

# 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#08B 3 September 2008

\*Article unchanged from e-bulletin.

\*\* Blue type shows changes from e-bulletin.

## NS-ST DEAL

**NS-ST:** Town of Ayer requests the STB analyze re-use of the CSXT-leased auto facility.\*

## OTHER REGIONAL ISSUES

**ST:** Greenbrier asks for a receiver for ST.

**PW:** 2Q08 carloads up, intermodal down.

**ST:** Traffic down from 2007.

**Logistec:** 2Q08 revenue up despite US sector.\*

**VRS:** NYOG to handle American Rock Salt.\*

## CONNECTICUT

**PW:** Atlantic Wire closing.

## MAINE

**MMA:** Mill closing until 2009.

**MMA:** Irving closes saw mill permanently.\*

**SLR:** New Auburn yard track complete.

**SLR/ST:** Danville Junction work begins.

**ST:** Wausau closes one paper machine.

**ST:** NewPage decides not to shut down.

**ST:** Two on Lewiston Lower await rate quotes.\*

**ST:** Possible bio-energy plant in South Portland.\*

**Eastport:** No pellet shipper in Baileyville.

## MASSACHUSETTS

**GU:** Delli Priscoli buys all. Traffic by spring.\*

**PVRR:** Traffic up, Scott Fertilizer coming.

**PW:** R&M Leasing begins, TI Logistics closed.\*

**PW:** Gardner Branch now has 19'6" clearance.\*\*

## NEW HAMPSHIRE

**MBRX:** Derail problem, offer to lease, Culliford.

**SLR:** Wausau Carriers and Roehl Transport

closed.

**NEGS v ST:** ST files discontinuance.\*

**SLR:** Federal funds for track upgrade.\*

## RHODE ISLAND

**PW:** KIK closing set for September.\*

**Providence:** Capital Terminal becoming REIT.\*

## VERMONT

**VRS:** Two bridges to full doublestack.\*

## MARITIMES/QUÉBEC

**CN/NBSR/Saint John:** Potash suspension.

**NBSR:** Plans LCV transloading in Saint John.

## RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

## PEOPLE, POSITIONS, EVENTS

Bob Bentley, Steve Fontaine, Jeff Monroe.\*\*

## FROM THE PUBLISHER

### NEARS - well worth it!

You can still sign up for the fall meeting of the North East Association of Rail Shippers, 17-19 September. In addition to the rich set of panels, including one on the NS-ST deal, the meeting provides an excellent chance to meet and greet. See agenda, inside.

### Poor Maine!

Check out the stories on forest products companies.

- Chop Hardenbergh

Next issue: 16 September.

**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, **CNZR** - Central New England RR, **ConnDOT** - Connecticut Department of Transportation, **CPR** - Canadian Pacific Ry, **CSO** - Connecticut Southern RR, **CSRX** - Conway Scenic RR, **EOT** - Mass. Exec. Office of Transportation, **GWl** - 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, **HRRc** - 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, **NEPRA** - 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.

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## NS-ST DEAL

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*The Norfolk Southern Railway and the Pan Am railways (ST) propose to create the Pan Am Southern Railway to operate all of ST's lines west of Ayer [see 08#08A]. This section covers that deal, now before the STB.*

### NS-ST DEAL: AYER COMMENTS

11 August, DC. **THE TOWN OF AYER ASKED THE STB** for several conditions, in its comment [mailed on 11 August, posted by the STB on 22 August]:

Further environmental review. ‘Based upon review of the Environmental Appendix filed in the above matter the Town respectfully requests that further environmental review under the National Environmental Policy Act should be required due to potential impacts on drinking water, storm water management, traffic, and endangered species.’

Reuse of the CSXT auto facility. ‘The filing makes reference to an existing, "unused" automotive transload facility in Ayer that is currently leased to CSX until 2017. This longstanding auto unloading facility sits proximate to the proposed new facility but is located outside the Zone II aquifer. The STB and project proponents should be required to analyze an option that would facilitate reuse of the existing facility in lieu of major construction of a new facility directly above the Town's drinking water supply.’ {comments by Town Administrator Shawn Suhoski}

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## OTHER REGIONAL

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### ST: GREENBRIER ASKS RECEIVER\*

28 August, Boston. **ALLEGING THAT GREENBRIER AS A CAR LEASING COMPANY, AND OTHERS SIMILARLY SITUATED, HAD LITTLE ALTERNATIVE**, the company asked the Court to appoint a receiver. *This news broke on Friday. I will cover it in more detail with an e-bulletin later this week.* Editor

#### Effect on Maine mills

With Maine forest products and paper mills already taking a huge hit, Greenbrier said it was forced to withdraw 100 boxcars from a lease with Eastern Maine Railroad (subsidiary of NBSR). The memorandum stated that: ‘This action is directly related to Springfield Terminal’s refusal to pay car hire charges and will affect paper companies that ship products into the Northeast United States via the Springfield Terminal region. These cars will be pulled out of service in this region and put into a different service territory resulting in an interruption of service for users transporting goods using these boxcars.’

‘Regrettably, Greenbrier will continue to divert assets to other, more profitable regions of the country [resulting in] higher transport costs to third parties.... {page 15}

#### Overall impact of ST behaviour

Greenbrier lists 11 different court cases where ST refused to pay car hire 2004-2008, including two Class I plaintiffs: Union Pacific and CSXT. {US District Court website 1:08-cv-10362}

### PW 2Q 08 RESULTS

14 May, Worcester. **PW CARLOAD TRAFFIC INCREASED 17.1%** in the second quarter, the second consecutive double digit increase [see 08#05A]. ‘Operating revenues increased \$1.1 million or 16.1%, to \$8.1 million in the second quarter of 2008 from \$7.0 million in the second quarter of 2007. This increase is the net result of a \$1.4 million (23.9%) increase in conventional freight revenues and a \$13,000 (18.3%) increase in other operating revenues partially offset by a \$298,000 (45.9%) decrease in container freight revenues and a \$37,000 (16.9%) decrease in other freight-related revenues.’

### Conventional freight volume

‘The Company’s conventional carloadings increased by 1,483 to 10,131 in the second quarter of 2008 from 8,648 in the second quarter of 2007. Shipments of ethanol, coal, automobiles and steel ingots accounted for most of the increase in traffic volume. Ethanol and automobiles are commodities which the Company began hauling during the second half of 2007. These increases were somewhat offset by declines in shipments of construction aggregate, chemicals, building products and other commodities during the period. These decreases appear largely to result from the economic slow-down which the United States economy is currently experiencing.

### Intermodal down 50%

‘The decrease in container freight revenues is the result of a 49.3% decline in traffic volume partially offset by a 6.7% increase in the average revenue received per container. Container traffic volume decreased by 5,397 containers to 5,545 in the second quarter of 2008 from the second quarter of 2007.

‘During the second quarter of 2007 the Company began to experience a steady decrease in the volume of its container traffic which has continued into 2008. Among other factors, rate increases imposed by western rail carriers in the United States have resulted in steamship lines using "all water" routings to the East Coast for an increasingly larger portion of container traffic thereby significantly reducing the volume of such traffic shipped cross-country by rail. While the reduced level of traffic seems to have stabilized, the Company is unable to predict if and when container traffic volume may significantly increase. The increase in the average revenue received per container is attributable to contractual rate adjustments based upon railroad industry cost indices and to a change in the mix of containers handled.’ [This language reiterates that in the Annual Report for 2007—see 08#04B.] {text of quarterly filing with SEC}

### Roy Blanchard observation

‘Providence & Worcester’s second quarter results are encouraging on one level and business as usual on another level. They had a nice 17% bump in freight revenues, to \$7.8 mm. Merch carloads increased 17% to more than 10,000 units and RPU was up 6%, in line with what the Class Is have posted. Ethanol, automotive, steel and imported coal drove the increases – new commodity lanes begun in 2H07, chiefly out of Providence and Davisville. P&W held the ops expense delta to 13%, nearly quadrupling ops income to \$292,000. (The 10-Q says ops income was \$320,000 because P&W puts real estate and property sales above the line whereas everybody else puts ‘em below.)

‘The operating ratio remains stubbornly in the high 90s and I blame payroll at 55% of sales, some 25 points above what we see in roads of similar size – the “business as usual” cited above. Fuel expense doubled, but then MOE and T&S dropped 33% and 55% respectively, consequently capitalized cost recoveries were cut in half. Still, P&W did manage to take the OR down 2.5 points in the bargain. Last and not least, the intermodal business took hits of 49% in units and 46% in sales which P&W blames on more all-water boxes. Maybe so, but replacing \$63 boxes with \$740 carloads is good.’ {*Railroad Week in Review* 22.Aug.08}

## ST: TRAFFIC DOWN

26 August, North Billerica. **ST TRAFFIC WAS RISING IN PREVIOUS YEARS, BUT THE NATIONWIDE ECONOMIC SLUMP** has dragged the numbers down, according to Cynthia Scarano, ST spokesperson. In talking about traffic around Springfield [see *Massachusetts: PVR*], she said the railroad serves about 15 major customers in the Pioneer Valley. She declined to give details, but said traffic on Pan Am’s rails had been going up until this year when the general economy started dragging it back down. {Jm Kinney in *Springfield Republican* 26.Aug.08 }

## LOGISTEC: 2Q08\*

6 August, Montreal. **LOGISTEC ANNOUNCED A REVENUE INCREASE** compared to 2Q07: ‘our consolidated revenue from continuing operations grew by 5.0% to \$51.3 million, compared to \$48.9 million for the same period in 2007. At the same time, net income from continuing operations rose to \$2.4 million or \$0.35 per share, up from

\$2.1 million or \$0.32 per share for the equivalent period of last year.’

Its Canadian operations did well, while US operations remained down [see 08#05A *Connecticut*]. ‘In May 2008, the Company discontinued its activity at the port of Bridgeport (CT). Revenue and net income from discontinued operations totalled \$0.4 million and \$(0.3) million, respectively, in the second quarter of 2008. This compares to \$1.9 million and \$0.1 million, respectively, for the same period of 2007.’

“The improvement in our financial performance came primarily from increased container volumes handled, and to a lesser extent, from our environmental services. The strength of these activities enabled us to offset the impact of the lower volume of general cargoes, especially our steel, copper and forest product handling operations in the United States,” indicated Madeleine Paquin, President and Chief Executive Officer of Logistec Corporation. {company press release}

### VRS: NY SALT TRAFFIC\*

12 August, Ogdensburg NY. **VRS WILL GAIN SALT TRAFFIC HERE WITH AMERICAN ROCK SALT.** The Ogdensburg Bridge and Port Authority (OBPA) board of directors voted unanimously this day to approve a 20-month contract, from 12 August through 31 March 2010, to use the port for storing road salt.

The American Rock Salt mine, which per its website produces 10,000 to 18,000 tons per day, is located on the Genesee & Wyoming Railroad in Hampton Corners (Retsof) NY, about 30 miles south of Rochester. [Railcars can move GNWR-RSR-CSXT-NYOG (New York and Ogdensburg Railway). *Editor*]

NYOG, a part of VRS [see 02#04A], moved about 500 railcars during 2007, said Vice-president Jerry Hebda. The main users of the rail line are the APC Paper Company mill in Norfolk, Potter Industries in Potsdam, and Hoosier Magnetics and Seaway Bulk Services in Ogdensburg. Several other commodities, such as cottonseed, corn, and hominy, have come to the port via rail in the past few years.

The ARS traffic will add between 500 and 1000 carloads. Salt from Morton Salt and North American Salt arrives by ship. “It’s the largest amount of traffic on the rail line in some time,” said Hebda. “It’s going to bring the line into solvency.” {David Winters in Watertown *Daily Times* 13.Aug.08}

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## CONNECTICUT

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### PW: CUSTOMER CLOSING

14 August, Branford. **ATLANTIC WIRE WILL CLOSE PERMANENTLY** at the end of August. Company officials said orders had slowed significantly due to the poor economy. But Shanna Diaz, who works at a coffee shop next door to the 1 Church Street location, said: “I’m surprised they’ve been open this long. When you hear about how long they’ve been polluting Branford, it’s amazing they’ve been open so long.” {Chris Velardi in WTNH television 14.Aug.08}

#### Rail impact

The facility does wire annealing. In 2004, officials there reported receiving only a few cars a year. {ANR&P discussion}

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## MAINE

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### MMA: MILL CLOSING UNTIL 2009

26 August, Millinocket. **KATAHDIN PAPER DECIDED TO CLOSE THE MILL HERE** on 2 September. It had said it would operate as long as orders continued to arrive, but, said spokesperson Glenn Saucier, “We don’t have the orders. We will keep it going to fulfill our present orders and we will shut it down.”

The mill's No. 11 paper machine—Maine's newest such machine—is valued at \$150 million and has had a loyal customer base that was fronting some money to help keep the mill running, managers have said.

### Re-opening in 2009

Governor John Baldacci said officials at Brookfield Asset Management of Toronto, the mill's owner, have assured him that talks with alternative energy providers will produce a boiler to replace oil in the mill's production of steam and allow the 2009 reopening.

The shutdown “was to be expected but at the same time, I think it could have been handled so much better,” Baldacci said. “I was given an indication they would have an end date sooner and a whole revitalization package to put forward. This is still a private business and they are making their decision,” Baldacci said, “but they recognize now that they need cooperation and partnership [with the state]. We have to have these commitments in public and underlined so people know what's taking place here.” {Nick Sambides in *Bangor Daily News* 27.Aug.08}

### Confidence in future

One experienced paper mill logistics source said: ‘I'd expect Millinocket to resume operations after installation of a bio-mass boiler, which is in the final stages of agreement. Depending on market conditions, it could be up and running again next spring, with the boiler operational prior to the start of the 2009 winter season.

‘Unfortunately, timing will be a bigger issue as Katahdin's customers will be looking for supply commitments, or risk the situation they were put in this year with the mill going down. While the publication paper market is softening, most notably for light-weight coated papers (LWC), there does seem to be a continued demand for supercalendered papers (SC) for catalogs/inserts, which bodes well for Millinocket.’ [The Millinocket mill makes supercalendered paper, while the Katahdin's East Millinocket mill makes directory paper. See 08#07A.] {e-mail to *ANR&P* 28.Aug.08}

## MMA: ANOTHER TRAFFIC LOSS\*

12 August, Nashville Plantation. ***IRVING WOODLANDS WILL CLOSE THE FORMER PINKHAM LUMBER SAWMILL PERMANENTLY***, at the end of August. A fire on 11 August sped the decision for permanent closure; the mill was temporarily closed in January and re-opened in June. Mill officials cited a slumping housing market, soaring transportation and energy costs, and a decrease in lumber demand and prices due to a drop in U.S. home construction.

Some employees will relocate to Irving's sawmill in Dixfield. {Jen Lynds in *Bangor Daily News* 13.Aug.08}

### Other rail moves will remain

According to Irving's wood fiber manager Roy Bernard, all shipments of lumber will end from the site called Skerry Siding [our *Directory* #758] by the railroad; he estimated carloads in 2005 at 500 per year [see 05#08B]. But outbound chips (from chipping operations in the woods) to the tune of 500 per year will still go on, as well as outbound roundwood. Irving moves about 6000 carloads of roundwood a year, per the 2005 estimate.

Irving did not use IRAP funds to improve the trackage at Skerry, said Bernard; he had considered that in 2005. {*ANR&P* discussion 22.Aug.08}

### Other rail facilities

Irving also has the Oakfield Yard (Napadogan Siding) facility {#779} and the St.Croix siding [#778].

## SLR: AUBURN YARD

31 July, Auburn. ***THE CONSTRUCTION OF THE NEW LEWISTON JUNCTION SIDING IS COMPLETED*** [funded by a federal earmark—see description 08#06A]. It went into service on 31 July, reported SLR President Mario Brault {e-mail to *ANR&P* 28.Aug.08}

## SLR/ST: JOINT WORK

26 August, Danville Junction. ***THE RAILROADS HAVE A NOTICE TO PROCEED ON THE REBUILD OF THE JUNCTION HERE***, said Nate Moulton, MDOT rail manager. {ANR&P discussion 26.Aug.08} Rail observers note considerable work underway [see 07#05A].

Welded rail is arriving. Mario Brault, SLR president, reported on 28 August that a welded rail train ran to ‘Danville Junction this week. The remaining rail on the train is now on the SLQ for another partial unloading and will finish its course on the Québec-Gatineau Railway where it will deliver rails required for its 2008 rail program. The work at Danville Jct. will be a combination of Pam Am and SLR forces as well as contractors.’ {e-mail to ANR&P 28.Aug.08}

The work is estimated to cost \$5 million, Auburn Public Services Director Eric Labelle said. MDOT is paying \$1.9 million and each railroad is paying \$900,000. The Federal Transit Authority is paying the last \$1.3 million. {Scott Taylor in Lewiston *Sun Journal* 25.Aug.08}

## ST: PAPER MACHINE SHUTDOWN

25 August, Jay. ***WAUSAU ANNOUNCED IT WOULD SHUT ONE OF THE TWO MACHINES HERE***, No.10, by the end of 2008. It makes a backing paper used on dashboards and headliners of vehicles and has been running a limited schedule of five days a week. No. 11 makes masking tape and blue painters' tape and is running seven days a week.

“The paper industry in North America has been changing and declining, and this is just another symptom of the decline of the paper industry,” Kim Lavoie, president of the local chapter of the United Steel Workers at the mill said. “The small old paper machines are becoming less viable and unfortunately we have one of those.” {Donna Perry in Lewiston *Sun-Journal* 26.Aug.08}

### Rail impact

Brenda Herrin, director of procurement, said the mill shipped all product out by truck, but did receive some raw materials by rail. She could not prophesy how much the rail deliveries would be cut. {ANR&P discussion 29.Aug.08}

## ST: NO PAPER MILL SHUTDOWN

30 August, Rumford. ***NEWPAGE DECIDED NOT TO SHUT DOWN FOR TWO WEEKS*** 22 September to 6 October, as part of a previously scheduled rebuild of the mill's co-generation turbine. Tony Lyons, director of fiber supply, governmental affairs, and communications for the Rumford paper mill, said the company had reversed its position after reviewing outstanding customer orders. {Maine Public Radio 31.Aug.08}

### The possible shut down

The turbine rebuild, expected to run six weeks from 7 September through 9 October, had been planned for at least a year, said Lyons.

In early August the company decided to cease production on all three paper machines, the pulp mill, and the pulp dryer for a two-week period due to high energy, raw material and wood costs. Because the mill produces about 90% percent of its electricity, and that won't be produced during the turbine rebuild, mill administration decided not to produce the nearly 22,000 tons of paper that would normally be manufactured during a two-week period. Lyons said

Lyons said mill customers will not be impacted by the hiatus in production because of existing inventory. The mill will continue to accept wood deliveries during the shut down. The high cost of electricity, together with the difficulty of acquiring wood and its high cost, contributed to the decision.

“We continue to see a very volatile coated paper market,” said Lyons, adding that orders are down at NewPage as well as at other mills. “The company is doing what it can do to balance supply and demand.” {Eileen Adams in Lewiston *Sun-Journal* 15.Aug.08}

**NORTH EAST ASSOCIATION OF RAIL SHIPPERS****164th Meeting Agenda**

SEPTEMBER 17 – 19, 2008 - THE RED JACKET MOUNTAINVIEW RESORT, NORTH CONWAY NH

**THEME: “How is the Rail “Fueling” the Economy?”****WEDNESDAY, SEPTEMBER 17, 2008**

- 11:00 A.M. REGISTRATION OPENS, LUNCHEON BUFFET
- 1:00 P.M. PRESIDENTS OPENING REMARKS  
Logistics Manager, Verso Paper TAMARA BAKER-SILVER
- 1:15 P.M. REPORT FROM NARS  
Logistics Manager, Evonik Degussa Corp – President NARS DIANE EL-HAKIM
- 1:30 P.M. FUEL REVISITED – WHERE ARE WE GOING?  
Introduction: Logistics Manager North America, Omya Inc GERALD RACETTE  
AVO TranSystems GARY LANDRIO
- 2:15 P.M. SHIPPERS/RECEIVERS SPEAK OUT  
Moderator: Logistics Manager, Evonik Degussa Corp. DIANE EL-HAKIM  
Manager, Logistics Strategy and Services, Cyro Industries KYLE VAN EVRA  
President, NH Northcoast Railroad, Rep. Boston Sand & Gravel GARY HOGG
- 3:30 P.M. GREEN BUSINESS TODAY  
Moderator: Director of Sales, Valley Dist. & Storage Co. JOHN MEYERS  
**TBA**
- 4:15 P.M. STATES RAIL FREIGHT PLAN UPDATE  
Moderator: Executive Director, NEARS MICHAEL SCANLON  
Manager of Plan Development, MA E.O.T.C.  
Senior Rail Project Manager HDR ONE COMPANY  
MAINE DOT  
HNTB CORP  
JOE GEARIN  
NED CODD  
RON O’BLENIS  
GREG NADEAU  
DENNIS COFFEY
- 6:00 P.M. NETWORKING RECEPTION (1 HOUR), DINNER TO FOLLOW

**THURSDAY, SEPTEMBER 18, 2008**

- 7:00 A.M. BUFFET BREAKFAST AND REGISTRATION RE-OPENS
- 8:00 A.M. PRESIDENT’S OPENING REMARKS AND ANNOUNCEMENTS  
Logistics Manager, Verso Paper TAMARA BAKER-SILVER
- 8:15 A.M. CLASS 1 OPERATIONS PANEL  
Introduction: VP Marketing & Sales, Providence & Worcester RR FRANK ROGERS  
Moderator: Principal, D.C.M. Consulting Group DAVE MARSH  
General Manager East, CP Rail GUIDO DE CICCIO  
General Manager Eastern Division, CN Rail TONY MARQUIS  
Asst. General Manager Albany Division, CSXT JERRY LEWANDOWSKI  
General Manager, Harrisburg Division, Norfolk Southern Corp. ROBERT BARTLE
- 9:45 A.M. RAIL 101 – YOU NEED TO KNOW THIS!  
Introduction: Senior Vice President, Pan Am Railroad MIKE BOSTWICK  
VP Strategic Planning, NS CORP (Retired) JIM MC CLELLEN
- 10:30 A.M. HOW GREEN IS YOUR SPECIFICATION?  
Introduction: Logistics Systems Manager, Omya SCOTT MCCALLA  
Director of Transportation, Carboline E.J. JOHNSON
- 12:00 NOON LUNCHEON AND GOLF AT NORTH CONWAY COUNTRY CLUB
- 6:30 P.M. NETWORKING RECEPTION (1 HOUR), DINNER TO FOLLOW

**FRIDAY, SEPTEMBER 19, 2008**

- 8:30 A.M. PRESIDENT’S OPENING REMARKS AND ANNOUNCEMENTS  
Logistics Manager, Verso Paper TAMARA BAKER-SILVER
- 8:45 A.M. THE PATRIOT CORRIDOR  
Moderator: Account Manager, Norfolk Southern Corp. CHAD GRINNELL  
Senior Vice President, Pan Am Railroad MIKE BOSTWICK  
Manager of Transportation, Blue Seal Feeds BILL WHITNEY  
**TBA**  
**TBA**
- 10:15 A.M. INTERMODAL TRANSPORTATION PANEL  
Moderator: Regional Vice President, First Union Rail MAUREEN HORRIGAN  
The Tioga Group RON SUCIK  
President, Target Transportation JIM KELLY  
Alliance Shippers BRIAN POALILLO
- 11:15 A.M. THE MAKING OF THE SPRING 2009 PROGRAM  
Facilitator – Executive Director, NEARS JOE GEARIN
- 11:45 A.M. CLOSING REMARKS/ATTENDEE FEEDBACK/ \$250.00 DRAWING

**Rail impact**

Lyons said the 22,000 tons would ‘impact about 100 cars of outgoing shipments.’ {e-mail to ANR&P 27.Aug.08} The mill moves about half of its product by truck [see 07#11B].

**ST: LEWISTON LOWER ROAD\***

25 August, Topsham and Lisbon. **ST DOES NOT YET HAVE A RATE AGREEMENT WITH EITHER OF TWO CUSTOMERS** on the line here, owned by Maine. Tim Garrity of Grimmell said Gary Grimmell, owner, had not yet decided to begin work to rehab the siding [for which MDOT had awarded an IRAP grant—see 08#07B].

And Steve Healey, general manager of Knight Celotex in Lisbon Falls, said that “the last rate we reviewed [from ST], when Sandy Page was general manager, was not productive.” The company must also do “considerable siding work.” The decision about resuming rail is “subject to scrutiny by corporate” and local supply chain manager Aaron Chase. The company appears to await an initiative from the state or a third party to move ahead.

Nate Moulton, MDOT rail manager, said the truck rate Knight-Celotex had was “very good.” {ANR&P discussions 20&25.Aug.08}

**Knight-Celotex will re-open**

On 19 August, Knight-Celotex announced it would re-open the Lisbon Falls plant, closed indefinitely on 1 August [see 08#07B]. The plant will only produce one product, Conflex, a concrete expansion board used in road construction. Company general counsel Charles Micoletau said the facility will be able to run its equipment much more efficiently with only one product, saving time and energy. Conflex was chosen because it has been the most profitable product made at the Lisbon Falls plant. {Carol Coultas in Lewiston *Sun-Journal* 20.Aug.08}

**ST: POSSIBLE BIO-ENERGY PLANT\***

28 July, South Portland. **MAINE RENEWABLE ENERGY CONSORTIUM (MREC) OUTLINED PLANS FOR A BIO-ENERGY COMPLEX** to South Portland City Council members, located on land off Duck Pond Road, in Rumery Park, an industrial park. Councilors made no decision on the project, which is in early stages.

Led by local developer James Talbot and partners Don Johnson of Portland (owner of Phoenix Welding) and Gordon Hurtubise of South Portland, MREC would build the \$60 million project in three phases:

- A 4MW biomass-burning steam and electricity generator. MREC would sell output to local businesses and the New England power grid.

- A ‘fermentation bio-reactor’ to produce butanol and acetone from sugar beets. Butanol could be a fuel additive or alternative fuel. Initially, the butanol and acetone would go for traditional uses as paint thinner, brake fluid and solvents. “We want to get this up and working and be the first in the country to do this. This would be a showpiece,” said Talbot. Although making motor fuel from fermented sugar has been explored, the US has no commercial-scale sugar to butanol operations because of production costs. Talbot said the technology is improving to make the economics work.

- Use the carbon dioxide and distilled water created from the fermentation process to grow specialty crops or flowers in a commercial greenhouse, possibly located on top of the city’s old landfill, which has been capped and sealed.

“This is a completely bio-friendly production process” that sends the emissions back into the production process, noted David Martin, an engineering consultant with the project.

**Rail or port use**

Talbot told the City Council that his group is looking at other Maine sites, as well. He said after the workshop

that MREC also considering a site in Aroostook County, but prefers the South Portland site because the finished product could move by pipeline, tank truck or rail line. The plant also could receive shipments of wood chips by rail or by barge. {Linda Hersey in Keep Me Current.com 31.July.08}

### **EASTPORT: NO PELLET SHIPPER**

27 August, Baileyville. **THE NOW-EMPTY L-P MANUFACTURING FACILITY WILL NOT MAKE WOOD PELLETS.** Louisiana-Pacific shut its oriented strand board mill here in 2005 [see 05#04A], and has since sought new uses for it. [Ecomelt was one possibility—see 05#07A.] A German manufacturer of wood pellets, Enligna, sought to use the facility, but L-P wanted to restrict the amount and type of wood which Enligna could use.

Damar Dore, vice president of ICS of Maine Inc who has an option on the L-P facility and worked with Enligna to use it, said L-P did not want the pellet company to source the same wood which L-P needed for its Houlton mill, recently re-engineered to make laminated-strand lumber [see 08#06B].

#### **A loss for Eastport**

Skip Rogers, general manager of the Federal Marine Terminals operation in Eastport, said on 25 August that the pellet deal with the German company would have diversified port traffic away from its sole product: 300,000 tons of pulp a year from the Domtar facility in Baileyville [see07#06B]

Chris Gardner, director of the Eastport Port Authority, said on 25 August that Enligna asked the port to intercede with the governor's office. "Those conditions were restrictive, and they felt they had a better opportunity to get those restrictions discussed if they could meet with L-P more directly," Gardner said. "We just helped facilitate the meeting."

Cashman confirmed he had spoken with Enligna after he was asked to. "We [the governor's office and the Department of Economic and Community Development] quickly came to the conclusion that it was L-P's call."

#### **But a possible rail customer for ST**

Baetal Corporation of Kennebunk plans to open operations in the L-P mill. Baetel, a waste-to-energy firm, announced in July that it had entered into a joint venture agreement with St. Croix Green Energy LLC to redevelop the mill "for use in electrical generation, fuel production, and the development of a green business and energy park," according to a statement on the company's Web site.

Baetal hopes to make an announcement this fall. Dore said he is continuing to negotiate with the company about the use of the L-P facility. {Diana Graettinger in *Bangor Daily News* 28.Aug.08}

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## **MASSACHUSETTS**

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### **GRAFTON & UPTON: MORE DETAIL\***

5 August, Grafton. **THE NEW CO-OWNER EXPLAINED MORE OF HIS PLANS** for the railroad, during a meeting of the Board of Selectmen for informational purposes only. Since it was not a public hearing, the selectmen did not take questions from the audience. Jon Delli Priscoli said:

- He will soon buy the other 50% of the railroad, currently owned by Bridget Lucey [see 08#03B].
- He expects to have steady train traffic along the rail line by spring.
- He envisions at least one round trip per day. "I would be very excited to have more than that, but it is not cost effective to run more than one train." Frequency would be driven by customer needs.

- The line will remain FRA Class 1, as far as he could foresee.

### Potential new customers

The GU will replace several thousand railroad ties between Grafton and Upton. It is also working on securing some properties along the railroad for economic development. Delli Prescoli is fielding several phone calls daily: “The problem will not be attracting commercial development, but is there enough land available for commercial development?” {Donna Boynton in Worcester *Telegram & Gazette* 9.Aug.08}

On 25 August co-owner Bridget Lucey said the railroad has a second customer for the transload who will receive product there in November. GU is working on a couple of others. {ANR&P discussion 25.Aug.08}

20 August, Hopedale. **A TOWN COMMITTEE LIKES THE IDEA OF GETTING MBTA SERVICE** into the Draper mill complex. The Draper Re-use committee will explore the idea. {Aaron Wasserman in *Daily News* 20.Aug.08}

[While actual trains may lie far in the future, EOT might want to include the CSXT track from Forge Park to Milford in its purchase negotiations with CSXT. *Editor*]

### PVRR: TRAFFIC UP

26 August, Westfield. **RAILROAD TRAFFIC HAS GROWN SIGNIFICANTLY**, said General Manager Mike Rennie. He expects to handle 5,000 to 6,000 railroad cars in 2008, versus 4200 in 2007 and 3300 in 2006.

“We’re getting back to the way the world looked before 1970 or so,” Rennie said recently, to the era when trains handled most long-haul freight, and trucks did the drayage.

The addition of the Lowe’s warehouse and its 1500 inbound carloads [see 05#10A] offset the suspension of inbound rail tank cars to the Gas Supply Resources terminal in 2007 [see 07#07B].

### A Duie Pyle warehouse

Rennie said that A Duie Pyle had bought the 456,000SF Servi-Star warehouse at 211 Servistar Way in Westfield. The company started as LTL trucking in Pennsylvania, and has expanded into “high-quality warehousing.” It handles Scott Fertilizer products at warehouses in Westfield and Pennsylvania.

When Duie Pyle moved into Westfield, Rennie pitched rail service to the company; its warehouse has four rail-served doors. “I knew [them] from my trucking days. At the time the economics did not work but Rennie “beat on CSX incessantly” to reduce their rates. Finally, with the increase in cost of fuel, Scott’s decided to change, and reconfigured its building in Mariessville Ohio, to get more rail capacity. Scott told Rennie in 2007 it did 18% of its business by rail; this year it anticipates 36%; and by 2009, it will do 50%.

Duie Pyle has applied to the Planning Board to expand the warehouse by 240,000SF; it will begin the work by adding a spur (off the Lowe’s spur) into the building with four indoor spots. “It will be in construction before winter, and on-line in the spring,” said Rennie. {ANR&P discussion 29.Aug.08}

### Kleer Lumber use of the railroad

Kleer, which set up in Westfield in 2004 [see 05#04B], receives raw materials direct via PVRR, and uses the CSXI intermodal terminal in West Springfield to move its plastic trim board to the West coast. It costs \$3,000 to \$3,500 to rail the container from Westfield to Oregon, according to Philip J. Cameron, director of order fulfillment for Kleer Lumber.

Shipping the same 48,000 pounds of finished product by truck could cost as much as \$5,500. “It just makes sense. Why have one engine take that container of goods across the country when you can have one railroad locomotive take hundreds of those loads all across the country? This is a customer it would be difficult to keep if we couldn’t ship this way.” {Jim Kinney in *Springfield Republican* 26.Aug.08 }

**PW: WIN ONE LOSE ONE\***

22 August, Oxford. **R&M LEASING HAS BEGUN ACCEPTING RAILCARS** at its facility on Dana Street, said President Ron Perry. “Over the last month we have received 10-12 rail cars of wood pellets” for two customers, the latest from Tennessee. The customer uses its own trucks to pick up from his warehouse and deliver direct to its recipients using a forklift riding on the back of the truck.

While in 2006 PW had quoted possible rail customers a too-high rate, now “the railroad is sending customers my way,” Perry noted. Its rates, over which he has no control, now clearly permit the use of rail.

Perry said he offers customers trucking: he has 47 tractors and 300 trailers at his fleet facility on Town Forest Road in Oxford.

**TI Logistics closed**

But another Oxford rail user, TI Logistics [our *Directory* #431], closed, said Perry. It had expanded from Worcester [#353] to Oxford in 2002 [see 02#01A]. TI sold the Worcester facility on 66 Atlas Street (formerly Sack Storage), on CSXT to Regency Warehouse [which recently sold some of its Ayer facility to Kenco—see 08#06A].

**PW: GARDNER CLEARANCE\*\***

21 August, Worcester. **PW HAS UNDERCUT TWO HIGHWAY BRIDGES ON THE GARDNER BRANCH**, and can now run 19'6" high cars (autoracks and mixed double intermodal) from Worcester to Gardner. {e-mail to ANR&P from PW General Counsel Marie Angelini 21.Aug.08}

The undercutting work, announced in April [see 08#06A], took place from 16 to 18 August. {PW e-list} **PW is installing ties in Holden; earlier this year, PW installed ties in Gardner, south of Route 2 (but not in the yard). The track will be surfaced later this year.** {e-mail to ANR&P from Marie Angelini 28.Aug.08}

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## NEW HAMPSHIRE

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**MBRX/ST: TRACK USAGE**

11 August, DC. **ST WAS CAUSING UNNECESSARY WORK FOR MBRX BY REQUIRING THE USE OF A DERAIL**, noted MBRX owner Peter Leishman in his comment to the STB on the NS-ST deal [see balance of comment in 08#08A]. As Leishman noted in a letter to Fink (attached to Leishman’s verified statement in the comment), ST demanded the installation of a derail ‘at the point where our two railroads meet in Wilton...to protect ST from’ a scenic railroad operation [see 04#09B]. The ‘Wilton Scenic’ stopped operating in 2006 after the death of its owner [see 06#02B], yet ‘ST continues to require the use of the derail. The process of opening and closing the derail on main line track is cumbersome and delays trains.’

In response, ST said on 13 November 2007 it would ‘immediately’ replace the derail with a split switch, but as of 4 August 2008 had done nothing.

**MBRX operations**

Leishman’s comment also noted MBRX has moved 400,000 tons of stone annually. [It does so in three daily trains, in season, but would like to use four—see 08#06B: *NS-ST deal*.]

In the initial 1992 trackage rights agreement (expired in 2004 and the subject of negotiations to renew), ST stated it would ‘install welded rail between milepost N-11 and milepost N-16.36 within five years of the effective date of this agreement.’ Instead, ST has designated this track as excepted.

[The failure to install welded rail, and the failure to replace the derail, are only two examples leading Leishman to write in his comment: ‘There is a significant difference between what PAR and its affiliated companies say, and what they actually do.’ See 08#08A.] {text of comment and verified statement filed in FD

No. 35147}

### Offer to lease

In June, Leishman noted that he had some time ago offered to buy the ST trackage he runs over in Wilton [see 08#06B: *NS-ST deal*], but ST has shown no interest in that proposition.

On 5 August, Leishman wrote to ST President David Fink proposing a lease: ‘I would like to explore with you the possibility of leasing the Milford-Wilton section (3 miles) of the Hillsborough Branch. I know your position in the past has not supported the sale of the line but a lease has never been explored. I would be willing to upgrade this section to a better than class one condition and protect Pan Am Railways, etc., from any liability. As you may know, our lease with the State of the Wilton to Bennington section has worked well. We maintain that line well above the requirements of our lease, and we would do the same with your trackage and protect your property from the many abutters that are infringing on your line. Please call my cell phone at 603-365-0621 or e-mail me at your earliest convenience.’

On 26 August, Leishman said he had not received even the courtesy of a response ‘and people wonder why you have to go to the STB or the courts...’ {e-mail to *ANR&P*}

### Conversations

In the UTU/BLE comment, Casey and Twombly related their encounter with Rob Culliford, ST general counsel, on 17 July 2008 [see 08#08A]. After Twombly asked Culliford questions, ‘Mr.Culliford became extremely upset and hostile, using profane language, directing himself in a physical way toward my person, pointing and tapping the table, while informing the group that the employees were a bunch of spoiled children that needed reassurance.’

Leishman said Culliford has treated him the same way. ‘I felt good that I haven't been the only one yelled or sworn at.... Rob Culliford treat us all equally...’ {e-mail to *ANR&P* 28.Aug.08}

## SLR: CUSTOMER CLOSED

25 August, Groveton. ***FOLLOWING THE CLOSING OF WAUSAU PAPER AND GROVETON PAPERBOARD, WAUSAU CARRIERS*** and Roehl Transport have both closed their facilities here [see 07#10A].

In October 2007, Bob Wagman of Wausau Carriers said the vast majority of its warehouse was dedicated to the paper mills. “We will aggressively seek other potential customers on rail for that area.” Wausau had recently built the warehouse which “could also function as manufacturing facility,” he said. It is “on rail, has a loadbearing floor and good employees.” {*ANR&P* discussion 31.Oct.07}

On 25 August, a Roehl official at the Wisconsin headquarters said it closed its NH operation “about six months ago.” The Wausau warehouse phone is disconnected in Groveton, as well as in Wisconsin. {*Editor*}

## ST v NEGS: DISCONTINUANCE\*

15 August, Concord. ***ST GAVE PUBLIC NOTICE THAT IT WILL FILE A NOTICE OF ADVERSE DISCONTINUANCE*** against NEGS, following up the STB February decision on ST’s request for conditions [see 08#01B] it made in 2007. The legal notice in the *Concord Monitor* stated in part: ‘Boston and Maine Corporation (the "B&M") and the Springfield Terminal Railway Company ("ST") hereby gives notice that on or about September 10, 2008 it intends to file with the Surface Transportation Board, Washington, D.C. 20423, an application for permission for the adverse discontinuance of operating authority of New England Southern Railroad Company, Inc.’ {text of notice}

**Attempt to negotiate**

NEGS owner Peter Dearness, in his 11 August comment on the NS-ST deal [see 08#08A], wrote that he was ‘willing to cooperate’ with ST’ and leave the line. ‘PAR has not yet responded to this offer.’

**Status of civil suit**

In December 2007, NEGS filed against ST to recover interline obligations and car hire; ST now owes over \$500,000. According to the court website, the last filing occurred in March 2008, when NEGS opposed ST’s motion to dismiss for lack of subject matter jurisdiction. {NH federal district court website, docket no. 1:07-cv-00403-JL}

**SLR: TRACK UPGRADE\***

6 August, Gorham. *A GRANT TO THE SLR FOR \$392,000 WAS PRESENTED AT A CEREMONY THIS DAY* by US Representative Paul Hodes (D, New Hampshire) to SLR President Mario Brault, to replace eight miles of 70- to 80-year-old rail.

Hodes said: “Addressing the transportation infrastructure needs of our region is beyond any one party. The needs are too great, and the resources of any one group are too small. Only through us working together, at the federal, state, local, and private industry levels, can we muster the resources necessary to begin making long term improvements that will benefit our neighbors today and our future generations.”

Brault commented: “Investing in the future of Coos County and the rail line passing through it is critical for the economic well-being of not only the railroad and its employees, but more importantly the communities and customers we serve in New Hampshire. It will help with both the retention of existing industries using rail service, and the attraction of new companies and jobs to our region. This project is the beginning of a much larger investment to replace 23 miles of mainline rail between Berlin and the Vermont border over the next four years. We look forward to the completion of this project through successful public-private partnerships with Congressman Hodes, the federal government and the state of New Hampshire; and to a brighter economic future for the North Country.” {Hodes press release}

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## *RHODE ISLAND*

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**PW: RI CUSTOMER FOLLOW-UP**

20 August, Cumberland. *KIK CUSTOM PRODUCTS WILL END PRODUCTION ON 26 SEPTEMBER*, according to an official at the plant. {ANR&P discussion} It announced in March that it would close in the autumn, meaning the loss of about 10 carloads a year for PW [see 08#03B].

**PROVIDENCE: CAPITAL TERMINAL**

5 August, Providence. *CAPITAL PROPERTIES AIMS TO BECOME A REAL-ESTATE INVESTMENT TRUST*, and cease reporting to the Securities and Exchange Commission. The company, majority-owned by the family of Robert Eder, who also owns a majority of PW, holds the land beneath some of the most prominent downtown Providence buildings as well as the Capital Terminals in East Providence [see 08#03B]. {Timothy Barmann in *Providence Journal* 6.Aug.08}

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## VERMONT

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### VRS: MIDDLEBURY CLEARANCES\*

18 August, Middlebury. **VAOT WILL SEEK FULL DOUBLESTACK CLEARANCE ON TWO BRIDGES HERE**, said Robert Ide, rail program manager. He visited the location to view needed repairs to the bridges carrying Main Street and Merchants Row across the VRS main line.

Ide, a former Republican state senator who lives in Peacham, took his new position in June and is getting up to speed. “I have been on what I would describe as the rocket ship learning curve,” Ide said with a chuckle. “You learn about the people; you learn about what it is that you just signed up for; you learn the questions you should have asked at the interview but didn’t know enough to ask.”

“There is three feet of elevation difference between where we are and where we need to be,” Ide said. “You can go down, you can go up or do a combination of both. That’s what you’ve got to work with. It’s going to take some creativity and some different thinking to make that happen.”

Work on the two structures will begin after the state completes another in-town street project, probably in 2010. {John Flowers in *Addison Independent* 21.Aug.08}

“These two structures are the lowest on the line,” said Ide later. Eventually, the west side of the state [the VRS line] should have full clearance (20’6”), as should the east side [the NECR line—the east is limited by the Bellows Falls tunnel, which has 19’6” for mixed doubles—see 06#09A]. “We have the opportunity to get it right now for the future, and do the two bridges at the same time.” If the state does not now give the two bridges full clearance, then getting it will wait decades, Ide noted.

However, achieving the full clearance will not be easy. Engineers must work with the high water table, which makes undercutting difficult, and nearby buildings, which make raising the two roads difficult. {ANR&P discussion 21.Aug.08}

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## QUEBEC/MARITIMES

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### CN/NBSR/SAINT JOHN: POTASH

29 August, Saint John. **POTASH CORPORATION OF SASKATCHEWAN STOPPED ITS EXISTING MINING OPERATION** at McCullys for a month during August, for maintenance at the mine and at the port, according to a spokesperson at the Sussex facility. {ANR&P discussion 15.Aug.08}

#### Saint John facility

CN rails the potash to the Barrack Point terminal in Saint John [see 07#02A], leased to PCS by SJPA, said Andy Dixon, who handles marketing for the Port Authority. ‘SJPA is responsible for maintenance on the pier structure and Potashcorp is responsible for maintenance on the terminal. We do our maintenance work as required and it is not normally necessary to schedule this during a terminal shut down.’

Barrack Point is also used by Cargill, which acquires the salt mined as part of the potash operation. Cargill either rails or trucks the salt to Barrack Point [see 99#13], where, per Dixon, it moves out by ship, generally to points in Canada or the northeast United States.

**New mine**

PCS continues to work on its new mine about five miles south of McCullys at Picadilly near the existing one [see 07#07B]. Dixon said that the salt coming out of the new mine would also move via Barrack Point. {e-mail to ANR&P 29.Aug.08}

**NBSR: LCV TRANSLOAD**

30 July, Saint John. **THE RAILWAY IS PLANNING TO TRANSLOAD LONG-COMBINATION-VEHICLES** at its warehouse, putting the product into railcars. LCVs, a tractor pulling two 53-foot trailers with an overall length of 40 metres, are now permitted on all New Brunswick divided highways; Nova Scotia is initiating a pilot project [see box].

**The rail connection**

John Murphy, vice-president of Irving Transportation (part of J.D.Irving), said his company is considering using NBSR to move the LCV trailers on the railway into Maine, which does not permit such LCVs on its highways.

Ian Simpson, NBSR general manager, explained further in August. “This is not a novel idea, for shippers who are not rail-served, or not served competitively, to move their product by truck to a reload where they can get rail access.

“We have a 95,000SF warehouse in Saint John, with indoor rail and truck served. We handle product for customers every day which is trucked in and loaded into boxcars. Now that on the highways a truck can haul two trailers, from points in New Brunswick [and soon] in Nova Scotia, it makes sense to use” the LCVs to deliver product to NBSR’s warehouse.

“We have the most direct rail route into New England. It’s too soon to talk about specific customers” who will use the LCV option, said Simpson. “But when we talk about it in the market place, [we get a good response]. With the price of fuel, shippers are looking for every advantage they can get.”

**Little intermodal service in Saint John**

Simpson did not anticipate that the trailers arriving in Saint John on LCVs would move intermodally into the United States. “There’s been no discussion of any kind of intermodal.” The contents of the LCV trailers would be transloaded in the NBSR warehouse, and then “boxcarred to the New England market and beyond.”

Simpson reported that the city lacks “formal intermodal service,” for boxes either loaded or unloaded. CN does move boxes for Tropical Shipping, which uses the port to reach destinations in the Caribbean and South America [see 06#08B]. NBSR does move “a smattering of CP boxes” in regular freight rains, about six to ten loads a week. “That’s traffic that has always been there.” {ANR&P discussion 26.Aug.08}

**LCV PILOT PROJECTS****New Brunswick project**

In 2005, NBDOT and Irving Transportation, headed by John Murphy, tested the use of LCVs on provincial divided highways Routes 1 and 2 between Saint John and Dieppe. The University of New Brunswick evaluated the pilot project and ‘determined [LCVs] were safe for use on New Brunswick's four-lane highways,’ according to a 26 March NBDOT press release.

On 30 June, NBDOT began accepting applications to operate LCVs on all provincial divided highways. “These types of operations can provide transportation efficiencies contributing to our Atlantic Gateway work and our provincial agenda to become self sufficient by 2026,” said Transportation Minister Denis Landry. “The operation of LCVs on major corridors can also provide environmental benefits such as fuel savings and

greenhouse gas reductions that contribute to the province's Climate Change Action Plan.” Landry said that the department will be applying strict permit and operating conditions to all carriers approved to operate LCVs in New Brunswick. {NBDOT press release}

According to transportation consultant Peter Vuillemot, Sunbury Transport (part of the Irving group of transport companies) LCVs ‘are hauling paper and paper products for other Irving companies.’ {e-mail to ANR&P 30.Jul.08}

### **Nova Scotia pilot project**

On 30 July, Nova Scotia announced it would initiate an LCV pilot project. The vehicles will be permitted to operate under strict conditions, including only on four-lane divided highways from Halifax to the New Brunswick border, lower maximum speeds of 90 km/hour, and using trained drivers with a minimum of five years and 150,000 kilometres of tractor trailer driving experience. LCVs will be restricted during unfavorable weather, such as freezing rain, sleet, fog and heavy snow. Qualified truck operators can participate in the pilot project, by submitting an application to drive LCVs, which could begin operating on 1 October.

### **Port impact**

“We are pleased the province of Nova Scotia will be launching this pilot project,” said George Malec, vice-president Business Development and Operations, Halifax Port Authority. “Many customers of the port, and especially those involved in transload, want to use LCVs to transport their goods to inland markets. This pilot provides options for our customers to grow their business through the Port of Halifax.” {NSDOT press release}

### **No heavier vehicles**

NSDOT spokesperson Patricia Jreige said the LCVs will permit longer vehicles, but not heavier. Weight limits remain in place. {ANR&P discussion}

### **Sunbury comment**

Tim Fielding, general manager of Irving’s Sunbury Transport, confirmed his company would participate in the Nova Scotia pilot, and that the transload idea would work. “Most definitely, we are working on a couple of initiatives over the long term.” With Ian Simpson, he is looking at “how to open up the gateway from an LCV perspective...looking through marketing opportunities.”

The transload is needed because an LCV can weigh 137,500 pounds, whereas Maine limits trucks to 80,000 pounds.

“The early opportunities are in transload. We could do piggyback or containers” eventually. {ANR&P discussion 26.Aug.08}

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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.

A Duie Pyle (PVRR Massachusetts new)  
 American Rock Salt (NYOG, Regional new)  
 Atlantic Wire (PW, Connecticut #541 ending)  
 Baetal Corporation (ST Maine possible—see Eastport)  
 Cargill (CN New Brunswick)  
 Grimmell (ST Maine possible)  
 Irving Woodlands (MMA, Maine #758 ending)  
 Katahdin Paper (MMA, Maine #791 suspended)  
 KIK Custom Products/CCL (PW, Rhode Island #463, closing)  
 Kler Lumber (PVRR Massachusetts 410)  
 Knight Celotex (ST Maine possible)  
 Maine Renewable Energy (ST Maine possible)  
 NewPage (ST, Maine #881)  
 Potash Corporation (CN New Brunswick)  
 R&M Leasing (PW, Massachusetts new)  
 TI Logistics (CSXT #353 & PW #431, Massachusetts, closed)  
 Wausau Carriers/Roehl (SLR New Hampshire closed)  
 Wausau Paper (ST, Maine #878, one machine closing)

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## PEOPLE

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**Bob Bentley** has become vice-president and general manager of the **Massachusetts Central Railroad**, succeeding Gary Hoepfner, who left to pursue other interests. Bentley was hired by new owner John Pondelli [see 08#03B] into the same position he held beginning in 1980 and into the late 1990s. Thereafter, he worked for the Maine Coast Railroad [see 99#11], then the New York Cross Harbor, and the North Shore Group of six railroads in Pennsylvania.

MCER said it had signed a joint marketing agreement with New Hampshire's Claremont Concord Railroad. **Steve Fontaine**, who serves as CCRR vice-president of marketing, will oversee marketing activities for both railroads, and will be directly involved with new business solicitation, rates and customer relations. Like Bentley, Fontaine also is returning to the MCER. He handled sales and marketing there in the 1990s. Both resume working with Pondelli, who ran Wildwood Reload in Barre in the 1990s.

**Jeff Monroe**, former director of transportation for the City of Portland, has become vice-president of transportation services for Halifax-based **MacDonnell Group**. The firm has just won a contract to develop a master plan for the Port of Churchill, Manitoba, which complements other MacDonnell Group projects such as the Port of Yarmouth master plan and the Keltic Petrochemicals Marine Terminal operations plan.

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## ATLANTIC NORTHEAST RAILS & PORTS

162 Main Street

Yarmouth, Maine 04096

Vox (207) 846-3549

Fax (contact me for #)

Chalmers (Chop) Hardenbergh, publisher and editor

C\_Hardenbergh@juno.com

[www.atlanticnortheast.com](http://www.atlanticnortheast.com)

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