR&P discussion}

Amount of traffic

Traffic may be substantial. One observer spotted six inbound and six outbound on 23 March.

In March, ST moved the starting spot for the Boston switcher from Ayer to Boston, according to an official connected to ST. {e-mails to ANR&P 29.Mar.07}

ST: NET PRE-EMPTION?

29 March, DC. **THE STB WILL HOLD ORAL ARGUMENT ON WHETHER A PROPOSED TRANSLOAD FACILITY CONSTITUTES TRANSPORTATION.** New England Transrail filed with the STB to operate a railroad, the Wilmington Woburn Terminal Railroad. ‘NET proposes to receive by truck at the site, and provide rail transportation for, a variety of commodities, including sand and gravel, plastic resins, liquids, municipal solid waste (MSW) and construction and demolition debris (C&D). NET explains that it would sort, grind, crush, aggregate, segregate, and/or bale all of the C&D and some of the MSW it receives before loading the materials onto rail cars or containers for rail shipment.

‘NET asserts that all of its proposed activities and operations at the site would either constitute rail transportation, or would be integrally related to such transportation, and would therefore be subject to the Board’s jurisdiction. A number of parties disagree, maintaining that NET’s proposed activities involving C&D and MSW would not be part of rail transportation. [See 06#07B.]

The oral argument issues

‘The Board will conduct an oral argument to further explore some of the issues raised by NET and the other interested parties. NET is directed to participate and other parties of record are encouraged to participate. Participants are asked to be prepared to respond to questions from the Board based on the record in this case, and, in addition, to discuss the following issues:

* Is it premature to issue a preliminary decision given the pending appeal in the United States Court of Appeals for the Third Circuit in the *New York, Susquehanna and Western* case¹ and the ongoing Environmental Protection Agency remedial investigation and feasibility study under the Superfund laws on the property on which NET proposes to operate the business at issue in this matter?

* What federal statutes and regulations are applicable to facilities where C&D and MSW are handled and to what extent is their administration delegated to the states?

* Could the Board address the state environmental concerns associated with NET’s proposal by conditioning any

¹ *New York, Susquehanna and Western Railway Corp. v. Jackson, New Jersey Meadowlands Commission et al.*, No. 05-4010, 2007 WL 576431 (D.N.J. Feb. 21, 2007), appeal docketed, No. 07-1675 (3d Cir. Mar. 16, 2007). Here [see 07#03A *Regional*], the district court found that NYSW’s activities constituted transportation and that federal pre-emption forbade New Jersey from regulating the transload activities along its line.

Board authorization of NET's proposal on NET permitting state officials to periodically inspect the facility? If so, could the Board provide for the suspension or revocation of NET's authorization on the recommendation of state officials based on an unsatisfactory inspection, provided that NET has some due process recourse to the Board?

* If the C&D and MSW activities proposed by NET are determined not to be part of rail transportation, what impact would such a decision have on this proposal and on the transloading of other commodities by railroads?

* In determining whether a facility is a rail transloading facility, must the activities that take place there be solely transportation activities?

* In determining whether NET's proposed activities would be part of rail transportation, would it be enough that an activity facilitates transportation, or must that activity be essential to the transportation?

* May a determination be based on the type of commodity involved? To what extent, if any, does it matter that the proposed facility would handle multiple commodities?

* Should C&D and MSW be considered differently from all other commodities and, if so, on what basis?

* What is the source of the materials other than C&D and MSW that NET proposes to transport? Where are those shipments destined? Would those commodities be segregated from C&D and MSW? How would they be segregated, loaded and unloaded?

* Would NET's proposed activities at the transload facility with respect to C&D and MSW add value to the materials, facilitate the disposal of the materials in a landfill or otherwise, or serve any purpose other than facilitating rail transport? If so, should that have an impact on our determination here?

* To what extent would NET's proposed handling of C&D and MSW be directed towards ensuring that the material would meet the requirements of the landfill, or other receiver, to which it would be transported?

* Does NET anticipate earning revenue as a result of any recycling activities, e.g., NET's proposed activities of inspection, sorting and reclaiming of reusable materials from the C&D and MSW at this facility?

* What is the background of each of the principals of NET? What is the extent of their prior and current involvement in (a) the railroad industry; (b) the trucking industry; (c) the MSW and C&D industries; and (d) environmental compliance issues? How was the NET project conceived?

Date; participation; audio streaming

On 19 April, oral argument will occur at the Board's headquarters and will continue until every person scheduled to speak has been heard. Any party of record wishing to speak at the oral argument should file with the Board a written notice of intent to participate by 6 April. Live audio streaming will occur on the Board's website: click on the "Live Audio" link under "Information Center" at the left side of the home page. {STB Finance Docket No. 34797}

Editor's note

One must applaud the STB for showing the public that it has heard arguments from all sides in this matter central

to the question of how to create rail transload facilities when NIMBYs do not want them.

I am sure the introduction of the US Senate bill to remove jurisdiction over waste facilities from the STB prompted this action [see 07#03A].

Unfortunately, the STB will not address the question of whether a railroad created solely to serve a transload, and therefore qualify the facility for pre-emption, constitutes a ‘railroad’. NYSW, in the New Jersey case [see footnote], agreed with the state Department of Environmental Protection that only entities which are ‘legitimate, bona fide rail carriers’ should qualify for the exemption. {*Editor*}

Earlier NET filing

In a filing on 23 March, NET asked the STB to update the record on which commodities will be transloaded. One of the principals, Robert Jones, provided a verified statement which listed, in addition to the commodities already mentioned (rock salt, aggregates, wood chips, coal fly ash, natural gas liquids), conversations about corn syrup, biofuels, lumber, construction stone, sheet metal, and cosmetics products. The names of the shippers were provided, but kept confidential.

NET also noted that the Board was required to decide within nine months of its filing for a notice of exemption, and that 15 months has passed, but the proceeding ‘has been delayed by the tactics of the National Solid Waste’s Management Association.’ {STB website, filings page, Finance Docket No. 34797}

BCLR: GALLO TRANSLOAD

23 March, Sagamore. ***GALLO IS CONSIDERING A SALT TERMINAL IN WORCESTER***, said Louis Gallo, owner of the transload facility in Sagamore [our *Directory* #305] and Taunton [#283].

Sagamore

Here Gallo handles outbound fly ash from the Mirant Canal Electric plant [#305-1, see 03#03A]. He also transloads other commodities: on this day he was unloading 18" gas pipe from a number of TTX flatcars. In February he unloaded two cars of Ice Ban, an ice melt mixture originating in New York [see box]. Next year, he hopes to do 10 carloads of Ice Ban.

Taunton

Here Gallo handles inbound salt for American Rock Salt [#283-2], about 100,000 tons last year, and cullet for Waste Management [#283-1]. He is now bringing in fertilizer for the cranberry growers at the rate of one car a month, unloading it via bottom hoppers and the same conveyor he uses for salt.

The possible salt

Jointly with PW, Gallo is looking for a site to transload salt in Worcester. Salt from the Taunton facility already moves to a municipal co-op centered in Oxford, Massachusetts [home of the *Oxford Junction Press*, publisher of useful freight railroad timetables–*editor*].

At this point, Gallo said, his rail-served supply moves only about 1/10th of the salt supply in his area; most receivers in the area get salt from marine terminals in Providence and Boston [see table of highway salt awards in 06#10A]. {*ANR&P* discussion 23.Mar.07}

MORE ON ICE BAN

Jeff Johnson owns Millenium Roads in Lyndonville, New York. In 1994, he patented the makeup of Ice Ban, composed of CaCl and an organic by-product from Anheuser-Busch. In 1997, he sold the company, which subsequently ran into financial problems. Eventually, through settlement, he acquired the right to use the name and patent. Since 2001, Johnson has made Ice Ban on his 800-acre farm, bringing in by rail (transloaded in Medina NY) CaCl, and the by-product via truck. He recently leased four more cars to add to the two leased cars used to transport Ice Ban to Sagamore.

Millenium transloads the product in Medina, on the Falls Road Railroad [a Genesee

CSXT: NEW BIODIESEL REFINERY

26 March, Greenfield. **A BIODIESEL REFINERY HERE PLANS TO USE THE CSXT ALLSTON TRANSFLO TERMINAL**, said Larry Union, president of Northeast Biofuel, the company building the facility [but see article below]. Located on Silvio Conte Drive on a 26-acre site in the Greenfield Industrial Park, the \$5.8 million facility will break ground in May and be ready within five or six months. Some of the product is going to Co-op Power, the majority owner, which will wholesale the biodiesel to local distributors.

The plant will receive by truck from Allston carloads of yellow grease, a product from rendering plants, and previously used oils, and turn it into biodiesel. Eventually, the plant will produce 10 million gallons per year.

Why Allston?

Union said that the owners wanted to locate in the Greenfield area, and could find no suitable site on ST, which has the only rail lines in the area. To transload the raw material requires heat in winter. Union had hoped to use the Transflo in Westfield on PVRT, but that closed in 2006 [see 06#06B], and CSXT moved the heating equipment to North Haven. Could Northeast Biodiesel and Yankee Candle share the latter's new facility in Holyoke, your editor asked? [See 06#12B and below.]

Allston [our *Directory* #228] is preferred over the Transflo site in North Haven, Connecticut [#644] because Massachusetts rules permit heavier trucks than do Connecticut's.

Future rail use

Union would much prefer to have his own siding with direct rail; the refinery will have its own boiler to supply its own heat to melt the raw material. But Union realizes that at 50 or even 100 carloads a year that is hard to justify on direct cost. He anticipates that if the company builds another facility, it would do so on rail. {ANR&P discussion 26.Mar.07; Nancy Gonter in *Springfield Republican* 24.Mar.07}

PVRT: YANKEE CANDLE, BIODIESEL

29 March, Westfield. **PVRT COULD SERVE NORTHEAST BIOFUEL**, said Mike Rennie, general manager, who has talked to Union, at the new Yankee Candle facility in Holyoke.

More on the Yankee Candle facility

It opened in January. The company is delighted with the temperature and quality of the steam piped under the city streets, as it enables the worker to get virtually all of the wax out of the railcar.

Rennie said that because Superior Carriers (the trucking company) and Yankee had invested so much money [see 06#12B] in the facility, Yankee has the exclusive right to use it for three years. Had it become a public facility, Yankee feared that other candle-makers in the area would also use it.

However, Yankee is open to other, non-competing uses such as biodiesel. In addition, Rennie is talking about asphalt and wax for a waxed paper manufacturer. And the steam is much better than that produced by CSX Transflo's equipment when it was located in Westfield. {ANR&P discussion}

NEW HAMPSHIRE

NHN: PLANT CLOSING

27 March, Farmington NH. **FORMER RAIL CUSTOMER COLLINS AND AIKMAN WILL CLOSE ITS PLANT HERE**. The company formerly used the railroad's Rochester terminal to transload plastic pellets [our *Directory* 48-

1, see 03#01B], but that ceased several years ago, per Gary Hogg, NHN general manager.

Now, Collins and Aikman is bankrupt; the reorganization plan calls for the closing of the plant this summer. It produced liners for automobile trunks. {e-mail to ANR&P 28.Mar.07}

Former company president David Stockman (who served President Reagan as budget director until he called attention to budget smoke and mirrors) was indicated this day on bank fraud charges. {NYT}

RHODE ISLAND

PW: ETHANOL DELAYED

27 March, South Providence. ***THE ETHANOL TERMINAL IS NOT YET READY*** to receive the unit trains from Iowa, said Frank Rogers, PW vice-president marketing and sales. {ANR&P interview at New England Railroad Club Expo}

The reason, provided by other PW officials close to the project, is that a water main requires inspections by a city official, and further inspections after concrete is poured. Then Railroad Construction, the contractor building the unloading terminal [see 06#11B], can lay the track to the terminal. {ANR&P special correspondent Ron Chouinard} [See photo for locations.]



South Providence. (A) Track and spur for Coastal Recycling, not now using rail [see 06#03B]. (B) New three-track South Providence Yard, built by Northern Rail Service and PW [see 06#11B]. (C) Out of service track running across Allens Avenue to the former Providence Gas now New England Gas [see 04#04A]. (D) Ethanol unloading facility with 20 car spots. (E) PW track leading to ProvPort. (W) Site of water main. {photograph and captions courtesy Ron Chouinard}

PW: PTO UPDATE

16 March, Pawtucket. **WILL PAWTUCKET TRANSFER ASK BOSTON RAILWAY TERMINAL TO LEAVE?** This week, the Rhode Island Supreme Court granted the City of Pawtucket an appeal from the Superior Court ruling which let stand a certificate of zoning compliance granted to Pawtucket Transfer Operation (PTO), which was proposing a construction and demolition debris transfer facility for PW's Pawtucket yard.

New site for Boston Railway Terminal

Michael D. Cassidy, director of the Pawtucket Department of Planning and Redevelopment, revoked the zoning certificate but the Superior Court said the zoning allowed a C&D facility. Cassidy said Boston Railway Terminal [our *Directory* #482], which is subleasing the Pawtucket yard from PTO, has asked the city for assistance finding another spot along the rail tracks where the steel destined for area construction projects could be unloaded.

So far, Cassidy said, the need has not arisen: PTO has not moved forward with its plans, despite an affirmation to do so [see 06#09B]. {John Castellucci in *Providence Journal* 21.Mar.07}

PW: SHORT ABANDONMENT

26 March, DC. **THE STB PROVIDED NOTICE OF THE ABANDONMENT OF THE NORTHERN PART OF THE SLATE** this day. As filed by PW earlier [see 07#03A], it consists of 1.1 miles running north out of Woonsocket. {STB Docket No. AB_254 Sub No. 9X}

VERMONT

TSRD: VRS TO TAKE OVER?

21 March, Montpelier. **THE VERMONT HOUSE TRANSPORTATION COMMITTEE APPROVED VRS PURCHASE OF THE TSRD LINE**, in a general bill, H.527, funding the state's transportation program. The full House will take up the bill next.

VRS to buy line for state

Under the bill, VRS would negotiate with ST (legally with the Maine Central Railroad, which owns the underlying track) to purchase the line. VRS would pay for the rehab of the line, as well. At the end of 10 years, VRS would deed the line to Vermont, retaining a freight easement.

To pay VRS for its outlays, the bill would permit the railroad to retain up to \$300,000 per year out of the rents it pays to Vermont for use of other state-owned rail lines.

TSRD position

The railroad, per its attorney Leonard Singer, has had discussions on the bill. While it contemplated filing an adverse possession case with the STB in July 2006, it has not done so. {ANR&P discussion 22.Mar.07}

Text of bill

I have reproduced the text of section 39 of the bill 'An Act Relating to The State's Transportation Program' because all of the language is relevant.

Sec. 39. Lunenburg (Gilman)—St. Johnsbury Railroad Line

(a) The general assembly finds that it is in the public interest for the state of Vermont to support reactivation of the railroad line between Lunenburg (Gilman) and St. Johnsbury. Reactivation of this railroad line will allow restoration of rail freight

service to the paper mill in Gilman, which is an important source of employment in the Northeast Kingdom. Reactivation of this line also will strengthen Vermont's rail freight system by funneling additional freight traffic to connecting lines in St. Johnsbury.

(b) With the approval of the secretary of administration, the secretary of transportation, as agent for the state of Vermont, is authorized to negotiate the terms and conditions of agreements with the Washington County Railroad Company and affiliated companies in the Vermont Rail System (VRS) for reactivation of the railroad line between Lunenburg (Gilman) and St. Johnsbury, subject to the approval of the general assembly of any proposed agreements and subject further to the following conditions:

STATUS OF TSRD LINE IN VERMONT AND NH

'The State of New Hampshire previously purchased the six-mile New Hampshire portion of the line, up to a point near the village of Gilman [Vermont] in the Town of Lunenburg, where a paper mill [Dirigo Paper—see below] reopened in 2004, and is seeking to obtain operating rights from [TSRD] that would ultimately allow it [presumably a NH-based railroad such as NHCR—*editor*] to serve the Dirigo paper plant in Gilman. [NH DOT withheld a portion of the purchase price from ST, with the understanding that ST would receive that money when ST initiated an adverse discontinuance case against TSRD at the STB. See 04#03A.]

[VAOT] is cooperating with [VRS] to discuss ways to expedite restoration of rail freight service along the line between St. Johnsbury and Whitefield, New Hampshire.... To date, efforts to revive the line have stalled because of an impasse between the line's owners [ST and NH DOT], and [TSRD] regarding the meaning of language in a 1984 lease. Twin State interprets this language as giving it the right to salvage the rails and other track materials [in Vermont only] in the event of an abandonment, while [ST] contends that Twin State only has the right to salvage the rails and other track materials in the ordinary course of business (as, for example, when a siding is deemed surplus). [See 06#07A.]

[VAOT] is exploring the feasibility of breaking the impasse by exercising its rights under a 1984 settlement agreement in a rail merger case. These rights allow Vermont to designate a new operator of the St. Johnsbury-Whitefield line if Twin State ceases to operate the line (which it has not done since the late 1990s). Under this scenario, Vermont would designate [VRS] as the new operator [with the goal] to allow operation of the line to resume, even though the dispute between [ST] and [TSRD] might remain simmering in the background.

The current operator of the [line] has filed with the [STB] for abandonment of 20 of the 26 miles of track [St. J to Gilman] and has requested the removal of infrastructure once the discontinuance is issued. There has been no traffic on the line for more than three years. [VAOT] has notified the STB of Vermont's intention to enter into the discontinuance process....

(1) VRS will acquire the line, including both the real estate making up the right-of-way and necessary operating rights, from the Maine Central Railroad Company and other interested parties.

(2) VRS will fund the acquisition, as well as expenses necessary to restore the line to operating condition, with financing, as approved by the agency of transportation, which will be repaid over a term not to exceed 10 years.

(3) Up to a maximum amount of \$300,000 in any single state fiscal year, for a maximum of 10 years, VRS may take credits against rents otherwise due the state of Vermont under current railroad leases and operating agreements for amounts paid by VRS for debt service payments for acquisition and initial restoration of the Gilman—St. Johnsbury line.

(4) At the end of the 10-year period, VRS will convey the Gilman—St. Johnsbury line to the state of Vermont, free and clear of all encumbrances not approved under subdivision (5) of this subsection. The line shall then be added to the June 4, 2003 operating agreement between the state of Vermont and the Washington County Railroad Company for operation of the state-owned railroad line between Hartford (White River Junction) and Newport. To meet the requirements of federal law, VRS may retain a freight railroad operations easement under terms and conditions substantially similar to those applicable to the White River Junction-Newport line.

(5) During the 10-year period, VRS may not convey or encumber any of the real estate

along the Gilman—St. Johnsbury line without the prior written approval of the agency of transportation.

(6) To secure the full performance of its obligations under this section, VRS shall enter into a mortgage with the state of Vermont, which shall be recorded in the land records of Lunenburg, Concord, Kirby, and St. Johnsbury. This mortgage may be subordinate only to a first mortgage granted by VRS to secure financing for the purchase and initial restoration of the line. {Vermont General Assembly website}

VERMONT AND THE TWIN STATE

30 March. ***SOME QUESTIONS WILL GET ANSWERS WITHIN THE MONTH*** about the effort by VRS [including the bill in the General Assembly, see above] to purchase the line on which TSRD is now operating. [For current legal status of the line in both New Hampshire and Vermont, see box.]

Position of the stakeholders

VRS, per President David Wulfson, is supporting the idea. VAOT, per rail manager Dick Hosking, also supports the idea. The state is “supporting this deal because of the economic impact of the paper company [see bill above]. By not having rail service, that affects employment in the region.” The Vermont House, Hosking said, is “enthusiastic.”

As for ST, Hosking said he has a letter from President David Fink backing the idea, and the price.

Will the mill generate enough traffic? Possibly by rail, but at this point VRS and Dirigo Paper certainly cannot agree on moving traffic over the St.Johnsbury circus ramp [see below].

New Hampshire, which owns the rail line actually serving the mill, will “never agree” to letting Vermont serve the mill, Ed Jeffrey, NHCR president, said in a private interview at the North East Association of Rail Shippers Expo on 27 March. Despite that statement, both Wulfson and Hosking believed the situation would resolve itself. {ANR&P discussions 30.Mar.07}

Does the paper mill generate enough traffic?

Peter Hanson, president of the Dirigo Paper Company, described his inbound pulp as “coming from all over” and his outbound uncoated free sheet paper as “going all over,” so that “rail would be fantastic. We have a lot of opportunity outbound, a lot of opportunity inbound.” As for the actual business, Hanson characterized it as “alright.”

Rolly Collins, Hanson’s outbound traffic manager, said paper goes either over the road, or intermodal via the terminals in Massachusetts. Destinations vary between Australia and Jersey City. “I’m getting prices for California, Oklahoma, and Florida.” Collins said he had gotten quotes from VRS for using the circus ramp in St.Johnsbury [see 06#12A] but “prices were really high.” He is working with Roger Desrosiers, who is handling marketing for the WACR, hoping prices would improve.

Jerry Scott, inbound traffic manager, said for the most inbound traffic consists of pulp, but he also gets clay from the south, and chemicals. “We have a call for 2000 tons a month of softwood, and we struggle to meet that need.” Some pulp comes from the South by rail to the Wausau warehouse [Roehl Transport bought the fleet of Wausau Carriers, but Wausau retained the warehouse, our *Directory* #939] which Roehl is now trucking to Gilman. But “the rail is transparent to us,” Scott remarked. Other pulp arrives from overseas in Albany, Montreal, or Philadelphia.

As for rail inbound to the circus ramp, Scott said he had “heard a lot about it, but nobody ever talks seriously about it.” He has asked suppliers if they wanted to use the circus ramp, or a warehouse in South Paris, Maine, but “it always comes back to Groveton.” {ANR&P discussions 22.Mar.07}

QUEBEC/MARITIMES

CBNS: TRENTONWORKS GONE

4 April, Trenton. ***GREENBRIER WILL CLOSE THE TRENTONWORKS PLANT*** later this year. The Greenbrier Companies, based in Oregon, decided the 135-year-old operation had to shut down because of a lack of orders and

soaring costs associated with the stronger Canadian dollar and the plant's distance from suppliers and customers.

William Furman, Greenbrier's president and CEO, said a new plant in Mexico will replace the capacity lost with the closure.

“Our operations have been under evaluation for several months because of poor financial results due to a lack of orders for the plant but we had hoped it wouldn't come to this,” general manager Bob Hickey said in a statement. He said the parent had not decided whether to sell the facility, or simply shutter it.

It will stay open five or six months, to complete a car order [and presumably the order for oil field equipment]. {TrentonWorks press releases }

Order for oil field equipment

In January, Brad Murray, an executive with TrentonWorks, the largest steel fabrication facility in the Atlantic region, signed two new Alberta contracts. “It's basically a test to see that we can produce on time and on budget,” said Murray. “We're going to be doing components for a pressure vessel and for one of the drilling companies in Alberta.”

The products would move on water to Thunder Bay, and then by rail to Saskatchewan.

Asked why they would not move by rail the entire distance, Murray explained that the rail line had numerous height restrictions with overpasses on the rail line between here and Thunder Bay. From Thunder Bay on to Alberta the height clearance increases to allow major components if built at TrentonWorks to go by rail the rest of the journey to Alberta.

‘We can load and ship via barge here at TrentonWorks facility ... we are on a river which goes into the Northumberland Strait.’ {e-mail to ANR&P from spokesperson Sandy Stephenson 3.07; Jim MacDonald in Canada Press 26.Jan.07 }

Government assistance?

On 3 April, Nova Scotia Premier Rodney MacDonald wrote to Greenbrier to offer financial help, but it was too late. “One of the first things we'll be doing today is making contact with officials from the company. We have put forward an offer and I will be making that public at a future time.”

STRAIT OF CANSO: CONTAINERS

27 March. *INFORMATION ON THE PROPOSED CONTAINER TERMINAL* came from Bob Stevens, who first mentioned this last year [see 06#07A] to columnist Roger Taylor. Stevens, CEO of the Medford Terminal International Inc (MITI) which is proposing the facility, is also CEO of Trident Holdings Inc. of Halifax, the lead company in MITI. Stevens formerly did work for the Nova Scotia Department of Economic Development [see 01#11A]]. Paul Martin (not the former prime minister) of Bedford and Hugh Lynch of Sydney are president and chair respectively of both companies.

Stevens said the private consortium is pressing forward with the plan, although he's reluctant to discuss the project in detail. Nova Construction Ltd. of Antigonish, Corporate Strategic Consultants, headed by one-time Liberal economic development minister Richie Mann, and DMAC Risk Management are also part of the Melford terminals group.

Next steps

Taylor reported that Bob Stevens said his group has strict non-disclosure agreements with potential partners. “We still have a few more boxes to check with operators, developers and others,” Stevens said on 26 March. After everyone is on board, he expects the company will conduct more detailed interviews with potential customers to assess the market before making a final decision. “If those (interviews) come out to be positive, and we're confident

they will prove out, the real detail and design work will happen followed by the environmental work.”

Transshipment

MITI's \$300-million terminal would rely on mega-containerships plying the Suez Canal from the Far East. The boxes would be transloaded to smaller feeder vessels to serve other ports.

Logistics park and rail

Port development expert John Vickerman of Norfolk, Virginia-based TranSystems, who works as a consultant to the Melford group, has indicated his belief that the logistics park has the potential of creating many more jobs than the direct employment created at the container terminal. Stevens explained that a logistics park would allow companies to process cargo arriving from overseas and for distribution to other parts of the continent.

MITI has indicated it will include the cost of extending a branch line to the terminal and building a highway to provide fast and efficient access.

Need described in presentation to residents

Recently, Stevens and his partners met with Guysborough residents to discuss their plans and put to rest concerns the local population might have.

Vickerman's studies have shown North American container ports are expected to exceed capacity by 2013. The U.S. and Canada will need more than three times its current capacity by the year 2020 in order to cope with a dramatic increase in world cargo, which is coming in containers from the Far East, primarily China and India.

For that reason, Vickerman indicated in his presentation to Guysborough residents that the shipping industry is in need of finding a new and more efficient way of bringing cargo to North America. {Roger Taylor in *Halifax Herald* 27.Mar.07}

CANSO: WILL BOXES THRIVE?

Peter Vuillemot, who consults on transport issues in Atlantic Canada, accepted that indeed the group is serious. “Tim Gilfoxy at the Strait of Canso Superport Corporation says they are actively looking at using the Strait.”

However, he expressed skepticism about attracting business to the terminal. “There’s no Class I rail service to the Strait.” And even after CBNS built a spur into the terminal, the short line would require a significant upgrade to its line to move containers.

If Stevens is considering the majority of the traffic would come from transshipment of boxes to smaller vessels (feeder service), that would also run into problems. Because of barriers to cabotage in coastal shipping in Canada, the requirement of double-handling, and difficulty in interchanging containers and getting them back to origin, feeder service looks to be “30 to 40 years out,” Vuillemot concluded.

Since Halifax, an existing port with sound infrastructure, is “having its own hard time attracting” additional traffic, and has excess capacity right now, a new terminal in Canso “does not seem like a sound investment.” [The Halifax Port Authority believes it can expand from 500,000 TEUs to 2 million TEUs by using land contiguous to the two terminals—see 07#02B. That would handle the expansion Vickerman foresees by 2020. *Editor*]

Professor Mary Brooks, who holds the William A. Black Chair of Commerce at Dalhousie University, echoed Vuillemot. “I’m not seeing any interest from major carriers in setting up transshipment. But, if someone comes up with private money, more power to them. That’s the market at work.”

A transportation expert who asked not to be named added other wrinkles. Unlike Halifax, Canso does not use ILA (International Longshoremen’s Association) labor, and may therefore offer lower costs. However, as soon as the container terminal appeared, the stevedores would be unionized. “That’s strong union country” with the former steel plant and coal mines in the recent past. [See above—TrentonWorks.]

Second, he ruminated that something was happening behind the scenes to make the proposed terminal worthwhile for the investors, something like government support. The Taylor column listed “Richie Mann, the former minister of transport.” {ANR&P discussions 30.Mar.07}

HALIFAX: GRAIN ARRIVING BY RAIL

26 March. *A SECOND TRAINLOAD OF EXPORT GRAIN ARRIVED AT THE HALIFAX GRAIN ELEVATOR.* Jeff Brownlie, manager of finance and administration, explained that both this trainload and one which arrived in January were ordered, despite the extra cost of moving the grain by rail, because the receiver was unsure whether the sea lane from Thunder Bay on Lake Superior would remain open. The Elevator does occasional export of milling grain (it did one move in 2006), but the product normally arrives by ship.

For export, the Elevator loads at Pier 28; for import, vessels moor at Pier 25. Both piers are served by conveyors. While loading the vessel from a railcar would be more direct, moving the grain through the Elevator permits weighing of the product.

Feed grains

For the most part, the Elevator handles the feed grains of wheat and corn which arrive by vessel, and are trucked to locations in the Valley or Truro and Moncton [see 03#08B]. The Elevator faces competition from WHRC: per Brownlie, rail to the Valley costs \$1.50 to \$2 per ton more than shipping it to Halifax. But draying it from Halifax to the farms costs \$6 to \$7 per ton, versus draying it from a railhead for \$5 per ton. Total costs then are quite close: via Elevator can come to \$7/tonne plus transload charge; total cost for rail can come to \$7/tonne plus transload.

Pellets

Brownlie confirmed that the facility continues to ship out wood pellets for MacTara [see 03#10B] and receives by rail soymeal pellets. Four years ago CN brought in four carloads a week of soymeal pellets; that has dropped to one per month because of the falloff in livestock farms in Nova Scotia.

The future

The Elevator handled 461,000 tonnes last year, a decline from the past. Brownlie said that the livestock providers were not booming: a poultry rendering plant in the Valley had closed; a hog farm had a fire and was not rebuilding. The Elevator is hoping to keep its throughput about level in the coming years. {ANR&P discussion 26.Mar.07}

RAIL SHIPPERS

Our Directory of Rail Freight Facilities in New England has more information on the companies denoted with their directory number.

Aventine (PW, Rhode Island)
 Collins & Aikman (NHN, New Hampshire)
 Dirigo Paper (NHCR or VRS, Vermont)
 Fore River (Maine, ST)
 Gallo (BCLR, Massachusetts #s 283 & 305]
 Halifax Grain Elevator (CN, Nova Scotia)
 Loring Bioenergy (Maine, MMA)
 New England Transrail (ST, Massachusetts)
 Northeast Biofuel (PVRR or CSXT, Massachusetts)

Pawtucket Transfer (PW, Rhode Island)
 St.Lawrence Cement (ST, Massachusetts)
 SEMASS (BCLR, Massachusetts #299)
 TrentonWorks (CBNS, Nova Scotia)

EDITORIALS

OH FOR WISDOM!

Reports out of EOT say that the agency will hire a new manager of rail. Dennis Coffey, who worked for the B&M, left in 1998. None of his successors has had rail experience: Siobhan Norton (1999-2003), Maeve Valley Bartlett (2003-2006) was general counsel Executive Office of Environmental Affairs (2003-2006), Michael Gleba (2006) had some background in transit.

EOT should look outside the ranks of state government for its next manager of rail. With someone who actually worked for a railroad, EOT might be able to navigate the difficult situations with, for example, the operating agreement for Massachusetts Central. The Commonwealth in general, and EOT in particular, desperately needs an active pro-freight-rail policy. Hiring someone who has gained knowledge, and we would hope wisdom, of freight railroads would help.

DON'T SAVE HIGHWAYS

Massachusetts (and the Earth) needs a Draconian solution. The report of the Commonwealth's Transportation Finance Commission, out on 29 March, paints a grim picture. It warns that 'If neglected, the billions we have spent over the last century on highways and transit systems will literally crumble.'

I say, let half of it crumble. Shrink the highway system, thereby forcing traffic, both freight and passenger, onto other more efficient modes, in which the money saved should be invested. Need I mention which modes I prefer?

Rail obviously. Rick Armstrong, executive director of the Massachusetts Seaport Advisory Council, adds: 'Rail is only part of the picture. Let's have the ocean highways take their place in the mix - not containers but 53' trailers moving domestically on short-sea routes.'

If duplicated by the rest of the country, letting half the highway system go would constitute a major step toward ending global warming.

PEOPLE

Peter Valade, formerly head of sales and marketing for RailAmerica, will join **Canadian Pacific Railway** as manager, U.S. sales. Before RailAmerica, he held various sales positions at CPR. The announcement stated: 'Peter's appointment is consistent with findings from the revenue performance initiative that indicated the need to place greater emphasis on "on the ground sales", generating growth for CP. Peter's responsibility will be to generate additional revenues on our U.S. network, primarily in the merchandise area.'

Peter Vuillemot will leave the Dieppe-based **Atlantic Institute of Logistics and Transportation**, due to a reorganization, and resume his transportation consulting practice.

Eric Moffett in late 2006 formed his own rail consulting practice, **Integrated Rail Group**. Much of his time is devoted to his former employer, Vermont Railway's intermodal division. He has other clients, such as **Boxcar Services**.

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Coverage

The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

Frequency and the e-bulletin

ANR&P appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the *e-bulletin*, only by e-mail. All information in the *e-bulletin* is included, and often updated, in the issue.

Stories not updated for the issue are noted with an asterisk. I urge readers to look at the issue's updated stories (those without an asterisk).

Readers building a personal archive of the newsletter should discard the e-bulletins. All subscribers have access to the newsletter archive on the web, via password, at www.atlanticnortheast.com. If you do not have a password, merely request one from me.

Pricing

Subscriptions cost \$395 for professionals, \$115 per year for students, young and old. (Subtract \$30/year for e-mail). Introductory prices available. The *e-bulletin*, sent by e-mail at least weekly between issues, is free of charge to all subscribers.

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E-ISSUE