VERMONT

Vermont: More on state rail plan.

MARITIMES/QUÉBEC

New Brunswick: Export decline.*

CBNS/Sydney: Final resting place for contaminated material.*

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

EDITORIAL

Unit train Thomaston Maine to Windsor Quebec, chance to open up more rail lanes.

PEOPLE, POSITIONS, EVENTS

Paul Turina, Roy Blanchard Jr.

FROM THE PUBLISHER

Back issues
I’ve got ‘em, you can have them. See ad this issue.

More news
If only I could get people to call back, you would get more news. For example, I have tried for three months to talk to Rhode Island’s energy czar. He’s worked on siting biodiesel and ethanol facilities in Quonset Point/Davisville. If anyone has any news about that, please call.

- Chop Hardenbergh Next formal issue 22 December

REGIONAL ISSUES

APHIS: MEETINGS

28 November, DC.  MORE ABOUT MEETINGS BETWEEN THE REGULATED COMMUNITY AND APHIS was reported by a shipper source who attended the first meeting, which occurred the day APHIS postponed the date of entry into force to 1 March 2007 [see 06#11A]. Spokesperson Melissa O’Dell said the delay responded in part to a request by the Canadian government “to allow time to work with Canadian cities and companies” on implementation. O’Dell reported a meeting “with industry groups affected.”

The shipper related that on 16 November APHIS and customs officials met with representatives of railroads, truckers, airlines, and shippers to discuss the regulation. Government representatives were told of a hypothetical tank car of papermaking chemicals moving from Magog, Quebec to Baileyville, Maine. All present agreed that the contents and the railcar—and similar vehicles—“do not represent any threat to domestic plants or animals” and should not be subject to fees or inspection.

‘As one traces this car to its crossing the border at the Maine points of Boundary, Vanceboro, Milltown, Baring and Woodland it becomes clear that there are circumstances that have not been considered. Not the least of which is one car crossing the border five times enroute,’ wrote the shipper.

Spurred by this realization, APHIS officials agreed to talk again with the coalition, according to the shipper source. He foresees the agency coming to a meeting, by January, with a revision of the regulation which would narrow the focus onto agricultural and animal products. Railroads are also, in the words of CPR spokesperson Ed Greenberg, ‘continu[ing] to work with...a US-based coalition’ to get APHIS to reconsider.

Curiously, O’Dell said APHIS was “not planning to meet again” with industry, but “if industry requests another meeting, we will do our best to accommodate that request.” The shipper source said he would make that request.

Also, he said, the community must get Congress aware of the border inspection issue before it reconvenes in January, where the issue ‘is not on many members’ radar screen.’ {e-mails to ANR&P; ANR&P discussion with O’Dell 30.Nov.06}

NO GOOD SOURCE FOR BIODIESEL

Letter to the editor

Hello Chop,

Being a firm believer in bio-diesel (I even bought stock in a start-up company), I was very interested in your current article on the subject [see Massachusetts]. I have been trying to arrange to use it in my locomotives for at least two years, but it’s not that easy. Bio-diesel, compared to straight diesel, has advantages and disadvantages.

There is a very large amount of information available on it, and I’ve done a lot of research. But the product itself, for now, is not readily available. I want to use it to help make America energy-independent, and I want to use it, and advertise the fact, before someone tells me I have to.

A few weeks ago I got a call from someone who had called a year or so ago doing research on air pollution. When I told him of my desire to use bio-diesel, even though it would cost more than straight diesel, he told me that, in Rhode Island, at least, if I burn bio-diesel in my locomotive I’d have to pay a road tax. What sense does that make? I can’t print what my response was.

Bruce Hamilton, owner and operator
Seaview Transportation Company, the switching railroad for the Quonset Davisville Port and Commerce Park.

BOSTON-HALIFAX: FERRY IN 2009?

Autumn, Boston. AMERICAN FERRIES MAY START THE SERVICE IN 2009, according to a statement on its website. The company ‘started work on developing a Boston-Halifax ferry in 2001, targeting 2007 as the year for the start of service [see 06#01A]. This target year is now unrealistic, due to difficulties in finding the right ship and sufficient operational and financial partners.

Recent investigations and discussion with partners, however, give cause for new optimism for the ferry. An agreement is being sought with a sizeable existing cruise ferry company for both providing a good ship and helping to operate the
venture. Such a commitment has to be obtained to provide the framework for the specific design of terminals and service infrastructure, along with the obtaining of the many necessary permits. This process, if successful, could allow service by 2009. {company website}

**PAN AM CLIPPER**
30 November, DC. **ANY MORE FILINGS ON THE EFFORT BY PAN AM** to fly wide-bodied aircraft? As of this date, Boston-Maine Airways, which operates the Pan Am Clipper flights, has not filed any information in response to USDOT’s request [see 06#09B] for more information on ST’s and the airline’s financial situation. {USDOT website}

**CONNECTICUT**

**CNZR: NEW CUSTOMER**
7 December, Bloomfield. **VORTEX RECYCLING MOVED HERE ABOUT THREE MONTHS AGO**, said Don Kleine, principal. The company began loading scrap oil filters at Anastasio in New Haven [see 06#03A] in March. However, Anastasio was “having problems doing things right for us,” he commented.

So Kleine moved the operation to Bloomfield, where a forklift loads the oil filters into gondolas at the end of the line at the CNZR servicing pit. He moves about two or three cars a month.

Why here? “AJ [the CNZR owner AJ Belliveau] was second on my list.” {ANR&P discussion; Cshortlines e-list 6.Dec.06}

**MAINE**

**MERR: DRAGON WORK**
30 November, Thomaston. **DRAGON HIRED MERR TO DO A RULE 88 UPGRADE TO ITS CAPTIVE CARS** in January, when the barge which transports cement south will undergo an ABS inspection in drydock.

The work
Matt Lynch, purchasing and distribution manager, said MERR will do the work at its Rockland shops. Once the twenty-six 30psi cars used to service the barge operation at Rockland harbor become AAR-certified, Dragon will move them to the MMA shop in Milo for painting and stenciling. The cars need side-frame and bolster repair.

**MORE ON RULE 88 UPGRADE**
AAR Rule 88 deals with the required inspection and refurbishment of life-limited components, including structural members of the truck assemblies on railcars that interchange between roads. The inspection and replacement of worn parts allows an extension to the service life of the car. {e-mail to ANR&P from MERR General Manager Jonathan Shute}

**MORE ON ABS INSPECTION**
To operate in US waters, most commercial craft must pass periodic US Coast Guard (USCG) inspections. The code promulgated by USCG to inspect is vetted by a non-governmental organization, set up to establish safe standards for the construction and maintenance of vessels. Such standard-setting organizations are called “class societies”. American Bureau of Shipping (ABS), Lloyds, and De Norske Verita are all termed class societies.

ABS conducts the re-inspection, and if needed USCG does its inspection at the same time. Putting the vessel, in this case a barge, into dry dock exposes the underwater sections to plain view. Quite often plating thickness is measured at many points to determine the extent of corrosion; inspectors will also look for damage to bottoms from striking ground or submerged objects. {Joseph St. Denis, Arild Jensen, James H. E. Maugham, and Captain Gregg H. Farmer, MNI, president, Boston Harbor Pilot Association LLC, all on the e-list MARINE-L 29.Nov.06}

Dragon cars for the Quebec move
In addition to railing cement to Rockland, Dragon also moves it
via rail to Windsor, Quebec [see 05#08A]. Per Lynch, ‘we have 18 leased cars and 10 owned cars to service the Windsor location.’

‘Our 10 owned cars were in need of the extended-life upgrade. However, they were in very good shape and had not been shopped for anything of note until ST sidelined them awhile back for extended life. Currently five are certified and back in action; the other five are with the MMA and will be certified shortly.’

ST did bad-order some of the leased cars for minor repair which MERR did and billed CN for the work.

More cement to Quebec
Lynch said that two five-car strings of cement shuttling to Windsor [see Editorial], similar to the 40-car unit train set up by ST, VRS, and Omya [see 06#11A], would work well. ‘Alas, the service level does not permit that.’ Dragon must use trucks to supplement the rail delivery [see 05#08A]. {e-mail to ANR&P 30.Nov.06}

One limiting factor: ST interchanges with MERR only once per week, in Brunswick. {e-mail to ANR&P from MERR General Manager Jonathan Shute}
company which manufactured concrete ties for Amtrak’s Northeast Corridor construction. ST trains hauled a considerable number of the ties to Amtrak.

Unfortunately, defects were found in some of the ties, and the company went bankrupt, leaving many of the ties on the property.

One source said: ‘To me this does not look like a major or substantial auto facility. ...I suppose they could be working on a very small contract for perhaps a speciality car like a Lexus, Mercedes or something where the volume is not high and the car company likes special handling. It will still need paving.’ {e-mail to ANR&P 7.Dec.06}

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**FRTC: BIODIESEL**

28 November, Quincy. **TWIN RIVERS TECHNOLOGY** PROPOSES TO PRODUCE BIODIESEL at its plant here, which currently produces oleochemicals [our Directory #320] for outbound shipment by rail, and operates the FTRC [see 01#07A]. Paul Angelico, president, noted: “We’re already in the oleochemical business [oleochemicals are derived from biological oils or fats, analogous to petrochemicals derived from petroleum–editor]. Biodiesel is a natural extension of what we already do.”

Some three to six years from now, Angelico plans to expanding his facility to produce 35-45 million gallons a year from palm oil. He would use the deepwater access of Quincy, whereby Twin Rivers already receives coconut oil from Malaysia and Indonesia. The new facility would receive ship loads of palm oil, create biodiesel, and distribute it via pipe line to neighboring petroleum terminals for blending into home heating oils. Or, Twin Rivers could ship it by rail or barge to other home heat or industrial application markets in New England.

**Current production in Ohio**

In 2005, Twin Rivers converted a plant in Cincinnati to biodiesel production; at the time it became the largest plant in North America with a 25 million gallon capacity using soybeans as the raw material. The product moves via distributors to the Midwest, the Southwest, and the Southeast. In the immediate future, Angelico plans to convert a plant in Cleveland, and then come back to build the new facility in Quincy.

**Does a market exist for the biofuel?**

Angelico said earlier he is convinced that the area is ripe for manufacturing biofuel. “It’s becoming more obvious to us that our renewable energy strategy is becoming a larger and larger segment of our business growth.” Angelico said. “The market in New England is beginning to take hold.” US Representative William Delahunt, D-Quincy, convened a meeting at Twin Rivers last week to discuss the possibility of developing a biofuel industry around the Fore River. {Julie Jette in Quincy Patriot Ledger 28.Nov.06}

To support US independence from foreign oil, Angelico is promoting a mandate for blending biodiesel with petroleum-based products. He noted that Minnesota already requires 2% blending for every diesel use in the state; he’d like to see other states, and the federal government, do the same. In particular, he’d like to see railroads using biodiesel in locomotives. {ANR&P discussion}
ST: UNPAID BACK TAXES
29 November, Deerfield. **ST OWES PAYMENTS IN LIEU OF TAXES, AND BACK TAXES, TO THE TOWN** said Bernie Kubiak, town administrator.

Payments in lieu of taxes for rail yard
Under a 1985 agreement [see box], B&M should pay the town $25,000 per year, but has not paid for the past five years, Kubiak said. He has contacted EOT to get its assistance in resolving the problem, as well as Deerfield’s state representative and state senator, and US Member of Congress John Olvert. [An inquiry to EOT on whether ST had paid the $66,666 per year due to the agency under the 1985 agreement has not yet received an answer. Editor]

Real estate taxes on 99-acre parcel
B&M has also failed to pay real estate taxes to the Town of Deerfield for the 99 acres of the rail yard and other property it still owns. Kubiak said B&M owes more than $100,000. The failure of the railroad to pay either amount means that the citizens of Deerfield are giving a de facto subsidy to the railroad. This “is a wrong way for a corporation to behave.” {ANR&P discussion 29.Nov.06}

ST: DERAILMENT BILL
22 November, Deerfield. **ST DENIED ANY RESPONSIBILITY FOR THE COST OF A SEPTEMBER DERAILMENT**, in a letter from counsel Clinton Wright to the Town of Deerfield. The town, in a 24 October letter to ST, reported that the town had expended $6,915.03 responding to ‘the threat of a release [of toxic substances] due to the derailment of a Pan Am train in Deerfield’ on 12 September. According to Massachusetts General Law Chapter 21E section 4, the person responsible for the release or the threat of a release is liable for the cost of anyone who makes a necessary and appropriate response. {text of letter via Deerfield}

ST position; town response
The railroad argued that while the train did have four cars with hazardous substances “in the 54th, 59th, 64th and 65th positions,” they remained upright and on the rails, while cars in the 14th to 47th positions derailed. Some overturned. Therefore no threat of release existed. {text of letter via Deerfield}

Town Administrator Bernie Kubiak rejoined that first responders had no way to tell whether the cars which overturned contained hazardous materials, in part because Pan Am did not notify the town for an hour and a half after the accident about the contents. Train personnel at the scene could not produce waybills showing car contents. {ANR&P discussion 29.Nov.06}

1985 PURCHASE OF RAIL YARD
A reading of the terms of contract indicates that the Boston & Maine Corporation (bought in 1983 by Pan Am Railways owner Timothy Mellon) wanted to improve the East Deerfield Rail Yard, and the Commonwealth wanted to assist rail transportation. EOTC (now EOT) paid $7 million to B&M from its Freight Rail Fund and received 61.34 acres of the East Deerfield yard.

B&M agreed to use the proceeds to improve the yard, and received an easement to use the yard for rail purposes. Failure to use it for rail purposes ‘shall constitute a Default’.

Payment to Commonwealth
B&M agreed to pay to EOT each year beginning in 1991 $66,666 per year until 2020. Article V stated: ‘Payments to be made under this Article shall not be waived or cancelled for any reason.’

Payment to Deerfield
From 1986 to 2020, B&M agreed in Article VI it would pay $25,000 per year in lieu of taxes to the Town of Deerfield. Failure to pay constitutes default. In the event of any default defined in the agreement, and the passage of 90 days after notice of default without cure, the easement B&M holds to the yard ‘shall terminate without the necessity of any additional document to be placed on record.’ {text of agreement from Deerfield}

BOSTON: CMA CGM WILL CALL
14 November, Norfolk. **CMA CGM INFORMED CUSTOMERS IT WOULD START CALLING BOSTON** as the first US port-of-call for the CMA-CGM’s ‘Liberty Bridge Service’ westbound from North Europe. After calling at Boston, ships then sail to New York, Baltimore, and Norfolk, then to Le Havre, Antwerp, Rotterdam, Bremerhaven, and Liverpool before returning to Boston. The new service adds Liverpool and Rotterdam to ports served directly from Boston. “This new call underscores the strength of the New England market, and the commitment of the trade community here,” said Mike Leone, port director for the Massachusetts Port Authority. “We are pleased to add another service that gives our importers and exporters additional frequency between Europe and Boston.”
First ship
CMA-CGM Elbe, Voyage LB073W, will arrive Boston’s Conley Terminal 7 December. ‘We will call Boston on a fort nightly basis with CMA CGM vessels only’. {CMA CMG notice to customers 14.Nov.06; Massport press release 28.Nov.06}

NEW HAMPSHIRE

RESTORING THE MANCHESTER-LAWRENCE LINE

30 November, Contoocook. **THE NHRRA ADVOCATES RESTORING RAIL OPERATION** between Manchester, New Hampshire, and Lawrence, Massachusetts (M-L) to mitigate the effects of widening I-93. The line extends 27.3 miles; the 23.4 miles in New Hampshire is owned by the state and other entities [see below]; the 3.9 miles in Massachusetts is owned by [documents disagree on whether the MBTA or B&M].

Its conclusion, produced in October 2005, was presented at a transit forum in June 2006 in Manchester, said study principal author and NHRRA (New Hampshire Railroad Revitalization Association) member Dick Currier. The study bears the title *Evaluation of the Restoration of Rail Service on the Manchester and Lawrence Branch*. It estimated the cost to restore the line and provide equipment at $109 million.

[This newsletter is covering the year-old study now because of its tie-in with the governor’s task force on the Lowell-Manchester commuter rail—see 06#11A. *Editor*]

Genesis
The Conservation Law Foundation (CLF) has argued for a serious look at rail as an alternative to, or a mitigation of, the widening of I-93 [see box in 06#11A]. CLF asked the NHRRA what restoration of the M-L would look like.

The study did not become part of the record of the CLF lawsuit, said Currier [see below]; the judge said he had enough information on the record from past presentations. {ANR&P discussion 30.Nov.06}

NH-Mass Transit Alternative Study

It was recognized during the course of the I-93 project design that transit alternatives could not solve present congestion and high levels of travel demand in the I-93 corridor. It was also understood, however, that they will need to take the primary role in addressing travel demand beyond the design life of the expanded highway. This is supported by New Hampshire Department of Transportation (NH DOT) Commissioner Murray’s assertion that no further expansion of I-93 will occur beyond the present project.

In keeping with this, a commitment was made by the NH DOT to undertake a transit alternatives study to determine the most appropriate long-term transit investments necessary to accommodate future travel needs in the I-93 corridor from Boston to Manchester. [Per CLF, NH DOT also committed itself to implement the best alternative. See article.] In 2003 the NH DOT secured $1.0M in funding to undertake this study [via a federal earmark]. The NH DOT will oversee the study through a cooperative agreement with the Massachusetts Executive Office of Transportation and in cooperation with Federal Highway Administration (FHWA) and Federal Transit Administration (FTA).

An Advisory Committee has been established composed of staff from the two partner States, the FHWA, the FTA, Rockingham Planning Commission, Southern NH Planning Commission, Nashua Regional Planning Commission, Northern Middlesex Council of Governments, Boston MPO, Merrimack Valley Regional Planning Commission, Merrimack Valley Regional Transportation Authority, Concord Trailways, Massachusetts Highway Department (MHD), Massachusetts Bay Transportation Authority (MBTA), US Environmental Protection Agency (EPA), to provide input to the study oversight, direction and review for the study.

With issuance of the Record of Decision for the overall [I-93] project in 2005, the Transit Investment Study got underway. The project partners from both states developed a scope of work and a request for proposals (RFP) in the summer of 2005, and conducted a competitive quality based selection process at that time.
The firm of HNTB was selected in the Fall of 2005 to be the principal firm to lead the study. Several meeting have taken place with the Advisory Committee to further refine a final scope of work. The intent is that the study will be designed in a manner that will support an FTA ‘New Starts’ application for commuter rail or other fixed guideway transit service. To date, the actual study is not underway as the contract between the NHDOT and the firm has not yet been finalized. This is expected to be in place by the summer of 2006. (text from the Comprehensive Economic Development Strategy Rockingham County, NH 2006 (available on the web))

Major obstacles
In addition to funding, Currier noted that four entities own the line.

City of Manchester. The city owns the right of way in its borders, from the Londonderry line to the junction with ST’s Northern Maine line in downtown Manchester.

The city also owns the airport. When the airport proposed to sever the M-L line as part of a runway extension program, NHRA supported legal opposition. In the end, the airport did extend the runway, but NHDOT provided an alternative alignment around the end of the runway if the need arose to revive the line [see 02#05A].

Delaware Rock. This private company or its successor owns 1.6 miles in Derry.

Town of Derry. After the town acquired the rest of the line within its borders, it converted some of it to a trail, and some to public streets.

NHDOT. The department owns the rest of the M-L in New Hampshire [see 02#08B], in the towns of Londonderry, Windham, and Salem.

Implementation schedule
Currier advocated that NHDOT implement commuter service on the M-L immediately. That would permit co-location of park-and-ride facilities for I-93 with the train stations, offer an alternative mode during the years of construction (estimated I-93 widening completion 2012), and avoid inflation.

Other benefits
The M-L commuter service could co-locate its layover facility and other administrative facilities with those for the Manchester-Lowell service, should New Hampshire complete the complex arrangements for that [see 06#11A].

Compared to the alternative, bus or light rail running in the median of the widened I-93 median [see 02#06A], the M-L service will provide a direct connection to the Manchester airport. It will also permit restoration of freight service in the corridor, which light rail could not do. {text of report}

Next step
According to Currier, a transit study now underway [see box] will provide “a definitive answer on whether restoration of the M-L, or a service in the median strip, or whatever” will help the I-93 corridor traffic.

The proposed Lowell-Nashua-Manchester service [see 06#11A] is also needed, said Currier. Those are two separate corridors.” {ANR&P discussion 30.Nov.06}

Status of CLF lawsuit; required implementation of transit
Tom Irwin of CLF, lead counsel, explained the intricacies of the lawsuit:

Implement a transit alternative. In its motion for summary judgement, CLF argued that ‘EPA and NHDOT negotiated an agreement that would allow rail not to be included in the EIS alternatives analysis, contingent on NHDOT’s commitment to conduct a bi-state transit study for the I-93 corridor, and to implement the outcome of such study in a timely manner.

‘The agencies’ negotiations demonstrate strong concerns on the part of both EPA and NHDES that a bi-state transit study occur on a timetable such that “the partnering agencies can satisfy our mutual goal of providing future mobility in the I-93 corridor without further highway widening at the earliest practicable date.” AR 10437-38....

‘On October 5, 2001, EPA Regional Counsel Carl Dierker signed an agreement allowing the EIS alternatives analysis to proceed without consideration of rail, and establishing that consideration of rail would occur as part of a bi-state study with Massachusetts. Plaintiff’s Exhibit 4 (AR 10826-10831). The agreement provided that NHDOT would “make every reasonable effort to begin this planning study by July 1, 2002 and complete it as expeditiously as possible, subject to funding availability
and full partnership with the Commonwealth of Massachusetts.” Id. (AR 10826, 10830)....

‘Like its comments on the DEIS, EPA commented on the FEIS as follows: ‘As you know, EPA agreed with NHDOT’s proposal to drop rail as a stand-alone alternative in the DEIS so long as there was a binding commitment to conduct the bi-state transit study and to work to implement the preferred transit system alternative ....’

However, CLF explained, ‘FHWA has subsequently stated that NHDOT did not commit to the implementation of the transit solution identified in the bi-state study; rather, it committed only to the implementation of the bi-state study itself.’ AR 26913, 26947. CLF asked that NHDOT ‘unequivocally affirm, and fulfill, its commitment to implement the selected alternative developed through the bi-state study.’

Do the analysis correctly. At bottom, CLF argues that NHDOT and FHWA failed in many aspects to do a complete environmental review as required by state and federal statutes. Its complaint, filed in February, asks the court to: ‘Enjoin Defendants from putting contracts out to bid for, and engaging in any ground-disturbing activities related to, construction of the proposed highway widening and related infrastructure, until Defendants have fully complied with NEPA, the FAHA and the APA.’ {texts from US District Court New Hampshire website. Docket No. 06-cv-045}

Status of construction. Irwin said on 6 December that he believed NHDOT had begun work on park-and-ride lots, and on bridges. The department planned to let contracts for the actual widening in summer 2007.

But recently, the cost of the widening has increased so much that the department will have to go back to the General Assembly for permission to sell more GARVEE bonds.

Next step on lawsuit. In mid-October, CLF filed a motion for summary judgement. Defendants NHDOT and FHWA responded in mid-November, CLF will file a rejoinder on 18 December, defendants then get the last word. The judge will then have all pleadings and make a decision sometime in 2007. {ANR&P discussion}

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RHODE ISLAND

PW: PAWTUCKET YARD

3 December, Pawtucket.  **PW’S BURGEONING TRAFFIC AT THE YARD HERE APPEARS SAFE** from seizure for passenger traffic. Vanasse Hangen Brustlin, under contract to the city to evaluate possible passenger train stops for the city [see 06#09B], compared three possibilities: two reuse configurations at the four-acre depot site straddling Pawtucket and Central Falls, and the eight-acre Providence & Worcester Railroad yard off Goff Avenue near the former Union Wadding mill. After pluses and minuses were weighed out, both versions of the depot property ended with a ranking of 25 points while the P&W site ended with a zero.

Versus the PW site, the depot plans scored higher for accessibility and access to spinoff opportunities because it abuts a residential area. The two tied for parking access and potential ridership but the PW site scored worse for hazardous materials concerns and air quality effects because virtually all commuters would have to drive there. {Douglas Hadden in Pawtucket Times 4.Dec.2006}

Wilcock later said the article was reporting his presentation to the study stakeholder group. VHB has no written report yet; he expects one by February. {ANR&P discussion 6.Dec.06}

PW: ETHANOL TRAIN ON TRACK

5 December, Coralville, Iowa. **THE FIRST ETHANOL FOR THE AVENTINE FACILITY IN PROVIDENCE** should arrive in the first quarter of 2007. Dan Sabin, president of the Iowa Northern Railway [and former chief operating officer of Iron Road Railways] wrote: ‘I’m working on an 80-car unit train move with CSX that should start first quarter next year.’

Earlier, Sabin wrote that the product would come out of the Fairbank Iowa facility. {e-mail to ANR&P}

Iowa Northern and ethanol

By the end of 2006, Iowa Northern will close on a $25.5 million Railroad Rehabilitation and Improvement Financing (RRIF) program loan, the second to be approved by the Federal Railroad Administration this year. During the next six years, the short line plans to spend about $60 million to upgrade track and improve facilities. The railroad also will take delivery of additional locomotives and rail cars within the next six months. Iowa Northern needs to improve infrastructure and expand capacity to accommodate growing ethanol business, said President Dan Sabin.

The only other RRIF loan approved by the FRA this year went to Iowa Interstate: a $9.35 million loan to purchase 22 GP-38-2 locomotives from GATX Rail. {Progressive Railroading website 14.Nov.05}
Track work
PW hired Northern Rail Service (Springfield office) [see 06#07B–Connecticut] to do the work on the track it leases from the city. Railroad Construction, out of New Jersey, is working on the Motiva part. Ribbon-cutting is expected around the middle of January. {ANR&P coverage by special correspondent Ron Chouinard}

Train operation
The unloading rack will have 20 positions (with room for expansion); operationally, multiples of 20 cars works best. Cars will be unloaded quickly.

‘A new train start is being added to service the Port of Providence area and Motiva.’ {e-mail to ANR&P from PW General Counsel Mary Tanona}

PW: CUSTOMER REMAINS
30 November, East Providence. CANAAN PRODUCE WILL REMAIN “AT LEAST ANOTHER YEAR,” said Nathan Canaan, a principal. In February 2006 [see 06#06A] he had said his company [our Directory #474] would remain “at least a year”. {ANR&P discussion}

Still rail service
PW delivered another refrigerated boxcar on 29 November [see photo]; Canaan said he gets about 10 per year. The railroad said [see 06#06A] that though it had formally abandoned the track to Canaan, it retained a freight easement until it completed the connector between the East Providence Secondary and the East Junction Secondary.

As of publication, PW has not completed the connector. {editor}
East Providence, William J. Canaan Wholesale Fruit and Vegetable Company, view looking south toward end of track. East Providence/East Junction switch behind photographer. Refrigerated boxcar ARMN 769032 at loading dock (behind trucks). {courtesy Ron Chouinard 29.Nov.06}

VERMONT

VERMONT STATE RAIL PLAN

29 November, statewide. **VAOT HEARD COMMENTS ON THE PLAN DURING A STATEWIDE INTERACTIVE TELEVISION SESSION.**

Some points from the *State Rail & Policy Plan 2006*

The working draft, available on the VAOT rail division website, addressed three areas: the rail system as it exists; proposals to improve it; and goals of the improvement.

**Freight volume uber alles.** Page 47 emphasizes that without freight operations, passenger operations would not exist because the cost would be prohibitive. [One may also add: Without structural improvements to permit new traffic such as autoracks and intermodal, freight may become too costly to maintain. *Editor*]

Priority of 286. The draft page 39 calls on the state as a ‘First Priority’ to upgrade the line Florence-Rutland-Bellows Falls-Vernon. This would permit Omya to fully load its 286,000-pound capacity railcars, which Omya must now light-load because this stretch can only accommodate 263,000-pound cars. (The outlet west, Rutland to Whitehall, is already 286-capable.)

The draft also rates as First Priority upgrading the SLR line to 286. As a ‘Second Priority’, the draft lists the line Florence-Burlington-Essex-Alburg. Unfortunately the draft does not describe benefits to the state for either improvement.

**Grow the business.** On page 83, the draft describes some significant steps to improve the business climate for railroads, but does not go so far as to specifically endorse them:
- Create a more welcoming environment (a “possibility”). Pennsylvania has a web-based ‘Rail Freight Properties Directory: Properties That Have the Potential to be Served by Pennsylvania’s Regional and Shortline Railroads.’

- Treat the finite amount of land adjacent to rail lines as a resource. First introduced [see 04#12A] by Dave Wulfson, VRS president, this idea “could” be fleshed out with marketing.

- On page 82, the draft describes the long-time VAOT three-way program for new rail facilities, ‘Rail Enhancement Grant Program’. The state allocated $200,000 in both 2004 and 2005 for this program. [The state should triple that amount. Editor]

Transload facilities as a measure of performance. The draft page 60 lists four priorities: moving the Rutland yard, moving the Burlington yard, creating the Middlebury rail spur for Omya, and ‘Island Pond Transload Transport Facility - Replacement of the existing 100-pound, non-controlled-cooled rail with new 132-pound continuous welded rail would increase service to the existing transload site that serves the Northern [sic-means Northeast] Kingdom.’

Comments on television
Overall, residents and rail advocates around the state seemed to like the direction of the state's strategy for rail advancement.

State funding. After a speaker from Randolph asked if the state was going to put more of its financial resources into improving the railroads, the answer from state officials was "yes" and "no." On a pie chart of state spending, the rail division isn't expected to see an increase over its traditional 4.8% slice. But, thanks to an influx of federal funds last year, the state has more money than ever to put into railroad improvements. “We went from $16 million to $22 million. That's a substantial increase,” said Scott Bascom, planning coordinator for the AOT.

Omya as a priority. Annette Smith, executive director of Vermonters for a Clean Environment, speaking from Castleton, said she was concerned that the proposed improvements to GMRC were designed for the benefit of Omya in Florence. Smith, an outspoken critic of OMYA, which operates quarries and is the state's largest rail user, said the state shouldn't cater to the needs of one company at the expense of other areas. “My concern is that a special interest is being served that's drawing away help from other areas.” {Brent Curtis in Rutland Herald 30.Nov.06}

Written comments on the plan accepted to 11 December. Submit on the web-site or send to Scott Bascom at One National Life Drive, Drawer 33, Montpelier Vermont 207-633-5001.

Future intermodal and autorack traffic. Dick Hosking, head of the rail division, told the audience that from what he had heard, Vermont could expect autorack traffic by the middle of 2007. Charles Hunter, NECR-CSO general manager, on 4 December said he hoped that autoracks would arrive by the second quarter. {ANR&P discussion 4.Dec.2006}

QUEBEC/MARITIMES

NEW BRUNSWICK:
EXPORT DECLINE

29 November, Moncton. ENERGY AND FORESTRY WILL BOTH DECLINE IN 2007, according to a provincial export outlook by Export Development Canada (EDC). Energy and forestry sectors account for 60% and 18% of New Brunswick's exports, respectively. “Following two consecutive years of double-digit growth, New Brunswick's exports lost momentum
in 2006 and are likely to decline in 2007, largely reflecting the expected decline in oil prices and forestry exports to the US,” said Stephen Poloz, senior vice-president of corporate affairs and chief economist. “Over 90% of the province’s exports are destined for US markets, mainly the New England states, so the slowing US economy will have a significant impact on New Brunswick's key commodity sectors.”

**Energy**
Exports of energy are expected to grow by 6% in 2006 but decline 4% in 2007, due to expected lower prices for crude oil and refined petroleum products. For 2007, EDC is forecasting a 4 to 5% depreciation in the Canadian dollar and an average of US $55/barrel for crude oil.

**Forestry**
The forestry sector showed little export growth in 2006; export sales are expected to decline by 2% in 2007. The continued decline in the US housing market will lead to more weakness in the wood products industry, where exports are anticipated to drop 7% in 2007. The pulp and paper industry will benefit from mild relief owing to the stabilizing Canadian dollar, but demand and prices are expected to follow the downward economic cycle.

Export Development Canada (EDC) is Canada’s export credit agency, offering innovative commercial solutions to help Canadian exporters and investors expand their international business. {EDC press release}

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**CBNS/SYDNEY:**
**FINAL RESTING PLACE**
27 November, Sydney. *THE SYDNEY TAR PONDS AGENCY ANNOUNCED THE DISPOSAL OF THE 20 RAIL CARS’ WORTH of contaminated material which had left Nova Scotia in December 2005 [see 06#01A]. ‘Clean Harbors...shipped the remaining 2,000 tonnes, which had hardened in the bottom of the tank, to incinerators it operates in Aragonite, Utah, and Kimball, Nebraska. Clean Harbors has supplied the agency with certificates of destruction verifying its safe disposal.’ {Agency press release}

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**RAIL SHIPPERS**

Described in this issue.

Auto facility (ST, Massachusetts)
Aventine (PW, Rhode Island)
Canaan (PW, Rhode Island #474)
Dragon Cement (MERR, Maine #893)
Red Shield Environmental (ST, Maine)
Twin Rivers (FRTC, Massachusetts #320)
Vortex Recycling (CNZR, Connecticut)

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

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**New to the region? This helps:**

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

*A directory of the 760+ shippers, receivers, transload facilities, and intermodal terminals on the rail lines.*

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Vox: 617-489-4383
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EDITORIAL

UNIT TRAIN TO WINDSOR?
The just-inaugurated Omya unit train between Vermont and Maine [see 06#11A] sets an example for other rail customers who have bulk shipments and want to move them more quickly. One possibility: a Dragon cement unit train between Thomaston, Maine and Windsor, Quebec.

Dragon has long bemoaned the lengthy time the three railroads involved require to move a few cement cars in this lane: MERR originates the move, ST holds the middle between Brunswick and Danville Junction, and SLR completes the move to Windsor [see Maine]. Assuming that like Omya's, the Dragon move requires at least 40 cars to make economic sense, what if, say once every two weeks, ST picked up 40 cars from Brunswick and moved them to Danville Junction?

A better idea
Even better sense would come from an exchange of trackage rights, and a shorter route between Danville Junction and Brunswick. MDOT is negotiating to purchase SLR's Danville Junction-Portland stretch. SLR now runs perhaps one train a week of a few cars over the line.

I propose that MDOT, as the new owner of the line, grant trackage rights to both ST and SLR. MERR would grant ST the right to operate the unit train over MERR trackage, so that ST would run the entire distance from Thomaston to Danville Junction.

In return, ST would grant SLR trackage rights for other MERR traffic. SLR and MERR could then directly interchange traffic at Brunswick.

Under this scheme, Dragon would put more traffic on the rails, as would MERR with a second interchange. The railroads would operate more efficiently, costs would go down, and everyone would benefit.

PEOPLE

Paul Turina will retire as vice-president of Safe Handling by the end of 2006, to pursue other interests, personal and business.

Roy Blanchard Jr became chief mechanical officer for the New England Central Railroad (NECR), effective 27 November. He will report directly to General Manager Charles Hunter. Those of you wondering: Yes, his father is Roy Blanchard of Philadelphia-based The Blanchard Company.
Coverage
The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

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

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

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

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