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

**NS-ST DEAL**

NS-ST deal: Ayer, NS, and ST met to discuss the proposed auto facility.*

**OTHER REGIONAL ISSUES**

New England: Status of state rail plans.**

**CONNECTICUT**

NS-ST: Options to expand Connecticut service. 
NAUG: Significant possible freight customers.*
ST: Bristol advertising for track maintenance.
NS-ST deal: CSO will talk with PAS about operating the Berlin branch.*
PW: Stanley Bostitch closing Clinton plant.*
PW: Hartford service suspended.*
Ports: Apex working on maritime impact study.
New Haven: Traffic down, but good prospects.*

**MAINE**

MDOT: Four rail programs stimulus spending.*
Maine: Railroads given a “C” grade*
ST: Wausau Paper suspends production on #11.
MMA/Searsport: CSX announcement in Pennsylvania supports Grindrod.*

**MASSACHUSETTS**

MC: Two new freight moves, passenger update.*
ST: Vetoes trail use on Lowell Industrial Track.*
Boston/ST: USG shuts Charlestown plant.*

**NEW HAMPSHIRE**

SLR: NHDOT seeking additional funding for track program.*

**RHODE ISLAND**

PW: Capco not yet taken over Pawtucket Yard.

**VERMONT**

VAOT: Audit of state railroad contracts finds several shortcomings.*
Vermont: State will not cut Amtrak service this year, revisit issue in early 2009.*

**MARITIMES/QUÉBEC**

CN: Reduces shunting in Moncton to twice weekly.
WHRC: Fundy Gypsum to cut production.*
Halifax: Atlantic Container Lines adds Beirut to its ro-ro/container service.*
Halifax: HPA defers 2009 tariffs increases.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Marty Toyen, Ed Foley*, Omya logistics staff*, Mary Tanona*, John Wolanski.*

FROM THE PUBLISHER

Happy 2009!
I wish for all of us a better economic year, or at least, with the Obama administration, hope and trust that the economy will turn around.
Good riddance to 2008!

- Chop Hardenbergh Next issue: 10 January.

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: AYER CONCERNS*

4 December, Ayer. TOWN OFFICIALS MET WITH NS AND ST OFFICIALS in an effort to develop a collaborative relationship rather than an antagonistic one and it went well, said Selectman Rick Gilles. The two sides struck up a dialogue and acted professionally.

“I would say what we’re really interested in is making sure our public water supply is protected,” Gilles said. “Our hope is that we can find a way to protect our water supply as best as possible, given all the circumstances.”

Town Administrator Shaun Suhoski, who attended the meeting, is preparing the town’s report to the Surface Transportation Board on behalf of the Board of Selectmen. Comments on the STB’s draft environmental assessment were due by 15 December.

“We hope to continue to communicate and work through our mutual concerns,” said Suhoski. Ayer “still thinks that if the existing auto facility [leased by CSXT from B&M until 2017] is not on the aquifer and accesses the same roads, it just makes total sense to reactivate it.” It would cost less.

Suhoski noted that the town did talk to EOT “prior to the last round of STB filing” about including the existing facility in the EOT-CSXT negotiations about CSXT selling some rail lines. But “nothing came of it.”

Ayer did talk with staffers from US Senator John Kerry’s office, and US Representative Nicki Tsongas’ office about getting an environmental assessment from the STB. NS and ST ended up making the request themselves. {ANR&P discussion 10.Dec.08; Jack Minch in Lowell Sun 6.Dec.08}

[Some other observers believe that NS and ST requested the environmental assessment to avoid a full-blown environmental impact statement. See 08#09B.]

REGIONAL ISSUES

NEW ENGLAND:
STATE RAIL PLANS**

WHAT’S THE STATUS OF RAIL PLANS FOR THE SIX NEW ENGLAND STATES?

Vermont
This was completed in December 2006 [see 06#11B] with the aid of consultant Parsons Brinckerhoff.

Massachusetts
EOT and consultants HDR and HNTB have this underway [see 08#11B].

Maine
MDOT is still negotiating the scope of work with selected consultant HNTB. MDOT’s rail administrator, Nate Moulton, has taken over as project manager from Tracy Perez [see 08#07B]. He noted that in late October, the FRA published the final ingredients of a state rail plan which would make a state eligible to receive federal funding. He is now within a couple of weeks of finalizing the scope with HNTB. Then to get all documents signed will take another three to four weeks, so that actual contract beginning is probably six weeks away. {ANR&P discussion 19.Dec.08}
Rhode Island
Katherine Tripani, who heads the transportation division of the State Planning Office, said her division realizes a plan would be required to get federal funding for rail projects. Her staff is looking at the requirements for a rail plan. [ANR&P discussion 11.Dec.08] It last produced a rail plan in 1993, using internal staff.

New Hampshire
Kit Morgan, NHDOT’s rail administrator, wrote on 15 December: ‘Nothing yet, but I expect we will be talking about it over the next few weeks as we look at funding options.’ {e-mail to ANR&P}

Connecticut
The state’s last rail plan is dated 1996, done by Wilbur Smith Associates. ConnDOT began working on a new state rail plan in 2005 [see 05#10A]. Because the agency is doing it in-house, it has taken some time [see 07#01A]. Peter Richter, assistant rail administrator at the Office of Rail, is now managing the effort. {e-mail to ANR&P from Pete Labouliere 22.Dec.08}

CONNECTICUT

NS & ST: ACCESS TO NEW HAVEN
5 June, East Deerfield to New Haven. WHAT OPTIONS EXIST FOR NS TO EXTEND ITS INTERMODAL OR AUTOMOTIVE SERVICE INTO CONNECTICUT? Or regular carload service?

Connecticut access is a timely topic because some in the state would like Norfolk Southern to provide competitive service to CSXT. [NS could also use the NY cross-harbor float barge, recently purchased by the Port Authority of New York and New Jersey–see future issue.]

From the north, NS will have good options, because PAS will acquire the rights owned by ST to run into Connecticut as far as New Haven. The ST trackage rights were awarded in 1982, when the Special Court created by the Regional Rail Reorganization Act of 1973 (the 3R Act) issued a decision on some transactions supplemental to the work of creating Conrail and apportioning the lines of various bankrupt railroads.

Under these awards, NS, in cooperation with PAS, could:

- Reach East Deerfield via the haulage rights acquired under the NS-ST deal.
- At East Deerfield, interchange the traffic to the PAS account, and have PAS use its trackage rights to move it to New Haven.
- OR create a new agreement with PAS for haulage to New Haven.

Of course, ST as the operator would have to revive its service to New Haven, which ran only briefly in the 1980s [see below].

Limited ST rights to New Haven
Under the 1982 decision [see box for specific language]:

Intermodal rights. B&M received trackage rights for all TOFC and COFC traffic as far as New Haven, as well as the right to use any intermodal ramp Conrail operated.

Other traffic rights. B&M was permitted trackage rights for traffic originating and terminating in a limited geographic area: Canada east of the boundary between Ontario and Manitoba, New England, and New York north of Delanson plus points on the Long Island Railroad.

Though New England no longer has auto manufacturing facilities, NS could bring in autos manufactured in
Ontario.

**B&M once operated intermodal to New Haven**
Rail historians point out that ST predecessor B&M did run intermodal service to New Haven in the early 1980s, using the trackage rights [see photo]. The railroad moved the ramp location to Plainville briefly, for a few months later in the decade.

A 2004 report showed that northern Connecticut was adequately served by the CSXI terminals in West Springfield and Worcester [see box].

**Following the suggestion of CPTC?**
The Connecticut Public Transportation Commission has posited that NS might extend its Crescent Corridor into Connecticut, and thereby reduce truck traffic into the state [see 08#01B]. With the NS-ST deal, NS could use the PAS trackage rights to create an intermodal terminal in Connecticut. *editor*

**Track problems**
Because of Amtrak operation, the New Haven-Springfield section of the line is in excellent shape. Most of the ConnRiver line north of Springfield is limited to 10 miles per hour, however. One Amtrak official pointed out that ST local PL-1 took three days to move from East Deerfield to Berlin one week in May.

ST is cooperating in the study of commuter rail north of Springfield [see EOT and Pioneer Valley Planning Commission comments in 08#08A, plus 07#08B and 07#06B]. The operation of this passenger service would considerably improve the track condition.

**Locomotive restrictions**
Veteran Amtrak employees said that Amtrak requires any locomotives operating on the Springfield line to have cab signals. ST has only four such locomotives: MEC 350-353. In these, electronic gear on the locomotive picks up signals transmitted through the rails and displays them in the cab. Running by signals at higher than authorized speeds will cause a brake application. [e-mail to ANR&P from Amtrak employee]

Thus reviving New Haven service would require ST to acquire additional such locomotives.

**PAS TRACKAGE RIGHTS GAINED IN 1982**
The text of the 1982 Special Court decision includes this language giving B&M certain trackage rights. PAS, under the NS-ST deal, acquires those rights [see 08#05B].

3. At Conveyance Date, B&M and P&W shall, in writing, assume, and Conrail shall, in writing, assign that portion of the exclusive rights and obligations of Conrail under the Northeast Corridor Freight Operating Agreement (Corridor Agreement) between Conrail and the National Railroad Passenger Corporation (Amtrak), dated 1 April 1976, which applies to B&M’s or P&W’s operation over the following portions of the Northeast Corridor track, subject to the retention of appropriate rights by Conrail. Such operations shall be solely for the following purposes:

a) Springfield, Massachusetts, to New Haven, Connecticut: to B&M for the purpose of transporting all traffic originating or terminating on properties or interests in Connecticut conveyed or transferred to B&M;

b) Springfield, Massachusetts to New Haven, Connecticut, to B&M for the purposes of transporting TOFC/COFC traffic to
or from Cedar Hill Yard, Connecticut; and all traffic to or from Hartford Yard, Connecticut, and Cedar Hill Yard, Connecticut, pursuant to the reciprocal switching agreements specified in Paragraph 8 of this Order which originates or terminates on (i) points in Canada which are east of the border between the Provinces of Ontario and Manitoba; (ii) all New England and B&M points; and (iii) points on the Delaware and Hudson Railroad (D&H) north of Delanson, New York.

c) Springfield, Massachusetts to New Haven, Connecticut, to B&M for the purposes of transporting traffic to and from (I) points in Canada which are east of the border between the Provinces of Ontario and Manitoba; (ii) all New England and B&M points; and (iii) points on the D&H north of Delanson, New York, originating or terminating on the Long Island Railroad (excluding shipments of newsprint consigned for final delivery in the Boroughs of Bronx and Manhattan, New York, New York) in conjunction with contract operations by Conrail from Cedar Hill Yard, Connecticut, to Fresh Pond Junction, New York, as agreed to in Paragraph 6 of this order.

d) Westbrook, Connecticut (MO100.9) to Rhode Island/Massachusetts State line (MP 0.8)...to P&W, except that Conrail shall retain the right to operate trains carrying stone (STCC 14 and 32) from East Wallingford, Connecticut, and Branford/Pine Orchard, Connecticut to Old Saybrook, Connecticut and to Millstone, Connecticut (MP 118.0)....

4. At Conveyance Date, B&M shall, in writing, assume, and Conrail shall, in writing assign those rights and obligations of Conrail under applicable agreements between Conrail and the Connecticut Department of Transportation which apply to B&M’s operation over the portion of ConnDOT-leased track from Derby Junction, Connecticut to Waterbury, Connecticut.

5. For traffic originating and terminating on (a) points in Canada which are east of the border between the Provinces of Ontario and Manitoba; (b) all New England and B&M points; and (c) points on the D&H north of Delanson, New York, Conrail shall provide reciprocal switching with the B&M at Hartford, Connecticut, to and from the following stations in Connecticut: Newington, Hartford, Windsor, Windsor Locks, East Hartford and Suffield; and reciprocal switching at New Haven, Connecticut to and from the following stations in Connecticut: New Haven, North Haven, and Wallingford.

B&M shall pay Conrail the following charge for such switching: $275 per carload or as otherwise mutually agreed upon by Conrail and B&M....

6. Conrail shall transport between New Haven and Fresh Pond Junction, New York, or between such alternate Conrail/B&M points as Conrail shall designate, under contract to B&M, B&M traffic to and from (a) points in Canada which are east of the border between the Provinces of Ontario and Manitoba; (b) all New England and B&M points; and (c) points on the D&H north of Delanson, New York, which originates or terminates on the Long Island Railroad (excluding shipments of newsprint consigned for final delivery in the Boroughs of Bronx and Manhattan, New York, New York) subject to the following contract charge to be paid by B&M: $275 per carload or as otherwise mutually agreed upon by Conrail and B&M....
7. For as long as Conrail shall choose to operate a TOFC/COFC ramp in the New Haven, Connecticut, area, Conrail shall provide B&M, under a joint operating agreement with Conrail, access to the use of such ramp, subject to the payment of charges by B&M to Conrail which correspond to B&M’s portion of the total operating expenses of the ramp based on the proportion of B&M’s lifts at the ramp to the total lifts at the ramp.

8. For traffic originating or terminating on points on Conrail, B&M shall initially provide reciprocal switching for Conrail at Stanley Works, New Britain, Connecticut to and from New Britain, Connecticut at the following charge: $275 per carload or as otherwise mutually agreed upon by Conrail and B&M....

9. As of Conveyance Date, Conrail shall convey...all rights...in..the rail properties listed (i) in Appendix A to this Order to B&M, and in Appendix B to this Order to P&W....

21.....B&M shall enjoy, under reasonable terms, overhead trackage rights through New Haven to and from the portion of the Shore Line presently leased by [ConnDOT] from the Penn Central Corporation...

22. B&M shall refrain from imposing any surcharge specific to the Torrington Branch in the State of Connecticut for a period of 18 months after Conveyance Date, and thereafter if traffic shall be restored to 1979 levels. B&M shall provide daily service (on demand) on the Torrington Branch.

24. P&W Conveyance Date 1 May 1982, B&M Conveyance Date 1 June 1982.

Properties conveyed to B&M
Lines
Avon Secondary (Plainville to Avon 9.7 miles)
Berlin Secondary (Berlin to New Britain 2.6 miles)
Canal Secondary (New Haven to Plainville 27.8 miles)
Griffins Industrial Track (Hartford, 2 miles)
New Britain Secondary (New Britain to Plainville 4.5 miles)
Terryville Secondary (Plainville to Waterbury 17.2 miles)
Torrington Secondary (Highland Junction to Torrington 20.7 miles)
Watertown Secondary (Highland Junction to Watertown 1.6 miles)
Waterbury Industrial Track (Bank Street to Highland Avenue 1.9 miles)
Wethersfield Secondary (Airport Road to Spring Brook 4.0 miles)
Trackage rights
Waterbury Branch (Waterbury to Derby Junction 18.1 miles)
Hartford Line (New Haven to Springfield 62 miles)
Wethersfield Secondary (Hartford to Airport Road 3 miles)
Through 1 June 1989 B&M was required to pay Conrail a diminishing proportion of the proceeds from the sale of any line.

ST: BRISTOL SPUR RFP
15 December, Bristol. THE CITY OF BRISTOL IS AGAIN ADVERTISING FOR A MAINTENANCE CONTRACTOR, for the two-mile Chippens Hill spur which serves Firestone [our Directory #627] and new rail user Clark Steel [see 08#11B]. The contract will cover three years, through 2011. Bids are due on 9 January. {Datafax Construction Contract report}

In the immediate past, A.J.Belliveau Railroad Construction of Newington has held the contract, and the city has renewed it [see 07#02A]. Walter Veselka, the then director of public works, said the city renewed because Belliveau’s work satisfied the terms of the contract.

ST/NAUG/CSO: BERLIN BRANCH*
9 December. CSO IS INTERESTED IN OPERATING THE BERLIN BRANCH, which would be in keeping with the ConnDOT desire for more traffic, and for interchange with NAUG, HRRC, PW, and CSO [see 08#09A]. One source said NS had met with CSO ‘behind the scenes’ and the two parties will wait until after the STB approves the PAS transaction. {e-mail to ANR&P}

NAUG is more interested in a reliable interchange partner. [See other article.]
NAUG: POSSIBLE CUSTOMERS*

10 December, Thomaston. **THE RAILROAD IS NEWLY-INTERESTED IN GOOD INTERCHANGE SERVICE**, said President Howard Pincus, when asked whether NAUG would like to operate the entire Berlin branch. “We have good possibilities coming on line in the next year to year and a half.” These would be “regular customers, requiring service from once a week to three times a week to as-needed.” One of them will build its own, new facility.

NAUG, rather than operating the branch, is primarily interested in serving customers on the existing line. “And of course, you’re only as good as your connection.”

Pincus acknowledged that the railroad has in the past received an enormous number of inquires which “did not pan out. These are much more serious.” [ANR&P discussion]

PW: LOSS OF CUSTOMER*

17 December, Clinton. **STANLEY BOSTITCH WILL CLOSE ITS PLANT HERE IN 2009.** About 60 employees will lose their jobs. Clinton's First Selectman, William Fritz, counted Stanley Bostitch [our Directory #537] the town's third largest taxpayer. It receives inbound cars of wire for staples; Todd Langston, director of marketing for Stanley-Bostitch, said the facility received about three cars a week. [e-mail to ANR&P]

Vermont plant also closing
Parent Stanley Works, based in New Britain, Connecticut, also will close a plant in Pittsfield, Vermont (not on rail) which makes wood tool handles. [Bruce Edwards in Rutland Herald 17.Dec.08]

PW: NO HARTFORD SERVICE*

17 December, Worcester. **THE RAILROAD HAS PUT THE WETHERSFIELD SECONDARY OUT OF SERVICE**, wrote Marie Angelini, general counsel. ‘Currently, C&D [construction and demolition debris from Mid-State Recover (our Directory #554)–see 05#02B] is moving via New Haven as the portion of the Wethersfield north of Rocky Hill to Hartford is out of service. C&D volume is down, due to seasonality and economic conditions, in P&W's view. P&W plans to resume moving C&D over the Wethersfield next year, after ROW improvements have been completed.’ [e-mail to ANR&P]

CONNECTICUT PORTS

17 December, Newington. **THE STUDY OF THE IMPACT OF THE MARITIME INDUSTRY** on the state, begun this year [see 08#06A] has entered the interview stage. Bill Gash, executive director of the CT Maritime Coalition, provided an update to the Connecticut Maritime Commission meeting this day. Consultant Apex has reached the interview phase. A draft is expected by March 2009. [draft minutes of meeting]

NEW HAVEN: TRAFFIC PROSPECTS*

16 December. **THE NEW SPUR TRACK INTO COASTLINE TERMINALS HELPS** build traffic, said Frank Vannelli of Logistec, which operates the terminal here. Coastline Terminals saw a loss of steel and other traffic over the last four years, when competing states lured it away. Dave Shuda, president of the union-owned Coastline, said the New Haven Port is down to 10% of capacity. “We went from handling 1 million tons of cargo a year (four years ago) to 150,000 tons last year,” Shuda said. “We are down from about 120 full-time employees to 30.”

Still, Logistec’s investment in rail is a good omen, Shuda said following a recent Port Authority meeting.

Traffic update

Used autos. That business proposition from Atlantic Container Line to export used cars to Africa [see 08#10B] is on hold, Shuda said, now that ACL [see Halifax] has worked out a temporary deal with the port in Bayonne, N.J. ACL had to move from the Port of New York-New Jersey when the Northeast Auto Terminal there was converted to accommodate truck containers.
But ACL ‘is still considering calling New Haven,’ wrote Vannelli, ‘especially with the car auction houses in the Hartford and Hamden area. This remains a target for 2009 and ACL has looked at various ports in New England and New Haven is definitely of interest. We hope to have some good news in the early part of the new year.’

Steel ‘We are now ready for loading of rail cargoes on dock,’ wrote Vannelli, with the rail complete [see below]. ‘Of course we have several steel customers looking at rate competitiveness of the rail rates ex New Haven versus our competition in the Philadelphia area. The further good news is that with rail on dock we are not limited to only steel cargoes and specifically coils which move in good quantities during winter months when the Seaway is closed. We are working several other domestic and international parcels that could begin loading to rail come 1Q09.’

Calcium chloride ‘[W]e have handled two vessels for Tetra Chemicals headquartered in Houston. The cargoes arrive in super sacks for use by the DOT and also palletized cargo used for retail in the stores. Obviously we like to hear the weather forecast announcing the wintry mix of sleet, ice and snow coming our way these next few days as it is good for business. Needless to say no one enjoys the commute in that stuff, however it keeps cargo moving in and out of our sheds. Next vessel scheduled in February 2009.’ {e-mail to ANR&P}

Rail in
John Ogren of contractor Northern Rail Services wrote on 11 December: ‘We have finished the spur track into Logistec as of this last week and have one more day of paving on [15 December] to open Waterfront Street. The track connects to existing track in Logistec and cars will be able to be loaded within 100' of the docks.’ {e-mail to ANR&P}

Logistec is the first entity to bring a spur off the new rail line on Waterfront Street to its terminal in the port, said Judi Scheiffle, executive director of the New Haven Port Authority. “I was glad that they spent the money to do that,” Shuda said. “It shows great promise.” {Shuda quotes from Mary O’Leary in New Haven Register 8.Dec.08}

MAINE

MAINE: RAILROADS GRADE “C”*
10 December, Augusta. THE REPORT CARD FOR MAINE’S INFRASTRUCTURE RATED RAILROADS “C”, better than roads at “D", bridges at “D+”, and ports and waterways at “C-" though not as good as airports at “B-”.

The report, issued by the Maine section of the American Society of Civil Engineers, praised MDOT’s support for private railroads, but noted much more is needed. It singled out the fact that ‘most of Maine's railroad bridges are rated for 263,000 pounds.’

It noted that SLR and MMA have full doublestack clearance, and called for the state to review policies on raising bridges, calling for all bridges to have 20’6” to 22’ height clearance. It also recommended policies to increase and improve intermodal freight transportation. {text of report}

MDOT: STIMULUS SPENDING*
19 December, Augusta. THE STATE HAS FOUR PROGRAMS TO SPEND MONEY ON RAIL. Two were made public in the Governor's Pre-Emergency Task Force report on energy [a crisis which has essentially disappeared with the drop in the price of oil, recently quoted at $39 per barrel–editor] on 15 August:

Rail Access Initiative Links
‘This program would provide immediate relief for businesses in need of connections to railroads if implemented, and could be done immediately. Approximately 1 dozen sidings using 100-pound stick rail would be provided for a demonstrated need.’ {text of report}
Nate Moulton, MDOT manager of rail transportation, said on 19 December that the state would provide stick rail it already owns “to 50% of the value of the project” to build new sidings or bring old ones back into service. The private party would fund the other 50%. Moulton has had “some interest” in the “mini-IRAP” program, even without a formal announcement. He expects a press release on it “in a couple of weeks.”

**Loan money at 0% interest**
The state is renewing its offer to loan money out of its LRFA revolving loan fund. The federally-funded Local Rail Freight Assistance program ended in the mid-1990s, but Maine was permitted to retain the funds paid back to it by the recipients, and transform the federal funds into a state-operated revolving loan fund.

Moulton said that when MDOT offered funds “a few years back,” it had no takers. The funds remain available for “IRAP-type projects which are rail-related.” The program will provide 100% of the project money at 0% interest with a 5-10 year payback.

Two additional projects were proposed in a list of spending projects for Maine should a stimulus bill pass the US Congress in January 2008. News reports indicate the stimulus bill might approach $1 trillion.

**Extend the Downeaster to Brunswick**
The Legislature has already passed a funding mechanism under which NNEPRA would apply to the FRA’s Railroad Revitalization Infrastructure Fund for the $31.5 million needed to upgrade the tracks between Portland and Brunswick [see 08#04B].

The state has now proposed to expend $35 million on the service extension should it receive the money from the stimulus package. The proponents of the package want “shovel-ready” projects, defined as ready to contract in no more than six months.

Is the Downeaster extension ready? Calls to NNEPRA were not returned. Moulton said he expected the project would be ready, because ST and NNEPRA have a long history of doing projects together now. [After requiring ten years to start the initial service from Boston to Portland. Editor] “I would not be surprised if a draft agreement already existed,” covering not only the necessary track work, but the operating of the trains as well. {ANR&P discussion 19.Dec.08}

**Bridge repair**
MDOT is also proposing $160,000 for structural repairs to the Sheepscot River Bridge on the Rockland Branch, operating by MERR. {Maine Better Transportation Association bulletin}

**ST: MORE PAPER CUTBACK**
11 December, Jay. Wausau Paper will suspend its other machine. Wausau said in August [see 08#08B] that it will permanently close #10 machine. Perry Grueber, Wausau's director of investors in Wisconsin, said it will close #10 on 14 December, and will suspend production on #11 that same day for three weeks. ‘The deepening recession in U.S. and world economies has substantially reduced demand for certain uncoated freesheet and technical special paper products,’ according to an internal company announcement. {Donna Perry in Lewiston Sun-Journal 12.Dec.08}

**SEARSPORT: NOT BLOWING SMOKE**
MMA President Bob Grindrod said Maine needed to move soon on a container port, or more ports to the south would acquire the full-doublestack service needed to serve the Midwest [see 08#11B]. This announcement provides evidence.

‘Chambersburg PA. – December 5, 2008 – At a National Gateway coalition event hosted by CSX Chairman and CEO Michael Ward, Pennsylvania Governor Edward G. Rendell today announced his support for the National Gateway’s goal of creating a state-of-the-art, double-stack transportation corridor connecting manufacturing centers
in the Midwest with deepwater ports on the East Coast....[T]he National Gateway will lower CO2 emissions by over 4 million tons, save businesses over $2 billion in shipping costs, reduce fuel consumption by nearly 500 million gallons, and reduce congestion on the highways by moving 2 million intermodal containers by rail, rather than over-the-road.’ {CSXT press release}

### MASSACHUSETTS

#### MC: FREIGHT AND PASSENGER*

17 December, Hyannis. **NEARING THE END OF THE FIRST YEAR OF OPERATION**, MC’s chair and CEO, John Kennedy, summarized. ‘The partnership we have cultivated with the State’s EOT [which owns the tracks and awarded the operating right to MC–see 07#09A] has been good for the customers, our region, and the Commonwealth’s rail assets. It has been a pleasure working with Tom Cahir [deputy EOT secretary] and his team in achieving these goals.’

**Freight**

MC has ‘several new businesses adding to our carloads. COVANTA SEMASS has added outbound scrap steel [to its current inbound trash from the Cape, our Directory #299]. Mirant Canal Electric [our Directory #305-1 and #306] has [finally!--this was first reported in 2005–see 05#02B] added aqueous ammonia.

‘My partner, Dan Wahle, has been working on several other programs designed to move more by rail to/from our region. Our Energy Train service has been operating efficiently with our newly designed and built equipment and lid-lifting system. Due to regular, daily train crew service at Taunton, we have been able to more efficiently add volume to these customers [salt (Gallo #283), frozen fish (Northeast Refrigerated #285), grain (Ventura #286), and cullet (Recycle America #283-1)].

**Passenger**

Kennedy said that ‘we are pleased’ with the excursion service operated as Cape Cod Central, including ‘ridership, revenues and profitability, so far. We still have steep ticket and gift card sales occurring.’

MC also has the concept of a potential passenger rail connecting service with the MBTA: ‘we have tentatively nicknamed it “MassCOASTER.”’ Kennedy underscored that it is only a concept, ‘not even a proposal.’ {e-mail to ANR&P 17.Dec.08}

#### ST: RAILS TO TRAILS*

11 December, DC. **ST REFUSED A TRAIL USE CONDITION ON THE LOWELL INDUSTRIAL TRACK**, according to its response to EOT’s request for a trail condition on the 1.27 miles of the track, all in Lowell, which it is abandoning [see 08#11A]. Noted the Board: ‘EOT has submitted a statement of willingness to assume financial responsibility for the management of, for any legal liability arising out of the transfer or use of (unless the user is immune from liability, in which case the user need only indemnify the railroad against any potential liability), and for the payment of any and all taxes that may be levied or assessed against, the right-of-way as required at 49 CFR 1152.29, and has acknowledged that the use of the right-of-way for trail purposes is subject to future reactivation for rail service.

‘In response, Pan Am Railways on behalf of B&M states that B&M does not intend to negotiate a trail use agreement with EOT. Because 16 U.S.C. 1247(d) permits only voluntary interim trail use, the Board cannot issue a NITU in this proceeding. The Board’s trail use authority is limited because the trail use program is voluntary and consensual between the railroad and the trail user. See Rail Abandonments—Use of Rights-of-Way as Trails, 2 I.C.C.2d 591, 598 (1986). As such, it applies only if the abandoning railroad agrees to negotiate.’

However, as an alternative to interim trail use under the Trails Act, the right-of-way may be acquired for public use under 49 U.S.C. 10905. EOT, or any other party with a proposed public use, has 180 days to negotiate purchase
of the line. {STB decisions page, Docket Number AB_32_85_X}

Craig Della Penna, a rails-to-trails consultant, averred that ST has never consented to a trails use. Neither he nor others knew about any proposed use for the track. Christine Thomas of the City of Lowell said EOT did have a right of first refusal, and if the city were serious about buying the section, EOT would exercise that right. However, said Thomas, “we don’t know where the money would come from.” EOT told Lowell that the price was “really large.” {ANR&P discussion 18.Dec.08}

**BOSTON/ST: NO GYPSUM**

8 December, Chicago. **USG PERMANENTLY CLOSED ITS WALLBOARD PLANT IN CHARLESTOWN** in March 2008, said Bob Williams, USG spokesperson. The plant is still making some ancillary products, but the staff is getting rid of the equipment.

**No room for expansion**

Williams explained that the Charlestown plant, which dated to the 1920s, was “land-locked” and could not accept the fastest technology. Plants make wallboard by squirting gypsum slurry between two sheets of paper four-feet wide, and extrude it out 300 yards, at the end of which it has hardened. Workers cut the ribbon into 8-foot sheets, and move them into a giant oven to bake out excess water. The Charlestown plant could not obtain enough room for such an operation.

**Gypsum for New England**

USG receives in Ayer wallboard made in Saint John from synthetic gypsum [see 08#09B]. Saint John production is augmented by inbound wallboard from other USG locations. Williams declined, for competitive reasons, to specify which plants. {ANR&P discussion}

**NEW HAMPSHIRE**

**SLR: FUNDING TRACK REHAB**

19 December, Concord. **NHDOT IS SEEKING ADDITIONAL FUNDS FOR A TRACK PROGRAM** for the SLR, said Kit Morgan, rail administrator. The railroad got an earmark for $392,000 in FY08 [see 08#08B] for eight miles; the department has “submitted a request for additional funds through a competitive rail relocation FRA grant program.”

The earmark requires a match, which the railroad is paying. “The state has no money,” said Morgan, but the funding must pass through state government. The railroad will do the work under a force-account agreement.

**Stimulus package**

To do the entire 23 miles in New Hampshire would require $8 million. NHDOT is proposing to ask for the entire amount as part of the federal stimulus package. The project is “shovel ready” [see Maine article]. {ANR&P discussion}

**RHODE ISLAND**

**PW: PAWTUCKET YARD**

17 December, Providence. **CAPCO'S TAKEOVER OF THE YARD IS DELAYED A MONTH**, said Mike Caparco senior, principal in the company which has leased the Pawtucket Yard from PW. He would like the current user, Boston Railway Terminal, out by the end of December.

Ray Noel, BRT’s terminal foreman, has “heard that before.” BRT's future remains uncertain, as Capco plans
seem to change daily. He could not say whether Capco would absorb BRT steel operations; those continue. “We spotted seven cars today.” [ANR&P discussions]

The fly ash transload has moved out of Pawtucket to ProvPort [more in a future issue.]

**VERMONT**

**VAOT: RAIL CONTRACT AUDIT***

5 December, Montpelier. A **STATE AUDIT FOUND RAILROAD CONTRACTS AT VERMONT AGENCY OF TRANSPORTATION COULD BE MANAGED BETTER.** Among the findings: AOT did not competitively bid $7.2 million in construction work; did not charge interest on late lease payments; and did not collect salvage proceeds properly. Text of press release:

**MONTPELIER** — The Office of Vermont State Auditor Tom Salmon, CPA, reported today that oversight of railroad construction contracts in the Vermont Agency of Transportation (VTrans) is inadequate and is costing the State money.

“One conclusion of the audit is that the Rail Division is not ensuring that the required competitive bidding in these contracts is taking place,” said Deputy State Auditor George Thabault. “Contracts are being “sole-sourced” and this denies other companies the opportunity to compete for State contracts, and may be keeping the State from getting the best price for goods and services.”

The rail audit was conducted following a request made by VTrans that the State Auditor investigate the deficiencies of its rail section and suggest improvements.

“We recognized that we had some issues within our Rail Division that needed correcting, and requested the Auditor’s assistance,” said VTrans Secretary David Dill. “On our own, we were unable to clearly identify our weaknesses in a way that both we and the railroads could understand. Our goal is to use the findings of this report as a catalyst to forge a new and better relationship with the companies that run our rail systems.”

The audit report noted four key findings:

1. **VTrans and its railroad subcontractors did not follow procurement regulations designed to foster open, competitive bidding, resulting in $7.2 million of recent contracts with Vermont Railway and one of its affiliates not being competitively bid.** The largest no-bid contract — for $4,677,727 — was also issued without the required approval of the Secretary of the Agency of Administration.

2. **Oversight and administration of rail contracts need improvement.** For example, auditors found that $82,401 from rail project salvage proceeds was being held by Vermont Railway to offset against future invoices rather than being returned to the State as required by contract. (The Agency has since discontinued the practice of allowing the netting of salvage credits and has adopted new procedures to promptly receive and account for salvage payments.)

3. **Lease revenues and agreed-to performance requirements of leaseholders are not being verified, and VTrans has forgone $37,000 in interest stemming from late payments of monthly leases for State-owned track.**

4. **The Agency did not adequately follow up on past audits which reported $436,000 of questioned costs related to contracts with Vermont Railway.**

For the project, auditors selected four contracts totaling $7.2 million dollars, approximately 44 percent of the total active rail construction and railway upgrade contracts during fiscal years 2007 and 2008. All contracts were between VTrans and Vermont Railway and Green Mountain Railroad, two companies of the Vermont Rail System (VRS), a privately held, affiliated group of short-line rail transportation companies that operates in Vermont.

Auditors recommended that AOT strengthen and clarify the language within its rail agreements, improve the oversight of contracts, enforce penalties for violations of the terms and conditions of its contracts and lease agreements, and provide for better fiscal management of its contractors and service providers.
In its response to the report, the Agency of Transportation generally agreed with the report’s recommendations and pledged to provide the State Auditor with quarterly status reports on corrective actions.

“VTrans already has put in place new business practices that correct some of the Auditor’s concerns, and we certainly will make additional changes to rectify the remaining deficiencies,” Dill said. “VTrans recently hired a new Rail Program Manager, and one of his top priorities is to improve our rail business operations.”

Background:

The oversight of the railway network in Vermont is the responsibility of the Vermont Agency of Transportation Rail Program. Vermont’s rail system consists of approximately 748 miles of track or rail right-of-way. The State owns approximately 427 miles, of which 305 miles are currently active. Ten railroad companies operate or have the rights to operate on the rail lines in Vermont.

For Fiscal Year 2009, the AOT total budget is $412.2 million. The Rail Section is allocated $16.8 million of this budget. The Rail Section currently has eight staff positions of a total of approximately 1,050 positions in the Agency.

{George Thabault, 828-2281 deputy state auditor}

The complete audit report is available at www.auditor.vermont.gov. Click on “Audits & Reports” and then “Special Audits” to access the new audit report.

VERMONT: NO AMTRAK CUTS*

18 December, Montpelier. IN THIS ROUND OF BUDGET CUTS, AMTRAK WAS SPARED. Secretary of Transportation David Dill proposed a package of rescissions to the current state budget which called for ending the Ethan Allen to Rutland, and substituting a bus from Burlington to Bennington.

Members of the Joint Fiscal Committee responded that they had heard from Rutland legislators and town and business leaders complaining about the cuts, including former Representative David Allaire (who sits on the Vermont Rail Action Network board, the Vermont Rail Council, the Rutland Regional Transportation Commission and is president of the Rutland Board of Aldermen), and Tom Donahue (Rutland Region Chamber of Commerce Executive Director) They and the Rutland Economic Development Corporation have been working together for some time on rail issues, most recently on advancing the design of the Rutland rail-yard.

Dill was ready for the opposition, and tabled another proposal which did not include the Amtrak cut. The Committee passed it unanimously.

Next year

Representative Richard Westman, who also chairs the Joint Transportation Committee, voiced concerns that the proposed end of the Ethan Allen “represented a huge policy change for the region.” The committee felt a decision should be made when the full legislature returns to session. VAOT will return to the legislature with further cuts in January. {e-mail to ANR&P from special correspondent Chris Parker and from Matt Levin}

QUEBEC/MARITIMES

CN: CUTS MONCTON SHUNTING

18 December, Moncton. CN HAS CUT SHUNTING FROM FIVE DAYS A WEEK TO TWICE A WEEK in Moncton, according to Peter Beliveau, manager at Moncton Industrial Development, without notice. Last week, he spoke to the CN operations manager Francois Boucher, who said he intended to do more if customers can show the need for more frequent service. Two of the larger customers in the Caledonia Industrial Park are “perturbed” at the change.
Boucher told Beliveau that “the amount of volume does not warrant the cost of daily service.” Beliveau responded that “if I were in business, I would sit down with my customers before cutting back.”

**Shur-Gain**
This feed company built a new mill in the Caledonia Industrial Park [see 05#01A], consolidating mills in Sussex and Port Williams. One source close to the park and rail service said the result for Shur-Gain was “not very good” as it had a hard time planning product. Plus, the company now had to pay “extra demurrage on cars sitting downtown.” Shur-Gain is getting service only Sundays and Wednesdays, though CN promised it “extra shunts if there were a lot of cars.”

The feed mill’s new siding holds eight cars, but the mill was using 17-24 cars a week. With only two shunts, it can get only 16 cars a week.

**CN response**
Francois Boucher, CN’s operations manager for Moncton, agreed with Beliveau that the change was made too quickly. “I was told to do it right away. I would have liked to talk to all of them” beforehand. Boucher set up the shunting so that he served the industrial parks in the Moncton region each twice a week.

One service goes to Caledonia, where it serves many customers; the two customers most disturbed about the change are Superior Propane and Shur-Gain.

One service goes to Dieppe Industrial Park and Scoudouc Industrial Park. And one goes to Moncton Industrial Park, where it serves Armour Transportation [two rail-served warehouses at 350 English Drive and 377 English Drive–see 05#07A] and other customers.

Boucher said a company which gets under 100 carloads a year and has two car-spots should need service only twice a week. Two cars a week translates into 104 carloads a year.

“If anyone has an issue, we will run an extra,” he noted. Often his shunters have extra time, but the receivers need to turn the cars. For a customer who has three car-spots, and six cars in the terminal, a shunter can take three cars out, and then return with three more, but the customer must “release the cars” meaning it must empty the first three cars quickly. **[ANR&P discussions 19.Dec.08]**
WHRC: GYPSUM CUTBACK

29 November, Windsor. **FUNDY GYPSUM WILL CUT PRODUCTION SIGNIFICANTLY**, according to Plant Manager Mike Bishop. He announced a one-third cut to the workforce beginning 1 January. USG wallboard production plants in the United States are closing or cutting back significantly [see Massachusetts], he said. {Nadine Armstrong in Hants Journal 29.Nov.08}

‘Fundy has said they are cutting back on tonnage but we do not have any specific figures,’ wrote WHRC General Manager Jim Taylor.

**Rail impact**

In 2007, WHRC ran five trains a day of 20-22 cars, moving a total of 1.5 million tonnes of gypsum rock to Hantsport in 2007 [see 08#03B]. Taylor said each car holds 80 tonnes.

If the cut to the workforce reflects a one-third cut in production, that would lower the annual traffic to about one million tonnes. Taylor said, ‘We could do about a million tons with the service level’ of three trains a day of 20 cars. {e-mail to ANR&P 9.Dec.08}

WHERE DOES THE PRODUCT GO?

All rock produced at the Wentworth and Miller's Creek mines is transported by rail to Hantsport and stockpiled in a massive storage shed. Bulk ships dock on the rising tide and sail at high tide. With a loading time of less than three hours for 40,000 tons of cargo, Fundy Gypsum’s Hantsport facility is one of the fastest ship-loading operations in the world. Fundy Gypsum operates year-round. An environmental assessment for an expansion of the Miller's Creek Quarry is ongoing [see 05#09A]. {Hants Regional Development Authority cited by Nadine Armstrong in Hants Journal 29.Nov.08}

USG (formerly US Gypsum) owns Fundy Gypsum. Bob Williams, USG spokesperson, said the ships from Hantsport now call Stony Point NY on the Hudson River, Norfolk, and Jacksonville. The Charlestown plant is closed [see Massachusetts]. {ANR&P discussion 8.Dec.08}

ALIFAX: RO-RO OFFERING

19 December. **ATLANTIC CONTAINER LINE OFFERS SERVICE TO BEIRUT.** ‘ACL calls the Port of Halifax four times per week with two vessel service strings, each with separate import and export calls. The import vessels arrive Sunday and Wednesday and the export vessels sail for Europe each Monday and Friday. The double call provides the ACL Halifax Gateway with the first port of call into North America and the last port of call at departure. ACL has established weekly roll-on/roll-off and container service between North America and Africa as well as the Mediterranean and South America and Australia. ACL is a company of the Grimaldi Group of Naples, Italy.’ {Halifax Employers Association website}

ACL will land the traffic at the Grimaldi-owned terminal in Hamburg, and Grimaldi ships will move it to Beirut. {CIFFA Bulletin 19.Dec.08}

Fritz King, ACL agent in Halifax, said the carrier calls Fairview Cove. The facility there provides both ro-ro and container service. {ANR&P discussion 22.Dec.08}

HALIFAX: TARIFFS

Late December. **THE HALIFAX PORT AUTHORITY DEFERRED ITS TARIFF INCREASES.** According to Paul MacIsaac, senior vice-president:

On October 24, 2008, the Halifax Port Authority gave Notice of a 2.5% Tariff increase on Harbour Dues, Berthage, Wharfage and other HPA fees commencing January 1st, 2009. Since October, the economic climate in which customers and stakeholders of the Port of Halifax operate has become increasingly challenging. Projections for marine commercial activity clearly indicate that the economic challenges for shipping lines and port stakeholders will persist well into 2009. Taking into account these challenging times and difficult operating circumstances, the HPA will defer the Tariff increase for the first six months of 2009. The HPA will continue to closely monitor the overall economic situation as 2009 progresses and will continue to work closely with customers and stakeholders to promote the success of the Port of Halifax. {e-mail to ANR&P
from HPA spokesperson Natalie Kenrick)

### 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.

Boston Railway Terminal (PW, Rhode Island, 482)  
Fundy Gypsum (WHRC, Nova Scotia)  
Logistec New Haven (PW, Connecticut, #545-1)  
Mirant Canal Electric (MC, Massachusetts, #305-1, 306)  
Shur-Gain (CN, New Brunswick)  
Superior Propane (CN, New Brunswick)  
USG (ST, Massachusetts)  
Wausau Paper (ST, Maine #878)

### PEOPLE

**Marty Toyen** of Seaworthy Systems has resigned as a member and as the chair of the *Connecticut Maritime Commission*. He and his wife have moved to Florida for the winter.

**Ed Foley** has become general manager of the *St. Lawrence & Atlantic Railway*, both SLR and SLQ. He continues in his existing role as vice-president sales & marketing for the SLR. Because of the state of the economy and his knowledge of the railroad from his 13 years there, the organization has given him both jobs.

**Ray Goss**, former general manager, has become senior vice-president of the New York and Pennsylvania region of GWI, with 120,000 carloads among its three railroads.

The Worcester law firm of Lane, Greene, Murtha & Edwards has hired **Mary A. Tanona** of Worcester. Tanona served as the general counsel for the *Providence & Worcester Railroad* 2001-2007.

The *Maine International Trade Center* announced **John Wolanski**, vice-president of sales and marketing at Safe Handling, has become a director of the center.

The logistics staff at *Omya*, now at the plant in Proctor, Vermont, will move to the Region Americas headquarters Cincinnati, Ohio in 2009, along with the information technology, and sales administration and customer service. Other parts of headquarters moved in 2007. Whether NEARS fixtures **Erik Bohn, Scott McCalla, Gerry Racette** and others will move remains to be seen.
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).

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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.’