

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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*Article unchanged from e-bulletin.

** Blue type shows changes from e-bulletin.

NS-ST DEAL

[No report.]

OTHER REGIONAL ISSUES

New York cross-harbor: Description of Brooklyn rail and port activity, along with map.

Schnitzer: Rail scales coming in Everett and Providence. Maine sources.*

CONNECTICUT

ST: AJ Belliveau low bidder for Bristol spur.

ST: Passenger rail on the Berlin branch?

MAINE

SLR: Resumes service to NEPW in South Paris.

MMA/ST: Lynch Logistics update on rail-served facilities in Auburn and Bangor.*

MMA: Fraser Paper gives #6 and #7 down time.*

ST: NewPage gives #15 more down time.*

Searsport: Governor issues executive order permitting development for container terminal - if anyone wants to seek permits.*

MASSACHUSETTS

CSXT/EOT: General Electric owns the Pittsfield bridge needing raising.*

NEW HAMPSHIRE

New Hampshire: Peter Leishman proposes study on buying all private rail lines, also T service to Tyngsboro.

RHODE ISLAND

[No report.]

VERMONT

NECR: Burlington tunnel work done November.*

MARITIMES/QUÉBEC

CN/NBEC: CN integrates invoicing et al; CN repurchase welcomed.

Belledune: Traffic grows in 2008; wants containers.

Sydney/Canso/Halifax: NS Premier MacDonald said Canso and Sydney should proceed.

Sydney: Permitting dredging and container facility.

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Dale Williams, Jeff Monroe

FROM THE PUBLISHER

The unheard prophet

Despite my caution that, with Halifax traffic already dropping, Canso, Searsport, and Sydney should not move ahead [see 08#01A], this issue carries stories on Searsport and Sydney, while the last issue covered Canso.

Now comes Belledune, with its own dreams of container traffic. The gods must be calling me a Cassandra, the Greek prophetess destined never to be believed.

- Chop Hardenbergh

Next issue: 13 February

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, **GW** - Genesee & Wyoming Inc, **FHWA** - Federal Highway Admin., **FRA** - Federal Rail Admin., **FRTC** - Fore River Transportation Co., **FTA** - Federal Transit Admin., **Guilford (GRS)** - Guilford Rail System, formerly name for Pan Am Railway, see ST, **GU** - Grafton & Upton RR, **HRR** - Housatonic RR, **MBCR** - Mass. Bay Commuter RR, **MBRX** - Milford-Bennington RR, **MBTA** - Mass. Bay Transportation Authority, **MC** - Mass. Coastal RR, **MCER** - Mass. Central RR, **MDOT** - Maine Department of Transportation, **MERR** - Maine Eastern RR, **MMA** - Montréal, Maine and Atlantic Ry, **MPO** - Metropolitan Planning Organization, **MTQ** - Québec Ministry of Transport, **NAUG** - Naugatuck RR, **NBDOT** - New Brunswick Department of Transportation, **NBSR** - New Brunswick Southern Ry, **NECR** - New England Central RR, **NEGS** - New England Southern RR, **NHCR** - New Hampshire Central RR, **NHDOT** - NH Department of Transportation, **NHN** - New Hampshire Northcoast RR, **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.

NS-ST DEAL

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. This section covers that deal, now before the STB.

[No report. Awaiting STB environmental assessment.]

OTHER REGIONAL ISSUES

Note: Readers may ask why I publish this story. The 'news' is stale, and the coverage lies outside the Atlantic Northeast. Nevertheless, I do so because of the potential for NS to invade the region from the south and serve an area now served by CSXT, CP, and PW; and because of the competition the port facilities offer to port offerings in our region. I welcome opinions on whether I should continue to cover the New York cross-harbor traffic.

REGION: BROOKLYN WATERFRONT

November 2008, NY. **THE PORT AUTHORITY TOOK TWO MAJOR STEPS TOWARD BETTER FREIGHT RAIL ACROSS THE HARBOR** at a meeting this month. Executive Director Chris Ward announced that PANYNJ will resume work on the Environmental Impact Statement for the Cross Harbor Freight Movement Project, identified as a major regional issue 15 years ago. The goal: complete it by late 2010, in time for the authorization of the successor to SAFETEA-LU, the last six-year federal transportation bill.

Beginning of EIS

The New York City Economic Development Corporation (NYCEDC) released a draft EIS in 2005, but then suspended work on the project. The draft recommended a freight tunnel between Jersey City and Brooklyn as the preferred alternative.

In August 2008, the sponsorship of the EIS was transferred from NYCEDC to PANYNJ.

Purchase of cross-harbor float bridge

The Port Authority also announced it had purchased, at a cost of \$16 million, the New York New Jersey Rail Corporation (NYNJ), which operates the only surviving "float barge," a ferry moving railcars across the harbor between Jersey City and Brooklyn, to dock at "float bridges" which permit the cars to roll onto and off the barge even with the tide rising and falling. As part of the purchase, the agency assumed the existing lease on 27 acres, owned by Conrail, at Greenville Yard in Jersey City.

The Port Authority has access to \$100 million in federal funds obtained by US Representative Jerrold Nadler (D, NY) in 2005, to complete the EIS, acquire key freight assets, and improve infrastructure in the existing rail network. {PANYNJ press release}

How the purchase happened

At the end of the 20th century, the float operation was owned by the New York Cross Harbor Railroad (NYCH). NYNJ was formed in 2006 by Mid Atlantic New England Rail, LLC, an entity owned and controlled by Gordon Reger, a noncarrier individual. Entities controlled by Reger owned a majority of NYCH's outstanding stock and, by reason of that ownership, indirectly control NYCH. Reger controlled one other short line railroad, New Amsterdam & Seneca Railroad Company, LLC [which now handles the rail line to the Fostoria, Ohio landfill—see 08#11B], and owned and operated two rail-served transfer stations in New England. He has subsequently sold the

With PANYNJ in charge, Gottheim anticipated major investment in the float operation to increase rail traffic across the harbor. “NS is interested in floating a lot more across.” That would enable it to compete with CSXT, which has its own access to New York from Albany.

Eventually, Gottheim believed, the Port Authority could transform the 300 acres at the South Brooklyn Marine Terminal [see map] into another container facility. “If we want to continue to be a hub, we’ve got to get ahead of the curve. We need every available acre we have.

Also, the new facility “can’t be truck dependent.” It would use the float barge until the cross harbor tunnel emerges.

Gottheim said STV has the lead on the consulting contract for the EIS. Parsons Brinckerhoff, AKRF, and Cambridge Systematics are assisting. {ANR&P discussion 3.Dec.08}

Through-operation to Connecticut?

In answers from PANYNJ spokesperson Steve Coleman, the Port Authority said it had ‘no information on the volume of activity or rate of increase that we can share at this time’ for the float barge traffic. Coleman wrote that the agency did not expect movement of international containers on the barge ‘at this time’ or any traffic to Connecticut [see 07#02A]. The cross-harbor traffic is ‘primarily Long Island business.’

The president of the New York and Atlantic Railway, which interchanges with NYNJ in Brooklyn thus providing its connection to the New York rail network [see box], agreed with the Port Authority about traffic for Connecticut. {ANR&P discussion with Victor 12.08; e-mail to ANR&P from Coleman 2.08}

BROOKLYN’S WORKING WATERFRONT & EFFORTS TO RETAIN IT.

In the early 2000s, many wanted to banish the Marlon Brando characters from the borough waterfront, to create marinas, luxury condominiums, and corporate conference centers with a stunning view of New York harbor. Now, with the collapse of the white-collar finance sector and the real estate market, stakeholders are looking to keep the working waterfront and keep blue-collar jobs. Interested parties include Nadler, the Port Authority of New York and New Jersey (PANYNJ) which wants to expand its container throughput capability, the stevedores who want jobs, the NYCEDC, and traffic planners who want to reduce truck movement through the city by moving more traffic to ship and rail.

From the Brooklyn Bridge, north to south, a description of the working waterfront {ANR&P discussion with Gottheim and Victor; e-mails to ANR&P from NYCEDC spokesperson Janel Patterson and PANYNJ spokesperson Steve Coleman; PANYNJ website}:

Brooklyn Bridge Park

The Brooklyn Bridge Park Conservancy is working to expand an existing park south to include Pier 6.

Brooklyn Piers

Owned by PANYNJ. Unused. Piers 6-8.

Pier 7 was a cocoa terminal, now empty. Pier 7 did have a float bridge and the NY Dock Railroad, not used in quite a number of years.

Red Hook Container Terminal

Owned by PANYNJ. Operated by American Stevedoring (ASI), which assisted by Nadler just negotiated a new 10-year lease for Piers 9A, 9B, and 10. Six cranes. ASI anticipates moving 168,000 boxes in 2009.

Pier 11

The City would like to move Phoenix Beverages here. Was part of container terminal? (PANYNJ map says stripping and stuffing)

Brooklyn Cruise Terminal

Pier 12. Until 2005, a road-salt receiving terminal.

23rd to 29th Street

25th Street pier. NYCEDC leased this pier in 2005 to Lafarge North America, which supplies it from its Ravenna, NY facility. The pier contains four cement silos and piles of sand and gravel.

South Brooklyn Marine Terminal (owned by NYCEDC)

88 acres, extending from 29th to 39th Street. Much of the site has accommodated new autos for years [visible on Google aerial view–*editor*], but the Axis Group proposes to use as an auto terminal [see 07#02B]. The remaining 11 acres at the 30th Street pier is committed to Sims Metal Management (formerly Hugo Neu) which will operate a recycling center serving the entire city [see 07#02B].

Direct rail and barge is available for both companies; Axis is considering outbound autoracks, Sims inbound barges from other boroughs.

NYCEDC expected to announce progress on both deals “very soon,” Patterson said in November 2008 and January 2009.

South Brooklyn Railroad

At 38-39th Street lies a huge, but unused, rail yard, connecting to NYNJ, owned the South Brooklyn Railroad. SBRR, according to Patterson, ‘is owned by the City and the Metropolitan Transit Authority. We are in discussions with SBRR about the future of the rail facility.’ SBRR owns a line between the yard and a point entering the New York city subway system.

Bush Terminal

Owned by NYCEDC, lies between 41st and 52nd Street. Was offered by city during 2007. {text of RFP}

Park. 45th to 50th piers turned into natural area. Constructing public open space on Bush piers.

CP Cimento at Pier 6. C.P. Cimento of Brazil is planning to invest approximately \$25 million to rehabilitate the pier and construct a similar distribution facility to the Lafarge one. This operation will also remove about 60 truck trips daily. {NYCEDC press release 13.May.08}

NYNJ Float Bridge

51st Street. Owned and operated by New York New Jersey Railroad (NYNJ) bought in 2008 by PANYNJ [see article]. NYCEDC owns the rail yard adjacent to the float bridge.

Brooklyn Army Terminal

59-63rd Street. Owned and operated by NYCEDC. The Brooklyn Army Terminal currently functions as a secure, around-the-clock industrial warehouse and commercial complex with a multi-faceted mix of business types and sizes. Over 70 tenants and more than 2500 employees occupy the space, representing a variety of industries.

65th Street Float Bridge (owner NYCEDC)**Bay Ridge transload (owner NYCEDC)**

These two occupy the waterfront between 63rd and Shore Parkway/Belt Parkway. The New York and Atlantic Railroad (NYA) has use and occupancy status at the Bay Ridge rail yard. NYA has freight rights on the Long Island Railroad.

In 2000, in a report one year after the split-up of Conrail, CSXT and NYA stated they were offering a transload in Bay Ridge [see 00#11]. That same year, NYCEDC, after spending \$20 million upgrading the yard and the float bridges, sought operators.

Unfortunately, only NYCH has a float bridge on the other side of the harbor, so no operator stepped forth for the bridge.

NYA serves one customer at the transload, and interchanges with NYCH. At this point, said NYA's president, Paul Victor, interchange with NYCH comes to 600-700 carloads a year.

SCHNITZER NORTHEAST: RAIL

22 January, Everett. **RAIL SCALES WILL HELP SCHNITZER IN THE FUTURE**, said David Atwood, logistics manager [see 07#06B for previous update].

The scrap market

After the huge bubble market for metal scrap, the bottom fell out in October 2008: "There were no buyers at any price anywhere in world." Schnitzer posted a \$15 million loss in its 1QFY09 results (autumn 2008), and put half its railcar fleet into long-term storage. At this point, said Armstrong, 2009 looks ok, "although we won't make the huge profits we did last year."

Everett rail scale

In November, Schnitzer broke ground at its Everett facility for a rail scale. Atwood explained that at this point, the contents of railcars are not weighed directly. Rather, a crane unloads the railcar into a Euclid off-road dump truck, which takes the product over to an off-road scale for weighing, and then to the appropriate scrap pile.

Each railcar holds the equivalent of four trucks, so each "eight-car string can generate [nearly] forty tickets] to track," Atwood noted. That number of tickets opens the margin for error, and the process takes a long time.

With the rail scale, which should become operational in late February, some railcars can be immediately unloaded to a pile if the track is close enough, and trucks which carry the other railcars' content can move right to the pile. The new scale will weigh the railcar loaded inbound, and get the tare weight outbound. Atwood estimated a 50% improvement in throughput.

Providence rail scale

The Schnitzer-owned Metals Recycling facility at ProvPort [see map 07#04B] has a rail scale which "has fallen into disuse," reported Atwood. Inbound rail movements will cease once the Everett rail scale is operating, but outbound auto fluff will continue by rail, to landfills in Ohio and Michigan (as will outbound waste from Everett).

Schnitzer intends to rehab the rail scale, and as in Everett, stop using the Euclids and the off-road scale to measure railcar contents.

Northeast Scale has a service contract "to handle almost all our scales in New England," said Atwood. It is building the Everett scale, and will rehab the Providence scale.

Maine business

Schnitzer not only does business through its own Maine yard [see 07#06B *Regional*] in Auburn [our *Directory* #885], but is also buying from OneSteel [see box]. Atwood said Schnitzer had sent 65 railcars "to handle a 5,000-ton purchase" to the OneSteel yards in Oakland, Bangor (Northern Maine Junction), and Augusta. While the Augusta facility has not seen rail for some time, Schnitzer did send "a few cars there."

ONESTEEL OWNS THE OAKLAND YARD

Your editor, in pursuit of this story, drove by the Oakland, Maine scrap yard [our *Directory* #874] on 21 January. He observed that the building's sign was falling off, but still read 'Industrial Metal Recycling'. In 2007, an Australian company, Smorgon Steel, bought Industrial Metal and its yards in Oakland, Augusta [our *Directory* #870], Bangor [on MMA—our *Directory* #794], and Arundel [the last not on rail—see 07#01B]. In August 2007, Smorgon Steel was merged into OneSteel, another Australian company [see OneSteel website].

The Oakland rail spur held four cars: two loaded, two empty. {ANR&P coverage}

Portland site

On 21 January, the Portland City Council voted to authorize moving Schnitzer's truck-served scrap yard in the Bayside neighborhood of Portland west to the Riverside neighborhood. {Matt Wickenheiser in *Portland Press Herald* 22.Jan.09} Bayside more than a decade ago lost rail service when ST pulled out; the new facility will not have rail access either.

Atwood explained that relative to Schnitzer's main yard in Auburn, "Portland is only a small feeder yard" and will remain so even after the move, which will quadruple the available acreage. The lack of rail "is not a huge concern." {ANR&P discussion 22.Jan.09}

CONNECTICUT

ST: BRISTOL TRACK

9 January, Bristol. ***AJ BELLIVEAU WAS THE APPARENT LOW BIDDER FOR TRACK MAINTENANCE*** on the city-owned spur here [see 08#12A], at \$36,109 for the three-year contract. [Belliveau, who also owns and operates CNZR, is the incumbent contractor.]

Railworks Track Services Inc [did CorrectDeck work in Maine—see 05#11A] of North Jackson Ohio bid \$49,752. Railroad Construction [did Motiva work in Providence—see 06#11B] of Paterson, New Jersey bid \$132,374. {*Rail Project Guide* of Datafax 23.Jan.09}

**ST: COMMUTER RAIL
ON BERLIN BRANCH?**

20 January, Hartford. ***TWO STATE LEGISLATORS ADVOCATE RESUMPTION OF PASSENGER RAIL BETWEEN WATERBURY AND HARTFORD.*** New Commissioner Joseph Marie [see box] acknowledged last week that it's at least worth exploring. "High-volume, quality commuter rail has to fit into our vision," Marie told the General Assembly's transportation committee. "There's an existing corridor that might someday be a candidate for future commuter service." When committee member Representative Frank Nicastro, D-Bristol, thanked Marie for saying that, Marie replied, "Be sure you include the word 'someday.'"

Nicastro and Representative David McCluskey, D-West Hartford, said Waterbury-to-Hartford service might prove to be an affordable way to get some rush-hour traffic off the badly congested stretch of I-84 just west of Hartford.

ConnDOT has already begun planning a \$570 million busway which would connect New Britain and Hartford, as well as a commuter rail link from New Haven to Hartford to Springfield. But the busway has been stalled for years as the state tries to acquire enough property for it.

ST track available

Upgrading the heart of the route, a 22-mile stretch of little-used freight line between Waterbury and Berlin, probably would cost under \$20 million. "It's reasonably simple and easy to do. You know you have 22 miles, you know how much track and ties and signals you need," Roger Bergeron, special projects vice president for Pan Am Railways,

said 16 January. “You're doing that within the right of way, and that doesn't require the permitting that takes so much time.”

The rail line's bridges and the long, nearly century-old tunnel in Terryville would not need major overhauls to meet federal standards for passenger service, he noted.

Seventeen years ago, a DOT study concluded that Waterbury-to-Hartford rail service would run \$50 million in track and right of way costs. But that was based on rebuilding the track bed to accommodate 60-mph trains, and creating enough new sidings to allow every-half-hour service. That plan also required restoring the long-abandoned rail line from New Britain to Newington, where trains would join Amtrak's New Haven to Hartford line.

Nicastro has instead suggested doing without the New Britain to Newington shortcut, and instead following the existing tracks from New Britain into Berlin, where they meet the Amtrak line. The existing right-of-way once held two tracks, so it could accommodate passing sidings, said Bergeron. {Don Stacom in *Hartford Courant* 24.Jan.09}

CONNDOT COMMISSIONER AND PASSENGER RAIL

In a recent interview, new ConnDOT Commissioner Joseph Marie described a vision of regional train lines linking Hartford and Springfield and up to Vermont and down to New Jersey, about commuter rail through New London and into Rhode Island. He built light-rail lines in Minneapolis and Phoenix and sought out the Connecticut job because of the opportunity here.

Marie said he took over a department that wasn't in the habit of asking itself, “Why do we do it that way?” “It's an organization that was built on a highway culture,” Marie said. He's realigning the department for the future, bringing in hands-on mass transit professionals: James Redecker from New Jersey Transit and Jeffrey Parker from Atlanta's MARTA system. {Rick Green in *Hartford Courant* 20.Jan.2009}

MAINE

SLR: NEPW OPEN

22 January, South Paris. **NEPW BEGAN RECEIVING CARS HERE AGAIN**, a month after the fire [see 08#12B]. Drew Gilman, president, wrote on 23 January: “[W]e hope to get five to seven per switch in the coming days. We have an 11-car siding, but we are limited in the short term, as one side of our dock area remains under repair.

‘[W]e used to receive two switches per day in South Paris prior to the fire. However, SLR's operations changed and now we are unsure if we will be able to get two switches/day. We hope to be able to, at least on a short-term basis.

‘We continue to service all existing woodpulp customers, either via Mechanic Falls, South Paris or Safe Handling/Auburn. It just takes a little creativity.’ {e-mail to *ANR&P*}

The lumber customers

Other customers who were using NEPW's South Paris warehouse moved to Lynch [see other article]. Gilman noted: ‘We didn't really transfer them to Lynch...they knew Lynch was out there, and we told them we couldn't bring in railcars for a time, so it was easy for them to switch vendors. There were never any promises about coming back to NEPW, basically they moved to a new vendor. We will go back to them now and offer space in South Paris...not sure if they are ready to come back yet or not, we'll have to see!’ {e-mail to *ANR&P* 26.Jan.09}

MMA/ST: LYNCH LOGISTICS*

22 January, Bangor. **AN OVERVIEW OF LYNCH OPERATIONS** was provided by Pete Moir, head of business development.

Auburn

In 2008, Lynch, headed by Ray Lynch, bought the former North Pacific warehouse here on SLR, reinvesting in

southern Maine after selling its Biddeford warehouse, which was not rail-served. Moir had success filling the two 10,000SF buildings on the site with recycled cardboard for paper brokers (truck in, truck out), but had no rail traffic until Lynch was able to help NEPW after its December fire [see 08#12B].

Moir is pleased with the SLR rail service, saying “it’s hard to attract paper company business without rail service.” The lack of heat in the two buildings is a drawback, however.

Bangor

Lynch’s Consolidated Warehouse [our *Directory* #855—see 06#07B] on ST in Bangor handles somewhat under a thousand carloads a year. Moir said “we never have an issue with Pan Am service. We get results.”

Some of his good customers at the warehouse are “optimizing rail” use right now. But the down market for paper is affecting traffic. “If you do trucking and warehousing in northern Maine, you do business with the paper companies.” As an example, Moir noted that Lynch’s truckers formerly moved newsprint from Katahdin Paper mills to destinations in New England. When Katahdin changed to directory paper, the trucking dried up.

Corporate structure

Each corporation listed here is owned by Ray Lynch.

Transportation. Lynch Logistics Inc, dba Central Maine Transport, is an asset-based trucking company. RJL Inc, dba Freight Central, is a freight broker which hires independent truckers.

As sample customers for Central Maine Transport, Moir named Sonoco Products in Pittsfield, which makes the tubes for paper mills, and the Walmart distribution center in Lewiston.

Warehousing. Lynco Inc, dba Consolidated Warehouse, operates the Bangor facility. It also does business as Records Management Center.

Moving. Lynch also owns Central Maine Moving and Storage, the initial company founded by his father. {ANR&P discussion}

MMA: ANOTHER PAPER CUT

21 January, Madawaska. **FRASER PAPER IDLED THE #7 PAPER MACHINE TEMPORARILY**, company officials said. “We find ourselves in some pretty tough economic times, and we don’t have a lot of visibility into some pieces of our businesses,” Jeff Dutton, Fraser’s chief operating officer, said this day. “We are not going to be building speculative inventory.” Fraser will run its machines only when orders are in hand.

The No. 4, 6 and 7 machines are low on back orders, but all six papermaking machines will be monitored weekly to see if workloads merit their remaining operational, Dutton said. No. 7 will resume operation on 26 January, but that day No.6 will stop for seven to 10 days.

Fraser shuttered two machines over Christmas, as well. {Nick Sambides in *Bangor Daily News* 22.Jan.09}

Fraser machines

#3 makes coated petfood bag paper from chemical pulp, about 37,500 tons per year.

#4 makes uncoated book paper from chemical pulp, about 42,800 tons per year.

#5 makes supercalendered release paper from chemical pulp, about 76,800 tons per year.

#6 makes uncoated lightweight paper from groundwood pulp, about 72,000 tons per year.

#7 makes uncoated bible paper from chemical pulp, about 60,700 tons per year.

#8 makes either directory paper (35,800 tons per year) or uncoated paper (71,200 tons) from groundwood pulp.

Total production capacity about 400,000 tons per year. {*Directory of Pulp and Paper Mills*}

ST: MORE PAPER CUTS

22 January, Rumford. **NEWPAGE WILL SUSPEND #15 PAPER MACHINE AGAIN** beginning 26 January, said Matt Bean, head of paper workers union Local 900. The company itself is declining to confirm shutdowns at individual mills but said it intended to cut production in 1Q09 by 150,000 tons. [NewPage shut #15 in December as well—see 08#11B.] {Eileen Adams in Lewiston *Sun Journal* 23.Jan.09}

SEARSPORT: FREE TO SEEK CONTAINER PARTNERS

22 January, Augusta. **GOVERNOR JOHN BALDACCİ SIGNED AN EXECUTIVE ORDER** to formalize the implementation plan developed by the Sears Island Planning Initiative's Joint Use Planning Committee. The plan delineates 600 acres of Sears Island for conservation and 340 acres for potential port development.

An easement was also signed today by the Maine Department of Transportation and the Maine Coast Heritage Trust for the portion of Sears Island set aside for education, recreation and conservation purposes.

In a November 2008 vote, the Joint Standing Committee on Transportation approved the joint use agreement but delayed its implementation until MDOT could secure the necessary permits [see 08#11B] for the container facility. On 15 January the Committee reversed that vote. {Baldacci press release; Tanya Mitchell in VillageSoup.com}

MASSACHUSETTS

CSXT/EOT: BRIDGE TO BE RAISED*

22 January, Pittsfield. **GENERAL ELECTRIC NOW OWNS THE 'PRIVATE BRIDGE' HERE WHICH MUST BE RAISED**; it carries Woodlawn Avenue. Under the Definitive Agreement between EOT and CSXT, EOT has the responsibility to improve the clearance if GE does not [see 08#12B].

GE is transferring the 52 acres and buildings of its former plant here to the Pittsfield Economic Development Agency. Executive Director Tom Hickey said the site will become the William Stanley Business Park with lakefront locations and rail access. Some of the 11 designated sites, for lease or sale, have or could have rail spurs. The site already has six spurs; three need rehab.

When PEDDA acquires the site, it will also acquire the bridge, which once connected the two parts of the GE facility separated by the CSXT main line. Hickey said GE had already brought the bridge up to Massachusetts Highway standards, but unfortunately not to the required clearance for full doublestack. {ANR&P discussion 22.Jan.09}

NEW HAMPSHIRE

NH: BUY ALL RAIL LINES?*

20 January, Concord. A **LEGISLATIVE COMMITTEE 'TO STUDY THE ADVANTAGES AND DISADVANTAGES OF STATE ACQUISITION OF THE REMAINING RAIL CORRIDORS'** was proposed by Representative Peter Leishman and seven other representatives. While the committee, made up of senators and representatives, would look at rail lines throughout the state, said Leishman, it would target the ST line to Concord. The proposed bill does not yet have a number except for LSR 2009-H-0229-R, showing it constitutes the 229th legislative service request.

Two reasons given by Leishman:

- During the hearings two years ago preceding the enactment of a limit of railroad liability [see 07#08B], he heard “loud and clear” testimony that state ownership of the rail lines would reduce the liability exposure of the private railroads in the state.

- State ownership would decrease the resistance to spend public money to improve the lines. “Then we are investing in ourselves, rather than a private entity.”

He acknowledged that the financial status of the state budget probably prevents any such purchase at this point.

ST still not satisfied

Despite the passage of a bill limiting railroad liability to \$75 million [see 08#06B], ST is not satisfied with it, reported Leishman [see 08#04B]. In addition, ST has again indicated it would like to operate the commuter service in New Hampshire. [It had said that some years ago, but in spring 2008 the stakeholders were indicating the MBTA would operate the service. See 08#04A.] {ANR&P discussion 20.Jan.09}

Start MBTA service to state line?

In an opinion-piece, Leishman suggested that the MBTA start New Hampshire service to a point just south of the state line, in Tyngsboro.

The MBTA owns the six or seven miles of track west of its current station in Lowell, and thus could avoid ST and its desire for no liability and for operating the service. Leishman argues this would cost substantially less than running the service into Nashua. {Manchester *Union-Leader* 27.Jan.09}

VERMONT

NECR: BURLINGTON TUNNEL*

10 November, Burlington. **NECR COMPLETED REPAIR WORK ON THE BURLINGTON TUNNEL** on this day, reported Charles Hunter, director of State Relations-East, RailAmerica, Inc [see 08#09B reporting work underway and contractor names]. “The floor was lowered to maintain the existing Plate C clearance when the walls were shot-creted (layers of concrete sprayed on to repair and stabilize the brick lined walls). A cement floor was also poured in the bottom of the tunnel. ... The cost of the project was \$1.2 million with the State of Vermont committing federal funds in the amount of \$960,000 [from the West Side earmark—see 08#09B] and RailAmerica/NECR \$322,600.

“This is a prime example of a successful public-private partnership that was administered through the Federal Railroad Administration. The State of Vermont and the Federal Railroad Administration worked closely with NECR/RailAmerica in moving this project on a fast track and seeing it through to completion before severe winter conditions set in. The Vermont Legislature was a big supporter of this project and helped us make it a high priority in 2008. I would like to thank them for their support as well as Peter Montague at the FRA. During the



Burlington Vermont tunnel. NECR locomotive showing pre-construction clearance maintained. {courtesy Paul Craven}

work closure, NECR worked with the Vermont Rail System to detour traffic via Bellows Falls, thus service to all rail customers was maintained. This work enabled the line to be reopened in time for the winter season and maintain an uninterrupted flow of important winter commodities such as heating oil, LPG, and road salt.' {e-mail to ANR&P 21.Jan.09}

QUEBEC/MARITIMES

CN/NBEC: INTEGRATION

23 January, Montreal. **CN ANNOUNCED IT WOULD INTEGRATE CUSTOMERS ON ITS CFQ ACQUISITIONS.** 'Effective February 1, 2009, we will be introducing single-line routing, integrating our invoicing and simplifying supplemental services tariffs on the Ottawa Central Railway (OCR). These changes will be effective March 1, 2009 on the New Brunswick East Coast Railway (NBEC) and Chemin de fer de la Matépédia et du Golfe (CFMG). All invoices will be issued by CN and there will be one remittance process through a single point of contact....

'Those of you who ship with CN today are familiar with the fuel surcharge applied to the linehaul invoice. After February 1, 2009 on the OCR and March 1, 2009 on the NBEC and CFMG, this will be assessed on local-to-local shipments as well. Please consult the fuel surcharge tariffs. CN's Sales Center in Winnipeg will handle customer support for former QRC customers.' {CN website 23.Jan.09}

Province welcomes CN*

Transportation Minister Denis Landry said the province welcomes the return of CN to the northern part of the province. "I met with CN (two weeks ago). We are really pleased that CN recently came back to northern New Brunswick through its acquisition of the New Brunswick East Coast Railway. I trust that CN will be bringing its tracks up to their Class 1 standards in a timely manner.

"With the difficulties we're hearing about with the global economy, this is a positive development for New Brunswick. This is something that will certainly help with the Atlantic Gateway."

CN and CP are poised to take traffic from trucks, according to a study released by RBC Capital analyst Walter Spracklin. And that fact might have spurred CN to repurchase CFQ's rail lines [see 08#11A].

Spracklin expects lower volumes and soft demand will result in pronounced downward pressure on railroad earnings; prices will grow at a slower pace of three to four per cent in 2009 to offset these declines. {Dave McLean in Saint John *Telegraph Journal* 23.Jan.09}

BELLEDUNE: 2008 GROWTH

23 January. **THE PORT OF BELLEDUNE GREW SIGNIFICANTLY** in 2008, reported Rayburn Doucett, the president and CEO. He projected 2008 record revenues at about \$2.8 million, compared with just \$175,000 in 2004. Domestic cargo count was also up 30% in 2008 over 2007; ship calls increased from 82 to 112.

Doucett attributed some of the growth to the downturn, ironically. It is easier to attract the lines when there is less demand for their services; companies that had abandoned Belledune in favour of bigger ports during the boom years are now accepting work wherever it's available, and for far better prices.

"Until about three months ago, you just couldn't find a ship. It was impossible, they were all being used," said Doucett. "Ships that were going for over \$200,000 are going for between \$5,000 and \$12,000 right now, per day – the bottom has come out of it. I met with officials from one of the world's largest shipping companies while I was in China [on a trade mission in November] and they tell me that they have about 120 ships right now that aren't in service and earlier this year they could have used an extra 100 ships....

"[W]e have a lot of projects under way that we just couldn't get ships for. But I'm very confident now that we're going to be able to. There are companies calling us now, to see if they can put their ships on, compared to the

situation before where you'd have to call and ask, but they didn't have any ships.” {David Maclean in Saint John *Telegraph Journal* 12.08}

Port results

Doucett said a more efficient rail network will, in turn, make the Port of Belledune more profitable and help ensure its long-term viability.

2009

Though many ports are projecting a decrease in 2009 [see Montreal in 09#01A *Regional* and Halifax in 09#01A], he's “pushing hard” to keep up his traffic.

Gypsum from the coal plant

The coal plant in Belledune not only provides the base for the port's shipping because of the inbound coal; that's unloaded at Terminal II with a automated continuous coal unloader. The power plant produces synthetic gypsum. The port exported 45,000 tonnes of that in 2008; Doucett had hoped to export 140,000 tonnes in 2009, but much of the gypsum will continue to move by rail to Saint John [see 08#06B *Massachusetts*] or truck. The rest moves by ship to Montreal.

However, the port will earn \$100,000 by leasing some of its space as a laydown area for the gypsum, said Doucett.

Short sea to Argentina, Newfoundland

Doucett continues to seek a coast-wise run between Belledune and Newfoundland, particularly now when some Marine Atlantic ships are not available and the ferry terminal in North Sydney is overflowing with trucks waiting to get on the Newfoundland ferry. Belledune had considered a service to Cornerbrook, but that was not found feasible [see Gary Kean in *The Western Star* 25.May.07]. “We have to go where the trucks are going,” he noted, “which means the East coast” of Newfoundland.

Belledune is not yet ready for all ro-ro, though; it needs a facility to load into the stern of ships. Its existing M.D.Young pier only has a side ro-ro capability.

Aggregate export

The port exported 150,000 tonnes of aggregate to Florida in 2008, the first year it did so. Despite the economic downturn, said Doucett, the exporter is looking to triple aggregate export in 2009 through the Young terminal, because of the infrastructure spending by the US government.

Xstrata

Terminal I is currently under a long term lease, used primarily for import and export of ore concentrates, sulphuric acid, and liquid petroleum cargoes by Xstrata Zinc/BMS. {port website}

Containers

Earlier in the decade the port looked at moving containers to Newfoundland. In 2000, it was moving some containers to Florida [see 00#18]. Doucett thinks Belledune could attract a container call. “If you come from anywhere in Europe, you're closer to Belledune than you are to Halifax, there's about half a day's difference” in reaching Montreal, said Doucett. The half day advantage comes from adding the shorter nautical distance to the shorter land distance to Montreal. {ANR&P discussion}

Wynford Goodman of the Belledune Port Authority wrote that vessels which transit via the Strait of Belle Isle between Newfoundland and Labrador while enroute to Belledune from either Rotterdam (2,748 nm) or Helsinki (3,385 nm) actually have fewer nautical distances to travel than comparatively to visit the Port of Halifax from Rotterdam (2,764 nm) and Helsinki (3,500 nm).

‘Conversely, if the ships do go via Cabot Strait (Cape Race) to reach Belledune (3,566 nm Helsinki to Belledune; 2,830 nm Rotterdam to Belledune), then the advantage clearly reverts back to Halifax but not by very

much (+/- 60 nautical miles = approximately ¼ day extra transit time for typical ship).’
{e-mail to ANR&P 26.Jan.09}

SYDNEY/CANSO/HALIFAX*

23 January, Sydney. **NS PREMIER RODNEY MACDONALD BELIEVES CANSO AND SYDNEY SHOULD PROCEED**, he said during a speech to the Sydney and Area Chamber of Commerce this day. “I know a lot of people in this room believe one of the ways to grow the economy is through the development of Sydney Harbour. I share that belief, and that’s why I’ve put the harbour project on my list of gateway initiatives that we submitted to the federal government.

“Recently there have been suggestions that development of the port of Sydney and the one in Melford should not be allowed to continue. I’m telling you here today that I don’t agree with that. The Sydney Harbour project is important to me, and when I’m talking about gateway projects with the federal gateway minister Peter MacKay, this is a project that I am promoting. One day soon, I hope to be back in Sydney with a positive announcement about the dredging project.” {e-mail to ANR&P from Paul Palmeter, press secretary, Office of the Premier}

SYDNEY: EIS PROGRESS**

23 January. **THE SYDNEY MARINE GROUP HAS RECEIVED FEEDBACK ON ITS DREDGING AND CONTAINER FACILITY ENVIRONMENTAL ASSESSMENT**, said Peter Geddes, an official with Nova Scotia Environment (NSE). The Group took advantage of a service offered by the province for informal feedback. In December, the Group sent NSE a draft Environmental Assessment [completed in November–see 08#11B] which describes dredging of the harbour and building of a container terminal. “This enables them to get preliminary feedback before starting the official process,” noted Geddes.

On 19 January, NSE gave the departmental feedback. “Now it’s up to them when to file the formal Environmental Assessment.” {ANR&P discussion 23.Jan.09}

Laurentian Energy is the main proponent of the container terminal, said Jim Wooder of Laurentian. Other members of the group support the dredging and the terminal; Wooder acts as spokesperson for the Group. It is still awaiting some preliminary comments. It expects to file the actual Environmental Assessment with NSE in mid-February, and receive a decision report in April.

Dredging

The proposed \$32-36 million dredging project would deepen almost nine kilometers of access channel to 17 metres. The spoils will form the land area of the terminal, and for that reason the proponents filed the two projects together, said Wooder.

How the dredging will be funded “remains to be seen. Discussions are ongoing,” per Wooder.

The Group has “pre-qualified four firms” to do the design-build of the containment dykes [sic–British spelling] and the dredging, with others expressing interest. RFPs will go out in March; the proponents have not decided whether in the name of the Group, or in Laurentian’s name. Work could start on the containment dykes this summer, with dredging in late autumn/early winter 2009.

Wooder noted that the Group is “designing the channel to handle the 13500-TEU Samsung ULC-class vessel,” and capesize bulk carriers. Both need a 15-meter draft. “This is not just about containers, but also the current Nova Scotia Power coal business, and how to facilitate potential of Donkin coal [see 08#12B]. The economics of Donkin look better if capesize vessels can call Sydney.

Container terminal

The Group expects to expend \$200 million to build the terminal on the west side of the South Arm of the harbor.

The terminal must service the large-ship market, requiring “a lot of cranes” which must reach across the beam of the vessel, at least 22 containers wide.



Sydney harbor, proposed container terminal. The land area would be created by dredging a channel in the outer harbor (at the top of the picture). About half the rail spur already exists. {Sydney Marine Group, Chicago presentation}

Will the large ships discharge most of their cargo? That's up to the carriers, Wooder said. Some may well want to discharge most, using Sydney as a transshipment point.

The \$200 million figure contains an allowance for operating equipment. But Laurentian is seeking an operator, and the operator will decide what equipment it needs.

The Marine Group is focused on the large vessels, said Wooder. "We've been talking to carriers for well over two years. The only current places on the East coast which can handle them are Virginia, the Global Marine private terminal in New Jersey, and Halterm."

Wooder "and many others," he noted, do not think those three terminals have enough capacity "to handle the evolving opportunities out of Suez."

"Are we currently positioned to capture enough of that for Nova Scotia? We say no." The Group thinks "it will be cost-effective to fill a niche focused on the large ships."

Rail access

In 2005, then-Premier John Hamm announced it would subsidize CBNS operations to Sydney for five years [see 05#09B]. Wooder recalled that in November 2008 in Halifax during World Maritime Day, representatives of various ports presented to a group of senior politicians and bureaucrats. He "reminded folks of the expiration of the subsidy in 2010. I want to keep that front and center: the port will only develop if we maintain a rail link."

He does not favor a subsidy per se. "There is a business case to keep the line commercially viable. Keep the rail line open to give the port a chance." {ANR&P discussion 26.Jan.09}

What about the recession?

Wooder noted the marine group's timetable hasn't changed despite the onset of the recession. "The world's a different place than it was eight months ago. Four to five per cent of the world's container capacity is currently laid up and freight rates are down and obviously everybody's concerned about how quickly the Suez service is going to come online and how much cargo is coming from Asia.

"But these things are cyclical. We have a 60-year horizon in front of us for this harbour. Our job right now is to deliver an environmental assessment that's positive and we think we're on track for that and what comes after that remains to be seen." {Chris Shannon in *Cape Breton Post* 26.Jan.09}

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.

Fraser Paper (MMA Maine #750) #7 machine idled.
 Lynch Logistics (SLR Maine #917) Rail in operation.
 Lynch Logistics (ST Maine #855)
 NEPW (SLT Maine #932) Accepting cars again.
 NewPage (ST Maine #881) #15 machine idled.
 OneSteel (ST Maine #s 874, 870)
 OneSteel (MMA Maine #794)
 Schnitzer (ST, Massachusetts #194)
 Schnitzer (CSXT, Massachusetts #213) Scale coming.
 Schnitzer (ST, Maine #885)
 Schnitzer (PW, Rhode Island #491)

PEOPLE

GATX Corporation announced on 23 January that **Dale Williams** has become director of sales for strategic sales. 'The strategic sales team focuses on railroad customers as well as the renewable fuels market. Ms. Williams will be located in GATX's Montreal sales office and will have primary responsibility for the Eastern railroads.

'Ms. Williams joins GATX with 30 years of railway management experience. She began her rail career with Canadian National in 1978 in labor relations. She subsequently worked in finance, marketing and market development. Prior to joining GATX, she was vice-president of market development for the Montreal Maine & Atlantic Railway. Ms. Williams received her bachelor of arts in industrial relations from McGill University in 1978.'

Jeff Monroe*, who served as Portland transportation director until spring 2008, has a number of consulting gigs going. Most recently, he played a role in the startup of air service between Portland, Yarmouth, and Halifax as the development director for the Yarmouth Airport. He's done some work on gateway projects in Nova Scotia, and is discussing consulting with Saint John on studies of the South American market.

He continues to hold down the Portland office of Halifax-based **MacDonnell Consulting Group**.

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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.

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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.'

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