**ATLANTIC NORTHEAST**

**RAILS & PORTS**

operating railroads + ports, intermodal facilities, and government environment

www.atlanticnortheast.com

Issue 09#12A 16 December 2009

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

REGION

Fraser Papers: keeps some mills, sells some.
PW: 3Q09 again down.
Logistec: Buys remaining 50% of Baltimore inbound forest products terminal.**

CONNECTICUT

Bridgeport: Ferry apparently losing interest in moving across the harbor.*
Bridgeport: Development director says moving from industrial port to a high-end commercial and recreational.*

MAINE

Eastport: Looking at offshore drilling platform, record pulp exports.*
Eastport: Two potential wood pellet exporters would use new conveyors.*
Searsport: No firms respond to request for expressions of interest in developing the port further.*

 MASSACHUSETTS

CSXT: Leominster wants a hole filled in.
NECR/PAS: PAS forces begin work on their part of the interchange.*
PAS: Ayer supports application of PAS for grant to acquire auxiliary power units (APUs).*
PAS/MBTA: Fitchburg improvements help PAS.
PAS: Ayer supports grant for APUs.

NEW HAMPSHIRE

NHDOT: Optimism on passenger rail to Concord.
MBRX: New Hampshire General Court’s ethics panel opens inquiry into Leishman’s behaviour.*

RHODE ISLAND

PW: Autorack pool asks for the release of all those PW was storing.*

VERMONT

VRS: Environmental statement on moving Rutland railyard finally emerges.* 

MARITIMES/QUÉBEC

CN: Customer IRSI works on passenger car contract.
CN/Halifax: Engineers’s strike ends, was beginning to affect the port.*

Halifax: Melfi returns this month.

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Ed Burkhardt*, Joe Bruno*, Charlie Miller, Robert Easton

FROM THE PUBLISHER

Merry Solstice!
This issue, unlike several earlier ones, has several new stories: eight of 20.

Free-lancers wanted
To aid our expansion, we want knowledgeable writers. Contact me.

- Chop Hardenbergh     Next formal issue: 1 January

MMA/SLR/CN: FRASER

10 December, Toronto. **FRASER PAPERS WILL SPLIT UP THE COMPANY**, according to a proposal which the Ontario Superior Court, overseeing its bankruptcy, approved this day.

**Assets to be sold (SLR, MMA)**

Fraser will sell the paper mill in Gorham, New Hampshire served by SLR, lumber mills in Ashland and Marsardis, Maine both served by MMA, and the now-closed pulp mill in Thurso, Quebec [see 09#06B] served by the Quebec-Gatineau Railway [Mario Brault, SLR president, is also president of the QGRY. {GWI website}].

**Assets belonging to a new Fraser company (MMA, CN)**

The remaining assets, consisting of the pulp mill in Edmundston served by CN, the paper mill in Madawaska served by MMA, and CN-served lumber mills in Plaster Rock and Juniper, New Brunswick, will become a new company, named ‘Newco’ in filings. Newco, said the filing, will have a ‘favourable product mix, with 95% of its sales in specialty products for the packaging and specialty print segments....

‘Under the terms of the offer, Brookfield Asset Management Inc. [Brookfield manages the Katahdin Paper Company, also served by MMA–editor], a secured creditor, has agreed to convert its secured claim against the Company into a 51% common equity ownership in a new specialty papers company. The Government of New Brunswick also agreed to convert its $35 million secured loan plus accrued interest into equity in the form of preferred shares of the new company. CIT Business Credit Canada Inc., the Company's existing working capital lender, has agreed to provide a $50 million revolving credit facility from which its existing secured loans to the Company will be repaid or otherwise satisfied on closing. The new company will also issue common shares, representing a 49% common equity interest, and promissory notes to the unsecured creditors of Fraser Papers as further consideration for the assets purchased.’

Other companies may bid on the Newco package. Expressions of interest are due 22 January 2010. {Fraser press release}

In a pdf on its website posted for potential bidders, Fraser provides these points:

- 25% of fiber comes from two New Brunswick lumber mills, in Plaster Rock and Juniper, which produce 270 MMfbm annually.

- The Edmundston-Madawaska complex generates 100% of its energy needs from a 38MW on-site biomass cogeneration plant and pulp recover boiler.

LOGISTEC**

1 December, Montreal. **LOGISTEC ANNOUNCED THE PURCHASE OF THE OTHER 50% OF ITS BALTIMORE TERMINAL.** Logistec USA Inc, a wholly owned subsidiary of Logistec Corporation, now has 100% of BalTerm, a limited liability partnership which specializes in handling inbound forest products through several facilities in the Port of Baltimore.

**Imported forest products/specialized paper**

“We are very committed to our customers in the Port of Baltimore and are pleased to have increased our stake in these modern cargo-handling activities. Furthermore, we have seen drastic reductions in exports of forest products over the years, both in Canada and the USA, and are now able to balance this with what we feel will be growing imports, particularly for specialized papers from Northern Europe and South America,” said Madeleine Paquin, president & CEO of Logistec Corporation.

The former local owner of half of BalTerm, Scott Menzies, will remain involved as exclusive consultant for
The general wisdom is that the all-water route will predominate. 'When the Panama Canal expansion project is completed in 2014, it is expected that a greater and larger number of ships will travel to East coast ports to reach their customers quicker and less expensively than their current route of going to West coast ports and sending products by rail to markets throughout the country.' {American Journal of Transportation 7.Dec.09}

**BalTerm.** {Logistec press release}

**Baltimore #1 port for imported forest products**

‘Out of about 360 US ports, Baltimore is ranked number one for handling roll-on/roll-off cargo; trucks; imported forest products; and imported gypsum, sugar, and iron ore.’ {Maryland Governor O’Malley press release in American Journal of Transportation 7.Dec.09}

**PW: 3Q RESULTS**

16 November, Worcester. **PW CARLOADINGS AND CONTAINERS AGAIN DECREASED IN 3Q09.**

‘Operating revenues decreased $2.1 million, or 25.4%, to $6.1 million in the third quarter of 2009 from $8.2 million in the third quarter of 2008. This decrease is the result of a $2.0 million (26.8%) decrease in conventional freight revenues, a $184,000 (52.4%) decrease in container freight revenues and a small $3,000 (1.7%) decrease in other freight-related revenues partially offset by a $129,000 (104.0%) increase in other operating revenues.’

Conventional carloadings dropped 21.4%

‘The decrease in conventional freight revenues is attributable to a 21.4% decline in traffic volume and a 6.9% decrease in the average revenue received per conventional carloading. The Company's conventional carloadings decreased by 2,047 to 7,536 in the third quarter of 2009 from 9,583 in the third quarter of 2008.’

PW said of the traffic decline: ‘Of particular note are declines in shipments of coal and ethanol and, to a lesser degree, construction aggregates. This is primarily attributable to the continuing state of the United States and world economies and is consistent with the experience of other railroads in North America. are substantially the same as for the nine-month period ended September 30, 2009, as previously discussed.’

Intermodal dropped 52.9%

‘The decrease in container freight revenues for the quarter is the result of a 52.9% decline in traffic volume offset, to a small extent, by a 1.0% increase in the average revenue received per container. Container traffic volume decreased by 2,837 containers to 2,525 in the third quarter of 2009 from 5,362 in the third quarter of 2008....The small increase in the average revenue received per container result from the fact that the results of changes in the mix of containers handled were very nearly offset by decreases in contractual rates due to a decline in railroad industry cost indices.’

‘This significant decline in traffic volume continues a trend which began in 2007 in which cross country container traffic to the East Coast has been shifted from rail to all water routes.’

Maintenance billings up significantly

‘The increase in other operating revenues [up 104.9% to $129,000] is due to a significant increase in maintenance department billings...for siding maintenance, flagging and other services rendered to freight customers and other outside parties. Of particular note are an increase in flagging services rendered to contractors.’

Some maintenance expenses were paid for by state grants: ‘the Company's Maintenance of Way personnel have been engaged in more projects covered by state grants in 2009 than in 2008, resulting in an increase in material, labor and overhead cost recoveries in the amount of $518,000.’ {10-Q report from SEC website}

---

1 The general wisdom is that the all-water route will predominate. ‘When the Panama Canal expansion project is completed in 2014, it is expected that a greater and larger number of ships will travel to East coast ports to reach their customers quicker and less expensively than their current route of going to West coast ports and sending products by rail to markets throughout the country.’ {American Journal of Transportation 7.Dec.09}
BRIDGEPORT*
18 November. THE BRIDGEPORT-PORT JEFFERSON FERRY IS APPARENTLY HALTING ITS MOVE across the harbor [see 09#10B]. Nancy Hadley former director of Bridgeport’s Office of Planning and Economic Development who now runs her own firm as a turnaround executive and senior project manager with specialization in urban real estate development, told today’s meeting of the Connecticut Maritime Commission that BPJF has cancelled presentations to the Bridgeport Port Authority and the Bridgeport Harbor Management Commission. BPJF reportedly has withdrawn its application to the Bridgeport Planning and Zoning Commission. {minutes of meeting}

BRIDGEPORT: TRANSITION*
18 November. BRIDGEPORT IS TRANSITIONING FROM AN INDUSTRIAL PORT TO A HIGH END COMMERCIAL/RECREATIONAL PORT primarily due to the departure of the industrial component, according to Donald Eversley, City of Bridgeport director of the Office of Planning and Development, in a presentation at the Connecticut Maritime Commission (CTMC) meeting this day in Bridgeport.

Commissioner Shuda [Dave, head of Coastline Terminals, where the ferry would like to move] stated that the City has been very patient relative to the unused commercial properties around the waterfront. The lack of maintenance dredging of the federal channel to its authorized depth has negatively affected the traditional commercial use of the port. Commissioner Shuda also stated that if the state was concerned about the loss of deep draft commercial properties it should purchase properties.

End of feeder possibility?
The loss of use caused by the Seaview Plaza project of the Bridgeport Regional Maritime Complex property as a laydown area for containers brought from the Port of NY/NJ to Bridgeport was raised. Eversley stated that tough decisions had to be made. The potential economic impact of a feeder barge was weighed as were other factors such as the increased truck traffic through the East End neighborhood. Bridgeport, as well as the state departments of Economic Development, Environmental Protection, and Transportation, all agreed that the BRMC property was less than optimal for a feeder barge project. [The contract for a service expired in April–see 09#09A.]

In response to a question about the future of deep draft shipping coming into Bridgeport, Eversley stated that the use of the Coastline Terminal as a deep draft facility was still desired. However, more aggressive marketing needed to be done. Maintenance dredging is key [see 09#08B for description of needed dredging].

Long Island Sound traffic
Bill Gash, executive director of the Connecticut Maritime Coalition (CMC), provided a handout that summarized the number of commercial vessel calls to Long Island Sound by arrival port, prepared by the Block Island Sound Pilots executive director that he acquired at the Connecticut Pilot Commission meeting the day before. The summary shows that over the past five years approximately 80% of all arrivals call Connecticut ports versus the New York ports on Long Island or Westchester County. In 2008, 610 commercial vessels transited the Sound, 442 going to Connecticut ports, and 102 to New York ports. {draft minutes of meeting; Excel handout; e-mail to ANR&P from Chuck Beck, secretary of CTMC}
MAINE

EASTPORT: OLD, NEW CARGOES*

16 November, Eastport. AN UPDATE ON EXISTING AND POTENTIAL CARGOES WAS PROVIDED at a 16 November meeting of the Port Authority board, with a focus the bulk conveyor system [see other article for wood pellets and conveyor construction]. Skip Rogers, general manager of Federal Marine Terminals (FMT), said that FMT realizes that marketing the conveyor system to potential customers has to be the focus of FMT’s marketing plan.

2010 Domtar shipments
Rogers attended FMT’s marketing meeting in South Carolina and also met recently with the Domtar Corporation concerning shipments from its Baileyville mill. Domtar is predicting that the port will be handling a ship a month with 32,000 or more metric tons for the Far East and a ship every other month for Europe [see 09#09A]. With 18 ships for the year, the port could break the 400,000-ton mark next year. [In 2008, the port did 385,000–see 09#01A.]

According to Rogers, Domtar does not expect that the so-called black liquor federal tax credit will be renewed after the end of 2009. The tax credit was cited by Domtar in a letter sent to its employees as one of the primary reasons the Baileyville plant was able to reopen in June. However, Rogers said that Domtar is “happy with the price of pulp in the world market” and believes it is sufficient to keep the mill operating. Rogers noted that not only is the pulp market presently strong, the weak U.S. dollar is helping with exports overseas. Port Director Chris Gardner added, “We're expecting 2010 to be a stable year.”

Wind turbine components
Although additional wind blade shipments have not materialized for this year [see 09#05B], Gardner is hopeful that the market will come back and that shipments may be possible during the latter part of 2010.

Drilling platform
Gardner reported that discussions are continuing with Cianbro Corporation concerning the proposal to work on a 350' x 250' oil drilling platform in Eastport. Eastport’s breakwater pier is no longer being considered for the work, as a 60-foot depth is needed all of the time. The Estes Head pier could provide up to 25 days a month when it would be


WHY EASTPORT FOR PELLETS?
Gardner has participated with other stakeholders seeking additional shippers for the port, particularly bulk. He has studied the pellet industry, and had this to say:

The fiber source

- Any pellet company would build its manufacturing facility close to the port. One possible location: the former Louisiana-Pacific mill in Baileyville.

- All business models source fiber locally from Maine and Canadian provinces.

- Most agree that the fiber basket is healthy, and can support the four consumers of biomass: pulp mills, biomass boilers, pellet producers, and lumber/fibreboard manufacturers. “The problem is not that we lack trees, but a lack of chainsaws, large-scale entities to do the harvesting.”

- The port is “very mindful that Domtar has been and will remain” the port’s major customer, and that Domtar produces hardwood pulp. Therefore, any pellet production which “moves into softwood fiber will not be detrimental” to Domtar.

- Major pellet producers can make pellets using softwood, industrial wood pellets, for Europe boilers. These can use a blend of hardwood and softwood waste byproduct such as bark.

- The industrial pellet is produced only to transport the biomass more efficiently. At the boiler, the biomass is transformed back into dust for injection into the boilers.

The port
Gardner ticked off the advantages of the port:

- It lies closest of any US port to Europe.

- Because pellets have a low price, the producers “have to ship 30,000-40,000 tons at a time,” requiring a much larger vessel and therefore a deeper draft. Eastport’s 60-foot depth at the pier
open, and Cianbro may be willing to work around the shipping schedule. Cianbro is still negotiating with Transworld, the owner of the platform, for the work, which could take up to six months.

Tugboat
The port is planning to purchase a new tugboat, the Abaco, that is in New York. The tug will replace the Pleon, which the port authority is selling. {Edward French in Quoddy Tides 27.Nov.09}

EASTPORT: WOOD PELLETS*
4 December. TWO WOOD PELLET PRODUCERS, ONE LOCALLY BASED AND ONE FROM OUTSIDE THE REGION, EXPRESSED INTEREST IN THE PORT, after Maine voters approved the transportation bond issue on 3 November, including $4.5 million for a bulk conveyor system at the Estes Head terminal.

At a 16 November meeting of the Port Authority board, Port Director Chris Gardner said the bond issue funds may not be available until summer 2010; he is considering a line of credit from a bank to begin engineering work sooner. {Edward French in Quoddy Tides 27.Nov.09}

Which companies are interested?
On 4 December, Gardner asserted that Eastport “wants to be the beacon for pellets. It’s a major, major factor [for pellet producers] to site here.” [See box.]

He declined to identify either interested company, except to say the outside company is currently operating only in the South.

Chips too
With the conveyor, Eastport could export wood chips as well, Gardner said. He acknowledged that development advocates would like Maine to add value to the chips before exporting the raw fiber. “But we are operating in an environment of necessity. We will do what we can to re-invent ourselves” by diversifying what the port handles. That not only aids the port, but also those seeking work Downeast, and those looking for a re-use of the region’s industrial buildings.

The Enligna enigma
“We were very close once before” to landing a pellet company, Gardner noted, who would use the former Louisiana-Pacific mill in Baileyville. “That company has moved on [Enligna went to Upper Musquodoboit, Nova Scotia–see 09#01A] and opened other entities.” [It encountered resistance about the fiber basket–see 08#08B.]

A startup can use existing buildings; one of the two pellet companies which looked at the L-P mill said it was bigger than what they needed. Could the region support both? “We are hoping for both,” Gardner said. One of the potentials “said its examination of the region showed it could support more than one pellet mill.”

Who will build the two-way conveyor?
The Port Authority hired “on our own nickel” CES of Brewer to engineer the conveyor. Stakeholders wanted to ensure that the funds available could purchase a system which handles both import and export bulk. Inbound products they are considering include fertilizer, salt, and urea. The product they have found can do both, Gardner reported. The Port Authority will ask for bids on the conveyor once they get the ok from the state.

Next steps
According to Gardner, the construction of a pellet mill and the construction of the conveyor each will take six to twelve months. “We hope they happen at the same time.” Depending on how soon funds become available, conveyor work could start in the first or second quarter. {ANR&P discussion 4.Dec.09}
SEARSPORT: CONTAINERS**

The Maine Port Authority received no expressions of interest to develop the port by this day, the due date [see 09#11A]. John Henshaw, the director, wrote on 8 December: ‘Together with our consultant, we are currently considering our options for moving forward.’ {e-mail to ANR&P}

Mini-editorial: The consultant, Moffatt + Nichol, did send the RFEI to selected firms, and no one responded. Time to lay this mirage of a container terminal to rest; the port is too far from its market [see 08#01A]. Tell the Maine Legislature that MPA spent over $400,000 and has found no interest. Move on to something in which developers do show interest. Editor

Another port does get a developer

Searsport container advocates may point to the widening of the Panama Canal, due in 2014, as a reason to build a terminal. However, public-private partnerships at other ports are already expanding to meet the need. For example, according to an announcement on 20 November, Ports America Maryland [Ports America is the operator in Portland] will lease the 200-acre Seagirt Terminal for 50 years and pay to construct a 50-foot berth and four cranes by 2014. Ports America has operated Seagirt since its opening in 1990. Baltimore will become only the second on the East coast to have a 50-foot berth and a 50-foot channel.

‘Without a 50-foot berth, those larger ships [through the Canal] would not have enough water depth to dock and bring additional business to the Port of Baltimore. The cost to develop the 50-foot berth and four cranes is approximately $105.5 million.’ {Maryland Governor O’Malley press release in American Journal of Transportation 7-Dec.09}

MASSACHUSETTS

MassDOT: FREIGHT RAIL

The new MassDOT website contains a link to the September 2009 ‘90-Day Integration Report’ outlining how EOT and other transportation agencies would transition into the new Massachusetts Department of Transportation.

The report contained not a single mention of freight rail in its 59-pages, devoted for the most part to highways.

The organization’s structure places Mullan at the top over four ‘administrations’: Highway, Rail and Transit, Aeronautics, and Registry of Motor Vehicles. MassDOT does not contain the MassPort, though Mullan serves on it.

Rail and transit (in the Report titled only ‘Transit’) contains the MBTA, Regional Transit Authorities, and the Rail unit (in the Report the ‘EOT Rail’ unit). {MassDOT website}
No freight rail advocate
In an early November New England Railroad Club meeting, Mullan was asked by someone from ConnDOT whether he would have a freight rail position per se. He replied that while he would have a freight rail staff in Belfield, he would not have an advocate.

On 19 November, at a meeting with Mullan and the towns of Ashland and Framingham concerning grade rail crossings and North Yard, Mullan said that freight was important but that he would have a singular position over MBTA and freight rail and that he also realized the MBTA portion of the management position would be overwhelming.

When the towns inquired who to follow up with on rail freight issues, Mullan said to contact Paul Nelson for now. Nelson has been working for Ned Codd at the Office of Transportation Planning; Codd is the program manager for the Rail and Freight Plan. Nelson worked at MassHighway's Planning Bureau before the transition. {e-mails to ANR&P from Frank Demasi and Tony Jewell}

CSXT: SINKHOLE BURDEN
17 December, Leominster. **CSXT'S ABANDONED RIGHT OF WAY IS LEADING TO COURT.** On this day, the City of Leominster will ask the Superior Court in Worcester that the railroad be required to repair a damaged culvert off Route 12 behind the Longhorn Steakhouse. Erosion has created a basin 50 feet deep, and 70 feet across. {Marisa Donelan, in *Sentinel and Enterprise* 11.Dec.09}

Joanne DiNardo, environmental inspector for the city, said on 14 December that the railroad and the city are negotiating the sale of the now-abandoned right-of-way, which has no track on it. {ANR&P discussion}

NECR/PAS: INTERCHANGE*
1 December, Millers Falls. **PAS TRACK FORCES HAVE STARTED WORKING ON REHABBING THE INTERCHANGE TRACKS,** according to a visual inspection. The track work is moving very slowly since the start nearly a month ago: part of the new switch is in and some grading is done, but not much else.

NECR has done virtually nothing on their three tracks, and no signs indicated they would begin work soon. {ANR&P coverage by special correspondent Tony Jewell}

NECR affirmed with NS and ST during the 2009 formation of PAS the re-opening of the interchange. [See 09#06A.]

PAS/MBTA: FITCHBURG IMPROVEMENTS
The MBTA and the Montachusett Regional Transit Authority have begun work on one improvement to the line from Boston to Fitchburg, and are proposing an extension to the line west of Fitchburg. George Kahale, transit project director with the Montachusett Regional Planning Commission, is working for the Montachusett Regional Transit Authority (MART) on both projects.

THE EXTENSION TO WESTMINSTER

History
Gardner once served as the western terminus of the T line, but during the 1980s the T substituted bus service from Fitchburg, and then dropped the bus. The action came in part because the 11 miles (one-fifth of the 49 miles from Fitchburg to North Station) from Fitchburg to Gardner is made up of a long upgrade to South Ashburnham, and then a long downgrade. The amount of time needed to traverse the distance was “not favorable to ridership,” Kahale said.

Extend service to Wachusett; add parking
By extending service to the Wachusett station, 4.5 miles west of Fitchburg, the T would provide three improvements:
- Give commuters from west of Fitchburg easy access to the T, including a lot for approximately 300 spaces, at the junction of Routes 2 and 31.

- Move the layover facility for the trains from Lunenburg, now too small to hold all the inbound morning trains. Each morning one train must run deadhead from North Station to Fitchburg.
- The new six-train facility west of Westminster would put the layover beyond the passenger terminus, making operations easier.

**Benefit to Pan Am: access to two industrial parks**
The freight operator would get four improvements:

- One track of the existing double-tracked main line would get a substantial upgrade.

- Locating the layover facility in the Westminster Industrial Park would give the Park freight rail access. “Without the project, the Industrial Park owners could not afford to build in a spur,” Kahale noted.

- Locating the depot in Wachusett and adding a spur to it will permit the “231 industrial park” to access the PAS line. Industrial park businesses want to add rail to their operations, but, said Kahale, PAS is “charging too much” for a spur to connect to the Freight Main.
   
   If the passenger spur is built, the industrial park can connect to it, paying out of the customers’ pocket. “It’s much cheaper to pay for it themselves.”

- Because PAS is losing partial operational use of one of its double tracks, the T will build a two-mile extension of the double track coming east from Gardner as far as East Gardner, which will aid PAS freight operations.

**Cost and funding source**
A TIGER grant sought by Montachusetts would provide $65 million. In-kind contributions from PAS and MBTA will provide another $7 million. {ANR&P discussion 4.Dec.09}

**Next step**
State Executive Office of Energy and Environmental Affairs Secretary Ian Bowles is expected to issue a decision 23 December on whether more environmental impact studies are required for the expansion to Westminster, a state official said during a meeting here on 3 December.

Bowles’ decision is critical to the project's chances at receiving federal stimulus funds, said William T. Steffens, the vice president and regional manager for McMahon Transportation Engineers & Planners, hired by MART to prepare the plans. “We do have the opportunity to get the money to do this project now,” Steffens said. “If the project is viewed as incomplete or not as competitive, we may not get the money now.” {Fitchburg Sentinel & Telegraph 4.Dec.09}

At a 9 December Westminster Board of Selectmen meeting, Selectwoman Laila Michaud said those applying for TIGER grants include very large transportation entities such as the New Orleans Port Authority. Nevertheless, the chances of Montachusett receiving it, and the commuter rail being extended into Westminster, are not necessarily slim. {Kerry Miller in Fitchburg Sentinel & Telegraph 10.Dec.09}

**IMPROVED FITCHBURG-ACTON LINE**
The extension would follow the work already started on improving the Fitchburg to North Station line, characterized in 2007 as the “longest, slowest and among the oldest and least reliable in Boston’s commuter rail network,” used by 10,000 riders a day.

HNTB, the consultant for the project, reported in 2007 that: ‘Single-tracked sections and freight interference are significant contributors to the Fitchburg Line’s poor on-time performance.’ It viewed the Willows Yard as generating major freight activity for PAS. {Alternatives Analysis 2007}
Improvements include a separate track through the PAS Willows Yard, double-tracking the line eleven miles from Ayer to South Acton, and a covered passenger depot in Littleton, handicapped accessible. {HNTB presentation to Town of Acton 29.Apr.09}

Cost; progress
A $10.2 million ARRA (America Recovery and Reinvestment Act) fund will pay the first stage of the Fitchburg Commuter Rail Improvement Project that will improve speed, service and reliability on this important rail line. Monies will also come from an additional $39 million in ARRA funding for double-tracking and $150 million ($75 million in federal, and $75 million in state match) in New Starts funding. {Governor Deval Patrick, US Representative John Olver press release 14.Dec.09}

Paul Hadley, MBTA project manager, said the project kicked off with an interlocking in Leominster under construction. {ANR&P discussion 10.Dec.09}

PAS: EMISSION CONTROLS*
17 November, Ayer. THE TOWN BOARD OF SELECTMEN SUPPORTED A FEDERAL GRANT TO THE RAILROAD, despite its ongoing effort to mitigate potential environmental damage generated by the opening of the new San Vel auto terminal, scheduled for January [see 09#10B].

If granted, EPA monies would be used to install anti-idling technology aboard 30 of Pan Am’s fleet of 80 locomotives. Ten Pan Am locomotives already have the technology aboard.

Too much noise at intermodal yard?
A noise consultant to the Devens Enterprise Commission, Doug Sheadle of Modeling Specialties, recently found that unacceptable noise levels (locomotive and tractor idling) emanate from the Pan Am intermodal rail yard on Barnum Road.

Sheadle submits some of the noise from the rail yard is being mistakenly blamed on Evergreen Solar. The solar panel manufacturer lies between the Pan Am rail yard and a half a dozen Harvard property owners just over the Devens boarder line who’ve suffered a low-frequency audio assault for months.

DEC Administrative Director Peter Lowitt says his office approached Pan Am to see if they’d be interested in participating in the EPA Clean Diesel Grant program. The EPA will fund up to six $1 million grants for clean diesel projects in the region. The DEC enlisted the Montachusett Regional Planning Commission to assist with grantwriting to obtain 30 diesel engine retrofits, at the cost of $30,000 each. “We believe this initiative will have significant air quality benefits throughout the entire Commonwealth but especially along the rail route from Ayer to Mechanicville,” wrote Lowitt to state legislators seeking their collective support via a second letter in support of the grant. Lowitt confirmed that State Senators Jennifer Flannagan and Jamie Eldridge, and Representatives Robert Hargraves and Jennifer Benson have since signed-off on a second collective delegation-letter in support of the grant. {Mary Arata in Nashoba Publishing 23.Nov.09}

PREVIOUS INSTALLATION OF APUs
(auxiliary power units)

CBNS: Won a federal grant to install APUs [see 08#05A] from Kim Hotstart [see 07#12B].
MMA: Installing APUs on its locomotives at its Derby Shops [see 08#11B].
NECR: Installing 14 units of Teleflex Ecotrans [see 07#12B].
PW: Chosen by Massachusetts for funding to install APUs [see 08#11A, 09#03B].
SLR: Using Teleflex Ecotrans [see 07#12B].
ST/PAS: Using Teleflex Ecotrans [see 06#02A, 07#12B].
NEW HAMPSHIRE

NHDOT: COMMUTER HOPES

10 December, Concord. NEW HAMPSHIRE OFFICIALS BELIEVE THE STATE COULD WIN SOME STIMULUS FUNDS IN 2010, from the pot of money in the Transportation appropriations bill [approved by Congress 14 December—Editor]. “We have had some very, very, very encouraging talks in Washington,” New Hampshire Rail Transit Authority Chair Peter Burling said. “I’m always accused of being an optimist, but I believe we will put together a very attractive proposal to allow us to run commuter rail into New Hampshire within the next four years.”

NHDOT Commissioner George Campbell said the Boston-to-Concord commuter rail project is part of a 10-year, $2.1 billion highway bill that he’s proposing to Governor John Lynch.

The Executive Council and Campbell unanimously approved the recommendations Thursday following 37 public hearings across the state.

What about ST?

Talks with Amtrak, which could provide the service even if ST didn’t want it [see 09#10A], and with ST, are apparently occurring. Burling said the status of private talks on those fronts has to remain sensitive.

Burling’s prophecies

[Optimism is rampant among the New England states hoping for some of the $8 billion in stimulus to be awarded this “winter.” I predict that only the Northeast Corridor will get funding. Editor] Burling viewed upgrading the Downeaster, and the New Haven-Springfield line as strong candidates. {Kevin Landrigan in Nashua Telegraph 13.Dec.09}

MBRX: LEISHMAN AS WITCH?**

19 November, Concord. THE GENERAL COURT’S LEGISLATIVE ETHICS COMMITTEE VOTED TO OPEN AN INVESTIGATION INTO LEISHMAN. Pan Am Railways President David Fink brought two ethics complaints against State Representative Peter Leishman (D, Peterborough) and one against Representative Marjorie Smith (D, Durham). The ethics panel voted 7-0, to find the complaint against Smith to be ‘without merit’ as the conduct alleged would not violate any rule, law or ethics guideline.

The two complaints

One of Fink’s claims against Leishman’s conduct regards a 2009 bill (HB 613) he wrote amounted to using his public position for private benefit. It further argues he violated conflict of interest procedures over the bill. In spring 2009, the House of Representatives passed the bill, which called for a study into state takeover of railroad lines, to the Senate, which decided to kill it. [See 09#05B.] The committee voted to initiate the investigation of this claim 4-3.

Fink’s second complaint stated Leishman sought a ‘special personal benefit’ for himself in negotiations with the state over the lease renewal of the Milford-Bennington Railroad that he operates. The committee voted 7-0 to investigate this claim. {Legislative Ethics Committee Complaint #2009-1 Decision following Initial Review}

After a brief investigation of the same behaviour, state prosecutors cleared Leishman of criminal wrongdoing and the Executive Council unanimously approved renewing Leishman’s lease of state-owned rail lines for another 10 years. [See 09#08B.]

Leishman hired the firm led by Manchester Democratic Representative David Nixon to defend him against the charges. {Kevin Landrigan in Nashua Telegraph 2 & 6.Dec.09}
RHODE ISLAND

PW: AUTO RACKS*

4 December, Providence. PW RELEASED ALL ITS STORED AUTORACKS, making up a train from Providence to Worcester which had 51 autoracks. About forty of those came out of storage at Davisville, and in the tracks along the Northeast Corridor in Pawtucket.

Frank Rogers, head of marketing for PW, wrote: ‘Racks are being put back in service based on proximity to demand locations and type: bi-level, tri-level. We were instructed to release all those stored.’ {e-mail to ANR&P 4.Dec.09; PW e-list reports}

Bruce Hamilton, who operates the Seaview railroad serving Davisville, confirmed that all stored racks were gone. ‘I take that as a sign that things are finally improving. We had a pretty good November with Subaru. They seem to be selling quite well.’ {e-mail to ANR&P 5.Dec.09}

VERMONT

VRS/VAOT: OUT OF RUTLAND**

25 November, Rutland. THE RUTLAND REDEVELOPMENT AUTHORITY RELEASED THE DRAFT ENVIRONMENTAL ASSESSMENT, nearly seven years after the beginning of the process. [Make that ten years, at least. Vanasse Hangen Brustlin did a study of moving both the Rutland and the Burlington yards in 1999–see 99#24. See map of previously-proposed move in 01#08B.] The Boston office of HDR Engineering did the work; the Redevelopment Authority coordinated acted as the coordinator, in partnership with the Federal Highway Administration.

“It's something that should be done,” said Charlie Miller, rail planning coordinator for the Agency of Transportation, one of the partners in the study. “Finding funding for it – that may be a bigger challenge, but it's definitely a project that's worthy of consideration.”

The preferred alternative

Although five options were explored for how the railyard could be relocated, the 245-page document, which also contains 10 appendices, preferred the fifth alternative, which entails "modifying the current yard and moving the vast majority of it out of the downtown and to the south," said Charlie Miller, VAOT’s rail project coordinator. “That alternative appears to have the least impact.”

In April, RRA Executive Director Tom Macaulay, at an April meeting of the Rutland Region Transportation Council, characterized the fifth alternative plan as the most environmentally friendly and cheapest. ‘Reconfiguration of the existing railyard is necessary due to changes to the City of Rutland, the rail system, and local industry,’ the executive summary of the report reads. ‘The existing railyard … operations result in frequent noise, traffic delay and congestion, and safety hazards to pedestrians and vehicles.’

Negative effects

However, some of the negative effects noted in the report include the relocation of 11 businesses along Ivy Street, Porter Place, South Main Street, Plain Street and Park Street. Two structures eligible for the National Register of Historic Places, the Agway Barn and Railroad Storage Building, will be lost. It will create traffic issues in some places, while eliminating others by doing away with three at-grade crossings – Spruce Street, Park Street and the entrance of Howe Center. Train noise will also increase in some areas. However, the study also reports that preliminary economic analysis suggests Rutland County will see 680 new jobs created by 2030 if the railyard is relocated out of downtown and key parcels of land become available for redevelopment.
Statewide rail progress

Although David Allaire, a member of the governor's Rail Advisory Council and president of the city's Board of Aldermen, has not yet looked at the report, “I'm really excited it's out because, to tell you the truth, I was a little skeptical,” he said. He is encouraged by what's happening throughout the state with rail initiatives, a major piece being three pending applications for stimulus funds for rail corridor upgrades.

“You put that together with the fact that this (report) is out, the Middlebury spur project is advancing, and the fact that we're considering passenger service between Rutland and Burlington and it feels like the pieces are starting to come together,” Allaire said.

Next steps

To download the report, visit www.aot.state.vt.us/planning/rutlandea/rutlandrailyard.htm. The public is encouraged to comment on the report – the process for which is outlined in the report – until 31 December. At that point, the Federal Highway Administration will either determine an environmental impact statement is necessary or issue a ‘finding of no significant impact’, essentially greenlighting the project, according to Miller. {Stephanie Peters in Rutland Herald 26.Nov.09}

THE PREFERRED ALTERNATIVE

‘Alternative 5 – Modify Existing Railyard with Randbury Road Extension and Modified Wye’ modify the existing railyard by reconstructing it along the existing Vermont Railway (VTR) alignment between the existing railyard and U.S. Route 4 to the south.

The railyard footprint would be expanded outside the current footprint of tracks, and would incorporate 13 classification tracks (average length of 2,700 feet) and three tracks for receiving and departure. The railyard would have a trapezoidal shape with varying lengths for the classification tracks. The Park Street at-grade crossing would be closed, and Park Street would have cul-de-sacs on each side of the reconfigured railyard.

A modified wye track... south of Howe Center would connect the [GMRC] track with the railyard and VTR track, eliminating the at-grade crossing at the primary entrance to the Howe Center. A new at-grade crossing of the wye track for Porter Place would provide secondary access to the Howe Center.
Randbury Road would be extended westerly over the existing mainline and new yard tracks and then would continue in a northwesterly direction to connect to Park Street, providing local traffic flow between Park Street and U.S. Route 7. The Randbury Road extension also improves access to additional areas, increasing the potential for economic development.

The Proposed Action will achieve the following objectives:

- Increase the capacity of the Rutland Railyard to 726 railcars to meet current and future rail transportation needs;
- Improve the safety of railyard operations and reduce impacts to vehicular and pedestrian traffic by reconstructing the railyard south of the Howe Center and eliminating two at-grade highway and pedestrian crossings; and
- Improve railyard infrastructure to meet modern rail design and operation standards and improve operating efficiency.

Land Use - The reconfigured railyard will occupy 59.04 acres, including 29.56 currently undeveloped acres. No mitigation is necessary as there are no adverse impacts on land use by the Preferred Alternative. The proposed railyard expansion is generally in commercial/industrial use or undeveloped land identified for further expansion of the urban area. Relocation of the railyard generally concurs with city, county and state land use and transportation plans. {Rutland Railyard Improvement Project Environmental Assessment 11.09}

QUEBEC/MARITIMES

CN/VIA: PROVINCIAL AID

7 December, Moncton. INDUSTRIAL RAIL SERVICES HAS ALREADY STARTED WORK ON TWO VIA CONTRACTS. IRSI will completely overhaul 98 light, rapid and comfort (LRC) passenger coaches for $98.9 million during the next five years.

Under a second, $5.8 million contract, IRSI will make the toilets in nine Renaissance cars wheelchair-accessible, improve access in three sleepers, and widen the baggage doors in nine baggage cars in the next two years, the province said in a release. {Railway Gazette 12.May.09}

IRSI will do the work at its 13,200-square-metre facility and rail yard located on CN’s main line. CN used the rail yard during the 1970s and 1980s to service a locomotive fleet. IRSI purchased the property from CN in 1999.

Provincial aid

The combined work will maintain 33 jobs and create a minimum of 250 new jobs at Industrial Rail's Moncton facility.

New Brunswick is providing $22.5 million in assistance: a working capital loan guarantee of $12.5 million; a term loan of $7.5 million; and a forgivable loan of $2.5 million. The money will come from a regular funding program under the Economic Development Act.
Why loan the money, since VIA will pay for the work? Ashley Bursey, spokeswoman for the government's Business New Brunswick, said it's quite common “for governments to provide interest-bearing loans to companies with profitable balance sheets when they wish to expand and create jobs.” These companies operate on the credit provided until their contracts are fulfilled. In this case, IRSI would draw on the government credit until VIA began paying for delivered cars.

Especially during the economic downturn, Bursey noted that “banks and other lending institutions have been reluctant to provide the credit companies need to continue working and creating employment."

Industrial Rail Services Vice-President Chris Evers said in an email the work is already under way. He said the term loan would be repaid over the duration of the contracts.

Business New Brunswick Minister Victor Boudreau said in the release that securing the large contract will allow Industrial Rail Services to build industry partnerships within the rail sector and create new opportunities for suppliers and related small businesses across the province. {government press release 7.Dec.09; ANR&P discussions by correspondent Tom Peters } [Unclear why the press release in December, since the work and the financial support were announced in spring 2009.]

**CN/HALIFAX**

2 December, Montreal. **ABOUT 1,700 UNIONIZED LOCOMOTIVE ENGINEERS ENDED A FIVE-DAY WALKOUT** after Canadian National withdrew a proposed increase in the mileage engineers cover each month. The railroad now faces a recovery from both the strike, which interrupted shipments across Canada, and the economic downturn. “It may take a few years” before cargo shipments return to the peak levels of 2006 and 2007, said Claude Mongeau, who replaces retiring CEO Hunter Harrison as CEO on 1 January. {New York Times (12/3), The Globe and Mail (Toronto) (12/3) in CIFFA Bulletin 3.Dec.09}
Effect on port
Port officials said on 30 November that delays started subtly on 28 November, Day 1 of the strike [see 09#11B], when a train was held back by two hours. That delay jumped to 16 hours by 29 November. The scheduled departure for the evening of 29 November didn’t take place until a full day later. “We are beginning to see some impacts on port operations. Basically CN, the terminal operators and the Halifax Port Authority are working together to maintain rail service,” said Halifax Port Authority spokesperson Michele Peveril. “Rail service is critical to the port of Halifax because about 70% of our containers move from ships onto rail and then to inland markets such as the Midwest United States, Ontario, Quebec,” Peveril said. {Paul Mcleod in Metro Halifax 1.Dec.09}

HALIFAX: MELFI BACK
November. **MELFI MARINE WILL RETURN TO HALIFAX**, which it left in the spring for Montreal [see 09#05B]. The first vessel will arrive in late December. Melfi’s customers in Halifax, who continued to use the line after it left the port, are pleased to see the line return. Customers had to transport product to or from Montreal by rail or truck.

Les Coburn of Protos Shipping, Melfi’s agent in Canada, said the line was able to work out favourable arrangements with the Halifax Port Authority and CN that made it attractive to return.

The Cuban line will use two vessels on the service that will call the South End Container Terminal, operated by Halterm Container Terminal Ltd., about every 10 days. The two ships, each with a capacity of approximately 450 TEUs, will sail to Havana and then to ports in Spain and Italy.

Neither CN nor the Port Authority were specific on the incentives to return. {Tom Peters in Canadian Sailings 24.Nov.09}

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.

Fraser-Ashland (MMA, Maine #759) selling
Fraser-Gorham (SLR, New Hampshire #933) selling
Fraser-Madawaska (MMA, Maine #750) keeping
Fraser-Masardis (MMA, Maine) selling
Industrial Rail (CN, New Brunswick) new contract

PEOPLE

Edward Burkhardt*, majority owner of the Montreal, Maine & Atlantic Railway, donated $75,000 earlier this year to OnTrackAmerica, a non-profit organization that promotes the development of a comprehensive and sustainable freight transportation plan in North America. Groups such as OnTrackAmerica are “vital for advancing the rail industry’s strategic, political and managerial components, and critical to making it competitive in years to come,” said Burkhardt. {Progressive Railroading Daily News 4.Dec.09}

Joe Bruno*, former New York state senator who obtained $3 million in state funds for the Mechanicville facility in the NS-ST deal [see 08#07A], was found guilty of two counts of corruption, and is facing up to 20 years and a $250,000 fine on each. {Nicholas Confessore and Danny Hakim in New York Times 8.Dec.09}

Charlie Miller, departing the Vermont Agency of Transportation at the end of the month, writes: ‘Please share my thanks to all the folks in the industry that I have worked with over the past 9½ years. I guess my only regret is
that it appears that the spigot for annual Rail funding is finally being turned on (with $2.5B in the [Transportation, HUD etc] bill going to the president) and I am headed out the door. However, I will be watching from the sidelines now but certainly still very interested in the success of Rail.’

He reported that the agency has begun to interview successors, but no one will come on board before he departs.

Robert Easton, treasurer of the Providence & Worcester Railroad, retired this month. The Form 8-K filed with the SEC used the word ‘resigned’, leading your editor to a flurry of speculation, but PW General Counsel Marie Angelini wrote:

‘Bob Easton worked at P&W for more than 23 years, most of them as the Company's Treasurer and CFO. Bob decided to retire, and P&W appreciates his many years of hard work and dedication.

‘Bob's longtime assistant, Elizabeth A. Deforge,’ will succeed him. {e-mails to ANR&P 15.Dec.09}
Purpose

*Atlantic Northeast Rails & Ports* 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 onto itself.’

E-ISSUE