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

REGION

PAS: McCall outlines significant improvements, and praises the ST workers. *

PAS: Roy Blanchard observations from North Station to Mohawk.*

PW: Gabelli funds buys more than 6% of stock.*


PAS: NS and ST ran an office car special for current and potential customers.*

FRA/HSIPR grants: Winter will come before Szabo announces the winners.*

CONNECTICUT

[No report.]

MAINE

SLR: NEPW buys Bisson warehouse. Details on Fiber Resource Group, North Shore Recycled.*

ST: Serves Domtar with NBSR locomotive. *

ST: Former Otis mill could become warehouse.

PORTLAND: Barge call for pulp suspended.*

MASSACHUSETTS

CSXT: “Moving west.” Letter to the editor: “No!”*

GU: Update on rail and potential customers.*

PAS: ST notified the state about another oil spill in East Deerfield.*

PAS: Some call for the new venture to make more effort to attract freight to rail.*

NEW HAMPSHIRE

ST/NHDOT: The railroad’s intransigence means the department turns to Amtrak and a Leishman plan.*

RHODE ISLAND

[No report.]

VERMONT

VAOT: Joe Flynn, deputy sheriff, appointed to run VAOT rail division. *

Vermont: Enligna to double wood pellet exports through Halifax Grain Elevator.*

SAINT JOHN: Irving opens new LNG facility.

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Dana Burleigh,* Bernie McCall.* Joe Flynn.*

FROM THE PUBLISHER

Looking for writers
We’re expanding into New York, and therefore need additional writers. See ad in this issue.

- Chop Hardenbergh

Next formal issue 30 October

REGION

PAS: IMPROVED ON WEST END*

13 October, East Deerfield. THE WEST END IS OPERATING SIGNIFICANTLY BETTER, reported Bernie McCall, the Pan Am Southern general manager [see People for background]. “We’ve started two scheduled departures daily out of East Deerfield for the last twelve days.” A crew can now run from East Deerfield to Mohawk and return within one twelve-hour shift. [See MacGregor, below.]

The second departure is the train to Rotterdam Junction, which meets the daily train out of Rotterdam Junction at “Ferry Street” [in Schaghticoke, New York now called Howland Avenue, at milepost 464 on the ST timetable—editor]. The crews exchange trains, and return to their starting points within the twelve-hour shift. This saves money, “reducing hotels, reducing taxis,” and turning the freight cars more quickly.

During the customer inspection trip the previous week [see other article], officials “talked about that with some of our customers.”

His current role

McCall reports to the PAS joint operations committee, composed of three officials from NS and three from ST. “My single biggest role is establishing a freight schedule, putting a plan in place on PAS which will ultimately permit car scheduling. That’s a very aggressive but doable goal....

“I’m delighted to be here and looking to make a difference” introducing class I practices in safety and other areas.

Locomotive availability

Part of the plan in hiring McCall was to have him use his acquired expertise and managerial skills with locomotives [see People] to assist ST operations. At this point the East Deerfield engine house has a “matrix-type organization with the local folks reporting to two managers.”

McCall was initially somewhat hesitant that ST would have enough power. Now he believes the railroad has enough power to “run the trains we need to run, especially as we migrate” toward a scheduled railroad. At that point, PAS may need fewer locomotives.

Crews

ST did reduce train starts at the beginning of the year, and laid off some conductors and engineers. With the return of some traffic, and the longer prescribed rest period for train crews, effective 16 July, ST has taken on more crew members and is hiring six conductors, for “this end of the railroad.” Four of them are already qualified on NORAC ¹ and two are GCOR² qualified. Crew members must be GCOR-qualified to operate between Mechanicville and Mohawk, the CP-owned line, as CP uses GCOR.

McCall said the ability to do the Mohawk and Rotterdam Junction turns means he is “attempting, and I emphasize attempting” to keep locomotives in a dedicated cycle. “Crews can become familiar with the locomotives. I find that if we take care of creature comforts” keeping locomotives heated, clean, and serviced, crews are very receptive. “I am most impressed with the people on this railroad.”

In his experience, when crews are familiar with locomotives, they can take better care of them, and keep them

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¹ Northeast Operating Rules Advisory Committee (NORAC) is a set of operating rules for railroads in North America. The NORAC rulebook is used by full and associate member railroads, located mostly in the Northeast United States. {Wikipedia}

² The General Code of Operating Rules (GCOR) is a set of operating rules for railroads in North America. The GCOR is used by nearly every Class I railroad west of the Mississippi River, most of the Class II railroads, and many Short-line railroads. {Wikipedia}
operating.

**Track work a three-year effort**

McCall praised the track gangs, saying they had done “better than I anticipated,” finishing the preponderance of the work to both gateways [Mohawk and Rotterdam Junction]. The gangs are now “eastbound moving toward Fitchburg.”

The crews will work to Thanksgiving depending upon the weather, getting “the bulk of the track work done.” More remains for the next two years: some bridges, signal work, grade crossings, and so forth. “This is a three-year project; it’s not going to happen overnight. Whenever David [Fink] and I are out, or Ed Motte [ST vice-president of transportation] and I are out, we constantly remind people about that.” {ANR&P discussion}

**PAS: AUTOS, INTERMODAL*  
1 October, Lake Harmony, Pennsylvania.**

**TWO NS OFFICIALS PROVIDED INFORMATION ON THE TRACK WORK AS WELL AS THE NEW TERMINALS,** during two panels at the autumn meeting of the North East Association of Rail Shippers here.

**Track work**

Scott MacGregor, group vice-president for paper, clay, and forest products, said NS crews had completed the track work from East Deerfield to Mechanicville [CP owns beyond that]. With the completion, train crews can now operate from East Deerfield to Mohawk Yard and return on a single 12-hour shift. [See other article.]

The two gangs, one ties and one rails, are now working on the East Deerfield to Ayer stretch, which they will finish by the end of November. {ANR&P coverage}

Gregg Cronk, system manager for service and design, noted that in 2010 and 2011, crews will build passing sidings and also make the entire track structure capable of handling 286,000-pound cars.

**UPDATE ON INTERMODAL, AUTO TERMINALS**

**Auto: start in Voorheesville, add Davisville**

In January 2010, NS will begin bringing finished Ford vehicles to the Albany and the Boston area. Cronk said NS is seeking other customers [see other story], including working with CP for traffic originating in Canada.

Voorheesville. PAS will not finish the Mechanicville terminal until the second half of 2010. To serve the Albany area for Ford until Mechanicville opens, NS will again use the former auto facility in Voorheesville, last used in 2000 [see 09#05B]. At that point, the D&H served that terminal; now SMS Rail does.

Mechanicville. Two unloading tracks, each holding 20 cars, will feed into 696 car spots. The facility will also have three 4000-foot support tracks, and a passing siding for CP as well as its main line [see map in 09#04B].

Ayer–San Vel. Despite the local protests and the legal proceedings, PAS is continuing to build the new San Vel auto terminal in Ayer. The facility will be completed by January 2010, with 850 car spots.

Davisville. Future service offerings could include Davisville. [PW currently serves Rhode Island’s NORAD facility, which began rail operations in 2007. See 09#05A.]

Other locations. NS has a complete auto terminal in Philadelphia, and is permitting one in Greencastle, Pennsylvania.

**Intermodal: expand in Ayer, build in Mechanicville**

At this point, Ayer only serves Chicago and CHI JCT-received traffic. “Until the CHI volume grew,” and consumed
Conklin Yard, East Binghamton, NY. The NS office car special departing for Mohawk Yard on 5 October. {courtesy Gary Schermerhorn}
hrs with Eng NS 5608 and the balance of the train. Arrive East Deerfield 0100 hrs on October 6th. Tuesday, October 6th: 2 Pan Am engines and business cars added to train. [The locomotives and two business cars appeared at North Station on 5 October–see photo.] Depart East Deerfield 1700 hrs, arrive Ayer 2200 hrs.

At Ayer the NS Eng 5608 and 2 NS test cars will be set off to operate separately to test from Ayer back to Enola. Wednesday, October 7th: Inspection trip with NS, CP and PAS officers and customers. Depart Ayer 0900 hrs, arrive Mohawk 1550 hrs. Train consist from Ayer to Mohawk: 2 Pan Am engines, 2 Pan Am business cars, 6 NS business cars. At Mohawk, Pan Am engines and cars will set off and the 4 NS F-units and sleepers to be added to train and train to tie up at Mohawk for the night.

Thursday, October 8th: NS consist from Mohawk with the 4 F-units and 9 business cars depart Mohawk 0700 hrs. Arrive Binghamton 1155 hrs. Depart Binghamton 1250 hrs. By Kase 1850 hrs, Arrive Harrisburg 2000 hrs.

{D&H railfan e-list}

The geometry train
[Note that the two tech cars and now two locomotives–see photo–will test the line between East Deerfield and Mohawk, where work is now finished. See other article. Editor]

PAS: HITCHING A RIDE*

5 October. OBSERVATIONS BY ROY BLANCHARD TRAVELLING FROM NORTH STATION TO MOHAWK on the Pan Am Railways business train this day were published in his newsletter, Railroad Week in Review.

‘On Monday I did a hundred-mile business car trip that included a few miles of cab time. The event was a financial preview of how and where the money is flowing on the Norfolk Southern-Pan Am Rail (PAR) rehab of the former Boston & Maine double track route between Ayer, Mass and Mechanicville, NY. This is of course the east-west core of the Pan Am Southern joint venture between the two companies. This was totally new mileage for me (except for the first few hundred yards coming out of Boston’s North Station).

‘The first 35 miles were over track now owned by the Massachusetts Bay Transportation Authority (the “T”), a well-maintained double-track line of welded rail on wood ties in plenty of clean granite ballast. PAR retains the local freight rights and there
were many signs that even in a down economy they are being kept busy.

‘The “T” joins the freight line from Portland at MP 313.5 (miles from Mattawamkeag, ME, where PAR predecessor Maine Central connected with the Canadian Pacific’s Montreal-St John line), where PAR is building a new auto facility in the field between the two routes. T’s ownership continues west to Fitchburg (MP 328) though the Pan Am Southern “Patriot Corridor” extends east to the intermodal yard at Ayer (MP 316).

‘Once on the PAR property we were on FRA Class 2 track where 25 mph has certainly been appropriate for the merchandise and intermodal mix of years past. Getting both tracks up to 40 mph is the goal here and it’s that work we went out to see on this trip. I rode the head end for the next 20 miles and saw a road without a lot of tangent track as we rode up a one percent grade to East Gardner, elev. 1116, where the line flattens out a bit.

‘At Gardner the Providence & Worcester interchange was busy with a wide variety of car types and commodities. From here west to the Connecticut River bridge at East Deerfield the downgrade is mostly half a percent or less and it is here we really began to see the effects of the Pan Am Southern 800-tie-a-mile program.

‘We passed the soon-to-be-restored interchange with RailAmerica’s New England Central (ex-CV) at Miller’s Falls and for the next few miles we were running along side a tie gang using brand-new PAR equipment. When the work is done this will be a solid 40-mph railroad with gentle grades and curves. Already crews are running East Deerfield to Rotterdam Junction and back within the Hours-of-Service Law, saving the expense of taxis, lodging and deadheading. It’s a superbly engineered route and with its bi-directional capability (Rule 261 to you ops guys out there) capacity is not going to be an issue.’ {10.Oct.09 issue, reprinted with kind permission of Blanchard}

Blanchard added later he talked with Pan Am President David Fink during the trip. ‘In David I see Ayn Rand at work: doing what's rational in the pursuit of a profitable business. He's making all the right moves re PAS and is taking a "show me the money" approach.’ {e-mail to ANR&P}
PW: GABELLI PURCHASE*
29 September, DC. FUNDS MANAGED BY GABELLI NOW OWN 6.29% OF THE COMMON STOCK, as stated in the PW Form 10-Q for 2Q09. {Roy Blanchard’s Railroad Week in Review 2.Oct.09} As of April, Steinberg Asset Management owned 10%, and Keeley Asset Management 8.56%.

According to a Form 13D filed at the Securities and Exchange Commission by PW, three firms controlled by Gabelli own the 6.29%, or about 300,000 shares. According to the 10-Q for 2Q09, PW has 4.8 million shares outstanding. {SEC filings at SEC website}

Gabelli comment
On 14 October, Gabelli said the railroad was a “great property.” Asked about the high cost [operating ratio approaching 100%, versus Class Is hovering about 70%], he said, “Isn't it awful?”

Some thirty years ago, he started going to Rhode Island. He now serves on the board of trustees of Roger Williams University. “I’m sensitive to economic development in the area,” and sees extra opportunities there.

In addition, his funds are a “big holder of GATX stock,” which itself owns 239,000 shares of PW [see 08#01A]. His funds manage a total of $25 billion. He invested in the Florida East Coast until it was bought out by Fortress, the parent of RailAmerica. {ANR&P discussion}

Eder remains in control
The PW Annual Report proxy states that Chair Robert Eder and his family own 640 shares of 10% preferred stock as well as 832,000 shares of common stock; PW has only 647 shares of preferred stock. Holders of preferred elect 2/3rds of the board of directors. Moreover, each class of stock votes separately on shareholder votes, and both classes must pass any such matter.

‘Consequently, [Eder] will continue to be able to exercise effective control over most corporate actions and outcomes of matters requiring a shareholder vote.’ {Registration Statement 1998 for PW to sell up to one million additional shares of common stock}

Future traffic direction?
One observer noted that PW track crews are continuing to work on the Gardner branch, replacing rail and ties, and resurfacing. Does this portend increased traffic, perhaps intermodal, interchanged with PAS? {ANR&P discussion 14.Oct.09}

WINTER FOR HSIPR GRANTS*
6 October, DC. FRA ADMINISTRATOR JOSEPH C. SZABO SAID THE AGENCY WON'T DECIDE UNTIL “WINTER”. ‘We have received numerous applications from states and groups of states for the development of high-speed and intercity passenger rail programs for grant funding from the American Recovery and Reinvestment Act. These include 45 applications from 24 states totaling approximately $50 billion to advance high-speed rail corridor programs. We also received 214 applications from 34 states totaling $7 billion for corridor planning and smaller projects.

‘Due to the overwhelming response and our desire to lay the groundwork for a truly national high-speed and intercity passenger rail program, we will be announcing all awards this winter. Our selections will be merit-based....’ {FRA press release}

SLR: NEPW PURCHASES ANOTHER*
1 October, Auburn. NEPW LOGISTICS, INC. ANNOUNCED THE ACQUISITION OF LYNXUS, LLC OF AUBURN. ‘LynxUS operates a 103,000SF warehouse facility in Auburn, providing handling, storage, transload
and paper converting services to the pulp and paper industry. NEPW acquired LynxUS from its two owners, Bisson Transportation, Inc. and The Fiber Resource Group [see box].

‘For South Paris-based NEPW, which already operates eight warehouses encompassing over 700,000 sq. ft. of space throughout Maine as well as a trucking company, LynxUS represents both an expansion of its logistics services footprint and a new addition to its recently-acquired converting services business segment.

“We are very pleased to add LynxUS and its employees to our warehouse portfolio,” said Drew Gilman, president and an owner of NEPW. “In two short years LynxUS has earned a strong reputation in the marketplace for both its storage and converting services. We already serve a lot of the same customers, so the fit is excellent and the transition for our customers should be seamless.”

‘NEPW also announced that in conjunction with the acquisition, it has signed a seven-year lease (with two 2-year extensions) with Gendron & Gendron, Inc. on the warehouse at 55 Logistics Drive in Auburn. For NEPW, this is the second acquisition in three months, following the acquisition of Northeast Paper Services of Scarborough on June 30 [see 09#07A]. NEPW now operates nine warehouses in Maine, with over 800,000SF of storage space.’ [NEPW press release]

**Comment on industry**

Gilman wrote on 6 October: ‘The two partners (Bisson and The Fiber Resource Group, who were 50/50 partners in LynxUS, LLC) are going to go back to focussing on their core competencies (trucking and paper brokerage, respectively). It makes sense. It is challenging (financially) for a single warehouse (especially a full service warehouse like LynxUS) to operate profitably on a standalone basis.

‘The paper industry is consolidating, and I think it makes sense for the service providers to consolidate as well;
that is the only way we can survive and continue to offer the range of services they demand at the rates they demand. We have to consolidate administrative functions and other areas, and spread that overhead over more warehouses....With just one warehouse the overhead burden becomes too much.’ {e-mail to ANR&P}

**ST: SERVICE TO DOMTAR**

14 October, Baileyville. **ST USED AN NBSR LOCOMOTIVE TO RESUME RAIL DELIVERIES** to the Domtar plant here, with the first car arriving on 9 October [see 09#08B]. According to spokesperson Jay Beaudoin, ST is bringing in chemicals; “in a typical week we get three or four cars.” The chemicals arrive by rail “because of the volume, and reliability–some of the chemicals do better by rail.” He reported that the ST is using the same crew which handled the train in the past. {**ANR&P discussion**}

**ST: NEW CUSTOMER IN OLD?**

13 October, Jay. **ST AND THE NEW OWNERS OF THE OTIS MILL KEPT THE “EXISTING RAILROAD AGREEMENTS IN PLACE,”** said Tim Demillo, who with his partner and wife Mary Howes purchased the mill from Wausau Paper [see 09#09A] with the company Otis Ventures.

The agreements cover the rail siding usage, so that mill still has rail service if needed, and rights of way for both companies. Demillo noted that ST’s main line to Rumford runs “right through the dooryard” and on to Verso Paper, also in Jay, and Newpage in Rumford. {**ANR&P discussion 15.Oct.09**}

Other points
Otis Ventures will sell the paper machines. They have many restrictions on them and cannot be sold in any of the Americas, north, south and central, Howes said.

Androscoggin Valley Council of Governments has financed the purchase, Howes said on 14 October. The couple declined to disclose specific plans on the redevelopment of the mill or the price tag. “We have a vision, but we're not the type of people to give out a lot of information. We want to make it happen first. We don't know what businesses are going to go in there. ... We looked at it as an opportunity to help our community, preserve the building and hopefully put people back to work.” They will look at warehousing as well as other ventures. {Donna Perry in Lewiston Sun Journal 15.Oct.09}

The couple own Howie’s Welding and Machine Shop, as well as Howe’s Orchard, both in Jay. {web listings}

**PORTLAND: NO CALLS**

12 October. **THE COLUMBIA COASTAL BARGE STOPPED CALLING IN SEPTEMBER,** said Jack Humeniuk, head of the International Longshoreman’s Association local and manager of the Ports America operations here. The primary shipper, Old Town Fuel and Fiber, is still making pulp [it resumed in March–see 09#04A], but is selling it into the domestic market rather than overseas.

According to Humeniuk, an upswing in paper production due to a general upswing in the US economy led to a shortfall in the domestic pulp market, and a rise in pulp prices. As the economy returns, though, more pulp mills will come on line and the domestic price will drop, leading Old Town to resume exports. “Maybe in November” the barge could resume calling.

Other traffic possibilities
Since the state took over the operation of the International Marine Terminal, Maine’s only container terminal, from the City of Portland [see 09#04A], the Maine Port Authority has responsibility for marketing the terminal, Humeniuk reported. “They have a couple of things they are working on,” to be disclosed when the time is propitious. {**ANR&P discussion 12.Oct.09**}

John Henshaw, executive director of the Maine Port Authority, said on 7 October that fluctuations in the international pulp markets were responsible for the shutdown. Port officials are hopeful the cargo service will resume in sometime in November and in the meantime are looking to attract new business to the city-owned, state-operated facility. “That's why we're pursuing a variety of options. We don't want to be entirely dependent on
one particular service.” Henshaw added that the agency is looking at routing project cargo like wind turbines through Portland. {Casey Conley in Portland Daily Sun 8.Oct.09}

Massachusetts

CSXT: MOVING*

1 October, Lake Harmony PA. “WE ARE GOING WEST,” said Bill Goetz, resident vice-president for state government and community affairs in the Philadelphia region, speaking to a panel at the North East Association of Rail Shippers autumn meeting here.

He noted that CSXT has “lots of facilities all over the state” of Massachusetts. “We are moving out to the 495 corridor” from Beacon Park to new facilities. {ANR&P coverage}

LETTER TO THE EDITOR RE BEACON PARK

Tim Murray’s “victory”, the Massachusetts rail deal with CSXT [see 09#09B], may be lauded by commuter rail proponents but will likely push freight currently moving into Boston proper via rail onto the highways.

Two specific provisions of the deal will "pave the way" for less direct rail freight into Boston: 1) The last operating rail freight yard in Boston, Beacon Park, has to move out past I-495; and 2) state-funded bridge clearances on CSXT routes from the west will provide double stacking of rail containers only as far east as central Massachusetts.

The irony here is that a "green" initiative to take commuters out of their cars and off the highways will likely push freight onto those same highways, because trucks will have to take the freight from somewhere outside 495 into Boston.

The state is spending over $40 million to CSXT to acquire more right of way for commuter rail. What will be the cost of increased truck traffic and congestion inside 495?

Richard Flynn Flynn is principal of NorthEast Logistics Systems, located in Framingham
GU: SOME NOTES*

4 October, Hopedale-Grafton. “THERE WILL BE SOME RETREAT OF FREIGHT FROM BOSTON, AND WE ARE POSITIONED TO DO TRANSLOADING AND TAKING PART OF THAT,” said Jon Delli Priscoli, owner of the GU. [See other article for comment by CSXT and 09#07A for background.] “We have a lot of interest by potential customers….This is about economic development and jobs,” he said during a tour of the rail line last week. “I have a vision. Like any entrepreneur, I believe in what I'm doing. I do believe this will be an economic engine.”

Locations
Delli Priscoli listed three sites with active rail interest:

- The 22-acre parcel in West Upton to become a transload terminal.
- A 30-acre site in Hopedale, a part of which could become a transload site.
- The former 90,000SF Wickes Lumber building on the 30 acres, with a 50-foot-high ceiling and a rail spur running through it. He is negotiating with a manufacturer interested in leasing the Wickes building.

Track restoration
Grade crossing restoration and signals could fit into the road and highway infrastructure improvements that are being funded by federal stimulus money; he has discussed that with the town legislators. “I think we could have trains on the whole line in two years, but that will depend on how things go in Milford and Hopedale,” he said. “That's the wild card.”

Along with grade crossings, he wants to replace and raise the bridge that carries rail over Hopedale Street in Hopedale, which is now so low that some of the town's fire trucks cannot pass under it.

He declined to say how much all this will cost, other than it would be in the millions of dollars. And, despite the interest by potential customers, he acknowledged that he embarked on the project in speculation. “I come from the school of thought that says you can't sell from an empty shelf. Activity brings activity. Everything is timing.”

PAS: ANOTHER SPILL*

2 October, East Deerfield. ST NOTIFIED AUTHORITIES ABOUT A DIESEL FUEL SPILL OF ABOUT 100 GALLONS in the yard here, according to Deerfield Police Chief Michael Wozniakewicz.

The incident is being investigated by the state fire marshal's office because the spill constitutes a violation of the state fire prevention code, according to Jennifer Mieth, a spokesperson for the fire marshal. “There was a problem refueling a locomotive and fuel spilled out on the ground….We are in discussions with the railroad yard to figure out ways of changing their refueling process to prevent a recurrence of this kind of spill.”

ST will have a couple of hearings and afterward will make whatever changes seem necessary, said Cynthia Scarano, Pan Am spokesperson.

In 2005, Pan Am Railways was fined $35,000 for failing to file timely reports about cleanups being done in Deerfield, Northfield, and Williamstown [see 05#03B].

PAS: MORE EFFORT WANTED*

30 September, Ayer. MORE EFFORT TO ATTRACT FREIGHT TO RAIL was mentioned by several prominent officials in the region recently. “Freight rail is increasingly important in this country… for getting trucks off the road, energy conservation, traffic decongestion. … But you've got to have service locally in order to make that happen,” said David L. McKeehan, president of the North Central Massachusetts Chamber of Commerce. “The reputation Norfolk Southern has in markets they're already operating in is that they are aggressive in looking for new
business. I expect that they’ll be more aggressive in trying to develop business along the line than Guilford and Pan Am have been.”

The state could do more to boost freight rail, said Rian Nemeroff, president of the Massachusetts Railroad Association and HRRC marketer, by applying for federal stimulus money specifically for freight rail projects, and by making sure environmental regulations don’t make it harder for railroad companies to do business.

According to the Association of American Railroads, freight rail traffic in Massachusetts declined from 1997 to 2006. “There’s not that many people banging on the door looking to locate to Massachusetts [where] rail is a requirement,” Nemeroff noted.

**Example: Catania-Spagna**
Catania-Spagna moves more than half a million gallons of edible oil a week, and for that it needs freight rail service. Prisco R. Morella, the company’s manager of bulk, expects a delivery every day. On this day, it came at 1:45 in the afternoon — 126,000 gallons of vegetable oil in six tank cars. A company crew spent 12 hours pumping the oil into silos inside the plant. {Priyanka Dayal in Worcester Telegram & Gazette 2.Oct.09}

**PAS: NO SURRENDER*  
1 October. THE ATTORNEY GENERAL’S OFFICE WITHDREW ITS REQUEST FOR PAN AM TO APPEAR ON A PROBATION VIOLATION on 7 October [see 09#09B]. According to the motion filed by the AG’s Office of Environmental Crime, on 29 September agents of ST and PAS met with EPA, Massachusetts Department of Environmental Protection, and Ayer ‘to discuss what steps would be needed to bring the stormwater collection system...into compliance with the requirements of the’ STB.

On 1 October, ST provided a timetable to comply with the STB order, a timetable for completion of construction at the site, and a commitment that operations ‘will not commence until all items related to the stormwater collection system are in place.’

The Commonwealth ‘hereby withdraws its request that the Probation Department issue a surrender notice at this time.’ The ‘probation status hearing previously scheduled for 2 pm on October 15, 2009' remained on the Court schedule. {text of motion}

**ST: END OF BRICKS BY RAIL*  
29 September, Melrose. THE MBTA IS REMOVING THE SWITCH TO DEERING here. Some years ago, Deering Lumber & Masonry Supply [our former directory #192] ceased receiving the last product brought in by rail, bricks.

An official at the facility said that bricks by rail had suffered: “We'd open the car and there'd always be a lot of damage.” Deering still receives bricks, direct from the factory, by truck. {ANR&P discussion}

**End of two spurs**
MBCR Bulletin Order No.8-4 for 9/28 stated that in Melrose, ‘Switch No.2 track and formerly servicing TWA at MP 5.7 is removed from service and retired. Switch No.1 track and formerly servicing Deering Mason at MP 6.65 is removed from service and retired.’ One source wrote: ‘Neither siding has seen service other than track equipment in several years.’ {e-mail to ANR&P 24.Sep.09}

**Spaulding Brick**
Spaulding Brick [current Directory #184] received bricks by rail, moved to Wilmington and no longer has a siding. [See 07#06B.]

**Woburn Concrete**
This company [#181] formerly received bricks by rail, and also stopped some years ago. Not only did the bricks arrived damaged, but the railroad “wanted you to get rid of the bricks. It had to be done by hand, and took days,” said Woburn official Carmen Russo. “They gotta get rid of the unions. They don’t care about nothing.”
Russo also noted: “Then you have to have the siding fixed” due to normal wear. “The railroad won’t help you do it. It's crazy.” {ANR&P discussion 28.Sept.09}

NEW HAMPSHIRE

ST/NHDOT: NO COMMUTER RAIL APPLICATION*

30 September, Concord.  NHDOT ANNOUNCED IT WOULD NOT SEEK HSIPR FUNDING BECAUSE OF ST INTRANSIGENCE.  In a prepared statement, Commissioner George Campbell said: “By walking away from this unique and exiting initiative, Pan Am has effectively closed the window on strengthening New Hampshire's economy. Our citizens and businesses along this corridor deserve better transportation choices than they have today.”

The department had until 2 October to file an application under Track 2, corridor service developments and improvements. The proposed NH Capital Corridor project would run on 78 miles of upgraded track between Boston and Concord, connecting Concord, Manchester-Boston Regional Airport and Nashua with Boston's North Station.

“The competition for this money is too intense. The federal government made it clear to us if there is no operating agreement [with ST to run the trains, whether by MBTA or ST], there’s no point in making an application or the state just loses its credibility for the future,” Campbell said.

Alternative 1: use Amtrak

Campbell said the state is discussing with Amtrak its interest in operating passenger rail along the NH Capital Corridor. [US federal legislation permits Amtrak to operate on any track in the nation, whether the owner of the track—in this case ST—wants it or not. Editor] Campbell said the state has applied for $1.4 million in planning funds for the Capital Corridor project as part of the $8 billion American Recovery and Reinvestment Act of 2009.

Chris Clement, deputy DOT director, described the setback as "a blip" that will force the state to go down a different path. DOT officials have already had good conversations with Amtrak officials [supported by the chair of the New Hampshire Rail Transit Authority (NHRTA)—see 09#07B] and Amtrak CEO Joe Boardman told Clement he is interested in the project. Clement said the state can also apply for federal funds next year when the federal government is expected to make another $8.5 billion available for high-speed rail projects.

If the state can reach an agreement with Amtrak, Clement said NHDOT can then apply for the federal funds next year. Given the needs of the state and the fact that it will continue to have an aging population, Clement, who lives in Durham, believes it is still a good idea to pursue the Capital Corridor project.

David Fink, president of Pam Am Railways, said he would be willing to negotiate with Amtrak if Amtrak approached him about using the rail line between Concord and Nashua for passenger rail. “I do business with Amtrak every day. They run the Downeaster for me every day. They're business partners.” But during such difficult economic times there should not be wastng its time on high-speed rail. “It just doesn't make any sense. Let's straighten our house out and then look at what we have.”

When asked if his decision to walk away from negotiations with the state in June was his way of getting back at the state for not allowing him to bid on a separate rail line, Fink would not comment. “I don't want to sit down across the table from dishonest people.”

Alternative 2: operate only to the state line

Campbell is looking again at service only to the Massachusetts state line in Nashua next to the Pheasant Lane Mall [an idea proposed by MBRX owner Peter Leishman—see 09#01B]. This limited commuter rail effort would require building a rail spur and train station next to the mall parking lot and thus not require Pan Am’s support, Campbell explained. The capital costs for it would be $80 million and Campbell said he’s planning to ask the General Court next year to support it.

“I’m extremely disappointed that the capital corridor has been stymied for now, but I really remain hopeful that we’re going to bring commuter rail back to the state in some fashion,” Campbell said. “I have given up hope of ever
convincing Pan Am to come back to the table.” {Kevin Landrigan in Nashua Telegraph 1.Oct.09; Robert Cook in Foster’s Daily Democrat 1.Oct.09}

VERMONT

VAOT: NEW RAIL DIRECTOR*
5 October, Montpelier. TRANSPORTATION SECRETARY DAVID DILL APPOINTED A RAILROAD NEWBIE AS DIRECTOR OF THE RAIL DIVISION; he will begin his duties on 13 October. According to a memo from Scott Rogers, director of operations:

‘Joe Flynn currently serves as a Deputy for the Grand Isle County Sheriff’s Department, and has been a certified Law Enforcement Officer since 2003. He is also a member of the South Hero Select Board, and is the former Fire Chief of the South Hero Volunteer Fire Department.

‘Prior to serving in Law Enforcement, Joe held a management position with the L.E. Ferrell Company, where he oversaw its Equipment Service Department as well as its Fleet Purchasing and Governmental Operations. During this time he was active in the Vermont Truck and Bus Association and worked very closely with the Vermont Legislature, including the House and Senate Transportation Committees.

‘In addition to his local government duties, Mr. Flynn has served the State of Vermont as a Gubernatorial Appointee on the Regional Emergency Response Commission, the Vermont Fire Service Training Council, and the District 6 Environmental Commission. {text of memo}

“Knowing Joe Flynn's past accomplishments, I am quite confident he is the right person to lead the VTrans Rail Division,” said Senator Dick Mazza, who chairs the Senate's Transportation Committee.

House Transportation Committee Chairman Pat Brennan added that Flynn is “a welcome addition to the VTrans team. He will bring not only his savvy business background (to the rail division), but common sense and integrity as well.” {VAOT press release 5.Oct.09}

QUEBEC/MARITIMES

HALIFAX: MORE TRAFFIC*
7 October. ENLIGNA PLANS TO INCREASE ITS WOOD PELLET EXPORTS, according to an announcement by the wood pellet manufacturer in Upper Musquodoboit, which bought the MacTara facility in 2008 [see 09#01A Eastport]. ‘The province, through Nova Scotia Business Inc. (NSBI), is supporting Enligna Canada with a $2.42-million term loan. This financing will help the company improve and upgrade its pellet mill facilities. “As a veteran exporter to European markets, we are seeing more and more demand for renewable energy sources such as wood pellets,” said Fraser Gray, president of Enligna Canada. “This financing has helped us purchase new machinery to meet growing international demand for our products.” {Nova Scotia Business Inc press release}

More on Halifax
Gray said on 8 October that the company would increase its capacity from about 80,000 tonnes per year to 100,000 tonnes per year. In the past, nearly 100% of the product had gone overseas. In the near future, users in the Maritime region will take about 10% of the pellets.
Enligna trucks the product to the Halifax Grain Elevator on the west side of the harbour [a move started in 1999—see 99#06], which then loads bulkers via conveyor. Gray estimated that the Elevator’s throughput of pellets “will double” from the most recent year, as MacTara had decreased operations after seeking protection from creditors [see 07#10B]. He called the Elevator “great service providers.” {ANR&P discussion}

SAINT JOHN: NATGAS
24 September. IRVING AND REPSOL OFFICIALLY OPENED THE FIRST LNG TERMINAL in Canada, and the first to be built on the East coast of North America in 30 years. The two firms partnered on the $1 billion facility which will supply natural gas by pipeline to the northeast United States.

With a deep-water, ice-free port and a modern jetty, the Canaport terminal can receive LNG tankers year-round. Liquefied gas is stored in three large storage tanks, each covering an area the size of a football field. The liquefied gas is then heated, expanding to 600 times its original volume.

The facility is capable of piping more than a billion cubic feet of natural gas every day — enough to heat and power 5 million homes. [The pipeline is already used to move natural gas from the Sable Islands offshore field through Nova Scotia and New Brunswick. Editor]

Irving spokesman Daniel Goodwin said while there’s no crystal ball for natural gas prices, officials are already thinking about the future of the plant. “If the markets were to grow, if the opportunities were to arise, we could expand this plant,” he said.

Maine comments
Harold Clossey, executive director of the Sunrise County Economic Development Council, said that the proposals in Maine, including that of Down East LNG in Robbinston, are being affected by a natural gas market that is at, or near, an all time low.

“Who can say now what the effect of the Canaport LNG project will be? This can affect the U.S. companies’ competitiveness” to build their own terminals.

Robert Godfrey of Eastport, speaking on behalf of the Save Passamaquoddy Bay 3-Nation Alliance, said on 25 September the Canaport facility stands in stark contrast to the Maine proposals.

“Canaport had the good business sense to site their facility at an industry-compliant location five miles east of Saint John. They selected a site where navigational challenges for LNG carriers and passing traffic and where conflicting uses, environmental impacts, and impacts on civilians, are at a minimum.”

In contrast, Godfrey said, “LNG developers in Passamaquoddy Bay selected eminently inappropriate locations according to best practices established by the LNG industry itself. The outcome being celebrated today exemplifies the differences between Canaport.” {Sharon Kiley Mack and AP in Bangor Daily News 25.Sept.09}
PEOPLE

**Dana Burleigh** is still handling logistics for paper mills. He recently signed on with **Schneider Logistics** as senior supply chain manager, when it became the third-party logistics provider for Sappi. Earlier, he worked for Unyson Logistics, part of the Hub Group, when it handled the Sappi account. Before that, he managed transportation and purchasing nearly 15 years for the paper mills in Millinocket and East Millinocket, beginning when they were owned by Great Northern Nekoosa Corporation.

**Bernie McCall** is now general manager of the **Pan Am Southern Railway**. He first began with a railroad by signing on with then-Penn Central as a laborer. He stayed on at Selkirk Yard through the Conrail years, moving in 1994 from the locomotive facility to the car department, and then in 2004 under CSXT becoming division mechanical superintendent. In 2006 he move to CSXT headquarters in Jacksonville as director of mechanical operations, and finally as assistance vice-president for operations he ran a 4000-locomotive fleet. On 15 June 20089, he assumed his position at PAS. [See comments on operations in Region.]

**Joe Flynn** took the helm as director of the rail division of the **Vermont Agency of Transportation**. [See more in Vermont.]

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Coverage
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**ANR&P** appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the **e-bulletin**, only by e-mail. All information in the **e-bulletin** is included, and often updated, in the issue.

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

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