### Issue 06#10B 13 November 2006

*Article unchanged from e-bulletin.*

### REGIONAL ISSUES

**APHIS:** The local impact of the new inspections.*

**Hotshot produce train:** Serves Hannaford in Portland.*

**CN:** SLR and CFQ recognized for reporting.*

**Portand, Boston, Halifax:** Barge expanding with Sappi; feeder vessel not yet restarted.

**ST:** Municipal Road not moving ahead.*

**MAINE**

**ST:** Celotex still evaluating rail for Lewiston Lower Road.

**CONNECTICUT**

**ST:** A new auto facility in Ayer?*

**ST:** Spill in Lowell Yard, ST response.

**NEW HAMPSHIRE**

**ST:** Fails to clean up debris in Little River.*

**ST:** Biodiesel supplier moving ahead.

**RHODE ISLAND**

**WOONSOCKET:** Edwards & Kelcey.

**PW East Providence:** Narragansett Pellet allowed to open.*

**PW Davisville:** Auto move to start in November?*

**VERMONT**

Help! Drowning in back issues. Box.

**Vermont:** Draft final rail plan done.

**Amtrak:** Decision on DMUs postponed to 2007.

**NECR:** Tunnel still on schedule.

**NECR:** Clearance work for 19'/6".

**NECR:** Track repair needed.

**ST:** Traffic analysis.

**Halifax:** Halterm sold to Macquarie.* Berth dredging.*

**Sydney:** Request for consultants on port master plan due 10 November.* Possible container plan under the radar.*

**Shelburne:** The port will adjust to the loss of Eimskip.*

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

*No report.*

### FROM THE PUBLISHER

Thanks to UP and BNSF public affairs.

Here in the Atlantic Northeast, we have several public affairs people who are responsive to inquiries, but a number of “communications” people at major companies who, despite repeated requests, fail to communicate.

What a pleasure, then to discover spokespeople for Union Pacific Railroad (Mark Davis) and BNSF Railway (Pat Hlatte). For an article for *Rail Business* and the article in this issue about the hotshot produce train, both of them responded quickly and substantively to my inquiries. Thank you!

- Chop Hardenbergh

Next issue 22 November.

**Common abbreviations:**

REGIONAL ISSUES

APHIS: IMPACT ON THE REGION

7 November, DC. MEETINGS CONTINUE ABOUT IMPLEMENTING THE INSPECTIONS AND FEES to be applied to all railcars crossing the border into the United States [see 06#10A] and vessels moving between Canada and the United States. This traffic has been exempt thus far. The Animal and Plant Health Inspection Service (APHIS) of the US Department of Agriculture will search for pests, disease, and illegal fruits and vegetables, and charge a $7.75 per car fee to cover the cost of inspections.

Birgit Matthiesen of the Canadian Embassy in DC, which is working against implementation, wrote on 6 November: ‘Meetings are ongoing. We think the real problem is the [US Customs and Border Patrol] and their wish to collect more money for border staffing.’ {e-mail to Canadian Industrial Transportation Association forwarded to ANR&P by CITA}

MMA

Bob Grindrod, MMA president, wrote on 29 October: ‘We are going to file objections with the AAR, the ASLRRA, and Senators Snowe and Collins within the next week.’ {e-mail to ANR&P}

SLR

Mario Brault serves as general manager for SLR/SLQ as well as two other railroads belonging to parent company Genesee & Wyoming (GWI); Quebec Gatineau (QGR) and Huron Central (HCR). SLR/SLQ crosses the border at Norton, Vermont. Brault wrote on 5 November: ‘GWI is not taking a public position on the issue.’ {e-mail to ANR&P}

Interesting opposition

The Propane Gas Association of Canada filed a comment with APHIS asking the agency to focus on specific agricultural and smuggling issues, rather than ‘the proposed broad approach’. {regulations.gov website}

Managing Director Ann Marie Hann noted in a discussion that not only are propane tank cars carrying no fruits or vegetables, but, responding to the APHIS concern about wood infested with insects, there’s no wood whatsoever in propane tank cars. For at least those cars APHIS has no reason to inspect or to charge a fee.

The US propane association will file similar comments. And the Canadian embassy in the District of Columbia “is already engaged on this issue.” {ANR&P discussion 30.Oct.2006}

Interesting support of regulation: Maine Potato Board

‘The [National Potato Council of the United States] strongly supports the implementation of this interim rule to remove the exemption for Canada relating to AQI user fees and fruit and vegetables subject to inspection. The NPC has urged that the U.S. Department of Agriculture implement this requirement for some time. Dangers from invasive pests and diseases are increasing. The Animal and Plant Health Inspection Service (APHIS) is doing as well as it can given its limited resources in preparing for and dealing with these threats. Appropriated funds are difficult to come by in the U.S. and would be difficult to justify given that all other countries are subject to AQI user fees. ‘This proposal provides our government with significant new resources, tools and authority to further safeguard our potato growers from invasive pests and diseases. It is understood that this rule would be implemented in a manner that would not result in any slowdown in trade or traffic flowing across the border. It is also understood that these fees would be directly used for additional trained personnel at the border and for technology and research to ensure that adequate and appropriate risk assessments are utilized. Such training and resources would actually facilitate trade between the two countries in the long run.’ {filing at regulations.gov}

Don Flannery, executive director of the Maine Potato Board, favored the inspections, and noted a good reason to inspect any vehicle or vessel crossing the border. At this time, potato growers are dealing with three pests: golden nematode (outbreak in Quebec), cyst nematode (outbreak in Idaho) and potato wort. All three can be transmitted through soil alone. {ANR&P discussion 6.Nov.06}

NOT POINTING ANY FINGERS

Excessive border delays and inefficient or corrupt border officials are negatively impacting the international road transport sector, according to a new report by the United Nations labour agency.
Other rail crossings
New England has only seven rail crossings from Canada: CN to East Alburg and NECR, MMA to Newport, SLR to Island Pond, MMA to Jackman, MMA to Van Buren, NBSR to Vanceboro, and NBSR to Calais and ST. Many more existed at one time. {editor}

St.Stephen truck crossing
Traffic is already slow at the crossing between St. Stephen and Calais, Maine, the eighth busiest international crossing on the Canada-U.S. border. The exemption for Canadian trucks, said Ian Stewart of the St. Stephen Development Board, helped move automobiles through the border, and the town's downtown, more quickly.

It’s probably too late to reverse the regulation, said Mike Corbett, president of the St. Stephen area Chamber of Commerce: “I believe our hands are fairly tied and there's just going to have to be a fair amount of acceptance in the end. That's my fear.” {CBC News 25.Oct.06}

Maritime impact: Portland and Halifax
The new regulation also applies to vessels, whereas formerly the regulation excluded vessels sailing between Canada and the United States, as long as the master of the vessel certified that the vessel had sailed ‘solely between the United States and Canada for the previous two years.’ {7CFR354.3}

Jack Humeniuk, who oversees the P&O Ports operation in Portland, had not heard of the regulation. Nor had Russell Herder of Eimskip in Halifax. At this point the feeder vessel between the two cities is not operating [see article below], so the problem has not come up.

Domtar
The Canadian-based forest products company Domtar operates a pulp mill in Baileyville, Maine [our Directory #850] served by ST. Due to the geography of the border, which runs through the St.Croix River adjacent to the mill, and the alignment of the ST rail line, rail cars leaving the mill [see map in 01#09B] cross immediately into New Brunswick, run for five miles, cross the St.Croix back into Maine, run for 3.5 miles along the river, and then cross the St.Croix River back into St.Stephen in Calais. NBSR then takes all cars to McAdam, and either west to MMA and ST, or east to CN. The cars going west must again cross into Maine, so that a car moving to or from Maine must cross the border four times.

Tom Howard, who handles US governmental affairs for Domtar, said he did not know whether NBSR and ST would have pay two fees for one car making the trip.

Disruption. Howard underlined the fact that the inspections ‘will severely disrupt, impede, and impair everyday cross-border traffic.’ Moreover, why inspect all business travellers, but not the tourists? Domtar requested, Howard wrote, scoping sessions in states along the border to hear about the impact.

Howard noted that on 1 November, the Bangor Daily News published an editorial opposing the regulations. {Domtar filing with APHIS; ANR&P discussion}

HOTSHOT PRODUCE TRAIN
22 October, Rotterdam NY. UP AND CSXT MOVED A TRAIN FROM WALLULA WA HERE IN 68 HOURS for the distribution company Railex. The first train carried Washington apples, pears, onions, and potatoes. A second train completed the trip in 78 hours with California broccoli. Business is “terrific,” said Railex West coast sales manager Mike Mullin. “We have 90% of capacity already committed through the 4th quarter.” For the last seven weeks of the quarter he anticipates the train will be completed sold out. “We’re excited...It will revolutionize the produce transportation industry.” {Rail Business 6.Nov.06}

New England impact
While the train does not run into New England, Railex will truck the produce to Hannaford’s distribution warehouse in Portland. {ANR&P discussion 2.Nov.06}

NOT A SPEED RECORD
On June 8, 1967 the Santa Fe Railway and the New York Central Railroad ran a one-time Flexi-Van container train from New York City to Los Angeles in 54 hours, 21 minutes. The dedicated UP-CSXT produce express train took 68 hours this October between Wallula and Rotterdam.
CN: SLR AND CFQ RECOGNIZED

6 November, Montreal. CN HONORED FOUR SHORT LINE PARTNERS FOR THEIR ACHIEVEMENT IN EVENT REPORTING, at its 2006 Annual Shortline Conference here:

Societe des chemins de fer du Quebec inc. (CFQ) of Montreal for best overall reporting performance.

St. Lawrence & Atlantic Railroad (SLR) of Auburn, Maine, and Richmond, Quebec, for top consistent reporting performance.

Iowa, Chicago & Eastern Railroad Corp. of Sioux Falls, S.D., for top consistent reporting performance, and

Tomahawk Railway of Tomahawk, Wisconsin, for most improved reporting performance.

Ed Harris, CN executive vice-president, Operations, said: “Accurate, timely reporting of the location and status of freight cars by our short-line partners to CN and the Association of American Railroads is critically important to CN’s precision railroading model and our shared customers. With solid information in hand, CN and its short-line partners can execute their operating plans efficiently and on time. This information is also vital to customers who need to track the progress of their shipments across the railway network.”

CN connects with more than 75 shortlines, which originate or terminate almost 25 per cent of CN’s business. {CN press release}

PORTLAND, BOSTON, HALIFAX

6 November. AN UPDATE ON CONTAINER MOVEMENTS THROUGH THE PORT was provided by the manager of the P&O Port terminal here, Jack Humeniuk. The K-Wind, which had provided feeder service for containers from Halifax to both Portland and Boston was seized in July [see 06#07B]. Columbia Coastal Transport (CCT) was tapped to provide substitute container service to the Port of New York and New Jersey (PNYNJ), By August, its weekly service was moving about 70-75 containers each trip to Portland, a little higher than normal [see 06#08A].

Regular biweekly barge service

At this point Portland is receiving “regular barge service to New Jersey every other week,” said Humeniuk, with a substantial increase in numbers because Sappi Fine Paper [our Directory #s 13 & 863] has decided to barge rather than truck containers to the Port Authority of New York and New Jersey (New York) for furtherance overseas. [The paper company had considered that move in 2005–see 05#10A. CCT said in 2005 that a barge service to New York with 100 boxes would be viable, and CCT was looking for a company to commit—see 05#09B.]

Per Humeniuk, Sappi numbers have grown to 50-100 export containers every trip. On 5 November P&O loaded 90 Sappi containers on the barge, and for the next move it will have 118 of Sappi’s. The barge also delivers to Portland 40-60 empties every trip and 12-15 import loads. For 12 November, Humeniuk listed 22 other outbound loads, including Grimmell [see below], starch, and the FMC company. [Compare that with 2200 lifts for all of 2005, or about 40 per week inbound and outbound, including empties. See 06#02B.]

The empties from New York help; the lack of them was considered a barrier to shippers in the past [see 05#07B].

What happened to the other Halifax traffic?

“The barge call is now geared around paper exports,” said Humeniuk. Many of the imports which formerly came in on the Halifax feeder ship have not continued on the barge. Taking the boxes off the large ship in Halifax, and then trucking them across the border raises too many border complications. The receivers of those which do stay on the larger ship to New York don’t want to wait for the barge from New York to Portland; they request trucking back to Maine.

Possible direct barge service

With Sappi now using the barge, other paper companies should also, mused Humeniuk. “Shippers tend to a herd mentality: if one takes the leap, other companies will come along.” CCT is working with Hapag-Lloyd on a dedicated Portland-New York barge, which could happen with enough volume.

WHEN DIESEL PRICES DRIVE TRAFFIC TO RAIL

At TTX, we use a rule of thumb which allows that on an annual basis, for every 10-cent increase “in the price of a gallon of diesel fuel, 50,000 loads will be diverted from the highway to the rails.” Andre Reardon, TTX president, speaking to the 45th annual Railway Supply Institute conference in Chicago in September 2006. Cited in Railway Age 10.06
Not only would that significantly increase freight through the port, but it would take more trucks off the highway. Are stakeholders looking for state financial support? Humeniuk did not think so. While the barge feeder service from New York to Albany used CMAQ money to subsidize the trip, it failed in February [see 06#04A].

In the Maine case, a dedicated barge, if cost-competitive, should prove attractive because truckers are having difficulty getting drivers to go to New York. The trip is expensive: though gasoline has dropped, “the price of diesel has not come down,” Humeniuk reported. Putting all containers on one barge means less paperwork than individual trucks, as well.

Feeder vessel revival
Despite the success of the barge, and the fact that it is moving more traffic through Portland than the K-Wind did, Eimskip per Humeniuk is still looking to revive the feeder lane. Hapag-Lloyd still has a commitment to use it, and stakeholders are looking for other carriers to do so. A restart could occur as early as late November, or early December.

Russell Herder, who handles Atlantic Canada for Eimskip, said “we are still reviewing everything.” He explained the need to coordinate carrier commitments, shipper commitments, and rates which will sustain the service. Asked about Humeniuk’s November-December time frame, he said: “We are always hopeful.” {ANR&P discussion 7.Nov.06}

Mike Leone, Massport maritime director, wrote: ‘Much of the freight from Halifax has shifted to the barge. We desire the return of the feeder ship because it is a more direct route, which provides faster service, and also gives the opportunity for local freight from Nova Scotia and other Maritime Provinces. We are currently working with carriers to point out the advantages of resuming services on this route.’ {e-mail to ANR&P 9.Nov.2006}

Sprague interest
In 2005, Sprague had expressed interest in stripping and stuffing containers at its newly-acquired Merrill’s Marine Terminal in Portland [see 05#07B]. Humeniuk reported that Sprague’s interest remains strong; fewer break-bulk ships are calling the East coast, as the West coast lane to China has taken them. Moreover, with the introduction of container vessels in the 8,000 to 10,000-TEU range, the price per TEU has dropped, making container shipping more cost-competitive with break-bulk shipping.

Grimmell use
Per Humeniuk, scrap company Grimmell of Topsham, Maine, moves out about seven containers a week of high-value metals. Worth much more than scrap steel [which it ships through Portsmouth—editor], Grimmell does not want to wait until it has accumulated a shipload of copper or other metals, so using a front-end loader it fills up containers and drays them to Portland for loading on the barge.

Hancock interest
Hancock Lumber would very much like to use a ship to move lumber to Puerto Rico, but due to the restrictions of the Jones Act, ships are not available [see Maine]. Humeniuk posed the possibility of using flat rack (open-frame) containers, which could hold wrapped bundles of lumber, to move the lumber to New York or perhaps direct to Puerto Rico. {ANR&P discussion 6.Nov.06}

CONNECTICUT

ST: NO C&D FACILITY YET
31 October, Waterbury. ADJACENT CONTAMINATION IS BLOCKING A NEW FACILITY HERE, said Ted Vozzella, who handles rail logistics for sister construction and demolition debris (c&d) disposal companies Murphy Road in Hartford [served by CSO, our Directory #602] and Mid-State Recovery in Portland [served by PW, our Directory #554], as well as Babylon Recycling [#562].

In September 2004, Vozzella reported that 75% of the track for the c&d facility on Municipal Road is laid, but contamination had leaked from an adjacent site onto the rail right of way. This day, he related that because the contamination remains, “there are no plans to get it [the facility] up and running.” {ANR&P discussion}
First Pan Am locomotive. Newly-painted GP40-2W, Pan Am #505. The other side has a Pan Am Globe logo. (courtesy a subscriber)

MAINE

ST: CELOTEX EVALUATING RAIL
30 October, Lisbon Falls. THE LEWISTON LOWER HAS OFFICIALLY OPENED, BUT CELOTEX IS STILL EVALUATING the competitiveness of rail service versus using truck. John Robinson, plant manager, was notified by MDOT’s Nate Moulton that the trackwork is formally completed. “We wish for nothing more than to get rail back,” said Robinson. He has the rate quotes from ST [see 06#06B] and suggested he may have completed the evaluation in a month. {ANR&P discussion}

MAINE: NO GOOD OUTBOUND RAIL?
30 October, Casco. HANCOCK LUMBER IS TRUCKING LUMBER TO FLORIDA BECAUSE OF THE DIFFICULTY OF USING RAIL, said Kevin Hynes, the general manager. Moreover, from Florida, Hancock ships the lumber to Puerto Rico, but the rising cost of trucking is limiting that market.

The outbound rail situation
Hynes said in the past Hancock had sought to move lumber out by rail. “Every time we get [rail] involved, it’s either too difficult, or too expensive. I view [rail] more as a nightmare.” “We have to deal with multiple carriers, it’s hard to put a deal together. It took two weeks for a customer to get product into the United States.”
Hancock does use rail inbound: its facility in Yarmouth receives cars of plywood or particleboard [our Directory #905 estimates traffic at 50-100 boxcars a year]. Also, Hancock moves logs from New York to St. Johnsbury [#1020] on VRS, but then must dray them the final distance to Bethel, as moving them to Bethel meant a move into Canada and back to Maine [see 05#10A]. “That took too much time and cost too much.”

The location with the most traffic, in the southeast United States, receives “a large volume” by truck, said Hynes. But rail is just not working. Moreover, to arrange the transport requires almost one person full-time. “We cannot just line up the move in one day.”

By ship to Puerto Rico?
Once the lumber reaches Puerto Rico via barge after trucking from Maine to Florida, a third-party distribution center arranges for furtherance to other points in the Caribbean. But that market is closing: the problem lies in the growing expense of trucking, said Hynes. The delivered price has become so expensive, it excludes a number of customers. [ANR&P discussion]

Hancock now wants to ship the lumber by ocean from Maine [see Regional] or some other port in the Northeast. But the US statute called the Jones Act requires the use of US ships with US crews to move between US ports, and Hancock cannot find a ship. Because of that lack, it’s next to impossible to ship Maine products by ocean to the rest of the nation. [ANR&P discussion; Tom Bell in Portland Press Herald 3.Oct.2006]

MASSACHUSETTS

ST: NEW AUTO FACILITY IN AYER?
31 October, Ayer. TOWN OFFICIALS AND RESIDENTS REPORT CONSTRUCTION OF A POSSIBLE LARGE PARKING LOT at the site where in 2003 ST had planned a new auto-unloading facility. On 2 November, Shaun Suhoski, town administrator for the Town of Ayer, related that a worker from the Water Department found activity at the site, including what appears to be a new rail spur. Plans indicated a large parking facility with 750 spaces.

One rail source reported that at this site concrete ties were manufactured and supplied to Amtrak via rail for the electrification of the Boston-New York stretch. At that time, the site had three spurs. Two spurs have been removed.

ST failed to notify the town?
ST in the 1990s proposed to build an auto-unloading facility on property near a source of town drinking water; ST already had one site for autos in Ayer, used by Ford. [Ford moved in 2006, leaving the site empty. See 06#03B.] After a long battle involving the STB and US District Court in Boston, Ayer has accepted the principle that state regulation of the site is preempted by federal law, and that ST may build rail-related facilities there regardless of the town’s wishes [see 03#08B]. Under a consent decree issued by the District Court, ST agreed to 17 conditions, among them giving Ayer 60 days’ notice prior to any construction.

Suhoski said a canvassing this month of all town departments failed to turn up any notice to the Town about the construction. Frank Maxant, chair of the Board of Selectmen, was not surprised. “It’s another example, it seems, of Guilford’s many arrogant dismissals of their responsibilities to the people.” [ANR&P discussions 2.Nov.06; Nathan Lamb in Ayer Public Spirit 1.Nov.06]

The conditions ST agreed to
The 2003 conditions in the consent decree begin with:

‘1. In constructing an Auto Unloading Facility (hereinafter “the Facility”)…Guilford….will install catch basins…

The notice provision is found in:

‘11. Guilford will provide Ayer with informational copies of construction plans and precautions being taken for the construction of the Facility not less than 60 days before initiation of construction of the Facility.

... 13. Should Guilford develop the...site for alternative uses, Guilford will provide Ayer with informational copies of construction plans and precautions being taken for any additions, improvements, or changes to the...site. Guilford will provide this information to Ayer no less than 60 days prior to initiation of construction and will comply with those conditions set forth
herein that are material to the alternatives. Ayer may object however Guilford does not agree that Ayer has the right to do so.

14. Should Guilford develop the...site for alternative uses, Guilford will provide Ayer with informational copies of as-built plans and precautions being taken for any additions, improvements, or changes to the...site. Guilford will provide this information to Ayer no more than 60 days after completion of construction.’ {text of conditions in 2003 consent decree, US District Court docket no. 99-12606}

Intended use?
ST is not providing any information about the facility. What about intermodal use, since the intermodal traffic is going so well [see 06#10A]? An official at the ST intermodal facility in Ayer said she knew of no plans to expand.

As for autos, sources aware of the automobile terminal use in Massachusetts related that all auto manufacturers, both foreign and domestic, are locked into long-term contracts with railroads. Nearly all are using terminals on CSXT [see 06#02A], though Davisville is handling Subarus trucked from Lafayette, Indiana [see 02#09A], which might provide an chance for ST.

Why not use the Ford site?
One source believed that only CSXT has the right to deliver to the site in Ayer used by Ford (Ayer 1). One might speculate that if NS wanted to bring autos into New England, it would need a different site on ST, and the site now under preparation (Ayer 2), would fit the bill. {editor}

[Note: I urge readers who have any information about this facility to contact me. Editor]:

ST: SPILL IN LOWELL

13 October, Lowell. A SMALL SPILL FROM A TANK CAR IN THE YARD HERE GENERATED DENUNCIATIONS OF ST. An estimated 10 to 15 gallons of the corrosive material ferric chloride in liquid form leaked from a rail car in South Lowell. Railroad workers discovered the leak in a tanker car near Dix Street around 9 a.m. There were no evacuations, and no injuries were reported; US Representative Marty Meehan demanded a federal investigation.

Ferric acid is used by waste-water treatment plants to purify water. Direct contact with the chemical can cause skin and lung irritation.

City Council hearing
On 2 November, Meehan appeared before the Lowell City Council Subcommittee on Railroad Issues, which was discussing ways to pressure ST into sharing more information with communities along the rail lines. Ninety percent of railroad companies share information regarding hazardous materials being shipped using software from Operation Respond Institute, Meehan said. ST doesn't take part.

Meehan vowed to reintroduce a bill to Congress that would mandate all railroad companies notify communities of hazardous materials in transit.

ST position
Executive Vice-president of ST David Fink said in October that ST is allowed by federal law to transport chemicals. “We have tried to work the best we can to operate our railroad and protect the citizens. We move items America needs to operate.” {Bridget Scrimenti in Lowell Sun 14.Oct.06 and Jack Minch in Sun 3.Nov.2006}

The 2002 chemical spill
In 2002, a 29,000-gallon tank car parked over the Concord River sprung a leak and spilled 200 gallons of hydrochloric acid into the river below. ST then embargoed the shipments, which were received by Eastman Gelatine in Peabody [see 04#05A].
Despite considerable effort by both ST and Eastman, including a plan to spot cars in the Lowell Yard, no arrangement has emerged to lift the embargo [see 06#06B]. Paul Carter, the services manager for Eastman, said on 7 November that “it’s no one’s fault.” {ANR&P discussion}

NEW HAMPSHIRE

ST: DEBRIS PROBLEM
30 October, Exeter.  **ST HAS NOT FOLLOWED THROUGH WITH AN AGREEMENT TO CLEAN UP TRACK MATERIAL.** In 2004, citizen Brian Griset, who works in the environmental field, had spotted crossties, bridge timbers, and tie plates in the Little River here. After failing to get a response from ST directly, he contacted the New Hampshire Department of Environmental Services (DES) who did get a response from ST.

Following ST’s statement that it had cleaned up the material and Griset’s insistence that it had not, DES Inspector Dave Price, ST’s Mike Davies, and Griset took a site walk, and flagged all material not removed. Davies verbally agreed to remove the material, but that never happened.

Moreover, ST had also agreed to remove over a two-year period, within two weeks of notification, all material uncovered by the movement of the river. Despite numerous attempts at contact, ST failed to follow through on the voluntary compliance agreement. Griset, concerned that ST had missed the opportunity to clean up the flagged material because the spring 2006 floods washed it all away, and that the two-year period was drawing to a close, again contacted DES.

Griset contacted the new DES inspector, Eban Lewis, who requested a new formal complaint to reopen the file. The Town of Exeter’s Board of Selectmen joined as co-complainants to file the formal complaint. Per Griset, ST has still not contacted him. {ANR&P discussion 2.Nov.06}

ST: BIODIESEL CUSTOMER
9 November, Falmouth MA/Nashua NH. **AMELOT WILL BRING IN BIODIESEL**, B99.9 Soy Methyl Ester bio-diesel, to Loud Fuel of Falmouth for blending and resale to Loud’s client base.

Railcars will arrive at a CSX Transflo Terminal - the nearest to Falmouth lies in Allston [our Directory #228]. Loud trucks will dray the product.

As for the Nashua facility [see 06#08A], Amelot is working with Ashland Chemical on the acquisition and delivery of raw materials. It will handle all of the logistics, wrote President Allen Giles. {Amelot press release; e-mail to ANR&P from Giles 9.Nov.06}

RHODE ISLAND

WOONSOCKET COMMUTER
30 October, Woonsocket.  **THE KICKOFF MEETINGS TO LOOK AT COMMUTER RAIL FEASIBILITY** took place last week. David Nelson of Edwards & Kelcey, the firm hired by the city with its $40,000 grant [see 06#05A], will look at least at four potential routes: two different lines to Boston, one to Worcester, and one to Providence. Stakeholders from Rhode Island and Massachusetts took part. {Michael Holtzman in Woonsocket Call 30.Oct.2006}

PW: NEW CUSTOMER FINALLY
2 November, East Providence.  **THE CITY WILL GIVE NARRAGANSETT PELLET A TEMPORARY CERTIFICATE OF OCCUPANCY** (CO), said honcho Bill Carden. He had received his first car of wood waste back in July [see 06#07A] and had planned to start production of pellets, but the City of East Providence fire department shut him down in early October before he could even open, saying he had not met fire safety requirements.

Over the past two days, Carden and the city met with the state mediator to work out how the plant could open. “I did not get everything I wanted, I still have a lot to do,” said Carden, but he will get a temporary CO on 7 November. That will allow him to start operating one shift a day. Once he has complied with the conditions of the CO, he will go to 24x5 operation, probably after Thanksgiving.
PW has already spotted him 12-14 cars. Fortunately, said Carden, “they are working well with us. We are not paying for the cars.” {ANR&P discussion}

Narragansett had already fallen more than six weeks behind with orders. {Natalie Myers in Providence Business Journal}

**PW: AUTO SHIPMENTS TO START?**

9 November, Davisville. **OPINIONS DIFFER ON WHEN THE RAIL MOVE OF AUTORACKS WILL START** [see 06#10A]. Mike Miranda, chief of North Atlantic Distribution (NORAD), the auto terminal in Davisville, said on 2 November: “We’ll ship out Volkswagens and Audis shortly” to a Midwest destination “in the next four weeks.” For a test move, he’ll use three autoracks brought to Davisville by PW to test the clearances and to train loaders.

From overseas, NORAD receives VWs, Audis, and Subarus, and now trucks them to their destination. With the FRIP and PW connections, he can rail them almost anywhere: “We’ve had CN, CP, and CSX in here” to talk about destinations. “They are all very interested.” {ANR&P discussion}

**VW position**

However, on 9 November, Joachim Manschke, manager transportation for Vehicle Logistics of Volkswagen of America, wrote: ‘We are presently looking at the total cost chain and transit time, at this point no decision has been made whether we will use rail out of Davisville in the future. No trial shipments are planned and also no decision has been made to which area we might ship cars by rail in the future.’ {e-mail to ANR&P}

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**VERMONT**

**VAOT: RAIL PLAN READY**

9 November, Montpelier. **VAOT POSTED THE SECOND DRAFT FINAL STATE RAIL PLAN** to its website (vermontrailroads.com). On 29 November, it will host meetings at eight Vermont Interactive Television sites around the state. ‘Vermonters will have an opportunity to review the draft [prepared by Parsons Brinckerhoff] and make comments before the document is finalized at the end of the year.’ {e-mail to ANR&P from Scott Bascom of AOT’s policy and planning division}

The 2005 first draft underwent considerable revamping and is far later than expected [see 06#04A].

**AMTRAK: NO DMUS YET**

9 November, Montpelier. **THE JOINT FISCAL COMMITTEE PUNTED THE QUESTION TO THE FULL GENERAL ASSEMBLY**: whether to shell out money to buy Colorado Railcar new diesel multiple units, whether to buy renovated Budd cars, or do nothing.

Now the lawmakers will weigh whether to spend $17.5 million to buy five state-of-the-art rail cars for use on the Vermonter route [see 06#10A], as part of a broader discussion of transportation priorities. “This, taken as a little pinpoint, looks like a good proposal, but I want to look at the whole,” said Senator Susan Bartlett, D-Lamoille.

Transportation Secretary Neale Lunderville agreed to wait until the end of January, but not too long because the state could {AP cited by UTU newsflash service}

**NECR: BELLOWS FALLS TUNNEL**

8 November, Bellows Falls. “WE ARE STILL ON SCHEDULE TO FINISH BY THE END OF THE YEAR” raising the tunnel height, reported Paul Craven [see 06#09A], speaking from the tunnel mouth, even with some design changes. Workers found less ledge on the tunnel floor than anticipated. The plan remains to give 19’8” clearance, with some hope for expansion. {ANR&P discussion}

**NECR: TRACK REPAIR NEEDED**

October, NECR line. **TRACK DEFECTS WERE FOUND BY THE HOLLAND TRACK GEOMETRY CAR** (actually a hi-rail truck) in late October. Charles Hunter, general manager, wrote: ‘We have agreed with Amtrak to suspend the Vermonter for a few days so that repairs can be accomplished in a more timely manner, without interruptions.’ {e-mail to ANR&P}
Impact on the *Vermonter*
Similarly, CSXT track gangs will install ties between Wilbraham and Palmer, Massachusetts, for several days during November, and for those days the *Vermonter* and the *Lake Shore Limited* will be bustituted from Springfield to St.Albans, and from Albany to Boston respectively.  

Why the track defects
One long-time rail official, who asked not to be named, wrote: ‘While the NECR is better than most of ST (not including Haverill area - Portland), it is far worse than the old CV. Every time the track geometry car pays them a visit we lose service for a day or two.’  

A comparison of FRA-listed track defects
To check on the official’s contention, take the defects listed on the FRA website for track safety standards, Part 213. For ST’s approximately 182 miles in Massachusetts, the FRA has 249 defects for the year 2005 (1.37 defects per mile). As of the end of October, for 2006 ST has 135 defects or .74 defects/mile.  

NECR’s entire length of about 317 miles turned up in 2005 172 defects, or about .54 defects per mile, much less than half ST’s rate. In 2006 thus far, NECR has 101 defects, or .31 defects/mile, again much less than half of ST’s rate.  

So the official’s contention is accurately reflected by FRA statistics.  

NECR: CLEARANCE WORK
28 October.  *NECR HAS BEGUN IMPROVING CLEARANCES*, working south from St.Albans.  This work is in addition to the Bellows Falls Tunnel project, also underway [see 06#09A].  

ST: TRAFFIC ANALYSIS
3 November.  *ST HAS OVER 6000 CARLOADS A WEEK BETWEEN EAST DEERFIELD AND VERMONT*, according to two different traffic counts. The ST train turns cars over to VRS units Green Mountain Railroad (GMRC) and Washington County Railroad (WACR), to NECR, and provides service to a few shippers.  

The interchange: Bellows Falls tunnel forced a change
In past years, ST has run a train thrice weekly to White River Junction: EDWJ (East Deerfield White River) north, and WJED south on alternate days. Because of the tunnel work [see other article] in Bellows Falls, the train only goes as far as Brattleboro three days a week, and one day as far as White River Junction.  

In Brattleboro, ST interchanges traffic with both NECR and GMRC at this time. NECR moves the GMRC traffic to Brattleboro, ‘in a cooperative effort with ST and GMRC’ during a night-time window.  

The train service
Leaving East Deerfield at Mile Post S35, the train will have 1-4 cars for Agrocare and Feed Commodities  

Also at Brattleboro, currently ST will set out 5-20 cars for CN via NECR and on average 20-25 cars for GMRC: 10-40 empties returning to OMYA, and 7-20 empty boxcars for the GMRC repair shop [#1143], occasionally cement cars. NECR then brings the GMRC interchange cars to the NECR-GMRC interchange in Bellows Falls.  

Reportedly once a week ST will run north of Brattleboro, to spot or lift cars for Eastern Bridge [#1082] in Claremont Junction and North Pacific Group [#1086] in North Charleston, and take cars to White River Junction for a WACR interchange.
State figures In the draft *Vermont State Rail Plan 2006*, consultants R.L. Banks calculated that ST moved from South Vernon (the state line) to Bellows Falls 6,177 carloads in 2003. From Bellows Falls to White River Junction, it moved 2,022 carloads.

If one assumes that at the time these figures were calculated, ST was interchanging with NECR at White River Junction and with GMRC at Bellows Falls, they roughly match the breakout in the table above. {ANR&P reporting by special correspondent Christopher Parker}

**Estimated number of cars per year**

<table>
<thead>
<tr>
<th>Customer</th>
<th>location</th>
<th>#/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feed Commodities</td>
<td>Bernardston MA</td>
<td>250</td>
</tr>
<tr>
<td>Agrocare</td>
<td>Bernardston MA</td>
<td>150</td>
</tr>
<tr>
<td>Fibermark*</td>
<td>Brattleboro VT</td>
<td>200</td>
</tr>
<tr>
<td>NECR interchange</td>
<td>Brattleboro** VT</td>
<td>1500</td>
</tr>
<tr>
<td>OMYA</td>
<td>GMRC interchange</td>
<td>3000</td>
</tr>
<tr>
<td>GMRC car shop</td>
<td>North Walpole, NH</td>
<td>1500</td>
</tr>
<tr>
<td>Eastern Bridge</td>
<td>Claremont NH</td>
<td>small</td>
</tr>
<tr>
<td>North Pacific</td>
<td>North Charleston NH</td>
<td>small</td>
</tr>
<tr>
<td>CCRR interchange</td>
<td>Claremont Junction NH</td>
<td>small</td>
</tr>
<tr>
<td>WACR interchange</td>
<td>White River Junction VT</td>
<td>small</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6600</td>
</tr>
</tbody>
</table>

* includes EHV Weigmann transload
** The interchange point between ST and GMRC, and ST and NECR, has changed over the years. See article.

**NECR figures**

Using the traffic density reported in the draft *State Rail Plan* for NECR, and the traffic density:carload ratio for ST, we can derive carloadings for NECR in these same stretches.

<table>
<thead>
<tr>
<th>Segment</th>
<th>traffic density (MGT)</th>
<th>carloadings</th>
<th>carload: traffic density</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Vernon-Bellows Falls ST</td>
<td>0.80</td>
<td>6,177</td>
<td>7722</td>
</tr>
<tr>
<td>South Vernon-Bellows Falls NECR</td>
<td>4.45</td>
<td>34,359*</td>
<td>7722</td>
</tr>
<tr>
<td>Bellows Falls-White R.J. ST</td>
<td>0.26</td>
<td>2,022</td>
<td>7777</td>
</tr>
<tr>
<td>Bellows Falls-White R.J. NECR</td>
<td>3.29</td>
<td>25,587*</td>
<td>7777</td>
</tr>
</tbody>
</table>

* Calculated using same carload:traffic density ratio as ST. Other figures from draft *State Rail Plan*.

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1 The figure is definitely NOT an exact count. The consultants who did the Rail Plan estimated the carloads from the freight density figure for ST ‘over jointly-used lines. Carloading estimated by freight densities and average weight per car.’ For average weight, consultant R.L. Banks used the system-wide carloading for NECR of 36,410, and the gross annual tonnage for 2003 of 4,733,300 tons, yielding 130 tons per car, or roughly the 263,000 pounds at which the rail lines are rated. {Plan, page 25}
QUEBEC/MARITIMES

HALIFAX: HALTERM SALE

6 November. MACQUARIE INFRASTRUCTURE PARTNERS WILL ACQUIRE THE SHARES AND PROMISSORY NOTES OF HALTERM for C$172.75 million. In an unforeseen move, Halterm Income Fund, which owns Halterm Limited, and Macquarie announced that the agreement will result in a distribution by the Fund to its unitholders of approximately C$19.00 per unit in cash, representing an approximate 29% premium to the 3 November 2006 closing price. Halterm Limited operates the South End container terminal, leasing property and infrastructure from the Halifax Port Authority.

Reasoning

The press release stated: ‘As a long-term infrastructure investor, Macquarie Infrastructure Partners' acquisition of Halterm will provide additional capital resources and global expertise to an important and growing port facility. Over the past two years, the Macquarie group has made investments in container terminal operations on the West coast of the U.S. as well as in Europe and in Asia. In addition, the Macquarie group has a dedicated ports advisory team which can be called upon to assist in port development issues globally.

‘Halterm's Board of Directors and the Trustees of the Fund, on the recommendation of a Special Committee of independent directors, have unanimously approved the transaction and have resolved to recommend that the Fund's unitholders approve the proposed transaction.’

About Macquarie Infrastructure Partners (MIP)

‘MIP, headquartered in New York, is managed by a member of the Macquarie group (Macquarie). MIP is a diversified unlisted fund focusing on infrastructure investments in the United States and Canada. The Fund's current investments include a committed majority equity stake in Aquarion Company, a regulated New England water utility operating in Connecticut, Massachusetts, New Hampshire, and New York State; an agreement to acquire a 22% stake in Pittsburgh electric utility Duquesne Light Holdings; and an agreement to purchase 50% of Macquarie Infrastructure Group's interests in four toll roads located in the United States.’

About Macquarie

‘The Macquarie group is one of the world's largest owners and managers of infrastructure assets, managing over C$30 billion in infrastructure equity around the world. Important community infrastructure investments managed by Macquarie include assets in the ports, energy transmission and distribution, water, transportation, airport, social infrastructure, and telecommunications sectors.

‘Macquarie has significant experience managing port investments around the world including DCT Gdansk in Poland, Changshu Xinghua Port in China, and a joint venture with Hanjin Shipping with operations in Japan, Taiwan and the United States (Long Beach & Oakland, CA; Seattle, WA).’

Schedule

‘It is anticipated that a circular describing the proposed transaction will be mailed to Fund unitholders in the near term, with a special meeting of the Fund unitholders to be held in the second half of December 2006 to approve the transaction. The transaction is subject to the approval of the Fund unitholders at the special meeting and the receipt of regulatory approvals and certain third party consents. The transaction is expected to close in January, 2007.

‘Holders of approximately 34% of outstanding Fund units have agreed with Macquarie Infrastructure Partners to vote their units in favor of the transaction.’ {Halterm and Macquarie press release}

New management

Clarke Inc will withdraw from its management agreement [see 05#04B] for Halterm, and has agreed to sell its share. In a press release of its own this day, Clarke noted the sale of its share would net it a gain of $5.6 million on its investment.

‘In addition, as a result of the Transaction, Clarke will receive a one-time payment from Halterm of approximately $500,000, in connection with the early termination by Halterm of a management agreement, dated as of May 13, 1997, as amended on October 12, 2006, between Halterm and Clarke. George Armoayan, president and chief executive officer for Clarke, who also serves as a director of Halterm Limited, commented: “I am pleased to have been involved in the strategic process that culminated in the sale of Halterm.”’ {Clarke press release}

Did other parties bid?

Logistec has long wanted to operate a terminal in Halifax, and bid to operate the South End Container Terminal when HPA put that out to bid some years ago [see 00#14]. When asked whether Logistec had participated in the “strategic process”,
Logistec President Madeline Paquin declined to answer, noting that in any such situation, participants agree to confidentiality, even as to whether they participated. {ANR&P discussion 10.Nov.06}

**Berth dredging**

The Halifax Port Authority announced on 3 November it will deepen the berth at Pier C, operated by Halterm, to 16 metres from the current depth of about 15 metres. George Malec, the authority’s vice-president of operations and security, said the project will dredge about 425 metres of the dock’s 595-metre length. “That will provide more than ample accommodation for one fully-laden post-Panamax vessel.” The $1.5-million project, which will begin in mid-November and last about three months, has been awarded to Harbour Development Inc. of Dartmouth.

Earlier this year, the port authority completed a major dredging project at its Fairview Cove terminal, operated by Cerescorp. That project took the water depth at the berth from 14 metres to nearly 17 metres. {Tom Peters in Halifax Herald 4.Nov.06}

**SYDNEY: PORT MASTER PLAN**

6 November. **THE MARINE GROUP HERE HAS REQUESTED EXPRESSIONS OF INTEREST** for a port master plan [see 06#07B]. The Group has five members who have agreed to a Memorandum of Understanding:

- Laurentian Energy Corporation, (owns and operates a terminal at Sydport)
- Sydney Ports Corporation, (operator of the Sydney Marine Terminal),
- Marine Atlantic, (operator of the ferries to Newfoundland out of North Sydney),
- Sysco, (leaseholder of the Sysco pier), and
- Logistec, (operator of the International Coal Terminal).

[The list in July included a sixth, Provincial Energy Ventures, which uses the Sysco pier.]

**Task**

‘A master plan will establish a clear set of goals for the future use of the Port. A specific set of objectives and related action plans will follow. The master plan will include an inventory and assessment of existing waterfront assets and related infrastructure. Profiles of existing maritime facilities including marine terminals, berths, channel depths, ship and cargo handling equipment, back-up lands, buildings, and road/rail access will be documented. Market demand and the exploration of economic trends and opportunities will be documented through interviews and assessments of domestic and international maritime activities.

**Coordination with Atlantica and Gateway planning efforts**

‘Embedded in the market opportunity assessment are the important and evolving initiatives related to the concepts of ‘Atlantica’ (which seek to better understand and enhance the important commercial trading relationships among Canada’s maritime provinces and New England states) and ‘Gateway’ (which seek to understand the opportunities presented by the significant changes currently taking place in the international transportation of goods – primarily by container – and people, and to position Canada to capture these opportunities).

‘Therefore, while the primary focus of the study will be the Port of Sydney and its related infrastructure, the Master Plan must be positioned within the context of these two significant and related initiatives that will not only help define the opportunities for the Port of Sydney, but will influence future public spending for port and inland transportation infrastructure.

‘Where appropriate, references should be made to various studies and policy initiatives spawned by ‘Atlantica’ and ‘Gateway’ including: the Government of Canada’s National Gateway Policy Framework (scheduled for release in the Fall of 2006); the Province of Nova Scotia’s Gateway Strategy (managed by David Oxner, Director, Gateway Initiative, N.S. Department of Transportation; preliminary report expected in the Fall of 2006) [see 06#10A]; the Northeast Can-Am Connection Project (currently underway and managed by the Maine Department of Transportation) [see 06#02A, and also a proposal to data-map the corridor between Saint John and Bangor 05#12B]; and the Halifax Gateway Council’s container study (recently awarded to MariNova Consulting) [see 06#03B and studies not yet out 06#05B].’
Product
‘Based on a final review of the needed projects and the proposed, the Consultant will prepare a Master Plan. It will be developed showing three development phases: a short-term improvement plan that can accommodate user needs through 2010; an Intermediate Plan that could accommodate users through 2020; and a Final Plan showing all improvements required to meet 2030 demands. For each phase, specific projects will be identified and capital budgets presented.’

Schedule
Expressions were due 10 November. Following the evaluation, the Marine Group will complete a short list and notify those on the list by 24 November. (text of EOI at http://portofsydney.googlepages.com/)

Containers?
Jim Wooper of Laurentian said he was not ready to say anything more about the work which TEC of Annapolis, Maryland, is doing for him [see 06#07B] on the container project. {ANR&P discussion 6.Nov.06}

SHELBURNE: AFTER EIMSKIP
25 October. “IT IS UNFORTUNATE, BUT NOT QUITE AS GRIM AS IT LOOKS,” said Shelburne Mayor P.J. Comeau of Eimskip’s move of its Nova Scotia call to Halifax [see 06#10A]. It will free up wharf space for others. Recently Shelburne had to turn away a Canadian Coast Guard vessel which wanted to tie up for three days because the Eimskip ship needed the wharf for eight hours to handle containers. “As far as revenues it should even out.”

The port will no longer need to adhere to strict security measures so much, and can take transient clients such as fish factory ships for Clearwater Seafood in Shelburne. “We do lose the hours which Clearwater stevedores” were putting in for Eimskip.

The plans for expansion [see 06#05B], “we put them on hold.” {ANR&P discussion}

RAIL SHIPPERS

Amelot (ST, New Hampshire)
Domtar (ST, Maine #850–see APHIS story)
Hannaford (ST, Maine–see hotshot story)
Hancock Lumber (SLR Maine #905 and VRS Vermont #1020)
Knight Celotex (ST, Maine)
Municipal Road (ST, Connecticut)
NORAD (PW, Rhode Island)
Narragansett Pellet (PW, Rhode Island)
Sappi (ST, Maine #s13 & 863)
ST Auto (ST, Massachusetts)

Also see Vermont for table of all ST customers on ConnRiver line north of East Deerfield.

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

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RAIL FREIGHT FACILITIES IN NEW ENGLAND
Malcolm Laughlin, editor
Chop Hardenbergh, publisher

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m.laughlin@atlanticnortheast.com
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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.’