

ATLANTIC NORTHEAST RAILS & PORTS

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Issue 08#10A 16 October 2008

*Article unchanged from e-bulletin.

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

NS-ST DEAL

NS v ST: No date for submission of draft EA; Ayer hopes to talk with ST.*

NS-ST deal: Committee for Better Rail in Maine.

OTHER REGIONAL ISSUES

PW: Buys wireless derail system from RailComm.

Evonik CYRO: Details on facilities in Connecticut (CSO) and Maine (SLR transload).*

CONNECTICUT

CSO: Agreement with BLE.*

New Haven: Logistec gets spur for winter steel.

New Haven: Eastern Parkway parcels now owned by Port Authority, leased out.*

MAINE

Amtrak: USDOT funding.*

Portland: State not yet leasing terminal. Work needed.

Portland: Wind turbine cargo.

MASSACHUSETTS

CSXT /Massachusetts: Preliminary four-part agreement on 2 track sales, more MBTA trains, doublestack clearance.** CSXT moving not part of agreement.

CSXT: Harvard buying Beacon Park, CSXT out.

ST: Globe plant in Billerica to close in 2010.

Road salt: Table of new prices. Morton out.

NEW HAMPSHIRE

CCRR/NECR: Twin State still wants rail.

ST: Eastern Bridge new owner, growing business.*

RHODE ISLAND

PW: Leases Pawtucket Yard to Capco Steel.

Providence: Zoning for Allens Avenue waterfront?

VERMONT

[No report.]

MARITIMES/QUÉBEC

MMA: Railpower postpones completion of locomotive plant in St.Jean-sur-Richelieu

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Charles Hunter, Richard Davey, Jim O'Leary

FROM THE PUBLISHER

The CSXT/Massachusetts/Harvard deal

I want to impress upon you that the deal has four major, and separate parts. Even if, for example, CSXT and EOT can't solve the liability issue, the clearance project will go ahead. Even if they solve the liability issue and EOT buys the New Bedford and Fall River lines, CSXT might not sell the Boston line.

- Chop Hardenbergh

Next issue: Halloween

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, **CP** - Canadian Pacific Ry, **CSO** - Connecticut Southern RR, **CSRX** - Conway Scenic RR, **CSXI** - CSX Intermodal, **CSXT** - CSX Transportation (railroad), **EOT** - Mass. Exec. Office of Transportation, **GRS** - Guilford Rail System (Maine Central RR, Portland Terminal RR, Boston & Maine, all leased by **ST** - Springfield Terminal Ry), **GTI** - parent to GRS, **GWI** - Genesee & Wyoming Inc, **FHWA** - Federal Highway Admin., **FRA** - Federal Rail Admin., **FRTC** - Fore River Transportation Co., **FTA** - Federal Transit Admin., **HRRC** - Housatonic RR, **MBCR** - Mass. Bay Commuter RR, **MBRX** - Milford-Bennington RR, **MBTA** - Mass. Bay Transportation Authority, **MC** - Massachusetts Coastal Railroad, **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, **NS** - Norfolk Southern Railway, **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, **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.

NS-ST DEAL

The Norfolk Southern Railway (NS) and the Pan Am Railways (ST) propose to create the Pan Am Southern Railway (PAS) to operate all of ST's lines west of Ayer. This section covers that deal, now before the STB.

NS-ST DEAL: TIMETABLE*

3 October, Pennsylvania. ***‘THE DRAFT EA IS CURRENTLY BEING ASSEMBLED, BUT WE DON'T HAVE A PRECISE TIMETABLE FOR SUBMISSION,’*** wrote Rudy Husband, NS spokesperson, responding to a query about the status of the draft Environmental Assessment. The STB's Section on Environmental Analysis needs the draft EA before it will begin assessing the environmental impact of the NS-ST deal [see 08#09B]. {e-mail to ANR&P}

The Town of Ayer approach

The STB asked the Applicants, and other parties with concerns about the deal, to negotiate on their differences during the wait for the EA. Ayer Selectman Richard Gilles said on 29 September: “This [the EA process] is a good first step. What we're really hoping to do is convince them to set up shop at the existing site that is not next to our aquifer.”

That former auto facility lies just a few thousand feet away from the location ST would like to use for a new auto facility, but B&M long ago leased it to CSXT until 2017. Town Manager Shaun Suhoski said the town would like ST to find a way out of that lease.

The Town supports the NS-ST deal. “We're just trying to take a thoughtful approach that safeguards our water supply without looking to jeopardize some needed (railway) system improvements. Perhaps [the delay] will give us a vehicle to have a discussion with Pan Am and others as to how that might be accomplished.”

ST spokesperson Cynthia Scarano said some work toward the analysis was already under way. She could not say how long the STB's agreeing to ask for an environmental assessment could delay the new Ayer auto terminal, but said the company is confident the terminal will still go forward. “We reviewed it extensively when we originally put in for use of the property.” {Robert Mills in Lowell *Sun* 30.Sept.08}

NS-ST: MAINE COMMITTEE

5 September, DC. ***THE STB SHOULD SEQUESTER THE FUNDS ST WILL RECEIVE FROM NS,*** pay off its railroad-related debts, and pay for ‘infrastructure and equipment which will improve rail service,’ according to the Committee for Better Rail Service in Maine. ‘This would ameliorate the significant anti-competitive aspect of this transaction, namely, that the remaining PAR system will continue to run down and provide no competition either to trucks or other railroads,’ the Committee said in its filing in response to the many comments filed by others in this matter before the Board [see 08#08A].

The anti-competitive aspect of the NS-ST deal

Under federal statute 49 USC 11324(d) the Board is required to approve the Applicants request to create Pan Am Southern Railway (PAS) unless it finds ‘as a result of the transaction, there is likely to be substantial lessening of competition.’ The Committee, while supporting the creation of PAS, argued that a significant likelihood existed that ST would provide worse service as a result.

Of the nine railroads who filed a comment, seven labelled current ST service as bad. Two other railroads which interchange with ST have filed lawsuits because ST has not paid debts due. Service will only get worse, according to the comments of the US Clay Producers Association and MBRX [see 08#08A].

ST does not currently have the funds to pay its operating expenses, as admitted by ST [see 08#07A]. Even if it obtained the \$50 million from NS, ‘it is likely to burn through [that] and then fail.’

Traffic on the ST system, since its creation in 1982, has dropped from 162,658 to about 69,000 today.

The Board should not accept ST's statements

The Committee cited comments filed to the effect that there is a difference between what ST says and what it actually does. It listed the outstanding car hire cases, in which ST promised numerous times to pay car leasing companies, but failed to do so.

Conclusion

The Committee argued that ST cannot be trusted to expend the funds it will receive in maintaining its current system. The Board should condition its approval of the transaction on ST's sequestering the \$50 million and requiring it be spent on the remaining ST system.

Request for public hearing

'We repeat our request for a public hearing in the State of Maine on these proceedings This will provide an opportunity for public input on a subject matter that has already had a tremendous impact on our State.' {STB filings web page FD 35147}

[The STB turned down the request. See 08#09B.]

Reaction

One of the parties who awaits payment from ST said about the Committee filing: "It's the best reading I have ever had in my life. That encapsulates the situation as it is." {ANR&P discussion 24.Sept.08}

OTHER REGIONAL

PW AND RAILCOMM

RailComm Inc. has provided a wireless derail system to PW. The remote-controlled derail protects service tracks, and has an associated blue strobe light warning indication. The company's 2.4 GHz Spread Spectrum RADiANT data radios establish wireless communications networks to link derail and office locations. {*Progressive Railroading* e-news 7.Oct.08}

Note to suppliers. If submitted to the editor, this newsletter will carry announcements of contracts between suppliers and railroads in the Atlantic Northeast.

Evonik CYRO LLC*

17 September, North Conway. ***EVONIK CYRO (formerly CYRO INDUSTRIES) HAS TWO RAIL-SERVED MANUFACTURING SITES IN NEW ENGLAND***, said Kyle van Evra, manager of logistics strategy and services. He was speaking during a panel of the North East Association of Rail Shippers' autumn conference here.

Both facilities receive by rail chemicals manufactured in New Orleans. Despite fuel price increases, he has seen no service degradation. In fact, rail service has improved inbound over recent years.

Outbound, he is using intermodal to penetrate into the Southeast and Southwest. "Our traffic is growing but the Class Is are retrenching" their intermodal service. "We need the service consistent and high volume. We need the Class 1s to expand their intermodal offerings in order to handle the increasing volumes that we see higher fuel prices pushing off of the highways in the coming years."

Wallingford

In Connecticut, the manufacturing facility [our *Directory* #616] receives the chemicals via CSO, and makes an acrylic molding and extrusion compound (a significant amount for medical use) which is shipped globally, using all modes: outbound truck, rail, and intermodal.

Sanford

In Maine, the facility receives chemicals drayed from Safe Handling in Auburn [our *Directory* #923]. It makes acrylic molding and extrusion compound (pellets), chemicals, and an acrylic sheet which is shipped throughout the NAFTA region. For regional deliveries, van Evra uses truck; for continental deliveries he uses direct rail from Auburn for pellets; and he uses intermodal for the sheets, draying the product to the CSXI intermodal terminal in Worcester with Walsh trucking.

In the Western hemisphere, Evonik CYRO markets the sheet under the Acrylite brand. In the rest of the world sister company Evonik Rohm markets sheet produced in Europe and Asia under the Plexiglas brand.

The change in rail service for Sanford

Five or six years ago, said van Evra, Evonik CYRO received its chemicals in Newington, much closer to Sanford than Auburn. It pumped the chemicals into tanks in Newington, and drayed them to Sanford as needed [see 00#04]. “But we had service issues” with ST. CYRO found it could receive the chemicals better by an Illinois Central-CN-SLR routing. “This is effective, it means we have less standing inventory.” The tanks still remain in Newington.

Regionalizing production

Evonik CYRO formerly used a distribution network to move its product, but management wants to cut that cost, and reduce inventory. It is creating production capacity for raw chemicals, molding compound, and sheet in China to serve the Asian market partly because of distribution costs and fuel impacts. {*ANR&P* coverage}

CONNECTICUT

CSO: BLE AGREEMENTS*

1 October, Cleveland. *THE BLE ANNOUNCED AN AGREEMENT WITH CSO*, the first contract for the formerly non-union workforce. Ben Martin, general chair of the Connecticut Southern/New England Central/ New York, Susquehanna & Western General Committee of Adjustment, said it covers all 15 members of the Brotherhood of Locomotive Engineers and Trainmen. It spans 39 months (three years, three months) and provides members with 10% general wage increases over the first 27 months of the agreement.

Work for NECR too

“Another incentive that was well received was the ‘top-bottom’ roster concept, which gives the workforce the ability to work at geographical sister RailAmerica property New England Central Railroad (BLE-represented under the same general committee of adjustment) if the work ever diminishes on the Connecticut Southern,” said Martin. “This concept will be explored further for reciprocal rights for members working on the New England Central at their negotiations which commence in 2009.” {BLE press release}

NEW HAVEN: LOGISTEC RAIL SPUR

15 October, New Haven. *LOGISTEC WILL HAVE A RAIL SPUR TO ITS PROPERTY BY 1 DECEMBER*, said Frank Vannelli, senior vice-president for sales and marketing. The terminal here can then bid for movements of steel to mid-continent which can’t use the St. Lawrence Seaway during the winter.

Rather than have to block traffic on Waterfront Street to load steel at the existing public ramp [see 06#09B], the company looked at rehabbing its existing track.

Northern Rail Services will build the spur from the existing branch along Waterfront Street and into the southern part of the Coastline Terminal. ConnDOT will fund the spur across the street, and Logistic will pay for the track rehabilitation inside the terminal.

“Mike Piteo [the ConnDOT official managing the rail work] was very helpful to fasttracking this a bit.” And

PW “came to the table with materials” for the spur.

Vannelli acknowledged that Logistec had not yet landed a winter steel contract, but with the spur “it’s time to get competitive.” He is talking to customers, getting rates from CSX and NS, as well as CN into Midwest.

“It’s not easy to compete with a short line involved [PW serves the port, and would interchange the steel with CSX or with another short line to reach CN or NS–*editor*]. We’re looking at the move to see if we can do any tweaking.”

He noted that sea transit time is shorter to New Haven. The next port, Philadelphia, is two days away.” {ANR&P discussion}

NEW HAVEN: NEW AGREEMENTS*

11 September. ***THE NEW HAVEN PORT AUTHORITY PARCELLED OUT THE EAST SHORE PARKWAY AREA***, acreage inland from the waterfront, mostly to people already using it. The Port Authority acquired the acreage from the city and will use income from the leases for its own budget.

- Parcel E [just north of Alabama Street–see map in 06#909B], currently parking for Colonial Hardware, leased to Colonial subsidiary 15 Stiles Street for the same purpose.

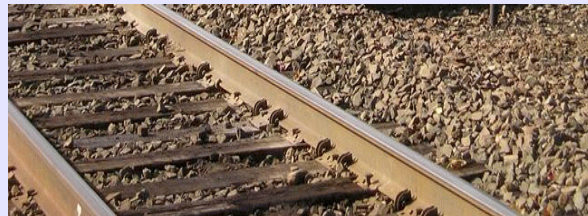
- Parcels C & D [south of Alabama Street], to Coastline Terminal (Logistec operator), which was already leasing the land from the city, for laydown area.

- Parcels A&B [southernmost two], to Petroleum Terminal (Gateway), which was already leasing the land from the city, for laydown area. {minutes of Port Authority meeting}

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FREE TRACK INSPECTION AND ANALYSIS

MAINE

AMTRAK: USDOT FUNDING*

3 October, DC. **USDOT WILL FUND A TRACK IMPROVEMENT TO THE WYE AT THE PORTLAND STATION.** As part of a new plan to improve intercity passenger rail service nationwide, USDOT Secretary Mary Peters announced the Department is providing \$30 million to match local investments in 15 rail capacity enhancement projects across the country. These federal-state partnerships will support projects designed to reduce delays and expand capacity on existing intercity passenger rail routes and help establish new services where none exist today.

Until now, she said, there has been no way for states to qualify for federal funds to match local investments in rail capacity as all federal funds have gone directly to Amtrak. But, the secretary warned, comprehensive reform is needed across the transportation system. In July, the secretary unveiled a new proposal to reform and target transportation investments where they can best reduce congestion and improve infrastructure, while beginning to move away from relying exclusively on unstable gas taxes to finance transportation investments in the future. [See 08#09B *Vermont* for awards there.]

Maine: Portland Area Track Improvements, \$500,000

‘Description: The Northern New England Passenger Rail Authority (NNEPRA) proposes to undertake a state-of-good-repair track improvement project on rail lines owned by Pan Am Railways in the Portland, ME area. These include tracks extending from the Portland station to the layover facility, including a wye. The only passenger service using these tracks is the state-supported *Downeaster* service, which currently operates at five frequencies per day. A portion of the track to be improved is not currently used for revenue operations, and the wye is now out of service for turning of passenger train consists. ‘Benefits: The quantified anticipated benefits relate primarily to the renewed ability to turn locomotives and trainsets on the wye, a procedure which the applicant regards as necessary when locomotives are bad-ordered. The applicant also asserts that the current inability to do this requires that a protect locomotive be held in reserve in Portland, and that the net present value of the cost of the protect locomotive over the 15-year life of the proposed improvements would be \$6.5 million. Prior to submitting the application, however, the applicant told the FRA that the long-term intent of the project would be to accommodate an extension of *Downeaster* service to Brunswick, which would use the improved track for revenue movements.’ {USDOT press release }

PORTLAND: TERMINAL FOR LEASE

7 October. **GOVERNOR JOHN BALDACCI TOURED THE INTERNATIONAL MARINE TERMINAL**, in what his office labelled a fact-finding event. City officials want the Maine Port Authority to lease the terminal and take over operations; it needs at least \$8 million in repairs that Portland cannot afford [see 08#07A]. Until Red Shield suspended operations, it hosted Maine’s only container shipping operation: Columbia Coastal barged boxes to New York for furtherance to global points. Port authority officials were interested in leasing, but then the terminal lost all container traffic.

“I think the governor recognizes a lot of the benefit from port facilities is regional and statewide,” said Jack Humeniuk, business agent for the International Longshoreman's union local at the terminal and terminal manager.

John Henshaw, executive director of the Maine Port Authority, held to the position of July: The state is unlikely to pursue a deal until the terminal can line up more work. The Portland City Council and the port authority board of directors must assent to any deal. {Elbert Aull in *Portland Press Herald* 9.Oct.08 }

Repairs needed

Humeniuk said on 14 October that the state would lease the terminal eventually. “Maintenance costs only \$100,000 per year. The rest of the lease payment could be based on tonnage.”

But if the terminal needed more laydown space, the work planned for the former ferry terminal parking lot had to happen. The lot's surface needs strengthening ("we can't take a crane over there") and the building blocking most access to the parking area must be removed. The \$8 million for the work was put in a bond issue, but diverted for the Ocean Gate project. {ANR&P discussion}

PORTLAND: TURBINE TRAFFIC

12 September. *THE INTERNATIONAL MARINE TERMINAL HANDLED WIND TURBINE TOWERS*, said Humeniuk, for the wind turbines in Lempster NH [see 08#09A *New Hampshire*]. The towers were scheduled to move through a mid-Atlantic port [as did the nacelles then by rail to New Hampshire] but were diverted to Portland. Once that happened, the logistics managers handling the towers realized not only did the stevedoring cost less, but the inland move, being shorter, cost much less. The ship handling took one week, the loading of the tower parts onto trucks took three weeks.

On 14 October, Humeniuk said he is now bidding on one new project in Vermont, one in New Hampshire, and two in Maine. While all parts could move by truck, rail is under consideration, particularly for the heavier parts such as the nacelles. {ANR&P discussions 12.Sept.08 and 14.Oct.08}

MASSACHUSETTS

CSXT/COMMONWEALTH: DEAL **

2 October, Boston. *CSXT AND THE COMMONWEALTH REACHED PRELIMINARY AGREEMENT ON A SALE OF TRACK* and other items they had negotiated over the past few years.

The four parts of the agreement

The deal between CSXT and Massachusetts has four separate parts. According to Jeff Mullan, who as EOT general counsel negotiated the agreement: 'It is all tied up in one agreement, but each could technically stand on its own depending on the circumstances.' {e-mail to ANR&P via EOT spokesperson Klark Jessen 14.Oct.08}

The first sale of track. If the two sides can come to agreement on liability, the railroad will sell by June 2009 the lines to New Bedford and Fall River, as well as the Grand Junction and the Boston Terminal Running Track.

Clearance work. The two sides will, by 2012, clear 17 bridges [see table] to full doublestack height, 20'8" minimum. This work will occur regardless of whether CSXT sells any lines. It will give CSXT the ability to run full doubles as far as Westborough [where it has a vacant former auto terminal—see 06#02A]. [EOT in 2005 estimated \$8 million to do full doublestack clearance between Worcester and Framingham—see 05#03A.]

The second sale of lines. EOT will buy all CSXT's right, title, and interest to the line between Boston and Worcester (but not the Beacon Park Yard easement), when the clearance work is complete, and CSXT has moved out of Beacon Park.

Additional trains for Worcester. (i) In return for a \$10 million down payment, MBTA will run 2.5 round trips beginning end of October. (ii) EOT will move the engine facility, and MBTA will get one more round trip. (iii) After completion of the clearance work, MBTA will get two more round trips.

Not part of agreement: moving out of Beacon Park. The agreement does not require this, and the state is providing no funds to assist the move, except relocating the locomotive turning and servicing facility. CSXT will accept payment from Harvard, and move out [see article below]. [Former MBCR chief James O'Leary said in 2007 that if CSXT moved out of Beacon Park, that would permit better passenger operations. See 07#06B.]

SUMMARY OF DEFINITIVE AGREEMENT

The official summary of the ‘Definitive Agreement’ provided by EOT’s Klark Jessen, who declined to release text of the actual agreement:

‘Parties and Status: **CSX Transportation, Inc. (CSX)** and the **Commonwealth of Massachusetts** acting by and through the **Massachusetts Executive Office of Transportation and Public Works (EOT)**. The **Massachusetts Bay Transportation Authority (MBTA)** joins in certain of the provisions of the Definitive Agreement that relate directly to MBTA commuter rail service.

‘Assets. All of CSX’s right, title and interest in (1) Boston Main Line (Boston to Worcester); (2) Grand Junction Branch; (3) Fall River/New Bedford Lines; and (4) Boston Terminal Running Track, including the West First Street Yard (BTRT), subject to the reserved easement described below and the terms and conditions of the Definitive Agreement.

‘Purchase Price. \$100,000,000, broken down as follows: (a) on signing the Definitive Agreement, a deposit of \$10,000,000; (b) at the “First Closing”, \$40,000,000 to be applied pro rata to the balance of the Purchase Price for the Grand Junction Branch, Fall River/New Bedford Lines, and the BTRT (the “First Closing Assets”); and (c) at the “Second Closing”, \$50,000,000 in exchange for delivery of the deed to the Boston Main Line (the “Second

EOT/MASSACHUSETTS HIGHWAY DEPARTMENT THE 17 BRIDGES TO BE RAISED AND UNDERCUT

MA Bridge #	CSXT Bridge #	Town	Roadway	Method
R-6-2	157.55	Richmond	Sleepy Hollow Road	Active MHD Project (Replace Superstructure)
R-6-1	156.70	Richmond	Summit Road	Raise Bridge
H-16-13	142.02	Hinsdale	Bridge St.	Replace Superstructure
H-16-14	140.85	Hinsdale	Route 8	Replace Superstructure
C-11-2	127.22	Chester	Middlefield Road	Raise Bridge
C-11-8	125.10	Chester	Bendix Dr.	Replace Superstructure
H-27-6	119.28	Huntington	Route 112	Replace One Span
*W-21-8	103.75	West Springfield	Route 20	Replace Superstructure
W-19-15	70.66	West Brookfield	Route 67	Raise Bridge
W-19-6	69.66	West Brookfield	Long Hill Road	Active MHD Project (Raise Superstructure)
B-26-3	66.94	Brookfield	Route 148	Replace Superstructure
*S-23-24	62.35	Spencer	Route 49	Raise Bridge
C-6-14	57.50	Charlton	Route 31	Raise Bridge
C-6-13	56.98	Charlton	Jones Rd.	Raise Bridge
*W-44-22	47.70	Worcester	James St.	Raise Bridge
W-24-7	32.71	Westborough	Route 135	Raise Bridge +
*P-10-10	149.27	Pittsfield	Woodlawn Ave.	Raise Bridge +
Total Bridges: 17				

*Designates a project not covered by Chapter 634 of the Acts of 1971; all other are Chapter 634 Projects

+ Reference is made to Section 4.3.5 of the Definitive Agreement of even date, as entered into by and between the parties to this Clearance Work Agreement.

Closing Asset”).

‘First Closing. The First Closing is expected to occur by June 15, 2009. In order to proceed with the First Closing, the parties must negotiate an Operating Agreement, which includes reaching an agreement on liability and indemnity obligations. The parties must also engage in an extensive due diligence process before the First Closing.

‘Second Closing. The Second Closing is to occur at the time CSX relocates at least most of its operations from Beacon Park Yard and all of the Clearance Work, described below, is complete. The Second Closing will provide the Commonwealth with ownership of the Boston Main Line, allowing the MBTA to operate additional trains and assume responsibility for maintenance and dispatch.’

‘Clearance Work In addition to the Purchase Price, EOT and CSX agree to complete, on or before August 15, 2012, certain work involving the raising of certain bridges or lowering of certain track located along the Boston Main Line between the New York/Massachusetts state line and Westborough. The “Clearance Work” is required to be completed independent of whether a Closing occurs.’

‘Additional MBTA Trains to Worcester. The Definitive Agreement will also provide for the commencement of additional trains in three stages: (a) Upon entering into the Definitive Agreement, the MBTA will be able to operate two and one half additional MBTA round trip trains (5 trains) on the Boston Main Line to Worcester (the “First Stage Trains”); (b) Upon relocation by EOT of a locomotive turning and servicing facility for CSXT to Central Massachusetts, the MBTA shall have the right to operate not less than one (1) additional round trip train (two (2) additional MBTA trains) (the “Second Stage Trains”); and (c) Upon completion of the Clearance Work by EOT, the MBTA shall have the right to operate a minimum of one (1) additional round trip train (two (2) additional MBTA trains) and a maximum of two (2) round trip trains (for a total of four (4) additional MBTA trains) (the “Third Stage Trains”).’

Common Carrier Obligation. CSX will reserve an exclusive perpetual easement for freight operations and Amtrak service over the properties being transferred. {text as provided by EOT; ANR&P discussion with Jessen 3.Oct.08}

Additional details

Mullan via EOT spokesperson Klark Jessen provided these additional details:

CSXT easement and operating rights. ‘The Agreement states that we receive CSX' rights, title, and interest in the route. That is separate from the track ownership’, which is owned from South Station to Newton by the Massachusetts Turnpike Authority, from Newton to Westborough by MBTA, and from Westborough to Worcester by CSXT.

CSXT retains its current easement over the MTA and MBTA lines, and will receive operating rights over the lines which CSXT is selling.

Date of signing of agreement. The MBTA board had to approve parts of the agreement, which it did on 10 October. CSX, EOT, and the MBTA will then sign it, and EOT will give CSXT the initial \$10 million.

Source of funds. Sue Bristol, EOT's lead finance manager, provided the line items via Jessen. EOT will process the initial \$10 million from account 6001-0420 from Chapter 291 of the Acts of 2004 for Rail Improvements. In addition, ten million dollars was authorized for Rail Improvements in Chapter 86 Acts of 2008, and another \$90 million in Chapter 303 Acts of 2008.

Cost of individual lines. The agreement does not allocate a price among the three lines paid for by the initial \$10 million and the \$40 million in the ‘First Closing’.

No need for third track. Despite the advice of some that adding more commuter trains could not occur without at least additional sidings if not a third track all the way to Worcester [costing \$100 million—see 06#11A], Mullan wrote: ‘There is no plan to add more track on this line. I don't recall CSX making this statement. A third track is very difficult due to space constraints.’

Clearance. ‘We are shooting for 21'0" - 20' 8" minimum’ for the seventeen bridges [see box]. The Commonwealth will pay approximately \$50 million for raising bridges. The cost to CSXT to undercut the bridges was not stated.

While the state already had two clearance projects underway, the rest would not have been done as soon as 2012 without this agreement. ‘[W]e are accelerating the repair and raising of these bridges due to this deal.’

If either CSXT or the state does its part to create clearance, and the other party does not, ‘There is a remedy section in the transaction.’

Amtrak easement. Asked why CSXT retains the Amtrak easement and does not transfer it to Amtrak, Mullan wrote: ‘CSXT has a separate arrangement with Amtrak that permits Amtrak to run on CSXT's lines. The MBTA has an agreement as well. We intend to rely on the MBTA's agreement with Amtrak to permit Amtrak to use the line when the Commonwealth owns the line and are permitted to do so as long as CSXT's rights with respect to Amtrak are not disturbed.’ {e-mail to ANR&P 9-10.Oct.08}

Additional points in press release on agreement

The press release described the agreement in four points:

* The MBTA will extend five Framingham-Boston commuter trains to Worcester on CSX Transportation's Boston line by October 27. At a future date - subject to the completion of other elements of the total plan - the Commonwealth will purchase CSXT's rights in the Boston to Worcester line, increasing the potential for additional commuter service while also taking control of dispatching and maintenance on the line.

* To accommodate double-stack freight trains, the Commonwealth and CSXT will, as soon as possible, begin increasing the vertical clearances of bridges along the railroad main line between I-495 and the New York state line. The Commonwealth will assume responsibility for raising highway bridges, while CSXT will be responsible for lowering tracks.

* By June 2009, the Commonwealth will purchase from CSXT the New Bedford-Fall River Line along with CSXT's rights in the Boston Terminal Running Track and West First Street Yard in South Boston and the Grand Junction secondary line that extends from Beacon Park Yard through Cambridge.

* To create capacity for additional commuter rail services over time, the Commonwealth is investigating whether it can help CSXT to relocate the company's locomotive service facility out of Boston in the near term. Ultimately, subject to the completion of other elements of the rail plan, CSXT also plans to move its operations out of Beacon Park. In both cases, the locations are yet to be determined.’ {text of press release from EOT}

Announcement in Worcester and Boston

Press conferences at Union Station (Worcester) and South Station (Boston) this day included federal and state lawmakers, city officials, transportation officials and CSX officials such as CEO Michael Ward, based in Jacksonville, Florida. He noted one doublestack train moves the equivalent of 280 trucks, commending political leaders for recognizing the importance of freight service.

The state and CSX still have to resolve issues over liability when an accident occurs on the tracks. But state officials said they did not want it to hold up the purchase agreement. It is more of a concern on the Boston-to-Worcester line, which will still have significant CSX freight traffic.

The money will come from state transportation bond authorizations that were approved this year and in prior years.

The state will also buy CSX land near the Port of Boston to allow for the port's expansion and to maintain rail access there.

Breakthrough, but liability remains

A breakthrough came this summer. CSXT decided to accommodate more commuter trains, in exchange for the state agreeing to increase clearances under 17 bridges in central and western Massachusetts.

The liability question remains unresolved. In order to turn over the dispatching and tracks to MBTA, CSXT wants a complete release from liability, which Massachusetts officials do not want to provide [see 08#05A]. {Priyanka Dayal in Worcester *Telegram & Gazette* 3.Oct.08; Noah Bierman in *Boston Globe* 3.Oct.08}

MASSACHUSETTS ROAD SALT

26 September, Boston. **THE COMMONWEALTH NEGOTIATED NEW PRICES FOR MOST DISTRICTS** for the 2008-2009 salt season, according to the results posted on the Comm-Pass website this day. Contract terms remain those of 2006, when Ron Whitaker, procurement team leader, did a reverse auction [see 06#10A] and negotiated renewal prices with each winner in 2007 [see 07#08A] and 2008, as permitted by the 2006 contract.

On 14 October, Whitaker said the estimated tonnages remained the same from the 2006 RFR. He declined to comment on why Morton apparently chose not to provide salt. {ANR&P discussion}

Morton

Morton in both 2006 and 2007 provided salt to four districts. Tom Butler, who manages road salt for Morton, said the Commonwealth chose to rebid the four districts because Morton had substantial increases, and Morton did not

MASSACHUSETTS HIGHWAY SALT PRICES 2008-2009					
Districts served (near)	provider, 06-08 (except Morton)	estimated** tonnage '06	2008-* 2009	2 0 0 6 - 2007	2005-2006
1A (Williamstown)	American Rock	20,000	59.14	44.80	48.66
1B (Pittsfield)	International Salt	22,000	71.04	44.10	48.46
2A (Deerfield)	Cargill	45,000	78.31	50.52	N/A
2B (Springfield)	Cargill	35,000	74.86	48.30	45.85
3A (Littleton)	Eastern Salt Inc	75,000	69.45	49.45	44.52
3B (Framingham)	Eastern Salt Inc	60,000	70.75	49.60	45.50
3C (Worcester)	International Salt (Morton)	55,000	80.31	51.70	48.57
4A (Lowell)	Eastern Salt Inc	35,000	68.40	48.40	43.58
4B (Weston)	Eastern Salt Inc	45,000	69.10	49.10	44.05
4C (Boston)	Eastern Salt Inc	30,000	68.40	48.40	43.39
4D (Andover)	International Salt	70,000	70.69	43.75	42.99
5A (Stoughton)	American Rock (Morton)	70,000	69.50	52.20	46.87
5B (Fall River)	ISCO (Morton)	65,000	79.99	50.75	45.77
5C (Dennis)	American Rock	16,000	75.50	57.20	53.96
5D (Edgartown)	American Rock (Morton)	2,000	1 3 7 . 1 6 (ARS)	90.77	-
TOTAL		645,000			

*Prices from the contract award section of the Comm-Pass website, document VEH72.
 ** Tonnages remain same as 2006 RFR.

win any of the districts. {ANR&P discussion 16.Oct.08}

CSXT: HARVARD TO BUY YARD

9 October, Boston. **CSXT WILL SELL ITS EASEMENT FOR THE BEACON PARK YARD TO HARVARD, NOT THE STATE**, when it moves out. EOT General Counsel Jeff Mullan wrote: ‘Harvard is buying CSX’s rights, which are easement rights.’ The parties are ‘shooting for December 31, 2011.’

The state is providing no funds toward CSXT moving out. {e-mail to ANR&P via EOT spokesperson Klark Jessen}

Harvard purchased the fee interest under Beacon Park in 2003 [see 03#07B] from the Massachusetts Turnpike Authority; CSXT held a perpetual easement to the property inherited from the New York Central via Penn Central and Conrail.

Harvard has a study underway about the use of the property and rail. In 2007 Harvard plans indicated a need for the easement under the Romar terminal, but not for the rest of Beacon Park [see 07#03A].

The study showed that most of the boxes moving through Beacon Park travelled beyond Route 128 [see 07#09B].

Deal not yet done

Lauren Marshall, Harvard University spokesperson, wrote: ‘Harvard and CSX continue to work constructively to finalize an agreement that may eventually result in the orderly transfer, in stages, of the Beacon Park Yard in Allston to Harvard. As part of this anticipated agreement, any transfer of property would be contingent upon the ability of CSX to successfully relocate its operations.

‘This anticipated agreement between Harvard and CSX is fully consistent with the agreement between CSX and the Commonwealth since both are important to improve commuter rail service between Boston and Worcester and to enable other key public transit initiatives. The Harvard-CSX agreement does not affect the existing main line, and will allow passenger and freight service to continue uninterrupted through the Beacon Park Yard.

‘As we have made clear on prior occasions, neither Harvard nor CSX will comment on the private details of this anticipated agreement.’ {e-mail to ANR&P 15.Oct.08}

ST: FUTURE CUSTOMER LOSS

11 September, Billerica. **THE BOSTON GLOBE WILL CLOSE ITS PRINTING PLANT HERE IN 2010**, according to Globe spokesperson Bob Powers. It is served by ST [our *Directory* #204].

Other newspapers have taken similar actions. The *Boston Herald* recently said it would close its sole printing plant in Boston [our *Directory* #222], rather than upgrade its worn-out presses, and let go 130 to 160 workers. Dow Jones & Co. and Boston Offset will print the paper. Last year, The *Patriot Ledger* in Quincy cut 130 jobs when it shifted printing to the Globe.

The paper plans to keep its main printing plant in Dorchester [our *Directory* #218]. The decision is the latest in a series of moves by the Globe, a unit of The New York Times Co., to reduce expenses because of declining print circulation and advertising. ‘‘We are closing our Billerica printing plant because we no longer need as many presses to print all the copies of the Globe,’’ publisher Steve Ainsley said. {Todd Wallack in *Boston Globe* 1.Sept.08}

NEW HAMPSHIRE

CCRR/NECR: NEW CUSTOMER?

15 October, West Lebanon. **TWIN STATE SAND AND GRAVEL NEEDS RAIL SERVICE MORE THAN EVER**. In July during a routine inspection, New Hampshire officials [New Hampshire owns the Connecticut River to the Vermont shore–*editor*] found extensive corrosion in the Route 4 bridge, connecting White River Junction to West Lebanon. Limits of 20,000 pounds were imposed in August.

The nearby Interstate 89 bridge could provide an alternative, but weight restrictions on interstate highways in

Vermont keep truckers from carrying as much as they would like. Governor Jim Douglas of Vermont and truckers want the interstate limit raised to that in New Hampshire, 99,000 pounds. But Vermont US Senator Patrick Leahy said that would not happen soon, and he might not support it. Federal funds will not soon appear to fix the bridge.

John Zicconi, VAOT spokesperson, said state officials have struggled for years to win federal support for a higher weight limit. "We find that unfortunate, but not surprising," Zicconi said of Leahy's remarks. "We have been on them for years, [and] we understand nothing is going to happen anytime soon." {AP 5.Sept.08}

What about rail?

Twin State Sand and Gravel trucks in aggregate and sand from its quarry south of White River Junction to its processing plant in West Lebanon. It has long wanted to replace the trucks with rail, but the railroads were not able provide service at a rate Twin State is willing to pay [see 08#02A].

The Route 4 limit "is killing us," said Twin State co-owner Bud Ames on 8 September. CCRR and NECR are talking about giving Twin State rail service, but as of 14 October, CCRR General Manager Steve Fontaine said he had "nothing to report." {ANR&P discussions 8.Sept.08 & 14.Oct.08}

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ST: CUSTOMER GROWING*

29 September, Claremont. **EASTERN BRIDGE UNDER A NEW OWNER IS GROWING.** In 2007, Canam Steel Corporation, Canada's largest steel fabricator, bought Eastern Bridge [our *Directory* #1082], its sixth and most recent acquisition in the United States. It's now known as Eastern Bridge LLC, a division of Canam Steel Corporation. In order to sell bridge steel to the largest market, state highways, Canam must fabricate it in the United States, because of federal rules requiring federally-funded highway projects to use American-made bridge components. "We can make a bridge for Canada, but they can't make a bridge for us," said Cliff Thornberry, plant manager.

According to Barbara Bishop, Eastern Bridge's human resources manager, each of Canam's plants works with steel but specializes in a different product. The Canam company, as a whole, has manufactured parts to build many well-known stadiums, including the new Yankee stadium, the new Mets stadium, and Liberty Field in Philadelphia, Thornberry said.

Backlog of orders

Thornberry, speaking on 26 September, said business at Eastern Bridge is growing significantly. The American Institute of Steel Construction certifies about 500 steel plants; only about 20 of them are bridge fabricators, because the regulations are so strict. Eastern Bridge has a backlog of more than a year of work.

Eastern Bridge competes with Pennsylvania-based High Steel Structures, which Thornberry called the largest bridge fabricator in North America. Eastern Bridge works on smaller bridges, so the company can finish more work in a shorter amount of time, thus receiving a substantial amount of work. {Andrea Osmun in *Eagle Times* Claremont NH 29.Sept.08}

Transport

Eastern uses ST to deliver steel inbound, said Thornberry, "but we're not too happy with the service." He estimated traffic at 60 to 70 carloads a year. Outbound, the plant delivers the steel girders by special truck. {e-mail to ANR&P 1.Oct.08}

In 1998, predecessor Claremont Steel received about 100 carloads of steel; service was rated "ok." [See 99#03.] In 1999, Claremont Steel became Eastern Bridge [see 00#03].

RHODE ISLAND

PW: CAPCO TO PAWTUCKET YARD

15 August, Pawtucket. ***PW LEASED ITS PAWTUCKET YARD TO CAPCO STEEL EFFECTIVE THIS DAY.*** General Counsel Marie Angelini wrote on 7 October that Pawtucket Transfer's lease of the property was terminated, but declined to provide further details. Earlier [see 08#04A], Boston Railway Terminal (BRT) had subleased the yard from Pawtucket Transfer, moving some steel for Capco as well as its own account. {e-mail to ANR&P 10.Oct.08}

As of 14 October, BRT was still handling the steel at the yard, for its own account as well as Capco, according to BRT yard foreman Ray Noel. He had heard rumors that Capco may take over operating the yard, but has no definite news. {ANR&P discussion}

PROVIDENCE: TERMINAL FUTURES

24 September. ***THE CITY IS WEIGHING A ZONING CHANGE WHICH MAY THREATEN MARITIME BUSINESSES*** along upper Allens Avenue [see map 05#07A]. The changes would permit offices, residences, or hotels among the large but scattered industrial businesses. Developer Patrick T. Conley already houses artist studios in his Allens Avenue mill, and he wants to bring more new non-industrial development to what he calls the "wilting waterfront."

The industrial business owners, led by Promet Shipyard and Sprague Energy and calling themselves the Working Waterfront Alliance, believe that any residences or hotels threatens their survival.

On 24 September, City Planning Director Thomas E. Deller led media on a tour of ProvPort, the city's main port area, to show that the city has a large, viable and well-defined port area south of the upper Allens Avenue corridor. "You can mix uses with the right buffers and the right controls. ... There's no intention on the city's part to push out the businesses." He said the city is simply trying to grow the tax base and create jobs in any way it can.

City consultant sees four future options. Boston example.

In the evening of 24 September, before 100 people, city consultant Ninigret Partners laid out four possibilities for the future: the continuation of the status quo of existing industrial business; the introduction of office and commercial buildings; the introduction of residences; and the dramatic expansion of maritime-related business.

From analyzing other cities, Ninigret President Kevin Hively found that mixing uses has been a popular option, but was most effective when the city placed some restrictions on how the uses are blended, and added buffers between uses. For instance, highly specific, tiered zoning gradations, such as those used in Boston, can be effective, as can extremely high standards of review for incoming businesses, or residential uses with restrictive conditions attached.

Working Waterfront choice. Portland example.

Working Waterfront released its own study on 23 September, by Nathan Kelly of Providence's Horsley Witten Group. Horsley Witten used examples from Boston, Baltimore, and Portland to conclude that mixing in residential use hurts industry in the long run. "If you want your hard, heavy industry to remain viable, you need to preclude certain types of development, particularly residential and hotel," Kelly said.

Working Waterfront proposes extending the jobs-only district, which bans residential and hotel uses in the ProvPort area, north to include all of the Allens Avenue industrial area. Second, it proposes a new 'Waterfront Mixed Use/Industrial' zone for upper Allens Avenue area to allow office and commercial uses, primarily those that are industrially related. {Working Waterfront press release 23.Sept.08; Daniel Barbarisi in *Providence Journal* 25.Sept.08}

No effect on ProvPort

Bruce Waterson, who operates Provport to the south of the affected area, wrote: "Really, no effect on us. This is to

our north, mostly Sprague and Promet Marine.’ {e-mail to ANR&P 6.Sept.08}

Maine’s loss of working waterfront

Maine-based Island Institute supported a 2005 study which found that of Maine's 5,300 miles of coastline (including all of the peninsulas and island coasts), 20 miles of working waterfront access remain. In the 1990s, the figure was 30 miles. President Philip Conkling said, “A third of it has been transformed over the last decade.” {Daniel Dunkle in *villagesoup.com* 25.Sept.08}

QUEBEC/MARITIMES

MMA: QUEBEC CUSTOMER

7 October, Montreal. **RAILPOWER POSTPONED THE COMPLETION DATE OF ITS NEW PLANT IN SAINT-JEAN-SUR-RICHELIEU**, Quebec, because of slower-than-anticipated sales. The company began building the locomotive facility in June [see 08#06B] and initially planned to complete it in first-quarter 2009. However, Railpower now doesn't expect to restart the project until ‘new significant orders are secured,’ the company said. ‘To our knowledge, no significant orders have been awarded by the large Class Is to any of the low-horsepower locomotive manufacturers in North America during the year,’ Railpower officials said. {*Progressive Railroading* e-news 7.Oct.08}

RAIL SHIPPERS

Described in this issue.

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

Boston Globe (ST, Massachusetts #204) closing
 Boston Herald (CSXT, Massachusetts #222) closing
 Boston Railway Terminal (PW, Rhode Island #482) leaving?
 Capco Steel (PW, Rhode Island) arriving
 CSX Intermodal terminal (Massachusetts #229) moving
 Evonik CYRO (CSO Connecticut #616, SLR Maine) active
 Logistec (PW Connecticut #545-1) resuming
 Railpower (MMA, Quebec) postponing
 Twin State Sand and Gravel (NECR/CCRR NH) praying

Letter to the editor:

You have an excellent publication, and I always look forward to reading it.

**Jan Okolowicz, Parsons
 Brinckerhoff**

PEOPLE

The **Massachusetts Bay Commuter Railroad Co.** (MBCR) recently appointed **Richard Davey** general manager to succeed James O'Leary, who will continue to serve on the company's board. Most recently deputy GM and general counsel, Davey has served MBCR since it was formed in 2002. A partnership between Veolia Transportation, Bombardier Transportation and Alternate Concepts Inc., MBCR operates and maintains the Massachusetts Bay Transportation Authority's commuter-rail system.

Charles Hunter has become the new position of Director of State Relations - East for **RailAmerica**. He will stay in St.Albans, where he was general manager of NECR and CSO. Paul Lundberg, RailAmerica senior vice-president - strategic relations, wrote that in the new position, ‘we are asking Charles to replicate the successful partnerships he established with Vermont, Massachusetts, and Connecticut in the rest of the states where RailAmerica has railroad

operations in the Eastern portion of the US.’

Hunter joined RailAmerica as CSO assistant general manager of the Connecticut Southern in early 2004, and was promoted to NECR general manager in November 2004.

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Coverage

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

Frequency and the e-bulletin

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

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

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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 onto itself.’