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

REGION

Ethanol: The situation for the Northeast.
RailPod: BML to host test of riding on one rail.
Logistec: Buys Rideau Bulk, which has four salt terminals in Ontario on the St.Lawrence.*

CONNECTICUT

Correction on Valley: ROW owned by ConnDEP.

MAINE

MMA: Obtains $500,000 loan from Finance Authority of Maine.**
SLR: Savage buys Safe Handling.
ST: Steel from Costello dismantling paper mills.
Portland/ST: Barge service resumes.* ST railing boxes to Portland, or to domestic customers, out of Old Town Fuel and Fiber for Central National-Gottesman.* See box for background.
Bangor-Portland: Irving buys more of Maine.
Searsport: Marketing prospectus finally released.* Letter to the editor from Jack Humeniuk.*

 MASSACHUSETTS

NS-ST: Possible ethanol move to Revere.
New Bedford: Brags about outcompeting Canadian ports.*

NEW HAMPSHIRE

[No report.]

RHODE ISLAND

PW: New Baer facility in East Providence.
PW: Customer Bunge in Pawtucket closing.*
PW: Map and description of four possible rail freight facilities, together in Cumberland.*
PW: Takes 15 autoracks out of storage, sends them to assembly plant.*

Davisville/Provpport: Should both ports buy cranes?

VERMONT

[No report.]

MARITIMES/QUÉBEC

Sydney: RFP for dredging finally out.

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Charlie Miller leaving VAOT.*

FROM THE PUBLISHER

New stories!
In contrast to recent formal issues, which had little “news”, this issue has several big stories: the Sydney RFP is out; Ford Reiche has sold to Savage; some are talking about ethanol to Revere; and Costello is looking for railcars and more dismantling work.

Plus other new but smaller stories. Enjoy!

- Chop Hardenbergh Next formal issue: 4 December
REGION

RIDING ON ONE RAIL

9 November, Belmont, Massachusetts. **RAILPOD HOPES TO USE THE BELFAST & MOOSEHEAD LAKE** to track test its driverless two-passenger pod in central Maine by the end of the year. Brooks Preservation Society, which has a license to operate the track from owner MDOT, has contracted to permit the test once the prototype is completed.

The RailPod ([www.rail-pod.com](http://www.rail-pod.com)), a self-propelled personal rapid transit module about the size of a ski gondola, rides on a single rail, potentially turning one track into a two-way system. The company is seeking to demonstrate the viability of its innovative rail transport system on other short line tracks such as unused MBTA tracks in Massachusetts.

“There’s a lot of rail that’s owned by states that can’t afford to resurrect trains,” said RailPod partner Brian English. “We believe we can make money moving people and freight with an on-demand service.” RailPod has identified as many as 40,000 miles of unused or lightly traveled short line track in the U.S. that might lend itself to automated passenger and freight transport. {ANR&P discussion}

ETHANOL IN NORTHEAST

The autumn meeting of the North East Association of Rail Shippers in Lake Harmony, Pennsylvania, heard David Kennedy give his third presentation, over the past four years, about ethanol in the Northeast. Kennedy is now an independent advisor on ethanol transportation and terminal siting; he previously worked for CSXT as the manager, market development, in its agricultural group.

The need for transport

Kennedy explained that two-thirds of ethanol production occurs west of the Mississippi, and two-thirds of the market for ethanol lies east of the Mississippi. An ethanol blend is now available in all 50 states; half of the states mandate some blending.

The decline in production

In October 2009, producers were operating 184 plants making 11.743 billion gallons, or the equivalent of 405,000 railcars. Twenty-three plants were not producing; and eleven were under construction promising 1.1 billion gallons. ADM’s two under construction, one in Columbus, Nebraska and one in Cedar Rapids, Iowa, would account for 0.55 billion gallons. {Ethanol Producer magazine’s website} Twenty-nine months ago, 80+ plants were under construction.

The top five producers account for 55% of the total: ADM with its two new plants will produce 2 billion gallons total. The next four are POET, RPMG (a cooperative), Eco-energy, and Valero, which recently bought VeraSun.

Other producers include these (and many others): Abengoa, Andersons, Aventine, Bunge, Cargill, CHS, Didion, Louis Dreyfus Commodities, Gavilion, Green Plains Renewable Energy, Hawkeye, Noble Group, Pacific Ethanol. {Ethanol Producer magazine’s website}

1 Aventine and its related companies filed for Chapter 11 (reorganization) bankruptcy in April 2009. Motiva, the owner of the terminal in Providence used by Aventine, is one of the creditors, as is Buckeye, the owner of the terminal in Albany used by Aventine. {website devoted to Aventine bankruptcy}
The demand
Kennedy put the 2009 demand at 10.5 billion gallons and 2010 at 11.8 billion.

Rail origination
Of the 11 billion gallons, two to three billion needs to move east. Billions of gallons which could originate on each Class I in the United States: BNSF 4 (up 25% from two years ago), UP 3.4, NS 1.8, CSXT 1.6 (up significantly), CP 1.2 (from the Dakota, Minnesota, and Eastern), and CN 1.07 (from the Wisconsin Central).

Rail termination for unit trains
Per Kennedy, “there’s no lack of facilities in the West” to receive ethanol. He enumerated two in California, and two in Dallas which is “overkill” (Dallas-Fort Worth Musket Ethanol Terminal on BNSF, Dallas-Fort Worth Rail Terminal in Arlington on UP). In the South, he counted Midland North Carolina, and Tampa, Florida. In the mid-Atlantic are Philadelphia, Baltimore, Sewaren New Jersey, and Linden New Jersey, plus Albany. New England has the Providence terminal on PW.

The Sewaren terminal can receive two unit trains a day, the Linden one.

Marine-served terminals in New England
In addition to the rail-served facility in Providence, New England has or soon will have marine-served terminals in New Haven, Searsport, and Revere.

Non-unit train receivers
In addition to these major terminals, New England’s need for ethanol is met by rail-to-truck transloads at points such as CSX Transflo.

Pipeline transport
POET and Magellan are proposing a dedicated pipeline from northern Iowa east to distribution facilities in Cleveland, Pittsburgh, Harrisburg, Philadelphia, and Linden, New Jersey. Kennedy called it “overkill”, with a capacity of 4.5 billion gallons, or 500,000 carloads a year.

Pipelines are also proposed for six other regions of the country. {ANR&P coverage}

LOGISTEC: SALT TERMINALS*
26 October, Montreal. LOGISTEC ANNOUNCED IT HAD ACQUIRED RIDEAU BULK, which ‘operates in four ports along the St. Lawrence Seaway located in Ontario between Montreal and Toronto. Formally know as Rideau Bulk Terminals Inc, the company also operates two inland terminals in the Ottawa region.

Salt handler
Its main activity is to receive road salt from self-unloaders, and occasionally from bulkers, and do the stockpiling, storage and truck loading for the three major salt companies serving eastern Canada.’ {Logistec press release}

The company declined to specify the salt companies. {ANR&P discussion} The Johnstown terminal, across from Ogdensburg, NY, is used by Canadian Salt (aka Windsor Salt). {hotfrog} North American Salt (formerly Sifto), has used a non-Rideau terminal in Sainte-Catherine, Quebec, to serve northern New England [see 05#07B and 05#09A].

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2 On 16 March POET and Magellan Midstream Partners announced a joint development agreement. POET, the largest ethanol producer, makes 1.5 billion gallons a year from 26 plants, and markets an additional 300 million gallons. Previously, Buckeye Partners was working with Magellan, but it has decided to focus on other interests. {joint press release}

The pipeline could move 4.5 billion gallons a year. Ethanol absorbs water, and its properties can cause pipeline erosion. Both problems reportedly are now solved. {Reuters 19.Feb.08}
CONNECTICUT

CORRECTION ON VALLEY
Contrary to 09#10B, the Valley Railroad operates on a right-of-way owned by and leased from the Connecticut Department of Environmental Protection. DEP bought the Valley right-of-way with funding under the Land and Water Conservation Fund. ‘This particular right-of-way is unique among Connecticut’s active rail lines in that it is owned by DEP.” {e-mail to ANR&P from Fred Riese of DEP}

MAINE

MMA**
10 November, Portland. THE FINANCE AUTHORITY OF MAINE APPROVED A LOAN REQUEST from the railroad, $500,000 to help fund working capital and approximately 200 miles of track maintenance in Maine.
‘Until the track resurfacing occurs, train speeds will remain lowered and delays in freight transportation will continue. A total of 210 jobs will be retained as a result of FAME’s action.’ {FAME press release}
[That looks exaggerated. MMA, per its website, employs 350 people. In spring 2009, President Bob Grindrod said the workforce was down to 215. See 09#03A.]

SLR: MAJOR CUSTOMER SOLD
11 November, Auburn. SAVAGE SERVICES WILL BUY SAFE HANDLING, both its Auburn Maine and New Stanton Pennsylvania operations and assets. The transaction is expected to close on 30 November. {joint press release} [More in a future issue.]

Not the Port of Auburn
Ford Reiche, president of Safe Handling, will relinquish his position and remain as a consultant to Savage. He will stay involved in Auburn and with the SLR though. “I still own land in Auburn,” the Port of Auburn. He will not compete with Savage operations. Instead, he is working on a biomass cogeneration project.

What about the research into cellulosic ethanol? He’s not pursuing that [see 07#12B]. {ANR&P discussion}

ST: MILLS’ STEEL SCRAPPED
9 November, Augusta. ST IS RAILING OUT STEEL FROM THE DEMOLISHED STATLER TISSUE PAPER MILL. Statler Tissue became Tree-Free Fiber, and then part of the American Tissue group of mills, which went bankrupt in 2003 [see 03#04B]. In its later incarnations, the mill did not use rail.
However, said Michael Costello, project manager of Costello Dismantling [see box] the mill site is again using rail: ST has already lifted 16 cars, and he anticipates a total of 30 to 40 by the time he is finished, all enroute to a steel mill in Quebec.
The City of Augusta, which seized the site and buildings for non-payment of taxes earlier in 2009, is seeking a buyer for the soon-to-be vacant land.

Whether to use truck or rail
His company uses third-party consultants to find the market and transportation for the scrap, Costello said. Rail is cheaper than truck especially at sites such as Statler, which have an active siding.
When Costello handled the dismantling of the Eastern Fine Paper mill in Brewer [closed in 2004–see 04#01A–and re-opened as a steel fabrication site, albeit without rail, for Cianbro–see 07#06A], he also used the
siding to load out “a significant amount of scrap.”

At this point, the domestic market is paying better than the export market for the steel, even including the transportation to Quebec [Costello could move the steel to Portsmouth or Everett for export, both closer than most mills in Quebec—editor.] {ANR&P discussion; Keith Edwards in Kennebec Journal & Morning Sentinel 7.Nov.09}

ST brings all traffic on the line north to Waterville. It still has three active customers: OneSteel Recycling [south of the mill site, our Directory #870, formerly Industrial Metal Recycling—see 09#01B], Blue Seal Feeds [#868], and steel fabricator Cives Steel [#867].

COSTELLO AND RAIL

Dan Costello, president of Costello Dismantling of Middleborough, Massachusetts and father of Michael Costello, said his company “works all over the Northeast.... We try to use rail whenever possible to ship scrap.”

Direct to the mills

On the dismantling site, Costello workers “prepared scrap metals to finished mill specs” so that the mill can receive the metal direct from the site. “Otherwise we would have to send the metal through a facility which does the preparation,” basically sorting the metal according to type, and then sizing it. “We take out the middleman by preparing according to mill grades,” of which there are hundreds.

When Costello bids on a dismantling project, the president said, “we evaluate structures, figuring what kind of scrap they will yield. When rail is available, and pricing is favorable, we do the final prep and rail direct to a mill.”

Rail also “lets us look at the environmental impact, so we do not transport scrap by truck through surrounding neighborhoods. We can densify it and rail it out.”

Offering rail transport as an alternative gives Costello a leg up on bidding. “It often plays a role; in Augusta [see article] it certainly did,” said the president.
Metal overseas
Costello has also moved scrap metal to export piers such as Schnitzer, in Everett [our Directory #194 & 213] by both rail and truck. At Schnitzer, the turn-around time for railcars tends to be too long to justify using rail; however, he said, “it is better than it used to be” because of the track improvements and the use of a rail scale [happened in 2008—see 09#01B].

Other scrap
His company also does the same for wood (it becomes biomass for local boilers) and concrete (transformed into “reusable aggregate and fill material on site”).

While C&D (construction and demolition debris) can move by rail to land fills in Ohio [a service provided by, for example, Pond View in East Providence and Devens Recycling in Ayer], “transport costs are too high coming out of Maine to make it competitive,” Costello said. “Some parts of Massachusetts directly on CSX” could do the rail, but his company is not now doing that. It delivers some of the scrap from the buildings to local recycling facilities and “gets some of the value.”

Third-party logistics arrangers
Costello said his company uses third parties such as Roger Friend to find the scrap markets and manage the flow of materials. “We design [the transport] into the way we set up a project” before it begins.

Looking to obtain and scrap railcars
Now, Costello obtains railcars from the mill receiving the scrap, or through scrap brokerage companies who represent the mill directly. He is “looking for the right opportunity to buy ten to twelve cars,” 4000-cubic-foot gondolas. “The price keeps going down.”

Costello also scraps railcars. “We did several hundred for the MMA, old B&A cars, in Bangor a few years ago.”

PORTLAND/ST: INTERMODAL*
28 October, Portland. THE BARGE SERVICE WILL RESUME THE THIRD WEEK OF NOVEMBER operating biweekly, said Jack Humeniuk, International Longshoremen’s Association representative and chief of operations at the PortsAmerica’s Portland terminal. The major customer, Central National-Gottesman, has decided to resume shipping pulp overseas, as predicted [see 09#10B].

Central National buys the pulp from Old Town Fuel and Fiber (formerly Red Shield) [see 07#08A]. Earlier this year, the pulp was going to domestic markets [see 09#10A].

The Columbia Coastal barge service does have other customers, Humeniuk noted, all outbound. “We need a service operating weekly to attract inbound customers,” he said. However, he might have a customer who would use it inbound on a biweekly basis. {ANR&P discussion}

WHY DOES THE PULP MOVE BY BARGE?*
Warren Pullen, who manages the pulp business for Central National, explained why his company is using the barge again. “It’s a strategic move to keep the container operation, because we can serve any market we want with it.”

Due to a decline of volume from Boston to New York, Columbia Coastal was “reassessing whether it would provide any service” north of New York. “Portland was becoming important from a volume standpoint,” he said.

Central National “got some concessions on pricing” including “something from Sprague,” enough to resume using the barge.


[4] Readers with gondolas to sell or lease contact Dan Costello at 508-967-8308.
Dynamic market
The pulp market is very dynamic, Pullen emphasized. “It is truly a global business. What happens in one small corner” can affect the market far away. For example, the US dollar weakened significantly in the last month, making US-produced pulp cheaper.

As another example, “the black liquor subsidy [see below] has made a huge difference.” Because Central National has operated globally for over a century, it knows what is happening quickly. “It’s big advantage to clients to have this advantage and to able to react” to the market changes.

Freight costs don’t change rapidly, but the price of pulp does. Pullen reported that transportation costs came to 16% of the price of a delivered ton of pulp exported from Old Town now, whereas six months ago transportation was 25%.

Domestic market
Barge service to Portland stopped over the summer [see 09#10A], due to a combination of factors. “We had no volume for export” because the Old Town mill ran “significantly slower in summer into early fall” and at the same time the domestic market picked up.

Central National did export some boxes, by railing pulp directly to Newark, and stuffing containers there. Pullen said about 25% of the pulp reaches domestic customers by truck, 75% by rail.

Overseas market: need for unitizer
Pullen prefers to stuff containers in Portland, because Sprague has a state of the art unitizer, a machine which can wrap eight pulp bales into a unit. Many of his customers overseas want such units, because stacking the pulp is far easier in the units.

Newark has a unitizer “with a low throughput,” he noted, “and it’s not really a unitizer.” For that reason, Central National prefers to use Portland and the barge, though it is “much more complicated logistically,” and Central National has the problems of “meeting the [biweekly] calls, and getting enough containers there.”

Central National was “hoping for economies of scale going forward” because other exporters would use the barge and lower the unit price. But each potential exporter has needed “one or two details to happen” and no other user has come forward.

Nevertheless, Central National feared that “if barge was discontinued, it would never come back,” said Pullen. It has “committed to 3000 tons a month minium, which could increase depending on domestic market and Old Town production.

“If one big domestic customer goes down,” Pullen could move its pulp “to any port in the world from Newark.” At this time, he can compete on price.

Direct break-bulk shipment to Asian markets out of Portland is not possible, Pullen said, because carriers don’t like to come that far north. Star Shipping does call Eastport, but there they can load an entire vessel [see 09#09A].

Future of pulp business and barge
Pullen said that “we could do a better job of going to the state, to get a tax credit” to keep the operation open. “So far we have not been able to do much.”

On the federal side, stakeholders are “talking to the feds about [the advantage of] taking trucks off the road” but working through any federal assistance “takes a long time.”

To help the domestic pulp and paper mills, the industry needs to win the anti-dumping case filed against coated paper producers from Indonesia. Sappi5 and Sprague have joined in that effort.

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5Central National handles any market pulp which Sappi’s Somerset mill produces, Pullen said. Most of the mill’s pulp production is used directly in the Sappi paper machines.
Pullen added that Senator Olympia Snowe needed to make sure that subsidies directed to production of energy from biomass do not price mills out of the market for their raw materials.

Also, he said, the black liquor subsidy “saved the domestic paper industry.” For example, when Old Town was pricing pulp at $400/ton, it could receive a cheque from the US Treasury for $130/ton for burning its black liquor [a paper manufacturing by-product] to produce its own energy. \{ANR&P discussion 29.Oct.09\}

**BANGOR-PORTLAND: PURCHASE**

3 November. **IRVING ANNOUNCED IT WILL PURCHASE TWO TERMINALS FROM EXXONMOBIL**, one located in South Portland at 170 Lincoln Street, the other in Bangor at 730 Main Street, as well as the 124-mile pipeline between them. Products moved include gasoline, heating oil and low sulfur diesel.

The deal will close after regulatory approvals, expected in December.

‘Irving Oil Terminals Inc. plans to continue full operation of the newly-acquired terminal facilities and the petroleum product pipeline. “This acquisition enhances our ability to remain a secure and reliable energy supplier in Maine and New England generally,” said Bob Blanchard, director of sales for Irving Oil Terminals Inc., “We intend to make this transition as seamless as possible for our customers and the communities in which these facilities operate.”\{joint press release; e-mail to ANR&P from Irving spokesperson Patricia Brennan 12.Nov.09\}

**Effect on river traffic**

Dave Gelinas, a Penobscot Bay and River pilot, said all regular commercial traffic on the river ceased some time ago; all petroleum marine traffic lands at either Searsport or Bucksport. Cianbro ships its modules out by barge from Brewer occasionally [see 07#06A], and cruise ships occasionally call the Queen City.

Irving, by sending ships to Searsport, can bring in much more there than in Bangor, where “the biggest barge is only 35,000 barrels.” \{ANR&P discussion 11.Nov.09\}

To accept barges in the future would require a redredge of the river bottom: “It’s not deep enough out here,” said one source, an official at one terminal.

Webber terminal. Webber Energy of Bangor owns a barge terminal at 700 Main Street in Bangor, just north of the new Irving terminal, it purchased from Sunoco in 1975. \{Webber website\} Webber now obtains all its product from Irving’s Saint John terminal via Webber’s Bucksport terminal.

Cold Brook terminal. Tim Dysart of Cold Brook Energy said his company owns a terminal in Hampden on the river just south of the new Irving terminal, but the last barge called there in 2003 or 2004. Cold Brook now receives all its product via the ExxonMobil pipeline.

Asked how Irving’s purchase will affect his company, he said, “It’s too early to tell.”

**Effect on Maine petroleum market**

The source agreed with Dysart on the effect: “We don't know Irving’s intentions for the next ten years.” Irving is “firmly in control of oil flow in this state.” Because of its Saint John refinery, “they control the Northeast.”\{ANR&P discussions 12.Nov.09\}

**SEARSPORT: DEVELOPER QUEST**

29 October. **THE REQUEST FOR EXPRESSIONS OF INTEREST (THE RFEI, ‘PROSPECTUS’) FINALLY APPEARED**, seeking companies to develop and operate cargo terminals at the port. [One earlier date to finish was the end of July–see 09#09A.] This is but the first step of the process of finding such a company, the RFEI stated. ‘This initial expression of interest and information contained therein will serve to qualify firms for the next round of discussions and does not constitute a firm offer nor entitle the Respondents to any rights to develop the property.’

The objectives of the process are:
- To identify qualified entities for participation in a subsequent Proposals phase;
- To identify preliminary ideas from qualified respondents regarding possible development options;
Costs to deliver a container from ‘a foreign port’. LCMA = least cost market area. \( M+N \)

<table>
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<th>Port</th>
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<th>Searsport Advantage</th>
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<td>$0</td>
<td>0.0%</td>
</tr>
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<td>$2,840</td>
<td>($35)</td>
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<tr>
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<td>($270)</td>
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Source: Maffett & Nichol

Roles of Mack Point and Sears Island

‘In addition to Mack Point, the port of Searsport includes Sears Island. Sears Island is the largest undeveloped, uninhabited, causeway accessible, island on the eastern coast of the United States and has a parcel of land of approximately 330 acres available for development as a marine terminal.

‘The Sears Island property is owned by the State of Maine, with the Maine Department of Transportation (MaineDOT) the agency responsible for the property. The Port Authority is making this offering on behalf of MaineDOT and will act as the intermediary between developers and the State of Maine. These agencies request that respondents look at the potential for development at Mack Point as a part of this process.’

Searsport versus Montreal, Boston, and New York

Since the idea of Searsport as a major container port was first bruited in 1995, advocates have viewed it as an entry to the Midwest, not as serving Maine or even New England. The RFEI contained an analysis of the relative cost of delivering a container to Chicago [see table].

‘Due to its inland proximity to Chicago, and lower rail costs, Montreal represents the lowest total cost. However, access to the port along the St Lawrence River does incur seasonal weather issues, while ships in service need to be ice-strengthened, which is not necessary at competing regional facilities...’

What MPA is looking for

‘Respondents should be capable of executing their development plans and operating the proposed marine terminal once development is complete.’

Responses are due on 25 November. \{text of RFEI\}

LETTER TO THE EDITOR

ON SEARSPORT*

Jack Humeniuk writes on Henshaw’s remarks to the conference on Maine Global Logistics, about the appearance of favoring Searsport and Eastport over Portland [see 09#10B]:

What connections does Searsport have for containers? A bankrupt rail line that can maybe achieve 10 miles per hour and no interstate highway?
It makes no economic sense to build a major container port in Searsport even if you spend $300 million of the public's money.

Does anyone really think that after spending hundreds of millions of dollars on port infrastructure that the surrounding ports with natural markets, plus inland connections to mature markets, are going let their business go quietly into the night, to a port with no base cargo? I doubt that very much.

Searsport’s natural cargo base is bulk and neo-bulk cargoes. Mack Point serves those needs well.

Being one day closer to Europe is irrelevant if you have no cargo; the same is true of any where else in the world.

The Port of Portland can easily serve the state’s need for container services with much better connections, infrastructure, and facilities at a public investment cost of less than $12 million.

Humeniuk is the International Longshoremen's Association representative and chief of operations for PortsAmerica at the Portland container terminal

Wasted study money?
In a follow-up phone call, Humeniuk noted that the Maine Port Authority spent $100,000 for the Searsport RFEI, and upwards of $200,000 for earlier studies. [Per Henshaw the Cornell Group study of November 2007 [07#11A] cost $300,000 with MPA paying$150,000, and federal and state sources $150,000. The FST Team report in November 2008 [09#06B] cost $25,000. Moffatt + Nichol, hired June 2009 [09#05BB], are earning $100,000. See 09#03A for Eastport comment.]

That’s all money looking for private investors in a new, privately-leased terminal. That “could pay for improvements to the public terminals in Portland or Eastport.”

“We need to meet with the governor on the three-port strategy,” he said. {ANR&P discussion 1.Nov.09}

One port not going quietly into the night
Joe Harris, Virginia Ports Authority spokesperson, said his agency has completely renovated NIT, its largest terminal. It has added twelve 1500-foot tracks to triple the on-dock rail capacity to 600,000 lifts.

The terminal already has six Suez-class cranes on piers with 50 feet of draft. “We are currently not receiving vessels that maximize the use of those cranes,” Harris said. {Karen Thuener in American Journal of Transportation 12.Oct.09}

MASSACHUSETTS

NS-ST: ETHANOL TO BOSTON
4 November, Revere. DOES DELIVERING ETHANOL BY RAIL HERE MAKE SENSE? Among the tank farms in eastern Massachusetts, few have rail access. [David Kennedy–see Regional–pointed out that ethanol tanks must adjoin gasoline tanks for quick blending.] Two which do, located on Chelsea Creek in Revere: Global Partners and Irving, both opposite the Suffolk Downs horse track. Each does receive ethanol by barge from Sewaren.

The Revere location, in the Boston area, is “apparently the only location with a rail element,” said Bernie Kelly of Global Partners. “There has been talk of load out of residual fuels” from the Revere terminal, such as gasoline blendstocks or butane, but the rail to the terminal has “not been active or six to eight years.”

To get it ready for rail now would require “quite a bit of work on the infrastructure sidings inside the terminal, and outside the terminal” on the MBTA-owned tracks.
Interest from railroads
“We are constantly being approached, more by railroads than by the ethanol producers themselves.” Recently several rail companies were “seeing if we were receptive to doing some work.” Kennedy said he had personally examined the site for that purpose several years ago.

A source at one of the serving railroads confirmed that in September NS and ST had looked at the possibility of serving both terminals.

What about railing to Revere
Even with the cost of redoing the track, “Revere could be an attractive terminal by rail” in terms of the pricing. “Depending on whom you speak to, railroads can make an attractive offer.”

But first, Kelly wanted a contract for delivered rate, which he could not get. “There’s no good backup or guarantee.”

Second, even if the price were firm, “Railroads seem to make the economics work in funny ways. With transportation of petroleum, waterborne and pipeline, we are very aware of the costs. There are no hidden costs.”

What about barging from PW’s terminal in Providence?
Motiva owns the rail-served facility, as well as a regular petroleum terminal, in Providence [see box in 07#08A]. Aventine has leased the terminal, probably for five years.

Since the cost to rail to Sewaren and Providence is “similar,” if the volume to barge out of Providence seven days a week were there, getting the ethanol “to Boston or Maine would be a lot cheaper” than barging out of Sewaren.

Cost of the barge
Kelly said running the barge from Sewaren as needed costs less than stationing a barge and tug in Providence for the occasional run to Revere. “There’s only so much work in that port for a tug and a barge.”

Chartering the combination costs about $20,000 to $22,000 plus fuel and port costs, so users “want to keep the boat operating seven days a week.”

A user could run the barge light (empty) from New York, load in Providence, and discharge in Revere, but “you’re better off loading in New York.” {ANR&P discussion 4.Nov.09}

NEW BEDFORD v CANADIAN PORTS*
2 October. ‘NEW BEDFORD... HAS ALREADY OUT-COMPETED THE CANADIAN MARITIME PROVINCES’ as a through-port for fruit import from Mexico and South America through its international trade partner Maritime Terminal), the port argued in seeking federal stimulus funds [more in a future issue].

‘New Bedford has shown that US Ports can compete not only for imports and exports for US destinations, but also as a through-port for Canadian and Mexican goods, providing efficiencies in trans-shipments that provide better cost/benefit to Canadian companies than Canadian ports that import goods directly.’ {New Bedford TIGER grant application filed this day}

An inbound citrus move during the winter to New Bedford has occurred since 1980. Maritime Terminal’s Pierre Bernier described the advantages as warmer weather, closer distance to Africa, and Ontario truckers looking for backhauls.

Fish packers started in winter 2008-2009 sending herring and mackerel on the return trip to Africa. [See 09#01A.]
RHODE ISLAND

PW: NEW CUSTOMER COMING
10 November, Pawtucket-East Providence. **BAER SUPPLY WILL OCCUPY ITS NEW WAREHOUSE** “in four to eight weeks,” on the Pawtucket-East Providence line, at the site of the former Fram Filter facility, according to Adele Beck, president of ACB Realty and developer of the project.

The new building
Baer will occupy a new 100,000SF building: 90,000SF of warehouse and 10,000SF of office space with associated parking areas. PW will serve Baer via a new rail spur.

Why this location
Baer Supply Company is consolidating some New England distribution centers and chose East Providence over major areas, including Albany, New York [see below].

Rail
Beck said PW suggested eight track contractors which Beck might use to do the trackwork for the new warehouse. She chose DeAngelis.

Tony DeAngelis said this day that his company had lifted the existing spur, while PW had removed the switch in the East Providence Secondary which serves the location.

In “a week or so,” DeAngelis force will build the planned new spur of 600 to 700 feet, and PW will install the switch in a new location. **ANR&P discussions; East Providence Waterfront Commission press release 4.09**

MORE ABOUT BAER
Baer Supply Company is one of the nation's leading specialty wholesale distributors to the woodworking industry. They offer an extensive inventory of decorative and functional hardware and fittings, tools, shop supplies, surfacing materials, and board and panel products.

In 1997, Wurth Group of Germany bought Baer, making it one of 300 member companies in 80 countries on five continents.

Baer bought the former KB Laminate company on Silverspring Avenue in Pawtucket, owned by Beck, in 1999 [our Directory #484]. KB Laminate used rail; “we saved a lot on rail,” Beck said.

Beck’s son, Brian Beck, has remained with Baer and is managing the move into the new facility.

Other locations
ST embargoed the Baer warehouse in Waterbury [see 07#02A], Connecticut in 2007, and the embargo remains in effect [the only embargo in New England at this time, per the AAR embargo website’s new map]. It still has a facility in Tewksbury, Massachusetts.

Per Beck, Baer closed its warehouse in Portland in 2008.

PW: CUSTOMER CLOSING*
28 October, Pawtucket. **BUNGE WILL CLOSE IN DECEMBER**, said an official at the plant, confirming an earlier report. Bunge North America headquarters in White Plains, New York, itself declined to comment on the future of the plant, which distributes vegetable oils. **ANR&P discussions**

PW delivered 450 carloads to the plant over the past 12 months, according to Frank Rogers, the railroad’s vice-president of marketing. **e-mail to ANR&P**
PW: FREIGHT VILLAGE?**

The Berkeley area of Cumberland may soon have four rail-served facilities, three owned by Dean Warehouse Services:

Dean Warehouse: customer Bostitch
This customer will receive railcars of wire coil directly into the former IGA warehouse on the west side of the PW main line, about 500 per year [see 09#10B]. The spur will be rebuilt before the end of the year, according to PW’s Frank Rogers.

Dean said Acorn Construction would do the trackwork.

Dean Warehouse: former KIK
On 26 October, Dean purchased the former KIK building on the east side of the main line. KIK [our Directory #463—formerly CCL] closed in autumn 2008 [see 08#08B]; it received aerosol propellants here, about ten per year.

The Bostitch cars have begun to arrive here, pending construction of the new spur into the west side building. PW will then use the KIK spur to store the Bostitch cars. {e-mails to ANR&P 29.Oct.09 and 11.Nov.09}
Dean: former Air Products, possible Mann Distributing

Mann Distributing [formerly Mann Chemical, see 09#10B] would like to move here to 1126 Mendon Road, where formerly Air Products operated. The site has a rail spur in good repair, wrote Dean, but the switch must be reinstalled.

However, Mann said on 21 October, despite his imminent expansion, he is getting no assistance from the state. Moreover, he has talked to PW but “I’m getting no assistance at all.” {ANR&P discussion 21.Oct.09}

PW’s Frank Rogers noted that the railroad ‘advised Mann of several potential sites and has offered to assist with some track material.’ {e-mail to ANR&P 29.Oct.09}

[Coastal Recycling considered opening a C&D facility here in 2006, but gave up the effort. See 06#03B.]

New England Dispose

Cumberland Planning Director John Aubin said that New England Dispose still seeks a permit to locate a C&D facility on its property on Martin Street. New England Dispose was denied a permit when the new town administration reversed a decision granting the company a permit [see 07#01A]. The matter is now in court.

Aubin said the town is “heavily against” the C&D proposed by Peter Calcagni, the owner of the site, where both Richmond and Fleet Construction operate.

No town policy

Aubin said the town “has no expressed policy” for locating or supporting rail-served freight. The town is updating its comprehensive plan, and addressing somewhat the issue of commuter rail, which Woonsocket is actively considering [see 07#07A]. However, the plan does not address freight rail. {ANR&P discussion}

PW/SEAVIEW: AUTORACKS*

9 November, Quonset. SEAVIEW PULLED 15 EMPTY AUTORACKS OUT OF STORAGE HERE, and spotted them at the interchange with PW. Bruce Hamilton, the Seaview owner and operator, said PW some time ago put 33 racks into storage on the trackage at the Quonset Commerce Park. {ANR&P discussion}

Frank Rogers, PW vice-president marketing, explained: ‘Autorack storage is an obligation of PW as a member of the MPEC Pool. Each participant is required to store the percentage of excess autorack capacity equal to its percentage of equity in the Pool.

Demand on the multi-level fleet is picking up, hence 15 autoracks are being released from storage.’ {e-mail to ANR&P}

One source said the empties were enroute to an auto assembly plant in the Midwest. {ANR&P discussion}

DAVISVILLE and PROVPORT

9 November. THE TWO PORTS COULD SHARE A BARGE-BASED CRANE, said Bruce Waterson of Waterson Terminal Services, which operates Provport. Instead, each port submitted its own TIGER application for a crane: QDC sought $45.4 million for a land-based crane for its Davisville port, widening roads and undertaking other infrastructure improvements. The Port of Providence sought $39.4 million to purchase two new barge-mounted cranes and install wind turbines and solar panels [see 09#04A].

Coordination, Waterson said, could have boosted the chances for the state to receive a piece of the $1.5 billion in available funding that has attracted more than 1,400 applications.

“It’s unfortunate,” he said. “We think ours is a much better project for the state in general with [the cranes] being barge mounted and [potentially] serving in both places,” Waterson said. He noted that the R.I. Economic Development Corporation (EDC) supported the ProvPort application.

The EDC sees it differently. Fred S. Hashway Jr., director of government affairs for the EDC, thinks both

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6In 2008, the National Multilevel Reload Pool included 55000 rail cars, specially designed to transport new automobiles and light trucks. It is governed by the Multilevel Pool Executive Committee (MPEC). {NS press release 24.July.08}
projects carry merit. “The closer you can get the products to the customers the more efficient your supply chain is,” Hashway said. “So if we have multiple ports of entry, Quonset and Providence, that gets products closer to customers. That’s a good thing for our supply chain and … for our ports.”

“A crane is a crane, but it’s the purpose and use that are important,” Hashway said. “The Providence port will be using it for traditional container offloading and we’re going to use it for wind industry.”

SHORT-SEA SHIPPING?
The land-based crane on wheels could also move around the pier area and pluck containers from ships involved in the U.S. Maritime Administration’s Marine Highway program, which both ports hope to participate in. Under that program, still in its infancy, large ships ferry cargo up and down the coast and transfer cargo to smaller ships, which bring it into port. Supporters say the concept takes trucks off the country’s highways and is more environmentally friendly.

In October, President Barack Obama signed into law a measure to create the marine highways by encouraging shipping by sea or inland waterways.

And the smaller ships that would be coming into port under that federal program would be less likely to raise political protests like the one a decade ago when officials floated the idea of turning Quonset into a container port that could accommodate massive ships loaded with thousands of containers, said Steven King, Quonset Development Corporation (QDC) managing director.

QDC, a subset of the EDC, estimates the improvements, which also include upgrading port security, installing bus shelters, dock repairs and improving rail lines, will create between 500 and 800 jobs. King said the bulk of those jobs would be at the Deepwater Wind assembly plant, with the corporation anticipating the remainder coming from businesses that expand or move into the park as a result of the infrastructure improvements. The new crane and refurbished docks could also create jobs, King said.

Waterson said the new cranes at ProvPort would replace two leased cranes built in 1979 and beyond their useful life cycle. Like Quonset officials, those in Providence say the cranes would help the port jump into the Maritime Highway, though the ports would solicit different cargo. Separately, the installation of solar panels and two wind turbines could turn the port from a consumer of electricity into a net generator of electricity and save thousands of dollars a year. “We just see it being a win-win to try and make the port campus green and environmentally friendly,” Waterson said.

ProvPort still proposing to expand
The Providence application comes as the port works to expand its footprint and take over 8.5 acres of an old landfill along its southern border, which is where the port would install the turbines [see map in 07#04B]. The land is behind the Save The Bay campus. The environmental organization supports the project, said Save The Bay Director of Advocacy John Torgan. {Chris Barrett in Providence Business News 9.Nov.09}
kilometer entrance channel to the Ports of Sydney.

Who received the RFP
SMG sent the RFP to “six or seven” firms qualified on the use of TSHD, Wooder said, all but one Dutch or Belgian, which have the equipment to do TSHD. Five of them have visited, one three times. One US firm is included: Great Lakes Dredge & Dock Company.

Wooder gathers that in terms of technical difficulty, the firms “rated this job on the low end of technical difficulty.” Since the job involves high volume, and the winning bidder is paid “per cubic meter, we are hoping for good bids.”

Schedule
According to the press release, ‘Bids close at the end of January 2010, at which time the SMG will have completed its assessment of costs associated with its regulatory approvals and be in a position to further advance discussions on project funding.’

Wooder added that sorting through the bids would take one or two months, and that work might begin in April 2010.

Funding for the project
SMG and other stakeholders are all agreed on the high priority the dredging holds for the Sydney area; they anticipate a combination of public and private dollars to pay for it.

None is yet assured though. “We’ll have a funding discussion once we know” the possible price, said Wooder. “We do need some public sector funding.”

[In 2008, the dredging cost was estimated at $30 million and the container terminal at Sydport in excess of $200 million—08#05A]. {ANR&P discussion 10.Nov.09}

Earlier this year, the Province of Nova Scotia and Enterprise Cape Breton Corporation committed a total of $3 million for the related planning, engineering and technical design requirements for the proposed dredging project and to assist in the development of a newly incorporated transportation corporation whose primary purpose will be to manage and oversee the regulation, utilization, marketing and development of the Ports of Sydney. {text of press release}
Charlie Miller, rail project coordinator at the Vermont Agency of Transportation, will retire at the end of the year. VAOT is advertising for someone to fill his position.