**REGIONAL ISSUES**

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**CSXT:** Selkirk dwell time rises significantly.

**Class Is:** End of rail-controlled trailers.

**CONNECTICUT**

**Amtrak:** Under Douglas, NNEPRA & ST harmonious.*

**MASSACHUSETTS**

**CSXT:** Governor says buy Southcoast track.

**FRVT:** Twin Rivers began as biodiesel producer.

**GU:** More traffic for its two customers, no sale.

**NECR:** Progress Rail setting up shop in Palmer.

**PVRR:** Yankee Candle transload in Holyoke.*

**ST:** Hazmat changes affect Lowell? ST: Ayer says no lawsuit yet.

**Fall River:** Re-issue RFP.

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[No report.]

**RHODE ISLAND**

**PW:** STB okays joining autorack car pool.

**PW:** Proposed C&D facility mired in legal battles.*

**VERMONT**

**VAOT:** Rail Council to produce proposed five-year capital spending.*

**NECR:** Biocardel plant construction starts.*

**MARITIMES/QUÉBEC**

**MMA:** Irving chips to Bury, Quebec.*

**Canso:** Oil refinery proposed.

**Canso:** Anadarko LNG stalled, Canada has 7 others.

**Halifax:** Ceres aims at Chicago traffic.

**Halifax:** Macquarie to acquire Halterm in January.*

**Sydney:** Marine group finds consultant for study.*

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**


**EDITORIAL**

Biodiesel and ethanol will not spare oil or stop global warming.*

**FROM THE PUBLISHER**

**CSXT under pressure?**

Both Connecticut and Massachusetts want to buy its track/operating authority. Maybe it could use the money to improve the Selkirk yard?

- Chop Hardenbergh  Next formal issue: 19 January
REGIONAL ISSUES

ST/VRS: UNIT TRAIN PRAISE

4 January, Florence Vermont. “THE UNIT TRAIN IS WORKING WELL,” said Scott McCalla, logistics manager, planning systems and equipment for the Omya calcium carbonate facility here. “We have now done seven unit trains...blocking the cars by customer here.” VRS moves the train to Bellows Falls [see 06#11A] and ST picks up the train there, moving it right to Portland “and then right to customers....The customers like it.”

Omya “has done no analysis except to see how everything is going....We plan to dive into the numbers after [the beginning of the year]...and meet to go over more details, to see how we can streamline functions and improve on the base which is already working.”

McCalla labelled the service a “win-win for everyone: Omya, the customers, Pan Am, Vermont Railway, across the board. It’s a good working-together situation.” {ANR&P discussion

CSXT: SELKIRK DWELL

8 January, Selkirk NY. CONGESTION AT THE SELKIRK YARD HAS WORSENED, relatively. As shown in the table, Selkirk dwell time ranked far above the system average, indeed higher than any other yard for every week in December. For direct comparison, the Chicago yard had a dwell time of only 20.5 hours the final week of December 2006.

In May, Selkirk ranked 6th best of the CSX yards [see 06#06A] at 28.8 hours. {railroad statistics supplied to AAR}

RAIL-CONTROLLED TRAILERS Next issue: a report on how GE and VTR are dealing with their trailers.

December. ALL SEVEN CLASS Is WILL SOON NO LONGER PROVIDE INTERMODAL TRAILERS FOR CUSTOMER USE. Customers who formerly obtained trailers directly from the railroads now have two options: obtain and use their own trailers, or switch to using containers. At least one customer has voiced concerns about the loss of the trailers.

The parade of announcements

CPR was the first to end provision of trailers, in 2004. In fact, it stopped all trailer-on-flat-car (TOFC) service [see 04#02B]. BNSF came next in April 2005, announcing it would stop providing trailers for TOFC service by mid-2006. It has since moved the date to first quarter 2007.

In July 2005, NS announced it had sold all its rail trailers to a subsidiary, Thoroughbred Direct Intermodal Services (TDIS), which will get rid of most of its trailers in first quarter 2007. On 1 December, CSXI announced it would no longer provide trailers as of 1 January 2007. Finally, CN and UP are both ending their rail-controlled trailer program at the end of 2006.

The number of loads in rail-controlled trailers dropped 48% through the first three quarters of 2006, versus the same period in 2005, and will drop to zero in 2007.

Not the end of TOFC service for New England

Unlike CPR, the other six Class Is are not getting rid of TOFC service. Frank Adcock, CSXI’s director of intermodal service said his company would continue to welcome and to move trailers on its network. It offers “an expedited network for trailers” in the triangle Chicago, New Jersey/New England, and Florida, including a second-morning service between Chicago and New Jersey, plus later cutoffs and earlier availability than in other lanes.

CN spokesperson Mark Hallman reported: “We will be completely out of trailers by the end of the year [but] CN is promoting the transportation of private trailers on its network.” The railway has network velocity and capacity available: “We are actively discussing” opportunities with several trucking firms.

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Why is this happening?

Railroads generally give three reasons to get out: the TOFC market in general is shrinking as a proportion of their business; they can do a better job with containers; and with slack domestic demand, now is a good time.

CSXI’s Adcock pointed out that his company once owned its own trailers, but in 2000 switched to leasing all the trailers it was offering. Right after the peak intermodal season is a “good time,” said Adcock to let the remaining 1800 trailers go. “We have a properly-sized fleet, we know can handle customer demand.” CN, said Hallman, at one point owned close to 1,200 trailers, started 2006 with 450, and will have zero at the end of the year.

Over at NS’ TDIS, General Manager Joe Dryburgh said that it is turning half of its 600 53-foot trailers back to leasing company Vermont Railway, “and relying on the EMP pool” (a national pool of intermodal equipment) to serve the needs of most of its customers. “We’ll see how the business looks” before making a decision about retaining the other 300.

Dryburgh attributed the exit from rail-controlled to the fact that the “domestic intermodal market is relatively soft” and that railroads are not getting a good return on the trailers as assets.

Move the customer to containers

CSXI’s customers are all transportation intermediaries, said Adcock: intermodal marketing companies (IMCs), trucking firms, ocean carriers, and less-than-truckload companies such as UPS and Yellow Freight. It wants the TOFC customers to use containers: CSXI has the container equipment available, and the customer choosing to switch to containers should see a seamless transition. The railroad will provide a container on chassis, just as it would have provided a rail trailer.

Or the customer will obtain its own fleet. “UPS is a good example,” said Adcock. It started with rail-owned equipment, but has switched to its own trailers and containers. “They can really control their world best with their own fleet.”

The reaction of Hub Group in Boston

David Mavretic, director of intermodal operations for Hub Group’s Boston office, worried that the loss of the rail trailers could mean a shortage of intermodal equipment when peak season hits in 2007: “No one wants to lose equipment capacity,” even the relatively small couple of thousand trailers offered by CSXI.

Hub owns 14,000 containers and can provide them to its customers. But what about lanes in which railroads don’t provide COFC (container on flat car) service, asked Mavretic, noting that CSXI had not offered COFC service between the Northeast and Florida. Adcock said all markets currently served by TOFC will get COFC service. In particular, CSXI just started COFC lanes between New England and Florida.

“The writing is on the wall,” said TDIS’ Dryburgh. The railroads think they can get through the peak season without their own trailers, in part because the 2006 peak was not as intense. “But there’s still some suspense around this.”

And the leasing companies?

In 2005, of the 55,000 rail-controlled trailers, most were leased to the railroads by XTRA Intermodal General Electric’s Rail Services, Vermont Railway (VTR), and others [see 06#03B]. By the end of 2006, nearly all of them will be given back to leasing companies, threatening their livelihood. XTRA has already left the intermodal business. {ANR&P discussions 12.06}
CONNECTICUT

CPTC: CSX, MOVE ASIDE!

29 December, Newington. **CPTC SENT ITS ANNUAL RECOMMENDATIONS TO GOVERNOR JODI RELL.** On rail, the Connecticut Public Transportation Commission [see 2006 recommendations in 06#01A] consisted of:

1. Complete the studies of the Danbury Branch.
   ConnDOT is doing Phase II of a study on electrifying the branch. Phase I was completed earlier in 2006.

2. Market the Waterbury branch.
   The public is not well aware of the rail service here.

    Metro-North is reconfiguring the east side high-level platform in New Rochelle, NY, but has no provision for freights to bypass the platform, using perhaps a gauntlet track. ConnDOT should talk to Metro-North to ensure that the best possible clearance standards are maintained.

11. Obtain through rail freight service on New Haven line.
    ‘When Conrail was divided between CSX and Norfolk Southern, CSX was granted exclusive freight use of the New Haven Line and the Harlem River Branch between New York City and Cedar Hill Yard in New Haven/North Haven.
    ‘Since the Conrail division in 1999, CSX has limited its use of these lines to local freight service. This service operates either eastward out of Oak Point Yard in the Bronx, or westward from Cedar Hill Yard, without any through service on this route.
    ‘Indeed, through freight service is instead routed north from New Haven to Springfield, west over the Berkshire Mountains to Selkirk, New York, and finally back across the Hudson River and down the Hudson Line to New York City. This is hardly a truck-competitive freight option. [See 00#13 for car float route to move cars in this circular fashion.]

PW access. ‘While CSX has agreed to allow [PW] to move through stone trains over the New Haven Line and Harlem River Branch to reach Long Island, other than these, not a single truck trailer, container, or other freight car moves between New Haven and New York over this direct route, which parallels [I-95] crowded with an increasing number of highway tractor trailers. [PW did seek expanded access (CSXT provided haulage), but failed, during the Conrail split. See 00#03. ]

‘Based on experience to date, CSX does not appear to be interested in providing through service on this direct route. Given this experience, the Commission recommends that the State of Connecticut seek operating rights on this line [owned by ConnDOT] for a carrier who is interested in providing such service.

‘If this requires Surface Transportation Board intervention in lieu of a voluntary business arrangement, the Commission recommends that Connecticut prepare an intervention petition to that Board seeking the granting of through freight rights to a willing operator.’

In addition to barge. ‘Along with Connecticut’s efforts to promote a feeder barge service to New Haven and/or Bridgeport [not currently succeeding--see 06#09B] in order to remove containers or trailers from I-95, the operation of through freight service on the New Haven Line could be a second prong in the attack on highway congestion in southwestern Connecticut.’

13. Aggressively pursue the passenger rail studies
    The ‘Roadmap for Connecticut’s Economic Future’ funded studies on passenger service from New London to Worcester, and from Old Saybrook to Hartford [see 06#09B]. CPTC recommended ConnDOT to consider bus feeder service ‘to promote the success of these passenger services.’

Comments in public hearings during the year

    **CNZR 23 May in Newington.** A.J. Belliveau of CNZR said his business is doing well but expressed disappointment with the lack of funding for ConnDOT’s Rail Rehabilitation and Maintenance Program, which is a 70/30 match program.

    Amtrak has clearance restrictions of 19’2” on the Springfield line, and weight limits which do not permit 286,000-pound cars.

    **HRRC 24 October in Danbury.** Colin Pease, an HRRC vice-president, called for extending the Danbury branch to New Milford. He saw no conflict with the HRRC freight operation.

Next step
    Connecticut statute requires the governor to respond to the recommendations by 1 February. [text of report]
MAINE

AMTRAK: GETTING ALONG WITH ST
28 December, Portland. **UNDER PATRICIA DOUGLAS, NNEPRA’S RELATIONSHIP WITH ST HAS BECOME COLLABORATIVE**, said ST President David Fink. “I trust Patricia, and I think she trusts us,” he said. That contrasts with the legal battles ST fought with NNEPRA to begin the Amtrak service.

Douglas, now the authority’s executive director, has helped improve the authority's once-contentious relationship with James Jalbert, owner of C&J Trailways, a bus company based in New Hampshire. Maine officials wanted New Hampshire to invest $1.6 million in federal funds to build two sidings in the Granite State. The sidings, which allow passenger and freight trains to pass one another, were necessary to add a fifth daily round-trip. But Jalbert, who had lost business because of the train, held up the plan, saying the railroad authority had failed to integrate bus and train service to avoid competition.

Douglas worked with Jalbert on ways that the Downeaster and his bus company could collaborate on their common goal of getting people to exchange their automobiles for public transportation. The partnership produced a program that lets passengers use the same ticket to ride the bus or the train. The rail authority began chartering Jalbert's buses this fall to bring late-night passengers from Boston to New Hampshire until the fifth train trip becomes a reality.

The authority has the same agreement with Concord Trailways for most Maine stops. {Tom Bell in Portland *Press Herald* 28.Dec.2006}

MASSACHUSETTS

CSXT: SELL TRACK?
5 January, Boston. **NEW GOVERNOR DEVAL PATRICK SAID HE WOULD SET A SCHEDULE FOR COMMUTER RAIL** to Fall River and New Bedford.

No need for more studies
Sen. Mark C.W. Montigny, D-New Bedford, who has advocated for the rail extension through four governors, said the Patrick administration has the key components in place from the legislature, including bonding and statutory authority. The Romney administration, prodded by the region's legislators, also had been negotiating with CSXT, which owns much of the track. “We think it is over-studied,” said Montigny, who wrote much of the legislation in the Senate. “We think all the law is in place, with some room for improvement.” {David Kibbe in New Bedford *Standard Times* 8.Jan.07}

Report of his transportation task force
After his election, Patrick set up task forces to recommend steps on various issues. His task force on transportation issued its report on 15 December. Of interest on rail,

‘Transportation should be viewed as a key component of the Commonwealth’s overall economic development strategy, supporting the ability of existing businesses to expand and new companies to relocate here.’

Purchase CSXT track
The task force recommended: ‘A concrete step that will demonstrate a strong commitment to completing this project will be the acquisition of the approximately 33 miles of right of way currently owned by CSX from Weir Junction south to Fall River and New Bedford. This will be completed in the beginning stages of the Administration.’

‘Develop a schedule with benchmarks, milestones, and early-action items that can be announced to the communities by April 4, 2007.’ {text from Deval Patrick website}

FRVT: MORE ON TWIN RIVERS
2 December, Quincy. **TWIN RIVERS ORIGINATED TO PRODUCE BIODIESEL**, not the oleochemicals it is now making [see 06#11B]. Twin Rivers got its start in 1994, when the late CEO James Ricci and a limited partnership of 20 people bought
the plant in Quincy, Massachusetts, just as Procter & Gamble was trying to close it. At the time, only two companies in the U.S. were manufacturing the new fuel.

“Biodiesel in the United States was Jim Ricci’s idea,” said Gene Gebolys, president and CEO of World Energy Alternatives, a Chelsea firm that spun out of Twin Rivers. Gebolys, who had been an economic development adviser in Governor William Weld’s administration, joined Ricci and Angelico in 1996 to work on biodiesel at Twin Rivers. The company continued making fatty acids for industrial and consumer soaps under a two-year contract with P&G with the expectation it would eventually switch over to biodiesel.

But the biodiesel product never really got off the ground. The company and environmentalists battled about using it in MBTA and Massport diesel buses. Twin Rivers lost because natural gas-fueled buses would produce less pollution, and because biodiesel cost more than standard diesel.

The fatty acids business that Twin Rivers originally viewed as a bridge to biodiesel was having far more success.

World Energy Alternatives

Gebolys said he agreed with those in the company who thought biodiesel wasn’t working out for the time being, but he was still interested in the business. So he started World Energy in Chelsea. The company now has 65 employees and is the largest biofuel distributor in the U.S. [It distributes to wholesalers–see 04#12A. My 2004 article confused ethanol with biodiesel; World Energy receives pure biodiesel, which is made from plant or animal oils. Bangor buys its biodiesel through Irving Oil. Irving supplies it from World’s terminal in Acton using Abenaki Carriers, per Bob Dawes, fleet maintenance director, City of Bangor. {ANR&P discussion 7.Dec.2006}]

Most customers on Massachusetts’ South Shore using biodiesel to heat their homes obtain it from Mass Biofuel, a division of Fisher-Churchill, an oil dealer in Dedham. Co-owner Elizabeth Warren said the company started delivering a blend of 10% biodiesel with low-sulfur diesel, a cleaner form of home-heating oil, in October 2004. It now has about 330 customers using either the low-sulfur B10 or the B20 blend it introduced last year. “We have people who want to do it for the environment (and) we have people who want to lessen dependence on foreign oil.”

She would like a closer source. The company’s trucks currently drive to a World Energy terminal in Acton, pick up the amount of biodiesel they need, and then drive to a regular diesel terminal to complete the blend.

Sprague tanks in Quincy and Portland

Twin Rivers’ neighbors in the Fore River’s industrial area include two tank farms, one owned by Citgo and the other by Sprague Energy. According to Delahunty, 60% of Southeastern Massachusetts’ heating oil is unloaded at those terminals. Sprague opened its first biodiesel terminal in March in Albany NY, and a second in Oceanside NY (Long Island) in October. The company broke ground on a third terminal in Portland in November [see 06#12A].

Andy Lynch, a spokesman for the company, said it has sold about two million gallons of diesel blended with biodiesel since March, a small fraction of the diesel the company sells, but Sprague executives are excited about the prospect of selling more. {Julie Jette in Quincy Patriot Ledger 2.Dec.06}

GU: MORE TRAFFIC

27 December, Grafton. THE RAILROAD HAS GAINED NEW ON-LINE TRAFFIC, and business has grown significantly, said Karen Busenburg, an official with GU. [The new traffic appears to be a resumption by Washington Mills of inbound product by rail, but see below. Editor]

Sale?
The railroad remains for sale, and the owners have some active offers, reported Busenburg. {ANR&P discussion}

Increased traffic at Washington Mills

On 27 December, a rail observer spotted 18+ cars in the yard, much higher than normal. Hopper cars move to the facility. {BCLR e-list; e-mail from Bob Grubinskas} Tim Williams, president of Washington Mills, said however that the company
had always gotten product inbound [in contrast to earlier report that inbound had gone to truck--see 06#04B] and that he saw no remarkable increase in quantity.

He also said Washington Mills owns none of the stock of GU. {ANR&P discussion 5 Jan. 07}

Increased traffic at transload
Weetabix, which has been getting corn in bags, is now getting flour in new, five-pound bags palletized. {BCLR e-list}

Sell property in Hopedale?
The Village of Hopedale still hosts a significant chunk of the GU right of way, although the massive Draper textile machinery factory, with a million square feet, remains vacant. The Village and the property owners would like to develop it piece by piece. The GU ROW runs through the property, complicating the re-use.

GU President Bridgette Lucey said the switching yard adjacent to Draper formerly served as the main hub for the railroad's 15 miles of track. While she would prefer to sell the entire railroad property to a buyer who would maintain GU as a railroad, the company's holdings could also be broken up for development. {Alan R. Earls in Boston Globe 23 Dec. 06}

NECR: NEW PROGRESS RAIL RIP

4 January, Dallas. PROGRESS RAIL OPENED A REPAIR-IN-PLACE TRACK IN PALMER, said Don Franks, who handles ten RIP tracks for the company across the United States.

The facility
Progress rejuvenated an RIP track which was last used “some years ago,” said Franks. Workers did grading, put down new gravel, and revamped the material storage area. The company is employing a boxcar formerly used by NECR [see photo].

Why the facility
Under FRA rules, railroads have an obligation to inspect and repair cars running on their lines, regardless of ownership of the car. NECR already had one RIP track, operated by Progress, in St. Albans. Now, that facility will handle the traffic coming out of Canada which NECR receives in interchange from CN, per Franks.

The Palmer facility will handle traffic coming off the interchange with CSXT in Palmer, or cars for which the need for repair was discovered between St. Albans and Palmer, southbound. {ANR&P discussion 4 Jan. 07}

PVRR: YANKEE CANDLE

2 January, Holyoke. PVRR WILL OPEN A TRANSLOAD HERE TO SERVE YANKEE CANDLE, said Mike Rennicke, general manager. The railroad has signed a lease with the City of Holyoke for property, next to its “Hill track”, so called because it stays on the hill of Holyoke, whereas PVRR’s other track through the city runs down to the Connecticut River, along its bank under ST’s, and northward. Rennicke estimated the facility will open by the end of January.

Product and drayage
Solid paraffin, made from petroleum, will arrive by rail from the Gulf Coast at the transload, only two blocks from I-391. Local steam will melt the paraffin into liquid, which will be pumped into tank trucks with their own heating coils. Trucking firm Superior Carriers of Springfield will dray the paraffin to Yankee Candle’s facility in South Deerfield via I-391 and I-91. According to Michael Austin, terminal manager for Superior Carriers, one railcar full of paraffin requires about 3.5 truckloads.

Rennicke said the long-time pattern of about 100 carloads of paraffin would continue. However, Yankee is looking into railing in soy-based wax, and another product from Canada, both of which now arrive via truck. These products would greatly increase the rail traffic to the transload.
ST: HAZARDOUS MATERIALS

21 December, DC. FEDERAL REGULATIONS MAY HELP LOWELL AND OTHERS CONCERNED ABOUT RAIL-HAULED HAZARDOUS MATERIALS. Proposed regulations published by the Department of Homeland Security and the Federal Railroad Administration on 21 December would require railroads hauling toxic inhalation hazards (TIH) to determine the most appropriate route for shipping hazardous materials (hazmat) and take steps to ensure the security of transporting such materials from start to finish.

Freight railroads already developing system

In promulgating the rule, TSA stated: ‘The freight rail industry has already begun to implement several key security measures, such as tracking and substantially reducing the standstill time for unattended freight cars transporting TIH materials in high threat urban areas, developing site-specific security plans with access controls, and providing security training for employees.

Facility

Three stakeholders have invested what Rennicke would only call a “considerable” amount of money to build the facility, located off Commercial Street in Holyoke’s industrial core. PVRR rebuilt the siding adjacent to the city-owned land; Superior and Yankee covered the cost of the transload, which can serve seven cars simultaneously. City steam piped into coils inside the rail cars will melt the paraffin for transfer from railcar to truck.

Per Rennicke, the use of city steam saved the high expense of building a steam-generating facility; Transflo moved its steam generator at Westfield to North Haven.

Why the new facility: Transflo move

Rennicke explained that when CSXT’s Transflo, which formerly had space in PVRR’s Westfield rail yard [our Directory #402], consolidated its operations [see 06#06B] to North Haven, Connecticut [our Directory #644] and Allston [our Directory #228], it permitted PVRR to retain Transflo customers.

Yankee had switched to the Westfield Transflo when it opened in 2002 [see 02#12A], moving from Transflo’s Allston facility, with about 110 cars a year. When the Westfield facility closed, Yankee went back to Allston, but per Rennicke did not like the distance of drayage. [ANR&P discussion 2.Jan.07; David Reid in Springfield Republican 28.Dec.06]

Building the facility hit a bump when Yankee, listed on the New York Stock Exchange, negotiated with private equity firm Madison Dearborn Partners for a buyout at $1.4 billion. In October, Yankee agreed to the buyout, which will occur in 1Q07. {New York Times}

How long to halt in one place
Current regulations (49 CFR section 174.14) permit rail carriers to leave hazmat in one place for 48 hours, excluding weekends and holidays. Lara Uselding, a Transportation Security Administration (TSA) spokesperson, said the federal agency “is working with the industry aggressively to reduce the unattended standstill time.”

U.S. Representative Marty Meehan (D, Lowell) looks forward to working with the new, Democratically controlled Congress on “changing the 48-hour rule and making uniform requirements for rail carriers to notify local officials and residents” of what their trains are carrying. “The lack of oversight for hazardous material carried by rail is completely unacceptable. Though these proposed rules are a step in the right direction, what the agencies need to address is the continuing practice of parking dangerous chemicals in our cities and towns.’

Lowell city councilors have formed an ad-hoc subcommittee to deal with the railcar-parking issue [Eastman Gelatine has a proposal to park its acid cars in Lowell until needed, but it and ST have not reached agreement on the particulars—see 06#10B]. In the past, they also have asked ST to notify firefighters of what and when hazardous materials will be passing through the city, but ST has declined to do so, citing the volume of such cargo and the potential disruption to his business.

What about the fact that people moved in knowing about the existence of the tracks? “People realized that they live next to train tracks and that there would be trains traveling on those tracks,” said City Manager Bernie Lynch. “What they never counted on is there would be these trains with hazardous materials parked in people's backyards.” [A tank car with hydrochloric acid leaked in Lowell in 2002, and with ferric acid in October 2006—see 06#10B. Another leaked in Boston in April 2004—see04#05A.] {Michael Lafleur in Lowell Sun 31.Dec.07}

ST: AYER II
4 January, Ayer. THE TOWN IS NOT YET PURSUING LEGAL ACTION. The chair of the Select Board, Frank Maxant, denied a quote in another newspaper [see 06#11B] that indicated the town was pursuing legal action against Guilford for alleged violations of the consent order. He said the entire board would be required for that, though he left little doubt what his personal opinion was. “I think we need to be very, very assertive on this thing or else they'll just steamroll ahead with whatever they want,” he said. {Nathan Lamb in Ayer Public Spirit 5.Jan.07}

Ayer concerned about drinking water
Ayer Selectman Carolyn McCreary, a spokeswoman for the Coalition for Aquifer Protection in Ayer and Littleton, said beyond changing its hazardous materials transport practices [see other article], she would like Pan Am to be better safeguards of the environment in general. “They shouldn't be exempt from environmental requirements that other companies have to abide by.” {Michael Lafleur in Lowell Sun 31.Dec.06}

FALL RIVER: NEW BUILDING
2 January. AN RFP ON THE BUSINESS PLAN FOR THE NEW PIER FACILITY WAS POSTED AGAIN, with a close date of 9 February. Rick Armstrong, executive directory of the Massachusetts Seaport Advisory Council, which wants the business plan, wrote: ‘We are contacting vendors directly’ and he hoped vendors can find the solicitation on COM-Pass. {email to ANR&P 4.Jan.07

An RFP in October 2006 got no responses [see 06#10A].

Summary of RFP
‘With the economic justification and preliminary architectural renderings complete, the state plans to undertake final engineering and design over the course of the next year. As a parallel track, the state recognizes the importance of ensuring the facility will be operational once constructed. The objective of this project is to develop the business and operation strategies and compile a formal business/ operations plan for the facility."

‘Referring to previous studies (Cost-Benefit Analysis & Preliminary Design and Feasibility), the retained consultant shall:

(1) Develop a full scale analysis / business plan for the operations (cargo, cruise, exhibition, office, performing arts, restaurant) intended for the Fall River State Pier Multi-use Facility that will enable the state to allocate resources effectively, handle unforeseen complications, and make good business decisions.
(2) The retained consultant shall provide specific and organized information about the identified facility operations that will assist the state in marketing the facility, informing personnel, suppliers, shippers, cruise operators, and others about facility operations and goals.

(3) The plan should impart a realistic view of the expectations and long-term objectives of the facility and its intended business ventures.

(4) The plan should provide the framework within which the facility will operate and ultimately succeed, in effect create a ‘business plan’ on which the terminal and all of its components can operate.’ {text from COMM-PASS website Document Number: Seaport02A 2.Jan.07}

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**RHODE ISLAND**

**PW: AUTORACK POOL**

8 January, DC. *THE STB APPROVED PW’S MEMBERSHIP IN THE AUTORACK POOL*. No party filed comments on the request [see 06#10A]. {STB Finance Docket # FD 29653-9}

**PW: NIMBYS FIGHT FACILITY**

31 December, Cumberland. *RESIDENTS HAVE APPEALED THE AWARD OF A CERTIFICATE OF ZONING COMPLIANCE* by Cumberland Building Official Mark Favreau in March 2006, to New England Dispose for a construction and demolition facility (C&D).

In August 2006, Coastal Recycling dropped its plan for a C&D in Cumberland, which had also received a certificate of zoning compliance [see 06#08A]. But the partners in Dispose, Peter Calcagni and Arthur Case, have not, leading two local couples to appeal Favreau’s decision.

The Zoning Board of Appeals is currently handling the Dispose case. At the same time, Mayor-elect Dan McKee, a Dispose opponent who beat incumbent mayor Iwuc in November, said he will rescind the certificates when he takes office on 8 January.

*More on the facility*

Dispose would build at 24 Martin Street, where Calcagni already operates Fleet Construction [see 06#07B], the ‘We Dispose’ trash receptacle business, and Bio Waste LLC. But first, the legal hurdles must be cleared. {Marcia Green in Valley News 3.Jan.07}

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**VERMONT**

**VAOT: BUDGET PLAN**

3 January, Montpelier. *THE VERMONT RAIL COUNCIL IS DISCUSSING A SCHEDULE FOR CAPITAL SPENDING*, according to Dick Hosking, interim manager of VAOT’s rail section.

**The specific plan**

‘The plan is basically to bring the Green Mountain and VTR from Florence to Bellows Falls to 286,000, the WACR-Conn River to 25 miles per hour, and strengthen the bridges, bring grade crossings to current federal safety standards and continue Amtrak service on both existing routes....’

‘We have budget projects projected out through FY2009. We also have projects in the design phase with funding for construction projected in later years....That is in the Rail Advisory Council’s Infrastructure report. At this time, the report is being rewritten (they had a meeting last month) and won’t be available to the public until the Council votes on it.’

Although the Council’s report is advisory, wrote Hosking, ‘we use it when we prepare each year’s budget.’

**Using federal dollars**

In 2005, the federal SAFETEA-LU transportation authorization bill included earmarks for Vermont totalling $50 million [see 05#08B]. For 2006-2007, the state budget with the federal supplement totals $25 million [see 06#04B]. Hosking wrote: ‘The
earmarks were for a certain amount but the federal government does not fund them at 100%, more like 85%. We base our budget on the 100% because we don't know what Congress is going to do when the federal budget hits [the Appropriations Committee]....

‘Earmarks do not specify the time needed to spend them. We don't get the earmarks all at once. Each earmark is allocated by the federal government at 20% each year for 5 years. What this requires is that we schedule projects so we have the money. The Bellows Falls Tunnel is an earmark project. We don't get all the money until the end of the fifth year so we "borrowed" the additional funds we need from another earmark that was not ready to go and then will pay that back as we receive it.’ {e-mail to ANR&P 20, 29.Dec.06, 3.Jan.07}

NECR: BIODIESEL PRODUCTION

3 January, Swanton. **BIOCARDEL VERMONT WILL START MOVING EQUIPMENT IN JANUARY** to begin B-100 production, said Stephen Daigle, manager of the plant. Because he is obtaining the equipment via a turnkey contract, he expects to start production this month, “as soon as we hook up a few pipes.” He is selling the B-100 to biodiesel distributors in New England.

The facility and rail

Biocardel is occupying a former fertilizer plant on Babbie Boulevard, north of NECR’s most northerly rail facility, [Cargill Animal Nutrition, our Directory #1042] on Jonergin Drive. Daigle said the soybean raw material will arrive by truck initially; when he reaches full production in mid-summer, the soy will arrive by rail [see 06#09A]. [The 4 million gallons inbound translates to about 200 carloads per year. Editor] {ANR&P discussion}

QUEBEC/MARITIMES

MMA: CHIP CUSTOMER

2 January, Bury PQ. **MAINE HARDWOOD CHIPS ARE MOVING TO BURY QUEBEC**, said Roy Bernard, wood fiber manager for Irving in Maine. The roundwood originates on the 1.2 million acres of Irving hardwood timberland in northern Maine; Irving’s Pinkham mill in Ashland creates chips, and MMA moves 10 to 15 carloads a week to Bury.

In Bury, Irving has engaged local transport to dray the chips to the final customer. The move began in autumn 2006. {ANR&P discussion}

NORTHERN N.S.: OIL REFINERY?

3 January. A **UTAH FIRM IS CONSIDERING LOCATING AN OIL REFINERY IN NORTHERN NOVA SCOTIA**. No one has built a new refinery in North America in 25 years.

Port Hawkesbury Mayor Billy Joe MacLean confirmed this day that Headwaters Inc. of Utah has been scouting out locations in the Strait area, Melford, Guysborough County, and Sydney. “They are very serious, but it's in its infancy. They are telling us it's very large, but there's still a lot of work to be done.” Headwaters representatives have met with municipal and government staff at least four or five times in Port Hawkesbury. Company executives also had discussions in Halifax in December with Nova Scotia Business Inc., a provincial business development agency.

Headwaters expressed interest in setting up a heavy oil refinery in the area after hurricanes Katrina and Rita knocked out refineries in the Gulf of Mexico and it became increasingly difficult to get a permit for an oil refinery in the United States, MacLean said. “They are three or four years away, if they are lucky.”

More about Headwaters

Headwaters spokesperson John Ward confirmed the company is in the “preliminary stages” of building a refinery in Canada and declined to reveal more details of the business development unless a site is selected. The company, which had $1 billion in revenues in 2006, has no refineries elsewhere but recently announced the creation of Heavy Waters Oil to develop technology to improve the efficiency of refining heavy petroleum.

According to Headwaters' website, the company is a world leader in developing and using alternative fuel and related technology, and is focusing on converting fossil fuels such as coal and heavy oils to alternative energy products.
Possible Strait site
Headwaters is interested in the area behind Anadarko Petroleum's liquefied natural gas site at Bear Head and 121 hectares of land in Melford.

Other companies also interested, not Irving
MacLean said other companies are also interested in building a refinery in the area but wouldn't name them. Irving, said Paul Boutilier of Nova Scotia Business Inc., dashed his province’s hopes in October when Irving Oil said it is exploring the possibility of building a second refinery in Saint John. Irving said the new refinery would be the largest private-sector investment in Atlantic Canada and that the company needs a financial partner to make it happen. Irving hopes to make a final decision early in 2007, per a spokesperson on 4 January.

What about the LNG facility?
The Strait community is skeptical of the refinery, because work on a proposed liquefied natural gas plant has been suspended [see 06#07B and box], “but I certainly am optimistic there will be something forthcoming because the Strait has so much to offer,” said Dan Fougere, president of the Strait Area Chamber of Commerce. {Judy Myrden in Halifax Herald 4.Jan.07}

ANADARKO LNG STALLED
29 September 2006. ANADARKO COULD NOT COMPLETE A DEAL WITH US VENTURE ENERGY to sell its partially-built LNG terminal at Bear Head [see 06#07B]. The deal to sell a planned $700 million liquefied natural gas terminal in the Canso Strait has collapsed, the latest setback for the $700-million project.

Earlier this month, Anadarko lost its pipeline connection when Maritimes and Northeast Pipeline cancelled its contract.

Nevertheless, said Paul Doucet, spokesman for Nova Scotia Business Inc which helped broker the deal, the project is "very much alive....There's $100 million invested at the site. Anadarko is highly motivated to find a partner to complete the project and or recoup their investment.” The project is seeking another buyer.

The megaproject calls for a ship-unloading area, tanks to store liquefied natural gas, and an area to convert LNG back to gas. {CBC webposted 29.Sept.06}

Other Canadian LNG projects
According to the Canadian National Research Council, the country had in September 2006 eight proposals for LNG terminals: two in British Columbia, three in Quebec, one in New Brunswick (Irving--Repsol, of Spain, has contracted for 100% of the output, and will import the LNG), and two in Nova Scotia (Keltic in Goldboro and Anadarko in Canso).

Irving and Anadarko have received federal and provincial and could be ready in the 2008-2009 time frame. {Report of the Energy Policy Sector, Petroleum Resources Branch Natural Gas Division 9.06}

HALIFAX: CERES
3 January. THE PORT AUTHORITY HAS DOUBLED ITS CAPITAL SPENDING FOR 2007, TO $24 MILLION, said George Malec, vice-president of operations and security, much of it for Halterm.

Post-Panamax vessels coming to Cerescorp
Grand Alliance member Orient Overseas Container Line calls Cerescorp with post-Panamax ships. The stevedoring firm has ordered two super post-Panamax gantry cranes for delivery in summer 2007. The Port Authority must strengthen the support for the cranes; it improved crane rail tracks last year and this year will complete all the required electrical upgrades to support the new equipment, as well as add plugs for refrigerated containers.

The Port Authority will also double the length of on-dock rail to 2,000 feet at a cost of about $7 million.

Aim: grow Midwest traffic
Malec said the port’s focus is “on growing the business with an emphasis on rail infrastructure because rail is where we are really looking in terms of growing the Midwest business, to Chicago in particular.”

Cerescorp vice-president Calvin Whidden said the additional track “will help us service the (shipping) lines much better. We will be able to get import containers to rail in a shorter period of time and reduce the extra cost of double-handling
containers when there are no railcars for them. It will also enable us to get more export cargo directly on the terminal for more timely arrival to the vessel.”

**New truck plaza**
The Port Authority and Nippon Yusen Kaisha of Tokyo, which owns Cerescorp, are jointly funding a new plaza that will accommodate 34 trucks for possible completion in 2007. {Tom Peters in *Halifax Herald* 4 Jan. 07}

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**HALIFAX: HALTERM**
21 December. **SOME 99.6% OF UNITHOLDERS OF HALTERM APPROVED SALE OF ITS ASSETS TO MACQUARIE INFRASTRUCTURE PARTNERS.** Closing will occur in mid- to late January. {Halterm press release}

**SYDNEY: CONSULTANT HIRE**
3 January. **THE MARINE GROUP IS NEGOTIATING WITH A CONSULTANT TO DO A MASTER PLAN** for the port.
Jim Wooder of Laurentian Energy, one of the five members of the group, said they had selected a short list of candidates from the replies to the request for Expressions of Interest in November [see 06#10B], and begun negotiations with the one at the top of the list. He expected a selection “in a couple of weeks.” {ANR&P discussion}

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**RAIL SHIPPERS**

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

* Indicates new or proposed facility.

*B*iocardel Vermont (NECR, Vermont)
Ceres (CN, Nova Scotia)
GU transload (GU, Massachusetts #351)
*Irving transload (MMA, Bury PQ)*
*New England Dispose (PW, Rhode Island)*
Omya (VRS, Regional #1122)
*Progress Rail (NECR, Massachusetts)*
Twin Rivers (FRVT, Massachusetts #320)
Washington Mills (GU, Massachusetts 350)
*Y*ankee Candle (PVRR, Massachusetts)

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**EDITORIAL**

**GUEST: BIOFUEL PROBLEM**

*Note: As a rail supporter, I applaud the increased traffic generated by biodiesel from soy, and ethanol from corn. After all, NECR is getting one biodiesel facility, with more on the way; PW will have major traffic from the ethanol pouring into the Motiva facility at ProvPort. However, neither fuel will solve global warming, nor will they significantly affect the petroleum used by this continent. The article below tells why.*

Two recent studies aim to document the full consequences of the new biofuel economy and realistically assess its impact on fuel use, greenhouse gases and agricultural lands. One study, originating from the University of Minnesota, is moderately hopeful in the first two areas, but offers a strong caution about land use. The other, from Cornell University and UC Berkeley, concludes that every domestic biofuel source—those currently in use as well as those under development -- produces less energy than is consumed in growing and processing the crops.
The Minnesota researchers attempted a full life cycle analysis of the production of ethanol from corn and biodiesel from soy. They documented the energy costs of fuel production, pesticide use, transportation, and other key factors, and also accounted for the energy equivalent of soy and corn byproducts that remain for other uses after the fuel is extracted. Their paper, published in the July 25, 2006 edition of the Proceedings of the National Academy of Sciences, concluded that ethanol production offers a modest net energy gain of 25% over oil, resulting in 12% less greenhouse gases than an equivalent amount of gasoline. The numbers for biodiesel are more promising, with a 93% net energy gain and a 41% reduction in greenhouse gases.

The researchers cautioned, however, that these figures do not account for the significant environmental damage from increased acreage of these crops, including the impacts of pesticides, nitrate runoff into water supplies, nor the increased demand on water, as "energy crops" like corn and soy begin to displace more drought-tolerant crops such as wheat in several Midwestern states.

The most serious impact is on land use. The Minnesota paper reports that in 2005, 14% of the U.S. corn harvest was used to produce some 3.9 billion gallons of ethanol, equivalent to 1.7% of current gasoline usage. About 1.5% of the soy harvest produced 68 million gallons of biodiesel, equivalent to less than one tenth of 1% of gasoline usage. This means that if all of the country's corn harvest was used to make ethanol, it would displace 12% of our gasoline; all of our soybeans would displace about 6% of diesel use. But if the energy used in producing these biofuels is taken into account, the picture becomes worse still. It requires roughly eight units of gasoline to produce 10 units of ethanol, and five units of gasoline to produce 10 units of biodiesel; hence the net is only two units of ethanol or five units of biodiesel. Therefore the entire soy and corn crops combined would really only replace less than 3% of current gasoline and diesel use. This is where the serious strain on food supplies and prices originates.


PEOPLE

Bernard Cohen was nominated as secretary of the Massachusetts Executive Office of Transportation by governor-elect Deval Patrick. For the past two years, Cohen has directed the Federal Transit Administration's Lower Manhattan Recovery Office in New York, a $4.55 billion program to rebuild transportation facilities destroyed or damaged by the 9/11 terrorist attacks. He previously served as the deputy managing director of the Massachusetts Bay Commuter Railroad Company, overseeing commuter rail service in the Boston area.

John Brennan was named as minority staff director of the subcommittee on Railroads of the US House Transportation Committee by US Representative John Mica (R, Florida). He had served as majority counsel to the subcommittee, and previous to that as: director of Commuter Rail for the Massachusetts Bay Transportation Authority; deputy general counsel for the Massachusetts Executive Office of Transportation & Construction; deputy chief counsel for the Massachusetts Highway Department; and manager of contracts & agreement for Guilford Rail System (now ST).

Kristin Decas on 8 January will become executive director of the New Bedford Harbor Development, and port director for New Bedford. Decas formerly served as deputy director of the Massachusetts Seaport Advisory Council.

Jerry E. Vest has assumed responsibility for Genesee & Wyoming’s government and industry affairs from Robert Grossman. The succession was planned when Vest joined the company in 2005 as vice president of government & industry affairs. Vest has worked for three Class I carriers – Conrail, CSX and CN. In addition, as vice president and general manager for Great Lakes Transportation, he was responsible for the Bessemer & Lake Erie Railroad and the Pittsburgh & Conneaut Dock Company, including their government affairs activities.

Grossman will continue in a part-time capacity as vice president of government & industry affairs for GWI’s Oregon Region, which includes the Portland & Western Railroad.
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Coverage
The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

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

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

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