**RHODE ISLAND**

PW Cumberland: More info on Calcagni facility.
PW Pawtucket: More on C&D facility.*
PW QDC: The FRIP has opened, autoracks for training have arrived.*
Correction: Amtrak and Conrail formation.*
RIDOT: Director Capaldi comments on FRIP and freight.*

**VERMONT**

[No report.]

**MARITIMES/QUÉBEC**

CBNS: Stora Enso re-opens.
Sydney: PEV bulk and break-bulk traffic.*
MMA: Orford Express.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

People: Bob Blanchard, Heather Gorman.

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**FROM THE PUBLISHER**

Why so much on Rhode Island?
After all, you may say, it’s a tiny state with a shrinking population [see *Regional*]. My answer: I dunno, apparently hot interest in transfer stations, plus the opening of the FRIP.

- Chop Hardenbergh

Next formal issue: 25 October
REGIONAL ISSUES

PAN AM AIR: USDOT ARGUMENT
22 August, DC. **USDOT ASKED FOR MORE INFORMATION ABOUT THE FINANCIAL CONDITION OF PAR AND BMAC** (Boston-Maine Airways Corporation, which is operating the flights marketed under the Pan Am Clipper Connection name). In a letter responding to a BMAC submission of further information, as requested by USDOT in June [see 06#07A], Michael Reynolds, acting assistant secretary for aviation, said ‘it is not clear that BMAC has the financial ability to expand its operations, as requested.’

USDOT requested an audited financial statement. ‘We note that while BMAC did submit an unaudited current balance sheet at March 31, 2006, we are unable to determine the veracity of the company’s current financial condition, since an independent third party did not verify this balance sheet. In addition, this current balance sheet was not accompanied by any footnotes explaining, for example, the creation of a long-term liability account labeled “Advances from associated companies” and the identity of these associated companies, and the deletion of a current liability account labeled “Due to affiliates” identified in its audited December 31, 2005, balance sheet, and the identity of these affiliates.’

Financial condition of Pan Am Railways
BMAC provided a ‘credit agreement’ between Pan Am Railways Inc (PAR, formerly Guilford Transportation Industries) and Bank of America for a revolving credit facility of $30 million. It also provided a letter from David A. Fink, chief executive officer of PAR, stating that PAR would provide to BMAC up to $7 million of the $30 million as soon as BMAC gets authority to operate two additional 727s. BMAC also explained details of its reduced operation schedule, for the most part flying only charters. [But on 3 October BMAC announced scheduled service to the Baltimore-Washington International airport from Elmira NY, Bedford MA, and Trenton NJ. Editor]

Reynolds wrote: ‘With respect to the commitment letter from PAR, promising to provide BMAC with a $7 million irrevocable standby letter-of-credit, we direct that you provide evidence to enable the Department to determine whether PAR has the ability and sufficient resources available to support BMAC’s proposed operations. Access to this $7 million is critical to BMAC meeting the Department’s financial fitness criteria.

‘Therefore, evidence to support PAR’s ability to provide adequate funding to BMAC should include PAR’s audited current and calendar year 2005 financial statements and the terms and conditions of the irrevocable standby letter of credit promised in the letter dated July 18. Additionally, we ask that you provide the Department with a complete copy of PAR’s $30 million line-of-credit with Bank of America, together with its terms and conditions, and a statement or other appropriate evidence from Bank of America giving PAR the right to extend its line-of-credit to BMAC.’

Demonstrate adequate equipment
‘As a final matter, we note that, by letter dated June 27,2006, the Federal Aviation Administration (FAA) denied BMAC’s request to add an additional small aircraft to its Operations Specifications, until such time as BMAC can demonstrate to the FAA that adequate equipment (including spare parts, supplies, and materials) are available for the proper servicing, maintenance, and preventive maintenance of aircraft. At that time, the FAA also noted that it was incumbent upon BMAC to take corrective action to assure that these conditions do not have a negative effect on the aircraft currently listed on BMAC’s Operations Specifications. In view of this, we direct BMAC to explain to the Department what actions BMAC has taken to address the concerns noted by the FAA in this matter.’ {text of submissions from USDOT website}

PAN AM: OK TO SHUT DOWN
3 October, Concord NH. **PAN AM BEAT BACK A CHALLENGE FROM THE PILOTS’ UNION**, the court finding that Guilford Transportation Industries was justified in closing Pan Am and continuing with Boston-Maine Airways Corporation (BMAC). Dave Fink, president of Pan Am, said in a statement: “Pan Am believes that this decision vindicates its belief that a lower-cost alternative to the traditional operating model is critical for the survival of the industry, and looks forward to a future free from ALPA’s continuing pursuit of these unsubstantiated claims.” {AP in Lowell Sun 9.Oct.06}

The Air Line Pilots Association (ALPA) had challenged the decision to shut down Pan Am and to shift flights to BMAC. The US District Court in New Hampshire found in favor of the pilots.

On Pan Am’s appeal of the decision [see 04#09B], the First Circuit said a court could only intervene, based on the Railway Labor Act, in the shutting of a business if the sole reason was to transfer the union-flown routes to a non-union
Pan Am parent [then named] Guilford Transportation Industries maintained that Pan Am was shut down because of financial losses. The Air Line Pilots Association introduced a statement from an economic analyst concluding that at best, successor BMAC can only hope to duplicate the losses incurred by Pan Am [losses admitted by BMAC–see above]. If GTI shut down Pan Am, then why not BMAC?

The judge found that the facts could support GTI’s claim that BMAC, which was flying smaller planes, could eventually succeed where Pan Am had not. He noted that the facts show BMAC losing $19 million in 2003-2004, while Pan Am lost $45 million in the same period.

Therefore ALPA had not proven that the sole reason to shut Pan Am was to bust the union, and the judge awarded summary judgement to Pan Am. {USDC NH website, case 04-00331, decided 3.Oct.2006}

REVIVE NEW ENGLAND PASSENGER RAIL

3 October. THE NEW ENGLAND COUNCIL CALLED FOR A REGION-WIDE APPROACH to aid passenger service in a study out in September: Economic Development in New England: A Guide for Candidates and Policymakers. ‘Because of our high cost of living and energy costs that are the highest in the nation, many businesses choose to expand elsewhere. Recent census reports indicate that two states are losing population (Massachusetts and Rhode Island), three states are growing much below the national average (Connecticut, Maine and Vermont) and one state is growing just below the national average (New Hampshire). Our demographics may begin to endanger our ability to grow economically.’

‘The Council, a bipartisan alliance of businesses, academic and health institutions, and public and private organizations throughout New England formed to promote economic growth and a high quality of life in the six-state region, has prepared this...to identify how the New England states can collectively work together to achieve prosperity.’

Passenger transportation needs

‘New England’s current transportation system is highly road-dependent and requires long commutes. [No mention of freight railroads! Editor] Limited availability of rail service restricts commuting options. Without investment in a transportation infrastructure to facilitate workforce mobility and business activities, the region will continue to have difficulty competing economically with other parts of the country and the world.

The Council called for ‘a collaborative effort to target investment in infrastructure and connect lower housing cost communities to major business hubs. A strong, diversified transportation system that supports passenger rail is essential to ensure economic development and a high quality of life in the region. It provides a critical competitive advantage for attracting and retaining businesses and connecting them to financial and regulatory centers. Additionally, passenger rail facilitates daily commuting and intercity transit for our region’s urban and rural workforce.’

The report noted three recent advances: ‘Amtrak’s Downeaster finished its fiscal year with the biggest jump in ridership since the start of the Portland, ME to Boston service. Ridership increased 31% over the previous year and revenue increased from $3.3 million to $4.35 million. Because of this success, Maine Governor Baldacci has ordered state transportation officials to consider expansion of the rail service to the North of Portland;’

‘The Connecticut legislature passed a transportation funding package that includes funding for restoring commuter rail service between New Haven, CT and Springfield, MA and funding to study a commuter rail line between New London, CT and Worcester, MA’; and

‘Construction has begun on a rail station at T.F. Green Airport in Rhode Island, which will allow for the extension of the Massachusetts Bay Transportation Authority from Boston, through Southeastern Massachusetts and Providence to the Airport....

‘Undoubtedly, New England’s future is linked to an efficient passenger rail service. We encourage policymakers to continue support for regional rail. In addition, Amtrak must remain a priority of the region’s policymakers and the Council encourages them to support adequate funding for Amtrak’s operations as well as for vital repair work on the Northeast Corridor infrastructure....Amtrak has targeted three bridges in Connecticut for replacement or major repair. Without repairs, they could sever a vital link of business and leisure passenger service between New York and Boston.’ {report from website noted in Destination: Freedom}
Section 2(a)(13): ‘Completing a rail link to the port of New Haven.’

Section 2(h): ‘If, within two years of the effective date of this section, the Department of Transportation is unable to implement the intermodal connection between port and rail facilities at the port of New Haven pursuant to subdivision (13) of subsection (a) of this section, the commissioner shall submit a report, pursuant to section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to transportation and finance, revenue and bonding. Such report shall describe (1) the reasons the connection cannot be completed, and (2) alternative ways to facilitate intermodal shipping at the port.’

What does this language describe?
Rail already exists across the Tomlinson Bridge and down along Waterfront Street [see 06#08B]. Governor Jodi Rell, when signing the bill in August, said it will provide a rail link to the port operators. Gott, after discussions with state legislators, said they informed her that it referred to state funding to build or re-build the spurs across Waterfront Street to the piers.

To move forward, the state bond commission must authorize a bond issue to pay for the work. Gott did not know whether that had happened.

The City of New Haven agrees with Gott, said Mike Piscitelli of the Plan Department, but some are questioning whether the language in the bill permits state bond money to be expended on private property. {ANR&P discussion with Gott 2.Oct.06, with Piscitelli 4.Oct.06}

NEW HAVEN: MORE ON RAIL
5 October, Newington. THE ISSUES OF RAIL ACCESS AND FUNDING FOR THE PIERS were explained by Brian Natwick, ConnDOT project manager for the Waterfront Street project, and Mike Piteo, who is handling the rail part of the project within ConnDOT’s utility section [see box].

Spur location
Current railcars and locomotives have a longer turning radius, so that the spurs used before rail access to the waterfront ended more than a decade ago no longer suffice.

To accommodate the new rolling stock, each property requires a new alignment for the spur, and in some cases modification of the infrastructure. For example, said Natwick, installing a new spur for Gateway requires modifying a retaining wall behind which Gateway stores scrap metal. For Magellan, some equipment and piping must move. URS Greiner and ConnDOT are now surveying the properties and gathering information from port operators to decide the best alignment.

Piteo said the spurs were “still in design development” as to how to reach each port operator. “We should have the location and geometry of the spurs nailed down within a month, two on the outside.”

Funding
While the 2006 bill provides funding to install rail, the question remains whether it will also
fund the infrastructure modifications required. Natwick explained that FHWA funds will pay for running the rail from the newly-installed branch line [see map] across Waterfront Street to the terminal property line. State funds may pay for some or all of the remainder.

The funds will flow through other agencies, such as the Department of Economic and Community Development (DECD) or the Connecticut Economic Development Authority. Natwick noted: “The specifics are not worked out”, a process requiring the involvement of the other agencies in exactly how to handle the funding. Piteo said ConnDOT felt “uncomfortable” with using the transportation bond bill to fund the rail and infrastructure modification on private property. “We need to get clarification as to the exact intent” of the language.

**Rail farther down Waterfront Street**

Per Piteo, FHWA funds will pay for continuing the rail across Alabama Street and down alongside Waterfront Street. Workers must demolish a New Haven Terminals warehouse, and that awaits the relocation of one tenant, which tests inbound petroleum products. The need to remain on the waterfront, and the nature of the work, constrains the potential relocation site. However, stakeholders have found a site, and Piteo predicts the warehouse can come down in late spring 2007. {ANR&P discussions 5 & 6.Oct.2006}

The August change at the top of ConnDOT will slow the decision-making on the port issue, predicted a New Haven source. ConnDOT’s Steve Korta left as commissioner, succeeded by Ralph Carpenter, who was heading the Department of Motor Vehicles. Carl Bard, who had backed the effort to get rail back down Waterfront Street as deputy commissioner, resigned to be succeeded by James Boice, interim chief of DOT’s Bureau of Public Transportation.

The source predicts no decision for a couple of months. {ANR&P discussion 6.Oct.2006; Governor Jodi Rell press release 28.July.06}

**Public money for private purpose**

Some are questioning, not whether the state can expend money on private property, but whether the language covers paying for the infrastructure modifications. As Fred Riese, secretary to the Connecticut Public Transportation Commission noted: ‘We use State money for economic development projects on private property all the time. Most of that money passes through the Department of Economic and Community Development (DECD) or the Connecticut Development Authority.’ {e-mail to ANR&P 4.Oct.2006}
CONNECTICUT ROAD SALT

5 October, Hartford. **THE STATE POSTED THE RESULTS OF THE BIDDING**, with few changes from 2005-2006 [see 05#11A for award], mostly ISCO supplanting Morton. {results from Connecticut Department of Administrative Services website, bid 06PSX0292]

### CONNECTICUT ROAD SALT CONTRACTS 2006-2007

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<th>District</th>
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<th>bid winner (former winner)</th>
<th>2006 price</th>
<th>2005 price</th>
<th>2004 price</th>
<th>estimated volume ConnDOT</th>
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*per ton delivered

**Stockpile and delivery information**

American Rock Salt Company, LLC will have a pile at Hartford [our Directory #571, operated by Russo Brothers] and a pile in Troy New York, both sourced from the mine in Hampton Corners NY. American also said it uses Gallo Construction as a trucker [Gallo operates American’s salt pile in Taunton, MA our Directory #283-2].

International Salt Company, LLC (ISCO) will have a pile at Gateway Terminal [our Directory #544] in New Haven, and in Albany NY both sourced by a mine in Caleta Patillos, Iquique - Chile. ISCO will use Gateway Terminal trucks.

Morton Salt will have a pile at Gateway Terminal [our Directory #544] in New Haven, and at the Sprague Pier, 114 Allens Avenue, Providence. Morton will use Gateway Terminal trucks.

**CONNDOT: STATE RAIL PLAN**

4 October, Newington. **THE AGENCY HAS MADE SLOW PROGRESS ON UPDATING ITS RAIL PLAN**, said Carmine Trotta, assistant planning director [though in October 2005 he had predicted 18 months—see 05#10A]. Doing the work in house, ConnDOT is still talking with some of the operators, gathering data.

**Additional passenger corridors**

Trotta added that in 2007, the agency will look at the Old Saybrook-Hartford corridor, and the New London-Worcester
CONNDOT: BUY HARTFORD DIV.?

2 October.  **TWO ENTITIES WOULD LIKE THE STATE TO BUY THE NEW HAVEN-SPRINGFIELD LINE** from Amtrak. Section 2(1)(9) of the 2006 transportation bill [see 06#04B and 06#08B] ‘authorizes the DOT commissioner to make agreements with Amtrak, Massachusetts, and other entities that are necessary to provide rail commuter service on the New Haven-Hartford-Springfield rail line’. Judy Gott, executive director of the South Central Council of Governments, said the state is aiming to restore the commuter rail service between New Haven and Springfield by 2008.

Actual acquisition of the line could help, Gott said, so that the state is not beholden to Amtrak for restarting the commuter service.

Toward that end, Gott pointed out, the I-91 Transportation Investment Area group, part of the state-wide Transportation Strategy Board, reached these conclusions:

3.3.2.2 The State should be served by a single rail transit passenger service.
3.3.2.3 The Hartford Division should be purchased from AMTRAK.
3.3.2.4 The management of all rail-based facilities in the state (including AMTRAK, Metro-North, Shoreline East and the freight lines) should be integrated to optimize passenger and freight interaction between systems, and to eliminate existing restrictive agreements and inefficiencies, and increase the utilization of inter-modal opportunities.

The I-91 recommendation, passed on 29 August, now goes to the full Transportation Strategy Board. The Board must make recommendations to the governor in January 2007.  

ConnDOT position

On 4 October, Carmine Trotta, ConnDOT’s assistant planning director said that the agency has “a lot of discussion about the idea right now” of acquiring the line, but has “made no commitment of that nature.” **{ANR&P discussion}**

Fred Riese, secretary of the Connecticut Public Transportation Commission, said the Commission has long recommended such a purchase.  **{e-mail to ANR&P 4.Oct.2006}**

NEW HAVEN: BARGE SERVICE?

29 August.  **ADVOCATES CONTINUE TO SEEK BARGE FEEDER SERVICE** for this port, a revival of an earlier effort to get the service here, in addition to or instead of feeder service to Bridgeport [see 03#05A]. The I-91 Transportation Area recommendation [see above] this day stated:

2. Feeder Barge Service - Port of New Haven: Establish feeder barge service at the Port of New Haven and include support for barge to truck and train intermodal transfer facilities. We continue to support feeder barge service for Connecticut and request the TSB and the legislature rethink its position of starting service in one port (Bridgeport). The Port of New Haven plan should be reconsidered and allowed to proceed with state funding assistance at the same time the Bridgeport service is being implemented.

{text of report}

MAINE

MERR: DRAGON DOING WELL

27 September, Thomaston.  **DRAGON CEMENT FLOW IS GOING WELL**, said Terry Veysey, executive vice-president. The company [our Directory #893] plans to load and send 65 barges this year [up from about 30 in 1998–see 99#09–with the expansion–see 04#08B].

New ownership
Cementos Portland bought out co-owner Cementos Lemona. Portland plans to combine Dragon with two other companies
it owns: Giant in South Carolina, and Keystone in Pennsylvania. Veysey, formerly using the title president, now reports to the combined management: “We’ve been working together for several months.” {ANR&P discussion}

**MMA: KATAHDIN HALTS PULP MOVE**

26 September, East Millinocket. **MMA WILL LOSE MORE TRAFFIC AS KATAHDIN PRODUCES ITS OWN PULP:** to this point, pulp for the paper mill had arrived via Searsport and MMA.

In 2004, Katahdin Paper parent Fraser Paper leased the Port Cartier mill for 11 years from Uniforet [see 04#09A], and shipped pulp to Searsport and then via MMA to Millinocket and East Millinocket. But in June 2006, Uniforet advised its employees of a temporary stoppage of production in the pulp mill. Some 52 of its 80 permanent employees were laid off for a three-month period. According to management, the mill is saddled with surplus production that exceeds the demand from Fraser Paper, the only buyer of the pulp produced in Port Cartier. {Service Canada News Flash 14 June 06}

**Effect on pulp production**

According to the Katahdin Paper page at the Maine Pulp and Paper Association website, Katahdin employs 540 employees in both facilities. It produces approximately 280,000 tons of newsprint and directory papers per year at two machines in East Millinocket [our Directory#790], with an additional 185,000 tons of supercalendered paper (SC-A & SCA+) at Millinocket [our Directory #791]. It produces 550 tons of stone groundwood and 300-350 tons per day of recycled pulp at the pulp mill in East Millinocket.

Glenn Saucier, Katahdin spokesperson, said the company will increase pulp production but hire no additional workers. The Port-Cartier plant produced 300-400 tons per day, Saucier estimated. “[W]hatever we can’t make we will have to buy” from suppliers. {Nick Sambides in Bangor Daily News 28 Sept 06}

**ST: TRAFFIC DOWN IN WESTBROOK**

28 September, Westbrook. **THE SAPPi MILL IN WESTBROOK HAS LESS AND LESS RAIL TRAFFIC.** A source close to plant management said that in addition to the mill stopping production of pulp, it is now making only specialty release paper, a large percentage of which is exported in less-than-container-load quantities ‘which does not lend itself to rail shipments.’

As the mill has reduced production over the years, the volume of raw materials has been reduced. This makes it difficult to justify a switch just for a few cars per week–inbound rail traffic now consists of only two to four cars a week. Truck is being used more for inbound.

The mill still brings in wood chips, but by truck, ‘for the biomass power plant which is alive and well.’ {e-mail to ANR&P}

**ST/SLR: ROUTE FOR COMMUTER?**

28 September, Augusta. **RON ROY EXPLAINED THE PURPOSE OF THE FTA GRANT OF $984,179 TO EXAMINE TRANSIT** in the corridor between Portland and Yarmouth. MDOT would like to examine the feasibility of commuter rail and extension of Downeaster service between Brunswick, Lewiston/Auburn, and Portland, and if feasible move toward creating the service. The $1 million grant (some was deducted for FTA administrative costs) was announced by the Office of US Representative Tom Allen on 19 September. {Allen press release}

**SAFETEA-LU, Small Starts, and earmarks**

Two years ago a transportation appropriations bill contained the earmark providing $1 million for Maine to examine transit in that corridor. Then the 2005 re-authorization of the surface transportation bill [SAFETEA-LU, see 05#08A] added a new category of project, ‘Small Starts’, for projects with anticipated costs less than $75 million.

Roy, head of the Office of Passenger Transportation at MDOT, explained that the new category obviated the need for Maine’s project to compete in the ‘New Starts’ category against mega-projects such as expansion of the Los Angeles subway system.

**The sequence from study to construction**

MDOT will ask a consultant to assemble all the studies done thus far, such as the I-295 congestion study and the look at extending the Downeaster to Brunswick, addressing the question of transit in the corridor. He listed such relevant topics as bus options, rail options, highway options (HOV lanes), whether to develop new numbers as some of them are more than 10 years old, the definition of the corridor (Boston-Brunswick or Portland-Brunswick, for example), need for any environmental
assessment, sources of funding, chances of economic development, effect on the Downeaster service, and so forth.

As this will constitute one of the first applications, the FTA is still shaping the Small Starts program process. MDOT will interact with FTA on exactly what the process will be.

After a certain amount of back and forth, MDOT will submit the appropriate documentation (assuming the project looks feasible) to constitute an application. FTA will evaluate the report and recommend to the US Congress whether the project should be pursued.

MDOT would next seek earmarks for preliminary engineering and design, and then finally an earmark for construction.

Time line
MDOT will strive to issue a scope of work for the consultant within the next 60 days, and then put the project out to bid.

Roy feels optimistic about the chances of the project; the recognition of the corridor in SAFETEA-LU gives it Congressional stature, and the current FTA funding means that agency is aware of the project.

Rail
Roy quickly notes that the transit project is not automatically a rail project: “We have to look at the alternatives.” The department must also look at the two different rail lines between Yarmouth and Portland: SLR and ST.

MDOT favors rail, justified in part by the I-295 study recommending looking at rail as an access to the Portland peninsula. Roy argues that his agency must look out 10 or 20 years, to decide what’s best for Maine. The I-295 study predicted significant congestion in 20 years, so the study will look at ways to mitigate that.

Assuming rail would do that, the department must choose between ST and SLR. “We are going to have only one bite,” said Roy. The ST route, which he termed the “turnpike route” as it parallels the Maine Turnpike (I-95), is not favored by the City of Portland as it will put more trains through already congested grade crossings at Woodford’s Corner and Morrill’s Corner. [However, the ST route should cost much less in theory, as it does not require a new bridge. Editor]

The SLR route will require a new bridge between the old, now damaged, rail bridge and the I-295 bridge across the mouth of Back Cove to the Eastern Promenade. The City of Portland favors the train entering the peninsula here, within walking distance of downtown office buildings and consistent with the city’s Bayside redevelopment. {ANR&P discussion 29.Sep.2006}

**MASSACHUSETTS**

**CSXT: BROCKTON WASTE?**

10 October, Brockton. **TWO PARCELS USED BY CHAMPION CITY RECOVERY MAY HOST** additional truck-to-rail transloading. Paul Barry, who owns Graham Waste of Cohasset, has bought the parcels for $3.5 million; Champion City [our Directory #313] uses them to access its C&D facility. He is considering locating his own facility there at 1093 North Montello Street.

Graham Waste handles the municipal waste of the Town of Cohasset, but per Barry had to close its landfill in Cohasset. He now uses landfills and transfer stations around the region.

**BARRY EFFORT IN ABINGTON**

In 2005, the Massachusetts Appeals Court upheld the Abington Board of Health decision to deny construction of a transfer station proposed by Paul Barry in Abington near the border of Weymouth. Abington Transfer Station, LLC proposed an 1,800-ton capacity transfer station for solid waste on Route 18 in Abington near the Weymouth town line. The Board of Health initially approved it, but then residents recalled the entire board and the new members turned it down. {Townonline.com indexed 12.Oct.05}

Application to construct spur
Barry filed an application with the Massachusetts Department of Environmental Protection to construct a rail spur on part of the property. According to Theresa Barao, DEP spokesperson, a Robert Schaudt has filed the application on behalf of two companies, North Montello St–Cohasset LLC, and EWB North Montello–Brockton LLC.

Barry had to get DEP permission because the spur will sit on a former landfill. {ANR&P discussions 10.Oct.2006}
More on this in a future issue.

RHODE ISLAND

PW: C&D IN CUMBERLAND

5 October, Cumberland. **MORE DETAILS ON THE FLEET CONSTRUCTION PROPOSAL FOR A C&D FACILITY** emerged from Peter Calcagni, owner of the company, and partner Arthur Casey [see 06#07B], at 24 Martin Street [see map 06#03B, location opposite CCL Custom Manufacturing, roughly in shaded area].

- Environmental efforts will soon require the recycling of 70% of the materials from construction and demolition sites.

- It would handle 300 tons per day from Fleet Construction, and 300 tons from outside contractors. [Thus perhaps five railcars a day? *Editor*]

- All sorting and loading of outbound railcars will occur within the existing former Berkeley Mill. No sorting or storage will occur outside.

- Calcagni already operates ‘We Dispose’ trash receptacle business and Bio Waste LLC on the premises. [Marcia Green in *Valley Breeze* 5. Oct. 06]

In an advertisement in the *Breeze*, Calcagni made similar points.

PW: C&D IN PAWTUCKET YARD

25 September, Pawtucket. **NIMBYS CONTINUE TO BATTLE THE TRANSFER STATION IN PAWTUCKET YARD**, but it is proceeding with a permit application. Members of the Pawtucket Alliance for Downtown Success (PADS) held a public meeting at the Mixed Magic Theater on Main Street to update residents on the status of the proposed project. They were joined by city officials.

**The proposal**

Pawtucket Transfer Operation (PTO) has leased PW’s Pawtucket Yard, intending to create a truck-to-rail facility to transfer construction and demolition debris. According to PTO, the facility will handle 1500 tons per day, or probably 360,000 tons per year assuming 275 days of operation per year. PTO will not process any material—not even grind it—and all loading will occur in an enclosed building.

At 95 tons per rail car, PW will get about 13 cars a day; the operating plan calls for a daily switch.

[Currently, PTO has subleased the eight-acre yard to Boston Railway Terminal (our *Directory* #482). The Terminal is receiving steel by rail and is considering cullet. *Editor*]

**Legal status of the proposal**

In 2003, the city initially granted PTO a certificate of zoning

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**TRANSLOAD AMERICA & PTO**

PTO is an affiliate of Transload America. According to the website: ‘TransLoad America, through its affiliate Pawtucket Transfer Operations, LLC, has leased the Providence and Worcester Railroad’s Pine Street Yard and is currently handling bulk materials including structural steel. Pine Street is over eight acres and has more than 9,000 feet of track on-site. The facility is .25 miles from I-95 and is located between Providence, RI and Boston, MA.’

**More on TransLoad America**

The company operates other facilities:

- **Oak Island, NJ.** A 28-acre yard in Newark, for Canadian Pacific Railway. The Oak Island rail yard facility is certified in the State of New Jersey Solid Waste Plan and is the designated waste facility for Essex County non-putrescible waste types.

- **Rockwood, Michigan.** TransLoad America is the exclusive agent for CN’s waste operation in Rockwood, MI. {website}

In addition, said Executive Vice-president Mike Wellman, the company is pursuing other opportunities throughout North America. {ANR&P discussion 4. Oct. 06}

**Pre-emption in Rockwood**

CN announced in late 2004 that it would operate a transload in Rockwood City. A crane straddling the track would unload open railroad cars filled with construction debris from New Jersey, and load it into open trucks for delivery to the landfill in Newport, Michigan.

This generated protest and a lawsuit, but CN recently won a permanent injunction based on federal pre-emption. That is, CN operates the facility with Transload America as its agent. {US District Court Eastern District of Michigan, Case 04-40323}
Compliance, then attempted to revoke it, arguing that only municipal transfer stations were permitted under the zoning ordinance in the MO zone. PTO appealed to the Pawtucket Zoning Board of Appeals, which denied PTO. The company then filed suit in Rhode Island Superior Court to appeal the Board of Appeals decision.

In Superior Court on 22 June, Judge Stephen Fortunato reversed the Board of Appeals, concentrating on whether under Pawtucket zoning ordinances a privately-owned refuse transfer station is permitted to conduct business in an MO zone. The Board had concluded since the ordinance did not differentiate between public and private stations, the City did not err in limiting the zone to only public stations.

But Fortunato noted that other parts of the ordinances specifically address ‘municipal garage’ or ‘municipal structure’, thus making an explicit difference between private and municipal operations. The drafters of the ordinance did not use the term ‘municipal transfer station’, therefore the Board could not limit transfer stations to public facilities.

Fortunato went on to state that though the City ‘seems to approach this as if we are in the middle of some wildlife preserve, this is not the case. In this MO zone are permitted uses of manufacturing companies for chemical products, tanneries, plastics, and so forth....So to suggest that the term ‘refuse’ could not include the kind of debris that this plaintiff is going to be receiving at its facility...is to also stretch the ordinance...in a way that is just as unlawful as the interpretation of the Board of Appeals that title must be in a governmental entity.’ {transcript of hearing from Pawtucket Foundation}

According to a spokesperson for Pawtucket, the City will ask the Rhode Island Supreme Court to review the Superior Court decision. {Rochelle Lefebvre in Pawtucket Times 26.Sept.06}

**Next step for PTO**

Mike Wellman, executive vice-president of Transload America [see box], said the company is “completing an application to the Department of Environmental Management for a transfer station.” He is talking with Boston Railway Terminal about sharing the yard, though the transfer station would require segregation.

Once the station begins operation, Wellman believes, the relations between the company and the community will be friendly. In his work as regional official for Waste Management for eleven years, he became knowledgeable about community relations. He pointed out that the facility will pay more taxes, will provide good jobs, and should not affect street traffic appreciably. As part of the permit application, PTO is paying for a traffic engineering study.

Will the region produce enough C&D to supply Rhode Island’s existing facilities [Coastal Recycling and Pond View] as well as PTO and now Fleet [see above]? Wellman was confident; he sees the market growing as more and more landfills turn away C&D. {ANR&P discussion 4.Oct.06}

**Commuter rail station?**

The City has asked consultant Vanasse Hangen Brustlin (VHB) to look at using the rail yard as a commuter rail station (Pawtucket currently has no MBTA stop), as well as looking at the Central Falls depot [see 06#02A]. On 3 October, VHB’s David Wilcock presented preliminary findings to a group of stakeholders, indicating that both sites had pluses and minuses.

Wilcock noted that on another VHB project in Burlington Vermont, visits to 20 sites turned up no alternates that were feasible or would not have faced intense opposition, including from neighborhoods not wanting a new railyard in their back yard.

Jack Mitchell, one of the partners who bought the depot acreage last year, reiterated their desire to bring the T stop to their site. “We’ve waited for two-and-a-half years. We’ve sat on the property. I don’t know how anyone could even question we want a T stop. We want the train station, we’re hoping we’re the ones they choose. We think our site makes a lot more sense” for its positive impact on those living and working in the nearby area. {Douglas Hadden in Pawtucket Times 4.Oct.06}
PW: THE FRIP IS OPEN!

2 October, Davisville. **THE FIRST PW TRAIN OPERATED OVER THE FRIP INTO THE QUONSET/DAVISVILLE COMMERCE PARK.** At the end of September, Amtrak and PW reached an agreement on the terms under which PW would use the track [see 06#09A].

The first train brought in 19 cars, and left with three. {Jeff Rost in PW e-list}

**The autoracks**
The next day, Tuesday, PW ran the three autoracks along with other general freight down from Worcester to Pawtucket, and thence by an extra to Davisville. PW President Scott Conti and Vice-president Dave Fitzgerald rode the train from Valley Falls to Davisville, met with NORAD officials, and then returned by auto to Worcester. {e-mail to ANR&P from correspondent Ron Chouinard}

**Ribbon-cutting**
On 19 October RIDOT will host a ceremony to mark the opening of the Freight Rail Improvement Project (FRIP), 1100AM at the NORAD parking lot. {text of invitation}

Correction on Amtrak and Conrail

In my article on the FRIP in 06#09A, I gave the erroneous impression that Congress created Amtrak to respond to the bankruptcy of Penn Central. In fact, Congress was trying to take the money-losing passenger operations off the hands of the freight railroads, which were not doing well. But many of their bankruptcies, which did force the creation of Conrail by Congress, postdate the 1970 act creating Amtrak. My colleague Malcolm Laughlin, who pointed out my error, lists these bankruptcy dates for railroads includable in the 3R Act process: 07/07/61 New Haven, 03/22/67 Central of New Jersey, 06/21/70 Penn Central, 06/24/70 Lehigh Valley, 12/70 B&M, 11/23/71 Reading, 04/19/72 Lehigh & Hudson River, 06/22/72 Erie Lackawanna, 10/16/73 Ann Arbor.

RIDOT: AN ATTITUDE TOWARD RAIL

3 October, Providence. **RIDOT DIRECTOR JAMES CAPALDI DISCUSSED SOME RAIL ISSUES** in the context of the opening of the Freight Rail Improvement Project (FRIP), the third track between Pawtucket and West Davisville.

**FRIP**
Capaldi related how in 1993 he attended a meeting in which Amtrak said it wanted to run 54 trains a day through Providence. PW protested, noting that schedule would force it to operate only at night, but at night Amtrak would perform maintenance. Thus was the concept for the FRIP born.

**Ownership.** Contrary to the report from Amtrak [see 06#09A], Capaldi could not recall that RIDOT ever offered to own the FRIP.

**Long-term maintenance.** Capaldi praised the standard to which the FRIP was built. But when the time came to do major track work, “if Amtrak is not using it, RIDOT would [do the work] because it will be in our own best interest” as it will be used both for commuter and for freight.
However, Capaldi believed that as Amtrak responds to the increasing highway congestion by adding more trains, it will have electrify the FRIP and use it for intercity service.

**Pro-rail program**

RIDOT does not have a program like the Industrial Rail Access Program in Maine, under which the state pays one-half of the cost of a company’s siding or switch, or the program in Vermont under which the state pays one-third of the cost. Capaldi said he would discuss the matter with EDC.

**NIMBYism**

Asked about the local resistance to siting transfer stations [see Pawtucket, this issue, and Coastal Recycling in Cumberland 06#08B], Capaldi replied, “That's the way the system works.” Those who oppose can often stop projects.

**Future passenger service to Newport?**

Capaldi envisioned MBTA running down as far as Westerly; Shore Line East has expressed an interest in running to Providence. If the T gets to Fall River, Rhode Island would look into extended passenger service to Newport.

**General plan for rail-served facilities**

Asked whether the state assumed any role in siting new rail facilities, Capaldi said no. “The demand is not significant enough.” If a company wants freight rail, it contacts PW or the Economic Development Corporation (EDC).

Nor does RIDOT have any official dedicated solely to rail. Steve Devine [see 99#01, 99#14] is the only person who has spent time with the history of rail, because Rhode Island unlike Connecticut or Massachusetts never had its own rail system.

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**QUEBEC/MARITIMES**

**CBNS: STORA RESTART**

29 September, Port Hawkesbury. *STORA GOT A FAVORABLE ELECTRIC RATE RULING* and will re-open the mill, shuttered since Christmas 2005 [see 05#12B].

**The rate ruling**

The Utility and Review Board issued its decision on 28 September in NSUARB-NSPI-P-883, 2006 NSUARB 97, *in The Matter of a Hearing to Establish a Rate to Replace Nova Scotia Power Incorporated’s Extra Large Industrial Interruptible Rate*. In summary, the Board stated: ‘The rates which have been approved by the Board in respect of this application are cost-based rates, set in accordance with the Board’s fundamental responsibility to ensure that rates charged to all customers of NSPI are fair and reasonable. The Board is satisfied, based on the evidence before it and the structure and conditions imposed on the operation of these rates by the Board, that these rates are not preferential to, or subsidized by, any of NSPI’s customer classes.’

The better electrical rate, which will save Stora between $5 million and $10 million, was the last break the company needed before it would re-open [see 06#08A].

**The re-opening**

“It wasn't everything that we were looking for, but we feel it's certainly enough,” Patricia Dietz, Stora Enso spokesperson, told CBC News. The startup of Paper Machine 2, which makes paper for magazines and catalogues, will begin immediately, while the newsprint mill Paper Machine 1 will be back in operation by the end of the year.

But the company said that even with lower power bills, wage cuts and lower taxes, it will continue to face the challenges of overseas competition and a high Canadian dollar. [CBC webposted 29.Sept.06]

**MMA: EXCURSION TRAIN**

3 October, Sherbrooke. *THE POSTPONED ORFORD EXPRESS WILL DEBUT THIS MONTH*, beginning 7 October, and for the next two weekends, making a four-hour round-trip with a meal. The train had to postpone its planned May start-up
SYDNEY: PEV TRAFFIC
23 September. **PEV IS MOVING BULK AND BREAK-BULK, WITH PLANS FOR MORE.** said Jimmy Graham, the manager of the Provincial Energy Ventures pier here. The stevedoring and crane work means employment for 50 people. “We are one of the biggest customers for Cape Breton Central and Nova Scotia Railroad out of the Sydney metro area.”

**Break-bulk**
This past week, a ship loaded parts of the former Sysco (Sydney Steel Company) plant for export. PEV also loaded out ‘armour stone’ for export to Bermuda. [Rip-rap stone is generally placed randomly on an embankment; armour stone is normally heavier and geometrically shaped to aid in individual placement as an outer, protective facing–US Army Corps of Engineers website]

**Inbound coal**
PEV continues to handle import coal both for transloading and for movement to Lafarge [see 06#08A].

**Slag and outbound coal movement?**
PEV sits near three million tonnes of air-cooled blast furnace slag. Locally, said Graham, it is used for road construction. PEV is seeking overseas markets for the slag.

In addition, Graham noted, assuming that the Donkin mine proves productive [see 06#08A], PEV and Logistec will bid for the export traffic. {ANR&P discussion 23.Sept.06; Cape Breton Post 27.Sept.06}

SAINT JOHN: IRVING REFINERY
5 October, Saint John. **IRVING IS CONSIDERING A SECOND OIL REFINERY**, on acreage it recently purchased near Red Head. The facility could create 1,000 jobs in the city and could cost between $5 billion and $7 billion. The existing refinery in eastern Saint John, the largest in Canada, processes 300,000 barrels of oil per day and is the largest refinery in Canada. The second refinery is expected to be equal in size.

**Impact on transportation**
Of the 300,000 barrels a day, Irving exports approximately 175,000 barrels of petroleum products to the US Northeast, including 100,000 barrels of reformulated gasoline (RFG)—that’s about 42% of all Canadian petroleum exports and about 45.5% of US RFG imports. {website}

Nearly all of the export moves via ship, to Irving tank farms in Searsport [see map 05#08B], Portland, Revere Massachusetts, and Newington NH. A little asphalt gets trucked over the border, and a bit of high-sulfur residual fuel moves by rail. {e-mail to ANR&P from Irving spokesperson Rob Wilson}

**Additional terminal space in South Portland**
In February 2006, Irving purchased a 55% interest in the Motiva/Citgo Marine Terminal in South Portland. {Michael McCord in Seacoast Online 3.Feb.06} Just weeks earlier, it purchased the Johnson & Dix rail-served propane terminal in White River Junction [see 06#02A].

**Financial partner needed**
Kevin Scott, Irving's director of refining growth for oil, spoke about the company's plans during a Saint John Board of Trade luncheon on energy this day. The new refinery would constitute the single largest private sector investment in Atlantic Canada, and Irving Oil needs a financial partner to make it happen. Irving hasn't made a final decision yet, but hopes to in early 2007. North America has not had a new refinery in the last 25 years, and the demand for gasoline in the United States is now more than the country's refineries can handle.

**Another refinery in Newfoundland?**
Brian Dalton of Newfoundland and Labrador Refining Corporation saw room in the global marketplace for two additional refineries in Atlantic Canada. North Atlantic Refining operates a refinery in Placentia Bay, in southern Newfoundland. Another company plans to build a second refinery to access the same shipping lanes.
But not in Nova Scotia
Paul Boultier, director of energy projects for Nova Scotia Business Inc., said on 5 October that a long-proposed Nova Scotia refinery is now effectively dead. {CBC webposted 5&6.Oct.06}

RAIL SHIPPERS

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

Boston Railway Terminal (PW, Rhode Island #482)
Champion City Recovery (CSXT, Massachusetts #313)
Dragon Cement (MERR, Maine #893)
Gateway Terminal (PW, Connecticut #544)
Graham Waste (CSXT, Massachusetts)
Irving Oil (NBSR, New Brunswick)
Katahdin Paper (MMA, Maine #790-791)
North Atlantic Distribution (Seaview, Rhode Island)
Pawtucket Transfer (PW, Rhode Island)
Sappi Westbrook (ST, Maine #13)
Stora Enso (CBNS, Nova Scotia)

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Malcolm Laughlin, editor
Chop Hardenbergh, publisher

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PEOPLE

Bob Blanchard in March assumed a portfolio of business development at Irving Oil. He has responsibility for the Irving marine and rail terminals in the United States and Canada, working out of the Portsmouth NH office. Bob worked for many years at Sprague, leading its terminal business, and introduced your editor to the company.

Heather Gorman, who succeeded Neill McKay as transportation policy officer - rail/marine at New Brunswick Department of Transportation, has left to take a job with a consultant. No replacement has yet been named; direct inquiries to Don Mason, manager, marine/rail policy.

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).

Readers building a personal archive of the newsletter should discard the e-bulletins. All subscribers have access to the newsletter archive on the web, via password, at www.atlanticnortheast.com. If you do not have a password, merely request one from me.

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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.’