**ATLANTIC NORTHEAST**

**RAILS & PORTS**

operating railroads + ports, intermodal facilities, and government environment

[No report.]

**REGIONAL ISSUES**

**Feeder:** Halifax-Boston-Portland not reviving.

**Boston-Maine Airways d/b/a Pan Am:** Owners selling, maintain they are 'competent.'

**CONNECTICUT**

**Housatonic River:** Rail or barge to power plant?

**MAINE**

**BAR:** Bankrupt estate closing this year?

**MERR**

**ST/Legislature:** Time to buy ST’s line?

**RHODE ISLAND**

**ST/MMA:** Details of operation.

**VERMONT**

**PW:** Description of East Providence customers.

**Maritime/Québec**

**TIRR -**

**No report.]**

**NEW HAMPSHIRE**

**ST:** Details of operation.

**RHODE ISLAND**

**PW:** Description of East Providence customers.

**Maritime/Québec**

**TIRR -**

**No report.]**

**RAIL SHIPPERS/RECEIVERS**

**A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Mike Lewis became director of RIDOT. Predecessor Jerry Williams became director of Administration.

**FROM THE PUBLISHER**

**Good work by a consultant!**

In contrast to my derogatory remarks about the consultant which MDOT hired to look at its three ports [see 08#01A Editorial], I praise the consultant hired to do the Mountain Division report: HNTB. Hats off, mine and that of Jack Sutton of MRG/Downeast Rail, especially to principal author Ralph Matteo.

The authors clearly understand freight rail and passenger operation, and don't pull any punches about the difficulties of reviving either.

Moreover, they provide the assumptions from which they draw their conclusions. No handwaving. Container terminal consultants, take note!

- Chop Hardenbergh

**REGIONAL ISSUES**

**HALIFAX - BOSTON- PORTLAND:**

**NO FEEDER SHIP REVIVAL**

4 March. **THE FEEDER SERVICE BOSTON- PORTLAND-HALIFAX MAY NEVER COME BACK**, said Jack Humeniuk, International

Longshoremen’s Association representative and chief of operations at the Portland container terminal.

Eimskip, the third provider of the service in the past five years, ended it in December [see 07#12B]. Humeniuk had reports that negotiations to revive the service were occurring. “But the longer we go without the service, the less likely it will come back.” {ANR&P discussion}

BOSTON-MAINE AIRWAYS

4 March, DC. **BMAC INDICATED THAT MAINE AVIATION WOULD ACQUIRE 100% OF ITS STOCK,** so that it would acquire BMAC’s established small-aircraft operations, BMAC’s leased fleet of Jetstream 3100 turboprop aircraft, engines and parts, and other operational assets, owned by BMAC or its parent company.

The filing made at USDOT this day by Boston-Maine Airways Corporation (BMAC) indicated it would halt all large-aircraft operations, including charters, by 6 April. {Docket No. DOT-OST-2000-7668}

**Competence of management**

To counter the USDOT contention that the management of BMAC, particularly President David Andrew Fink, is ‘incompetent’ [see 08#01B], the BMAC filing stated:

For far longer than their 10 economically-difficult years in the airline business, Messrs. Mellon and Fink have also been partners in safe, successful, reliable, and lawfully-compliant—and frequently-honored—railroad operations in the Northeastern United States for over 25 years, initially organized as Boston & Maine Railroad, another affiliated subsidiaries of their parent company, Guilford Transportation Industries, now re-named as Pan American Railways, Inc. Boston & Maine Railroad and Guilford Rail Systems have been awarded the prestigious E. H. Harriman award for outstanding safety achievements in railroad operations on 19 occasions (including five Gold Medal awards) over the past 30 years. {page 27}

Airline Pilots say otherwise

Responding to BMAC’s contention in a 10 March filing, the Air Line Pilots Association, which opposed the BMAC operation as union-busting, said: ‘In ALPA’s view, BMAC’s senior owners and officers have demonstrated a lack of compliance disposition at companies other than BMAC that they own and manage as well, sufficient to warrant certificate revocation. Indeed, ALPA’s December 29, 2004 motion to revoke BMAC’s certificate is based solely on a number of decisions of courts, arbitrators, and administrative bodies that found that such companies had violated a range of laws and contractual commitments.’ {page 8}

CONNECTICUT

HOUSATONIC RIVER: KEROSENE

19 March, North Haven. **AN UPDATE ON HOW KEROSENE MOVES TO THE DEVON POWER PLANT** was provided by George Wisker, a representative of Gina McCarthy, the commissioner of the Connecticut Department of Environmental Protection, to the Connecticut Maritime Commission at its monthly meeting at the offices of the South Central Council of Governments.

The Devon Power Plant, he reported, used to receive No.6 heavy oil by barge for generating units #7 an #8, but those units have been mothballed. Thus Devon is no longer receiving heavy oil, by barge or otherwise.

Devon currently has four large dual-fuel turbines which run on natural gas or low-sulfur kerosene and supply peak power during times of high demand. Due to price at this time, the units tend to run on kerosene. Each unit running at capacity burns 3,000 gallons per hour of kerosene delivered by truck; the plant maintains a 70-hour reserve in storage.

Additional units sought

Devon has applied for three to four additional gas turbines. Kerosene delivery by barge would then become highly desirable, because of cost. Wisker reported that Devon will know in several weeks if they will be installing the additional capacity, and thereby seeking to discuss resumption of barge deliveries.
The barge would pass under the Metro-North rail bridge, requiring its opening.

**NRG DEVON STATION**

In 1999 NRG Energy, then a wholly owned, nonregulated subsidiary of Northern States Power Company, acquired electric steam generating stations and remote gas turbines totaling 2,235 megawatts of generating capacity from Connecticut Light & Power Company. The principal assets are the Middletown, Montville, Devon and Norwalk Harbor gas- and oil-fired steam generating stations.

In 2003, NRG went bankrupt. Northern States Power (now Xcel Energy) gave up ownership. NRG has emerged from bankruptcy and is growing again. {'reference for business website'}

**Railroad bridge barrier**

With respect to the rail bridge over the Housatonic River adjacent to the I-95 Bridge, mentioned at the 20 February Maritime Commission meeting, Chuck Beck stated that he had checked with ConnDOT Bridge Safety officials. They reported no mechanical problems preventing it from operating.

Wisker told the Commission that on one occasion several years ago, the Moran tugboat company could not get past the Metro-North bridge, because no operator was at the bridge to open the bridge. The tug and barge had to turn around in the narrow channel and abandon the delivery. Reportedly, Metro-North placed unrealistic requirements on bridge openings (i.e., only on Sunday between 1am & 5 am, etc.). {draft minutes of Connecticut Maritime Commission meeting}

**Could railroads deliver the kerosene?**

*Analysis:* 3000 gallons/hour of kerosene, times four turbines = 12,000 gallons per hour. If units run 4 hours a day on average over the year (Wisker said they operate only at peak demand), that’s 48,000 gallons per day or 17,520,000 gallons per year. A 263,000-pound tank car holds 34,500 gallons, so the plant would need about 508 railcars per year.

The largest tank truck carries 9,000 gallons. So the plant needs 15 trucks a day. Why isn’t this tailor-made for railcar? The plant is right next to Metro-North’s track to Waterbury, with freight service by PW. *Editor*

**Why kerosene?**

In 1999, when NRG bought Devon Station, natural gas cost about $5.50 per thousand cubic feet. In December 2007, the commercial price came to $11.02. {Energy Information Administration website}

Residential kerosene [commercial prices seem impossible to find, unlike natural gas—*editor*] in lower New York State was $1.56 a gallon in early 2000, and had hit $3.56 by December 2007. {New York State Energy Research and Development Authority website}

Thus natural gas has about doubled in price, while kerosene seems to have increased more. *Editor*

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**MAINE**

**BANGOR&AROOSTOOK: DONE?**

6 March, Charlestown. *THE TRUSTEE IN BANKRUPTCY OF THE BANGOR & AROOSTOK RAILROAD,* Jim Howard, gave this update [the railroad was put into bankruptcy by creditors in 2001–see 01#08B]:

‘All of the creditors have been paid, but there will hopefully be one more distribution in a small amount to pre-petition creditors. We have to file one more tax return and clean up a few details. To the extent that there are funds left after all of that, we will make another pro rata distribution. Hopefully, we will be able to close the estate by the end of the third quarter.’
BAR shell remains
‘As part of a settlement of Residco's pre-petition claim [Residual Based Finance Corporation, a BAR creditor], they agreed to reduce the amount of the claim, and we agreed to issue to them 100% of the stock of the reorganized BAR. This gives Residco control of a shell company that has potential value in the form of NOLs [net operating losses], and it resulted in other creditors receiving a larger cash distribution than they would have if Residco had established a claim in an amount larger than the settlement amount. {e-mails to ANR&P}

MERR: FUNDING
4 March, Rockland THE RAILROAD WILL DECREASE THE EMISSIONS FROM ITS LOCOMOTIVES, said Gordon Page. The work will be done in time for the beginning of train service this spring.

Not installed for idling at the Rockland station
Page emphasized that the Maine Eastern Railroad ‘does not, repeat, does not, idle the locomotives for any reason other than to prep for departure. When the train is in the station, locomotives are shut down and the train is plugged into 480-volt shore power.’ Locomotives do not idle overnight there, nor through the day.

Ecotips and MDOT funding
Maine Eastern Railroad is installing ‘ecotips’ and retrofitting the power assemblies of the locomotives.

Nate Moulton, MDOT manager of rail, wrote on 19 March: ‘We have agreed to pay for the injectors for the locomotives and power assemblies for one of the locomotives. Our share will probably be in the $60K range, the railroad is doing all the installation to match the funds. The funding is from a small balance of old funding that was left from the Rockland Branch passenger improvements project.’

No help from Rockland
MERR and MDOT asked the Rockland City Council to contribute. On 3 March, it declined. Councilors chose not to partner in the additional upgrades, in part because “we don't have $21,000 to give anybody,” said Councilor Tom Molloy. The high costs of snow removal have caused the city to exceed its budget for public works, said Molloy. He was not convinced that contributing to the upgrades was the highest and best use of taxpayer dollars, despite his personal connection to the train issue as a neighbor of the station, he said.

The DOT and Maine Eastern Railroad will install the eco-tip injectors and also retrofit the power assembly regardless of financial contributions from Rockland, said Rockland City Manager Tom Hall.

Additional upgrades
MDOT and MERR did want to reach the goal of ‘Tier Zero’ emissions. But lacking the additional $21,000 from Rockland, the railroad will not install all the equipment needed to get to Tier Zero. {EPA has a stated ‘Tier 4’ now, with emissions far below that in Tier Zero, but implementation not required. Editor}

The goal and the result
Page pointed out: ‘Maine Eastern Railroad operates and meets all current EPA standards. Fact: State environmental examinations on two separate dates in 2007 indicated no emissions were visible from the locomotives being tested....

‘The neighbors say we are polluting the city. The ecotips give us an edge that, because of grandfathering, we do not need, but provides the city fathers with something they can use to respond to the residents.

‘Normal maintenance procedures prompt us to keep equipment operating at peak performance and when something is available to make things better, we review those opportunities, and when it makes sense, we perform the upgrades. Additional upgrades under consideration are those prompted by the continued neighbor complaints. With or without additional upgrades, there will always be detractors to the railroad's presence in the city.’ {e-mails to ANR&P from Page and Moulton; Emily Sapienza in VillageSoup/Knox County Times 4.Mar.08}
**MOUNTAIN DIVISION: STUDY OUT**

December 2007. *HNTB SUBMITTED ITS REPORT TO THE MAINE LEGISLATURE*, as requested by the Legislature in early 2007 [see 07#07A]. Its introduction reads: ‘The purpose of this Report is to investigate the present condition, potential uses, and probable implementation costs for freight and/or passenger services on the 50-mile Mountain Division Rail Corridor within Maine and 10-mile segment within New Hampshire, to Intervale in the Town of Conway.’

The report relates that freight service on the Mountain Division peaked in the 1970s into 1982, its last year of operation. Until that year its viability was based on Maine Central’s longer haul and better revenue division than exchanging cars with Boston & Maine (B&M) at Rigby Yard in South Portland.

Also, a “Canadian Differential” that lowered freight charges on some volume of freight moving through Canada favored Maine Central’s interchange with Canadian Pacific in St. Johnsbury for western traffic. When Guilford (now Pan Am Railways) acquired Maine Central in 1981 the combined railroad had a longer haul, hence better revenue division, on the B&M.

Its recent active history has seen little on-line freight traffic west of Westbrook, except that generated by the paper mill in Gilman Vermont [now closed–see 07#09A] and the interchange with B&M [now gone] at Whitefield, New Hampshire.

### FREIGHT PROGRAM TOTAL COST ESTIMATES

<table>
<thead>
<tr>
<th></th>
<th>Maine</th>
<th>New Hampshire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Track Rehab</td>
<td>$20,000,000</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Add'l Operating Track</td>
<td>$2,125,000</td>
<td>$36,000</td>
</tr>
<tr>
<td>Property Acquisition</td>
<td>$225,000</td>
<td></td>
</tr>
<tr>
<td>Rail Trail Modifications</td>
<td>$3,000,000</td>
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</tr>
<tr>
<td>Contingency (%)</td>
<td>$3,802,000</td>
<td>$456,000</td>
</tr>
<tr>
<td>CAPITAL COST</td>
<td>$29,152,000</td>
<td>3,492,000</td>
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<tr>
<td>Engineering</td>
<td>$1,458,000</td>
<td>$175,000</td>
</tr>
<tr>
<td>Program &amp; Constr. Mgt.</td>
<td></td>
<td></td>
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<tr>
<td>PROGRAM COST</td>
<td>$31,339,000</td>
<td>$3,755,000</td>
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</table>

### OPTIMISTIC ADD-ON FREIGHT VOLUME & REVENUE

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Car</td>
</tr>
<tr>
<td>Plastic resin</td>
<td>200</td>
</tr>
<tr>
<td>Cement</td>
<td>400</td>
</tr>
<tr>
<td>Fuel oil, gasoline, diesel</td>
<td>400</td>
</tr>
<tr>
<td>Building materials</td>
<td>100</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>1,100</strong></td>
</tr>
<tr>
<td>Carloads/mile</td>
<td>18</td>
</tr>
<tr>
<td>Total with minimal</td>
<td>4800</td>
</tr>
<tr>
<td>Carloads/mile</td>
<td>80</td>
</tr>
</tbody>
</table>

### MINIMAL INITIAL FREIGHT VOLUME AND REVENUE

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>Loads</th>
<th>Carload</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sand &amp; gravel</td>
<td>3,000</td>
<td>$600</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>Crushed stone</td>
<td>500</td>
<td>$600</td>
<td>$300,000</td>
</tr>
<tr>
<td>Propane</td>
<td>50</td>
<td>$600</td>
<td>$30,000</td>
</tr>
<tr>
<td>Steel rebar</td>
<td>150</td>
<td>$550</td>
<td>$82,500</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>3,700</td>
<td></td>
<td>$2,212,500</td>
</tr>
<tr>
<td>Carloads/mile</td>
<td>62</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Freight traffic**

The report includes an appendix to Chapter 1 which lists past freight volumes. In summary, from the 1960s onward, local shippers and receivers moved 1000-1200 carloads a year; ‘this small level of business could never have sustained operations on the Mountain Division,’ only overhead traffic kept it going.

In Chapter Five, the writers look at overall North American rail traffic, and then at Maine rail traffic, noting that the pulp and paper industry dominates Maine rail traffic. ‘The fact that a single industry dominates the rail freight traffic combined with limited other heavy industry that typically may use rail service make development of a base of potential rail freight shippers and consignees along the generally suburban and rural confines of the Mountain Division highly problematic.’

**Costs of track rehabilitation**
The report states current status of the line between St. Johnsbury and Portland:

**Vermont.** 22 miles Gilman to St. Johnsbury - tracks in place but overgrown.

**New Hampshire.**
- 13 miles Gilman to Whitefield – brushed out, see Vermont.
- 46 miles Whitefield to Redstone – operated by Conway Scenic Railroad under state lease.
- 5 miles Redstone to Maine border – overgrown.

**Maine.**
- 40 miles Fryeburg to South Windham – cleared with minimal maintenance performed by MDOT.
- 10 miles South Windham to Portland – owned by Pan Am Railways, 4.5 miles of track removed, freight access to the Sappi mill in Westbrook, and Downeaster passenger use of 0.5 mile from the Transportation Center to the Pan Am main line.

According to the report, timber cross ties and lack of stone ballast in many areas are the most noticeable deficiencies, with wooded components of bridge decks (between the bridge steel and rails) in generally poor condition. Existing steel rail is relatively light at 85 pounds per yard, sufficient for FRA Class 1 and 2 track conditions but not for Class 3.

Class 3 is generally required for passenger operations and would require new 115-pound per yard rail and other track material such as tie plates, joint bars, and rail anchors. Estimated main line track upgrade costs, including bridges, by FRA class and speed limits for Maine and the 10 miles to Intervale in New Hampshire are given in the table below.

### MAINLINE TRACK UPGRADE COST ESTIMATES BY FRA CLASS

<table>
<thead>
<tr>
<th>FRA CLASS</th>
<th>MPH</th>
<th>MPH</th>
<th>Maine</th>
<th>New Hampshire</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freight</td>
<td></td>
<td></td>
<td>50 miles</td>
<td>10 miles</td>
<td></td>
</tr>
<tr>
<td>Excepted</td>
<td>10</td>
<td>NA</td>
<td>no estimate</td>
<td>no estimate</td>
<td>no estimate</td>
</tr>
<tr>
<td>1</td>
<td>10</td>
<td>15</td>
<td>$17,676,000</td>
<td>2,164,000</td>
<td>18,840,000</td>
</tr>
<tr>
<td>2</td>
<td>25</td>
<td>30</td>
<td>$19,825,000</td>
<td>3,057,000</td>
<td>22,882,000</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
<td>60</td>
<td>$41,394,000</td>
<td>7,526,000</td>
<td>49,460,000</td>
</tr>
</tbody>
</table>

**Track upgrade cost Class 2**

HNTB estimates total program costs for an FRA Class 2 option from Portland to Intervale at $35,094,000. See 1st table.

### Who would operate the line for freight traffic?

ST, the report stated, could operate the line. ‘Cost would be lower in terms of operating and facilities costs since all that would be required are a locomotive and a few operating personnel. However past experience indicates that Pan Am Railway’s business model may not be compatible with operating what is likely to be a low-volume branch line. Pan Am management has learned through experience that in order to succeed in the lean rail freight environment of New England, only routes and customers with sufficient volume with shipments generally captive to rail can be profitably served.

‘Although implementation of this practice has created displeasure in the shipping community and with various government agencies, Pan Am Railway’s management cannot really be faulted. They are after all, a for-profit company, providing essential freight services without receiving direct subsidies. Pan Am would potentially be interested in serving the Mountain Division if sufficient volumes and revenue could be derived to make it a profitable operation. Indications are that this may be the case over time but not during initial phases of operation.’

For a short line operator, on the other hand, ‘[t]he cost of interchanging to Pan Am Railway and the need to generate revenue to support the short line operation may increase the net cost to rail freight shippers and consignees on the Mountain Division. That potential negative may be offset by the aggressive marketing and personal service that a short line rail operator could provide.’

### Potential traffic
The report discussed in some detail the freight traffic which might run on the line:

1. **Aggregates** from pits and quarries located on or immediately adjacent to the rail line. There are some operations too far removed so they would have to put the material on a truck to move to the railroad. The extra cost of loading on to rail and then unloading from rail at the end of the trip would make rail use by off-line pits and quarries uneconomical, at least for the Portland market.

2. **Cement** to the Ciment Quebec distribution facility in Mattocks. This cement is currently trucked from Saint Basile, PQ, located on the north shore of the St. Lawrence River between Trois-Rivières and Quebec City. [See below.]

3. **Plastic resins** – if Poland Spring were to construct a substantial bottling plant at Fryeburg. Currently this seems unlikely. Perhaps a new plastic product firm could locate along the Mountain Division.

4. **Propane** – There are several small facilities that could use rail transport. Two in the Portland area and one at Newhalls have sidings already but do not use rail for a number of reasons, mostly due to lower volumes and unreliable delivery times associated with rail. A facility in North Conway is next to the rail line and could build a siding very easily.

5. **Fuel oil, gasoline, diesel** – There is a large volume of petroleum product moving in trucks from Portland to various locations in the North Country. It may be possible to develop several bulk terminals in western Maine, northern New Hampshire, and Vermont that would act as transload facilities from rail to truck for local distribution. Possible locations could be Fryeburg, Whitefield, New Hampshire and St. Johnsbury or Lyndonville, Vermont. [The report later (page 112) speculates that a unit train similar to that operated by VRS–see 07#10B–could serve the transload facilities from Portland.]

6. **Steel Products** – At least one firm in Maine [HarMac Rebar & Steel, in Fryeburg, formerly MacFarlane Steel, our Directory #51] currently rails re-bars to Ossipee on the New Hampshire North Coast RR and trucks from there.

6. **Lumber and building materials** – Could have potential if a number of retail dealers combined resources to create a shared, centrally located transload facility.’

**More on Ciment Quebec**

Ciment Quebec has a small distribution facility at Mattacks (East Baldwin). Currently inbound cement is trucked from their plant in St. Basile, Quebec, up to 16 trucks per day during the peak construction season. Their Mattocks facility is over 500 feet from the Mountain Division rail line. Either some type of vacuum system that goes under or over Route 113 or a side track across Route 113 would be required if they used rail service for delivery.

An inherent issue is the number of rail carriers and potential time for a shipment of cement from their plant in Quebec. The rail route would likely be Quebec Gatineau Railroad toward Montreal, interchange to the Canadian National who would move it to Richmond, Quebec and then the St. Lawrence and Atlantic Railroad to Danville Junction, Maine to Pan Am Railway to Portland to the potential short line up to Mattocks.

Currently, Ciment Quebec has a similar distribution terminal in Bow, New Hampshire that is rail served. The routing to that terminal is as circuitous and multi-carrier as the route to Maine.

Based on an average throughput of about 300 tons per day during the peak construction season, about 150 tons per day during spring and fall and 100 tons per week or less during the winter, total volume through this facility could be about 40,000 tons per year or about 400 carloads per year if all material came by rail. Ciment Quebec would need to invest in sufficient rail cars to cycle between Maine and Quebec and the cost of a siding(s) that would hold about 15 cars (about one weeks supply at peak volume) and either a 900-foot long vacuum system or 700 feet of track and a grade crossing to connect their terminal to the railroad.

There would also be some private property that would have to be crossed between the railroad and the terminal.

**More on Limington Lumber**

One of the larger, more obvious wood products plants along the Mountain Division is Limington Lumber. They import some of their raw stock (eastern white pine) from New York State. Their finished product, mostly pine flooring, primarily goes to New York and south. They ship some of their product via rail intermodal using the Auburn facility. Their product is fairly delicate and they feel not conducive to loading into rail cars, besides the fact that they do not typically ship to a single destination in car load volumes. There is some possibility that if rail rates could be competitive from New York State, they could get some of their raw material in by rail.

On the retail side, we talked with the two largest operations in the Conway area, both located very close to the Mountain Division. One said quite plainly that they have not used rail for 30 years and would not use it now if available. The other was less emphatic but obviously not interested. To both we proposed the idea of a regional building material transload that a number of firms could have access to and order material in larger quantities with potential cost savings. Of course, the issue with that approach would be that it would require the cooperation of competitors in a venture that would not give one or the other a competitive advantage.

**Minimal freight traffic scenario costs**

HNTB estimates annual operating costs for the minimal traffic scenario at $2,016,000, assuming rail revenue
estimates are competitive with truck rates, no rental payments to the State, and public support for a capital program every five to 10 years for a track maintenance capital program. [Details of these costs go beyond the scope of this newsletter; readers should go to the report itself, available on the MDOT website.]

Adding the optimistic volume would increase operating costs by $858,000, but generate only $625,000 added revenue.

**Costs to upgrade track for passenger operation**

With this freight operation in place the incremental cost for a track upgrade to FRA Class 3 for commuter service between the Portland Transportation Center and Steep Falls (Standish) is estimated at $26,456,000, while upgrade to FRA Class 3 between Portland and Intervale would add $48,621,000.

**Commuter rail operation**

HNTB’s report considers the costs and benefits of commuter rail on the Mountain Division between Steep Falls and the Portland Transportation Center (PTC). It concludes that the $26.5 million incremental cost to upgrade this segment for commuter trains alone is not now justified by forecasted 200 daily passenger boardings and an annual operating cost of $4,000,000. The required operating subsidy would be about $72 per boarding. The low ridership estimate is based on these facts:

- The PTC is too far from high employment density areas of Portland, requiring transfer to local bus.
- The combined total trip time of a three-seat ride (car, train, bus) would be substantially greater than a one-seat auto trip.
- The location of the Mountain Division in Gorham, along its northern border, would require almost all Portland-bound commuters there to drive away from Portland to reach the railroad.

**Excursion services**

Pointing out that any rail tourist operation would need to access North Conway, HNTB focused on a 1-1/2 hour trip between Portland and North Conway with several intermediate stops. Assuming the freight operation is already in place, their estimate to upgrade the track (to FRA Class 3) and add-ons is $39,942,000 in Maine plus $8,679,000 in New Hampshire.

Looking farther than an excursion service to North Conway, the HNTB report sees economic potential for a Portland-North Conway-Whitefield-St. Johnsbury-White River Junction loop between Amtrak stations at Portland and White River Junction. That service should also generate traffic for the *Downeaster* and the *Vermont*. [The report writers credit Jack Sutton, president of MRG/Downeast Rail, for this concept which he calls ‘The Crown of New England.’][1]

The report also favorably mentions the “Round the Mountains” concept for excursions from Portland via the Mountain Division to Whitefield, the New Hampshire Central Railroad to Groveton and return to Portland via the St. Lawrence & Atlantic, then presumably Pan Am Railways from Yarmouth, or bus from Portland Deering back to the Portland Transportation Center.

**Conclusion**

‘Such an endeavor will require financial participation and considerable planning and cooperation among the various states. How and when this may happen is not clear but the rising cost of energy, concern for the environment, an ageing population less inclined to drive long distances and an increased awareness of the pleasures of travel by rail may collectively provide the will to enable a reincarnated Mountain Division as part of the regional passenger rail system. These multi-state discussions and planning should be implemented while simultaneously engaging elements of the tourist industry that may benefit from this initiative.’ [Report summarized by Jack Sutton in *MRG/Downeast Rail Newsletter* 2-3.08; text of report at MDOT Freight website]
This overview updates the report of July 2006 [see 06#07B]. Business is good; ST service improving.

[See maps.]

**Galt Block warehouse on ST**
Carolyn Hann, who handles this facility with five buildings located on ST at 242 Miller Street [not in Directory], pronounced herself “very impressed” with the improvement in ST service. Beginning in summer 2007, the railroad had provided two switches a day to the Galt #2 warehouse with 48,000SF, because “Katahdin was shipping into us real heavy, as a new ST customer.”

Now, Galt Block is trying to ship the paper out, but ST cannot provide the hi-cube cars. Why not use smaller cars? The customer “wants to get as much as we can on a car” for efficiency. She is still waiting for the cars.

**Strip and stuff.** Hann said she also provides stripping of containers, from Auburn and the Massachusetts intermodal terminals. Trucks will dray the containers to Galt Block because of its freezer building, #5, which has a 18,000SF capacity.

**New business.**
Hann cited possible business if the container terminal in Searsport [see 07#11A] comes to pass. Study authors Cornell Group “recommended Bangor as an inland port. [That] could be important for us down the line.” {ANR&P discussion 18-Dec-07 and 21-Mar-08}

**Dysart’s**
This company has, to the east of Cold Brook Road, an outside siding for log and lumber cars, and an inside track for boxcars [our Directory #799]. Over the past winter, said Manager of Transportation Fred Curtis, the facilities were “used a lot.” He rated the MMA service as “fair.”

**Dysart gets access to ST via Galt Block**
Curtis and Hann said that Dysart’s, in partnership with other entities Cianbro and Eastern Maine Health Care Affiliated Material Services (the warehouse arm of the hospital), was about to purchase a whole building, Galt #4.

Each of the partners wanted access to the ST line, which Galt Block provides. Hann said the building formerly had a rail spur, removed in 1998, which the partners will re-install. {ANR&P discussions 20 & 21-Mar-08}

**Consolidated Warehouse**
ST reaches this facility [our Directory #855] using the same spur as Galt Block.

**Logistics Management Systems**
The LMS facility in Hermon [#800] has 130,000SF of ambient temperature covered storage, having added 70,000SF in 2006 [see 06#08B]. It has 19 rail spots. {ANR&P discussion with operationsmanager Ken Liepold 21-Mar-08}

**PTI warehouse on ST**
As planned, Pottle’s [not in Directory] extended the spur at its warehouse located on ST at Target Industrial Circle. In December, President Barry Pottle said that the facility handles between 300 and 400 railcars a year, of paper. Rail service is “better.” {ANR&P discussion 18-Dec-07}

The 75,000SF warehouse has with seven truck-loading bays and a rail siding. The facility has 30,000SF of heated space and 45,000SF for dry storage. {Pottle’s website}
BANGOR-HERMON FACILITIES

(map courtesy Josh Moldover)

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<td>Pottle Transportation headquarters</td>
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<td>Lane Construction (Location #1, served by MMA with spur coming out of loop)</td>
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<td>Lane Construction (Location #2, served by ST spur off Freight Main)</td>
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<td>Pottle Transportation Warehouse (also used by NEPW, served by ST)</td>
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<td>Galt Warehouse #1</td>
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<td>G2</td>
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<td>Galt Warehouse #2 (ST rail-served south side)</td>
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<td>Galt Warehouse #3</td>
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<td>Galt Warehouse #4 (spur to be re-installed)</td>
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<td>G5</td>
<td>G5</td>
<td>Galt Warehouse #5 (refrigerated building)</td>
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NEPW
Drew Gilman, president of NEPW Logistics, said his firm is ‘still leasing space in PTI’s building and it is working out very well. Barry and his team are great partners up there. The majority of the work we are doing there is actually rail-in and then truck-out. Rail service from Pan Am does seem to be improving from what I can tell. Most of the product we handle there is rolled paper and rolled pulp.’ {e-mail to ANR&P 18.Dec.07 & 21.Mar.08}

NEPW wins bid
Carolyn Hann of Galt Block noted on 21 March that she, and with several other warehouse companies, had bid on pulp storage business for a mill in Quebec. NEPW won that bid.

NEPW’s Drew Gilman wrote: ‘One of our major pulp customers, SFK...in Quebec, ...ship[s] pulp through us for distribution to many paper mills in New England. But we have been working with them for 15 years or so. It may have gone "out to bid" but we signed a multi-year contract with them in January.’

The pulp arrives via SLR and is stored in NEPW facilities either in Mechanic Falls or South Paris. {e-mail to ANR&P 21.Mar.08}

Bangor Hermon RailYard on MMA
Derrick Thomas has built this storage operation, on MMA at Diesel Shop Road, from a former Bangor & Aroostook diesel shop and several other buildings near the roundhouse; he is “open for business.”

He generated his first rail business in December. Trucks have delivered large pieces of steel from “jobs around us.” He has a shearer which cuts up the steel, and then he loads it into railcars. He’ll have 20 to move to Canada when done. {ANR&P discussion 18.Dec.07}

In March, Thomas said that he had moved scrap metal for “a continuous year and a half,” about 300 tons per month. Much of it consists of grindings from General Electric, which at its factory at 534 Griffin Road makes turbine and compressor components. {ANR&P discussion; Manta website}

NEW HAMPSHIRE

ST: LET GO THE LINE?
21 March, Concord. STATE LEGISLATORS ARE CONSIDERING THE PURCHASE OF ST’S NEW HAMPSHIRE LINES, among other steps to improve both passenger and freight rail. State Representative Jim Ryan (D, Merrimack), chair of the House Transportation Committee, characterized the talk as “theoretical discussions, but as yet no concrete proposals.”

Ryan listed stimuli to the discussions:

- During the past twelve months, the New Hampshire Rail Authority, created to house the proposed commuter rail from Lowell to Manchester [see 07#07B], began functioning.

- In the previous week, the House passed a railroad liability bill similar to that in Massachusetts, which will help the operator of the commuter rail.

- “We are watching the discussion in Maine” about purchasing the ST lines there [see 08#02B Maine].

“The cumulative effect of all these things engenders discussion of a possible purchase,” noted Ryan. “While it is early, a discussion will take place. Rail interest is moving up steadily.” {ANR&P discussion}

MBRX affirmation
Peter Leishman, owner of the Milford-Bennington Railroad and a state representative (D Milford), said on 20
March: “People at the legislature are talking about the situation, and asking about my experience in the railroad business. They are following Peter Dearness’ fate; there’s a lot of sympathy for him. E-mails are flying back and forth about the Maine legislation.” [ANR&P discussion]

NHCR: DETAILS OF OPERATION
December 2007. A STUDY OF THE MOUNTAIN DIVISION PROVIDED DETAILS of the NHCR operation, as an example of how a short line might operate the Mountain Division [see Maine]:

‘Just over the border in New Hampshire there is an existing railroad that functions much like the potential Mountain Division operation. That would be the New Hampshire Northcoast Railroad (NHNC). Their primary commodity is aggregates, some propane, and a smattering of other commodities such as re-bar and some plastic resins.

‘Their line of railroad was formerly the Conway Branch of the Boston & Maine Railroad. That line diverges from the Pan Am Main Line that runs between Portland and Massachusetts at Rollinsford, New Hampshire, just northeast of Dover. The New Hampshire Northcoast Railroad acquired about 40 miles of the 70-mile branch from the Boston & Maine Railroad running between Rollinsford, north through Rochester to Ossipee. Over the past 20 years, millions of dollars has been invested by the NHNC, the State of New Hampshire and [the federal government], to upgrade the 39 miles of railroad between Rollinsford on its south end, to the large gravel operation that exists in Ossipee, just east of Route 16. In total, the NHNC maintains about 41 miles of track.

‘The NHNC is a wholly-owned subsidiary of Boston Sand & Gravel and the primary function of this railroad is to move aggregate (sand and gravel) from the pit in Ossipee to their large concrete batch plant in Boston. They also have supplied gravel to other operations and handle tank cars of propane to a transload facility in Rochester. In addition, on occasion, a few other commodities such as plastic resins are handled at a rail-to-truck transload near the propane facility. They also transload cars of rebar at Ossipee that go to HarMac Steel in Fryeburg, a 41-mile truck haul.

‘[NHN has] an engine house and car storage yard at the north end of their main track where a mile-long spur diverges across Route 16 to where the gravel is loaded. They had six locomotives but now only three or four, and about 200 hopper cars with a 100-ton capacity.

‘When the “Big Dig” was in full swing in Boston, they were moving 8,000 to 9,000 carloads per year of gravel from the pit to Boston. Currently, these volumes are down to approximately 3,000 to 4,000 annual carloads plus the propane at Rochester, perhaps 200 to 300 cars per year, and the re-bar at Ossipee, 100 to 150 cars per year.

The NHNC crew moves the cars about 38 miles from the pit, south to Rollinsford, New Hampshire where the train enters the Pan Am main line (same tracks as used by the Downeaster) and proceeds to Dover, about two miles further. There the train stops on a siding adjacent to the main track, the NHNC crew gets off and a Pan Am crew takes over for the run to Boston & return, about 67 miles in each direction. The NHNC locomotives remain on the train to Boston. Normal operation is 5 days per week during the warmer months and less during the winter.

‘The cycle starts in the morning in Dover where a NHNC crew boards an empty train returned from Boston. They move the train two miles to Rollinsford and then 38 miles up their own railroad to the pit where the empty cars are exchanged for loaded cars. The same crew then moves the loaded cars south to Dover, arriving in mid afternoon. The Pan Am crew leaves Dover with the train about 6:00 PM, arriving in Boston later that evening where they exchange the loaded cars for empties at or near the concrete batch plant. They then bring the empty cars back to Dover, arriving about 3:00 to 4:00 AM, ready for the NHNC crew.

‘The NHNC track has been upgraded to and is maintained at an FRA Class 2 condition. This allows a 25 mile-per-hour speed for the gravel train over most of its 38-mile route to Rollinsford. The Pan Am Railway and MBTA track from Rollinsford to Boston is mostly FRA Class 4 and some Class 3. That allows operation of freight trains to 60 and 40 miles per hour respectively. However, the trains generally do not operate above 40 to 45 miles per hour.

‘The total rail haul from the pit at Ossipee to the Boston batch plant is about 109 miles for a round trip of 218 miles. Three sets of rail cars are required; one at the pit being loaded, one in transit, and one in Boston being unloaded.

‘In the past, when operating trains up to 50 to 60 cars at peak volumes, four locomotives were generally required.
Grades on the NHNC are similar to the Mountain Division so that a single locomotive could handle about 2,000 tons on the grades which reach to 1.5% against loaded trains. An understanding of the pricing of this move would be useful for our purposes but because this is proprietary information we can only speculate based on generalities as follows.

Speculation on NHN revenues
Based on ton measure rather than cubic yard measure (assume that gravel or sand weighs from 1.2 to 1.3 tons per cubic yard), to be competitive in the Boston market the material would need to have a delivered cost of around $18 per ton. The cost at the pit placed into a rail car is probably about $6-7 per ton. If those numbers are in the correct range, we could postulate an upper range transportation cost of $11 to $12 per ton or $1,100 to $1,200 per 100-ton rail car load. This calculates to about 11 – 12 cents per ton-mile for the move.

This is a rather high ton-mile cost (the national average for railroads is about 3 cents per ton mile), but that low figure is for average rail hauls of 700 to 800 miles and heavily weighted towards low-value commodities under contracts with utility companies (long distance unit coal trains).

This revenue would be shared between the NHNC and Pan Am. The mileage split is 42 miles NHNC and 67 miles on Pan Am/MBTA. However, the carloads originated on NHNC, the cars, locomotives, and fuel are borne by NHNC so the split should favor NHNC. Our estimate would be that NHNC would receive about $700 per loaded car and Pan Am $400. In addition, there would be a car mile charge of about $30 per car for movement over the MBTA owned track in Massachusetts.’ {text of report on MDOT freight section website}

### RHODE ISLAND

**PW: EAST PROVIDENCE**

March, East Providence. THE RAILROAD WILL HOUSE A SMALL NEW CUSTOMER IN DARLINGTON YARD. Located in the Darlington section of Pawtucket and long unused, the yard now consists only of a runaround track, seldom used. Salt was once unloaded there; earlier concrete for I-95 was made there, with cement delivered via rail.

The new customer will receive two or three carloads a year of landscaping material.

**The demise of the East Junction Secondary**

Now that trains are operating via the new connector track between the East Providence and East Junction Secondaries, PW has decided to label the ‘East Providence Secondary’ the entire stretch from Valley Falls in Cumberland to Metals USA in Seekonk, Massachusetts.

Spikes in the rail south of the fuel loading location, and south of a stub to Capital Terminal, are pulled. Reportedly the lifted stick rail will move to Plainfield, where PW will weld it into continuous rail for the Willimantic Branch. {e-mails and numerous photos to ANR&P from correspondent Ron Chouinard}

**Customers on the East Providence Secondary**

According to our Directory, this PW branch now has the following customers [see map]:

State Line Scrap, #464 (not shown on map) at Bacon Street, Attleboro, Massachusetts.
Landscaping transload. (New, not in directory) off Freight Street.

Teknor Apex. #466, 90 Mendon Avenue, Pawtucket.

Packaging Graphics. #467, 60 Delta Drive, Pawtucket.

United Paper Stock. #468, 33 India Street, Pawtucket.

Key Container. #469, 21 Campbell Street, Pawtucket.

Atlantic Plywood. #471, 1 Noyes Avenue, East Providence.

Tanner Industries. #472, Dexter Road, East Providence.

Pond View recycling. #473, 1 Dexter Road, East Providence.

Homestead Baking. #476, 145 North Broadway, East Providence.

Metals USA. #477, 10 Tower Road, Seekonk, Massachusetts.

Former or future customers

Capital Terminal. 100 Dexter Road. Entertained outbound oil [see 06#06A].

Canaan Produce. Former #474, 156 Valley Street. Now transloading, track pulled [see 06#11B].

PW fueling facility. King Philip Road [see 07#08B]. PW plans to install.

Getty. Massoit and Dexter Road. Last rail move March 2003 [see 03#07B].

Narragansett Pellet. 275 Ferris Avenue, Rumford (part of East Providence). This facility started receiving biomass in 2006 [see 06#07A] but stopped in 2007 [see 07#06B].

Hutamaki. Narragansett occupied the same facility Huhtamaki once used. It closed its manufacturing operation here in 2002. {e-mail to ANR&P from Markku Pietinen, group VP IR & communications 30.Jan.03}

QUONSET: TRUCK TRACTORS

17 March, West Davisville. NORAD BEGAN EXPORTING VEHICLES FOR THE FIRST TIME, when stevedores and auto loaders moved 100 used tractors into a RO-RO vessel which had just discharged 50 Volkswagens. The tractors were drayed to the quayside from across the country on trailers, under direction of Auto Transport International (ATI), based in South Hackensack, New Jersey.

Dyana Koelsch, spokesperson for Quonset Development Corporation which runs the state-owned Quonset Business Park, said: “It’s definitely a milestone for Quonset. It opens that whole activity channel, establishing it as an export port.”

NORAD expects to export 300 cabs every month; this load is moving to Emden, Germany. {QPD website; Providence Journal} ATI already exports through Jacksonville and New York.

“K”-Line is operating the ships. For each additional day a vessel must stay in port to take on cargo, the QDC estimates it will bring in $1,600 in dock fees, plus $12 per truck in wharf fees. {Providence Business Journal 18.Mar.08}
EAST PROVIDENCE, showing rail freight facilities on the East Providence Secondary.
VERMONT

TSRD: NO PURCHASE
26 February, Montpelier. VAOT STILL WILL NOT GO FORWARD WITH THE PURCHASE OF THE LINE between St.Johnsbury and Gilman, Sam Lewis told the Rail Council meeting this day. But it remains open to the proposal. {ANR&P coverage by correspondent Chris Parker} [See 07#11A.]

Reactions
Ed Jeffrey, NHCR honcho, said he had brushed out the TSRD from Whitefield to Gilman, and is the process of changing out the joint bars (the short pieces of steel which hold stick rail together). NHDOT is paying a share of the costs. But he has no traffic on the horizon for the line. {ANR&P discussion 19.Mar.08}

David Wulfson, president of VRS, is “working on a few things” which might generate traffic for the line from St.Johnsbury to Whitefield, but “nothing is really active right now, these are long-shot deals.”

As for the VAOT attitude, Wulfson said that the “feel-good factor was lost when the paper mill went down.” The state is saying, “If something else comes along, we could get interested. But why spend money now to open up a new gateway for New Hampshire?” {ANR&P discussion 20.Mar.08}

VRS & ST: RE-OPENING HOOSICK
20 March, Burlington. “HOOSICK WAS GOING TO OPEN IN OCTOBER...AND IT WILL OPEN IN APRIL”, said VRS President David Wulfson. Bridge 63 south of Manchester, whose rusted supports required a weight restriction, was changed out in November 2007. {ANR&P discussion}

The new gateway will permit a direct ST-VRS connection, and possibly enjoy some Omya traffic [see 07#11A].

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.

Bangor Hermon Railyard (MMA, Maine)
Ciment Quebec (Mountain Division, Maine)
Dysart’s (MMA#799 & ST, Maine)
Galt Block (ST, Maine)
HarMac Rebar & Steel (NHN, Maine #51)
Limington Lumber (Mountain Division, Maine)
NEPW Logistics (ST, Maine)
NRG Devon Station (PW, Connecticut)
Ossipee Aggregate (NHN, New Hampshire #52)
Pottle’s (ST, Maine)

New to the region? This helps:

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

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

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Atlantic Northeast Rails & Ports

The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

Frequency and the e-bulletin

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

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

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

Pricing

Subscriptions cost $395 for professionals, $115 per year for students, young and old. (Subtract $30/year for e-mail). Introductory prices available. The e-bulletin, sent by e-mail at least weekly between issues, is free of charge to all subscribers.

Advertising

Subscribers may purchase half-page ads for $100 per issue. Non-subscribers, $200.

Purpose

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