**REGIONAL ISSUES**

PAS/ST: Update on changes and improvements: new personnel, trackwork, weather. *

SLR: Brault says not all customers need 286.*

ST/CSXI: Sappi paper via Massachusetts ramps.*

CSXI: Trucks off I-95, through Ohio?*

PAS/NECR: Correction, no haulage. Coming.**

**NEW YORK**

CSXT/CP: Joint operation NYC-Montreal.

**CONNECTICUT**

Connecticut commuter: USDOT’s Ray LaHood visits Hartford, extolls NHHS plan.*

ST: Pellet shipper not now using rail.*

PAS/CNZR: Interchange began in Hartford.*

**MAINE**

Amtrak/ST/NNEPRA: Wye, moving Portland depot, extending to Brunswick.*

MMA: Governor’s executive order requires MMA to permit trackage rights to 3rd-party operator.*

MDOT/MMA: Aroostook Rail Task Force members announced.*

MMA@STB: Mediation 22 April followed by STB postponing formal action for more mediation. Elliott to visit Presque Isle anyway. No backroom deal.*

MMA@STB: Filings. BLET, Huber, L-P protests. Irving asks for trackage rights. MDOT asks for public use condition.*

**MASSACHUSETTS**

CSXI: Ocean Spray Worcester intermodal ramp.*

**NEW HAMPSHIRE**

New Hampshire commuter: New Hampshire Rail Transit Authority to seek planning grant. *

NEGS/ST: Notice of settlement filed.*

MBRX/ST: No progress in mediation, no operation.*

**RHODE ISLAND**

[No report.]

**VERMONT**

[No report.]

**MARITIMES/QUÉBEC**

Halifax: Maersk, CGM CMA, “K” Line add.

Halifax: 1Q10 results up, way up.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

People: Bernie McCall, Ed Motte, Jack Dail, Mitchell Whitmire.

FROM THE PUBLISHER

More news from NEARS

A bonanza of news. More in the next issue as well. I recommend attending the autumn meeting in Cape Cod.

- Chop Hardenbergh Next formal issue: 14 May
REGIONAL ISSUES

PAS/ST: AN UPDATE
23 April, Newport. ST’S RECENT CHANGES AND IMPROVEMENTS were outlined by Ed Motte, Pam Am Railways vice-president for transportation, at the Short Line Panel during the spring meeting of the North East Association of Rail Shippers here.

Of the railroad, Motte said: “It’s a challenge every day.” When he first came [he arrived in autumn 2006–see 06#11A] ST reminded him of the PennCentral. “Short lines don’t have money.”

Additional locomotives
ST has purchased 10 SD40s this spring; some are already operating, “the rest are coming into service in the next couple of weeks.” They are operating on the Maine to Massachusetts line, giving ST a “reliability for our operating plan we have not enjoyed.”

Weather problems
The first week of March weather caused an inoperative signal on the NNEPRA line [Portland-Haverhill–editor], cancelling the Downeaster for several days.

In the middle of the month, heavy rain caused the overflow of a pond in Clinton, Massachusetts, on the Worcester main.

At the end of the month, a pond in Littleton, Massachusetts, rose over the Freight Main for the distance of one mile and “stayed for six days.” This stopped all Maine-New York traffic until ST was able to operate trains through Boston, which has restricted clearances. “We had to switch out all Plate F cars.” ST ran 10 trains with the smaller cars through Boston. “The backup exists still today.”

West end improvements
Because NS crews were able to do “two years work in one year, we are up to timetable speed on the west end.” [See 09#10A for McCall information on this.] “We can keep our interchanges in Mohawk (with CP) and Rotterdam Junction (with CSXT) clear” of cars.

McCall resignation
“We lost a lot” when McCall resigned [see other article] effective this day. “He came from CSX, we worked at Conrail together.” As PAS general manager, he got the west end “up and running slick.”

Personnel changes
“We will move on,” Motte said. The railroad is now searching for a replacement. [According to PAR Supplemental Order No.1-04H issued 26 April: L L (Larry) Ferguson becomes Acting General Manager West (was Director Of Train Operations), taking over McCall’s duties. J.R. (Jimmy) Quinn becomes Superintendent East (was H.C. Barstow). L. (Luke) McCaul becomes Assistant
General Superintendent, taking Ferguson’s duties. C.M. (Curtis) Sampson becomes Superintendent West (was M. F. Galvis)]

During the Great Recession, ST furloughed no workers. “We lost 26 people or 14% to retirement, which were not replaced” yet. Now, ST is hiring ten new train crew members. “Luckily we have experienced railroaders coming to us.” Motte said he appreciated how young and capable the new hires are. “They are the future of railroading, they’ve got enthusiasm. I just point them in the right direction and let them go.”

Trackwork in Maine
Motte called the Freight Maine between Portland and Waterville “a choke point” with only a few passing sidings. This spring, crews will start replacing 20,000 ties. “It’s now 10 miles per hour” so it takes “eight hours to go the 83 miles.” By getting it to 25, crews can do it in three and half hours. That will give customers “better service out of Maine.”

ST is also considering improving the Fore River railroad bridge between Portland and South Portland, and the wye into yard 8, which could help passenger service. [See Maine.]

Interchange with NECR
NECR and PAS opened the Miller’s Falls interchange [see other article] and moved the first cars in NS haulage “two weeks ago now.”

Asked why PAS did not enter into a haulage agreement with NECR to handle its own traffic on the ConnRiver north of East Northfield, Motte said, “We are working on it.” Josh Putterman, RailAmerica vice-president for operating strategy, on the same panel said, “Thank you for your interest.”

Elimination of taxis and hotels
Asked how ST responded to the Great Recession, Motte noted that the railroad did reduce train starts. “Some of those are back.”

“We're out of the hotels and taxi business,” he reported. “It was a sore point with one of our owners.” A $22,000 monthly bill has gone to zero.

286
With the improvements on the west end (the PAS section), ST will have 286 to Ayer. “For the rest of the railroad, it’s a long way off.” {ANR&P coverage}

CSXI: I-95 LANE*
23 April, Newport. CSXI IS STILL AIMING TO TAKE TRUCKS OFF I-95, said Mike Rutherford, director of marketing for CSXI, at the NEARS Intermodal Panel [see above]. Joe Gearin, NEARS executive director, recalled that when NS and CSX split up Conrail in 1998–1999, they both promised to strengthen the I-95 intermodal lane. “That hasn’t happened yet,” Gearin noted. Rutherford described three ways that might happen.

National Gateway
CSXI plans to upgrade its line between Wilmington, North Carolina, and Baltimore as part of its National Gateway. It needs to improve clearance between Norfolk and Baltimore, which will aid container movement along I-95.

Worcester shuttle
The creation of full doublestack clearance from Selkirk NY to Worcester [to be complete by 2012—editor] will permit CSXI to stop the filleting process in Syracuse. Full doubles can move directly from the New Jersey container
At one point, containers could move at the back of the UPS direct train from Atlanta to Worcester, in overnight service from Kearny. UPS has discontinued that train. {ANR&P discussion with PW’s Frank Rogers}

Also, the Worcester lane service depends on traffic. As ocean container traffic continues to recover, service will improve.

**Massachusetts-Ohio-Florida**

CSXI is building an enormous new intermodal terminal in North Baltimore, Ohio. The gantry cranes here, eight racks wide, will lift containers from one train and drop them at other train. This “sort” at the Ohio hub permits CSXI to “look at” serving the Atlanta-New England corridor via Ohio, said Rutherford. {ANR&P coverage}

“CSX plans to relocate its Northern Division headquarters from Chicago to North Baltimore, Ohio, where it's building a $175 million intermodal terminal. The new headquarters will oversee 16 CSX Intermodal terminals that currently handle 1.3 million containers in Ohio, Illinois, Indiana, Michigan, Massachusetts, New York and New Jersey. {Progressive Railroading daily bulletin}

“Like an air cargo hub, freight trains will arrive directly from all across the nation and its ports, then quickly and efficiently redistributed to a network of double stack trains to speed final delivery all across the eastern US. Shippers will bypass choke points like Chicago and transform Northwest Ohio into a critical transportation center.” {National Gateway website}
SLR: 286*

23 April, Newport. **SHORT LINES NEED ASSISTANCE IN PAYING FOR IMPROVEMENTS** to get to 286,000-pound car capacity, said participants in the short line panel [see above] at NEARS. Putterman noted that since Class Is benefit from the capacity improvement, the short line should get contribution from the Class I and from government also.

Mario Brault, SLR president, said his line has a lot of non-control-cooled rail in New England [see 10#03B]. Given the volume and demand for traffic, not all customers need 286. “It’s very hard to distribute capacity costs to only a handful of customers. You’d kill the business if you did.”

The improvements should be paid for by both internal funding, and grants. New Hampshire has recently been more receptive to funding freight improvements. “One very large customer could tip the scales and make it worthwhile.” {ANR&P coverage} [See ST above.]

ST/CSXT: PAPER MOVES*

23 April, Newport. **SAPPI MOVES A SIGNIFICANT AMOUNT OF PAPER INTERMODALLY**, said Mike Segal, director of Logistics for Sappi Fine Paper North America. He likes the mode first because, while it costs less, “on-time delivery approaches or equals over-the-road.” Second, in this economy with the reduction in paper usage, he can ship smaller orders than boxcar-sized orders.

Out of the mill in Hinckley, Maine [actually the mill is legally located mostly in the Town of Skowhegan, some in the Town of Fairfield–Hinckley is an area of the two towns—**editor**], Segal said he drays to the Worcester or Beacon Park ramps of CSXI.

Would he be affected with the closure of Beacon Park? “Yes, but not critically.” Will he benefit from the expansion of NS intermodal service to Ayer? “Yes.” {ANR&P coverage}

CORRECTION: PAS/NECR INTERCHANGE, NO HAULAGE**

A railroad official has requested correcting the account in 10#04B. Apparently, the situation is this:

- NECR and PAS have moved their interchange to Millers Falls, from earlier locations in Brattleboro or Bellows Falls.

- NECR is not now moving cars in haulage for PAS. {e-mail to ANR&P 16.Apr.10}

This would explain the fact that ST is continuing to serve its customers on the ConnRiver line with its own trains, and interchanging traffic at White River Junction.

**Motte comment**

Asked at NEARS why PAS did not enter into a haulage agreement with NECR to handle its own traffic on the ConnRiver north of East Northfield, Motte said, “We are working on it.” Josh Putterman, RailAmerica vice-president for operating strategy, on the same panel said, “Thank you for your interest.” [See **Regional**.]

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NEW YORK

CSXT/CP: RENEWED DEAL

27 April, DC. **THE TWO RAILWAYS PROPOSED JOINT OPERATION.** CSXT will move CP traffic in haulage between Albany and New York City; CP will move CSXT traffic in haulage between Albany and Rouses Point.

They filed the proposal at the STB this day. {STB filings page, Finance Docket No. 35348} [More in a future issue.]
Earlier effort
In January 2007, CP and CSXT filed a proposed agreement under which CP would use CSXT track to move CSXT traffic from Selkirk to Albany, and then in haulage to Rouses Point [see 07#02B, STB Finance Docket No. 34981 (# wrong in 2007 issue)]. In April 2007, A CP official saw “huge advantages in co-production” [see 07#04B]. However, the two railroads did not follow up on this filing. {editor}

CONNECTICUT

CONNECTICUT: CONNRIVER LINE*
26 April, Hartford. USDOT SECRETARY RAY LAHOOD SAID THE NHHS LINE WOULD BE ONE OF THE FIRST COMPLETED PROJECTS in the nation, using the $40 million in high-speed rail funds awarded 28 January [see 10#01B]. “Connecticut has its act together and Connecticut will be connected [NHHS=New Haven-Hartford-Springfield] with inter-city high-speed passenger rail because of the cooperation between the state government, the federal government, and the opportunities that are created for the money that may be available in the future.”

ConnDOT Commissioner Joseph Marie said the state is putting together its application for a second round, for more than $40 million.

Advocates hope the high-speed rail corridor will be running by 2014 or 2016, so long as the state submits various studies to federal agencies. U.S. Senator Chris Dodd (D) said the idea of high-speed rail extends far beyond Connecticut. “It's not just connecting two cities or three cities. This is the portal to New England and transit systems, not just for Connecticut and Massachusetts, but on through Vermont, connecting Boston to New York, on down to Washington. It is absolutely essential. You couldn't do the others and leave this out.”

But no commuter to Vermont, yet
In January, Massachusetts received $70 million to rebuild the rail line to Vermont [see Massachusetts]. Timothy W. Brennan, executive director of the Pioneer Valley Planning Commission in Springfield, who also met with LaHood, said that while the rehab will help Amtrak, commuter rail might someday be continued past Springfield, to places like Holyoke and Northhampton. But the next step is to conduct an east-west rail passenger feasibility study, linking western Massachusetts to Boston. [See Massachusetts.] {Susan Haigh of AP in mercurynews. com 26.Apr.2010}

PAS/CNZR: INTERCHANGE*
13 April, Hartford. CNZR HAS BEGUN INTERCHANGING WITH PAS at the same interchange point as CNZR/CSO at Garden Street here. {e-mail to ANR&P from rail observer} A CNZR official declined to comment. {ANR&P discussion 16.Apr.10}

The beginning of the interchange would fulfill a 2008 commitment made by NS and ST to look at interchanging with CNZR and other Connecticut railroads [see 08#09A and 10#04A].

ST: PELLETS BY RAIL?*
15 April, Beacon Falls. A SHIPPER OF A FEW CARS A YEAR IS NOT NOW USING RAIL. Greg Hickox, principal of Beacon Pellet & Coal Supply Company, explained that he did receive full boxcars of bagged and palletized pellets from distant points in 2008 (his first year) and early 2009; ST does the final stretch to his siding south of Waterbury [see 10#04A].

However, when the price of oil and therefore pellets fell in 2009, he had to sell the bags at his cost. He cannot now afford the inventory cost, $18,000 to $25,000 for a 60-foot boxcar holding 88 tons of bagged pellets.

Rail has its delivery problems, too. In late 2008, when he desperately needed pellets, his car left a Kentucky plant
the first week in November, and did not reach his siding until the day after Christmas. \{ANR&P discussion\}

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**MAINE**

**AMTRAK/ST/NNEPRA: UPDATE**

27 April, Portland. *NNEPRA IS WORKING ON LONG-TERM, MEDIUM-TERM, AND SHORT-TERM PROJECTS TO IMPROVE PASSENGER SERVICE*, said Patricia Quinn, NNEPRA executive director.

**Short-term: yard 8**
A project to rehab the wye at the north end of the Fore River bridge [mentioned by Ed Motte—see *Regional*] will begin “next week,” said Quinn. It will permit Amtrak to turn the trains using the track along West Commercial Street, the yard 8 land [not much of a yard there now—*editor*].

**Long-term: move depot?**
Over the long term, Quinn said, “we are exploring looking at, as we go to Brunswick and plan to extend to Auburn,” moving the Portland depot off the Mountain Division dead-end line. NNEPRA is seeking a planning grant to look at alternative location for the Portland transportation center. “One alternative is to come down to Commercial Street.”

**Medium-term: to Brunswick**
Quinn is still hoping to make the announced 2012 startup date. However, because FRA is going through a new grant process, “reaching a grant agreement is taking longer than we hoped.” She still hopes to start actual work “this summer.” \{ANR&P discussion\}

**MMA: GIVE TRACKAGE RIGHTS**

13 April, Augusta. *GOVERNOR BALDACCI ANNOUNCED HE WAS FORMING ‘THE AROOSTOOK RAIL ADVISORY TASK FORCE’*, as required by the bond bill he signed on 12 April [see 10#04A]. [See box for text of the Executive Order.]

**Comment by Baldacci spokesperson David Farmer**
On 16 April, Farmer reported that MDOT had a feasibility study done on the line to be abandoned [see 10#02B], and was “well on the way to working on issues including a cooperative or a different management system” and ensuring that “we were not buying a system in isolation,” issues addressed in the Order. It was written “by the governor’s staff in consultation with MDOT.” \{ANR&P discussion 16.Apr.10\}

**Comment by State Senator Peter Mills**
On 15 April, Mills observed that the Executive Order contained many of the ‘suggested conditions for support’ he drafted over the previous weekend [see 10#04A]. In particular, he noted:

**Trackage rights.** Mills called for ‘long-range or permanent’ trackage rights. The governor conditioned the acquisition on the inclusion of permanent trackage rights.

Mills hastened to note that many others wanted the trackage rights. “I was the scrivener.”

**Walk away from the deal.** In his floor speech on 12 April, Mills said the bond bill should not be construed as a mandate to purchase the line. The Executive Order states that the State will make ‘efforts to evaluate, and, if feasible, structure and implement the acquisition of the real property and rail assets.’
EXECUTIVE ORDER
WHEREAS, on February 25, 2010, the Montreal Maine and Atlantic Railway, Ltd. (the “MMA”) filed with the Surface Transportation Board (the “STB”) an Application for Abandonment of 233 miles of mainline track and subdivisions in northern Penobscot and Aroostook Counties (the “Abandonment”); and
WHEREAS, this action has the potential to cause catastrophic financial damage to the shippers and industries currently utilizing this rail service, to their employees, and to the economy of the entire State of Maine; and
WHEREAS, the Abandonment would eliminate energy-efficient, cost-effective transportation options, which would severely disadvantage Maine’s competitive position in the global economy; and,
WHEREAS, effective coordination between local stakeholders and state government officials in responding to the proposed Abandonment is imperative;
NOW THEREFORE, I, John E. Baldacci, Governor of the State of Maine, do hereby order the establishment of the Aroostook Rail Advisory Task Force, the purposes and composition of which are set forth below.

Purpose and Duties (amended to add work with stakeholders, see article)
The Aroostook Rail Advisory Task Force shall:

- Provide input to the State of Maine during the course of the STB Abandonment process to ensure that State interests are articulated and protected in a coordinated and effective manner; and,
- Advise the State of Maine in its efforts to evaluate, and, if feasible, structure and implement the acquisition of the real property and rail assets that are the subject of the Abandonment (the “Corridor”); and
- Ensure transparency in the acquisition process and in the issuance of a Request for Proposals to secure a Third Party Operator for rail service over the Corridor.

The State of Maine, working with the Aroostook Rail Advisory Task Force in connection with an acquisition, will ensure:

- That the State receives clear title to the land and track that make up the Corridor without assuming the financial obligations of the MMA;
- That the State receives a credit for previous state grants to be applied to the purchase price of the Corridor;
- That the purchase price is established by an independent analysis of the net liquidation value of the property right and assets to be acquired;
- That an assessment of current track conditions be performed and that appropriate applications be made for all available federal funding opportunities;
- That the State will seek cooperation and contributions from shippers utilizing the lines to sustain rail operations;
- That the acquisition will be conditioned upon the inclusion of permanent trackage rights from the MMA on the north and south ends of the acquired lines to allow access to the interconnections at St. Leonard Station, southeast of Madawaska, and Brownville Junction; and...
  - That the State will solicit and secure a third party operator through a competitive process and oversee operations to ensure improved standards of service over the Corridor with appropriate equipment to run the service efficiently and essential and ongoing investments in maintenance.

Membership and Support (amended–see article)
The Task Force shall consist of thirteen members, seven of whom are appointed by and serve at the pleasure of the Governor. The Governor shall designate the Chair and Vice-Chair. The Task Force Members appointed by the Governor shall include:

The Commissioner of Transportation, or the Commissioner’s designee; Three representatives of economic development or business associations in Aroostook County; Two representatives of businesses that use the rail line subject to abandonment, recommended by those businesses; and One representative of a statewide business organization.

The President of the Senate shall appoint two members of the Senate, one from each of the two major political parties, and the Speaker of the House shall appoint four members of the House of Representatives, two from each of the two major political parties. At least four of the members shall be from Aroostook County. Members appointed by the President and the Speaker serve at the pleasure of their appointing authority.

Maine’s United States Senators and the Representative from the 2nd Congressional District, or their staff representatives,
Third party operator. State officials have told Mills that the shippers are willing to put in their own money “but only if there is a new operator.” {ANR&P discussion 15.Apr.10} [Of note: Jim Irving, the head of JD Irving, parent of Irving Forest Products, attended the 8 April meeting with FRA Administrator Joe Szabo. {Nick Sambides in Bangor Daily News 9.Apr.10} Irving has publicly called for NBSR as the new operator, or open access. See 10#04A.]

The Task Force has much on its plate
According to Mark Latti, MDOT spokesperson, the $3 million contribution from the shippers has no definite shape. The Task Force will determine how much, and for what, and over what period of time, the shippers will pay.

For example, perhaps the rail users will contribute a per-car fee over the next few years, which could either repay in part the state purchase, or help with the rail maintenance. {ANR&P discussion 15.Apr.10}

The Rockland branch a model?
Nate Moulton, MDOT rail administrator, was reported to say that the state will model the track purchase and proposed Aroostook County oversight operation on the 60-mile, state-owned rail line from Rockland to Brunswick. [There ST closed the line in 1984; the state bought the line from Maine Central [part of what is now Pan Am Railways], rehabilitated it, and leased it via competitive bidding. The new operator, Maine Coast, began in 1990. MERR now holds the operating rights. Rail Lines of Northern New England, 2000] {Nick Sambides in Bangor Daily News 15.Apr.10}

[However, the shippers on the Rockland branch played no public role in reviving the line, or in paying for its purchase or maintenance, in sharp contrast to the situation in Aroostook County. Editor]

MDOT/MMA: RAIL TASK FORCE*
26 April, Augusta. GOVERNOR JOHN BALDACCI ANNOUNCED THE MEMBERS OF THE AROOSTOOK RAIL ADVISORY TASK FORCE, and amended the 13 April Executive Order creating the task force [see box]. ‘The original Executive Order to create the Task Force was amended to expand membership [from 13 to 15] and add to the purpose of the Task Force.’

Members of Task Force
Chair: Transportation Commissioner David Cole
Vice-Chair: Representative Josh Tardy (R, Newport)
Thaxter Trafton, Commissioner of Economic Development
[senators appointed by Senate president; representatives appointed by Speaker of the House]
Senator Troy Jackson (D, Aroostook County)
Senator Walter Gooley (R, Franklin County)
Representative John Martin (D, Eagle Lake)
Representative Ken Theriault (D, Madawaska)
Representative Josh Tardy (R, Newport)
Representative Bernard Ayotte (R, Caswell)
(Alternates: Representatives Richard Cleary of Houlton and Peter Edgecomb of Caribou)

[Rail customers, recommended by the customers]
Jeff Dutton, president/CEO, Twin Rivers (formerly Fraser )
John Cashwell III, managing director, Portage Wood Products.
Travis Turner, plant manager, Louisiana-Pacific New Limerick

[Gubernatorial appointments as representatives of economic development or business in Aroostook County]
Robert Clark, executive director, Northern Maine Dev. Comm.
Ginny Joles, president, LEAD (Leaders Encourag. Aroo. Dev)
Chris Anderson, chair, Aroostook Partnership for Progress
Amendment of Executive Order
The new order adds as a purpose: ‘Communicate with, and encourage and facilitate involvement of, a broad range of stakeholders regarding the work of the Task Force;’

and to the membership section it adds ‘the Commissioner of the Department of Economic and Community Development, or designee increase[s] to three the number of representatives of businesses that use the rail line subject to abandonment.’ In all other respects, the terms of Executive Order 10 FY 10/11 remain the same. {press release from governor’s office}

**MMA@STB: MEDIATION SESSION**
14 April, DC. *THE STB SCHEDULED A MEDIATION SESSION FOR 22 APRIL IN DC*, in a decision issued this day:

‘The State is seeking funds to purchase the line. A proposal to issue bonds for that purpose was approved by the legislature on April 12, 2010. A referendum is required before the State may issue bonds. This process will require some time to complete.

‘The Board believes that a meeting between the State and MMA, facilitated by Board staff, could be very beneficial in this case. While there is much that separates these parties, they also share some common interests. The State is interested in acquiring these lines to protect local industries and communities, while the railroad wishes to relieve itself of the obligation of owning and operating these rail lines if abandonment authority is granted. In these circumstances, the Board believes it is in everyone's best interest to explore any and all options that may help preserve this rail corridor as part of the national rail system....

‘Therefore, MMA and the State are directed to appear at the Board’s offices at 395 E Street, S.W., Washington, DC, at 10:00 a.m. Eastern Daylight Time on April 22, 2010 to participate in that meeting. The parties should provide the Board with the names of the individuals who will be representing them at the meeting on or before April 16,
2010. The meeting will be facilitated by our mediation staff, together with technical advisors with knowledge of this case and our abandonment, discontinuance, and OFA procedures. The meeting will be treated as confidential and Board staff who participate at this meeting will not participate in the decision-making process or discuss the case with anyone who is participating in that process.’ {STB website, decisions page, Docket No. AB-1043 (Sub-No. 1)}

22 April, DC. **MDOT SENT THREE OFFICIALS TO THE MEDIATION HERE**, held at the behest of the STB: David Cole, MDOT commissioner; Nate Moulton, MDOT rail administrator; and Philadelphia attorney Eric Hocky, MDOT’s railroad lawyer for this matter. {ANR&P discussion with MDOT spokesperson Mark Latti 26.Apr.10}

26 April, DC. ‘**THE FEDERAL SURFACE TRANSPORTATION BOARD AGREED TO POSTPONE ACTION** on the proposed abandonment of rail lines in Northern Maine in order to give the parties time to arrive at a mediated solution.

‘The state of Maine and the Montreal, Maine & Atlantic Railway Ltd. have agreed to confidential mediation conducted by the Board. The Board will suspend any formal action on the matter for three weeks and will postpone a public hearing scheduled for May 10 in Presque Isle, Maine. The hearing is postponed until further notice of the Board.’ {STB press release}

On 22 April, MMA’s attorney in DC, former STB chair Linda Morgan, with the concurrence of MDOT, requested a three-week extension. {STB filings page, AB 1043 Sub No.1}

26 April, Northern Maine Junction. **“THIS IS NOT GOING TO BE A BACKROOM DEAL”** because ultimately it has to be approved by the governor’s task force,” MMA President Bob Grindrod said.

The mediation might help DOT to finish the framework of the track-purchase agreement before the June referendum, Cole said. “Obviously, we won’t be purchasing the railroad [tracks] until we have the necessary funds.” {Nick Sambides in Bangor Daily News 27.Apr.10}

[That is, if the MMA wants to sell the line to the state in a negotiated deal, it must accept the terms of the bond legislation, including the trackage rights. However, if the MMA declined the deal and proceeded with the abandonment, the state can offer to buy the line. In that case, MMA might ask the STB to exclude the trackage rights aspect in its final decision. {editor’s surmise}]

26 April, DC. **STB CHAIR DAN ELLIOTT WILL VISIT PRESQUE ISLE** regardless of whether the Board holds a hearing there. US Representative Mike Michaud (D, northern Maine) invited him, and Elliott has accepted. ‘Even if mediation is successful, there will still be a great deal that needs to be done to ensure the future viability of reliable rail service throughout much of northern Maine,’’ said Michaud. {Michaud press release}

**MMA@STB: RECENT FILINGS**

All on 21 April. {STB filings page, AB 1043 Sub No.1}

**Brotherhood of Locomotive Engineers and Trainmen**

On 21 April, Mike Twombly of BLET filed a statement opposing the abandonment.

‘...BLET has been trying without success to negotiate a collective bargaining agreement with the Carrier covering the wages, hours, and working conditions of these employees since then. That bargaining is now in its fourth year.

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2 I hope that the STB employs David Kruschwitz on this task. His master’s thesis described the history of New England; he subsequently worked for the Bangor & Aroostook Railroad (under the Iron Road Railways regime) before leaving for the Wisconsin Central and CN. Kruschwitz has worked for the STB since 2008.
‘...At the time BLET was certified, there were 57 train and engine service employees working for the Carrier. Since then, the Carrier has laid off approximately 25 of those employees. If the proposed abandonment occurs, it is likely that 10 or 12 more workers will lose their jobs.’

**Huber Engineered Woods**

In opposing the abandonment, Alan Weber, vice-president of Supply Chain and Logistics for Huber Engineered Woods, LLC, wrote: ‘Our forecast for a revived housing industry will mean that the Easton plant should see an increase in production. We are anticipating adding another shift to the plant workforce, which would add another 30 jobs. Increased plant output would also increase’ inbound and outbound carloads. [Unfortunately, the number was redacted from the filing.]

Moving to truck would cost more [again, the figure is redacted].

**Louisiana-Pacific**

In its 21 April filing, protesting the abandonment, L-P said: ‘[C]ontrary to MMA's assertions that the majority of LP Houlton traffic is moved by truck, the fact is that currently approximately 65% of LP's traffic volumes are moved from the plant by rail, and this percentage of traffic moved by rail (versus truck) will grow as the plant's production increases.’

Travis Turner, plant manager, said in a Verified Statement: ‘The Houlton plant is LP's only LSL facility. As such, whereas prior to 2006 the plant had become focused on serving a regional market for OSB, it has now been redesigned and repurposed to serve a nationwide market for LSL.

‘This fact is evidenced by the amount of traffic that the Houlton plant moves by rail versus motor carrier. Currently, approximately 65% of LP's market (by volume) is moved from the plant by rail, destined primarily for target markets on the west coast, in the mountain states, and in the southwest and southeast. We project that this percentage of traffic moved by rail will grow going forward as the Houlton plant's production increases.’ {STB filings page, AB 1043 Sub No.1}

[In January, Turner testified that his plant was producing very little, and to that point had moved 50% of its production by rail. When the economy recovers, he estimated 80 to 90% of the production, or 1500 to 2000 railcars a year, will move by rail. See 10#01B.]

**Irving Woodlands: trackage rights**

Irving filed a 156-page protest to the abandonment. While much of it was directed toward the content of interrogatories, Irving did request conditions on the Offer of Financial Assistance:

‘If the Application is approved, there is a strong possibility that an Offer of Financial Assistance ("OFA") to purchase the Lines will be filed pursuant to 49 USC §10904. However, because the Lines lie in the middle of the MMA rail system, any OFA purchaser will be dependent upon the MMA at both the southern and northern ends to interchange all Joint line traffic. This would inject an additional interchange into existing routes, which renders rail transportation over the abandonment lines less efficient than current MMA service from the very start. Moreover, shippers on the abandonment Lines would remain subject to the poor service that they currently receive from MMA. This would undermine the ability of an OFA purchaser to preserve and enhance rail transportation service over the Lines...

‘[[T]he Board should condition any approval of the Application on granting of trackage rights to an OFA purchaser over the MMA from (1) Madawaska to Van Buren/St. Leonard for connection with CN; and (2) from Millinocket to Brownville Junction for connection with the Eastern Maine Railway.’

**Serve Fraser.** ‘Moreover, the Board should require MMA to permit the OFA purchaser to directly serve the Fraser facility at Madawaska for all inbound traffic from the south and all outbound traffic routed south. Because the Fraser facility is located at the very end of the stranded segment, such access is necessary to avoid an inefficient MMA switch that would be measured only in yards when Fraser receives or tenders traffic over the southern route of the
Maine Department of Transportation: public use
MDOT filed a 157-page protest on 21 April. In part, it requested a public use condition: ‘Pursuant to 49 U.S.C. §10905 and 49 C.F.R. §1152.29(a)(1), the State requests that the Board prohibit MMA from disposing of any of the rail properties that are proposed for abandonment for a period of 180 days from the effective date of any decision approving the abandonment in order to preserve the status quo pending satisfaction of the Maine state law requirements that apply to rail lines approved for abandonment. In this case, where the primary purpose of the State is to preserve the Abandonment Lines for restoration of rail service, it would be appropriate for the Board to prohibit not only the salvage and disposal or sale of the real property, culverts and other structures, but also to prohibit the sale of the tracks, ties and other structures essential for the reactivation of rail service, unless the properties have first been offered, on reasonable terms, for sale for public purposes.’

MASSACHUSETTS

ST/AMTRAK: KNOWLEDGE
29 April, Boston. A STATUS REPORT ON THE KNOWLEDGE CORRIDOR PROJECT came from a MassDOT official and the website on the Corridor. The state was awarded $70 million to move the Vermonter to ST’s ConnRiver line [see 10#01B].

The state and PAS need to reach agreement on the work. MassDOT will procure the materials; PAS will install the materials with railroad forces. Construction will occur 2010 to 2012, with operation beginning in late 2012.

Understandably, said the official, with this new program the FRA is ramping up slowly [see NNEPRA comment to same effect]. {ANR&P discussion and MassDOT website}

CSXI: OCEAN SPRAY*
23 April, Newport. OCEAN SPRAY CRANBERRIES USES SOME INTERMODAL out of Worcester. Doug Ward, manager of transportation for the global company, said his plant in Middleborough, which makes concentrates, sauce, and craisins, exchanges intermediate products with six other Ocean Spray plants, sometimes using intermodal. In North America, intermodal use has crept up from 10% to 13%, with a commensurate drop in truck moves. “Historically, we have not moved the end product to the customer” by rail.

Middleborough uses the Worcester ramp. {ANR&P coverage}

Former rail direct
In 2005, the plant had returned to some direct rail, receiving cranberry sauce from the Wisconsin plant. [See 05#06B.] But, said Ward in a follow-up phone call, “we suspended that campaign three years ago. We had issues with damage.” Ocean Spray “captured some very competitive intermodal coming out of the Midwest.

“We might revisit the dunnage [meaning the means used to secure loads inside the boxcar–editor] issue,” depending on “price and capacity. It all comes down to delivered unit cost.” {ANR&P discussion 26.Apr.10}

NEW HAMPSHIRE

NH COMMUTER: STUDY?*
26 April, Concord. THE NEW HAMPSHIRE RAIL TRANSIT AUTHORITY WILL SEEK A PLANNING GRANT for $3.5 million from the FRA to study the feasibility of extending commuter rail from Boston to the capital. [NHDOT did not get these funds in the first round of high-speed rail grants–see 10#02A]
Michael Pillsbury, NHDOT deputy commissioner, said if the grant is approved, the state may combine that money with $1.9 million in grant money already received from the Federal Transit Authority to study not only the possibilities and benefits of intercity rail but also intracity systems.

Word on the application is expected in July. Pillsbury put the total cost of a system at roughly $300 million. {Victoria Guay in Concord Citizen 26.Apr.10}

**NEGS/ST: A DEAL?**

27 April, Concord. *THE PARTIES HAVE FILED A NOTICE OF SETTLEMENT* in this matter, where NEGS filed suit against ST to collect more than half a million dollars in unpaid car fees [see 09#07A]. The trial was scheduled to begin 3 May. {ANR&P discussion with court clerk}

At the STB, parties are awaiting the STB decision on ST’s request for adverse abandonment [see 09#09A].

**MBRX: NO PROGRESS**

27 April, Milford. *THE RAILROAD STILL WAS NOT PERMITTED TO OPERATE*, said owner Peter Leishman. His customer, Granite State Concrete, was forced to go to truck for the first time in 17 years. The STB’s mediation office has put forward a number of proposals which thus far have been spurned by ST.

ST has barred Leishman “for life” from operating on its track. Because he has one crew member out with a broken foot, and a part-timer who declines to take the ST test to operate on its tracks [see 10#03B], Leishman does not have enough people to operate. Anyone who does must have a certification from the mine bureau to operate in the quarry and processing plant, as well as rail qualifications.

He is still hoping for a reasonable solution. “We’ll give the process adequate time.” But Granite State has told the STB it has reached a crisis situation, and had to go to truck. {ANR&P discussion 27.Apr.10}

**QUEBEC/MARITIMES**

**HALIFAX: 3 SERVICE CHANGES**

April. *THE PORT OF HALIFAX WILL SEE AN INCREASE IN CONTAINER VESSEL CAPACITY STARTING IN MAY.*

“K line” from Panama to Suez
Kawasaki Kisen Kaisha (K Line) in co-operation with Mitsui O.S.K. Line (MOL) will make modifications to one of its Asia-North America East Coast shipping services that will deploy larger container ships and bring MOL to the Port of Halifax.

K Line, a member of the CKYH Alliance with Cosco Container Line, Yang Ming, and Hanjin Shipping, uses eight 4700-TEU vessels all supplied by K Line in an Asia-East Coast service that transits the Panama Canal. The AWE (All Water Express) new service, to begin in mid-May, will arrive on the North American East coast from South China and Southeast Asia via the Suez Canal. It will deploy nine 5500-TEU ships, seven from K Line and two from MOL. {K Line press release 9 April.10}

CMA CGM becomes weekly
French carrier CMA CGM will change its service from Halifax to the Caribbean from a fortnight service to a weekly service plus add capacity moving from an 800-TEU vessel to two 1,100-TEU vessels, said shipping line spokesperson Christelle Beltran.

During the winter, the size of vessel was reduced to an 800-TEU ship from an 1100-TEU, anticipating reduced cargo. However, business remained brisk; the vessel wasn't always able to handle all the cargo, so CMA CGM is
increasing capacity. The line carries mainly refrigerated cargo and agriculture products from Halifax to Kingston, its Caribbean hub.

**More volume**
Both K line and CMA CGM call at Halifax's Halterm terminal. Doug Rose, president and CEO of Halterm Limited, said he is optimistic the increased capacity will boost container volumes over the terminal.

**Service from China reduced six to eight days**
Neil McKenna, vice-president transportation for Canadian Tire, said he imports from over 20 countries, mainly China. “It is a call from South China and the Pearl River Delta area which currently doesn't come into Halifax through the Suez. For us to bring product from that part of the world into Halifax today it would have to come through the Panama and that would take about 30 days. That will be reduced anywhere from six to eight days which is fairly significant,” McKenna said.

Canadian Tire brings approximately 10,000 TEUs a year through Halifax. At nearby Burnside Industrial Park, Consolidated FastFrate strips the import containers and stuffs 53-foot domestic containers. Canadian Tire then trucks the domestic containers to its tire stores and warehouses throughout Eastern Canada. It does not use rail because too many locations don’t have rail. {ANR&P's Tom Peters discussion with Rose 13 April.10, with Bertran 13 April.10, with McKenna 19 April.10}

**Maersk returning to Halifax**
Maersk Line said its TA4 service will add a call at Halifax Terminal 1[Halterm and HPA officials declined to confirm whether Maersk would call Halterm in advance of their press release–editor] to the weekly TA4 service that connects Montreal with Europe. The rotation will be Montreal, Halifax, Bremerhaven, Rotterdam, Antwerp and Le Havre. The first vessel on the new rotation will be *Maersk Palermo*, with an estimated arrival at Halifax on 18 May. {CIFFA Bulletin 28.Apr.10}

Maersk is opening the lane to Rotterdam to meet growing demand for transport of live shellfish, in partnership with Aqualife. Maersk Line provides the tanks, containers, vessels and global transport network. The partners hold the patents jointly. “We see growing demand for this product,” Thomas Eskesen, senior director of Maersk's refrigerated cargo business, said. {John Acher in Reuters 19.Apr.10}

Maersk has a patchwork history with Halifax. After many years of calling the port, the line stopped its North Atlantic service in 2003, resumed it in 2006 at Halterm [see 05#11B, 06#05A], then suspended again in April 2007 [see 07#01B].

**HALIFAX: 1Q10 RESULTS**
19 April. *HALIFAX VOLUMES SHOWED VAST IMPROVEMENT IN THE FIRST QUARTER* of 2010 compared to the first quarter of 2009. Halifax Port Authority spokesperson Michele Peveril said although container volumes continue to show improvement they are not back to pre-recession levels.

“The latter half of 2009 and early part of 2010 indicate that cargo volumes are beginning to rebound but we recognize a full recovery for North American ports will be a number of years in the making, not a full recovery in months. But we are seeing positive signals such as the carriers that have committed to Halifax (MOL and CMA CGM),” she said. (ANR&P’s Tom Peters discussion 20.April.10)

**Containers increased**
Combined import and export container cargo increased 41.4% 1Q10 versus 1Q09: 99,450 TEUs. Exports increased 49.2%, imports 33.4%.

**Breakbulk up**
Breakbulk cargo increased by 30.3% 1Q10 versus 1Q09, totalling 35,561 metric tonnes. Steel rail imports accounted for most of the increase.
Ro/Ro
Roll on/roll off cargo increased by 22.2% 1Q10 versus 1Q09, to 59,871 tonnes. Auto movements created the increase.

Bulk declines
Bulk cargo declined 13.9% in 1Q10 to 1,490,649 tonnes in the first quarter compared to the first three months of 2009. The decrease in bulk was attributed to a drop in crude oil imports and gypsum exports. {HPA press release}

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**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.

- Beacon Pellet (ST, Connecticut) stopped using rail.
- Granite State Concrete (MBRX, New Hampshire) using truck.
- Huber (MMA, Maine) protests abandonment.
- Irving Woodlands (MMA, Maine) wants trackage rights.
- Louisiana-Pacific (MMA, Maine) protests abandonment.
- Ocean Spray (CSXT, Massachusetts) intermodal, not direct rail.
- Sappi (ST, Maine - see Regional) intermodal use.

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**PEOPLE**

**Bernie McCall** resigned as general manager of **Pan Am Southern Railway** around 9 April, according to several industry officials. Messages left with his cell phone were not returned. He was well-thought of, according to Jonathan Shute, NECR trainmaster, and others. McCall was scheduled for his first public presentation [at least in my recollection—editor] in New England on 23 April at the North East Association of Rail Shippers, on the short line panel at Newport [see agenda, below]. The reason **Bernie McCall** resigned? “Personal,” said Ed Motte. McCall is remaining in the Albany area.

**Ed Motte** filled in ably for McCall at NEARS, where Bill Hudson of Specialty Minerals in introducing Motte gave these details on his background. Motte has a degree from the Franklin Institute in Boston in civil engineering. He started working for the New Haven Railroad in 1967.³ He then worked for the PennCentral, Conrail, the New York and Atlantic Railroad, and the FRA. He served on the committee which designed the rail transportation to the Yucca Mountain storage facility for the nation’s spent radioactive material [now a dead letter—editor].

**Jack Dail**, who formerly worked in marketing for NECR, this spring became business director of the **Southwest Association of Rail Shippers** (SWARS).

The **Montreal, Maine & Atlantic Railway** appointed **Mitchell Whitmire** vice-president of mechanical. A retired U.S. Army captain, he previously served Kansas City Southern Railway in dual positions as general manager of a tie treating plant and general director of international material logistics-purchasing. Whitmire later was promoted

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³Not the most propitious timing. On 1 February 1968, the Pennsy merged with the New York Central to form the PennCentral, but had to take on the bankrupt New Haven on 1 January 1969. On 21 June 1970, the PennCentral went into bankruptcy. {The Men Who Loved Trains, Rush Loving 2006—a wonderful read, covers the era up to the breakup of Conrail}
to general manager of locomotive operations/maintenance superintendent. He began his duties 29 March.

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*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.’

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E-MAIL ISSUE