**ATLANTIC  NORTHEAST**

**RAILS & PORTS**

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**REGION**

**NS/CP/PAS:** Details on new autorack and intermodal trains.* Box on auto traffic.**

**NECR:** System-wide meeting.

**Logistec:** Expansion in Florida.

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**CONNECTICUT**

**CPTC:** Outline of rail bureaucracy.*

**ConnDOT:** Connecticut commission says Amtrak should reduce car-mile fees for freight railroads.*

**CSO:** CT Biodiesel - see Massachusetts.

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**MAINE**

**MMA:** Plans to file abandonment in February, unless TIGER money or miracle.**

**ST Maine:** Outbound paper traffic rising.*

**BMLY:** Excursion railway sees no current freight, wants to re-enter Belfast.*

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**MASSACHUSETTS**

**CLP:** Now, associate members.*

**BCLR/MC/CSXT:** BCLR, unions intend to participate in STB South Coast freight decision.*

**CSXT/PW:** No probability that CSXT would move Beacon Park traffic to PW Worcester terminals.* Box on all-water traffic.

**HRRC:** Interstate Biofuels proposes biodiesel production facility in Lenox Dale.**

**CSXT:** End of plans for biodiesel in Pittsfield.

**MBTA/MBCR:** The T awarded MBCR a two-year contract extension, with no public notice.*

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**RHODE ISLAND**

**MCER:** Towns and railroads seek stimulus funds.

**NECR/PAS:** PAS announces their part of interchange operational.*

**PW/PAS:** RVJ mostly using Worcester terminal.*

**NEW HAMPSHIRE**

[No report.]

**RHODE ISLAND**

[No report.]

**VERMONT**

[No report.]

**MARITIMES/QUÉBEC**

**Sydney/Philadelphia:** Commercial alliance proposed for feeder service.*

**Shelburne NS:** Irving’s ship repair facility gets $8.8 million provincial loan.*

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**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

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**PEOPLE, POSITIONS, EVENTS**

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**FROM THE PUBLISHER**

I know stuff is happening in Vermont and Rhode Island, and I will get to it. In New Hampshire, we await the STB ruling on NEGS.

- Chop Hardenbergh  Next formal issue 4 February.
**REGION**

**NS/CP/PAS: NEW TRAINS**

7 January. *THE FIRST NEW EASTBOUND AUTO AND INTERMODAL TRAINS LEFT CHICAGO THIS DAY*, according to a CP official. They will depart Binghamton on the 8th. The first westbound trains will begin on the 9th.

NS #206/CP 938 operates daily out of Chicago at 0130 hrs with Taylor IMS, Albany autos, Albany intermodal. Arrive Binghamton at 0200 hrs, CP 938 due to depart Binghamton at 0700 hrs. Set off autos for SNY [SMS Rail Lines’s Voorheesville operation—see 09#12B] at Delanson and arrive Albany at 1740 hrs.

CP 939/NS 205 operate daily. Depart Albany 0800 hrs with NS intermodal traffic for Buffalo and Chicago. Lifts empty auto racks from SNY at Delanson and arrive Binghamton at 1715 hrs. Lifts Chicago intermodal traffic from Taylor and NS 205 due to depart Binghamton 1945 hrs.
AUTOS BY RAIL INCREASING!

**Week ending 12 December**
11.2% rise for autos. 13,809 cars originated.

**Week ending 2 January**
Thirteen of the 19 carload freight commodity groups were up in comparison with the same week last year. Increases in commodity groups ranged from 2.5% for grain to 53.3% for motor vehicles and equipment, some 5,808 auto racks. For the year 2009, though, autos were down 33.6%

**Week ending 9 January**
Auto racks rose to 9,026 over 5,261 the same week in 2009, a 71.6% increase. {AAR weekly statistics}

NS 22K/CP 934/PAS MOAY depart Chicago daily at 0200 hrs working at Toledo, Cleveland and Buffalo; arriving Binghamton with Ayer autos and Ayer intermodal. CP 934 scheduled to depart Binghamton at 0155 hrs; arriving Mohawk 0900 hrs; PAS MOAY recrew and depart Mohawk at 0930 hrs with NS run through power. Scheduled to arrive Ayer at 2115 hrs.

PAS AYMO/CP 935/NS 23K operate daily, departing Ayer at 1345 hrs with NS empty auto racks and Chicago intermodal traffic. Arrive Mohawk 2130 hrs, depart as CP 935 at 2200 hrs arriving Binghamton at 0400 hrs. NS 23K scheduled to depart Binghamton at 0430 hrs. {e-mail to ANR&P}

**Racks for Ayer**
Friday 8 January: CP 934-07 ordered Binghamton 0015 hrs with Engs NS 9931-9172 with 3 Ayer autos and 23 Ayer intermodal. {e-mail to ANR&P}

MOAY on 18 January had 35 autoracks. {Gary Senecal in NERails e-list 19.Jan.2010}

WHAT UNION AT SAN VEL?

In the 1990s, when the Boston and Maine Corporation leased the other auto site in Ayer to CSXT, B&M operated the terminal. The United Transportation Union represented the workers at the auto terminal.

At the new terminal, Norfolk Southern has contracted out the operation to a non-carrier entity, said George Casey, a UTU official in Massachusetts.

Casey believed that same entity also operated other NS auto terminals. {ANR&P discussion 11.Jan.10}

NECR: MEETING

22 January, Queechee VT. **NECR GENERAL MANAGER COOMES WILL MEET WITH ALL WORKERS** on the system this day. According to one official, Steve Coomes said he has done this on other properties: “give a pep talk, acknowledge great safety record.”

No sale?
Rumors of a sale of NECR, or of NECR’s parent RailAmerica wanting to buy VRS, have circulated in recent weeks. The official said the RailAmerica offer to VRS has some credence because when RailAmerica went public it announced it wanted to buy additional railroads. {ANR&P discussion 17.Jan.10}

But selling NECR? Said another official with the railroad, “We have made money recently,” so he downplayed the possibility of a sale. {NECR e-mail list 16.Jan.10}
LOGISTEC: EXPANSION
19 January, Montreal. **LOGISTEC SUBSIDIARY LOGISTEC USA WILL EXPAND IN PORT MANATEE**, Florida, according to an announcement this day. Logistec has been active in Port Manatee for over five years and currently handles both stevedoring and terminal operations for Del Monte's fresh fruit, as well as other general and project cargo.

HRK Holdings will develop a new distribution centre for their fertilizer and bulk import customers in central Florida and will use the services of Logistec at Port Manatee, under a long-term agreement. This service is expected to commence in the spring of 2010. {Logistec press release}

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**CONNECTICUT**

ConnDOT: how it handles rail*
The Connecticut Department of Transportation has the following bureaucracy to handle rail (not all employees are listed):

**BUROE OF PUBLIC TRANSPORTATION**
chief James Redeker. Two offices:

**Office of Transit and Rideshare**, Administrator Michael Sanders

**Office of Rail**, Rail Administrator Gene Colonese, located in New Haven
Peter Richter, former assistant administrator, retired (position posted).

The Office of Rail has two principal divisions:

- **Rail design and construction** (Newington, New Haven)
  - Mark Neri, Assistant Rail Administrator
  - Jay Mather, Principal Engineer - Design
  - Rob Pettinicchi, Principal Engineer - Construction

- **Rail Operations** (New Haven)
  - Brenda Jannotta, manager of operations, administration, and security
  - Jon Foster, Supervising Rail Officer
  - James Fox, Principal Engineer
  - Gil Smart, Supervising Rail Officer
  - Julie Thomas, Supervising Property Agent
  - Peter LaBouliere, Rail Officer (and others)

**BUROE OF POLICY AND PLANNING** (Newington)
Rail planners work in the

**Office of Intermodal Planning**
David Head, Supervising Planner
Andy Davis, head planner on Danbury and Waterbury-New Canaan, Newington.
Robbin Cabelus supervising transportation planner {e-mail to ANR&P from Brenda Jannotta}
CPTC: LOWER AMTRAK FEES**
31 December, Newington. THE PUBLIC TRANSPORTATION COMMISSION RECOMMENDED IMPROVEMENTS TO FREIGHT RAIL, in its annual report to Governor Jodi Rell [see 09#06B for 2009 recommendations].

RECOMMENDATION FIVE: MEASURES TO PROMOTE A MORE SIGNIFICANT ROLE FOR RAIL FREIGHT

1. Amtrak track fees
Amtrak charges a trackage fee for the use of its tracks, including the Amtrak-owned portion of the Northeast Corridor east of New Haven and the Springfield Line between New Haven and Springfield. By law, Amtrak’s fee is set to recover Amtrak’s fully allocated costs for maintenance of these lines and is therefore several times higher than the trackage fees customarily charged by other railroads, which are based on incremental costs.

Currently, the Amtrak trackage fee rate, which is adjusted periodically for inflation, stands at just about $1.00 per car mile. This fee is assessed on every car of a freight train, both revenue cars and non-revenue cars, and both inbound and outbound. This fee can add over $100 per car for freight coming from Springfield to the Cedar Hill Yard in North Haven, for example. As the Springfield Line in particular is the most important rail freight gateway into Connecticut, Amtrak’s trackage fee level has the effect of discouraging freight movement into the state by rail. ...

Ten years ago, then ConnDOT Bureau Chief Harry Harris negotiated a draft agreement with Amtrak to provide that freight traffic above a baseline level, representing the then-current volume of freight traffic over Amtrak’s lines, would be assessed a lower level of trackage fees. This agreement guaranteed...
Amtrak that the existing level of trackage fee revenue it received would be maintained (assuming traffic volumes did not decline) yet provided an incentive for the growth of freight volumes over the Springfield Line by assessing a lower fee on added traffic. This previous effort did not yield a final agreement because the legal review by the freight railroad [CSO, then owned by RailTex. See 00#01] was never completed. [See below for explanation.]

**Recommendation on track fee.** With the State of Connecticut planning major infrastructure investments on the Springfield Line which will benefit Amtrak as well as the planned commuter rail service, the Department is in a favorable position to negotiate lower trackage fees on this line. Therefore, the Commission recommends that this effort be revisited in the quest to shift more freight movement from our overcrowded highways to our underutilized rail lines. {text of report}

**CSO comment**

Charles Hunter, RailAmerica director, State Relations East, wrote on 12 January: ‘RailAmerica and the CSO work closely with both Amtrak and ConnDOT to provide competitive freight service on this route, now and in the future. If improved economics were to become available on this route, there could be future possibilities of retaining and attracting additional rail freight business to this corridor. Which in the end, benefits all three parties. Any proposed future agreements would be subject to review and negotiation before acceptance amongst all of the participating parties.’ {e-mail to ANR&P}

**PW comment**

Marie Angelini, PW general counsel, wrote on 14 January: ‘I note that the fees at issue do not impact P&W. [It does not operate on the Springfield line. Editor] That said, we have no comment though generally speaking P&W is in favor of the lower fees whether payable to Amtrak or otherwise.’ {e-mail to ANR&P}

2. **Work with PAS/NS to get intermodal service**

Special emphasis should be given to restoring rail intermodal service to Hartford and New Haven [PAS has rights into New Haven for intermodal traffic–see 08#12A] to serve movements from the west, the north, including Canada, the northeast, including Maine and the Atlantic provinces, and from the southeastern US. The entry of Norfolk Southern as a partner with Pan Am through the creation of the jointly-owned Pan Am Southern Railroad represents a promising opportunity to expand the minuscule percentage of freight movements into and out of Connecticut which are made by rail.

[A study by Reebie Associates in 2004 found that the CSXI intermodal yard in West Springfield could not compete for traffic south of New Haven, which flows to the facilities in New Jersey. West Springfield could attract container traffic from Hartford, the study found. See 04#03B.]

3. **East of Hudson task force.**

CPTC reiterated its recommendation [see 09#06B for 2008 recommendation] that ConnDOT should ‘join the East of Hudson Rail Freight Task Force to represent Connecticut’s interests in the developing initiatives in the greater New York metropolitan area such as the proposed cross-harbor freight tunnel, the New York Cross Harbor rail car ferry, and locating dedicated rail intermodal terminals in the metro New York area east of the Hudson.’

**ConnDOT response to CPTC recommendations**

Until 2003, Connecticut legislation required the ConnDOT commissioner to respond to each recommendation. For an unknown reason, this requirement was repealed, and in 2009 the commissioner explicitly declined to respond [see 09#06B]. Fred Riese, CPTC secretary, wrote on 4 January: ‘Our initial tack is going to be a direct request to the Commissioner to resume the responses. We are hopeful that will bring a positive reply. We have a couple of back-up options including the legislative route but we are hoping that will not be necessary.’ {e-mail to ANR&P}

**Goal: 20% increase in rail freight**

According to the cover letter to the ConnDOT commissioner from the CPTC chair, Tom Cheeseman: ‘The information and testimony presented at the Commission’s twelve monthly meetings and seven public hearings, together with the experience and expertise of the Commission’s members, forms the basis of the recommendations presented herein.’ {text of letter}
At the 5 May hearing, Peter Richter, the ConnDOT official who was working on the state rail plan [see other article], discussed two goals that have been adopted by the Coalition of Northeastern Governors (CONEG). These goals are a doubling of passenger rail ridership by 2030 and a 20% increase in rail freight usage by the same year. Achieving the first goal will require an average annual growth rate of 3% in passenger rail ridership, which is double the historic 1.5% average annual rate of increase. {text of CPTC report}

MAINE

MMA: CURTAIN S IN THE COUNTY?*

12 January, Chicago. **MMA WILL FILE FOR ABANDONMENT IN FEBRUARY**, for most of the lines in Aroostook County. Ed Burkhardt, chair of the board of MMA and principal owner through his company Rail World, wrote:

‘[Y]ou should really be worried about MMA if we weren’t taking steps to prune the tree! Our economic study, which will be part of the abandonment application, shows over $5 million loss on the red lines on our abandonment map in 2009 [see 09#09A]. If we can take care of this problem, the balance of the system should have a good future. We simply cannot sustain losses on the scale we have seen in operating this unproductive network (the red lines).

‘We plan to file in February and to have approval by late spring. We still hope the state will come up with the funds to buy these lines and keep rail service to the County, but your observation about funding [that the state, with its budget deficit over $400 million, cannot pay for anything extra–editor] is entirely accurate. We were particularly disappointed that the state gave this project no priority in their application for stimulus funding [the TIGER application–see 09#09B].

‘For budgeting purposes, we are assuming service will be discontinued at the end of June. I hope not, but....’ {e-mail to ANR&P}

MDOT action

Rob Elder, head of the Office of Freight, wrote that his department had hired consultant Gary Hunter of Railroad Industries Inc to work on potential solutions with the railroad. {e-mail to ANR&P  14.Jan.10}

Presque Isle Industrial Council Executive Director Larry Clark, at a Presque Isle City Council meeting on 7 December, related that at a 6 October meeting in Presque Isle to discuss the State Rail Plan work [see 09#09B], with MDOT and its consultants present, several MMA rail customers attended, which changed the direction of the meeting.

Following that meeting, MDOT contracted with Railroad Industries (RRI) from Nevada to measure and determine the economic impact from a loss of rail service in Aroostook County. Gary Hunter of RRI was in Aroostook County and conducted interviews with the majority of rail shippers. {minutes of City Council meeting 7.Dec.09}

Hunter said this day that his company was creating an analysis of the situation. Asked why he was duplicating MMA’s economic study, he said the department wanted its own study. He would not comment on any potential solutions yet, as his work was not finished, except to say that a TIGER grant would be the best solution–if it happened.

Hunter expected to complete his work by early February, before MMA filed for abandonment. {ANR&P discussion}

Why the February date

Burkhardt added on 14 January: ‘The February date simply came from the amount of work we have had to do to get the filing ready. But it is propitious in that we should have some indication of whether stimulus funds are available.

‘You also asked about the study being made by Gary Hunter. As you know, he is working for MDOT, and we
are quite interested in seeing his ideas and recommendations. As for selling to CN, I don’t think they are in the business of buying rail lines that are incurring heavy losses (especially having to pay the NLV [net liquidation value], which is over $20 million), so I doubt it. Additionally, they don’t even connect.” {e-mail to ANR&P}

Impact on other railroads
MMA originates some lumber flats from Van Buren and Ashland which move south to Brownville Junction, west on the MMA to Farnham, then south on MMA to Newport, Vermont, where WACR picks them up and hands them off to NECR in White River Junction. NECR delivers them to New London [probably Sherwood Lumber in New London, our Directory #691-1]. {e-mail to ANR&P from Fritz Gerhardt in Vermont 12.Jan.10}

If the rail line to Ashland is abandoned, will the lumber be trucked to the warehouse in Van Buren [MMA’s sister company Logistics Management Systems # 747] or elsewhere, or just move by truck to New London? Editor

Legislature
In August, legislators spoke of a state bond issue [see 09#09A], but that has not appeared on the bills the Legislature will entertain in 2010,.

Instead, State Senator Roger Sherman (R, Houlton) introduced LD 1678, ‘Resolve, Directing the Department of Transportation To Review the Fiscal Impact on the State of the Closure of the Railroad Track between Madawaska and Millinocket’. The bill asks for the study before the end of the legislative session, by 1 March, ‘including suggested legislation.’ {Legislature website}

The co-chair of the legislature's Transportation Committee, Ed Mazurek (D-Rockland) viewed as unlikely state purchase of the MMA's problem lines in northern Maine. “The state is not in a position to lay out money to buy a railroad at this particular point.”

Mazurek's constituency lives at one end of the passenger line that now runs up the coast from Brunswick. He says the next step should be to strengthen and expand those passenger connections in Maine.
“The priorities right now would be to keep the Downeaster running because that's a very successful operation. And then there's also the priority to run a line from Portland to Brunswick, so then you can go from Rockland all the way to Boston and beyond. And then there's the western lines, the Mountain Division is being looked at, so the MMA is in a tough situation,” said Mazurek. {Keith Shortall in Maine Public Radio 18.Jan.10}

BELFAST & MOOSEHEAD LAKE RAILWAY*

12 January, Brooks. **THE RAILROAD WANTS TO RUN TO BELFAST AGAIN.** Joe Feero, president, said his organization on 5 January asked the Belfast City Council to permit the excursion railway to serve the site of the former roundhouse. After the former operation, owned by Unity Property Management, pulled out, the track was lifted on the city’s portion.

The right of way was broken when Jay McCrum, who owns Penobscot Frozen Foods, purchased track owned by Unity Property Management running through his property from the Route One bridge to the pedestrian bridge.

The City Council and McCrum are each saying they would decide after the other does.

Freight?
In early 2009, Feero mentioned the railway could move logs, feed, or scrap metal [see 09#02A]. In January, he said the railway is open to any freight, but at this point he sees none on the horizon. Nor has the small operation, City Point Railroad owned by Mack Page [see 08#01B], found any.

Passenger
“We will open in May” at Unity, said Feero, and run through October on Saturdays, occasionally on Sundays. Page supports the railway; he loaned coaches for its transit service for Common Ground Fair. {ANR&P discussion}

ST: PAPER MILLS UP*

10 January. **TWO PAPER MILLS REPORT INCREASED TRAFFIC IN DECEMBER**. Other commodities may not be doing well; one source reported ST had the “worst November ever.”

Paper appears to be a bright spot. One mill official said she has “seen volumes starting to improve.” December exceeded 300 carloads, “the first time all year.” ST meets with the paper company monthly or bi-monthly “face to face” to discuss service.

At another mill also served by ST, “we had a pretty good December as far as rail,” an official there said. “We’d like to be shipping more rail, but the paper market is forcing more truck-only, because of short windows.”

His company is doing about 50% rail. “We will be working with Pan Am this year to try to increase that” to 70-75%. Some of the increase will be driven by the economy, some by service. {ANR&P discussions}

MASSACHUSETTS

RAILROAD ASSOCIATION*

30 December. **SHIPPIERS AND ORGANIZATIONS MAY JOIN THE MASSACHUSETTS RAILROAD ASSOCIATION** in 2010, it announced. Rian Nemeroff, HRRC vice president and outgoing MRA chairperson, said now is the “perfect time” to expand the ranks, as shown by the continuing renaissance of the nation’s freight rail sector, the new ideas and technologies emerging daily in the industry, and non-rail enterprises increasingly turning to freight rail for business solutions.

“The category of associate member is a recognition of the fact that freight railroads touch a surprisingly large number of other industries and businesses in Massachusetts and that these other enterprises are our natural allies in the quest to strengthen freight rail and boost the economy of the Commonwealth.”

Those entering the association in this category for an annual fee of $500 will be able to attend MRA meetings,
build stronger relationships through direct regular contact with MRA members, share new information about themselves and their products and services, and promote their varied business interests.

Since its founding in 1979, the MRA has provided a forum for freight railroads to share information and promote knowledge and understanding of the role of railroads in the safe, efficient and economic transportation of goods in, through, and out of the state. Railroad members: BCLR, CSXT, East Brookfield & Spencer Railroad, FRVT, GU, HRRC, MCER, MC, NECR, Pan Am Railways, PVRR, and PW. {MRA press release-visit its website for more information}

**BCLR/MC/CSXT: FREIGHT RIGHTS***

6 January, DC. **BCLR FILED A NOTICE TO PARTICIPATE IN THE STB CONSIDERATION** of CSXT’s proposed sale of its freight rights on the South Coast lines to New Bedford and Fall River [see 09#12B]. {STB website, filings page, Finance Docket No. 35314}

BCLR currently interchanges with CSXT on the Watuppa near New Bedford, and handles MC’s traffic on that same line [see 09#11B]. BCLR is the only short line interchanging with CSXT on the South Coast lines. {editor}

**Unions too**

On 5 January, the Brotherhood of Railroad Signalmen and Brotherhood of Maintenance of Way Employees Division/IBT also filed a notice to participate. {STB website, filings page, Finance Docket No. 35314}

**CSXT/PW: BEACON PARK FUTURE***

6 January, Massachusetts. **COULD CSX MOVE ITS INTERMODAL TRAFFIC TO PW’S TERMINALS IN WORCESTER?** PW traffic has shrunk to less than 25% of its former annual throughput [compare 63,183 in 2006 to 2,525 for 3Q09—see 09#12A] at its two terminals in Worcester; the railroad has closed the Southbridge terminal and is handling road salt there now [see 09#08B], keeping its Wiser Avenue terminal.

CSX is looking for a location to handle the intermodal traffic now at Beacon Park, in Boston [see 09#11B]. Could the two railroads make a deal? [In April, your editor asked if a possibility existed that PW could accept domestic intermodal traffic off NS via the new Patriot Corridor. Answer: no. See 09#05A.]

**The decline of rail from the West coast**

PW intermodal traffic, nearly all international, moves through West coast ports via Class I railroads to CSX and thence to Worcester; a fraction comes over New York and is railed from there to Worcester [see 09#02B]. PW has stated some of its intermodal traffic decline results from shippers using the all-water route to the East coast [see 09#12A Regional].

**One man’s opinion**

A knowledgeable player in the New England rail scene, let’s call him Nemo, provided what he called “one old man’s opinion,” concluding that CSXT and PW were unlikely to make a deal on putting the Beacon Park intermodal traffic on the PW, although he acknowledged that the possibility was explored. The all-water traffic will grow, due to the widening of the Panama Canal ‘combined with the western migration of manufacturing in Asia.... [See box.]

The Panama Canal traffic will more benefit the ports in the Southeast and the Suez traffic will benefit the Northeast.’

Physically, the PW terminals could ‘possibly’ handle the re-located traffic from Beacon Park. ‘But this answer is only in answer to the physical capability at current traffic levels.

‘The harder question to answer is, “Would CSX cut PW out of this traffic?” Nemo thought not, for two reasons. First, PW is one of the few short lines in the country which has intermodal terminals; ‘it’s part of their identity’ and they have an ‘entrenched investment in this identity.’

Second, CSX has no interest in putting a terminal on another’s railroad. ‘It would not control its own destiny, especially with intermodal traffic which is so time-sensitive.’
CSX would save the costs of building a new terminal, but, noted Nemo, CSX won’t pay much of the new terminal costs anyway. Harvard, which will buy the Beacon Park easement, and the state, which will help CSX [see 09#11B], will pay for it.

‘The one exception to the above would be if the PAS/NS service [see Reional] caused significant traffic loss for CSX in New England. In that case CSX would be more creative in developing strategies and alliances to combat that market shrink.’

**Role of the state**
MassDOT will keep hands off this ‘commercial issue,’ Nemo concluded. The coming state rail plan will only note that CSX will move out of Beacon Park; it will not direct CSX to a particular new location. {e-mail to ANR&P 6.Jan.10}

**HRRC: NEW CUSTOMER?**

7 January, Lenox. **INTERSTATE BIOFUELS CLEARED ONE OF SEVERAL REGULATORY HURDLES** in its process of obtaining approval to construct a biodiesel production facility in Lenox Dale. The company, with offices in Lenox, Roslyn Heights NY, and Manhattan, plans to spend $30 million to purchase the Niagara and Centennial mills and build the facility.

The town’s Conservation Commission chair, Neal Carpenter, cautioned that the 7 January hearing, which okayed the use of wetlands, was only the first of many. The project will be undergoing extensive local and state review before any work is begun. {Derek Gentile in Berkshire Eagle 8.Jan.10}

Michelle Henderson, chief engineering officer, expected the review process to last two or three months. {e-mail to ANR&P 12.Jan.10}

**2007 proposal for Connecticut**

On 6 December 2007, representatives of Interstate Biofuels proposed a biodiesel production facility in Newtown, Connecticut at 46 Swamp Road. In a filing with the town, Interstate explained that the $27 to $30 million complex would use a continuous-flow, computer-controlled manufacturing process designed and built by Lurgi AG. It would produce an estimated 12 million gallons of biodiesel annually, as well as a glycerin by-product. {Andrew Gorosko in Newtown Bee 13.Dec.07}

The Swamp Road side was once used by Wickes Lumber. In late 2008, Lakeland + Interstate Lumber Company
began using it [see 08#11B].

Henderson in January 2010 said the Newtown site did not work out. ‘We also looked into sites in other Connecticut towns. Currently, we are not actively pursuing any opportunities in the state.’ {e-mail to ANR&P, 12.Jan.10}

MORE ABOUT INTERSTATE

Interstate Biofuels ("Interstate") is a biofuels project development company formed in 2004 to provide the highest quality biofuel to wholesale heating oil and diesel fuel terminal operators. Interstate is acquiring sites in Connecticut [no longer true—see above], Massachusetts, New York and Virginia to build production facilities that will be in operation in 2010. Using state-of-the-art production facilities and a game-changing approach for making optimal use of non-food related feedstocks, Interstate will produce and ship biofuel anywhere in the continental U.S. or internationally. Each of our production facilities will produce about 15 million gallons of biofuel that will meet or exceed ASTM and E DIN quality standards. {Interstate website}

Rail and the production process

The developers have indicated that the Lenox Dale plant will use pretreated feedstock from animal fats and vegetable oils with methanol to create wholesale fuel.

Henderson explained that the Lenox Dale plant is ‘an entirely different technology than that proposed for Newtown: esterification, not transesterification. They are not directly comparable. For example: no fats, oils or greases will be railed into the proposed Lenox Dale site; and there will be no glycerin at the Lenox Dale site.’ {e-mail to ANR&P, 14.Jan.10}

[While Henderson declined to comment on the number of railcars for Lenox Dale, the Connecticut site would have had perhaps 600 inbound tank cars. The plant was designed to produce 12 million gallons a year. Assuming that inbound raw material roughly equals the product, Interstate would need to move 12 million gallons inbound. A tank car holds 20,000 to 26,000 gallons, therefore Interstate would need roughly 600 tank cars if 20,000-gallon cars, to the Connecticut site. Editor]

CSO/CSXT: RIVAL BIODIESEL?

19 January, Boston area. “WE ARE NOT PURSUING” THE PROPOSED BIODIESEL FACILITY IN PITTSFIELD, said Susan Purdue, executive vice-president engineering for Northwinds Biodiesel, the parent of Berkshire Biodiesel [see 08#12B]. Northwinds is pursuing no operation in Massachusetts at this time.

However, Northwinds Connecticut proposal, CT Biodiesel, remains a work in progress, Purdue said. She suggested calling about its status in three months. {ANR&P discussion, 19.Jan.10}

Northwinds had proposed a site in Suffield [see 08#05A with map] on CSO. The Town failed to approve the application in 2008 [see 08#06A].

MBTA/MBCR*

6 January, Boston. THE MBTA BOARD AND MBCR AGREED TO ANOTHER TWO-YEAR CONTRACT EXTENSION, again with no public notice. T officials excused their closed approach, taking it to the board for approval as today’s monthly meeting was about to end without putting it on the public agenda, by saying they were negotiating until the final hours leading up to the meeting.

MBCR started operating the commuter service in 2003 [see 03#07A], under a five-year contract. The MBTA and MBCR later agreed to the first option in the contract, a two-year extension to 2011, and this extension will run until July 2013.

New bidding in 2013

The T formally announced it will begin a procurement process in 2012 for a new contract to operate commuter rail services, the largest private commuter rail contract in the country, beginning 1 July 2013. {Noah Biermann in Boston Globe, 6.Jan.10; MBTA press release}
MCER: STIMULUS FUNDING?

10 January, Ware. **THE RAILROAD AND REGIONAL TOWNS SUPPORT A $4 MILLION TRACK UPGRADE.** Bob Bentley, MCER president, said he was already working with EOT [MassDOT predecessor—see 09#11B] on analysis and a five-year plan, when the federal stimulus programs came forward in spring 2009. MCER worked with the Pioneer Valley Planning Commission (PVPC) and EOT to get a plan submitted for the $4 million.

Dana Roscoe, principle planner, explained that Massachusetts was awarded $437 million in stimulus funds for transportation/highway projects in the American Reinvestment and Recovery Act¹. All projects in this funding scheme must be approved by the MPO (metropolitan planning organization) which puts together a TIP (transportation improvement program).

The ARRA funding was programmed in two phases. The first-phase projects had be expended by July 2009. While the MCER track upgrade was listed by the local MPO (the Pioneer Valley MPO) it was not approved by EOT because the project was not advertised by July.

Projects not advanced in the first phase did not automatically get included in the second phase, and EOT did not include the Ware River track in the second phase, said Roscoe.

In December, the state discovered that a pedestrian bridge in Foxboro for $9 million was not eligible for ARRA. At the request of Paul Hills, community development director for the Town of Waret, the town selectmen recently sent a letter asking that the MCER project be put on the phase 2 list. MassDOT did not reallocate the money, but Hills said it is possible another round of federal stimulus money could be received or state transportation money could be used for the project.

Roscoe said “it continues to be important, a competitive project in search of $4 million. Our MPO has written to EOT [in support] more than once.”

**Track condition**

Bentley anticipated that better track could attract new customers, and mean more business for existing customers. At this point, the track has “some speed restrictions, but nothing serious. We operate every day from one end to the other.

“We like to maintain a good solid [FRA] class 2 ” and if the track were rehabbed to class 3 [40 miles per hour for freight] it would be a lot easier to maintain it to class 2.

**Traffic**

Overall, said Bentley, the railroad has “held its own or is starting to increase” traffic. While some traffic has declined , A&R Transport [our Directory #364], which transloads pellets and other products, is growing. Traffic totals about 2500 cars per year.

Hills, as the community development director, said he had received occasional inquiries from companies looking for locations on the rail line, such as an animal feed processor and a saw mills. “There’s nothing imminent.”

Ware is proposing a business development area near the Ware-Palmer town line [near the Gibbs Crossing station] which does have rail access. {**ANR&P** discussions with Bentley and Hills 11.Jan.10; Roscoe15.Jan.10}

**Track ownership**

The Commonwealth owns most of the Ware River Secondary and side tracks. However, MCER itself owns track which serves A&R [see 02#03B].

**NECR/PAS: ONE SIDE READY***

PAR/ST Supplemental Bulletin Order No.1-01A
effective 3PM 1/04/10

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¹Roscoe underscore that this money is independent of the high-speed rail funding, and the TIGER grants.
Millers Falls, Ma.
New hand operated switch (facing point heading west) in service at MP377.09 on No.1 Track. Provides access to NECR and equipped with an electric unlock and protected by a hand-operated derail. {e-mail to ANR&P}

Next step appears [I could get no comment on this from PAS or NECR by publication time–editor] to be NECR and PAS agreeing to move their interchange here, and possibly letting NECR handle the PAS trackage north on the ConnRiver line. [See 09#12B.]

**PW/PAS: CUSTOMER CHANGES**

4 January, Fitchburg. **MORE CUSTOMERS ARE USING RVJ’S WORCESTER TERMINAL**, said David Johansson, vice-president, instead of the Fitchburg terminal [our Directory #s 139, 142] to handle plastic pellets and some liquids. They asked for the change because the trackwork during 2009 on PAS [see 09#10A] led to inconsistent deliveries.

RVJ serves end users in Massachusetts, New York, and New Jersey. Given those destinations, whether the railcar is unloaded in Fitchburg or Worcester [our Directory #454-2] does not matter much, Johansson said. His company does about 1000 carloads a year.

**Who are the customers?**
“We have customers on both ends, both shippers and receivers,” Johansson said. “The majority send [the product, usually plastic pellets] to the terminal of their choice, and pay us to deliver it to their customer.” RVJ does virtually all the trucking.

Until recently the Leominster area had a large concentration of plastics plants. Now, said Johansson, “there’s not nearly the concentration there used to be.” Plants have moved to different parts of the country, or out of the country. {ANR&P discussion 5.Jan.10}

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**QUEBEC/MARITIMES**

**SYDNEY/DELAWARE RIVER PORTS: FEEDER SERVICE**

7 January. **THE SYDNEY MARINE GROUP AND THE PORTS OF PHILADELPHIA AND DELAWARE HAVE FORGED A COMMERCIAL ALLIANCE** they forecast will be the basis for increased marine container trade in both regions. The Sydney Marine Group [see box for membership] is committed to a new $200 million container terminal operational in 2012, built in part from dredge materials [see 09#11A], which will handle the largest container ships now and in the future.

At the announcement of the alliance, Cape Breton Regional Municipality Mayor John Morgan said he sees the agreement as an important step toward the development of a container terminal. “The point was raised that we need to get the harbour dredged as well and we need to get the actual container facility. But none of those things can happen without a working business model as a starting point and that’s really what you have here — you have a working, viable business model that’s going to give us instant access to the eastern seaboard of the United States.”

{Erin Pottie in Cape Breton Post 8.Jan.10}

**Feeder plan needed by Philadelphia area ports**
Sydney players plan to attract the large container vessels, 8,000 TEUs and larger and offload onto smaller vessels for transshipment to other East coast ports. At Sydney Port Days in May 2009, James Paylor of Philadelphia, ILA vice-president,7 reported that the Philadelphia area did not have the depth to handle post-Panamax ships. Forging

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7Because Paylor could not make Port Days due to illness, his speech was delivered by Ed Zimny, marine consultant with Paul F. Richardson & Associates of Holmdel, New Jersey. No word on whether Zimney agreed with Paylor. (ANR&P coverage by Tom Peters)
a partnership with Sydney as a transhipment port would generate new business for Philadelphia. {Canadian Sailings, 3.Jul.09}.

Jim Wooder, chair of the Sydney Marine Group (SMG), said the major container ports on the Delaware river (two terminals in Philadelphia, Packer Avenue Greenwich and Tioga Marine, and a terminal at the Port of Wilmington) can only handle 4,000 TEU vessels due to water depths on the Delaware River.

**Parties to agreement**
The memoranda and a letter of intent were signed by the International Longshoreman’s Association District Council, Ports of Delaware River Marine Trade Association, Philadelphia Regional Port Authority, and the Sydney Marine Group (SMG). Among other things, the alliance will jointly pursue mutually beneficial commercial opportunities, share expertise and develop a framework appropriate to the advancement of shared objectives. {SMG press release 7.Jan.10}

**Deep water port**
SMG plans to have the entrance to Sydney harbour dredged to 17 metres by the end of 2010. Bids are due by the end of January, and SMG expected to decide by the end of March. Funding is not yet assured [see 09#11A]. When that is complete the marine group believes Sydney, along with Norfolk, will be the only two East coast ports capable of handling the mega post-Panamax vessels coming to North America through the Suez. [Baltimore expects to have a 50-foot channel and pier by 2014, claiming that will make Baltimore the second such port on the East coast–see 09#12A Searsport.]

**The air draft problem**
“Sydport's business case has always been about a niche market opportunity; providing new capacity that is responsive to the infrastructure challenges presented by the big ships,” Wooder said. “And the challenges are becoming increasingly apparent. For example, the Bayonne Bridge is now widely recognized as a significant impediment to the container business in the Port of New York/New Jersey.” {SMG press release, 8.Jan.10}
A 12,000 TEU vessel has an air draft of 61.5 metres; the Bayonne Bridge, depending on tides, has a varied air draft restriction of 46 metres to 48 metres. {Bayonne Bridge Air Draft Analysis, US Army Corps of Engineers, New York District, 9.09}

**Compare to Halifax**

Halterm’s terminal in Halifax has water depth at its berth of 17 metres and is not blocked by any bridges. The port’s second terminal in Fairview Cove, requires vessels to pass under two bridges. Maximum air draft restriction under the bridges is 49 metres. {Halifax Port Authority website}

**Melford, Halifax not threatened**

The proposed new terminal in the Strait of Canso [see 09#10B] will be able to handle the new, large vessels without any bridge hindrances or water depth issues, according to Richie Mann, vice-president of marketing for developer Melford International Terminal Inc. He doesn’t see Sydney’s plan with the American ports being a threat to Melford’s future operation. “It sounds like an MOU. I don’t know how many of those we have got in the drawer from probably with some of the same places that have them with other people. These things are never exclusive.”

Melford has identified short-sea shipping in its business plan as well as “feeder opportunities to both inland destinations and the seaboard and yet we have always said it is going to be a small part of the business starting out,” Mann said. “Given our geography and location, the vast majority of containers that move through an East coast port are going to have to move by rail. That’s where the consumption zones and the distributions centres are.”

Michele Peveril, with Halifax Port Authority (HPA) said the HPA wishes the Port of Sydney and the Sydney Marine Group all the best with their plans “but that said we do think it is important to make mention that Halifax Port Authority and the Port of Halifax are focused on trying to grow our container port. We have ample room to grow and we are today able to handle the largest ships afloat with our deepest container berths on the eastern seaboard of North America.” {ANR&P’ Tom Peters discussions 7.Jan.10}

The HPA is initiating a $35 million project this January that will see one South End (Halterm) terminal berth extended by 80 metres and the full length of the berth deepened to 16.5 metres. {Halifax Port Authority press release, 30.Apr.09}

**Significant opportunity**

Jim Wooder said: “The point from our perspective is they have a fabulous distribution system, three class A terminals with on-dock rail. They do a lot of foodstuffs and they service that New York, Washington area and think as far as Chicago. So as feeder service into Sydport it works absolutely beautifully,” he said. {ANR&P’s Tom Peters discussion 8.Jan.10}

The ILA’s Jim Paylor said, “It’s significant that the new alliance is broadly representative and accommodates the interests of labour, port employers (terminal operators/stevedores and ocean carriers), legislators and the port authorities of Philadelphia and Delaware basin. Before us is the opportunity to do something of great and strategic importance and in the process create several hundred new jobs for ILA members among others.”{press release 7.Jan.10}

Paylor said ports on the Delaware River aren’t big players in the container industry at the moment. “We’re two ports that are basically insignificant ...but all stars are aligning differently. On the way up here [from the Halifax airport–editor] today we talked about one of the things that I think is quite unique — that in this case the changes in the industry are contacting or connecting with the Port of Sydney because of logistics.” {Erin Pottie in Cape Breton Post 8.Jan.10}

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**SHELBURNE NS:**

**IRVING SHIP REPAIR**

5 January. **THE PROVINCE IS INVESTING IN THE REPAIR FACILITY HERE**, Shelburne Ship Repair, operated by Irving Shipbuilding [see box] since 1997. The Industrial Expansion Fund is providing an $8.8-million loan to cover the required repairs which will begin immediately on the marine railway and the wharf. {provincial press release}
Mary Keith, Irving spokesperson, wrote: ‘We assume ownership of the Shelburne site with this agreement; previously it had been leased from the Province. Our undertaking will be to sustain up to 70 jobs and an average annual payroll of over $3 million as centre of excellence for repairing diverse ships in markets that we could not previously compete, for example: large off-shore supply ships, Coast Guard ice breakers, and the naval auxiliary fleet, as well as commercial coastal vessel repair and small fabrication projects.’

Keith added later that while these ships could be repaired at Irving’s Halifax yard, ‘Shelburne is an alternative given increasing naval work at Halifax yard.’ {e-mail to ANR&P 8.Jan.10}

The transaction with the province
In 1997, under a public process to find an operator for the site, Irving was the only company to step forward. It leased the shipyard site for $1 per year under an agreement with Nova Scotia Business Inc’s predecessor, NSBDC. (Nova Scotia Business Development Corporation). In the current deal, Irving exercised its option to purchase the land, buildings, and marine slip for $1. ‘We are now going through the conditions to close an actual Purchase and Sale Agreement.’ wrote Sarah Levy, NBSI spokesperson. {e-mail to ANR&P special correspondent Tom Peters 6.Jan.10}

Keith added: ‘...The loan is repayable and matures May 31, 2026. The company is required to make principal payments during the term of the loan. Any outstanding balance of this loan is due on maturity of the loan (May 31, 2026). Approximately 80% of this loan is forgivable and without interest, which may be repaid through capital investment and wages generated from the operations.’ {e-mail to ANR&P 5.Jan.10}

MORE ON IRVING SHIPBUILDING
The company became part of the J.D.Irving family of companies in 1959. It has four yards:

Halifax Shipyard - the largest facility and the location of the head office. Up to 115m ships.
East Isle Shipyard – Georgetown, P.E.I. Reverse tractor tugs.
Woodside Industries - Dartmouth, N.S. Offshore fabricators.
Shelburne Ship Repair - Shelburne, N.S. Ships to 3,000 tonnes. {company website}

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.

Berkshire Biodiesel (CSXT, Massachusetts) Project dead.
CSXI intermodal (CSXT, Massachusetts) Move to Worcester?
CT Biodiesel (CSO, Connecticut) Proposed project.
Interstate Biodiesel (HRRC, Massachusetts) Proposed.
NS auto terminal (PAS, Massachusetts) First auto racks.
RVJ (PW and ST, Massachusetts #139, 142) Move to P
Pricing
Subscriptions cost $395 for professionals, $125 per year for students, young and old. (Subtract $40/year for e-mail). Introductory prices available. The e-bulletin, sent by e-mail at least weekly between issues, is free of charge to all subscribers.

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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.’

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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