List of commenters: 72 in all.
Impact on Maine: No service improvement.*
Ayer switching agreement: list of customers retained by ST.*
More on Maine: Committee to Improve Maine.
STB decision: 'Minor transaction', again.
ST management: Not competent, per filing.

OTHER REGIONAL ISSUES
Blue Seal: Update on facilities, supports deal.
MMA: The railroad is not for sale.*

** CONNECTICUT
HRRC: Extend MCNR service to New Milford?*

** MASSACHUSETTS
MCER: Pellets will arrive at Wildwood transload.*
NECR: Palmer wood pellet transload closed.*
ST: Proposes to rehab Newly Weds siding.
ST: B&Q gets new rail customers, pro NS-ST.
ST: Sterilite needs rail, supports NS-ST deal.


FROM THE PUBLISHER
Wood pellets!
Nearly everyone wants to move them by rail, but Palmer transload is closed. Eastport, Lawrence, Barre, Middlebury, and even waste pellets to Orrington.

- Chop Hardenbergh
   Next issue: 22 August.

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NS-ST DEAL

The Norfolk Southern Railway and Pan Am Railways (ST) propose to create the Pan Am Southern Railway to operate all of ST’s lines west of Ayer. This section covers that deal, now before the STB.

NS-ST DEAL: COMMENTS

24 July, DC. A LIST OF COMMENTERS WAS ATTACHED TO THE STB DECISION which asked all people ‘actively participating as a Party of Record’ to serve a copy of all filings to date on all other parties. Persons who only filed a comment but did not become a Party of Record were listed as ‘Non-Parties’. These consisted of (in addition to extra names from the Parties of Record):

Railroads (5)
Theodore Kalick, CN
Hugh Tarbutton, Sandersville Railroad, Georgia
Dennis Miller, Iowa Interstate Railroad
Gary Hogg, NHN
Jane O’Hagan, CP

Shippers (32)
Katahdin Paper
Newly Wed Foods [see Massachusetts]
Honda
RVJ, Leominster, [transload, our Directory #139, 142, 454-2]
Bartlett and Company (agriculture)
Whittemore Company, Lawrence MA [#61] (perlite)
George Apkin, North Adams [#151] (scrap metal)
wTE Corporation, Bedford MA [#150] (recycling)
Sea-3, Newington NH [#45] (LNG)
Catania Spagna, Ayer [#113] (food oils)
Larson Reload, Billerica [#205]
Subaru
Maple Leaf Distribution, Bondsville MA [NECR, #718]
Verso Paper, Memphis TN [#857, #877] [See Maine.]
Lane Construction, Northfield MA [#763, 795, 806 all MMA]
Mercedes Benz
Northeast Paper Services, Scarborough ME [#28-1]
Sappi Fine Paper, Boston [#13, #863]
All States Asphalt, Sunderland MA [#104-2 NEGS, #1025 VRS, #724 NECR]
Formosa Plastics, Livingston NJ
B&D Warehouse, Lawrence MA [#56] [see Massachusetts]
Poly One Distribution, Ayer MA [#131]
Madison Paper, Madison ME [#872]
Spaulding Brick, Wilmington MA [was #184 in Somerville]
USG, Ayer, MA [see 08#06A]
Interstate Commodities, Troy NY
Blue Seal Feeds, Londonderry NH [see Other Regional]
Anheuser-Busch
First Light Power, Hartford CT [#166]
Holland Company, Adams MA [#154] (alum)
Sterilite, Townsend MA (plastics) [see Massachusetts]

**Governments (8)**
Eastport Port Authority [see Maine]
Washington County Commissioners [see Eastport]
Town of Athol, Massachusetts
West Virginia Department of Commerce
Pike County Engineers’ Office, Ohio
Otisco Township, Michigan
Halfmoon, NY
Littleton MA Water Department

**Logistics parties (20)**
Hanjin Shipping, Paramus NJ
White Arrow, Ontario CA (trucking)
Trailer Transport System, Rochester NY
Werner Enterprises, Omaha (trucking)
Audax Transportation, Suffolk VA
United Parcel Service
Intermodal Ramp Management, Council Bluffs
Eagle Systems, Wenatchee WA (intermodal)
Mason Dixon International, Dearborn MI (trucking)
Roadlink (Ken Kellaway), Randolph MA
Celtic International, Oakland Park IL (intermodal)
Matson Integrated Logistics, Concord CA
Roar Logistics, Buffalo NY
Alliance Shippers, Orland Park IL
JB Hunt
Wheels Clipper, Woodbridge IL
Global Companies, Waltham MA
Rail and Truck Logistics, Bethlehem PA
Bulk Service, Granite City IL
AGRI Services, Brunswick MO (barge)

**Others (7)**
Alex McGregor, Colfax WA
Anthony Pacella, Chicago IL
Brenda Perez, Irvine CA
Brian Wynne, Port Newark NJ
Charles Connors, Jersey City NJ
Christopher Tabor, Biddeford ME
Daniel Deet, Mechanicville NY {STB decisions page FD 35147}

**NS-ST DEAL: IMPACT ON MAINE**
23 July, Framingham. **ST DOES NOT PLAN TO IMPROVE ITS SERVICE MODEL IN MAINE**, according to George Casey, general chair New England lines and New England states legislative director of the United Transportation Union. At a meeting with workers in Waterville, Maine, soon after the announcement in late May of the deal, ST President David Fink was asked whether the railroad planned to improve its operation in Maine, specifically whether it would raise the operating speeds. [The ST Employee Timetable effective 1 April 2006 lists most of the main line track at 40 miles per hour. The Temporary Speed Restriction Summary for 23 July 2008 shows
much of the track at either 25 miles per hour or 10 miles per hour.} He responded that “25 miles per hour fits our operating model fine,” per Casey.

Recently Casey has met with staff of MDOT Commissioner David Cole about the NS-ST deal. Casey said that he would like ST to keep the railroad in a state of good repair, and to provide good service in Maine. The staff members said they were concerned about that.

However, Casey could not say whether MDOT or UTU would express that concern to the STB as it considers the deal. {ANR&P discussion}

**NS-ST DEAL: AYER CUSTOMERS**

**Which Ayer customers does ST retain?**
According to the Ayer Switching Agreement which ST and PAS will sign when the STB approves the deal:

‘The Industrial Locations are all those industrial and commercial locations served by rail on the attached Ayer Customer Map between CPF 312, Ayer and Shirley line, and Ayer and Harvard line, other than the Sanvel [sic] Automotive Facility and the Ayer Automotive Facility....By way of clarification only, and without intending to modify the immediately-preceding sentence, the Parties intend that Springfield Terminal shall have access, pursuant to this Agreement, to all current and future shipping customers located at the Industrial Locations, and that access is not to be restricted to shipping customers existing as of the date of this Agreement....’

**The map**
The schematic Ayer Customer Map, dated 2/22/08 [date indicating that those continual rumors about an NS-ST deal were founded in fact—editor], shows the limit of the Switching Agreement to the west at MP 38.0 (MBTA), to the north at MP 5.0 on the Groton Industrial Track (MBTA), to the southwest (Worcester Main) at MP 25.70, to the southeast at MP 31.44 on the MBTA Fitchburg line, to the east at MP 311.97 (Freight Main).

**Included customers (east to west, names as on map)**
Catania Spagna
New England Milling
San Vel (possible future auto site)
Epic
Cains
Moore’s Lumber
Molumco

Groton branch
Poly One
Fox Packaging

Hill Yard (Worcester Main)
Micron
Grove Pond
Devens Recycling
Southern Container
US Gypsum [Kenco see 08#06A]

The schematic shows many sidings vacant. [Presumably these are included as ‘industrial locations,’ though I do not understand why the agreement did not simply state that all customers except the auto facilities and the intermodal facility remain in the account of ST. Editor]
NS-ST DEAL: MORE ON MAINE
4 August, Pownal. THE COMMITTEE TO IMPROVE RAIL SERVICE IN MAINE PROVIDED A BIT MORE INFORMATION, in the form of a press release, noting it had filed to participate at the STB. In part, it stated:

‘Maine State Senator Phil Bartlett (D-Gorham) and State Representative Stacey Fitts (R-Pittsfield) serve as advisors to the Committee.

“A strong and robust rail system will provide environmental as well as economic advantage to the State of Maine,” offered Senator Bartlett. “We hope that the formation of the Pan Am Southern Railroad will result in a stronger rail infrastructure for our State.”

Representative Fitts added that “good rail service is absolutely essential to the agriculture, pulp and paper and other industries here in Maine. Enhancements in our railroad network are needed to improve our business environment.”’ {press release from Committee}

NS-ST: ‘MINOR’ AGAIN
18 July, DC. THE BOARD AGAIN LABELLED THE DEAL AS MINOR, in a decision addressing the filings of VRS, BLE, and UTU [see ‘Substantive Filings’ in 08#06B]. Despite the VRS arguments of 24 June [see 08#06B], the Board held to its 27 June decision [see 08#06B]:

‘VRS’s argument is not persuasive. Because the Transaction is an end-to-end transaction and would neither close any existing routes nor reduce the competitive options available to shippers, traffic would remain free to move over the most efficient route. Thus, if traffic were diverted by NECR from VRS lines as a result of the Transaction, it would most likely be because the new routes involving Norfolk Southern and PAS would be more efficient than the existing routes. Even if this would adversely affect VRS, it is well settled that harm to individual competitors is not the same as harm to competition, and it is the latter that the statute requires us to assess.

‘The only possible effect of the proposed Transaction that VRS raises which involves harm to competition, rather than merely harm to a competitor, is VRS’s possible loss of access to Norfolk Southern’s competitor, CSXT. But pre-Transaction VRS has no direct connection to CSXT.

‘Moreover, it simply is not plausible, based on the record before us, that NECR would have an economic incentive to discontinue the haulage arrangement that provides VRS with its indirect connection to CSXT. While VRS indicates that this arrangement is balanced with the arrangement for VRS to provide haulage to NECR to connect with Norfolk Southern and CP, VRS does not provide an explanation of why the termination of one would result in the termination of the other.

‘As Norfolk Southern points out, even if NECR decided, post-Transaction, not to use VRS’s haulage services to Whitehall because the Transaction creates a more efficient way for NECR to move traffic to Norfolk Southern and CP, there is no reason to suppose that NECR would stop hauling VRS traffic between White River Junction and other Vermont points and Palmer or otherwise would decline to provide revenue-generating transportation service over its line.

‘VRS will have the opportunity to provide further argument during the course of this proceeding, but VRS’s concerns about harm to competition to date are too speculative to support a finding at this stage of the proceeding that this transaction is significant.’ {STB decisions page, FD 35147}

NS-ST: COMPETENCY
31 July, DC. TWO PARTICIPANTS ATTACKED THE COMPETENCY OF ST MANAGEMENT in their filing this day. Both are ST adversaries: Captain Dirk Hecking, a pilot, filed numerous comments in the USDOT case concerning the fitness of Pan Am Airways, following which Pan Am halted its flights [see 08#02B]. Bill Remington was fired by ST and has appealed his firing.
The gravamen of their filing: ‘Pan American Railways Management and Owners (“The Mellon Group”) are – UNFIT to participate where behaving within the safeguards of public policy is mandated.’

In addition to presenting the USDOT findings on incompetent management, Hecking and Remington noted that ST owner Timothy Mellon was fined for illegally cutting trees in Connecticut. *Ventres v. Goodspeed Airport, LLC*, 275 Conn. 105, 138 (2005). Moreover, they referred to the indictment in Massachusetts for environmental crimes [see 08#06B]. {STB filings page, FD 35147}

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**OTHER REGIONAL ISSUES**

**BLUE SEAL FEEDS: UPDATE**

31 July, Londonderry NH. *BLUE SEAL FEEDS BOUGHT NEW ENGLAND FEEDS IN APRIL*, said Bill Whitney, transportation manager for Blue Seal. The New England Feeds facilities, one in Fitchburg served by ST [our Directory #144] and one in Auburn served by the SLR [our Directory #918], are owned by United Cooperative Farmers.

In February, Blue Seal, a subsidiary of Muscatine Foods of Iowa, bought the assets of I.L. Richer, which had three feed mills in New York.

**Re-organization of New England feed supply**

Following the purchase, Blue Seal closed the Fitchburg plant and will serve its customers from existing Blue Seal mills in Bow NH [served by NEGS #99], Brandon VT [VRS #1121], and the newly-acquired Richer mill at Central Bridge NY.

It is also shifting organic and poultry feed supply to the new Auburn facility, and all dairy feed to Augusta [served by ST #868]. ST provides Augusta three switches three times a week, which was working well.

Whitney believed that serving dairy customers from the Augusta mill will require moving more ingredients than it has handled in the past: “Can we get cars through fast enough?” Because the siding, on the east side of the Augusta branch, can only hold four cars, and extending the siding will prove difficult, he’s “toying with the idea of moving the switcher New England Feeds had in Fitchburg to Augusta.” ST has a storage siding on the west side of the branch.

To switch the facility with its own switcher, Blue Seal would either have to hire a certified engineer who could enter the main line to reach the storage siding, or ask ST to turn the main line into industrial track. Since the two customers farther south on the Augusta branch no longer use rail [Suburban Propane #869 and Industrial Metal Recycling #870], ST does not need to run farther south than Blue Seal. ST could serve Cives Steel [#867], the only other customer on the Augusta branch located just opposite Blue Seal, via the ‘industrial’ track.

**NS-ST deal**

Whitney filed a comment with the STB on the NS-ST deal [*q.v.*], which he summarized as saying that the formation of PAS is a good idea, NS “has a lot to bring to the table,” and he sees no downside to it. {ANR&P discussion 31-Jul.08}

**MMA - NO SALE**

25 July, Chicago. ‘*WE STILL HAVE PLENTY TO DO TO ADD VALUE TO OUR COMPANY AND TO OUR CUSTOMERS’ BUSINESSES,*’ wrote Ed Burkhardt, chair of Rail World, majority owner of MMA. Responding to rumors that the railroad is for sale, he noted: ‘There is no such activity or objective of the current ownership.’ {email to ANR&P}
CONNECTICUT

HRRC: DANBURY BRANCH STUDY*

17 June, Danbury. **PHASE II OF THE DANBURY BRANCH ELECTRIFICATION STUDY WILL LOOK AT FIVE OPTIONS FOR THE UPGRADING OF RAIL SERVICE** on the Danbury Branch of Metro-North [for Phase I see 03#07B]:

(1) No Action; (2) a Transportation Systems Management (TSM) alternative which would increase service within the constraints of existing track and station infrastructure and current equipment; (3) a build alternative which would include the addition of sidings, more parking, possible new stations, curve realignments and potential electrification of the line; (4) extension of Danbury Branch service to New Milford [this would operate over track owned by HRRC from Danbury to the New Milford line]; and (5) partial electrification of the branch as far north as the Merritt 7 complex and expanded feeder and regional bus service. Elements of these alternatives could be mixed and matched in the final recommendation.

Support for rail extension

At a scoping public hearing that evening at New Milford Town Hall, a standing-room-only crowd expressed unanimous support for extending Danbury Branch service to New Milford as soon as possible. Final scoping comments on this study were due 25 July. {report by Fred Riese of Connecticut Department of Environmental Protection to Connecticut Public Transportation Commission monthly meeting of 10.Jul.08, as summarized in minutes of meeting}

Rick Schreiner, CPTC member from Danbury, noted much local frustration with the length of time involved in studying service improvements on the Branch, and the time frame of perhaps another 10 years before implementation of the selected alternative. He mentioned that over the years since 1987, there have been 14 studies of the line produced either by Housatonic Area Regional Transit, the Housatonic Valley Council of Elected Officials, or ConnDOT. {CPTC minutes of 10.July.08 meeting}

MAINE

MAINE: RAIL PLAN CONTRACT

25 July, Augusta. **HNTB WAS THE ONLY RESPONDER ON MDOT’S CONTRACT TO DO A STATE RAIL PLAN**. said the department’s Tracy Perez, passenger transportation and multimodal planner. She will manage the contract. MDOT advertised in early May; responses were due by 27 May.

[Like Massachusetts—see 07#12A, Maine has a $50/hour limit on consultant work. For Massachusetts, this definitely limited the responders.]

HNTB will work with HDR and other subcontractors, as in Massachusetts [see 08#05A]. HNTB’s Roland Lavellee will manage the project. Perez is now negotiating a scope of work with the winners, and a price. She anticipates work will begin in two months. {ANR&P discussion}

[Note to consultants: MDOT is no longer issuing bids. Instead, it relies on interested parties to visit the department’s website.]

**Excepts from the plan:**

For the ‘ten-year statewide rail plan...[t]he consultant will assist in inventorying and evaluating rail infrastructure and services and opportunities for new or expanded services in accordance with the Federal Rail Administration’s (FRA) proposed state rail plan requirements.’ This plan will cover the years 2010 to 2020, and:
- Support the development of state policy regarding freight and passenger rail transportation.
- Present priorities and strategies to enhance rail service in Maine that benefits the public

‘This planning effort is to ensure the highest return on investments and to meet the eligibility requirements for future FRA funding programs.’

The consultant will perform these tasks: review existing studies, inventory existing rail infrastructure, inventory existing rail services (passenger and freight), analyze rail’s role in Maine, evaluate existing MDOT programs, evaluate passenger routes including many possible extensions, evaluate freight service extension in four different corridors covering the entire state, look at high-speed rail, and develop opportunities for comment. {text of RFP}

**MDOT: IRAP AWARDS**

27 May, Augusta. **MDOT ANNOUNCED FUNDING FOR SIX RAIL PROJECTS AROUND THE STATE.** The more than $635,000 in IRAP (Industrial Rail Access Program) awards comes from $1.6 million that was set aside in the June 2007 transportation bond referendum approved by Maine voters. IRAP applicants must agree to match the state funds on at least a 50-50 basis. Press release language:

**Jackman – MMA – Award $74,461.50.**

‘The proposed project would construct a 1.7-acre log storage/transfer area in Jackman. The transfer area and track will allow for placement of 12 cars per set and increase space for storage of roundwood logs until loading can take place. This represents 950 new carloads of traffic, removing approximately 3000 tractor trailer trips from roadways. This site is situated on the Montreal, Maine and Atlantic Railway.’ [See below.]

**Old Town – Red Shield Warehouse – Award $53,395.**

‘The proposed project would construct a 620-foot section of rail siding to the Old Town Logistics Warehouse to facilitate the movement of paper products and market pulp by rail to North American and foreign customers. Red Shield estimates 2880 rail carloads will be moved annually, removing approximately 8500 truck trips from roadways and result in 5 new employees. This site is situated on Pan Am Railways.’

[Note: The warehouse already has a siding leading inside—see 08#04A. A longer siding would help: a month ago, a rail observer saw ST try to spot six 50-foot boxcars inside the warehouse. It had to leave one outside, the warehouse has about 300 feet of track inside the warehouse and about the same length outside to the mainline turnout. {e-mail to ANR&P from special correspondent Fred Hirsch}]

**Holeb Township – MMA - Award $49,408.**

‘Construct a 1.7-acre log reload yard in Holeb Township on the old Holeb Station ground to transfer roundwood logs from truck to rail for Red Shield and Domtar from the local area. Annual carloads are projected at 400 per year removing 1200 truck trips from roadways. This is located west of Jackman on the Montreal, Maine and Atlantic Railway.’ [See below.]

**Enfield – Pleasant River Lumber – Award $157,326.**

‘The proposed project would construct a #10 railway turnout and 1,050 feet of rail siding and a terminal to load dimensional lumber products on center-beam rail cars. The terminal will also allow for future expansion to include loading and unloading of roundwood logs and wood chips. This site is located on Pan Am Railways. [See 08#05A.]

**Leeds – Pan Am Railways – Award $236,400.**

‘The proposed project would construct a rail turnout, 780’of connecting track, lengthen track #4 by 340’ and track #6 by 160’ and install a crossover at the Decoster Egg facility in Leeds. These improvements will help with
switching efficiency to better serve the facility and allow for 240 carloads of new rail traffic that is currently trucked, removing 728 annual truck trips from the road. This site is located on Pan Am Railways.’

[While it may have a link to the Decoster egg operation, the facility operators–our Directory #876–state it is operated by Northern Transportation LLC, whose parent is Quality Egg of New England. Reportedly Decoster became Quality Egg. Editor]

**Topsham – Grimmell Industries – Award $64,500.**

‘Proposed project would rehabilitate a 5000’ lead track into the Grimmell facility to facilitate the shipment by rail of shredder residue and shredded metal to locations throughout the country. These improvements will allow Grimmell to be served by Pan Am Railways over the State-owned Lewiston Lower Road rail line. This project will allow Grimmell to expand its recycling facility and take and estimated 1500 truck trips from the Route 196 corridor and open the Lewiston Lower road line for rail business as the anchor customer. This is located on a state-owned rail line.’ {MDOT press release}

[RailWorks will do the siding–see 08#05A Regional.] [The other shipper interested in rail service, Knight-Celotex, suspended operations 1 August. See below.]

**AMTRAK MAINE: COUNT UP**

21 July, Portland. **NNEPRA ANNOUNCED DOWNEASTER RIDERSHIP INCREASED 28%** from FY07 to FY08, to a total of 441,769 riders. Revenues increased 33% to $6,076,517. To accommodate additional riders, Amtrak has added an additional car to each of its five trains. Those numbers compare to a nationwide increase for Amtrak of 12.7% in the federal fiscal year to date.

The service ranked very high in Amtrak’s Customer Satisfaction Index a 97%, above the nationwide average of 80%. {NNEPRA press release}

**Another train?**

NNEPRA Executive Director Patricia Quinn said: “What's going to happen is we're going to get maxed out.” The early train out of Portland each morning already is running at 90% capacity, and the 5PM train out of Boston is typically 95% full.

NNEPRA is looking at options to increase capacity, including negotiation with ST to add a sixth daily round trip.

Governor John Baldacci has committed to include funding for the Downeaster in his state budget next year to make up for the loss of a $6 million federal grant that’s due to expire, said Mark Latti, MDOT spokesperson. The federal grant and $1.5 million from the state currently account for $7.5 million of the Downeaster's annual operating budget. The rest, $6 million, comes from ticket sales. {David Sharp of AP in Portland Press Herald 21.Jul.08}

**MMA: MORE ON IRAP**

4 August, Northern Maine Junction. **THE DIFFERENCE BETWEEN THE TWO IRAP PROJECTS NEAR JACKMAN** was explained by Joe McGonigle, MMA’s vice-president sales & marketing:

‘The Jackman project [see above] compliments what's already in place today, truck to rail reload of lumber forwarding via MM&A. The project now allows the unloading of saw logs at the site’ so that the backhaul can take lumber to the saw mills.

‘The Holeb project [see above] is to allow harvesters the ability to load roundwood (saw logs/pulpwood) onto MM&A for forwarding as opposed to trucking extended distances to other loading areas. The roundwood to Red Shield would move from Holeb to E.J. Carrier, Milo [see 08#04A], for chipping before being forwarded by truck.’ {e-mail to ANR&P 4.Aug.08}
MMA/ST: NEW CUSTOMER?
24 July, Orrington. **THE PENOBSCOT ENERGY RECOVERY COMPANY MAY RAIL IN WASTE PELLETS**
from a company in Toronto, said plant manager Peter Prata. He would pay on a BTU basis, but because he can only
charge so much per kilowatt produced, he is limited on what he can pay for the pellets.

The Toronto plant, which he visited in October, is “just coming into commercial operation,”’ handling municipal
waste. The plant will recycle everything it can, then compress the remainder into a long cylinder and cut it into four-
inch lengths. The resulting pellet “looks like a cigar,” said Prata.

He has talked with Allan Saucier of ST (“great guy”) who told him PERC would need to pay to bring the spur,
formerly used by HoltraChem next door, back up to ST specifications. Petra is also speaking with MMA about
receiving the product at Logistics Management Systems and draying it from there the few miles to Orrington.

Before he can use the pellets regularly, he needs a permit from the Maine Department of Environmental
Protection, which will require a test burn.  {ANR&P discussion}

ST: POSSIBLE SHIPPER SHUT
1 August, Lisbon. **THE KNIGHT-CELOTEX MILL CLOSED INDEFINITELY.** On 4 August, General Counsel
Charles Micoleau said the soft economy, and the relatively high price of natural gas and electricity in Maine, caused
the shutdown here. Micoleau stressed that the closure has nothing to do with a new labor union being recognized
on the site in June.

Knight-Celotex, based in Chicago, will keep open its other plants in Sunbury, Pa.; Marrero, La.; and Danville,
Va. Micoleau said the Lisbon facility will reopen when overstock at that location is sold. Meanwhile, he told the
paper the company will “be conducting an ongoing review of economic conditions.”   {MaineBiz 4.Aug.08}

[The mill, like Grimmell–see IRAP article–wants to become a user of rail. See 06#10B.]

ST: MILL SHUTDOWN
25 July, Bucksport. **VERSO PAPER ANNOUNCED A TWO-WEEK SHUTDOWN OF ITS MILL HERE**
beginning 8 September, to better balance supply and demand. The mill will lose 13,000 tons of coated groundwood
production. Verso has already taken 19,000 tons of maintenance-related downtime this year. {Michael Dabrieo in
Bangor Daily News 26.Jul.08}

MOUNTAIN DIVISION
20 July, Standish. **MDOT HAS COMPLETED PURCHASING THE MOUNTAIN DIVISION BEYOND
ACTIVE TRACK,** with the buy of a 5.2-mile section between Westbrook and Windham. The state did this in May;
a formal announcement will occur on 1 August at a ceremony here. The $805,000 price came from a 2007 state bond
referendum.

The state had already spent $110,000 on a feasibility study, which was presented to the Legislature in December,
and about $1 million to buy the 40 miles of rail from Windham to Fryeburg in 1997.

The Mountain Division rail operated as a private line until 1984, when westbound rail traffic shifted south to
Massachusetts. ST still uses the line between Westbrook and Portland and has agreed to negotiate an access
agreement for that section when the service is established, according to the transportation department. The remaining
sections are either owned by the state or accessible through easements.

Next steps
Advocates in Augusta and the communities along the old Mountain Division Rail Line will shift efforts to repairing
the track, estimated to cost about $20 million for FRA Class 2 freight (25 miles per hour) and excursion passenger
traffic. [See 08#03A.]

A passenger and freight service could generate economic development and reduce truck traffic through the
suburban and rural towns west of Portland. “Any time we can look at something like this that can move traffic off
our roads, we're all for it,” said Standish Town Councilor Philip Pomerleau. “We figure we can eliminate about
25,000 trucks a year traveling on the Route 113 corridor.”
And, he said, Portlanders may be riding trains to the Fryeburg Fair in five to 10 years. “There’s all kinds of things we see that can happen, but it can’t happen without the rail being there. All it does is open huge amounts of opportunity.” {John Richardson in Portland Press Herald 21.July.08}

EASTPORT: SUPPORTS NS-ST DEAL

31 July. THE PORT AUTHORITY LOOKS FAVORABLY ON RAIL IMPROVEMENTS IN NEW ENGLAND IN ANY FORM, said Chris Gardner, executive director. “I pay close attention to Pan Am; it’s the last railroad in Washington County.”

He filed a comment with the STB as an “unsolicited endorsement” both from the Port Authority and from the Washington County Board of Commissioners, on which he sits.

How’s Eastport doing?
The pulp move from Domtar is doing well. Gardner would like to diversify cargoes, and is working on a wood pellet move now. {ANR&P discussion 31.Jul.08}

MASSACHUSETTS

MCER: PELLETS ARRIVING

23 July, Barre. NORTH AMERICAN WOOD PELLET WILL SOON RECEIVE ITS FIRST OF MANY CARLOADS of wood pellets, said Paul French, company vice-president. The mills originating the pellets are “starting to load them out” and “rail cars should arrive daily.” He anticipates “fifteen a week, year around, forever” bringing in either bagged or bulk, at the Wildwood Reload [our Directory #366].

The company will use the brand name NAPCO, selling into the eastern New York and New England markets. It started up in 2007, bringing in pellets by truck, but “that is getting prohibitively expensive.” The railroad will deliver from as far away as Louisiana, with much of the product coming Kentucky. {ANR&P discussion 23.Jul.08}

Ownership
John Pondelli, who owns NAPCO as well as Wildwood Reload, bought MCER in March [see 08#03B].

NECR: NO PALMER PELLETS

23 July, Jaffray NH. NEW ENGLAND WOOD PELLETS HAS CLOSED ITS PALMER TRANSLOAD [see 07#10B] which opened in 2006. It was receiving seven to eight carloads a week, but, said Mark Wilson at headquarters in Jaffray, the price of transporting the pellets from BC made the move not profitable. “We are talking to other pellet manufacturers” and if the price makes sense, “we will get Palmer open again” and receive by rail.

At this point, NEWP is serving its customers in eastern New York, western Massachusetts, and western Connecticut via truck from its Schuyler NY facility. Both Jaffray and Schuyler have a large backlog of unfilled orders; Wilson said he is “sold through November.”

Biomass Commodities Corporation
In November 2007, NEWP diverted two carloads of pellets to St.Johnsbury for Biomass Commodities Corporation [see 07#10B Vermont]. Wilson could supply that company from its plants, “but they would have to get in line.” {ANR&P discussion 23.Jul.08}

ST: PROPOSES TO REHAB SIDING

31 July, Watertown. IF NEWLY WEDS FOODS WILL COMMIT TO AN ANNUAL TOTAL OF CARS inbound with flour, ST will rehab the siding in Watertown, according to David Curran, traffic manager for the Watertown-based company. At this point, he is using no direct rail; he tried it in 2006 [see 06#06B].
Since at least 2005 [see 05#08A] Newly Weds was forced to transload at Beacon Park for two kinds of flour which come from the Midwest: corn flour and starch. The other five kinds, it can truck from Churchill and Martins Creek, Pennsylvania. Curran said he is still waiting for the railroad to come back with a specific proposal for direct rail service: “I’ve seen nothing in writing.”

Support for NS-ST deal
Curran attended a meeting in Lowell two months ago at which ST officials explained the NS-ST deal and asked for support. He filed a supporting comment with the STB. {ANR&P discussion}

ST: RAIL ATTRACTIVE
4 August, Lawrence. **B&D ADVANCED WAREHOUSING IS ATTRACTING CUSTOMERS WITH ITS RAIL OFFERING.** Bob Borenstein, the principal [he moved the business from Salem to Lawrence five years ago–see 03#03B], said he is attracting a lot of new customers because of the rail offering.

“In the last two weeks I have gotten three new customers because of the rail access.” Two were canners; the other, from New Hampshire, is selling wood pellets from Canada or the South and wanted a distribution location in the Merrimack Valley.

An earlier new customer, a foundry owner, has ordered two rail cars of bagged wood pellets. The foundry business is not going well, “he’s bought the pellets simply on speculation.”

Other than the increase in rail, B&D business [our Directory #56] is down: “The economy has affected customers in a negative way.”

Supports the NS-ST deal
Borenstein filed a letter with the STB about two months ago, he said. The deal with Norfolk Southern should result in “better service in a lane of traffic not used that much right now, and possibly better pricing.” He can compete better with the Conrail warehouses. Using rail provides “an economic and environmental bonus.” {ANR&P discussion 4.Aug.08}

ST: TRANSLOAD CUSTOMER
4 August, Townsend. **THE STERILITE CORPORATION “COULDN’T SURVIVE WITHOUT RAIL,”** said Barry Cringan, who filed a letter with the STB supporting the NS-ST deal [see NS-ST Deal]. His company “has no rail siding. We get in 20-25 cars a month to Leominster. Without rail service we can't run our plants.”

Cringan uses the RVJ transload and trucking service [our Directory #139 & 142], which also filed a letter. {ANR&P discussion 4.Aug.08}

VERMONT

VERMONT ROAD SALT*
28 July, Montpelier. **THE STATE BID ONLY ONE DISTRICT THIS YEAR,** said Stuart Sellears, the purchasing agent who took over from Judy Jamieson, who handled salt buying for many years for the state. He was able to negotiate contract extensions, albeit at significantly higher prices, with American Rock Salt (ARS), Cargill, and Sifto. Morton declined to renew its contract for District 9.

Sellears put out District 9 to bid in early June; Cargill provided the low bid, and Sellears is working out a contract now. {ANR&P discussion with Sellears and with George Barrett}

Some notes on the contracts
- The state web site states: ‘Please note that American Rock Salt Co., Cargill Inc. and Sifto Canada will not extend State pricing to political subdivisions, towns, schools or independent colleges.’ [See separate story.]
- The state contracts include a monthly fuel adjustment.

- Barrett, who handles the Cargill salt, uses many sites: Two in Burlington, two in Rutland, and one each in Rockingham, White River Junction, Ely, Stark NH, and Plattsburg NY.

  All are served by rail; Barrett ranks second to Mobil in the number of inbound carloads to Vermont, with between 3,000 and 4,000. {ANR&P discussion 28.Jul.08}

### VERMONT ROAD SALT VENDORS 2008

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<tbody>
<tr>
<td>1 Bennington</td>
<td>ARS</td>
<td>Claremont NH/rail/ Eagle Leaf #1078</td>
<td>7600</td>
<td>57.70</td>
<td>50.79</td>
<td>49.80</td>
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<td>2 N.Brattleboro</td>
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<td>Rockingham/rail Barrett #1141</td>
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<td>48.63</td>
<td>46.84</td>
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<td>56.06</td>
<td>49.61</td>
<td>47.81</td>
<td>44.89</td>
<td>41.42</td>
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<tr>
<td>4 White R.J.</td>
<td>ARS</td>
<td>Claremont or West Lebanon/rail/Eagle Leaf #1073, #1078</td>
<td>14,500#</td>
<td>61.76</td>
<td>49.77</td>
<td>44.07</td>
<td>41.38</td>
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<td>Cargill</td>
<td>Burlington/rail/ Barrett #1103</td>
<td>11,700</td>
<td>55.42</td>
<td>49.04</td>
<td>46.92</td>
<td>44.06</td>
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<td>6 Barre</td>
<td>ARS</td>
<td>Middlesex/rail/Dubois Construction #1056</td>
<td>13,950</td>
<td>55.54</td>
<td>48.89</td>
<td>44.15</td>
<td>41.46</td>
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<td>W.Milan NH #937 or WRJ #1071 or Ely/ rail/ Barrett</td>
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<td>58.88</td>
<td>51.11</td>
<td>49.31</td>
<td>46.30</td>
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<tr>
<td>8 St.Albans</td>
<td>Sifto</td>
<td>St.Catherine/ship or W.Milan NH #937, rail, Barrett</td>
<td>10,000</td>
<td>57.45</td>
<td>46.93</td>
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<td>9 Newport</td>
<td>Cargill</td>
<td>Location uncertain</td>
<td>13,250</td>
<td>54.75</td>
<td>51.30</td>
<td>46.09</td>
<td>43.34</td>
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| TOTAL                  |              |                                  | 105,017 |           |           |           |           |           |

{Source: Vermont purchasing website; previous table 07#09A: Rail Freight Facilities in New England}

# The contract with American Rock Salt permits the state to buy higher-moisture (2%) salt at a lower price, $59.11 per ton. ARS supplies 1% moisture salt at $61.76 per ton. The contract for the lower priced salt reads: ‘MOISTURE CONTENT SHALL NOT EXCEED 2% AT POINT OF DELIVERY FOR THIS DISTRICT ONLY AND NO OTHER.’

### VERMONT SALT: FEW BIDS*

23 July, Rutland Town. **OFFICIALS FROM AT LEAST A DOZEN TOWNS WERE DISAPPOINTED OPENING SALT BIDS** here, when all but one salt supplier declined to bid. Their comments:

American Rock Salt: ‘We are unable to offer a price quotation at this time.’

Cargill: ‘We regret that we will be unable to submit a bid for this winter season.’

Eastern Salt Company: ‘We will not be participating in the aforementioned bid.’

Harcros Chemicals: ‘Thank you for the opportunity, at this time we have no bid.’
Municipalities could not take advantage of the state price [see other article] because the vendors indicated they would not extend that to the municipalities this year. “So that and the shortage we had last year prompted some of us to say maybe we need to have our own contract,” said Byron Hathaway, road commissioner for Rutland Town.

**International Salt the only bidder**

In early July, the Vermont League of Cities and Towns (VLCT) invited all municipalities in the state to buy their salt from VLCT’s vendor at a group discount. However, because VLCT was not quoting a price per ton but wanted a tonnage commitment, several towns in District 3 (Rutland County) chose to seek bids from 11 rock salt companies. Five returned a comment, but only one company bid.

International Salt Company, which imports salt to a stockpile in Albany, listed its bid individually by town, at prices much higher than 2007’s provider. For example, in Rutland Town, International Salt Company bid $92.14 a ton compared to last year's District 3 price of $49.60 per ton. In Proctor, they bid $93.37, compared to last year's $49.60.

**What about Cargill?**

Hathaway decided to call Cargill, the long-time supplier to District 3 via a pile in Rutland [see other article]. Instead of explaining its non-bid, a Cargill representative faxed a rock salt price of $56.06 per ton [the same as its quote to the state–see other article], subject to additional fuel charges and rock salt availability.

The group of area towns will now await the price obtained from VCLT. {Patricia Minichiello in Rutland Herald 28 Jul. 08}

**VERMONT: GILMAN MILL REVIVAL?**

25 July, St.Johnsbury. **THE BAY STREET CENTER FOR EDUCATION & THE ENVIRONMENT WANTS TO EMPLOY FREIGHT RAIL** for one of its components: the production of modular homes at the Gilman mill. Three locals, Bill Brink, Guy Herman, and Bruce Ralston, put forward the project on 17 July to, and received preliminary approval from, local planning officials.

**The rail component**

The project, most of which would transform Bay Street (the street running along the border of the St.Johnsbury rail yard) into a destination for arts, education, and the environment, seeks a suitable facility to produce eco-friendly ‘SmartHomes’ and ship them throughout the country and overseas. Herman said that the least-costly mode would be rail, both outbound and for inbound raw materials.

The Gilman mill [formerly operated as Dirigo Paper and shuttered in 2007–see 07#09A] at this point meets the requirements, as it has rail to the west connecting to VRS in St.Johnsbury, and rail to the east on tracks now served by NHCR. Herman said he is exploring both connections. Within twelve months, he hopes to begin “incremental construction”.

**Excitement**

Since the announcement of the project, Herman has experienced “a sea change in support” for the local effort. “People in the ages 30-60 have traded their dreams traded for a nightmare since 911, and lost the feeling they had the ability to make a difference. Now they are saying, ‘Wow we can do this for ourselves.’” {ANR&P discussion 25 Jul. 08; Taylor Reed in Caledonian Record 18 Jul. 08}
VRS: PELLETS**

23 July, Middlebury. **BOURDEAUS’ AND BUSHEY HAVE ORDERED WOOD PELLETS**, said co-owner Jim Bushey. He'll receive about a carload a week from Georgia, from a producer on rail. “Not a lot of companies have direct rail; they have to truck the pellets” to a transload “and augur them into the cars.”

He anticipates receiving about one car a week, “and we may go to two a week.” Bushey explained that he was paying around $6500 for the cost to ship a railcar to receive pellets (exclusive of the cost of [ANR&P discussion 28.Jul.08])

BOURDEAUS’ & BUSHEY

Jim Bushey co-owns Bourdeaus’ and Bushey Inc, an enterprise which operates agriculture supply facilities in Middlebury VT. In 2004, it bought Feed Commodities International [see 04#01B Regional], so it has the following facilities:

**Under the Feed Commodities division**
- Detroit ME (served by ST, our Directory #861)
- Bernardston MA (ST, #158)
- Newport VT (MMA, #1007)
- Middlebury VT (VRS, #1114, grain)
- Vergennes VT (VRS, #1111 grain)

**Under the Bourdeau Brothers division**
- Sheldon VT (transloads in St.Albans, see below)
- Champlain NY
- Canton NY (rail)
- Tully NY (rail)
- Malone NY

**Bourdeaus’ and Bushey division**
- Middlebury VT (VRS, #1115, fertilizer and grain)

**Carloads**

Bushey said that the three facilities in Middlebury-Vergennes receive around 1000 carloads a year, making it one of the largest VRS receivers behind Global in Burlington [about 5000 carloads, see 07#10B] and Barrett’s salt facilities [3000-4000, see other story].

**St.Albans transload**

The St.Albans Cooperative Creamery [our Directory #1046], served by NECR, owns a rail spur off the NECR wye in St.Albans. It uses the part of the spur which runs behind its building for delivery of occasional carloads. The Coop leases the spur and land north across Aldis Street to Bourdeau Brothers, which has a conveyor and has constructed two 100-foot silos there, according to Coop store manager Steve Martin. [ANR&P discussion 31.Jul.08]
CBNS: PRIVATE CROSSINGS

30 July, Cape Breton. **CBNS HAS ADJUSTED PRIVATE CROSSING FEES**, but some landowners still find them too high. Ken Jardine, chair of the Cape Breton Railway Victims' Association, who lease land next to the tracks, said: “One of our members received a new bill with an explanation and if this is any indication of what's to come, people aren't going to be very happy.

“Last November her bill to lease a spit of land that most people would consider a driveway, went from $300 to $3,000. She appealed her bill and with what RailAmerica is calling the new Nova Scotia solution, her bill is now $2,000.”

The association plans a meeting for 18 August to which they have invited the premier, his minister of transportation, and Rail America representatives.

Stop the subsidy?

Nova Scotia has supplied to CBNS a subsidy of up to $2 million per year beginning in 2005 [see 05#09B]. The association is calling on the province to hold back on payment of that to the railway company, until the issue of fees is resolved. *{Cape Breton Post 30.July.08}*

HALIFAX: AUTO PARTS*

22 July. **WHILE HALIFAX IS TARGETING INDIA FOR MORE TRAFFIC, IT DID NOT ATTRACT A NEW SERVICE** announced this day by OOCL (Orient Overseas Container Line, based in Hong Kong): Indian

[OOCL currently calls Halifax on the AEX service—see map.]

George Malec, vice-president Business Development & Operations, Halifax Port Authority, said: “The new service announced recently is primarily to serve the garment trade and related textile trade in New York and into the Carolinas. The Port of Halifax is targeting India for long term growth but we are focused on attracting trade from different industries - such as the auto parts sector. It is our understanding this string is essentially replacing one that was cancelled earlier this year by the Shipping Corporation of India and others.” (e-mail to ANR&P from HPA spokesperson Natalie Kenrick 28.Jul.08)

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.*

- B&D Warehouse (ST, Massachusetts) rail increase
- Blue Seal Feeds (ST, NEGS, VRS Regional)
- Bourdeau Brothers (NECR, Vermont) St.Albans transload
- Bourdeau’s and Bushey (VRS, Vermont #1115)
- Feed Commodities (ST, MMA, VRS, Vermont)
- Knight-Celotex (ST, Maine) possible but shuttering
- New England Wood Pellets (NECR, Massachusetts) closed
- Newly Weds (ST, Massachusetts) may again use rail
- North American Wood Pellets (MCER, Massachusetts) new
- Old Town Logistics (ST, Maine)
- Penobscot Energy (ST or MMA, Maine) possible
- Pleasant River Lumber (ST, Maine)
- Quality Egg (ST, Maine #876)
- St.Albans Coop (NECR, Vermont #1046)
- SmartHomes (VRS or NHCR, Vermont/NH) may reopen
- Sterilite (no rail, uses RVJ, Massachusetts)
- Verso Paper Bucksport (ST, Maine #857)

PEOPLE

**Donald Gardner** succeeds **Fred Yocum** as CFO and vice-president for finance and administration on the **Montreal, Maine, and Atlantic Railway**. Gardner joins MMA from Maine Drilling & Blasting, Inc., Gardiner, Maine. Yocum served MMA predecessor Bangor and Aroostook System as it went through bankruptcy, then in 2003 joined MMA when it succeeded to the BAR assets. He retires after 40 years in the railroad business.

**Steven J. King** was named managing director of the **Quonset Development Corporation**, which operates the Quonset-Davisville complex. King has served as the corporation’s CEO.
Coverage
The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

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

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

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

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