Helping to move rail and port traffic through New England, the Maritimes, eastern Québec.
A weekly trade newsletter.

Issue 06#03B 27 March 2006

*Article unchanged from e-bulletin.

**REGIONAL ISSUES**

MMA: Why less TOFC traffic.* LMS expanding.* Possible customers in Megantic.*

GRS: Changing nom de chemin de fer to Pan Am Railways.*

Rail parcels: PW, MMA have for sale signs.

HRRC: Dispatching system.

**CONNECTICUT**

PW: Work on the Willi.

**MAINE**

Calais Branch: Hearing soon to permit lifting.

GRS: Georgia-Pacific closes Old Town mill before possible sale.

GRS: Pleasant River Lumber still pursuing rail siding.*

MDOT: Has funds to do rail projects under Industrial Rail Access Program (IRAP).

**MASSACHUSETTS**

FRTC: No rail-based plan for emergencies.

GRS: Auto facility in Ayer definitely closed.

**NEW HAMPSHIRE**

NHN: Parent Boston Sand & Gravel for sale.

**RHODE ISLAND**

PW: More information on Coastal Recycling second facility in Cumberland, Rhode Island.

FRIP: Some done, opening this summer.

**VERMONT**

GRS: Sells very small parcel in Vermont.*

**MARITIMES/QUÉBEC**

CN: Railway again puts Chester spur into three-year plan, with more reasonable coordinates.

CN: New Three-Year Plan has one other change.*

Saint John: Nackawic pulp and project cargo moving.

Halifax: Inland terminal part II. What NIT will replace. Various facts.

Halifax: Republished correct 2005 tonnage table.

Halifax: Ceres to add more post-Panamax cranes.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Schultz, Scott, Sheahan, Klemm, Arnold.

**EDITORIAL**

Please help Guilford.

Interesting times

Guilford has lost one major customer permanently, the Ford auto unloading facility in Ayer. It has lost another at least temporarily, the Georgia-Pacific pulp mill in Old Town.

In the same month, it has chosen to rename itself as Pan Am Railways, a move one colleague called “bizarre.”

- Chop Hardenbergh

E-bulletins weekly, next issue 17 April.

FROM THE PUBLISHER

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REGIONAL ISSUES

MMA: UPDATE ON TRAFFIC, ETC

20 March, Northern Maine Junction. **NBSR AND MMA WERE FORCED TO REDUCE THE TOFC TRAIN TO TWICE A WEEK** by inaction on the part of the US federal government. MMA has struggled for more than a year [see 05#03A] to convince the Food and Drug Administration (FDA) to issue regulations permitting NBSR/MMA to run cars in transit across Maine between Farnham, Quebec, and Saint John without filing onerous paperwork.

“The situation has never been resolved,” said MMA President Bob Grindrod, “and in the meantime we cannot run trailers in transit. We are basically running a sealed train, with no capacity even if we wanted to, to take trailers off the train.” MMA has waited for the FDA to issue final regulations. The Congressional delegation “is working on this, and is frustrated by the stonewall.”

The effect depends upon the nature of the traffic mix. Shippers have an easier time (“though it’s not straightforward”) preparing the paperwork if they run a full trailer on the train. But if the trailer contains a mixed load, Customs and Border Protection requires more paperwork, and a detailed list if foodstuffs are involved.

The paperwork hurdle has led Sunbury, the major user of the TOFC train, to move much of its volume over to CN to take an all-Canadian route, and consequently the TOFC traffic is reduced.

**LMS expansion**

The MMA board just voted to allow Logistics Management Services, which has its major warehouse in Hermon, to double the size of its operation there, adding another 70,000SF. LMS expects to finish the expansion by July. The expansion is justified by increased product handling “from everywhere” said Grindrod, moving in both truck and rail inbound and outbound.

**New customers in Quebec**

Several potential projects have “moved from the back burner to the middle burner” in Megantic, reported Grindrod. “They have not yet reached the front burner.” {ANR&P discussion 20.Mar.06}

**GUILFORD BECOMES PAN AM**

21 March, North Billerica MA. **THE GUILFORD RAIL SYSTEM WEBSITE IS NOW ENTITLED ‘PAN AM RAILWAYS’**. An official at the headquarters building said, “We are changing over” to Pan Am. Soon, the person answering the telephone will say, not “Guilford Rail” but “Pan Am Railways”. {ANR&P discussion}

**No legal implication**

GRS first employed the name on boxcars, applying it to the livery of some new cars [see photo in 05#03B]. It then used the name in its joint venture to develop the former Somerville rail yard [see 05#11A].

Thus far, the usage apparently applies only to a non-legal name. The railroads ST, MEC, and B&M are doing business as the Pan Am Railways. An official at the Surface Transportation Board, Nancy Beiter, said the Board officially recognizes the railroads, but not the doing-business name. {ANR&P discussion 21.Mar.06}

**Pan Am begins new flights**

Tunica, Mississippi, “the South’s Casino Capital”, announced that “‘Pan Am Clipper Connection’ is proud to be the first commercial airline to provide scheduled service to Tunica.” Flights begin 2 May. The Pan Am website continues to state: ‘Clipper Connection, Operated by Boston-Maine Airways, Inc.’ {Pan Am website}
RAILROAD SALES OF PROPERTY

24 March. **RICH GOTTLIEB HAS FOUND THE BEST WAY TO SELL EXCESS PIECES OF PROPERTY**: local for sale signs posted on the property. PW has hired him to sell at least two parcels, said Mary Tanona, PW general counsel. Why the signs? ‘In such cases, some of the people likely to be interested in purchasing are neighbors. The signs reach that target market.’

**Southbridge branch: Connecticut section**

Gottlieb has posted signs on the Connecticut portion of the Southbridge branch. PW has sold the Massachusetts section to that state [see 04#09B], and Connecticut was aiming to purchase its section of about four miles. Obviously no progress was made in that direction, as Tanona wrote: ‘The State of Connecticut is aware of P&W’s interest in selling the Connecticut portion of the Southbridge branch, but no negotiations are currently pending....Of course, the State of Connecticut has a statutory right of first refusal.’

[Warren Riccitelli of the Railcar Association would like to preserve the track on the branch for railcar use. The Association is advocating that with local politicians. {ANR&P discussion}]

**Slatersville branch: east end**

Gottlieb has also posted signs on the Slatersville branch. PW, wrote Tanona, is ‘interested in selling the east end of the Slatersville branch, which has been inactive for almost twenty years. Any sale of that portion would not interfere with the active portion of the branch.’ This section branches off the main line in Woonsocket and runs west 4.56 miles to the end of track. {Josh Moldover’s Providence and Worcester Timetable #1 1 July 2003} At this time, PW has only one customer [see 04#09B], steel distributor Denman and Davis [our Directory #460].

**Pricing**

Unlike sales of homes, or even some commercial property, PW is not advertising the property in print, nor will it provide an asking price. ‘That is a matter that we prefer to leave to the negotiating parties,’ wrote Tanona. {e-mail to ANR&P}

**Other railroad: MMA and BAR**

Gottlieb got his start on railroad parcels when Jim Howard, the trustee of the Bangor and Aroostook bankruptcy estate, retained him to sell excess real estate. Howard had not had much luck through usual railroad channels [including an advertisement in this newsletter–see 15 March issue, Maine—additional MMA customer]. But now, noted Howard, ‘All of the BAR property has been sold, with the total proceeds approximately 2.5 times what we anticipated before hiring Rich.’

MMA hired Gottlieb to sell its excess property as well, and Gottlieb has posted signs at South Lagrange, Maine. Howard continued: ‘Rich and I have become partners in a business that sells excess real estate for railroads, as well as re-negotiates under-market leases.’ {e-mail to ANR&P 20.Mar.06}

HOUSATONIC RAILROAD

20 March, Canaan CT. **THIS SHORT LINE IS OFFERING DISPATCHING SOFTWARE FOR OTHER SHORT LINES.** Bob Bass, the general manager, developed the software which can run on a Windows 2000 PC over the past year, in conjunction with Theta Systems. “We needed a dispatching system for the Housatonic Railroad and other systems out there were either far too expensive, designed for larger railroads or they lacked features to serve our needs.”

HRRC was dispatching with paper only until it began using the Short Line Dispatching System (SLDS) they developed. “SLDS is very visual, very clean to use,” Bass said. He regularly demonstrates the system at the company's Canaan office, to other interested railroads and is enthusiastic about having the system adopted by other short lines for their dispatching needs. SLDS is available to railroads utilizing NORAC or CGOR operating rules.

Bass touted one major advantage: it has “built-in protection against human error.” {ANR&P discussion; HRRC press release}
the beginning of this week, PW had a backhoe parked on Route 97 in Baltic, where crossing lights were mounted on all but one pole. Route 138 in Baltic has one new set of lights, and both crossings have new control boxes. {e-mail to ANR&P} Both sites lie beyond the end of in-service track in Versailles, where Caraustar [our Directory #521] lies at 130 Inland Road, and Amgraph [our Directory #522] at 90 Versailles Road. {PW e-list}

On 22 March, a PW crew was installing crossing signals at Route 203 in South Windham. {Ted Tumicki in PW e-list 24.Mar.06}

Why re-opening the line
Auto-racks cannot fit through the Taft Tunnel south of Plainfield. PW and NECR hope to start auto traffic for Quonset Point/Davisville, Rhode Island. [See Rhode Island.]

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MAINE

CALAIS BRANCH

24 March, Augusta. **MDOT PLANS TO PRESENT ITS PROPOSAL TO LIFT THE TRACKS** between Ellsworth and Ayer’s Junction [see 18 January issue] to the Legislature’s Joint Committee on Transportation before the Legislature adjourns. Dan Stewart, bicycle and pedestrian coordinator who is coordinating the presentation, said the department does not have a date yet, but believes the Legislature will adjourn around 14 April. {ANR&P discussion 24.Mar.06}

Public information sessions
In early March, Stewart and another official from the Department of Conservation, which will manage the proposed trail, held two public sessions, one in Ellsworth and one in Machias.

Continued opposition
On 16 March, Jack Sutton for MRG/Downeast Rail published an op-ed piece in the Bangor Daily News reiterating reasons not to lift the rails. Jonesboro selectmen have responded in agreement with him.

Skip Rogers, head of the Eastern Maine Railroad Development Commission and of the Federal Marine stevedoring operation in Eastport, has long advocated keeping the rails. He points out one additional hitch to the proposal: Abutters whose land was deeded as an easement to the railroad in the 1800s can expect to fight the state in court after the fact if the abutters do not want the trail. ‘All has been glitzed over to make this happen for the governor’s popularity.’ {e-mail to ANR&P 16.Mar.06}

GRS: MAJOR CUSTOMER DOWN

16 March, Old Town. **GEORGIA-PACIFIC WILL SELL OR SHUT DOWN THE MILL HERE**, according to an announcement from the office of Governor John Baldacci. The company has agreed to work with the state to market the mill, which makes tissue paper, for the next 60 days before closing it completely.

All of the pulp and tissue machines have been shut down at this point, according to Robert Burns. About 160 people still are working at the mill during the shutdown process. That number is expected to decrease to about 90 by 25 March. {Bangor Daily News 21.Mar.06}

Possible buyers
On 24 March, Jack Cashman, commissioner of the Department of Economic and Community Development, said he had given six interested parties tours through the facility; the number of possible buyers has grown to eight or nine.

Cashman predicted that the buyer will be smaller than Georgia-Pacific and will be “more of a niche company. That's how the mill started. Diamond (International Corp.) was a kind of niche market.” {AP in Maine Sunday Telegram 26.Mar.06}

[See Cashman quote about coordination with Guilford, in Editorial.]

Production: pulp and tissue
As of October 2005 [see 05#10A], the mill sent the majority of its pulp production to other locations; the remainder became parent rolls. Half the rolls were trucked elsewhere; half were converted into tissue products. By the end of the year, G-P closed the converting lines, so that it trucked out all parent rolls.
According to the Lockwood Post’s Directory of 2001, the pulp mill produced 600 tons per day, of which 100 became parent rolls.

**Rail impact: Guilford**

If 500 tons per day of the pulp were loaded into 100-ton boxcars, Old Town would load five cars a day, or about 30 a week.

Rail brings inbound chemicals, mostly calcium chlorate for the bleachery, perhaps two per week, according to one observer. That could make the total weekly carloads at the plant 32 in and 32 out. What revenue to GRS? We can get a rough idea, assuming GRS earns $1500 per pulp car and $2000 per chemical car:

- 52 weeks x 30 cars pulp x $1500/car = $2.34 million.
- 52 weeks x 2 cars chemicals x $2000/car = $0.28 million.

Total $2.62 million. \(\{\text{ANR&P analysis}\}\)

**Rail impact: MMA**

G-P will also close its four chip plants in Portage, Houlton, Milo, and Costigan. MMA’s chip move from Portage to South Lagrange, whence the chips are drayed to Old Town, is affected. “We're waiting to see whether somebody else buys the mill, but it's a sizable amount of revenue, about 4 percent,” Fred Yocum, chief financial officer for the railway, said on 20 March.

On an average day, MMA moved about 20 cars, each carrying 70 tons of wood chips to South Lagrange. That made an average transport of 1400 tons a day, or 7,000 tons during the five-day workweek, Yocum said. \(\{\text{Bangor Daily News 21.Mar.06}\}\)

Bob Grindrod, MMA president, said on 20 March that while at this date many loaded chip cars are parked in South Lagrange which G-P will not use, the chips are already sold, and will be drayed to the buyer.

He expects because of the fiber shortage throughout Maine, G-P could easily sell its chip facilities, and the fiber operations which underlie them, regardless of what happens to the mill itself. MMA should then retain the rail part of the chip move. \(\{\text{ANR&P discussion 20.Mar.06}\}\)

**GRS: POSSIBLE NEW CUSTOMER**

20 March, West Enfield. **PLEASANT RIVER LUMBER HAS APPLIED FOR FUNDS TO CONSTRUCT A SIDING HERE**, said Jason Brochu, principal. The company had planned to a siding and its new saw mill in autumn 2006. But Brochu needs assurance that he can obtain softwood roundwood for lumber. At this point, he said, Canadian mills are sucking it across the border, and he has delayed construction until this summer, with completion in autumn 2007.

**New location of siding**

Instead of running a spur along the right-of-way of the former Howland branch all the way to the mill site [see 05#07B], Pleasant River now plans to run it into the Prentiss and Carlyle yard, which has an old siding at the point where Route 155 crosses the GRS Freight Main. Pleasant River would then dray the lumber to this point.

Brochu said he has already filed an application with the IRAP program [see MDOT]. \(\{\text{ANR&P discussion}\}\)

**MDOT: NEW IRAP PROGRAM**

8 March, Augusta. **MDOT WILL PROVIDE STATE MATCHING FUNDS FOR RAIL INFRASTRUCTURE IMPROVEMENTS**, under its statewide Industrial Rail Access Program (IRAP). For the 2006 round, MDOT has available a $900,000 grant program and a $630,000 loan program. IRAP requires that state funds to be matched with local and/or private industry funds.

Past IRAP programs totaling $4.5 million have leveraged $7.2 million in private investment, and are estimated to have created more than 140 new manufacturing jobs in recent years. If that continues, MDOT estimates that the 2006 round of $900,000 would leverage $1.4 million in private investment and create more than 30 new manufacturing jobs.

Projects are rated using ten criteria:
1. job creation/retention
2. new investment
3. intermodal efficiencies
4. private share of project cost
5. anticipated decrease in air emissions
6. anticipated decrease in highway maintenance costs
7. anticipated decrease in highway congestion
8. transportation and logistics cost savings
9. improvements in rail service
10. benefit-cost ratio. {MDOT press release}

The loan program
A now-discontinued federal program, Local Rail Freight Access (LRFA), funnelled federal money through the states for rail improvements similar to those funded by IRAP. According to Nate Moulton, MDOT rail coordinator, MDOT is creating a new loan program under IRAP using the funds paid back by entities within the state under LRFA.

The department will make the funds available as no-interest loans.

Some have already applied, or inquired
Entities currently proposing new IRAP projects include major pulp and paper companies, manufacturers, and municipalities. Both Dead River and Daigle oil companies in Aroostook County are interested; Pleasant River Lumber has already filed an application [see above]. {ANR&P discussion 21.Mar.06}

MASSACHUSETTS

FORE RIVER
?? March, Quincy. SOME HERE WOULD LIKE A RAIL-BASED EMERGENCY PLAN TO DISPOSE OF SLUDGE from the New England Fertilizer Company (Nefco) plant.

Background
As part of a court-ordered mandate to clean up Boston Harbor [“love that dirty water oh Boston you’re my home” Dirty Water, The Standells], the Massachusetts Water Resources Authority (MWRA) built a treatment plant in Quincy to treat leftover sludge from its sewage treatment plant on Deer Isle. The MWRA has hired Nefco [our Directory #319] to operate the plant, which transforms the sludge into pellets to become a fertilizer ingredient. The pellets move out by rail: the Fore River railroad (FRTC) moves the cars to interchange with CSXT, which forwards the cars to customers.

The treatment plant has two stages. The first removes water by centrifuge, to reduce the sludge from 94% water to 70% water. The second uses relatively new technology with natural gas to make a pellet 99% solid.

The ECDC emergency plan
MWRA must have in place a plan to handle the sludge, which does not stop coming, in case the plant breaks down. It hired ECDC Environmental in the 1990s; ECDC could offer a state-of-the-art landfill in Utah, rail-served. [Both ECDC Environmental and ECDC Logistics are subsidiaries of Allied Waste. ECDC Logistics handles containers of municipal solid waste in Beacon Park (our Directory #225) and West Springfield (our Directory #295). Editor]

Tim Duncan, a Scituate-based consultant for ECDC, characterized MWRA’s payment to ECDC as an “insurance premium.” ECDC keeps 40 cars on hand ready for use at any one time. Duncan described them as former woodchip cars made watertight with a special lining and sheet metal lids.

ECDC has used these cars when the plant shuts down for cleaning. In addition, one year the plant went out of action for two months due to a natural gas explosion. At that time, ECDC supplemented the existing forty cars with gondolas fitted with liners and covered with tarps.

The new emergency plan
In September, MWRA received judicial approval to end its contract with ECDC, which cost $820,000 per year. MWRA
spokesperson Ria Convery said her agency's move, which provided the requisite six month’s notice, was primarily aimed at cutting operating costs, which are passed on to ratepayers in Greater Boston who use the MWRA's water and sewer systems.

MWRA placed responsibility on Nefco to provide the emergency plan. Nefco, per Duncan, decided to arrange a truck-based system, less expensive than a rail-based system, “because you don’t need the staged railcars. You can always find trucks.” To move the sludge cake will require 20-25 trucks a day.

Nefco has tapped New England Organics, a division of Casella Waste Systems of Rutland, to handle the trucked disposal of the sludge to five landfills.

**Current stance**

Unfortunately, as Duncan put it, sludge is Sludge “politically hazardous” though fairly benign. In a letter sent last week to Frederick Laskey, the executive director of the MWRA, Quincy Mayor William Phelan expressed his concerns about the switch from a rail backup to a truck backup. Phelan said the MWRA should not allow Nefco to drop the rail option. ‘At the very least, the potential costs to the community are too high to allow Nefco to switch from rail to trucking without demanding that Nefco investigate alternative rail destinations, or determine whether the ECDC landfill might remain available at a reduced cost,’ Phelan wrote.

Convery said the trucks would “definitely be watertight” and would use existing trucking routes. But she said the MWRA is also encouraging New England Fertilizer to find a rail option. “They understand that a rail-based method is more desirable to us and the community.” {Jon Chesto in Quincy Patriot Ledger 22.Mar.06; ANR&P discussion with Dunlap 23.Mar.06}

**GRS: AYER**

24 March, Ayer. **THE AUTO FACILITY HERE IS CLOSED.** The last autorack was unloaded in mid-month. {ANR&P discussions 24.Mar.06} [See 06#02A.]

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**NEW HAMPSHIRE**

**NHN: FOR SALE**

23 March, Boston. **THE PARENT COMPANY, BOSTON SAND & GRAVEL, IS OFFERING ITSELF FOR SALE.** An official at the company, when asked whether an agreement is reached, said, “That is not true.” When asked whether the company was for sale, he said, “I have no comment.”

Two sources who asked not to be named confirmed that the company is for sale. {ANR&P discussions 23.Mar.06}

**Impact on the railroad**

The company is closely linked to the railroad, as its Boston site depends upon daily, timely, delivery of product from the Ossipee gravel pit [our Directory #52] to the Charlestown facility [our Directory #188]. Any purchaser of the company who then sold the railroad would want a firm commitment to make the deliveries. Editor

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**RHODE ISLAND**

**PW: COASTAL RELOCATION**

22 February, Cumberland. **COASTAL RECYCLING PRESENTED TO THE PLANNING BOARD CHANGED PLANS FOR A SECOND FACILITY HERE.**

**Back to rail in Providence**

Coastal, which had suspended its use of rail when sued because of a bad accident in 2005 [see 18 January issue], now has railcars again at its Providence facility [our Directory #489]. Rail observer Steve Delange spotted four cars there, with a crane. {e-mail to ANR&P}

**Initial plan**

Coastal Recycling initially considered locating the facility on land behind the Stop & Shop plaza at 70 Mendon Road [see
map], according to Cumberland Planning and Community Development Director William A. DiLibero. That plan drew town concern over its proximity to the Blackstone River watershed and the Blackstone Valley Bikeway, but those issues were not a factor at the new location, DiLibero said.

**Proposed site**
Coastal has a lease contingent on permitting at 1126 Mendon Road, a site owned by Dean Warehousing Services [see 28 February issue]. It proposes to use the site to collect and process construction and demolition debris (C&D), then load it into rail cars. It would use existing buildings for its administrative and fleet offices, and construct a new 10,000SF building for the C&D handling.

Wood products recycled at the plant would typically be sold to companies in Maine that would in turn reprocess the products and use them to generate energy, said Stephen Cuomo, a consultant working for Coastal. He estimated the planned recycling structure would cost approximately $700,000 to construct.

Coastal would also house its waste handling truck fleet here. It has the contract to collect and haul Cumberland’s municipal solid waste to the state landfill in Johnston. No municipal waste would flow into 1226 Mendon Road. {Joseph B. Nadeau in Woonsocket Call 23.Feb.06}

The site lies just north (railroad west) of another PW customer, CCL Custom Manufacturing [our Directory #463] at 35 Martin Street.

**Providence site**
Cuomo said later that Coastal would retain the Providence site for C&D [our Directory #489] and probably resume using rail there, as well. Offices would relocate to Cumberland, though.

Once Coastal has Planning Board design approval, the company will apply to the state Department of Environmental Management for a license and registration as a recycling operation, Cuomo said. {ANR&P discussion 17.Mar.06}

**FREIGHT RAIL IMPROVEMENT**
26 March, Providence. **SOME SECTIONS OF THE FRIP TRACK ARE READY**, wrote Steve Drager of RIDOT. ‘Track 4 into Quonset is complete and operational if need be. However there is some signal coordination required once the Cranston to Packard section (middle section) of Track 3 is complete. Track 7 is complete with punch list work and some remaining utility work to complete. The remainder of the work on Track 3 is scheduled to be complete by summer.’ {e-mail to ANR&P from RIDOT}

**Initial FRIP possibility**
The FRIP will permit PW to run tri-level autoracks for the NORAD auto facility in West Davisville, connecting with NECR [see 05#12A] in Willimantic via the newly-re-opened Willimantic Branch [see Connecticut].
VERMONT

GRS: SELLS A SMALL PARCEL

16 March, Pownal. **GUILFORD AGREED WITH THE TOWN ABOUT THE PRICE FOR A VERY SMALL PIECE OF LAND: $700.** In order to construct a new road bridge in North Pownal, the town needed that small piece. Earlier, it held a public hearing to seize the piece by eminent domain. Guilford did not show up to contest the matter, according to the Town office, and the railroad and the town agreed on the price. {ANR&P discussion 21.Mar.06}

QUEBEC/MARITIMES

CN: CUT CHESTER SPUR, AGAIN

23 February, Halifax. **CN AGAIN LISTED THE CHESTER SPUR FOR ‘DISCONTINUANCE’** in its three-year plan published on the web this day [see 05#10A].

Changes in listing

In the 2 October 2005 Three-Year Plan, CN listed the Chester Spur from milepost 0.0 to milepost 3.6, even though the Spur extends 4.9 miles. Despite several requests, CN never explained this figure.

But the 23 February 2006 Three-Year Plan in the CN website lists this:

<table>
<thead>
<tr>
<th>Nova Scotia</th>
<th>Chester Spur</th>
<th>0.00 4.90 Discontinue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nova Scotia</td>
<td>Lakeside Industrial Spur</td>
<td>0.00 0.50 Discontinue</td>
</tr>
</tbody>
</table>

An examination of the map in 05#10A indicates that CN would like to discontinue the active Chester spur (about 4.4 miles) and the out-of-service part to the end at milepost 4.90. **Editor**

The effort to keep the line open

Ed Peckham, general manager of Russel Metals, said his warehouse is located at the end of the Lakeside Industrial Spur, and he wants to keep the line open. “But I need the support of others; CN will not keep this line open just for me.”

Peckham has contacted other stakeholders: the Greater Halifax Partnership, the Halifax Port Authority, the Halifax Gateway Council, and Dave McCusker, the director of transportation for the Halifax Regional Municipality. The Greater Halifax Partnership is “working with us to combine information on who else could use the rail line.” The Partnership is surveying possible interest in the Bayer’s Lake Industrial Park. Other than that, Peckham has of yet no response. {ANR&P discussion 21.Mar.06}

CN THREE-YEAR PLAN

Nova Scotia

In addition to the Chester Spur, CN revised the length of the Dartmouth subdivision. The 2 October 2005 plan listed the length as from milepost 0.20 to milepost 18.50. In the 23 February plan, it is changed to 0.20-16.30. {CN website}

SAINT JOHN

23 March. **THE PORT ANNOUNCED AN INCREASE IN BUSINESS THIS QUARTER.**

Project cargo

Furncan Marine have secured a contract for exporting project cargo at the Lower Cove terminal, located across the harbor from the Rodney Container Terminal. Almost 500 pieces of dismantled equipment is being transferred from the dry dock to Lower Cove by road and by barge to be loaded for India. “This demonstrates the importance of Lower Cove to our marine business,” Captain Al Soppitt, head of the Saint John Port Authority, explained. “The cargo is labour intensive and creates much needed work for port labour, trucking companies and equipment handling firms. [The port can attract] other project cargo to the port, particularly with the pending refurbishment of Point Lepreau and the construction of LNG handling
Forest products: Nackawic, Star Shipping return
With the start-up of operations at the AV Nackawic mill [see 18 January issue], shipments of pulp products began through the Port of Saint John to Europe, the Mediterranean, and the Far East. ‘Star Line and Kent Line will be the carriers,’ wrote port marketing director, Andy Dixon.
According to Andy Somerville, port operations supervisor, the ‘[f]irst Star shipment was 25 February. Vessel Star Djervanger loaded 2040 tonnes of St Anne woodpulp.
‘The Star service is being touted as a monthly service.’ “We are extremely pleased to welcome our long-standing customer Star Shipping of Bergen, Norway, back to the Port of Saint John,” said Soppitt. The re-introduction of this cargo will have positive impact on port labour, terminal operator Logistec Stevedoring Atlantic, and the Port Authority as well as numerous other port-related services and associated transportation industries.
Paula Small, port authority spokesperson, expected the AV Nackawic volume to ramp up to 150,000 tonnes annually. {e-mails to ANR&P 24 & 27.Mar.06; port authority press release}

HALIFAX: INLAND TERMINAL II
On 27 February, the Halifax Regional Council, which governs the Halifax Regional Municipality (HRM), received the Halifax Inland Terminal and Trucking Options Study [see 28 February issue]. In summary, it concluded that building an intermodal terminal away from the port made sense when the Halifax TEU volume exceeded 900,000. The consultant, Jim Frost of MariNova, also pinpointed Rock Lake as the best site for a New Inland Terminal (NIT). While the port, now at 550,000 TEUs, will not grow to 900,000 soon, the study recommended that the port secure the site now.

Part I of this article, in the 15 March issue, discussed the site selection process leading to the selection of Rocky Lake. This Part II discusses how the NIT would function with the port terminals, and gives some numbers.

Summary: effect of NIT
The NIT would create additional space at the port, by absorbing the Halifax Intermodal Terminal and the truck-based activities at the two port terminals. It would also improve terminal efficiency, making the port capacity 1,150,000 TEUs per year, an increase of 250,000 TEUs.

VISION FOR NEW INLAND TERMINAL (NIT)

Introduction
NIT has three functions.

Replace HIT. Containers inbound on rail to Halifax for domestic distribution would stop at NIT, instead of proceeding to HIT. Trucks would dray the containers to final destination. Local-origin containers for CN to move outbound from Halifax would be drayed to NIT instead of HIT.

Replace drayage to/from port terminals. Import containers (those delivered by ship to Ceres or Halterm) to be trucked will move directly to empty intermodal cars formed into a shuttle. The shuttle will then move to NIT, whence workers will transfer the containers from rail to chassis, for direct drayage to the final destination.
Import containers moving further into North America by rail will be transferred from ship to ground to the regular CN trains, unless moved direct from ship to chassis to rail.
Export containers (those delivered to Ceres or Halterm for export) on regular CN trains will move directly by rail to each terminal, as is now the case.
Export containers delivered by truck will go to NIT, where workers will transfer them to the shuttle train, which will deliver them to Ceres and Halterm.

Replace container storage and maintenance. These functions, now performed at both Ceres and Halterm [see below], will move to NIT.

Positive results for the region:
- The land used for HIT becomes available for port purposes.
- Trucks formerly using HIT, Ceres, and Halterm are moved off city streets, positively affecting traffic congestion and the environment.
- The space allocated to chassis storage, laydown, and truck movement becomes available for expansion of ship-rail handling at Ceres and Halterm.

**Direct ship-rail interchange**
The rail shuttle between NIT and the two port terminals would employ sufficient rail cars to ensure that at least 95% of import containers destined for the local market, as well as repositioned empties, could be handled directly from ship to rail.

**Phase I and Phase II**
The study initially focussed on a NIT designed to handle present (2004) total Halifax volumes as Phase I, with provision for projected growth over the next 20 years (up to one million TEUs). The consultant soon found that this option was not economically viable until the port begins to reach its capacity, so that Phase I of an inland terminal would come into being when the port reached its capacity of 900,000 TEUs, increasing the capacity of 1,150,000 TEUs.

A Phase II of the NIT would come into being when the port reached 1.15 million TEUs, and could increase the capacity of the port to 1.5 million TEUs.

**Objectives of different stakeholders**
The study has several overall objectives: 1) reducing truck traffic through peninsular Halifax Regional Municipality; 2) increasing port cargo handling capacity; 3) improving truck turnaround times; 4) providing a nucleus to the development of additional distribution activity in and around the port. (3)

**Halifax Regional Municipality.** The objectives of HRM are to 1) reduce congestion on Hollis and Lower Water Streets; 2) gain another access into the city core; 3) reduce wear and tear on city streets; 4) improve the commuter experience and reduce commuter traffic; 5) reduce vehicular emissions; 6) provide a nucleus for distribution and other value-added industrial activity.

**Halifax Port Authority.** The Halifax Port Authority wishes to 1) maximize the use of its existing terminals; 2) postpone major dock and infrastructure investment; 3) lower the risk of an environmental incident; 4) improve the efficiency of the overall Halifax gateway; 5) provide a nucleus for distribution centre activity so as to attract additional cargo through the port.

**Canadian National.** As a major stakeholder in the Halifax region, CN’s objectives are fourfold: 1) reduce inefficiencies associated with the operation of the existing domestic terminal (HIT); 2) recoup the value of lands owned by CN; 3) maintain operational flexibility; 4) gain operational efficiencies.

**Container Terminals.** In general, the container terminals seek to 1) simplify the handling process; 2) reduce the costs of handling; 3) increase throughput capacity by reducing on-site storage; and 4) return to a direct ship-to-rail operation.

**Trucking Industry.** The trucking industry has a desire to 1) improve unit productivity; 2) reduce costs of providing service; 3) increase gate hours; 4) provide faster turnaround at terminals; and 5) avoid congested routes.

**SOME ADDITIONAL POINTS**

**CN now grounding boxes**
According to the study, since the fall of 2002, CN Rail has instituted major changes in the way it serves customers of the Port of Halifax, which has led to congestion at the port’s two container terminals, one in particular. Whereas prior to September 2002, containers discharged from ships were transferred directly from ship to rail, the railway now operates on a ‘scheduled’ basis. Cargo is most often grounded before it is loaded to rail and sent to inland destinations. Neither Halifax terminal was designed for this type of operation, which has led to delays in getting containers to inland destinations.

**Not strictly true**
[Even before CN instituted IMX, the new handling method of 2002 referred to by the consultant, containers did not move directly from ship to rail. As Matt Jacobson, then of CN, noted in 2002, the terminal operators grounded most of the
discharge, and then reloaded it [see 02#09B]. Murray Graves of Halterm explained further: the ship-handling crane moves the box to a chassis, which is driven over to the rail siding so the container can go onto a railcar if one is available. But not all containers even before IMX were loaded directly. Now, Graves said, Halterm is grounding—unloading the chassis and placing the container on the ground—more containers than it was prior to IMX. {ANR&P discussion 22.Mar.06]}

Analysis of existing volumes (domestic and international)
The 525,000 TEUs of intermodal freight handled in 2004 consisted of 60% rail traffic of Montreal, Toronto, Chicago, etc. Another 20% (10% counted twice) is transshipped either from one ocean service to another, or between a feeder service and an ocean carrier. The remaining 20% [or 105,000 TEUs] is trucked.

Trucked overseas traffic. Containers to/from markets such as New Brunswick, eastern Quebec, Prince Edward Island and Nova Scotia are generally trucked directly to the shipper's door from the container terminals. When intermodal transportation started in Halifax, the market share within trucking distance was less than 10%. The market share of this ‘local’ traffic has doubled to 20% at least in part because of the access to world markets the Port of Halifax provides to regional producers and importers, as well as the comparative decline of the Port of Saint John as a container gateway.

Domestic intermodal traffic. In 2004, the Halifax Intermodal Terminal (HIT) served by CN handled approximately 25,000 intermodal units (trailers or containers). [That compares with an estimated 36,000 units in 1996. {Atlantic Northeast Rail and Marine Transport Review 1999}]

Overall, the study estimated the number of trucks calling at all of the intermodal terminals in the city at 343 per working day, assuming that 90% of the trucks haul both ways. [A calculation of this: Total trucked for overseas markets comes to 105,000 TEUs from the above. That roughly translates into 60,000 containers; add the HIT 25,000 units, and we get 85,000 units trucked. Divide that by 250 working days a year translates to 340 units/day. Editor]

More on Halifax Intermodal Terminal (HIT)
While initially set up to handle trailers, HIT traffic is shifting to containers, mostly high-cube pallet-wide 53-foot domestic containers. Frost added later that ‘HIT occasionally handles domestic cargo carried in international containers, as this is permitted for one-way use to reposition containers to load out with export cargo. HIT also occasionally handles hot boxes of international cargo drayed from either of the overseas terminals.’ {e-mail to ANR&P 25.Mar.06}

Rubber-tired gantry cranes with lift arms handle containers and trailers between double-stacked railcars and a chassis. Generally HIT will load outbound units directly to rail. Inbound, unloaded trailers are parked; inbound unloaded containers are loaded directly onto chassis which are then parked. The terminal is presently underutilized [see above—traffic has shrunk] and this underutilization has increased handling costs.

Logistec
At Richmond Terminals, Logistec handles containers using a mobile crane or ship’s gear. They are grounded. The volume of truck traffic (none use rail) is not sufficient to justify a daily gate operation.

Storage of empty containers
Port terminals in Halifax act as distribution terminals for the local market, holding loaded import containers until the consignee is ready (or able) to pick up the freight. The terminals also provide handling and storage of empty containers. An estimated 30% of all import containers into the local market return to the port terminals as empties awaiting another booking. Terminals also regularly receive or send out empties to and from rail to balance container fleets for the shipping lines. They move containers around for repairs at the terminal, prepare refrigerated containers for bookings (‘pre-tripping reefers’), and provide other handling services on the terminal per the shipping lines’ requests.

Containers are stored as empties in large blocks on the terminal awaiting a freight booking, generally segregated by line, size and type.

Oceanex concern about just-in-time
Oceanex moves containers between Halifax and Newfoundland. It handles a lot of perishables, higher value, and time-sensitive cargoes and presently offers a late gate service to their customers on Friday evenings and Saturday mornings. They compete with trucks to Newfoundland and if they do not accept late arrivals, the freight is lost to them. Even with scheduled shunts from NIT to match the requirements of the Oceanex sailings, the service level could not match the present practice. Ocean carriers (as a group) do not generally rely on late gates. {text of study on HRM website}
HALIFAX

27 January. **HALIFAX SET A RECORD OF 550,462 TEUs BUT HAD A DROP IN OVERALL TONNAGE, IN 2005.** For TEUs, with a 4.7% increase from 2004, Halifax continues to enjoy a good balance between import and export cargo, with growth in both. The strength of local exporters contributed to an increase in total export cargo by 4.7% over 2004. {Port press release}

Note: PLEASE CROSS OUT the table in the 28 February issue, and note that the following table correctly states the data.

<table>
<thead>
<tr>
<th>TEUs</th>
<th>2005</th>
<th>2004</th>
<th>Chng</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import</td>
<td>272,181</td>
<td>259,711</td>
<td>4.8%</td>
</tr>
<tr>
<td>Export</td>
<td>278,281</td>
<td>265,482</td>
<td>4.7%</td>
</tr>
<tr>
<td>Total</td>
<td>552,462</td>
<td>525,553</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

**Import Cargo in tonnes**

<table>
<thead>
<tr>
<th>Cargo Type</th>
<th>2005</th>
<th>2004</th>
<th>Chng</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Cargo</td>
<td>4,058,867</td>
<td>4,542,778</td>
<td>-10.7%</td>
</tr>
<tr>
<td>Containerized</td>
<td>2,085,335</td>
<td>2,006,335</td>
<td>+3.9%</td>
</tr>
<tr>
<td>Ro/Ro Cargo</td>
<td>99,035</td>
<td>86,675</td>
<td>+14.3%</td>
</tr>
<tr>
<td>Breakbulk Cargo</td>
<td>187,449</td>
<td>146,169</td>
<td>+28.2%</td>
</tr>
<tr>
<td>Total</td>
<td>6,430,680</td>
<td>6,781,957</td>
<td>-5.2%</td>
</tr>
</tbody>
</table>

**Export Cargo in tonnes**

<table>
<thead>
<tr>
<th>Cargo Type</th>
<th>2005</th>
<th>2004</th>
<th>Chng</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Cargo</td>
<td>4,558,177</td>
<td>4,418,302</td>
<td>+3.2%</td>
</tr>
<tr>
<td>Containerized</td>
<td>2,559,660</td>
<td>2,490,935</td>
<td>+2.8%</td>
</tr>
<tr>
<td>Ro/Ro Cargo</td>
<td>104,010</td>
<td>112,620</td>
<td>-7.6%</td>
</tr>
<tr>
<td>Breakbulk Cargo</td>
<td>9,248</td>
<td>12,117</td>
<td>-23.7%</td>
</tr>
<tr>
<td>Total</td>
<td>7,231,095</td>
<td>7,033,974</td>
<td>+2.8%</td>
</tr>
</tbody>
</table>

**Total in tonnes**

<table>
<thead>
<tr>
<th>Cargo Type</th>
<th>2005</th>
<th>2004</th>
<th>Chng</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Cargo</td>
<td>8,617,038</td>
<td>8,961,080</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Containerized</td>
<td>4,644,995</td>
<td>4,497,270</td>
<td>+3.3%</td>
</tr>
<tr>
<td>Ro/Ro Cargo</td>
<td>203,045</td>
<td>199,245</td>
<td>+1.9%</td>
</tr>
</tbody>
</table>

HALIFAX

20 March. **CERES ANNOUNCED IT HAS PURCHASED TWO SUPER POST-PANAMAX CRANES** for its Fairview Cove Container Terminal. With this purchase, Cerescorp will own and operate a total of six cranes at the terminal: three 65-tonne, super post-Panamax cranes and three 40-tonne, gantry cranes, providing the capability of handling a throughput in excess of 400,000 containers per annum. The new cranes will be shipped in 2007 from the Liebherr Container Cranes
Limited facility in Killarney, Ireland. {Ceres press release}

RAIL SHIPPERS

Described in this issue.

Coastal Recycling (PW, Rhode Island #489)
Ford (GRS, Massachusetts #115)
Georgia-Pacific (GRS, Maine)
Logistics Management Services (MMA, Maine)
New England Fertilizer (FRTC, Massachusetts #319)
Pleasant River Lumber (GRS, Maine)

EDITORIAL

EDITORIAL: GIVE GUILFORD HELP

The news that Georgia-Pacific (G-P) closed its mill in Old Town hits Maine hard, at least the industrial-base Maine. Most folks hereabouts think that some other company will buy the plant, especially as it has just received significant investment, including a new biomass boiler.

However, any buyer needs to contend with Guilford. Only G-P, of all the companies on the Guilford lines, had the courage to publicly complain about service, back in 2002. GRS still moves out 25-30 cars a week, and brings in let’s say two a week of chemicals. That comes to perhaps 2,000 carloads a year, a significant amount of the Guilford total traffic out of Maine, roughly 50,000 carloads a year.

Any buyer of the mill will want to know about rail service. And what will G-P say? Unfortunately, nothing wonderful, I will predict. With all sorts of mills shutting down production in North America, why would a buyer court trouble by investing on the Guilford line?

Doubt me? Listen to one high official trying to attract rail-served business to his area. “We get all sorts of inquiries. But when the inquirers hear that they will get served by Guilford, they run the other way.”

Contrast that with this note about the Livonia Avon & Lakeville in upstate NY, from Roy Blanchard’s Railroad Week in Review (17 March). The LAL has a reputation for taking care of its customers, so much so that Barilla America, the world’s largest maker of pasta products, has chosen to site a new $96 million pasta plant and distribution facility on LAL in Avon, NY. Says LAL President Bill Burt, “The presence of an independent, locally-managed short line railroad with multiple Class I railroad connections and a good safety record played an important role in the selection.”

Now, that description fits Guilford perfectly. Independent? Check. Locally-managed? Check. Multiple Class I connections? Check. Good safety record? Check. Why, then, has no major company located on Guilford lines?

I’m not just offering criticism here. I am also offering a solution. The other paper company on the Guilford line north of Bangor, Lincoln Paper and Tissue, has publicly stated it is looking at all lanes. I am suggesting to the state that it urge Guilford to sell off the line between Bangor and Mattawamkeag to another entity, probably MMA but also perhaps NBSR. That would provide both the mills with alternative routings to the rest of North America: south through GRS, or west through MMA. Governor, if you want to find a buyer, you’ll need to offer Guilford some assistance, either to sell its line, or to improve its service.

The response
In response to the concerns voiced above, DECD Commissioner Jack Cashman said: “We have worked with Guilford and continue to talk to them. The improvements Guilford made three years ago [became] one of the reasons the mill stayed open [see03#04B]. We work with them as best we can.” {ANR&P discussion 23.Mar.06}

**PEOPLE**

On 21 March, the **Montreal, Maine & Atlantic Railway** announced that it had appointed **John W. Schultz** as vice president Transportation, effective 13 March. He succeeds John F. Scott, who resigned to pursue other interests. Schultz has more than 30 years of railroad experience, most recently as director Transportation Services for the Union Pacific Railroad at Denver.

On 21 March, MMA announced that it had promoted **Melody A. Sheahan** from director engineering administration to vice president Engineering, effective March 15. Sheahan began at MMA as served as director engineering administration in 2005. She previously worked in the engineering departments at CSX Transportation and Amtrak, where she was senior manager, maintenance, planning and integration and director of special projects from 1997 to 2001. Between 2001 and 2005, Sheahan served as general manager for On Track-On Line, a railroad consulting firm based in McMurray, Pennsylvania.

Her immediate predecessor, **Thomas R. Klemm**, resigned to join another railroad. Interestingly, Klemm’s predecessor, Ray Goss, resigned in August 2003 to become general manager of the SLR

**Steve Arnold** will become the new chief engineer at the **Montreal, Maine & Atlantic Railway**. A successor for his current position as the general manager of the New Hampshire Northcoast Railroad has not been chosen by its owner, Boston Sand and Gravel.

*We love your newsletter, read it religiously.*
*Roger Hale, Fore River Dock and Dredge, Portland.*
ATLANTIC NORTHEAST RAILS & PORTS

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

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

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

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Purpose
Atlantic Northeast Rails & Ports, née Maine RailWatch (1994-1997) and later Atlantic RailWatch (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. ‘No railroad is an island, entire unto itself.’

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