

# 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 08#03B 10 April 2008

\*Article unchanged from e-bulletin.

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

## REGIONAL ISSUES

**ST:** Mike Bostwick calls it "one helluva railroad."\*

**Boxes on paper mills and Erving Paper.\***

**PW:** Details on Northeast Corridor operation.\*

**PW&NECR:** New traffic over the two railroads, probably both ethanol and autoracks, coming.\*

## CONNECTICUT

**ST:** Possible commuter from Waterbury to Berlin.\*

**New Haven:** More on possible feeder service.

## MAINE

**ST:** Service to Grimmell and Knight Celotex?\*

**ST:** Transportation committee refused feeder bill.\*

**Portland:** State may manage IMT; city gives up.

## MASSACHUSETTS

**CSXT:** Cohenno car crashes into MBTA train.\*

**GU:** Jon Delli Priscoli buys 50%.\*\*

**MCER:** Sold to shipper John Pondelli.\*

**NECR:** Palmer needs to re-bid industrial track.

**ST:** Indicted for environmental crimes.\*

**ST:** PVPC ConnRiver study contract to HDR.\*

## NEW HAMPSHIRE

[No report.]

## RHODE ISLAND

**PW:** KIK closing, loss of 10 carloads.

**Capital Properties:** Profit up.

## VERMONT

**VRS:** Luzenac has move to Minnesota.

## MARITIMES/QUÉBEC

**CBNS:** Garbage move still not happening.

**WHRC:** Study says New Minas line not viable.

**WHRC:** Current operations.

**Saint John:** 1<sup>st</sup> meeting of NB gateway group.

**Halifax:** Caterpillar leaves Ceres for Norfolk, a major blow. *Guest mini-editorial on 'Gateway hacks'.*

**Halifax-Montreal:** Feeder service in May.

## RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

## PEOPLE, POSITIONS, EVENTS

**People:** Ronald Crowd, Judi Sheiffele, Jeff Monroe

## FROM THE PUBLISHER

### Viability of a short line

The study of the Windsor & Hantsport line between Hantsport and New Minas throws light on the internal costs and benefits of a light-density line.

But it falls short on the external costs, particularly on the highway maintenance cost. More on that in a future issue.

- Chop Hardenbergh

Next issue: 22 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, **GW** - 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, **GU** - Grafton & Upton RR, **HRR** - Housatonic RR, **MBCR** - Mass. Bay Commuter RR, **MBRX** - Milford-Bennington RR, **MBTA** - Mass. Bay Transportation Authority, **MC** - Mass. Coastal RR, **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

### ST: AN UPBEAT VIEW

25 March, Providence. *ST IS DOING MUCH BETTER*, according to Mike Bostwick, senior vice-president for marketing, at the New England Railroad Club Expo seminar entitled ‘Cutting Edge Customer Service.’

#### Future customers

To lead off, Bostwick pulled out his Blackberry and read a message to the audience, from someone he identified as “the corporate manager for supply and logistics at \_\_\_\_\_ paper mill in a \_\_\_\_\_ state [who had e-mailed him] in the last hour.” The manager had a story from inside the mill about why it was not using rail, even though it had a siding along it. The manager wrote Bostwick: ‘I’d like to hear your side of the story.’

Bostwick told the audience, “This is a 500-car account I have pursued for ten years.” [I would point to Erving Paper, in Erving, Massachusetts, as the only large paper mill on ST which is not using direct rail. See box. *Editor*]

Bostwick attributed this outreach from the mill to the price of diesel, which has increased 53% in the past year.

#### Paper mills

Pulp and paper, the railroad’s main driver [two-thirds of ST’s traffic—see 08#02A *Maine*], has seen some mills shrink, he said, but ST has seen “overall growth.” The weak dollar increases the opportunity to export. The coated paper mills in Maine are “going all out, at 110% of capacity, and giving a boost to my company.”

#### PAPER PRODUCED IN NEW ENGLAND

Bostwick makes a good point about coated paper:

##### ST-served in Maine

Lincoln Paper and Tissue: uncoated.  
 Madison: supercalendered (not coated)  
 NewPage: coated  
 Sappi Somerset: coated  
 Sappi Westbrook: release paper (coated)  
 Verso Androscoggin: coated  
 Verso Bucksport: coated  
 Wausau: coated.

##### MMA-served in Maine

Fraser Madawaska: various grades.  
 Katahdin East Millinocket: directory  
 Katahdin Millinocket: supercalendered

##### Other mills

Erving: tissue  
 Fraser Gorham NH: uncoated (SLR)  
 Kimberly-Clark CT: tissue (HRRC)  
 {*Directory of Pulp and Paper Mills in New York and New England (ANR&P)*}  
 The directory did not include smaller mills, such as two on HRRC: Schweizer-Mauduit (36,000 tons per year) and Mead Westvaco (25,000).

#### MORE ON ERVING PAPER

The mill receives recovered paper, trucked from New England and south, of raw paper, post-consumer, print rejects, newsprint.

Pulp. The mill’s pulping produces 45,500 air-dried short tons/year of pulp. (Deinked pulp)

##### Product: tissue

The mill’s three machines produce together 40,000 short tons per year..

#1, machine width 106 inches, speed 2500 fpm)  
 #2 machine (width 106 inches, speed 3500 fpm)  
 #3 machine (width 91 inches, speed N/A)

Market for tissue. Erving produces jumbo rolls of napkin grade tissue for the open market and operates its own converting plants in Green Bay, Wisconsin, and Hialeah, Florida.

##### Use of rail

All product moves out by truck, but jumbo rolls can move in containers, using either the Springfield ramp (CSXI) or Ayer (ST to NS). {*ANR&P* discussion 1.08 with Stephen Hastings at mill}

[Moving all 40,000 tons would get 400 carloads a year; additional cars could come from chemicals. *Editor*]

#### Traffic

Intermodal is growing, Bostwick told the audience.

“Carloads are up, service is much improved, we are running one helluva railroad.” Some new moves:

- Siegel Egg has moved to North Billerica “from a competing railroad.”
- Old Town Logistics is reinstalling track to a warehouse there.
- Atlantic Wallboard in Saint John is now open. [See 07#11A. This is served by NBSR, but apparently some traffic moves in the ST account].
- Seven hundred carloads of pipe [a one-time move to Saint John from the Midwest via NBSR—interesting that ST was able to capture this. *Editor*].

### Connections with short lines

Interchange with ST’s short line partners has risen 29%. Each of them is up by “hundred-carload digits.” {ANR&P coverage}

### PW: OPERATIONS ON NEC

25 March, Providence. **ABOUT 45% OF ALL PW TRAFFIC TOUCHES THE NORTHEAST CORRIDOR**, explained Joe Landry, general trainmaster, to a seminar entitled ‘Redesigning the Northeast Corridor’ at the New England Railroad Club Expo. PW has running rights from Attleborough to Pelham Bay NY (some only overhead). In 1999, it moved 14,000 carloads on some part of the Corridor; in 2008, it will come to 28,000 carloads.

He identified three unique restrictions to freight operations on the Corridor versus elsewhere on the PW system: many, many trains; bridge openings for marine traffic; and height restrictions because of the catenary wire.

### Ports

Much of that traffic serves three ports where PW provides the only direct rail access: Providence, Davisville, and New Haven. From [Providence](#), PW moves 500,000 tons of coal annually, in three 80-car trains per week.

### Any limits to new freight traffic on the Corridor?

Your editor asked whether the car-mile fee paid to Amtrak hindered the development of new business which would have to run on the Corridor. Landry said no: “We would identify the infrastructure needed, and the traffic levels, and work out” the price at which serving the customer made sense.

John Vacca, Amtrak chief engineer, told the audience: “There is no embargo on new switches.” {ANR&P coverage}

### PW & NECR

25 March, Providence. **THESE TWO RAILROADS WILL HAVE NEW TRAFFIC LATER THIS YEAR**, the Railroad Club Expo seminar [see ST] heard from Doug Low, the new NECR marketing honcho. This would consist of both ethanol and auto traffic. [More in a future issue.]

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## CONNECTICUT

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### ST: PASSENGER REVIVAL?

28 March, Berlin. **ST CONDUCTED A HI-RAIL TOUR OF THE LINE FROM BERLIN TO WATERBURY** following a transit planning conference in Bristol, with Vice-president Roger Bergeron. “We see a potential throughout the state for reinstating commuter rail. For the first time in our short history, car utilization in Connecticut is down,” said Senator Donald DeFronzo, D-New Britain, chair of the General Assembly’s transportation committee. “I think this is a very viable avenue. If we don’t pull the trigger on a project like this now, when would we?”

Al Martin, ConnDOT deputy commissioner, wasn’t as optimistic, emphasizing that detailed ridership and cost

studies must be done first.

ST, which owns the 24 miles of tracks and runs occasional freight trains, put forward an estimate this day of \$11.8 million to replace deteriorated wooden ties, realign and resurface worn rails and upgrade bridges and grade crossings, all necessary jobs to bring the railway up to federal standards for passenger service.

Martin, DeFronzo and Representative Betty Boukus, D- Plainville, all sounded skeptical about \$11.8 million being enough. They noted that it doesn't cover costs for staff, locomotives, passenger cars, train depots or parking lots along the route. “We'll work closely with you and the legislature,” Martin told an audience of 30 regional planners, state legislators and Bristol officials. “We want true intermodality, and this project is a part of that. And, we don't want to study this for 10 years — but we need to be sure the studies are done with accurate data.” {Don Stacom in Hartford *Courant* 28.Mar.08}

## NEW HAVEN: FEEDER

6 March. **NEW HAVEN CONTINUES TO SEEK A FEEDER BARGE**, according to minutes of the Port Authority. Michael Piscitelli stated that he and Judi Sheffele had attended a meeting earlier that day to continue discussions on the financial feasibility for the feeder barge service [see 08#01B]. Also present at that meeting were Judy Gott (SCROG), Ron Esposito (Roadlink) and Kevin Mack (Columbia Coastal).

Logistec and Columbia Coastal had agreed to go meet with the truckers, as well as the end users of such a service to gather information necessary to run cost models which would identify what the gap is between barge and truck transport. Currently those numbers are very far apart. The base volume is estimated to be one hundred containers per week and until that volume can be increased it is unlikely that the service will be feasible. It was agreed that the truckers are key to building the increased volume.

### **Barge not now financially feasible**

Commissioner Katherine Goodbody added that the feeder barge business will be driven by the private market. Commissioner John Russo agreed and added that it may be possible to obtain some initial subsidies to start the service but in the end it's all about volume. It is estimated that at least four hundred containers a week must pass through this port in order to make this business lucrative. Commissioner Judi Sheffele added that in actuality the end user wants their product delivered much sooner than a weekly barge service can accommodate, and at this time truck transport is the most efficient means of getting their goods; but increased costs for trucking and traffic congestion could soon create a market for this service.

### **Why is Bridgeport not starting**

Commissioner Dick Miller stated that these are all the same reasons Bridgeport has been unable to start a feeder barge service [see 07#12B]. Michael Piscitelli added the cost of fuel has almost doubled and that is a problem. Also there is some question as to whether or not the mayor of Bridgeport is interested in seeing a feeder barge service initiated in Bridgeport and apparently is looking for alternative uses for the site. These are all issues that need to be further explored.

### **Interim part-time executive director**

Judi Sheffele, one of the commissioners of the Port Authority, was hired as interim part-time executive director of the New Haven Port Authority; she resigned as a member of the Board.

{minutes from Port Authority}

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## MAINE

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### ST: LEWISTON LOWER

26 March, Topsham. **ST MAY BEGIN SERVING GRIMMELL** next month. Tim Garrity, who manages the scrap facility here, said “it's not yet confirmed” but that he has talked to Syd Culliford, ST executive vice-president. {ANR&P discussion}

The other potential shipper on the line, Knight Celotex, also would like rail service [see 06#10B]. Sandy Page, who succeeded John Robinson as manager of the facility in Lisbon Falls, said: “We are watching very closely the Pan Am developments. We are very interested to what kind of service they can put together, and what that cost would be.” {ANR&P discussion 27.Mar.08}

### ST MAINE: THREAT GONE?

25 March, Augusta. **THE LEGISLATURE’S TRANSPORTATION COMMITTEE REFUSED TO ENTERTAIN THE FEEDER LINE BILL**, said State Senator Dennis Damon [see 08#02B]. [A different attitude than predicted by State Representative Stacey Fitts when the bill was before the Utilities Committee—see 08#02A].

That remark followed a presentation from the Public Advocate, who seemingly dampened the critique of ST which emerged from his presentation at the Utilities Committee [see 08#02A]. {ANR&P discussion with Tom Hall, who attended the hearing and wrote a letter, with your editor, urging the committee to pass the bill}

### PORTLAND

1 April. **PORTLAND WILL DISMANTLE ITS TRANSPORTATION DEPARTMENT**, due to budget problems, and lay off Jeff Monroe, the director. The security functions will move to the Police Department. The Public Facilities Department will take over management of the Ocean Gateway terminal. The cruise ship marketing will be done by a regional consortium. Jeff Schultes, the airport manager, will take over surface transportation duties, including rail and taxi issues. Fire Chief Fred Lamontagne will handle Homeland Security operations.

If Portland City Manager Joseph Gray hadn't cut jobs, the municipal budget alone would have increased the property tax rate by 15.6%. As proposed, the budget would increase the tax rate by 6.2%.

#### International Marine Terminal

The facility on Commercial Street needs \$8 million to \$10 million in repairs that the city cannot afford, said Gray. The state may be willing to assume Portland's cargo operation because it fits long-term port investment goals and benefits industries across Maine, said John Henshaw, executive director of the Port Authority. “The city has other appropriate priorities.” Lease terms have yet to be determined. An agreement would require consent from the City Council and the Port Authority's board of directors.

[Henshaw cautioned on 9 April that the city and state have no agreement at present. “We’ve had discussions over the past year, but no substantive discussions on terms of any agreement.” The two sides have agreed to meet again “in late spring.” {ANR&P discussion 9.Apr.08}]

The cargo operation is expected to cost the city \$150,000 this year and bring in \$165,000 in revenue, Monroe said. The transfer to state management is supported by the International Longshoremen's Association Local 861, said Jack Humeniuk, business agent. Usually, he said, cargo operations are handled by state or regional agencies, recognizing that they support a larger area and need financial backing greater than a municipality can provide.

#### History of the waterfront office

Except for oil tankers, the port was dead in 1980 when Tom Valleau became the first transportation director. City voters in 1984 approved a referendum to protect the working waterfront, Valleau reported.

#### Jeff Monroe departs

Valleau held the job for 18 years, and Monroe for 10 years. Valleau believes that Gray's plan can work. The success of the container operations will be driven by market demand, Likewise, the city's cruise ship business will keep going as it builds on its own momentum.

The fishery industry operates on its own, he said, with strong boards overseeing the Portland Fish Exchange and Fish Pier. “If people on the waterfront are concerned about the future, I think that a year from now they will find things are running fine. That's my prediction.”

Valleau, today the executive director of the North Atlantic Ports Association, said it's rare for a seaport the size of Portland to have department dedicated to the waterfront. Larger cities tend to delegate port operations to regional or state port authorities. Portland's new approach is similar to that of smaller ports, such as Portsmouth [in 2001, the General Court eliminated the port authority and moved oversight of the state-owned pier to the Pease Development Authority—see 01#11A], Fall River [oversight by the Massachusetts Seaport Advisory Council—see 06#10A], and New Haven [which has a port authority independent of city management—see *Connecticut*].

Some involved with waterfront or marine-related businesses are worried that the loss of the director of ports and transportation position will mean less focus on waterfront issues. Monroe did a lot to raise the port's visibility nationally and his departure could be viewed by some that Portland isn't interested in attracting cruise ships or commercial vessels, said John Bass, a maritime attorney and president of the Portland chapter of the Propeller Club, which has 120 members involved in marine commerce.

Sandy Dunbar, a former club president who worked as a harbor pilot for 38 years, said he's worried that the port will enter a period of decline, similar to what happened in the 1970s when many docks were left to rot and cargo shipments came to a halt. “The waterfront community is afraid about what will happen without Jeff.” {Tom Bell in *Portland Press Herald* 8.Apr.08; Kelly Bouchard 1 & 5.Apr.08; Trevor Maxwill 5.Apr.08}

#### THE MAINE PORT AUTHORITY

The Port Authority was created in the 1970s but fell into disuse. MDOT revived it in the late 1990s [see 99#03] to oversee the state's cargo ports. But it has not yet managed a port. Searsport is managed by the users; Eastport has a port authority; and Portland was managed by the city.

Moreover, most of the Port of Portland's cargo, the petroleum, actually moves through South Portland, as does other bulk product.

Per the website [which needs updating, as it refers to the *Scotia Prince*], ‘the Maine Port Authority will stimulate commerce by developing marine and rail facilities...’

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## MASSACHUSETTS

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### CSXT: FREIGHT CAR HITS T TRAIN

25 March, Stoughton. **A FREIGHT CAR ESCAPED FROM COHENNO LUMBER AND CRASHED INTO A MBTA TRAIN.** On this day, CSXT Transportation delivered six cars to Cohenno [our *Directory* #255] at 92 Evans Drive. The company receives deliveries daily, a CSXT official said. George Casey, local chair of the United Transportation Union, said on 26 March that brakes were applied to all of the car's eight wheels. Bob Sullivan, a CSX spokesperson, also said the crews properly secured the cars.

Investigators interviewed forklift operators at the Stoughton lumber yard on the 26<sup>th</sup>. Andrew Cohenno, whose family owns the lumber company, said any reports that an employee manipulated the freight car with a forklift are false. {*Boston Globe* 28.Mar.08}

#### Derail failed

The car rolled downhill from the lumber yard spur, which has eight spots east of the line and just north of Central Avenue, over a derail, and through a switch (facing point north) to run north on the MBTA line. {*Boston Globe* 26-28.Mar.08}

Subsequently, the T removed a rail connecting the lumber yard to the main line. {NERAIL listserv}

#### Mini-editorial

The crash occurred *five minutes* after a worker at Cohenno called police. As in other cases, police seem untrained about railroad operations. The warning to the T should have reached the train engineer. He did respond to railroad signals, and had already stopped the train. But the car travelled nearly three miles before hitting the train. *Editor*

## GU: NEW ENERGY

3 April, Grafton. **MORE ON THE PLANS TO GROW TRAFFIC ON THE RAILROAD** came from Jon Delli Priscoli, who recently purchased half of the stock. [Brigette Lucey, who owns the other half, in the same time frame bought out the 50% owned by other members of her family, and sold that half to Delli Priscoli. {ANR&P discussion with Lucey 2.Apr.08}] He has the exclusive right to buy the rest of the company in the next four years, which he plans to do.

### Development plans

Delli Priscoli owns First Colony Development Company of Marlborough, Massachusetts. On this day, he said he bought into the railroad because of the potential for rail-related commercial facilities along it; “it’s the only short line between Worcester and Boston.” Because of congestion on the CSXT main line, “no additional switches will be installed.”

Since the announcement on 25 March at the Grafton Selectmen’s Meeting, and even before that, he has received a “tremendous amount of interest. A day doesn’t go by that we don’t get a call.”

Asked why Lucey herself had not garnered such interest, Delli Priscoli said she had “partners hampering her,” plus he has the benefit of decades of development experience. He called Lucey “a terrific manager; she saved the railroad from being lifted single-handedly.”

### Track rehab

The new owner said he had purchased ties from various suppliers, and 4000 ties were already on site. “We are cutting brush as we speak,” with five miles done of the total of 16 from Grafton to Milford. Crews will soon start ditching and profiling the roadbed, and then insert ties. Workers should complete the rehab to Milford by the end of 2009.

The workers came from other projects of First Colony, Delli Priscoli said. His company builds only for itself. As for the special rail equipment, he has “bought or buying” it. The line is not signalled. As for switches, “we have a lot on site.”

### Current and future operations

GU will cut up its existing roster of “one dead Alco, one on life-support, and one junked.” He is buying one GP-9 and one GP-7 which will arrive in the next two weeks. For rolling stock, GU will rehab the existing flat car into a work flat, and bring in a cabooses from other ownership to serve as a mobile office.

Delli Priscoli will continue to serve Washington Mills [see 06#04B—our *Directory* #350] and the railroad transload [#351] which now serves Weetabix in Clinton. The existing gravel pit in Upton [see below] is already under contract [ salt was unloaded there in the 1990s—*editor*], though he declined to specify what commodities the new owner would handle there. He views the Milford Yard, which the railroad owns, as six to seven acres also available for development. [In 2003-2004, Lucey had a deal with Boston Railway Terminal (BRT) to lease the yard, but the Town of Milford objected, and BRT lost at the STB. See 04#09A.]

As for the future, the new owner has options on several parcels of land adjacent to the line “all over the place.” He has referrals from CSXT’s Pat Byrnes, who does industrial development. None of the possible deals is close enough to fruition to disclose any details, though.

### Interchanges

GU has two paper interchanges, in Grafton and at the other end in Milford. However, the Milford connection is long out of service. Delli Priscoli, if he can get customers in the Milford Yard, would re-open that interchange. At this time, CSXT comes to Milford to deliver silica sand to Saint-Gobain Containers [our *Directory* #242], located just short of the Milford interchange.

### Workers

Ernie Rojee, the long-time jack of all trades who alone operated the railroad, will stay on, said Delli Priscoli. He has

hired no others yet, only borrowed them from other projects. None of them will be selling tickets though: “I have not considered a tourist train.” {ANR&P discussion 3.Apr.08}

### Previous rail experience

Delli Priscoli also owns the Edaville USA entertainment park in South Carver, though he leases out its operations; it has a short narrow-gauge tourist operation. {memo from Marsha Paul, chair of the Select Board, to Upton residents 27.Mar.08}

He formerly was involved in the Quincy Bay Terminal Company which operated the trackage in the Fore River Shipyard in Quincy. Owner Massachusetts Water Resources Authority awarded the operation to a new owner, Fore River Transportation, in 2001 [see 01#07A].

Also, in 1999 he worked with John Kennedy to start the Cape Cod Central Railroad, which operated passenger service on Cape Cod over the state-owned lines out of Hyannis. The two founders later and separately each left the operation, though Kennedy returned with new partners and now has the freight franchise as well [see 08#02A].

### More on the gravel pit

In March, Upton citizens voted down the acquisition of 29 acres just south of the tracks and west of Maple Avenue, from the Upton Development Corporation (UDC). The town’s former landfill lies here.

Delli Priscoli has partnered with UDC; he anticipates street-level retail along Maple Avenue, and industrial development behind that. {Aaron Wasserman in *Milford Daily News* 25.Mar.08}

### Hopedale mill complex not promising

As the new owner moves forward, Hopedale, which lies between Grafton and Milford, may wonder whether a revitalized rail line could draw industrial tenants to the former Draper mill complex. A town reuse committee has selected Cambridge Square Associates to help plan the future of the complex.

Even though GU runs through the complex, reuse committee chair Michael Ruane told the Hopedale Select Board on 6 April that all the advice Concord Square has already provided suggests industrial users would not want to use the mill because of its design and location, and that developers would be more interested in other uses. {Aaron Wasserman in *Milford Daily News* 7.Apr.08}

### But cullet is

The Container Recycling Alliance, in Franklin, moves out cullet by truck to the cullet transload operated by Gallo in Taunton [our *Directory* #283-1]. An official at the Franklin site said the company is always looking for a site directly on rail, and would consider the GU. {ANR&P discussion 8.Apr.08}

## MCER: A SALE, FINALLY

3 April, South Barre. **A MAJOR SHIPPER ANNOUNCED THE PURCHASE OF THE RAILROAD** in a press release: ‘John J. Pondelli Jr. bought the Massachusetts Central Railroad from Richard Close of Vancouver, Canada. Financial terms of the deal were not disclosed.

‘Pondelli’s other companies, located at the end of the railroad line, are Wildwood Reload, North American Pellet Co. Inc., York Transportation Inc., and Convenient Wood Fuels Inc. The companies provide transportation, storage and other services for customers in New England, New York, New Jersey and eastern Pennsylvania.

‘The Massachusetts Central Railroad has been operating along its 25-mile track since 1979. It offers connections with Canadian Pacific Railway, New England Central Railroad, Canadian National Railway, Norfolk Southern and CSX.’ {text from Worcester Business Journal 3.Apr.08}

### Another buyer

Dan Bigda, president of Boxcar Services out West Brookfield, also had discussed buying MCER. {ANR&P discussion}

## More on the Pondelli companies

Wildwood Reload. [Our *Directory* #366] In the 1990s, MCER leased this property from Matt Trifilo. In 2000, MCER transferred this property to CLS Dedicated [see 02#03B - MCER had about 2500 carloads at this time, with Wildwood handling about 350 of those].

In 2002 [see 03#04A], CLS Dedicated failed, and Trifilo formed Wildwood Reload. In 2007, Pondelli and partners Peter Trifilo and Paul French purchased Wildwood Reload, a reload and storage facility in South Barre, and named Pondelli as president. {*Business West online* 15.May.07}

North American Pellet Company, Inc. Established in 2007. Located at Wildwood. [NECR has its own nearby pellet receiver, New England Wood Pellet. See 06#09A.]

York Transportation Inc and Convenient Wood Fuels. Both incorporated in October 2007. {*Worcester Business Journal* 15.Oct.07} Convenient's web site states that it sells North American Pellet Company pellets.

## Other MCER freight facilities

MHF Logistics Solutions. [Our *Directory* #358-1.] Palmer, outbound containers of waste.

Kanzaki Specialty Papers. [#361]. Receives paper [see 03#01B.]

A&R Transport. [#364] Receives plastic pellets for transloading.

A&R Packaging and Distribution. [#364-1] Does plastics packaging.

ABC&D Recycling. [#365] Construction and demolition debris.

## What are its chances?

Earlier attempts to sell by Close always foundered on the amount of debt held by the railroad; debt payments consumed most of the cash flow. {2000 financial documents obtained in 2001}

When Finger Lakes managed the railroad, it did much to improve it [see 03#10B] including making the track compatible with 286,000-pound cars. Finger Lakes left in May 2006 [see 06#05B]. One person close to the Finger Lakes management said MCER “is a good little railroad but physically constrained. The terrain is not conducive to acquiring new customers.” {*ANR&P* discussion 3.Apr.08}

## NECR: PALMER DELAYED

8 April, Palmer. ***ALL PROPOSALS FOR DESIGN SERVICES EXCEEDED THE BUDGET*** by about two times, for the new run-around and new storage track at the Palmer Industrial Park [see 08#01B]. Town Manager Richard Fitzgerald explained that the Palmer Redevelopment Authority (PRA), which owns the line in the Park, had asked for bids to locate the best place for the new track, to produce engineering drawings, and oversee construction.

PRA had not sought design-build, because it did not have a firm contribution commitment from all partners, particularly NECR. From EOT, PRA has a grant of \$344,000, which requires a 25% match. Much of the match would come from an in-kind NECR contribution of track materials, Fitzgerald said.

## The re-bid

PRA awaits a statement from NECR about its contribution. Fitzgerald said Charles Hunter, NECR general manager, views business as down, and Fortress Investment, RailAmerica's new owner, may not want to invest at this point. Should Hunter turn down the contribution, though, Fitzgerald may ask the NECR customers in the Park to request that NECR review their decision. “Traffic will get better” at some point, he believes.

If PRA cannot get a contribution from NECR, then Fitzgerald will probably decide the location of the track, and bid just for drawings. “We can put those on the shelf” and build when the match becomes available. EOT is comfortable with this approach.

He declined to specify PRA's figure for the bidding, but noted that “even 50% over” that figure could be doable. Because the scope

of work will be smaller, PRA alone may have the match for it. {ANR&P discussion 9.Apr.08}

## ST: INDICTED IN MASSACHUSETTS

3 April, Lowell. **A MASSACHUSETTS GRAND JURY TODAY INDICTED PAN AM RAILWAYS INC, ST, MEC, AND B&M** for failing to report a hazardous spill and contamination on its rail yard property.

An investigation conducted by the Massachusetts Environmental Crimes Strike Force (ECSF) found that, on the evening of 8 August 2006, a locomotive left idling at Pan Am Railways' rail yard in Ayer spilled hundreds of gallons of diesel fuel onto the ground. Despite a two-hour time period for reporting spills of ten gallons or more to the MassDEP, the fuel spill was not reported by the company or its subsidiaries either that night or the next morning, but instead investigators allege that an attempt was made to cover it up.

The MassDEP was first notified of the fuel spill on the afternoon of 9 August 2006, by a caller, who wished to remain anonymous out of a concern for retribution by the railroad. The caller indicated that the railroad was alleging the spill was less than the reportable quantity of ten gallons, but that workers believed the spill was significantly greater. The caller said that the railroad appeared to be trying to hide the spill and avoid its detection by covering the spill area with fresh ballast.

The Ayer Fire Department, a member of MassDEP's Emergency Response team, and inspectors from the Federal Railroad Administration responded to the scene late in the afternoon of 9 August 2006, and initiated an investigation into the circumstances surround the spill. Initial assessments by the responding agencies indicated that a fuel spill of hundreds of gallons occurred at the site.

The Federal Railroad Administration's investigation eventually concluded that over 900 gallons of diesel fuel had leaked from the locomotive. Subsequent investigation by the ECSF revealed numerous ways in which the railroad companies learned of the spill, and its extent, but failed to report what it knew to MassDEP. Each failure to report is punishable by a criminal fine of up to \$100,000. {22 *Corporate Crime Reporter* 14 3.Apr.08}

## ST: CONNRIVER COMMUTER STUDY

2 April, West Springfield. **THE PIONEER VALLEY PLANNING COMMISSION HAS AWARDED THE I-91 KNOWLEDGE CORRIDOR PASSENGER RAIL STUDY** to HDR of Boston. Work is expected to begin by mid to late April and the study is expected to be complete within 12 months. {e-mail to ANR&P from Dana Roscoe, PVPC planner}

[Finally! See 07#11B.]

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## RHODE ISLAND

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### PW: CUSTOMER CLOSING

24 March, Cumberland. **KIK CUSTOM PRODUCTS ANNOUNCED IT WOULD CLOSE ITS FACILITY HERE** at 35 Martin Street [our *Directory* #463] and one in Egan, Minnesota. Company spokesperson Kerry Morgan said “It was a decision (made) after looking at all of our facilities,” she said. “We made the decision to keep facilities that are close to our customers and our distribution areas.” Four hundred people will likely lose their jobs here.

#### Ownership

In 2002, KIK Custom Products went public as a Canadian income fund, KCP Income Fund. In May 2005, KCP Income Fund acquired the North American business of the Custom Manufacturing Division of CCL Industries Inc.

#### Products

The website indicates that KIK specializes in laundry products, household cleaners, over-the-counter medicated, pharmaceutical, and health-beauty products, with clients including Wal-Mart, Procter & Gamble, Walgreens and

Target stores. Morgan said the Cumberland facility manufactured mostly personal care products such as deodorants. {Vinaya Saksena in Woonsocket *Call* 29.Mar.08}

### Rail use

KIK received aerosol propellants by rail, to the tune of about 10 per year, according to the chemical buyer for the plant. {ANR&P discussion 7.Apr.08}

## CAPITAL PROPERTIES RESULTS

31 March, East Providence. **CAPITAL PROPERTIES POSTED A 5% RISE IN ANNUAL PROFIT AT \$1.38 MILLION.** Capital Properties Inc. (Amex: CPI) is a \$5.8 million company based in East Providence. It and its subsidiaries operate in two segments: leasing, both of commercial real estate in downtown Providence and of outdoor advertising sites along highways in Rhode Island and Massachusetts; and petroleum storage, at the Capital facility in East Providence.

### Capital Terminals

Revenue from the company's petroleum-storage segment rose 16.5% to \$3.71 million, extending the previous year's 25% gain. The company cited income from a new 175,000-barrel tank that began renting in August 2006; an increase in real property taxes, which are reimbursed by the tenant under the terms of the lease; and the annual cost-of-living adjustment that took effect May 1. {Susan A. Baird in *Providence Business News* 31.Mar.08}

*Capital Properties is led by Robert Eder who also chairs PW.*

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## VERMONT

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### VRS: A NEW MOVE

7 April, Ludlow. **LUZENAC HAS A MOVE TO MINNESOTA** using three private three-bay covered hoppers: CMHX 39210, 39221 and 39223. According to Joe Fehr of Progressive Rail, who has arranged the move, 'the first 3 loads have already arrived at destination and the first empty car is back in the east for loading'. {e-mail to ANR&P}

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## QUEBEC/MARITIMES

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### WHRC: UPDATE

8 April, Windsor. **THE RAILWAY'S TRAFFIC HAS SLOWED**, said Jim Taylor, the general manager, basically due to the gypsum move.

### Gypsum

Fundy Gypsum Company, a division of USG Canadian Mining which is a subsidiary of USG Inc (formerly US Gypsum), has an open-pit gypsum mine at Miller's Creek and Wentworth. WHRC moves the product to Hantsport for export.

Taylor explained that during times of normal demand, Fundy moves about 180,000 tons per month, 5-6 trains a day, from January to April; the tonnage drops off in May and June (3-4 trains a day) when USG's Little Narrows Division [see 02#09] comes on line. "From then on, we share boats [transporting the product to the US East coast] until December." The traffic picks back up in November and December.

In 2007 and 2008, the housing downturn in the United States meant traffic dropped to about 115,000 tons/month in the first three months.

## Grain

Taylor said the transload in Windsor, using a portable augur, has served well the receivers in New Minas and nearby points [see 07#08B]. The current traffic of five cars a week should double or triple in the next several months; Taylor believes that corn is now moving through the grain elevator on the Halifax waterfront; his sense of history tells him that corn will come back to the rail.

## No plastic move

Minas Basin Pulp and Power is planning to make biodiesel from plastic. But, points out Taylor, the company has an affiliation with Armour Transport, so will use Armour trucks to move the plastic, just as it now uses Armour to move its recycled paperboard [see Minas Basin website]. {ANR&P discussion 8.Apr.08}

## WHRC: STUDY OF LINE

2 April, Kentville. *THE STUDY OF THE LINE'S VIABILITY FROM HANTSPORT TO NEW MINAS* was released. In November, Kings Community Economic Development Agency awarded a contract to Opus International Consultants (Canada) Limited, in association with Chris Lowe Planning & Management Group, Railway Consulting Services Incorporated, and EDR Group.

Some of the results of the study follow, with direct quotes in sans-serif typeface.

## Ownership

Iron Road Railways is a private holding company which, in 1996, was operating more than 800 miles of track in the U.S. and Canada and had annual revenues of US\$55 million (*Railway Age*, 1996). [In 2001, in bankruptcy, the BAR System had about \$50 million in revenues. See 01#10A.]

Ownership of the company changed in April 2006 from a partnership to a single owner. The current owner plans to change the name of the holding company to DAR of Delaware. However, this change has not yet occurred as the registered owner of WHRC in Nova Scotia is still Iron Road Railways.

[Jim Taylor explained that Bob Schmidt remains the single owner, with other investors holding the mortgage on the property. This enabled the WHAC to buy the WHRC stock -see 06#02B. He believed that the name change to DAR of Delaware had already occurred. {ANR&P discussion 9.Apr.08}]

In August 2007, the WHRC decided to cease operations on the western portion of the line between Hantsport and New Minas (miles 39-53), citing deterioration of the rail bed infrastructure as the primary reason. Recent derailments near Hantsport had also resulted in safety concerns for the rail crews. The associated cost of restoring the track to appropriate standards was not considered to be feasible by the operator.

## Gypsum operation

In recent years, annual movements have been in the vicinity of 25,000 to 26,000 rail cars. The vast majority (95% to 98%) of these movements is gypsum, which is transported from the quarries east of Windsor to a large storage and shipping facility in Hantsport. An average of five to six trains, each carrying 20 to 22 rail cars, move back and forth between the quarry operations and Hantsport each day. These movements all occur on a 12-mile section of track, making this section the basis of a viable operation in terms of revenue per ton-mile.

....The result will be 1.55 million tons of gypsum handled in 2007, with even lower volumes expected in 2008 as the US construction industry adjusts to lower market demand and the absorption of available inventory.

[The report notes that despite the decline in gypsum, and the change to transload, the railway has not laid off any of its 15 full-time equivalent employees. It started with 16 in 1994.]

### RULE OF THUMB FOR VIABILITY

In the rail industry, people believe that a short line can break-even with 100 carloads per mile per year. Of course, that depends on the revenue per carload.

The Kings County study put some figures to that reckoning, using a study on US short lines.

| Annual volume               | Viability                   |
|-----------------------------|-----------------------------|
| Less Than 10 Cars Per Mile  | Hopeless                    |
| 10 to 20 Cars Per Mile      | Marginal and Doubtful       |
| 20 to 40 Cars Per Mile      | Marginal to Better          |
| 40 to 100 Cars Per Mile     | Good Chance of Success      |
| More than 100 Cars Per Mile | Excellent Chance of Success |

[A series of studies by Due (1977 and 1984), Due and Meyer (1988), and Due and Leever (1993 and 1998) examined the formation and failure of local, regional, and switching and terminal railroads in the United States. {The Importance of Short Line Railroads to Rural and Agricultural America, John Bitzan, Tamara VanWechel, Douglas Benson, Kimberly Vachal,

### **Other traffic**

In addition to gypsum, the WHRC also moves another 650 to 750 rail cars each year containing primarily grain product. This number peaked at approximately 1,800 cars in 1997, and then underwent a period of decline before stabilizing in recent years. All of these loads are moved inbound on third party rolling stock from the CN mainline connection in Windsor Junction to customers in the Annapolis Valley. At the present time, the volume of outbound product moved by rail is about three cars per month.

### **ACA Cooperative**

ACA Cooperative supplies feed products to farmers throughout the Annapolis Valley. They rely on the rail service to bring in bulk commodities such as corn, soybean meal, and wheat from suppliers in the U.S. and Central Canada.

Rail cars used to be delivered directly to ACA's mill in Greenwich, where they were unloaded on site. ACA also offered an unloading service for local farmers, in which they supplied the auger, power, and maintenance. This service generated nearly \$50,000 per year in revenue.

ACA pays the same freight rates now (for combined rail to Windsor and then trucking to New Minas) as they did immediately before rail service to their Greenwich mill was ceased. These rates are negotiated directly with CN, who in turn pays the WHRC. The incremental truck movements that are now required are also included as part of the CN rate.

Outside of the lost revenue previously generated from the unloading service, ACA Cooperative is concerned that the greatest impact of the rail closure will be in terms of reduced competition amongst transportation alternatives. ACA currently imports product from the grain elevator at the Port of Halifax and believes that the rail would offer a competitive alternative to truck to keep prices reasonable.

### **Co-op Atlantic**

Co-op Atlantic operates the only full-line feed mill in the Annapolis Valley, selling roughly 52,000 tons of feed annually. Their primary imports by volume are corn (60%) and soybean meal (23%). Other products such as canola and gluten feed make up the remaining 17%. The feed mill uses a combination of rail and truck to transport their freight, with an approximate 50-50 split.

Like ACA Cooperative, rail cars used to be delivered directly to the Co-op Atlantic feed mill. Since rail service to the mill has ceased, they now receive loads from Windsor by Reimer trucking. As this cost is covered by the rate paid to CN, Co-op Atlantic essentially pays the same freight rates now as they did immediately prior to service cessation. Co-op Atlantic reiterated concern that removing rail service may negatively impact the competitiveness of transportation in the region.

### **Hostess Frito-Lay**

Hostess Frito-Lay operates a potato chip production plant in New Minas. They used to receive an average of 30 rail cars of vegetable oil each year directly to the plant. The closure of rail service presents logistical challenges that mean they can no longer consider rail as a viable transportation option. These logistical complexities largely surround the quality control concerns about having a third party convert the oil from solid to liquid form for transport by truck for final delivery from the rail terminal.

Consequently, the vegetable oil is now trucked from the Lauzon plant in Levis, Quebec. In addition to increased transportation costs, moving the vegetable oil by truck presents two other disadvantages:

- 1) Truck loads must now be ordered three to five weeks in advance. This means that supply must be more closely monitored to ensure that a shortage does not occur; and
- 2) Truck drivers prefer that loads be unloaded immediately, whereas it was quite common to empty rail cars on an "as-needed" basis.

### **External costs of additional trucking**

The trucking from Windsor, or in the case of Frito-Lay from Quebec, was calculated by the consultants as an additional 129,200 truck-kilometres to Highway 101 each year due to the loss of direct rail.

Accidents. The additional traffic adds only 0.04 additional accidents per year. In other words, the additional truck traffic is expected to result in only one accident every 25 years.

Increased CO2 emissions. 'The rail closure will result in an annual net increase of 125 tonnes of CO2 equivalent. The Victoria Policy Institute estimates the social cost of CO2 equivalent emissions to be \$21.85 per tonne, resulting in a total cost of about \$2,700 per year.'

Highway maintenance. 'As indicated previously, closure of the rail service resulted in nine additional truck trips (B-

trains) per day. This increase in traffic represents less than 0.1% of the total traffic on Highway 101 which averages more than 11,000 vehicles per day. The resulting impact on pavement condition would therefore be negligible.’ [This is *completely wrong*. More in a future issue.]

### **Cost of rail upgrade**

The investment required to address all issues listed above is estimated to be approximately \$13.2 million (\$2007). This includes \$5.4 million in track upgrades and \$7.8 million to upgrade/replace the two bridges.

In recent years, WHRC has been able to invest \$400,000 per year in capital improvements, far below the investment required to improve the section of line where operations were ceased. [Schmidt in 2006 called the investment ‘above average’—see 06#02B.]

### **Additional customers**

The consultants contacted Michelin and 14 Wing Greenwood (Department of National Defence). They expressed no interest in shifting fuel, parts, vehicles (DND), production inputs (Michelin), and final product (Michelin) to rail.

### **Concern about the Windsor-Windsor Junction line**

The consultants, using the viability table above, stated: ‘From a strategic perspective and considering the viability factors in this report, the key challenge for the WHRC is not re-establishing service on the very thin traffic Hantsport to New Minas line but rather increasing interchange traffic from Windsor Junction to Windsor [32 miles with no customers]. This would eliminate the need for subsidizing traffic from Windsor Junction using operating revenues from the 12- mile line between Hantsport and the quarry operations around Windsor. Traffic will need to at least double into the Windsor transload facility for truck movement onto New Minas and other parts of the Annapolis Valley. Without this level of volume increase, the rail link from Windsor Junction into the Annapolis Valley will continue to have high risk exposure.

The report continued: ‘The WHRC has considered ceasing operations on the Windsor Junction to Windsor line but has not moved forward with this strategy because of the need for moving locomotives. If this line was abandoned, locomotives would have to be dismantled for movement off the remaining “orphaned” line.

‘Officials of the WHRC stated that ideally they should not have kept the Windsor Junction to Windsor line as it is not needed for the gypsum movements. These officials, however, also stated (late 2007) that they will not abandon this part of the line.’

### **Recommendations**

Recommendations from the study include:

“ Identifying the socio-economic and environmental impacts of WHRC’s railway south of Hantsport, including the gypsum operation, as a first step in preparing a business case for accessing government funding to keep the remainder of the railway viable;

“ Lobbying ACOA, Transport Canada, and the N.S. Department of Transportation and Infrastructure Renewal to include short line railways in the Atlantic Gateway Strategy;

“ Monitoring global trends, Port of Halifax and CN Rail improvement projects to identify opportunities that may arise as the Gateway Strategy is implemented.

“ If the rail line is abandoned, it would be in the best interest of the region to preserve the land as a transportation corridor in case future economic development opportunities arise. {text of study, available on Kings Community Economic Development Agency website}

### **Reaction of Jim Taylor**

The WHRC general manager said on 8 April the study confirmed what “ I told them before they started,” that the New Minas end has no additional traffic. “If there was, we would have had it by now.” {ANR&P discussion}

## CBNS: STILL NO GARBAGE

8 April, Sydney. *CAPE BRETON GARBAGE STILL MOVES BY TRUCK TO THE MAINLAND*, said Donnie Burke, manager of solid waste for the Cape Breton Regional Municipality. He is trying to implement a rail move to Havre Boucher, and then drayage to Lincolnville [see 07#05A].

“When we last sat down with RailAmerica in January, they asked for six months to look at options to change sidings.” CBNS also asked us to participate with them in any public process” to gain approval for a transload.

The truck contract is “renewable weekly,” said Burke. {ANR&P discussion}

## SOUTHERN NEW BRUNSWICK GATEWAY: MONCTON-ST.STEPHEN

4 April, Saint John. *THE FOUNDING MEMBERS OF THE SOUTHERN NEW BRUNSWICK GATEWAY COUNCIL (SNBGC) HELD THEIR FIRST MEETING*. By virtue of incorporation, the five Founding Members become the initial directors of the Board. Captain Al Soppitt, president & CEO of Saint John Port Authority will chair the Council in its first year, The other four: Rob Robichaud, president & CEO of the Greater Moncton International Airport, vice-chair; Paul Doiron from Logistec Stevedoring, treasurer; and Mark Fracchia from Potash Corporation Saskatchewan, secretary. Blaine Higgs of Irving Oil Limited will serve as a director.

The Southern New Brunswick Gateway Council will cover the transportation corridor from Moncton to St. Stephen with all modes of transportation and the three levels of government being represented. The Board will be increased to include any transportation providers who join the Council who will become voting members. Other organizations including the three levels of government will constitute Resource members of the Council.

A gateway is defined as a system of marine, road, rail and air transportation infrastructure of national significance for international commerce within a defined geographic zone. The Council aims to:

# Improve the competitiveness and efficiency of the transportation of goods and people through southern New Brunswick as part of the Atlantic Gateway; and

# Promote awareness of trade, tourism and the transportation system and their importance to local, provincial and national economies. {press release from Saint John Port Authority}

## HALIFAX: CERES CUSTOMER

25 March. *CATERPILLAR ‘TEMPORARILY’ MOVED ITS CONTAINER TRAFFIC TO NORFOLK*, a port it used before Halifax. One major reason: CN’s poor performance this past winter. Andy Abbott, president of Atlantic Container Line shipping, which moved the containers into Halifax, said Caterpillar could not afford delays with CN Rail.

“Their shipments came in and were sitting at the terminal for over a week with no end in sight. Meanwhile, more snowstorms were hitting and derailments and all sorts of problems that CN was having.”

Paul Waite, senior CN vice-president for IMX (intermodal excellence), said this week that CN had fumbled “here connections were missed because of late trains because of weather conditions. It was kind of a confluence of both imports and exports missing connections that caused Caterpillar to do what they did, and this is a temporary thing, in my mind. We have had discussions with both ACL and Cat on this and we will actually be meeting face to face with them over the next week or so.”

CN says it has had problems across its entire Canadian network this winter [see photo 08#02B].

### Ceres reaction

Calvin Whidden, Ceres vice-president and manager of Ceres in Halifax, which operates the Fairview Cove Terminal, said: “Every container that crosses our dock creates more than two man-hours of work. So when you lose somewhere around 18,000 containers, that is very significant to our workforce, our revenues and our customer base.”

For the past six years, Caterpillar moved parts and machinery over Halifax to customers in the American Midwest.

**Comments about port performance**

Former HPA chair Merv Russell said until now he had not commented about declining cargo figures, but “when I saw that (about Caterpillar’s withdrawal), it really bothered me because I had worked on that account directly with ACL on a number of occasions because it was so vital to them.

“It’s a lack of care and concern on the part of Canadian National. It is convenient to blame it on the weather, but they take care of Prince Rupert and they have bad weather.” CN is a partner in the new Prince Rupert container terminal.

“They divested their interest in Halterm and this goes back to the very essence of the privatization of CN. There were those of us at the time who asked that other railways be permitted to run over the line, and we also asked for guarantees that CN would remain here.”

But Halifax got no guarantees from former CN president Paul Tellier, Russell said. “He had total disdain for Halifax.”

George Briand spent 40 years on the waterfront and was a director from 1992-96 when the port was administered by the former Halifax port corporation. “There needs to be a shakeup of the port’s administration,” said the former president and vice-president of the Halifax local of the International Longshoremen’s Association. He wanted “port-orientated people running a port.”

NDP Leader Darrell Dexter (MLA Cole Harbor) declined to blame the port administration. Halifax has had troubles since before Ms. Oldfield arrived in 2001. “We have been falling [down on] the world shipping tables since I have been in the legislature, since 1998.

“So those difficulties around cargo coming into the Port of Halifax did not start when she came into that position, but it is one that does raise the question, ‘How do you go about ensuring we are a competitive port when that transfer of cargo from the ships that come into Halifax Harbour is not making it expeditiously enough out of the terminal?’” {Tom Peters in *Halifax Herald* 25&29.Mar.08; Peters and Amy Smith 28.Mar.08}

**Virginia viewpoint**

Joe Harris, a spokesman for the Virginia Port Authority, said that Caterpillar has told the port that the move of its shipping business to Virginia is only temporary. But the Virginia authority will do whatever it can to make the deal permanent.

The Peoria, Illinois-based heavy-equipment manufacturer’s containers began arriving in Virginia about 13 March, said Linda Ford, spokesperson for the Virginia Port Authority. Before this new business, Caterpillar had been exporting finished excavating equipment through the authority's Portsmouth Marine Terminal. {Gregory Richards in the *Virginian-Pilot* 27.Mar.08}

**Guest mini-editorial**

Tim Bousque, news editor for the Halifax weekly paper *The Coast*, responds to the finger-pointing about CN and port management:

‘[T]his internecine warfare misses the point. Port traffic is decreasing for a reason: all gibberish about Halifax being a "gateway" aside, it doesn't make geographical sense to ship through Halifax to reach Midwestern US markets.

‘Gateway hacks like to point out that Halifax is the closest seaport to India, but they fail to mention that precisely because Nova Scotia juts out into the Atlantic, the land trip from Halifax to, say, Chicago, is longer than the land trip from New York or Norfolk to Chicago. And it is the land end of the trip that runs up the cost of shipping.

‘The hundreds of millions of dollars being spent on the "Halifax Gateway" may serve political patronage purposes—the usual cast of well-connected characters is no doubt grateful—but it would be far better spent supporting home-grown industry and, especially, agriculture. The sooner we realize that, the better.’ {3.Apr.08}

**HALIFAX-MONTREAL**

1 April. **GREAT LAKES FEEDER LINES PLANS TO START A SHORT SEA SHIPPING SERVICE BETWEEN HALIFAX AND MONTREAL IN MAY.** Aldert van Nieuwkoop, president, said it will offer a weekly service between the two ports using a 230-TEU ship which can also handle project cargo. The company expects to take delivery of the ship 8 April. It will put it into a Barcelona shipyard for maintenance, and it will re-flag it as a Canadian ship to conform to cabotage laws.

Van Nieuwkoop said he has gotten interest from some of the container lines calling Halifax to use the service

as a feeder to and from Montreal. He said transit times would be competitive with those offered by the CN railroad.

The ship has a stern ramp and two 35-ton cranes capable of dual lifts of 70 tons. The ship may call Toronto or Hamilton, if shippers need it. The ship will serve Montreal year-round, he said, but service to Great Lakes ports would be seasonal because the Seaway closes during the winter. {company press release in CIFFA eBulletin}

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## RAIL SHIPPERS

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Described in this issue.

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

ACA Cooperative (WHRC, Nova Scotia)  
 Cohenno (CSXT, Massachusetts #255)  
 Container Recycling Alliance (GU possibly, Massachusetts)  
 Co-op Atlantic (WHRC, Nova Scotia)  
 Erving Paper (ST possibly, Massachusetts)  
 Fundy Gypsum (WHRC, Nova Scotia)  
 Grimmell (ST possibly, Maine)  
 Hostess Frito-Lay (WHRC, Nova Scotia)  
 KIK Custom Products (PW, Rhode Island #463)  
 Knight Celotex (ST possibly, Maine)  
 Luzenac (VRS, Vermont #1137)  
 Michelin (WHRC no, Nova Scotia)  
 Siegel Egg (ST, Massachusetts)  
 Wildwood Reload (MCER, Massachusetts #366)

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## PEOPLE

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**Ronald Edward Crowd**, 57, died 30 March after a long illness, with his family at his bedside. He owned and ran the **Batten Kill Railroad** since 1983, the first African-American to own a railroad in the United States.

**Jeff Monroe**, director of the **Portland Transportation Department** for the past ten years, lost that position when the city eliminated it. He plans to find another job in the Portland area, if possible in a leadership position related to transportation. He also has been pursuing a master's degree in divinity and has been a pastor at the Holy Trinity Anglican Church in Fairfield, Maine.

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### ATLANTIC NORTHEAST RAILS & PORTS

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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 weekly. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out *thee-bulletin*, only by e-mail. All information in the *e-bulletin* (often updated), along with more articles with timely news, is included in the formal issue.

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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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