Twice-monthly trade newsletter dedicated to the preservation and extension of the rail network in New England, the Maritimes, & eastern Québec.

(formerly Atlantic RailWatch)

Atlantic Northeast Rails & Ports

Issue 00:03  4 February 2000

REGIONAL ISSUES

FTR: US trade via Canada, Pan Am expands.

CONNECTICUT

CRA: Backs two bills.
HRRC: New bulk transfer facility.
PW: Bond money for Wethersfield?
Middletown commuter study needs money.
FTR: No grant announcement, no CSO pact.

MAINE

Legislature: Union and Calais branch money.
Calais: Stafford wins study.
Union branch: Advocacy remains.
FTR: Intermodal equipment lacking, as is schedule for Amtrak work.

MASSACHUSETTS

BCLR: SEMASS traffic restarts in April.
CSXT: 12 industrial projects.
PVRR: Westfield branch, RR battalion.
FTR: Bond bill still coming, Westover meeting.

NEW HAMPSHIRE

Legislature: Northern, Hampton, Manchester-Salem bills, plus liability and constitutional amendment.
GRS: Four customers on ConnRiver. Do they make money for the railroad?
West Lebanon: CCRR, Twin State activity.
FTR: CSRX, Hobo to get funds. VHB wins state rail plan contract.

RHODE ISLAND

[No report.]

VERMONT

Legislature: Funding for ABRB.
Amtrak: GRS signs agreement for ABRB, but Amtrak wants to go slow.
NECR: Three potential customers.
VRS: Looking to expand. OMYA meeting postponed.
Wells River: B&A wants to open gateway when appropriate. GMRC will meet deadline.

MARITIMES/QUÉBEC

NBEC: Eagle Forest Products cars get hit.
VIA: Wishes for Maritime expansion.
FTR: Québec colloquium. 1998 traffic results.
Atlantic provinces freight study.

ATLANTIC NORTHEAST PORTS

VSA: Disappearing.
Canso: Agreement to turn over wharves.
SheLBurne: Norwegian line to call. Update on ferry service.
Saint John: Overall increase, forest products down.
Eastport: Georgia Pacific traffic looks good.
Portland: Containers doubled.
BOSTON: Cargo, cruises, cars up. But marine traffic many drop.

FROM THE PUBLISHER

My apology for the misdating of the last issue. Mea culpa, should be 21 January.
- Chop Hardenbergh
Next issue: 18 February.

REGIONAL ISSUES

FOR THE RECORD: REGIONAL

US IMPORTS AND EXPORTS MOVING VIA CANADA ROSE. They represented 5.4% of total U.S. liner trade by weight in 1998, versus 5.1% in 1997, according to an updated report from the US Maritime Administration, a total of 6.5 million tons. Exports transshipped through Canada in 1998 were valued at $8.58 billion, down 1% from the year earlier. It says imports were valued at $16.96 billion, up 6.5%. {Journal of Commerce 21 Jan. 00} 

BUT SO DID COSTS FOR CANADA. P&O Nedlloyd said it is increasing its fuel surcharge on cargo moving in and out of Canada and through Canada to and from U.S. points. Beginning on March 1, the line said its bunker adjustment factor will be US$53 per 20-foot container and US$106 per 40-foot container. Increasing fuel prices forced the increase. {Journal of Commerce 1 Feb. 00}

PAN AM WILL FLY FROM BANGOR TO ORLANDO, via the Pease NH airport, per an announcement on 28 January. And Its affiliate, Boston-Maine Airways (a name used by the B&M last century) will begin to fly short connections out of Orlando to other Florida destinations. {Morgan Minch in Foster’s Daily Democrat 23 Dec. 99}

CONNECTICUT RAILROADS

CT RAILROAD ASSOCIATION

2 February, Newington. THE ASSOCIATION HELD ITS MONTHLY MEETING HERE in the Transportation Building. According to Dennis Coffey, appearing for CSO along with Kevin Galizio, and David Fink, the GRS representative, members plan to introduce a bill in the legislature (opening 9 February) on vandalism. ConnDOT will introduce a bill on trespassing modeled after the FRA text which in turn was modeled on the Maine bill, and may introduce the vandalism bill as part of its package. {ANR&P discussions 2&3 Feb. 00}

HRRC

2 February, Newtown. THE RAILROAD IS PLANNING A BULK TRANSFER FACILITY HERE, making the fourth in the state after Hartford, Plainfield, and North Haven [see 21 January issue]. According to Executive Vice-president Ed Rodriguez, HRRC is continuing with its market research on potential customers and commodities. It will sit across the main line from the Shepaug lumber transfer facility. {ANR&P discussion}

The railroad’s newsletter, The Berkshire Hills Newsletter, noted: ‘We are also talking to CSXT about the advantages of being a CSXT TransFlo. We plan on constructing new track during the first quarter of 2000.’ {1.00 issue}

PW

1 February, Middletown. ADVOCATES WILL ASK THE LEGISLATURE TO BOND work on the Wethersfield secondary, said Brian O’Connor of the Middlesex County Chamber of Commerce.

ConnDOT reaction

Ray Godcher, rail planner at ConnDOT, said the department would most likely oppose the effort if the legislature proposed to use special tax bonds, which are backed by the taxes ConnDOT receives from gasoline sales, etc. “DOT has already programmed those funds” and if it had to pay for the five miles of track work between Cromwell and Rocky Hill, estimated at over $2 million [see 23 June 1999 issue], it would have to eliminate another project.

ConnDOT would prefer that the legislature use general obligation bonds. “Then we would have no objection,” remarked Godcher.

Passenger study money

O’Connor said the study of passenger rail between Middletown and Hartford [see 23 June 1999 issue] needs local money to match the federal contribution. Advocates are hoping to get a contribution from each town. The Middlesex Chamber of Commerce Rail Committee meets once every other month to assess progress. {ANR&P discussions 1&2 Feb. 00}

MAINE RAILROADS

LEGISLATURE

1 February. MDOT AND OTHERS SUPPORTED THE UNION BRANCH PROPOSAL during a joint hearing of the Transportation and Appropriations Committees. John Melrose, commissioner, described the $33 million in supplemental funds the department is seeking in LD 2510. Of that, $11 million would go for rail:

Union Branch

In his testimony, Melrose said: “By financing the proposed link of the Portland Amtrak service to the St.Lawrence and Atlantic Railroad, benefits are realized all along the Route 1 corridor to
Rockland, and along the Route 26 corridor to Bethel. This rail initiative seeks to respond to congestion on these arterials as well as congestion on the most heavily-travelled piece of interstate in Maine, I-295. It is about grade crossings, travel time, safety, neighborhoods, downtown revitalization, enhancing freight rail, a link to Montréal, the Auburn-Lewiston airport, and alternative transportation directed by the voters of Maine in 1991 by a two-thirds margin.”

MDOT wants $10.55 million for ‘passenger service to Lewiston-Auburn... through rehabilitating the Union Branch across Back Bay in Portland.”

Others also came forward; advocates from Lewiston-Auburn, the Oxford County Development Commission, a representative of the Planning Board in New Gloucester, and Nathan Smith, a Portland city councillor.

Calais branch
Some $500,000 was requested to “continue efforts to clear the Calais Rail Branch free of washouts and debris so it can be maintained, and kept from further decline.” {ANR&P discussion 3.Feb.00; copy of testimony}

CALAIS BRANCH
2 February, Cherryfield. THE EMRRDC AWARDED THE TRANSLOAD STUDY TO STAFFORD. Skip Rogers, chair of the Eastern Maine Railroad Development Commission, said the group met for about three hours to decide among Stafford Business Associates of Portland, the Ames Corporation of Bangor, and a joint venture put together by Peter Dearness, owner of the New England Southern Railroad.

Rogers said Safe Handling, the Auburn firm interested in operating a transload facility on the branch, may provide additional funds to the study, to examine in depth companies who, while not located on the rail line, might use a transload facility. {ANR&P discussion 3.Feb.00}

[See also funding proposal by MDOT, above.]

UNION BRANCH
3 February. “A LOT OF WORK REMAINS” to get the bill passed for the rehab and new bridge, said Melrose [see above]. “We have achieved four points: support of the governor, support of the community, a positive response from Guilford, and a positive hearing.” It now remains to convince the Legislature as a whole that this funding should be given high priority.” {ANR&P discussion}

FOR THE RECORD: MAINE
LACK OF INTERMODAL EQUIPMENT is limiting use of rail, according to an intermodal source. “We can’t get enough to use the Waterville ramp consistently, so we’re running everything via the Auburn ramp.” And even that ramp doesn’t have enough. He’s looking to reach an agreement with ZIM to use their ocean containers on the backhaul for domestic cargoes; at this point the boxes are used only to backhaul export cargoes. {ANR&P discussion 2.Feb.00}

THE SCHEDULE FOR AMTRAK WORK for 2000 is not decided. “Mike [Murray] and I need to get together” to fix it and announce it, said GRS Executive Vice-president David Fink. {ANR&P discussion 2.Feb.00}

MASSACHUSETTS RRs

BAY COLONY
3 February, Rochester. SEMASS’ RAILCAR TIPPER SHOULD RESTART IN APRIL, according to Tom Seidenberger, marketing director for the waste-to-energy plant. He explained that a motor failed in December 1999. For repair, it went to Britain; SEMASS had the tipper manufactured there about ten years ago. The motor should return in mid-March. Reassembly will take another two weeks.

Effect on the railroad
BCLR looks to the trash train for a significant portion of its revenue: about 3000 of its total of 5000 carloads a year. During the outage, SEMASS has used trucks, which cost the company and the towns whose garbage is burned “a little less” than rail, said Seidenberger. SEMASS will resume using rail, however; its contract with BCLR has another 15 years to run and rail avoids the summer highway congestion. Railroad fees are normally less than truck, but “trucking fees are a little depressed right now.” {ANR&P discussion 3.Feb.00}

The SEMASS operation
Located at 141 Cranberry Highway in West Wareham, the SEMASS Resource Recovery Facility provides southeastern Massachusetts communities with an alternative to land filling their municipal solid waste. Since opening in 1989, the facility has employed a shred-and-burn process using 900,000 tons of solid waste each year. The resulting electricity meets the needs of more than 75,000 homes. The facility also recovers nearly 20,000 tons of recyclable metals from bottom ash annually.

The company also owns a waste to energy facility in Preston CT and elsewhere in North America, but only SEMASS uses rail. {American Ref-Fuel website}

CSXT
24 January, Jacksonville. CSXT OPENED 12 INDUSTRIAL PROJECTS IN MASSACHUSETTS during 1999, third only to Florida and Kentucky. System-wide, the 129 projects spurred investment of more than $1.4 billion in capital, created more than 5,500 jobs, and will generate over 124,000 carloads.

“The record number of industrial development projects in 1999 demonstrates increased confidence in the rail system,” said Randy Evans, CSXT vice president for real estate and industrial development. “Customers are increasingly using rail to forward-position their products closer to the markets that they...
want to reach. “Receivers and shippers are not only using rail because it is economical and efficient, but also because it is an important part of their logistics chain.”

In Massachusetts, CSXT undertook twelve projects attracting more than $41 million in investment capital and approximately 220 new jobs to the state. (CSXT press release)

PIioneer Valley
21 January, DC. THE RAILROAD WILL SELL ITS WESTFIELD BRANCH to the City of Westfield. The STB agreed to extend the date for consummation of the abandonment from 23 July 1999 to 21 April 2000 to permit the transaction. The branch runs 1.9 miles south from PVRR’s interchange with CSXT through the city. (STB Docket No. AB-531X)

2 February, Westfield. NO DEAL YET FOR THE RAILROAD BATTALION, said General Manager Jon Lasko [see 21 January issue]. Some details remain to be worked out. (ANR&P discussion)

More on the move
‘Even though the locomotives are moving to the PVRR [from Middletown], the Battalion will remain headquartered in Middletown. When the 226th does move [from Illinois], there will still be another railway battalion in Wisconsin. The 226th [to be located at Westover Reserve Base] will conduct some training at Westover, as well as the Pioneer Valley and our other sites throughout the region.’ (ANR&P e-mail from Major John Pajak, executive officer, 1205th Railway Battalion)

FOR THE RECORD: MASSACHUSETTS
THE TRANSPORTATION BOND BILL remains for the Senate to take up [see 21 January issue]. Phil Nunes, a staffer for Senator Mark Montigny of the Senate Ways and Means Committee, said the Committee planned to take it up this month. (ANR&P discussion 3.Feb.00)

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A MEETING ON THE WESTOVER SITUATION will take place in a few weeks, according to GRS Executive Vice-president David Fink. He met with EOTC Deputy Secretary Astrid Glynn in late January, and she agreed to call a meeting of the Westover customers and the elected officials from the area. (ANR&P discussion 2.Feb.00)

NH RAILROADS

GENERAL COURT
1 February. RAIL-RELATED BILLS FACING THE LEGISLATURE

HJR6, revitalization of the Northern line. This passed the House in 1999 [see 9 June]. The Senate passed it with an amendment on 13 January.

HB575 railroad liability limits. The House referred the matter for further study [see 16 July 1999 issue].

HB 1378 - To re-establish passenger service on the “Eastern Line” to Portsmouth. Creates a task force for this purpose. Passed by House 27 January. It must report by 1 December 2000 and every six months thereafter.

HB1409 - Revitalization of the Northern (Concord/Lebanon) and Lawrence/Manchester Lines. Introduced 5 January, passed House with amendment 27 January. This study committee [the stage before a task force - see 29 October 1999 issue] by 1 November 2000.

HB1588 - Pertaining to RR safety. Authorizes NHDOT to impose certain safety rules heretofore the purview of FRA. Introduced 5 January, passed House with amendment 27 January.

Constitutional Amendment Concurrent Resolution  This bill, before the House, would divert a portion of “Highway Trust Fund” monies from the gasoline/diesel tax to rail. Observers don't give this much chance of passage since the fund has already been invaded for state police operations, alcohol enforcement, the court system, etc. amounting to some 33-34% thus taking away from highways. (Malcolm Taylor in Northeast News Service; legislature website)

GUILFORD - NEW HAMPSHIRE

January. GRSHASFOURREMAININGCUSTOMERSNORTH OF BELLOW FALLS, which it will serve by turning at White River Junction [see Vermont]: Saxonville Lumber, Claremont Concord Railroad, Rymes Heating Oil, and Eastern Bridge.

Saxonville Lumber USA, Charlestown
According to Scott Brown, vice-president of operations for the entire corporation, the wholesale lumber company has six locations: Auburn ME, Phoenix NY, Charlestown NH, Hampton NH, Manchester NH, and Sudbury MA. It uses reloads in Coaticook PQ and the Shepaug facility on HRRC in Hawleyville CT. All are rail-served except the newly-opened Manchester location, a specialty shop which handles hardwood plywood which is drayed there.

The company began in Saxonville MA, a part of Framingham. It subsequently moved to Sudbury, and later move its headquarters to Charlestown NH. Privately-held, its revenue comes to $115 million.

To Charlestown (operated by Saxonville since the early 1970s), GRS delivers 750-800 cars a year of plywood, and as high as 1,000. Brown rated the service “pretty good; we have no complaints.” (ANR&P discussion 5.Jan.00)

Claremont Concord Railroad
This provides very little traffic; in 1998 the railroad told the AAR it had only 182 carloads.
Rymes Heating Oil
Matt Ross, the controller of Rymes, said plans to install new tanks were proceeding, though not as quickly as planned [see 22 January 1999 issue], as final approval was not received until December. The company is now thinking of installing three tanks a year over the next three years, for a total of nine. In 1999, Rymes received about 200 tank cars of propane, a number which will significantly increase after the new tanks.

The plans for a throughput of about 5 million gallons are “still possible, though the customer is not now pursuing them aggressively.”

Eastern Bridge
This company started off as East Coast Steel, went bankrupt and reopened as Claremont Steel [see 22 January 1999 issue], and then was sold to a new owner in summer 1999 and became Eastern Bridge, with chief executive officer Robert Wexler.

Steve Crowell, president of Eastern Bridge and its predecessors, said on 20 January that his company continues to manufacture bridge girders, using where possible rail to deliver the steel parts. Since the Conrail split, rail service has become “a disaster” with at least one car lost for 70 days. [!] As a result, Eastern Bridge has had to turn to trucks, which not only cost more in transportation, but haul less and therefore require the steel mills to cut the steel into smaller pieces. Crowell’s company then has to re-assemble the pieces, further costing more.

He estimated he had last year about 120 shipments of steel by rail, some of which used more than one car due to the length of the pieces. {ANR&P discussion; AP in Manchester Union Leader 29-Nov.99}

IS GRS MAKING MONEY HERE?
Using the industry rule of thumb, that a short line needs 125 carloads a year per track mile to profit, let’s look at GRS service north of Brattleboro. The four GRS customers’ traffic comes to 1,740. [1] How much is GRS paying NECR for the trackage rights? Again, let’s assume close to the figure of national railroads of 30 cents per car mile. GRS then has a track expense of 2 $11,000.

If GRS gets paid, on a revenue division basis, about $500 per car, and allocates that over the system from Mechanicville to north of Bellows Falls, it may figure it earns $50 per car to run north of Bellows Falls. So it receives $87,000 running north of Bellows Falls, less $11,000 in trackage fees, making net revenue $76,000. Does that pay for a crew to serve the customers daily, or let’s say 300 days a year? Your answer welcome!

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1 Saxonville says maximum 1,000 carloads. Rymes says 200 now, let’s say 400 when it increases tank capacity. Eastern Bridge 120 deliveries, if we double that to account for long loads, we get 240. Finally, CCRR had only 182 carloads in 1998, so let’s assign 100 to GRS.

2 From footnote one, Saxonville’s 1,000 moves 25 miles to Charlestown from Bellows Falls = 25,000 car miles. Rymes, Eastern Bridge, and CCRR move 17 miles to Claremont = 12,580 car miles. At 30 cents per car mile, that comes to $11,349 per year.

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WEST LEBANON
3 February, Lebanon. MORE ON THE FUTURE OF THE LINE.
Kit Morgan, rail administrator for NHDOT, gave two reasons for selecting the Claremont Concord proposal over the other two applicants [see 21 January issue]. It was more comprehensive and more detailed, and the railroad and sister company LaValley Building Supply had an excellent reputation among the people on the selection committee from the Lebanon area.

The detail addressed rehabilitation and the development of business, leaving the committee the most confident that the work would be done without “spending money the state does not have.” Morgan also believed that CCRR would serve businesses at a competitive rate, providing enough income to it as a switching railroad while keeping the rate low to make rail service attractive.

CCRR plans
Jeff Albright of the railroad is negotiating the operating agreement with Morgan. He said CCRR will first cut brush on the line, then do the minor maintenance necessary on the first couple of miles. Major customer Twin State Sand and Gravel lies on the first mile, and most other possible customers in the first two miles.

The final 1.8 miles will require heavy maintenance.

The railroad will not hire a crew, as it has already taken on a new worker for the possibility of winning the bid. CCRR will station a locomotive in West Lebanon; it has a tentative agreement with NECR to run it to Claremont for periodic maintenance.

Bud Ames, owner of Twin State, said CCRR people will set up a meeting with NECR to discuss an interim transload site on the main line north of North Hartland VT. It lies about a half mile from his quarry whence he is currently trucking product to his processing facility. “A siding cannot fit next to the main line at that point”; the nearest siding site, in North Hartland, cannot be reached because a bridge into the town would not support his trucks.

While he recognizes that halting cars on the main line would normally pose a risk, he believes that by loading in between mainline freights, and loading only screened sand, the simplest and least dangerous material, he could reduce the risk to an acceptable level.

Twin State is also getting permitting for a permanent siding into the quarry itself. He hopes to get the permits and complete construction this year, in order to begin operation next year. {ANR&P discussion 3-Feb.00}

NECR
Jack Dodd, the marketing director, now has more time to handle these possibilities [see 21 January issue]. He already has some proposals for Twin State. {ANR&P discussion 4-Feb.00}

FOR THE RECORD: NEW HAMPSHIRE
NHDOT WILL FUND MAINTENANCE AND REHAB this year for 8.5 miles of the Concord to Lincoln line, and some mileage on the Mountain Division. It will provide the funds to the Hobe Railroad and the Conway Scenic Railroad, respectively, for labor
and will purchase the materials itself. Morgan said the railroads may perform the work themselves, or contract it out. The money comes out of the Special Railroad Fund, which holds the railroad user fees and other revenues.

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VHB WON THE STATE RAIL PLAN CONTRACT; it will use subcontractors KKO and Associates of Andover MA, and Transit Safety Management of Georgetown MA. Morgan said the choice was made by a “department-wide selection committee” which hires consultants. When it selects rail consultants, he becomes one of the members of the selection committee. The department will now proceed to negotiate a fee for the work with VHB’s Bedford NH office. {ANR&P discussion 2.Feb.00}

VERMONT RAILROADS

GENERAL ASSEMBLY

January. TWO RAIL FUNDING ITEMS ARE IN THE SUPPLEMENTAL BUDGET making its way through the legislature. Section 46 appropriates $1,559,962 to the agency of transportation - rail and aviation division - for the acquisition of the Boston & Maine Corporation railroad line between Hartford and Newbury.

Another section appropriates $825,888 in transportation funds and $615,552 in federal funds to the agency of transportation for the purpose of purchasing used rail. Rail purchased with these funds is for use on any ABRB rail project. No improvements are to be made to the Hoosick/Guilford line until an agreement is signed between the state and Guilford transportation. {Legislative website}

AMTRAK - ABRB

3 February, Montpelier. TWO STEPS FORWARD, ONE STEP BACK for the proposed Amtrak service between New York City and Manchester VT.

Signing of Guilford agreement

GRS, per GRS Executive Vice-president David Fink, has drafted an agreement according to the terms of the memorandum of understanding [see 26 May 1999 issue], which will permit Amtrak to use Guilford track from Mechanicville NY to Hoosick Junction NY. Fink signed it about 27 January and forwarded it to VAOT.

John Dunleavy, assistant attorney general, related that the agency had some concerns. The agreement provides that Amtrak may use the track for a period of one year with only minor improvements costing $500,000. In the second and subsequent years, VAOT would have to pay for improvements deemed necessary by Guilford’s chief engineer.

The agency would like a cap on those improvements; once the service starts “it will be hard for us to disengage,” said Dunleavy. It does understand the open-ended nature of the Amtrak proposal (“We’re both being asked to buy a pig in a poke by Amtrak”).

Funding of more work

According to Richard Bowen, VAOT rail projects manager, in 1999 VRS brushed the Hoosick branch out; ties were purchased but not yet installed. The railroad did significant trackwork north of Bennington [see 23 June 1999 issue].

Funding to match the federal allotment to buy rail is making its way through the legislature this year [see above]. VRS believes service could begin by Christmas [see above].

Amtrak hesitancy

Now the bad news. On 28 January Amtrak released part 1 of its study of Amtrak service to western Vermont. This looked at route options, service proposals, and market projections. In a second part, due 1 August, Amtrak will estimate capital costs.

Part 1 found that replacing the Ethan Allen through Whitehall with service through Hoosick Junction would decrease the state subsidy from $1.13 million per year to as low as $0.45 million per year. {text of study}

LAMOILLE VALLEY

1 February, Morrisville. NORTHERN VERMONT IS MAKING PROGRESS toward restoring some activity on the line [see 22 November 1999 issue], according to Jeff Lefebrve, senior transportation planner at the Lamoille County Planning Commission. At a meeting on 25 January of the three regional planning commissions, three economic development commissions, and several Chambers of Commerce, participants agreed to form a separate corporation to oversee the railroad.

The group hopes that Clyde Forbes, owner of the LVRC which is the operator of record, will transfer his lease of the line to the new corporation. It recently brought Forbes and the state together to discuss the deal, and Forbes agreed.

Now John Dunleavy, the assistant attorney general assigned to VAOT, and David Anderson, Forbes’ attorney, will work out the agreement. Dunleavy noted on 2 February that he plans to move ahead. {ANR&P discussions}

NECR CUSTOMERS

2 February. NECR HAS THREE POTENTIAL NEW CUSTOMERS NEAR WHITE RIVER JUNCTION.

Twin State Sand and Gravel

A meeting will soon occur to discuss how Twin State can load gravel on the NECR line south of White River Junction [see New Hampshire].

Earthsource LLP

This lumber company, located in Royalton, Vermont, has “a beautiful building with a rail siding, two doors for rail, and six interior car spots,” said Duncan Mackintosh, a partner. It was built for cross-loading plywood and veneers by Weyerhauser, and he would like to resume rail service. The company currently loads and unloads containers in Royalton and moves them to and from the West coast via a Worcester intermodal facility.

The spur has been inactive for several years. State government, said Mackintosh, has offered no assistance in restoring it, but is actively assisting the Gas Supply effort [see below]. {ANR&P discussion 2.Feb.00}
Gas Supply Resources
The use of the former Cushing Lumber site in Sharon for a propane transfer facility [see 15 October issue] awaits an Act 250 permit. Julia Schmidt of the District 3 Environmental Commission is awaiting VAOT engineering studies on where an access road should cross the rail line. In addition, truck access was blocked through Sharon when the town enacted a weight limit on its bridge to I-89. Gas Supply could use a bridge in Royalton, but per Schmidt that bridge needs serious repairs.
She expected that Gas Supply will have all information submitted so that in mid-March she can begin scheduling hearings. {ANR&P discussion 3.Feb.00}

Existing: Cushman Lumber
An NECR customer, this company per Brown leases land from Saxonville at the Charlestown site. According to Ken Roger, an official with Cushman Lumber, his company leases an outside lumber yard from Saxonville, and operates it via the Cushman Transfer Corporation. NECR delivers a relatively high number of cars to the yard either for Cushman Lumber (dimensional lumber, 90%) or for a subsidiary, Northeast Structural Wood Products (engineered wood products, 10%). NECR uses a separate spur from that which GRS uses to serve Saxonville Lumber [see New Hampshire].
Though Roger declined to state the number of inbound carloads, ANR&P estimates it between 500 and 1,000. Outbound, Cushman has sent to other dealers “a car or two a year” if it has an overabundance of a product.
Cushman, with headquarters in Bethel VT, has moved its yard twice, recently: from Sharon VT on NECR to Riverside VT on GRS, and after a year there, to Charlestown NH on NECR. {ANR&P discussion 2.Feb.00}

Not possible: Suburban Propane
An official at the Lebanon NH facility said while the larger Suburban Propane sites do use rail, it gets too costly for the smaller ones. “It takes all day to unload a rail car, and you need to keep a man there all day. We don’t have the people to handle that.” Ditto for the Chester VT facility. {ANR&P discussion 2.Feb.00}

VERMONT RAIL SYSTEM
1 February, Burlington. VRS IS POISED TO EXPAND ITS NETWORK, according to David Wulfson, president:

B&A to Wells River
VRS, whose member GMRC has the interim operating rights on the Wells River branch [see10 January issue] has offered a direct interchange between NECR and the B&A to use to open the ‘Wells River gateway’ which Dan Sabin, B&A chief operating officer, believes holds a major key to rail growth [see 21 January issue]. According to Wulfson, the direct interchange would help all railroads, no matter who eventually won the permanent operating rights on the branch. Despite GMRC’s willingness to work something out, Sabin said the B&A is not interested at this time.

Wells River branch
GMRC crews are working hard to restore the rail line north of White River Junction. “We’ll be there on or around the target date” of 7 February, said Wulfson, depending on snow storms.

Bellows Falls to White River Junction
VRS has negotiated an agreement with GRS under which GRS has the use of the White River Junction Yard, and VRS gets haulage rights between Bellows Falls and White River Junction.
Wulfson explained that GRS wanted to use the yard to tie up its engines, provide a base for crew layovers, and turn the engines. VRS wanted the haulage so that it could connect any new customers in West Lebanon NH with its own line in Bellows Falls; however, that preparation didn’t pan out, as New Hampshire awarded the operation of West Lebanon to the Concord and Claremont.

Freight interchange at Hoosick Junction
GRS and VRS have held discussions about re-opening the interchange at Hoosick Junction NY. Wulfson explained that VRS could then station a locomotive in Bennington and serve customers in southern Vermont from the south, rather than through Rutland. The parties are still working on this. Wulfson said the track condition between Manchester and Rutland did not play a role at this point, since the railroad had recently improved the track there.

Amtrak service to Bennington
While this may not happen by 4 July [see above], Wulfson believed it could begin before Christmas. {ANR&P discussion}
between B&A and NECR. Until then, both Schmidt and Sabin explained, customers will not encourage this new routing.

To ensure the long-term access, VAOT must make the final operator award, so that customers can understand who the long-term operator and tariff carrier is.

The customer attitude
Customers, said Sabin, want a consistent and reliable service at a good track speed. “They want confidence that they know the operators and are comfortable with their service levels and rates.” Because of the snafus of UP and NS/CSXT, shippers are very focused on the routing. “If they see a routing runs B&A - another operator-NECR-CSXT, a shipper will be concerned about the additional operator in the route.

“Additional operators pose questions because they can increase transit times at interchanges and yards and can add cost due to the need to pay for their stand-alone operation, as opposed to the B&A System, which could extend its operation over the 43 miles for minimal cost and pass these operating savings on to customers.”

For example, said Sabin, he is talking to a customer who would put 100 cars a week over the gateway. “But this customer is insistent on a through, direct connection with NECR, and on permanent operations. Then the customer will change its trucking contract. It won’t disrupt company life and operations for a temporary situation.”

Getting to White River Junction
Sabin said the B&A wanted to get to White River Junction, not interchange with NECR at Wells River. “I’m glad that GRS has retained the trackage rights to White River,” Sabin emphasized. “That means if we are selected as the operator, we have four different carriers to interchange with: GRS, NECR, CCRR, and GMRC via haulage.”

Furthermore, Schmidt emphasized, “we are ready to work with states to re-establish the rail network, we want to be strongly pro-active.” Sabin has responded positively to an inquiry from the New Hampshire Railroad Revitalization Association about the future of the Northern line [see New Hampshire]. “I told them I was very familiar with the Northern, I did a study of it for CP twenty years ago.”

If the Northern gets re-established, then the B&A looks forward to participating in the revitalization of that line as well. “We would like to work with the Claremont Concord” to extend service, said Sabin. {ANR&P discussion 1.Feb.00}

3 February, White River-Wells River. GMRC WILL BRING THE LINE TO A PASSABLE CONDITION. According to Richard Bowen, railroad projects manager, GMRC has the task of making the line passable by an engine.

Under the 10 December Operating Agreement, ‘GMRC shall keep and maintain the Berlin Branch in ‘as is’ condition and up to standards necessary for the use herein contemplated.’ [That means freight now, and with the permission of VAOT, passenger trips.]

Status of work
According to one GMRC official, ‘The challenge is going to go overdate by a day or two at least due primarily to delays in getting material to fill washouts. As of right now [1 February], brush cutting is about 85% complete, all switches have been replaced or straight railed and all but one crossing has been cleared. The Route 25 crossing at Piemont is covered by several inches of pavement and a grinder has to come in to create a smooth transition for vehicles. There are also eight flasher-protected crossings to contend with but these won’t stop the first run from being made. Just a little tardy by a day or two.’

Other contract terms
Contrary to reports, GRS did not retain any trackage rights to the line, and GMRC is not required by the Operating Agreement to permit other operators to use the line. Section 2(a) states that ‘GMRC shall have the exclusive right to operate its own trains....for the purpose of conducting freight railroad operations thereon for the entire term of this Agreement.

Under section 3, GMRC shall not, ‘without prior written consent of VAOT..(a) conduct any passenger or commuter railroad operations,’ or (b) ‘permit any person, entity, or railroad other than VAOT or its designee to conduct any freight or passenger operations...’

The agreement runs for six months, with a possible extension, but VAOT may terminate the agreement early. {text of agreement; e-mail to ANR&P}

3 February THE MEETING ON THE OMYA SPUR was postponed from 28 January [see 10 January issue]. VAOT Brian Searles could not make it, and he specifically wanted to attend. It will be rescheduled. {ANR&P discussion with Scott Bascom 3.Feb.00}

MARITIMES/QUÉBEC RRS

NEW BRUNSWICK EAST COAST
30 January, Miramichi. THE VIA TRAIN HIT BOXCARSWITH EAGLE FOREST PRODUCTS in them on a siding off the main line about a half-mile north of the Miramichi station, said Rob Francis, the rail safety officer for NBDOT. However, Eagle’s plant lies on the wharf spur.

Provincial jurisdiction
The federal Transportation Safety Board is investigating the accident (fortunately no one killed), because it concerned VIA, a federal railroad. Transport Canada is hired by the province to enforce the provincial safety rules, and hence will look into the accident for the province. Because it involved a federal railway, Transport Canada also has a federal mandate to investigate. {ANR&P discussion}

VIA RAIL CANADA
24 January, Ottawa. IF VIA RECEIVED ADDITIONAL FEDERAL FUNDS, some should go to improve service in the Maritimes. According to the National Post, federal Transport Minister David Collenette will submit a package to his cabinet
colleagues in early February containing a 10-year subsidy increase of $750 million.

John Pearce, head of the advocacy group Transport 2000 for Atlantic Canada, said on 25 January that VIA should restore service from Halifax to Sydney, which would require in his estimation about $1 million per year in subsidies.

Second, he would like to restore the Atlantic between Saint John and Montréal, travelling through Maine. Restoring these two services would provide competition to Air Canada, and help Canada meet its obligation under international clear air treaties. {Halifax Daily News 26 Jan.00}

FOR THE RECORD: CANADA

A Railway Colloque (mostly in French) will take place 9 May in Québec City, Hotel Radisson Gouverneur. This 4th annual event, sponsored by the CMUAR (Coalition to Maintain and Use Railways) is titled INTERMODALITY ROAD/RAIL 2000. CN will present the RoadRailler, CP (STL&H) its Expressway, the Québec-Gatineau Railway its IronHighway concept. The new Québec-Central Railway, the new Train Touristiques Chaudière-Appalaches and other short lines such as the QNS&L will also attend. For more information or to receive a program, contact Louis-François Garceau, Colloque Responsable, 6243-avenue des Generations, Charny, QC. Canada - G6X 2H5. Phone: (41) 832-2114 Fax: (1502) or E-mail: yahwe@total.net. CMUAR Web site: http://www3.sympatico.ca/traqcmuar/cmuar.htm.

1998 RESULTS FOR RAILWAYS OPERATING IN CANADA are now available. Canadian railways generated operating revenues of $7.6 billion in 1998, down 4.0% compared with 1997. CN and CP recorded decreases because of declines in cereal freight carried, a result of disappointing harvests in the West and a decrease in the export of coal, created by the Asian economic downturn. Only the short-haul carriers experienced increases (+7.2%) in their operating revenues for 1998. Operating expenses increased by 3.1% to $6.9 billion. This increase can be attributed, in part, to CN, which recorded a special charge of $590 million to cover the cost of severance pay. In 1998, CN laid off 3,000 employees. The financial result, measured by the operating ratio, went from 0.85 in 1997 to 0.91 in 1998. CP and VIA Rail continued to rationalize their operations in 1998, eliminating the less profitable tracks. In fact, the total of length of track operated by CN, CP and VIA Rail went from 63,107 kilometres in 1997 to 59,334 in 1998. But short-haul carriers increased track operated from 11,745 kilometres in 1997 to 13,929 in 1998. Rail in Canada, 1998 (52-216-XIB, $39), will be available shortly. For further information, contact Robert Laroque, (613-951-2486, fax: 613-951-0009, laroque@statcan.ca), Transportation Division. Statistics Canada.

THE ATLANTIC PROVINCES FREIGHT STUDY, second draft, could be out by the end of the month, per Peter Hood, Transport Canada coordinator. {ANR&P e-mail 2 Feb.00}

ATLANTIC NORTHEAST PORTS

STRAIT OF CANSO

25 January. AN AGREEMENT TO TURN OVER THE WHARVES to local control was recently reached, according to Paul Doucet of Transport Canada in Dartmouth. Blaine Gillis, consultant to the Strait of Canso Superport Authority, had said the agreement would be ready a year ago [see 9 January 1999 issue]. He explained on 31 January that the Authority had originally thought Transport Canada would handle some environmental issues. When, last year, the parties discovered otherwise, some additional reports were commissioned and the two sides came to consensus. The Authority has now signed the nine documents of the deal, and is awaiting Transport Canada’s signature.

As part of the deal, the federal government will contribute money to repair the two, in Port Hawkesbury and Mulgrave; the amount will become public when the deal is finished.

Port Hawkesbury Mayor Billy Joe MacLean extolled the port (“the best location on the East Coast, at Bear Head) and deep water (“much deeper than Halifax”).

Harbor deproclaiming

The Superport Authority would also like to look to harbor dues as a source of revenue [see 12 November 1999 issue]. The federal government would have to ‘deproclaim’ its ownership of the harbor in order to turn over the revenues. Gillis explained that the provincial government could receive the harbor; if it did not want it, then the Authority would like to acquire it. The deproclaiming process has not yet begun. {ANR&P discussion 31 Jan.00; Tom Peters in Halifax Herald 26 Jan.00}

HALIFAX

28 January. MSC WILL INCREASE ITS SHIPPING THROUGH HALTERM, according to Pierre Sader, general manager of liner services for MSC Canada. It will offer two sailings a week to northern European ports.

Mediterranean Shipping Company has used Halterm for the past two years, using container slots on other vessels. It now intends to call with two of its own ships, adding possibly 15,000 containers a year to the 165,000 containers the terminal did in 1999. {Rob Matthews in Halifax Herald 29 Jan.00}

And even more!

With the apparent disappearance of Bolt Canada Line because of financial difficulties, the other carriers in the North Atlantic trade will pick up about 1,000 boxes per week. One beneficiary could be Mediterranean Shipping’s new Halifax service, and CN which would rail the boxes to Montréal and the west. {Paul Richardson in Journal of Commerce 18 Jan.00}

MORE ON THE SCOTIA/CN DISPUTE

On 21 January, CN responded to Scotia’s complaint with these points:
- It noted that it has not refused to provide service. The only request for service came in early 1999, to move the nickel sulphide from the pier to Saskatchewan [see 21 January issue].

- Scotia Terminals is an operator, and as such never enters into a contract with CN. Scotia indicated to CN that it has three customers who move containers: Malfi, Coral, and Sherritt Gordon. However, ‘these three entities are already CN customers bound by contractual arrangements and their traffic is presently being handled via other ocean terminals in Halifax. It would appear that Scotia is attempting to interfere with these contracts by displacing the handling of competitors’ terminals to their own.’

- The point which Canadian National’s representatives have made is that the development of an additional container terminal at Pier 9A would not lend itself to the most economic and efficient operations compared to other existing facilities because of the cost of the additional transfer operations these activities would necessitate.

- However, if Customers currently using Scotia Terminals’ Pier 9 facility request additional services, CN is willing to provide these at terms and conditions that would normally be discussed with shippers involved.

- Notwithstanding the divergent opinions expressed on this topic, Canadian National will continue to provide suitable and adequate accommodation for all traffic tendered for transportation at Pier 9A. {text of CN statement to CTA}

**Scotia rejoinder**

Bernard Prevost, president of Scotia Terminals, said he had requested an extension to reply to the CN filing, from 31 January to the end of February. But he provided two notes on the CN filing:

- Ore passes through Pier 9A every week, not just the one time which CN admitted to.

- CN did change its tune from “we will never provide container service” to “we will provide it under certain conditions,” but it did not change until 10 January, during conference call.

Prevost hopes that the question of rates will get resolved in the current CTA hearing. {ANR&P discussion 31 Jan.00}

Prevost said handling the sulfides alone cannot make his operation viable. Scotia Terminals signed a 20-year lease with the Port Authority, “and we need those containers in order to survive.” {Tom Peters in Halifax Herald 25 Jan.00}

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**Canadian Transportation Agency**

On 25 January, the CTA decided that it had jurisdiction to hear Halterm’s complaint that the Port Authority’s lease renewal demands are unjustly discriminatory towards Halterm, placing it at an unreasonable competitive disadvantage with other container terminal operators in Halifax as well as container terminal operators in other competing ports.

**Nova Scotia Supreme Court**

On 14 January, the court granted Halterm’s request for a stay of legal proceedings commenced by HPA on 7 December. The Authority wanted the court to declare Halterm’s renewal not legally binding. The stay of proceedings will remain in effect until the Federal Court of Canada determines jurisdiction on legal proceedings brought before it by Halterm on 7 December. Should the Federal Court assume jurisdiction in this matter, the Nova Scotia court decided that the stay of proceedings will remain in effect until the final disposition of Halterm’s proceedings in the Federal Court.

**Federal Court of Canada**

On 8 February, an application by the HPA concerning jurisdictional issues will be heard by the Federal Court. {Canada NewsWire 18 Jan.00}

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**SHELBURNE NS**

28 January. **NORWEGIAN LINE GREEN REEFERS WILL START CALLING** on 3 February, according to Marten Carlsen of Carlsen Shipping Company of Halifax, general agent for Green Reefers. The line has made unscheduled stops in Shelburne for two years, as well as occasionally at Yarmouth and Sheet Harbor; it brings fish for processing, and returns with food products to Norway [see 24 September 1999 issue].

It will use four vessels in the new service, calling Norway, the Faeroe Islands, Shelburne, and New Bedford Massachusetts. {Tom Peters in Halifax Herald 29 Jan.00}

**What about the Shelburne-Gloucester ferry service?**

Barry Pett, who has led the effort to create the service, said on 2 February that the advocates have a vehicle-carrying, 410-foot ferry capable of 38 knots. Only the creation of a terminal in Gloucester remains before the service can start; Pett estimates it could begin in summer 2000.

The high-speed ship will do three round-trips a week at 6.5 hours each way, and will carry a limited amount of cargo (containers and trailers). In the second year, advocates want to add a slower, larger ship which can carry more cargo and give passengers a cabin. {ANR&P discussion 2 Feb.00}

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**SAINT JOHN**

24 January. **PRELIMINARY FIGURES FOR 1999** [for 1998, see 12 March 1999 issue] show a total port tonnage of 19.9 million tonnes, an increase of 3% over the previous year. Potash totalled
1.1 million tonnes [762,000 in 1998], forest products 504,000 tonnes [803,000 - ouch!], containers 284,000 tonnes [284,000] and miscellaneous cargo 240,000 tonnes [188,000]. In the private sector there was 17.4 million tonnes of petroleum [17 million] and 248,000 tonnes of bulk sugar [221,000].

**Potash agreement**
The port announced a new long-term agreement with the Potash Corporation of Saskatchewan. "PCS has made a tremendous commitment to the Port of Saint John through a new lease arrangement and has established renewed stability in this sector following the loss of the Potacan mine in 1997," said Captain Soppitt, president & CEO of the Port Authority [See 21 January issue. ] Raoul Gauthier, general manager of PCS-New Brunswick and PCS Cassidy Lake said: "We have assessed our potential growth for the new century and believe it is in the best interest of Potash Corporation of Saskatchewan Inc. (PCS) and the Port of Saint John to anchor our future by signing a deal that makes economic sense for all."

In cruise, the Port Authority formally confirmed 85 calls for this year with over 124,000 passengers. "That translates into about 6,000 passengers per week coming into our city from May until October and we hope to be able to develop this business even further," added Betty MacMillan, manager, Business Development, Saint John Port Authority.

The Port Authority also announced that effective January 1st, harbor dues are reduced by 2% and other tariffs are being held at current levels.

The Performance 2000 initiative, in which the Port Authority is a partner with port labour and management, will address such concerns as the loss of cargoes to other ports and the continuing decline of man-hours at the port-a decline from 466,000 hours in 1996 to 278,000 hours in 1999. "We must turn this trend around" said the Port’s CEO, "and we are committed with our partners to developing a plan to increase jobs at the port and placing the focus on the Port of Saint John as New Brunswick’s international port and gateway to the world."

Detailed results of 1999 will be released at the first Annual Meeting of the Port Authority to be held in early May and Saint John Port Days will be held June 4-6 again in conjunction with National Transportation Week. {Port Authority press release}

**EASTPORT**
3 February. **PROSPECTS LOOK GOOD** for paper traffic from Georgia Pacific in the coming year, said Skip Rogers of Federal Marine Terminals, the operator. He is looking for additional cargoes, including granite from the Deer Isle quarries and inbound fertilizer. {ANR&P discussion}

**PORTLAND**
2 February. **THE PORT DOUBLED ITS CONTAINER THROUGHPUT** in 1999, said Jeff Monroe, Portland’s transportation director. The Elisabeth C, SPM’s current feeder ship, is “chockablock full” in the Halifax service, so the new, larger ship, now due in October, will be welcome. {ANR&P discussion}

**BOSTON**
1 February. **CARGO, CRUISES, AND CARS CLIMBED CONSISTENTLY** [not my alliteration] in 1999, according to Massachusetts Port Authority officials. Container tonnage increased 7.8% with export tonnage alone climbing 13.6% over the previous year. The number of containers handled in 1999 rose nearly 6% from 83,689 to 88,535.

Boston Autoport moved close to 84,000 vehicles including Volkswagens, Audis and Subarus to lucrative markets in New England, the Midwest, and Eastern Canada in 1999-nearly 10,000 more than moved in 1998.

And a total of 73 cruise vessels carrying 128,028 passengers called Boston in 1999. This, compared to 1998 when 62 vessels carried 105,801 passengers, represents a 21% increase in Massport’s cruise business.

“The importance of the Port of Boston cannot be underestimated,” said Virginia Buckingham, Massport executive director and CEO. “Increased volumes of cargo and rising numbers of passengers coming through our port demonstrates our commitment to stay competitive and generate more economic activity in New England.”

With consolidation of its terminals now firmly in place, improved container yard operations at Conley Container Terminal are resulting in truckers picking up or returning containers in less than 30 minutes of arrival. ILA labor productivity is equal to or better than New York, averaging 26 box moves per hour and contributing to a positive upward trend.

Dredging in Boston Harbor’s main channels is just weeks away from final completion. Conley Terminals’s berths are 45 feet deep while the harbor’s main channels are 40’. Massport recently learned that the Army Corps of Engineers will be studying plans to further deepen the harbor’s main channels to 45 feet. {Massport press release}

**SHAKEUP IN THE NORTH ATLANTIC LINER TRADE**
The Grand Alliance – consisting of Orient Overseas Container Line, P&O-Nedlloyd, NYK Line and Hapag-Lloyd – will offer new joint services on the Atlantic shortly after 3 July, alliance members said. It would rank among the major alliances in the market. The Alliance may add CP Ships, depending on European limits on market share.

The Grand Alliance now offers joint services in Asia-U.S. and Asia-Europe routes, where it also includes Malaysian International Shipping Corp.

Up to this point, Grand Alliance partners were prohibited from offering joint services on the Atlantic under the terms of the Vessel Sharing Agreement (VSA) between P&O-Nedlloyd, OOCL, and Sea-Land Service. That 1991 agreement, which required P&O-Nedlloyd and OOCL to do business on the Atlantic exclusively with Sea-Land, expires on 3 July. Courteney Allan, director of trans-Atlantic trades for OOCL, said the Grand Alliance will be able to call at more ports and offer more comprehensive services.

After OOCL and P&O Nedlloyd join their Grand Alliance partners in the Atlantic, Maersk Sealand will be the only line remaining in the VSA. The vessels for the VSA’s joint operations were supplied by Sea-Land, whose international routes were acquired recently by Maersk. But these ships, acquired a
The ocean boxes remain in Boston for re-use by the liners. The domestic railroad equipment remains with the railroad. And the trailers get a backhaul from inbound-rich New England to the outbound-rich Chicago.

Calling Boston cuts a day off for Guinness and gets its bottles to Chicago a day earlier than sending them via New York.

Since Guinness now ships with VSA, it will probably remain with the Grand Alliance and move the containers direct to New York. Thus not only will the port lose, but also BMX, and CSXT.

Effect on the port
Benoit said the cutback would have a “drastic” effect on Boston, and on his business. But he voiced some doubt on whether New York had the facilities and equipment to handle the extra 25-30 loads for cross-docking. Not all may go to New York.

The Massport source, though, believed the departure of VSA could mark the beginning of the end for direct calls in Boston. Common wisdom holds that as containerships grow larger, direct calls will become fewer and fewer. “Ironically, we are in a very good competitive position vis-a-vis other ports. We have a dredged harbor, increased labor productivity, a good gate complex, a modern terminal, but carriers don’t want to come.”

A more positive view
Jeff Monroe, director of transportation for Portland and a former official at Massport, doubted Boston would lose all direct calls in the near future, “if the economics are there. The customer base still exists in Boston for a medium-sized ship, 3000-4000 TEUs, to serve. If the base has sufficient boxes, 25,000 to 30,000, an alliance will create a call there.”

Despite the move to ships of 6000TEUs and up, most lines – including OOCL, Hapag-Lloyd, and P&O Nedlloyd, have many mid-sized ships. “Using feeder ships still cost more than a direct call,” so to keep the cost down, someone will make a direct call. {ANR&P discussion 2.Feb.00}

Who will handle the traffic?
The Massport source anticipated that the containers now moved by VSA will splinter: many will be picked up by MSC; some will go to Halifax and come to Boston by feeder ship; some will go to New York and return via the Columbia barge service, truck, or rail; and some will go to Montréal.

Effect on one customer
Guinness now brings in 25-30 loads a week on VSA from Europe to Boston, and transloads them from container to rail-trailer at BMX. The trailers then move to Beacon Park yard, whence CSXT moves them to Chicago.

Turner pointed out that this transfer benefits the carriers.