**Article unchanged from e-bulletin.**

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

### REGION

**NS/CP/PAS:** Mechanicville intermodal terminal’s effect on CP’s Kenwood terminal. **Maps.**

**SLR/MMMA:** Fraser’s Gorham, Madawaska, Edmundston, East Millinocket continue to operate in Fraser’s bankruptcy.*

**BKRR:** PAS now interchanging as well as CP.*

**ST:** Hi-rail looks at commuter for Berlin branch.

**CPTC:** ConnDOT refuses to respond to CPTC.*

**CPTC:** Two rail recommendations from 2008.*

### MAINE

**MDOT:** Firms qualifying for track work. *

**MDOT:** Rail and port bond funds passed by Legislature.* Voters to approve in November.*

**Searsport:** MDOT agrees to look at all cargo needs in the port.*

**Searsport/Eastport:** Fight over bond funds.*

**CSXT:** Preferred Freezer renovation.*

**ST:** Cleanup in East Deerfield; $120,000 fine. **

[No report.]

### RHODE ISLAND

**PW:** Superior Court requires Coastal Recycling to remove its equipment so PW can expand.*

### VERMONT

**VRS:** Customer in North Bennington enjoying frequent service.

### MARITIMES/QUÉBEC

**Halifax:** New Gateway Council board members.*

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

### PEOPLE, POSITIONS, EVENTS

**American Railroad Superintendents** meet in Portland, with David Fink, Drew Galloway, Rob Ide, Nate Moulton, and Kit Morgan.

### FROM THE PUBLISHER

**Black swans and train crashes**

The accident this month on the Metro Red line in DC has already resulted in calls for better crashworthiness for the subway cars. I urge those in charge to resist this call.

Many in this country believe we must be shielded from all eventualities, including our own and others’ stupidity. Thus we have ever-more crash-worthy planes, and passenger railcars, and the FRA forbidding light-rail vehicles and freight trains on the same tracks.

Rail crashes are like black swans: very rare events. This country should not spend millions of dollars to avoid them. Better to spend the money on events we can predict, such as cancer.

- Chop Hardenbergh

Next issue 15 July
PAS/CP: INTERMODAL
IN THE ALBANY REGION**

Note: five different lanes of intermodal traffic operate through the Albany area.

**CSXI**: Through trains between Massachusetts terminals and points west.

**CSXI**: Through trains between New Jersey terminals (including the port) and points west via Selkirk, as well as PW’s intermodal terminals in Worcester (aka Stackbridge).

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**CSXI**: Through trains between New Jersey terminals (including the port) and points west via Selkirk, as well as PW’s intermodal terminals in Worcester (aka Stackbridge).

**NS haulage/trackage north-south**: NS moves its own traffic via trackage and haulage over the Canadian Pacific Railway (CP, technically the Delaware & Hudson subsidiary or D&H), from Binghamton to Montreal.

**NS haulage east-west**: NS moves its own traffic via haulage between Chicago, Kenwood Yard (Albany), and Ayer (PAS terminal). [CP does originate/terminate some domestic intermodal traffic on the Soo line in the Midwest, and interchanges it to the NS route between Kenwood and Chicago. The route is much shorter than using CP to Montreal. {ANR&P discussion with Steve Fisk of CP 11.Jun.09}]

**CP north-south**: CP moves its own international traffic between Philadelphia and Montreal, using trackage rights on NS and the Reading, Blue Mountain, and Northern over Reading and Allentown.

   CP also accepts NS traffic in interchange to/from New Jersey in Allentown to/from Montreal.

This article focuses on what will happen when the NS east-west traffic moves to Mechanicville.

**Current operation NS/PAS east-west intermodal**

**Eastbound.** NS moves eastbound intermodal traffic on NS track out of Buffalo on train 206, with blocks for Taylor Yard (Scranton, Pennsylvania), Kenwood Yard (Albany), and Ayer. At Binghamton, New York, the train drops the Taylor block. A CP crew picks up the train, now symboled CP 938, and runs it on CP-owned track, NS haulage, to CPF475 [475 miles from Mattawamkeag], a point called Elnora in Clifton Park, New York on the joint track (owned by CP) between Mechanicville (CPF 467) and CPF478, the start of the Canadian Connector north to Saratoga.

   CP drops the Ayer block, and proceeds through Mechanicville to the Kenwood Yard intermodal terminal. ST hooks up its engines (or power leased or borrowed) to the Ayer block, creating train MOAY (Mohawk Yard/Ayer). This runs through Mechanicville to Ayer and spots the intermodal traffic there.

**Westbound.** AYMO originates in Ayer and operates to the interchange point at Crescent (CPF477 on the joint track) in Clifton Park (also known as Waite Road for the nearest grade crossing). Train CP 939 adds the Ayer block to the Kenwood block and heads west to Binghamton.

   In Binghamton, a block from Taylor Yard is added, and the train runs to Buffalo as NS 205, with blocks for Buffalo (as required), Chicago 47th Street, and Kansas City as required.

**Stacking/filet toupee**

PAS east of Mechanicville can only accept mixed doubles (one domestic 9’6” high container and one 8’6” high international container). Rather than filet the train (take off the top layer) somewhere Mechanicville or farther west, NS chooses to run from Chicago with the Ayer block single-stack or mixed doubles only. CP has full clearance into Kenwood, so the Kenwood block sometimes does have full doublestacks.
**ALBANY REGION.** Showing principal rail routes, current CP/NS Kenwood intermodal yard, and future NS/PAS intermodal yard. (editor)

In the new Mechanicville yard, with enough stackers to remove/emplace the second layer, workers could filet/toupee the Ayer block in two hours,¹ according to one official.

**Size of blocks/train lengths**
In June 2009, one rail official reported that the Ayer block of CP 938 ‘usually runs 4500 to 6000 feet,’ and PAS

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¹ST President David Fink in April described the planned operation in the new Mechanicville Yard as splitting the train in two, but McClellan of NS said the entire train will be fileted [see 09#04B], with the Ayer boxes on the bottom (international boxes doublestacked though), the Albany boxes on top. Since Ayer outnumberes Albany 3:1, much of the train will be single-stacked.
Steve Fisk, CP senior manager for corporate business development, said that CP originates a tiny intermodal move, perhaps two containers a month, of contaminated dirt, which it gives to CSXT. 

Albany - CP Kenwood Yard

Existing facilities. {Parsons Clough Harbor I-87 study 2002}

Via the haulage described above, NS handles all intermodal traffic at Kenwood,² which in 2002 was NS’s fastest growing terminal. The majority of the traffic originates or terminates within a 50-mile radius of the yard, with many of the locations being warehouse type facilities.

Need for new facility. The consultants examined the market potential for intermodal transloading in the Capital District, whether at a new regional facility or an enhanced existing facility, and found it would total between 31,000 and 43,000 lifts, based on how much the market would respond to a new or upgrading existing facility and to expanded marketing of the services.

The projected growth would not be substantially higher than the current 36,000 lift/year operations at the Kenwood Yard. Therefore, ‘this level of demand did not justify building a new intermodal facility in the Capital District.’ {text of report}

Why not use Kenwood for more intermodal?

According to an official familiar with the Albany intermodal situation, several points argue in favor of a new yard in Mechanicville and against using Kenwood.

Room for expansion. Parsons/Clough Harbor in 2003 found: ‘Some of the key issues that inhibit or prohibit growth of this facility include: Lack of trailer parking areas; Minimal paved areas;  High yard maintenance costs; Only one entrance / exit point; Inadequate lighting; Lack of yard crews; Inadequate trailer maintenance facilities.

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² Steve Fisk, CP senior manager for corporate business development, said that CP originates a tiny intermodal move, perhaps two containers a month, of contaminated dirt, which it gives to CSXT. {ANR&P discussion}
‘Correcting these factors would increase the presently slow speed at which freight can be processed through the facility.’

However, said the official in 2009, the facility now has little room for expansion. Fisk reported that after the intermodal moves to Mechanicville, CP will “probably do bulk transfer there.” Currently that occurs at the Erie Street facility, about two and a half miles north.

No room for file/toupee. Since NS/CP can provide full doublestack clearance into Kenwood Yard, why doesn’t NS run full doubles from Chicago into Kenwood, and file there?

No room for that either, said the official. Since Albany has only 30% of the train, CP would have to run the entire train into Kenwood for just 30% of the boxes.

A long detour. The train would have to run the extra 20 miles south from Mechanicville to Kenwood, and then back again before resuming its route to Ayer.

Moreover, the engine would need to run around the train, as the wye at the east end of the Mechanicville Yard is gone [an appalling lack of foresight—editor]. Rebuilding it would require the removal of several buildings.

Would CP keep Kenwood open?
The official, who was closely involved in the I-87 study, believed that at this time, more intermodal traffic could
come into the region, perhaps 45,000 lifts? “I’m a proponent of an new intermodal facility in the region. NS has done a real good job getting service. Kenwood could not be a rival [to Mechanicville]. There’s room for one [intermodal] yard and one yard only.” [ANR&P discussions 11.Jun.09]

Status of Mechanicville
At the former Mechanicville Yard, NS has created a work camp for the crews doing the track upgrades. {D&H e-mail list}

NS has bids out for construction of the facility. {e-mail to ANR&P from NS spokesperson Rudy Husband 25.Jun.09}

The NS-ST agreement of May 2008 [see 08#05B], ‘Capital Projects and Facilities Management Agreement’, states in section 4(c) that NS ‘shall be responsible for the oversight and direction of each Mechanicville Project on behalf of Pan Am Southern to ensure compliance with the applicable Mechanicville Construction Agreement.’ Appendix B requires a competitive bid process. {text as filed with the STB}

SLR/MMA: FRASER FILING*
18 June, Ontario and Delaware. FRASER PAPERS FILED FOR BANKRUPTCY PROTECTION IN CANADA AND THE UNITED STATES, in the Ontario Superior Court of Justice under the Companies’ Creditors Arrangement Act, and in the US Bankruptcy Court in Delaware under Chapter 15 of the US Bankruptcy Code, which covers companies filing for bankruptcy in two or more countries.

Operations are expected to continue without disruption at Fraser’s mills in Madawaska [our Directory #750] and Gorham, N.H. [#933], and at the affiliated Katahdin Paper mill in East Millinocket [#790] owned by Brookfield Asset Management, Fraser’s parent company. Fraser lumber yards in Ashland [#759] and Masardis also will continue operating at least until wood supplies last.

Paper ok, pulp and lumber not
“The filing will provide Fraser Papers with a defined process and the necessary time to restructure its affairs in order to emerge with a sustainable and profitable specialty paper business,” said Peter Gordon, Fraser’s chief executive officer, in an 18 June statement. “Unlike many restructurings, the court filing was not the result of excessive leverage. Our paper business remains profitable, particularly the specialty packaging and printing segments where there are opportunities to grow in a number of key segments. However, weak pulp and lumber markets have drained our limited resources, more than offsetting the progress in our paper business.”

The Madawaska paper mill has been filling orders for everything from pharmaceutical inserts to grease-proof packaging for fast food restaurants, according to Jeff Dutton, Fraser’s president and chief operating officer. “Our paper business has made money for the past seven months and made money consistently. The restructuring has to happen to make sure that we position the paper business to be successful. It can’t fund the losses of the other businesses, it can’t continue to do that.”

Gorham paper mill
Robert Dufresne, manager of Pulp Operations for Fraser, said since Fraser closed the Thurso plant in March {foresttalk.com}, Fraser buys pulp on the open market for the Gorham specialty papers mill, mostly from the United States, and receives it by rail and truck. Rail “is not always as efficient as it should be,” he said. Asked whether the problem lay in origin or destination, as SLR serves the Gorham mill, Dufresne said there were “too many short lines” in the move.

[Ed Foley, SLR general manager, wrote about the take on the short lines: ‘We will continue to do what we do well, provide the best rail service and the most competitive price for our customers. There are many forces at play in the pulp and paper market that we can’t change. Our focus has and will remain operating the safest and most efficient railroads in the shortline railroad sector.’ {e-mail to ANR&P 22.Jun.09}]

The Cascade mill in Gorham, which employs about 160 people, became the last operating paper mill in Coos County, following the closing of Wausau in early 2008 [see 07#10B], Groveton Paperboard in 2006 [06#01A], and
the Fraser pulp mill in Berlin in 2006 [see 06#07B].

**Edmundston pulp mill**

Fraser has suspended operation of the sulfite (chemical) pulp mill in Edmundston [served by CN–editor], said Dufresne, but the mill producing groundwood pulp is still operating. Edmundston did build up inventory of sulfite pulp.

Since both types of pulp are needed for the paper mill in Madawaska [served by MMA–editor], it receives the needed additional chemical market pulp by rail and truck. {ANR&P discussion with Dufresne 22.Jun.09}

**Millinocket and East Millinocket**

Millinocket Town Manager Eugene Conlogue was bothered by Gordon’s comment that the paper part of Fraser is profitable. “If papermaking is so profitable for Fraser, why isn’t their premier machine operating in Millinocket since it has customers wanting their paper? I am very concerned that they shut down the mill indefinitely when they had customers last year and oil prices were decreasing.” Conlogue called upon Brookfield Asset Management to consider a different operating partner for the mill. {Kevin Miller and Nick Sambides in Bangor Daily News 19.Jun.09; Josie Huang in Portland Press Herald 19.Jun.09; Lorna Colquhoun in New Hampshire Union Leader 22.Jun.09}

[Millinocket once received pulp from Fraser’s Port Cartier pulp mill which was closed in 2006–see 06#12A.]

**BKRR: PAS AND CP INTERCHANGE***

14 June, Greenwich NY. **THE BATTEN KILL BEGAN INTERCHANGING WITH ST “BEFORE THE CREATION”** of the Pan Am Southern, in May 2009, said Bill Taber, general manager. At this time, he interchanges with PAS two or three times a week, and with CP (coming out of Saratoga) once a week. The additional interchange is certainly beneficial to his customers.

His traffic was gradually increasing before the additional interchanges, he said. {ANR&P discussion} [The Railroads of New York organization’s website lists annual carloads at 413.]

**The ST switcher**

The additional interchange began after ST and VRS started the interchange at Hoosick Junction [see map 08#04B]. According to a knowledgeable official, an ST switcher handles the industries at Rotterdam/Scotia, as well as the interchanges with VRS and BKRR. {e-mail to ANR&P 12.Jun.09}

**CONNECTICUT**

**ST: COMMUTER IN CONNECTICUT**

22 June, Berlin to Waterbury. **TWO ST OFFICIALS LED A HI-RAIL TOUR OF THE BERLIN BRANCH,** looking at resuming passenger rail. State Senator Donald DeFronzo, D-New Britain, was joined by members of the press, Sydney Culliford, ST executive vice-president, and Roger Bergeron, vice president of special projects, for the expedition from Berlin to Waterbury.

Culliford maintained the tracks and ties could be upgraded to commuter level for as little as $40 million. “Almost everything is in place now,” Culliford said of the approximately 70-year-old tracks. “We'd have to redo them but it could be done in a couple of months.” [See ConnDOT Commissioner Joseph Marie in 09#05B for a different view.]

**Freight helped**

The derelict buildings in New Britain “could change with a new railway,” said Culliford. He pointed out that empty buildings have everything needed for a “freight village.” Bergeron adds: “There's plenty of buildings in New Britain
and Bristol with 20-foot ceilings that could be used to store freight. And with the freight comes jobs.” {James Craven in New Britain Herald 25 Jun. 09}

**CONNECTICUT PUBLIC TRANSPORTATION COMMISSION**

17 June, Newington. **CONNDOT IS REFUSING TO RESPOND TO CPTC RECOMMENDATIONS**, as it has in past years. The department’s spokesperson, Judd Everhart, named that conclusion “fair and accurate.” {e-mail to ANR&P}

Up until 2003, the commissioner of the department was required by statute to respond within one month to the recommendations of the Connecticut Public Transportation Commission on suggested changes [see below for 2008 recommendations and statutory change].

In 2003, for inexplicable reasons, the requirement to respond was eliminated by the General Assembly, but not noticed by ConnDOT until 2008. According to Fred Riese, CPTC secretary: ‘Originally, [in 2008]...ConnDOT said the new wording didn’t matter to them and they would still be responding to the report, so it didn’t seem like an issue. Now it has become one.’ Despite repeated communications between Riese and ConnDOT [as well as between your editor and ConnDOT], as of June the department had not replied.

Riese wrote: ‘This is discouraging because the statutory requirement for an agency to formally respond to an advisory group's recommendation was highly unusual if not unique in Connecticut statute and added extra value to the Commission's efforts. The department's responses also provided us guidance on how to address departmental objections should we wish to resubmit a recommendation the following year. That tool is now gone. Yes, this dereliction of ConnDOT's historic response role does indicate that the agency places a low value on performing this task.

‘On the other hand, the department has been highly cooperative and generous when asked to support the Commission such as in providing high-level speakers on short notice when necessary.’

According to Riese, the CPTC will seek a change from the state legislature to re-institute the requirement for a response. {e-mail to ANR&P}

**Response of ConnDOT commissioner**

In 2003, the Connecticut General Assembly, in Special Act 03-04 amended subsection (e) of the statute enabling the CPTC. It added the Transportation Strategy Board to those who would receive the Annual Report, and it deleted the requirement for a public response from the ConnDOT commissioner by 1 February. That left in the statute a 1 January deadline for the commissioner to inform the Transportation Committee of the availability of comments and priorities in response to the Annual Report.

According to Fred Riese, secretary and representative of the Connecticut Department of Environmental Protection to the CPTC: ‘Since this deadline does not realistically allow for our report to be received by Jan. 1 and then DOT to have responses by the same date, past practice has continued since 2003 with the ConnDOT responses provided by Feb. 1.’ {e-mail to ANR&P 8 Jan. 09}

**Note**: I normally publish the recommendations and then the ConnDOT response [see 07#02A]. Because ConnDOT is refusing to respond, I supply only the recommendations about rail. Editor.

**CPTC: RAIL RECOMMENDATIONS**

31 December, Newington CT. **CONNECTICUT SHOULD HAVE A ROLE IN REGIONAL RAIL PROJECTS IN NEW YORK AND NEW JERSEY**, according to the Annual Report of the Connecticut Public Transportation Commission. Charged with producing recommendations for improving public transportation, the CPTC holds hearings around the state and produces a list of recommendations, which for 2008 totalled 10, two about rail.

**Recommendation 3**: New York-New Jersey rail projects

The CPTC noted that the Port Authority of New York and New Jersey has re-started the environmental impact statement for the Cross-Harbor Freight Movement project. This could remove trucks from interstate highways into
Connecticut has a stake in this project and ‘should seek to have a seat at the table as these decisions are discussed and made.’

New Jersey Transit is proposing two additional trans-Hudson passenger tubes. Connecticut has an interest in passenger service from Stamford and New Haven to points in New Jersey via Penn Station.

Recommendation 8: Danbury service
CPTC supported CTC signalization of the line which would increase the number of passenger trains permitted, and also supported extension to New Milford. {text of Annual Report}

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**MAINE**

**MAINE LEGISLATURE: BOND FUNDS**
13 June, Augusta. *THE LEGISLATURE APPROVED A BOND PACKAGE OF $150 MILLION.* The amount was less than half the amount the governor wanted, and below the $275 million the Democrats wanted. The Republicans prevailed because bond bills need a 2/3rds majority.

The $4 million for rail and $5.75 million for ports [see box] was far below the governor’s request [see 09#03A, 09#03B].

<table>
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<tr>
<th>MAINE BOND FUNDS AS PASSED</th>
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<td><strong>GOVERNOR’S FREIGHT INITIATIVE - RAILROAD</strong></td>
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<tr>
<td>Industrial Rail Access Program (IRAP)</td>
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<tr>
<td>Critical Rail Corridors Program*</td>
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<td>State Rail Track Capital Improvements - (300 miles state owned)</td>
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<td><strong>SUBTOTAL GOVERNOR’S FREIGHT INITIATIVE - RAILROAD:</strong></td>
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<td><strong>GOVERNOR’S FREIGHT INITIATIVE - PORTS</strong></td>
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<tr>
<td>Port of Eastport (bulk-handling equipment)</td>
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<tr>
<td>Small Harbor Improvement Program (SHIP)</td>
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<tr>
<td>Searsport- Army Corps of Engineers (Channel Dredge)</td>
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<td>Portland International Marine Terminal (Pier &amp; Land Upgrades)</td>
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<td><strong>SUBTOTAL GOVERNOR’S FREIGHT INITIATIVE - PORTS</strong></td>
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<td><strong>SUBTOTAL GOVERNOR’S FREIGHT INITIATIVES:</strong></td>
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<td><strong>PASSENGER RAIL</strong></td>
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<td>St. Lawrence and Atlantic, final acquisition</td>
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<td><strong>SUBTOTAL PASSENGER RAIL:</strong></td>
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**SEARSPORT/EASTPORT: BOND**
13 June, Augusta. *FUNDING SEARSPORT OR EASTPORT* became the subject of debate early this morning, as the Maine Senate deliberated on the bond package. Senator Peter Mills, R-Skowhegan, proposed an amendment to earmark $4.5 million of the $5.75 million slated for port improvements to a dredging project in Searsport. The money would leverage $12.5 million in federal matching funds.

Mills argued that while the Eastport project was also entirely worthy of funding, the Searsport project was ready to begin and would leverage more federal money, which could help win voter approval for the bond package.
Senator Kevin Raye, R-Perry, called it “nothing short of devastating....It [bulk-handling equipment bought with bond funds] would enable [Eastport] to diversify,” said the Senate minority leader at 2AM floor speech. “For a number of years, the port has served almost exclusively the Domtar mill, so when the mill goes down, the port goes down.” [Domtar will restart. See 09#06A.]

The Senate rejected Mills’ proposed amendment on an 18-14 vote. Senators then voted unanimously, 32-0, to pass the bond bill. {Kevin Miller in Bangor Daily News 15.Jun.09}

[The final bill stated that port funds were for ‘Searsport and Eastport’ but had no allocation between them. {text of bill}]

The dredging in Searsport
On 16 June, Senator Mills explained that the state was proposing to provide the 25% state match to the US Army Corps of Engineers dollars, to do normal maintenance dredging on the channel. This would permit Irving ships to load to capacity to reach the Mack Point terminal. The governor’s initial bond bill did allocate the funding Mills proposed to the dredging. Per Mills, Raye got the language changed, and Mills attempted to change it back again. {ANR&P interview}

On 17 June, Sprague’s Jim Therriault said that tankers calling at New England coastal ports have 35 feet of draft. With a channel dredged to 37 feet, the tankers don’t need to wait on the tide. The Searsport channel has silt in spots, requiring ships calling Mack Point to load to only 33 feet of draft, thus increasing the cost of transportation. {ANR&P discussion}

Next step
Greg Nadeau, MDOT deputy commissioner, explained on 17 June that the “the intent is to do the dredging in Searsport and the improvements in Eastport. The challenge is, how do we get both those things done with this amount of money.” The department will be looking for other ways than bond funds to do it. {ANR&P discussion}

SEARSPORT: A BROADER LOOK*
15 June, Belfast. A STATE GROUP BEGAN DISCUSSION OF THE USE OF MACK POINT AND SEARS ISLAND, as a follow-up to the discussion of Sears Island as a container terminal. The Sears Island Planning Initiative Steering Committee Consensus Agreement, signed in April 2007, stated:

2) Build out of Mack Point: Mack Point shall be given preference as an alternative to port development on Sears Island. MaineDOT in conjunction with interested parties, shall investigate and share factual information (which is not confidential or proprietary) on the extent to which Mack Point can, in fact, accommodate future marine transportation needs, including investigating the possibilities for acquisition and/or development of additional acreage for such use.

This investigation will include exploring the feasibility of building a marginal pier at Long Cove, for use as part of an expanded marine cargo port. MaineDOT will actively work, collaboratively and in good faith, with interested parties to evaluate a cargo/container port for Mack Point and/or Sears Island, as part of any planning process. As part of this agreement, MaineDOT is encouraged to market, solicit proposals, and create partnerships for a cargo port on Mack Point and/or Sears Island. (text of draft consensus agreement 2.07)

Implementation of the agreement
In 2008, to implement the agreement, MDOT hired a consultant to evaluate Mack Point for containers. The report was not encouraging [see box]. In 2009, implementing another part of the agreement, MDOT hired Moffatt and Nichol to help market Sears Island as a container terminal.

However, according to Steve Miller of the Islesboro Islands Trust and a member of the Sears Island Planning Initiative Steering Committee, MDOT did not immediately bring in interested parties to the process of evaluation of Sears Island and Mack Point. ‘[W]hen we saw the RFP and noticed other MDOT public relations material suggesting that Sears Island alone would be explored as a possible location for a container port, we spoke with David Cole and lo! this group was convened.’
‘Searsport Port Development Meeting.’
The convener of the meeting, Duane A. Scott, director of Statewide Multimodal Planning in MDOT’s Bureau of Transportation Systems Planning, labelled the get-together as the ‘Searsport Port Development Meeting.’ Invited members:

Steve Miller, Dianne Smith (Searsport resident and co-chair of the Sears Island Planning Initiative's Joint Use Planning Committee), James Gillway (Searsport town manager), Susan “Becky” Bartovics (Maine chapter of the Sierra Club and member of the Sears Island Planning Initiative's Joint Use Planning Committee), Bob Grindrod (MMA president), Jim Therriault (vice-president marketing and materials handling for Sprague Energy), David Cole (MDOT chief), Deanne Van Dusen (MDOT), John Henshaw (MPA chief), Rob Elder (MDOT freight honcho), Karin Tilberg (Governor's office), Denis Damon (Senate chair of the Legislature’s Transportation Committee), Jim Freeman (Friends of Sears Island and member of Sears Island Planning Initiative’s Joint Use Planning Committee), and M. Ramsdell (Searsport resident, member Friends of Sears Island and co-chair of the Searsport shellfish committee).

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<tr>
<th>MACK POINT AS A CONTAINER PORT</th>
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<tr>
<td>MPA hired Fay, Spofford, and Thorndike of Burlington, Massachusetts as well as DMJM Harris of Boston (the FST Team) to produce a study entitled ‘Evaluation of the Build-out of Mack Point as a Container Terminal’. The ‘summary report’ is dated November 2008.</td>
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<td>The Team looked at two alternatives for a two-berth terminal with a throughput capacity of 400,000 to 500,000 TEUs, and a potential capacity of 800,000 to one million TEUs. One is located on the southern shore, and one on the eastern shore, of Mack Point [see map 06#08B, in which MMA President Bob Grindrod makes other arguments about the lack of suitability of Mack Point for containers].</td>
</tr>
<tr>
<td><strong>Need to acquire private land, move operations</strong></td>
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<tr>
<td>The meeting revealed that the overarching impediment to the build-out of Mack Point is the fact that development will require acquisition of privately-owned land.</td>
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<td>In addition, the relocation and replication of existing activities will be required at another deep water port in Maine because the new container yard can not share occupation of the same ground space with the existing liquid tanks, dry bulk storage areas, and warehouses.</td>
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</table>

Substance of meeting
Some dozen interested stakeholders, including State Senators Denis Damon, Peter Mills, and Carol Weston as well as Searsport Town Manager James Gillway, met with MDOT representatives at the University of Maine Hutchinson Center in Belfast.

Dave Anderson from Fay, Spofford and Thorndike (FST) summarized the report [see box]. The conclusion surprised no one in the room. Discussion centered on smaller scale container opportunities at Mack Point and, more broadly, what marine transportation needs and opportunities might be filled by the Port of Searsport.

Therriault said about 40 to 50 acres could be developed, possibly in conjunction with a single new marginal pier, for moderate inter-coastal and/or other shipping of containers.

No immediate need for large terminal
The FST report repeated other evidence that indicates many North Atlantic Ports, such as New York/New Jersey, Montreal, and Halifax, are operating well below capacity and have plans to expand their existing operations.3

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3Miller, in his report on the meeting, wrote: ‘Thus the market for large container ports would seem to be rather saturated. On top of which, the US Port Rankings *Journal of Commerce* reports US containerized trade down 21.2% nationally for the first quarter of 2009. Ports are rated as “low” for congestion. Pessimism pervades the industry. According to a *Journal of Commerce* poll reported on 15 April 2009 by Reuters, “Attendees at the ninth annual *Journal of Commerce* Trans-Pacific Maritime 
MDOT Commissioner David Cole said that work with consultant Moffatt and Nichol to develop a Prospectus that will be used to market the Port of Searsport is next.

**Accord on broad look at port**

Discussion of the current marine transportation market, opportunities and constraints, and the paramount need to represent well the Maine taxpayer in this process, ensued. Miller, Therriault, Freeman, Bartovics, and others argued that the state needed to look at more than a large container terminal. Participants agreed that the Prospectus should provide for a broad range and scale of possible Port of Searsport investments from private interests, not just a very large container terminal, such that all ‘future marine transportation needs’ [quoting the Consensus Agreement] and opportunities for this port are investigated. As Cole said toward the end of the meeting, "We’re just testing the market place."

It was also agreed that this group will receive regular monthly progress reports on the Prospectus from the Port Authority. Once a solid draft is ready, the group will receive a copy and then meet to discuss its salient features prior to having the Prospectus forwarded to potential investors.

Senator Denis Damon reported that funds budgeted for deepening the marine access channel to Mack Point from 35 feet to 40 feet were removed by the Legislature in the final hours of this session this past weekend [see other article]. Large container ships need at least forty feet of depth and, with only 35 feet available, access to the Port of Searsport by these large vessels is virtually impossible.

The group will not meet again until the Prospectus is ready. {e-mail to ANR&P from Miller}

**MDOT: EMERGENCY TRACK WORK**

15 June, Augusta.  *MDOT LISTED THE FIRMS ‘PREQUALIFIED FOR RAILROAD MAINTENANCE’*:

Shaw Brothers Construction, Inc.
Railworks Track Service, Inc.
P. Y. Estes & Son, Inc.
Maine Track Maintenance, Inc.
Reid H. Potter Associates, Inc.
TEC Associates
CPM Constructors
Vaughn Thibodeau & Sons, Inc. {posted on MDOT website}

Gail MacMunn of MDOT wrote: ‘A Committee reviewed all information provided in the Application, or [otherwise] obtained as a whole on a pass-fail basis and determined whether the Contractor is responsible and qualified. Applicants were determined to be “Qualified” or “Not Qualified”. {e-mail to ANR&P 8.Jun.09}

**MASSACHUSETTS**

**CSXT: EVERETT CUSTOMER**

16 June, Everett.  *PREFERRED FREEZER SERVICES IS SPORTING NEW TRACK* at its facility here. Preferred took over the former Coldwater terminal in 2007 [see 07#04A with map–our Directory #212]. Beginning in autumn 2008, Preferred redid the rail to its facility [see photo] as well as the pier, according to Bob Desaulniers,

conference do not expect a recovery from the global economic downturn and a return to growth before 2011.’ Neil Dekker, a container industry forecaster from London, reports in the New York Times that "Eight small shipping companies have gone bankrupt in the last year and at least one of the major carriers is likely to fall this year."
Everett, Massachusetts. From left: Island End River (Bunker Hill monument, Hancock Tower, and Prudential Center in background), newly-surfaced pier of Preferred Freezer (tanker in background), CSXT line to Schnitzer Steel scrap facility (switch to St.Lawrence Cement to right of ship), spur to Preferred (unfinished decking), and Preferred facility with three doors (one used to move containers to ship, two for serving railcars). (photo courtesy Frank Demasi 3 June 2009)

who does marketing for Preferred.

**Spur work and ownership**
CSXT owns the first 90 feet of the spur; Preferred owns the balance, about 150 feet. DeAngelas Railroad Contractors laid the new rail and ties on the spur, as well as retamped and levelled the main. [See photo.]

Preferred did all the resurfacing. It also expanded the building to its current 6.4 million cubic feet of cold storage.

**About Preferred**
The company operates 24 facilities in nine regions across the United States. {company website}

**ST: EAST DEERFIELD CLEANUP**
11 June, Boston. THE RAILROAD SIGNED A CONSENT ORDER WITH MASSACHUSETTS DEP under which it will pay a fine of $121,000 for failing to properly assess and clean up hazardous materials at the East Deerfield rail yard and the former Lake Asphalt facility, and failing to submit required status reports [see box].

**ST undertakings**
The order, to which ST agreed, requires ST to finalize the assessment of contaminants onsite and undertake a more aggressive remediation process at the two rail yard sites.

“The failure of the railroad companies to comply with their environmental obligations is unacceptable,” said Michael Gorski, director of the state DEP’s Western Regional Office in Springfield. “We are encouraged by this agreement that the railroad will be more committed to bring the sites into compliance moving forward.”

The railroad must also perform public notification and involvement activities, such as creating a web site where assessment results and remediation plans will be posted for review and comment by the public.

**Relations much improved**
“It is a really great thing making some progress and having some cleanup there,” said Carolyn Shores Ness, chair of the Deerfield Selectboard. “It is just nice that the federal and state agencies are willing to work with us and help us work with them.”

Ness described the town's relationship with the railroad company as “much improved.” Pan Am and the town have regular conversations, the company has paid its back taxes [see 08#04A] and it reports to the town on a timely basis.

Cynthia Scarano, ST spokesperson, said on 19 June that the company “is definitely improving on its relationship with the town. The cleanup is going on and has been going … we did miss some deadlines.” {Mackenzie Issler in Deerfield Recorder 22.Jun.09}
MORE ON THE CONSENT ORDER

The Consent Order addressed several past violations, and ST’s failure to do what was required to remedy the violations. ‘Throughout the last several years there have been multiple releases of oil and hazardous materials at this Site [East Deerfield railyard]....In March 2005, MassDEP entered [a Consent Order] related to the failure to comply with the [Massachusetts Contingency Plan] at three separate locations, including the railyards in Deerfield, Northfield, and Williamstown, with regard to five different releases.

‘Since entering that [Consent Order], however, there have been several other releases at the Site, which are the subject of this Consent Order.’ The Order listed:

- a 29 June 1998 release of #6 oil. ST has failed to file appropriate reports.

- a 13 July 2005 release of 750 gallons of diesel at Deerfield yard. ST has failed to comply with MassDEP requirements and ongoing requests.

- A 15 August 2007 release at the former Lake Asphalt Plant, owned by the Boston and Maine. MassDEP listed ongoing failure to act by ST. [This was the first incident listed in the Consent Order and the only one where ST has failed to clean up, which I would characterize as thumbing its nose at the order-

- A 7 June 2008 release of 200 to 500 gallons of diesel following a derailment. ST has failed to submit a report on this incident.

- A 30 August 2008 spill of 100 gallons of diesel from a storage tank. ST has failed to submit documentation of remediation. [text of order ACOP-WE-09-3005]

2007 fine

In mid-2007, MassDEP fined Boston & Maine Corporation $74,746.50 for violations of state solid waste management regulations. The primary portion, $59,746.50, was levied to address the continued disposal practices of railroad ties by B&M in various communities. The remaining $15,000 stems from continued noncompliance with a 2002 settlement about a former railroad tie dumping ground in Northfield. [Environmental Resource Center website 9.July.07]

The criminal conviction

None of the above incidents includes the cover-up by ST personnel of a 2006 spill in Ayer which resulted in a criminal conviction and a $500,000 fine in 2009 [see 09#04A].

Looking at previous behaviour

Catherine Skiba, a spokesperson for the Western Massachusetts office of MassDEP, said the agency “can look back five years at compliance within Massachusetts, and did that with our evaluation of the Pan Am case, in terms of previous non-compliance, financial benefit, public interest, and lack of good faith effort.”

The fines were not based on the Ayer criminal fines, because that was still pending when these fines were discussed. “There are statutory limits on some fines,” she said, and “the [civil] penalties were increased based on those factors” [above] the statutory minimum. [ANR&P discussion 29.Jun.09]
RHODE ISLAND

PW: VICTORY IN PROVIDENCE*
10 June, Providence. **THE RHODE ISLAND SUPERIOR COURT REQUIRED COASTAL RECYCLING** to remove all its equipment from an area north of the existing Motiva terminal, so that PW can expand its usable area [see mention of this at Annual Meeting in 09#05A Regional]. Coastal had until 24 June. {text of decision from Rhode Island courts website, C.A. No.: PC-2006-6342}

Marie Angelini, PW general counsel, wrote on 24 June that with the ProvPort customer base expanding, the area is needed. The railroad and Coastal are negotiating the removal time. {e-mail to ANR&P}

[More in a future issue.]

VERMONT

VRS: BENNINGTON CUSTOMER
12 June, North Bennington. **THE OPENING OF HOOSICK JUNCTION HAS IMPROVED SERVICE TO CUSTOMERS SOUTH OF RUTLAND.**

Whitman’s Feed
Art Whitman, owner of the eponymous feed mill in North Bennington, said in early June that for years he made do with a single train a week, traveling as slowly as 10 miles per hour (FRA class 1) over the worst stretch of track, that between Rutland and Manchester. Now, VRS gives him almost daily service, enroute to its interchange with PAS in Hoosick, but the track remains class 1 between Rutland and Manchester.

“I wouldn't be in business to the extent that we are now if we didn't have rail. It's just that simple. You have to have the tonnage and decent freight rates that rail offers you. I mean you can get a carload of soybeans from the Midwest shipped in for probably forty dollars a ton,” versus seventy dollars a ton to move soy beans by truck.

Why the delay on fixing Manchester-Rutland
The state made about $20 million in improvements to the track between Manchester and North Bennington and on to Hoosick in the late 1990s. The work was financed in part by the first of two federal earmarks from then-Senator Jim Jeffords.

In 2005 Jeffords guided $26 million to the region to continue the western corridor improvements. Jeff Munger, a former aide to Senator Jeffords and now aide to US Senator Bernie Sanders, said recently: “For a lot of us who follow the rail industry in Vermont, we're awfully puzzled about why we haven't spent some of this money yet.” [See how NECR proposes to spend it–09#06A.]

Munger says Jeffords wanted the money to be used to continue with the improvements on the western corridor.

Why still class 1
Rob Ide, VAOT’s manager of rail, said he is following the priorities set out by the 2006 *State Rail & Policy Plan*, and by the General Assembly [more in future issue]. These dictate doing other work before upgrading the Manchester to Rutland section. {Susan Keese in Vermont Public Radio 12.Jun.09}

Political clout?
According to one source close to the Vermont Rail Council decisions, ‘the State has used the lack of the 20% match and the [lack of an environmental impact statement] for the Middlebury Rail Spur as excuses for not spending any of the Jeffords except for the Burlington Tunnel where the NECR paid the match, and two studies for around $700,000. So the question of where to spend the money really comes down to political clout.’ {e-mail to ANR&P}
QUEBEC/MARITIMES

HALIFAX: GATEWAY BOARD*
12 June. **THE MEMBERS OF THE HALIFAX GATEWAY COUNCIL ELECTED A NEW BOARD AT THEIR ANNUAL MEETING**: Joyce Carter, vice-president of finance, CFO and CSO of the Halifax Stanfield International Airport will serve as the group’s new chair, replacing outgoing chair Stephen Dempsey of the Greater Halifax Partnership.

Other board members include: Vice chair, John Hamblin, Clarke IT Solutions; Wesley Armour, Armour Transportation Group; Paul Brigley, Halterm Limited; Nancy Conrad, Halifax Chamber; Francois Hebert, CN; Captain Sidney Hynes, Oceanex; Patricia Lyall, Destination Halifax; Brian Murray, Fastrax - Day & Ross Transportation Group; Karen Oldfield, Halifax Port Authority; Doug Rose, Halterm Limited; Tom Ruth, Halifax International Airport Authority; Steve Snider, Halifax Harbour Bridges; David Darrow, NS Transportation Infrastructure & Renewal; Michel Doiron, Transport Canada; Dan English, Halifax Regional Municipality; Stephen Lund, Nova Scotia Business Inc; and Debbie Windsor, ACOA. {Canadian Transportation & Logistics Daily News 12 Jun.09}

[See 09#02B for role of Gateway Council and earlier board membership list.]

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.*

- Coastal Recycling (PW Rhode Island #489)
- Fraser (CN, New Brunswick) pulp see *Regional*
- Fraser (MMA, Maine #750) paper
- Fraser (SLR, New Hampshire #933) paper
- Fraser (MMA, Maine #759) lumber
- Katahdin Paper (MMA, Maine #790)
- Preferred Freezer (CSXT, Massachusetts #212)
- Whitman Feeds (VRS Vermont #1131)

PEOPLE, EVENT

The **Association of American Railroad Superintendents** will hold its 113th Annual Meeting in Portland at the Holiday Inn by the Bay on 17 July. **David Fink**, president of Pan Am Railways, will deliver the ‘Charge to Superintendents’.

In the afternoon, a panel on the ‘Future Outlook of the Railway Industry in the Northeast’ moderated by **Drew Galloway**, assistant VP Policy and Development for Amtrak, has **Rob Ide**, VAOT rail program manager, **Nate Moulton**, director of the MDOT rail program, and **Kit Morgan**, NHDOT administrator of Rail & Transit.
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Coverage
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Frequency and the e-bulletin
ANR&P appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the e-bulletin, only by e-mail. All information in the e-bulletin is included, and often updated, in the issue.

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

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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.’