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*Article unchanged from e-bulletin.
**Blue type in article: changes from e-bulletin.
Blue entry: Fresh article

REGIONAL ISSUES
Montreal: Traffic, notably iron ore, up. NEW YORK
CSXT: Rail users on the Massena line express concern about a decrease in service.**
CSXT/D&H: NYA and Sills propose condition. Details on stone moves.

CONNECTICUT
Bridgeport: City hears case for moving terminal to Coastal, which might go bankrupt otherwise.*

MAINE
MDOT: Rail plan draft out this month.
Amtrak: USDOT funds for track construction to Brunswick.* OCS special to Freeport.*
BML: Back to Belfast.
MMA: STB hears little new. MDOT files OFA.
Ports: 1H10 shows rise for all three.
Eastport: Lands livestock to Turkey.

MASSACHUSETTS
NECR: Quaboag closes. Former owner moves to CrossGlobe, rebranded from Lydall.*
PWMBTA: Vehicle prep for Motive Power.
ST: Saugus branch rights abandoned for trail.
ST: Loses appeal on stay of execution of Massachusetts environmental fines.*

NEW HAMPSHIRE
NEGS: ST has not yet taken over serving Concord customers.*
MBRX v ST: ST removes case to federal court.
MBRX seeks quick hearing.*

RHODE ISLAND
PW/ST/Seaview: Ford racks pour into Davisville.**

RAIL CORPORATION: History, hold harmless bill.

VERMONT
[No report.]

MARITIMES/QUÉBEC
Halifax/CN: Imported rail not for Newcastle sub.
Canso: Maher becomes a shareholder.

RAIL SHIPPERS/RECEIVERS
[No report.]

PEOPLE, POSITIONS, EVENTS
What's new, what's not
Of 19 articles in this formal issue, 10 are fresh in the sense that I haven’t published them in an e-bulletin.
That’s the highest percentage of fresh news in awhile.
Do you like the use of blue to show fresh articles?
Let me know.

- Chop Hardenbergh Next formal issue: 2 August.

REGIONAL

MONTREAL

12 July. CONTAINER TRAFFIC TO/FROM CENTRAL CANADA AND THE MIDWEST GREW SHARPLY in 1H10. Overall, containers increased about 12.6% to 6,129,712 tonnes, or 670,128TEUs full and empty. Strongest growth came from the Mediterranean traffic, up 35%, and Caribbean, up 19%.

Dry and liquid bulk
Liquid dropped 2.9%; dry rose 13.7%. Iron ore at the Contrecoeur Terminal rose 376%. {Port press release}

NEW YORK

CSXT: MASSENA SERVICE?**
26 June, Watertown. LOCAL FREIGHT RAIL USERS EXPRESSED CONCERN ABOUT A DECREASE IN SERVICE on the Massena line, when CSXT moves its Montreal trains to the D&H via Rouses Point [see 10#06A]. The joint filing on 27 May at the STB said 'CSXT anticipates re-instituting a shuttle train service between Syracuse and Massena on a 2 to 3 days per week basis.'

Donald Alexander, chief executive officer of the Jefferson County Industrial Development Agency, said recently that businesses and industries looking to locate in the area frequently ask about the availability of rail service and he is concerned about any potential reduction in the services available.

Patrick Kelly, deputy chief executive officer of the St. Lawrence County Industrial Development Agency, said there already is a perception that the county is “hard to get to” because it lacks a four-lane highway running through it, and reducing rail service could increase that perception for companies. “There’s a limited number of ways to bring product into and out of northern New York, and reducing the operational capacity of one of the primary modes of infrastructure is not going to be helpful.”

“This is an extremely important issue for northern New York, because many of our businesses depend on rail,” said Wade Davis, executive director of the Ogdensburg Bridge and Port Authority. “It would be understating the matter to say it’s of significant concern....Where freight flows, prosperity follows. Reduced rail service results in economic penalties.”

The applicants said there will be no change in rail service to Fort Drum. Julie Cuperlll, a spokeswoman for the base, said Fort Drum’s Department of Logistics confirmed that the change would have “no impact” on military operations.

VRS comment
Jerry Hebda, VRS vice-president, which operates the OBPA-owned New York and Ogdensburg Railway between Ogdensburg and Norfolk, said, “We’ve been assured by CSX that there will be no degradation in service.” {Brian Kelly in Watertown Times 26 June.10}
such a power plant, automobile manufacturer or grain company, NYA has to aggressively market to, and try to retain, relatively low-volume shippers.’

The principal traffic hauled by NYA ‘consists of inbound building materials (stone, lumber, brick, etc.) and food products, and outbound construction and demolition material, waste and scrap metal.

‘[The data redacted] reflect that...the only significant traffic that has been interchanged between D&H and NYA’ is the Stone Traffic [from the Albany region quarries to a terminal in Holtsville, Long Island] and this traffic has grown. ‘This traffic has been one of the bright spots for NYA during the recent financial downturn. NYA can ill afford to lose this piece of business....’

In his verified statement appended to NYA’s comment, NYA President Paul Victor wrote: ‘The traffic is seasonal, but for much of the year D&H and NYA interchange two unit trains of stone per week [of 30 cars per unit train]. The traffic originates in Saratoga Springs, NY and Comstock, NY. NYA currently delivers the stone to a customer in Holtsville, NY. [It will change the terminus to Brookhaven–see Sills Road, below].

‘Today, stone moving to Long Island, other than the Stone Traffic, is handled by truck or barge, from a limited number of quarries. [This is clearly wrong. PW moves substantial stone traffic to Long Island via NYA. See 10#06B, and Victor comments below. Editor] The rail transportation of stone by NYA and D&H increases competition....’

Haulage would not be very profitable
‘NYA questions whether D&H would retain any interest in the Stone Traffic if the Joint Use Agreement were authorized by the Board without conditions. D&H would be left with a move that involves origination costs and a haul of approximately 42.5 to 81.5 miles (depending on the station of origin) [from quarries to Kenwood Yard–editor], for precious little revenue. The Stone Traffic would require marketing effort for a move into a geographic region where D&H has virtually no other traffic. It would also involve handling a low revenue train into a busy yard in Albany....[Kenwood, editor]

‘The Application, if approved by the Board without conditions, would allow D&H to walk away from the New York market without cost, without a regulatory proceeding and perhaps without regret.’

Does the Southern Tier provide a comparison?
D&H, in a separate filing, conceded that after it relinquished its trackage rights on the Southern Tier, the haulage traffic has dropped. However, that does not indicate what will happen on the Albany-Fresh Pond segment:

‘NYA’s suggestion that the “net effect” of the transaction on the Southern Tier [when D&H relinquished its trackage rights between Binghamton and Buffalo, getting NS haulage rights instead] is “substantially identical to [this transaction] is nonsense.

‘In [the Southern Tier] transaction, D&H [relinquishment of its trackage rights] was permanent. Here, D&H is retaining its trackage rights’ and can resume them if CSXT does not serve customers appropriately or D&H traffic increases enough. ‘Moreover, the economic terms of the proposed joint use agreement with CSXT are different than the terms under which D&H exercises haulage on the Southern Tier today.’

Also, D&H traffic on the Southern Tier is currently limited because a bridge at Portage NY cannot carry 286,000-pound cars. And some CPR traffic formerly moving on the Southern Tier is now moving via Montreal and down through Rouses Point ‘because that is the most cost-effective way.’ [D&H response re request for interrogatories in STB website, filings page, Finance Docket 35348 12.July.10]

Conditions
‘NYA urges that the Board condition its approval of the Application on D&H’s agreement to keep the existing rate of $[ ] and its existing division of $[ ] for stone moving from Comstock or Saratoga Springs, NY (and environs) to Long Island, escalated annually by the change in RCAF(u), for a period of five (5) years.

‘The condition proposed by NYA is reasonable and appropriate in light of the fact that D&H proposes to cease using its trackage rights over the Albany-Fresh Pond for up to 40 years, pursuant to a contract, without obtaining discontinuance authority from the Board under 49 U.S.C. 10903. [NYA comment in STB website, filings page, Finance Docket 35348 2.July.10]

NYA FOLLOW-UP COMMENT
President Paul Victor agreed on 19 July that the D&H Stone Traffic did not make up all the railroad’s stone traffic. Both PW and D&H interchange loaded stone cars with NYA at Fresh Pond currently. The D&H cars go to Sills Road’s terminal in Holtsville, Long Island; the proposed BRT terminal lies bit farther east.

PW stone goes to other customers. “Stone companies don’t get stone of the same kind from two different quarries” because of different qualities.

Total stone by rail small
Victor estimated the total market for stone in Long Island at 11 million tons per year. [Tilcon barges move 6 million tons of that from its Connecticut quarries–see 10#06B.]

NYA rails only a small fraction of that, 250,000 to 300,000 tons per year, from PW and D&H together. Stone also makes up a small fraction of NYA’s total traffic, but almost all of the interchange with D&H/“Other traffic has disappeared.”

The interchange with CSXT produces much more. “We do twelve times the volume with CSX,” said Victor. [Much of that is waste–see 09#03B Massachusetts box on NYC waste equipment.] “But we’ve never carried a carload of stone from CSXT.”

The 1,000 to 1,500 carloads a year of stone is nevertheless important to NYA, and “critical to the development of the” BRT. If traffic grows to the projected 5,000 carloads a year there, “the
rail fraction of stone might become visible.”

Why intervene at the STB

Victor explained that because stone costs relatively little, the rate
to transport it can make or break a move. He asked CP directly
if it would protect the rate, “but CP was not interested, so I have
filed.” CP’s lack of interest, he believes, shows that it’s not
conducive to keep the rate. {ANR&P discussion 19.July.10}

SILLS ROAD MATERIALS (SRM)

‘Sills Road Realty, LLC, an affiliate of SRM (collectively, “Sills
Group”), is the owner of the real property on which the
[Brookhaven Rail Terminal (BRT) in Yaphank, Long Island] will
be located and the Sills Group will be a substantial user of the
BRT in connection with the sale of, among other materials,
crushed stone aggregate into the Long Island market [in
competition with Tilcon–see 10#06B Connecticut].

‘The primary sources of such aggregate are quarries in the
Albany-Capitol district which currently ship by rail to the SRM
Group on the Albany-Fresh Pond Segment referenced in the
NY&A Comments [and constitute a significant portion of the
total stone traffic on that segment.]

‘The Sills Group is committed to purchase annually up to
500,000 tons of aggregate [5,000 railcars–editor] from the
quarries for shipment to the BRT. The substantial investment of
money to date in, and the long-viability of’ the BRT depends
upon continued rail service and ‘reasonable rates....

‘To the extent that the Joint Use Agreement permits, or,
even worse, incentivizes rate and/or service instability, as the
NY&A Comments suggest, the future of the BRT will be
severely and adversely affected.’

Request for condition

‘To avoid that result..., we request the Board to condition its
approval on (1) D&H, CSXT, and NY&A negotiating a five-year
agreement using cost-based pricing based on the use of CSXT
merchandise trains running in the Rouses Point-Selkirk-Oak
Point corridor for stone moving from Comstock or Saratoga
Springs NY and its environs to Long Island, and

‘(2) continuing Board oversight of ongoing service along
the Albany-Fresh Ponds [sic] segment.” {Sills Road comment in
STB website, filings page, Finance Docket 35348 2.July.10}

NYCDOT

The city’s department and Economic Development Corporation
noted that they ‘sought and avidly supported’ the D&H trackage
rights. They both supported the application. {NYCDOT
comment in STB website, filings page, Finance Docket 35348
2.July.10}

MASSENA LINE - NYSDOT

‘Using the figures presented on Page 2 of the Application, upon
approval of the transaction the Syracuse - Fort Covington
Segment would see approximately 17,150 car loads (49% of the
35,000 carloads in 2009) over the 214 miles between Syracuse
and Huntingdon, PQ. This works out to only 80 car loads per mile per year.’ [Under the rule of thumb for financially adequate traffic of 100 carloads a year. Editor]

‘At these reduced volumes, long-term outcomes for this corridor may include reduced capital investment that frequently leads to lower train speeds, increased travel time and poorer service.

Proposed condition
NYSDOT requested: ‘The Board should retain jurisdiction over this transaction and establish oversight of the applicants' adherence to the various representations they have made during the course of this proceeding for a period of three years, with specific attention to: (1) effects on Amtrak services in the Albany - Rouses Point corridor; (2) level of service and rates for shippers (including those served by short line connections) in both the Albany - Fresh Pond Segment and the Syracuse - Fort Covington Segment.’ [NYSDOT comment in STB website, filings page, Finance Docket 35348 2.July.10]

RESPONSES TO COMMENTS
Any response by the Applicants is due on 23 July.

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CONNECTICUT

BRIDGEPORT: FERRY MOVE*

1 July. COASTLINE TERMINALS MAY NEED TO FILE CHAPTER 11 BANKRUPTCY if it cannot sell part of its Bridgeport property at 567-589 Seaview Avenue, across the harbor from the current ferry terminal [see map 00#13]. The Bridgeport and Port Jefferson Steamship Company (BPJF) has pushed for many years to move from its location at 330 Water Street, where it pays a tariff to the Bridgeport Port Authority; that income provides most of the revenue for the Port Authority. The 6.55 acres sold to BPJF would still leave enough space for commercial cargo operations [see 09#10B], per Coastal.

Planning and Zoning hearing
On 28 June the city’s Planning and Zoning Commission heard the proposed plans and opposition. Dave Shuda, the president of the union-owned Coastline, said: “His operation will allow us to market the port. It will give us a fighting chance. Absent to him [Brian McAllister, the owner of BPJF] buying the terminal, we would probably have to file for Chapter 11.”

BPJF’s attorney, Raymond Rizio, said nearly 90% of passengers board the ferries with their vehicles. The remaining 10% either get dropped off at the ferry terminal or access public transportation, which would be accessible via a water taxi or shuttle from the Seaview Avenue site. McAllister later noted the ferry service now draws about 380,000 cars a year and between 800 and 2,000 cars each day.

Opposition to the move
Lawyer Joel Green, a board member of the city’s Downtown Special Services District, said: “The intermodal transportation center is a big part of the success of the downtown. But our success is fragile. We feel that to now begin to dismantle the intermodal center we worked so hard to create...there is no question it would reduce pedestrian and vehicular traffic.”

Attorney Charles Willinger also noted that Denis O’Malley, chairman of the Port Authority’s board of directors, in a memo to the City Council last year, said the city has received millions in federal grants to update the Water Street site and that those grants stipulate the site can only be used as a ferry terminal. {Keila Torres in Connecticut Post 2.Jul.10}

Selling off the terminal to pay pensions
For 35 pensioned longshoremen, if the commission approves the application, they can collect benefits due. Coastline could also pay what it owes on its more than $500,000 tax bill, of which nearly $282,000 is back taxes from 2007 and 2008.

But an affirmative vote also means Bridgeport and the state might have to let go of the notion that this is a deepwater port, said William Gash, executive director of the Connecticut Maritime Coalition. He was quick to add that it wouldn’t be the final nail in the coffin for Bridgeport.

Future of the port
Gash said the U.S. Army Corps of Engineers is asking if spending millions to dredge Bridgeport would see a return. Without customers for the Coastline terminal, all the supporters of dredging can show is "hypothetical," Gash said.

Land that once was used to store containers around the port, including parts of Stratford, is no longer available. Manufacturers, who once brought materials in and out of the port, have been relocating to the south and overseas for decades.

“When Turbana left [see 08#05A], that was 50 boats a year,” said Bob Scinto, harbormaster. The majority of ships calling on Bridgeport are barges, or small craft and vessels going to Derecktor.

Paul Timpanelli, president and chief executive officer of the Bridgeport Regional Business Council, said his group has not taken an official position on the proposal to move the ferry. But he said no matter what the Planning and Zoning Commission decides, it’s time to move forward at the harbor. “The whole shipping industry has changed dramatically,” Timpanelli said. Connecticut ports are “all so small in terms of their physical size and depth capacity that it’s harder and harder for them to compete.”

Now, might be a good time "to find alternative uses," he said, pointing to a company like Derecktor. {Rob Varnon in Connecticut Post 12.July.10}

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MAINE

MDOT: RAIL PLAN

July, Augusta. MDOT EXPECTS TO PUT THE DRAFT ON THE WEBSITE THIS MONTH, according to a post there. ‘MaineDOT’s recent efforts on the potential MM&A abandonment, as well as the newly granted Portland-Brunswick ARRA funding, has delayed the release of the draft Maine State Rail Plan. MaineDOT wants to be sure that the draft reflects all
the impacts of the current situations and challenges.

‘At this point, we expect to have the draft available to the public on this site in July with a Final in late August. We thank you for your patience.’ {MDOT rail plan website}

**AMTRAK: BRUNSWICK EXTENSION***

6 July, DC. **USDOT SECRETARY RAY LAHOOD ANNOUNCED COMPLETION OF THE FUNDING AGREEMENT WITH MDOT** which will permit the start of construction on the Portland-Brunswick line owned by ST, to extend Downeaster service. The federal government’s $35 million will pay for 28 months of work on the 26.4 miles of track, including improvements to 36 grade crossings and signals for the line. {USDOT press release}

Pan Am office car special
Perhaps knowing the announcement was coming, ST ran its newly-refurbished F unit from Rigby Yard in South Portland onto the branch on 2 July, and then returned it to its home in the Waterville yard. {railfan reports}

**BML: BACK TO BELFAST?**

29 June, Belfast. **THE BELFAST CITY COUNCIL HELD A SPECIAL MEETING TO APPROVE FUNDING TO PURCHASE THE THREE MILES OF RAILWAY** within Belfast City. Together with Coastal Mountain Land Trust, they will purchase all of the right of way within city limits for $200,000.

An announcement of the proposal to the City Council on 15 June explained that the corridor would be used both for rail and trail. At the 15 June meeting the Council also voted to put rail access back into the Belfast waterfront development process.

The Brooks Preservation Society (BPS), d.b.a. Belfast & Moosehead Lake Railway will resume limited service to Belfast as a result of renewed interest from the City. The tentative 2010 schedule envisions 6 to 10 trains running within the city, as well as Brooks-to-Belfast and pizza train runs. {Russell Barber in MRG/Downeast Rail 7-8.10}

**MMA: STB PUBLIC HEARING**

7 July, Presque Isle. **THE STB HEARD TESTIMONY FROM THOSE AFFECTED BY THE PROPOSED MMA ABANDONMENT** during a day-long hearing, as well as MMA’s reasons for the abandonment.

No progress in negotiations
David Cole, MDOT commissioner, testified that his agency continued up until the evening before to negotiate with MMA regarding the purchase of the tracks. The parties have asked for

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*Image: Yarmouth, Maine. PAR 1 with the business train crosses the diamond (that’s SLR-operated, Maine-owned track running to the left to Portland) in Yarmouth enroute to Freeport. PAR 1 was received by Pan Am after GP35 216 was delivered to Conway Scenic [see 10#05B Regional]. This unit was originally CN, then Via, Conway Scenic and now Pan Am. The locomotive apparently has no reporting marks. (Courtesy Dan Nelson)*
another discussion with a mediator from the Surface Transportation Board next week, according to Cole. If the Board grants MMA the abandonment authority it seeks, Cole said, the state will still attempt to acquire the lines and take steps to operate them successfully.

Decision soon
Daniel Elliott, STB chair, said that the board would take all of the comments into consideration while it weighs its decision. A spokesperson for the board said after the hearing that a decision could be issued within two weeks. [Jen Lynds in Bangor Daily News website 7.July.10]

Offer of financial assistance
On 19 July, the deadline for filing OFAs, MDOT filed a notice of intent to file OFA. [STB website]

MAINE PORTS: 1H10


Eastport
Eastport handled 288,674 short tons in 2009, 415,314 in 2008. [Maine Port Authority] Christopher Gardner, executive director of Eastport Port Authority, said: “2009 was a tough year with Domtar shut down for three months,” said Gardner. “We did close to 300,000 tons last year and we are ahead of projections. We could have the highest tonnage in our history. We could beat our highest year by as much as 10%.”

Skip Rogers, manager of the Federal Marine Terminal in Eastport, agreed. “In the first half of the year, we are on target to have a banner year, but as Yogi [Berra] said, 'it ain't over til it’s over.' We’re over 200,000 tons at midyear, but we are dealing with foreign markets, mostly the Chinese, that are noted for being a little erratic.” [discussions with ANR&P’s Ed Beem 9 & 13.July.10]

Searsport
Jim Therriault, vice president for materials handling at Sprague Energy, said shipping is still slow in Searsport. “On the oil side, we definitely see volumes off a little this year as result of the economic downtown and the fairly mild winter. We’re off a few percentage points.

“On the other pier, the bulk pier, some of the products we handle are correlated to the construction and new home industry, things like aggregate products and asphalt for roads. They are off substantially. Road salt is off as well due to the warm, dry winter.”

“Windmill equipment has continued on par,” reported Therriault. “There hasn’t been any drop off. Windmills have a long lead time. They are delivered in fall and winter for Maine’s short construction season. We just spent May, June, and July loading that stuff out.” [discussions with ANR&P’s Ed Beem 16.July.10]

Captain David Gelinas of the Penobscot Bay & River Pilots Association reported that “Our movements are up, but the increase in activity doesn’t necessarily translate into business improvement.” More moves do not mean higher volumes if loads are smaller, Gelinas suggested.

Gelinas also noted that Cianbro shipment of oil refinery modules bound for the Motiva oil refinery in Texas have come to end in Searsport.

“I’m pretty disappointed in the level of activity at the dry cargo dock at Mack Point,” said Gelinas. “That new dock hasn’t really lived up to its potential.”

Portland
The Port of Portland handled a total of 2,660 containers in 2009, but it has already handled 1,614 containers in the first six months of 2010, according to John Henshaw, executive director of the Maine Port Authority.

“The numbers for 2009 described the worldwide recession, petroleum was down by 13% and non-petroleum cargos were down by 37%. I am cautious about 2010. I think it’s too early to suggest that numbers will rebound to 2008 levels in 2010 although I believe that, ultimately, we will trend upward.”

Jack Humeniuk, business agent for Local 861 of the International Longshoremen’s Association, said things are “steady and starting to pick up” in Portland. He said the Israeli shipping company Zim, the United Arab Shipping Company, and Hanjin, a South Korean company, were moving most of the container cargo via the Columbia Coastal barge to New York.

Humeniuk added that Hanjin has reportedly "booked" containers of consumer goods, but none have yet arrived. [discussions with ANR&P’s Ed Beem 12.July.10]

EASTPORT: LIVESTOCK LICENSE
15 July. THE U.S. DEPARTMENT OF AGRICULTURE APPROVED A TEMPORARY LICENSE after an expedited inspection process, in order to ship 500 cattle from the Northeast and Wisconsin to Turkey. The country is interested in buying about 8,000 dairy cows from the United States, and requires that any cattle be shipped from a state free of a disease called blue tongue. Maine is free of the disease, and now one of only a handful of states on the East Coast licensed to ship livestock.

Port and state officials hope the new designation will make Maine a hub for livestock transportation. “To have a licensed port in Maine at Eastport can only help Maine farmers,” said Ned Porter, deputy commissioner of the Maine Department of Agriculture. The state will work to get a permanent permit for the port. [Bangor Daily News and the Maine Public Broadcasting Network cited by MaineBiz online 19.July.10]

MASSACHUSETTS

NECR: CUSTOMER CHANGES*
9 July. QUABOAG TRANSFER CLOSED; CROSS-GLOBE EXPANDED.
Lydall to Cross-Globe
On 5 September 2008, Lydall, Inc. announced it would sell Lydall Transport, Limited [which it had acquired in 2003 from Proline, which acquired it in 2001 from Northeast Distribution—see 03#03B] to LTL Acquisition, LLC, a company formed by Pine Creek Partners, LLC, a DC-based private equity firm in partnership with Bill Franks and other members of management of Lydall Transport.

Dale Barnhart, president of Lydall, said: “The sale of the transport business frees up both management time and capital resources for our core businesses, which will support our long-term growth strategy of focusing on air and liquid filtration, life science and biomedical markets.” [Lydall press release]

On 6 October 2009, Lydall Transport Limited, still owned by Pine Creek, announced it would transition to the CrossGlobe name and brand. George McCabe, managing partner of Pine Creek, said, “The Lydall Transport name has one of the highest levels of customer satisfaction in the trucking and warehouse industry. Although the company name and branding have changed, there has been no change in management, and CrossGlobe will be expanding on the same services on which Lydall Transport built its reputation in the industry.” [Lydall Transport press release]

CrossGlobe adds outdoor facility and Kirk Bryant
CrossGlobe announced on 19 May that its Monson facility [our Directory #706] opened a new Outdoor Transfer Yard. This large, rail sided yard will offer product transfer, outdoor storage and distribution for a variety of commodities including lumber and wood products, metal, construction material and more. CrossGlobe’s Monson facility also encompasses 100,000 square feet of indoor food-grade warehouse storage and is a state-of-the-art multi-commodity distribution operation strategically located within the heart of the New England region. The facility offers complete rail-to-rail, rail-to-truck and truck-to-truck product handling services to provide mindless convenience and customized solutions to its customers.

CrossGlobe also announced that Kirk Bryant joined the company as the general manager of the New England region, bringing ‘deep experience to his role with CrossGlobe as the former owner of Quaboag Transfer, Inc.’

Tom Stokes, also formerly with Quaboag Transfer, has joined CrossGlobe as the new sales director of the New England Region. [CrossGlobe press release]

Quaboag closes
In May, Quaboag Transfer [Directory #716] closed its doors after more than 30 years of operation at the Palmer Industrial Park in Bondsville. On 30 June, Andrew Goodman, owner of Sherwood Lumber Company with headquarters in Islandia, New York, bought the property at auction for $2.6 million. [Sherwood operates a rail- and ship-served lumber distribution facility in New London, our Directory #691-2–see 03#09A.]

The property includes 66 acres with a spur into the facility, a 50,000SF warehouse built in 2003 and a 3,000SF office building built in 1985.

Quaboag Transfer property, owned by Bell Hill Properties, is valued at $1.6 million, according to the Palmer assessor’s office. The new owner also has to pay approximately $20,000 in unpaid water bills and personal property and real estate taxes owed to the town, auctioneer Paul Sheer said. {Lori Stabile in Springfield Republican 30.June.10}

In September 2009, Quaboag was trucking coal for the Mt. Tom power plant [see 09#09A]. A web search turned up little additional information on Quaboag. One disgruntled person from Cheswick, Pennsylvania, filed a ‘ripoff report’ about Quaboag in 2009: ‘Failed to pay for 3 loads from June and July 2008 total amount due $1 550 Have tried repeatedly to work out a payment schedule with this company They have no reason for not paying They are a viable business that continues to no pay truckers Will not return phone call, answer the phone nor respond to email or collection agencies.’ {Ripoff website}

Rail impact
In 2003, Lydall did about 1500 carloads a year, served by NECR. In that same time period, Quaboag, which once operated its own railroad, did 4500 carloads a year as one of NECR’s largest customers. {Directory}

Mark Marasco, a principal in Maple Leaf Distribution Services, another rail-served warehouse in the Palmer Industrial Park, did not see the Quaboag development as affecting his facility, which handles mostly paper. “I wish them well,” he said.

The economic climate is “going in a good direction” in terms of traffic, Marasco said. “The changes in the rail network and rail infrastructure” with both public and private investment are “good for rail in general, it helps everybody.” {ANR&P discussion 9.Jul.2010}

PW/MBTA: NEW WORK
15 July, Worcester. THE RAILROAD WILL PERFORM ‘VEHICLE PREP’ FOR SOME NEW MBTA LOCOMOTIVES, according to a press release this day. Motive Power, Inc. of Boise, Idaho won a bid to supply MBTA with twenty new diesel electric locomotives, to be delivered between spring and fall 2013.

‘P&W will complete certain services for Motive Power, Inc., including pre-delivery inspection, preparation and the commission of support services,” Scott Conti, P&W’s President, said “We are excited that the bid has been awarded to Motive Power, Inc., with which we look forward to continuing a mutually advantageous relationship through a unique partnership, and for the opportunity to furnish our expertise to MBTA.” {PW press release}

‘The P&W shop will also provide a location to establish a parts inventory and conduct warranty repairs. The Motive Power relationship with the P&W in Worcester will assist them in retaining 150 employees.’ {MBTA press release 14.July.10}

MBTA spokesperson Joe Pesaturao said workers in Worcester will add oil, fuel and water, install radios, and connect batteries. {Priyanka Dayal in Worcester Telegram and Gazette 19.July.10}

ST: ABANDONMENT
2 July, DC. THE RAILROAD FILED TO ABANDON FREIGHT RIGHTS ON THE SAUGUS BRANCH, using the Notice of Exemption procedure. MBTA owns the line; the last
freight traffic ran ‘well more than’ two years earlier, in 1998.
Passenger service ended in 1957.

The line
ST stated that the branch began at Milepost 2.69 [at Everett
Junction, 2.69 miles from Boston North Station, where it splits
off from the MBTA Rockport Branch] and ran through Everett,
Malden, Revere, Lynn, and Saugus to Milepost 12.43 [where it
rejoins the Rockport Branch at West Lynn]. {STB website,
filings page, Docket No. AB 32 (Sub No. 71x)}

In 1984, GE paid to rebuild the branch to send out heavy
transformers from its West Lynn plant, but soon thereafter
stopped building the transformers at that plant. {Ronald Dale
Karr, Rail Lines of Southern New England 1995}

To become a rail trail
Bike to the Sea promotes the development of a bicycle and
pedestrian trail from the Malden area to the beaches of Lynn and
Revere. A state feasibility study conducted has concluded that a
trail to the sea along the Saugus Branch rail line is feasible. {organization website}

ST: ANOTHER LEGAL LOSS*
8 July, Boston. ST LOST ITS EFFORT TO STAY THE
EXECUTION OF ITS $500,000 FINE FOR AN
ENVIRONMENTAL SPILL. Chronology of the Massachusetts
spill [ST was fined for spills in Maine in January 2010–see
10#01B]:

2006: ST covers up a diesel spill in Ayer.
2009 March: Jury convicts of environmental crime. Fine of
$500,000 and probation. [See 09#04A.]
2009 March: ST (term includes Pan Am, B&M, and MEC)
appeals, moves for stay of execution.
2009 April: Judge denies stay.
2009 April: ST moves to stay with single justice of Appeals
Court; denied same day.
2009 April: ST appeals to full Appeals Court. Fine deposited in
escrow account.
2010 July: Full Appeals Court denies appeal.

Court reasoning
A sentence may be stayed, the Court said, if ST (1) had ‘a
reasonable possibility of a successful decision in the appeal’ and
(2) the defendants were ‘unlikely to commit additional criminal
acts during the pendency of [the] appeal.’ [emphasis added]

Here, the trial judge found that ST posed a ‘tremendous
danger’ to the community because of its coverup of the oil spill,
and that ST had ‘failed to establish even a reasonable possibility
of success.’

The Court of Appeals deferred to the trial judge on the
danger; ST provided no comment that the judge’s conclusion was
erroneous ‘other than their own assertions.’ Since the second
reason was not satisfied, the Court had no need to address the
question of success on appeal. {Massachusetts Court of Appeals
No. 09-P-824}

NEW HAMPSHIRE

NEGS: STILL THERE*
13 July, Concord. NEGS CONTINUES TO SERVE CONCORD
CUSTOMERS, said President Peter Dearness this day. He could
provide no date when ST will take over. [ANR&P discussion]
[See 10#06B.]

The derailment in Milford in late June is cleared up. The
ST engine there is no longer trapped. {editor}

MBRX v ST: TO FEDERAL COURT*
6 July, Concord. ST REMOVED THE DISPUTE WITH
MBRX TO FEDERAL COURT. by notice this day in the US
District Court for New Hampshire, the day before the scheduled
hearing in state superior court on the temporary restraining order,
which if granted would have required ST to permit MBRX to
operate on its track in Wilton with Peter Leishman as crew.

Legal basis
ST counsel Christopher Carter of the Concord firm Hinckley,
Allen & Snyder, stated in the notice that ‘federal law provides
the exclusive cause of action for the relief sought by Petitioners.
As common carriers by rail, Pan Am and Petitioners fall under
the exclusive jurisdiction of the STB, and are therefore regulated
pursuant to the Interstate Commerce Act (“ICA”), particularly...49 U.S.C. §§ 10501(a) – (b). Pursuant to this
regulatory scheme, the STB has exclusive jurisdiction over
nearly every activity involving rail transportation, to the extent
that Congress has declared that this regulatory scheme preempts
all state law remedies, with limited exceptions not applicable
here.’

Consequently, a federal court may take jurisdiction of the
dispute.

Request for immediate action
In a filing on 9 July in the federal court seeking a hearing as soon
as possible, MBRX reiterated its need to ‘provide service to
Granite State Concrete, prior to the expiration of their operating
permit, which allows crushed gravel to be carried by truck for
only 90 days. This period is set to expire on July 9, 2010. After
that date, Granite State Concrete will only be able to carry
uncrushed stone. No hearing has been scheduled in this matter,
and it is anticipated that Granite State Concrete will need to
adjust its level of business activity, find alternate transportation
arrangements, or any combination of these alternatives.’

Motion for preliminary injunction
By 12 July, with no hearing scheduled yet, MBRX counsel Craig
Donais filed a formal motion for preliminary injunction and a
memorandum of law outlining the arguments needed to get the
quick action: that MBRX is likely to win a permanent injunction,
that MBRX is suffering irreparable harm, as is New Hampshire,
and that ST is suffering no harm. {US District Court, Case 1:10-
cv-00264}
RHODE ISLAND

PW/ST/Seaview: MORE FORDS**
8 July, West Davisville. THE FORD-LOADED AUTORACKS CONTINUE TO POUR INTO DAVISVILLE. On 11 July 30 were scheduled, on 12 July 15, on 13 July 15, and the same on 14 July. {e-mail to ANR&P from source close to the movement}

NORAD comment
Mike Miranda, head of NORAD, said he understood that his auto distribution facility was “taking the overflow.” He did not know whether the racks would move long-term to NORAD. “It could be.”

NORAD was not yet doing any loading of vessels for overseas shipments, though that might happen in the future with Volkswagen and Audi. {ANR&P discussion}

FIESTAS FROM MEXICO
At Baltimore’s Dundalk Terminal, new Ford Fiestas from Ford plants in Mexico began arriving June 24 onboard a “K” Line roll-on, roll-off vessel. They will arrive throughout the rest of this year.
Earlier this year, BMW began shipping the first of 50,000 new vehicles through the Port of Baltimore annually for the next five years. The Port of Baltimore also serves as the primary port of entry for the Ford Transit Connect van from Turkey. Baltimore receives about 85% of the 35,000 vans that are imported into the U.S. annually.
Out of about 360 US ports, Baltimore is ranked number one for handling RO-RO, trucks, imported forest products, and imported gypsum, sugar, and iron ore. [See Montreal in Regional]. (Maryland Port Authority press release)

“We are among the top three ports in the nation for handling autos,” he said. “We feel here that in terms of autos, we have a great product to sell.” Maryland Port Administration spokesman Richard Scher cited by Anna Isaacs Dolan Media NewsWires

RI: PUBLIC RAIL CORPORATION
22 June, Providence. THE GENERAL ASSEMBLY AGREED TO HOLD AMTRAK HARMLESS DURING WORK ON THE NEW WICKFORD COMMUTER RAIL STATION, in Bill H 7943 passed this day, and which became law without the governor’s signature.

The Bill ‘empowers the Public Rail Corporation to defend, indemnify and hold harmless the National Railroad Passenger Corporation and third-parties to the extent that Amtrak is required to defend and indemnify third-parties for liabilities relating to the existence of any road or bridge or appurtenance thereto owned or used by the State or any municipality, public corporation or instrumentality of the State, which is located or to be located on, above, under or within the boundary of any property owned by Amtrak.’ {legislature website}

[A similar act, H 8450, passed in 2008, and your editor is not going to untangle this. {legislature website}]

When RIDOT moved toward starting commuter rail service south of Providence, to be provided by the MBTA, it signed an agreement for access to Amtrak’s Northeast Corridor in 2008 ‘for the purpose of running commuter rail service from Providence to the Warwick Intermodal Station at T.F. Green Airport in Warwick, RI and Wickford Junction in North Kingstown, R.I. (the “South County Commuter Service”).’

Warwick work is underway, and RIDOT wants to begin on the Wickford station. {minutes of Public Rail Corporation meeting of 18.Mar.10}

History of Corporation
In March 1982, The East Bay Commuter Transit Corporation was created by the General Assembly (RIGL 42-64.2) for the purpose of enhancing and preserving the viability of commuter transit operation in the East Bay Section of the State of Rhode Island.

In 1991, the General Assembly changed the name to The Rhode Island Public Rail Corporation with the purpose of acquiring and developing real and personal property and to provide financing to others. In addition, The Corporation was authorized, created and established for the purpose of enhancing and preserving the viability of commuter transit and railroad freight operation in Rhode Island. It was also given the power to acquire six specific property and railroad operating rights from the Providence and Worcester Railroad. Phil Kydd, RIDOT deputy director, serves as executive director of the Corporation. {e-mail from Charles St. Martin, chief of information and public relations 8.July.10}

The six parts: (I) Washington secondary branch; (ii) Warwick industrial track; (iii) Wrentham industrial track; (iv) Pontiac secondary branch; (v) Moshassuck Valley industrial track; and (vi) East Providence secondary branch. {statute § 42-64.2-2}

QUEBEC/MARITIMES

HALIFAX/CN: RAIL PURCHASE
5 July. CN WILL IMPORT ABOUT 40,000 TO 45,000 TONNES OF NEW RAILS OVER HALIFAX THIS YEAR but none will go to upgrading a section of line in New Brunswick which has been flagged for slower speeds because of maintenance requirements, said CN spokesman Jim Feeny.

CN and passenger train
Via Rail cut speeds in half on sections of the Newcastle subdivision (Dalhousie to Moncton, in New Brunswick) earlier this year, to 30 miles per hour; freight moves at 25. “There are sections of track mostly between Rogersville and Bathurst,” that are affected. Feeny said. “To get the track back up to higher speeds and up to Transport Canada standards we would have to do considerable maintenance and the freight on it just doesn’t justify the expenditure at this time.”

Via spokesperson Elizabeth Huart said the reduced speed adds about 45 minutes to the trip between Halifax and Montreal.
No complaints have come from passengers who are being kept informed of the situation.

Rail imports
CN imports about 80,000 to 85,000 tonnes of rail annually with the largest supply coming from the Czech Republic. CN also imports rails from Japan and the United States. Since Sydney Steel closed in Cape Breton, Feeny said, Canada has no rail manufacturer.

Rails to Winnipeg
The imported rails arrive in 78-foot lengths and are sent to a CN facility in Winnipeg, Feeny said. “In Winnipeg it is welded into 1,482-foot lengths, a quarter mile part of continuous welded rail now used across our system.” [Discussions with ANR&P’s Tom Peters 5.July.10]

**CANSO: NEW MONEY**

7 July. MAHER TERMINALS STRUCK A SHAREHOLDER DEAL WITH MELFORD INTERNATIONAL TERMINAL recently. The agreement calls for Maher to operate the facility when built. Neither party would specify the amount of Maher’s investment or what percentage of the terminal it would own.

Chris Dombalis, executive vice-president at Maher of Elizabeth, New Jersey [a subsidiary of Deutsche Bank AG {press release 20.Mar.07}] would only say, “Maher has a meaningful equity stake in the project.”

Maher was drawn to the planned terminal, now christened the Maher Melford Terminal, because of the need for capacity. “We are looking at the emerging market sector, particularly Southeast Asia and West Asia. We see an enormous amount of potential for growth in those marketplaces which are going to lead in the future to the demand and need for more capacity on the East Coast to get those goods or boxes into North America.” Melford Vice-President Richie Mann said the plan is to have the terminal operational in 2013 which fits into Maher’s growth schedule.

Maher’s stake in the project does not make it the largest investor, said Mann. “Suffice it to say Cyrus Capital continues to be the largest investor [$10.5 million, see 08#01B] in the project and Maher will have part ownership and an opportunity to become a larger owner if certain conditions develop and they are met.”

Halifax?
Asked if Halifax was given any consideration as a location for Maher, Dombalis said: “Our minds are on Melford and that’s where we figure is the opportunity. We are looking at what would be the optimum positioning of a terminal coming in from the Suez Canal. The optimum spot is Melford.”

Terminal high-tech?
Mann said the new terminal will be highly efficient which will reduce costs. “Robotics could possibly be involved but I don’t think there has been a final decision made on what the operating scenario will be. Obviously Maher will have the largest say in that. We have looked at a number of designs and really it is about a combination of designs, technology and equipment. We envision incorporating all of these. If you are going to attract and deal with the larger vessels, it’s all about better, faster, cheaper. “Especially if you are dealing with larger ships you need more laydown area, you get rid of congestion on the dock, you minimize the number of touches of the box, more vessel to rail direct loading so you can incorporate a lot of different scenarios to a much greater degree of efficiency that exists in most terminals.” [Discussions with ANR&P’s Tom Peters 7-8. July.10]

**The Project**
Melford International Terminal, a privately-owned Nova Scotia company, is developing a 315-acre container terminal, an intermodal on-dock rail facility and a 1,500-acre logistics park. The terminal will feature deep water berths of 60 feet at mean low water, an ice-free 100-foot deep channel and no air draft restrictions. The terminal will enable the most direct and convenient service for intermodal trade between North America and emerging Asian markets through on-dock rail access to key markets throughout Canada and the U.S. When phase one of the project is completed, the terminal will comprise two berths with initial projected capacity of 1.5 million TEUs annually.

Cost $350 million. {Melford release 7.July.10}

A comparison with Prince Rupert
Maher and CN already have a strong connection as joint partners with the Prince Rupert Port Authority in the construction of the container terminal. Maher invested $60 million and CN $25 million in that project. {Western Economic Diversification Canada release 12.Sept.07}

John Buckley, president and CEO of Maher, said, “CN has proven to be an excellent partner with Maher at the Port of Prince Rupert in British Columbia. We look forward to building upon that crucial relationship on Canada’s East Coast.” {Melford release 7.July.10}

**CN rail capacity**
CN spokesman Mark Hallman said CN “is watching the Melford developments with great interest. We have ample capacity to handle any new business that would flow through the terminal and at the same time we still remain committed to delivering good service to the ports of both Halifax and Montreal. That’s where we are right now. We are certainly open for business.”

Hallman said CN has not made any financial commitments to the Maher Melford project. Asked if the Maher Melford project becomes a reality would that put CN in a precarious position serving both the ports of Halifax and Melford where it has had such a long standing association with Halifax, he said: “I’m not in a position to be able to speculate about market forces or what could happen or not happen. We can’t comment on a speculative question like that.” {Discussions with ANR&P’s Tom Peters 13.July.10}

**Halifax comments**
“Our focus is aggressively developing and growing the Port of Halifax. The Halifax Port Authority has not seen the business case for the new terminal but in essence, the market will evaluate new terminal concepts and respond accordingly,” said Halifax Port Authority spokesperson Michele Peveril. {Discussions with Peters, 9.July.10} In the past, Peveril has noted developments at Canso and Sydney, and has been careful in her comments.
Comment on how Melford or Halifax might succeed

Dr. Mary Brooks, the William A. Black Chair of Commerce in the university’s School of Business Administration, is not convinced the Port of Halifax needs to beef up its marketing travel or strategies in reaction to a threat of a new container terminal planned for Melford on the Strait of Canso.

“There is a certain amount of marketing required to retain or gain business. It is not just about spending more on travel or schmoozing as some may think. There is also vision and targeted marketing. Underneath good port marketing is understanding competitors, where they or your port creates value for the shipping line and its customers (the traders), and ensuring that the business case for a switch to the Port of Halifax becomes apparent to any re-examining their previous route and service choices.

“In a complex global world, what the key buyer in India or Vietnam may think of Halifax against Norfolk [for example] is more likely measured in terms of the port's ability to process cargo quickly and efficiently to destination as part of a global supply chain than about whether they know someone in Halifax or Norfolk. Melford will be entering a crowded marketplace and has a considerable way to go in developing and communicating its value proposition to those who will ultimately put money on the table by booking cargo over the route.”

Without having more information, Brooks said it is difficult to say whether or not Maher’s investment is sound. ‘Those who have investment partners have a stronger case than those who do not. That said, not everyone makes wise investments so even having a partner does not mean the business case is sound. It is not clear to me what the terms of Maher's involvement will be; if it is like their investment in Prince Rupert then Melford has a much improved situation but the press release was a little vague on the details.’ [Brooks in emails to ANR&P’s Tom Peters 9-10.July.10]