What a little moonlight can do to you
This past Labor Day, we were treated to a moonlight cruise out of Bucksport on the Little Toot, an excursion craft operated by Dave Gelinas, who works regularly as a Penobscot River pilot.

Sadly, Bangor now sees no commercial traffic. Ships get only as far as the Webber Energy dock at the Verso Paper mill. The harbor cruise is well worth it; take it next summer.

Oh, the first line? Covered by many, I learned it from a Glenn Miller album. Ask me to sing it at the bar at NEARS, and I’ll tell you my sad tale of true love.

- Chop Hardenbergh

No new articles.

FROM THE PUBLISHER

People: Tom Cahir leaves EOT.*
REGIONAL ISSUES

QUEST AIRLINES*

9 September, Berwick. A FORMER PILOT FOR THE FINK-MELLON PAN AM OPERATION PLANS TO START OPERATIONS IN PEASE. Anthony Gilham seeks $50 million to buy and expand an existing West coast airline now operating charters with Boeing 737s and 767s. While Fink’s Pan Am failed at Pease, and two other smaller airlines pulled out, Gilham believes he can make a go of it with his new Quest Airlines. “I have four airports which want service from Pease,” he said.

Gilham’s experience flying out of Pease underlies his optimism. “I was the first Pan Am pilot to fly the Pease-Myrtle Beach route. Just as passenger counts were increasing,” the route was shut down.

Gilham’s need now: banks with funds. He has a US Department of Agriculture rural development 100% loan guarantee, but no bank with the $50 million he needs. {ANR&P discussion 9.Sep.09; Jim Kozubek in MaineBiz 27.Aug.09}

PW/NECR: 1st INTERMODAL MOVE**

28 August, Willimantic. PW INTERCHANGED THE FIRST INTERMODAL LOADS TO NECR this day. Marie Angelini, PW general counsel, wrote that ‘four loaded containers [went] outbound to the CN via the NECR, destined for Winnipeg. This was the first time for a doublestack revenue move on this route.’ {e-mail to ANR&P 1.Sep.09}

CONNECTICUT

BRIDGEPORT: FEEDER SERVICE*

July, Newington. THE CONTRACT TO START A BARGE FEEDER SERVICE HAS EXPIRED. In 2003, the Connecticut Transportation Strategy Board (TSB) chose Bridgeport over New Haven as one terminus for a barge feeder service from the New York container terminals [see 03#05A]. State money would subsidize the service for a certain number of years at startup.

Bridgeport Port Authority hired Seaworthy Systems to assist in designing the service and selecting operators. Although BPA in 2006 conditionally awarded the barge contract to Trailerbridge and the tug contract to Dann Ocean Towing, the service design - RORO - did not fit the service PANYNJ terminal operators wanted - LOLO [see 06#04A].

After two years of seeking a solution [see 07#12A], the effort died away, and, according to Chuck Beck,
ConnDOT maritime transportation specialist, the contract with Bridgeport expired at 30 April 2009. The authorization to issue bonds to support a service startup still remains, but the state has never issued the bonds. {ANR&P discussion}

BRIDGEPORT:FERRY TARIFF CASE
9 September. THE BPA HAS NOT YET DECIDED WHETHER TO APPEAL THE DECISION ON PASSENGER TARIFFS. The attorney for the Port Authority, Tim Noelker, wrote: ‘The Port Authority has until October 29 to file [an appeal] petition with the Supreme Court. No final decision has been made yet.’ {e-mail to ANR&P}

In Augusta, Andy Nunn, interim executive director of the BPA, said it was still “weighing its legal options, and would decide in the best interests of the city and the port.” {ANR&P discussion}

History
On 29 May 2009, the US Court of Appeals for the Second Circuit, in Manhattan, ruled that the Bridgeport Port Authority (BPA) had violated the US Constitution by imposing a tariff, starting in 1993, on use of the privately-owned and operated Bridgeport-Port Jefferson ferry service. BPA currently collects $1 of the $14.75 rate for a passenger on foot and $2 of the $51 rate for a passenger with a vehicle.

The Bridgeport & Port Jefferson Steamboat Company, owned by Brian McAllister [of the McAllister Towing family–editor], operates the ferry. It filed suit in U.S. District Court for Connecticut against the Port Authority in 2003, calling the surcharge illegal.

The District Court ruled that the agency violated federal commerce laws with its use of the collected tariffs, but not that charging the fees was unconstitutional; the appeals court affirmed. Much of the $9.5 million collected in tariffs between 1993 and 2004 was used to fund activities that were ‘of no benefit’ to ferry passengers, the court ruled. Those activities included creating a high-speed ferry between Bridgeport and New York City, developing a system to ship containers by barge from the Port Authority of New York and New Jersey to Bridgeport, paying attorneys to register an agency trademark, and ‘purchasing season tickets to local minor league games,’ the decision said.

The tariffs collected from ferry riders make up ‘virtually the entirety’ of the Bridgeport Port Authority's $1.5-million annual budget, the ruling said. {Bridgeport & Port Jefferson Steamboat Co. v. Bridgeport Port Authority, United States Court of Appeals for the Second Circuit, heard 23.Dec.09, decided 29.May.09, Docket No. 08-3886-cv; US District Court Connecticut Docket No. 03-cv-599}

Rehearing or appeal
The BPA board voted on 5 June 2009 to ask the Court of Appeals for a rehearing, according to Joe Riccio, BPA executive director. He called the decision “inconsistent with Supreme Court precedent.” However, according to the Circuit Court docket, the Court denied the Port Authority’s motion for rehearing, and for rehearing en banc.

On 27 August, the Court denied BPA’s motion to stay the mandate of the Circuit Court ‘pending disposition of a petition for writ of certiorari which Appellant intends to file.’ {Docket from court website}

Use of fees adjusted
Speaking on 5 June 2009, Riccio said that even before the District Court decision, the port authority had adjusted its accounting so that the vast majority of tariff revenues are put back into services benefiting passengers. Riccio said his agency has no immediate plans to change the size of the fees. {Alfonso A. Castillo in New York Newsday 5.June.09}

Tariff collections used for feeder barge service, etc
Riccio disagreed with the Court’s statement. ‘Tariff money was not used for the barge service,’ he wrote on 19 August. ‘Our consultant was paid with state grant funds and the only use would have been my time which could be charged to rent income which has no restrictions.’ {e-mail to ANR&P}
MAINE

MMA: MAP FILED
28 August, DC. THE RAILROAD FILED THE SYSTEM DIAGRAM MAP AT THE STB, triggering the 60-day period. After the expiration of 60 days, MMA may initiate abandonment of the 241 miles of track shown on the map [see 09#08B for description]. In essence, MMA will let go virtually all its trackage in Aroostook County. {STB Docket No. SDM - 1043 - 0}

Burkhardt comment
MMA chair Ed Burkhardt wrote on 31 August: ‘I remain of the opinion that the best outcome would be for the state to acquire and maintain the lines we have targeted for abandonment, but that will require financing for the purchase, upgrading and continued maintenance - just as the state routinely does for its highway network. And money is tight. This will demand political leadership, which I hope will be forthcoming!’ {e-mail to ANR&P 31.Aug.09}

MMA: TRUCKER OPPOSITION
27 August, Damariscotta. ONE TRUCKER OBJECTS TO THE STATE PURCHASING THE MMA TRACKAGE. “I think that's the 'sky is falling' thinking -- 'When it goes away it'll never come back.' Well, maybe it should have gone away a long time ago,” said Larry Sidelinger, the owner and operator of Yankee Pride Transport in Damariscotta, a flat-bed trucking company that hauls freight all over the country.

Sidelinger, who often voices his unofficial opinion on the trucking industry, said the rail industry in the Northeast has never been a money-maker, and yet has been unfairly subsidized by the government, at the expense of the trucking industry. {Keith Shortall in Maine Public Broadcasting Network 27.Aug.09}

MMA: SHIPPERS SUPPORT GRANT *
28 August, Caribou. RAIL USERS AND OTHERS CONCERNED MET TO DISCUSS THE FUTURE OF MMA IN AROOSTOOK COUNTY, under the auspices of LEAD (Leaders Encouraging Aroostook Development–see box). Ginny Joles, president, hosted the group, which consisted of representatives of these companies: Dead River Company [rail-delivered fuel oil and heating oil, several facilities, our Directory #s 752, 755, 769, 776, 785], SFE Manufacturing (Caribou, maker of stainless steel food service equipment), JD Irving [several forest products facilities and wood lots, #s758, 778, 779], Louisiana-Pacific [#781], Huber Engineered Woods [#773], Maine Woods LLC [#756-1], McCain's [#772], Fraser Paper [#750], Naturally Potatoes of Mars Hill, Daigle Oil Company, and Maine Public Service [inbound utility poles #765].

Representatives of US Representative Mike Michaud, Senator Susan Collins, and Senator Olympia Snowe attended.

From the municipalities and regional organizations came representatives of the City of Caribou, the Town of Houlton, the Town of Fort Fairfield, Southern Aroostook Development Council, Northern Maine Development Commission, the Loring Commerce Center, and the Presque Isle Industrial Council [includes the Logistics Management Systems intermodal terminal #762 and warehouse #762-1].

Plan “A”
The meeting was called to provide a letter of support for MDOT’s proposed application for a TIGER grant.¹ Joles

¹ USDOT announced on 18 April the availability of $1.5 billion in grant funding for the Transportation Investment Generating Economic Recovery, or TIGER, grant program. Applications are due 15 September 2009. Eligible projects include highway or bridge work normally funded under programs like the Surface Transportation Program; public transportation projects, such as those funded by the New Starts or Small Starts program; passenger and freight rail infrastructure projects; and port infrastructure projects. {USDOT press release} According to program guidelines in the Federal Register
came with a draft letter, and those present with authority to sign did so as the ‘concerned Aroostook County Rail Users.’ The letter read in part:

‘Although rail traffic volumes have significantly decreased, we and the remaining rail customers are dependent on the cost effectiveness of rail to remain competitive in our respective markets. Without direct rail, we will face higher costs for inbound transportation of materials required for production and higher outbound costs of moving products to national markets. Some of us that are able will convert from rail shipments to truck, further exacerbating the already serious problems on the state and local roadway network in the region.’

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**LEAD**

Leaders Encouraging Aroostook Development was organized in 1986 by a group of community leaders willing to commit, as volunteers, their time to improve the future of Aroostook County. Ginny Joles, the president, works at the Maine Public Service Corporation as the director of communications, board relations, and economic development.

According to its website, ‘Not long after the formation of the group, LEAD funded a study that identified some of the constraints of doing business in Aroostook County. One of the items was identified as a constraint was the existing transportation infrastructure. So, LEAD set a course to see what could be done to improve the transportation system to, from and within northern Maine. Recently, LEAD has played a role in several noteworthy transportation initiatives, including the improvements to Route 11 and the effort to extend Interstate 95.’

Its offices are co-located with the Northern Maine Development Corporation in Caribou.

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**Rail service**

The attendees discussed how else they can support the process. Many will write their own letters, describing what will happen to their business without rail, and what could happen with better rail service. Some present said MMA could provide better rail service, due to “bottlenecks and timing issues. Interchange systems could be better in Maine to improve shipping efficiencies,” reported Joles.

**Other options**

The meeting also discussed “Plan B”, a possible state bond to purchase the line [see 09#08B]. Joles noted that “it takes time for a bond to pass” so the group will look also at a Plan C, which might involve private companies purchasing the line. “But that’s a discussion for another meeting The importance of this meeting was to gather support and impact information for the TIGER Grant Application.”

LEAD will remain active on this issue, looking at various options, Joles said. “We want to take this initiative’ due to the importance of rail to the County.

**Phone connection with Augusta**

During the meeting, MDOT officials took part by telephone. Commissioner David Cole, along with his director for freight, Rob Elder, and his rail administrator, Nate Moulton, discussed the TIGER application, which will seek $23 million ($17 million to purchase the line and $6 million to upgrade it). Also on the line was Rosaire Pelletier, Governor Baldacci’s senior advisor on forest products and a former Fraser Paper official.

**Follow-up discussion**

In a follow-on telephone conference with MDOT and its consultant, HNTB [HNTB is hired to draft Maine’s rail plan–see 08#07B], several participants continued to discuss how the track and service could be improved to the point that shippers would, Joles said, “see the difference between trucking and rail.”

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of 17 June, USDOT will decide not later than 17 February 2010.

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2 If the Legislature in spring 2010 agreed on a bond, it could go to the voters in either June 2010 or November 2010. Editor
MMA comment
Railroad President Bob Grindrod, who did not attend (MMA representatives were not invited) wrote: ‘There are concerns in the area about the level of service being provided, but service levels are set to respond to the needs of traffic, consistent with volumes. When volumes drop as much as they have (40% or more), it should be understandable that the railroad must take action to bring its costs in line with revenues, and the only way to do so is to reduce service.

‘What is needed in the County is more business, which will produce additional service as a result of the additional revenue. At this point we must wait to see what develops.’ {e-mail to ANR&P 2 Sep.09}

ST: PAPER MILL NO LONGER*
31 August, Livermore Falls/Jay. THE MACHINERY AT THE FORMER WAUSAU PAPER MILL HERE WILL BE SOLD FOR SALVAGE, according to Livermore Falls Town Manager Jim Chaousis. A paper company official told him that Wausau plans to sell the mill as soon as possible, most likely this fall [see closing 09#04A]. The assets at the mill are expected to stay in place and the machines and equipment will most likely be sold for salvage by the new owner, Chaousis said.

Jay Town Manager Ruth Marden confirmed that information and said the machinery and related equipment will be sold for salvage. The mill, formerly served by ST [our Directory #878] straddles the line between the two towns. {Donna Perry in Lewiston Sun-Journal 1 Sep.09}

ST: CUSTOMER REOPENS
mid-August, Saco & Biddeford. TWO CLOSED FACILITIES REOPENED AND RECEIVED THEIR FIRST RAILCARS. In March, Wood Structures closed [see 09#03B] its two facilities in Maine and its distribution location in Assonet, Massachusetts [our Directory #287].

Some of the workers bought the Saco [our Directory #30] and Biddeford [#31] assets from the bankruptcy trustee, and worked a deal with Boise Cascades to become part of its Boise Structural Solutions division. {Portland Press Herald 18 June.09}

Rail use
According to Jeff True, assistant branch manager, the first railcars arrived in mid-August. The Saco facility receives lumber by rail to build trusses; the Biddeford facility receives engineered wood products by rail for distribution. “It’s too soon to tell” how many railcars annually the two facilities might receive. {ANR&P discussion 31 Aug.09 - thanks to Larry Hawkes for the tip}

EASTPORT/ST: RAIL ACCESS
28 August. HNTB COMPLETED THE ENGINEERING STUDY TO GET RAIL TO PERRY, as requested by the Eastport Port Authority [see 09#05A], as well as improve the trail to Baileyville. As available on the Port Authority website, the report noted:

Costs
Cost ranges are based on whether the tracks are upgraded for 263,000-pound or 286,000-pound rail cars and whether they are upgraded to FRA Class 1 (freight 10 miles per hour) or Class 2 (25).

Total costs range from $37.8 million (no 286, Class 1) to $39.4 million (no 286, Class 2) to $57.7 million (all 286, Class 2).

Costs for Canadian track
The study included upgrading the rail from Calais to Baileyville, to the Domtar plant. In terms of costs, that would require expenditure for track located in Canada [see map in 01#09B], presumably not eligible for US federal funding. The report comments: ‘Another possibility is if 286K is initiated to Perry but not to Woodland, the 85 lb rail removed on the MEDOT track between Ayers Junction and St. Croix Junction could be given to Pan Am
Railway to replace the 4.1 track miles of 75 lb rail in the Canadian segment of the line to Woodland [Baileyville].

**Bridge replacement**
HNTB said nine bridges need repair or replacement, costing $5 million.

**Transload facility**
HNTB recommended the facility accommodate a wide range of commodities at a site with room to expand. Consultants considered four possible sites, and recommended one nearest Ayers Junction, removed from the developed areas of Perry, just east of Porcupine Mountain.

**Problems of rail operation**
The report notes: ‘The current rail operations to and from Washington County are unique in that the current operator, Pan Am Railway [sic, should be Railways—editor], operates the 11 miles of active track in Washington County as an isolated operation from the rest of their railroad. To reach the balance of their system, the New Brunswick Southern/Eastern Maine Railroad [sic should be Railway] moves the rail cars over 99.75 miles of their railroad from St. Stephen, New Brunswick, north to McAdam and then west to Mattawamkeag, Maine. This is a less than ideal situation for a number of reasons as it requires three trains, three operating crews and two physical interchanges. This results in higher transportation costs by adding another rail carrier to the move and adds considerable time to rail movements in and out of Washington County. This time issue is further exacerbated by the unwieldy track arrangement between Calais and St. Stephen.’

The 4.7-mile-long Milltown spur of New Brunswick Southern connects in the wrong direction at both of its ends, the report recommends that, for significant increases in rail traffic and lower operating costs, two new short segments of railroad should be added. One would abandon the present rail bridge over the St. Croix River at Milltown and construct a new bridge upstream, so that a direct move can be made from Pan Am to the New Brunswick Southern Milltown spur. The second segment would be the construction of 1,500 feet of new track in New Brunswick, where the Milltown spur connects to the line north to McAdam. The estimated cost for these projects is $6 to $8 million, and the permitting time could be two years. {text of report from Port Authority website; Edward French in *Quoddy Tides* 28.Aug.09}

**EASTPORT/ST: STIMULUS?**
28 August. **TIGER FUNDING COULD GIVE EASTPORT RAIL ACCESS**, said Chris Gardner, executive director of the Eastport Port Authority. The cost of $36.8 to $57.5 million, with an additional $2.8 to $5.8 million for track upgrades in Canada [see article above], could come from the Transportation Infrastructure Generating Economic Recovery (TIGER) funding under the federal American Recovery and Reinvestment Act [see above story for another TIGER application].

Eastport Port Director Chris Gardner views restoration of the rail line as “a game-changer” for Washington County. The federal government is spending $53 million to rebuild a federal courthouse in Bangor; for the same
amount of money “you can rebuild one federal building in Bangor or you can rebuild an entire county.”

Why Eastport?
“People ask why not Searsport or Portland, but we have the deep water.” Only bulk cargo could justify the rail line, but ships moving bulk require deep water, Gardner said. It would cost more to dredge the other ports to a sufficient depth than to build the rail line to Eastport, which has the deepest water of any US East coast port at 64 feet alongside the pier. [Edward French in Quoddy Tides 28.Aug.09]

EASTPORT: FEWER SHIPS
1 September. THE EFFECT OF FEWER SHIPS BUT THE SAME TRAFFIC TONNAGE was described by Skip Rogers, who operates the Federal Marine Terminals stevedoring here to load out the Domtar pulp [see 09#08B], which this year is going to China.

   Earlier, when Domtar sold to both Europe and the Far East, two or more ship calls per month were needed.

Number of ship calls
Since Domtar restarted, Eastport has received two Star ships. The first in early August loaded out 31,000 tons in a Star “A-class” vessel, the second 38,000 tons in a Star “J-class” vessel. In 2008 and earlier, Domtar loaded 20,000 tons or more per vessel to Asia each month and the balance of Domtar’s monthly production [total monthly production at capacity about 32,000 tons per month—editor] to Europe each month, so Eastport will see half or fewer of the 2008 vessel calls.

   Star has called Eastport “for longer than I’ve been here,” said Rogers, or at least twenty years. The third vessel, a “D-class”, will arrive in September.

Effect on stevedores, tugs, and Port Authority
Rogers said FMT gets paid a rate per ton, so that its base income will not change. “Accessorial charges” such as overtime will drop, as will the agency charge.

   The Port Authority will earn the same wharfage, as that is charged on a per ton basis, but less for dockage because that is paid per ship.

   The Port Authority supplies the tugs needed to berth the vessels at a loss to the Authority. The less tug revenue, the harder to justify keeping the tugs around.

Effect on operations
The Port Authority warehouse space can barely accommodate the 30,000 tons-plus which the stevedores must have on hand to load quickly. Domtar “relies on us for storage,” said Rogers, so that if the ship arrives days late, Eastport may not have enough storage for the extra production from the mill. “We’re totally full” before the ship arrives.

   The ship may not have enough space for the entire load either, as happened in the second call. Even though FMT loaded the vessel as full as possible, some of the intended pulp had to remain on shore. The vessel had earlier picked up some cargo in Saint John.

   The new arrangement “obviously works better for Star,” as the carrier halves its ship calls but has the same tonnage. The change “probably does not matter to the shipper,” so the only effect falls on the Port Authority and local workers.

Future traffic
Port officials continue to seek to diversify their traffic. Rogers said wood pellets and shredded tires are under consideration.

   The port is also looking forward to the study on rail to Perry [see above], though, he acknowledged, ST has not yet agreed to serve Domtar. “We are talking to ST as well” on the rail to Perry. [ANR&P discussion]
SEARSPORT: NO REPORT YET
8 September, Augusta. **THE DRAFT PROSPECTUS FOR SEARSPORT HAS YET TO EMERGE**, despite the planned completion date of end July [see 09#06B]. On 18 August, John Henshaw, the director of the Maine Port Authority, wrote to Steve Miller, a member of the stakeholders group [see 09#08A]:

‘As I indicated in the report, the RFEI is in draft form. We are currently revising and editing it and adding some additional data and images. I would be pleased to share it with you when it is closer to its final form.’ {e-mail to ANR&P from Miller}

PORTLAND: OIL FROM MONTREAL?
25 August. **SOUTH PORTLAND APPROVED THE CONSTRUCTION OF A FACILITY** which would permit the Portland Pipeline Company to pump crude oil from Montreal into vessels at its Pier 2 for shipping south to US refineries. The $10 million project won unanimous support from the South Portland Planning Board on Tuesday, after a three-hour public hearing that addressed concerns about noise and fumes.

Now, Portland Pipeline uses its two 18-inch lines to move refined products 236 miles to Montreal. It proposes to reverse the flow in one of the lines, receiving crude piped from Alberta to Montreal.

The pipeline moves about 350,000 barrels a day to Montreal, and has the capacity to move 600,000 barrels.

A two-year delay
Portland Pipe Line and its parent company in Canada began studying the possibility of piping oil from Canada to South Portland in 2008, said David Cyr, treasurer of Portland Pipe Line. The market conditions that initially supported delivering oil from Canada changed dramatically with the decline in the economy. Now, the work isn’t expected to begin until 2011.

“To resume this project at the pace we were working at in 2008, we need the market demand for moving crude oil in a southerly direction to return. The market, as we see it, continues to be soft. Our future plans will be to solicit shipper interest.”

Planning Board members granted the company a two-year extension to start the project. {Melanie Creamer in Portland Press Herald 28.Aug.09}

MASSACHUSETTS

PAS: NO TALKS ON TERMINAL*
21 August, DC. **MASSACHUSETTS FEDERAL SOLONS TOLD AYER NO TALKS WOULD OCCUR** on using the CSXT auto terminal [as reported in 09#08B]. More details emerged in a letter of this date from Senators Kerry and Kennedy, and Representative Niki Tsongas:

Options on lease or purchase
‘It has become quite clear that comments made by Pan Am Southern senior general attorney John Edwards at the July 29th meeting reflect the company’s intention of moving forward with the development of the land in question. Subsequent conversations with attorney Cynthia Scarano of Pan Am also informed us that regardless of any negotiations with CSX, the project will move forward as a result both of the ‘consent decree’ agreed to by the Town of Ayer in 2003 and the National Surface Transportation Board approval...in the spring of 2009. It does not appear that any follow-up meetings with the railroad companies will result in a change of plan at this time.’

No stimulus funds
‘Governor Deval Patrick’s stimulus czar Jeffrey Simon has informed us that this project would not qualify for federal stimulus funds due to the private nature of the negotiations as well as the “shovel-ready” designation...’
CSXT/NS: COAL MOVE
8 September, Mt.Tom.  **THE COAL-FIRED PLANT HERE IS RECEIVING DOMESTIC COAL BY TRUCK.** Three different industry sources agreed on these details:

- CSXT now has the contract to deliver coal to Mt.Tom. Two unit trains have already arrived in West Springfield, and dumped their contents. From there, a local trucker is moving the coal to Mt. Tom.

  [Mt.Tom, when owned by Northeast Utilities, received coal by truck from time to time. In 2005, PW interchanged railcars of coal with CSXT in Worcester; CSXT brought it to West Springfield and dumped it. See 05#06B with photo, and 05#09B when the trucking ended.

  In 2002 and at other times, direct trucking from Provport proved less costly than moving by rail from Provport—see 02#09B Rhode Island. The problem: so many trucks are needed.]

- The Mt.Tom plant burns about 400,000 tons a year [see box]. Of that in 2010, about 80,000 tons will come from domestic mines via CSXT. The other 320,000 tons will arrive at Provport from Colombian mines, and continue via PA and ST direct to Mt.Tom.

**FirstLight comment**
James Ginnetti, spokesperson for FirstLight, which owns Mt.Tom, wrote: ‘The installation of Turbosorp [see box] at Mount Tom will expand the universe of coals that it will be able to burn. There will be domestic coals that will be included in that universe.

  ‘Unlike PSNH, which is a regulated utility that recovers all of its fuel costs through a regulated rate of return, FirstLight operates in a competitive environment and must keep its business information confidential. Therefore, as my colleague, Chuck Burnham, informed you yesterday FirstLight will not disclose its fuel procurement strategies.’  {e-mail to ANR&P 2.Sep.09}

Unhappiness at PAS?
Reports are circulating that the normal route, by rail NS to ST, did not win the coal delivery bid because of pricing. And that NS is unhappy about that. {e-list reports}
GU: LOCOMOTIVE FACILITY?

1 September, Grafton. A NATIONAL LOCOMOTIVE ASSEMBLY COMPANY HAS EXPRESSED INTEREST in the GU’s 100,000SF building on the railroad's Hopedale property, according to Jon Delli Priscoli, the new owner. He declined to identify the company.

Clyde Ames, who is marketing the railroad, said the interest was expressed before April 2009. {e-mail to ANR&P from Ames 2.Sep.09; Eileen Kennedy, MetroWest495 Biz Writer in Worcester Business Review 1.Sep.09}

NEW HAMPSHIRE

ST v NEGS: DISCONTINUANCE

28 August, DC. NEGS DID NOT OPPOSE THE ADVERSE DISCONTINUANCE. In a comment filed this day, the railroad to be ousted stated: ‘NES has a long-standing record of providing superior service to shippers on the Line, and has forged strong and constructive ties to these shippers over a period of over 24 years. [See 09#07B.]

‘It is with regret that it appears that the day will soon arrive when ST will replace NES as the Line's operator, a turn of events that NES understands the shippers on the Line would prefer not to occur. Despite its deep disappointment, NES recognizes that it is not constructive to be an obstacle to the legal exercise of Pan Am's right to terminate its contractual relationship with NES and to take the subject action before the Board.

‘For these reasons, NES does not oppose the proposed termination of NES's common carrier status on the Line, but, as discussed below, NES: (1) strenuously objects to Pan Am's self-serving, inaccurate, and misleading depiction of the circumstances surrounding this adverse discontinuance proceeding; (2) questions whether ST will meet the needs of shippers on the Line following NES's departure; and (3) is concerned about whether ST will arrange for the timely and efficient interchange of traffic with NES at a point near to where the Line and NES's non-
Pan Am-owned lines intersect at Concord.’ [See similar NHDOT concern, below.]

**ST owes big-time**
For some time, ST has failed to pay NEGS the amounts due for NEGS handling of cars interchanged with ST.  
‘Ultimately, on April 5, 2007, after the accumulation of a substantial amount of such allowances, NES sent Pan Am a demand letter requesting prompt payment of amounts owed to NES. In response, Pan Am paid NES only a small portion of what Pan Am's own monthly statements reflected was due to NES.

‘On April 27, 2007 [sic - should be 2007], roughly three weeks after NES's demand letter, Pan Am notified NES that it had elected to terminate the Agreement effective August 1, 2007. Although Pan Am made two additional payments towards the balance it owed NES, the second of those payments, in June 2007, which fell far short of satisfying Pan Am's debt to NES, was the last such payment that NES received.’

[NEGS stated in November 2008 that ST owed more than $550,000. See 09#07A. The case is set for trial in February 2010–date misstated in that formal issue.]

**ST is mis-characterizing the situation**
‘Pan Am has also attempted to mislead the Board into believing that NES has stonewalled Pan Am on the subject of NES's discontinuance, such that Pan Am has had no alternative but to file the subject Application.

‘In fact, Pan Am did have, indeed has, alternatives to a formal adverse discontinuance available to it, and NES would have agreed to participate in such alternative approaches had Pan Am not failed to pursue such options thoroughly. Nevertheless, Pan Am has incorrectly and unfairly suggested that NES is obligated to terminate its common carrier status (absent any provision in the Agreement to that effect), and that, despite such an alleged "obligation," NES has obstinately refused to do so.

‘NES has no such obligation, and it has good reason not to expend funds it does not have to obtain discontinuance authority....

‘For example, during past settlement discussions, NES has suggested that, as part of such a settlement, NES would endorse a change of operators notice of exemption that would permit Pan Am to resume operation of the Line via ST. Such an exemption process would be less costly and time-consuming to all concerned than would be any formal discontinuance proceeding (whether an adverse discontinuance application by Pan Am or a petition for exemption filed by NES).

**ST inability to provide service**
‘Pan Am's scurrilous tactics and inefficient approach to STB matters aside, NES is deeply concerned about whether ST will provide adequate service to shippers on the Line once ST assumes operation...

‘Over the years...NES and its shippers have witnessed a distressing decline in the frequency and reliability of ST's service to and from the current NES-ST interchange at Manchester. Recently, ST's service to/from the Manchester interchange - which was five times a week- has dwindled to twice weekly or less.

‘Pan Am has represented that ST will base a switching crew at Concord, and that is encouraging as far as it goes coming from Pan Am, which appears to have been experiencing problems with motive power and crew shortages as it is. But the proof will be in ST's actual delivery on its promise of five days per week service.’

**No interchange point**
NEGS will continue to serve shippers on an NHDOT-owned segment [see below]. ‘In that regard, NES believes that adequate facilities exist in Concord Yard that are suitable for future NES-ST interchange, but, to this point, ST and NES have not discussed, much less reached an accord on, this critical service issue. NES is hopeful that the parties will reach an accord on interchange so that the issue does not re-emerge at the Board. NES wishes nevertheless to identify the issue as one that is not yet resolved, but can and should be resolved before any change in operators on the Line takes place.’
Request to STB
‘NES requests only that the Board consider the true circumstances underlying this proceeding, and keep careful watch over Pan Am's execution of its plans in removing NES and installing ST in its place. Having had the privilege of serving shippers on the Line for nearly 25 years, NES is concerned that the actions proposed by Pan Am may ultimately result in harm to these industries. The Board should share those concerns.

‘In fact, in acting on the Application, the Board's overarching consideration must be the adequacy of service that shippers on the Line (and, for that matter, on the White Mountain Line) receive going forward, and, in that regard, the Board should be mindful of the representations Pan Am has made in this proceeding regarding the service it will provide.’ {NEGS filing 28.Aug.09 in STB Docket No. AB 32 (Sub-no. 100)}

28 August, DC. NHDOT ASKED THE BOARD TO REQUIRE ST TO MAINTAIN REGULAR SERVICE TO CONCORD, in its filing this day on the adverse discontinuance application by ST [see above].

‘Regular, dependable freight service to Concord is of great importance to the future viability of the state-owned railroad line and the businesses that rely on it - as well as to the shippers now served by NES. NHDOT requests that the Board include as a condition of discontinuance that Boston and Maine/Springfield Terminal be required to provide regular interchange on its Concord Yard property. This is the most feasible location for interchange due to the existence of an existing passing siding, and NHDOT requests that the Board require the operating railroads to facilitate interchange on the existing leased track.’ {NHDOT filing 28.Aug.09 in STB Docket No. AB 32 (Sub-no. 100)}

NEW HAMPSHIRE ROCK SALT

18 August, Concord. NHDOT AWARDED ROCK SALT CONTRACTS. Bids were requested on 10 July, and opened on 24 July. International Salt won the first two districts, and Granite State Districts 3 through 6. [See tables.]

New bidding procedure
Michael Walsh, senior purchasing agent, described how the state asked for a price for each location. In the past, as in other states, New Hampshire had only bid each district as whole.

Now, ‘we requested pricing for each location within the district. The vendor gave use a fixed base price which was the same for all locations within that district. The vendor gave us the mark up prices / ton for each location. The combined prices equaled the delivered price per ton per location. The total of all the delivered prices per location = the offer value per district. The low total offer per district was warded a contract.

‘We awarded rock salt contract for all 6 districts and solar salt contracts for districts 4, 5 and 6; 1, 2, 3 don’t use solar salt.’ {email to ANR&P 28.Aug.09}
VERMONT ROAD SALT


Dona Bosley, senior purchasing agent, sent out the RFP for six districts on 12 June, and received responses on 26 June. Due to absences of senior officials, the result was not posted to the website until late August [see 09#07B].

**ARS contract renewals**

Bosley was able to renew 2007 contracts for the three districts ARS held the contract for. Under the 2007 contracts, the state allowed a 2% increase. [text of award from Vermont Buildings and Services Agency of Administration website]

**Cargill winning bids**

In June, Bosley sought RFPs for the other six districts where he was unable to negotiate a contract extension. For these districts, Vermont and

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<tbody>
<tr>
<td>1 Bennington</td>
<td>ARS</td>
<td>Claremont NH/rail/ Eagle Leaf #1078</td>
<td>7,600#</td>
<td>58.85</td>
<td>57.70</td>
<td>50.79</td>
<td>49.80</td>
<td>46.76</td>
<td>45.37</td>
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<td>2 N.Brattleboro</td>
<td>Cargill</td>
<td>Rockingham/rail/Barrett #1141</td>
<td>10,565</td>
<td>61.48</td>
<td>54.95</td>
<td>48.63</td>
<td>46.84</td>
<td>43.98</td>
<td>41.37</td>
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<td>3 Rutland</td>
<td>Cargill</td>
<td>Rutland/rail/Barrett #1136 or Wye location</td>
<td>12,784</td>
<td>62.43</td>
<td>56.06</td>
<td>49.61</td>
<td>47.81</td>
<td>44.89</td>
<td>41.42</td>
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<tr>
<td>4 White R.J.</td>
<td>ARS</td>
<td>White River J./rail/Barrett #1071</td>
<td>14,500#</td>
<td>63</td>
<td>61.76</td>
<td>49.77</td>
<td>44.07</td>
<td>41.38</td>
<td>36.69</td>
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<tr>
<td>5 Essex J.</td>
<td>Cargill</td>
<td>Burlington/rail/Barrett #1103</td>
<td>11,474</td>
<td>60.96</td>
<td>55.42</td>
<td>49.04</td>
<td>46.92</td>
<td>44.06</td>
<td>40.85</td>
</tr>
<tr>
<td>6 Barre</td>
<td>ARS</td>
<td>Middlesex/rail/Dubois Construction #1056</td>
<td>13,950#</td>
<td>56.65</td>
<td>55.54</td>
<td>48.89</td>
<td>44.15</td>
<td>41.46</td>
<td>38.57</td>
</tr>
<tr>
<td>7 St.Johnsbury</td>
<td>Cargill</td>
<td>W.Milan NH #937 or WRJ #1071 or Ely/ rail/Barrett</td>
<td>10,918</td>
<td>64.18</td>
<td>58.88</td>
<td>51.11</td>
<td>49.31</td>
<td>46.30</td>
<td>42.42</td>
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<tr>
<td>8 St.Albans</td>
<td>Cargill (Sifto)</td>
<td>W.Milan NH #937/ rail, Barrett</td>
<td>10,907</td>
<td>62.45</td>
<td>57.45</td>
<td>46.93</td>
<td>44.95</td>
<td>41.34</td>
<td>38.84</td>
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<tr>
<td>9 Newport</td>
<td>Cargill</td>
<td>Location uncertain</td>
<td>15,048</td>
<td>65.97</td>
<td>54.75</td>
<td>51.30</td>
<td>46.09</td>
<td>43.34</td>
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</table>

**TOTAL** 109,75

# 2007 estimate.
Cargill have a one-year contract, with the option to extend for an additional two years. {text of contracts from website}

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**CBNS/SCR/SYDNEY: LESS COAL**

14 August, Halifax.  **NOVA SCOTIA MADE FINAL THE REGULATIONS ON EMISSION LIMITS ON ELECTRICITY GENERATION IN THE PROVINCE.** [See 09#03A for draft regulation.] The limits will eventually mean a 25% reduction in coal burning. The press release announcing the limits stated:

‘[These limits] will help achieve the key reductions called for in the Environmental Goals and Sustainable Prosperity Act, which commits the province to cutting greenhouse gas emissions by at least 10% below 1990 levels by 2020 and significantly reducing emissions that cause air pollution.

‘The greatest single emissions reductions will come from imposing the caps on Nova Scotia Power Inc. The company is responsible for about 50% of the province's greenhouse gas emissions, or 10 million tonnes, and will need to achieve roughly half of the emissions reductions set out by the Climate Change Action Plan...

‘Nova Scotia is one of the first provinces to impose regulated caps on greenhouse gas and air pollutant emissions from power generation facilities. After consulting with Nova Scotians, the province has set emissions caps for the years 2010, 2015, and 2020, as committed to in the provincial Climate Change Action Plan.’

**NSPI action on greenhouse gas limits**

After the provincial government released the proposed limits, Nova Scotia Power Inc (NSPI) wrote a 27 March letter to Nova Scotia Environment discussing the proposed limits [see 09#03A], calling them ‘aggressive but achievable.’

In 2007, greenhouse gas emissions totalled 10 million tonnes.

**By 2010, reduction to 9.7 million tonnes.** The NSPI 2010 Demand Side Management Plan, as approved by the Nova Scotia Utility and Review Board in August, said NSPI would spend $22.9 million implementing a variety of efficiency measures, which would cut 16.9 MW of demand. {text of NSUARB decision 4.Aug.09}

**By 2015, reduction to 8.8M million tonnes.** The 27 March letter stated NSPI will reduce demand, increase efficiency, add new renewable generation, and possibly displace some coal burning with natural gas at the Tufts Cove generating station.

**By 2020, reduction to 7.5 million tonnes.** NSPI will, by using imported power, biomass, tidal, solar, and wind generation, displace 2,500 Gigawatt-hours (GWh) of carbon-intensive generation. In 2008, carbon-intensive [read, mostly coal] generated 10,600 GWh.

**Impact on coal burning**

Jennifer Parker, NSPI spokesperson, wrote on 27 August: ‘It’s reasonable to assume that we will reduce the use of (and purchase of) coal by approximately [25%] based on the goals above [by 2020]. It’s important to note that we will still be purchasing fuel, although it may not be coal. The type of fuel we use as an alternative to coal will be part of how we determine by what percentage we decrease our use of coal. Our company is currently updating the Integrated Resource Plan (IRP) we submitted in 2007. The IRP is a long-term plan based on certain assumptions about regulations, fuel prices, demand load, etc. It provides a road map for our company in terms of long-term

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4Tufts Cove was built in the 1960s and 1970s with three oil-fired units; these were converted to burn also natural gas in 1999-2000. In 2003 and 2004, NSPI added two gas-fired combustion turbines. {NSPI website}
planning. The IRP will help [provide some details on future coal use]. The process is presided over by the UARB and involves a number of our stakeholders include major industrial customers, the consumer advocate for Nova Scotia, and environmental organizations.’

**NSPI action on air pollutants - SO2**

By **2015**. The NSPI 27 March letter stated the company would meet these limits by fuel-switching and co-benefits from the greenhouse gas reductions.

By **2020**. ‘These will be achieved through fuel switching and as a result of our efforts on greenhouse gas reductions,’ wrote Parker.

**NSPI action on air pollutants - NOx**

By **2015**. The NSPI 27 March letter stated that the company would meet these limits by the co-benefits from greenhouse gas reductions, ‘and adding a low-NOx combustion-firing system at Unit Five at the Trenton Generating Station.’

Parker explained that ‘Unit 5 at Trenton is the only generating station we have that does not already have a low-NOx combustion firing system. All the other generating stations already have this technology.’

By **2020**. Parker wrote: ‘We don't have the full answer to [how NSPI will meet these goals] yet, but we know it will include a combination of wind projects, energy efficiency and conservation programs, potentially clean imports from outside [Nova Scotia], possibly biomass, etc. We’re keeping our options open, but also very focused on taking steps in the near term that will allow us to meet this long-term goal.’ {e-mail to ANR&P 27.Aug.09; 27 March letter from NSPI website}

**Rail and port impact**

NSPI has four plants which burn coal, all imported. The coal for Point Aconi arrives in Sydney and is trucked there. That for Lingan also arrives in Sydney and is moved by the Sydney Coal Railway, owned by Logistec [see 09#03A].

Coal for the Trenton and Point Tupper plants arrives at NSPI’s new pier in the Strait of Canso, operated by Savage [see 05#11A]. CBNS moves the coal to Trenton.

A 25% reduction could be achieved by shutting one plant, or by a combination of reduction measures. The reduction could affect Sydney Harbor, SCR, and CBNS. {editor}

**WHRC: MAKING PROGRESS**

8 September, Windsor. **THE RAILWAY RESUMED HAULING GYPSUM TWO WEEKS AGO**, said Jim Taylor, the general manager, when Fundy Gypsum re-opened its mines; railing of gypsum stopped 22 May [see 09#06A]. He’s scheduled to move three trains a day three or four days a week through October; Fundy has not yet decided its output after that.

**Interchange traffic at Windsor Junction**

CN has requested the railway to make some repairs to the interchange track in Windsor Junction. While the railway makes the repairs, “in the next week or two, cars will be held in Rockingham Yard in Halifax. One car was transloaded and 5 are in Rockingham,” said Taylor.

**Track repair**

The “non-gypsum track,” from Windsor to Windsor Junction, needs work. WHRC approached NSDOT about financial assistance, and found the officials there supportive and helpful. “Our DOT advocates have worked very hard to assist us in seeking financial assistance to aid in capital improvements which would be in everyone's best
interest from an operational, safety, and economic development perspective,” Taylor noted, but the railway still performs necessary capital work to keep railway conditions at acceptable levels.

The Great Recession continues to affect railway income, which comes mostly from the gypsum which is used in construction. “We are limping along,” until the economy turns around, is how Taylor described the operation at this point. [ANR&P discussion]

**RAIL SHIPPERS/PEOPLE**

Boise Structural (ST, Maine #30, 31) Resuming rail use.
Ford (ST, Massachusetts) PAS proceeding with terminal.
FirstLight (ST/CSXT, Massachusetts #166) CSXT trucking.
Fundy Gypsum (WHRC) Mines restart.
Wausau Paper (ST, Maine) Machinery to be scrapped.

**PEOPLE**

Tom Cahir has left his position as EOT’s deputy secretary for transportation programs. He took his new position, as administrator of the Cape Cod Regional Transportation Authority, on 31 August. EOT has not yet announced a successor.
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.

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.