*Article unchanged from e-bulletin.
** Blue type shows changes from e-bulletin.

**NS-ST DEAL**

Operation?: Haulage starts 1 June?
Auto terminals: Ford coming to PAS?

**OTHER REGIONAL ISSUES**

WACR and ST: Northeast Ag rail service.
NBSR/ST: Intermodal experiment continuing.*
Montreal: TEUs down 22.5% in April.

**CONNECTICUT**

NECR: Cargill closes its feed mill in Franklin.*
ST: Track needs replacing for commuter.*

**MAINE**

MERR: Dragon shutdown; Augusta interchange.*
ST v Fore River: ST not responding to discovery.*
Searsport: Maine selects Moffatt & Nichol; no conflict with Montreal work.*
Searsport: Wind turbine parts trucked out.

**MASSACHUSETTS**

[No report.]

**NEW HAMPSHIRE**

NH: Correction on bill to study state purchase of rail lines. Did not pass the Senate.*
ST v NEGS: Two sides say they are negotiating.*

**RHODE ISLAND**

Proport: Two parcels left for development.*
PW: Update on fuel facility in East Providence, and loop track in Providence.* Map.

**VERMONT**

Legislature: Passes rail budget, but guv vetoes.
VRS: Update on service and track.

**MARITIMES/QUÉBEC**

Halifax: 1Q09 down, as are other ports. Table of last twenty years.
Sydney: Dredging could begin this autumn.*
Sydney/SCR: NSPI cannot use Donkin coal currently, because of mercury limits.*

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

NHCR honorable mention,* Joe Riccio*

**FROM THE PUBLISHER**

High-speed rail
New England DOTs and other governmental organizations are readying bids for the $8 billion in stimulus funds. Because this newsletter covers freight, I have not spent much time on this potential injection of rail spending, instead concentrating on freight.

But investments to help passenger rail will help freight. So next issue, look for some evaluation of where things stand.

- Chop Hardenbergh  Next formal issue 15 June

NS-ST/P. A. SOUTHERN

The Norfolk Southern Railway (NS) and the Pan Am Railways (ST) created the Pan Am Southern Railway (PAS) to operate all of ST’s lines west of Ayer. This section covers that deal, approved by the STB on 10 March. The railroads say they will create PAS in May.

PAS: OPERATION DATE?

No official date has emerged for the date PAS officially begins, or began, operations. However, VRS understands that PAS will begin providing NS haulage on 1 June. [See Vermont.]

PAS: TO HANDLE FORDS?

28 May. WILL FORD OCCUPY THE MECHANICVILLE AND AYER AUTO FACILITIES?

Note: Unconfirmed reports say yes, Ford will move to these two new facilities, but the decision is probably not yet made. As described below, NS now has no facilities from Albany east, and is negotiating a new contract with Ford. It would make sense to assume that NS is telling Ford, as they negotiate, that NS can handle New York and New England, and Ford need not use CSXT, as it does now, to handle that region using Selkirk and East Brookfield. {editor}

The reports

NS and PAS have begun constructing the new auto facility in Ayer, at the former San Vel site. Ayer Selectmen Carolyn McCreary and Jim Fay said that their sources indicated Ford would use the Ayer site, though Fay said that was based in part on discussions going back to the early 2000s. {ANR&P discussion with McCreary 27.May.09, with Fay 29.May.09}

A usually reliable source at a foreign auto manufacturer said Ford definitely will move into the Mechanicville site. {ANR&P discussion 29.May.09}

However, another railroad source familiar with Ayer said the San Vel site, now set for only 810 cars [see 09#05A Massachusetts], could easily become an intermodal facility “if NS does not land the Ford contract.” The tracks are set up so that an overhead packer could load/unload containers or trailers. She also noted that the intermodal facility in Ayer is getting crowded. 1

“The 810 is not very big. East Brookfield has a capacity for 5000 parking spots, and San Vel could do 5000.” {ANR&P discussion 29.May.09}

New England and Albany region auto facilities

CSXT: East Brookfield, Massachusetts. Nearly all auto manufacturers now use this terminal to serve New England.

CSXT: Selkirk NY. This is the only auto terminal in the Albany region. 2

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1NS and ST said in their May 2008 filing (Introduction, page 3) that NS would expend funds to improve the Ayer intermodal facility; no mention was made of using the San Vel site for intermodal. However, the filing did say that NS would construct a bulk corn syrup facility there with three car spots [see 08#06A].

NS and ST did say in the filing that as soon as the CSXT terminal in Ayer becomes available (2017) PAS would move the auto handling to that site [see 08#06A].

2In 2006, American Honda honored the Selkirk auto terminal for on-time performance; the car company ships about 55,000 vehicles through the terminal each year. CSX operates 37 automobile terminals across the country, said Andrew Strok, CSX’s assistant vice president for the corporation’s...
CP: Voorheesville NY. Located in the Northeast Industrial Park, this facility stands empty, CP did serve it for some months in 2000.  

PW: Davisville RI. Subarus, Audis, Volkswagens and Bentleys from overseas arrive here, as well a few autos delivered from North American production facilities moving on spot contracts.

ST: Charlestown, Massachusetts. This facility was once served by ST, but low clearances prevent tri-level autoracks from reaching it. It still receives imports by ship.

Mechanicville and Ayer operational dates
NS and PAS have begun constructing the new auto facility in Ayer, according to McCreary [see 09#05A Massachusetts] at the former San Vel site, with a target date of December 2009. NS’ McClellan said Mechanicville would be finished in July 2010, with 690 spots [see 09#04B NS-ST]

The agreement between Ford and UPS
In 1999, UPS created Autogistics. UPS subsidiary UPS Logistics had long served auto industry heavyweights such as [former manufacturer] DaimlerChrysler, Toyota and Honda.

Autogistics assumed the lead role in re-engineering Ford’s finished vehicle delivery network, with the goal of reducing by up to 40% delivery time from Ford plants to dealers and customers. {UPS press release 8.Mar.00}

According to UPS spokesperson Dan McMackin, the deal remains in effect, though “some things are done differently than in 1999. Autogistics no longer sources contracts for railroad operations. Ford contracts directly with the railroads.”

Autogistics takes responsibility for “time in transit,” McMackin said. “We re-engineered Ford’s entire process, and took it from 20 days to nine.”

Autogistics does not manage loading or unloading terminals, but does study how to get the job done, talking to the loading contractors. Ford or NS arranges for the terminal operator.

Autogistics works with CSXT and other railroads to move vehicles for Ford when NS does not have terminals in the region. With Ford, UPS has a “great relationship,” said McMackin. “They’ve been a trusted customer for a long time.” {ANR&P discussion 28.May.09}

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The terminal can accommodate up to 4,150 cars at a time, said Robert Coggins, regional manager for CSX automobile business. The 65-acre automobile terminal handles about 250,000 cars annually. It has 73 railcar spots, and can process as many as 90 railroad cars daily. {Eric Durr in Albany Business Review 20.Oct.06}

3 The Park is actually served by short line SMS Rail Services (SLRS), which took over from CP in 2007. SLRS interchanges with CP in Delanson, and with CSXT at the Park. {ANR&P discussion with SLRS marketer John McCreavy}

4In 2000, Ford decided to use the Voorheesville facility beginning in May, for the remainder of the year. NS picked up the vehicles at Ford’s mixing center in Fostoria, Ohio, and delivered them to CP in Buffalo.

Prior to the D&H company’s bankruptcy and subsequent purchase by Canadian Pacific, the D&H moved Volkswagens arriving at the Port of Albany. D&H also handled overflow traffic for Conrail’s auto facility in Selkirk.

CP delivered 50 carloads every other day to the terminal. Complete Auto Network unloaded the railcars into the 17-acre Voorheesville facility. The autos were then drayed to Boston, New York City, Syracuse, Vermont and other Northeast markets. {Joanne Mcfadden in Albany Business Review 19.May.00}

SLRS President Jeff Sutch said that the facility stands empty now, and is available both for autos and for other traffic. {ANR&P discussion 28.May.09}
NS is the largest rail shipper of automotive products in North America. Fourteen of the last 24 assembly plants to locate in the United States have chosen Norfolk Southern to be their serving carrier. NS serves 24 auto assembly plants, 31 auto distribution terminals, three Just-In-Time (JIT) Rail Centers, and four vehicle mixing centers strategically positioned throughout our network. NS transports auto parts to assembly plants and after-market distribution centers and delivers finished vehicles to market.

The agreement between Ford and NS

In 1996, then-NS President David Goode announced that “Ford Motor Company awarded us a 12-year contract to distribute new vehicles to dealers through a network of mixing centers. This network will enable Ford to reduce delivery times and save inventory costs for its 21 North American assembly plants. When the network is fully operational in 1998, Norfolk Southern expects to increase its motor vehicle business with Ford by 60%.” {Remarks to Salomon Brothers Transportation Conference New York, New York 12.Nov.96}

In 2009, Don Seale, NS chief marketing officer, said in a presentation to analysts on 22 April: “We do have the Ford contract ending at the end of this year. We are in dialogue with them about that contract.” Wick Moorman, president, added: “everyone is still looking at all of the Detroit three right now in terms of where they will be in six months time. So I think that's an issue that's just still very murky for us.” {NS website}

On-the-record comments

UPS did not address the question of New England terminals [see footnotes]. NS spokesperson Rudy Husband wrote: ‘It is premature for Pan Am Southern to be publicly discussing commercial or operating matters at either the Mechanicville or Ayer terminals.’ {e-mail to ANR&P 28.May.09}

Ford has not yet responded to a request for comment. {editor}
OTHER REGIONAL

ST&WACR: FERTILIZER CUSTOMER
27 May, Lyndonville. NORTHEAST AGRICULTURAL SALES OPERATES TWO FACILITIES ON RAIL, one on WACR and one on ST. An official with Northeast who handles the railcars, explained:

WACR service to Lyndonville, Vermont
Northeast opened its original facility on the WACR. The official called WACR service “awesome. They are great. They communicate with me.” She had an incoming car set out elsewhere because of “broken brakes.” The railroad called her every day about the car, until “I got it this morning.”

He did wish more frequent service than the thrice weekly [see Vermont] but the frequency is acceptable.

ST service to Detroit, Maine
In December 2007, Northeast took over the former Cavendish fertilizer plant in Detroit [our Directory #860–see 07#08A for closing] and has a truck-served warehouse in Leeds Junction [not the former Cavendish rail-served facility–see below].

ST rail service could be better, the official said. He did praise the handling out of Waterville yard. \{ANR&P discussion\}

Leeds Junction facility
Northeast Ag also has a facility in Leeds Junction, though not on the rail line. Cavendish formerly had a facility in Leeds Junction [see 04#03A] which closed in 2005. \{ANR&P discussion with Steve Lajoie, Cavendish regional sales manager, in 2005\}

The Northeast Ag warehouse lies on Leeds Junction Road in Wales, Maine, about a half mile from the track. Trucks deliver bags of fertilizer there. \{ANR&P discussion with local official 28.May.09\}

NBSR/ST: INTERMODAL*
18 May, Old Town. ST WAS HAULING INTERMODAL EQUIPMENT SOUTHBOUND in Maine on MABA [Mattawamkeag-Bangor] this day. Among the 70 cars, an unusually high number, a Bangor rail observer spotted two chassis and one CSX container. \{e-mail to ANR&P\}

NBSR and ST are experimenting with intermodal moves between New England and the Maritimes, according to both David Fink, ST president, and Ian Simpson, NBSR general manager [see 09#04B NS-ST deal]. Simpson said on 27 April that NBSR is working with ST, CSX, and Alliance Shippers\(^6\) and others to and from the Maritimes, testing the service. “We are hoping there is a market for it, and it will grow. How receptive is the market, if we can improve the connections for Atlantic Canada?” \{ANR&P discussion\}

Beginning in late 2008, rail observers reported CSXI equipment moving through Maine, including empty and full well cars. \{e-lists\}

MONTREAL: DOWN IN APRIL
28 May. THE PORT OF MONTREAL REPORTED ITSELF ‘RELATIVELY OPTIMISTIC ABOUT THE FUTURE, although a 22.5% drop in April container traffic reduced performance that has proved comparatively strong against competitors. Coming off a record-setting 2008, and a first quarter in this recession year that recorded traffic downturns not as steep as those elsewhere in North America, the April decline left a cumulative drop of 12.3% in TEUs and a year-to-date drop of 17.3% in tonnage handled.

The port handled 404,539 TEUs during the first four months of the year and 3.7 million metric tons. Sylvie Vachon, acting president of the Montreal Port Authority said at the Port Authority’s annual meeting that container handling reached 1.5 million TEUs in 2008, a growth of 8.1%. Container tonnage climbed 7.4% in the record year

\(^{6}\) Alliance Shippers, an intermodal marketing company, once used the Waterville intermodal service when ST and NS operated that. See 02#12A.
to 13.3 million metric tons.

For the first quarter this year, as the world recession deepened, she said, Montreal had been alone in North America in keeping its downturn in the number of containers handled to below 10%. She credited the port’s structural advantages and its market diversification. {text in French and English on Port Authority website}

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**CONNECTICUT**

**NECR: CUSTOMER CLOSING**

29 April, Franklin. **CARGILL WILL CLOSE ITS ANIMAL FEED MILL HERE** on 1 August [our Directory #705]. A decline in orders caused the closing, First Selectman Rich Matters said on 5 May. Cargill bought the 6.7-acre site from K&L Feed Mill Corporation in 1997.

Matters added that Cargill, which occupies the No. 4 position on the town tax rolls for its real estate and personal property holdings, would be knocking down the silos off Route 32 that have become a landmark over the years as well as a testament to the town's agricultural heritage. {Lee Howard in grainnet website 6.May.09}

**ST: COMMUTER IN CONNECTICUT**

20 May, Bristol. **THE LINE BETWEEN WATERBURY AND BERLIN MUST BE COMPLETELY REPLACED**, according to ConnDOT Commissioner Joseph Marie, in order to operate passenger service. He told a chamber of commerce breakfast meeting. “I want to build rail lines. They make sense, but this one will take building consensus, and that takes longer than construction.”

Pan Am Railways estimated that it would cost $52 million to bring the tracks up to federal standards for passenger service [see 09#02A]. After inspecting the route, Marie said: “To say it needs an overhaul is an understatement. Nothing on that line is salvageable, not a piece of infrastructure is usable.”

“I was glad I was wearing a hard hat” passing through the Terryville Tunnel, on the Waterbury to Plainville stretch. Pieces of the concrete lining have fallen over the decades, and it's unknown what improvements the Federal Railway Administration would require before approving passenger service through the tunnel.

State Senator Donald DeFronzo, D-New Britain, who co-chairs the General Assembly's transportation committee, said legislators will move forward with plans to commission a $250,000 study on commuter service feasibility. DeFronzo and others have said that establishing a rail route is more sensible than going forward with the $570 million New Britain to Hartford busway that Marie's agency is designing. {Don Stacom in Hartford Courant 21.May.09}

Milford to Waterbury is “first class railroad,” said Marie but needs a second track. That project must be finished before the Waterbury to Hartford line. {Jackie Majerus in New Britain Herald 21.May.09}

**Busway**

If the federal government comes through with $275 million later this year, how soon could commuters expect that rapid transit buses would begin shuttling between New Britain and Hartford on a new busway? Sometime in late 2013, according to state transportation officials. Even though the long-discussed Hartford-to-New Britain busway is years behind schedule and far over original budget, planners say the project is on track now. And they're inviting the public to see their plans for a roughly 9.5-mile bus highway with 11 stations.

Most everyone involved in Connecticut transportation planning agrees that the busway stands to substantially affect Greater Hartford's transit patterns and New Britain's prospects for revitalization. But that's where the consensus ends: Advocates say it's the most economical and practical way to create rapid transit — and new commercial development — along a heavily used corridor, while opponents call it an already outdated boondoggle that will kill chances to build a better commuter rail network for central Connecticut. {Don Stacom in Hartford Courant 19.May.09}
MAINE

MERR: CEMENT UPDATE*
18 May, Rockland. THE SUSPENSION OF DRAGON CEMENT WILL NOT AFFECT THE RAILROAD MUCH, said Denny Mohn, MERR general manager.

Dragon operation
Dragon Products’ cement plant in Thomaston [our Directory #893] will institute a temporary worker layoff and four- to six-week production shutdown starting 25 May. “The business is pretty bleak in construction,” said plant manager Ray DeGrass. “We forecasted that 2009 would be worse than 2008, but it was worse than what we forecasted.”

These temporary layoffs, which DeGrass said will affect an undetermined number of the plant’s 110 employees, come on the heels of a permanent work force layoff of 20% in January.

“All of New England is very hard-hit, Maine more so than our Boston-area market,” DeGrass said. The changing dollar exchange rate meant that the company is no longer competitive in Canada. Altogether, the cement plant’s business is more than 30% behind budget. DeGrass said it’s not clear if demand for cement will increase this summer. {Abigail Curtis in Bangor Daily News 13.May.09}

Barge operation
Mohn said MERR would continue to move cement to the barge terminal in Rockland [our Directory #897] because Dragon’s sister terminal, Coastal Cement, in Boston continues to send out cement. But the move of cement to Quebec by rail would stop.

New cement move
Dragon and MERR are still working on winning the contract to move cement to Pennsylvania [see 09#04A], Mohn reported.

Use of Augusta interchange
The plans to re-open the ST-MERR interchange in Augusta, which arose in conjunction with the formation of PAS [see 08#09A] depend upon the rehabbing of the Brunswick-Augusta tracks. That in turn depends upon the restart of tourist or passenger service on that stretch, which will occur once Amtrak gets to Brunswick. [The possibility of that in the near future is receding as the state budget deficit balloons. Editor] {ANR&P discussion}

ST: CUSTOMER REORGANIZING*
28 May, Scarborough. NORTHEAST PAPER INTENDS TO CONTINUE TO OPERATE, following its filing of Chapter 11 bankruptcy protection the previous week. An official at the company sounded optimistic about the future, saying that “we expect to handle quite a bit of product” coming down from another customer.

In 2004 [see 04#01A], CEO Ralph Carpenter reported Northeast Paper did 200 inbound carloads a month, and 25-30 outbound. The official reported that Northeast in 2009 was doing more than 1500 carloads a year, “between inbound and outbound,” and should continue, “as long as we get good rail service.”

What happened to Merrill Domestic Distribution?
Carpenter owned Northeast Paper [our Directory #28-1] which does cutting and sizing for smaller paper customers. As of 2004, he also had a majority share of Merrill Domestic Distribution, with a minority held by P.D. Merrill; this company [our Directory #28] provided logistics and warehousing to the paper industry, receiving and shipping via rail and truck. According to the official, Merrill Domestic Distribution was folded into Northeast Paper. {ANR&P discussion}
ST/FORE RIVER: STB PROCEEDING*

26 March, DC. **ST AND FORE RIVER MAY RESOLVE THEIR DEMURRAGE DISPUTE**, according to a decision this day by the STB. In 2007, ST sued Fore River Warehousing [our Directory #5] to collect allegedly due demurrage on railcars at the warehouse. The court referred the matter to the STB, which set a deadline of 13 April to complete discovery. In a decision issued this day, the STB wrote:

‘In a motion filed on March 20, 2009, the parties jointly request that the Board modify the procedural schedule. They propose a new schedule, in which the deadline for completion of discovery is July 1, 2009, Fore River’s reply statement is due by September 1, 2009, and ST’s rebuttal statement is due by September 25, 2009. The parties state that Fore River already has served document requests and interrogatories on ST, but agree that they need more time to locate, review, and produce documents, to schedule and conduct depositions, and to receive and review discovery. They also state that they have discussed the possibility of settlement.

‘The request is reasonable. Accordingly, the deadline for completion of discovery will be extended to July 1, 2009, Fore River’s reply statement will be extended to September 1, 2009, and ST’s rebuttal statement will be extended to September 25, 2009.’ {STB decisions page, STB Docket No. 42108}

Apparently no settlement by mid-May

On 18 May, Fore River filed with the STB a motion to compel ST to produce responses to its discovery requests. The company noted that ST had missed its 1 April deadline for responses, and had still not produced responses by 18 May. Fore River asked the Board to further extend the deadlines it changed in March. {STB filings page, STB Docket No. 42108 18.May.09}

SEARSPOINT: CONSULTANT*

18 May, Augusta. **MDOT HAS SELECTED MOFFATT & NICHOL TO FIND A 'COMPANY TO DEVELOP A CONTAINER/CARGO TERMINAL' for Sears Island.** [See 09#04A and box for scope of work.] {e-mail to ANR&P from Maine Port Authority Executive Director John Henshaw}

**SCOPE OF WORK FOR SEARS ISLAND CONSULTANT**

Selected terms of scope of work as specified by the Maine Port Authority:

- Define the process for moving the project forward and a go-to-market strategy
  - Identify all steps in process to market the port and develop the terminal
  - Create a strategy to market the port

- Identify potential port developers
  - Create list with contact information

- Draft and distribute a Prospectus and a Request for Proposals (RFP)

- Assist in determining criteria for proposal selection

- Assist in selecting successful candidate(s) (if a slate of developers is identified)’ {from RFP on MPA website}

Moffatt & Nichol contract in Montreal

According to a 5 May press release, the Montreal Port Authority has engaged M&N to ‘prepare the detailed development plan, complete preliminary engineering, and develop contracting strategies for the construction of the new Hochelaga-Viau container terminal, and re-development of the Laurier-Tarte break-bulk terminal. This mandate is related to Phase two of the Port of Montreal’s Vision 2020 strategic plan.

‘Moffatt & Nichol, through its Vancouver office, completed the Port’s Ten Year Master Plan in 2007 and concept plans for the Hochelaga-Viau container terminal in 2008.

‘This new four-phase contract will comprise developing and expanding concept plans into a comprehensive integrated master plan, which will rely on planning and simulation models developed by Moffatt & Nichol earlier when preparing the Port’s Ten Year Master Plan.

‘The firm will then collect and prepare primary data, studies, drawings, specifications, budgets, schedules and contracting strategies to develop the many facets of the project which will include container, liquid bulk, dry bulk and break-bulk facilities. The centerpiece will be the new 510,000 TEU per annum Hochelaga-Viau container
terminal.’ {M&N press release}

**No conflict of interest seen**

Has M&N, working for possible direct competitors, placed itself in a conflict of interest situation? John Henshaw, MPA executive director, wrote on 20 May: ‘I see no conflict.’

John Menge, director of business development for Moffatt & Nichol, addressed whether, by helping both Searsport and Montreal, the company could find itself in a conflict of interest. In general, he noted, ports have not perceived conflicts in this situation.

As one of the largest economic planning and engineering firm in the United States, “we have worked for every major port and shipping line at one point or another.” Moffatt & Nichol handles projects for rival ports often; Menge listed Los Angeles and Long Beach, or Vancouver, Tacoma, and Seattle, as examples.

In this specific case, the firm is designing a terminal for Montreal, and for Searsport “helping with the process to identify to someone who can potentially develop” Sears Island. The firm will not find the specific developer, nor even contact potential developers of Sears Island. [See box]

Under the MPA scope of work, Menge said, his firm “can only work for the port authority on this project,” and cannot to work for whomever can be selected to develop the port. Nor would Moffatt & Nichol develop the port itself. “We never act as a developer, nor build for our own use.” {ANR&P discussion 19.May.09}

**SEARSPORT: WIND TURBINES**

1 June. *THIS PORT IS ALSO MOVING THE PARTS OF WIND TURBINES.* TransCanada will start moving sections of 22 wind turbines through Maine from Searsport to Stratton.

TransCanada is in the process of building the $320 million Kibby Wind Power Project in Kibby Township, on Kibby and Kibby Range mountains. {Donna Perry in Lewiston Sun-Journal 1.Jun.09}

**Sprague at Searsport**

Sprague official Armand Demers in May responded to reports that the turbine parts had used all vacant land at the port. ‘Although we have a lot of components on the ground, there is still a great deal of space that can easily be graded to accept many more shipments. The components that we have on hand are going to start shipping at the end of this month at a very rapid rate, so we will have plenty of capacity.’ {e-mail to ANR&P 15.May.09}

**NEW HAMPSHIRE**

**NH: CORRECTION LEISHMAN BILL**

*THE BILL TO STUDY STATE PURCHASE OF RAIL LINES FAILED TO PASS THE SENATE,* contrary to the statement in 09#05A. The Senate Committee on Transportation and Interstate Cooperation voted 3-1 that HB613 was ‘inexpedient to legislate.’

Leishman wrote on 18 May that ‘Rob Culliford [ST general counsel] came and testified against it and he must have been compelling. Said if the bill passed they wouldn't entertain commuter rail service from Lowell to Concord....’ {e-mail to ANR&P} [Culliford made the same point to the House committee, but the House passed the bill–see 09#03A.]

**Action on 20 May**

The Senate on 20 May ‘voted to table this bill. I was not there to hear the discussion but by placing the bill on the "table", the Senate can act on the bill whenever they meet again or at some future session. This option allows them to either follow the committee's recommendation, amend the bill or pass it as adopted by the House.’ {e-mail to ANR&P from Leishman}
ST/NEGS: STB PROCEEDING*

15 May, DC. **ST AND NEGS MAY RESOLVE THEIR LEASE DISPUTE**, according to a decision this day by the STB. ST had given notice [see 09#04B] that it would file the petition for adverse discontinuance against NEGS, requiring NEGS to stop operating between Concord and Manchester. The STB noted:

‘Pan Am states that the application must be filed on or about May 15, 2009, since it mailed notice of intent to file the application on April 17, 2009, and published notice in newspapers of general circulation on April 22 and 29, 2009 and May 6, 2009. Asserting that the parties have been engaged in negotiations to resolve the matter and that they appear productive, Pan Am requests that the due date for filing the application be extended to June 19, 2009. Pan Am states that NEGS does not object to the extension.’ {STB decisions page, STB Docket No. AB-32 (Sub-No. 100)}

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RHODE ISLAND

PROVPORT: TWO PARCELS LEFT*

21 May, Providence. **THE PORT HAS ONLY TWO PARCELS LEFT FOR DEVELOPMENT**, according to preliminary data from the University of Rhode Island’s Coastal Resource Center. A recent inventory report requested by the Coastal Resources Management Council details the number of vacant parcels in Rhode Island which are within 200 feet of a navigational channel with 25+ feet of water depth, i.e. ideal for marine industrial development.

Publicized in a press release from the Providence Working Waterfront Alliance for use in a hearing on working waterfront legislation at the Rhode Island General Assembly, the Providence map shows [with a bit of inaccuracy—see map] the two parcels Provport could use to expand [see 09#04A]:

- **Container feeder.** National Grid’s parcel in the north end which a potential container feeder operation might use.
- **Expanded bulk handling.** The city’s parcel in the south end which could be used for more bulk handling.

**General finding**

WWA noted the report finds statewide only 12 parcels fitting these criteria and only six of which are zoned for commercial/industrial use. {Providence Working Waterfront Alliance press release}
Provport new loop track. Dotted line. (courtesy Provport)
**PW: NEW FACILITIES**

27 April, Worcester. **CONSTRUCTION OF THE LIQUID BULK TERMINAL IN EAST PROVIDENCE** has not yet moved forward, said PW officials at the annual meeting here [see other stories in 09#05A Other Regional]. The easement to run pipes under city streets from Capital Terminal to a loading rack south of King Philip Road [see 07#08B Rhode Island] is in place.

Global, which has leased the Capital Terminal property, “has no need for a rail connection yet,” they said. With the impending biodiesel mandate [see 09#05A Rhode Island], that may change. {ANR&P coverage}

**The second loop track in Provport**

Likewise, the railroad has not begun work on a second loop of track at the Provport piers. [In 2003, PW extended the coal loading track from berths 3 & 4 up to berth 5. See 03#04A. The 2002 Annual Report said unit coal trains started in 2000, and PW began using 50-car unit trains in 2002.] It would extend the existing stub where coal is loaded (next to Berths 3 and 4), around Univar (but not use either Univar spur) to connect with the line running parallel to Fields Point Drive [see map, and whole port map in 07#04A].

Creating the loop would provide for easier loading of coal trains. But the Three Flags scrap export operation will need to move.

**What about the Three Flags scrap operation?**

Three Flags Stevedoring is a sister company of State Line Scrap in South Attleboro, Massachusetts, served by PW [our Directory #464]. State Line drays scrap for export to Provport.

Bruce Waterson, head of Waterson which operates Provport, wrote: ‘Three Flags’ lease is up at the end of the year and we are relocating them in back of berth 3 by Schnitzer Steel. This will allow for the loop track. We have applied for federal grant money for this project and at this point in time it looks promising.’ Three Flags will fit between the Marine Terminal Building and the Schnitzer Steel site. The port will demolish the former Patriot Metals office, but Washington Mills will remain.

Three Flags will have rail access; Waterson did not know whether the company would use it. Instead of the existing crane at berth 6, Waterson Terminal Services will load the Three Flags scrap using its floating crane at an available berth. It will scrap the existing, inoperable container crane now at berth 6. {e-mail to ANR&P 20.May.09}

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**VERMONT**

**VERMONT: LEGISLATIVE ACTION**

1 June, Montpelier. **THE GOVERNOR WILL VETO THE BUDGET,** probably this day, according his statements in May. Whether the General Assembly has the votes to override remains in question. {Vt buzz (Burlington Free Press blog) 29.May.09}

**AS PASSED BY THE HOUSE AND SENATE,** the capital budget bill, H.438, contained these sections:

**Sec. 14. RAIL**

(a) Spending authority for passenger rail service (Amtrak contract) is amended to read:

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</tr>
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<tbody>
<tr>
<td>Other</td>
<td>3,300,000</td>
<td>3,700,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Total</td>
<td>3,300,000</td>
<td>3,700,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Source of funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>3,300,000</td>
<td>3,700,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Total</td>
<td>3,300,000</td>
<td>3,700,000</td>
<td>400,000</td>
</tr>
</tbody>
</table>

(b) Spending authority for rail property lease and encroachment management is amended to read:

<table>
<thead>
<tr>
<th></th>
<th>FY10 As Proposed</th>
<th>As Amended</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>300,000</td>
<td>212,761</td>
<td>-87,239</td>
</tr>
</tbody>
</table>
(c) In the event the July 2009 consensus forecast for fiscal year 2010 transportation fund revenue is increased by at least $800,000, $800,000 of transportation funds and $3,200,000 of western rail corridor federal earmark funds shall be used to purchase $4,000,000 of continuously welded rail for installation along the western corridor.

**Sec. 21. APPLYING FOR AMERICAN RECOVERY AND REINVESTMENT ACT FUNDS**

The agency shall apply for a grant of rail infrastructure discretionary ARRA funds to cover, in whole or in part, the cost of upgrading the state's western rail corridor for intercity passenger rail service to and from Burlington, Rutland, Bennington, Vermont and Albany, New York. In applying for a grant, the agency shall consider all possible sources of nonfederal match dollars which could be included in and would thereby strengthen the application. The grant application shall state that priority will be given to the purchase and installation of continuously welded rail for the western corridor.

**Sec. 62. PASSENGER RAIL EQUIPMENT**

In consultation with the joint fiscal office, the agency shall examine the alternatives and relative costs and benefits and service implications available to the state with respect to the purchase of passenger rail equipment to be used in place of the existing Amtrak equipment employed in the *Vermont* and *Ethan Allen* services, including the purchase of refurbished equipment. The agency shall deliver a report of its analysis to the house and senate committees on transportation on or before January 15, 2010.

**Sec. 115. 2006 STATE RAIL & POLICY PLAN**

Consistent with the 2006 State Rail & Policy Plan, the agency shall estimate the total cost of (1) upgrading the western corridor rail line for passenger rail service to and from Burlington, Rutland, Bennington and Albany, New York, (2) operating a passenger rail service from Burlington to Rutland connecting to White Hall, New York and (3) operating a passenger rail service from Burlington to Rutland to Bennington connecting to Albany, New York. The agency shall present its analysis to the House and Senate committees on transportation by January 15, 2010.

**VRS: UPDATE ON SERVICE, TRACK**

26 May, Vermont.  *AN UPDATE ON VRS SERVICE AND TRACK* came from David Wulfson, VRS president, and Doug Zorzi, rail projects manager for VAOT.

286 line for Omya

Zorzi explained that AOT would bid the work on the fourth of five bridges between Florence and Rutland in the July-August period. Bridge #215 carries the rail line over the Otter Creek near Omya’s processing plant [our *Directory* #1122]. The fifth, #219 also over the Otter Creek immediately south of Kendall Hill Road at the switch for Omya, Zorzi anticipated bidding in the beginning of 2010. VAOT will have made all bridges capable of handling 315,000-pound railcars [the next step up from 286,000-pound cars].

The completion of these two bridges will make the entire route from Florence to Whitehall and interchange with CP 286-capable, said Wulfson. CLP [which Wulfson et al own independently of the VTR, WACR, and GMRC ownership–editor] has been 286-capable.

**WACR service**

MMA cut its service over most of its system to thrice weekly [see 09#02A]. WACR has cut its service from five to three weekly trains to match the MMA [see *Regional*]. “Nothing stops. Traffic actually moves better,” said Wulfson. The two railroads are contemplating run-through power to improve service even more.

**ST interchanges**

The Hoosick gateway, opened with ST in 2008 [see 08#04A], is working well, said Wulfson. He declined comment on the requests and statements he made to the STB in 2008 relating to service on the ConnRiver line [see 08#08A].
He is “looking forward to the NS connection,” when VRS will, via PAS haulage, directly connect with NS at Hoosick. He expects that to begin 1 June. {ANR&P discussions}

**QUEBEC/MARITIMES**

**HALIFAX: 1Q09 RESULTS**

late May. ‘**THE FIRST THREE MONTHS OF 2009 CONTINUED TO BE CHALLENGING FOR THE PORT OF HALIFAX** as the economic downturn persisted. However, like many ports worldwide, the decrease in cargo throughput appears to be less severe as compared to the fourth quarter 2008. North American port container throughput declined 15% in January, 30% in February, and 14% in March 2009 (Drewry).

‘As cargo importers and exporters continued to experience a weaker demand for their products domestically and internationally, the port's cargo statistics for Q1 2009 reflected the continued recessionary trend of the overall economy.

**Containerized down**

‘Container volumes at Halifax declined 29.9% for the quarter, as compared to Q1 2008. However, volumes declined 17.7% compared to Q4 2008. Total throughput for Q1 2009 was 70,347 TEUs.

**Bulk up**

‘Bulk cargo grew by 24.3% to 1,732,290 metric tonnes (versus Q1 2008). Bulk cargo throughput rose by 8.3% from Q4 2008, primarily due to an increase in crude oil imports and refined oil exports.

**Ro/Ro down**

‘Ro/Ro cargo declined 18.4% (compared to Q1 2008) to 48,980 metric tonnes. As compared to Q4 2008 it dropped by 34.9%. Automobile imports account for the decline in this category.

**Breakbulk down**

‘Breakbulk cargo declined by 39.1% in Q1 2009, as compared to Q1 2008. Total breakbulk cargo was 27,288 metric tonnes for Q1. It declined 41% over Q4 2008. Steel and large equipment imports and exports account for much of the decreased volume.’ {HPA website, ‘Statistics’ page}

**General decline**

As the port authority stated, all North American ports have declined. However, Halifax TEU numbers grew out of a 1993 low to 2000, remained roughly level 2000-2005, and then declined, even as the rest of North America was surging. [See table.]

**HALIFAX: ANOTHER LOSS**

29 May. **MELFI WILL MOVE ITS INBOUND CALL TO MONTREAL**, according to a spokesperson at Protos Shipping Limited, the agent for Melfi.

The line isn’t leaving Halifax completely but starting in the middle of June will make its inbound call from the Mediterranean into Montreal instead of the Nova Scotia port. By moving the inbound leg to Montreal, Melfi hopes to get closer to its customers and “then retain their market share for those cargoes.” Among imports from such countries such as Italy are ceramic tile, marble, some textiles and canned goods.

Melfi has been calling Halifax every two weeks since 1992 and is using vessels with a capacity of about 1,400
According to Protos, Melfi was making up to 250 container moves at each Halifax call. Melfi does plan to maintain its service in Halifax on the outward leg to Cuba, however. “Export wise, things are quite strong into the Caribbean/Cuba market,” the Protos official said.

The first sailing out of Montreal will be about June 15. Melfi will stop in Halifax for export cargo. {Tom Peters in Canadian Sailings 27.May.09 cited in CIFFA Bulletin 29.May.09}

### SYDNEY: NEXT STEPS*

21 May. **STAKEHOLDERS ARE DRAFTING AN RFP FOR THE HARBOR DREDGING**, said Jim Woorder of Laurentian Energy, spokesperson for the Sydney Marine Group. After the “great news” of the federal and provincial permitting plus the NSPI announcement of $1 million in support [see 09#05A], he expects to get the RFP for the dredging and construction of the container terminal on the street by the end of June.

While “time is tight for this year,” Woorder said the developer could “build a berm this fall,” and dredge in the December-January time frame. “That’s possible, but not ideal.”

The price for the dredging should drop, given the decline in available work. Moreover, the pre-qualification process showed the Group that it did not need a dredger which could do 43,000 cubic meters/hour; a 20,000/hour machine would suffice. Target: a 17-meter channel for the Capesize bulkers. The inner harbor already has at least 18 meters.

The RFP will establish the price. The people paying for the dredging, said Woorder, want to know what it will cost. {ANR&P discussion}

### SYDNEY/SCR: COAL NOT CLEAN*

20 May, Halifax. **NOVA SCOTIA POWER WOULD LIKE TO BE ABLE TO USE DONKIN COAL** because it is a local resource, but there are some major challenges with the coal that would need to be dealt with first,” wrote Jennifer Parker, an NSPI spokesperson. ‘We have been working with/ communicating with Xstrata about the Donkin project.

‘The main challenge is that the coal is very high in mercury. Nova Scotia Power has invested in (and is currently investing in) technology to reduce emissions from our coal plants, including mercury. Government regulations on mercury require a reduction from 168 kilograms [per year] to 65 kilograms from 2009-2010, so we are currently very focused on meeting this new target.

‘That new target does not leave us any room to burn a coal like Donkin in its current state. We have had discussions with Xstrata around what can be done to the coal or the plants that burn it to reduce mercury emissions. We remain interested in potentially using this fuel if the challenges in terms of environment can be solved.’ {e-mail to ANR&P}

[See Xstrata interest in 09#05A in using NSPI generators to burn the test coal it wants to mine in Donkin.]
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.

Ayer San Vel (PAS, Massachusetts–see Regional)
Capital Terminal (PW, Rhode Island) Not open.
Cargill (NECR, Connecticut #705) Closing.
Dragon Cement (MERR, Maine #893) Suspending.
Fore River (ST, Maine) Lawsuit friction.
Northeast Ag (WACR, Vermont #1013) Excellent service.
Northeast Ag (ST, Maine) Bought Cavendish.
Northeast Industrial Park (SLRS, NY–see Regional)
Mechanicville (PAS, NY–see Regional)
Northeast Paper (ST, Maine #28) Chapter 11.
Three Flags (PW, Rhode Island) Moving in Provport.
Xstrata (SCR, Nova Scotia) Looking for coal buyers.

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Chop Hardenbergh, publisher

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m.laughlin@atlanticnortheast.com
Vox: 617-489-4383        Fax: 617-507-0472

PEOPLE

Ed Jeffrey’s railroad received an honorable mention from Railway Age in the railroad of the year competition. ‘Founded in 1993, [New Hampshire Central Railroad] has survived through its region’s economic downturn by developing new business,’ said the magazine in its April issue. [Ed likes to remain in the background. I only found out about this reading Railway Age, which I do slowly through the month. Editor]

Joe Riccio, executive director of the Bridgeport Port Authority, has assumed the chair of the Connecticut Maritime Commission.

ATLANTIC NORTHEAST CONSULTING

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Contact Chop Hardenbergh
consulting@atlanticnortheast.com
207-846-3549
Atlantic Northeast Rails & Ports 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.’