Helping to move rail and port traffic through New England, the Maritimes, and eastern Québec.
A weekly trade newsletter.

ATLANTIC NORTHEAST

RAILS & PORTS
operating railroads + ports, intermodal facilities, and government environment

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

REGION

**RailAmerica:** IPO offers statistics on NECR, CSO, and CBNS.

PAS: Ford to use Mechanicville and Ayer.*

PAS: NS to select construction contractor for Mechanicville terminals.*

Regional move: Transformer from Searsport via MMA, SLR, NHCR, and CSRX to Conway.*

CONNECTICUT

PW: Connecticut Smurfit Stone plant to close.

MAINE

MERR: A car/locomotive shop in Brunswick?*

MMA: Fraser working out of bankruptcy; Edmondston, Madawaska, Gorham remain open.

Searsport: Prospectus for port emerging.*

MASSACHUSETTS

BCLR: Will let Newton line become a trail.

GU: Carolina Pole must move elsewhere; seeking eastern Massachusetts location.*

PAS: Ayer citizens look for CSXT to change position on auto facility.

ST: New biodiesel customer in North Andover.*

NEW HAMPSHIRE

NHDOT: Will do new state rail plan this year.*

ST/PAS/PW: Now and future coal deliveries to Bow, New Hampshire.** Photo.

RHODE ISLAND

[No report.]

VERMONT

VAOT: A history of the frequent changes in rail program manager.*

VAOT: Mike Coates asks state to spend some of Jeffords earmark.*

Road salt: No award yet.

ST: New Pownal energy customer on Freight Main?

MARITIMES/QUÉBEC

Saint John: Swire Shipping last call, so AV Nackawic moves to Halifax.*

Halifax: OOCL picks up AV Nackawic as customer.*

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

People: Ernie Boss.**

FROM THE PUBLISHER

Power to the people!
Citizens in Ayer continue to ask why PAS is building a duplicate auto terminal in their town.
Massachusetts missed a major chance to resolve this last year by not including the lease in the property the Commonwealth is purchasing. The parties don’t yet agree on the liability terms. Why not add a purchase of the lease to it?

- Chop Hardenbergh

Next formal issue 31 August.
RAILAMERICA: PUBLIC OFFERING

27 July, DC. THE OWNERS OF RAILAMERICA WILL OFFER THE HOLDING COMPANY TO THE PUBLIC, only two years after taking the company private, according to a form filed with the US Securities and Exchange Commission (SEC) this day. The company owns three railroads in the Atlantic Northeast: NECR, CSO, and CBNS.

History

A predecessor holding company, RailTex, bought the Central Vermont Railroad from Canadian National in 1995 and named it the New England Central Railroad (NECR).

It bought the freight rights on the Amtrak line in Connecticut, plus some branches, in 1996 from Conrail to create the Connecticut Southern Railroad (CSO).

In 1993, RailTex bought the Cape Breton and Central Nova Scotia Railway (CBNS) line from CN. [Atlantic Northeast Rail and Marine Transport Review 1999]

In 1999, the STB approved the merger formed when RailAmerica bought Railtex [see 99#23]. RailAmerica became the holder of the three railroads.

In 2007, RailAmerica stockholders approved a merger with venture capital fund Fortress Investment Group, effectively taking the company private [see 07#02A]. Fortress did the same with the Florida East Coast Railwaym but RailAmerica is held separately, and the Florida East Coast is not part of this deal.

Timing

The preliminary registration statement, labelled Form S-1, does say that Fortress will continue to hold a majority stake, but does not say how many shares Fortress will sell. {Rail Business 10.Aug.09} Fortress has not decided when the IPO might occur. {editor}

<table>
<thead>
<tr>
<th>RAILAMERICA NORTHEAST REGION RAILROADS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railroad</td>
</tr>
<tr>
<td>----------------------------------------</td>
</tr>
<tr>
<td>New England Central Railroad</td>
</tr>
<tr>
<td>Ottawa Valley Railway</td>
</tr>
<tr>
<td>Cape Breton &amp; Central Nova Scotia Railway</td>
</tr>
<tr>
<td>Goderich-Exeter Railway</td>
</tr>
<tr>
<td>Southern Ontario Railway</td>
</tr>
<tr>
<td>Connecticut Southern Railroad</td>
</tr>
</tbody>
</table>

PAS: FORD DEFINITELY COMING*

June, Roanoke. ‘NS HAS A CONTRACT TO SERVE FORD’S DELIVERY OF VEHICLES IN [NEW ENGLAND]’, according an article about the auto traffic in the bi-monthly internal bulletin BizNS produced by the
corporate communications department. ‘New auto distribution facilities, for example, are planned for 2010 near Albany, N.Y., and near Boston as part of the Pan Am Southern joint venture between NS and Pan Am Railways. The new intermodal corridor will give NS its first automotive presence in that population-rich New England market.’ [May-June.09 issue of BizNS from NS website]

**PAS: MECHANICVILLE PROGRESS**
29 July, Mechanicville NY. *CONSTRUCTION OF THE INTERMODAL AND FORD AUTO TERMINAL COULD BEGIN IN MID-AUGUST*, according to NS spokesperson Rudy Husband. Norfolk Southern has been receiving contractors’ bids for the project [see 09#06B]. [Eric Anderson in Albany Times-Union 30.July.09]

**TRANSFORMER MOVE**
20 June, North Conway. *A 411-TON TRANSFORMER IN TWO PIECES COMPLETED ITS JOURNEY FROM CHINA* this day, spotted by CSRX here. The equipment, purchased by Public Service of New Hampshire for its Conway substation, moved by ship to Mack Point, Maine. Sprague Energy handled the move off the ship and onto special cars. The resulting train consisted of MMA locomotive 6569, spacer gondola, Schabel car, spacer gondola, Schnabel car, spacer flat car, and caboose.

MMA moved the train to Sherbrooke, Quebec, where the train moved to the SLR, then to the NHCR at Groveton, and finally to CSRX in Whitefield (Hazens). CSRX added a dome car and a passenger car at the end of the consist for its trip through Crawford Notch. Other companies involved in the move:

*Emmert.* The larger unit, weighing 227 tons [454,000 pounds] traveled on Schnabel car BBCX 1000 owned and operated by Emmert International, gross weight 1,045,231 pounds [for comparison, New England railroads would like track which carries 286,000-pound cars in normal trains—*editor*].

Emmert, headquartered near Portland, Oregon, has performed heavy hauling transport and rigging jobs by air, sea, truck, and rail for 40 years.

*Kasgro.* The smaller unit, weighing 184 tons [368,000 pounds] traveled on an 8-axle car provided by Kasgro Rail Services, gross weight 528,172 pounds.

Kasgro, headquartered in Newcastle, Pennsylvania, has a fleet of heavy-duty flat cars [PSNH press release; company websites]

*TEC Associates/Becker Structural Engineers/L-Kopia.* ‘For this special move, all bridges on New Hampshire Central and Conway Scenic were inspected by TEC Associates and rated by TEC Associates and Becker Structural Engineers of Portland. A laser clearance survey was done on NHCR and CSRX by L-Kopia of Schererville Indiana (and Sweden).

TEC Associates provided the clearance and special handling
instructions to all four railroads and I [Wayne Duffett, principal of TEC Associates] accompanied the loads on SLR, NHCR, and CSRX.’ {e-mail forwarded to ANR&P}

Nantes, Quebec. The transformers moving on MMA’s Sherbrooke subdivision 16 June. {courtesy Frank Jolie.}

---

CONNECTICUT

PW: CUSTOMER LOSS

6 August, Portland. **SMURFIT-STONE INFORMED THE MUNICIPALITY IT WOULD CLOSE ON 2 OCTOBER**, two days after news dribbled out.

The company declared bankruptcy earlier this year. Work will transferred to the Mansfield, Massachusetts facility [our Directory #260, served by CSXT—both plants make corrugated boxes and receiver linerboard by rail.]

Rail impact

First Selectwoman Susan S. Bransfield said the closing could imperil the freight rail line that serves the plant. She said her predecessor as first selectman, Ed Kalinowski, had worked to secure survival of the rail line. {Jeff Mill in Middletown Press 6.Aug.09}

The line serves Smurfit-Stone [our Directory #555] and Mid-State Recovery [#554].

---

MAINE

MMA: FRASER TO REMAIN

11 August, Madawaska. **FRASER WILL RE-OPEN THE EDMUNDSTON SULFITE PULP MILL** said Bill Peterson, the company’s human resources director, following a union revote on the company contract offer. {Fraser press release} The Madawaska paper mill will remain open, and the Edmundston groundwood pulp mill would have remained open even if the union had not voted for the contract.

On 6 August, 54% of the unionized workers in Edmundston, across the Saint John River from Madawaska, rejected the company’s final contract offer. Without the concessions being asked of the union workers at the Edmundston mill, Peterson said, “we can buy [the pulp] cheaper than we can manufacture it in our mill in Canada.”

After the vote, Fraser officials said they planned to officially announce on 10 August the closing of the sulfite operation and the layoff of more than 200 workers. However, the union said it may revote. Officials warned that
they needed a positive vote by early on 10 August, as they were poised to enter into long-term agreements with suppliers of hardwood and softwood pulp.

Fraser’s Madawaska mill is its large largest paper mill and is capable of producing a wide variety of specialty packaging, publishing, label and converting papers, according to the company’s Web site. [Dawn Gagnon in Bangor Daily News 8 Aug.09]

Fraser’s financial report for 2Q09
Company prospects improved, following the June voluntary bankruptcy filings in Delaware and Ontario [see 09#06B Regional]. A press release about the quarterly report stated, inter alia:

Paper market
‘Market conditions in the North American paper industry were negatively impacted by the weak economy. Estimated demand across all printing and writing grades has fallen 36% in the first half of 2009 compared to 2008. Demand for uncoated freesheet paper and uncoated groundwood papers are each off 23% year over year due to lower advertising spending and economic activity....
‘Paper shipments from the Company’s two paper mills in Madawaska, Maine and Gorham, New Hampshire in the first half of 2009 were lower than 2008 levels by 15%. Fraser Papers’ focus on specialty packaging and printing grades (which represent 82% of shipments in the quarter compared to 79% last quarter) has allowed the Company to target applications which are less sensitive to overall economic demand weakness.’

Pulp market
‘Lower demand for commodity paper products has negatively impacted the demand for market pulp. Demand for northern bleached hardwood kraft ("NBHK") pulp fell by 20% in North America and 4% globally in the first half of 2009 compared to 2008 as the market remained oversupplied....
‘During the first half of the year, the Thurso pulp mill took 84 days market-related downtime representing 42% of manufacturing capacity. On June 6, 2009, the Company announced the indefinite shutdown of operations....
‘Shipments of NBHK pulp from the Company's pulp mill in Thurso, Quebec were 30% below first quarter levels. On a year-to-date basis, shipments are off 40%. Mill net selling prices fell in the quarter as U.S. based pulp mills continued producing into an oversupplied market in order to take advantage of a U.S. tax subsidy1.’

Edmundston
‘During the quarter, the Company took additional market-related downtime to match paper production with customer orders. Total downtime amounted to approximately 43,000 tons or 14% of production capacity. In addition, the Edmundston pulp and energy operation was shut for an annual maintenance outage on June 8, 2009.
‘The cogeneration facility restarted on June 11, 2009 and the groundwood pulp mill restarted on June 15, 2009. The Company expects the sulphite mill to remain closed unless a new collective bargaining agreement is reached at a vote to be held on August 6, 2009. In addition, the Company continues to seek lower its overall energy costs as a competitive advantage for its Edmundston and Madawaska operations.’

Lumber
Fraser has closed indefinitely its two New Brunswick lumber mills. The company has ‘[s]ecured an additional $9.0 million in financing to complete the modernization project at the Company's lumbermill in Plaster Rock, New Brunswick. The funding is being provided by the Government of New Brunswick under an existing loan facility and will be used to complete the installation of a wood-fired boiler, new kilns and upgraded sawline equipment. These upgrades are expected to make the lumbermill cost competitive with other mills in eastern Canada.’ [Fraser press release]

---
1US energy legislation provides a tax credit for burning the black liquor pulp byproduct to generate energy. {editor}
**Rail impact**
MMA serves the Madawaska facility [our Directory #750]. CN serves the Edmundston facility. {editor}

**MERR: BRUNSWICK CAR SHOP***
29 July, Brunswick. *THE RAILROAD WOULD LIKE TO BUILD A CAR AND LOCOMOTIVE SHOP HERE*, said Gordon Page, MERR vice-president and director of passenger operations, who sees the town as a central location. The facility would immediately create 20 jobs, a number he said would "grow quickly" thereafter.

Emphasizing that the concept is “very preliminary,” Page said MERR is looking closely at using space at the Brunswick Naval Air Station (BNAS), which will close in 2011. Page and Denny Mohn, who handles the freight operation, have met with officials from the Midcoast Regional Redevelopment Authority, which is handling the BNAS conversion. “I think the number of conversations has been satisfactory. They’ve been frank, cordial and productive,” Page said.

MERR originally saw opportunities at one of the base's existing hangers, but determined those buildings would be too large for the company's plans, so a facility at the base would probably involve new construction. If a BNAS site did not materialize, said Page, another Brunswick site has potential.

**Rail access**
The former spur into the base runs through Merrymeeting Plaza and crosses Bath Road. MRRA is considering putting Bath Road on a bridge over the rail spur. Rail access constitutes one of the issues MDOT, MRRA, and other stakeholders will discuss on 6 August.

**Reasons to use BNAS**
Page said putting the shop into BNAS early in the re-use of the base made sense for two reasons. First, putting in the rail spur at the first stage of construction would cost far less than installing it after the road access is built. Second, the spur will become a marketing tool for industrial re-use of the base, especially uses which would require in- or out-bound rail.

**The market for the shop**
Page listed first work on MERR equipment as a function for the shop. While workers can handle minor repairs² at the MERR roundhouse in Rockland, MERR is sending equipment back to New Jersey [location of the parent company Morristown & Erie—editor] for heavy work.

In addition, MERR is looking for Amtrak work [made easier once Amtrak reaches Brunswick—editor].

**Alternate locations**
The railroad would not use space inside the wye in Brunswick; both MERR passenger operations and MDOT park-and-ride use that space as a parking lot. MERR now uses some of the formerly large Church Street yard to interchange with ST, but is not considering putting the shop in mostly-vacant site. Page declined to divulge other locations MERR is considering.

He expressed some disappointment that Maine Eastern's presence in Brunswick and its future importance was overshadowed by news about the Downeaster's uncertainty. “We continue to read in press accounts that people are worried that the train isn't coming. We get frustrated that people don't realize Brunswick already has freight and passenger service. The Downeaster will only enhance the value of service that already exists.”

**Passenger rail**
Page also commented on passenger rail through Brunswick. NNEPRA is seeking stimulus funding to extend the

---
²MERR did some work on Dragon cement cars here as well. See 06#11B.
Downeaster service to Brunswick. Page said MERR could forward the passengers on its excursion service to Rockland or perhaps on a commuter-oriented service to Augusta.

MERR moved more than 2600 freight cars in 2008. Freight traffic must subsidize any passenger service, and MERR subsidizes its excursion service with the freight. “Maine Eastern Railroad's goal is to generate profit,” Page said. “It's difficult to make a profit just on passenger service.”

While MERR would much prefer that Amtrak operate the Portland-Brunswick route, MERR could operate it should Amtrak not choose to do so. {Steve Mistler in Falmouth Forecaster 29July.09; ANR&P discussion 4.Aug.09}

SEARSPORT
The Maine Port Authority expected that the consultant Moffatt + Nichol will have completed a draft prospectus by the end of July [see 09#06B]. Information on that and the next steps for marketing the port is being developed and will circulate to concerned parties as soon as it is ready. {e-mail to ANR&P 4.Aug.09 from Duane A. Scott, director of MDOT Statewide Multimodal Planning}

MASSACHUSETTS

BCLR: NEEDHAM LINE TO TRAIL?
10 August, Quincy. ‘BCLR IS WILLING TO COOPERATE IN DEVELOPING ALTERNATE USE FOR THE RIGHT OF WAY’ on the Dover Secondary, aka the line from Medfield to Newton Highlands. Bernie Reagan, senior vice-president, marketing, wrote that the last freight on the line ran in 2006 [to Ivex Novacel–our Directory #231]. The company stopped using rail [see 07#04A]. ‘No [other] traffic demand is projected.’

Structural problems
Reagan noted that the bridge carrying the line ‘over Route 128 is scheduled for removal,’ and the ‘[b]ridge over the Charles on the west side of Needham is in distress.’ No traffic demand is projected. {e-mail to ANR&P}

The trail advocates
On 23 July, advocates and stakeholders met to discuss the prospects, including Craig Della Penna, executive director of Northeast Greenway Solutions in Florence, Massachusetts. Later, Mark Boyle, director of real estate with the MBTA which owns the line, said the MBTA is willing to lease the property to each town for 85 years at $1. The lease will stipulate that if the MBTA decides it needs the line back, the lease can be terminated.

BCLR must file with the STB to discontinue its operating right on the line, said Boyle. “Bay Colony has said that they would be willing to do that.” {Rob Borkowski in Gatehouse Media News 5.Aug.09}

GU: LOST POLE CUSTOMER*
31 July, Upton. CAROLINA POLE IS LOOKING FOR A NEW TRANSLOAD LOCATION for its utility poles. The smell was too much for residents near the GU’s yard in Upton, though it is not a health hazard [see 09#07A]. GU President Jon Delli Priscoli agreed at a 13 July meeting to ask the company to move its poles.

Previous comment
Richard Lackey, vice president of Cox Industries, parent to Carolina Pole, said in June: “We expended the funds to make (the first) move from one location to the other, and now we...have to attempt to locate another yard in some vicinity in the Northeast conducive to serving the client, so that search will cost money. And we will absorb the cost of shipping [the poles] and unloading and reloading when the customer needs [them].”

In late July, Lackey said until a deal is solidified to move the poles elsewhere, a few hundred poles may remain in Upton. Of the 1,400 poles that were once on the property, the majority of them are gone, because they have been
sold. Since the quantity has been greatly depleted, Lackey said, the smell has mostly been lessened.

“We have one site chosen, but we discovered another that could be better, and someone is looking at that, and we hope to have a decision and we'll be shipping them out of Upton soon. I think at the longest it will be several more weeks ... but I'm hearing there are no real odor complaints or odor issues.” {Krista Perry in Milford Daily News 14 & 31.July.09}

The new location?
Gary Dudek, who handles sales for Carolina Pole in the region, said the company is “looking for industrial land in eastern and southeast Massachusetts which would not be attractive for other uses.” He is awaiting pricing from some locations, and would like to hear from others.

At this point, he is serving his customers by “trucking in from different yards, or trucking up from the plant.” {ANR&P discussion 31.Jul.09} [Contact him: gdudek@coxwood.com.]

ST/NS/CSXT: AYER ANGRY*
29 July, Ayer. THREE RAILROADS WERE HEAVILY CRITICIZED FOR INDIFFERENCE TO THE ENVIRONMENT during a citizens forum at the Ayer Town Hall hosted by Congresswoman Niki Tsongas' office and moderated by Brian Martin, her district director. Questions for PAS were handled by John Edwards, NS senior counsel. CSXT sent no representatives; ST officials were present in the audience.

[CSXT has a court-endorsed lease on the Willows auto terminal through 2016, and has left it vacant, forcing PAS to build a new auto terminal at the San Vel site. See 09#02A.]

The PAS auto terminal
At the San Vel site [see 09#07B], paving is to begin in mid-September, according to Pan Am Railways Vice President Cynthia Scarano. Earth clearing began in April after years of wrangling in court with the town of Ayer.

Some citizens questioned whether the auto terminal is just “phase one” for the total 125-acre site. Others questioned whether PAS could simply change products at will, from transporting cars to chemicals. The answers appeared to be yes to each. But Town Administrator Shaun Suhoski offered that the selectmen would have to make a determination when that time comes as to whether or not there's a need to bring PAS back to the table, or to court, “if need be.”
The CSXT-leased auto terminal
Several called on Tsongas and others to bring CSXT to the table regarding the vacant Willow Road existing lot. Susan Tordella-Williams asked Edwards for time for negotiations with CSXT.

“This issue has been going on for such a long time,” responded Edwards. “We will continue to do what we’ve been doing. We will continue to build the facility in a responsible manner.”

“Will you give us 30 days? Will you promise not to pave for 30 days?” pressed Williams. “No,” Edwards responded. “We’ve got to continue with the construction process we started. There’s a short construction season.”

{Mary Arata in nashobapub.com 7.Aug.09}

ST/NS/CSXT: NO RESPONSE YET
12 August, Holyoke. US REPRESENTATIVE OLVER WILL NOT MEET WITH CSXT, explained his district director, John Niedzielski. A press report (Mary Arata in nashobapub.com 7.Aug.09) made an error about the process.

The Tsongas office, according Niedzielski, asked for contact information for PAS, in order to follow up the meeting. The Ayer terminal does not lie in Olver’s district. The representative is willing to help Tsongas. He chairs the House Appropriates subcommittee on Transportation, Housing and Urban Development. {ANR&P discussion 12.Aug.09}

ST: CUSTOMER IN NORTH ANDOVER
4 August, North Andover. A BIODIESEL TERMINAL WILL RECEIVE ITS FIRST DELIVERY WITHIN DAYS. Jesse Reich, CEO3 of Baystate Biofuels LLC, said the company has leased space at the former Lucent Technologies factory off Osgood Street, and the facility's two 175,000-gallon steam-heated and insulated tanks.

A rail spur formerly led from the ST Freight Main to the tanks, but is now gone. “Within the year,” Reich estimated, he will have the spur rebuilt.

Source and movement of biodiesel
Baystate has leased a string of eight tank cars, to deliver B99.94 from a mid-Atlantic location to a central Massachusetts location which Reich declined to name.

In the near future, Baystate will add a second string of eight cars to deliver from a mid-West location.

Which rail line?
Reich got prices from the CSX Transflo facility at the Beacon Park yard: four cents per gallon “to take the biodiesel out of my rail car using my equipment, and pump it into my truck.” He has found a less expensive option on ST.

Delivery and blending
Baystate has designed a flexible delivery system for its customers. Baystate can:

- Deliver B99.9 directly from the railcars spotted in central Massachusetts (later directly in North Andover).

- Truck the B99.9 to its tanks in North Andover.

- From the tanks, pump B99.9 into tank trucks already filled with a certain amount of diesel to ‘splash blend’ to the requisite percentage, from B2 to B99.9.

3Reich also serves as assistant professor of biochemistry at the Massachusetts Maritime Academy.

4B99.9, rather than B100 (pure biodiesel) is used because the federal government gives a tax credit of one dollar per gallon to blended biofuel. Baystate receives a ‘blended’ biodiesel only 99.9% pure.
While biodiesel is an ester rather than a hydrocarbon, renewable diesel is a hydrocarbon, the same molecule as diesel produced from crude oil. Renewable diesel requires more energy to produce, though, said Reich, in the end it may be more environmentally friendly.

Throughput
Like terminals in Rhode Island [see 09#05A - Hudson/Global in Provport, and Alterra in Quonset/Davisville], Reich plans to serve the market generated by the Massachusetts mandate for 2% biodiesel in fuel and home heating oil in 2010 [see box in 09#05A]. He anticipates five to ten million gallons of B99.9 throughput in the coming year.

Other eco-friendly practices
In a press release on 14 May, Reich wrote: “We are proud to be the greenest, most sustainable wet fuel distributor in the United States, leveraging existing infrastructure to cut down on waste and minimize environmental impact.” Baystate plans to utilize a solar power production system from NexAmp installed on the site, and will tap into excess steam from a nearby waste-to-energy incinerator to heat the tanks to lower the viscosity of the pure biodiesel.

Future biorefinery
Reich said in the long term, Baystate will produce biodiesel on site:

- The first plant, coming on line within two years, will have the capacity to produce 10 million gallons per year. Waste feedstocks or inedible oils (chicken fat, waste vegetable oil, beef tallow, algae oil, and jatropha oil) for the refinery will arrive by rail.

- Within five years, Baystate will have a second plant with a annual capacity of 57 million gallons of ‘renewable diesel’\(^5\), produced from the same feedstock as biodiesel.

- Baystate may add a third facility, another renewable diesel plant like the second. [ANR&P discussion 4.Aug.09; Mark Vogler in Lawrence Eagle Tribune 23.July.09]

\(^5\)While biodiesel is an ester rather than a hydrocarbon, renewable diesel is a hydrocarbon, the same molecule as diesel produced from crude oil. Renewable diesel requires more energy to produce, though, said Reich, in the end it may be more environmentally friendly.
**Bow, New Hampshire.** PSNH Merrimack Station. Note the different coal piles, the rotary dumper coal shed next to the Merrimack River, and beyond the older, brown stacks, the new, higher stack of the scrubber facility. The rows of white-looking discs at the top make up the aeration pool, which cools the water before it re-enters the river. (photo courtesy Stephen Mayotte samayotte.com)
NEW HAMPSHIRE

NHDOT: NEW STATE RAIL PLAN*
3 August, Concord. **THE DEPARTMENT WILL SEND OUT AN RFP FOR A NEW STATE RAIL PLAN** ‘probably in the next few months,’ wrote Kit Morgan, rail manager. ‘We are planning an update during this fiscal year. Once we develop a scope we will be looking for consultant help. As you know the federal funding programs require a current rail plan that meets criteria spelled out in the law, so we need the plan to stay current with these requirements. We won't know how much until we have proposals to review.’ {e-mail to ANR&P}

Previous plans
NHDOT put out a state plan in 1991, an amended version of that in 1993, and a new plan in 2001 (assisted by Vanasse Hangen Brustlin). {editor}

NS/ST/PW: COAL FOR BOW**
3 August, Berlin, CT. **THE AMOUNT OF COAL REMAINS FAIRLY CONSTANT, BUT DELIVERY METHODS VARY** for the Public Service Company of New Hampshire’s Merrimack Station in Bow, New Hampshire (Bow). Keith Saunders and Lisa Riccio, fuel principals for PSNH’s parent company Northeast Utilities, described the situation. [See photo on previous page.]

Amount of coal
On the average, Bow will burn 700,000 tons of northern Appalachian coal (high-, medium-, and low-sulfur content) and 400,000 of offshore coal (low-sulfur).

Coal piles
Bow has four different coal piles: a Venezuelan pile (low-sulfur), a high-sulfur pile (sourced from northern Appalachia—“northern App”), a mid-sulfur pile (northern App) and a domestic low-sulfur (central App). Each type has a low fusion temperature (roughly equivalent to burning temperature).6 PSNH likes to keep 200,000 to 250,000 tons of coal on hand.

Delivery of off-shore coal
PSNH has two methods of getting off-shore coal to Bow: ship to PSNH’s Schiller Station in Portsmouth and truck from there, or ship to Providence and rail from there.

Saunders explained that PSNH used rail extensively in 2008, when the price of diesel made trucking and rail roughly equivalent. At this time, the relatively low price of diesel, plus other factors he declined to disclose, led to trucking the Venezuelan coal.

Interestingly, Schiller, which also burns coal, receives Colombian coal.7

Delivery of domestic coal
All domestic coal originates in Appalachian mines and reaches New England via NS. ST crews pick up the NS coal

---

6 A “wet-bottom boiler” such as Bow’s needs a low fusion temperature. The “wet” refers to the ability to draw off the slag residue as a fluid. {ANR&P discussion with Saunders}

7 Due to properties different from the Venezuelan coal. PSNH can switch to Schiller oil burning if the price of oil makes sense to do that. Schiller also has a wood-chip-fired biomass boiler [see 05#07A]. Bow has only coal-fired boilers.

Occasionally lower-priced gas-fired generators will displace Bow-supplied electricity in the New England electricity system (ISO New England). {ANR&P discussion}
trains near Mechanicville and move them to Bow [see map in 06#05A].

**Introduction of new scrubber**

PSNH is installing a scrubber at Bow [see 09#03A] which, Saunders said, will permit the boilers to burn a higher-sulfur coal which “tends to be cheaper.” By law, the scrubber must be operational not later than 1 July 2013. However, PSNH is currently trying to finish the project approximately one year earlier, by July 2012.

Riccio is already planning for the changed coal needs. Which coal Bow will source “all comes down to economics,” Saunders said; if domestic high-sulfur coal is cheaper, the railroads may be delivering more domestic coal.

**Rail service**

The movement of coal trains over the lines from Appalachia to Bow is going well: “We have no complaints about the service we have been receiving this year,” said Saunders. “And we have every confidence in NS’ ability to bring the coal into New England.” \[ANR&P discussion\]

---

**VERMONT**

**HISTORY OF RAIL MANAGER**

*Note: At the end of July, the most recent rail manager for the Vermont Agency of Transportation, Rob Ide, left to become commissioner of Motor Vehicles [see 09#07B]. Except for a five-year stint of Charlie Miller, since 1999 Vermont’s rail program has seen a frequent change of leadership. Contrast Vermont to Maine and New Hampshire, similar small states with a rail manager: NHDOT’s Kit Morgan has held the position for more than ten years, and MDOT’s Nate Moulton for the past five years.*

**1999**

The Division of Rail, Air, and Public Transit had responsibility for rail. Greg Maguire served as the last head of RAPT.

Glenn Gershanek, secretary of Transportation from 1996-1999, was out on an extended sick leave in 1999 when Karen (Micque) Glitman dissolved RAPT and farmed its three components out to other divisions as programs. The rail unit was put under the director of Project Development Division, Dave Scott.

**2000**

Governor Dean moved Gershanek from Transportation to the Governor’s Office and Brian Searles into secretary of Transportation. Searles noted [see 00#07] that when he arrived in 1999, RAPT was dissolved. Early in 2000, he re-established rail as its own division with acting director Susan Compton (Aylesworth) reporting to the Secretary.

In June of 2000 Charlie Miller was appointed director of the Rail Division. [In 2002 Aylesworth left to head the rail program at Minnesota DOT.]

**2003**

Governor Douglas took office in January of 2003. Pat McDonald was appointed to Secretary of Transportation. Immediately upon her arrival the Agency was re-organized and the rail division was again eliminated as a division.

Rail engineers were moved into the new Program Development Division. The Rail unit was put under the Operations Division. David Dill, who headed up the former Maintenance division was named the director of that Division. Miller remained in a new role as Rail Program Manager.

**2004**

Governor Douglas won re-election and replaced VAOT Secretary Pat McDonald with Dawn Terrell in November
2004. Miller remained as rail program manager under Sam Lewis until December of 2005.

2005
Lewis decided that he wanted someone at the head of Rail with more engineering and project experience. Miller stayed on as rail planning coordinator with a variety of duties including the DMU Project, managing the Amtrak contract and relations with federal agencies, the American Association of State Highway and Transportation Officials, the Coalition of New England Governors, etc.

2006-2008
Dick Hosking became rail program manager in 2006. In January of 2008, Hosking was moved from the rail program manager to rail project manager to oversee the rail project process.

From January through June 2008, Sam Lewis, director of operations, acted as rail program manager also. In June of 2008, former state senator Rob Ide became rail program manager.

As of 12 August 2009, no successor to Ide is named.

ROAD SALT CONTRACT
As of 12 August, VAOT had not awarded this contract. Dona Bosely, the purchasing agent, could not say when to expect it. [ANR&P discussion] [See 09#07B.]

ST: VERMONT CUSTOMER?
6 August, Pownal. PROGRESS PARTNERS TOLD THE SELECTBOARD OF PLANS TO RE-USE THE GREEN MOUNTAIN RACETRACK here, long vacant. Chic Paustian, a member of Progress Partners, told the Select Board that more details will become public on 27 August when the partners take their plans to the Pownal Development Review Board.

Paustian said the entity seeking to build the facility has an interest in the railroad tracks that skirt the property and may do some shipping in that fashion. [Keith Whitcomb in Bennington Banner 7.Aug.09]

Rail history
Alden Dreyer, a local rail historian and former Boston and Maine train dispatcher, said he knew of no customers ST had served in this corner of the state since at least the mid-1980s. {e-mail to ANR&P 11.Aug.09}

In 2006, ST did have one customer in Vermont on the ConnRiver line, Fibermark [see Directory #1088]. On 11 August an official with the company said it was no longer using rail. [ANR&P discussion 11.Aug.09]

VERMONT: USE EARMARK*
5 August, A MEMBER OF THE RAIL COUNCIL CALLED ON VAOT TO SPEND THE JEFFORDS EARMARK. [See 09#06A for Rail Council vote to do so, and VAOT response.] Mike Coates of Williston was appointed to the Council by current Governor Jim Douglas; Coates is involved in construction contracting, and Douglas wanted someone on the Council with a construction background.

In an op-ed piece in the Burlington Free Press published this day, Coates wrote:

As a member of the Vermont Rail Advisory Council and chairman of the rail infrastructure subcommittee, I am concerned that available rail funds are not being used expeditiously during a time of critical need for economic stimulus in the state.

Through a visionary investment by Sen. James Jeffords in 2005, a $30 million federal transportation earmark for the Western Rail Corridor of Vermont was secured....To date $3.5 million has been obligated from the fund, with only $1.5 million having actually been spent. The investments to date have included $1 million to upgrade the Burlington tunnel, with the remaining funds having been spent on various studies and engineering analysis.

To date, the rail investment strategy for the state of Vermont, using the Jeffords earmark funding, has been to upgrade sections of the system between Burlington and Bennington, leaving out the most heavily utilized freight corridor from Burlington north....

[The VAOT planned projects such as moving the Rutland railyard and building the Middlebury spur] will cost approximately $100 million. Securing a 20% state match and private investment dollars to make these projects happen remains a challenge.
The Federal Stimulus Grant Programs for rail may aid in extending project activities along the corridor. However, with nationwide requests for the passenger rail program of about $102 billion for available grant award funds of $8 billion, Vermont's current $121 million project application will be facing stiff competition.

At a time when we find ourselves waiting four years for the permitting processes required for the Middlebury spur project to complete, we have New England Central Railway standing at the ready with the 20% match of $1 million necessary to access $4.2 million of the Jeffords earmark funds for a $5.2 million project to upgrade the track from Burlington to the Canadian border to the 286,000-pound national rail standard for fully loaded freight cars....

There is broad-based support for this project. Municipalities along the rail line -- Burlington, Winooski, Colchester, Essex, Essex Junction and St. Albans -- have all provided letters of support. The Chittenden County Metropolitan Planning Organization and the Northwest Regional Planning Commission back this proposal. The Vermont Rail Advisory Council voted to endorse the project. (text reprinted with permission)

---

**QUEBEC/MARITIMES**

**SAINT JOHN: LAST CALL**

5 August. **SWIRE SHIPPING IS MAKING ITS LAST CALL HERE.** It announced on 22 June it would withdraw its Eastabout service, which sailed around the world, and began calling Saint John in 2007 [see 07#10A].

According to the 22 June press release: ‘The ongoing global financial crisis and specifically the prolonged weakness in the North American economy have resulted in a sharp decline in cargo demand combined with a rapid deterioration in freight revenues. As such, Swire Shipping reluctantly makes the decision to withdraw from the trade after five years of operation, as, in the current economic climate, and with rapidly increasing bunker costs, the service is no longer a viable option.’

A surprise to Saint John?

In 2007, Saint John Port Authority (SJPA) CEO Al Soppitt praised the arrival of the service. And in late May 2009, Andrew Dixon, SJPA vice-president of marketing and business development said that in 2008, Swire Shipping signed a contract with AV Group to transport its cellulose wood pulp destined for India and Indonesia [see Halifax article].

“AV Group’s conversion of the Atholville and Nackawic mills to cellulose production has proven to be very strategic during these uncertain times with the unprecedented closures of pulp and paper mills all over the world.”

AV Group converted its production of wood grade pulp to dissolving or viscose staple fibre (VSF) at its New Brunswick mills and, recognizing the potential to ship through Saint John, partnered with Logistec Stevedoring and General Freight to supply Aditya Birla Group, the world’s largest producer of VSF [see 08#10B].

Curtis Doiron, who manages the Logistec stevedoring operation in Saint John, said in late May that Saint John is still “getting the lion’s share of existing forest products traffic in the province and there is a lot more out there that we are working on.” He credits recent forest production increases to Swire Shipping, which calls at the port with two ships per month. “This service is continuing at least until the end of 2009,” he said. {Canadian Sailings 8.June.09}

**Immediate comment**

On 5 August, Soppitt said that ‘we are certainly disappointed with this, but we know it is a result of the global economic downturn. The direct stakeholders are working on a replacement carrier.” He could not say how far that effort had gotten. {ANR&P discussion}

**HALIFAX: GAINS A CUSTOMER**

5 August. **AV NACKAWIC IS NOW SHIPPING OVER HALIFAX,** said Rina Gill, who manages outbound traffic for the mill in Nackawic, New Brunswick. With the loss of Swire Shipping in Saint John [see other article], the mill
here and the sister mill in Atholville, New Brunswick had to find a new line to take the dissolving pulp to destinations in India, Thailand, and Indonesia.

Ravi Gates, who succeeded Tim Benesh as director of logistics and sales, worked with PKO Cargo, a Mississauga-based international freight forwarder. They signed up with OOCL to handle containers in Halifax over the Ceres terminal.

The mills continue to ship containers over Montreal as well, using a different forwarder. {ANR&P discussion with Gill 5.Aug.09}

**RAIL SHIPPERS**

Described in this issue.

*Our Directory of Rail Freight Facilities in New England has more information on the companies denoted with their directory number.*

Baystate Biodiesel (ST Massachusetts) 1st cars.
Carolina Pole (GU Massachusetts) Moving.
Ford (PAS, NY and Massachusetts) Terminal contract.
Fraser (MMA Maine #750) Remains open.
Fraser (CN New Brunswick) Remains open.
PSNH (Regional move) Receives transformer.
PSNH (ST New Hampshire #95) Trucking coal.
Smurfit-Stone (PW Connecticut #555) Closing.

**NEARS KENNETH L ENZOR SCHOLARSHIPS**

The North East Association of Rail Shippers(NEARS) has awarded seven $1000 scholarships from its Kenneth L. Enzor scholarship fund. The Scholarship was established to honor the many contributions Enzor made toward fostering railroad and shipper collaboration.

To be eligible, candidates were required to demonstrate academic ability and interest, be enrolled or entering college, and be sponsored by a NEARS member in good standing.

**NEARS congratulates**

Lucas James Donovan, entering Boston College;
Austri Silver, Plymouth State University;
Katherine Law, entering U-Mass Amherst;
Laura Cella, Elon University;
Jordan Burleigh, Bentley University;
Molly Rodino, Ramapo College of New Jersey; and
PEOPLE

Ernie Boss, long-time sole employee of the Grafton and Upton Railroad, has been furloughed. Ernie was always helpful to me in understanding what was up with the ‘good ole Goo.’ The railroad has hired another person to operate the trains.

Coverage
The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

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).

Readers building a personal archive of the newsletter should discard the e-bulletins. All subscribers have access to the newsletter archive on the web, via password, at www.atlanticnortheast.com. If you do not have a password, merely request one from me.

Pricing
Subscriptions cost $395 for professionals, $125 per year for students, young and old. (Subtract $40/year for e-mail). Introductory prices available. The e-bulletin, sent by e-mail at least weekly between issues, is free of charge to all subscribers.

Advertising
Subscribers may purchase half-page ads for $100 per issue. Non-subscribers, $200.

Copyright notice
PLEASE DO NOT COPY THIS NEWSLETTER, or forward it in e-mail format, in whole or in part. You receive it as a paying subscriber, or a potential subscriber. Passing it on without explicit permission of the editor violates copyright law, and diminishes the likelihood of our staying in business.

Purpose
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.’