*Article unchanged from e-bulletin.

**REGIONAL ISSUES**

**APHIS**: New inspection at Canadian border generates opposition.

**CONNECTICUT**

**ST**: Inactive customer in Bristol [see Maritimes].

**New Haven**: Rail to North Yard possible.

**Amtrak Springfield line**: Letter writer says Connecticut should not pay for the line again.*

**MAINE**

**MERR**: Lower Road trip to show the flag for passenger and freight.*

**ST/NBSR**: Stella-Jones poles to Costigan and Vanceboro.

**SLR**: Intermodal down again.*

**MASSACHUSETTS**

**ST**: “Fast” intermodal train to Mechanicville.

**ST**: Slow track speed on Conn River Main.

**Massachusetts salt**: Reverse auction works well.

**Fall River**: No responses on pier plan.*

**Boston**: 20th anniversary of Mediterranean Shipping calls generates comments about port use.*

**NEW HAMPSHIRE**

**NEGS/NECR**: Advanced Recycling sold.

**RHODE ISLAND**

**RIDOT**: Transit measure.*

**PW/QUONSET**: Ribbon-cutting for the FRIP.

**PW**: Filing to join TTX pool for autoracks.*

**PW**: Autoracks with Audis move soon.

**VERMONT**

**Amtrak Vermont**: Legislative committee meeting on RDCs v DMUs postponed.*

**VRS**: Wastetricity voted down.

**MARITIMES/QUÉBEC**

**Halifax**: Nova Scotia premier calls for Atlantic Gateway.* Quebec wants money too.

**NBSR**: Transload looking for customers.

**NBSR**: Flakeboard not using rail to Connecticu.

Shelburne/Halifax: Eimskip moves to Halterm.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Concerned about new border controls? Shippers and railroads should file comments with APHIS sooner than 24 November, the date the controls will go into effect.

**I will catch up!**

Supposedly the first issue of October, this issue is emerging at the end. Rest assured, readers, that you will receive the formal issues of 2006, the last to come first week of January 2007.

- Chop Hardenbergh Next formal issue 8 November.
REGIONAL ISSUES

NEW BORDER CONTROL

25 August, DC. THE US DEPARTMENT OF AGRICULTURE IS PROPOSING NEW INSPECTIONS AND NEW FEES ON CANADIAN BORDER TRAFFIC. Under a new regulation promulgated in August, the department’s Animal and Plant Health Inspection Service (APHIS) will begin inspecting imported fruits and vegetables, and levying a fee on every commercial vehicle crossing the border, whether or not it is carrying fruits or vegetables. Trucks will pay $5.25, railroads $7.75 per car. Under an emergency procedure, the rule will take effect in 90 days, on 24 November.

Opponents to the regulation as written call it “onerous”, “unconstitutional”, “unreasonable and unlawful” etc, though such inspections and fees have been imposed on all US-bound traffic from Mexico and other countries since 1992.

The government case for the inspections
APHIS regulations have always blocked the import of diseased or pest-ridden plant material. But, as APHIS acknowledges in its background information for the regulation, until now fruit and vegetable imports from Canada have had an exemption from mandatory inspection, which APHIS is lifting because of growing danger. Due to NAFTA, Canadian exports to the United States of vegetables and fruits and nuts increased by 80%, and Canadian re-exports to the United States 336% between 1995 and 2005. Ad hoc border inspections have discovered numerous pests among these items.

But do all railcars need inspection? As the Canadian government pointed out in its official submission to APHIS, Canadian exports of fruits and vegetables are not carried by rail to the United States. Indeed, APHIS itself states that only 5 to 20% of commercial conveyances are moving agricultural goods. Canada argued: ‘In 2005, 1.27 million full railcars travelled from Canada.’ That would generate ‘US $9,842,500 in fees, with no inspections of those railcars actually needed.’

APHIS thinks differently about containers and railcars: ‘Solid wood packing material, a pathway for the...pine shoot beetle, emerald ash borer, and other pests and diseases, is estimated to be present in some 70% of all Canadian rail containers. We view both the packing materials and the railway conveyances in which they are carried as more significant risk pathways’ than when Canada was granted the exemption in 1992.

The regulation is also an effort to raise revenues, points out Tom Howard of Domtar Industries. APHIS stated: ‘We are taking this action in part because we are not recovering the costs of our current inspection activities at the U.S./Canada border.’ It has had to add inspectors, but has not recovered the cost of the inspections. Howard wrote in Domtar’s comment on the rule, submitted to APHIS: ‘The proposed rule’s intent is less about protecting US fruits and vegetables, but more about adding to the Department’s revenue streams.’ Indeed the fee actually may be viewed as a tax on cross-border traffic to support APHIS, and thus violates the US Constitution requiring the US Congress to vote for all taxes.

Railroad objections
Ed Greenberg of the Canadian Pacific Railway noted: ‘Officials from our company are currently working with a number of organizations, including the AAR, Railway Association of Canada, trucking industry, airline industry and the Government of Canada, in asking the USDA to reconsider its decision. The concerns shared by everybody is over increased delays at the border.’

But unless APHIS postpones implementation, CPR, CN and all other railroads will pay the fee, and pass it on to the shippers. Railroads will not pay at each border crossing: APHIS will use the AAR to report number of railcars brought across the border by each railroad; each railroad will then pay APHIS directly. As for the delays, the regulations require inspection ‘at the port of first arrival’ and APHIS itself admits in the introduction to the regulations that ‘the inspection process may take only a few minutes or it can be quite extensive.’ APHIS considered the possibility of border delays, but argued that since more inspectors will be hired as a result of the fees, APHIS ‘does not foresee that happening.’

Can the opponents stop the rule?
The list of opponents is quite substantial, and the number of comments filed with APHIS opposing the new regulation grows each day. APHIS proclaims itself open to change: spokesperson Melissa O’Dell said that “we will definitely consider all comments. If the comments prove the risk is low, we will take the appropriate action” including postponing the effective date.

Some stakeholders, including CN, CPR, and Domtar, have held conference calls to map strategy. Three entities—CN, the National Industrial Transportation League, and the Canadian Industrial Transportation Association—argue for limiting the inspections to agricultural traffic. As the last two stated: ‘Targeting high-risk agricultural products prior to arrival should be both possible and an appropriate approach to managing this risk.’
Tom Howard of Domtar was not optimistic, however. “At the rate we are going, we have no chance of even slowing this thing down. It is amazing at the lack of interest this has generated.” Senate Homeland Security Committee staff held a field meeting this week in Calais, Maine which he attended. Said Howard with chagrin: “They were not aware of the regulations and expressed some surprise about the far-reaching scope.” {e-mail to ANR&P from Howard and from Greenberg; ANR&P discussion with O’Dell 25.Oct.06; submissions to APHIS plus text of regulation and background on regulations.gov}

CN position
Mark Hallman wrote that in terms of delay, CN ‘do not anticipate the regulation will affect transborder shipments.’ He provided this statement sent to all its customers:

Railcar fee. ‘APHIS has announced an inspection user fee of $7.75USD per railcar crossing from Canada into the U.S. to be collected to offset the costs of performing inspections; the fee will come into effect on November 24, 2006, which falls after the beginning of the U.S. government’s 2007 fiscal year. [APHIS raised the fee as of the end of the government fiscal year on 30 September from $7.50 to $7.75 per car–see box.]’

Container fee. ‘For each CN intermodal container or trailer crossing the border, the fee, from CN’s proposed invoicing plan, will be dramatically lower at $2.02USD per unit. [Hallman explained that ‘we’re planning to take the per car fee and divide it by the average number of containers per car.’]’

‘Starting November 24, 2006, CN shipments that cross the border from Canada into the U.S. will be assessed this fee and invoiced on a separate monthly invoice. CN is currently building the ability to include this surcharge on every invoice and it will be your choice whether to receive the surcharge monthly or on a per-invoice basis, available in early 2007.

‘CN will continue to petition the appropriate regulators to have this fee removed or at least constrained to the intended agricultural traffic. Customers are encouraged to voice their opinion of this user fee to APHIS who is welcoming input from interested parties until November 24, 2006.’ {e-mail to ANR&P 24.Oct.06}

Atlantic Northeast railway position
[Despite repeated attempts, neither MMA nor SLR had provided a comment by deadline. I hope for some comment in the next issue. Editor]
Brinckerhoff, is considering recommending extending the rail [see map in 06#09B] in the draft land use plan.

Mike Piscitelli of the city’s Plan Department said the Port Authority, which had hoped to look at the land use plan on the 5 October meeting, now has a presentation on the draft recommendations tentatively scheduled for its next meeting on 2 November. [ANR&P discussion]

BUY LINE TO SPRINGFIELD?

Letter to the editor
This responds to the article in 06#09B describing the proposal that the State of Connecticut buy from Amtrak its line between New Haven and Springfield.

Chop, let me get this right:

We the citizens bought that line for Amtrak back in the 1970s [from Conrail-editor] and that was so much fun, there is a proposal to do it again?

Only this time we’ll do a little bit different, we'll create a more balkanized governmental agency that will help create a commuter rail line to teach people that it is easy and 'normal' to live 50-60 miles from their place of work. Are we getting that delusional Chop? Say it isn't so.

Since it will be a Connecticut-driven operation, we can count on seeing little or no opportunity for people in Connecticut to have proper scheduling to accommodate them working here in the beautiful Pioneer Valley. Instead we will likely see the scheduling model in use in Worcester where there is no opportunity for Boston people to take jobs in Worcester because the schedule is so stacked for east-bound commuters.

There are people running around touting the ‘success’ of Worcester’s resurrected rail service. I look at it being akin to the children’s fable “The Emperor has No Clothes”. As the first paying tenant in Worcester's Union Station, I saw/learned two things.

1. Stunned amazement as I continually watched the commuters coming in daily from Boston avoid the station and its vendors and instead chose to flow en-mass over the broken-glass-strewn embankment to the parking slums in order to create their twice-a-day traffic jam getting out of town.

2. Disappointment when I realized that even though my office was 50 steps from the train platform, I couldn't take the train in for an early meeting at the transportation building, and then get a train back to Worcester to work in my office that afternoon. Sorry sucker, no passenger trains west-bound till late afternoon. Take a nap in South Station and wait for the lemmings to join you.

We need to have an honest debate on how to get the private sector railroads to take over passenger service again and have it run right and not run by the faceless apparatchiks within the guv'mint. Let’s get rid of Amtrak — an entity beholden to which way the political winds are blowing—and give it back to the private sector railroads who ran it right until the mail was taken away in 1960 or so.

Let's put expedited parcels back on the passenger trains. UPS is the biggest shipper on the freight railroads and has such a large lever with the railroads that the passenger trains sit and wait for the UPS container to pass them by. Lunacy brought on by the creation of the imposter/orphan railroad, Amtrak.

Make passenger service profitable by putting valuable things besides passengers on the trains and then put the experts, the private sector railroads, in charge and we will have a national system worth touting.

And then I shuddered, woke up and realized that this would never happen. We always have to have lame, orphan Amtrak to kick around. I guess I’ll just stick to building my rail trails that connect villages, schools, and places where people live, work and play.

-- Craig Della Penna

For 20 years, Della Penna marketed rail freight and operated two of New England’s largest and most successful railroad-owned trans-loading facilities. From 1998-2004, he worked for Rails-to-Trails Conservancy as their New England Field Representative focusing on the legislative affairs end of building rail trails. Now he manages Central Highlands Conservancy which preserves rail corridors in Massachusetts by buying those that are in danger of being sold off to adjacent landowners or inappropriate commercial developers.
MAINE

MERR: LOWER ROAD TRIP
17 October, Brunswick-Gardiner. TO GENERATE INTEREST IN FREIGHT AND PASSENGER SERVICE, MERR ran a passenger extra along the Kennebec River and back to Brunswick.

Freight possibilities on the Lower Road
MERR holds the freight operating rights to the line, but has no customers. Jeff Kobrock, the Gardiner city manager, noted that the town has several commercial/industrial sites on the line available. In addition, off-line pipe company EJ Prescott supplies pipe to several states from its Gardiner location, and off-line liquor distributor Pine State brings in liquor by truck. Pine State formerly received by rail in its Augusta facility. An official who wanted to remain anonymous saw a chance to handle aggregate in Farmingdale as well.

Passenger possibilities on the Lower Road
The trip affords wonderful scenery, and would appear a great opportunity for MERR. Gordon Fuller, executive vice president and chief operating officer of Maine Eastern Railroad, said: “We’re showing the community the route is viable and just needs some capital investment.” His company wants to be involved in any expansion of passenger service in Maine. He met with MDOT Commissioner David Cole on the trip, to press his point that he needs some help from the state.

Passenger service on the Rockland Branch
Fuller said that the trains running between Brunswick and Rockland have done well this summer and autumn [see box]. He is discussing when and if Amtrak would come to Brunswick to connect with his service.

Cole said the administration supports expanding Amtrak but it will take time and must be done incrementally. Long-range planning would include a look at both Auburn and Augusta, since tracks go through each city. [ANR&P interviews; Betty Adams in Portland Press Herald 18.Oct.06]

SLR: INTERMODAL DOWN AGAIN
12 October, Greenwich CT. PARENT GWI PUBLISHED RESULTS for September, showing intermodal carloads had dropped from 400 to 352, and for the quarter, showing a decrease from 1,279 in the comparable 2005 quarter to 1,103 in 3Q06. [SLR’s facility in Auburn, Maine, generates almost all the intermodal carloads. See 06#07B.]

Overall, same-railroad traffic US&Canada dropped 5.3%, principally due to lumber and forest products. [Genesee & Wyoming press release]

ST/NBSR: POLE MOVE
19 October, Costigan. STELLA-JONES IS DELIVERING POWER POLES VIA RAIL for a new high-voltage transmission line from Orrington to New Brunswick. Bangor Hydro’s line will

RAILROAD EXTENDING SEASON FOR BRUNSWICK-ROCKLAND ROUTE
Heavy demand for the two-hour scenic train ride between Brunswick and Rockland is prompting the Maine Eastern Railroad to extend trips past foliage season.

- Passenger excursion service will continue through the second weekend of November. The company will also operate Christmas-theme trains in December.
- The extended season will include a special shopping train into Rockland for the city's annual Festival of Lights celebration during Thanksgiving weekend, followed by six Polar Express Trains and seven Candy Cane Express Trains, all aimed at families with young children.
- The railroad will also run four special Halloween trains on October 28 and 29. (Portland Press Herald 20.Oct.06)

MORE ON STELLA JONES
This company produces, inter alia, utility poles and cross ties. The company's plant in Bible Hill next to Truro sends out about 1,000 cars a year, mostly with cross ties for CN, and receives about 500 cars inbound with distribution poles from Ontario and other material.

The plant has a lengthy rail spur on about 90 acres at 278 Park Street.

History
In 1992, Stella-Jones was formed to acquire the wood-preserving division of Domtar Inc., operations which had existed since the early 1900s.

Stella Jones International S.A., which holds 67% of the Company's shares, is jointly owned by James Jones & Sons Limited, a British forest products company, and Eurocanadian Investments S.A., a holding company associated with Stella S.p.A., an Italian manufacturer of utility poles. [company website]
meet the line of its parent, New Brunswick Power. Interestingly, Bangor Hydro has chosen to use wood poles ranging from 70 to 115 feet in height, as opposed to the steel poles in New Brunswick.

Alana McGillivrary, senior administrative project manager for Infrasource Transmission Services, the contractor putting up the actual line, said the company will receive 900 poles by rail in Costigan [rail observers report they move down from Mattawamkeag to Old Town, and then north to Costigan-editor] and 300 later in the project in Vanceboro.

[Note: The Vanceboro unloading constitutes the second spotting or lifting of rail cars in Maine by NBSR, aside from the interchange with ST at Mattawamkeag and MMA at Brownville Junction. Allan Kane of NBSR wrote that NBSR received the Stella-Jones traffic off CN and that the cars for Vanceboro did not move in the ST account. ‘A few years ago we handled inbound logs off of the MMA into Vanceboro for a customer called Wagner Forest Products.’ {e-mail to ANR&P 23.Oct.06}]

Stephen Jones, the sales manager for the Maritimes and New England located in Truro, said the poles come out of the New Westminster plant in British Columbia, where Douglas firs grow tall enough to meet the requirements. Des Fitzgerald, sales representative in New Westminster, said originally the poles were going to arrive at Bangor, but Infrasource looked around to find facilities closer to the final location for the poles.

[Infrasource also considered the transload in St.Stephen–see NBSR in Maritimes.] {ANR&P discussions 19&20.Oct.06}

MASSACHUSETTS

ST: INTERMODAL IMPROVED

26 October, Ayer. THE AYER-MECHANICVILLE INTERMODAL SERVICE IS MUCH IMPROVED, said an official close to the situation: one crew can now take the train the entire distance to CPF477, the interchange with D&H. Here the crew drops the train on a controlled siding, then moves the power to an interchange track. The southbound D&H train picks up the ST intermodal train and moves it to Binghamton where NS moves it to Buffalo and Chicago.

For the past three weeks, crews have moved the train 162 miles (MP315 to MP477) westbound in under ten hours, and eastbound close to eight hours [or an average of 16 to 20 miles per hour–editor]. ST has put three locomotives on, instead of the usual two.

“If the crew can run at a steady pace, it can make time,” said the official. The crews fit under the 12-hour on-duty limit because a local crew makes up the train in Ayer. The road crew goes on duty at 730PM, and is out on the main line in half an hour. For the first 14 miles to MP329, it runs on MBTA tracks at 40 miles per hour; entering ST-owned tracks, the top timetable speed is 40, but much of the track has speed restrictions [taken from the Temporary Speed Restriction Summary see below] to 25, and some 10 miles per hour. Recently ST has upgraded some of the stretch from 10 to 25.

According to the official, ST is “extremely happy” with the train’s performance. Most trains are running each way close to 6,000 feet; one recent train had 6700 feet of intermodal. Since the two intermodal sidings at the Ayer terminal have 3,000 feet each, the train must be split there to park it.

The union contract

Under the contract with the Brotherhood of Locomotive Engineers, ST has agreed that if crews run a stretch longer than 125 miles, it will pay them the standard rate for the first ten hours, and overtime for the last two hours. The intermodal run marks the initial use, per the official,of this clause to see if the incentive would induce the crews to make the run under 12 hours. ST is now saying that the clause is working well. The company and the crews are “doing a bang-up job.” {ANR&P discussion 27.Oct.06}

FALL RIVER: NO RESPONSES

13 October. NO COMPANY SUBMITTED A BID TO DO A BUSINESS PLAN FOR THE FUTURE FALL RIVER PIER, said Rick Armstrong, executive director of the Massachusetts Seaport Advisory Council [see 06#09A]. ‘We need now to think why. We'll certainly try again.’

The traffic model and the design report

Armstrong reported this day: ‘I am awaiting the last pieces of the model [of truck traffic along the I-95 corridor] with a promise of no more than two more weeks. The draft of the Fall River Design still awaits review in the Division of Capital Asset Management.’ {e-mail to ANR&P 13&18.Oct.06}
BOSTON: MEDITERRANEAN SHIPPING COMPANY

19 October. MASSPORT CELEBRATED THE 20TH ANNIVERSARY OF THE FIRST CALL OF THE MEDITERRANEAN SHIPPING COMPANY in 1986. Some statistics: 1,266 vessel calls, 753,000 TEUs moved, and in 2006 more than 100 ship calls. {Massport press release}

International Forest Products
Rob Shepard, director of transportation and logistics for the Kraft Group which includes International Forest Products (IFP) [and Rand-Whitney, served by PW, our Directory #s 453 and 683], said IFP exports scrap paper. As that is an inexpensive commodity, the markets are very sensitive to shipping rates; Shepard is always looking for the lowest combined logistics cost.

IFP has some steady trade lanes. As well, as a trading company it operates in a dynamic market often imbalanced between supply and demand, so he looks to MSC as a carrier providing the largest number of trade lanes for new markets. With MSC not only can he reach either northern or southern Europe, but also via transshipment he can reach India.

Shepard characterized MSC as an “entrepreneurial company, with strong service and a good Boston office.” He declined to say how much traffic he sent over MSC, but did call it a significant portion. {ANR&P discussion 20.Oct.06}

Martignetti Companies
This company imports wine from France, Spain, and Italy, each of which has a direct call from MSC. Steve Coval, fine wine inventory manager, called the 12-13 day service from Livorno, Italy, “a life-line.” He also uses the Port of New York and New Jersey, via barge to Boston, but he called that “very congested” compared to Boston which is “very clean and efficient.”

Coval explained how a bottle of wine can arrive in local liquor stores at a price of five dollars, including shipping. Each case of wine contains 12 bottles. Inland freight costs about $1.50 per case, ocean freight $4.50, duty and taxes $3.30, total costs $8-9 per case. Putting 1250 cases in 40-foot container can spread those costs, and make for a very valuable container: “Fine wine is a high-value commodity, a sought-after commodity by shipping lines, and containers of wine have a value in excess of $100,000.” [1250 cases of 12 bottles each translates to 15,000 bottles, so even an $8 bottle of wine makes up a container worth more than $100,000. Editor] {ANR&P discussion 20.Oct.06}

ST: CONN RIVER LINE

October. THE LINE BETWEEN SPRINGFIELD AND EAST NORTHFIELD IS LIMITED TO 10 MILES PER HOUR for much of its length. According to ST’s Temporary Speed Restriction Summary #295 effective 0300 21 October to 0300 22 October:

<table>
<thead>
<tr>
<th>Between mileposts</th>
<th>Timetable speed*</th>
<th>Speed restricted to</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPR1 Springfield &amp; MPS7</td>
<td>20-35 mph</td>
<td>10 mph</td>
</tr>
<tr>
<td>MPS7 &amp; MPS8</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>MPS8 &amp; MPS24</td>
<td>30-35</td>
<td>10</td>
</tr>
<tr>
<td>MPS24 &amp; MPS26</td>
<td>35</td>
<td>25</td>
</tr>
<tr>
<td>MPS26 &amp; MPS27</td>
<td>35</td>
<td>10</td>
</tr>
<tr>
<td>MPS27 &amp; MPS28</td>
<td>35</td>
<td>25</td>
</tr>
<tr>
<td>MPS28 &amp; East Northfield MPS 49</td>
<td>35</td>
<td>10</td>
</tr>
</tbody>
</table>

*From Employee Timetable #5 1 April 2006

The October issue of the magazine Railpace, stated that the ‘Conn River Maine Line’, as ST calls it, is down to 10mph except one section in the south at track speed. However, none of the line is run at track speed (except the one mile where the track speed is 10 miles per hour). In fact, the latest Speed Restriction shows that two stretches restricted to 25 in March have now dropped to 10.

According to one rail observer, the ST trains PLED (Plainville to East Deerfield, at Milepost MPS35) and EDPL take one day each. ‘This is marginal. If they get bad moves on Amtrak [Berlin to Springfield], or have to go in and out of West Springfield, it could kill a one-day trip.’ {e-mail to ANR&P 25.Oct.06}
MASSACHUSETTS ROAD SALT

14 September, Boston. **MASSACHUSETTS AWARDED THE HIGHWAY SALT CONTRACTS**, posting them to its Comm-PASS website this day. Ron Whitaker, procurement team leader for the operational services division (OSD) vehicles & related services for the Executive Office of Administration and Finance, said he had conducted a reverse auction on 31 August to get the prices.

In 2003, Whitaker had renegotiated contract prices in June, and then was told by superiors to do a reverse auction in August. Of course, the reverse auction did not work, as no vendors “were going to outbid themselves” by going below their renegotiated price. [See 03#12A.] In 2004 and 2005, Whitaker also used renegotiated prices [see 04#07B and 05#11A].

**Procedure and results**

In standard closed bids, each vendor gets “one and done”; when the envelopes are opened, the lowest bid wins. In the reverse auction, Whitaker asked each participant to provide a ceiling bid for each district on which it wanted to bid. On 31 August, he opened the bidding to any other vendor who wanted to bid lower than the lowest ceiling.

Whitaker pointed out that in District 1A and District 1B, the procedure actually achieved a lower price over 2005-2006, a “phenomenal” result, saving the Commonwealth a total of $173,120. [For comparison, look at Connecticut (06#09B): some locations did have price decreases, but only in the range of a dime. For Vermont (06#08B), the two districts bid had increases of three and four dollars.] American Rock Salt bid aggressively in several districts, “which helped keep the prices down.”

**Contract renewals**

“The contract period runs from 09/01/2006 to 08/31/2007 with options to renew until 08/31/2011.” Whitaker said that vendors are locked into their prices only for the first year. In subsequent years, “we will work it out”, renegotiating as he did in 2003. {ANR&P discussion 27.Oct.06}

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<tbody>
<tr>
<td>1A (Williamstown)</td>
<td>American Rock (ISCO)</td>
<td>20,000</td>
<td>44.80</td>
<td>48.66</td>
<td>46.54</td>
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<tr>
<td>1B (Pittsfield)</td>
<td>International Salt</td>
<td>22,000</td>
<td>44.10</td>
<td>48.46</td>
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<tr>
<td>2A (Deerfield)</td>
<td>Cargill (Granite State)</td>
<td>45,000</td>
<td>50.52</td>
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<td>48.30</td>
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<td>3A (Littleton)</td>
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<td>51.70</td>
<td>48.57</td>
<td>46.26</td>
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<td>4A (Lowell)</td>
<td>Eastern Salt Inc</td>
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<td>48.40</td>
<td>43.58</td>
<td>41.40</td>
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<tr>
<td>4B (Weston)</td>
<td>Eastern Salt Inc</td>
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<td>49.10</td>
<td>44.05</td>
<td>41.95</td>
</tr>
<tr>
<td>4C (Boston)</td>
<td>Eastern Salt Inc</td>
<td>30,000</td>
<td>48.40</td>
<td>43.39</td>
<td>41.32</td>
</tr>
<tr>
<td>4D (Andover)</td>
<td>International Salt</td>
<td>70,000</td>
<td>43.75</td>
<td>42.99</td>
<td>40.94</td>
</tr>
<tr>
<td>5A (Stoughton)</td>
<td>Morton</td>
<td>70,000</td>
<td>52.20</td>
<td>46.87</td>
<td>44.64</td>
</tr>
<tr>
<td>5B (Fall River)</td>
<td>Morton</td>
<td>65,000</td>
<td>50.75</td>
<td>45.77</td>
<td>43.59</td>
</tr>
<tr>
<td>5C (Dennis)</td>
<td>American Rock</td>
<td>16,000</td>
<td>57.20</td>
<td>53.96</td>
<td>50.39</td>
</tr>
<tr>
<td>5D (Edgartown)</td>
<td>Morton</td>
<td>2,000</td>
<td>90.77</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>645,000</strong></td>
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</tbody>
</table>
*Result of reverse auction on-line, in which each vendor had the chance to bid lower than the previous bid (hence the term ‘reverse’).
** The following companies participated:
American Rock Salt, with piles in Taunton [our Directory #283-2, operated by Gallo Construction, served by BCLR], Troy NY, Fort Anne NY, Hampton Corners NY, Rotterdam NY, and Hartford [our Directory #571, operated by Russo Brothers, served by CSO].
Cargill, with piles in Westfield [our Directory #398, served by CSXT] and Albany NY.
Eastern Salt, with a pile in Chelsea.
International Salt Company, with piles in Albany NY and Portsmouth [our Directory #40, served by ST].
Morton Salt, with piles in Providence RI and Newington NH.
Granite State Minerals, with a pile in Portsmouth NH.
{Salt Award Breakdown - VEH72 from Comm-Pass website}

NEW HAMPSHIRE

NECR/NEGS: SCHNITZER BUYS ADVANCED RECYCLING
16 August, Concord. SCHNITZER STEEL HAS A DEAL WITH ADVANCED RECYCLING, under an agreement signed recently. More specifically, Schnitzer Steel Industries Inc. of Portland, Oregon, will acquire the assets of Max Cohen & Sons Inc. of Concord d/b/a Advanced Recycling. The company handles about 250,000 tons of ferrous scrap and 25 million pounds of nonferrous scrap annually from its four New Hampshire processing facilities, located in Concord [our Directory #100, served by NEGS], Claremont [#1083, served by NECR], Manchester, and Rochester. Upon completion of the acquisition, Steven Cohen, president of Advanced Recycling, will become director of Schnitzer’s northern New England operations.

The acquisition is expected to close in approximately 90 to 120 days. {Scrap 9-10.06}

Deal not done yet
On 25 October, the phone at Advanced’s main office in Concord was still answered “Advanced Recycling”, and Cohen acknowledged that the deal is not done. {ANR&P discussion 25.Oct.2006}

MORE ABOUT SCHNITZER STEEL AND HUGO NEU
‘Schnitzer Steel Industries, Inc. is one of the largest manufacturers and exporters of recycled ferrous metals products in the United States with 28 operating facilities located in 11 states throughout the country, including six export facilities located on both the East and West Coasts and in Hawaii. The Company's vertically integrated operating platform also includes its auto parts and steel manufacturing businesses. The Company's auto parts business sells used auto parts through its 34 Pick-N-Pull self service facilities and 18 GreenLeaf full service facilities located in 14 states and western Canada. With an annual production capacity of approximately 700,000 tons, the Company's steel manufacturing business produces finished steel products, including rebar, wire rod and other specialty products. The Company commenced its 100th year of operations in 2006.’ {press release from website}

HUGO NEU AND SCHNITZER
On 30 September 2005, Schnitzer Steel and Hugo Neu Corporation (HNC) separated and terminated their metals recycling joint ventures [see 99#08]. Schnitzer acquired all of Prolerized New England [located in Everett, Massachusetts, our Directory #194 (GRS) and #213 (CSXT)] and other joint ventures in Massachusetts, New Hampshire, and Maine. As well, Schnitzer gained control of Metals Recycling [Providence, RI, our Directory #491] of which 60% of the membership interests are owned by PNE. ‘The day-to-day operations of these businesses were overseen by HNC prior to the separation.’

Schnitzer now owns the terminal in Everett. In Providence, Schnitzer is leasing from ProvPort month to month while a new long-term lease is negotiated. {2005 Annual Report for fiscal year ending 31.Aug.05}

Schnitzer belongs in the Domini 400 Social Index of socially-conscious companies.
RHODE ISLAND

RIDOT: TRANSIT BOND BILL
20 October, Providence. **VOTERS WILL FACE A TRANSPORTATION BOND BILL ON 7 NOVEMBER**, total of $88.5 million: $80 million for the highway and bridge program, $7 million for commuter rail and $1.5 million for buses. Heidi Cote, RIDOT spokesperson, wrote that the commuter rail dollars would cover the 20% state match for the estimated cost for the Wickford Junction Station [which MBCR may serve along with Warwick--see 06#08A], including the track work, 1,000 car garage, engineering and right-of-way, at approximately $35 million. {e-mail to ANR&P}

PW/QUONSET: RIBBON-CUTTING
19 October, Davisville. **OFFICIALS CUT A CEREMONIAL RIBBON MARKING THE OPENING OF THE FREIGHT RAIL IMPROVEMENT PROJECT** [see 06#09B]. US Senator Jack Reed, Governor Donald Carcieri, PW President Scott Conti, and Saul Kaplan, executive director of the Rhode Island Economic Development Corporation spoke, and RIDOT Director Jim Capaldi served as emcee for a crowd of about 100 people. Unfortunately no one announced a startup of auto traffic to or from the North American Distribution facility here, where the event occurred. {e-mail to ANR&P from PW General Counsel Mary Tanona; ANR&P coverage by special correspondent Ron Chouinard}

PW: AUTO SHIPMENTS TO START
23 October, Davisville. **NORAD WILL START SHIPPING OUT VOLKSWAGEN AND AUDI** automobiles, said Mike Miranda, who runs North Atlantic Distribution (NORAD). Asked whether this constituted a test or a long-term contract, he said the company wanted to distribute into certain markets using rail and would probably look at how well the rail connection did. Reports from rail observers indicated a start in early November, but Miranda would not state exactly when the startup would occur.

Bruce Hamilton of Seaview railroad, which serves Quonset/Davisville, said training of the loaders was scheduled to start 26 October, to load the three autoracks now at NORAD. {ANR&P discussion}

PW: POOL OF AUTORACKS
20 October, DC. **PW HAS FILED AN APPLICATION FOR ITS PARTICIPATION IN AN EXISTING RAILROAD AGREEMENT FOR THE POOLING OF SERVICES RELATED TO MULTILEVEL CARS** used to transport motor vehicles and boxcars used to transport automobile parts....Its participation in the pooling agreement will be with respect to the movement of multilevel railcars between an automobile staging facility located at Davisville, RI, and its connections with various railroads.

**Supplementary information**
The decision issued by the Surface Transportation Board added: ‘Under 49 U.S.C. 11322, the Board may approve pooling
agreements that are voluntarily entered into by carriers, provided that the pooling or division of traffic, services, or earnings will be in the interest of better service to the public or of economy of operation and will not unreasonably restrain competition.

‘The pooling agreement that P&W seeks to join was originally approved by the Board’s predecessor, the Interstate Commerce Commission (ICC), in The Baltimore and Ohio Railroad Company, et al.–Pooling of Car Service Regarding Multilevel Cars, Finance Docket No. 29653 (ICC served Aug. 29, 1981). That agreement applied only to multilevel cars.

‘Subsequently, the ICC approved amendments to the agreement authorizing the pooling of railroad services in auto-parts boxcars in The Baltimore and Ohio Railroad Company, et al.–Pooling of Car Services Regarding Multi-Level Cars, Finance Docket No. 29653 (Sub-No. 3) (ICC served Apr. 18, 1986). The agreement was amended in The Baltimore and Ohio Railroad Company, et al.–Pooling of Car Service Regarding Multilevel Cars, Finance Docket No. 29653 (Sub-No. 6) (ICC served June 30, 1995) to enable railroads and shippers to obtain and use information that they otherwise would not have, thereby allowing pool members to increase the efficiency of distribution of the multilevel car fleet and minimize unnecessary investment.’

{STB Finance Docket No. 29653 (Sub-No. 9) from STB decisions web page}

PW bridge clearance work
Massachusetts will complete the bridge work in Millville planned in part to give enough clearance for autoracks [see 05#12B] by the end of November 2006. “We are in the process of undercutting a bunch of our bridges to improve clearances,” said Mary Tanona, PW general counsel. “It’s interstate commerce that benefits everybody.” {Russ Olivo in Woonsocket Call 19.Oct.06}

‘PW’s current undercutting work is being done on PW’s Norwich Branch, which will create an alternate route out of New England. PW will be able to move autoracks via the NECR when the Norwich Branch clearances (and clearances on the NECR) are complete. {e-mail to ANR&P from PW General Counsel Mary Tanona 24.Oct.06}

[PW has already cleared its track from Davisville to Worcester for the autoracks, as they have reached Davisville. However, if PW moves autoracks before the end of November, it will interchange them with CSXT in Worcester, as it cannot move racks via NECR until the tunnel in Bellows Falls, and other clearance problems are resolved. Editor]
More on Wastetricity

[Trying to find information on Wastetricity, much less getting officials to return phone calls, proved very difficult. Editor]

"Part of the problem was they kept it a big secret for so long that a lot of speculation ensued about what it was going to be," Town Board member Kevin O'Malley said in October. "It might have been better for them to be more upfront about it."

Wastetricity has an affiliation with Enfield, Connecticut-based USA Hauling and Recycling. That company has on its roster Jonathan Murray, named as a spokesperson for Wastetricity. {Bob Gardinier in Albany Times Union 12.Sept.06 & 5.Oct.06}

VRS effort

Jerry Hebda, VRS vice-president and chief marketer, started working with developers two years ago, but did not learn much about the proposed project except that it would use rail.

When the Wastetricity project became public, he was unable to contact the proponents. “It’s too bad. We might have been able to soften the NIMBY effect.” {ANR&P discussion 26.Oct.06}

Quebec/Maritimes

ATLANTIC GATEWAY

17 October, Ottawa. A REQUEST OF $400 MILLION FOR PORTS AND OTHER INFRASTRUCTURE was made by the premier of Nova Scotia, Rodney MacDonald, to Prime Minister Stephen Harper. MacDonald was asking for equal treatment with the West coast.

The Pacific Gateway

On 11 October in Vancouver, Harper announced an effort to make Canada the crossroads between the massive engine of the United States and the burgeoning economies of Asia. The federal government will invest $591 million over the next eight years on ports, roads, rails and other infrastructure to improve trading access to Asia-Pacific markets.

Ports in Vancouver and Prince Rupert are days closer to Asia than are many U.S. ports. “Yet in spite of this advantage and the huge cost savings it represents for shippers, Canada today only handles 9% of West Coast container traffic.” Harper would increase that to 14% by 2020. {Terri Theodore of Canadian Press in Halifax Herald 12.Oct.06}

Halifax Gateway Council reaction

Jim Frost, executive director of the Halifax Gateway Council, noted on 12 October that the Halifax Gateway Council [see 05#12A] was formed less than two years ago and is still in the planning stages compared to its West coast counterpart, which has been at work for 12 years. Frost agreed with focussing on the immediate and pressing needs of the West Coast, which is being flooded by an influx of business and cargo from Asia, but the Halifax Gateway Council has in the past 18 months undertaken the development of a strategic plan, an economic impact study, and a vision document. {Bruce Erskine in Halifax Herald 18.Oct.06}

The Atlantic Gateway

“Twas very pleased to see the announcement for the Pacific Gateway,” MacDonald said after his meeting with Mr. Harper. “We're simply asking for the same treatment on the Atlantic Gateway. I want to see it at least at the $400-million mark, if not more.”

There's every reason to believe Nova Scotia will eventually get some money for an Atlantic Gateway, Peter MacKay, the minister for the Atlantic Council Opportunities Agency and foreign affairs, said. "I certainly hope so. There's a model for this with the Pacific Gateway. There's money set aside. I've taken a very active role in that file. It's my hope that we'll see the same level of support for an Atlantic Gateway concept, which you know would open up enormous opportunities for the entire region. This is something we're going to aggressively pursue.” {Stephen Maher in Halifax Herald 18.Oct.06}

Quebec may want a piece of the action

Bloc Quebecois Leader Gilles Duceppe wants the same thing for Quebec City. “We are going to compel Ottawa to make a similar effort to make the St.Lawrence (River) the Atlantic Gateway because Quebec City will be at the heart of the maritime future of Quebec.” Halifax has a big head start over Quebec City, Nova Scotia Transportation Department official David
Oxner said. “(Quebec City) would need a terminal and all the pieces that go with it. It's like any business, I guess. If you're a known entity, that gives you some benefits and leverage. Halifax has a well-established port here and we have those things going for us.”

Transport Canada spokesperson Natalie Sarafian said: “For the Port of Quebec, here at Transport Canada we haven't received any formal demand for that. So we can't really say anything. They haven't asked us. For Halifax, yes. We have had that request and it is being studied right now.” {Stephen Maher and Roger Taylor in Halifax Herald 24.Oct.06}

**NBSR: ST.STEPHEN**

20 October, St.Stephen. **THE TRANSLOAD HAS NO TRAFFIC AT THIS POINT**, said Ian Stewart, general manager of the St.Stephen Development Board. Built in 2003 [see 03#05A] on NBSR [see map 01#09B] and operated by St.Croix Transfer which has an adjacent 25,000SF building, it is still looking for business. Steward said he did get an inquiry about unloading the Stella-Jones utility poles [see Maine].

He also received a request about transloading logs at the facility, which would then be trucked to Domtar, rather than continue on rail via ST to Domtar. He surmised that the vendor was comparing prices with the ST charge to move the logs from St.Stephen to Baileyville, perhaps using the transload quote to get better rail rates. {ANR&P discussion}

**NBSR: FLAKEBOARD**

18 October, St.Stephen NB-Bristol CT. **FLAKEBOARD IS NOT USING RAIL TO SERVE THE UNITED STATES** at this point. Bob Lloyd, logistics coordinator for Flakeboard, said that the company was not using the 13,000SF of warehouse space in Bristol, Connecticut, for which it had signed a three-year lease in 2004 [see 05#01A].

**The change in the truckload market**

When Flakeboard made the deal for the Bristol facility, finding truckers and trucks in Atlantic Canada was extremely difficult. As Lloyd said, “we did not anticipate the shift” caused by the rising Canadian dollar (making exports more costly and decreasing outbound traffic from Atlantic Canada), the US softwood lumber tariff (making Canadian lumber expensive), and the closing of pulp mills in the Maritimes.

Those factors decreased the demand for trucks so much that trucking became the preferable alternative, and Flakeboard has switched back. Fortunately, thus far Flakeboard has maintained its outbound volume, though the softened housing market in the United States may affect the volume.

**Inbound rail traffic**

Lloyd said Flakeboard makes its own resins, receiving 12 inbound cars of chemicals (methanol and urea) which are mixed. {ANR&P discussion}

**HALIFAX / SHELBURNE: EIMSKIP**

24 October. **EIMSKIP WILL MOVE FROM SHELBURNE AND CALL HALTERM**, under a new three-year agreement completed recently. ‘[Eimskip's North America Route] is an established service consisting of two vessels each of which is on a bi-weekly sailing schedule. The service presently calls the Port of Shelburne, Nova Scotia, and will switch its operations to the Port of Halifax and Halterm in November. It is estimated that this new service will result in additional volume of 4,000 - 5,000 containers in its first year of operation at Halterm, with potential for further growth.’ {Halterm press release}

Eimskip’s North America Route

The Brúaarfoss and the Skógafoss were calling Shelburne every other Monday, in a rotation Reykjavik - Argentia - Shelburne - Boston/Everett - Richmond VA (combining former calls Philadelphia and Newport News) - Shelburne - Argentia - St. Anthony (summer only) - Reykjavik, requiring 28 days. {Eimskip website; ANR&P discussion with Eimskip’s Russell Herder}
Other new services for Halterm
Halterm earlier announced the addition of China Shipping's new AMAX (Asia, Mediterranean, America Express) service which commenced operations in October 2005; Maersk Line's new MECL 2 service, which commenced operations in May 2006; and the new Europe West Indies Lines (EWL) service between North Europe, Halifax, the Caribbean and South America, which commenced operations in October 2006 [see 06#08B].

Impact on Shelburne
“Not as bad as it sounds,” said Mayor PJ Comeau. [More in a future issue.]

RAIL SHIPPERS

Described in this issue
Advanced Recycling (New Hampshire, NECR #1083 and NEGS #100)
American Rock Salt (BCLR, Massachusetts #283-2 and CSO, Connecticut #571)
Cargill (Massachusetts, CSX #398)
Flakeboard (NBSR, New Brunswick)
International Salt (ST, New Hampshire #40)
Metals Recycling (PW, Connecticut #491)
North American Distributors (PW, Rhode Island)
Prozerized New England (Massachusetts, ST #194 and CSXT #213)
Stella-Jones (Maine, NBSR, ST)
Wastetricity (VRS, New York)

Letter to the editor:
You have an excellent publication, and I always look forward to reading it.
Jan Okolowicz, Parsons Brinckerhoff

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 onto itself.’