*Article unchanged from e-bulletin.

**REGионаl Issues**

**PW correction:** Coal route not as circuitous.*

**PW coal:** Train runs 13-16 January to New York.

**Boston-Halifax ferry:** Still searching for a ship.*

**CPTC:** Three rail recommendations.*

**Maine**

**Rail service:** Public advocate comment.

**Amtrak:** Extension to Brunswick to cost $70 million.

**SLR:** More on pulp transload.* Port of Auburn.*

**Calais Branch:** Line to Eastport paid for by LNG?*

**BML:** To revive as a museum?*

**Portland:** Logistec now leasing marine terminal.

**Eastport:** A good year of tonnage.

**Massachusetts**

**BCLR:** Ever closer to agreement in Millis branch.*

**GRS:** Eastman Gelatine to resume rail.* C&D facility in Devens gets another grilling. Opponents of WWTR gather forces.*

**New Bedford:** Sprague purchased NStar terminal.

**New Hampshire**

**GRS:** Foss Manufacturing still operating.

**Commuter rail:** Support from General Court.

**SLR:** Groveton Paperboard closed.*

**Portsmouth:** Pilot container move! Ferry still possible.

**Rhode Island**

**FRIP:** Tie machine delayed completion until June 2006.* Funding.

**PW:** Coastal Recycling forms own railroad.

**QPD:** Why Logistec out. Auto proposals coming.

**Vermont**

**VRS:** Westminster Cracker may use rail.* VAOT looking at Middlebury spur.*

**NECR v GRS:** STB says gross negligence not excused.

**WACR:** Calkins to get siding in spring.*

**Maritimes/Québec**

**CBNS:** Waste cars move off line.

**SLQ:** Richmond Logistics moves into second phase; proposing intermodal yard in third, polymers in fourth phase.

More customers coming to Richmond.*

**Saint John:** Nackawic will use the port this week.

**People, Positions, Events**

Paul Doiron, Eugene Colonese, Peter Richter, David Hughes, Matt Jacobson.

*Article unchanged from e-bulletin.

**From the Publisher**

Another bumper crop

I count 33 separate stories, exceeding by two the old record set in the 28 July 2005 issue. More to come, not sure why so much is happening.

- Chop Hardenbergh

Next issue 31 January
REGIONAL ISSUES

PW - CORRECTION

COAL TO JOHNSON CITY, NY BY THE GREEN MOUNTAIN GATEWAY IS NOT AS CIRCUITOUS as I thought. Direct Providence to Binghamton comes to 338 miles, while via New London, Rutland, Whitehall uses 550 miles. My apologies.

PW: COAL TRAIN

13-16 January, Providence-Johnson NY. SOME 45 COAL CARS MADE THE TRIP OVER SIX RAILROADS to reach the AES Westover power station in New York. Unloaded from the Alewin Oldendorf [see 05#12B] at the Port of Providence (Provoport), the coal was loaded on 13 January. Moving to Worcester on the evening of the 13th, the train departed there 14 January around 6AM, reaching New London at 1130AM. After some slippage and a second attack on a hill in Norwich, the train reached Palmer at 1615, Whitehall NY at 1330 on the 15th, and Binghamton at 1030 on the 16th. The PW locomotives are returning to Providence for another train. {PW e-list}

Coal otherwise

The 14th also saw domestic coal moving to Bow, New Hampshire using three NS locomotives. {NERAIL e-list}

An earlier coal move

In 1872 the railroad struck a deal with the Central Railroad of New Jersey and the Pennsylvania Coal Company to import coal. It built a large wharf and coal storage facility in East Providence, near India Point. PW bought two new locomotives and 33 dump cars to handle the traffic.

BOSTON-HALIFAX FERRY

5 January, Boston. THE CREATORS OF THE FERRY SERVICE ARE STILL SEEKING A SHIP. Alf Howard [see 05#10B], one of the two principals, wrote: ‘We recently hoped to work out a deal with Fjord Line and their ship Jupiter, but this fell through...You know, it's simply (understatement) a matter of finding an available ship that has the suitable passenger/vehicle capacity, speed, an economic fuel situation, along with an enthusiastic operator which perceives the overnight Boston-Halifax link as a winner! Then, or concurrently to a degree, we must get all permits, infrastructure, border crossing necessities, security, terminals, offices, marketing, etc., etc.

‘Despite everything, we believe in the need, viability and economic benefits of the ferry. {e-mail to ANR&P}

CONNECTICUT

RAIL RECOMMENDATIONS

30 December, Newington. THE PUBLIC TRANSPORTATION COMMISSION MADE THREE RAIL-RELATED RECOMMENDATIONS in its annual report, required by statute [see 05#03B for 2004 report]:

New Haven - Hartford - Springfield commuter service

ConnDOT is seeking funds for an environmental impact statement, which could get underway in spring 2006. The option supported by ConnDOT would have 30-minute headway during rush hours, using nine existing stations plus three new, in North Haven, Newington, and Enfield. Capital cost estimate: $263.3 million; operating $10.1 million; revenue $1.2 million.

The CPTC endorsed the ConnDOT selection.

Danbury branch

CPTC urged ConnDOT to use centralized traffic control on the single-line Danbury branch, which would permit two-way operation with a passing siding in Wilton. Funds have been programmed for many years, but signalizing has not yet happened.
Amtrak, East of Hudson, and NEROps
The Commission recommended ConnDOT coordinate with other Northeast states on the fate of Amtrak, as well as play an active role in the East of Hudson Rail Freight Task Force and the Northeast Rail Operations Study, ‘which are two current planning efforts outside of Connecticut’s borders which may have significant impacts on freight movements to and from our state.’

Response
The ConnDOT commissioner is required to respond to the recommendations in a message to the General Assembly by 1 February. {text from CPTC}

MAINE

SERVICE EVALUATION
11 January, Augusta. **THE PUBLIC ADVOCATE GOT A 30% RESPONSE RATE** to the survey of rail service quality covering the third quarter of 2005, required by a 2005 statute [see 05#09B]. ‘As expected, most of the complaints and comments concerned Guilford with the other carriers getting clean bills of health.

‘I report formally to the Utilities Committee of the Maine Legislature on February 3.’’ {e-mail to ANR&P}

AMTRAK TO BRUNSWICK?
9 January, Portland. **MDOT IS SEEKING FEDERAL FUNDS FOR ENGINEERING AND DESIGN WORK**, as permitted when the extension to Brunswick became eligible for the federal New Starts program [see 05#08A]. The department seeks $1 million to $2 million.

The total cost of upgrading the train route is estimated at about $70 million, said Ronald Roy, Maine's director of passenger transportation [At that price, gold-plated rails and silver cross-ties! Editor]

If the project receives the money in the next federal budget, it could be available as early as October. If more federal money becomes available in the near future and an aggressive time line is set, Downeaster service to Brunswick could start within four to five years, Roy said. Maine taxpayers would match 20 percent from about $8 million the state has set aside for the extension project.

Using the Guilford route
As proposed, the project involves upgrading GRS track from the depot in Portland through the city and then through Falmouth, Cumberland, Yarmouth, and Freeport to Brunswick.

NNEPRA comment
Increasing ridership, along with the desire to provide commuter rail service for towns north of Portland, make it a good time to move forward with the project to Brunswick, said Patricia Douglas, executive director of the Northern New England Passenger Rail Authority, the agency which contracts with Amtrak to operate the Downeaster. {Boston Globe}

SLR - PORTLAND TRAFFIC
10 January, Portland. **MORE FACTS ON THE INBOUND PULP TRANLOAD HERE** in East Deering. According to one observer, workers were moving ‘the baled woodpulp from the seven SLR boxcars and into trailer trucks (the truck cabs were still marked for Merrills) with a gas-powered forklift with a clamp attachment. [They must have gotten a continuous supply of empty trailers back, as at 4PM your editor observed eight boxcars westbound through Yarmouth on the SLR.]
One boxcar of the pulp, marked ‘Fraser’, takes up a little over three 48-foot trailers. {e-mail to ANR&P from Alan Seamans 10.Jan.06}
Originating in Berlin

Ed Foley, SLR vice-president for marketing, said the pulp originates at Fraser’s mill in Berlin. He explained that such a move had occurred once before; Merrill had it as a fall-back option if the inbound rail got backed up, with all mills moving pulp for export at the same time.

Sprague already had rail service from MMA at Searsport, and Guilford at Portland, and “now the SLR,” Foley pointed out. He called it a “strategic move, not tied to service issues.” The same product also is interchanged to GRS at Danville Junction for direct rail delivery to Merrill’s Marine.

Once the current major move is done—Foley said Sprague wanted the pulp to load a ship arriving the following week—then the service would go down from five times a week to twice a week. {ANR&P discussion 10.Jan.06}

SLR - PORT OF AUBURN

3 January, Auburn. THE NEW FACILITY FOR SAFE HANDLING NOW HAS 120 CAR SPOTS, related Ford Reiche, president. Dubbed ‘Port of Auburn’, he is currently using the trackage to store ‘about 100 of our cars....

‘We are working on two large rail-related developments which would be new businesses to the community.’ Attractions of the 147-acre site include full permitting for the first phase of 200,000SF of buildings, the rail access, and the turnpike access two miles away. Reiche wrote: ‘We are seeking multiple companies wishing to use Safe Handling type services [transload and storage, especially of liquid and dry bulk—editor], or wish to site their own facility there. Designations are pending for Foreign Trade Zone and Pine Tree Development Zone.’ {e-mail to ANR&P}

CALAIS BRANCH - LNG TERMINAL?

Note: As readers know, MDOT will seek approval from the Maine Legislature’s Joint Committee on Transportation [see 05#06A] to lift the track on the Calais Branch between Ellsworth and Ayers Junction, to construct a trail [see 05#12A]. Rail advocates object, and the group MRG/Downeast Rail recently called for certain steps as an alternative to lifting the rails. I support these reasons.

In particular, I like the idea, compatible with the trail effort, to rebuild the line from Ayers Junction to Eastport in conjunction with the gas pipeline lateral, if the Perry area does get an LNG terminal.

Steps to resume rail service, not lift the rails

1. Support successful completion of the [excursion project—see 05#04B] westward from Washington Junction as soon as possible.
2. Keep all Calais Branch tracks in place, certainly until the [excursion] project is operating and can be objectively evaluated with respect to further rail opportunities eastward from Ellsworth. Meanwhile, continue custodial maintenance by MDOT, supplemented by volunteers. Allow appropriate recreational access in the interim.
3. Officially recognize the Calais Branch as a rail transportation corridor and economic engine for the Downeast region. Seek and promote all reasonable rail opportunities - both freight and passenger.
4. Pursue opportunities to expand the scope of the Port of Eastport’s activity by restoring rail access to within economical transfer distance to dockside. Seek the opportunity to rebuild the Eastport Branch from Ayers Junction to a terminal in Perry in coordination with building the proposed LNG pipeline along that State-owned corridor.
5. Use the [excursion rail] project to pilot and evaluate methods to restore Calais Branch track and service incrementally, at minimum cost, for safe and competitive rail service.
6. Encourage cooperation of rail and trail interests for joint use of the Calais Branch corridor wherever it is safe and economically feasible to do so without compromising future railroad operations. Seek synergistic opportunities and avoid characterizing the issue as a zero-sum game of rail versus trail.
7. Above all, keep the Calais Branch intact for restoration of rail service to an economically undeserved area. Maine’s Downeast region needs and deserves no less. {MRG newsletter 1-2.06}

BML - REVIVAL?

4 January, Unity. THE BELFAST & MOOSEHEAD LAKE RAILROAD PRESERVATION SOCIETY HAS BEEN INCORPORATED AS A NON-PROFIT ORGANIZATION to operate the railroad and a railroad museum based in Unity, according to Robert Lamontagne, president. The new company expects to run trains in 2006, although the schedule is not yet firm. Trains will normally run between Unity and Burnham Junction, and to the Common Ground Fair, with excursions possible to Thorndike and to the end of track at Belfast, although the Belfast yard has now been removed. Both steam and diesel power will be available. Lamontagne notes that the new organization is seeking volunteers, both with railroad experience and those interested in learning about railroads. Contact information: B&ML Railroad Preservation Society, PO Box 535 Unity, ME 04988 Lamont@uninet.net
Financial arrangements
Lamontagne expects to issue a press release about the relationship with the current owner, Unity Property Management, in February. {e-mail to ANR&P}

PORTLAND: LOGISTEC ARRIVES
12 January. **LOGISTEC HAS LEASED SOME OF THE INTERNATIONAL MARINE TERMINAL** and is seeking cargoes, related Jeff Monroe, the city’s director of transportation. “We’ve been working off and on for full utilization of the [International Marine Terminal–IMT]” which currently houses the P&O Ports container operation and did house the *Scotia Prince* ferry service. Once the Oceangate passenger terminal, for the east end of the harbor, was approved and contracts were let, “we had a level of assurance that the rationalization of the waterfront would take place” meaning the passenger operation would move out of IMT.

Monroe said that city officials met with Logistec and “spoke about possibility of leasing part of IMT” since the current container operation does not use all of the existing 15 acres. Though the city was looking at 2007, in 2005 “Logistec approached the city about accelerating the deal into 2006.”

In March-April 2005, the city got close to a deal for September. Then Sprague approached the city with its own proposal to expand the container traffic in IMT [see 05#07B]. The city agreed to give Sprague “some quarter” for its proposal, said Monroe [see 05#09B], but Sprague has not yet reached a deal entailing the proposed use of IMT to load out containers.

So now Logistec and the city have an agreement, which began as of 1 January, to lease 1.5 acres of IMT, as well as office space in the IMT terminal building. “Signage is going up,” noted Monroe. The company bid for a contract which would have begun in January, but did not get it.

No specific 1.5 acres
“Like running any other marine terminal,” explained Monroe, “we will keep the space dynamic.” Logistic is guaranteed a minimum of 1.5 acres. When autos need space for the May-October *Cat* ferry service to Nova Scotia, “we will compress the containers”, and if the containers need more space, the operators can adjust. {ANR&P discussion}

Logistec comment
Paul Doiron, senior vice-president for sales and marketing, said the company views ‘Portland as an important addition to our network and although we are in the very early stages of setting up we are encouraged by the positive reaction of the market. We are convinced that there is significant potential for Portland and we look forward to greatly expanding cargo handling activities at Portland.’ {e-mail to ANR&P 14.Jan.06}

EASTPORT TONNAGE
17 January. **EASTPORT HAD A GOOD YEAR OF SHIPPING PULP**, said Skip Rogers, head of the Federal Marine stevedoring operation there: in metric tonnes 287,792; in short tons 317,233. The total fell short of the record year 2004 with almost 330,000 metric tonnes, but still “very good.”

Some 44 ships called, (including one US Navy ship), nearly all from Kent Lines (pulp to Latin America), Saga Forest Carriers (to Japan and other Far East destinations) and Star Shipping (to China). {ANR&P discussion}

MASSACHUSETTS

BAY COLONY: MORE ON MILLIS
5 January, DC. **THE STB AGAIN GRANTED THE PARTIES’ REQUEST TO HOLD IN ABEYANCE** the question of operating authority and trackage rights over the Millis Branch [see 05#11A]. ‘On January 3, 2006, MBTA and Bay Colony reported that an assignment of easement rights with respect to freight service on the Millis Industrial Track has been executed, delivered to Bay Colony, and put on record. As a result, MBTA has filed a request to dismiss with prejudice its notice of termination of Bay Colony’s operating authority filed in Finance Docket No. 29963.

‘The parties report further that they have not as yet finalized a trackage rights agreement governing Bay Colony’s operation over the Millis Industrial Track. They state that negotiations have been delayed by the retirement of an MBTA
official who was responsible for the trackage rights agreement, but that his successor has familiarized himself with the relevant issues. They expect to complete negotiations in the near future and request that the Board continue to hold STB Finance Docket No. 34698 in abeyance. The parties indicate that, following the signing of the trackage rights agreement, they will seek to dismiss Bay Colony’s petition for declaratory order and will file appropriate notices of exemption for Bay Colony’s operation on the Millis Industrial Track.’ {STB website, Decision in Docket Number FD No. 29963}

GRS - EASTMAN GELATINE
5 January, Peabody. PLANS FOR PLANT PRODUCTION “ARE VERY STRONG” said Paul Carter, the plant manager for Eastman Gelatine, refuting a rumor the plant would close.

What about acid by rail?
Carter talked with GRS director of special projects Dick Willey, and would speak to its legal counsel later in the week. “We’re just waiting for final language on a track leasing agreement, then we should be able to get the ok to ship hydrochloric acid by rail.” [Since an accident in 2004, trucks have moved the acid. See 05#06B, 05#03A.] “This is a good agreement, one we can work with very well.”

Leasing track
Per Carter, Guilford, the supplier, and Eastman have agreed that only four to five loaded cars will be in the system from the supplier in Canada to the plant in Peabody at any one time, to minimize the risk. Eastman will lease a short section of track (probably in the Lawrence Yard) which will hold three to four cars, so if Eastman gets more than two at a time, the others will hold in the yard, in place known to all concerned. {ANR&P discussion}

GUILFORD: C&D FACILITY
10 January, Ayer. THE DEVENS ENTERPRISE COMMISSION REVIEWED THE PROPOSAL FOR A WASTE TRANSLOAD FACILITY here. The Commission will vote on 31 January on the proposal from W.K.Macnamara. [See 05#08A.]

No site plan permitting yet
Required by state law for operations that handle solid waste, the hearing is intended to confirm that the facility would not constitute a danger to public health, safety or the environment prior to site plan permitting, which has yet to begin for the project.

Macnamara consultant Dammon Frecker said the same information had already been reviewed and approved by the Department of Environmental Protection (DEP). {Nathan Lamb in Ayer Public Spirit 13.Jan.06}

Previous hearings, environmental permitting
In November 2005, the firm’s president, Kurt Macnamara, told yet another meeting that the proposal has received all required state environmental permits. The plant will be a poster child, he said, for new recycling methods of handling construction and demolition material.

The meeting was the fifth public discussion; previous public meetings consist of Massachusetts Environmental Protection Agency (MEPA) and Harvard selectmen prior to June, and People of Ayer Concerned about the Environment (PACE) in July and DEC in August.

His environmental permits have a third quarter 2006 expiration date. {Don Eriksson in Ayer Public Spirit 23.Nov.05}

GRS / NET / WWTR
22 December, Boston. OPPONENTS OF THE DEBRIS-TO-RAIL FACILITY IN WILMINGTON AND WOBURN were gathered by State Representative James Miceli (D, Wilmington). The ad hoc committee of environmentalists, municipal and state officials, and representatives of the National Solid Waste Management Association met in Miceli’s office in the State House to map out a plan to convince the STB to vote down the project [see 30 December issue]. {Alexandra Mayer-Hohdahl in Lowell Sun 23.Dec.05}

NEW BEDFORD
28 December. SPRAGUE ENERGY PURCHASED 11 ACRES ON THE WATERFRONT HERE for $12,023,124, including four oil tanks, water rights, a pier, and the former power plant of Nstar. Jim Therriault, vice president for marketing
at Sprague, confirmed the sale price on 13 January. Sprague had made the winning bid when NStar held a public auction in October.

Elected officials had wanted more public participation in the process. The property has some significant contamination issues, which have been estimated to cost at least $3 million to clean up. Inside the former power plant are contaminants such as asbestos and lead paint. A section of the bulkhead and pier is contaminated with coal tar and other pollutants.

**Future use**

Therriault earlier stated Sprague will give the six months’ notice to current lessee Global Oil, so that Sprague will take over the huge oil tanks on the NStar property from Global Oil in July. Sprague will continue to use the pier space to accept oil-laden barges.

Representatives of Sprague met with Mayor Scott W. Lang the second week of January to discuss the site's future. Beyond the oil tanks, Mayor Lang said of Sprague, “They indicated they have a completely blank slate for the rest of the property. I felt they were much more receptive to an open process than NStar was.”

City department heads attempted to impress upon Sprague executives how important the site could be to the city, especially in its established fishing and marine industries and its fledgling marine science sector.

Therriault, of Sprague, said the company will return to New Bedford in several weeks to further discuss the site's future. Mayor Lang said the public will be invited. {Aaron Nicodemus in New Bedford Standard-Times 14.Jan.06}

**Rail access and location**

[To view site, see maps.google, look south of the Route 6 harbor crossing for an aerial view of three storage tanks. Editor]

The plant, located roughly between lines extending from Madison Street to the water, and from Bedford Street to the water, lies at the end of current rails and ties of the track which runs well south from the New Bedford yard [see map in 04#05A]. The plant still has three spurs inside it active into the 1970s. {e-mail to ANR&P from pseudonymous correspondent Paul Ernest 15.Jan.06}
of operations for Wausau. “We'll be affected, but it won't be insurmountable.” {Arthur McGrath in St.Johnsbury Caledonian-Record 31.Dec.05}

Rail use
Groveton received about 45 cars a year of caustic soda, and sent out some of its product, about 550 cars a year. [See 05#06A.]

PORTSMOUTH: CONTAINERS
13 January. A COLUMBIA COASTAL CONTAINER BARGE CALLED THE PORT, where Moore’s Crane Rental unloaded one container. The 350-foot-long Columbia Baltimore moved the box, loaded in New York and destined for Graham Packaging in Bedford, N.H. The remaining containers were bound for Boston.

The barge was to pick up a container of forest products from Northland Timberland Company in Kingston bound for New York, but the timing did not work.

More on the contents
The container unloaded in Portsmouth carried an 83,000-pound injection mold machine, a piece of equipment needed at the packaging plant.

Jim Papaccio of the Harris Group of Companies, which specializes in container transportation, said when he needed to ship this cargo to Bedford, he found out about the port through its website at www.portofnh.org. “It was really easy. It was real simple working with people that want to work with you. I went on your website. I found the port director. I introduced myself. I said 'I'd like to move this piece.’”

Pilot project
“When this is over, we'll sit down with Columbia Coastal again and maybe fine-tune what our discussions have been and see what we need to do next,” said Geno Marconi, the director of the Market Street Terminal.

Marconi thanked John Kelly of Port City Forwarding Company, which he said has been helpful in making the arrangements between the two. “John has been extremely helpful with me over the years. He has given me direction on container cargo because that's his specialty.”

Possible future cargo
Marconi reported that the publicity about the container operation coming to the port for a trial run has generated another call from a company in Brattleboro, Vermont which makes log cabins and is trucking their products down to New York City.

Papaccio said he would consider using the port in the future if he has other things to move.

Community response
Dignitaries were on hand for the event including State Representative Jim Powers (D, Portsmouth), who said, “The community is very much in favor this facility as a working port. What we're in favor of is to increase the diversification (of product).”

Pease Development Authority Executive Director George Bald called himself “appreciative of Geno's tenacity. He's been working with them for a while.” {Michael Goot in Foster’s Daily Democrat 13.Jan.06}

Previous thoughts
An earlier proposal to barge containers from Halifax to Portsmouth [see 05#01A] has not materialized. Nor has the proposed ferry service between Shelburne NS and Portsmouth [see 05#05B].

PORTSMOUTH: FERRIES
9 January. THE MARKET STREET TERMINAL STILL SEEKS FERRIES AND CRUISE SHIPS, Geno Marconi told the Port Use Committee of the city. In 2001, the port had a chance for a ferry to Provincetown, Massachusetts, but that fell through.

Committee member Joel Carp inquired how much revenue the port could generate from a ferry ship. Marconi said the port would charge a dockage fee of $100 per linear foot of the vessel, and $1 per passenger.

Carp said he wanted Bresette + Company — the marketing consultant preparing a report for the PDA — to examine the market for and viability of a ferry service. He would also like the state Division of Travel and Tourism to step up with some funding. {Michael Goot in Foster’s Daily Democrat 15.Jan.06}
FRIP - WHY THE DELAY

8 January. **REPAIR TO A TIE-LAYING MACHINE CAUSED MUCH OF THE DELAY TO COMPLETE THE FRIP.** In the first week in January, PW delivered, on special cars, a re-done part of the machine; the company in charge of the machine reassembled it and sent it elsewhere.

Without the machine, Amtrak will rely on pre-assembled panel track to finish the Freight Rail Improvement Project from Davisville to Pawtucket [see 05#12B issue]. {e-mail to ANR&P from Jeff Rost}

Revenue source for the FRIP
Heidi Cote, RIDOT spokesperson, explained that a first tranche of GARVEE funds was used to pay Rhode Island’s share of the $50 million project. The federal program approved by FHWA called Grant Anticipated Revenue Vehicles or GARVEE, allows states to pay debt service and other bond-related expenses with future Federal-aid highway reimbursements, thereby constructing projects earlier than using traditional pay-as-you-go grant resources.

Cote also confirmed that due to Amtrak’s schedule, it will complete the FRIP in June 2006. {e-mail to ANR&P 12.Jan.06}

PW: NEW SMALL RAILROAD

12 January, Providence. **INSURANCE LIABILITY HAS FORCED COASTAL RECYCLING TO CREATE ITS OWN RAILROAD**, according to principal Anthony Davidson.

The operation
For several years [see issue 02#04B] Coastal Recycling has operated a fully-permitted transload for construction and demolition debris near Provport, shipping out about 300 cars a year. Davidson hired Deangelis to construct additional trackage for anticipated expansion [see 03#02B]. Some of the trackage extended off his property toward Allen’s Avenue; he leased that track from PW.

However, the Providence Fire Department said he could not increased his flow from 50 tons a day to 300 tons a day because his 110-foot by 400-foot lot did not have the room. Coastal therefore did not seek an increase in its waste permit.

Davidson continued under the existing permit, shipping out four or five cars a week, using his own trackmobile to move cars.

The accident
In early 2005, a company worker fell off a railcar while it was moving on Coastal-owned track. Seriously injured, the worker filed suit against Coastal, which brought in its insurance company. Unfortunately for the company, its carrier said Coastal did not have coverage for employees who operate railcars or ‘locomotives’.

As a result, Coastal is not now loading railcars, or using them.

The solution: create a small railroad
Essentially, said Davidson, the insurance industry wants railroad operations, even if conducted on a company’s own trackage, to be performed by workers trained in operating a railroad. “Railroad workers are very professional. They use safety goggles, they wear light-colored clothing, they have certain rules for safe operation.” Davidson said he wants whoever is operating his railroad equipment to do the same.

Moreover, he can only get liability insurance to cover his rail operations if he is actually operating a railroad. So he has created a railroad, a separate company with separate employees which will obtain railroad liability insurance. Coastal filed a Notice of Exemption with the STB to operate the ‘Commercial Railroad Services’. [Just as Sappi had to get STB permission
to operate a bit on GRS lines to interchange with GRS in Hinckley, Maine—see 02#10A.]

Davidson now realizes the breadth of regulations imposed upon a railroad, including FRA safety oversight. “We are not going to cut any corners, and do 100% of what is required of us.”

**PW likes the idea**

In the affidavit attached to the filing from James F. Saccoccio, vice-president of both Commercial and Coastal, he stated: “The Providence and Worcester Railroad has agreed to this transaction as it relieves it of any liability attendant on our switching cars on the leased track and clarifies our mutual obligations related to the movement of cars into and out of our facility. It will also clarify the legal status of our employees engaged in railroad activity.’

**Proposed operation**

Per the filing, Commercial will operate approximately 2,000 feet of PW track, constituting ‘a former industrial spur known as the Roger Williams Park-Port of Providence line’ between Allens Avenue and Interstate 95. ‘The existing track does not have milepost designations but ends at Allen’s Avenue and extends toward the Amtrak N.E.Corridor line approximately 1000 feet on two tracks joined by a switch located about two car lengths from Allen’s Avenue.’

**Not an intent to avoid state licensing**

The filing explicitly underscores that [unlike other creations of small railroads—see for example Wilmington-Woburn Terminal Railroad in 05#12B] the operation ‘will conduct transloading of waste products on the site serving an existing and fully-licensed facility. The conversion of this facility to a rail carrier will cause no change in the existing operation of the track or the adjacent property or of the cargoes being handled.’

Saccoccio stated: ‘The transaction in issue here is not designed to defeat any local licensing regulations, as they have all been fully complied with, and this facility has been operating without any controversy for several years. Its registration is under review for automatic renewal and there is no plan to either terminate that process or expand the facility nor change its operation in any way.’

**Next step: future customers**

Davidson has lined up several steps to take to create the railroad, once the Notice of Exemption goes through. The company has a deal to purchase 80 cars for its own account which were used by a chip company in Montana. “These are being painted red right now.” Coastal is buying its own locomotive, formerly owned by CSXT. Davidson has lined up training for the workers who will operate the railroad, as well.

Coastal has lined up a backhaul for the 105-ton cars. Once cleaned, they will receive, from Ohio, bank run river gravel, stones rounded smooth by the river; a market for them exists in New England, and he will handle them at a parcel he can acquire across the street.

Davidson also envisions sending out cullet with his cars, starting in a few months. {ANR&P discussion 12.Jan.06; STB website filing page Finance Docket No. FD-34819}

**STB action**

At the request of Coastal, the STB has delayed the effective date of the Notice of Exemption to 23 January, and the effective date (on which Coastal may begin its railroad) as 31 January. {STB website decision page Finance Docket No. FD-34819 issued 11.Jan.06}

**Not an isolated instance of trackmobile coverage**

John McHugh, who is handling the STB filing for Coastal, called the question of insurance coverage for trackmobile operation “a huge problem with the state of the law and accepted practices. [People have let] a sleeping dog lie, but now someone has kicked it awake....As soon as [a worker] steps on a trackmobile, [the worker] is under different law.”

But McHugh characterized the filing as “essentially trying to cure an insurance problem.” He sees much more danger for the rail industry in the question of who can regulate the waste terminals [see ASLRRA filing in 05#12B Massachusetts]. {ANR&P discussion 13.Jan.06}

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**QUONSET POINT/DAVISVILLE**

11 January, Davisville. **QDC WILL ASK FOR PROPOSALS FOR AUTO TERMINALS** instead of break-bulk operations, according to spokesperson Dyana Koelsch. ‘QDC is not pursuing the Logistec company any further [see issue 05#12B], having decided that the best route is for autos into the port and not break bulk. QDC is specifically now in the process of
seeking port management that deal with autos.’ {e-mail to ANR&P}

The future lies with autos?
Steve King, the chief operating officer of Quonset Development Corporation, said that the Port of Davisville is the annual point of entry for about 100,000 Volkswagens, Audis and Subarus, all of which leave the port in trucks. The QDC would like to triple the volume of cars shipped into the port, and hopes to entice private sector contractors to build and run ship-to-train transfer operations for the purpose of distributing vehicles throughout the region.

By the end of January, said King, the QDC will issue a request for proposals to develop and lease the proposed facilities, with replies due by the end of February. {Russ Olivo in Woonsocket Call 11.Jan.06}

What happened with the Logistec negotiation?
King said Logistec, as the proposed operator of the Davisville port, wanted to focus primarily on breakbulk traffic. However, that would require at least 34 feet of depth, but the piers now have only 29 feet. The two parties could not agree on the long-term capital investment needed to make the proposal a reality.

The new approach
QDC then re-thought its approach to the development of the 231-acre Davisville port area (also called the logistics area), said King, and decided to seek interest on three different projects:

Marine terminal. This has 42 acres of land, with two piers, but no buildings. QDC would negotiate with one company to take over the operation of the terminal, now handled by QDC. The new operator would implement the terminal tariff, hire and direct employees, and schedule ships into berths.

In addition to ships for NORAD and Seafreeze, the port “occasionally accepts ships for other users,” said King.

Rail terminal. This has 14 acres of land.

Open land for autos. Finally, the Corporation is looking for companies to utilize the remainder of the port area, about 156 acres. Perhaps NORAD would want some or all of it for expansion. Or, said King, another processor would be welcome to set up shop and do what NORAD is doing. NORAD currently leases 66 acres from QDC.

Finally, said King, one company could do all three projects.

The requests of interest
QDC is not going to solicit proposals for the area, said King. Rather, it will directly market the three projects to a specific group of people. After receiving expressions of interest, it will negotiate directly with those it selects.

The new name
Befitting the goal QDC has for the area, the Corporation is now describing it as the ‘Narragansett Bay Auto Terminal.’

QDC is leasing all parts of the port area, selling none. But in other areas of the Commerce Park, it does have parcels for sale.

Re-alignment of rail
King made it clear that the evaluation of the current rail by consultant Clough Harbor, and the proposal on whether and how to move the current alignment, covers only the main lines: the connection from Amtrak’s Northeast Corridor through West Davisville, the Quonset main, and the Davisville main [which is already slated to move southward—see 05#12B].

Realigning of spurs and sidings both inside the logistics area, and outside in the rest of the Park, will happen according to the need for rail of park users.

For example, King noted that QDC was asking Arrow Gas to move its location [see 05#10B], as it is served by a long siding which splits “a large chunk of developable acreage.” However, because QDC has no proposals for that acreage, it is not pursuing the relocation of Arrow any farther at this time. {ANR&P discussion 13.Jan.06}
Vermont

VRS - Westminster Cracker
3 January, Rutland. **The Company Will Decide by This Summer Whether to Use Rail.** John O’Neill, who runs the company, now owned by Cains Foods LP, said the amount of inbound flour used had not justified rail after the company moved here 1990. But by 2002, flour use had grown enough that Westminster obtained a grant from VAOT to install a spur at its location in the Howe Center.

Now, said O’Neill, he is actively looking at using rail. “We should know by this summer whether it makes sense.” {ANR&P discussion}

VRS/VAOT/OMYA Spur
5 January, Montpelier. **VAOT Will Study Either All-Rail or Truck-to-Rail to Access the OMYA Quarry** in Middlebury. ‘A public information meeting [in Middlebury] on Thursday, January 12th will present these ideas as the “reasonable range of alternatives” to be studied in detail in the Environmental Impact Statement (EIS)’ process. VAOT will then present a draft EIS at a formal public hearing, select a preferred alternative, and make the EIS final.

VAOT held a public scoping meeting on 20 January 2005 with a broad range of alternatives. The agency presented preliminary results on 31 March 2005, and has just now completed the screening.

‘Both the rail spur and the truck to rail alternative would run from the mainline tracks in an easterly direction toward a marble quarry in Middlebury. Each alternative would provide a transload facility which could be accessed by local freight shippers.’ {VAOT press release}

NECR v GRS: Derailment Costs
10 January, DC. **The STB Reconsidered Its Decision on the Interpretation of a Trackage Rights Agreement** [see 05#03B]. In 2005, the Board concluded that courts should decide who should pay for the costs of the 2004 derailment of a GRS train on NECR track in Vermont.

GRS asked for reconsideration, arguing that the Board should, at a minimum, decide whether Section 7.1 of the 1990 Trackage Rights Order governing GRS operating rights over the line from White River Junction to East Northfield was intended by the ICC to absolve the track owner (now NECR) from liability claims that are based on gross negligence or willful misconduct.

The relevant text

7.1 Save as herein otherwise provided, each party hereto shall be responsible for and shall assume all loss, damage or injury (including injury resulting in death) to persons or property, including the cost of removing any trackage, repairing trackage and correcting environmental damage, which may be caused by its engines, cars, trains or other on-track equipment (including damage by fire originating therefrom) whether or not the condition or arrangement of the trackage contributes in any manner or to any extent to such loss, damage or injury, and whether or not a third party may have caused or contributed to such loss, damage or injury, and for all loss or damage to its engines, cars, trains or other on-track equipment while on said trackage from any cause whatsoever, except in the case of collision, in which event the provisions of Section 7.2 shall apply.

GRS argued that in the past, the Board ‘has expressly declined to impose a contested provision that would excuse a carrier from liability resulting from its own gross negligence or willful misconduct, finding such a provision to be contrary to public policy.’ And the ICC imposed section 7.1 of the Trackage Rights Order; the two parties had not agreed to it.

‘Thus, we do not believe that it was the intent of the agency in imposing Section 7.1 to allow the landlord carrier to escape liability for maintenance failures that are the result of its own gross negligence or willful misconduct, and we do not construe Section 7.1 in that manner....

‘To construe Section 7.1 as excusing gross negligence and willful misconduct would not encourage safe operations, and it would contravene well-established precedent that disfavors such indemnification provisions.’ {STB website, decisions page, Finance Docket No. FD 34612}

Note: In essence, then, the Board provided guidance to the federal district court (District of Massachusetts) to the effect that the Trackage Rights Agreement does not exclude gross negligence. That court, in entertaining the tort suit, will have to decide
responsibility for the accident, and whether NECR was guilty of gross negligence. *Editor*

**WACR - CALKINS**

3 January, Lyndonville. *SIDING CONSTRUCTION WAS POSTPONED UNTIL SPRING*, said Chris Martel, the general manager of Calkins Rock [see 05#05A]. A new siding located on his property will permit him to load out rock, and Gorman Brothers to receive calcium chloride direct by rail, instead of using the Lyndonville yard. {ANR&P discussion}

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**QUEBEC/MARITIMES**

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**CBNS - WASTE CARS**

30 December, Sydney. *TWENTY COVERED HOPPERS WENT WEST TO INTERCHANGE WITH CN*, after sitting for quite some time awaiting a decision on disposition. Contents of the Clean Harbors cars: spoils from tanks at the contaminated Sydney Steel site [see 05#11B]. {e-mail to ANR&P from CBNS’ Peter Touesnard}

Parker Donham, spokesperson for the Sydney Tar Ponds Agency, said rail cars containing the last 1,500 tonnes of sand, gravel and coal tar started rolling off the island recently. “It's a very commonplace material that is transported and disposed of all across Canada every day in large quantities.” The material was originally supposed to go to a contaminated waste landfill site in Sarnia, Ontario, until the local community objected. “It's only because we've created such an outrageous stigma about anything associated with Sydney and environmental problems that we've had trouble disposing of it.”

To avoid any further opposition, Donham won't say where the sludge is headed, only that the Sydney Tar Ponds Agency requires that the material go to a licenced, approved facility. “Whatever happens to the material in the tar ponds and in the coke ovens, it's going to happen in Sydney or very close to Sydney” because no one else will take it. {CBC webposted 4.Jan.06}

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**SLQ - RICHMOND LOGISTICS**

11 January, Richmond PQ. *THE WAREHOUSE AND MULTIMODAL OPERATION HERE HAS ENTERED A SECOND PHASE*, said Dany Julien, vice-president sales & marketing and one of the three partners of the company.

Ownership

Richmond Logistics has three equal partners. Bernard Cusson has over thirty years in the distribution business. Beyond Richmond Logistics, he also owns a warehouse in Drummondville and B.R. Logistics, a trucking fleet specializing in intermodal transport. The second partner, Jean-Luc Dionne, came from the manufacturing side (Technocell) with over 15 years of experience in the paper industry. Finally, Julien, who formerly did marketing for the SLQ, bought into the operation in April 2005, 11 months after it formally opened in May 2004 [see issue 04#10B]. A Maine Maritime Academy graduate, Julien has 17 years’ experience in the maritime and railroad industry.

First phase

Richmond Logistics opened in May 2004 a 40,000SF warehouse with four indoor car spots and six trucking bays, plus two acres of outside storage for an investment of $1.7 million. The SLQ had to lay a 2.3-kilometer spur along a trail (formerly CN’s Danville Sub) into the Richmond Industrial Park.

Second phase

In autumn 2005, the partners invested another $1.7 million. Richmond Logistics undertook to expand the SLQ runaround track from 4 to 14 car spots, built two new storage tracks, and built a 5.3-
acre outside storage area. In April 2006, it will add a new cross-dock warehouse of 15,000SF. MIP Rail [different from the original track contractor Coyle of Delson–see 04#02B] did the trackwork, local paving company JNF did the excavation.

Resembling a thin rectangle, the building will house five indoor rail car spots and allow minimum distance between boxcars and trucking bays.

To improve car cycle and cross-docking operation, Richmond Logistics will employ a 4600TM TrackMobile which can pull 15 cars at a time; it should arrive by early February 2006.

Creating the 5.3-acre area [see below] cost three times more than the trucking area built in 2004, because the new area can support a reach stacker and therefore convert immediately, with no further investment, into an intermodal yard.

**A strong need**

While Julien declined to say how many railcars he transloads, he did say that at this point, he has exceeded the 2004 original forecast (made when he worked for the SLQ) by over 300%. “We are oversold in Richmond and are using Drummondville (not rail-served) as a second warehouse. We are not seeking new customers at this time, although we know who is waiting for space. Right now, I have 20 cars waiting to go inside.

“Without the TrackMobile, we are asking double switches from SLQ, thus costing us extra. We need to improve car cycle. I have cars sitting in railroad yards. Instead of generating storage revenues, they are costing me demurrage. A double lost income for us.”

Due to the price of fuel and the shortage of truckers, many companies want to use rail. “We are getting many more rate requests. We are seeing the market tendency. We could borrow money and build another 40,000SF warehouse, and probably be full in three months,” but the partnership has decided to pay for expansion out of cash flow and not use banks: “the old-fashioned way.”

**Stage three: outbound intermodal**

In the 5.3 acres area, Julien will handle palletized, bulk, and over-dimension loads. But his near-term wish is to start an intermodal operation supporting Auburn’s natural imbalance. He pointed out that SLR serves New England’s dense market with net inbound container traffic, whereas Quebec’s Eastern Townships have a tremendous amount of outbound traffic.

“We are surrounded by non-rail-fed paper mills, large mines, and dynamic industrial parks. SLQ could move the empty containers from Auburn to Richmond and load them with product. This way, CN would see a load in and a load out from Richmond.” This would eliminate the need to move empties to Montreal, Toronto, Halifax, and even Vancouver.

Negotiations among CN, SLQ, and Richmond Logistics are ongoing. “We could turn the key and start operating within a month, we have the customers already targeted,” said Julien.

**Stage four: inbound polymers**

While at SLQ, Julien had surveyed the Eastern Townships and found many polymer customers (more than 40% of Quebec production), some who could take two or three cars a week, and other who use only tote-sized amounts. “We are in polymer land with such companies like Bombardier. Maine has towns depending on paper mills; the Eastern Townships has towns and cities depending on polymers.”

Julien would like to create a polymer transload for compounded and mixing inbound polymers. At their request, Julien met with two major polymers customers last December for establishing an all-included service, and he knows others which would support Richmond as polymer distribution center. Such a transload will not cost as much as the two previous investments, but unlike warehousing, Julien would not ‘build to see who will come.’ The players in the polymer industry are very close-knit. “No matter how good your installations are and your service can be, if you aren’t approved by them, your investment will idle for a while.”

Stage four, then, will happen only with commitment from customers. {discussion and e-mail to ANR&P
SLQ: MORE CUSTOMERS
11 January, Richmond. **THE RAILROAD HAS ONE NEW CUSTOMER FOR THE RICHMOND INDUSTRIAL PARK**, according to Dany Julien. A major Quebec company will locate there in April, using over 14 acres and providing 50 jobs. He is also aware of two other major projects ($10 million in investment) but declined to elaborate, except to describe both as well-respected companies with a strong financial portfolio.

As a former industrial development agent for the SLQ, Julien is frequently asked by the City of Richmond to participate in meeting potential customers. \{ANR&P discussion 11.Jan.06\}

SAINT JOHN: CUSTOMER RETURNS
16 January. **THE RE-OPENED MILL IN NACKAWICK WILL MOVE PRODUCT TO THE PORT** by the end of the week, said Dale Patterson, chief operating officer, as test product. The mill officially reopened this day after going bankrupt 16 months ago, significantly reducing Saint John break-bulk cargo [see 05#09B]. AV Nackawic, the venture involving Tembec and the Indian textile company, Birla, will spend $35 million to convert the mill to produce rayon. \{CBC News webposted 16.Jan.06\}

Port impact
Curtis Doiron speaks for Forterm, the forest products terminal (operated by Logistec) at the port. He asserts that Forterm has nothing concrete on what the company will see from AVNackawic right away.

A union official at the AV Nackawic mill said workers expect to reach peak production in the late spring and summer.

Meanwhile, Doiron said, the port needs time to attract additional carriers back to the Port of Saint John, and build markets again. \{CBC webposted 16.Jan.06\}

Andrew Dixon, vice-president marketing for the Saint John Port Authority, explained: “Although regular liner services call at the Port of Saint John, no current services call regularly for destinations in Europe and the Far East. These markets have been serviced throughout 2005 on an ‘inducement’ basis by several carriers. The return of Nackawic cargo will also prompt the return of regular services to Nackawic cargo destinations, due to the volume and consistency of this cargo, assuming the shipping patterns commence in a similar fashion to what was happening before the shut down.” \{e-mail to ANR&P 17.Jan.06\}

PEOPLE

**Paul Doiron**, formerly located in Saint John’s Logistec office, accepted a new position with the company: senior vice-president responsible for all sales and marketing activities for Logistec. He has moved to Montreal headquarters, to handle, Paul writes, ‘restructuring our sales team to be more proactive with our customers and the ports that comprise our network. ‘We will also be aggressively looking at expansion and be in a position to better serve our customers.’

**Eugene Colonese** begins his new duties as the Rail Administrator at ConnDOT. He has thirty years of experience at Metro-North. **Peter Richter** has been named Assistant Rail Administrator, removing the interim qualifier from his title.

The acting **Amtrak President David Hughes** (appointed 9 November) has a link to New England railroads. Hughes served as chief engineer for the **Boston and Maine Corporation** and then president of the **Bangor and Aroostook Railroad**. He was serving as vice president of the Amtrak engineering department. While at BAR, he helped found Regional Railroads of America. He served four years as its first chair, spending much time on Capitol Hill. For the decade prior to arriving at Amtrak, he consulted worldwide on rail infrastructure.

**Matt Jacobson**, last heard from working with locomotives for the Canadian National Railway, will return to Maine as executive director of **Maine & Company**. When last here, he served as president of the St.Lawrence & Atlantic Railroad.
Coverage
The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

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

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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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