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Issue 08#02A 29 February 2008

*Article unchanged from e-bulletin.

**Blue type in article: changes from e-bulletin.

REGIONAL ISSUES

Pan Am Airways: End of operations.

Regional committee: State and provincial group on transportation and air quality preparation.*

CONNECTICUT

NECR: Update on transload CC Lounsbury.*

New Haven: Logistec looking for new cargo.

MAINE

Rail service: Public Advocate reports on customer surveys for 2005-2007.

Legislature: Utilities committee bill requests MDOT and attorney general investigate feeder line application on ST.

SLR: Why bark move ended to Auburn.*

Portland: Traffic statistics for 2007.**

MASSACHUSETTS

BCLR: Growth from 1200 to 8000 carloads.*

BCLR: Ends service to Mid-City in April.

MC: Overview of start-up service.

PVRR: Waste transfer station could become 4th rail customer in Holyoke.

NEW HAMPSHIRE

CCRR/NECR: Twin State dissatisfied with salt traffic and aggregate rates.

RHODE ISLAND

Seaview/PW: Subaru from Indiana arrive.

VERMONT

NECR/VRS: Praise for salt service by these two

railroads.

MARITIMES/QUÉBEC

CN: Starts reefer container service to Saint John.*
More about service to Halifax.*

MMA/VIA: Studying commuter rail to Eastern Townships.

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Mike Vasaturo, Frank Vannelli, Barry Whelan, Jay Baird, Chris Waterson, Kip Curran.

Box on spring events elsewhere in issue.

FROM THE PUBLISHER

Shifting rail traffic

Those who despair when a rail shipper shuts down, or goes to truck, might take heart from Bernie Reagan. He notes that only two customers remain from BCLR startup in 1982, yet traffic grew enormously. VRS has a similar turnover ratio.

Holyoke's paper industry once generated major traffic. PVRR has three new customers there, only one a paper producer.

The thought? Railroads can best grow traffic through new customers. Maine's paper mills might prove the exception.

- Chop Hardenbergh

Next issue: 14 March.

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

PAN AM AIRWAYS: FINIS

26 February, Portsmouth NH. **THE AIRLINE WILL CEASE OPERATIONS AS OF 29 FEBRUARY**, a Pan Am reservations agent said this day. {ANR&P discussion 26.Feb.08}

Request for extension of time denied

USDOT had asked for objections to its 1 February order requiring Pan Am to shut down by 29 February. In a decision served 19 February it wrote:

By motion filed February 8, 2008, BMAC [Boston-Maine Airways, the legal entity flying the Pan Am routes] requested a 30-day extension of time, or until April 2, 2008, in which to file objections and a commensurate extension of time, or until April 11, 2008, in which to file answers to objections.

Sell or liquidate

In support of its request, BMAC states that the requested extension would give the air carrier additional time to decide among the following three courses of action in response to the Department's order: (1) file objections to the order, (2) attempt to sell the company's stock to new owners, or (3) shut down BMAC entirely and liquidate its assets. The air carrier further states that it would cease all flight operations by February 29, 2008, if granted the requested extension.

USDOT denied the request. {Docket DOT-OST-2000-7668 and Docket DOT-OST-2003-14985, Order 2008-2-3 served 19 February 2008. Full text found on US regulations.gov website}

ST financial fitness

In addition to commenting on managerial competence in its tentative finding on 1 February [see 08#01B], USDOT's Michael Reynolds examined the financial fitness of BMAC, its parent Pan Am, and ST, He reiterated and rephrased the finding of 23 June 2006 [see 06#07A]:

In [the USDOT letter of 23 June], we informed BMAC that after examining its audited financial statements, the air carrier's overall financial condition was extremely poor and that it did not appear as though BMAC had the financial wherewithal to conduct its proposed operations. The Department also noted that BMAC's audited financial statements for calendar years 2003, 2004, and 2005 showed the company having negative working capital of \$14 million, \$26 million, and \$22 million, respectively. In addition, the Department indicated that the financial statements for BMAC's parent company, PAA, for calendar years 2002, 2003, and 2004, showed PAA having negative working capital of \$41 million, \$21 million, and \$67 million, respectively.

Further, our review of the financial statements for ST, BMAC's sister company that committed to extend the air carrier a line-of-credit, indicated that the company did not have the funds necessary to support BMAC's operations and capital expenditures, let alone its own. {page 14 of tentative finding}

STATE AND PROVINCIAL POLICY ON TRANSPORTATION & AIR QUALITY

12 February, Augusta. A **STANDING COMMITTEE ON TRANSPORTATION AND AIR QUALITY (TAQC)** will report to the meeting of Eastern Canada premiers and New England governors in September in Bar Harbor.

'The committee is made up of one transportation agency and one environmental agency official from each New England state and Eastern Canadian province, though some jurisdictions may choose to assign a single member to represent their state or province,' wrote Deputy MDOT Commissioner Greg Nadeau. He serves as the US transportation co-chair, and Jim Brooks, the director of the Bureau of Air Quality in the Maine Department of Environmental Protection, the other. 'Quebec and Newfoundland/Labrador co-chair on the Canadian side. We have been tasked to prepare an action plan that is scheduled to be delivered to the governors and premiers for their annual meeting scheduled to be held in Bar Harbor in September.' {e-mail to ANR&P 12.Feb.08}

Transportation members

NBDOT: Susi Derrah, policy analyst, Strategic Development Branch

Newfoundland: None.

NSDOT: None, see below

Prince Edward Island: None.

MTQ: Martin Hotte, climate change coordinator, co-chair.

ConnDOT: Charles Barone, director, Office of Policy & Systems Information.

Maine DOT: Greg Nadeau, co-chair.

Massachusetts EOT: Wendy Stern, undersecretary of transportation, planning & program development.

NHDOT: Jack Ferns, director, Aeronautics, Rail & Transit.

RIDOT: (was Edward Szymanski, but he retired and RIDOT is selecting another representative)

VAOT: Gina Campoli, environmental policy manager.

{list from NE Governors Conference}

Not every province or state has one

NSDOT's Steve Newson, rail policy advisor, said Hal Dobbeltsteyn from Conserve Nova Scotia "is representing provincial interests. We have only so many staff" so no one from NSDOT is attending. Dobbeltsteyn communicates with Newson as necessary. {ANR&P discussion 14.Feb.08}

CONNECTICUT

NECR: CUSTOMER UPDATE

22 February, South Windham. **CC LOUNSBURY COMPLETED ITS RELOCATION** from Willimantic to South Windham in August 2007, said an employee. It continues to transload poles for Koppers [our *Directory* #708-1] and offers space for lumber transloading. Lumber dealers provide their own trucks; Lounsbury [our *Directory* #708] does the transloading. The company also offers storage, both open and under cover.

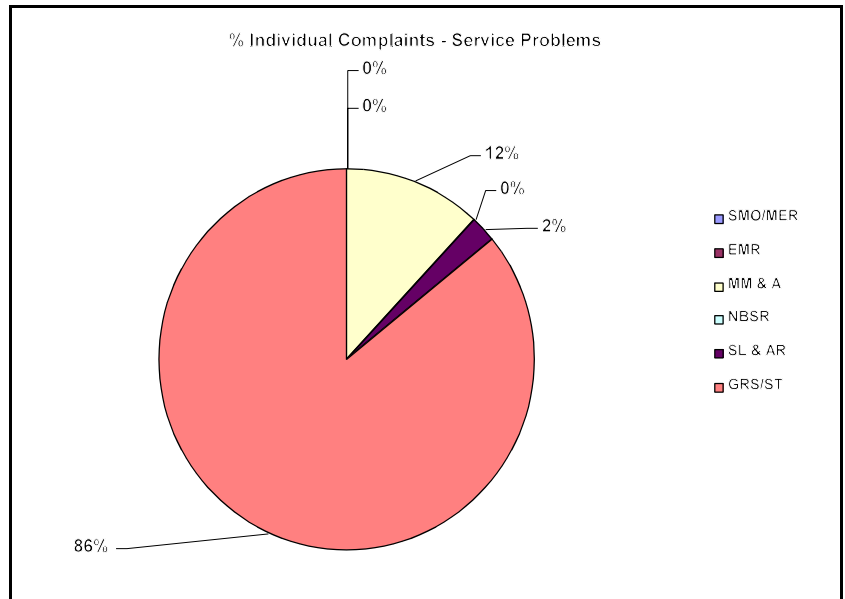
{ANR&P discussion}

In 2006, Tony Boucher had bought the business from Jane Haney, who required it to move [see 06#09A].

NEW HAVEN: NEW EFFORT

15 February. *TO IMPROVE TRAFFIC THROUGH THE LOGISTEC TERMINAL AT NEW HAVEN*, “we are looking at all types of cargoes,” said Frank Vannelli, senior vice-president for sales and marketing, who handles all 20 Logistec ports [see *People*]. He is located in New Haven.

“At one point, New Haven was moving a large amount of steel. Now, the steel centers have moved south, so that Logistec is seeking other break-bulk, bulk, and containers [see 08#01B]. New Haven will handle 6000 tons of calcium chloride in March which is new cargo for the port.” {ANR&P discussion}



Percent of individual complaints about service, by railroad, total 3Q05 through 4Q07, as sent to the Maine Public Advocate’s office.

MAINE

SURVEY OF RAIL SERVICE

28 January, Augusta. *THE PUBLIC ADVOCATE SUBMITTED THE FINAL REPORT ON SERVICE* by Maine railroads, as determined by a voluntary survey of shippers on each of Maine’s railroads. In 2005, the Maine Legislature passed Title 35-A section 1711 which required three annual reports: 2006, 2007, and 2008.

Response rate

Patty Moody-D’Angelo, the staffer who compiled the surveys, received only 40 responses to the 372 quarterly surveys mailed in calendar 2007. ‘Unfortunately for calendar year 2007 the Public Advocate Office observed a steady decline in responses to the quarterly survey,’ the report stated.

Summary of 2007 remarks

Shippers made five comments on ST; MMA 18, and SLR none.

Positive remark about ST

‘GRS/ST for years we had problems getting them to pull our cars because they carried a cheaper commodity than some of their other traffic. For the past few months, they have made huge improvements in moving our cars. As long as loads are available to them, they will take the maximum number that our customer can receive. This has helped our business tremendously. Prior to this we were stopping cars in ___ to be offloaded onto trucks for the last leg. Now this is only done when our loading exceeds the customer’s rail unloading capacity.’ [Editor’s guess: This describes the pulpwood move from northern Maine on MMA and ST to the Sappi mill in Hinckley.]

MMA shipper comment

This same shipper wrote of MMA: ‘We want railroad cars as soon as they are available and as many as they can bring us. Biggest complaint is when the train crews try to make decisions; very often they contradict my requests to customer service.’

Negative comments that affect Maine’s economy

The Office assembled all the comments over the past three years and highlighted ‘negative comments that affect Maine’s economy as have those where businesses have decided to leave the railroad due to poor service.’ [See the *Report* available on the Public Advocate website.] MMA was given three such highlights. SLR none. ST ten, though none in 2007.

Summary of survey results

In his summary section, the Public Advocate wrote: ‘Many of the comments provided by the shippers point to an apparent lack of desire on the part of some railroad management/ personnel to improve the rail system in Maine. Several shippers felt that until railroad management is changed in Maine, and until the intermodal rail service in the State of Maine improves further, they would not expand their business.’

Analysis: ratio of carloads handled to complaints

At the request of Representative Berry on the Utilities committee, Moody-D’Angelo made the pie chart in this article showing that ST had the great majority of individual complaints about service problems. Account must also be taken that ST has the great majority of carloads as well:

	ST	MMA	SLR	total 2005
carloads in Maine*	69,000	24,000	8,000	101,000
% of total carloads	68%	24%	8%	
% of complaints	86%	12%	2%	

*The ‘carloads in Maine figure’ refers to total originated or terminated. AAR supplied the 101,000 figure for 2005. For MMA, I assume that half of the system’s total 48,000 carloads [see 07#12A *Regional*] originates or terminates in Maine. For SLR, I assume that double the number of Safe Handling’s 4000 carloads [see 07#12B] originates or terminates in Maine. By subtraction, we get the ST carloads. This fits with a rule of thumb for ST: it moves just under 300 carloads a day, system-wide, and 2/3rds of those move in Maine. *Editor*

ST: LOSS OF MAINE OWNERSHIP?

26 February, Augusta. ***THE ST LINES IN MAINE COULD BECOME THE SUBJECT OF A FEEDER LINE APPLICATION*** to remove it as operator and owner, if a bill proposed this day by the Maine Legislature’s Joint Standing Committee on Utilities and Energy passes. The committee’s action occurred after it heard the presentation from the Public Advocate about its survey of rail service [see above].

Conclusion of Public Advocate

Dick Davies, current Advocate, made two broad points. “There is a marked decline in the number of shippers who respond to the survey.”¹ Second, the highlighted quotes from the shippers who do respond reflect a concern about a decline in the quality of railroad service.

Davies underscored that as a state, “we want to get as much over the rail as possible” because that transportation mode saves energy and the damage heavy trucks do to our highways.

Patty Moody-D’Angelo, the Public Advocate staffer who did the compilation of the survey, told the Committee:

- The number of respondents had dropped because “there’s nothing happening on our end.” The shippers complain, but no service improvement ensues.²

- Now is not the time for shippers to return to trucking, given the condition of the state’s highways. Yet, that is happening. She told of one receiver of produce who found its product had rotted, waiting for a Maine railroad to pick it up for delivery. “That shipper has gone back to trucking.”

- These are not small companies who are complaining. One, a multi-million-dollar company, has “been with the railroad for 90

years. But he has chosen not to expand in Maine until the railroad situation is fixed.”

Representative Ken Fletcher, a former Scott Paper worker whose experience included difficulty in dealing with ST when he managed the fiber supply group for Scott Paper’s Winslow mill [see 05#02B], told Moody-D’Angelo: “You did what we asked. [Three years ago] I was hearing two stories. The customers were telling us they were getting no service. The railroad was telling us ‘everything is all fine, the customers are happy’ [see 05#01B].

“Now we have some objective analysis. Here [referring to the report] is the reality. We can’t go on knowingly and willingly letting a bad situation get worse.

“Transportation [the joint committee] and DOT and the governor have to” find a way to invest in the railroads. “But they have to make sure they get a quality-of-service improvement.”

Davies told the committee that the state jurisdiction here was not large, and that action might best occur on a federal level.

The role of the Transportation Committee

Under the enabling legislation of 2005, both the Utilities committee and the Legislature’s Joint Standing Committee on Transportation have jurisdiction to review the Railroad Survey. However, said Davies, while he has offered to make a presentation to the Transportation committee, it has not yet taken it up.

Representative Peter Rines told Davies: “We need to force them to look at it. This subject is really outside of our purview. But the status quo [the normal operation of railroads] has gotten worse in the last two years.

“I remember taking phone calls from shippers three years ago,” who described the poor quality of rail service, but “could not speak publicly for fear of retaliation. The situation has not gotten better. We’ve got to get the message to the committee of jurisdiction. The rules of engagement must change.”

Proposal: look into a feeder line application

Representative Stacey Fitts, a Republican who represents Clinton, Detroit, and Pittsfield [and therefore has Cavendish Agri Services and Feed Commodities, ST customers, within his district—*editor*], has sat on the Utilities committee since it first passed the legislation calling for the rail service survey in 2005. He thanked the Public Advocate for producing the report. “If we are going to do something, the key is in that report” because it details the problem.

“There are avenues we can use. We do need some dramatic changes.” He said the committee should openly name the railroad they are most concerned about, ST. “I am promoting this issue because I see the chance for dramatic change.” [The original draft of the 2005 survey legislation would have authorized the Public Advocate to appear before the STB to address rail problems—see 05#01B.]

Fitts referred to the newspaper article reporting USDOT’s calling the management of Pan Am Airways “incompetent” [see *Regional* and 08#01B]. “This is the same management which operates the rail lines which are the target of our discussion.

“The state is not going to fix this situation” because it does not have the authority. “But our state is held hostage” to its performance.

¹Steve Hudson, former lobbyist for the now-defunct Northeast Rail Consumers Association [the outfit which had spearheaded the 2005 effort to do something about ST service in Maine], said for the first year, he had sent out e-mails to his members asking them to respond to the survey. In the second year, due to the press of other business and the lack of enthusiasm behind the organization, he stopped doing that. {ANR&P interview 26.Feb.08}

² One state government employee who asked not be named said that complaints about rail service reached the governor’s office with fair frequency. On some of them, the governor himself would act, by calling Pan Am Group President David Fink (*pere*) to request action. But this employee agreed that should not happen as a matter of course. {ANR&P discussion 26.Feb.2008}

Railroad Service in Maine

2005

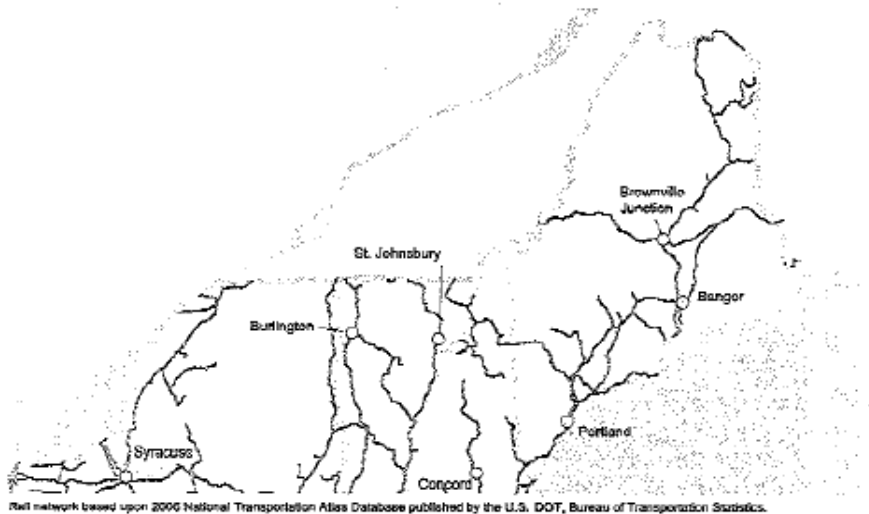
Railroad Service and Employment

Facilities	Number of Freight Railroads	7
	Miles Operated (Excluding Trackage Rights)	1,162
Traffic	Total Carloads of Freight Carried	101,652
	Total Tons of Freight Carried	7,243,880
Employment and Earnings	Rail Employees Living in State	714
	Freight Employees Only	679
	Total Wages of Rail Employees	\$40,873,000
	Freight Employees Only	\$36,580,000
	Average Per Freight Rail Employee:	
	Wages	\$56,800
Fringe Benefits	\$21,700	
Total Compensation	\$78,500	
Railroad Retirement	Railroad Retirement Beneficiaries	3,020
	Railroad Retirement Benefits Paid	\$43,800,000

Freight Railroad Traffic in Maine

	Tons Originated 2005		Tons Terminated 2005	
	Tons	%	Tons	%
Pulp & Paper Products	2,513,520	64%	1,054,080	28%
Lumber & Wood Prod.	765,400	19	791,120	21
Glass & Stone, Farm Pr.	264,200	7	550,400	15
Coal & Petr. Products	193,624	5	388,360	10
Waste & Scrap	142,180	4	271,012	7
All Other	66,200	2	656,768	18
Total	3,947,124	100%	3,711,740	100%

Railroad Map of Maine



Rail network based upon 2000 National Transportation Atlas Database published by the U.S. DOT, Bureau of Transportation Statistics.

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Nov. 2006

Maine railroad statistics 2005. Used by permission of AAR.

The seven freight railroads:

MMA (504 miles)

ST (372)

EMR (105) (NBSR sister railroad)

Maine Eastern (93)

SLR (85)

NHN (1) (it cuts through in the southwest corner)

Feeder line application

Fitts then referred to the STB publication *Abandonments and Alternatives to Abandonment*. On page 22, he noted a process at

and communities may seek to compel the Board to require a railroad to sell the line by proving that the "public convenience and necessity" requires or permits the sale. This test, however, is more difficult to satisfy.'

Fitts underscored this notion: "Even if the railroad has not proposed the line for abandonment, a state can proceed. Here [in Maine] the railroad is slowly and methodically being abandoned."

Fitts suggested that the STB could compel the current owners to sell the line for the "public convenience and necessity." He acknowledged that satisfying the criteria for doing so would be "difficult." But with the Public Advocate report, "we now have evidence we can use."

The USDOT report shows that ST management "has no regard for federal regulation." Fitts recommended that the Legislature enable a state agency to investigate and take action to move forward. "The state does have in current statutes the power to take over rail lines. It refers to abandoned lines, though."

Fitts agreed with Representative Rines that the Utilities committee should ask the Joint Transportation Committee to sit down and look at the Report. He has already talked to Transportation chairs Senator Dennis Damon and Representative Boyd Marley "They are on board with the idea of the feeder line application."

Given the budget shortfall, the state cannot itself afford to purchase the line. "The state would act as a broker," Fitts said. [The feeder line statute provides for such a possibility. The applicant has to show not that it will provide the service itself, but only that it can 'assure adequate transportation will be provided' on the line in question. *Editor*]

Committee action

The members of the Committee discussed a motion to request the chairs of the Utilities committee to meet with the co-chairs of the Transportation committee for a joint bill. It would:

- Request that MDOT, with the assistance of the Attorney General, investigate the possibility of filing a feeder line application at

the Surface Transportation Board. The agencies would report to the Legislature at the start of the next legislative session.³

The phrase including the Attorney General was added at the

THE FEEDER LINE STATUTE

49 US Code Sec. 10907. Railroad development

(a) In this section, the term "financially responsible person" means a person who -

(1) is capable of paying the constitutional minimum value of the railroad line proposed to be acquired; and

(2) is able to assure that adequate transportation will be provided over such line for a period of not less than 3 years.

Such term includes a governmental authority but does not include a Class I or Class II rail carrier.

(b)(1) When the Board finds that -

(A)(i) the public convenience and necessity require or permit the sale of a particular railroad line under this section; or

(ii) a railroad line is on a system diagram map as required under section 10903 of this title, but the rail carrier owning such line has not filed an application to abandon such line under section 10903 of this title before an application to purchase such line, or any required preliminary filing with respect to such application, is filed under this section; and

(B) an application to purchase such line has been filed by a financially responsible person, the Board shall require the rail carrier owning the railroad line to sell such line to such financially responsible person at a price not less than the constitutional minimum value.

(2) For purposes of this subsection, the constitutional minimum value of a particular railroad line shall be presumed to be not less than the net liquidation value of such line or the going concern value of such line, whichever is greater.

(c)(1) For purposes of this section, the Board may determine that the public convenience and necessity require or permit the sale of a railroad line if the Board determines, after a hearing on the record, that

(A) the rail carrier operating such line refuses within a reasonable time to make the necessary efforts to provide adequate service to shippers who transport traffic over such line;

(B) the transportation over such line is inadequate for the majority of shippers who transport traffic over such line;

(C) the sale of such line will not have a significantly adverse financial effect on the rail carrier operating such line;

(D) the sale of such line will not have an adverse effect on the overall operational performance of the rail carrier operating such line; and

(E) the sale of such line will be likely to result in improved railroad transportation for shippers that transport traffic over such line.

the federal level called a 'feeder line application.' This permits "a state, a community, and business to do a hostile takeover of a rail line." [See box.]

"Slow and methodical abandonment"

Fitts recited the STB caveat contained in a footnote at the bottom of page 22: 'Even if a line is not shown on the carrier's system diagram map as a candidate for potential abandonment, shippers

³ House Chair Lawrence Bliss noted that such an investigation will take time. The Legislature will remain in session only another month and a half (until mid-April).

behest of one committee member. Fitts agreed with it, saying that in his meetings with department officials, he found them hesitant to act alone. “This will be a complex legal situation. We have to include the Attorney General in this.”

- Request the Public Advocate to continue the survey. But as Fitts noted, “Until the customers think some action will happen, they won’t respond.”

Representative Rines, present when the original legislation was passed, recalled that MDOT officials had told the Committee the department does not have the mechanism to do the kind of confidential survey the Public Advocate can do.

Public witness Tom Hall, a former employee of both ST and SLR, has spoken with customers on the railroads. “Customers view the survey as worthless and toothless,” he told the Committee. ST has “been on the same path since 1982 [Mellon acquired Maine Central in 1981 and the Boston and Maine in 1983]. “The shippers are extremely frustrated.”

He provided an example of loss of traffic. “In 1982, the Maine Central hauled 2000 cords a day on pulp cars from northern and eastern Maine to mills in Rumford, Jay, and elsewhere in central Maine. Now, that move has all gone to truck.”

In an interview later, Hall quoted one lumber transload operator who was visited by ST’s head of sales. The ST sales guy asked the operator what would have to change for the operator to move more lumber by rail. The operator told the sales guy: “Sell the railroad to someone who can provide good service.” {ANR&P coverage}

SLR: END OF BARK MOVE

22 February, Auburn. **MORE ON THE DEMISE OF THE BARK INTERMODAL MOVE** was provided by Jim Hiltner, president of MB Bark and its parent, CPRC Group, formerly Commercial Paving and Recycling Company.

When CPRC bought the bark business in 2006, it inherited the bark move. The product originated at the Kruger saw mill north of Montreal [see 05#06B], which loaded the bark into high-side containers without tops; CN and SLR moved the boxes on flatcars to Auburn. Trucks drayed the boxes the short distance to MB Bark [see 05#06B].

Bark arrived 12 months of the year, but Hiltner said the company needed bark only during the four-month mulching season. MB Bark could and did store the bark, but it deteriorated.

At the same time, the regional need for biomass was growing; Kruger found selling the chips for biomass more lucrative. MB Bark ended the rail move in 2007 [see 07#12B] and obtained its product “cheaper and better by truck.” said Hiltner. MB Bark remains in operation.

Additional uses in Auburn

CPRC has not given up on rail, emphasized Hiltner. “We continue to look for other things in rail transport onto, and off of, that property. We are involved in those discussions” which are occurring among stakeholders in Auburn about expanding the rail use in the area [see 07#12B]. {ANR&P discussion}

PORTLAND: TRAFFIC 2007

18 February. **PORTLAND NON-OIL TRAFFIC INCREASED, BUT OIL HAS DECLINED**, according to the 2007 ‘State of the Port’ report released this day by Jeff Monroe, the city port director. Total harbor tonnage dropped from 27 million tons in 2006 to 23 million tons in 2007; in 2004, 30 million tons passed through the port.

The report includes South Portland terminals; though they do not fall under Monroe’s legal jurisdiction, including them provides a full view of the port traffic.

Oil

Inbound oil dropped from 168 million barrels in 2006 to 149 million barrels in 2007. Monroe attributed that to the development of oil sands in Alberta [leading to the plan to export oil through Portland—see 08#01B]. The drop threatens Portland’s rank as the leading throughput port on the US East coast.

Containers

Containers increased 84% from 2,218 in 2006 to 4,077, about 80% of which travelled on the Columbia Coastal barge service to New York. The feeder ship service with Halifax which supplied the rest of the traffic ended in December [see 07#12B].

Bulk and breakbulk

The report showed non-liquid tonnage dropping:

2007 491,925

2006 551,014

2005 651,311

2004 723,678

2003 849,365

[The numbers, though stated as bulk, include the break-bulk traffic through the Sprague terminal in Portland, but do not include the containers. {ANR&P discussion with Monroe 28.Feb.08}]

Cruise ships

Cruise calls increased. Monroe said, “I think the port is very healthy. Each of these areas will always have fluctuations. The key factor here with the economic health of the port is depending on a diverse mix. All of it together sustains the work force and the general economic impact.” {Matt Wickenheiser in Portland *Press Herald* 19.Feb.08}

MASSACHUSETTS

BCLR

18 February, Braintree. **BCLR HAS GROWN RAIL TRAFFIC DURING ITS TENURE**, despite rumors to the contrary. Bernie Reagan, senior vice-president marketing, wrote:

‘Facts are as follows: 1) Shortly before Bay Colony start-up in June 1982, Conrail put light density line surcharge of \$500/car on all light density lines on their system. This had the desired effect of greatly reducing traffic and losses from light density

lines for Conrail.

2) Bay Colony took over the lines from Conrail in June 1982 and quickly realized that traffic levels were only about half what they had expected – about 1200 carloads in 1st year. 3) I was hired to deal with the problem and began work in October 1982.

4) Bay Colony never has imposed a surcharge for anything.

5) Bay Colony's traffic has grown steadily from 1200 cars in 1983 to 8000 cars in 2007. The only remaining original customers are Gallo and Ventura; such turnover is common in business and is the reason why it is important to have an active marketing program.

6) SEMASS traffic first began in 1989 and has amounted to about half Bay Colony's business in recent years.' {e-mail to ANR&P }

New to the region? This helps:

RAIL FREIGHT FACILITIES IN NEW ENGLAND

Malcolm Laughlin, editor
Chop Hardenbergh, publisher

A directory of the 760+ shippers, receivers, transload facilities, and intermodal terminals on the rail lines.

NEW ENGLAND RAIL DIRECTORIES

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BCLR: WATUPPA SERVICE

19 February, DC. **THE STATE ASKED BAY COLONY TO STOP SERVING MID-CITY** by 16 April, according to a filing to the STB this day b BCLR:

BCLR owns and operates the portion of the Watuppa branch between the connection with CSX Transportation at milepost 0.08 and the beginning of the State Watuppa Line at milepost 6.0. At the request of MC and with the consent of the Commonwealth of Massachusetts, BCLR has continued to provide service to the shipper located on the State Watuppa Line [Mid-City Scrap in Westport] subsequent to January 5, 2008 while MC and BCLR continue to address long-term arrangements for service to such shipper.

As requested by the Commonwealth of Massachusetts, BCLR hereby gives notice of its intent to terminate service as of 11:59 p.m. on April 16, 2008 on the State Watuppa Line as described in the 1982 Modified Certificate. {STB website, filings page, Finance Docket No. 29963 19.Feb.08}

On 28 February, BCLR's Bernie Reagan explained the filing meant that MC and BCLR had to resolve the Watuppa situation by 16 April. The two sides are continuing to talk [see below]. {e-mail to ANR&P }

MC: STARTUP

25 February, Hyannis. **MASS COASTAL WILL BEGIN SERVING THE MSW SITES "IN THE NEXT WEEK"**, said President John Kennedy, in describing the new railroad's activity. It took over from BCLR service on the Cape lines, in Taunton, and in Westport [see 08#01A]. Overall, "we are excited about the opportunities."

At this time, trucks are moving the municipal solid waste off the Cape to the SEMASS trash to energy plant [our *Directory* #299]. MC was awarded the contract to serve the Otis transfer station [see 07#12A].

The new trash cars

MC has obtained "higher-cube cars built in the 1980s for CP and designed for coal-tipping." They were refurbished out of state. The work included adding lids with a different lid-lifting mechanism than the cars BCLR had used. Kennedy reported that the majority of problems SEMASS encountered tipping the cars stemmed from the lid-lifting mechanism. Five have arrived here for testing at SEMASS.

The testing showed that parts of the car protruded an inch too much. MC workers have fixed that problem working outside at the Otis transfer station [#302], and Kennedy expects to start serving Otis "in the next week."

To serve the Yarmouth transfer station [#307], MC has 15 more cars enroute; he expects to start service there soon.

Dean Street

The industrial track in Taunton is "going full blast. We are getting record amounts of highway salt in, hundreds of cars" at salt facility operated for American Rock Salt by Gallo [our *Directory* #283]. Ventura Grain [#286] is getting more cars than usual, and Northeast Refrigerated Terminal [#285] is getting service as well.

Other Cape customers

Kennedy said MC is hauling fly ash out of Gallo's Sagamore facility [our *Directory* #305], and also serving Barker Steel [a Harris Rebar company, #300].

The Mirant power plant has not yet begun receiving ammonia for its pollution control equipment [see 06#05B]. "We have met with the shipper, and we are on target to receive the cars in the next couple of months. Everyone seems to be pleased."

Mid-City on the Watuppa

MC is "still talking with BCLR and CSXT" about how to serve Mid-City Scrap [our *Directory* #298], which lies in Westport on the Watuppa beyond the stretch owned by BCLR.

"We gave consent temporarily to EOT to allow BCLR to continue to operate." The customer has revenue at a record level, and "we want to keep the customer in business. We have made generous offers to BCLR" which could result in actual interchange, or a commercial interchange.

Term of agreement

EOT's Request for Responses stated: 'The Agreement will provide for an initial term of five (5) years, commencing upon the effective date of the Agreement, and one (1) five (5) year option to renew. The first option to renew shall be at the option of the Railroad Operator, provided that the Operator is otherwise in compliance with the License & Operating Agreement. EOT will consider extending the term of the License & Operating Agreement(s) for up to three (3) additional 5-year option terms, to allow for continuity of rail operations, allow the selected Railroad Operator(s) to develop their target market(s) and to obtain a return on specified investments. All option terms beyond the initial 5-year option term shall be exercised by the mutual agreement of the parties.'

Kennedy said: "The initial term was negotiated to become a ten-year term, with three additional five-year options, if mutually agreed, giving it the potential for 25 years. assuming Mass Coastal lives up to the Commonwealth's expectations of it and the terms of the license and operating agreement.

"We are content with the terms because we feel confident that we will succeed in living up to our terms and expectations. We are trying to "do right" by the Commonwealth, the customers, the communities, and our employees in all we do. If we do that and continually innovate and improve, the options should fall into place." {ANR&P discussions 25 & 29.Feb.08}

PVRR: ANOTHER CUSTOMER?

21 February, Holyoke. **THE RAILROAD MAY GAIN A FOURTH CUSTOMER HERE**, a waste transfer station on two acres at 686 Main Street. United Waste Management, based in Bolton, would build a 22,575SF facility which would receive both municipal solid waste and construction and demolition debris. The waste would be consolidated and then transported to landfills.

Local resistance

The site is already zoned for waste handling, but some local residents have organized to fight the project.

Scott Lemay, CEO of United Waste Management, has worked in the industry for more than 20 years. "People think there's pollution, and you're dumping on them," he said. But a transfer station is neither a dump or a landfill, only a place where waste material is consolidated. The material is not burned or processed, and it doesn't remain there long enough to decompose.

"The reality is, you're dumping in a closed building," Lemay said. "Everything that goes into the building goes out of the building."

The project will pay taxes to the city, and provide good-paying jobs with preference to Holyoke residents. In addition, he said, United Waste Management is willing to negotiate a "royalty" payment to the city, which is not mandated by law but is standard in the industry for larger-scale projects. "We're committed to making sure there are benefits to the city."

United Waste is seeking state and local permits. {Maureen Turner in *Valley Advocate* 21.Feb.08}

Rail impact

Mike Rennie, PVRR general manager, said the proponent told him the outbound waste would average three carloads a day or 750 per year. 'Considering that in Massachusetts there are only a couple of active landfills left I think this might grow over time. [The traffic is] significant for the PVRR in any case.' {e-mail to ANR&P 25.Feb.08}

Other Holyoke customers

PVRR has three customers now in Holyoke: Sealed Air, at 2030 Lower Hempstead, Superior Carriers at 26 Commercial Street [started up on 2007--see 07#07B], and Sonoco at 200 South Water Street [also a 2007 startup, see 07#10B].

NEW HAMPSHIRE

CCRR/NECR: SALT & AGGREGATE

14 February, West Lebanon. **LACK OF RAIL SERVICE AFFLICTS TWIN STATE SAND AND GRAVEL**, said co-owner Bud Ames.

Salt

Twin State installed a conveyor on a siding on its property, which has moved some salt for American Rock Salt [see 05#12A]. But with the rush on for salt [see *Massachusetts*: MC], American has decided to deliver all rock salt at the CCRR facility in Claremont.

Ames related that American "couldn't afford not to get cars back to the mine in a timely fashion." Draying salt from West Lebanon is cheaper, but the railroads "can't get the cars out of Lebanon or White River Junction" quickly. [But see *Vermont*.]

Aggregate

For a number of years, Twin State has tried to create a rail move from its quarry in Hartland, Vermont, to its plant in West Lebanon. It had finally got a permit from the Act 250 development process [see 05#04B], only to run into bad rates from NECR.

Some years ago at a meeting in Montpelier, Twin State had reached a deal with CCRR and NECR to move the product from the quarry. NECR would permit CCRR to operate its own locomotives through White River Junction and a short distance down to a siding in Hartford.

"Then it all changed" said Ames. "It got really ugly really quickly." After major personnel changes at NECR, and new corporate owners, NECR decided against letting CCRR on the property, blaming its union contract. Moreover, NECR offered a new contract with built-in escalation of rates [see 05#07B *Vermont*].

With, as Ames put it, "a gun to our heads" because of the NECR monopoly position, Twin State decided to continue using trucks. Under its current Act 250 permit, it can move more than enough trucks as long as they reach Route 5 along a private road.

Twin State has now, in conjunction with the waste district, started building a road and a bridge over the interstate to Route 5. Both should be complete by August 2008, but he has not given up on rail. "Trucking is getting expensive" but Twin State

gets the product “on time and where we want it, not when the railroad wants it.”

After the company has used trucks for a bit, “that might put the railroad back in a negotiating mode,” Ames surmised. {ANR&P discussion}

NECR position

Charles Hunter, railroad general manager, wrote: ‘The NECR made the most appropriate commercial proposal it could when the sand opportunity was last reviewed. In the event the situation has changed in some material manner, NECR will be glad to re-open the dialogue with Mr. Ames and his teammates at Twin State Sand & Gravel.’ {e-mail to ANR&P 28.Feb.08}

RHODE ISLAND

SEAVIEW & PW: SUBARUS

5 February, West Davisville. **THE FIRST SUBARUS FROM THE FACTORY IN INDIANA** arrived this day, on autoracks delivered by PW to Seaview, which moved them to North Atlantic Distribution.

Correction

The item in 07#12A referring to the arrival of Subarus erroneously stated they came from the Lafayette, Indiana Subaru factory. The December shipment originated in Vancouver and was a land bridge operation necessitated, as was the shipment of VWs from Mexico, by a shortage of ships. {e-mail to ANR&P from Seaview’s Bruce Hamilton 28.Feb.08}

VERMONT

SALT NEED: URGENT

27 February, Montpelier. **NECR AND VRS HAVE DONE WELL MOVING HIGHWAY SALT** into the state, said George Barrett, who operates several transload terminals in Vermont.

The problem

At the beginning of February, salt stockpiles in the state were nearly empty, due to the very high number of storms dumping snow. Essex, South Burlington, and other Chittenden County communities were applying salt only to busy thoroughfares, dangerous intersections and slippery hills.

American Rock Salt and Cargill supply most of Vermont’s districts [see awards in 07#09A]. Cargill has an adequate supply of road salt, said Mark Klein, director of communications for the company. But with continuing inclement weather in the Northeast and Midwest, it can’t put salt on trains, barges, and trucks fast enough to satisfy demand. In the Northeast, trains are leaving daily with salt from a mine in Lansing, NY, to deliver orders, but new orders continue to pour in. {Matt Sutkoski in *Burlington Free Press* 7.Feb.08}

Vermont Rail Council remarks

Charles Hunter, NECR general manager, wrote:

‘During this week’s Rail Council meeting, Barrett gave a thank you to both NECR and VRS for their hard efforts to deliver salt on a very timely basis throughout what has been a record-setting winter. Mr. Barrett mentioned that the loaded cars often sit for days on the other larger railroads but NECR and VRS move cars within hours of receipt.

‘The NECR and its connecting railroads and transloader teammates did a very good job by all accounts in moving salt into Vermont and New Hampshire during the heavy storms and difficult operating conditions which the region has experienced so far this season.

‘American Rock Salt made a business decision regarding where to send its recent rail salt shipments. The destination it chose to focus upon [the CCRR salt shed in Claremont NH, our *Directory* #1078] utilized the same railroads that would have been involved in moving by rail salt to Twin State Sand & Gravel. [See *New Hampshire*.] {e-mail to ANR&P 28.Feb.08}

QUEBEC/MARITIMES

CN: REEFER CONTAINER SERVICE TO MARITIMES

15 February, Saint John. **CN BEGAN OFFERING ‘GENSET’ REFRIGERATED CONTAINER SERVICE FROM TORONTO TO THIS CITY.** The service is called ‘genset’, because within a 40-foot ventilated container a diesel-powered generator supplies AC power to reefer units on board nearby platforms. Mark Hallman, CN spokesperson, said CN was responding to a service request from liner company Tropical Shipping.

Genset service for Halifax

CN was already offering Genset service to Halifax: Brampton Intermodal Terminal (Toronto)-Halterm, Ceres-Brampton, Halterm-Brampton, Montreal-Halterm, and Halterm-Montreal. Hallman explained: ‘The Genset service grid reflects market demand. For example, we have little to no market demand for reefer exports to Ceres Fairview Cove. That means there is an export opportunity for the lines calling at Fairview Cove.’

Presentation to Halifax about Genset

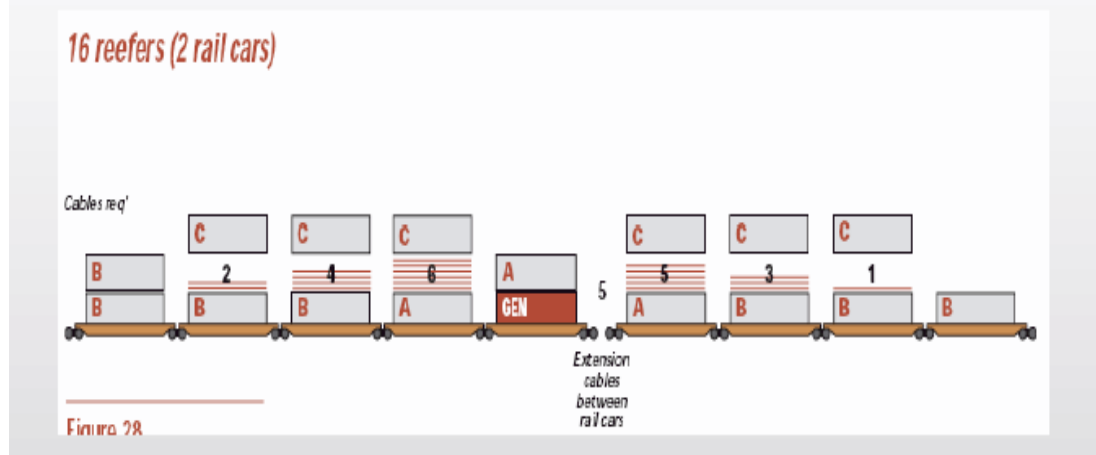
On 31 January, CN’s Peter Ladouceur made a presentation in Halifax to the ‘Smart Port’ group, the stakeholders in the port gathered to improve it [see 05#01B]. The railway invested \$9 million in Genset equipment in 2007

The presentation showed in 2007 Genset service moved:

- Halifax to Toronto 50 empties 2500 loads,
- Toronto to Halifax 3100 empties, 750 loads.

- Halifax to Montreal 200 empties, 1300 loads,
- Montreal to Halifax 750 empties, 1000 loads.

We use on-train generators or “gen-sets” to safely move temperature controlled cargo



CN presentation 31 January to Smart Port Group—one slide. {presentation from CN}

“We can handle more, especially exports,” noted Ladouceur. {slide presentation from CN}

Wrote Hallman, ‘We think this demonstrates that CN is working hard with its partners in Halifax to grow the business through innovative initiatives.’ {e-mail to ANR&P 15.Feb.08}

MMA & VIA: COMMUTER RAIL?

February, Sherbrooke. *VIA RAIL AND MMA WILL ISSUE A PRELIMINARY STUDY OF A MONTREAL-SHERBROOKE TRAIN* over CP and MMA tracks at the end of March, said Via Rail spokesperson Malcolm Andrews.

Brome-Missisquoi MP Christian Ouellet and 27 municipalities in the Eastern Townships of Quebec requested the study. Most of the tracks haven’t carried passenger traffic since Via Rail stopped using the route in the late 1970s. Montreal-Sherbrooke service continued until 1994 on the route operated by SLR through St. Hyacinthe.

The study will estimate the cost of upgrading the infrastructure so that a passenger train could travel at up to 110 kilometres an hour, said Dale Williams, MMA vice-president for market development in Quebec. “If we can get between Montreal and Sherbrooke in two hours and 15 minutes,” then trains can compete with inter-city buses and cars.

“Once we’ve done that and identified how much it’s going to cost to get there, we can go and do the market study.” She wouldn’t venture an estimate, but said the biggest expense would probably be upgrading tracks. Stakeholders are considering self-propelled cars.

All three levels of government would have to contribute, Ouellet said. {Andy Riga in Montreal *Gazette* 27.Feb.08}

RAIL SHIPPERS

Described in this issue.

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

American Rock Salt (MC Massachusetts #283, CCRR Vermont #1078)

CC Lounsbury (NECR Connecticut #708)

Koppers (NECR Connecticut #708-1)

MB Bark (SLR Maine)

NORAD (PW Rhode Island)

Twin State Sand & Gravel (CCRR, New Hampshire)

United Waste Management (PVR, Massachusetts)

PEOPLE

LOGISTEC UPDATE

Shortly after the new year, **Mike Vasaturo** left his position as Logistec’s vice-president US East Coast. Logistec then divided his responsibilities among other Logistec officials. In the Atlantic Northeast, Mario Blanchet is regional vice-president, Montreal, Nova Scotia and Great Lakes Regions, while Stephan Hamel serves as regional vice-president, ports of the St. Lawrence and New Brunswick. Vasaturo remains in New Haven, now working for **New Haven Terminal**.

Frank Vannelli, as senior vice-president sales and

marketing, oversees commercial activity for all 20 Logistec ports. **Barry Whelan**, who formerly marketed for Logistec out of New Haven, has left the company.

Vannelli recently hired **Jay Baird**, formerly of Provport, to handle all sales and marketing in the United States for Logistec.

Waterson Terminal, which operates Provport, has hired **Chris Waterson**, son of the founder, to succeed Baird.

OTHER PEOPLE

Kip Curran became vice-president, Rail Finance of **Boxcar Services**, based in West Brookfield, Massachusetts. Dan Bigda, president of Boxcar Services (BXCX), said Curran joins BXCX from the LaSalle National Leasing Corporation, formerly a subsidiary of LaSalle Bank Corporation, a division of Netherlands-based ABN AMRO Bank, now part of Bank of America. Curran will be based in Cleveland.

an asterisk).

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Advertising

Subscribers may purchase half-page ads for \$100 per issue. Non-subscribers, \$200.

RHODE ISLAND EVENTS

Rhode Island and nearby Dartmouth, Massachusetts are hosting four rail and port conferences in the next three months.

March

25, Providence. New England Railroad Club Expo.
26-27, Dartmouth. Short Sea Shipping Symposium.

April

23-24, Newport. North East Association of Rail Shippers.

May

29-30, Providence. North Atlantic Ports Association.

From personal experience, I can say that the two rail confabs and the North Atlantic meeting are very worthwhile.

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Purpose

Atlantic Northeast Rails & Ports, née *Maine RailWatch* (1994-1997) and later *Atlantic RailWatch* (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. 'No railroad is an island, entire unto itself.'

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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

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