**REGIONAL ISSUES**

**PAS/NECR:** First interchange in Miller’s Falls.**
**CP:** Hillcrest starting single carload service. *

**CONNECTICUT**

MNCR/PAS: PAS willing to sell Waterbury yard, or even vacate the Berlin branch?

**MAINE**

MMA@Augusta: Bond bill passes, with contribution from users.
MMA: Irving proposes rail users group select railroad of their choice in Aroostook County.*
MMA: FRA chief Joseph Szabo suggests public-private partnership.
MMA@STB: MDOT’s requested delay granted. Irving says MMA is not disclosing information.*
MMA@STB: Hearing in Presque Isle on 10 May.
MMA@STB: STB’s SEA finds no significant environmental impact from abandonment.
MMA: Tidbits on the Presque Isle rail service.*
Portland: Bond money for cruise berth.
Searsport: Update on possibility of dredging.*

**MASSACHUSETTS**

CSXT/MC: The STB approved, with condition, the transfer of CSXT rights on South Coast lines.*
MCER: ABC&D halts creation of tiny railroad.*

**NEW HAMPSHIRE**

MBRX: Fink files lawsuit against New Hampshire Legislature’s Ethics Committee.*

**RHODE ISLAND**

[No report.]

**VERMONT**

[No report.]

**MARITIMES/QUÉBEC**

CN: Twin Rivers opens a facility in Becancour.*
CN: Federal government supplies funds to Industrial Rail to rebuild Budd cars for VIA.*

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Captain Soppitt

**FROM THE PUBLISHER**

Key MMA dates
26 February MMA files to abandon
17 March STB issues notice of exemption.
8 April FRA’s Joe Szabo visits Bangor
12 April Maine Legislature passes bond bill
19 April Tell STB you’ll be in Presque Isle.
21 April Comments on abandonment to STB
5 May MMA responses to comments to STB
10 May STB hearing in Presque Isle
12 May Comments on environment to STB.
8 June Maine voters decide on bond bill.
15 June STB issues decision.
25 June Offers of financial assistance to STB

- Chop Hardenbergh Next formal issue 30 April
REGIONAL ISSUES

PAS/NECR: MILLERS FALLS OPEN**
7 April, Millers Falls. PAS AND NECR MADE THEIR FIRST INTERCHANGE HERE [see 09#12A and 09#12B], fulfilling a promised part of the NS-ST deal. The last Pan Am EDWJ (East Deerfield-White River Junction) occurred a little more than a month earlier. In March, NECR moved some cars from White River Junction for PAS.

On this day, the first five cars of interchange were set out by Pan Am and picked up by the NECR. NECR, as anticipated [why didn’t this happen a decade ago? - editor], is moving the traffic under a haulage agreement, thus saving PAS crew, fuel, and locos, while it retains the ability to bill the move. {NERAIL e-list post by Kevin Burkeholder, confirmed by railroad source}

The e-list reported at least two PAR trains moving north after the 7th, so PAS has not yet entrusted NECR with all the traffic. {NERAIL e-list}

NS haulage cars as well
PAS also provides haulage service for cars in the account of NS between NS’s trackage rights trains over CP as far as Albany, and Millers Falls. NECR then delivers these cars for PAS. {e-mail to ANR&P from NECR marketing honcho Doug Low 9.Apr.10}

CP: NEW CUSTOMER*
8 April, Saratoga Springs, NY. A GOOD EXAMPLE OF A SMALL RAIL SHIPPER was supplied by the Albany Times-Union: Hillcrest Bakery, a food supply company owned by Chris Barkyoumb.

From his former location in Fairfax, Vermont, he searched seven years for a location where he could decrease his carbon footprint; in 2008 he found a 4,000SF warehouse at 217 Edie Road, Saratoga Springs, NY, with a rail siding “as a nice extra.” The one building replaced three he was using in northwest Vermont.

Spur repair needed
Barkyoumb reported that getting his first car underway, a load of flour from North Dakota, took almost a year, until late summer 2009. Unfortunately, after the car departed North Dakota, CP informed him that his spur needed repair. John Riegel of WR Riegel & Sons “was able to come right in, and did a good job.” The car arrived, and seven since then. “We [will now be] running a car roughly every two weeks. I'm saving about $1.50 per bag of flour compared to trucking it up from Boston,” Barkyoumb said. Because rail deliveries cannot be made on short notice, like truck runs can, he has to carry a bit more inventory that he used to.

The spur is making his business more competitive on pricing, and he is looking at possibly extending his receiving to include produce from the West Coast, like tomatoes or raisins.

Outbound, he trucks, mainly using his own trucking firm.

Possible expansion
Hillcrest now employs about 25 people, having added six new positions during the last year. And Barkyoumb is considering extending the spur and adding a second freight door to the warehouse, so he can unload two rail cars at the same time. That would require a $75,000 investment, something that Barkyoumb hopes might be assisted through energy efficiency provisions of the federal stimulus program.

“Even though it might take me a while to recoup that, I can see the potential down the road,” he said. {Brian Nearing in Albany Times-Union 27.Mar.10; ANR&P discussion 8.Apr.10}
CONNECTICUT

MNCR/PAS: SELL RIGHT OF WAY?**

10 March. Waterbury. WHAT WOULD PAN AM SOUTHERN DO? The question was asked twice during a hearing on proposed improvements to the Metro-North commuter rail service (MNCR) to Waterbury. The state of Connecticut owns the right-of-way from Milford to Derby to Waterbury, though PAS owns the rail yard surrounding the MNCR station in Waterbury, except two tracks next to the station. PAS has freight rights from Waterbury to Derby.

The study
ConnDOT, ‘in cooperation with the South West Regional Planning Agency (SWRPA), Greater Bridgeport Regional Planning Agency, Council of Governments of the Central Naugatuck Valley, and the Valley Council of Governments, is preparing this needs and feasibility study....to identify potential service and infrastructure improvements for the 27-mile rail corridor between Milford and Waterbury, and the 7.9-mile rail corridor between Stamford and New Canaan.’

ConnDOT engaged consultants Parsons Transportation Group.

The presentation: freight
A Phase I report in January 2010 reported ‘a weeklong sampling of freight activity on the New Haven, New Canaan, and Waterbury rail lines was made by Metro-North’ [which dispatches the lines?]. On the Waterbury branch, MNCR reported five train movements during the week of 10 June 2007 (four PW overhead moves, one ST three-car move from Waterbury to Beacon Falls), and one in February 2008.

Question the first
The presentation outlined nine alternatives to improve passenger service, including a $20 million siding in Beacon Falls, and a $128 million signalization program. Parsons pointed to the least expensive improvement as building a storage yard and maintenance facility in Waterbury. For $3 million, the ability to store trains at the northern end of the branch would improve operational flexibility, allowing staging of trains at both ends of the branch. {draft study recommendations 23.Feb.10}

Building the yard would require acquiring PAS property, or at least an easement. Andrew Davis, the ConnDOT planner handling the Waterbury study, said “buying the yard might have some hiccups.”

Question the second
During the public hearing, one attendee asked whether the state, as part of the improvement, couldn’t remove Pan Am’s freight rights. The attendee said, according to Davis, that it was difficult to get service, and suggested that PW take over service instead. {ANR&P discussion 25.Mar.10; Andrew Larson in Waterbury Republican-American 11.Mar.10}

[ConnDOT did address the traffic on the branch during the STB’s 2008 consideration of the formation of Pan Am Southern by ST and NS–see 08#08A.

NS-ST said on 5 September 2008 that they ‘concurred with ConnDOT’s desire’ for more traffic on the branch. They were willing to negotiate interchange agreements with NAUG, HRRCm PW, and CNZR. See 08#09A. ]

Mini-editorial: ConnDOT and the consultant have prepared the worst web site access to a study I have seen. The web page hosting the pdfs labels them only as ‘short list report’ or ‘long list report’ with no explanation or table of contents. Clicking on the link reveals another list of unlabelled documents.
STATUS OF THE PAS CUSTOMERS
A few years ago, ST served several customers in Waterbury or south of Waterbury. Their current status:

**Tilcon.** This construction aggregate company once used ST to move product from quarries, but stopped by 2006. {e-mail to ANR&P from rail source Oct.06}

**Baer.** ST embargoed service to Baer in 2007 [see 07#02A], when work on a bridge was needed. The embargo was renewed each year thereafter. On 23 December 2009, ST again renewed it, to expire on 23 December 2010. Cause: ‘Bridge out of service.’ {AAR embargo system, Railinc website}

Baer has moved to East Providence, where it has re-opened a warehouse [09#11A] and is currently installing a rail spur.

**Hubbard Hall.** This company, located at 563 South Leonard Street, has a spur off MNCR. While five years ago it was doing about 50 carloads a year, this year it will receive 10-15 carloads of inbound chemical. {ANR&P discussions 13.Apr.10 & 14.Mar.05}

Two other companies, Beacon Pellet & Coal Supply in Beacon Falls, and Kerite in Seymour (cable), have in the past used rail. Phone calls to these two were not returned by press time.

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**MAINE**

**MMA: BOND BILL PASSES**

12 April, Augusta. *THE MAINE LEGISLATURE AGREED TO A $17 MILLION PACKAGE TO PURCHASE THE MMA TRACKAGE.* Following a weekend of lobbying and negotiating, enough Republican senators changed votes because of the downsized package to provide a 30-5 margin. Governor Baldacci signed the bill into law at 5PM this day.

On 7 April the Maine Senate turned down a bond package of $85 million. The bill, LD 1826, passed the House 100-48 (the requisite 2/3rds), but only 19-16 in the Senate. Republican senators said they would vote for a smaller package, but Democrats voted down amendments for lesser amounts. {Susan Cover in Mainetoday.com 8.Apr.10}

The **changed rail bond**
The Senate had failed to reach a 2/3rds majority on rail bond language which would have asked voters to approve $17 million for the MMA purchase, $5 million for the Mountain Division, and $5 million for Lewiston-Auburn.

As passed, the bill allocates $7 million to the MMA, $5 million to Lewiston-Auburn, and $4 million to the Mountain Division.

Where does the rest of the money come from
Beginning with an price of $21 million for the line, the state would take back grant and loans for the line, reducing the payment to MMA to $17 million. The state will take $7 million from its newly-replenished rainy-day fund, it will take $4 million from a 2009 bond fund, and the rail users are willing to contribute $3 million. [Some of these funds may go for rehabilitation–see footnote following.]

Particular language on MMA, Mountain Division, Auburn
As passed, the bill states that the bond:

‘Provides funds for railroads, including $7,000,000 to purchase and preserve approximately 240 miles of railroad track in Aroostook County currently owned and operated by the Montreal, Maine and Atlantic Railway, which track upon acquisition by the State must be operated by a rail operator chosen through a competitive...
process, in consultation with shippers and other stakeholders of the track; [emphasis added]

‘$5,000,000 to purchase a portion of rail line and to make other improvements related to improved freight rail
service and preparation for future passenger rail service to Lewiston and Auburn;

‘and $4,000,000 for repairs and improvements of the portions of the Mountain Division Railroad owned by the
State.’

Transfer of last year’s bond. ‘The $4,000,000 of the General Fund bond issue authorized by Public Law 2009,
chapter 414, Part A, section 6 allocated for railroad purposes and approved by the voters of the State at referendum
in November 2009 is specifically allocated to capital rail purposes including the purchase and preservation of
railroad tracks in Aroostook County and Penobscot County.’

Aroostook County rail task force. ‘The Governor shall establish a task force to work with the Department of
Transportation and other interested parties to ensure transparency in the abandonment and acquisition processes and
to work on operating arrangements regarding the railroad track located in Aroostook County. The task force must
include representatives of the public, private, and nonprofit sectors, and include members of the Legislature.’

Rainy day fund language. ‘The State Controller shall transfer up to $7,000,000 from the unappropriated surplus of
the General Fund to the Department of Transportation, Railroad Assistance Program...’

Source of the requirement language

Over the weekend, Republican Senator Peter Mills, a gubernatorial candidate for this autumn’s election, stated
‘suggested conditions for support’:

1. That the State be conveyed clear title to the land and track free of underlying liens.

2. Clawback of funds from previous state grants to be applied as a credit toward the purchase.

3. An independent appraisal certifying that the net liquidation value of assets conveyed to the State will exceed the amount
paid for the conveyance.

4. An assessment of the current condition of the track and assurance that federal funds or funds from other sources external
to the State are available to overhaul the track and bring it up to standards permitting operation of trains at ??? [sic] miles per
hour.

5. Commitments from shippers sufficient to sustain profitable operation of the line by a third party operator for at least three
years from date of purchase.

6. Long range or permanent concessions from MM&A that will allow the State or its third party operator to interconnect at the
north and south ends of the line at a cost that is feasible to operate the line profitably for the indefinite future. These include
the interconnection to Canadian National Railway at St. Leonard Station, southeast of Madawaska, and the interconnection
at Brownville Junction with MM&A.

7. Verification that the sale to the State is for 284.7 miles of track including 30.25 miles that are not found on the track charts.

8. Offers from one or more qualified third party operators to lease the line from the State upon terms that will:
- provide a profit to the State above [amortizing] the bond;
- provide improved standards of service acceptable to shippers,
- provide modern, upgraded equipment, dedicated to the line,
- provide sustained maintenance of the upgraded track, and
establish pricing policies low enough to attract new traffic to the line.

In addition, this bond bill could convert previously authorized and unexpended rail bond funds to be applied to the MM&A
purchase rather than to the purposes originally voted on last year. I believe there is about $4M still available that could reduce
the amount needed for this proposed MM&A bond.
{text from Peter Mills 10.Apr.2010}
More on the conditions
During a floor speech, Mills said: “This is not a mandate to go buy that rail line.” Those who will be involved with the rail negotiations should keep their eyes open.

“That if the Department of Transportation and the chief executive cannot put together a multi-part deal, or series of deals, that provide for rehabilitation of the line and good marketable connections to Canadian National in the north and the rail lines to the south, that we as a state should be prepared to walk away from it, in spite of our emotional attachments.” {A.J.Higgins in MPBN radio 12.Apr.2010}

On 13 April, Mills provided more information. He was not satisfied with the language in the bill, though he understood the need for the “typically bland” language in a bond. Before the state can sell the bond, someone such as a Wall Street lawyer or the Maine attorney general “has to certify that the condition has been met. Otherwise we cannot sell the bond.”

He made the speech, outlining the assurances he understood were given by the administration and other officials, though the assurances did not get written into the bond bill. “I’ve been assured that the State can and will walk away” from buying the line.

More on the amount needed
The stakeholders assumed a $21 million price for the 240 miles, then subtracted $4 million for ‘clawback’, the need for the railroad to repay loans or grants made by the state in the line. The $17 million would then come from the $7 million 2010 bond, the $4 million of the 2009 bond, $7 million from the rainy day fund, and $3 million from the users.

Mills noted that “it makes a lot of difference how bad the track is. We were told it could be fixed up for $9-$10 million.”

Trackage rights
Mills spoke on the floor of the need to ensure that an independent operator of the line could reach outside railroads efficiently. “How do we squeeze MMA for trackage rights?” he said on 13 April. While some of the stakeholders wanted the state to buy the line from Madawaska to Van Buren, “none of that was on the table.”

He did report that stakeholders acknowledged that CN “has the legal right to move its own train” from St.-Léonard to Madawaska, because of the deal the dying Bangor & Aroostook made, selling trackage rights to CN for only $5 million [see 03#10B]. This access might help an independent operator, though CN has relied on MMA’s per car fee to move the cars, rather than running its own trains.

The users’ contribution
While the promise of a contribution of $3 million1 from the rail users is found nowhere in the bill, Mills was “told by the governor, that is what opened the deal” so that the Republican senators came around. “The governor deserves credit. He told the shippers” that “everyone hates Wall Street” right now, and does not want to help out the bankers. If the local rail users chip in, it will make the deal much more politically palatable.

Moreover, MDOT Commissioner David Cole and others are getting assurances from the federal government that the state’s chances in a second round of TIGER funding are much improved over the first round. In February 2010, the state was turned down in its application for the MMA $23 million funding in the first round of federal TIGER grants [see 10#02A].

In the next round, with a decision due at the end of September, the application is enhanced with the willingness of the state and the users to contribute to the line, Mills said. {ANR&P discussion 13.Apr.2010}

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1According to Maria Fuentes of the Maine Better Transportation Association, legislative leaders said that the users would contribute $1 million a year for three years. ‘They suggested that money would be used for the purchase, but I have to believe they are talking about the “shippers’ coop” that they hope will have a hand in overseeing the process once the state purchases the track and finds an operator.’ {e-mail to ANR&P 13.Apr.2010}
MMA: NBSR OPERATE?*

26 March, Augusta. IRVING DISTRIBUTED A PRESENTATION ‘THE AROOSTOOK RAILROAD’ which described how the rail users might control the line once the state has purchased the line from MMA. The presentation was attached to MMA’s opposition to Irving discovery requests [see below].

According to MMA, the presentation is circulating at the Maine Legislature. Irving’s lobbyist, Jim Mitchell, when asked earlier whether Irving might buy the lines MMA wanted to abandon, said only if Irving had direct access over MMA lines to the unwanted portion [see 10#02B].

The presentation puts forward two options to provide rail service, without the MMA.

Three entities involved
Both options have the state, a rail users group, and an operator or group of operators.

Role of state
Both options give the same role to the state:

‘State of Maine. (1) Provide rail line to shippers under a long-term Lease Agreement. (2) Provide capital for refurbishment & fund track maintenance for the first 3 years. (3) Ensure competitive running rights and switch rates to interconnections. (4) Retain common carrier status.’

The presentation said the state must provide, in addition to the $19 million\(^2\) to purchase the line:

- ‘Initial refurbishment of the main & branch lines to permit 25-30 mph minimums, at a cost of approximately $20MM.’

- ‘Ongoing rail maintenance: (I) The single service provider solution requires a minimum 3 year commitment by the State, estimated at $3MM/year after refurbishment capital. (II) The alternative would have the State retain the maintenance responsibility (contracted to a 3rd party), funding by running rate revenues.’

- ‘[P]olitical and financial support of this proposal: ...Running rights $0.30/car/mile, Switch Rates $185, Retain common carrier status.’

Option A: hiring of Eastern Maine Railway
The presentation called this Single Service Provider Solution, in which the users would hire one operator:

\(^2\)Unclear as to why the Legislature was initially proposing a $20 million bond, Irving is referring to $19 million, and the bill before the Legislature on 7 April referred to $17 million. **Editor**
‘Rail users, LLC. (1) Establish a formal legal structure composed of rail users. [Accompanying graphic lists Fraser, Irving, Seven Islands, Huber, L-P, ‘and others’.] (2) Dedicated annual freight commitment to rail line. (3) Provision of initial working capital for rail line operation.’

The freight commitment consists of the ‘minimum volume necessary to support operating cost recovery of the rail service (excluding state sponsored maintenance in the first 3 years).’ Working capital ‘to fund the initial start-up of 3rd party rail operation, estimated to be $2 - $3 MM.’

‘Shippers are all equally motivated to increase freight rail volumes, leading to lower per unit transportation costs.’

‘Rail operator,’ Rail users, LLC would hire the EMRR, a sister railroad of NBSR. ‘(1) Independent provision of rail service on a cost recovery basis. (2) Commitment of efficient & responsive operation to all users.’

Option B: open access for ST, EMRR, CN, or MMA
The presentation called this a Multiple Service Provider Solution, under which the line would be open to four railways.

‘Rail users group. (1) Establish a coalition of rail users. (2) Dedicated annual freight commitment to rail line. (3) Ability to contract with any rail service provider.’

‘Rail operator. (1) Provision of rail service to customers on an individual contract basis. (2) Payment of running rights to State.’

‘Running rights for multiple service providers could be established at a fair rate ($0.30/car/mile). This structure would permit open access by any rail operator to utilize the railroad on behalf of any client. The revenue would flow to the State, and could be used to offset maintenance costs.

‘Initially, running rights will provide enough revenue to offset approximately 1/3 of the $3MM annual track maintenance, with this revenue increasing as volume increases and service levels improve.’

MMA: FRA VISIT
8 April, Bangor. FEDERAL RAILROAD ADMINISTRATOR JOE SZABO MET WITH LOCAL AND STATE OFFICIALS here to discuss how to support the MMA line, at the behest of US Senator Susan Collins [see 10#03A]. Szabo said after the meeting, “I've heard the suggestions of state ownership. I've heard the suggestions of a co-op operation. These things are all viable. I think the bottom line is that there is both the intelligence in this room and the where-with-all in this room from all of us to find the ability to get the right package.”

From the federal perspective, said Szabo, there was no magic bullet and federal dollars won't come first, but his agency was willing to be part of a unified solution. Maine US Representative Mike Michaud said: “[H]aving worked with the feds on this issue way back in October, they're not going to do it alone and they're going to look at what role the state can and should play in this whole abandonment issue.”

MMA@STB: ANY DELAY?*
5 April, DC. THE STB GRANTED IN PART, AND DENIED IN PART, VARIOUS PROCEDURAL REQUESTS. The board extended the deadlines for responses, so that ‘comments on the application, protests, interim trail use requests, and public use requests must be filed by April 21, 2010. A rebuttal from the railroad is now due by May 5, 2010. The Board continues to urge the parties to work together to resolve the issues raised in this proceeding by mutual agreement.’

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3 Compare to $1/car-mile charged by Amtrak in Connecticut. Editor
Formal discovery
On 24 March, MDOT requested that the Board extend the filing deadline for comments by 21 days. While the state and the railroad continue to negotiate, and the Maine Legislature considers whether to authorize a bond for the purchase of the property, MDOT and other parties would like to engage in formal discovery.

Hi-rail inspection
MDOT also argued that MMA had scheduled a hi-rail inspection of the lines to be abandoned close to the deadline for protests and comments, 12 April.

MMA posited that the hi-rail inspection was of benefit only for Offers of Financial Assistance, that is, determining the value of the line. MDOT responded that ‘the inspection is not only relevant to net liquidation value and OFA’s, but that it is also relevant to the condition of the lines, claimed needs for rehabilitation and maintenance, claimed slow orders, and additional factors that directly relate to Applicant's calculations of costs and losses. Further, [net liquidated value] is relevant not only in the OFA process, but also is the basis for Applicant's calculation of opportunity costs.’ {STB Docket No. 1043 (Sub-No. 1), MDOT filing 26.Mar.10}

Irving wants more discovery
Irving issued interrogatories on 12 March; MMA responded 25 March, declining to respond to the ‘great majority of requests and refusing to produce virtually all documents requested.

The Irving requests concern the 'stranded' line from Madawaska to Van Buren, which the STB said it would address in the merits phase of the case [see 10#03B]. ‘The Board should order MMA to answer...so that post-abandonment service to the stranded segment can be evaluated.’

Irving also wanted the basis for which MMA Vice-president of Marketing Joe McGonigle could comment on the diversion to truck. McGonigle’s Verified Statement said that MMA’s market share versus truck amounted to less than 10%. {STB Docket No. 1043 (Sub-No. 1), Irving filing 1.Apr.10}
MMA resisted the Irving request, arguing in part that Irving’s possible operation of a railroad in Aroostook County [see above] ‘may explain the wide-ranging nature of Irving’s discovery requests and the lack of relevance of many of the requests.’ {STB Docket No. 1043 (Sub-No. 1), MMA filing 5.Apr.10}

**MMA@STB: PUBLIC HEARING**

9 April, DC. **THE STB WILL HOLD A PUBLIC HEARING IN PRESQUE ISLE** on the MMA’s proposal for abandonment. At 9AM, the hearing will begin at the state District Court house on Riverside Drive; no live video or audio streaming.

Anyone who wishes to testify must sign up by 19 April. {STB website, decisions page, STB Docket No. AB-I043 (Sub-No.1)}

**Old Town Fuel & Fiber.** On 12 April, OTFF’s attorneys Drummond Woodsum of DC filed a notice to participate which also described the company’s dependence on rail. ‘Grant of the proposed abandonment would eliminate OTFF's ability to obtain [the 25-30% of railed fiber–see 10#01B] at its current price structure thereby materially increasing the costs of doing business such that the Mill may no longer be economically feasible to operate. Closure of the Mill would result in the loss of approximately 200 jobs in an area already suffering economic stress.’ {STB filing website, OTFF filing}

**MMA@STB: NO EIS NEEDED?**

9 April, DC. **THE STB’S DRAFT ENVIRONMENTAL ASSESSMENT FOUND NO SIGNIFICANT IMPACT.** The Board’s Section of Environmental Analysis stated in the decision issued this date: ‘[W]e have heard many concerns from representatives of the people of Maine, the shippers, the railroad, and some Maine agencies....[W]e have done our best to reflect the importance of the railroad to the citizens of Northern Maine and the hope for prosperity that the presence of the railroad represents to those citizens.’

However, the SEA found the environmental [word underlined in draft EA] impact not ‘significant.’

**No Environmental Impact Statement**

SEA noted the two requests to prepare an Environmental Impact Statement [from four shippers–see 10#03B–and from MDOT], instead of an Environmental Assessment. ‘[B]ased on the information SEA has gathered to date, we believe that the likely environmental impacts...would be those associated with transporting goods by truck instead of by rail....

‘SEA has preliminarily concluded that...the increased truck traffic would be within the level of traffic accommodated by area roads. And it appears that some of the potential effects on the environment, though adverse, would not be significant....But we have not yet heard directly from a pivotal group–the citizens of Maine–on our preliminary conclusions. We will, therefore, revisit the request for us to prepare an Environmental Impact Statement after we have received the public’s comments on the Draft Environmental Assessment.’

**Economic impact**

The SEA said the ‘likely effect to the economy of Northern Maine, and perhaps to the entire State...primarily will be examined by the Board as part of the “transportation merits” of this proposed abandonment and not as part of its consideration of this environmental review.’ {STB website, decisions page, STB Docket No. AB-I043 (Sub-No.1)}

**MMA: OPERATIONS***

March, Squa Pan. **SOME DETAILS OF THE AROOSTOOK COUNTY OPERATION** came out of an reporter’s coverage this month.
**The train for Fraser**

On the previous day, the train from Van Buren and the Fraser facility had 63 loads and nine empties to haul south to Millinocket. The loads began with 15 cars of lumber from the Logistics Management Service in Van Buren and Fraser Timber in Masardis, and 29 outbound paper cars from Fraser, according to John Perkins, MMA’s manager of train operations in the railroad’s northern area.

In Squa Pan it lifted eight loads of oriented strand board from Huber in Easton, and four cars of oats from Maine Potato Growers in Presque Isle.

**The Presque Isle local**

The crew operating Job 120, from Squa Pan to the customers on the Presque Isle lines, hauled 26 cars: two carloads of utility poles to Presque Isle, several empty cars for Huber, and several tanker cars of cooking oil for McCain Foods Inc. of Easton. It would lift loads of potato meal and spot empty wood chip carriers and tankers for Dead River at sidings.

And something new: a carload of wafer board to a Caribou siding for S.W. Collins Co.

**Track too slow**

Safety concerns and poor track maintenance limit track speeds. Many wooden ties are so worn that they crumble underfoot. MMA tries to maintain the lines, the crew said, but is hampered by insufficient money and the poor maintenance of its predecessor, Bangor and Aroostook Railroad. “When I first started this job you could do it all, go from Squa Pan to Presque Isle to Easton and back again to Squa Pan, in 10 hours,” conductor Jarrad Clark said, who has worked for the railroad for more than 11 years. “Today that’s impossible.”

The crew finished the day having delivered most of their empty rail cars, but a half-dozen deliveries and pickups that were supposed to finish their day would await them the next day. “It’ll probably take us the rest of the week to catch up. You feel like you haven’t done anything,” Clark said, “but you know you have done a lot of work. You’ve worked hard.”

**Fraser complaints**

The slow tracks, delivery and pickup delays and miscommunications have forced Fraser, soon to emerge from bankruptcy as Twin Rivers Paper Company, to miss delivery deadlines, according to Tracy Caron, the corporate transportation director. Often the company has hired trucks, sometimes on the fly, to redress delays, she said.
“Just recently we had two cars that sat here in our rail yard for days without us knowing it,” Caron said from the company’s Madawaska headquarters. “Right now we are on such a tight schedule with our customers that we cannot afford these kinds of delays.”

If MMA had all of Fraser’s traffic, instead of half the 2,500 cars of paper moving to New Jersey, Illinois, Wisconsin and South Carolina in 2009, MMA could run a profitable train. “Ours is a volume business,” President Bob Grindrod said. “The more traffic we would get, the better their service would be.” {Nick Sambides in Bangor Daily News 27.Mar.10}

PORTLAND: NEW CRUISE BERTH
12 April, Augusta. **THE FINAL BOND BILL INCLUDED $6.5 MILLION FOR A NEW DEEP-WATER CRUISE SHIP BERTH IN PORTLAND HARBOR** [see MMA article], a decrease from the $8 million proposed by Baldacci in March. Still, the vote was “very good news” for Portland, said Nicole Clegg, the city’s director of communications.

With construction prices still low because of the economy, Clegg said $6.5 million may be enough to fund the project. Should it fall short, the city will look toward local bonding or other funding mechanisms to make up the difference, she said. “This is something the city has been working on for years.”

The deep-water berth would allow large cruise ships and other vessels to dock in the harbor. For the 2010 cruise ship season, Clegg said, the city expects 70 ships—twice the number that came two years ago—with 800,000 passengers. The city would like to complete the berth before the 2011 season, when 36 ships are already scheduled to visit the city. {Susan Cover in Portland Press Herald 13.Apr.2010}

SEARSPORT: DREDGING**
31 March, Concord, Massachusetts. **AN UPDATE ON THE DREDGING OF THE HARBOR** was provided by the US Army Corps of Engineers (ACOE) New England office.4

**History**
A Congressional Resolution passed in July 2000 at the request of the Maine Department of Transportation (MDOT) called for a study of Searsport Harbour with a view towards deepening the existing 35-foot deep channel in support of port activities at the state and private terminal facilities at Mack Point. ACOE completed a ‘Reconnaissance Study’ in September 2004. MDOT and ACOE in December 2005 completed a cost-sharing agreement for the feasibility study, expected to cost $800,000, with the federal government paying 50%.

**Status**
Searsport stakeholders believe that dredging to 40 feet will result in lower costs to petroleum product consumers, as Irving tankers can access the terminal fully loaded [see 09#06B].

The March update stated, ‘Preparation of the draft feasibility report including project costs, economic benefits and environmental assessment will be completed in 2010. Public review of the draft feasibility study and environmental assessment will also occur in 2010.’ {text of update from ACOE New England website}

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4 The New England office updates its activities, posted on its website, for each New England state at the rate of two per month, usually. In March, it did Connecticut and Maine. ‘Through its Regulatory program, the district processes about 5,000 applications per year for work in waters and wetlands of the six-state region. We employ about 510 professional civilian employees, with about 300 stationed at our headquarters in Concord.’ {ACOE New England website}
MASSACHUSETTS

CSXT/MC: HIGHBALL!*  
29 March, DC. The STB granted MC’s request to assume freight rights on the South Coast Lines, which MC and CSXT had jointly requested [see 09#11B and 10#03B Regional].

Trackage rights okayed earlier  
‘In a second related proceeding, STB Finance Docket No. 35314 (Sub-No. 1X), CSXT filed a verified notice of exemption to grant Mass Coastal certain overhead trackage rights to enable Mass Coastal to connect the South Coast Lines to its existing lines (Trackage Rights Transaction). The notice of exemption became effective on December 24, 2009.’

Transfer of freight rights permitted  
The Brotherhood of Railroad Signalmen and Brotherhood of Maintenance of Way Employees Division/IBT (the Unions) jointly filed a comment in opposition to the application, to argue that the term “rail freight easement” is not found in any provision of the Act, including section 11323. The term “property,” however, is used in section 11323 when Board authorization is required for one carrier to “purchase, lease, or contract to operate property of another rail carrier.” 49 U.S.C. 11323(a)(2) (emphasis added). Although “property” is not defined in the Act, we have no doubt that a rail carrier’s property may include operating easements in addition to other types of easements.

‘The Board has consistently treated rail freight easements as rail carrier property that cannot be transferred or abandoned without Board authorization.’

Limits on transfer addressed  
The proposed transaction stated that ‘a holder of the easement on the South Coast Lines, such as Mass Coastal, may transfer the benefit of the easement to a third party that meets “transferee standards” that were not included in the record....

‘To avoid the potential for the parties agreeing to transferee standards that could restrain competition, we will condition approval of Mass Coastal’s acquisition of the freight easement by requiring the parties to provide a copy of the final Release Deed and the applicable transferee standards to the Board within 15 days of execution of the Release Deed and the standards. We reserve the post-approval right to require the parties to amend the standards to address any anticompetitive issues the Board might identify.’

The decision is effective 28 April. {STB website, decisions page, Finance Docket No. 35314}

MCER: NO NEW RAILROAD?*  
1 April, DC. The STB granted ABC&D’s request to withdraw its notice of exemption to create a new railroad to operate its existing construction and demolition debris facility, and possibly expand into municipal solid waste [see 10#03B]. {STB Finance Docket No. 35356}

MassDOT discussions  
Leonard Singer, attorney for ABC&D, said “we are chatting with MassDOT to see what their concerns were” about the proposed railroad.” ABC&D will also reach out to the Town of Ware for discussions: “We are willing to do it if they are.” {ANR&P discussion 28.Mar.10}

PVRR: CUSTOMER REOPENS  
31 March, Westfield. DCP MIDSTREAM BEGAN RE-OPENING ITS PROPANE FACILITY HERE. Mike Rennicke, PVRR general manager, said the facility was mothballed in 2007 [see 07#07B] and is now ‘in the process of reopening....
‘Changes in the market and distribution have moved up their plans to resume using this site. First 30 cars arrived [31 March]. Full service will begin between April 15 and May 1.

‘We have held training sessions with all crews to review the hazmat requirements and special handling issues of this plant. We will likewise be refreshing the training we have done with the Westfield [fire department] to review rail related issues and responses.

‘Volumes should exceed 500 cars for the remainder of 2010. Obviously the PVRR is very please to see the return of this business.’ {e-mail to ANR&P 11.Apr.10}

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NEW HAMPSHIRE

MBRX: A FINK OBSESSION*

8 March, Concord. ST FILED SUIT AGAINST THE LEGISLATIVE ETHICS COMMITTEE OF THE GENERAL COURT for failing to follow its governing statutes. In brief, the Committee fashioned an informal resolution via the letter from State Representative Peter Leishman [see 10#02A], a resolution which conforms to the Committee’s regulations, but which is not, per ST, permitted by the statutes. The Committee’s response to the complaint is due by 4 May.

ST hired a local solo practitioner, David Sturm of Milford, NH, to handle the case [rather than use in-house counsel—editor]. {Merrimack County Superior Court, Docket No. 10-E-0079}

Leishman response
Leishman, the subject of the ethics investigation, said that Dave Fink, head of the Pan Am holding company, “is obsessed with me. He won't let go of this 2.8 miles of track. No wonder he has no money for ties, he's spending it all on legal fees.”

How is informal resolution going?
On 12 April, MBRX plans to restart its movement of aggregate for Granite State Concrete, requiring it to utilize the 2.8 miles of ST track from which Leishman has been barred [see 10#03B]. The other qualified crew members will move the train, Leishman said.

Fink wants MBRX to flag all crossings except those with gates. Flagging “even grade crossings with signals” can create confusion and create a safety problem, Leishman worried, because drivers would become inured to the flaggers and ignore the signals. “It’s a terrible mixed message.”

In terms of resolving the outstanding issue of a lease renewal, “there’s no resolution.” The STB’s Office of Rail Consumer Assistance is still working. {ANR&P discussion 7.Apr.10}

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QUEBEC/MARITIMES

CN: MONCTON GETS FUNDS*

29 March, Moncton. THE FEDERAL GOVERNMENT WILL SUPPLY funding for the complete modernization of six rail diesel cars for VIA, according to an announcement by Keith Ashfield, minister of National Revenue, the Atlantic Canada Opportunities Agency and the Atlantic Gateway, Marc Laliberte VIA Rail Canada’s president and CEO, and Richard Carpenter, president of Industrial Rail Services Inc.

The Moncton firm of Industrial Rail Services Inc (IRSI) of Moncton has been awarded a $12.6 million contract for the project, fully funded through the federal government's Economic Action Plan.
The Budd cars have a future
Built in the 1950s by the Budd Company of Philadelphia, the six sturdy, stainless steel RDCs are structurally sound. IRSI will install numerous technologically-advanced sub-systems which will give 15 to 20 further years of safe and reliable service to Canadian rail travellers with improved cost-effectiveness and passenger comfort. The rebuilding project will also reduce the already-low environmental footprint of VIA's RDCs.

The first of the six rebuilt RDCs will be delivered by IRSI in April 2011 and the remainder of the fleet will be completed by the end of that year.

VIA RDC services
The six RDCs will be used on two of VIA’s most diverse and scenic services. In northern Ontario, the 484-kilometer Sudbury-White River line serves a remote region with limited transportation options.

The Vancouver Island service operates daily in both directions over a 225-kilometer route paralleling the Strait of Georgia from British Columbia capital of Victoria, north to the important regional centres of Nanaimo and Courtenay. {press release}

[One wonders whether VAOT, with the departure of Charlie Miller who supported [see 07#01A] the now-gone [see 08#12B] Colorado Railcar, will continue to insist on buying new, untested self-propelled cars instead of the RDCs for the Vermonter service. Editor]

CN: NEW TWIN RIVERS FACILITY*
1 April, Becancour, Quebec. A NEW OILSEED PROCESSING OPERATION IN QUEBEC BEGAN PRODUCTION this day, supplying crushing capacity for both soybeans and canola in eastern Canada. The $153 million plant, on the CN line between Montreal and Sainte-Foy, is a joint venture between Twin River Technologies of Quincy, Massachusetts and the Quebec oilseed processor Entreprises du Transformation de Grains Oleagineuses du Quebec. The Quebec government supplied $20 million of the cost.

Twin Rivers in Quincy owns over 300 railcars and operates the FRT on tracks owned by the Massachusetts Water Resources Authority; FRT also serves the sewage dewatering plant which rails out dried sludge from New England Fertilizer. Twin Rivers receives tropical vegetable oils from Southeast Asia, and ships fatty acids outbound to Latin America.

2003 expansion to Ohio
In March 2005 Twin Rivers bought a Procter & Gamble olestra plant in Cincinnati. Twin Rivers will supply P&G with its needed olestra. TRT is a key supplier to P&G. {Institute of Food Technologists 27.Feb.02, 6 Sept 03}

Operation
Crushing will begin at the start of April, said John Burgess, the VP of operations and engineering for the firm. Burgess said the plant will run seven days a week and can switch from canola to soybeans with very little down time. The plant's refinery, once it is operational, will also be able to refine palm oil. The commodity split will likely

A KINDER, GENTLER CN?
Peter Ladouceur, CN assistant vice-president of sales and marketing:

“Our bedside manners kind of suck. We haven't been good bedside doctors. We know darn well that we push change pretty hard and in some cases it probably felt as though we were shoving it down your throats. I lived through that.

“You lived through that. My message tonight is that we're not going to abandon the principles of running a scheduled railroad but we are going to be a lot more cognizant of the fact that there is this thing called a supply chain. That it's not just about CN.”

- State of Logistics dinner in Toronto 13.Apr.10 as cited in todaystrucking.com. [Hunter Harrison is aghast. Editor]
be 60% canola and 40% soybeans with an annual output of about one million tonnes. Most of the canola will be sourced in western Canada but plant officials say the proximity of the plant to farmers in eastern Ontario, Quebec, the Maritimes and northeastern US might prompt more local production of canola in the future. When it comes to soybeans Burgess said the plant will purchase beans from farmers in Quebec and Ontario as well as from farmers in the US. For now the company is dealing directly with grain dealers and elevators for supplies but in the future farmers may be able to sell directly to the plant, he said.

On the output end the plant will produce oils for the food processing industry while the meal from the crush process will be directed to the hog, poultry and cattle industries as a feed source. Burgess said the company should have the refinery portion of the plant operational by May 1, allowing for the sale of quality food oils for consumers in eastern Canada and the northeast US market. {Ontario Farmer 30.Mar.10}

NBSR: POTASH STORY*

23 March, Sussex NB. *AFTER A YEAR OR MORE OF DEPRESSED SALES, THE GLOBAL POTASH MARKET IS SHOWING SIGNS OF RECOVERY*, said Mark Fracchia, general manager, Potash Corporation Saskatchewan–New Brunswick division.

2009 slow year: 2010 looking better

The potash industry faced tough times in 2009; the Sussex plant produced approximately 300,000 tonnes of potash, far less than its 800,000 tonne capacity, Fracchia said. “In 2009 we produced less than 40% of our normal capacity so we had several shutdowns. We had three separate, eight-week shutdowns and our regular four-week summer close.”

In 2008 approximately 52 million tonnes of potash was used world-wide for fertilizer; that number dropped to approximately 30 million tonnes for 2009, said company spokesperson Bill Johnson. PCS led the production, supplying about 18% of global usage.

However, Fracchia said sales have strengthened in 2010. “We went into 2010 announcing an eight-week shutdown that began 17 January, but brought the crews back early and resumed operations 19 February. It has been going great ever since. Sales have increased significantly.”

Destination of product

Some 95% of the potash produced at the Sussex plant moves by rail to the Barrack Point terminal in the Port of Saint John for export; Fracchia estimated each car carries 100 tonnes, so that in 2008 the plant sent out 8000 railcars via CN. The remaining product is transported by rail or truck to domestic markets. {PotashCorp website}

At two warehouses in Barrack Point, the potash is dropped through the bottom of railcars and moved to storage areas in the warehouse by conveyor. Conveyors ultimately transport the product into ships. Fracchia said the majority of the potash produced in New Brunswick goes to Central and South America for use as fertilizer.

Furcan Marine, which acts as an agent for the ships when they are in Saint John port, also supplies the stevedoring to unload railcars and load the ships.

Ship numbers up

Trevor Durant, operations manager for Furcan Marine's agency division, said the number of ships loaded in a week depends on the markets. “The U.S. market was really bad last year so we didn't have many ships, maybe 20 all year. But so far this year we are up to about 30 ships.”

Vessel size depends on the market. Loads going to countries like Mexico, Honduras and Guatemala range between 4,000 and 6,000 tonnes. Vessels going to Brazil, however, take up to 30,000 tonnes.

Salt a product by truck

In addition to the potash, the mine produces about 600,000 tonnes of clean salt annually. About half is sold to the province of New Brunswick to be used as road salt and transported from the mine by truck. The rest is trucked to the port where it is shipped up the St. Lawrence River to Quebec customers and to the Great Lakes for markets in
Ontario and the northern U.S. [Salt was once railed—see 99#13.] “All of our salt is sold through Cargill,” Fracchia said.

Like the potash, the salt is stored in the warehouses and from there loaded onto vessels by Furncan stevedores using conveyor systems. The trucks carry 25 to 30 tonnes of salt per load which is the equivalent of approximately 9,000 to 10,000 truckloads in a typical year.

Durant said Furncan loaded about five vessels in 2009, each taking about 35,000 tonnes.

Expansion continues
The New Brunswick operation is presently undergoing a $1.4 billion expansion. {Potash Corp release, 17.July.07}. PCS is sinking a new service shaft and a new production shaft, about 1,000 metres from present operations. The plan is to essentially develop a new mine, said Fracchia.

“As well we are going to be constructing surface facilities to handle the expanded production and expansion of the existing plant and also constructing a new compaction plant.”

Production goals
PCS expects to complete the new production mine shaft in 2012, when the company will begin mining salt, and later potash. It expects to reach full mining capacity of two million tones per year of potash and a million tones of salt in 2015.

“When we have the new mine up and running and reach a certain capacity, the plan is to shut down the existing mine. We have a brine inflow in that mine and it is a costly thing to control,” Fracchia said. {ANR&P’s Tom Peters’ discussions with Frachia 23, 29.Mar.10; with Bill Johnson 18.Mar.10; with Trevor Durant 25.Mar.10}

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.

Baer (ST, Connecticut) Embargoed.
Collins (MMA, Maine) First carload of waferboard.
DCP Midstream (PVRR, Massachusetts) Reopens Westfield.
Industrial Rail (CN, New Brunswick) Budd contract for VIA.
Old Town Fuel (ST, Maine) MMA delivers wood chips.
Potash Corp (CN, New Brunswick) Expansion.
Twin Rivers (CN, Quebec) New joint venture in Becancourt.

PEOPLE

Captain Alwyn Soppitt will retire as president of the Saint John Port Authority in June 2011, after 15 years in that position. The search for a new president may take eight months.
Coverage
The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

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

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

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