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

**REGIONAL**

**NEW YORK**

**STONE MOVES:** Description of originators and receivers of crushed stone on Long Island.*

**MASSACHUSETTS**

MCER: ABC&D to reply on tiny railroad.*

**CONNETICUT**

ST: Congestion in Massachusetts indicates major problem. Request for more information.*

**VERMONT**

[No report.]

**MARITIMES/QUÉBEC**

CBNS: Still awaiting subsidy decision.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

John Schultz. Larry Ferguson.

**FROM THE PUBLISHER**

GOOD ST OR BAD ST?

Pan Am Railways operating subsidiary, Springfield Terminal Railway (ST), has promised five days a week service to Concord, once NEGS leaves, which it will on 1 September [see below]. Pan Am can fulfill promises: it is giving the Downeaster excellent service, as Dave Fink *pere* promised many years ago. But it can also fall down badly on service, as NEGS reports in the press release below.

Which Pan Am will major Concord shippers such as Ciment Quebec and Blue Seal see? Rumors out of tiny railroad, asks for environmental assessment. *

**NEW HAMPSHIRE**

MBRX v ST: Hearing in September set. Will due process and rule of law apply?*

**RHODE ISLAND**

[No report.]

Billerica say they’ll see the bad Pan Am. Time will tell, soon enough. *Editor*

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**REGIONAL ISSUES**

**BOSTON-PORTLAND-NY: BARGE ENDS**

26 August, Liberty Corners, New Jersey. *Columbia Coastal Discontinued its Barge Service* between Portland, Boston, and New York, earlier this month, according to a company announcement. Columbia still operates between Norfolk and Baltimore. Kevin Mack, vice president of development for Columbia Coastal, said this week it began service between Philadelphia and Norfolk for 80 to 100 containers of military supplies per week.

**Low Boston traffic**

Mack said container volume between Boston and New Jersey has declined sharply in the past three years because trucking rates have dropped so low. Columbia was transporting 100 to 150 containers a week, mostly heavyweight refrigerated boxes that can’t be moved by highway. The volume is about half of the barge’s capacity.

The increased direct service to Boston by international carriers caused some of the decline, Mack said. Mediterranean Shipping and the CKYH Alliance of Cosco, “K” Line, Yang Ming and Hanjin now call at Boston.

**Pulp will continue**

Mack said that Columbia tried to offset declining shuttle volume by transporting export containers of wood pulp from Portland. {announcement cited by R.G. Edmonson in *Journal of Commerce* 26.Aug.10}

Armand Demers, who handles forest products for Sprague, said on 27 August that Central National Gottesman, which is handling the pulp moving out of Old Town to overseas destinations [see 09#11A], will continue to do so. In larger amounts, the pulp will move over Sprague as break-bulk in ships.

Smaller amounts, or pulp going to destinations not served by a ship calling Portland, will get trucked to New York for loading into containers there. {*ANR&P* discussion 27.Aug.10}

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**Marine Highway?**

Actually, said Humeniuk [see article], “we knew the barge rate structure was not good, and service was not consistent.” Maine’s Marine Highway application [see 10#08A] said service “has to be weekly and consistent; it has to sail like a ship.”

The articulated tug proposed in the TIGER II grant [see 10#08A] will be more seaworthy than the current barge towed by tug: the barge will look more like the fuel barge, with higher freeboard enabling it to sail in all kinds of weather.

Humeniuk said that while the $7 million currently available from MARAD will only pay for application costs, the intent is to make the marine highway applications eligible for federal highway funds.

“If we had an $8 million operating subsidy [like the Downeaster], we’d have containers piled higher than the [Casco Bay] bridge.” The program would alleviate highway congestion and the need for more repairs and new highways, justifying the subsidy.

It could also substitute for rail: “The north-south rail move is not working well.” {*ANR&P* discussion 27.Aug.10}

Columbia has been a strong advocate of the marine highways program, but Mack said any venture should be built around a business model that does not depend on government support. {announcement cited by R.G. Edmonson in *Journal of Commerce* 26.Aug.10}

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**Barge rates had gone up**

Jack Humeniuk, International Longshoremen's Association representative and chief of operations for
The two quarry companies are now satisfied with the proposal by CSXT to move all D&H New York traffic via daily trains. See 10#07B New York.

PortsAmerica at the Portland container terminal, said Columbia, in an effort to make up the reduced revenue out of Boston, had raised rates for the Portland containers 35%. “The shipper could not accept that.” [ANR&P discussion 27 Aug. 10]

**ST: PERFORMANCE PROBLEM**

Observations in Massachusetts indicate that trains on PAS are jammed up. Two major customers in late August said to me that service has, or could become, so bad they may as well go all truck.

If any reader can elucidate this situation, or add to observations, please contact me. *More in a future issue.*

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**NEW YORK/CONNECTICUT**

**CRUSHED STONE TO LONG ISLAND**

Outline
Overview

1. **RAIL MOVES**
   - 1.1 D&H origins *Map.*
   - 1.2 D&H destinations
   - 1.3 PW origins
   - 1.4 PW destinations for Tilcon. *Map.*
   - 1.5 PW destinations for Rawson
   - BOX on possible HRRC origin.

2. **MARINE MOVES**
   - 2.1 Tilcon Connecticut origins
   - 2.2 Tilcon Connecticut destinations
   - 2.3 Tilcon New York origins
   - 2.4 Tilcon New York origins
   - 2.5 New York Sand and Stone origins
   - 2.6 New York Sand and Stone destinations
   - BOX on New York Sand and Stone

3. **ESTIMATES OF TRAFFIC TONS**

**Introduction**

New York City and Long Island use about eleven million tons of crushed stone each year. The vast majority of it moves by barge, some by truck, and some by rail.

**RAIL MOVES**

All stone delivered by rail comes from the Albany region via the Delaware & Hudson Railroad (D&H, a Canadian Pacific Railway subsidiary) or Connecticut via the Providence and Worcester Railroad (PW). Each interchanges the stone cars at Fresh Pond, Queens, with the New York and Atlantic Railway (NYA), which operates over state-owned Long Island Railroad tracks to reach the stone terminals.

**D&H origins**

Three quarries belonging to two D.A.Collins Companies, Jointa Galusha and Pallette Stone, provide all stone, in 30-car lots, to D&H.¹ Using its two trains per week from Albany’s Kenwood Yard to Fresh Pond, D&H turns over the consist to NYA.

In Saratoga Springs, Pallette's quarry lies west of the D&H line on Route 29. Actual loading occurs just

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¹ The two quarry companies are now satisfied with the proposal by CSXT to move all D&H New York traffic via daily trains. See 10#07B New York.
Assisted by the firm of Gannett Fleming, per the decision, under the STB direction but paid for by applicant US Rail.

Either via Prima, as stated in earlier NYA filings with the STB, or via the barge terminals, as stated in the Environmental Assessment filing. One US Rail filing said Sills Road had lost the use of its former terminal in 2007, and hence began the BRT project.

Jointa Galusha’s loading takes place at a quarry and spur leased from the D&H in the locality of Comstock, Town of Fort Ann, between Route Four and Old Route Four.

Jointa Galusha also supplies the metro New York market by draying to Comstock from a 190-acre quarry on about 2000 acres in Hartford, NY, south of Comstock and near the D&H line, but across the barge canal and without a rail spur. (Google aerials; e-mails to ANR&P from D.A.Collins’ John Davidson 30.July.10)

D&H destinations
The D&H stone moves exclusively to a terminal in Holtsville, Long Island, operated by Prima Asphalt, which is related to D.A.Collins [see box in other story]. The two related Sills Road asphalt plants [see below] also use the Prima location to receive D&H-delivered NY stone, per NYA [see 10#07A]. (e-mails to ANR&P from D.A.Collins’ John Davidson 30.July.10)

Brookhaven Rail Terminal. When this opens [see other article], this facility will become the prime recipient of the upstate stone.

Sills Group asphalt plants. According to the STB’s Section on Environmental Analysis in its Final Environmental Assessment, BRT’s receipt of crushed stone by rail would substitute for barge plus truck: ‘Trucks currently use local roads to bring aggregate to Sills’ existing facilities on Long Island—Scatt Materials, located approximately 24 miles from the BRT site, and Empire Asphalt, located approximately 13 miles from the BRT site.’ The trucks operate ‘through Port Washington and Port Jefferson,’ presumably from Tilcon New York’s two barge terminals [see below]. Sills’ two plants would use 250,000 tons, as they do now,[3] and make available 250,000 tons to other users. (STB website, decisions page, SEA decision Finance Docket No. 35141 20.Aug.10)

Scatt Materials is located in Deer Park, not far from Rawson-supplied Astro Ready Mix, but not on rail.
Empire Asphalt is located in East Setauket off Comsewogue Road, directly adjacent to an NYA line, but without a spur. Bing aerial

Currently, truck deliveries of aggregate to the Empire Asphalt and Scatt Materials facilities follow routes from the docks at Port Jefferson, NY and Port Washington, NY, respectively. Each plant takes delivery of between 15-18 truckloads of aggregate per day, resulting in 30 to 36 truck trips per day per plant to each of the two plants. This results in a combined 60 – 72 total truck trips per day. (STB website, decisions page, SEA draft decision Finance Docket No. 35141 26.July.10)

1.3 PW origins
PW lifts loaded cars from several terminals in Connecticut, all but one owned by Tilcon Connecticut [see 10#06B Connecticut with map]. Since 2009, Rawson Materials’ quarry in Plainfield has added stone cars to the parade of Tilcon-loaded gondolas moving to Long Island.

In fact, Rawson now supplies more than Tilcon to Long Island. [See table below.]

1.4 PW destinations for Tilcon
Nicolia Industries Inc has two facilities on rail, which receive from the Tilcon Reed’s Gap quarry. ANR&P discussion with source close to move 29.July.10; Nicolia website

Apple Ready Mix/Elm Transit Mix. 43 Colin Drive, Yaphank (Town of Brookhaven), NY. Two through-track dump slots, 10 car spots.

Arriva Ready Mix. Lindenhurst, NY. 615 Cord Avenue, West Babylon, NY. The unloading side track is located “down the street” with 12 car spots. NYA President Paul Victor said this site was built in the last two years, and is located at 685 North Queens Avenue, Lindenhurst. (e-mail to ANR&P)

1.5 PW destinations for Rawson
In 2009, PW moved 1900 carloads for Rawson to two customers: Sky Materials in Queens, and Astro Ready Mix in Deer Park. Rawson has already exceeded that number this year [see other article].

2 MARINE MOVES

2.1 Tilcon Connecticut origins
This branch of the CCH/Oldcastle Materials company delivers by barge from its North Branford quarry via a loadout at Juniper Point, Branford, on Long Island Sound [see 10#06B].

2.2 Tilcon Connecticut destinations
The barges move to Port Washington and Port Jefferson [see map in 10#06B] terminals owned by Tilcon New York. 5

2.3 Tilcon New York origins
Tilcon NY produces an average of five million tons of dolomitic limestone at its 1200-acre quarry in New Hamburg, New York on the Hudson River at Clinton Point. Two-thirds moves by barge, primarily to New York City.

Smaller quarries in Haverstraw and Tomkins Cove, both on the Hudson, also supply New York. (Tilcon

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4 The Manta website lists Universal Ready Mix (has spur adjacent, but no evidence of use of rail {Google website}), Empire Asphalt, and Prima Asphalt and Concrete [the Holtsville site operator] as ‘related companies.’

5 Tilcon purchased these terminals.
2.4 Tilcon New York destinations
Flushing Aggregate Terminal, on College Point Boulevard, Queens. [Bing aerial]

Inwood terminal, Sheridan Boulevard, Queens. [Google aerial]

Tilcon NY also uses the two terminals on Long Island. [Komatsu article, Komatsu website 14.Aug.09]

2.5 New York Sand and Stone (NYSS) origins
NYSS originates crushed stone in a granite quarry owned by Florida Rock Industries [see 00#10], located in Bayside, New Brunswick, which produces two million tons per year.

2.6 NYSS destination

About New York Sand & Stone
New York Sand & Stone (NYSS) is a partnership between two companies: Amboy Aggregates Inc., located in South Amboy, NJ, and New York Sand. Amboy Aggregates is equally owned by Ralph Clayton & Sons in Lakewood, NJ, and Great Lakes Dredge and Dock Company in Oak Brook, Illinois. [Great Lakes bid to dredge Sydney harbor, but was not selected. See 09#11A.] New York Sand is owned by two private entrepreneurs, John DeRosa and Randy Waterman, and Florida Rock Industries.

NYSS was created by acquisition in 1998 and is now one of the key suppliers of construction aggregates in the New York City market. It maintains the largest supply of crushed stone within the five boroughs of New York City. {Kate Zanoni in construction equipmentguide.com (undated)}
The company receives at the former Brooklyn Navy Yard, pier J. Ocean-going vessels, calling weekly, discharge their 50,000-ton cargo via a self-unloading boom conveyor, requiring about 36 hours. Typically, each ship is loaded with three different aggregate types depending on the company’s current needs. The company is very proud of the growth it has shown during its relatively short history in the New York City market.

“We like to call ourselves the city quarry,” said Tom Dooley, NYSS general manager. “We have a very small geographic area [approximately 4 acres] in which to conduct a giant job.”

“[However], in a short period of time [approximately eight years] we have built up our company to represent 20% [if the market is 11 million tons, and NYSS receives 2.5 million tons–see table, below] of the aggregate sales in the New York metropolitan market,” added Dooley. “We are still growing [and] I believe that the location of our facility has been one of the keys to our success.” Within 15 minutes of the New York Sand & Stone facility, there are more than 20 ready-mix plants.

“For contractors with union laborers, we offer tremendous cost savings,” said Dooley. “They can pick up aggregate materials six days a week from our location in the heart of the city and not waste time sending employees all the way upstate to pick up aggregate materials.”

In addition to stone products, New York Sand & Stone distributes sand products mined by Amboy Aggregates from the Ambrose Channel, the main shipping channel serving the New York harbor. {Kate Zanoni in construction equipmentguide.com (undated)}

<table>
<thead>
<tr>
<th>Origin</th>
<th>Destination</th>
<th>Tonnage (millions)</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tilcon NY Hudson quarries</td>
<td>NYC, LI terminals</td>
<td>4.5</td>
<td>barge</td>
</tr>
<tr>
<td>Tilcon CT quarries</td>
<td>LI terminals</td>
<td>0.50</td>
<td>barge</td>
</tr>
<tr>
<td>Florida Rock NB</td>
<td>NYSS Brooklyn terminal</td>
<td>2.5</td>
<td>ship</td>
</tr>
<tr>
<td>Other</td>
<td>NYC or LI terminals</td>
<td>2.5</td>
<td>truck</td>
</tr>
<tr>
<td>quarries on PW</td>
<td>NYC and LI terminals</td>
<td>0.4</td>
<td>rail</td>
</tr>
<tr>
<td>quarries on D&amp;H</td>
<td>Holtsville terminal</td>
<td>0.18</td>
<td>rail</td>
</tr>
<tr>
<td><strong>Total tons crushed stone</strong></td>
<td></td>
<td><strong>10.58</strong></td>
<td></td>
</tr>
</tbody>
</table>

1. Tilcon NY figure from Buchanan website remark about 6 million tons, and Clinton estimate of 2/3rds of 5 million (3.25) to New York.
2. North Branford produces 1 million tons; I estimate half moves by rail.
3. 50,000 tons per trip x 1/wk = 2.5m
4. Truck is calculated by subtracting the rail and marine from the 11 million tons total market.
5. Rawson estimated at 3000 cars = 300,000 tons 2010. Tilcon estimated at significantly less, since according to NYA’s Victor the total traffic on NYA from PW only comes to 250,000 to 300,000 tons. [10#07A]
6. 30-car consist twice a week for, say 30 weeks 1800 cars= 180,000 tons. This much lower figure for D&H traffic is supported by D&H itself. See 10#07B New York.

**NYA: NEW STONE TERMINAL**

20 August, DC. THE LONG-PROPOSED STONE TERMINAL IN YAPHANK TOOK ANOTHER STEP toward construction when the STB issued the Final Environmental Assessment this day. The Board’s Section of Environmental Analysis ‘concludes that the construction and operation of the proposed rail line would not result in any significant environmental impacts if the mitigation measures recommended in this Final EA are imposed and implemented. Therefore, preparation of an EIS is not necessary.’ {page 10} [Page numbers refer to the SEA decision.]
Another tiny railroad

D.A.Collins [see ‘Stone Moves’ article] has joined with Landbridge Intermodal [no mention of such a company from Google—editor], Pratt Brothers Construction, Watral & Sons and US Rail to construct a new facility, the Brookhaven Rail Terminal (BRT) in Yaphank, east of Holtsville in Long Island’s Town of Brookhaven, served by NYA.

Pratt and Watral will build the complex [on land leased from Sills Road Realty—see ‘Stone Moves’ article], Landbridge will operate it, and US Rail, operating as a tiny short line on 18,000 linear feet of track (about 3.4 miles), will interchange with NYA to switch the facility.

According to filings with the STB, BRT is targeting traffic of 500,000 tons per year of crushed stone. The joint venture has completed a “Stipulation of Settlement” agreement with the Town of Brookhaven and Sills Group which was filed with the Board on 26 April {page 10}. {David Winzelberg Long Island Business News 19.Mar.10}

‘One principal customer, Sills Road Materials, will be serviced by the Terminal.’ {affidavit of Gabriel Hall, president of US Rail, in support of a petition for a temporary restraining order against the STB’s order to cease construction activity at the Yaphank signed 8 November 2007 in action in US Court of Appeal for the Second Circuit, attached to US Rail 2 May 2008 Petition for Clarification of STB’s order to cease, STB website, filings page, Finance Docket No. 35036}

Existing rail traffic: ‘LIRR commuter train service passing the proposed project area consists of four daily westbound trains (into NYC) and four daily eastbound trains (out from NYC). Weekend daily service consists of two westbound and two eastbound trains (MTA 2009). NY&A operates local freight service along the LIRR mainline, which provides approximately ten freight movements per week (five in each direction)....

‘U S Rail expects that the proposed rail line and related rail facilities would initially handle between 5,000 and 6,000 inbound aggregate railcars annually. U S Rail proposes to move an average of six trains per week: three inbound trains, each consisting of approximately 40 to 50 railcars of aggregate delivered to the BRT, and three outbound trains per week consisting of 40 to 50 empty railcars. {page 4} {STB website, decisions page, SEA decision Finance Docket No. 35141 26.July.10}

No solid waste

‘U S Rail also has specifically agreed to not handle solid waste [or C&D] at the BRT site. In its “Stipulation of Settlement” with the Town of Brookhaven, U S Rail has agreed that “operations at the Property shall not include the collection, sorting, separation, processing (including but not limited to, baling, crushing, compacting and shredding), incineration, treatment, management, disposal, transport or transfer of solid waste and construction and demolition debris unless required under federal law or regulations.” {page 8}
Rawson distinguished between a quarry, which uses drilling and blasting, and his pits, from which his workers excavate the sand and gravel which he provides.

O & G: POSSIBLE HRRC ORIGINATOR?

O & G Industries Inc, with headquarters in Torrington, operates 12 sand pits and stone quarries in Connecticut. It moves no stone by rail at this point. It has a spur into its Milford plant served by PW [see 07#09B], and is negotiating to build a spur into its quarry in New Milford on HRRC [see map in 10#06B for locations].

Current crushed stone goes to Tilcon, as well as to customers. “O & G is our biggest competitor as well as our biggest customer,” said Frank Lane of Tilcon. “We supply stone by barge to some of their coastal asphalt plants.”

The New Milford facility

Rian Nemeroff, HRRC vice-president sales and marketing, reported that the New Milford quarry [see map in 10#06B] has 360 acres on Boardman Road and the HRRC line. The former Advance Stone Inc, owned by the Kovacs brothers, was purchased by O&G in 2006.

‘Initially, there was not much interest in a rail siding but that assessment changed within the past year. O & G was producing sand for local consumption. Now, with investments in crushing and processing equipment, the quarry has excess capacity and a desire to expand its reach to new customers.’

Nemeroff anticipated that if the two sides agree, rail service would start in 2011. {e-mail to ANR&P 29 July.10}

US Rail not related

The group proposing the creation of the BRT initially sought to create the Suffolk and Southern Rail Road in 2007. When that effort undertook construction activity before the Board okayed the railroad {STB website, decisions page, Finance Docket No. 35036, 20 Dec. 07}, the group in effect restarted with US Rail.

‘Sills originally intended to develop the BRT as a rail facility to serve the needs of Sills Group and third parties, and designated Suffolk and Southern Rail Road (“Suffolk”), a newly established non-carrier affiliate, to build and operate the BRT. Due to changed circumstances, Sills entered into an agreement with U S Rail to build and operate the BRT as an exempt spur. However, the Board ruled the trackage subject to its jurisdiction, and invited U S Rail to apply for construction authority.’ {US Rail Petition for Exemption, STB website, filings page, Finance Docket No. 35141 7 Aug. 08}

US Rail, located in Toledo, Ohio, operates six short lines in the eastern United States. The BRT would become its seventh. {US Rail website}

PW: STONE BY RAWSON

April, Newport RI. A NEW MOVE OF CRUSHED STONE TO LONG ISLAND was described by Jeff Rawson, principal of Rawson Materials, to a session of the North East Association of Rail Shippers spring meeting here.

Background

Rawson Materials was started by his grandfather in 1947. It operates five pits in Connecticut: two in Putnam, one in Brookline, and two in Plainfield, one of which is served by PW on the Moosup spur. He has customers in Connecticut, Massachusetts, Rhode Island, and most recently in New York. Asked how far he thought he could reach, Rawson said, “New Jersey.”

In 2003, Rawson built a spur off PW’s line in Plainfield, and added two tracks which could hold 60 cars.

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6Rawson distinguished between a quarry, which uses drilling and blasting, and his pits, from which his workers excavates the sand and gravel which he provides.
Not until 2009 was he able to use rail. First he had to find the customers, and then they took time to develop. He used bucket loaders to load the open-top hoppers, leased from O&G [see box in ‘Stone Moves’ article], and discovered the existing tracks were not the most efficient way to use rail, so he built a third, 24-car track. That reduced the loading time by 50%.

Finding customers on Long Island
Until 2008, Rawson customers had no requirement of rail. That year, two customers on Long Island, Sky Materials and Astro Masonry, contacted him about receiving crushed stone by rail. Rawson told the audience that he “competes with Tilcon NY, which delivers by barge” to Long Island. He does not compete with Tilcon Connecticut, which until now has been the only customer for PW’s move into Long Island.

Traffic
By the end of 2009, 22% of the Rawson traffic was moving by rail, a total of 1900 carloads, and this increase has continued. “The March [2010] numbers are staggering,” Rawson told NEARS. Rail congestion is a problem, because of the commuter rail on Long Island (PW interchanges the cars with the New York and Atlantic Railway), and the intercity plus commuter traffic on the Northeast Corridor.

Customers in Long Island
Sky Materials, headquartered in Calverton NY, operates a terminal on Maspeth Avenue in Queens, 130 miles from the Rawson pit. It has an undertrack conveyor and can “unload in half the time I can load.”

Astro Masonry & Supply Corporation, Rawson’s other Long Island customer lies 170 miles away at 879 Long Island Avenue, Deer Park.

Rail advantages
Rail has four advantages, said Rawson. First, the move costs less, 70% of truck. Second, equipment costs less: a railcar costs $85,000, a truck $140,000, and the railcar lasts much longer. Third, efficiency: railcar moves 100 tons, a truck 25 tons.

And finally, public relations. “I have yet to receive a phone call from a citizen, telling me one of my railcars just went by.” {ANR&P coverage}

August numbers update
Whereas in 2009 Rawson sold 161,000 tons of stone by rail, Rawson reported that by 19 August 2010 he had sold 190,000 tons. {e-mail to ANR&P 19.Aug.10}

PW/NYA: QUICK TURN
24 August, Fresh Pond. NYA CAN TURN STONE CARS WITHIN 16 HOURS, according to Paul Victor, NYA president, and Marie Angelini, PW general counsel.

PW’s 2Q10 quarterly report to the SEC noted that its aggregate shipments to Long Island increased in part due to ‘[a]dditional infrastructure investments by one of the Company’s aggregate shippers combined with enhanced operational coordination between the Company and the destination rail carrier.’ [See 10#08A]

Angelini explained that PW crews move a loaded stone train to Fresh Pond, and there take their required rest while the cars are moved to the receiver, unloaded, and returned to Fresh Pond.

Victor noted: ‘When the shipper/consignee request this turn we can normally accommodate them. The P&W crew’s programmed rest is normally extended to up to 16 hours. {e-mails to ANR&P 23-24.Aug.10}

Work for Rawson
While neither railroad official would identify the consignee, Rawson’s receiver, Sky Materials, would fit this description. It is located not far from Fresh Pond [see map in ‘Stone Moves’ article], and has recently installed
quick unloading equipment. Thus NYA could move the cars to Maspeth Avenue in Queens; Sky Materials can unload them; and NYA can return them, in under 16 hours.  {editor}

MAINE

MMA: THE WAIT CONTINUES
1 September, northern Maine.  ONLY ONE ISSUE REMAINS BETWEEN THE STATE AND THE RAILROAD, both Nate Moulton, MDOT, and Bob Grindrod, MMA president, reported in late August.

Three others involved with the situation believed the two sides are stuck on the question of trackage rights.  Reportedly, the two sides were ready to announce a decision in early August, but that did not work out.

The STB status: why no decision yet?
Normally, the Board makes a decision on abandonments within 110 days of the filing. MMA filed on 25 February. On 17 March the STB published the Notice of Exemption, and set the decision date on or before 15 June, with full OFAs due 10 days after the decision is issued—see 10#03B.

On 26 April, the Board pushed the decision date three weeks later to give mediation a chance.

On 18 June, the parties reported they were at loggerheads. MMA requested a decision by 9 July. 7

On 22 June the Board announced it would hold a public hearing, and ‘issue a decision as soon as practicable after the hearing’ on 7 July. [See 10#06B–emphasis added.]

On 23 July, the Board accepted the state’s Offer of Financial Assistance, noting that the amount of $18 million fell below MMA’s value of $26 million. The Board then tolled [suspended—editor] the remainder of the OFA process until it made a decision on the merits of the abandonment, including the question of trackage rights.

By 3 August [see 10#08A], 10 parties had filed comments on whether the Board had the authority to impose trackage rights as a condition of granting the abandonment.

[Whether the new operator would have trackage rights, or haulage rights, or neither to reach interchanges with other railroads clearly affects the value of the property. Thus the state, or any other party seeking via the OFA to purchase the property, would want that issue clear from the Board’s decision to grant the abandonment.

Your editor surmises that the Board has its decision close to ready, but is hoping that MDOT and the state will reach a decision.]

What will the shippers contribute?
As part of the politicking to get the Maine Legislature to agree to the $7 million bond package, Governor Baldacci said the shippers would chip in $3 million [see 10#04A]. Now that offer may change.

Arkon Horne, controller for Fraser Timber, said on 1 September that the offer hasn’t been discussed for some time, particularly given the possibility of TIGER II grant funds [see box].

Denis Berube, director of planning and transportation services for the Northern Maine Development Commission in Caribou, said he believed a commitment to provide $3 million in cash was dropped. “Shippers have made verbal promises to increase shipments, if they can get better service. But there is nothing in writing.”

Berube noted that one shipper, which made up 30% of the entire traffic on the line is still planning to put

7 Against this backdrop, MMA seeks clarification of the May 25 decision and asks the Board to issue a decision on the merits of the application by July 9, 2010. The railroad asserts that it is losing significant sums keeping the line in service. It notes that the Board has adopted the practice of issuing a decision on the merits of an application 110 days after the submission is filed. This approach, notes MMA, allows offerors to file an offer of financial assistance (OFA) within 120 days of the application being filed in accordance with 49 U.S.C. § 10904(c). (Board decision 22 June)
its entire move on CN via Edmundston. Without that fraction of the $3 million, the other shippers would have a
difficult time getting to $3 million. Berube hoped that if good service emerged, the shipper would return to the
MMA.

Also, he said, “the shippers are standing firm on the notion that whatever deal that’s to be struck with the
railroad has to have long term viability. No one wants to go through this abandonment again in two to three
years.”

The offer of a shipper contribution may take the form of a revenue or volume commitment.

More funding available?
In August, the state submitted a TIGER II grant application [see box].

Also, US Senator Susan Collins (Republican, Maine) has inserted a $3 million earmark in the FY11
Transportation, Housing, and Urban Development Senate Appropriations bill.

After the summer recess, the Appropriations Committee will vote on the bill and pass it to the full Senate.
The full House passed its version of the bill HR 5850, at the end of July. Then the two bills must be reconciled. {various websites}

Who will operate?
Berube noted that one shipper might end up as operator. Horne acknowledged that Irving had expressed interest
in becoming an operator. [The company in April proposed a group of shippers hire an operator, possibly EMRY,
NBSR’s sister company in Maine. See 10#04A].

Nate Moulton, MDOT rail administrator, said he had a list of 15-20 parties who expressed interest in
operating. Some called every week or so to get an update; others continued to express interest when they talked
to the department on other issues. Many are “very well-established companies.”

He surmised that when the state issued an RFP, out of that group he would a good number of actual
proposals. {ANR&P discussion 31.Aug.10}

More on Fraser
Fraser Timber owns two mills in Ashland and Masardis, served by MMA on the line it proposes to abandon,. In
a normal year, Horne said, they produce more than 160 million board feet of lumber. Approximately 70%, or
about 900 railcars’ worth of lumber, moves out by rail.

The mills’ rail customers are wholesalers in the eastern and southern United States; Fraser best competes
in those markets by direct rail. The wholesalers like to buy 600,000 to 700,000 board feet at a time, to serve
their markets and also to hedge against price moves. That amount can fit into about six railcars; the Ashland
mill spur holds five railcars and the Masardis mill six.

Currently, only the Masardis mill is operating, and sending out 60 to 65% of its production by rail. In the
depth of the Great Recession, only 40-45% of then much-lower production moved by rail. {ANR&P discussion
1.Sep.10}

TIGER II
MDOT Commissioner David Cole and others said in April that federal officials would look more kindly on
another application for funds, under the second round of TIGER (Transportation Investment Generating
Economic Recovery) funding.

In August, MDOT filed an application for $10.5 million in TIGER II, toward a total project cost of $29.6
million. The department would use $19.1 million in state funds, some from the $7 million bond passed in June,
to purchase the trackage, and the $10.5 million in federal funds to rehab the track.

8 Most likely Twin Rivers Paper, formerly Fraser Papers, the Madawaska facility. Editor
Rehab breakout

The application shows that the main line, the Madawaska subdivision, would consume $6.9 million, including:

1. 1 million for replacing four miles of rail; 3.6 million for ties and resurfacing; 1.4 million for ditching and drainage; 0.8 million for rail anchors. The Houlton sub would take 0.6 million; the Presque Isle sub 0.8 million; the Fairfield sub 0.3 million (to Easton only); Limestone sub 0.5 million (to Caribou only).

Adding a 15% contingency reaches the total $10.5 million.

Benefits

MDOT claimed a operational efficiency benefit of $3500/mile per year from reduced maintenance costs and increased revenue from an additional 3644 carloads per year. Reduced highway maintenance, by taking 12,574 truck trips per year off the highways, came to only roughly $40,000 per year, total.

Timing

Assuming an award in September, MDOT estimated it would issue bids in March 2011, award bids in April, start construction in May, and complete it in October 2011.

Result: On the Madawaska subdivision, ‘primarily FRA Class 3 track, with the goal of average transit speeds of more than 30mph.’ and on the other subdivisions, ‘a solid FRA Class 2 condition’. {MDOT website, TIGER II application}

AMTRAK MAINE: CONSTRUCTION SNAG*

23 August, Brunswick. FOR WANT OF A NUT, MONTHS WILL BE LOST. ST crews began emplacing continuously-welded rail between Portland and Brunswick. [see 10#08A], temporarily jointing the 1,650-foot sections using railbars fastened to the rail ends with bolts and nuts. The last has become a problem, according to NNEPRA Executive Director Patricia Quinn at a recent NNEPRA board meeting.

NNEPRA had awarded a contract for the required square nuts to L.B. Foster an American distributor, who sourced the nuts (unknown at the time to NNEPRA) from China. Under the American Reinvestment and Renewal Act (ARRA) which is funding the project, all parts of the project must have been produced in America. The foreign-manufactured nuts are readily available, but in order to comply with the grant, NNEPRA made an attempt to locate an American manufacturer, and thought with LB Foster it had found one.

US-produced nuts will cost $5.00 to $17.00 each versus 63 cents for Chinese. Pan Am crews need 3,360 for immediate use that would cost an estimated $60,480. Any purchase over $3,000 requires a bid for a contract. Delivery for custom manufactured nuts in America would be in the winter. This would shut down the project until next spring, cutting 200 jobs until then, said Wayne Davis of Trainriders Northeast, the passenger rail advocacy group.

NNEPRA is seeking a waiver from the FRA to use the Chinese-made nuts. The FRA is aware of the urgency of the situation and the NNEPRA is expecting to hear from the FRA in a timely fashion. {Davis discussion with ANR&P’s Chuck Hastings 26.Aug.10; summary of board meeting from trainriders website}

Rail arrivals

Four shipments of 115-pound standard continuous welded rail are being delivered by L.B. Foster's company-owned weld train to the Maine project in lengths up to 1,600 feet between July and October 2010. {http://www.lbfoster.com 5 Aug. 10}

Two rail trains have arrived, and a third is expected to arrive within one week. {ANR&P’s Chuck Hastings observations}
ST/FORE RIVER: REBUTTAL*  
25 August, DC.  *ST ARGUED THAT THE DEMURRAGE CHARGES WERE JUSTIFIED AGAINST FORE RIVER,* in its rebuttal filed this day [see 10#08A]. ‘Presently before the Board are demurrage charges for railcars delivered to Fore River during the period of April 29,2006 through August 2006 - totalling $108,900.00.’  
  
ST explained that during May 2006, International Paper’s mills in Jay and Bucksport consigned to the railroad an increasing number of railcars loaded with roll paper. Fore River has an 18-car siding at its Portland facility, which meant it can unload up to 18 carloads a day, or a total of 378 carloads during May [apparently reasoning that Fore River could operate only 22 days during the month, but that ST would lift all 18 empty cars every day]. Fore River only achieved a throughput of 243 carloads so with a hundred-car backup at Fore River, ST embargoed the facility on 30 May [but cancelled the embargo on 15 June–see 06#06B].  
  
ST offered to switch the facility seven days a week, but Fore River refused the offer, and refused to expand its hours to unload the backlog. Cars left at the facility for more than two days began to incur demurrage charges.

Fore River is a consignee  
The case, as Fore River argued in its reply, turns on whether Fore River is a consignee of the paper. ST argued: ‘Fore River had the ability if it so desired, to directly request that IP, the consignor, either divert or delay the delivery of further railcars to its facility. For apparent business reasons or because of a concern that to do so would be a breach of the Warehouse Operating Agreement, Fore River elected not to threaten its relationship with IP by making such a request, choosing instead to force STRC to issue an embargo.’

Demurrage charges are reasonable  
Responding to Fore River’s contention that the charges are unreasonable, ST noted that it did provide 21 switches during May. {STB website, filings page, NOR 42108}

ST: NO OIL MOVE*  
17 August, Madison, Maine.  *THE MADISON PAPER MILL WANTS TO CONSTRUCT A BIOMASS BOILER* and reduce oil consumption, said Russ Drechsel, president and CEO of Madison Paper Industries, to a hearing here.  
  
While the mill has rail for inbound raw materials and outbound product, it trucks the oil to the tune of 500 moves a year. The biomass facility, costing perhaps $25 million, would cut oil need in half.  {Erin Rhoda in Waterville Morning Sentinel 18.Aug.19}

Why not rail?  
Later, Drechsel explained that the mill did receive oil by rail in the 1970s. At that point, the facility footprint expanded, and the area for receiving oil by rail was eliminated. The mill went to truck, which keeps the oil moving through reduced oil storage capacity.  {discussion with ANR&P 23.Aug.10}

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MASSACHUSETTS

MCER: MORE ON TINY RAILROAD  
26 August, DC.  *THE BOARD ISSUED A ‘HOUSEKEEPING STAY’* this day. ‘A housekeeping stay of the effective date of the exemption will be entered to permit ABC & D additional time to reply to the Town’s petition and to provide the Board sufficient time to fully consider the issues presented by the petition. See 10#08A.’
‘ABC & D’s request to file a reply to the Town’s petition no later than September 7, 2010, is reasonable and unopposed, and therefore will be granted. ABC & D’s suggestion, however, that a stay remain in effect until September 27, 2010, is rejected. Instead, the stay will remain in effect pending further order of the Board. The Board will address promptly the Town’s petition in a separate decision after it has fully considered the issues that the Town has raised, as well as any issues that ABC & D raises in its reply.’ {STB website, decisions page, Finance Docket No. 35397}

ST: NET UPDATE

23 August, DC. NEW ENGLAND TRANSRAIL WILL ‘PURSUE ITS PETITION FOR EXEMPTION’, it wrote in response to the Board’s request for a status report on its effort to form a tiny railroad in Wilmington and Woburn, Massachusetts [see 10#08A].

‘NET respectfully requests that the Board complete its environmental review and approve NET’s Petition to develop a general transloading facility handling multiple commodities, as described in Sections 2 and 3, below. At this time, NET will not transload solid waste at the facility unless it obtains all legally required approvals to do so in the future.’

NET reported that the EPA evaluation of the site is proceeding, and that it plans a general transload for multiple commodities.

‘Should NET decide to develop and operate a solid waste rail transfer facility in the future, that facility would be separate, distinct, and in addition to NET’s other transloading facilities. To the extent that NET determines that it is feasible to transload solid waste, that portion of NET’s activity at the site would be deemed a solid waste rail transfer facility under the CRA [Clean Railroads Act], 49 U.S.C. § 10908, and in connection therewith NET would comply fully with the requirements of the CRA. In accordance with the CRA, NET reserves the right to petition the Board for a land-use-exemption permit should the need arise.’ {STB website, filings page, Finance Docket No. 34791}

NEW HAMPSHIRE

MBRX/ST

25 August, Concord. MBRX AND ST WILL HAVE A HEARING on 29 September, according to a notice from the federal court, Judge Paul Barbardoro, on the MBRX motion for preliminary injunction to permit principal Peter Leishman to operate over three miles of ST track to serve customer Granite State Concrete. {PACER website, 1:10-cv-00264-PB}

Leishman wrote, ‘I’m very pleased to see we will have our day in court.’ {e-mail to ANR&P}

Additional Pan Am legal counsel

ST has retained Christopher Carter, James Ball, and now Michael J. Connolly of the Concord firm Hinckley Allen & Snyder. The firm’s website states that partner Connolly is a former federal prosecutor who specializes in high-stakes business litigation and white collar criminal defense, with emphasis on SEC and other governmental investigations and guidance to corporations in conducting internal investigations and implementing compliance programs. [Perhaps Mr. Connolly would like to conduct an internal investigation of Pan Am’s star chamber proceedings? See below. Editor]

No rules of law, no due process

Leishman has referred to the 7 April supplemental hearing where the hearing officer, George Thayer, ‘exhibited exceptional bias and unfairness towards the conduct of the proceedings, and in particular, against Mr. Leishman and in favor of Pan Am.’ {initial petition filed in New Hampshire Superior Court}

In particular, when Leishman’s attorney Craig Donais asked for the rules of the hearing, the following
colloquy took place:

**Donais:** It’s typically a fundamental question of due process of whether there are written rules or not.

**Hearing Officer:** Well there is no due process in a railroad investigation sir. You’re a lawyer by trade is that correct?

**Attorney Donais:** That is correct.

**Hearing Officer:** This isn’t a trial. This isn’t a courtroom. The rules of law don’t apply here. I’m in charge of the Hearing, I ask the questions, I let other people get involved. {hearing transcript, page 6}

**NEGS: LEAVING CONCORD**

31 August, Concord. *THE LAST NEGS TRAIN LEFT*, with the GP39-2 2370 leading three covered hoppers, four empty bulkhead flats, and B&M caboose C127. {Jacob Mayo in Guilfordsightings e-list}

**New name: Concord Industrial Track**

Per PAR Supplemental Order No.1-08F 9/01/10

Following addition is made to Page 142 of the Timetable No.1: Concord Industrial Track extends from Bow to MP N47. The direction from Bow to MPN47 is north. Permission to occupy the Concord Industrial Track must be obtained from District #2 T.O.M.

Following changes made to Page 111 of Timetable No.1: Replace reference to New England Southern Railway Co. with "Concord Industrial Track".

**STB filing**

NEGS attorney Keith O’Brien of DC firm Baker & Miller e-filed on 30 August:

‘This to advise that in accordance with the Board’s Decision served April 30, 2010 New England Southern Railroad (NES) is discontinuing its operations and service....effective September 1, 2010. NES has notified all affected customers of the discontinuance of its service.

NES has continued service over the line to this date at the behest of Pan Am by reason of a temporary shortage of motive power and to accommodate on-going training of replacement crews which will be utilized by Springfield Terminal Railway to serve the active customers on Pan Am’s line between Concord and Manchester and to effect interchange with NES at Concord to assure continuation of responsive service for existing and future customers on the connecting White Mountain Line which is operated for the State of New Hampshire by NES.

In accordance with representations made in the above proceeding, NES anticipates that Pan Am will station a crew in Concord to serve customers on the line between Concord and Manchester and to facilitate interchange with NES as needed to meet the requirements of shippers.’ {STB website, filings page, AB 32 (Sub No.100)}
PRESS RELEASE to "RAILS & PORTS" for Monday, August 30th:

Pan Am has notified NES that effective Sept. 1st, ST will assume rail operations Concord-south to Manchester. (NES will continue its service over the White Mountain Branch.)

Per the representations by Pan Am in their filings for the Adverse Discontinuance @ the STB, NES understands ST will base a crew @ Concord (CO1), provide five day a week service to customers @ Bow, Concord, and interchange with NES there.

In light of the greatly diminished service by ST to NES in August (six interchanges, one ten, & one seven days apart), and in most of 2010 for barely twice a week, NES, the NHDOT and shippers understandably awaiting the "improved service" (over that of NES), as they promised. As the STB indicated in its decision approving the change to ST: "we will hold them (Pan Am) to their assertions." So too must shippers.

This is particularly important since NES has been working with the Wildwood Reload/MassCentral Railroad owner to establish Wildwood NORTH Reload @ Canterbury, NH where NES has made extensive improvements, including a new 550 foot siding along with a steel dock system on an existing 850 ft. siding. A new warehouse building is pending a believable commitment of frequent service to NES @ Concord. It is important to note that a good deal of the traffic @ the MCER Wildwood would have been located on a 42-acre site just four miles south of Canterbury back in 2006, but NES and the then developer (Pondelli) were not able to secure an adequate service level from Pan Am. Now with their STB representation of five day a week service, NES and Wildwood have embarked on the on-going effort. Several meetings have been held with Pan Am, the DOT @ Concord, South Barre and North Billerica. The proposed Wildwood North would not see any traffic moved from the MassCentral --it would be new traffic to NES, and obviously Pan Am, since it is NES’s only connection. The location in Canterbury, is right @ exit 18 of I 93. NES has staked its future, as is the case with a number of rail reload users, who have looked @ the site and worked with Mr. Pondelli to locate there. Our efforts continue . . .

. . . Contact Mr. John Pondelli for the reload perspective.

Disclaimer: Pete Dearness is an officer of the MassCentral (Director and VP Special Projects). He is not so connected to the Wildwood Reload, which is not a part of MassCentral.

Background Info: NES, established in 1981 began rail service over the White Mountain Branch in August, 1982, followed by service over B&M Northern main line to Manchester in July, 1985 (28 & 25 years respectively)! NES had an operation in Chicopee, MA, and has done track work in MA, ME, NH, and VT.
CBNS: NO DECISION

30 August, Halifax. **THE LENGTH OF TIME TO EXTEND THE GOVERNMENT SUBSIDY** for the money-losing section on Cape Breton is a key issue in discussions with the province, said Peter Touesnard, northeast regional vice-president for RailAmerica.

CBNS applied to the provincial government for a five-year extension of the subsidy program that expired 31 March 31. The railway was getting $2 million a year over five years to help offset costs of operating the section of line between St. Peter’s Junction and Sydney.

Touesnard said in late June only a few details remained to complete the deal. {See 10#06B.]

**Minister’s views**

However, Percy Paris, minister of economic and rural development, said in mid-August that if there is a subsidy it will be for less money and for a shorter period of time. {Halifax Chronicle Herald 19. August. 10}.

“Since his comments I spoke to the province and I would say that is probably not an accurate depiction of where the province is on this. We are in ongoing discussions with the province and anticipate this will all work out,” Touesnard said on 30 August.

“I think we are very much in that educational stage with them but I have heard nothing about a reduction in money. In terms of a subsidy we have asked for the same amount as previously, approximately $2 million a year.” {In discussions with ANR&P’s Tom Peters}

**Decision soon?**

Government spokesperson Toby Koffman expected a decision soon. “Cabinet has directed staff to continue work on the file. That work is proceeding and they expect to bring results back to cabinet soon but from a department’s perspective it would be inappropriate to speak to any details before an agreement is in place.”

He described the effort as a normal review process following a request for funds. Since the line has level crossings, NSDOT is also involved in the review.

“There have been no outside experts brought in to look at this request and normally we don’t do that. We have staff within the department that look at that.”

Asked if the request competed with other requests for government money, Koffman said, “I can only tell you generically there is always competition for funds but we try to choose the right investment to maximize our benefits to the province over the short, medium or long term.” {in discussions with Tom Peters 30 & 31. August. 10}

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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.*

ABC&D (MCER, Massachusetts) New tiny RR?  
Apple Ready Mix (NYA, New York) From Tilcon.

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**New to the region? This helps:**

**RAIL FREIGHT FACILITIES IN NEW ENGLAND**

Malcolm Laughlin, editor  
Chop Hardenbergh, publisher

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**NEW ENGLAND RAIL DIRECTORIES**

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**A directory of the 760+ shippers, receivers, transload facilities, and intermodal terminals on the rail lines.**
Arriva Ready Mix (NYA, New York) From Tilcon.
Astro Ready Mix (NYA, New York) From Rawson.
Brookhaven Rail (NYA, New York) Proposed stone.
D.A.Collins (D&H, New York) Two stone transloads.
Fore River (ST, Maine) At STB versus ST.
Fraser Timber (MMA, Maine) Wants better service.
Madison Paper (ST, Maine) No inbound oil.
New England Transrail (ST, Massachusetts) New tiny RR?
Prima Asphalt (NYA, New York) From Collins.
Rawson (PW, Connecticut) Startup doing very well.
Sky Materials (NYA, New York) Receives from Rawson.
Wildwood Reload (NEGS, New Hampshire) ST service.

PEOPLE

John Schultz, formerly MMA vice-president of transportation, has taken Bernie McCall’s old job as Pan Am Southern general manager. Per Pan Am Railways Bulletin Order No.1-08E effective 8/30/10: ‘General Manager West - J.W. Schultz (replaces Acting General Manager West LL Ferguson). Superintendent West - H.T. Raven (replaces C.M. Sampson). LL Ferguson returns as Director of Train Operations’
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Purpose

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

E-ISSUE