ST/VRS: Hoosick Gateway opens.
ST regional: Reduction in forces.*
NECR region: Vermont-Connecticut move.*
CSXT: Train crew error causes chlorine leak.
MERR: Gasification plant for Wiscasset is dead.
MMA Maine: Derby repairing BAR cars.* Photo.
SLR: Keeping intermodal open for now.*
ST/MMA: DOE supports Old Town biorefinery.
ST: First cars for Old Town Logistics.
ST: Wausau shuts one machine.*

MASSACHUSETTS
MBTA/ST: Worcester-Ayer-Boston service?
CSXT: Congressional delegation and liability.
CSXT: Conditions for selling the various lines in eastern Massachusetts. Ward letter.
CSXT: MBTA sues CSXT and Cohenno on crash.
ST: Payments to Deerfield current.*
Boston: Loses CMA CGM service.*
Boston: 1Q08 TEUs rise.*

NEW HAMPSHIRE
NH commuter operation: Update on the upcoming service.

RHODE ISLAND
PW: Capco Steel may buy Pawtucket Yard.*
PW: Federal and state rulings against C&D facility.*
PW/Davisville: Can any ethanol plant get funds?
[See Regional for opening Hoosick Gateway and limestone move.]

VERMONT
Sydney-Canso-Halifax: Three-port summit.
Halifax: Another traffic decline.**
Halifax: Skill shortage.
Sydney: Port Advocacy Council.

RAIL SHIPPERS/RECEIVERS
A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS
Barry Whelan, Thorn Mead, Jeff Ryalls, Nancy Beiter, Mel Clemens, Ken Liepold, Tom Flacke.

FROM THE PUBLISHER

Liability and railroads
EOT Secretary Bernard Cohen is correct: a serious lapse of safety occurred when the center-beam car rolled out of Cohenno’s yard, over a derail, and onto the Northeast Corridor. However, it does not therefore justify a joint liability clause when the T buys trackage from CSXT.

First, this is a ‘Black Swan’ event, a very rare occurrence. It does not justify any effort to bar freight from commuter lines, or vice-versa. Cohenno now has a new, better derail. Let’s move on.

-Chop Hardenbergh

Next issue: 2 May.

REGIONAL ISSUES

VRS/ST: HOOSICK GATEWAY
21 April, Florence, Vermont. THE FIRST OMYA UNIT TRAIN TO MOVE OVER HOOSICK started today, said Scott McCalla, who handles the rail moves for the company. {e-mail to ANR&P}

Long in the planning stage [see 07#10A], the new route not only cuts the number of trains needed, but will also permit Omya to send western-bound cars via ST to New York, eventually.

The April start date meets VRS President David Wulfson’s prediction [see 08#03A].

ST: TRAIN CREW LAYOFFS
15 April, system-wide. BOTH ENGINEERS AND TRAINMEN ARE REPORTING LAYOFFS AND REDUCTIONS IN HOURS. One ST engineer said the local crews were cut back to eight hours, and the road crews to ten hours, from the usual 12-hour shifts.

Without an official comment from ST, no one could give a picture of the causes or the consequences of this move. {e-mails to ANR&P from various labor sources, as well as discussions}

NECR: LIMESTONE MOVE
11 April, Colchester, Vermont. SHELBURNE LIMESTONE USES NECR TO DELIVER PRODUCT to two receivers in Franklin, Connecticut: Kofkoff Feed [our Directory #704] and Cargill Animal Nutrition [#705–Cargill bought this mill, formerly K & L Feed Mill Corporation, in 1997 {Cargill website}].

Trampas Demers, Shelburne’s vice-president, said about 125 covered hoppers with animal-food grade limestone are loaded in Colchester and go south each year, a move which has happened for over 20 years.

More about Shelburne Limestone
The company owns three quarries, located in Shelburne, Swanton, and South Wallingford. It located the Colchester transload between the two quarries it uses to source the limestone for Franklin: Shelburne and Swanton.

While Demers could rail the limestone from the Swanton quarry to Colchester, the trucks are moving in such a pattern among the three facilities that trucking to Colchester makes the best sense. Shelburne also trucks much limestone, in pellet or filler form, to other receivers such as fertilize plants.

Shelburne Limestone also handles the loading of woodchips at its Swanton quarry spur for raling by NECR to Burlington Electric [#1043]. As well, it drills, blasts, crushes, and stockpiles limestone for Omya at Omya’s Middlebury quarry. Omya then trucks the limestone to Proctor.

VAOT and VRS are planning a rail spur into this quarry, but Demers anticipated that Shelburne Limestone would still do the extraction and other operations. {ANR&P discussion 11.Apr.08}

The equipment
The blue GTW cars still belong to CN, reported NECR General Manager Charles Hunter. When Railtex bought the line from CN and created NECR, CN retained ownership of the cars. NECR pays car hire, the equivalent of a long-term lease. {e-mail to ANR&P 15.Apr.08}

CONNECTICUT

CSO/HRRC: CUSTOMER GONE
21 April, Suffield. TWO STEVENSON LUMBER LOCATIONS ARE CLOSED, said Mike Laureno, who managed the Suffield facility [our Directory #556] after selling it 12 years ago [see 06#01B]. CSO resumed serving this customer in 2006 after a retaining wall was repaired. The one in Newburgh NY is also closed.

At the Monroe facility, served by HRRC [#687], an employee said “we are liquidating.” {ANR&P discussions}

At least one more rail move: pipes
‘Rail volume is way off last year and 1Q08’ at Monroe, wrote Rian Nemeroff, HRRC marketing honcho. ‘I just arranged for a spot move of 20 carloads of pipe for the Iroquios Gas Pipeline to be unloaded there this month.’ {ANR&P discussion 21.Apr.08}

CSXT: ENGINEER ERROR?
17 April, New Haven. CHLORINE GAS LEAKED AT THE H. KREVIT FACILITY on Welton Street. ‘The leak was caused by [CSXT]
moving a railcar, the chlorine originates from a railcar through piping into the building for processing. The railcar was moved without notification to the H. Krevit Company that they were moving it and they snapped the pipe,” said Chief Michael Grant of the New Haven Fire Department.

Three H. Krevit employees contained the chlorine three minutes after it turned from liquid to gas and spread into the air. A clear day did the rest, but thirteen people were treated at area hospitals. {Crystal Haynes in WTNH News Channel 8}

Krevit manufactures sodium hypochlorite, the active ingredient in bleach. {general web}

MAINE

MERR: GASIFICATION PLANT

13 April, Augusta. “FOR THE MIDCOAST, THIS MEANS THE TWIN RIVER PROJECT IS DEAD,” said Steve Hinchman, an attorney for the Conservation Law Foundation in Brunswick, which led the fight against the proposed coal gasification plant in Wiscasset [see 07#07B]. The plant would have brought in coal by rail.

On 9 April, Governor John Baldacci signed LD 2126, giving the Maine Department of Environmental Protection until 1 August 2011 to develop standards governing the emission and capture of carbon dioxide. The law, sponsored by State Representative Bruce MacDonald (D, Boothbay), prohibits the DEP from issuing licenses to a coal gasification plant project until those standards are in place. {Dennis Hoey in Portland Press Herald 14.Apr.08}

MMA: WORKING ON BAR CARS

3 April, Derby. THE MMA CAR SHOP IS REFURBISHING CARS WITH BAR MARKS. Anderson is having the MMA car shop refurbish and paint all the 5800 series Bangor and Aroostook Railway (BAR) boxcars built in 1972. The cars once belonged to BAR, but were sold during the Iron Road Railways (IRR) tenure to a leasing company. While MMA has continued to utilize them, ownership has passed to several subsequent companies, ‘of whom The Andersons is the most recent.’ {ANR&P discussion with MMA President Bob Grindrod 4.Apr.08}

Transferring reporting marks

Fred Yocum, who served as president of IRR subsidiary Bangor and Aroostook Railroad, and continues to work for MMA, wrote that a railroad can sell reporting marks ‘only to another railroad in a sale of the assets. The BAR marks were transferred by the Trustee to Montreal, Maine and Atlantic as part of the sale of assets on January 9, 2003.’ The marks are still used by MMA, and will remain on the 5800-series cars after the refurbishing. {e-mail to ANR&P from Fred Yocum 3.Apr.2008}

SLR: INTERMODAL

14 April, Lewiston. SLR INTERMODAL CONTINUES LOW; parent company Genesee & Wyoming reported only 77 carloads for March, well below the average during the past year [see box], even considering the loss of the bark mulch in mid-2007 [see 08#02A]. {GWI press release}

Should SLR keep the intermodal terminal open?

Responding to your editor, President Mario Brault wrote: ‘We want to maintain our operation of [Maine Intermodal Terminal] for the time being.’ {e-mail to ANR&P 14.Apr.08}

SLR INTERMODAL CAR COUNTS AT AUBURN MAINE

| Month | 11-06 | 12-06 | 1-07 | 3-07 | 4-07 | 5-07 | 6-07 | 7-07 | 8-07 | 9-07 | 10-07 | 11-07 | 12-07 | 1-08 | 3-08 |
|-------|-------|-------|------|------|------|------|------|------|------|------|-------|-------|------|------|
| Intermodal carloads | 264 | 261 | 224 | 179 | 180 | 176 | 207 | 219 | 222 | 139 | 206 | 156 | 66 | 128 |
| 77 |
ST/MMMA: BIOREFINERY SUPPORT

18 April, DC. **DOE AWARDED UP TO $30 MILLION TO RED SHIELD ENVIRONMENTAL**, one of three plants to receive a grant to operate a demonstration biorefinery using biomass other than corn. The other two are located in Tennessee (switchgrass and hardwoods) and Kentucky (corn cobs). ‘Negotiations between the selected companies and DOE will begin immediately to determine final project plans and funding levels. Funding beyond 2008 is subject to appropriations from Congress.’

The Old Town operation

‘The proposed biorefinery facility will be installed in an existing pulp mill in Old Town, Maine, and will produce cellulosic ethanol from lignocellulosic (wood) extract. The project uses a proprietary process for pre-extracting hemicelluloses during the pulping process. This process has been proven on a laboratory and pilot scale, and RSE will now prove the viability of the process at the demonstration plant level. RSE Pulp & Chemical is part of the RSE renewable energy and technology-based business consortium that consists of 22 companies in the U.S. and Canada. RSE Pulp & Chemical participants/investors include: University of Maine Orono, Maine; and American Process Inc Atlanta, Georgia.’ [DOE press release]

In a supplement, DOE stated that the entire plant will cost $90 million, with Red Shield paying the other $60 million. Production capacity 2.2 million gallons per year.

Rail impact

Reportedly Red Shield will provide further information on 22 April.

Red Shield’s pulp production [see 07#08A on barge move] relies on chips trucked in. But Milo Chip, an EJ Carrier company, is getting a new siding [see 07#09B] to enable it to receive biomass by MMA rail service.

Joe McGonigle, MMA vice-president marketing, wrote on 21 April that the track panels for the new siding ‘are scheduled to begin construction this week, with installation planned for the 1st or 2nd week of May.’ [e-mail to ANR&P 21.Apr.08]

ST: NEW CUSTOMER

21 April, Old Town. **THE FIRST RAIL CARS MOVED IN AND OUT OF THE WAREHOUSE HERE**, and paper was stored. ST train ‘MABA pulled 11 loads of pulp from behind the Red Shield mill, then pulled two 50-foot cars out of the [Old Town Logistics] warehouse and shoved two others in which had been waiting on the mainline.’ [e-mail to ANR&P from correspondent Fred Hirsch]

Red Shield, which owns the site, made the former Georgia-Pacific warehouse available [see 07#10B].

ST: PAPER MILL REDUCTION

10 April, Jay. **WAUSAU PAPER WILL CUT HOURS FROM 24/7 TO 24/5.** “It is intended to be temporary, and we can’t say how long because we just don’t know. It’s economically driven,” said Gary Rudemiller, vice-president of operations of the specialty products division, from his Wisconsin office. Rising energy costs and sluggish demand led to the reduction. [Donna Perry in Lewiston Sun 11.Apr.08]

More about the mill and rail

Wausau’s Jay mill (formerly Otis Specialty Papers) makes 70,000 tons/year of specialty product for release paper and painter’s tape. Brenda Herrin, director of procurement, said in early February the mill only receives clay and starch by rail, though it receives pulp drayed from an NEPW warehouse on SLR. Wausau has looked at outbound rail, but decided against it.

Herrin rated rail service as poor, even after David Fink took over as new president in November 2006. “We had high hopes. But we have problems not only with getting the cars spotted, but also inaccurate demurrage charges.”

She came to Jay from the Wausau sister mill on the SLR in Groveton NH (closed at the end of 2007) which was “getting phenomenal service” from the SLR and thought she could rectify the ST service.

But after two years, she does not believe she can. “Sometimes ST takes three weeks to move a car from Portland” to Jay. “We struggle with service. Although it’s a small part of the operation, it is a huge time drain for us.” [A Directory of Pulp and Paper Mills of New England and New York, ANR&P 2008]

MASSACHUSETTS

MBTA/ST: WORCESTER ROUTE

5 March, Boston. **LIEUTENANT GOVERNOR TIM MURRAY SAID COMMUTER RAIL FROM WORCESTER VIA AYER** is worth pursuing. “It’s in the preliminary stages. I think the EOTC officials are initially encouraged at the feasibility of this, but it is a long process.”

In February some officials inspected the line, Murray related. “The
initial review and ride by the EOT people has them wanting to further look at this internally and evaluate some of the costs and challenges that may be there.” State officials have had some preliminary discussions with ST, which owns most of the line between Worcester and Ayer. [John Monahan in Worcester Telegram and Gazette 5.Mar.08]

CSXT: LIABILITY DEBATE
2 April, DC. ALL 12 MEMBERS OF THE MASSACHUSETTS CONGRESSIONAL DELEGATION WARNED CSXT ITS POSITION ON LIABILITY ‘would put taxpayers and fare-payers at undue risk and prevent the MBTA from adequately ensuring safety,’ in a letter to the railroad’s leader, Michael Ward. The letter adds that if the issue is not resolved soon, the lawmakers will consider filing legislation that would regulate freight and commuter rail contracts.

The Commonwealth is negotiating with the railroad to purchase several sections of line, as well as the perpetual lease on the Beacon Park Yard [see 07#03A]. MBTA would operate, or in the case of Worcester-Framingham, expand, passenger service while CSXT would continue to operate freight service.

[Worcester Telegram and Gazette 8.Apr.08]

CSXT: 3 POINTS ON SALE
4 April, Jacksonville Florida. CHAIR & PRESIDENT MICHAEL WARD RESPONDED TO THE MASSACHUSETTS DELEGATION. In his letter [complete text follows], he said CSXT had stated from the outset of negotiations three principles:

'(1) assistance with relocation of our operations at Beacon Park as well as clearance improvements to enhance capacity through central Massachusetts;
(2) fair compensation; and
(3) no-fault liability insurance of the type we currently have in the Commonwealth.'

[State lawmakers from Worcester met with CSX officials last month; after the meeting, they all said the dispute over liability had led to stalemate.]

Past practice in Massachusetts and elsewhere
The 20.9-mile line between Framingham and Boston is owned by the state; liability on those tracks is based on fault, according to a 1985 agreement between CSXT and EOT.

CSXT is asking to keep liability on the Worcester-Framingham tracks as the two sides agreed in 1994, with each party responsible for its own property, personnel, and passengers, regardless of fault. US Senator John Kerry echoed the position of many: “If the state purchases the tracks, of course we have a right to demand the situation changes.”

One US representative’s position
James McGovern (D-Worcester) knocked CSXT’s argument. “It is bad public policy for the Commonwealth to give no-fault liability to CSX or any other railroad.” He pointed to the company’s contracts with Amtrak, which, he said, have forced taxpayers to pay hundreds of millions of dollars for liability claims that were caused by CSXT negligence. “CSX is being unreasonable here. It’s nuts, it’s crazy to enter into this kind of agreement.” [Worcester Telegram and Gazette 8.Apr.08]

EOT position
EOT confirmed that each of the three items in CSX’s letter has been discussed in the course of negotiations. Undersecretary and General Counsel Jeffrey B. Mullan, one of the state’s lead representatives in talks with CSX, said in an e-mail that the department has spoken with CSX since receiving the letter. [Priyanka Dayal in Worcester Telegram and Gazette 11.Apr.08]

15 April, Worcester. CSXT RATED MOVING BEACON PARK AS THE MOST IMPORTANT FACTOR of the three in Ward’s letter [see above]. CSXT officials Lisa A. Mancini, CSX vice president of strategic infrastructure, Bob Sullivan, CSX spokesperson, and Maurice O’Connell, resident vice-president state relations, met with the Telegram-Gazette editorial board to further discuss their position.

Mancini said moving Beacon Park operations closer to Worcester would help free up track for more commuter trains. “Most of our customers are west of Framingham, but we bring our trains [to Boston] because our yard is there.” [This comports with results from the first part of the study done by HNTB for Harvard and EOT: the intermodal traffic moving through the Allston yard is for customers outside Route 128—see 07#09B].

Mancini said if Harvard, which owns the underlying title, bought out CSXT’s perpetual easement on the 80-acre yard, the railroad could give the state a better deal.

Other issues
Doublestack: The officials said if the sale is approved, CSXT would ask the state to help clear obstacles to full double-stack. [Does this mean that a commitment to clear the obstacles is not necessary to sell the track? More in a future issue. Editor]

Threats of legislation: “That’s [the delegation’s] prerogative, but that can’t create the capacity [for more trains]. We’d get to an answer faster through negotiations, I think,” said Mancini. [Priyanka Dayal in Worcester Telegram and Gazette 16.Apr.08]
April 4, 2008

Dear Members of the Massachusetts Congressional Delegation:

Thank you for your letter of April 2nd regarding the negotiations between the Commonwealth of Massachusetts and CSX Transportation for the purchase of the track between Framingham and Worcester.

When I met with the Governor at the beginning of his term, he impressed upon me, as had his predecessors, how important expanded commuter rail was to the Commonwealth. Recognizing the capacity constraints on the existing system and how difficult it would be to assemble and pay for an entirely new set of tracks and facilities, it was CSXT’s strong belief that we could participate in a solution with the Commonwealth by making available, through sale or long-term lease, our existing track and facilities for expanded commuter service, while promoting freight rail service to take trucks off the road and improve the Commonwealth’s economic health and its environment. We recognized that such a step would involve substantial changes in our operations and dedication of resources.

The rail freight operations of CSXT are the main business of a public company – CSX Corporation – with a wide body of shareholders. These shareholders include the pension funds of many, many Americans. Moreover, we have 34,000 employees. Any dedication of resources and undertaking that creates risk has to take into account those, and the other many stakeholders, of CSX.

That is why from the outset, we explained that we would be obliged as a publicly traded company to adhere to three basic principles: (1) assistance with relocation of our operations at Beacon Park as well as clearance improvements to enhance capacity through central Massachusetts; (2) fair compensation; and (3) no-fault liability insurance of the type we currently have in the Commonwealth. Please allow me to explain the importance of each one to CSXT and its stakeholders.

Relocation

For the MBTA to expand commuter service, CSXT’s Beacon Park operations must be relocated to the west. Otherwise, freight service east of Worcester would be severely impacted by the significant enlargement to commuter operations contemplated by the Commonwealth. Also without relocation, MBTA service levels would suffer as additional commuter and freight trains interfere with one another. Relocation, then, is a critical element of our transaction to ensure effective and efficient commuter and freight rail service to the Commonwealth.

We are also asking the Commonwealth for assistance with clearance improvements to ensure our freight operations are able to handle the predicted large growth in freight traffic. What this means is helping to clear obstacles so that double stack trains (trains with one container on top of another) can operate under highway bridges and through tunnels across the Commonwealth. These enhancements will take more trucks off the highways and enable CSXT to better serve our customers in an environmentally sustainable way. A single intermodal train with double-stacked containers can carry the load of up to 280 trucks, and a locomotive can move a ton of freight 423 miles on a single gallon of fuel. Adding commuter trains without adding rail freight capacity would only increase truck traffic and air pollution, exacerbating highway congestion in and around Boston while potentially increasing harmful emissions.
Fair Compensation

To compensate CSXT for the sale or lease of our tracks, we would expect to receive fair market value. CSXT has offered to pay a fee to continue to use the right-of-way that fully covers our share of the maintenance of the line. CSXT’s contributions for maintenance would again enhance the cost-effectiveness of the solution for commuter operations.

No-fault Liability Insurance

The industry standard when sharing tracks with commuter operations, Amtrak or freight rail is for all parties to have adequate insurance and to allocate liability regardless of fault, with freight railroads covering costs of freight equipment, employees, and lading, and the passenger railroads covering costs of their equipment, employees and passengers. These agreements apply regardless of which entity owns the track and are the standard used by Amtrak, transit agencies and the freight railroads. With ownership comes control of maintenance and dispatch, but no change in the allocation of liability.

There are excellent public policy reasons for the fact that the no-fault structure has already been in place in the Commonwealth for more than a decade under a 1994 agreement covering MBTA’s operations on the Worcester Extension. Like so many other no-fault liability relationships, this recognizes: (a) that the parties each have overwhelming independent incentives to operate safely; (b) that a fault-based approach invites tension and finger pointing more than joint problem solving and solution seeking in the vital area of safety; and (c) that the transaction costs of litigating fault do not enhance safety, but tax it.

These reasons are especially compelling when one puts the questions in the context of commuter operations. In any tort litigation, a large public company will be a special target for abuse, especially when the alternatives for payment are local public agencies. That is why, as a matter of responsibility to its stakeholders—including shareholders, employees, and customers—CSXT does not enter into agreements with commuter agencies that deviate from this standard.

I hope that this explanation has been helpful. CSXT has tried throughout the negotiations to be understanding of the needs of the Commonwealth for commuter, passenger and freight service. I want to impress upon you that the guiding principles of shared track use that I discussed with the Governor are the same as with any of the other states through which we operate. We are attempting to address the Commonwealth’s desire for expanded commuter service in the most cost effective way possible for the public by sharing our facilities in Massachusetts in a way that avoids the very expensive and politically difficult acquisition and construction of a dedicated commuter corridor by the Commonwealth.

While the three requirements mentioned above continue to be essential to CSXT in this transaction, we look forward to continuing to work with you and the Commonwealth and are hopeful of a mutually satisfactory resolution of these negotiations.

Very truly yours,

Michael Ward
CSXT: COHENNO CAR CRASH
16 April, Stoughton.  **THE COHENNO SPUR HAS A NEW SPLIT POINT DERAIL**, effective at 1201 AM this day, installed, approximately 15 feet from the location of the previous derail.

More details on the accident
While no one has discovered why the car began to move, it rolled three miles on the Stoughton branch and then onto the Northeast Corridor. ‘The car would have likely derailed on the power switch to the NEC, dropping circuits and dumping signals on all tracks. Like Train No.917, the Acela or any train in the vicinity, the cab signals would’ve dropped and put it into emergency. An Acela doing 90 miles per hour certainly wouldn't have stopped short of the derailed car.’ {e-mail to ANR&P from source close to the operation}

17 April, Boston.  **THE MBTA FILED SUIT AGAINST CSXT AND COHENNO**, as well as MBCR, the operator of the passenger service, alleging their mistakes permitted the car to roll loose. The suit claims that:

- Workers for CSX failed to set a hand brake on the center beam lumber car or any of the cars placed that day at the Cohenno yard, failed to close and lock a steel gate that closes off the lumber yard spur, failed to place a chocking device next to the car's wheels, and failed to properly set the derail.

  The suit states that CSX has a pattern of leaving freight cars parked without hand brakes or chocks set.

- Cohenno workers were moving the freight car in question and lost control of it.

The MBTA also wants CSXT and Cohenno liable for the cost of repairing the MBTA's train, the overtime costs the T incurred in the crash's aftermath, and any other expenses caused by the disruption. Costs could be $1 million.

Cohen comment
State Transportation Secretary Bernard Cohen said the Canton crash proves “why the issue of shared liability is so essential to our negotiations. From my point of view, it's clear that there was a serious lapse in safety. No doubt in my mind.” {Noah Bierman in Boston Globe 18.Apr.08}

ST: PAYING DEERFIELD
14 April, Deerfield.  **ST IS KEEPING PAYMENTS CURRENT TO THE TOWN** in the PILOT series (payment in lieu of taxes) and tax bills, said Town Administrator Bernie Kubiak. ‘They are, under orders from the Department of Environmental Protection (DEP), cleaning up the site of the former Lake Asphalt plant on their property (it went out of business in 1983) which will eliminate not only an environmental hazard but visual blight as well. The town also received a technical assistance grant to help review and respond to various environmental reporting and hazardous materials management issues at the rail yard.’

Derailment costs
While ST had agreed to review the costs generated out of the September 2006 derailment [see 07#09A], Deerfield has deferred action on the matter, ‘[g]iven the payment of [PILOT costs] $362,000 [see 07#07A].’ Kubiak wrote that ‘we believe the town and fire departments are [still] owed [$7000] in responding to the derailment.’

Montague paid
Kubiak concluded: ‘I understand the railroad also paid the Town of Montague back taxes amounting to some $47,000.’ [See 07#07A.] {e-mail to ANR&P}

BOSTON: CMA CGM ENDS SERVICE
18 March.  **CMA CGM ANNOUNCED THAT IT WOULD STOP ITS DIRECT CALL TO BOSTON IN THE ‘LIBERTY BRIDGE’ SERVICE**. The last calls by CMA CGM vessels will be:

  ‘Westbound CMA CGM Sapphire LB215 departing Le Havre on April 9, 2008; Eastbound CMA CGM Sapphire LB216 departing Boston on April 22, 2008.

  ‘We are pleased to announce that CMA CGM has entered into an agreement with Maersk Line to provide service on this trade lane. Weekly service will be provided on Maersk’s TA3 service from North Europe to/from New York, Savannah, and Miami on the U.S. East Coast.’  {CMA CGM press release}

  The company would only ascribe the change as follows: ‘In an ongoing effort to meet the demands of our customers in these uncertain economic conditions...’ The service began in December 2006 [see 06#11B]. [press release]

Traffic not high
According to Massport [see below], CMA CGM moved only 1,515 boxes in 1Q08, down from 2,304 in 1Q07.
BOSTON: TEUs UP

16 April. **1Q08 EXPORT TEUs ROSE 3.9%, IMPORTS SHRUNK A HAIR,** according to statistics from Massport, courtesy of Lynn Vikesland. {e-mail to ANR&P}

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<th>BOSTON CONTAINER TRAFFIC 1Q08 versus 1Q07</th>
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<td>Jan Mar 2008</td>
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<td>CMA-CGM</td>
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| Jan Mar 2007 | Import TEUs | Export TEUs | MT TEUs | Tot TEUs | # of Vessels |
| CKYH         | 12,278      | 7,390       | 5,378   | 25,046   | 13          |
| MSC Eur      | 3,618       | 4,242       | 1,044   | 8,904    | 13          |
| Barge_Feeded | 3,042       | 2,234       | 3,400   | 8,676    | 11          |
| MSC Med      | 2,937       | 1,392       | 301     | 4,630    | 12          |
| CMA-CGM      | 1,039       | 417         | 848     | 2,304    | 7           |
| Total        | 22,914      | 15,675      | 10,971  | 49,560   | 56          |

| JanMar 08 vs JanMar 07 | Import TEUS | Export TEUS | MT TEUs | Tot TEUs | # of Vessels |
| CKYH | 5.1% | 17.9% | 18.1% | 11.7% | 0.0% |
| MSC Eur | 2.4% | -17.3% | -26.0% | -10.3% | -15.4% |
| Barge_Feeded | 0.0% | -30.0% | -62.0% | -32.1% | 36.4% |
| MSC Med | -15.8% | 41.0% | 25.9% | 4.0% | 0.0% |
| CMA-CGM | -25.8% | 28.1% | -75.2% | -34.2% | -42.9% |
| Total | -0.1% | 3.9% | -17.9% | -2.8% | -1.8% |

NEW HAMPSHIRE

COMMUTER: UPDATE

17 April, Concord. **THE NEW HAMPSHIRE RAIL TRANSIT AUTHORITY CONTEMPLATES THE MBTA OPERATING SERVICE TO MANCHESTER AND BEYOND.** State Senator Peter Burling, who chairs the Authority, said it continues the efforts of the Governor’s Task Force on Rail [see 06#11A].

The Task Force on rail, which met under the governor’s aegis in 2007, is still functioning but focusing on Nashua. The members of the Task Force are “almost entirely brought into Authority.” Burling praise the Task Force as winning the hearts of the people “to create a government agency to get rail started.”

He is pleased with the purview of NHRTA. “We have bonding authority, we can make deals.” He is working closely with Syd Culliford at Pan Am, and called the railroad “a joy to work with. I’m very pleased with the way it is going.”

The route

The Authority board is focusing on “re-establishing rail service in the Capital Corridor at least to Manchester at first, and then getting to Concord.” Beginning service only to Nashua, and then later to Manchester “is off the table,” the chair said.

Also off the table: the Salem-Manchester route. [The I-93 transit investment study is looking at Salem-Manchester as an alternative–see 07#11B]

Provider of the service

While Burling stressed that no decisions had been made, NHRTA has over the past six or seven months “focused on a model in which Pan Am is the host railroad, a public-private partnership [works on the track] between Lowell to north of Manchester, and we have a series of agreements with MBTA to operate the service.” He anticipated about 11 to 12 trains one way each day.

The longer view

The Authority, said Burling, in 2020 will review running light rail down the median strip of I-93 when the highway (now four lanes, to be widened to eight) “is maxed out, rather than widen again.”

Funding

Burling acknowledged that $800,000 will be needed to fund the consultant Alternatives Analysis study of the Capital Corridor, to compare
with other rail options, other modes or to simply do nothing. NHRTA is looking to the federal government to provide that funding; “New Hampshire, like the rest of New England, does not have the money.”

**Timing**

Asked about how soon the service could start, Burling responded that he is “discussing intensely with Pan Am and MBTA, and has regular discussions with the Senate and House Finance committee.”

The congressional delegation is another matter. He quoted US Senator Judd Gregg (R, New Hampshire) saying, “We tried rail, and it does not work.” To change the perception, Democratic US Representative Paul Hodes will attend the Authority’s regular monthly meeting on 18 April.

Burling is enthusiastic about the future. “If we don’t revive rail, how can we be a vibrant part of the New England economy? The personal car of the future is not going to be like the present car. People will be using rail and transit, or riding three to four people in a car getting 40 to 50 miles per gallon....

“For the first time in 20 years,” he said, “we have a focus and method of coordinating to rejoin regional rail network. The best thing about the NHRTA is that it has allowed people to come together to get stuff done. This authority has very focused, productive, smart people.” [ANR&P discussion 17.Apr.08]

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**RHODE ISLAND**

**PW: CAPCO BUY PAWTUCKET YARD**

16 April, Providence. **DISCUSSIONS AMONG BOSTON RAILWAY TERMINAL, PW, AND CAPCO STEEL** are centered on getting more space for Capco, said Mike Caparco, principal of the steel company. “Rail is a vital means of getting steel. We’re landlocked here [at the Providence facility–our Directory #487], and bringing [steel] into Pawtucket big time” even though the Providence site has a rail spur.

His business is doing very well; the major construction projects for which he fabricates steel, such as the new Yankee Stadium, are proceeding despite the slump in the housing market.

**Two options for expansion**

According to Caparco, the City of Providence is “working with us” to find adjacent space, possibly by seizing buildings through eminent domain.

But “Pawtucket is not that far away” and he is talking about buying BRT [our Directory #482] which now operates a steel transload in the Pawtucket Yard, or buying the Yard. [The C&D company which is now leasing the yard has lost court battles–see below.] [ANR&P discussion]

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**PW: RI BARS C&D FACILITY**

20 March, Providence. **THE CITY OF PAWTUCKET DID NOT VIOLATE SUBSTANTIVE DUE PROCESS OR PROCEDURAL DUE PROCESS**, nor the federal right of equal protection, U.S. District Judge William E. Smith ruled this day, against the arguments of Pawtucket Transfer Operations (PTO).

**The facts**

In 2003, Pawtucket Transfer so ught to operate waste transfer station in Pawtucket Yard, then hardly used. A certificate of zoning compliance for the facility was issued by Todd J. Olbrych, then the city's building official. But in the face of public outcry, Planning Director Michael Cassidy later decided, and the town solicitor agreed, that the category under which it was granted did not apply to private facilities. The City Zoning Board upheld his decision in 2005.

The Zoning Board was overturned by Superior Court Judge Stephen Fortunato in June 2006 [see 06#09B].

**The ruling**

PTO, wrote Smith, sought to ‘fashion a federal case out of what amounts to a local planning dispute over the permitting of a transfer station. The effort ultimately fails, in spite of the apparently less than model behavior by the local zoning officials.’ [Donna Kenny Kirwan in Pawtucket Times 9.Apr.08; Providence Business News]

9 April, Providence. **THE STATE SUPREME COURT FOUND PAWTUCKET COULD BAR A WASTE TRANSFER STATION**, issuing a decision on a case hanging fire for a year [see 07#03B and above story for facts].

**Legal reasoning**

The decision relied on Cassidy's testimony that, because a waste transfer station for construction debris isn't specified by the Zoning Ordinance, such facilities are illegal. Cassidy ‘testified that “there is no category for [a] construction and demolition transfer station in the
city of Pawtucket use code, that category does not exist,”’ the Supreme Court said in its ruling.

‘No evidence adduced during the hearings before the [zoning] board contradicted Cassidy's statement.’ As a result, the court said, it couldn't conclude that the massive scope of commercial operations proposed by the would-be developers of the transfer station was contemplated by the Pawtucket City Council when the city's zoning ordinance was passed.

Any recourse for Pawtucket Transfer?
In 2006, Transload America’s website stated that Pawtucket Transfer Operations LLC had leased PW’s Pine Street Yard [see 06#09B–the website no longer contains that description].

PTO had at one point decided to operate its own railroad, which would have permitted it to avoid much local and state regulation, but reversed that decision later [see 04#10A]. {John Castellucci in Providence Journal 10.Apr.08}

PW/QDC: ETHANOL STILL COMING
16 April. ATLANTIC ETHANOL IS LINING UP FINANCING STILL, said principal Herb Sirois, for the proposed plant on Roger Williams Way at Quonset/Davisville. It will use rail, when operational, as well as barge [see 07#10B]. {ANR&P discussion 16.Apr.08}

IS THE BLOOM COMING OFF THE ETHANOL ROSE?
Possibly. As you know, I [Roy Blanchard] follow the industry through the Oil Price Info Services (OPISP) newsletter and they're pretty good about telling us who's in and who's out. In [early April] the past week or so, three more ethanol ventures bit the dust. On 4/4, financially troubled Kansas-based Ethanex Energy filed for bankruptcy protection. Next British-owned Renova Energy said it is struggling to raise the funds it needs to restart and finish construction work on the Idaho ethanol facility that it halted late last year. And Pacific Ethanol (PEIX) has eliminated the proposed Calipatria Calif plant from the expected build-out and it taking on still more debt. First Call has a 4.0 rating on PEIX (1.0 buy, 5.0 sell) with the average estimates for this quarter and the next as well as for this year and next all in the red.

This puts me in mind of the chap who said last fall...that ethanol plants fall into three groups: producing, under construction, and planned but construction not begun. The producing will keep producing, the plants under construction will get built, but the others will probably never get built. OPIS seems to support that view. As CSX pointed out, many ethanol plants are on short lines. The message to short lines then is not to count your ethanol plants until somebody actually starts moving earth and putting up metal. {Roy Blanchard’s Railroad Week in Review 11.Apr.08}

QUEBEC/MARITIMES

SYDNEY-CANSO-HALIFAX
14 April. REPRESENTATIVES FROM THE PROVINCE’S THREE MAJOR PORTS MET IN SYDNEY for the first time, to discuss ways to work together “for the good of Nova Scotia,” said Tim Gilfoy, chief executive officer of the Strait of Canso Superport Corporation. Don Rowe, general manager of the Sydney Ports Corporation, and Karen Oldfield, head of the Halifax Port Authority, represented their ports.

Asked whether the three had discussed container terminals, since Canso and Sydney want to build them while Halifax’s terminals are declining [see below], Gilfoy said no.

The origin of the meeting
Owen Fitzgerald, president of the Sydney and Area Chamber of Commerce [see Sydney], said the concept of the meeting “seemed like a no-brainer” when looking at a world global market. “There’s a precedent for cooperation in tourism and off-shore oil” to give “one clear message.” The ports can “educate (not ‘market’)” players in world shipping as well as governments.

He sent an e-mail to heads of the three ports, and the meeting ensued.

“We had an excellent meeting with great participation. Everybody agrees that there are many areas to co-operate on, so they are planning follow-up meetings and attempt to get clarity and dialogue with different levels of government.” {ANR&P discussions 21.Apr.08}

Next meeting
This first meeting took several months to arrange, but going forward, Fitzgerald said plans are moving at a quicker pace.

“I think we're only talking about a matter of weeks. There are a few different items they are discussing that they hope will happen before the first of June, so there will be additional meetings very soon.” {Doug MacKenzie in Cape Breton Post 15.Apr.08}
HALIFAX: DOWN AGAIN

16 April. PORT TRAFFIC DECLINED FROM 1Q07, according to a report in allnovascotia.com: TEUs came to 101,041 TEUs in 1Q08 versus 115,694 in the first quarter of last year.

George Malec, vice-president of operations with HPA, would not confirm the figures, because the authority has yet to release them to industry players. He said the port wants to verify its figures and analyze them to see if there are any trends that can be forecasted for the remainder of the year. Malec pointed out, however, that the figures for last year's first quarter results included both Maersk and China Shipping [which subsequently terminated their services].

“We’re in a very volatile market... the imports are just cratering in the US markets....Global shipping lines are slotting (sharing space with) cargo with competitors,” and the Liberty Bridge service abandoned Boston [see above], highlighting the challenges in the cargo market. {allnovascotia.com}

Are imports cratering? Depends upon the port

Boston imports were flat in 1Q08. It will lose the CGM CMA traffic in 2Q08 [see above], but that was cratering while the imports of other lines grew.

Montreal also belies Malec’s contention. Total January-February 2008, import TEUs grew 12.6% to 98,161, export TEUs grew 9.1%.

New York does not have 2008 on its website yet, but imports in December dropped 2.7%, while exports grew 6.4%. In all of 2007, exports grew at a 13.7% rate, and imports at 4.4%. {websites}

At Prince Rupert, the new terminal in British Columbia served solely by CN, statistics showed 1100 TEUs per week moved through the terminal when it opened in November 2007. The number has grown to 1600 per week. Exports started off as very little, but have grown to 36% of the total. Imports are also increasing. {Barry Bartlett, media relations at Prince Rupert Port Authority 16.Apr.08}

HALIFAX: SKILL SHORTAGE

1 April. NIRINT SHIPPING IS NOT IMPRESSED WITH THE LABOUR SERVICE AT PIERS 9A AND 27. The Rotterdam-based company calls Halifax about 50 times a year at those piers.

Nirint uses multi-purpose conventional, self-geared ships to move various types of cargo, including containers. The line handles about 100,000 tonnes of import and export cargo annually through Halifax.

The Nirint agent in Montreal, Elias Hage of Echo Freight, said the line “hasn’t seen any improvement whatsoever in the past two years.” And the poor production levels add to the line’s overall costs, he said.

Hage recently met with the Halifax Employers Association, to tell the group Nirint needed improvements “with labour, management at the docks concerning loading and discharging, and planning in advance.”

Echo Freight’s operations manager, Nick Cailis, declined to identify the two stevedoring outfits involved, except to say “it is not Logistec.”

Halifax rates

Hage is also concerned about the Port of Halifax’s rate structure applied to conventional cargo, “because it does not benefit people to ship conventional cargo via Halifax, only containers.”

The specific labor problem

Halifax lacks labourers with sufficient experience in using the ship’s cranes. Hage said the line sees much better production levels at other ports using these cranes.

Richard Moore, president and CEO of the employers association, acknowledged there are issues that came to a head recently with the line’s vessel Nirint Commander. The association has been looking at ways to find enough qualified operators for these cranes.

But fewer ships with that type of equipment come into the port. “We do training on the ships, so there is less opportunity for some of our newly-trained people to get experience.”

Hage said Nirint, which added a sixth vessel into its services through Halifax in mid-April, will carefully monitor the situation and if there is no improvement over the next three to six months will re-evaluate its situation in Halifax. {Tom Peters in Halifax Herald 2.Apr.08; ANR&P discussion with Cailis 21.Apr.08}

HALIFAX-MONTREAL

14 April, Burlington, Ontario. MORE DETAIL ON THE NEW FEEDER SERVICE came from Aldert van Nieuwkoop, president of Great Lakes Feeder Line (GLFL). He cautioned that earlier details did not emerge from a press release [my error-see 08#03B].

MORE ON NIRINT SHIPPING

Established in 1992 as an independent carrier, Nirint belongs to the Netherlands-based Fondel Group, active in a variety of sectors including metal trading, shipping, retail, and environmental services. {Stephen Clare in Port of Halifax magazine 12.07}

Nirint has six ships ranging from about 6000 to 12000 deadweight tons in a rotation from Moerdijk, Holland, and Bilboa, Spain, to Halifax and then to the Dominican Republic and Cuba, plus other destinations on inducement. {ANR&P discussion with Cailis}

A Saint John call

In August 2007, Nirint Pride called Saint John’s Lower Cove Terminal. Furcan Marine stevedores discharged 6000 cubic meters of European construction-grade lumber. {Christopher Williams in Canadian Sailings 17.Sept.07}
He has every confidence that the container traffic will come through Halifax, and use his service. He is talking to potential clients who would move boxes through Halterm, but he is open to clients who use Ceres or other terminals as well. In Montreal, GLFL will use any terminal there, depending on the client’s request.

“It’s going to happen because of industry change.” Demand for container slots is increasing as costs are increasing, making the use of a ship more and more viable.

The ship
Van Nieuwkoop had just returned from Europe, where he was negotiating the purchase of the 230-TEU vessel, now undergoing maintenance in a Barcelona shipyard. It will sail soon, picking up a cargo to deliver to the East coast of North America.

Potential container traffic
GLFL in the process of lining up contracts to move containers. The president noted that the ship can also move project cargo, ro-ro, and other traffic which can provide revenue while the company attracts the container traffic. “It’s a chicken and egg situation.”

GLFL is aware of the failure of other feeder lines out of Halifax. But Eimskip and predecessors sailed between Halifax and the United States, a different route open to international competition, not subject to Canadian cabotage laws. Those laws require cargo moving between two Canadian ports to use a Canadian-flagged, Canadian-crewed vessel. Unlike the US Jones Act, Canadian law does not require a domestically-built ship, but Canada Customs will levy a 25% duty on the GLFL ship as soon as it enters Canadian waters. That 25% figure presents a barrier to entry for other feeder lines, noted van Nieuwkoop.

Competition with CN
It seems that GLFL will offer an alternative to CN. Van Nieuwkoop believes the ship can do well compared to the rail line, because it will “adhere to a schedule as much as possible. It is not dependent on the availability of [intermodal] cars, or track time.” [Or derailments, or the availability of power, or crews. Editor] And it will cost less.

That said, the feeder line is “not a threat to CN” the president insisted. The small vessel can only move so many boxes a week. “It does provide an alternative for oversize or overweight cargo, or shippers seeking a form of reliability.” [ANR&P discussion 14.Apr.08]

SYDNEY: ADVOCACY
21 April. THE DIFFERENCE BETWEEN THE PORT ADVOCACY GROUP AND THE MARINE GROUP was explained by Owen Fitzgerald, president of the Sydney and Area Chamber of Commerce [see above].

The Marine Group [see 08#01A] is formed of stakeholders who stand to gain directly from port improvements, he said. The Port Advocacy Group was formed by the Chamber of Commerce and the Junior Chamber of Commerce, to support the stakeholders. It is “a major priority for the Chamber, to work together and support the Marine Group on behalf of the business community.” [ANR&P discussion]

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.
Atlantic Ethanol (PW, Rhode Island, planned)
Capco Steel (PW Rhode Island #487)
Cargill Animal Nutrition (NECR, Connecticut #705)
Cohenno Lumber (CSXT, Massachusetts #255)
Kofkoff Feed (NECR, Connecticut #704)
Omya (VRS, Vermont #1122)
Old Town Logistics (ST, Maine new)
Pawtucket Transfer (PW, Rhode Island, dead)
Red Shield Environmental (ST, Maine)
Shelburne Limestone (NECR, Vermont #1052)
Stevenson Lumber (HRR, Connecticut #687)
Stevenson Lumber (CSO, Connecticut #556)
Twin River (MERR, Maine - planned)
Wausau Paper (ST, Maine #878)
PEOPLE

Barry Whelan has become director of business development at North Atlantic Distribution, Incorporated (NORAD), the auto handling facility in Davisville. He formerly served as regional sales manager for Logistec out of New Haven.

Thorn Mead died 7 April at age 53, of a rampant melanoma diagnosed in January. He served as assistant secretary of transportation policy for Massachusetts. In 1998, he bid to operate excursion trains on Cape Cod, but lost to Jon Delli Priscoli and John Brennan [see 98#24].

Jeff Ryalls will exchange his position as director of operations for Logistec in New London at the end of April, to become manager of transportation and logistics for International Forest Products (IFP) in Foxboro, Massachusetts. IFP exports scrap paper over Boston [see 06#10A].

Nancy Beiter, a long-time provider of information and insight into STB affairs for me, moves out of her former position as staff attorney external affairs for the Surface Transportation Board. She becomes mediation coordinator and records officer in the newly-formed Office of Public Assistance, Governmental Affairs, and Compliance. Matthew Wallen will direct the Office. Mel Clemens has assumed the new position of Senior Advisor to the Board.

Ken Liepold became vice-president and general manager of Logistics Management Systems, an affiliate of MMA, on 31 April. Tom Flacke, who worked at LMS since before I started the newsletter in 1994, is retiring. For me, Tom was always helpful and forthcoming. I wish him well in his next venture, whatever that may be.