Helping to move rail and port traffic through New England, the Maritimes, and eastern Quebec.
A weekly trade newsletter.

### Regional Issues

* Article unchanged from e-bulletin.

**Quebec Central:** Abandonment of most of track.*

**Saint John:** Results.

**Halifax:** Maersk is leaving, again.*

### RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

**People, Positions, Events**

**People:** Brian Nutter, Jim Cross, James Kirkpatrick, Carol Murray, Charles O’Leary.

### From the Publisher

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Luckily, antibiotics still work for me, so as of this writing am well along to full health.

- Chop Hardenbergh

Next issue: 23 February

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**Regional Issues**

**Transportation:** Worcester RR, Authority, Central RR, CN

**Worcester RR, Authority:**

**Central RR:**

**CN**

**Ry, Authority:**

**Central RR:**

**CN**

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**from the US federal government for these purposes),**

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**See also Regional:**

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**[See also Regional:]**

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**Public Advocate report:** Carriers doing better?

**Calais branch:** Bids to lift track coming.

**MMA:** Fraser has deal to buy Millinocket mills.

**MMA:** Houlton biorefinery possible.*

**ST/MMMA:** Industrial Metal is sold.*

**ST/Bucksport:** Biorefinery cannot get rates.

**Searsport:** Biodiesel will arrive by truck.

**Searsport/MMA:** Lumber exports begin.*

**MASSACHUSETTS**

**BCLR:** First carload for Mirant in April.

**CSXT:** State wants to buy tracks.

**NECR:** Maple Leaf wants more track in Palmer.

**ST:** Will Amtrak run on the ConnRiver?

**ST:** More troubles in Deerfield.

**New Bedford:** Sprague tanks operational.

**NEW HAMPSHIRE**

**ST:** DEP issues enforcement letter.

**RHODE ISLAND**

[See Regional.]

**VERMONT**

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REGIONAL ISSUES

PW/NECR: AUTORACK ROUTE

31 January. **UPDATES ON PROGRESS.**

**The test autoracks**
Back in October [see 06#09B], PW used three autoracks to show that the FRIP was open between Davisville and Pawtucket, ready to move autoracks. As of 31 January, PW had moved two of the three to Worcester, and CSXT was poised to move them west, destination unknown. {e-mail to ANR&P from correspondent Ron Chouinard}

**The re-opening of the ‘Willy’**
PW ran two engines light from Plainfield to Willimantic and return on 25 January, after track workers had rehabbed the line. {e-mail to ANR&P from Tom Nanos} PW has also posted signs stating it will resume train operation on the line on 8 February [see photo].

**The Bellows Falls tunnel**
On 31 January at the Brownell Library in Essex Junction, Charlie Moore and Mike Coates, both members of the Vermont Rail Council spoke on ‘Current & Future of Railroads in Vermont’. They estimated completion of the height clearance through the tunnel, to 19 feet six inches, in March.

Moore is a former RailAmerica official. Coates, a long-time construction contractor, said later that Governor Jim Douglas, a close acquaintance, asked him to serve on the Council because of his construction expertise.

**The traffic**
Moore and Coates estimated initial traffic is 30-35,000 empty containers going north plus auto racks. The containers would come from PW’s intermodal terminals in Worcester, and go to the Port of Montreal.

“The Providence & Worcester has pushed this,” said Coates. But NECR will also benefit: once the traffic starts, NECR will obtain more revenue to improve its lines to 286,000-pound capacity. {ANR&P discussion 6.Feb.07}

CONNECTICUT

**ST: EMBARGO**
22 December, Waterbury. **ST INSTITUTED AN EMBARGO OF BAER SUPPLY**, located at 567 S LEONARD Street. Reason: ‘Bridge out of service.’ The embargo, ST000306, will end 22 December 2007. {AAR embargoes website}

The facility lies at the end of nearly mile-long spur out of central Waterbury [see map 04#05B]. Brian Beck of the company was taken aback by the embargo. {ANR&P discussion}

[The Waterbury facility should have been listed in our Directory. The company has two other facilities in New England on rail: Tewksbury Massachusetts (#66) and Providence/ Pawtucket (#485).]

**Tilcon plant stopped rail in 2006**
Tilcon’s asphalt plant [our Directory #633], directly adjacent to Baer, stopped receiving by rail in 2006. According
to one source with Tilcon: ‘The reason there's no stone over in Plainville is poor servicing. The cars couldn't get from New Britain to Waterbury and vice-versa in an acceptable amount of time.’ {e-mail to ANR&P 9.June.06}

MAINE

FREIGHT SERVICE REPORT

5 February, Augusta. THE PUBLIC ADVOCATE RELEASED THE SECOND ANNUAL RAILROAD SERVICE QUALITY REPORT, as requested by the Legislature in 2005.[See 06#02A.]

It is based on a total of 86 responses broken out:

# OF RESPONSES FROM CUSTOMERS

<table>
<thead>
<tr>
<th></th>
<th>MMA</th>
<th>SLR</th>
<th>ST</th>
<th>other*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>13</td>
<td>2</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>2Q</td>
<td>4</td>
<td>8</td>
<td>9</td>
<td>1</td>
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<tr>
<td>3Q</td>
<td>4</td>
<td>2</td>
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<td>2</td>
</tr>
<tr>
<td>4Q</td>
<td>8</td>
<td>4</td>
<td>6</td>
<td>0</td>
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<tr>
<td>total</td>
<td>29</td>
<td>16</td>
<td>38</td>
<td>3</td>
</tr>
</tbody>
</table>

* One response on EMR in 2Q, and two not linked to a railroad in 3Q.

Rankings
As a rough measure of performance, the Advocate ranked the carriers according to these criteria [not all described below, see table]:

% late placements (number of late placements as a percentage of total placements). SLR first best, ST second, MMA third.

Average days late. SLR first, MMA second, ST third.

Empty cars requested versus cars delivered. All well, with MMA delivering 123%, SLR 100%, and ST
98%.

Number of times service not provided (versus just late). SLR best at 0, ST second at 42, MMA third at 46.

Complaints/car. While the Advocate lists only number of complaints and number of contacts with personnel concerning a service problem, I have calculated these numbers per car thus:

<table>
<thead>
<tr>
<th>Service</th>
<th>Complaints/# Loads + # Empties</th>
<th>Contacts/# Loads + # Empties</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST</td>
<td>134/11,515 Worst</td>
<td>402/11,515 Worst</td>
</tr>
<tr>
<td>MMA</td>
<td>36/8,371 Second worst</td>
<td>111.5/8,371 Second worst</td>
</tr>
<tr>
<td>SLR</td>
<td>0/912 Best</td>
<td>2/912 Best</td>
</tr>
</tbody>
</table>

Comments

First quarter.
MMA & CN - Rail cars setting in Canada border waiting to cross for more than a week - meantime I'm running low on cars and product.
MMA - This is my 1st response to you. My only complaint relates to the sizeable rate increase increases that we are absorbing. Approximately $500 per rail car. To a company like ours this increase in cost is not passable to our customers and a hit of $500 + 500 cars is a huge increase in our cost structure.
MMA - We stopped using the railroad.
MMA - We feel that things are improving and look forward to the future. Our only problem is that cars are slow being set and picked up.
MMA - Need better rail service.
MMA - No complaints or comments.
MMA - Great service Jan./Feb./March 2006. Very responsive. No snow.
MMA - Service is not reliable. Can't count on train service on a regular basis.
MMA - Shortage of rail cars delayed service. Overall very good service.
MMA - Because of the Old Town mill we currently are not using the rail service.
MMA & GRS/ST - No placements or shipments for the 1st quarter of 2006 from either MMA or GRS/ST.
GRS/ST - After much back and forth discussion with the railroad, they did waive demurrage for the months of February and March.
GRS/ST - We have change shipping methods to bulk truck.
GRS/ST - No cars provided or shipped this quarter. Thanks.
GRS/ST - There has been a vast improvement in the quality of service by Guilford rail systems. Better communications at lower levels of management which minimizes the amount of time senior management needs to be involved. I hope this continues.
GRS/ST - In section #2 - we requested empty cars a total of 8 times; only 7 cars were delivered in the first quarter. #8 was delayed until the second quarter.
GRS/ST - Some of the results I have seen in previous survey recaps concern me because I believe they paint a picture that is too negative. Railroading is a difficult business and the ST operates in one of the most difficult areas of the country. One need only look at the experience of shippers dealing with the BAR becoming the CDAC becoming the MMA to understand that maybe the management at the ST does know what they are doing. They have managed to provide reasonable service at relatively low cost for many years. I may not like some of the decisions that ST management has made but, in the long run, they have probably kept a rail system operating that would otherwise largely be gone.
GRS/ST - No problems, service is good.

Second quarter.
GRS/ST - We have discontinued using any rail service due to the terrible service we received from Guilford. We are using transport loads exclusively now.
GRS/ST I can count at least 8 deliveries to pick up at railcars at __________ by GRS/ST in 2nd quarter for my customer __________ for business going to __________. Their service is unreliable and inconsistent at best and I will probably lose the business in the future. Guilford is only coming up once a week to __________ and
I need more interchange service, it is taking 7-10 days to go from ________ to ________ to interchange with SLR for delivery to _________. I know our General Manager is on the phone at least a couple of times per week trying to obtain a delivery schedule.

GRS/ST - In the three month period ending June 30, we have had no activity with railcars.

GRS/ST - Guilford/ST service unreliable, unpredictable.

GRS/ST - We basically need to load 60 cars a week, but the ST. is lucky to get us 45 cars a week.

GRS/ST - Service is good no problems.

GRS/ST - Prompt service is an ongoing, daily issue with railroad.

GRS/ST - We have not used the railroad in over two years.

MMA - During request by email at MMA - they still cannot get it right. Sending demurrage bills then customers has to follow up with copies of the emails sent to railroad to show that we did what were suppose to do and they did not. So there is no demurrage due to MMA.

MMA - MMA no improvement in service. Service is not reliable!

MMA - No complaint.

Third quarter.
EMR/NBSR - This is a sister-company of ours. Though I'm probably slightly biased in my comments, I have had very few problems with the service. Our products going in their direction are feeding our paper mill in Saint John, NB. We all know our part in keeping the mill running - NBSR won't drop the ball.

GRS/ST - I have absolutely nothing good to say about this carrier, except to say they're honest. They have admitted to passing over our cars of pulpwood in order to pull higher priced cars. They are very slow at moving our cars - our customer is to receive 32 cars per week, we are lucky if ST delivers half of that. I can't talk to anyone about customer service. I can never reach anyone at their Waterville or Northern Maine Junction locations, and the people in Massachusetts never return my calls. The only people that will contact me are the accounting folks when we've underpaid our freight bills.

GRS/ST - The GRS/ST seemed to be doing a better job at delivering empties to use at a regular basis.

GRS/ST - 1/c delays both directions; excessive dwell time in ST yards, bad order repair delays; inconsistent service, embargos on warehouses, derailments, billing and routing issues.

MMA - For the most part, we always have empties available for loading in our ________ yards. The problems arises when we make requests for specific car types in specific yards. I find that the rail carrier's business moves much slower than ours does and often times cars arrive after the need has passed. If the cars aren't there when we need them we are forced to pay higher freight costs to get the product moved. In some cases we don't have the luxury of a backup plan, so it's necessary for us to wait until cars are placed. As a customer I expect my Company to be treated at though we are the only customer. I have called and e-mailed several complaints to the MMA staff - from the customer service center to the Chairman of the Board. My frustrations are with the incompetence in giving me what I ask for in a timely manner. I know that sounds bad, but I expect the same good service that we give our own customers.

MMA - No complaints.
MMA - All went well.
SLR - No comments as we are only starting to use their line next week to move _____________ from Quebec to Northern Maine via MMA.

Fourth quarter.
ST - We did not have any activity in the 4th quarter of 2006. We will, however, have rail service both in and out of ___________ in the 1st quarter of 2007.
ST - Service is very good.
ST - We don’t use this service anymore.
ST & SLR - Unable to establish new rate contract that was competitive to other modes of transport. E.g. truck/intermodal.
MMA - No shipments for quarter.
MMA - Things have gone well this quarter - _____________ yard workers (SC) very helpful when we had a problem.
MMA - Have not shipped or used the railroad for this period.
MMA - Car being held up @ the border by MMA and paperwork. 
MMA - Only received 11 cars this Quarter.
MMA - No complaints.
SLR - No railcars, delivered to during the 4th quarter.
SLR - Excellent service. {text from Stephen Ward, public advocate, who sadly is leaving}

CALAIS BRANCH
1 February, Cherryfield. MDOT WILL ASK FOR BIDS TO LIFT THE TRACK FROM WASHINGTON JUNCTION TO AYERS JUNCTION. The winner would restore the 66-foot right-of-way and construct a gravel trail at least 10 feet wide.

The work may begin this summer, and end in spring 2008. Rail would remain from Ayers Junction to Calais, and from Ellsworth to Washington Junction, the latter for the proposed Downeast Scenic Railroad.

Rail, trail price
The department estimated the cost of building the trail at $30,000 per mile, a cost partially offset by the value of the rails. Scrap steel now fetches $100/ton, so the rail is worth about $15,000 per mile.

“The biggest problem will be disposal of the ties,” said David Rodrigues, a planner with MDOC’s bureau of parks and land. “There is no disposal facility in Maine. There’s one in Montreal and one in Pennsylvania, so this will be a fairly large expense.” MDOT estimated the line has about 572,000 creosoted ties. {Tom Walsh in Bangor Daily News 1.Feb.07}

RFP coming
Dan Stewart, bicycle and pedestrian coordinator for MDOT, said later that he expected the RFP by April at the earliest. {ANR&P discussion 6.Feb.07}

MMA: FRASER DEAL
30 January, Millinocket. FRASER AND BROOKFIELD ASSET MANAGEMENT HAVE AN AGREEMENT for the sale of the two mills here. In August [see 06#07B], Fraser announced its intent to buy the mills, which it already operates. The deal will close in the second quarter, subject to approvals.

Under the agreement, Fraser will pay $50 million plus working capital of about $30 million, as well as royalty payments based on the performance of the supercalendered paper product line from the Millinocket mill, officials said. {Fraser press release, AP in Portland Press Herald 31.Jan.07}
MMA: Houlton biodiesel

26 January, Houlton. **THE HOULTON BAND OF MALISEET INDIANS HAS PURCHASED LAND FOR A POSSIBLE BIODIESEL REFINERY**, said Peter Sexton of the University of Maine Extension Service. The Tribal Council has earmarked money for an equity payment, and is reviewing a business plan with several banks. Sexton hopes that within a month to two months, the Tribe can satisfy the bank as far as obtaining financing.

It is aiming at a 3-million gallon production rate.

Use of rail

The land purchased has a rail spur, and lies just south of the Cavendish facility [our Directory #787], on the east side. The Tribe is also looking at other sites in the area; Sexton declined to say why. MMA’s Chris Caldwell is assisting the project.

In the beginning, the Tribe would bring in vegetable oil by rail [at 3 million gallons a year, that would translate into about 150 carloads a year--editor]. Eventually, the Tribe wants to use locally-grown canola. After squeezing the plant for oil, the remaining meal is suitable for cattle feed for dairy farmers.

Sexton envisions both the canola meal and the biodiesel travelling by rail to destinations in New England and New York. He is not sure the government-provided one-dollar-per-gallon subsidy for biodiesel would come forth if the biodiesel were sold in New Brunswick, so he does not plan to export there. {ANR&P discussion 26.Jan.07}

ST/MMA: Industrial Metal Recycling

25 January, Oakland. **AUSTRALIA’S SMORGON STEEL RECYCLING WILL BUY INDUSTRIAL METAL RECYCLING in the near future.** Smorgon will obtain four facilities in Maine: Oakland [on ST, our Directory #874], Bangor [on MMA, our Directory #794], Augusta [on ST, our Directory #870], and Arundel [not on rail], pending decisions in respective municipalities and final approval from the Maine Department of Environmental Protection.

At a hearing on 24 January in Oakland, Industrial Metal Recycling owner Peter McAvoy, who will continue managing the four Maine operations under the authority of Smorgon, said the Oakland facility will see little change beyond the installation of a camera security system. The operation does not store mercury on site and requires all automobiles to be stripped of toxic fluids before it will accept them.

Smorgon Steel Recycling operates about 40 locations spread throughout Australia, New Zealand, China and India. The company is using recent acquisitions in Virginia and Florida as stepping stones in a plan to increase the company's presence in the United States. {Joel Elliott in Central Maine Morning Sentinel}

BUCKSPORT: BIOFUEL UPDATE

8 February, Iowa. **DIRIGO BIOFUELS WOULD LIKE TO USE RAIL**, but has had a hard time getting rates from ST, said Scott Bush, president.

Site selection

Bush reported that his brother, Tobin Bush [see 07#01A], is meeting today with stakeholders to decide on the site for the biorefinery. {ANR&P discussion}

SEARSPORT: IRVING BIODIESEL

5 February. **THE FIRST CAR OF B100 WILL ARRIVE IN AUBURN** for Irving in late February, said Bob Blanchard, manager of terminal development [see 07#01A]. Irving will utilize the heating capability of Safe Handling [our Directory #923] to keep the biodiesel liquid. Tank trucks will then move the B100, which originates in the Midwest, across Maine to a tank at Searsport. Irving will use the B100 to make biodiesel, or bioheat (heating oil with 5% B100).

Searsport currently has no capability to heat the content of railcars, and installing it is not cost-effective for the carload a month or so which Irving will utilize. “If the volume climbs, we may invest in a facility,” said Blanchard.

Volume may depend on whether Maine renews its tax reduction of 7.9 cents per gallon, due to expire 1 September. {ANR&P discussion 6.Feb.07}
**SEARSPORT: LUMBER EXPORT**

29 January. *FRASER TIMBER BEGAN SHIPPING MILLED LUMBER TO THE UNITED KINGDOM*, mostly from Aroostook County, some from New Brunswick. Another ship will call in another week for the next load, per Mike Levesque, general sales manager of Fraser Timber Limited, part of Fraser Paper. Fraser will continue lumber shipments two to four months.

MMA rails the lumber to Searsport. {ANR&P discussion}

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**BAY COLONY: MIRANT TRAFFIC**

6 February, Sagamore. *THE AQUEOUS AMMONIA FOR POLLUTION CONTROL* [see 05#08A] will not begin to arrive until April at the Mirant Canal power plant [our Directory 306]. Borden Remington of Fall River [our Directory #290] will supply the product to CSXT, which will interchange it with BCLR. {ANR&P discussion with spokesperson Chris Sherman 6.Feb.07}

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**CSXT: TRACK SALE**

30 January. *THE STATE WILL RESUME NEGOTIATIONS ABOUT TRACK PURCHASES*, said EOT Secretary Bernard Cohen, after he met with legislators from the SouthCoast (New Bedford, Fall River). The new administration will unveil its plan for building the new commuter line to the SouthCoast on 4 April [see 06#12B].

**The track negotiations**

While Cohen declined to give any details of the meeting, State Representatives William Straus (Mattapoiset) and Antonio F.D. Cabral said Cohen has also suggested combining the purchase of the line to the SouthCoast with other lines. The state wants to facilitate Harvard University's purchase of CSX rights in Allston for its medical school expansion [see 07#01A]. The state wants to buy the line to Worcester to expand the Worcester commuter line. Such a bulk purchase might cost as much as $100 million.

Cohen also said discussion of alternative routes to the SouthCoast, such as through Lakeville [see 06#12A], will end with the unveiling of the construction schedule.

**A fee on auto emissions**

The meeting with the transportation secretary also included discussion of a new commuter rail funding plan proposed by Cabral which would enact an emissions fee which increases as the level of a vehicle's pollution rises. {Jack Spillane in New Bedford Standard Times 31.Jan.07}

**The Grand Junction**

*The Boston Globe* editorial on 27 January mentioned that the Grand Junction branch, between the Beacon Park yard and Somerville, was also part of the discussions. ‘And ownership of the Grand Junction line through Cambridge would make it easier for the MBTA to move trains from the southside rail network to the repair facility in Somerville.’

Citing Cohen, it indicated that the sale could provided land for a new commuter rail station in Allston [presumably by moving Beacon Park].

The editorial also made this comment: ‘it sounds as if CSX is phasing out its freight service to the rail yards in Allston, and, if that's the case, it will not need rail lines in eastern Massachusetts.’ Inferring from that statement that the writer knows little about CSX operations in eastern Massachusetts, one might question the accuracy of the rest as well.
Malcolm Laughlin, editor of *Directory of Rail Freight Facilities in New England*, pointed out that ‘we're looking at several hundred rail cars daily east of Worcester [moved by CSXT]. [That traffic is] not going to go away soon.’

**NECR: TRACK GRANT FOR PALMER**

26 January, Palmer. **RAIL USERS MADE THE CASE FOR AN EOT GRANT TO FUND ADDITIONAL TRACK**, during a visit to EOT offices in Boston. They sought $361,750 from the state, which would require a 25% match of $120,583.

**Rail facilities in Palmer**

The Palmer Redevelopment Authority (PRA) owns the rail line and a right-of-way into the Palmer Industrial Park in Bondsville, which houses four rail freight facilities: Maple Leaf Distribution Services [our Directory #718]: Transplastics [our Directory #719], American Dry Ice [our Directory #717], and Quaboag Transfer [our Directory #716]. Each of these companies owns its own parcel of land, and the track on it.

**The need for more track**

In a 3 November letter to PRA, Mark Marasco, general partner of Baldwin Logistics, parent of Maple Leaf, wrote: “We are forecasting growth potential of 15 to 20% next year with our current customer base, but without adding rail capacity in the park, it will be difficult for us to handle these and other growth opportunities at our facility here.”

Transplastics and American Dry Ice officials also wrote letters in support of the rail expansion. These companies, said Marasco, have also grown their businesses; several added capacity on own property.

Maple Leaf, a park tenant for 20 years, spent $3 million in 2005 to expand its building by 90,000SF, now totalling 200,000SF, and added a second 13-car siding to its first 19-car siding.

In February, Marasco said the growth was coming because the rise in fuel prices makes customers shift moves from “direct truck to rail-truck.” He plans to add two more sidings, “this year or next year.” Maple Leaf hires its own contractors to maintain and construct track.

The grant would pay 75% of the cost of improvements to the Palmer Industrial track, not for private track. It requires a 25% match from local sources, which NECR, users, and PRA will pay. EOT will reimburse costs only after the work is done.

**How this came about**

In autumn 2006, Marasco and Jon Lasko, former PVRR general manager who now works for Seder Foods in Palmer, held a wide-ranging discussion with Tim Doherty of PVPC about opportunities for expansion. In the course of the discussion, Doherty mentioned the existence of the rail capital improvement grant program.

EOT had just announced a new round of funding for the program, which is limited to helping publicly-owned rail lines. The three realized that since PRA owned the track, it was eligible for the grant.

On 3 November, Marasco wrote to PRA, asking that it apply for the grant. An engineer hired by Maple Leaf looked at the track in the park, and noted that if PRA increased its trackage by about 1500 feet, that would help all park rail users.

Staff of the Town of Palmer, including Town Manager Richard Fitzgerald, worked on the paperwork for the grant. On 23 January, a contingent from Palmer visited EOT to discuss the grant, including PRA Members Tony Matejczyk and David Swirk, Marasco, Bill Rankin, and Linda Leduc, the Town of Palmer planner. Per Fitzgerald, EOT indicated a response to the grant request “in the March-April time period.”

**The proposed improvement**

At this point, NECR must leave many of the cars destined for Park users in the Palmer Yard, because the Park track has little room. Moreover, a locomotive belonging to Quaboag Transfer must be left on the main Park track, blocking access.

The stakeholders requested EOT assist with a three-step procedure. First, PRA would bid for engineering services to lay out the 1500 feet of track and a spur to spot locomotives. Second, PRA would bid for construction of the spur in 2007.

NECR’s Charles Hunter had informed PRA that its capital budget for 2007 was already allocated, but it could
contribute ties and rails as an in-kind match in 2008. Thus PRA set the third step, the construction of the runaround track, in 2008.

**Advantage of the track improvement**

Fitzgerald listed these:

- The four current rail users in the park can expand their carloadings (mostly inbound) from about 4,000 to 6,000. The Palmer Industrial Park ranks as one of the major traffic sources for NECR [which has around 40,000 total carloads per year—editor].
  
  The 1500 feet of track will permit NECR to spot about 30 additional cars in the Park at any one time.

- Reducing the switching between the Palmer Yard, located downtown, and the Park means less activity downtown, and fewer grade crossings blocked as NECR will shunt less between the Yard and the Park.

- The additional capacity will help any future rail user. The Park is now built out; should any existing non-rail owner sell to a company interested in rail, the Park would have more capacity for the new rail traffic. “It’s a win-win for everyone,” underscored Fitzgerald.

**Next steps**

PRA plans a public hearing in March, to inform all concerned about the improvement including neighbors in Belchertown. Once EOT makes the grant, PRA will need about 60 days to put together an RFP for the engineering and track work, so that would go out in summer 2007. {ANR&P discussions 5 (Marasco) and 7 (Doherty and Fitzgerald).Feb.07; Lori Stabile in Springfield Republican 26.Jan.07}

**ST: NO WAY**

January, Easthampton **COULD AMTRAK BEGIN RUNNING UP THE CONNECTICUT RIVER AGAIN** versus the current Springfield-Palmer-East Northfield route? An article explored this question, noting how slow ST currently operates on the ConnRiver, as well as other problems of ST already well-known to readers.

**Extend New Haven-Hartford service to Springfield**

The state of Connecticut recently announced it will extend frequent, low-fare commuter rail service from New Haven to Hartford, at a cost of some $300 million. It would cost Massachusetts about $30 million at first, then around $1.25 million per year, to extend and operate commuter rail service from Hartford to Springfield, said Tim Brennan, director of the Pioneer Valley Planning Commission. “The odds of commuter rail getting to Springfield are better than 50-50,” he said. “It depends on the legislature and the governor. In the best case scenario, commuter rail to Springfield could open for business by 2011.”

**Then extend the service to Brattleboro Vermont**

Brennan added that extending the service via Northampton and Greenfield to Brattleboro could then happen. Brennan called Vermont is “very keen” to get Amtrak service restored along the ConnRiver line, but would it have the funds to pay to restore the line to passenger standards?

**A POINT ON THE ST SAFETY RECORD**

The reporter also contacted Warren Flatau, FRA spokesperson, who characterized the ST safety record as
“pretty average” compared to other mid-size railroads [though the railroad does win a Harriman award for safety nearly every year—see e.g 05#02A]. Flatau refused to say how much Pan Am has paid in fines for violating safety rules.

After the Advocate filed a request under the federal Freedom of Information Act, the FRA disclosed that in the 10 years ending 22 December 2006, the FRA fined Pan Am $482,500 for 71 violations. The company paid just 57% of that amount, because the FRA lowered the fines to avoid having to take Pan Am to court. {‘No Way to Run a Railroad: The Valley’s Pan Am Railways Is An Example Of All That’s Wrong With The Way America Moves People And Freight’, Eesha Williams in Valley Advocate 25.Jan.07}

**ST: POLLUTION CONTROL**

6 February, Deerfield. **THE TOWN IS NOT PLEASED WITH THE RAILROAD’S POLLUTION CONTROL PLAN.** [This follows on tax and emergency response disagreements—see 07#01A.] The EPA issued Pan Am a national pollutant discharge elimination system permit in August 2006, and with that permit required a pollution prevention plan at the request of the town and watershed council.

Local officials complain that the railroad's discharge plan for storm water going into the Connecticut River lacks important information, including details about potential contaminants, and does not list any Deerfield officials on its emergency call list. The town has requested EPA to require Pan Am to submit a revised storm water pollution prevention plan with more information. {Daily Hampshire Gazette 7.Feb.07}

**NEW BEDFORD: SPRAGUE TANKS**

February. **SPRAGUE BEGAN OPERATING ITS OIL TERMINAL HERE** this past summer, at the New Bedford Marine Terminal this year in the former NSTAR power plant along the city’s waterfront. [See 06#03A.]

Managed by Lisa Fortin, it has four tanks holding 200,000 barrels of oil, 50% of which is home heating oil. The rest is No. 6 industrial fuel oil used for power plants, a heavier substance that requires heating so it doesn’t congeal.

Sprague Vice President of Sales Tom Flaherty said one of several advantages to the New Bedford Harbor site was the good water access. “You can’t build them (oil depots) any more,” he noted.

The power plant

According to Flaherty, the company intends to clean up the brick NSTAR power plant facility and remove the existing asbestos but does not have any definite plans for the building. The site had once been intended as the location for the planned New Bedford Oceanarium.

Oil in, oil out

Barges from New York Harbor unload oil two or three times a month here, and also supply Sprague’s Providence and Quincy facilities. The amount of storage is adequate to provide local home fuel customers such as Don Adams Oil Co. Inc. and Luzo Oil, Flaherty said.

David Long, a New Hampshire facility employee, explained that the New Bedford site uses two vessel fueling docks. The primary dock unloads the barges from New York. The second dock loads barges which deliver home heating oil to Nantucket and Martha’s Vineyard. {Christina Styan in New England Business Bulletin 4.Feb.07}

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**NEW HAMPSHIRE**

**ST: WETLAND VIOLATIONS**

22 December, Exeter. **THE STATE ORDERED ST TO CLEAN UP,** following the inspection on 6 December [see 06#12A]. Signed by Frank Richardson, senior wetlands inspector for the New Hampshire Department of Environmental Services, required the railroad to submit a restoration plan, retain a ‘qualified wetland scientist’ to oversee the implementation of the plan, but not to start the plan until DES gives the okay. {text of letter supplied by Brian Griset}
VERMONT

VERMONT RAIL COUNCIL
7 February, Montpelier. HIGHLIGHTS OF THE RAIL COUNCIL MEETING were described by one attendee:

- The State Rail Plan should be published in about a month
- Bellows Fall tunnel completion in March or April depending on weather.
- Council accepted the AOT recommendation that the state go with the Colorado Rail Car DMUs vs the Farmrail DMUs.
- SLR should be able to finish welded rail installation in Vermont and Quebec this summer.
- Passenger traffic is up 13% YTD on the Vermonter, and is up 12% YTD on the Ethan Allen (staring in July 06) despite some cancelled Vermonters in September due to major track work and serious maintenance issues on the CLP (slow orders).
- deferral of a recommendation on the frequency of the new DMUs and their running on the west side.
- Formation of a subcommittee to focus on passenger rail to study, among other things, the issue above. {summary posted on VRS e-list by “hetrickt”, corroborated by Mike Coates of the Council}

QUEBEC/MARITIMES

CBNS: NO COAL?
29 January, Brookfield. LAFARGE WON THE CONTRACT TO BURN THE PROVINCE’S TIRES, but they will only replace about 20% of the coal the company now burns in manufacturing cement. Two other competitors wanted to recycle the tires, but the Board ranked the Lafarge proposal highest on environmental, social, and economic impacts.

James Kirkpatrick, plant manager (he succeeded Jim Cross in August 2006 when Cross went to England), explained that winning the contract was only the first step in burning tires.

At this point, NS Department of Environmental Protection will process the Lafarge application to burn tires, which could take eight to 12 months. To build the equipment would require another five. Once the burn starts, the company will ramp up to a target 20% tire content.

Balance to Quebec
Under the five-year deal awarded by the Nova Scotia Resource Recovery Fund Board to Lafarge and its partner Systech Environmental, the Brookfield plant will burn 60%.

The Brookfield plan cannot burn, at that rate, all 900,000 tires the province discards. Lafarge has agreed to truck the balance, which Kirkpatrick put at about 8000 tonnes, to Quebec.

Interim contract
Catherine McCarthy, spokesperson for the Resource Recovery Fund Board (RRFB), said on 6 February that an earlier contract to handle the province’s tires expired in December. The contractor was recycling the tires into tire crumb cryogenically, and then exporting the crumb from Nova Scotia.

Pending Lafarge’s readiness to handle tires in Brookfield, RRFB has engaged truckers to collect tires and truck them to the Lafarge Quebec plant.

The province must pay a tipping fee when delivering the tires to Quebec. Under the new contract, Lafarge will have responsibility for gathering and moving the tires, and receive $2.65/tire. {ANR&P discussions 6.Feb.07; press release from RRFB}
CN: CHESTER SPUR SPURRED

30 January, Halifax.  **HALIFAX REGIONAL MUNICIPALITY STAFF RECOMMENDED AGAINST ACQUIRING THE SPUR**, in a report submitted to the Council [see 07#01A].

**Rail traffic**

Per the report, CN said traffic had declined on the 8.5-kilometer line from 379 cars in 2004 to 255 cars in 2005. The railway will abandon due to ‘insufficient customer volume and no indication of future additional business.’

The Greater Halifax Partnership ‘produced a briefing paper on the issue in May 2006. In it, they note that the primary existing customer on this line [Russel Metal–see 05#10A] would suffer a significant loss in competitiveness should rail operations be discontinued. They also found three other businesses who use the line on occasion and/or who may generate greater use in the future [Clarke Transport, Taiga Building Products, team track–see 05#10A].

**Against operating, but for acquisition**

‘HRM staff has concerns that a significant physical upgrading cost would be required to continue operating the line and that this cost, combined with what CN claims is a money-losing operation, does not justify further consideration of an economic assessment.’

The staff recommended that HRM acquire the corridor for trail use, for a watershed buffer, and for expanding a highway interchange.

**Move to Burnside?**

‘HRM staff is in discussion with CN regarding the addition of spur line trackage in Burnside Business Park and that this will more than compensate for opportunities lost with the abandonment of the Lakeside/Chester spur.’

[Dave McCusker, HRM director of regional transportation, explained that staff is looking to CN to expand trackage inside the park—see map 05#07A. In addition, he will meet with the board of the Bayers Lake Industrial Park on 7 February, a meeting which will include “a handful of rail users.” Even if the board wants to attract more rail users to the park, McCusker said, since neither Halifax nor CN is interested in providing rail service, he was unsure how that could happen. {ANR&P discussion 6.Feb.07}]

**Time sequence**

‘CN is obligated to follow the following timeline according to the Railway Act [see text of statute in 05#10A]:

- **Feb/06**  CN identifies candidates for discontinuance which included the Lakeside/Chester Spur.
- **Feb/07**  Following 12 month posting of intention, CN is in a position to seek expressions of interest for the operation of the line as a railway (60 day period).
- **Apr/07**  If no interest is expressed to operate the line it may be offered to the Province to be used for any purpose for no more than the net salvage value (30 day period).  The Province has given us a preliminary indication that they have no interest in the line.
- **May/07**  The same offer will be made to HRM (30 day period).
- **Jun/07**  CN will be in a legal position to discontinue operations. At this point, they could dispose of the corridor as they see fit.’

**Repeated posting in Three-Year Plan**

In its ‘Three Year Rail Network Plan’ revised October 19th 2006, CN again listed:

Nova Scotia  **Chester Spur 0.00 4.90 Discontinue**
Nova Scotia  **Lakeside Industrial Spur 0.00 0.50 Discontinue**  {CN website}

Since, per staff, the province has already indicated it does not want to acquire the spur, HRM should get an appraisal of the property to be ready for negotiations with CN in May. {text of staff report}
30 January, Halifax. **THE COUNCIL APPROVED $20,000 FOR AN APPRAISAL OF THE CHESTER SPUR**, at its meeting. Despite the staff recommendation against continued rail use, some councillors favored it.

**Still use for rail?**

“Some long-term benefits would be that we would have a viable commuter route to assist with traffic access to downtown, or for work or special events,” said Councillor Mary Wile (Clayton Park West).

Councillor Dawn Sloane (Halifax Downtown) [see her support of the inland terminal in 07#01A] said she too supports the concept “and the glimmer of hope” of commuter rail in metro, an idea Mayor Peter Kelly has campaigned on in the past.

The city hall staff report should not have dismissed the continued operation of the spur line, Councillor Andrew Younger (East Dartmouth-The Lakes) told his colleagues. He said the closure of the line could result in increased truck traffic through metro. “I do think that we have to make sure that this process very clearly includes the possibility of keeping that rail corridor there.”

But Councillor Linda Mosher (Purcells Cove-Armdale) said taking over an economically unviable line would be folly. “I know we try to be all things to all people, but I don’t think that we should start operating a railway.” The municipality should instead press ahead with its proposed high-speed ferry service for her district and Bedford, in order to help ease traffic woes. {Michael Lightston in Halifax Herald 31.Jan.07}

**QCR: ABANDONMENT**

16 December 2006, Montreal. **THE RAILWAY PUBLISHED A NOTICE THAT IT WOULD ABANDON MUCH OF THE LINE IN 90 DAYS**, unless a buyer came forward. The notice appeared in *Le Devoir*. QCR has also filed for bankruptcy.

Under Quebec law, a railway operating with a provincial operating certificate may abandon within 90 days, merely by publishing such a notice. It must offer the property to the Quebec government and has done so. The government will make its response at the end of 90 days, in mid-March. {ANR&P discussions with sources 26.Jan.07 and 2.Feb.07}

**This was predictable**

Jean-Marc Guigere confirmed in early October that he was seriously considering abandoning the sections not reliably profitable: Sherbrooke to Vallee-Jonction, and Vallee-Jonction to Lac Frontière. At that time, QCR was moving about 5,000 carloads a year, and had had excursion operations which ceased in 2004 (Le Train touristique du Haut St-François) and in 2005 (le Train touristique Chaudière-Appalaches). {Pascal Morin in Journal de Sherbrooke 8.Oct.06}

**SAINT JOHN: TRAFFIC UP**

30 January. **CARGO AT THE SAINT JOHN PORT AUTHORITY FACILITIES EXPERIENCED A 22% INCREASE** over the previous year from 1.4 million tonnes in 2005 to 1.7 million tonnes in 2006.

‘Port Authority facilities experienced strong gains in traditional break bulk and dry bulk cargo sectors with the return of cargo from the Nackawic mill in the first quarter and dramatic increases at the recyclable metals operation of Maritime Metals Inc.

‘Potash and salt, a staple of port cargo, had increases in 2006 with stronger markets in the second quarter forestalling a planned inventory shutdown. The reintroduction of sugar import at the Port late in 2006 will continue to provide diversification of cargo into 2007.

‘The Port also experienced gains in movement of project cargo with large pieces of the former dry dock being shipped to India via Lower Cove in late April and with movement of construction equipment to the offshore development of the LNG terminal.
Containers down somewhat
‘Rodney Container Terminal displayed a slight decrease from 287,000 tonnes to 259,000 tonnes after four years of marginal increases. This was a direct result of temporary reductions in shipments of peat moss at the beginning of last year. Increasing container business remains a high priority for the Port Authority in the coming year.’ {Port Authority press release}

HALIFAX: MAERSK IS LEAVING
26 January. **MAERSK CONFIRMED IT WILL CHANGE ITS MECL-2 SUEZ ROTATION** and omit Halifax from the Middle East to eastern North America service. The **Maersk Duisburg** will make the last call on 2 April; the current port rotation of Halifax, Newark, Norfolk is changing to Savannah, Norfolk, Newark.

“Maersk Line is responding to a dynamic market demand for faster and more direct service between main markets, and difficult choices had to be made about port coverage,” the company said. ‘We are concluding a major review of our services to ensure profitable returns and a competitive deployment of vessel assets. An effective date of April 2 has been set for phasing out of the current Halifax service. We are still examining alternatives.”

Why the change
The loss of Maersk’s service to Halifax is part of the shipping line’s global shakeup following massive losses in the past few years. Karen Oldfield, head of the Halifax Port Authority, said that two years ago Maersk had earnings of $1.3 billion US and last year lost $600 million US. Although no port official would speculate on why Maersk suffered such losses, it has been suggested within the industry that part of the problem was that Maersk’s takeover of P&O Nedlloyd in late 2005 did not produce the revenue results that had been anticipated.

Impact to Halterm and Macquarie
Macquarie Infrastructure Partners had just closed on its purchase of Halterm on 16 January, per a Halterm announcement. Halterm president and CEO Doug Rose said the pending loss represents about 25% of Halterm’s business. The loss to the overall container business to the port will be about 9% [roughly 50,000 TEUs annually]. In 3Q06 Halterm moved about 70,000 TEUs. [See 06#11A.]

Rose said Halterm has signed three new service contracts in the past 18 months with China Shipping, Europe West Indies Line and Eimskip Americas, which will begin its service at the end of February. In addition, he said, its major customer, Zim, has had “terrific growth margins” in its business while other Halterm customers are also very strong. “Yes, Maersk is going but we have had three big wins in the past 18 months and we are pleased with the book of business we have . . . I’m confident we are going to have more contract wins in the near future.”

Rose stressed that Maersk made it quite clear that the departure had nothing to do with the service at Halterm or at the Port of Halifax. “They made a large acquisition last year (purchase of P&O Nedlloyd) and they lost a lot of money and they have done what any other corporation would do.”

Could other lines take over?
“I’m not happy with the prospect, but this is the nature of the business,” Oldfield said at a business luncheon in Halifax on 25 January, where she broke the news. “Maersk is not the only fish in the sea. It is a big fish, but not the only fish.....We are not throwing that cargo to the wolves,” she told reporters. “We are going after that cargo. There are other shipping lines calling Halifax that are just salivating at the notion of going after (that pier space). We can’t consider this as lost cargo to Halifax. We have got to give it a college try . . . first.”

Michael Cormier, the port authority’s vice-president of business development and customer relations, said “there is cargo going through that Maersk has been carrying and there are other ocean carriers that have similar service (routes). “We have developed relationships with a number of the cargo owners, shippers, importers, exporters, manufacturers and the retailers, and we are going to work with them to ensure Halifax remains a viable gateway for them and that they are not dependent on any given ocean carrier.
Shipper comments
Canadian Tire spokesperson Lisa Gibson said the company imports goods through Halifax on four carriers, including Maersk. Halifax would not lose the Maersk portion of the business, which would be taken by the other three lines.

Robin Anthony, a spokesperson with Bowater Mersey in Liverpool, which exports newsprint, said on 26 January that Maersk is one of six carriers the company uses to take its paper to international markets. “We understand that a number of the other carriers that serve the port (Halifax) also serve some of the same ports as the Maersk Line, so we will be exploring our options over the next few weeks.”

Brian Gerrior, chairman of the Canadian Retail Shippers Association, whose members such as Sears, Eddie Bauer and Sony import goods through Halifax and process their products through a trans-loading centre in the port, said his members are not Maersk customers so they are not affected by the departure. Gerrior said the association uses Grand Alliance members Hapag-Lloyd and NYK Line and are talking with OOCL, a third member of the alliance. The group is focussed “to continue to grow our business in Halifax and support our trans-load operation and the Halifax initiatives we put in place over a year ago.” [See 05#07A.] [Tom Peters in Halifax Herald 26&27 Jan.07]

History of Maersk coming and going
Maersk first came to Halifax in 1988 and developed two services. The North Atlantic service ended in April 2003 and its service ended in May 2005. However, in less than a year, Maersk was back and had signed a three-year service agreement with Halterm [see 06#05A.]

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.

Baer (ST, Connecticut)
Borden Remington (CSXT, Massachusetts #290)
Fraser Timber (MMA, Maine #759)
Houlton Biodiesel (MA, Maine)
Industrial Metal Recycling (MMA, ST Maine #794, 870, 874)
Katahdin Paper (MMA, Maine #s790, 791)
Lafarge (CBNS, Nova Scotia)
Maple Leaf Distributors (NECR, Massachusetts #718)
Mirant (BCLR, Massachusetts #306)
Russel (CN, Nova Scotia)

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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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PEOPLE

Brian Nutter, former executive director of the Maine Port Authority, on 22 January became the director of Port of Indiana-Jeffersonville. In 2006, the port handled 1.9 million tons, its highest since opening in 1985.
While MDOT begins the search for a successor, Rob Elder is taking over Nutter’s policy duties, Kimberly King the administration of the Port Authority, and Kevin Rousseau the Pilots Commission.

Carol Murray has announced her resignation effective 1 March as commissioner of the New Hampshire Department of Transportation. Governor John Lynch, unhappy with NHDOT performance, nominated Charles O’Leary to serve out the balance of Murray’s term which ends in December, and began a search for permanent successor. O’Leary served as NHDOT commissioner 1990 to 1996, then as president and partner of Northeast Concrete Products based in Plainview, Massachusetts until retiring in December 2004.

James Kirkpatrick in August 2006 became plant manager of the Lafarge plant in Brookfield, NS, succeeding Jim Cross.

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We love your newsletter, read it religiously.
Roger Hale, Fore River Dock and Dredge, Portland.

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

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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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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.’

E-ISSUE