**OTHER REGIONAL ISSUES**

**MAINE**

NH commuter: Fink says project done in 1 year.*

[No report.]

**RHODE ISLAND**

Amtrak: Thoughts on cutting the Ethan Allen.

**Vermont**

Halifax: CMA CGM to start service to Caribbean.*

**Maritimes/Québec**

Halifax/CN: Controversy about trucks in rail cut.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

Tres Meyer*, Steve Coomes*, Gary Hogg*, Rick Sampson*

**EDITORIAL**

NHDOT should support ST commuter service only if ST becomes a good corporate citizen.*

**FROM THE PUBLISHER**

More on Atlantic Gateway and Beacon Park to come.

- Chop Hardenbergh

Next formal issue: 27 February

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**Common abbreviations:**

- **BCLR** - Bay Colony RR, **BML** - BML - Belfast & Moosehead Lake RR, **CBNS** - Cape Breton and Central Nova Scotia Ry, **CCCR** - Cape Cod Central RR, **CCRR** - Claremont Concord RR, **CFQ** - Canadian National Ry, **CMAG** - Central New England RR, **CSXT/PW** - CSX Transportation (railroad), **CSX Intermodal**, **CSXT** - CSX Transportation (railroad), **EOT** - Executive Office of Transportation, **FRA** - Federal Rail Admin., **FTC** - Fore River Transportation Co., **FTA** - Federal Transit Admin., **HRRC** - House Transportation Committee, **MDOT** - Massachusetts Department of Transportation, **PW** - Providence & Worcester RR, **ST** - Springfield Terminal Ry, **STB** - St. Lawrence & Atlantic Ry (Québec), **SRR** - South Portland RR, **TIRR** - Turners Island LLC, **TEU** - twenty-foot equivalent unit (measure of container traffic, equal to a 20x8x8 foot box), **VAOT** - VT Agency of Transportation, **VRS** - Vermont Rail System (Green Mt. RR Company), **VTR** - Vermont Transportation Authority, **WACR** - Windsor and Hantsport Ry, **WHR** - Windsor and Hantsport Ry
NS-ST DEAL

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: FINAL ENVIR. ASSESSMENT*

30 January, DC.  THE STB’S SECTION ON ENVIRONMENTAL ANALYSIS ISSUED ITS ‘POST ENVIRONMENTAL ANALYSIS.’ The Section’s final document on the NS-ST deal found that it would have ‘no significant environmental impacts if the [Surface Transportation Board] imposes...the mitigation measures recommended.’ In the Summary, SEA listed 19 mitigation measures, all applying either to the proposed Mechanicville facility in New York or the proposed San Vel facility in Ayer.

Responses

SEA provided responses to the ten comments it received on the draft Environmental Analysis. In addition to the environmental mitigation, SEA said:

CSXT auto facility in Ayer. As much as the Town of Ayer would like PAS to use the existing auto facility [see 09#01A], owned by CSXT, and not build a new one, SEA noted that the US District Court in Boston had already ruled that ‘CSXT has the right to use the property in question in accordance with the terms of the lease until the lease expires.’

Idling in Royalston. While ‘specific incidences [sic] of idling locomotives [see 09#01A]...are not attributable to the proposed transaction...[t]he track rehabilitation and improvements would result in removal of slow orders and increased track speeds, thus leading to a decrease in idling time...’

Worse rail service in Maine. ‘The commenter [Tom Hall of Committee to Improve Rail Service in Maine–see 09#01A] has not shown that the proposed Transaction would have reasonable and foreseeable impacts on rail service in Maine, where, as this commenter himself states, rail service allegedly began declining long before this proceeding began....SEA notes that CIRSM has recourse to the Board and other regulatory agencies with jurisdiction should PARI fail to adequately maintain the lines that it currently operates, or not fulfill its common carrier obligation to provide rail service upon request on any of its lines.’ {STB SEA Post Environmental Assessment FD 35147}

Next step

The Board itself has the EA and the rest of the filings submitted to it on formation of the Pan Am Southern Railway. It has no deadline to decide, though I predict it will act within a month. {editor}

NS-ST: NS INTERMODAL GROWTH*

December. NS INTERMODAL FOR AYER IS STILL STRONG, according to a rail industry observer. His recent counts of the containers on the Freight Main in northern Massachusetts came to the mid-60s each way, “with a lot of trailers.” [See photo of such a loaded train in 08#05B.] “The bulk have been JB Hunt, EMP, and Freight Express.” {ANR&P discussion 10.Jan.09]
NS INTERMODAL RESULTS 4Q08

During a presentation to analysts on 28 January, Donald W. Seale, executive vice-president and chief marketing officer, reported that ‘domestic volume was up 11% in the quarter driven by new service lanes and highway conversions. We continue to secure new highway business in the eastern markets as beneficial owners realize the value that intermodal provides versus truck. For the full year 2008, intermodal growth was primarily in local NS lanes, where we gained more than 50,000 new loads.

‘Of this total, early Crescent Corridor gains from Atlanta to the Northeast generated a 13% boost in volume. Several other new services, which included the Meridian Speedway, domestic service at Savannah, GA, and new reefer and brokerage business also contributed to this growth. And, International (-15%), Premium (-12%) and Triple Crown (-8%) volumes all declined in the quarter in the face of much weaker international trade and reduced consumer demand.

In answers to questions, Seale said:

- ‘Now we’re seeing our truckload partners in the domestic Intermodal mark not waver at all in today's environment with respect to their ongoing objectives of converting highway freight to rail. I think that there’s a couple drivers to that. One, no one believes that fuel is going to stay down. No one believes that highway congestion is going to mitigate. It is going to get worse. No one believes that the demographics are going to reverse and that drivers are going to be plentiful.’

- ‘We used to talk about rule of thumb of length of haul of X and generally rail transportation, rail Intermodal, was 500 miles and north above. We have corridors today and I think I've mentioned these to you in the past. For example, the international and domestic market out of the Savannah market going to Atlanta. That was a market that five years ago we looked at as a short haul market that was truck dominated. Today with a good efficient service and double stack configuration, with a -- with the right size train we're very productive in that lane and we're able to compete and make the kind of margins that we're after in the business. So the rule of 500 is changing, and I would submit to you that that will continue to evolve and change over time.

- ‘We are continuing to see our East coast international business grow at a faster pace than our transcontinental West coast port of entry international freight. We closed out 2008 with about in the range of 54%, almost 55% of our total international business coming through East coast ports versus West. If we go back five years ago we only had about 20% of our international business coming through the East coast ports.

‘So all water service with the larger vessels, that a lot of the steamship lines are deploying, the use of the Suez Canal, we're seeing all water service continue to grow, although the international volumes, in terms of imports and exports in the fourth quarter, were down. Exports were more favorable in the first three-quarters. They both were less than favorable in the fourth quarter.

‘I don't have the percentages here in front of me, but our international business was down a little more at the 15% level in the fourth quarter because of something I just mentioned is that the exports through the first three-quarters was helping almost offset the decline in imports. Now I think I showed you that chart in the third quarter.

‘In the fourth quarter we saw exports decline as -- in addition to the imports. So for the year, for the first three-quarters we had a more favorable trend on international than we did in the fourth quarter. I don't have the percentage in my head.’

- Wick Moorman, NS president, added: ‘When we look at our franchise we believe that in the future, while international Intermodal will come back as the recession ends, and we're well positioned to handle that business, whether it comes in through west coast ports or east coast ports, as we told you, but we really look at domestic truckload freight as the next great opportunity.’ {transcript of presentation posted on NS website; thanks to Roy Blanchard for pointing this out}
OTHER REGIONAL

MMA: MORE RIFs*
28 January, Northern Maine Junction. MMA IS IN FOR THE LONG HAUL, despite recent layoffs and service cutbacks done for the long-term health of the company, said President Bob Grindrod recently. “We’re doing what we can to make sure this doesn’t unduly affect the future prospects of the company. We’ve reduced some services and laid off some people, but it isn’t like we’re about to go out of business or go bankrupt.” {Walter Griffin in Bangor Daily News 28.Jan.09}

As of this date, MMA has 75 workers on layoffs [33 in June-see 08#06B Regional]. The two main trains, Job #1 from Millinocket to Montreal and Job #2 from Montreal to Millinocket, formerly five days a week now operate every other day; ‘[t]hus in a two week period we will operate seven trains in each direction. When traffic improves, we will increase frequencies across the railway.’ {e-mail to ANR&P 29.Jan.09}

NBSR: INTERCHANGES
12 February, Saint John. THE RAILWAY IS WORKING “TO PERSUADE OUR PARTNERS TO CONTINUE A DAILY INTERCHANGE”, said Ian Simpson, NBSR general manager. “It’s important to our customers. We are pleased that Pan Am is doing that” at Mattawamkeag.

“At this point” NBSR is running daily to Brownville Junction to the MMA interchange, though MMA provides only one-way interchange each day [see above]. {ANR&P discussion}

STB FREIGHT-PASS. MEDIATION
28 January, DC. EOT SUBMITTED COMMENTS ON THE BOARD’S AUTHORITY TO MEDIATE PASSENGER-FREIGHT RAIL CONFLICTS. James Aloisi, EOT secretary, wrote:

‘Pursuant to the Notice issued by the Surface Transportation Board (the "Board") on December 23.2008, EOTPW, on behalf of the Commonwealth, hereby submits its comments with respect to the Board's new authority to provide non-binding mediation in certain trackage use disputes under the Passenger Rail Investment and Improvement Act of 2008 (Pub. L. 110-432, hereinafter referred to as “the Act”).

‘EOTPW, either alone or through the MBTA, owns significant rail right of way and the MBTA manages extensive rail operations that could be significantly affected by the Board's new responsibilities under the Act. Those commuter rail operations share a significant portion of right-of-way and associated rail facilities with Class I, regional and short line freight railroads. More specifically, the MBTA owns and operates more than 350 route miles - about 30% of all railroad right-of-way within the Commonwealth - as part of its commuter rail system. However, the MBTA shares over 668 route miles of track with various freight rail carriers throughout Massachusetts. As a general matter, the Commonwealth and the MBTA have developed and maintained positive and harmonious relationships with freight railroads through a number of transactions involving the shared use of rights-of-way and associated track properties.

‘In that spirit, EOTPW is committed to finding every opportunity to further improve the interaction between freight and commuter rail operations. However, EOTPW and MBTA have occasionally met significant challenges when negotiating a trackage rights agreement or an asset purchase agreement with freight railroads. On these occasions, the public agencies did not have a federal agency or forum available to assist in resolving these disputes, and, accordingly, EOTPW strongly feels that the parties and the public will greatly benefit from the expertise and influence of an impartial federal regulatory authority participating in these negotiations. EOTPW believes that the Act now places the Board in a unique position to assist public and private entities to resolve conflicts that impede the efficient movement of goods and passengers.

‘Candidly, the Board will need to reconsider its role in a fundamental way in order to effectively fulfill the intent of Congress. The importance of passenger rail, and the need to find fair approaches to solving the challenges of
Cromwell, Connecticut. The Marino Crane dock on River Road on 19 January, with one of the three tugs, and the barges and the turbines wrapped up. PW moved the turbines to Maromas [see article]. {courtesy Bob Niesyn}

passenger and freight sharing the rail, will require a departure from the Board’s historic freight rail orientation. EOTPW believes the Board can meet that challenge.’ {STB filings webpage, Ex Parte No.683, Passenger Rail Investment And Improvement Act of 2008}

CONNECTICUT

HRRC: ETHANOL DISTILLERY
11 February, New Milford. American Energy is actively discussing the proposed plant here, said Vin Nolan, the director of economic development for the town. In 2008, company officials said the distillery would produce not only cellulosic ethanol, but also gypsum, furfural, liquid CO2, and electrical power; for HRRC the plant would eventually use two to three 10-car trains a day [sic–see 08#06A].

At this point, according to Nolan, the town and AE are resolving legal liability issues stemming from the site’s previous use as a brass mill, with resulting PCB contamination. “We hope to bring those talks to fruition in the next 30-60 days.”

Change in price of oil?
Officials at American Energy did not respond to queries about the future of the plant. Nolan believes that despite the change in the economy, and the drop in the price of oil, AE “is taking a long view” and still intends to go forward. The price of oil will not remain low; AE believes it can sell E-85 ethanol as long as gasoline is priced at $1.75 to $2.00. Moreover, because of the value of the byproducts, the plant will profit from other revenue streams. {ANR&P discussion 11.Feb.09}
PW: SPECIAL TURBINE MOVE**

23 January, Middletown. **PW MADE ITS FIRST MOVE TOWARD LAUREL IN SOME YEARS** when it delivered a railcar holding a Siemens turbine to the site of a new power plant in the Maromas section of the city. According to PW General Counsel Marie Angelini: ‘The plant will receive several more turbines which are anticipated to be dimensional loads as well. PW expects occasional moves for replacement turbines, generators and the like thereafter.’

This begins the first significant move past the sewer plant in a decade or so; PW did run a few dimensional loads to that location in past years. This marks the first move south of Middletown Junction since the sewage move went to pipe [see 07#02B]. {e-mail to ANR&P 5.Feb.09}

A short move

The turbines, on a barge, landed at the Marino Crane dock on River Road. The turbines, generators and other equipment were offloaded onto trucks which drove north on River Road to Wall Street, up Wall Street to the tracks just east of Main Street (Route 99). Workers transferred two turbines to a special Siemens Westinghouse rail car for transport to Maromas. {e-mail to ANR&P from Bob Niesyn, the photographer}

New power plant


Existing power plant

NRG Energy operates a plant just downriver from the Kleen Energy site, a 770MW plant burning oil, natural gas, or kerosene [like its mate in Devon–see 08#03A]. {NRG website} Angelini stated: ‘No rail moves to NRG Energy are planned presently as dimensional moves have been handled via water. Of course, P&W stays in contact with NRG and Kleen on potential rail moves’ though both receive or will receive oil by barge. {e-mail to ANR&P 5.Feb.09}

ST: MORE ON BERLIN BRANCH*

28 January, Hartford. **ST WOULD NEED $52 MILLION TO BRING THE BERLIN BRANCH UP TO COMMUTER STANDARDS.** “We could get this [rail line] ready in 18 months, and we could do it for $50 million. I think that's less than the cost overruns for the New Britain busway will be,” State Representative David McCluskey, D-West Hartford, said. Pan Am has emphasized that the $52 million estimate [compare with $20 million estimate in 09#01B] is for infrastructure to accommodate only a small number of trains daily, including small stations in Bristol, Plainville and New Britain. {Don Stacom in Hartford Courant 29.Jan.09}

MAINE

MDOT UPDATE*

2 February, Augusta. **THE DEPARTMENT WILL BEGIN WORK ON THE STATE RAIL PLAN** with its consultant HNTB [see 08#12A Regional] within six weeks. They have agreed on a scope of work, said rail administrator Nate Moulton.

Lewiston Lower Road

While he had no definite information, Moulton said he is “confident you’ll see railcars at Grimmell in 2009.” Grimmell Industries operates a scrap yard on the rail line in Topsham, and has long wanted rail service [see 08#07B for IRAP award to construct siding].
Rail programs
Per Moulton, he has received expressions of interest both in the actual rail the state has available, plus loan funds [see 08#12A]. Since no construction will begin until the snow is gone, however, he is gathering information on the proposed projects, and not making awards until later. {ANR&P discussion}

MAINE: RAIL CAUCUS**
29 January, Augusta. **THE LEGISLATURE’S RAIL CAUCUS HELD ITS FIRST MEETING.** Co-chair Representative Ed Mazurek (D, Rockland) said 15 or 16 legislators attended, to hear presentations from MDOT Deputy Commissioner Greg Nadeau and NNEPRA Executive Director Patricia Quinn. The solons also discussed the results of bus trips taken by some of them to industries in western and northern Maine.

The need for better freight rail service
Mazurek, who travelled on both trips, quoted representatives of industries as saying “to a person, freight rail is beneficial to state and to various industries...Basically the rail service has to be improved, it has to be viable. It’s a much cheaper and efficient way to move heavy freight.” While declining to identify specific railroads, he said that concern was expressed more about one railroad than the other two, though “in the past few months this rail line has become cooperative.”

The representative said the whole system has to be ungraded, and “railroads must work with the shippers ... in a much more cooperative manner.” He cited one example from a paper mill: workers had loaded a whole shipment on a train, but the train schedule got fouled up, the workers had to unload the shipment and move it by truck.

In his presentation, Nadeau talked about the railroads in the state, as well as the potential for the Mountain Division, and particularly Sears Island [see 09#01B]. “We could have an international container port there,” said Mazurek.

Asked what steps the Legislature could take, Mazurek did not yet have specific steps. “Whatever rail can be used, should be used. We need cooperation among all three rail lines and the state and feds. We will bring these people” to consider it. “We’d like to see some action, get behind this, put the hammer down, and get the word out.”

Passenger rail
From Quinn the caucus heard very encouraging news on the Downeaster about ridership, but a warning that funding runs out at end of September. “We hope to get Governor Baldacci to work along with the rail caucus to put the situation on the top burner.” Mazurek mentioned working with New Hampshire and some monies from the stimulus package to ensure the service will “not go out of existence.” He praised the development which the Downeaster has spurred along the corridor.

View of co-chair
Co-chair State Senator Stan Gerzofsky (D, Brunswick) said after the caucus meeting: “Industries such as paper companies and logging companies need rail freight and want more of it. They need on time and regular service.” Action will come out of the caucus. It serves “as a mechanism to communicate among each other and the industry, to get ideas...and to bring the issues to the rest of the Legislature.” {ANR&P discussions 30.Jan.09}

Other comments
Representative Stacey Fitts (R, Pittsfield), a member of the caucus, wrote: ‘I didn't go on the trip, but the kinds of things that they heard were similar to what I have heard from people. Things like, service quality, timeliness, failure to deliver or pick up etc. Many industries were operating with truck service or moving as much as they could by truck to ensure schedules. Forestry, hard goods, agriculture you name it.’ {e-mail to ANR&P 30.Jan.09}

Next meetings
A planned next meeting on 11 February was postponed to 26 February at noon. The caucus will have a regular schedule, meeting in Gerzofsky’s committee room. {e-mail from caucus staff}
BML: FREIGHT POSSIBLE*  
4 February, Brooks. **THE BROOKS PRESERVATION SOCIETY WILL RESUME EXCURSION SERVICE** on the tracks of the former Belfast & Moosehead Lake Railroad (BML). The Society signed a four-year agreement with MDOT to operate on the line from Waldo to Burnham Junction, said Society Executive Director Joe Feero.

The group will work with MDOT to resume freight service as well; Feero looked at logs, grain, and scrap metal as possible traffic. {Walter Griffiths in *Bangor Daily News* 5.Feb.09}

MMA: ANOTHER HIT  
5 February, East Millinocket. **KATAHDIN PAPER WILL SHUT ITS No. 5 MACHINE FOR UP TO FOUR WEEKS** and restart it only with orders in hand, said Rick Grunthaler, human resources manager. “We are aggressively looking at options to utilize [that] machine and we are optimistic that we can land some orders soon.” [Katahdin may have stored paper with Pottle’s—see below.] {Nick Sambides in *Bangor Daily News* 6.Feb.09}

The mill will keep No.6 running; both machines make directory paper. Fraser, which operates Katahdin for Brookfield Asset Management [see 07#05A], similarly curtailed production in Madawaska last month [see 09#01B].

ST v FORE RIVER  
10 February, DC. **THE STB WILL INSTITUTE A PROCEEDING ABOUT DEMURRAGE CHARGES** levied on Fore River Distribution [our Directory #5] in Portland, Maine.

**Background**
In 2007, ST filed a complaint in US District Court for Maine seeking recovery of the 2004 and 2006 demurrage charges. The court later that year stayed the case so the parties could refer seven questions to the STB. In 2008, ST finally referred the matter to the Board, but the Court days after the referral on 7 July denied ST’s request for a further stay and dismissed ST’s complaint, stating that because plaintiff “fail[ed] to follow the Court’s orders and bring this matter before the STB prior to June 26, 2008, the Court believes that the proper course is to dismiss this case . . . .” The Court concluded that ST would be left to pursue “whatever remedies (if any) may still be available to it from the Surface Transportation Board.”

**The rulings**
The Board found that the 2004 demurrage claims are barred by the three-year statute of limitations, despite ST’s filing in court within that time period, because of the dismissal of the claim.

On the 2006 claims, the Board decided to institute a proceeding on the reasonableness of the charges. Discovery must be finished by 13 April, a reply from Fore River is due 13 May, ST rebuttal on 2 June. {STB Docket No. 42108}

ST: MORE PAPER CUTS*  
27 January, Rumford. **NEWPAGE WILL LAY OFF 13% OF ITS WORKFORCE HERE PERMANENTLY**, according to a company press release. A rolling layoff has already affected mill operations and employment. The No. 12 machine went down for a week on 19 January, then went back onstream. The No. 15 machine was down this week, but would resume production the following week. The No. 10 machine then would go down for a week. {Eileen Adams in *Lewiston Sun-Journal* 28.Jan.09}

ST: OLD TOWN WAREHOUSE*  
28 January, Old Town. **POTTLE’S TRANSPORTATION HAS LEASED SOME SPACE IN THE FORMER OLD TOWN LOGISTICS WAREHOUSE** here. According to Dick Arnold, general manager of Red Shield Acquisitions [the company which was formed by Patriarch to buy Red Shield from owner Hallowell International, see 08#10B], Old Town Logistics did not renew its lease in July. “They could not make much of a go of it.”
Barry Pottle said his company is using the space temporarily because “we are full in Bangor.” The recession has meant that paper companies, though they have slowed production, were not able to sell all their product and stored much of it. He intends to store ninety railcar loads and 150 truckloads there. The warehouse offers more space, up to 60,000SF.

Old Town facilities
Arnold said the biomass boiler at the former Great Northern paper mill is generating electricity, but selling the power is difficult “with natural gas so low” in price.

Patriarch still intends to restart the pulp mill. He is talking to MMA and ST about options for moving pulpwood in, “doing things differently.” {ANR&P discussions}

PORTLAND*
26 January. **THE MAINE PORT AUTHORITY WILL LEASE THE INTERNATIONAL MARINE TERMINAL,** said Executive Director John Henshaw. While the state previously was reluctant to lease the property from the City of Portland without an assurance of traffic [see 08#10A], he is now “optimistic we can do that.” The lease, once approved by the Maine Port Authority Board in the coming weeks, would permit an infusion of needed funds and relief to the city’s budget.

Details
At this point the sole user, PortsAmerica, has an annual stevedore’s license from the city to operate the pier. Henshaw anticipated using the same approach, but he would also consider additional users.

To attract more traffic, he “is trying to find a model that is economically viable.” Partly, that means creating a tariff for project cargoes such as the windmill towers which moved through in 2008 [see 08#10A]; Portland does not now have a tariff for project cargoes.

PortsAmerica
“We are in favor of [the lease],” said Jack Humeniuk, International Longshoremen’s Association representative and chief of operations at the Portland container terminal. “The city does not have the wherewithal to run a cargo terminal, in terms of a tax base and management.” The Port Authority is putting together a competitive tariff for project cargoes, by pricing what other ports

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**Downtown Study**
**Framingham, Ma**
are doing.

New traffic
While he could not give much information, Humeniuk said the terminal has “two definite moves for this year. And starting in mid-late 2009, for the next three to five years, there are a number of projects in the pipeline.” The turbine farms are “getting bigger, requiring a lot of handling, storage, and lead time.” Future traffic, including generators for power projects, could involve not only the IMT but also additional acreage in the port, out on West Commercial Street. {ANR&P discussions 26.Jan.09}

MASSACHUSETTS

CSXT: AUTO TRAFFIC MOVED**
4 February, Framingham. FORD MOVED ITS AUTO TRAFFIC FROM FRAMINGHAM TO EAST BROOKFIELD. Frank Demasi, freight rail proponent and a member of the Regional Transportation Advisory Council, on a visit to the facility here [our Directory #323] this day found ‘it is closed to any further rail traffic. CSX is pulling out having given notice to employees some time last week. Only one CSX person on duty with one security person on board until last of a few dozen autos is picked up.’ {e-mail to ANR&P}

Bob Sullivan, CSXT spokesperson, wrote that his railroad ‘works closely with its customers to provide the safe, efficient service they require. In this case, the customer asked that its traffic be handled at East Brookfield [our Directory #357] rather than Framingham and CSX is accommodating that request.’ {e-mail to ANR&P 5.Feb.09}

Possibly instructive: Ford moved its traffic out of ST’ Ayer terminal almost exactly three years ago [see 06#02A].

The reason for the switch
One source connected to the logistics of auto terminals said inventory costs drove Ford out of Framingham, which has a 6PM operating curfew [see 03#04B, which notes that GM moved out of Framingham to East Brookfield because of the curfew]. The time limit means that if CSXT grounds a vehicle in the late afternoon, a dealer can’t get the vehicle out of the terminal until the next morning. In East Brookfield, with no curfew, the dealer can pick up the vehicle at night and have it ready for the customer the next morning.

“When the vehicle leaves the terminal, it triggers a cash payment to the manufacturer,” said the source. The small savings resulting from a 12-hour shorter delivery time adds up, in this time when Ford sales are down 30-40%.

The rate charged by the railroad did not change. {ANR&P discussion 9.Feb.09}

The location in Framingham
With the Ford pullout, Massachusetts has three vacant auto terminals: Ayer [former Ford, our Directory #323], Westborough [former Chrysler-see 03#03B], and Framingham [former Ford].

The Framingham auto terminal lies about 3/4 mile on CSXT’s Holliston Industrial Track, running south [see diagram]. CSXT main trains spot the autoracks in Nevins Yard on the Boston Line. A switcher then moves them into the auto terminal.

CSXT now has no customers on the Industrial Track. South of the auto terminal, CSXT formerly served a General Motors production plant, now occupied by the Adesa auto auction facility, at milepost 1.3.

Outside Adesa lies the CP yard, which served the GM plant. [The initials stand for ‘Constructive Placement’, because most of the cars staged there for the General Motors plant were in constructive placement status under the demurrage tariff. {e-mail from Richard Flynn, principal NorthEast Logistics Systems, LLC}]
CSXT: WASTE TRAFFIC**

5 February, Allston. **REPUBLIC WANTS TO KEEP WASTE TRAFFIC IN BEACON PARK.** Despite rumors on the internet, CSXT has not closed, and will not in the foreseeable future close, the Republic waste transload [our Directory #225] here [see map in 08#11A]. Spokesperson Will Flower, executive vice president - communications for Republic Services, wrote from its headquarters in Phoenix, Arizona: ‘We continue to ship using the rail system. We remain greatly concerned about being cut off by CSX. We have been exploring some other options as we can not afford to be left without an efficient transportation system. Again, we have been partners with CSX for years and unfortunately learned from you that they were considering cutting us off. That is troubling.’ {e-mail to ANR&P}

**Waste not going to New Hampshire?**

One newspaper echoed the internet reports that Republic would truck the waste to New Hampshire, possibly to the Ossipee Sand and Gravel operation. However, an official there said: “We don't know anything about it. It's not happening here. Remember that rumor that we were for sale two or three years ago?” Nothing materialized about that, and, he implied, nothing would of this rumor either. {ANR&P discussion 09.Feb.09}

CSXT: LOSS OF CUSTOMER*

early January, Framingham. **CARGILL CLOSED ITS CERESTAR FACILITY HERE** which formerly received tank cars of corn syrup [our Directory #344]. According to an official in the Cerestar headquarters in Hammond, Indiana, the workers were moved to the Cargill Sweeteners facility in Worcester served by PW [our Directory #453]. {ANR&P discussion 5.Feb.09} In 2006, the Directory estimated CSXT was spotting at least 500 carloads a year there.

**Cargill and Cerestar**

In 2002, Cargill bought majority ownership of French starch-maker Cerestar. {Les Echos}

FORE RIVER RR: CONTRACT*

30 January, Boston. **TWO FIRMS FILED BIDS TO DO ENGINEERING SERVICE** on the track owned by the Massachusetts Water Resources Authority [see 08#11B]: TranSystems and Pare. MWRA has not yet awarded the bid; it chooses based on qualifications—the bid did not involve a price. {ANR&P discussion with MWRA official}

MC: UPDATE*

28 January, Hyannis. **MASS COASTAL HAD 4,800 CARLOADS IN 2008**, wrote Dan Wahle, vice-president for marketing. ‘Of those, approximately 1,900 or so were "energy" loads.

‘Regarding new traffic beyond that already noted [see 08#12A] (additional salt, new aqueous ammonia and new non-ferrous scrap), there is nothing to announce yet, but we remain quite busy on a variety of initiatives.’

The Watuppa traffic

In April 2008, MC and BCLR agreed that for one year BCLR would operate on EOT’s end of the Watuppa branch near New Bedford, serving Mid City Scrap [our Directory #298]. MC had no sense yet on whether the two railroads will renew the agreement. ‘Mid City cars move in BCLR’s account under our current agreement.’ {e-mail to ANR&P 28.Jan.09}

PW: AGGREGATE INDUSTRIES**

4 February, Worcester. **PW IS STILL SERVING TWO AGGREGATE INDUSTRIES LOCATIONS**, wrote Frank Rogers, PW vice-president, marketing & sales. ‘While Aggregate Industries has suspended the Sand and Gravel operation at Sutton, the cement operation is ongoing.’ Peter Moldonado, manager of Aggregate Industries area cement facilities, including the two served by PW, said Sutton [our Directory #456] is receiving cement cars. ‘We have three cars on spot, five loads here and one billed today,’ wrote Rogers. Worcester [#446], will take cement cars again in the spring.
Ed Persico, manager of the Sand and Gravel Division, indicated that Sutton has suspended receiving that product. {e-mail to ANR&P}

**PW: NO PIPELINE EMINENT DOMAIN**

27 January, Boston. *MOBIL PIPELINE MAY NOT SEIZE PW LAND BY EMINENT DOMAIN.* The Massachusetts Supreme Judicial Court, in a decision issued this day, found that the relevant Massachusetts statute permitted pipeline companies to take land for new pipelines, but not for existing ones.

**Facts**

Since 1931, Mobil Pipeline or a predecessor has owned and operated a pipeline from East Providence, Rhode Island to Springfield, Massachusetts. The product lands on the Providence River, is stored at the Mobil tank farm [see map 05#07A], and is piped to Springfield.  

In Oxford, the pipeline crosses PW’s right of way for 120 feet. The most recent lease expired in 2007; the two parties were not able to reach agreement on new terms.

In 2007, Mobil asked the state Energy Facilities Siting Board to permit it to seize the 120-foot strip by eminent domain. The Board agreed it had the authority to do so; PW appealed.

**The law**

The SJC concluded: ‘Because G.L. c. 164, §§ 69G and 69S, grant the board power to authorize an oil pipeline company to take land by eminent domain only for "new" pipelines, the board erred in claiming authority to exercise that power for the benefit of Mobil's existing pipeline, which is not "new." We reverse the board's decision and remand for further proceedings consistent with this opinion.’ {slip opinion from massreports website}

**What’s next**

Marie Angelini, PW general manager, wrote she could not comment on the next step in resolving the lease dispute. {e-mail to ANR&P 30.Jan.09}

**ST: UNPAID TAXES**

27 January, Billerica. *THE TOWN COULD TAKE THE RAILROAD’S HEADQUARTERS FOR BACK TAXES* beginning 10 February, according to a notice published this day in the Lowell Sun. Two parcels are listed: 152 acres at 67 High Street (taxes due $3,314), and 5 acres at Pond Street ($1,322).

“This is the only thing that gets them to pay,” said John Clark, town treasurer-collector. In 2008, the town had to go to Land Court before ST finally paid. {ANR&P discussion 31.Jan.09}

This year, ST did not pay by 10 February, and Clark “will record an instrument of taking” on 17 February. Six months thereafter, he will proceed to the Land Court to get payment. {ANR&P discussion 12.Feb.09}

**NEW HAMPSHIRE**

**NH: ST SHOVEL READY**

29 January. *ST COULD GET THE LINE TO NASHUA READY FOR COMMUTER SERVICE IN A YEAR,* said President David Fink. It would take a month to order the materials, and, in the current economy, there would be no problem calling back people, or hiring new ones, to do the work. “We did it down in Connecticut,” he said [sic].

He could knock out an agreement with the state in a month, and it would take another month to begin construction. While liability is an issue, it could be bridged if the state is willing to pay for the insurance. “We have
the union agreements, we have the equipment, we have the right of way. We make our own ties. We just have to order the track and the aggregate. We could do it in a year if we do it on the cheap.”

**Shovel-ready?**

Steve Williams, executive director of the Nashua Regional Planning Commission and vice-chair of the New Hampshire Transit Authority, argued highways involve a long process that includes engineering a right of way, obtaining land through purchase and eminent domain, and complex environmental impact statements. The right of way for rail is already in place for freight, it just has to be upgraded, and there doesn't have to be as much of a public process.

If stimulus money comes through, Williams said the biggest hurdle is the requirement to subsidize the railroad in the long run. [Bob Saunders in *New Hampshire Business Review* 31.Jan.09] [See Editorial.]

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**VERMONT**

**VRS: LOSS OF ETHAN ALLEN?**

4 February, Montpelier. *THE VERMONT RAIL COUNCIL OPPOSED AGENCY EFFORTS TO CUT THE ETHAN ALLEN* during its meeting here. [The General Assembly turned down a cut in service for the current fiscal year—see 08#12A—but is looking at the governor’s proposal to cut the train service in the next fiscal year starting 1 July 2009.] The Council already voted to oppose elimination of the train. At this meeting, members urged state officials to follow up on ideas to attract more ridership.

Robert Ide, VAOT rail program manager, said the administration wants passenger trains running along the western corridor north to Burlington. The trouble, he said, is transportation revenue has shrunk while demand has grown for the dollars. The spotlight has been on the need to fix roads and bridges. Cancelling the *Ethan Allen* would save the state about $1.5 million next year. The administration proposed running buses from Burlington down U.S. 7 to Bennington and on to Albany, where riders could catch trains.

**Effects of halting the Ethan Allen**

Jeff Munger, transportation staff member for US Senator Bernie Sanders, told the Council that other Amtrak routes would snap up the *Ethan Allen* equipment. “The consequences [are] if we want it back we wouldn't get it for 10 or more years. I think somebody ought to think about what it is they're doing here. Within an hour that equipment will be gone. And if we cut it with the hopes of getting it back in four to five years, it's not going to happen.”

David Wulfson, VRS chief, told the Council that the operating slots between Albany and Whitehall could be filled by freight trains. [See comments below.]

**What could the stimulus package do?**

“Until we know what the federal stimulus is, there are still a lot of questions,” said House Transportation Chair Richard Westman, R-Cambridge, later. Money might become available to fix more sections of track between Burlington and Rutland so a train could go 59 miles per hour instead of 30. Wulfson predicted it would take two summers to get the Burlington to Rutland section completed, if the money were available.

“We think this is an opportunity to push forward with what we have all wanted,” VRC member Dave Allaire said. “Service all the way to Burlington.”

**Utility of Rail Council**

The Council also objected to a proposal to decrease the frequency of Council meetings. Ide, the head of the rail section, explained on 10 February: “We have had six meetings per year historically and there are six scheduled meetings for 2009. Our secretary of administration has encouraged all state-sponsored advisory boards to reduce their meetings per year. The Rail Council has decided this was not the year for them to meet less. We will probably face this same encouragement from the sec. of administration in future years in order to reduce expenditures. Our
Council meetings cost about $1,000 per meeting for member fees and mileage.’

On 4 February, Michael Coates of Williston noted: ‘Look at the people in this room who are very, very interested in rail.’ The council insisted on meeting in March when the future of the Ethan Allen might be clearer. [Nancy Remsen in Burlington Free Press 6.Feb.09; Peter Hirschfeld Vermont Press Bureau 10.Feb.09]

Is the D&H at capacity?
Walt Favro, a rail observer in Rouse’s Point NY, confirmed Wulfson’s point. Between Albany and Whitehall run 12 trains a day. The capacity problem stems from the single track and lack of sidings. D&H 250-251, 252-253 (intermodal), and 930-931 (NS trackage-haulage trains) run daily (even #s southbound, odd #s northbound). ‘Lately there has been some combining of 250 and 252. It depends on the amount of intermodals for that day....251 and 253 are some times combined if 251 is a small train.... It is strange , sometimes the 252 and 253 , the intermodal trains, are 6000 feet or better. Then some times they only are 40 cars or so of mixed freight.’ {e-mail to ANR&P}

In addition, the D&H runs a local, and Amtrak runs the Ethan Allen to Whitehall and the Adirondack to Montreal. {editor}

Would the equipment disappear?
Clifford Cole, Amtrak spokesperson who travelled with Vermont legislators for a 11 February outing on the Ethan Allen, said the company has reached capacity for its equipment nationwide and while it would be hypothetical to say so, he believes it would be difficult for Vermont to regain that equipment in the future if it is reassigned.

He wasn't aware of any other states that were considering a transition of this nature, nor did he know of any instances where such a switch in service was made and then later reversed. Amtrak does operate bus lines that connect to their rail service in other areas, including California, upstate New York and between Fort Myers and Tampa in Florida, however a temporary switch such as Vermont is proposing is uncharted territory for the company.

Robert Ide, director of rail for AOT, said his division is actively investigating the possibility of the state owning its own equipment to run along the line and be operated by Amtrak. Such a scenario would eliminate the capital cost of using Amtrak’s equipment, however Ide could not provide an estimate of what the equipment purchase would cost. [Colorado Railcar’s bankruptcy has forced VAOT to look elsewhere for equipment–see 08#12B.]

The House Transportation Committee has yet to act on the administration’s proposed cut. {Stephanie M. Peters in Rutland Herald 12.Feb.09}

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QUEBEC/MARITIMES

HALIFAX/CN: TRUCK TRAFFIC

9 February, Halifax. THE CITY WOULD LIKE TO REVIEW THE PROPOSED TRUCK LANE in the CN rail cut from Halterm to Route 102. Some have long proposed that CN offer up some of its right-of-way for a truck-only route, though the MariNova study of February 2006 concluded:

‘[T]here is no financial return which can justify [an investment of $40 million], even with projected future truck volumes. The best option for removing trucks from city streets, reducing greenhouse gases, and adding port capacity, is the construction of [an inland terminal].’ [See 06#03A with map]

Early in February, conclusions in a draft study [commissioned by the province in October 2008–see 08#11A] were leaked to CTV. Options on building a truck lane would cost between $205 and $270 million.

City not involved
Halifax Regional Municipality Councillor Sue Uteck (Northwest Arm-South End) said the city had not yet agreed to the project. It would have the responsibility of widening the 12 bridges spanning the rail cut. “And that’s not in our budget,” she said outside council chambers on 9 February.
During the Council meeting, Uteck received her colleagues’ full support to schedule a presentation on an alternative to the rail cut plan: the inland facility served by rail from Halterm [see 08#02B]. “If it’s much more economically feasible to move freight in and around the city (by train), then I can imagine that council will say, ‘We’re not going to participate (in the paved rail cut plan),’” Ms. Uteck said.

Inland terminal study done?
Uteck said that MariNova Consulting had prepared a study on the inland facility for the consideration of regional council and the province. But the study’s findings have never been revealed, she said in the interview. [The first part of the MariNova study went public in 2006–see above. The second part, a business plan, was due by the end of 2007–see 07#06A. By March 2008 the second part was not public–see 08#02B.]

“MariNova got cut off at the knees . . . and we’ve suddenly gone from abandoning the Distripark study to the inland rail corridor. And that has serious cost implications to HRM.”

Given the rumoured $270-million cost to convert the rail corridor, Uteck said it’s important to open up the study.

“I think even the premier’s surprised at the cost so far.

“[T]his one single project will suck all the money from Atlantic Canada. Is this really the best bang for the buck?” [Amy Pugsley Fraser in *Halifax Herald* 11.Feb.09]

HALIFAX: NEW CALL*
26 January. **FRENCH LINE CMA CGM (CARIBBEAN) ANNOUNCED A SERVICE CALLING HALTERM.**
‘Fully operated by CMA CGM, this service will deploy one 1,100 TEU vessel on a 14-day rotation. This allows for a weekly service from New York to Latin America and Caribbean markets when combined with our Atlantic PAD (RTW) service. Halifax also offers a first-class on-dock rail service and is the port of choice for perishable, temperature-sensitive shipments. Other service highlights include:

- Full intermodal coverage throughout Canada as well as the U.S. Midwest and East Coast
- Extensive coverage of the Canadian East Coast
- Connections to the Caribbean region (Pex 2), Intra-Caribbean regions (Cagema services, the Cap Canaille and Caribraz), East Coast South America market (Brasex and NBA services), Central America America (ECS), West Coast South America (ES1/ES2), and Oceania/New Zealand (Atlantic PAD).’

**Rotation**
The first sailing leaves New York on 20 February; the ship arrives in Halifax on 23 February, and then sails to Kingston, Jamaica, leaving there on 27 February. [CMA CGM website]

**Advantage reefer**
The port has made a concerted effort to increase the number of electrical plugs – they now total 1,000 – at both of its main container terminals so it can be more attractive to shippers moving high-value temperature-controlled cargo.

“In our discussions with the line and what we are seeing them promote to their customer base is the advantage Halifax can offer with the refrigerated equipment that we have in Halifax and have improved significantly in the last few years,” said Halifax Port Authority spokesperson Michele Peveril [see 08#02A for CN reefer service].

**Halterm comment**
“Having the world’s third largest shipping line give a vote of confidence to the Port of Halifax and Halterm at this especially difficult time in the business cycle is indeed very good news,” said Halterm President and CEO Doug Rose.

“CMA CGM has an extensive worldwide network of vessel services and an aggressive global growth strategy, which may result in additional opportunities for the port and Halterm in the future.” [Tom Peters in *Halifax Herald* and *Canadian Sailings* 30.Jan.09]
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.

Aggregate Industries (PW Massachusetts #446, 456) open
American Energy (HRRC Connecticut) coming
Auto Terminal (ST Massachusetts) closed
Auto Terminal (CSXT Massachusetts #357) Ford moving
Auto Terminal (CSXT Massachusetts #323) Ford moving
Cerestar (CSXT Massachusetts #344) closed
Intermodal Terminal (ST Massachusetts #124)
Fore River (ST Maine #5) ST suing
Grimmell (ST Maine) traffic in 2009?
Katahdin Paper (MMA Maine) production reduced
Kleen Energy (PW Connecticut) receives turbine
NewPage (ST Maine #881) production cutback
NRG Energy (PW Connecticut) no rail
Old Town warehouse (ST Maine) Pottle’s leases
Republic (CSXT Massachusetts #225) not leaving yard

PEOPLE

Gary Hogg*, president of New Hampshire Northcoast Railroad and other New Hampshire corporations under the umbrella of Boston Sand and Gravel, resigned in October 2008 to take a non-railroad position in Canada. Rick Sampson of Manchester Sand and Gravel was promoted to assume Hogg’s duties.

Tres Meyer* will become assistant general manager for the Connecticut Southern Railroad effective 9 February, based out of Hartford. He will report directly to Steve Coomes, general manager NECR and CSO. Meyer joined RailAmerica in 1998 as a transportation specialist, conductor engineer for the Dallas Garland and Northeastern Railroad. In 2002 he was promoted to trainmaster; his most recent role was manager of Safety, Training and Operating Practices for the Central Region.

Steve Coomes became NECR/CSO general manager in October, when then-GM Charles Hunter became director, State Relations East, for Rail America.

EDITORIAL

Mr. Fink of Pan Am Railways should be applauded for proposing (op-ed in Manchester Union Leader 1 February) that his private company operate commuter rail service from Concord to Lowell, with stops in Manchester and Nashua. Earlier reports quoted him as saying this project is "shovel-ready" for stimulus funding, and the tracks could handle commuter service within 12 months if he did it “on the cheap” [see New Hampshire]. Questions remain.

- Why run commuter service along the sparsely populated Route 101A corridor? Pan Am has suggested this before.
Some believe the impetus comes from Fink’s father, president of Pan Am’s parent, who lives in the Wilton area.

- How will the New Hampshire Rail Transit Authority, which has jurisdiction over commuter rail in the state, fund the annual operating subsidy? Will the stimulus package provide operating money?

- Shouldn’t New Hampshire Transportation Commissioner George Campbell, who is negotiating with Fink, ask Pan Am Railways to be a good corporate citizen? The City of Nashua has had to place liens on Pan Am land parcels to get it to pay property taxes. The railroad failed to clean up ties it dumped in the Little River.

Finally, and most importantly to the freight rail customers Fink mentioned, Pan Am has not paid the Concord-based New England Southern Railroad for delivering its freight to local Concord customers. Pan Am owes half a million dollars. Campbell should require Pan Am to clean up its act before signing up the railroad to operate commuter service.

[Also published in the Nashua Telegraph as a letter to the editor on 6 February.]
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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.’

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**New to the region? This helps:**

**RAIL FREIGHT FACILITIES IN NEW ENGLAND**
Malcolm Laughlin, editor
Chop Hardenbergh, publisher

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

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