*Article unchanged from e-bulletin.
**Blue type in article: changes from e-bulletin.

### NS-ST DEAL

NS-ST deal: STB’s SEA sees no environmental bars to deal. Ayer unhappy.*

### OTHER REGIONAL ISSUES

- **Container traffic**: Dramatic drop in international container moves [box in Mainel]*
- **HRRC**: Limestone move revived.*
- **ST**: Clark Steel gets test car, talking rail rates.*
- **Searsport**: No ok from Transportation Committee on conservation easement. **
- **MMA**: Derby shops earning outside dollars working on locomotives and cars.*
- **ST**: NewPage shuts #15 machine for 4 weeks.*

### MASSACHUSETTS

- **EOT**: Comments on state freight and rail plan presentation, re various rail topics.**
- **CSXT**: Champion City in Brockton changed hands, along with its Ohio landfill.
- **FRTC**: Massachusetts Water Resources Authority seeks engineering services contract.*
- **ST**: TIGHE to manage the GMX in Ayer.*
- **ST**: Westminster $16,000 to pay for fire costs.*

### NEW HAMPSHIRE

- **CCRR**: Chris Freed buys [see People].*
- **SLR/ST**: Stimulus dollars could go to these rail operations in the state.*

**Common abbreviations**:  
- **BCLR** - Bay Colony RR, **BML** - Belfast & Moosehead Lake RR, **CBNS** - Cape Breton and Central Nova Scotia Ry, **CCCR** - Cape Cod Central RR, **CCRR** - Claremont Concord RR, **CFQ** - chemins de fer Québec System, **CMAG** - congestion-mitigation or air quality (money from the US federal government for these purposes), **CN** - Canadian National Ry, **CNR** - Central New England RR, **ConnDOT** - Connecticut Department of Transportation, **CP** - Canadian Pacific Ry, **CSO** - Connecticut Southern RR, **CSRX** - Conway Scenic RR, **CSX** - CSX Intermodal, **CSXT** - CSX Transportation (railroad), **EOT** - Mass. Exec. Office of Transportation, **GRS** - Guilford Rail System (Maine Central RR, Portland Terminal RR, Boston & Maine, all leased by ST), **FRA** - Federal Transit Admin., **FRTC** - Fore River Transportation Co., **FTA** - Federal Transit Admin., **HRRC** - Hillsborough Regional Railways, **MTQ** - Québec Ministry of Transport, **PB** - Naugatuck RR, **NST** - New Brunswick Department of Transportation, **NCC** - New Brunswick Southern RR, **NECR** - New England Central RR, **NECS** - New Hampshire Central RR, **NHCS** - New Hampshire State Department of Transportation, **NNEPRA** - Northern New England Passenger Rail Authority, **NS** - Norfolk Southern Railway, **NNS** - Nova Scotia Department of Transportation, **Pan Am** - new name for GRS, **PVRR** - Pioneer Valley RR, **PW** - Providence & Worcester RR, **QCR** - Quebec Central Ry, **RIDOT** - Rhode Island Department of Transportation, **SLQ** - St.Lawrence & Atlantic Ry (Québec), **SLR** - St.Lawrence&Atlantic RR, **TIRR** - Turner’s Island LLC, **TEU** - twenty-foot equivalent unit (measure of container traffic, equal to a 20x8x8 foot box), **VAOT** - Vermont Agency of Transportation, **VRS** - Vermont Rail System (Green Mt. RR Company GMRC + Vermont Ry), **VTR** - Clarendon&Pittsford RR, **CLP** - Washington County RR, **WACR** - WHRC - Windsor and Hantsport Ry.

**From the publisher**

Whither rails and ports?  
I don’t envy the planners. Three short term trends:  
Do tough times means shippers turn to cheaper rail?  
Or does the diesel price drop mean back to truck?  
Or does the shipper disappear?  

- Chop Hardenbergh  
Next issue 17 December
REGIONAL ISSUES

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

NS-ST DEAL: SEA ISSUES DRAFT*
14 November, DC. THE STB’S SECTION ON ENVIRONMENTAL ANALYSIS ISSUED THE DRAFT ENVIRONMENTAL ASSESSMENT this day. After an ‘in-depth review’ of the proposal, it found environmental impacts were ‘primarily associated with the proposed new Mechanicville Facility and the San Vel Automotive Facility.’ No impact would require stopping the transaction. SEA recommended 15 mitigation measures for the two facilities, and nothing more.

Next steps
SEA invited comments on all aspects of the EA and will consider them before making its final recommendations to the Board. After that, the Board will issue its final decision. {STB website, decisions page, Financial Docket No. 35147}

An informal poll at the 20 November meeting of the New England Railroad Club led to the conclusion that the transaction was headed for quick approval, possibly by mid-February, meaning the two railroads could be ready to start on their various projects at the end of winter. {ANR&P interviews}

Ayer disappointment
Reacting to the EA, Ayer Selectmen Chair Carolyn McCreary said the railroad should use the existing auto facility [see Ayer submission 08#08B] and not build the San Vel facility. “There is a solution here that does not jeopardize our water supply and the fact they are not going to consider that now really makes me furious.” [Indeed, the EA does not address the possible use of the existing auto facility. The full Board should at least address the question. Editor]

Selectman Gary Luca said he had hoped for a ruling that would have forced the railroads to the bargaining table with the town to negotiate a compromise. Luca said he will ask the board to prepare a unified response to the environmental assessment when it meets 19 November. “The railroad is so protected, you can't do anything anyway, [this] certainly doesn't bode well for the town or the town of Littleton. Hopefully our response will be heard and maybe we can continue this further, get a more favorable decision for the town.” {Jack Minch in Lowell Sun 15.Nov.08}

CONNECTICUT

HRRC: REVIVAL OF MOVE*
24 November, Lee. SPECIALTY MINERALS SENDS LIMESTONE ON A SHORT MOVE TO SALEM, NEW JERSEY, via the Southern Railroad of New Jersey to supply the Mannington Mills floor tile plant. HRRC, CSXT, and the Southern beat a 300-mile, seven-hour truck haul.

History
The move began in 1996, when Specialty Minerals secured a small fleet of pressure differential cars. In 2002-2003, the traffic hit a peak of almost 600 carloads. By 2008, the volume had slipped to ‘a very few cars,’ and the contract was up for renewal. Rian Nemeroff, HRRC marketing maven, worked with Sara Bowen at CSXT and with the Southern to incent Specialty Minerals to reverse the decline.

Result: a 2008 contract renewal with a sliding scale of rates; the more shipped by rail, the lower the rate. The
volume recovered to reach new highs in July 2008, though that has declined due to the decline in the US economy, and in particular the building products market segment. In November HRRC originated about 10 carloads. {CSX Interchange 3Q08; e-mail to ANR&P from Nemeroff 24.Nov.08}

**HRRC: REOPENED FREIGHT FACILITY**

26 November, Greenwich. **A LUMBER COMPANY BOUGHT A FORMER BUILDING MATERIALS FACILITY**, and moved out of HRRC’s Shepaug Reload. Interstate + Lakeland Lumber (IL), composed of Lakeland Lumber company in New York, and Interstate Lumber company in Westchester NY and Fairfield CT counties, bought a facility in Newtown owned first by Newtown Lumber, than Wickes, then Bradco, served by HRRC.

IL President Shelly Kahan (pronounced “Caan”) said he was “very excited about making this acquisition. It gives us the ability to control our own freight in and freight out.” Before, in Shepaug, HRRC would “unload it for me,” now in Newtown, “we can control loading.”

He has a spur for centerbeams and one for boxcars. “It opens up horizons to get stuff in by rail.” From Newtown, which has “a lumber yard facility, a showroom, an office, and enclosed and open storage,” he can distribute to the IL yards in Greenwich, Stamford, and Bethel, Connecticut as well as Shrub Oak, Croton, and Port Chester NY.

Kahan anticipates opening a yard in Newtown, once the economy turns around. {ANR&P discussion} IL’s highest annual carloads at Shepaug was 300, according to HRRC Vice-president Marketing Rian Nemeroff. {e-mail to ANR&P 1.Dec.08}

**ST: TEST CAR TO CLARK**

24 November, Bristol, CT. **WE ARE NEGOTIATING RAIL RATES RIGHT NOW,**” said Patrick Ricks, general manager of the new Clark Steel plant here [see 07#11A]. It received one car of coil steel earlier this month, as a test move. The expected slitter arrived in early 2008 and was installed, but until November “we were not ready” for the railcar deliver of master coils.

With the rail and truck rates in hand, Ricks will choose whichever is cheaper. In 2007, he estimated he would need 400-500,000 pounds of steel per day and half of that would arrive by rail [perhaps 300 carloads a year]. {ANR&P discussion}

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**MAINE**

**MMA: SHOP WORK**

25 November, Milo. **MMA’S DERBY SHOPS HAVE DONE SIGNIFICANT OUTSIDE WORK, AND SEEK MORE BUSINESS.** “We put the heat on the shops to try to get more of this outside work.” said Ed Burkhardt, head of Rail World Inc., MMA’s lead investor. “That’s a good potential for us and mitigates the weakness in the
Maine economy. We’re in a very dynamic business. As the economy changes, we have to change with it.”

A lengthy piece in the Bangor Daily News was done to draw some attention to the facility, said Stephen Greene, MMA vice-president mechanical. This article draws from the newspaper piece, as well as discussions with Greene, his locomotive manager Steve Johnston, and Tom Tancula, vice president of mechanical operations for Rail World.

“This may be what saves our business here, as far as the locomotive and car rebuild portion of our business goes,” Greene said. “The recession has hurt [MMA rail traffic and the shop’s outside work] terribly and we are looking for any business that we can.”

**Locomotive work**
The shops in Derby were viewed by the purchasers of the bankrupt Bangor and Aroostook Railroad in 2003 as an asset to build on. Indeed, the number of shop workers has grown from about five to 35. It has installed Kim Hotstart auxiliary power units (APUs) on MMA locomotives, after learning from the first installation at the Rail Mechanical Services shop on CCRR in Claremont, New Hampshire [see 07#12B].

The locomotive shop is refurbishing the innards of former Amtrak locomotives, purchased by Rail World in 2001 as possible mobile generating units when California was experiencing rolling blackouts in the Enron days. The need for the generating units evaporated, but Rail World’s Eastern European investments were having trouble with what Tancula called “the crappy, junky … Soviet locomotives.”

Derby has rebuilt 18 sets of innards for Rail World subsidiaries in Poland and Estonia. The prime mover and other mechanical assemblies are loaded into containers (already emplaced on a flat car) and railed to the port of Montreal. An overseas carrier moves the boxes to Poland or Estonia.

Rail World Leasing retains ownership of the shells, which still have trucks attached. Some, said Johnston, are scrapped; some remain in the Derby yard; Titan Rail has bought some entire shells.

According to MMA officials, a brand-new locomotive costs about $2 million in the U.S. and $3 million to $3.5 million in Europe. A good secondhand Amtrak locomotive can cost $130,000. “I’m positive we have the best diesel locomotives in Poland and in other countries as well. We’ve got a good, solid prospect of selling some of these locomotives to others,” Burkhardt said. “We’re looking to sell to Lithuania, and we’re talking to others in Poland.”

**Kansas City Southern work.** The shop has also refurbished locomotives for the Panamanian subsidiary of KCS. MMA delivered the renovated power DIC (dead in consist) to KCS, which moved them to Houston and barged them to Panama. “We can do almost anything here,” said Steve Johnston, the locomotives manager at the Derby shop. “We’ve got a very highly skilled and conscientious work force here. This is a profit center.”

The shop does contract out some work to local companies such as AC Electric’s shop in Bangor.

**Other work**
The car shop has rebuilt cars owned by Anderson Leasing [see 08#04A with picture] and is repairing cars for Dragon Cement. It has also “built four remote control units from ex-CP cabooses that are in use on our property,” said Johnston. The units permit a worker on the ground to control a locomotive via a beltpack or handheld device. “We installed the Catron Theimeg remotes in cabooses instead of locomotives so they could be easily moved from job to job if the locomotive needs service.”

**Marketing**
Greene and Tancula said landing work for the shop takes a “team effort.” Rail World develops leads for Derby, who pursues some of them. It will soon bid on a rebuild of locomotives for Dallas Area Rapid Transit in Texas. [ANR&P discussions 25.Nov.08; Abigail Curtis in Bangor Daily News 23.Nov.08]
Local 900 president Gary Hemingway estimated the number of employees who will be laid off at between 250 and 270, and include people working in long log, ground wood, and part of the mobile garage as well as the paper machine. Hemingway said the mill has been operating fully during the past few months, but lost a couple of large orders and has been warehousing paper. {Eileen Adams in Lewiston Sun-Journal 25.Nov.08}

**SEARSPORT/MMA: SNAFU**

18 November, August. *THE LEGISLATURE’S TRANSPORTATION COMMITTEE DID NOT SIGN OFF ON THE COMPROMISE AGREEMENT* crafted by the Sears Island Joint Use Planning Committee (JUPC). The JUPC was created in 2007 to draw a line between a 341-acre port terminal, and a 600-acre conservation area [see 07#05A].

JUPC reached agreement on the line, and proposed that the Legislature sign a conservation easement protecting the 600 acres [see map in 06#08B including Mack Point], and that MDOT seek proposals for the terminal.

However, all of the members of the joint transportation panel voted to postpone signing the conservation easement until a terminal had received permitting. The pro-port faction, led by Senator Christine Savage (R, Union), expressed fears that environmental organizations which did not take part in the JUPC process would oppose the facility.

JUPC member Karen Tilberg, a senior adviser to Governor Baldacci, told committee members that JUPC had extensively discussed the possibility of “waiting on the conservation easement until a port proposal came forward,” but rejected that approach. If the Committee did not support signing the easement now, the JUPC solution, that might release all members of the committee from their compromise.

**Comments by Bob Grindrod**

MMA President Bob Grindrod, whose railroad serves Mack Point and will serve Sears Island, sat on the JUPC and earlier panels. He told the Transportation Committee that Sears Island would probably host a container terminal, and bulk traffic would remain at Mack Point.

By hosting a terminal which would produce a large flow of containers to and from the Midwest, Maine would help its own shippers which by themselves could not support the call of a container ship. “Sappi ships a good deal of their freight through other ports, also LLBean. Those would be candidates for traffic via Searsport, which would be more efficient and probably less costly” than rivals Montreal and New York. Grindrod acknowledged that Sappi had been using the “barge system to New York” out of Portland [now halted due to the Red Shield shutdown–see 08#10B] but called that lane “inefficient.”

He noted: “If you think there would be no opposition [to a facility on Sears Island], even if all this is approved, you are not correct.” He feared that the state could give away two-thirds of the island and “then have a firestorm of opposition against the port.”

**Health of MMA**

In response to a question, Grindrod said “the closure of the Katahdin mill has not done good things for us. If someone is willing to invest [in the port] and generate sufficient traffic, that will make all the difference in the world.”

MMA currently employs 240 workers, down from 310 a year ago. “The average pay inclusive of benefits is $70-75,000/year. We have done the best to maintain our [full] benefit package, essentially free to employees. How long we can do that, given the 21% rise from 2008-2009 in health care costs alone, I don’t know.”
Other traffic through Searsport
Grindrod commented: “We are doing everything we can to generate as much traffic through Searsport. We have representatives on the payroll [seeking traffic] from Western and Eastern Europe.”

Impact on ST
Grindrod was asked whether a port would have a positive impact on ST. “It has the potential to do so,” but ST is limited because MMA has doublestack capacity, and ST does not.

Grindrod was asked about acting now, during the recession. Maine would do well to act now, because it will take three to four years before fruition. “If we wait for the down cycle to be done, we will never catch up to the rest of the world.” The lack of doublestack lanes from other East coast ports “could be gone” as the other railroads improve their clearances.

Port operators on the horizon
MDOT Commissioner David Cole told the panel that MDOT will act when a private party comes forward. The terminal “lends itself to public-private partnerships.” But the government cannot consider a terminal in theory. “A private party has to come forward. The permit is not considered until it’s real, with a design” for the terminal.

Both Cole and Grindrod said Maine does have some “unsolicited interest” at this time, “from a contact in Europe.” Cole said. The department has held back from marketing Sears Island “until we have something on paper to show” prospective parties. {stored broadcast of hearing on Maine Public Broadcasting Network, a tip of my hat to those folks!}

Next step
The Transportation Joint Committee voted this day to request a bill for January’s session that would direct the DOT to seek a port developer and secure a permit for a cargo port on 331 acres of the island.

In late November, Governor John Baldacci indicated he will ask for a bill that would allow the recommendations in the joint committee’s final report to be implemented and would include the language to enable the conservation easement. {George Chappell in Bangor Daily News 26.Nov.08}

INTERNATIONAL CONTAINER TRAFFIC: SHRINKING
When three new container facilities were proposed in Searsport [see article this issue], Canso [see 08#10B], and Sydney [see article this issue], traffic prognosticators said [see 08#01A] the East coast would experience a tsunami of containers. Some East coast ports have seen an increase, in large part due to movements via the all-water route rather than the rail route across the United States. But overall international container traffic has headed down, not up. Ocean carriers are cancelling orders for new, larger boxships, eliminating routes, and laying up existing ships.

The Intermodal Association of North America figures for 3Q08 show why.

International container transcontinental volumes
August 2006: 115,000 units.
August 2007: 82,000 units.
August 2008: 60,000 units.

International container totals in North America
August 2006: 793,000 units.
August 2007: 757,000 units.
August 2008: 685,000 units.

On the other hand, domestic container moves are growing, up 6.7%. {IANA website}

MASSACHUSETTS

STATE FREIGHT AND RAIL PLAN**
20 November, Boston. SUGGESTIONS FOR IMPROVING THE FREIGHT RAIL SYSTEM came from members of the audience during a presentation from consultant Ron O’Blenis of HDR. HDR and co-consultant HNTB have for the most part completed an account of the existing freight system; today’s session at the Copley Plaza constituted the fifth in a series of public presentation. Because it coincided with a meeting of the New England Railroad Club, it drew Mike Rennicke of PVRR, Bernie Reagan of BCLR and Finger Lakes Railway, Jon Delli Priscoli of GU, Mike Smith of the Finger Lakes Railway, Doug Low of NECR, Bob Bass and Rian Nemeroff of
HRRC, John Kennedy and Ted Michon of MC, Rudy Husband of NS, and Syd Culliford of ST, as well as consultants such as Tom Egan of the Egan Consulting Group and Clare Conley of Asset Performance Management.

Some points made:

**Business case to aid freight rail**
Ned Codd, the EOT project manager, introduced the presentation. He concluded that the plan should focus on return on investment, with the return in this case measured by the value to the public. One of the slides showed that rail modal share for Massachusetts tonnage came to about 6%, while nationally it was about 12%.

Others wanted the plan to look at “how to generate more rail business,” as Mike Smith put it. “There’s a business case to be made to improve rail.” O’Blenis replied, “That’s the task of this plan.”

Kevin Dooley of Tighe Warehouse noted that his company had looked at attracting more business into his facilities [Tighe just began operating the GMX warehouse in Ayer–see separate article]. He had a customer considering splitting his business, now in an Allentown distribution center, to New Jersey and New England. The customer found the cost to move a rail car into New England was $1000/car higher than into New Jersey.

**Congestion on Routes 128 and 495**
One O’Blenis slide showed the massive congestion which will choke the ring roads around Boston, Route 128 and I-495. Audience members pointed out that the steps taken by transload and distribution centers to move to the ring roads, and the plan by CSXT to move out of Beacon Park [see 08#11A], will accelerate the increased congestion. Chop Hardenbergh suggested that the Plan revisit the question of Beacon Park. But Rennicke, after the meeting, emphasized that “Beacon Park is gone.” He acknowledged that CSXT needed to deal with how to serve Houghton Chemical and the Everett businesses.

**A limit or a lack of industrial sites?**
O’Blenis saw a limit to the number of industrial sites adjacent to rail lines, and suggested that the state might want to look at ways to retain them. Conley suggested a concept of “industrial corridors,” similar to the already existing designated port districts, in which the industrial sites could be preserved for future rail-served use.

Low said the Massachusetts Railroad Association has worked with the Massachusetts Alliance for Economic Development, a non-profit, to build an inventory of rail-served sites.

Codd explained that a state rail database contains all the spurs and sidings, but not the available land next to the rail lines. And in the freight and rail plan, “we are not going to get into that level of detail.”

**What about the recession?**
The O’Blenis presentation stated that the high price of diesel would affect future transportation decisions, as well as the massive growth of freight traffic. Michon asked the consultants whether they were taking into account the recession and the falling oil price.

O’Blenis noted that while the price of gasoline had fallen roughly commensurate with the price of oil, more than 50%, diesel had not declined as much. He attributed that to demand.

Dan Hodge, senior economist at HDR, said that the consultants were looking at both short and long term. They believed that the projected increase in freight traffic will happen, though it may not increase as much by 2030 as initially projected.

**Rail to the ports of Fall River and New Bedford**
The port aspect of the Freight Plan listed five major ports in the Commonwealth: Fall River, New Bedford, Boston, Salem, and Gloucester. O’Blenis said that while he saw rail playing a role in serving the port of New Bedford, he did not see the same for Fall River. He pointed out that Fall River is planning, on the state pier, a new structure with freight on the first level and tourist amenities on the second.
Decline in freight on the north side
Chop Hardenbergh followed up on the O’Blenis slide which mentioned the shrinking rail infrastructure due to abandonments, and the resistance of NIMBYs to new rail uses. Hardenbergh suggested the consultants look at the virtual abandonment taking place on the T’s northern lines, served by ST. The past ten years has seen a steady decline in rail freight facilities on T-owned, ST-served lines [indeed, ST has “sold” switches to the T—see 08#10B NS-ST deal—and let the T pull others—see 07#07B, 07#06B]. The consultants should examine the reasons that is happening, and consider means to reverse it.

Overweight truck permits
Nemeroff brought up the common perception that truckers could relatively easily obtain permits to move overweight trailers.

But Dennis Coffey of HNTB refuted the perception. Truckers can readily get overweight permits to move out of Massport to Gloucester and New Bedford, to serve the fishing industry. But not in other lanes.

However, truckers do break the law moving overweight containers out of Conley, because the port district has no facility to strip out containers.

Kevin Dooley of Tighe Warehouse agreed. His company handles the Heineken account, and brought in 57,000-pound containers of beer. He tried to get a single overweight permit to move the containers to his facility in Woburn, but could not do it. Authorities required each single container to have its own permit.

The MBTA system should be 286
Reagan pointed out that he would like to receive 286,000-pound carloads (286) on BCLR, but the six-mile stretch on the Northeast Corridor between and Attleborough is rated for only 263,000-pound cars (263). For one move he considered, the rest of the route, from a steel mill in Auburn NY to Harris Rebar in Rochester (before MC took over the EOT-owned line which serves Rochester) is rated at 286.

The six miles is owned by MBTA and dispatched by Amtrak. Egan pointed out after the meeting that the entire MBTA system is rated at 263, but the lines are definitely maintained to 286 standards. Only a bureaucratic decision is necessary to change the rating, but, Reagan said, because MBTA only runs passenger, it has no incentive to make that decision.

However, said Egan, an effort to make that change is under consideration. Codd explained later that the change would be considered as part of the Freight and Rail Plan. {ANR&P coverage}

CSXT: CHAMPION CITY
CHANGED HANDS*
January, Brockton. LIVE EARTH LLC ACQUIRED CHAMPION CITY RECOVERY, located here [our Directory #313] and Sunny Farms Landfill of Fostoria, Ohio, both owned by Regus Industries, LLC. The transaction, valued at $52 million including cash, assumption of debt and other consideration, closed in January 2008. {Paragon Capital Group, advisor, website}

Who is Live Earth?
Live Earth’s principal, Chris Valerian, owned Liberty Waste, LLC and Sun Country Materials, LLC (a landfill) in the Tampa, Florida market. He recently sold them to Waste Services for $38.5 million. {CD Recycler}

Reger also sold New York New Jersey Rail
In November, the Port Authority of New York and New Jersey bought the NYNJ, the successor to the New York Cross Harbor as the operator of the float barge service. {PANYNJ press release} Gordon Reger, a principal in Regus Industries, which owned Champion City, also was a principal Northeast Interchange Railway, which proposed a construction and demolition debris facility in Croton-on-Hudson [see 05#11B], and in NYNJ.

NYNJ took over the NYCH in 2006. {Railroad Retirement Board website decisions page 8-32 25 June 2008}
FRTC: ENGINEERING CONSULTANT SOUGHT*

17 November, Quincy. **THE FORE RIVER RAILROAD IS ADVERTISING FOR ENGINEERING SERVICES** for a three-year period. FRR is owned by the Massachusetts Water Resources Authority and is operated by the Fore River Transportation Company (FRTC). In turn, FRTC is owned by one of the two customers, Twin Rivers Technologies [our Directory #320], which moved about 2200 railcars a year in 2003.

The other, the New England Fertilizer Company [#319], operates the MWRA sludge facility and produces fertilizer moved outbound by rail. The bid documents state that FRTC handled 2,352 revenue cars in 2007 in daily service, leaving the sludge car total at a few hundred.

**Scope of services**
The RFP states that the consultant will inspect all of the FRR trackage, about 2.7 line miles and additional sidings and spurs, both in the first and third year of the contract. It will propose work, design repairs, and assist with grant applications.

The work will include the 10 storage tracks inside the shipyard, owned by Dan Quirk [see 08#10B], which has cross ties paved over in the 1990s.

**Due dates**
Proposals are due on 12 December, one week later than initially advertised. {text of bid documents}

**Who is interested?**
Eight engineering firms attended the pre-bid conference on 13 November for the engineering services contract here [see previous e-bulletin]: Dewberry, Pare, CLE, Bryant, WGI, EndCap, STV, and incumbent TranSystems. {e-mail to ANR&P from Connie Frederique of the MWRA 25.Nov.08}

ST: NEW DISTRIBUTION CENTER MANAGER*

4 November, Ayer. **TIGHE HAS ASSUMED THE MANAGEMENT OF ST’S GMX WAREHOUSE.** According to this day’s press release, TIGHE Warehousing and Distribution, Inc. was recently selected by Pan Am Railways, Inc. to operate the Ayer Distribution Center [long-called the GMX warehouse, for Guilford Motor Express, our Directory #123].

The facility has become a TIGHE facility; the phone is answered ‘TIGHE Warehouse’. The 110,000SF building sits at the front entrance to Pan Am’s extensive intermodal facility; it can accommodate up to eleven railcars at one time and can accept multiple switches each day. {ST/TIGHE press release; ANR&P discussion}

**More about TIGHE**
The company has long had a facility in Woburn [our Directory #180, on ST] and Mansfield [#264, on CSXT]. TIGHE does 7000-8000 carloads a year for its
Kevin Dooley [see article on EOT plan], national accounts manager, said on 21 November that he had initiated discussion with ST about management of the warehouse. ST is “doing a great job” serving the Woburn facility which sees a significant amount of rail traffic. “I would not have said that ten years ago,” but now the railroad has “put their money where their mouth is. I can sell the properties on their line with confidence.” {ANR&P discussion}

**ST: SETTLEMENT**
15 October, Westminster. **THE SELECTMEN VOTED TO ACCEPT $16,000 TO SETTLE THE LAWSUIT** the town had filed against ST for fires set by train sparks in spring 2007 [see 08#06B]. ‘We were looking for $21,172.23,’ wrote Fire Chief Brent MacAloney.

Town counsel noted that ST said it was installing spark arrestors on locomotives. MacAloney commented: ‘Although I am happy about the reimbursement of $16,000, I am just as happy with the posture that would provide the public with safer operation in the future. They were lucky. If the fire they had in 2007 was a mile west we could have lost homes to the fire as they abut the tracks.’ {e-mail to ANR&P 16.Oct.08}

The week of 15 November Westminster was paid. MacAloney wrote on 19 November: ‘I can only hope that they really installed the spark arrestors as required by Mass General Laws to prevent such occurrences in the future.’ {e-mail to ANR&P}

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**NEW HAMPSHIRE**

**SLR/ST: STIMULUS DOLLARS**
24 November, Concord. **NHDOT COULD DO SLR AND ST TRACK UPGRADES WITH STIMULUS MONEY**, said NHDOT Commissioner George Campbell at a hearing on budget requests for 2010-11. “We could be in the ground by late spring with a fair number of them,” if a stimulus package passes quickly this winter.

President-elect Barack Obama wants an infrastructure stimulus package before he takes office, perhaps totalling $700 billion. Campbell said he has bids ready to go to contractors for a number of road, bridge and rail projects worth up to $100 million, including upgrades to the St. Lawrence and Atlantic Railroad lines in the North Country, and portions of the New Hampshire Capital Corridor project, which would restore rail service from Concord through Manchester and Nashua to Lowell.

Campbell did not think the state would be required to pay any matching funds. {Tom Fahey in Manchester Union-Leader 25.Nov.08}
VERMONT

VRS: MIDDLEBURY SPUR**

18 November, Montpelier. **VAOT ISSUED THE FINAL ENVIRONMENTAL IMPACT STATEMENT** on the preferred method to move marble from the Omya pit in Middlebury to its processing plant in Florence [see 07#07B]; it confirmed the selection of RS-1, the rail spur. Cost is estimated as $34 million.

**Next steps**
The FEIS states: ‘Construction of the rail spur will require compliance with a variety of federal, state, and local laws, and the acquisition of various federal, state, and local permits. Permitting will follow the issuance of a Record of Decision (ROD), which is subsequent to the FEIS.’

FHWA regulations (23 C.F.R. Section 771.127) require FHWA to issue a Record of Decision (ROD) within 30 days. It will specify the mitigation measures required of the parties involved. The FEIS contains the lengthy, but straightforward and do-able, list of measures. VAOT is willing to accept comments on the FEIS until 23 December.

**Positive reaction**
Christopher Parker, director of the Vermont Rail Action Network, an activist group, wrote:

‘This is a very significant step - and a big piece of work that Sue Scribner and the others at AOT helped make happen.... One of the single largest flow of trucks in the state is the 70,000 trucks a year between this quarry and Omya in Florence. The state's already providing the infrastructure for this move on Route 7, so it really should be (and is) providing or facilitating the infrastructure that facilitate its move by rail (actually no state dollars are going to be used for construction at all). Shifting this to rail has huge environmental benefits, not to mention improving the quality of life for Brandon and the other people who live along Route 7.

‘Obviously this will be a nice piece of business for VRS, and more jobs for railroaders (it will involve more than one crew). It's a short-haul of course, but there's enough business to run a dedicated shuttle train back and forth. It's not all about Omya traffic either; there are a couple of potential customers where the spur crosses Route 7 and there is also trans-load potential.

‘It's worth taking a moment celebrating this, actually. This is another step in a very good project. The completion of the EIS clears the way to spend already appropriated federal dollars and plan construction.’  

[ e-mail to ANR&P and others ]

QUEBEC/MARITIMES

CN/SAINT JOHN: POTASH

November. **THE NEW POTASH MINE IS PROCEEDING ON SCHEDULE** [see 07#07B]. Mark Fracchia, general manager of Potash Corporation of Saskatchewan (PCS, the globe’s largest producer), said excavation for the production shaft foundation will begin this autumn.

When the new mine reaches full production in 2014, potash and salt shipments through Saint John will rise from one million tonnes per year to roughly 2.5 million tonnes.

PCS is replacing its leased car fleet with its newly-bought refurbished cars. Thirty of the new are used to move the potash to the Barrack Point potash terminal. “When the conversion is complete, PotashCorp New Brunswick will have approximately 135 railcars available for hauling potash and sale to the Port.”

**Transportation**
In September, construction began on an underpass across Route 114 to connect the existing mine in McCully’s,
about five miles east of Sussex on CN, with the new mine. The road connector will permit semi-trailers in both directions, and a pipeline corridor, said Fracchia. \{Port Progress 11.08\}

**SAINT JOHN: GATEWAY**

*THE SOUTHERN NEW BRUNSWICK GATEWAY COUNCIL* held meetings this autumn and established a list of 15 regional priorities to flow into the development of an Atlantic Canada Gateway \[see 07#10A\].

Captain Al Soppitt, president of the port authority and chair of the Council, said: “Our next step is to collaborate with the Halifax Gateway Council to determine what is essential to establish Atlantic Canada as a gateway and how it will benefit New Brunswick.”

**Marine perspective**

“From a marine perspective we’re focusing on berth capacity, improved rail access and track upgrades, highway improvements for Long Combination Vehicle staging areas \[see 08#08B\], as well as runway centre-line lighting at airports, including air cargo access and runway extensions.”

**Federal perspective**

The federal government has a suite of programs available as part of a seven-year commitment to create the gateway concept. Ports have one year to develop a plan for gateway funding. “We also need greater marketing to win in the global supply chain network that we are in today,” said John Knubley, associate deputy minister of the federal Ministry of Transport, Infrastructures, and Communities. He added that program funding will also cover skills, security, the environment, and marketing. \{Port Progress 11.08\}

**SYDNEY/SCR/CBNS: DONKIN**


‘The works associate with this registration will be executed in two distinct phases: the first, which will be executed in Year 1, i.e., 2009, will involve preparatory works both on the surface and subsea; the second phase will involve the use of a continuous miner system for a period of up to two years to remove an average of 2,000 tonnes of coal per day (approximately 0.5 million tonnes per annum).’

According to the document, at the surface entrance, a front end loader will fill trucks with coal. “It is proposed to use the largest trucks allowed under the approval conditions, namely 42-tonne B-trains, to minimize the number of journeys required.....Based on the transportation of up to 2000 tpd and the average load of a B-train truck of 42 t, up to 50 truck return trips [round, in American-editor] per day can be expected. Trucking will take place for 12 hours a day for five days per week.”

**DONKIN CORPORATE STRUCTURE**

Donkin Tenements holds the licence to the Donkin Coal Resource Block. It is owned 75% by Xstrata PLC through subsidiaries and 25% by Erdene Resource Development through subsidiaries. The Special License No. 2/06 under the Mineral Resources Act and the Coal Gas Exploration Agreement 07-31-01-01 under the Petroleum Resources Act were both granted to Donkin Tenements Inc.

The Donkin Joint Venture is an unincorporated joint venture between Xstrata Coal Donkin Limited and Erdene Resource Development to explore and potentially develop and operate the Donkin Coal Resource Block. Xstrata Coal Donkin Management Limited is the Manager of the Donkin Joint Venture. The owner of the land (formerly owned by the Cape Breton Development Corporation) is Xstrata Coal Donkin Management Limited. Xstrata and subsidiaries. Xstrata Plc owns Xstrata Coal, which owns Xstrata Coal Canada Ltd., which owns Xstrata Coal Donkin Limited. \{Environmental Assessment\}
Trucks will move ‘direct to various locations, including the Lingan and Point Aconi power stations and the International Coal Pier’ [all points near Sydney, see map], on public roadways.

[In 2007, minutes of a Community Liaison Committee meeting indicated long-term trucking was ruled out. If the second phase, 2010-2011, proves the coal worthwhile to mine, then it will move by ship or rail. See 07#08A.]

Next steps
Vanessa Margueratt of Nova Scotia Environment, who is handling the EA, said on 1 December that the province’s regulations provide a 50-day time span for the minister to decide. The public could comment for 30 days, or until 28 November, and the decision is due 18 December.

The comments she has seen do not bring up any problems which “are not mitigable,” Margueratt said, though she cautioned that the minister, Mark Parent, has the final decision. {ANR&P discussion 1.Dec.08}

Long-term prospects
Erdene Resource Development (formerly Erdene Gold) holds 25% of the Donkin project while Xstrata holds 75%. Peter Akerley, Erdene president and CEO, in an investor presentation in September 2008, laid out the project’s hopes. Erdene envisions the coal moving to Sydney, and then to the nearest market: the United States. [This would appear to rule out the marine alternative; the partners were considering building a new port near Donkin to move out the coal. See 07#08A. They appear to have settled on railing the coal to Sydney.]
The Harbour seam, from which the team will extract the test coal, has 101 million tonnes of coal with a high energy content of 12,000-14,000 BTUs per tonne. The team thinks it can extract 109 million tonnes from all available seams, operating for more than 30 years.

[NSP currently imports about two million tonnes of coal a year for Lingan and Aconi–see 03#01B (access to local strip mines has reduced this amount somewhat). Even Donkin fills all its requirements, that would leave another 40 million tonnes for export over the 30-year period. Editor]

Location of test burns

Nova Scotia Power (NSPI) owns and operates the Lingan and Aconi plants. Margaret Murphy, NSPI manager of public affairs, wrote: ‘We have met with Xstrata to discuss the potential for the Donkin mine and, as always, we are interested in all supply opportunities that provide value to our customers....

‘[I]t's their idea to do the test burns. We do not have an agreement for that. That being said,, we are always interested in new coal supplies.’” [e-mail to ANR&P 27.Nov.08]

The Erdene presentation noted that Donkin lay far closer to the United States than other coal-exporting nations, and called the target the ‘North Atlantic seaborne markets particularly the US eastern seaboard.’ [Possibly ProvPort, where PW moves coal to New England’s two inland coal plants, Mt.Tom and Bow. Editor]

SYDNEY: CONTAINERS PROGRESS*

19 November. SYDPORT HAS IN HAND A DRAFT ENVIRONMENTAL IMPACT STATEMENT for its proposed container terminal, said Steve Tobin, Laurentian Energy official and coordinator of the Sydney Marine Group. “We are looking [the consultants’ product] over and will file it in a few weeks.” [ANR&P discussion]

Sydport plans a 750,000 TEU facility, and has a commitment from the Galaxy investment fund [see 08#05A] for $200 million.

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.

Champion City (CSXT, Massachusetts #313) sold
Clark Steel (ST, Connecticut) negotiating rates
Interstate & Lakeland (HRRC, Connecticut) new facility
Newpage (ST, Maine) one machine down 4 weeks
Omya (VRS, Vermont) Middlebury spur progress
Potash Corporation Saskatchewan (CN, NB) new mine
Specialty Minerals (HRRC, Connecticut) move revived
Sydport (CBNS, Nova Scotia) container terminal progress
Tighe (ST, Massachusetts #123) managing GMX
Xstrata (SCR, Nova Scotia) Donkin progress

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Malcolm Laughlin, editor
Chop Hardenbergh, publisher

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PEOPLE

*At the Claremont Concord Railroad, a sale took place in past months. Chris Freed, owner of Rail Mechanical Services Inc, has purchased the majority stock. Rail Mechanical is installing APUs for Ecotrans [see 07#12A] and Kim Hotstart at the CCRR shops. [More in a future issue.]*

*Dave Kruschwitz has become a transportation industry analyst at the Surface Transportation Board. Long-time New England railroaders (which seems to include nearly everyone now working for a railroad here) will recall Dave at the Bangor and Aroostook Railroad in the early 1990s as director of special projects. He moved to the Wisconsin Central, and stayed when CN bought the WC. At MIT, Dave wrote his MSc thesis on ‘Rationalization of the New England Railroad System 1920-1977.’*

*Steve Coomes is now working as the acting general manager for the New England Central Railroad. He formerly served as general manager of the Kyle Railroad in Phippsburg, Kansas, another RailAmerica property. NECR Assistant General Manager Bob Richardson and CSO Assistant General Manager Steve Wichmann remain in place.

*CSX Corporation named Louis Renjel vice president of strategic infrastructure initiatives, succeeding Lisa Mancini, who recently was named senior VP of human resources and labor relations. She had served as the point person for CSXT-EOT deal, and Renjel will assume that role.

    Renjel most recently helped manage CSX’s federal government and environmental issues. Prior to joining CSX, he was a director of government relations for Cummins Inc. Renjel previously served as U.S. Senator James Inhofe’s legislative assistant, deputy staff director of the U.S. Senate Committee on Environment and Public Works, and associate director of environmental and regulatory affairs for the U.S. Chamber of Commerce.*
updated, in the issue.

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

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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.’