**HIGH-SPEED RAIL**

Table of rail projects submitted to FRA, many with freight implications.*

**INTERMODAL**

Intermodal traffic between the Maritimes and Canada is picking up.*

**MAINE**

Consultant HNTB meets with Technical Advisory Committee, public.*

**MASSACHUSETTS**

All suppliers renew at same price.

Road salt: All suppliers renew at same price.

**RHODE ISLAND**

The agency may start passenger service to TF Green in 2010.*

**VIRGINIA**

High-speed rail for the Vermonter.*

**VERMONT**

Canso: Melford terminal no longer has SSA Marine or Centerpoint as backers; Cyrus remains.**

Sydney: Dredging RFP to go out within two weeks.*

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Jeff Mullan, Shannon Toner, Ken Liepold, Willard Emery

**TIGER BURNING NOT SO BRIGHT**

This issue details several applications for rail projects submitted under the TIGER grant program, which has only $1.5 billion. National totals probably come to $500 billion. I’m fortunate, as the applications provide details about rail and port operations, but I’m willing to bet that New England sees no more than $150 million.

- Chop Hardenbergh

Next issue 16 October

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### REGIONAL ISSUES

#### HIGH-SPEED PASSENGER: THE SUBMISSIONS*

REGION’S HIGH SPEED INTERCITY PASSENGER RAIL APPLICATIONS filed 24 August 2009

<table>
<thead>
<tr>
<th>Application</th>
<th>Tk</th>
<th>Project Description</th>
<th>Total Project Cost</th>
<th>Federal Funding Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>ME Downeaster Portland North Project</td>
<td>1A</td>
<td>Rehabilitate 30 miles of track between Portland and Brunswick, with stops in Freeport and Brunswick, including rail replacement, rehabilitation of 36 grade crossings, ditching, culvert replacement and construction of two station platforms.</td>
<td>$36,290,813</td>
<td>$35,700,493</td>
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<tr>
<td>ME Total ME</td>
<td></td>
<td></td>
<td>$36,290,813</td>
<td>$35,700,493</td>
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<tr>
<td>NH NH Capitol Corridor Phase I</td>
<td>3</td>
<td>PE, NEPA, Service Development Planning for Concord-Lowell</td>
<td>$2,748,400</td>
<td>$1,374,200</td>
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<tr>
<td>NH Total NH</td>
<td></td>
<td></td>
<td>$2,748,400</td>
<td>$1,374,200</td>
</tr>
<tr>
<td>VT VT-NY Bistate Passenger Rail Project</td>
<td>3</td>
<td>Planning project to prepare an operating plan for passenger rail service that would serve southwestern Vermont and eastern New York using VTR, CLP, CP and the Pan Am Southern lines.</td>
<td>$1,000,000</td>
<td>$500,000</td>
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<tr>
<td>VT Total VT</td>
<td></td>
<td></td>
<td>$58,936,547</td>
<td>$53,232,807</td>
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<tr>
<td>MA Knowledge Corridor Restore Vermonter</td>
<td>1A</td>
<td>The Project will restore the <em>Vermonter</em> to its former route over a Pan Am Southern (PAS) line between East Northfield and Springfield [see story.</td>
<td>$68,902,205</td>
<td>$68,902,205</td>
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<tr>
<td>MA Inland Route Double Track</td>
<td>1B</td>
<td>Preliminary Engineering and the NEPA process for the MA Inland Route Double Tracking project. This project will include the restoration of the double track on CSX’s Boston and Berkshire Subdivisions in Massachusetts between CP 48 in Worcester and CP 98 in Springfield.</td>
<td>$7,500,000</td>
<td>$7,500,000</td>
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<tr>
<td>MA Total MA</td>
<td></td>
<td></td>
<td>$76,402,205</td>
<td>$76,402,205</td>
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<tr>
<td>RI Kingston Track Capacity Improvements</td>
<td>1B</td>
<td>Provide for the PE and NEPA documentation necessary to add approximately 2 miles of a third track parallel the NEC main lines from MP 157 - MP 159 in one of the few tangent track territories between New York and Boston that will allow high speed rail over....*</td>
<td>$1,200,000</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>RI Providence Station Parking Improvements</td>
<td>1B</td>
<td>Re-design and rehabilitation of the parking garage and supported plaza deck attached to Amtrak-owned Providence Station due to extensive damage done to the garage’s upper deck in an effort to prevent its emergency closure and to better accommodate intermodal....*</td>
<td>$400,000</td>
<td>$400,000</td>
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<tr>
<td>RI Total RI</td>
<td></td>
<td></td>
<td>$1,600,000</td>
<td>$1,600,000</td>
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<tr>
<td>CT New Haven-Hartford-Springfield (NHHS) Line - Double tracking</td>
<td>1A</td>
<td>Installation of 10.5 miles of new track between Meriden and Berlin on the NHHS Line, includes signal and grade crossing work. Provides double track segment extension in critical section of NHHS line to increase line capacity for designated HSP corridor.</td>
<td>$58,725,000</td>
<td>$41,105,500</td>
</tr>
</tbody>
</table>
CT New Haven-Hartford-Springfield (NHHS) Line - Double tracking
1B Preliminary Engineering and the NEPA documentation for double tracking the entire NHHS corridor. In conjunction with 1A application listed above. Includes other associated ROW work (signal, interlocking, grade crossing, bridge repair) for entire designation....*

$9,300,000 $9,300,000

CT New Haven Line (NHL) Signal and Positive Train Control (PTC) systems
1B Preliminary Engineering and the NEPA documentation for designing new signal system (including PTC) on the NHL (part of the NEC). Existing signal system requires replacement. New signal system will increase capacity and MAS on NHL. CT has funded first.....*

$13,483,582 $13,483,582

CT Shore Line East (SLE) Stations
1B Completes preliminary engineering and NEPA documentation for this project (CT has previously committed state funds for this project). Currently, there are single-sided station platforms on the south side. Double-sided station platforms will reduce congestion.....*

$300,000 $300,000

CT Reestablish 4th Track (Track 3) between New Haven and Devon on New Haven Line (NHL)
1B Completes preliminary engineering and NEPA documentation for this project (CT has previously committed state funds for this project). Reestablishes 4-track NHL main line section on critical NEC segment to increase capacity and reduce congestion. Approx.....*

$600,000 $600,000

**CT** $82,408,582 $64,789,082

* Text of spreadsheet stops here. (CONEG internal document compiled from public websites, press releases, and discussions with state officials; the document was leaked by an unknown state official)

### FRA decision
The FRA has no statutory decision date. Some expect answers in early October.

### Fragmented?
While the set of projects outlined in the table looks fragmented, two officials who worked on the submissions insisted that the New England states were working together, in contrast to the contention found in the ‘From the Publisher’ of issue 09#08B. Moreover, the FRA is very aware that the various projects fit into a whole.

Said one: “The FRA guidance forced states to contort themselves.” The fragmented nature emerges “not because states are not talking to each other but in response to the very confining FRA guidance. States did complain about the guidance, but nothing changed.” {ANR&P discussions 24.Aug.09, 24.Sep.09}

### NBSR-ST: INTERMODAL
15 September. **THE INTERMODAL TRAFFIC IS PICKING UP.** Observers continue to spot two or three boxes moving at one time [see 09#05B]; in Old Town on MABA (Mattawamkeag-Bangor) on 20 August three CSX boxes in well cars, on 5 September three more on MABA. {e-mail to ANR&P}

NBSR General Manager Ian Simpson said this day: “We are putting a lot of effort” into the service, which he declined to continue to label an experiment [see 09#05B] We think there is a market for it. The biggest trouble these days is that the economy not as strong as we like to see it. And trucks work hard to keep their share.”

Simpson explained that “many of the northbound containers come from many points in the United States” and go beyond Saint John to other points in the Maritimes. And conversely, southbound containers are going beyond ST’s Ayer container terminal “to many points in the United States.”

He is discussing one such southbound move with a manufacturer in the Maritimes which ships its product solely by truck. {ANR&P discussion}
**CSO: NATIONAL GUARD SITE**

23 September, Windsor Locks. **THREE COMPANIES BID ON A RAIL ACCIDENT TRAINING SITE FOR THE CONNECTICUT ARMY NATIONAL GUARD** on this day. Low bid was Cutter Enterprises LLC of Tolland, Connecticut with $187,500; the next-lowest at $194,000 came from Brican Inc of Springfield, Massachusetts, and the third from Pierce Buildings of Granby, Connecticut who offered $224,000. *Datafax Inc 25.Sep.09*

The work

According to Michael S. Mastalski, Supervisory Contract specialist for the Guard: ‘The train wreck training facility is one piece of a larger project that we are building called the “New England Disaster Training Center” (NEDTC). [It] consists of various training sites such as a trench collapse training facility, a field hospital training area, a technical rescue facility and an urban search and rescue training site, to include various support buildings such as classrooms, warehouses and showers and locker rooms. This facility is mainly located at Camp Hartell, in Windsor Locks, Connecticut. The training center will be managed by the Connecticut National Guard, with support from other agencies....Currently the NEDTC is under contract to various construction companies and we expect the various facilities to be complete in the Spring of 2010.

‘[T]he train wreck training facility...will consist of a rail spur with three rail cars; an upright passenger car, a tanker car, and a passenger car that is derailed and on its side.’

The equipment

Mastalski reported that ConnDOT will donate some railcars; a crane will lift them onto the training spur, as the track will not connect to the CSO spur. *e-mail to ANR&P 25.Sep.09*

The location

The site lies on the north side of the CSO-operated, ConnDOT-owned rail spur into Bradley Airport [see map in 04#12B], between Industrial Road and North Street. *{diagram from Mastalski}*

**PW/NEW HAVEN**

10 September. **THE PORT AUTHORITY WILL SEEK A TIGER GRANT FOR RAIL INFRASTRUCTURE AND OTHER PROJECTS**, according to Judi Sheiffele, executive director. The rail consists of reconstructing the crossings of Waterfront Street and spurs into two terminals. *{e-mail to ANR&P}*

A letter dated 12 August from the chair of the New Haven Port Authority, John Russo, to ConnDOT Commissioner Joseph Marie noted that reconstructing Waterfront Street was supposed to be advertised in March 2009¹ and then in October 2009. ‘However, it now appears that the project will not be advertised this year.

‘The Port Authority is concerned that the project is not moving forward and that it has been shelved without an appropriate explanation....[T]he future growth of the port depends on a good network of multimodal connections at the port, and we consider the reconstruction of Waterfront Street and the rail spurs to abutting port users to be the backbone of that intermodal transportation system....

‘We are very interested in receiving information from the State regarding its schedule for the reconstruction of Waterfront Street to determine if this project should be included in our TIGER application.’ *{text from Connecticut Maritime Commission}*

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¹Mike Piteo of ConnDOT said in November 2008: ‘The reconstruction of Waterfront Street should be underway by Summer 09.’ *{e-mail to ANR&P 3.Nov.08}*
The proposed funding
To redo Waterfront Street and complete the rail, the city is asking for $6.1 million.

To upgrade tanks, pipelines and pumping facilities at New Haven Terminal to enable the storage and handling of biodiesel and bio-heat fuel, New Haven seeks $1.6 million. Potential customers include Innovation Fuels of New Jersey [see 09#06A].

Third, the city seeks $14 million to add a rail offloading facility for more efficient receipt of ethanol at the 286 Waterfront Street Magellan terminal, as well as a pipeline connection to its storage facility at 134 Forbes Avenue. Sheiffele said 80% of the 5,000-barrel current volume of daily ethanol demand at the terminal could be supplied by this new 10-car rail facility.

Fourth, for $14 million the city would replace 1100 feet of the bulkhead on the Quinnipiac River at the North Yard. This would provide additional space for the marine contractor located there and allow Greenleaf Fuels to transport biodiesel directly by barge from the processing facility it is planning.

Finally, a warehouse and material handling equipment at the East Shore Parkway property would cost $5.1 million. It would provide protected storage areas that the authority would lease to terminal operators, while the installation of electrical connections for refrigerated containers and trailers could enhance potential business for Global Express. {Mary O’Leary in New Haven Register 28.Sep.09}
MAINE

MAINE STATE RAIL PLAN*

Meetings to discuss the plan
A Technical Advisory Committee met 16 September. Public meetings occurred 28 September in Bangor, and 29 September in Portland. {Maine State Rail Plan website}

Members of Technical Advisory Committee invited (* indicates attended)
Rail Operators
Montreal, Maine & Atlantic Railway. Robert C. Grindrod, Pres. & CEO*
Maine Eastern Railroad. Gordon Fuller, CEO*
St. Lawrence & Atlantic Railroad. Ed Foley, VP
Pan Am Railways. Sydney Culliford, Executive Vice President*
New Brunswick Southern. Ian Simpson, General Manager*

Transloaders
Safe Handling. Ford Reiche, President [Andy Meyer in his stead.]

Shippers
VERSO. Patty Aho, Pierce Atwood*
Sappi, Michael G. Segal, PE, Director, Logistics*

Passenger Rail
Amtrak. Paul Eastwood
NNEPRA. Patricia Quinn, Executive Director*

Ports
Maine Port Authority. John Henshaw*

Distribution Center
Fore River Distribution Center. Michael Cella. President*

Regional Planning Organizations
Greater Portland Council of Governments (GPCOG). Neal Allen*
Androscoggin Valley Council of Governments (AVCOG). Don Craig, Transportation Director *
Bangor Area Comprehensive Transportation System (BACTS). Executive Director (Rob Kenerson, same as EMDC)
Southern Maine Regional Planning. Tom Reinauer, Transportation Director,

Economic Development Organizations
Eastern Maine Development Corporation. Rob Kenerson
Lewiston-Auburn Economic Growth Council. Lucien Gosselin, Executive Director
Northern Maine Development Commission. Denis Berube*
Maine International Trade Center. Janine Cary, President and State Director*

Advocacy Groups
Trainriders Northeast. Wayne Davis, president*
Sierra Club. Paul Weiss, Sandy Amborn, alternate,
Maine Rail Group. Jack Sutton*

Other
Maine Better Transportation Association. Maria Fuentes
Maine Motor Transport Association. Brian Parke*
Legislative Transportation Committee. Ed Majurzek, Transportation Committee*
North American Rail Shippers Association (North East Association of Rail Shippers). Joe Gearin, Executive Director
State Agencies
State Planning Office. Stocco MacGregor, Phil Carey*
DECD. Brian Doyle, Business Development Specialist, MITC/DECD
EPA. Lynne Cayting*

MDOT: RAIL, PORT APPLICATIONS FOR TIGER*
15 September, Augusta. MDOT LISTED THREE RAIL PROJECTS AMONG THE SIX APPLICATIONS IT FILED for funding through the American Recovery and Reinvestment Act Transportation Investment Generating Economic Recovery (TIGER) program, including the application with New Hampshire DOT to rehabilitate the Memorial Bridge that connects Kittery and Portsmouth. The state's five solo applications total $166.2 million, and the joint Maine-New Hampshire project is another $70 million.

Eastport/ST/NBSR rail and transload [see 09#09A]
MDOT is seeking $57,700,000 in a TIGER grant toward the total project cost of $62,200,000. ‘The intent is to utilize the $57.7 million grant funding immediately on rail line rehabilitation and restoration, and trans-load facility land acquisition and construction. The balance of the project funding is anticipated from a November 2009 state bond for the automated bulk handling equipment. The project is scheduled to be completed prior to February 17, 2012.’

Northern Tier Rail Restoration/MMA
This application seeks $23 million to purchase and rehab the 233 miles of line MMA is proposing to abandon [see 09#09A].

Mountain Division rail restoration
MDOT requests $28.5 million toward total project costs of $31.4 million. ‘The project would restore freight and passenger rail service on 45.4 miles of state-owned inactive rail line in southern and western Maine and rehabilitate 4.6 miles on the Portland end of the line to an FRA Class 2 condition.’

Three port projects
The Maine Port Authority asked for $32 million. For Portland, $23 million would pay for rehabbing the Maine State Pier and the International Marine Terminal. For Searsport, $7 million would pay for a heavy-lift mobile harbor crane. For Eastport, $2 million would buy a conveyor system and additional storage space; it has received inquiries to transport aggregates and wood pellets.

Joint state bridge project/ST
The joint TIGER grant application points out that two of the three bridges between Portsmouth and Kittery require major work. ‘Being faced with two major bridge projects at essentially the same time presents a significant financial challenge for the Transportation Departments of the two states. Applying TIGER funds to the Memorial Bridge rehabilitation will enable New Hampshire and Maine to jointly focus limited resources and as a result, accomplish the improvements to the Sarah Mildred Long Bridge....

‘The Sarah Mildred Long Bridge...supports an important national defense role by providing the necessary rail crossing of the Piscataqua River for deliveries to the Portsmouth Naval Shipyard. The Shipyard performs overhaul, repair, and modernization of Los Angeles-class nuclear submarines for the US Navy and is the future repair site of the new Virginia-class submarine. The rail line [served by ST–editor] on the Sarah Mildred Long Bridge is used to transport nuclear fuel and related components to and from the Portsmouth Naval Shipyard [our Directory #41].’

{MDOT website}
SLR: WORKERS GET ASSISTANCE**

9 September, DC.  **THE US DEPARTMENT OF LABOR CERTIFIED SLR WORKERS FOR TRADE ADJUSTMENT ASSISTANCE.** A 9 September document from the Department, issued by the office of US Representative Mike Michaud (D, northern Maine) on 15 September, reported that the state had applied for assistance for SLR workers. It listed three criteria:

I - A significant number of SLR workers have become separated from employment.

II - ‘[W]orkers of [SLR] provided shortline freight railroad transportation services to Fraser Papers Limited in Madawaska Maine that produced specialized coated paper.’ Fraser due to loss of business is eligible for trade assistance, as are its suppliers.

III - The loss of business by [SLR] ‘contributed importantly to worker separations at Auburn, Maine facility.’ {text of determination document} [Fraser was apparently trucking paper to SLR’s intermodal facility in Auburn. Editor]

Genesee & Wyoming’s Mike Williams, the parent company’s director of corporate communications said the SLR currently employees 64 people in Maine, down from 67 at the beginning of the year. {MaineBiz e-bulletin 15.Sep.09}

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MASSACHUSETTS

PAS/EOT: HSIPR PROJECT*

23 September, Boston.  **EOT ASKED FOR PUBLIC COMMENT ON THE RELOCATION OF THE VERMONTER TO THE CONNRIVER LINE** in Massachusetts. On this day, it issued the Environmental Assessment (EA) for the Knowledge Corridor - Restore Vermonter Project, which is being submitted to the FRA. EOT is accepting written comments 23 September to 14 October.

On 24 August, EOT asked FRA for $68.9 million to do the project from the $8 billion fund for High-Speed Intercity Passenger Rail [see other article].

The EOT press release listed benefits of moving the Vermonter service back to the ConnRiver line as reducing the overall travel time by 25 minutes; improving on-time performance; and an estimated 24% increase in ridership.

‘The Project would require improvements to the existing Pan Am Southern rail line [from East Northfield to Springfield], including crosstie replacement, rail replacement, rehabilitation of grade crossings, reactivation of passing sidings and portions of double track, upgrading of switches, improvements to signal and communications systems, surfacing and alignment of track, and improvements to bridges and station platforms. These improvements would facilitate the relocation of the Vermonter by improving safety, increasing operating speeds for existing freight train traffic and the Vermonter, and enhancing capacity on the rail line to accommodate future increased levels of train traffic. The improvements and rehabilitation work will be done within the existing railroad right of way.’ {EOT press release}

The importance and value of this Project was identified through a study sponsored by the Pioneer Valley Planning Commission (PVPC), in conjunction with the Executive Office of Transportation and Public Works (EOTPW) [see 09#06A Regional].

**Interesting facts from the EA**

‘Projections for completion of the Project indicate that there will be one additional freight train operating on the PAS Connecticut River Line and that by 2030, freight traffic will increase by 50 to 100%. Freight train speed will increase from 10 mph to 40 mph. Amtrak trains will travel at about 60 mph. Freight travel times may change slightly to allow for Amtrak travel on the Connecticut River line, but this would not negatively affect overall freight service. The increase in average speed and number of cars per train coupled with track improvements would result in more
PAS: MORE AYER PROBLEMS**

18 September, Worcester. **MASSACHUSETTS AND FEDERAL ENVIRONMENTAL OFFICIALS CHASTISED PAS FOR FAILING TO APPEAR** at a 17 September meeting here designed to iron out stormwater management at the environmentally sensitive site. DEP Regional Director Martin Suuberg and EPA Regional Counsel Carl Dierker wrote to ST President David Fink that they were ‘disappointed’ Pan Am failed to appear. They requested Pan Am ‘forebear from installing the stormwater management system or undertaking construction that will affect its installation until the issues ... are resolved.’

In a separate letter to the Surface Transportation Board, DEP and EPA representatives asked that the Board be involved in the oversight process as work gets under way.

Probation violation?
Pan Am's alleged failure to stick to accepted construction plans, as provided for in the terms of its probation, is being reviewed by Massachusetts Attorney General Martha Coakley's office, according to Andrew Rainer, chief of Coakley's Environmental Strike Force.

“We are exploring whether the issues ... related to the stormwater plan may be appropriately raised with Judge (Elizabeth) Fahey in connection with Pan Am's probation,” Rainer said. [On 31 March, Pan Am was slapped with a $500,000 corporate criminal fine, the largest in state history, for the coverup of an August 2006 spill of more than 900 gallons of diesel fuel from an idling locomotive in Ayer. The railway remains on probation for three years. See 09#04A.] 

25 September, Boston. **PAN AM MUST APPEAR IN SUPERIOR COURT ON A BREACH OF PROBATION CONDITIONS.** Judge Elizabeth Fahey set a 7 October evidentiary hearing to decide whether Pan Am breached the law by paving its 26-acre lot off Willow Road in Ayer.
Extent of paving
Ayer Department of Public Works Superintendent Dan Nason told the Ayer Board of Selectmen that as of 23 September, PAS had paved about 75% of the planned space.

The site is graded at a slight pitch towards catch basins that will ultimately send rain and storm water runoff through filtration devices to capture sedimentation, oils, or any other suspended contaminants flowing over the pavement. As it sits, there is no such protection in place as paving proceeds. The heightened concern is that the rail yard sits atop the town's zone 2 aquifer protection district. Zone 2 wells, which provide 60% of Ayer's drinking water, are located a short walk away from the site.

Pan Am began paving two weeks after Nason rejected the company's request earlier this month to use cheaper filtration devices. The original devices, which had both DEP and EPA approval, are now on order but are some 4-6 weeks away from arrival and installation, said Nason. (Mary E. Arata in Nashoba Publishing 28.Sept.09 (two different stories))

MASSACHUSETTS ROAD SALT 2009

“We didn’t have any cost any increase, where all the surrounding states in New England, New York, Pennsylvania, and New Jersey, went up 2 to 16%.” {ANR&P discussion 25.Sep.09}

MASSACHUSETTS HIGHWAY SALT PRICES 2009-2010

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<tbody>
<tr>
<td>1A (Williamstown)</td>
<td>American Rock</td>
<td>20,000</td>
<td>59.14</td>
<td>59.14</td>
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<td>71.04</td>
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<td>2A (Deerfield)</td>
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<td>69.10</td>
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<td>645,000</td>
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<td></td>
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</tbody>
</table>

*Prices from the contract award section of the Comm-Pass website, document VEH72.
** Tonnages remain same as 2006 RFR. {e-mail to ANR&P from Whitaker 28.Sep.09}
Pile locations and salt sources
American Rock Salt mines salt in New York. Its pile lies in Taunton, served by MC, operated by Gallo.
Cargill mines salt in Ohio, and rails it to a pile in Westfield served by CSXT.
Eastern States sources salt from various offshore locations. Ships deliver the salt to its pile in Chelsea.
International Salt sources salt from Chile, and lands it in Portsmouth for District 4. For Districts 3 and 5 it has a pile in Charlestown, at the auto terminal. {e-mail to ANR&P from Arthur Bush 26.Sep.09}

CSXT/EOT: LIABILITY AGREEMENT
23 September, Boston. THE TWO SIDES HAVE REACHED AGREEMENT ON THE LIABILITY ISSUE, according to an announcement by Lieutenant Governor Timothy Murray to the Great Boston Business Council. Per a press release, the accord ‘allocates liability amongst the parties in a way that provides incentives for both parties to operate safely, ensures that payments are made quickly to anyone injured in an accident, and encourages joint problem solving to correct safety concerns.
{text from EOT}

The deal was not finalized until the evening before, said Jeffrey B. Mullan, who was a key member of the state’s negotiating team when he served as EOT undersecretary. {Priyanka Dayal and John Monahan in Worcester Telegram & Gazette 24.Sep.09}

More on liability terms/Operating Agreement
Colin Durrant, EOT spokesperson, wrote on 29 September: ‘The Operating Agreement, which includes this language on liability, is not fully finalized by the parties.’ [Emphasis added. The Definitive Agreement stated in October 2008 [see 08#10B] that the parties had to negotiate an Operating Agreement before the First Closing.]

‘Furthermore, the final agreement needs to be presented to the MBTA Board in early October to get their approval before it is fully finalized.

‘The parties have agreed to a “fault” liability framework for the First Closing Assets. For the portion of the Boston Main Line between Framingham to Worcester, the parties have substantially improved the “no-fault” liability agreement that presently governs this territory through a multi-faceted deal: 1) CSX will pay up to $7.5 million for injuries or damages arising out of its willful misconduct or punitive damages; 2) CSX will make an annual $500,000 payment to the MBTA to defray insurance and liability costs associated with this territory; and 3) CSX and the MBTA will implement safety improvements and service changes to dramatically reduce the risk profile of this line, such as implementing Positive Train Control by 2015.’

[Jeffrey Catalano, secretary of the Massachusetts Bar Association, said: “Undeniably, it’s exposing the MBTA, and therefore the Commonwealth, to more liability.” Catalano is handling a lawsuit against CSXT and the MBTA over a 2005 death on another section of the tracks. “It’s challenging to establish willful misconduct.” {Noah Bierman in Boston Globe 24.Sep.09}]

No closing yet
EOT and CSXT reached their ‘Definitive Agreement’, governing the sale of rail lines and other points, in October 2008; that in part required the resolution of the liability issue [see 08#10B]. One official close to the negotiations said the official ‘First Closing’, when EOT will pay CSXT $40 million for the rail lines to Fall River/New Bedford, the Grand Junction, and the Boston Terminal Running Track, has not yet occurred, and does not have a date certain. {ANR&P discussion}

Tentative closing date
Durrant wrote that the two sides anticipate ‘spring 2010 for the first phase... and 2012 for second phase’ [presumably First Closing and Second Closing (the track to Worcester)]. {e-mail to ANR&P 25.Sep.09}

Status of clearance work
The Definitive Agreement did require both EOT and CSXT to begin clearance work, and complete it by 2012, regardless of progress on the other parts of the agreement. Bob Sullivan, CSXT spokesperson, wrote: ‘Preliminary
engineering work is underway.’

Durrant of EOT wrote: ‘[T]he EOT Clearance work is part of the state's Accelerated Bridge Program program (http://www.eot.state.ma.us/acceleratedbridges/) and work has begun on these bridges.’ [See box on bridges in 08#10A.]

Status of relocation
As for relocating Beacon Park facilities, EOT and CSXT were to look for a location for a locomotive turning facility. Durrant wrote: ‘EOT and CSXT have been diligently looking at a variety of sites to locate this facility over the past, but no facility site has been finalized yet.’

As well, CSXT was to seek a location for the intermodal facility. Per Durrant: ‘CSXT and the Commonwealth have been working together aggressively to identify a number of different alternatives to address the relocation of substantial functions out of Beacon Park Yard. In addition, recently, the solid waste traffic that has been historically been handled at Beacon Park Yard is no longer being serviced there.’ {e-mail to ANR&P 28.Sep.09}

Mullan said, “They like the city of Worcester, by the way,” [for new locations] adding that the move should happen within five years. {Priyanka Dayal and John Monahan in Worcester Telegram & Gazette 24.Sep.09}

BCLR: BOOM TO BUST*
10 September, Millis.  **GAF HAS CEASED NEARLY ALL DISTRIBUTION ACTIVITY FROM THE WAREHOUSE HERE.** In October 2008, GAF rail traffic was “better than ever” [see 08#10B]. What happened?

GAF Materials Corporation merged with Elk Corporation, which also sold building materials, in 2007. In 2008, the companies, operating under the GAF name but using the GAF-ELK brand, merged the operations. {{Roofing Contractor 10.Apr.07}}

Bernie Reagan, BCLR senior vice-president, marketing, said the corporation had decided in spring 2009 against using distribution centers, and in favor of trucking direct from the factory serving New England, located in Meyerstown, Pennsylvania.

On the $400,000 BCLR invested in the Millis track in 2008, Reagan said the improvements remain, and BCLR can recoup it if GAF traffic returns, or from the next user. GAF is only leasing the facility here.

Scrap doing well
In contrast to the Millis branch, the Watuppa has seen good scrap traffic for Mid-City Scrap [our Directory #296], though beer for Colonial Beverage [#295] has fallen off. [Scrap steel prices in the Far East, quoted on the London Metal Exchange in US dollars per metric tonne, rose from $310 in late March to $455 per ton in late August. {infomine.com}] {ANR&P discussion}

NEW HAMPSHIRE

**ST v NEGS: DISCONTINUANCE***
14 September, DC. **ST FILED ITS REPLY TO NEGS ON THE ADVERSE DISCONTINUANCE** [see 09#09A]. ‘As it so often does, NES once again attempts to portray itself as a victim, except in this circumstance NES has no choice but to acknowledge that the statements made in PAR’s Application are correct…’

ST counsel Rob Culliford replied to NEGS on these points:

**ST has refused to pay NEGS for car allowances**
Therefore per NEGS sought to terminate the lease. ‘To the contrary, PAR only seeks to terminate the common
carrier status of NES because the relationship with NES has become so contentious, facts which PAR did not include in the Application.

**ST had a different way to proceed**

Culliford argued that ST could only proceed with the adverse abandonment because ‘each time PAR came close to filing a formal application, NES would suggest settlement discussions.’ Yet each time that PAR withheld from filing, it was met with ever more egregious settlement terms that it could not accept.’

**ST may not provide good service**

‘PAR would submit that it has proposed an operating plan that will provide better service than currently exists on the Line because of the removal of the need to interchange traffic for the Line and by basing a crew at Concord, New Hampshire. PAR is committed to this operating plan, but notes that it must be contingent on adequate service levels to support it.’ [*Sic - Culliford meant ‘traffic levels’*. And of course, if ST continues its poor service, that will drive away traffic, and permit ST to abandon the line. ST’s reputation for doing what it says it will do is not good (the passenger rail performance excepted). See Committee for Better Rail Service in Maine filings on the NS-ST transaction. Editor]

‘To mandate a minimum level of service would be inequitable and inefficient, because if PAR were required to continue to provide minimum service levels on the Line that may be unprofitable due to a lack of demand would inevitably lead to abandonment of the Line.’ Therefore, PAR requests that the Board decline to impose minimal service requirements.’

**Interchange to serve NHDOT branch**

ST argued that the White Mountain Branch traffic, which NEGS will continue to serve, ‘is de minimus at best (approximately two (2) cars per month in 2008) and PAR is mindful of its statutory obligation to provide reasonable interchange, and will work with NES to establish conditions....’

As for the location NHDOT requested for the interchange, ‘NHDOT has never consulted with PAR regarding this location, and in fact has never operated on the Line. [*Sic - NHDOT has never operated on the Line?*] Therefore, PAR would suggest that it be permitted to negotiate in good faith with NES....’ {STB Docket No. AB-32 (Sub No.100)}

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2 Untrue per NEGS Peter Dearness. ST stopped its formal filing in 2008 by pulling the legal ads in September [see 08#09A]. Dearness said at the time he had no insight into why ST stopped, and he had no agreement with ST which would have caused it to stop.

3 NEGS did not request that the STB ‘mandate a minimum level of service.’ Rather, it asked the Board to ‘be mindful of the representations Pan Am has made in this proceeding regarding the service it will provide.’ [See 09#09A.]

4 What? Surely ST, which likes little better than to litigate, would merely return to the STB and ask for a change in the mandated service, or better, a release from the requirements? Editor
RHODE ISLAND

MBTA: RI EXTENSION
10 September, Boston. THE MBTA BOARD APPROVED EXTENSION OF COMMUTER RAIL TO TF GREEN AIRPORT in Warwick, and ultimately to Wickford Junction in North Kingstown, Rhode Island. MBTA officials said the service, tentatively set at eight trips a day, is not scheduled to begin until 2011. But officials in both Massachusetts and Rhode Island said that if the Warwick station and the rail infrastructure are ready, trains could start in autumn 2010. {Adam Smith in Providence Journal 11.Sep.09}

VERMONT

NECR/VAOT: HSIPR PROJECT*
24 August, DC. VAOT AND NECR APPLIED FOR A $52 MILLION HSIPR PROJECT this day, the deadline for states to apply for a part of the $8 billion in the FRA's High-Speed Intercity Passenger Rail Program [see table in Regional]. The project would be a public-private partnership, with NECR contributing up to 10% of the project costs, wrote Charles Hunter, director, State Relations East for RailAmerica.

Charlie Miller, AOT rail division director of special projects, ‘and the staff at [VAOT] really worked well with NECR/RA on this application. We had a lot of work to do and little time to make the application deadline. [AOT Secretary David] Dill made this a priority and we were able to get it done on time.’

Improvement for passenger running times
The project would consist of installing heavier continuously welded rail, bridge work, new tie installation, and ballast work for the 191 miles of NECR line from St.Albans to the Vermont state line near East Northfield, Massachusetts.

Track speeds on the section from White River Junction to Brattleboro, which has trackside signals, would improve from FRA class 3 to FRA class 4 (passenger speeds could increase from 59 miles per hour to 79 miles per hour).

New Hampshire support
Part of the signalled line runs through New Hampshire. Although the application comes only from Vermont, Hunter wrote that he met with New Hampshire state officials, and the application has official New Hampshire support.

Vermont ridership increase
According to the application, the Amtrak service on this route, the Vermonter, has 44% ridership increase between 2005 and 2008, with 77,000 passengers riding in 2008 along the NECR portion of the route. The busiest stations in Vermont are White River Junction with over 16,000 passengers per year, Essex Junction with 15,823 passengers (129% increase since 2005), and Brattleboro with 11,544 passengers.

Vermont AOT Secretary David Dill said at a local announcement on 24 August that the Vermonter's on-time performance in Amtrak's most recent report was number two in their entire system.

Freight impact
NECR carries an average of 37,000 carloads per year through Vermont. Upon completion of the project, this section of track could handle 286,000-pound freight cars; it is currently limited to 263,000-pound cars.

What about the section from St.Albans to the Quebec line?
The Vermont Rail Council has urged VAOT to use some of the available federal ‘Jeffords earmark’ to raise the rest
of the NECR line in Vermont to 286 [see 09#06A]. VAOT did not include the portion north of St.Albans in this application because the *Vermont*er does not currently run there, and would not in the next two years, the time span for the completion of the HSIPR projects. {e-mail to *ANR&P* from Hunter 31.Aug.09}

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**QUEBEC/MARITIMES**

### CANSO: MELFORD UPDATE**

23 September. **TWO US COMPANIES ONCE SUPPORTING THE CONTAINER TERMINAL HAVE ENDED THEIR INVOLVEMENT.** SSA Marine of Seattle has terminal operations around the globe and CenterPoint Properties of Chicago is a large owner, manager, and developer of industrial real estate. Both companies indicated quite some time ago that they were no longer interested in the project and this week confirmed that in e-mails.

**Background**

In May 2007, Melford International Terminal Incorporated (MITI) announced its plans for a US$300-million marine container terminal and 1,500-acre logistics park in Melford, Guysborough County. According to a press release at that time, CenterPoint would invest in MITI and would with MITI develop the logistics park. SSA Marine was investigating the market for the terminal in conjunction with MITI and would complete its due diligence shortly. [See 07#05B.]

In January 2008, as the global economy began its meltdown, SSA [Stevedoring Services of America] said it was still reviewing its commitment [see 08#01B Sydney & Canso]. MITI announced it had $10.5 million in funding from Cyrus Capital for a second round [see 08#01B Canso].

**Centerpoint**

‘Some years ago, CenterPoint was invited to investigate the opportunity,’ said CenterPoint spokesman Neil Doyle. ‘We spent considerable time doing so but decided against investing in the project. We have no financial or other commitment to the project.’

**SSA**

Bob Watters of SSA Marine said his firm is not an investor in the project. It was something the company looked at, but it ‘didn’t meet our situation and needs at the time.’

**MITI comment**

Melford’s Richie Mann, vice-president of marketing, said 22 September the fact that those companies decided not to get involved is all part of the planning and development process. “In the case of CenterPoint, they were coming in as financiers and they were replaced by” Cyrus Capital Partners LP.

“It wasn’t solely a decision on these companies’ part not to participate. It might have been our decision because of the structure of the deals and everything.”

In January 2008, Melford sold Cyrus convertible preferred shares in the amount of US$10.5 million. Mann said this is all part of the “process of dealing with . . . many, many companies. You talk to people about different types of deals and some of them, at the end of the day, you mutually agree they make sense or they don’t, or one party may agree they don’t. There’s been a lot of that going on, so it is not as if companies have been walking away or anything like that.”

**Cyrus comment**

Bob Dilenschneider, spokesperson for Cyrus Capital, said on 24 September that the company “has chosen not to reveal any of their positions. [But] he wouldn't call back if they were not involved in a constructive and positive way.” {ANR&P discussion}
Brooks comment
Mary Brooks, the William A. Black Chair of Commerce at Dalhousie University’s faculty of management and an expert in marine transportation issues, said on 22 September she was not surprised the American firms are not involved. “First, SSA Marine would be contributing in U.S. dollars and the U.S. dollar continues to deteriorate, making an investment in Canada or Europe even more expensive than when we had an 80-cent Canadian dollar [at 93 cents, currently]. Second, the instability in the Baltic Dry Index signals a less than enthusiastic shipping market in the future, even if investors in stock markets are, in the minds of many, overly exuberant.

“Third, container ship deliveries are continuing without strong evidence of a rebound. The prediction is that there will be more bankruptcies and mergers and acquisitions to come.” The Baltic Dry Index tracks world shipping prices of various dry bulk cargoes.

“Given all this uncertainty, plus strong marketing activity by Halifax, I think any investor might want to defer making the commitment.”

{Tom Peters in Halifax Herald 23.Sep.09}

Earlier comments
On 1 September, Mann said the company had put a more concentrated effort “on certain areas, and finalizing the financial syndicate has been perhaps the most dominate.” The impact of the global recession has perhaps meant “financial institutions aren’t providing the levels of financing they may have before. So they are more cautious, but the interest is there. It takes a little more time, but we are pleased with the way it is going.”

Mann argued that long-term, industry projections indicate enough business to support the venture. “If the industry — carriers, cargo owners and others — didn’t think this was a good idea, we wouldn’t still be pursuing it. We have met with practically all the (shipping) lines and there is obviously a significant interest.”

Rumours were circulating that the Melford project would receive federal government help. Mann denied that. “We have said all along that any programs that are available to anyone we would quite possibly look at some point, but under the same terms that they would be available to anybody, including our competitors. There is no government in the project and no plans to apply for (Atlantic) Gateway funding.”

Mann said the plan is to have the terminal running in 2012. “We continue to monitor the global situation and part of the whole construction phase will be based on that global situation. There has to be business when you open.”

Environmental work
Federal and provincial agencies gave environmental approval with conditions [see 08#10B]. “We continue to move forward on the environmental conditions. In fact, we have divers in the water in the Strait doing the lobster larvae monitoring and those types of things that are required for compensation issues.”

The loop road around the terminal site will be the first construction project and the engineering has been done.

{Tom Peters in Halifax Herald 2.Sep.09}

SYDNEY: DREDGING*
23 September. RFPs FOR THE DREDGING OF SYDNEY HARBOUR WILL GO OUT NEXT MONTH, later than the June date once projected [see 09#05A]. “[W]e are tied up in finalizing the dredge RFP and will be issuing some type of a release with it...likely by the end of next week,” wrote Jim Wooster, spokesperson for the Sydney Marine Group, which is leading the effort for the dredging. Don Rowe, the general manager of Sydney Ports Corporation, said the substance is done, and lawyers are now reviewing the language. {e-mail and discussion with ANR&P}

RAIL SHIPPERS

Fraser Paper (MMA, Maine #750)
GAF (BCLR, Massachusetts #233)
LMS (MMA, Maine - see People)
Mid-City Scrap (BCLR, Massachusetts #296)

PEOPLE

Jeff Mullan was named as the Massachusetts secretary of transportation on 15 September. Mullan led the negotiations between the Commonwealth and CSXT on the sale of the lines to Worcester and the South Coast [see 08#10A]. Since May 2009, he has served as acting executive director of the Massachusetts Turnpike Authority. He will succeed James Aloisi on 31 October.

Shannon Toner became the actual general manager of the Cape Breton and Central Nova Scotia Railway effective 1 September. Shannon has served as acting general manager since September 2008; she will report directly to Peter Touesnard, regional vice-president of the Northeast Region of RailAmerica.

Correction on Ken Liepold at Logistics Management Systems. He has taken medical leave; he has not resigned. Willard Emery is filling in for Liepold.

Emery said LMS is keeping open the Hermon/Bangor warehouse and the Van Buren lumber reload; the Jackman, Houlton, and Presque Isle facilities have suspended operations. All these facilities are on MMA. {ANR&P discussion 17.Sep.09}
the e-bulletin, only by e-mail. All information in the e-bulletin is included, and often updated, in the issue.

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

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