**NS-ST DEAL**

NS-ST: Applicants agree with EOT, will pay back fees. MBTA will assign rights.**

**OTHER REGIONAL ISSUES**

**CONNECTICUT**

PW: First auto rack moving via CP and Vermont, with Volkswagens.*

**NEGS/ST**

NEGS/ST: NEGS, unpaid, starts surcharge.*

**MASSACHUSETTS**

EOT: Public meetings on the freight rail plan.*

BCLR: GAF traffic up, track work underway.*

Horizon Milling v ST: Shipper files suit to recover damages to product.*

ST: Abandons 1.27-mile Lowell Industrial Track.*

ST: New federal legislation on solid waste transfer stations affects NET.*

Quincy: Shipyard sees mixed use future. Some project cargo.*

**NEW HAMPSHIRE**

NEGS/ST: NEGS, unpaid, starts surcharge.*

**RHODE ISLAND**

Road salt: Morton wins all districts.

**VERMONT**

Amtrak: Cut to service unlikely.

**MARITIMES/QUÉBEC**

MMA Quebec: Business growing at 5 customers.*

NBSR/Saint John: Nackawic outbound lanes.

SLR Quebec: Opportunities on the horizon.*


Nova Scotia: Meeting on improving transportation.*

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Nancy Rice*

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**FROM THE PUBLISHER**

Still catching up

During this low period of NS-ST activity, I am catching up on other news, such as the MMA and SLQ in Quebec, New Haven, and the Bangor facilities. I apologize that some of the articles stem from September, or even earlier.

- Chop Hardenbergh  
  Next issue: mid-November
NS-ST DEAL

The Norfolk Southern Railway and the 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: EOT AGREEMENTS**

20 October, DC. NS AND ST FILED THE REQUESTED REPORT ON THE STATUS OF NEGOTIATIONS WITH EOT [see 08#09B]. Applicants reported they met with EOT in Boston on 9 and 14 October: ‘As a result, the Parties are able to report that they have reached agreement as to resolution of the issues deemed essential to each party....’ A Settlement Agreement enshrines these points.

1. **Assignment of ST freight easement to PAS.** MBTA has agreed that ST may assign its freight easement over MBTA lines to PAS, and that PAS may hire ST to operate on PAS.
   
   In return, NS and ST agree that PAS will be responsible for payments due MBTA for ST use of the tracks. NS and ST agree to conduct ‘a joint capacity study to determine the effect of an increase of two freight round trips per day, and up to seven commuter rail round trip trains.’

2. **East Deerfield Yard.** EOT agrees to the assignment of ST rights to PAS in the yard. PAS will assume responsibility to pay the fees to use the yard to both Deerfield and EOT. ST will continue environmental remediation. PAS will conduct ‘safe and secure operations, in compliance with all applicable laws and regulations.’

3. **Arrearages.** ‘[T]he unpaid arrearages owed to MBTA for use of MBTA’s lines are resolved.’ [This came to more than $4.5 million in July 2008. See 08#08A.]
   [Terms of resolution–see box.]

4. **Expansion of passenger rail.** NS, ST, and EOT ‘have committed to continuing good faith negotiations’ about the plans to expand passenger operations. [STB website filings page FD 35147]

OTHER REGIONAL

PW: 1ST AUTORACK VIA VERMONT*

21 October, Palmer. ‘THE FIRST LOADED AUTORACK, CONTAINING VWs, MADE ITS WAY THROUGH THE VRS GATEWAY HEADED FOR P&W VIA NECR’ this day, wrote General Counsel Marie Angelini. ‘This movement was NOT a test but was, in fact, a milestone in demonstrating the use of another cleared gateway into New England from the west.’ More such cars are expected.

On 23 October, NECR marketing honcho Doug Low heralded the move: ‘This tri-level does take the Green Mountain Gateway route from nothing to something in the world of finished vehicle transport. [e-mail to ANR&P]’

Seaview Railroad reported that the car originated in California. CP’s Steve Lawrance wrote that CP and DH
handled the car from Chicago. ‘We have been working with the other carriers for sometime now to open up that route.’ {e-mails to ANR&P 21-23.Oct.08}

Past pattern
In the past year, loaded autorack cars began moving via CSXT, containing Volkswagens out of Mexico. Many of them move by ship from that country. [See 07#09B.]

CONNECTICUT

PW: NEW HAVEN RAIL WORK*

21 October, New Haven. THE PEARL HARBOR BRIDGE REBUILD (THE Q-BRIDGE PROJECT) WILL DISRUPT NORMAL RAIL SERVICE ON THE BELLE DOCK INDUSTRIAL TRACK for the next eight years. The branch runs from the North East Corridor south through New Haven to the Belle Dock Yard, then over the Tomlinson Bridge and alongside Waterfront Street [see map 06#09B].

PW and Northern Rail will do rail work to facilitate the construction and minimize rail service disruption. This consists of removing the Belle Dock Yard (the small yard west of the Quinnipiac River, opposite the terminals) and tracks, removing other tracks, installing a temporary siding and loading platform along East Street, on the former St.Gobain property, and installing a siding for making up trains between Chapel Street and the I-95 overpass. One track, Track 3, will remain to Waterfront Street. When Q-bridge work requires temporary but long-term closing of Track 3, port operators will use the East Street platform.

The removals permit workers to build new piers for the new bridge in 2008, superstructure segments in 2010, an approach in 2014, and other work in 2016. PW and its contractors will restore the Belle Dock Yard in 2017. {Parsons Brinckerhoff undated memorandum; PW letter to ConnDOT describing cost of switching customers in the port area 17.Aug.07; map of area. All materials from ConnDOT.}

John Ogren of Northern Rail Services reported on 1 October: ‘We also [Northern will do the spur into Logistec, see 08#10A] have started work under the Q bridge on the west side of the river. The loading platform and adjacent track has been removed, and we are waiting for the arrival of a new crossover, once that is installed the remainder of the tracks can be removed.’ {e-mail to ANR&P 1.Oct.08}

Delivery of materials?
Mike Piteo, of the ConnDOT Utilities Section in the Office of Design Services, wrote on 20 October that ‘we have the bridge contractor on board [and] there has been discussion on material delivery via rail. Time will tell if rail delivery is utilized.’ {e-mail to ANR&P 20.Oct.08}

FORMER, CURRENT, FUTURE FACILITIES

PW has agreed with ConnDOT to provide daily rail service, ‘until such time that the rail yard could be reconstructed and placed back into service. The current schedule is approximately seven years.’ {e-mail to ANR&P 20.Oct.08}

From north to south

New ‘East Street siding’. North of New Street, west side of Industrial Track. Temporary, for transloading during temporary closings. This will run into a currently vacant lot.

Former Simkins. This box manufacturing plant at 259 East Street closed in 2006 [see 06#05B]. It received clay slurry by rail.

Suzio. This construction materials firm (formally Suzio York Hill) at 350 Chapel Street has no rail access. It has handled materials for parts of the Q-bridge project, said an official there. {ANR&P discussion 21.Oct.08}
Google aerial photo could easily be interpreted that at one time spurs did run into the site. PW tracks 6 and 7 remain on the west side of the Suzio site, just a few yards from Suzio. Editor

Gateway. On the site of the former Southern Connecticut Gas facility at 347 Chapel Street, Gateway Terminal [our Directory #544] has located a rail-served construction materials facility with 30 car spots [see 01#02B]. The facility can also be served by barge.

Across the Quinnipiac

Transload ramp. This temporary platform lies across Waterfront Street from Gateway [#545].

Gateway. The company’s major terminal at 400 Waterfront Street [#544] lacks direct rail at this point.

Logistec. This firm [#545-1] will acquire a rail spur this winter [see 08#10A].

NEW HAVEN: EXPORT CARGO?**
15 October. LOGISTEC MAY EXPORT USED CARS, said Frank Vannelli, Logistec senior vice-president for sales and marketing. Like the winter steel possible move, Logistec is marketing its facility [our Directory #545-1] and newly-leased laydown area, as well as rail access [see above], for export automobiles.

One possible customer
At this point, ACL [a subsidiary of the Grimaldi Group per ACL website] loads used cars ro-ro at the Northeast Auto Terminal (NEAT) in Jersey City, operate by Ports America. The two con-ro (container and ro-ro) vessels in the rotation sail to Baltimore and Jacksonville to pick up additional cars, and then take them to Africa. They return from Africa loaded with containers.

The need to move
On 18 November, the New York New Jersey Port Authority will take over the NEAT space for a new container terminal with 500,000-TEU annual capacity; it bought out the NEAT lease in summer 2008, according to a Port Authority press release. Per Vannelli, Ports America can provide an auto facility at terminals it operates in Brooklyn, or Bayonne.

In 2009, ACL will add two additional vessels to the rotation, and is seeking “additional places to buy vehicles.” New England could be such a place: “We have lots of auctions in New England,” said Vannelli. Logistec is marketing its facility to this kind of ro-ro move.

What New Haven can offer
To prepare for the possible move, Logistec needs to revamp its Eastern Parkway lots it leases from the Port Authority [see 08#10A], which lie across Waterfront Street from its pier. It is seeking permission from the New Haven Site Plan Commission to install fencing and lighting. Judy Sheiffele, executive director of the Port Authority, said truck carriers would deliver cars to the site.

Once a month, cars, which will not have state registration, would be driven across Waterfront Street onto a ship. Because the short drive of about 700 cars in a short time will block the street, the city will require a flagger to keep normal street traffic moving. {ANR&P discussion 21.Oct.08; Mary E. O’Leary in New Haven Register 21.Oct.08}

Current steel moves up
The Port of New Haven has been hit by the downturn in steel markets. European exports have decreased in part because domestic production of special steel has increased as the dollar has fallen, making European imports more expensive. Also, European production cannot keep pace with European demand. Logistec's Canadian terminals have seen a boost in steel exports to Europe.
But the drop is nothing like that at the turn of the century when tonnage dropped from 500,000 tonnes to the 300,000-tonne range. ‘The good news is that New Haven has regular monthly callers from Brazil and Europe that support the remaining manufacturers in the area especially with coils. We have seen a slight uptick of 5% on coils business from 2007 to 2008. Structural steel has risen by double digits. On the other hand, the roundproduct such as rebar from Turkey is down dramatically.’

Vannelli pointed out that the overall downturn was driven by increased domestic production and by the manufacturers moving south. Best example: Thyssen’s new facility near Mobile, Alabama. [How quickly it changes. US steel mills, big suppliers to many sectors of the economy, are shutting 17 of the nation’s 29 blast furnaces. {Louis Uchitelle in New York Times 25.Oct.08}]

Possible pellet moves
With vessel rates dropping drastically, manufacturers can find bottoms to carry pellets, said Vannelli. Logistec has ‘recently succeeded on trial shipments in Brunswick Georgia for pellets. There are interested parties also in the Atlantic Provinces and New England states as this product emerges as a new export product. We will have opportunity to grow into this commodity sector.’ {e-mail to ANR&P 23.Oct.08}

**MAINE**

**ST/ MMA: 1 COMPANY, 2 SITES**

10 October, Bangor. **DYSART’S IS CONSIDERING TWO ADDITIONAL RAIL FACILITIES**, said Tim Dysart, company vice-president. It already has a warehouse served by MMA [our Directory #799], located across Broadway from its famous truck stop off I-95. The warehouse is using the rail more, "bringing in a fair amount of lumber." On the same spur, Sky Burrill Forest Products [#802] rails out logs. On the ST freight main, Dysart did buy #4 Galt Block with Cianbro and Eastern Maine hospital [see 08#03A] as planned. Tim Dysart said the new owners are considering re-installing the rail spur to the building.

In addition, Dysart’s is looking at installing a spur near the MMA-served warehouse to receive ethanol, "for our tank farm and for others," he continued, but it has not made a decision on that. {ANR&P discussion 10.Oct.08}

**ST: NEW CUSTOMER**

29 October, Bangor. **DOWNEAST EMULSIONS WILL RESUME USING RAIL** before the end of the year. Steve Ford, who manages the company, said it has just built a 1.1 million-gallon tank and needs about 60 cars to fill it. [At 20,000 gallons per car, that’s about right. Editor] Whether it will require more filling during the paving season remains to be seen.

Downeast Emulsions has remained in business at 58 Bennett Street in Bangor since 1963, with three sets of owners. Over the summer, it hired Maine Track Maintenance to upgrade the siding, last used in 1988. {ANR&P discussion}

Fitting into Galt Block
Downeast Emulsion’s facility lies [see map in 08#07A] roughly between building G4 [for which Dysart’s may restore the spur–see above] and G5 of Galt Block.

**ST/PORTLAND: MILL TO RE-OPEN**

23 October, Portland. **PRIVATE EQUITY FIRM PATRIARCH PARTNERS HAS PURCHASED THE RED SHIELD PULP MILL FOR $19 MILLION**, according to Red Shield attorney Bob Keach. A federal bankruptcy judge approved the sale to the winning bidder. Three bidders vied for the mill at the auction, with 29 rounds of open bidding and one round of sealed bids. The winning price was significantly higher than the initial bid of $11.5 million and is fair considering the tumultuous national economy, according to the attorney. [The mill shut down earlier in 2008–see 08#06A.]
Complete re-opening
A union official said the company intends to rehire all of the 160-plus laid-off Red Shield mill workers. Keach said: “I think they plan to open the mill and begin to manufacture pulp as soon as possible. Any time a mill of this size and importance is down, it’s not a good thing. It’ll be great to get it up and running again.”

“This is good news for workers and good news for the community,” Governor John Baldacci said in a statement. “I have spoken with Patriarch CEO Lynn Tilton and I am impressed with her vision for the facility and her commitment to get people back to work.” {Abigail Curtis in Bangor Daily News 24.Oct.08}

The re-opening, assuming that pulp again moves overseas through Portland, will mean the re-opening of container barge service to Portland’s International Marine Terminal as well [see 08#10A].

MASSACHUSETTS

STATE FREIGHT AND RAIL PLAN**
Boston-THE MASSACHUSETTS EXECUTIVE OFFICE OF TRANSPORTATION (EOT) WILL HOLD FIVE PUBLIC STAKEHOLDER MEETINGS on the plan:

October 28, 2008 Northeast Region 7-9 p.m Massachusetts Executive Office of Transportation 10 Park Plaza, Boston
October 30, 2008 Western Region 3-5 p.m. Kasparian Center 60 Alton Street, Springfield
November 3, 2008 Central Region 1-3 p.m. Union Station Intermodal Transportation Center Union Hall (second floor)
Central Massachusetts Regional Planning Commission 2 Washington Square, Worcester
November 5, 2008 Southeast Region 3-5 p.m. Function Room, Pomodores 2424 Cranberry Highway (Route 28), Wareham
November 20, 2008 Boston 2-4 p.m. Lower Level Meeting Room, Copley Plaza Hotel, 138 Saint James Avenue, Boston, MA

New England Railroad Club
The last meeting precedes the November meeting of the New England Railroad Club, which begins at 5PM. Secretary Dennis Coffey of HNTB said EOT had scheduled it so that railroaders would have a chance to attend and show that while freight does not vote, it does have a voice. {NERRC notice}

Background
‘EOT in April 2008 began [with the assistance of consultants HNTB and HDR–see 08#05A] a comprehensive evaluation of the Commonwealth’s freight and rail transportation system, its operations, and effect on economic development and quality of life. The evaluation will conclude with the publication of a State Freight and Rail Plan and a separate, stand-alone State Rail Plan in summer 2009.

The State Freight Plan will evaluate all modes: air, rail, truck, and maritime transportation. The Plan will examine the freight and rail infrastructure and operations in the Commonwealth and evaluate the trade-offs between different modes as well as intermodal options (transportation by more than one mode, e.g. truck and rail) in its analysis and recommendations. The Plan will also include a detailed analysis of all rail infrastructure and operations, both freight and passenger.’

For more information contact EOT Project Manager Ned Codd, 617-973-7473, or visit the website www.massfreightandrailplan.com. {EOT press release}

BCLR: GAF UP*
24 October, Millis. BCLR IS INVESTING $400,000 OF ITS OWN FUNDS IN THE MILLIS BRANCH, said Senior Vice-President Marketing Bernie Reagan. It is inserting into the state-owned line 3000 ties as well as switch timbers, and resuscitating the bridge over the Charles River. A 15-man crew from sister railroad Seminole Gulf (in
Florida) will finish the work in November.

**Why the investment?**

At one point GAF [our Directory #233] was considering moving out entirely [see 07#04A]. Now, said Reagan, though GAF did close its manufacturing plant on the branch, it is increasing business at the warehouse at the end of the line, which has become the distribution center for GAF shingles and other materials in New England. “GAF is booming,” said Reagan, despite the lower home construction activity. Perhaps, he mused, homeowners realize they can’t sell their house, but can afford to repair the roof. Traffic on the Millis is better than ever [see 07#11A]; on the order of 2000 cars, he estimated.

Tresca Brothers [our Directory #232], the other customer on the line, was receiving fly ash from Pittsburgh by rail, because Brayton Point was too low a quality [Brayton Point power station near Fall River burns oil—editor]. Now Brayton’s quality has improved and the ash is trucked to Tresca, which currently receives nothing by rail. Tresca also every few years receives cement to keep itself grandfathered, but rail cannot compete with the barge from Dragon Cement’s rail to barge terminal in Rockland, Maine. The barge move takes but 12 hours, said Reagan.

No work is currently planned for Bay Colony’s other branch, the Watuppa; the railroad is operating the entire section [see 08#04B]. “We have a stash of 2500 ties on Watuppa,” said Reagan, which were planned for use the Cape when BCLR operated there. {ANR&P discussion}

**ST: NET FACES MORE DELAY**

17 October, DC. **THE NEW FEDERAL FRAMEWORK ON SOLID WASTE TRANSFER STATIONS STRIKES A BALANCE** between the desire of states to regulate the facilities in terms of health and safety, and the desire of railroads to site facilities where needed. The *Clean Railroads Act of 2008* was included in the Rail Safety Improvement Act of 2008 (H.R. 2095/S.1889) along with an Amtrak funding bill, all signed by Bush this day.

Senator Frank Lautenberg (D, NJ) sponsored the Act; Senator Robert Menendez (D, NJ) and Representative Frank Pallone (D-NJ-06) co-sponsored it.

The previous situation

Before the passage of the bill, a company could avoid strict state regulation of such facilities by setting up a tiny railroad to operate the facility and serve it. States were pre-empted from regulating any railroad facilities under the 1995 Interstate Commerce Commission Termination Act, in the name of preserving interstate commerce. Congress at the time feared states would regulate such facilities out of existence.

The loophole nettled states, particularly New Jersey, where Menendez complained it “allowed at least one company to build up a number of large piles of garbage along a two-mile section of rail line.” [See 07#03A.]

In 2007, the New Jersey Department of Environmental Protection fought a major lawsuit to regulate the rail-served transfer stations Menendez mentioned, and lost in US District Court. *New York Susquehanna and Western Railway Corporation v. Lisa P. Jackson, commissioner of the New Jersey Department of Environmental Protection.* On appeal, the US Court of Appeals for the Third Circuit found that the District Court had to find facts showing which the state’s regulations was pre-empted. {500 F.3d 238 7.07}

Congress was asked to close the loophole. But STB Chair Charles Nottingham, addressing one bill last year, feared if Congress began limiting jurisdiction, states and communities could begin denying all types of railroad projects [see 07#10B].

The new bill is a compromise which “essentially allows states to take over health, safety and environmental regulation of these sites,” a Congressional aide with knowledge of the legislation said. {ANR&P discussion 21.Oct.08} One section of the bill allows a railroad (and only a railroad enjoys the federal pre-emption) to ask the STB to issue a land-use exemption which pre-empt state regulation affecting the siting of a facility, but not other state regulation. The STB may issue an exemption only if it finds the facility, in the words of the bill, ‘at the proposed location does not pose an unreasonable risk to public health, safety, or the environment.’

The bill specifically exempts, in the definition of ‘solid waste rail transfer facility’, facilities where an already-loaded waste container is put onto or taken off a railcar, and where ‘solid waste is solely transferred....from a tank
truck directly to a rail tank car.’{text of bill}

New Jersey facilities
Tom Byrne of the department said that in addition to the nine waste transfer stations in New Jersey, the state also hosts six intermodal facilities, which receive containers of waste and load them onto railcars. CSXT and Waste Management jointly operate “one of the best-run intermodal facilities for solid waste you’d ever want to see,” Byrne said.

Reaction
New Jersey’s Pallone said after the new bill passed, the STB will no longer “be the sole regulator of waste transfer facilities.” States can now regulate “these facilities that have flown under the radar for too long.” {quote from Lautenberg press release}

The new bill meets both the needs of the National Solid Waste Management Association (NSWMA) and of the Class I railroads. NSWMA members wanted the rail facilities to “look like the facility down the street” which was not rail-served, said NSWMA official Steve Changaris. He pointed out that the Class I railroads “are very aware of the value of pre-emption” and did not want to see the STB lose all jurisdiction over the waste facilities.

More work needed
Even existing rail-served facilities must now apply for state permits; the Act gives them 180 days to file. They can continue to operate until the state acts on the permit.

Also, within 90 days the STB must write the procedures under which railroads will apply for land-use exemptions. As Changaris wrote to his members: “The procedures that the STB establishes for the review and issuance of land-use exemptions will be critical to the fairness of the process.” {e-mail to ANR&P from Changaris 15.Oct.08}

Impact in New England
New England Transrail is the poster child for the effort to use the loophole: it has long wanted to operate a transload pre-empted from state regulation by creating the Wilmington-Woburn Railroad. When it filed to create the small railroad, it unleashed criticism, which led to rare oral argument before the STB on its filing [see 07#04B].

In 2007, the Board found that NET had to submit evidence ‘on the transportation merits.’ The Board also awaited an EPA remedial investigation and feasibility study. It also noted that ‘rail spurs’ were subject neither to state nor federal regulation [see 07#07A].

On 23 October 2008, Wilmington Town Manager Michael Caira said of the new statute: “We are hoping that this is going to offer another impediment for NET to go forward. This, coupled with the economy, probably does not bode well for them. But that's just speculation on my part. Either way, this is certainly good news.”

Changaris said the same day of the rail-served transfer station: “It's no longer an unregulated black hole.” Supporters of the bill had hoped that solid-waste transfer stations wouldn't fall under STB purview at all, but that proved unacceptable to the federal agency. “This was sort of a political compromise. But there is real teeth in this. It's now just a question of how it will be administered.”

Changaris did not expect movement on the New England Transrail case for some time to come. “The last we've heard is that the EPA was taking a long, hard look at the site. That could take years. And the STB won't be doing anything until they publish their new rules. But we're anxious to see what the next steps are. It ain't over until it's over.” {Alexandra Mayer-Hohdahl in Lowell Sun 24.Oct.08}

Any sites which must apply to states?
Because the bill requires existing facilities not under state regulation to seek a state permit, each state must review its transfer stations. Changaris believed that all facilities in New England currently using rail have state permitting. {e-mail to ANR&P 27.Oct.08} Jonathan Murray, director of operations for four waste transfer stations in Connecticut within the USA Hauling and Recycling network, wrote: ‘All of our facilities are permitted properly and do not run under an exemption. I am not aware of others that do.’ {e-mail to ANR&P 28.Oct.08}
Only a railroad can claim pre-emption, and no railroad in New England operates its own facility. Therefore, as confirmed by Changarisi and Murray, all rail waste transfer stations in New England are either state-permitted, or only do intermodal transfer of containers. {editor}

**ST: MAJOR RECEIVER SEEKS $$$**

15 October, Boston. *HORIZON MILLING FILED A LAWSUIT IN US DISTRICT COURT SEEKING $137,000 FROM ST* for damages to its products moving to or from its facility in Ayer during 2006 and 2007. According to the allegations, ST does not contest the damages, which are mostly in the thousand-dollar range. The major claim stems from a nine-car shipment of wheat which derailed [in the East Deerfield yard in September 2006–Franklin Regional Council of Governments Long Range Transportation Plan 4.07] causing $146,000 in damages.

Horizon [our Directory #112] stated that in October 2007, ST paid $20,000 and promised to pay the balance in November and December 2007, but ST had paid nothing since October 2007.

**Interesting moves**


2007 Shipment of 70,500 pounds of middlings to Newport, Vermont [Poulin Grain or Feed Commodities–editor]. Shipment very delayed, all lost. Damages $3,293.

2007 Shipment of wheat flour to North Billerica. Damaged in transit. $2,945. {text of complaint in 08-CV-11747, attorney Mitchell Matorin of Needham}

**ST: LOWELL ABANDONMENT**

24 October, DC. *ST FILED TO ABANDON THE LOWELL INDUSTRIAL TRACK.* According to the application, a Notice of Exemption, the 1.27 miles will be sold to third parties. Running from the Freight Main southwest within Lowell, it has carried no local or overhead traffic for two years. {STB Docket No. AB32 (Sub No 85X)}

Christine Thomas at the City of Lowell related that ST is not selling it to the city but to a private party. The ST official to whom Thomas spoke declined to tell her to whom ST is selling. “We won’t even tell the state,” Thomas quoted the official as saying. {ANR&P discussion 27.Oct.08}

**Background**

This stub was part of the Framingham and Lowell Railroad. It became part of the New Haven, then Penn Central, but not Conrail. When Conrail was created, the section from the Lowell City line to Chelmsford Central was abandoned, and the part within Lowell was taken over by ST. In 1994 ST abandoned 3/4ths of a mile, and now proposes to abandon the rest. [Ron Karr, Rail Lines of Southern New England] Because the line originated in Framingham, the ST engineering stations read backward from the Freight Main in Lowell.

**Rail trail**

The rest of the former Framingham and Lowell, from Framingham to the Lowell line, will become the Bruce Freeman Rail Trail. www.brucefreemanrailtrail.org.

**QUINCY: UPDATE**

27 October. *THE FORE RIVER SHIPYARD IS CONSIDERING A MIXED USE FUTURE,* said John Dobie, planning director for Dan Quirk, who owns 111 acres. [Jay Cashman owns about 13 acres. See 04#07A.] Two years ago, Quirk hired RTKL, a Baltimore planning firm, to prepare a mixed use plan. Under it, the waterfront is dedicated to marine uses, and the back land commercial, retail, and residential. “The plan was well-received” in Quincy, which hosts about 2/3rds of the yard, and Braintree, which hosts the other third, said Dobie. However, given the state of the economy nothing is moving forward at this time.
Current activity

Two marine contractors use the shipyard on short-term leases to host their barge operations which work in Boston and elsewhere.

The piers have received project cargo: wind turbines and transformers. Outbound, the shipyard has sold its “Goliath” crane to Daewoo Mangalia Heavy Industries, a subsidiary of South Korea-based Daewoo Shipbuilding and Marine Engineering. The crane is moving in a few weeks via ocean-going barge, in pieces, to Romania where Daewoo will operate a shipyard.

[And Quirk is storing cars for his South Shore auto dealerships here. {Robert Aicardi in wicked local Braintree.com 23.May.08}]

Freight, passenger possibilities

Dobie spoke of using the existing rail line through the yard, operated by Fore River Transportation to serve its parent Twin Rivers Technologies [our Directory #320] and New England Fertilizer [#319]. Some possible industrial tenants have voiced interest.

He also envisions light rail, or ferries across the harbor, taking future residents to the Weymouth Landing commuter rail stop. {ANR&P discussion 27.Oct.08}

NEW HAMPSHIRE

NEGS/ST: STILL NOT PAID*

13 October, Concord. **BECAUSE ST IS NOT PAYING FREIGHT CHARGES, NEGS IS APPLYING A SURCHARGE TO SOME SHIPPERS**, according to a letter from President Peter Dearness. The ‘Emergency Terminal Delivery Surcharges’ would provide the funds to permit him to continue to operate. [See complete tariff, a public document, on these pages. The material did not come from Dearness, who refused to comment.] The rule cited in the tariff, 49 CFR Part 1300.4, requires 20 days notice for any change in tariff rates.

Need for surcharge

Dearness explained in his letter to shippers that since June of 2007, NEGS has provided local service but ‘without benefit of any of its proportion of the interline freight charges due it (withheld now for over fifteen months).’ NEGS did file suit against ST in December 2007, but without result, and ‘it appears the matter will remain so for the foreseeable future.’ [See below.]

As the tariff states, the shipper must pay the surcharge to NEGS. Ciment Quebec is exempt from the surcharge; it already pays Dearness direct for his part of the rail move. As the tariff describes it, ‘except where freight revenue is being otherwise fully collected by NEGS under preexisting Rule 11.’ {text of letter to shippers, text of tariff}

Walt Stapleton, whose firm Omni Transerve provides consulting to several short lines, issued the new tariff as ‘Walter A. Stapleton, pricing/marketing assistant to Peter M. Dearness, president, New England Southern Railroad.’ {text of cover e-mail 13.Oct.08}

Will the receivers pay the surcharge?

Blue Seal Feeds has a facility [our Directory #99] in Bow [see 08#07B Other Regional]. Bill Whitney, who handles transportation for Blue Seal, said he receives all product freight pre-paid. Therefore Blue Seal will have to pay the surcharge. Whitney said on 20 October:

‘We do plan to pay the surcharge Chop. This is not too different from a surcharge the DM & E puts on cars
The Provisions published herein, if effective, will not have an adverse affect upon the quality of the Human Environment

• INCREASE –

New England Southern Railroad
(NEGS – 535)

Freight Tariff NEGS-9000
(Original Tariff)

Emergency Terminal Delivery Surcharges
Applying on All Freight Traffic
To or From Points on
New England Southern Railroad
And
From or To Interchange with connections,
Pan Am Railways,
also known as,
Boston & Maine Railroad,
Springfield Terminal Railroad, inter alia

The following Charges are named and payable only in U.S. Funds, and are due and payable ONLY to New England Southern Railroad (NEGS) pursuant AAR Accounting Rule 11. No other carriers are authorized to receive the charges assessed hereunder. These charges apply for all traffic handled by the New England Southern Railroad, except where freight revenue is being otherwise fully collected by NEGS under preexisting Rule 11 or other independent freight charges arrangements. Idler or Buffer cars, where they are required to handle or deliver a shipment, shall be charged at $100 per car. Charges apply on All Freight, inclusive of Railway Equipment On-Own-Wheels:

$ 250.00 Per Car to Patrons located at BOW NH.
$ 300.00 Per Car to Patrons located at CONCORD NH.
$ 350.00 Per Car to Patrons located at TILTON NH and other NEGS Stations North of Concord.

Notice

These provisions are being implemented due to circumstances beyond our control. Since June 2007, the New England Southern Railroad has not been compensated any of its due proportion of interline freight charges for the handling, delivery or forwarding of rail carloads to or from the customers it serves. NEGS initiated litigation in December 2007 to rectify this situation, but the case is pending and it appears the matter will remain unresolved for the foreseeable future. With winter approaching, NEGS faces even higher operating expenses, exacerbating this protracted revenue deficit. These surcharges will provide the funding necessary for NEGS to continue service operations, enabling delivery of customers’ rail traffic.

ISSUED: October 13, 2008
EFFECTIVE: November 03, 2008
Issued on Twenty (20) Days Statutory Notice for Increased Rates pursuant 49 CFR Part 1300.4

Issued By: PETER M. DEARNESS, President
8 Water Street, Concord NH 03301

Public Pricing – Duplication Permitted NEGS-535603-491-3660 Published by Omni Transerve End
going to the ST. Peter has to have some cash flow to run the railroad. Assuming the ST pays Peter what they owe we will revisit the situation. Peter said he doesn't intend to have anyone pay twice for service.

‘In the meantime we will look at individual moves to see if transloading at Auburn is feasible. That is a money equation that, depending on commodity and origin, might pencil. Because of the proximity to Ayer, virtually all [middlings—see other story] are currently trucked to Bow so that takes a lot of tons off the table to start with.”

Auburn (served by SLR) is slow now ‘as we convert to organic feeds’ [former United Coop, our Directory #918] but activity will pick up there. {e-mail to ANR&P 20.Oct.08}

Status of NEGS lawsuit against ST
While in August the lawsuit, filed in December 2007, had made no progress, in early October the judge in the NH US District Court dismissed it for lack of subject matter jurisdiction. NEGS believes the judge erred, and is asking him to reconsider his ruling. {ANR&P discussion with attorney Martin Honigberg 20.Oct.08}

RHODE ISLAND
ROAD SALT
26 September, Providence. MORTON WON ALL STATE SALT DISTRICTS, with bids more than triple the rates in 2002 [see table]. Rhode Island asked for prices for two successive years, 2008-2009, and 2009-2010. Only Eastern Salt bid against Morton, and it bid $99.90 for each district for both years.

No bidding via Massachusetts
VEH72, the Massachusetts road salt Request for Responses, had this language:

RHODE ISLAND ROAD SALT 2008

<table>
<thead>
<tr>
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<tr>
<td>Northwest 1</td>
<td>Morton</td>
<td>80.33 (90.33)</td>
<td>27.21</td>
<td>7,500</td>
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<td>26.40</td>
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<td>87.78 (92.78)</td>
<td>28.00</td>
<td>5,500</td>
</tr>
<tr>
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<td>Morton</td>
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<td>26.25</td>
<td>8,500</td>
</tr>
<tr>
<td>Newport 7</td>
<td>Morton</td>
<td>86.16 (91.18)</td>
<td>27.88</td>
<td>4,000</td>
</tr>
</tbody>
</table>

1Whitney wrote: ‘We get cars of sunflower seeds from Meriden, MN on the DM & E. There are two rates to Chicago - one for cars destined to ST and one for cars going everywhere else. The ST rate is $200 higher [because ST ties the cars] too long... This is an example of a Rule 11 move that actually involves three separate freight bills. One from the DME (Meriden to Chicago), one from the CSXT (Chicago to Rotterdam), and one from the ST (Rotterdam to Bow).’
of sodium chloride. To participate in this section of the RFR, bidders must complete and sign all State of Rhode Island forms found in this RFR amendment and submit them with their bid. If a Bidder chooses to bid on RI areas, failure to complete and sign all forms MAY result in your bid being deemed non-responsive.

Bidders are required to offer and extend the RI portion of this contract (including pricing, terms and conditions) to political sub-divisions (towns and municipalities) of the State of Rhode Island, schools and not-for-profit organizations. The RI portion of this contract will be awarded strictly based on price; thus, the lowest bidder meeting the specifications for RI will be awarded by District.

Linda Roach, who handles road salt procurement for Rhode Island, said her process did not use the Massachusetts route. [ANR&P discussion 29.Oct.08]

VERMONT

VERMONT: AMTRAK CUT?

23 October, Montpelier. A VAOT CUT TO AMTRAK SERVICES IS UNLIKELY FOR FY09, 1 July 2008 to 30 June 2009, or for FY10, said Agency spokesperson John Zicconi. Facing an $8 million revenue shortfall, AOT has already cut $4 million and needs to cut at least another $4 million in November. “[Amtrak is] on the table because everything has to be on the table,” Zicconi said. “When we go through a budget exercise like this, you can't leave any stone unturned.” But if the state were to eliminate service, the contract requires the state to give Amtrak 90 days' notice. He said such a move to cancel both routes would only save the state approximately $200,000.

The state spends $5 million a year on the two Amtrak routes: the Ethan Allen Express from New York to Rutland and the Vermonter from DC to St. Albans.

In FY10, AOT should be under less financial stress. The 2010 transportation budget should get a boost from several sources including $10 million in state bonding authority, a likely increase in motor vehicle fees that could generate at least an additional $10 million, a legislative proposal by Governor James Douglas to roll back by $4.5 million a year the practice of raiding the transportation fund to fund general fund programs, and another $3.7 million in federal funds anticipated as a reward for increased seat-belt usage in the state.

Cut opposed

The Rutland Region Chamber of Commerce and the Rutland Economic Development Corporation sent a joint letter on 8 October to Agency of Transportation Secretary David Dill, expressing serious concern about even the possibility of cutting passenger rail service. ‘At a time when Rutland is losing businesses and residents (our population is stagnant and aging), all Vermont Transit bus service has now been eliminated, U.S. Route 7N (North) improvements have been delayed and our downtown is at a crucial tipping point for the future, curtailing daily passenger service to this county could have disastrous effects.’ {Bruce Edwards in Rutland Herald 23.Oct.08}

QUEBEC/MARITIMES

NOVA SCOTIA VISION*

Truro. COLCHESTER REGIONAL DEVELOPMENT AGENCY AND NOVA SCOTIA CHAMBERS OF COMMERCE will hold a one day meeting on 27 October here. Guest Speaker—Planning Expert Michael Gallis

Major Topics:
1. Developing a transportation vision for Nova Scotia
2. Prioritizing transportation development issues
3. Uncovering Gateway Opportunities
4. Discussing Rail Opportunities & Challenges
5. Addressing Community / Workplace transportation
MMA QUEBEC: UPSWING**

21 October, Farnham. FIVE SHIPPERS ARE GROWING, according to Dale Williams, who handles sales for MMA in Quebec.

Leblanc & Lafrance
This subsidiary of Bunge Corporation located in Ste-Rosalie ‘has been growing well over the past few years and is now considering an expansion. They receive primarily soybean and other meals for animal feed, but also handle inbound and outbound corn and other grains. Last year MMA handled over 3,000 cars at this location.’

Tafisa
The company has rebuilt from the 2006 fire [see 08#01A]. ‘Tafisa manufactures laminated and raw particleboard, and the Lac-Megantic plant is the largest single particleboard facility in North America. MMA handles both outbound particleboard for Tafisa, and also inbound woodchips, sawdust and wood shavings from Irving Woodland to this location.

‘Tafisa put Line 2 back into production in January 2008. They have built their traffic levels back to around 1800 cars per year, which is off somewhat from their traffic level from before the fire. They are impacted by the poor housing market, like everyone else.’

Graymont
‘Graymont is the third-largest producer of lime in North America, and their plant in Bedford QC is one of its newest and most up-to-date facilities. Graymont is expecting to see its rail business grow over the next few years as the demand for quick-lime increases due to its use as a scrubbing agent in coal-fired utility plants.

‘Graymont is bidding on a number of utility contracts that would begin shipping in 2009/2010. They are currently serving this market from their Bellefonte PA terminal, and we do ship to this location. The larger volumes will only begin next year.’

Energex
‘[O]ne of the largest producers of wood pellet fuel in North America, with plants in Lac-Megantic, Mifflintown PA and West Virginia. In previous years, they focused on providing “direct-to-store” deliveries via truck. However, over the past few months MMA and Quaboag Transfer of Palmer MA have been working with Energex to establish a rail-based distribution system. Preliminary test moves have been very successful and we expect to move significant volumes over the next few months.’ {e-mails to ANR&P 21&24.Oct.08}

Log move for Domtar
Domtar’s Windsor, Quebec pulp mill is receiving both chips and logs via the MMA. At this time, while Domtar does have a rail spur off the SLQ into the facility [the spur also serves Bess Cargo, which handles the inbound cement from Dragon in Thomaston, Maine--see 06#11B], it lacks rail into its woodyard. Suppliers dray the chips and logs from a siding in Bury, Quebec via transload at this point.

Williams explained that MMA had spotted more than 300 railcars this year at the Bury siding. MTQ paid half the $50,000 cost of the new siding.

In early 2008, MMA moved chips from the Irving mill at St.Leonard, New Brunswick into Maine and then out to Quebec via Jackman. Now, the fiber arrives ‘mostly in the form of logs’ loaded at Skerry Siding (Nashville Plantation) [see 08#08B] in Aroostook Country.

MMA will use an MDOT IRAP grant of $50,000 to build a log yard in Holeb, Maine, to originate logs for Domtar [see 08#07B]. ‘We do not have a start date for the Holeb project as yet. We are waiting for the customer, a log supplier, to confirm timing.’

Williams acknowledged that the distance between Holeb and the transload point in Bury is quite short. ‘However, Domtar’s truckers are no longer permitted to cross the border on their private logging roads, and must
instead travel to Coburn Gore to report to the Customs authorities. This has added a lot of miles to their trip which makes rail a more appealing option.’

Williams agreed with the MDOT estimate of 400 carloads a year involved in this move. {e-mail to ANR&P 27-29.Oct.08}

SLR: QUEBEC OPTIMISM*

18 October, Montreal. ‘WE HAVE HAD SOME BRIGHT SPOTS IN QUÉBEC ON THE SLQ,’ wrote President Mario Brault. ‘However many of these small new volumes were tests. It is still too early to declare victory on most of these tests.’

But not on QGRY

‘On a larger-scale railroad such as QGRY [Brault as Genesee & Wyoming senior vice-president Canada region also heads this railway], our freight traffic has been consistently below forecast and below last year’s performance.’ {e-mail to ANR&P}

SAINT JOHN/NBSR: PULP TRAFFIC

23 October, Nackawic NB. THE PULP MILL HERE IS EXPORTING DISSOLVING PULP, reported Tim Benesh, director of logistics and sales for the AV Group, which owns the AV Nackawic pulp plant here. It made the changeover from market paper-grade pulp to dissolving pulp earlier this year [see 07#08B], with plans to make 190,000 tonnes for Aditya Birla viscose plants in India, Thailand, Indonesia, and China. Aditya Birla, the parent company, plans to expand beyond that number, depending on hardwood availability. {Paper Age 9-10.08}

End to paper-grade pulp

‘[W]e are no longer producing paper-grade pulp. We do have some paper-grade pulp in inventory that we will be shipping this month. Some of it will be moving through McAdam,’ wrote Benesh. Nackawic had used a transload in McAdam to access rail [see 06#03A].

Saint John and Montreal

‘We move the dissolving pulp through Montreal and Saint John. Cost and service are the main factors influencing the decision on port usage.’

Benesh said the mill will get enough hardwood to increase production. {e-mail to ANR&P 23.Oct.08}

CANSO: PERMITS FOR MELFORD *

23 October, Halifax. NS ENVIRONMENT MINISTER MARK PARENT WROTE THAT ‘ANY ADVERSE EFFECTS...CAN BE ADEQUATELY MITIGATED’ ‘through compliance with the attached terms and conditions’ to the letter of his approval for the Melford International Terminal.’ [See 08#09B.]

Terms and conditions

- Begin work within two years, unless granted an extension.
- Submit an environmental management plan ‘to be implemented and updated in a phased approach for site development, construction and facility operations.’
- Agree with NSDOT about upgrades to Route 344.
- Establish a community liaison committee. {letter of approval, and terms, on NSDEP website}

Federal approval

Richie Mann, Melford’s vice-president marketing, said the federal government had “ticked one box on letter” approving the project, contingent on getting approval from Nova Scotia.

The project moves forward

Even into the teeth of a global recession, with ocean traffic dropping, Melford International will move ahead, said Mann. “The partners consider the project still viable. We would not want to become operational now.” But since building the terminal will take “two, two and a half years, that’s when the forecasts show the industry restored to its normal growth pattern. The population growth is not going to slow, the consumption pattern is not changing quickly.” If Melford waited for two years before beginning construction, “we would miss the bubble,” the chance to capture growth before other terminals do. [But see the New Haven story, where New York is expanding now by
Melford CEO Robert Stevens said the turmoil in global financial markets has made the terminal development, expected to have a 1.5-million TEU capacity by 2015, a more attractive project. “Today’s economic challenge actually reinforces that the shipping and transportation industry needs what Melford has to offer: reduced costs, greater efficiencies, enhanced security and reduced environmental impact in a container terminal operation.” [Bruce Erskine in Halifax Herald 24.Oct.08]

Next steps
“We are going to conclude the land deal,” said Mann, which was contingent on getting approvals. Melford will also “finalize arrangements with our partners, with terminal operators, and with railroads.” Melford will announce these points and construction contracts as they happen. [ANR&P discussion 24.Oct.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.

New to the region? This helps:

<table>
<thead>
<tr>
<th>RAIL FREIGHT FACILITIES IN NEW ENGLAND</th>
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<tr>
<td>Malcolm Laughlin, editor</td>
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<td>Chop Hardenbergh, publisher</td>
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</table>

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

NEW ENGLAND RAIL DIRECTORIES

19 Holden Road, Belmont MA 02478
m.laughlin@atlanticnortheast.com
Vox: 617-489-4383        Fax: 617-507-0472

AV Group (NBSR New Brunswick) trickle
Blue Seal (NEGS New Hampshire #99) surcharge
Blue Seal (SLR Maine #918) will pick up
Domtar (MMA Quebec) via transload, traffic up
Downeast Emulsions (ST Maine) new on ST
Dysart’s (ST & MMA Maine #799) new on ST, possible ethanol
Energex (MMA Quebec) traffic up
Fore River Shipyard (FRT Massachusetts) possible rail
Gateway Bulk Terminal (PW, Connecticut #544)
GAF (BCLR Massachusetts #233) booming
Graymont (MMA, Quebec) traffic up
Horizon Milling (ST Massachusetts #112) sues ST
Leblanc et Lafrance (MMA Quebec) traffic up
Logistec (PW, Connecticut #545-1) pellet move?
New England Transrail (ST Massachusetts) no startup
Red Shield (ST Maine) restarting
Suzio York Hill (PW, Connecticut) potential

Tafisa (MMA Quebec) traffic up
Tresca Brothers (BCLR Massachusetts #232) no moves
PEOPLE

Nancy Rice has moved from her position as rail project manager at Vermont Agency of Transportation, to new duties with the agency’s automobile and van pools.

ATLANTIC NORTHEAST RAILS & PORTS

162 Main Street
Yarmouth, Maine 04096
Vox (207) 846-3549
Fax (contact me for #)
Chalmers (Chop) Hardenbergh, publisher and editor
C_Hardenbergh@juno.com

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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Subscriptions cost $395 for professionals, $125 per year for students, young and old. (Subtract $40/year for e-mail). Introductory prices available. The e-bulletin, sent by e-mail at least weekly between issues, is free of charge to all subscribers.

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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.’

Chalmers (Chop) Hardenbergh