PORTS: 3Q09 container data from Montreal, Halifax, Saint John, New York/New Jersey show steep declines; Boston a bright spot. But domestic intermodal shows a tiny rise.*

MC/CSXT/MBTA: MC obtains freight rights on South Coast lines from CSXT.**

MC: Offers to operate commuter service.*

MassDOT: EOT reorganizes, Doherty and Belfield remain. *

MBTA v B&M: US court rules that B&M does not need to pay for environmental cleanup at BET.*

PVRR: Duie Pyle serves Scott and Little Rill.*

CN/NECR/PW: CN begins advertising Worcester as the gateway to the Boston region.*

PW/ST: Offshore coal by rail again to Mt.Tom.*

NEW HAMPSHIRE

ST/Portsmouth: Offshore coal arriving by truck; ST price too high?**

LARGEST ISSUE: new info

Most formal issues fit into twelve pages of the hard-copy version. Very occasionally, I will publish 14 pages. This issue contains 16.

The CSXT deals with MassDOT and MC consume most of the issue. Please review the significant material I have added (in blue type), including interviews and a map.

- Chop Hardenbergh      Next formal issue: 18 Dec.

**Blue type in article: changes from e-bulletin.
REGIONAL ISSUES

PORTS: 3Q09 BOX STATISTICS

16 November. REGIONAL PORTS’ CONTAINER TRAFFIC DECLINED 10% TO 20%. U.S. ports are down 26% overall year to date, per Drewry Shipping Consultants’ report on global trade; it saw a slight improvement over August figures, but cautioned this was not indicative of a recovery.

Five regional ports

Results to the end of 3Q09 at five East coast ports showed Montreal declining 16.4% compared to the first three quarters of 2008. In 2008, Montreal bucked the downward trend of other ports and actually had record container growth of 7.4%.

Halifax had a slightly better third quarter in 2009 than in 2008, down 7%. Year to date it declined 19%. Saint John reported a drop of 20% in TEUs year to date.

The Port of New York and New Jersey is showing a year to date drop of approximately 16% in TEUs.

Boston increased export TEUs 7% over the same period last year. The port’s Lisa Langone assigned the increase to the CKYH service (Cosco, K Line, Yang Ming, Hanjin) which offers a direct link to ports in China. “The assumption is their economy seems to be leading the recovery from global recession and our weak dollar helps give them more purchasing power,” she said. Overall, Boston TEUs have declined 10% over the same period last year.

Domestic intermodal up: the 53-footers

Inland, the total of international and domestic volume dropped as well for the first nine months, according to the Intermodal Association of North America (IANA), down 16.4% compared to the same period in 2008.

However, “[d]omestic container volume increased in every US region during Q3, growing 1.3% per cent overall. Domestic advances during the quarter were entirely in 53-foot equipment, which jumped 5.5%,” the IANA reported.

‘[D]omestic container growth has not retreated into negative territory once on a quarterly basis. Although growth did slow in 2009, gains in domestic equipment volume have increased each quarter of the year.’

On international volumes, IANA reported those volumes ‘fell for a ninth-consecutive quarter, with over 20% decreases realized during each quarter of 2009. Encouragingly, the rate of decline decelerated in every month of the quarter, with September’s result only 20%.’

CN rail

Spokesperson Mark Hallman says CN doesn’t break out domestic tonnage. It measures total carloadings and revenue ton miles (RTMs—a revenue ton mile represents the movement of one ton of freight over one mile for revenue).

‘CN's system-wide RTMs for the third quarter of 2009 were down 11% from the comparable period of 2008, while system-wide carloadings were down 15% from the same quarter of 2008,’ Hallman wrote. {e-mail to ANR&P and other reporting by correspondent Tom Peters}

THIRD QUARTER STATISTICS

PORT OF MONTREAL Containerized cargo (metric tonnes)

<table>
<thead>
<tr>
<th></th>
<th>September 2009</th>
<th>Through September 09</th>
<th>Through September 08</th>
<th>Year-to-date variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Containerized cargo</td>
<td>2,859,66</td>
<td>8,305,538</td>
<td>10,153,414</td>
<td>-18.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TEUs (Yr to date)</th>
<th>Import</th>
<th>Export</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>To September 2009</td>
<td>459,053</td>
<td>475,081</td>
<td>934,134</td>
</tr>
<tr>
<td>To September 2008</td>
<td>525,925</td>
<td>590,839</td>
<td>1,116,764</td>
</tr>
<tr>
<td>Variance</td>
<td>-12.7%</td>
<td>-19.6%</td>
<td>-16.4%</td>
</tr>
</tbody>
</table>
PORT OF HALIFAX Containerized cargo (metric tonnes)
Through September 2009 744,357
Through September 2008 796,864
Variance -6.6%

<table>
<thead>
<tr>
<th>TEUs (for Q3)</th>
<th>Import</th>
<th>Export</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q09</td>
<td>41,324</td>
<td>50,555</td>
<td>91,879</td>
</tr>
<tr>
<td>3Q08</td>
<td>48,249</td>
<td>50,502</td>
<td>98,751</td>
</tr>
<tr>
<td>Variance</td>
<td>-14.4%</td>
<td>0.1%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

PORT OF SAINT JOHN Containerized cargo (metric tonnes)
Jan-Sept 2009 213,977
Jan-Sept 2008 282,947
Year to date variance -17%

<table>
<thead>
<tr>
<th>TEUs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-Sept 2009</td>
<td>36,171</td>
</tr>
<tr>
<td>Jan-Sept 2008</td>
<td>45,578</td>
</tr>
<tr>
<td>Variance</td>
<td>-20 %</td>
</tr>
</tbody>
</table>

PORT OF NEW YORK/NEW JERSEY Containerized cargo (TEUs, metric tonnage not available)

<table>
<thead>
<tr>
<th>Jan-Sept 2009</th>
<th>Jan-Sept 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td>1,674,618</td>
</tr>
<tr>
<td>Exports</td>
<td>1,012,453</td>
</tr>
<tr>
<td>Total</td>
<td>2,687,071</td>
</tr>
<tr>
<td>Variance</td>
<td>-13.1%</td>
</tr>
<tr>
<td></td>
<td>-15.9%</td>
</tr>
</tbody>
</table>

PORT OF BOSTON Containerized cargo (Tonnage)

<table>
<thead>
<tr>
<th>3Q2009</th>
<th>3Q2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td>266,800</td>
</tr>
<tr>
<td>Exports</td>
<td>162,928</td>
</tr>
<tr>
<td>Total</td>
<td>429,728</td>
</tr>
<tr>
<td>Variance</td>
<td>-10 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Q3 TEUs)</th>
<th>3Q2009</th>
<th>3Q2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td>25,681</td>
<td>28,509</td>
</tr>
<tr>
<td>Exports</td>
<td>18,245</td>
<td>16,988</td>
</tr>
<tr>
<td>Empties</td>
<td>9,758</td>
<td>14,351</td>
</tr>
<tr>
<td>Total</td>
<td>53,684</td>
<td>59,848</td>
</tr>
<tr>
<td>Variance</td>
<td>-10 %</td>
<td>+7 %</td>
</tr>
<tr>
<td></td>
<td>-32 %</td>
<td>-10%</td>
</tr>
</tbody>
</table>

(all data directly from port authorities)

**MAINE**

ST: AT LONG, LONG LAST
30 November, Topsham. **GRIMMELL INDUSTRIES HAS 10 GONDOLAS FOR LOADING**, according to Tim Garrity, who manages the Topsham facility. As soon as the gons are loaded, ST will pull them; their destination is not yet determined, depending on pricing.

Maine Track Maintenance completed the work on the Grimmell siding with IRAP funding [see 08#07B]; Garrity said he worked with Frank Tingley. {ANR&P discussion}

Tingley for the past two years has worked out of a Fairfield office for MTM. {ANR&P discussion with office}

History
Grimmell has tried for **15 years** to get rail service [see chronology in 00#18]. Given that ST has had the right to serve Grimmell for that entire time, and that Grimmell has a siding, this may set a national record for customer persistence, through two STB hearings.
Most recently, MDOT’s Nate Moulton expressed confidence that Grimmell would get service in 2009 [see 09#02A].

If any reader has a customer who persisted longer for service, let me know. Editor

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### MASS:CSXT DEALS

**THE CSXT DEALS: OVERVIEW**

The deals are spelled out in the following seven filings to the Surface Transportation Board on 24 November. The STB filing number is listed.

#### CSXT-MassDOT filings

- Notice of Exemption (#226067)
- Motion to Dismiss Notice of Exemption (#226065)
  - Definitive Agreement of 10 October 2008 (prices page 17) [See prices in 08#12B.]
  - Clearance Work Agreement of 10 October 2008
  - Amendment to Definitive Agreement, 23 November 2009
  - Steven Potter Verified Statement
  - Deed of Easement, MTA to NYC.
  - Deed of Sale of Penn Central lines to MBTA 1976
  - 2009 Operating Agreement between CSXT and MBTA.
  - Exhibit K, Key Terms of MC-MBTA operating agreement
  - Amtrak and MBTA operating schedules.
  - Amendment #4 to 1985 Conrail Agreement

---

### SEGMENTS SOLD BY CSXT TO MASSACHUSETTS

This table was Exhibit A to the October 2008 Definitive Agreement.

#### FACILITY SEGMENT

<table>
<thead>
<tr>
<th>Facility Segment</th>
<th>Mile Posts</th>
<th>From</th>
<th>To</th>
<th>Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. BOSTON MAIN LINE</strong> (Boston to Worcester)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Station to CP Cove</td>
<td>0.0</td>
<td>1.12</td>
<td>1.12</td>
<td></td>
</tr>
<tr>
<td>CP Cove to BPY/ALS*</td>
<td>1.12</td>
<td>3.10</td>
<td>1.98</td>
<td></td>
</tr>
<tr>
<td>Main Line@BPY/ALS (See Note 2)*</td>
<td>3.10</td>
<td>4.80</td>
<td>1.70</td>
<td></td>
</tr>
<tr>
<td>BPY to Newton (Riverside)*</td>
<td>4.80</td>
<td>10.83</td>
<td>6.03</td>
<td></td>
</tr>
<tr>
<td>Newton (Riverside) to Framingham*</td>
<td>10.83</td>
<td>21.38</td>
<td>10.55</td>
<td></td>
</tr>
<tr>
<td>Framingham</td>
<td>21.38</td>
<td>22.40</td>
<td>1.02</td>
<td></td>
</tr>
<tr>
<td>Framingham to Worcester</td>
<td>22.40</td>
<td>44.30</td>
<td>21.90</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>44.30</td>
</tr>
<tr>
<td><strong>2. GRAND JUNCTION BRANCH</strong> (Boston to Chelsea to E. Boston)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. BPY to Boston Engine Terminal (BET)</td>
<td>0.00</td>
<td>2.70</td>
<td>2.70</td>
<td></td>
</tr>
<tr>
<td>b. Valley Track@BET*</td>
<td>2.70</td>
<td>2.95</td>
<td>0.25</td>
<td></td>
</tr>
<tr>
<td>c. BET to Chelsea*</td>
<td>2.95</td>
<td>5.70</td>
<td>2.75</td>
<td></td>
</tr>
<tr>
<td>d. Chelsea to East Boston (as CSXT’s interest may appear)</td>
<td>5.70</td>
<td>7.87</td>
<td>2.17</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>7.87</td>
</tr>
<tr>
<td><strong>3. SOUTH COAST LINES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. New Bedford Secondary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cotley to New Bedford (excluding New 13.40</td>
<td>31.80</td>
<td>17.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bedord Yard)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Dartmouth Industrial Track (also known as the Watuppa Branch) (as CSXT’s interest may appear)</td>
<td>6.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Fall River Secondary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Myricks to Fall River / State Line</td>
<td>0.00</td>
<td>14.20</td>
<td>14.20</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>37.6</td>
</tr>
<tr>
<td><strong>4. BOSTON TERMINAL RUNNING TRACK</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southampton Street to W. First Street</td>
<td>0.0</td>
<td>0.80</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>W. First Street to Summer (including those portions of the W. First Street Yard shown on Exhibit A-1)</td>
<td>.80</td>
<td>1.10</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td>Summer to Boston Marine Industrial Park*</td>
<td>1.1</td>
<td>2.25</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>2.2</td>
</tr>
</tbody>
</table>

**NOTE**

1. The Railroad Lines are shown in more detail on the plans attached as Exhibit A-1. [Not included in 24 November filing.]
2. The Parties acknowledge that the Second Closing, and the transaction with Harvard shall be coordinated so as to preserve to Seller (by way of a retained easement) the continued right to operate over the portion of the Boston Main Line passing through Beacon Park Yard (Parcel C-1, ...
CSXT-MC filings
Petition for approval of Minor Transaction (#226058)
Petition for Notice of Exemption. (#226061)
   Agreement attached as Exhibit B.
Proposed procedural schedule (#226059)
Request for Protective Order on Minor Transaction (#226060)
Request for Protective Order on Notice of Exemption (#226062)

CSXT/MBTA: STB FILING**
24 November, DC. MASSDOT WILL ACQUIRE CSXT LINES IN EASTERN MASSACHUSETTS, according to the filing of a Verified Notice of Exemption at the STB this day. The proposed closing in May 2010 will complete another part of the four-part ‘Definitive Agreement’ of October 2008 [see 08#10A].

Two closings
The two sides had proposed that the acquisition of four tracks would close in June 2009, but the state had noted delays [see 09#09B]. The acquisition of the Framingham to Worcester track, and the Boston to Framingham rights, will not occur until about 2012, as planned.

The first four tracks

Grand Junction Branch. ‘[P]ortions...extending 4.87 miles between milepost QBG 0.00 [Beacon Park Yard] and milepost QBG 2.70 and between milepost QBG 5.70 and milepost QBG 7.87.’ [This mileage extends into East Boston.1 How much of the Everett spur trackage (beginning at milepost 5.70 and running to Schnitzer Steel) is included is not described.2]

Boston Terminal Running Track. ‘[A] portion...extending 1.10 miles between milepost QBB 0.00 [station ‘South Bay’ at the MBTA Middleboro Main] and milepost QBB 1.10.’

New Bedford Secondary. ‘[E]xtending 18.48 miles between milepost QN 13.40 (at Cotley Junction) and milepost QN 31.80 (at New Bedford), including CSXT’s property interests in the right-of-way and track assets of the North Dartmouth Industrial Track (also known as the Watuppa Branch) between milepost QND 0.0 and QND 0.08 and CSXT’s property interests in the right-of-way but not the track assets between QND 0.08 and QND 6.0 (which assets are owned and operated by the Bay Colony Railroad Corporation).’3

1 ‘According to CSXT, the foregoing milestone description of the Grand Junction Branch represents the full scope of CSXT’s ownership interest in this rail line, and CSXT does not have any ownership interest to convey in the intervening section of this branch between milepost QBG 2.70 and milepost QBG 5.70.’

   According to Tessler [see MassDOT comments], MassDOT is acquiring whatever interest CSXT still has in the Branch, including the section which ran from Everett to Chelsea Creek and then across Chelsea Creek (the bridge is now gone) into East Boston. “The right-of-way still exists.” In East Boston, some are considering the right-of-way for a haul road. In Chelsea, he believed “the abandonment still going on.” {ANR&P discussion 1.Dec.2009}

2 However, Tessler [see MassDOT comments] notes that CSXT wants to sell all its ownership except yards.

3 CSXT previously sold the track and material on the Watuppa Branch between milepost QND 0.08 and QND 6.00 to the Bay Colony Railroad Corporation (“BCLR”), and leased the underlying real estate to BCLR. See Bay Colony Railroad Corporation - Acquisition and Operation Exemption - CSX Transportation, Inc., as Operator for New York Central Lines, LLC. STB Finance Docket No. 34446 (STB
served Jan. 16, 2004). In this transaction, CSXT will convey the full scope of its ownership interest in the Watuppa Branch to MassDOT, subject to BCLR's rights and interests and CSXT's retained easement over the first 0.08 miles of the branch. Pursuant to the agreement between CSXT and MassDOT, CSXT will assign the BCLR lease to MassDOT. BCLR will continue to provide common carrier service over the 5.92 miles of the Watuppa Branch west of milepost QND 0.08, and MassDOT will acquire only the real estate underlying this section of the branch. Because of BCLR's interest in 5.92 miles of the Watuppa Branch, MassDOT has excluded that 5.92 miles from the mileage total for the New Bedford Secondary.

Historical interest. CSXT bought from Conrail which acquired Penn Central, which acquired the New York Central, which had leased the Boston & Albany in 1900 and merged it into the NYC in 1961.

The New Haven Railroad, which in 1893 leased the Old Colony Railroad (lessor of the Boston & Providence since 1888), moved its Boston terminals from B&P's Park Square Station and OC's Kneeland Street Station to the new South Station in 1898-1899. South Station was the property of the Boston Terminal Company, owned equally (in 20% shares) by the B&A, the New Haven, the Old Colony, the B&P, and the NH-controlled New England Railroad. CSXT's ownership, derived from the B&A, begins approximately at Cove, where the B&A entered the Terminal Company property in 1898. (Ronald Dale Karr, The Rail Lines of Southern New England, 1995; ANR&P discussion with John Reading 30.Nov.09)

The 1985 CR agreement, included in the filing, states that Penn Central trustees in bankruptcy sold the right of way in the Boston-Albany line from Riverside to Framingham in 1973. ‘(g) In addition to those rights-of-way owned or controlled by MBTA which CONRAIL desires to use, CONRAIL owns or controls portions of a right-of-way segment known as the Grand Junction Secondary Branch from the vicinity of the Beacon Park Yard to the junction with the MBTA East Route Main Line at Tower C. CONRAIL also has been assigned a grant of easement created by instrument dated December 27, 1962 from the Massachusetts Turnpike Authority to the New York Central Railroad Company over the right-of-way owned by the Turnpike Authority and known as the Boston & Albany Main Line from a point outside of South Station, Boston, to Riverside. Use of both of these segments of right-of-way is desired by MBTA jointly with CONRAIL.’
Transportation Authority ("MBTA") and CSXT's predecessor in interest, Conrail. MBTA - an authority of the Commonwealth to which MassDOT will entrust day-to-day oversight and management of the Railroad Assets - and CSXT have also entered into (as relevant here) an Operating Agreement (the "2009 Operating Agreement") setting forth terms and conditions for the continued shared use of the BML-West by MBTA (for commuter rail purposes), Amtrak (for intercity passenger rail purposes)\(^5\), and CSXT (for rail freight purposes) after MassDOT’s acquisition of the BML-West assets.\(^6\) A copy of the Definitive Agreement (and the First Amendment to that agreement), the 2009 Operating Agreement, and the 1985 Agreement (as amended) are all included as exhibits to MassDOT's concurrently-filed motion to dismiss in this docket.\(^7\)

**Sale of freight rights to Mass Coastal (MC)**

‘At the same time that MassDOT and CSXT engage in the first closing, however, CSXT will sell its retained permanent freight easement rights over the South Coast Assets to Mass Coastal, an existing Class III short line. The deed retaining the permanent freight easement for CSXT in the South Coast Assets allows for the transfer of those rights to Mass Coastal.’ [See separate article.]

**Motion to Dismiss filing**

At the same time MassDOT filed its Notice of Exemption, it also requested dismissall of the Notice. [See below.]

{STB website, filings page, Finance Docket #35312}

**The main elements of the overall agreement with CSXT**

- The Commonwealth will purchase the property rights of the Boston to Worcester rail line from CSXT, increasing the potential for additional commuter service while also taking control of dispatching and maintenance on the line. Through the development of this agreement, the MBTA has already been able to add five Framingham-Boston commuter trains to Worcester on CSX Transportation’s Boston line.

- The Commonwealth and CSXT will increase the vertical clearances of bridges along the railroad main line between I-495 and the New York State line to accommodate double-stack freight trains. The Commonwealth will assume responsibility for raising highway bridges, while CSXT will be responsible for lowering tracks.\(^7\)

- To advance the South Coast Rail project, the Commonwealth will purchase the New Bedford Main Lines and Fall River Secondary rail corridors from CSXT. The Commonwealth will also purchase the Boston Terminal Running Track and West First Street Yard in South Boston and CSXT’s ownership of the Grand Junction secondary line that extends from Beacon Park Yard through Cambridge to East Boston from CSXT.

- In an effort to create capacity for additional commuter rail service over time, the Commonwealth will help CSXT relocate the company’s operations out of Beacon Park Yard in Boston. This relocation will facilitate the redevelopment and reuse of this strategic parcel of land.

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\(^5\) ‘The National Railroad Passenger Corporation ("Amtrak") operates over the BML-West line segment and the BML-East line segment, and it will continue in both cases to operate as a tenant of CSXT following the proposed transaction pursuant to an existing agreement between Amtrak and CSXT dated as of June 1,1999, until such time as that agreement is modified, amended, discontinued or succeeded by a subsequent agreement between MBTA and Amtrak.’

\(^6\) ‘The portion of the BML-West between mileposts 21.38 and 22.40 will be governed by the 1985 Agreement, rather than by the 2009 Operating Agreement.’

\(^7\) As John Reading notes, by stopping the clearance program (to full doublestack) short of I-495, the parties spare the expense of many more clearance projects. \{ANR&P discussion 1.Dec.2009\}
Passenger and freight trains will operate, as much as possible, in exclusive “windows” of time, thereby reducing the chance for conflict and assisting with the efficiency of both freight and passenger service.

The agreement 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.

CSXT will contribute $500,000 to help defray the cost of the liability insurance policy the MBTA carries for the entire commuter system. Additionally, in the event an accident occurs involving a freight train and CSXT is clearly at fault because of willful misconduct, the rail road will be responsible to pay the deductible on that policy, up to a maximum of $7.5 million per accident. [This agreement was announced in September–see 09#09A.]

FURTHER INFORMATION IN FILING TO DISMISS
At the same time MassDOT filed its Notice of Exemption, it also requested dismissal of the Notice. ‘A long line of cases beginning with the seminal State of Maine decision...hold that the Board does not have jurisdiction over - and that Board authorization is therefore not required - for transactions in which the common carrier rights and obligations do not transfer with the physical assets.’

This filing, much longer than the Notice of Exemption, describes the contents of the 2009 Operating Agreement, which covers

Yard lead tracks
‘MassDOT and CSXT have agreed to exclude from the proposed asset sale certain tracks appurtenant to BML-West, including the yard lead tracks at Framingham Yard, Westborough Yard (including planned extensions of those tracks), and Worcester Yard.’ [See below on yards.]

Freight and passenger windows on BML-West
‘Section 2.2 of the 2009 Operating Agreement sets forth limitations on CSXT’s operations over the [joint-use sections] pursuant to the following, specifically-delineated operating "windows" designed to facilitate the fluid movement of MBTA commuter rail trains and Amtrak intercity passenger trains while at the same time permitting for the efficient movement of CSXT freight traffic:

AM peak (0500-0945). CSXT may operate only one scheduled freight, westbound only, from Westborough to Worcester. Other freights are permitted on a non-priority basis.

PM peak (1600-2200). CSXT may operate only one scheduled freight, westbound only, from Westborough to Worcester. Other freights are permitted on a non-priority basis.

Midday window. The T may add 12 trains, and CSXT four trains, beyond those operating as of 30 June 2009.

Late night window (2200-0000). Mixed use.

Midnight window (0000-0500). Freight has priority, except the T may run three trains.

Operations on BML East
‘...MBTA and CSXT have agreed that their respective rights to run trains over the BML-East lines as set forth in the 1985 Agreement will remain essentially unchanged, so that, from an operating perspective, the sale of the BML-East track assets will not disrupt the operating status quo. Specifically, the BML-East tracks, which are currently
"Conrail [CSXT] Rail Properties" under the 1985 Agreement, will be re-designated as "MBTA Rail Properties" (just as the portion of the Boston Main Line between milepost QB 10.83 and milepost QB 21.38 is today, due to MBTA's long-standing ownership of that line segment). Once so re-designated, the BML-East Lines will be governed by the same terms and conditions in the 1985 Agreement applicable to all other MBTA Rail Properties.\footnote{The STB filing includes a copy of the Definitive Agreement, but the Exhibit A-1 is left blank.}

**FURTHER ON THE CSXT-MassDOT DEAL**

Jamie Tessler, an attorney with MassDOT who led, and will continue to lead, the agency’s side on the CSXT deal provided further detail.

**The fate of the active CSXT yards**

CSXT will retain ownership of its active yards, as described in the Definitive Agreement, Exhibit A-1 Railroad Line Plans Excluded Real Property.\footnote{The STB filing includes a copy of the Definitive Agreement, but the Exhibit A-1 is left blank.}

**The Mass Coastal deal**

MassDOT took no role in selecting the purchaser of the freight rights on the South Coast lines, said Tessler. “CSXT was careful about not identifying the purchaser” until late October, leaving MassDOT about one month before the filing on 24 November. During that period, MassDOT negotiated the term sheet which “focused on two pieces” by which MassDOT could show to the STB that a balance would exist on the lines between freight and passenger.

First, MassDOT wanted to ensure that freight service would occur without disruption, and second “we wanted to be sure that Mass Coastal could meet the terms for a joint operating environment.”

**Is the MBTA opposed to freight?**

Your editor asked Tessler for a comment on the perception among some members of the freight rail community that the T is not friendly to existing freight operations on its lines, much less to new customers. “We have heard that perception” and view the South Coast project “as an opportunity to change that.” The T manager for the South Coast, Kristina Egan, can work with MC along with the construction process. The detailed SC corridor plan (available on line) is looking at the economic development opportunities as well as passenger service. That will include freight rail, said Tessler, as “there’s a lot of opportunity” on the line.

**The engine turning facility**

The October 2008 Definitive Agreement contains a provision permitting MBTA to run more trains when it can provide CSXT with an engine turning facility west of Beacon Park, where engines east of Worcester “can turn around earlier” and save the trip all the way to Beacon Park. The T and CSXT are, said Tessler, “still actively looking at sites.”

**Intermodal facility**

CSXT is “actively looking” for a site to move the operations out of Beacon Park. Tessler had nothing to report beyond that. \{ANR&P discussion 1.Dec.09\}

**MC-CSXT: FREIGHT DEAL**

25 November, Hyannis. **MC WILL PURCHASE THE CSXT FREIGHT RIGHTS ON THE SOUTH COAST LINES** in May 2010. At the same time, CSXT will sell the lines themselves to the state [see other article]. According to a MassDOT press release:
‘The agreement with Mass Coastal calls for sale from CSXT to Mass Coastal of the freight easement rights when the MassDOT purchase of the South Coast Lines is finalized in May 2010. An operating agreement between Mass Coastal and the MBTA will govern use of the lines for freight and passenger rail. The freight agreement with Mass Coastal and purchase of the lines are important steps forward in the plan to reconstruct the lines to bring passenger rail service to the South Coast including Fall River and New Bedford, and provide the foundation for sustained freight rail service and economic development within this important region of the Commonwealth.’

“Mass Coastal and our Cape Rail companies have always been partnership-focused,” said Cape Rail CEO John F. Kennedy. “We fully intend to capitalize on the strong partnerships we’ve forged with the Commonwealth and CSXT to provide excellent rail service to the South Coast. We will partner with the region’s cities and communities in an energetic, creative and substantive way, in order to enhance the economic benefits of freight rail. We have committed to CSX and the Commonwealth that we will approach the operation of these lines as a team.” {MC and MassDOT press releases}

DETAILS FROM THE FILING
On 24 November, MC and CSXT jointly filed a ‘Minor Application’ for approval of the transfer of the CSXT ‘permanent freight easement’ for the lines from Cotley Junction to New Bedford and Fall River. ‘The transaction is scheduled to be consummated on May 14, 2010, concurrent with the transfer of the First Closing Lines to MassDOT and the reservation of the permanent freight easement by CSXT.’ As described in the MassDOT filing:

New Bedford Secondary. ‘[E]xtending 18.48 miles between milepost QN 13.40 (at Cotley Junction) and milepost QN 31.80 (at New Bedford), including CSXT’s property interests in the right-of-way and track assets of the North Dartmouth Industrial Track (also known as the Watuppa Branch) between milepost QND 0.0 and QND 0.08 and CSXT’s property interests in the right-of-way but not the track assets between QND 0.08 and QND 6.0 (which assets are owned and operated by the Bay Colony Railroad Corporation).

Fall River Secondary. ‘[E]xtending 14.20 miles between milepost QNF 0.00 (at Myricks) to milepost QNF 14.2 (at Fall River–Massachusetts state line)” [where PW trackage rights begin].

Trackage rights to Cape Cod
According to the joint filing:

‘CSXT has also agreed to grant Mass Coastal overhead trackage rights over its Middleboro Subdivision’

9 ‘CSXT previously sold the track and material on the Watuppa Branch between milepost QND 0.08 and QND 6.0 to the Bay Colony Railroad Corporation (“BCLR”), and leased the underlying real estate to BCLR. See Bay Colony Railroad Corporation - Acquisition and Operation Exemption - CSX Transportation, Inc. as Operator for New York Central Lines, LLC. STB Finance Docket No. 34446 (STB served Jan. 16, 2004). In this transaction, CSXT will convey the full scope of its ownership interest in the Watuppa Branch to MassDOT, subject to BCLR’s rights and interests and CSXT’s retained easement over the first 0.08 miles of the branch. Pursuant to the agreement between CSXT and MassDOT, CSXT will assign the BCLR lease to MassDOT. BCLR will continue to provide common carrier service over the 5.92 miles of the Watuppa Branch west of milepost QND 0.08, and MassDOT will acquire only the real estate underlying this section of the branch. Because of BCLR’s interest in 5.92 miles of the Watuppa Branch, MassDOT has excluded that 5.92 miles from the mileage total for the New Bedford Secondary.’

10 History note. EOT owns the line from Attleboro to Middleboro, having bought it from the Penn Central in 1972. Conrail acquired the PC rights in 1976 for the entire length of track. However, when CSXT acquired Conrail tracks in Massachusetts in 1999, CSXT’s Middleboro Subdivision in 1999 ran only from Attleboro to Cotley. From Cotley to Middleboro, MBTA dispatched and maintained the section, labelled the ‘Capeway Branch’.
between Mass Coastal's interchange tracks at Taunton, approximately at milepost QN 11.6 [Dean], and Mass Coastal's freight operation at milepost QN 13.4 [Cotley], a distance of about 1.8 miles; and (2) connecting at milepost QN 13.3, between milepost QNB 13.3 and Mass Coastal's interchange tracks at Middleboro, approximately at milepost QNB 20.4, a distance of about 7.1 miles, for a total distance of 8.9 miles (the "Trackage Rights Line"), so that Mass Coastal can connect the South Coast Lines to its existing lines.’

**Price; assignment; abandonment**
The text of the Purchase and Sales Agreement (PSA) was attached to the joint filing. However, section four, describing the payments, was redacted. The PSA did state that the Transaction Agreement was signed 30 October 2009.

**Assignment.** ‘This PSA may not be assigned, or in any manner transferred, without the advance written consent of Seller, which consent may be withheld in the Seller's sole and absolute discretion. The Freight Easement may only be transferred or assigned by Purchaser pursuant to the Release Deed for the Line granted by Seller to The Commonwealth of Massachusetts acting through the Massachusetts Department of Transportation (the "Release Deed").’

**Abandonment.** ‘Seller shall have the right to repurchase from Purchaser all or any portion of the South Coast Lines that Purchaser determines to seek to sell or abandon at any time (the "Disposal Lines").’

**Operations**
According to the joint filing:

‘Mass Coastal believes that it can operate the South Coast Lines more efficiently than CSXT and with greater emphasis on the needs of the shippers along the South Coast Lines. Initially, Mass Coastal expects traffic to remain static. However, within two years of consummation. Mass Coastal expects that its aggressive marketing will result in the growth of traffic on the South Coast Lines.

‘Mass Coastal expects net earnings of approximately $25,000 per year from the South Coast Lines for the first two years after acquisition. Future earnings will depend on the growth of traffic and the general economy.’

‘....Mass Coastal will continue to provide five-day-per-week service until it can grow the traffic to levels meriting more frequent service.’

‘....Mass Coastal expects to hire approximately four or five new employees to operate the South Coast Lines, including approximately one locomotive engineer, one conductor and two or three maintenance-of-way employees.’

‘....CSXT expects operating economies as a result of the transaction. CSXT expects to reduce maintenance costs by about $150,000 per year. In addition, CSXT may obtain minimal savings on employee overtime at the end of the six-year labor protective period.’

‘....Mass Coastal intends to increase intermodal competition by targeting those shippers who use alternate modes of transportation into and out of the area that Mass Coastal will be able to serve once it acquires the South Coast Lines. Mass Coastal will aggressively compete with the truck and barge service provided in the area today.

**Interchanges**
‘Mass Coastal will interchange with CSXT at Taunton, MA and Middleboro, MA. Mass Coastal will also interchange traffic with the Bay Colony north of New Bedford. The Providence & Worcester Railroad Company ("P&W") was previously granted [overhead only--editor] trackage rights in 1982 between Attleboro and the MA/RI state line at Fall River, including trackage over the South Coast Lines between Cotley Junction and the southern end of the Fall River Subdivision. P&W is not using the trackage rights because the P&W line connecting to the

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The T never ran trains on the Capeway Branch and turned back dispatching and maintenance to CSXT in 2004. Thus the Middleboro Subdivision now runs from Attleboro to Middleboro. See 04#04A.
southern end of the trackage rights is out of service. However, if P&W rehabilitated and reopened its line, Mass Coastal will be required to allow P&W to utilize its trackage rights.’ {STB filings Page, Finance Docket No. 35314, Massachusetts Coastal Railroad, LLC-Acquisition-CSX Transportation, Inc. Application 24.Nov.09}

Current operations
According to the MassDOT filing:

‘CSXT's current freight operations on the South Coast Assets are typical for low density feeder branches. Today, CSXT provides local service on the South Coast Assets five days per week, with CSXT's local trains serving New Bedford Secondary customers on three of those days, and Fall River Secondary customers twice per week. Such CSXT service generates roughly 1,900 carloads annually. MassDOT does not expect that service levels or carloads will increase dramatically following the South Coast Assets transaction, although MassDOT is optimistic that aggressive marketing efforts by Mass Coastal may warrant more frequent local service that could potentially reach to once daily service over the entire South Coast Assets lines.

‘Neither the MBTA nor Amtrak currently use the property. As described below, the parties expect that Mass Coastal, which intends to purchase CSXT's permanent and exclusive freight easement on the property, will run freight service on the South Coast Assets after MassDOT acquires the property. In the future, MassDOT and the MBTA intend to reconstruct the right of way to accommodate passenger service, as well as continued freight service, on the property.’
Future agreements with MBTA

‘MBTA (which will assume oversight responsibilities for the South Coast Assets) and Mass Coastal are negotiating a comprehensive operating agreement (the "MC Operating Agreement") comparable in scope to the 2009 Operating Agreement between MBTA and CSXT and to the 1985 Agreement between MBTA and CSXT (which governs, among other things, CSXT's trackage rights operations over the MBTA-owned portion of the Boston Main Line east of Framingham).

‘The MC Operating Agreement will further establish the rights and responsibilities of MBTA (as manager of the South Coast Assets) and Mass Coastal (as provider of freight service and the entity responsible for track maintenance and dispatching functions). At present, MBTA and Mass Coastal are still in the process of finalizing the terms of the MC Operating Agreement, but they have, in the meantime, concluded a Term Sheet that outlines the fundamental terms and conditions to be contained in the MC Operating Agreement....

‘The MC Operating Agreement will acknowledge Mass Coastal's exclusive right to provide freight service over the South Coast Assets, will memorialize Mass Coastal's obligations to maintain the subject rail assets and dispatch operations over them while these rail assets remain "Freight Only Rail Properties," and will contain certain allocation of liability provisions. The Term Sheet also contemplates an unspecified future "Passenger Service Commencement Date," at which time the right of way will become "Joint Use" and MBTA will assume the maintenance and dispatching obligations on the line, subject to appropriate provisions to ensure that Mass Coastal's continuing freight common carrier obligations to shippers on the South Coast Assets can be met.’

Dispatching

‘The parties contemplate that dispatching on the South Coast Assets will become the responsibility of Mass Coastal upon the sale of CSXT's retained permanent and exclusive freight easement over those lines and the execution of the Operating Agreement between Mass Coastal and MBTA. As such, control over dispatching of the South Coast Assets should not undercut Mass Coastal's ability to provide freight service. As set forth in the attached Term Sheet, MBTA contemplates assuming maintenance and dispatching responsibilities over the South Coast Assets when MBTA commences material reconstruction of these lines.’

Proposed schedule for decision

CSXT and MC asked the Board to accelerate the schedule for comments (applicants responses due 12 February) and discovery (due 15 January). That would permit the Board to decide by 29 March, making the decision effective 28 April. The parties could then meet the 14 May closing date.

Trackage rights agreement

‘Pursuant to the TRA, Mass Coastal is prohibited from using the Trackage Rights Line [Taunton to Middleboro] for interchange with any other carrier that connects with the Trackage Rights Line. CSXT has agreed to grant Mass Coastal overhead trackage rights for the sole purpose of Mass Coastal connecting to its two lines at the end points of the Trackage Rights Line and to effect efficient interchange with CSXT.’

Reimbursement for use of trackage rights

The TRA states:

B. User shall pay Owner a sum computed by multiplying: (I) the Current Charge, as may be revised in accordance with Article 6, by (ii) the number of cars (loaded and empty) and locomotive units moved by User with its own crews and power over the Subject Trackage by (iii) the miles of Subject Trackage used. Each locomotive unit, for the purpose of this Agreement, shall be counted as one car. With respect to articulated units, the number of cars shall be determined by the AAR Car Type Code as defined in the UMLER Specification Manual. The second numeric in the Car Type Code field covering codes "Q" and "S" shall be the factor in determining the car count for an articulated unit. For example, AAR Car Type Code "S566" would equate to a five (5) car count as these type cars have five wells capable of handling 40' to 48' containers in each well. (Car count data for articulated units subject to change upon development of technology to separate units by Car Numbers.)
Term
25 years. {STB website, filings page, Finance Docket #35314}

Why not PW?
Given that, as the filing noted, PW has overhead rights, why not sell the freight rights to PW? Because, as noted by one informed short line source, “CSXT is probably afraid of PW,” that is, “PW needs to be neutral” given its many interchanges. Furthermore, “PW can act independently,” using its trackage rights to avoid using CSXT altogether.

Or, “PW might not make a deal with paper barriers” which would levy substantial fees if PW interchanged freight generated on the South Coast lines with another railroad than CSXT.

Not to say that Mass Coastal is not an appropriate choice, the source added. “They are apparently performing well, and are deserving.” {ANR&P discussion 29.Nov.09}

History of the deal
MC’s Kennedy related that as the discussions about the South Coast lines went forward, “We let CSXT and EOT [MassDOT predecessor] know that if we could be of help, we are available.” MC was interested “if anything developed.”

That led to negotiations between MC and CSXT, independent of the EOT-CSXT talks. During the talks, MC suggested that it handle the freight rights as far as Attleborough, but CSXT was only interested in the South Coast lines.

Did CSXT approach any other railroads? “Not as far as we know,” said Kennedy. What price was agreed to? “That’s confidential.”

Paper barriers and interchange
MC’s Dan Wahle said that for the South Coast traffic his railroad would interchange with CSXT at Taunton, where it does now for the Dean Street traffic, and at Cotley siding.

The deal has no paper barriers, as MC is interchanging only with CSXT. {ANR&P discussion with Kennedy and Wahle 1.Dec.09}

BCLR perspective [See other article.]

MassDOT participation
[For comment from MassDOT, see CSXT-MassDOT article.]

MC: ADD COMMUTER**
23 November, Barnstable. **MC CAN RELIEVE CONGESTION WITH PASSENGER SERVICE** from Sandwich, on Cape Cod, to the Middleboro MBTA train station. Speaking at the first meeting of the Canal Area Regional Traffic Task Force, John Kennedy, CEO of Cape Rail, Inc (the owner of both MC and Cape Cod Central Railroad excursion operation), noted that the rail bridge over the Cape Cod Canal lies dormant most of the time, while the two highway bridges are congested. Maintenance on the highway bridges will begin in March 2010. {Jen Oulette in Barnstable Register 25.Nov.09}
THE WELTER OF RAIL LINES SOUTH OF BOSTON, showing which CSXT will sell to MassDOT, as well as which freight rights CSXT will sell to MC. \(\text{(ANR&P)}\)
MASSACHUSETTS

EOT to MassDOT
The Massachusetts General Court reorganized transportation agencies, spelling the end of the Executive Office of Transportation, and creating the Massachusetts Department of Transportation.

By November, the three people working on rail were housed in MassDOT (the new nickname): Tim Doherty was coordinating rail in the newly centralized planning staff, Chalita Belfield was handling rail properties, and Susan Quinones, a temporary appointment, was taking Tim Cahir’s rail responsibilities.

The Central Transportation Planning Staff (CTPS) remains as the planning agency for Metro Boston, particularly the MBTA, which is folded into MassDOT.

And what about ports? Massport remains outside the new agency. {ANR&P discussion with DOT source 18.Nov.09}

BCLR: THE MC/CSXT DEAL
30 November, Braintree. BCLR IS NOT IMMEDIATELY AFFECTED BY THE MC OWNERSHIP OF FREIGHT RIGHTS on the South Coast [see other article]. Bernie Reagan, BCLR senior vice-president, marketing, acknowledged that his railroad’s sole operating line is the section on the Watuppa described above, plus its service to the end of the Watuppa, over track leased to MC, for Mid-City Scrap [see 09#05A]. “When the transaction closes, that leaves us in the middle.”

BCLR has not discussed with MC or CSXT the transaction, Reagan said. “We are planning on continuing operations.”

The Millis branch
BCLR lost all traffic on the Millis branch when GAF stopped using rail [see 09#09B]. “There are a number of people with genuine interest [in Millis] but pause because of the current economy,” Reagan said. {ANR&P discussion 30.Nov.09}

MBTA v B&M: Environmental decision
24 November, Boston. THE US FIRST CIRCUIT COURT OF APPEALS DECIDED THAT MBTA’S CLAIM AGAINST B&M WAS BARRED by the B&M bankruptcy discharge on 30 June 1983. MBTA was seeking contribution from the B&M for costs of cleaning up spills around the Boston Engine Terminal. MBTA bought the terminal from B&M in 1976. MBTA filed suit in federal district court in 2005.

The district court (Judge Joseph Tauro) found in the T’s favor, but the Court of Appeals reversed.

Representing B&M: Gene C. Schaerr with whom Eric L. Hirschhorn, Andrew C.Nichols, Winston & Strawn LLP, and Robert B. Culliford were on brief. Representing MBTA: John M. Stevens with whom Douglas M. McGarrah, Cicely O.Parseghian, Foley Hoag LLP, and Thomas F. Scott Darling III were on brief.


PVRR: NEW FACILITY
18 November, Westfield. A. DUIE PYLE RECENTLY OPENED ITS RAIL-SERVED WAREHOUSE HERE, the company's seventh warehouse facility, increasing its total warehousing operation in the Northeast to more than two million square feet. “Our warehousing continues to grow as companies look for better business alternatives in the Northeast market,” said Peter Latta, chair and owner of A. Duie Pyle.

The Westfield campus accommodates the 456,000SF former Servi-Star warehouse bought several years ago,
and the new 243,000SF building with indoor rail. They sit at the geographic center of four of the company's nearby New England-based LTL service centers.

Over the last two years, A. Duie Pyle has opened three new LTL facilities in the Northeast in East Brunswick NJ, Johnston Rhode Island, and Northborough Massachusetts service centers. Earlier this year, Pyle also acquired seven LTL terminals in a purchase-leaseback transaction that was completed with YRC.

Other rail-served warehouses
Duie has four warehouses with rail, three active: Westfield (Warehouse I -- outside rail and Warehouse II -- inside rail); Parkersburg, Pennsylvania (Warehouse I -- inside rail). {truckinginfo.com; ANR&P discussion with Christine John, Duie marketing manager 20.Nov.09}

Rail impact: two customer
Mike Rennicke, PVRR general manager, wrote that the ‘2009 car count into A Duie Pyle will be around 275 cars, the vast majority of which are from Scotts [the fertilizer company shipping from Marionville, Ohio–see 08#08A]. This rail business did not exist four years ago. PVRR and CSX worked together to convince Scotts that rail was the economic route to take.

‘The remainder [of the cars delivered]...pre-packaged ice melt product out of Mexico, not related to Little Rill..

Little Rill
A Duie Pyle receives by truck, warehouses, and distributes the finished product for the Little Rill Company, located in Westfield [our Directory #406]. Little Rill receives by rail rock salt, calcium chloride and other related products, and packages a wide variety of ice melt product for Scotwood Industries. This product is sold under a variety of labels throughout the Northeast and Middle Atlantic states. ‘This amounts to an additional 400+ cars annually’ for PVRR. {e-mail to ANR&P 19.Nov.09}

Now, we give you access to Boston – a vast market of nearly 20 million consumers.
Through the Worcester intermodal terminal just outside Boston, you can reach the tenth-largest metropolitan area in the U.S. – and beyond.

CN CONTAINER SERVICE
18 November, Worcester. ‘CN HAS BEGUN SELLING OUR DOUBLE STACK CONTAINER CLEARANCE ROUTE,’ reported RailAmerica’s Charles Hunter. ‘Thanks to partnering with CN, NECR/RA, VTRANS, P&W, & RI DOT, we have this through route. While the economy is still down, it is good to see CN have the faith in this route to push it. The route is CN into St. Albans, NECR through VT (Bellows Falls Tunnel)/NH/MA to Willimantic, CT, and P&W into Worcester.’ {e-mail to ANR&P}

PW/ST: COAL TO MT.TOM*
16 November, Holyoke. PW AND ST RESUMED COAL DELIVERIES TO THE FIRSTLIGHT GENERATING STATION this day. PW originated two 15-car trains at the beginning of the week. {e-mail to ANR&P from PW’s Frank Rogers}

Provport’s Bruce Waterson expected that Mt.Tom would receive offshore coal through 2010, totalling about 320,000 tons [see 09#09A]. {ANR&P discussion 19.Nov.09}
NEW HAMPSHIRE

ST/PORTSMOUTH: COAL TO BOW*

20 November. **THE COAL SPILL BROUGHT ATTENTION TO COAL DELIVERIES** to Northeast Utilities’ Merrimack power station in Bow, New Hampshire. The derailment on 17 November [see other article] revealed facts about the coal move which confirmed the earlier report [see 09#08A]: it burns about a million tons per year. Some 60% of that arrives from domestic sources via the NS-ST rail connection; the other 40% arrives from Venezuela by ship to Portsmouth and is trucked from there now, though it moved via rail from Provoport in 2008.

Lower coal need

Martin Murray, PSNH spokesperson, noted that Merrimack Station has two units. ‘Unit One [158MW] is operating as normal. Unit Two [320MW] has been down for a bit more than three months as part of a planned maintenance outage. The work is ahead of schedule and the unit will soon be back to normal operations.’ Because of the shutdown, Merrimack Station has used less coal than normal. {e-mail to ANR&P}

In addition, because of low gas prices in 2009, generating stations powered by natural gas have provided electricity cheaper than coal-fired stations at times. David Domogala, who handles fuel for PSEG [see 09#08B], wrote: ‘As far as PSEG only, all I can say is that gas burns are way up and coal burns are way down.’ {e-mail to ANR&P 19 Nov. 09}

What about rail from Provoport to Merrimack?

Bruce Waterson, Provoport operator [see other article] wrote: ‘I wish it meant ST would want the business. PW has done everything to try and get a decent rate for Bow from Providence. That includes using PW equipment and fuel to make the move. PW is ¾ of the mileage [actually, PW has 50 miles and ST 90–editor] and yet ST wants almost twice as much for the move from NU as PW. At this time coal is still being trucked from Schiller. If ST would be reasonable 400,000 tons would move by rail instead of truck. It just does not make any sense to me.’ {e-mail to ANR&P 20 Nov. 09}

Knowledgeable sources said ST’s high price for domestic coal to Mt.Tom meant that CSXT is railing the domestic coal to West Springfield and trucking to Mt.Tom [see other article].

ST: COAL DERAILMENT*

17 November, Nashua. **THE LOADED ST BOW COAL TRAIN DERAILED SEVEN CARS** of an 87-car train near Bridge Street at about 11AM. Three turned over, with coal spilling out.
David Fink, ST president, arrived on the scene in the afternoon. He said preliminary investigation showed that one of the truck sides (a truck contains axles, springs, and other equipment for suspension) had fallen off one of the cars. That caused a chain reaction among several subsequent cars. Asked whether he thought there was a problem with the tracks, Fink said, “We’re looking at everything, but we don’t think so” because of the evidence with the truck. An investigation into the cause of the derailment would likely go on for about a month because of metal that needs to be tested and other factors.

Crews were expected to realign the four upright cars and move them that same day. Most of the train – an estimated 74 cars – continued on to the Merrimack Station power plant in Bow without a problem. {Karen Lovett in Nashua Telegraph 18.Nov.09}

Shows need for track investment?
Peter Burling, chair of the New Hampshire Rail Transit Authority, blamed ST for the accident. “What has happened here is a perfectly predictable accident – but it’s hard to describe it as an accident, since the probabilities were so clear it was going to take place. The only thing we didn’t know is when and where.”

Burling said the accident, occurring on a stretch of line with a speed limit of under 10 miles per hour for large freight trains, made a track upgrade which might have been provided had the state won funding for passenger service to Concord [see 09#10A] more important. “A horrendously dilapidated railroad system has caused a slow-moving coal train to fall off the tracks. “The point is not to say ‘I told you so,’ but to say this is why we feel it is so important to get this line upgraded, and to maintain it for passenger and freight operations. We believe there are institutions of the federal government that can move to carry this along. I’m going to Washington in next couple of weeks to have further discussions about the issue.” {David Brooks in Nashua Telegraph 18.Nov.09}

Fink response
Any number of reasons could explain why the cars jumped the track, including equipment failure, Fink said on 19 November, responding to Burling’s remarks. “I don’t know what (Burling) is basing that on. I don’t think he has any knowledge on it.”

Specialists from Pan Am's mechanical, engineering and operations departments will comb the wreckage and analyze the train’s "black box" in the days ahead, Fink said. Piecing together what happened will take time. Fink drew comparisons to an airplane crash investigation, saying multiple factors had to be considered before reaching a conclusion.

As for the tracks, an automated dynamics car had recently inspected the line and found no problems. “I guess Mr. Burling is more knowledgeable than the automated dynamics car,” Fink said. “I don't know where he gets his information.”

Pan Am's investigation team is working with two Federal Railroad Administration inspectors. Spokesperson Robert Kulat said it could take up to a year before the FRA releases their findings. {Derrick Perkins in Manchester Union Leader 20.Nov.09}

RHODE ISLAND

PROVPORT: COAL UPDATE*
19 November. THE PORT DID HAVE FOUR CUSTOMERS FOR COAL, said Bruce Waterson, head of Waterson Terminal Services which operates the port. NRG Somerset is closing so he now has three, each with separate coal piles.

PSEG Bridgeport. Panamax colliers land Indonesian coal at ProvPort for storage. In August it had about 100,000 tons. Barges move the coal to Bridgeport as needed; colliers also land coal direct at Bridgeport [see 09#08B].
NU Bow. Colliers offload Venezuelan coal at Provport. The coal there is now in storage, and will move by rail if needed. [See other article.]

FirstLight Mt. Tom. Colombian coal arrives by ship. Provport stores it in three different piles and then rails it to Mt. Tom. Waterson expects Mt. Tom will continue to move offshore coal in for the next year. [See other article.]

**Ability to move more coal**
At this point, ProvPort’s track length limits coal train length. Waterson is applying, via the city, for a loan from the federal Economic Development Administration to build a new loop track [see 09#04A] which would permit 100-car trains. “I’d thought we would hear by now,” he said, of the $1 million-plus application.

**NRG Somerset closing**
Into 2009, NRG barged Indonesian coal to ProvPort for storage. Because NRG is closing this plant in January 2010; PSEG bought the remaining coal. *(e-mail to ANR&P from Bruce Waterson 08.09 and 19.Nov.09)*

In November, 2009, NRG announced that it would close the Somerset plant on 2 January, 2010. A company spokesperson cited "market forces" and a "requirement that we close down or repower [by] September of 2010." NRG plans to convert the plant from burning coal to a plasma gasification process, which breaks down coal into its component parts before converting it into energy. No timetable for that conversion has been announced.

In 2001, Massachusetts enacted air pollution regulations for six coal-fired power plants that had been grandfathered in under the federal Clean Air Act. Those regulations require that the Somerset station either shut down or switch to a fuel with cleaner emissions by 2010. *(SourceWatch website)*

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**VERMONT**

**VRS/WACR/NECR: NEW SHIPPER**
19 November. *ROCK OF AGES WANTS TO RAIL OUT EXCESS GRANITE*, according to information from a meeting this day. Barre Area Development Executive Director Darren Winham said that process started at a meeting that included officials from Barre, Barre Town, Montpelier and Berlin. “The purpose of the meeting was as a courtesy to the four municipalities to inform them that Rock of Ages, in conjunction with a company called Northeast Materials Group, is actively seeking contracts to utilize the excess granite, called ‘grout’, that is waste material from the quarries for projects outside of Vermont. Although there is no specific project confirmed at this point, the parties involved wanted to make the communities affected by this proposed increased rail activity aware of their intentions.”

Montpelier Mayor Mary Hooper's disclosure of the substance of that meeting the following day prompted sharp criticism from Barre Mayor Thomas Lauzon and Jeff Blow, chairman of the Barre Town selectboard. Both men claim Hooper violated the spirit of an agreement involving how the project would be presented to the public, an accusation Hooper has vehemently denied, while raising concerns about how the proposal could affect Montpelier.

**No local power to block new moves**
Trini Brassard, VAOT’s assistant director of operations, said, “It's not if, it's when.” Brassard said she understands there might be concerns from those who live and work and play along a 13-mile stretch of state-owned railroad, which runs from the hills of Barre Town, through Barre and Berlin all the way to Montpelier Junction. But the concerns are also largely irrelevant because the state owns the tracks and Vermont Rail System leases them and has the right to use them.

**The proposal**
At least initially, Brassard said Rock of Ages hopes to ship between 50,000 and 65,000 tons of grout a year using
longer rail cars specifically designed to carry the 100-ton loads. The company's goal, she said, is to ship as much as 500,000 tons a year. Hooper said the move might generate four trains a day. [500,000 tons = 5000 railcars a year = 100 cars per week. Editor]

A comprehensive evaluation of the railroad tracks is under way and a consultant is being sought to conduct ultrasonic testing to determine the load-bearing capacity of two pin trestle bridges in Montpelier – one behind Shaw's supermarket and the other near the roundabout at the junction of Routes 2 and 302.

Although Brassard said next April is the earliest Rock of Ages would begin shipping grout the agency hopes to have the analysis complete before making its annual budget request for the Legislature early next year.

Under the terms of its lease agreement with Vermont Rail, Brassard said the state is responsible for any major upgrades to the rail line, as well as the structural integrity of all bridges. Vermont Rail, she said, is responsible for operating the railroad and any routine maintenance of the tracks.

If a significant upgrade to the tracks is warranted, Brassard said the state could use 13 miles of rail that will be ripped up as part of a $3.5 million railroad upgrade along the western corridor in the Proctor-Middlebury area. Those tracks are being replaced with continuously welded rail that is more suitable for passenger use, but are in good condition.

Based on last week's briefing at Rock of Ages, Winham said Northeast Materials Group is seeking to provide granite for use in large-scale marine structures, such as retaining walls and breakwaters that would be built by the Army Corps of Engineers along the coastal United States using stimulus funds from the American Recovery and Reinvestment Act.

According to Winham, the amount of rail activity will be determined by the volume of granite required to fulfill potential contracts, as well as use by other area businesses. “Barre Area Development has been contacted by several local businesses that would be interested in rail use should the track be upgraded.” {David Delcore in Montpelier Times-Argus 24&25.Nov.09}

QUEBEC/MARITIMES

CN STRIKE

28 November. **CN ENGINEERS STRUCK SOON AFTER MIDNIGHT**. While management personnel operated some trains, others were curtailed.

In the Maritimes, CN operated some trains over the Moncton-Bathurst line. Since CN repurchased it, train crews (formerly New Brunswick East Coast) there are under a different contract, and therefore CN could use the regular workers.

VIA was operating normally. A CN train operated Moncton-Saint John this day. The most recent strike at CN ended after more than two months in 2007 when Parliament enacted back-to-work legislation affecting 2,800 conductors represented by the United Transportation Union. {CBC report 29.Nov.09; AtlanticRails e-list reports}

RAIL SHIPPERS

Described in this issue.

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

First Light (ST, Massachusetts #166) PW & ST resume coal.

Grimmell (ST, Maine) Finally starting after 15 years.
PSNH (ST, New Hampshire #95) Coal spill.
Rock of Ages (VRS/WACR, Vermont #1062) Grout move.

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

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

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

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Purpose
Atlantic Northeast Rails & Ports, née Maine RailWatch (1994-1997) and later Atlantic RailWatch (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. ‘No railroad is an island, entire unto itself.’

E-ISSUE